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MARKET WATCH

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Key Residential Trends - Bengaluru

Sentiments, New Launches and Enquiries

- Number of enquiries for residential properties in Bengaluru continued to remain restrained during the month of June. Furthermore, the number of genuine enquiries have seen a dip of around 50 per cent over time. This is raising serious concerns amongst the developers.
- The investors have stayed away because of negative speculation while the end users chose to extend their wait for a desirable fall in capital values.
- The main contributors to the demand were middle aged migrant individuals working in IT and automobile sector. Potential buyers were interested in affordable, 2-BHK units with a price range of Rs. 55-80 Lakhs per unit.
- Construction delays continue to plague the city's real estate sector. As a result, buyers are concentrating on near-ready or ready to move-in properties.
- Bengaluru market remained dull on the new launch front. No major new launches happened during June as developers struggled to gather funds.

Sales Volumes, Inventory and Price Trends

- Potential buyers in Bengaluru have continued to delay their buying decision. They expect that the lacklustre market will force developers to drop prices in the near future. Consecutively, the enquiry to sales conversion rate was restricted at around 5 per cent.
- Most of the sales activity was centred on 2BHK units priced between Rs. 50 to 80 lakh per unit in commercially significant areas in and around Whitefield, Marathalli, Sarjapur, Bannerghatta, Kanakapura and Hosur.
- In case of capital values, developers seemed unwilling to drop prices despite of the mounting pressure of unsold inventories. However, some developers were seen offering discreet discounts in the range on 3 to 5 per cent to committed buyers.

Expected Likely trends during July 2016

- Going forward, the developers are not expected to reduce their capital values during the next two to three months. On the other hand, the buyers also appear reluctant to give up their wait and watch stance any time soon. In view of this, the sales trend is not likely to witness any positive movement until the next quarter.
- As a result of increasing unsold inventory, the builders are expected to concentrate on existing projects rather new launches.
- Upcoming infrastructure in Bengaluru include the Peripheral Ring Road (PRR), Bengaluru Metro Rail Phase-2 and some remaining stretches of Bengaluru Metro Rail Phase-I. However the effect of this infrastructure on real estate will be witnessed only in long term.

Key New Launches across Bengaluru

Developer	Project	Location	Additional Details
Embassy Group	Embassy Springs	Near KSIIDC Devanahalli Business Park	Spread over 300 acre, the project will consist of 188 acre of plotted development, 41 acre of residential apartments, 22 acre of villas and row houses, 20 acre of clubs and school and 35 acre of commercial and retail space.



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