

The ANAROCK logo is positioned in the top right corner. It features the word "ANAROCK" in a bold, white, sans-serif font. A thin white horizontal line is placed directly beneath the letters "A", "N", and "R".

**ANAROCK**

VALUES OVER VALUE

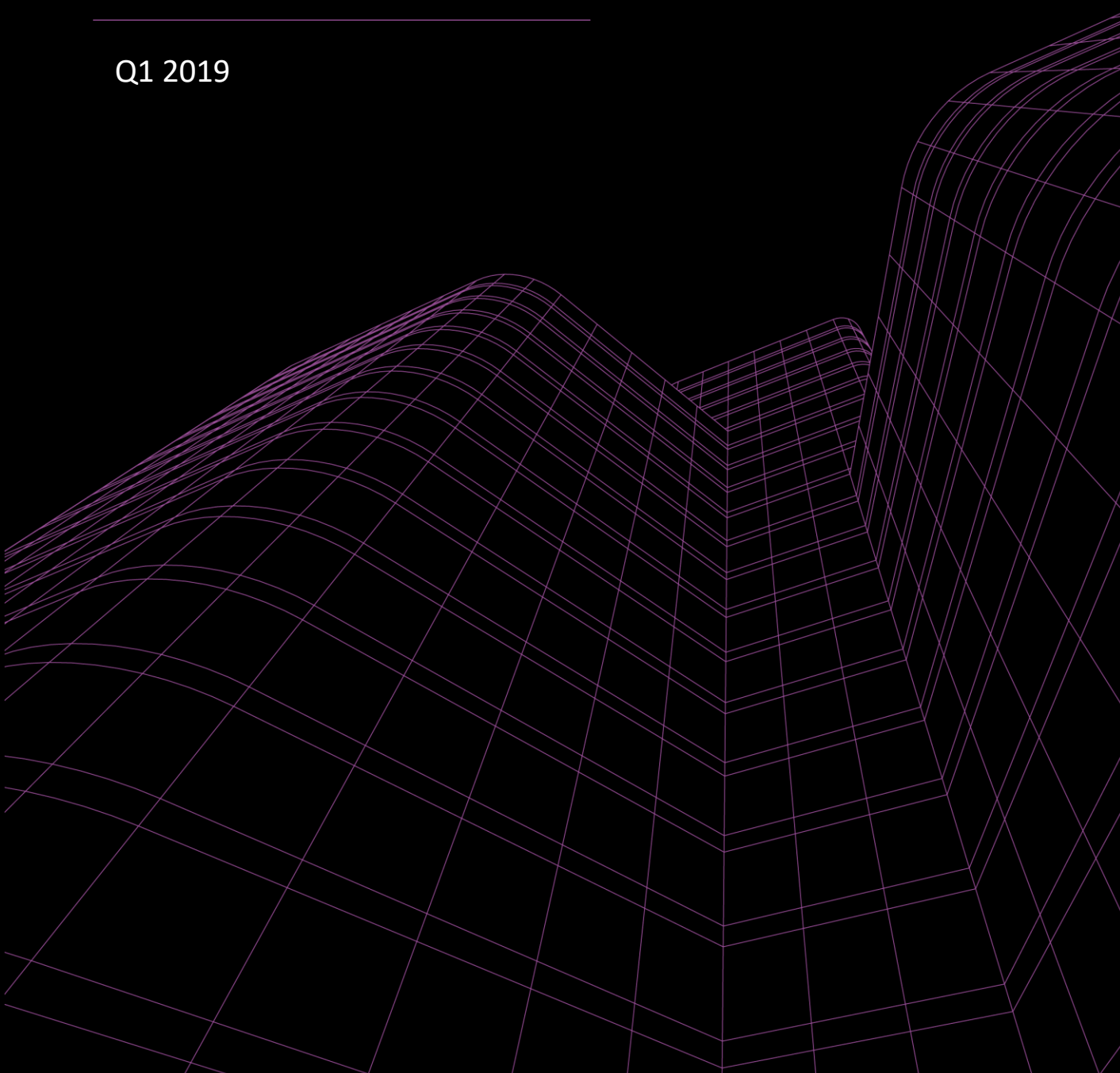
A decorative graphic in the top left corner consists of a series of thin, white, curved lines that form a grid-like pattern, curving towards the right and bottom.

# RESIDENTIAL MARKET VIEWPOINTS

**PAN India**

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Q1 2019

A large, decorative graphic covering the bottom two-thirds of the page. It features a complex grid of thin, white, curved lines that create a sense of depth and perspective, resembling a 3D wireframe structure.

## Key Highlights

- Launches across the top cities increased by 27% over the previous quarter. The new launch addition in Q1 2019 has been the highest ever recorded in the last 3 years.
- Pune witnessed the highest increase in launches over the previous quarter accounting for a 160% followed by MMR. However, cities such as Kolkata, Bengaluru, Chennai and NCR witnessed a decline.
- Affordable Housing segment once again emerged to be the top grosser and accounted for 44% of the total Q1 2019 launches.
- Sales increased by 12% over the previous quarter to attain the highest volume since Q1 2016.
- Unsold inventory reduced only marginally by 1% over the previous quarter. However, it is 16% lower than the previous peak recorded in Q4 2016.
- Consolidation of projects continued and paved way for only 'financially capable' players to sustain for the future periods.

## Residential Snapshot

### Launches

70,490

Units

27%

Quarterly  
Growth

### Sales

78,520

Units

12%

Quarterly  
Growth

### Unsold Inventory

6,65,150

Units

1%

Quarterly  
Decline

<b>26,850</b> New launch Units	<b>10,550</b> Average Price
<b>2,22,320</b> Unsold Inventory	<b>24,010</b> Sales

<b>8,030</b> New launch Units	<b>4,565</b> Average Price
<b>1,81,000</b> Unsold Inventory	<b>13,740</b> Sales

<b>17,520</b> New launch Units	<b>5,480</b> Average Price
<b>92,580</b> Unsold Inventory	<b>12,340</b> Sales



**Pune**



**MMR**

**NCR**



**Kolkata**

<b>1,000</b> New launch Units	<b>4,375</b> Average Price
<b>46,450</b> Unsold Inventory	<b>4,020</b> Sales



**Hyderabad**



**Bengaluru**

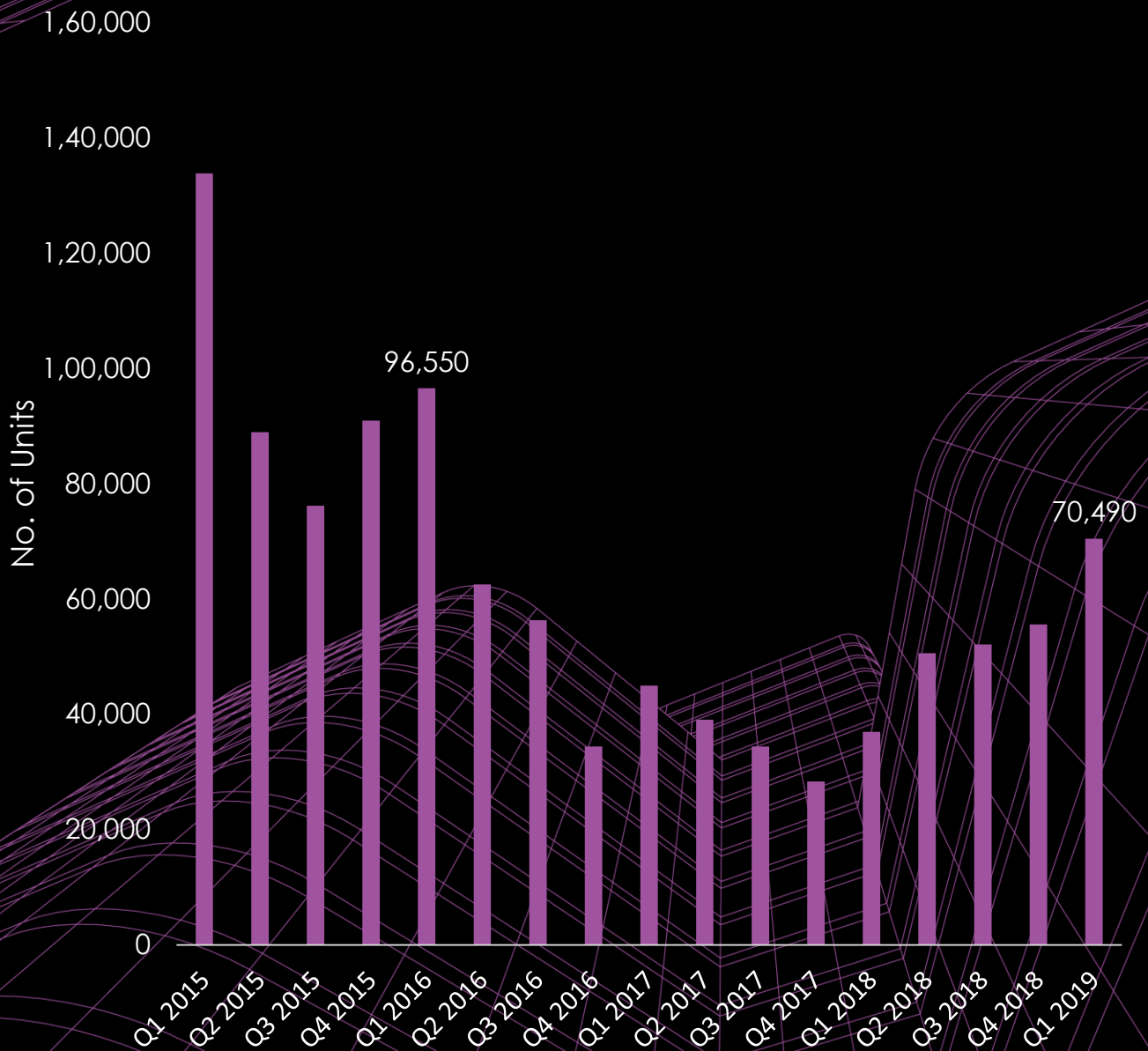
<b>4,850</b> New launch Units	<b>4,170</b> Average Price
<b>25,400</b> Unsold Inventory	<b>5,400</b> Sales

<b>9,070</b> New launch Units	<b>4,950</b> Average Price
<b>66,820</b> Unsold Inventory	<b>15,580</b> Sales

<b>3,170</b> New launch Units	<b>4,915</b> Average Price
<b>30,580</b> Unsold Inventory	<b>3,430</b> Sales

Note: Average Price in INR/sf as quoted on SBUA  
 Note: Map not to scale, for representation purposes only

## PAN India - New Launch Supply Trend



Q1 2019 recorded the highest new supply addition during the last 11 quarters. However, the current supply is still 27% less than the previous peak of Q1 2016.

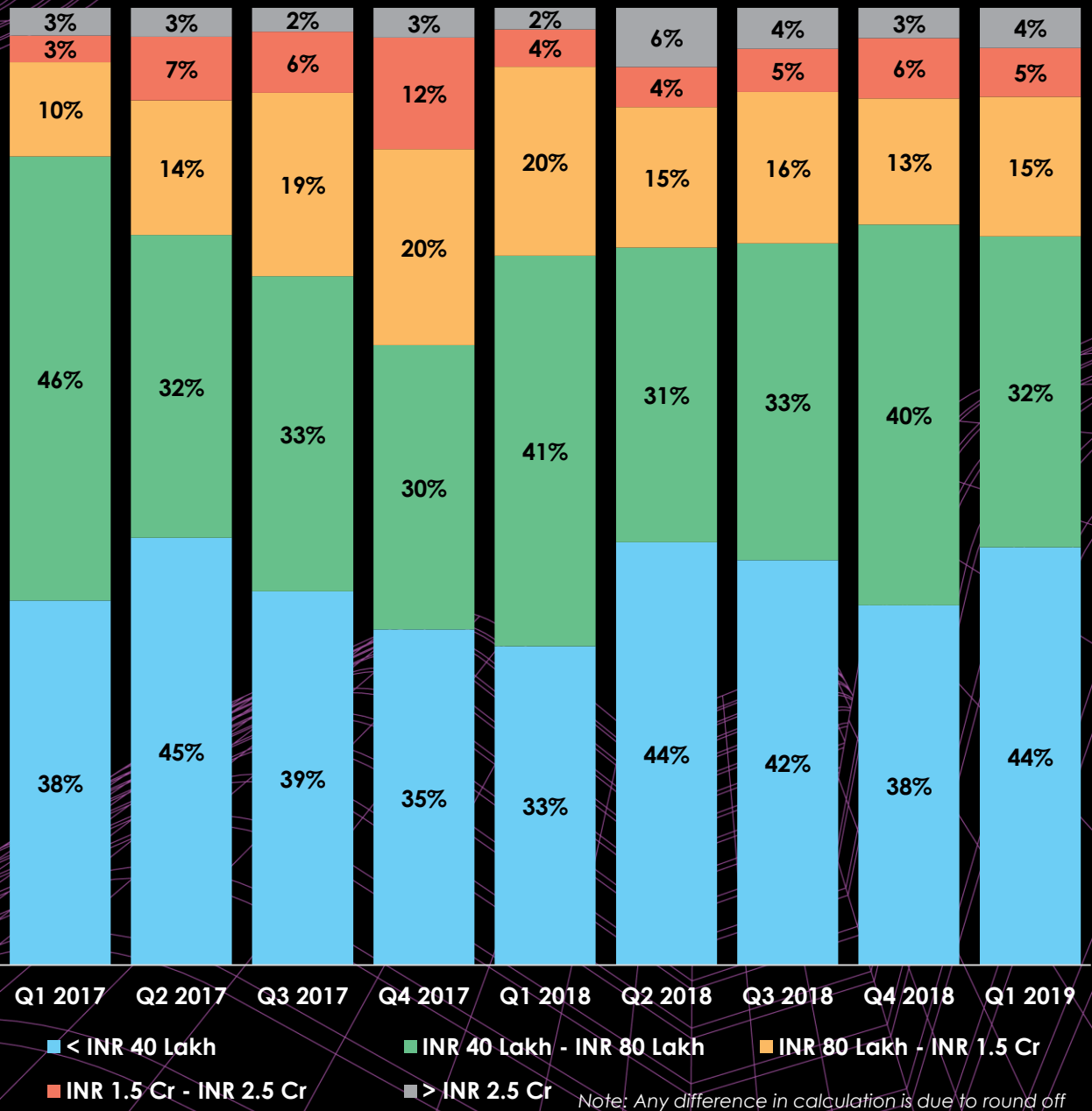
### City-wise New Launch Supply

City	Q1 2018	Q4 2018	Q1 2019	Q-o-Q Change	Y-o-Y Change
NCR	4,540	8,800	8,030	(9%)	77%
MMR	9,490	16,590	26,850	62%	183%
Bengaluru	7,320	11,610	9,070	(22%)	24%
Pune	2,750	6,730	17,520	160%	537%
Hyderabad	3,680	3,940	4,850	23%	32%
Chennai	2,720	3,900	3,170	(19%)	17%
Kolkata	6,470	4,030	1,000	(75%)	(85%)

*MMR tops the list and accounts for 38% of total supply in Q1 2019*

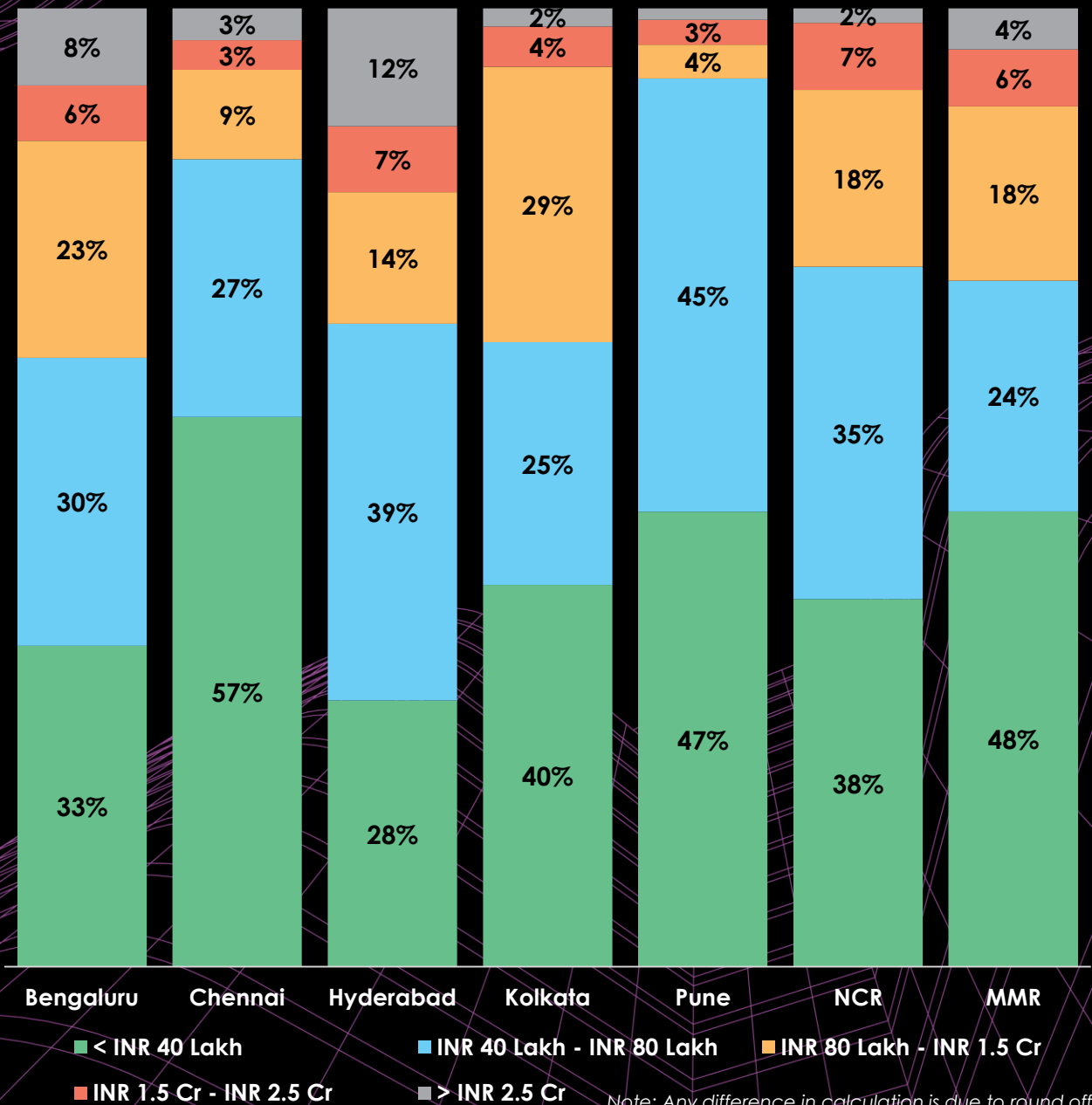


## New Launch Supply by Budget Segmentation



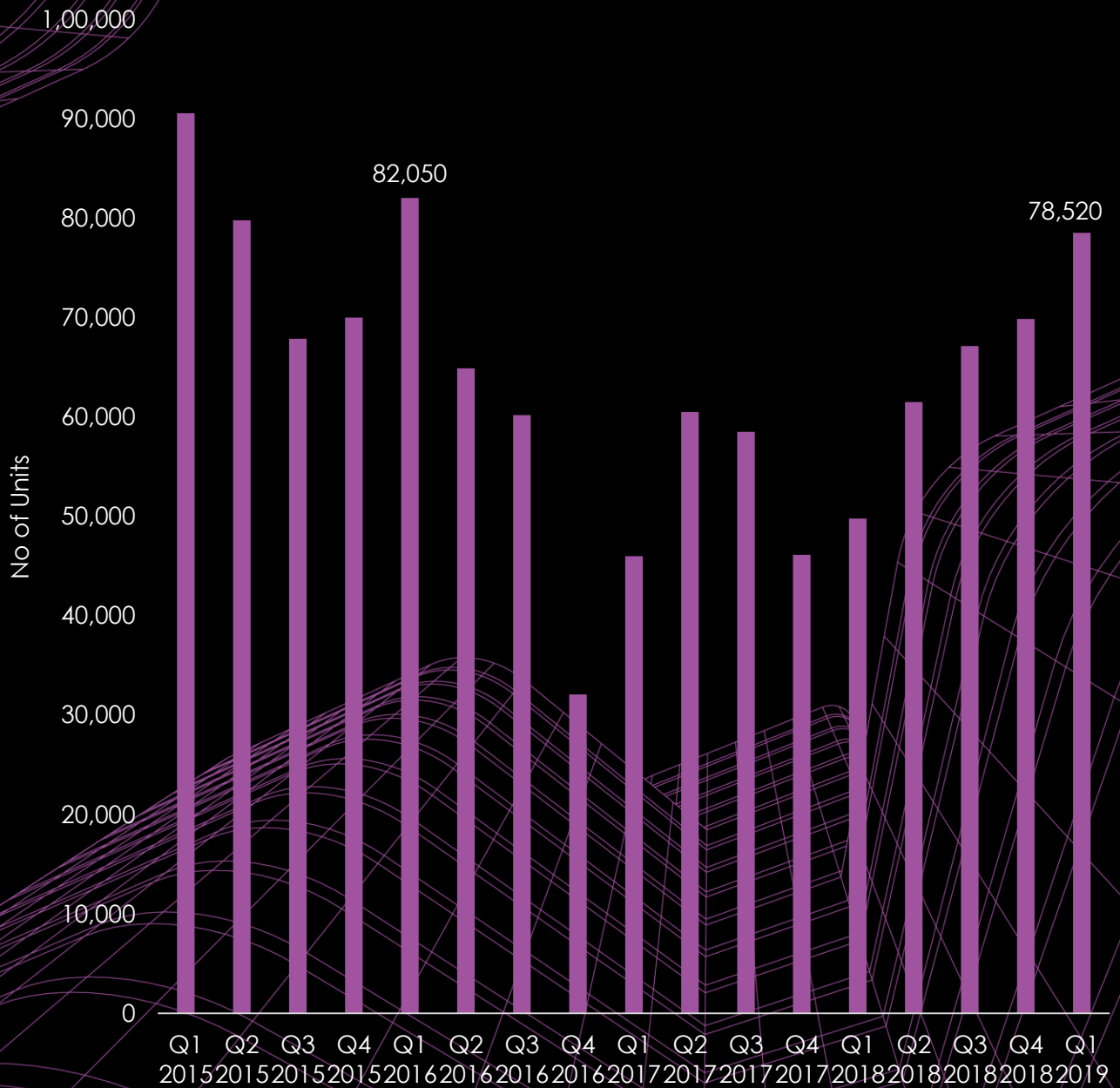
Affordable Housing segment continued its dominance and accounted for 44% of total new launch supply in Q1 2019.

### City-wise New Launch Supply by Budget Segmentation (Q1 2019)



Nearly 90% of the supply in Pune is priced below INR 80 Lakh targeting the migrant working class population of the IT-ITeS and industrial sectors.

**PAN India - Sales Trend**



Pan India sales reached its peak in the last 11 quarters. Though it grew by 12% compared to Q4 2018, it is still 4% lower than the previous peak of Q1 2016.

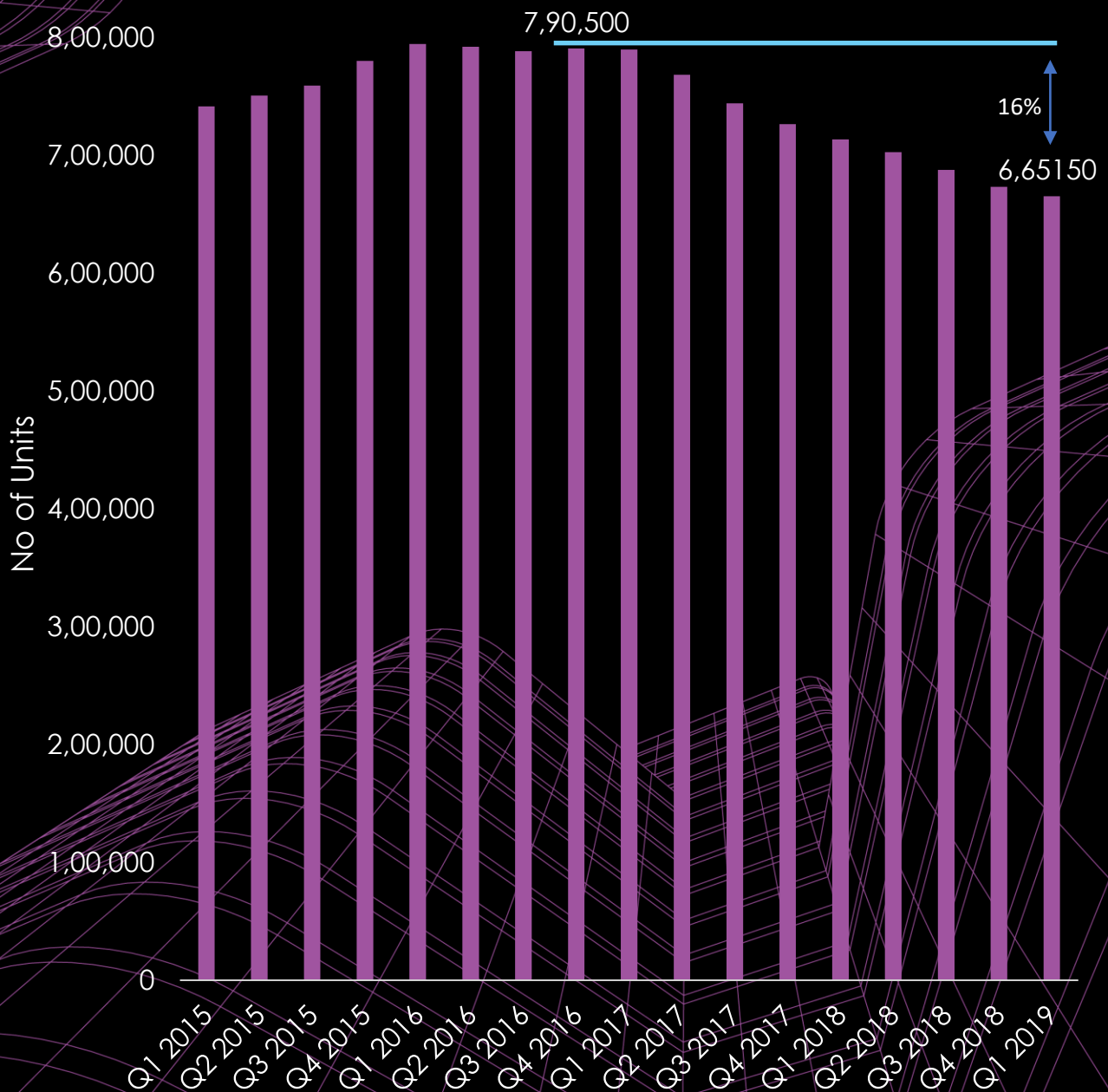


## City-wise Sales

Cities	Q1 2018	Q4 2018	Q1 2019	Q-o-Q Change	Y-o-Y Change
NCR	9,070	12,730	13,740	8%	51%
MMR	12,300	20,220	24,010	19%	95%
Bengaluru	11,690	14,820	15,580	5%	33%
Pune	6,850	9,940	12,340	24%	80%
Hyderabad	4,050	4,990	5,400	8%	33%
Chennai	2,420	3,290	3,430	4%	42%
Kolkata	3,420	3,860	4,020	4%	18%

*While all cities recorded an increase in sales over the previous quarter, Pune witnessed the highest traction.*

## PAN India - Unsold Inventory Trend



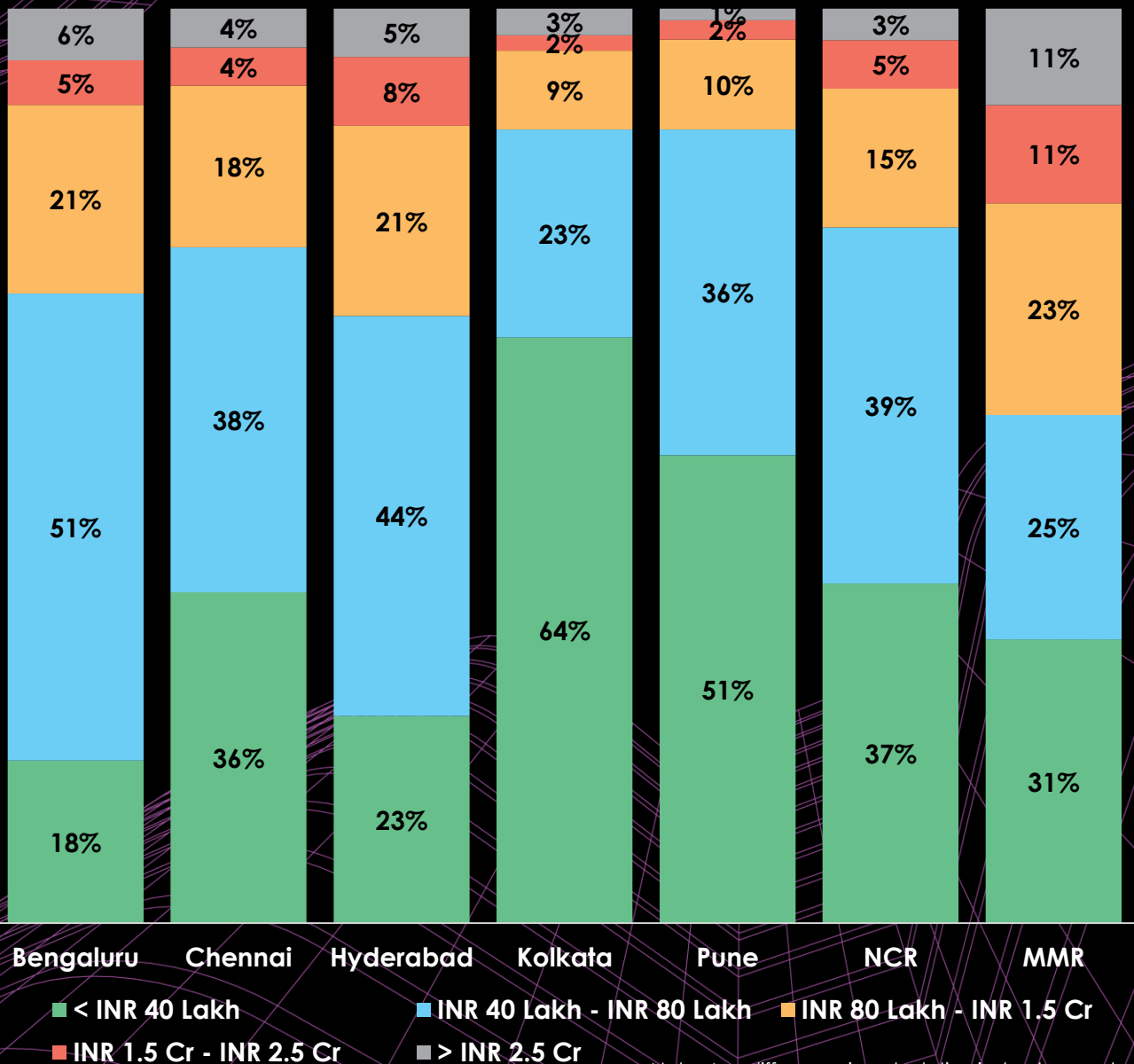
Unsold inventory continued to decline for the last 9 quarters and is currently 16% below the peak (in Q4 2016), as witnessed in the past 4 years.

## City-wise Unsold Inventory

Cities	Q1 2018	Q4 2018	Q1 2019	Q-o-Q Change	Y-o-Y Change
NCR	2,00,480	1,86,710	1,81,000	(3%)	(10%)
MMR	2,23,190	2,19,490	2,22,320	1%	0%
Bengaluru	91,630	73,340	66,820	(9%)	(27%)
Pune	93,320	87,400	92,580	6%	(1%)
Hyderabad	26,920	25,960	25,400	(2%)	(6%)
Chennai	26,800	30,840	30,580	(1%)	14%
Kolkata	51,050	49,470	46,450	(6%)	(9%)

*Every city has seen a reduction in unsold inventory over the previous quarter except MMR and Pune.*

### City-wise Unsold Inventory by Budget Segmentation (Q1 2019)



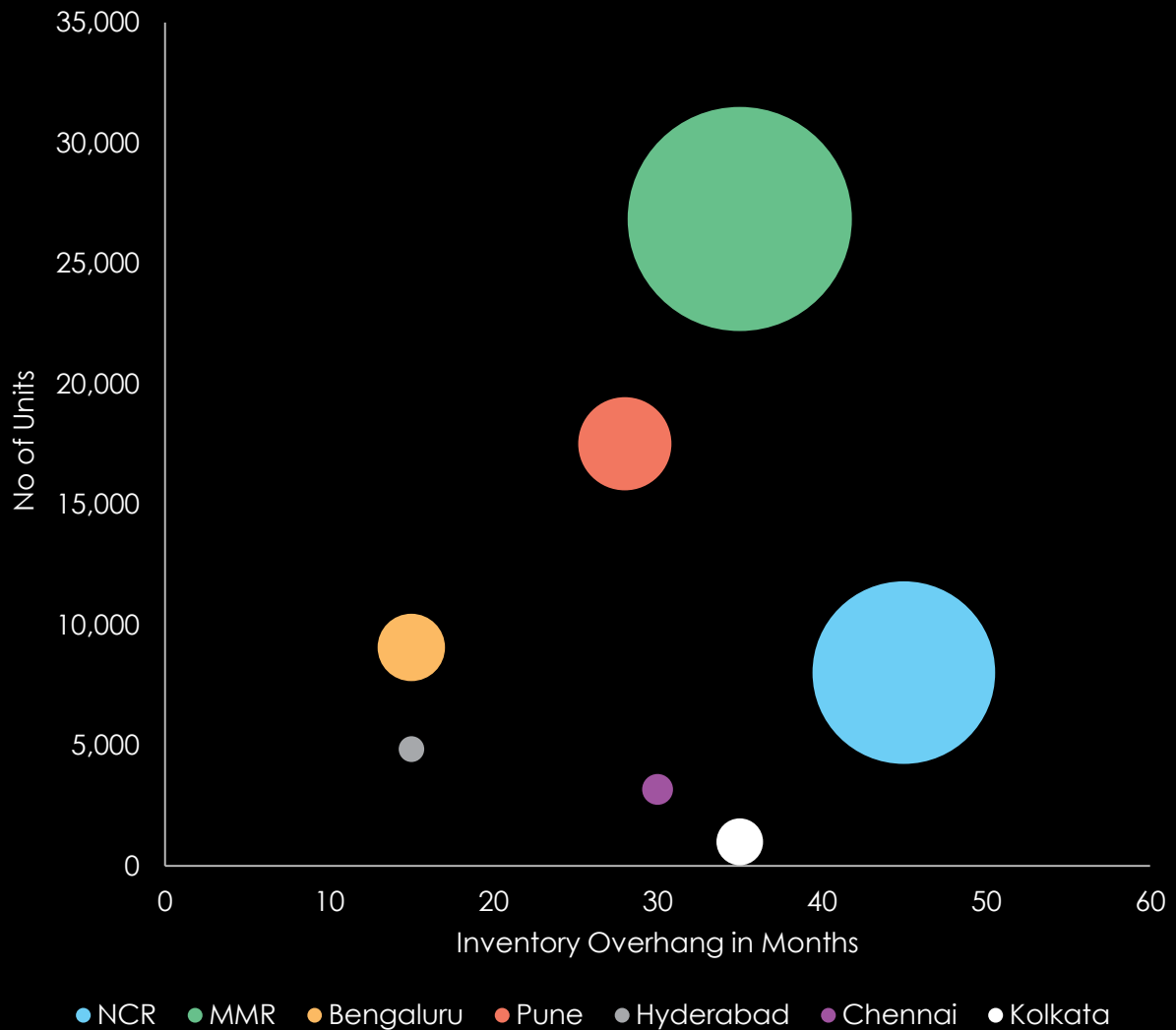
Kolkata and Pune have the highest unsold inventory in the affordable housing segment.

## Capital Values & Inventory Overhang

City	Avg. Base Selling Price (per sqft)	Quarterly Change (%)	Annual Change (%)	Inventory Overhang (No. of Months)	Quarterly Change (%)	Annual Change (%)
NCR	4,565	0%	1%	45	(13%)	(32%)
MMR	10,550	0%	1%	35	(15%)	(36%)
Bengaluru	4,950	1%	2%	15	(12%)	(42%)
Pune	5,480	0%	1%	28	(7%)	(30%)
Hyderabad	4,170	0%	2%	15	(12%)	(35%)
Chennai	4,915	0%	0%	30	(6%)	(17%)
Kolkata	4,375	0%	(1%)	35	(8%)	(24%)

*Despite a significant change in the inventory overhang, prices across NCR, MMR, Bengaluru and Hyderabad have remained stable.*

## Inventory Overhang vs New Launch Supply vs Unsold Inventory



**Note:**

**Circle Size represents:** Unsold Inventory (Q1 2019)

**No of Months:** Available housing units to get absorbed in the market based on current sales rate, irrespective of the new launches.

**No. of Units:** New Launch Supply in Q1 2019

*Bengaluru has been the most vibrant market with lowest inventory overhang despite significant new launch additions.*

## Outlook

The year started on a positive note for the real estate sector with major announcements such as reduction in GST rates and softening of interest rates. These were capable of generating interest among the home buyers who were awaiting some additional benefits. Also, benefits announced in the budget have been instrumental in mobilising the demand for housing particularly in the affordable segment.

It is anticipated that the liquidity crisis may continue to haunt for some time and in a way lead to a further consolidation in the real estate sector. However, with incapable players going out of the market, it is likely that several delayed and stalled projects may witness some momentum.

The government's incessant focus on affordable housing and a wide range of initiatives is expected to result in a rise in launches in this segment. However, a word of caution here - The future course of developments also depend on the results of the upcoming general elections.

## 5 Key Takeaways

- Launches are gaining momentum and will continue to grow in the coming quarters.
- Sales are expected to grow further due to the positive impact of reduced GST rates.
- The Government's focus on affordable housing is expected to further provide an impetus to this segment.
- Prices are likely to remain range-bound for some time until unsold inventory reduces to manageable levels.
- H2 2019 is likely to witness increased real estate activity, post the general elections.

ANAROCK is the leading real estate agent in India and is exclusively mandated on 100 residential projects across the country having successfully completed 300 exclusive mandates since June 2017. The Firm has diversified interests across the real estate value chain and employs its proprietary technology platform to accelerate marketing and sales. The chairman, Anuj Puri, is a highly-respected industry veteran and India's most prominent real estate thought leader. ANAROCK's services include Residential Broking and Technology, Retail, Hospitality (via HVS ANAROCK), Land Services, Capital Markets, Warehousing and Logistics, Investment Management, Research and Strategic Consulting. ANAROCK's team of over 1800 qualified and experienced real estate professionals operate across all major Indian markets, as well as the Middle East. ANAROCK also manages over 80,000 fully-vetted channel partners to ensure global business coverage. Our core assurance of consistent ethical dealings with clients and partners reflects our motto - Values Over Value.

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