



Residential Update

Residential Roundup

Key Project Launches

REALTY ROUNDUP : July 2012

- RBI kept the key Cash Reserve Ratio (CRR) rates unchanged at 4.75% in the July 31 Credit Policy announcements. But it has cut SLR (Statutory Liquidity Ratio) of banks to 23% from 24% of their Net Demand and Time Liabilities (NDTL). SLR determines a bank's mandatory investment in government securities. The reduction in SLR will enable higher liquidity within the banking system to help propel growth.
- The macro-economic fundamentals continue to look weak. Gross Domestic Product (GDP) growth decelerated over four successive quarters from 9.2% in Q4 of FY 2010-11 to 5.3% in Q4 of FY 2011-12. Significant slowdown in industrial growth as well as deceleration in services sector activity pulled down the overall GDP growth to 6.5 per cent for 2011-12, below the Reserve Bank's baseline projection of 7%.

- Headline Wholesale Price Index (WPI) inflation increased from 7.5% in April to 7.6% in May before moderating to 7.3% in June 2012. The consistency in inflation, despite the significant growth slowdown, was largely on account of high primary food inflation, which was in double-digits during Q1 of FY 2012-13 due to an unusual spike in vegetable prices and sustained high inflation in protein items.
- Added to this, states like Maharashtra, Punjab, Rajasthan and Haryana are facing near drought situation. Combining all this, the macro-economic outlook continues to be weak.

Residential Overview

- The Mumbai markets witnessed the passage of the Maharashtra Housing (Regulation and Development), Bill, 2012 by the Maharashtra Legislative Assembly on the 16th of July. The bill promises to safeguard the interest of home buyers and increase transparency in transactions. It proposes the setting up of a Housing Regulatory Authority and Appellate Tribunal and it is expected to bring about significant disclosures from builders on the FSI, layout, funding channels and also on the ownership of land
- The NCR markets witnessed severe electricity and water shortage on account of the tripping of the Northern Grid. Due to water scarcity and the shrinking water table, the High Court has directed the state government not to issue permits for construction unless builders give in writing that ground water will not be drawn by them. Gurgaon markets reflected a marginal slowdown in transaction activity and there were no significant new launches in Noida.
- Pune market continued to see rise in prices, while Bangalore saw the launch of affordable homes project near the airport. In Kolkata, capital values remained stable and in Chennai, the Porur micro-market continued to show good transaction activity.

RESIDENTIAL ROUNDUP

KEY MARKET TRENDS

CITY	TOP 7 CITIES : RESIDENTIAL KEY TRENDS
Mumbai	<p>The Mumbai markets witnessed the passage of the new Maharashtra Housing (Regulation and Development) Bill, 2012. The exact impact of the bill is yet to be felt by the markets. Reasonable transaction activity was witnessed in the market, despite capital values continuing to show an upward trend. Most of the developers were seen submitting plans according to the new Development Control Rules.</p> <p>Capital values of residential projects are likely to continue to look up due to lack of supply. Approvals for new projects are trickling in, but slowly. Due to lack of open and vacant land parcels in Mumbai many developers are getting attracted to slum rehabilitation projects as it offers a good opportunity to procure land parcels.</p> <p>Bharat Infrastructure launched "Eco - Vistas" in Kalyan Shil Phata with 1 BHKs at INR 31 lac, 1.5 BHK at INR 36 lac and 2 BHKs at INR 40 lac. Mumbai also witnessed the soft launch of a project by Rustomjee developers at Juhu at a rate of INR 22,000 psf.</p>
Delhi NCR	<p>Gurgaon witnessed a few launches by the Krrish Group and Experion Developers. The Gurgaon residential markets have witnessed a marginal slow-down in transaction activity and new project launches in the last few months. However, the activity will likely pick-up in the next few months, on account of auspicious occasions of Navratri and Diwali.</p> <p>The city is afflicted with power and water shortage. Amidst the depleting water table and shrinking water supply, of late, High Court has directed the state government to refrain from issuing permits for construction unless builders give in writing that ground water will not be drawn by them. This may lead to delay in construction time-lines and escalation in property prices for the buyers. The capital/rental values remained stable in the month of July 2012.</p> <p>In the Noida markets there were no new significant project launches. The transaction activity remained stable across Noida and maximum transactions were witnessed along the Noida Expressway belt.</p> <p>While buyer queries regarding projects on the afflicted Noida Extension belt were witnessed, there were few meaningful conversions. The final NCRPB (National Capital Region Planning Board) approval for the modified Greater Noida Master Plan 2021, is expected by mid August 2012, post which the stalled construction activity is expected to commence. Once this comes through, the Noida Extension area may seal its position as a location for affordable homes in Delhi NCR.</p>

<p>Bangalore</p>	<p>The Confederation of Real Estate Developers Association of India (CREDAI), Bangalore chapter, organized a mega exhibition, "CREDAI Bengaluru Realty Expo-2012". The two-day exhibition brought together over 70 developers and also housing finance companies under one-roof, providing an appropriate platform for home buyers to explore options available in the Bangalore market. Apart from Bangalore, properties from Kochi, Mysore, Chennai and Mangalore were also on display.</p> <p>The Bangalore market remained stable during the month of July 2012. Prestige Developers had a pre-launch of their property " Ferns Residency", on Harlur Road, off Sarjapur Road in South-East Bangalore. The project is priced at INR 4,250 psf- INR 4,550 psf. The project has received a good response. The market also witnessed the launch of affordable homes, by the Brigade group in Devanahalli, close to the Bengaluru International Airport. The project is priced at INR 2,840 psf.</p>
<p>Chennai</p>	<p>In the Chennai residential markets, the peripheral areas along Grand Southern Trunk Road (GST) witnessed a moderation in sales volumes during the month of July-2012. The property prices along Old Mahabalipuram Road (OMR) remained fairly stable. The micro-market of Porur continued to witness traction. Properties in this micro-market are in the price band of INR 5,000 psf-INR 5,500 psf. The market is expected to witness the delivery of approximately 1,250- 1,500 units by Dec-2012.</p>
<p>Hyderabad</p>	<p>The Hyderabad residential market remained muted during the month of July-2012 due to the inauspicious month of Asadh. Expected launches were deferred due to a delay in the approval process. The market is expected to witness new launches in the affordable and premium segment, along western Hyderabad, in the coming months. The capital values have remained fairly stable across micro-markets of Hyderabad.</p>
<p>PUNE</p>	<p>In Pune capital values were seen to be on an upswing. Huge demand for budget homes was witnessed but there continued to be a scarcity of such projects, as most of the projects are in the luxurious segment.</p> <p>Godrej Properties launched a premium residential project – Godrej Horizon in Undri, Pune. Spread over 8.5 acres it consists of 5 towers and has a range of 2/2.5 and 3 bhk. XRBIA, an affordable housing project under the attractive 20-80 scheme was launched by Eiffel Developers & Realtors Ltd. The project is located at Hinjewadi, Pune and has received a tremendous response with almost all the 2, 3 BHKs sold in a period of ten days.</p>
<p>Kolkata</p>	<p>No significant changes were witnessed in the Kolkata residential markets vis-a-vis the previous month. Healthy demand prevails in Kolkata residential markets, especially in the Middle Income Group (MIG) and affordable housing segments, which is reflected in the continuous queries by buyers. However, the volume of transactions remained moderate owing to high mortgage rates. Capital/rental values remained stable across most of the micro-markets of Kolkata.</p>

Source : ICICI PSGs Channel Sources

KEY RESIDENTIAL PROJECT LAUNCHES : July 2012

	PROJECTS	DEVELOPER	LOCATION	CAPITAL VALUE (INR/SFT.)
Bangalore	EAST PARADE	JAIN HEIGHTS & STRUCTURES	OFF C.V.RAMAN NAGAR	4,950
	VALUE HOMES @ BRIGADE ORCHARDS	BRIGADE GROUP	DEVANAHALLI	2,840
Delhi NCR	WINDCHANTS	EXPERION DEVELOPERS PVT. LTD.	DWARKA EXPRESSWAY	7,000
	FLORENCE TOWERS (ONLY FOR CENTRAL GOVT. EMPLOYEES / EX-EMPLOYEES AND THEIR WARDS)	KRRISH GROUP	SECTOR 70, GURGAON	5,800
Chennai	NO NEW LAUNCHES			
Mumbai	ECO VISTAS	BHARAT INFRA	KALYAN	4,000
	NA	WADHWA GROUP	DADAR W	25,500
	THE NEST	WADHWA GROUP	ANDHERI W	17,100
	ADNEY	PARINEE	BORIVALI W	9,150
Hyderabad	NO NEW LAUNCHES			
Pune	XR BIA	EIFFEL DEVELOPER	HINJEWADI	2,000-3,000
Kolkata	NO NEW LAUNCHES			

Source: ICICI PSGs Channel Sources

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