

Q1 FY 2019-20

HYDERABAD

**Fastest Growing Market
in India**

FOREWORD



Hyderabad continues to be one of the most robust Real Estate markets across India. As per our research, the average property price has reached INR 4,862/ Sq. Ft. growing by around 4.1% Q/Q in Q1 FY 2019-2020.

Major growth is emanating from the upcoming corridors in Gachibowli & HITEC city, where property prices are showing ascending tendencies over the past few quarters. The quarterly intake has crossed 5,000, notably up from 4,500 in the previous quarter.

The uptrend in Hyderabad defies the general trends in other Indian cities such as Mumbai, Bangalore & Delhi-NCR- where mostly moderate sentiments are prevailing. Interestingly, Hyderabad is one of the few markets where investor activities are also rising steeply.

As property prices are rallying ahead on the back of healthy demand, investors are also getting lured towards Hyderabad. The momentum in Hyderabad will continue to gain steam in the times ahead.

Ankit Kansal

Founder & MD, 360 Realtors

Hyderabad Market

Key Markets: Banjara Hills, Gachibowli, Narsingi, Kompally, Kondapur

The residential market in Hyderabad continues to grow steadily on the back of heightened demand, growth in the commercial sector & affordable price range. A surge in average property prices & rise in transaction volume further testifies to the inherent buoyancy in the market.

Hyderabad has also benefited by a spurt in FDI money. Hyderabad, alongside Bangalore, is one of the biggest beneficiaries of FDI inflow in India. It has featured in the list of top 20 FDI destinations of the world in terms of the investment in the ICT sector. Over 20 international IT & electronics companies have invested in Hyderabad in 2018.

As the city has consolidated its stronghold on the global landscape, international investors will bet on the market, lured by affordable prices, attractive returns & the overall cosmopolitan outlook of the city. This will accelerate the realty market. Hyderabad is also witnessing phenomenal growth in terms of its retail, education & healthcare sectors, thereby offering higher standards of living to the residents.

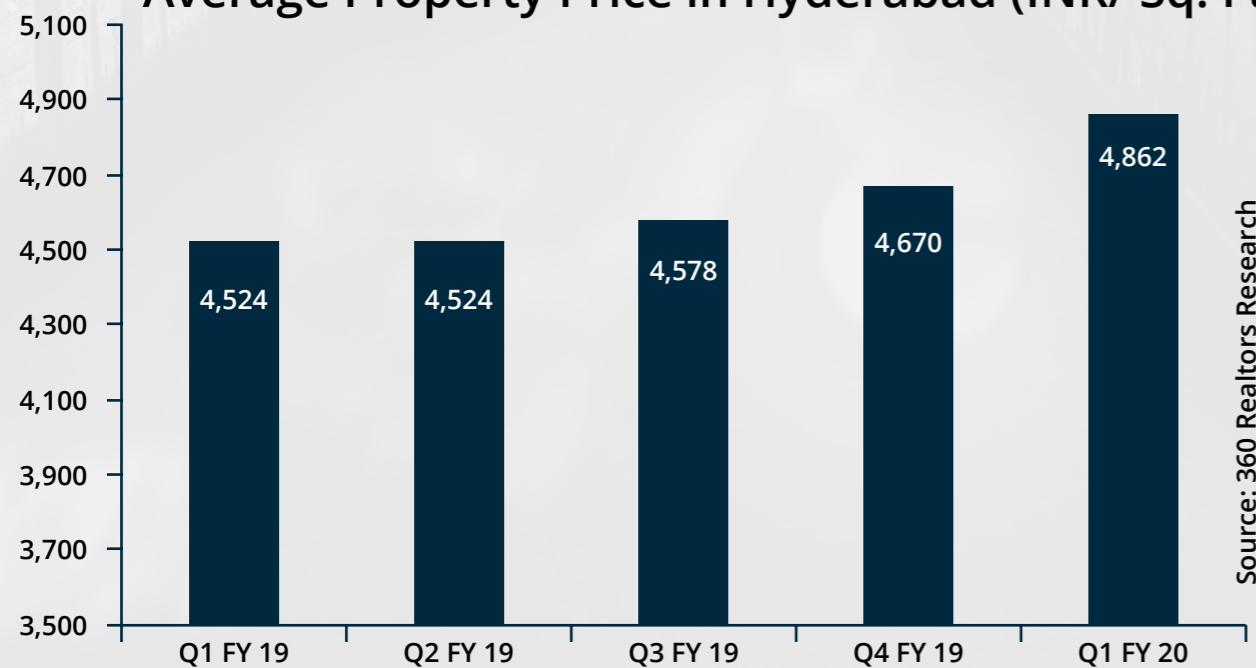
Interestingly, apart from a robust end-user engagement, Hyderabad is also witnessing buoyant investor activity. Investors from other parts of the country such as Mumbai, Chennai & Bangalore are investing in the upcoming corridors of the city to benefit from a potential hike in prices in the near future. Nearly 18% of



the market is run by investors, while the rest is dominated by end-users. In addition to well-developed localities such as Banjara Hills, other emerging

micro-markets across the HITEC City & Gachibowli corridor are demonstrating a steep rise in transaction volume. Transaction volume in Gachibowli has reached around 1100, growing by 13% Q/Q. In the nearby HITEC City, transactions have reached 1075, moving up by around 6% on a quarterly basis. Other markets such as Narsingi, Kompally & Kondapur, etc. are moving up the curve with a rise of 6%, 4% & 15.5% respectively.

Average Property Price in Hyderabad (INR/ Sq. Ft)

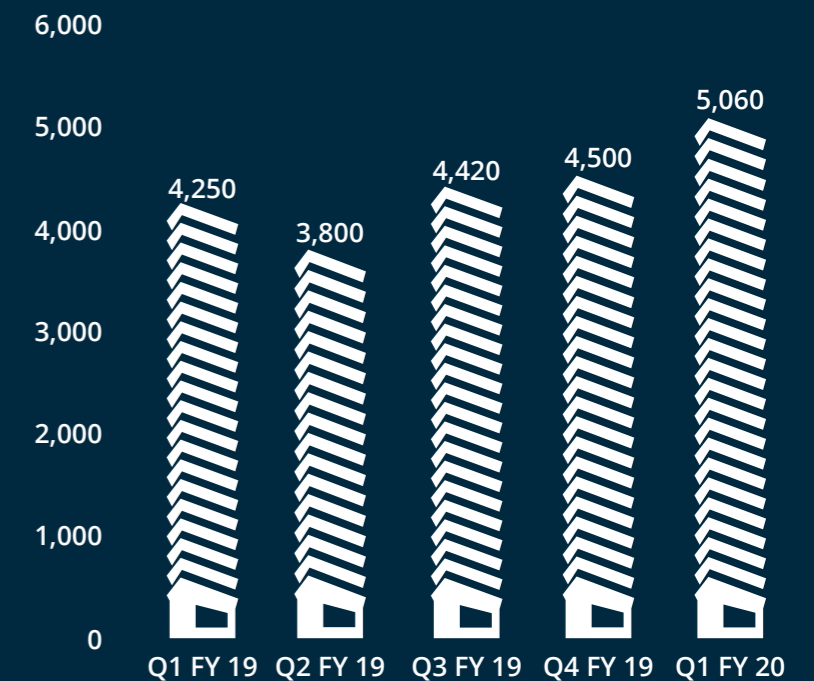


Currently, property prices in Hyderabad are roughly to the tune of INR 4,862/ sq. ft. moving by around 4.1% Q/Q. It is one of the highest when compared to other major Real Estate markets.



Upbeat sentiments in the market are further demonstrated in the steady rise in the transaction volume. The city has showed a quarterly transaction of 5,060 units, growing by 12.5% Q/Q. The rate of acceleration in the intake is much larger compared to a quarter before when the growth was around ~ 2%.

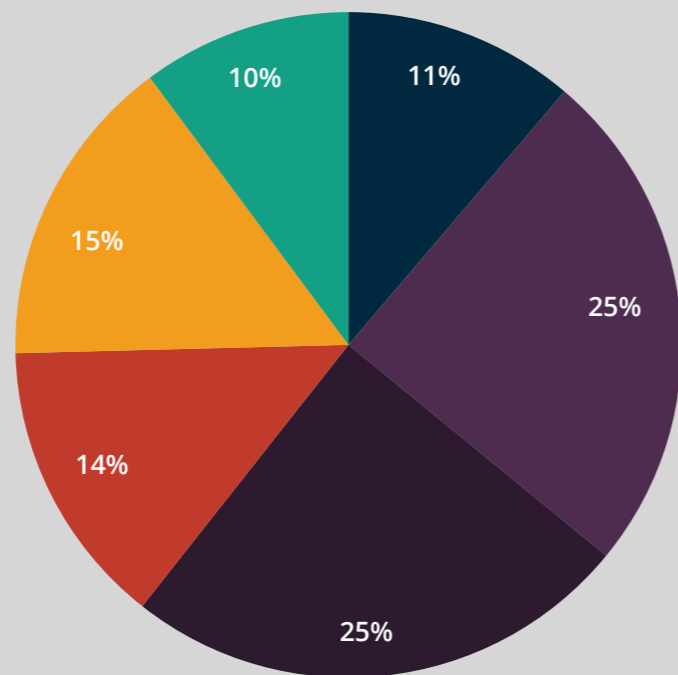
Quarterly Intake in Hyderabad



Source: 360 Realtors Research

In terms of the budget-wise split, around a quarter of the market is run by the budget segment (INR 20-40 lacs). An equal percentage of the market is run by the INR 40- 60 lacs segment. In Hyderabad, there is also interest in the higher segments such as 80 lacs- 1 crores (14%) & 1- 1.5 crores (15%).

Budget wise split in Q1 FY 20



- 20-40 Lacs
- 40-60 Lacs
- 60-80 Lacs
- 80 Lacs- 1 CR
- 1-1.5 CR
- Others

Source: 360 Realtors Research

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