



Pulse

Monthly Real Estate Monitor

NOVEMBER
2018

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OFFICE INDEX



Demand for office space take-up improved in all cities

RETAIL INDEX



Retail sector witnessed an uptick in all cities as quality spaces in malls and high streets gained good traction

RESIDENTIAL INDEX



Residential launches remained subdued in most cities



*The details mentioned in the document are for the month of October

India a key market in Asia Pacific for expansion of Data Centres



Investments in data centres are likely to grow in Asia Pacific with investor interest rising in the emerging markets of India, China, and Indonesia. India's massive population base coupled with various government-led digital initiatives are likely to boost growth in the public cloud services market. The second largest country by mobile internet users, India's internet economy is projected to double by 2020.

Driven by factors like telecom companies shedding data centres and focusing on their core competence, cybersecurity, growth of content providers, outsourcing by start-ups, and regulators focus on keeping data within India, the market for data centres has been growing in India. These along with the Government's Digital India campaign is expected to push greater demand for quality data centres. With demand for data storage rising, many companies are looking to rent facilities rather than own a centre.

According to JLL research, revenue for shared data centres from Asia Pacific region is expected to overtake the US, rising to 40% of global share by 2020. Driven by the region's rapid urbanization and adoption of e-commerce, Asia Pacific is experiencing a surge in data generated from various digital products and services. To cope with the amount of information, businesses are shifting towards storing their data on cloud services. Leading cloud providers such as Google, Amazon, Microsoft and Alibaba are competing to add cloud zones across the region, as Asia Pacific's spend on public cloud services may hit US\$15 billion in 2018.

We have been seeing rising interest from the investor segment who are looking to enter or increase their exposure to the data centre sector. The prospects of the sector look bright in the emerging markets of the region as these destinations offer strong user demand and growth opportunities.

- Ramesh Nair, CEO & Country Head, JLL India
Click [here](#) to know more.

REALESTONOMICS



India improved from 100th to 77th position in World Bank's Ease of Doing Business. This is due to improvement in granting of construction permits where it has moved to 52nd position this year from 181.

MARKET SENTIMENT



Investment sentiment

IMPROVING



● Favourable ● Neutral ● Unfavourable

WHAT'S NEW!!



Mapletree bid highest, INR 2,450 crore for Chennai IT Park.

POLICY UPDATE

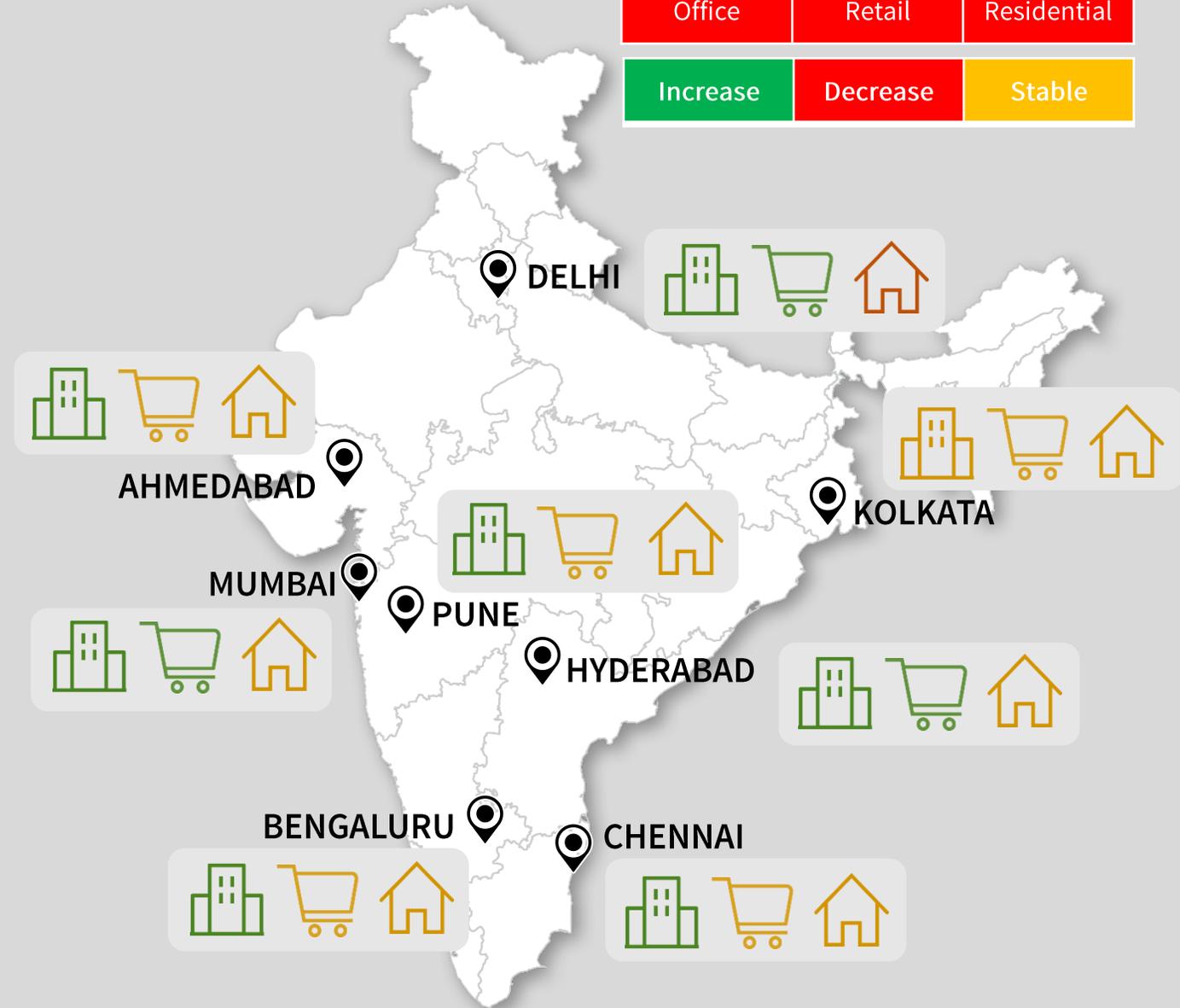


The new industrial policy will replace the old Industrial policy of 1991 soon.

WEATHER MAP

CITIES	OFFICE RENT	RETAIL RENT	RESIDENTIAL CAPITAL VALUE
AHMEDABAD			
DELHI			
MUMBAI			
PUNE			
BENGALURU			
CHENNAI			
HYDERABAD			
KOLKATA			
LEGEND			
GROWING	STABLE	STAGNANT	FALLING

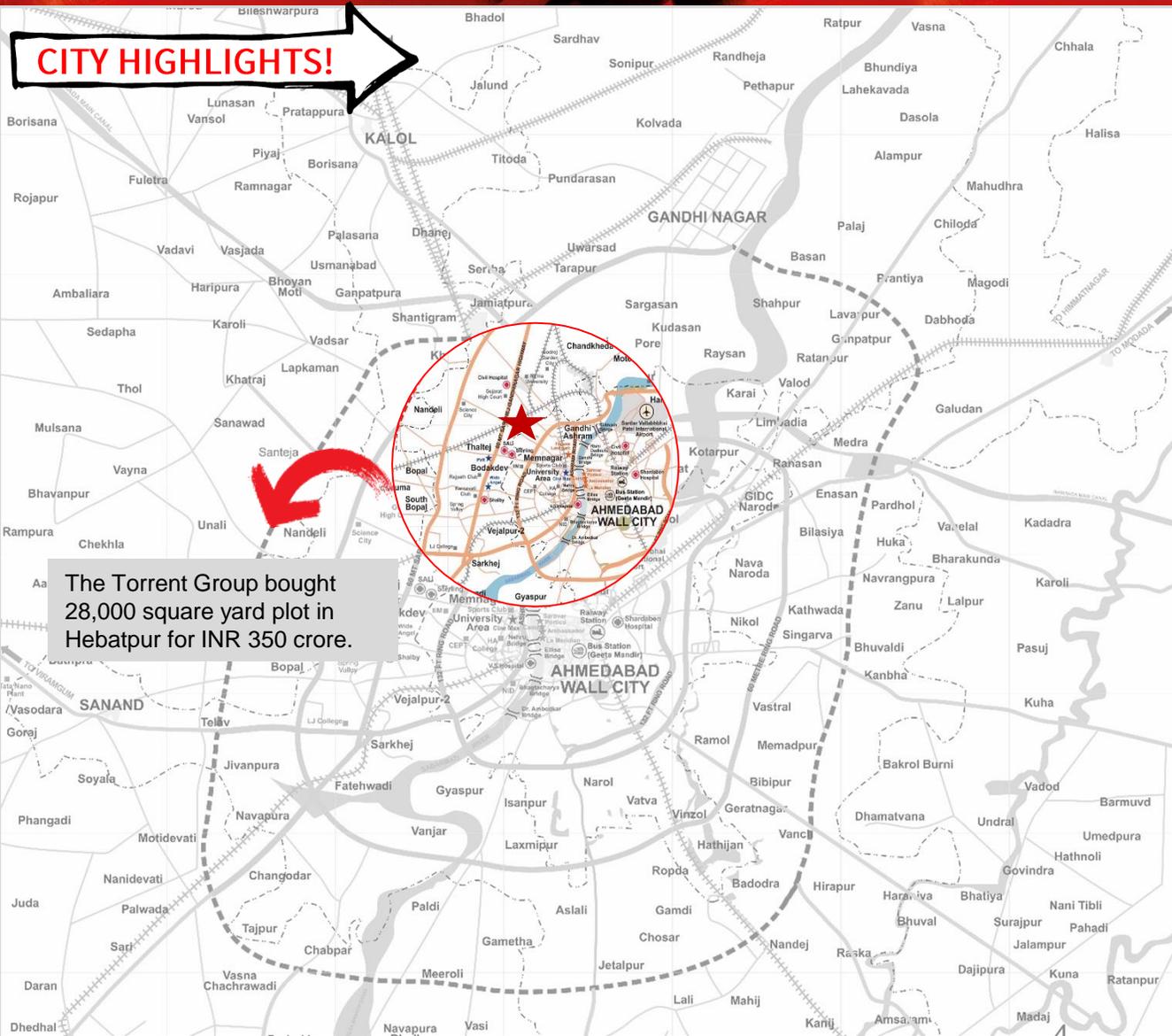
Office	Retail	Residential
Increase	Decrease	Stable



*All the office rentals and retail rentals mentioned are for warm shell spaces



CITY HIGHLIGHTS!



The Torrent Group bought 28,000 square yard plot in Hebatpur for INR 350 crore.



OFFICE

Moderate uptick witnessed in buying and leasing activity during October.
Key Transaction: Lenovo leased space at Ambavadi



RETAIL

Demand for small F&B outlets gained good traction in October.
Key Transaction: Reliance brands leased space at Sindhu Bhavan Road



RESIDENTIAL

Residential launches remained sluggish during the month. Overall demand remained stagnant.
Key Launch: No new launch



No new major transactions recorded during the month

Rental value (INR/sq ft/month)*



Capital Value (INR/sq ft)*



*The above graphs show the values in ranges

Infrastructure / Policy update

Railway minister Piyush Goyal said land acquisition for the Mumbai-Ahmedabad bullet train corridor would be completed by December this year.

*All the office rentals and retail rentals mentioned are for warm shell spaces

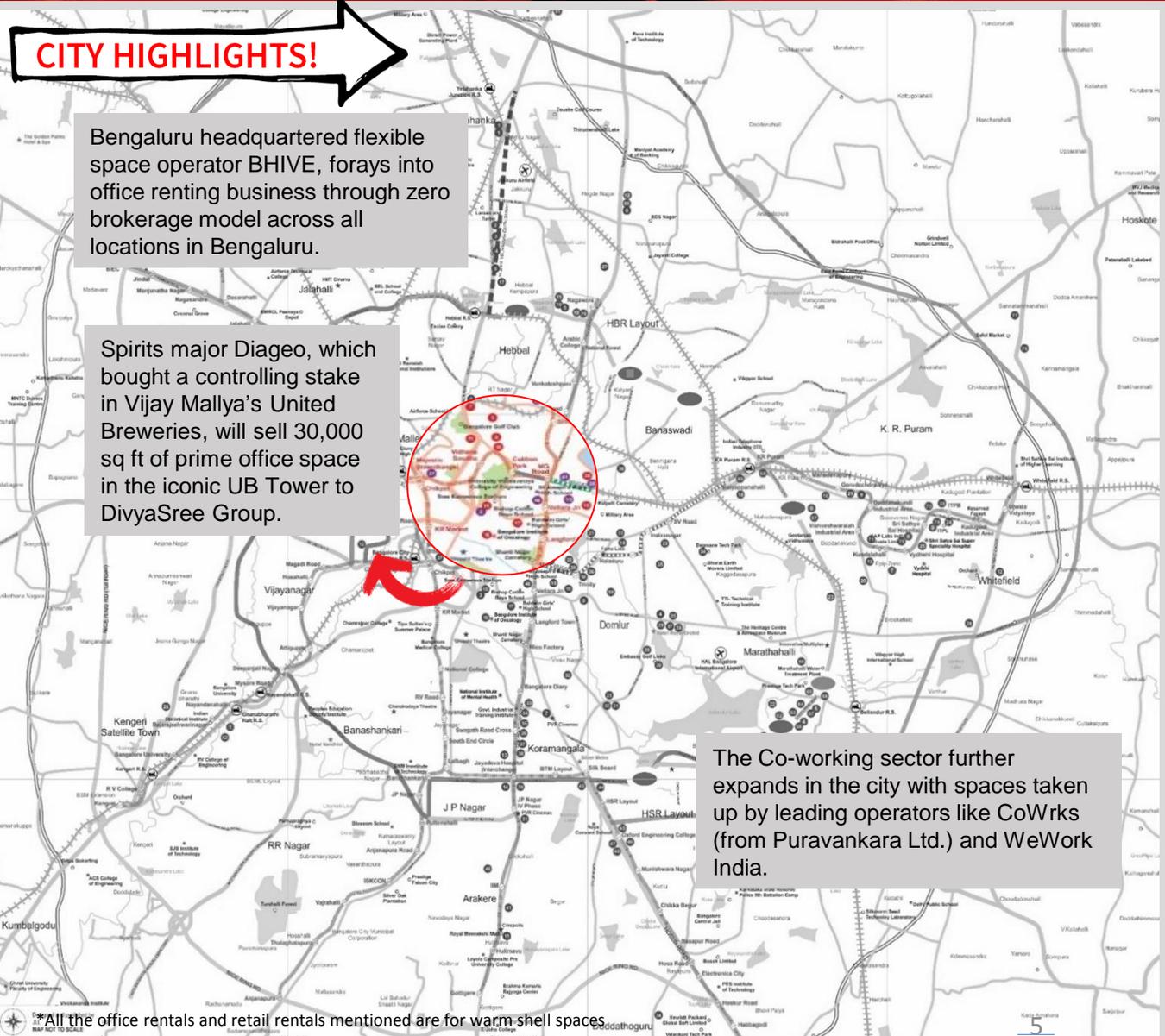


CITY HIGHLIGHTS!

Bengaluru headquartered flexible space operator BHIVE, forays into office renting business through zero brokerage model across all locations in Bengaluru.

Spirits major Diageo, which bought a controlling stake in Vijay Mallya's United Breweries, will sell 30,000 sq ft of prime office space in the iconic UB Tower to DivyaSree Group.

The Co-working sector further expands in the city with spaces taken up by leading operators like CoWrks (from Puravankara Ltd.) and WeWork India.



OFFICE

Co-working sector continued to contribute towards healthy leasing activity over the month.
Key Transaction:
CoWrks leased space from Puravankara Ltd.



RETAIL

Newly operational malls witnessed healthy traction.
Key Transaction:
Unlimited and Cult at RMZ Galleria Mall.



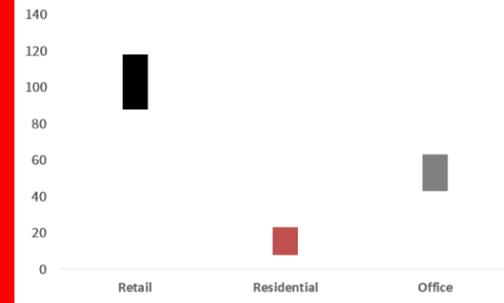
RESIDENTIAL

Bengaluru's residential market witnessed steady growth in the number of new launches.
Key Launch :
Provident Neora at Thanisandra main road



No transaction recorded during the month.

Rental Value(INR/ sq ft/ month)*



Capital Value(INR/ sq ft)*



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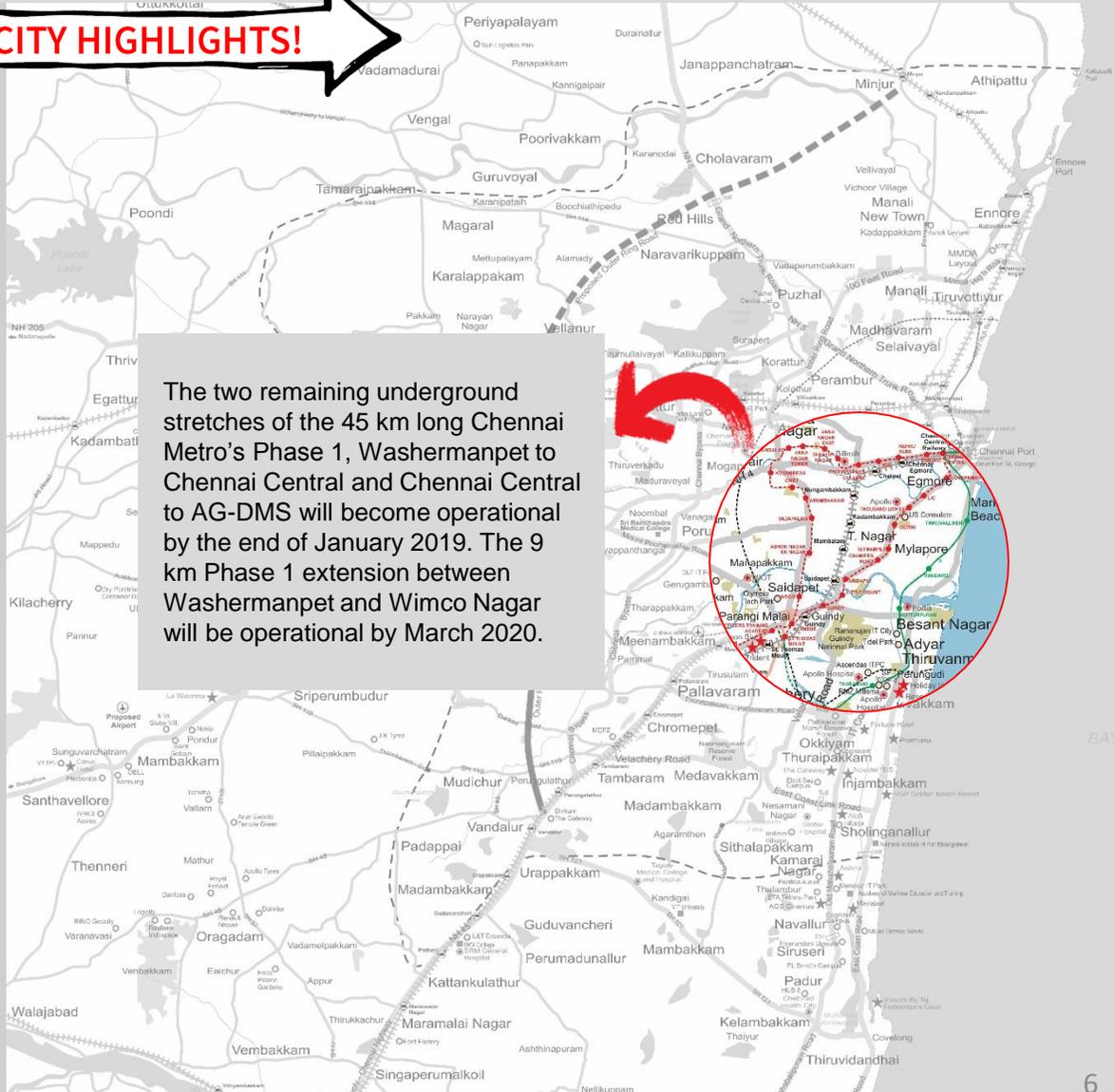
Infrastructure / Policy update

The Bruhat Bengaluru Mahanagara Palike (BBMP) to build six high-density corridors in the city in order to improve infrastructure and connectivity and facilitate commuters by cutting down on traffic. On its radar are Kanakapura Road, Mysore Road, Tumkur Road, West of Chord Road and Outer Ring Road.

*All the office rentals and retail rentals mentioned are for warm shell spaces



CITY HIGHLIGHTS!



The two remaining underground stretches of the 45 km long Chennai Metro's Phase 1, Washermanpet to Chennai Central and Chennai Central to AG-DMS will become operational by the end of January 2019. The 9 km Phase 1 extension between Washermanpet and Wimco Nagar will be operational by March 2020.



OFFICE

Limited space availability in the CBD and SBD submarkets supported improved absorption in the peripheral locations.
Key Transaction: Barclays expands in SBD sub-market.



RETAIL

Large format stores expanded their footprints in emerging locations.
Key Transaction: Landmark's Easy buy leased space in Ambattur.



RESIDENTIAL

Increased focus on plotted and villa developments reduced new apartment launches during the month.
Key Launches: Villa Haven by BBCL in Thiruverkadu.



No new major transaction during the month

Rental value (INR/sq ft/month)*



Capital Value (INR/sq ft)*



*The above graphs show the values in ranges

Infrastructure / Policy update

Tamil Nadu government increased the FSI for residential developments, fixes a uniform FSI of 2 for residential developments across Tamil Nadu. Also increased the maximum Premium FSI allowed up to 50% as against the maximum allowance of 40% for road width that is more than 18 metres.

*All the office rentals and retail rentals mentioned are for warm shell spaces



CITY HIGHLIGHTS!

LOTS Wholesale Solutions, a 100 per cent subsidiary of Thailand-based Siam Makro PCL launched its second store in Delhi-NCR region in Akshardham.

Akshardham

Supertech Group has launched a new residential tower by the name of 'Supertech Capeluxe at Supertech Cape Town in Sector 74 Noida

Noida

Page Three Residences by Home and Soul developers at Jaypee Greens, Greater Noida.

*All the office rentals and retail rentals mentioned are for warm shell spaces



OFFICE

The key drivers of leasing activity were occupiers belonging to manufacturing, IT/ITES, Coworking and E-commerce in Suburbs
Key Transactions: Zomato, FreeCharge in Gurgaon



RETAIL

F&B brands were leading in terms of generating leasing momentum in Delhi NCR
Key Transactions: Beer Bahadur, Manbhavan Thali, The GT Road at Ambience Mall Gurgaon



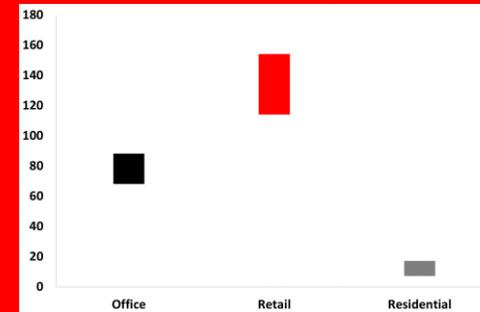
RESIDENTIAL

RERA registered projects drove the interest of the buyers in both under construction and completed projects.
Key Launch: Page Three Residences by Home and Soul at Jaypee Greens, Greater Noida



Realty firm Bayaweaver will invest around INR 1,000 crore over the next four years to develop a commercial project in Noida, which will have retail space, hotel and service apartments.

Rental Value(INR/ sq ft/ month)*



Capital Value(INR/ sq ft)*



*The above graphs show the values in ranges

Infrastructure / Policy update

The Shiv Vihar-Trilokpuri Sanjay Lake corridor of the Pink Line section of the Delhi Metro got operational. With the opening of this corridor of the Pink Line, the Delhi Metro joins the elite list of global metros having an operational length of over 300 km.



CITY HIGHLIGHTS!

Xander Investment group to invest Rs.2550 crores in the Phoenix group projects in Gachibowli to develop and acquire 4.5 million sq ft office space. The buildings will be delivered in the phases between 2020 and 2023.

OFFICE

IT/ITeS sector supported the major leases in the month in the western part of city
Key Transaction: Four Digital at I Labs

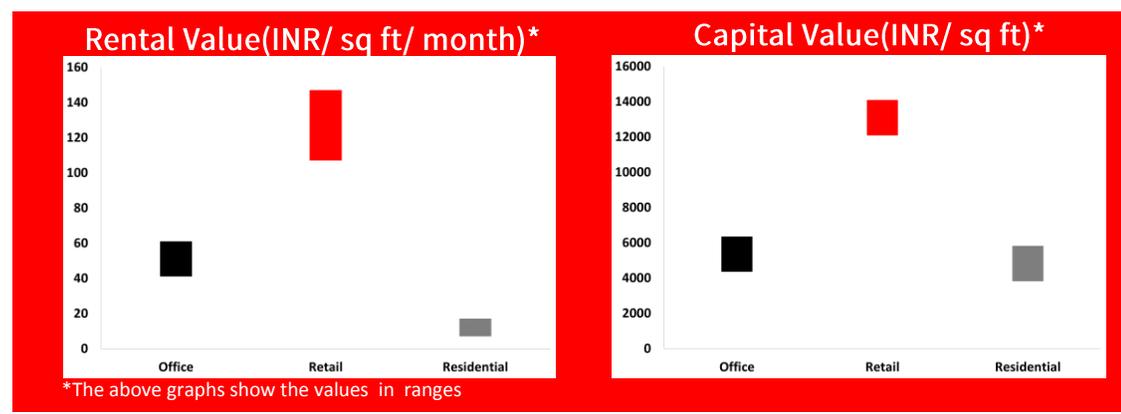
RETAIL

While newly operated L&T Malls have good occupancy, the upcoming malls tend to have good demand from Fashion, F&B.
Key Transaction: No new transactions

RESIDENTIAL

City witnessed overall improvement in sales and project launches
Key Launch: Rajapushpa Eterna at Nanakramguda

No new major transaction during the month



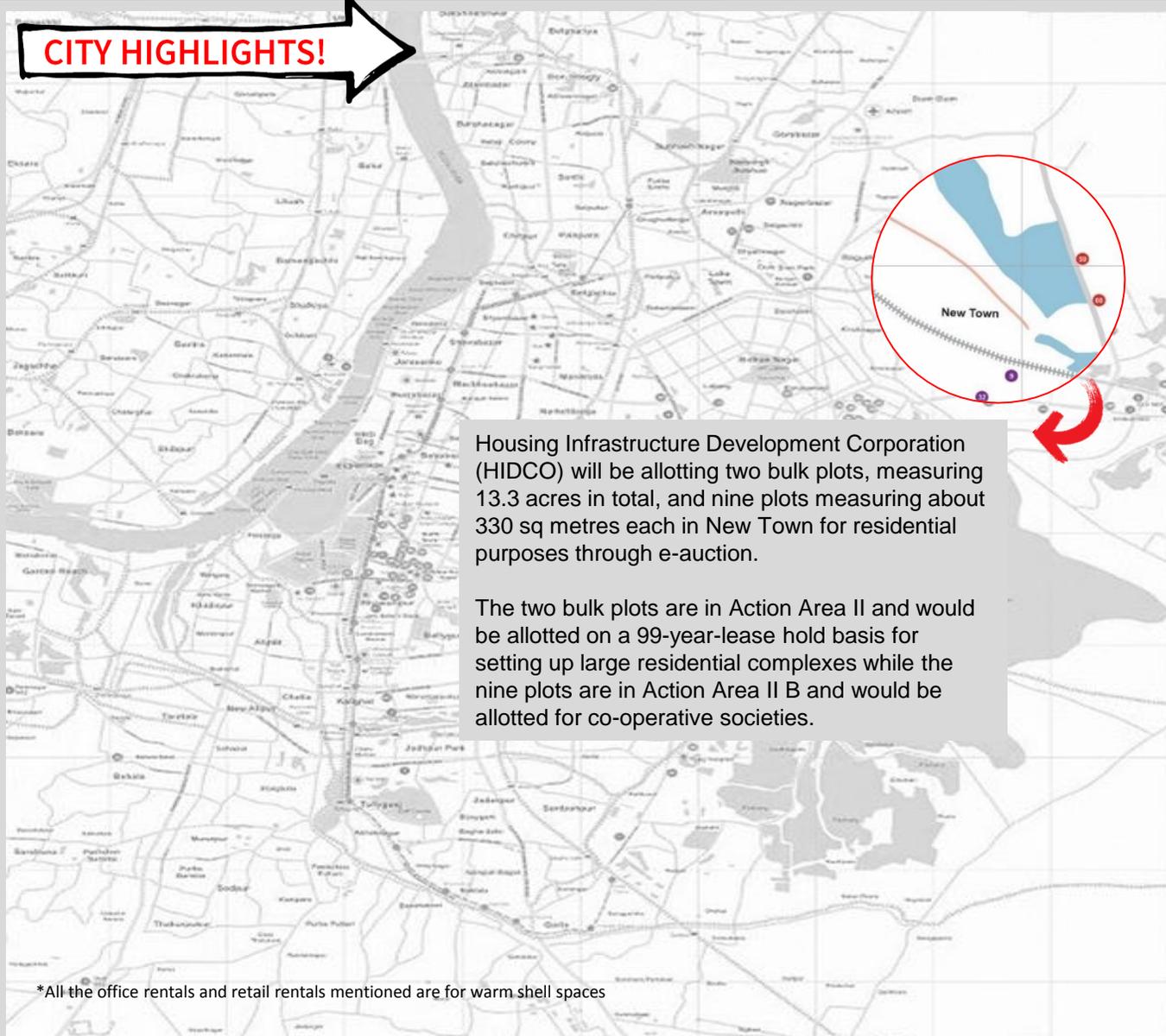
Infrastructure / Policy update

Metro rail to complete its construction and start operations in Hitec city by December 2018. This will bring IT areas in the west into the modern public transport system network of city.

*All the office rentals and retail rentals mentioned are for warm shell spaces



CITY HIGHLIGHTS!



Housing Infrastructure Development Corporation (HIDCO) will be allotting two bulk plots, measuring 13.3 acres in total, and nine plots measuring about 330 sq metres each in New Town for residential purposes through e-auction.

The two bulk plots are in Action Area II and would be allotted on a 99-year-lease hold basis for setting up large residential complexes while the nine plots are in Action Area II B and would be allotted for co-operative societies.

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OFFICE

Large sized Grade A office spaces were mostly in demand across sub-markets.

Key Transaction: MOL IT and Bureau Varietas in Eco Centre, Salt Lake



RETAIL

Quality malls continue to witness demand from retailers inspite of less availability of space.

Key Transaction: Manyavar at Acropolis Mall



RESIDENTIAL

Small scale low budget residential projects continue to get launched in the fringe areas of the city.

Key Launch: Rishi Ventoso and Magnolia Empire at Madhyamgram

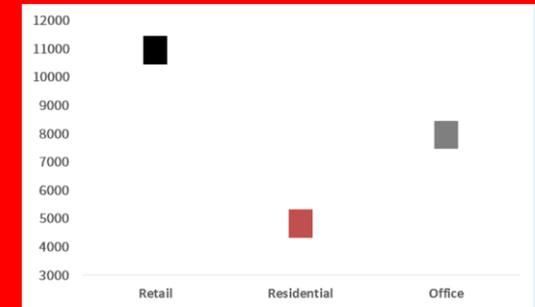


No transaction recorded this month

Rental Value(INR/ sq ft/ month)*



Capital Value(INR/ sq ft)*



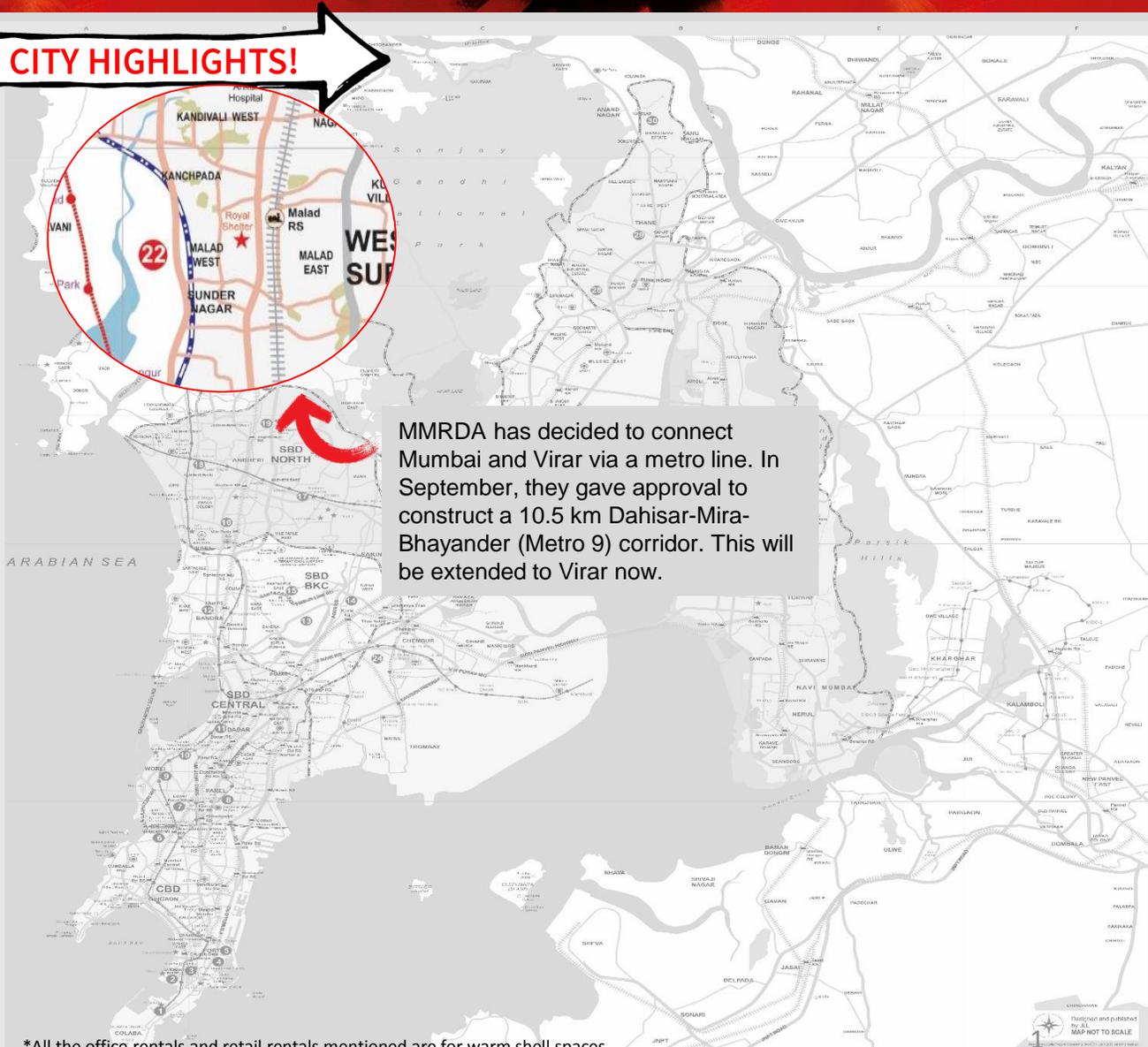
*The above graphs show the values in ranges

Infrastructure / Policy update

The West Bengal government is experimenting with a new model of development named 'Infrastructure as a Service' through which the state's IT department is looking to create ready ecosystem for high-end technology companies to start working with minimum capital expenditure with an aim to create higher number of jobs.



CITY HIGHLIGHTS!



*All the office rentals and retail rentals mentioned are for warm shell spaces



OFFICE

Marginal increase in space take up during the month.
Key Transaction:
 EFC Limited leased space in Navi Mumbai sub-market



RETAIL

Moderate leasing was observed.
Key Transaction:
 Apple leased space in Suburbs sub-market



RESIDENTIAL

Launches were moderate during the month and overall demand remained subdued in October.
Key Launch:
 New Tower - Arav launched in Piramal Aranya at Byculla



No major transaction in the month

Rental Value(INR/ sq ft/ month)*



Capital Value(INR/ sq ft)*



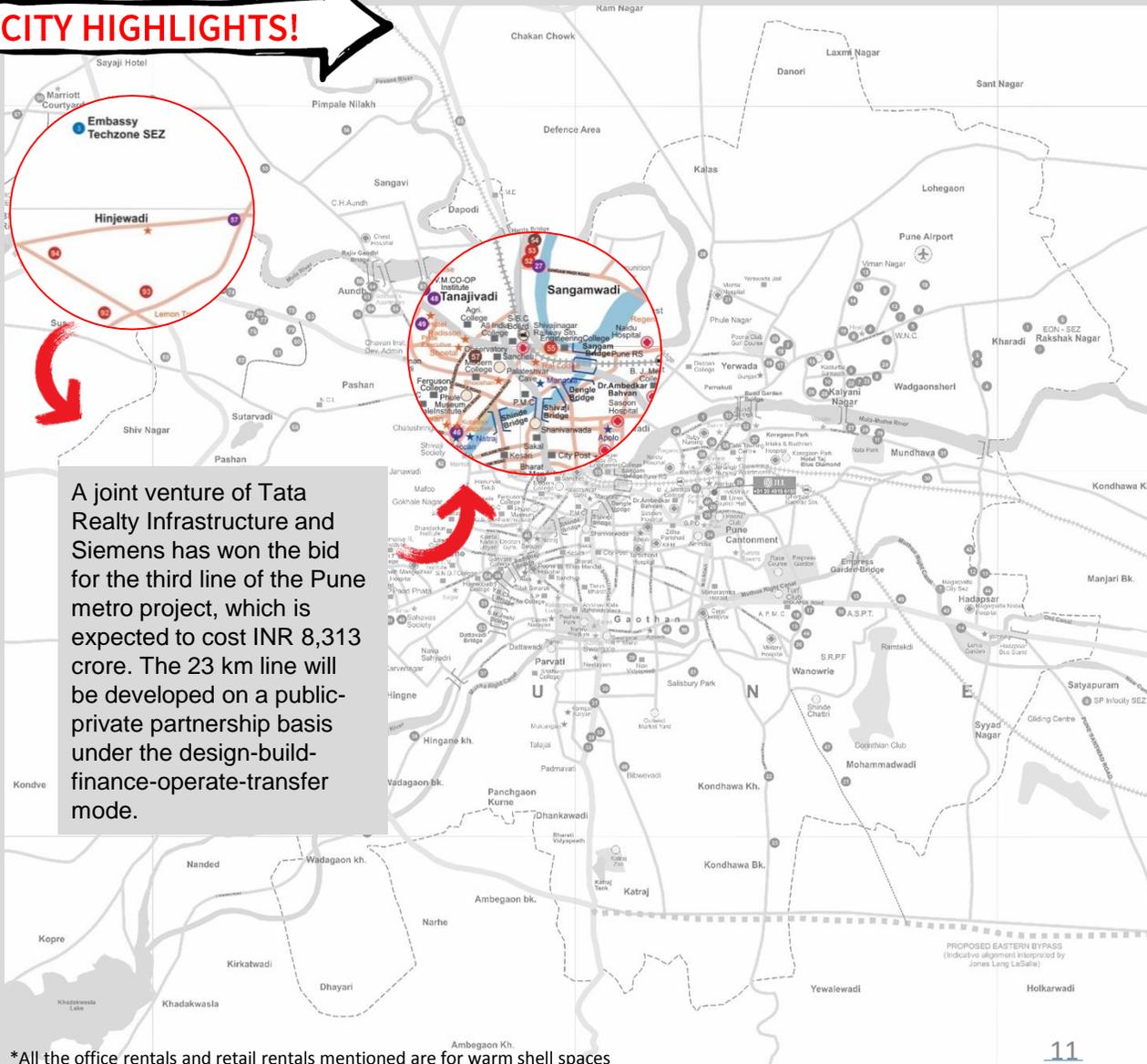
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Infrastructure / Policy update

A state government regulation will now allow developers in the city to construct more flats without a proportionate increase in the open space in the building.



CITY HIGHLIGHTS!



OFFICE

Office space demand witnessed healthy leasing activity during the month.
Key Transaction: ProMobi Technologies leased space at Viman Nagar.



RETAIL

Demand for retail sector improved in the month of October.
Key Transaction: Cantabil leased space at NIBM road



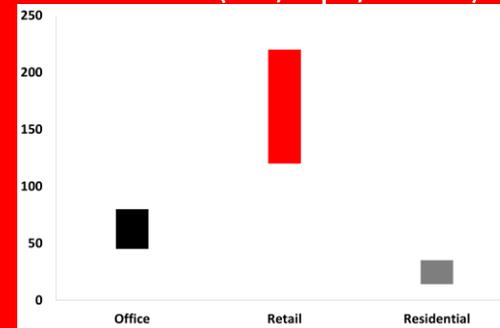
RESIDENTIAL

The overall demand for residential units improved in the affordable housing category in October.
Key Launch: Yashwin Encore in Wakad



No new major transaction during the month

Rental Value(INR/ sq ft/ month)*



Capital Value(INR/ sq ft)*



*The above graphs show the values in ranges

Infrastructure / Policy update

Pune Municipal Corporation to hand over 10.4 acre land to build multi-modal transit hub at Balewadi.

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ABOUT JLL

JLL (NYSE: JLL) is a leading professional services firm that specializes in real estate and investment management. Our vision is to reimagine the world of real estate, creating rewarding opportunities and amazing spaces where people can achieve their ambitions. In doing so, we will build a better tomorrow for our clients, our people and our communities. JLL is a Fortune 500 company with operations in over 80 countries and a global workforce of 88,000 as of September 30, 2018. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated. For further information, visit www.jll.com

ABOUT JLL INDIA

JLL is India's premier and largest professional services firm specializing in real estate. With audited revenues at over INR 3400 crores for FY 2017-18, the Firm has grown from strength to strength over the last 20 years in the country. JLL India has an extensive geographic footprint across 10 major cities (Ahmedabad, Delhi, Mumbai, Bengaluru, Pune, Chennai, Hyderabad, Kolkata, Kochi and Coimbatore) and presence in over 130 tier II & III locations with cumulative strength of over 10,000 staff. It provides investors, developers, local corporates and multinational companies with a comprehensive range of services. This includes research, strategic advisory & consultancy, capital markets, transaction management, project & development services, integrated facilities management and property & asset management. These services cover various asset classes such as commercial, residential, industrial, retail, warehouse and logistics, hospitality, healthcare, senior living and education.

JLL India won the Five-Star Award for Best Property Consultancy at the International Property Awards Asia Pacific 2018 -19. The Firm is also recognised amongst the Top 100 Best Places to Work in India for two consecutive years in 2017 & 2018 in the annual survey of 'India's Best Companies to Work For' - a joint study conducted by Great Place to Work® and The Economic Times. It has also been acknowledged as 'Property Consultant of the Decade' at the 10th CNBC-Awaaz Real Estate Awards 2015. For further information, please visit www.jll.co.in

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20 years
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Ambitions in India