Classification of Projects:

Office Projects:

Segment	Min. leasable/saleable area (sq. ft.) per unit	Max. no. of offices planned on a typical floor	Segment Served
Excelus	10,000	2	Front office for large corporate, MNC's and professional firms
Supremus + Signet	250 to 1500	4 or more	Small/medium businesses and professionals
iThink	10,000	2	Back of house operations of large businesses (including IT/ITES)
Signet (formerly Boulevard)	150-400 (Carpet area), Typical range 200-300	10 or more	Small businesses and professionals

In case of an MP which has floors/buildings which qualify under multiple segments, the classification will be according to the nature of 70% or more of the carpet area.

Retail Projects:

Segment	Total leasable Area (sq. ft.)
Experia (or other project specific name) (mall format)	=> 200,000 sq. ft.
Boulevard (neighbourhood shopping centre format)	<= 50,000 sq. ft.

Residential Projects:

1. Shall be based on NCR in any project at time of launch of project (based on expected psf rate at time of start of project).
2. Shall be decided on Marking Project basis
3. In case of an MP which has buildings which qualify under multiple segments, the classification will be according to the nature of 80% (10^{th} to 90^{th} percentile) of the carpet area in the MP.
4. The segment limits (as on date of pre-launch / launch of the respective MP) are as follows:

Segment	Average Unit NCR* in the MP (as on 1st April 2022)		
(Rs. Lakhs)	MMR	Pune	Bangalore
Crown	20 – 45	20 – 45	20 – 45
Casa	45 – 100	45 – 75	45 – 75
Aspirational	100 – 300	75 – 200	75 – 200
Premium (the top MPs in each micro-market are to be serviced as Lodha Luxury extension; Premium- means units with Premium finishes but Aspi room sizes)	300 – 1500	200 – 750	200 – 750
Luxury	1500+	750+	750+

Notes:

a. The aforesaid limits shall be reset on 1st April of every even year basis housing price inflation

b. *excludes the bottom and top ~10% of units by carpet area – for such units the room sizes and finishes can be as per the relevant segment which may be different from the identified segment for the said MP;

c. Premium (-) is MP with premium pricing bracket but targeting the lower 50% of the target audience in that location. Premium (-) product will generally follow Aspi specification for all design elements, only exception being the finishing which may be upgraded from Aspi to Premium standards, basis market requirements and budget availability. Decision in Premium (-) v. Premium and the finishing specifications thereto are to be made at time of Design Brief finalization in discussion with concerned CEO.

d. Lodha Luxury extension is a Premium segment project wrt Design standards but HPM shall be under the Saint Amand brand (similar to Lodha Luxury). This is a service standard differentiator but no design related changes.

Project Definition by Size

Nomenclature	**BUA under construction in next 12 months**
Small	0 – 2 L
Medium	2 – 8 L
Large	8 – 25 L
Very Large	25 L – 50 L

a. For any VL project having BUA > 50 L under construction in next 12 months, the area above 50 L sft BUA is to be treated as a separate project and categorized appropriately.

Product Mix

Residential product mix for each segment is as follows (2021, subject to update every 2-3 years) covering 90% of the carpet area (including 'special units' – see below; separately upto 10% carpet area can be units which fall outside this, basis market requirements) :

Segment	**Product Mix**			
Luxury	3 BHK w/ study	4 BHK w/ study *(ratio of 4 BHK w/study to 3 BHK w/ study: 3-4:1)*		
Premium	2.5 BHK (2 BHK w/ half bedroom)	3 BHK	3 BHK w/ study *(ratio of 3 BHK+3BHK w/ study: 4 BHK w/ study: 1.5-2:1)*	4 BHK w/ study
Aspirational	2 BHK	2.5 BHK (2 BHK w/ half bedroom)	3 BHK	3 BHK w/ study
Casa	1 BHK (w/ external kitchen)	2 BHK smart (w/ external kitchen) *(Crown room sizing permissible)*	2 BHK	2.5 BHK (2 BHK w/ half bedroom)
Crown	1 BHK Smart (w/ internal kitchen,	2 BHK Smart (w/ separate internal kitchen)		

	preferably separate)			

In a market with dominant Gujarati/Marwari/ business buyers and/or market has seen uptake of Jodi typologies in past – Identify the Jodi layout (4 or 5 bed) and have the same ready as a workable layout option (including structure and MEP) for ~10% of the carpet area. Not necessary if we have standard 4/5 BHK unit in the same MP.

In all residential projects, try to create '**special units**' – i.e. garden units (1-2 levels) with private gardens as well as penthouses (1-2 levels) with partial terrace ownership (see 'Design Guidelines for Special Units'). In Casa and Crown, do not design penthouses and in Luxury, design sub-penthouse in addition to penthouse. Similarly, having select retail with outdoor spaces (ground or terrace) and offices with terraces is also desirable.

How to decide asset class and segment mix:

a. **Small or medium project**: Choose one segment and deliver the product mix for that segment. From a unit type perspective, always ensure that any one unit type (eg. 2 BHK) is not more than 70% of the area in the project. Try to maximize value through some amount of retail.

b. **Large or Very Large project**:

Generally, the goal should be to have an asset class mix + mix within residential which helps maximize NPV (Net Present Value), by putting together different asset classes (which are apt for location and complimentary) and different segments within residential (if the same can be created as distinct MPs)

i. **Step 1**: Review which assets classes and segments are best fit for the location. Prioritize as 'must have' (MH) and 'can have' (CH).
    i. While residential is our mainstay, we should evaluate office / retail / logistics in the location and decide allocation for these asset classes. Within residential, identify the main / core segment and 70-80% of the residential supply (by area) should be of the core segment.
    ii. Balance residential supply can be one segment higher or lower (and/or) with informed choice on what part of the product mix to design for this +/- 1 segment. Each segment to be treated as its own separate project (in rare cases, separation can be vertical eg. Lodha Ciel v. World One) with separate entry, lobby and KCAs. Parking should have separate access for each segment but physical structure can be shared with one level higher or lower segments. Heavy Infra (like STP) is ideally kept separate for each segment but can be shared between different MPs of the same segment – any exception to be approved by concerned CEO. Note/Example: In Palava, the core segment is Casa and the +/- segment will be Crown and Aspi. Similarly, at World Towers + Park, the core segment is Premium and we are doing Luxury (Lodha Ciel /World Villas & Lodha Maison) but we don't have Aspi (which in hindsight we should have planned).
ii. **Step 2**: Review the maximum size of each MH and CH segment using following parameters:
    i. Max. size of 1 phase = Likely sales in first 6 months from pre-launch / 0.4
    ii. Max. size of any segment = 2 phases i.e. Max. size of 1 phase x 2

Cross-check that any phase will get sold out within OC + 12 months incorporating following:

1. When studying annual market volume, launch v. non-launch sales volume to be differentiated for competitors and self. Cannot extrapolate launch year volume to be steady state volume.
2. Market share to be assumed to be **max.** 40% [of relevant TG's (Target Group's) demand basis unit type] in first 12 months from pre-launch and **max.** 20% thereafter in efficient market. Can be higher only in case of inefficient market or innovative product.

iii. **Step 3**: Basis the overall size of the development, see which MH and CH will fit and their recommended sizes. If there is any additional area / land beyond the optimal size of the MH and CH, the said area / land can be considered as 'TBD Future Phase(s)'. For such future phases, ~proportionate land to be left and parking provisions to be thought through (can be part of parking planned for segments which are decided or designed later).

iv. **Step 4:** For each of the identified segments that we intend to build, we should decide the unit type mix (see below). For the unit types that we are likely to do in each segment, see 'Product Mix' above.

How to decide unit type mix for a residential MP once segment is finalized:

First decide whether the market is Efficient (sufficient no. of credible competitors – now or in last 3 years) v. inefficient market. This will give a good sense on how much to rely on past performance data in that market.

1. Study unit type from market mix of efficient market. If market is not efficient, will need to decide mix basis unit types NOT served by credible developers.
2. Generally, the approach is to serve the 'gap in the market' for markets which are not served well by credible developers. This requires careful analysis of what has sold in the said market (or its vicinity) in the past, what is happening in terms of customer preference (bigger or smaller units), what is available in the market now (and upcoming supply) and thus, what is the 'gap in the market'. In markets which are well served by credible developers, the approach is to serve the broader market basis supply gap by unit type [MI (Months of Inventory) for all credible developers].
3. Further, also explore possibility of bringing in innovative/new product to the market (eg. LQH in Thane, Park (tight 2 and 3 BHK) in Central Mumbai).
4. The larger the volume (as % of demand for that unit type in that market) to sell of a given unit type in given phase, the smaller has to be the unit size for that unit type (and vice versa).
5. If a new tower is being designed as part of existing residential development take learnings from existing velocities to tweak product mix/sizes; If a smaller/ efficient layout of a unit type is being introduced – MI of existing should be very low (otherwise may impact velocity of existing development). However, it may need to be done if competition has or is likely to do the smaller size soon.

Basis aforesaid guidelines, the CEO along with BD, Marketing, Sales and Design should finalize the product recommendation and share with MD. With MD inputs, RCEO should share the same with design – suggested format below:

Asset Class	**Segment**	**Must Have (MH) / Can Have (CH) / Not**	**Desired Project Sizing (max. 2 phases) of MH and CH (lakh**	**Desired unit mix**

		Desirable (ND)	**sq. ft., saleable area)***	**Unit Type**	**Net Area sft***	**% of units of said segment**
Residential	Luxury					
	Premium					
	Aspi					
	Casa					
	Crown					
Office	Signet					
	Supremus / Signet Supremus Combo					
	IThink					
	Excelus					
Retail	High Street					
	Experia					
Logistics	City Warehousing					
TBD Future Phase(s)						

*+/- 10% variance permissible basis regulatory and design constraints