

# MW MARKET WATCH

Q3 2016 - 17



## Key Residential Trends - Delhi NCR

### Sentiments, New launches and Enquiries

- Real estate in NCR had started to recover from the monsoon season slump in October. The month of November, however, witnessed a drop in the number of enquiries as buyers remained involved in banking operations on account of demonetization.
- Widespread speculations regarding significant drop in property prices caused a surge in enquiry inflow. Potential buyers were expecting the rate cuts to be in the range of 20 to 30 per cent. Some of the buyers were even negotiating to buy 2 BHK units at the cost of 1 BHK.
- Demand was mostly dominated by middle income buyers willing to purchase affordable properties across Noida and Gurgaon. The expected price range for properties in Gurgaon and Noida was between Rs 30 to 60 lakh. A stronger preference was witnessed for ready to move properties. Investor enquiries on the other was negligible.
- In view of higher demand for ready to move properties, developers chose to postpone new launches and concentrate more on clearing the existing inventory.

### Sales Volumes, Inventory and Price Trends

- In contrast to the speculated price reduction of 20 to 30 per cent, the capital values largely remained unchanged. This resulted in low enquiry conversion rate as many buyers chose to extend their wait in the hope that the prices will start falling post budget.
- Affordable housing around Noida and Gurgaon falling in the price range of Rs 40 to 50 lakh saw maximum movement.
- Average discounts remained in the range of 9 to 10 per cent, limited to buyers with genuine intent. Developers were also seen offering waivers on parking space, registrations charges and floor rise.
- Several developers were also offering price assurance scheme to convince buyers that the capital values will not fall.

### Expected likely trends during the Q4 2016-17

- With buyers pushing their home purchase decisions, the market is expected to continue the same trend until March 2017. Some respite is expected in case there is a drop in home loan rates.
- Buyers in Noida are expected to remain away from the market until formation of the new government which is slated to take place in the first quarter of FY 2017-18.
- On the price front, developers are unlikely to reduce their prices hence the average capital values will continue to remain stable.
- Key new launches expected during Q4 2016-17 include residential project by Tata housing in Noida.



- Key upcoming infrastructure include Phase III extensions of the city's metro network. This includes the 59-km-long Pink Line (Majlis Park - Lajpat Nagar section), expected to be commissioned by September 2017. And, Line 8, i.e. Magenta Line, will connect west Delhi to Noida via IGI Airport's domestic terminal, expected to be commissioned June 2017.

### Key new launches during the quarter

Developer	Project	Location	Additional Details
Ascent Group	Ascent Arcade	NH-24, Ghaziabad	Spread over 1.5 lakh sq ft, the project will consist of 163 shops and offices with area ranging between 300 sq ft and 600 sq ft. The base price for the offices and shops will be `3,999 per sq ft and the project is expected to be completed by Dec-2016.
Mahagun Group	Mahagun Montage	Republik, Ghaziabad	Spread over 5 acre, the project will consist of 918 apartments across 2 towers of 31-storeys each. The apartments will be available in 2, 3, 4 and 5 BHK format with area ranging between 900 sq ft and 3,440 sq ft and base price at `3,725 per sq ft. The project is expected to be completed by Dec-2020.

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