



# INDIAN REAL ESTATE OUTLOOK - FY 2021-22

A REPORT BY 360 REALTORS



*These markets underwent minimal impact of COVID-19 even during the crisis, which has helped in their quicker revival.*

*Bangalore has made notable progress in infrastructure, which will be a growth multiplier for residential demand.*

# Forewords

Indian Real Estate registered a whiplash, like numerous other sectors during the pandemic. There was a steep decline in sales during the mandatory lockdown period despite some limited resilience showed by the industry players. However, as the lockdown was suspended, a host of positive socio-economic parameters helped the sector to stage a faster comeback.

The liquidity infusion initiative by the GOI resulted in a reduction in home loan rates that helped in an upturn in sales volume. Similarly, attractive payment plans by the developers in conjunction with stamp duty reduction in states like Maharashtra and Karnataka further helped the industry in recovering fast. The correction in the value of the Indian rupee also helped in expanding revenue streams from the NRI market.



## **BY THE END OF CY 2020**

By the end of CY 2020, the markets reached near normalcy and looked upbeat. The steady growth is expected to continue in the times to come.

Healthy moderation in the economy is further painting an optimistic picture for the sector, which constitutes 8% of the GDP and is one of the major growth drivers of the economy.

In FY 22, most of the major markets will show a northward movement in sales. IT-driven markets like Pune, Bangalore, and Hyderabad will see a strong uptake in the affordable and mid-income projects, especially in the vicinity of the IT corridors. These markets underwent minimal impact of COVID-19 even during the crisis, which has helped in their quicker revival.





**Ankit Kansal**  
Founder & MD, 360 Realtors

## **IN DELHI NCR, NOIDA WILL MOVE UP THE CURVE AND EMERGE AS A STRONG MARKET.**

Despite the COVID crisis, Noida has registered more than 900 private investments. Global giants are planning to set up data centers in Noida. Work is going on in full swing on Jewar, which will create tremendous economic growth in the region including Greater Noida, Jewar, and Yamuna Expressway, thereby eventually also feeding into renewed realty demand.

In Gurgaon, the Sohna region is expected to see growth in demand. The probable completion of the elevated expressway and Sohna's proximity to the Delhi-Mumbai Industrial Corridor will help in the growth of its realty market. As Dwarka Expressway is near completion, this will be another major growth hotspot.



## **Bangalore REAL ESTATE**

The Silicon Valley of India continues to be a major real estate destination in India backed by a robust IT/ITeS industry, upcoming manufacturing industries, and a vibrant startup ecosystem.

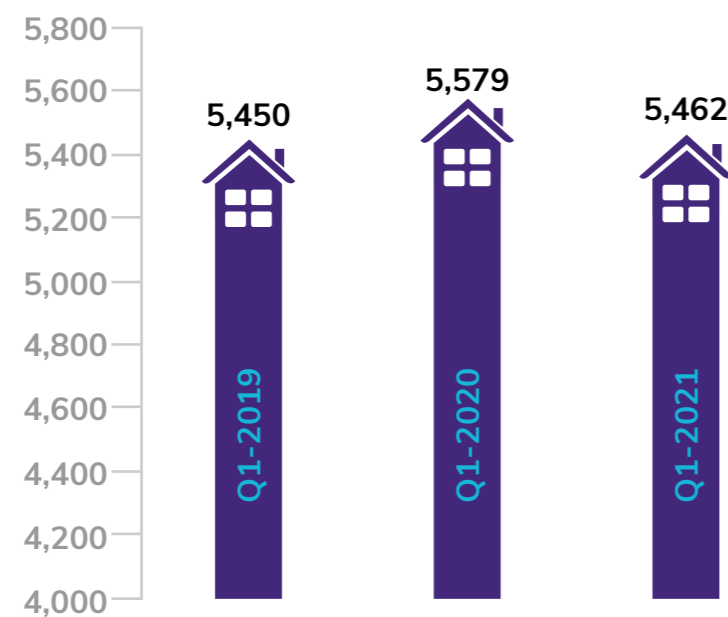
The city has one of the largest Grade-A office inventories in Asia after Tokyo, pegged at around 154 million Sq. Ft. Even during the pandemic, the leasing remained undeterred, correcting by just 29% compared to the average leasing in 2017-2019. This further underscored a bullish job market in the city, which in turn continued to feed into residential demand.



Bangalore is also giving stiff competition to global startup hubs such as San Francisco and Singapore. In 2020, more startups have been registered in Bangalore than San Francisco. The city is a fertile ground for numerous emerging technologies such as Edutech, SAAS, etc. Already it is home to Big Bus, Swiggy, Byju, Flipkart, etc.

Healthy demand is visible in the IT corridors of Whitefield, Electronic City, and Kanakapura Road alongside upcoming residential micro-markets of North Bangalore. As the Outer Ring Road (ORR) has been completed, the northern parts of the city are getting seamlessly connected to other parts of the city.

#### Average Property Price in Bangalore (INR/ Sq. Ft)



Besides indigenous demand, the city also features on top of a large volume of NRI buyers. Many NRI buyers are now opting for large 3, 4 & 5 BHK apartments in the city. This has also prompted local developers to come up with big-ticket size residential projects.

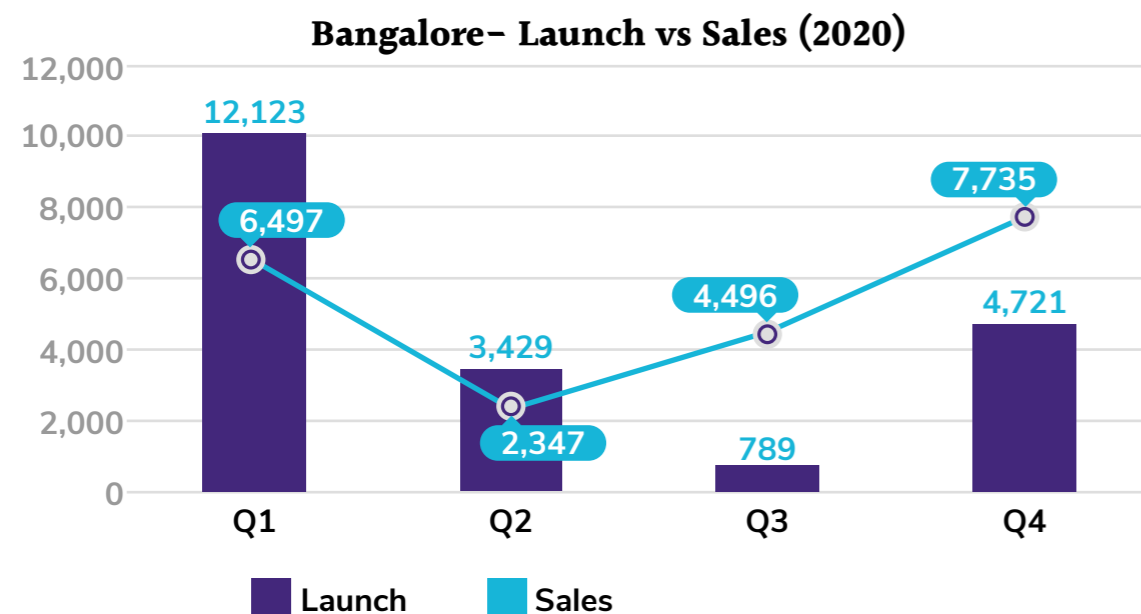


## Infrastructure GROWTH

Bangalore has made notable progress in infrastructure, which will be a growth multiplier for residential demand.



- 1** The work has begun on the 2nd suburban transit network at the cost of USD 108 million, which will improve the accessibility of numerous key nodes such as Banaswadi, Yeshwantpura, and Hebbal.
- 2** As a part of the larger Central Silk Board- BIA metro line, a new metro corridor of around 5 KM long will be stretched out. This will connect the ORR with the airport. The tender has already been awarded and the project is expected to be completed by 2024.
- 3** A pre-feasibility study has been conducted to develop a hyperloop between the airport and the CBD area. The hyperloop will commute at a speed of 1080 KM/hr.
- 4** USD 23 billion Bangalore- Chennai Industrial Corridor is moving at a fast pace. The land acquisition process has begun. The corridor will drive growth in a host of sectors including machinery, automobile, pharma, etc.



# Pune

## REAL ESTATE

The real estate market in Pune continues to grow in a positive manner defying the initial hiccups caused by the pandemic.

After an arrest in demand caused during the quarter of April- June, aggregate sales jumped almost twofold in the subsequent quarter.

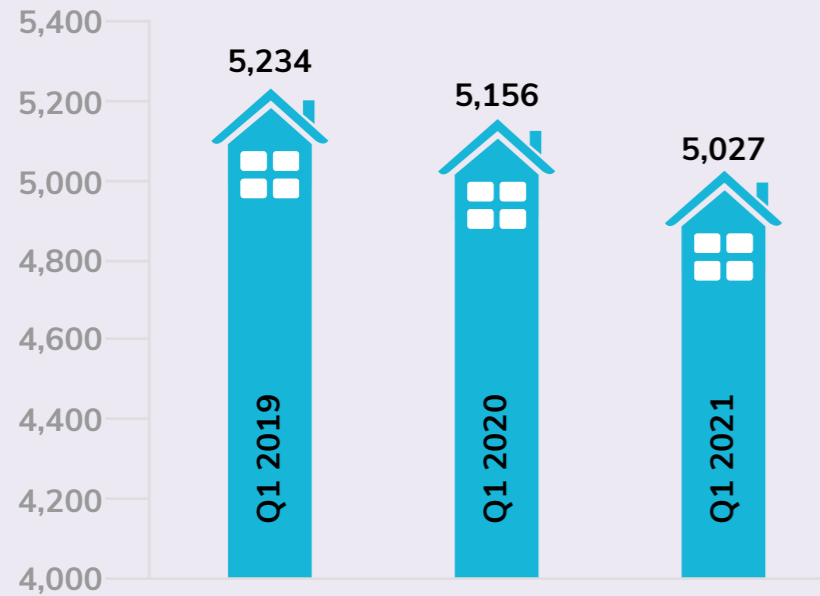
A reduced stamp duty alongside lowered home loan rates played a major role in the quicker market revival.

A healthy IT & ITeS sector is giving positive momentum to the Pune real estate industry, despite a slowdown in the automobile sector weighing on the overall demand for real estate.

In the eastern parts of the city, upcoming micro-markets like Kharadi, Wagholi, and Viman Nagar are bullish.

In the North-West parts of the city, Balewadi, Wakad, etc. are consolidating their position as affordable and mid-income housing bastions.

**Average Property Prices in Pune (INR/ Sq. Ft)**



Pune’s cosmopolitan appeal, relentless improvement in infrastructure & social amenities, and affordable property market are other crucial growth drivers.

The city has also made significant progress in terms of infrastructure and social amenities. In the recent budget, the Maha government has announced a ring road worth USD 3.5 billion, which will help in the decongestion of the existing traffic.

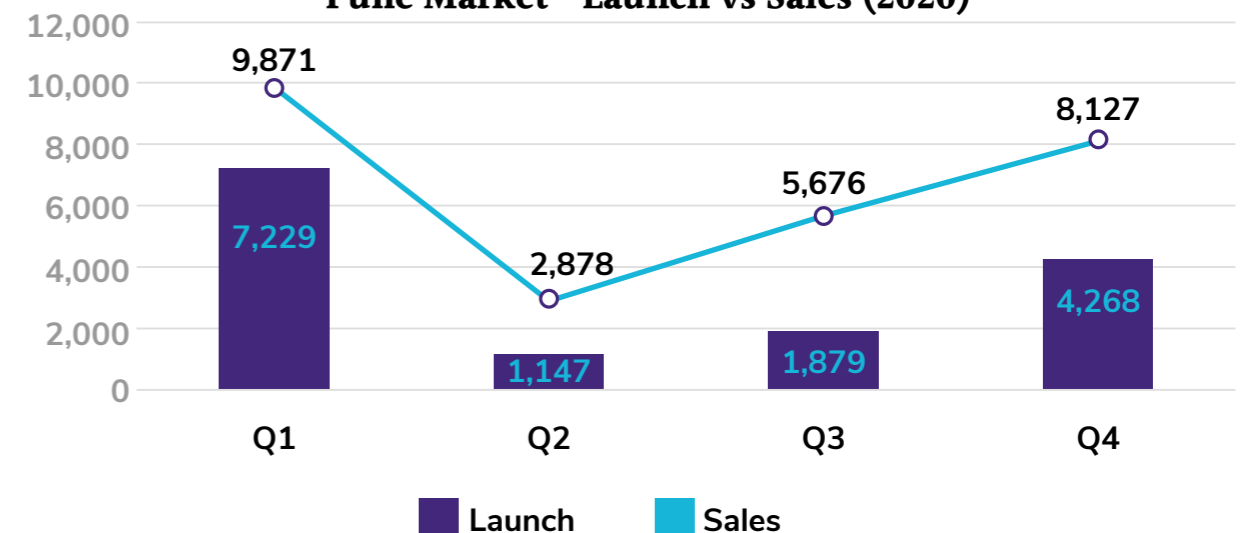
In 2021, both the purple and aqua metro lines are expected to operate. The 16.5-km-long purple line connecting PCMC to Swargate will be further extended by 4.4 Km, connecting Pimpri to Nigdi.

In the next 2/3 years, the third line is poised to be completed which will connect IT/ITeS hubs in Hinjewadi with the Pune Civil Court. Within a 500 metre radius of the 3rd metro line, FSI has been increased, which will give a boost to real estate activities in the vicinity.

# Infrastructure GROWTH

- ✓ In the recent budget, the Maha government has announced a budget of USD 3.5 billion to develop the ring road.
- ✓ Work is in progress on the 51 km Pune metro line. The Pune authority is also seeking to extend the project to 125 KMs.
- ✓ Upgrading various stretches across the Mumbai-Pune Expressway has enabled faster commute between the two major metropolises of western India.
- ✓ A new international airport has been proposed in Saswad, located 31 km from the Pune Railway station. The land acquisition process is underway for the project.
- ✓ New flyovers have been built on Pune Link road, resulting in the decongestion of the eastern suburbs.

**Pune Market- Launch vs Sales (2020)**





# Mumbai Metropolitan Region **REAL ESTATE**

After facing fatigue, the realty sector in the Mumbai Metropolitan Region (MMR) is making a strong comeback. MMR has always been one of the most sought-after real estate destinations in the country.



However, in the past few years, owing to skyrocketing property prices and large inventory overhang, the epicenter of Indian real estate started moving to other cities from Mumbai.

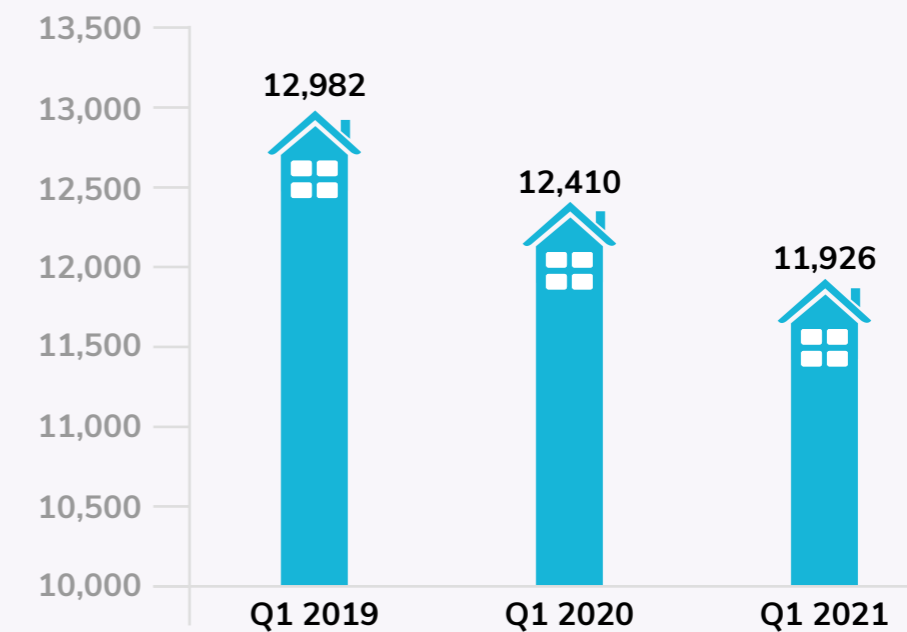
However, in 2020, MMR real estate has made a mark on the Indian property market.

Price correction post-pandemic, the emergence of new satellite corridors such as Thane and Navi Mumbai, and reduction in stamp duty in the state have once again set MMR realty across an ascending curve.

In addition to Mumbai, satellite towns such as Thane and Navi Mumbai are also witnessing a steep jump in an overall sales transaction.



**Average Property Price in MMR (INR/ Sq. Ft)**

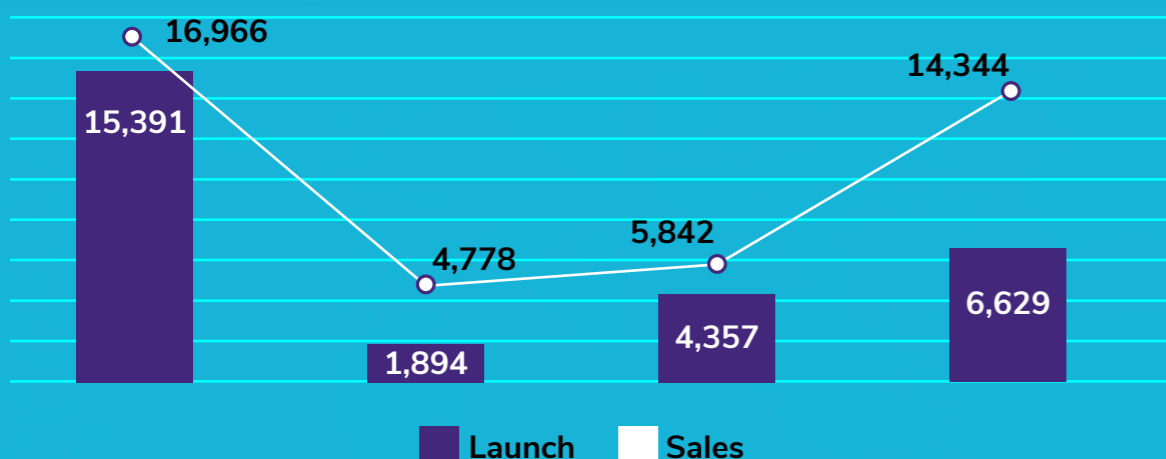




# Infrastructure GROWTH

- ✓ The metro network in Mumbai is extended to new micro-markets such as Wadala and Charkop to complement the existing transit system.
- ✓ Work is progressing in full momentum in the new international airport in Navi Mumbai. The USD 2.2 billion worth of airport is one of the largest Greenfield airport projects in the world and is expected to start operating in 2023.
- ✓ By 2023, the Trans-Harbor link is expected to be completed. The USD 2 billion projects, which is also one of the biggest bridges in the world, will connect South of Mumbai with Navi Mumbai. In the east, the 21-km-long freeway will be connected with the Mumbai-Pune expressway.
- ✓ MMRDA is planning to set up a residential cum commercial hub in Wadala, stretched across 177 hectares.

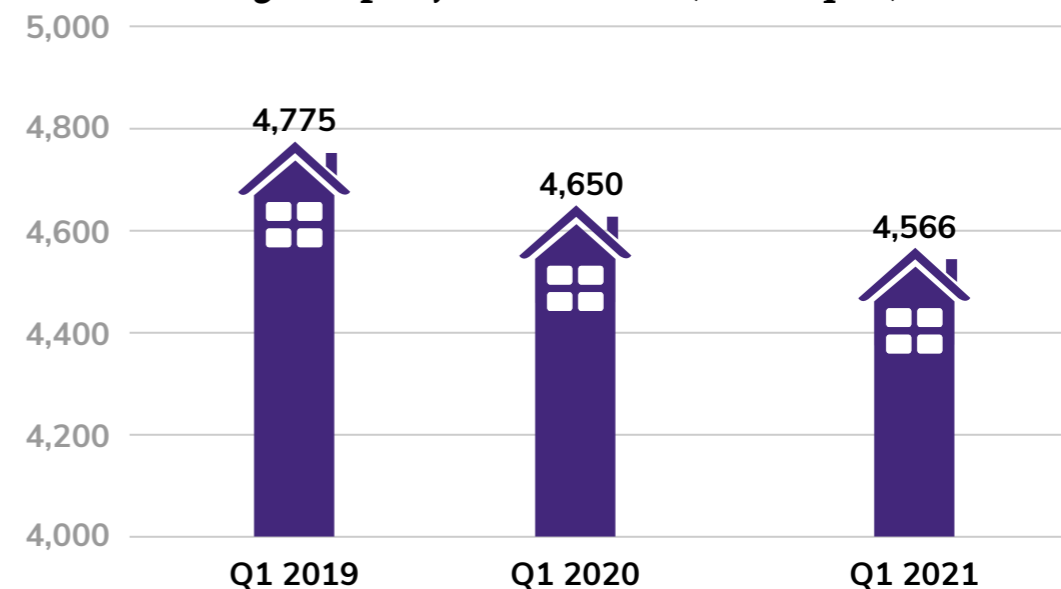
MMR Market- Launch Vs Sales (2020)



## DELHI NCR

Despite the cyclic slump caused by the COVID-19 crisis, the Delhi-NCR real estate outlook looks upbeat backed by strong structural factors. There are new infrastructure developments taking place including work on the USD 100 billion Delhi Mumbai Industrial Corridor (DMIC). New commercial investments are unfolding, which will generate more employment thereby helping in organic demand construction in the Delhi-NCR market.

Average Property Price Trends (INR/ Sq. Ft)



In Gurugram, Sohna or the new Gurugram is now coming up the curve and emerging as a formidable realty market. It is home to sprawling mid-income and affordable housing township projects.

Work is going on in full-swing on the elevated expressway between Subash Chowk (Gurgaon) and GD Goenka University (Sohna) and is expected to be concluded this year.



The 21-km-long stretch, which is built by NHAI for USD 180 million, will greatly reduce commute time between Sohna and Gurugram. Sohna is also an important point in the Delhi-Mumbai Expressway, where work is going at a fast pace and is expected to be completed by 2022. The expressway will reduce commute time between Delhi and Mumbai to around 12 hours from 24.

The Noida region is consolidating its stronghold in the Delhi-NCR market. While the pandemic ripped through various parts of the Indian economy, the commercial market of Noida held strong in its position. 911 companies acquired land in Noida, thereby also mitigating any steep decline in residential demand.



The advantage of Noida also lies in the affordability of the market, as average properties are much cheaper when compared to Gurgaon and Delhi. There is also ample supply in the market, aimed at various economic stratum, which is another added advantage.

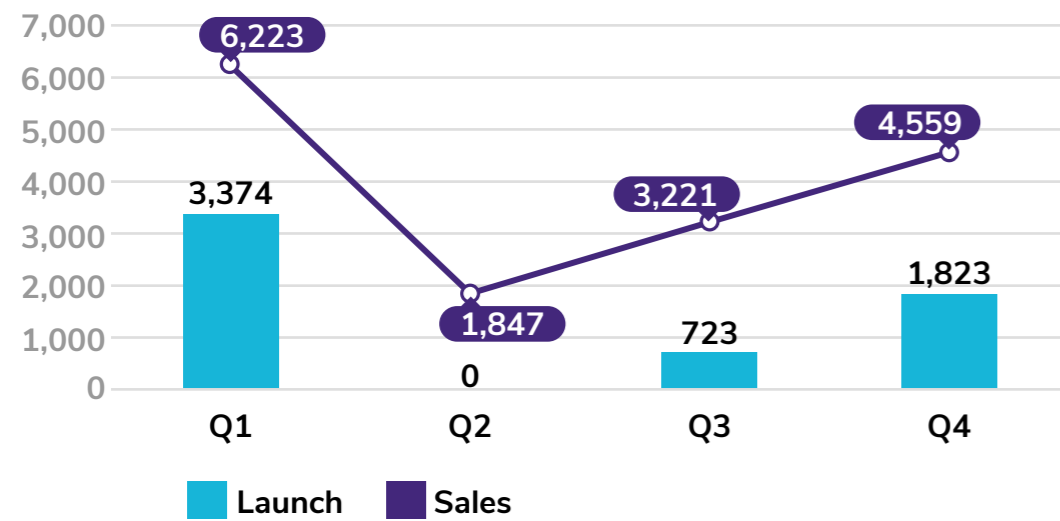
Besides, one of the major game-changers in the Noida market is the opening of the Jewar airport. Work is currently underway on a fast track in the airport, with two new runways expected to commence operations in 2023.

Besides, four more runways are expected to be operational shortly. Jewar is expected to give an economic facelift to the Yamuna Expressway, Greater Noida, and Noida region and will create around 190,000 new jobs, as per the estimates by the state government.

The overall economic output created in and around Jewar airport will be around USD 920 million.



Delhi NCR – Launch vs Sales



## Infrastructure **GROWTH**

- ✓ New electronic production cluster spread across 700 acres have been incorporated in Noida
- ✓ NTT is setting up two large data centers in Greater Noida.
- ✓ The elevated expressway between Sohna and Gurgaon is expected to be completed by this year.
- ✓ UP government has granted USD 410 million for the Phase-2 land acquisition of Jewar airport.
- ✓ A new sports stadium is being developed in SEC 52 & 53 of Gurugram, spread across a sprawling ~ 13 acres of land.
- ✓ Japan has agreed to soft loans for Phase-4 of the Delhi Metro project.



# Hyderabad REAL ESTATE

## HYDERABAD CONTINUES TO CONSOLIDATE ITS STRONGHOLD AS A FORMIDABLE REAL ESTATE MARKET.

Even during 2014-2019, when many large real estate markets in the country were suffering from muted demand, Hyderabad continued to defy existing trends.

Affordable property prices, higher standards of living, and expansive job & business opportunities continue to drive the Hyderabad market in a positive direction.

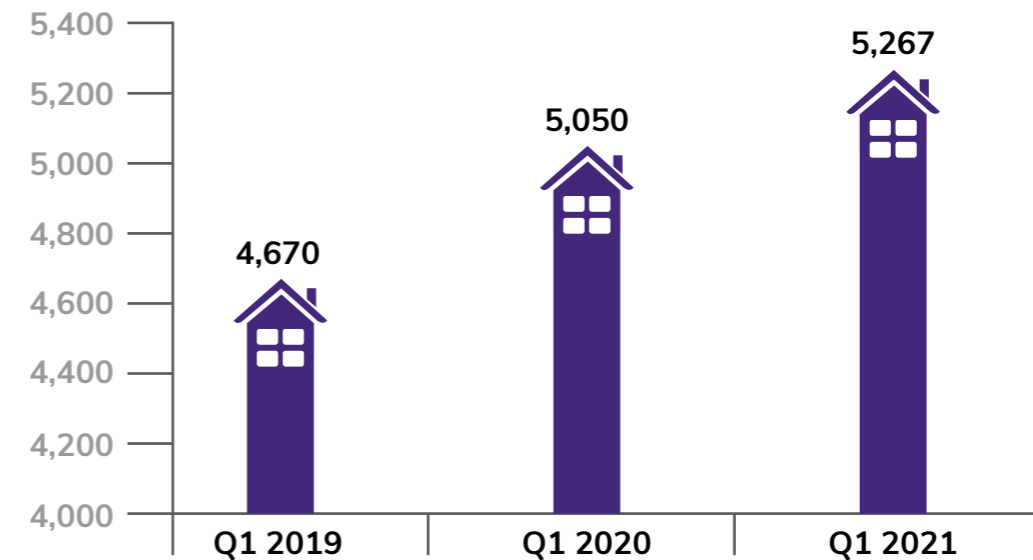
Average property prices have registered steady growth in the last 12 months, despite general economic conditions plagued by the pandemic.

Similar to Bangalore, IT & ITeS is a key growth proponent of the Hyderabad Real Estate market. Affordable micro-markets such as Kondapur, Nanakramguda, Gachibowli, Buchapally, and Hafeezpet continue to gain momentum.

These micro-markets have plenty of options in the range of INR 35-60 lacs, which syncs well with the budget of an average IT professional.



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



The market is also witnessing a lot of positive thrust on the back of large-scale infrastructure development programs by the state and the central government. Around USD 6.2 billion (INR 45,000 crore) has been earmarked for various infrastructure development projects in the city, which constitutes roadways, flyovers, skywalks, civic amenity development projects, etc.

The city is home to one of the largest metro corridors stretching across 56 KM. The Hyderabad metro project is the second largest metro corridor in India after Delhi NCR. The work on the USD 750 million (INR 5,500 crores) ring road has been completed, which has helped in the decongestion of the city.

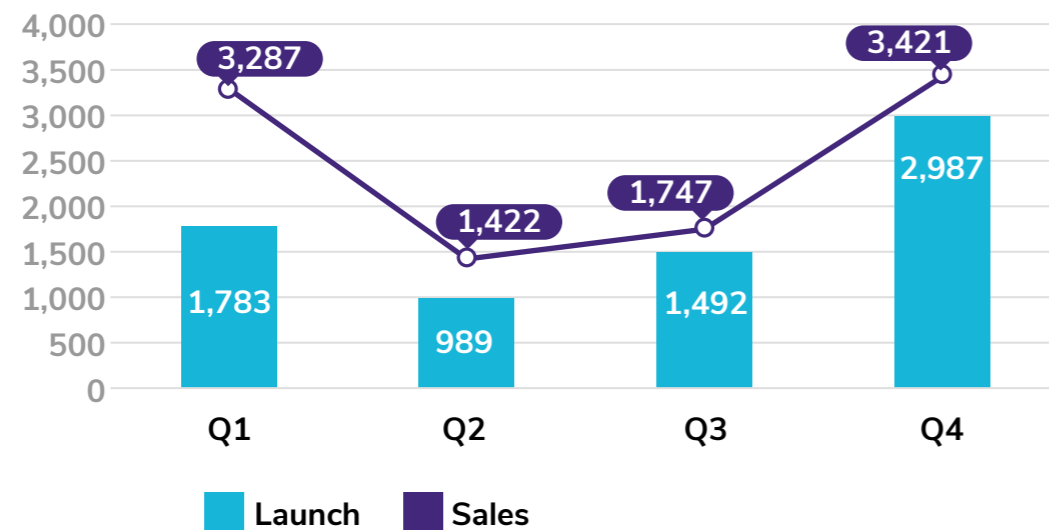
Hyderabad, alongside the state of Telangana features aggressively on the global FDI radar, enabling the state to lure more than USD 27 billion of FDI in the past 2 years. Various big-ticket size deals have been concluded in IT, technology R&D, biotechnology & pharma, and energy. In 2015, Google invested USD 150 million in Hyderabad and

acquired an office in Gachibowli spread across 7 acres of land. The following year, Apple opened its map development vertical in the city, lured by the quality of human capital available. Following the opening of a 3 million sq. ft. office, Amazon has also invested USD 2.7 billion in 2020, to set-up its data center in Hyderabad.



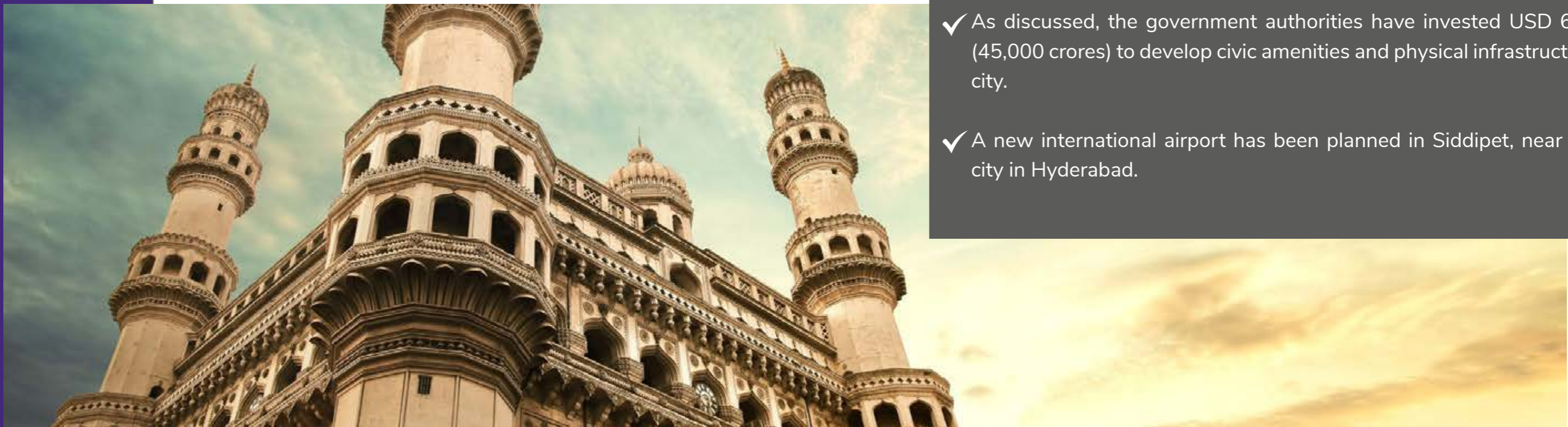
The inaugural retail store of Ikea has been opened in Hyderabad in 2018. The city is also home to 600 life science, biotech, and pharma companies. These companies collectively contribute 35% of the nation's pharma industry.

**Hyderabad Market- Launch vs Sales (2020)**



# Infrastructure GROWTH

- ✓ The ORR in Hyderabad has been completed in 2016. The center has recently announced a 348-km-long regional ring road (RRR) which will be built at a distance of around 30 km from the existing ORR.
- ✓ The Hyderabad metro is set for an expansion as a Detailed Project Report (DPR) has been prepared for 3 new lines comprising of around 58 km. The second phase is expected to be completed by 2028.
- ✓ The state government in Telangana has embarked on the largest pharma manufacturing cluster in the world. The project that was announced in 2018 is being built across sprawling 19,000 acres of land and is expected to attract a total investment of around USD 9.7 Billion. Once operational, the industrial cluster will help Indian pharma manufacturers cut their CAPEX and OPEX by 30%.
- ✓ As discussed, the government authorities have invested USD 6.2 billion (45,000 crores) to develop civic amenities and physical infrastructure in the city.
- ✓ A new international airport has been planned in Siddipet, near the main city in Hyderabad.





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