

# MW MARKET WATCH

Q2 2016 - 17



## Key Residential Trends - Ahmedabad

### Sentiments, New launches and Enquiries

- The real estate market of Ahmedabad mostly remained unchanged during the quarter on account of monsoon. However, enquires saw a marginal surge during the festive months of August and September which are considered auspicious for home buying. Fence sitters were also showing interest in finalizing their buying decision. Good monsoon, which resulted in an overall improvement in economy, brought a significant positivity in the real estate market.
- Throughout the quarter 2-BHK and 3-BHK apartments within a price range of Rs 40-60 lakh per unit received maximum enquiries. Projects located in Bopal, South Bopal, SG Road (Sarkhej-Gandhinagar Highway), Satellite and Vaishnodevi continued to remain on top of buyer wish list.
- There was a marginal increase in the number of new launches towards the quarter end as monsoon began its retreat. Which was another reason behind an overall growth in enquiries.

### Sales Volumes, Inventory and Price Trends

- The positivity in market however did not convert to significant improvement in sales. Owing to festive season and retreating monsoon the sales were slightly better than previous quarter. Many of the deals were postponed as buyers were expecting heavy discounts on the prices.
- Majority of the transactions can be attributed to 2 and 3-BHK units, priced between Rs. 40 to 45 lakh per unit.
- As a result of slow market the developers kept their prices constant. South Bopal, Satellite and Thaltej micro-markets saw highest average capital values in the city.
- Buyers with strong intent were offered discreet discounts in the range of 2 to 5 per cent on psf rate.

### Expected Likely trends during the Q3 2016-17

- Ahmedabad realty market is expected to get into revival mode during the upcoming quarter.
- A good agricultural has led to an overall improvement in the local economy. As a result many buyers who had withheld their home buying decision are expected to come back to the market.
- The month of December, which is a holiday season in several western countries, is expected to witness a lot of site-visits by native NRI population.
- Major upcoming infrastructure projects in Ahmedabad—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).

- Second phase of MEGA which will connect Gujarat International Finance Tec-City (GIFT City) to Mahatma Mandir is under Detailed Project Report (DPR) stage.
- Work on the Mumbai-Ahmedabad bullet train corridor is also expected to begin in 2018. The project will be first of its kind in the country. Any positive development with regards to this project is expected provide a boost to the city's property rates.

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