



 **Reliant  
Surveyors**

# BENGALURU

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City Snapshot

**Jan-Mar 2023**

[www.reliantsurveyors.com](http://www.reliantsurveyors.com)

# RESIDENTIAL

Bengaluru residential real estate market witnessed an impressive growth during the first quarter of 2023, with both new launches and sales breaching the pre-pandemic levels. This is evident in the 91% quarterly uptick in new unit launches and the 78% rise in total sales of the city.

Available inventory in the city stood at 84,960 units by the end of Q1 2023 as against 81,800 units in Q4 2022 and 70,200 units in Q1 2022.

The rise in home loan rates and increased capital values could have an effect on purchase decisions going forwards, especially for budget and mid ranged projects.

# OFFICE

Bengaluru Office market has been constantly expanding at a rate faster than any other metropolitan in the country. This steady growth has been visible in the occupier activity observed for office markets in the last quarter as well.

The strong pipeline of development completions could potentially lead to higher occupancy rates in 2023 and keep vacancy rates steady across the board.

BFSI firms, flexible space operators and technology corporates, followed by engineering & manufacturing companies and research, consulting & analytics organizations have been leading the demand for office space in the city.

# RETAIL

Retail landscape across the city is splitting into two tiers of quality: luxury and high-end goods versus the rest, impacting the vacancy levels.

In the main street areas, limited availability of quality space is driving up rental prices. Quoted rentals in malls stayed the same in the first quarter of this year, though further upturns could be seen in upcoming quarters.

We anticipate a surge of international brands in the fashion and F&B industries, while domestic brands will likely experience soaring demand.

## **Bengaluru** Synopsis Q1 2023

Source: Reliant Surveyors Research

# RESIDENTIAL SNAPSHOT

**~48,140** Units

New Supply in FY23

**~33,390** units

Sales in FY23

**~84,960** units

Unsold Inventory  
in FY23

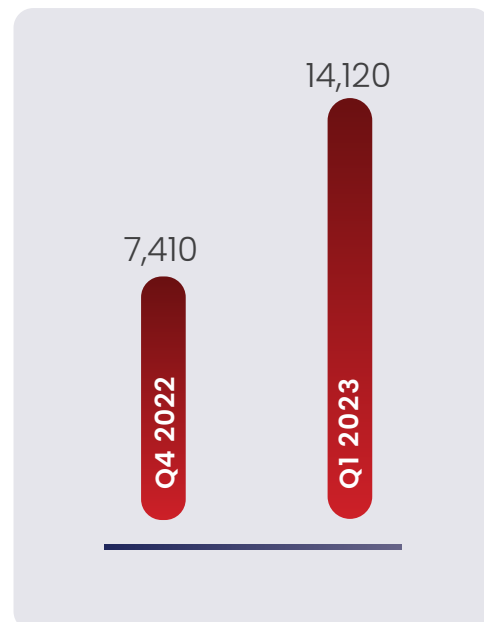
**~31** months

Inventory Overhang  
in FY23

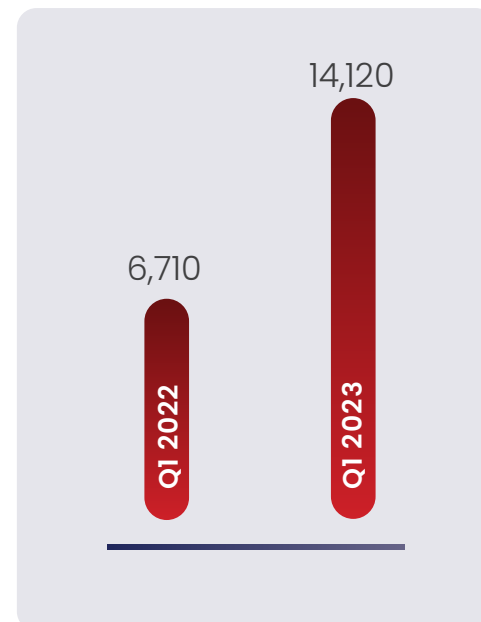


## NEW SUPPLY Q1 2023

**VS Q4 2022**



**VS Q1 2022**

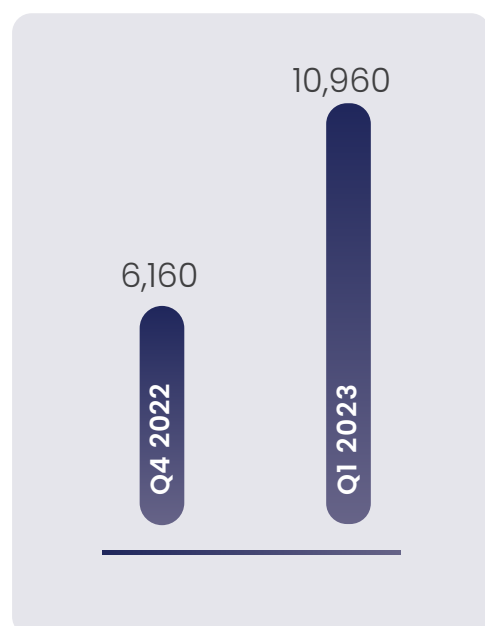


During the January–March period of 2023, Bengaluru residential market, propelled by factors like infrastructure development and government policies, recorded the launch of over 14,100 residential units, almost double compared to the supply introduced in the previous quarter. Mid-segment dominates the new supply during the quarter.

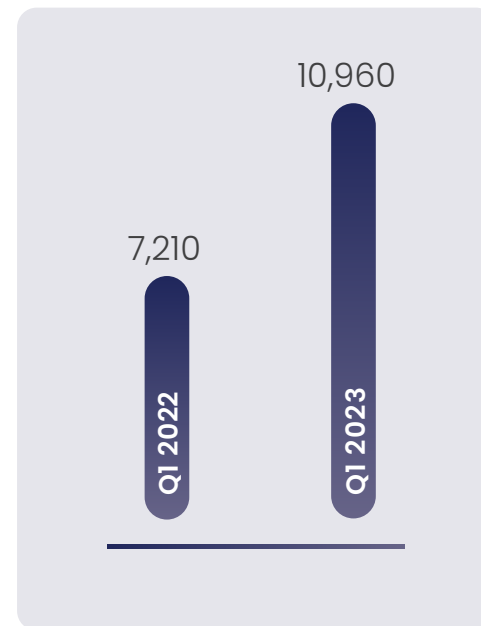


## SALES Q1 2023

**VS Q4 2022**



**VS Q1 2022**



The first quarter of 2023 ended on a strong note despite the increasing uncertainties in the global economy. The IT capital of India registered total sales of 10,960 units in Q1 2023, 50% higher in YoY terms and 78% higher from the last quarter. Buyers continued to prefer ready-to-move-in apartments. Despite the increasing interest rate, the demand momentum continued and we are yet to see any after-effect on the buyers' sentiments.

# RESIDENTIAL SNAPSHOT



## TOP LOCALITIES BY SALES

Whitefield

KR Puram

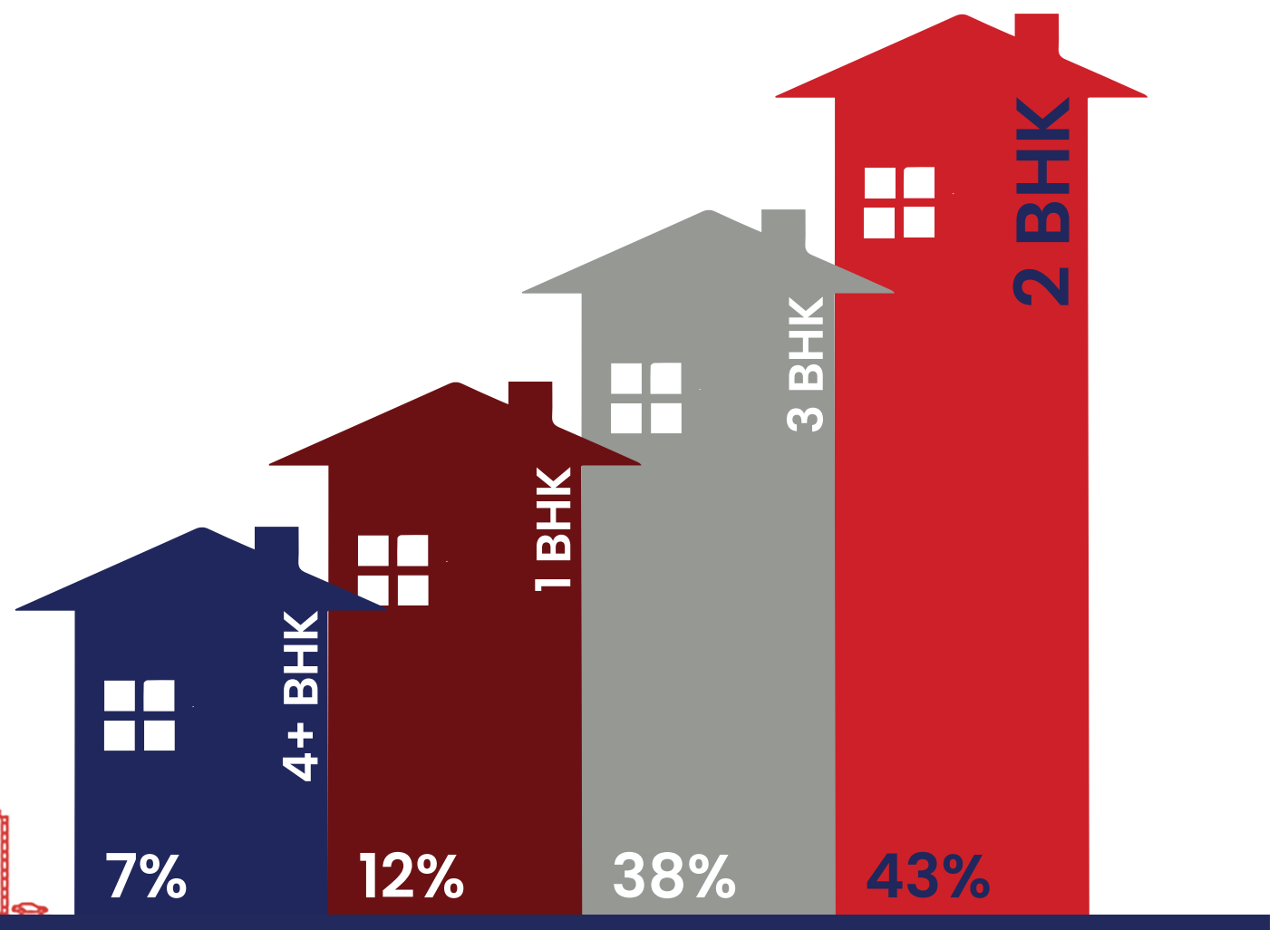
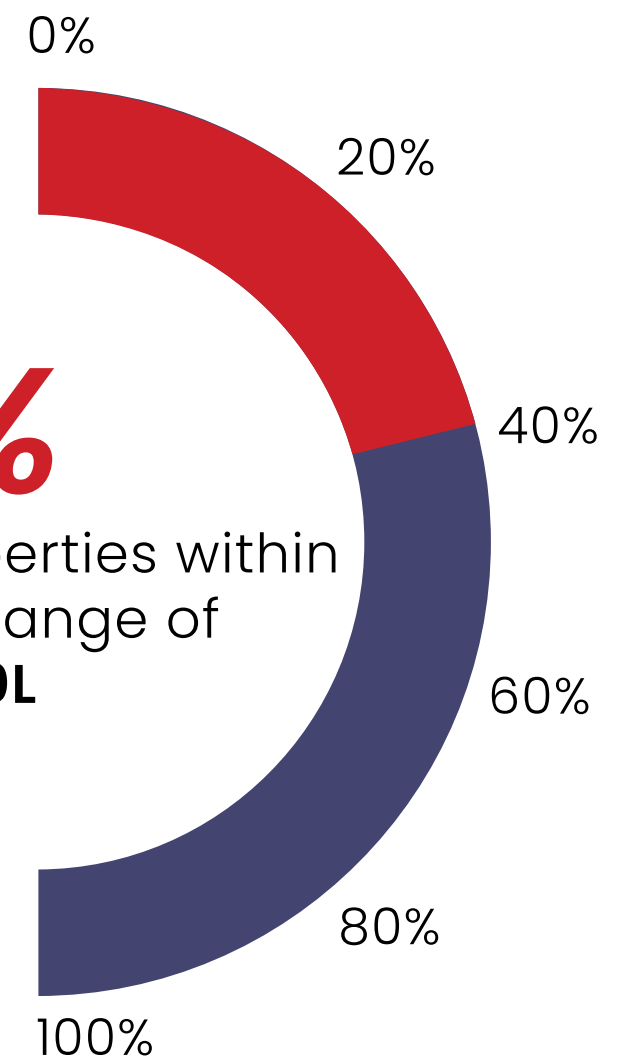
Bellandur

Sarjapur Road

Bagaluru

# 42%

Prefer Properties within  
a Budget Range of  
**INR 40L-80L**





# OFFICE SNAPSHOT

~10.8<sub>MSF</sub>

New Supply in FY23

~9.1<sub>MSF</sub>

Net Absorption in FY23

~15.6<sub>MSF</sub>

Gross Leasing in FY23

~9.1%

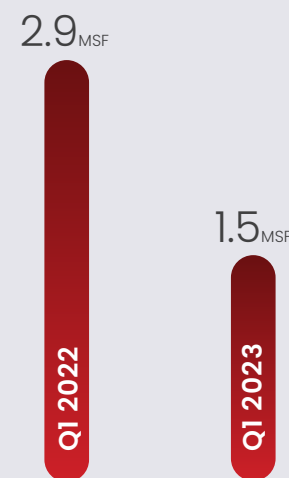
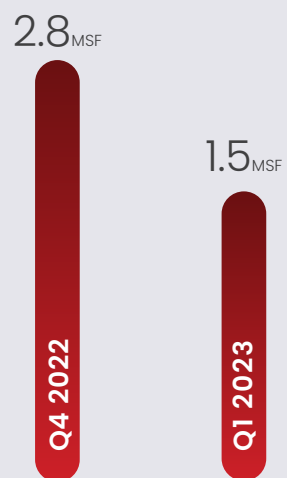
Overall Vacancy in FY23



## NEW SUPPLY Q1 2023

VS Q4 2022

VS Q1 2022



Bengaluru continued to hold the highest share in Pan India office supply. During the first quarter of 2023, Bengaluru witnessed the completion of 1.5 MSF of office space, totaling to nearly 11 msf by the end of FY23.

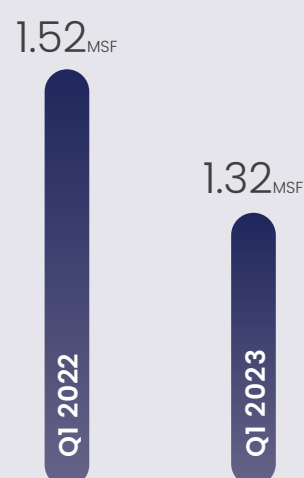
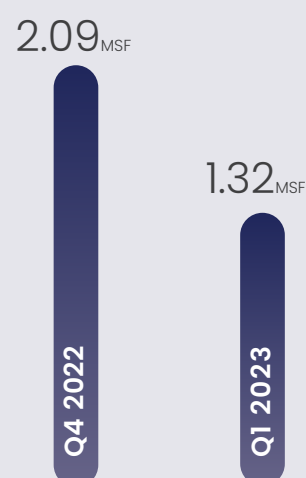


In response to constant supply and stable leasing, the city registered a net absorption of 1.32 msf in Q1 2023 as compared to 1.52 msf in Q1 2022.

## NET ABSORPTION Q1 2023

VS Q4 2022

VS Q1 2022



The first quarter of this year saw an upsurge in leasing activity, with fresh leases making up for nearly 85-90% of the total Gross Leasing Volume. ORR being the highest contributor.

With limited new supply and active leasing, the vacancy rates across key submarkets of the city remained rangebound and have not recorded any significant change.

# OFFICE SNAPSHOT



## GROSS LEASING

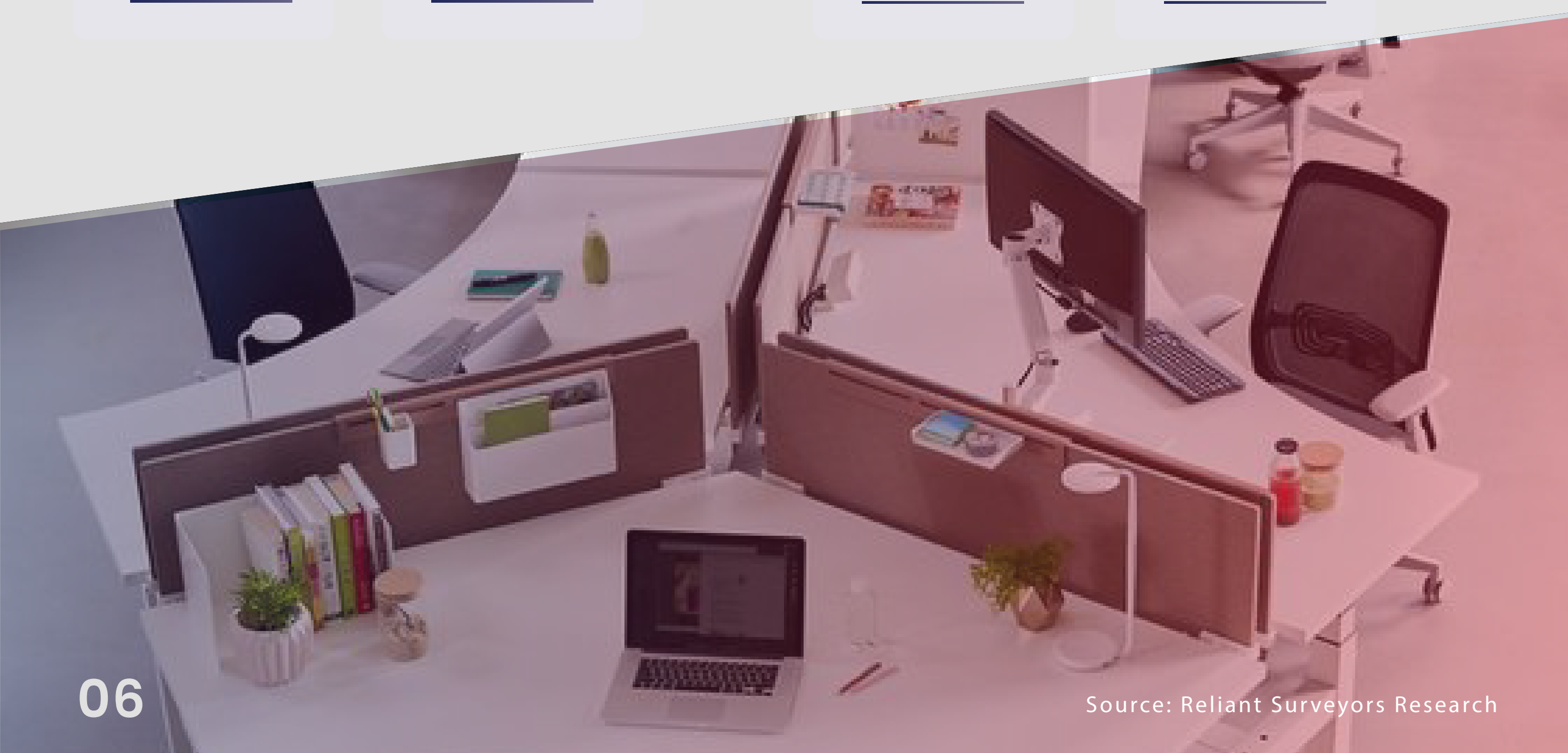
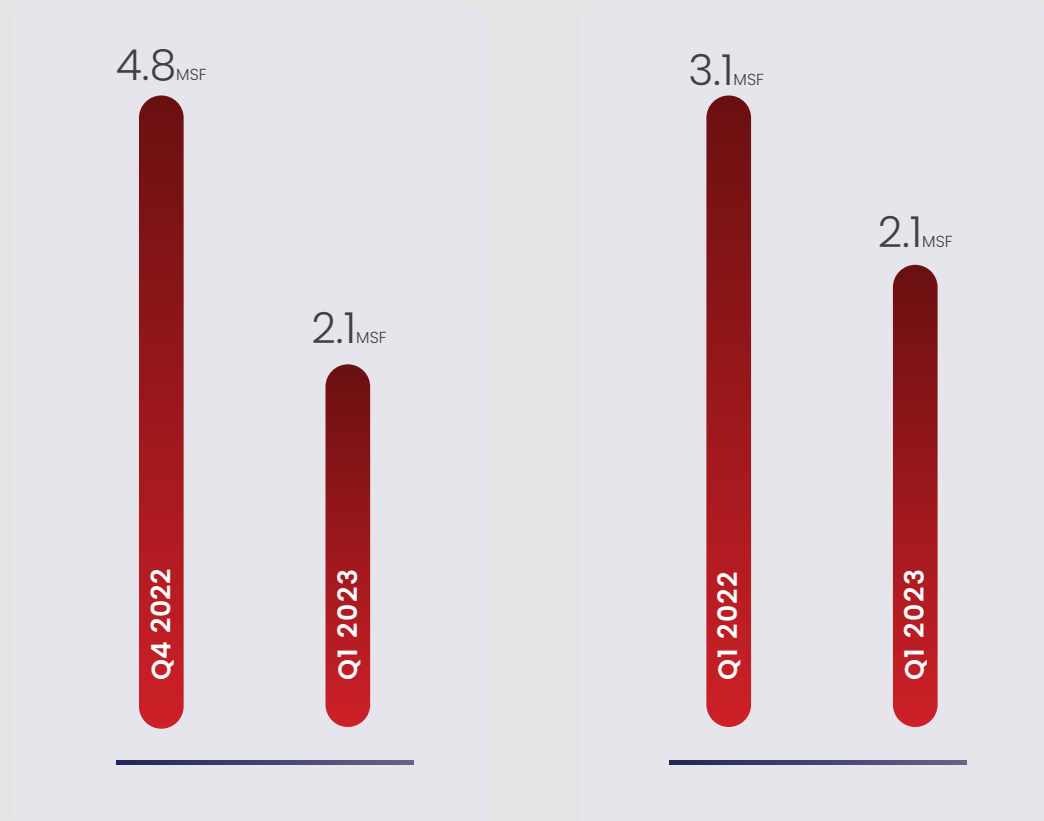
## OVERALL VACANCY

VS Q4 2022

VS Q1 2022

VS Q4 2022

VS Q1 2022





# RETAIL SNAPSHOT



## GROSS LEASING

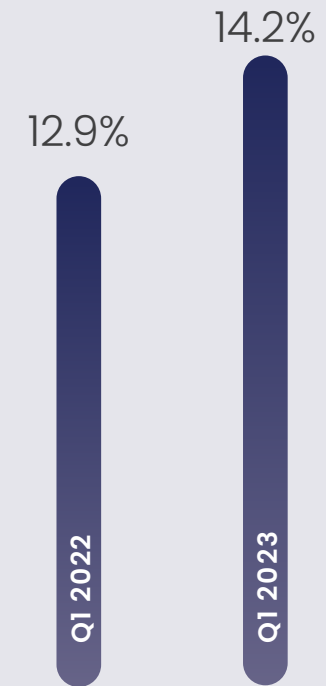
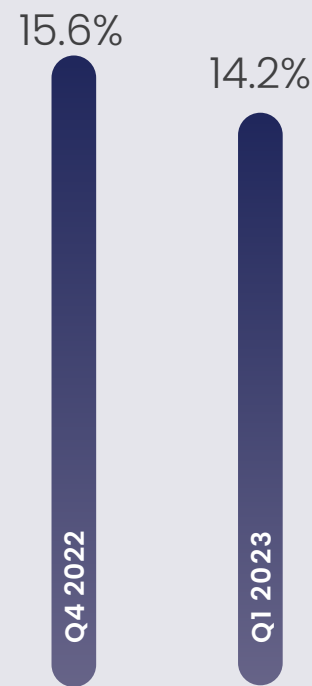
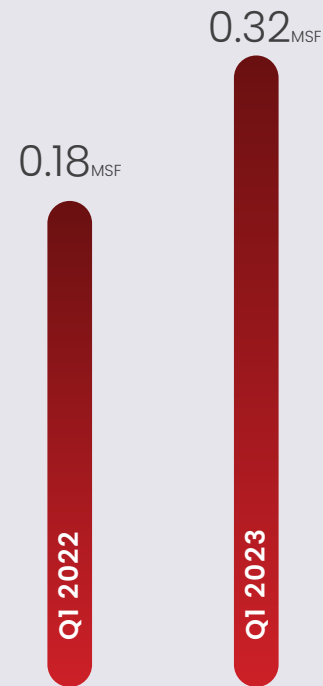
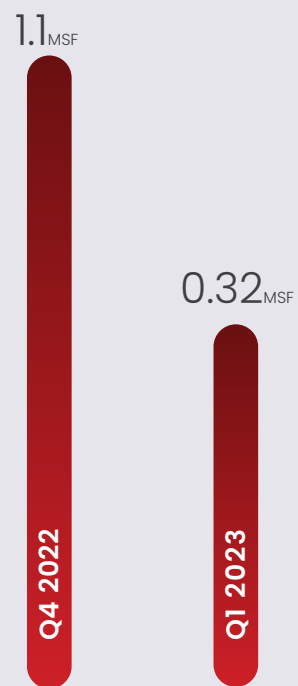
## OVERALL VACANCY

VS Q4 2022

VS Q1 2022

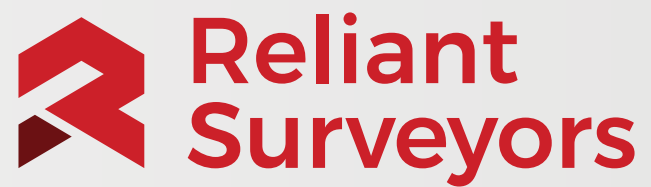
VS Q4 2022

VS Q1 2022



**“ The retail hubs of Koramangala, HSR Layout and Sarjapur Main Road experienced healthy demand for new spaces in the past quarter, particularly for the Fashion retail, Hypermarkets and F&B segment ”**





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