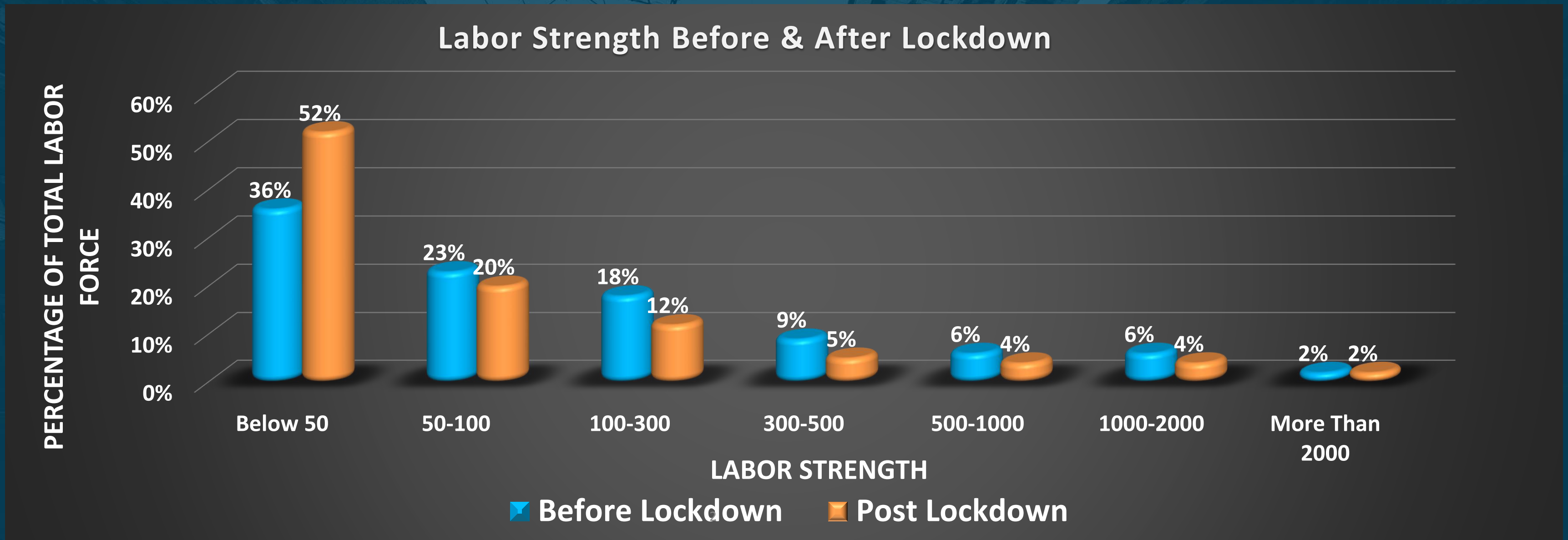

Real Estate Development In Ahmedabad

-A Short Report



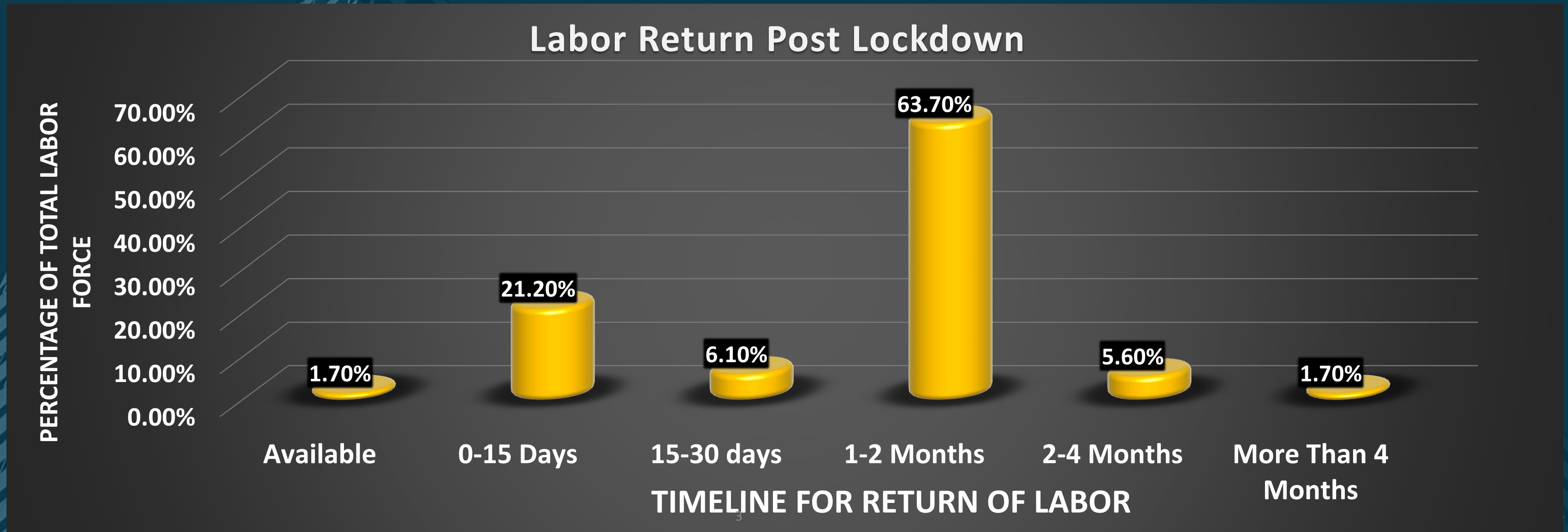
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The Effects Of COVID-19 On Real Estate Sector



- The ongoing migration of labor is the largest migration after migration during the 1947 partition.
- The above graph depicts how migration is affecting real estate development projects.
- Projects who give accommodation to laborers at their own facility have retained labor force.
- Projects who did not give accommodation to laborers at their own facility have lost them in big numbers.

Labor Return Post Lockdown



- This is the estimated timeline for the return of laborers. It claims that there are just 1.70% of laborers available for work at the moment.
- 63.70% of laborers will return one month after lockdown is removed.
- 90% of laborers will return to work within two months from the removal of lockdown.

Residential Real Estate In Ahmedabad

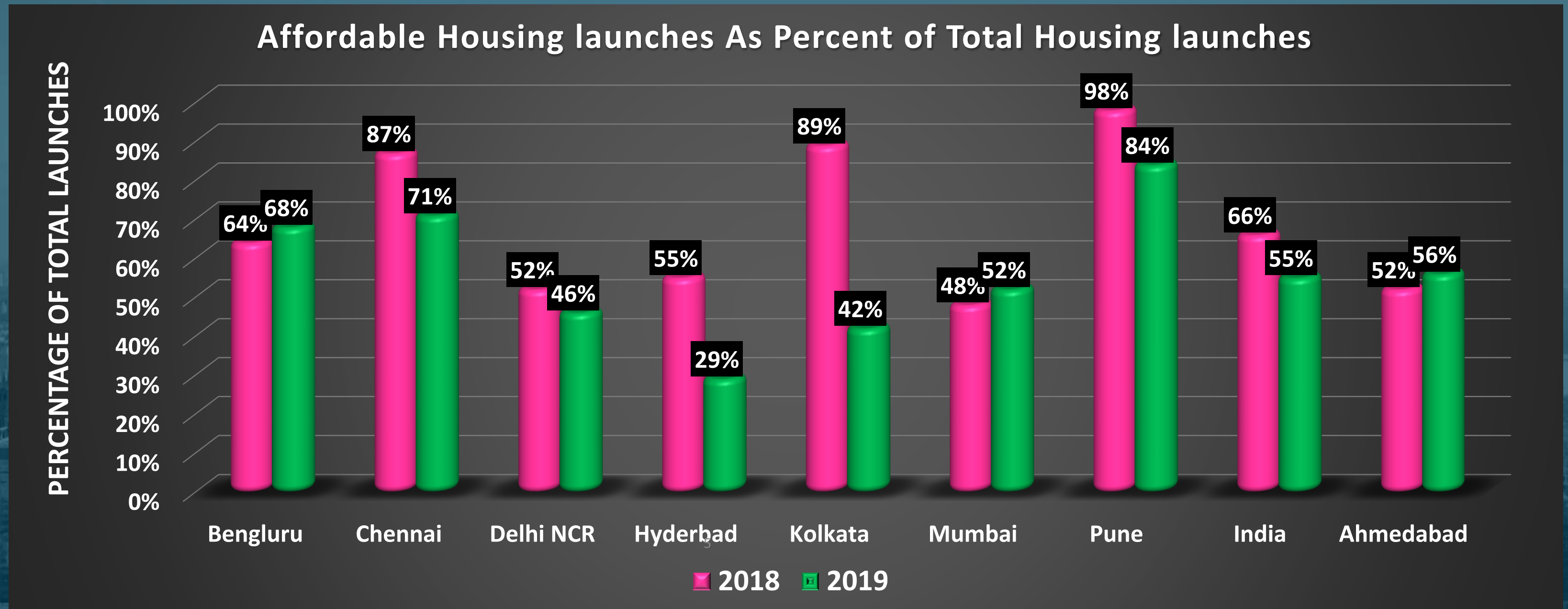


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Growing Affordable Housing Segment



- The growing middle class in India has given a boost to the affordable housing segment. Tier 2 cities have witnessed huge growth in the affordable housing market as compared to tier 1 cities.
- CREDAI national president Jaxay Shah said, Ahmedabad needs at least 80,000 units of 2 BHK flats but the industry is delivering hardly 50% of the demand.

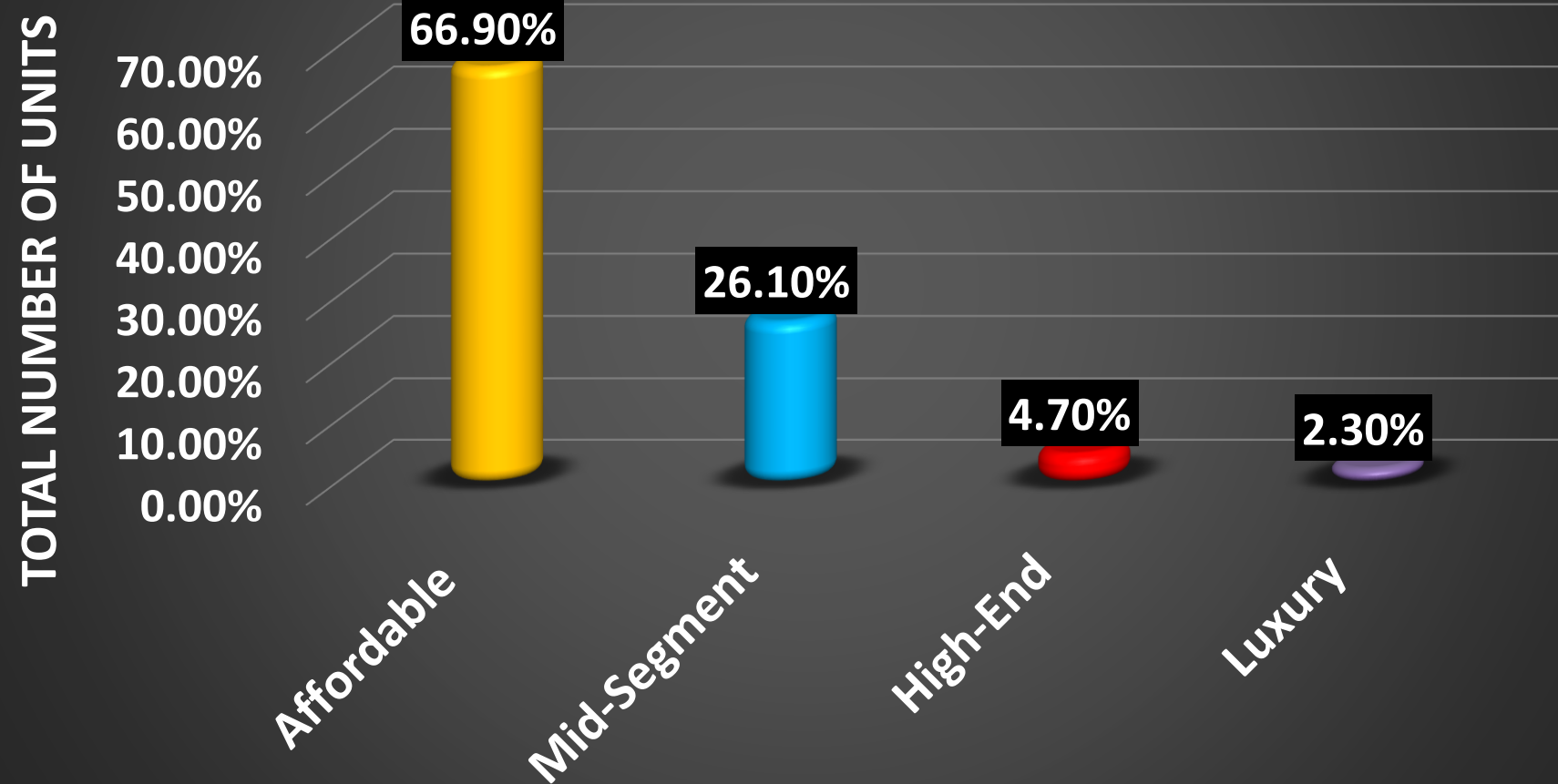
Source - <https://www.jll.co.in/en/trends-and-insights/research/india-real-estate-market-2019-residential>

Source - <https://timesofindia.indiatimes.com/city/ahmedabad/ahmedabad-to-see-flood-of-affordable-homes/articleshow/68132674.cms>

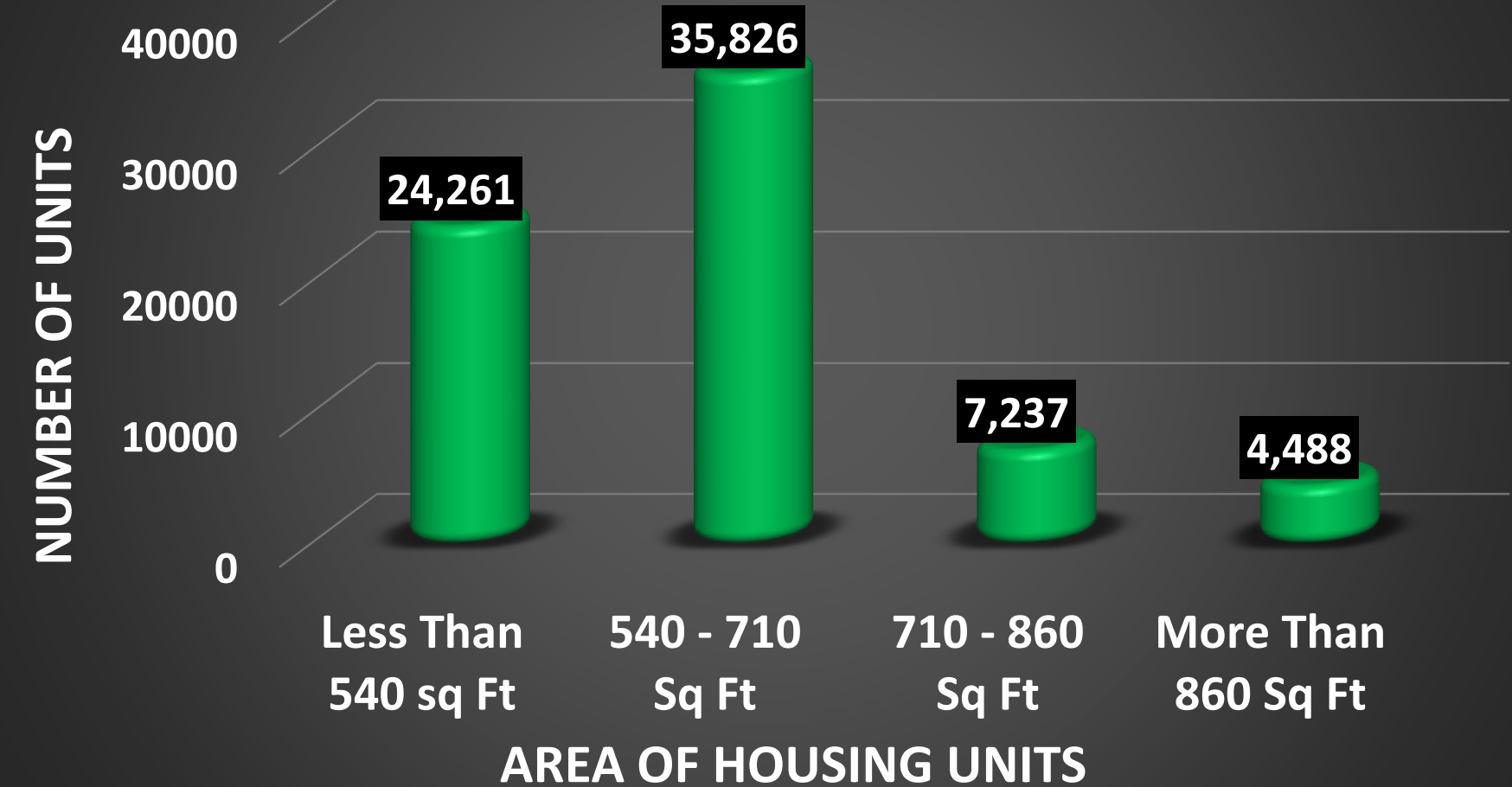


Segment-Wise Launches of Projects In Ahmedabad

Housing Segment-wise Market Share- Year 2019



Under Construction Projects Area-Wise Market Share



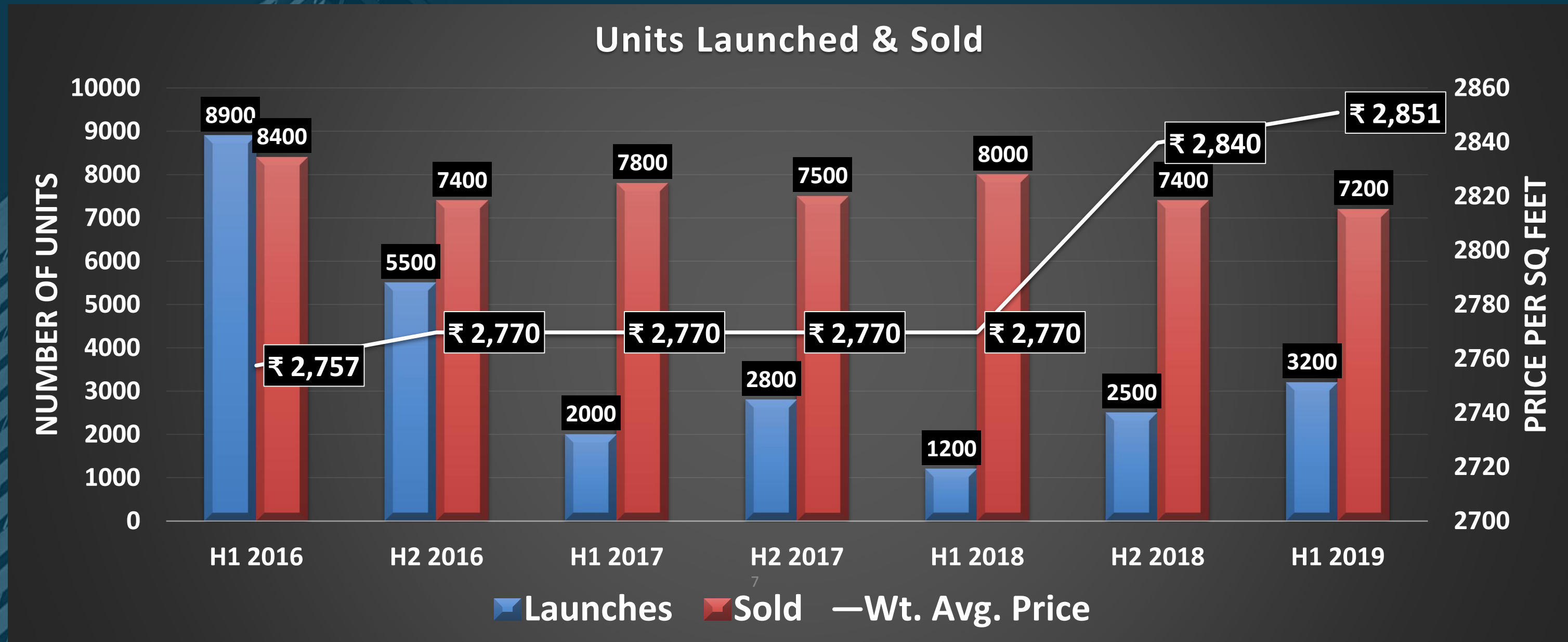
- Majority of the units are being built in Lambha, Vatva, Nikol, Vastral, Vatva, and Odhav in the east and Gota, Ghatlodia, and Makarba in the west.
- Affordable projects were given FSI exemption. But these exemptions have been reduced by the Govt in 2019. It has made the affordable segment less attractive to the developers.

Source - <https://www.online.citibank.co.in/products-services/loans/pdfs/Quarter2019-4.pdf>

Source - <https://timesofindia.indiatimes.com/city/ahmedabad/ahmedabad-to-see-flood-of-affordable-homes/articleshow/68132674.cms>

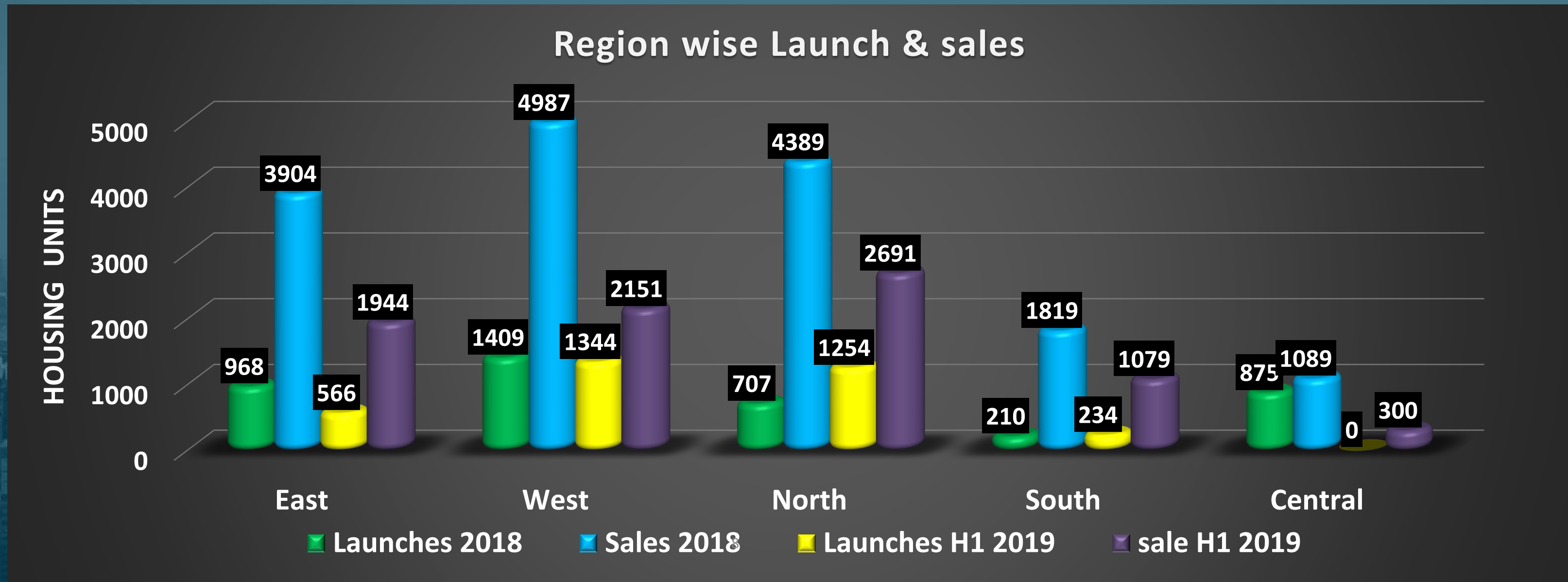


Residential Units Launched & Sold in Ahmedabad



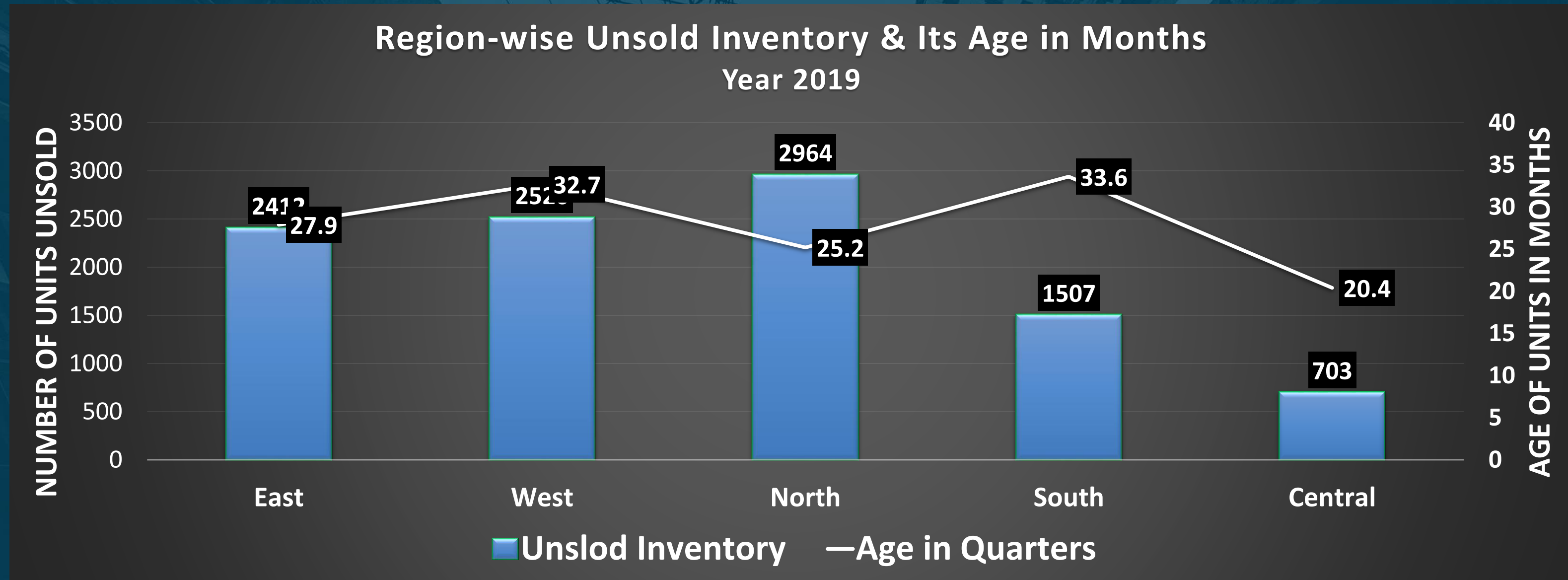
- Number of Residential units launched has decreased over the years. But sales of units are stable. It has led to a huge supply-demand gap.
- When all major cities witnessed a price drop, Ahmedabad is the only city that saw prices of housing units going up.

Region wise Launch & Sales In Ahmedabad



- South & Central parts of Ahmedabad have witnessed the least new launches and sales activity.
- All parts of the city have witnessed an inadequate supply of new units. East, west & North regions are more attractive to developers as well as buyers. These parts are benefitted from new infrastructure projects.

Region Wise Unsold Inventory In Ahmedabad



- Unsold inventory in South & central parts of Ahmedabad is low. These are comparatively old parts of the city, hence there is not much construction activity going on. Because of lesser new launches, inventory in these areas is small.
- East, west, & North parts of the city are rapidly developing in terms of new infrastructure projects, hence there are many under-construction housing projects in this area. Because of more ongoing housing projects, there is more unsold inventory.

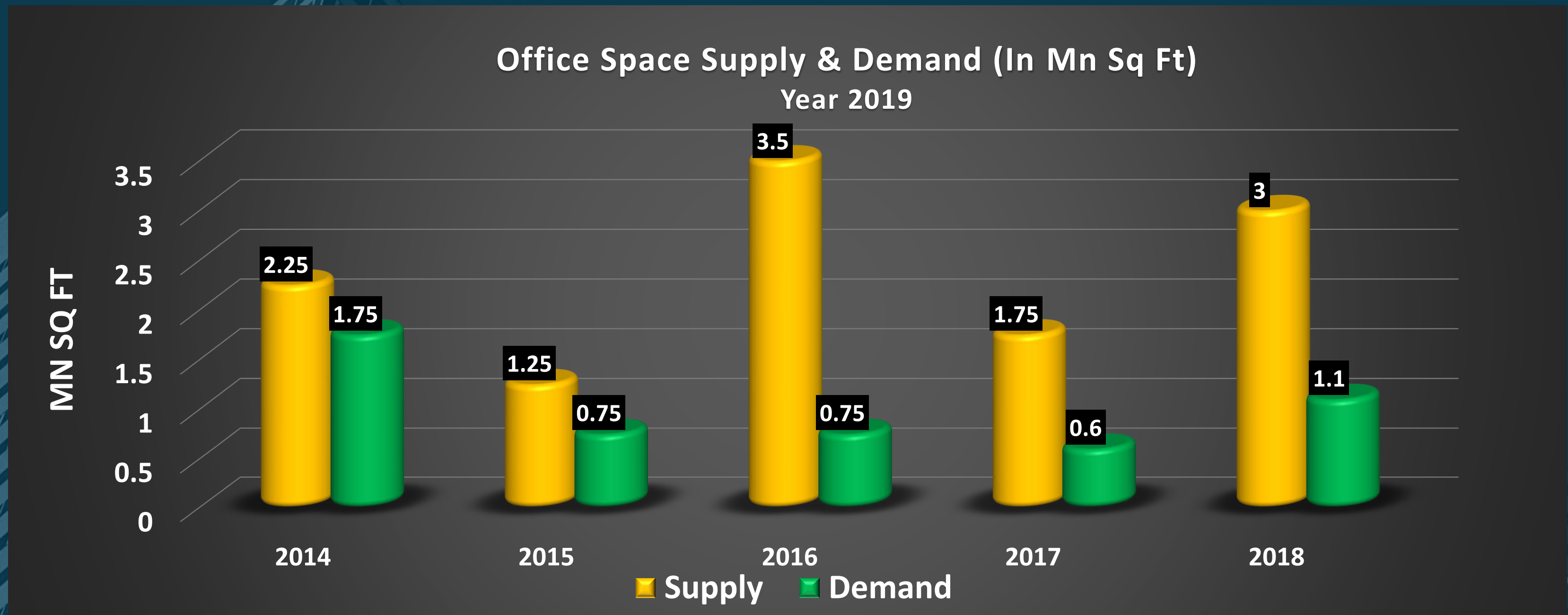
Commercial Real Estate In Ahmedabad



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Office Real Estate In Ahmedabad

Slide
10



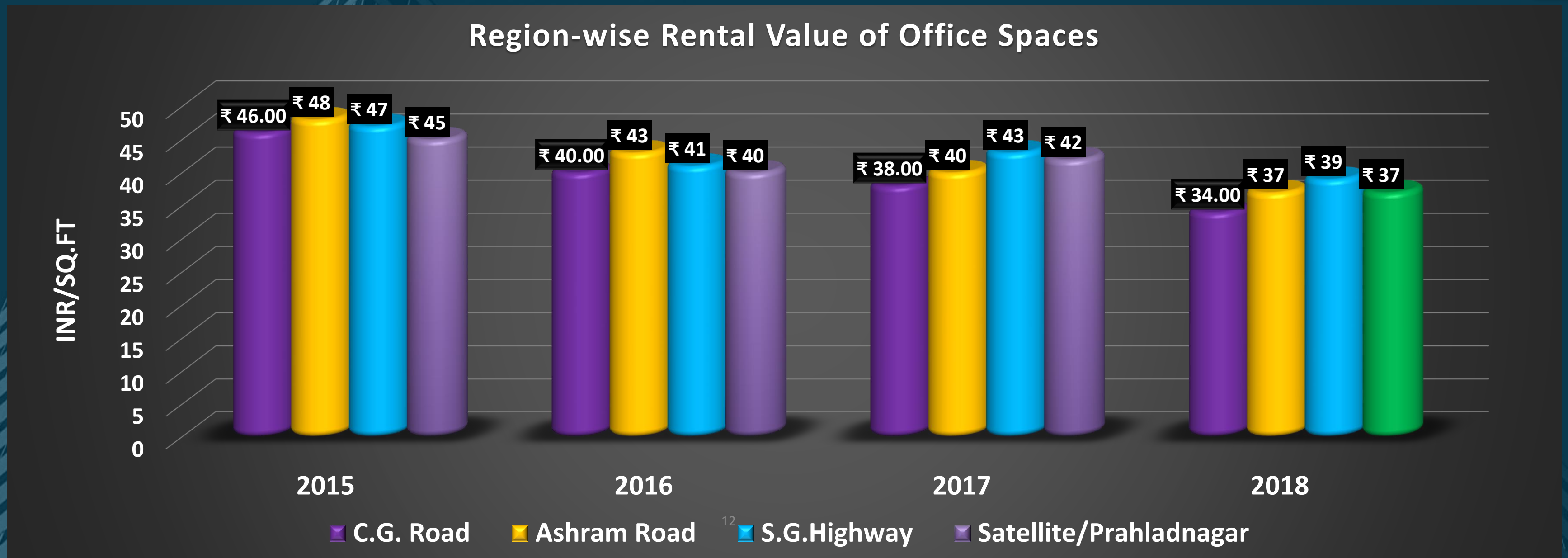
- In the pre-demonetization era, office spaces were in demand. Hence developers launched too many office-space projects. But in the post-Demonetization era, demand for office spaces reduced.
- Reduced demand for office spaces led to a situation wherein around 37% of the office spaces are vacant in Ahmedabad.

Source - <https://www.jll.co.in/en/trends-and-insights/research/india-real-estate-market-2019-residential>



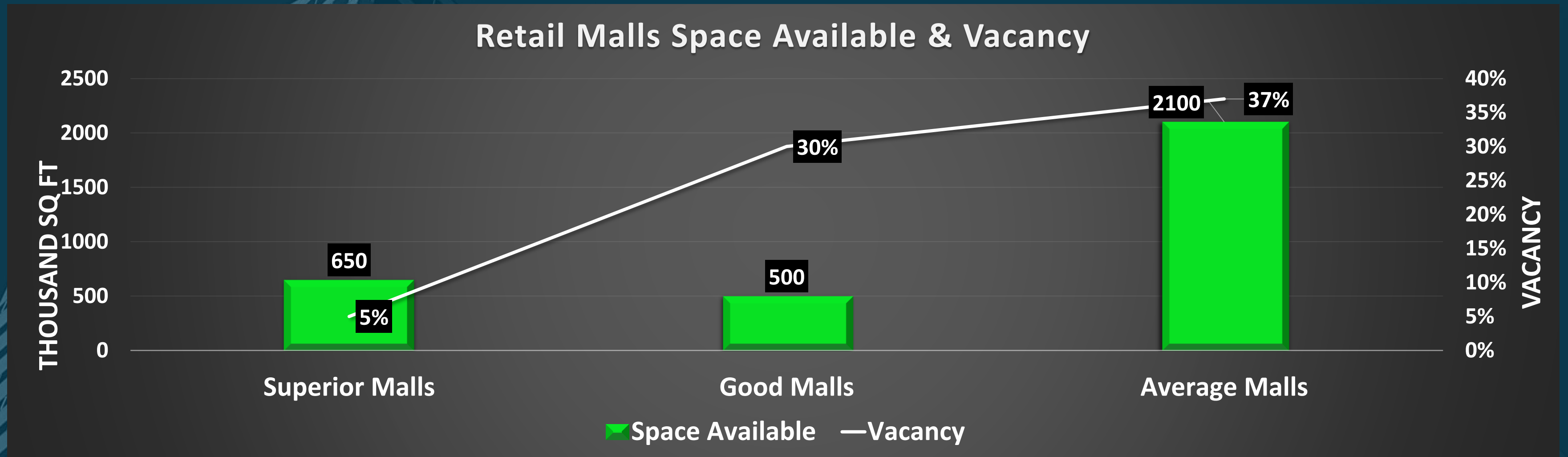
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Region-Wise Rental Value Of Office Spaces



- Because of oversupply of office spaces, the rental value of office spaces has decreased by 17-24% over the past four years.
- Rental values of offices in four main business districts in Ahmedabad is given in the above chart. There are some under construction office projects in the above business districts hence it is feared that prices might decrease even further.

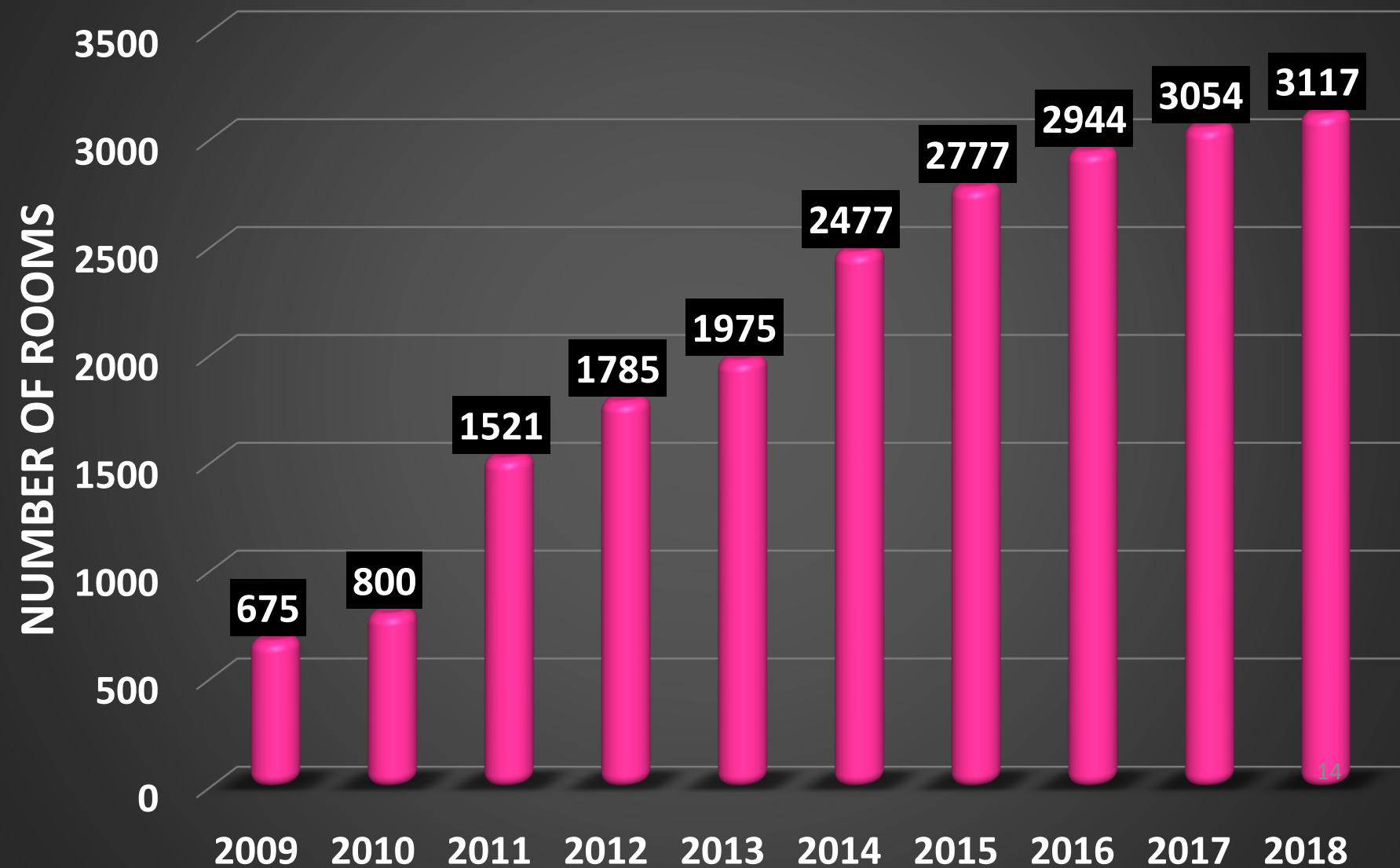
Retail Spaces In Ahmedabad



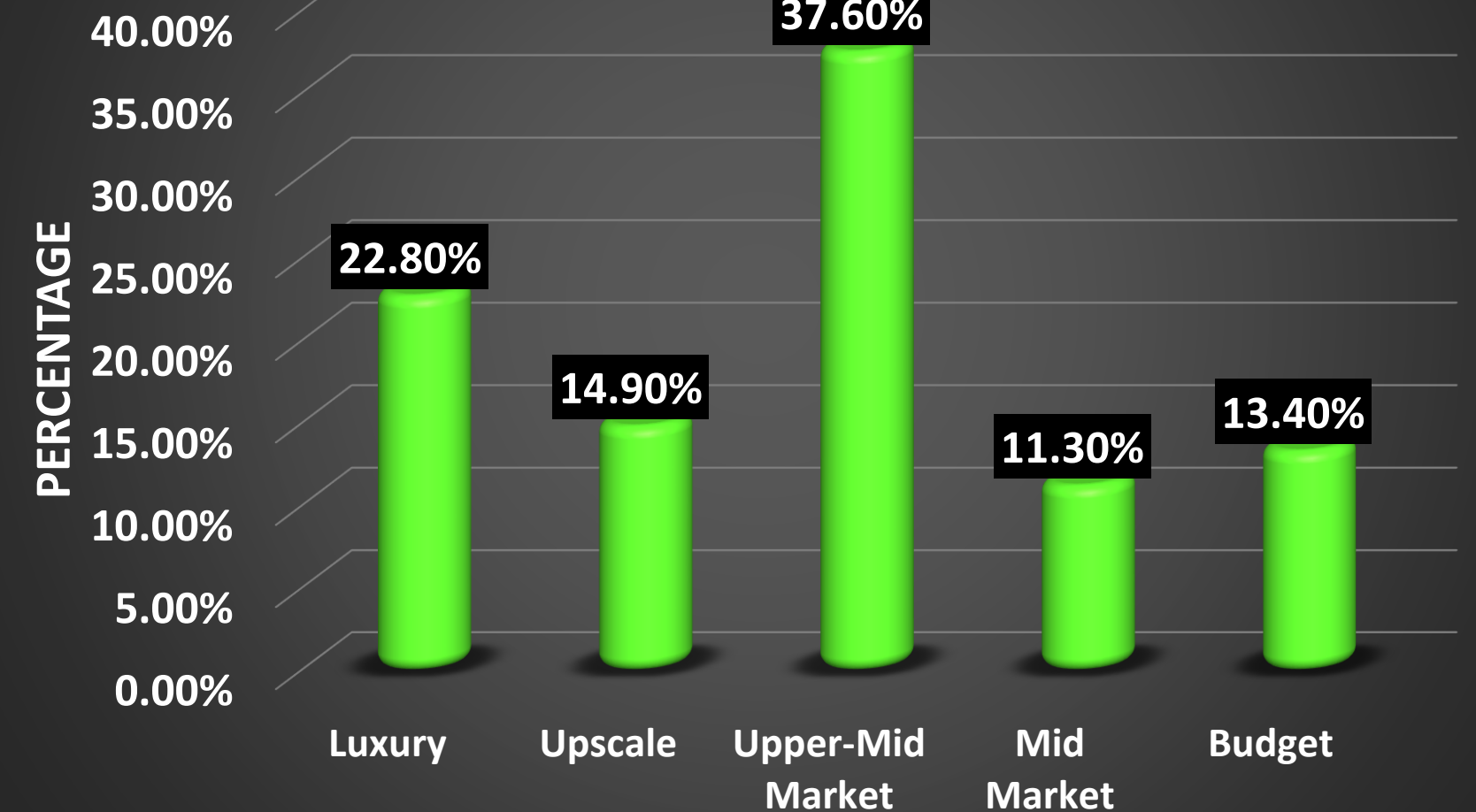
- Growing consumerism in India has boosted the mall culture to a great extent. In recent years, malls in Ahmedabad have seen many empty shops. Malls can be divided into three types.
- Superior malls do not face the issue of vacant spaces. There is just 5% of vacant spaces in Superior malls.
- Good & Average malls, on the other hand, are facing huge vacant spaces. Around 30% of spaces in Good malls and 37% of space in average malls is empty.

Hospitality Real Estate In Ahmedabad

Number of Rooms In Ahmedabad

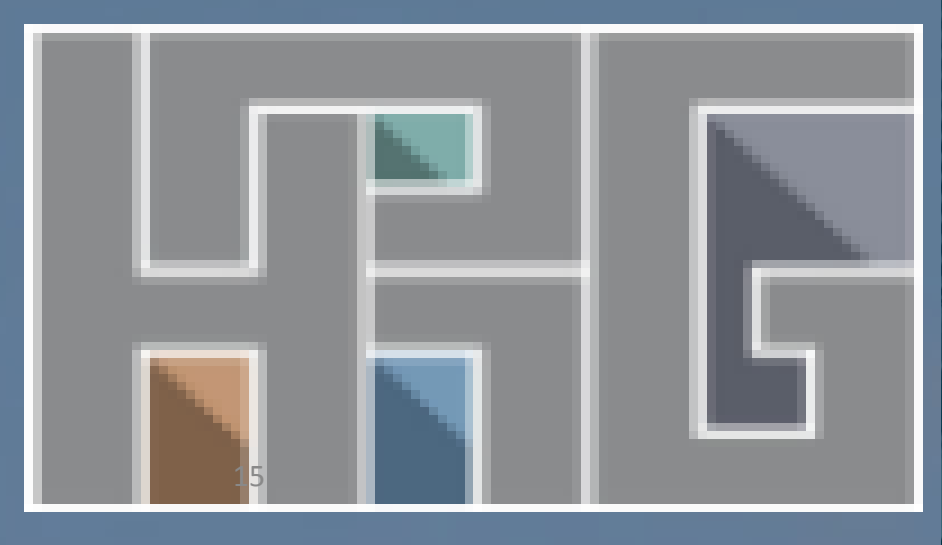


Segment-wise Market share of Hotels



- Hospitality sector in Ahmedabad has grown manifold in the last decade. The number of rooms in Ahmedabad have grown at a 17.5% compounded rate.
- In the next 5 years, around 1350 rooms will be added. Most consumers of these hotels are business travelers.
- New projects are coming up on the outskirts like Sanand, Becharji, Dholera SIR, GIFT city.

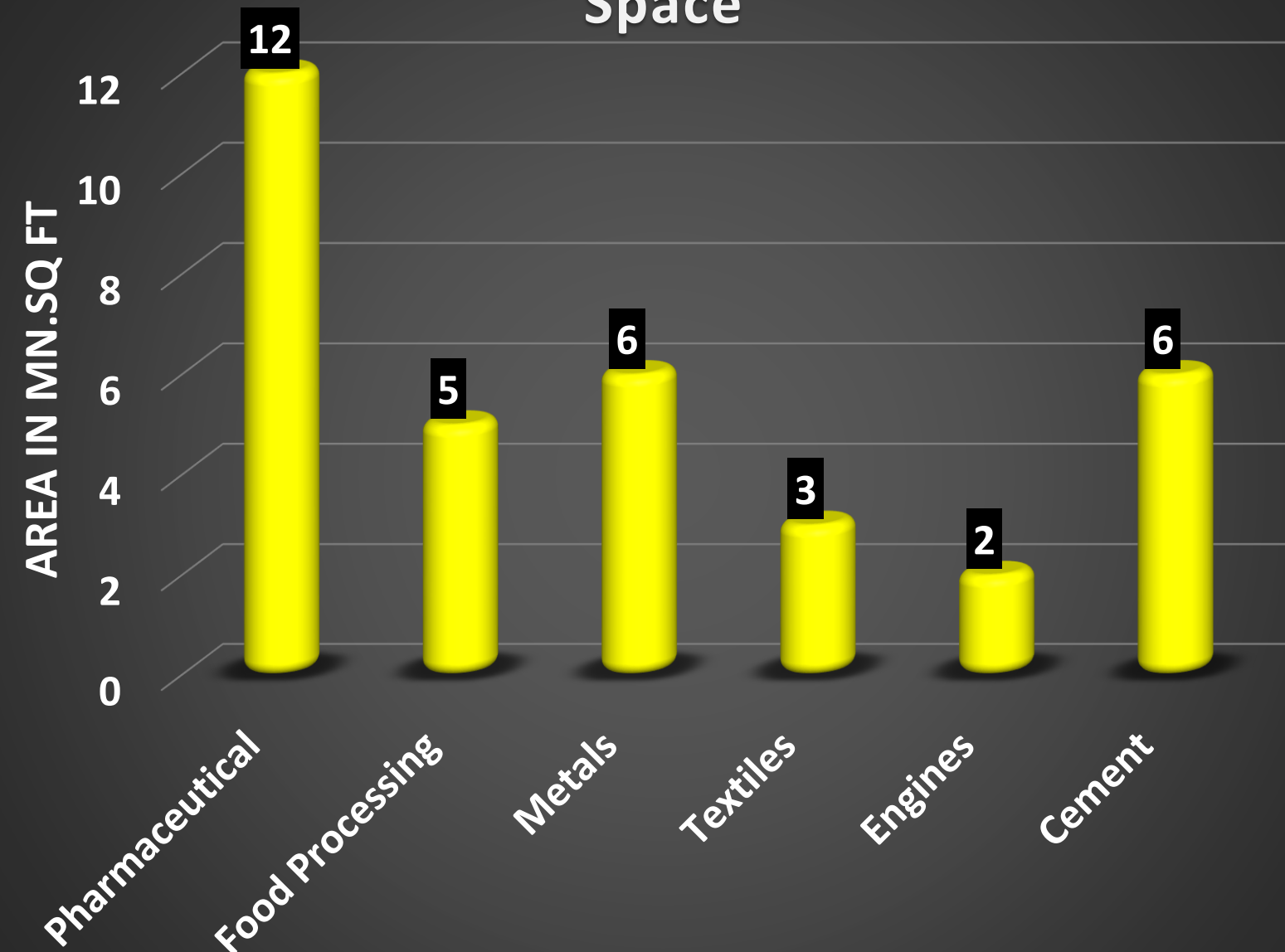
Warehousing Real Estate In Ahmedabad



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Warehousing Real Estate In Ahmedabad

Sector-wise Occupancy of Warehouse Space

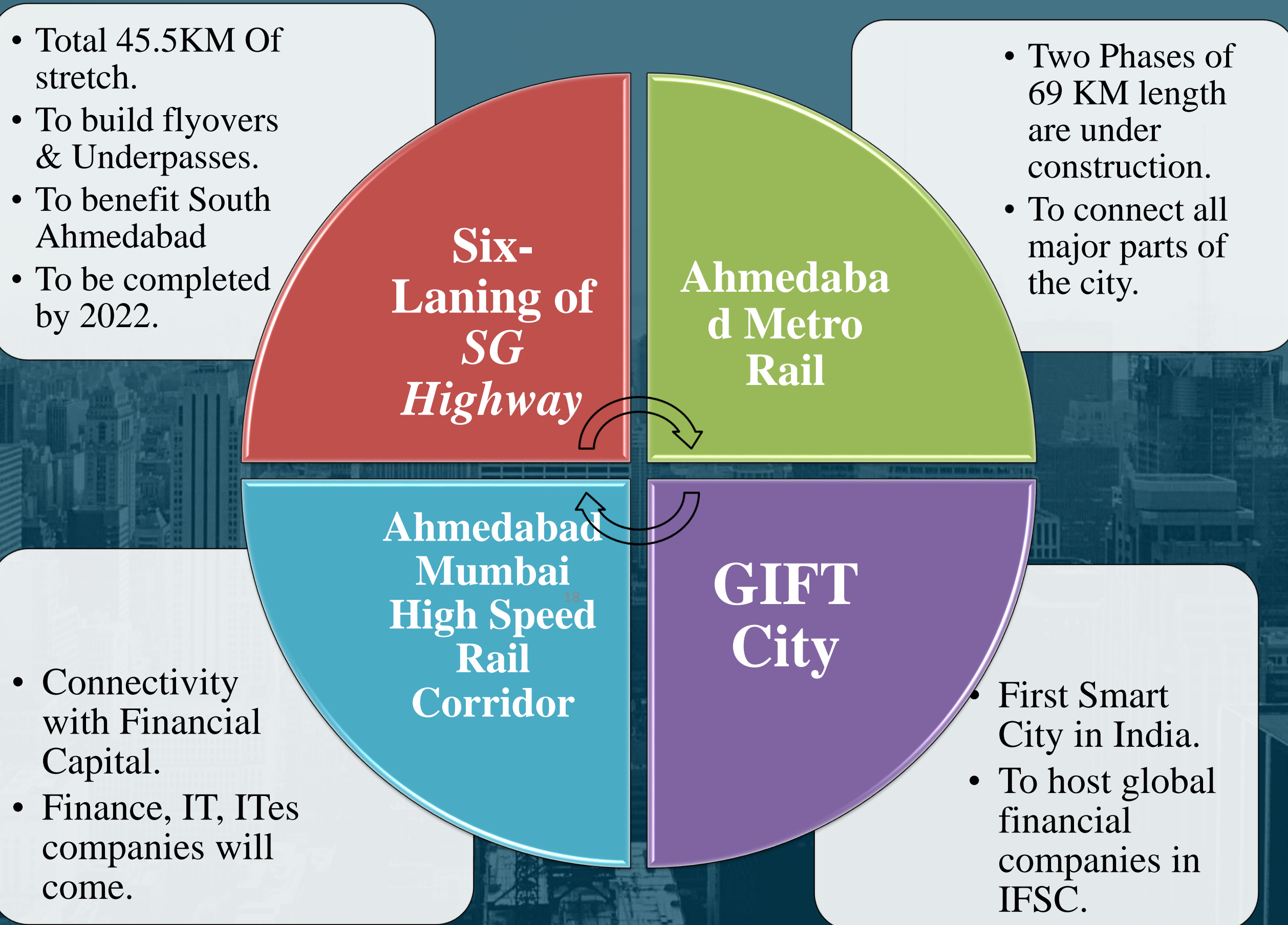


- ❖ Rise in 3PL (Third Party Logistic) in India has boosted the warehousing sector.
- ❖ Ahmedabad has four major warehousing clusters
 1. Aslali-Kheda
 2. Chnagodar- bagodara
 3. Sanand-Wamgam
 4. Vithalepte-Becharji
- ❖ Pharmaceutical & Food processing industry heavily depends on third party logistics.¹⁶
- ❖ Micro, Small, & Medium industries too depend on third party logistics.
- ❖ Hence 3PL & warehousing real estate will grow together by creating a sustainable ecosystem.

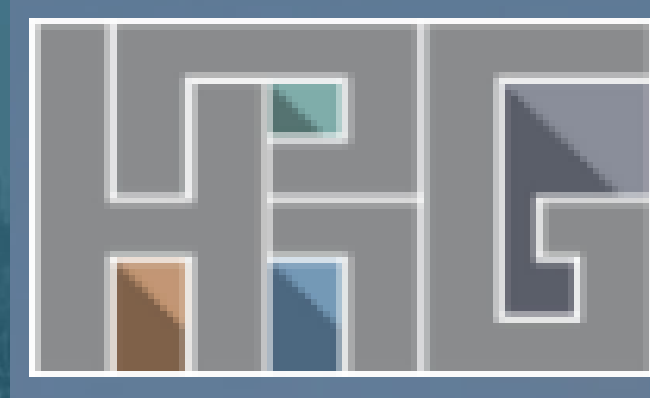
Warehousing Land Rates & Rental Value

Warehouse cluster	Location	Land rate (INR MN /acre)	Rent (INR/sq ft/month)	
			Grade A	Grade B
Aska-Kheda	Aslab	18-32	18-24	16-20
	Ban	11-14	16-22	12-15
	Kanera	9-12	15-22	12-14
	Gobhlaj	8-12	15-18	11-14
	Kheda	6-11	14-17	10-13
Changoder-Bagodare	Changodar	25-35	18-22	15-18
	Gavle	15-22	18-20	13-17
	Bhayala	7-12	16-20	12-16
	Bagodara	4-7	13-16	10-13
Sanand-Wamgam	Sanend	15-30	18-22	16-18
	Sachana	8-12	15-18	13-16
Vithalepte - Becharaji	Kadi	8-11	14-18	11-14
	Vrthalapur	08-11	16-20	13-16
	Becharaji	10-15	16-20	13-16

Upcoming Infrastructure Projects In Ahmedabad



Thank You



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❖ *Report By –*

Mr. Shridhan Latthe (MBA-IB)

❖ *Under The Aegis Of –*

Mr. Karan Bhatia (Director, Sales & Marketing, HRG Construction)
