



2,850 NEW UNIT LAUNCHES IN Q2 2021

66% SHARE OF MID SEGMENT IN NEW UNIT LAUNCHES (Q2 2021)

4X Y-O-Y GROWTH IN UNIT LAUNCHES (Q2 2021)

Short term disruption in project launches

Bengaluru's residential sector which was gradually getting back on track in terms of project launches in Q1, has again been impacted by the lockdown restrictions. A total of 2,850 units were launched, a 23% decline q-o-q but a 4X rise on annual basis suggesting an improvement in market outlook and developer confidence in recent months. In fact, though construction activity had slowed down but it was not fully halted at majority of the ongoing projects in the city over the last 3 months. While some developers deferred new launches amidst the second wave, a few others went ahead considering the steady sales momentum and lower inventory overhang in the market. Mid-segment projects continued to dominate with 66% share in new launches followed by the high-end segment at 15%, indicating a steady interest for these categories among buyers. Affordable sector launches continue to remain muted accounting for 9-10% of the quarterly launches in the city. Rising preference among buyers/investors for land as a long-term investment option resulted in the launch of plotted developments viz. Valmark Orchards and Century Seasons at emerging locations like Devanahalli. While some of the developers shall continue to remain cautious and focus on offloading the existing inventory and completion of under construction projects, we anticipate a general uptrend in launches on the back of improving business / market sentiments.

Lesser impact on housing demand compared to the first wave

Enquiries as well as site visits have taken a hit during the second wave, but developers were actively promoting virtual site visits to bridge the gap. Ongoing construction activity across most projects albeit at a slower pace has helped to booster confidence among buyers. While demand for affordable and mid-end projects was slightly lower, the high-end and luxury segments continued to showcase a better performance. The demand for high-end and luxury segments has been on a rise since the first wave and several buyers are actively exploring options for second homes and / or upgrade their primary abode. Overall, the impact was lower as compared to Q2 2020, since buyers / developers are now more confident given the wider vaccination roll out and improving economic / business sentiments. Going forward, steady pace of construction and stable property prices, pent up demand, active vaccination drives and lower infection rates in the city are likely to boost buyer confidence and pave the way for early demand recovery over the next few months. This is likely to be in tandem with the revival observed during the last quarter of 2020 and Q1 2021. While properties within a ticket price range of INR 50-80 lakh shall continue to drive the traction, demand for villa communities and plotted developments as part of gated projects shall also continue to rise with buyers preferring to invest in large and spacious homes even at peripheral locations, post the pandemic.

Property prices remain resilient during 2nd wave while developers continue to offer incentives

Average prices across most residential catchments have largely remained stable during the quarter. A few peripheral locations in South and Western quadrant continued to witness a marginal correction of 1-2%. Most developers have continued the discounts, offers from previous quarters to attract buyers and maintain the sales momentum. Rentals across prominent residential catchments have also remained stable, except the peripheral western quadrant which has recorded a 1-2% decline in housing rental during the quarter. Though the second wave has deferred return to office schedules in the short term, we anticipate a slower but gradual recovery in rentals over the next 6-12 months.

MARKET INDICATORS OVERALL Q2 2021

Y-O-Y Change 12-Months Forecast

New Launches



Units Sold



Average Capital Values (INR/sf)



SIGNIFICANT PROJECTS LAUNCHED IN Q2 2021

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	RATE*(INR/SF)
Valmark Orchards	Devanahalli	Valmark Group	269 (villa plots)	3,700
Ahad Serenity	Hosa Road	Ahad Builders	619	4,980

RENTAL VALUES AS OF Q2 2021

SUBMARKET	AVERAGE QUOTED RENT (IND/MONTH)	QoQ CHANGE (%)	YoY CHANGE (%)	SHORT TERM OUTLOOK
High-end segment				
Central	150,000-350,000	0%	0%	■
South	60,000-120,000	0%	0%	■
East	85,000-300,000	0%	0%	■
North	70,000-200,000	0%	0%	■
Mid segment				
Central	70,000-100,000	0%	0%	■
South East	24,000-40,000	0%	-9%	■
North West	23,000-33,000	0%	-7%	■
West	18,000-24,500	-2%	-15%	■
East	23,500-32,000	0%	-8%	■

SIGNIFICANT PROJECTS COMPLETED IN Q2 2021

Despite construction activity being permitted at project sites during Q2 amid lockdown restrictions, no significant project completions were recorded in the city. This was on account of labour and resource constraints and also due to delay in obtaining OC for nearly completed projects, during the course of the lockdown. However, we shall continue to monitor the projects which were due for completion during H1 2020 for any possible completion and handover during the coming quarters.

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

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	EXPECTED COMPLETION
Sumadhura Eden Gardens	Whitefield	Sumadhura Group	1,113	Q4 2021
Salarpuria Sattva Opus	Tumkur Road	Salarpuria Sattva	278	Q3 2021

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

* Rental and capital values have been depicted only for key sub markets

** Quoted capital value on carpet area based on agreement values which includes, Base Rate, Car Parking Charges, Internal Development Charges, etc.

The above values for high-end segment are for units typically of 2,000-4,000 sq

The above values for mid segment are for units typically of 1,600-2,000 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: Lavelle Road, Palace Cross Road, Off Cunningham

Road, Ulsoor Road, Richmond Road, Sankey Road

South: Koramangala, Bannerghatta Road, JP Nagar,

Banashankari

Off Central: Frazer town, Benson Town, Richards Town, Dollars Colony

East: Whitefield, Old Airport Road

North: Hebbal, Jakkur, Devanahalli

North-west: Malleshwaram, Rajajinagar, Yeshwanthpur

Mid Segment

Central: Brunton Road, Artillery Road, Ali Askar Road, Cunningham Road

East: Whitefield, Old Airport Road, Old Madras Road, Budigere Cross

South-east: Sarjapur Road, Outer Ring Road (Marathahalli- Sarjapur), HSR Layout, Hosur Road

South: Jayanagar, J P Nagar, Kanakapura Road, Bannerghatta Road, BTM Layout, Banashankari

North: Hebbal, Bellary Road, Yelahanka, Doddaballapur Road, Hennur Road, Thanisandra Road

Off Central-I: Vasanth Nagar, Richmond Town, Indiranagar

Off Central-II: Cox Town, Frazer Town, Benson Town, etc.

North-west: Malleshwaram, Rajajinagar, Tumkur Road

Far South: Electronic City, Attibele, Chandapur

West: Mysore Road, Uttarahalli Main Road, Magadi Road

CAPITAL VALUES AS OF Q2 2021

SUBMARKET	AVERAGE QUOTED CAPITAL VALUE (IND/SF)	QoQ CHANGE (%)	YoY CHANGE (%)	SHORT TERM OUTLOOK
High-end segment				
Central	18,000-30,000	0%	0%	■
South	9,000-12,500	0%	0%	■
East	7,500-11,500	0%	0%	■
North	8,000-12,500	0%	0%	■
Mid segment				
Central	9,500-15,000	0%	0%	■
East	4,600-5,800	0%	-2%	■
South East	4,900-6,100	0%	-2%	■
North	5,300-6,500	0%	-3%	■
South	5,500-7,000	0%	0%	■
Off Central I	8,000-12,000	0%	0%	■
Off Central II	7,500 - 8,900	0%	-1%	■
North West	6,300-7,000	0%	-3%	■
Far South	3,400-3,900	-1%	-6%	■
West	3,700-4,300	-1%	-6%	■

Srija Banerjee

Senior Manager, Research Services

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

Kapil Kanala

Director, Research Services

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

cushmanwakefield.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners.

Cushman & Wakefield is among the largest real estate services firms with approximately 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of \$8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services.

©2021 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.