

MW MARKET WATCH

Q4 2016 - 17



Key Residential Trends - Kolkata

Sentiments, New launches and Enquiries

- Real estate in the city witnessed surge in enquiry inflow as price fall speculations continued to hover over the market. A majority of these enquires lacked strong potential of converting into sales.
- Overall, market sentiments remained low during the quarter. As a result investors chose to stay away from the market. Most of the end user demand can be attributed to employees working in the IT and financial sectors.
- Enquiries were concentrated towards 2 BHK units priced between Rs 30 lakh to Rs 50 lakhs. Potential buyers were interested in affordable properties located around New Town, E.M. Bypass and South Kolkata.
- The quarter witnessed few new launches on account of weak market conditions. Also, many developers prefer to introduce their new projects around the auspicious period of Pahela Baishakh which is scheduled in April.

Sales Volumes, Inventory and Price Trends

- Sales trend continued to remain stable as enquiry conversions remained fairly low across the micro markets. Buyers preferred to extend their wait hoping to see a fall in property prices.
- Developers on the other hand are firm with their prices despite of weak absorption rates.
- However, many of the developers were ready to negotiate their asking prices during the final stages of transactions.
- The sector also remained passive in terms of marketing activities as very few developers were seen offering special schemes.

Expected likely trends during Q1 2017-18

- Going forward, market is expected to see an uptick in terms of new supply and absorption during the next quarter. Owing to the firm stand taken by developers with respect to prices, buyers are expected to end their wait.
- Key projects expected to be launched during the next quarter include Sai Aspire by Sri Sai Group.
- Several new metro routes are under various stages of implementation. The Rs 5,000 crore East West corridor (Line 2), planned between Salt Lake's Sector V and Howrah Maidan, is expected to be completed by June 2018.
- The 16.7 km long Joka to BBD-Baug (line 3) is in initial stages of construction and expected to commence by the end of 2018.



- Line 4 metro which will run between the 18 km long Noapara-Airport-Barasat stretch is expected to commence by the mid of 2018.
- However, owing to technical problems and long standing encroachment issues completion of these projects has already been postponed significantly. Metro rail projects will not have any immediate effect on the real estate market in the city.

Key new launches during the quarter:

Developer	Project	Location	Additional Details
Ruchi Realty	Ruchi Realty One Rajarhat	Rajarhat	The project has 282 apartments. 1 BHKs are sized between 923-924 sq ft. and 2 BHKs are sized between 1231- 1244 sq ft. Rate is around Rs 5650 per sq ft.

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