

A large, realistic hand is shown from the top left, gently holding a miniature model of a modern apartment building. The building is light purple with yellow balconies and blue window frames. The background is a soft, out-of-focus white. The hand is positioned as if presenting or supporting the building. The building is centered in the frame, and the hand's fingers are visible around it. The overall composition is clean and professional, suggesting a focus on real estate and market analysis.

National Market Review – Q3-2008



➤ About The Company:



Coldwell Banker Goodwill Consultants are a leading real estate & relocation company based in Mumbai offering a wide range of real estate based services to various Corporates, MNC's and high net worth Individuals.

Coldwell Banker® Goodwill Consultants are a part of the well known international real estate Firm, Coldwell Banker®, a brand that is more than 100 years old, started in the United States of America, to provide quality Real Estate Services to make the Home Ownership Dream of Millions of Americans come true.

When Colbert Coldwell and Benjamin Banker partnered in the early 1900's, their common goal was to provide honest, knowledgeable and reputable real estate services through a company built on integrity and professionalism. This common goal, has built Coldwell Banker into one of the world's premier real estate organizations. For over 100 years today, our company, Coldwell Banker® has maintained its original, principled vision of providing honest and exceptional service to our clients.

In 1998, Cendant expanded the Coldwell Banker® brand under both an affiliate and company-owned business model. The affiliate company quickly grew in secondary and tertiary markets, and now concentrates on expanding in major markets. The brand development has resulted in Coldwell Banker Commercial being one of the top globally recognised commercial real estate entities.

In India Coldwell Banker® Goodwill Consultants assists clients in a number of ways –

➤ Coldwell Banker - The Residential:



The purchase of a home is one of the biggest investments people will make in their lifetimes. But it is also among the greatest sources of anxiety. To fulfil your dream of making an Indian Home to come true, you need an expert guidance to help you in your process to purchase the right home. For this job, Coldwell Banker® Goodwill Consultants are a great place to begin with.

➤ Coldwell Banker - Commercial:



Coldwell Banker® Goodwill Consultants offers a complete portfolio of property types and service lines that puts clients first and gives more than they expect from a commercial real estate professional. Property types dealt in include, Hospitality Sector, Industrial Land, Shopping Malls, Retail, IT Parks, Open Land, etc.

Services offered include Acquisition and disposition, Auction, Brokerage, Transaction Management, Capital Services, Construction Management, Corporate Services, Investment Analysis, Market Research, Property Development, Property & Facilities Management, Relocation services.

➤ Coldwell Banker – Previews:



In India, the Coldwell Banker Previews Program, has their property listings in some of the most luxurious and elite properties, available to those who require nothing but the best. Whether it is finding the right home for the Corporate Head Honcho, or for diplomats of various foreign consulates in India, to the Creme-de-la-Creme of the Indian Society, we have fulfilled their aspirations for their dream home, and given the opportunity, we look forward to serving those, for whom, luxury means a necessity.

➤ Coldwell Banker - Concierge Services :



The Coldwell Banker Concierge Service Program was developed to put the Customer in touch with local service providers to help them obtain the variety of services associated with buying, selling or owning a home. From home repair and home maintenance to complete home renovation, we help customers with all of their real estate needs.

For further information please visit our websites

<http://www.coldwellbankergc.com>

<http://www.coldwellbankercommercialgc.com>

<http://previews.coldwellbankergc.com>

Coldwell Banker Goodwill Consultants provides various services with respect to properties, to investors and occupiers. We offer Customised solutions, with local knowledge, and global expertise, delivering services, to suit each customer individually.

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➤ News This Quarter:



From discovering little-known market opportunities to delivering value with measurable results, we provide local market knowledge in conjunction with a full range of services to fit the specific needs of clients. No one covers the Indian Commercial Property Market as we do.

This quarter's issue talks about the current Indian market scenario, with an over view of what the realty scenario is like in the metro cities.

➤ Current Indian Market Scenario:

Not everyone is unhappy about the way real estate prices are moving up in the country. In fact, there's reason for cheer for some who live in the periphery!

Would you have thought five years back that your property in Indirapuram in NCR, Lower Parel in Mumbai, Old Madras Road in Chennai or Bellary Road in Bangalore would fetch you such high returns? Maybe not. These locations may not have been commanding a premium then, but today the rates here have jumped manifold.

A phenomenal level of growth, in locations such as Noida in NCR, Lower Parel and Juhu in Mumbai and many areas in North East Bangalore such as Hebbal, R T Nagar, Bellary Road, Yelahanka and Cox Town have seen a rise.



➤ RBI's Move To Raise Rates:



The realty industry, which is already smarting under a sluggish demand and price correction, feels that RBI's move to raise the repo rates and cash reserve ratio, would tighten the liquidity crunch for developers. Hence dampening user demands and putting pressure on home loan rates.

Since, real estate companies are currently grappling with dwindling sales, correction in land prices, and rising input costs, even as they face a liquidity squeeze. In such a scenario, if banks hike the interest rates on home loans further, the residential demand is likely to get hit.

Moreover, developers will now have to look towards other sources of funds, which could be on higher rates, thus impacting the cost-benefit ratio of developing companies.

This increase in home loan rates will certainly have a detrimental effect on the mid and upper-end segment of home buyers.

➤ Detailed Overview Of – Mumbai Real Estate Market:



Mumbai had witnessed an overall stabilization of capital and rental values in the first quarter of 2008, which has continued into the second quarter as well.

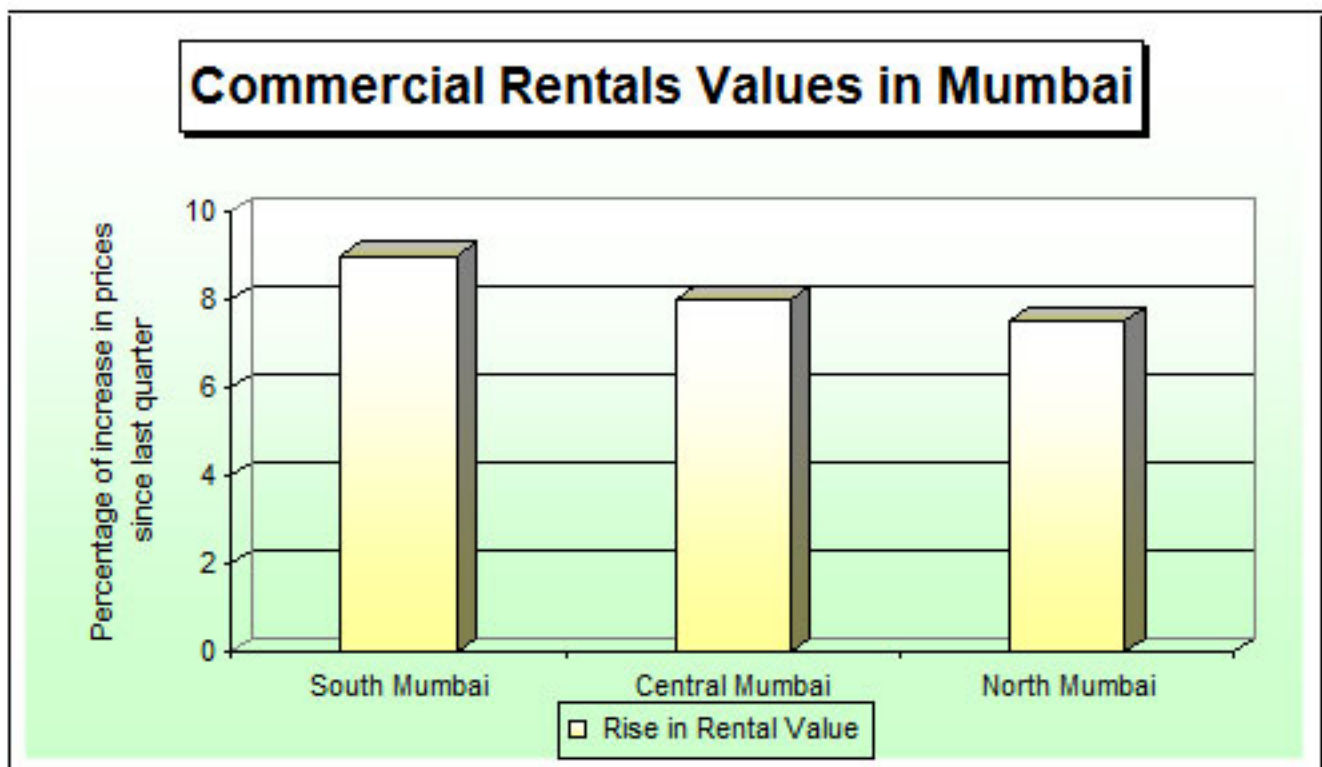
Rental values across Mumbai have stabilized over the last six months, with a marginal increase in the certain high demand markets. Locations in Central Mumbai such as, Worli, Prabhadevi and Lower Parel witnessed an increase of 7 to 8% in rental values, while the Western Suburbs; Andheri, Malad and Goregaon saw an appreciation of around 5%.

As compared to the previous quarter, capital value in Mumbai has now stabilized. However, locations in South Mumbai like Colaba, Cuff Parade, and Nariman Point have witnessed a marginal increase of approximately 3-5% in capital values. Though demand for residential apartments continues to remain strong, the constant rise in interest rates on home loans along with the anticipation of correction in property rates has made buyers and investors adopt a wait and watch strategy.

➔ Detailed Overview Of – Mumbai Real Estate Market:

Over the next quarter, capital rental values in Mumbai shall continue to witness stabilization on accounts of upcoming supply, increasing interest rates and inflationary pressures, all of which will impact the buyers purchasing decisions. Locations like Powai, Bandra and Central Mumbai can expect a marginal increase of 5 to 7% in both rental and capital values.

Along with this, residential developments in the northern suburbs of Goregaon, Kandivali, Malad etc, along with peripheral locations of Vashi and Thane are expected to witness an increase in demand from the middle income group due to lower capital values and better amenities. Where as, South and Central Mumbai is expected to maintain the buoyancy in demand for higher income groups.





➤ Detailed Overview Of –Delhi & The NCR (National Capital Region)



Commercial rentals in Delhi and the National Capital Region are expected to stabilize in this quarter as supply is set to increase Gurgaon and Noida. With a decrease of 25% in office rentals in the previous quarter, it is likely that the values of grade A and B properties in the city shall not see a change, in this quarter.

With the retail boom and increasing return on investment from the real estate market, the value of Delhi properties have been sky-high since long. The Delhi real estate builders are taking the drop in prices as a positive change, since many of their projects are lying vacant for quite a while now.

Space crunch has been the prime reason for the change in commercial property values in the city. But, with a lot of expected supply in the Delhi-NCR market over the next two quarters, rentals are likely to trim down more in the city. Jasola being one of the few remaining places where land is available in Delhi, it will continue to add more space in the coming time to the Delhi property market.

None the less, residential values have only increased by 10-15% over the last quarter, despite a slump in real estate all around. It is said that the number of people putting their bungalows up for redevelopment, has also increased manifold and people should expect rates to go up even further in the coming months.

Apartments are being sold in the range of Rs 4 crore to Rs 10 crore depending on the size and location. There is also a significant rise in the number of apartments that are now available, or under construction in various areas of South Delhi such as Vasant Vihar, West End, Defence Colony, Gulmohar Park, Anand Niketan, Golf Links, Jor Bagh and Sunder Nagar.

A 1,800-sq ft apartment in Vasant Vihar, would now cost 25 - 30% more than it did during the last quarter. So also, an apartment of similar size in Maharani Bagh would have an appreciated value of anything between 20 - 30% more today, than six months ago.

A majority of these flats are being bought by people of the high income group, with a lesser number of people from the middle income group opting for these areas.

Besides, being the much sought after residential property market the commercial properties too have always been in much demand in Delhi. As the city has better edge over many other metros in terms of infra-

➔ Detailed Overview Of –Bangalore:



As Bangalore is known to be the hotspot for corporates and MNCs, there is also a corresponding demand for commercial office spaces and also residential apartments and homes. A constant rise in the demand for homes has led to a scramble for construction especially in the South, East and Central areas of Bangalore and so has correspondingly increased the capital values of commercial properties in Bangalore.

The new ventures and growing job opportunities in Bangalore has led to a large number of people coming in from different parts of the country and the globe.

This has created a great demand for residential housing in Bangalore. Since the last quarter, capital values in the suburbs have increased by 10-15% due to high demand for residential space. structure, availability of professional work force and connectivity, Delhi real estate has maintained an apex position in the real estate ladder of the country.

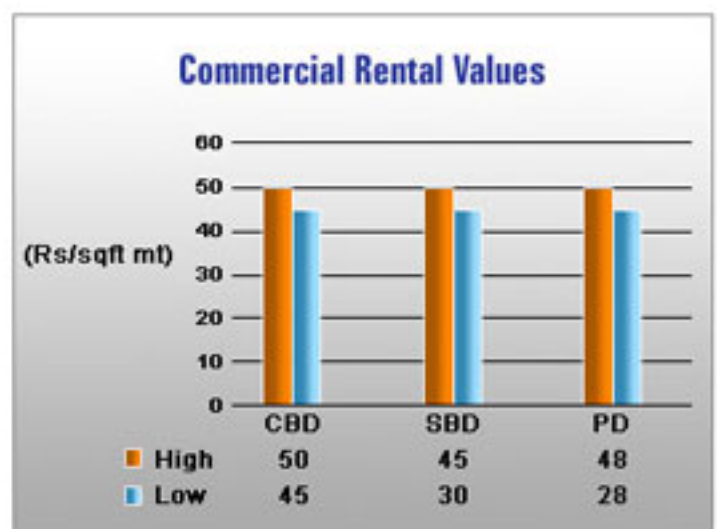
The commercial market at prominent locations in the CBD and Secondary Business Districts seems to have stabilized after a prolonged decline and rental activity seems to be on the rise. The prime locations in Bangalore which are high in demand and are currently witnessing a rise in the rental values are:

Prime CBD Area - This includes M.G Road, Brigade Road, Cunningham Road, St. Marks Road, Residency Road, Museum Road, Lavelle Road, Vittal Mallya Road, Infantry Road, Richmond Road, Dickenson Road, Madras Road, Church Street and Brunton Road.

Secondary Business District (SBD) - This includes Airport Road, Indira Nagar, CMH Road, Koramangala, Jayanagar, Racecourse Road, Sadashiv Nagar and Jaymahal.

Suburban locations - This includes Whitefield, J.P. Nagar, Banerghatta Road, Electronic City, Hosur Road, Sarjapur Road, and Outer Ring Road.

Since the last few months have witnessed that the rates in certain locations like Whitefield, Sarjapur road, Outer Ring Road etc, to have spiralled at an alarming rate. However, it is expected that large scale constructions of new commercial projects around Bangalore should eventually even-out the demand and supply, and we could witness a stabilizing of capital rates across the city.



1 USD = INR 47 approx (As on 30-09-2008)

➤ Detailed Overview Of –Kolkata:



The real-estate market in Kolkata has been largely unaffected by the soaring inflation and the US economic crisis, developers and experts say. While the sales and price figures in other metros and cities have shown signs of cooling down, the prices in Kolkata have increased by 7-10 per cent over the last four months.

Capital values for commercial space are appreciating as much as in the previous quarter and even the central business district (CBD) is witnessing a higher growth over this period. While rentals at the CBD are currently in the Rs 80-130 per sq.ft per month range.

Real-estate prices saw a steady rise rather than a sudden boom and bust which most other states witnessed in this quarter of 2008. Prices at New Town, Rajarhat, were ranging between Rs 1,200 and Rs 1,700 per sq.ft when development started there a couple of years ago. And now the price has gradually seen an upward movement towards the Rs 2,700-3,000 range. The nature of development- forming joint sector companies with the Housing Board, has also ensured that there is appropriate regulation in controlling volatility in prices.

Although some other regions such as Maharastra, Delhi, and other national capital regions (NCRs) comprising Noida and Gurgaon have not been as lucky in the realty sector. The comparative stability in the Kolkata market has also helped in countering some part of the losses.

None the less, analysts are expecting the prices in Kolkata to go up by 20-25 by the end of this year. However, going by the overall health of the sector, Kolkata as a market will continue to remain healthy and it is one of the best markets for investment over a long term of 5-10 years.

➔ Detailed Overview Of – Chennai:



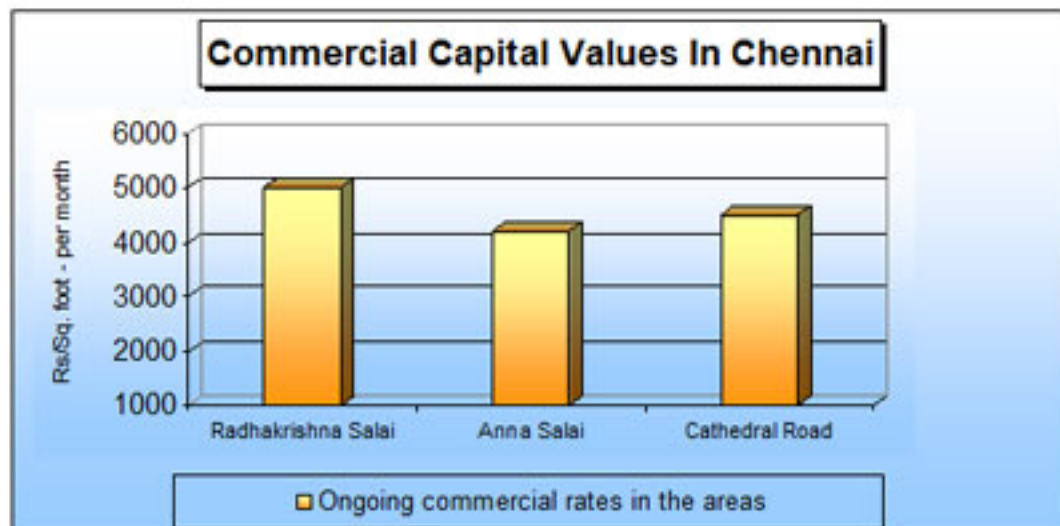
Just like Bangalore, Hyderabad or NCR, IT is undoubtedly the prime reason for the buoyancy in the commercial rental segment of Chennai. The last few years which have seen the emergence and expansion of many IT firms in Chennai which has widened the scope for office space rentals.

Leading developers and realty majors have launched their new commercial and residential projects to cater to the rising demand. Most of the new projects are on Chennai's IT Corridor. Chief locations like Nungambakkam, Mount Road, Anna Salai, Cathedral Road and Dr Radhakrishnan Salai are witnessing maximum appreciation in the property rates. These areas are accessible and are hence preferred by a large number of property builders.

The present commercial capital value of Radhakrishnan Salai is 4,500 – 5,000 Rs/ sq ft. This is by far the most expensive commercial area in Chennai. So also, other prestigious commercial localities like Anna Salai and Cathedral Road have capital value of 4,200 – 4,500 Rs/sq ft.

Commercial rental values are equally high in these areas and are expected to only escalate in the coming year. Rental values for 1,000 sq ft space at Radhakrishnan Salai are about 35,000 –50,000 Rs/sq ft. This is certainly high as compared to other places in Chennai. Chennai's commercial segment is poised to grow further when all the locations along the IT Corridor become operational.

This is good for the city's trade and commerce but will affect the property rates sharply. And looking at the preset realty situation in Chennai, these areas are sure to swell in the coming years, ensuring good returns as rentals or as capital.



➤ Detailed overview of –Hyderabad:



The growing demand and limited supply levels in this upcoming city have hardened prices for commercial and residential properties. The focus of development is suburbs where land availability is considerable and large scale development is possible.

Small township projects are being initiated by local developers, with a down payment of only 25% of the total cost of the apartment or bungalow. Hence, all the units were sold out without much marketing effort on the part of the respective builders. Seeing the demand revival for property, land prices are increasing at a fast pace. In areas like Kondapur, land prices nearly doubled from Rs 8,500 per sq yd to Rs 16,000 per sq.yd in the last quarter itself.

With regards to commercial property, rental levels in Begumpet have gone up from Rs 12-Rs 18 per sq ft per month to Rs 25-Rs 30 per sq ft per month, since the last six months. The Capital values have moved from Rs 2,200 – Rs 2,500 per sq ft to Rs 3,500- Rs 3,800 per sq ft in the span of two quarters.

Retailing is on the upswing as well, with the newly inaugurated Hyderabad Centre multiplex (seamless mall) of 2.6 lakh sq ft. Among the upcoming malls specific mention must be made about GVK Mall, Inorbit Mall and GS 24 Mall.

➔ Other Upcoming Cities:

Pune

Over the last few quarters, the Pune real estate market is rapidly growing following the Indian real estate trend. The real estate activities are happening at extensive rate in commercial sector of the city.

Pune commercial real estate values are increasing and the current value at Central Business District is approximately Rs 4,000-6,000 per sq ft. Commercial real estate activities in the city are covering the areas such as the CBD, Deccan, MG Road are seeing a transition as old real estate buildings are being sold to the commercial owners and for constructing high-rise commercial projects. Large floor plates make these projects flexible in nature to house different commercial organizations.

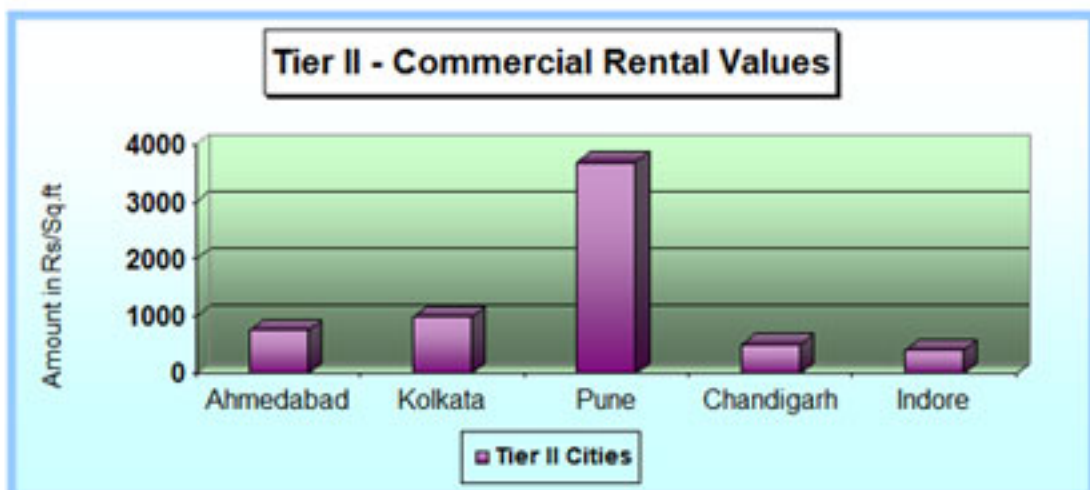
Along with this, real estate builders have started building residential complexes adjoining commercial building to provide an integrated solution, to both residential as well as commercial patrons, thereby making Pune a diverse growth market.

Ahmedabad

Another such city that is rapidly growing commercially and residentially as a new hub is Ahmedabad. With the industrial and commercial growth in the city, demand for residential property is increasing. The residential capital values in city are around Rs 1000- 3000/- sq.ft. The rental values across Ahmedabad's localities have grown on an average by 100% in the last quarter. Suburban and peripheral locations like, Vastrapur, Prahlad Nagar, Vasna and Paldi are some of the upcoming residential development zones.

The demand for space in the commercial segment is fuelled by retailers and corporate houses, mainly private banks and stock broking firms. Also the entry of retail giants such as Pantaloons, Reliance has led to an increased growth in the retail arena. A lot of new mall projects are coming up in the city. The hot areas for commercial development include Prahladnagar, Ashram road, C G Road, S G Highway and more.

Moreover, since Ahmedabad is fast flourishing into a popular choice for foreign investors. The cost of living in the city is still lower than in other metropolitans. With an improvement in its infrastructure and other facilities, it is no wonder that many new ventures are looking forward to the city.



➔ What's new?

It's all about going green:



Some call it the green revolution in the real estate business. Top developers are now betting on 'green building' - those that use less energy, water and natural resources, creates less waste and is healthier for the people living inside compared to a standard building - to woo buyers, in both the commercial and residential sector. Even though green buildings involve an incremen-

Donald Trump Launches an Indian Real Estate Fund:

Donald Trump Jr. is planning a real estate hedge fund focusing on luxury properties in India. His plans are to raise as much as \$1 billion for the privately-held fund. Analysts expect property prices in the subcontinent to drop by about 20%, creating opportunities for the hedge fund. "The fund will be for acquisitions of real estate in the high end, and across the spectrum," said Mr. Donald Trump.

United States' Financial Behemoths faltering and failing:

Often known as the pillars of United State economy, suddenly giants like Lehman Brothers, Merrill Lynch, AIG, all faltering, with some being rescued, as in the case of Merrill Lynch being bought out by Bank Of America, and AIG being supported by the government of the United States of America, and some filing for bankruptcy as in the case of Lehman Brothers.

Who could be next in line, Morgan Stanley, Goldman Sachs ? Virtually anyone who has exposure to the US Sub Prime market, could be hit by this virus. The worst seems far from over, with governments world wide including those of United States, European Union countries, South East Asian countries, Japan, and even Russia, pumping in close to US \$ 600 billion, in the last couple of weeks, it's a tsunami that has hit the financial markets worldwide, without a warning, and its hit everyone hard.

What does all of this have in store for the real estate markets in Mumbai, and in India, in general? Well for one, the investments by these financial behemoths, that were either in pipeline or have been made, shall now be stalled. Growth in certain sectors, like IT, and other service industries could be affected. This means demand for real estate from these sectors could go down, or even it could mean sell off from existing players who have made large investments, hoping to cash in on the IT outsourcing business.



For real estate developers this also means, with foreign funds drying up, and further investments from any foreign financial institution seeming distant, source of funds will now only get more expensive. The RBI having already, asked Indian Banks to restrict their exposures to the real estate sector in general, and disburse loans very cautiously to this sector or go slow in funding the realty sector whether in terms of giving housing loans or loans to real estate developers, some selling pressure could be expected in the market.

So what does the common man have in store in terms of prices of real estate across the country? Well for one, you are bound to see some correction in the prices in broader terms. Real estate price which had zoomed to astronomical levels will now come to more realistic levels, governed by the demand and supply forces. Certain areas, in the metros and across India, where infrastructure and other facilities are still not up to the mark, could see a steeper correction in prices, as compared to areas with better infrastructure in place already.

➤ What's new?

What the future has in store:

Grappling with a slowdown across segments, the Indian property market is heading towards the next phase of consolidation. Liquidity crunch in the real estate market is beginning to drive many mid-sized and small real estate developers to scrounge for cover.

Many want to liquidate their land and incomplete projects by selling them to bigger developers or private equity players even at lower valuations. What's forcing them to take this step is a stagnant market, with property rates undergoing major correction in some cities. Around 15 deals in real estate sector have fallen through in the past two months with investors developing cold feet, said industry officials.

Two of the fastest growing emerging markets, India and China have significantly improved their levels of real estate transparency, an indicator of real supply and demand in the sector, over the last two years, a latest survey says. According to real estate transparency index compiled, the biggest improvers in Asia Pacific are India, China and Vietnam, all of which have received considerably greater attention from investors and corporate occupiers in recent years.

The prefix of shopping-malls just got swapped with entertainment. While shopping very much remains the staple, entertainment options within malls are increasingly becoming the numero uno draw. Gaming, magic shows and events today account for a considerable pie of mall monies.

Industry players estimate the market for mall entertainment at more than Rs 1,000 crore and growing at an average rate of 15%. Analysts say that, by 2010, the number of malls in India is expected to cross the 600-mark and the mall entertainment business is bound to increase at a tremendous pace to attract consumer footfalls. Now this calls for a wide swathe of players who provide entertainment and event platforms to these malls.



All in all, the sentiment is weak, but the future is strong. The bullish trend, is catching up on its breath, but not run out of steam, not just as yet!!!