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MARKET WATCH

July 2016


**HDFC
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Key Residential Trends - Ahmedabad

Sentiments, New launches and Enquiries

- In comparison to the previous month, July witnessed a slight upward movement in terms of number of enquiries. Onset of the auspicious month of Shravan was a major driving force behind this positive change.
- 2-BHK and 3-BHK units within a price range of Rs. 40-60 lakh per unit, in areas such as Bopal, South Bopal, SG Road (Sarkhej-Gandhinagar Highway), Satellite and Vaishnodevi was the most enquired combination.
- A major part of this demand can be attributed to end users who have migrated to the city for work. Contribution of investor-demand remained consistent between 15 to 20 per cent.
- The month also saw a marginal increase in the number of new launches. This was a major contributor to the growth in enquires. Key new launches included Celebrations by Kavisha Corporation in South Bopal, Rise by Raj-Yash Developers in South Vasana and North One by True Vale Nirman in Ambli.

Sales Volumes, Inventory and Price Trends

- Low rise, standalone projects continue to dominate the existing supply of apartment properties in Ahmedabad.
- A majority of the potential buyers were expecting unreasonably lower prices for properties in premium localities. Furthermore, even serious buyers are taking a very long time to finalize the deals. Hence, in spite of growth in enquiries, sales have continued to remain stagnant.
- Transactions were mainly concentrated towards 2 and 3-BHK units, priced between Rs. 40 to 45 lakh per unit.
- Owing to the price sensitive market, developers are not willing to take the risk of increasing their prices. Hence, prices remained at the same level as the previous month. Areas such as South Bopal, Satellite and Thaltej commanded the highest capital values.
- Keen buyers were offered discounts of 2-5 per cent on per sq.ft. rates.
- Some developers were also seen soft launching their projects at prices much lower than the average prices, prevailing in the area. In some cases the difference was as high as Rs. 1000 per sq.ft.

Expected Likely trends during August 2016

- Sales are expected to witness a marginal uptick during the next month on account of Shravan. However, the market is not expected to witness any serious movement at-least until the festive month of October.
- Key new launches expected during the next month include Park View by Shivalik Group, Belvista by Arista Lifespaces and Cloud 9 by Addor Developers.

- Major upcoming infrastructure projects in Ahmedabad include –the Metro-Link Express for Gandhinagar and Ahmedabad (MEGA)–is under construction. First phase of the project is expected to get commissioned in 2018. The project will have two corridors: the North-South corridor (APMC to Motera Stadium) and the East-West corridor (Thaltej Gam to Vastral Gam).



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