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MARKET WATCH

June 2016


**HDFC
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Key Residential Trends - Kolkata

Sentiments, New Launches and Enquiries

- The number of enquires for residential properties in Kolkata dropped marginally during the month of June. Buyers were hoping that the new government will bring positive changes in the real estate regulations. However, no announcement has been made so far.
- Demand is mostly inclined towards affordable homes priced between Rs. 25-40 Lakhs per unit. Many of the potential buyers are looking for affordable homes in upmarket areas such as Garia and EM Bypass. 2-BHK and 3-BHK continue to remain the most popular configurations.
- Majority of developers chose to postpone their new launches during June. However, a good number of projects are lined-up for the launch in coming months.

Sales Volumes, Inventory and Price Trends

- The price sensitive home buyers of Kolkata are expecting the capital values to be much lower than quoted figures. Hence, sales volumes remained subdued. Enquiry conversion rates stood between 5 to 6 per cent.
- Economically driven areas such Garia, Salt Lake, Rajarhat and EM Bypass have fared better than rest of Kolkata. Units priced between Rs. 25-40 Lakhs per unit registered best sales figures.
- Significant construction delays kept buyers away from under construction properties causing considerable hike in the prices of ready-to-move-in units. The price difference between under construction and completed apartments stood at 30 to 35 per cent.
- In spite of the low sales volumes, builders are not willing to lower their prices. Discounts were limited to a maximum of around 5 per cent on the final price and were strictly offered to committed clients.

Expected Likely trends during July 2016

- Real estate sector is expected to witness marginal revival in case the new government announces drop in stamp duty and registration charges.
- Few new launches are expected in coming months which include projects by Meridian Group and Ascon Group.
- Announcement of Real Estate Act has brought a certain amount of positivity in consumers' sentiments. However, it will take some time before this positivity starts converting into sales as the implementation of the Act will require at least a year from now.
- Expansion of metro rail network is the most important Infrastructure ongoing project in Kolkata. However due to technical difficulties, completion of the project is repeatedly getting postponed.

Key New Launches across Kolkata

Developer	Project	Location	Additional Details
Mani Group	Mani Casadona	Rajarhat New Town	16-storey twin towers-consist of office spaces ranging between 3,500 sq ft and 40,000 sq ft
Primarc Projects and MCK Group	Anukul	Kankurganchi	Consist of 28 apartments in 2 towers-units available only in 3 BHK format-area to range between 1,109 sq ft, 1,124 sq ft, 1,240 sq ft, 1,260 sq ft and 1,295 sq ft. Base price Rs 6,500 per sq ft-to be completed by Sep-2017



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