



950 NEW UNIT LAUNCHES (Q2 2021)

2X GROWTH IN Y-O-Y UNIT LAUNCHES (Q2 2021)

89% SHARE OF AFFORDABLE SEGMENT IN UNIT LAUNCHES (Q2 2021)

MARKET INDICATORS OVERALL Q2 2021

Y-O-Y Change 12-Months Forecast

New Launches



Units Sold



Average Capital Values (INR/sf)



Lockdown-like restrictions and state elections affected project launches

Launches in Q2 2021 was significantly lower by 31% q-o-q to merely 950 units been launched. In addition to the second wave, which inflicted upon the developers lockdown-like restrictions thereby affecting labour migration and construction activity, disruptions were also caused by elections in the state towards the last few weeks of first quarter. As a result, many developers chose to defer their launches. However, the quantum of launches this quarter was better on a y-o-y terms i.e. over Q2 2020 when a complete lockdown was imposed to curb the first wave. Post the 2021 elections, second quarter of 2021 was further affected by the new state administration imposing some restrictions on business activity in the month of May.

The quarter witnessed greenfield launches mostly by local developers such as RBA Enterprise, Realmark Developers, Panihati Rubber, mostly in the peripheral parts of the city. Some of the bigger developers viz. Fortune Realty and Magnolia Infrastructure went ahead with project expansions in the affordable category. The North and South Peripheral submarkets, including locations such as Barasat, Madhyamgram, Sonarpur and Narendrapur were more active during the quarter. The North Peripheral submarket accounted for around 69% of the overall launches during the quarter, followed by South Peripheral with 17% share. Going forward, project launches are expected to improve over the next couple of quarters with declining infection levels, reopening of the economy and faster vaccinations providing an impetus to housing demand.

Affordable segment dominates launches during the quarter

Affordable segment constituted a major proportion (89%) of the launches in Q2 with developers launching projects mainly in the peripheral locations of the city. The northern and southern peripheral submarkets accounted for majority of the project launches in this segment, during the quarter. This suggests that developers were wary of a weak consumer sentiment and wanted to appeal more on the affordability aspect. While demand for spacious homes, including villas and plotted developments at higher price points, has been gaining traction, the demand for more compact, affordable homes stood relatively stronger in the Kolkata residential market.

A number of government incentives such as extension of tax deduction on home loan interest and tax holiday for developers building affordable housing projects have sustained homebuyer interest in the affordable housing category. While this trend is expected to continue over the next few quarters, developers may be keen to launch projects at differentiated price points in subsequent quarters to test demand coming from other segments.

Marginal correction in property price and rentals continue at select micro markets

Following the outbreak of the 2nd wave, though the average property price in the city's residential market remained stable, select submarkets continued to witness a marginal correction in their property prices. Average capital values in micro-markets like Rajarhat have been trending downwards over the past year and developers continue to provide selective price discounts of 2-3%, in addition to other non-price incentives to prospective buyers. While high volume of unsold inventory in this submarket, particularly of small scale developers impacted the price decline during the first wave (3-4%), a drop of 1-2% has as well been recorded post the outbreak of the 2nd wave. Alongside capital values, mid-segment rentals too were affected in Rajarhat and Salt Lake, the IT hubs of the city, where demand for rental housing is largely driven by in-migrant population. With the outbreak of the 2nd wave and likely deferment in return to office schedules of many of the corporates, these IT locations continued to record a rental decline of 2-3% during the quarter and the trend might continue over the next 3-6 months, depending on the return to office schedules.

SIGNIFICANT PROJECTS LAUNCHED IN Q2 2021

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	RATE**(INR/SF)
Magnolia Fantasia Phase 3	Barasat	Magnolia Infrastructure	396	3,000
Kabyo Neer	Sonarpur	Realmark Developers	164	2,700



RENTAL VALUES AS OF Q2 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	14,250-20,000	-2%	-14%	▼
North	14,000-26,500	0%	-15%	■

CAPITAL VALUES AS OF Q2 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	2,850-3,900	-2%	-6%	■
North	3,150-5,500	0%	-7%	■

SIGNIFICANT PROJECTS COMPLETED IN Q2 2021

With construction activity being restricted or slowed down for a major part of Q2 following the 2nd phase of the COVID-19 outbreak and rising infection levels, no significant project completions were recorded in the city. While construction activity was ongoing during the lockdown, the pace of construction has been quite slow due to labour and resource constraints. However, we shall continue to monitor the projects which were due for completion during Q2 2021 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
Madgul Antaraa	Joka	Rungta Group	281	Q3 2021
PS Flora Fountain	Sceince City, off EM Bypass	PS Group	369	Q1 2022

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 Sayar
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

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