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Realty insights

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Research Reports

NRIs Gaining Strength in Indian Real Estate

Office Market Shows Resilience Amidst Corona Pulldown

Spotlight

360XLR8

Unlocking the Potential in Stressed Real Estate

COVID-19 Crisis & Road Ahead For Brokerage Business

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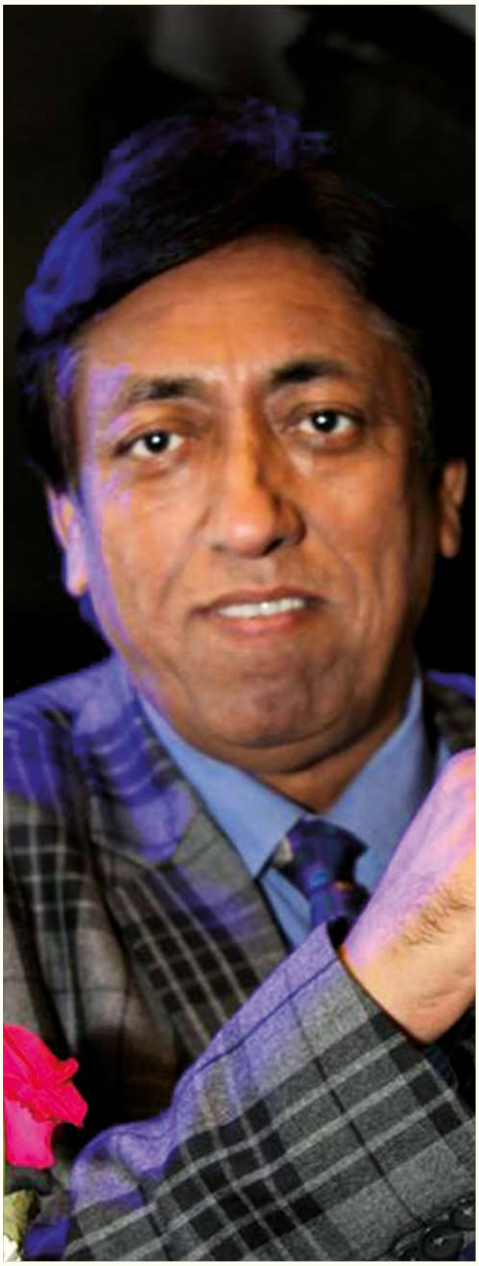
Editor's Desk



Of Survival & Revival

Real estate sector is still in the vicious grip of COVID-19 and we are still figuring out its devastating impact on economy in general and realty in particular. But then, it is high time we start putting in place our future strategy to survive and revive before we can look for growth.

All the businesses are presently looking up to government for big fiscal stimulus and other policy incentives to come out of this Corona-generated crisis. The biggest bane of the real estate sector facing slowdown before Corona onslaught, is severe liquidity crisis. In fact this crisis has worsened due to shut down of construction and business transactions. The sector is looking up to government for stepping up lending, restructuring loans, besides providing special stimulus package and expediting stress fund deployment. GST and stamp duty rationalization, reduction in ready reckoner rates, further cut in interest rates and extension of various approvals /registrations like environment, RERa, to tide over the crisis.

It is all very well to look up to government for bail out in this unprecedented crisis. But then on our part we should be building on many positives which have emerged out of the current crisis, to move forward. The biggest problem before the financially strained real estate companies is large inventory overhang . In the absence of sales, financial stress has assumed alarming proportions. As such, the developers must focus on liquidation of unsold housing stock. They should give priority to ready stock which is easy to sell. In the current environment when physical marketing is not possible, the companies should leverage digital platforms for inventory liquidation. In fact, several companies have made substantial online sales during lockdown period. Moreover, going forward, the companies need to invest in technology to do business in tech-enabled environment.

Despite this dismal scenario, it is encouraging that macro enablers still favour real estate. It is a tangible asset class ensuring long term appreciation. Due to stock market volatility and continuous cut in fixed deposit rates, low interest rates and attractive prices, investors are increasingly looking at real estate.NRIs are capitalizing on Indian currency devaluation to leverage 15% cost reduction advantage.Now that global companies are shifting out of China, India must seize this potential opportunity. One hundred US companies have already expressed their intent to shift to Uttar Pradesh from China. India will also gain from outsourcing of IT operations. Fully realizing that with abundant manpower skill and improved infra, India has the potential to become alternate global investment destination, the Centre is preparing to push Make in India by incentivising domestic and foreign manufacturers and disincentivizing imports. It also needs to work seriously towards boosting ease of doing business to attract foreign capital.

Corona disruption will also prove to be a blessing in disguise as it will provide companies opportunity to become more efficient and streamlined. This is also time for companies to reinvent and restructure themselves, quickly adapting to changed business environment. The companies need to set their priorities right, understand changes, gauge the market and prepare for the future. Going forward, it will be equally important for the companies to maximise their brand equity and strategize how to time marketing and commercial interventions to maximise their ROI. With business costs set to rise significantly due to safety and hygiene measures at offices, the cost-effective operations will be the key to survival, revival and growth.

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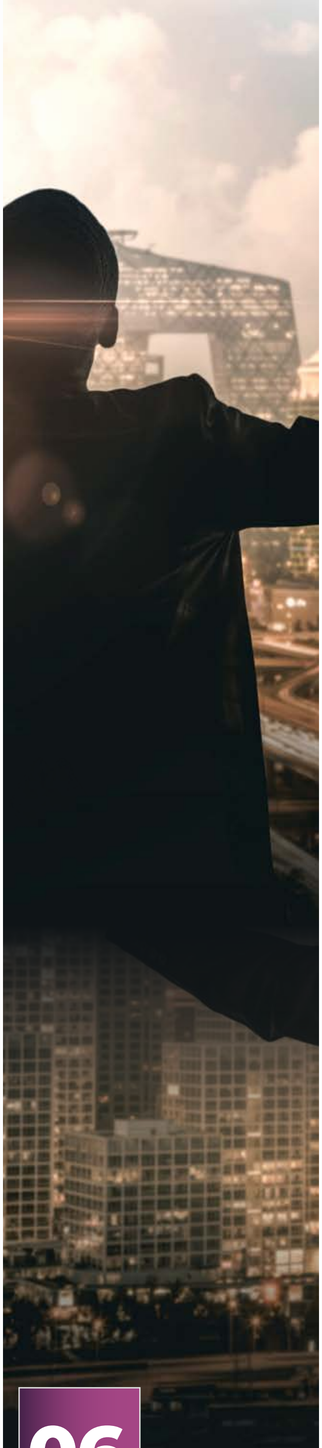
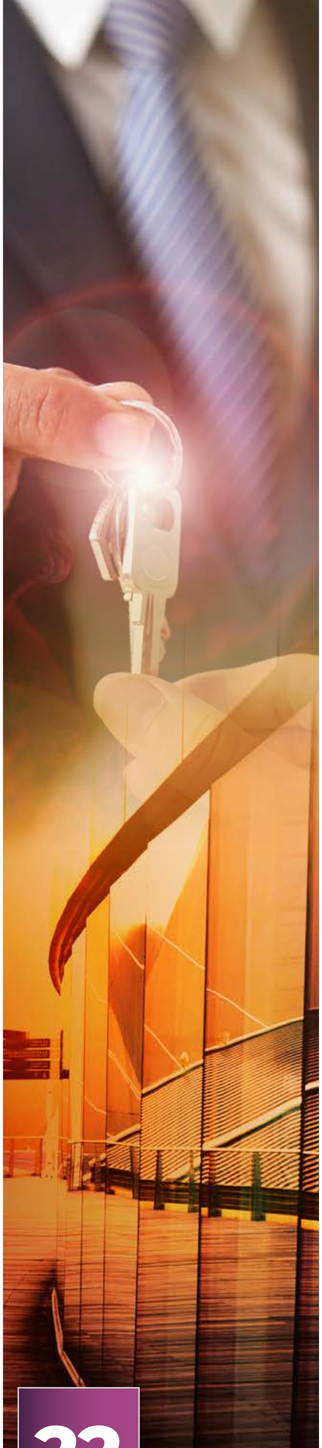




360XLR8

Unlocking the Potential in Stressed Real Estate

Seizing the opportunity in crisis- ridden real estate sector, 360 XLR8, the new strategic consultancy division of 360 Realtors has put n place a business model that aims to turn around the stuck projects of stressed real estate developers by helping to kick start funding and creating value across the entire value chain.

Indian Real Estate continues to suffer from a large number of stressed assets. Estimates suggest that over 200 projects across the country are stuck either due to funding issues or litigation related challenges. The situation has further worsened in the previous year, due to the NBFC crisis that has adversely affected fund-raising activities for developers. Around USD 23.1 billion of capital is locked in such projects. Besides these stuck projects, many projects are delayed due to financing challenges. If both stuck & delayed projects are added together, the total capital locked is to the tune of USD 70 billion.

Kick - start Funding & Recapitalization

Amidst the mounting pressure, the industry has looked forward to the government. expecting stimulus packages and measures to infuse more liquidity in the system. The government has also declared a package of USD 3.8 billion, but given the gargantuan nature of the crisis, the package is likely to fall short.

In order to meet this massive challenge, relying completely on the government may not work. Industry stakeholders need to devise ways to find a suitable solution.

One such initiative has been 360 XLR8, the strategic consulting wing of 360 Realtors, India's largest real estate advisory firm. The company is enabling developers of stressed real estate projects to secure capital through multiple private sources such as NBFC, Venture Capital, Private Equity, HNIs, etc. It is raising kick-start capital & structuring deals for stuck projects, enabling them to resume construction work. "If required they are also conducting market feasibility studies and readjustment of ticket sizes is done to match the right demand". Interestingly, developers are also taking a hair cut in prices if required, as the prime focus is to turn-around the inventory.

Creating Value Across the Value Chain

They create value across the value chain to ensure the successful turn around of the project. Once the work is resumed, they monitor the project construction, ensure adherence to guidelines and manage the entire cash-flow.

Likewise, they take care of the marketing and sales as well to build the sales funnel & ensure the closures. They run marketing campaigns, manage the brand reputation of the developer/ project, and take care of the PR aspects. Similarly, they help in sales, channel partner activation, and management. Their services do not end, even after the sales are closed. They offer CRM support and are actively involved in handing over the units and managing all the required receivables.In short, they work from start to finish, as a Project Revival Consultancy (PRC)

PRC as a Fulcrum

PRC acts as a fulcrum, to expedite the overall process. PRCs bring all the required stakeholders such as developers, investors, consultancies in a synchronized fashion. The synchronization brings a tremendous amount of speed and efficiency and can be instrumental in completing the project within a stipulated time frame.

In such a harmonious arrangement, everyone is there to be benefitted. It can give great relief to so many developers, who are stuck with stressed assets. Likewise, the investors are also happy to seize this business opportunity as they can make the distress purchase with clear exit visibility, ensuring safe returns. The biggest beneficiaries of all this are the home buyers, who can get the Possession within a stipulated timeline.

360 XLR8 has already worked in the capacity of a PRC with many developers. In the times to come, PRCs like 360 XLR8 will continue to deepen their foothold in the industry ,helping more stressed projects to reach their logical conclusion. Such initiatives are also aligned with government authorities' constant focus to bring in greater structure & transparency in the industry. Recent times have seen policy initiatives such as RERA intending to ensure completion of realty projects within the stipulated timeline. 360 XLR8 will complement government initiatives to help in completion of various projects by bringing and synergizing every involved stakeholder

Ankit Kansal
Founder & MD
360 Realtors & 360 XLR8

"Despite a slowdown, there is still ample demand for housing in India. The private investment houses are realizing the same and are showing significant interest in offering kick-start funding for real estate projects. Moreover, projects are available at discounted prices and there is clear exit visibility, which further adds on to their inherent attractiveness."

₹105 Crore Record Residential Sale by 360 Realtors During Lockdown

Despite Corona clampdown on ground marketing, 360 Realtors has notched up online sale of 112 homes worth over Rs 105 cr. The leading ICP sold 7168 units with a GTV of Rs 4446 cr during FY 20, registering 22% increase over FY 19.

Ankit Kansal, MD, 360 Realtors, describes it as part of the remarkable effort put by the industry to tackle the negative impact of COVIND-19.
"The sector is showing resilience as most of the companies are following 'work from home' strategy and trying to engage with customers through alternative mediums such as telephonic calls, video chats, online meeting platforms, etc. This crisis has once again necessitated the need for investing in online meetings, digital walkthroughs, & tech-enabled transaction platforms."

Talking about the record property sales, he informed that the old funnel got converted and many of these deals were from the NRIs who are contributing in bigger numbers than the domestic buyers. Many expats are trying to leverage the fall in the value of Indian currency.

> **The COVID-19 crisis has necessitated the need for investing in online meetings, digital walkthroughs and tech-enabled transaction platforms.**
>
> Ankit Kansal
> MD 360 Realtors

The closure of the financial year has also helped in pushing sales.

Kansal also attributes the significant sales numbers to the potential home buyers increasingly taking to online property searches . Because of their confinement to homes due to Corona lockdown, the property buyers are getting enough time to discuss ,research and shortlist properties of their choice. Post COVID-19 ,he expects the sales volume to grow further as the buyers who wished to buy during the festive season but could not do so,will come back. And once the crisis subsides, the sales figures will see a remarkable growth.

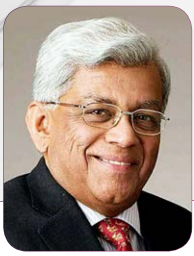
The 360 Realtors has also observed the potential trend of property buyers taking notable interest in mid-sized commercial assets due to highly depressed and volatile stock market, Many investors are now scouting attractive deals in the commercial space, lured by elevated rental yields and attractive capital appreciation.

Hafeez Contractor
Architect

Post-Covid, there's going to be complete change the way we build and live. In coming decades, there will be cities within mega vertical buildings, using restricted land for construction and leaving most of the land in its natural form.

Samantak Das
ED, JLL India

The Covid pandemic has unsettled the investment climate. However, office space could witness return of investments while residential sector will revive with government support and concessions.



Deepak Parekh
Chairman, HDFC

Leveraged borrowing is a double-edged sword. In boom times, it amplifies your profits. In bad times like COVID crisis, it destroys you.

Dalip Sehgal
CEO, Nexus Malls

Over the last few weeks, we have built walls that have protected our partners, employees and our assets. Now. it is time to think how can we rebuild.

Ashok Mohnani
Chairman, Ekta World

The only way out of the current crisis is execution, execution and execution.

Sharad Mittal
CEO, Motilal Oswal Real Estate Funds

Even after the lockdown, construction activity will recommence gradually. This will cause project delays of at least 4-6 months.

Niranjan Hiranandani
President, NAREDCO

The IMF forecast of 7.4% GDP growth rate post - COVID crisis, is a silver lining on the dark real estate and economic horizon.

Khushru Jijina
Managing Director, Piramal Finance

Currently, everything else is irrelevant. The most important thing is that funders handhold developers to complete stalled projects.

The Corona crisis has restricted the end-user confidence to its lowest levels ever which will push any kind of real estate purchase.

Shishir Baijal
Chairman & Managing Director, Knight Frank India

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Real Estate Consulting

360 Realtors is a one stop solution for all real estate requirements. The company handholds the customer through each stage of property buying and beyond.

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With our tie-ups of leading banks and NBFCs we provide home loan solutions to our customers.

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Our team is well qualified to manage the customer's investment portfolio by balancing high growth investments with safer ones. We support our clients by facilitating existing process of their property.

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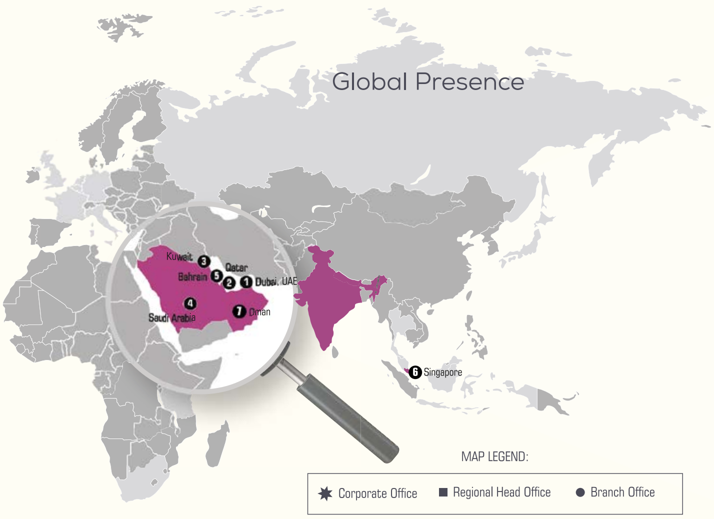
800+ Property Experts	400 % Growth Year on Year	Transacting over 500 Units a month	350+ Brand Partners	Awarded as the Best Real Estate Consultant

We are 360 Realtors

Deeply steeped in the ethos of Commitment, Honesty & Reliability, 360 Realtors stands out as India's leading ICP (Institutional Channel Partner) that has established itself as a powerful brand name. Having a global presence, the company has brought fresh and transparent professionalism to the real-estate circles, which has gained it a huge respect.



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NBCC Gets Green Light for South Delhi Project

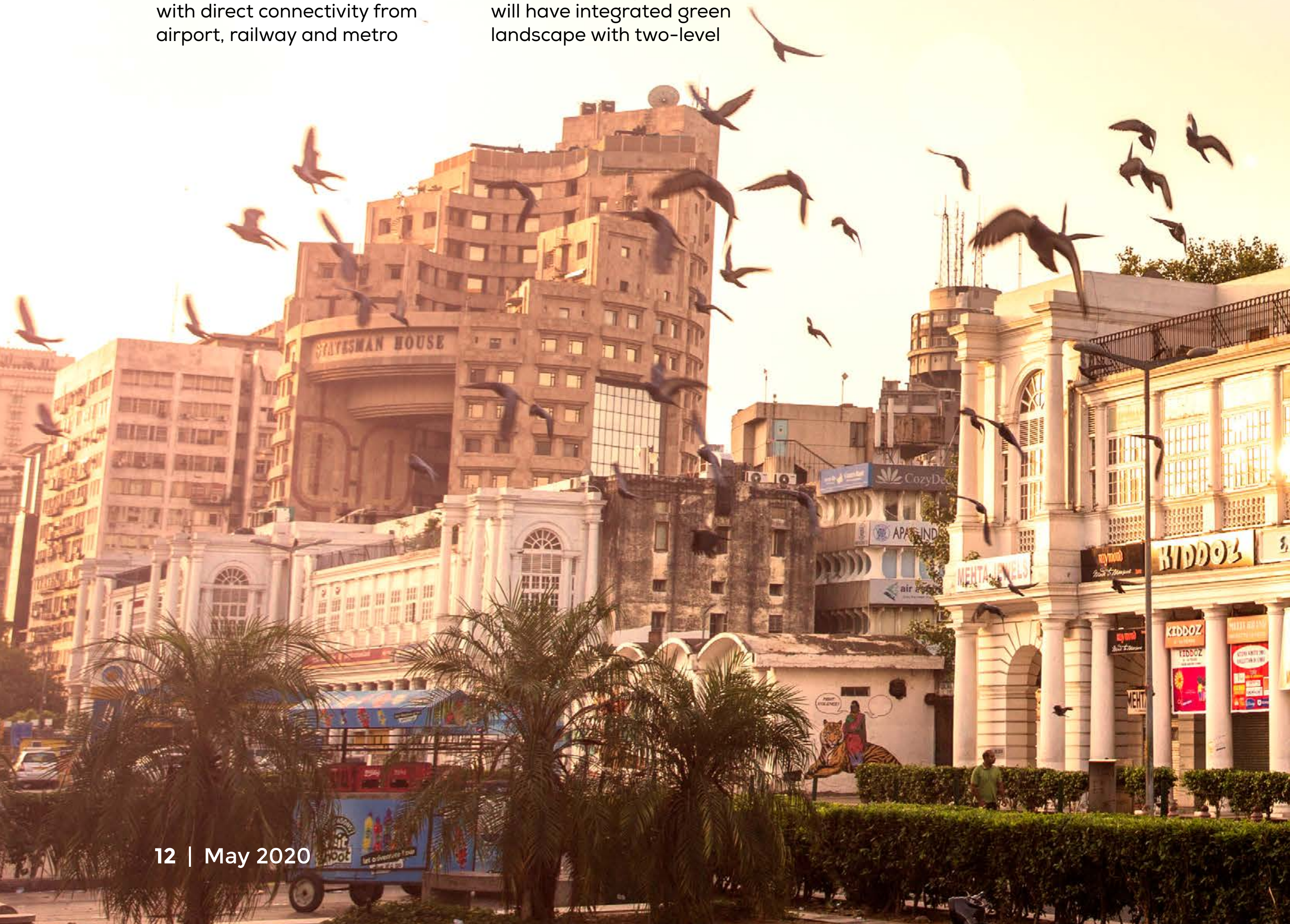
With the Delhi High Court vacating the stay on the construction of South Delhi commercial hub, NBCC has started the process of sale of commercial space and is expected to complete the work within three years.

State-run NBCC was assigned the task of redevelopment of housing colonies in Nauroji Nagar, Netaji Nagar and Sarojini Nagar in Delhi, The total cost of the project is also Rs 32,000 crore. The proceeds from the sale of commercial space will be used to fund the housing..

A commercial hub will be developed on 25 acres of land in Nauroji Nagar. This integrated business hub at Nauroji Nagar will have independent offices with direct connectivity from airport, railway and metro stations. There will be retail outlets, food court, conference facilities, business centres, art galleries and three-layered basement parking for 8,000 cars.

The Netaji Nagar redevelopment of 110 acres will be for General Pool Residential Accommodation (GPRA) and General Pool Office Accommodation (GPOA) for the central government. Equipped with smart city sustainable features, the high rise project will have integrated green landscape with two-level basement parking for 3,500 cars. There will be shopping centres, efficient management of energy and water resources along with central air conditioning and IT-enabled office environment.

Sarojini Nagar colony will also be redeveloped vertically as a GPRA and will have commercial spaces for sale. NBCC is expected to fetch about Rs 12000 crore from the sale of space at Nauroji Nagar and another Rs 20000 crore from Sarojini Nagar.



Private Builders Partnership for Affordable Housing

Maharashtra government has invited private real estate developers to join hands with its housing agency- Maharashtra Housing & Area Development (MHADA) to build affordable residential projects in the state

As per the model already explored by the state governments of Uttar Pradesh, Haryana and West Bengal, MHADA will be the equity partner and will also ensure faster approvals for the projects.

While the modalities of alliance between MHADA and private builders are being worked out, leading developer, Emaar Group has already shown its interest to partner MHADA to undertake affordable housing projects in Maharashtra.

In order to fast track this partnership, the state government is reportedly planning to utilize a part of the land that is lying unused in SEZs, for building affordable housing projects.

YEIDA Plans Airport Smart City in Jewar

Yamuna Expressway Industrial Development Authority (YEIDA) has planned to develop a smart city around Jewar Airport.

Jewar Airport Smart City will be one of the five greenfield smart cities around airports announced in this year's budget. This mega modern city will come up over an area of 1400 hectares.It will be a low rise development with world class services. It will have residential and institutional area with facilities like hotels and convention centres on the lines of global cities.Yamuna Expressway Industrial Development Authority has appointed Ernst & Young for feasibility study of the Jewar Airport Smart City . For the airport development, Pricewaterhousecoopers (PWC) has been roped in as consultant.

Even before the start of construction, the airport smart city project has attained 12th position among 100 global projects. While Jewar Airport will provide connectivity boost to real estate in the region, Airport Smart City on the other hand will serve as a catalyst for global investments.

Sricity Shelves IPO Plan

Sricity, the integrated business park with an SEZ and a free trade warehousing zone has shelved its IPO plan on account of bad market and poor revenue flow.

Sricity which has a sprawling 10000 acre business park in Nellore, housing around 190 foreign companies, besides a multi product SEZ, a domestic tariff zone , electronic cluster and a free trade and warehousing zone , has bought out 16.7% stake of one of its initial investors AMIF Holdings. It has also chalked out plans to spend Rs 200 crore for building prefabricated factories for new entrants in the park to help secure better revenue.

Sricity has deferred the IPO plan for medium term and it will take place only after securing a strong revenue stream. It expects to get steady revenue flows by offering prefabricated factory space on an annuity model.

Foreign Funds Mulling $400m Investment in Prestige Estates

Leading foreign funds including Singapore's Sovereign Wealth Fund, GIC, Qatar Investment Authority (QIA) and Abu Dhabi Investment Authority(ADIA) are reportedly looking to invest $400m in Prestige Estates as this leading property developer plans to monetise some of its commercial office space and small mall assets , ahead of launching a REIT before the end of this year.

Prestige has already raised Rs 436 crore from the GIC which now has a 9% stake in the company. The latest round of fund raising by Prestige will help it cut its debt and also increase its rent-yielding portfolio.

Prestige Estates has plans to launch a hybrid REIT for its office and retail assets.

SEZ Office Space Demand on the Upswing

Notwithstanding the discontinuation of direct tax benefits after the expiry of sunset date of March 31, 2020, the demand for office space in SEZs is on rise.

A number of large corporates have shown interest in office space in SEZs. Two major corporates- Wipro and IBM have applied for 4.6 lakh sq ft of office space in an operational SEZ in Madhopur, Hyderabad.

The interest shown by corporates in office space in SEZs is in line with last year's trend of SEZs accounting for about one third of leasing activity.

NBFCs to Face Moratorium Pressure

Non - banking finance companies will be facing liquidity pressure induced by RBI's policy related to moratorium on the bank loans, coupled with poor collection due to nationwide lockdown.

The problem with NBFCs will arise because while they are offering moratorium on loans to customers, they themselves are not getting it from banks, according to a report by the rating agency, CRISIL.While NBFCs face challenges to access fresh funds, failure to get collections will compound their problems if they do not get moratorium on servicing their own bank loans while meeting all debt obligations on time.

RBI had announced a relief package comprising a three-month moratorium on payment of all term loans outstanding as on March 1, 2020. NBFCS have sought clarity from RBI on applicability of moratorium and access structural liquidity support on the lines of banks.

About 75% of NBFCs will have a liquidity cover of over three times to meet capital market debt obligations up to May 31,2020, when the moratorium is slated to end, while only 3% have less than one time liquidity cover.A liquidity cover of less than one time indicates inability to make debt repayments on time and in full without the benefit of collections, external support or access to additional credit lines or funding.

Haryana Staring at Big Revenue Loss From Property Registration

Haryana is losing heavily on property registration revenue due to lockdown from March 24 in the wake of Covid-19

Stamp duty is a major revenue earner for the state government. It contributes about Rs 500 crore to the state government's exchequer. The annual revenue from stamp duty for the financial year 2020 was pegged at Rs 6100 cr. But now the extended lockdown has widened the scope of revenue loss on account of stamp duty.

With the Haryana government staring at a loss of around Rs 4000cr because of Covid lockdown, it is looking forward to start property registration in phases after the required nod from the centre.

NBCC set to construct 44,500 housing units of Amrapali Group

With the SC nod to NBCC to call tenders for execution of three more stuck projects of Amrapali group, the stage is set for NBCC to construct a total of 44500 units in all the stuck housing projects of Amrapali Group.

These three projects- Leisure Park Phase 1 & 2, Leisure Park-River View and Kingswood in Smart City, comprising 4489 units are valued at Rs 1046 cr. In March NBCC had got nod for tendering and execution for nine Amrapali projects in Noida and Greater Noida, comprising 27223 houses, valuing Rs 5769 cr. These projects included Leisure Valley Villas, Verona, Adarsh Awas Yojana, Golf Homes, Dream Valley Phase 1 Villas and Phase 2, Enchante, Terrace Homes and Tropical Garden in Centurian -all in Greater Noida and one project Crystal Homes in Silicon at Noida.

NBCC has already completed 2 stalled projects, delivering 618 units in Eden Park, Noida and Castle, Greater Noida which Supreme Court had asked NBCC last year to complete and handover to customers. So, in all, NBCC has initiated action for construction of 44500 Amrapali houses including 618 which it has already delivered.

MORE Closes Realty Fund at ₹ 1,150 Crore

Despite the Corona disruption, Motilal Oswal Real Estate (MORE) has successfully closed its fourth real estate fund- India Realty Excellence Fund IV (IREF IV), with a commitment aggregating INR 1,150 Cr.

MORE has invested capital in the real estate sector through four real estate funds and through the PMS route. The money has been raised primarily from high net worth individuals (HNIs) and family offices. At present, the cumulative AUM under MORE stands at more than INR 3,600 Cr.

The Fund plans to deploy the capital in mid-income/affordable residential projects and selectively, in commercial projects across the top 6 cities in India. MORE has already committed INR 550 Cr across 9 investments in Chennai, Pune, Hyderabad and Ahmedabad from this IREF IV fund.MORE is part of Motilal Oswal Private Equity (MOPE), which is the alternative investments platform of Motilal Oswal Group. The cumulative AUM under MOPE is more than INR 7,000 Cr.

According to Vishal Tulsyan, MD & CEO,MOPE ,investing in real estate is one of the core strategies of the group that continues to focus on residential real estate, though going forward, the company will evaluate investing in other asset classes as the sector transforms in the coming years. Sharad Mittal, Director & CEO, MORE adds that the company's strategy of partnering with large developers in their mid-income/ affordable projects with focus on top 6 cities and ensuring financial closure for the projects, has worked well in the past and the company shall continue to stick to its investment philosophy going forward.

MORE has built strong relationships with established developers in each micro-market by providing them capital for early stage investments. These include Casagrand Group (Chennai), Shriram Properties (Bangalore), Phoenix Group (Hyderabad), Kolte Patil Developers (Pune), ATS Group (Delhi NCR), SD Corp (Mumbai). This is reflected through the multiple transactions that it has executed with these developers across its four funds in the past few years.

With IREF IV, MORE has adequate dry powder to make new investments. However, considering the global outbreak of COVID-19 and its impact, the company will maintain a cautious approach towards new investment commitments, with current priority to manage existing portfolio.

Affordable Housing Gets a Boost in Tier-2 & 3 Cities of Haryana

The small cities in Haryana have seen big rise in demand for affordable housing , in turn pushing up real estate projects in tier 2-3 cities.

The Haryana RERA statistics reveal that the housing projects in the state have doubled over the past six months. The total number of housing projects across Haryana has gone up from 148 to 309. Gurugram has registered more number of projects as compared to all real estate projects put together across Haryana. Haryana's tier 2-3 cities like Faridabad, Palwal, Jhajjar ,Sohna, Rewari Sonepat, Rohtak, Karnal , Kurukshetra have seen considerable growth of affordable housing projects.

The growth momentum in Q 4 '20 assumes significance due to Corona disruption . Realty experts attribute this growth to the lower land cost In tier 2-3 cities. So the home prices are accordingly much less in smaller cities compared to metro suburbs like Gurugram. Further, the interest subsidy of Rs 2.67 lakh under CLSS of Pradhan Mantri Awas Yojana and home loan interest deduction of Rs 3.5 lakh for income tax purposes makes pricing all the more attractive. This in turn is helping to push demand in smaller cities.

CLU Nod For Central Vista Redevelopment

The Centre has approved the change of land use in the Delhi Master plan 2021 for the Central Vista redevelopment project.

The union government's nod comes following the recommendations of Delhi Development Authority (DDA) which studied about 1300 public objections and suggestions regarding the land use change.. This go-ahead by the central government has paved the way for the construction of the new Parliament building and other projects in Central Vista. The change of land use will also ensure that the green areas and public and semi- public spaces are enhanced.

The redevelopment of the Central Vista consisting of iconic buildings like Rashtrapati Bhawan India Gate, North & south Blocks and Parliament, has been challenged in the Supreme Court. However, the government's stand is that there is an imperative need to construct a new state-of-the-art Parliament building to address the issue of inadequate infrastructure and facilities. It has justified the redevelopment of entire Central Vista on the ground that in order to ensure better inter-departmental coordination , ease of doing business and put an end to congestion and unnecessary commute.

Blueprint For Ease of Doing Property Transactions

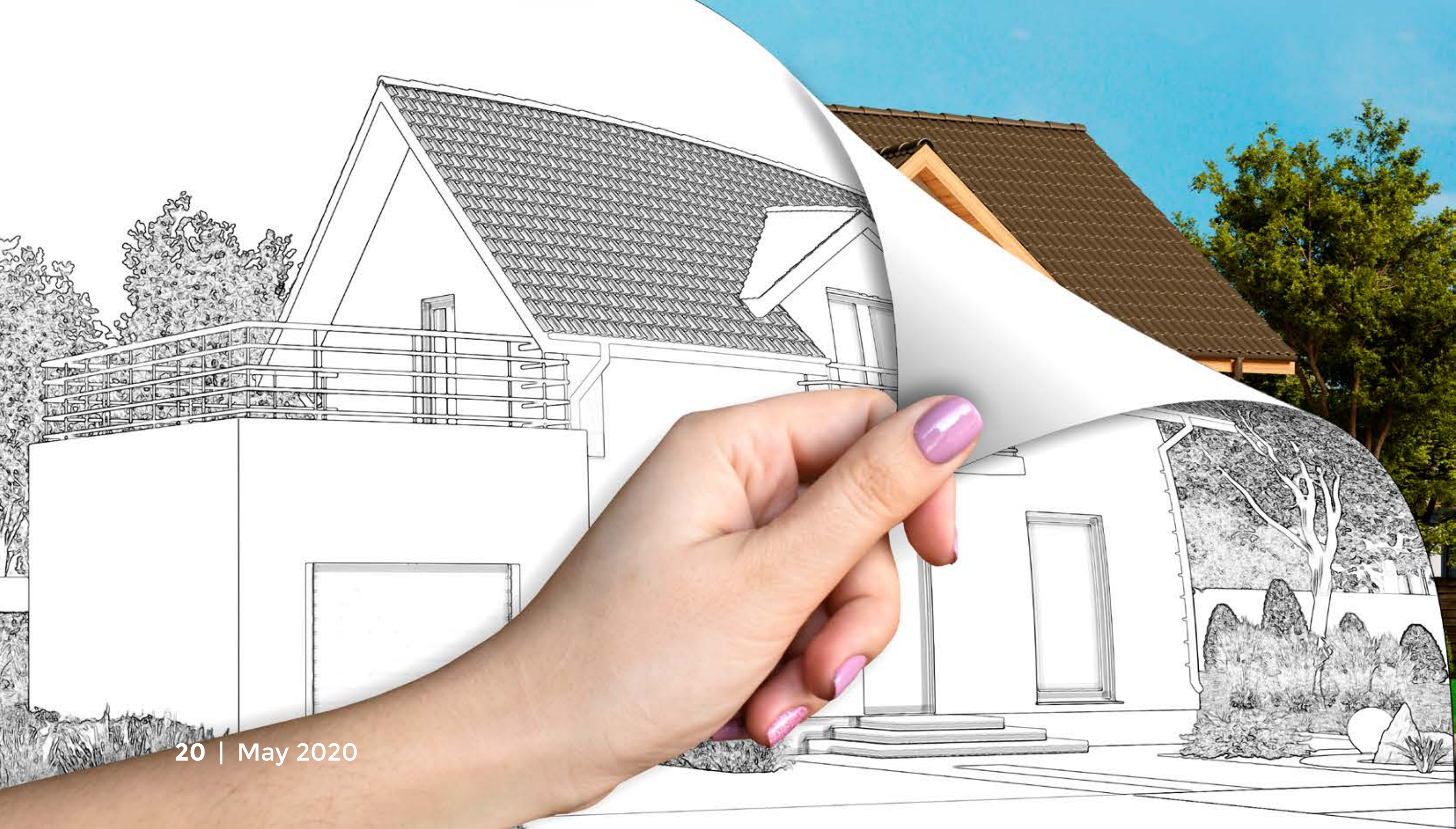
The Commerce and Industry Ministry has prepared a blueprint to further improve India's ranking in the World Bank's Ease of Doing Business Index with a focus on six parameters, including enforcing contracts and starting a business.

DPIIT (The Department for Promotion of Industry and Internal Trade), under the ministry, is also following reform activities in Kolkata and Bengaluru as these two cities are included by the World Bank this year besides Delhi and Mumbai, for preparing the ease of doing business report, with a view to provide a holistic picture of business environment in India.

India's position in the Ease of Doing Business Rankings for 2020 had improved 14 places to 63 among 190 countries. The country's ranking on ease of registration of property parameter was a lowly 154, though better than the previous year's 166.

To make it easier to register property, DPIIT and the Land Resources Department are in talks for complete cadastral mapping of all plots, timely disposal of property disputes, and making statistics of land disputes public. An integrated portal for verification of title and encumbrances and a simultaneous action plan to enact Land Titling Bills for all the four cities of Mumbai, Delhi, Kolkata and Bengaluru, are also being considered.

The idea is to digitise and integrate all records relating to titles or encumbrances and make data available on a single portal. This is part of the exercise to reduce number of procedures and time required. The department is working in order to create digitised land records, cadastral maps, municipal records and utility bills.



Changing Face of CRE Strategies

According to Colliers-Ficci Report, occupiers will be preferring smaller, lighter workstations that can be easily moved and configured depending on work requirements.. To boost employee productivity, the occupiers may well repurpose the workplace for wellness for positive impact.

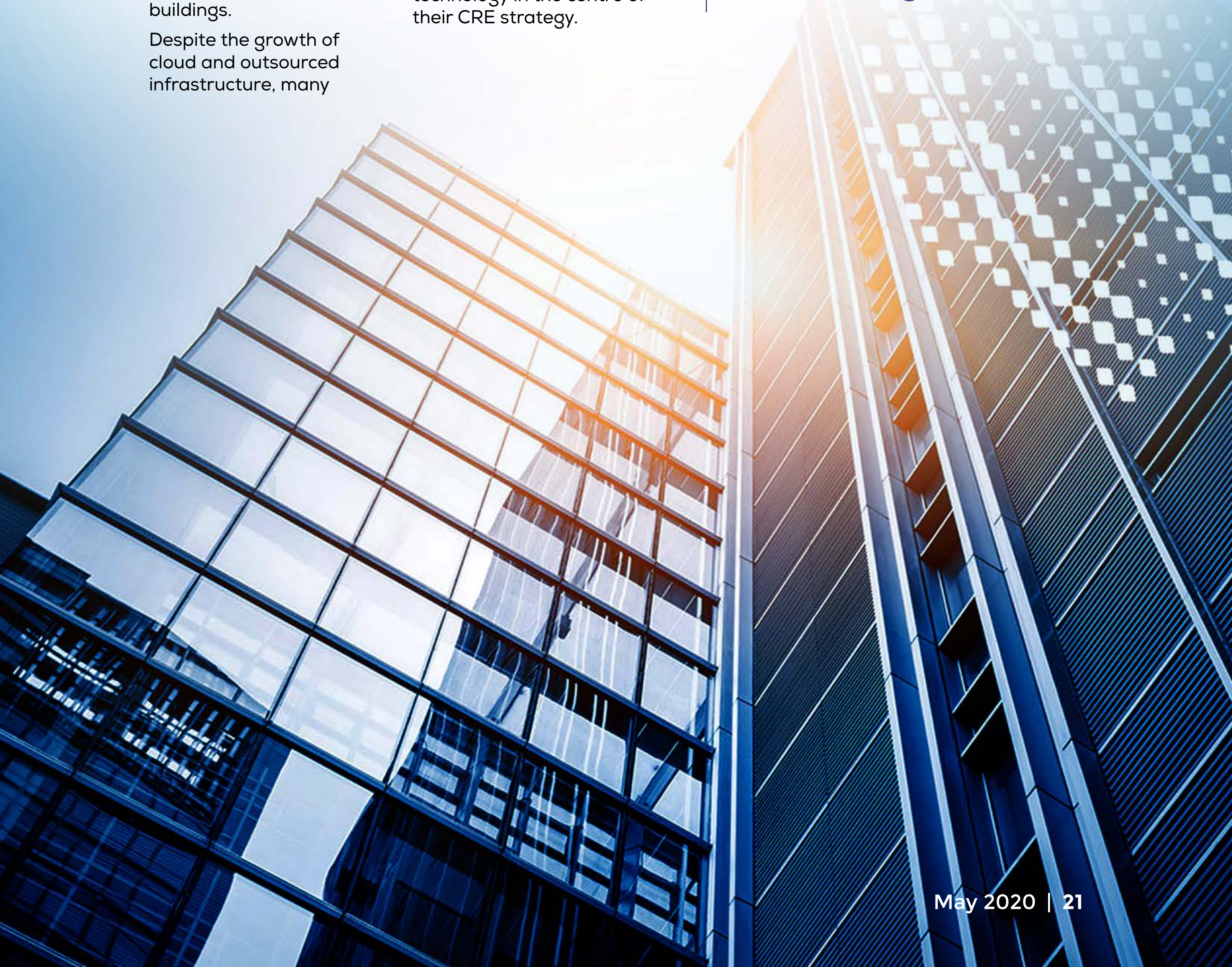
The landlords are expected to recognise that 5G can benefit their buildings by enabling faster and smarter connectivity which has the potential to boost the valuation of their buildings.

Despite the growth of cloud and outsourced infrastructure, many occupiers may secure more real estate to house their burgeoning data resources for regulatory and security reasons.

Another significant trend which will be noticed is that with likely roll out of 5G in 2021, occupiers are likely to increasingly favour connectivity over location as they are ready to pay an additional 5% for property with strong connectivity.

The exchange of real time information building efficiencies should enable decision - makers to put technology in the centre of their CRE strategy.

The convergence of AnyTech, a technology-based force that creates a workplace environment where fixed costs and sunk assets are minimized, will present challenges, disrupting standard practices and bringing in transformation in CRE strategies.



Realty insights

COVID-19 Crisis & Road Ahead For Brokerage Business

The COVID-19 pandemic has triggered the biggest ever crisis for the real estate sector. This has dealt a crippling blow to real estate marketing which will change the dynamics of brokerage business in the days to come.

- Vinod Behl

The real estate sector has seen major regulatory disruptions over the last few years by way of demonetization, RERA and GST. The sector had hardly emerged from these shocks that it has been rudely shaken by the massive disruption caused by the COVID-19 induced long lockdown.

The real estate marketing and brokerage business has not seen such a massive hit before. While it is too early to gauge the extent of impact on realty transactions, a study by Magicbricks.com predicts 30-40% fall in transactions for this year. With realty sales coming to a naught due to Covid onslaught and with uncertainty prevailing over how long the pandemic will last, , the real estate brokerage industry will be headed for consolidation.

Going forward, the real estate marketing/brokerage business will see tectonic shift in business operations, throwing up massive challenges but also opening up newer opportunities and making operations more efficient and transparent.

Much before the COVID-19 onslaught, real estate brokerage business over the last few years has seen its significant transition to digital operations. A shift from purely relationship based business to tech-driven data based business Many companies had set up tech-enabled platforms and mobile only aggregation platforms.The industry had even come up with digital payment solutions that mitigate the risk of fraud transactions by holding funds in a secure, online neutral KYC authenticated escrow account.

However, the transition to digital brokerage operations has been rather slow in the past. But this long lockdown has forced real estate marketing companies to rethink their business strategy and step up their digital operations at a much faster pace.

The benefit of brokerage industry's digital foray is too visible in the current crisis situation.In the wake of on ground marketing activity coming to standstill, some developers and real estate marketing companies have successfully leverage digital platforms to notch up substantial sales during lockdown. Anarock digitally sold 240 homes and 62 office units worth Rs 252 crore. 360 Realtors sold more than 112 units worth Rs 105 crore. Lodha Group sold 300 apartments across multiple projects in Mumbai region since the start of the lockdown. Investors Clinic clocked Rs 400 crore sales in March 2020. " This has been made possible due to technological innovations adopted by us in the last one year. We have taken 100% technology route to keep our business rolling in the lock down".

Channel partners have to be deal makers and not just enablers. And for that, they have to add value beyond sq ft to the buyers.

Yogesh Dhoot
Senior VP
Sales & Marketing
Gera Developers

Professionals will need to time their marketing and commercial interventions to maximise ROI across diverse business segments in times of financial constraints.

Nidhi Srivastava
Chief Sales Officer - **Kolte Patil**

Sudhir Pai, CEO, Magicbricks.com says that today, with massive drop in walk in customers, most customer acquisitions will move online. Going forward, specific tools like VR, Live streaming site visits, usage of Chat will become more prevalent and will be necessary to engage buyers.

Amrendra Shukla, National Business Head, OLX India says that primary market in India is more broker-centric and biggest challenge is to reach out to users post getting query. "But now with digital first approach by builders and brokers, through API integration with CRM, it will be easier to connect with users as soon as they submit their interest. This helps reduce transaction time and sell faster".

Amit Sinha, COO, Trespect adds that as post-COVID, buyers will also move their requirements online, the transactions will be concluded faster. Ankit Kansal, MD, 360 Realtors believes that going forward all the stake holders in the realty business- developers, advisories, home finance companies, proptech enterprises will invest more in digital capabilities.

In view of the new tough work environment, dynamics of brokerage business will also undergo significant change in the days to come. According to Sudhir Pai, in order to streamline their operations amidst shrinking revenues, companies will resort to cost saving on office rentals and staff salaries. Brokers will seek to generate additional income through property management and other ancillary services and freelance part time agents would look for other pursuits.

Ankit Kansal is of the opinion that brokerage houses will need to work in tandem with developers and act as strategic partners to arrive at optimal solutions. On structural front, new regulatory changes are expected with regard to safety standards, property management, social distancing, layout management and much more. In coming times, brokerage houses will need to learn new changes and incorporate these in their business model. IPCs, according to Amrendra Shukla, are expected to explore commission/ fixed pay model, infra, revenue sharing support to have small brokers work for them to save their fixed cost in terms of salaries of their ground staff.

Saahil Kapoor, Director Sales & Marketing , RE/MAX India believes that developers will devote more time and money on getting business from channel partners. Lot of companies with large manpower will go for downsizing and unorganised players will follow IPCs/ICPS in using CRM and mobile app tools. Digital marketing and online property portals would be the preferred choice of brokers and developers. Kshitij Nagpal, President, Association of Property Professionals (APP) Delhi NCR thinks that the trend of spending money on advertisements for selling real estate will change drastically. Chetan Narain, CEO, Narain Corp however does not anticipate much changes in the business dynamics in residential segment. However, he believes that in the commercial office and retail business, the role of brokers will become much more important with both landlords and tenants.

VIEW POINT

Sudhir Pai
CEO
Magicbricks.com

COVID disruption has impacted transactions by 30-40% for the current year. The fall in transactions will result in lower income for the brokerage business in turn resulting in significant consolidation. Only serious long standing brokers who are invested in this space ,have loyal customer base and can quickly adapt to changes, will likely survive and thrive.

Ankit Kansal
Managing Director
360 Realtors

Brokerage houses will need to work in tandem with developers and act as strategic partners to arrive at optimal solutions. The role of IPCs and ICPs will increase. There will be wider adoption of technologies and stronger emphasis on property management fundamentals, fine tuning of business models and more innovations across go-to-market strategies.

Honey Katyal
Founder
Investors Clinic

With builders under greater pressure to monetize their inventory, it will be an opportunity for marketing firms to sell more. Demand for closed housing societies like integrated townships will go up. And as more people realize the importance of owning a home, this will bring more business for marketing and consultancy firms.

Developers are looking to working with fewer channel partners and large brands like us will benefit. Smaller developers will increasingly see the need to work with larger channel partners who will have greater access to supply, with higher commission.

Mani Rangarajan
Group COO
Housing.com, Makaan.com, Proptiger.com

Amrendra Shukla
National Business Head - **OLX**

Now developers will need to focus on tools to have a live and open inventory management for their sales team and channel partners. Both developers and brokers will have to create dynamic online platforms, complete with lead management and CRM tools.IPCs and big brokers will require to partner small brokers to save on fixed cost of their field sales staff.

Amit Sinha
COO
Trespect

More brokerage firms are expected to adopt omni channel strategy, expanding their online presence. Post October, digital sales are expected to be 25% of the over all sales. Big players with strong fundamentals and funding will not find sustenance much difficult. Even smaller players may not be driven out of the market.

Sahil Kapoor
Director, Sales & Marketing
RE/MAX India

Developers will work on asset light sale model, devoting more time and money on getting business from channel partners. They would like to work with large brokers to get volumes. Digital marketing and online property portals will be the preferred choice of brokers and developers. On the lines of IPCs and ICPs, unorganised brokerages will make use of CRM & mobile app tools.

Chetan D Narain
Chief executive officer
Narain Corp

In the commercial office and retail business, the role of broker to bring in his expertise, knowledge, best practices and practical solutions will become much more important with both landlords and tenants.Given the over all scale of brokerage business, not much of consolidation is expected and realtors big or small, in specific locations with specialization are here to stay.

Kshitij Nagpal
President
Association of Property Professionals (APP) Delhi-NCR

Brands carrying better credibility and track record will be easier to market. Overleveraged companies will find it hard to sell their products though good quality ready products will have better chances of sale.

In view of the pressures to sell, the marketing strategies will also see changes. Yogesh Dhoot, Senior VP, Sales & Marketing, Gera Developers says that channel partners have to be deal makers and not mere enablers. They have to add value beyond sq ft to buyers which will facilitate deal making. His advice to marketing professionals/ brokers is to dig deeper and filter data base and use analytics to target potential leads. Focus on referrals and just don't bank on plain vanilla rental booking.

Nidhi Srivastava, Chief Sales Officer, Kolte Patil, says that the marketing and brokerage professionals have to master the art of timing their marketing and commercial interventions to maximise ROI across diverse business segments in times of financial constraints .

Following this COVID-induced massive disruption, brokerage business will see consolidation in the coming months. Will we see the monopoly of big, players with financial muscle, while smaller and weaker players will exit from the scene. Amit Sinha expects pandemic to shake up real estate brokerage market with big players enjoying strong fundamentals and funding likely to survive while smaller players will find survival and sustenance tough. Kshitij Nagpal says that small firms have the disadvantage of not understanding the way of optimizing utilization and worth of spending money Though Mani Rangarajan, Group COO, Housing.com, Makaan.com and Proptiger.com does not foresee immediate consolidation of fragmented market, yet he believes that smaller brokers will see the need to work with larger channel partners, given that large ICPs will gain exclusive access to supply and higher commission status with developers.

According to Saahil Kapoor, consolidation had started happening a while back as top 5 real estate brokerage companies collectively do almost Rs 1000 cr business which is set to increase manifold in the coming years. " This business is all about network, feet on street, developer relationship, lead generation and now tech application. IPCs and ICPs have edge over other brokers in this respect. Moreover, developers are keen to work with large brokers and get volumes from single account". Ankit Kansal agrees that post COVID, the role of IPCs, ICPS is naturally going to increase and bigger players with organized sales force and robust technology support and deeper marketing acumen will be able to successfully navigate and thrive. He thinks that individual brokers may get empanelled with bigger advisories and leverage their resources.

Honey Katyal is of the view that brokerage industry will definitely see consolidation in startups. "It was a valuation game but this will change now as the investors would want to see real money" Chetan Narain.hover does not see much of consolidation happening as brokerage business is very personalized and each client has different requirements

Brokerage business will see tectonic shift in operations due to newer challenges and emerging opportunities will help make operations more efficient and transparent.

and needs different solutions. "Given the scale of brokerage business-from small offices , retail to one room kitchen apartments to penthouses, specialists, big pr small in specific locations are here to stay. Also local brokerage firms and individual brokers have not evolved to a level where larger firms may want to buy their stake or simply buy them out".

All said and done ,brokerage industry shaken by COVID-19 will undergo significant changes in the months ahead and all stake holders have to quickly adapt to the transformation on the planning, strategy and operational level to stay relevant in the business and meet emerging challenges to stay float.

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Office Market Shows Resilience Amidst Corona Pulldown

India's office market across seven major cities remained resilient in Q1 2020 despite COVID -19 onslaught. Going forward, the companies will be focusing on enhancing resilience and measures to boost sustainability.

Approximately 52-mn sq ft of Grade A office space was completed and more than 46 mn sq ft absorbed in 2019 ,according to the 'India Office Market Update Q1-2020' released by JLL.

"Office assets offered high growth and stable returns. Investors, domestic and foreign alike chased investment ready commercial assets and development opportunities in top cities. However, the impact of the COVID-19 pandemic became more apparent in March as most businesses deferred their real estate decisions.

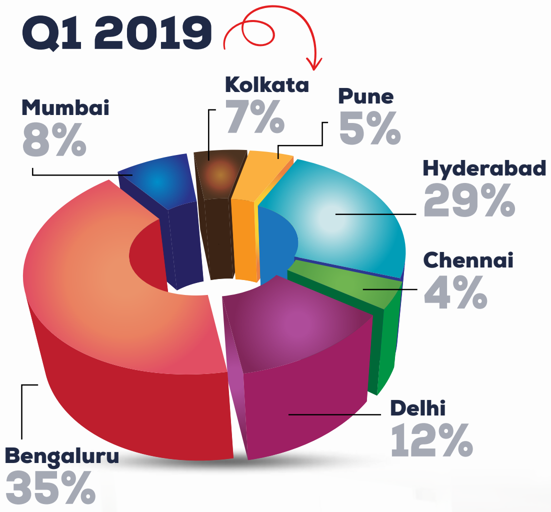
Net absorption of office spaces in Q1 2020 witnessed a decline of 30% from the peak observed in Q1 2019 as 56% IT-ITeS and 13% Co-Working occupiers drove leasing activity during the quarter. Furthermore, construction activity and the process of obtaining requisite approvals from the government also slowed down in the beginning of March, in line with growing concerns of the impact of COVID-19. New completions were recorded at 8.6 mn sq ft in the first quarter of 2020, a 40% drop as compared to the same period last year.

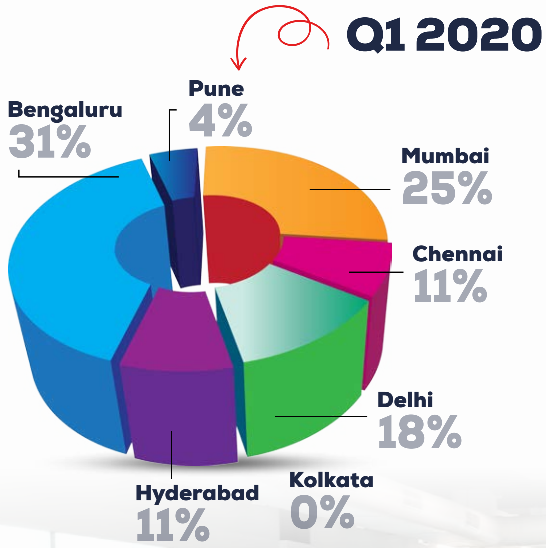
Re-Evaluation of Corporate Strategies

The evolving COVID-19 crisis is prompting corporates to re-evaluate their commercial real estate strategies, with a focus on enhancing resilience measures. There will be a greater emphasis on cost management, employee wellbeing and sustainability, and the adoption of flexible working practices as resilience practices ramp up, according to Ramesh Nair, CEO & Country Head, JLL. He believes that over the next few months, leasing is expected to be mainly driven by renewals and consolidation activity. And with fresh take up of spaces likely to be limited over the next couple of months, landlords might have to sit on locked in capital (completed buildings) for a relatively longer time period, With net absorption becoming more challenging.

The three larger markets of Bengaluru, Mumbai and Delhi NCR accounted for nearly 75% of the net absorption in Q1 2020, despite the overall decline in the market. Net absorption in Mumbai and Chennai more than doubled in Q1 2020 as compared to Q1 2019, led by strong leasing activity in the first two months by IT/ITeS occupiers. However, the global health crisis arrested the growth of the Hyderabad market with limited relevant supply coming into the market, declining by 78% in net absorption in the first quarter of 2020 year-on-year. Resultantly, Hyderabad's contribution to overall net absorption fell from 29% in Q1 2019 to 11% in Q1 2020.

The strong leasing momentum of 2019 continued in the first two months of 2020 before the pandemic impacted the Indian market in March. Several leasing deals in the final stages of negotiation were deferred as the office market witnessed a net absorption decline of 30% y-o-y. New completions also saw a fall of 40% y-o-y during Q1 2020. Several office assets in the final stages of completion were stuck owing to delays in obtaining requisite approvals from the government authorities, according to Samantak Das, Executive Director and Head of Research, REIS, JLL.





Source: Real Estate Intelligence Service (REIS), JLL Research

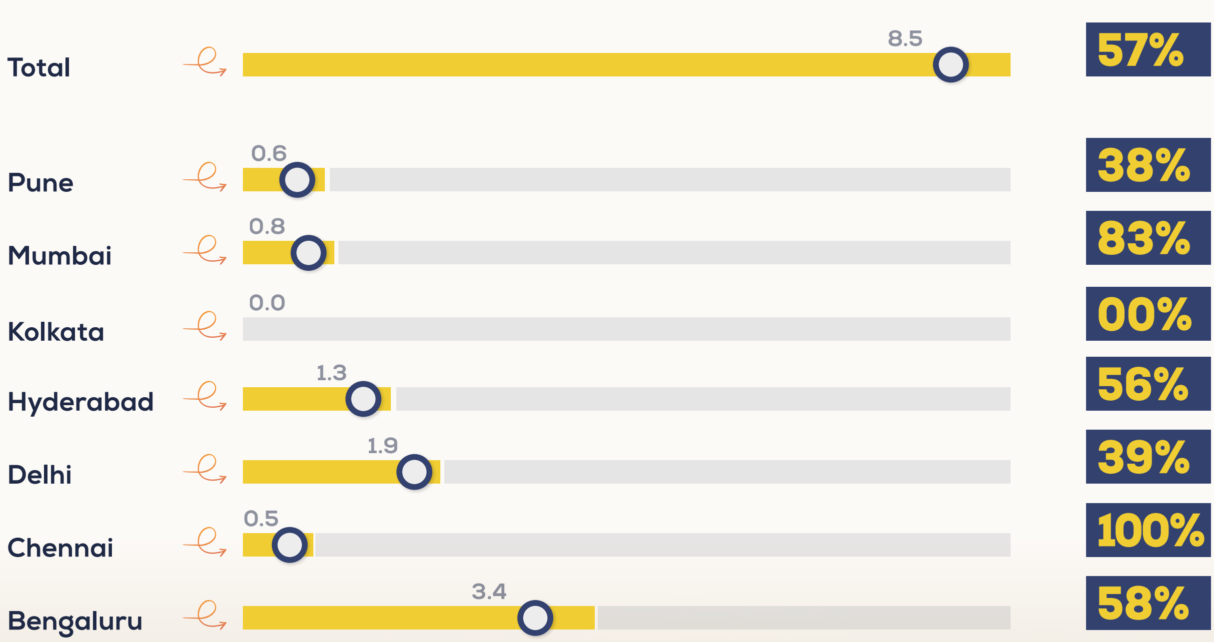
Strong Pre-Commitments Drive Absorption

Office absorption in Q1 2020 was backed by strong pre-commitment levels in new completions during the quarter. The Q1 witnessed a net absorption of 8.6 mn sq ft of Grade A office space, out of which pre-commitments accounted for 4.9 mn sq ft. All new supply in Chennai and 83% of new supply in Mumbai during the quarter was already pre-committed, correlating with broader office leasing trends in both markets. The single digit vacancy markets of Bengaluru and Hyderabad also saw strong pre-commitment levels (>50%) in new completions during the quarter. IT-ITeS occupiers drove the pre-commitment activity across most of the major office markets in India, with demand for spaces with larger floor plates.

New Completions Take a Hit

New completions were recorded at 8.6 mn sq ft in Q1 2020, a fall of 40% y-o-y from levels observed in Q1 2019 .Representing the second largest dip witnessed in new completions in the last five years. post demonetisation, new completions dropped to less than 20% of that seen in Q1 2016. In sync with net absorption, Bengaluru accounted for a major chunk of the new completions in Q1 2020. The Delhi NCR market, which gained steam in Q4 2019, witnessed a fall of 44% in new completions y-o-y. Hyderabad's rise in the office market was also paused with new completions in Q1 2020 decreasing by 68% y-o-y. Even though Mumbai witnessed new completions of 0.84 mn sq ft in Q1 2020, supply of commercial Grade A office spaces in primary submarkets remained constrained.

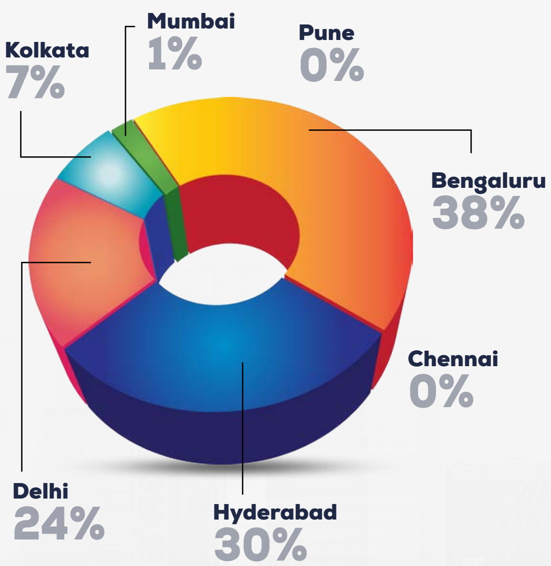
Grade A Office Supply (Q1 2020), mn sq ft



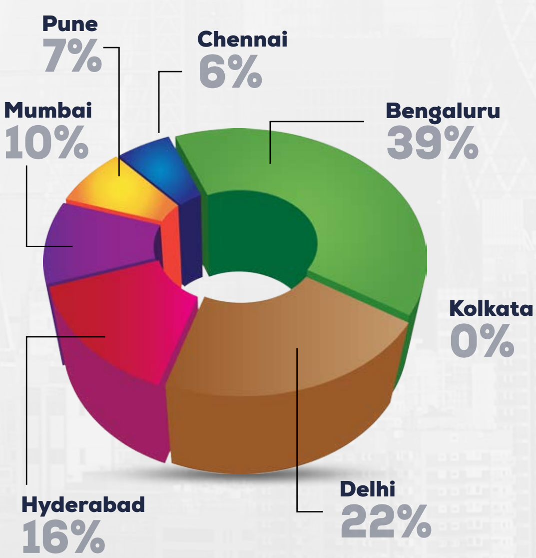
Source: Real Estate Intelligence Service (REIS), JLL Research

Bengaluru and Delhi-NCR account for more than 60% of new Completions

Q1 2019



Q1 2020



Source: Real Estate Intelligence Service (REIS), JLL Research

Range Bound Vacancy Levels

Vacancy levels came down to 12.8% in Q1 2020 from 13.3% in Q1 2019 .Cities like Bengaluru (5.6%), Hyderabad (7.7%), Chennai (8.0%) and Pune (5.5%) continued to hover at single digit vacancies. Bigger markets such as Mumbai and Delhi NCR recorded vacancy levels of 12.7% and 27.2% respectively. While the vacancy levels at the city level is high due to the higher availability of office space in the peripheral submarkets, vacancy was recorded in the lower single digits (< 5%) in the prime business submarkets like BKC in Mumbai and Cyber city in Delhi NCR.

Road Ahead

Over the next few months, leasing is expected to be mainly driven by renewals and consolidation activity. With fresh take up of spaces likely to be limited, landlords might have to sit on locked in capital (completed buildings) for a relatively longer time period. Occupiers have also begun renegotiating their lease contracts for lower rents, an extension of rent-free period as well as waiver of lock-in periods. Short-term liquidity concerns might arise for developers/ landlords with occupiers seeking concessions. Co-working operators, who are more exposed to short-term contracts, may face greater problems if members decide not to renew, while operators with more secured medium-term and long-term contracts will be less exposed. Business continuity plans and remote working strategies have been successful. Hence, future demand from occupiers is likely to take into account the need for flexible workspace.

Navi Mumbai
Top Performer

The gross leasing in the city was recorded at 2.86 mn sq ft in Q1 2020 and net absorption at 2.14 mn recorded a y-o-y growth of 118%. This was mainly driven by demand from the IT/ITeS, BFSI, consulting and manufacturing sectors.

Navi Mumbai saw the maximum net absorption followed by West Suburbs, Thane and SBD North.

Majority of the space take up was seen in new buildings completed in the previous two quarters in the city. The quarter witnessed few large deals (50,000 sq ft) in West Suburbs and Thane while a large number of small deals were recorded in SBD North. Navi Mumbai saw new completions of 0.84 mn sq ft in Q12020 and more than 80% of this was pre-committed.

Strong demand coupled with limited new supply led to a further drop in the vacancy rate to 12.7% by end Q1 2020. Overall rent was recorded at IN R 124/sq ft/ month.

Mumbai Office Market

Parameter	Q1 2016 (mn sq ft)	Q1 2017 (mn sq ft)	Q1 2018 (mn sq ft)	Q1 2019 (mn sq ft)	Q1 2020 (mn sq ft)	Q1 2020 Growth (Y-o-Y)
Net Absorption	1.46	1.20	1.97	0.98	2.14	118.1%
New Completion	1.64	0.40	2.83	0.18	0.84	380.0%
Vacancy	19.53%	17.19%	17.15%	15.41%	12.71%	---
Rent (₹/sq ft/month)	121.37	122.93	122.32	123.23	124.44	1.0%

Source: Real Estate Intelligence Service (REIS), JLL Research

IT/ITES Sector
The Dominant Player

Chennai registered a total gross leasing of 1.21 mn sq ft in Q12020, whereas the net absorption was recorded at 0.9 million sq ft, a 110% growth over Q12019. The strong growth momentum witnessed in the last quarter of 2019 continued for the first two months of 2020. However, the spread of Covid-19 pandemic began to impact the office market in the month of March as the lockdown slowed business activity leading to deferment of leasing decisions by corporates. Most of the activity was concentrated in SBD (Guindy, Mount Poonamallee road) which accounted for around 75% of the total leasing in the office sector.

The growth was attributable to the strengthening of the IT sector backed by rapid infrastructure development and the resurrection of electronics and manufacturing industry. While the IT/ITES sector contributed to 56% of total leasing in Q12020, the share of manufacturing and allied industries increased from 7% in Q12019 to 20% in Q12020. Moreover, there has been an increased demand from co-working players who are actively taking-up spaces in both Grade A and Grade B buildings.

This quarter witnessed new completions of 0.5 mn sq ft of Grade A office space in SBD (Mount Poonamallee Road) submarket with the entire supply being pre-committed.

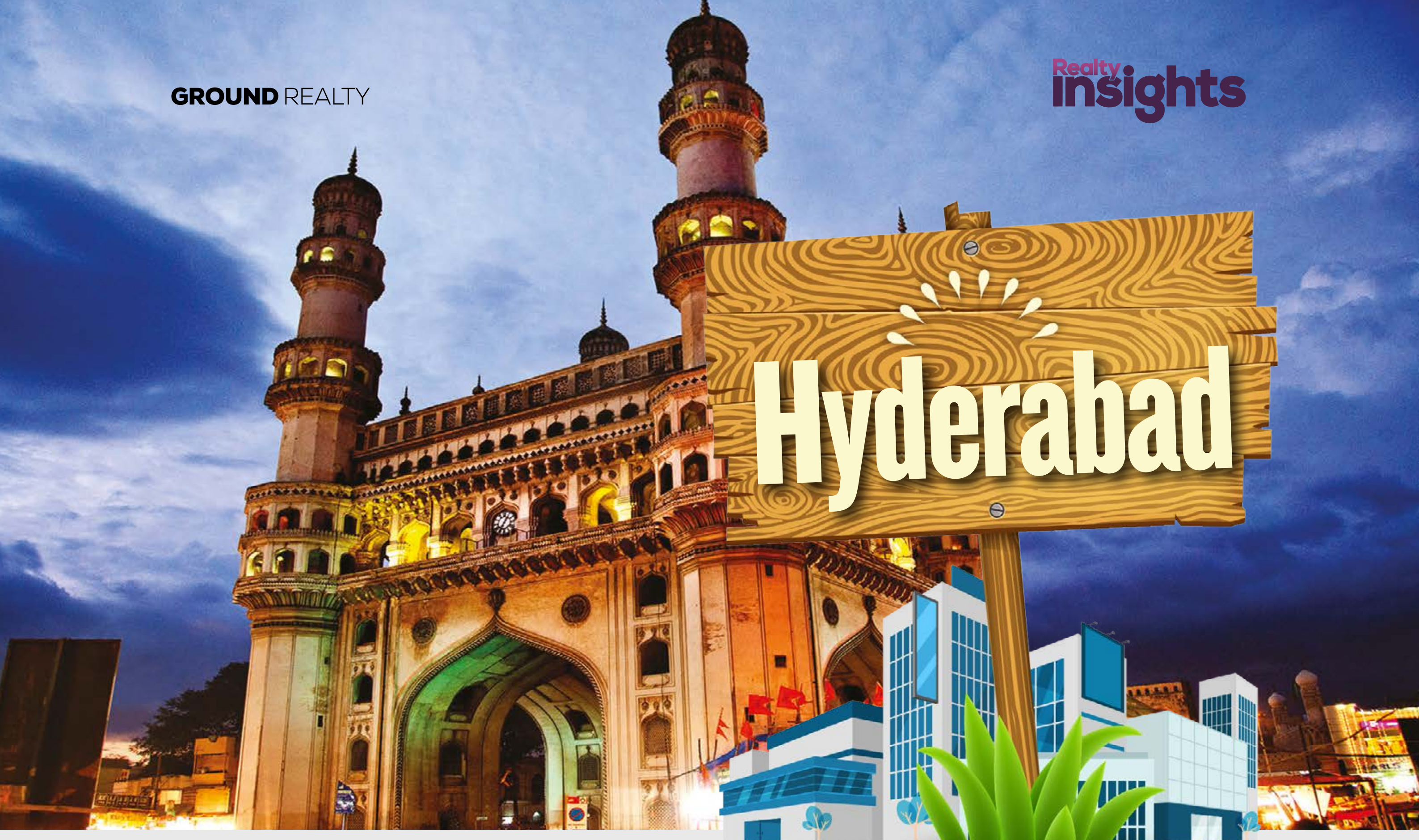
The vacancy levels continued to be at around 8% on the back of strong demand despite supply infusion. As a result, the overall rents increased by 3% y-o-y in Q12020.

Chennai Office Market

Parameter	Q1 2016 (mn sq ft)	Q1 2017 (mn sq ft)	Q1 2018 (mn sq ft)	Q1 2019 (mn sq ft)	Q1 2020 (mn sq ft)	Q1 2020 Growth (Y-o-Y)
Net Absorption	1.12	0.36	0.50	0.44	0.92	110.9%
New Completion	1.39	---	0.40	---	0.53	---
Vacancy	12.66%	10.27%	9.01%	8.81%	8.04%	---
Rent (₹/sq ft/month)	51.70	53.00	54.80	57.60	60.00	3.4%

Source: Real Estate Intelligence Service (REIS), JLL Research

Realty insights



High on Leasing
Low on Absorption

The city recorded the highest gross leasing among the seven major cities in Q12020 at 4.18 mn sq ft. However, the net absorption in the city dipped by a staggering 74% on a y-o-y basis and stood at 0.92 mn sq ft mainly due to churn deals and exits.

New completions declined 68% y-o-y in QI 2020 on the back of delay in obtaining permissions from the government authorities. Moreover, the problem was aggravated due to lockdown. The market saw new completions of 1.35 mn sq ft in Q12020 and more than 50% of this was pre-committed. Activity in the office market was driven by Gachibowli, which accounted for 90% of the net absorption and 74% of the new completions in Q12020.

While the vacancy levels in CBD have gone down moderately, Hitec City saw a marginal increase in the vacancy levels. This was due to planned consolidation activity by major IT companies into newly operational IT Parks after exiting from currently occupied spaces. Rental value remained stable as compared to the last quarter of 2019 and were recorded at Rs 56/sq ft/ month

Hyderabad Office Market

Parameter	Q1 2016 (mn sq ft)	Q1 2017 (mn sq ft)	Q1 2018 (mn sq ft)	Q1 2019 (mn sq ft)	Q1 2020 (mn sq ft)	Q1 2020 Growth (Y-o-Y)
Net Absorption	1.24	0.08	0.28	3.55	0.92	-74.1%
New Completion	0.65	---	0.40	4.26	1.35	-68.4%
Vacancy	8.12%	8.96%	4.61%	4.67%	7.67%	---
Rent (₹/sq ft/month)	47.68	50.12	51.23	53.25	56.10	5.3%

Source: Real Estate Intelligence Service (REIS), JLL Research

Stable Stock & Rental Values

Kolkata witnessed gross leasing of 0.19 mn sq ft in Q1 2020, while net absorption was recorded at 0.02 mn sq ft. While the scale of office leasing is relatively smaller compared to other cities, this quarter was further adversely impacted due to the weak business environment on account of the ongoing pandemic. IT/ ITeS occupiers drove leasing activity, which was concentrated in the key IT hubs of Salt lake and Rajarhat.

With no new completions recorded in the first quarter of 2020, the stock remained stable at 26 mn sq ft in Q1 2020.

The vacancy levels remained range bound at 26.4%. Rental values also remained stable across all submarkets.

Kolkata Office Market

Parameter	Q1 2016 (mn sq ft)	Q1 2017 (mn sq ft)	Q1 2018 (mn sq ft)	Q1 2019 (mn sq ft)	Q1 2020 (mn sq ft)	Q1 2020 Growth (Y-o-Y)
Net Absorption	0.14	0.00	0.05%	0.88	0.02	-98.3%
New Completion	---	---	---	1.04	---	---
Vacancy	20.62%	27.77%	26.94%	26.68%	26.44%	---
Rent (₹/sq ft/month)	49.65	49.69	50.55	52.08	51.82	-0.5%

Source: Real Estate Intelligence Service (REIS), JLL Research

SBD Submarket
The Super Star

The net absorption in Bengaluru stood at 2.7 million sq ft in Q1 2020, a dip of 37% as compared to Q1 2019. This decline can be attributed to occupiers deferring their real estate decisions in the light of impending health crisis. Whitefield and SBD (Outer Ring Road, Banerghatta Road) together accounted for a majority of the net absorption with a share of 90%. IT/ITeS and co-working occupiers drove the leasing activity. Excellent physical infrastructure and connectivity to other parts of the city were major pull factors for occupiers. Interestingly, co-working operators leased a majority of the space in the SBD submarket as against the CBD submarket in the previous quarters. With availability of good quality office spaces in the city core shrinking, these operators are following the footsteps of conventional space occupiers and expanding their presence in the SBDs.

Bengaluru witnessed new completions of about 3.4 mn sq ft in Q1 2020. Out of the total new completions, SBD submarket accounted for 67% of new completions followed by Whitefield at 24%.

Rents and capital values increased marginally across submarkets in the first quarter of 2020 as compared to the same period last year. The vacancy increased marginally in the CBD and SBD submarkets this quarter with new completions outpacing net absorption.

Bengaluru Office Market

Parameter	Q1 2016 (mn sq ft)	Q1 2017 (mn sq ft)	Q1 2018 (mn sq ft)	Q1 2019 (mn sq ft)	Q1 2020 (mn sq ft)	Q1 2020 Growth (Y-o-Y)
Net Absorption	4.10	1.57	1.54	4.27	2.71	-36.6%
New Completion	3.54	1.15	2.01	5.34	3.35	-37.3%
Vacancy	4.10%	3.30%	3.60%	4.20%	5.60%	---
Rent (₹/sq ft/month)	59.43	64.53	68.59	70.93	75.64	6.6%

Source: Real Estate Intelligence Service (REIS), JLL Research

Gurgaon & Noida
The Front Runners

Delhi NCR recorded gross leasing of 2.99 mn sq ft in Q12020. However, net absorption was lower at 1.55 mn sq ft due to a significant churn and exits by occupiers. The leasing activity was driven by the peripheral markets of Gurugram and Noida. With limited availability of quality office spaces in Delhi CBD and SBD, Gurugram and Noida continued to be frontrunners in office space absorption. NH8 (Gurugram) being a prime office corridor with strong infrastructure and good accessibility generated strong demand for office space from all the occupier segments. Overall leasing was driven by IT/ITES, telecom & healthcare and co-working operators.

Around 1.94 mn sq ft of Grade A office space new completions were recorded in Q1 2020. Noida garnered an 80% share of the new completions followed by Gurugram, which accounted for the rest 20%. The emerging corridors such as Golf Course Extension Road and Southern Peripheral Road have attracted prominent developers and are gaining occupier interest due to the rental advantage they offer as compared to established submarkets. Further, the office projects in these micro markets offer larger floor plates in newer buildings and are preferred by occupiers. These micro markets have the potential to become an example of live, work and play destinations with several integrated mixed-use developments along the corridor.

The vacancy level decreased to 27% in Q1 2020. Select prominent office buildings in established office corridors such as Prime NH8 and Cybercity have much lower vacancy levels as compared to the overall market. Office rentals have also remained stable at Rs 77/sq ft/ month.

Delhi-NCR Office Market

Parameter	Q1 2016 (mn sq ft)	Q1 2017 (mn sq ft)	Q1 2018 (mn sq ft)	Q1 2019 (mn sq ft)	Q1 2020 (mn sq ft)	Q1 2020 Growth (Y-o-Y)
Net Absorption	1.61	0.76	1.40	1.51	1.55	2.5
New Completion	2.55	---	0.77	3.45	1.94	-43.7%
Vacancy	31.85%	30.66%	29.15%	29.26%	27.24%	---
Rent (₹/sq ft/month)	77.29	77.91	78.29	77.24	77.45	0.3%

Source: Real Estate Intelligence Service (REIS), JLL Research

Co-Working
The Rising star

The city registered a 42% y-o-y decline in net absorption due to the weak business sentiment triggered by the COVID-19 pandemic. During the quarter, SBD alone recorded a net absorption of 0.36 mn sq ft in Pune. Within SBD, majority of the activity was concentrated in Kharadi garnering a 83% share of the total net absorption followed by Nagar Road at 17%. Co-working providers have been consistently leasing office space in the city and have contributed to a 40% share in overall leasing.

This was followed by the IT & ITeS and manufacturing/industrial segment which accounted for 20% of the total leasing.

New completions stood at 0.60 mn sq ft in Q1 2020. Koregaon Park and Viman Nagar remained attractive locations for occupiers due to proximity to the airport, railway and strong social infrastructure.

An increasing number of Grade A office developments are being witnessed in these locations to cater to the unmet demand from occupiers. Vacancy levels remained stable at 5.5% while rents were recorded at INR 68 per sq ft per month.

Pune Office Market

Parameter	Q1 2016 (mn sq ft)	Q1 2017 (mn sq ft)	Q1 2018 (mn sq ft)	Q1 2019 (mn sq ft)	Q1 2020 (mn sq ft)	Q1 2020 Growth (Y-o-Y)
Net Absorption	0.90	0.29	1.11	0.63	0.36	-42.2%
New Completion	0.97	0.27	1.05	---	0.60	---
Vacancy	5.17%	5.56%	6.06%	5.70%	5.50%	---
Rent (₹/sq ft/month)	58.70	62.19	63.66	67.73	68.35	0.9%

Source: Real Estate Intelligence Service (REIS), JLL Research

PROPERTIES

GODREJ FOREST GROVE
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Launching 2 & 3 RHK homes starting at ₹44.95 Lakh (all inclusive) in Mamurdi, Pune.

Welcome to tree-side living at Godrej Forest Grove. It's a home that will be surrounded with 1100 trees. With a 2.42 hectares central park, an orchard with over 100 fruit-bearing trees, and a 1-km long nature trail, it's a home where greenery takes centerstage. Even the blooming flowers of the 4 seasons gardens here will ensure your life is fragrant and colourful all through the year. Godrej Forest Grove is a home thoughtfully designed to be yours naturally.

PROJECT HIGHLIGHTS

2.43 Hectares of Central Greens	More than **1100 Trees**	**1 Km** long nature trail	**Over 100** Fruit-bearing Trees	**4 Seasons** Gardens

The project is registered as "Forest Grove at Godrej Park Greens" with MahaRERA under registration no. P52100023129, available at website: http://maharera.mahaonline.gov.in.

Site Address: Godrej Forest Grove, Opp. Symbiosis Open University, Next to MCA Stadium, Mamurdi, Pune - 412 101.

In association with HDFC CAPITAL
HDFC CAPITAL ADVISORS LIMITED

The project is developed by Godrej Skyline Developers Pvt. Ltd., a part of Godrej Properties Group. The sale is subject to the terms of application form and agreement to sale. Recipients are advised to apprise themselves of the necessary and relevant information of the project(s)/offer(s) prior to making any purchase decisions. The Developer hereby declares that it has availed construction finance and line of credit facility ("Facility") from HDFC Limited ("Lender") and has secured the Facility by mortgaging the Project Land in favour of the Lender. The Lender will provide No Objection Certificate for the sale of a unit as and when required. T&C apply. The official website of the company is www.godrejproperties.com. Please do not rely on the information provided on any other website.

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Sohna Road

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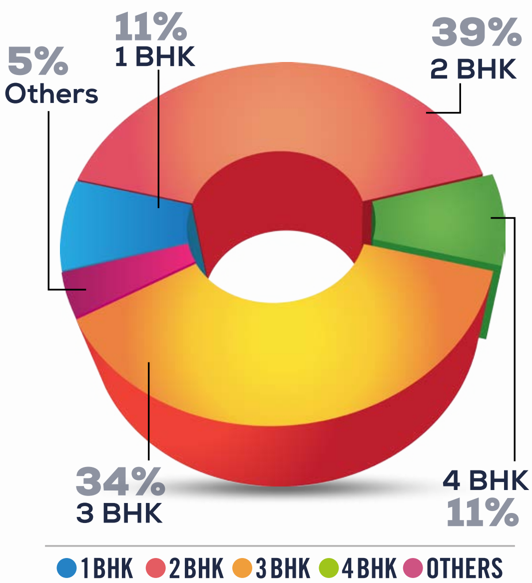
Godrej Nature Plus, Sector 33, Sohna Road, Gurgaon

Not with standing the severe temporary jolt to the real estate sector triggered by the current COVID crisis, the high growth Sohna Road micro market of Gurugram has all the potential to rebound, with increased buyers' attention, once the Corona-induced crisis abates.

Sohna Road runs parallel to the NH-8 & connects Sohna (also called the new Gurgaon region) with the rest of the Gurgaon. It intersects NH-8 at Rajiv Chowk. Likewise, it meets Golf Course Extension Road at Vatika Chowk. As a strategic road that connects Gurgaon with the New Gurgaon, Sohna Road is emerging as a thriving hub for Residential, Commercial, & Retail developments.

Surging Demand Attracts Key Developers

In recent years, Sohna Road has gained momentum on the back of spill-over from other leading destinations. Proximity to major industrial clusters in Gurgaon, affordable property prices, and good connectivity continues to feed in more demand into Sohna Road. This has also resulted in the creation of new infrastructure , development of civic amenities and rise in liveability index, thereby further pushing the growth of Sohna Road corridor. Major Grade-A developers are also realizing the surge in demand on Sohna Road and have come up with good quality projects in recent years. Reputed developers active in the region include names such as M3M, Tata Housing, Central Park, Vatika, Vipul, and many more.



Source: 360 Realtors

Projects at a Glance

Developer's Name	Project Name
M3M	Ventura
M3M	Sierra
Vipul	Tatvam
Central Park	Resorts
M3M	Marina
Vatika	City
TATA Housing	Primanti

However, a more momentous transformation is underway for the Sohna Road. This high potential realty corridor is now designated as National Highway 248 and will stretch till Alwar. A 5 km long elevated road is coming up from Subhash Chowk to Badshahpur.. Once this elevated corridor gets operational , real estate along Sohna Road will get a great connectivity and mobility boost. And with that, real estate demand is expected to witness a steep rise in the region and Sohna Road will take a center stage in the Millenium City's residential landscape.

Hub for Commercial Activities

Sohna Road's real estate demand will also stem from the robust growth in the commercial sector. At present, the micro-market has a ready office stock of around 8 million sft. (around 2 million sft. is in the pipeline). The Micro-Market holds around 12% of the Gurgaon's overall office supply. Over the years, numerous major MNCs and corporates have established their offices in Sohna Road- such as Boston Scientific, Xerox, Infosys, Capgemini, and E-Value Serve. The reason why numerous big enterprises are gravitating to Sohna Road is rooted in a number of factors. Firstly, as an emerging destination, Sohna Road still offers very affordable property prices and

rental charges, when compared to other micro-markets in Gurgaon and neighbouring Delhi. Its evolution into a sustainable ecosystem & closeness to other major job hubs such as Udyog Vihar and Cyber City is also drawing the interest of leading corporates.

In tandem with Sohna Road's evolution into a thriving commercial destination, the social infrastructure is also getting a shot in the arm. In and around the region, there are several prestigious schools such as Indus World School, Ryan International School, DPS, GD Goenka. There are plenty of shopping malls, shopping centers & other larger retail options. There is also no dearth of quality hospitals like Fortis, Max, Sanjeevni alongside quality hotels such as Westin, Taj Gateway, Country In, Park Plaza, etc.

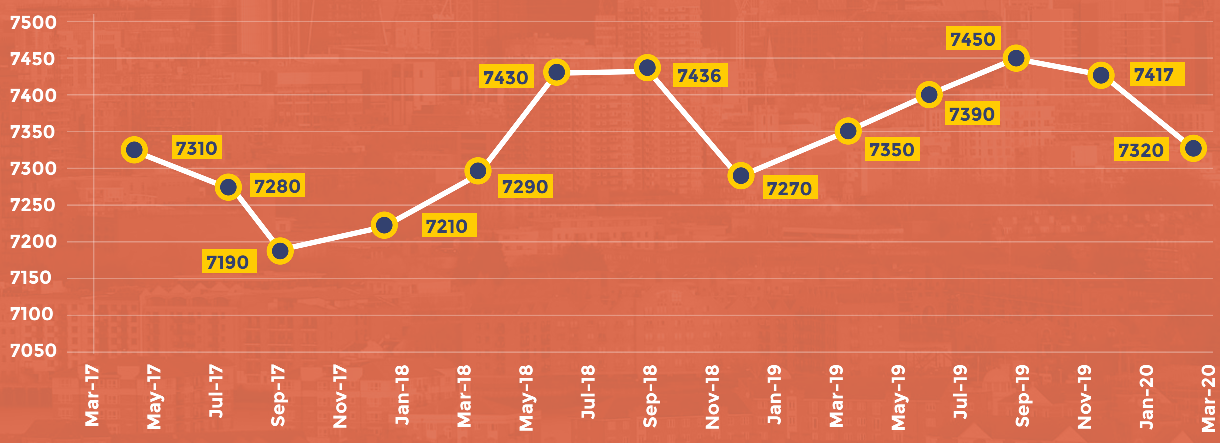
Price Trends

Average property prices have remained stable over the past 3 years despite minute periodic fluctuations. In the last 6 months, prices have eased by around 1.8%, which is in line with the general trends in most of the major realty markets in India, where downward pressures are visible. However, the market is expected to gain momentum in the times to come.

Sohna Road will also draw strength from the fact that it is relatively cheaper when compared to other prominent micro-markets in the region such as Golf Course Road, Golf Course Extension Road etc. Its affordability also indicates that in the near future prices have ample headroom to go upwards.

In terms of unit-wise splits, little less than 40% of the supply comprises of 2 BHK units. Slightly over one-third of the units are 3 BHK. Together, 2 & 3 BHK units consist of around 73% of the total supply.

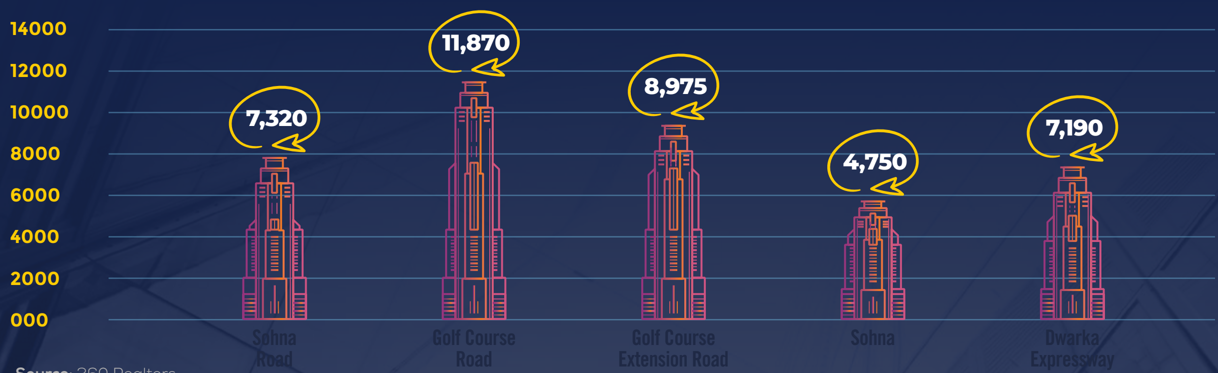
Price Trends



Source: 360 Realtors

Central Park, Flower Valley, Sohna, Gurgaon

Property Price Trends (Sohna Road vis-à-vis nearby locations)



Source: 360 Realtors

Realty Insights View

Gurgaon's development and its subsequent evolution into a major urban catchment in India has been backed by prolific road network. These roads have emerged as key hubs for retail, office and residential developments, thereby contributing towards the overall growth of Gurgaon. Sohna Road along with NH-8, MG Road, and Golf Course Road forms the Golden Quadrant for the city of Gurgaon. While the other roads have maximized their growth potential, Sohna Road is still evolving and rising across major growth parameters. As an emerging market, it will be the growth engine of future developments in the city.

Sohna Road is on way to be transformed into a 6- lane highway. The infrastructure facelift will further transform Sohna Road into a thriving commercial, residential, and retail corridor. As prices are affordable here, more end-users will be naturally drawn towards the Sohna Road property market. The potential for more appreciation in the foreseeable future will further draw the attention of investors, who would like to ride the wave. As stock markets have tanked recently and financial and banking sector is in a tailspin, the investor confidence is once again is veering around real estate as an asset class. Buyers will try to play out on hard and tangible assets like real estate, rather than betting big on paper money. Amidst such changes, emerging micro-markets such as Sohna Road will feature prominently on investors' radar.

WFH Impact on Office Space Demand

The Corona virus has adversely impacted even the rsing commercial real estate segment. Further, due to lockdown, many companies are taking to the practice of 'Work From Home'. Going forward, how will this new trend impact the commercial office market.

In the backdrop of present-day compulsions, more and more companies are discovering the viability of employees working from home (WFH) as an alternative to occupying costly office spaces. Many IT/ITeS companies and other corporates are now warming up to the notion of shifting a significant chunk of work, be it coding or non-client-facing back-office functions, out of offices and into their employees' homes.

There are at least three major benefits of WFH. First, companies can save a lot of revenue on office space occupancy. Secondly, WFH can be a major productivity enhancer as employees save the commuting time . Thirdly and as a derivative of the second benefit, it can significantly boost employee wellbeing.

WFH is obviously not a catch-all solution - many business verticals and functions still require employees to work in an office setting. A large chunk of work needs constant monitoring and professional infrastructure which only an office setting can provide. Nevertheless, market dynamics are changing quickly now. Coworking is likely to see subdued demand over the next few quarters, but will also see the fastest revival. The pandemic pressures will eventually ease out and many businesses will look to restart in these flexible workspaces. Coworking spaces are not only the most cost effective, but also offer flexibility in terms of time period of rental agreements. Coworking spaces can be rented on a monthly, daily and even hourly basis. Traditional office spaces are currently a source of worry for both tenants and landlords. This is because it is difficult to visualize and plan for a post-pandemic market scenario. However, when the government's focus shifts back to economic growth, it will roll out business-boosting incentives that will revive the fortunes of commercial office spaces quickly.

What is certain is that commercial space requirements are in for a major upheaval, as India Inc will not hit a 'business as usual' equation for quite a long time. Tenants will recalibrate their space requirements, and the effective average monthly per-desk rentals at Grade A office spaces in some of the major business cities will be a central consideration.

Mumbai - MMR

Average monthly rentals in Grade A office spaces in CBD (central business district) areas like South Mumbai and Bandra Kurla Complex are anywhere between INR 18,000–27,000/desk/month for coworking spaces, and between INR 24,500–30,000/desk/month for conventional commercial Grade A offices. All non-Grade A office spaces in CBD areas are lower by at least 15-20%. Average monthly rentals in Grade A office spaces in SBD (secondary business district) areas like Lower Parel, Andheri Kurla Road range anywhere between INR 12,000–18,000/desk/month for coworking spaces, and between INR 15,000–18,000/desk/month for conventional commercial Grade A offices. All non-Grade A office spaces in SBD areas are at least 25-35% cheaper.

New Delhi - NCR

Average monthly rentals in Grade A office spaces in CBD areas like Connaught Place range between INR 13,000–19,000/desk/month for coworking spaces and between INR 20,000–25,000/desk/month for conventional commercial Grade A offices. Non-Grade A office spaces in the CBD areas are at least 15-20% cheaper. Average monthly rentals in Grade A office spaces in SBD areas like South-East Delhi and Delhi International airport, East Delhi and North Delhi are anywhere between INR 5,000–10,000/desk/month for coworking spaces and between INR 10,000–20,000/desk/month for conventional commercial Grade A offices. Non-Grade A office spaces in SBD areas are lower by at least 25-35%.

Bangalore

Average monthly rentals in Grade A office spaces in CBD areas like M.G. Road, Millers Road, Vittal Mallya Road and Residency Road are anywhere between INR 7,000–15,000/desk/month for coworking spaces and between INR 10,000–18,000/desk/month for conventional commercial Grade A offices. Non-Grade A office spaces in the CBD areas are lower by at least 15-20%. Average monthly rentals in Grade A office spaces in SBD areas like Koramangala, Bannerghatta, Hosur Road, Electronic City etc. are anywhere between INR 3,600–8000/desk/month for coworking spaces and between INR 6,500–15,000/desk/month for conventional commercial Grade A offices. Non-Grade A office spaces in SBD areas are lower by at least 25-35%.

Pune

Average monthly rentals in Grade A office spaces in CBD areas like Laxmi Road, Camp, Bund Garden, Koregaon Park, Shivaji Nagar etc. are anywhere between INR 4,750–9,500/desk/month for coworking spaces and between INR 10,000–12,500/desk/month for conventional commercial Grade A offices. Non-Grade A office spaces in the CBD areas are lower by at least 15-20%. Average monthly rentals in Grade A office spaces in SBD areas like Kalyani Nagar, Yerwada, Viman Nagar, Aundh, Baner etc. are anywhere between INR 3,600–7,200/desk/month for coworking spaces and between INR 8,000–9,000/desk/month for conventional commercial Grade A offices. Non-Grade A office spaces in SBD areas are lower by at least 25-35%.

Chennai

Average monthly rentals in Grade A office spaces in CBD areas like Anna Salai, Nungambakkam, RK Salai are anywhere between INR 5,700–13,300/desk/month for coworking spaces and between INR 7,000–15,000/desk/month for conventional commercial Grade A offices. Non-Grade A office spaces in the CBD areas are lower by at least 15-20%. Average monthly rentals in Grade A office spaces in SBD areas like T.Nagar, Alwarpet, Kilpauk, Egmore, Chetpet, Royapettah, Kotturpuram etc. are anywhere between INR 5,400–8,600/desk/month for coworking spaces and between INR 7,500–10,000/desk/month for conventional commercial Grade A offices. Non-Grade A office spaces in SBD areas are lower by at least 25-35%.

Hyderabad

Average monthly rentals in Grade A office spaces in CBD areas like Gachibowli, Madhapur, Manikonda, Kondapur etc. are anywhere between INR 4,750–7,650/desk/month for coworking spaces and between INR 6,000–9,000/desk/month for conventional commercial Grade A offices. Non-Grade A office spaces in the CBD areas are lower by at least 15-20%. Average monthly rentals in Grade A office spaces in SBD areas like Pocharan, Uppal etc. are anywhere between INR 3,600–6000/desk/month for coworking spaces and between INR 3,500–7,000/desk/month for conventional commercial Grade A offices. Non-Grade A office spaces in SBD areas are lower by at least 25-35%.

Noida

Average monthly rentals in Grade A office spaces in Noida are anywhere between INR 4,750–9,500/desk/month for coworking spaces and between INR 6,000–10,000/desk/month for conventional commercial Grade A offices. Non-Grade A office spaces are lower by at least 10-20%.

Chandigarh

Average monthly rentals in Grade A office spaces in the city are anywhere between INR 4,750–7,600/desk/month for coworking spaces and between INR 6,000–9,500/desk/month for conventional commercial Grade A offices. Non-Grade A office spaces are lower by at least 10-20%.

Notwithstanding its multiple benefits, WFH option will not work for every type of company. Most major industries have functions which require a high level of centralized supervision as well as data security which are only available in a formal office setting. Moreover, video conferencing technologies have very distinct limitations, too. Most employees depend on the infrastructure provided in their offices to do their work efficiently, and also require a formal office setting to get into 'work mode'. While WFH is not a one-size-fits-all workplace alternative, social distancing norms are likely to remain in place for a while to come and more and more companies will need to consider this option.

Ashutosh Limaye
Director & Head Consulting, Anarock

Business Opportunity in Corona Crisis

Ajay Rakheja
Head - Commercial Real Estate
360 Realtors

The COVID-19 has severely hit sectors such as tourism, hospitality and aviation. Even real estate already facing slowdown is reeling under the Corona impact. However, digitalization has shown opportunity in crisis for the realty sector.

Sectors such as real estate, construction, infrastructure are relatively less exposed to the downturn triggered by COVID. Although the real estate sector is facing the heat of the lockdown and economic uncertainties and sales numbers have taken a beating, the realtors are making a calibrated response by going digital. And there is clear opportunity in crisis for the realty sector.

Growing Interest for Commercial Assets

Amidst Covid induced chaos, mid-sized commercial assets (Rs 20-40 lacs) such as office and retail spaces are emerging as the new favourites. Buyers and investors are betting big on such assets to hedge against future unpredictability. Amidst these uncertain times, investors are realizing the need for risk-averse prudent alternatives that can ensure recurrent income. As the equity markets are staggering and financial markets are distressed, commercial real estate offers a compelling alternative. A grade-A quality commercial asset can render rental yield up to 12 per cent. Even in cases, where tenant finalization will take around 6 months, commercial assets can give high rental returns. As the overall commercial sector has been robust for quite some time, elevated returns should continue without any compression.

Interestingly developers are also coming up with attractive and flexible payment plans, where one has to pay just 5-10 per cent for the bookings and rest can be paid after the lockdown. Thus, for Rs 30 lacs asset, one needs to pay just 1.5-3 lacs to make the initial booking. Such a transaction can easily be facilitated digitally. The remaining payment can be made after the lockdown following the physical inspection.

Currency Leveraging Opportunity for NRIs

The recent weeks have seen notable growth in investments emanating from the NRI community. Many such buyers are investing in a portfolio of properties. One of the major factors driving the spurt of NRI interest is the devaluation of rupee. The Indian currency has been trading low for quite some time and it has been further weakened due to FII outflow caused by the COVID crisis. As such, NRI buyers are trying to leverage this opportunity. Commercial assets offer opportunity for both attractive capital appreciation in the medium term and good yield.

A Safe Bet

In a rapidly developing situation, it will take some more time to gauge the overall impact on the businesses and economy due to large scale disruption caused by Corona. Analysts have split opinion. Some believe that the distress will continue in the sector which is already suffering from strains in the macro-economy and liquidity crunch situation. On the contrary, others believe that markets will soon bounce back stemmed by the upside from the fiscal packages, cheaper home loan rates, and relief in credit policies. Only time will tell about the nature and pace of recovery after the crisis abates .

Nevertheless, commercial assets will continue to find resonance with lot of investors and buyers who are looking for safer and profitable investment options. Commercial real estate on the back of attractive rental yields and potential capital appreciation will be a better alternative to badly mauled equity market and even fixed income schemes which have seen fluctuating sentiments.

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NRIs Gaining Strength in Indian Real Estate

360 Realtors Report

Over the past few years, NRIs have come to gain strength in the Indian housing market. Once a limited force, the expatriate community currently accounts for a sizable part of Indian housing demand with a yoy growth rate of five percent.

According to a report by 360 Realtors, one of the most dominant real estate consultancies in the NRI space, a total of USD 13.1 billion of NRI capital is expected to enter the Indian Housing Industry in FY21.

360 Realtors has been tracking the NRI buying patterns over the past few years. As per the data revealed by the company, NRI investments are set to rise to USD 13.1 billion in FY 21, up from USD 6 billion in FY 14, growing by little less than a CAGR of 11%. Major global sources of NRI investments include the USA, Canada, GCC, UK, Singapore, Malaysia, etc. Interestingly, GCC is the biggest source of NRI investments, accounting for around 42% of the total investment inflow. As there is no citizenship option available in the Gulf region, it is natural for the expatriates living there to buy a home in India.

According to Ankit Kansal, Founder & MD 360 Realtors, NRIs are one of the crucial growth drivers in Indian Real Estate. Post RERA implementation, the confidence level of NRIs had gone through the roof. Interestingly, NRIs are not buying for end-use but many are entering the market with a pure-play investment purpose. There are many NRIs who are maintaining a portfolio of properties.

Flight to Affordability

The flight to affordability is visible amongst the expatriate population as well. In FY 20, estimated average ticket sizes have come down in major source markets such as the USA, Saudi Arabia, & Singapore, etc. In the USA, the average ticket sizes have dipped to USD 111,000 from USD 113,000 a year before. In Saudi Arabia, the average ticket sizes have corrected by around 5% to USD 67,000. In Singapore, as well, the average ticket sizes have eased out by slightly over 3% to USD 91,000. In UAE, another crucial source market, the ticket sizes have risen to USD 87,000 from USD 85,000 in the previous year.

Global Uncertainty to Trigger NRI Investments

"NRIs will continue to get drawn towards Indian Real Estate in big volume in the foreseeable future. Mr Kansal attributes this to weakened Indian rupee and discounted prices of Indian properties, besides emotional connection of NRI's with India, the country of their origin.

Prices in India are yet to touch their peak values. Developers are also coming with discounts to move their inventories. Likewise, rupee values are also depreciated. Collectively, this has resulted in a discount to the tune of around 20-25% to the NRI buyers, thereby further pushing ahead their interest in Indian housing markets. Moreover amidst an atmosphere of global uncertainties underpinned by trade-war between USA & China, the slowdown in major global economies & escalation in geopolitical tensions, many NRIs are also buying into the property market to hedge against potential risks as well.

With depreciation of rupee and good bargains offered by developers, NRIs can enjoy cumulative discount of 20-25%

Business Sustenance Strategies For Realty & Construction Sector

Calibrated solutions and service support is one of the biggest challenges ahead for the construction sector amid the COVID-19 epidemic, to aid business sustenance strategies.

The construction industry is one among the worst-hit sectors by the COVID-19 pandemic. While enterprises are brainstorming on activating and polishing their business continuity strategies, construction players utilize custom-configured applications which demand distinctive expertise. What is required today is an end to end support for the industry with full-scale technology with the most relevant disaster recovery technology investments.

After the COVID lockdown is lifted, everyone will be looking for quick rebound in business operations. Based on our experience of extending support to real estate and construction sector enterprises on key operational processes, we recommend the following technologies to help mitigate the lockdown impact of the global Coronavirus outbreak.

Internet of Things

While the construction activities across the globe have come to a grinding halt, Internet of Things (IoT) will enable the top management to continue receiving alerts from the construction sites. With cities deserted, there is a high chance of theft of materials and equipment, intentional damage to properties under construction and much more. The technology in this regard will ensure real-time alerts to concerned stakeholders to eliminate losses owing to any untoward incident at construction sites. It can also potentially create the much needed evidence in case of damage or theft that the insurance company would require. In case of theft, tracking and recovering the expensive assets will also be possible.

Cloud-Based Collaboration Tools

The ongoing global lockdown has forced entire teams to work from different locations and a robust cloud-based collaboration platform is the need of the hour for a seamless flow of information. Highbar Technocrat strongly recommends the industry to invest in a scalable, secured collaboration platform with support for a host of smart devices and operating systems.

Document Management Solution

Document management platforms have evolved from being mere digital repositories to business enhancement tools. Boasting of features ranging from "advanced search" to restricted access, cloud-powered document management solutions have emerged as pivotal solutions for business continuity and agility for construction enterprises. With a surge in the usage of smart devices, employees of a construction firm can access, update and collaborate on a document in real-time from across the globe.

Employee Self-Service Portal

Workforce motivation should fall under the primary objectives for a real estate, construction enterprise in the prevailing crisis. With employees including HR managers confined to their homes, an employee self-service portal will ensure real-time updates to the workforce involving distinctive job roles. It will also facilitate employees in pulling up documents like salary slips, leave records etc. from the comfort of their homes.

Joydeep Banerjee
Head of Business Development,
Highbar Technocrat Limited

Communication Strategy in the Times of Corona

- Paritosh Kashyap

In these testing times, with large scale disruptions caused by COVID crisis, well thought out and effective corporate communication strategy is the need of the hour to tackle this unprecedented situation.

These are challenging times for the world economy. Following a complete lockdown in more than 150+ economies around the world including India, most of the business activities have been completely shut .The Indian Real Estate industry is also not immune to the downturns, with construction activities coming to complete halt. The site visits, enquires, & transactions have plunged. Although by using digital medium, realtors are trying to keep the business going, the scale of business operations has considerably contracted. Further, the impending slowdown in the economy is also going to undermine the industry in the times to come.

In these volatile times, the role of Corporate Communications (or Corp-Com) gains added significance. In this market-wide uncertainty, volatility, & unpredictable future outlook, Corp-Com professionals need to play a pivotal role. They have to don multiple hats from content creator to thought-leaders to advocates to strategists.

Even in these difficult times. the marketing and sales activities have not come to a complete halt, as realtors & developers are trying to leverage the digital medium to tackle the crisis. Most of the professionals are working from home. Inquiries & meetings are happening online. Although suppressed, yet transactions have not completely dried.As people are working from home, they are getting ample time to search & learn about properties, with renewed interest for investment in property due to stock market crash.

Hence, in the backdrop of this scenario, Corp-Com professionals need to work closely with other marketing & sales professionals & offer their support throughout the sales funnel. Their role will be no more just limited to tactical outputs in terms of content creation & content marketing but also to proactively understand the strategic dimensions as well.

They have to thoroughly research on where & how the content is being consumed & then accordingly fine-tune their messaging & communication strategy. For instance, during the current crisis, at 360 Realtors, we are focused more on emerging mediums such as videos, webinars, Infographics, content marketing platforms, mobile messaging rather than conventional messaging. After all, these are platforms where a sizable amount of content consumption is taking place. This is also giving results. Despite lockdown, the company has been able to sell 112 units With a GTV of INR 105 Crores.

The COVID-19-triggered crisis has once again underscored the importance of thought-leadership. In these difficult times where the macroeconomic, structural, & social levers are changing every now & then, Corp-Com staffers need to take up thought leadership high high on their radar. A leveraging multitude of platforms ranging from editorials & thought pieces in regular media channels to the compilation of whitepapers & thematic reports to the regular dissemination of digital messaging, Corp-com should not keep any stone unturned in projecting their organizations as the dominant players in thought leadership As they say, every crisis throws up a new opportunity, the time is now fertile with a tremendous amount of new insights, emergent themes, & evolving market dynamics. Corp-com has to thoroughly understand this & accordingly create & promote the content.

Likewise, Corp com professionals have to don the hat of industry advocates. By nurturing & creating a variety of interesting content such as thought pieces, business intelligence reports, market analysis, they can effectively reach out to the industry bodies & higher authorities, & bring to their notice, the concerns & expectations of the industry.

While it is of utmost importance to communicate with various industry stakeholders such as customers, suppliers, governing authorities, & media; one just can't overlook internal communication. Post COVID crisis; there is an unprecedented amount of distress & anxiety amongst the employees. Hence at strategic as well as operational levels, communication flow to employees is very essential. It is important to redress their concerns & at the same time give them the right picture about all the possibilities- from very best to the worst-case scenarios.

Similarly, Channel Partner communication is also very important. Many such channel partners work in individual capacity & might not have enough resources to understand & evaluate the exact magnitude of crisis alongside the possible opportunity. Hence bigger developers & Institutional Channel Partners (ICPs) need to stretch further & try to bridge the information gap by reaching out to them. They should be constantly made aware of the current trends, potential opportunities, & future scenarios.

During the current crisis, effective communication is essential. Hence realtors should take special care in defining, designing, & implementing effective communication strategy. Corp-Com needs to play a multifaceted role, diligently taking care of the operational & tactical requirements. Likewise, it needs to nurture the company brand by playing out loud in the thought leadership. The Corp com professionals also need to reach out to the employees & channel partners, dispelling the disinformation & building the right perspective alongside making them aware of the possible risks.

Realty insights

Status Quo in Capital Prices in Delhi NCR

While average capital prices maintained status quo in Delhi NCR in Jan-Mar 2020 as against Oct-Dec 2019, rental values went up by a marginal one percent Y-o-Y: 99acres Insite Report.

According to the latest 99acres.com Insite Report, Delhi NCR saw property prices maintaining status quo, Q-o-Q, while the average rental rates witnessed a marginal one percent hike, Y-o-Y.

The Jan-Mar 2020 quarter was marked by several distractions for the real estate market of Delhi NCR. Starting with partial construction ban due to high pollution levels in the beginning to Delhi elections in February and eventually the nationwide lockdown in March, housing demand remained under pressure throughout. Delhi NCR consequently reported 10-20 percent dip in sales volume in comparison to the previous quarter.

The premium housing market took the maximum hit with sales dipping by 20-25 percent at the beginning of March alone. Affordable homes priced within Rs 45 lakh continued receiving enquiries even amid the lockdown period.

The rental market showed a dismal one percent growth, YoY. While Delhi saw the maximum hike of three percent in annual rents, Ghaziabad led all zones in terms of rental yield, which stood at around 3.14 percent.

Despite increasing property enquiries, sale conversions in Noida, Greater Noida and Ghaziabad remained low-key in Jan-March 2020. Realty transactions in the primary market dipped to almost one-fourth of its usual. Developers continued innovating marketing and consulting techniques to keep the potential homebuyers engaged, even though they deferred all new launches and discount deals for the time being.

Price Movement in Key Micro-markets

Location	Averege Prices (Per Sq. ft.)	Q-o-Q % Change	Y-o-Y % Change	Rental Yield
Raj Nagar Extn.	₹3,100 - ₹3,480	2%	3%	3%
Vasant Kunj	₹12,050 - ₹13,750	- 2%	- 3%	3%
Sector - 76, Noida	₹4,940 - ₹5,270	1%	3%	3%
Sector - 12, Dwarka	₹7,990 - ₹8,990	0%	1%	2%
Sector - 56, Gurugram	₹6,120 - ₹6,800	0%	3%	3%
IP Extension	₹9,280 - ₹10,350	- 4%	0%	2%
Sector - 19, Dwarka	₹7,990 - ₹8,980	- 2%	1%	2%
Mayur Vihar - I	₹9,260 - ₹11,990	2%	4%	2%
Sector-6, Dwarka	₹8,160 - ₹9,500	1%	1%	2%
Vikas Puri	₹8,430 - ₹9,500	2%	2%	2%

Source: 99acres.com Insite Report

The under-construction segment garnered reasonable enquiries; however, majority sales happened in the ready-homes category. Demand for affordable homes, especially those identified under Pradhan Mantri Awas Yojana, went up considerably. An unmatched increase in the supply of homes priced within Rs 40 lakh led demand to exceed the former by 20 percent. Greater Noida remained the hotspot of affordable homes as majority demand surfaced in Knowledge Park V and Sector 10, Greater Noida West.

Average weighted property prices in Noida, Greater Noida and Ghaziabad remained unchanged in Jan-Mar 2020. Developing Sectors in Noida like 118, 128, and 150, and established popular areas like Sectors 73 and 79 reported the maximum increase of two percent, each, in average capital prices, QoQ. In Ghaziabad, Pratap Vihar, Gyan Khand 2, and Kaushambi took the lead with 2-3 percent uptick in prices, QoQ.

The surplus residential stock also kept a check on the rental rates, which remained unchanged in Noida and Greater Noida, and dipped by two percent in Ghaziabad in the last one year. The three zones, however, led all other zones in Delhi NCR with respect to rental yield, which stands at 3.14 percent in Ghaziabad, 2.83 percent in Greater Noida, and 2.78 percent in Noida.

Market sentiment in Gurgaon remained neutral in the first two months of the quarter. Dwarka Expressway and New Gurgaon continued to be the hotspots for both new launches and sales in Jan-Mar 2020. South Gurgaon or Sohna also emerged as a popular housing destination with several new projects in the pipeline with homes priced up to Rs 60 lakh.

Overall, Gurgaon led all zones in Delhi NCR with respect to sales and new launches, with 60 percent and 40 percent share, respectively. However, starting March, sale enquiries, transactions and construction activities suffered a setback amid Cov-19 health crisis. In Jan-Mar 2020, the city saw an addition of about four new housing projects. New transactions and launches are expected to happen in the next quarter now.

The demand for under-construction units, although on a gradual rise in both Gurgaon and Faridabad, may suffer in the subsequent quarters. Of the 4.25 lakh delayed units in Delhi NCR, over 1.12 lakh fall in Gurgaon and about 14,000 in Faridabad. This, however, may boost the rental market in the two cities, which has posted a marginal one percent rise, YoY.

While property prices remained stable this quarter, buyers expect a price correction in the short-to-mid-term. The plot rates are expected to go south. The premium housing market may also witness a set-back, since risk-averse buyers may take at least another quarter to return to the buying forefront. In the luxury landscape, Golf Course Extension Road continued garnering maximum traction .

With the deferment of new launches to the next quarter, Delhi closed Jan-Mar 2020 with a single new project launch in Vasant Kunj. Going by the past trends, most new launches in Delhi have been concentrated in either South Delhi or in the far-flung areas such as Narela, primarily catering to the low-income segment homebuyers.

Affordable housing continued to take centre stage in Delhi, which was evident from the notable 10 percent hike in demand for such homes.The capital city witnessed average rentals going up by three percent in Jan-Mar 2020 against Jan-Mar 2019. Defence Colony, Vasant Kunj, Sarita Vihar and Greater Kailash I in South Delhi and Pitampura in North Delhi saw rentals going up by 8-9 percent, YoY. However, with rental yield standing at 2.55 percent, Delhi remained the least lucrative market for rental income.

Sunteck Realty Sells 1800 Apartments

Sunteck Realty Ltd has received an overwhelming response for its recently launched project - Sunteck MaxXWorld, Naigaon. The company has already sold 1800 apartments out of the total 2000 apartments in the project.

Sprawling over 15 acres, Sunteck MaxXWorld is the second phase of 150-acre township project that offers Mumbai's finest 1,2 and 3 BHK residences to redefine the standards of elegant living. Nearly 10 acres of open landscaped space at Sunteck MaxXWorld will be providing an experience of natural ambiance to its residents.

Sunteck MaxXWorld promises over 50 amenities including central park, children's play area, amphitheatre, skating rink, swimming pool, birds pavilion, cricket pitch, party lawn and viewing deck , with larger than life conveniences . Comprising a balanced mix of entertainment, retail and residential developments, the project offers lifestyle clubhouse, high street, luxury mall with entertainment zones, multiplex, fine dining restaurants and food courts for the residents.

Situated near Naigaon and Juchandra railway stations and located at a conveniently measurable distance to the upcoming metro 7 and the Bhayandar – Naigaon Sealink, Sunteck MaxXWorld promises connectivity boost to the property.

ANAROCK Records ₹ 252 cr of Digital Sales

Despite the coronavirus-induced nationwide lockdown and all on-ground activity halted since March 25, the ANAROCK Group has successfully closed the digital sale of 240 homes worth INR 214.6 Cr. and 62 office spaces collectively worth INR 37 Cr. Of the total number of housing sales closed post lockdown, at least 49% (approx. 117 units) worth over INR 85 Cr were sold in the highly-impacted Mumbai Metropolitan Region (MMR) alone.

According to Anuj Puri, Chairman – ANAROCK Group, many of these sales were in the final leg of the deal and others were open but were all closed virtually. Partnering with leading developers and negotiating good bargains for buyers were key success factors.The maximum number of residential properties sold in the lockdown period were in the mid-segment priced between INR 70 lakh and INR 1.5 Cr. Office spaces were priced around INR 60 lakh each.

ANAROCK's proprietary one-stop technology platform IDSS (Integrated Digital Sales Solution) virtually integrates all property sales operations from discovery to engagement and transaction. Baked into the Firm's CRM system, IDSS connects customers, developers and brokers, and delivers real-time inventory updates and apartment selection, 3D renders, virtual tours, e-brochures, product videos, video conferencing with the sales team, documentation and developer's details. It also lists out offers such as reduced booking amount, price protection and flexible inventory. This technology, which culminates in deal closures via an integrated payment gateway, has been a game-changer in the current lockdown conditions.

NCR Realty Rises to Covid CSR

Several Real estate companies of the National Capital Region have risen to the occasion to mitigate the sufferings due to COVID-19 through their Corporate Social Responsibility (CSR) initiatives.

India's leading real estate company- DLF Group has donated Rs 5 crore to Haryana CM Relief Fund. DLF Foundation in association with Akshay Patra, Iskcon is providing 65000 cooked meals every day to poor slum dwellers, migrants and daily wagers at over 240 different locations across Delhi, Gurgaon and Noida. By mid April, it had served over 13.47 lakh cooked meals, besides distributing over 27 lakh meals iin the form of dry ration.DLF Foundation has also donated 2 lakh masks to Delhi Police and Delhi government, besides 5000 PPEs, 2500 litre of Sanitizer, 5 multiple diagnostic machines, 40 hospital beds and oxygen cylinders to South Delhi Municipal Corporation.

Jaypee Group has contributed Rs 4.22 cr towards fight against COVID-19.This includes Rs 3 cr to PM Care Fund, Rs 50 lakh to UP CM Care Fund and Rs 21 lakh to Uttarakhand CM Care Fund.The Experion Group has donated Rs 1.5 cr to PM Care Fund.Dalmia Bharat group has donated one day salary of its 4700 employees to PM Care Fund. Spectrum Metro is donating property booking amount of up to Rs 50000 on each transaction to PM Care Fund. Leading Institutional Channel Partner, 360 Realtors is donating Rs 25000 on each property transaction.

Raheja Developers launched a sanitization drive in over 40 societies, police stations, hospitals and slums in different locations of Gurugram and Delhi, besides meeting dietary and hygiene needs of workers at project sites. Central Park, as part of its 'We Care Campaign', it has been feeding transit labourers. Its Le Meridien property is engaged in preparing food for the police, healthcare staff. Collectively, 5000 meals are being distributed per day by Central park, besides meals to over 1000 construction labourers at the Flower Valley site in Gurgaon. Central Park has also tied up with Artemis Hospital for the wellness of its residents.

Rise Group is providing food and other necessary items to 900 workers at their hutments established at project locations in Greater Noida West, Ghaziabad and Faridabad.Signature Global Group is taking care of food and hygiene needs of workers at construction sites, Gaur group has looking after the nutrition needs of all labourers working in their projects. ROF group, on the other hand, has extended support to over 500 construction workers, daily wage earners and underprivileged people, like food items , clean drinking water and personal utility items. Ashiana Group in collaboration with Dozee is monitoring the health of senior citizens in specialized housing societies of senior citizens across Bhiwadi, Delhi, Lavasa-Pune, Chennai and Jaipur.