PROJECT EXQUISITE

Industry Report – Residential, Commercial Office and Warehousing

Prepared for:
CASAGRAND PREMIER BUILDER LTD

17th SEPTEMBER 2024

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INDUSTRY REPORT

CBRE South Asia Pvt. Ltd. ('CBRE') has been instructed by Casagrand Premier Builder Ltd (the 'Client', the 'Instructing Party') to prepare the 'Industry Report on Residential, Commercial Office and Warehousing Segments across focus cities in India' ('Industry Report') as of 31st March 2024. In relation to the proposed transaction, this report is intended to be included as part of the Draft Red Herring Prospectus Document to be filed by the client with the Securities and Exchange Board of India (SEBI) and the stock exchanges where the company is expected to be listed.

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Wherever data for the 12-month period ended March 31 has been presented in this section, a reference to "fiscal year" or "financial year" or "FY" along with the relevant year has been included. Any other data included with respect to a period relates to data for the relevant calendar year period. Q1 2024 mentioned across the report refers to "as of March 31, 2024".

Glossary of Terms:

Residential Apartments Segment:

Data and trends, as reflected for a particular city, are furnished from the perspective of different individual micro-markets which the city is composed of (and not as per individual localities). Only key micro-markets, which account for a significant portion of market activity, are covered as part of the deliverable. Micro-market segmentation is as per the prevalent city dynamics and up to the sole discretion of CBRE.

Criterion for residential basket - Only apartment units have been considered in the report unless or otherwise mentioned as Villas/Plotted Developments (a brief section has been included on Villas/Plotted Developments Segment for Chennai city). These include investment-grade projects by private developers only, with apartments across high-rise and mid-rise developments offering 50 units and above. However, for certain cities, we have included select low-rise projects by key developers. Additionally, a few exceptions have been made for projects with less than 50 units and they have been included on the basis of location, developer, configuration and quality of the project. Group housing, villa, town houses, co-operative housing, government-defined affordable housing, township and redevelopment (that do not include a sale component) projects have not been considered as part of the inventory.

The figures for stock, supply, and absorption are expressed in terms of the number of dwelling units within the project (referred to as units across the report).

Projects are predominantly those launched 2010 onwards; exceptions only in case of projects launched in multiple phases wherein earlier phases were launched prior to 2010.

In certain instances, projects launched prior to 2010 which are under construction/previously stalled and recently revived may be included in the project inventory.

Supply – Fresh units launched during the period

Demand/Absorption/Sales – Sold units during the period in the primary market

Pricing/Capital Values - Gross Quoted Capital Values, expressed in INR/sft on saleable area

Inventory Overhang – Estimated no. of months for absorption of prevailing unsold inventory in the market calculated based on the average annual absorption in the past 2 to 2.5 years

Office Segment:

Criterion for Building Basket - While sincere efforts have been made to ensure that developments included in the city-wise project baskets conform to the criterion of being 75,000 sft. and above (leasable area), exceptions have been made in case of certain micro-markets to ensure that the data is reflective of actual market dynamics.

Development Completions/Supply - Represents the total area of new floor space that has reached practical completion and is occupied, ready for occupation or an occupancy permit, where required, has been issued during the survey period.

Total Stock - Represents the total completed space (occupied and vacant) in the market at the end of the quarter/year.

Vacant Space - Represents the total office space in completed properties, which is available for lease and is being actively marketed at the end of the quarter/year. Space that is not being marketed or is not available for occupation is excluded from vacancy. Space that is under construction is also excluded from vacant space.

Vacancy Rate (%) Calculation - Vacant space expressed as a percentage of total stock.

Total Occupied Stock Calculation - Total stock minus vacant space.

Absorption/Take Up - Represents the total office space known to have been let out to tenants or owner-occupiers during the survey period. A property is deemed to be taken-up only when contracts are signed or a binding agreement exists. Unless otherwise stated, references to absorption shall refer to gross absorption.

Rental Values - Quoted rental values; measured in INR/sft/month representing the average asking (quoted) rental rate for all available space in existing buildings at the end of the quarter/year. This rate indicates an average of what landlords would charge to lease space in that market, with operating costs covered by the tenant. Rental values provided are exclusive of property taxes.

Grade A (Refers to a development type) - Tenant profile should include prominent multinational corporations. It should include an open plan office with large size floor plates, adequate ceiling height, 24 X 7 power back-up, supply of telephone lines, infrastructure for access to internet, central air-conditioning, spacious and well decorated lobbies, circulation areas, good lift services, sufficient parking facilities and should have centralized building management and security systems.

Grade B (Refers to a development type) - Tenant profile should include mid to small sized corporates, average floor plate sizes, flexible layout, adequate lobbies, provision of centralized or free-standing air-conditioning, adequate lift services, parking facilities, etc. An integrated property management system might not be in place, while external facade might be ordinary. Multiple ownership might be a norm. Such developments have typically been excluded from the study. Inclusion to be entirely case specific and micro-market specific as per the local city dynamics.

IT (Information Technology) - Refers to a development type; includes buildings developed for occupiers involved in IT/ITeS operations (as defined in the National and State Level IT Policies), inclusive of STPI (Software Technology Parks of India).

Commercial (Non-IT) - Refers to a development type; includes all non-IT buildings, inclusive of those for corporate office space occupiers.

IT SEZ (Special Economic Zone) - Refers to a development type; includes all IT focused Special Economic Zones approved as per the SEZ India Authority.

Bare Shell - Space delivered to the tenant with a simple, plain cement structure with water lines and common electric connection. The tenant must carry out interior fit-outs, electrical and plumbing work.

Warm Shell - Space delivered to the tenant including AC ducting, basic electrical wiring and plumbing. In a warm shell lease, the client may decide to do the fit-out or ask the developer to undertake the same.

Semi-Furnished/fitted – Warm shell delivered to the tenant including false ceiling, flooring, and rest rooms, and the tenant undertakes the rest of the furnishing.

Fully Furnished/fitted - A plug-and-play facility ready for tenant to move in.

Warehousing Segment:

Supply - Represents the total area of new warehouse space that has reached practical completion and is occupied, ready for occupation or an occupancy permit, where required, has been issued during the survey period.

Total Stock - Represents the total completed warehouse space (occupied and vacant) in the market at the end of the quarter/year.

Vacant Space - Represents the total warehouse space in completed developments, which is available for lease and is being actively marketed at the end of the quarter/year. Space that is not being marketed or is not available for occupation is excluded from vacancy. Warehouse Space that is Under Construction is also excluded from Vacant Space.

Vacancy Rate (%) Calculation - Vacant Warehouse Space expressed as a percentage of Total Warehousing Stock.

Total Occupied Stock Calculation - Total Warehousing Stock minus Vacant Warehousing Space.

Absorption/Take Up - Represents the total warehouse space known to have been let out to tenants or owner-occupiers during the survey period. A development is deemed to be taken-up only when contracts are signed, or a binding agreement exists.

Rental Values - Quoted rental values; measured in INR/sft/month representing the average asking (quoted) rental rate for all available space in existing warehouse developments at the end of the quarter/year. This rate indicates an average of what landlords would charge to lease space in that market, with operating costs covered by the tenant. Rental values provided are exclusive of property taxes and are on leasable/chargeable area.

Grade A warehouses are typically made of Pre-Engineered Building (PEB) structures with a minimum clear height of 9 to 12 meters and a floor strength of 5 to 10 square meters per ton. The average size of a Grade A warehouse is above 100,000 square feet, with a canopy height of 3 to 5 meters. Grade A facilities have supporting facilities such as: water harvesting, fire-fighting facilities, ESFR sprinkler systems, automated gate rollers, automated dock levellers, forklifts, optimized column spacing, flat high-dock door ratios, extensive concrete truck courts, solar-powered lighting and ventilation systems, and dedicated truck parking.

Grade B warehouses are typically made of Pre-Engineered Building (PEB) or Reinforced Cement Concrete (RCC) structures with a minimum clear height of 6 to 9 meters and a floor strength of 4 to 5 square meters per ton. The average size of a Grade B warehouse is between 50,000 to 100,000 square feet, with a canopy height of 1 to 2 meters. Grade B facilities have minimal supporting facilities such as: water harvesting, fire-fighting facilities, manual gate rollers, etc.

Abbreviations:

Term	Description
BITS	Birla Institute of Technology and Science, Pilani
CAGR	Compounded Annual Growth Rate
CBD	Central Business District
CDP	Collecting Depository Participant
CHIL	Coimbatore Hi-tech Infrastructure Private Limited
CMRL	Chennai Metro Rail Limited
CPI	Consumer Price Index
EBD	Extended Business District
ECIL	Electronics Corporation of India Limited
EPIP Zone	Export Promotion Industrial Park Zone
FDI	Foreign Direct Investment
FMCG	Fast-Moving Consumer Goods
GDP	Gross Domestic Product
GRID	Growth in Dispersion
GST	Goods & Sales Tax

GST	Grand Southern Trunk
HNI	High Net-worth Individual
IIT	Indian Institute of Technology
IMF	International Monetary Fund
IRR	Inner Ring Road
ISB	Indian School of Business
ITIR	Information Technology Investment Region
JNTU	Jawaharlal Nehru Technological University
KGISL	KG Information Systems Private Limited
LEAP	Look East Policy
MMTS	Multi-Modal Transport System
mn	Million
MRTS	Mass Rapid Transport System
Msf	Million square feet
NCR	National Capital Region
OMR	Old Mahabalipuram Road
ORR	Outer Ring Road
PDB	Peripheral Business District
PMAY	Pradhan Mantri Aawas Yojana
psf	per square feet
RBI	Reserve Bank of India
RERA	Real Estate (Regulation and Development) Act
RGIA	Rajiv Gandhi International Airport
SBD	Secondary Business District
SEZ	Special Economic Zone
KIADB	Karnataka Industrial Area Development Board
sq. ft. or sf or sft	square feet
sq. km.	square kilometre

INDIAN RESIDENTIAL SECTOR OVERVIEW

The key drivers of demand for residential segment in India are as follows:

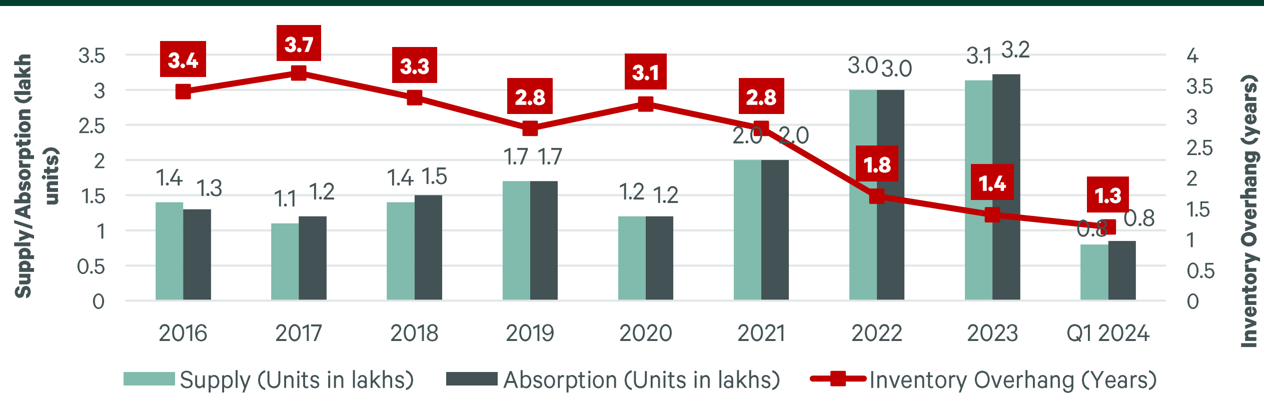
- India is one of the largest and fastest growing economies globally and the fifth-largest economy in the world according to the International Monetary Fund ("IMF"). India is projected to witness a GDP growth rate of 6.8% in 2024 as compared to the world average of 2.2% demonstrating a strong economic rebound and further growth post COVID-19 *(Source: World Bank)*
- India's strong economic fundamentals, characterised by a narrowing current account deficit, record foreign exchange reserves, and a sound fiscal position, present a favourable environment for real estate growth
- India is home to one of the world's largest urban populations (519 million as of 2023), with current urban population mix of about 36% (2023) and is projected to increase to 40.9% by 2030E and 50.0% by 2050E *(Source: World Bank, Technopak Analysis)*
- The average household size in India has reduced to 4.2 members in FY23 from 5.3 members in FY01 and is further projected to reduce to 3.9 by FY30 *(Source: MoSPI, Technopak Analysis)*
- India's middle-class and high-income households have witnessed an increase, indicating the country's rapidly rising income levels. Between FY10 and FY20, the number of middle-class households increased at a CAGR of 14.8%, increasing its composition from 23.7% to 73.1%. This has led to a shift in lifestyle preferences. By FY30, it is predicted that this market will continue to expand and account for about 79.0% of households *(Source: Technopak Analysis)*

Growth in India's residential sector is fuelled by the rapid urbanization rate in the last two decades coupled with improved per capita earnings, growth in service industries, nuclearization of families and other above mentioned macro-economic factors. The organized residential real estate sector in India ended the year 2023 on a strong note, with sales climbing to an all-time high and unit launches touching a decadal peak. The sector is forecasted to maintain a robust trajectory in 2024 as well, supported by strong underlying market fundamentals. *(Source: CBRE)*

Residential Supply, Sales and Inventory Overhang

Over the past few years, overall absorption in the residential segment in terms of number of dwelling units has witnessed an upward trend across the top Indian cities of Delhi NCR, Mumbai, Bangalore, Pune, Chennai, Hyderabad & Kolkata. Post the covid year (2020), the market had a fast paced rebound and witnessed increase in supply and absorption in the following years, surpassing pre-covid levels and recording a historic high. The supply and absorption trends from 2016 to Q1 2024 along with unsold inventory (as a % of supply) are provided below. *(Source: CBRE)*

India - Residential Apartments Segment - Supply, Sales and Inventory Overhang



Source: CBRE

The average annual new launches and absorption across top 7 cities during the period from 2016 to Q1 2024 have been approx. 1,92,000 units. India's residential sector achieved robust sales and new launches in 2023. The current residential real estate cycle is characterised by a solid foundation, driven by a strong affinity for homeownership among prospective homebuyers. Stepping into 2024, it is anticipated that the positive sentiment would remain intact, as both sales and new launches will likely exhibit sustained momentum in line with the last two years. Several factors, such as rising household income levels, backed by burgeoning economic growth, sustained urbanisation, and renewed interest from investors, are expected to fuel a healthy performance in 2024.

Dynamics pertaining to the residential real estate segment are influenced by several factors including location, product type, price range, positioning among several others. Key challenges pertaining to the Indian Residential Real Estate sector have been enumerated below:

- PMAY scheme launched in the year 2015 which has been one of the key drivers boosting the supply and demand for affordable housing segment, has been extended until 31st December 2024 which might impact the supply and sales of the affordable housing units post 2024. *(Source: Ministry of Housing and Urban Affairs)*
- After riding the strong momentum in sales across tier 1 markets, several large developers are now also foraying into tier II cities. During this expansion cycle, each market/state may exhibit varying set of opportunities & challenges due to the diverse nature of policies, regulatory guidelines, customer preferences coupled with increasing land prices. To overcome this aspect and with a view to mitigating risks, higher number of joint venture/joint development instances may be expected in the residential segment.
- Considering the land acquisitions made by developers during 2022 and 2023, it is anticipated that the positive momentum will continue to foster apartment launches with Mumbai, Hyderabad, Pune, Chennai and Bangalore, likely driving supply infusion during 2024 and subsequent years. However, escalating land costs amidst limited funding options for early-stage projects may challenge developers' future land acquisitions.
- Sustainability has become a critical differentiator in real estate development, with an increasing emphasis on constructing eco-friendly and energy-efficient dwellings. As buyers in the premium/luxury category tend to be more aware and demanding of such features, prompting developers to focus on integration of energy-efficient appliances, rainwater harvesting systems, indoor air quality control, renewable energy sources, etc when catering to the demand for premium/luxury homes. Adaption to changing consumer preferences is considered as a key contributor to the success of such real estate developments.
- Post covid, many global markets, including India, witnessed resurgence in construction activity in 2021. While recovery remained on track in 2022, the industry faced challenges such as impact on regional supply chains due to the Russia-Ukraine conflict along with rising inflation globally as the prices of raw materials such as cement and steel increased during the period. However, the prices stabilised in the year 2023. Real estate market would continue to be sensitive to such events and its ability to adapt to market conditions would be critical for success.

  (Source: CBRE)

RESIDENTIAL MARKET OVERVIEW - CHENNAI

CITY OVERVIEW

Chennai, the gateway of South India and epicentre of Tamil Nadu's economy

Chennai, the capital city of Tamil Nadu is situated on the southeast coast of India. Its strategic location, robust infrastructure, rich cultural heritage and bustling economy have undoubtedly made it a metro city that draws people from across India. The Chennai Metropolitan Area (CMA) has recently been expanded to 5,904 sq.km. covering districts of Tiruvallur, Kancheepuram, Chengalpattu and Ranipet owing to the urban outgrowth and sprawl.

The city is also known as the 'Detroit of India' owing to existence of a robust automobile sector with the presence of prominent automobile companies such as Nissan, Hyundai, Ashok Leyland, TVS, Royal Enfield, etc accounting for approx. 30% of India's auto exports. *(Source: Tamil Nadu Guidance Bureau).* The city has a strong workforce across sectors, which is a reflection of the robust education infrastructure present in the city. The city contributes a share of approx. 11% to the total IT investments in India. *(Source: Tamil Nadu Guidance Bureau).* Growth in the IT/ ITeS sector post the 2000's coupled with inherent regional dynamics have transformed Chennai into a prominent investment destination for multinational corporates and industrial groups. The growth of manufacturing and IT/ITeS sectors has led to increasing migration of talent towards the city over the past few years. The resultant rise in Chennai's population and expanding urban sprawl drove residential demand, especially in the suburban and peripheral locations of South and West Chennai. *(Source: CBRE)*

CHENNAI RESIDENTIAL REAL ESTATE MARKET OVERVIEW

Residential real estate segment in Chennai has witnessed notable growth over the past two decades with the increasing economic activity in the city. A few decades ago, residential activity in Chennai was limited to independent houses and low-rise apartments where majority of the residential demand was driven by the natives of Chennai. With the evolution of IT/ITeS sector and manufacturing industries in the city in the 2000s, Chennai attracted graduates and working professionals from various parts of the state and the country for better employment opportunities. This migration is one of the key factors that changed the city's housing requirements and led to the emergence of high-rise gated apartments.

Key drivers of demand for residential segment in Chennai are elucidated below:

Well planned large metropolis: The fourth largest urban agglomeration in India in terms of population and the most densely populated city in the state with a city population of approx. 4.97 million and an urban agglomeration population of 8.65 million as per the 2011 Census.

Increasing economic activity: Rapidly growing commercial and industrial activity in the city driven by large Multi-National Companies has garnered high employment opportunities and hence attracting large migrant populace to the city.

Strong physical infrastructure network: Well laid physical infrastructure viz. suburban railways, mass rapid transit system, Metro rail, ORR and IRR ensures seamless connectivity to prominent hubs in the city. The city is also well connected with different parts of the country as well as internationally through various modes of transport.

Social Infrastructure: Presence of wide network of hotels, hospitals, schools, retail and entertainment centres create a robust social infrastructure in the city.

Competitive real estate pricing: Land/capital values in Chennai city are considered competitive in relation to other comparable southern cities of Bangalore and Hyderabad.

Ease of Living: According to 'Ease of Living Index, 2022' released by the Ministry of Housing and Urban Affairs, Chennai ranks fourth in the country.

Government initiatives: The city benefits from a proactive government promoting investments in the city such as promotion of start-up hubs, IT/ITeS policy to promote IT/ITeS activity and single window clearance that has led to increase in economic activity and employment generation in the city.

(Source: CBRE)

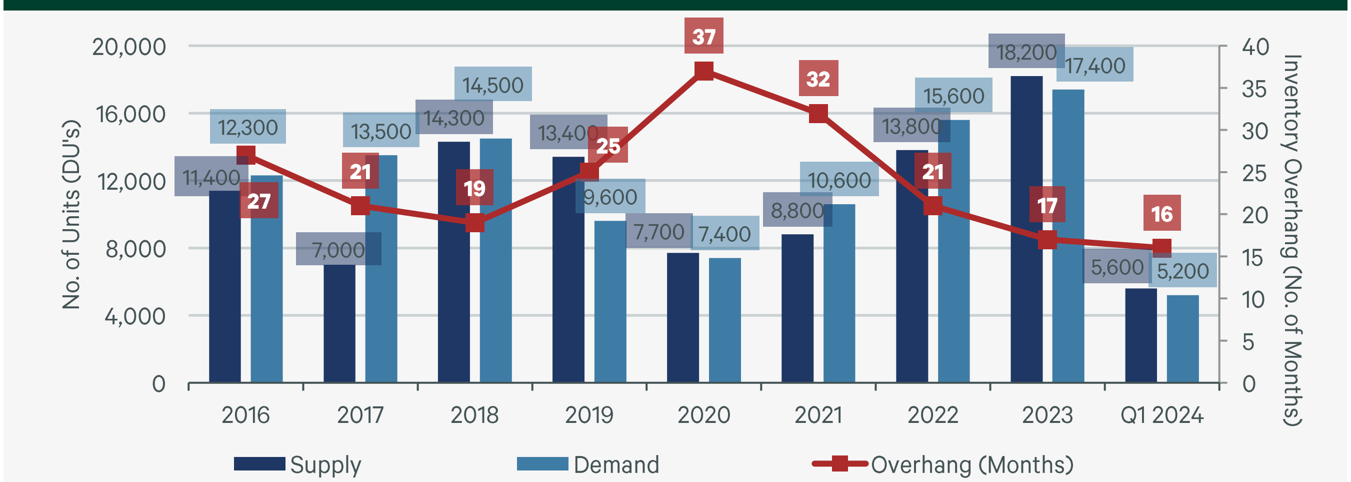
SUPPLY DEMAND TRENDS

The table below highlights the key statistics pertaining to Chennai Residential apartments segment.

Particular	Details
Total Stock (As of Q1 2024)[1]	approx. 2,67,300 units
Under-Construction Supply (As of Q1 2024)	approx. 54,500 units
Unsold Inventory (As of Q1 2024)	approx. 23,600 units (approx. 8.8% of overall stock)
Average Annual Supply (2022 to Q1 2024)	approx. 18,000 to 19,000 units
Average Annual Absorption (2022 to Q1 2024)	approx. 17,000 to 18,000 units
Inventory Overhang	16 Months

Source: CBRE

Y-o-Y Supply Demand Dynamics



Source: CBRE

The chart above highlights the supply introduction and yearly absorption trend for residential apartments segment in Chennai. Residential demand from 2016 has outperformed supply in most of the years, except for 2020 owing to the covid pandemic.

Post the initial impact of policy reforms in the real estate industry in terms of introduction of RERA (Real Estate Regulatory Authority), GST (Goods and Service Tax) and demonetization, the year 2018 witnessed a strong comeback in terms of residential supply and demand considering the pent-up launches from previous years. With the opening up

[1] Stock includes the residential units that are completed, under construction, sold and unsold

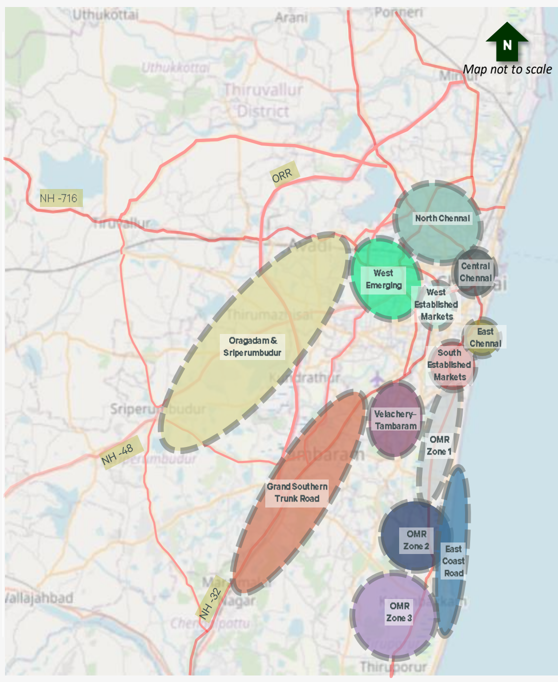
of economy and increasing buyer confidence post covid, there was an uptick in launches and demand in the year 2022 surpassing pre-covid levels. Chennai residential market witnessed a robust increase in launches during the year 2023 reaching an all-time high of 18,200 units and the momentum continued as of Q1 2024 with launch of 5,600 units in the quarter.

Absorption has been sustained between 2015 and 2020 with specific residential pockets across the city witnessing increasing demand trends. The most active residential markets in Chennai include OMR and West Emerging Markets. In-line with the supply, demand witnessed significant growth over the past years, with sales reaching an historic high of approx. 17,400 units in the year 2023. Inventory overhang reached an all-time low in Q1 2024, attributed to the increase in demand during the quarter. This trend is expected to sustain over the next few quarters as well. (*Source: CBRE*)

KEY ZONES AND THEIR PROFILE

The map below represents the spatial spread of residential zones in Chennai City.

Spatial Spread of Zones in Chennai



Source: CBRE

The city has been bifurcated into various sub-markets based on activity levels (viz. concentration & profile of development activity) as detailed below:

OMR Zone 1: OMR vector is positioned as the designated IT corridor of the city. OMR Zone 1, located in proximity to the city, witnesses commercial and residential activity. It is also the most premium stretch on OMR in terms of commercial and residential pricing.

- Key locations – Perungudi, Thoraipakkam, Taramani, Karapakkam
- Buyer Profile – Mix of mid to senior-level IT and other corporate employees

OMR Zone 2: The vector witnesses spill over commercial office demand from OMR Zone 1 and is also the most active residential vector in the corridor, considering the proximity and affordability of real estate in comparison to other South Established Markets.

- Key locations – Padur, Perumbakkam, Navalur, Egattur, Sholinganallur, Siruseri
- Buyer Profile – Mix of entry to mid-level IT and other corporate employees

OMR Zone 3: The vector is characterised by the presence of nascent real estate activity and availability of large developable land parcels. Residential activity in the location is dominated by the presence of large scale affordable residential developments.

- Key locations – Thaiyur, Kelambakkam, Pudupakkam, Thiruporur
- Buyer Profile – Mix of entry to mid-level IT and industrial employees

Grand Southern Trunk Road: The location is characterised by presence of a mix of industrial and IT developments. This zone is also emerging as one of the key vectors for affordable to mid-end residential activity in the city.

- Key locations – Chromepet, Perungaluthur, Vandalur, MM Nagar, Guduvanchery, Pallavaram
- Buyer Profile – Mix of entry to mid-level IT and industrial employees

Velachery – Tambaram: The zone has witnessed a paradigm shift with the launch of numerous medium to large-scale residential projects and commercial developments over the recent years. This is primarily attributable to its strategic locational advantages viz. close proximity to OMR, GST Road and the sub-urban markets of Velachery.

- Key locations – Velachery, Adambakkam, Alandur, Medavakkam, Pallikaranai, Madipakkam
- Buyer Profile – Mix of mid to senior-level IT and other corporate employees

East Coast Road: ECR stretch, running parallel to the coast of Bay of Bengal, is positioned as the leisure and entertainment destination of the city known for its scenic beauty. Residential activity in the region is driven by high-end to luxury sea facing apartments, villas and plotted developments.

- Key locations – Injambakkam, Kanathur, Kottivakkam, Muttukadu
- Buyer Profile – CEOs, CFOs, High Net Worth Individuals from entertainment industry, large business families and expats

South Established Markets: It is one of the prominent mixed use locations in the city enjoying proximity to the central region. The location is characterised by the presence of numerous high-end residential developments and well established social infrastructure in terms of retail, hospitality, educational institutions and hospitals.

- Key locations – Adyar, Besant Nagar, Guindy, Saidapet, Kotturpuram, Thiruvanmiyur
- Buyer Profile – Mid to large scale business families, mid to senior-level corporate and govt. executives

West Emerging Markets: Extensive IT activity in the location along Mount Poonamallee High Road has catalysed demand across other real estate segments along this zone. The West Emerging Markets are gaining prominence in terms of residential thresholds over the past few years, fuelled by growth of IT and industrial activity.

- Key locations – Ambattur, Avadi, Mogappair, Padi, Porur, Ramapuram
- Buyer Profile – Mix of entry to mid-level IT and industrial employees, small/mid-size business families

West Established Markets: This region witnesses the presence of high-end residential developments concentrated around Anna Nagar and surrounding regions which are located in proximity to the central regions of the city.

- Key locations - Anna Nagar, Ashok Nagar, Kodambakkam, Vadapalani, Saligramam, Shenoy Nagar
- Buyer Profile - Mid to large size business families, mid-senior level corporate executives

Oragadam & Sriperumbudur: The stretch has emerged as a prominent industrial hub in the city housing large scale manufacturing facilities and warehousing developments. The location is also witnessing increasing residential activity across apartments, plots and villas in the recent past.

- Key locations – Sriperumbudur, Oragadam, Thirumazhisai, Thandalam
- Buyer Profile – Entry to mid-level industrial employees

Central Chennai: Established residential zone with presence of premium and luxury residential developments. The location is characterised by limited availability of large land parcels and witnesses the presence of prime Grade A commercial and retail developments.

- Key locations - Nungambakkam, T Nagar, Egmore, Royapettah, Gopalapuram

- Buyer Profile - CEOs, CFOs, senior level corporate executives, large business families and promoters of major corporates, expats, government officials and entertainment/media industry stakeholders

East Chennai: Due to its proximity to the sea and the central business district, the area has developed into a high-end, luxury residential zone, reflecting the premium value of the location.

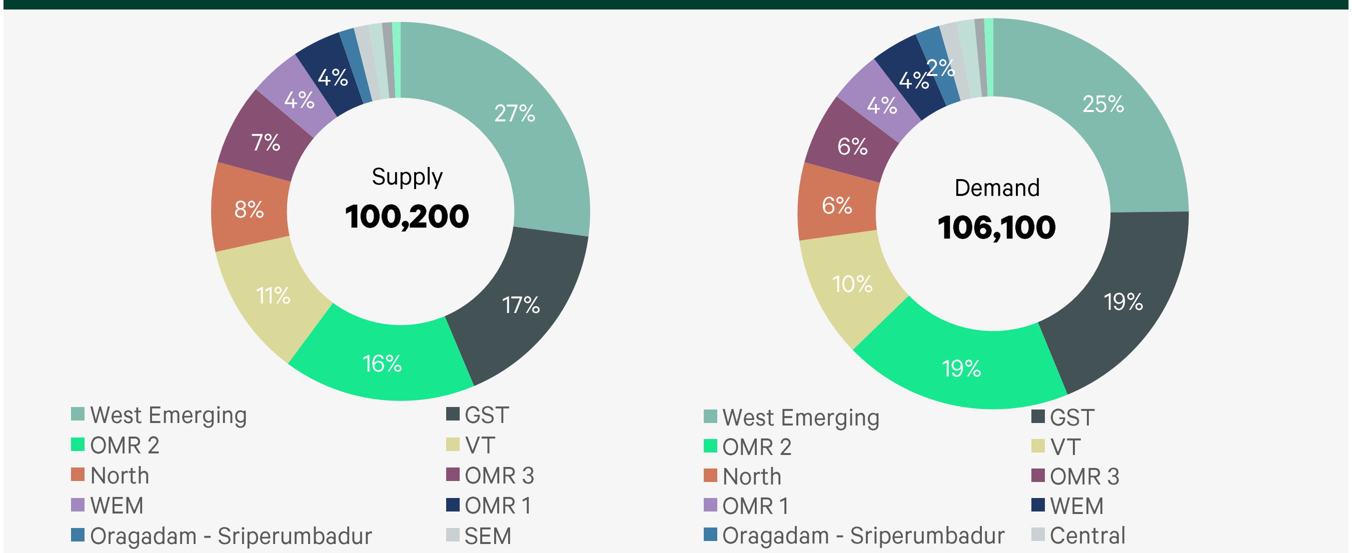
- Key locations - Alwarpet, Boat Club, Mandaveli, Mylapore, R.A Puram
- Buyer Profile - Mid to senior level corporate executives, mid to large size business families, government officials and entertainment/media industry stakeholders

North Chennai: The location is characterised by the presence of port related activities such as container freight stations and warehouses considering the proximity to ports in the city. The location has witnessed a surge in mid to high-end residential developments over the past few years.

- Key locations - Madhavaram, Perambur, Villivakkam, Purasaiwalkam
- Buyer Profile - Small to mid-size business families, entry to mid-level industrial employees

(Source: CBRE)

Key Zones in Chennai–Supply and Demand Share (2016 to 2024 Q1)



Source: CBRE

The 'West Emerging Markets' vector has witnessed increased residential activity in the recent past and has established itself as the prominent market with a supply share of approx. 27% (2016 to Q1 2024). This is fuelled by increased commercial supply (expected to witness a growth of approx. 52% from approx. 11.6 mn sft in Q1 2024 to approx. 17.6 mn sft over the next 4 years based on under-construction and planned projects; Source: CBRE) and the priority metro corridor that is actively under construction. OMR is one of the predominant residential locations considering the dense commercial activity along the region that witnessed a growth of approx. 68% from approx. 27 mn sft in 2012 to approx. 45.6 mn sft in Q1 2024 and other factors such as land availability, affordability and the under construction metro corridor. Central and East Zones continue to remain a niche market with limited market share, primarily catering to high-end to luxury demand. *(Source: CBRE)*

KEY DEVELOPERS AND THEIR SHARE

Residential activity in the city is dominated by local developers contributing to approx. 80% of the overall supply and top ten developers in the city contributing approx. 52% of the overall supply during the period from 1st January 2017 to 31st March 2024.

Casagrand has established itself as the largest developer in the residential sector and a well-known residential brand in Chennai with a market share of approx. 24% in terms of launches and approx. 20% in terms of demand during the period 1st January 2017 – 31st March 2024. Casagrand has presence across almost all the zones in the city with high concentration in the markets of OMR (including OMR Zone 1, OMR Zone 2 and OMR Zone 3), West Emerging and Velachery-Tambaram. The OMR (including OMR Zone 1, OMR Zone 2 and OMR Zone 3), West Emerging and Velachery-Tambaram zones have contributed approx. 29%, 28% and 12% to the overall supply of residential apartment units in Chennai, respectively over the period from 1st January 2017 to 31st March 2024. The following table sets forth the significance of certain zones in Chennai, Tamil Nadu along with Casagrand's position in terms of supply and demand share in such zones between January 1, 2017 and March 31, 2024.

Zone	Significance and Contribution of the Micro-Market to the overall supply and demand of Chennai	Casagrand's Position within the Zone
West Emerging	Supply Contribution – approx. 28% Demand Contribution – approx. 25%	First in terms of both supply and demand of residential units
OMR Zone 1	Supply Contribution – approx. 4% Demand Contribution – approx. 4%	First in terms of both supply and demand of residential units
OMR Zone 2	Supply Contribution – approx. 17% Demand Contribution – approx. 19%	First in terms of both supply and demand of residential units
OMR Zone 3	Supply Contribution – approx. 8% Demand Contribution – approx. 6%	First in terms of both supply and demand of residential units
Velachery Tambaram	Supply Contribution – approx. 12% Demand Contribution – approx. 10%	First in terms of both supply and demand of residential units
North	Supply Contribution – approx. 7% Demand Contribution – approx. 6%	First in terms of supply and second in terms of demand of residential units
GST	Supply Contribution – approx. 17% Demand Contribution – approx. 19%	Second in terms of both supply and demand of residential units

Source: CBRE

Casagrand is a fast growing residential brand expanding their presence in Chennai over the past 5 years where the share of the developer has increased to approx. 24% during the period from 1st January 2017 to 31st March 2024 in comparison to approx. 2% during the period from 1st January 2011 to 31st December 2016 in terms of launches or supply of residential units. The developer largely focusses on mid-end projects across locations offering competitive pricing in comparison to peers and has been able to achieve healthy sales velocity over the last few years. Majority of the projects of the developer in Chennai were sold out in a timeframe of 2 to 3 years from launch and before completion of construction.

ZONE OVERVIEW – WEST EMERGING MARKETS

SUPPLY DEMAND DYNAMICS

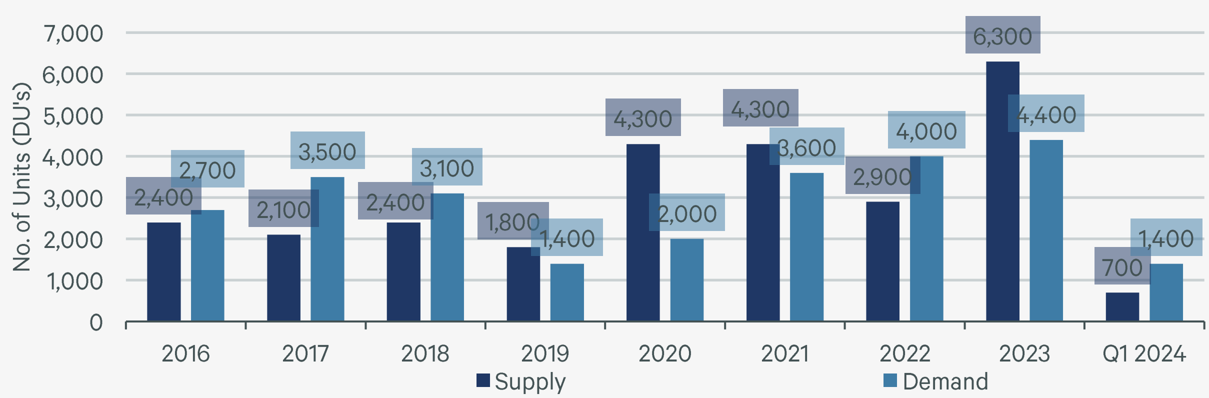
The table below highlights the key statistics pertaining to Residential apartments segment in West Emerging Markets.

Particular	Details
Total Supply (As of Q1 2024)	approx. 61,400 units
Unsold Inventory (As of Q1 2024)	approx. 6,600 units (approx. 11% of overall supply)
Average Annual Supply (2022 to Q1 2024)	approx. 4,300 to 4,400 units
Average Annual Absorption (2022 to Q1 2024)	approx. 4,300 to 4,400 units
Inventory Overhang	17 Months

Source: CBRE

The chart below highlights the supply introduction and yearly absorption trend for residential apartments segment in West Emerging Markets.

Y-o-Y Supply Demand Dynamics–West Emerging Markets



Source: CBRE

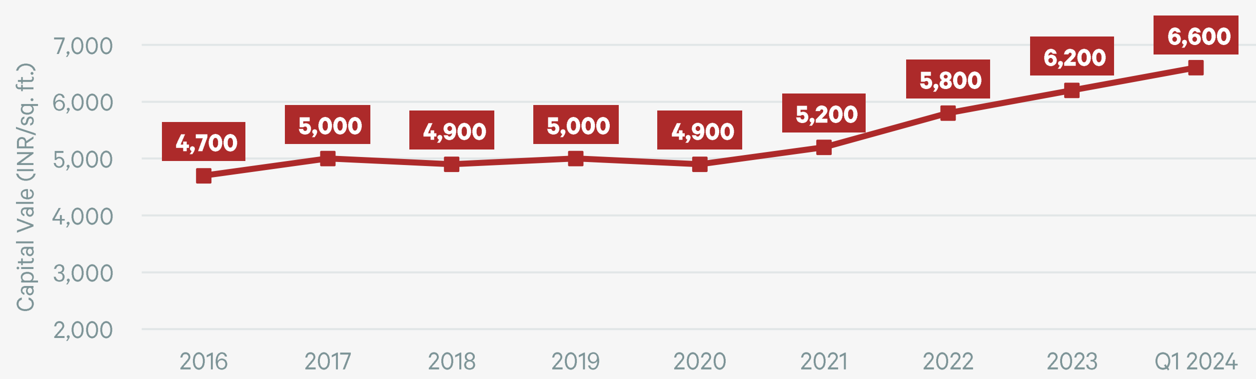
West Emerging Markets have witnessed consistent growth in residential activity over the past decade, as the vector started gaining prominence in terms of commercial office activity. Driven by establishment of few prominent commercial and industrial developments along the corridor during the period from 2007 to 2012, demand for residential segment in the market witnessed an uptick in subsequent years (2011 to 2015).

Average annual supply was in the range of approx. 1,800 to 2,200 units and average annual demand was in the range of approx. 2,600 to 3,000 units during the period from 2016 to 2019. The years from 2020 to 2022 witnessed numerous launches, an all-time high, despite the slowdown in the overall residential market owing to Covid. Increasing demand levels during this period was driven by the quantum of upcoming IT activity and the metro corridor under construction in Porur and surrounding locations. Subsequently, supply and demand levels in the year 2023 also witnessed a steep rise to reach approx. 6,300 and approx. 4,400 units respectively. The zone is witnessing increased traction with a share of approx. 27% to the overall supply in the city. Large scale launches in the mid to high-end segment in locations such as Mogappair, Porur/Manapakkam, Koyambedu contributed to the overall supply in the zone. *(Source: CBRE)*

CAPITAL VALUE TRENDS

The graph below highlights the capital value trend for residential apartments segment in West Emerging Markets.

Y-o-Y Capital Value Trends – West Emerging Markets



Source: CBRE

West Emerging Markets comprise of a varied profile of buyers across affordable, mid and high-end segments and the pricing varies accordingly. Demand for residential segment in Ambattur, Avadi and its surrounding locations is driven by industrial employees and the local populace and hence, is characterised by the launch of affordable housing projects. The pricing in these micro-markets is in the range of INR 5,000 to 5,500/sft. Residential demand in Porur, Manapakkam and its surrounding locations is primarily driven by mid-level IT employees with launches concentrated in the mid to high-end segment. Other significant locations in the zone include Mogappair and Koyambedu that witness spill over residential demand from west established markets of Anna Nagar. The demand for these locations is driven by the high income local populace and pricing ranges from INR 6,500 to 9,000/sft. Average pricing in the zone at large remained stable during the period 2017 to 2020 prior to covid. However, considering the numerous launches and high levels of demand post covid (driven by increasing real estate activity and under-construction metro priority corridor-IV), the capital values in these locations have witnessed healthy appreciation and currently range from INR 6,500 to 7,500/sft. *(Source: CBRE)*

KEY DEVELOPERS AND THEIR SHARE

West Emerging Market is dominated by the presence of prominent regional and national developers catering to a mix of IT, industrial and the local populace. Top five developers in the zone contributed approx. 54% of the overall supply during the period from 2017 to Q1 2024.

Casagrand ranks 1st in the zone with a supply share of approx. 24% (approx. 5,800 units) spread across 13 projects from 2017 to Q1 2024. The supply introduced by the developer is concentrated in the mid-end segment across locations of Mogappair and Manapakkam. Notably, projects launched by the developer over the past couple of years viz. Elysium and Majestica achieved an absorption of approx. 53% and approx. 22% respectively as of Q1 2024. Other key developers in the region include Baashyam, Brigade, Shriram properties and Mahindra Lifespaces, having launched 1 to 3 large developments in the locations of Mogappair, Koyambed and Avadi. Key projects launched by Brigade and Baashyam include Xanadu and Crown residences in the high-end segment while Shriram and Mahindra have launched projects in the affordable segment viz. Divine City and Happinest in the emerging locations of Mangadu and Avadi. It is to be noted that each of the top developers in the zone focus on different positioning/budget segments considering the market dynamics of the location and the developer's interest. *(Source: CBRE)*

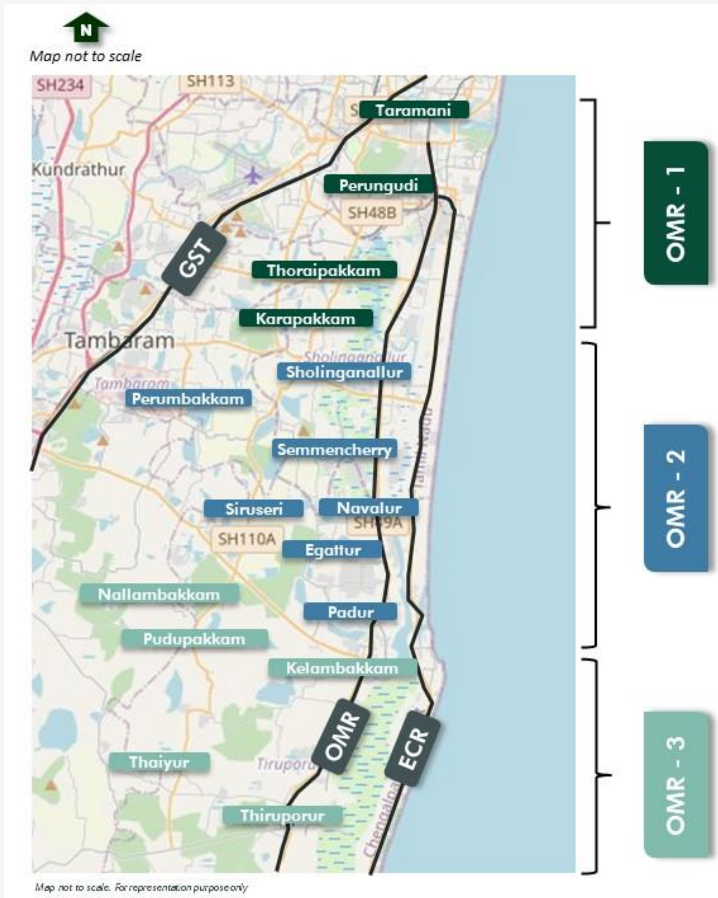
ZONE OVERVIEW – OMR ZONE 1

Old Mahabalipuram Road (also known as Rajiv Gandhi Salai) extends from Madhya Kailash Junction (located in Adyar micro-market) up to the tourist town of Mahabalipuram. The corridor has been witnessing extensive real estate development activity across commercial office/IT and residential segments over the past two decades. The designated IT/ITeS corridor of the city was an initiative by the Government of Tamil Nadu to attract large scale IT investments and also create an eco-system for the sector. Based on nature of activity of real estate along the corridor, Rajiv Gandhi Salai has been classified into three distinct stretches as given below:

- **OMR ZONE 1** – Madhya Kailash to Sholinganallur
- **OMR ZONE 2** – Semmencherry to Kelambakkam
- **OMR ZONE 3** - Beyond Kelambakkam

The map below represents the classification of zones along OMR.

Classification of OMR and its zones



Source: CBRE

SUPPLY DEMAND DYNAMICS

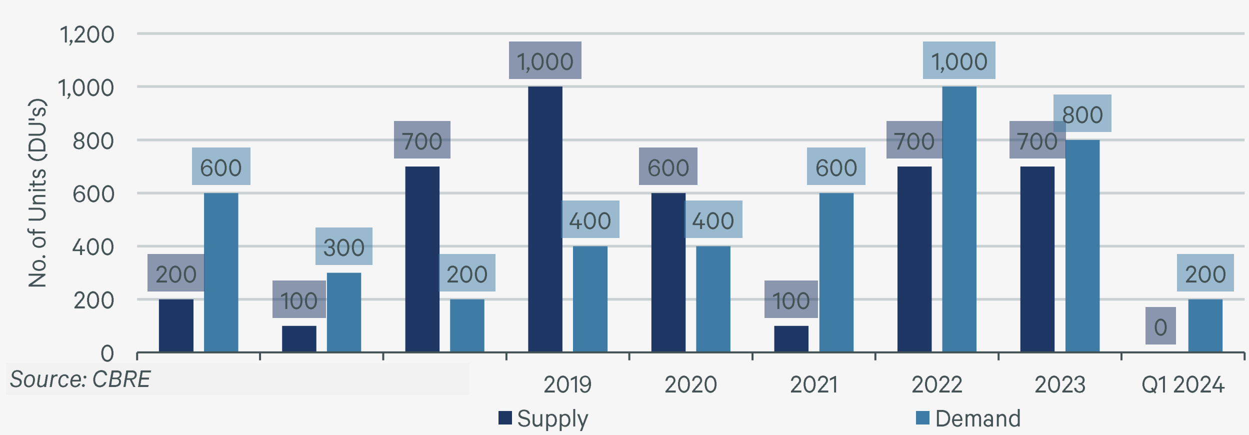
The table below highlights the key statistics pertaining to Residential apartments segment in OMR Zone 1.

Particular	Details
Total Supply (As of Q1 2024)	approx. 12,900 units
Unsold Inventory (As of Q1 2024)	approx. 800 units (approx. 6% of overall supply)
Average Annual Supply (2022 to Q1 2024)	approx. 600 to 700 units
Average Annual Absorption (2022 to Q1 2024)	approx. 900 to 1,000 units
Inventory Overhang	11 Months

Source: CBRE

The chart below highlights the supply introduction and yearly absorption trend for residential apartments segment in OMR Zone 1.

Y-o-Y Supply Demand Dynamics – OMR Zone 1

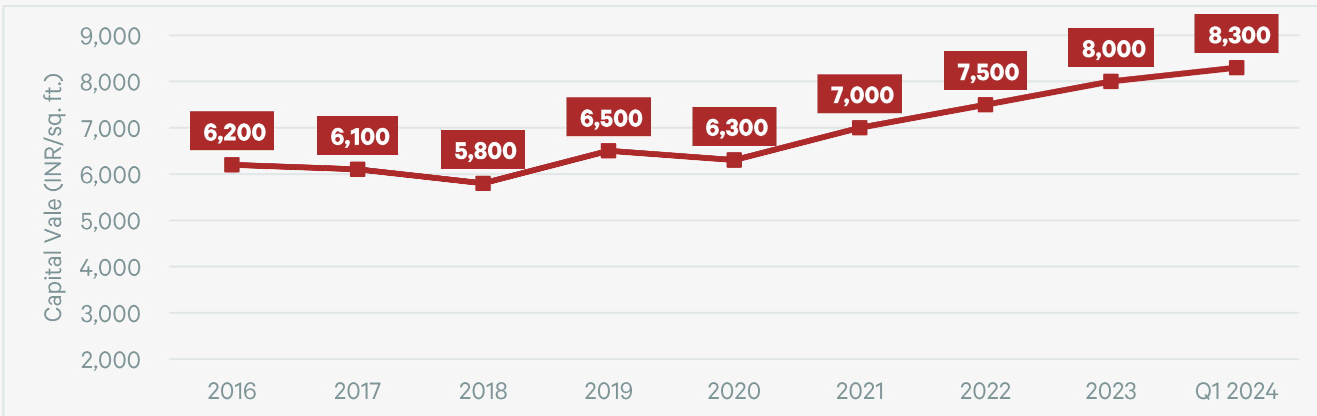


OMR Zone 1 has witnessed increased levels of commercial activity which also led to the rise in residential demand. The average annual supply and demand was in the range of approx. 1,000 to 1,200 units until the year 2015. The zone witnessed dense development activity in terms of commercial office projects, mid-scale residential projects and social infrastructure that has led to limited availability of developable land parcels and decrease in supply post 2015. Average annual supply and demand in the zone is in the range of approx. 600 to 700 units over the period 2016 to Q1 2024. Post covid, the year 2022 and 2023 witnessed an uptick in supply with the launch of premium projects viz. Altezza in Perungudi. With the increasing buyer confidence, the market also witnessed increasing annual demand of approx. 900 to 1,000 units during this period. (*Source: CBRE*)

CAPITAL VALUE TRENDS

The graph below highlights the capital value trend for residential apartments segment in OMR Zone 1.

Y-o-Y Capital Value Trends – OMR Zone 1



Source: CBRE

OMR Zone 1 is the most premium stretch along OMR considering its proximity to the city, dense commercial office activity, excellent connectivity via road, MRTS and well established social infrastructure. This has resulted in appreciation of the capital values (approx. 34%) over the period from 2016 to Q1 2024. Major share of the recent launches is concentrated in the high-end segment in the zone (projects such as Brigade Residencies, Altezza, Nu-Tech Elevate) which has also resulted in the rise in average capital values. The micro-markets located in the initial stretch of OMR Zone 1 in proximity to the city such as Taramani and Perungudi are priced the most premium in the range of INR 10,000 to 11,000/sft. The pricing gradually declines towards southern locations such as Thoraipakkam and Karapakkam, with capital values ranging from INR 7,500 to 8,500/sft, and Sholinganallur, where the rates range from INR 6,500 to 7,000/sft. (*Source: CBRE*)

KEY DEVELOPERS AND THEIR SHARE

Residential activity in the zone is dominated by prominent developers in the city launching mid to high-end projects in the location. Top five developers in the zone contributed approx. 63% of the overall supply during the period from 2017 to Q1 2024.

Casagrand is amongst the leading developers in this zone in terms of supply and demand. Casagrand launched a mid-end project in Karapakkam christened 'Savoye' with a total of 339 units in 2019 which witnessed high traction in the market considering the location advantage and the competitive pricing. It is also to be noted that the project achieved sales to the tune of approx. 40% of the units during the initial six months of launch. The developer has also launched another project in Sholinganallur christened 'Cloud 9' with a total of 331 units in 2023. The project is witnessing healthy sales velocity, with approx. 52% units sold within a year of launch. Other prominent developers such as Appaswamy and Brigade have launched large scale high-end projects viz. Altezza and Brigade Residences in the micro-market of Perungudi in recent years. *(Source: CBRE)*

ZONE OVERVIEW – OMR ZONE 2

SUPPLY DEMAND DYNAMICS

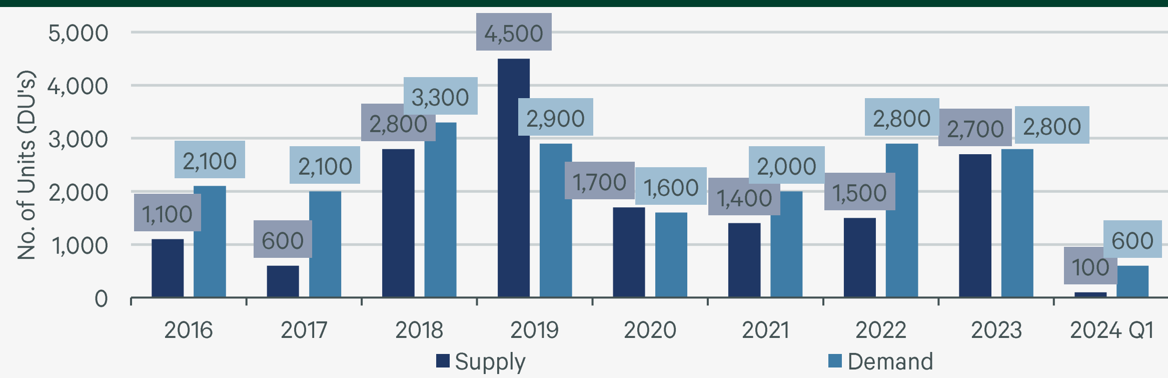
The table below highlights the key statistics pertaining to Residential apartments segment in OMR Zone 2.

Particular	Details
Total Supply (As of Q1 2024)	approx. 47,300 units
Unsold Inventory (As of Q1 2024)	approx. 3,400 units (approx. 7% of overall supply)
Average Annual Supply (2022 to Q1 2024)	approx. 1,900 to 2,000 units
Average Annual Absorption (2022 to Q1 2024)	approx. 2,700 to 2,800 units
Inventory Overhang	15 Months

Source: CBRE

The chart below highlights the supply introduction and yearly absorption trend for residential apartments segment in OMR Zone 2.

Y-o-Y Supply Demand Dynamics – OMR Zone 2



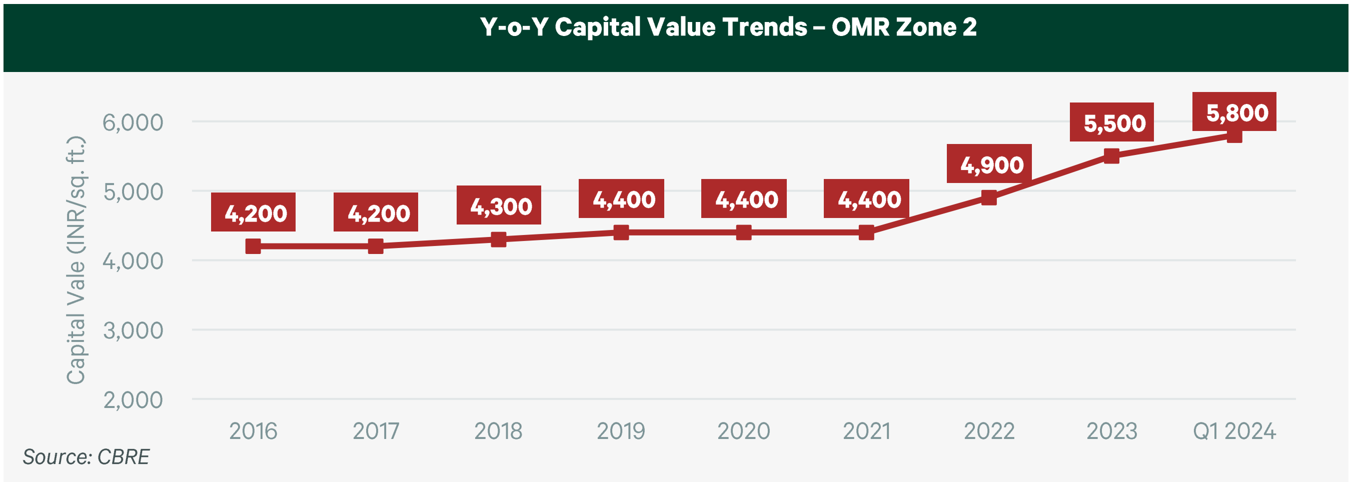
Source: CBRE

Post the various policy implementations such as RERA, GST in previous years, 2018 was a year of recovery with absorption levels growing by approx. 57% over the previous year and supply addition inching towards pre-2015 levels. The supply for the year 2019 witnessed an increase due to the launch of large scale affordable housing developments cumulating to approx. 2,600 units across 3 projects in the location. The absorption levels in 2018 and 2019 exceeded the pre-2015 levels despite the NBFC crisis. Post covid, the market witnessed limited launches until 2022 considering the higher share of unsold inventory in the previous year's owing to lower buyer confidence during covid. However, the supply and demand levels in 2023 inched towards pre-covid levels to reach approx. 2,700 to 2,800 units.

The market continues to be the most preferred residential destination for developers and the buyers along OMR. Residential demand for the zone is primarily driven by affordable ticket size of apartments in comparison to OMR Zone 1 coupled with proximity to the prime IT/ITeS destination. (*Source: CBRE*)

CAPITAL VALUE TRENDS

The graph below highlights the capital value trend for residential apartments segment in OMR Zone 2.



Considering the profile of buyers in the location primarily comprises of middle income group, OMR Zone 2 has been a price sensitive market. The market recorded an annual appreciation in capital values in the range of 3 to 5% prior to 2015. However, the capital values remained stable in the range of INR 4,200 to INR 4,600/sft during the period 2015 to 2020. With growth in demand driven by increasing buyer confidence, capital values witnessed an uptick post 2022 (with an appreciation of approx. 32% from 2021 to Q1 2024) and are currently in the range of INR 5,500 to 6,000/sft. Projects located in Perumbakkam are priced in the range of INR 6,000 to INR 6,500/sft. while other locations such as Siruseri and Navalur are priced at approx. INR 4,800 to 5,200/sft. *(Source: CBRE)*

KEY DEVELOPERS AND THEIR SHARE

Residential activity in the zone is dominated by prominent developers in the city primarily launching mid-end projects in the location catering to the demand of the mid-level IT populace. Top five developers in the zone contributed approx. 62% of the overall supply during the period from 2017 to Q1 2024.

Casagrand ranks 1st in the zone with a supply share of approx. 30% spread across approx. 4,800 units and 9 projects. Casagrand 'First City' located in Perumbakkam is one of the signature projects by the developer with 1,247 units launched as Phase 1, 2 and 3 in the year 2020 and 446 units as Phase 4 in the year 2022. The project witnessed high sales velocity and almost 73% of the units were sold out across Phase 1 and Phase 2 as of Q1 2024. Other key recent launches of the developer in the zone include Elinor, Aspires and Laurels launched over the past one year with a total of 990 units. These projects have witnessed cumulative absorption of approx. 28% in less than a year's time as of Q1 2024. The proposed metro line extending from Madhavaram to Siruseri shall boost connectivity to the zone and reduce travel time to other key parts of the city such as central locations and transit corridors of airport, central railway station and bus terminus. The above-mentioned factors have the potential to position the zone as one of the most active destinations for home buyers over the next 3 to 5 years.

Other notable projects in the location by Casagrand include Smart Town and Royale located in Sholinganallur and these projects are almost sold out. Few of the prominent developments by other developers include large affordable to mid-end projects by Urbanrise, Prestige, Godrej, BSCPL and a high-end project by Hiranandani. *(Source: CBRE)*

ZONE OVERVIEW – OMR ZONE 3

SUPPLY DEMAND DYNAMICS

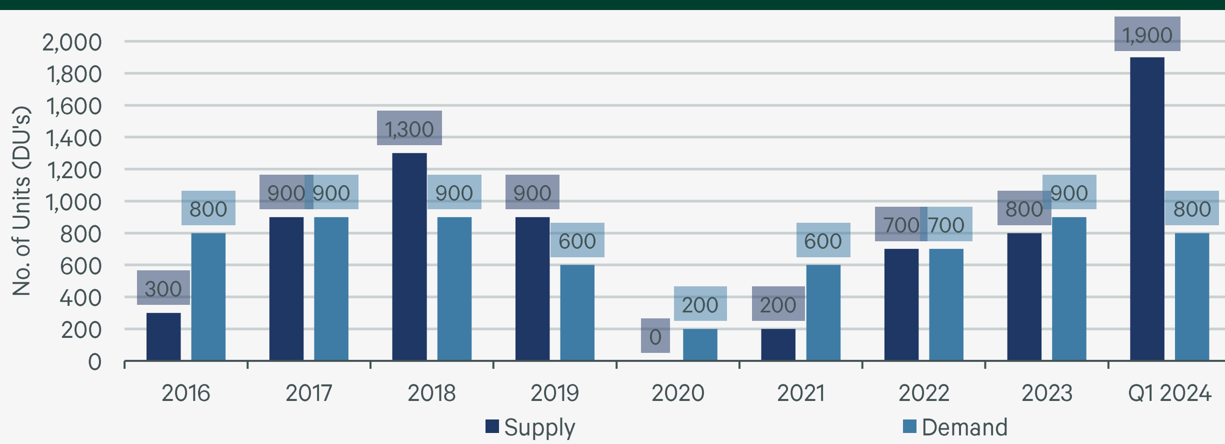
The table below highlights the key statistics pertaining to Residential apartments segment in OMR Zone 3.

Particular	Details
Total Supply (As of Q1 2024)	approx. 22,000 units
Unsold Inventory (As of Q1 2024)	approx. 2,500 units (approx. 11% of overall supply)
Average Annual Supply (2022 to Q1 2024)	approx. 1,500 to 1,600 units
Average Annual Absorption (2022 to Q1 2024)	approx. 1,000 to 1,100 units
Inventory Overhang	22 Months

Source: CBRE

The chart below highlights the supply introduction and yearly absorption trend for residential apartments segment in OMR Zone 3.

Y-o-Y Supply Demand Dynamics – OMR Zone-3



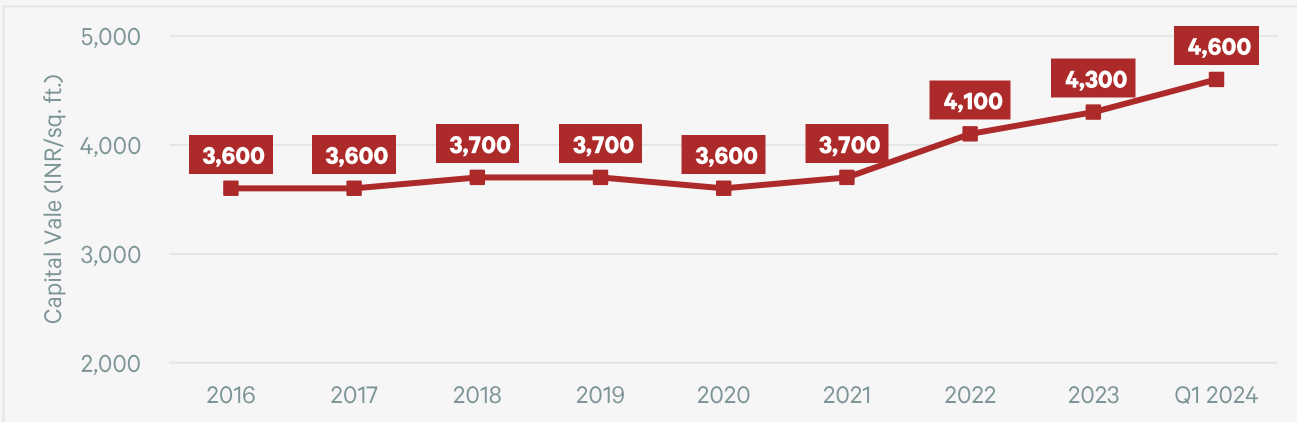
Source: CBRE

The period from 2017 to 2018 witnessed an increase in launches and demand in comparison to previous years. The average annual supply and demand during the period ranged from approx. 1,000 to 1,200 units and approx. 800 to 900 units respectively. Majority of the projects launched in the zone are in the affordable segment driven by large land availability at affordable prices, FSI benefits from PMAY and the state's affordable housing policy. Post covid, the market witnessed limited launches in 2022 and 2023, primarily due to the high inventory overhang of approx. 44 months. The zone witnessed the launch of two large projects by Casagrand viz. Suncity and South Brooke Phase 2 in the first quarter of 2024, surpassing the supply and demand levels in the previous years. Further, residential activity in the zone is expected to gain traction going ahead, driven by increasing 'Return to Office' momentum with the return of IT employees in the neighbourhood market of OMR Zone 2. *(Source: CBRE)*

CAPITAL VALUE TRENDS

The graph below highlights the capital value trend for residential apartments segment in OMR Zone 3.

Y-o-Y Capital Value Trends–OMR Zone 3



Source: CBRE

Capital values in OMR Zone 3 are comparatively lower than other neighbouring zones considering the peripheral location, large availability of land banks, nascent real estate activity levels in other segments and affordable positioning of the residential developments in the location. Average capital values in the zone remained stable in the range of INR 3,500 to 3,700/sft during the period 2016 to 2020. With growth in demand driven by increasing buyer confidence, capital values in the year 2022 appreciated by approx. 12% over pre-covid levels in 2019. The capital values have been witnessing a gradual increase since 2022. Projects located in the micro-markets of Vandalur-Kelambakkam are priced in the range of INR 4,500 to INR 5,500/sft while the ones in Thiruporur are priced between INR 4,000 and INR 4,500/sft. *(Source: CBRE)*

KEY DEVELOPERS AND THEIR SHARE

Residential activity in the zone is dominated by four to five regional developers with an orientation primarily towards affordable segment projects (demand driven by entry to lower mid-level IT populace). Top five developers in the zone contributed approx. 84% of the overall supply during the period from 2017 to Q1 2024.

Until the end of Q1 2023, a competing developer led the zone, contributing approx. 26% of the supply across three major projects. However, with the introduction of projects viz. Suncity and Southbrooke Phase 2 featuring around 1,926 units in Q1 2024, Casagrand ranks 1st in terms of total supply in the zone as of Q1 2024. The project, Suncity exhibited good traction with approx. 40% of the units sold (approx. 545 units) during the quarter of launch. Factors such as an unique Roman themed township development offering wide variety of amenities, a proposed school and retail components within the development have contributed to the success of this project in the location. Another notable project by Casagrand includes an affordable development christened 'Southbrooke' I and II (approx. 1,195 units) located in Kalavakkam launched during Q4 2022 and Q1 2024. This project has clocked sales of approx. 40% as of Q1 2024 totalling to approx. 476 units and is expected to further benefit from the increasing 'Return to Office' momentum in the region. Other key developers in the region include Alliance, Vijaya Raja Homes, L&T and Arun Excello. *(Source: CBRE)*

ZONE OVERVIEW – VELACHERY TAMBARAM VECTOR

SUPPLY DEMAND DYNAMICS

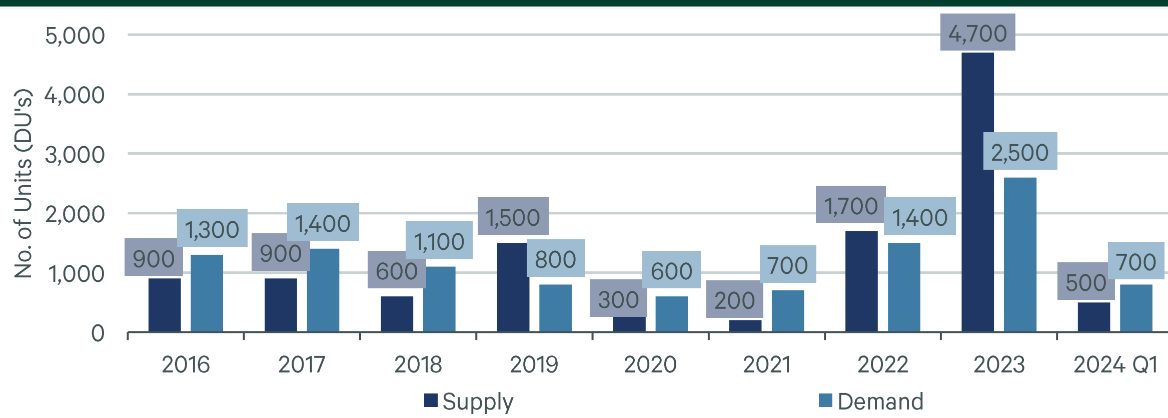
The table below highlights the key statistics pertaining to Residential Apartments in Velachery Tambaram Vector.

Particular	Details
Total Supply (As of Q1 2024)	approx. 30,600 units
Unsold Inventory (As of Q1 2024)	approx. 3,500 units (approx. 12% of overall supply)
Average Annual Supply (2022 to Q1 2024)	approx. 3,000 to 3,100 units
Average Annual Absorption (2022 to Q1 2024)	approx. 2,000 to 2,100 units
Inventory Overhang	16 Months

Source: CBRE

The chart below highlights the supply introduction and yearly absorption trend for residential apartments segment in Velachery Tambaram Vector.

Y-o-Y Supply Demand Dynamics – Velachery Tambaram Vector

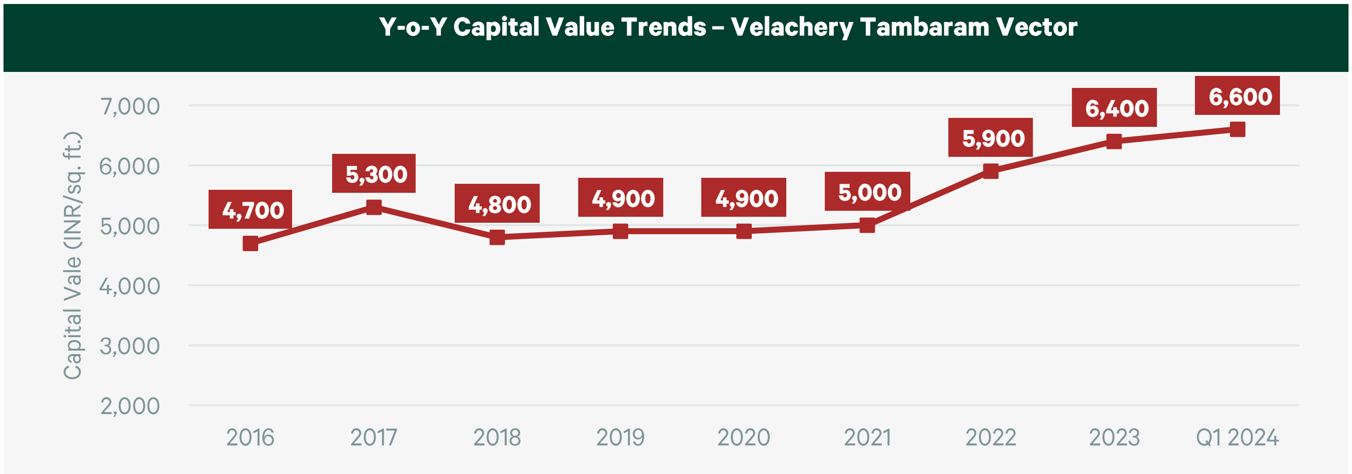


Source: CBRE

With the launch of one of the largest IT parks in the location, Phase I of Embassy Splendid Tech Zone in 2019, residential supply also witnessed an uptick in the same year (approx. 1,500 units). Post covid in 2020 and 2021, the year 2022 witnessed an uptick in supply (approx. 1,700 units) and demand (approx. 1,500 units) with 2 to 3 key launches during the year driven by increasing buyer confidence. The zone witnessed significant supply activity in the year 2023 with large scale projects launched by various developers, including Casagrand. Residential activity in the zone is expected to witness further traction in the near future with demand primarily driven by the upcoming commercial supply, proposed metro corridor II and the availability of land parcels in the region. *(Source: CBRE)*

CAPITAL VALUE TRENDS

The graph below highlights the capital value trend for residential apartments segment in Velachery Tambaram Vector.



Source: CBRE

Despite limited launches, the zone has witnessed healthy absorption levels between 2016 and 2018. Driven by the increased traction for commercial real estate coupled with the proposed metro connectivity, the zone witnessed increased interest in residential real estate leading to appreciation in capital values to the tune of approx. 13% in the year 2017 over the previous year. It is also to be noted that the price movement and demand were concentrated in projects in premium locations of Alandur and Pallikaranai. The capital values witnessed an appreciation of approx. 35% post covid (from 2020 to Q1 2024) considering numerous pent up launches by prominent developers primarily concentrated in the high-end segment. Locations of Kovilambakkam and Pallikarani are priced at a premium compared to other vectors in the range of INR 6,500 to INR 7,500/sft whereas other micro-markets like Medavakkam and Tambaram are priced between INR 5,500 and INR 6,500/sft. *(Source: CBRE)*

KEY DEVELOPERS AND THEIR SHARE

Velachery Tambaram vector is dominated by the presence of few regional developers and top five developers in the zone contributed approx. 64% of the overall supply during the period from 2017 to Q1 2024.

Casagrand ranks 1st in the zone with a supply share of approx. 24% (approx. 2,500 units) spread across 4 medium to large projects launched from 2017 to Q1 2024. The supply of the developer in the zone is primarily concentrated in the mid-end segment in locations of Alandur, Medvakkam, Pallikaranai and Vengaivasal. Casagrand Flagship in Pallikaranai was one of the key launches in the zone in the year 2023. The project witnessed an absorption of almost 50% in the same quarter of launch. Other key developers in the zone include regional players such as Purvankara, Emerald Haven and Navin Housing spread across locations of Kovilambakkam, Pallikaranai and Vengaivasal (focus being on the mid to high-end segment). *(Source: CBRE)*

ZONE OVERVIEW – NORTH CHENNAI

SUPPLY DEMAND DYNAMICS

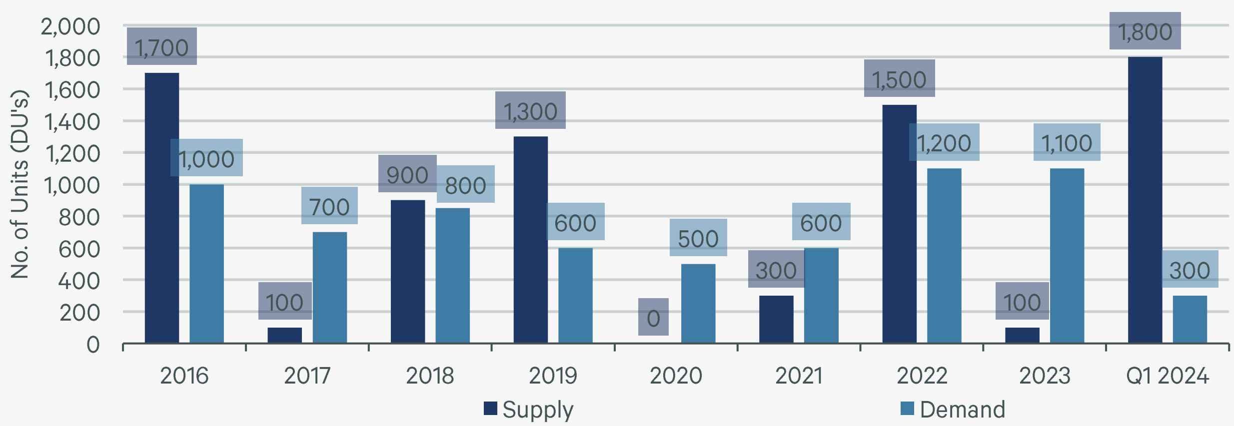
The table below highlights the key statistics pertaining to Residential apartments segment in North Chennai.

Particular	Details
Total Supply (As of Q1 2024)	approx. 17,300 units
Unsold Inventory (As of Q1 2024)	approx. 2,100 units (approx. 12% of overall supply)
Average Annual Supply (2022 to Q1 2024)	approx. 1,500 to 1,600 units
Average Annual Absorption (2022 to Q1 2024)	approx. 1,100 to 1,200 units
Inventory Overhang	22 Months

Source: CBRE

The chart below highlights the supply introduction and yearly absorption trend for residential apartments segment in North Chennai.

Y-o-Y Supply Demand Dynamics–North Chennai



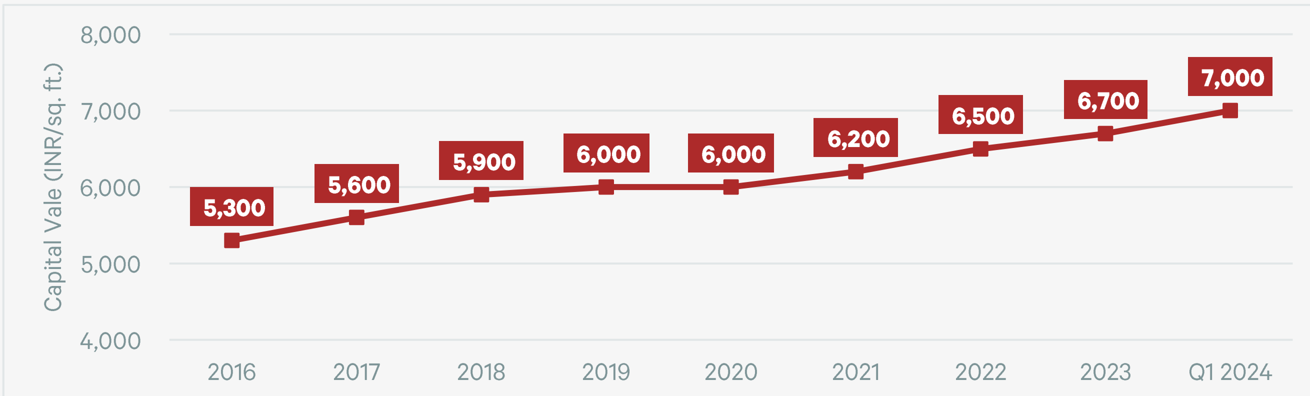
Source: CBRE

Despite the slowdown in the residential activity in the city at large during 2016 considering floods and cyclone, the zone witnessed notable surge in launches. This is primarily attributable to a large scale project launch by SPR in Perambur with 684 units in the year 2016. Subsequent year of 2017 witnessed limited launches considering the oversupply scenario in the previous year. Two projects were launched in the year 2018 by Casagrand and Prime Expat Infra of approx. 380 units each with increasing demand levels during the year. Post covid, market started regaining traction in the year 2022 with launch of approx. 1,500 units and an all-time high demand levels of approx. 1,100 units in 2022 and 2023 spread across numerous small to mid-scale projects in the location. During the first quarter of 2024, the residential activity levels in the zone witnessed an increase with the launch of a large project by Casagrand christened 'Mercury'. Enhanced connectivity via Washermanpet and WIMCO Nagar Metro has triggered healthy demand for residential and other real estate activity in the surrounding locations. *(Source: CBRE)*

CAPITAL VALUE TRENDS

The graph below highlights the capital value trend for residential apartments segment in North Chennai.

Y-o-Y Capital Value Trends – North Chennai



Source: CBRE

With the uptick in launches in the year 2018, there was an appreciation of approx. 5% where the capital values ranged between INR 5,800 and 6,200/sft over the previous year and remained stable over the next couple of years considering covid. The year 2022 witnessed an appreciation of approx. 5% in capital values with numerous launches in the locations of Madhavaram and Thiruvottiyur primarily in the high-end segment. Projects located in Perambur charge a premium compared to other vectors and are priced in the range of INR 7,000 to INR 8,000/sft whereas projects in the other micro-market of Madhavaram are priced between INR 5,500 to INR 6,500/sft. *(Source: CBRE)*

KEY DEVELOPERS AND THEIR SHARE

North Chennai is dominated by the presence of regional developers and top five developers in the zone contribute to approx. 68% of the overall supply during the period from 2017 to Q1 2024.

The zone is dominated by the presence of numerous mid to high-end regional developers owing to the profile of buyers in the location primarily being the local populace with high income levels. Prior to 2024, a competing developer led the zone with supply share of approx. 22% spread across three large projects. However, with the introduction of a project christened 'Mercury' in Q1 2024, Casagrand ranks 1st in terms of total supply in the zone as of Q1 2024. The developer had also launched a project christened 'Northern Star' in the year 2018 that witnessed more than 55% sales in the launch year and the project is completely sold out. Other key regional developers in the zone include SPR, Siddharth Housing and Prime Expat Infra with their portfolio concentrated in mid to high-end segment. *(Source: CBRE)*

ZONE OVERVIEW – GST VECTOR

SUPPLY DEMAND DYNAMICS

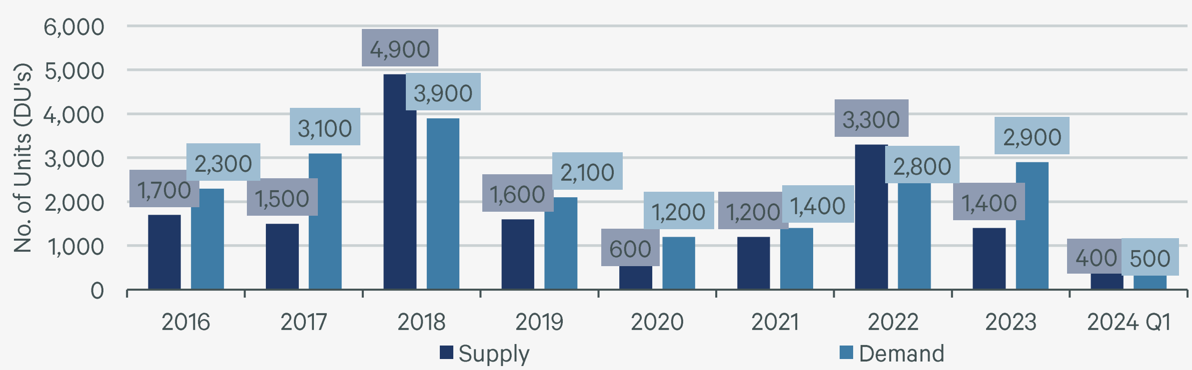
The table below highlights the key statistics pertaining to Residential apartments segment in GST Vector.

Particular	Details
Total Supply (As of Q1 2024)	approx. 39,900 units
Unsold Inventory (As of Q1 2024)	approx. 3,100 units (approx. 8% of overall supply)
Average Annual Supply (2022 to Q1 2024)	approx. 2,200 to 2,300 units
Average Annual Absorption (2022 to Q1 2024)	approx. 2,700 to 2,800 units
Inventory Overhang	14 Months

Source: CBRE

The chart below highlights the supply introduction and yearly absorption trend for residential apartments segment in GST Vector.

Y-o-Y Supply Demand Dynamics – GST Vector



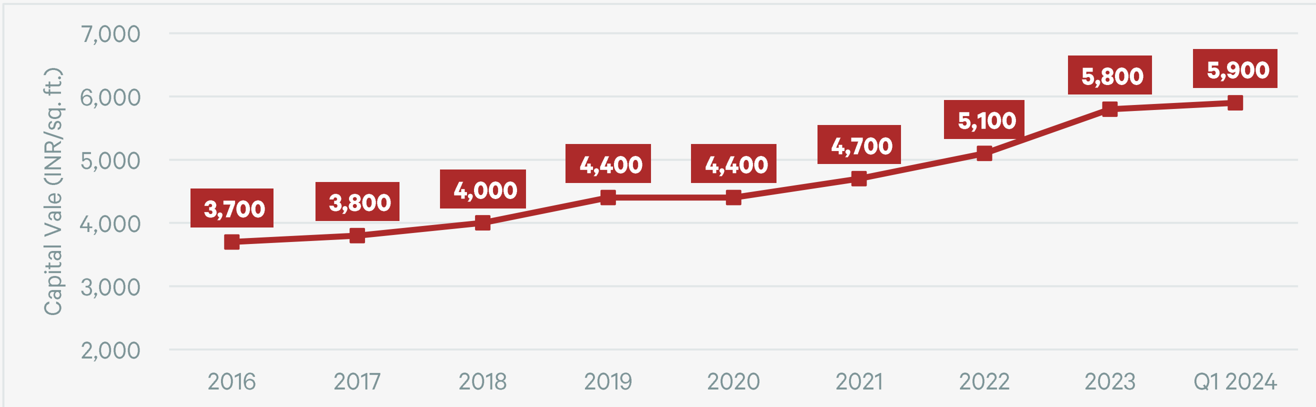
Source: CBRE

Availability of large land parcels at affordable rates, increasing economic activity in terms of industrial and IT, good connectivity to the city via road and rail have been key drivers for launch of affordable residential projects in the zone. Post the impetus provided by PMAY scheme, the zone has seen a rise in launch of projects. 2018 was a standout year for the zone, which witnessed a launch of approx. 4,900 units in the affordable segment. Three large project launches during the year viz. Chennai Aavas, Jubilee Residences, Shriram Park 63 contributed to approx. 65% of the total supply. The projects also clocked healthy sales during the year considering the location and affordability. However, there was a slowdown in activity levels in subsequent years, which picked up in 2022 and 2023 to reach an average of approx. 2,400 units and approx. 2,700 units in terms of supply and demand driven by increasing economic activities post covid and Kilambakkam Bus Terminus becoming operational. It is to be noted that Casagrand Primrose dominated the total supply with 65% market share during the year 2023. *(Source: CBRE)*

CAPITAL VALUE TRENDS

The graph below highlights the capital value trend for residential apartments segment in GST Vector.

Y-o-Y Capital Value Trends – GST Vector



Source: CBRE

Affordable pricing of real estate is one of the key selling points for the GST vector. Capital values remained stable in the years from 2016 to 2017 considering limited activity in the market. With the uptick in launches in the year 2018 and 2019 which comprised of large scale affordable projects by Nebula, Urbanrise, Shriram in the locations of Perungalathur, Guduvanchery and MM nagar, the capital values witnessed an appreciation of approx. 5 to 10% over the previous years. Post this, capital values in the market stabilised over the period from 2019 to 2021 considering covid. The market regained traction during 2022 and witnessed steady growth until Q1 2024 with increase in launches by developers. Key infrastructure in the city viz. Kilambakkam bus terminus focussing on connectivity of buses to South Tamil Nadu got operational in December 2023. In addition, a new railway station connecting the bus terminus has also been proposed to boost connectivity from other parts of the city to the location. Owing to the same, capital values in the location witnessed an appreciation of approx. 16% during the period from 2022 to Q1 2024. *(Source: CBRE)*

KEY DEVELOPERS AND THEIR SHARE

GST vector is dominated by the presence of a mix of national and regional developers and top five developers in the zone contributed approx. 56% of the overall supply during the period from 2017 to Q1 2024.

The zone is dominated by the presence of affordable housing developers owing to the peripheral location, affordable land values and land availability. Casagrand has launched three projects in the zone viz. Miro and Aria in Mannivakkam and Primrose in Perungalathur. Aria was launched in 2022 with a total of 817 units and has witnessed annual sales of approx. 180-200 units over the last two years. Casagrand Primrose was launched in Q1 2023 with a total of 932 units and has witnessed cumulative sales of approx. 32% as of Q1 2024. The project is located in proximity to the activity hubs of Perangalathur and Vandalur and is competitively priced in comparison to other developments in the location. Other prominent developers in the location include Shriram Properties, Mahindra Lifespaces and Urbanrise. *(Source: CBRE)*

FUTURE OUTLOOK – CHENNAI RESIDENTIAL MARKET

The year 2022 and 2023 witnessed a strong bounce back in supply and demand from the previous two years. Year 2023 has been a reflection of stabilised recovery and market expansion that has been witnessed across asset classes in the city. Increasing activity that is currently being witnessed in the commercial office segment, increased investments into the manufacturing sector and upcoming infrastructure initiatives are expected to drive growth in the residential segment.

The market currently is buoyant and is expected to stabilise over the short to medium term. Key markets such as OMR and west emerging markets are expected to witness increased demand from buyers and increased developer activity. Further, prominent developers are looking at market expansion in specific segments (mid-end, high-end, luxury) going forward. Upcoming master plan is expected to drive development across multiple growth corridors. Considering the current land banking activity and other aforementioned growth drivers, the market is poised for increased traction on the supply and demand side vis-a-vis the previous 3 to 5 year average. *(Source: CBRE)*

DRIVERS FOR RESIDENTIAL ACTIVITY IN THE NEAR FUTURE

Growth in Economic Activity: Large scale investments into Tamil Nadu (primarily in Chennai) during the period 2020 to 2023 in the IT and manufacturing sector to the tune of approx. INR 1.25 Lakh Cr *(Source: TN Guidance Bureau)* is expected to positively impact residential demand going ahead.

Growth in Commercial Office Activity: Residential demand would also be supported by the growth in commercial office activity in key markets of OMR, PTR and Mount Poonamallee High Road. Supply to the tune of approx. 26 mn sft is in the pipeline over the next 4 years indicating a growth of approx. 30% over the current market size of approx. 88 mn sft. This has also resulted in increase in demand levels. *(Source: CBRE)*

Proposed Physical Infrastructure: Priority Metro Corridor (Orange line) to become operational in 2026/2027 benefitting the West Emerging Markets. Purple Line and Red Line to become operational by 2027/2028 benefiting the South Emerging and North Markets. Major road developments viz. Peripheral Ring Road, Maduravoyal Expressway and road widening across key corridors of Chennai-Bangalore Highway and ECR are expected to decongest the traffic in the city. The same is expected to positively impact residential demand. *(Source: CBRE, CMDA, CMRL, NHAI)*

Initiatives by the Government: A Government Order has been passed on development of 5 Satellite Townships in the key urban nodes of the city in locations of Thirumazhisai, Minjur, Thiruvallur, Chengalpattu and Kancheepuram which is expected to have a positive impact on the West and South Emerging Markets. *(Source: CBRE, CMDA, CMRL)*

Key Zones: OMR, Velachery Tambaram and West Emerging Markets are expected to remain the preferred residential zones in the near future, driven by factors such as upcoming commercial supply and proposed metro lines. OMR and West Emerging Markets currently lack metro connectivity and metro lines under construction are expected to integrate the locations to the CBD and other key transport hubs of the city viz. Airport, CMBT Bus Terminus and Central Railway Station

- ✓ Metro Line–Corridor 4 (Orange Line) connecting Light House and Poonamallee via Porur has been identified as priority corridor for development and is expected to be operational in the next 3 years
- ✓ Metro Line–Corridor 3 (Purple Line) connecting Madhavaram to Siruseri via key markets along OMR is also expected to be operational by 2027/2028

Increasing commercial activity along Mount Poonamallee and OMR/PTR road is also expected to drive residential demand in the location with a supply addition of 24 mn sft over the next 4 years, translating to an expected employee addition of approx. 2,40,000 (calculated based on industry thumb rules for employee to space ratio of 1 person to 100 sft). *(Source: CBRE, CMDA, CMRL)*

LAND DEALS

The recent land transactions by top 5 to 6 residential developers are anticipated to boost the residential supply in the next few years. The largest residential developer in terms of share of supply and demand (units) in the city, Casagrand currently holds land parcels that are concentrated in locations of OMR, West Emerging and GST Markets which are expected to witness traction in residential demand fuelled by the upcoming commercial office activity and the under construction metro corridor. *(Source: CBRE)*

CHENNAI – PLOTTED DEVELOPMENTS AND VILLAS MARKET OVERVIEW

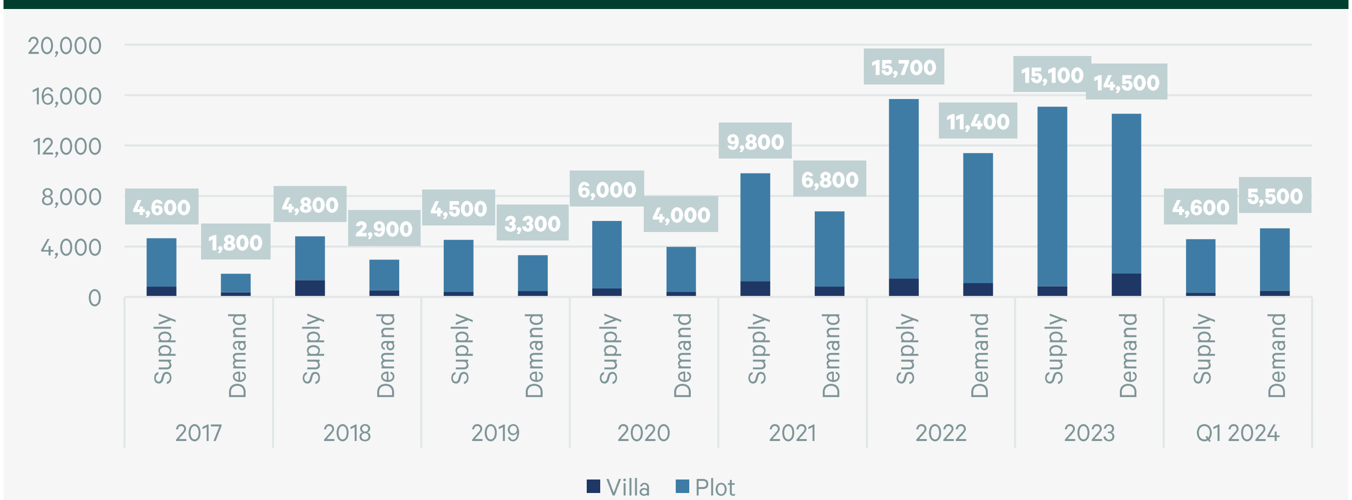
Traditionally, villas and plotted layouts as formats have been dominated by unorganised local players in Chennai. Considering the rising demand for the segment, organised developers such as Casagrand and many other regional players have established their presence in the segment post 2015. The activity is primarily concentrated along the peripheral locations of the city considering the availability and affordability of land. Demand for the plotted layout segment is driven by buyers purchasing for investment purposes considering the appreciation of land prices particularly in the peripheral regions. This has been witnessed along the western and southern periphery of Chennai in markets such as Sriperumbudur, Irungattukottai, Thirumazhisai, Oragadam, Vallam, Thiruporur, Siruseri, Pudupakkam, Chengalpet, etc. Villas has been a niche segment in Chennai with limited activity from organised players in comparison to plotted developments. This is primarily due to the fact that in peripheral locations, where customers tend to prefer affordable to mid-end projects, the ticket size of the product is considered high. The table below highlights the key statistics pertaining to Plotted Developments & Villas Market in Chennai. *(Source: CBRE)*

Particular	Details–Plotted Developments	Details-Villas
Total Stock (As of Q1 2024)	approx. 62,700 units	approx. 8,000 units
Unsold Inventory (As of Q1 2024)	approx. 17,200 units (approx. 27% of overall supply)	approx. 1,500 units (approx. 19% of overall supply)
Average Annual Supply (2022 to Q1 2024)	approx. 14,000 to 15,000 units	1,000 to 1,200 units
Average Annual Absorption (2022 to Q1 2024)	approx. 12,000 to 13,000 units	1,400 to 1,600 units

Source: CBRE

The chart below highlights the supply introduction and yearly absorption trend for villas and plotted developments market in Chennai.

Y-o-Y Supply Demand Dynamics–Plotted Developments and Villas



Source: CBRE

The average annual supply and absorption for the segment has been in the range of 4,300 to 4,800 units and 2,500 to 3,000 units respectively prior to covid (2017 to 2019). However, post covid, the segment started gaining traction in terms of supply and demand to reach an average annual supply and absorption threshold in the range of 15,000 to 15,500 units and 12,500 to 13,000 units respectively during 2022 and 2023. Key demand drivers for land/individual residential developments especially for plotted developments include advantages of land ownership, potential appreciation in capital values, low density developments and flexibility in construction, while also being part of an organized gated community.

Casagrand is the top developer in the organised villas segment in Chennai with a market share of approx. 21% (approx. 1,450+ units) in terms of supply during the period from January 1, 2017 and March 31, 2024. Few of the recent villa projects include Platinum, Flagship, Selenia in the micro-markets of Perungalathur (GST), Pallikaranai (Velachery Tambaram Road) and Pudupakkam (OMR) respectively. The developer has also launched few plotted developments viz. Clovis, Westend and Uptown in the zones of OMR and West Emerging Markets. *(Source: CBRE)*

RESIDENTIAL MARKET OVERVIEW - BENGALURU

CITY OVERVIEW

Bengaluru, the Silicon Valley of India

Bengaluru, renowned as the 'Silicon Valley' of India, is the capital city and the main economic centre of Karnataka state. With a population of 8.4 mn *(Source: Census of India, 2011).* it is the third most populous city in India after Mumbai and Delhi. The city's tech-industry advantage and large service sector, manufacturing & consumer base attracts in-migration of highly skilled talent from various regions of the country.

During the 1950s and 60s, the Central Government established large public-sector units such as Hindustan Machine Tools (HMT), Bharat Electronics Ltd. (BEL), etc. Prominent private sector companies such as Motor Industries Company (MICO) commenced their operations in the city in 1954. This enabled the city to emerge as a prominent hub for Research & Development in India, with reputed institutes like the Indian Institute of Science and Indian Space Research Organization having set their base in the city.

Bengaluru has witnessed a transition in its economic growth and image, from being known as the 'Pensioners Paradise' to becoming the country's major IT hub. Apart from being known as India's Silicon Valley, it is contributing significantly to aerospace research, biotechnology, and precision engineering segments. Due to its economic stability and growth, Bangalore is one of the fastest-growing cities in India. This is strongly reflected in the city's real estate industry, with commercial activity driving growth in residential, retail, and hospitality segments. *(Source: CBRE)*

SUPPLY DEMAND TRENDS

The table below highlights the key statistics pertaining to Bengaluru Residential apartments segment.

Particular	Details
Total Stock (As of Q1 2024)[2]	approx. 5,93,300 units
Unsold Inventory (As of Q1 2024)	approx. 27,300 units (approx. 4.6% of overall supply)
Average Annual Supply (2022 to Q1 2024)	approx. 38,000 to 40,000 units
Average Annual Absorption (2022 to Q1 2024)	approx. 50,000 to 52,000 units
Inventory Overhang	6 Months

Source: CBRE

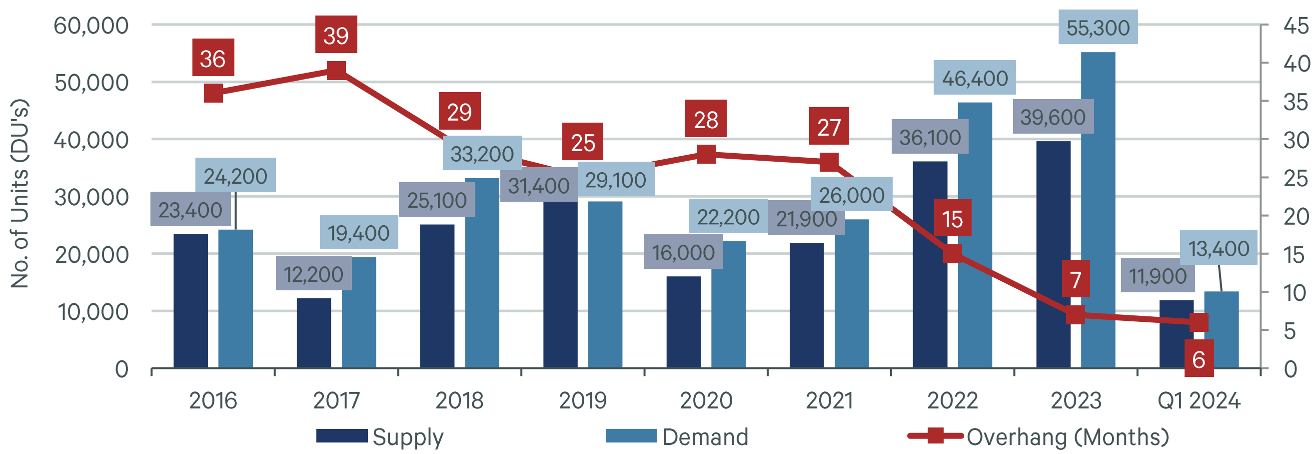
Demand from 2016 has outperformed supply in all years except in 2019 where supply was slightly higher than demand owing to spill over supply from previous years (2016 and 2017). Demand between 2022 to Q1 2024 exhibited a healthy uptick driven by sustained buyer interest, growth in the commercial office market, improvement in overall economic sentiment, etc. 2023 witnessed the highest absorption levels since 2016, augmented by factors stated above along with a growing preference towards home ownership vis-à-vis renting. The average annual demand during the period 2013 to

[2] Stock includes the residential units that are completed, under construction, sold and unsold

2019 was approx. 30,000 units. However, it has increased to around 55,000 units in the past year 2023, surpassing pre-COVID levels. *(Source: CBRE)*

The chart below highlights the supply introduction and yearly absorption trend for residential apartments in Bengaluru.

Y-o-Y Supply Demand Dynamics

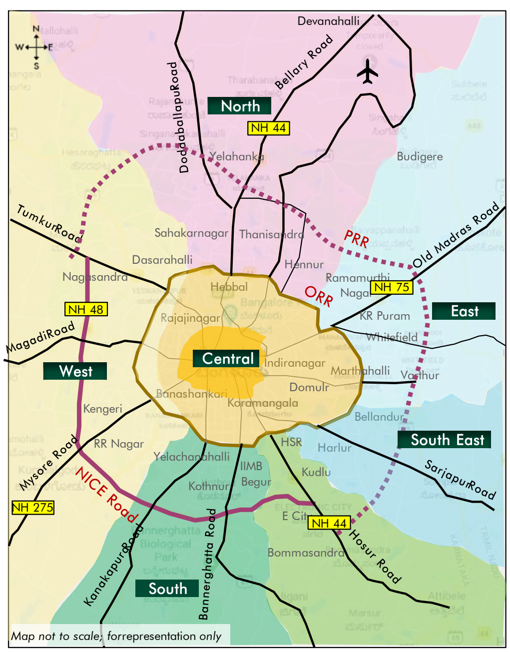


Source: CBRE

KEY ZONES AND THEIR PROFILE

The map below represents the spatial spread of residential zones in Bengaluru.

Spatial Spread of Zones in Bengaluru



Source: CBRE

The city has been divided into various sub-markets based on activity levels (viz. concentration & profile of development activity) as detailed below:

Central/ Off Central Zone: This is a prime location in Bengaluru and primarily comprises of independent homes coupled with small scale high-end and luxury developments.

- Key locations – Palace Road, Richmond Town, Vittal Mallya Road, Lavelle Road, Benson Town, Richards Town, Cunningham Road, Ulsoor, Palace Road, Brunton Road, Ali Askar Road, Cox Town, Frazer Town, Langford Town, Banaswadi
- Buyer Profile – Mix of industrialists, businessmen/entrepreneurs, senior management of IT and other corporate employees, HNIs, NRIs, celebrities & corporates for setting up guest houses

East Zone: East zone witnesses demand from commercial developments located within Whitefield, Brookfield, EPIP Zone and has the second highest residential stock in the city. It is a self-sufficient zone with good presence of support & social infrastructure (retail, schools, hospitals, etc.)

- Key locations – Old Airport Road, CV Raman Nagar, Whitefield, Indira Nagar, Marathahalli ORR, Varthur Road, Mahadevapura, Varthur, Hoodi, Hope Farm, ITPL Road, EPIP, Seegahalli, Balagere Road, Kadugodi
- Buyer Profile – Mix of IT and corporate employees

North Zone: North zone is one of the fastest growing vectors in Bengaluru and majority of the demand is generated from commercial developments, KIADB Aerospace, Hitech and hardware Parks, IT office developments etc. The zone primarily houses budget and mid-end developments.

- Key locations – Jakkur, Shettigere, Kogilu, Thanisandra Road, Hennur Road, Budigere, Bagalur etc.
- Buyer Profile – Mix of employees working in SEZ/office parks and at the Airport, mid to entry level IT and other corporate employees

South Zone: This is the traditional residential zone of the city which houses a mix of independent homes and gated residential developments.

- Key locations – Kanakapura Road, Banashankari, Jayanagar, JP Nagar, Koramangala etc.
- Buyer Profile – Businessmen, entrepreneurs, senior management and other corporate employees

South-East Zone: The zone witnesses demand from commercial developments along Outer Ring Road, Electronics City and along Sarjapur Road. It primarily houses mid segment to upper-mid segment developments.

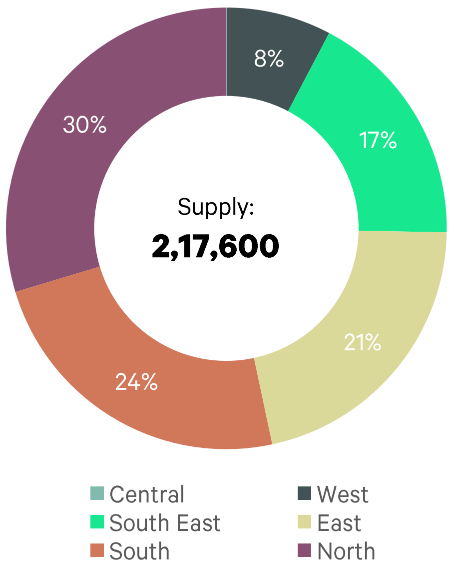
- Key locations – Hosa Road, Harlur, Kasavanahalli, Kodathi, Mullur etc.
- Buyer Profile – Mix of mid to senior level IT and other corporate employees

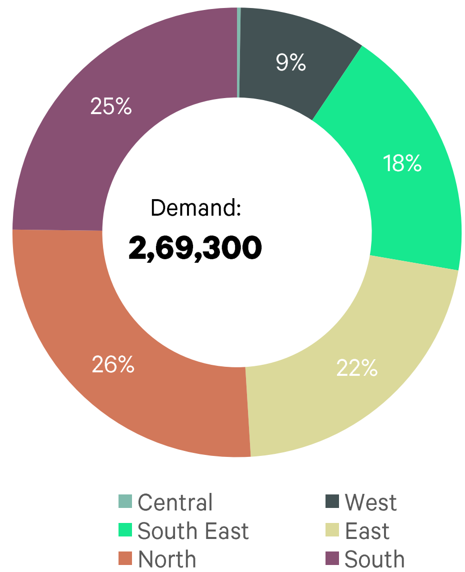
West Zone: The zone has a mix of institutional, industrial and government establishments along with traditional residential zones mainly developed as independent homes. It has started witnessing increased residential activity over the last 5 to 6 years on account of the redevelopment of industrial areas and enhanced connectivity via metro lines.

- Key locations – Yeswanthpur, Mysore Road, Magadi Road, Tumkur Road, Rajaji Nagar, Kengeri etc.
- Buyer Profile – Mix of government employees, industrialists, industrial workers & private sector employees

(Source: CBRE)

Key Zones in Bengaluru–Supply and Demand Share (2016 to Q1 2024)





Source: CBRE

The North zone has the highest share of supply (30%) followed by South zone (24%) over the period 2016 to Q1 2024. Real estate activity in North is fuelled by land availability, increase in upcoming commercial supply (expected to witness high growth with approx. 16.8 mn sft planned over the next 3 years) and implementation of major infrastructure proposals such as suburban railways, metro connectivity, extension of Hebbal flyover, etc. Activity levels in the South zone (being the traditional residential market) are driven by proximity to Outer Ring Road (characterised by high commercial office concentration) and presence of well-developed social and physical infrastructure. Central Bengaluru continues to remain a niche market with limited market share primarily catering to high-end to luxury market demand. *(Source: CBRE)*

ZONE OVERVIEW – EAST

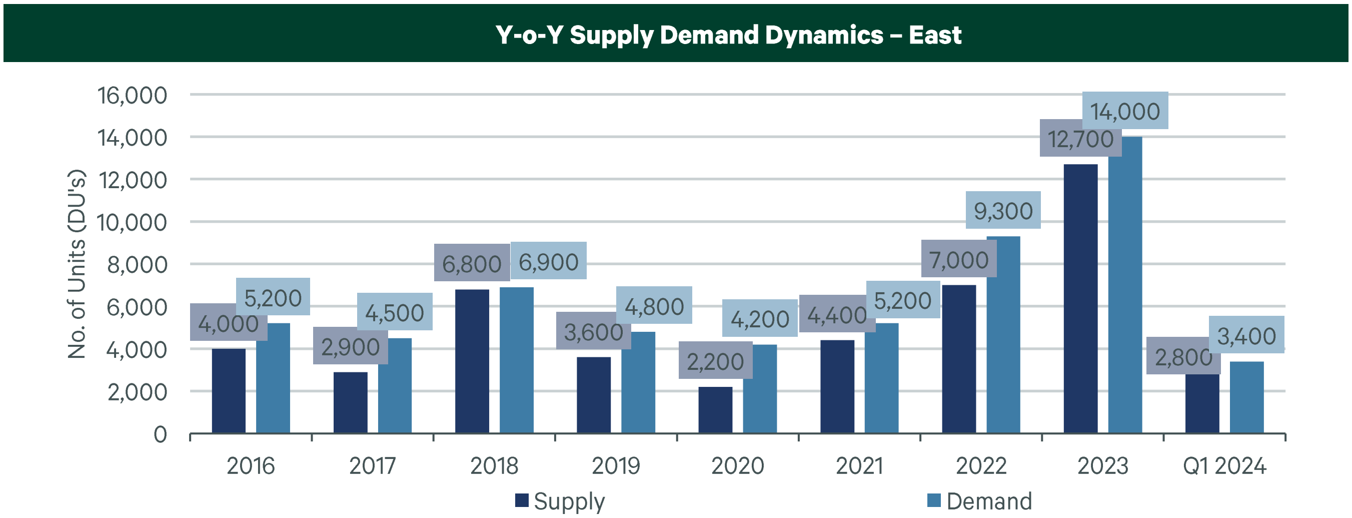
SUPPLY DEMAND DYNAMICS

The table below highlights the key statistics pertaining to Residential apartments segment in East.

Particular	Details
Total Supply (As of Q1 2024)	approx. 1,30,200 units
Unsold Inventory (As of Q1 2024)	approx. 5,100 units (approx. 3.9% of overall supply)
Average Annual Supply (2022 to Q1 2024)	approx. 9,000 to 11,000 units
Average Annual Absorption (2022 to Q1 2024)	approx. 11,000 to 13,000 units
Inventory Overhang	4 Months

Source: CBRE

The chart below highlights the supply introduction and yearly absorption trend for residential apartments segment in East:

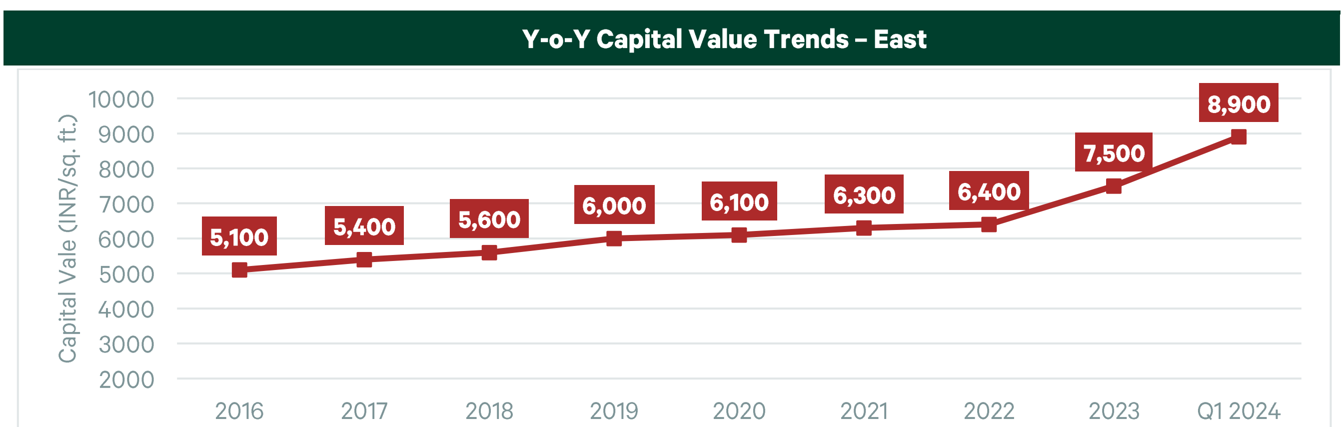


Source: CBRE

East zone has witnessed consistent growth in residential activity over the past decade as the vector has become an established commercial zone. Presently, the zone is characterised by presence of mid-scale and few upper-mid scale residential developments. Average annual supply in the zone is in the range of approx. 5,500 to 6,000 units and demand in the range of approx. 6,700 to 7,200 units over the period from 2016 to Q1 2024. Year 2018 witnessed high residential activity owing to launch of projects such as Brigade Cornerstone Utopia, Pursuit of Radical Rhapsody, Sobha Lake Gardens, Sumadhura Nandanam amongst others. While Year 2022 witnessed improvement in the residential activity post marginal dip in year 2020 and 2021 due to COVID-19 pandemic, year 2023 witnessed the highest supply. The zone witnessed highest demand levels (approx. 9,300 units in 2022 and approx. 14,000 units in 2023), resulting in a low inventory overhang of 4 months. *(Source: CBRE)*

CAPITAL VALUE TRENDS

The graph below highlights the capital value trend for residential apartments segment in East:



Source: CBRE

The East zone primarily houses mid to upper mid-end developments but the year 2023 also witnessed launches in the high-end segment. Presence of dense commercial developments coupled with good social infrastructure has resulted in capital value appreciation in the zone to the tune of approx. 12% during the period from 2020 to Q1 2024. Areas which are located in and around EPIP Zone such as Brookfield, Borewell Road and along Whitefield main road command higher capital values in the range of INR 9,000 to 9,500/sft and pricing gradually declines towards KR Puram, Kannamangala, Belathur which is in the range of INR 6,000 to 6,500/sft. *(Source: CBRE)*

ZONE OVERVIEW – NORTH

SUPPLY DEMAND DYNAMICS

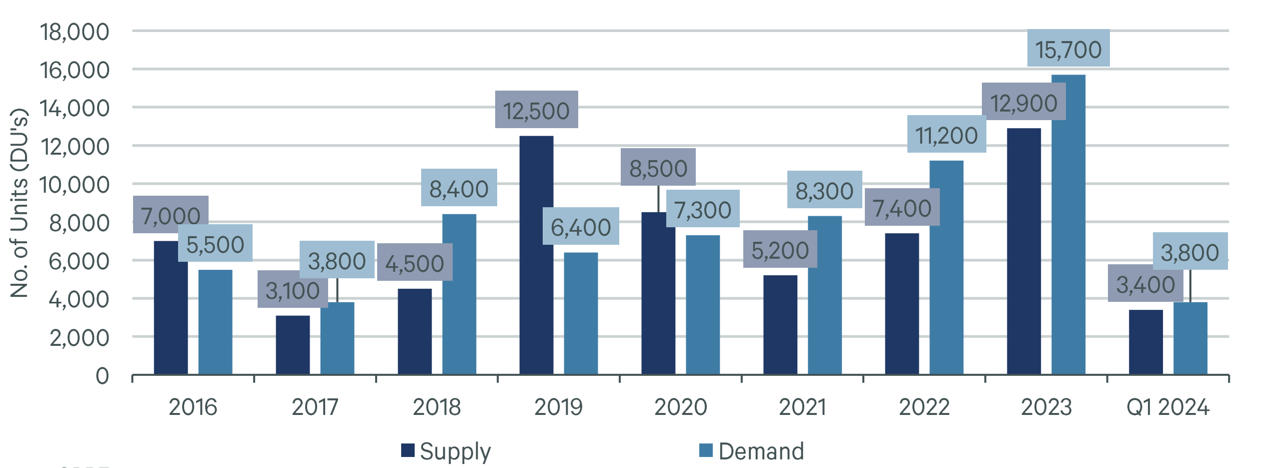
The table below highlights the key statistics pertaining to Residential apartments segment in North.

Particular	Details
Total Supply (As of Q1 2024)	approx. 1,38,600units
Unsold Inventory (As of Q1 2024)	approx. 10,500 units (approx. 7.6% of overall supply)
Average Annual Supply (2022 to Q1 2024)	approx. 10,000 to 11,000 units
Average Annual Absorption (2022 to Q1 2024)	approx. 13,000 to 14,000 units
Inventory Overhang	8 Months

Source: CBRE

The chart below highlights the supply introduction and yearly absorption trend for residential apartments segment in North:

Y-o-Y Supply Demand Dynamics – North

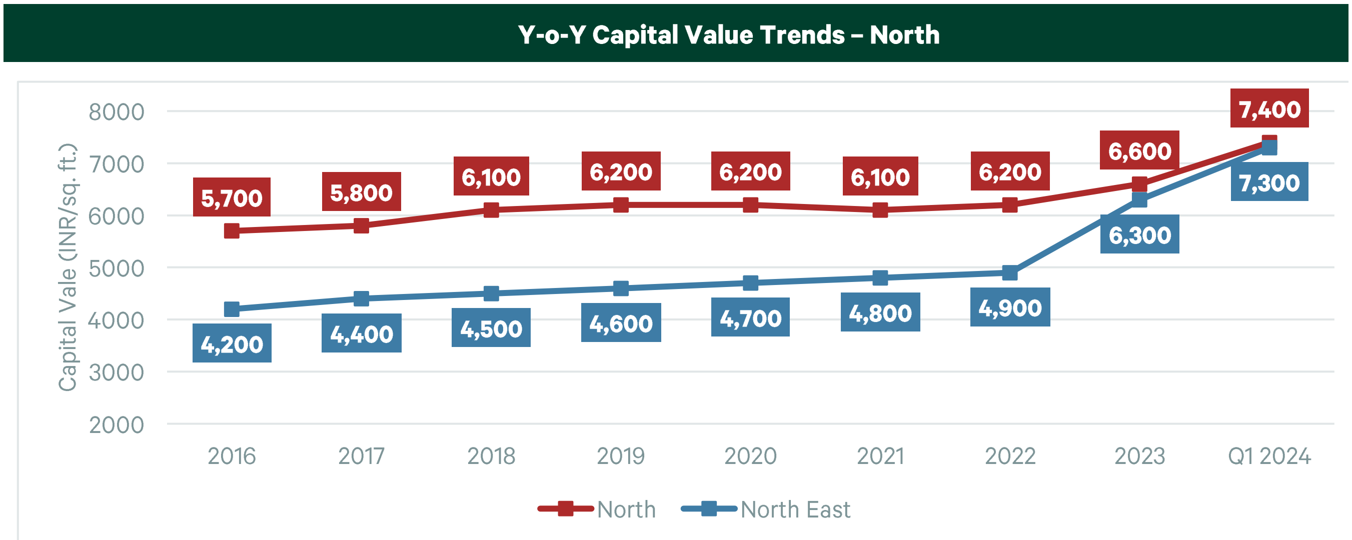


Source: CBRE

From 2018, there was an increase in activity levels with an annual demand of 7,000 to 8,000 units until 2021. The demand further increased during 2023, reaching approx. 15,700 units. Years 2019 and 2023 witnessed the highest supply infusions in the market of approx. 13,000 units. Projects such as Godrej Ananda, Nikoo Homes, Brigade Eldorado, Prestige Finsbury, Brigade Calista, Orchid Salisbury contributed to this supply. The uptick in demand can be attributable to several factors such as increasing activity levels in the KIADB SEZ, upcoming commercial IT developments, improved infrastructure initiatives and comparatively lower ticket prices as compared to other zones. In a short span of time, organised real estate activity has grown in the northern zone, with the region now accounting for the third highest commercial stock after Outer Ring Road and Whitefield. With proposed physical infrastructure projects, the zone is anticipated to experience sustained growth in the residential segment. *(Source: CBRE)*

CAPITAL VALUE TRENDS

The graph below highlights the capital value trend in North & North East zones:



Source: CBRE

The capital values witnessed an appreciation of approx. 12% in Q1 2024 over the previous year primarily driven by improvements in physical infrastructure and growing demand due to forthcoming commercial developments.

Initial stretches of North zone comprising of locations such as Jakkur, Thannisandra Road, Hennur Road, etc. command higher capital values in the range of INR 8,000 to 10,000/sft. Whereas the capital values in the latter part of north zone i.e. locations beyond Kogilu are in the range of INR 6,000 to 7,500/sft. Capital values in locations of North East zone such as Budigere, Bommanahalli are in the range of INR 5,100 to 5,300/sft. (*Source: CBRE*)

ZONE OVERVIEW – SOUTH

SUPPLY DEMAND DYNAMICS

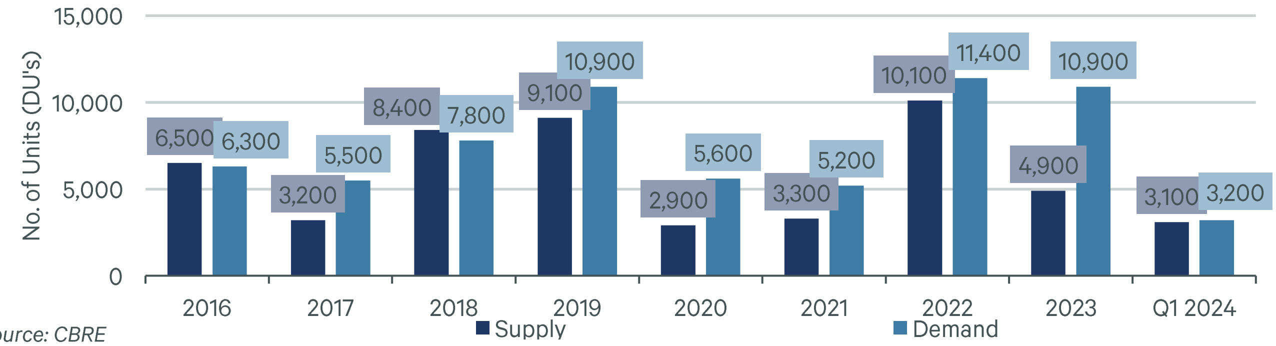
The table below highlights the key statistics pertaining to Residential Apartments segment in South zone.

Particular	Details
Total Supply (As of Q1 2024)	approx. 1,64,600 units
Unsold Inventory (As of Q1 2024)	approx. 5,300units (approx. 3.2% of overall stock)
Average Annual Supply (2022 to Q1 2024)	approx. 8,000 to 8,100 units
Average Annual Absorption (2022 to Q1 2024)	approx. 11,300 to 11,500 units
Inventory Overhang	6 Months

Source: CBRE

The chart below highlights the supply introduction and yearly absorption trend for residential apartments segment in South zone.

Y-o-Y Supply Demand Dynamics – South



Source: CBRE

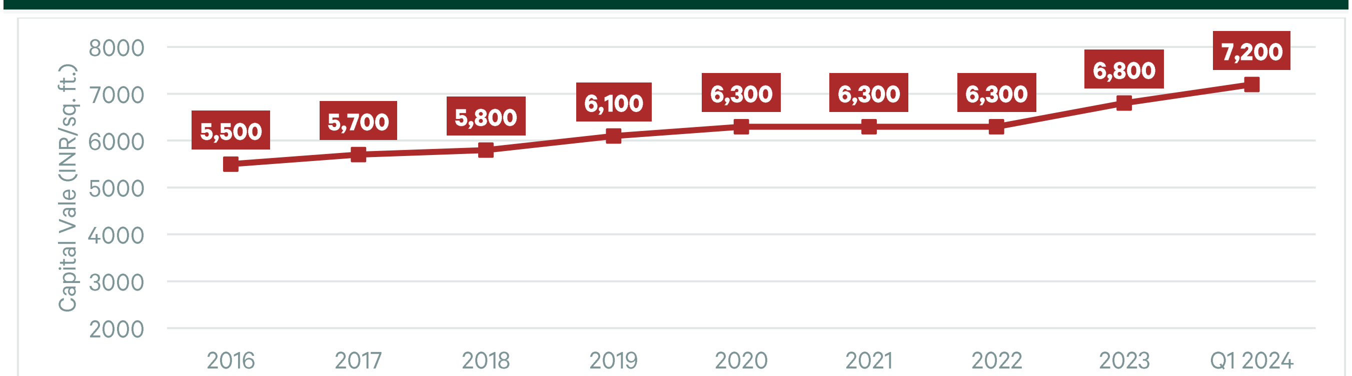
South zone is a front runner in terms of supply and demand in the city accounting for 28% of total supply as of Q1 2024. Availability of large land parcels, developed social infrastructure and metro connectivity have been the major contributing factors towards growth in this market. This was one of the first markets to witness residential real estate activity in the city. Koramangala and Jayanagar which mark the start of the South quadrant are positioned as upmarket residential neighbourhoods. Further south, the market grew along Hosur Road, Kanakapura Road and Bannerghata Road. The demand along Hosur road was influenced by the economic hub at Electronic City along with the industrial workforce in Bommasandra and Jigani. The completion of the Electronic City flyover and the operation of the Metro Phase 1 further aided in boosting the residential demand in these areas. Commissioning of the Yellow Line (RV Road to Bommasandra) will also provide impetus to the housing demand in the coming years.

The year 2019 witnessed a launch of over approx. 9,000 units in Electronic City and Kanakapura Road. These two locations accounted for 45% of the total stock in the South zone. New launches in the year 2023 were concentrated in locations like Chandapura, Anekal and Puttenahalli which are located further south.. Due to limited availability of land, there has been a saturation in real estate activity in the high-end markets of Koramangala, JP Nagar and Jayanagar. *(Source: CBRE)*

CAPITAL VALUE TRENDS

The graph below highlights the capital value trend for residential apartments segment in South.

Y-o-Y Capital Value Trends – South



Source: CBRE

Average capital values are in the range of INR 7,100 to 7,200/sft. Growth in capital values was observed from 2022 with an appreciation of approx. 11% over the period 2022 to Q1 2024.

Locations such as Koramangala, Jayanagar and BTM Layout are premium residential markets with capital values in the range of INR 12,000 to 15,000/sft. Projects by Adarsh Developers, Advaitha Ventures, G Corp Developers, Kolte Patil Developers and The Advantage Raheja are the active projects in these locations. The capital values decline gradually further south and range from INR 6,500 to 8,500/sft, towards Kanakapura Road and Hosur Road and INR 5,500 to 6,000/sft in Attibele, Chandapur and Anekal. *(Source: CBRE)*

ZONE OVERVIEW – WEST

SUPPLY DEMAND DYNAMICS

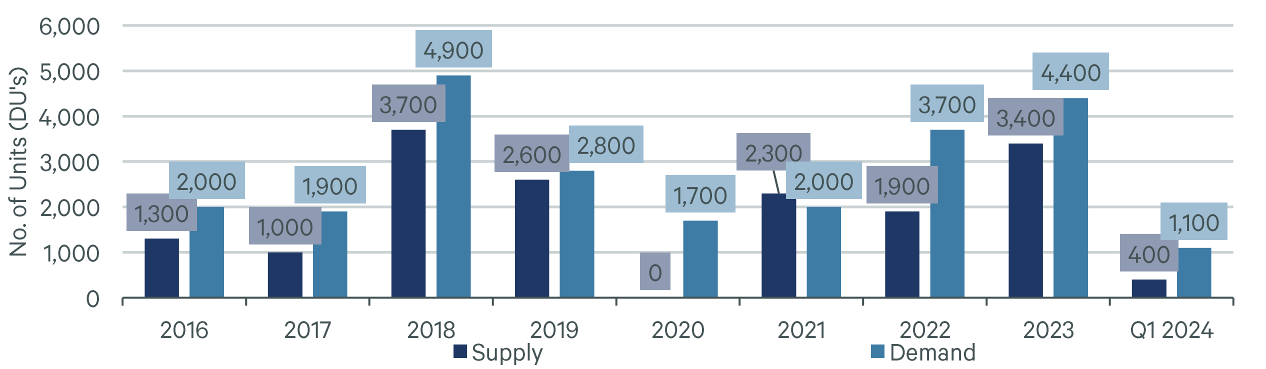
The table below highlights the key statistics pertaining to Residential apartments segment in West zone.

Particular	Details
Total Supply (As of Q1 2024)	approx. 51,500 units
Unsold Inventory (As of Q1 2024)	approx. 2,300 units (approx. 4.5% of overall supply)
Average Annual Supply (2022 to Q1 2024)	approx. 2,500 to 2,700 units
Average Annual Absorption (2022 to Q1 2024)	approx. 4,000 to 4,200 units
Inventory Overhang	6 Months

Source: CBRE

The chart below highlights the supply introduction and yearly absorption trend for residential apartments segment in West zone.

Y-o-Y Supply Demand Dynamics – West



Source: CBRE

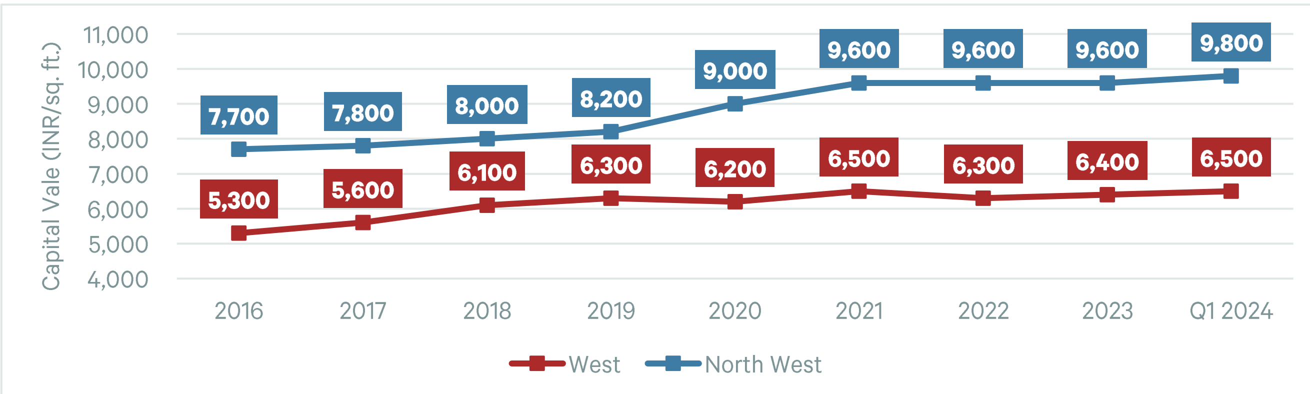
West Bengaluru has an inventory of approx. 51,000 units which accounts for approx. 9% of the total city stock. The locations with the highest inventory are Tumkur Road, Mysore Road, and Kengeri. This zone comprises of traditional and old parts of the city with a mix of government, institutional, trading and industrial sectors. Increase in real estate activity can be attributed to the augmentation of road infrastructure and the operation of the Phase 1 Metro line. 30% of the total market inventory was added during the period from 2016 to Q1 2024. The supply and demand in the year 2023 increased in comparison to 2022. The simultaneous growth in demand has led to decrease in inventory overhang to 6 months as of Q1 2024.

West zone with locations closer to the city continue to witness demand in the mid to high-end segment housing which is supported by supply infusion in these segments. Developing office cluster along the Tumkur road coupled with metro connectivity is expected to drive residential activity in the region in the short to mid-term. *(Source: CBRE)*

CAPITAL VALUE TRENDS

The graph below highlights the capital value trend for residential apartments segment in West.

Y-o-Y Capital Value Trends – West



Source: CBRE

Capital values in locations such as Kengeri, Doddaballe towards the southwest range from INR 5,200 to 5,400/sft, while along Mysore road, prices vary from INR 6,000 to 6,200/sft. Locations in the central part of the zone which include areas around Magadi road exhibit higher capital values (INR 10,000 to 12,000/sft), while well developed and established locations like Malleshwaram and Rajaji Nagar witness capital values in the range of INR 14,000 to 15,500/sft. *(Source: CBRE)*

FUTURE OUTLOOK – BENGALURU RESIDENTIAL MARKET

Market is expected to witness healthy supply introductions as tier 1 developers in the market are planning to launch large projects primarily to meet the rising demand levels & also to recuperate the slower inventory launches during the pandemic. Despite increment in supply, a low inventory overhang is expected to prevail as demand in the market is almost at par with the annual supply introduction.

The residential market in Bangalore surpassed pre-Covid levels in 2022, both in terms of demand and supply. Similar momentum was witnessed in 2023 and the market recorded the highest annual absorption to date, exceeding 55,000 units. However, supply remained similar to the previous year. This trend indicates a strong demand outlook for the city. Factors contributing to this include robust commercial growth, various infrastructure initiatives (which are expected to open up new development zones) and industrial investments, including the establishment of various global manufacturing conglomerates in the city.

Driven by the above factors, the market is expected to remain buoyant from a demand perspective. Key zones expected to remain in focus include the North zone for the mid and upper-mid segments and the East and South zones for the high-end segments. *(Source: CBRE)*

DRIVERS FOR RESIDENTIAL ACTIVITY IN THE NEAR FUTURE

Proposed Physical Infrastructure: Metro Construction (Phase 2A & 2B), Peripheral Ring Road and STRR are the major infrastructure initiatives that would impact the real estate growth in the city. Approx. 200 kms of metro network is expected to be operational in next 5 – 6 years. *(Source: CBRE, Namma Metro)*

Expansion of Kempegowda International Airport: Bengaluru airport city has 463 acres of land earmarked for numerous activities that include retail, dining and entertainment, concert arena, hospitality, business and IT parks, and specialized health care along with 215 acres for commercial development. The development is planned to be integrated with the upcoming Phase 2B of the metro network for seamless connectivity to the various locations in the city. This is expected to boost economic activity in the city which would consequently drive residential demand. *(Source: CBRE, BIAL)*

Growth in Commercial Office activity: The commercial office segment has upcoming supply of 47 mn sft (based on under-construction and planned projects; Source: CBRE) due for completion in the next 3 years. This growth of approx. 21.5% over the current market size of 219 mn sft is expected to translate to higher employment generation contributing to downstream demand for housing particularly in North, East and South East zones.

Growth in Industrial and Logistics Activity: Due to the presence of industrial activity in the periphery of the city at Nelamangala, Bommasandra–Hosur and Soukya Road, the demand for affordable housing continues to be strong. Upcoming supply and growth of the sector will further strengthen demand for housing in these locations.

Initiatives by the Government: Affordable Housing Policy of Karnataka 2016 aims to encourage the development of "Group Housing Projects" wherein apartments of "pre-defined sizes" are developed at "pre-defined rates" in a "targeted time frame". The CDP Amendments in 2019 defined the exclusion of certain utility areas such as ducts, staircase rooms, refuge areas, public toilets, swimming pools, lift wells, etc. from the FAR area, thereby improving the buildability of the development. Government orders also granted a relaxation in parking norms around metro stations.

Key zones: Upcoming metro lines coupled with proposed project launches by key developers are expected to drive demand & supply in South, South East, and North zones. Purple Metro Line Extension from Baiyapanhalli to Whitefield which became operational in 2023 improved the connectivity of the East zone. Construction of Blue Metro Line from Gottigere to Nagawara is underway and once completed in 2024/2025 will improve connectivity of south and north markets with the rest of the city. Growth is also expected in the North zone supported by phase 2B of the metro line connecting Hebbal to the airport. Further, Phase 3 of the Metro will improve connectivity of the South East market as well.

(*Source: CBRE*)

LAND DEALS

Land deals in the recent past are expected to infuse residential supply over the next 5 years. Major contributors to this supply would be the top 6 to 7 residential developers in the city. The land parcelss are primarily concentrated in locations of South (Begur, Rajapura-Jigani), East (Belathur) and North Bangalore markets which are expected to witness traction in residential demand. Casagrand has upcoming projects located in the South and North zones, which witness the highest share in terms of supply and demand. Currently, the developer's portfolio is spread across 20 projects in the city primarily focussing on the mid-end category. Few of the recent launches of the developer include Casablanca and Vivacity located in the South zone. The projects were launched in Q1 2024 and witnessed healthy sales with almost 75-80% of units sold in the quarter of launch. (*Source: CBRE*)

RESIDENTIAL MARKET OVERVIEW – HYDERABAD

Residential real estate segment has witnessed significant growth in Hyderabad with development witnessed across the major vectors and peripheral regions of the city. Increasing economic activity and inward migration to the city are the major drivers for growth in residential segment.

The key drivers of demand for residential segment in Hyderabad are as follows :

- **Well planned large metropolis:** Being the 6th largest urban agglomerate, the city has seen planned development with specified zones for IT/ITeS activity viz. IT Corridor in West Hyderabad *(Source: Census 2011)*

- **Superior Physical Infrastructure Network:** Well-laid physical infrastructure such as the Outer Ring Road (ORR), Internal Ring Road (IRR), Metro Rail Network have significantly improved connectivity across prominent activity hubs of the city.

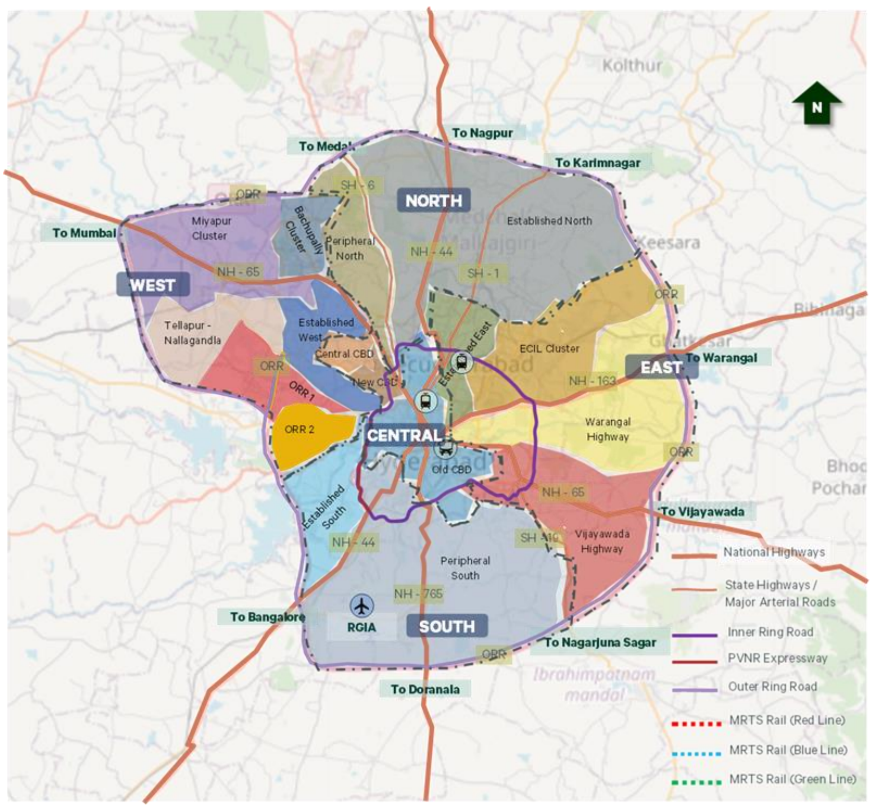
- **Proficient Workforce & Established Office Ecosystem:** With an established office market comprising various prominent IT/ITeS companies, MNCs and global set-ups, the city has presence of a substantial workforce (9,05,715 as of 2022-23 as per Telangana IT-EC Annual report), which in turn drives residential activity. The presence of prominent educational institutions of national repute such as ISB, IIT, IIIT, BITS, JNTU, Osmania University helps to facilitate the recruitment of skilled professionals and contributes to the overall employment ecosystem in the city.

(*Source: CBRE*)

KEY ZONES AND THEIR PROFILE

The city has been bifurcated into various zones based on activity levels (viz. zones & profile of development activity). The map below represents the spatial spread of key residential zones in Hyderabad City:

Spatial Spread of Zones in Hyderabad



Source: CBRE

West: Established residential hub catering to IT/ITES demand characterised by large-scale integrated developments in the high-end and mid-end segment

- Key locations – Madhapur, Gachibowli, Kondapur, Kukatpally, Tellapur, Kokapet, Miyapur, Bachupally, Kollur, Nanakramguda, Puppalguda, Nallagandla, Narsingi, Manikonda

- Buyer Profile – Mix of IT and corporate employees

Central: Established prime residential zone with limited availability of land characterised by high–end and luxury residential developments

- Key locations – Banjara Hills, Jubilee Hills, Begumpet
- Buyer Profile – Mix of industrialists, businessmen/ entrepreneurs, senior management of IT and other corporate employees, HNIs, NRIs, celebrities

North: Zone is characterised by affordable to mid-end residential developments, with ample availability of land

- Key locations – Kompally, Bahadurpally, Medchal, Balanagar
- Buyer Profile – Mix of government employees, industrialists, industrial workers and private sector employees

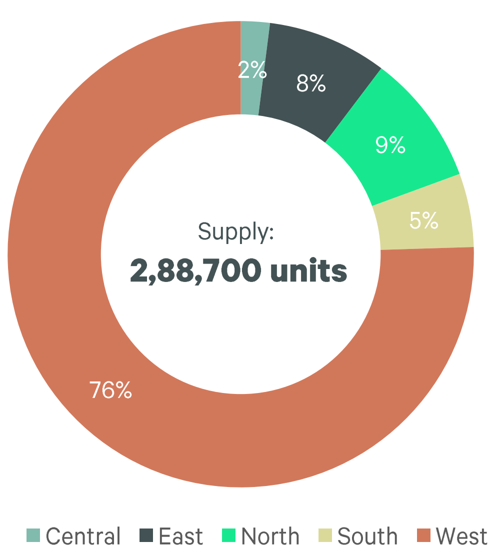
East: Zone is characterised by its traditionally unorganized residential activity. The zone has witnessed gradual inception of large-scale residential developments

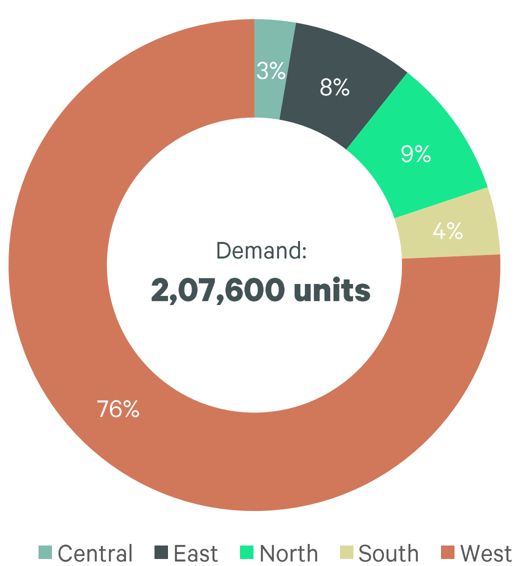
- Key micro-markets – LB Nagar, Pocharam, Uppal, Nacharam
- Buyer Profile – Mix of IT and government employees, industrialists, industrial workers and private sector employees

South: Limited residential activity is witnessed in the zone with the presence of affordable and mid-end developments. However, the zone comprises large land holdings by local and regional developers

- Key micro-markets – Rajendra Nagar, Attapur, Adibatla, Shamshabad
- Buyer Profile – Mix of employees working at the Airport, industrialists, and industrial workers

Zonal Supply and Demand Share in Hyderabad (2016 to Q1 2024)





Source: CBRE

West Hyderabad has witnessed significant residential activity over the past decade and has established itself as a prominent market with a supply share of approx. 73% (2016 to Q1 2024). This has been primarily fuelled by the significant existing and upcoming commercial activity, with an expected supply pipeline of approx. 42 mn sft by 2027 (based on under-construction and planned projects; Source: CBRE). Other regions in the South (Gaganpahad, Budwel, Shamshabad) are emerging as new residential markets witnessing growth in supply due to proximity to international airport, key commercial hubs, and affordable land rates. *(Source: CBRE)*

SUPPLY-DEMAND TRENDS

Currently, the city is witnessing an organic expansion to regions away from the established hubs owing to limited land availability in the prime clusters. Supply and Demand dynamics in Hyderabad have witnessed a substantial growth post covid.

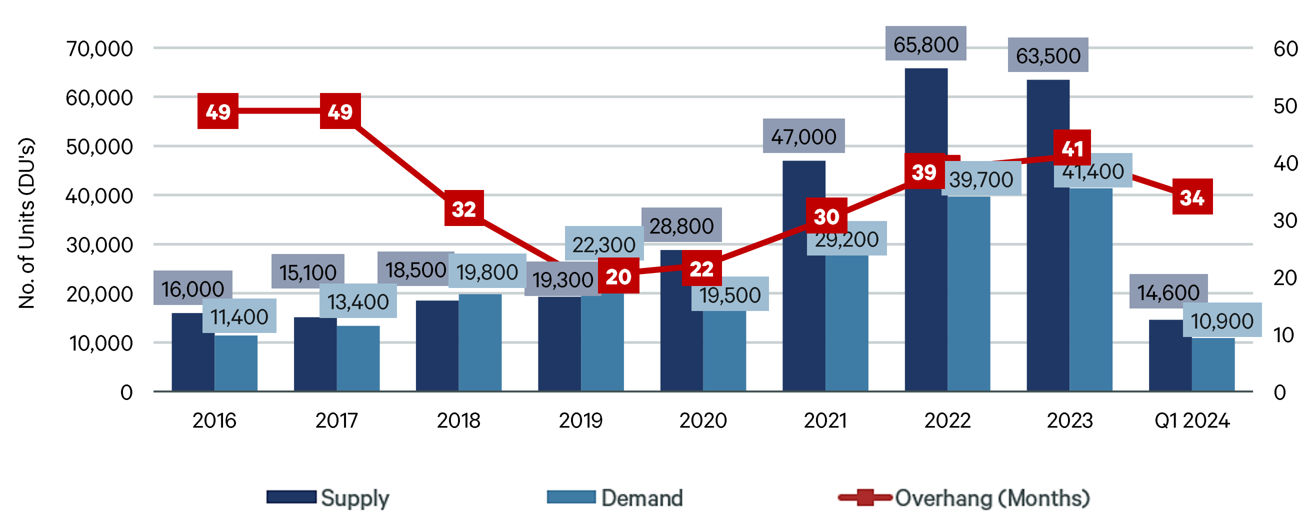
The table below highlights the key statistics pertaining to Hyderabad Residential apartments segment.

Particular	Details
Total Stock (As of Q1 2024)[3]	approx. 4,27,600 units
Under-Construction Supply (As of Q1 2024)	approx. 2,05,300 units
Unsold Inventory (As of Q1 2024)	approx. 1,03,400 units (approx. 24% of overall supply)
Average Annual Supply (2022 to Q1 2024)	approx. 63,000 to 64,000 units
Average Annual Absorption (2022 to Q1 2024)	approx. 40,000 to 41,000 units
Inventory Overhang	34 Months

Source: CBRE

The chart below highlights the supply introduction and yearly absorption trend for the residential apartments segment in Hyderabad:

Y-o-Y Supply Demand Dynamics



Source: CBRE

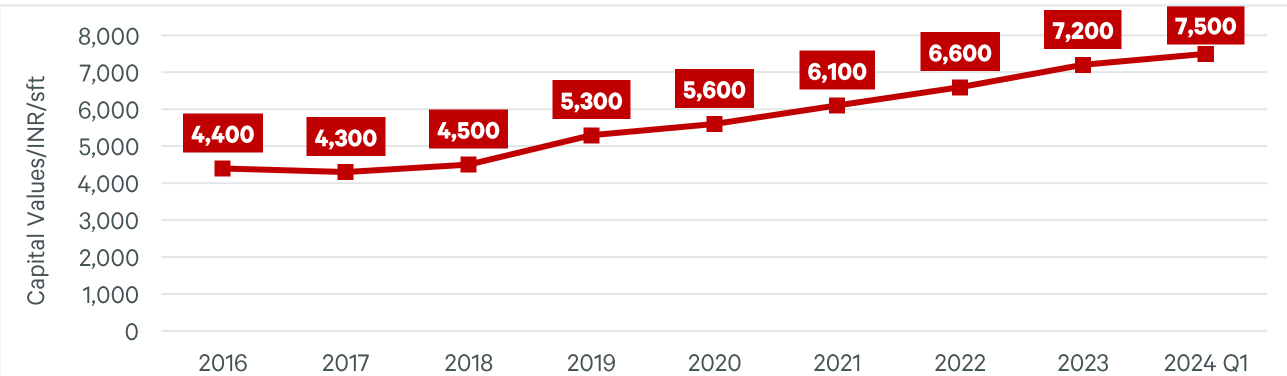
[3] Stock includes the residential units that are completed, under construction, sold and unsold

There has been a significant addition of supply between 2021 and Q1 2024, with approx. 190,000 units added to the city's inventory, constituting nearly 45% of the total stock. Inventory overhang consequently went up from 22 months in 2020 to 34 months as of Q1 2024. *(Source: CBRE)*

CAPITAL VALUES

The graph below highlights the capital value trend for residential apartments segment in Hyderabad.

Y-o-Y Capital Value Trends – Hyderabad



Source: CBRE

The capital values have been steadily growing for the past 4 to 5 years and have exhibited a CAGR of approx. 10 to 11% during the period of 2022-Q1 2024.

The escalation in residential prices over the past three years can be attributed to the strong absorption levels coupled with infrastructure improvements. The central zone of Hyderabad commands a premium in capital values due to the established nature and scarcity of supply, followed by the West zone, with both regions witnessing capital values higher than the city average. *(Source: CBRE)*

FUTURE OUTLOOK – HYDERABAD RESIDENTIAL MARKET

The absorption for the residential apartments segment is expected to remain steady in the short term, driven by end-user demand in micro-markets located closer to employment hubs. Given the high unsold inventory levels, the future supply is projected to moderate in the short to medium term.

High-end and luxury housing segments have witnessed healthy absorption over the last 2 to 3 years and the same is expected to moderate in the near term (with future supply also expected to reduce alongside).

Notably, micro-markets like Kollur, Tellapur, Nallagandla in the West zone and Rajendranagar, Gaganpahad, in the South zone are expected to witness good traction (in terms of both supply and absorption) for mid-market and premium housing, due to the availability of large developable land parcels and improving physical and social infrastructure.

Capital values in the majority of the micro-markets are expected to be range-bound vis-à-vis current levels in the short term on account of significant supply introduced over the last two years and high unsold inventory levels. However, emerging micro-markets are likely to witness relatively better capital value appreciation in the medium to long term, owing to improving social infrastructure and connectivity. *(Source: CBRE)*

LAND DEALS

Few select developers hold large tracts of land in key pockets of the city which may culminate into potential future supply. Further, key deals concluded in the past few years, especially as a part of land auctions conducted by Telangana

State Industrial Infrastructure Corporation (TSIIC) can potentially drive future supply. Casagrand being a prominent developer in South India with a significant presence across cities such as Chennai & Bangalore, would also be venturing into the Hyderabad market, wherein they currently hold land parcels in emerging residential vectors of the city. In the North, Casagrand holds land parcels in areas such as Kompally, which is a growing market witnessing interest levels from major developers.

RESIDENTIAL MARKET OVERVIEW – COIMBATORE

COIMBATORE RESIDENTIAL REAL ESTATE MARKET OVERVIEW

Coimbatore has witnessed rapid growth in the organized housing segment over the last few years compared to other Tier II and III cities in Tamil Nadu, driven by its strong textile and engineering base coupled with growth in IT/ITeS industry. The city has also emerged as a preferred retirement destination in South India considering the conducive climate.

Residential segment in the city predominantly comprises of independent dwelling units and small to medium-scale apartment complexes. Activity in the residential segment is currently dominated by local developers while few prominent regional players have also ventured into the city over the past decade. R.S. Puram and Racecourse are some of the prominent traditional residential pockets of the city, primarily comprising of unorganized independent dwelling units. Owing to the increase in demand for residential housing, redevelopment of a large number of independent houses into small and medium-scale apartment complexes (less than 50 units) has been witnessed in these locations.

With organic growth of the city, new micro-markets have gained prominence and emerged as preferred destinations for developers. This is primarily attributable to factors such as availability of large tracts of vacant land along with availability of physical and social infrastructure. Some of the notable emerging residential locations in the city include Sai Baba Colony, Mettupalayam Road, Sowripalayam and Peelamedu. Residential activity in these micro-markets comprises of medium to large-scale residential projects (i.e. projects with units ranging from 50 to 150 units).

Activity in terms of new large-scale residential projects with notable amenities has been witnessed in northern, western and southern parts of the city. Some of the locations that are witnessing increased levels of residential activity include Mettupalayam Road, Vadavalli, Perur Road, Kovaipudur, Trichy Road, Nanjundapuram, Kurichi and Saravanampatty.

The key drivers of demand for residential segment in Coimbatore are elucidated as below:

- **Textile and Manufacturing Economy**: Being a major textile and manufacturing economy in Tamil Nadu, Coimbatore is home to several large scale business groups also providing wide employment opportunities in the city

- **Superior Physical Infrastructure Network**: Well laid physical infrastructure viz. road and rail ensures seamless connectivity to prominent activity hubs within and near the city. Several infrastructure initiatives such as Avinashi Road flyover and proposed metro lines are expected to boost real estate investments in the future

- **Emerging IT/ITeS Industry**: Being the 2nd largest software producer in Tamil Nadu, the city has seen developments such as TIDEL Park Coimbatore, Chil SEZ and other Information technology parks, thereby aiding growth of IT and Business Process Outsourcing industries and paving way for residential developments along Northern areas such as KK Pudur, Koundapalayam, Thudiyalur and Ganapathy

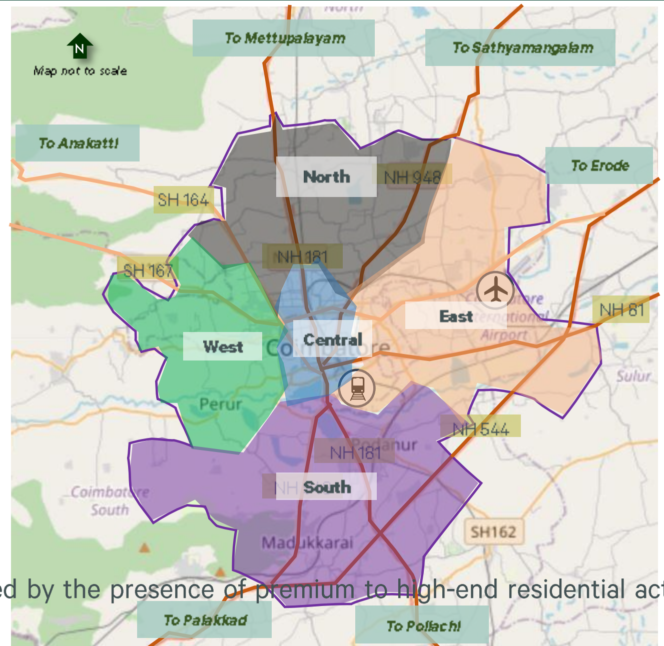
- **Base of Skilled manpower**: Presence of prominent educational institutions of national repute, especially in the fields of engineering and textile technology, enables ease of sourcing of skilled manpower. This has led to a surge in IT and industrial activity in the city, which in turn has further boosted the demand for residential segment.

(Source: CBRE)

KEY ZONES AND THEIR PROFILE

The city has been bifurcated into various sub-markets based on activity levels (viz. concentration & profile of development activity) as detailed below:

Spatial Spread of Zones in Coimbatore



Source: CBRE

Central: The vector is characterised by the presence of premium to high-end residential activity housing HNI's and business families.

- Key locations – Race Course Road, RS Puram, Gopalapuram

North: This vector witnesses the presence of IT and commercial developments such as KGISL, CHIL SEZ, etc. and is also one of the first zones to witness the establishment of large-scale townships and apartment developments.

- Key locations – Thudiyalur, Koundapalayam, KK Pudur, Ganapathy

East: The location is characterised by presence of established mid–end residential and commercial developments and is also dotted with independent homes and villas. This is the most active real estate vector of the city and has also witnessed hospitality and retail activity.

- Key locations – Avinashi Road, Sowripalayam, Villankuruchi, Ramanathapuram, Singanallur, Trichy Road, Nanjundapuram, Upilipalayam, Saravanampatti

West: One of the prominent residential zones with presence of educational institutes and small scale industries. The vector also houses presence of numerous senior living developments

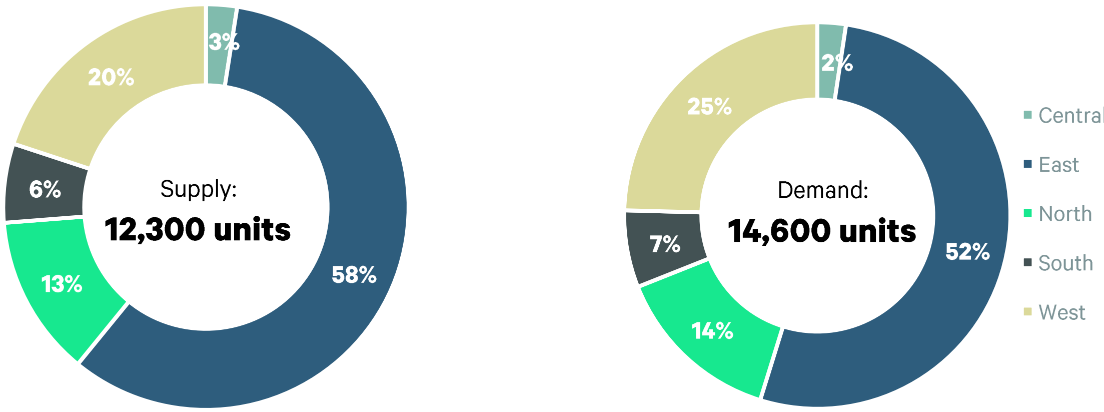
- Key locations – Vadavalli, Vedapatti, Selvapuram

South: South region is an emerging residential market supported by the presence of numerous educational institutions

- Key locations – Kurichi, Ramanathapuram, Kuniyamuthur, Kovai Pudur, Podanur

(Source: CBRE)

Zonal Supply and Demand Share in Coimbatore (2017 to Q1 2024)



Source: CBRE

East Coimbatore has witnessed increased residential activity over the last 5 years and has established itself as the prominent market with a supply share of approx. 58% (2017 to Q1 2024). The zone includes prominent micro-markets along Avinashi and Trichy Road such as PN Palayam, Peelamedu, Singanallur, Sowripalayam and is characterised by the presence of large scale residential projects by regional and local developers. (*Source: CBRE*)

SUPPLY DEMAND TRENDS

Coimbatore is gradually emerging as an activity center for residential real estate. The market has witnessed increasing demand for housing, while buyer interest for second homes and retirement communities continues unabated. The table below highlights the key statistics pertaining to Coimbatore Residential apartments segment.

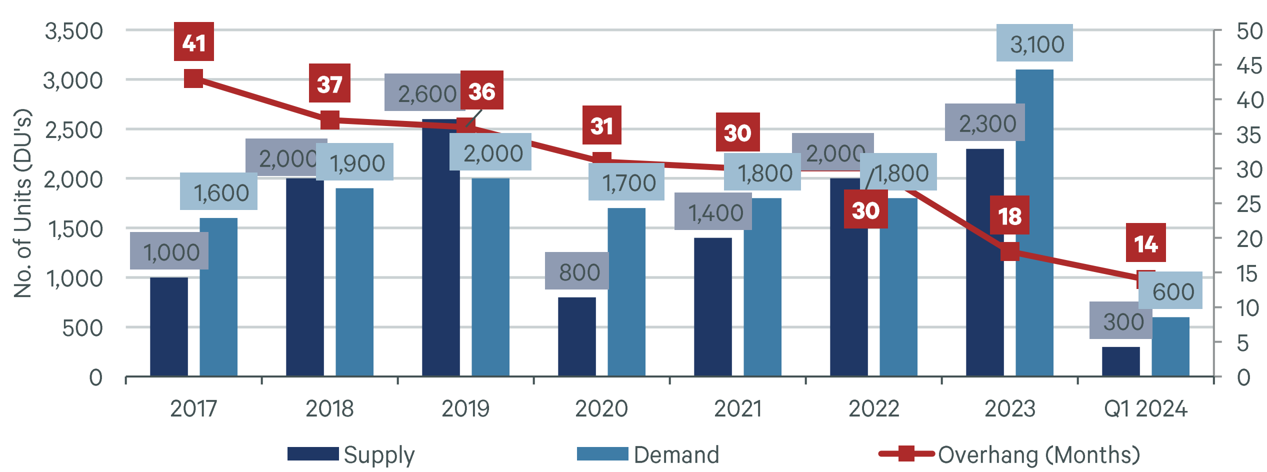
Particular	Details
Total Stock (As of Q1 2024)[4]	approx. 24,500 units
Under-Construction Supply (As of Q1 2024)	approx. 6,700 units
Unsold Inventory (As of Q1 2024)	approx. 3,500 units (approx. 14% of overall supply)
Average Annual Supply (2022 to Q1 2024)	approx. 1,800 to 2,200 units
Average Annual Absorption (2022 to Q1 2024)	approx. 2,200 to 2,500 units
Inventory Overhang	14 Months

Source: CBRE

[4] Stock includes the residential units that are completed, under construction, sold and unsold

The chart below highlights the supply introduction and yearly absorption trend for the residential apartments segment in Coimbatore:

Y-o-Y Supply Demand Dynamics



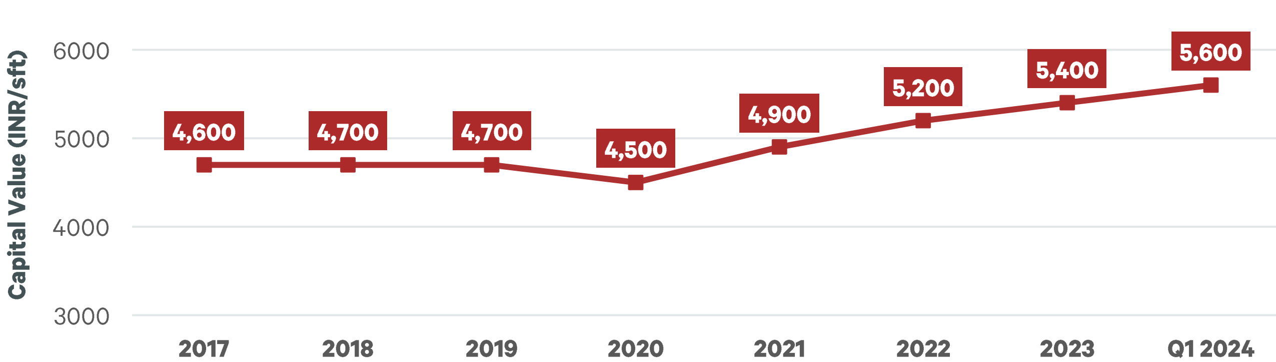
Source: CBRE

Supply levels have been in the range of approx. 2,000 to 2,200 over the period from 2018 to Q1 2024 except during the covid period of 2020 and 2021. The average demand during this period was approx. 2,200 units. Saravanampatti, Villankuruchi, Singanallur, Uppilipalayam, Telungupalayam and Vadavalli located in the Western and Eastern corridors of the city, are the top micro-markets in terms of launches. (*Source: CBRE*)

CAPITAL VALUES

The graph below highlights the capital value trend for residential apartments segment in Coimbatore.

Y-o-Y Capital Value Trends – Coimbatore



Source: CBRE

Post covid, Capital values in Coimbatore have exhibited an appreciation of approx. 24% over the period from 2020 to Q1 2024. This is attributable to the increased residential demand in the city primarily driven by manufacturing, commercial office activity and improvements in social infrastructure. Capital values in central areas such as R.S. Puram and Racecourse exceed INR 8,500/sft. Capital values in other key locations such as Avinashi and Trichy road ranges from INR 5,500 to 7,500/sft while Sathy road has an average capital value of INR 4,500/sft. (*Source: CBRE*)

RESIDENTIAL MARKET OVERVIEW - PUNE

PUNE RESIDENTIAL REAL ESTATE MARKET OVERVIEW

Pune has witnessed healthy growth and development across real estate sectors in the recent years. Availability of developable land in sub-urban areas that is not bound by natural boundaries (such as mountains, hills, slopes, river streams, etc.) has resulted in continued radial spread of the city. Central areas such as Shivajinagar, Swargate, Peth areas (traditionally old trading market) are some of the prominent traditional residential pockets of the city. Growth in IT sector had led to establishment of large IT parks in East and West Pune, resulting in expansion of residential developments in these zones. Further, locations such as Kharadi, Viman Nagar, Hinjewadi, Baner, Aundh, Balewadi have become preferred residential areas owing to proximity to IT parks. (*Source: CBRE*)

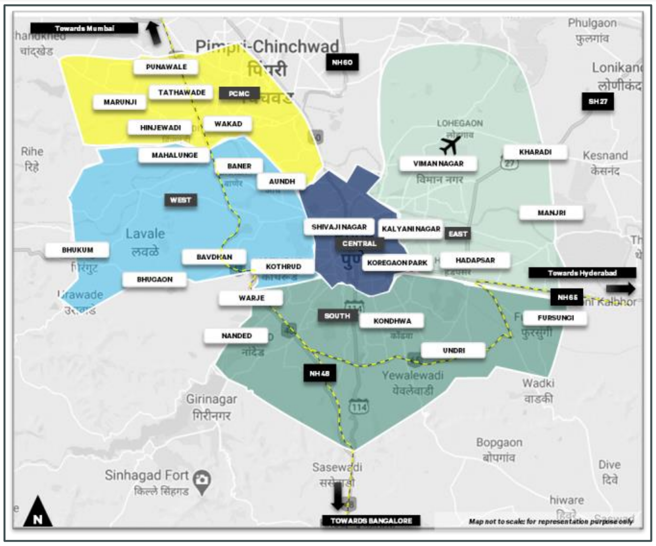
The key drivers of demand for residential segment in Pune are as follows:

- **Proximity to Mumbai:** With the development of the six lane Mumbai-Pune Expressway, Pune is less than four hours' drive from Mumbai. The six-lane, 95 km Mumbai-Pune Expressway has been a concrete milestone in reducing the distance between the two cities. High rentals and land values associated with commercial office space in Mumbai led to large IT tenants exploring alternate locations for growth in the city.
- **Growing Commercial Office Activity (driven by IT/ITeS sector):** Increasing presence of MNCs has benefited the city by resulting in growth of downstream residential demand.
- **Automotive and Manufacturing Hub:** Pune's emergence as a renowned centre for the auto industry was facilitated with the establishment of manufacturing units of Tata Motors and Bajaj Auto in the 1950s and 1960s. The influx of key players in the automobile sector provided the requisite fillip to the proliferation of a host of auto ancillaries companies over time. Pune also serves as a base for various large and small units operating in sectors such as engineering, IT, pharmaceuticals, machine tools, chemicals, electrical and electronics, instrumentation and control, iron and steel, castings and forgings, and food processing. With the development of large industrial areas within a radius of 50 km, having Pune as the nucleus, the region has reinforced its identity as an important destination in India's industrial development. Prominent industrial areas near Pune such as Hinjewadi, PCMC, Chakan, Ranjangaon have led to incremental demand for residential segment in the peripheral locations of the city.
- **Pro-industry Government policies and initiatives:** Maharashtra State developed MIDC (Maharashtra Industrial Development Corporation) parks, which specialize in sectors such as Automobile, Information Technology, Engineering, Petrochemicals, Transportation, Biotechnology, Pharmaceuticals, Textiles, Wine, etc. MIDC has assisted the planning and systematic development of industrial areas in the city such as Hinjewadi, Chakan, Ranjangaon, etc. These initiatives have enabled diversified growth across sectors in Pune.
- **Social Infrastructure:** The city is characterised by presence of well-developed social infrastructure ranging from schools, hospitals, hotels to a good network of shopping options (destination and neighborhood malls, big box retail, high-street retail, etc). The presence of select tertiary and quaternary healthcare establishments such as Sancheti Institute, Aditya Birla Memorial Hospital, Jehangir Hospital, Ruby Hall Clinic, Sahyadri Speciality Hospital, Manipal Hospital, Apollo Hospital, etc. has improved the city's liveability.
- **Physical infrastructure:** Pune is well connected with other parts of the state and country via road, rail and air, along with international flight connectivity options. Prominent existing infrastructure such as Mumbai-Bengaluru Bypass, Mumbai-Pune Expressway, Pune-Ahmednagar Road, etc. facilitate superior connectivity between different parts of the country. Multiple infrastructure initiatives (mainly metro lines) are under various stages of development and expected to enhance connectivity as well as downstream real estate growth across the city over time.

(*Source: CBRE*)

KEY ZONES AND THEIR PROFILE

Spatial Spread of Zones in Pune



Source: CBRE

The city has been bifurcated into various zones based on activity levels (viz. concentration & profile of development activity) as detailed below. These zones include Central, PCMC (Pimpri Chinchwad Municipal Corporation), West, South and East.

Central: This zone comprises established locations of Pune; characterised by presence of a mix of unorganized and independent residential developments.

- Key locations – Kalyani Nagar, Koregaon Park, Shivaji Nagar, Peth areas, University Circle, FC Road, Bhosale Nagar

PCMC: PCMC zone is a mix of established areas (such as Pimpri–Chinchwad & IT hub of Hinjewadi) and emerging areas (such as Tathawade, Marunji, Punawale, etc.).

- Key locations – Hinjewadi, Wakad, Tathawade, Marunji, Chinchwad, Pimple Saudagar, Pimple-Gurav, Ravet, Punawale

East: Presence of Pune Airport, IT/ITeS parks in Kharadi and proximity to central parts of Pune has led to the growth of organized residential activity over time.

- Key locations – Hadapsar, Mundhwa, Yerwada, Viman Nagar, Dhanori, Manjari, Kharadi, Wagholi

West: Constitutes a mix of established and emerging areas; presence of social and physical infrastructure has led to growing demand for residential segment in western parts of Pune.

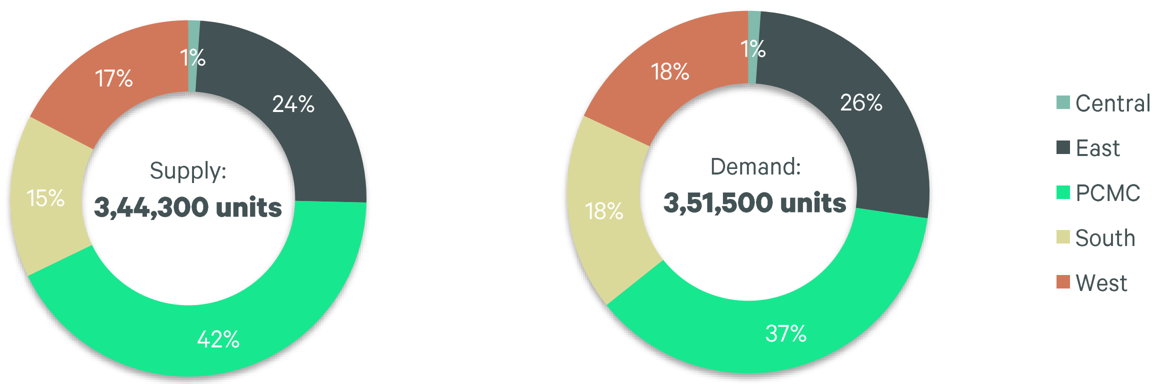
- Key locations – Aundh, Balewadi, Baner, Pashan, Mahalunge, Warje, Bavdhan, Bhugaon

South: Comprises established locations of the city and a prominent regional trading hub (i.e. Market Yard).

- Key locations – Kondhwa, Bibwewadi, Market Yard, Yewalewadi, Undri, NIBM, Katraj, Fursungi

(*Source: CBRE*)

Zonal Supply and Demand Share in Pune (2016 to Q1 2024)



Source: CBRE

The zone of PCMC has witnessed increased residential activity over the last 7 years and has established itself as one of the prominent markets with a supply share of approx. 42% (2016 to Q1 2024) followed by East Pune (approx. 24%). (*Source: CBRE*)

SUPPLY DEMAND TRENDS

The table below highlights the key statistics pertaining to Pune Residential apartments segment.

Particular	Details
Total Stock (As of Q1 2024)[5]	approx. 6,83,100 units
Under-Construction Supply (As of Q1 2024)	approx. 2,19,600 units
Unsold Inventory (As of Q1 2024)	approx. 49,900 units (approx. 7% of overall launched supply)
Average Annual Supply (2022 to Q1 2024)	approx. 67,000 to 68,000 units
Average Annual Absorption (2022 to Q1 2024)	approx. 68,000 to 69,000 units
Inventory Overhang	8 Months

Source: CBRE

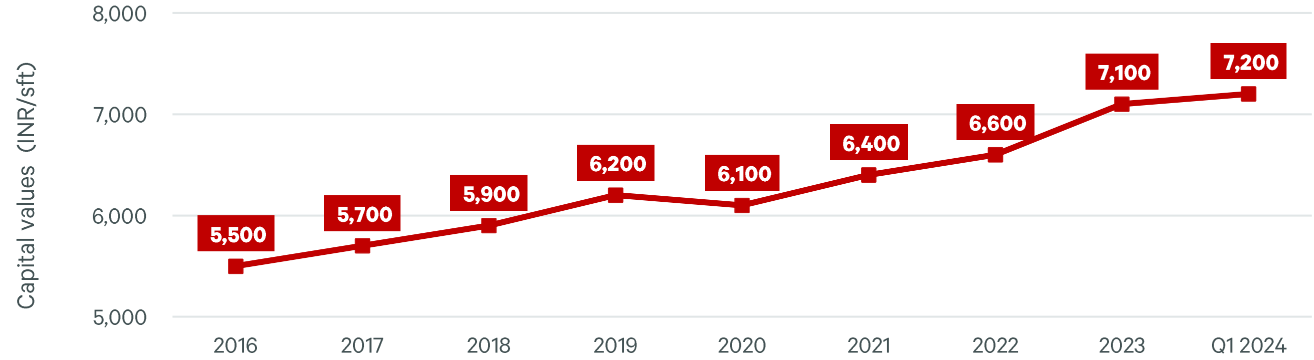
Overall residential market in Pune has witnessed a healthy rebound post Covid-19 in terms of supply additions as well as demand offtake. Subdued activity in 2020 led to postponement of new launches, leading to a higher number of launched units during 2021. Launches of large-scale townships' phases such as VTP Pegasus, Godrej Hillside, Godrej Rivergreen, Joyville Sensorium and additional phases of Life Republic, Megapolis, Amanora Park Town, Blue Ridge, Park District etc., are some of the primary drivers for increase in supply since 2021. Further, on account of continued growth in commercial activity in the city (leading to employment growth) along with government incentives such as stamp duty reduction and lower interest rates during the same time, an uptick in demand was witnessed, resulting in gradual decline in inventory overhang. (*Source: CBRE*)

[5] Stock includes the residential units that are completed, under construction, sold and unsold

CAPITAL VALUES

The graph below highlights the capital value trend for residential apartments segment in Pune. Capital Values in Pune have been on an increasing trend over the past 7 years. Post covid, capital values in the city registered a growth of approx. 18% during the period from 2020 to Q1 2024. The city's property market has witnessed an upward push in demand for residential units in areas such as Kharadi, Viman Nagar, Hinjewadi, Mahalunge, Baner, Aundh & Balewadi with average capital values above INR 7,000/sft. (*Source: CBRE*)

Y-o-Y Capital Value Trends - Pune



Source: CBRE

FUTURE OUTLOOK

The year 2022 and 2023 witnessed a strong comeback in supply and demand post Covid-19 in year 2020. Year 2023 has been a reflection of strong recovery and market expansion that has been witnessed across asset classes in the city. Increasing economic activity in form of the growth in commercial office segment, recently completed and upcoming infrastructure viz. metro lines are expected to drive growth in the residential segment.

The market currently is expected to witness momentum similar to years 2022 and 2023 in the near term. East and West zones are expected to witness increased demand from buyers and increased developer activity. Further, prominent developers are looking at market expansion in specific segments (mid-end, high-end, luxury) going forward. (*Source: CBRE*)

LAND DEALS

Limited availability of large land parcels in central and established areas of the city is expected to unlock development potential on land parcels available in peripheral areas such as Hinjewadi Phase 2 and 3, Marunji, Punawale, Tathawade, Gahunje, Kiwale, Kharadi, Wagholi and Manjari. These land parcels are expected to be developed owing to the spillover demand from established areas, growth in IT sector and enhancement of infrastructure (metro lines, inner & outer ring roads). Moreover, an increased interest from national & regional developers over past couple of years is further expected to enhance activity thresholds in the future.

Casagrand, a prominent South India based developer having a significant presence across cities such as Chennai & Bangalore is also planning to venture into the Pune market. They currently have a land parcel in Wagholi in the East, in proximity to the IT Hub of Kharadi. Wagholi is likely to benefit further with the extension of Metro Line–2 (currently operational from Vanaz to Ramwadi). (*Source: CBRE*)

INDIAN OFFICE MARKET – TOP 7 CITIES

India's office real estate landscape has changed significantly over the past two and a half decades and has emerged as a favoured investment asset class due to various intrinsic factors including the growth of the economy, demand-supply fundamentals, investor-friendly policies, rental arbitrage opportunities, supply of good quality talent and increased transparency. (*Source: CBRE*)

KEY DEMAND DRIVERS AND RECENT TRENDS IN INDIA OFFICE MARKET

Sectoral demand: Over the last few decades, India has emerged as a leading services hub for global corporations due to its large talent pool and cost advantage for high-value services. This along with the growth of domestic companies, has resulted in robust demand for commercial office space and strong growth across India's major office markets.

Large, English-Speaking Talent Pool: The availability of English-speaking skilled manpower (second largest English-speaking population in the world), 11.31 million graduates and the increasing quality of multi-disciplinary educational institutions provide a vast and skilled talent pool. *(Source: Ministry of Education, AISHE 2021-2022)* Moreover, India has one of the largest pools of qualified Science, Technology, Engineering & Management (STEM) graduates in the world, with over 2.5 million graduates in 2022 and 2023. *(Source: NASSCOM[6])*.

Low Cost, High Quality Office Infrastructure: India has an availability of high-quality office space at affordable prices across major cities. Office options are still available at sub-one-dollar rentals across relevant technology markets. The country's pricing advantage is exhibited by the fact that rentals in top Indian cities are over 50% lower than competing Asian markets. *(Source: CBRE)*

Growing GCC prominence in the country: India is one of the leading destinations for technology services in the world and continues to be a leader in the global sourcing industry with a market share of 57 to 58% in FY2023 (*Source: NASSCOM[7]*). While the first two decades of India's growth in the technology industry were led by third-party service providers, the last decade has seen the emergence of Global In-House Centres ("**GICs**", also called captives or Global Capability Centres "**GCCs**"). GCCs have steadily expanded their footprint in India and have become a critical driver of office demand across most markets. GCCs continued their expansion in CY2023 with a share of approx. 40% in overall space take-up in Tier 1 cities in India.

Occupier Profile: The market has witnessed a shift in activities undertaken by office occupiers. During 2023, Banking, Financial Services, & Insurance (BFSI) held the highest share in leasing followed by technology firms and engineering and manufacturing firms. In terms of office absorption by domicile, domestic firms accounted for approx. 46% of the total leasing in 2023.

Increasing demand for High-Quality Amenitized Office Space: With changing lifestyles, the need for a flexible work environment, a young workforce and a higher value-added nature of work, companies are looking for superior quality office spaces with state-of-the-art lifestyle amenities. A growing demand has been witnessed for integrated offices offering relaxation spaces, daycare centres, sports zones, support infrastructure (food & beverages, onsite convenience stores, retail facilities) and mobile-enabled workspaces. (*Source: CBRE*)

Return to Office (RTO) and Long-Term Relevance of office Spaces: Even as occupiers are adapting to a hybrid set-up, physical offices are here to stay as they promote key operational themes of team connection and community, collaboration; provide access to tools and tech that is only available in physical offices; and offer better physical setup.

[6] *Rewiring Growth in the Charging Tech Landscape, Technology Sector in India, Strategic Review 2024, NASSCOM*
[7] *Rewiring Growth in the Charging Tech Landscape, Technology Sector in India, Strategic Review 2024, NASSCOM*

(Source: CBRE). Physical occupancy levels across sectors ranged from a high 85 to 95% for sectors such as E-Commerce, E&M, BFSI to a more conservative 55 to 65% for the Technology sector. *(Source: CBRE)*

ESG and Sustainability: Occupiers have been prioritising sustainability through various measures such as green-certified buildings, sustainable procurement, water & waste management, and energy efficiency. With benefits ranging from lower operating costs, improved employee health and enhanced brand image, a higher number of occupiers are likely to prefer green-certified buildings for new leases.

(Source: CBRE)

OVERVIEW

India's Top 7 cities represent nearly the entire organized office market in the country and house its political capital, financial hub and prominent technology centres. Technology and Financial Services ("FS") tenants are the leading occupiers in the Indian office market.

Particulars	Bengaluru	MMR	Delhi NCR	Chennai	Hyderabad	Pune	Kolkata	Total
Total Stock Q1 2024 (msf)	219.3	145.6	150.9	87.8	126.1	76.6	34.8	**841.2**
Occupied Stock Q1 2024 (msf)	183.6	113.4	102.6	72.6	91.5	60.6	21.8	**646.1**
Vacancy Q1 2024 (%)	16.3%	22.1%	32%	17.4%	27.5%	20.8%	37.3%	**23.2%**
Annual Absorption Avg. 2022 to Q1 2024 (msf)	16.4	7.6	10.3	7.9	8.7	5.6	1.2	**57.8**
Market Rents Q1 2024 (psf/month)	89.9	133.0	96.9	80	66.6	76.9	52.9	
Tenant Sector (2022)	Tech 44% CW 15%	FS 40% E&M 13%	Tech 16% CW 15%	Tech 34% E&M 15%	Tech 39% E&M 26%	CW 27% Tech 26%	Tech 23% CW 23%	**Tech 29% CW 14%**
Tenant Sector (2023)	Tech 21% E&M 21%	FS 48% Tech 13%	Tech 25% CW 17%	E&M 28% FS 22%	Tech 30% FS 20%	CW 28% Tech 19%	Tech 25% CW 24%	**FS 22% Tech 21%**

Source: CBRE; Note: FS—Financial Services, E&M—Engineering and Manufacturing, PH—Pharmaceuticals; CW – Co-Working
MMR represents Mumbai Metropolitan Region, which includes Mumbai. Delhi NCR represents Delhi, Noida and Gurgaon

SUPPLY & ABSORPTION TRENDS

Over the past 9 years, overall office space absorption has been concentrated in Bengaluru, MMR, Delhi-NCR, Hyderabad, Chennai and Pune, with these six cities contributing greater than 95% of the total absorption witnessed in India. Bengaluru has recorded the highest absorption from 2016 to Q1 2024 with an average of approx. 14.9 msf of space getting leased every year. The supply and absorption trends from 2016 to Q1 2024 are provided below. *(Source: CBRE)*

Gross Absorption (msf)	2016	2017	2018	2019	2020	2021	2022	2023	Q1 2024
Delhi NCR	7.9	8.2	7.5	12.6	5.2	5.5	11.2	9.4	2.6
MMR	10.0	5.6	7.0	7.1	2.8	4.0	7.3	8.2	1.6
Bengaluru	13.7	16.8	16.6	16.6	10.9	11.6	16.7	15.5	4.7
Chennai	5.7	4.5	3.8	5.5	4.4	3.7	6.1	10.0	1.8
Hyderabad	6.8	8.4	6.4	13.4	7.1	10.8	7.6	10.0	2.0
Pune	6.5	4.1	5.5	6.8	3.5	3.2	5.6	6.3	0.7
Kolkata	0.6	0.9	0.5	1.2	0.5	0.7	1.3	1.2	0.3

Source: CBRE
MMR represents Mumbai Metropolitan Region, which includes Mumbai. Delhi NCR represents Delhi, Noida and Gurgaon

Supply (msf)	2016	2017	2018	2019	2020	2021	2022	2023	Q1 2024
Delhi NCR	2.8	4.2	5.8	11.8	7.3	10.3	9.3	5.2	1.0
MMR	8.0	7.5	6.7	4.3	4.6	6.0	3.5	4.9	0.9
Bengaluru	10.2	8.5	12.1	11.4	11.2	11.2	10.9	15.4	3.9
Chennai	2.7	0.9	1.5	3.3	3.7	1.5	4.1	6.4	0.7
Hyderabad	4.0	6.1	3.5	13.7	8.2	13.2	13.9	16.8	2.1
Pune	3.6	1.9	3.5	5.1	3.7	5.9	4.3	4.6	0.7
Kolkata	5.1	1.7	1.4	0.2	0.4	0.0	0.1	0.9	0.0

Source: CBRE; Note: MMR represents Mumbai Metropolitan Region, which includes Mumbai. Delhi NCR represents Delhi, Noida and Gurgaon

CHENNAI COMMERCIAL OFFICE MARKET

OVERVIEW

The key demand drivers for the office segment in Chennai are elucidated below:

Manpower availability: The city houses prominent educational institutions like IIT Madras, Anna University, etc. and is well known for availability of quality manpower. This has led many IT/ITeS and manufacturing companies to set up operations in the city.

Location advantage: Being a coastal city, Chennai houses 2 major ports viz. Chennai Port & Ennore port. These ports helped Chennai attract automobile and hardware manufacturing sector companies to set up their base in the city. It is also the country's second largest cable landing city with six undersea cable landing stations. *(Source: CBRE).*

Emerging Data Centre Hub: Tamil Nadu government's data centres policy along with cost advantage provided by the city's coastal line which facilitates direct submarine routes has helped Chennai emerge as a major data centre hub in India. Chennai has the third highest data centre capacity in India, after Mumbai and Bangalore.

Quality Physical Infrastructure: Chennai has witnessed significant improvements in connectivity and accessibility through an extensive suburban rail network, with metro connectivity further augmenting its appeal as a business hub. Well laid physical infrastructure viz. Metro, MRTS and excellent road infrastructure of the city results in well-regulated traffic system and relatively less traffic congestion compared to other major cities.

Quality of Living: Chennai ranks 4th in the Ease of Living index and has topped the quality-of-life pillar which evaluates the city on varied parameters such as health, education, mobility, recreation, and safety.

Ease of Doing Business: In terms of ease of doing business, Tamil Nadu ranks 3rd in the country as a result of the state's sustained policy reforms.

(*Source: CBRE*)

KEY MARKET STATISTICS

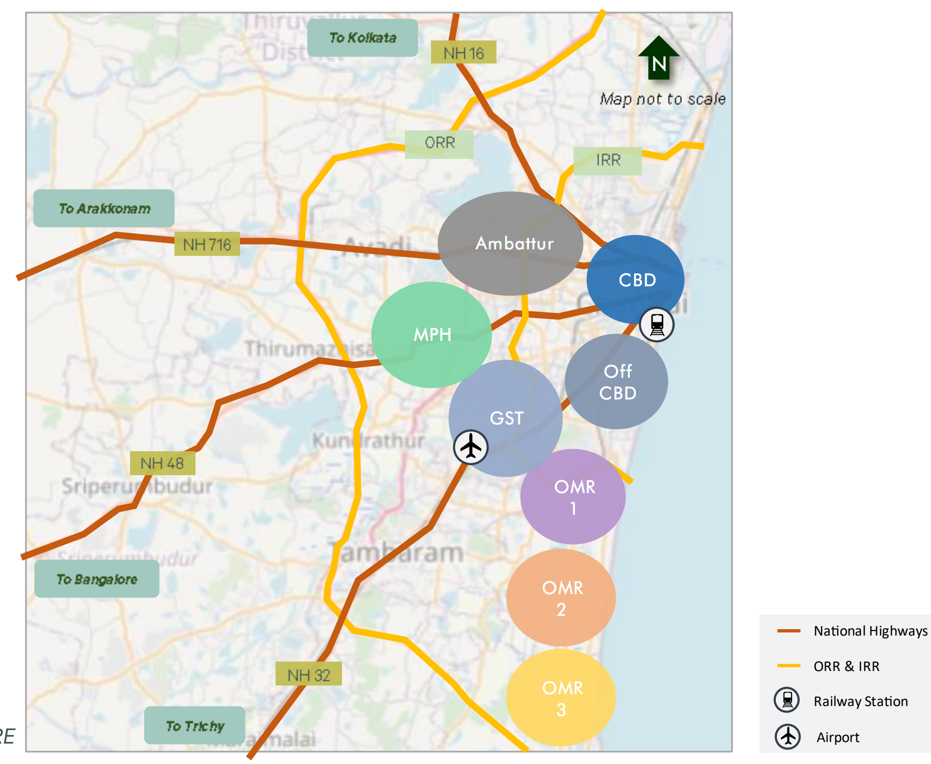
The table below highlights the key statistics pertaining to Chennai's office market.

Particular	Details
Total Completed Stock (As of Q1 2024)	Approx. 87.8 msf
Current Occupied Stock (As of Q1 2024)	Approx. 72.6 msf
Current Vacancy (As of Q1 2024)	Approx. 17.4%
Average Absorption (2022 to Q1 2024)	Approx. 7.9 msf
Future Supply (2024)	Approx. 6.7 msf
General Lease Terms	9 years (3+3+3) – traditional lease term, 15 years (5+5+5) 10 years (5+5)

Source: CBRE

KEY OFFICE SUB MARKETS

The office market consists of eight sub-markets: Central Business District (CBD), Off Central Business District (Off CBD), Mount Poonamallee Road (MPH), Ambattur, GST Road, Old Mahabalipuram Road–Zone 1 (OMR Zone 1), Old Mahabalipuram Road–Zone 2 (OMR Zone 2) & Old Mahabalipuram Road–Zone 3 (OMR Zone 3) as described below:



Source: CBRE

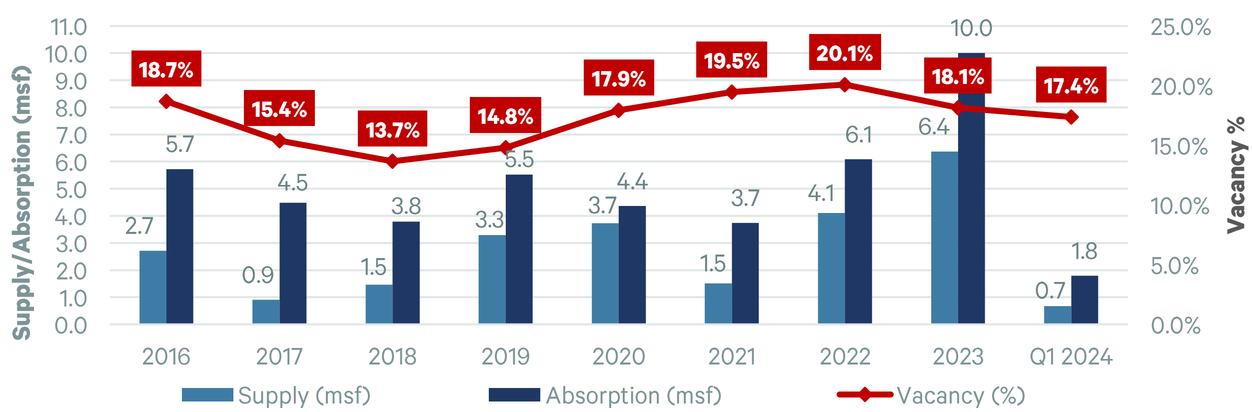
Sub-market	Ambattur	Central Business District (CBD)	Off Central Business District (Off CBD)	Mount Poonamallee Road (MPH)	GST Road	Old Mahabalipuram Road –Zone 1 (OMR Zone 1)	Old Mahabalipuram Road –Zone 2 (OMR Zone 2)	Old Mahabalipuram Road –Zone 3 (OMR Zone 3)
Locations	Ambattur, Ambattur Industrial Estate and Padi	Anna Salai, RK Salai, Nungambakkam, T Nagar and Alwarpet.	Mount Poonamallee High Road	Guindy, Ekkaduthangal, Vadapalani, Santhome & MRC Nagar	GST Road - Airport towards Chengelpet	Taramani to Perungudi Toll	Perungudi toll up to Sholinganallur	Sholinganallur to Kelambakkam
Total Completed Office Stock (msf)	5.2	10.6	10.2	11.6	4.6	25.4	15.3	4.9
Occupied Stock (msf)	4.1	8.8	8.7	10.1	2.5	22.2	12.3	3.9
Vacancy (%)	22.4%	17.1%	14.9%	13%	44.6%	12.9%	19.4%	19.7%

Source: CBRE

SUPPLY, ABSORPTION & VACANCY

Chennai has consistently witnessed higher gross absorption levels than supply addition since 2016, resulting in a y-o-y decline in vacancy levels until 2018. Relatively higher supply addition in CY2019 vis-à-vis the previous year led to an increase in vacancy by 110 bps. The trend continued in the year to follow and coupled with the impact of the pandemic led to a y-o-y increase in vacancy till 2022. Notably, 2022 recorded higher gross absorption than pre-COVID levels. And in 2023, the city recorded peak gross absorption at 10.0 msf, resulting in a decline in vacancy to 18.1%. Negligible supply addition was recorded in Q1 2024 while gross absorption stood at 1.8 msf, further resulting in a decline in vacancy to 17.4%. It may be noted that Casagrand has a number of upcoming commercial developments in the city. . *(Source: CBRE)*

Chennai - Supply, Absorption & Vacancy

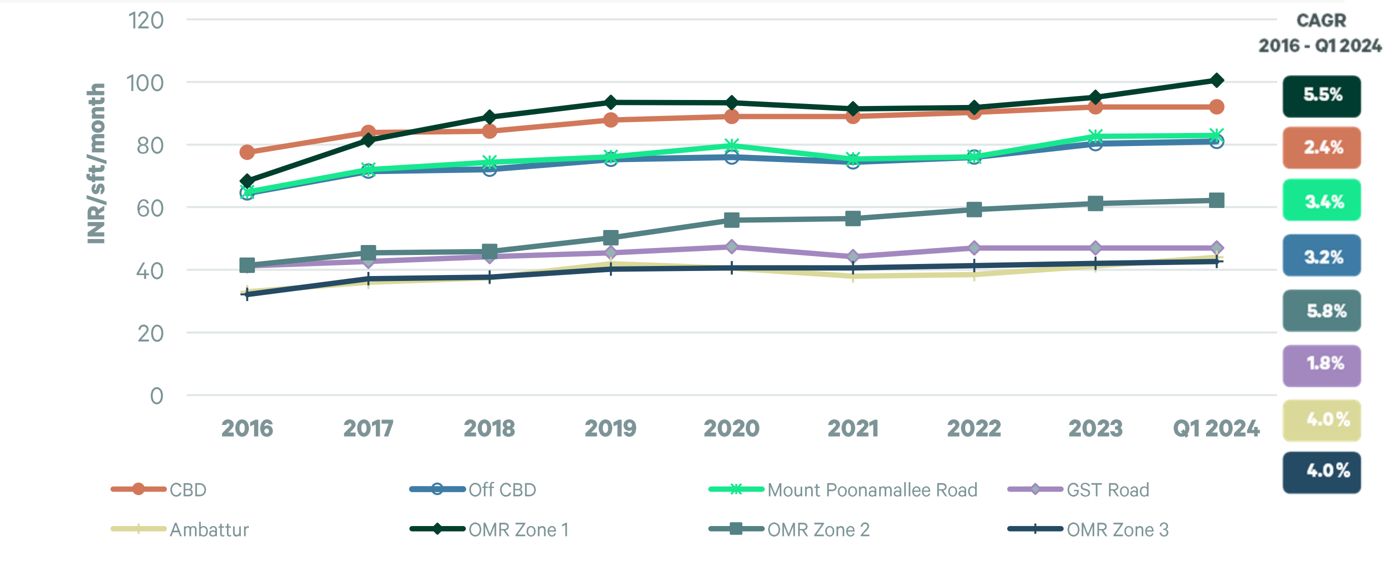


Source: CBRE

RENTAL GROWTH

Healthy rental growth has been witnessed across sub-markets in Chennai since 2016. Key sub-markets like OMR Zone 2, OMR Zone 1 and Ambattur have witnessed rental CAGR of 5.8%, 5.5% and 4.0% respectively over the period from 2016 to Q1 2024. *(Source: CBRE)*

Chennai – Rental Trends



Source: CBRE

BENGALURU COMMERCIAL OFFICE MARKET

OVERVIEW

The key demand drivers for the office segment in Bengaluru are elucidated below:

- **Established technology hub:** India's preferred technology centre and Asia's 'Fastest Growing Technopolis', attracting companies from sectors including technology, biotechnology, defence, aerospace and electronics
- **Knowledge cluster**: Large, diversified pool of skilled and technology savvy workforce; presence of top educational institutions such as Indian Institute of Science (IISc), Indian Institute of Management (IIM-Bengaluru), and Indian Space Research Organization (ISRO)
- **Startup Capital of India:** With over 7,000+ start-ups, Bengaluru has the 3rd highest number of startups globally, making it India's startup capital
- **Scale and quality office parks**: The scale and high-quality of office parks across various sub-markets has made Bengaluru a preferred destination for MNCs and domestic corporates across sectors
- **Robust transport infrastructure**: Access by road (Outer Ring Road "ORR", elevated expressway to airport and Electronic City), rail (Metro Phase 1 and 2) and air (Kempegowda International Airport)

- **Ongoing /planned infrastructure improvements**: Key initiatives include multiple metro lines and various road projects (such as Peripheral Ring Road—Phase 1)
- **Well-developed social infrastructure**: High-quality large-scale townships and residential developments, schools and established education institutions, hospitals, hotels and retail malls

(Source: CBRE)

KEY MARKET STATISTICS

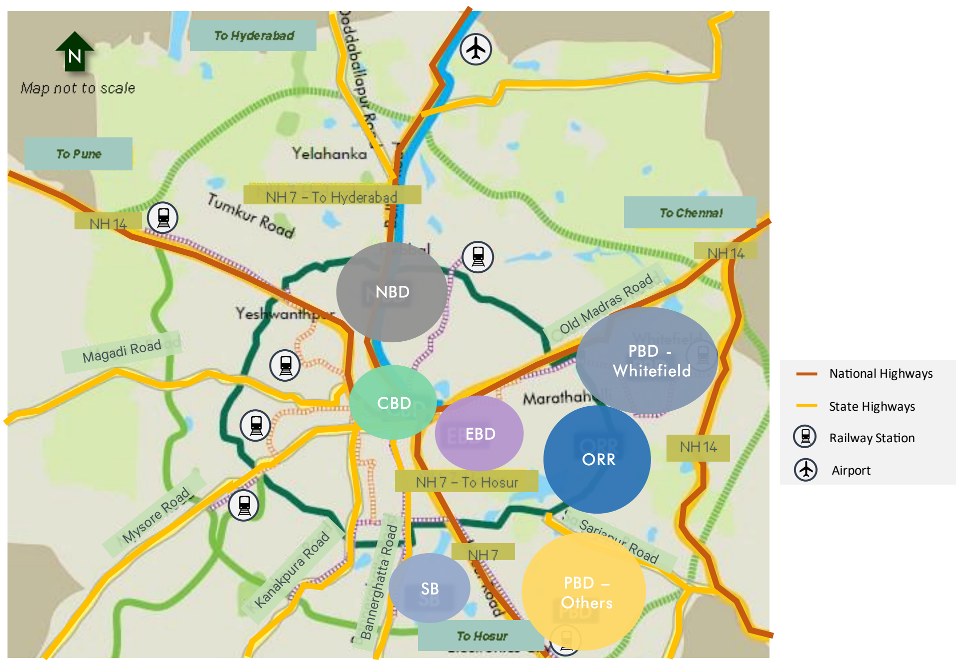
The table below highlights the key statistics pertaining to Bengaluru's office market.

Particular	Details
Total Completed Stock (As of Q1 2024)	Approx. 219.3 msf
Current Occupied Stock (As of Q1 2024)	Approx. 183.6 msf
Current Vacancy (As of Q1 2024)	Approx. 16.3%
Average Absorption (2022 to Q1 2024)	Approx. 16.4 msf
Future Supply (2024)	Approx. 16.6 msf
General Lease Terms	9 years (3+3+3)–traditional lease term, 15 years (5+5+5)

Source: CBRE

KEY OFFICE SUB MARKETS

The office market in Bangalore consists of six sub-markets: North Bengaluru District (NBD), Central Business District (CBD), South Bengaluru (SB), Outer Ring Road (ORR), Extended Business District (EBD), Whitefield and Other Peripheral Business District (PBD) and key office market statistics pertaining to the same are as described below:



Source: CBRE

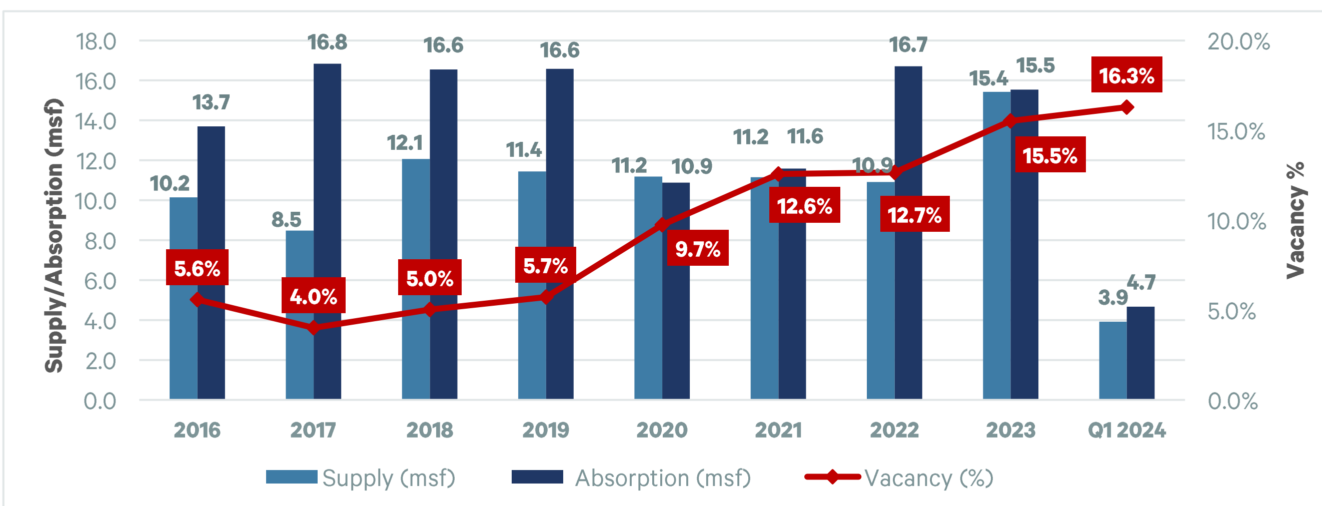
Sub-market	CBD	EBD	North Bengaluru (NBD)	ORR	Whitefield (PBD – W)	Other Peripheral Markets (PBD – Others)	South Bengaluru (SBD)
Locations	MG Road, Residency Road, Richmond Road, St. Marks Road etc.	Inner Ring Road, Koramangala, Old Madras Road, CV Raman Nagar, etc.	Nagavara ORR, Yeshwantpur, Bellary Road	KR Puram to Sarjapur Road Stretch	Whitefield	Electronic City, Hosur Road, etc.	MG Road, Residency Road, Richmond Road, St. Marks Road etc.
Total Completed Office Stock (msf)	16.1	26.5	30.6	71.4	45.8	19	9.9
Occupied Stock (msf)	13.7	24.7	23.8	61.9	37.4	13.7	8.4
Vacancy (%)	15%	6.7%	22.2%	13.3%	18.4%	27.9%	15.3%

Source: CBRE

SUPPLY, ABSORPTION & VACANCY

Office demand in the city has continually outpaced supply, keeping vacancy levels range bound. Since 2016, Bengaluru has witnessed cumulative gross absorption of 123.1 msf (the highest amongst top 7 office markets in India), compared to 94.7 msf of cumulative supply for the same period. Vacancy levels witnessed an increase from 2020 onwards with the onset of COVID-19, resulting in lower demand coupled with higher supply additions in the market during 2020-2021. Demand bounced back in 2022, with gross absorption reaching pre-covid levels. Notably in 2023, the city witnessed relatively higher supply addition in comparison to previous years resulting in an uptick in vacancy levels. *(Source: CBRE)*

Bengaluru- Supply, Absorption & Vacancy

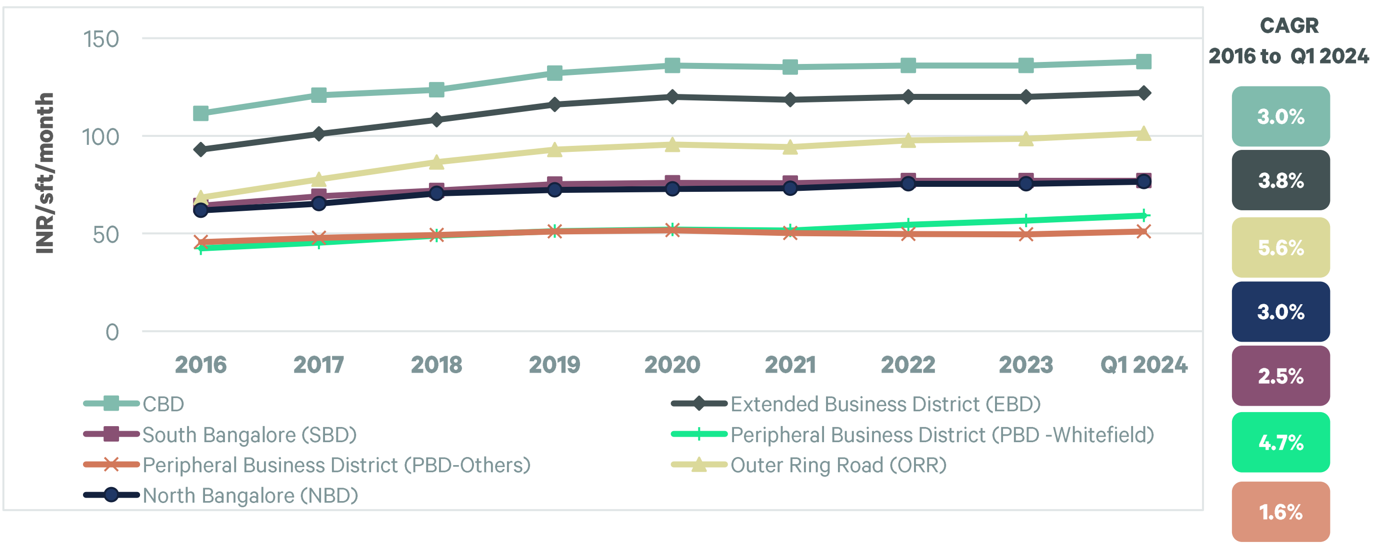


Source: CBRE

RENTAL GROWTH

Bengaluru's high absorption levels have resulted in a healthy rental growth of CAGR 3.7% from 2016 to Q1 2024, with average rents as of Q1 2024 at INR 89.9 psf/month. ORR sub-market has witnessed the highest CAGR of 5.6% followed by PBD-Whitefield, EBD and CBD with CAGR of 4.7%, 3.8% & 3.0% respectively. PBD-Others sub-market witnessed the lowest growth with a CAGR of 1.6%. (*Source: CBRE*)

Bangalore– Rental Trends



Source: CBRE

HYDERABAD COMMERCIAL OFFICE MARKET

OVERVIEW

The key demand drivers for the office segment in Hyderabad are elucidated below:

Superior physical infrastructure: Well laid physical infrastructure viz. Multi-modal Transportation System (MMTS), Mass Rapid Transit System (MRTS), Outer Ring Road (ORR), Internal Ring Road (IRR), etc. ensures seamless connectivity to prominent activity hubs within the city

Base of skilled manpower: Prescence of several prominent educational institutions of national repute viz. Indian School of Business (ISB), International Institute of Information Technology IIIT, Aga Khan, Birla Institute of Technology and Science (BITS), Jawaharlal Nehru Technological University (JNTU) & Osmania university, etc. enable sourcing of skilled manpower.

Startup Ecosystem: Hyderabad ranks 4th in the country in terms of startup ecosystem.

Government policy push: The state government has been proactive to attract & assist global IT companies to establish their base in the city. Promotion of start-up hub, IT/ITeS policy to promote IT/ITeS activity through delineation of Information Technology Investment Regions (ITIR), positions the city as an attractive investment destination.

Relatively affordable real estate costs: Real estate costs in the city are relatively lower vis-à-vis other Tier I cities of India viz. Bangalore, NCR & Mumbai

Urbanized Population: Hyderabad is the largest city in Telangana and the fourth most populous city in the country with approx. 10.8 mn people in 2023. As of 2022, over 47% of Telangana's population is living in urban areas. *(Source: Socio-economic statistics data – Telangana)*

Quality of Living: Hyderabad is ranked as India's best city in terms of quality of living as per Mercer's 21st quality of living rankings. Also, cost of living in Hyderabad is lower compared to top cities like Mumbai, New Delhi, Bangalore & Chennai according to Mercer's 2022 cost of living survey.

KEY MARKET STATISTICS

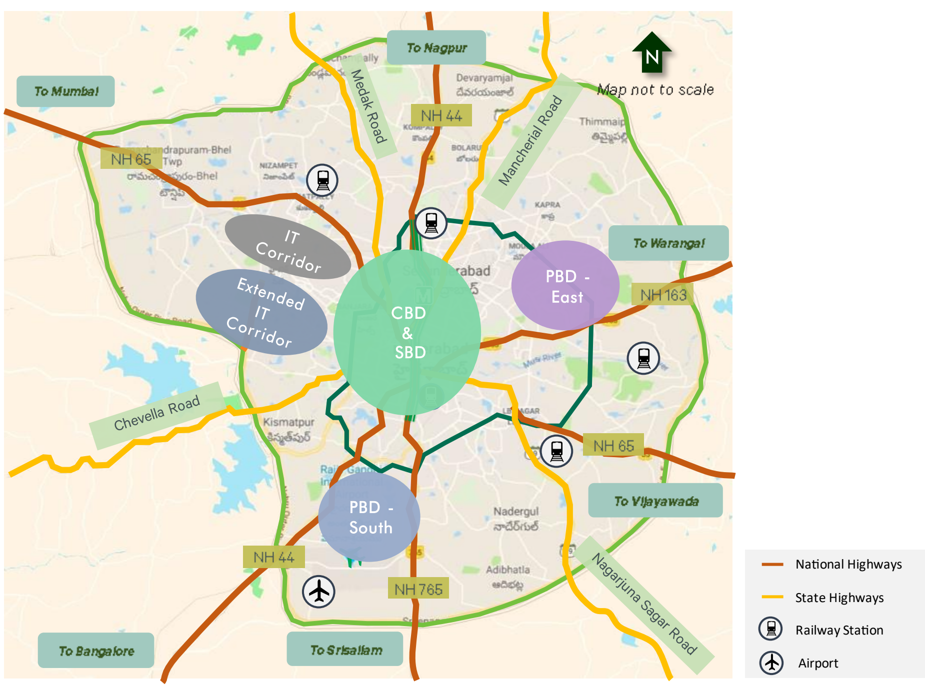
The table below highlights the key statistics pertaining to Hyderabad's office market.

Particular	Details
Total Completed Stock (As of Q1 2024)	Approx. 126.1 msf
Current Occupied Stock (As of Q1 2024)	Approx. 91.5 msf
Current Vacancy (As of Q1 2024)	Approx. 27.5%
Average Absorption (2022 to Q1 2024)	Approx.8.7 msf
Future Supply (2024)	Approx. 10.3 msf
General Lease Terms	9 years (3+3+3) – traditional lease term, 15 years (5+5+5)

Source: CBRE

KEY OFFICE SUB MARKETS

The office market consists of five sub-markets: IT Corridor, Extended IT Corridor, Central Business District (CBD), Secondary Business District (SBD), Peripheral Business District (PBD) as described below:



Source: CBRE

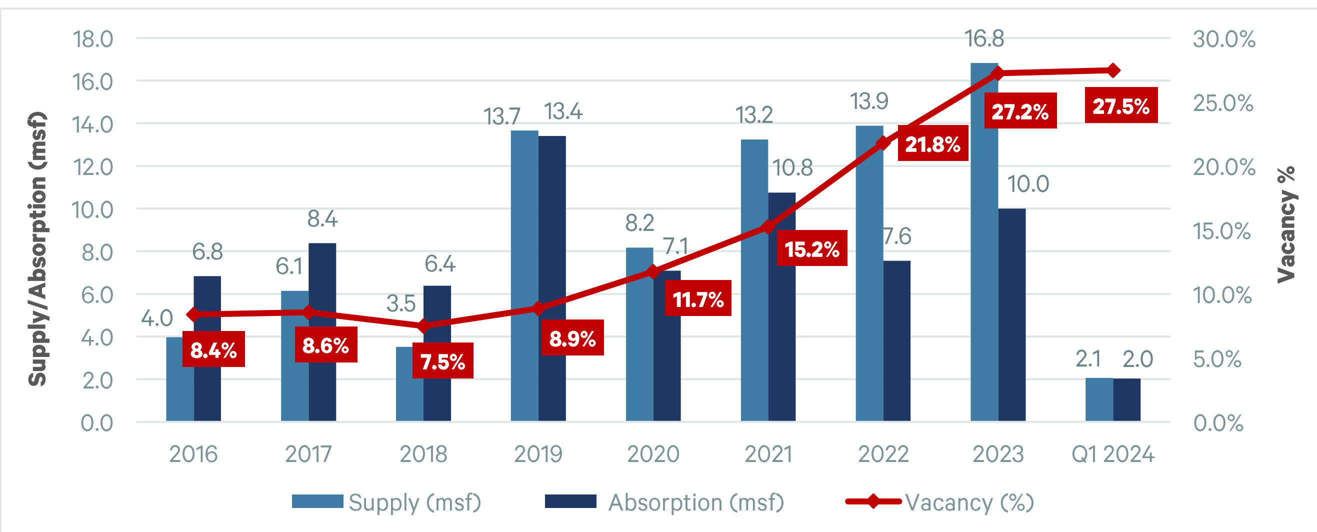
Sub-market	IT Corridor	Extended IT Corridor	Central Business District (CBD)	Secondary Business District (SBD)	Peripheral Business District (PBD)
Locations	HITEC City, Madhapur, Kondapur, Gachibowli, Kavuri Hills, Raidurg (area located south of old Mumbai highway)	Nanakramguda, Raidurg (area located south of Old Mumbai Highway), Manikonda, Financial District, Kokapet, Pupalguda, Narsingi	Begumpet, Somajiguda, Panjagutta, Nagarjuna Hills, Khairtabad, Saifabad, Nagarjuna Circle	Banjara Hills, Jubilee Hills, Ameerpet, Himayath Nagar	Shamshabad, Pocharam, Uppal, Nacharam
Total Completed Office Stock (msf)	68.9	43.4	5.5	4.8	3.6
Occupied Stock (msf)	55.7	27.3	4.3	2.8	1.4
Vacancy (%)	19.2%	37.1%	21.2%	42%	60.8%

Source: CBRE

SUPPLY, ABSORPTION & VACANCY

Hyderabad has witnessed a cumulative gross absorption of 72.4 msf from 2016 to Q1 2024 (second highest amongst top 7 office markets in India after Bangalore), compared to 81.5 msf of supply for the same period. With supply outpacing demand in the city, vacancy levels has increased from 8.4% in 2016 to 27.5% in Q1 2024 *(Source: CBRE)*

Hyderabad - Supply, Absorption & Vacancy

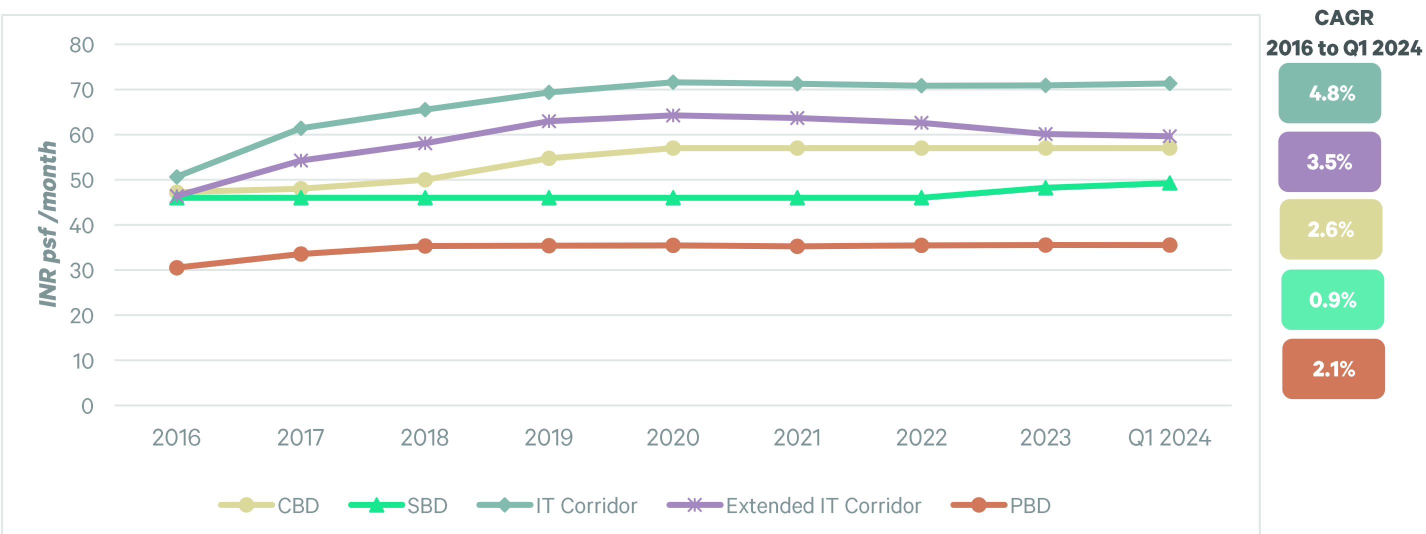


Source: CBRE

RENTAL GROWTH

While a consistent growth in rentals has been recorded across the city since 2016, key sub-markets like IT Corridor & Extended IT Corridor have witnessed a relatively higher growth given the presence of the IT/ITeS ecosystem and quality supply. With the on-set of COVID-19, rentals remained range bound across sub-markets, while Extended IT Corridor witnessed a correction due to high supply influx and relatively higher vacancy levels as compared to other sub-markets. As leasing activity picked pace 2023 onwards, rentals have seen an uptick, particularly in IT Corridor. *(Source: CBRE)*

Hyderabad – Rental Trends



Source: CBRE

INDIAN WAREHOUSING MARKET - TOP 8 CITIES

OVERVIEW OF INDIA WAREHOUSING SECTOR

The Indian warehousing sector is a promising investment opportunity due to the growing Indian economy and a consumption base of around 1.44 billion people. The introduction of GST and growth in e-commerce have driven a 11 to 12% CAGR in warehousing demand from 2016 to 2023. India's Top 8 cities account for 34-35% of the total supply in the market, wherein institutional and organized players are driving demand for Grade A warehousing space. On the back of the multi-dimensional demand drivers, few of the top trends expected in the foreseeable future are as follows:

- Resilient Occupier-Driven Demand – Demand for warehouse and logistics assets is anticipated to be resilient in the near future on the back of occupiers adopting a 'multipolar' supply chain strategy and the continued government impetus to improve infrastructure and investments.
- In addition, occupiers aiming to achieve operational efficiencies and rationalize costs in a multi-user facility, are likely to drive demand for the take-up of large sized spaces (more than 100,000 sft).
- Along with a significant share of supply expected in Tier I cities, developers are also likely to consider emerging logistics hubs by investing in land banks closer to new infrastructure initiatives and Tier II & III cities.
- With occupiers prioritizing prime locations for expansion, the non-availability of ready-to-move-in supply would shift their focus towards secondary locations, enabling developers to leverage rentals.
- 3PL and Engineering & Manufacturing led Leasing – Ongoing supply chain and shipping disruptions have resulted in longer lead times, driving occupiers across e-commerce, retail and manufacturing sectors to expand upon their buffer stock.

(Source: CBRE)

SUPPLY & ABSORPTION TRENDS

Warehousing leasing activity has marginally decreased by about 5% Y-o-Y to touch approx.. 33.3 msf during 2023 in Top 8 cities compared to the peak of approx. 35.2 mn sft recorded in 2022. The uptick in space take-up is despite global headwinds, stabilised e-commerce demand and dissipation of the post-pandemic need to hold additional inventories. Delhi-NCR, Mumbai and Bengaluru accounted for almost 51% of the leasing activity during the year. (*Source: CBRE*)

VACANCY TRENDS

The vacancy rates in warehousing across the top 7 cities have shown relative stability, remaining around 9-10% in 2022 and increasing marginally to 10 to 11% in 2023 owing to the addition of new supply. However, these levels are expected to decline in the coming year. In comparison to previous years, MMR, NCR, Pune, Bengaluru and Hyderabad have experienced low levels of vacancy, whereas Chennai, Ahmedabad & Kolkata have seen a slight increase in vacancy levels due to the introduction of new supply. However, Grade A developments for institutions continue to experience strong absorption, resulting in low vacancy rates. (*Source: CBRE*)

RENTAL TRENDS

Despite the increase in supply, it is to be noted that the rising occupier demand is anticipated to keep overall vacancy levels in check. As a result, certain zones would experience an increase in rentals.

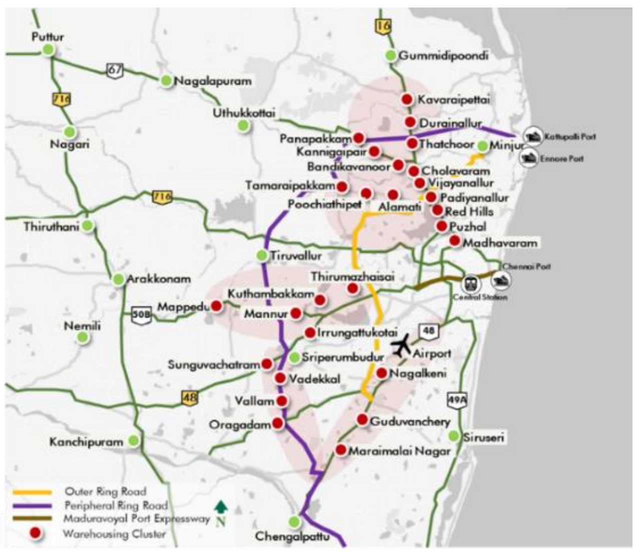
The table below provides a snapshot of the warehousing market across prominent southern cities.

Particulars	Chennai	Bengaluru	Hyderabad
Total Completed Stock (As of Q1 2024)	45.4 msf	63.1 msf	35.5 msf
Current Occupied Stock (As of Q1 2024)	37.5 msf	59.0 msf	34.1 msf
Current Vacancy (As of Q1 2024)	17%	6%	4%
Average Annual Absorption (2022 to Q1 2024)	3.1 msf	6.6 msf	3.9 msf
Future Supply (2024 to 2025)	14.5 msf	25.8 msf	1.5 msf

Source: CBRE

CHENNAI WAREHOUSING MARKET

Warehousing activity in the city is primarily spread across the three major zones i.e., Northern Cluster (NH 16 stretch 1 and NH 16 Stretch 2); Western cluster (Mannur Vector and Oragadam Vector), Southern Cluster (GST Road).

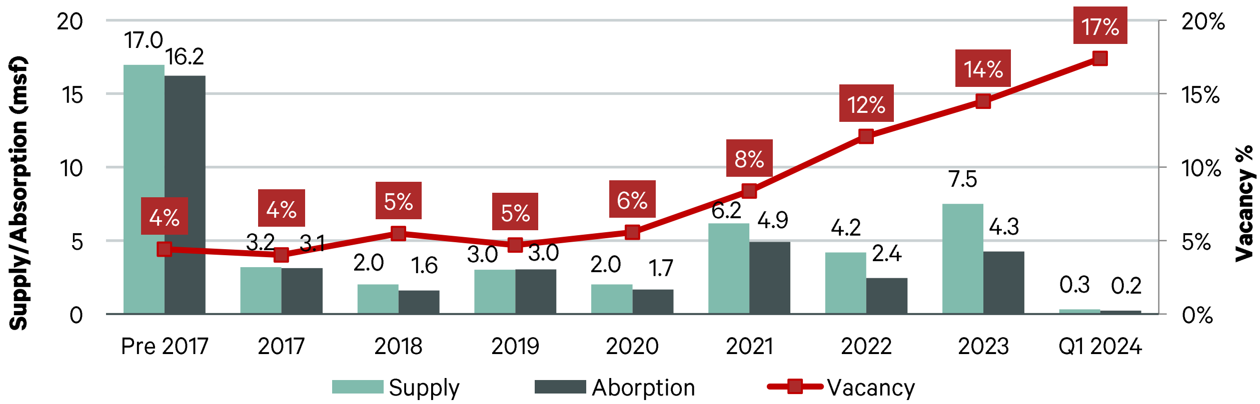


Source: CBRE

SUPPLY, ABSORPTION & VACANCY

Chennai has approx. 45.4 msf of operational warehouse stock, with approx. 37.5 msf of occupied space. The NH 16 belt and the western cluster together contribute roughly 98 to 99% of the city's total warehousing supply. The NH 16 belt alone accounts for 44%, with the western cluster providing the remaining 55%. The warehousing segment in the city is driven by demand from third party logistics, auto components, electronics and FMCG. Grade A warehouses are concentrated in the western cluster with the increasing share of Grade A supply since 2014. Casagrand's prominent warehousing development include Distri Park located in Mappedu which is fully leased as of Q1 2024 housing major auto-ancillary players. (*Source: CBRE*)

Chennai - Supply, Absorption & Vacancy



Source: CBRE

RENTAL TRENDS

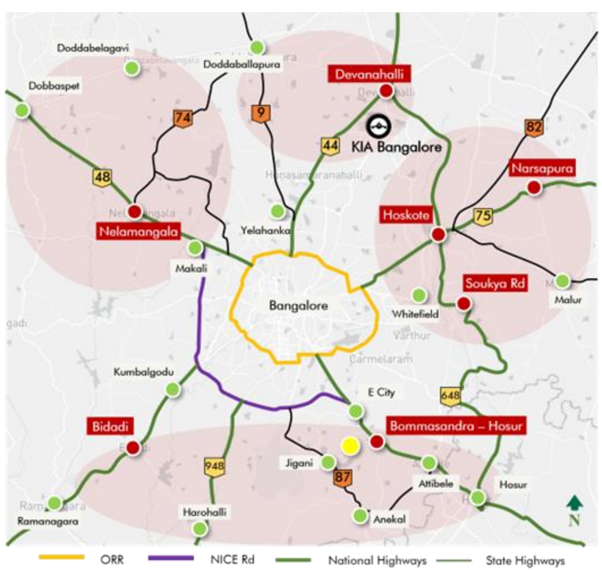
The current prevailing rentals in the Chennai region are INR 24 to 25/sft/month for Grade A developments and between INR 19 and 20/sft/month for typical Grade B developments.

CHENNAI'S OUTLOOK

The city's strategic location in South India, coupled with well-established physical infrastructure viz. roads, ports and presence of industrial infrastructure, make it an attractive choice for companies looking to establish a logistics and distribution network in the region. The automotive, auto ancillary, e-commerce, fast moving consumer goods, and electrical sectors have traditionally dominated Chennai's warehousing market in terms of demand. However, the market is becoming increasingly varied in terms of occupier segments due to the growing need for warehouse space across industries. The government's focus on infrastructure development and the simplification of procedures has also aided the expansion of Chennai's warehousing market, with similar trends expected in the near future. (*Source: CBRE*)

BENGALURU WAREHOUSING MARKET

Industry sectors driving demand for institutional-grade warehousing space in the city include e-commerce, logistics/3PL and modern retail.

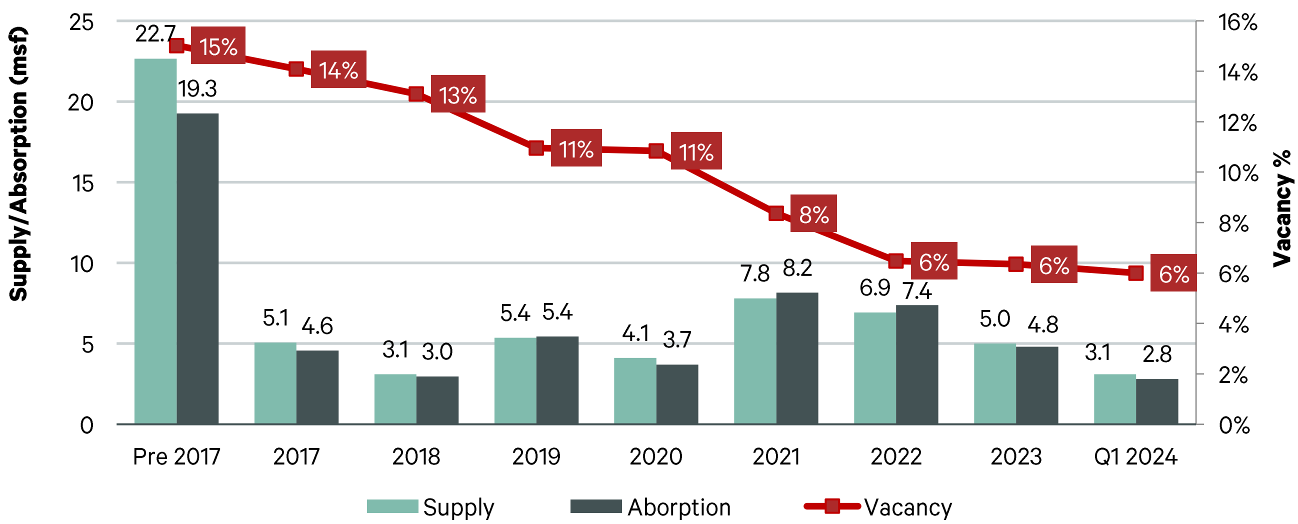


Source: CBRE

SUPPLY, ABSORPTION & VACANCY

Bengaluru has approx. 63 msf of operational warehouse stock, with approx. 59 msf of occupied space. Grade B stock has decreased since 2014 due to increasing demand for quality warehousing spaces from e-commerce and 3PL firms. Supply is in line with demand, with an average annual absorption of approx. 6.5 to 6.7 msf and a vacancy level of approx. 6% as of Q1 2024. (*Source: CBRE*)

Bengaluru-Supply, Absorption & Vacancy



Source: CBRE

RENTAL TRENDS

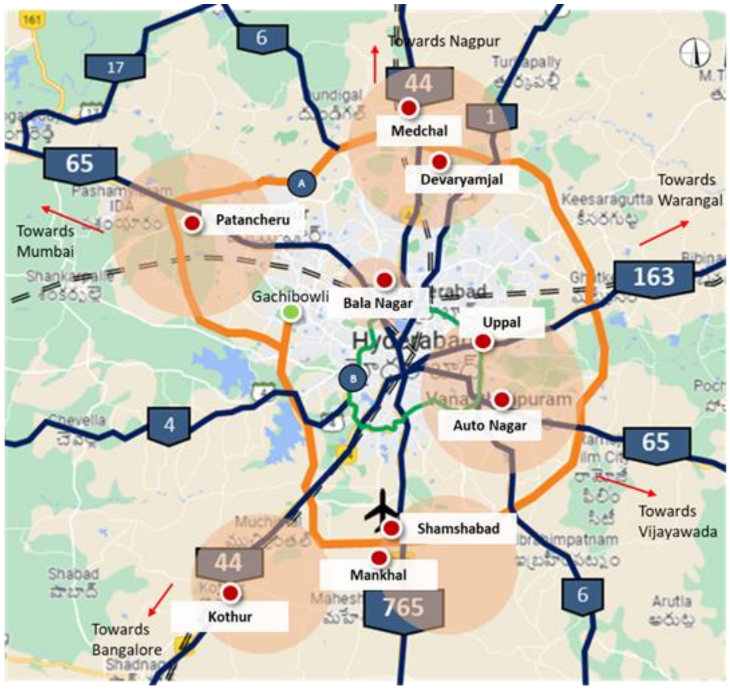
Grade A warehouse rentals in Bengaluru range from INR 22 to 23 psft/month and between INR 19 to 20 psft/month for a Grade B development, with some developments commanding higher prices due to quality of warehousing space and proximity to consumption hubs. Strong demand and investment-grade supply by Grade A developers are expected to improve rental values over the medium term. (*Source: CBRE*)

BENGALURU'S OUTLOOK

The warehouse industry in Bengaluru has experienced steady leasing activity in 2023, driven by 3PL, Retail and Engineering & Manufacturing sectors. The city's heavy reliance on these sectors has made it attractive for corporates looking to diversify their holdings. Strong consumer demand, rising disposable incomes and increased retail spending have boosted warehousing demand in locations such as Hoskote, Narsapura, and Malur. The warehousing sector offers a promising investment opportunity for organized Grade A developers considering the above mentioned demand factors. (*Source: CBRE*)

HYDERABAD WAREHOUSING MARKET

Warehousing activity in Hyderabad is primarily spread across the four major micro-markets of the southern cluster (near the airport), northern and western Hyderabad (towards Nagpur and Mumbai) and eastern Hyderabad (near LB Nagar, Uppal, and towards Vijayawada).



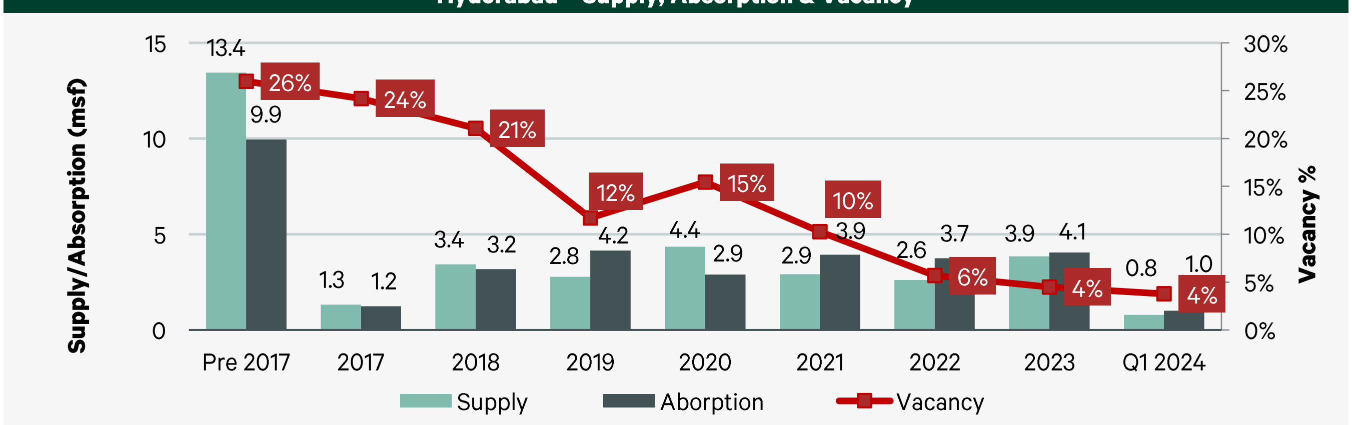
A – Outer Ring Road, B – Inner Ring Road

Source: CBRE

SUPPLY, ABSORPTION & VACANCY

Hyderabad has approx. 35.5 msf of completed warehouse stock, of which occupied space is approx. 34.1 msf. Government initiatives such as single-window clearance, reimbursements on stamp duties and land conversion charges among others, have attracted investments to the region, leading to the increased demand for warehousing activity. Grade A developments are primarily concentrated in the northern cluster (Nagpur Highway), catering primarily to e-commerce and 3PL players. *(Source: CBRE)*

Hyderabad - Supply, Absorption & Vacancy



Source: CBRE

RENTAL GROWTH

Healthy rental growth has been witnessed across sub-markets in Hyderabad since 2014. The average base rentals in the city are in the range of INR 21 to 22 psft/month for a Grade A development and between INR 18 and 19 psft/month for a Grade B development. (*Source: CBRE*)

HYDERABAD OUTLOOK

Over the past three years, leasing activity in Hyderabad has increased, with e-commerce and 3 PL players driving demand. Hyderabad's prominence as a production and consumption hub has led to a shift from Grade B and C warehouses. The city is also expected to experience an increase in supply in the short to medium term. (*Source: CBRE*)

Thank you