Pulse

Monthly Real Estate Monitor

Market Highlights

MAY 2017

OFFICE INDEX

Office space demand continued to improve across most cities

RETAIL INDEX

Retail space demand improved in Bangalore, Chennai, Kolkata and Mumbai

RESIDENTIAL INDEX

Residential demand remained muted in most cities

Get city Pulse by clicking below

INDIA

AHMEDABAD | BANGALORE

CHENNAI | DELHI NCR

HYDERABAD | KOLKATA

MUMBAI | PUNE

Pulse

Monthly Real Estate Monitor

JLL

The Liquor Ban Real Estate Story - Highway To Hell?

With the recent Supreme Court ruling banning the sale of liquor from establishments located within 500 meters of the National and State highways, a new real estate dynamic is at play. F&B outlets located within malls and stand-alone restaurants located along 'within city limits' highways. Liquor shops and bars located along national and state highways beyond the urban jurisdiction of the city
In the category of organized F&B players with establishments located within urban jurisdictions in cities like Gurgaon, ingenuous methods to increase the distance from the highway have been arrived at.

In the rest of Maharashtra, the government has received proposals from Jalgaon, Latur and Yavatmal municipal corporations seeking to de-notification of highways, which have been approved.

In Pune, however, the municipal corporation has not yet sought to de-notify key highways. In this city, while some restaurants continue to function without liquor along the Mumbai-Pune expressway, some others are relocating to areas beyond the 500-meter limit because going 'dry' is simply not an option. The challenge is to maintain visibility and accessibility to transiting customers despite moving further inside the city. Hotels close to IT business hubs in Hinjewadi and Kharadi are most impacted.

In Bangalore, hotels located on the outskirts of the city are understandably far from happy. In Tamil Nadu, the de-notification of Anna Salai in Chennai as a state highway is likely.

The natural question of what happens to the upkeep of the all these highways post de-notification arises, and this is still a big question mark…

ASHUTOSH LIMAYE
National Director, Research & REIS

For further reading please refer to following link:
http://jllapsites.com/real-estate-compass/2017/04/highway-liquor-ban-real-estate/

Next

Realestonomics

Maharashtra notified the rules for the new housing regulator that rolls out on May 1 even as more than half of the states are yet to come out with final norms.

The Real Estate Regulation Act (RERA), will hold developers accountable for delays and gives the regulator the power to impose penalties. The first set of rules announced by Maharashtra largely follow the central Act.

Market Sentiment

Investment sentiment improving

Deal of the month

Xander acquires 100 percent stake in Shriram's Gateway SEZ in Chennai for USD 190 million.

Think About it!!

The uncontrollable air pollution levels in NCR have impacted the regions realty landscape, making it less attractive for home buyers.

Green Wall

India $30-40 Billion Green Building Market Opportunity Outlook 2020 according to "India Green Building Market Opportunity Outlook 2020"

Legend: Market Sentiment
Favourable Neutral Unfavourable

Weather Map

Cities	Office Rental Value	Retail Rental Value	Residential Capital Values
AHMEDABAD	Stabilise	Stabilise	Stabilise
DELHI	Growing	Stabilise	Falling
MUMBAI	Growing	Growing	Stagnate
PUNE	Growing	Stabilise	Stabilise
BANGALORE	Growing	Stabilise	Stabilise
CHENNAI	Stabilise	Stagnate	Stabilise
HYDERABAD	Growing	Stabilise	Growing
KOLKATA	Growing	Stabilise	Stabilise

Legend

Growing	Stabilise	Stagnate	Falling

Back to top

For more information about our research, contact

Ashutosh Limaye
National Director, Research and REIS +91 98211 07054
ashutosh.limaye@ap.jll.com

Sushma Vemuri
Analyst, Research and REIS +91 9860178764
sushma.vemuri@ap.jll.com

Research Dynamics 2016
Pulse reports from JLL are frequent updates on real estate market dynamics.

www.jll.co.in

Pulse

Monthly Real Estate Monitor

JLL

DATA ANALYSIS FOR THE MONTH OF APRIL 2017

Ahmedabad

Back to top

OFFICE

Demand	Vacancy
RV	**CV**

During the month of April, Ahmedabad office market saw notable transactions activity. Occupiers from IT/ITeS and SMEs drove the demand for quality offices. Gift City continued witnessing large space transactions. No rental movement was seen during the month.

Important office transactions include:

- TCS leased space in GIFT City

Key Precincts	Rental Value (INR per sq ft per month)	Capital Value (INR per sq ft)
Prahlad Nagar	40 - 50	6000 - 7500
S G Highway	40 - 50	6000 - 7500
Ashram Road	38 – 45	5500 – 6500
Navarangpura	40 – 45	5500 – 6500
Koba	22 – 35	4000 – 5000

RETAIL

Demand	Vacancy
RV	**CV**

Retail transactions were concluded both in high street spaces and organised retail malls. The month witnessed large space transactions in suburbs from consumer durable and fashion wear categories.

Important Transactions:

- Westside and Croma both in suburbs submarket

Key Precincts	Rental Value (INR per sq ft per month)	Capital Value (INR per sq ft)
CG Road	100 - 125	16000 - 18000
SG Highway	80 - 110	11000 - 13000
Ashram Road	110 - 130	14000 - 16000
Chandkheda-Motera	60 – 80	9000 - 12000
Prahladnagar	70- 120	18000 - 22000

RESIDENTIAL

Demand	Launches
RV	**CV**

During the month, residential sales were tepid however the sentiments slightly improved. Unsold inventory in the projects in and around SG Highway remained high.

Key Precincts	Rental Value (INR per month for a 1,000 sq ft 2BHK apartment)	Capital Value (INR per sq ft)
Naroda	4000 - 6000	2200 - 2500
Gota	5000 - 8000	2500 - 2800
Navrangpura	15000 - 20000	6000 - 7000
SG Highway	10000 - 15000	5500 - 7500
Satellite	12000 - 15000	4000 - 6000
South Bopal	8000 - 12000	3000 - 4000

Policy/ Infrastructure

Phase 2 of the Metro-Link Express For Gandhinagar-Ahmedabad (MEGA), a detailed project report (DPR) of which will soon be sent to the state government for approval, has two branches, one from Raysan Crossroads to Gift City and the second connecting Motera and the Ahmedabad Airport.

Demand/Vacancy Rental Value (RV) / Capital Values (CV)	Increasing	Moderate Increase	Stable	Moderate Fall	Falling

Pulse

Monthly Real Estate Monitor

JLL

DATA ANALYSIS FOR THE MONTH OF APRIL 2017

Bangalore

Back to top

OFFICE

Demand	Vacancy
↑	↓
RV	**CV**
↑	↑

Miniature differentiation in rentals of aged buildings in the CBD and Suburbs made CBD more desirable.

Major transactions

- Rockwell Automation leased space at Langford Town
- Visa leased space at Outer Ring Road
- Yamaha leased space at Rajbhavan Road

Key Precincts	Rental Value (INR per sq ft per month)	Capital Value (INR per sq ft)
CBD	90–130	12,000–22,000
Old Airport Road	95-110	9,000–15,000
Outer Ring Road (Eastern)	65-80	7,000-9,000
Old Madras Road	55–75	6,000–8,500
Whitefield	35-45	3,800-6,000
Electronic City	34–40	3,500–4,500

RETAIL

Demand	Vacancy
↔	↔
RV	**CV**
↗	↔

We witnessed a space crunch in the Secondary micro market especially in the mid ticket size I.e.750-1500 sq ft.

Major transactions:

- Ritu Kumar leased space at Jayanagar
- Cult leased space at HSR
- Keventers leased space at Vittal mallya Road
- Puma leased space at Sarjapur Road

Key Precincts	Rental Value (INR per sq ft per month)	Capital Value (INR per sq ft)
Koramangala	160–200	15,000–18,000
Indiranagar	180-250	16,000–30,000
New BEL Road	100-130	10,000–15,000
Commercial Street	250-350	25,000–40,000
Jayanagar	200–250	20,000–30,000

RESIDENTIAL

Demand	Launches
↔	↔
RV	**CV**
↗	↔

Launches in Bangalore continued to be lull over the months.

Hosur Road followed by Kanakapura Road witnessed good demand in sales over the month.

New Launches

- Brigade Parklane at Bridage Meadows in Kanakapura Road
- Casa Grande Hoodi at Whitefield

Key Precincts	Rental Value (INR per month for a 1,000 sq ft 2BHK apartment)	Capital Value (INR per sq ft)
Old Madras Road	15000-25000	4500-6500
Indiranagar	22000-35000	12000-17000
Bellary Road	12,000-18,000	4,900-7,600
Hosur Road	13,000-20,000	4,300-6,500
Whitefield	15,000-25,000	4,500-8,000
Tumkur Road	8,000-15,000	4,200-6,500
Kanakapura Road	8,000-15,000	4,000-6,000
Mysore Road	9,000-13,000	3,000-5,500

Policy/ Infrastructure

Nandi Infrastructure Corridor Enterprise (NICE) operates a 41-km peripheral road linking Tumakuru Road to Hosur Road, and another 9.1-km link road that connects the ring road at Hosakerehalli to the peripheral road at the cloverleaf junction.

Demand/Vacancy Rental Value (RV) / Capital Values (CV)	Increasing ↑	Moderate Increase ↗	Stable ↔	Moderate Fall ↘	Falling ↓

Pulse

Monthly Real Estate Monitor

DATA ANALYSIS FOR THE MONTH OF APRIL 2017

Chennai

Back to top

OFFICE

Demand | Vacancy | RV | CV

Sluggish leasing market due to a lack of vacant space in quality projects.

Major transactions:
- TVS Electronics at Kandanchavadi
- Seeant at Anejas

Key Precincts	Rent (INR per sq ft per month)	Capital Value (INR per sq ft)
Mount Road	60-85	9,000-16,500
RK Salai	65-90	10,000-15,000
Pre-toll OMR	40-90	5,000-6,500
Post-toll OMR	35-50	3,000-6,000
Guindy	45-65	6,500-9,000

RETAIL

Demand | Vacancy | RV | CV

Limited vacancy in superior malls limiting leasing activity. Good pre-commitments in the upcoming malls.

Major transactions:
- Adidas at C P Ramaswamy Road
- Zivame at KNK Road
- Reliance Trends at Vivira Mall

Key Precincts	Rent (INR per sq ft per month)	Capital Value (INR per sq ft)
T. Nagar	120-180	12,000-15,000
Nungambakkam	130-150	13,000-16,000
Velachery	90-125	10,000-12,000
Pre-toll OMR	80-100	8,000-11,000
Anna Nagar	120-150	11,000-13,000
LB Road (Adyar)	100-140	10,500-13,500

RESIDENTIAL

Demand | Launches | RV | CV

There was a lull in the residential real estate market for about two months in primarily owing to restrictions in carrying cash and ripples in political situation in the city.

New Launches:
- Poonamalle Avantika at Chromepet
- Brigade Xanadu Ph 1 at West Mogappair

Key Precincts	Rent (INR per month for a 1,000 sq ft 2BHK apartment)	Capital Value (INR per sq ft)
Adyar	20,000-30,000	18,000-22,000
Medavakkam	11,000-14,000	4,000-6,000
Tambaram	8,000-15,000	4,000-6,000
Anna Nagar	18,000-25,000	10,000-15,000
Porur	7,000-12,000	4,200-6,200
Sholinganallur	9,000-12,000	4,500-6,000

Policy/Infrastructure

Chennai commuters get 28 km of Metro Rail service out of the total 45 km planned for the first phase. The government sanctioned the project in January 2009 at a cost of ₹14,600 crore, and it has so far released about ₹11,301 crore.

Demand/Vacancy Rental Value (RV) / Capital Values (CV)	Increasing	Moderate Increase	Stable	Moderate Fall	Falling

Pulse

Monthly Real Estate Monitor

DATA ANALYSIS FOR THE MONTH OF APRIL 2017

Delhi NCR

Back to top

OFFICE

Demand	Vacancy	RV	CV
Stable	Stable	Stable	Stable

Demand remained healthy but is starting to get constrained due to declining vacancy in quality projects; older projects undergoing rent correction.
Major transactions:

- Lufthansa, Azure Power in Aerocity-SBD,

New Completions:
Trustone City SEZ Phase 1 in Noida and Digital Greens in Gurgaon

Key Precincts	Rental Value (INR per sq ft per month)	Capital Value (INR per sq ft)
Barakhamba Road	140–340	28,000–35,000
Jasola	100-110	15,000–18,000
DLF Cybercity	105–120	NA
MG Road	90-120	14,5000–17,500
Golf Course Road	75-150	12,500–17,000

RETAIL

Demand	Vacancy	RV	CV
Stable	Stable	Stable	Stable

Leasing activity continued to be constrained by low vacancy in superior malls as most well-known brands are looking for available space in these select malls only
Major transactions:
Reliance Trends in Greater Noida

New Completions:
No completions during the month

Key Precincts	Rental Value (INR per sq ft per month)	Capital Value (INR per sq ft)
South Delhi	200–400	26,000–40,000
West and North Delhi	140–230	15,000–23,000
Gurgaon–MG Road	140–270	17,500–23,000
Rest of Gurgaon	60–100	8,000–14,000
Noida	130–220	14,000–25,000
Ghaziabad	90–150	10,500–16,000

RESIDENTIAL

Demand	Launches	RV	CV
Stable	Moderate Increase	Stable	Moderate Fall

Sales continued to stagnate and launches are low as developers are aiming to complete pending projects or ensure compliances with the onset of RERA. Prices remain under pressure.

New Launches:
Cerise Suites in Gurgaon

Key Precincts	Rental Value (INR per month for a 1,000 sq ft 2BHK apartment)	Capital Value (INR per sq ft)
Golf Course Road	27,000–32,000	13,000–15,000
Sohna Road	17,000–20,000	5,800–7,200
Golf Course Extension Road	19,000–22,000	8,000–10,000
Dwarka Expressway	NA	5,000–7,500
Noida–Greater Noida Expressway	13,000–15,000	4,300–6,500
Noida City	12,000–14,500	4,600–6,000
Indirapuram	11,000–12,000	4,500–5,300

Policy/ Infrastructure

- Revival of Jewar Airport as well as Greater Noida-Jewar airport metro proposals by UP Govt and local bodies
- HUDA to start work on a road connecting SPR with NH-8, bypassing Kherki Daula, in a few weeks and expected to be completed over the next 2-3 months.

Demand/Vacancy Rental Value (RV) / Capital Values (CV)	Increasing	Moderate Increase	Stable	Moderate Fall	Falling

Pulse

Monthly Real Estate Monitor

JLL

DATA ANALYSIS FOR THE MONTH OF APRIL 2017

Hyderabad

Back to top

OFFICE

Demand	Vacancy
RV	CV

Hyderabad market remained healthy with several enquiries. Demand for quality spaces continued to drive vacancy levels lower.

Major transactions:

- Tech Sophy at Kondapur

Key Precincts	Rent (INR per sq ft per month)	Capital Value (INR per sq ft)
Begumpet	45-52	5,500-6,500
Banjara Hills	45-55	7,000-8,000
Hitec City	48-60	6,000-7,000
Gachibowli	45-55	5,500-6,000
Uppal	30-35	4,500-5,500

RETAIL

Demand	Vacancy
RV	CV

Retail market remained dull this month. We expect some traction in the coming months on back of good supply

Major transactions:
No transactions this month

Key Precincts	Rent (INR per sq ft per month)	Capital Value (INR per sq ft)
Banjara Hills-Jubilee Hills	140-160	13,500-16,000
Secunderabad	120-130	12,000-13,000
Hitec City	120-140	12,000-14,000
Kukatpally	100-115	10,000-11,500
Himayatnagar	150-170	15,000-17,000

RESIDENTIAL

Demand	Launches
RV	CV

The residential market witnessed average demand from buyers as the requirement is not matching with the supply.

New Launches:
Serenity Park at Kokapet

Key Precincts	Rent (INR per month for a 1,000 sq ft 2BHK apartment)	Capital Value (INR per sq ft)
Banjara Hills	25,000-35,000	7,000-15,000
Begumpet	17,500-25,000	4,500-5,500
Kondapur	11,000-20,000	3,800-5,000
Gachibowli	11,000-20,000	3,500-4,800
Tellapur	7,000-12,500	3,000-3,800
Kukatpally	15,000-20,000	4,000-5,000

Policy/Infrastructure

Hyderabad Metro Rail Limited (HMRL): 72-km long elevated metro stretch across three corridors, 66 km across three stretches is expected to be completed by next year. The remaining 6-km stretch in the old city segment is likely to prolong as it is struck on alignment issues.

Demand/Vacancy Rental Value (RV) / Capital Values (CV)	Increasing	Moderate Increase	Stable	Moderate Fall	Falling

Pulse

Monthly Real Estate Monitor

JLL

DATA ANALYSIS FOR THE MONTH OF APRIL 2017

Kolkata

Back to top

OFFICE

Demand	Vacancy
RV	CV

Office sector continued to witness steady demand from end users for medium to small sized spaces. Business centres and co-working spaces have been on constant demand over the last few quarters.

Some major transactions in the office sector are:

- Amazon at Apeejay Business Park

Key Precincts	Rent (INR per sq ft per month)	Capital Value (INR per sq ft)
Park Street	90-100	13,000-20,000
Topsia	65-75	9,000-12,000
Kasba	70-75	8,000-11,000
Salt Lake Sector V	32-45	3,500-4,500
New Town and Rajarhat	30-40	3,200-4,100

RETAIL

Demand	Vacancy
RV	CV

Retail sector has witnessed healthy demand in the month of April with retail spaces both in malls and high streets being in demand.

Some of the major transactions in this month were:

- More at Baroda Road, Naihati
- Fashion Big Bazar (Fbb) at Sector V, Salt Lake
- Bhajanlal Commercials at Acropolis Mall

Key Precincts	Rent (INR per sq ft per month)	Capital Value (INR per sq ft)
Elgin Road	300-350	24,000-28,000
Park Street (high street)	325-375	25,000-31,000
Prince Anwar Shah Road	150-200	15,000-18,000
Salt Lake	185-225	15,000-20,000
New Town and Rajarhat	60-80	6,500-8,000
Gariahat (high street)	200-250	16,000-22,000

RESIDENTIAL

Demand	Launches
RV	CV

The number of enquiries from end users and investors have experienced a visible increase. Demand from end users both in the primary and secondary residential market has been steady. The only launch in the residential sector in this quarter is:

- Windflower on Sodepur Road

Key Precincts	Rent (INR per month for a 1,000 sq ft 2BHK apartment)	Capital Value (INR per sq ft)
Alipore	N.A	15,000-23,000
Prince Anwar Shah Road	20,000-35,000	6,000-12,000
EM Bypass (Topsia)	25,000-35,000	6,000-10,000
Lake Town	10,000-16,000	4,000-7,500
New Town (AA- I, II & III)	18,000-30,000	3,500-6,000
Rajarhat	7,000-14,000	2,500-4,500
Behala	7,000-14,000	3,000-5,500

Policy/Infrastructure

The first ‘Wayfinding’ signage has been put up at New Town Action Area III for the convenience of commuters. More such signage which mention street no., a map of the spot and an estimated time to reach a particular spot will gradually be set up in other parts of New Town along with Sector V, Salt Lake.

Demand/Vacancy Rental Value (RV) / Capital Values (CV)	Increasing	Moderate Increase	Stable	Moderate Fall	Falling

Pulse

Monthly Real Estate Monitor

JLL

DATA ANALYSIS FOR THE MONTH OF APRIL 2017

Mumbai

Back to top

OFFICE

Demand	Vacancy
↗	↘
RV	**CV**
↗	↗

Mumbai Office Market witnessed moderate transactions during April. Interestingly, strong pre-commitments recorded in upcoming quality buildings. BFSI occupiers continued considering Navi Mumbai for setting up back offices.

Major transactions:
- IDFC Bank in Navi Mumbai

Key Precincts	Rental Value (INR per sq ft per month)	Capital Value (INR per sq ft)
Lower Parel	165 - 210	17,500 - 22,000
BKC	230 – 320	27,500 - 34,000
Andheri - Kurla Road	100 - 150	10,000 - 16,000
Goregaon-Malad	85 - 135	9,500 - 12,500
Wagle Estate	50 - 65	5,200 - 6,900

RETAIL

Demand	Vacancy
↗	↘
RV	**CV**
↗	↗

A new mall of good quality commenced operations in the Suburbs submarket. It comes with good pre-commitments.

Major transactions:
- Inox in Suburbs
- Bata in Suburbs

New Completions:
- Seawoods Grand Central Mall , Navi Mumbai

Key Precincts	Rental Value (INR per sq ft per month)	Capital Value (INR per sq ft)
Lower Parel	260-390	23,000-32,300
Malad	130-200	12,500-19,000
Ghatkopar	130-220	11,100-18,300
Mulund	100-190	10,500-15,500
Thane	100-150	8,000-14,500
Navi Mumbai	95-140	8,000-13,000

RESIDENTIAL

Demand	Launches
↗	↗
RV	**CV**
↔	↔

Mumbai residential sector witnessed improved new launches as well increased demand. Majority of projects were launched in affordable and mid category which witnessed healthy demand during the month. Most of the projects were launched in suburbs.

New Launches:
- Kalpataru Paramount at Thane
- Ruparel Optima at Kandivali
- Chembur Central at Ghatkopar

Key Precincts	Rental Value (INR per month for a 1,000 sq ft 2BHK apartment)	Capital Value (INR per sq ft)
Lower Parel	65,000-1,10,000	25,000– 40,000
Wadala	36,000-60,000	13,500–23,000
Andheri	32,000-55,000	12,500–21,500
Ghatkopar	30,000-46,000	11,500–17,000
Ghodbunder Road	12,000–25,000	6.000–9,500
Kharghar	10,000–18,000	6,000–9,000

Policy/ Infrastructure

- The Mumbai Metropolitan Region Development Authority(MMRDA) had begin work on viaduct above piers on the Metro VII corridor (Dahisar-Andheri via WEH).
- Maharashtra government hiked ready reckoner rates by 3.95% on an average from April 1 in Mumbai.

Demand/Vacancy Rental Value (RV) / Capital Values (CV)	Increasing ↑	Moderate Increase ↗	Stable ↔	Moderate Fall ↘	Falling ↓

Pulse

Monthly Real Estate Monitor

JLL

DATA ANALYSIS FOR THE MONTH OF APRIL 2017

Pune

Back to top

OFFICE

Demand	Vacancy
RV	CV

The demand for office space remained stable during the month. Few large office projects currently at initial stage s of construction are now available for pre-commitment for occupiers.
Major transactions:

- KPMG leased in Commerzone, Off Airport Road.
- John Deere in Magarpatta STPI

Key Precincts	Rental Value (INR per sq ft per month)	Capital Value (INR per sq ft)
Hadapsar	55-70	6,500-9,000
Kharadi	55-70	6,500-9,500
Hinjewadi	40-48	5,000–7,000
Viman Nagar	55–75	7,000–11,000
SB Road	70–85	7,000–12,000

RETAIL

Demand	Vacancy
RV	CV

Leasing activity in malls remained stable. The Pavilion, located on SB road is likely to open for business in the next few months.
Major transactions:

- Mad Over Donuts leased on Pimple Saudagar high street

Key Precincts	Rental Value (INR per sq ft per month)	Capital Value (INR per sq ft)
MG Road	160-200	22,000–30,000
Bund Garden Road	100-120	20,000-25,000
FC Road	150-200	25,000-30,000
JM Road	150-190	25,000-30,000
DP Road	100-120	18,000–26,000
SB Road	90-110	18,000-25,000

RESIDENTIAL

Demand	Launches
RV	CV

Demand for the residential properties remained stable over the month. Launches declined marginally as compared to earlier months.

New launches:

- Godrej 24 by Godrej properties launched in Hinjewadi.
- A new phase in Life Republic township launched .

Key Precincts	Rental Value (INR per month for a 1,000 sq ft 2BHK apartment)	Capital Value (INR per sq ft)
Wakad	14,000–18,000	5,500–7,500
Hinjewadi	9,000–11,000	4,800–6,800
Kharadi	15,000–19,000	6,000–7,500
Hadapsar	16,000–21,000	6,000–8,500
Undri	8,000–13,000	4,000–5,500
Pimri-Chinchwad	12,000–18,000	4,500–6,500

Policy/ Infrastructure

The actual work on the Pune Metro is expected to begin from May, Ramnath Subramaniam, executive officer, strategic planning for *MAHA Metro Pune,* said at the Pune Metro Samvaad session organised by MAHA Metro. (Source: TOI)

Demand/Vacancy Rental Value (RV) / Capital Values (CV)	Increasing	Moderate Increase	Stable	Moderate Fall	Falling