

MW MARKET WATCH

Q4 2016 - 17



Key Residential Trends - Bengaluru

Sentiments, New launches and Enquiries.

- Most of the enquiries received during the quarter were driven by the widespread price fall speculations. Buyers in Bengaluru were expecting an unrealistic price fall of around 30 to 35 per cent. However, developer associations took strong measures to clarify buyer's doubts through property expos and other similar channels. These measures are proving effective as more and more buyers are getting convinced that the prices will not decrease any further.
- Enquiries were concentrated towards units priced between Rs 40 to 60 lakh in case of affordable housing and Rs 60 to 80 lakh in case of upper middle class housing. 2 BHK remained the most preferred configuration. A higher preference was shown towards township projects offering decent number of amenities.
- Properties located in and around Sarjapur and Whitefield continued to garner highest attention because of its proximity to commercial hubs of the city. However, because of space crunch the IT driven micro markets are witnessing downward trend in terms of new supply. Northern and north eastern micro markets such as Hebbel, Budigere Cross, Hennur Cross, and K.R. Puram are rapidly emerging as the new residential hubs in the city.
- The quarter saw a moderate number of new launches as developers choose to clear out the existing inventory.

Sales Volumes, Inventory and Price Trends

- As a result of effective communication and marketing strategy buyers were finally convinced that the prices will not decrease any further. As a result there was a significant improvement in the enquiry conversion rate.
- Affordable properties priced between Rs 40 to 60 lakh and Rs 60 to 80 lakh saw maximum absorption. A good movement was also experienced by mid-segment properties priced between Rs 80 lakh to 1 crore.
- Though prices continued to remain unchanged developers were offering discreet discounts, in the range of 8 to 10 per cent, during final stages of negotiation.
- The quarter also witnessed a rise in number of innovative schemes introduced by the developers. In one such scheme buyers were offered home loan at a rate 3 per cent for the first two years.

Expected Likely trends during Q1 2017-18

- The upcoming quarter is expected to see an increase in supply. Projects by several A-grade developers such as Salarapurja Group, Prestige Group, Brigade Group, Embassy Group are expected to get launched during the upcoming months.
- The upcoming quarter will also see higher levels of absorption. Huge pent-up demand from end users as well as several new launches will keep the market busy.



- Phase I of Namma Metro which spreads over two corridors-Nagasandra to Puttenahalli and Baiyyapanahalli to Mysore Road, is expected to commence by April 2017. On the other hand, work on Phase II metro, which includes Baiyappanahalli to Whitefield, Mysore Road to Kengeri Yelachenahalli to Anjanapura and Hesaraghatta Cross to BIEC corridors is expected to commence soon. Phase 2, which will be developed by Simplex Infrastructure Limited, is expected to be completed by 2020.

Key new launches during the quarter:

Developer	Project	Location	Additional Details
Sterling Group	Sterling Pointe	Hebbal	3 BHK apartments vary between 1,640 - 1,805 sq ft. Starting price of apartment at this project is Rs 1.02 crore.
DS Max Group	DS Max Splendor Homes	Hesaraghatta	2 BHK apartments vary between 925 – 1,026 sq ft. Starting price of an apartment at this project is Rs 27.6 lakhs.
Whitestone Projects Group	Whitestone Projects Rosario	KR Puram	4 BHK apartments vary between 2600 - 2700 sq ft. Starting price of an apartment at this project is Rsv 1.56 cr.
Vaastu Structures Group	Vaastu Structures Hill View III	Rajarajeshwari Nagar	2 BHK apartments vary between 940 – 1,460 sq ft. Starting price of apartment at this project is Rs 35.7lakhs.

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