


1,373 NEW UNIT LAUNCHES (Q1 2021)

51% SHARE OF MID-SEGMENT IN UNIT LAUNCHES (Q1 2021)

32% SHARE OF AFFORDABLE SEGMENT IN UNIT LAUNCHES (Q1 2021)

MARKET INDICATORS OVERALL Q1 2021

Y-O-Y Change 12-Months Forecast

New Launches



Units Sold



Average Capital Values (INR/sf)


Revival in construction activity drives gradual recovery of launches

Kolkata's residential sector began the year on a positive note with gradual recovery in construction activity and better demand from homebuyers, driving growth in unit launches. The city witnessed the launch of 1,373 units in Q1, a q-o-q growth of around 29%, with both large, reputed developers (Merlin Group, Ambuja Neotia) as well as some smaller, local players (Webstar Group, Sriram Construction) announcing their project launches. However, developers across varied scales of operation continued to adopt a conservative approach and launched small to medium sized projects, while focussing more on construction completion and sales of their ongoing projects. Micro markets such as Tangra in the East and Maheshtala in the south west quadrant of the city witnessed majority of the traction, accounting for around 64% of the quarterly unit launches. The North and North East (Rajarhat) submarkets were relatively subdued with around 30% of quarterly launches. Sales activity showed signs of improvement with homebuyers benefiting from low home loan rates and various incentives extended by developers. While ready-to-move in properties continued to dominate sales activity in the city, elevated level of unsold inventories remained a challenge for many smaller developers, who have also been affected by a prolonged liquidity crisis. While sales activity across the city is likely to remain slow until the ongoing COVID-19 situation stabilises, EM Bypass continues to witness steady demand due to its preference among buyers and investors on account of its location and connectivity advantage and presence of reputed developers. Going forward, new launches are likely to gain momentum over the next couple of quarters in the affordable and mid-segment categories and reach pre-COVID levels by H2 2021. The South Peripheral and North East submarkets will continue to drive launch and sales activities. However, recent surge in infection and possible imposition of restrictions could pose challenges for developers and adversely affect housing demand.

Affordable, mid-segment dominate launches; emerging demand for other property types

Affordable segment accounted for over 32% of quarterly launches while the mid-segment contributed the highest share of 51%. Merlin Group's project Merlin X, constituting high-end units accounted for the remaining 17% of launches in the quarter. Affordable housing has got a further boost with the Union Budget extending tax deduction on home loan interest and tax holiday for developers. With the COVID-19 pandemic driving demand for spacious and well ventilated homes, a number of developers have moved ahead with villa, bungalow and plotted projects. For instance, the quarter saw the launch of Gems Bougainvillas, a bungalow project in the South Peripheral (Joka) submarket by Gems Group while Ambuja Neotia has partnered with Satyaa Group to jointly develop a 72 acre plotted and villa project at Rajarhat.

Stable capital values but developers continue to offer selective price incentives

Average capital values were stable in Q1 with home prices unlikely to appreciate in the near term. Few developers have continued to offer incentive schemes to drive sales and overcome liquidity issues in select submarkets amidst challenging business conditions. This is likely to continue over the next couple of quarters with housing affordability remaining the key metric for homebuyers. With property prices trending down, the recent increase in the differential between the agreement value and circle rate of a property to 20% on primary sale of residential units of up to INR 20 million will benefit both homebuyers and developers. Rentals on a broader city-level remained largely stable during the quarter. However, landlords in certain submarkets where demand for rental housing is largely driven by in-migrant population working in the city's IT hubs of Rajarhat and Salt Lake continued to provide discounts selectively to attract tenants. With employees gradually returning in the Salt Lake Sector V and Rajarhat IT corridors, landlords continue to offer a 3-4% discount on rentals to ensure higher demand from tenants in their properties. These discounts and offers are expected to normalize within the next 6 to 9 months once the corporates, particularly those in the IT-BPM sector, allow higher number of employees returning to office..

SIGNIFICANT PROJECTS LAUNCHED IN Q1 2021

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	RATE**(INR/SF)
Merlin X	Tangra	Merlin Group	233	11,000-11,300
Ambuja Usshar	Maheshtala	Ambuja Neotia Group	558	3,380



RENTAL VALUES AS OF Q1 2021*

SUBMARKET	AVERAGE QUOTED RENT (INR/MONTH)	QoQ CHANGE (%)	YoY (%)	SHORT TERM OUTLOOK
High-end segment				
South	63,000-85,000	0%	0%	■
South-East	40,000-85,000	0%	0%	■
South-West	100,000-185,000	0%	0%	■
Central	85,000-155,000	0%	0%	■
East	38,000-68,000	0%	0%	■
Mid segment				
South	20,000-35,000	0%	0%	■
South-Central	28,000-35,000	0%	-2%	■
South-East	20,000-34,500	0%	-1%	■
North-East	14,500-20,500	-3%	-13%	▼
North	14,000-26,500	-4%	-15%	▼

SIGNIFICANT PROJECTS COMPLETED IN Q1 2021

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	UNIT SIZE (SF)
Aurus	Tangra	PS Group	162	1,473-1,778

SIGNIFICANT PROJECTS UNDER CONSTRUCTION IN Q1 2021

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	EXPECTED COMPLETION
GM Meena Icon	Sodepur	GM Group	72	Q2 2021
Madgul Antaraa	Joka	Rungta Group	280	Q2 2021

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

* Rental and capital values have been depicted only for key submarkets based on built-up area

** Quoted base capital value 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 2,000-3,000 sf

The above values for mid segment are for units typically of 900-1,250 sf

KEY TO SUBMARKETS

High-end Segment

South: Southern Avenue, Hindustan Park, Triangular Park
South-east: EM Bypass - Science City, Pancha Sagar
South-west: Alipore Park Road, Ashoka Road, Burdwan Road
Central: Camac Street, Minto Park, Elgin Road, Loudon Street
North: Kankurgachi, Lake Town, VIP Road East: Salt Lake
East: New Town, Rajarhat

Mid Segment

South: Golf Green, Tollygunge, Lake Gardens, Jodhpur Park, Anwar Shah Road
South-central: Deshapriya Park, Hazra Road, Bhawanipur
South-east: Ajoy Nagar, Hiland Park, PA Shah Connector
North-east: Rajarhat, Rajarhat Chowmatha
South-west: Tollygunge Circular Road, New Alipore, Behala, Jones Lang Sarani
North: Jessore Road, Ultadanga, Shyambazar, Bagbazar, Manicktala, Dum Dum
North-peripheral: BT Road, Barasat, Madhyamgram, Sodepur
South-peripheral: Garia, Narendrapur, Sonarpur
South-west peripheral: Joka, Maheshtala, Budge Budge, Thakurpukur

CAPITAL VALUES AS OF Q1 2021*

SUBMARKET	AVERAGE QUOTED CAPITAL VALUE** (INR/SF)	QoQ CHANGE (%)	YoY (%)	SHORT TERM OUTLOOK
High-end segment				
South	7,500-13,000	0%	0%	■
South-East	6,300-14,000	0%	0%	■
South-West	12,000-17,000	0%	0%	■
Central	12,000-19,500	0%	0%	■
East	5,000-7,750	0%	0%	■
Mid segment				
South	4,500-8,400	0%	-1%	■
South-Central	5,900-8,750	0%	-3%	■
South-East	3,100-5,500	0%	-1%	■
North-East	2,900-4,000	0%	-4%	■
North	3,150-5,500	0%	-7%	■

Srija Banerjee

Senior Manager, Research Services

+91 080 40465555 / srija.banerjee@cushwake.com

Kapil Kanala

Senior Associate Director, Research Services

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

cushmanwakefield.com

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