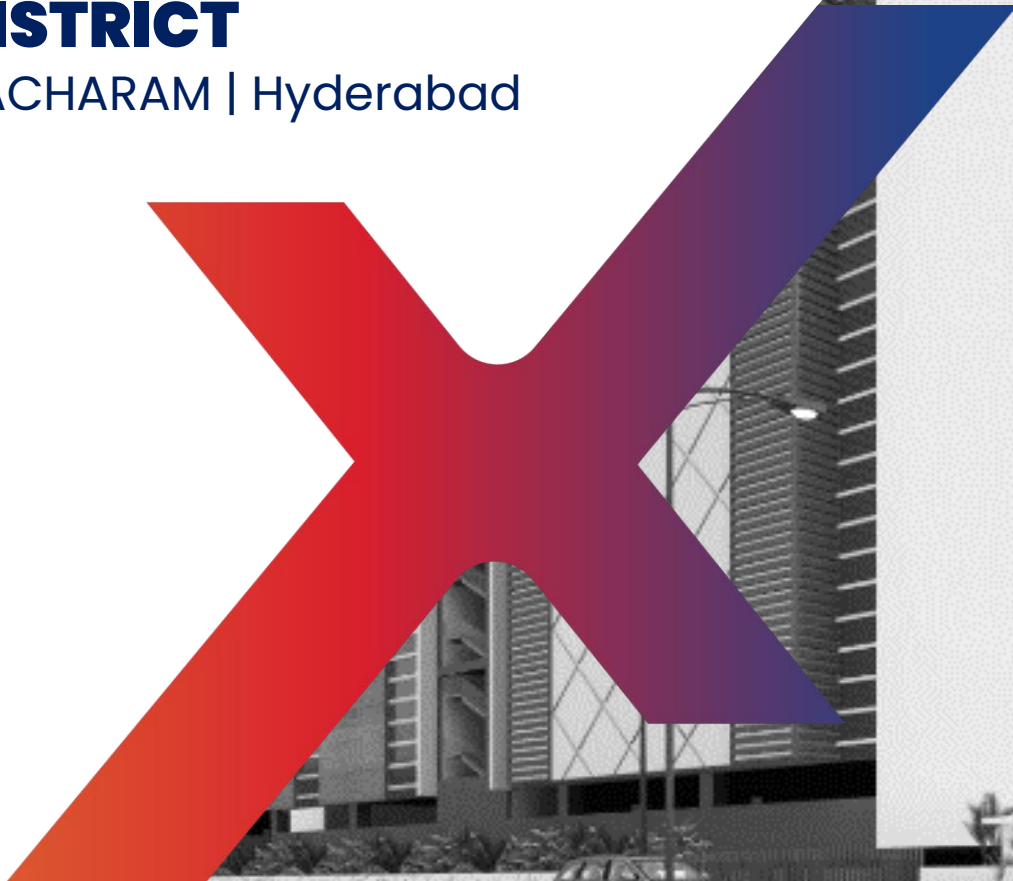




**MODI
PROPERTIES**

**HYDERABAD
VIGYAN RESEARCH
DISTRICT**

NACHARAM | Hyderabad



1. Location Overview | Hyderabad
2. Lifesciences Hub – Nacharam
3. Project Details | Hyderabad Vigyan Research District
4. Trends in IT Sector
5. Cost of Setup IT vs. Lifesciences
6. Sector-aligned Institutes in the vicinity
7. Key Takeaways

LOCATION OVERVIEW

Hyderabad remains one of the top preferred destinations for Lifesciences Sciences Real Estate investments.

Location Overview | Hyderabad

Hyderabad is the nucleus of Lifesciences in Asia.



30%

Of Abbreviated New Drug Application (ANDA) approvals of Indian pharma



40%

India's API Production



~45%

Workforce in Pharma, MedTech, and Biotechnology sector



20+

Lifesciences and MedTech Incubators in Hyderabad, highest for any city in the Country



~850 Mn USD

Investment announced in BioAsia 2022



35%

Of India's Pharmaceutical export is from Hyderabad

Source – [Telangana Lifesciences Sciences Portal](#)

Lifesciences Sciences Real Estate in Hyderabad



0.6 Mn sq.ft.

Lifesciences Real Estate leased in 2022



1.6 Mn sq.ft.

Space Leased by Lifesciences Companies during 2019-22

Source – [TOI, March 2023](#)



Map 2 : Lifesciences clusters in Hyderabad

Map 1 : Telangana in India

Nacharam has a strong and established ecosystem for Lifesciences.

Location Overview | Nacharam – An unstructured yet promising lifescien



Map 3 Lifesciences Operations in the vicinity of the site>

- Located in Eastern Hyderabad the Nacharam-Uppal cluster is a well-established industrial cluster.
- **Aragen Lifesciences** is the largest private occupant with a total of about **1.0 million sq.ft. facilities**.
- **Cohance Lifesciences** has two facilities in an area of **0.3 million sq.ft. dedicated to R&D and API**.

HYDERABAD VIGYAN RESEARCH DISTRICT

Hyderabad Vigyan District is a **4-acre campus** specifically **designed for wide range of life sciences** operations

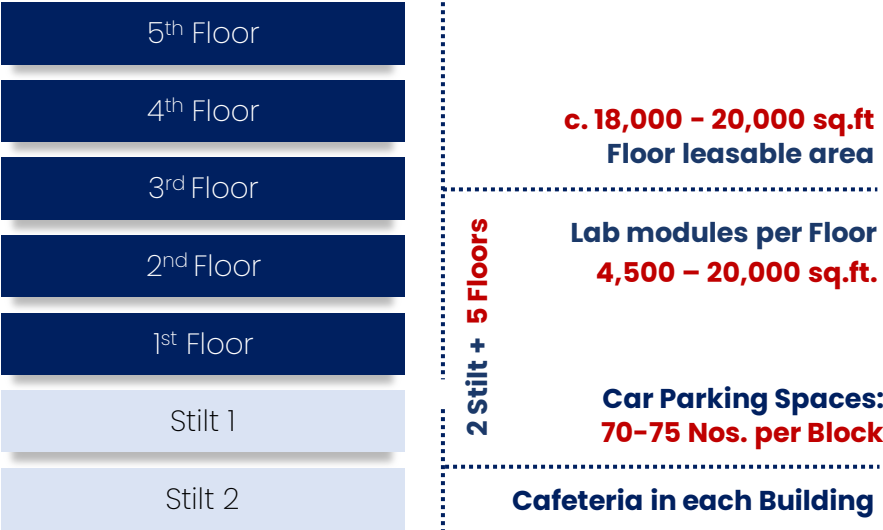
Project Details | Hyderabad Vigyan Research District



Proposed R&D block in Hyderabad Vigyan Research District

This project features **four blocks with specialized infrastructure and an ecosystem to foster growth of Life Sciences companies.**

Project Details | Hyderabad Vigyan Research District



Schematic Section



High floor loading based on equipment needs

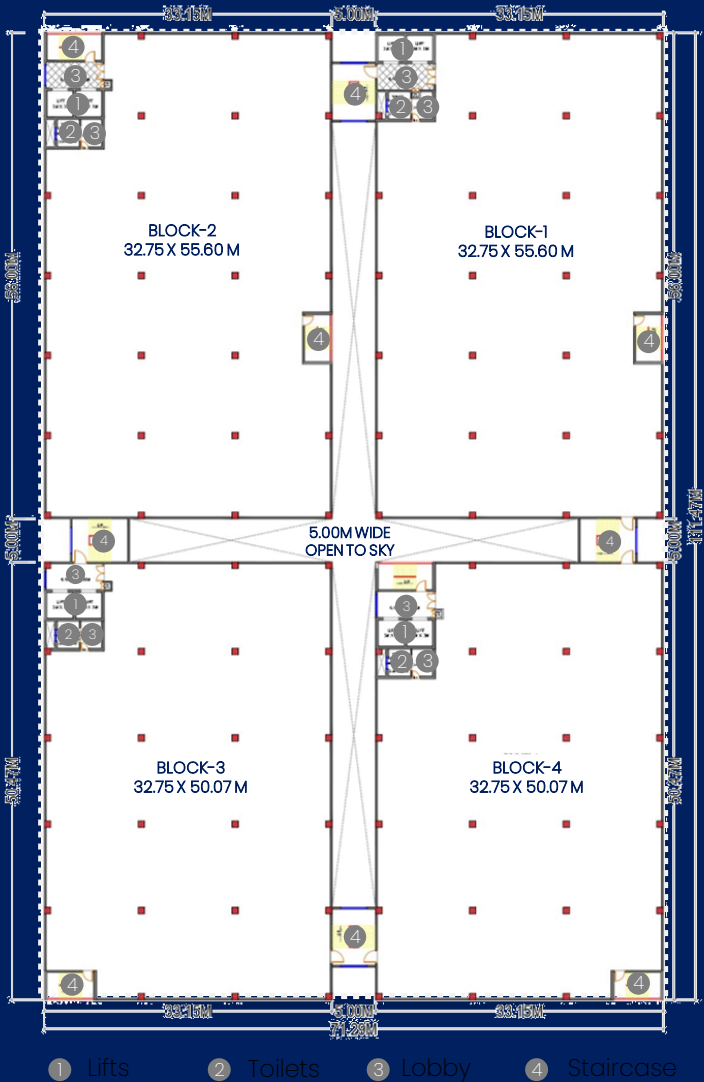
5 KN/ Sq. mts. (core labs)
7.5 KN/ Sq. mts. (terrace)



Typical floor-to-floor Height

4.5 to 5.0 mts. (core labs)

Design Specifications



Typical Floor Plan



Rendered view of the R&D Blocks

LEASING IN IT SECTOR VS. LIFESCIENCES

Commercial Leasing Rental rates in Hyderabad

Property	NSL SEZ	Sattva Knowledge City	PSR Prime	One West
Sub Market	Uppal	Hitec City	Gachibowli	Financial District
Rental Rate (Rs./sq.ft)	Rs. 42	Rs. 120	Rs. 69	Rs. 60

Current rental rate in the building is around **Rs. 42/ sq.ft.** which is **35-40 % less than other IT hubs** like HITEC City and Financial District

Source- [Listings on CBRE,JLL and News Reports](#)

Case of NSL SEZ , occupancy trends since 2021

NSL SEZ	Stock (in mn. Sqft)	Occupancy 2021	Occupancy 2022	Occupancy 2023
Total	15.5	53%	58.9%	60.84%

With a total area of 15.5 lakh sq.ft. in NSL SEZ the occupancy between 2021 and 2023 has shown slow progression with occupancy levels of 60.48% which is much lower than the city average.

~40% of the total space is vacant.

Source – [CARE Ratings for NSL SEZ \(2021,22,23\)](#)



DSL Abacus is a prominent Commercial Tower in Uppal



NSL SEZ is another prominent Commercial Tower in Uppal with 15.5 lakh sqft of gross leasable area.

Commercial Office Trends in Uppal Nacharam

Low stock in the Uppal Nacharam submarket displays low investor confidence when compared to other office submarkets in Hyderabad.

Stock

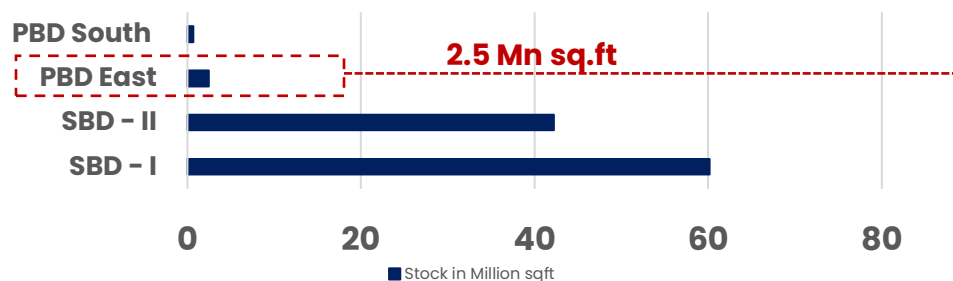


Chart 1.1 Commercial Office Stock in Hyderabad

Vacancy

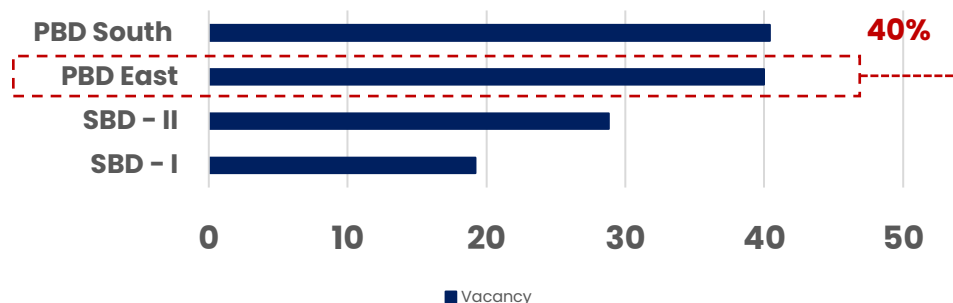


Chart 1.2 Commercial Office Vacancy in Hyderabad

SBD-I HITEC City, Madhapur, Kondapur, Raidurg
SBD-II Gachibowli, Nanakramguda, Kokapet

Peripheral East Pocharam, Uppal
Peripheral South Shamshabad, Adilbatia

Submarket	Stock (in mn. Sq.ft.)	Vacancy	Rental Range (Rs./ Sq.ft.)
SBD - I	60.2	19.2%	55-78
SBD - II	42.2	28.8%	50-65
PBD East	2.5	40.0%	35-45
PBD South	0.7	40.4%	35-40
Overall	105.6	23.7%	35-78

Uppal Nacharam vs. Hyderabad 40% | 23.7 %

PBD East constituting Nacharam and Uppal has a **significantly lower inventory** of commercial office space at 2.5 Million sqft. Even with a **low stock**, the **vacancy is at 40%** with **rental rates 42% less** than HITEC City-Madhapur.

Source – Savills Q1 Hyderabad Market Snapshot

Trends of Work from home, remote work, and hybrid modes translates to lower demands from IT companies for commercial real estate.

The future of work is hybrid with Indian IT giants opting for a blend of in-person and remote work

73% companies opting for a mix to satisfy employees, the new post-pandemic normal looks set to be three days a week in office

Source – [The Telegraph Oct.2022](#)

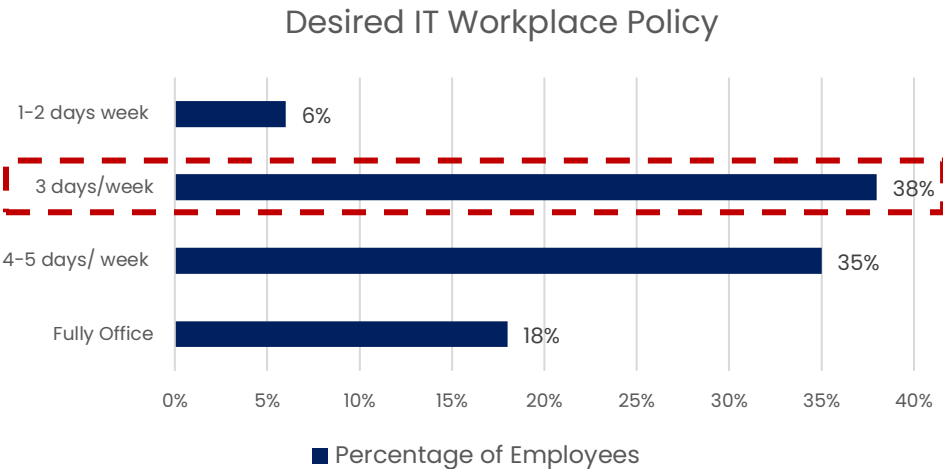


Chart 2.1 Desired Workplace Policy of Employees in IT Offices

Source – [LiveMint \(June 2023\)](#)

IT Industry

More than **80 percent of IT companies and GCCs are most likely to adopt a hybrid work model** as compared to the rest of the industry segments.

Major Indian tech companies Wipro, TCS, and other Indian tech companies are moving in the direction of Hybrid Modes of working.

Source – [LiveMint](#)

Lifesciences Sciences Industry

Lifesciences Sciences Industries rely heavily on cross-functional teams that collaborate and exchange ideas in real time.

A 2022 CBRE study reported, “Remote working arrangements are rather limited for most Lifesciences sciences tenants, **meaning laboratory space is not seeing the same short- and long-term effects of the COVID pandemic as office space.**”

Source – [U.S CBRE 2022](#)

Cost of Set Up I.T vs Lifesciences

Lifesciences facilities involve high cost of equipment and setting up manufacturing processes , this indicates longer lease periods .

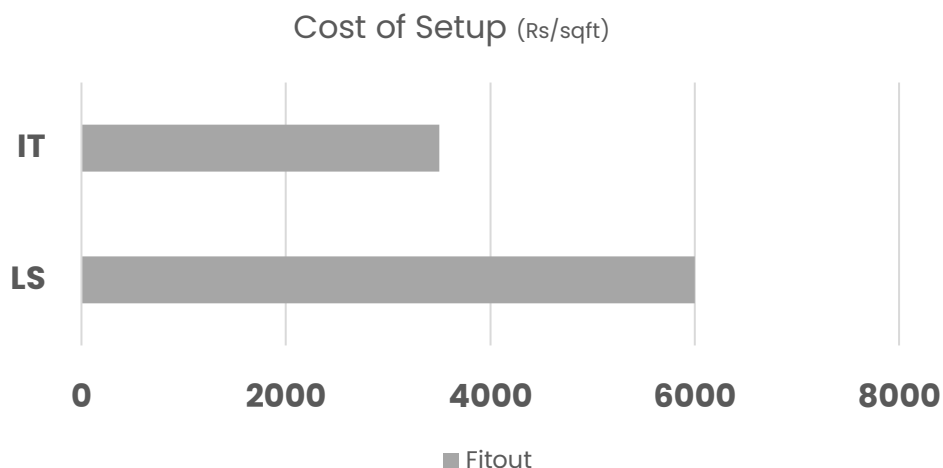


Chart 3.1 Cost Comparison IT offices vs Lifesciences facilities

~1.71x*

The average cost of fitting out an LS facility is ~1.71x that of an IT facility of the same size.

*figures based on market rates might vary significantly with geography and equipment

IT Industry

Software and service-based IT companies are **not reliant on physical equipment and inventories** to operate rather they need cloud-based infrastructure which makes **shifting bases and relocating much easier.**

Lifesciences Sciences Industry

Lifesciences Sciences R&D and manufacturing involves **investing in high-cost equipment and production facilities** ensuring their occupancy for longer periods of time.

Sector aligned academia in the vicinity

Institutions have been a constant source of research support through ongoing industry partnerships with several stakeholders in the Lifesciences space.



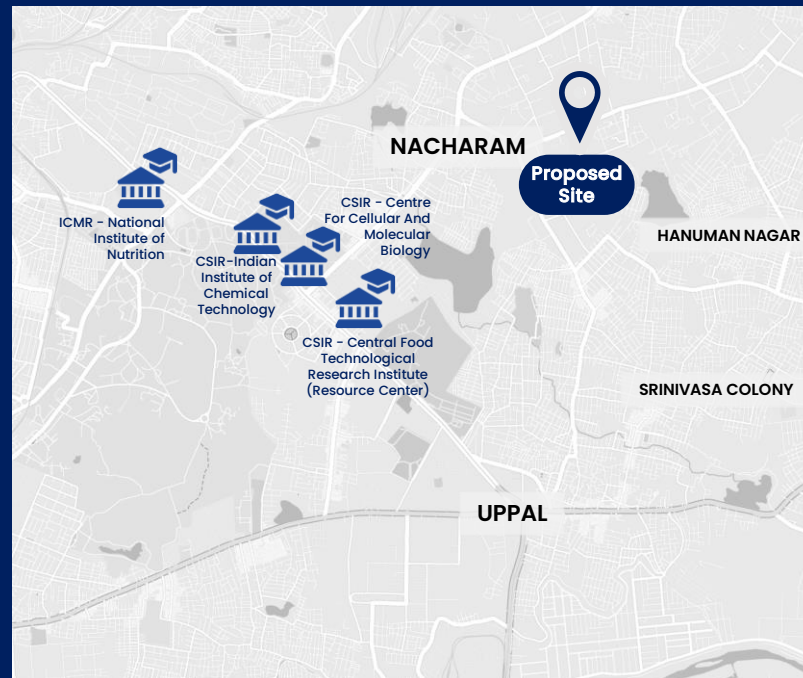
National Institute of Nutrition is an Indian **public health, nutrition**, and translational research center located in Hyderabad, India. One of the oldest research centers in India. The institute mainly conducts research in **obesity, diabetes, food chemistry, dietetics, clinical toxicology, and micronutrient deficiency**.



Centre for Cellular and Molecular Biology or CCMB is an Indian fundamental Lifesciences science research establishment that does frontier research in areas of **modern biology, bioinformatics, functional genomics**.



National Institute of Nutrition is an Indian public health, nutrition and translational research center located in Hyderabad, India. development of technologies for pesticides, **drugs, organic intermediates, fine chemicals, catalysts**, polymers, organic coatings, use of low-grade coals, and value-added products from vegetable oils.



Sector aligned academia in the vicinity of the site.

Key Takeaways

Market Activity



Source – [Savills Q1 Hyderabad Market Snapshot](#)

Existing Ecosystem of private players and sector aligned public institutes



Companies Operating in the area.



Sector-aligned Institutes in the area.

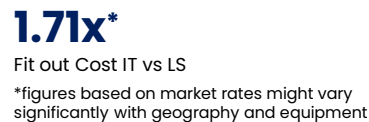
Future of IT Offices is remote work and hybrid modes of work.



Indian Tech Giants opting for Hybrid Modes of Work.

Source – [LiveMint](#)

Lifesciences facilities have longer commitments high demand



Source – [Savills India](#)

Key market markers indicative of demand are low even with lower rental rates, a significantly smaller stock of commercial office space the **vacancy is at around 40%**.

Smaller stock also displays **low investor confidence** in the submarket.

Due to the presence of many private companies in the Lifesciences sector **collaborations and partnerships can be fostered easily and for long periods of time** in addition to the research institutes that can leverage their skills for research and provide a talent pool.

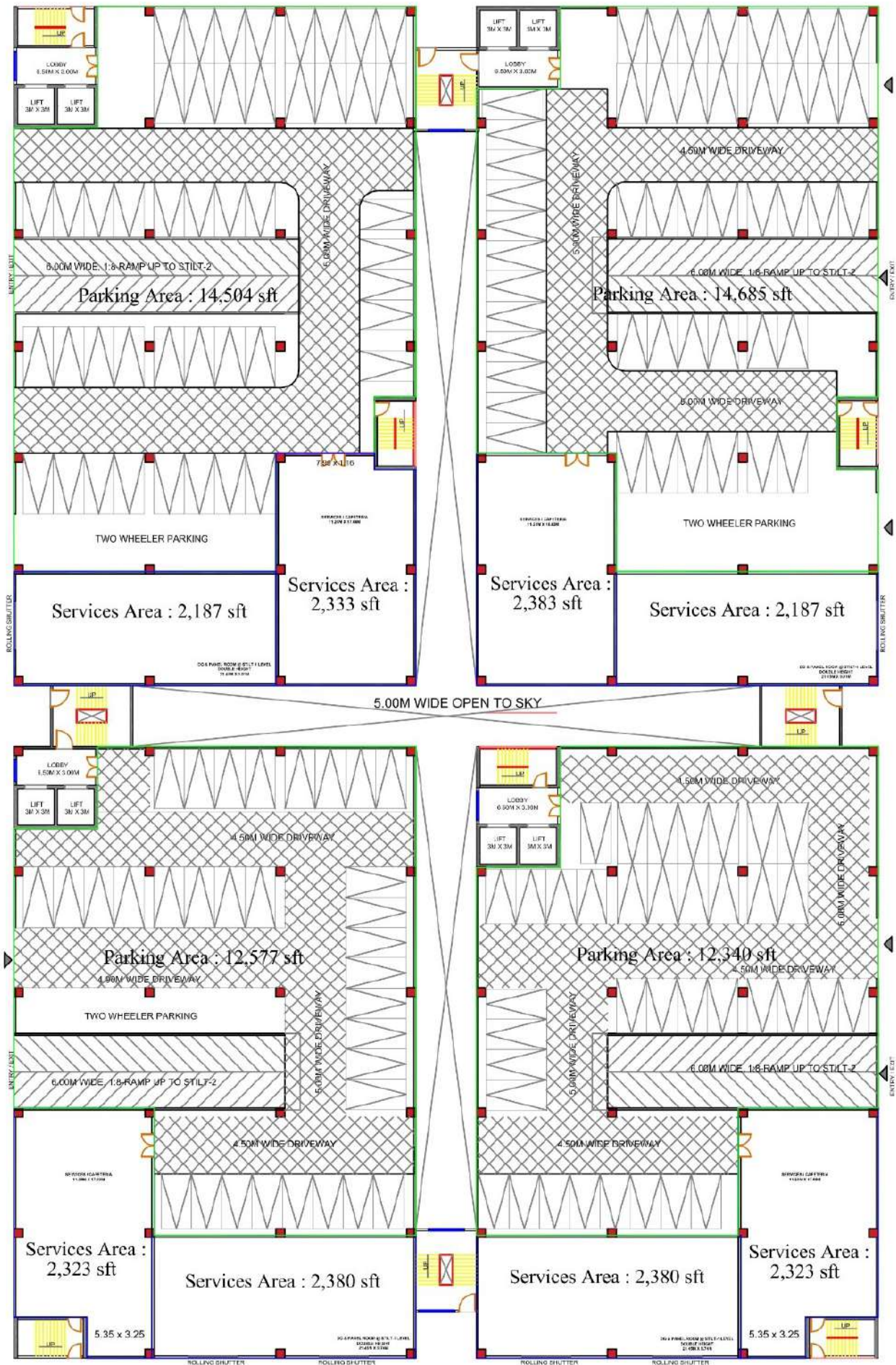
The future of IT office is remote work and hybrid mode of work, which makes **IT companies relatively unreliable and sub-optimal users of a cities real estate**, Lifesciences sciences on the other hand have longer commitments due to capital intensive set up and time-consuming processes

Demand for LS real estate is on the rise nationally. Setup cost of an IT office especially fit-outs is **significantly less than that of a Lifesciences operation**. Occupancy of Lifesciences sciences facility is much longer when compared to other sectors

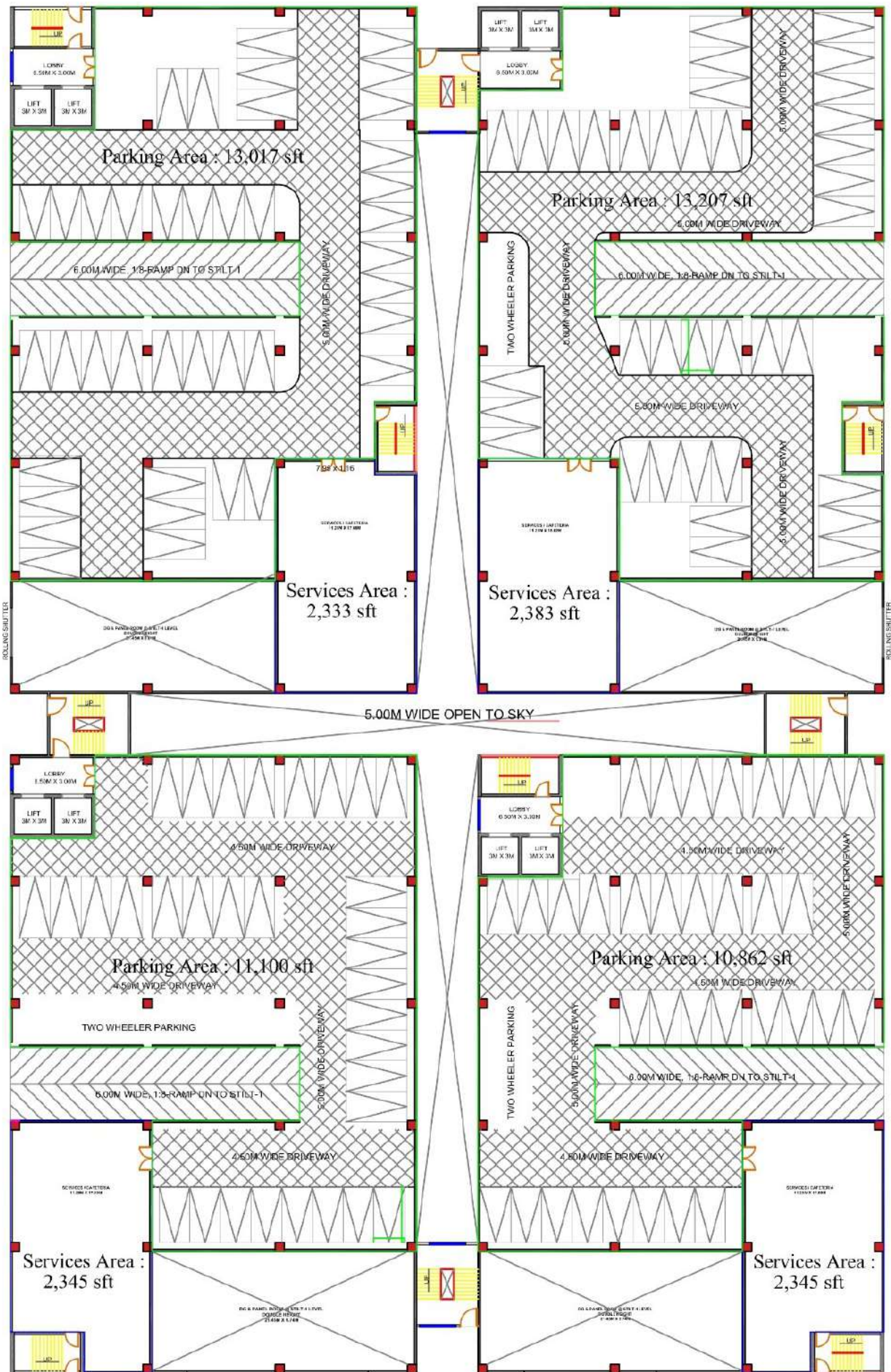


© 2023 Modi Properties

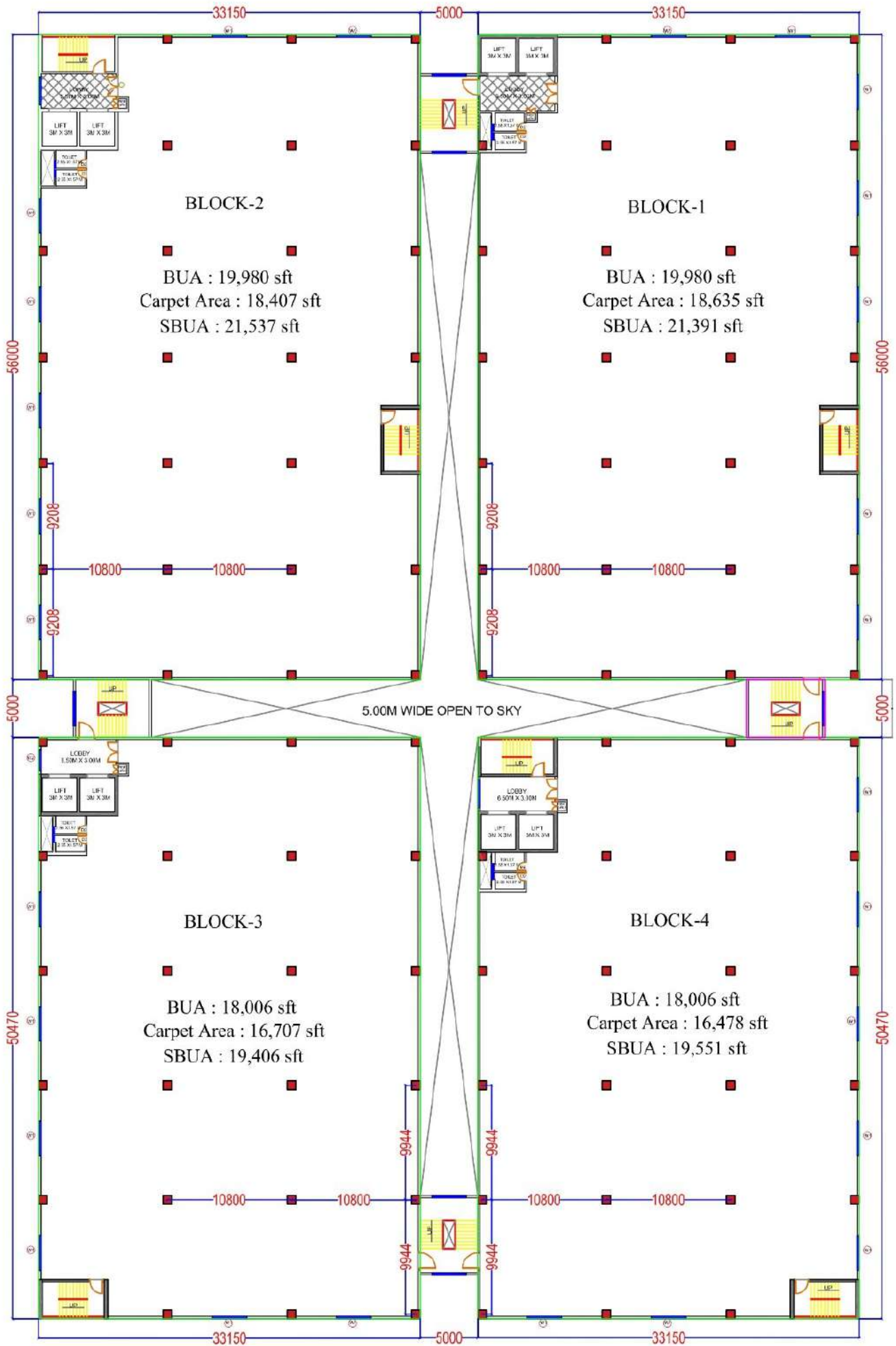
Disclaimer: The data presented in the presentation HYDERABAD VIGYAN RESEARCH DISTRICT has been collected through primary and secondary sources. All information in the presentation HYDERABAD VIGYAN RESEARCH DISTRICT has been provided on an 'as is' basis without warranties, expressed or implied, or representations of any kind. To the fullest extent permissible under applicable law, we will not be liable for the quality, accuracy, completeness, reliability or timeliness of this information, or for any direct, indirect, consequential, incidental, special or punitive damages that may arise out of the use of this information by anyone (including, but not limited to, lost profits, loss of opportunities, trading losses, and damages that may result from any inaccuracy or incompleteness of this information). To the fullest extent permitted by law, we will not be liable to anyone under any tort, contract, negligence, strict liability, or other theory with respect to this presentation of information.



Description	Direction	Owners & Developers :	Date :	22.07.2023	Promoted by
Area Statement - Lower Stilt Floor		Dilpreet Tubes Pvt. Ltd.	Prepared By :	Kauser Razvi	Modi Properties Pvt Ltd Phone: +91-40-66335551
		Project Name & Phase :	Approved By :	Soham Modi	
		Hyderabad Vigyan District	Scale :	N.T.S	



Description	Direction	Owners & Developers :	Date :	22.07.2023	Promoted by
Area Statement - Upper Stilt Floor		Dipreet Tubes Pvt. Ltd.	Prepared By :	Kauser Razvi	Modi Properties Pvt Ltd Phone: +91-40-66335551
		Project Name & Phase :	Approved By :	Soham Modi	
		Hyderabad Vigyan District	Scale :	N.T.S	



Description	Direction	Owners & Developers :	Date :	22.07.2023	Promoted by
Area Statement Plan - Typical Floor		Dilpreet Tubes Pvt. Ltd.	Prepared By :	Kauser Razvi	Modi Properties Pvt Ltd Phone: +91-40-66335551
		Project Name & Phase :	Approved By :	Soham Modi	
		Hyderabad Vigyan District	Scale :	N.T.S	