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HYDERABAD

City Snapshot

Jan-Mar 2023

RESIDENTIAL

The residential sector of Hyderabad witnessed a robust demand revival in FY2022-23 with the year registering an impressive growth in new supply and home sales across the top 8 cities. Despite the rise in mortgage rates, property prices, amidst the global headwinds during the year, consumer sentiments remained positive, and the residential market has set new benchmarks in the year gone by.

With a 45 percent share of units priced above INR 1 Cr., this category remained the most preferred budget segment, followed by mid-range properties.

Hyderabad, the only city that has not seen any decline in capital values even during the challenging times in the past couple of years, is expected to continue the trend going forward while new launches are likely to soften in the coming quarters.

OFFICE

Hyderabad's office market witnessed a strong year with significant completions and new projects in the pipeline. Pre-commitments being honoured by most occupiers and Office working pushing office occupancies higher has also supported the net absorption numbers for FY2022-23.

The city, following the footsteps of Bengaluru, continues to remain an actively growing office market with positive job creation in IT/ITeS and the manufacturing hub is supporting more R&D work coming into the country. During the first quarter of 2023, IT-BPM and BFSI dominated the quarterly leasing volumes with nearly 65% of the total share.

Despite the anticipated delay caused by global headwinds, the majority of businesses' expansion plans remain intact; however, a growing number of businesses continue to consider Hyderabad as a growth magnet.

RETAIL

Corresponding to the growth story of the residential and Office real estate market, the Retail market of Hyderabad is not left behind. With improving sentiments towards offline stores, space take-up increased across malls in Hyderabad during FY2022-23. Due to strong demand from retailers, rental values remained positive on a yearly basis across the key micro-markets of the city.

Going forward, Leasing momentum is expected to pick up in the later part of the year, owing to the anticipated space take-up in newly completed malls. However, with the majority of the space being pre-leased, the vacancy in superior-grade malls in the city are likely to remain tight in the coming quarters.

HYDERABAD

Synopsis Q1 2023

Source: Reliant Surveyors Research

RESIDENTIAL SNAPSHOT



~79,250 Units
New Supply in FY23

~39,240 units
Sales in FY23

~1,12,880 units
Unsold Inventory
in FY23

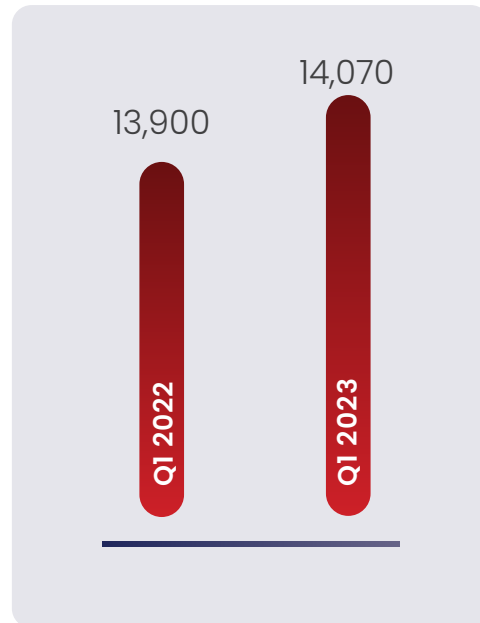
~35 months
Inventory Overhang
in FY23

NEW SUPPLY Q1 2023

VS Q4 2022



VS Q1 2022

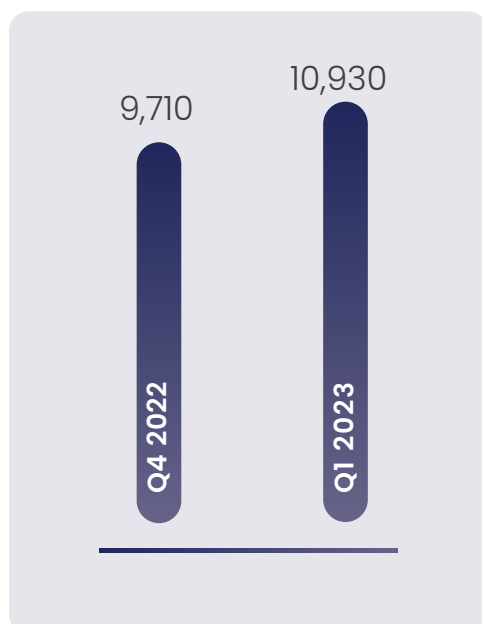


The residential real estate market of Hyderabad continued with an upward trajectory in FY2022-23, with the highest-ever residential launches and sales in the last 5 years with over 79,000 new launches and 34,470 sales.

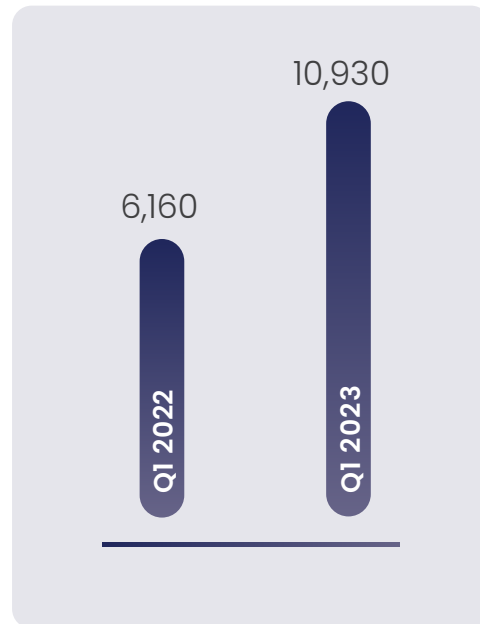
During the January-March period of 2023, the city's residential market recorded the launch of over 14,000 residential units, 39% less than the supply introduced in the previous quarter.

SALES Q1 2023

VS Q4 2022



VS Q1 2022



Mid-segment dominates the new supply during the quarter. However, Sales registered a quarterly growth of 13%, standing at nearly 11,000 units as compared to 9700 units in the previous quarter.

The maximum transaction was witnessed in the western suburbs with Tellapur, Kollur, and Kokapet attracting the maximum buyers.

RESIDENTIAL SNAPSHOT



TOP LOCALITIES BY SALES

Tellapur

Kollur

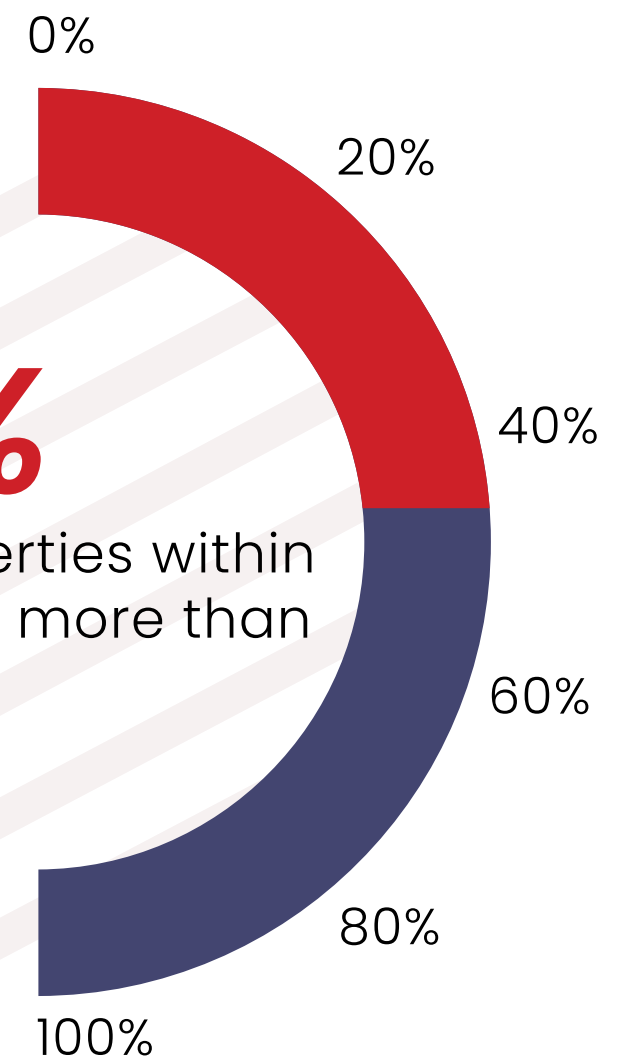
Kokapet

Kondapur

Bachupally

45%

Prefer Properties within
a Budget of more than
INR 1 Cr.



OFFICE SNAPSHOT

~10.4_{MSF}

New Supply in FY23

~5.1_{MSF}

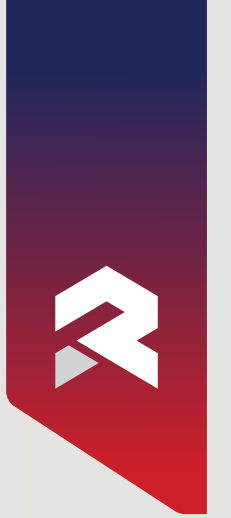
Net Absorption in FY23

~7.6_{MSF}

Gross Leasing in FY23

~19.8%

Overall Vacancy in FY23



NEW SUPPLY Q1 2023

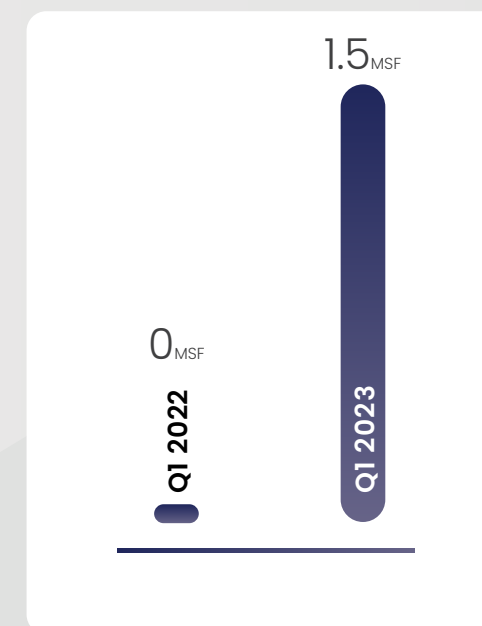
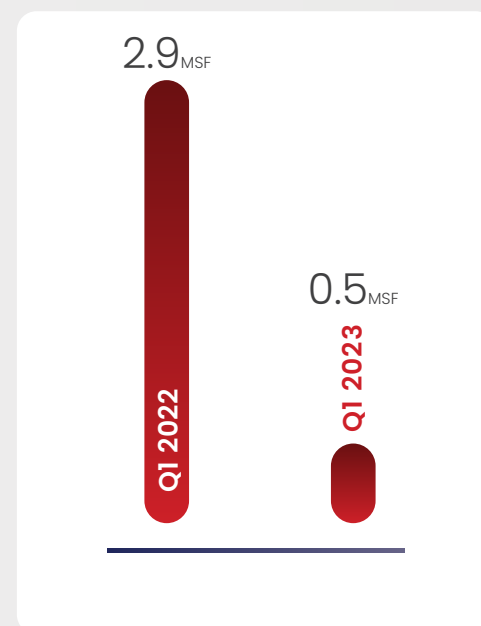
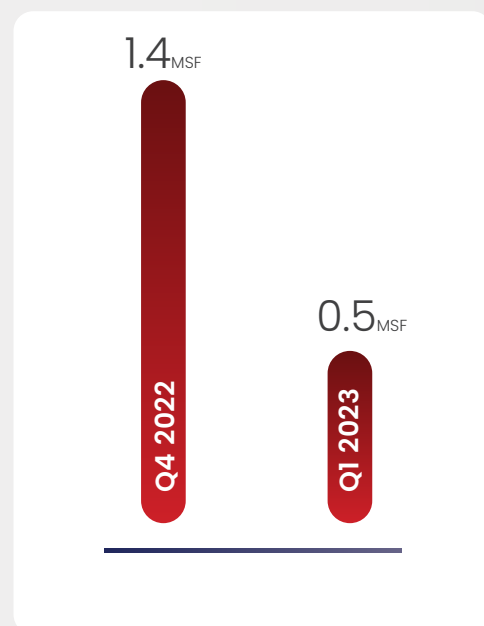
NET ABSORPTION Q1 2023

VS Q4 2022

VS Q1 2022

VS Q4 2022

VS Q1 2022



During the first quarter of 2023, Hyderabad witnessed the completion of 0.5 MSF of office space, totaling to nearly 10 msf by the end of FY23. However, with limited supply and stable leasing, the city registered a net absorption of 1.5 msf in Q1 2023

as compared to 0.8 msf in the previous quarter. The first quarter of this year also witnessed an upsurge in leasing activity, with fresh leases continued to hold for the majority of the total Gross Leasing Volume, prominent localities of

western Hyderabad being the highest contributor.

Vacancy rates across key submarkets of the city remained rangebound and have not recorded any significant change.



OFFICE SNAPSHOT



GROSS LEASING

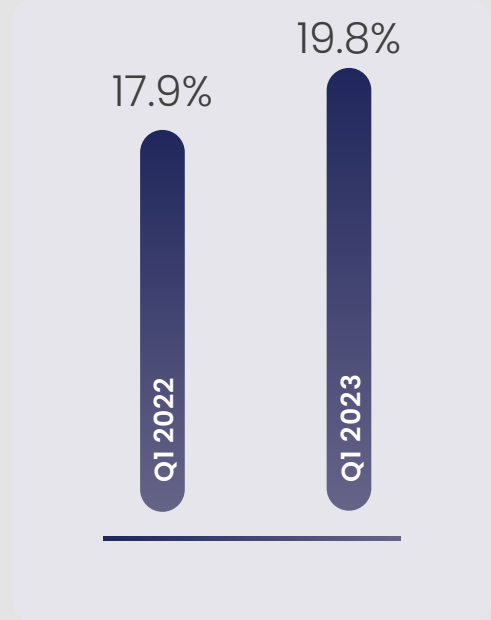
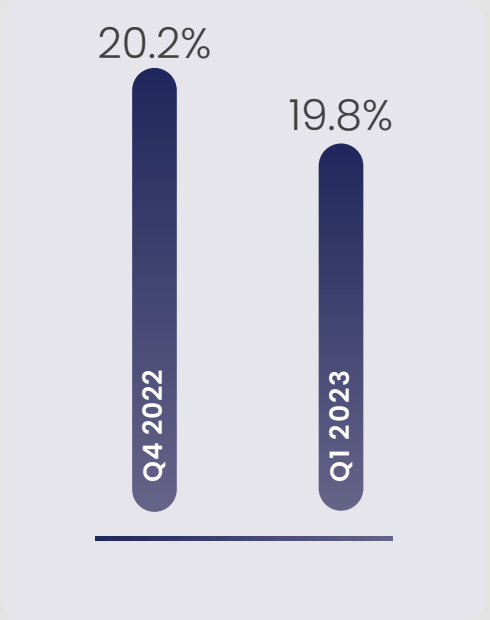
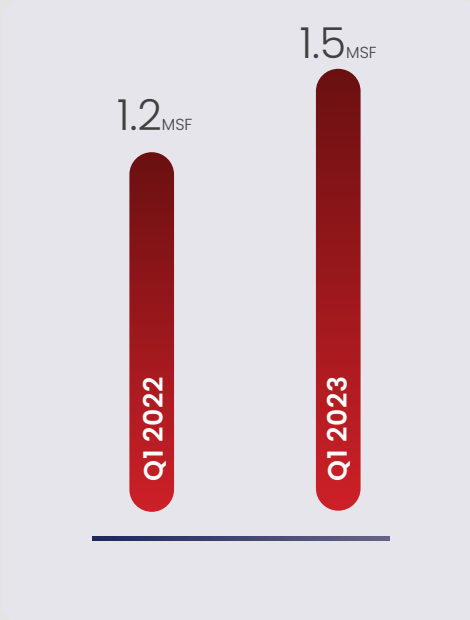
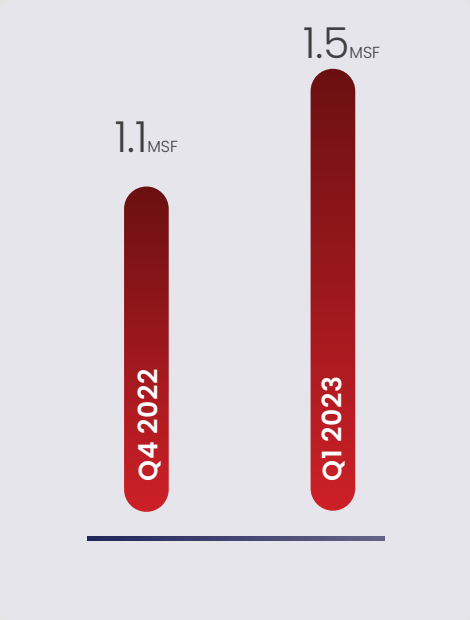
OVERALL VACANCY

VS Q4 2022

VS Q1 2022

VS Q4 2022

VS Q1 2022



RETAIL SNAPSHOT



GROSS LEASING

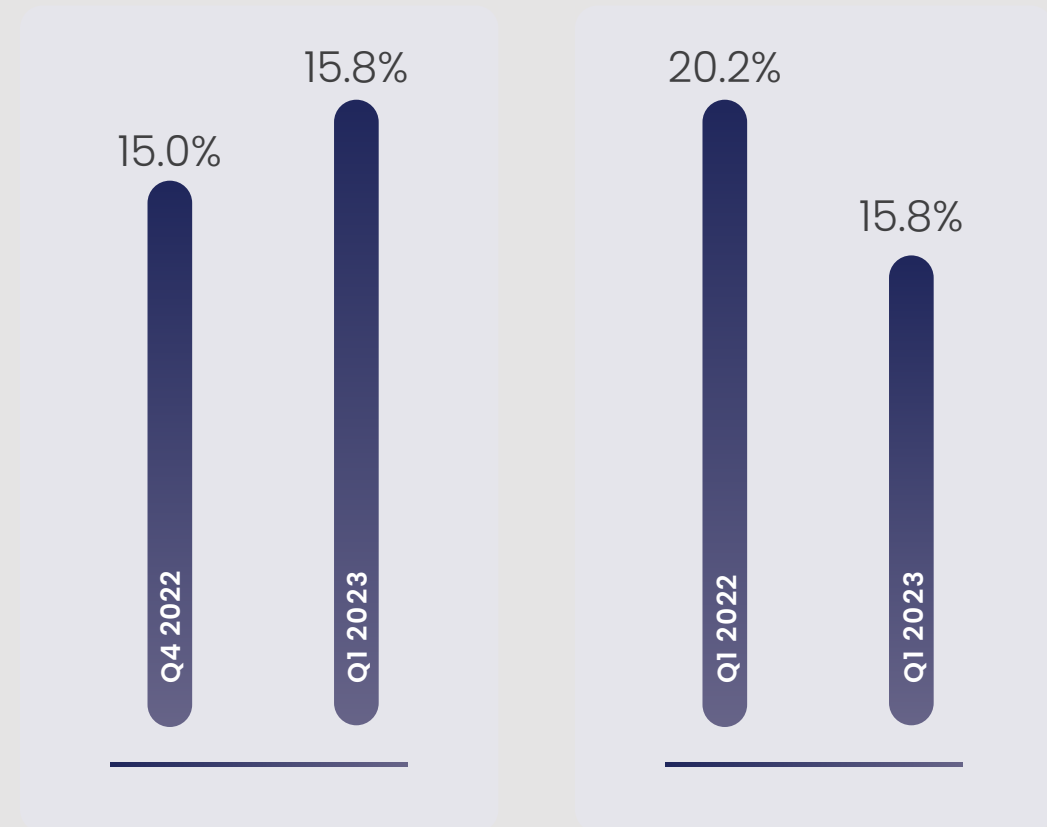
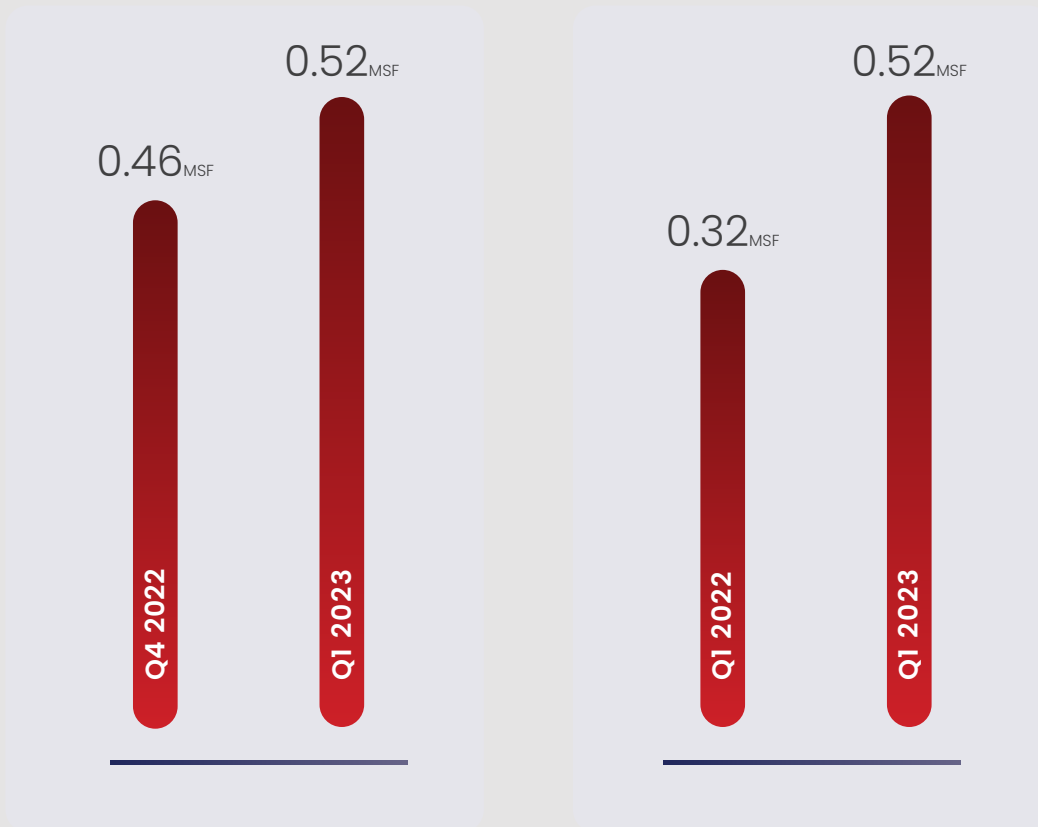
OVERALL VACANCY

VS Q4 2022

VS Q1 2022

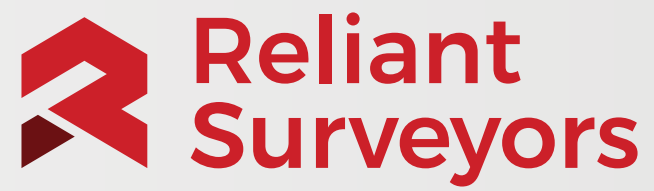
VS Q4 2022

VS Q1 2022



“Main Street leasing quite active in the prominent localities of Kompally, Sainikpuri, and Bandlaguda; continues to be driven by fashion and food and beverage brands.”





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