


3,106 NEW UNIT LAUNCHES (Q2 2021)

47% SHARE OF AFFORDABLE SEGMENT

45% SHARE OF WEST & WEST PERIPHERAL MARKETS IN NEW LAUNCHES

MARKET INDICATORS OVERALL Q2 2021

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

Quarterly launches subdued in Q2; Affordable segment dominates new launches

Residential launches declined in Q2 after it had gathered some pace in Q1, amidst the uncertainty of second wave of the pandemic. The quarter still managed to record 3,106 new unit launches, though down by 18% on a y-o-y basis. Affordable housing segment has been a consistent performer since the last few years as the government is providing tax incentives and interest subsidy to boost demand in this segment. Affordable housing units are dominating the new launches for the past one year in Ahmedabad. It has witnessed 47% share of affordable segment in new launches in Q2, followed by a 40% share of mid segment with units priced between INR 4.5 million to INR 10 million. The share of high-end and luxury units, above the price of INR 10 million, was significantly low at less than 13%, down by 55.5% on a y-o-y basis. Many developers have converted their commercial projects to residential ones in the city, as they see a good demand for residential schemes. Going forward, residential launches and sales are expected to pick up in H2 2021 owing to the latent demand in the market. Demand is expected to grow as a considerable portion of the unsold inventory got cleared in H1 2021, which opened space for new projects to be launched in upcoming quarters. Whether this latent demand will materialize in upcoming quarters or not, depends on the overall economic recovery. Also, the fear of the impending Covid third wave may put a brake on the revival of the housing demand seen during the last few months.

Higher launch activity in West and West Peripheral submarkets

The West and West Peripheral submarkets accounted for 45% of new launches in Q2 followed by the East submarket with a 20% share and the North submarket with 17%. East submarket continued to cater to the demand for affordable housing with the availability of cheaper land parcels in Vastral, Nikol and Kathwada while most of the high-end and luxury projects came up in Central and West submarket of Satellite, Memnagar, Paldi and Usmanpura. North Ahmedabad dominated the new launches in the high-end segment as the North submarket witnessed a shift from the affordable and mid segment market with 57% share of high-end segment launches in Q2. West and West Peripheral with Vasna, Ghuma, Shela and Shilaj as the key locations witnessed higher launch activity, especially of mid-segment housing projects, as developers showed greater interest in peripheral areas due to the low-cost land parcels and improving physical infrastructure. A demand for serviced residential plots with amenities on the outskirts of Ahmedabad, was witnessed as buyers are driven by the need for a second home to stay isolated from the crowd in such times of crisis. The locations of Sanand-Nalsarovar Road, Agol, Shela, Thol and Bagodara saw traction in demand for such serviced residential plots and significant price appreciation was noticed attracting developers to come up with more such plotting schemes.

Stable capital values with extension of price incentives to homebuyers

Quoted prices have remained stable during the quarter, although there is pressure on the upper range for housing across all price categories except the affordable segment. Affordable segment contributed most to the sales activity and the unsold inventory mainly comprises mid and high-end segment units. Further, affordable and mid segment houses may witness more demand than the higher segment considering the government's credit-linked subsidy scheme. Developers are offering discounts to drive sales but looking at the sluggish sales activity, it seems that potential buyers are on a wait-and-watch mode until the haze of the pandemic clears. The trend of selective price discounts along with incentives such as pre-EMI waivers and price protection plans is likely to continue over the next couple of quarters with developers prioritising sales and faster reduction of their inventories. The downward pressure on capital values is, therefore, likely to persist.

SIGNIFICANT PROJECTS LAUNCHED IN Q2 2021

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	RATE(INR/SF)
Sthapatya Height	Singarwa	Sthapatya Buildcon	280	6,300
Riseonic Namoh	Sabarmati	Riseonic Buildcon	236	11,000
Elenza Greenfield	Shela	Elenza Green Projects LLP	216	6,350
Shreedhar Sky	Vastral	Shreedhar Realty	168	5,600
Uma Sidhhi Greens	Lambha	Uma Projects	168	4,050



RENTAL VALUES AS OF Q2 2021

SUBMARKET	AVERAGE QUOTED RENT (IND/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%	—

CAPITAL VALUES AS OF Q2 2021

SUBMARKET	AVERAGE QUOTED RENT (IND/MONTH)	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	0%	0%	—
South	2,000-5,000	0%	0%	—
West	3,600-6,100	0%	0%	—
West Peripheral	2,850-5,200	0%	0%	—
East	2,000-4,000	0%	0%	—

SIGNIFICANT PROJECT COMPLETED IN Q2 2021

BUILDING	LOCATION	DEVELOPER	NO. OF UNITS	UNIT SIZE
Anant Sky	Ranip	Nila Infrastructure Ltd	460	360-584
Aavali Signature	Motera	H R Infrastructure	264	1161-2246
Dev Aashish Divine 2	Vatva	Abjibapa Buildcon	183	631-745
Kavisha Panorama	Bopal	Kavisha Buildcon	194	720 – 870

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

BUILDING	LOCATION	DEVELOPER	ESTD NO. OF UNITS	EXPECTED COMPLETION
Sun South Rayz	Bopal	Sun Constructions	434	Q1 2022
Sheetal Westpark Residency	Vastrapur	Sheetal Infrastructure	392	Q1 2022
Karnavati Riviera	New Maninagar	Karnavati Builders	448	Q1 2022
Magnate Lifestyle	Vaishnodevi	Motherland Infracon LLP	239	Q3 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 sq

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

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

Ketan Bhingarde

Manager, Research Services

+91 22 6771555 / ketan.bhingarde@cushwake.com

Kapil Kanala

Director, Research Services

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

cushmanwakefield.com

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