



<b>Residential Overview</b>	<b>Commercial Overview</b>	<b>Residential Roundup</b>	<b>Key Residential Project Launches</b>	<b>Commercial and Retail Roundup</b>	<b>Key Commercial and Retail Transactions</b>
-----------------------------	----------------------------	----------------------------	---	--------------------------------------	---

### Overview

- The Reserve Bank of India reduced the cash reserve ratio (CRR) of scheduled banks by 25 basis points from 4.75 per cent to 4.50 per cent of their net demand and time liabilities (NDTL) effective the fortnight beginning September 22, 2012. Following this a few nationalized banks cut home loan rates marginally.
- As inflation remained sticky, the primary focus of monetary policy by the RBI was the containment of inflation and anchoring of inflation expectations.
- A reforms package was announced by the government to spur economic growth. Some of the key measures announced include allowing 51% FDI in multibrand retail, 49% FDI in aviation. The cabinet also approved an increase in foreign direct investment in some broadcasting services from 49% to 75% and announced the disinvestment in four major PSUs: Oil India, Hindustan Copper, Nalco and MMTC. It also allowed FDI in power sector.
- The opening of FDI in multi-brand retail will pave the way for the much-awaited entry of foreign retail giants such as Walmart, Tesco and Carrefour into the retail market, although their footprint will be limited to million-plus cities (as per Census 2011) in states which have agreed to back the measure.

### Residential Overview

- The Mumbai residential markets continued to witness an upward movement in prices. There were a few new launches in the Mumbai residential markets and more launches are expected towards the festive season. Despite the Maharashtra government's recent decision to levy a 5% Value-Added Tax (VAT) on buyers of flats, shops and bungalows between June 20, 2006 and March 31, 2010, there continued to be a lack of clarity on the same.
- Pune markets also witnessed an upward momentum with the basic price of a 2 BHK flat in Pune reaching INR 50 lacs. There exists a demand - supply mismatch in the market with most of the launches at the high end and the demand prevailing at the lower and medium end of the retail spectrum.
- In the NCR region, Gurgaon markets saw a stability in capital and rental values in the GCR and GCR extension pocket. However, marginal uptrend in capital values was seen in certain projects on the Dwarka Expressway belt. Maximum transaction volumes were witnessed in the Dwarka Expressway belt.
- Bangalore markets witnessed good momentum with a few new launches and healthy absorption. Chennai markets saw a pickup of activity in the micromarkets of OMR, Chrompet and Perumbakkam. The market is expected to remain stable in terms of capital values and rentals in the coming month.

### Commercial Overview

- While most of the business districts in Mumbai commercial markets witnessed fairly stable rental and capital value trends, BKC saw an uptrend in values. Demand remained robust for the smaller floor plates. Lamborghini unveiled its second store at Prabhadevi and Hamleys in the Infinity Mall, Malad. Bharti Retail launched its third Easyday Market store in Mumbai at Glomax Mall, Kharghar.
- In the Delhi NCR region, rental/ capital values remained largely stable in the CBD and SBD, however, an uptrend of approximately 5-8% was seen in the PBD of Gurgaon. Vacancy levels remained low in the CBD of Connaught Place, PBD locations of MG Road and Golf Course road. The vacancy levels continued to be high in Jasola and the Sohna Road. Slightly heightened leasing activity was witnessed in Gurgaon. Big Bazaar leased out approximately 40,000 sqft. area on the Sohna Road.
- In Bangalore markets, the rentals and capital values remained stable in the CBD region during the last quarter, while the peripheral regions witnessed an appreciation of 3%-5% in Grade-A commercial space. In Chennai, increased supply in the CBD and off-CBD markets kept the rentals under pressure, showing a stable trend. The peripheral regions continued to maintain stable rentals due to relatively higher vacancy levels.

### Residential Roundup

City	TOP 7 CITIES : RESIDENTIAL KEY TRENDS
<b>Mumbai</b>	<p>Due to the high inherent demand in the residential market and supply being constrained, property rates in Mumbai have crossed the peak levels. The Mumbai Metropolitan Region Development Authority (MMRDA) has proposed to complete the Phase I (Wadala - Chembur) 8.26 kms monorail, which will reduce the travel time from 40 mins to 19 mins. This development would increase the property prices across the stretch which includes Tilak Nagar, Kurla, Chunabatti and Wadala Junction.</p> <p>Prabhadevi witnessed the launch of "Crown Tower III" by DB Realty, "Acropolis", a joint venture by Bhoomi group and Arkade Group was launched in Virar comprising of 1, 1.5 and 2 BHK with a price range of approximately INR 20 - 30 lacs. Besides this, the Mumbai markets are expected to witness a few launches towards the festive seasons of Navratri and Diwali.</p>
<b>Delhi NCR</b>	<p>Gurgaon witnessed a few project launches on Dwarka expressway belt and the extended Golf Course Road. While Godrej and Ramprastha group launched their projects at sectors 104 and 37D respectively, offering units in the price bracket of INR 5000 - 5550/sft. along the expressway belt, Brahma Group launched its plotted development project on the Golf Course Road extension stretch, with units priced at approximately INR 75,000/sft. The capital and rental values, remained stable in the GCR and GCR extension pocket. Marginal uptrend in capital values has been noticed in certain projects on the Dwarka Expressway belt. Maximum transaction volumes were witnessed in the Dwarka Expressway belt.</p> <p>The land acquisition issues afflicted Noida extension region has once again been re-named as Greater Noida West, in order to mitigate the negative sentiments associated with the region. While a marginally optimistic market sentiment has seeped in, buyers are still exercising caution regarding investing in this location. Maximum transaction activity in Noida was witnessed along the expressway belt and in plotted developments at the Yamuna expressway belt. The capital/rental values have largely been stable across the entire region.</p>
<b>Bangalore</b>	<p>The realty market in Bangalore showed signs of strengthening, with new projects launched during September 2012, receiving a good response. The region of North Bangalore witnessed two new pre-launches. Prestige Developers did a pre-launch of 'Misty Waters' located near Hebbal, at a price of INR 5,500/sft. The project has approximately 550 units. Mantri developers also had a pre-launch of their project "Mantri Aura", on Hennur Road. The project was priced at INR 3,990/sft. and is offering a 'No-Pre-EMI Scheme' until possession. Both projects have received a good response.</p> <p>Phoenix Mills, the Mumbai based developer launched 'One Bangalore West', located at Rajkumar Road, near Yeshwantpur. The project was launched at INR 6,500/sft. and received an overwhelming response. The project houses approximately 450 units. The project is currently priced at INR 8,100/sft. The eastern corridor of Whitefield continues to evince end-user interest. This micromarket witnessed launches in the premium segment.</p>
<b>Chennai</b>	<p>The Chennai residential market witnessed a moderation in absorption levels during the month of September 2012, vis-à-vis the previous months. This maybe attributed to the rising prices of products across micromarkets. Certain areas have witnessed an appreciation to the tune of 15%-20% over the last three quarters.</p> <p>There were new launches witnessed in the micromarkets of OMR, Chrompet and Perumbakkam. The market is expected to remain stable in terms of capital values and rentals in the coming month. We expect an improved off-take in the coming festive season.</p>
<b>Hyderabad</b>	<p>There were no new launches in the month of September 2012. The sales have witnessed a moderation, vis-à-vis the previous month. However, prices of select under construction projects of reputed developers located at prominent locations such as Kukatpally and Miyapur have witnessed an appreciation to the tune of approximately 5% over the last quarter. Rental values have remained stable across most locations, except a few locations like Himayathnagar, Begumpet, Somajiguda and Kukatpally, which have witnessed a mild appreciation of approximately 3%-5% over the last quarter.</p>
<b>Pune</b>	<p>The Pune market witnessed a demand-supply mismatch with most of the new launches at the high end, while demand was witnessed at the lower end. The market continued to see heavy investments from Mumbai residents as well as from the NRI category. India Realty Excellence Fund managed by Motilal Oswal Private Equity Advisors, Supreme Universal and Mirchandani Group is expected to develop over 16 acres of land in Somatane in Pune for villas and apartments. Godrej properties in partnership with Mosaic Landmarks will develop a housing project in Undri. Spread across 8.64 acre, the project will comprise of 2, 2.5, 3 BHK apartments and penthouses.</p>
<b>Kolkata</b>	<p>No noticeable rise in capital/rental values has been witnessed in Kolkata, as compared to the month of August 2012. However, a slightly heightened activity in the number of transactions was seen in the market. A project named 'Active Greens' by Ruchi Developers was launched at the EM Bypass offering units at approximately INR 5,000/sft. Maximum transaction activity was witnessed in the Rajarhat and EM Bypass belt.</p>

Source : ICICI PSGs Channel Sources

### Key Residential Project Launches

	PROJECTS	DEVELOPER	LOCATION	CAPITAL VALUE (INR/SFT.)
Bangalore	One Bangalore West	Phoenix Mills	Rajkumar Road	6,500
	Skylark Arcadia	Skylark Mansions	Off Hoodi Circle.Whitefield	1.73 Crore/unit Onwards
Delhi / NCR	Primera	Ramprastha Developers	Sector 37D, Gurgaon	5,000
	Summit	Godrej	Sector 104, Gurgaon	5,550
	Brahma City	Brahma Group	Sector 62 - 65, Gurgaon	75,000 /sq.yds
Chennai	Hill View Avenue	Naveen Builders	Chrompet	3,900
	Altius	Malles Constructions	Perumbakkam	4,800
	Vanilla	Sri Janani Homes	OMR	35 Lacs/unit Onwards
Mumbai	Samukh Hills	Riddi Siddi Group	Kandivili (E)	9,500
	Parinee Adney	Parinee Group	I C Colony	9,250
	Parinee Essence	Parinee Group	Kandivili	7,500
	Wood Wind	P R Developers	Andheri (E)	14,250
	Crown Tower	D B Realty	Prabhadevi	26,000 30,000
Hyderabad	No New Launches			
Pune	Astonia Classic	Amit Ent	Pisoli	3,300-3,700
	Selva Ridge Estate	Marvel	Bawdhan	6,500
	Trum Tower	Panchshil	Kalyani Nagar	20,000
	F Residences	Brahmacorp	Kalyani Nagar	5,500
Kolkata	Active Green	Sruichi Developers	EM Bypass	5,000

Source : ICICI PSGs Channel Sources

### Commercial And Retail Roundup

City	TOP 7 CITIES : COMMERCIAL AND RETAIL KEY TRENDS
<b>Mumbai</b>	<p>Rentals in Nariman Point remained fairly stable and the micromarket did not witness any new commercial launches. Abundant availability of Grade A offices in BKC allowed office spaces the vacancy levels to approximately 22%. The project "One BKC" by Wadhwa Group, offering small office spaces of approximately 1500 sqft., has witnessed decent traction. The capital values remained stable across most of the other business districts. An upward trend was witnessed in BKC as it is one of the most preferred business districts. Demand for small office spaces was significant.</p> <p>The group company of Bayer comprising of Bayer Pharmaceuticals and Bayer Material sciences have their headquarters in Powai. They are planning to bring all the operations in Thane by buying the new 1,60,000 sqft. office building at Andani. Andani are planning around INR 125 cr.</p> <p>High street and mall rentals remained stable, projecting a stable Mumbai retail market. Construction is on full swing on the next phase of Nirmal Lifestyle at Mulund and Rcity2 mall in Ghatkopar. International brands such as Lamborghini unveiled its second store at Prabhadevi and Hamleys in Infinity Mall, Malad. Bharti Retail, a wholly owned subsidiary of Bharti Enterprises, launched its third easyday Market store in Mumbai at Glomax Mall, Kharghar, near Kharghar railway station, Navi Mumbai, spread across 36,000 sqft. of well laid out shopping area.</p>
<b>Delhi NCR</b>	<p>The markets did not witness any new significant project launches during the quarter. In terms of leasing transactions, heightened activity was witnessed at the PBD locations of MG road, Golf Course Road and Sohna Road in Gurgaon. The vacancy rate continued to remain low in the CBD of Connaught Place, as there was no influx of new supply; whereas the locations such as Jasola and Sohna Road (Gurgaon) continued to witness the high vacancy levels. While the capital and rental values remained stable in the CBD (Connaught Place) and SBD (Jasola, Nehru Place and Saket) locations; the rentals witnessed an uptrend in the range of 5-8% at the MG Road, Golf Course Road and the Sohna road, as compared to the same in Q1 FY 2012. No major activity was witnessed in the PBD of Noida and rental/capital values largely remained stable vis-a-vis the last quarter.</p> <p>This quarter did not witness any new mall supply, however, supply is expected to come-up in the subsequent quarters. The mall rentals remained stable across most of the micro-markets except for certain locations of Gurgaon, which witnessed a marginal uptrend.</p>
<b>Bangalore</b>	<p>The rentals and capital values remained stable in the CBD region during the last quarter, while the peripheral regions witnessed an appreciation of 3%-5% in Grade-A commercial space.</p> <p>In the retail markets, a majority of the high-streets have witnessed a rental appreciation to the tune of 5%-7% during the last quarter, due to the lack of quality available space. City centric malls are operating with over 90% occupancy levels.</p>
<b>Chennai</b>	<p>The Chennai office market has remained relatively stable. Increased supply in the CBD and off-CBD markets kept the rentals under pressure, showing a stable trend. The peripheral regions continue to maintain stable rentals due to relatively higher vacancy levels. Nearly 75% of Grade A office stock was dedicated to IT/TeS office space mainly located at OMR (IT Corridor) and Ambattur. Demand for office space was driven by the IT/ITES sector, with absorption witnessed in the suburban markets of Manapakkam and Ambattur. Project completions in suburban and peripheral locations have slowed down with developers awaiting commitments for their under-construction inventory.</p> <p>In the retail markets, the high streets continue to witness a shortage of quality space and malls located with the CBD/off CBD region have low vacancy levels. Malls located in the peripheral areas have not witnessed any significant traction due to the prevailing location dynamics.</p>
<b>Hyderabad</b>	<p>The Central Business District (CBD) comprising of Begumpet, Somajiguda, Punjagutta and parts of Banjara Hills remained fairly stable in rental and capital values. Commercial leasing activity in the Secondary Business District comprising of Jubilee Hills, parts of Banjara Hills, Ameerpet, Himayath Nagar and Sarojini Devi Road remained weak. There were no new launches witnessed in this market. Occupier focus continued to shift towards the IT and Extended IT corridor, with availability of commercial projects with large floor plates at attractive rental values.</p>
<b>Pune</b>	<p>The absorption of office space in Pune witnessed a decline of approximately 20% due to the cautious approach by short term investors in IT and ITeS. Office rentals are expected to be under pressure as fresh supply will increase the vacancy levels of Pune.</p> <p>Due to sizeable vacancies, mall rentals remained stable in most of the malls in Pune. However, high streets such as MG Road and JM Road witnessed an increase of around 8% q-o-q due to lack of good space options</p>
<b>Kolkata</b>	<p>The commercial markets did not witness any new significant office space supply getting added and the absorption levels remained subdued in the Q2 FY 2012-13. The vacancy levels remained stable over the previous quarter. The peripheral business locations of Salt Lake and Rajarhat remained the preferred leasing locations on account of affordable rentals and IT/TeS sector remains the key occupier of spaces. Rentals remained stable in almost all the micro markets except in the CBD where a marginal appreciation was marked. The overall market sentiments stagnated during the quarter.</p> <p>Due to shrinking supply in malls, the high streets (particularly in the CBD) witnessed increased enquiries from retailers, consequently causing a slight upward pressure on the asking rentals at these locations. As the lack of supply persists, international retailers seemed interested in pre-committing in the under-construction malls.</p>

Source : ICICI PSGs Channel Sources

### Key Commercial And Retail Market Transactions

	TENANT	BUILDING NAME	LOCATION	OUTRIGHT / LEASING	AREA (SFT.)
Bangalore	Axis Aerospace	Vaswani Centropolis	Langford Road	Leasing	25,000
	Ellucian	Prestige Zeenath	Richmond Road	Leasing	32,000
	Bodhtree	Umiya Business Bay	Outer Ring Road, Sarjapur	Leasing	61,000
	CarlZeiss	HM Infocity	Electronic City - Jigani Corridor	Leasing	1,20,000
Delhi / NCR	Big Bazaar	Spaze Edge	Sohna Road	Leasing	40,000
	Agility Logistics	Temple Steps	Guindy	Leasing	19,500
Chennai	Emirates	Prestige Palladium Bayan	Greams Road	Leasing	8,000
	GE Converteam	Ramaniyam	Guindy	Leasing	40,000
	Marico Industries	Grand Palladium	Kalina	Leasing	60,000
Mumbai	Audi	Synergy	Prabhadevi	Leasing	36,000
	J M Financial	Synergy	Prabhadevi	Leasing	1,25,000
	Hamleys	Infinity Mall	Malad	Leasing	9,000
	Easy Day	Glowmax Mall	Khargar	Leasing	36,000
	High Radius	Independent Building	Kondapur	Leasing	10,000
Hyderabad	Innopark	Cyber Pearl	Madhapur	Leasing	18,500
	Infinite Computer Solutions	My Home Hub	Madhapur	Leasing	20,000
	DBS	Fortune Centre	Model Colony	Leasing	25,000
Pune	TATA Motors	NA	Baner	Leasing	60,000
	A To Z Insurance Brokers	Mira Tower	Sector V, Salt Lake	Leasing	3,000

Source : ICICI PSGs Channel Sources

#### DISCLAIMER

The information set out in this document has been prepared by ICICI Home Finance Company Ltd. based upon projections which have been determined in good faith by ICICI Home Finance Company Ltd. There can be no assurance that such projections will prove to be accurate.

ICICI Home Finance Company Ltd. does not accept any responsibility for any errors whether caused by negligence or otherwise or for any loss or damage incurred by anyone in reliance on anything set out in this document. The information in this document reflects prevailing conditions and our views as of this date, all of which are subject to change. In preparing this document we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources or which was provided to us or which was otherwise reviewed by us. Past performance cannot be a guide to future performance.

No reliance may be placed for any purpose, whatsoever on the information contained in this document or on its completeness. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially.

This document is being communicated to you solely for the purposes of providing our views on current market trends. This document is being communicated to you on a confidential basis and does not carry any right of publication or disclosure to any third party. By accepting delivery of this document each recipient undertakes not to reproduce or distribute this presentation in whole or in part, nor to disclose any of its contents (except to its professional advisers) without the prior written consent of ICICI Home Finance Company Ltd., who the recipient agrees has the benefit of this undertaking.

The recipient and its professional advisers will keep permanently confidential information contained herein and not already in the public domain. This document is intended to constitute legal, tax, securities or investment advice, or opinion regarding the appropriateness of any investment, or a solicitation for any product or service. The use of any information set out in this document is entirely at the recipient's own risk.