

MW MARKET WATCH

Q1 2017-18



Key Residential Trends - Delhi NCR

Sentiments, New launches and Enquiries

- Delhi NCR market was slowly recovering from the temporary slowdown caused by demonetisation drive during last two quarters. However, the recovery was interrupted by announcements regarding the introduction of RERA and GST which led both the developers and buyers to take a cautious stance.
- Noida and Gurgaon, the two prime markets remained subdued in terms of sales volumes and new launches during quarter.
- Developer have kept a low profile as they have been concentrating their energies in making their projects RERA compliant.
- Buyer sentiments have also not shown any resurgence as they are waiting for the projects to become RERA compliant. In addition, implementation of GST has left the buyers in a confused state of mind.

Sales Volumes, Inventory and Price Trends

- Owing to a passive market absorption was slightly lower as compared to the previous quarter.
- Price points in the Gurgaon and Noida markets have remained almost stagnant in spite of low demand. Sellers are not willing to reduce prices as they know that market will bounce back once it gets accustomed to the new policies like RERA and GST.
- However, as far as residential properties in prime locations of Delhi are concerned, prices have dropped by approximately 10 per cent. These largely include B category locations such as Defence Colony, GK I and II etc. City based brokers attribute this to the availability of newly constructed builder floors which are more in demand as compared to the older supply.
- Transactions in these locations have taken a hit ever since demonetisation. As circle rates in these locations are lower than market price, there used to be a lot of cash component involved. Demonetisation has put a halt to this and hence sales have dropped.
- In Noida, though actual transactions have gone down, buyers are still actively enquiring. Sectors along the Noida Expressway have seen enquiries for properties in the budget range of Rs 50-80 lakh. Noida Extension has remained another popular residential pocket that has received enquiries for the Rs 25-40 lakh category.



- In Gurgaon, Golf Course Road and Golf Course Extension remain favourites among property buyers. Sectors in New Gurgaon such as 82, 83, 89, and 92 have also gained popularity among buyers who are interested in ready to move projects.
- A common trend that has been visible across markets has been the inclination towards ready properties.

Expected likely trends during the Q2 2017-18

- Developers have started registering themselves under the RERA Act across the NCR. While, this shift in focus from marketing and sales activity has dampened sales volumes, it is expected to pick up pace by next quarter.
- Meanwhile small measures have been taken by the governments of Delhi and Haryana towards rendering the market more affordable for genuine buyers. One such step has been the cut in circle rates in Gurgaon.
- The Delhi government's plan to roll out 12,000 flats under the Delhi Development Authority (DDA) housing scheme 2017 is also expected to render positivity to the market in the coming months.

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