

03:59 PM   04 APR <b>CLOSED</b> <b>MARKET STATS</b> ▾	SENSEX <b>38,684</b> ▼ -192.40	NIFTY 50 <b>11,598</b> ▼ -45.95	GOLD (MCX) (Rs/10g.) <b>31,811.00</b> ▲ 243.00	USD/INR <b>69.15</b> ▲ 0.71	<b>CREATE PORTFOLIO</b>	<b>Download ET MARKETS APP</b>	CHOOSE LANGUAGE <b>ENG</b>
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# Realty sector likely to see 200 m sq ft addition in 2019

BY [SOBIA KHAN](#), ET BUREAU | MAR 27, 2019, 11.32 PM IST

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**BENGALURU:** [Indian real estate](#) is expected to witness addition of nearly 200 million sq ft of space in 2019 across categories including office, retail, residential and logistics to reach 3.7 trillion sq ft. Of this, nearly 40 million sq ft development will be new [office space](#) to be released over the next 12 months, according to a CBRE South Asia study.

Almost 30% of this pipeline is expected to be in the [Special Economic Zone \(SEZ\)](#) space. The appetite for SEZ's and technology parks is on the rise with the fast approaching sunset date of March 2020, which will impact the benefits for occupiers.

The activity for both absorption and development is expected to be heightened in the SEZ and tech park space during the year.

The share of technology sector in overall space take-up in the country is likely to remain in the range of 30-35% by the end of 2019.

The year 2018 was a landmark one with office space absorption crossing an all-time high of 47 million sq ft, up 5% on-year across the nine cities, boosted by a supply influx of 35 million sq ft, up 17% on year. Bangalore and Delhi-NCR continued to dominate take-up, while Hyderabad emerged as the third most-preferred office destination, overtaking Mumbai.



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CBRE expects rents to continue to grow across the key markets in Bangalore, Chennai and Pune, however, this growth is expected to taper across most cities. Gateway cities of Delhi-NCR and Mumbai would also see rental growth, however only in select locations. Also, a convergence between SEZ and non-SEZ rentals is expected in 2019.

For logistics segment, the year turned out to be remarkable as overall absorption rose 44% to touch 24 million sq ft. CBRE expects demand from e-commerce players may slow down in the short-term due to policy disruptions.

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