

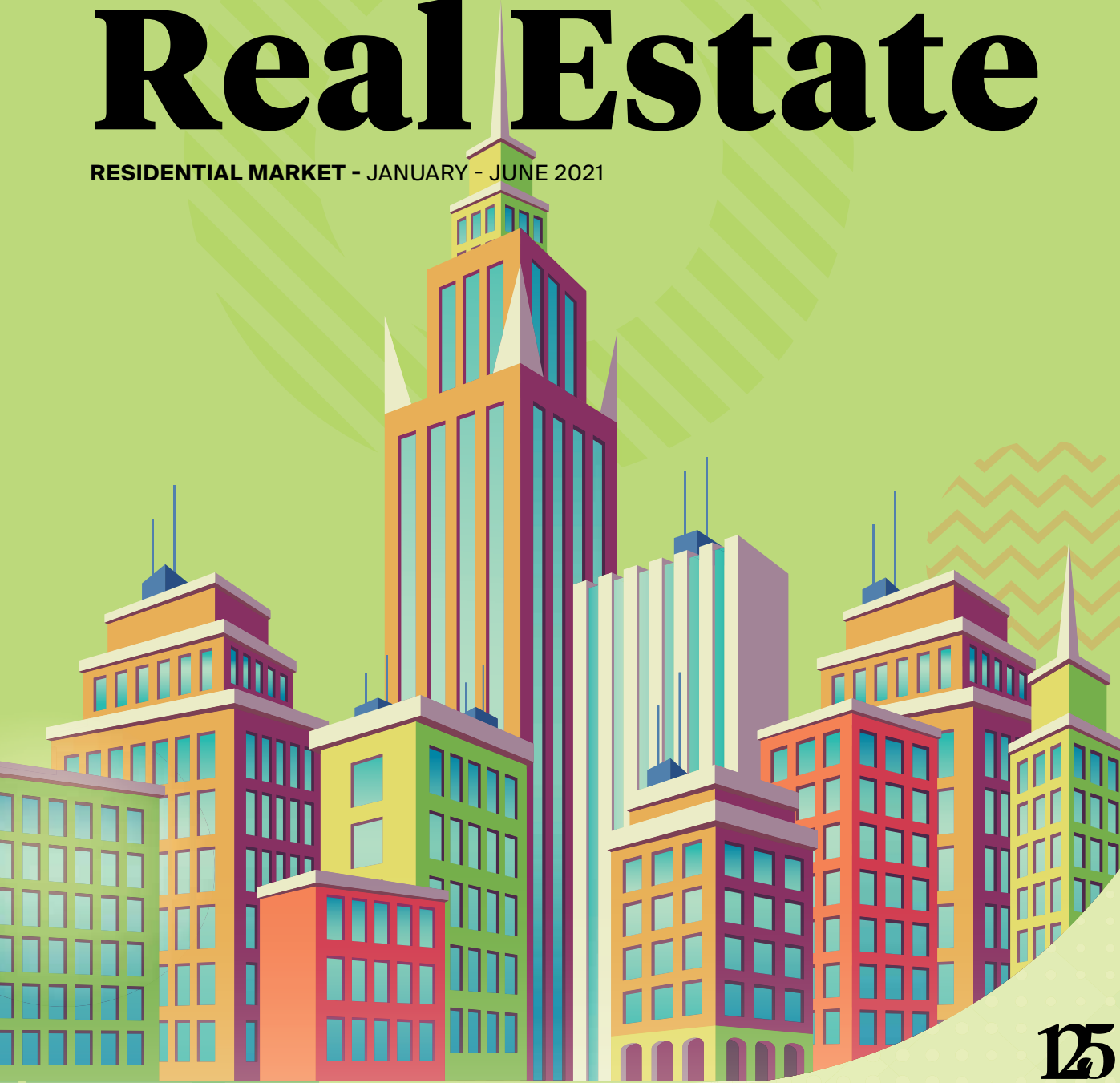
RESEARCH



India Real Estate

RESIDENTIAL MARKET - JANUARY - JUNE 2021

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FOREWORD



SHISHIR BAIJAL

CHAIRMAN AND MANAGING DIRECTOR
KNIGHT FRANK (INDIA) PVT. LTD.

The intensity of COVID-19 infections has been the primary bellwether for the economy and the real estate markets across India since the beginning of 2020. There was a standstill in activities when the pandemic and consequent nationwide lockdown first hit the nation. However, post the first wave and with easing of the stringent lockdown, we saw that the real estate sector made a strong comeback, particularly in the residential segment.

The pandemic second wave this year was more severe than the first one. Unfortunately, we lost many human lives. However, with better awareness and understanding of the virus, mass vaccination drives and preparedness to work with restricted mobility, businesses and households alike saw a relatively better economic momentum this time. Seen in this light, the severe second wave, at worst, served as a temporary blip.

During our review period, the residential segment performed remarkably well. Sales across the top 8 cities grew by 185% YoY in Q2 2021 and by 67% YoY in H1 2021. The improved consumer perception of owning a house was supported by low home mortgage rate, competitive house prices and developer driven flexible payment schemes. In markets like Mumbai, Pune and Bengaluru, government intervention through stamp duty cuts also served as a catalyst to reignite latent demand. Going forward, with rapid vaccination progress and economic aspirations to return to normality, we are likely to see improved activity levels once important vaccination milestones are achieved.

I am glad to share the 15th edition of our flagship half-yearly report 'India Real Estate'. The report captures key developments in the residential sector across top 8 cities in the country. I hope you find that this edition provides an encouraging connect with the market. Wishing you and your loved ones a safe and healthy life.



RAJANI SINHA
CHIEF ECONOMIST &
NATIONAL DIRECTOR
RESEARCH

PICK-UP IN CONSUMPTION: **KEY TO ECONOMIC REVIVAL**

The Indian economy had started to recover from the first wave of pandemic before it got hit by a second wave in March 2021. The lockdown imposed during the second wave was regional in nature and less restrictive. Hence, the immediate economic impact has been relatively less severe. However, the damage to health and life in the second wave has been brutal, resulting in deeper scarring of consumer sentiments.



With the second wave of infection on a downward trajectory, economic activity is again gathering momentum. The ongoing immunization is also providing comfort in the current opening up process. However, it is to be noted that so far, only around 5% of India's population has been fully vaccinated as against almost 50% of the population fully vaccinated in developed economies like US and UK. Moreover, even though the economy has started to re-open, there is concern around a third wave of infection.

The Indian economy is projected to grow by 9.5% in FY 2022 as per RBI. This high number comes on the low base of the previous year when the economy had contracted by 7.3% due to the stringent national lockdown. Even with 9.5% growth in FY 2022, the economy would only be recording a minor uptick from the FY 2020 level of GDP. The risk is that if there are further waves of infection which are severe, the GDP growth could be lower than this projected number. India's economic recovery is likely to be K shaped in nature with sectors like pharmaceutical and IT/ITeS recording healthy growth, manufacturing sectors picking up, while the touch-based Service sector will feel the pain for a longer period of time. The large unorganised sector and MSME sector of India, which is impacted by lockdowns, will have a more difficult recovery path.

The critical aspect for India's economic recovery will be increased consumption spending, as Private Final Consumption Expenditure contributes 56% to India's GDP. Consumer sentiments though have been severely impacted by the pandemic, more so by the second wave that has been debilitating to human life. The second wave has also had a severe impact on the rural area compared to the previous wave. As per RBI's Consumer Confidence survey, the current situation index (CSI) in May 2021 dropped to a low of 48.5, lower than that seen after the first wave of pandemic. In the current situation, what is needed is direct demand boosting stimulus measures from the government to aid consumption revival. Any kind of tax cut even for a limited period of time, will help provide the much-needed boost to consumption spending as was seen with the stamp duty cut in Maharashtra. This cut in stamp duty rates, effective from September 2020 to March 2021, not just helped boost residential sales in Maharashtra but was also effective in increasing the state government's revenue collection from registration.

Another aspect of concern for the Indian economy is the rising trend of inflation. The CPI inflation in India breached RBI's upper band of 6% in May 2021, while WPI hit a high of 12.9%. Commodity prices, specifically metal and crude oil, have been rising globally as economies like US and China have started to pick up. While RBI has kept the monetary policy accommodative and the interest rates low, a sustained increase in inflation while growth remains weak will make RBI's task more challenging going forward.

The pick-up in India's exports, in the midst of these challenges, is a silver lining. Exports in April-May 2021 have recorded a healthy growth of 12.6% even when compared to the corresponding period of 2019. As economic growth in developed economies gain momentum, India's exports are likely to benefit from the external demand. Strong FDI inflows is another positive for the economy, as reflected by FDI inflows of USD 82 billion in FY 2021. India currently has a comfortable forex reserve of over USD 608 billion which reduces the vulnerability of the Indian currency, even if developed economies like the US move away from an accommodative monetary policy stance.

As the Indian economy is opening up in phases, there is growing hope that economic momentum will gather pace. India's growth trajectory will depend on the COVID situation and whether we get hit by further waves of the infection. The pace of vaccination will play a very critical role to avoid severe waves of infection in future. India has seen vaccination of around 4 million doses per day in June 2021 and this daily vaccination number needs to rise to over 10 million doses per day for us to achieve full vaccination of the adult population by year end. With the Government working towards increasing vaccination supply, India's growth story in this pandemic year will be contingent on the speed of vaccination going forward.



5%

of India's population has
been fully vaccinated



9.5%

India's projected GDP
growth for FY22

The image features a vibrant, abstract geometric background. A large yellow rectangle is centered, with a white border around it. The word "INDIA" is written vertically in bold, black, sans-serif capital letters within this white border. The background consists of various geometric shapes, lines, and patterns in shades of yellow, green, and blue. On the left side, there are complex, layered geometric structures with patterns like stripes, dots, and zig-zags. On the right side, there is a large, light blue area with a white geometric pattern of interconnected lines forming a mesh of triangles and polygons. The overall composition is modern and dynamic.

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RESIDENTIAL MARKET

Expert Take

The residential market has been tested by a resurgent pandemic and yet maintained the growth momentum in sales and launches seen at the end of 2020. Increasing vaccine availability, improved consumer perception for home ownership, low home-loan rates and competitive house prices have brought home-buyers back to the market.



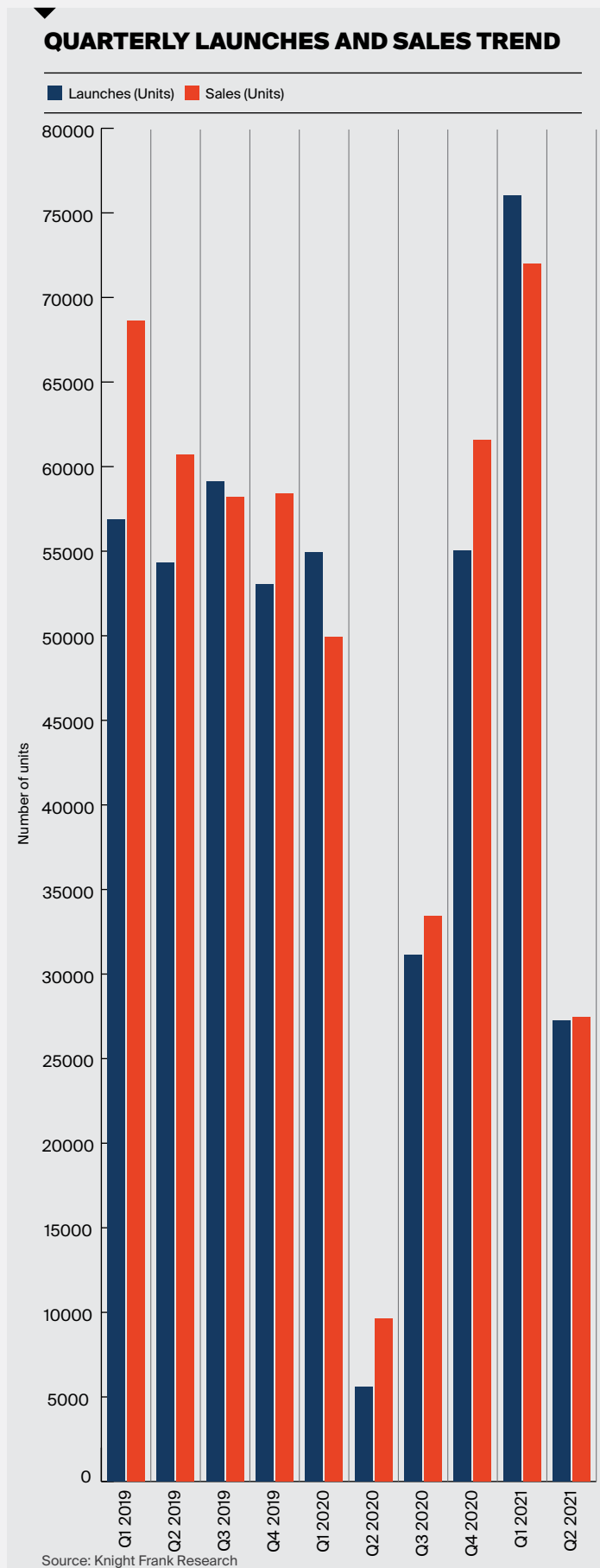
YASHWIN BANGERA

INDIA MARKET SUMMARY

PARAMETER	2020	CHANGE (YOY)	H1 2020	H1 2021	CHANGE (YOY)
Launches (housing units)	146,628	-34%	60,489	103,238	71%
Sales (housing units)	154,534	-37%	59,538	99,416	67%
Unsold inventory (housing units)	437,924	-2%	446,787	441,742	-1%
Quarters-to-sell (QTS)	10.1	-	10.1	10.9	-
Age of unsold inventory (in quarters)	16.7	-	16.4	16.9	-

Note - 1 square metre (sq m) = 10.764 square feet (sq ft)

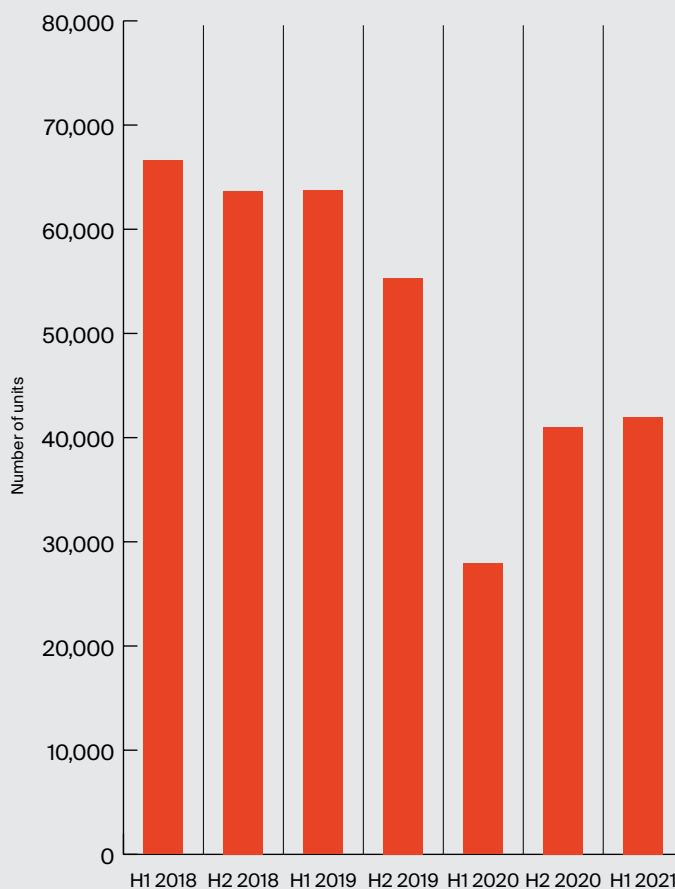
Source: Knight Frank Research



- The scale of COVID-19 infections has been the primary bellwether for the economy and the real estate markets across India since the beginning of 2020. The first wave of infections that struck the country in Q2 2020 caused a near shutdown in business activity and a consequent crash in residential market volumes during the period. The gradual resumption of economic activity and increasing availability of the vaccine sparked market traction in the second half of 2020 and this momentum carried over to Q1 2021. However, the second wave of COVID-19 infections stalled the momentum as the lockdown imposed to control the spread of the virus impacted homebuyer and development activity alike. Q2 2021 thus saw a sequential drop of 62% and 43% in the volume of sales and launches respectively during the period.
- During H1 2021, however, an increased understanding of the pandemic and focus on vaccinations limited the adverse impact on the economy and the residential market. The impact on residential market traction has been seen more as a speed-bump rather than a major obstruction, especially as sales volumes have shown a strong growth of 67% YoY to 99,416 units. Volumes during H1 2021 grew 5% compared to H2 2020, and was not impacted by the resurging pandemic.
- Human mobility became extremely restricted and people stayed indoors for the better part of the past 15 months, which vastly increased the perceived value of one's home in the overall scheme of things. The increased need of the homebuyer to own a home, lower house prices, low interest rates and stamp duty cuts in some key markets, were the primary drivers of increased sales traction during H1 2021.
- Developers also upped the ante by launching new projects to capitalize on the improving sentiment despite a significant rise in the cost of input material such as cement and steel. Notably, there was comparatively lesser impact on development activity during the second wave as the exodus of labour was better managed with developers committing to arrange their accommodation on-site. As many as 103,238 units were launched during H1 2021, a 71% increase YoY. It is also noteworthy that the launch volumes in a pandemic impacted period like H1 2021 was 20% higher than the relatively unaffected H2 2020 period.
- Mumbai and Pune accounted for 46% of the sales during H1 2021 as the stamp duty cut in Maharashtra bolstered the sales volumes in these cities till March 2021. The impact of this measure can be gauged from the fact that the share of the two cities had averaged much lower at 38% in the 2010-2019 period. Karnataka was the only other state to have offered a stamp duty cut, albeit with a relatively limited scope and in comparison, the stamp duty cut in Karnataka did not have the same impact. Its share of sales during H1 2021 at 15% remained marginally lower than its long term average of 16%.

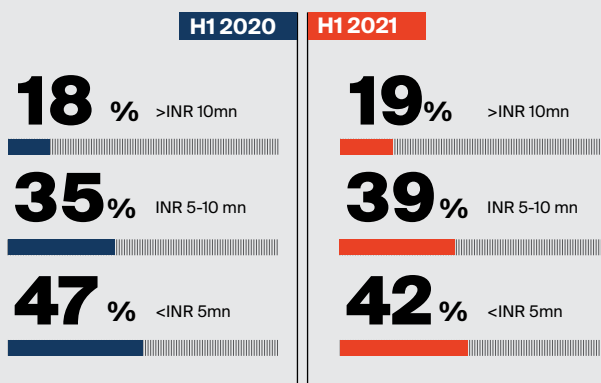
- Hyderabad showed the most growth in H1 2021 in sales as well as launches which grew 150% and 278% YoY respectively. While this can be attributed in part to a pronounced base effect, it is also due to the fact that the IT industry, which is the major employer in the city, was not impacted by the pandemic. With no threat of income disruption, affordable prices and low home loan rates, the city posted its highest ever home sales in a half-yearly period during H1 2021.
- The threat of income disruption was keenly felt in the lower income demographic across the country and this was reflected in their share of home sales in the <INR 5 mn ticket-size, which reduced from 47% in H1 2020 to 42% in H1 2021. While sales in this category grew 50% YoY, they have underperformed compared to the overall market which grew at 67% YoY. The strongest growth was observed in the INR 5-10 mn ticket size that grew 87% YoY while sales in ticket-size above INR 10 mn grew by a strong 79% YoY.
- The significant increase in sales activity also stemmed the fall in residential prices that was seen in 2020. Price levels in four of the eight markets were observed to remain at the same level or grow marginally YoY in H1 2021. In comparison, just one market was able to maintain price stability in H2 2020. While developers offered flexible payment schemes to push sales across markets, the incidence of direct discounts was markedly lower during H1 2021.
- The unsold inventory level dipped slightly, by 1% YoY since H1 2020, to 441,742 units in H1 2021. In contrast, the quarters-to-sell (QTS) moved up marginally to 10.9 quarters in H1 2021 as compared to 10.1 quarters in H1 2020. QTS shows the number of quarters required to exhaust the unsold inventory and is calculated by dividing the existing unsold inventory by average sales of the eight trailing quarters from the analysis period to avoid seasonal volatility. The increase in QTS in H1 2021 is mainly because the calculation for this period factored in two of the worst pandemic impacted quarters (Q2 2021 and Q2 2020) in calculating its average sales rate. If the QTS for H1 2021 was calculated using the eight trailing quarters after excluding the two severely affected quarters (Q2 2020 and Q2 2021), the QTS level would reduce to 7.6 quarters, significantly lesser than the 8.9 QTS even in the pre-pandemic period of H2 2019.
- The residential market has proved resilient during H1 2021 despite being impacted by a resurgent pandemic. The industry continues to consolidate with residential developments steadily shifting into the hands of stronger developers who have been able to weather the economic storm created by the pandemic. Homebuyers have displayed a strong preference for ready inventory to hedge any execution risk by developers but have been more willing to commit to under-construction properties with a Grade A developer at the helm.

AFFORDABLE MARKET ACTIVITY (UP TO INR 5 MILLION SEGMENT)



Source: Knight Frank Research

TICKET SIZE SPLIT COMPARISON OF SALES DURING H1 2020 AND H1 2021



Source: Knight Frank Research

CITY	SALES		LAUNCHES	
	H1 2021 (YOY CHANGE)	2020 (YOY CHANGE)	H1 2021 (YOY CHANGE)	2020 (YOY CHANGE)
 MUMBAI	28,607 (53%)	48,688 (-20%)	35,872 (53%)	50,303 (-37%)
 NCR	11,474 (111%)	21,234 (-50%)	2,943 (107%)	9,824 (-57%)
 BENGALURU	14,812 (22%)	23,579 (-51%)	13,389 (24%)	19,929 (-41%)
 PUNE	17,474 (74%)	26,919 (-18%)	20,477 (52%)	34,992 (-22%)
 CHENNAI	5,751 (93%)	8,654 (-49%)	5,424 (54%)	7,234 (-37%)
 HYDERABAD	11,974 (150%)	10,042 (-38%)	16,712 (278%)	12,826 (-5%)
 KOLKATA	5,115 (74%)	8,912 (-21%)	2,195 (156%)	4,148 (-27%)
 AHMEDABAD	4,208 (67%)	6,506 (-61%)	6,226 (137%)	7,372 (-36%)
 ALL INDIA	99,416 (67%)	154,534 (-37%)	103,238 (71%)	146,628 (-34%)

RESIDENTIAL PRICE MOVEMENT

LOCATION	PRICE IN H1 2021 IN INR/SQ M (INR/SQ FT)	12 MONTH CHANGE (%)	6 MONTH CHANGE (%)
MMR	72,657 (6,750)	-2%	-1%
NCR	44,832 (4,165)	0%	-2%
BENGALURU	52,959 (4,920)	-1%	0%
PUNE	43,164 (4,010)	-2%	0%
CHENNAI	43,619 (4,052)	-2%	7%
HYDERABAD	50,803 (4,720)	1%	5%
KOLKATA	34,595 (3,214)	3%	0%
AHMEDABAD	30,161 (2,802)	0%	0%

Source: Knight Frank Research

MARKET HEALTH

MICRO-MARKET	UNSOLD INVENTORY (HOUSING UNITS) (YOY CHANGE)	QUARTERS-TO-SELL (QTS)	AGE OF INVENTORY (IN QUARTERS)
MMR	154,181 (3%)	11.8	15.6
NCR	102,143 (-13%)	14.7	23.9
BENGALURU	73,341 (-5%)	10.1	15.4
PUNE	50,545 (18%)	6.8	13.2
CHENNAI	11,862 (-16%)	4.2	16.5
HYDERABAD	11,918 (195%)	3.2	9.1
KOLKATA	25,240 (-18%)	9.8	15.8
AHMEDABAD	12,512 (285%)	5.2	9.4

Source: Knight Frank Research

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RESIDENTIAL MARKET

Expert Take

The momentum gathered till the beginning of this year hit a speed-bump in Q2 2021 as the second wave of the pandemic impacted market traction. Despite this hurdle, key parameters such as sales, launches and prices remained resilient in H1 2021.



YASHWIN BANGERA

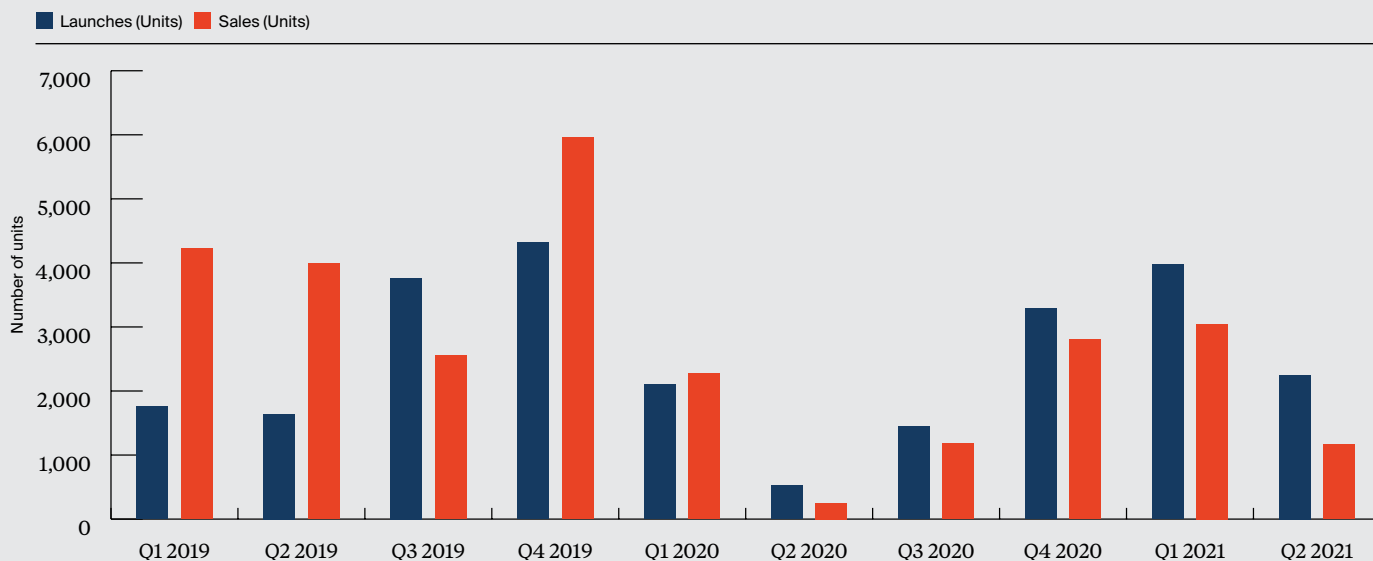
AHMEDABAD MARKET SUMMARY

PARAMETER	2020	CHANGE (YOY)	H1 2020	H1 2021	CHANGE (YOY)
Launches (housing units)	7,372	-36%	2,627	6,226	137%
Sales (housing units)	6,506	-61%	2,520	4,208	67%
Price (weighted average)	INR 30,215/ sq m (INR 2,807/sq ft)	-3.1%	INR 30,085/sq m (INR 2,795/sq ft)	INR 30,161/sq m (INR 2,802/sq ft)	0.3%
Unsold inventory (housing units)	10,494	9%	9,744	12,152	28%
Quarters-to-sell (QTS)	3.6	-	2.9	5.2	-
Age of unsold inventory (in quarters)	10.1	-	9.9	9.4	-

Note - 1 square metre (sq m) = 10.764 square feet (sq ft)

Source: Knight Frank Research

QUARTERLY LAUNCHES AND SALES TREND



Source: Knight Frank Research

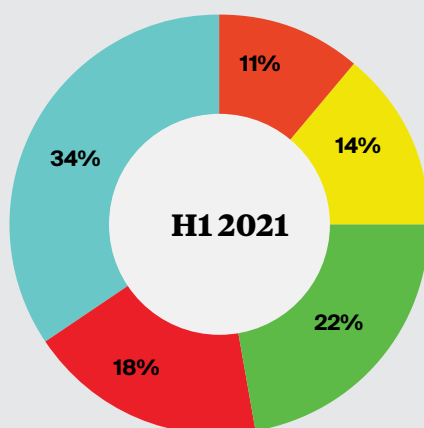
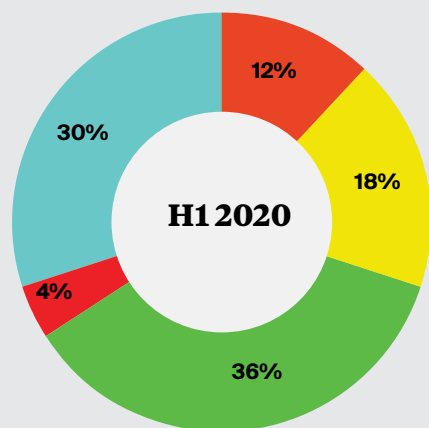
- The gradual resumption of business activity and increasing availability of the vaccine had spurred market traction in the second half of 2020 and this momentum carried over into Q1 2021 as well. However, the second wave of COVID-19 infections stalled the momentum as the lockdown imposed to control the spread of the virus adversely impacted the homebuyer and development activity alike. Q2 2021 thus saw a sequential drop of 62% and 43% in the volume of sales and launches respectively during the period.
- Despite the slump in Q2 2021, H1 2021 still experienced a YoY growth in sales as well as launches, primarily due to the pronounced base effect of a very weak H1 2020 and the comparatively substantial volumes seen in Q1 2021. Also, even as the scale of infections was more than four times the numbers seen during the first wave, the impact on the economy was not as pronounced. A much better understanding of the infection, focus on vaccinations and better execution of remote working operations as well as on-site labour operations helped keep the economic environment from spiraling out of control. Sales and launches grew by 67% and 137% YoY respectively, during H1 2021.
- The inevitable exodus of labour at the onset of the second wave was much better managed compared to the previous year with developers committing to manage workers' stay on site. This enabled development activity to resume towards the end of Q2 2021 as the lockdown was eased. Development activity and project launches could thus continue in some limited capacity with continued sales efforts via digital media which kept the needle moving in terms of sales even during Q2 2021.
- North Ahmedabad saw the most homebuyer activity, accounting for 32% of sales in H1 2021. Locations such as Nana Chiloda, New Ranip, Gota and Chandkheda, which have a high concentration of affordable projects, fared well in terms of attracting end users largely comprising the blue-collared working population. Western micro-markets such as South Bopal, Shela, Shilaj and Thaltej and Science City Road accounted for 25% of the sales due to rapidly developing social infrastructure and improved road connectivity.
- The ticket-size split of sales remained largely unchanged in H1 2021 as compared to H1 2020. 92% of the sales occurred in ticket sizes under INR 10 mn with the < INR 5 mn ticket size accounting for 70% of the sales.
- The rise in the cost of steel, cement and labour raised construction costs by an estimated 8-12%. Developers who tried to pass on this inflation to homebuyers had more success in the premium segment of over INR 10 mn and to some extent in the <INR 2.5 mn ticket size where margins are already very thin. Marginal increases in average prices of affordable units were seen in the north and east micro-markets. Overall, prices have remained steady as compared to H1 2020 in the Ahmedabad market to keep buyers interested.
- Flexible payment schemes and spot discounts to close deals were offered to prospective buyers with renewed vigour towards the end of H1 2021 as the market began to resume normal operations. The phenomenon of increased interest in plotted developments towards the periphery of the city continued in the current period as well, as the need for more open living spaces was of prime consideration for a section of buyers.

MICRO-MARKET CLASSIFICATION

Micro market	Locations
Central	Paldi, Vasna, Navrangpura, Maninagar, Dudheshwar, Ambawadi
East	Naroda, Vastral, Nikol, Kathwada Road, Odhav
North	Gota, New Ranip, Tragad, Chandkheda, Motera
South	Narol, Vatva, Vinzol, Hathijan
West	SG Highway, Prahlad Nagar, Bopal, Thaltej, Science City Road

Source: Knight Frank Research

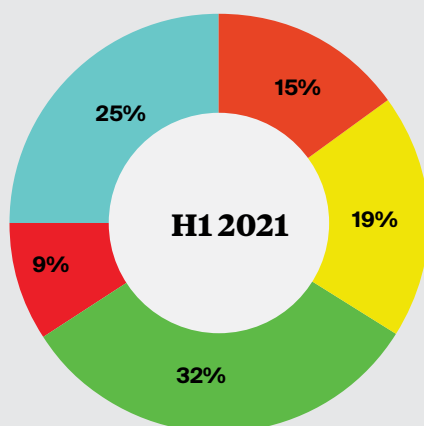
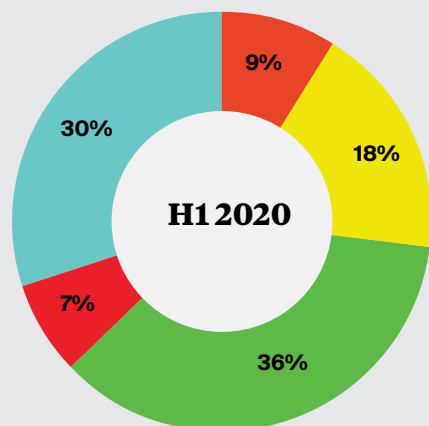
MICRO-MARKET SPLIT OF NEW LAUNCHES IN H1 2020 AND H1 2021



Micro-Market	H1 2020	H1 2021
Central	12%	11%
East	18%	14%
North	36%	22%
South	4%	18%
West	30%	34%

Source: Knight Frank Research

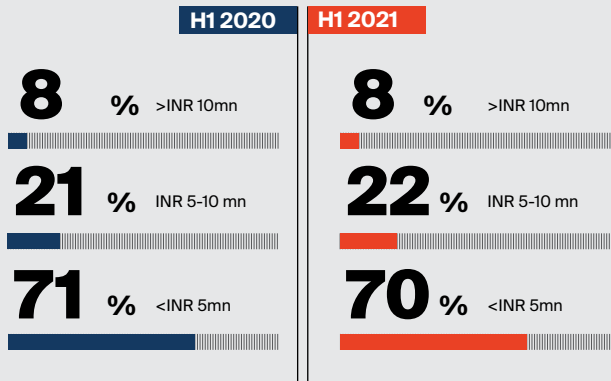
MICRO-MARKET SPLIT OF SALES IN H1 2020 AND H1 2021



Micro-Market	H1 2020	H1 2021
Central	9%	15%
East	18%	19%
North	36%	32%
South	7%	9%
West	30%	25%

Source: Knight Frank Research

AHMEDABAD TICKET SIZE SPLIT COMPARISON OF SALES DURING H1 2020 AND H1 2021

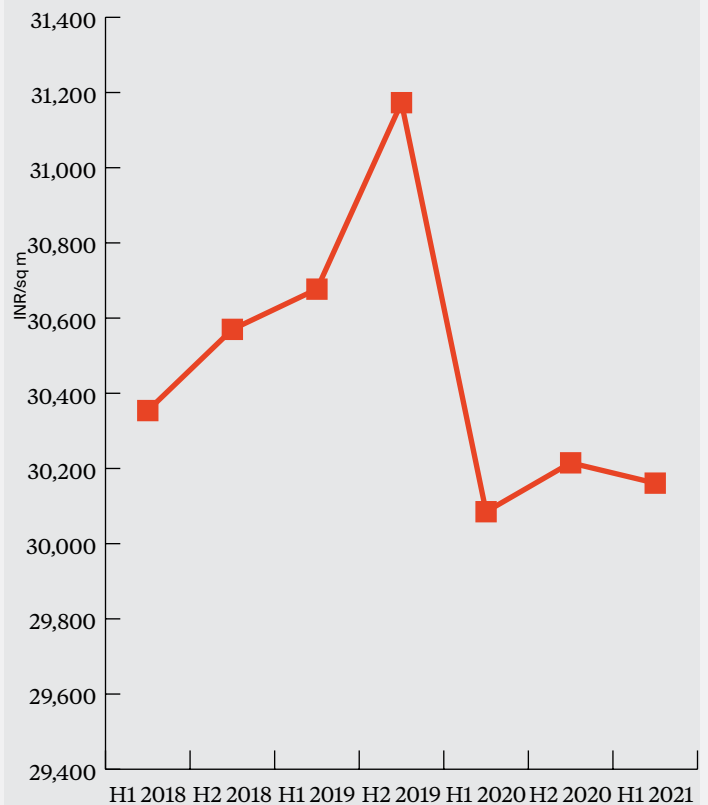


Source: Knight Frank Research

The ticket-size split of sales remained largely unchanged in H1 2021 as compared to H1 2020. 92% of the sales occurred in ticket sizes under INR 10 mn with the < INR 5 mn ticket size accounting for 70% of the sales.



AHMEDABAD HALF-YEARLY WEIGHTED AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	Location	Price range in H2 2021 in INR/sq m (INR/sq ft)	12 month Change	6 month Change
Central	Ambavadi	63,500-68,900 (5,900-6,400)	1%	0%
	Navrangapur	53,800-64,600 (5,000-6,000)	-2%	-1%
East	Nikol	16,100-30,700 (1,500-2,850)	2%	1%
	Vastral	19,400-26,900 (1,800-2,500)	3%	2%
North	Chandkheda	25,800-36,600 (2,400-3,400)	2%	1%
	Motera	32,300-45,200 (3,000-4,200)	1%	0%
South	Aslali Circle	12,900-16,100 (1,200-1,500)	-1%	0%
	Vatwa	10,800-21,500 (1,000-2,000)	-2%	-1%
West	Bopal	34,400-36,600 (3,200-3,400)	2%	1%
	Prahlad Nagar	59,200-61,300 (5,500-5,700)	2%	0%

Source: Knight Frank Research

MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)	Age of Inventory (in quarters)
Central	2,028 (3%)	6.4	8.9
East	1,699 (3%)	3.3	11.1
North	1,314 (42%)	1.7	7.6
South	2,760 (38%)	15.9	12.1
West	4,683 (48%)	7.6	8.4

Source: Knight Frank Research

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RESIDENTIAL MARKET

Expert Take

The second wave of the pandemic in Q2 2021 at best served as a temporary blip for the Bengaluru residential market. Being a beneficiary of a robust technology sector on the demand side and institutional development capabilities on the supply side, Bengaluru residential market demonstrated resilience on key parameters of sales volume and price.



VIVEK RATHI

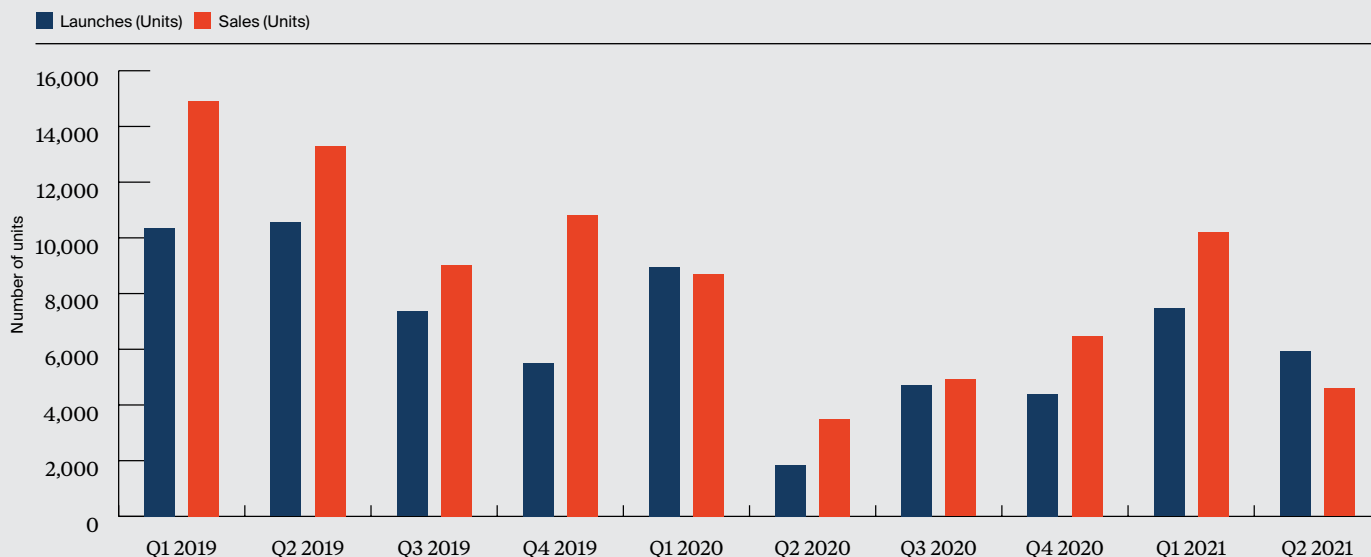
BENGALURU MARKET SUMMARY

PARAMETER	2020	CHANGE (YOY)	H1 2020	H1 2021	CHANGE (YOY)
Launches (housing units)	19,929	-41%	10,806	13,389	24%
Sales (housing units)	23,579	-51%	12,177	14,812	22%
Price (weighted average)	INR 53,120/ sq m (INR 4,935/sq ft)	-0.8%	INR 53,605/sq m (INR 4,980/sq ft)	INR 52,959/sq m (INR 4,920/sq ft)	-1.2%
Unsold inventory (housing units)	74,764	-5%	77,043	73,341	-5%
Quarters-to-sell (QTS)	8.3	-	7.9	10.1	-
Age of unsold inventory (in quarters)	15	-	14.3	15.4	-

Note - 1 square metre (sq m) = 10.764 square feet (sq ft)

Source: Knight Frank Research

QUARTERLY LAUNCHES AND SALES TREND



Source: Knight Frank Research

- After the March 2021 quarter when many large developers reported their best ever quarterly sales, June 2021 quarter was adversely impacted by the second wave of COVID-19 and consequent lockdown. As a result, on a sequential basis, both sales and launches fell in the June 2021 quarter by 55% and 21% respectively.
- However, given the strong Q1 2021, even with the pandemic influenced slump in Q2 2021, H1 2021 recorded sales of 14,812 units – a growth of 22% YoY. Compared to the first wave and the national lockdown last year, though loss of life has been severe in this second wave, the economic impact has been moderate. With awareness of coronavirus, improving vaccination drive and digital preparedness, both developers and consumers were seen to be better prepared compared to the standstill seen during same period last year.
- With the pandemic experience, the residential segment has benefitted from increased consumer appreciation of owning a house. As a consequence, market activity continued in the second wave impacted quarter of June 2021, although at a restrained level. Developers went ahead with scheduled project launches and consumers participated too, shedding the hesitation of digital engagement that was seen during last year.
- South Bengaluru has been the residential micro-market most favored by consumers, contributing 37% to sales. This was followed by the East Bengaluru market which garnered 33% of the sales.

The relatively expensive Central Bengaluru market saw improved activity, which however, forms only a small part of the city sales at less than 1% share.

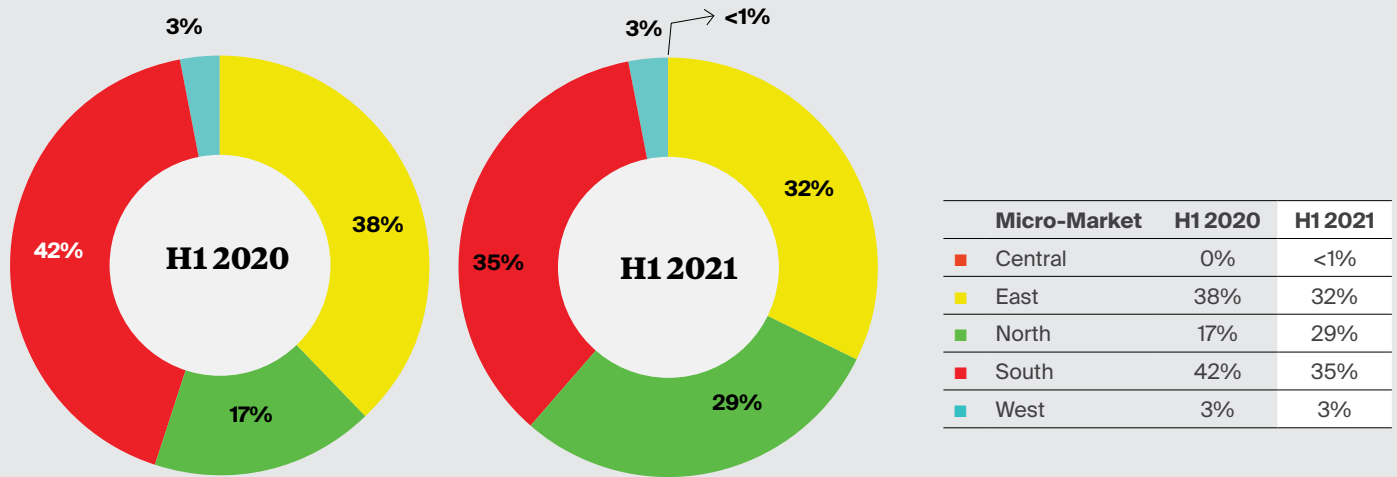
- Bengaluru is amongst the very few large markets, besides Mumbai and Pune, to see a government intervention on stamp duty cut to boost residential sales. However, effective 1st April 2021, even with the expanded scale of this benefit, which has now increased from INR 3.5 mn to INR 4.5 mn value houses, there is a marginal impact on sales in the under INR 4.5 mn segment. In H1 2021, the low end segment of under INR 5 mn contributed 33% to sales, the mid segment of INR 5-10 mn contributed 48% and the high segment of over INR 10 mn contributed 19%.
- Despite the turbulence created by the pandemic second wave, price levels across most markets have been maintained in Q2 2021. In H1 2021, the weighted average price level in the city stood at INR 52,959/sq m (INR 4,920/sq ft), down by a marginal 1.2% YoY. However, as prospective consumers grappled with COVID-19 second wave exigencies, a re-introduction of flexible payment schemes was observed during this period to push sales.

MICRO-MARKET CLASSIFICATION

Micro market	Locations
Central	MG Road, Lavelle Road, Langford Town, Vittal Mallya Road, Richmond Road
East	Whitefield, Old Airport Road, Old Madras Road, KR Puram, Marathahalli
West	Malleswaram, Rajajinagar, Yeswanthpur, Tumkur Road, Vijayanagar
North	Hebbal, Bellary Road, Hennur, Jakkur, Yelahanka, Banaswadi
South	Koramangala, Sarjapur Road, Jayanagar, JP Nagar, HSR Layout, Kanakapura Road, Bannerghatta Road

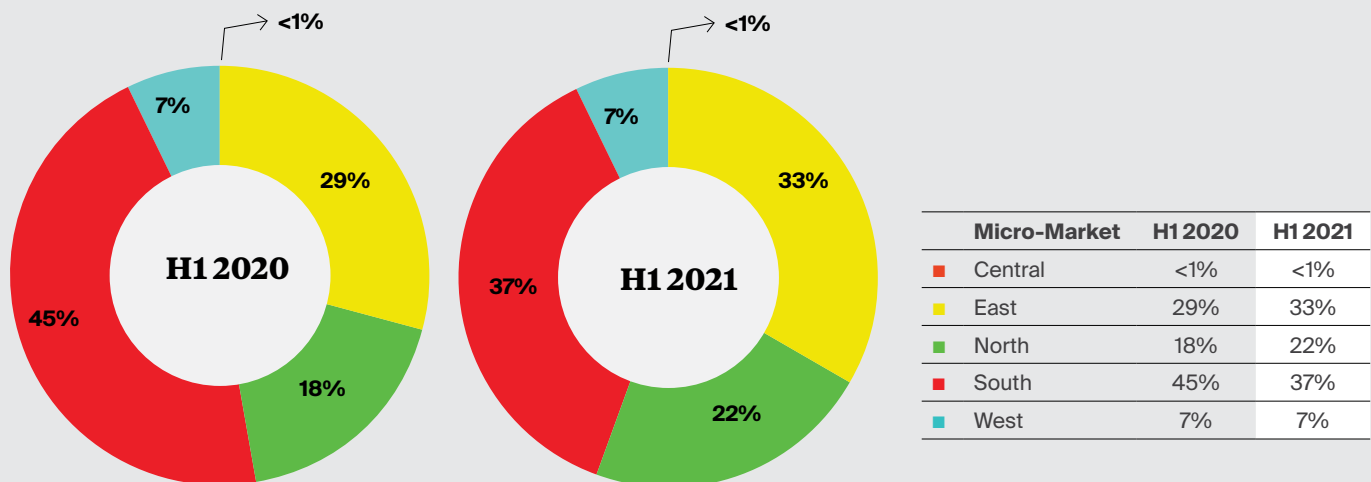
Source: Knight Frank Research

MICRO-MARKET SPLIT OF NEW LAUNCHES IN H1 2020 AND H1 2021



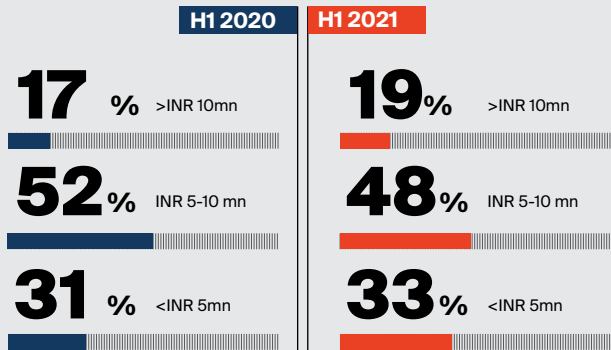
Source: Knight Frank Research

MICRO-MARKET SPLIT OF SALES IN H1 2020 AND H1 2021



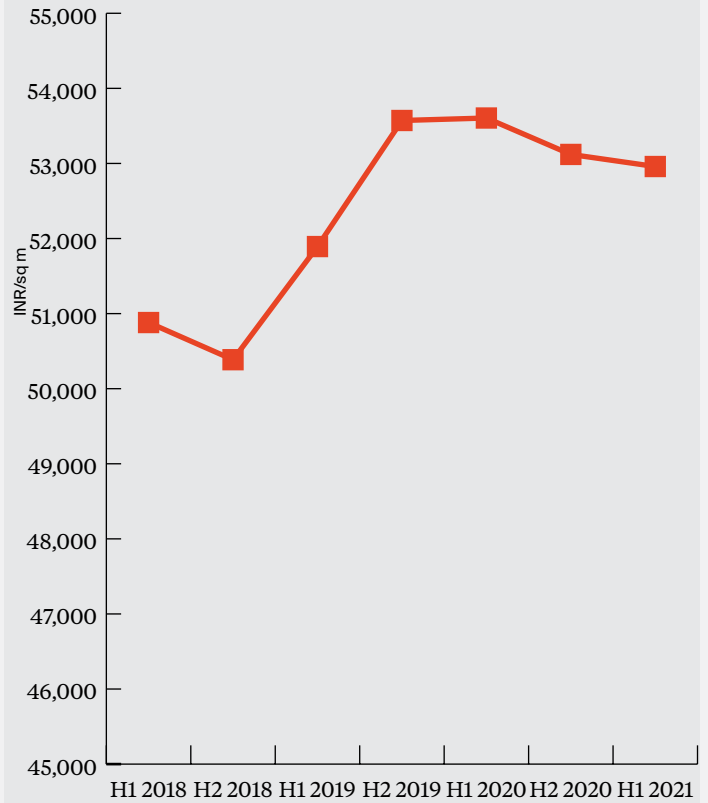
Source: Knight Frank Research

BENGALURU TICKET SIZE SPLIT COMPARISON OF SALES DURING H1 2020 AND H1 2021



Source: Knight Frank Research

BENGALURU HALF-YEARLY WEIGHTED AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research



RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	Location	Price range in H2 2020 in INR/sq m (INR/sq ft)	12 month Change	6 month Change
Central	Langford Town	161,460 - 226,044 (15,000 - 21,000)	-1%	0%
	Lavelle Road	226,044 - 322,920 (21,000 - 30,000)	0%	0%
East	KR Puram	40,903 - 69,966 (3,800 - 6,500)	-1%	0%
	Whitefield	48,438 - 78,577 (4,500 - 7,300)	-1%	-1%
	Marathahalli	45,208 - 75,348 (4,200 - 7,000)	0%	-1%

North	Hebbal	59,202 - 107,640 (5,500 - 10,000)	1%	0%
	Yelahanka	43,056 - 75,348 (4,000 - 7,000)	-1%	-1%
	Thanisandra	43,056 - 86,112 (4,000 - 8,000)	-1%	0%
	Hennur	43,056 - 86,112 (4,000 - 8,000)	0%	0%
South	Sarjapur Road	43,056 - 80,730 (4,000 - 7,500)	0%	0%
	Kanakpura Road	43,056 - 71,042 (4,000 - 6,600)	-2%	-1%
	Electronic City	37,674 - 59,202 (3,500 - 5,500)	-2%	-1%
	Bannerghatta Road	37,674 - 75,348 (3,500 - 7,000)	-1%	-1%
West	Yeshwantpur	64,584 - 107,640 (6,000 - 10,000)	-1%	0%
	Malleswaram	86,112 - 150,696 (8,000 - 14,000)	-2%	-1%
	Rajajinagar	75,348 - 161,460 (7,000 - 15,000)	0%	0%
	Tumkur Road	32,292 - 64,584 (3,000 - 6,000)	0%	0%

Source: Knight Frank Research

MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)	Age of Inventory (in quarters)
Central	209 (-16%)	11.1	19.1
East	16,368 (-8%)	7.6	12.9
North	17,559 (-2%)	11.0	16.3
South	32,426 (-2%)	11.1	16.0
West	6,779 (-13%)	11.5	16.8

Source: Knight Frank Research

The background features a vibrant green color palette. In the lower half, there are several thick, wavy, light blue lines that curve across the frame. Scattered throughout the green background are numerous white circles of varying sizes. A central vertical element consists of a dark green rectangular block with a white border, containing the text 'CHENNAI' in white, bold, uppercase letters.

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RESIDENTIAL MARKET

Expert Take

The Chennai residential market witnessed a slow demand and supply momentum during H1 2021. South Chennai accounted for the highest share in new launches as well as sales during this period. The affordable housing segment, especially the INR 2.5-5 mn ticket-size category, continued to drive residential demand in Chennai.



PRADNYA NERKAR

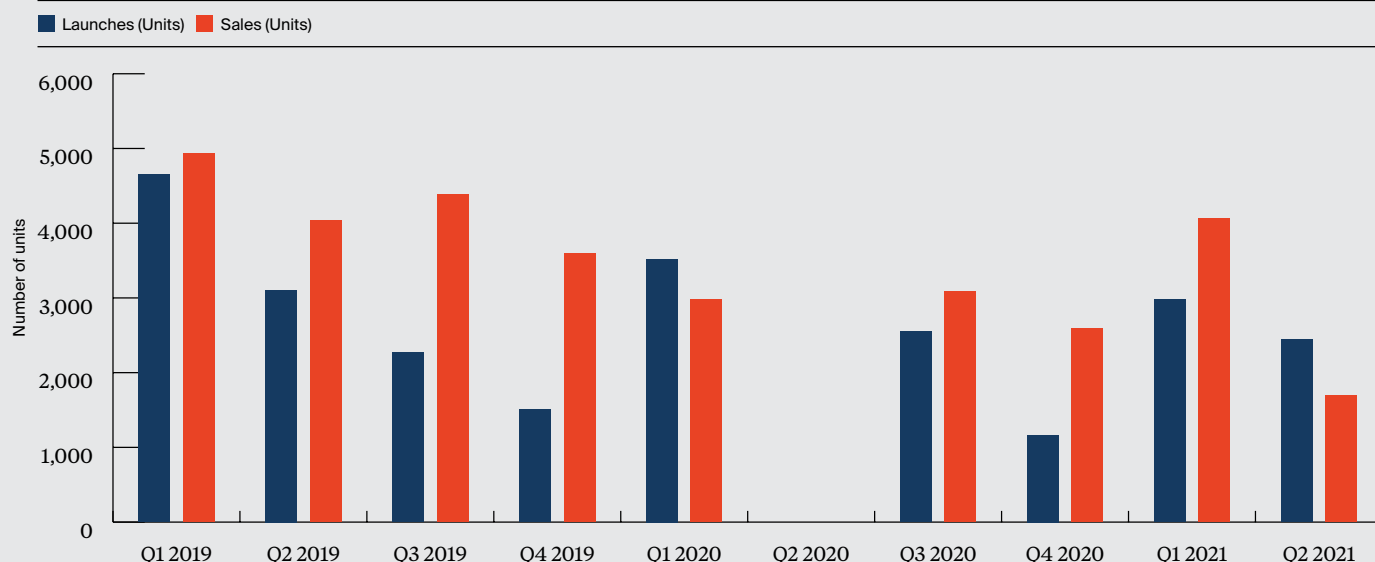
CHENNAI MARKET SUMMARY

PARAMETER	2020	CHANGE (YOY)	H1 2020	H1 2021	CHANGE (YOY)
Launches (housing units)	7,234	-37%	3,520	5,424	54%
Sales (housing units)	8,654	-49%	2,981	5,751	93%
Price (weighted average)	INR 40,843/sq m (INR 3,794/sq ft)	-9%	INR 44,509/sq m (INR 4,135/sq ft)	INR 43,619/sq m (INR 4,052/sq ft)	-2%
Unsold inventory (housing units)	12,190	-10%	14,149	11,862	-16%
Quarters-to-sell (QTS)	3.8	-	4.1	4.2	-
Age of unsold inventory (in quarters)	15.5	-	16.8	16.5	-

Note - 1 square metre (sq m) = 10.764 square feet (sq ft)

Source: Knight Frank Research

QUARTERLY LAUNCHES AND SALES TREND



Source: Knight Frank Research

Note:

COVID-19 disruptions in market activity led to a standstill in sales activity at residential project sites and registration offices during Q2 2020. In some cases, customers paid nominal amounts on application for housing units, which could be identified and allotted later. Such instances of transactions with limited details on booking have not been considered in the Q2 2020 numbers. With more details awaited on certainty of such transactions, the recording has been deferred and captured during the next quarter.

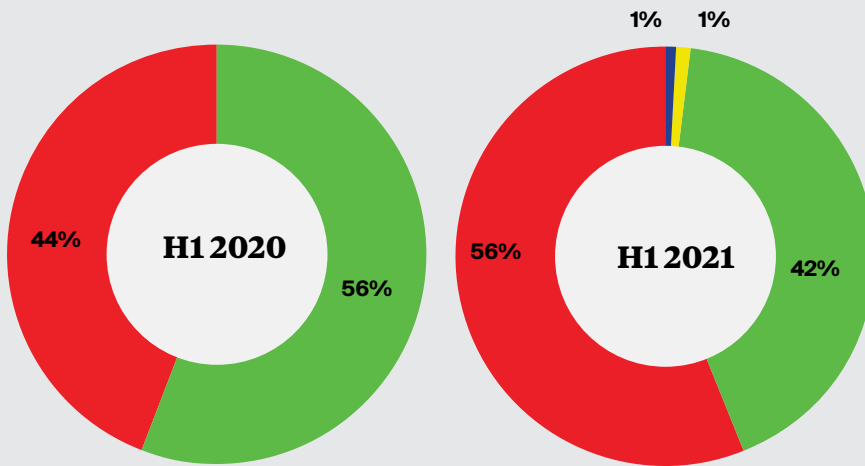
- The Chennai residential market witnessed a slow demand and supply momentum during H1 2021 on account of the lull in the second quarter. However, the market performed better this half year compared to the same period last year owing to the low base of the second quarter of 2020.
- New project launches grew by 54% YoY in H1 2021. West and south Chennai together accounted for 98% of the total H1 2021 launched units. In terms of ticket-size split, developers continued to focus on the affordable housing segment, especially in the INR 2.5-5 mn category.
- Residential sales jumped up by 93% YoY in H1 2021. South Chennai accounted for the largest share, 56% of the total units sold in H1 2021. The INR 2.5-5 mn and the INR 5-7.5 mn ticket-size categories emerged as popular choices during this period. The demand for spacious homes and second homes picked up this period as pandemic induced the work from home and the digital studying trends.
- The city-level average residential prices recorded a 2% YoY dip in H1 2021. However, sequentially the prices have moved up 7% HoH, from INR 40,843 / sq m (INR 3,794 / sq ft) in H2 2020 to INR 43,619 / sq m (INR 4,052 / sq ft) in H1 2021.
- Unsold inventory numbers dropped by 16% YoY in H1 2021 on account of the high demand in the ready-to-move-in segment.
- QTS levels inched up to 4.2 in H1 2021 from 3.8 in H2 2020 largely on account of the new launches during this period. The lull in sales velocity during Q2 2020 and Q2 2021 due to the pandemic-induced lockdowns also contributed to this rise in QTS in H1 2021. QTS is the number of quarters required to exhaust the existing unsold inventory in the market. The existing unsold inventory is divided by the average sales velocity of the preceding eight quarters to arrive at the QTS number for the current quarter.

MICRO-MARKET CLASSIFICATION

Micro market	Locations
Central Chennai	T. Nagar, Alandur, Nungambakkam, Kodambakkam, Kilpauk
West Chennai	Porur, Ambattur, Mogappair, Iyyappanthangal, Sriperumbudur
South Chennai	Perumbakkam, Chrompet, Sholinganallur, Guduvancheri, Kelambakkam
North Chennai	Tondiarpet, Kolathur, Madhavaram, Perambur

Source: Knight Frank Research

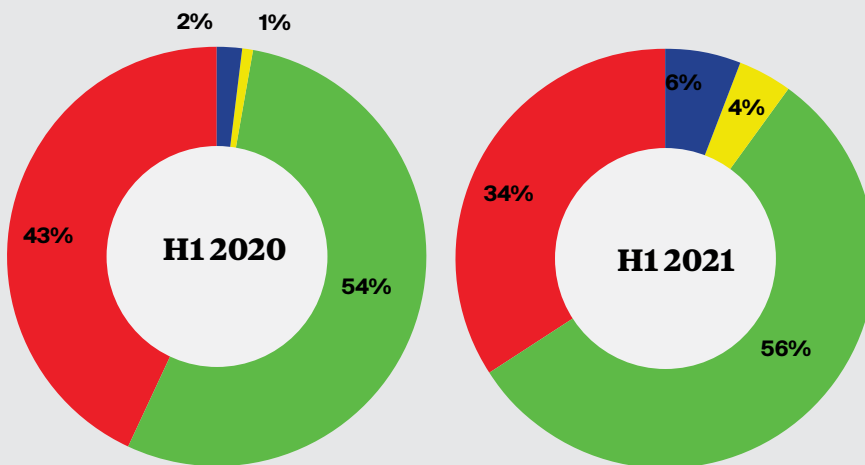
MICRO-MARKET SPLIT OF NEW LAUNCHES IN H1 2020 AND H1 2021



Micro-Market	H1 2020	H1 2021
Central	0%	1%
North	0%	1%
South	56%	42%
West	44%	56%

Source: Knight Frank Research

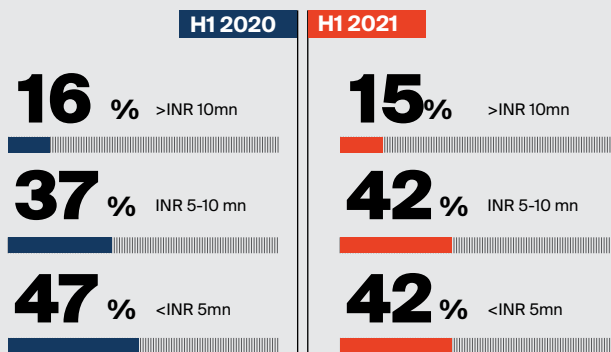
MICRO-MARKET SPLIT OF SALES IN H1 2020 AND H1 2021



Micro-Market	H1 2020	H1 2021
Central	2%	6%
North	1%	4%
South	54%	56%
West	43%	34%

Source: Knight Frank Research

CHENNAI TICKET SIZE SPLIT COMPARISON OF SALES DURING H1 2020 AND H1 2021

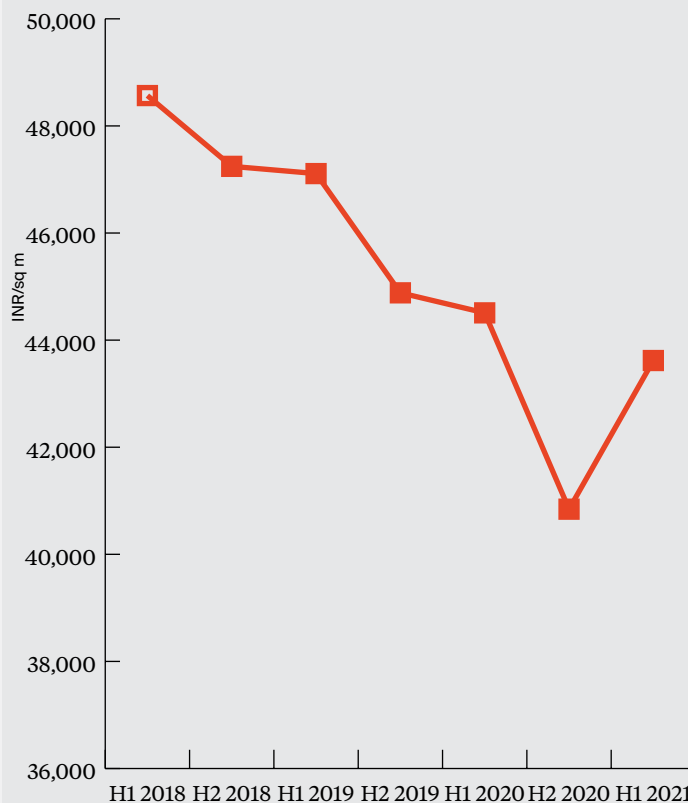


Source: Knight Frank Research

The demand for spacious homes and second homes has picked up over the last few months on account of the pandemic-induced work from home and digital schooling trends.



CHENNAI HALF-YEARLY WEIGHTED AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	Location	Price range in H1 2021 in INR/sq m (INR/sq ft)	12 month Change	6 month Change
Central Chennai	Anna Nagar	110,800-125,000 (10,200-11,600)	-4%	2%
	Kilpauk	151,000-167,000 (14,000-15,500)	-3%	3%
North Chennai	Kolathur	44,000-58,100 (4,100-5,400)	-2%	3%
	Perambur	61,400-70,000 (5,700-6,500)	-2%	4%
South Chennai	Perumbakkam	43,000-48,400 (4,000-4,500)	-2%	5%
	Kelambakkam	34,400-42,000 (3,200-3,900)	-2%	5%
West Chennai	Porur	54,900-61,400 (5,100-5,700)	-1%	7%
	Mogappair	64,600-72,100 (6,000-6,700)	-1%	6%

Source: Knight Frank Research

MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS) (in quarters)	Age of Inventory (in quarters)
Central Chennai	587 (-29%)	4.5	17.2
North Chennai	408 (-35%)	4.2	19.8
South Chennai	6,041 (-26%)	3.3	17.5
West Chennai	4,826 (6%)	6.4	14.9

Source: Knight Frank Research



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RESIDENTIAL MARKET

Expert Take

Demand, supply and prices grew in the Hyderabad residential market during H1 2021 as compared to the corresponding period last year. Being the epicentre of business activity in the city, West Hyderabad continued to attract the most demand. As pandemic-induced lockdowns and the consequent work from home and digital schooling trends created the need for more space for homebuyers, the demand for larger homes gained momentum.



PRADNYA NERKAR

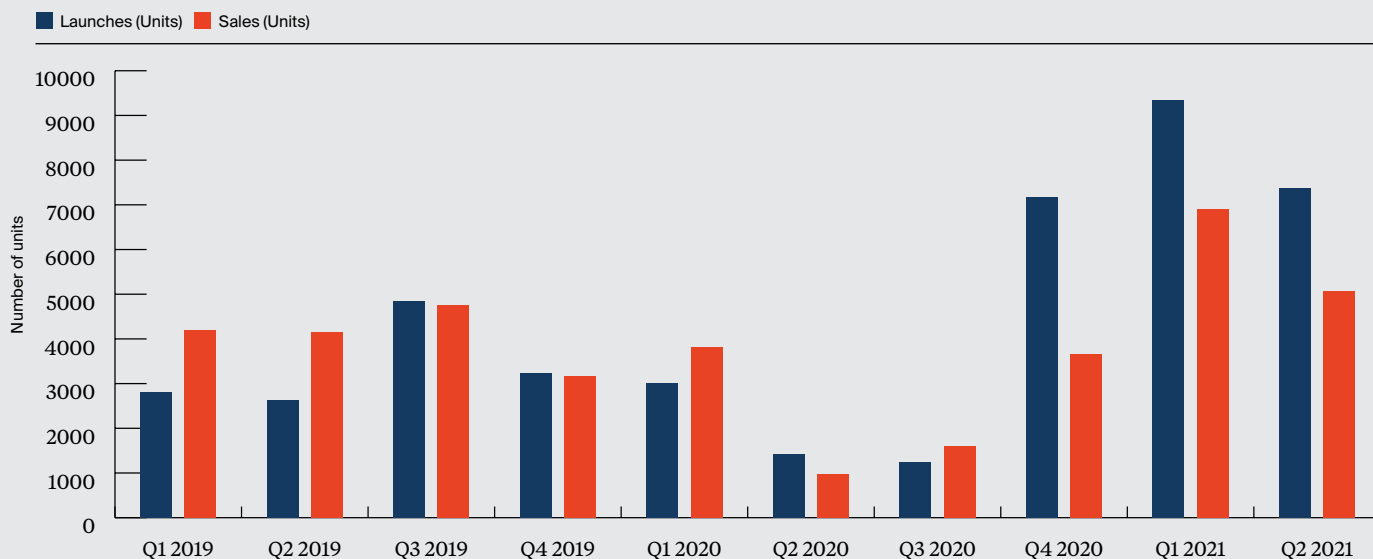
HYDERABAD MARKET SUMMARY

PARAMETER	2020	CHANGE (YOY)	H1 2020	H1 2021	CHANGE (YOY)
Launches (housing units)	12,826	-5%	4,422	16,712	278%
Sales (housing units)	10,042	-38%	4,782	11,974	150%
Price (weighted average)	INR 48,535/sq m (INR 4,509/sq ft)	0%	INR 50,300/sq m (INR 4,673/sq ft)	INR 50,803/sq m (INR 4,720/sq ft)	1%
Unsold inventory (housing units)	7,180	63%	4,037	11,918	195%
Quarters-to-sell (QTS)	2.2	-	1.1	3.2	-
Age of unsold inventory (in quarters)	11.5	-	15.2	9.1	-

Note - 1 square metre (sq m) = 10.764 square feet (sq ft)

Source: Knight Frank Research

QUARTERLY LAUNCHES AND SALES TREND



Source: Knight Frank Research

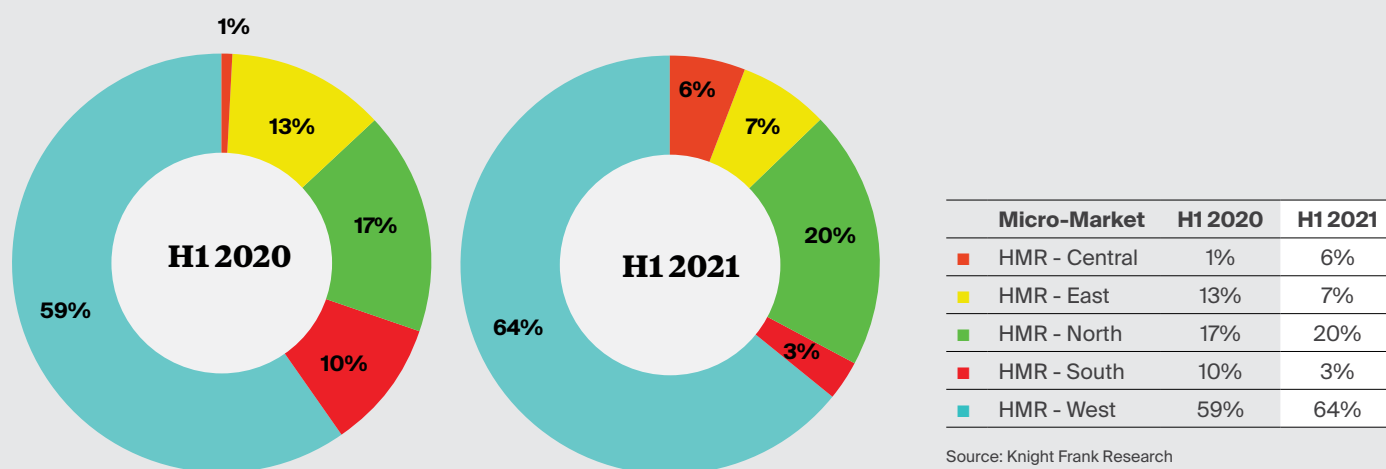
- The Hyderabad residential market recorded a growth in terms of demand as well as supply in H1 2021 as compared to H1 2020. However, in terms of the quarterly trend, launches and sales went down sequentially in Q2 2021 on account of the COVID-induced lockdowns.
- New launches grew by a substantial 278% YoY in H1 2021 as developers responded to the growing residential demand in the market.
- West Hyderabad continued to account for the largest share in new launches, growing by 312% YoY in H1 2021.
- On account of the pandemic-induced work from home trend, demand for larger homes has picked-up substantially in the Hyderabad residential market over the past few months. As a result, the share of the INR 10-20 mn ticket-size category in the total launched units grew from 18% or 1,544 units in H2 2020 to 27% or 4,444 units in H1 2021.
- Residential sales grew by a significant 150% YoY in H1 2021. Further, 63% of these sales were concentrated in the West Hyderabad region.
- In terms of ticket-size, demand grew across all categories, especially in the INR 2.5-5 mn category with a 240% YoY increase and the INR 10-20 mn category with a 158% YoY increase in H1 2021.
- The city-level average residential prices grew by a marginal 1% YoY in H1 2021 from INR 50,300/sq m (INR 4,673/sq ft) in H1 2020 to INR 50,803/sq m (INR 4,720/sq ft) in H1 2021.
- Unsold inventory levels in the Hyderabad residential market grew to 11,918 units in H1 2021 largely contributed by new launches.
- The QTS levels went up from 2.2 in H2 2020 to 3.2 in H1 2021, in line with the growth in new launches during H1 2021. The lull in sales velocity during Q2 2020 and Q2 2021 due to the pandemic-induced lockdowns also contributed to this rise in QTS in H1 2021. QTS is the number of quarters required to exhaust the existing unsold inventory in the market. The existing unsold inventory is divided by the average sales velocity of the preceding eight quarters to arrive at the QTS number for the current quarter.

MICRO-MARKET CLASSIFICATION

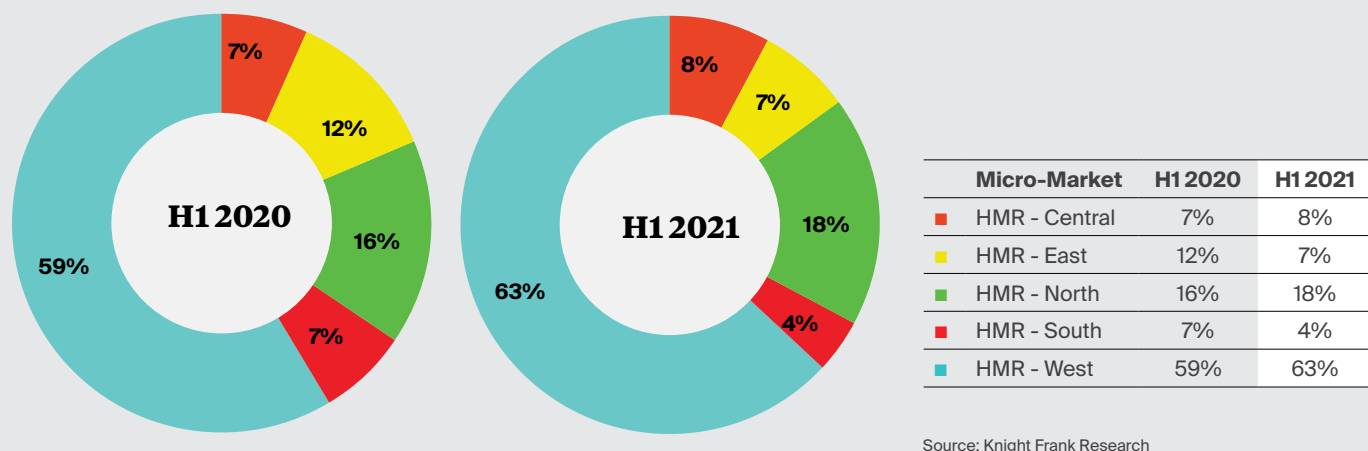
Micro market	Locations
HMR – Central	Begumpet, Banjara Hills, Jubilee Hills, Panjagutta, Somajiguda
HMR – West	Kukatpally, Madhapur, Kondapur, Gachibowli, Raidurgam, Kokapet
HMR – East	Uppal, Malkajgiri, LB Nagar
HMR – North	Kompally, Medchal, Alwal, Quthbullapur
HMR – South	Rajendra Nagar, Shamshabad

*HMR stands for Hyderabad Metropolitan Region Source: Knight Frank Research

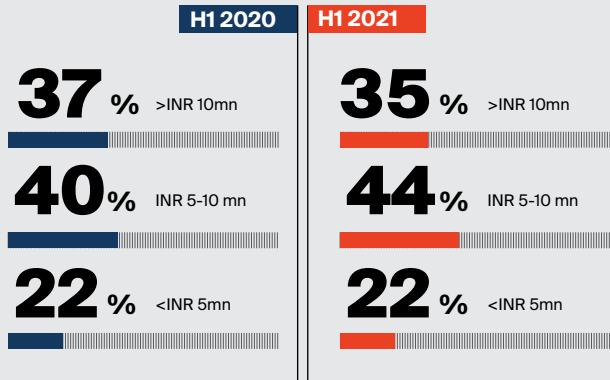
MICRO-MARKET SPLIT OF NEW LAUNCHES IN H1 2020 AND H1 2021



MICRO-MARKET SPLIT OF SALES IN H1 2020 AND H1 2021



HYDERABAD TICKET SIZE SPLIT COMPARISON OF SALES DURING H1 2020 AND H1 2021

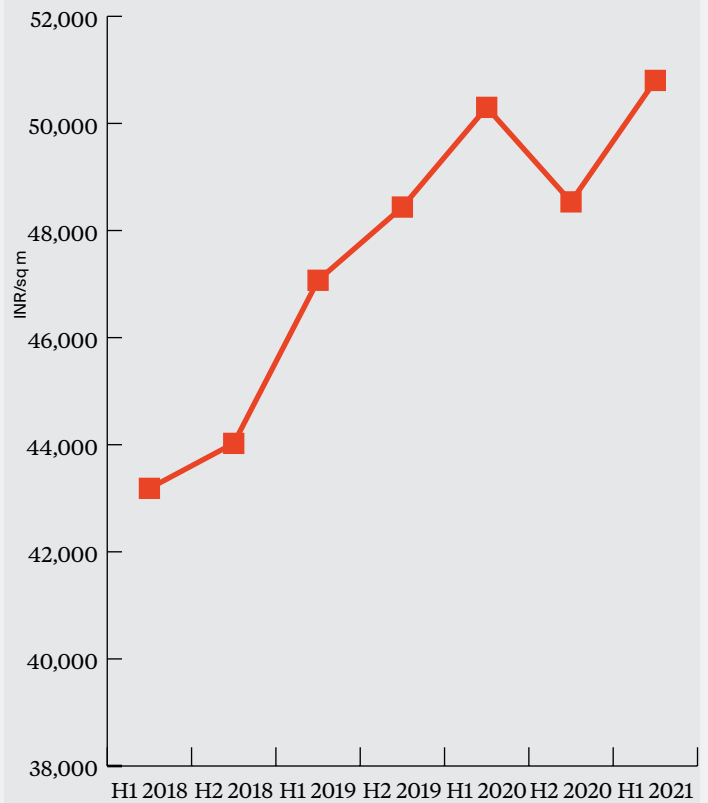


Source: Knight Frank Research



On account of the pandemic-induced work from home trend, demand for larger homes has picked-up substantially in the Hyderabad residential market over the past few months.

HYDERABAD HALF-YEARLY WEIGHTED AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	Location	Price range in H1 2021 in INR/sq m (INR/sq ft)	12 month Change	6 month Change
HMR - Central	Banjara Hills	108,716-112,634 (10,200-10,600)	0%	2%
	Jubilee Hills	118,296-119,373 (10,990-11,090)	1%	2%
HMR - East	LB Nagar	44,132-48,007 (4,100-4,460)	0%	3%
	Nacharam	40,451-42,938 (3,578-3,989)	1%	4%
HMR - North	Kompally	35,650-35,790 (3,312-3,325)	2%	5%
	Sainikpuri	29,063-29,999 (2,700-2,787)	2%	4%
HMR - South	Rajendra Nagar	51,990-53,583 (4,830-4,978)	1%	4%
	Bandlaguda	42,819-45,575 (3,978-4,234)	1%	4%
HMR - West	Kokapet	52,173-55,854 (4,847-5,189)	1%	2%
	Manikonda	47,254-48,266 (4,390-4,484)	2%	3%

Source: Knight Frank Research

MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS) (in quarters)	Age of Inventory (in quarters)
HMR - Central	612 (163%)	2.2	6.7
HMR - East	951 (117%)	2.6	11.8
HMR - North	2,016 (248%)	3.1	12.2
HMR - South	968 (84%)	4.9	16.3
HMR - West	7,373 (227%)	3.3	7.2

Source: Knight Frank Research



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RESIDENTIAL MARKET

Expert Take

Kolkata's residential market fared well on both the demand conversion and new supply parameters in H1 2021. Despite the conditional lockdowns brought about by the second wave of the pandemic in Q2 2021, homebuyer preference for products with a price tag of up to INR 50 million remained strong. Enquiries for gated communities, developer support through virtual engagements and flexibility in payment structures at the time of bookings should translate into a healthy sales velocity with a return to normalcy.



DIVYA AGARWAL

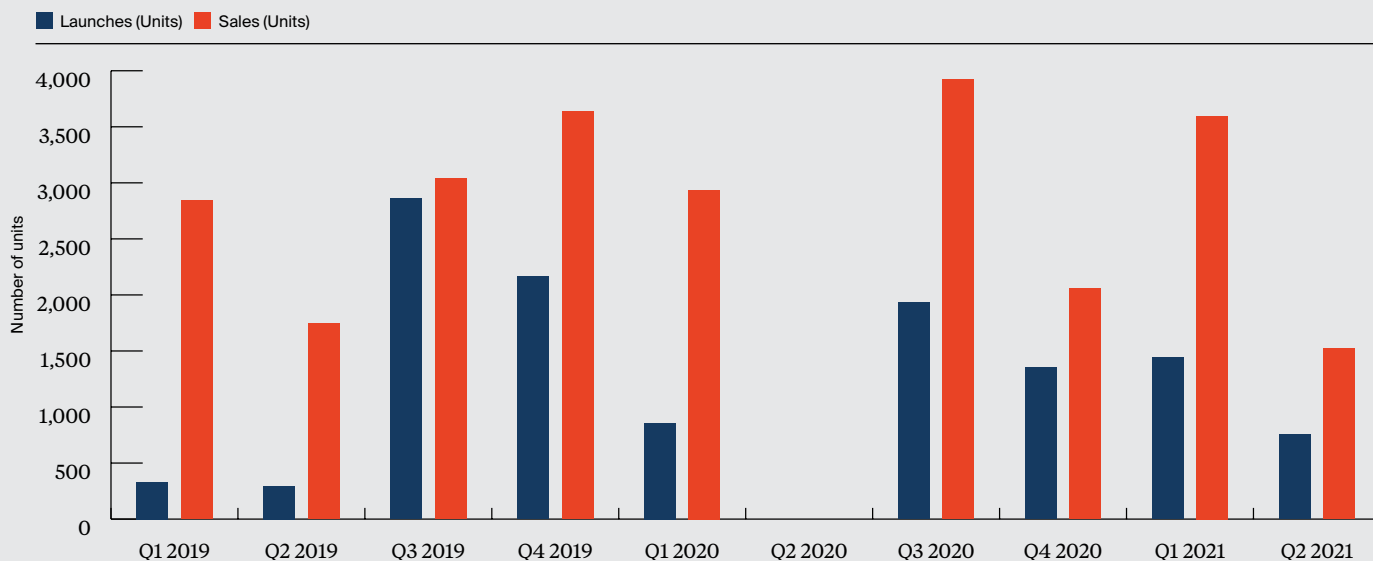
KOLKATA MARKET SUMMARY

PARAMETER	2020	CHANGE (YOY)	H1 2020	H1 2021	CHANGE (YOY)
Launches (housing units)	4,148	-27%	858	2,195	156%
Sales (housing units)	8,912	-21%	2,937	5,115	74%
Price (weighted average)	INR 34,585/ sq m (INR 3,213/sq ft)	-4%	INR 33,433/sq m (INR 3,106/sq ft)	INR 34,595/sq m (INR 3,214/sq ft)	3%
Unsold inventory (housing units)	28,160	-14%	30,845	25,240	-18%
Quarters-to-sell (QTS)	11.2	-	12.1	9.8	-
Age of unsold inventory (in quarters)	15.2	-	13.4	15.8	-

Note - 1 square metre (sq m) = 10.764 square feet (sq ft)

Source: Knight Frank Research

QUARTERLY LAUNCHES AND SALES TREND



Source: Knight Frank Research

Note:

COVID-19 disruptions in market activity led to a standstill in sales activity at residential project sites and registration offices during Q2 2020. In some cases, customers paid nominal amounts on application for housing units, which could be identified and allotted later. Such instances of transactions with limited details on booking were not considered in the Q2 2020 numbers. With more details awaited on certainty of such transactions, the recording was deferred and the same was captured during the next quarter.

- Kolkata's residential real estate market started showing healthy sales velocity, especially in Q3 2020 and Q4 2020. In Q1 2021, many developers reported the prevalence of a positive homebuyer sentiment. However, with the second wave of the pandemic unfolding in Q2 2021, residential real estate demand was again impacted in this quarter. In H1 2021, Kolkata witnessed sales of 5,115 residential units, a 74% YoY increase over H1 2020. This is largely on account of the lower base of H1 2020 due to the washout quarter of Q2 2020 during the first wave of the COVID-19 pandemic.
- The share of ticket sizes < INR 5 million continued to dominate the overall sales volume. However, compared to the H1 2020 period, the share of this category declined from 69% to 63% in H1 2021. Locations in South Kolkata such as Joka and Diamond Harbour Road continue to remain popular among homebuyers. Projects which are ready to move in or nearing completion have seen good traction from homebuyers as plenty of affordable product options are available from reputed builders. The pandemic has also induced demand for gated communities in the affordable to mid-segment ticket sizes of up to INR 50 million.
- In H1 2021, the share of projects with ticket sizes of > INR 10 million increased to 13% of the total sales. In H1 2020, the share of this category had been 7%. With a structural shift in homebuyer preference for spacious accommodation, the high-end segment has also seen a demand bounce back.
- In H1 2021, new residential launches stood at 2,195 units. Compared to H1 2020, this is a healthy increase of 2.5 times, mainly due to the base effect. Before the city went into a conditional lockdown in Q2 2021, many developers had launched new projects. The new residential supply was largely introduced in the affordable and mid-segment category in locations such as Howrah, EM Bypass, Narendrapur, Rajarhat and other fringe areas in northern Kolkata.
- In H1 2021, Kolkata's residential real estate prices showed a minor uptick of 3%. This is largely due to a marginal price appreciation in some locations over the past one year due to healthy movement of ready to move in inventory and declining stock position of a few developers. Due to the adverse impact of the second wave of COVID-19 on sales momentum, developers remained hesitant to increase prices and offered virtual customer engagement and flexibility in booking amount for new sales to sweeten the deal for homebuyers.
- For the seventh consecutive quarter, sales outpaced new launches in Kolkata. This contributed to a sequential decline in unsold inventory which stood at 25,240 units, an 18% YoY decline over H1 2020. Unsold Inventory declined for the sixth consecutive quarter, a

trend which was first noted in H2 2018. Structural changes brought about due to regulatory interventions in the past coupled with end-user demand for ready-to-move-in inventory has been instrumental in keeping the city’s unsold residential inventory in check.

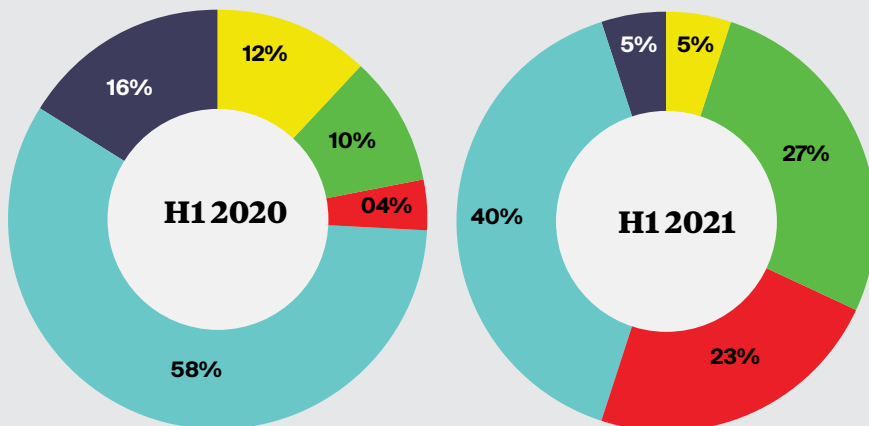
- The continuous reduction in Kolkata’s unsold inventory has also led the quarters-to-sell (QTS) for the city to inch down from 12.1 in H1 2020 to 9.8 in H1 2021. QTS is the number of quarters required to exhaust the existing unsold inventory in the market. The existing unsold inventory is divided by the average sales velocity of the preceding eight quarters in order to arrive at the QTS number for that particular quarter.

The pandemic has also induced demand for gated communities in the affordable to mid-segment with ticket sizes of up to INR 50 million.

MICRO-MARKET CLASSIFICATION

Micro market	Locations
Central	Park Street, Rawdon Street, AJC Bose Road, Minto Park, Elgin Road
East	Kankurgachi, Beliaghata, Salt Lake, Narkeldanga, Keshtopur, EM Bypass (eastern parts)
North	Baguiati, Ultadanga, Jessore Road, Shyambazar, Lake Town, BT Road, VIP Road
Rajarhat	Rajarhat New Town
West	Howrah, Rishra, Hooghly, Uttarpara, Chandan Nagar, Rajpur, Kona Expressway
South	Ballygunge, Alipore, Tollygunge, Narendrapur, Behala, Garia, Maheshtala, EM Bypass (southern parts)

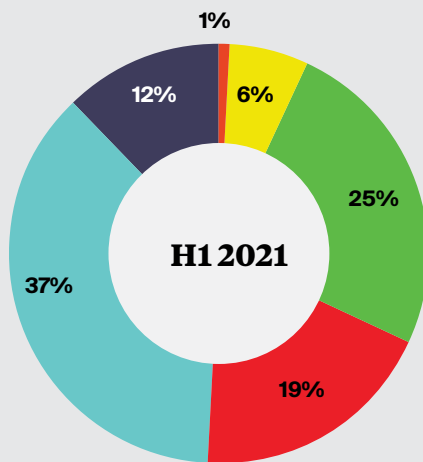
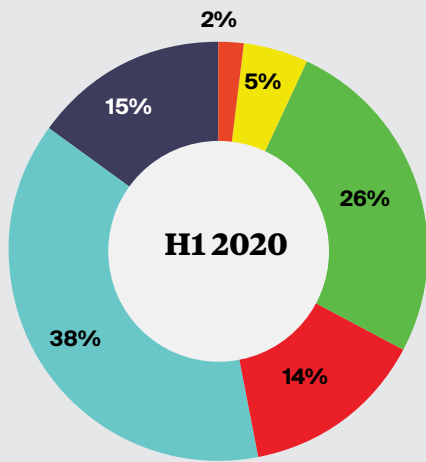
MICRO-MARKET SPLIT OF NEW LAUNCHES IN H1 2020 AND H1 2021



Micro-Market	H1 2020	H1 2021
Central	0%	0%
East	12%	5%
North	10%	27%
Rajarhat	4%	23%
South	58%	40%
West	16%	5%

Source: Knight Frank Research

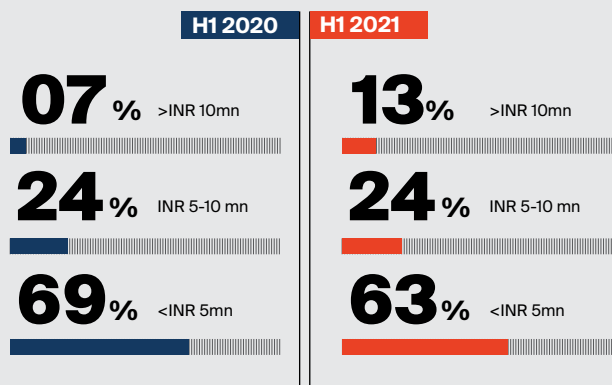
MICRO-MARKET SPLIT OF SALES IN H1 2020 AND H1 2021



Micro-Market	H1 2020	H1 2021
Central	2%	1%
East	5%	6%
North	26%	25%
Rajarhat	14%	19%
South	38%	37%
West	15%	12%

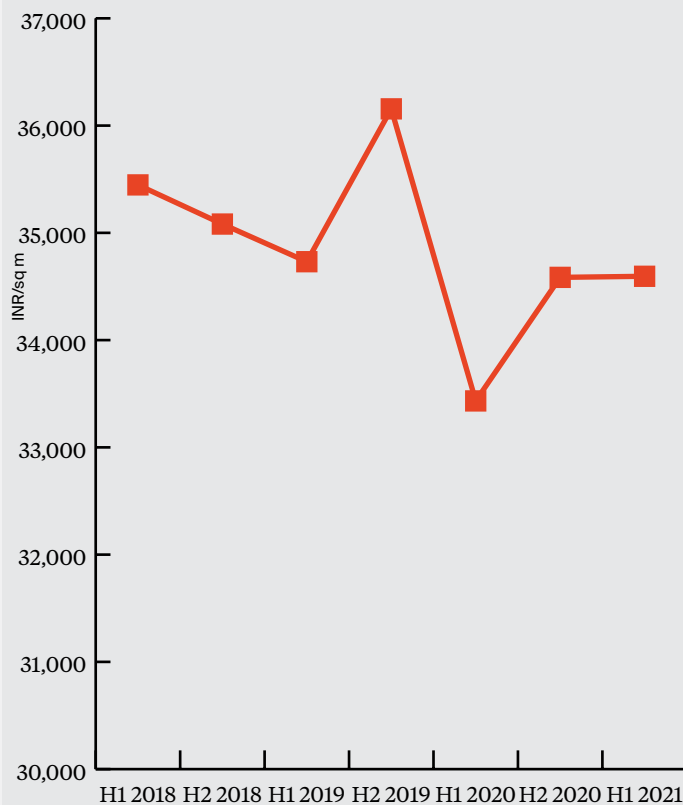
Source: Knight Frank Research

KOLKATA TICKET SIZE SPLIT COMPARISON OF SALES DURING H1 2020 AND H1 2021



Source: Knight Frank Research

KOLKATA HALF-YEARLY WEIGHTED AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

18%

YoY decline in unsold inventory in Kolkata

RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	Location	Price range in H2 2020 in INR/sq m (INR/sq ft)	12 month Change	6 month Change
Central	Park Street	130,244-215,278 (12,100-20,000)	1%	0%
	Rawdon Street	107,639-209,896 (10,000-19,500)	0%	0%
East	Kankurgachi	55,972-91,493 (5,200-8,500)	-1%	0%
	Salt Lake	51,667-81,806 (4,800-7,600)	0%	0%
North	Madhyamgram	27,448-34,983 (2,550-3,250)	1%	0%
	BT Road	32,292-43,056 (3,000-4,000)	0%	0%
	Jessore Road	37,674-57,049 (3,500-5,300)	-1%	0%
Rajarhat	Rajarhat New Town	37,674-74,271 (3,500-6,900)	0%	0%
South	Ballygunge	87,188-204,514 (8,100-19,000)	2%	0%
	Tollygunge	55,972-150,695 (5,200-14,000)	0%	0%
	Behala	34,445-49,514 (3,200-4,600)	0%	0%
	Narendrapur	27,663 -48,438 (2,570-4,500)	2%	0%

Source: Knight Frank Research

MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)	Age of Inventory (in quarters)
Central	209 (271%)	8.20	11.40
East	1,695 (-35%)	11.47	16.80
North	5,861 (-11%)	10.61	16.20
Rajarhat	7,031 (-25%)	12.97	15.70
South	7,698 (-24%)	7.81	16.97
West	2,746 (30%)	8.22	11.16

Source: Knight Frank Research

MUMBAI



RESIDENTIAL MARKET

Expert Take

Maharashtra was amongst the first states to impose a lockdown during the second wave. The lockdown in MMR was enforced on 5th April 2021 and lifted partially on 7th June 2021. This imposition of lockdown coincided with a period of withdrawal of stamp duty concessions which ended on 31st March 2021. A drop in sales during Q2 2021 was along expected lines as several homebuyers who were looking to purchase their homes in 2021 closed their transactions before 31st March 2021 to make the most of this lower stamp duty window. The lockdown exacerbated the drop in demand further.



NIBODH SHETTY

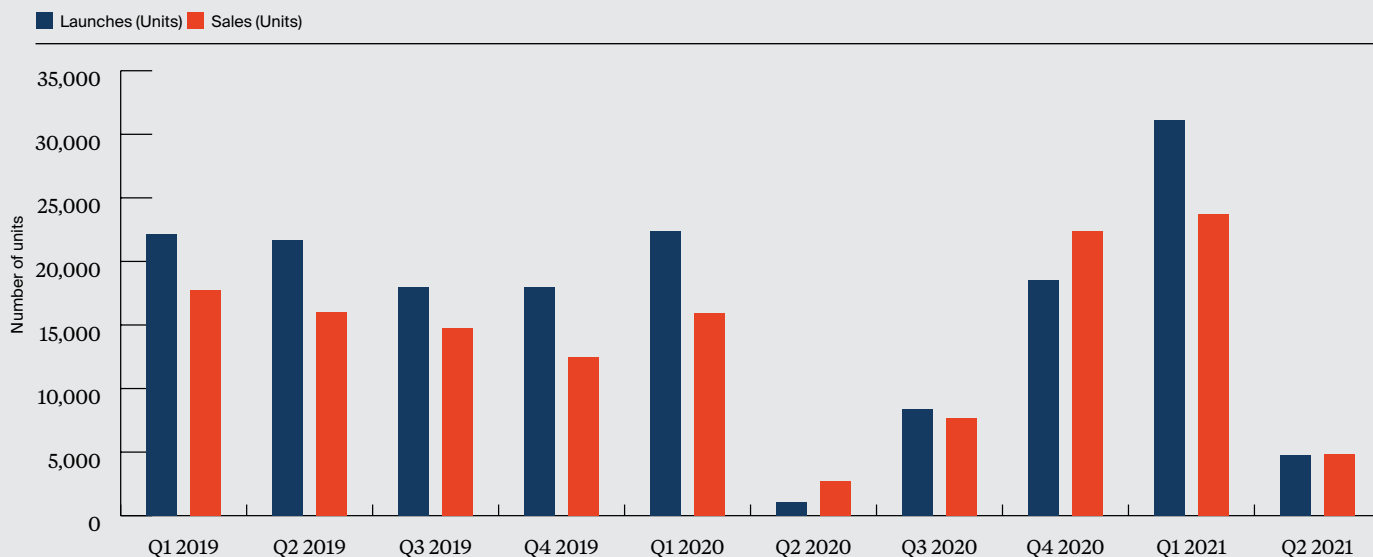
MMR MARKET SUMMARY

PARAMETER	2020	CHANGE (YOY)	H1 2020	H1 2021	CHANGE (YOY)
Launches (housing units)	50,303	-37%	23,399	35,872	53%
Sales (housing units)	48,688	-20%	18,646	28,607	53%
Price (weighted average)	INR 73,053/sq m (INR 6,787/sq ft)	-3.2%	INR 74,122/sq m (INR 6,886/sq ft)	INR 72,657/sq m (INR 6,750/sq ft)	-2.0%
Unsold inventory (housing units)	146,916	1%	150,054	154,181	2.8%
Quarters-to-sell (QTS)	10.7	-	10.8	11.8	-
Age of unsold inventory (in quarters)	14.6	-	15.1	15.6	-

Note - 1 square metre (sq m) = 10.764 square feet (sq ft)

Source: Knight Frank Research

QUARTERLY LAUNCHES AND SALES TREND



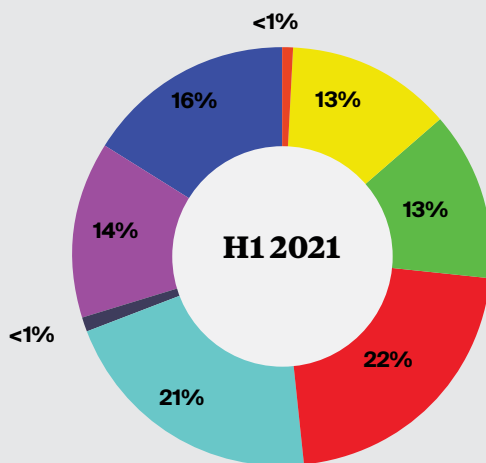
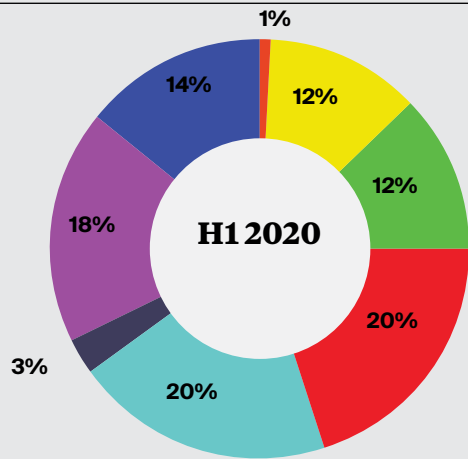
Source: Knight Frank Research

- Residential sales in the Mumbai Metropolitan Region (MMR) during H1 2021 was up 53% Year-on-Year (YoY). The strong performance in H1 2021 was mainly because of robust sales in Q1 2021 which was whipped up due to the lower stamp duty window of 3% applicable during Q1 2021 and also due to the abysmally low base of Q2 2020 which had been marred by the first lockdown. There was a lockdown during Q2 2021 as well, however, the sales were not affected as badly as they were during Q2 2020 since developers and homebuyers were better prepared to tackle the crisis this time. Sales in Q1 2021 were also aided by the reduction in home loan rates, economic revival, drop in COVID-19 cases and reduction in stamp duty rates- a 7-month window which had opened in September 2020. All these factors contributed to the upswing in homebuyer sentiments which culminated in higher sales in Q1 2021.
- In Q2 2021, despite closure of the lower stamp duty window, several developers continued to absorb the stamp duty incidence on behalf of the homebuyer without increasing prices. Many of the homebuyers who purchased homes during Q2 2021 were the ones who had visited the project sites before 31st March 2021 but could not close the deal due to various reasons.

MICRO-MARKET CLASSIFICATION

Micro market	Locations
Central Mumbai	Dadar, Lower Parel, Mahalaxmi, Worli, Prabhadevi
Central Suburbs	Sion, Chembur, Wadala, Kurla, Ghatkopar, Vikhroli, Bhandup, Mulund
Navi Mumbai	Vashi, Nerul, Belapur, Kharghar, Airoli, Panvel, Ulwe, Sanpada
Peripheral Central Suburbs	Kalyan, Kalwa, Dombivli, Ambernath, Bhiwandi, Mumbra, Karjat
Peripheral Western Suburbs	Vasai, Virar, Boisar, Palghar, Bhayandar, Nalasopara
South Mumbai	Malabar Hill, Napean Sea Road, Walkeshwar, Altamount Road, Colaba
Thane	Naupada, Ghodbunder Road, Pokhran Road, Majiwada, Khopat, Panchpakhadi
Western Suburbs	Bandra, Andheri, Goregaon, Kandivali, Borivali, Santacruz, Vile Parle

MICRO-MARKET SPLIT OF NEW LAUNCHES IN H1 2020 AND H1 2021

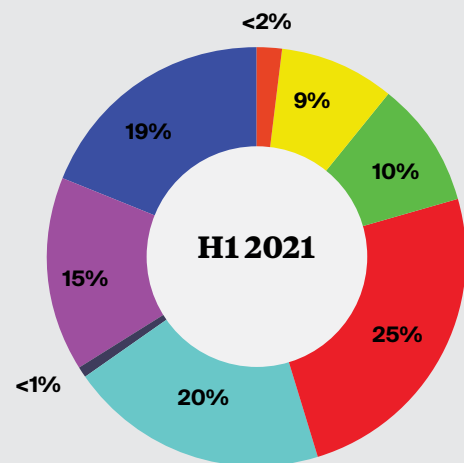
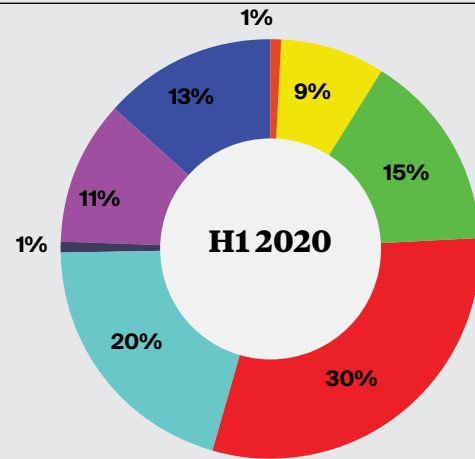


Micro-Market	H1 2020	H1 2021
Central Mumbai	1%	<1%
Central Suburbs	12%	13%
Navi Mumbai	12%	13%
Peripheral Central Suburbs	20%	22%
Peripheral Western Suburbs	20%	21%
South Mumbai	3%	<1%
Thane	18%	14%
Western Suburbs	14%	16%

Source: Knight Frank Research

- The launches in H1 2021 grew by 53% YoY. The strong growth in new launches also had the same set of underlying reasons as that for sales. Peripheral markets of Peripheral Central Suburbs and Peripheral Western Suburbs had the highest share in new launches in H1 2021 of 22% and 21% respectively. Consequently, 54% of new launches during H1 2021 were in the less than INR 5 million (<INR 5 mn) category.

MICRO-MARKET SPLIT OF NEW SALES IN H1 2020 AND H1 2021

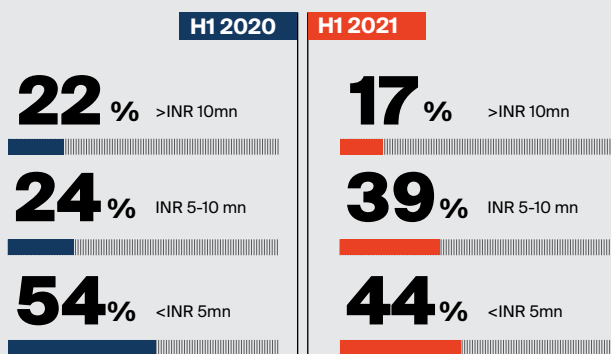


Micro-Market	H1 2020	H1 2021
Central Mumbai	1%	<2%
Central Suburbs	9%	9%
Navi Mumbai	15%	10%
Peripheral Central Suburbs	30%	25%
Peripheral Western Suburbs	20%	20%
South Mumbai	1%	<1%
Thane	11%	15%
Western Suburbs	13%	19%

Source: Knight Frank Research

- Western suburbs and Thane saw their share of sales increase from 13% in H1 2020 to 19% in H1 2021, and from 11% in H1 2020 to 15% in H1 2021, respectively. The share of Central Mumbai increased by 1% in the same period while the share of Peripheral Central Suburbs and Navi Mumbai dropped.

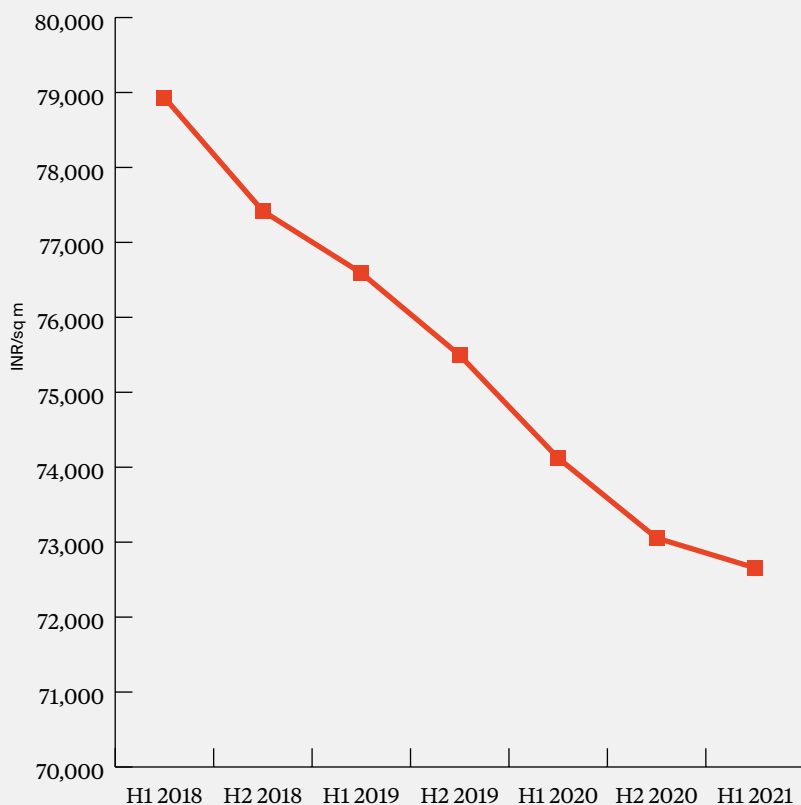
MMR TICKET SIZE SPLIT COMPARISON OF SALES DURING H1 2020 AND H1 2021



Source: Knight Frank Research

- The share of sales in the greater than INR 5 million (>INR 5 mn) segments grew from 46% in H1 2020 to 56% in H1 2021. As the absolute savings was higher in the relatively costlier apartments, homebuyers in the mid to high-income groups purchased their homes in this limited period of reduced 3% stamp duty window particularly during Q1 2021. This was also due to the income level of homebuyers in this segment being less affected by the lockdown adversities compared to homebuyers in the affordable housing segments of less than 5 million (<INR 5 mn).
- The lockdown also created a fresh demand for larger homes which was not a necessity earlier. As families were confined to their homes, several homebuyers realized the importance of having additional rooms in their houses, thereby creating a demand for bigger homes and pushing the ticket size of apartments sold upwards. The reduction in home loan rates also improved the ability of homebuyers to buy larger homes as the principal amount eligibility for the home loan went up.
- The weighted average prices in MMR declined by 2% YoY in H1 2021. Even though the intensity of price correction has come down in recent years, the prices have corrected by 17% in the last 5 years since the peak of 2016. While one or more indirect discounts such as GST waiver, deferred payment plans, absorbing of stamp duty incidence, no floor rise and gifts, continue in the market, developers are slowly phasing out or reducing the monetary value associated with these discounts.

MMR HALF-YEARLY WEIGHTED AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

17%
correction in prices in MMR over the last 5 years since the peak of 2016

RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	Location	Price range in H1 2021 in INR/sq m (INR/sq ft)	12 month Change	6 month Change
Central Mumbai	Lower Parel	269,100-387,504 (25,000-36,000)	-3%	-1%
	Worli	333,684-592,020 (31,000-55,000)	-2%	0%
Central Suburbs	Ghatkopar	129,168-236,808 (12,000-22,000)	0%	0%
	Mulund	115,174-150,696 (10,700-14,000)	-5%	0%
	Powai	156,078-215,280 (14,500-20,000)	-1%	0%
South Mumbai	Tardeo	430,560-645,840 (40,000-60,000)	-3%	0%
Peripheral Central Suburbs	Badlapur	29,063-37,674 (2,700-3,500)	-2%	0%
	Dombivli	48,438-64,584 (4,500-6,000)	-1%	0%
Navi Mumbai	Panvel	40,903-69,966 (3,800-6,500)	-3%	0%
	Kharghar	72,119-96,876 (6,700-9,000)	-2%	0%
	Vashi	107,640-161,460 (10,000-15,000)	-1%	0%
Peripheral Western Suburbs	Mira Road	59,202-78,577 (5,500-7,300)	-2%	0%
	Virar	47,362-59,202 (4,400-5,500)	-2%	0%
Thane	Ghodbunder Road	64,584-107,640 (6,000-10,000)	-4%	-1%
	Naupada	150,696-193,752(14,000-18,000)	-5%	0%
Western Suburbs	Andheri	161,460-236,808 (15,000-22,000)	-1%	0%
	Bandra (West)	430,560-645,840 (40,000-60,000)	-1%	0%
	Borivali	118,404-161,460 (11,000-15,000)	-3%	0%
	Dahisar	96,876-118,404 (9,000-11,000)	-2%	0%
	Goregaon	139,932-161,460 (13,000-15,000)	-5%	0%

MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)	Age of Inventory (in quarters)
Central Mumbai	6,169 (-4%)	32.3	21.7
Central Suburbs	32,194 (10%)	26.4	15.9
Navi Mumbai	28,915 (9%)	22.4	17.1
Peripheral Central Suburbs	14,137 (-4%)	3.7	13.4
Peripheral Western Suburbs	19,325 (-3%)	6.7	15.9
South Mumbai	2,109 (-9%)	20.3	17.4
Thane	26,217 (6%)	15.7	10.2
Western Suburbs	25,118 (-4%)	13.6	12.9
MMR	154,481 (3%)	11.8	15.6

Source: Knight Frank Research



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RESIDENTIAL MARKET

Expert Take

With a better understanding of the pandemic, real estate stakeholder preparedness in 2021 has helped residential sales in H1 2021 to exceed the H1 2020 levels. For branded developers, customer acquisition through a personalized and interactive virtual service is emerging as a defining factor to engage with homebuyers and capture a larger market share.



DIVYA AGARWAL

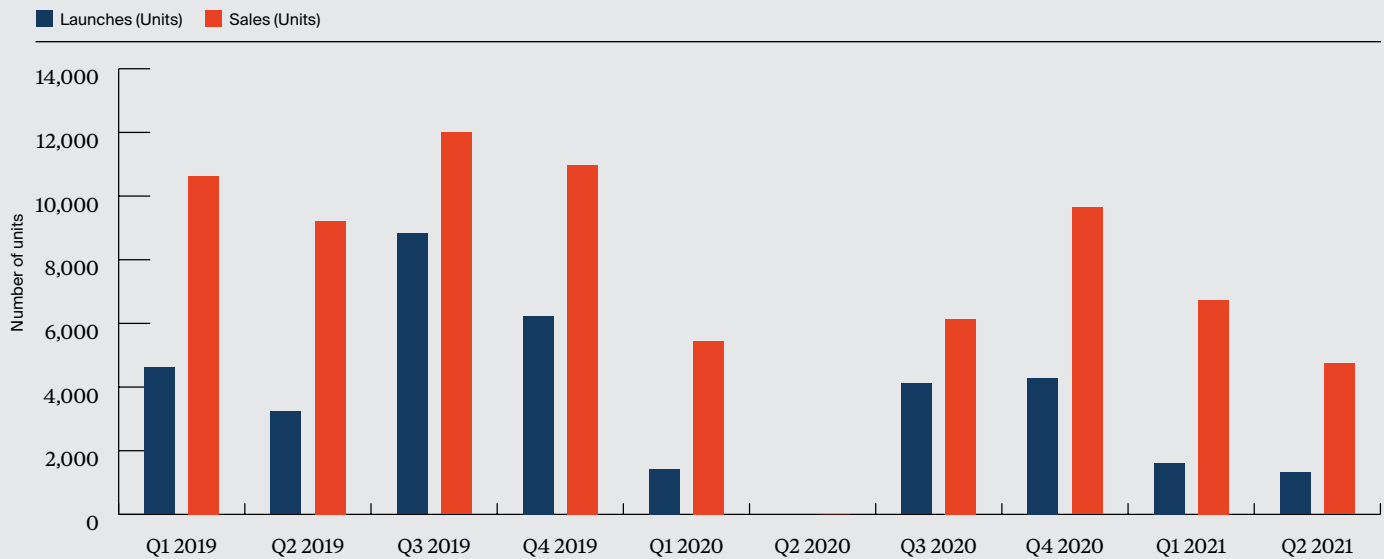
NCR MARKET SUMMARY

PARAMETER	2020	CHANGE (YOY)	H1 2020	H1 2021	CHANGE (YOY)
Launches (housing units)	9,824	-57%	1,422	2,943	107%
Sales (housing units)	21,234	-50%	5,446	11,474	111%
Price (weighted average)	INR 45,822 /sqm (INR 4,257 /sq ft)	-4%	INR 44,617 /sq m (INR 4,145 /sq ft)	INR 44,832 /sq m (INR 4,165 /sq ft)	0%
Unsold inventory (housing units)	110,674	-9%	118,060	102,143	-13%
Quarters-to-sell (QTS)	13.8	-	13.3	14.7	-
Age of unsold inventory (in quarters)	23.5	-	21.9	23.8	-

Note - 1 square metre (sq m) = 10.764 square feet (sq ft)

Source: Knight Frank Research

QUARTERLY LAUNCHES AND SALES TREND



Source: Knight Frank Research

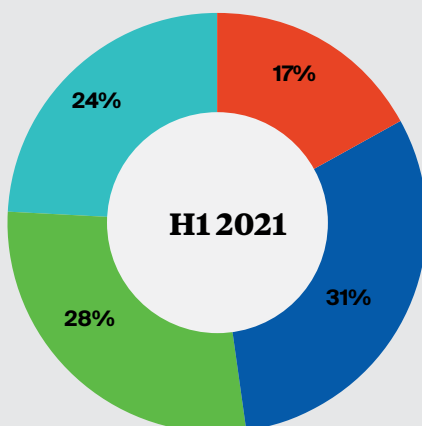
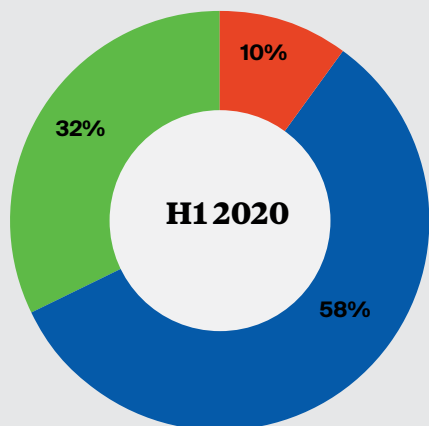
Note:

COVID-19 disruptions in market activity led to a standstill in sales activity at residential project sites and registration offices during Q2 2020. In some cases, customers paid nominal amounts on application for housing units, which could be identified and allotted later. Such instances of transactions with limited details on booking were not been considered in the Q2 2020 numbers. With more details awaited on certainty of such transactions, the recording was deferred and captured during the next quarter.

- After a turbulent first half of 2020, The National Capital Region (NCR)'s residential real estate market started showing signs of the pent-up demand translating into a healthy sales velocity, especially in Q3 and Q4 2020. Notwithstanding the pandemic induced disruptions, low home loan interest rates, steady housing prices, flexible payment schedules and other incentives from developers helped revive homebuyer sentiment.
- In H1 2021, sales of residential units in NCR's primary market nearly doubled compared to the H1 2020 volume. With panic due to the second wave, sales momentum was impacted towards the end of Q1 2021. However, unlike 2020, conversion of residential enquiries into sales cushioned the residential market in Q2 2021.
- New launches registered a steady upswing and stood at 2,943 units. In line with the trend witnessed in sales, the new launches also doubled compared to the H1 2020 volume. This was mainly due to the lower base in the year ago period coupled with the new projects launched in the first half of April and second half of June in 2021.

In H1 2021, sales of residential units in NCR's primary market nearly doubled compared to the H1 2020 volume.

MICRO-MARKET SPLIT OF NEW LAUNCHES IN H1 2020 AND H1 2021



Micro-Market	H1 2020	H1 2021
Ghaziabad	10%	17%
Gurugram	58%	31%
Noida	32%	28%
Greater Noida	-	24%

Source: Knight Frank Research

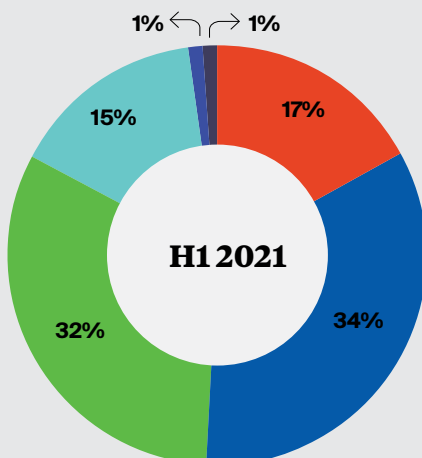
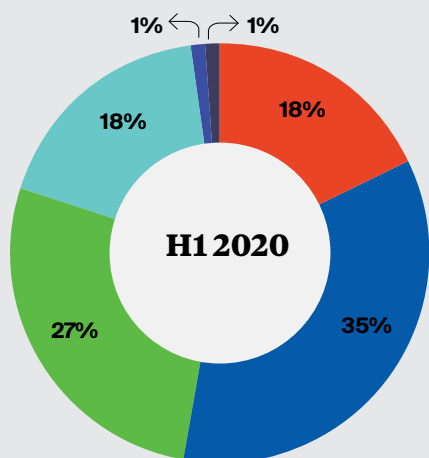
Gurugram

- Gurugram registered a moderate drop in its share of new launches in H1 2021. From a 58% share in H1 2020, Gurugram's share reduced to 31% in the current period. However, in terms of number of units launched, it still remained higher compared to the last year. Products across affordable and mid-segment on Sohna Road, New Gurugram and Golf Course Extension Road remained popular with buyers.

Noida and Greater Noida

- Since the past two years, new project launches in Noida have also slowed down. In H1 2021, its share decreased to 28% of the NCR total. There has been a very limited supply of new projects in this market with few locations being on the developer's radar as the next growth arteries. Locations such as Noida Extension, Noida-Greater Noida Expressway remain of interest to homebuyers which has skewed the supply of new residential inventory in these pockets.

MICRO-MARKET SPLIT OF SALES IN H1 2020 AND H1 2021



Micro-Market	H1 2020	H1 2021
Delhi	1%	1%
Faridabad	1%	1%
Ghaziabad	18%	17%
Greater Noida	35%	34%
Gurugram	27%	32%
Noida	18%	15%

Source: Knight Frank Research

Looking at the residential sales landscape of NCR, the percentage share of micro-market absorption has largely remained unwavering as compared to H1 2020.

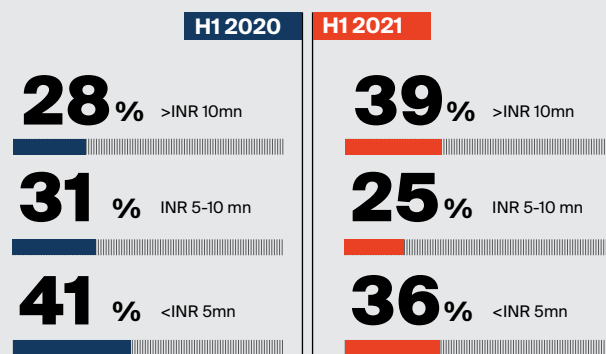
Gurugram

- Compared to H1 2020, Gurugram's mid and high-end residential segment has witnessed a marked improvement in sales in the H1 2021 period. From a 27% share of NCR's total, its share increased to 32% in the current period. On a YoY basis, new residential sales in Gurugram have grown nearly 2.5 times in volume. Steady residential pricing, proximity to key office hubs within Gurugram, well managed amenities and seamless connectivity have made projects in DLF Phase 5, Golf Course Road, Golf Course Extension Road, Sohna Road and New Gurugram much sought-after amongst homebuyers.
- Gurugram being a real estate hotspot for end-users, homebuyers have been on the lookout for township projects which have a credible brand name attached to them and which offer large open spaces and amenities. Independent floors and products catering to the mid to high-end segment are also faring well as homebuyers have plenty of options to choose from. Township projects are also witnessing significant buyer interest as some of them have integrated retail components and offer community spaces which can be used for a work from home setting.
- The recent announcement of fast-tracking the completion of Dwarka Expressway, also known as the Northern Peripheral Road (NPR) by August 2022 will be instrumental in the uptake of affordable ticket sizes in residential segment along this belt. Once this elevated urban expressway becomes operational, sales momentum along this belt, all the way to Central Peripheral Road (CPR) and Southern Peripheral Road (SPR) in Gurugram will get a fresh lease of life.

Noida and Greater Noida

- Since the pandemic, homebuyer preference for bigger homes in peripheral markets has worked in favour of Noida and enquiries for gated communities have been on the rise. Fence sitters, who were earlier reluctant to live far away from the city, are showing interest in purchasing homes in far flung sectors closer to the Yamuna Expressway such as Sector 142, Sector 143 and Sector 150. Demand for residential homes remained strong for Sector 43, Sector 50 and Sector 75 too.
- Greater Noida's share in the overall sales remained steady at 34% in H1 2021. Greater Noida has witnessed traction in the past few months for ready to move in homes. With a gradual return to normalcy, optimism is returning in this market for ready to move in inventory with a price tag of < INR 5 million.

NCR TICKET SIZE SPLIT COMPARISON OF SALES DURING H1 2020 AND H1 2021

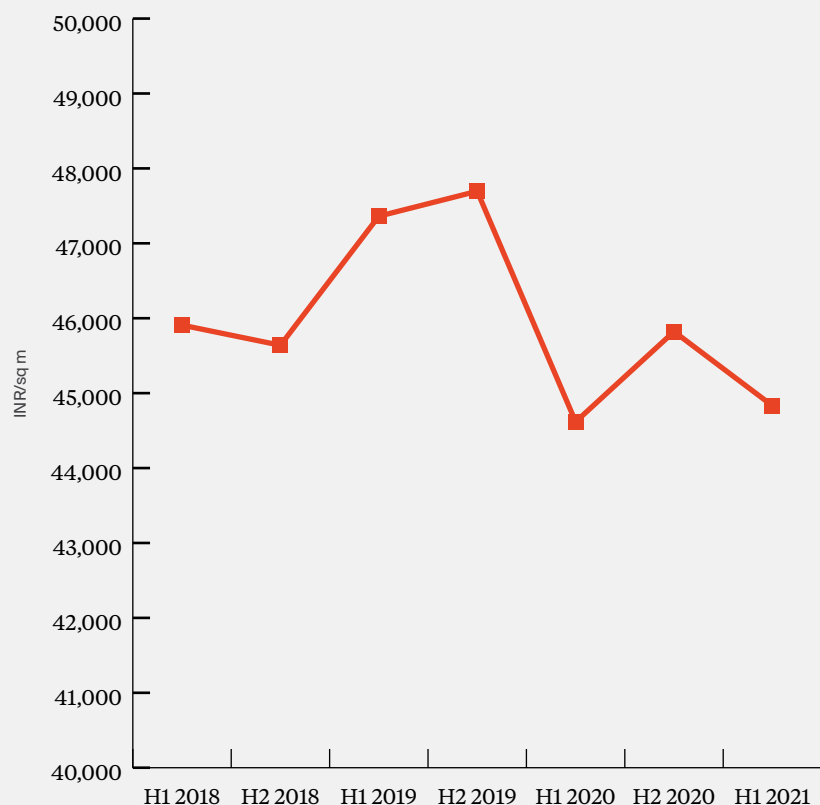


Source: Knight Frank Research

- Compared to H1 2020, the share of products in < INR 5 million ticket size has shrunk from 41% of the NCR sales volume to 36% in H1 2021 as buyers have started preferring plotted colonies within that budget.
- The share of the INR 5-10 million bracket in overall sales shrank from 31% in H1 2020 to 25% in H1 2021. However, there is a marked improvement in the share of products with a price tag of > INR 10 million from 28% in H1 2020 to 39% in H1 2021. The high-end segment has emerged as a real beneficiary in H1 2021, as preference for bigger homes in markets such as Gurugram which have the bulk of NCR's total residential stock, has translated into a healthy sales volume contributing to the overall trend.

Availability of parks, basic necessity shops and other facilities during the pandemic has made gated community living popular in suburban locations.

NCR HALF-YEARLY WEIGHTED AVERAGE RESIDENTIAL PRICE MOVEMENT



- In H1 2021, the weighted average residential price in NCR remained at par with the year ago period. With the COVID-19 outbreak, some developers have started offering flexibility in payment of booking amount as well as relaxation in future payment terms, but no outright discounts on quoted prices per square foot are offered in the wake of margin pressure.
- However, a few locations such as Dwarka, Sector 82 in Faridabad and some sectors in Greater Noida have seen a marginal softening of prices in the range of 1-2% YoY.

Source: Knight Frank Research

RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	Location	Price range in H1 2021 in INR/sq m (INR/sq ft)	12 month Change	6 month Change
Delhi	Dwarka	67,813-96,876 (6,300-9,000)	-1%	0%
	Greater Kailash II	236,808-389,657(22,000-36,200)	0%	0%
Faridabad	Sector 82	33,368-37,674 (3,100-3,500)	-2%	0%
	Sector 88	33,368-36,597 (3,100-3,400)	0%	0%
Ghaziabad	NH-24 Bypass	30,656-31,808 (2,848-2,955)	0%	0%
	Raj Nagar Extension	31,216-35,812 (2,900-3,327)	0%	0%

Greater Noida	Sector 1	34,606–38,750 (3,215–3,600)	-1%	-1%
	Omicron I	32,238–33,368 (2,995–3,100)	0%	0%
Gurugram	Sector 77	54,896–64,423 (5,100–5,985)	0%	0%
	Sector 81	53,820–61,613 (5,300–5,724)	0%	0%
Noida	Sector 78	49,407–58,233 (4,590–5,410)	0%	0%
	Sector 143	45,833–50,591 (4,258–4,700)	-2%	0%

Source: Knight Frank Research

MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)	Age of Inventory (in quarters)
Delhi	1,462 (-16%)	24.32	16.77
Faridabad	2,312 (-4%)	29.78	29.17
Ghaziabad	20,154 (-10%)	18.00	21.41
Greater Noida	40,828 (-16%)	12.71	25.93
Gurugram	21,058 (-15%)	13.40	20.52
Noida	16,329 (-12%)	17.76	26.41

Source: Knight Frank Research

- The downward trend of unsold inventory witnessed since 2016, continued in H1 2021. With a 13% YoY decline in the latest period, it stood at 102,143 units for the NCR market.
- Whilst the unsold inventory has reduced on a continual basis, the quarters-to-sell (QTS) inched up from 13.3 in H1 2020 to 14.7 at the end of June 2021. QTS is the number of quarters required to exhaust the existing unsold inventory in the market. The existing unsold inventory is divided by the average sales velocity of the preceding eight quarters

to arrive at the QTS number for the current quarter. The QTS of NCR suggests that if the sales velocity remains the same, it would take more than 4 years to exhaust the current unsold inventory.

- The age of inventory across markets in NCR continues to be very high, with most locations breaching the 5-year mark. Noida and Greater Noida have a high age of inventory on account of construction delays for several projects launched during 2006 to 2011.

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RESIDENTIAL MARKET

Expert Take

Homebuyers in Pune had responded very favourably to the stamp duty incentive offered by the State Government. With this lower stamp duty window ending in Q1 2021, demand which could not be closed in that period spilled over to the next quarter. Despite the second lockdown in Pune during Q2 2021, several homebuyers were active in the market and closed their purchase as developers were willing to absorb the increased incidence of stamp duty. With homebuyers having to spend more time indoors, their appreciation for homes with balconies has become visible. Many developers are now launching units with attached balconies to cater to this demand.



NIBODH SHETTY

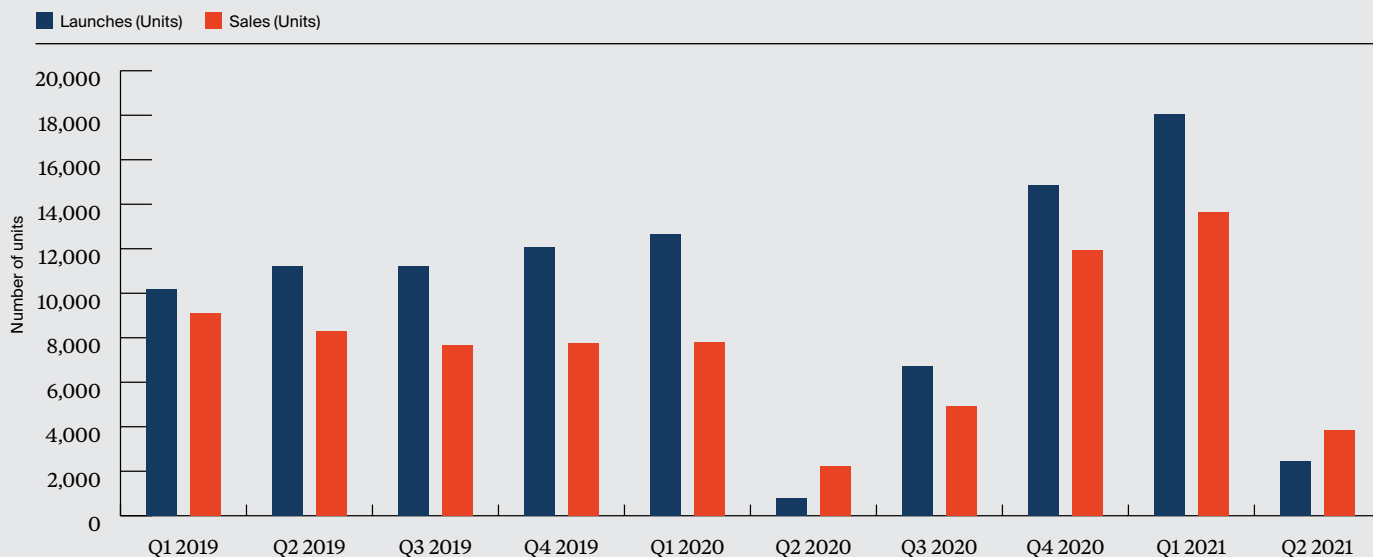
PUNE MARKET SUMMARY

PARAMETER	2020	CHANGE (YOY)	H1 2020	H1 2021	CHANGE (YOY)
Launches (housing units)	34,992	-22%	13,435	20,477	52%
Sales (housing units)	26,919	-18%	10,049	17,474	74%
Price (weighted average)	INR 43,236/sq m (INR 4,017 /sq ft)	-5.3%	INR 43,830 /sq m (INR 4,072/sq ft)	INR 43,164 /sq m (INR 4,010/sq ft)	-1.5%
Unsold inventory (housing units)	47,542	1%	42,855	50,545	18%
Quarters-to-sell (QTS)	6.5	-	6.4	6.8	-
Age of unsold inventory (in quarters)	13.5	-	12.7	13.2	-

Note - 1 square metre (sq m) = 10.764 square feet (sq ft)

Source: Knight Frank Research

QUARTERLY LAUNCHES AND SALES TREND



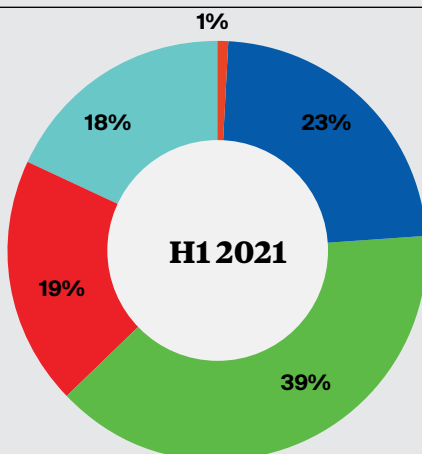
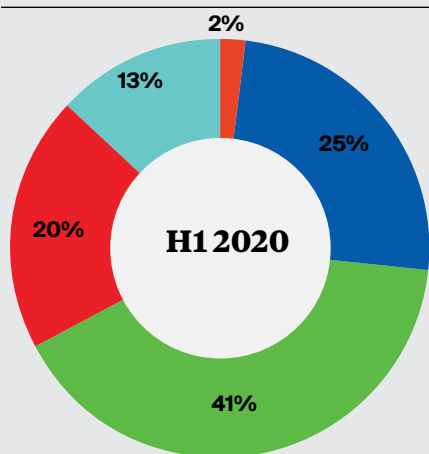
Source: Knight Frank Research

- Residential sales in Pune registered a strong 74% Year-on-Year (YoY) growth in H1 2021. The performance in H1 2021 was largely driven by robust sales clocked in Q1 2021. Many homebuyers rushed to purchase apartments in the closing months of the lower stamp duty window which ended on 31st March 2021, and this made Q1 2021 one of the best quarters in recent years. Homebuyer sentiments were also stimulated by a plethora of other factors such as lowest ever home loans rates, demand for upgrading to larger homes, increased savings during lockdown, extended periods of work from home (WFH), price cuts/discounts offered by developers and better job prospects for IT employees, to name a few. Homes having attached balconies/galleries have suddenly witnessed a stronger demand from homebuyers and are getting sold out much before the other apartments in the same project.
- The H1 2021 numbers were also high due to a pronounced base effect on account of negligible sales in Q2 2020 during the first lockdown. There was a second lockdown in Q2 2021 as well and the pandemic was more widespread and harsh this year. However, a better understanding of the infection, focus on vaccinations, besides better execution of digital mediums and on-site labour operations helped keep the market afloat compared to a near standstill during the same period last year in Q2 2020. An important factor that aided sales in Q2 2021 was the willingness of developers to absorb the increased stamp duty burden on the homebuyer without increasing end product prices.

MICRO-MARKET CLASSIFICATION

Micro market	Locations
Central	Koregaon Park, Boat Club Road, Erandwane, Deccan, Kothrud, Model Colony
East	Viman Nagar, Kharadi, Wagholi, Hadapsar, Dhanori
West	Aundh, Baner, Wakad, Hinjewadi, Bavdhan, Pashan
North	Pimpri, Chinchwad, Moshi, Chikhali, Chakan, Talegaon
South	Kondhwa, Ambegaon, Undri, Dhayari, Warje, Sinhgad Road

MICRO-MARKET SPLIT OF SALES IN H1 2020 AND H1 2021

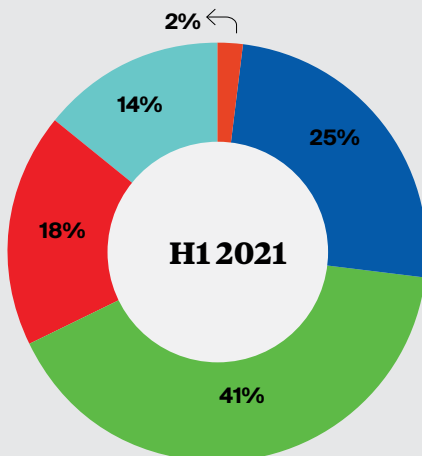
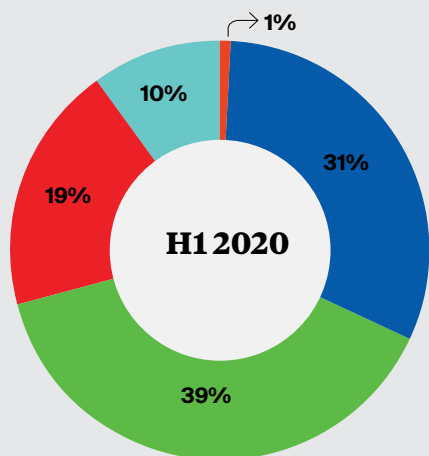


Micro-Market	H1 2020	H1 2021
Central	2%	1%
East	25%	23%
West	41%	39%
North	20%	19%
South	13%	18%

Source: Knight Frank Research

- Markets in the West and East continue to dominate sales in Pune. In H1 2021, markets in the West had a 39% share in new sales followed by East at 23%. Proximity to office hubs is the reason why these markets are witnessing greater traction. The homebuyers are cognizant of the fact that they will be required to go to office at least a few days in a week once things return to normal and are showing a preference for locations close to employment hubs.

MICRO-MARKET SPLIT OF NEW LAUNCHES IN H1 2020 AND H1 2021

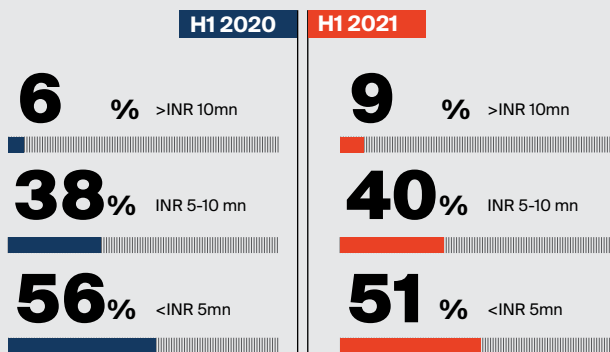


Micro-Market	H1 2020	H1 2021
Central	1%	2%
East	31%	25%
West	39%	41%
North	19%	18%
South	10%	14%

Source: Knight Frank Research

- Launches in H1 2021 grew by 52% YoY. As the second wave of infection hit the economy, developers were better prepared and avoided another labour exodus by providing them shelter, food and other monetary/non-monetary assurances. Moreover, the lockdown restrictions during the second wave were less stringent and construction activity was permitted.

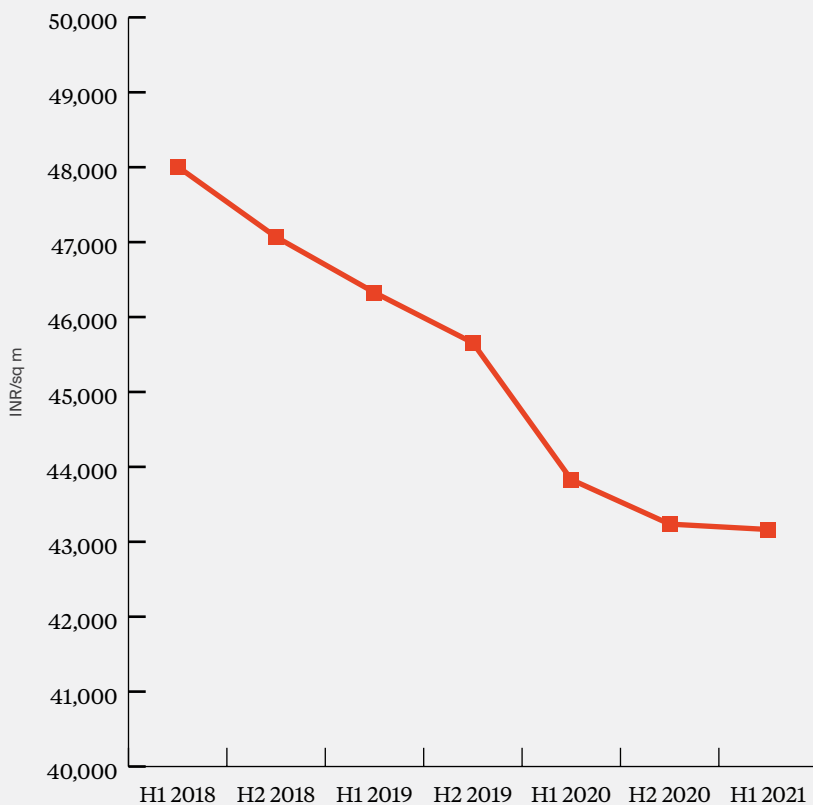
PUNE TICKET SIZE SPLIT COMPARISON OF SALES DURING H1 2020 AND H1 2021



Source: Knight Frank Research

- The share of sales in the greater than INR 5 million (>INR 5 mn) segment grew from 44% in H1 2020 to 49% in H1 2021. Several homebuyers took advantage of the lower stamp duty window. The need for more space within the home has made many homebuyers opt for larger homes or homes with additional rooms/balconies, thereby pushing up the ticket size of apartments sold.

PUNE HALF-YEARLY WEIGHTED AVERAGE RESIDENTIAL PRICE MOVEMENT



- The weighted average prices in Pune have declined by 1.5% YoY in H1 2021. Developers continue to offer discounts such as GST waiver, deferred payment plans, absorption of the stamp duty burden, no floor rise, gifts, etc.

Source: Knight Frank Research

RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	Location	Price range in H1 2021 in INR/sq m (INR/sq ft)	12 month Change	6 month Change
Central	Koregaon Park	139,932-182,988 (13,000 - 17,000)	-2%	0%
	Kothrud	80,730-139,932 (7,500 - 13,000)	-2%	0%
	Erandwane	145,314-193,752 (13,500 - 18,000)	-3%	0%
	Boat Club Road	156,078-209,898 (14,500 - 19,500)	-2%	0%
East	Kharadi	57,049-67,813 (5,300 - 6,300)	-1%	0%
	Wagholi	37,674-49,514 (3,500 - 4,600)	0%	0%
	Dhanori	41,980-51,667 (3,900 - 4,800)	-1%	0%
	Hadapsar	49,514-64,584 (4,600 - 6,000)	-3%	0%
West	Aundh	83,959-102,258 (7,800 - 9,500)	-2%	0%
	Baner	60,278-86,112 (5,600 - 8,000)	-2%	-1%
	Hinjewadi	51,667-63,508 (4,800 - 5,900)	-3%	-1%
	Wakad	58,126-66,737 (5,400 - 6,200)	-1%	0%
North	Moshi	39,827-46,285 (3,700 - 4,300)	-3%	0%
	Chikhali	37,674-44,132 (3,500 - 4,100)	-3%	0%
	Chakan	32,292-36,598 (3,000 - 3,400)	-3%	0%
South	Ambegaon	47,362-59,202 (4,400 - 5,500)	-2%	-1%
	Undri	41,980-51,667 (3,900 - 4,800)	-1%	0%
	Kondhwa	49,514-61,355 (4,600 - 5,700)	-2%	0%

Source: Knight Frank Research

MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)	Age of Inventory (in quarters)
Central	1,383 (1%)	12.0	16.9
East	14,294 (13%)	7.5	14.3
West	17,148 (38%)	6.3	9.8
North	10,276 (12%)	7.4	15.0
South	7,044 (-3%)	5.5	14.3
Pune City	50,145 (17%)	6.8	13.2

Source: Knight Frank Research

- The quarters-to-sell (QTS) inched up from 5.7 in H1 2020 to 6.8 in H1 2021. This was mainly because of a sharp dip in sales velocity due to the pandemic induced lockdowns during Q2 2020 and Q2 2021 which affected the average eight quarter sales velocity. QTS is the number of quarters required to exhaust the existing unsold inventory in the market. The existing unsold inventory is divided by the average sales velocity of the preceding eight quarters to arrive at the QTS number for the current quarter.

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