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# MW MARKET WATCH

June 2016

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## Key Residential Trends - Ahmedabad

### Sentiments, New launches and Enquiries

- Ahmedabad real estate market did not witness any noteworthy changes during the month of June. The demand was stable as there was no growth in number of new enquiries.
- Buyers were mostly interested in low cost properties in areas such as Bopal, South Bopal, SG Road (Sarkhej-Gandhinagar Highway), Satellite and Vaishnodevi. Enquiries were relatively higher for 2BHK and 3BHK units within a price range of Rs. 40-60 lakh per unit.
- A major part of this demand can be attributed to end users who have migrated to the city for work. Investor demand remained constant at 15 to 20 per cent.
- No significant new launches happened during the month as builders focused on clearing existing inventory. However, a few pre-launches were announced by developers including Shivalik Projects, Savvy Group and Arista Lifespaces.

### Sales Volumes, Inventory and Price Trends

- In terms of supply, low rise standalone apartment projects continue to dominate the real estate market over township projects.
- On sales front, the enquiry conversion rate was a bit underwhelming as buyers are taking too long to close the deal. Another key factor affecting sales is demand supply mismatch. Potential buyers are expecting properties at much lower prices than actual; especially, in sought after locations such as South Bopal, SG Road and Satellite.
- Sale was mostly concentrated around 2BHK and 3BHK units in low rise apartment projects priced between 40 to 45 lakhs per unit.
- Local, established brands such as Gala Infrastructure, Goyal & Co. and Shivalik continued to enjoy higher preference over national brands.
- Owing to poor sales, the prices have remained constant as compared to the previous month. Areas such as South Bopal, Satellite and Thaltej continue to command the highest residential values in Ahmedabad.
- Developers have started to offer discreet discount of 2-5 per cent on the psf rates. However, the price sensitive customers are expecting even higher discounts ranging between 15 to 20 per cent.

### Expected Likely trends during July 2016

- Going forward, Ahmedabad real estate market is expected to witness stagnancy in terms of sales until Diwali, after which the market is expected to revive by 2-5 per cent.
- No significant movement is expected in the capital values.
- In terms of new launches, projects by Shivalik Projects, Savvy Group and Arista Lifespaces are expected to get launched in coming one or two months.

- Many developers, who were holding their new launches, have started launching their projects. At least 3 major launches are expected within next few months.
- The major upcoming infrastructure project in Ahmedabad, the Metro-Link Express for Gandhinagar and Ahmedabad (MEGA), is expected to get commissioned in 2018.



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