

Residential Real Estate Market

Q2 13-14



Inventory - Supply of stock between two dates of survey. It covers all new launches (new additions) as well as carried-forward inventory from the previous quarter/quarters. It can be simply represented as Previous Unsold + New Additions.

Sales / Demand - Realty stock sold in a market between the dates of two surveys.

Price - Weighted Average Prices of the Unsold Inventory.

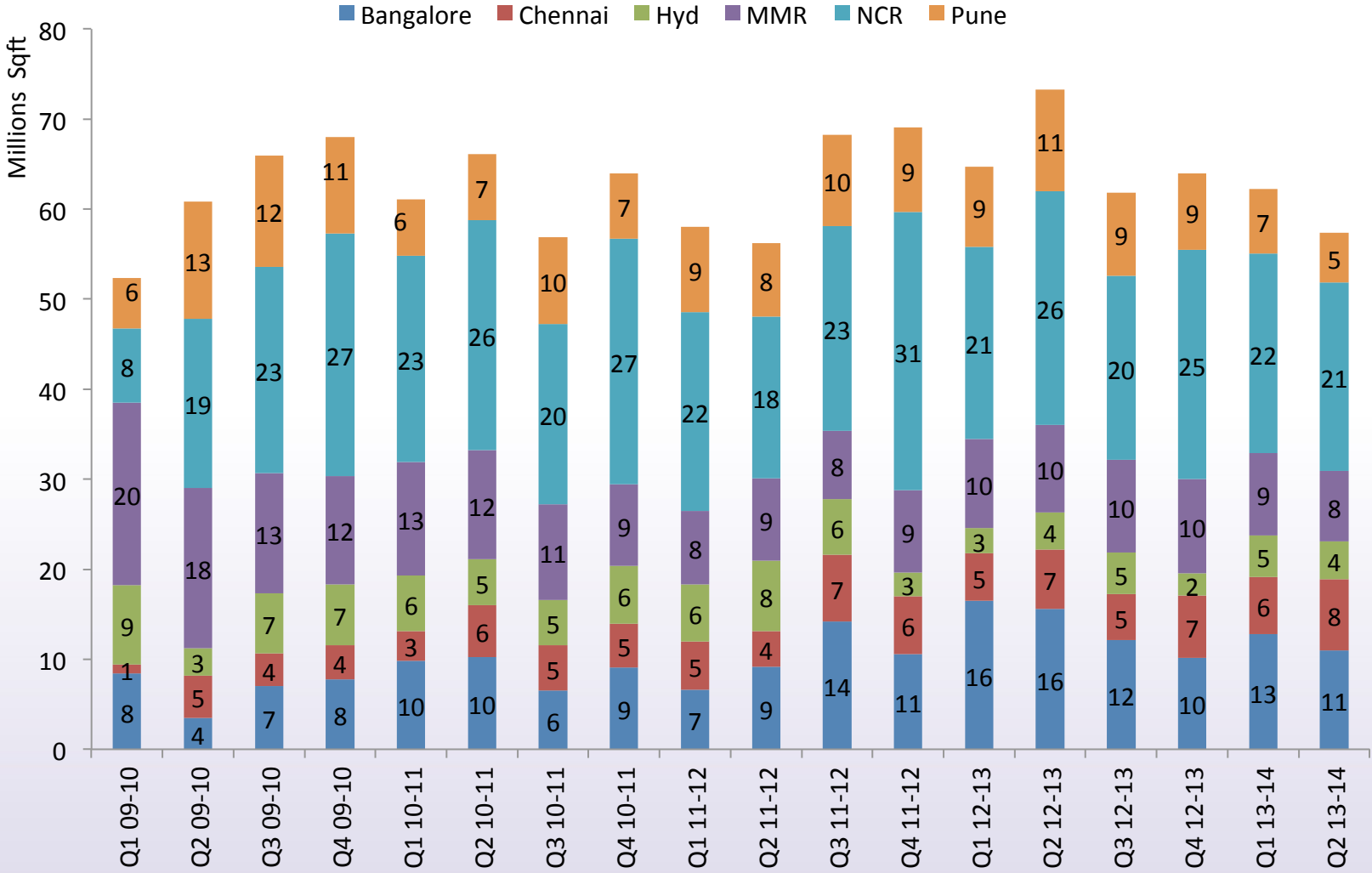
Business Turnover / Value of Goods Sold - Represents the value of the trade or the business done in a certain period. It is calculated by multiplying the total sqft sold during the period with the prevailing prices.

Receipts - Represents amount developers may have received from the Business Turnover during the quarter. This is calculated on the basis of expected payment due, depending upon the construction stage of the units sold.

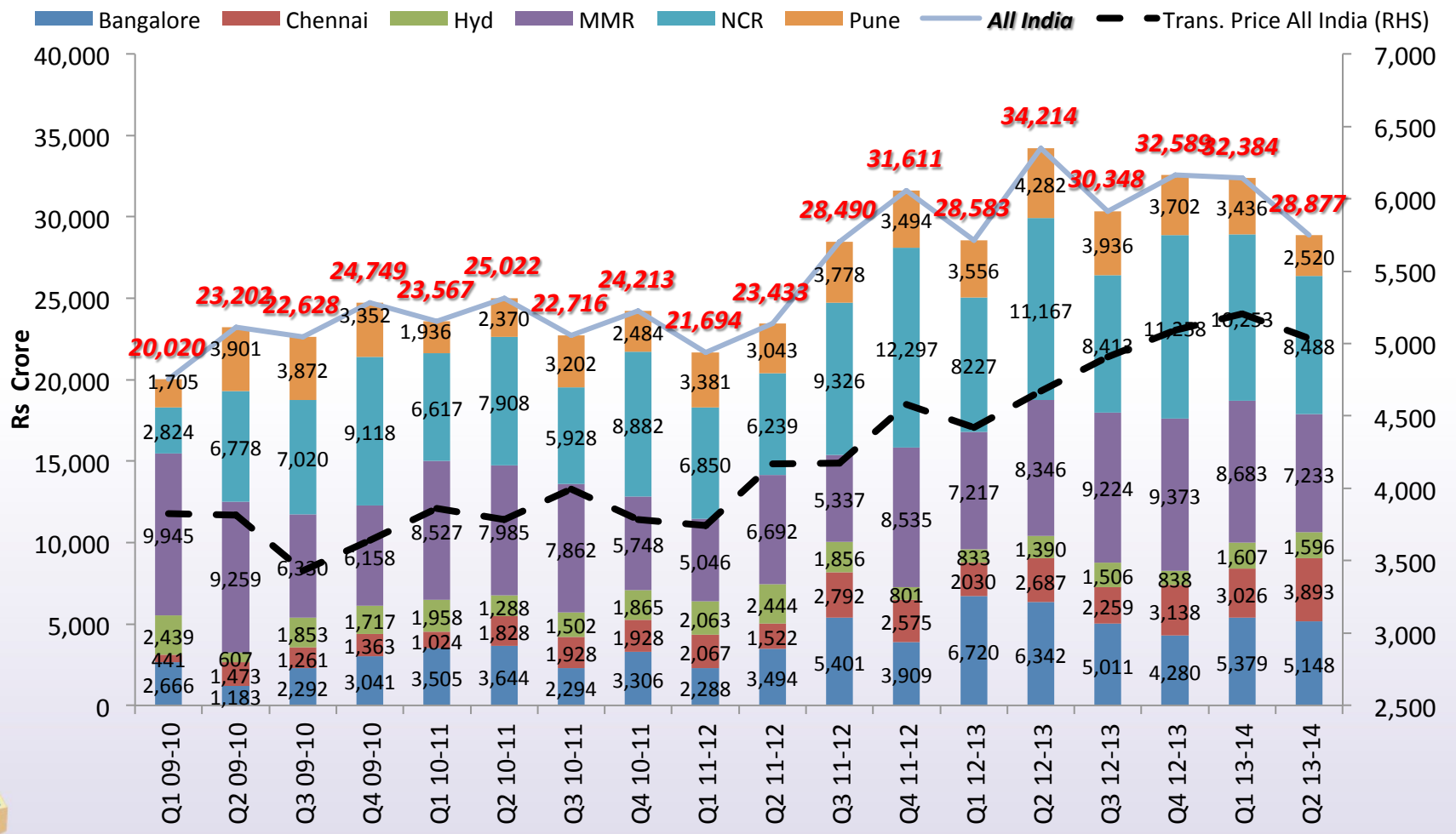


- Sales have declined 7% QoQ to 57.34 mn sq ft in Q2 FY2013-14. With an exception of Chennai, all the other five main cities have recorded a drop in sales. Pune, MMR and Bengaluru have witnessed maximum slowdown in the range of 14% to 24%, sequentially.
- It is apparent that the Pune and Bengaluru market have become saturated and are headed towards a phase of slowdown. Chennai and Hyderabad on the other hand have continued to show improvement.
- Price appreciation persists across cities however MMR, Chennai and Pune are more on the stable front when compared sequentially. Bengaluru and NCR have recorded the maximum price rise, both annually and quarterly.
- Combined unsold stock across six main cities is 711.19 mn sq ft, the maximum being in NCR, followed by MMR and Bengaluru.
- Pune and Bengaluru are the worst performers with 31 and 30, respectively, up from 23 and 21 months in the previous quarter. Even MMR with a pile of unsold inventory and subdued pace of sales has witnessed a surge in months inventory to 58.
- The new supply across the six main cities has declined 19% sequentially. Bengaluru, NCR, MMR and Pune have recorded drop in new supply while only Chennai and Hyderabad has seen the surge. The average price of launch across all the cities is lower than the existing price level.

Composition of Sales across Cities



Composition of Value of Stock Sold across Cities



Summary Performance across Cities in Q2 13-14 Quarter

Particulars	Bangaluru	Chennai	Hyderabad	MMR	NCR	Pune
Inventory (Mn Sqft) (Unsold + Sales)	121.83	69.84	48.24	158.47	308.09	62.06
Unsold (Mn Sqft)	110.85	61.94	44.05	150.63	287.11	56.61
Sales (Mn Sqft)	10.97	7.90	4.19	7.85	20.98	5.45
New Supply (Mn Sqft)	24.91	5.48	5.32	10.77	27.01	6.06
Value of Stock Sold (Rs Cr)	5,148	3,893	1,596	7,233	8,488	2,520
Wt Avg Price per sqft	5,188	4,776	3,648	11,878	4,808	5,100
Wt Avg Cost of Flat (Rs Lac)	85	61	67	123	72	56
Wt Avg Area per flat (Sqft)	1,655	1,289	1,776	1,091	1,460	1,119
Sales Velocity (%)	1.58%	1.87%	1.20%	0.93%	1.23%	1.28%
Months Inventory	30	24	32	58	41	31

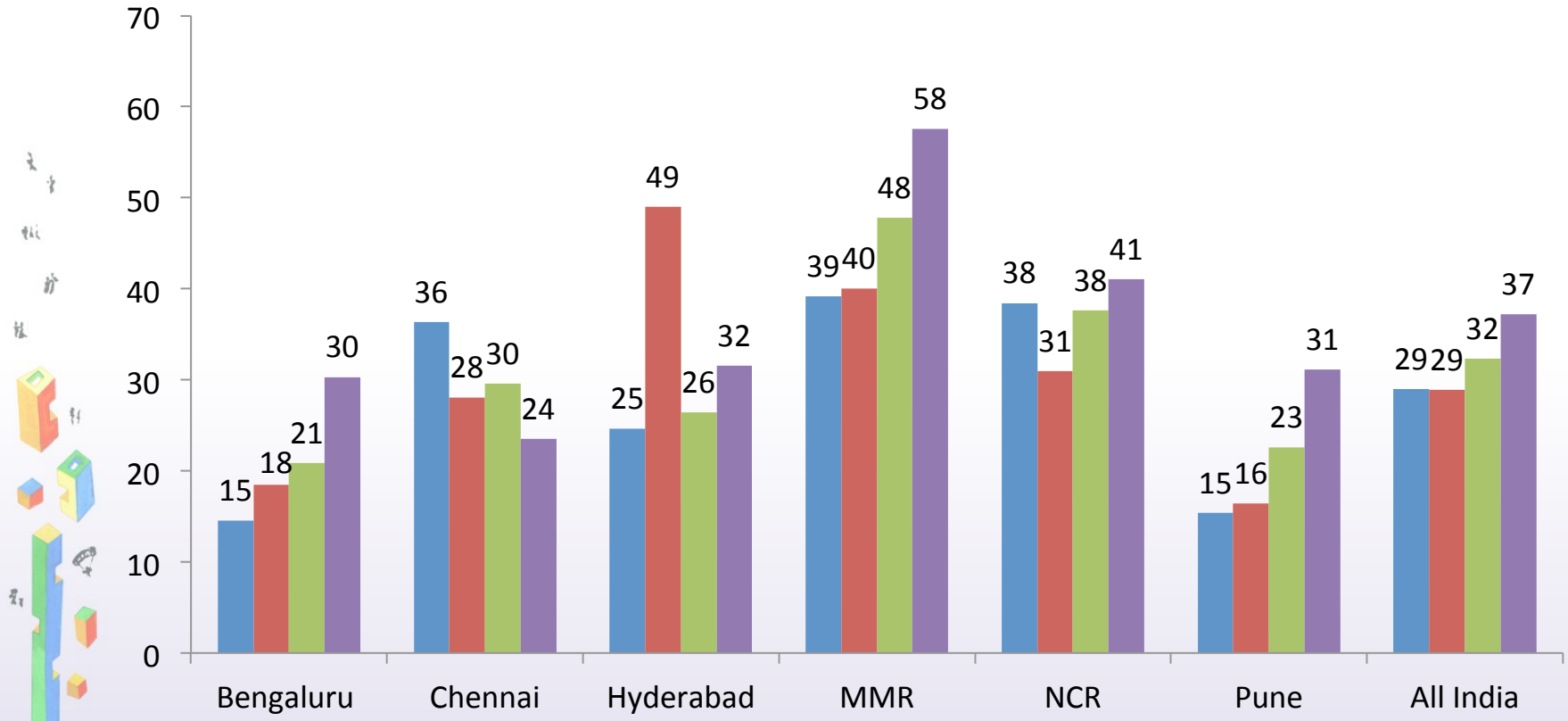
Residential Market Performance across six cities

Region /City	Sales n Mn sqft				Unsold stock n Mn sqft	Months Inventory in Months	Price Rs per sqft				YOY		QoQ	
	Q2 11-12	Q2 12-13	Q1 12-13	Q2 13-14			Q2 11-12	Q2 12-13	Q1 12-13	Q2 13-14	Sales	Price	Sales	Price
Bengaluru	9.19	15.59	12.76	10.97	110.85	30	3,866	4,274	5,039	5,188	-30%	21%	-14%	3%
Chennai	3.89	6.62	6.38	7.90	61.94	24	3,806	4,301	4,760	4,776	19%	11%	24%	0%
Hyderabad	7.87	4.06	4.60	4.19	44.05	32	3,138	3,320	3,580	3,648	3%	10%	-9%	2%
MMR	9.15	9.75	9.17	7.85	150.63	58	10,021	11,372	11,765	11,878	-20%	4%	-14%	1%
NCR	17.97	25.94	22.12	20.98	287.11	41	3,234	4,123	4,648	4,808	-19%	17%	-5%	3%
Pune	8.04	11.31	7.21	5.45	56.61	31	3,934	4,411	5,068	5,100	-52%	16%	-24%	1%
Total	56.12	73.27	62.24	57.34	711.19	37	4,860	5,806	6,232	6,314	-22%	9%	-8%	1%

- Months inventory denotes the months required to clear the stock at the existing absorption pace. A healthy market maintains 8 months of inventory

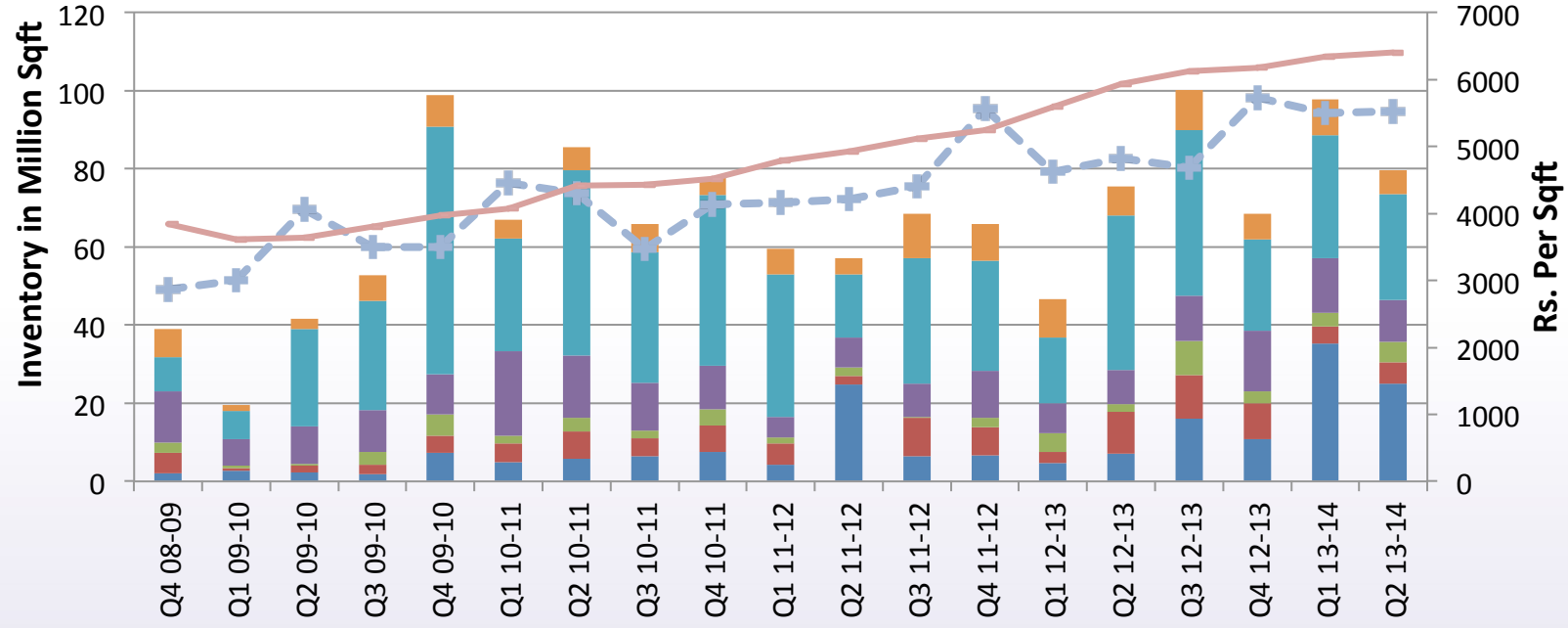
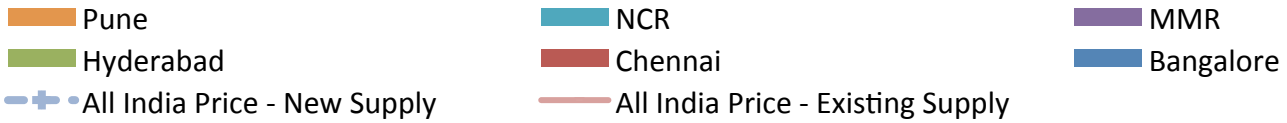
Months Inventory across cities

■ Q3 12-13 ■ Q4 12-13 ■ Q1 13-14 ■ Q2 13-14



Q2 13-14

New Supply Trends – Behaviour of Price

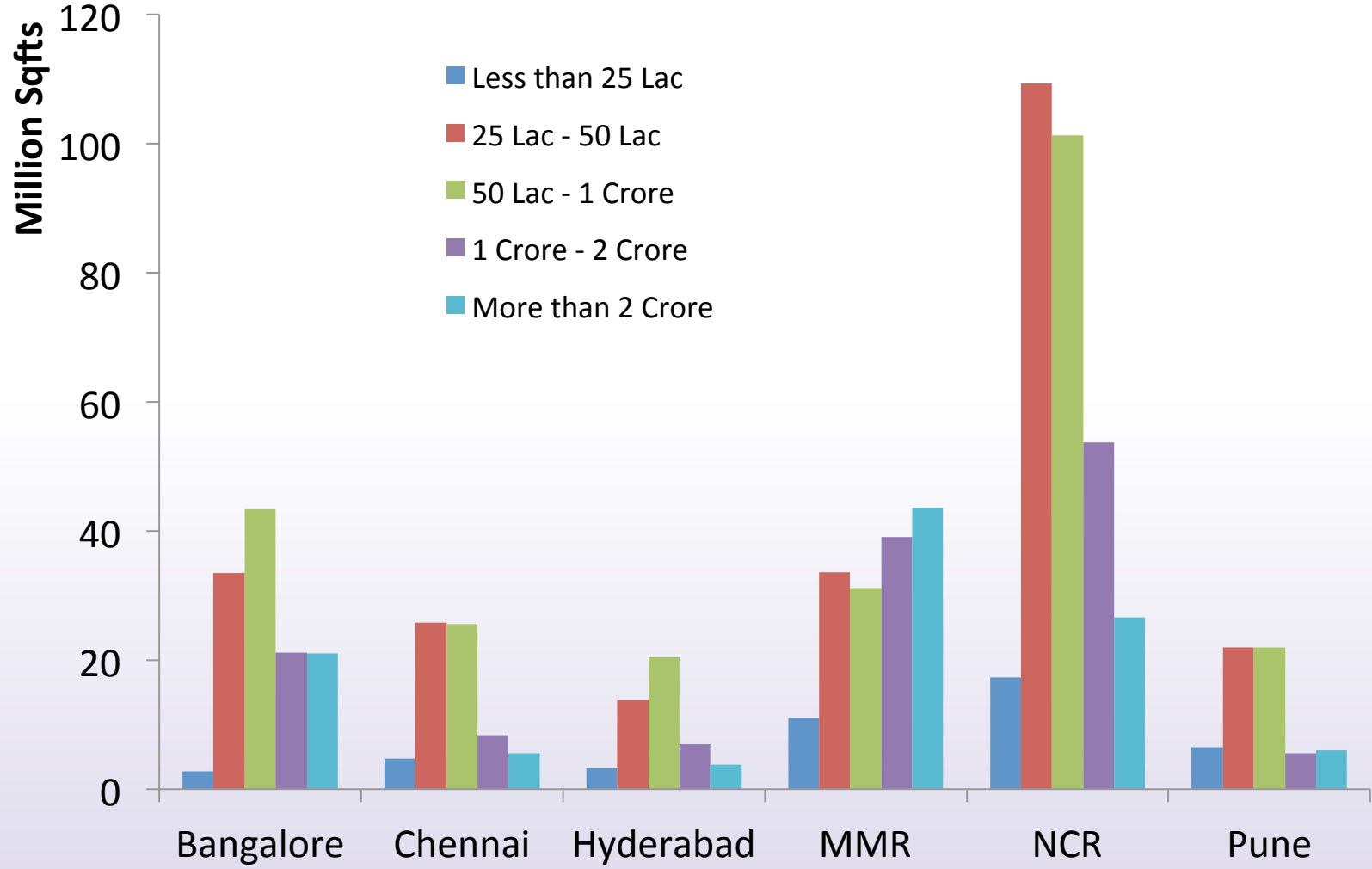


The above chart shows the new supply and price movement of both the existing supply and new supply across six cities. The Wt Avg All India Price of new supply is 14% lower than the wt avg price of existing supply as of Q2 13-14.

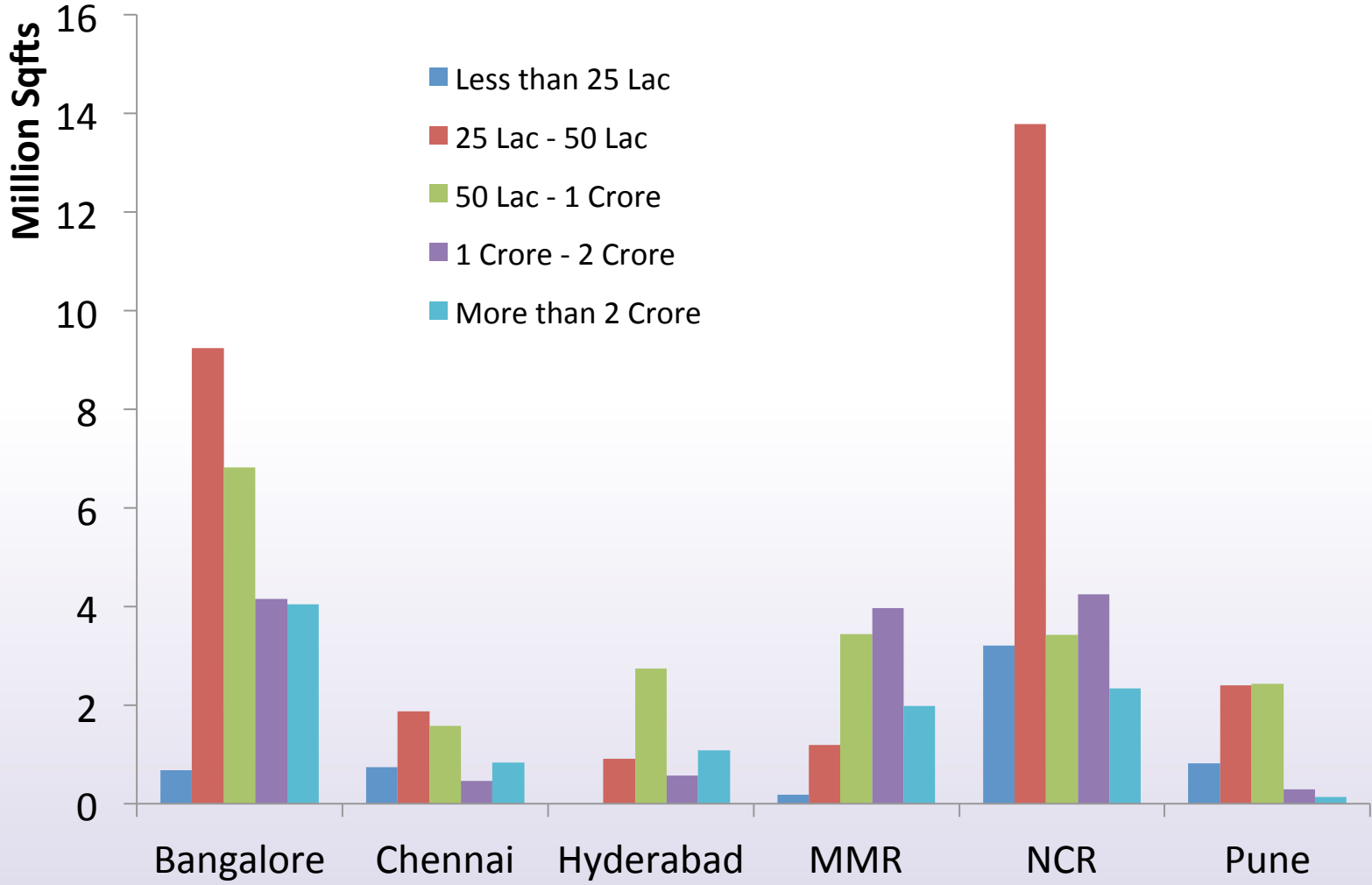
Sale and Inventory in Cost Brackets

City	Cost Range	Inventory (Mn Sqft)	Sales (Mn Sqft)
Bangalore	Less than 25 Lac	2.81	0.12
	25 Lac - 50 Lac	33.52	3.72
	50 Lac - 1 Crore	43.32	3.63
	1 Crore - 2 Crore	21.17	2.14
	More than 2 Crore	21.01	1.36
Chennai	Less than 25 Lac	4.69	0.56
	25 Lac - 50 Lac	25.75	2.68
	50 Lac - 1 Crore	25.54	3.13
	1 Crore - 2 Crore	8.31	0.92
	More than 2 Crore	5.55	0.60
Hyderabad	Less than 25 Lac	3.24	0.19
	25 Lac - 50 Lac	13.78	1.46
	50 Lac - 1 Crore	20.45	1.37
	1 Crore - 2 Crore	6.92	0.76
	More than 2 Crore	3.85	0.41
MMR	Less than 25 Lac	11.08	0.75
	25 Lac - 50 Lac	33.60	2.01
	50 Lac - 1 Crore	31.09	1.78
	1 Crore - 2 Crore	39.08	1.96
	More than 2 Crore	43.63	1.36
NCR	Less than 25 Lac	17.35	1.53
	25 Lac - 50 Lac	109.32	8.38
	50 Lac - 1 Crore	101.21	7.57
	1 Crore - 2 Crore	53.66	2.51
	More than 2 Crore	26.55	1.00
Pune	Less than 25 Lac	6.50	0.82
	25 Lac - 50 Lac	21.99	2.34
	50 Lac - 1 Crore	22.00	1.79
	1 Crore - 2 Crore	5.52	0.24
	More than 2 Crore	6.05	0.26
Grand Total		768.53	57.34

Inventory distribution by Cost Range Q2 13-14



New Supply distribution by Cost Range Q2 13-14



THANK YOU

