



**Reliant  
Surveyors**



# ANNUAL REPORT

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# INDIA

FY 2022-23

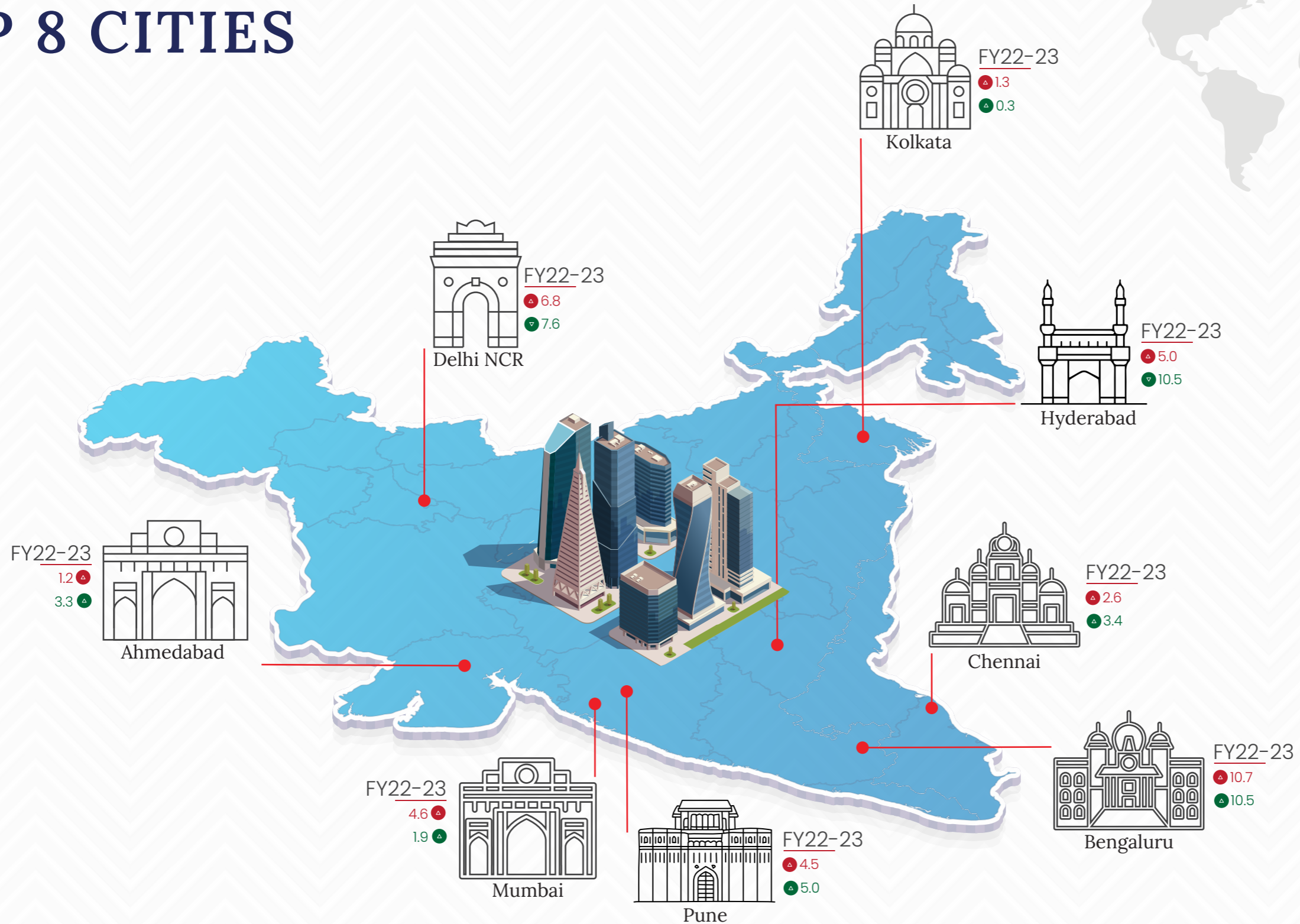


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# OFFICE MARKET AT A GLANCE

## TOP 8 CITIES

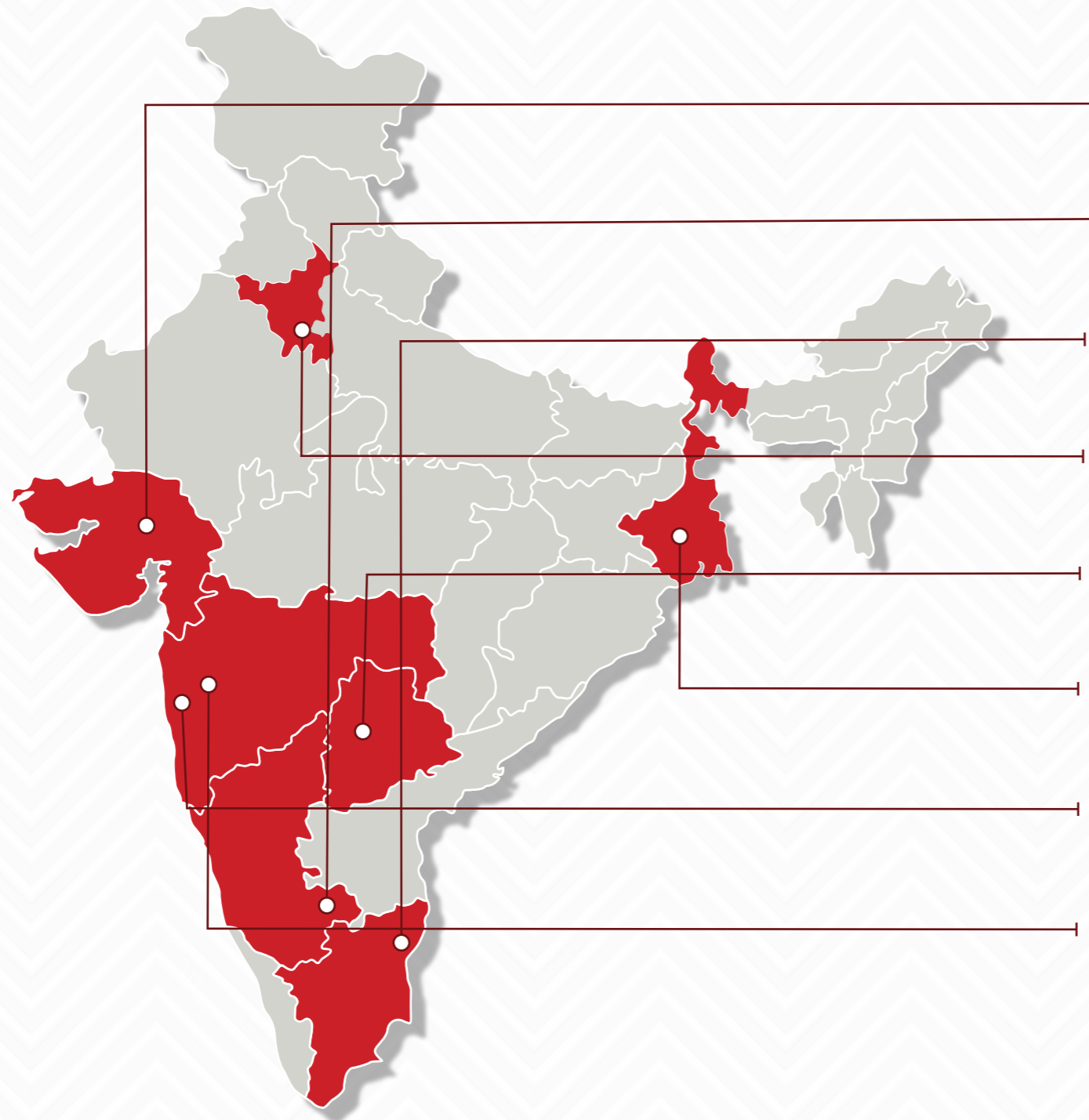


- Net Absorption in MSF
- New Supply in MSF

\*ALL DATA SHOWN IS IN APPROXIMATION AND FOR FINANCIAL YEAR. MAP NOT TO SCALE, FOR REPRESENTATIVE PURPOSE ONLY

# RESIDENTIAL MARKET AT A GLANCE

## TOP 8 CITIES



■ Launches  
■ Sales  
■ Unsold Inventory

### YOY%

City	Launches	Sales	Unsold Inventory
AHMEDABAD	10%	76%	5%
BENGALURU	126%	42%	21%
CHENNAI	65%	35%	6%
DELHI NCR	112%	68%	1%
HYDERABAD	48%	99%	55%
KOLKATA	178%	34%	0%
MUMBAI	159%	92%	19%
PUNE	113%	46%	10%

\*ALL DATA SHOWN IS IN APPROXIMATION AND FOR FINANCIAL YEAR. MAP NOT TO SCALE, FOR REPRESENTATIVE PURPOSE ONLY

## OVERVIEW OF THE ALL

Homebuyers preference have changed in the last couple of years, with the importance of owning a house has taken a top seat for the millennials. This has been clearly visible in the real estate markets trend in the past few quarters, all real estate asset classes have been recovering; nevertheless, the residential sector's recovery has been the quickest and most significant.

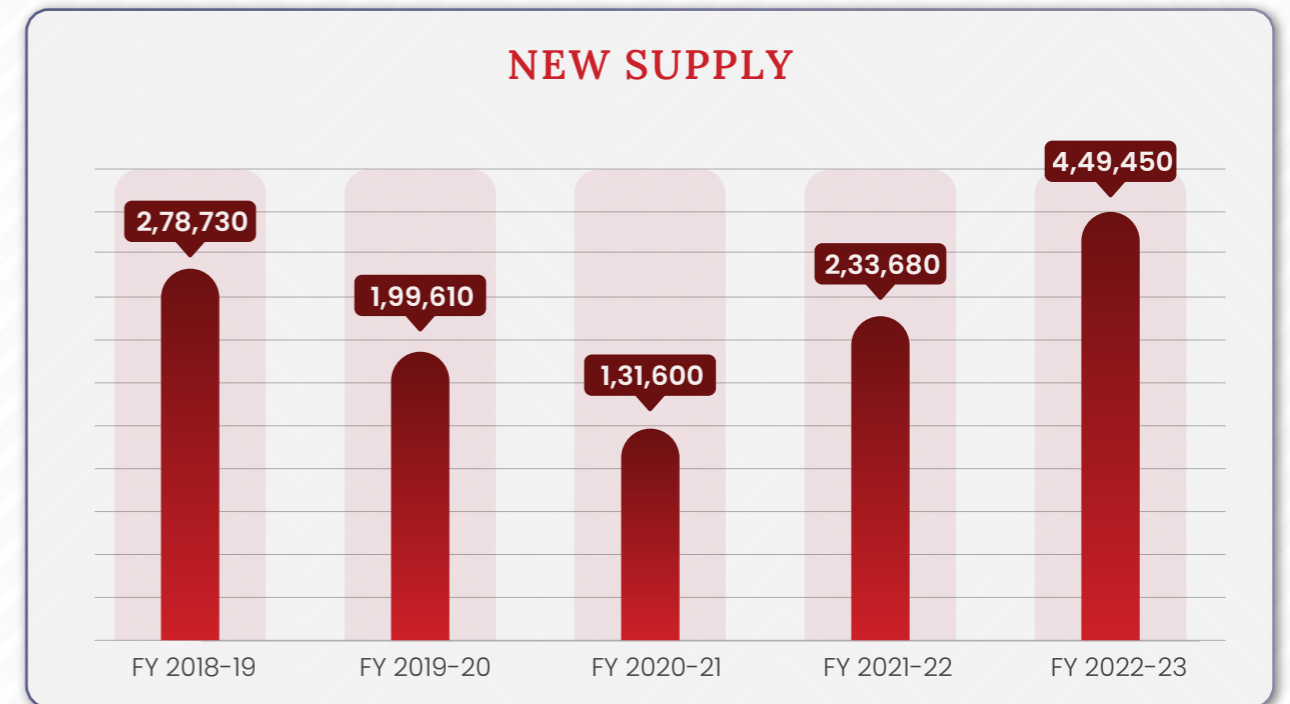
The demand for homes that was initially spurred by the pandemic's acutely felt need for security, but the extremely low interest rates and relatively low property prices strengthened the case for home ownership even further. A sustained global recovery was anticipated to begin in 2022 as the pandemic subsided and economic growth resumed. However, the Ukraine conflict and its significant geopolitical repercussions, along with steadily rising inflation, threatened to send economies around the world into a tailspin and drag India along with it.

In an attempt where various organisations specially in IT/ITeS sector has welcomed the work from home and hybrid working culture, it has strongly reflected in the rising demand of homes in the Tier -2 cities , along with metros.

Overall the supply and absorption has started on the ladder of recovery, the year gone by has been a witness to the same when the residential new launches grew double over the previous year, sales on the other hand registered a growth of 58% during the same period.

The top 8 cities saw an increase of 92% over the year before, with new unit launches of nearly 4.49 lakh units in FY2022-23 compared to over 2.33 lakh units in FY2021-22. The total number of new launches in FY2022-23 stayed below the previous high of 2014, when nearly 5 lakh units were introduced in the top 8 cities. Mumbai Metropolitan Region, Hyderabad, Pune, and Bengaluru were significant cities that contributed to the addition of new units in FY2022-23, accounting for 82% of the total addition.

### NEW SUPPLY

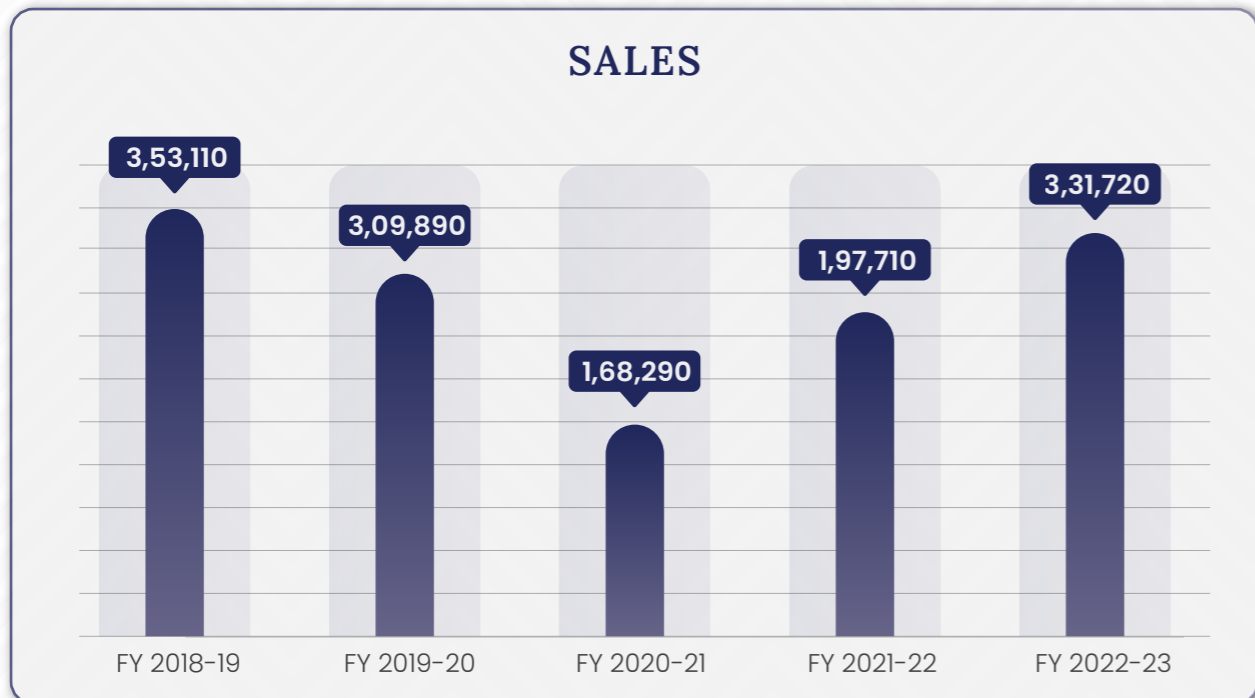


**In absence of any deteriorating factor and a stable economic scenario, the sales momentum across the top-8 cities remained upward. Residential sales increased by 68% annually to record a total sales of 3.31 lakh units in FY2022-23 compared to 1.97 lakh units in FY2021-22 across the top 8 cities.**

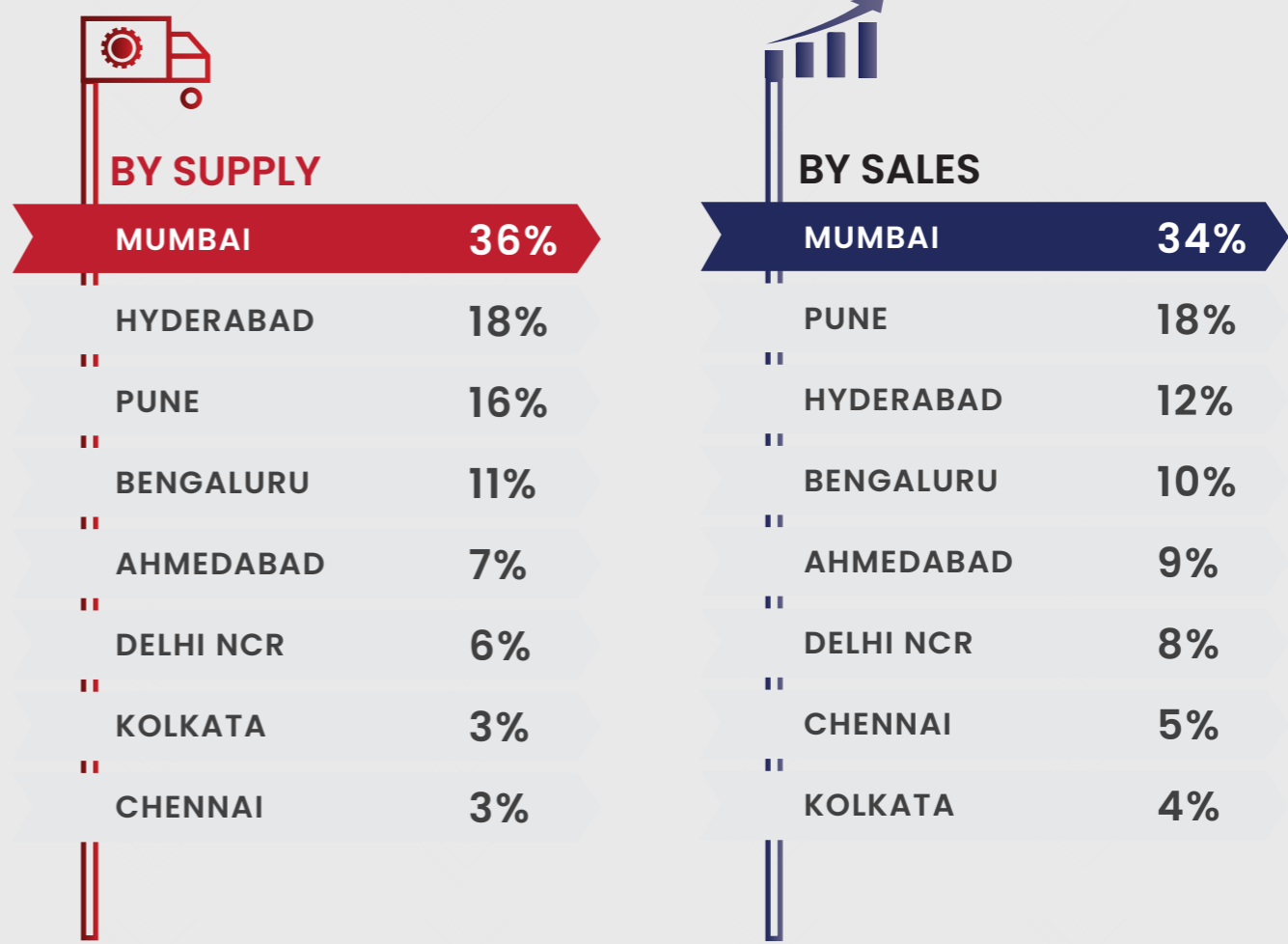


India trend  
Launches, Sale  
and Inventory  
trend

Out of the total supply, 52% of new launches were contributed by two western cities – Mumbai and Pune, followed by 18% contribution from Hyderabad.



CITY WISE BREAK UP



**8,76,890 UNITS**  
UNSOLD INVENTORY

**32 MONTHS**  
INVENTORY OVERHANG

Similar to the launch trend, Mumbai and Pune stood out in the sales trend also. Out of the total sales tally, 53% of sales were contributed by two western cities – Mumbai and Pune, followed by 26% contribution from the southern cities (Hyderabad, Bengaluru and Chennai). Kolkata stood at last with only 11,730 units sold in the whole year, contributing only 4% of Pan India’s total sales.

The unsold inventory across the top eight cities stood at 8.76 lakh units at the end of FY2022-23. The strong recovery in new supply pushed the inventory levels up by 16% YoY. There were 7.59 lakh unsold units in the same period last year.



01

AHMEDABAD

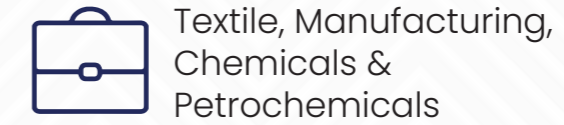
## AHMEDABAD



# A Glance

The largest city in the Gujarat state and the seventh-largest metropolis of India - Ahmedabad. Ahmedabad, formerly known as walled city, is located on the eastern bank of the Sabarmati River.

The city grew economically as a result of the development of railways and textile mills in the 19th century, establishing it as a significant trade and commercial hub in the nation. Ahmedabad currently has a strong manufacturing and industrial base with companies rooted in industries like textile, chemical and petrochemical, pharmaceutical, and automotive.



PRIME BUSINESS SECTOR



POPULATION



AREA

Traditionally known as the 'Manchester of the East', for being the manufacturing centre, now is being known as an emerging automobile hub with various auto majors such as Tata Motors, Ford India and Maruti Suzuki have placed their footprints in the Sanand, Vithalpur and Mandal Becharaji stretch.

Not only the main city Ahmedabad, Gandhinagar is now nearly caught up with Ahmedabad's brisk rate of development. The two cities will soon combine with Sanand to create Gujarat's largest urban agglomeration with GIFT city coming into picture. Also, Infocity, in Gandhinagar, is the first integrated IT hub in Gujarat and has been successful in attracting IT companies to the state. TCS has been one of the big players that has taken up space in Infocity.

In recent years, a number of infrastructure projects have been announced to support the expanding industrial and service sectors. Among them are the expansion of the SG Highway to six lanes, the completion of Metro Phase 1, and the construction of the Mumbai-Ahmedabad bullet train. Privatisation of the existing airport could be another feather in the city's economic prosperity.

In the past few years, a number of residential projects have been built near Ahmedabad to meet demand as economic and infrastructure development continues to draw businesses and the labour force. The end-user is primarily driving this price-sensitive residential real estate market, which is one of the most affordable ones among the top metros.



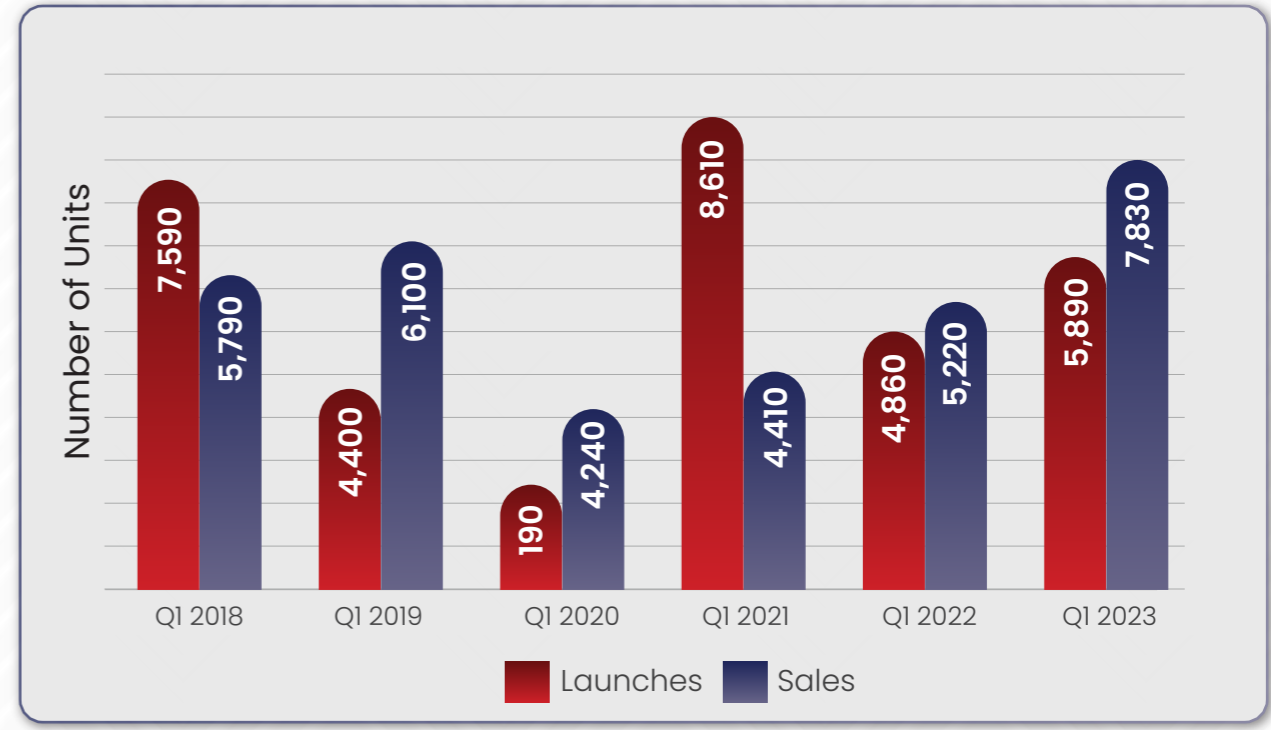
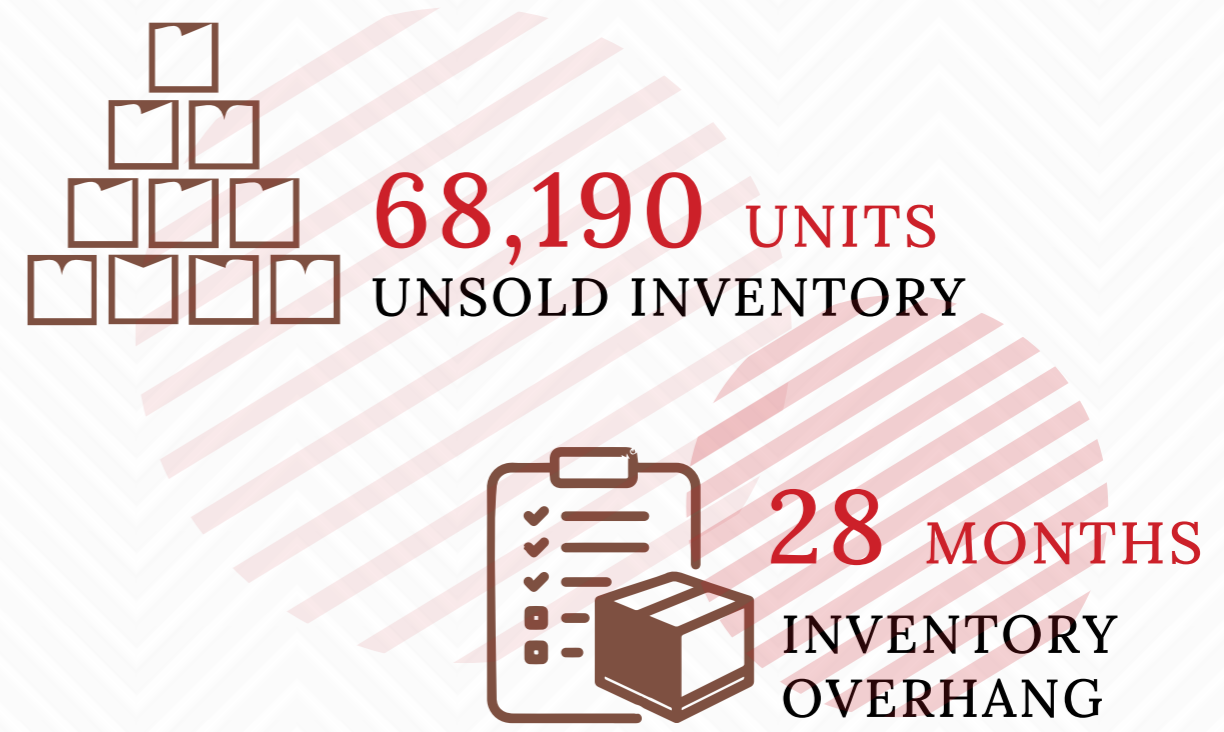
# RESIDENTIAL LANDSCAPE


New supply in FY 2022-23 stood at 32,330 units as compared to over 36,010 units launched in FY 2021-22, registering a YoY decline of 10 percent indicating consolidation in the supply that increased drastically post-pandemic. Although a decline is witnessed in the new launches, many developers have aggressively launched projects with larger areas and better amenities at competitive price points in an effort to capitalize on the resurgence in demand.

The state government's initiative to increase the FSI limits in the city could be attributed to the launch of many high-rise projects in the city, especially along the SG Highway. However, due to the higher cost of construction and the higher land prices the newly launched products are significantly more expensive giving a costlier market tag to the otherwise affordable residential market of Ahmedabad.


On the other hand, Sales momentum in the city continued to record the highest sales in the last 5 years, breaching the highs of the pre-pandemic era. Accounting for 9% of Pan India's residential sales, Ahmedabad witnessed an encouraging 76% growth in the city's sales as compared to the preceding financial year. A total of 29,250 units were sold in FY 2022-23 against 16,590 units in FY 2021-22.

A significant rise in new launches led to a rise in unsold inventory levels. Over 68,190 unsold stock, across the configurations, is available in the market with an inventory overhang of 28 months.





**45%**  
Prefer Properties in  
**3 BHK** configuration

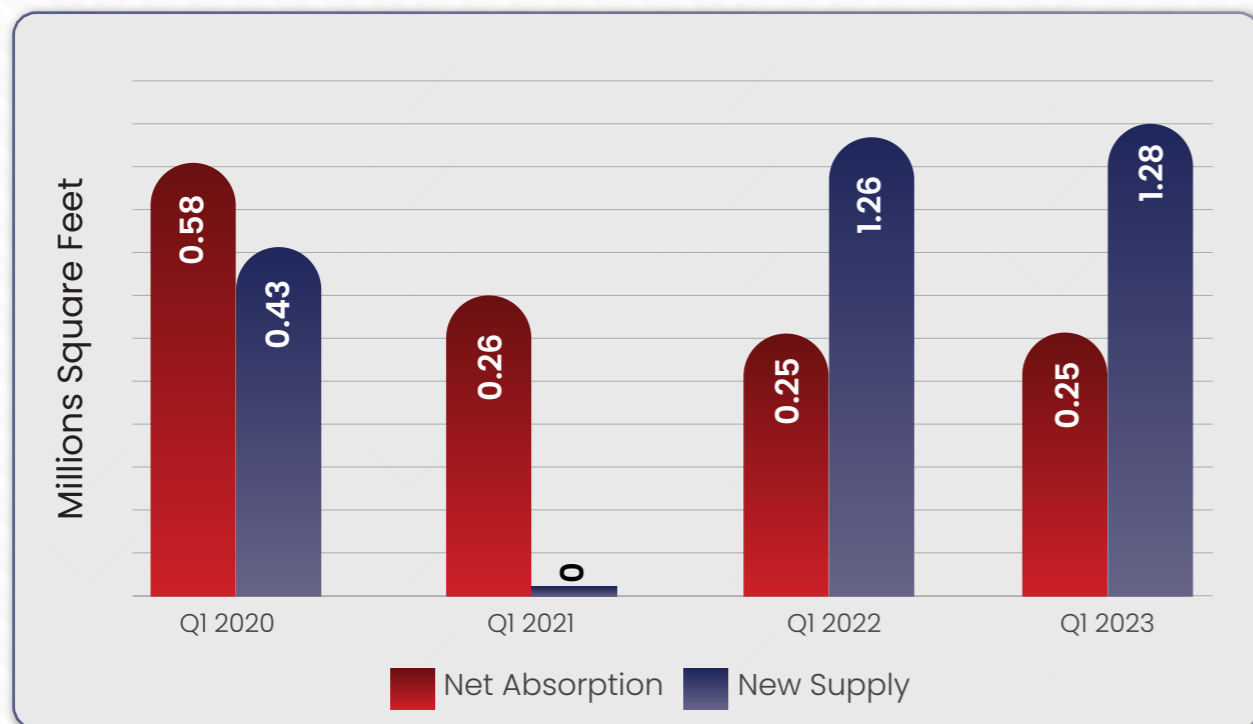


**54%**  
Prefer Properties within  
a Budget Range of  
**< INR 45 Lakh**

# OFFICE MARKETS

**~1.10MSF**  
GROSS LEASING

**30.90%**  
OVERALL VACANCY



Ahmedabad office market is also on the rising spree. Interestingly, Ahmedabad contributed a major chunk of the supply in the quarter when cities like Mumbai and Chennai failed to add any new supply. Overall, occupant demand for Ahmedabad office space reaching to nearly 3.2 million square feet in FY 2022-23, along with a significant hike in the number of transactions.

The year saw a healthy increase in transaction volumes of 50% YoY to record nearly 1.3 million square feet, as compared to 0.9 million square feet in FY 2021-22. The average deal size remained stable as compared to last year, indicating a more widespread recovery in occupier activity than the growth in transaction volumes caused by a few exceptionally large deals.

Average vacancy level registered a drop of nearly 260 basis points in the financial year 2022-23. The reason for the same could be delays in approvals and completion certificates. However, this does not have any negative impact on the average rent.

IT/ITeS and BFSI sector accounted for the biggest part of the occupiers in the transactions during the year. Increasing demand for co-working space and prominence given to GIFT City has been instrumental in deriving the demand for the key office transactions.

Ahmedabad has been a key location for office occupiers due to the dedicated effort made by the state and central governments to make it an economic hub, the low cost of real estate, and the abundance of connectivity infrastructure within the city.





02

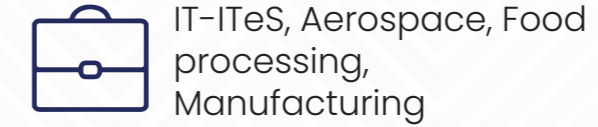
BENGALURU

## BENGALURU



# A Glance

Bengaluru, popularly called Bangalore, the capital of Karnataka, is the second fastest growing metropolis of India and also the fourth highest GDP contributor after cities like Mumbai, Delhi, and Chennai. Due to the expansion of the information technology industry, Bengaluru's economy developed rapidly. The New Computer Policy (1984), a central and state IT policy reform, made it possible for early technology start-ups like Infosys and Wipro to establish operations in this city, which already had public sector aerospace and heavy industries.



IT-ITeS, Aerospace, Food processing, Manufacturing

**PRIME BUSINESS SECTOR**



**8.5**  
Millions

**POPULATION**



**8,005**  
Sq.km

**AREA**

With over 7,000 registered start-ups, Bengaluru has earned the moniker of India's "IT capital" and "Silicon Valley". It is currently the tech hub with the fastest growth. Global IT giants like Google, IBM, Accenture and some more, have already set up their workplaces in the city. Kempegowda International Airport, Bengaluru which had the third-most noteworthy (32 million) yearly travellers traffic in the country in 2019, has put Bengaluru on the worldwide guide.

A large number of working-class migrants from all over India have moved to the city as a result of the city's expanding office and commercial sector. However, problems like a lack of water, excessive pollution, and traffic congestion have arisen as a result of the city's rapid growth, as evidenced by its ranking 58th in the country on the Ease of Living Index (2019).

Despite the problems, Oxford Economics says that the city is one of the fastest-growing economies, with GDP expected to grow at 8.5 percent annually until 2035.

This city's economic prospects are further improving thanks to infrastructure projects like the metro and special economic zones (SEZs). In addition, the Bengaluru-Mysuru Industrial Corridor, the new terminal (T2) at Kempegowda International Airport, the Satellite Town Ring Road, the Peripheral Ring Road, and the Metro Phase-2 construction have been announced to meet the expanding city's infrastructure needs.

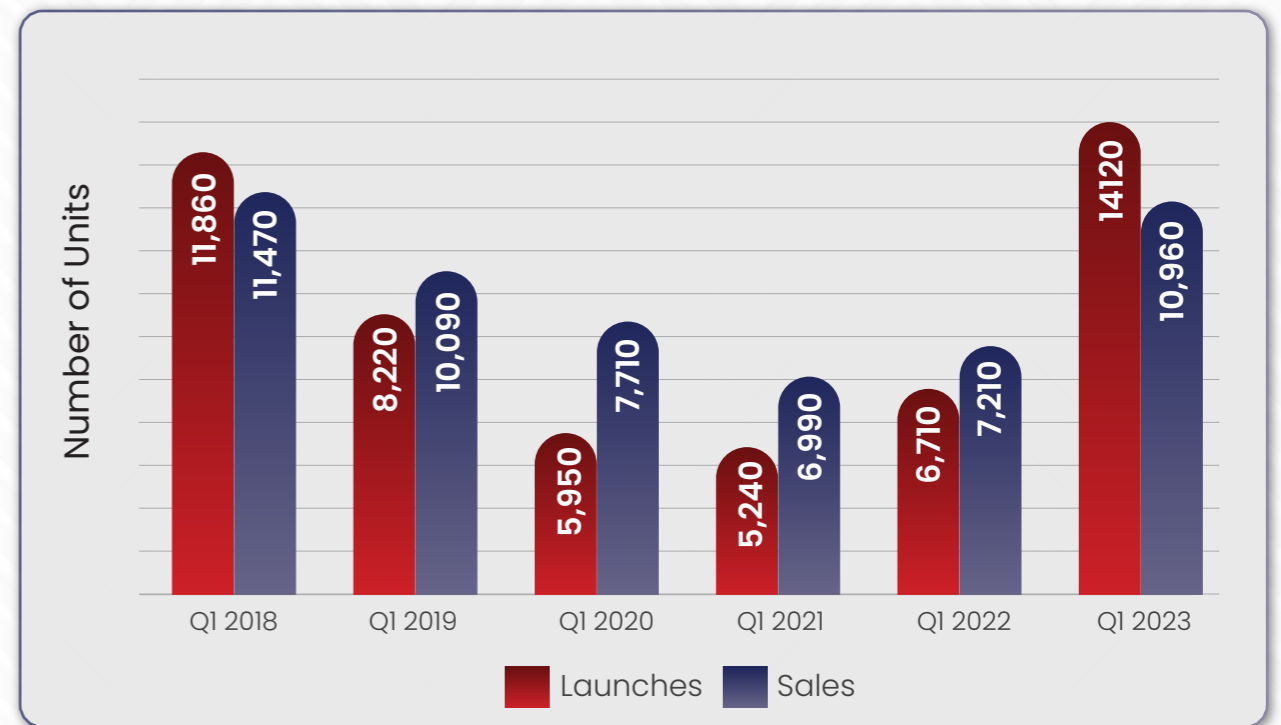
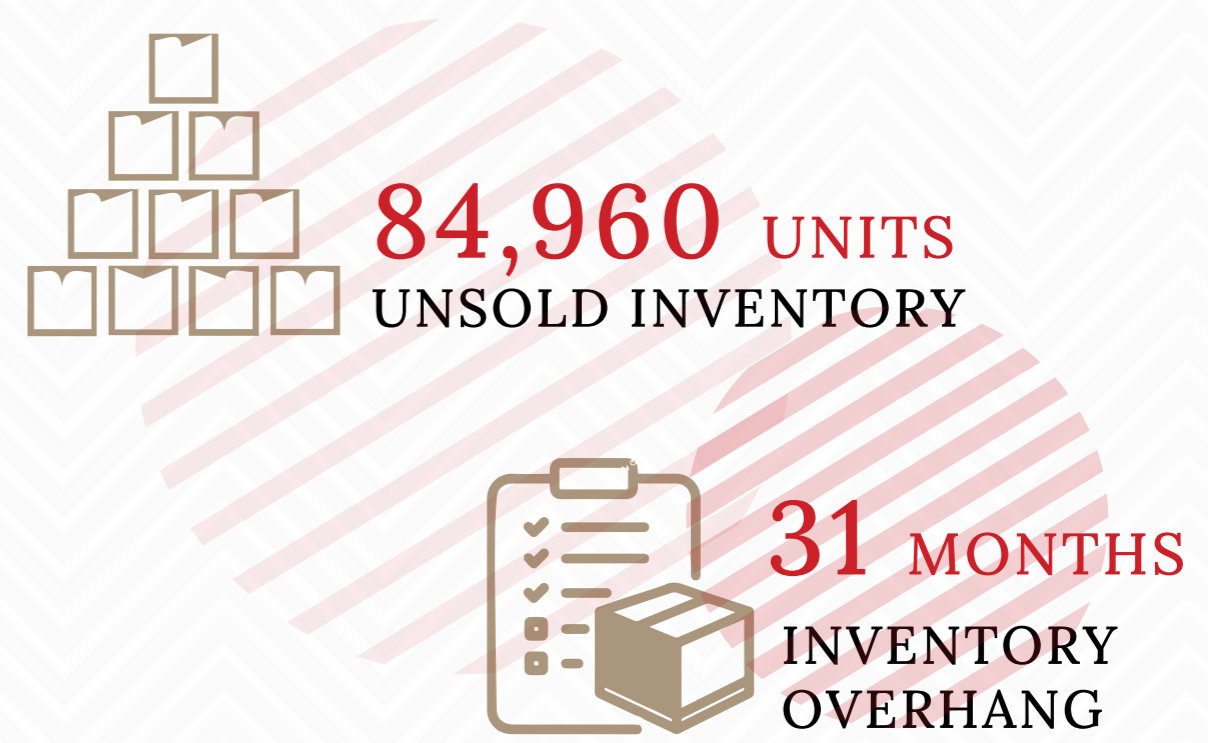
# RESIDENTIAL LANDSCAPE

Bengaluru’s real estate market continued to witness strong momentum in FY 2022-23. New supply and sales remained vibrant despite obstacles posed by the Omicron wave in the initial part of the year, followed by a steep rise in raw material cost, consumer inflation and borrowing costs.

Accounting for a 11% share in the overall launches at the Pan India level, the city has witnessed a new supply of 48,140 units in the current year, recording a more than 100% growth from the previous year. FY 2021-22 remained a cautious year that witnessed a new supply of 21,280 units. However, the pace of new launches substantially improved towards the last quarter with over 14,000 new units launched in Q1 2023.

With the development of various infrastructure projects, growth in start-ups, and rising income levels coupled could be the few reasons behind the improving residential traction across the city in the last year. In line with the new launches, Residential demand also exhibited a positive trend registering a growth of 42 percent YoY in FY2022-23. However, on a quarterly basis, the demand in Q1 2023 has increased by 52%.

Configuration-wise, the homebuyers of Bengaluru preferred 3-bedroom apartments majorly in the prominent localities of East Bengaluru such as Whitefield and Varthur and South Bengaluru with Sarjapur Road and Kanakpura Road leading the trend.



**45%**  
Prefer Properties in **2 BHK** configuration

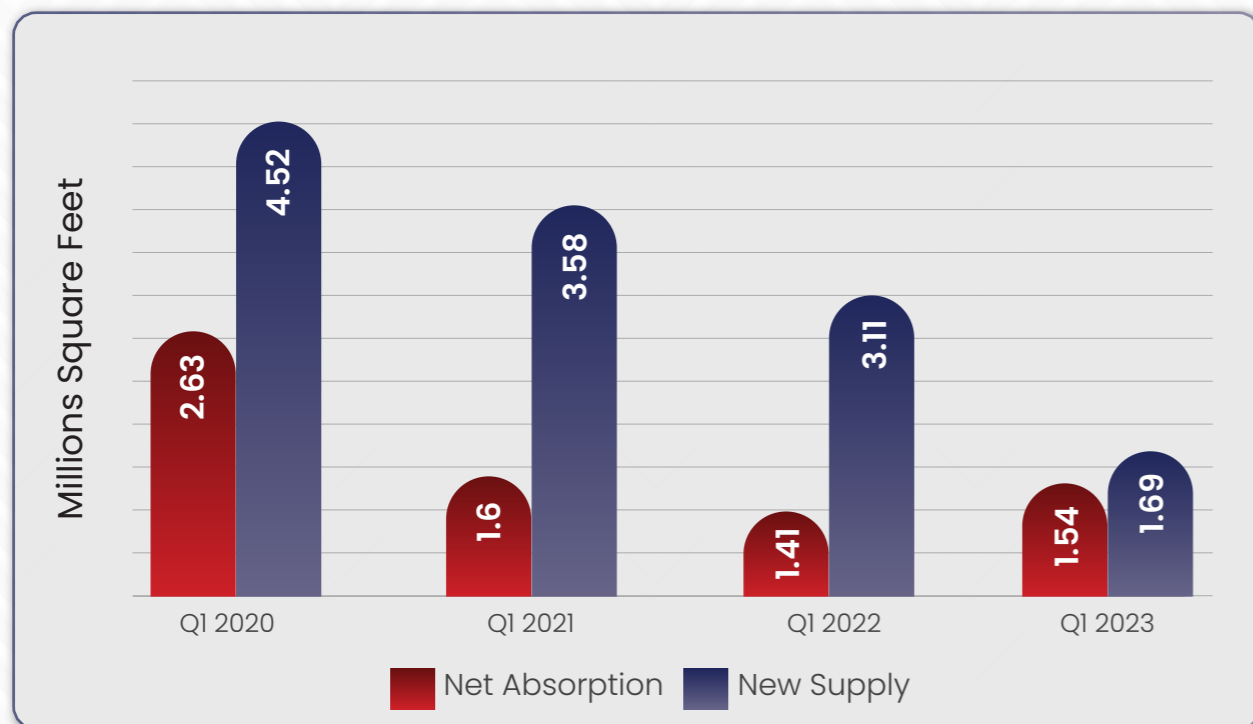
**42%**  
Prefer Properties within a Budget Range of **INR 40L-80L**

BENGALURU

# OFFICE MARKETS

**~15.61MSF**  
GROSS LEASING

**9.10%**  
OVERALL VACANCY



IT/ITeS sector, a strong startup ecosystem, and the expansion of new-age companies in sectors like e-commerce, fin-tech and ed-tech have been key growth drivers behind the ever-growing office market of Bengaluru. In line with the historical trend, office leasing activity has remained the highest in the top-8 cities in the year FY2022-23 also. During the year, a total of ~11 million sq feet volume was recorded in Bengaluru, registering an annual growth of 20%. Overall transaction volume softened in the later half of the year due to global uncertainties.

With a significant rise in office supply during the year, the overall vacancy also improved by over 100 basis points in the current year as compared to the previous year. However, during Q1 2023, the vacancy rates across key submarkets of the city remained rangebound and have not recorded any significant change. ORR continues to be the most preferable location due to the maximum number of business parks that already have their footprints there, followed by the prominent locations of East Bengaluru.

As a result, average office rentals have also surged in the range of 10-15% depending on the locations and credibility of the developers.

The IT industry's continued adoption of work-from-home and hybrid work models, along with cost-cutting measures taken by the tech industry, have all helped to increase the number of office transactions in the city. Overall, Bengaluru is the most popular tech city, has a sufficient talent pool, and the strengthening of rentals is good for investors.



Source: Reliant Surveyors Research | 26



03

CHENNAI



# A Glance

Chennai, a city in the easternmost state of India called Tamil Nadu, has long been a significant industrial and economic hub thanks to the existence of a port. The nature of industries has changed over time, and since economic liberalisation in the 1990s, the automobile sector has emerged as the main engine of economic growth.

Renowned automakers like Ford, BMW, Nissan, and Hyundai have positioned Chennai as their manufacturing hub. In addition to the auto industry, Chennai is home to a sizable number of IT and ITeS businesses. In Tamil Nadu, there are 40 SEZs that are now in operation, 22 of which are in or near Chennai.



Automobile,  
Electronics,  
IT-ITeS

**PRIME BUSINESS SECTOR**



**POPULATION**



**AREA**

The city is now connected to both national and international centres to an international airport and a port luring numerous international businesses. Moreover, the introduction of the metro rail and monorail has improved intracity travel.

To increase Chennai's regional connection, new infrastructure projects have been announced, including phase 2 of the metro train, an expansion of the current airport, a peripheral ring road, and an elevated corridor (Chennai Port-Maduravoyal).

Also, the industrial and IT sectors in and around the city are anticipated to grow as a result of the proposed Chennai Bengaluru Industrial Corridor (CBIC).

Professionals in the workforce have come to Chennai from all around the nation. To meet the demand, numerous residential developments have been built, gradually replacing the city's low-rise profile with high-rise condominiums. The demand for residential properties in the mid-segment price range has been influenced by the huge base of white-collar workers.



# RESIDENTIAL LANDSCAPE

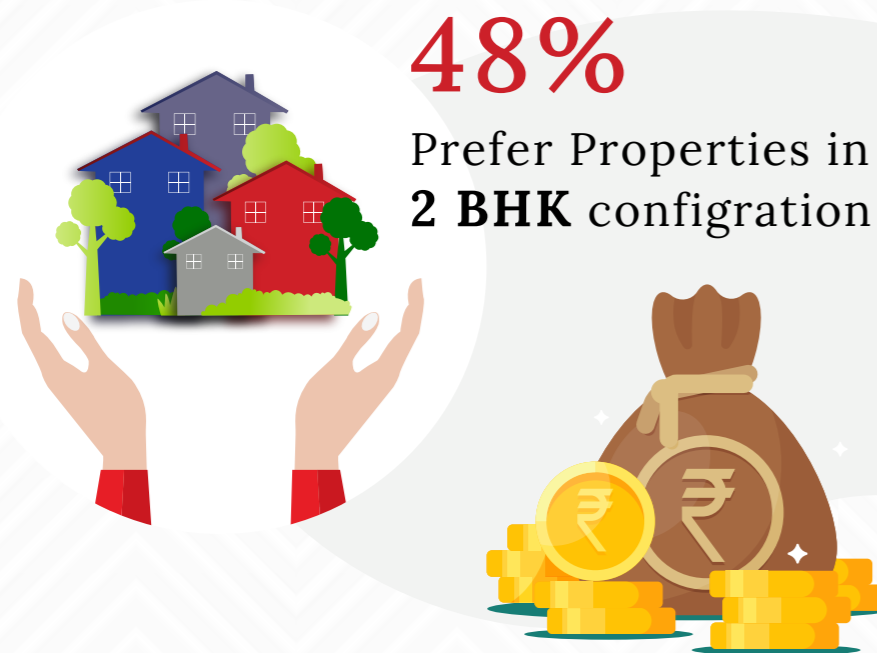
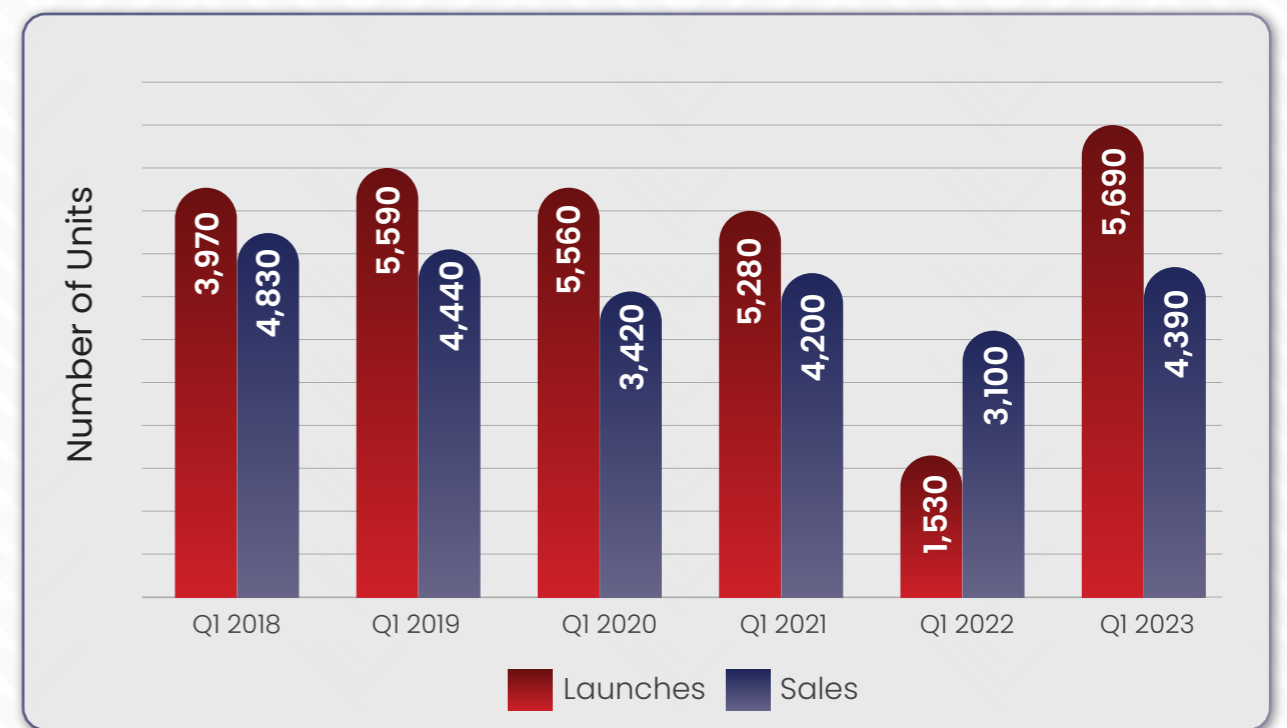
Chennai, been the only city that had been considerably below the pre-pandemic levels. However, new launches in Chennai recovered significantly, witnessing a growth of 65% in FY2022-23 against FY 2021-22, registering a new supply of only 13,090 units compared to 7,930 units in the previous financial year.

Out of these 13,090 units, the majority of the new supply concentrated in mid-ranged projects, leaving limited options for buyers preferring high-end and luxury houses.

Contrary to the launch trend, sales, on the other hand, have been recovering at a comparatively lower space. In the last 2 years, sales have increased by 35% as compared to FY 2021-22 and 40% as compared to the sales registered in FY 2020-21. Chennai has been the second lowest contributor to the total Pan-India sales of FY 2022-23 with only a 5% share.

Of the 13,760 sold units during the entire year, over 40% percent of homes were in the mid-ranged bucket concentrated in the prominent micro markets of OMR, GST Roads, Mogappair and Perumbakkam etc.

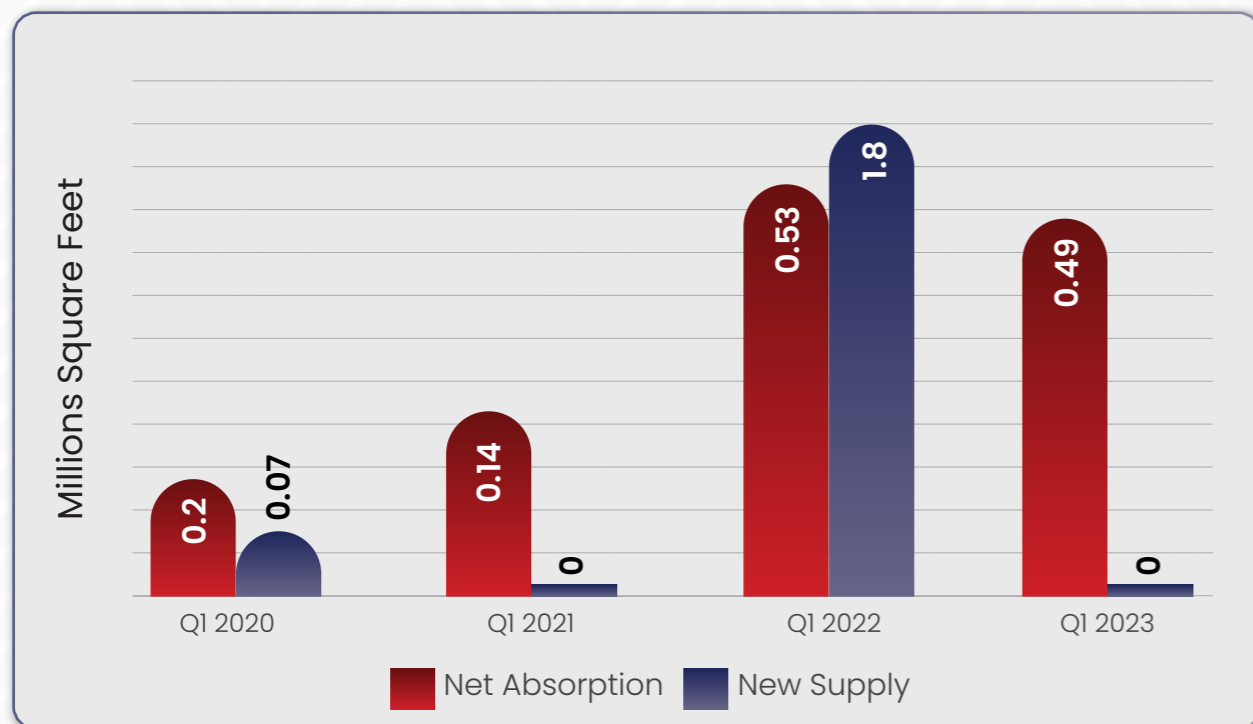
Chennai has the least inventory overhang, in line with Pune, among the top eight cities. The city's unsold inventory stood at nearly 32,520 units at the end of FY 2022-23 as compared to over 34,400 units in FY 2021-22. Moderate new supply and relatively improved sales velocity have reduced the city's inventory overhang to 26 months compared to 37 months in FY 2021-22.



# OFFICE MARKETS

**~7.58MSF**  
GROSS LEASING

**13.90%**  
OVERALL VACANCY



Chennai, which has been traditionally known for its port-centric business, is now carved itself as a stable office market, following its southern counterparts of Bengaluru and Hyderabad.

The city has recorded nearly 2.6 msf of net absorption in the financial year 2022-23, almost doubled from the previous year. This can be attributed to pent-up demand and consolidation by relocating to a better-quality supply. Organizational expansion decisions, that were put on hold during the pandemic, have materialized in the last few quarters. With the increasing traction of a hybrid work model, flexible spaces and co-working sectors have contributed significantly to the city's office space demand with IT/ITeS and BFSI being the mainstay.

FY 2022-23 has witnessed gross leasing of nearly 8 msf, recording a y-o-y growth of 34%. The majority of the traction was seen in the Suburban south submarket, accounting for nearly half of the total leasing during the year. Rentals continued to witness upside in most of the key office markets during the year and we expect the trend to continue with addition of new supply in the premium price range.





04


DELHI NCR



# A Glance

Delhi, India's capital, is part of the National Capital Region (NCR), which also includes several districts in Haryana, Uttar Pradesh, and Rajasthan. The National Capital Region Planning Board Act of 1985 established the region and its board to promote holistic regional development and decongest Delhi, India's largest city.

The board likewise had the ability to choose metropolitan regions in the adjoining states to be laid out as counter magnets and to embrace framework improvement on really important premise in such districts, to oblige Delhi's traveler populace.

 IT-ITES, Banking & Finance services, Warehousing, Manufacturing

**PRIME BUSINESS SECTOR**

 **46** Millions

**POPULATION**

 **50,083** Sq.km

**AREA**

The satellite cities of Gurugram and Faridabad in Haryana and Noida, Greater Noida, and Ghaziabad in Uttar Pradesh have emerged as prominent growth centers as a result of the push for infrastructure and their proximity to Delhi and the international airport. These cities attract a variety of economic activities, including manufacturing, warehousing, and service sector activities like IT-ITeS and banking and financial services, among others.

Gurugram has demonstrated the greatest potential among the suburbs because the city has experienced significant economic growth, which was sparked by the establishment of the Maruti Suzuki automobile plant in the 1970s. Gurugram has earned the title of "Millennium City" because it is now a major financial and information technology hub, home to several Fortune 500 companies, and a prominent banking center.

All other suburbs of the region are well-connected to the micro markets within Delhi via roadways and the metro network. Delhi in fact, has one of the longest metro networks in the country. The Indira Gandhi International Airport in Delhi is the busiest in India and saw 70 million annual passenger traffic in 2019. Moreover, a new airport has been proposed in Jewar near Noida, to ease and share the burden of the existing airport. New metro routes and roads such as the Dwarka Expressway have been proposed to improve the connectivity within the cities and the region.

# RESIDENTIAL LANDSCAPE

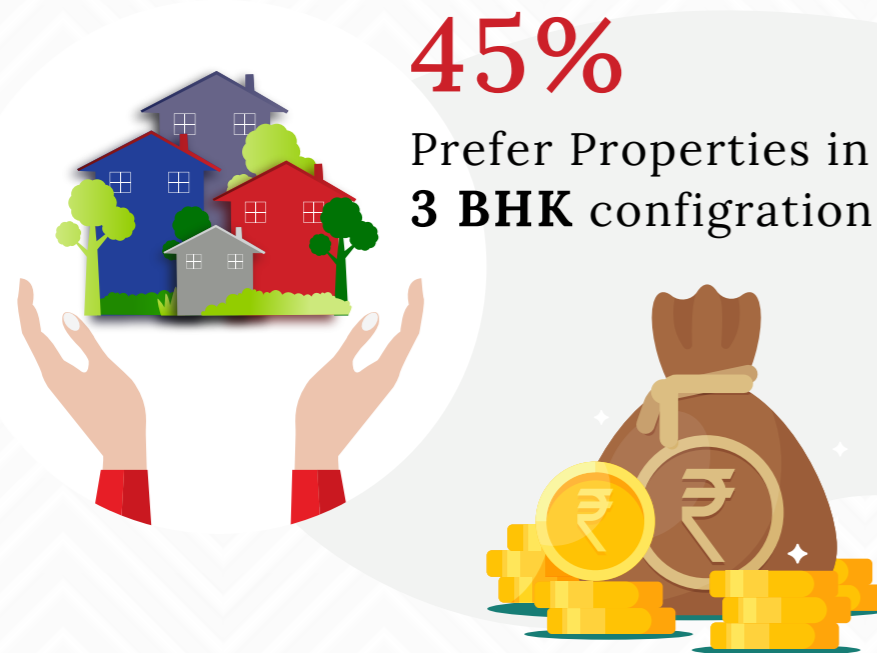
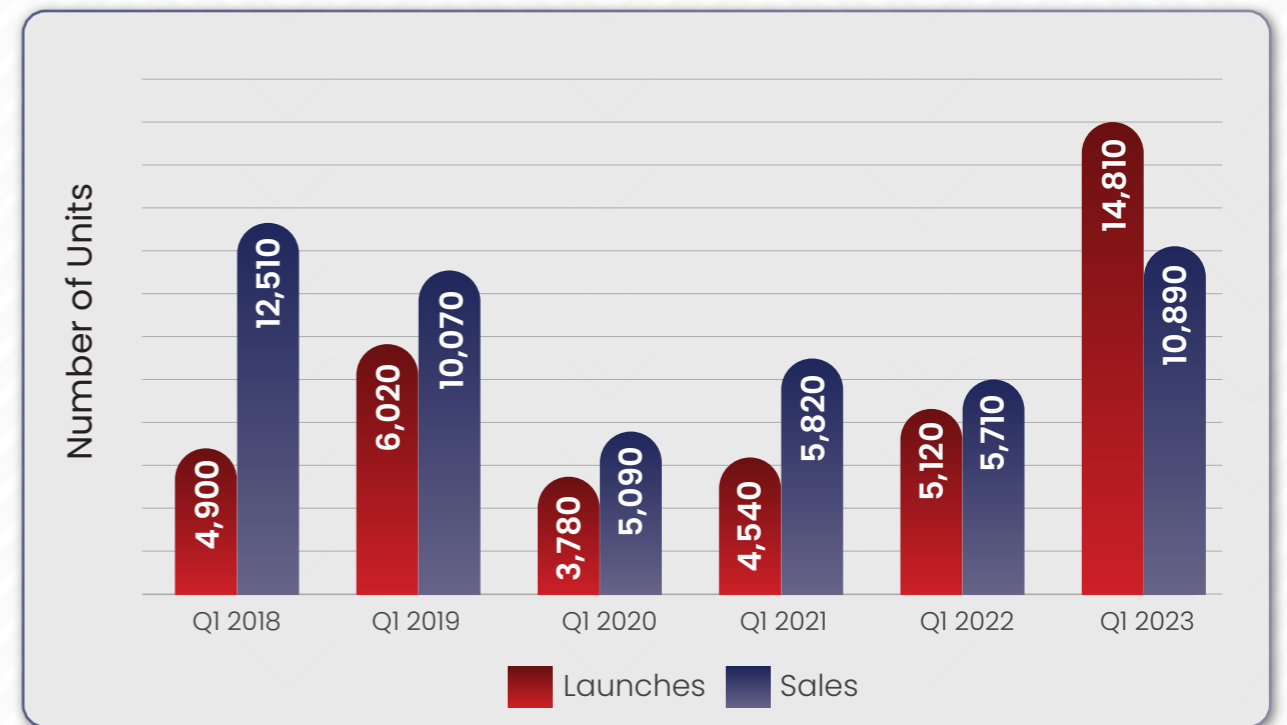
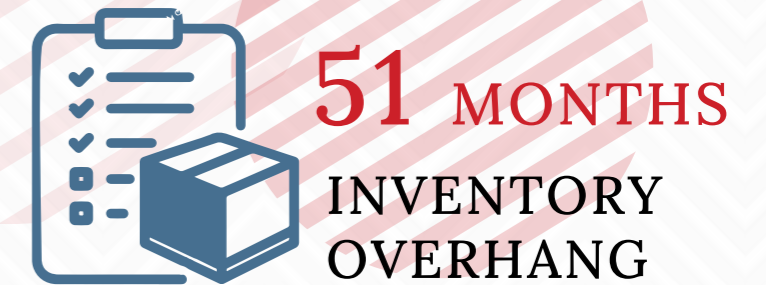
Despite being the most unstable market, the residential market of Delhi NCR has shown some resilience in the last year. Since the start of 2022, developers have increased new launches due to sustained demand and a shortage of ready-to-move inventory. With nearly 28,580 units launched in FY 2022-23, the launch total reached a 5-year high. This translates into a 112% YoY growth over FY2021-22 because the pandemic prevented the launch of many new residential projects in the last 2 years.

The majority of the new supply was concentrated in the affordable price range under INR 45 lakh, with developers primarily concentrating on the smaller-sized variants of the 3BHK configuration. In Delhi NCR, Gurugram accounted for more than half of the total new supply, followed by Greater Noida.

During FY2022-23, Delhi NCR market has seen a substantial rise in residential sales, registering an annual growth of 68%. Total sales recorded across Delhi NCR were over 28,000 units against 16,690 units in the previous financial year.

Gurugram being the most expensive market in Delhi NCR, which attracted the maximum number of homebuyers resulted in the rise of demand for high-end apartments. Noida and Greater Noida witnessed maximum sales traction in the mid-ranged projects.

Slow sales momentum across the years has resulted in the highest inventory overhang for the region. Currently, Delhi NCR holds an unsold inventory of over 1 lakh units and it will take around 51 months to liquidate this stock. Data stands at the end of FY 2022-23.

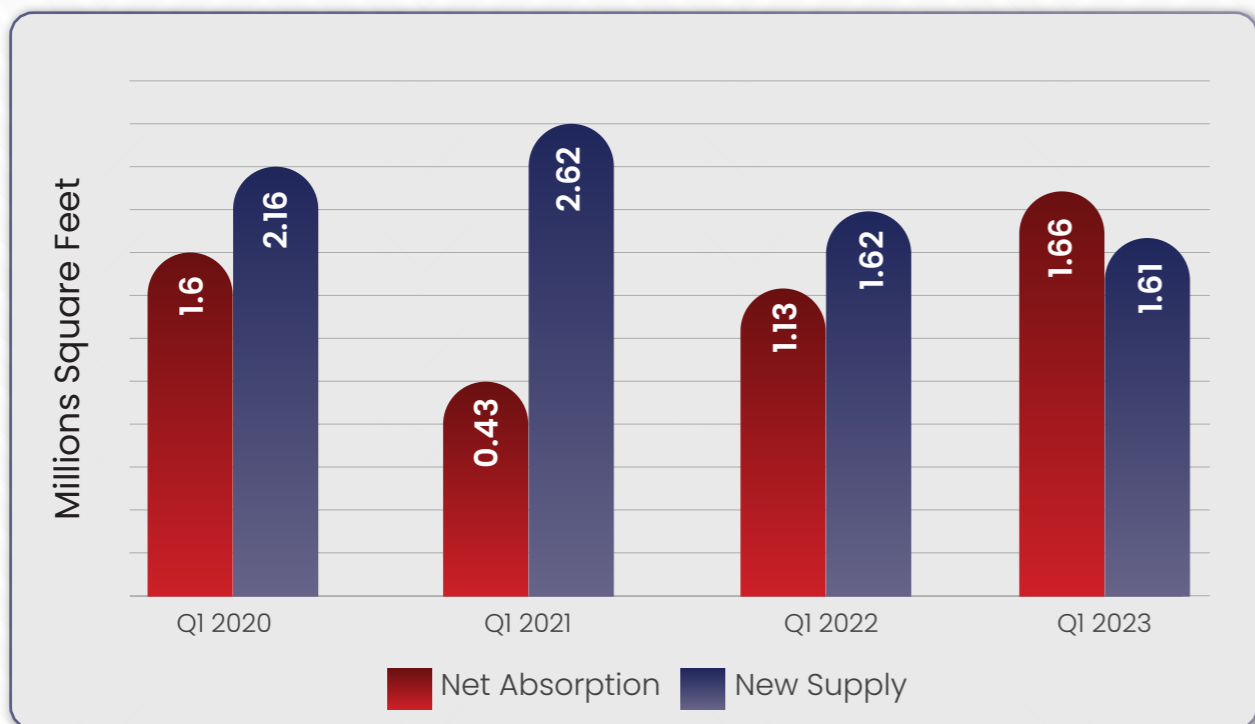


DELHI NCR

# OFFICE MARKETS

**~13.58MSF**  
GROSS LEASING

**24.90%**  
OVERALL VACANCY



NCR office transaction volume broke all prior pre-covid records, reporting a significant increase in market volume at 7.04 million square feet, a 40% YoY growth over FY 2021-22. As the "return to office" transition continued, office spaces transacted in NCR made it one of the best-performing office markets in terms of office leasing across the top eight cities in 2022. Office space occupancy rates have significantly increased in the current year as tenants have expanded their footprint throughout NCR's business districts.

Gurugram holds more than half of the share of the total pie of all the office spaces leased during the year, followed by Noida. This is consistent with historical patterns dating back to the creation of the office stock in these cities, which serve as the pillars of the NCR office market.

The amount of completed new office space significantly reduced NCR's office vacancy rate by 90 basis points to 24.9% by the end of FY 2022-23. This is primarily due to a robust uptick in office space leasing and corporate occupiers' preference for the NCR's well-developed business districts as a hotspot.

At the end of FY2022-23, the average transacted rent in NCR rose marginally by 2% year over year. Rents have increased in tandem with transaction volumes for office leasing, largely as a result of premium office spaces in well-known Gurugram and Noida micro-markets commanding higher rent than others.





05

HYDERABAD

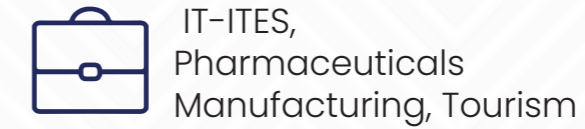
## HYDERABAD



# A Glance

Hyderabad, the capital of Telangana, emerged as a manufacturing hub due to its strategic location in south-central India. After the establishment of HITEC City (Hyderabad Information Technology and Engineering Consultancy City), a financial and IT business district in west Hyderabad, in 1996, the manufacturing sector was replaced by the service sector by the early 2000s.

Since the 2000s, the IT industry has fueled an economic boom and an influx of investments in the city. However, the pace slowed down in 2008 as a result of the global financial crisis and the political instability in the region brought on by the state of Andhra Pradesh's split from the rest of the country.



**PRIME BUSINESS SECTOR**



**POPULATION**



**AREA**

In 2014, the formation of the state of Telangana brought political stability back, and its policies that were favorable to business and development put Hyderabad back on the radar of international businesses and investors.

In order to develop social and physical infrastructure in industrial areas and potential growth centers, the Telangana State Industrial Infrastructure Corporation Limited (TSIICL) was established in 2014. Additionally, the TS-iPass is in place, facilitating the establishment of industries in Telangana through simplified procedures and single-window clearance. Since 2000, the city has attracted nearly USD 12 billion in private equity investments, with 51% of these investments occurring between 2014 and 2020 alone.

In recent years, the residential real estate market has expanded due to the real estate development sparked by a growing population and a thriving IT industry. Compared to other areas, this region has seen a significant increase in commercial and residential development in recent years due to the concentration of office space in the west of Hyderabad. However, the existing infrastructure has been put under strain by a growing population and uneven development. The proposed expansion of metro rail services and road improvement projects are likely to help unlock the remaining regions' real estate potential, improve connectivity, and alleviate pressure on the existing road services.



# RESIDENTIAL LANDSCAPE

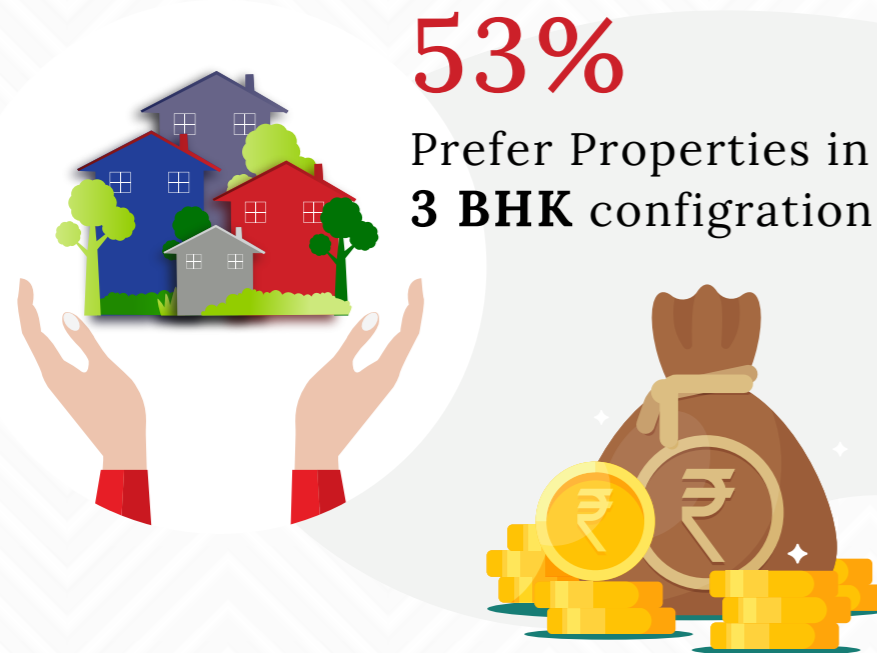
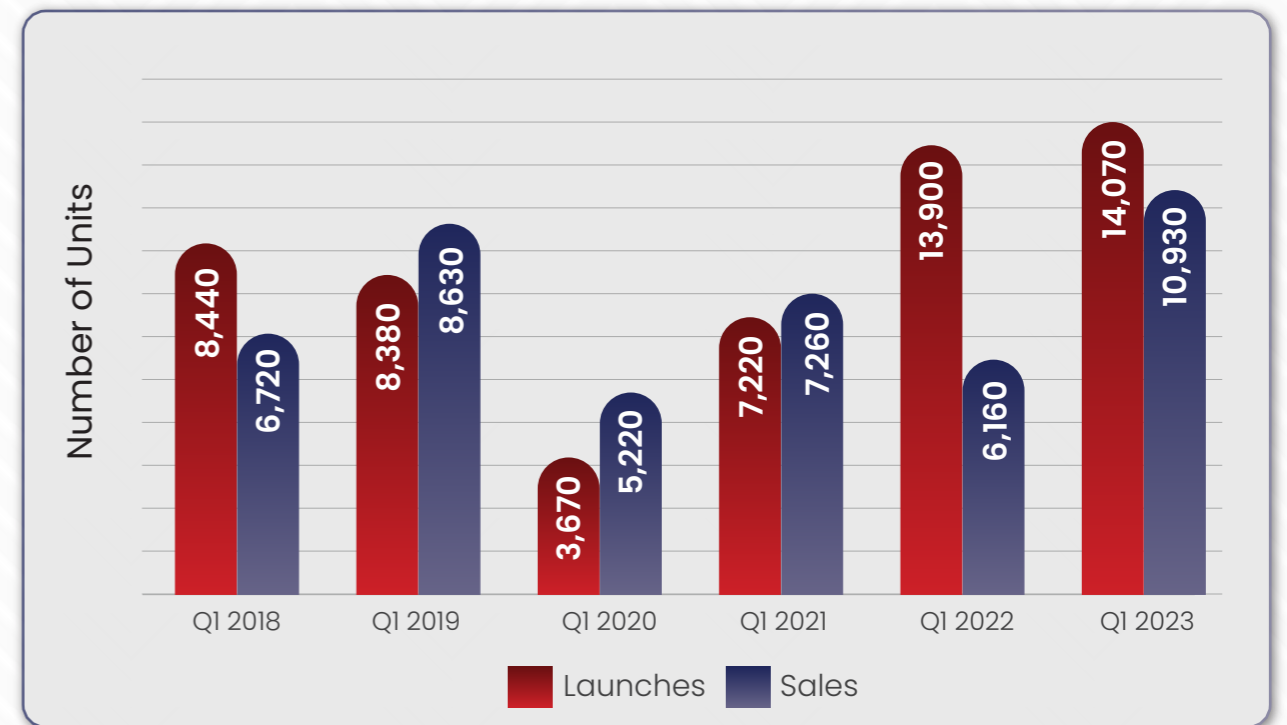
Hyderabad, one of the most favorable southern cities, has continued its upward trajectory in the new residential supply, ranking second to MMR. With a 18% share of the Pan India new supply, Hyderabad outpaced the launches of its southern counterparts and the other top metropolitan cities. Hyderabad has registered the highest-ever residential launches and sales in the last 5 years with over 79,000 new launches and 39,240 sales.

The city's real estate market has been boosted by Hyderabad's thriving economy, government-funded infrastructure improvements, rising demand for office space, and the Telangana government's business-friendly policies. All these resulted in a strong sales momentum, recording an impressive growth of 65% against the previous financial year.

Prominent localities of Hyderabad west continued to attract the interest of both developers and buyers. Key developers like My Home Constructions, Rajapushpa Properties and DSR Builders & Developers, etc launched their new projects with the majority of bigger-sized apartments in these locations.

On the demand side also, the maximum transaction was witnessed in the western suburbs with Tellapur, Kollur, and Kokapet attracting the maximum buyers.

With a surge in new supply, the unsold inventory also took a hike of 55%. Hyderabad currently has an available housing stock of over 1.12 lakh units with an inventory overhang of 35 months against 72,870 unsold units and an inventory overhang of 44 months at the end of FY 2021-22.

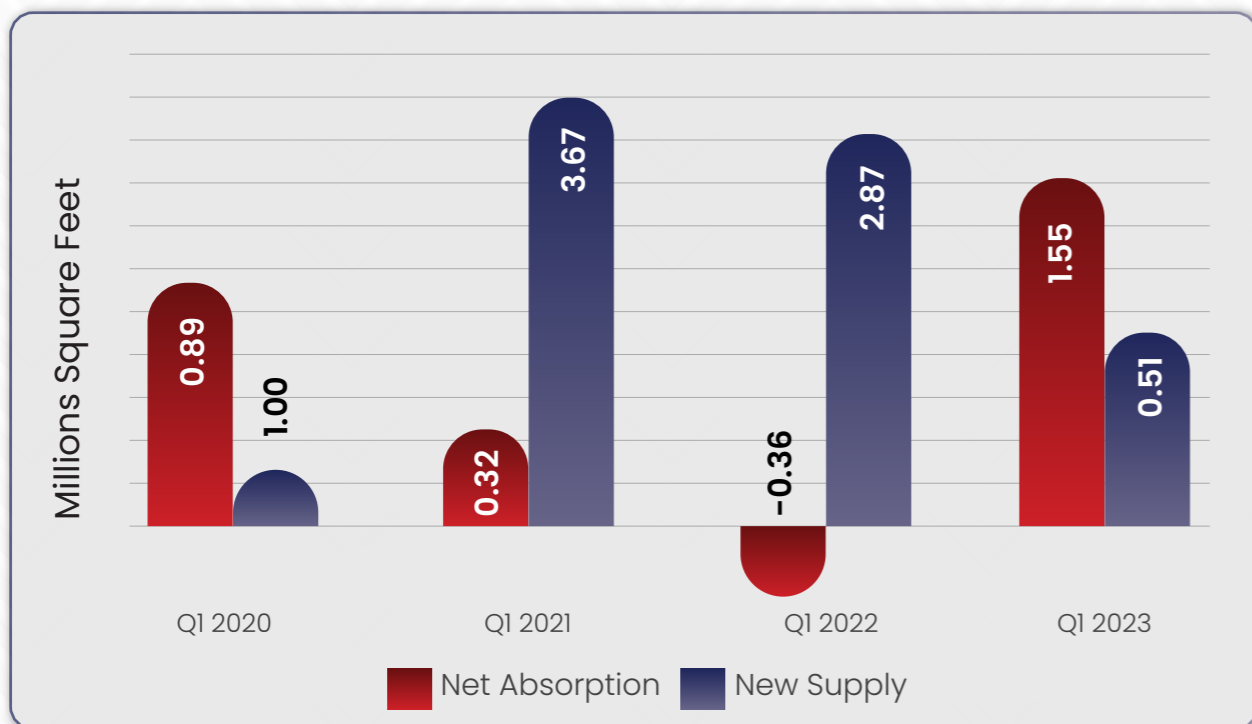


HYDERABAD

# OFFICE MARKETS

**~7.63MSF**  
GROSS LEASING

**19.80%**  
OVERALL VACANCY



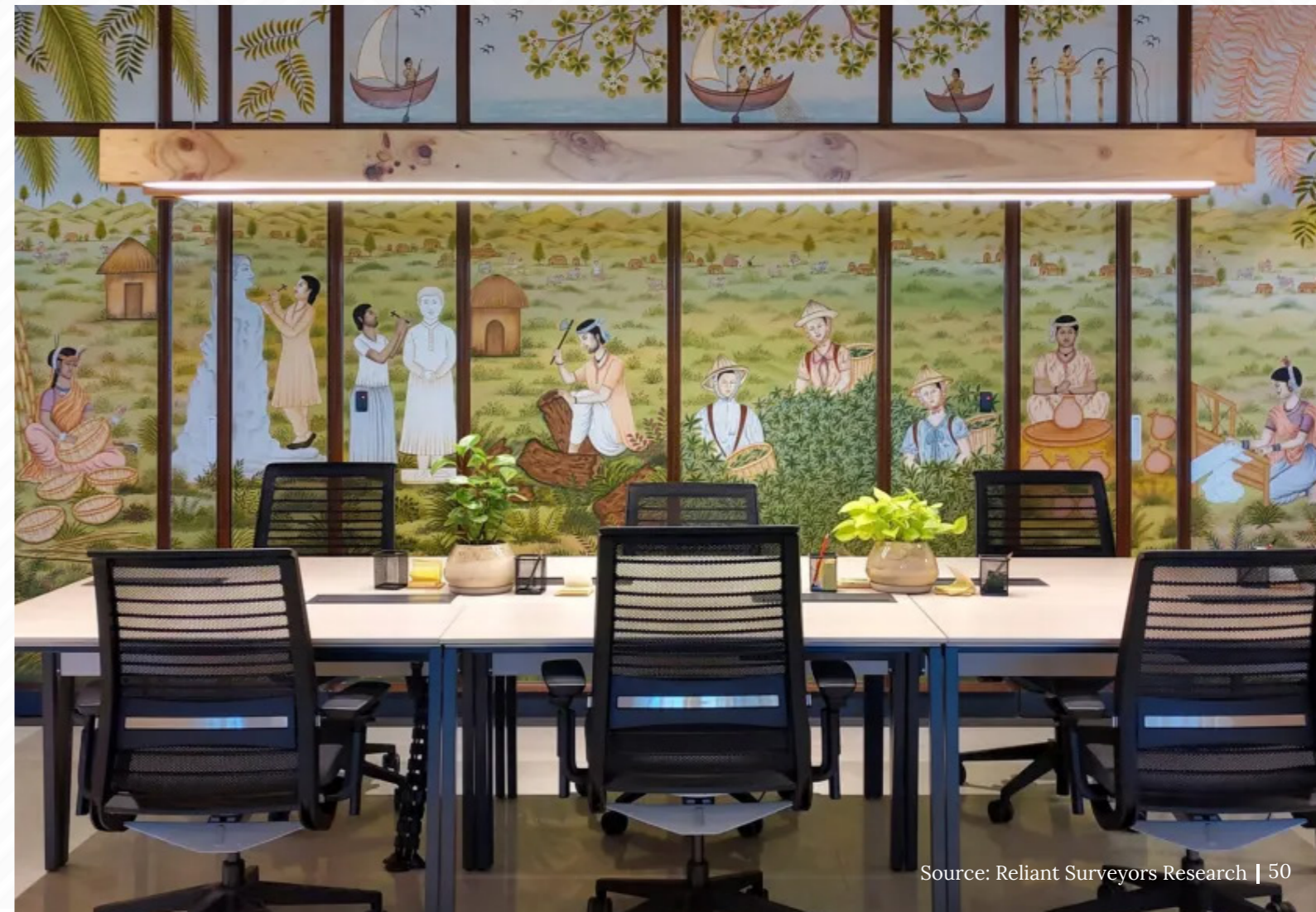
Hyderabad has positioned itself as one of the best-performing commercial markets, next to Bengaluru, which occupies the top position in office leasing. During FY2022-23, the city recorded a transaction volume of nearly 5.1 million square feet, a 4% rise from the previous year.

Annual office completions also reached their highest in the last 5 years resulting in the highest level of vacancy. However, in the latest quarter, Hyderabad witnessed the lowest number of new completions/additions with nearly 0.5 msf as compared to nearly 2.9 msf in the same period last year.

Following the trend started with hybrid working culture, the co-working sector continued to be the top occupier in the year 2022 as well. However, as a whole, the IT/ITeS sector remains the mainstay.

Western Hyderabad with HITEC city emerged as the most preferred location and witnessed maximum office completions as well as transactions during the year.

During the year average office rentals also grew by over 5%, driven by high demand for quality assets in HITEC City, the Financial District and other key office hubs.





06

KOLKATA



# A Glance

From 1772 to 1911, Kolkata, the capital of West Bengal, served as the capital of British India. The city's rise to prominence as a major industrial and commercial center prior to India's independence is rooted in its strategic location as an important port on India's eastern coast.

A wide range of industries, including heavy industry, food processing, textiles, acts as a strong foundation to the economic base of the city.



**PRIME BUSINESS SECTOR**



**POPULATION**



**AREA**

In the Kolkata Metropolitan Area (KMA), planned satellite cities like New Town and Salt Lake are becoming important IT hubs.

Cognizant, Tata Consultancy Services (TCS), and Wipro are among the multinational and national tech giants that have relocated to Kolkata as a result of the airport's connection to global hubs. Notwithstanding the ongoing BRTS passageway, the metro rail has been proposed to work on the connectivity within the city.

Housing demand has largely remained steady over the past few years due to the expanding population and the increasing number of economic opportunities.

Supply has notwithstanding, dwindled lately. West Bengal is the only state to introduce its own Housing Industry Regulation Act (HIRA), which is a version of the real estate regulation Act. New supply in Kolkata has been impacted by a number of factors, including the Act's ambiguity and slow implementation.

# RESIDENTIAL LANDSCAPE

In 2022, Kolkata adopted RERA similar to all the other top cities, and the sentiments are gradually improving for the residential market of the city. New launches have shown a healthy growth of 3x, witnessing a supply of nearly 11,830 units during the year as compared to 4,250 units in the previous financial year and a similar number of units in the year before.

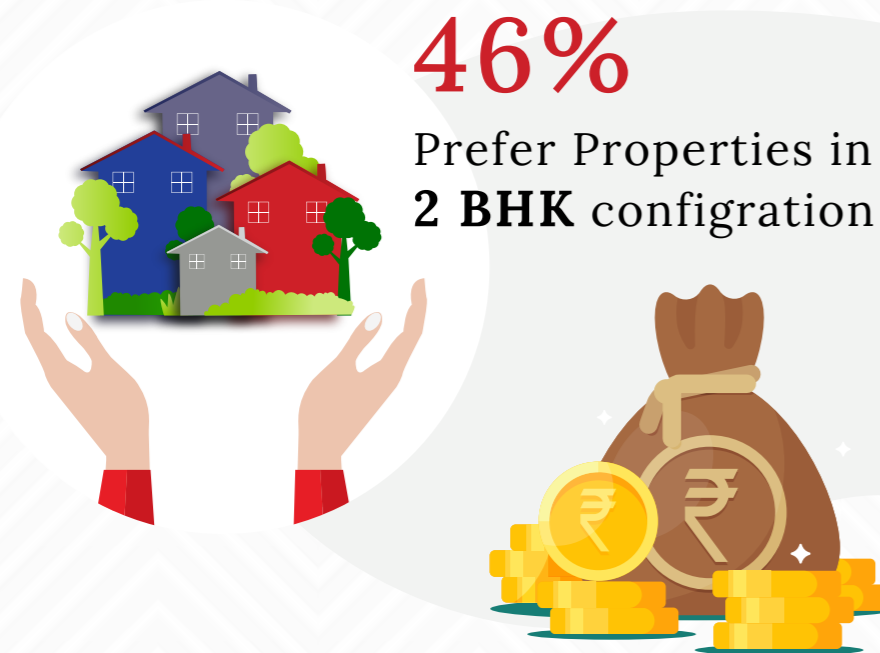
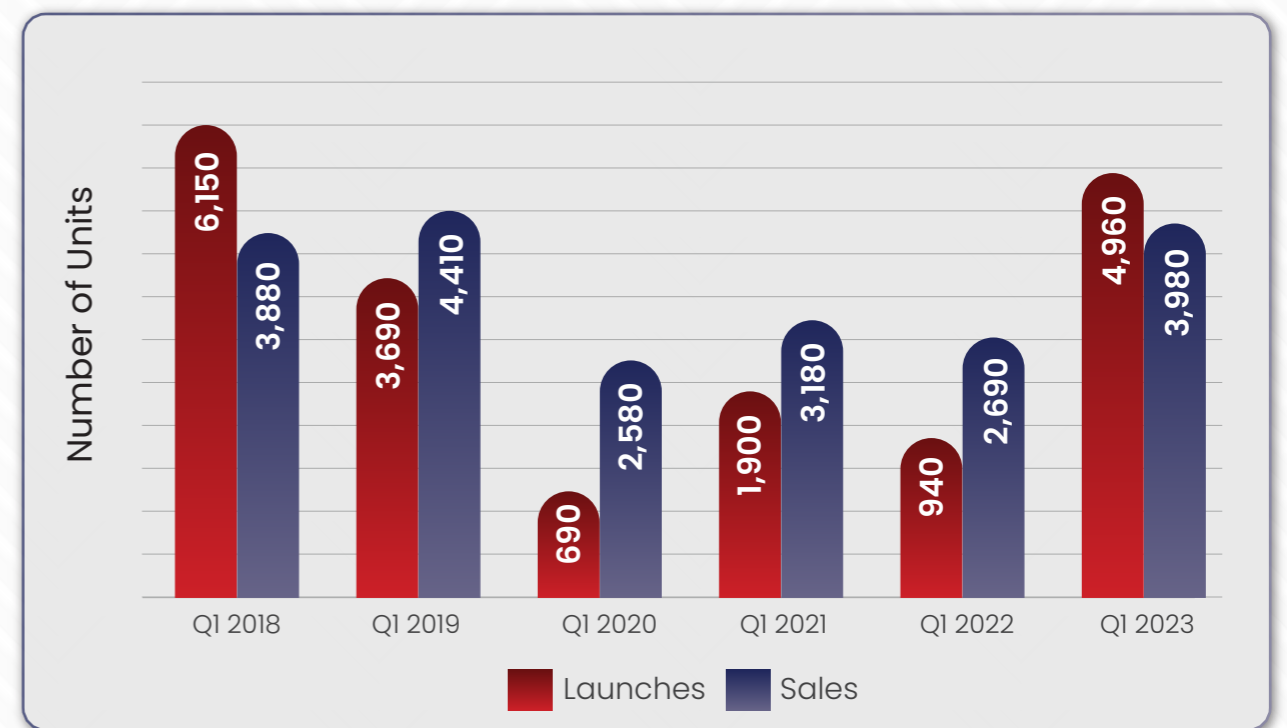
Sales, on the other hand, also benefitted from the 2% reduction in the stamp duty which was extended multiple times during the calendar year to provide relief to homebuyers. The overall sales of 11,730 units were recorded during the year with a 34% YoY growth.

Even though the city is known for its affordable supply, during the year majority of the supply was introduced in the mid-ranged projects.

In terms of sales, maximum demand was registered in the affordable projects of the prominent localities of Rajarhat, New Town, Joka and Madhyamgram.

Accounting for just 3% and 4% of Pan India's new supply and residential sales, the city has the lowest unsold inventory among the top-8 cities.

Currently, the city holds a total of nearly 24,960 available units in the market, which is only 3% of the overall unsold stock of the top-8 cities. The lowest inventory with a healthy sales velocity during the year led to an inventory overhang of 26 months by the end of FY2022-23 as compared to 34 months in FY 2021-22.

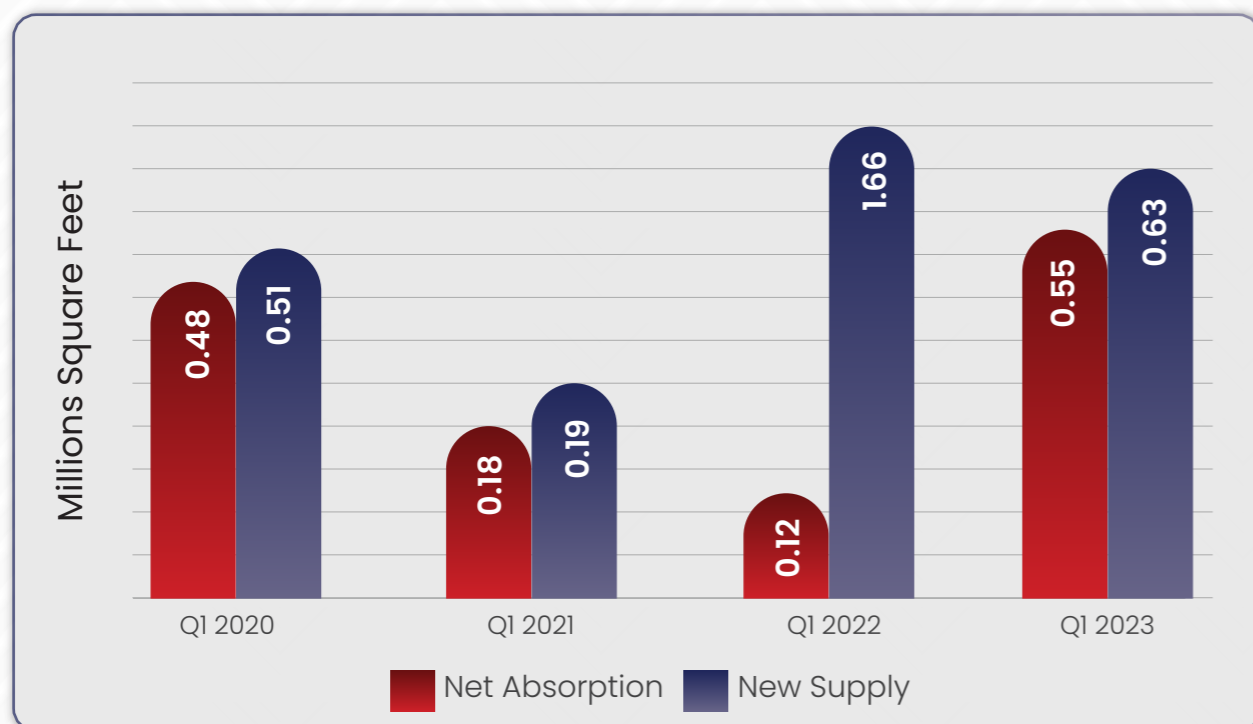


KOLKATA

# OFFICE MARKETS

**~1.76MSF**  
GROSS LEASING

**29.70%**  
OVERALL VACANCY



Kolkata office market has witnessed an impressive growth story in the last couple of months, surpassing the lows caused by the pandemic. During FY2022-23, the city clocked a transaction volume of approx. 1.2 million square feet, registering a growth of over 40% from the previous year. This has been the highest leasing volume since 2020.

The second-highest office space vacancy among the top eight markets in India is still located in Kolkata. At the end of the current financial year, Kolkata's office space vacancy rate of 41.9% was second only to Ahmedabad's level of 42.8%. Despite a 42% YoY uptrend in office space leasing and a 112 basis point decline over the past year, Kolkata's office market ended 2022 with a high vacancy rate. The increase in office space vacancy may be constrained if new office completions are restricted in 2023.

The average office space rent has remained rangebound and didn't witness any significant upward trend in FY2022-23 compared to the same period last year. Going forward also, increase in average rents are not likely to be seen due to a high level of vacancy.





ERECTED TO COMMEMORATE THE LANDING  
IN INDIA OF THEIR IMPERIAL MAJESTIES  
KING GEORGE V AND QUEEN MARY  
ON THE SECOND OF DECEMBER 1911

07

MUMBAI




# A Glance

Mumbai also known as India's financial capital, has attracted many manufacturing and service industries as well as migrant workers from all over India due to its excellent regional and international connectivity through airports, railways, roads, ports, and other infrastructure developments.

The existing roadways and railway infrastructure has been severely strained by the workforce's need to commute to the island city from the nearby cities. In a similar vein, the current Chhatrapati Shivaji Maharaj International Airport, which handled nearly 50 million passengers annually in 2019, has already reached its handling capacity for the year. In addition, Mumbai is one of the top fifty global cities that will experience the greatest population growth by 2030.

Numerous major transportation infrastructure projects, including the metro rail, the Mumbai Trans Harbour Link, and the Versova Vasai Sea Link, have been announced in recent years to improve connectivity throughout the MMR's micromarkets in response to the growing population. As a secondary business district to relieve congestion in Mumbai's central business districts, a new international airport is also being built in Navi Mumbai.

Despite the fact that the majority of commercial activity takes place in Mumbai city, the city's growing population, scarcity of space, and high capital values have led to an increase in residential activity and demand in the surrounding areas of Thane, Navi Mumbai, Kalyan-Dombivli, Vasai-Virar, and other places. because they are affordable. The Mumbai Metropolitan Region (MMR), which includes Mumbai City, Mumbai Suburban, Thane, Palghar, and the Raigad district, also includes these communities.

 IT-ITES, Banking and Finance services, Media, Warehousing, Manufacturing



**PRIME BUSINESS SECTOR**

 **18**  
Millions



**POPULATION**

 **4,355**  
Sq.km



**AREA**



# RESIDENTIAL LANDSCAPE

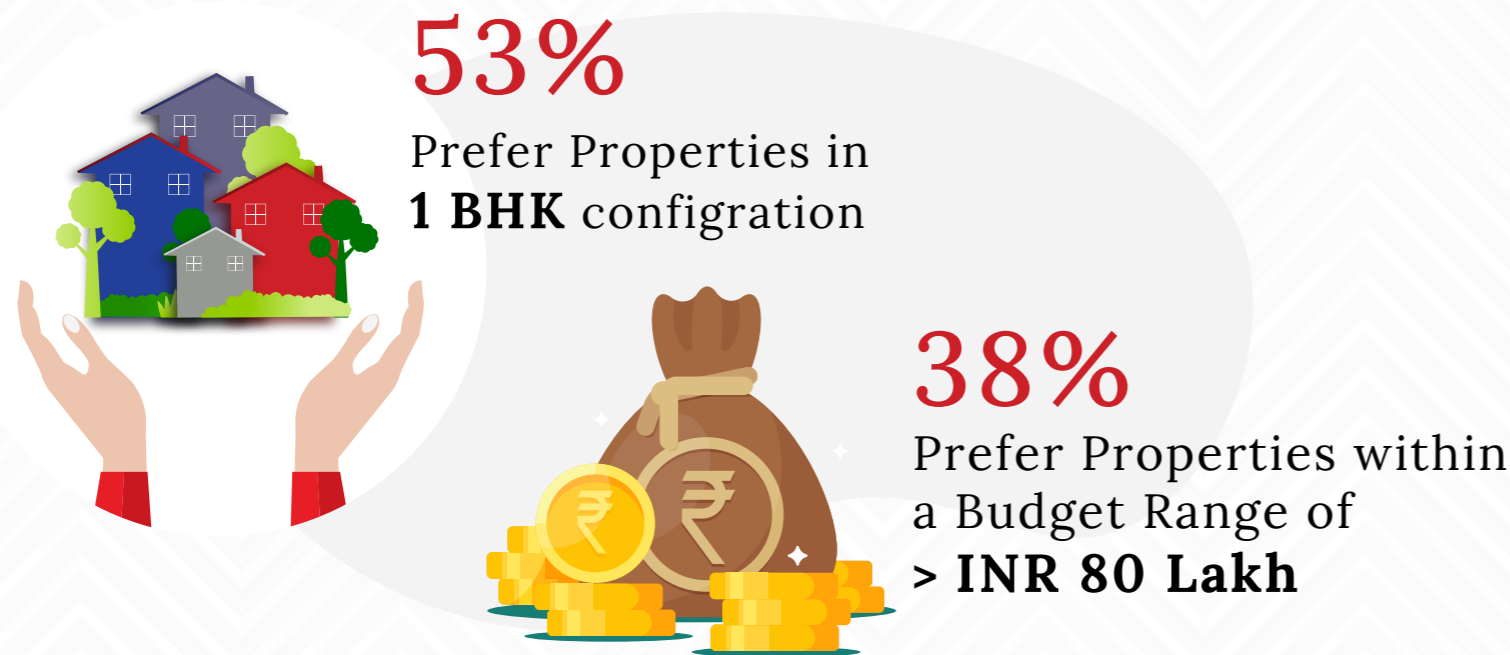
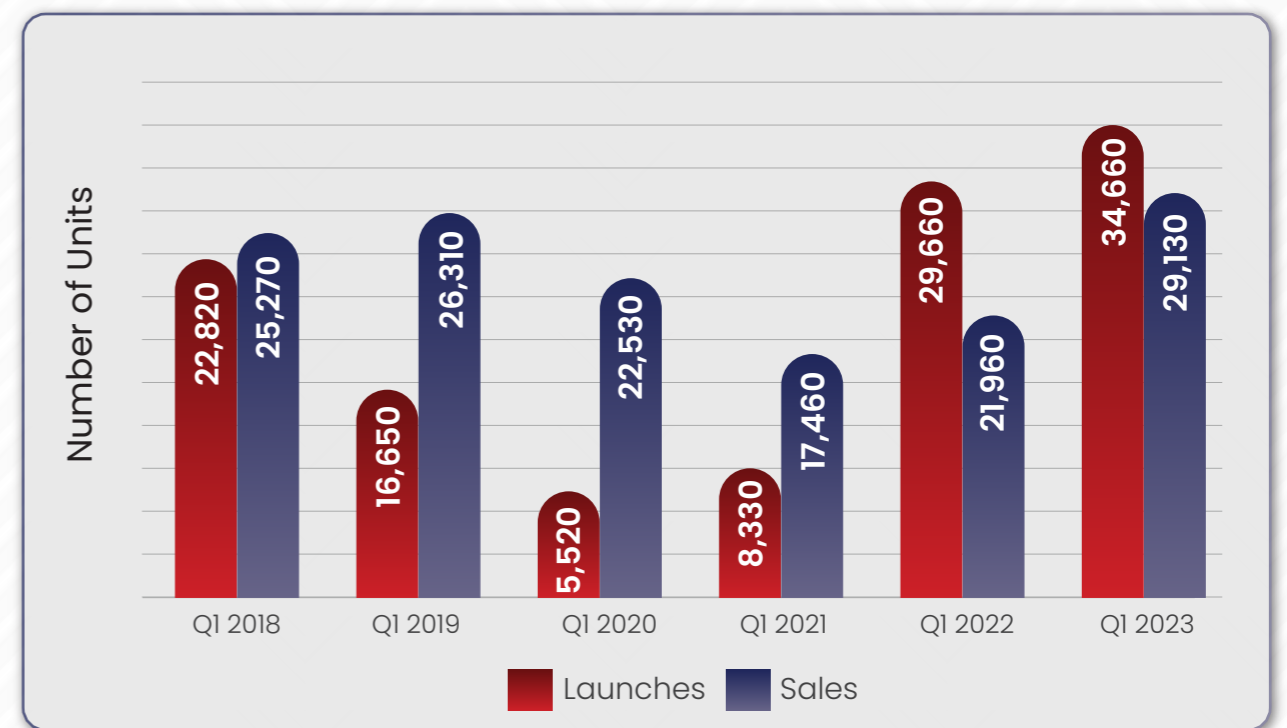
As evidenced by the fact that property registrations reached a record high in 2022 despite a lack of market stimuli like stamp duty cuts combined with rising interest rates, Mumbai residential market experienced astonishing growth in FY 2022-23 in both the new supply and sales.

In FY 2022-23, Mumbai and its metropolitan region (MMR) was the clear favorite out of the top 8 cities. The region's new launches saw almost three folds growth over the supply of the previous financial year. Overall the city reported 1.63 lakh new unit launches during the year, being the highest contributor (36%) to the Pan India launches of the year.

Developers have kept with the momentum and launched the majority of the new supply in the peripheral areas of Thane, Panvel, Navi Mumbai, and suburban areas of Vasai and Virar. Approximately, half the supply added in the Mumbai market in FY 2022-23 was of 1 BHK and 1.5 BHK variants.

Despite the significant headwinds, the Mumbai residential market recorded record-high sales in FY 2022-23 thanks to persistent demand. The city recorded sales of over 1.13 lakh units in FY 2022-23, the highest number in the last 5 years, registered a year-over-year increase of nearly 92%.

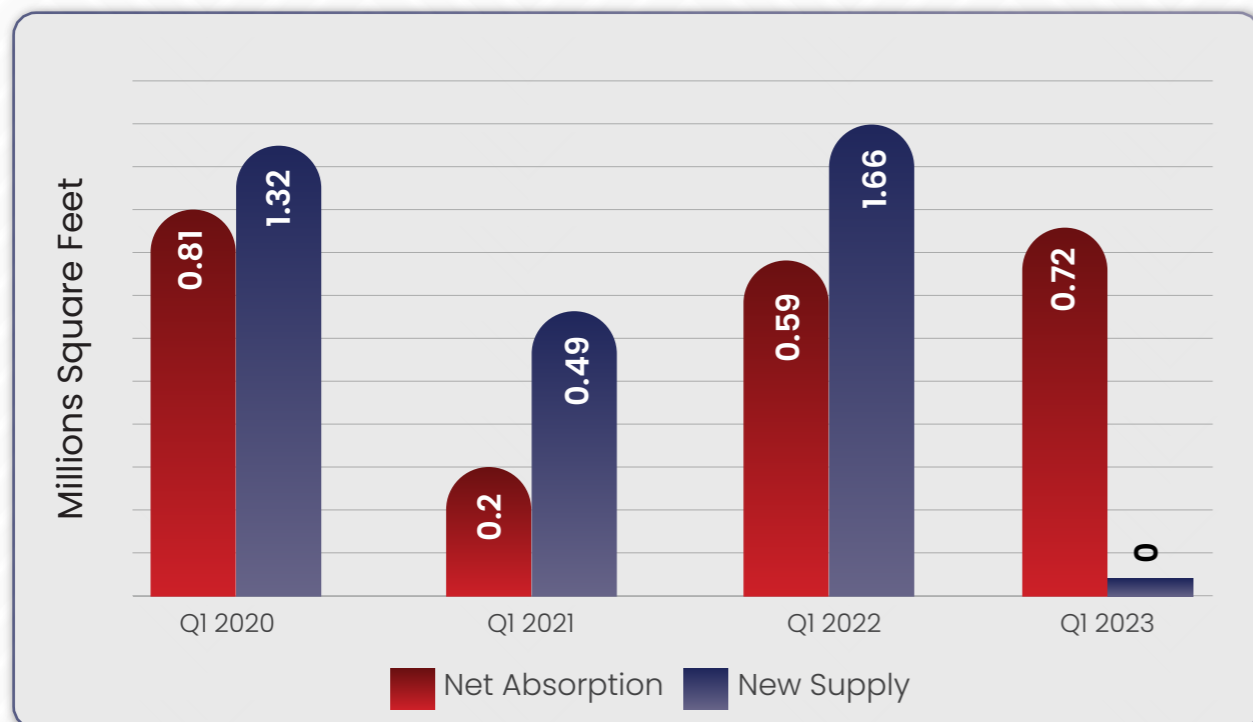
Mumbai, with a 36% share, has the most unsold stock among the top eight cities. By the end of FY 2022-23, the unsold inventory, which totaled over 3.13 lakh units, had increased by 19%. As a result of strong sales momentum, Inventory overhang has decreased to 33 months at the end of FY 2022-23 from 54 months during the same period in FY 2021-22.



# OFFICE MARKETS

**~13.58MSF**  
GROSS LEASING

**20.10%**  
OVERALL VACANCY



The BFSI sector continues to dominate the new office transactions trend in the financial capital of the country, resulting in a significant growth in transaction volume in FY2022-23. In last financial year, nearly 4.5 million square feet were transacted, representing a growth of 90% in annual absorption volumes.

With a substantial decrease, the annual supply added in FY2022-23 is approx. 1.8 million square feet. The degrowth in new supply can be attributed to construction activities being delayed as a result of Covid restrictions and rising raw material costs following supply chain disruptions brought on by international tensions. Developers remained cautious in adding new supply in the latest quarter. Nevertheless, looking at the strong pipeline of under-construction and planned commercial spaces, we foresee a new supply of over 5 MSF by the end of this year.

In the year FY2022-23, rents increased slightly by 3% YoY, with the average rental in the Mumbai office market remaining stable over the previous three quarters. The vacancy did, however, witness a slight decrease by 80 bps from 22.9% in FY2021-22 to 20.1% in FY2022-23 as transactions outpaced supply.

Hybrid working models are a trend now, that is likely to continue. Thereby impacting the expansion plans and existing space utilization.





08  
PUNE



# A Glance

Pune, Maharashtra's second-largest metropolis after Mumbai, has long been known as the "Oxford of the East" for its prominence as a cultural and educational hub.

Pune, which was once home to traditional industries, has undergone significant transformation as a result of the IT/ITeS policies implemented by the Maharashtra government. In Pune, IT parks like the Rajiv Gandhi Info-tech Park and the Hinjewadi IT Park serve as the IT industry's epicenter.



**PRIME BUSINESS SECTOR**



**POPULATION**



**AREA**

A number of multinational corporations have moved to the city, which is also home to more than 4,005 local start-ups, thanks to its proximity to Mumbai, international airport, access to high-quality education, and talent pool. Nowadays, Pune is regarded as one of India's top IT hubs.

In addition to the IT sector, Pune is home to numerous domestic and international automakers such as Mercedes-Benz, Volkswagen, TATA Motors, and Mahindra & Mahindra.

Over the course of the last 10 years, numerous framework projects have come up in the city to improve intra-city, territorial and worldwide availability. The Transport Quick Travel Framework (BRTS) passage, the metro rail and the ring street, are as of now proposed to get to the next level of the network inside the city. Aundh-Ravet, Sangamwadi-Vishrantwadi, Nashik Phata-Wakad, and Yerwada-Wagholi are the four BRTS corridor routes that are currently in operation.

Numerous projects for the improvement of social and physical infrastructure, such as road improvements and recreational parks, have moreover been proposed for Pune, under the Smart City mission. Pune has become a popular destination for commercial and residential real estate due to its economic opportunities and well-planned infrastructure. After Mumbai, the city has been one of the best-performing residential markets in terms of demand, bringing many well-known developers here.

# RESIDENTIAL LANDSCAPE

Pune market which has always been a follower of the Mumbai market, also recorded a robust growth story in the residential market. In terms of new launches among the top-8 cities, the Pune residential market came in third, with a total share of 16% of the overall Pan India figures.

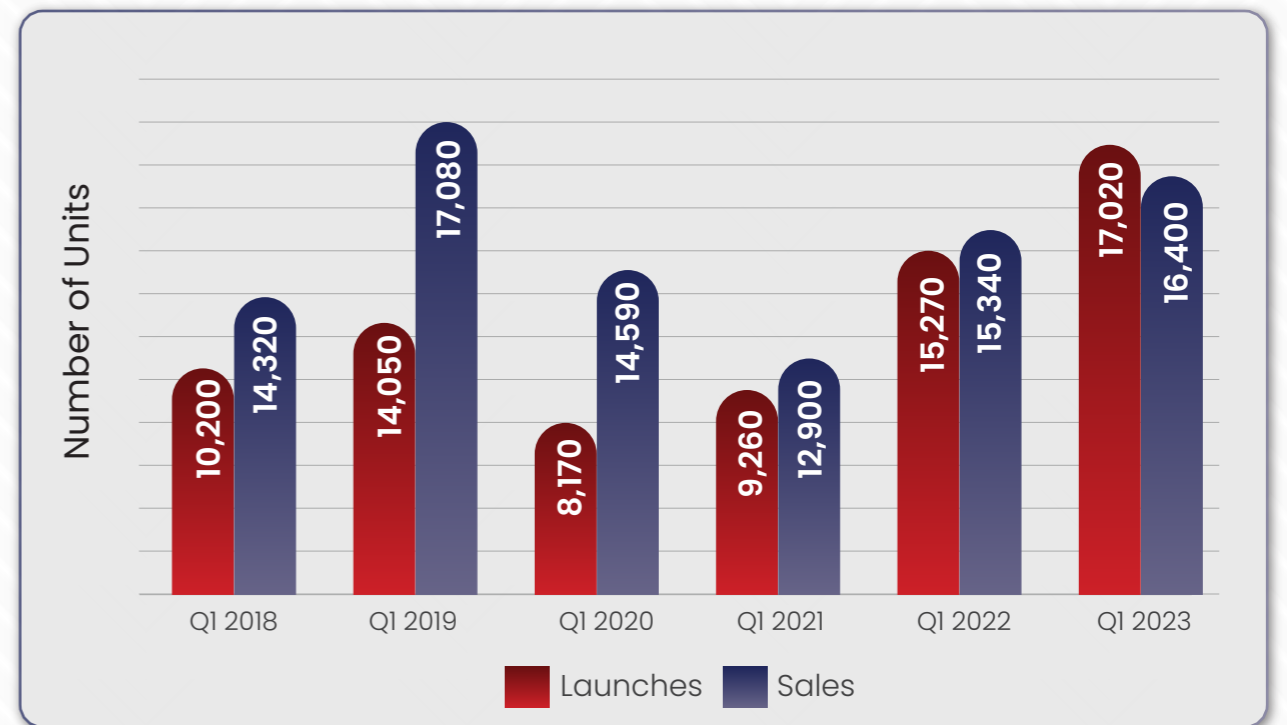
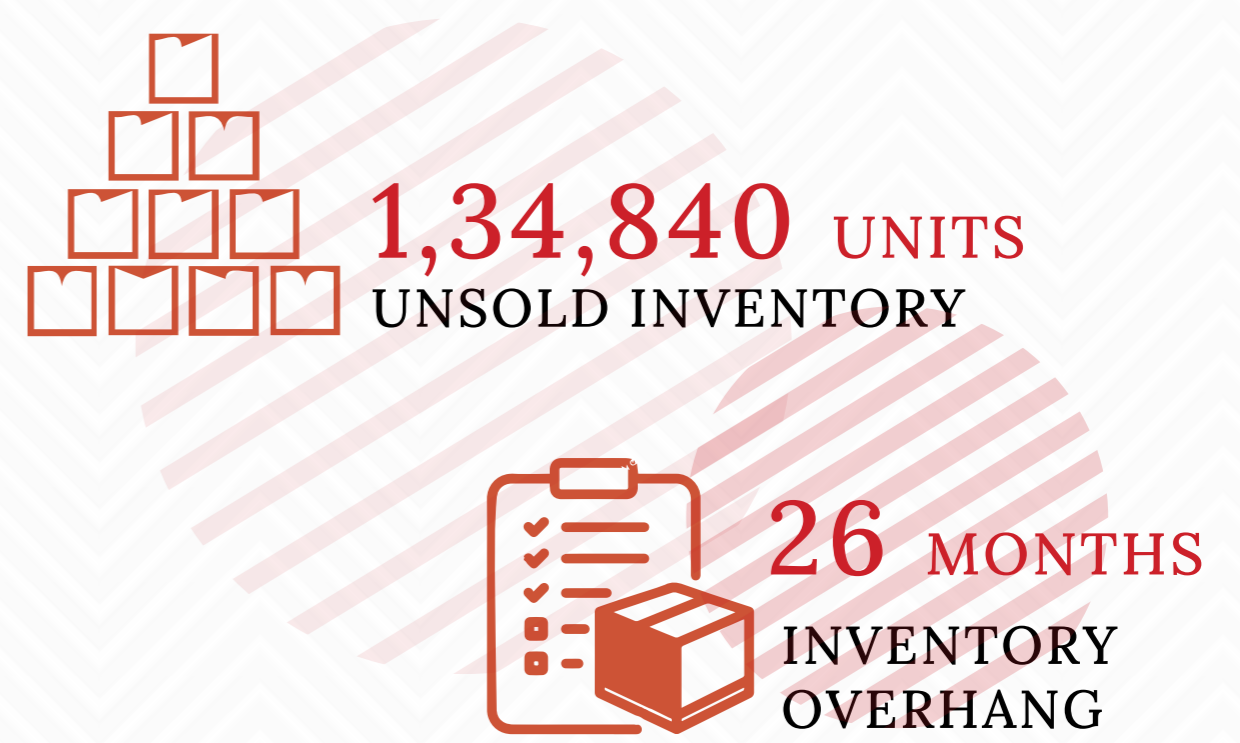
Over 73,170 units were launched in FY 2022-23, representing almost 3x growth as compared to the new supply of the previous financial year.

On the sales front also, the residential market of Pune has recorded a significant growth of over 46% in FY 2022-23, registering a total sale of over 61,270 units, the highest volume recorded in the last 3 years. The city has stood second in the sales tally of the top-eight cities, comprising 18% of the Pan-India sales.

Along with the most preferred localities of Hinjewadi, Rawet, and Wagholi, the presence of prominent IT hubs and connectivity via major roads, has been a key factor of interest for homebuyers in the micro markets of western suburbs.

Following its western counterpart Mumbai, Pune's unsold stock level is the second highest in Pan India. Over 1.34 lakh units are available for sale in Pune at the end of FY 2022-23 as compared to 1.23 lakh units at the end of the previous financial year, registering an increase of nearly 10% annually.

Inventory overhang, on the other hand, reduced significantly on the back of healthy sales volumes. At the current stock, it will take around 26 months to offload the piled up stock.



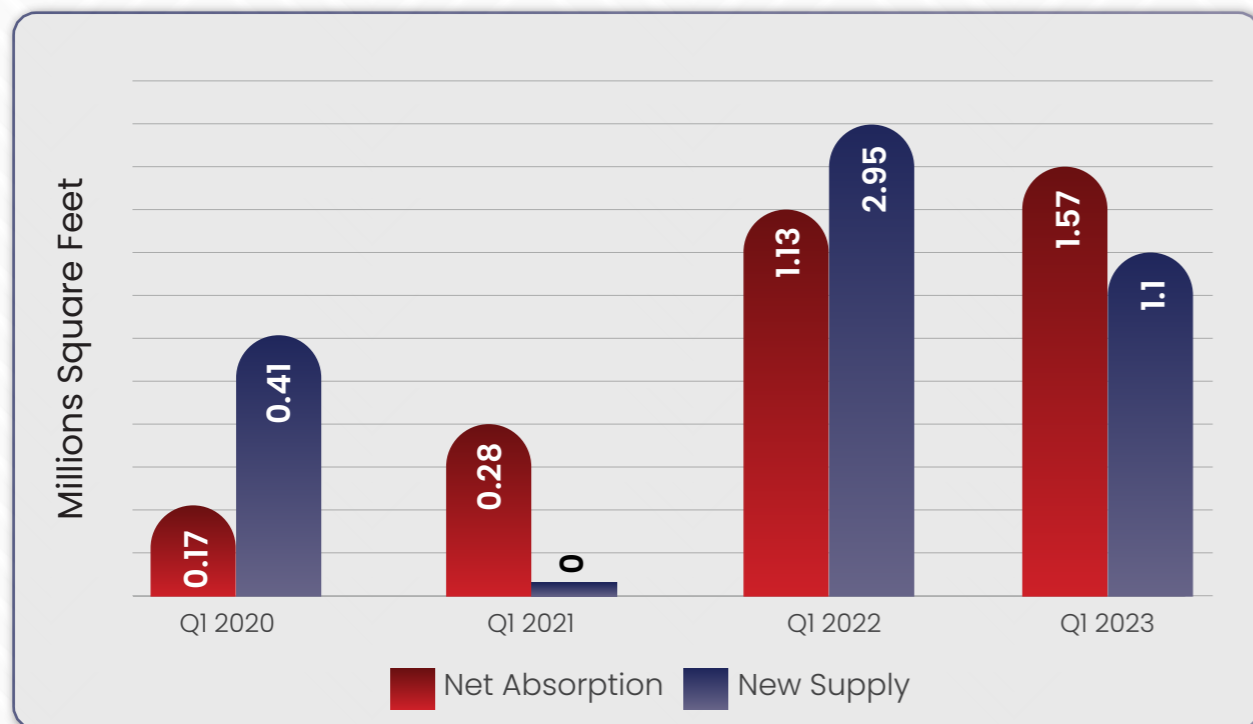
**53%**  
Prefer Properties in **2 BHK** configuration

**39%**  
Prefer Properties within a Budget Range of **INR 40L-80L**

# OFFICE MARKETS

**~8.5MSF**  
GROSS LEASING

**11.20%**  
OVERALL VACANCY



The commercial real estate market of Pune continues to remain occupier-friendly as over 1 msf of new supply hits the market which lead rentals to remain in a tight range across key markets.

Pune's annual office transactions increased by two folds to reach at 4.5 million square feet in FY 2022-23 as compared to nearly 2.2 msf in the previous financial year. With micro markets like Secondary Business District (SBD) East, Peripheral Business District (PBD) east, and Peripheral Business District (PBD) west driving demand amounting to 73% of the transactions in FY2022-23.

Gross leasing volume stood strong at nearly 8.5 msf. Term renewals accounted for over 55% of the overall leasing activity during FY2022-23. SBD East and PBD West dominated fresh leasing. IT-BPM & Engineering & Manufacturing sectors hold maximum share in this year's leasing.

Office completions annually remained stable, up marginally by 1% year over year. Demand outpaced supply in later half of the FY2022-23, causing vacancy to decline to 10.5%, the lowest level since 2020.



# ABOUT US

With a history that goes back to 4 decades, Reliant is known for delivering excellence. We have over 2,000+ satisfied clients and successfully completed over 5,500 assignments across commercial and residential sectors. Reliant is living up to its name and has become synonymous with reliability & trustworthiness in the asset valuation industry. We are a company driven by passion and hold dear our values i.e. integrity, honesty, transparency, quality, and professionalism. With a client-centric approach, we remain committed to deliver excellence and perfection in everything we do. Our sheer commitment, dedication, passion and devotion towards work have enabled us to grow exponentially in the Middle East and India – with plans to set foot in the UK market very soon. Reliant as a company takes pride in its heritage, people and culture and offers its clients a comprehensive range of customized reports leveraging its dedicated, skilled, and multi-disciplinary team, which includes RERA approved valuers, RICS professionals, Chartered Engineers, and CEIV.

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