

ANAROCK

VALUES OVER VALUE



**REALTY
NEWS
ON-THE-GO**

2019

DEC EDITION



India's GDP growth slowed down to 4.5% in the second quarter of FY20, which is the slowest growth since Q4 FY13. To strengthen the weakened consumption cycle, RBI kept the repo rate unchanged to 5.15%. The Repo rate now stands the lowest in the last 9 years.


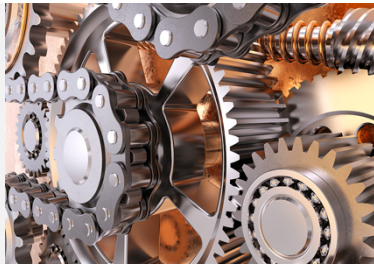

The government has created Alternate Investment Fund to provide last-mile funding to stalled projects. While this is a welcome move, the impact that will be created yet needs to be seen. As of now, the real estate sector, mainly the residential segment continues to grapple with low consumer sentiments. The buyers are freely hunting for the best deals and are enjoying the luxury of time in a slothful market scenario. Commercial real estate performed better than residential real estate as most of the private equity inflows in the country are directed towards the commercial assets.

The recent measures can produce favorable and desired results in the coming quarters. The government's concentrated efforts to promote affordable housing is likely to trigger interest from the private equity investors in the coming years. While the margins may be low and the returns may not be attractive, the sheer volume in this segment is capable to generate interest.

I hope that this first edition of monthly 'REALTY NEWS ON-THE-GO' connects with each one of you and is a good read. Watch out for our next edition with more updates next month. Always happy to hear from you.



Prashant Thakur
Director & Head
ANAROCK Research

1	<p>S&P BSE SENSEX</p> <p>41,254 31st December 2019</p> <p>40,794 29th November 2019</p>	
2	<p>S&P BSE REALTY INDEX</p> <p>2,281 31st December 2019</p> <p>2,167 29th November 2019</p>	
3	<p>Currency Conversion Rate (US\$ to INR)</p> <p>INR 71.29 31st December 2019</p> <p>INR 71.77 30th November 2019</p>	
4	<p>Currency Conversion Rate (€ to INR)</p> <p>INR 80.04 31st December 2019</p> <p>INR 79.07 30th November 2019</p>	
5	<p>Foreign Exchange Reserves</p> <p>US\$ 457.5_{Bn} 27th December 2019</p> <p>US\$ 393.4_{Bn} 27th December 2018</p>	
6	<p>Repo Rate</p> <p>5.15% 31st December 2019</p> <p>5.15% 30th November 2019</p>	
7	<p>Gold Rate on MCX (INR/10g)</p> <p>INR 38,971 31st December 2019</p> <p>INR 37,763 29th November 2019</p>	



NEWS ROUNDUP

Residential



- 01** As per the recent announcement, constructions of individual homes of less than 200 sq mtr on 3 cottah plots will no longer require the building plan to be sanctioned by the civic authority in Kolkata. [Read More](#)
- 02** Under Prime Minister Uday Yojana, the residents of unauthorized colonies in Delhi have been given authorized ownership of their properties by the Delhi Development Authority. [Read More](#)
- 03** Under the 'Mukhyamantri Aawas Yojana', over 65,000 families residing in slum clusters in Delhi have been handed over ownership certificates for the allotment of pucca houses and to ensure that their jhuggis will not be demolished by any authority. [Read More](#)
- 04** Keppel Land entered into a joint venture with Rustomjee Group to develop an integrated township project spread over 127-acre in Thane near Mumbai. Keppel Land will be acquiring 49% stake in the joint venture company Kapstone Constructions for approximately INR 410 cr. [Read More](#)
- 05** Godrej Properties Ltd. (GPL) will jointly develop two new projects in Mumbai Metropolitan Region while one will be developed in Bengaluru. In a joint venture with Nisarg Nirman Developers, the company will develop 6.4 acres land parcel in Ambernath. GPL has also entered into a joint venture to develop a township project of over 100 acres in Navi Mumbai. [Read More](#)
- 06** Piramal Realty plans to invest INR 3,000 cr to develop 22 lakh sq ft in Mahim, Mumbai in the next few years. The project will be developed jointly with Omkar. [Read More](#)
- 07** JSW Group partners with Suraksha Realty to complete stalled Jaypee projects. JSW Group will provide financial, technical and strategic support to Suraksha Realty for the project. [Read More](#)
- 08** Puravankara forayed into a uber luxury real estate segment under the Purva WorldHome collection brand, targeted at a niche demographic of home buyers. It planned to add 3-4 properties in next 1-2 years in this segment across Chennai, Mumbai and Bengaluru. [Read More](#)
- 09** GIC has planned to invest around INR 430 cr in the Prestige Estates through a preferential issue of equity shares. GIC-managed investment firm Gamnat Pte is expected to acquire 13.4 million equity shares of the Prestige Estates at INR 323.22 per share. [Read More](#)
- 10** Lucknow Development Authority is expected to construct around 300 high income group flats in Vibhuti Khand area of Gomtinagar in Lucknow. The flats will be allotted through a draw. [Read More](#)



NEWS ROUNDUP

Commercial



- 01** Mercedes-Benz has leased 3.5 lakh sq ft of commercial space for its R&D centre in Brigade Tech Gardens, located in Bengaluru's eastern peripheral area of Brookfield, on a 15-year long-term lease. The office space has the capacity to accommodate around 3,500 employees. [Read More](#)
- 02** WeWork leased nearly 2.3 lakh sq ft office space at Nesco IT Park in Goregaon, Mumbai on a 10-year long-term lease. The company has picked up eight floors on a monthly rent of INR 144/sq ft, taking the total annual payout above INR 39.2 cr. [Read More](#)
- 03** ABL Workspaces invested INR 7 cr to take 40,000 sq ft office space on lease to start a new co-working centre, comprising 800 seats, in Noida. Starting with 50 seats in 2017, the company now has 5,000 seats and is targeting 15,000 seats by the end of 2020. [Read More](#)
- 04** Google signed a lease deal with Simpli Work for a 4.5 lakh sq ft area in Gurugram to expand its operations. The facility is expected to be operational by 2020 and can accommodate at least 4,000 people upon completion. [Read More](#)
- 05** Godrej Fund management had entered into a partnership with the Century Group to develop a commercial asset in north Bengaluru spread over 10 acres with a development potential of 2-3 million sq ft. The asset is estimated to cost around INR 700 cr. [Read More](#)
- 06** J.P. Morgan signed a long-term lease and license agreement with Nirlon to take 1.15 million sq ft of office space at Nirlon Knowledge Park in Mumbai. The space is expected to be delivered by the second quarter of 2021. [Read More](#)
- 07** Indiabulls Real Estate has agreed to sell commercial projects in Mumbai and Gurugram to Blackstone for an estimated value of INR 810.7 cr. [Read More](#)
- 08** Allianz-Shapoorji joint venture acquired nearly 2.5 million sq ft IT SEZ property Waverock in Hyderabad for around INR 1,800 cr from GIC-Tishman Speyer joint venture. The property earns annual rentals of INR 140 cr to INR 145 cr. [Read More](#)
- 09** Logix Group raised INR 540 cr from IndusInd Bank through a lease rental discounting transaction on two of its commercial office space projects. Both the properties, Logix Cyber Park and Logix Techno Park, are located in Noida. [Read More](#)
- 10** A non-banking finance company of Aditya Birla group sold an under-construction commercial property near Vaishnodevi Circle in Ahmedabad for an estimated revenue of INR 55 cr. [Read More](#)



NEWS ROUNDUP Industrial & Warehousing



01

Welspun Group Promoters have acquired majority stake in warehousing platform - One Industrial Spaces. Post the acquisition, One Industrial Spaces will be re-branded as 'Welspun One Logistics Parks'. [Read More](#)

02

Blackstone Group has entered into a joint venture with Hiranandani Group to build, own and operate Industrial, logistics and warehousing assets across India. Both the entities combined are expected to invest over INR 2,500 cr initially to develop the 12 million sq ft industrial and warehousing assets portfolio of Hiranandani's logistics venture GreenBase and additional assets built up coming through acquisitions of land or warehousing assets in other locations. [Read More](#)



NEWS ROUNDUP Retail



01

Lodha Group is trying to raise about INR 1,500 cr through the monetisation of two commercial assets. One of the two assets are Lodha Xperia Mall in Palava City, Mumbai while the other is expected to be from its under construction commercial portfolio of around 9 million sq ft at locations including Thane, Lower Parel, Prabhadevi and Andheri. [Read More](#)

02

Tata Realty & Infrastructure sold two retail malls to Virtuous Retail for around INR 700 cr. Both the malls, which are situated in Nagpur and Amritsar, have over 1.1 million sq ft of retail space. [Read More](#)



NEWS ROUNDUP Infrastructure



01

The Uttar Pradesh government approved the expansion of the Aqua Line to Noida Extension and further on to Greater Noida's Knowledge Park V. The extension of Aqua Line will have 9 stations with an initial daily ridership of 1 lakh. The project is estimated to cost INR 2,682 cr. [Read More](#)

02

Zurich Airport International has been selected to develop Jewar airport. The construction is expected to begin in February 2020. Spread over 5,000 hectares, the airport is estimated to cost INR 29,560 cr. [Read More](#)

03

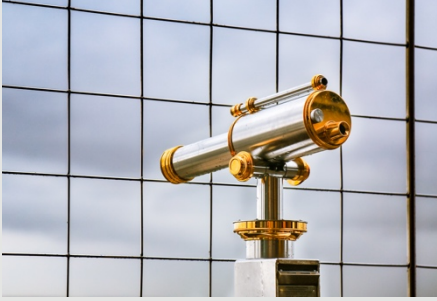
A business hub is expected to come up by next year in Sector 29 near to the upcoming Jewar airport. The project is likely to be spread over 500 acres out of which 200 acres has been allocated for a textile hub. A mall for micro, small and medium enterprises has been proposed on the remaining 300 acres. [Read More](#)

04

Spread over 530 acres, the proposed airport city at Kempegowda International Airport in Bengaluru is awaiting regulatory approvals. Once completed, it is likely to have an outlet mall, 25-acre retail dining entertainment village, live entertainment centre, luxury/business hotels, serviced apartments and 10-acre multi-level car parking facilities. [Read More](#)

05

Gurugram Metropolitan Development Authority has divided Gurugram into six sub-cities to facilitate citizens with better development. These sub-cities will be further divided into sectors to identify problems and propose solutions. [Read More](#)



NEWS ROUNDUP

Government & Regulatory



- 01** Kerala Real Estate Regulatory Authority has been formally launched on 1st January 2020. A public notice has been issued by K-RERA directing all the promoters, builders and developers to not advertise, market, book, sell or offer to sell apartments, plots of buildings from January 1, 2020 without obtaining prior registration from K-RERA. [Read More](#)
- 02** While the Alternate Investment Fund worth INR 25,000 crore will be funding to stuck housing projects, it prefers to invest in them through non-convertible debentures and hopes to generate 15-17% returns. [Read More](#)
- 03** The government may allow to pay current levies of goods and services tax (GST) without the mandatory payment of past dues for the companies undergoing resolution under the Insolvency and Bankruptcy Code. [Read More](#)
- 04** The government has amended the minimum land requirement and categorization of special economic zones. Now, the minimum land required to set-up a multi-product SEZ has been revised from 500 hectares to 50 hectares. [Read More](#)
- 05** Piramal Group and IIFL Wealth Management to create an Alternative Investment Fund of INR 2,000 cr to provide last-mile funding of real estate projects. [Read More](#)
- 06** The Noida Authority acquired around 100 acres of land in sectors 151 and 158. It is expected to auction plots in these sectors for industrial use. [Read More](#)
- 07** The City and Industrial Development Corporation collected INR 386 cr from selling 10 plots across Airoli, Vashi, Kharghar and New Panvel (West) in Navi Mumbai for residential and commercial development. [Read More](#)
- 08** Chandigarh Municipal Corporation increased the property tax by 20% on residential and commercial properties for the new financial year. This move is expected to earn extra INR 5 cr. [Read More](#)
- 09** The stamps and registration department of Nagpur reduced the stamp duty by 0.5%, which was being recovered for Nagpur Improvement Trust. [Read More](#)

About ANAROCK:

ANAROCK is India's leading independent real estate services company with a presence across India and the Middle East. The Chairman, Mr. Anuj Puri, is a highly respected industry veteran and India's most prominent real estate thought leader. The Company has diversified interests across the real estate lifecycle and deploys its proprietary technology platform to accelerate marketing and sales.

ANAROCK's services include Residential Broking and Technology, Retail, Investment Banking, Hospitality (via HVS ANAROCK), Land Services, Warehousing and Logistics, Investment Management, Research and Strategic Consulting. The Company has a unique business model, which is an amalgamation of traditional product sales supported by a modern technology platform with automated analytical and reporting tools. This offers timely solutions to its clients, while delivering financially favourable and efficient results.

ANAROCK has a team of over 1,800 certified and experienced real estate professionals who operate across all major Indian and GCC markets, and within a period of two years, has successfully completed over 300 exclusive project mandates. ANAROCK also manages over 80,000 established channel partners to ensure global business coverage.

Our assurance of consistent ethical dealing with clients and partners reflects our motto - Values Over Value.

Please visit www.anarock.com

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