

**HYDERABAD COMMERCIAL REAL ESTATE  
JUNE-2009**

**ASIA COMMERCIAL**

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## Market Summary

### Demand Supply

- The Q 1, 2009 didn't see much of a supply. The supply was even less than a million.
- The number of completed projects was very less and the projects which were proposed have not yet started with the construction.
- On the demand side too there was hardly any transaction that took place; moreover no major demand is expected recently.
- The proposed plans are put on hold and will start with the construction only when demand comes for them
- Projects are mainly concentrated in I.T and PBD While few are coming in CBD and SBD also.

### Locations

➤ Central Business District

The Central Business District (**CBD**) of Begumpet, Rajbhavan Road and Banjara hills witnessed the slowdown impact as there was no major transaction that took place. On the supply side too except for few projects no significant space was added. The demand had remained low and vacancy is around 6 %.

- Aparna Crest, a project of 2.5 acres at Shethpeth Road is expected to be completed by 2011.

➤ Secondary Business District

Secondary Business District (**SBD**) of Amerpreet, Himayatnagar, Jubilee Hills and Balanagar witnessed some supply and few projects are proposed. The vacancy level is not that high as the projects have high occupancy rates. Currently the vacancy level is around 12 %.

- Aparna Group has proposed a project at Jubilee Hills. The project area is approximately 3 acres and the construction will start after 6 months.

The Outright value in the area is around Rs. 7000 and Lease Rental between Rs. 100

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- Sanali Pearl at Amerpreet has a vacancy of 21,000 sq.ft area. The lease Rental is around Rs.25
  - Vinay Capital at Balanagar is completed. The total area of the project is around 100,000 sq.ft and vacancy is 20,000 sq.ft area. The Lease Rental is Rs. 100 and Outright value is Rs. 10,000.
- I.T
- The I.T areas like Hitec City, Madhapur, Kondapur and Gachibowli witnessed I.T Parks coming up and have not seen much of a transaction happening as there is no major demand currently. The vacancy level is around 15 %.
- I.T Spacio at Madhapur is under construction and is expected to be completed by 2010. It is on Lease basis.
  - I.T Space at Manikonda by Lanco group is coming up.
  - Manjeera Trinity near Hitec City has an area of 800,000 sq.ft. It is under construction and is expected by 2011. There is vacancy of 750,000 sq.ft. It is on Outright basis and Outright value is Rs 5500.
- Peripheral Business District.
- The Peripheral Business District (**PBD**) of Shamshabad, Pocharam, Miyapur have seen few projects been proposed. The PBD didn't witness any major transaction taking place.
- Space Spation I Project is under construction and is expected by December 2011. The project has an area of 500,000 sq.ft. It is on Sale and Lease both. The Lease Rental is around Rs. 40 and Outright value is Rs. 4500.

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- Aliens Elite at Miyapur is a mix development project and has commercial space of 15,000 sq.ft area. It is 100 % vacant. It is available on Sale and Lease both. The Lease Rental is around Rs. 45 and Outright value is Rs. 5000.
- Aliens Group has proposed a project at Shamshabad. It is SEZ project and is expected by 2012.
- Point Indu, a project of 600,000 sq.ft area is under construction and is expected by September 2009. It is 100 % vacant and is Ready for Fit Out by September. It is on Lease basis and Lease Rental around Rs. 25 – 28.

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**Rental Market Indicators**

The Rental Values in Hyderabad has fallen by around 20 % as compared to last year owing to low demand, low transaction. The economic slowdown has put many expansion plans on hold; this led many projects to lay vacant and thus putting pressure on rental values.

Sub Market	Avg Rent (per sq ft per month)		
	Mar 09	Apr 09	May 09
CBD ( Begumpet , Rajbhavan Road , Banjara Hills )	50 – 60	50 – 60	50 -60
SBD ( Amerpreet , Himayatnagar , Jubilee Hills )	30-55	30-50	30-55
I.T ( Hitec City , Madhapur , Kondapur , Gachibowli )	35 – 45	35 – 45	35 -45
PBD ( Shamshabad , Pocharam )	30 – 25	28- 25	28 -25

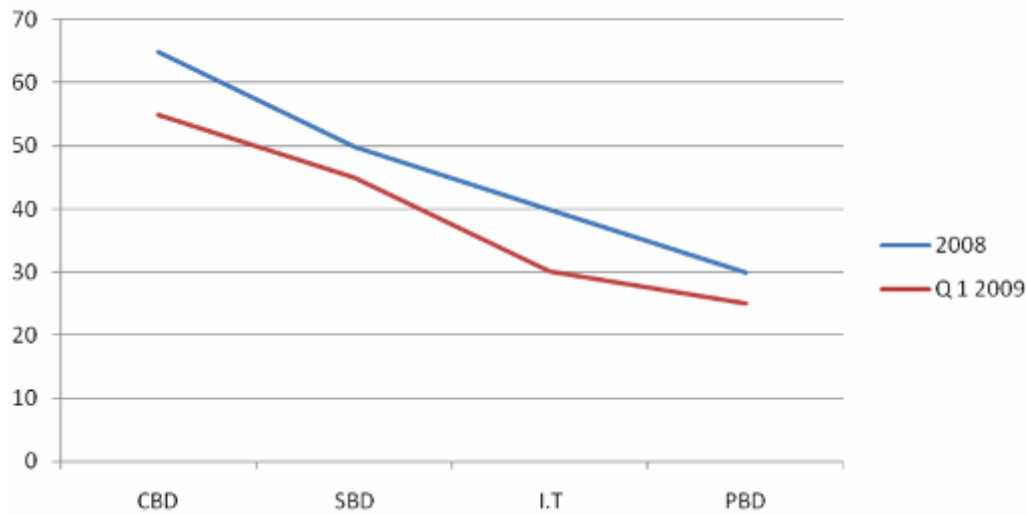
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Rental Value Trend

**Comparison of Lease Rental**



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**Capital Value Trends**

The Capital Value in Hyderabad has not been that badly affected as compared to cities like Mumbai, Pune and Delhi – NCR because the supply here was limited as compared to other cities. The fall here has been between 10 – 20 % depending on the locations.

- Aparna Groups project at Jubilee Hills has a Capital Value of Rs. 7000
- Vinay Capital at Balanagar has a Capital Value of Rs. 10,000
- Aliens Elite at Miyapur has Capital Value of Rs. 5000
- Space Station at Tellapur has Capital Value of Rs. 4500
- Manjeera Trinity near Hitec has Capital Value of Rs. 5500

The Capital Value prevailing at some of the prime commercial locations is as follows

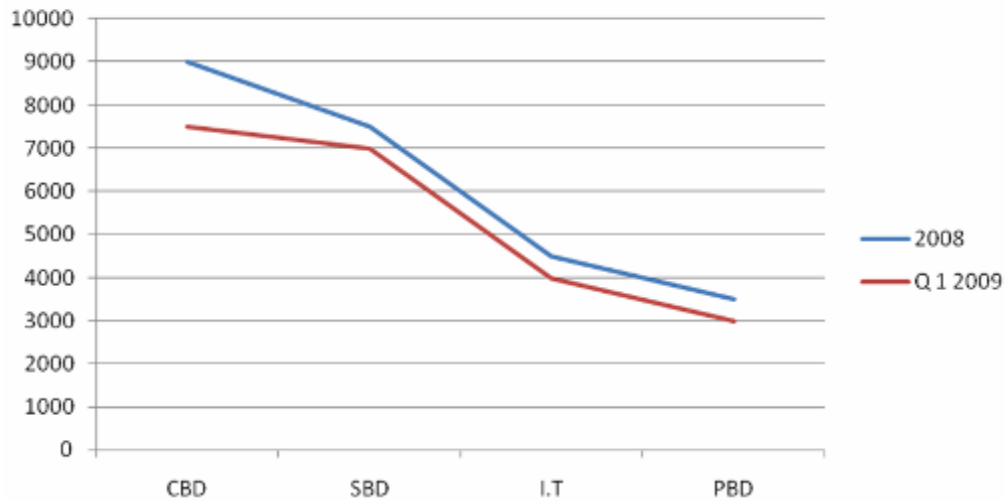
Location	Capital Value (Rs. per sq.ft)
Banjara Hills	7500
Amerpreet	6000
Jubilee Hills	7000
Miyapur	4500
Hitec	5000
Shamshabad	3000

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**Comparison of Capital Value**



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**Vacancy Rate**

The average vacancy rate of the city is between 6 – 15 %.

- CBD – 6%
- SBD – 12 %
- I.T – 15 %
- PBD – 10 %

**Vacancy in some significant Projects**

Project	Location	Area (sq.ft)
Vinay Capital	Balanagar	20,000
Manjeera Trinity	Hitec	750,000
Point Indu	Shamshabad	600,000
Sanali Pearl	Amerpreet	21,000

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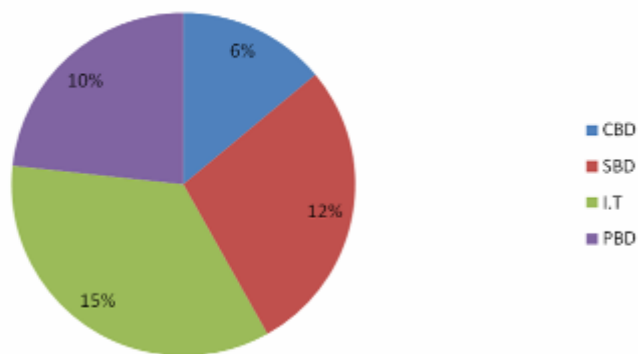
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**Vacancy**



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**Significant Completed Projects**

Project	Location	Area (sq.ft )
Vinay Capital	Balanagar	100,000
Vinay Siddhi		
Aliens Elite	Miyapur	15,000

**Significant Upcoming Projects**

Project / Developer	Location	Area ( sq.ft )	Status
Lanco I.T Space	Manikonda	-	Proposed
Space Station I	Tellapur	500,000	December 2011
Aliens	Shamshabad	-	Proposed
Manjeera Trinity	Hitec	800,000	2011
Aparna Crest	Banjara Hills	25 acres	2011
Aparna	Jubilee Hills	3 acres	Proposed
Sanali Fortune Heights	-	-	Proposed

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I.T Spacio	Madhapur	-	2010
Signature Tower	-	-	Proposed
Upscale	-	-	Proposed
Point Indu	Shamshabad	600,000	September 2009

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**Market Outlook**

Not much of supply was added in Q 1, 2009 as low demand has led many developers to put their plans on hold. Projects are proposed but are expected to commence with the construction once the demand starts flowing.

Developers are optimistic that the second half of the year would bring revival as the country has stable government and economy responding to it positively is very much likely.

The values have already fallen by 10 – 20 % and now there is an expectation that things will be better from second half of the year.

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