



Residential Real Estate Market

Q1 2019 - 2020

**MMR, NCR, BENGALURU, CHENNAI, HYDERABAD, PUNE, AHMEDABAD
AND KOLKATA**

Preview

Q1 FY 19-20 Quarterly Market Movement

- Tier I cities have recorded sales of 69,485 units in June quarter (Q1 FY 19-20) exhibiting a marginal increase of 2% as compared to last quarter when the sales was 68,222 units.
- Four out of eight Tier I cities witnessed an increase in sales this quarter. Maximum growth was observed in Chennai (9%) followed by Bengaluru (8%) while maximum dip was witnessed in Kolkata (9%).
- Like last quarter, close to 54% of the sales of this quarter were contributed by sub-50 lac segment. Growth in the segment is supported by the various government schemes and initiatives.
- Top-8 cities witnessed new launches of 65,111 units during the 1st quarter of FY 19-20, a dip of 12% from the previous quarter (Q4 FY 18-19). It should be noted that in the previous quarter new launches had witnessed increase of 43%.
- Only NCR and Ahmedabad witnessed an increase in new launches during the quarter while rest of the cities saw a decline. Highest number of new launches in the quarter were noticed in MMR (20,108) with 31% contribution to overall new launches in top-8 cities followed by Pune (14,616 units) and NCR (9,555 units).
- Maximum number of new launches were in Rs 25 lac – Rs 50 lac bracket and the segment accounted for more than one-third (38%) of total units launched during the quarter. Pune contributed 30% of the launches in this segment.
- Prices have come down marginally by 1% in MMR, NCR and Ahmedabad because of some discounts given by the developers and owing to new launches in lower price brackets. Price remained unchanged across all the other top cities except Hyderabad which recorded an upward movement of 6%.
- Unsold units witnessed QoQ growth of 1%. The current unsold stock across top 8 cities stands at 9,75,247 units.

Q1 19-20

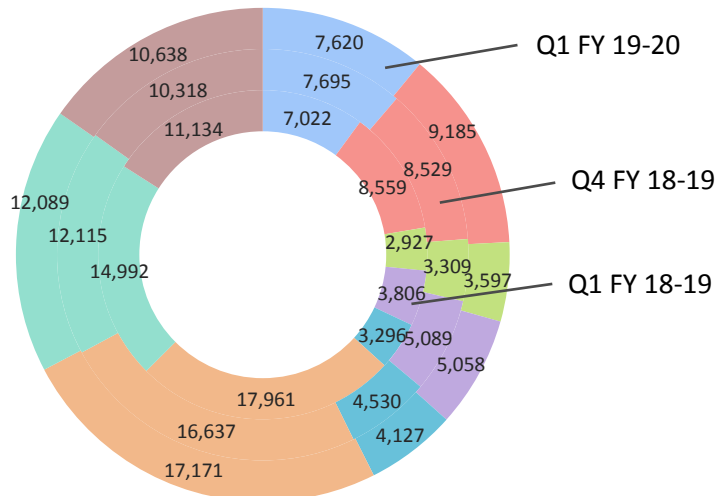
MARKET PERFORMANCE



City wise sales performance

	Sales (Units)			QoQ	YoY
	Q1 18-19	Q4 18-19	Q1 19-20		
Ahmedabad	7,022	7,695	7,620	-1%	9%
Bengaluru	8,559	8,529	9,185	8%	7%
Chennai	2,927	3,309	3,597	9%	23%
Hyderabad	3,806	5,089	5,058	-1%	33%
Kolkata	3,296	4,530	4,127	-9%	25%
MMR	17,961	16,637	17,171	3%	-4%
NCR	14,992	12,115	12,089	0%	-19%
Pune	11,134	10,318	10,638	3%	-4%
8 Cities	69,697	68,222	69,485	2%	0%

■ Ahmedabad ■ Bengaluru ■ Chennai ■ Hyderabad ■ Kolkata ■ MMR ■ NCR ■ Pune



QoQ

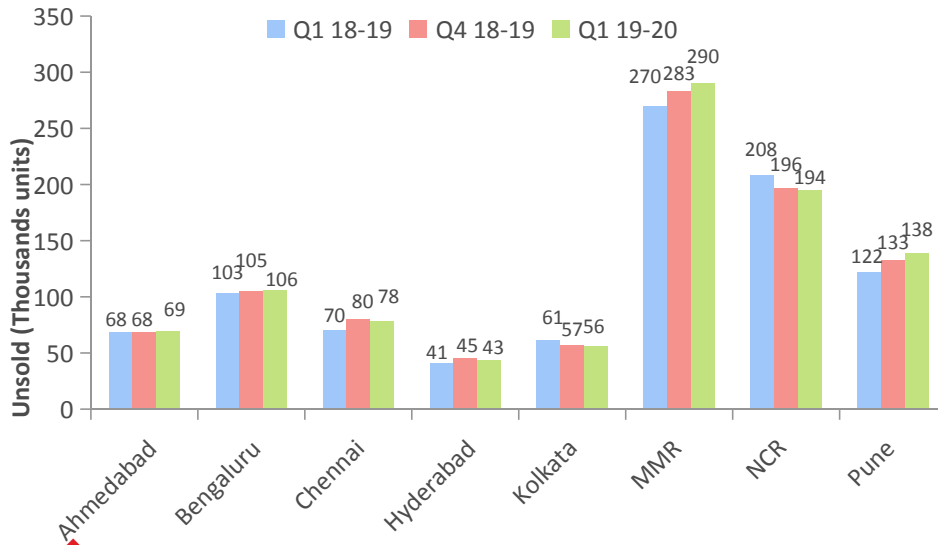
- Sales across the Tier I cities have increased marginally by 2%. While sales in four cities have increased, in the other four cities sales have come down.
- Chennai (9%) followed by Bengaluru (8%) witnessed maximum growth in sales while maximum decline was witnessed in Kolkata (9%).
- Ahmedabad and Hyderabad both witnessed a slight drop of 1% QoQ in sales. A substantial growth in Hyderabad was recorded in the last quarter of the last fiscal. Sales in NCR remained almost stable.

YoY

- Upward movement was noticed in Hyderabad (33%), Kolkata (25%) and Chennai (23%). Ahmedabad and Bengaluru also witnessed a growth of 9% and 7% respectively.
- Sales in NCR witnessed maximum decline of 19% followed by MMR (-4%) and Pune (-4%).

Unsold Stock

	Unsold Stock (in units)			QoQ	YoY
	Q1 18-19	Q4 18-19	Q1 19-20		
Ahmedabad	68,052	68,430	68,955	1%	1%
Bengaluru	103,484	104,947	105,792	1%	2%
Chennai	69,926	79,646	77,972	-2%	12%
Hyderabad	40,819	44,795	43,416	-3%	6%
Kolkata	61,307	56,841	56,172	-1%	-8%
MMR	269,867	283,051	290,089	2%	7%
NCR	207,740	196,293	194,480	-1%	-6%
Pune	121,931	132,569	138,371	4%	13%
8 Cities	943,126	966,572	975,247	1%	3%



QoQ

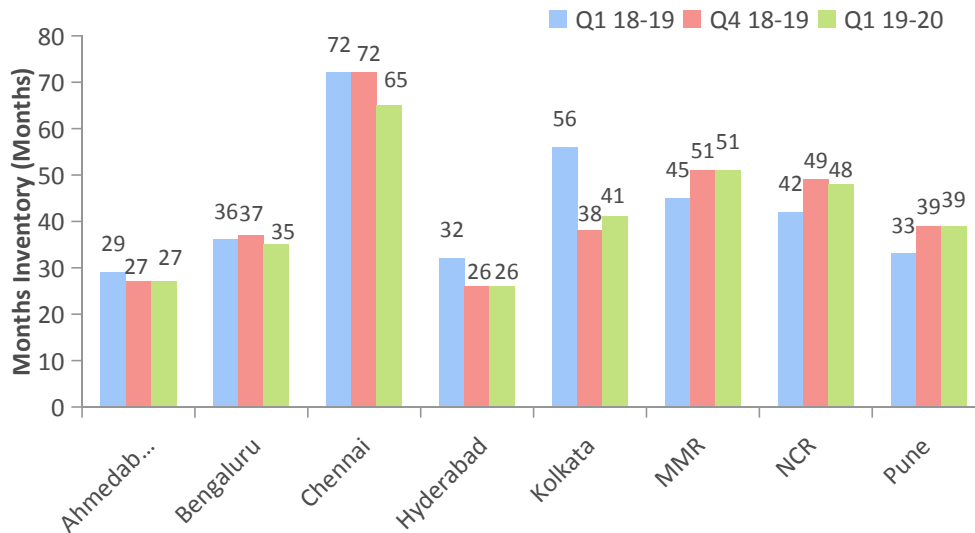
- Unsold stock increased in Pune (4%), MMR (2%), Ahmedabad (1%) and Bengaluru (1%).
- Amongst the cities that witnessed a dip were Hyderabad (3%), Chennai (2%), Kolkata (1%) and NCR (1%).

YoY

- Unsold stock in Tier I cities increased by 3% as compared to same period last fiscal.
- Pune witnessed an increase of 13% while Chennai witnessed 12% growth in unsold which are the highest followed by MMR (7%) and Hyderabad (6%).
- Kolkata and NCR showed a reduction in unsold stock by 8% and 6% respectively.

Months Inventory

	Months Inventory			QoQ	YoY
	Q1 18-19	Q4 18-19	Q1 19-20		
Ahmedabad	29	27	27	0%	-7%
Bengaluru	36	37	35	-5%	-3%
Chennai	72	72	65	-10%	-10%
Hyderabad	32	26	26	0%	-19%
Kolkata	56	38	41	8%	-27%
MMR	45	51	51	0%	13%
NCR	42	49	48	-2%	14%
Pune	33	39	39	0%	18%
8 Cities	41	43	42	-2%	2%



QoQ

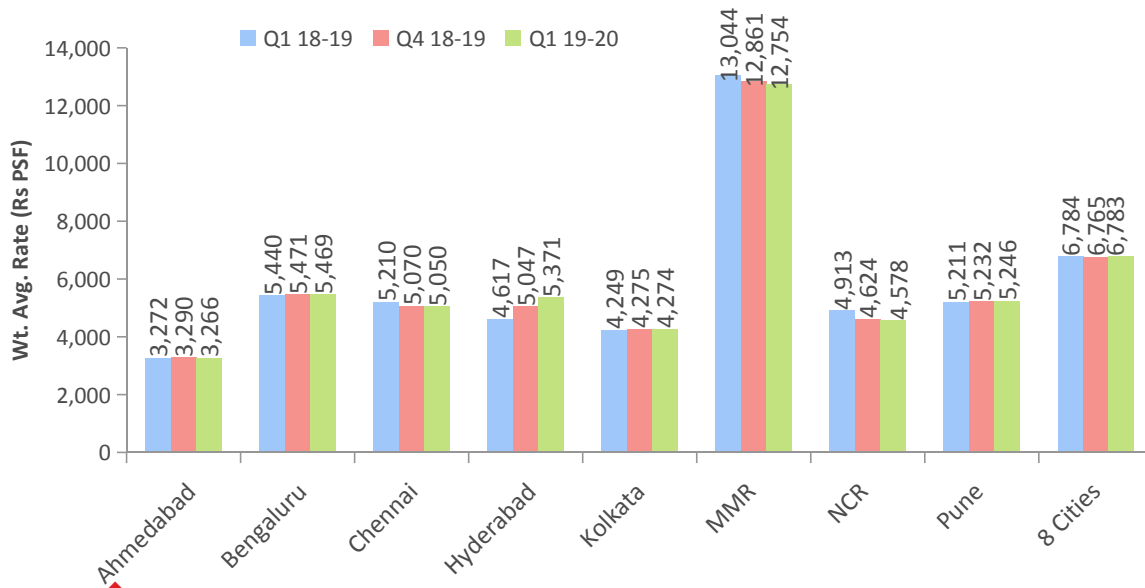
- Months inventory declined by 2% across Tier I cities and is standing at 42 months by end of Q1 FY-20.
- An efficient market maintains 8 - 12 months of inventory. An inventory overhang of 42 months indicates pressure on prices across all the major cities in India.
- Months inventory decreased in Chennai (10%), Bengaluru (5%) and NCR (2%).
- Months inventory of Kolkata increased by 8% while that of Ahmedabad, Hyderabad, MMR and Pune remained stable.

YoY

- Overall months inventory increased by 2% on YoY basis.
- In Pune, NCR and MMR it increased by 18%, 14% and 13% respectively. Remaining five cities witnessed drop in inventory overhang.

Price Movement

	Price (Rs/Sqft)			QoQ	YoY
	Q1 18-19	Q4 18-19	Q1 19-20		
Ahmedabad	3,272	3,290	3,266	-1%	0%
Bengaluru	5,440	5,471	5,469	0%	1%
Chennai	5,210	5,070	5,050	0%	-3%
Hyderabad	4,617	5,047	5,371	6%	16%
Kolkata	4,249	4,275	4,274	0%	1%
MMR	13,044	12,861	12,754	-1%	-2%
NCR	4,913	4,624	4,578	-1%	-7%
Pune	5,211	5,232	5,246	0%	1%
8 Cities	6,784	6,765	6,783	0%	0%



QoQ

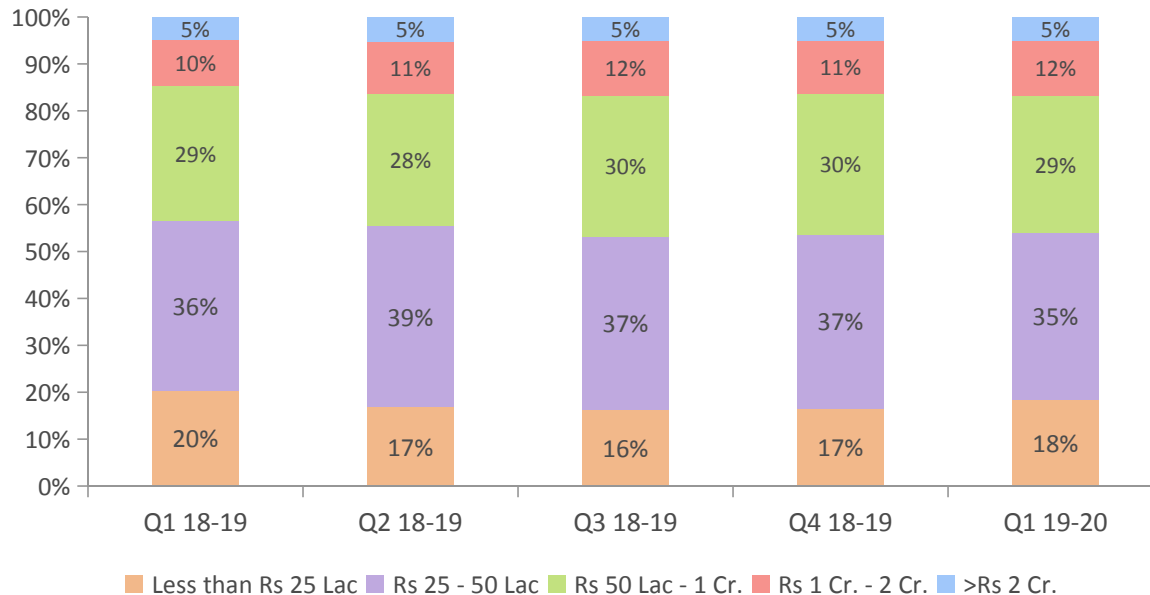
- In Q1 FY 19-20, the weighted average price across Tier I cities remained almost stagnant as compared with previous quarter.
- Prices in Hyderabad alone increased by 6% while MMR, NCR and Ahmedabad witnessed a marginal dip of 1%.
- Prices in the other four Tier I cities remained stagnant.

YoY

- Weighted average price across Tier I cities also remained stagnant as compared to a year ago.
- Hyderabad saw maximum increase in prices by 16% followed by extremely marginal growth in Bengaluru, Kolkata and Pune.
- Prices dipped in NCR (7%), Chennai (3%) and MMR (2%).

Sales trends as per cost brackets (in units)

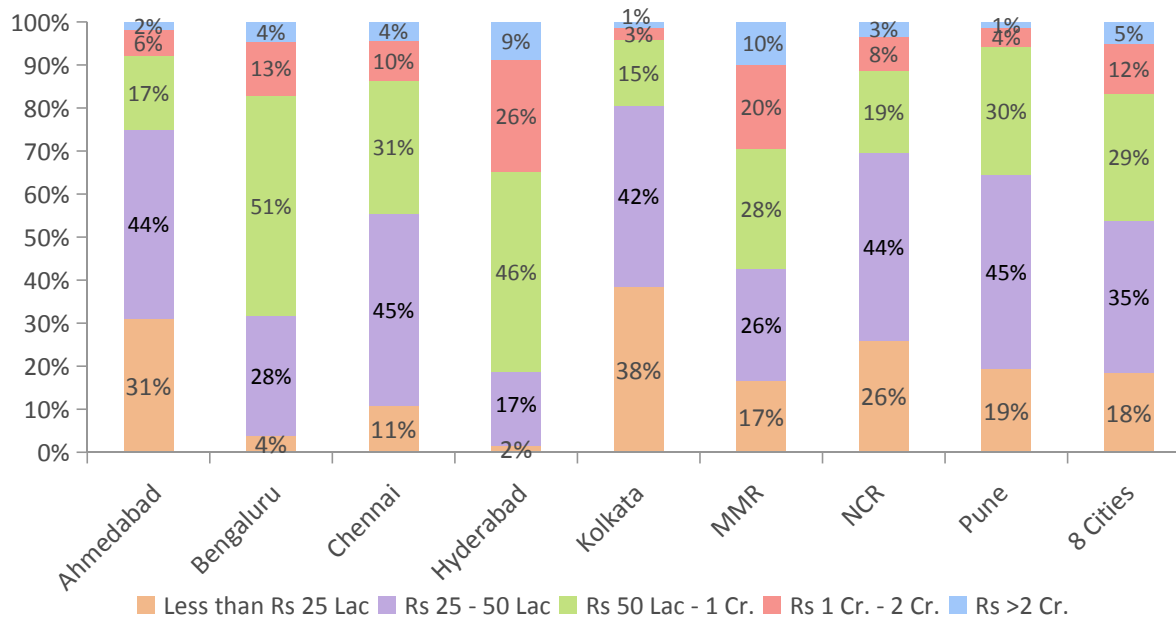
	Q1 18-19	Q2 18-19	Q3 18-19	Q4 18-19	Q1 19-20	QoQ	YoY
Less than 25 Lac	14,186	11,816	11,426	11,306	12,820	13%	-10%
25 Lac-50 Lac	25,255	27,138	25,772	25,323	24,651	-3%	-2%
50Lac -1Cr	19,981	19,926	20,893	20,376	20,361	0%	2%
1Cr - 2Cr	6,887	7,818	8,301	7,803	8,194	5%	19%
2Cr+	3,388	3,655	3,438	3,414	3,459	1%	2%
Total	69,697	70,353	69,830	68,222	69,485	2%	0%



- Sales in affordable segment (less than Rs 25 lac) increased by 13% on a QoQ basis and decreased by 10% on YoY basis.
- Sales in the cost bracket of Rs 25 lac to Rs 50 lac decreased by 3% on QoQ and 2% on YoY basis.
- Sales in the cost bracket of Rs 50 lac to Rs 1 crore was stable on QoQ basis but increased by 2% on YoY basis
- Sales in luxury segment (Rs 1crore – Rs 2 crore) saw an uptick with 5% growth on QoQ basis and 19% growth on YoY basis.
- Sales in ultra luxury segment (above Rs 2 crore) increased by 1% on QoQ basis and 2% on YoY basis.

City wise sales distribution as per cost brackets (in units)

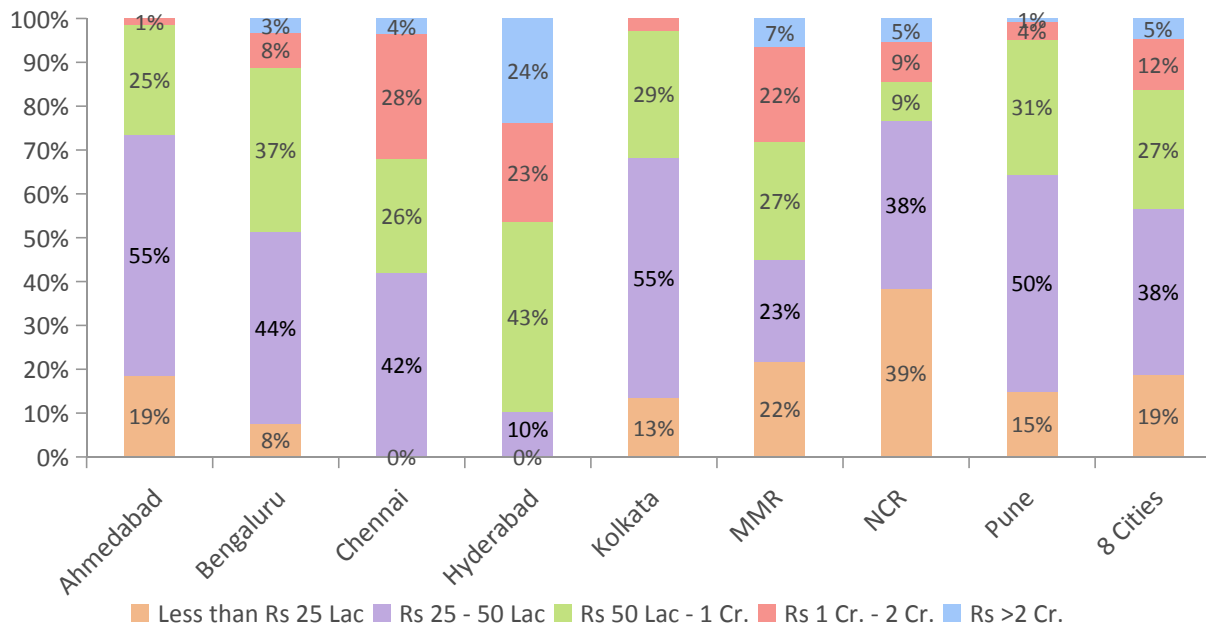
	Ahmedabad	Bengaluru	Chennai	Hyderabad	Kolkata	MMR	NCR	Pune	8 Cities
Less than 25 Lacs	2,366	348	384	77	1,586	2,858	3,139	2,062	12,820
25 Lacs-50 Lacs	3,339	2,557	1,611	869	1,741	4,474	5,268	4,792	24,651
50Lacs -1Cr	1,316	4,714	1,107	2,347	625	4,776	2,305	3,171	20,361
1Cr - 2Cr	465	1,156	342	1,321	119	3,358	959	474	8,194
2Cr+	134	410	153	444	56	1,705	418	139	3,459
Total	7,620	9,185	3,597	5,058	4,127	17,171	12,089	10,638	69,485



- The contribution of affordable segment (<Rs 25 lac) to the overall sales in eight Tier I cities stands at 18%. Out of it 47% of the sales in the segment is generated by MMR and NCR.
- Rs 25 lac – Rs 50 lac segment seems to be the most preferred cost bracket with sales of 24,651 units (35% of total sales). Maximum demand stems from NCR closely followed by Pune and MMR.
- Cost range Rs.50 lac – Rs 1 crore is the second most preferred range with 29% share in total sales.
- Sales in ultra luxury segment (>Rs 2 crore) constitutes only 5% of the total sales.
- MMR recorded the maximum amount of overall sales with a contribution of 17,171 units (25%), followed by NCR with 12,089 units (17%) and Pune with 10,638 units (15%).

New Supply (in units)

	Ahmedabad	Bengaluru	Chennai	Hyderabad	Kolkata	MMR	NCR	Pune	8 Cities
Less than 25 Lac	1,097	605	0	0	343	4,391	3,681	2,183	12,300
25 Lac-50 Lac	3,254	3,491	508	328	1,406	4,643	3,640	7,235	24,505
50Lac -1Cr	1,486	2,986	314	1,365	741	5,417	850	4,501	17,660
1Cr - 2Cr	88	625	344	722	72	4,344	865	592	7,652
2Cr+	0	262	44	751	0	1,313	519	105	2,994
Total	5,925	7,969	1,210	3,166	2,562	20,108	9,555	14,616	65,111



- Cost bracket of Rs 25 lac - Rs 50 lac accounted for 38% out of the total new supply followed by the cost bracket Rs 50 lac – Rs 1 crore that being 27%.
- Units priced under Rs 25 lac contributed 19% in new supply.
- In overall new supply stock MMR contributed the maximum share (31%), followed by Pune (22%) and NCR (15%).
- 57% of the total new launches across the eight cities have come under the sub Rs 50 lac category. 77% of NCR's new supply came in sub Rs 50 lac segment.
- MMR is the strongest contributor to new launches in the luxury and ultra luxury segments.
- Traction in the luxury segment supply is also found in NCR, Hyderabad, Bengaluru, Pune and Chennai.

Terminology

Sales: The incremental sales or realty stock sold between two dates of survey. It covers sales in new launches (new additions) as well as sales in carried-forward inventory from the previous quarter/quarters.

Unsold: It is the closing stock at the end of the quarter or duration in discussion.

New Launch: It is the supply launched (supply which developer starts marketing) during the quarter or duration in discussion.

New Addition: Sometimes a project is launched in the earlier quarters but is absent from the database. This may happen due to various reasons for instance a new location is added to the city boundary, a big launch in remote/outskirt location exposes smaller projects in the locality, etc. This uncovered supply is added to database the quarter it is found but is not included in the new launches for the quarter (as technically this is old supply). Although this supply is not added in the new launches but the sales and unsold of these projects are added to the respective fields. Due to these projects, the unsold for current quarter may be higher (or lower) than the sum of opening and new supply after removing sales.

Price: Weighted Average Price of the Unsold Inventory.

Business Turnover / Value of goods sold: Represents the value of the trade or the business done in a certain period. It is calculated by multiplying the total sqft sold during the period with the prevailing prices.

Months Inventory: Represents the number of months required for the stock in the market to be absorbed according to the existing demand. It is calculated by dividing the closing stock (marketable stock) by monthly sales.

Sales Velocity: Represents the ratio of monthly sales to the total supply. An optimum sales velocity is considered to be 2.75% translating to a gestation period of 36months



About Us

Liases Foras

The pioneer in scientific
research in real estate

Founded in 1998, Liases Foras is a non-brokerage research centric firm that offers data and advisory services. Our works on industry and scientific prognosis of the local market is highly regarded. We have an organised and structured data source on real estate and property trends in India, which is updated on quarterly basis by primary market survey.

With a team of MBAs, urban planners, architects, chartered accountants and statisticians, Liases Foras' forte lies in the field of valuation, risk assessment, future forecasting & price behaviour and best use studies. Our clientele includes leading mortgage companies such as HDFC Ltd, Axis Bank, among others, real estate funds, developers, government bodies and leading international research organisations. We are also research partner for CNBC Awaaz real estate awards from 2012 onwards.

Segments, Services and Key Clients

