



4,500 NEW UNIT LAUNCHES IN Q1 2020

65% SHARE OF MID SEGMENT IN NEW UNIT LAUNCHES (Q1 2020)

49% SHARE OF NORTHERN SUB-MARKET IN NEW UNIT LAUNCHES (Q1 2020)

MARKET INDICATORS OVERALL Q1 2020

	Y-O-Y Change	12-Months Forecast
New Launches	▼	▼
Units Sold	▲	▼
Average Capital Values (INR/sf)	▲	■

New launches see a q-o-q decline; mid-segment continues to lead

Quarterly unit launches in the city saw a significant q-o-q decline of 23% with around 4,500 units getting launched, largely in the affordable and mid-segment categories. While the mid-segment category recorded a 33% q-o-q dip in absolute number terms, the affordable segment saw a 16% rise in quarterly launches. The mid segment however accounted for the majority share (65%) of launches in the city. North Bengaluru, fast emerging as a growth corridor accounted for a 49% share of residential supply in Q1. Far South locations like Jigani and Electronic City too continued to see launches in the affordable and mid-segment categories, catering to the steady demand for such product typologies in peripheral locations. Some of the developers launching projects during the quarter were Godrej Properties, Mana Group, Sumadhura Infra and Vajram Group among others. In the wake of rising expectations of an increased share of mid and affordable segment categories in residential launches, given the ticket size sensitivity in buyers and associated tax benefits, COVID-19 has been an unexpected bump. With developers already facing liquidity and financial challenges, the likely economic headwinds and buyer sentiments turning bearish in the short term carry a likely adverse impact on the sales momentum. Small and medium sized developers struggling with inventory overhang are unlikely to announce new projects over the next few quarters. Furthermore, with construction activity coming to a halt with the lockdown enforcement, there will be a greater focus from the big players as well to first restart and focus on ongoing projects to give a push to reducing the inventory overhang. With the construction activity coming to a standstill during the period of the lockdown and a supply crunch of labour and raw materials, Karnataka RERA has given a deadline extension of 3 months to projects with completion dates of on or after March 15, thereby offering some amount of relief to the developers.

Property prices remain unchanged; low expectation of movement in the coming quarters

Capital values remained largely stable across categories and sub-markets with unsold inventory levels and the slowly improving sales momentum not offering any support to prices. This was further exacerbated by the outbreak of the pandemic in the city. Negligible movement was witnessed in the rental values as well which remained largely range-bound during the quarter. Prior to the COVID-19 outbreak, gradual revival in buyer confidence and sales activity being witnessed in the city, had created expectations for property price appreciation in the medium term. However, such anticipation now seems to be low over the next few quarters with pressure on sales likely to impact price movement as well. We do not however, anticipate any decline in residential prices, though the recent repo rate cut and pockets of attractive bargain opportunities could interest buyers who have stability of income and adequate liquidity to make purchase decisions.

Affordable and luxury segment likely to witness higher impact

While the State Budget in March proposed for a reduction in stamp duty from 5% to 3% on first time registration of new apartments costing less than INR 20 lakh, with an objective to enhance sales in the affordable housing sector, the impact of the recent pandemic is likely to be more intense on this segment with supply players being smaller sized developers who are more likely to experience liquidity challenges on the back of poor sales with the target income bracket likely to be hit hard and thus focus on income preservation. The luxury segment which has been witnessing low traction over the last few years, is likely to perform in a similar manner with developers being less inclined to invest in higher ticket priced products which would find less takers during this period and in the time till the economic fallout of this pandemic does not abate to a greater extent.

SIGNIFICANT PROJECT LAUNCHED IN Q1 2020

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	RATE*(INR/SF)
Godrej Royale Woods	Devanahalli	Godrej Properties	1,478	5,389
Sumadhura Sushantham	Vidyaranyaapura	Sumadhura Infra	140	6,479
Mana Capitol	Sarjapur Road	Mana Group	725	8,549
Icon SN Luxuria	Hennur Road	Icon Constructions	100	4,000



RENTAL VALUES AS OF Q1 2020

SUBMARKET	AVERAGE QUOTED RENT (INR/MONTH)	QoQ CHANGE (%)	YoY (%)	SHORT TERM OUTLOOK
High-end segment				
Central	150,000-350,000	0%	0%	—
South	60,000-120,000	0%	0%	—
East	85,000-300,000	0%	20%	—
North	70,000-200,000	0%	13%	—
Mid segment				
Central	70,000-100,000	0%	0%	—
South East	25,000-45,000	0%	0%	—
North West	25,000-35,000	0%	0%	—
West	20,000-30,000	0%	0%	—
East	25,000-35,000	0%	9%	—

SIGNIFICANT PROJECT COMPLETED IN Q1 2020

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	UNIT SIZE(SF)
Pride Enchanta	Mysore Road	Pride Housing	430	940-1,378
Hiranandani Queensgate	Bannerghatta Road	House of Hiranandani	400	565-1,685

SIGNIFICANT PROJECTS UNDER CONSTRUCTION-TO BE COMPLETED IN NEXT 12 MONTHS

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	EXPECTED COMPLETION
DS Max Sky City	Thanisandra Road	DS Max Properties	228	Q1 2021
Brigade Parkside West	Mysore Road	Brigade Group	292	Q4 2020

Data collated from primary and secondary resources. Estimations are subject to change

* Rental and capital values have been depicted only for key submarkets

** Quoted capital value on carpet area based on agreement values which includes, Base Rate, Car Parking Charges, Internal Development Charges, etc.

The above values for high-end segment are for units typically of 2,000-4,000 sq

The above values for mid segment are for units typically of 1,600-2,000 sq

Affordable housing has been defined as units with a carpet area of 60 sq.mt in metros / 90 sq.mt in non-metros and value up to INR 45 lakhs

KEY TO SUBMARKETS

High-end Segment

Central: Lavelle Road, Palace Cross Road, Off Cunningham Road, Ulsoor Road, Richmond Road, Sankey Road

South: Koramangala, Bannerghatta Road, JP Nagar, Banashankari

Off Central: Frazer town, Benson Town, Richards Town, Dollars Colony

East: Whitefield, Old Airport Road

North: Hebbal, Jakkur, Devanahalli

North-west: Malleshwaram, Rajajinagar, Yeshwanthpur

Mid Segment

Central: Brunton Road, Artillery Road, Ali Askar Road, Cunningham Road

East: Marathahalli, Whitefield, Old Airport Road, Old Madras Road, Budigere Cross

South-east: Sarjapur Road, Outer Ring Road (Marathahalli- Sarjapur), HSR Layout, Hosur Road

South: Jayanagar, J P Nagar, Kanakapura Road, Bannerghatta Road, BTM Layout, Banashankari

North: Hebbal, Bellary Road, Yelahanka, Doddaballapur Road, Hennur Road, Thanisandra Road

Off Central-I: Vasanth Nagar, Richmond Town, Indiranagar

Off Central-II: Cox Town, Frazer Town, Benson Town, etc.

North-west: Malleshwaram, Rajajinagar, Tumkur Road

Far South: Electronic City

West: Mysore Road, Uttarahalli Main Road, Magadi Road

CAPITAL VALUES AS OF Q1 2020

SUBMARKET	AVERAGE QUOTED CAPITAL VALUES (INR/MONTH)	QoQ CHANGE (%)	YoY (%)	SHORT TERM OUTLOOK
High-end segment				
Central	18,000-30,000	0%	0%	—
South	9,000-12,500	0%	14%	—
East	7,500-11,500	0%	3%	—
North	8,000-12,500	0%	2%	—
Mid segment				
Central	9,500-15,000	0%	9%	—
East	4,600-6,600	0%	2%	—
South East	5,000-6,750	0%	7%	—
North	5,500-7,500	0%	8%	—
South	5,500-7,500	0%	8%	—
Off Central I	8,000-12,000	0%	3%	—
Off Central II	7,500-9,500	0%	0%	—
North West	6,500-7,800	0%	2%	—
Far South	3,750-4,500	0%	0%	—
West	4,000-5,000	0%	0%	—

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