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# MW MARKET WATCH

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## Key Residential Trends - Bengaluru

### Sentiments, New Launches and Enquiries

- Flow of enquiries remained steady even though the rate of conversion remained slow. This can be attributed to the fact that buyers have multiple options to choose from and thus are taking their time to finalise a deal.
- As per market experts, residential inventory in the Bangalore market is at least three to four times higher than the existing demand. This combined with developers' resistance to lower prices is hurting market sentiments.
- Moreover, end users have become very conscious about the various amenities and features being offered by different developers. Apart from the ideal budget, location and connectivity have also become top priorities for buyers. Thus buyers are using the slowdown in the market to scan as many properties as possible before taking the final call.
- None of the major developers have launched any new projects in the city in the last one month. Small time and C-grade developers have launched few projects towards the far end of the eastern belt.

### Sales Volumes, Inventory and Price Trends

- Buyers are largely looking for properties in the price range of Rs. 80 lakh and 1 crore. Typically, you would get a 2-BHK in this price range near the city centre. However, more and more buyers are now opting for 3- units that are available at almost the same price by just moving slightly away from the city.
- North and East quadrants of the city seem to be garnering maximum activity. Typically end users are more inclined towards the eastern zone due to the presence of the IT belt. Also, 60-70% of the residential inventory in the zone is ready to buy. Locations such as Whitefield, Sarjapur Road and Marathahalli were the most active micro-markets in the eastern belt with respect to transactions.
- On the other hand, investors seem to be driving the demand in North Bangalore. To begin with, the zone offers a lower entry point for investors with ticket sizes starting from Rs. 4000 per sq.ft. and going on up to Rs. 8000 per sq.ft. Moreover, locations in the North have more under-construction projects and thus attract more investors than end users.
- Some of the locations that have witnessed traction in the North include Hebbal, Thansandra and New Airport Road.
- Despite the slow movement in the market, developers are insisting on not slashing their project prices. Very few established developers are showing keenness to offer discounts that too only on recommendation. For discounts, buyers will have to opt for projects that are located far away from the city (30-40 km).

### Expected Likely trends during August 2016

- Market experts do not see a revival in the near future. Prices are expected to stay stagnant with no

major fluctuations.

- However, with the East to West metro line becoming operational, the realty market in West Bangalore is expected to witness a boost in coming months. Micro-markets in the west are expected to see new launches with increased connectivity o the IT zone in East.
- Moreover, the metro line connecting Central Bangalore to South Bangalore is also expected to be completed by mid of 2017. This might also give a push to the sagging market sentiments.

#### Key New Launches

Developer	Project	Loction	Additional Details
Shriram Properties	Shriram Greenfield	Budigere Cross, Bengaluru	Spread over 19.5 acre, the project will consist of 1,645 apartments across 9 towers of G+18 storeys each. The apartments will be available in 3 formats – 2 BHK with area ranging between 935 sq ft and 1,065 sqft and base price at `45.14 lakh, 2.5 BHK with area ranging between 1,165 sq ft and 1,225 sq ft and base price at `55.06 lakh and 3 BHK with area of 1,350 sq ft and base price at `63.04 lakh. The project is expected to be completed by December 2017



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