

# MW MARKET WATCH

Q3 2016 - 17



## Key Residential Trends - Bengaluru

### Sentiments, New launches and Enquiries.

- The immediate consequence of the currency ban was felt in the real estate market with a significant drop in demand for new residential properties. The negative sentiment and perceived uncertainty prevailing in the market has, thereby, resulted in buyers deferring their purchase decisions.
- Buyer sentiments had hit an all-time low in an otherwise progressive market due to multiple factors. Apart from the currency ban, civil unrest over Cauvery water, demolition drive against land encroachment and Akrama-Sakrama penalties had also marred market sentiments.
- The resale market was the most hit by the demonetisation move. All resale activity came to an immediate standstill. While buyers are expecting the prices to drop, sellers are in no hurry to sell their properties at discounted rates.

### Sales Volumes, Inventory and Price Trends

- Construction work across the city slowed down considerably in the first few weeks of November as a result severe cash crunch, caused by demonetization. This is expected to cause a delay of two to three quarters in the completion of several residential projects, impacting the projected supply of fresh housing stock.
- Capital values across the Bengaluru remained largely stable. Locations offering affordable properties witnessed highest traction in the city.
- Prominent residential pockets in South Bangalore garnered interest from end users due to availability of ready properties.

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

- There is a lot of positive anticipation surrounding the next quarter. This may be attributed to the expected rise in transparency as a result of currency ban and implementation of the RERA Bill. This may instil confidence in the buyers, paving way for the revival of real estate market.
- While sales are expected to remain slow with buyers anticipating softening of property prices, the city is unlikely to see a heavy price correction due to a meagre gap between circle rates and market prices.
- On the infrastructure front, upcoming projects include few alternate roads to the airport, Whitefield-Byappanahalli suburban rail and Metro extension up till Outer Ring Road (ORR).



## Key new launches during the quarter

| Developer | Project | Location | Additional Details   |
|-----------|---------|----------|--|
| Paradigm  | Nivan   | Khar     | The project consists of 48 apartments in G+15 storey tower. The apartments are available in 2 and 3 BHK formats with base price at 42,000 per sq ft. The project is expected to be complete by Dec 2017. |

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