

**Market Assessment Study for the Residential Development  
on E M Bypass, Kolkata, West Bengal, India**

For

**Apeejay Group**

By

**Anarock Property Consultants Private Limited**

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### List of Abbreviations

CBD	Central Business District
Cr.	Crore
DCR	Development Control Rules
EM Bypass	Eastern Metropolitan Bypass
GC	Ground Coverage
INR	Indian National Rupees
Km	Kilometre
M, m	Meter
Mn	Million
NH	National Highway
ROW	Right of way
SH	State Highway
sq. km. ; sqkm ; sq km	Square Kilometer
sq. m. ; sqm ; sq m	Square Meter
sq. yd.	Square Yard
Sq. ft.	Square Feet
KMDA	Kolkata Metropolitan Development Authority
KMA	Kolkata Metropolitan Area
KMC	Kolkata Municipal Corporation
WBSEDCL	West Bengal State Electricity Distribution Company Limited

### Conversion of Units

1 Hectare	2.4711 acres
1 Acre	43,560 sq. ft.
1 Acre	4046.9 sq. m.; 4,840 sq. yds.
1 Acre	60.5 Kathas
1 Katha	720 sq. ft.
1 sq. km.	247.11 acres
1 sq. m.	1.196 sq. yds.
1 sq. m.	10.764 sq. ft.
1 metre	1.0936 yds.
1 metre	3.28 ft.

## 1. PROJECT APPRECIATION

### 1.1 Assignment Background

**Apeejay Group** (herein referred as '**Client**') is contemplating to conduct market assessment study for the Residential Development on E M Bypass, Kolkata, West Bengal, India. (hereinafter referred to as '**Subject Site**').

In context of the above-mentioned development, Client wishes to **prepare a market assessment report** for the proposed development at the Subject Site.

**ANAROCK Property Consultants Pvt. Ltd.** (hereinafter referred to as '**Consultant**') given their significant real estate experience offers to undertake this assignment.

### 1.2 Scope of The Study

The Client has a land parcel on E.M Bypass, near Science City, Kolkata, where they have planned to develop residential apartments among other usage. The Client would like the Consultant to undertake the Market Assessment Study for the Residential Development on E M Bypass, Kolkata, with an overview of the residential real estate trends at India level.

The components of the study will include the following –

#### Part I: Brief Overview of India Residential Real Estate Market

1. Residential Real estate overview for Top 7 cities in India (MMR, NCR, Bangalore, Chennai, Hyderabad, Pune and Kolkata). This will include annual residential absorption trend & outlook in terms of Sqft & Units by cities. [Note: This includes primary transactions only i.e. excluding resale transactions]
2. Long term growth drivers & growth forecast (at India level that could be inferred as applicable to top 7 cities as common drivers for urban situations for different residential segment (affordable & mid-income AND Premium & Luxury).
3. General Trends in Residential Indian Real estate [Top 7 cities in India] and impact due to policy level changes.

#### Part II: City Profile and Macro-Market Assessment of Kolkata

4. Overview of the City
  - Key statistics of the city.
  - Qualitative & quantitative appreciation of the city in terms of their strategic location and regional importance.
5. Demographic and Socio-economic Characteristics of the City
  - Demographic characteristics of the city and the micro-market.
  - Break-up of population based on socio-economic categorization (to the extent data available).
  - Future outlook on the overall demographic characteristics vis-à-vis the city.
6. Infrastructure Development Initiatives



- Major infrastructure projects in the micro-market - both proposed and ongoing.
  - Implication of the above infrastructure projects on the proposed development.
  - Specific impact analysis of select infrastructure initiatives.
7. Residential Real Estate in Macro-market
- Supply and Sales indicators across various markets of Kolkata;
  - Price trends across various markets;
  - Future outlook and growth pattern.

### Part III: Study of the Residential Sector in the Micro-Market

8. Overview of residential market in the micro-market of the subject site i.e the E. M Bypass;
9. Profiling of the prominent similar projects in and around the subject property and the subject micro-market.

The profiling and the analyses will be undertaken based on the following parameters -

- Format and positioning of the development
  - Location and off-site infrastructure
  - Amenities/features of these projects
  - Typology and unit sizes
  - Pricing and break up (Base, PLC, Floor Rise, Parking, etc.)
  - Price movement over the years
  - Sale velocity of the projects
  - Market Response.
10. Future outlook in terms of supply, pricing and sale velocity.

#### 1.3 Disclaimer

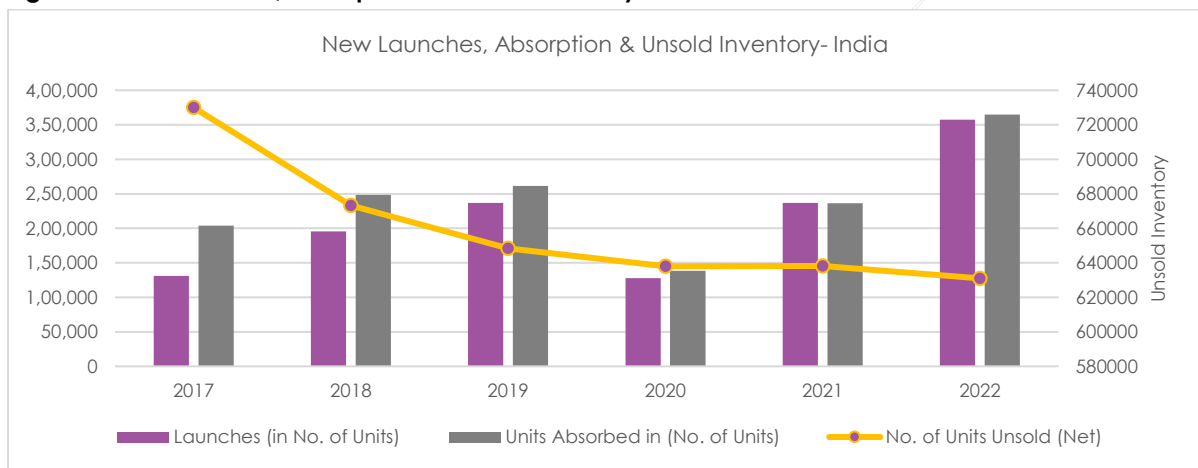
Our liability for this exercise (whether arising from negligence or whatsoever) is as mentioned in the Consulting Services Agreement. In no event, **Anarock Property Consultants Private Limited**, or any of their subsidiary companies, shall be held responsible or liable for indirect or consequential damages whether arising from indirect or consequential damages.

**2. RESIDENTIAL REAL ESTATE - INDIA**

India Residential Real Estate sets new records in 2022 despite all headwinds; witnesses strong yet restricted new supply, record-breaking housing sales across top 7 cities and all-time low inventory overhang. The top 7 cities recorded new unit launches of around 3,57,600 units in 2022 as against nearly 2,36,700 units in 2021, an increase of 51% over the previous year. Total new launches in 2022 remained lower than the previous peak of 2014 when 5.45 lakh+ units were launched in top 7 cities. Key cities contributing to 2022 new unit launches included MMR (Mumbai Metropolitan Region), Hyderabad, Pune, and Bengaluru, altogether accounting for 86% of the total addition. Residential sales stood at 3,64,900 units in 2022 against 2,36,500 units in 2021 across the top 7 cities – rising by 54% on a yearly basis. Housing sales in top 7 cities created a new peak in 2022, breaching the previous high of 2014 when the top seven cities accounted for 3.43 lakh unit home sales. NCR, MMR, Bengaluru, Pune, and Hyderabad together accounted for 90% of the sales in 2022.

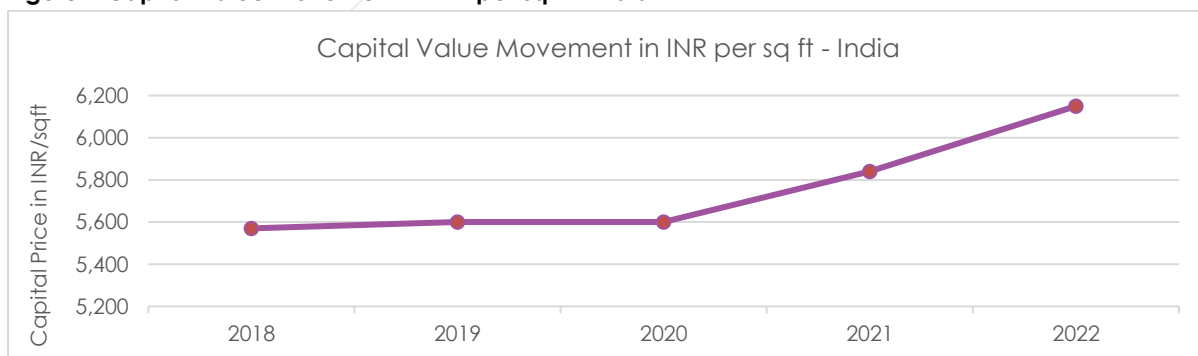
Residential property prices across the top 7 cities witnessed considerable growth an average of 4-7%. Despite the fear of recession, stock market volatility and global inflationary trends, the sales have increased significantly and prices are anticipated to continue to rise.

**Figure 1 New Launches, Absorption & Unsold Inventory- India**



Source: Anarock's published reports

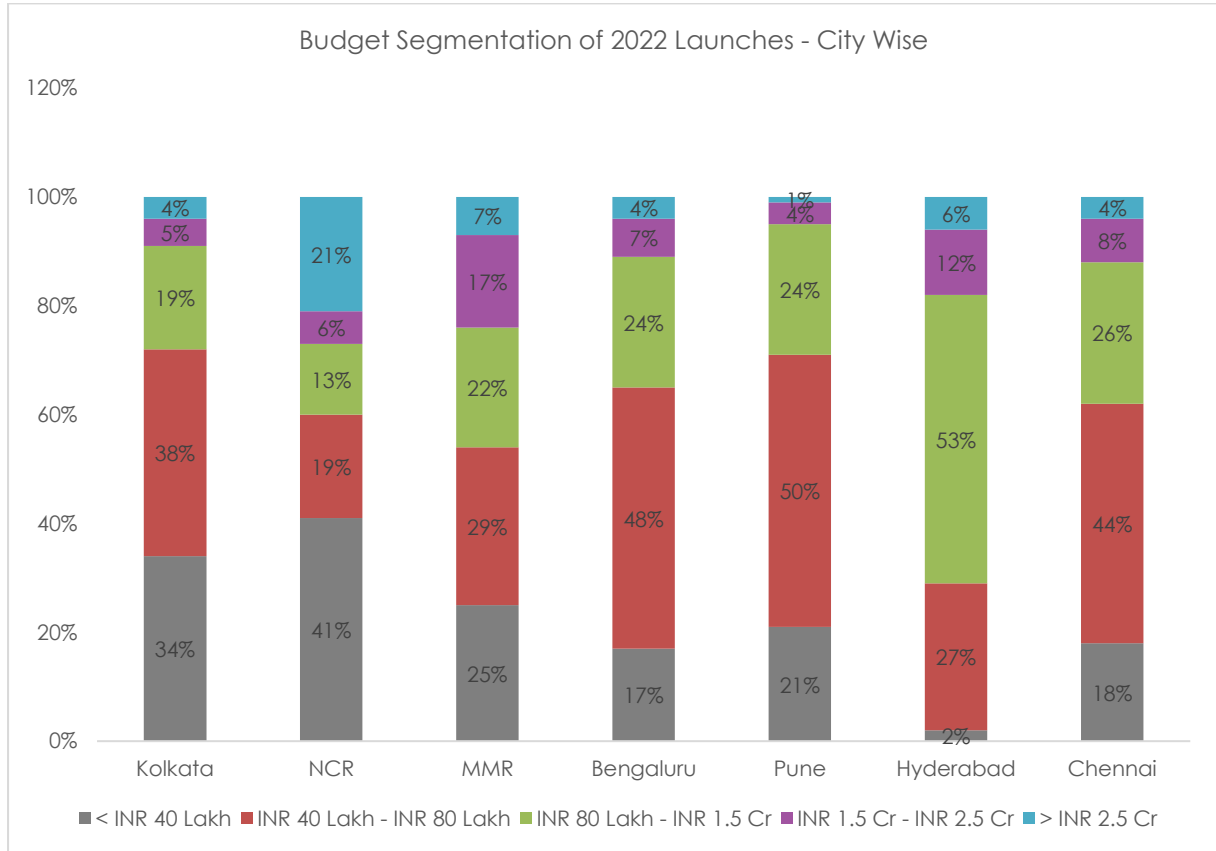
**Figure 2 Capital Value Movement in INR per sq ft - India**



Source: Anarock's published reports



**Figure 3 Budget Segmentation of 2022 Launches - City Wise**



Source: Anarock's published reports

### 3. KOLKATA OVERVIEW

#### 3.1 Overview- West Bengal

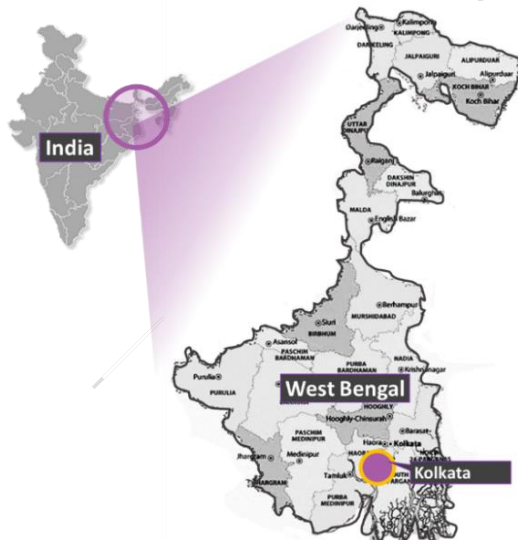
West Bengal is a state in East India, fourth-most populous state in the country, with over 91 million inhabitants and a land area of 88,750 square kilometres. A part of the ethno-linguistic Bengal region, it borders Bangladesh in the east and Nepal and Bhutan in the north. It also shares border with five Indian states namely Odisha, Jharkhand, Bihar, Sikkim, and Assam. The state enjoys a strategic location w.r.t to the eastern coast of India, large hinterland including the states in north-east of India, sharing borders with three other countries.

The locational advantage of West Bengal makes the state a traditional market for eastern India, the Northeast, Nepal and Bhutan. It is also a strategic entry point for markets in Southeast Asia. West Bengal has abundant natural resources of minerals and suitable agro-climatic conditions for agriculture, horticulture and fisheries. It is in vicinity to mineral rich states namely Jharkhand, Bihar and Odisha. It offers excellent connectivity to rest of India in terms of railways, roadways, ports and airports. The most commonly spoken language is Bengali. Hindi, Santali, Urdu and Nepali are the other dialects popular in the state.

West Bengal is India's sixth largest state in terms of economic size and the largest in East India. Its Gross State Domestic Product (GSDP) is expected to reach Rs 14.44 trillion (US\$ 206.64 billion) in 2020-21. Average annual GSDP growth rate is estimated at 12.62 per cent between 2015-16 and 2020-21. The gross state domestic product (GSDP) expanded at a CAGR of 12.75% over 2015-16 to 2018-19.

Kolkata Metropolitan Area (KMA), which is one of the largest metropolitan area in India spread over four districts – part of 24 Parganas (N), 24 Parganas (S), Howrah and Hooghly districts. KMA consists of 3 municipal corporations, 39 municipalities and 24 Panchayat Samitis.

**Figure 4 Location of Subject Site in Regional level**



**Source:** Google Map; Anarock Research, 2023

Subject Site is located along EM Bypass area in Kolkata city of West Bengal. The locality is well connected via EM Bypass, Rashbehari Ave. Connector and Kalikapur Road. Site area has good connectivity to CBD of the city via Maa flyover. Upcoming metro line will further boost regional connectivity to Garia, Sector V, New Town and Airport area. Prominent residential nodes like Garia, Jadavpur, Ruby-Kasba, Slat Lake, etc. are close to the site area. The locality is well connected to Acropolis mall, ITC hotel, JW Marriott, Peerless hospital, Fortis Hospital and other social & physical infrastructure facilities.

**3.2 Connectivity and Linkages**

Kolkata City is well connected by all means of transport. The table below summarizes the connectivity & linkages including internal communication and large infrastructure / industrial initiatives.

**Road** – The road network in KMA consists of regional roads including five National Highways apart from arterial, sub-arterial, collector and local roads.

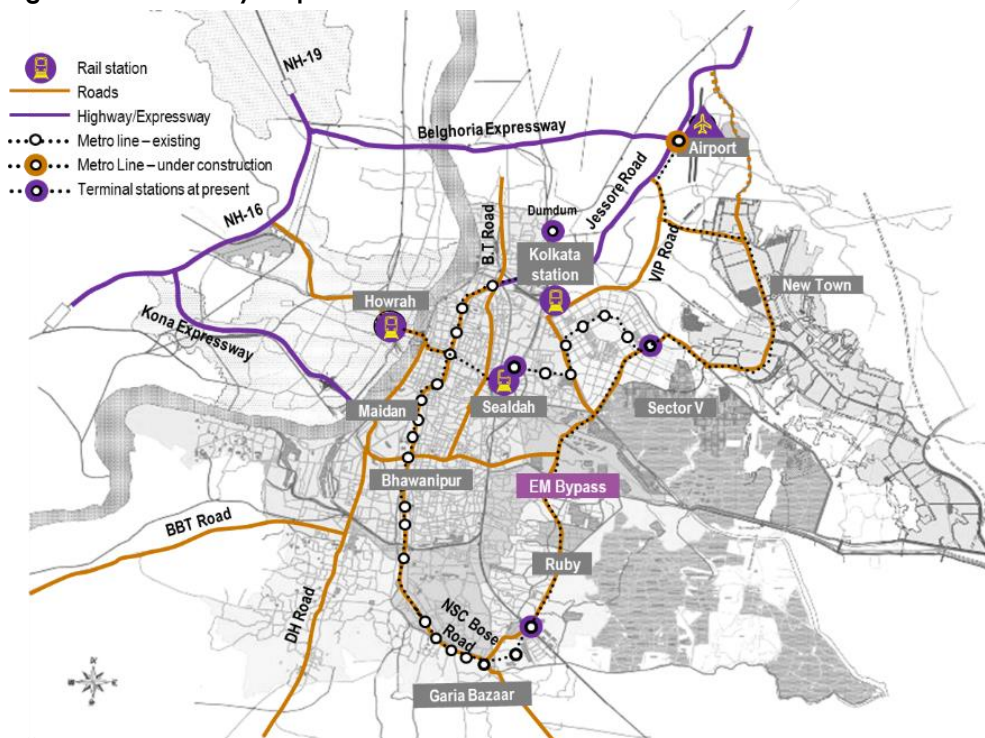
**Air** – The city has an international airport named Netaji Subhas Chandra Bose International Airport, with regular flights from & to important destinations both in India and abroad.

**Rail** – The city is served by four major stations, viz. Sealdah and Kolkata under the dominion of KMC and Howrah and Shalimar, which come under the jurisdiction of HMC and connect it to all major Indian cities.

**Metro** - City has metro rail network of 27.22 km runs underground as well as over ground, along the north-south direction from Garia in the south to Noapara in the north.

**Others** - The River Hooghly running in the north-south direction with Kolkata on the eastern side and Howrah to its west and offers huge potential for passenger movement and freight transport between the two cities.

**Figure 5 Connectivity Map**



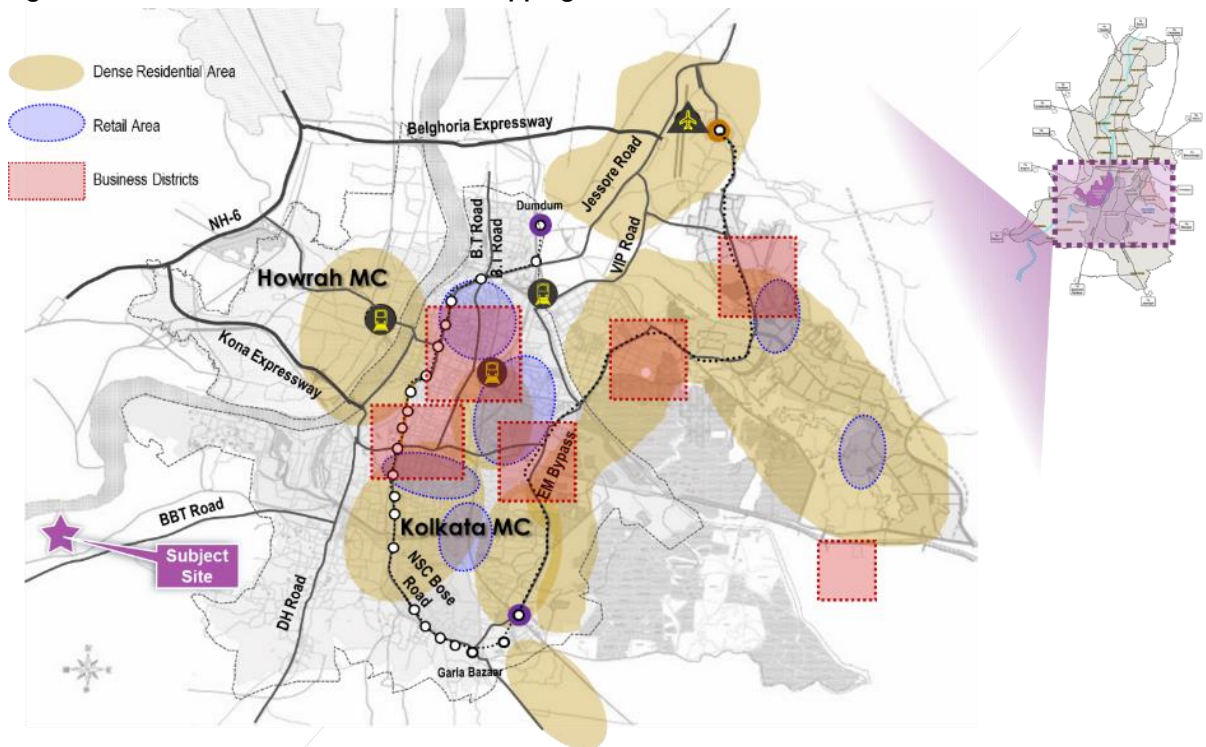
Source: Google Map; Anarock Research, 2023

**4. RESIDENTIAL REAL ESTATE MARKET ANALYSIS - KOLKATA**

The Kolkata Metropolitan Area is the third most populous metropolitan area in the country after Mumbai and Delhi. Often considered a dormant market interestingly Kolkata has the third largest GDP (PPP adjusted)<sup>1</sup> in the country. The city is slowly and steadily picking up and gearing its economy to various sectors other than its traditionally stronger manufacturing sector.

Kolkata and Howrah are twin cities. Old developments along the banks of river Hooghly in Kolkata and Howrah have a similar rhythm. Kolkata is the primary city in the eastern half of the country and has the facilities of a Tier I city at competitive values of a Tier II city. This chapter will provide an overview of the various real estate sectors, namely residential, commercial, retail, and hospitality to ascertain the likely growth trends and future of the city from a real estate perspective.

**Figure 6 Real Estate Sectors of Kolkata - Mapping**



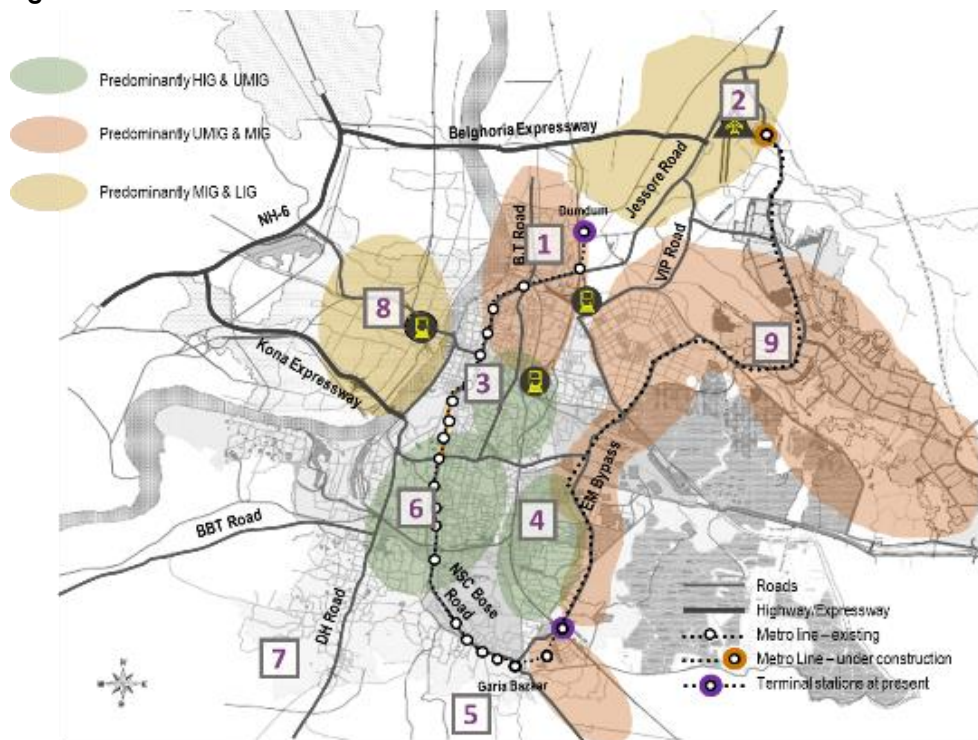
Source: Google Map & Anarock Research, 2023

**4.1 Residential Sector: Micro Market**

During the earlier days, northern Kolkata had been the stronghold of the Bengali hereditary upper-class. The landed gentry, businessmen, intellectuals and professionals. These properties are mostly located in areas such as Shovabazar (or Shobha Bajar), Shyambazar (or Shyam Bajar), Creek Row, parts of Central Avenue, Beadon Street and Tala. From the central areas of Kolkata, areas such as Park Street, Loudon Street, Free-school Street, and to areas south of it, up to Alipore, was the inhabited primarily by the British and the Anglo-Indian community. With the independence of India and the ensuing partition of its territory, a large immigrant population came over from the erstwhile East Bengal (present Bangladesh). Today the generally recognized upper-class residences are located at Ballygunge, Alipore, Jodhpur Park and New Alipore regions in the south of the city. In fact, the whole of the southern part of the city has developed predominantly after independence.

<sup>1</sup> Global Metro Monitor - An Uncertain Recovery 2014, Brookings Institution

**Figure 7 Residential Sector Overview: Macro Market**



Source: Google Map & Anarock Research, 2023

**Table 1 City Zoning of Kolkata**

#	Zone Name	Important Locations
1	North Kolkata	Lake town Northern avenue, Dum Dum park, VIP Road
2	Northern Suburbs	Birati, Madhyamgram, Sinthee, Sodepur
3	Central Kolkata	Park Street, AJC Bose Road
4	South-east of Kolkata	Ballygunge, Southern Avenue, Gariahat, Bhowanipore, Lansdowne Golf Gardens, Jadavpur, Santoshpur, Tollygunge Metro, Jodhpur Park
5	South-eastern Suburbs	Naktala, Garia, Baishnabghata
6	South - west of Kolkata	Alipore, New Alipore Behala
7	South western Suburbs	Parts of Behala, Thakurpukur, Joka Parts of Maheshtala
8	Western Suburbs	Howrah Bali, Belur, Konnagar
9	East of Kolkata	Salt lake, Phool Bagan, Rash Behari Connector E. M. Bypass New Town Rajarhat

Source: Google Map & Anarock Research, 2023

**4.2 Residential Sector: Trends**

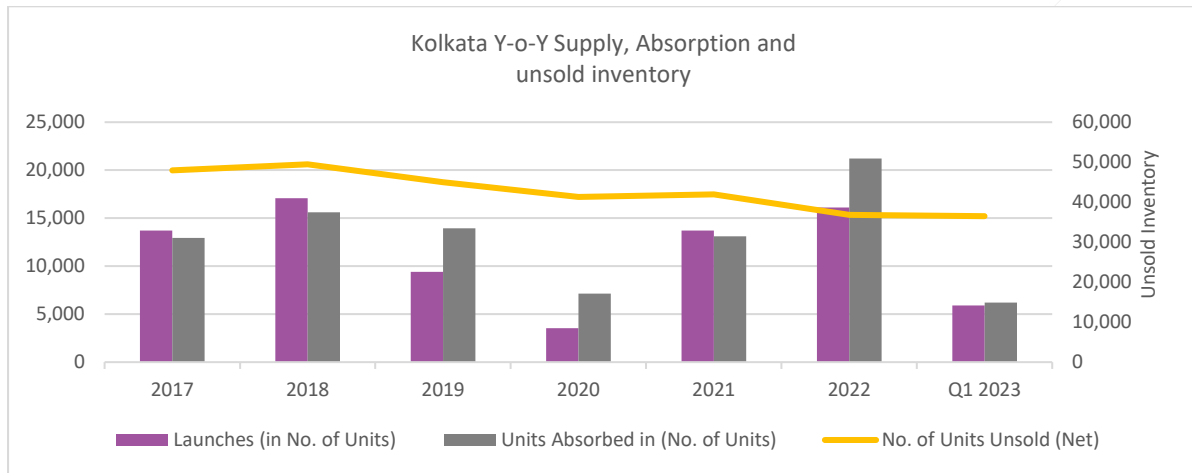
There has been a stagnancy in the Capital Values of the overall market of Kolkata from 2017 to 2021. However, from 2021 onwards prices started moving upwards. Significant price appreciation has been witnessed from 2021 to 2022 at the rate ~4% on a yearly basis. In Q1 2023, the overall base prices have slightly increased.



Despite the rise in home loan interest rates, strong home buying trend has continued in Kolkata in 2022. Extension of stamp duty cut rebate by West Bengal government boosted residential property sales in Kolkata, resulting 68% YoY growth.

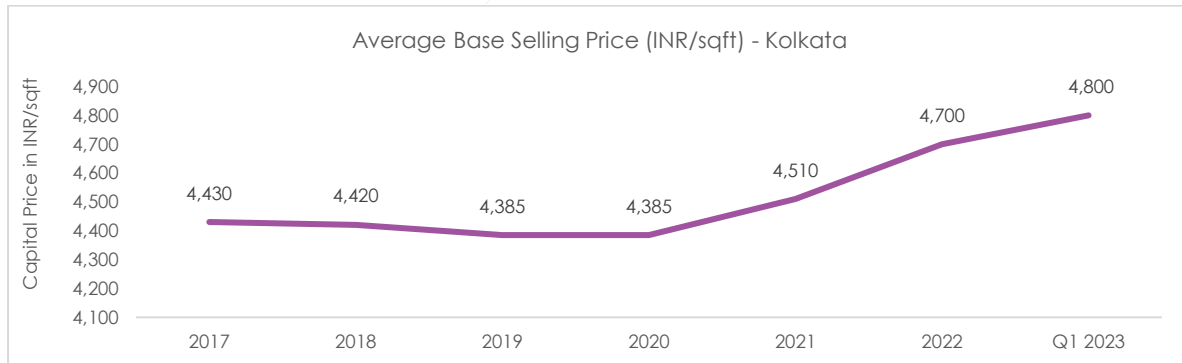
Approximately, 34% of new launches added across the city during last year have come in the affordable housing segment (units priced < INR 40 Lakh). Considering the quantum of available stock in the <INR 40 Lakh price bracket, developers have restricted launching newer projects and focused on clearing the stock-in-hand. This is visible in the reduction of affordable available stock by 4,700 units over the past 12 months – from 27,900 units in Q4 2021 to 23,200 units in Q4 2022. Ticket sizes between INR 40 to 80 Lakh, has seen highest number (approx. 38%) of launches in 2022. Till Q1 2023, approximately 70% of new launches are in the bracket of INR 40 to 80 Lakh. The demand for premium housing is on the rise in Kolkata and this trend is likely to continue in 2023.

**Figure 8 Kolkata: Year Wise Supply, Absorption and Unsold Inventory**



Source: Anarock's published reports

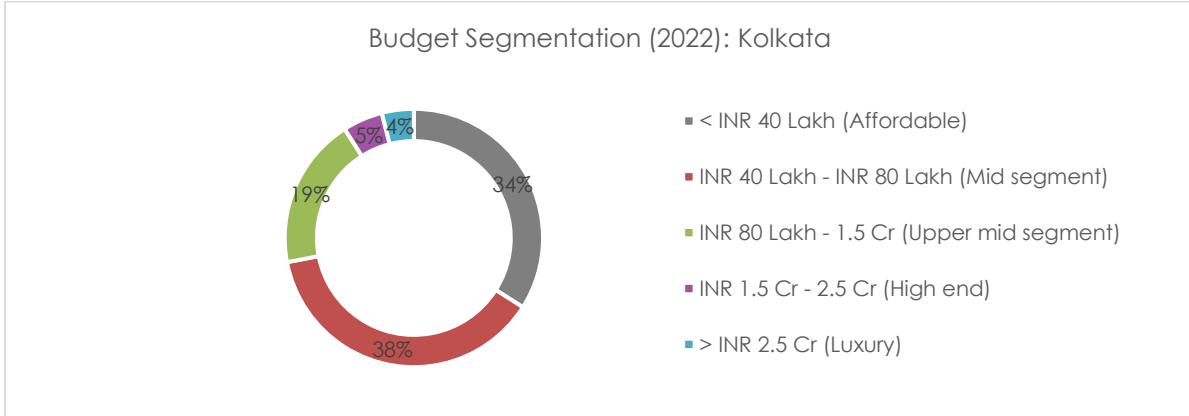
**Figure 9 Kolkata: Average Base Selling Price**



Source: Anarock's published reports



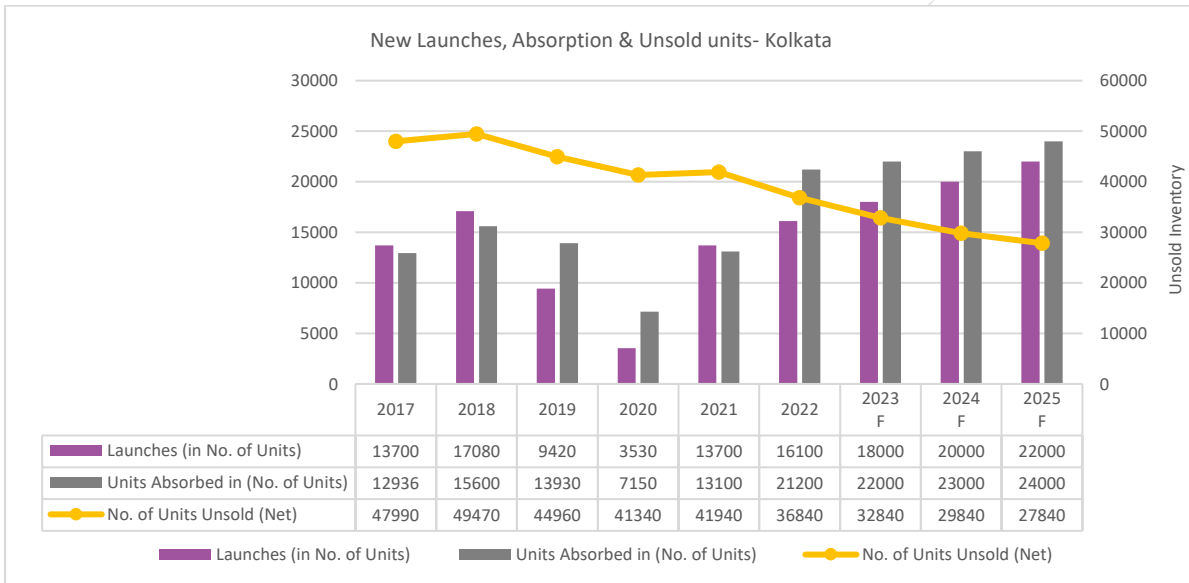
**Figure 10 Kolkata: Budget Segmentation (2022)**



Source: Anarock's published reports

### 4.3 Residential Sector: Forecast

**Figure 11 Kolkata: Residential Sector Forecast**



Source: Anarock Research 2023

#### Key Growth Drivers

- Established sectors of IT/ITeS, Manufacturing, etc.
- Large hinterland
- High talent pool
- Affordable Housing availability
- Nuclearization of the families
- Strong Infrastructure backdrop

#### Future Trends

- After 2022, gradual rise in absorption till 2025, specially in INR 40 to 80 Lakh segment.
- Rise in new launches. In Q1 2023, city registered a marginal rise from the preceding quarter.
- Unsold units overhang will be reduced.
- The demand for luxury housing is expected to increase as city's affluent class showing interest in luxury projects.

#### Future Trends

- Approx. 20,000 to 23,000 units / year are expected to be sold in Kolkata for the next 3-4 years.

### **New Launches**

- Approx. 18,000 to 22,000 units / year are expected to be launched in Kolkata for the next 3-4 years.
- Approx. 40%-50% of the new launches are expected from Tier-1 developers.

## 5. SERVICED APARTMENT PROJECTS

### 5.1 Serviced Apartment Projects (Residential developed under Commercial Usage)

Table 2 List of Serviced Apartment Projects

Parameters	1. Vivara	2. One Rajarhat
Location	EM Bypass	New Town, AA-I
Developer Brand	Mani Group	Anik Industries
No. of Units	50	242
Year of launch	2013	2018
Present Stage	Completed	Almost completed
Pricing (INR/ sq.ft)	Base Rate - 15,500 to 16,500	Price – 10,000 – 12,000
Unit Size in sq.ft. (SBUA)	4BHK: 7,752 4BHK: 8,715 Penthouse: 14,576	2BHK: 1244 sq.ft 3BHK: 2070 sq.ft 4BHK: approx. 3000 sq.ft
Absorption	70-80%	Over 95%

Source: primary data procured from developers., 2023

### 5.2 Luxury Residential Projects (Ticket Size - 6 to 10 Cr.)

Table 3 List of Luxury Residential Projects (Ticket Size - 6 to 10 Cr.)

Parameters	3. The ICON	4. Orbit Victoria	5. PS Anassa	6. Trump Tower	7. Atmosphere
Location	Shakespeare Sarani	Shakespeare Sarani	Tangra	EM Bypass	EM Bypass
Developer Brand	Kish Realty	Orbit Group	PS Group	Unimark & Tribeca	Forum
No. of Units	26	23	136	108	82
Year of launch	2018	2015	Under Construction	2017	2011
Present Stage	Possession 2023	Completed	Possession 2023	Possession 2023	Completed
Pricing (INR/ sq.ft)	Base Rate 18,000	Resale Price - 16,000 to 20,000	Base Rate 16,000	Base Rate 16,000 to 18,000	Resale - 20,000
Unit Size in sq.ft. (SBUA)	4BHK : 4,292 4BHK : 3,977	4BHK : 4,300- 5,100	4BHK : 2,084- 2,566 5BHK : 3,659	3BHK: 1,691 to 2,081 (Carpet) 4BHK : 1,956 to 2,312 (Carpet) 5BHK : 2,286 to 2,704 (Carpet)	4BHK: 5,925 to 6,205 5BHK: 6,427 to 9,238
Absorption	Almost sold out	sold out	80%	Above 90%	90%

Source: primary data procured from developers., 2023

**5.3 Luxury Residential Projects (Ticket Size less than 6 Cr.)**
**Table 4 List of Luxury Residential Projects (Ticket Size less than 6 Cr.)**

Parameters	8. Urbana (Phase 2)	9. PS Reserve	10. Orbit Ekam
<b>Location</b>	Anandapur	AJC Bose Road	Ballygunge
<b>Developer Brand</b>	SouthCity Group	PS Group	Orbit Group
<b>No. of Units</b>	610 (Phase 2)	119	30
<b>Year of launch</b>	Possession on 2022	2016	2018
<b>Present Stage</b>	Under construction, Possession in 2027	Possession in 2023	Completed
<b>Pricing (INR/ sq.ft)</b>	Base Rate – 11,500	Base Rate 19,500 (Built-Up)	Base Rate 18,000 to 19,000
<b>Unit Size in sq.ft. (SBUA)</b>	3BHK: 2430 to 2750 sq.ft 4BHK: 3730 to 4470 sq.ft	4, 5, 6, 8 BHK : 2,762 to 10,000 (Built-Up)	4BHK : 3,350 5BHK : 3,800
<b>Absorption</b>	10%	70%	60%

Source: primary data procured from developers., 2023

## 6. KEY TAKEAWAYS

### Location

- Serviced and Luxury apartments in the specified segment (Ticket size of INR 6 crores and above) are prominent in 2 micro markets (CBD area and Prime stretch of E M Bypass)

### Format & Size

- Segment of luxury single apartments with configuration of 3 BHK & 4 BHK are most popular. Buyers generally prefer apartment size ranging between 2,000 to 3,500 sqft.

### Amenities

- Club house, Swimming Pool, Lounge, Gymnasium, Banquet Hall, Spa, Game Room, Infinity Pool, Jacuzzi, Badminton Court, Basketball Court, Tennis Court, Movie Theater.

### Brand Names

- Serviced Apartments are few – only Mani Group & Anik industries have projects. However, in luxury residential segment, Tier I developers like Mani Group, Forum Group, Orbit, PS Group, etc, are involved.

### Pricing

- Luxury apartments in main city – INR 18,000 – 25,000 sq.ft.
- Luxury apartments in EM Bypass area – INR 12,000 – 18,000 sq.ft.

### Sale Velocity

- Ticket Size between 6 to 10 Cr.: Average of approx. 7 units are sold per year for a project or a particular phase of a project in its early stage. Later on, sale velocity may go upto 20 per annum. Over the entire project period, the average sale velocity is typically around 10-12 units per year.
- Ticket Size 3 to 6 Cr.: Average of approx. 25 units are sold per year for a project or a particular phase of a project in its early stage. Later on, sale velocity may go upto 60 per annum. Over the entire project period, the average sale velocity is typically around 40-50 units per year.

## 7. REFERENCE

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