



ABOUT GUJARAT

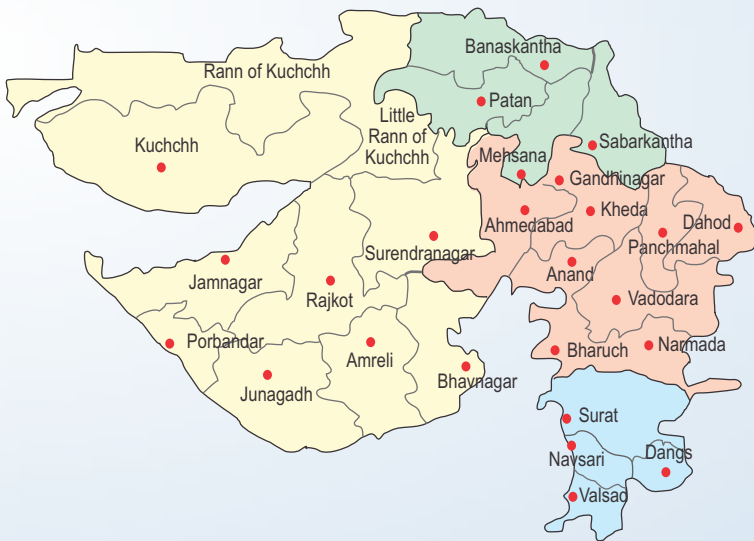
Gujarat is a state in the western part of India, covering an area of around 196000 Sq.Kms., with a coastline of around 1600 Kms. The state is bordered by Rajasthan to the North and West, Maharashtra to the south, and Madhya Pradesh to the East. Its capital city is Gandhinagar and the largest city is Ahmedabad.

HISTORICAL PERSPECTIVE

Historically, the state of Gujarat has been one of the main centres of the Indus Valley Civilization, with ancient port such as Lothal and Dholavira. Gujarat coastal cities chiefly Bharuch and Khambhat which were major ports and trading centres during the period in the Maurya and Gupta Empire. There was a succession of invasions as early as 300 BC by the Arabs, Mauryas, Guptas, Maratha Empire and by 17th Century AD, British Empire sowed its seeds in pursuit of its immense wealth. Gujaratis including Hindus, Muslims and Parsis were traditionally involved in overseas trade for many centuries and into various fields of commerce. After gaining independence, the Government of India grouped different states into two larger units, Kathiawar Peninsula, Kutch, Bombay State and it covered most states of Baroda, some parts of Madhya Pradesh, upto Hyderabad. However the states consisted a mix of Marathi and Gujarati speaking population. This resulted in a conflict within the states, and soon Maharashtra was excluded from the Gujarat territorial boundary in the year 1960. The first capital was Ahmedabad, and it was moved to Gandhinagar in 1970. Since then Gandhinagar has been the capital for Gujarat.



Gujarat Maps and Facts





Gujarat Facts

Population (Million)	600
Population Growth	20%
Sex Ratio (Per 1000)	880
Area (Sq.Kms.)	196244
Density/Sq.Km.	308
Average Literacy	78.03%
Male Literacy	85.75%
Female Literacy	63.31%

Economic Indicators:

Per Capita Income	₹96000 (2011)	This gives us an important indication of the consumer's standard of living. Higher the average per capita income, more is the consumer's buying pattern.
GDP	US\$ 95 Billion	This indicator gives us an idea of gross production in the region. Higher the production means higher demand generated, which links to the purchasing power of an individual.

Source: Coldwell Banker India

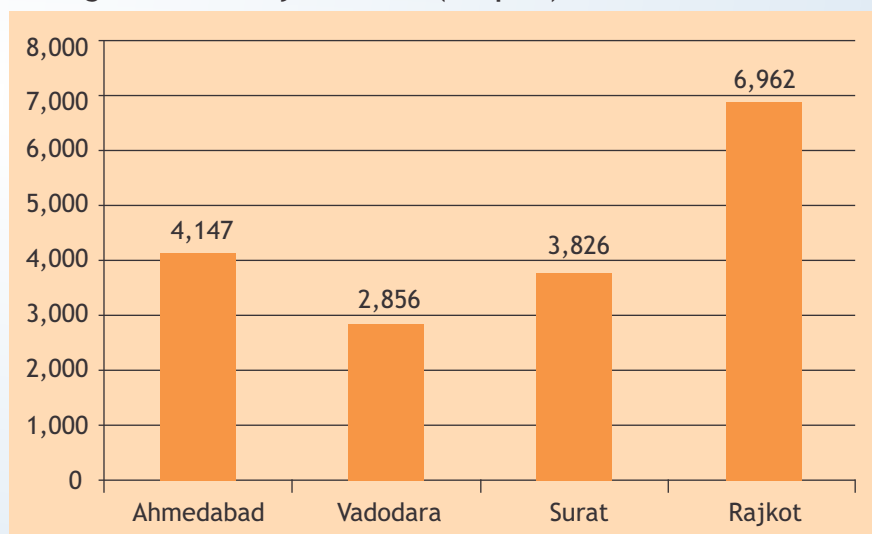


GUJARAT REAL ESTATE

Real estate in Gujarat has seen a vibrant change since progressive development initiatives in high growth majorly impacting regions such as Surat, Vadodara, Gandhinagar, Ahmedabad, and along the south west region such as Bhavnagar, Dholera and Rajkot. As per sources, the Government has given a boost by creation of SEZ (Special Economic Zone) and SIR (Special Investment Regions) favoring the investors to set up their establishments. The major impetus is for creating industrial growth centres which are pivotal in economic growth of the region. At present SIR region development is just mushrooming and as per sources, it will take at least 5-8 yrs for the zone to get fully functional. Once operational, the SIR zone will comprise of various industries located in the zone, such as IT, ITES, Commerce, Retail and cluster of residential developments located within the 2000 acre zone.

Cities like Surat boast of around 90% of the world's best diamonds being produced and exported from this region. Gujarat predominantly comprises of entrepreneurs and the market capitalization accounts for around 30% of India's total market share.

Average Prices of Key Locations (₹/Sq.Ft.)



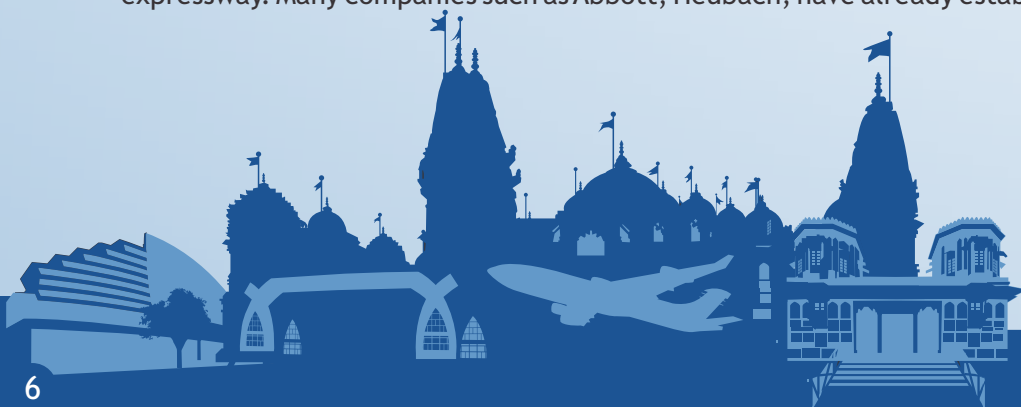
Source: Coldwell Banker India





DEMAND AND SUPPLY ACROSS GUJARAT

As per sources, there were over ₹ 100000 Cr. worth investments made in Gujarat in the year 2014 out of total ₹14 Lakh Cr. investments across the country. Overall there is an oversupply in the major cities surveyed namely Surat, Vadodara, Ahmedabad, Gandhinagar and Rajkot. One of the reasons, is small builders are developing large scale projects, especially in cities such as Surat. In Ahmedabad as per sources, there was a supply of 1750 units in Q1 2015, compared to 2300 units in Q1 2014 a sharp 25% decrease. There was a 65% supply for mid end projects, and 33% supply for high end projects. Developers are preferring more for high end projects to generate higher profit margins. As per sources, there is a requirement for 2.5 Lakh housing units for vision 2022. Out of which around 90% demand is from LIG/MIG and remaining 10% is from HIG. There is a supply of 6000-7000 units y-o-y as per sources, where as the projected demand for housing is around 25000 units y-o-y for a period from 2015-2022. There would be an estimated supply of around 50000 units, where as demand is around 100000 units. In Ahmedabad it is estimated as per sources that 60% of the unsold units are piling up in the inventory. As a result developers are launching fewer units, to offset the overhang. The developers are also offering discounts and other fringe benefits to lure the prospective buyers. The development of GIFTC (Gujarat International Finance and Technology City), situated near Ahmedabad and Gandhinagar, is surely adding in more residential supply as per sources believe. There is an underlying stock of around 2.86 Lakh units in Ahmedabad, as sources believe it will take around 8 yrs or 32 QTRS to sell these inventories. In terms of stock, Surat is mainly comprising of stock movement in the commercial sector, as many PSBs (Public Sector Banks), small shops are in good demand for rental basis. Inspite being a long lease market, which is usually for 9 yrs, the investors are ready to invest more in commercial properties, as rate of rental appreciation is around 15%-20% y-o-y as compared to residential market, where the rate of capital value appreciation is 6%-7% and also the underlying stock gives an indication, that the sale velocity of the properties is very less. There are only few developers who have been successful in maintaining the sales/demand ratio, mainly due to their brand image, quality of construction, and the superior level of amenities, which other small developers are not able to offer. In Vadodara the market is predominantly residential, mainly due to rise in the demand for residential property sector. There is around 6%-7% ROI y-o-y in the areas around Vasna, Bhayli Road and Gotri. Overall there seems to be a marginal oversupply in Vadodara and the concentration of stock is mainly across Vasna, Bhayli Road, Gotri Road, as the area is closer to the six lane expressway which connects, Ahmedabad, Surat, Vadodara and Mumbai. There are also GIDC (Gujarat Industrial Development Corporation) industrial hubs, located closer to the expressway. Many companies such as Abbott, Heubach, have already established their presence.



GOVERNMENT INITIATIVES REGARDING

Infrastructure Development:

Government has planned several infrastructure and growth developments in developing Gujarat state into a smart industrialized city. As per sources, in recent times there have been numerous factors that have led to the faster economic development of the state. These include creation of Special Economic Zones (SEZ) and Special Investment Regions (SIR), Gujarat International Finance Tec-City (GIFTTC), excellent connectivity, development of Delhi Mumbai International Corridor (DMIC) running through the North East region of Gujarat.

As per sources, the total allocated expenditure presented in the budget session 2014-2015, is around ₹150000 Cr. Most of the infrastructure development is around the North-East corridor. In order to develop the state into a smart city, the government is inviting tenders PPP projects to develop infrastructure and industrial growth:

Major Real Estate Investments	Regions of Impact	Benefits
Proposed Special Investment Region (SIR)	Aliyabet, Dholera, Halol-Savli, PCPIR, Santalpur, Hazira, Changodar, Anjar, Navlakhi, Pipavav, Simar, Okha, Sanand-Viramgam	Government to establish, develop and regulate investment regions with special focus on certain sectors. These proposed SIR's focus on key industrial sectors such as petroleum, IT/ITES, automobiles, logistics, agriculture, food processing, port-based industries, pharmaceuticals, etc. so as to encourage private investments in efficient way.
Delhi-Mumbai Industrial Corridor (DMIC)	Industrial Areas: Palanpur - Mehsana, Vadodara-Ankleshwar, Surat-Navsari and Valsad-Umbergaon Investment Regions: Bharuch-Dahej, Ahmedabad	38% of the planned DMIC route is through Gujarat, 62% of the total project area falls in the state, 18 districts come under its influence Zone, 1/3rd of the total investment will be GIFTTC in Gandhinagar.
Dedicated Freight Corridor (DFC)	Iqbalgarh, Palanpur, Mehsana, Ahmedabad, Vadodara, Surat	DFC is a new rail transportation system with high axel, multi-model and computerized features.
Special Economic Zone (SEZ)	Surat, Ahmedabad, Kandla, Dahej, Bharuch, Mundra, Kutch, Dholera, Vadodara, Ankleshwar	Direct FDI investment in the state, lots of foreign players will line up for development. Single-window clearance for Central and State level approvals.
		Exemption for Central Sales Tax & Service Tax. Duty-free import/ domestic procurement of goods for development, operation and maintenance of SEZ units.





Major Real Estate Investments	Regions of Impact	Benefits
		Exemption for Customs and Central Excise duty on import/local procurement for the purpose of establishment and maintenance of the unit. No foreign ownership restrictions in developing zone infrastructure and no restrictions on repatriation.
Industrial Parks	Ahmedabad, Changodar, Sanand, Dholera, Kutch, Surat, Vadodara.	Generate Economic Development and also foster employment growth.
Metro Rail (MEGA)	This 35 Kms rail route includes a 28 Kms elevated and 7 Kms underground section having 32 stations along the route: North-South regions, APMC, Sabarmati Railway Station, Ranip, Vadaj, Usmanpura, Ashram Road, Gandhidham, Madalpur, Paldi, Anjali, Vasna. East-West Region namely Thaltej Gam to Vastral Gam via Thaltej, Doordarshan Kendra, Gurukul Road, Commerce Six Road, Kalupur Railway Junction, Kankaria East.	Reduce road travel time, more efficient transport, these areas would command a higher price appreciation.
BRTS	Ahmedabad, Surat, Rajkot, Vadodara.	Dedicated bus corridor will ensure speed and efficiency along the route and travel time to the destination will be reduced.

Source: Coldwell Banker India



Economics and Trade Development:

Also to strengthen the Commerce and Industrial Sector, and to facilitate economic development several projects have been planned by Gujarat Industrial Development Corporation (GIDC), creating Special Economic Zones (SEZs) and Special Investment Regions (SIRs) by bifurcating them and allocating land parcels for such activities.

SEZs are special economic trade zones, which are major trade centres. These centres are facilitated by the government to boost the economy by providing special concessions to the companies who wish to establish in that particular zones. Amongst the many incentives, Government offers duty free enclaves for trading in these areas. SEZs are fully equipped with state-of-the-art IT and Infrastructure.

Some of the SEZ initiatives by the Government across major cities are as follows:

Sr. No.	Name of the SEZ	Type of SEZ	Area (In Hectares)
1	Dahej SEZ, Vagra Bharuch	Multi-product	1732
2	Gandhinagar Electronic SEZ	EHTP	28
3	Mega IT Projects SEZ, Gandhinagar	IT/ITES	22
4	Bio-Tech Park SEZ, Vadodara	Bio-Tech	15
5	Ahmedabad Apparel Park, SEZ	Apparel	56
6	Surat Apparel Park SEZ	Apparel	38

Source: Coldwell Banker India





Allocation of SIRs (Special Investment Regions):

Government of Gujarat implemented this idea in the year 2009, with an aim to create a world class economic powerhouse. In doing this the government identified certain areas mentioned below to cater to the development of various industries. GIDC has set up 11 such investment regions.

The SIR has a minimum area of 100 Sq.Kms., while industrial area has minimum area of 50 Sq.Kms.

Regions	Area (Sq.Kms.)	Potential Sectors
PCPIR	453	Refinery Downstream Products, High Performance Chemicals, Pigments and Coating Products, Nano Technology, Bio-refineries, Mineral Resource Based Products.
Halol-Savli	123	Engineering Automobile Anciliaries, Engineering Plastics, Electricals and Electronics.
Santalpur	186	Agro based Species and Seed Processing, Vegetables and Fruits Processing, Dairy and Cotton Ginning, Contract Farming, Solar Power, Logistics.
Changodar	319	Agro based, Steel & Metal, Plastic, Pharmaceutical and Oil & Gas.
Pipavav	147	Logistic based Industries, Pre-cast Structure, Spinning.
Simar	84	Engineering, Energy, Port & Port Related Activities, Food & Fish Processing, Cement.
Navlakhi	182	Ceramic, Engineering & Automobiles, Food Processing, Electronics, Textile, Chemical and Petrochemicals.
Okha	206	General Manufacturing, Pharmaceuticals CRO, Bio-technology and Bio-pharma, Auto & Auto Anciliaries, Mineral based and Tourism.
Anjar	237	Port and Port based industries, Mineral & Agro based & Engineering.
Viramgam	301	Automobiles & Engineering, Healthcare, Pharmaceuticals & Fertilizers.
Aliyabet	189	Entertainment (Ecozone, Film City, Amusement Zone, Golf Course Aquaculture and Marine Engineering).

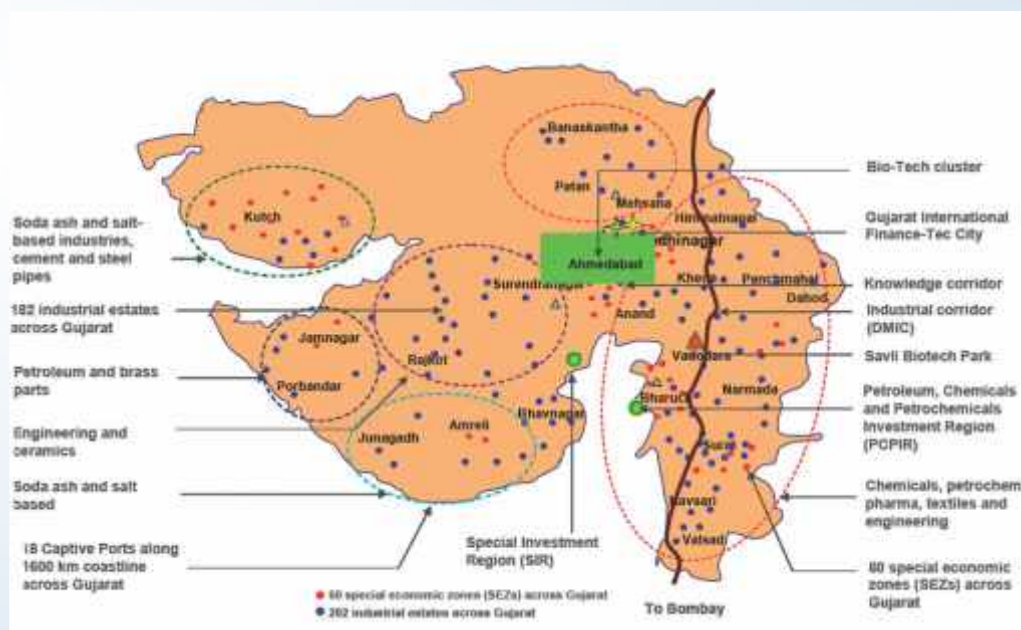
Source: Coldwell Banker India

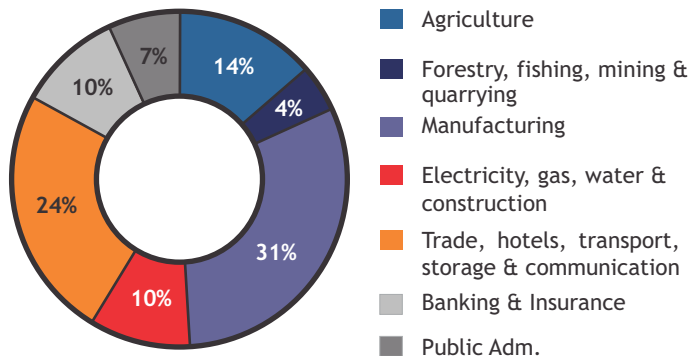


ATTRACTING INVESTORS:

Vibrant Gujarat is positioned as a biennial investors summit held by the Government of Gujarat. This initiative encourages investments into Gujarat via NRIs and High End Corporates from across the world. One of the major Business IT Hub developments is underway known as a GIFT City (Gujarat International Finance Tec-City). It is built on 500 acres of land and it will attract major IT companies, from the other metros. Gujarat region is divided into Kutch, Saurashtra, North Gujarat, East Gujarat, Central Gujarat, and South Gujarat. Gujarat's major cities include Ahmedabad, Surat, Vadodara, Rajkot, Jamnagar, Bhavnagar, Vapi, and Junagadh. The largest refinery in the world is the Jamnagar Refinery owned by Reliance Industries Ltd. There are several chemical ports in Dahej and around coastal areas of Gujarat. Gujarat is one of the fastest growing business centres post creation of SEZs (Special Economic Zones) and SIRs (Special Investment Regions). One of the largest summit - Vibrant Gujarat Summit was held in the year 2011 at Gandhinagar, where Summit MoUs worth \$21 trillion were signed. Surat in Gujarat is one of the largest diamond exporters in the world. Over 90% of the world diamond produce are from Surat, which signifies the prosperity of Vibrant Gujarat. To further boost the economy in small scale sector, GIDC (Gujarat Industrial Development Corporation) has identified and implemented industrial corridors along the newly constructed 6 lane NH-8 Highway, connecting major cities such as Surat, Mumbai, Vadodara.

INDUSTRIAL REVOLUTION IN GUJARAT





Source: Coldwell Banker India

As per sources, manufacturing accounts for around 31% of the total market, suggesting that the state is predominantly an industrialized state. The Gujarat metro development is one of the major driving forces in fostering real estate growth in the major regions. Regions such as Bhavnagar is close to the ongoing SIR development, which is a special investment region zone, will definitely boost the economy as more investments from the IT sector are expected in the future.

STATE PROFILING:

We have divided the state into specific cities and further bifurcated them into regions to understand the state better.

Geographically Located City	City	Areas
North	Ahmedabad & Gandhinagar	Navrangpura, Thaltej, Spring Road, Corporate Road, SG Highway, Gota Circle, Vaishnav Circle.
Central	Vadodara	Vasna, Bhayli, Ring Road, Sayajigunj, Gotri Road, Alkapuri.
South	Surat	Adajan, Rondel Road, 150 Ring Road, Pal Adajan.
South West	Rajkot	JP Park, Nagarpura.

Source: Coldwell Banker India



ABOUT AHMEDABAD

Ahmedabad Facts:

Population	6.5 Million (2011 Census)
Literacy	89.62% (2011)
Sex Ratio (Per 1000)	897
Area in (000)s	462 Sq.Kms.
Density/Km	14069

Source: Census 2011, Coldwell Banker India

Ahmedabad is the city located in the state of Gujarat. It is the largest city of Gujarat and it is located on the banks of Sabarmati River 30 Kms from the capital of State Gandhinagar having an area of 464 Sq.Kms. Of late this city has emerged as an industrial hub, thanks to the new government policies making it easier for foreign investors to pump in capital for the development of the city. There has been a tremendous rise in the construction of skyscrapers, which is due to the increasing demand for housing, in recent times. The city envisages Ahmedabad city as truly world class city. The PPP model that the Government has introduced, several infrastructure developments are in the pipeline which would contribute immensely to its economic development. There are many FDI investments which have made this city as one of the most progressive and developing Megapolis. Ahmedabad is well connected to the cities through an efficient road, rail network, which connects the city internally as well as traversing to different states of the country. Sardar Vallabhbhai Patel International Airport connects the city to the rest of the world. Domestic Airports like Surat, Bhavnagar Airport, Deesa Airport, Porbandar Airport, Rajkot Airport, and Harni Airport connect the state to different states of the country. Gujarat is well connected by rail to major metros in the country. One of the major proposed developments includes the proposal of bullet train connecting Ahmedabad - Mumbai super speed route. Delhi - Mumbai Industrial Corridor is another development which will connect to cities passing through the state. Ahmedabad - Gandhinagar Metro work has already started and the project cost is said to be more than ₹1000 Cr. Gujarat State Road Transport is the primary body responsible for providing bus service connecting different regions within the state as well as internally and to different states. There are interstate, intercity Bus services running across the city.





Residential Real Estate Characteristics:

Ahmedabad real estate is growing y-o-y thanks to the infrastructure development and economic development initiatives by the government. As per sources, the centre's announcement is that it will invest around ₹5000 Cr. amongst seven cities in the state, Ahmedabad being one of the most important areas for investment. Ahmedabad city has a strong nexus of prominent builders who are developing cities within the city in making a smart city vision a near reality. In the budget session declaring Ahmedabad city as a mega city, the builders' sentiments have been positive and investors are positively looking at investment.

"In the city, the rates have been more or less stable since 2014, with rates hovering between ₹5000/Sq.Ft.-₹6500/Sq.Ft. More demand is for plots outside of CBD areas, since availability of land parcels are in plenty. The market is a mix of Investors and End users. It is anticipated that rates are appreciating at a rate of 10%-12% y-o-y," says **Bharat Korat (Globe Realty) Ahmedabad**.

The reason, what has attracted investors is that the rates have been relatively on the lower side compared to Tier 1 cities. The size of the Gujarat residential market is pegged more than ₹50000 Cr. Western regions of Ahmedabad, are witnessing major demand in the residential properties. Leading Developers like Godrej Group, Adani Group are already developing huge townships along that area. SG Road and Ring Road are witnessing the spurious growth of Bungalow schemes due to wider six lane roads, and better infrastructure development. Ahmedabad city boasts of having good relations with NRI investors who have invested in the residential real estate, which has resulted in property price appreciation across Ahmedabad city. The development of the residential areas is mostly seen in the areas like Ashram Road, CG Road, Sabarmati, CTM, Ghodasar, Naroda, Shahibaug, Satellite and Thaltej. There has been 50% appreciation in these areas for the period of three years. North Ahmedabad is also very well developed due to infrastructure developments being undertaken along Sabarmati.

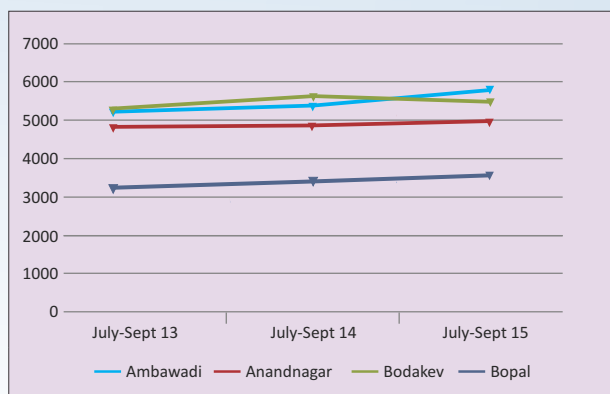
Motera, on the northern side, has also resulted in appreciation in the property prices, mainly due to proximity to the GIFTC centre development. Infact there is an estimated supply of around more than 20000 units, in around Gota Circle-Vaishnavi itself which has seen launch of major projects by Godrej and Adani Group, which are developing a 200 acre and 600 acre land parcels respectively. There is a huge price appreciation in South Ahmedabad, which is because of non-availability of land parcels in that region, towards 120 feet road, since mostly there are an old residential property located around this area. Also easy accessibility to Ahmedabad-Vadodara expressway, a six lane highway has generated substantial rise in the property pricing in and around the area, and has a huge future development potential.



Prices of Key Localities

Area	₹ Rates/Sq.Ft.
Ambawadi	4702 - 6953
Anandnagar	4165 - 5776
Bodakev	4370 - 6638
Bopal	2855 - 4310

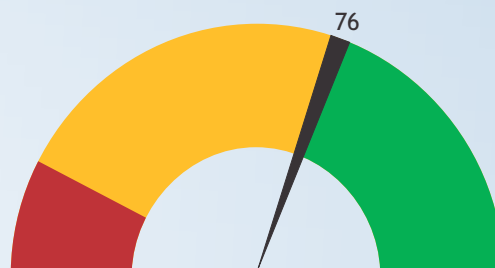
Price Trends in certain areas of the city



Source: Coldwell Banker India

Livability Index

Factor Scores	Average Scores
Demographic	60.00
Education	80.00
Health & Medical Standards	80.00
Safety	75.00
Housing Option	65.00
Socio Cultural Environment	71.67
Economic Environment	83.33
Planned Environment	70.00
Radiation Index	90.00
Green Index	85.00
Total Average Score	76.00



The scoring is done on the basis of the above mentioned parameters. The rating is done using a liquored scale of Worst-Best from minimum of 25-100. The average scoring shows a healthy 76 out of 100 which means that the area is satisfactory for living.





ABOUT GANDHINAGAR

Gandhinagar Facts:

Population	0.2 Million (2011 Census)
Literacy	91.07% (2011)
Sex Ratio (Per 1000)	918
Area in (000)s	177 Sq.Kms.
Density/Km	1100

Gandhinagar is state capital of Gujarat in western India. It is located approximately 23 Kms north of Ahmedabad near to the west central industrial corridor between Delhi and Mumbai. Gandhinagar as the name suggests, is formed after the great leader Mahatma Gandhi. There are several colleges, schools, hospitals, and also a plethora of entertainment centres such as multiplexes and malls located within the city. Along the Sabarmati River, there are several waterfront developments such as recreational parks, senior citizen parks and so on. For religious people, there is the famous Akshardham Temple. There are several popular multicuisine restaurants located within the city, which serve variety of cuisines, such as Thai, Mexican and Continental cuisines to name a few, leading malls such as Infocity, Super Mall, Pratik Mall are located in the heart of the city. Overall the city has seen significant development in the past few years, thanks to many development initiatives by the Gujarat government. Few of these developments include Gujarat International Finance Tec-City (GIFTTC) is the central business district located right in the middle of Ahmedabad and Gandhinagar. Currently under construction, this project is spread over more than 850 acres of land. The purpose of this is to create a business hub that would house all the industries under one zone, such as IT, ITES, Finance, Physical Infrastructure at a subsidised cost. There is also a SEZ planned in the area, which would house Hotels, Software Technology Parks (STPs) and so on. The project cost is estimated at an whopping ₹70000 Cr. and would be developed jointly by Gujarat Urban Development Company (GUDC) and Infrastructure Leasing and Financial Services (ILFS). There is also Delhi Mumbai Industrial Corridor (DMIC) located close to Sabarmati river which is US \$ 90 Billion Project.



Residential Real Estate Characteristics:

Gandhinagar often newly acquired name of "IT Hub" is the next big thing to happen to the state. In recent years Gandhinagar being the state capital city lives up to its name. The Gujarat Development Board has attracted investments from all over the world as many corporate giants want to invest and establish their presence in the GIFTC zone located in the city. Around ₹9000 Cr. has already been invested in GIFTC zone for building residential and commercial complexes within GIFTC. The further investment potential is around ₹75000 Cr. The livability over the period of time has improved vastly thanks to the growth trajectory in the commerce and economy. The SEZ development, GIFTC and industrial development has sparked interest amongst the real estate investors who are closely watching the market. The presence of IT/ITES sectors has pushed the leading developers and companies to buy large parcels of land in setting up IT hubs. This has also led to development of residential townships, Hotels, Educational institutes along the area. The major players who have invested in GIFTC include Brigade Group, Hiranandani Group, Lodha Group, Godrej Properties to name a few.

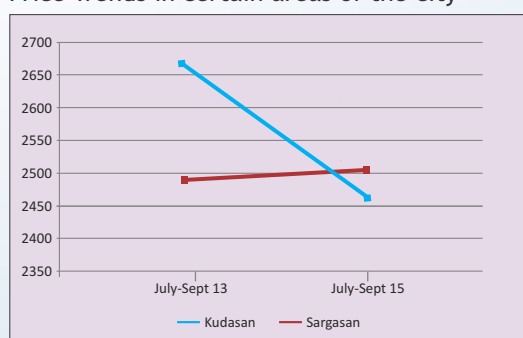
Big cities are suffering from saturation. Relatively smaller cities are offering similar amenities at much lower cost. Gandhinagar off late has been realizing its potential, as many developers are eyeing an investment in areas around Sabarmati and airport road. The major areas such as Sargasan and Sarkhej-Gandhinagar Highway are showing relative appreciation due to its location near IT Infocity.

Real estate in Kudasán, Gandhinagar has seen a steady rise in terms of capital pricing having an average appreciation of around 1%-2% y-o-y on an average. There are many upcoming infrastructure developments along Sarkhej-Gandhinagar Highway, which is seeing unprecedented boom in the real estate, thanks to many commercial developments along the area. A plethora of shopping malls have come up along that area resulting in the real estate projected demand. Rental values have remained relatively stable y-o-y in the range of ₹6/Sq.Ft. monthly.

Price of Key Localities

Area	₹ Rates/Sq.Ft.
Kudasán	2018 - 2936
Sargasan	2052 - 2962

Price Trends in certain areas of the city



Source: Coldwell Banker India





Livability Index

Factor Scores	Average Scores
Demographic	53.33
Education	80.00
Health & Medical Standards	80.00
Safety	80.00
Housing Option	75.00
Socio Cultural Environment	75.00
Economic Environment	83.33
Planned Environment	70.00
Radiation Index	90.00
Green Index	87.50
Total Average Score	77.42

Source: Coldwell Banker India



The scoring is done on the basis of the above mentioned parameters. The rating is done using a liquored scale of Worst - Best from minimum of 25-100. The average scoring shows a healthy 77.42 out of 100 which means that the area is better for living.



ABOUT VADODARA

Vadodara Facts:

Population	1.6 Million (2011 Census)
Literacy	90.63% (2011)
Sex Ratio (Per 1000)	921
Area in (000)s	149 Sq.Kms.
Density/Km	9302

Vadodara also known as Baroda formerly, is the third largest city in the western Indian state of Gujarat, after Ahmedabad and Surat. It is located at south east of Ahmedabad, 139 Kms from the state capital Gandhinagar. It is well connected by rail, road through NH-8 Highway connecting to Ahmedabad, and also as a part of DMIC corridor belt. It houses one of the largest university in Gujarat. An important industrial, cultural, and educational hub of western India, it houses many IT/ITES, upcoming multinational conglomerates such as the ATOS, and hence a dedicated GIDC corridor is being developed across few key pockets along NH-8 Highway, Savli Road, and also around CBD region such as Alkapuri, to facilitate presence of such industrial enterprises.

Vadodara is mainly a cosmopolitan city buzzing with much HIG population, working in the IT/ITES, banking sector. There are more than 100 government schools and around 20 private schools located within the key areas of Alkapuri, Vasna, and Akota. There are several budget hotels located around the station road, which is around 2 Kms. from the key CBD areas such as ITC Welcome, Hampton by Hilton Group located around Alkapuri region which boast of super luxurious stay experience. There are several malls, such as Inorbit Mall, Central, Reliance Mega Mall and also number of shopping centres catering to wider community.

Real Estate Characteristics of Vadodara:

Vadodara real estate over the years has been stable as far as residential sector is concerned. The city predominantly consists of working class population, migrating from different parts of the country. Economically Vadodara is very strong thanks to many development initiatives by the government such as creating the regions as SIRs, especially along the NH-8 Highway towards Ahmedabad. The creation of several industrial pockets such as GIDC (Gujarat Industrial Development Corporation) zones has definitely generated employment growth in the middle income group. Buoyed by the government





support also in IT/ITES sector, many MNCs have already established in the city. The entire NH-8 Highway route is marked by presence of numerous industries, and L&T have already stated to develop L&T Knowledge City hub along the Ajwa-Waghodia route along NH-8 Highway. ATOS one of the leading ITES company plans to set up a huge campus which will have around 1000 employees.

The notable areas for residential demand are in the areas such as Alkapuri, 30 Feet Gotri Road, Fatehganj, Vasna, Akota where few but notable developers such as Shri Rishabh Group, Nilamber Group have come up with luxurious projects such as Nilamber Bellissimo in Vasna and Saket located around Akota. The general market trend as per sources, is most buyers are NRIs investors, looking up to invest only in signature projects which generate higher rental or capital appreciation. The average ROI period in these areas is 4-5 yrs. The average capital values, are from ₹2750/Sq.Ft.- ₹5500/Sq.Ft. The average capital value appreciation is around 7%-10% y-o-y. The rental appreciation varies with respect to the configuration, with average rentals ranging from ₹25000-₹60000/month* in some areas. The rental appreciation is around 12%. The price movement is more around in residential sector compared to commercial sector.

"Since 3-4 yrs, residential markets have been more or less stable since 2014, after the real estate boom period of 2009-2014. Areas like Gotri, Vasna, Bhayli, have seen a steady demand in the residential realty. Consumer preferences are more for affordable housing. About 60% people have shown keen interest in affordable buying", says **Rashmi Kshatriya (Alkapuri Estate Agency)**.

Overall there is an oversupply of residential sector, mainly due to inventory generated by superfluous developers, and investors are vary of investing in such projects, mainly due to lack of transparency in the projects. The areas around Alkapuri, Fatehganj mostly consist of old developments, however there are few small standalone projects, generating more demand, due to closer proximity to airport and to the station. Historically the area around Alkapuri is considered to be CBD of the city, housing, commercial buildings, old residential buildings, malls, multiplexes and so on.

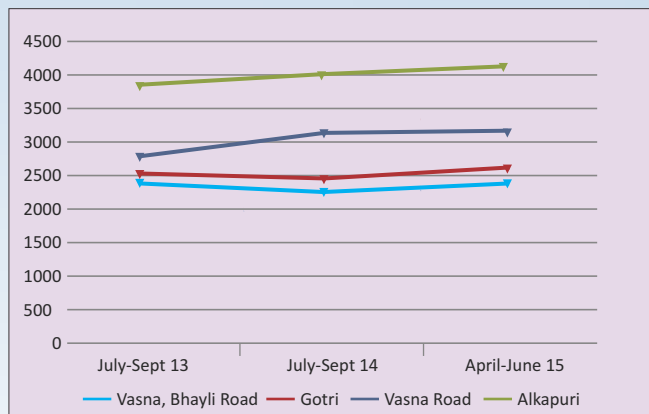
Price of Key Localities

Area	₹ Rates/Sq.Ft.
Vasna Road	2374 - 3856
Gotri	2156 - 4000
Alkapri	3220 - 4891
Bhayli Road	1938 - 3000

Source: Coldwell Banker India



Price Trends in certain areas of the city



Source: Coldwell Banker India

Livability Index

Factor Scores	Average Scores
Demographic	85.00
Education	70.00
Health & Medical Standards	60.00
Safety	80.00
Housing Option	75.00
Socio Cultural Environments	66.67
Economic Environments	80.00
Planned Environments	82.50
Radiation Index	90.00
Green Index	90.00
Total Average Score	73.42

Source: Coldwell Banker India



The scoring is done on the basis of the above mentioned parameters. The rating is done using a liquored scale of Worst - Best from minimum of 25-100. The average scoring shows a healthy 74 out of 100 which means that the area is satisfactory for living.





ABOUT SURAT

Surat Facts:

Population	4.5 Million (2011 Census)
Literacy	87.83% (2011)
Sex Ratio (Per 1000)	753
Area in (000)s	326 Sq.Kms.
Density / Km	13806

Surat often referred to as Diamond city of India, is located 284 Kms. south of the state capital Gandhinagar, on the south of Tapi River. The Surat district is surrounded by Bharuch, Narmada, and Navsari. The old area is the area situated between train station and the area is known as Athwalines.

Surat city primarily comprises of textile and diamond industries, silk production which is the largest in the country. Over 90% of the world's diamonds are manufactured here and exported across the world. The city is a central business district, comprising of population mainly businessmen, and tradesmen. Surat has been selected as one of the smart IT cities and a large scale development is proposed by the leading corporate giants such as Microsoft and TCS, which is a next smart city initiative. Due to many infrastructure development initiatives by the government, there are several MNC, IT companies such as TCS, IBM, and Wipro have established their presence in the city. There is a possibility of setting up of STP (Software Technology Parks) in the future which would spruce up economic growth in the city. There is also a planned IIT campus to be developed in the future which augurs well for the city.

Culturally, city boasts of a cosmopolitan feel, as many festivals such as Ganesh Chaturthi, Diwali, and Makar Sankranti are very popular. The city however has fewer educational institutes, as mostly the population comprises of business class of people, however trends are changing, and newer generation is taking interest in pursuing further education. With that view in mind, there are several popular colleges and universities such as Veer Narmad South Gujarat University, NIT which are recognized as important universities by the government, the city also houses well-known Sir PT Sarvajani College of Science, KP College Of Commerce. Surat boasts of local cuisines such as Ghari, Raswala Khaman which are quite popular in the city.



Residential Real Estate Characteristics:

Surat real estate market is predominantly a traders market, with industries such as cotton, textile centres along 150 Ring Roads which cover the Surat city as a whole. There is very less demand for residential sector, as investor sentiments are more biased towards investing in commercial property as it provides more traction in terms of capital price appreciation. Hence there is a lot of underlying stock, spread across the newer areas, such as Palgam, Pal Adajan Road. Old areas such as closer to the textile market. Most of the investors are from Surat, with marginal investors from Tier 1 cities. The most promising areas in Surat are Pal Adajan region located close to Tapi river. Those areas are growth areas for mixed used development. The average capital price are ready for fit-out projects is in the range of ₹3000-₹5700 with less than 1% appreciation q-o-q. The reason for this residential stagnancy is over supply, and lower quality of construction, as the market has been lying stagnant since 3-4 yrs. The areas around 150 Ring Roads consist of commercial and trade pockets, and fewer developments are seen in terms of residential supply. There has been very less traction as far as absorption is concerned. The average capital values are in the range of ₹3400/Sq.Ft.-₹5000/Sq.Ft. for completed projects and ₹3750/Sq.Ft.-₹5750/Sq.Ft. for U/C. Average ROI is dismal at 0.5 % q-o-q.

"Surat market has primarily seen an oversupply in residential sector, since the market has been relatively stagnant since 2014 with average pricing around ₹4000/Sq.Ft. Another reason for this oversupply is that the only top 5 developers have been able to sell of inventory at a faster rate, compared to small developers who have been developing large projects but not been able to sell. During the boom time between 2009-2014, there was a rise of around 25% y-o-y after which the capital values have remained more or less stable. Some of the areas such as Pal, Vesu, Adajan have witnessed a good demand. Organized retail sector which is relatively new, has gained momentum in the terms of regular footfall. Malls such as Iskon Mall have seen a good consumer movement," says **Pritesh (Unnati Realtors)**.

There are very few noted developers such as Vaishnavi Group and Happy Homes, which are seeing very good absorption in their signature projects which are located in TP 9 and TP 14 respectively of Adajan - Pal region. There has been notable infrastructure development two of which being upcoming major bridges running over Tapi River which will have good connectivity connecting Palanpur and Adajan to the trade areas, which will reduce the inter-regional travel time by 15-20 min. The rental and lease model seems to be a hot favorite in the commercial and retail sector, with appreciation of around 40% y-o-y. There is a 70:30 ratio of demand for commercial/residential property, mainly due to its attractive proposition, leading commercial establishments looking into expansion mode, higher rental appreciation so higher activity on the buying scale, service tax rebate for general buyers, to be borne by the tenants, higher lease period. The average rental values are in range of ₹100/Sq.Ft.-₹125/Sq.Ft. on BUA /month. In the commercial sector, the outright purchase on an average is in the range of ₹10500/Sq.Ft. - ₹14000/Sq.Ft. and rental as well as outright sale is getting steady appreciation, and this scenario is likely to remain constant in the future.



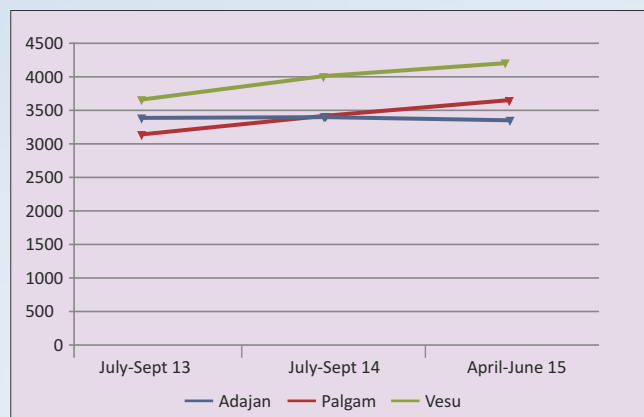


Price of Key Localities

Area	₹ Rates / Sq.Ft.
Adajan	2613 - 4150
Palgam	2916 - 4406
Vesu	3205 - 5109

Source: Coldwell Banker India

Price Trends in certain areas of the city

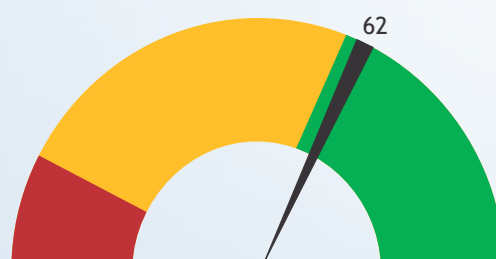


Source: Coldwell Banker India

Livability Index

Factor Scores	Average Scores
Demographic	56.67
Education	25.00
Health & Medical Standards	60.00
Safety	37.50
Housing Option	45.00
Socio Cultural Environment	66.67
Economic Environment	83.33
Planned Environment	70.00
Radiation Index	90.00
Green Index	85.00
Total Average Score	61.92

Source: Coldwell Banker India



The scoring is done on the basis of the above mentioned parameters. The rating is done using a liquored scale of Worst - Best from minimum of 25-100. The average scoring shows a healthy 62 out of 100 which means that the area is fair for living.



ABOUT RAJKOT

Rajkot Facts:

Population	1.2 Million (2011 Census)
Literacy	87.80% (2011)
Sex Ratio (Per 1000)	908
Area in (000)s	170 Sq.Kms.
Density/Km	7058

Rajkot is located in the south west region of Gujarat around 245 Kms from state capital Gandhinagar. The district is surrounded by Bhavnagar and Surendranagar in the east, Junagadh and Amreli in the south, Kutch in the north and Jamnagar in the west. Rajkot predominantly consists of industrial and manufacturing hub, also a centre for education. These are considered as growth drivers of the region. There are many schools, colleges located in the centre of the city, around 2000 schools approximately. Saurashtra University is one of the renowned centres for education offering many streams such as electronics, chemistry, IT, bioscience, and pharmaceutical science to name a few. Overall major of the population are engaged in manufacturing activities. Small and Medium Enterprises (SMEs) such as textile manufacturing, engineering and automobile works, are some of the industries that are in abundance in the region. Rajkot thrives on ancient culture and art work and painting and so one of the known museums "Watson Museum" is located within the city, which has excellent collection of traditional artefacts from the Indus Valley Civilization era.

Culturally people in Rajkot are predominantly vegetarians, and cosmopolitan hub consisting of different ethnicities such as Hindus, Muslims, Christians and Jains. Recently the city has seen a steady economic growth, thanks to the development initiatives of industrial hubs by Gujarat Industrial Development Corporation (GIDC), and Gujarat State Financial Centre (GSFC) where in funds of around US \$ 250 million have already been sanctioned by the World Bank. Also there are several town planning initiatives proposed by the government to transform the ancient city into modern smart city, aligning with smart city vision of Gujarat State. The development is to be made on similar lines of Chandigarh city. Rajkot is also growing up in terms of IT/ITES industries. Several SEZ projects have been planned by the government to boost the economy of the city, thereby allocating regions for such development.





Residential Real Estate Characteristics:

The city has witnessed a surge in the demand for property, due to the tremendous developments in the growth of IT/ITES in the region. The SEZ zones, closer proximity to Dholera port, which is SIR region, all have raised the investor sentiments to greater effect. As more and more Non Resident Gujaratis (NRGs) are pumping in millions to invest in the city. There are several leading real estate industry players who are in process of acquiring huge chunks of land in view of establishing its base in Rajkot. Prime areas in Rajkot include areas such as University Road and Kalava Road which are priced around average ₹5500/Sq.Ft. in 2015, compared to ₹2800/Sq.Ft.-₹3300/Sq.Ft. in the same period year back indicating an exponential appreciation of around 60% in the year. It is anticipated that residential prices are to grow by 30%-40% at the end of the current year.

"Rajkot city has been a very strategic location due to its proximity to cities such as Dwarka, Morbi, Porbandar, and Junagadh. However after the boom period from 2009-2014, real estate has been relatively stable since 2014. The ticket sizes are in the range of ₹25 Lakhs - ₹45 Lakhs. NRI investors mainly known as NRG (Non Resident Gujaratis) from neighboring cities Kathiyavad prefer to own at least one property in Rajkot. The areas closer to central areas such as Mota Mava, Madhapar are generating more demand due to a new development of second Ring Road, other benefit being higher permissible FSI of 3.7," says Atul Rachhi (Fine Properties).

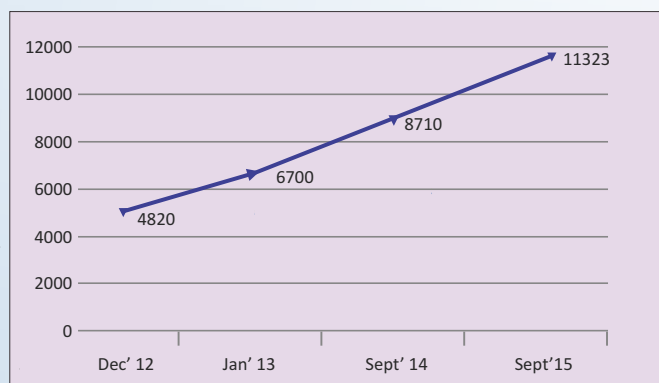
In fact there are many upcoming township projects across Gujarat state and it has signed MoUs to that effect. Leading property developer DLF has expressed interest in investing in port, airport, and other infrastructure projects in Gujarat.

Price of Key Localities

Area	₹ Rates/Sq.Ft.
Kalava Road	5555 - 8333
Jamnagar Highway	2777 - 5500
Morbi Road	1800 - 2500
CBD	5500 - 8000
Panchavati	8500 - 11000

Source: Coldwell Banker India

Historical Price Trends (₹/Sq.Ft.)



Source: Coldwell Banker India



Livability Index

Factor Scores	Average Scores
Demographic	70.00
Education	40.00
Health & Medical Standards	60.00
Safety	70.00
Housing Option	75.00
Socio Cultural Environment	61.67
Economic Environment	75.00
Planned Environment	60.50
Radiation Index	90.00
Green Index	85.00
Total Average Score	68.67

Source: Coldwell Banker India



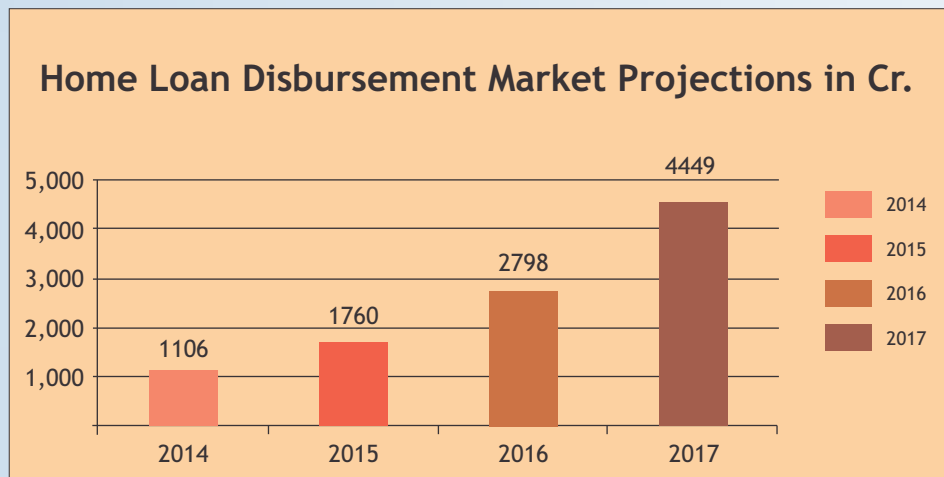
The scoring is done on the basis of the above mentioned parameters. The rating is done using a liquored scale of Worst - Best from minimum of 25-100. The average scoring shows a healthy 69 out of 100 which means that the area is satisfactory for living.





Quantum of home loans disbursed in 3 yrs:

Overall the size of the loan disbursement is more than ₹200000 Cr. amongst the major public sector banks SBI and HDFC in India y-o-y. According to sources from one of the largest bank, Housing Finance Corporation, the reason for such a size of home loan disbursement, is that there are multiple options available for mortgage loan. Currently Gujarat constitutes 8% to the total home loans disbursed in India, constituting of around ₹16000 Cr. y-o- y. The projections home loans disbursed are going on increasing by 59% y-o-y which increased from ₹1106 Cr. monthly in the year 2014 to ₹1760 Cr. monthly in the 2Q 2015.



One of the major banks AHFL mentioned that it booked around outstanding loans account to about ₹1200 Cr. As per sources, the home mortgage penetration into the India's GDP is around 8% which is way lower than developed nations UK, US which account for about 81% and 68% respectively. As per projections, it is expected that by 2017, the home loan market in the state would cross ₹4000 Cr. monthly on an average. As per State Bank Loan Committee records, the loans disbursed in the state in the year 2014 was ₹1100 Cr., which increased to ₹1760 Cr., rise of 59% y-o-y. Our understanding is that more people are opting for loans, due to transparency in the transaction process, clarity with regards to completion. One of the leading Banks Aadhar is projecting the loan book of ₹1200 Cr. monthly. Due to the recent update by the RBI norms, the reduction in the repo rates by 50 bps or 0.5% will definitely enable the home loan lending ratio, thereby sprucing up the buying interest.



NRI Buyers Outlook

Vibrant Gujarat has attracted many investments across Gujarat especially along the North East-South East belt. The state has seen an investments of more than ₹1 Lakh Cr., specifically in SIR in Dholera region, SEZ, GIDC zones which are seen as major growth centres, improving the economy. GIFT city is another IT zone. Most NRI investments are seen in the cities, like Surat, Vadodara, Ahmedabad, Gandhinagar, and Rajkot. The smart city initiatives by the government have prompted NRIs to invest in real estate market. Overall there are many social infrastructure development initiatives like creating industrial hubs, commercial hubs, improving on the social infrastructure, like schools, hospitals, community services. NRI buyers overall are investing mostly in residential sector in cities like Ahmedabad, Vadodara and Surat. In the cities surveyed, mostly NRIs are investing in township projects, villas as their second home. Few of investors are also leasing out properties as average rental appreciation is in the range of 10%-12%. The areas for NRI investment in Vadodara such as Alkapuri, Gotri, Vasna -Bhayli Road, as there are more than 100 ongoing projects and closer proximity to the Mumbai-Ahmedabad Expressway and other commercial and IT hubs along the expressway road. In Surat, the NRI investment is generally seen in the projects which offer luxurious amenities and also in reputed developers such as Vaishnav Developers, Happy Homes and so on, who have collectively delivered about more than 80 projects successfully. The value added services such as one time maintenance fees, concierge services, allotted parking, are few amenities that leading developers offer and are attractive to the NRI investors. Other areas of NRI investment include areas around Gandhinagar-Sarkhej Highway further north as major developers like Godrej and Adani Group have come up with 200 acres and 600 acres of development respectively, where NRIs comprise of 10% of the total investment.

There is a preference for second homes also by NRI buyers who prefer lavish bungalows and villas in a gated township projects.

Average brokerage offered in Primary and Secondary Market

As per sources, in a primary market and secondary market, the brokerage offered by sellers is 1% which is standard overall across all the cities surveyed.

Market	Period
Lease Market	1-2 yr Lock-in Period
Rental Market	1 month Refundable Deposit and advance rent

Sources: Coldwell Banker India





Value of Primary Market and Secondary Market

Market Share	%	Total Gujarat Real Estate Market Size (₹ in Cr.)
Primary Market	30%	27,216.00
Secondary Market	70%	63,504.00

Sources: Coldwell Banker India

The real estate market in Gujarat is around ₹ 130000 Cr. (\$180 Billion). Overall Gujarat contributes around 18% which is the second highest compared to other states. Residential sector share is around 70% which is around ₹ 90000 Cr. As per sources the primary market is around 30% where as secondary market around 60% is followed by online selling which is around 10%. Tabulating further the Primary market size is around ₹28000 Cr. and Secondary market is around ₹64000 Cr. This includes REITs, PE investors in the pie share. However not much lease activity in the secondary market, in residential sector in cities such as Surat, Vadodara, Rajkot, Ahmedabad and Gandhinagar. However overall the residential scenario in Gujarat comprises of mix of lease and end users, with balance tilted towards the end users. As per sources, there is an average supply of more than 50000 units in Ahmedabad y-o-y and an average absorption of around 60%. As per sources there are around 300 ongoing projects spread across Ahmedabad tabulating and apportioning the absorption, we tabulated the supply and absorption scenario of units in selected cities while extrapolating the scenario using the base data. Overall it is anticipated that there is an oversupply of units spread across cities and it would take around 12-15 Qtrs to offload an inventory. Overall the Gujarat state is poised to become the second biggest powerhouse after Mumbai in the coming future.



About Livability Index:

The livability index plays an important role in understanding the quality of life in the particular region. It also helps to understand whether the region is suitable for sustainable and comfortable living. The components help us to make a definitive understanding for living potential in the city. The following factor scores and the component parameters are considerations taken in scoring the quality of life in the particular region. The cities considered here are Ahmedabad, Gandhinagar, Vadodara, Surat and Rajkot. These are major growth centres in contributing to the Gujarat state. Each of the following parameters are measured on the basis of visiting the areas and an approximation is made to the effect to ascertain the scoring.

Factor Scores	Component Parameters			
Demographic	Population	Migration	Labor Participation	
Education	Education Level	Occupation Level		
Health & Medical Standards	Health Parameters	Health Support Infrastructure		
Safety	Crime	Road Accidents		
Housing Option	Housing Cost & Availability	Urban HH Crowding		
Socio Cultural Environment	Supporting Infrastructure	Natural Environment	Cultural Environment	
Economic Environment	Income & Environment	Economic Infrastructure	Business Environment	Purchasing Power
Planned Environment	Communication	Transportation		
Radiation Index	Communication Tower			
Green Index	Provision of Green Spaces	Use of Environmentally Friendly Materials		

Source: Internal Research commissioned for Coldwell Banker India

GIFTC: Gujarat International Finance Tec-City

GIDC: Gujarat Industrial Development Centre

SIR: Special Investment Region

SEZ: Special Economic Zone

AHFL: Aadhar Housing Finance Ltd.

IT/ITES: Information Technology/Information Technology Enabled Services





Coldwell Banker India Perspective

- Overall Gujarat real estate scenario looks positive with average 10% annual appreciation in the residential sector
- With the infrastructure developments such as GIFT City, areas around Ahmedabad city and Sarkhej-Gandhinagar Highway are the key hotspots for investment in these areas
- City like Surat are showing more demand in the commercial sector with ROI on the rental as well as outright purchase of 10% and 15% annually
- City like Vadodara are showing more interest in the residential sector activity and good annual appreciation of around 6%-7%
- The real estate market size in Gujarat is worth around close to ₹130000 Cr., including PE investors and Primary investors
- More organic growth & development activity is seen around the six lane expressway connecting the cities from Surat to Ahmedabad, as many MNCs like Abbott, TCS, L&T are already established in around GIDC pockets which are spread across the state
- The buying trend is changing for major cities like Ahmedabad, Gandhinagar, Vadodara, where the demand is more for township projects developed by reputed builders
- Overall 30% investors are from Mumbai investing in the major cities like Vadodara, Ahmedabad, Gandhinagar
- General trends observed, top developers claim nearly 10% of investors are NRIs
- Overall the state is comprising of manufacturing sector. In fact about 31% accounts for manufacturing sector followed by IT, ITES, Finance and other sectors
- Amongst the industry pie, agriculture contributes 14%, Forestry, Fishing, Mining & Quarrying contributes about 4%, Manufacturing to about 31%, Banking and Insurance about 10%, Trade, Hotels, Transport, Storage & Communication about 24%, and 17% on Electricity, Gas, Water & Construction



- The demographic diversity is quite evident for different cities. Surat comprises of people majorly business class, Ahmedabad and Gandhinagar consists of migratory mix of working class and business class, Vadodara majorly consists of working class population and MIG segment. Rajkot city consists of a mix of business class and working class
- Brokers' sources say that the general trend is not likely to change in 3-4 yrs with overall supply in the residential sector
- However there is unlikely to be any price correction in the near future as per the sources, due to a steady capital and rental appreciation
- Relatively the capital values are showing very less spikes as per the sources, and are stable across all five cities surveyed
- Across all the cities surveyed, the average capital prices are in the range of ₹40 Lakhs - ₹60 Lakhs
- The cities around DMIC corridor are seen to be fast developing compared to other cities along the North-East, South-East regions
- Compared to city like Mumbai, overall Gujarat state looks promising in terms of its growth trajectory due to the implemented infrastructure projects and stricter delivery measures initiated by the government

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This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.



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