

## Press Release

### Indian Real Estate sector : Half Yearly Market Update 2018

20th September, 2018, Bengaluru:

- India recorded USD 44.9 Billion Foreign Direct Investment during 2017-2018
- Institutional investment during H1 2018 was recorded at USD 5.36 Billion. 91 % of the investments was in the form of equity and buy-out deals.
- Mumbai and Bangalore accounted for 82% of the investments
- Top seven office markets in India recorded 14 million sqft. new supply
- Office absorption was recorded at 22.5 million sqft.
- Office absorption during H2 2018 is projected at USD 42 Million sqft, pre-commitments 4-5 Million sqft.
- Residential Market will continue to witness emphasis on units <60 sqm carpet area however overall new launches will be low
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Key highlights from the report:

- Housing shortage in urban areas is particularly high in the Economically Weaker Section - shortage of 10 million units\*. In the Lower Income Group, it is 7.4 million units\*\*\* and the balance - 4%\*\*\* in the Middle-Income Group.
- Since the launch of PMAY (U) in 2015, 51.07 lakh houses have been approved under the scheme; out of which, 28 lakh houses have been grounded and 8 lakh houses been completed.
- 3,732 units launched by Grade A developers with unit sizes of < 60 sqm carpet area post PMAY announcement - 53 percentage point increase compared to pre-PMAY period. Proportion of launches with units of carpet area < 60 sqm to total launches by Grade A developers increased from an average of 3.5% (2012-2014) to 9.1% (2015-H1 2018)
- Overall unit sizes declined by 18%-20% during 2012-H1 2018. Major supply in 2 BHK configuration in H1 2018 with units sizes < 60 sqm of carpet area. There has also been increase in supply of compact studio apartments with its share increasing from 0.5% pre-PMAY to 4% post PMAY.
- There has been serious lack of interest from the most crucial stakeholders - private sector for development of Affordable Housing in Partnership on PPP basis primarily due to the benefits or central assistance provided being not sufficient trade-offs for development of affordable housing projects.
- It is also necessary to synchronize State & Central Policies to streamline approval processes at the state/ city level & eliminate bottlenecks in availing central incentives. The approval processes need to be streamlined with a single window approval for projects. **Capacity of developers also needs to be enhanced with access to best practices/models adopted in low cost construction technologies.**

### About Meraqi

Meraqi is a leading real estate investment management firm providing bespoke solutions for sophisticated investors. Our end-to-end solutions include Real Estate Investment Management, Capital Markets, Transactions, Advisory and Valuation services spanning across diverse real estate asset classes. The services are meticulously designed clients to help in making informed investment decisions. Bespoke solutions, seamlessly orchestrated services, client stewardship, sustainable value and long-term success are signature notations of the Meraqi experience. We believe that responsible advice, underpinned in expertise and analytical rigor, is the path to long-term client relationships.

Meraqi's global presence is resonated by its strategic partnership with Ella Valley Capital, a leading fund management company based in New York, United States. Ella Valley Capital manages assets over USD 700 million of real estate investments in the New York City area. It has invested over USD 100 million in real estate on behalf of a prominent multi-billion-dollar family office alongside other real estate developers and investment firms in the U.S. It has successfully represented and achieved an exit of \$120 million real estate private equity fund focused on residential township developments in India.

A cohesive team unified in a collective purpose finds its reflection in the firm's vision statement 'Symphony in Synergy'. Meraqi is a trusted name when it comes to Real Estate Investment Services for UHNIs, Corporates, Private Equity firms, Institutional Funds, Family Offices, Developers and Landowners.

### **About Megalith ( YTD)**

Megalith Venture is a prominent player in private affordable housing sector in India. Megalith is the coming together of internationally successful professionals who have built multiple enterprises with deep understanding of urbanization and distinctive Indian real estate market. The team is experienced in building large scale real estate developments, having built over 15 million square feet of residential and commercial assets along with large-scale global projects in infrastructure such as Airports and Power Projects in Asia Pacific Region and Americas. In their careers the team has created and managed asset portfolios of over US\$2 billion. The team has raised deployed close to a US\$ 1 billion in multiple deals. The domain experience of team in construction, land acquisition, approvals, marketing and sales, facilities management and local environment control is significant.

For more information:

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