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Overview

- In its quarterly review of Monetary Policy on January 29, 2013, the Reserve Bank of India slashed the CRR (Cash Reserve Ratio) by 25 basis points to 4%. The cut is expected to infuse ₹ 18,000 Cr. worth of liquidity into the Financial system and consequently is expected to improve the availability of funds. The last cut was seen in October review with RBI reducing CRR by 25 basis points from 4.50% to 4.25%.
- RBI also reduced the repo rate or short-term lending rate by 0.25 per cent to 7.75 per cent. This implies a reduction in the borrowing cost for individuals and corporate. Following the RBI rate cut, many banks announced cuts in lending rates, fuelling expectation of a pick-up in retail housing demand. NHB also reduced its prime lending rate, or the rate at which it lends to other banks, by 25 bps to 9.75% the same day.
- The RBI lowered the growth forecast for the 2012-13 fiscal year ending March to 5.5 per cent from 5.7 per cent previously. In October, the Central Bank lowered its own forecast for 2012-13 growth to 5.8 per cent from 6.5 per cent.

Residential Overview

- Mumbai residential markets witnessed a surge in inquiries and transactions as the markets witnessed new launches by good developers. Activity was also noticed in the property exhibitions.
- Certain locations of South Delhi witnessed a slight dip in prices because of slow transaction activity at high price points. Builder launches remained slow across the NCR markets. The high price points even at the 'initially affordable' Dwarka Expressway led to a dip in absorption of residential units. The Noida and vicinity witnessed some transactions on Noida Extension, Noida Expressway and Yamuna Expressway belts.
- Inquiries and conversions have seen a dip in the peripheral areas of Chennai except for Porur, which has seen huge activity over the past one year.

Residential Roundup

| City | Top 7 Cities : Residential Key Trends |
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| Mumbai | <p>The Confederation of Real Estate Developers Association (CREDAI) organised a mega property exhibition at numerous locations, such as Navi Mumbai, Thane and Kalyan. The four day exhibition in these micro-markets brought together more than 250 - 300 developers and housing finance companies, providing a platform for home buyers to explore options available in their budget. Apart from Mumbai, properties from Lonavala, Pune, Bangalore were also on display.</p> <p>L & T Realty pre-launched its luxurious residential property 'Emerald Isle' in Powai. The project is priced at ₹16,250 per sq.ft. for 2 & 3 BHK and ₹23,000 per sq.ft. for 4 BHK in four towers of 24 floors. There are altogether 14 towers over a spread of 16 acres of land parcel. The project received an overwhelming response.</p> <p>Lodha Group launched its luxurious residential project 'Blue Moon', spread across 18 acres of land parcel in Worli and comprising 2, 3 and 4 BHK residential units price starting at ₹3.25 Cr..</p> <p>Mumbai residential markets witnessed a surge in inquiries and sales transactions as the city witnessed new launches by good developers and active property exhibitions. Demand for residential units remained robust, with a number of buyers executing transactions during the festive season of Makar Sankranti.</p> |
| Delhi NCR | <p>As the Delhi markets witnessed a heavy increase (50 – 200%) in the circle rates during November 2012, price correction to the tune of 10-15% was noticed at certain prime locations of South Delhi. This may be attributed to the dampening transaction activity because of peaking price points.</p> <p>From January 2013 onwards, the biometric ID became mandatory for getting the properties registered in Delhi market.</p> <p>Moreover, as a measure to mitigate parking woes, North MCD announced building five more parking spaces at strategic congested locations of Delhi, in addition to around seven spaces under construction.</p> <p>The new launches remained slow in the Gurgaon markets. Emaar MGF launched its project 'Ekaantam' priced at ₹10,000/sft. located in the Dwarka Expressway micro-market. Absorption remained very moderate across the city, as prices touched high levels amidst slow project-launch activity. Transaction activity, though sluggish across major locations, happened primarily on the Dwarka Expressway and the New Gurgaon belt.</p> <p>Very few fresh launches were witnessed in Noida/Greater Noida markets. Bhasin group launched its premium villa project 'Mist Avenue' on the Noida Expressway belt. Jaypee Group pre-launched its plotted development project 'Sunnyvale' at Jaypee Sports City in Greater Noida, offering plots at ₹ 27,200/sq.yrd. New units were launched in some existing projects at a premium of approximately ₹200-300/sft. over the existing units. The capital values remained stable across the micro-markets. Absorption happened primarily in Noida Extension, Noida Expressway and Yamuna Expressway belts.</p> <p>Apart from this, Noida and Greater Noida Boards gave green signal to Noida - Greater Noida and city Centre-sector 62 metro rail projects. The projects are expected to get completed in 2016. Going forward, the Greater Noida and Noida areas under this metro connectivity influence zones may witness an uptrend in prices.</p> |
| Bangalore | <p>Bangalore markets remained steady in terms of prices and transactions across the low / mid / higher mid segments. The project launch activity witnessed a dip vis-à-vis the last few months, on account of the inauspicious period before Makar Sankranti. However, new launches are in pipeline and are expected in the coming months.</p> <p>TATA Housing launched its affordable residential project 'New Haven' priced at ₹ 2,900 – 3,200/sft., offering premium lifestyle and modern amenities. It is the first green township of Tumkur Road and is aesthetically designed by renowned architects Callison, USA.</p> |
| Chennai | <p>Post the festival of Pongal, Chennai witnessed approximately 3-4 project launches. ECR hub is witnessing a good number residential villa/apartment projects by category A builders.</p> <p>The residential real estate markets in Chennai are moving slow in terms of transactions. Buyers are maintaining a cautious stance in the market. Inquiries and conversions have taken a dip in the peripheral areas of Chennai except for Porur, which has seen a huge surge in the same over the past one year. Builders are resorting to aggressive marketing to generate interest in the market.</p> |
| Hyderabad | <p>Transaction activity remained subdued in the month of January as buyers maintained a cautious stance and delayed their decisions. However, Gachibowli witnessed good off take followed by Kukatpally and Miyapur. Market outlook remains positive but no major new launches are in pipeline. Capital values remained stable across the micro-markets.</p> <p>Brigade Group launched its high end luxurious project 'Brigade@7' at Banjara Hills Road No. 7 with apartments priced at ₹ 3.6 Cr. onwards.</p> |
| Pune | <p>Dreams Group launched a couple of projects in Hadapsar. 'Onella' is priced at ₹ 4,000 / sft., while their high-end luxurious project 'Aryan' is priced at ₹ 7,500/ sft..</p> <p>In locations like Wagholi in East Pune, price levels of certain projects such as 'Skylight' have moved beyond ₹ 3,500/sft. 'Skylight' is a residential project by Ravindra Landmarks at Wagholi and it comprises 1, 1.5 and 2 BHK units priced in the range of ₹ 24-39 lacs.</p> |
| Kolkata | <p>While there were no significant new launches witnessed in January 2013, some project launches are expected during end February 2013. Kolkata markets marked an approximate price appreciation of ₹ 150-200/sft. at certain locations. A slight increase in off take was seen after January 15, 2013. Transaction activity was primarily seen in the micro-markets of EM Bypass and the southern regions such as Garia, Narendrapur and Sonarpur.</p> |

Source: ICICI PSGs Channel Sources

Key Residential Project Launches

| City | Projects | Developer | Location | Capital Value ₹ / sft. |
|------------------|-------------------------|---------------------|------------------------------|------------------------|
| Bangalore | New Haven | Tata Housing | Tumkur Road | 2,900-3,200 |
| | Sunworth | Provident Housing | Kengeri, Mysore Road | 3,000 |
| | Parkway Homes | SRJ Prime Corp | Hosa Road, Off Sarjapur Road | 3,200 |
| Delhi NCR | Ekaantam | Emaar MGF | Sector 112, Gurgaon | 10,000 |
| | Mist Avenue | Bhasin Group | Sector 143, Noida | N.A. |
| | Sunnyvale Home | Jaypee Group | Greater Noida | 27,200/sq. yrd. |
| Chennai | KG Signature City, Ph-2 | KG | Adiyalampattu | 4,799 |
| | Sigira | Jones | Pallikarnai | 4,900 |
| | Esta | Arihant | Mogappair | 7,500 |
| | Verda | ETA | Valsaravakkam | 6,199 |
| Mumbai | Emerald Isle | L & T Realty | Powai | 16,250 / 23,000 |
| | Ekta Tripolis | Ekta World | Goregaon | 12,699 |
| | Romell Diva | Romell Group | Malad W | 12,000 |
| | Ahuja L'amor | Ahuja Constructions | Oshiwara | 13,500 |
| Hyderabad | Brigade@7 | Brigade Group | Banjara Hills Rd No.7 | 3.6 Cr. onwards |
| Pune | Emirus | G M Kenjale Group & | Baner | 7,250 |
| | Skylight | Ravindra Landmarks | Wagholi | 3,600 / 3,700 |
| | Onella | Dreams Group | Hadapsar | 4,000 |
| | Aryan | Dreams Group | Hadapsar | 7,500 |
| Kolkata | No new launches | | | |

Source: ICICI PSGs Channel Sources

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