


**3,075** NEW UNIT LAUNCHES (Q2 2020)

**53%** SHARE OF MID SEGMENT (Q2 2020)

**75%** SHARE OF 3BHK SEGMENT (Q2 2020)

### Construction activity resuming, new launches are back post lockdown

Construction activity had come to a grinding halt early during the lockdown, but larger developers are now resuming work over the last one month as the lockdown has been followed by a staggered reopening. Projects where most of the units are already sold and/or are in fairly advanced stages of construction have resumed site works but again with less than 50% of the full capacity given the labour and resource constraints at large. There were no new projects announced early in Q2 but some projects which were scheduled for launch just before the lockdown and those that were awaiting final approvals during Q1 were officially launched post the lockdown. About 3,075 units were launched during the quarter spread across developers like Aurobindo Realty, Aparna Constructions, GHR Group and Praneeth Group etc. recording a 5% q-o-q growth but a mild drop of 4% on an annual basis. Mid segment accounted for 53% of the cumulative launches followed by a 32% share for the high-end segment with 75% of total launches consisting of 3 BHK units. Launches were witnessed mainly in the prominent residential clusters of Hitech City, Kondapur, Osman Nagar in the western quadrant and emerging location like Gundlapochampally in the North.

### Cautious optimism prevails, developers offering new schemes to offload inventory

The momentum in Hyderabad's residential market witnessed over the last 2-3 years came to a temporary halt during Q2. While developers are focused on resuming construction activity and increasing sales amidst the ongoing COVID-19 related uncertainty, active buyers are cautiously evaluating market conditions and are exploring various offers. Developers are selective in offering price discounts but have announced schemes such as price protection cover, Zero Pre-EMI offer, minimal booking amount (which is fully refundable), no cancellation or re-allocation charges, payment relaxations up to 3-6 months, 10:90 payment plans etc. to offload unsold inventory to reduce their widening cash flow gaps. Queries from investors and buyers have actively gone up post lockdown to seize the opportunity of ongoing deals. RERA providing an extension of project completion deadlines by six months has also come as a major relief for developers in the short term. We could expect a rise in demand for new homes in short to medium term with the availability of large discounts. However, the EMI moratorium and higher cost of construction due to the rise in the price of raw materials, could lead to higher stress among some developers. This will further delay project completions which will impact capital values on the lower side to generate cash.

### Vacant homes on the rise, rentals under pressure

The number of vacant homes across the city has been quickly rising over the last 1-2 months as several employees, students and households chose to relocate amidst the pandemic. Rentals across the city have decreased by 4-7% q-o-q on average with some residential catchments, largely housing the migrant population in the Central and Southern parts of the city, correcting up to 8-12% as well on a quarterly basis. Rentals in the IT corridor and Western Hyderabad have also corrected by 3-4% on average. Further correction in rentals maybe likely over the next 3-6 months with growing competition among landlords and continued reduction in the tenant base.

#### MARKET INDICATORS OVERALL Q2 2020

Y-O-Y  
Change12-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)
Aparna Kanopy Marigold	Gundlapochampally	Aparna Constructions	1320	4,049
GHR Titania	Kondapur	GHR Infra	480	5,800
Kohinoor	Hitech City	Aurobindo Realty	776	6,999



## RENTAL VALUES AS OF Q2 2020

SUBMARKET	AVERAGE QUOTED RENT (INR/MONTH)	QoQ CHANGE (%)	YoY (%)	SHORT TERM OUTLOOK
<b>High-end segment</b>				
Banjara Hills	56,200-1,45,500	-3%	-3%	▼
Madhapur, Gachibowli	34,600-67,200	-4%	-3%	▼
Kukatpally	20,300-38,800	-3%	-2%	▼
Himayathnagar	19,400-34,900	-3%	-3%	▼
<b>Mid segment</b>				
Banjara Hills	21,300-31,000	-3%	1%	▼
Madhapur, Gachibowli	17,750-27,350	-4%	-1%	▼
Kukatpally	14,550-22,300	-3%	0%	▼
Himayathnagar	13,000-17,450	-3%	-3%	▼

## CAPITAL VALUES AS OF Q2 2020

SUBMARKET	AVERAGE QUOTED CAPITAL VALUES (INR/SF)	QoQ CHANGE (%)	YoY (%)	SHORT TERM OUTLOOK
<b>High-end segment</b>				
Banjara Hills	8,200-12,200	0%	2%	▬
Madhapur, Gachibowli	5,600-8,000	0%	4%	▬
Kukatpally	5,000-6,500	0%	3%	▬
<b>Mid segment</b>				
Madhapur, Gachibowli	4,500-5,700	0%	6%	▬
Kukatpally	4,000-5,000	0%	8%	▬
Himayathnagar	4,000-4,700	0%	7%	▬
Miyapur	4,200 – 4,500	0%	21%	▬

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION IN Q2 2020

BUILDING	LOCATION	DEVELOPER	ESTD NO. OF UNITS	EXPECTED COMPLETION
Fortune Mayura	Bachupally	Fortune Green Homes	360	Q2 2023
Gowra Urban Winds	Kismatpur	Gowra Estates LLP	103	Q2 2022

## SIGNIFICANT CONSTRUCTION COMPLETIONS IN Q2 2020

BUILDING	LOCATION	DEVELOPER	ESTD NO. OF UNITS	UNIT SIZE
Regalia	Kokapet	Rajapushpa Properties	491	1610-2600
BPCR Landmark	Maheshwaram	Manasvy Developers	180	2238-3100

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

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

\*\* Quoted base capital value and does not include other charges such as Preferential Location Charges, External Development Charges, Internal Development Charges, etc.

The above values for high-end segment are for units typically of 1,200-3,000 sq

The above values for mid segment are for units typically of 800-1,400 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

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