

3,788 NEW UNIT LAUNCHES

56.5% SHARE OF MID SEGMENT

1-4% Q-O-Q PRICE CORRECTION IN WEST & WEST PERIPHERAL MARKET

Quarterly launches subdued in the lockdown; Mid segment dominates new launches

In the wake of the COVID-19 pandemic and imposition of a lockdown in Ahmedabad, residential launches fell sharply in Q2. The quarter still managed to record 3,788 new unit launches, though down by 50% both on a q-o-q as well as y-o-y basis. Surprisingly, mid segment units priced between INR 4.5 million to INR 10 million dominated the market as against affordable units, accounting for 56.5% of total new launches in Q2. The affordable segment with units priced up to INR 4.5 million, accounted for around 19% of the quarterly launches. The share of high-end and luxury units, above the price of INR 10 million, was significantly higher at 25% as compared to single digit contribution in previous quarters. The trend seen in Q2 may be attributed to financially strong local developers continuing to pursue their projects irrespective of the current market disturbance in the hope of stability and improved transactions in the near to medium term.

Going ahead, the quantum of new launches is expected to remain stable with some downward pressure. However, recovery of the city's residential segment will be gradual due to the continuing labour shortage. Normalcy is likely to be restored once the government gives more leeway and opens up inter-district transport and developers make arrangements for migrant workers to travel to project sites. Overall, in the next 2-3 quarters, demand for new residential units is likely to remain muted with a number of developers suffering from liquidity pressures and homebuyers facing income uncertainty.

West & North submarkets witness healthy launch activity

During Q2 2020, a significant proportion of units was launched in the west and north submarkets, largely due to availability of land and better physical infrastructure. Shela, Bopal & Shilaj from the western peripheral submarket accounted for 46% of the Q2 launches. These submarkets have emerged as ideal destinations for mid segment residential units. Gota, Jagatpur, Nava Vadaj and Tragad accounted for another 22% of launches in the quarter. Naroda, Nava Naroda and Nikol corridors were the most active in the Eastern submarket. Higher launches in the peripheral areas have been driven by easier availability of low-cost land parcels and steady demand for affordably priced projects launched in these corridors. Q2 2020 saw affordable housing units spread across the city, whereas 84% of high-end units and 74% of luxury projects are concentrated in the West submarket areas such as Bopal, Shela, Thaltej etc.

Capital values saw correction

Prices in the upper range for mid segment housing have corrected by 1-4% during the quarter in the west and west peripheral submarket where most of the recent development has occurred. Rising demand for affordable housing has resulted in price gains in the previous quarters but stability reigned in Q2. Going forward, we expect a declining capital value trend to sustain over the next two quarters, with the lockdown and sluggish sales handing the upper hand in bargaining power to the buyers even as developers continue to offer innovative payment plans to drive sales. Such schemes though can only be undertaken by the big players while small players continue to face liquidity crunch and more likely to reduce prices under the mounting pressure.

MARKET INDICATORS OVERALL Q2 2020

Y-O-Y
Change

12-Months
Forecast

New Launches



Units Sold



Average Capital
Values (INR/sf)



SIGNIFICANT PROJECTS LAUNCHED IN Q2 2020

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	RATE*(INR/SF)
Swati Parkside	Shela	Swati Sanidhya	380	3,530
Silver Springs	Bopal	Anjani Infra	376	4,100
Riviera Springs	Shela	Safal Goyal Realty	320	5,910
Sawera Sanidhya	Nikol	Shree Buildcon	224	3,600
Suryam Ananta	Vastral	Suryam Infra	212	3,265
Sky Ville	Shela	West Wing Infra	205	3,445

RENTAL VALUES AS OF Q2 2020

SUBMARKET	AVERAGE QUOTED RENT (INR/MONTH)	QoQ CHANGE (%)	YoY (%)	SHORT TERM OUTLOOK
High-end segment				
Central	20,000 – 100,000	0%	0%	▬
West	18,000 - 100,000	0%	0%	▬
Mid segment				
Central	7,500-25,000	0%	0%	▬
North	5,500-12,000	0%	0%	▬
South	4,500-15,000	0%	0%	▬
West	8,000-30,000	0%	0%	▬
West Peripheral	8,000-30,000	0%	0%	▬
East	4,000-12,000	0%	0%	▬

SIGNIFICANT PROJECT COMPLETED IN Q2 2020

BUILDING	LOCATION	DEVELOPER	ESTD NO. OF UNITS	UNIT SIZE
Krupal Bachpan	Shela	Narayankrupa Infra	156	835 – 1025
Festival Residency 2	Vaishnodevi Circle	The festival Group	120	915
True East Ebony	Bodakdev	True Value Nirman	55	3045 - 5770
Atithi Satkar	Vatva	Atithi developer	62	580 - 615

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

BUILDING	LOCATION	DEVELOPER	ESTD NO. OF UNITS	EXPECTED COMPLETION
Bakeri Shaunak	Vejalpur	Bakeri Infracon	817	Q1 2021
Sayaji Samrudhi	Kathwada	Sayaji Real Estate	646	Q2 2021
Savvy Studios	Gota	Savvy infrastructure	450	Q1 2021
Goyal Orchid Heaven	South Bopal	Goyal developers	448	Q1 2021

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

The above values for high-end segment are for units typically of 1,600-3,000 sf

The above values for mid segment are for units typically of 900-1,800 sf

** Affordable Housing project with units typically of 200-900 sf

^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: C.G. Road, Ashram Road, Navrangpura, Gulbai Tekda
West: Vastrapur, Satellite Thaltej, Prahladnagar

Mid Segment

Central: C.G. Road, Ashram Road, Navrangpura, Gulbai Tekda
North: Ram Nagar, Sabarmati, Motera, Chandlodia, Ranip, Chandkheda, Gota, Vaishnodevi, Jagatpur
South: Maninagar, Vinzol, Narol, Vatva, Ghodasar, Lambha
West: Vastrapur, Satellite, Thaltej, Prahladnagar, Makarba, Vejalpur, Sarkhej, Vasna
West Peripheral: Bopal, South Bopal, Ambli, Ghuma, Shilaj
East: Khokhra, New Maninagar, Naroda, Nava Naroda, Nikol, Hansol, Odhav, Vastral

CAPITAL VALUES AS OF Q2 2020

SUBMARKET	AVERAGE QUOTED CAPITAL VALUES (INR/SF)	QoQ CHANGE (%)	YoY (%)	SHORT TERM OUTLOOK
High-end segment				
Central	5,500-8,200	0%	0%	▬
West	5,500-8,200	0%	0%	▬
Mid segment				
Central	4,500-6,500	0%	0%	▬
North	2,800-4,500	-2%	-2%	▾
South	2,000-5,000	0%	0%	▬
West	3,600-6,100	-1%	-1%	▾
West Peripheral	2,850-5,200	-4%	-3%	▾
East	2,000-4,000	0%	0%	▬

Rohan Sharma

Director, Research Services

+91 124 4695555 / rohan.sharma1@cushwake.com

Kapil Kanala

Associate Director, Research Services

+91 40 40405555 / kapil.kanala@ap.cushwake.com

cushmanwakefield.com

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