

MW MARKET WATCH

Q2 2016 - 17



Key Residential Trends - Hyderabad

Sentiments, New launches and Enquiries

- Hyderabad real estate market witnessed a marginal improvement in the enquiries. Overall the sentiments remained positive because of a stable political environment and healthy investment inflow in the city's IT sector.
- Demand mostly hovered around 3-BHK units falling in the price range of Rs 35 to 55 lakh per unit.
- In the luxury segment, properties priced in the range of Rs 85 lakh to 1.3 crore per unit witnessed relatively higher enquiries. Owing to their affordable prices, stand-alone projects located in commercially driven western micro-markets of Hyderabad saw good demand.
- A significant proportion of the end-user demand was inclined towards affordable homes in commercially driven localities of the city. Whereas, investors preferred luxury, branded projects falling in higher price brackets with an expectation of getting higher returns.
- Areas in and around the commercially important western Hyderabad such as Madhapur, Gachibowli, Kondapur, Kukatpally, Banjara Hills and Jubilee Hills continued to dominate the real estate demand in the city. The completion of ORR has given a boost to the property market in Pocharam and Ghatkesar which has a good supply of affordable housing.
- However, the surge in unsold inventory has resulted in marginal new supply addition. Many builders are expected to launch their projects during the next quarter with the hope of getting better attention in the wake of festival season.

Sales Volumes, Inventory and Price Trends

- Increased enquiries did not really reflect in the sales number buyers took considerably longer time to finalize property purchases. Many buyers are postponing their buying decisions with the hope of getting a better deal during the next quarter. While a good proportion of buyers are also waiting to see a major policy reform in the form of the Real Estate Act.
- Prices remained unchanged as the developers were not willing to reduce the asking rates. The discounts also remained negligible. However, many developers were offering easy payment schemes such as the subvention scheme.

Expected likely trends during the Q3 2016-17

- The upcoming quarter looks positive for Hyderabad as many potential buyers are expected to finalize their buying decisions.
- With improvement in demand, the developers are expected to marginally increase their prices.



- Two stretches of the Hyderabad metro-Nagole to Mettuguda (8 km) and Miyapur to S.R.Nagar (12 km)-have been completed and are ready for use. However, operations will commence only in 2017 as the officials are planning to finish work on more stretches and open a larger section together.
- The main carriageway of the 159 km long ORR (Outer Ring Road) was completed and inaugurated in July 2016. ORR will provide a strong boost to the property prices of peripheral micro markets of the city during the upcoming quarter.

Key new launches during the quarter

Developer	Project	Location	Additional Details
Dream India Group and FIMA Properties	The Valencia	Banjara Hills, Hyderabad	Spread over 2 acre, the project will consist of 106 apartments across 14 towers. The area of the apartments will range between 2,500 sq ft and 4,500 sq ft and the base price will be `10,000 per sq ft. The project is expected to be completed by December 2017

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