



Residential Real Estate Market Q3 FY 2015-16

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



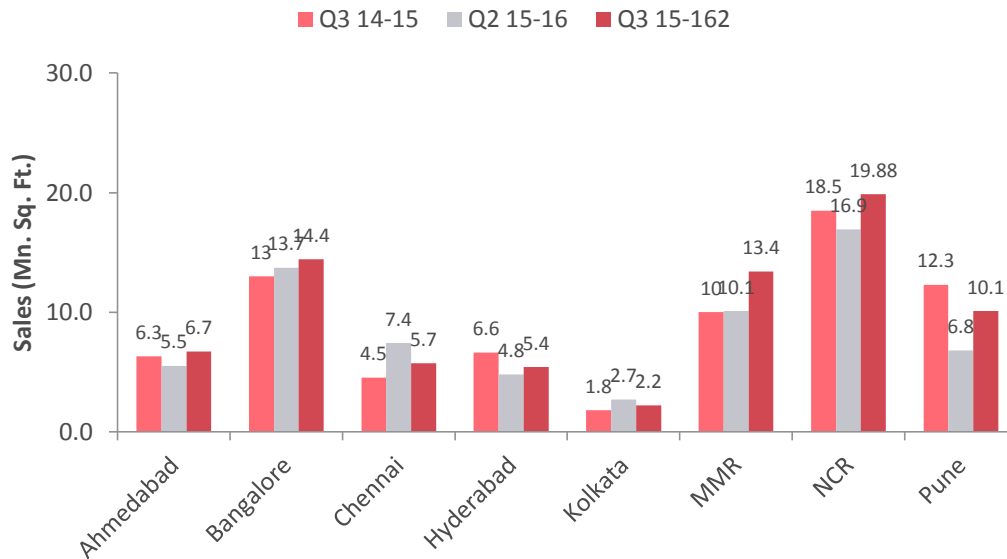
Preview

- The air of optimism in Q2 15-16 rolled over to this quarter and sales across eight major cities in India improved 15%, QoQ to 78.0 mn sqft in Q3 2015-16. Ahmedabad, Bangalore, MMR and NCR showed improvement in sales, with MMR clocking in the best performance.
- All 8 tier I cities cumulatively recorded highest sales in the cost range of Rs. 50 Lac- 1Cr, at 24.4 mn sqft (31%), followed by affordable segment (Rs. 25 Lac – 50 Lac) (23.2 mn sq.ft). Ultra-Luxury segment of more than 2Cr bracket has recorded sales of only 12.8 mnsqft in last quarter. MMR was the highest contributor to the luxury (Rs 1 crore to Rs 2 crore) and ultra-luxury segment (More than Rs 2 crore) sales.
- The sales in affordable segment (less than Rs 25 lacs) has recorded a quarterly growth of 31% to 6.4 mn sq. ft in Q3 FY 15-16.
- Unsold stock rose 5% sequentially in Q3 FY2015-16 and stood at 1,124.9 ms sq feet. Ahmedabad and MMR showed major increase, while Chennai and Bangalore saw a mild drop.
- Total new launches during the quarter decreased by 11% QoQ to 67.1 mn sqft. Bangalore saw the highest addition with 15.8 mn sq.ft. MMR has also shown improvement of 33% QoQ in new launches, most of which has been in the Rs 25 Lacs – Rs 50 Lacs cost bracket.
- In Q3 14-15, the weighted average price of all the major cities in India stood at Rs. 6,534 per sqft, a minor change from the previous quarter. Price in Ahmedabad have climbed 8%, while price movement across other cities were mixed.
- Chennai market saw stagnant price and muted sales. The unfortunate deluge in the city has made both the buyers and developers less confident. Buyers are less confident of investing in under construction projects while developers are wary of launching new projects.



Sales Performance in Major Cities of India

	Sales (Mn Sq.ft)			YOY	QOQ
	Q3 14-15	Q2 15-16	Q3 15-16		
Ahmedabad	6.3	5.5	6.7	6%	22%
Bangalore	13.0	13.7	14.4	11%	5%
Chennai	4.5	7.4	5.7	27%	-23%
Hyderabad	6.6	4.8	5.4	-18%	13%
Kolkata	1.8	2.7	2.3	28%	-15%
MMR	10.0	10.1	13.5	35%	34%
NCR	18.5	16.9	19.9	8%	18%
Pune	12.3	6.8	10.1	-18%	49%
8 Cities	72.9	67.9	78.0	7%	15%



YoY

- Sales across eight major cities in India improved 7%, YoY from 72.9 mn sqft. in Q3 2014-15 to 78.0 mn sqft. in Q3 2015-16
- Ahmedabad, Bangalore, Chennai, Kolkata, MMR and NCR showed improvement in sales, with MMR clocking in the best performance.
- On the other hand, Hyderabad and Pune witnessed annual sales decline of 18%, each.

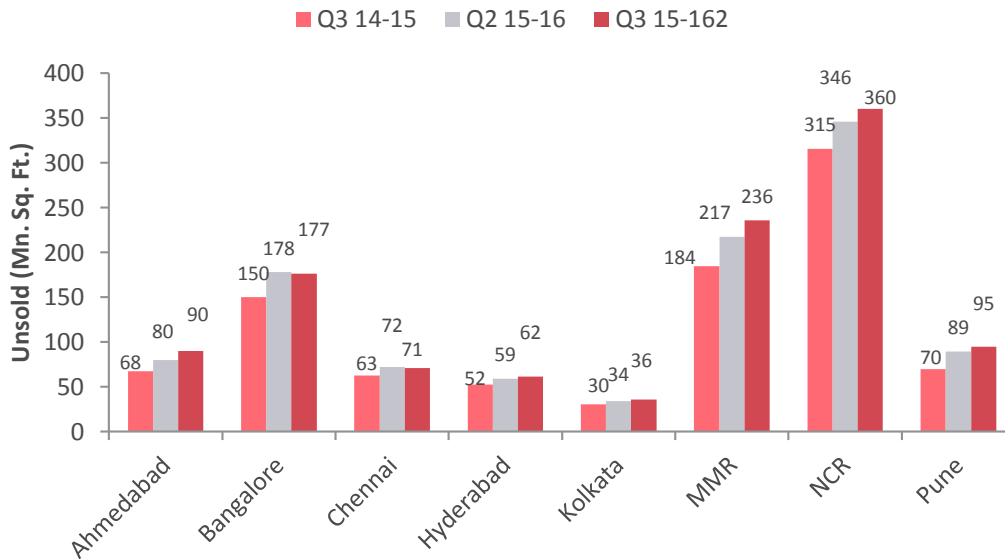
QoQ

- Chennai and Kolkata showed a decline in sales on a QoQ basis., while Pune, MMR, NCR, Bangalore and Ahmedabad showed healthy growth.



Unsold Stock

	Unsold Stock (Mn Sq.ft)			YOY	QOQ
	Q3 14-15	Q2 15-16	Q3 15-16		
Ahmedabad	67.5	80.1	90.0	33%	12%
Bangalore	149.9	177.9	176.5	18%	-1%
Chennai	62.7	72.0	70.7	13%	-2%
Hyderabad	52.3	59.1	61.5	18%	4%
Kolkata	30.4	34.3	35.9	18%	5%
MMR	184.3	217.2	235.9	28%	9%
NCR	315.4	345.8	361.1	14%	4%
Pune	69.6	89.3	94.6	36%	6%
8 Cities	932.1	1,075.7	1,124.9	21%	5%



YoY

- Between Q3 2014-15 and Q3 2015-16, unsold stock increased by 21%, from 932.1 mn sqft to 1124.9 mn. Sqft.
- All the eight cities witnessed a rise in the unsold stock with Ahmedabad 33% and Pune 36% having shown a maximum increase, followed by MMR at 28%
- Though the increase in unsold in NCR is only 14%, it tops the chart with a unsold stock of 360 mn sqft, followed by MMR Region with 235.9 mn sqft. .

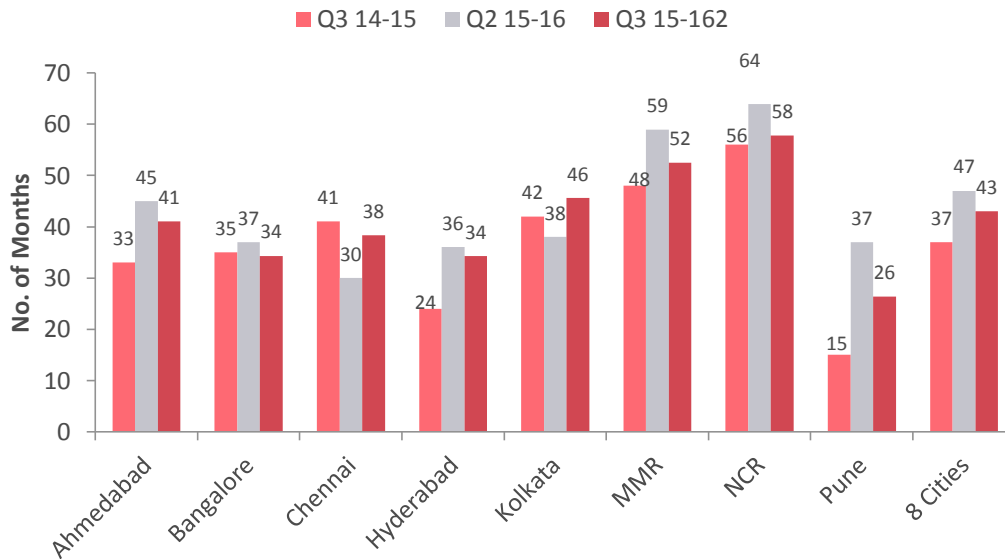
QoQ

- On QoQ basis, unsold stock rose by 5%
- Ahmedabad and MMR showed major increase in unsold, Chennai and Bangalore saw a mild drop.



Months Inventory

	Months Inventory			YOY	QOQ
	Q3 14-15	Q2 15-16	Q3 15-16		
Ahmedabad	33	45	41	24%	-9%
Bangalore	35	37	34	-3%	-8%
Chennai	41	30	38	-7%	27%
Hyderabad	24	36	34	42%	-6%
Kolkata	42	38	46	10%	21%
MMR	48	59	52	8%	-12%
NCR	56	64	58	4%	-9%
Pune	15	37	26	73%	-30%
8 Cities	37	47	43	16%	-9%



YoY

- With declining sales and rising inventory across all the major cities in India, the months inventory at all India level stands at whopping 43 months, a rise of 16% in one year
- An efficient market maintains 8-12 months of inventory, which indicates downside pressure on price across all the major cities in India
- Maximum increase was seen in Pune, where months inventory reached to 26 months from 15 a year back.

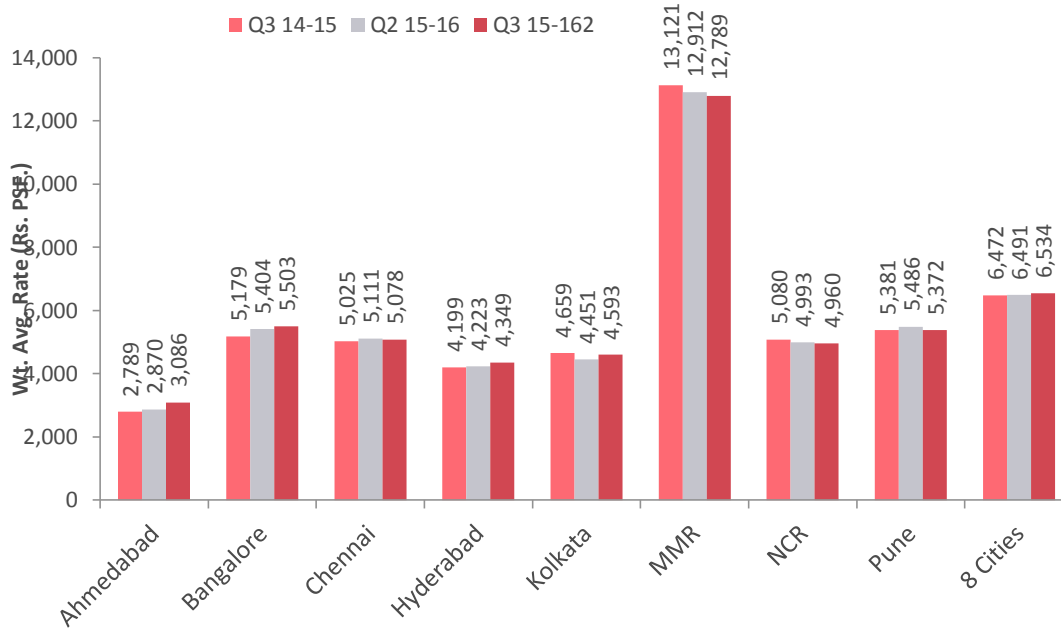
QoQ

- As per QoQ, Kolkata, with a constant months inventory. Chennai, Hyderabad and NCR are the cities to have witnessed a decline in months inventory, owing to the improved sales.



Movement in Price

	Price (Rs/Sq.ft)			YOY	QOQ
	Q3 14-15	Q2 15-16	Q3 15-16		
Ahmedabad	2,789	2,870	3,086	11%	8%
Bangalore	5,179	5,404	5,503	6%	2%
Chennai	5,025	5,111	5,078	1%	-1%
Hyderabad	4,199	4,223	4,349	4%	3%
Kolkata	4,659	4,451	4,593	-1%	3%
MMR	13,121	12,912	12,789	-2%	-1%
NCR	5,080	4,993	4,957	-2%	-1%
Pune	5,381	5,486	5,372	0%	-2%
8 Cities	6,472	6,491	6,534	1%	1%



- In Q3 14-15, the weighted average price of all the major cities in India stood at Rs. 6,472 per sqft, which saw a slight rise to Rs. 6,534 per sqft in Q3 15-16.

YoY

- Maximum increase in weighted average price was 11% in Ahmedabad, while highest decline was of 2% in MMR and NCR market.

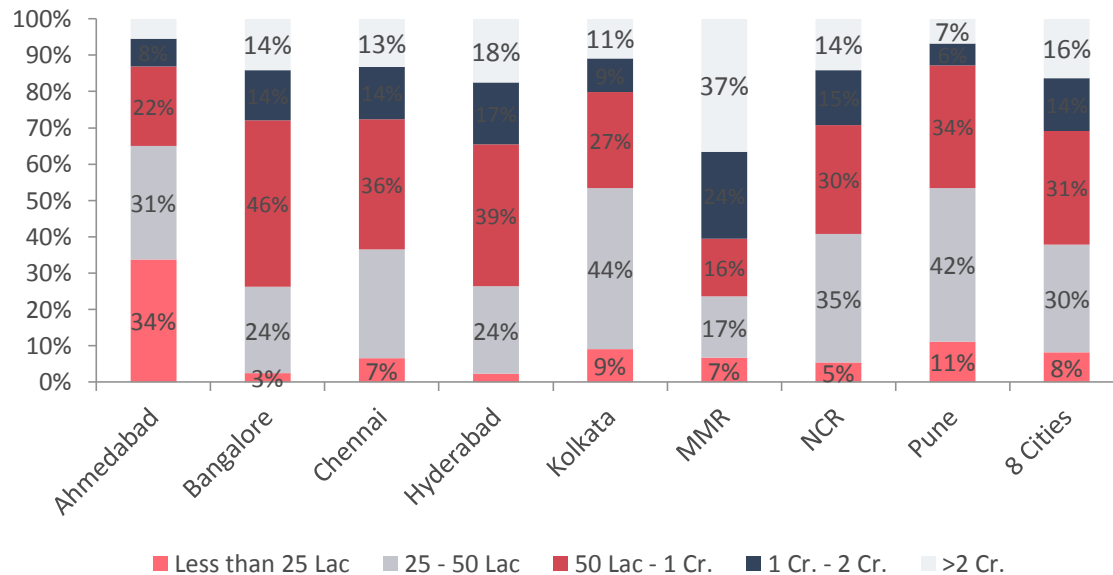
QoQ

- During last quarter, weighted average price in Ahmedabad have increased by 8%, while price movement across other cities were mixed.



Sales (Mn. Sq. Ft.) Distribution in various Cost Brackets – Q3 15-16

	Ahmedabad	Bangalore	Chennai	Hyderabad	Kolkata	MMR	NCR	Pune	8 Cities
Less than 25 Lac	2.3	0.4	0.4	0.1	0.2	0.9	1.1	1.1	6.4
25 Lac-50 Lac	2.1	3.4	1.7	1.3	1.0	2.3	7.1	4.3	23.2
50Lac -1Cr	1.5	6.6	2.0	2.1	0.6	2.1	5.9	3.4	24.4
1Cr - 2Cr	0.5	2.0	0.8	0.9	0.2	3.2	3.0	0.6	11.3
2Cr+	0.4	2.0	0.8	1.0	0.3	4.9	2.8	0.7	12.8
Total	6.7	14.5	5.7	5.4	2.3	13.5	19.9	10.1	78.1

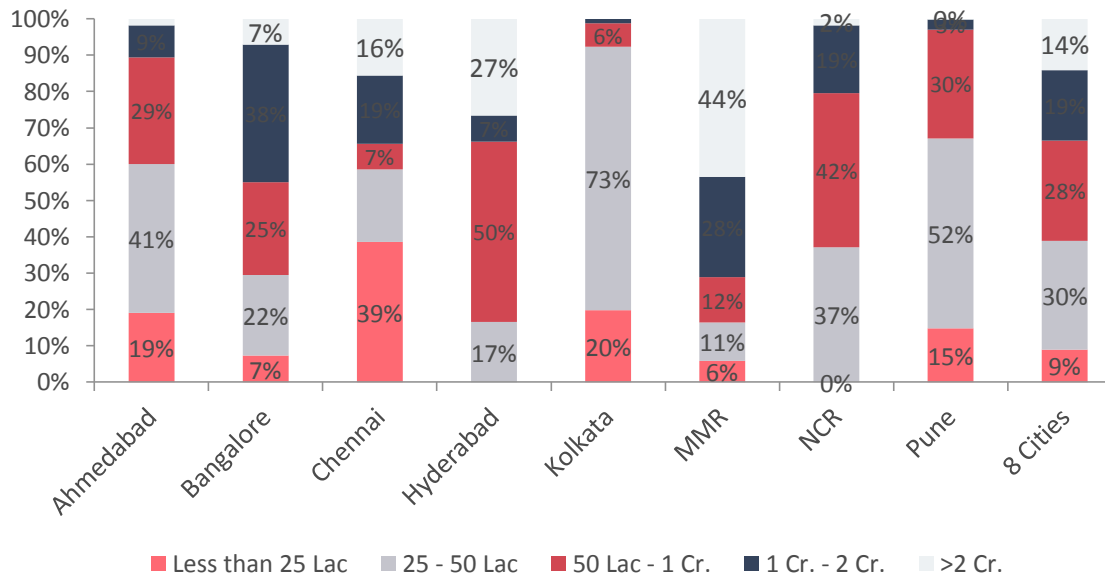


- Affordable segment (less than Rs 25 Lac) have sold only 6.4 mn sqft (8%) , in which Ahmedabad contributed to maximum at 36%.
- All 8 cities cumulatively sold highest in cost range of Rs. 50 Lac- 1Cr, with the sales of 24.4 mnsqft (31%), followed by cost range of Rs. 25 Lac – 50 Lac (23.2 ms sq.ft).
- Ultra Luxury segment of more than 2Cr bracket has recorded sales of only 12.8 mnsqft in last quarter. MMR has contributed the highest (37%) in luxury market, followed by Hyderabad at 18% and NCR at 14%.



New Supply (Mn. Sq. Ft.)in Q3 15-16

	Ahmedabad	Bangalore	Chennai	Hyderabad	Kolkata	MMR	NCR	Pune	8 Cities
Less than 25 Lac	1.8	1.2	0.3	0.0	0.4	0.8	0.0	1.6	6.0
25 Lac-50 Lac	3.9	3.5	0.2	1.1	1.5	1.5	2.8	5.5	20.0
50Lac -1Cr	2.8	4.0	0.1	3.4	0.1	1.7	3.2	3.2	18.5
1Cr - 2Cr	0.8	6.0	0.2	0.5	0.0	3.8	1.4	0.3	13.0
2Cr+	0.2	1.1	0.1	1.8	0.0	6.0	0.1	0.0	9.4
Total	9.4	15.8	0.8	6.9	2.1	13.8	7.6	10.6	67.1



- Total new launches during the quarter decreased by 11% QoQ to 67.1 mn sqft. Bangalore saw the highest addition with 15.8 mn sq.ft.
- MMR has also shown improvement of 33% in new launches compared to last quarter, most of the increase has been in Rs 25 Lacs – 50 Lacs cost bracket.
- NCR has witnessed 61% decline in new launches during the quarter.
- Cumulatively highest new launches have been in 25 lacs – 50 lacs range, of which Pune has contributed the highest (52%).
- New launches in affordable category, (Less than Rs.25Lac) have increased by 50% QoQ to 6.0 mnsqft.



Terminology

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.

Unsold: It is the closing stock at the end of the Qtr. $\text{Sales} / \text{Demand Realty stock sold in a market between the dates of two surveys.}$

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.

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



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