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INSITE

BANGALORE RESIDENTIAL MARKET UPDATE

JANUARY - MARCH 2022



Market Sentiment

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FROM CBO'S DESK



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Residential markets across the top eight cities together contributed to a 4-year high in sales volume in Jan-Mar 2022. Homebuyers were seen visiting sites and closing deals in new homes and resale markets despite initial lockdowns due to rising virus load in January 2022. Nevertheless, increasing raw material costs due to the Ukraine-Russia conflict kept the builder fraternity worried. Developer bodies in Maharashtra and Delhi threatened to halt construction activities in the absence of Government intervention.

On the supply front, Jan-Mar 2022 witnessed over 500 residential projects registered under respective State RERA bodies in the top seven metros. Mumbai continued to lead the pack with close to 45 percent share in new launches. Pune and Chennai followed suit with 27 and 15 percent

priced within Rs 40 lakh remained the highest, with Kolkata, Chennai and Ahmedabad topping the charts. While average weighted property prices stayed stable, certain popular micro-markets in metro cities commanded higher premiums due to locational, infrastructural and associated advantages. Rentals remained under pressure this quarter, but rental vacancy dipped across metro cities as more and more corporates started shifting to hybrid work mode beginning February 2022.

Traction on 99acres, too, corroborates the rising sales volume as buyer responses on the platform reported a 10 percent growth in Jan-Mar 2022 against the quarter ending December 2021.

INFOCUS: UNION BUDGET 2022-23

FOR THE HOMEBUYERS

Giving a push to the Pradhan Mantri Awas Yojana (PMAY), the Central Government announced the completion of nearly 80,000 units in the financial year 2022-23. A fund of Rs 48,000 crore has been allocated for the task, and additional 60,000 beneficiaries will be identified in rural and urban areas. Further, an allocation of Rs 60,000 crore for tap water supply in 3.8 crore households will help improve livability. The sanctioning of Rs 20,000 crore to expand the National Highway network by 25,000 km in FY23, and the implementation of mass transit projects on a hub-and-spoke model in view of rapid urbanisation are also expected to pave the way for new realty markets and provide a slew of opportunities to homebuyers. While the Budget did not comprise any direct benefits for homebuyers, such as Income Tax relaxations, or an increase in the limit of home loan interest for a tax rebate from Rs 2 lakh to Rs 5 lakh, some announcements aimed at fast-tracking economic growth impeded by COVID-led disruptions.

FOR THE INDUSTRY

The Union Budget 2022-23 displayed an increased focus on holistic infrastructure development, clean energy, digitisation and technology. The Government extended the scope and usage of Parivesh- a portal launched in 2018 for green approvals for housing units. Further, the provision of 'anywhere registration' of deeds and documents under the 'One Nation One-Registration Software' is also anticipated to be a game-changer for the realty sector. Infrastructure status to Data Centres to boost the fast-evolving digital environment, an extension of tax benefits to new manufacturing units, a unified logistics platform and the development of 100 new cargo terminals in the next three years are expected to significantly improve the supply chain ecosystem in the country. Measures will also be taken to reduce the land and construction related approvals to promote affordable housing for middle-class and EWS buyers.

NATIONAL OUTLOOK

HOME BUYING SENTIMENT

Housing sales in Jan-Mar 2022 remained upbeat with considerable growth in numbers QoQ. The anticipated hike in home acquisition cost amid the rising raw materials prices coupled with a decadal low home loan interest rates drove homebuyers to close deals faster than before. The stamp duty hike in Maharashtra w.e.f April 1 and an expected increase in circle rates in the posh areas of Delhi by around 30 percent also stood in corroboration.

RENTAL LANDSCAPE

Significantly affected by the wrath of COVID-19, the rental market continued to reel under pressure in the studied period. Except for Mumbai that displayed a two percent hike in average home rentals, the monthly home leasing rates across metro cities tumbled by around 1-3 percent. However, with many companies resuming offices, the market is expected to see some improvement and reduced vacancy rates in the upcoming quarters.

PROPERTY PRICES

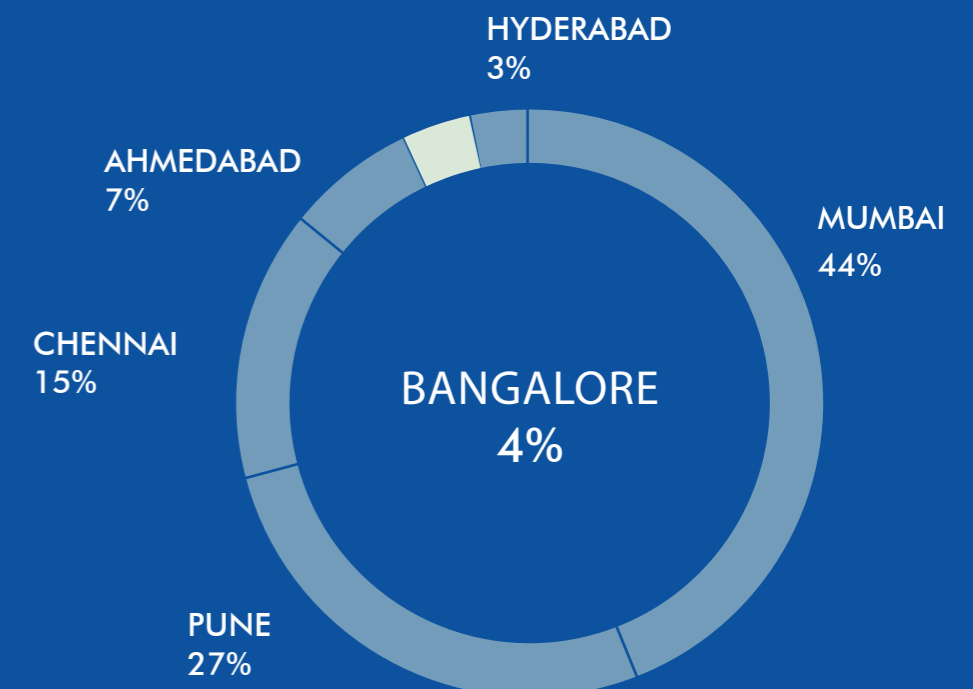
Average homebuying rates witnessed a hike across the top metro cities barring Mumbai, where property prices remained unchanged QoQ. Rising construction costs coerced developers to increase the 'asks'; however, the change was marginal amid the enormous unsold residential stock of around 6.5 lakh units at the quarter ending March 2022.

SUPPLY

RERA registrations under different State bodies stood at over 500 housing projects in Jan-Mar 2022. Mumbai, Pune, Chennai and Ahmedabad witnessed the maximum share of registered housing societies in the period. However, builders in Delhi NCR continued to maintain a cautious approach, with the region contributing an insignificant share to the overall new supply added in the period. Bangalore and Hyderabad witnessed around 3-5 percent growth in new project launches, QoQ.

SHARE OF NEW LAUNCHES

The top metro cities in India witnessed the registration of over 500 projects under various Real Estate Regulatory Authorities in Jan-Mar 2022. Western markets like Mumbai and Pune saw the registration of around 400 projects, while southern cities like Bangalore, Chennai and Hyderabad accounted for 110 new RERA registrations. Nevertheless, Delhi NCR in the north continued to trail behind with negligible share of projects registered in the studied period.



Note: The data depicts share of RERA-registered projects in metro cities of India, barring Kolkata

BANGALORE'S REALTY AT A GLANCE

Property Prices

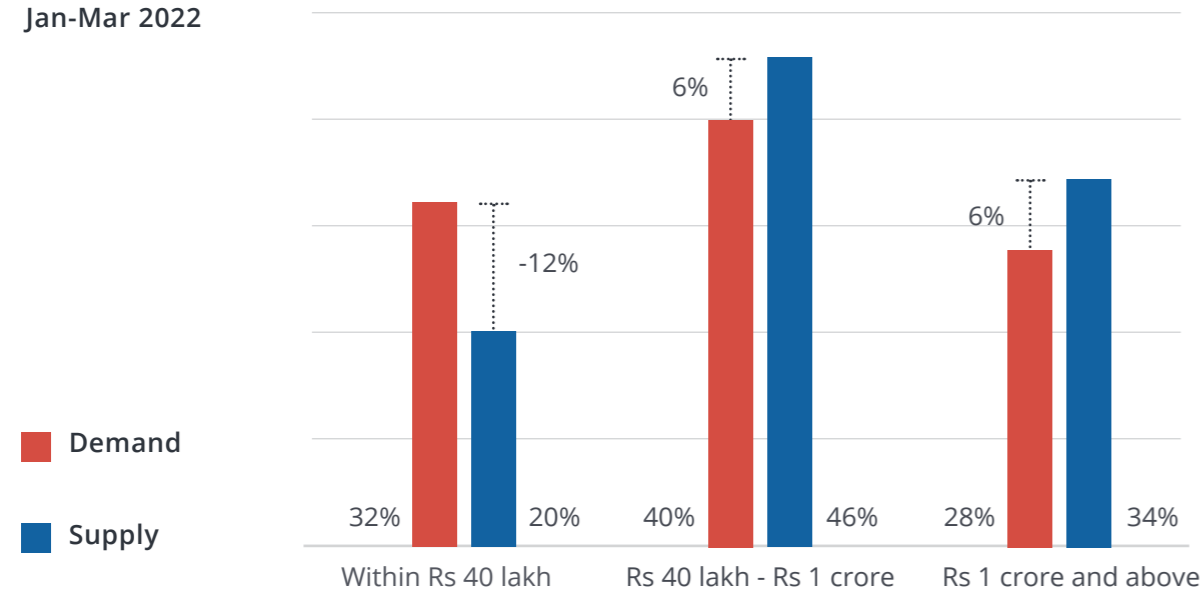
Rental Rates

Demand

Supply

BUDGET-WISE DEMAND AND SUPPLY

Jan-Mar 2022



Key micro-markets across budget segments

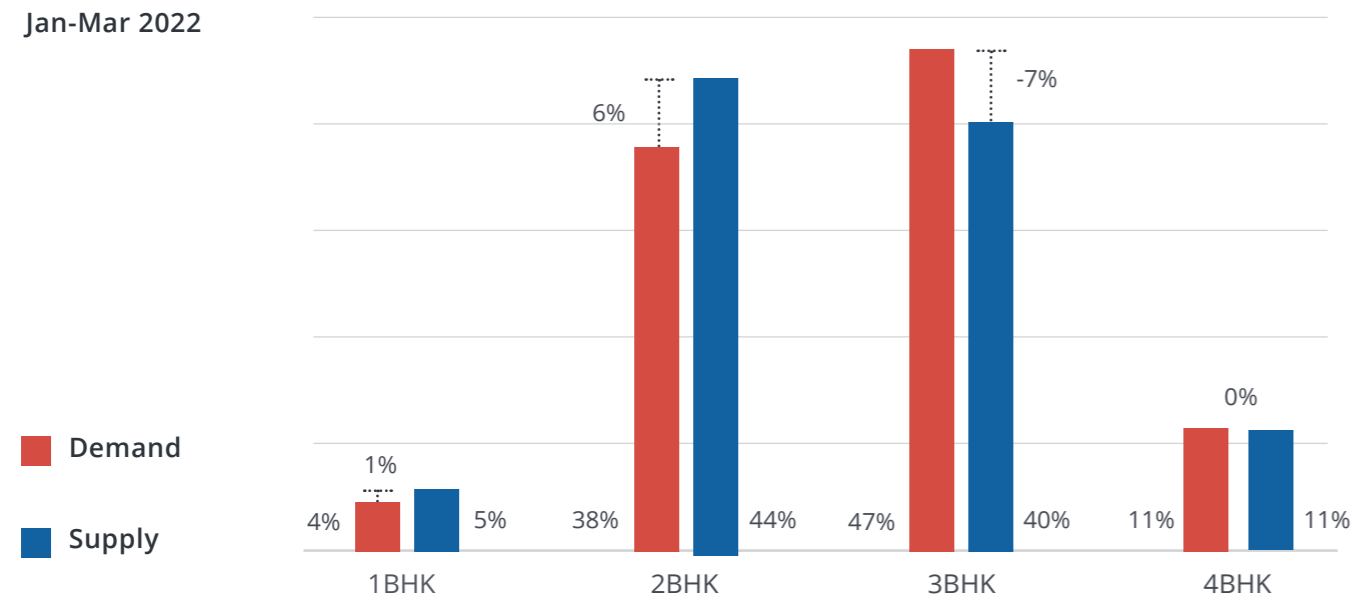
Budget Range	Localities based on Consumer Demand and Active Listings	Average Property Prices (Rs per sq ft)	Average Rental 'Asks' (Rs per sq ft/month)	Rental Yield
Within Rs 40 lakh	Bommasandra	3,900 - 4,700	12	3.89%
	Ramamurthy Nagar	4,350 - 5,750	14	3.91%
Rs 40 lakh - Rs 1 crore	KR Puram	4,500 - 5,950	14	3.50%
	Yelahanka	5,400 - 7,000	15	3.29%
	Electronic City	4,350 - 5,800	15	3.64%
Rs 1 crore and above	Whitefield	5,350 - 7,450	18	3.52%
	Hebbal	6,550 - 8,650	15	2.22%
	Marathahalli	5,450 - 7,000	19	3.68%

Note: Rental Yield has been calculated for a 1,000 sq ft apartment.

Average property prices and rental rates have been calculated as per listings posted on 99acres.com in the studied quarter. The range of property prices may vary by 10 percent depending on the age and furnishing status of the residential apartments.

BHK-WISE DEMAND AND SUPPLY

Jan-Mar 2022



Key micro-markets across BHK-configurations

Configuration	Localities based on Consumer Demand and Active Listings	Average Unit Size (Sq ft)	Average Property Prices (Rs per sq ft)
1 BHK	Ramamurthy Nagar	540 - 600	4,350 - 5,750
	Thanisandra	530 - 570	6,150 - 7,250
2 BHK	Whitefield	1,040 - 1,070	5,350 - 7,450
	KR Puram	1,000 - 1,100	4,500 - 5,950
	Electronic City	1,050 - 1,080	4,350 - 5,800
3 BHK	Yelahanka	1,170 - 1,250	5,400 - 7,000
	Kadugodi	1,750 - 1,800	4,450 - 5,600
	Hebbal	1,440 - 1,500	6,550 - 8,650

Note: Average property prices have been calculated as per listings posted on 99acres.com in the studied quarter. The range of property prices may vary by 10 percent depending on the age and furnishing status of the residential apartments.

Note: Supply is basis properties listed on 99acres.com in the studied quarter.

Demand is basis queries received on 99acres.com in the studied quarter.

MARKET MOVERS

Namma Metro expansion underway

The State has announced to construct 37 km-long metro line from Sarjapur to Hebbal. Under Phase III, two new lines have been proposed from JP Nagar to Hebbal and Hosahalli to Kadebagere. The metro authority has also planned to commence two routes on Purple Line from Baiyappanahalli to Visvesvaraya (Reach 1A) and Visvesvaraya Industrial Area to Whitefield (Reach 1B) this year.

BBMP issues notice to defaulters

Aimed at improving tax revenue collection, the Bruhat Bengaluru Mahanagara Palike (BBMP) issued notice to property tax defaulters in the eight zones of the city. The authority increased the annual interest on the arrears from two to nine percent.

Infrastructure projects in focus

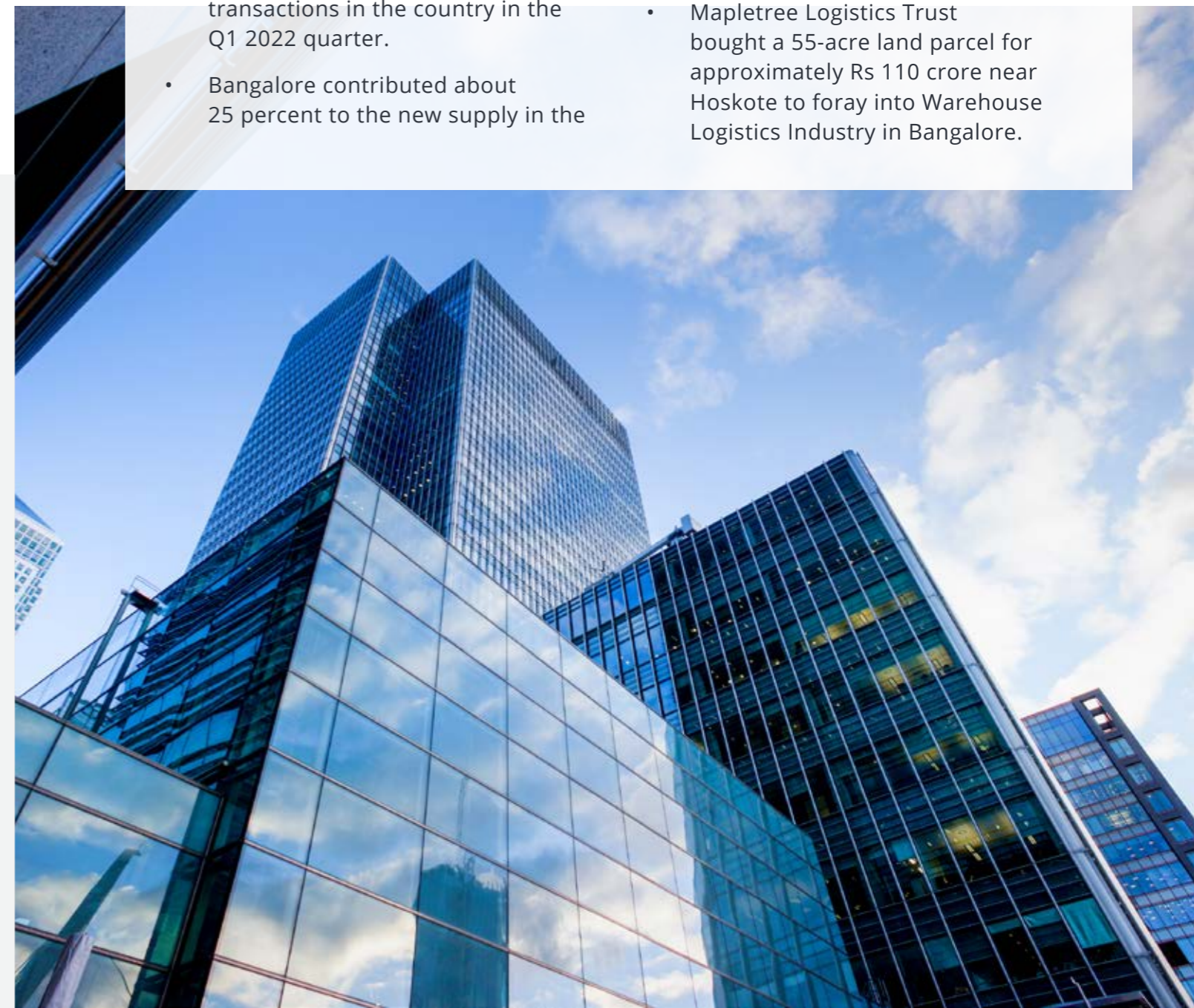
The Karnataka government has allocated Rs 8,400 crore to improve infrastructure facilities in Bangalore. Apart from the expansion of Namma Metro, the State has also planned to build a skywalk at Banashankari Junction to connect the metro station with a bus stand and open Namma Clinics to improve civic and healthcare facilities in the city. In addition, a 350-acre Atal Bihari Vajpayee Park in Yelahanka is also on the cards.

Plans to install EV charging stations

The nodal agency has decided to install 123 fast-charging stations of 25 kVA (Kilovolt-amps) to promote electric vehicles in the city. These stations are in addition to 136 charging stations that were installed in 74 locations in Bangalore. The plan is to make these new stations operational in the next three months.

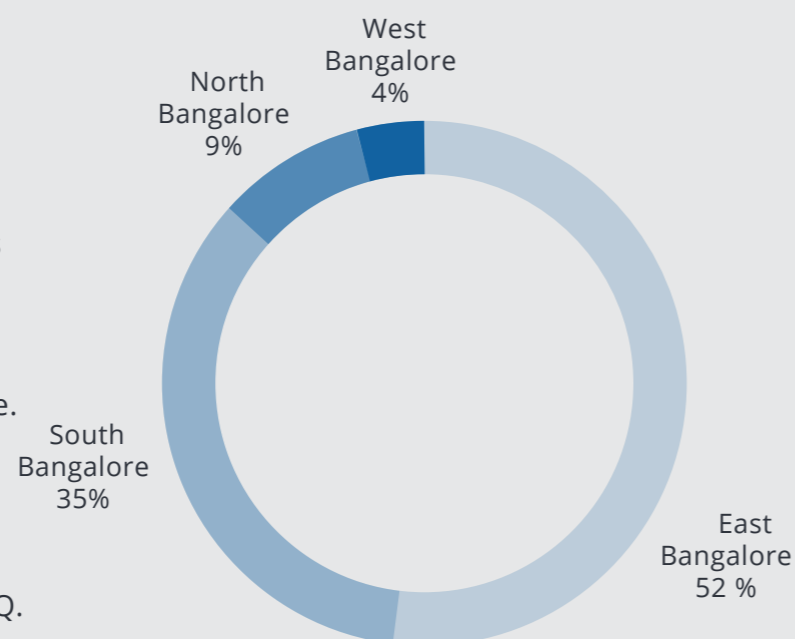
COMMERCIAL REAL ESTATE OUTLOOK

- Bangalore posted a decline in office space leasing from 2.38 million sq ft to 1.67 million sq ft in Jan-Mar 2022, indicating a 30 percent dip, YoY.
- Among several office lease transactions, Wells Fargo executed a noteworthy deal of renewing lease for two commercial buildings totalling over 8.47 lakh sq ft of office space at Embassy Tech Village (ETV) along Outer Ring Road (ORR). It is amongst the largest office lease transactions in the country in the Q1 2022 quarter.
- Bangalore contributed about 25 percent to the new supply in the office market segment across the top eight metro cities in India.
- Embassy Office Parks REIT has planned to invest Rs 850 crore for developing 1.9 million sq ft of office space in Bangalore.
- Amid a rise in footfall across malls, the retail segment witnessed an end to the brief rental concessions that were granted due to the outbreak of Omicron-variant.
- Mapletree Logistics Trust bought a 55-acre land parcel for approximately Rs 110 crore near Hoskote to foray into Warehouse Logistics Industry in Bangalore.



ZONAL SHARE OF NEW LAUNCHES

Bangalore accounted for only four percent of the total residential launches across the top seven metro cities in India. East Bangalore emerged as the frontrunner with over 50 percent new launches, followed by the southern zone. Over 20 housing societies, including phase-wise projects, were registered under Karnataka Real Estate Regulation and Development (RERA) Act (K-RERA), indicating a hike of over 40 percent, QoQ.



Note: The data depicts share of new launches across zones in Bangalore in the studied quarter.

RENTAL LANDSCAPE

Key micro-markets based on consumer demand and active listings

Localities	Most Supplied Rental Units	Market Share	Rental Rates (Rs per Month)	YoY % Change in Rental 'Asks'
Whitefield	2BHK	48%	17,000 - 23,000	-5%
	3BHK	34%	25,000 - 32,000	
Hebbal	3BHK	52%	29,000 - 43,000	-9%
	2BHK	28%	15,000 - 21,000	
Electronic City	2BHK	55%	13,000 - 17,000	0%
	3BHK	26%	17,000 - 24,000	
Marathahalli	2BHK	43%	18,000 - 22,000	-3%
	3BHK	30%	25,000 - 31,000	
Yelahanka	2BHK	48%	16,000 - 22,000	3%
	3BHK	39%	24,000 - 34,000	

Note: Average rental rates and supply have been calculated as per listings posted on 99acres.com in the studied quarter. Key micro-markets have been selected based on expressions of interest raised on 99acres.com in the studied quarter.

99ACRES' OUTLOOK

The residential realty landscape of Bangalore staged a big comeback in the first quarter of 2022 on both demand and supply fronts. In January 2022, site visits recorded a slight hit due to the emergence of the third wave of the pandemic, which was followed by a short-term mobility restriction. However, the visits bounced back sharply from February 2022 onwards. Bangalore saw a substantial improvement in sales volume in the studied quarter. The city registered sales of about 14,000 housing units, indicating an annual growth of over 30 percent.

Potential home seekers preferred large-sized apartments - 3 BHK units measuring 1,200 -1,500 sq ft - in the northern and eastern quadrants of the city. While residential apartments continued to remain favourites, a section of homebuyers also showed affinity

towards plotted developments and farmlands within Rs 60-80 lakh. Steady demand for residential units led to an upward revision in average property prices by a percent in Jan-Mar 2022 vs Oct-Dec 2021.

With around 6,000 residential units getting registered under Karnataka RERA (K-RERA), new housing launches kept pace with the demand. Most of these registrations were by Category B and Category C builders near Attibele Road and Sarjapur Road starting from Rs 55 lakh. A few Grade-A builders, such as Sobha, Shriram Properties and DS Max Properties, contributed to the new inventory starting Rs 80 lakh.

The spike in residential launches and sales kept unsold inventory unaltered at 67,000 units, with an inventory overhang of a minimum of 10 quarters.



KEY HIGHLIGHTS

Lower home loan interest rates, evolved need for spacious homes, and minimal risk of further pandemic disruptions created a favourable environment for fence sitting homebuyers to enter the market.

The Jan-Mar 2022 quarter saw a steady flow of enquiries for residential apartments pegged at Rs 80 lakh-1.3 crore in the popular micro-markets of North and East zones such as Ramamurthy Nagar, Thanisandra, Whitefield, KR Puram, Electronic City, Yelahanka, Kadugodi and Hebbal. Consistent housing demand helped push the average property prices in the popular sub-markets of the northern belt, such as Malleshwaram, Yeshwanthpur, Jalahalli, RT Nagar, Hegde Nagar, Vidyaranyapura and Hebbal, by 4-5 percent, QoQ.

Home seekers also showed interest in land parcels in Attibelle, Chandapura, Sarjapur Road, Devanahalli, and Hoskote. In line with the previous quarters, the city clocked enquiries for farmlands starting Rs 60 lakh in areas such as Chikkamagaluru, Hosur, Sakleshpur, Chikkaballapur, Coorg and Chintamani Road.

About 30 percent of the residential supply in Bangalore is of properties priced at Rs 50-Rs 80 lakh, followed by those within Rs 1-2 crore. Among all zones, Whitefield and Thanisandra held the maximum supply of homes configured as 2 BHK and 3 BHK in the studied period. Other areas with maximum supply in Rs 50 lakh to Rs 2 crore include KR Puram, Yelahanka, Thanisandra and Hebbal.

The rental market in Bangalore continued to reel under pressure despite the return of a share of the migrant community to the city. Average rental values saw a downward revision of two percent in Jan-Mar 2022 vs the corresponding period last year. In contrast, a few micro-markets, such as ITPL, Hennur, Kodihalli and Begur, managed to witness price appreciation of 8-9 percent, YoY, on the back of annual renewals.

CONCLUDING REMARKS

Bangalore's realty witnessed a negligible impact on site visits and property enquiries regardless of the disruption caused by the third wave of the pandemic. A 10 percent reduction in guidance value and the overall economic revival pushed the housing sales up in the first quarter of 2022. However, amid developers operating at wafer-thin margins, the steep spike in fuel prices and construction raw materials might increase the home acquisition cost in the ensuing quarters. To meet the demand of price-sensitive buyers, Category A builders, such as Puravankara, Tata Group, Embassy Group, and Salarpuria Sattva, have planned new residential land projects within Rs 45-65 lakh budget segment in the subsequent quarters.



ANNEXURES

CAPITAL VALUES

Locality	Jan-Mar 2022	Locality	Jan-Mar 2022
Akshaya Nagar	5400	Kadugodi	5060
Banashankari	6400	Kaggadasapura	4350
Banaswadi	6200	Kasavanhalli	6000
Bannerghatta	6850	Kengeri	4700
Basavangudi	9800	Koramangala	11200
Begur	5200	KR Puram	5150
Bellandur	6450	Kudlu Gate	5990
Benson Town	9100	Kundalahalli	6000
Billekahalli	5200	Mahadevpura	5800
Bommanahalli	5230	Malleshwaram	11000
Bommasandra	3900	Marathahalli	6560
Brookefield	6200	Nagarbhavi	5350
BTM Layout	6100	Nagavara	6800
Budigere	5610	Panathur	6000
Cooke Town	9450	Raja Rajeshwari Nagar	5000
CV Raman Nagar	5250	Rajaji Nagar	13200
Devanahalli	5360	Ramamurthy Nagar	4800
Electronic City	4860	RT Nagar	6300
Frazer Town	9400	Sahakara Nagar	6460
Gottigere	5200	Sanjay nagar	7400
Gunjur	5000	Singasandra	4700
Harlur	6200	Subramanyapura	5050
Hebbal	8600	TC Palaya	4950
Hegde Nagar	6450	Thanisandra	6200
Hennur	6000	Uttarahalli	5250
Hoodi	6000	Varthur	5350
Horamavu Agara	4550	Vidyaranyapura	5400
Hormavu	4700	Vijayanagar	6100
HSR Layout	6200	Whitefield	6900
Hulimavu	5550	Yelahanka	5500
Indira Nagar	11000	Yeshwanthpur	7200
Jakkur	6100		
Jalahalli	6300		
Jayanagar	10300		
JP Nagar	6100		

*All prices are per sq ft rates

RENTAL VALUES

Locality	Jan-Mar 2022	Locality	Jan-Mar 2022
AECS Layout	20	JP Nagar	17
Akshaya Nagar	15	Kadubeesanahalli	20
Arekere	16	Kadugodi	15
Banashankari	17	Kaggadasapura	16
Banaswadi	17	Kalyan nagar	18
Basavangudi	22	Kammanahalli	17
Begur	14	Kasavanhalli	17
Bellandur	21	Kengeri	12
Billekahalli	19	Kodihalli	20
Bommanahalli	17	Koramangala	27
Bommasandra	12	KR Puram	14
Brookefield	19	Kumaraswami Layout	13
BTM Layout	18	Kundalahalli	19
Cooke Town	24	Mahadevpura	19
Cox Town	23	Malleshwaram	24
CV Raman Nagar	16	Marathahalli	19
Doddanekundi	16	Mathikere	16
Doddathoguru	14	Murugeshpalya	19
Domlur	25	Nagarbhavi	14
Electronic City	15	Nagavara	16
Frazer Town	22	New Thippasandra	20
Gottigere	13	Panathur	19
HBR Layout	18	R.T. Nagar	15
Hebbal	15	Raja Rajeshwari Nagar	12
Hennur	18	Rajaji Nagar	24
Hoodi	18	Ramamurthy Nagar	14
Horamavu Agara	14	Richmond Town	29
Hormavu	15	Sahakara Nagar	17
HSR Layout	20	Sarjapur	17
Hulimavu	15	Singasandra	13
Indira Nagar	23	Subramanyapura	13
ITPL	19	TC Palaya	13
Jakkur	15	Thanisandra	17
Jalahalli	16	Ulsoor	26
Jayanagar	20		

*All prices are per sq ft rates

METHODOLOGY

The Insite Report by 99acres.com captures the trends in the capital and rental markets across top eight metro cities – Delhi NCR, Mumbai Metropolitan Region (MMR), Bangalore, Pune, Chennai, Hyderabad, Kolkata and Ahmedabad. In order to assess the prevailing sentiment, the report delves deep into demand and supply of

properties across varied budget segments and BHK configurations. The report also gives insight into the key micro-markets based on consumer demand and active listings in the rental market. While demand is a function of expressions of interest raised on 99acres.com, supply is based on property listings posted on 99acres.com in Jan-Mar 2022.

