


7,500+ NEW UNITS LAUNCHED (Q4 2020)

51% SHARE OF AFFORDABLE SEGMENT (Q4 2020)

2-3% RENTALS DROP ACROSS MAJOR CATCHMENTS

MARKET INDICATORS OVERALL Q4 2020

Y-O-Y
Change

12-Months
Forecast

New Launches



Units Sold


Average Capital
Values (INR/sf)

Growth in new launches, signs of demand recovery visible

More than 7,500 units were launched in Q4 2020 with the market witnessing more than a 2X rise on a quarterly basis (84% y-o-y). For the full year 2020, over 13,000 units have been launched, almost on par with last year suggesting a minimal impact on the residential market. Early relaxation of lockdown restrictions (as compared to other tier 1 cities) and proactive measures by the developers to resume construction have helped the market to recover on a faster note. Enquiries and conversion rates have picked up pace steadily since Q3 and Q4 has witnessed sales reaching up to 75-80% of pre-COVID levels. New launches by major developers such as Prestige Constructions, My Home Group, Candeur have witnessed sales exceeding 30-35% of the announced inventory by the end of Q4. Though some of it can be attributed to the pent-up demand from previous quarters, a considerable growth in enquiries and sales in Q4 across all segments and residential catchments indicates that the market is on a solid footing and is geared up for a full-fledged recovery in 2021. At 51%, the affordable segment saw the highest proportion of new launches in the quarter followed by the mid-end segment at 24%, almost equivalent to the high-end segment. New launches were largely concentrated in the Western quadrant across locations like Miyapur, Bachupally, Tellapur and Kokapet by major players like Vasavi Group, Prestige Constructions, Praneeth Group, My Home, Urbanrise and Candeur Developers and Builders etc.

New policies introduced for townships and expedited approvals

The state government has recently introduced the Integrated Township Policy to disperse growth (which is heavily concentrated in the Western quadrant) across all directions of the city. Developers have been offered attractive incentives such as 50% exemption on stamp duty on the purchase of land, 50% waiver on non-agricultural conversion charges and other development charges. Additionally, projects under this policy would be exempted from land ceiling laws and 100% stamp duty exemption will be provided for economically weaker sections (EWS). Several developers have already submitted proposals for integrated townships along ORR in the western, eastern quadrants. TS-bPass is another citizen centric policy introduced by the government to help individuals and developers get building approvals quickly under a single window system, thus promoting transparency.

Prices remains stable; Rentals show a decline

Prices have largely remained stable across the city and across all categories in Q4 2020. Developers have continued some of the incentives/offers announced early during the pandemic and with signs of demand recovery clearly evident in Q4, they haven't announced any new discounts. We expect developers to gradually roll back these offers by H1 2021 and prices could start moving up again in line with market resurgence. Rentals have continued to decline for the third quarter in a row, by about 2-3% across all major residential catchments. Several project completions (due in Q4) have been deferred by 9-12 months. Going forward, continuation of the lower interest rate regime together with improvements in consumer confidence and expedited project completions will drive the demand. We expect the recovery to gain pace in H1 2021 and momentum is likely to strengthen further in H2.

SIGNIFICANT PROJECTS LAUNCHED IN Q4 2020

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	RATE*(INR/SF)
Tridasa	Tellapur	My Home	1,196	5,200
Vasavi Urban	Bachupally	Vasavi Group	3,714	4,400
Candeur 40	Miyapur	Candeur Constructions	960	6,200



RENTAL VALUES AS OF Q4 2020

SUBMARKET	AVERAGE QUOTED RENT (IND/MONTH)	QoQ CHANGE (%)	YoY (%)	SHORT TERM OUTLOOK
High-end segment				
Banjara Hills	53,400-1,38,300	-2%	-8%	▼
Madhapur, Gachibowli	32,200-62,500	-3%	-11%	▼
Kukatpally	19,200-36,800	-2%	-8%	▼
Himayat Nagar	18,400-33,200	-2%	-8%	▼
Mid segment				
Banjara Hills	20,200-29,400	-2%	-8%	▼
Madhapur, Gachibowli	16,500-25,400	-3%	-11%	▼
Kukatpally	13,800-21,100	-2%	-8%	▼
Himayat Nagar	12,400-17,100	-1%	-6%	▼

CAPITAL VALUES AS OF Q4 2020

SUBMARKET	AVERAGE QUOTED RENT (IND/MONTH)	QoQ CHANGE (%)	YoY (%)	SHORT TERM OUTLOOK
High-end segment				
Banjara Hills	8,200-12,200	0%	0%	▬
Madhapur, Gachibowli	5,600-8,000	0%	0%	▬
Kukatpally	5,000-6,500	0%	0%	▬
Mid segment				
Madhapur, Gachibowli	4,500-5,700	0%	0%	▬
Kukatpally	4,000-5,000	0%	0%	▬
Himayat Nagar	4,000-4,700	0%	0%	▬
Miyapur	4,200 – 4,500	0%	0%	▬

SIGNIFICANT PROJECT COMPLETED IN Q4 2020

BUILDING	LOCATION	DEVELOPER	ESTD NO. OF UNITS	UNIT SIZE
Honey Dew	Tellapur	Aakriti Constructions	287	1,058-2,026
EIPL Apila	Gandipet	EIPL Group	470	1,395-2,665

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

BUILDING	LOCATION	DEVELOPER	ESTD NO. OF UNITS	EXPECTED COMPLETION
Prestige High Fields	Nanakramguda	Prestige Group	2,240	Q3 2021
Aparna Cyberscape	Nallagandla	Aparna constructions	612	Q1 2023

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 ft

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

^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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