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MARKET WATCH

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Key Residential Trends - Bengaluru

Sentiments, New Launches and Enquiries

- Bengaluru real estate market has been severely hit by the large scale demolitions of structures undertaken by the Bruhat Bengaluru Mahanagara Palike (BBMP). The drive was carried out following the floods that hit the city due to encroachments on storm water drainages.
- BBMP has majorly brought down independent houses that were found to be encroaching the drains.
- This has already resulted in a drop in property prices in several residential pockets including Sarjapur Road and Bannerghatta Road. However, in spite of the price drop buyers have kept away from these areas as credibility of projects here has seen a plunge.
- Buyers, particularly the mid-segment home buyers, have again become cautious and gone back to the wait and watch mode.
- New launches have been limited due to the slow market. In addition, several prime residential developers have been denied a green nod by the State Environment Impact Assessment Authority (SEIAA) as these projects were found to be encroaching upon drains and lakes.

Sales Volumes, Inventory and Price Trends

- Sales have been sluggish in the affordable and mid-segment brackets. However, the luxury segment has picked up some steam. Ticket sizes ranging from Rs 1-2 crore have found interest among residential buyers.
- At a macro level, prices have plummeted due to demolishing of buildings and the floods. However, in certain micro-markets, which have seen sales in the luxury segment, prices have grown to the tune of 10-15%.
- Despite the slow movement in the market, developers have not slashed their project prices. Very few established developers are offering discounts
- Inventory in the mid-segment category continued to form the bulk of the residential stock in the city. Majority of this stock is concentrated in the eastern quadrant of the city.

Expected Likely trends during September 2016

- The market is expected to take some time to emerge from the impact of the floods and the large scale demolishing. However, with the onset of the festive season, market might pick up steam from October onwards.
- The Hennur flyover is also expected to be operational by November this year, which might provide an impetus to the market.

Key New Launches across Bengaluru

Developer	Project	Location	Additional Details
EXD projects & Excel Dwellings	Codename Five Rings	Sarjapur, Bengaluru.	Spread over 100 acre, the project will consist of Olympic level sports facilities along with luxury apartments and villas.



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