



News Release

SUPPLY OF PREMIUM RESIDENTIAL HOUSING AT 367,000 UNITS BY 2011

Residential report across 7 major cities indicates development over 533 million sq ft of premium residential property between 2009- 11

With 92,202 housing units, NCR will be the largest contributor. Mumbai will be second largest with 72,906 units

Mumbai, 23th November, 2009: Leading independent global property consultancy – Knight Frank India Pvt Ltd today released its latest research study on the country's residential market - "Residential Market Review Q3 2009". Knight Frank's research findings indicate that out of the total housing unit supply which is 367,000 units across 7 major cities, the National Capital Region (NCR) will be the largest contributor with 92,202 housing units equating to 160.16 million sq.ft of fresh supply of residential space followed by Mumbai with 72,906 units equating to approximately 80.61 million sq.ft by the end of 2011.

With the resurgence witnessed in the global economy, particularly the real estate sector, Knight Frank further estimates that 75% of the present and future residential supply will focus, to a great extent on the 2 and 3-BHK housing units being built. The report closely examines potential residential supply across several key city regions by the end of 2011.

"Our research has shown that during the slump there has been a price correction across several cities from 10% to as much as 40%. Since March 09, residential property prices have again increased by 10-30%, but this phenomenon is limited to cities like Mumbai and Bengaluru. It is not a country wide phenomenon. Many developers are targeting the mid-income group in key metros with housing units that are priced to suit their needs. The year 2009 witnessed several withdrawals with regard to housing demand and corresponding supply. However, Knight Frank's extensive research reveals that as the real estate sector's growth continues to improve, the country would witness a supply of 138,000 residential units in 2010, which would be 57% more than the supply seen in 2009. " says **Mr.**



Gulam Zia, National Director - Research & Advisory Services, Knight Frank India.

Commenting on the residential research report, **Mr. Anand Narayanan, National Director – Residential Agency, Knight Frank India** said, “Our studies have revealed several interesting trends with regard to the residential sector. One of the most important trends emerging is the increased focus of developers on 2&3-BHK housing units from the 4&5-BHK and penthouses witnessed few years back.”

The trend of growth across key metros is divided as follows:

| Distribution Pan India Supply 2009 - 11 | | Housing Units (in '000) | Housing Development (million sq ft) |
|---|------------|-------------------------|-------------------------------------|
| Chennai | 9% | 33 | 45.4 |
| Bengaluru | 10% | 38 | 72.1 |
| NCR | 25% | 92 | 160.1 |
| Hyderabad | 15% | 53 | 87.2 |
| Kolkata | 7% | 25 | 31.9 |
| Mumbai | 20% | 73 | 80.6 |
| Pune | 14% | 53 | 54.2 |

A closer examination of the city of **Mumbai** reveals the following:

The report divides Mumbai residential market into 6 micro-markets, namely the Island city, the Western Suburbs, the Central Suburbs, the Extended Suburbs, Thane and Navi Mumbai. All these markets are estimated to witness an infusion of approximately 80.61 million sq.ft comprising around 72,906 housing units of new residential space by the end of 2011. Out of the total upcoming supply, 46% will be available in 2010.

| Distribution of Supply 2009 – 11 (Mumbai) | |
|---|-----|
| Island City | 6% |
| Western Suburbs | 37% |
| Extended Suburbs | 7% |
| Central Suburbs | 13% |
| Thane | 19% |
| Navi Mumbai | 18% |

About Knight Frank:

Knight Frank India was started in 1995 and today has presence across 7 principal metros across the country. It has delivered more than 3,000 valuation reports and over 1,500 consultancy assignments. Knight Frank India provides a comprehensive range of real estate related services covering residential, commercial, land, investments, hospitality & leisure, valuation, advisory services, facilities management and project management. For further information, please visit www.knightfrank.com.

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