News Release

For Immediate release:

56% of millennials willing to consider Co-living spaces in top cities: Knight Frank India survey

- **A stable co-living asset potentially delivers up to 12% rental yield**
- **Sweet spot for rental homes at INR 1.2 - 1.8 lakhs a year**

Mumbai, December 03, 2018: Knight Frank India, the leading international property consultancy, today launched a report titled **“Co-Living - rent a lifestyle.”** The report which is based on a survey observes that **72% of millennials (18 – 23 years) have given co-living spaces a thumbs-up** and over **55% respondents in the age group of 18 – 35 years** are **willing to rent co-living spaces**. The survey was undertaken across top cities of India, including Mumbai, Bengaluru, Pune, Hyderabad and NCR and received responses from a cross section of people between the ages of 18 – 40 years of age.

The survey also observes that close to **40% of all respondents are most comfortable in paying between INR 120,000 – 180,000 per annum** towards rental housing in key cities of India. **The sweet spot for rentals thus remains at a monthly outflow of INR 10,000 – 15,000**.

	18-23 years	24-29 years	30-35 years
% of respondents willing to spend INR 10,000 - 15,000 p.m.	**54%** willing to spend INR 10,000-15,000 per month on their accommodation	**46%** willing to spend INR 10,000-15,000 per month on their accommodation	**39%** willing to spend INR 10,000-15,000 per month on their accommodation
Most common annual income group	**53%** of the respondents in this age group earn an annual income of less than INR 3 lakhs	**45%** of the respondents in this age group earn an annual income of more than INR 8 lakhs	**56%** of the respondents earn an annual income of more than INR 8 lakhs
% respondents willing to consider co-living spaces	**72%** of the respondents in this age group are willing to consider co-living spaces as an option for their accommodation	**56%** of the respondents are willing to consider co-living spaces as an option for their accommodation	**29%** of the respondents are willing to consider co-living spaces as an option for their accommodation

Other Key findings:

- 37% of private working professionals and 45% of student respondents surveyed were willing to spend between INR 10,000-15,000 on monthly rentals
- Of the total millennials surveyed, 56% were willing to consider co-living spaces for their accommodation requirements
- In the 18-23 years age bracket, 72% were willing to consider co-living spaces as an option for accommodation while in the age bracket of 24-29 years, 56% respondents were inclined to consider this option

- Proximity to work and social infrastructure remained top priority for millennials while selecting a location while only 5% gave importance to rental costs

Shishir Baijal, Chairman and Managing Director, Knight Frank India said *"Co-living aims to create a community-centered living environment that not only provides privacy in living arrangements but also promotes social contact through community spaces and programs. As an asset class, the biggest driving force behind the rising popularity of co-living spaces are young renters moving to new cities who are looking for easy access and reasonably priced rental accommodation. Though the concept is novel, it's here to stay, as Indian millennials currently account for 34% of the total population which is expected to increase to 42% by 2025. We feel that with the recent acceleration of growth in migrant population to key cities, organised players rental housing will be able to bridge the housing gap."*

Co-living inventory presents a lucrative rental income opportunity for developers / owner operators. The study says that a stable co-living facility **generates net yield of approximately 12%,** while rental yields from a traditional 1BHK remain at 1.5 – 3%. Co-living further enhances revenue potential as cost of shared spaces such as kitchen and living rooms is amortised over a greater number of bedrooms than in a traditional residential development.

Shishir further added, "*The survey conducted by Knight Frank India shows great potential for rental housing in the country. As more and more organised players enter co-living spaces, these are likely to attract institutional funding, assuring better yields to development and operating companies. This will therefore allow funds over time to further diversify their rental yield generating asset portfolios in India beyond office space and retail malls."*

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About Knight Frank:

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For further information, please contact:

Piyali Dasgupta (Knight Frank India)	**Dheeraj Mishra (Blue Lotus)**
+91 9833571204	+91 98336 43101
piyali.dasgupta@in.knightfrank.com	dheeraj.mishra@bluelotuspr.com