

BENGALURU

Residential Q1 2023

~7,700 NEW UNIT LAUNCHES IN Q1 2023

54% SHARE OF MID SEGMENT IN NEW UNIT LAUNCHES (Q1 2023)

43% SHARE OF EAST SUBMARKET IN NEW UNIT LAUNCHES (Q1 2023)

RESIDENTIAL INDICATORS Q1 2023

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

Unit launches maintained at quarterly average; prominent developers gain market share

Bengaluru recorded launch of around 7,700 residential units during the first quarter of the year, a 16% decline over previous quarter. However, this supply during Q1 2023 is comparable to the quarterly average unit launches of ~8,200 unit during the year 2022. The eastern quadrant (Whitefield, KR Puram, Budigere Cross), a prime IT hub, was the major contributor to Q1 launches with a 43% share. This micro-market received a boost with the KR Puram to Whitefield Metro route starting operation in March. The other IT corridor of the city on the South-east (Bellandur & Sarjapur Road) together with eastern quadrant accounted for 52% share in Q1 launches. Ready-to-move-in projects continue to attract buyers, although low availability as well as steady decline of unsold inventory is expected to keep demand high across projects and the launch momentum is likely to continue.

Developers such as Prestige Group, Godrej Properties, Brigade Group, Casagrاند Builders and Sattva Group accounted for over 35% of Q1 launches, suggesting a growing share of prime developers. Prominent local players accounted for another 30-31% share during the quarter.

Mid-segment dominate launches; large-sized apartments gaining traction

Mid-segment projects led quarterly launches with ~54% share backed by good demand. High-end and luxury projects accounted for 14-15% share in new launches in a market that is increasingly favouring this segment. Driven by sustained demand for houses with ticket price of INR 1.3 crores and above, we anticipate sustained unit launches in this category in coming quarters. Affordable segment had an increased share of 32% in Q1 launches, and most of these projects are in peripheral locations like Jigani, Chandapura, Hoskote and Mysore Road.

Preference of end-users for larger apartments is rising, and developers are focusing on such configurations in their newly launched projects. The 3 & 4 BHK apartments accounted for a dominant ~54% share in quarterly launches. Within the mid-segment category (~4195 units), the 3 & 4 BHK apartments accounted for ~68% share.

Rising RTO % pushes rents and capital values upwards

With rising number of employees returning to office (RTO), city-wide rentals saw a q-o-q growth of 8-10%, while on a y-o-y basis the growth is in the range of 25-30%. Limited availability of rental options, particularly in the established IT corridors has led to a slightly higher rental growth (10-12%) at select locations. Rentals in Whitefield, the IT hub of the city which now has a metro connectivity, is likely to record further growth in the coming quarters backed by strong demand from IT professionals getting back to their workplaces. Healthy sales momentum observed since last 2-3 quarters resulted in average q-o-q growth (4-5%) of property prices in mid-segment projects across the city. Eastern micro-market with locations in and around Whitefield witnessed 8-9% growth in capital values this quarter.

SIGNIFICANT PROJECTS LAUNCHED IN Q1 2023

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	TICKET PRICE (INR)
Brigade Calista	Budigere Cross	Brigade Group	506	55 lac onwards
Godrej Athena	Indiranagar	Godrej Properties	~300	2.65 cr onwards
Casagrاند Keatsway	HBR Layout	Casagrاند Builders	286	71 lac onwards

Residential Q1 2023

RENTAL VALUES AS OF Q1 2023*

SUBMARKET	AVERAGE QUOTED RENT (IND/MONTH)	QoQ CHANGE (%)	YoY CHANGE (%)	SHORT TERM OUTLOOK
High-end segment				
Central	155,000-360,000	3%	3%	▬
South	62,000-125,000	4%	4%	▬
East	86,000-310,000	3%	3%	▬
North	72,000-210,000	4%	4%	▬
Mid segment				
Central	75,000-112,000	6%	10%	▬
South -East	35,000-49,000	9%	30%	↗
North -West	27,000-37,000	1%	13%	▬
West	19,500-26,000	0%	11%	▬
East	33,000-43,000	11%	35%	↗

SIGNIFICANT PROJECTS COMPLETED IN Q1 2023

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	UNIT SIZE (SF) – CARPET
Sobha Arena	Kanakapura Road	Sobha Developers	367	893-1183

SIGNIFICANT PROJECTS UNDER CONSTRUCTION IN Q1 2023

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	EXPECTED COMPLETION
Godrej Aqua	Hosahalli	Godrej Properties	540	Q4 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 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 sf

The above values for mid segment are for units typically of 1,600-2,000 sf

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 Q1 2023*

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	9,550-13,000	5%	5%	▬
East	7,500-11,500	0%	0%	▬
North	8,000-12,500	0%	0%	▬
Mid segment				
Central	9,500-15,000	0%	0%	▬
East	5,200-7,900	8%	26%	↗
South- East	5,200-7,600	2%	16%	↗
North	5,500-7,800	2%	13%	↗
South	5,800-9,000	3%	18%	↗
Off Central I	9,000-14,000	3%	15%	▬
Off Central II	7,800 – 10,000	4%	9%	▬
North -West	6,500-8,000	1%	9%	▬
Far South	3,500-4,200	0%	5%	▬
West	3,900-4,600	0%	6%	▬

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