

All India - Real Estate

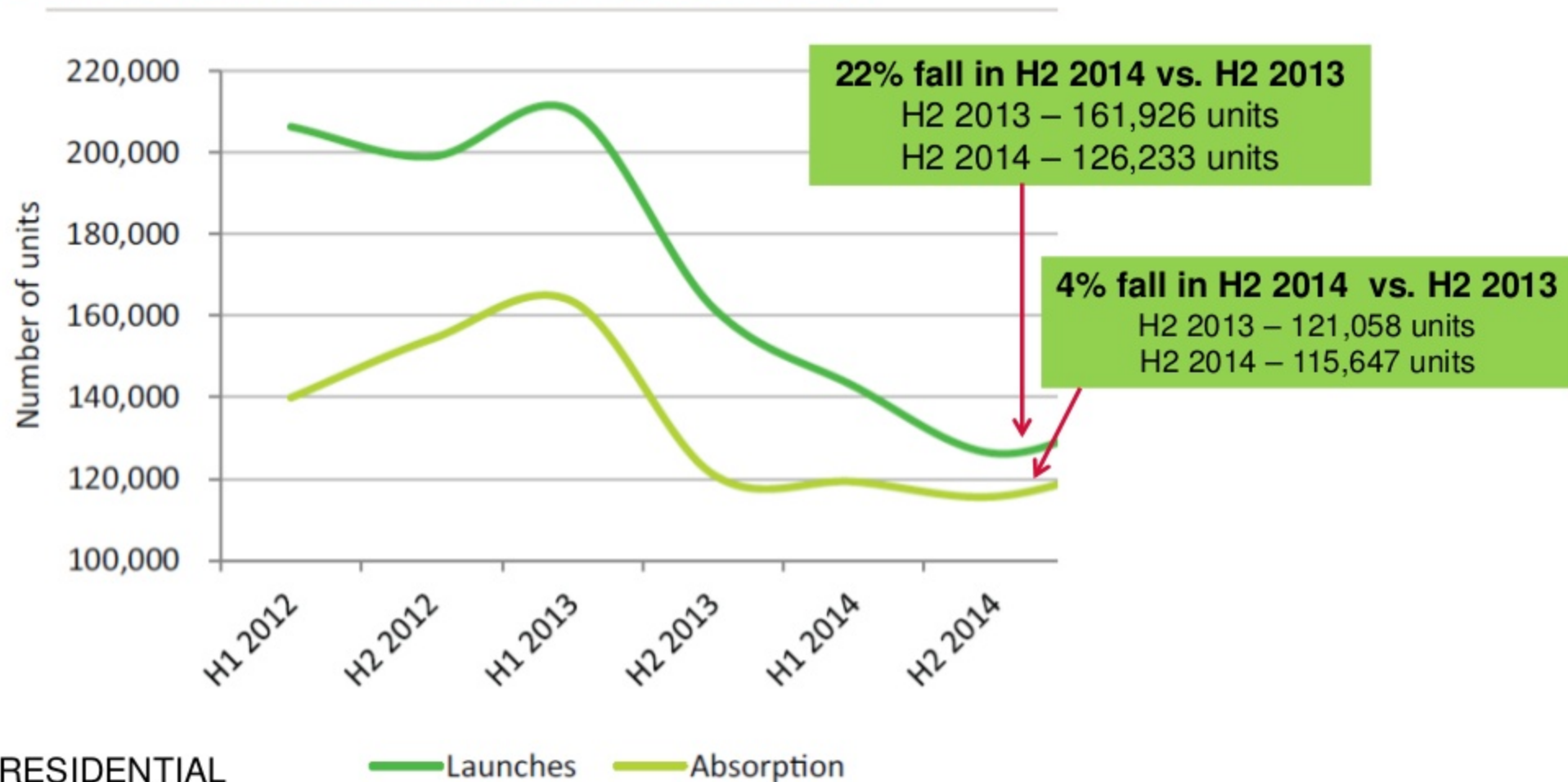
July - Dec 2014

Residential

July - Dec 2014

Residential launches and sales at a 3 year low during Jul - Dec 2014 across the top 6 cities

Half-yearly launches and sales trend (top six cities)



Residential Market in Top 6 cities in Year 2014



**Sales
volume
fell
by
17%**

234,930 units sold vs.
284,550 units in 2013

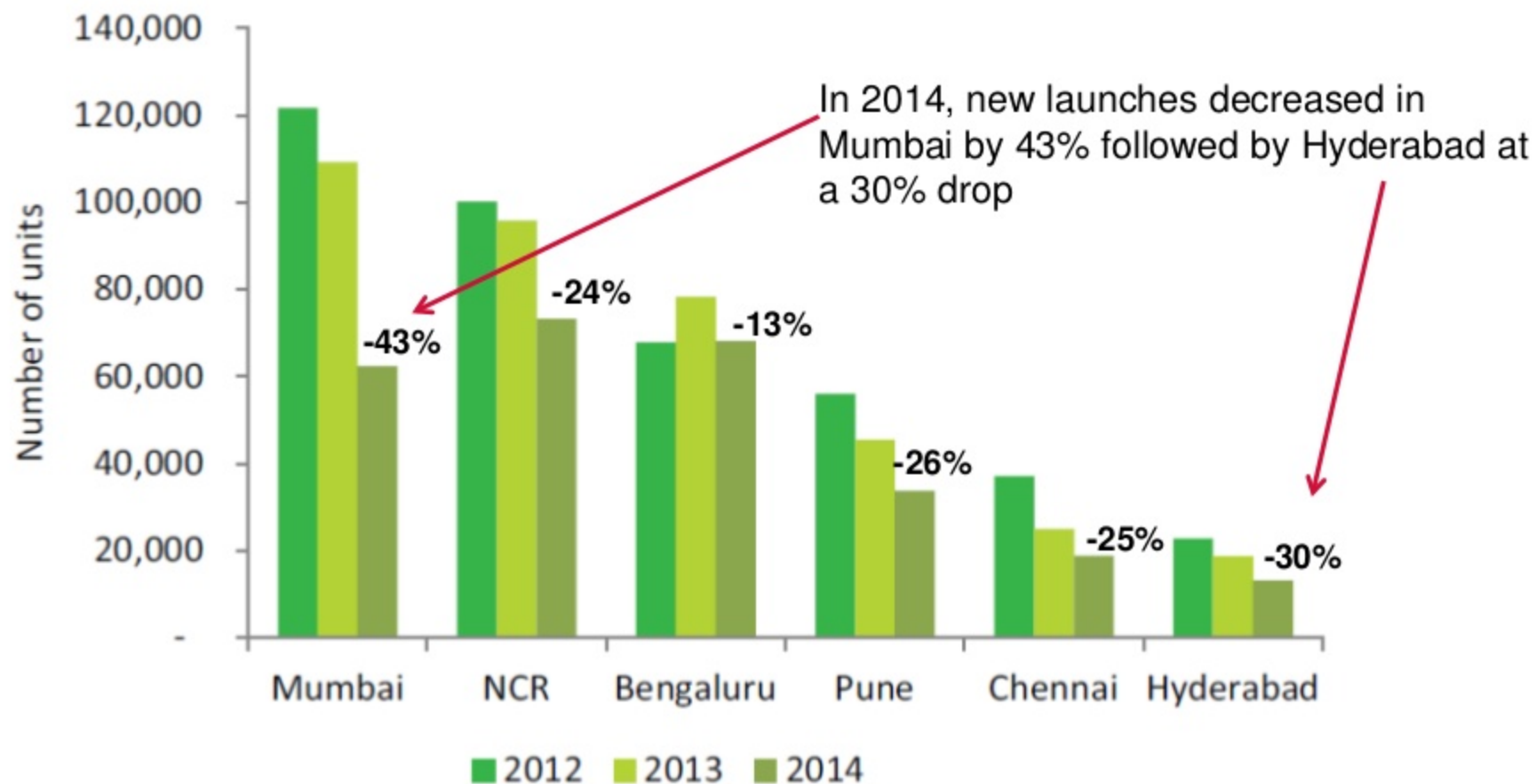
**New
launches
dropped
by
28%**

268,950 units launched
vs. 372,160 units in 2013

New launches have fallen across 6 cities during 2014

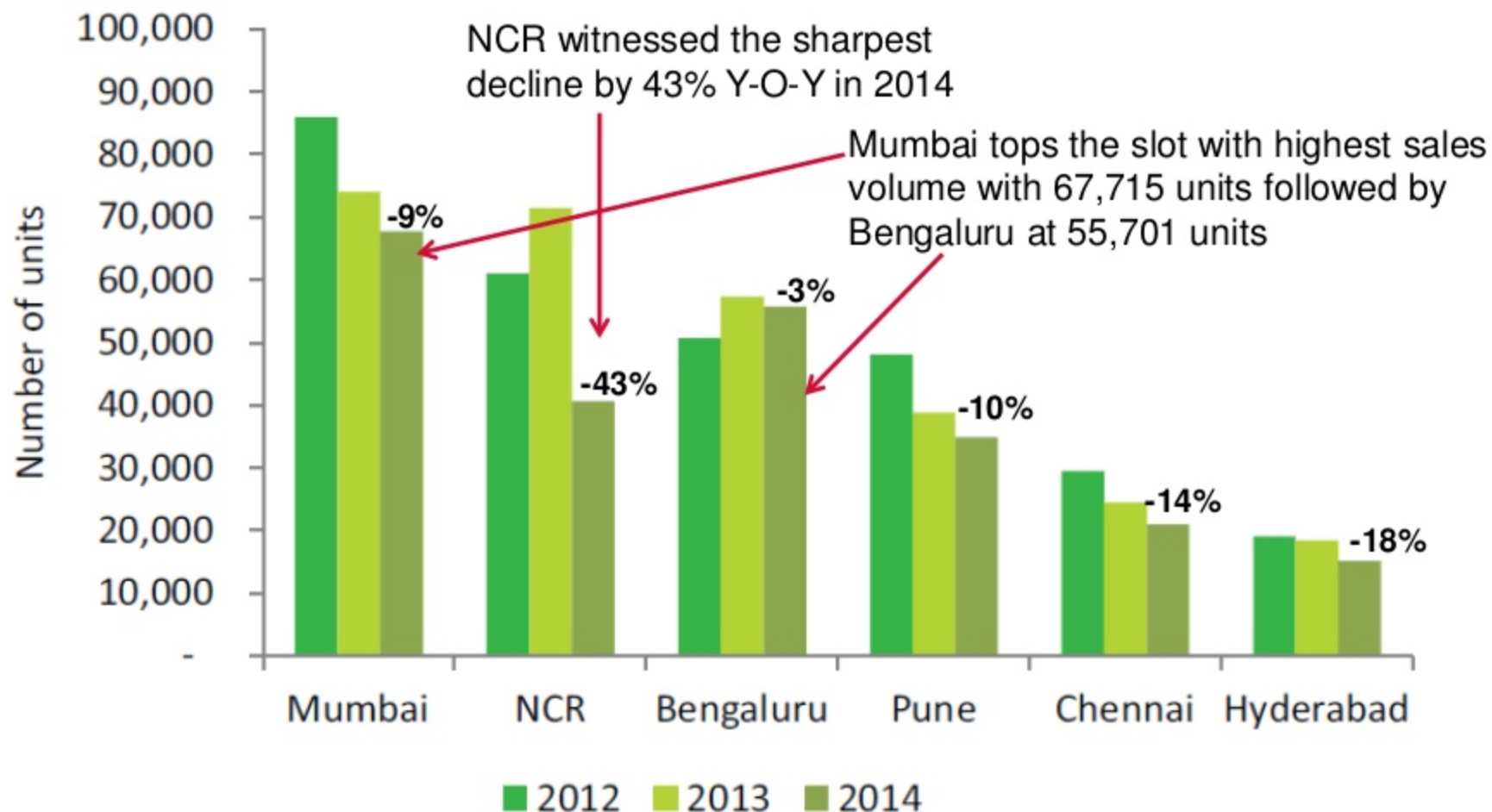


Year-wise new launches in the top six cities



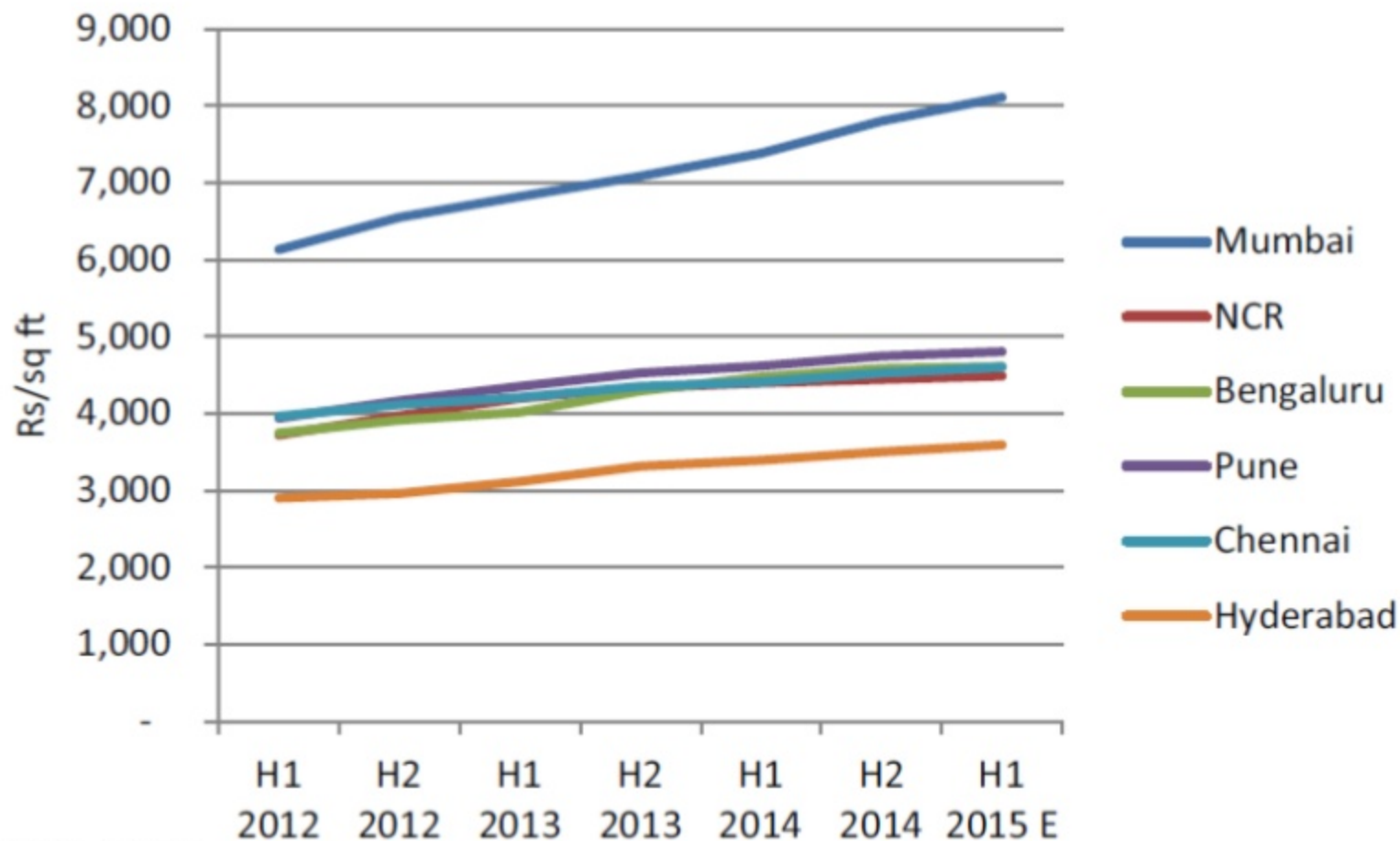
Sales also have fallen across 6 cities during 2014

Year-wise sales volume in the top six cities



All markets show a positive price movement with Mumbai at 10% in 2014

Weighted average price movement

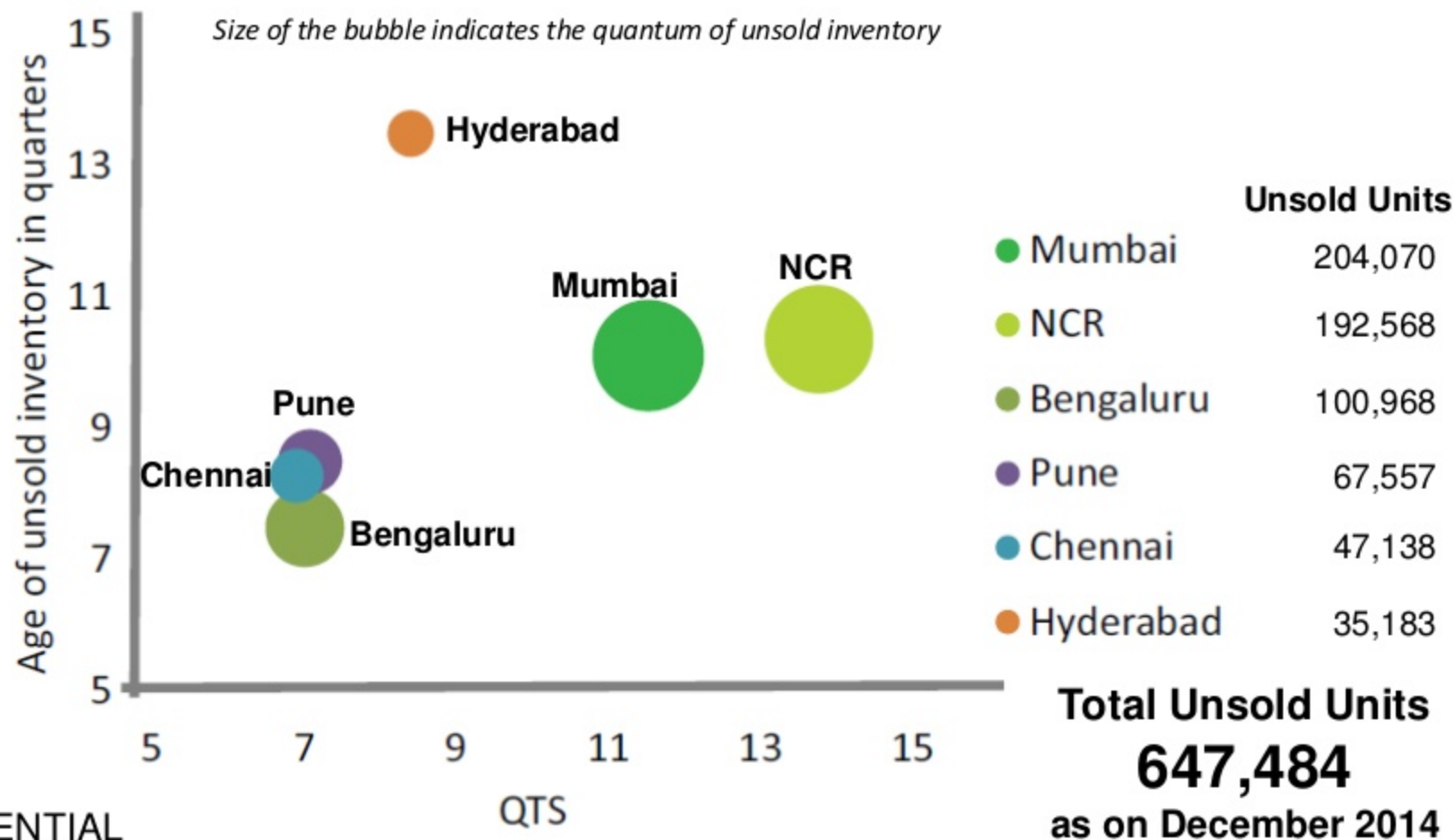


RESIDENTIAL

Bengaluru healthiest with Hyderabad ailing with high age of unsold stock



Relative health of residential markets in six cities



Concluding Remarks

- **Housing sales drop 17% across 6 cities with NCR seeing the sharpest drop**
- **New launches dropped by 28% across 6 cities with Mumbai experiencing the highest at 43%**
- **Price has shown a positive growth in H2 204 across all cities - Mumbai with 10% has shown the maximum rise and NCR observed the lowest at 3%**

Going forward

- **Overall sales of 6 cities will be up by 4% during Jan - Jun 2015 vis-à-vis the same period in 2014**
- **Launches still to experience a 4% decline during Jan - Jun 2015 vis-à-vis the same period in 2014**
- **Price across all cities to see a rise during Jan - Jun 2015 - Mumbai at 10%, Bengaluru at 3% and NCR at 2%**
- **All eyes on the Union Budget - Focus on Affordable Homes and Infrastructure to expand volumes**

Office

July - Dec 2014

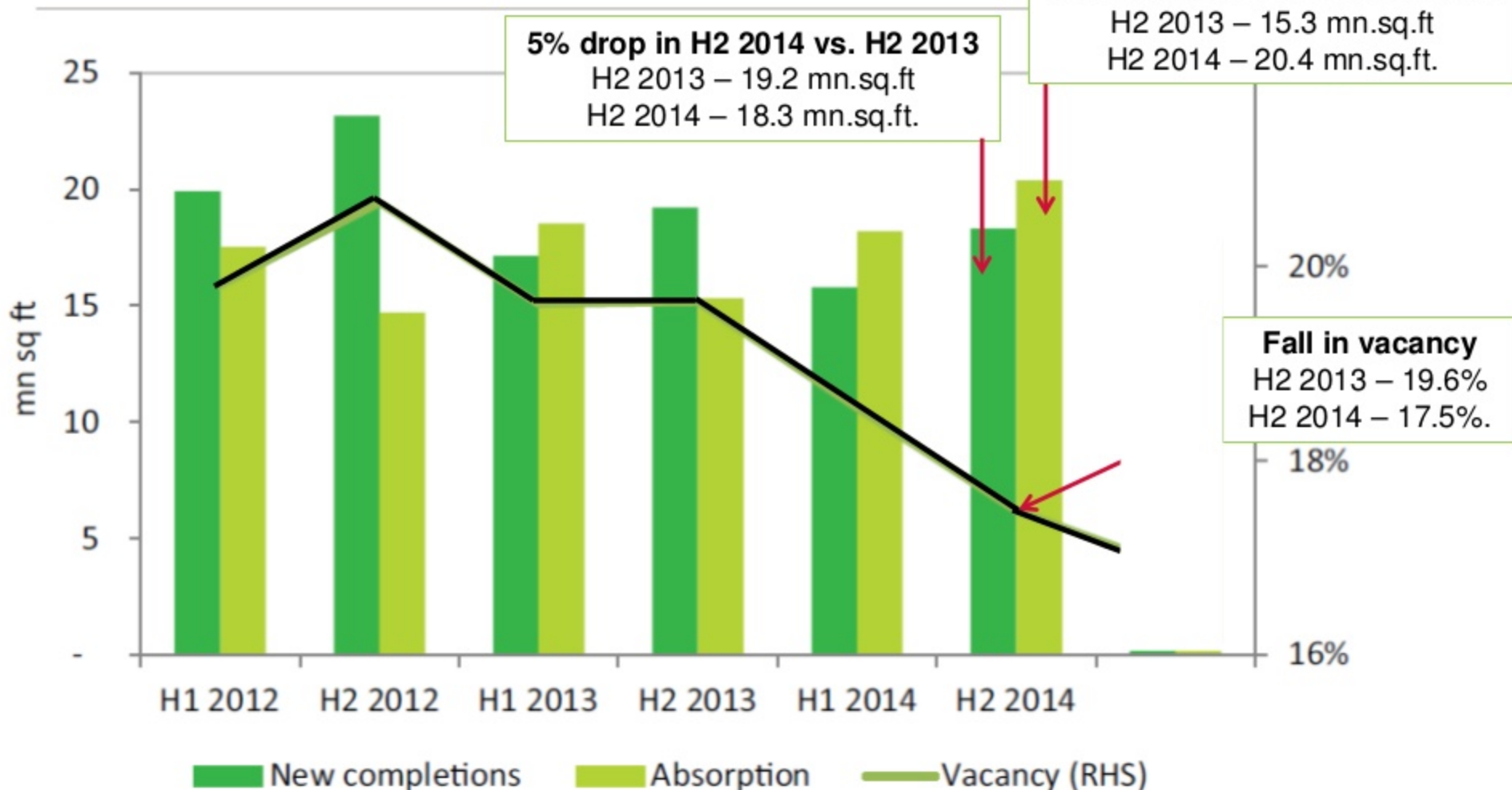
While residential market in 2014 remained subdued, office real estate across India has seen a turnaround due to –

- Signals of recovery in domestic and US economies
- IT/ITeS and Banking, Financial Services & Insurance sectors maintaining their momentum and emergence of E-Commerce driving the demand
- Sentiments amongst the stakeholders remain upbeat with the new government's focus on measures to make India a healthy investment destination

Vacancy levels on a downward spiral since 2013



New completions, absorption and vacancy level (top six cities)



Office Market in Top 6 cities in Year 2014



**Vacancy
dropped
from
19.6% to
17.5%**

**Absorption
increased
by
14%**

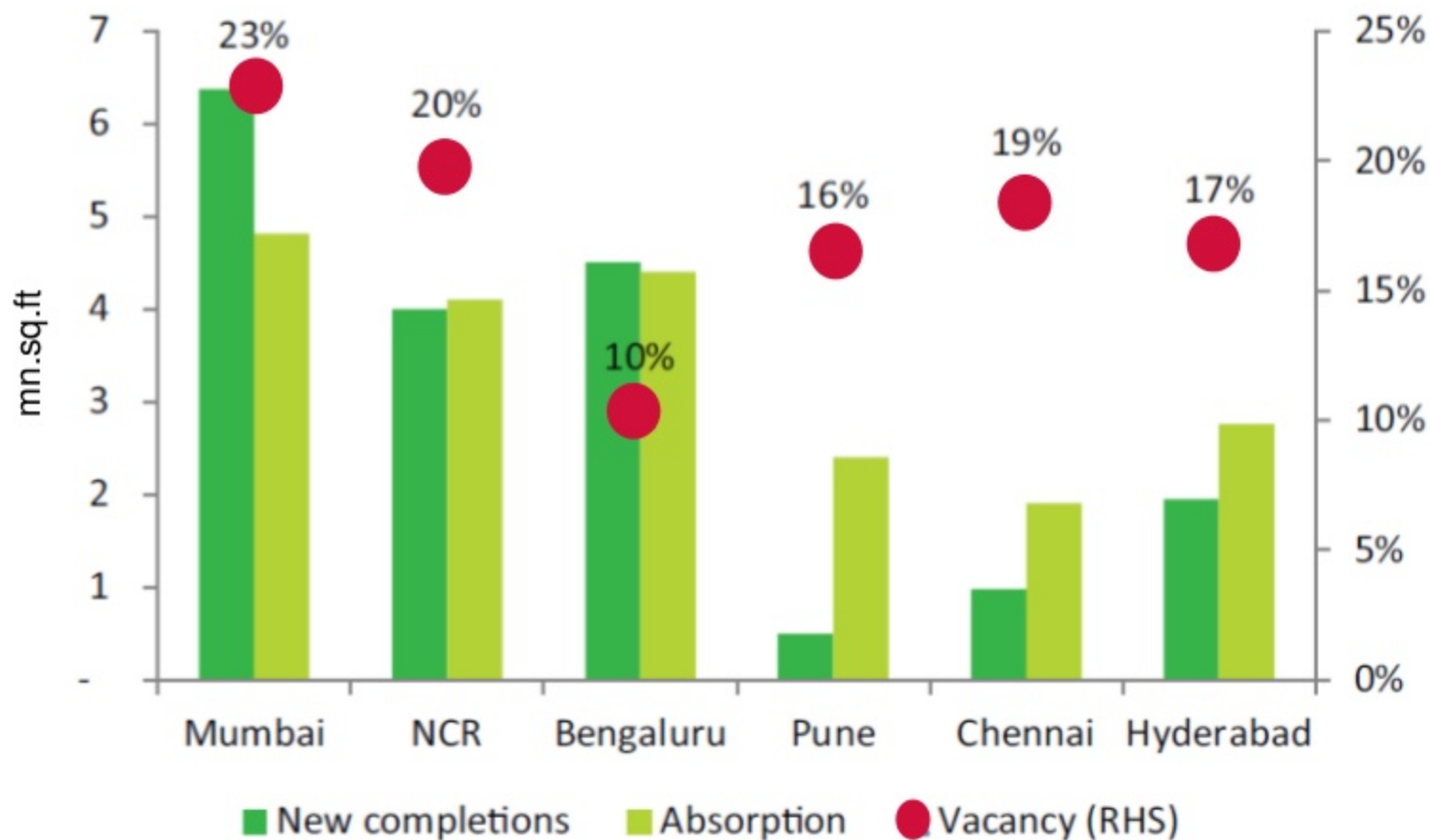
**New
completions
contracted
by
6%**

33.9 mn.sq.ft in 2013
38.6 mn.sq.ft. in 2014

36.3 mn.sq.ft. in 2013
34.1 mn.sq.ft. in 2014

Mumbai vacancy highest at 23% with Bengaluru lowest at 10%

City-wise new completions, absorption and vacancy during H2 2014



Mumbai and NCR witness growth in new completions in 2014



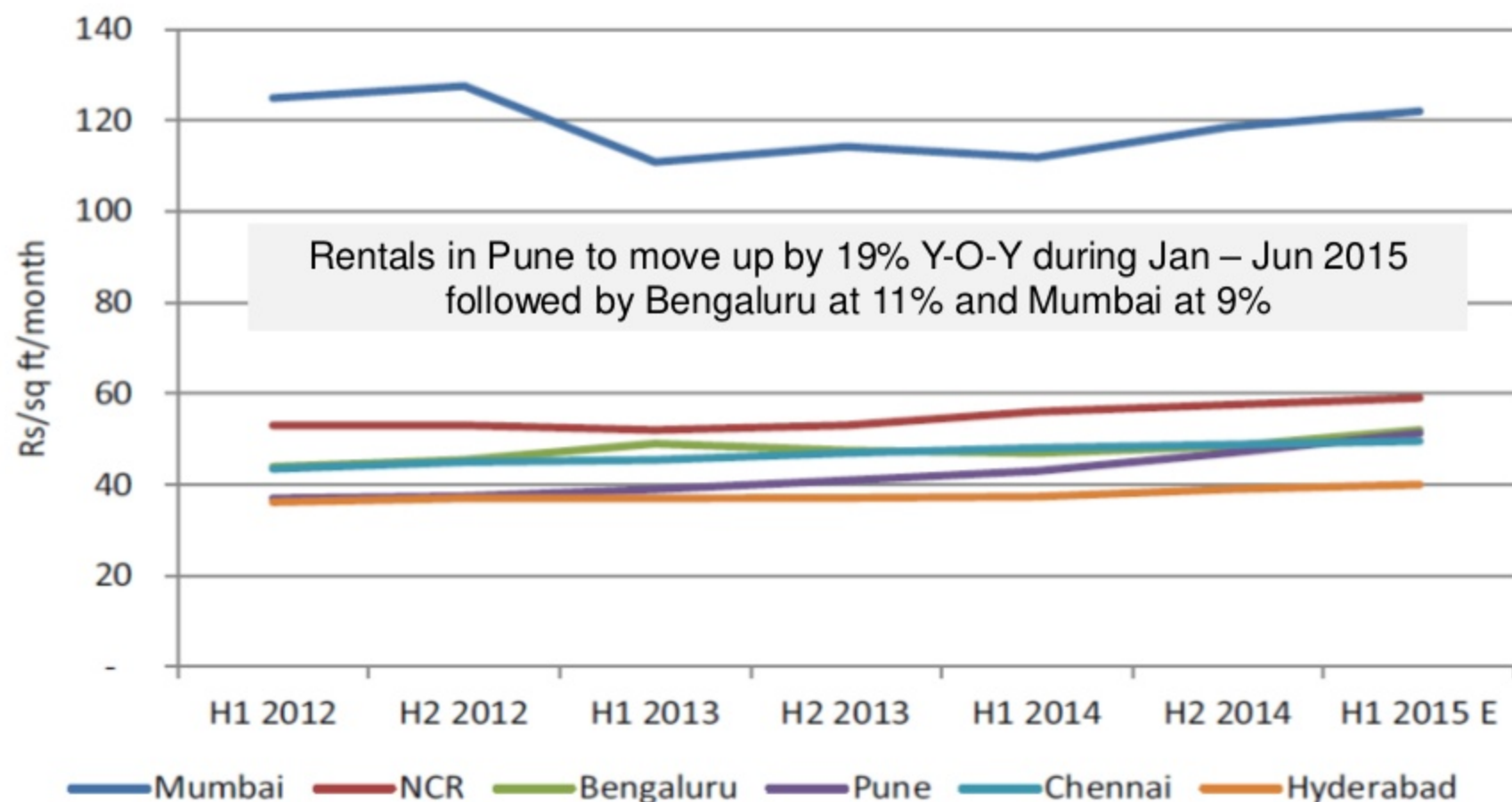
City-wise new completions and absorption- 2013 vs 2014

City	New completion (mn sq ft)			Absorption (mn sq ft)		
	2013	2014	Growth	2013	2014	Growth
Mumbai	7.6	9.2	21%	6.3	7.3	18%
NCR	7.0	8.0	14%	6.6	7.6	15%
Bengaluru	7.2	7.5	4%	9.5	10.4	9%
Pune	3.6	2.5	-30%	4.0	4.5	13%
Chennai	4.2	1.8	-56%	3.7	4.0	7%
Hyderabad	6.7	5.0	-26%	3.7	4.7	26%

Rents in Pune have moved up fastest at 15% Y-O-Y in H2 2014 with NCR at 9%



Weighted average rental movement



Concluding Remarks

- **Market heaves a sigh of relief: Office space absorption across all cities has shown a positive growth**
- **Vacancy in most of the cities have declined in 2014 at the back of restricted supply of new office space and robust demand**
- **Pune has experienced the maximum growth of 15% in office rentals in H2 2014 while rest of the cities grew by 2-9%**

New office completion and absorption to shoot up in Mumbai during Jan - Jun 2015



City-wise new completions, absorption and vacancy levels forecasted for Jan – June 2015

City	New completion (mn sq ft)		Absorption (mn sq ft)		Vacancy
	H1 2014	H1 2015E	H1 2014	H1 2015E	H1 2015E
Mumbai	2.9	5.3	2.5	4.0	23%
NCR	4.0	3.5	3.5	3.3	20%
Bengaluru	3.0	3.5	6.0	4.0	10%
Pune	2.0	2.6	2.1	2.2	16%
Chennai	0.9	0.9	2.1	2.0	16%
Hyderabad	3.0	1.8	1.9	2.1	16%

Going forward

- **Positive outlook on driver industries to aid office growth even further**
- **Pune and Bengaluru to experience double digit rental growth to 19% and 11% respectively**
- **Vacancy to remain steady in all the cities; Bengaluru to drop to a single digit vacancy level of 9.6%**
- **Will REITs be the game changer? Patience & prudence will pay dividends**