

# Residential Market Viewpoints PAN India

# Q3 2022



**04**  
New Launch  
Supply



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Sales  
Trend



**07**  
Available  
Inventory



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Average  
Price



# Foreword

## Despite price rise, housing sales momentum continued to remain robust

Defying all odds like the inauspicious 'shraadh' period, excessive monsoons, and rising property prices and interest rates, the momentum in housing sales and new launches across the top 7 cities continued unthwarted in the third quarter of 2022.

Latest ANAROCK data reveals that as many as 88,230 units were sold across the top 7 cities in Q3 2022 – a 4% quarterly increase and 41% annual rise.

In Q2 2022, approx. 84,930 units were sold across the top 7 cities while in the corresponding period of 2021, approx. 62,800 units were sold. MMR remained the most active residential market and witnessed the highest sales of approx. 26,400 units among the top 7 cities, followed by NCR with approx. 14,970 units.

This clearly indicates that the appetite for homeownership has remained undeterred, with maximum sales being driven by the end-users. The continued sales momentum is remarkable since ANAROCK's most recent Consumer Sentiment Survey finds that high inflation has majorly impacted disposable incomes of at least 61% of respondents.

The survey also found that housing sales would be considerably hit if home loan interest rates breach the 9.5% mark.

Interestingly, there has been increased new supply by the leading and listed developers, who also reported robust housing sales. This trend will very likely continue in the upcoming festive quarter as well, since homeownership sentiment has increased hugely post the pandemic.

Also, despite three successive rate hikes by the RBI, interest rates continue to be lower than during the global financial crisis of 2008, when they went as high as 12% and above.

Meanwhile, approx. 93,490 units were launched in Q3 2022, against 82,150 units in Q2 2022, thus increasing by 14%. In Q3 2021, approx. 64,560 units were launched, so the annual increase is a whopping 45%.

MMR and Hyderabad witnessed the highest new launches in Q3 2022, with approx. 36,000 units and 15,530 units, respectively.

Interestingly, despite buoyant sales, NCR considerably restricted its new supply in comparison to other cities including MMR, Bengaluru, Pune, and Hyderabad.

In terms of budget segments, 36% of the total new supply was launched in the mid-segment (INR 40– 80 lakh), 28% in the premium segment (INR 80 lakh - INR 1.5 Cr) while 18% each in the luxury (price range) segment and affordable (price range) segments.

Amid increased new supply, existing housing inventory saw a 1% quarterly rise in Q3 2022. However, on annual basis, inventory declined by 4% in Q3 2022 across the top 7 cities. As on Q3 2022-end, the available inventory stands at over 6.30 lakh units.

As for residential property prices across the top cities, there was a quarterly increase in the range of 1-2% in Q3 2022. On an annual basis, prices have risen in the range of 4-7% primarily due to an increase in input costs and demand comeback post-COVID.

Overall, residential demand continues to hold strong even now as more and more prospective buyers firmly believe in buying their own home amid uncertain times of the pandemic and the ongoing Ukraine war. Many consider it to be one of the safest investment options presently as price volatility is extremely low compared to other investment classes.

Therefore, we anticipate housing demand to continue to remain robust in the festive quarter as well. The industry is in a strong footing with residential market being driven by the listed and the large developers. Although increasing costs and interest rate hike are major risks in the current scenario, but things are well under control presently and housing demand for sure remains upbeat.

**ANUJ PURI**

Chairman  
ANAROCK Group





# Key Highlights

Q3 2022 | Pan-India

## NEW LAUNCH SUPPLY TREND

Top 7 cities recorded new unit launches of around 93,500 units in Q3 2022 as against 82,100 units in Q2 2022 - an increase of 14% over the previous quarter.

Key cities contributing to Q3 2022 new unit launches included MMR (Mumbai Metropolitan Region), Hyderabad, Pune, and Bengaluru, altogether accounting for 86% of the total addition. MMR has witnessed the highest volume of new launch activity in the current quarter, accounting for 39% of the total new supply across the top 7 cities. Chennai comprised the lowest share (of 3%) of new launches amongst the top 7 cities in India.

Mid-segment homes (INR 40 Lakh – INR 80 Lakh) continue to dominate new supply with 36% share, followed by the premium (INR 80 Lakh - INR 1.5 Cr) and affordable segments (less than INR 40 lakh) with 28% and 18% share respectively.

## SALES TREND

Around 88,200 units were sold in Q3 2022 – a marginal increase of 4% over Q2 2022. On yearly basis, the housing sales in Q3 2022 jumped up by 41% across the top 7 cities. NCR, MMR, Bengaluru, Pune, and Hyderabad together accounted for 90% of the sales in the quarter. Chennai witnessed the lowest housing sales amongst the top cities, contributing 4% share.

## AVAILABLE INVENTORY

Available inventory increased by 1% in Q3 2022 over Q2 2022 due to strong new housing supply in the current quarter. However, on an annual basis, available inventory declined by 4% in Q3 2022 across the top 7 cities. Amongst the top cities, Chennai witnessed highest yearly drop in the available housing inventory – by 23%, followed by Delhi-NCR which recorded 20% yearly decline.

## TOP 7 CITIES

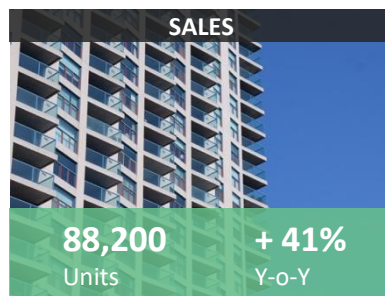
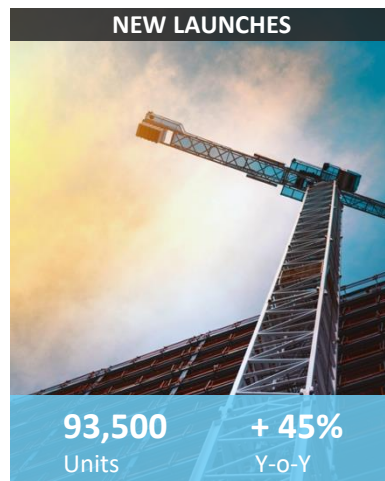
City	New Launches	Sold Units	Available Inventory	Avg. Price (INR/sf)
NCR	6,400	15,000	1,32,700	4,985
MMR	36,000	26,400	1,91,100	11,700
Bengaluru	13,900	12,700	58,900	5,485
Pune	14,700	14,100	1,02,300	5,960
Hyderabad	15,500	11,650	79,700	4,590
Chennai	2,400	3,500	28,900	5,280
Kolkata	4,500	5,000	36,700	4,650

### Notes:

Pan-India refers to top 7 cities of India only.

Average price in INR/sf as quoted on BSP on BUA.

^Available inventory includes units from projects that are launched but yet not sold, despite the launch timelines and construction progress.



### Budget Segmentation:

Affordable: < INR 40 Lakh

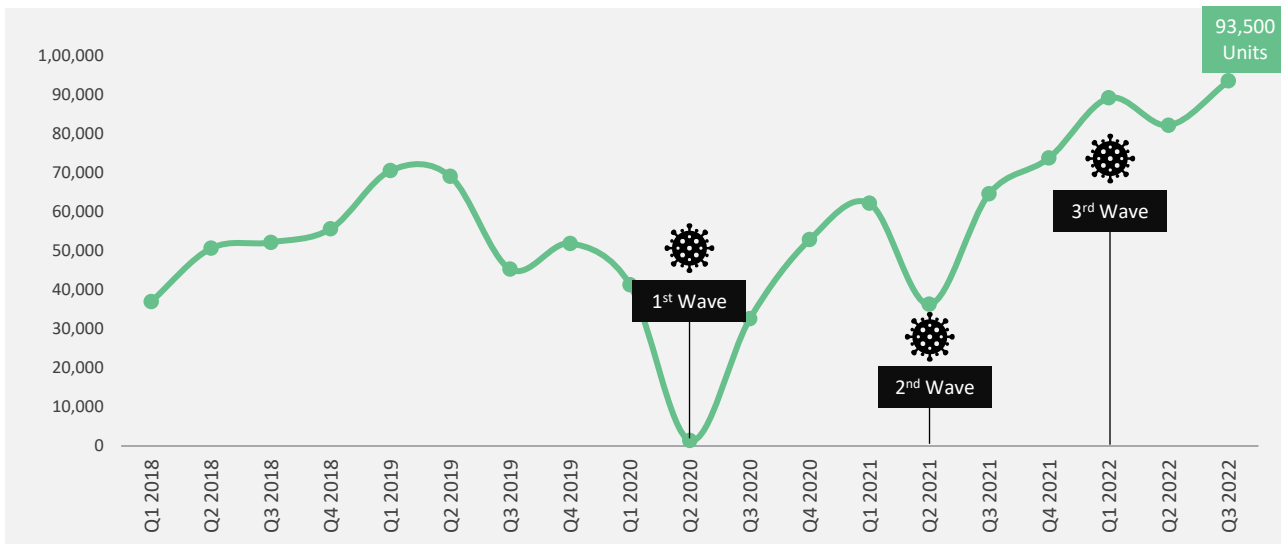
Mid-end: INR 40 Lakh - INR 80 Lakh

High-end: INR 80 Lakh - INR 1.5 Cr

Luxury: INR 1.5 Cr - INR 2.5 Cr

Ultra-luxury: > INR 2.5 Cr

# New Launch Supply Trend Pan-India



- 1 The top 7 cities witnessed an uptick in the new unit launches by 14% - from approx. 82,100 units in Q2 2022 to **93,500 units in Q3 2022**. On yearly basis, a **hike of 45%** was registered in the new launch supply in the top 7 cities of the country.
- 2 The appetite for homeownership has remained undeterred, and hence there is an increase in new residential supply by the leading and listed developers in order to cater to the unrelenting rise in housing demand.
- 3 **Excluding Pune and Hyderabad**, all the **remaining 5 cities** of India **witnessed a Q-o-Q rise in the new launch activity** in Q3 2022. **NCR and Chennai** are the only cities to **witness a drop** in the new launches on a **year-on-year basis**.

## TOP 7 CITIES

**MMR and Hyderabad** accounted for **55% of the total new launches** in top 7 cities; individually contributing **39%** and **17%** share. **Pune and Bengaluru** followed closely, contributing **16%** and **15%** to the new launches.

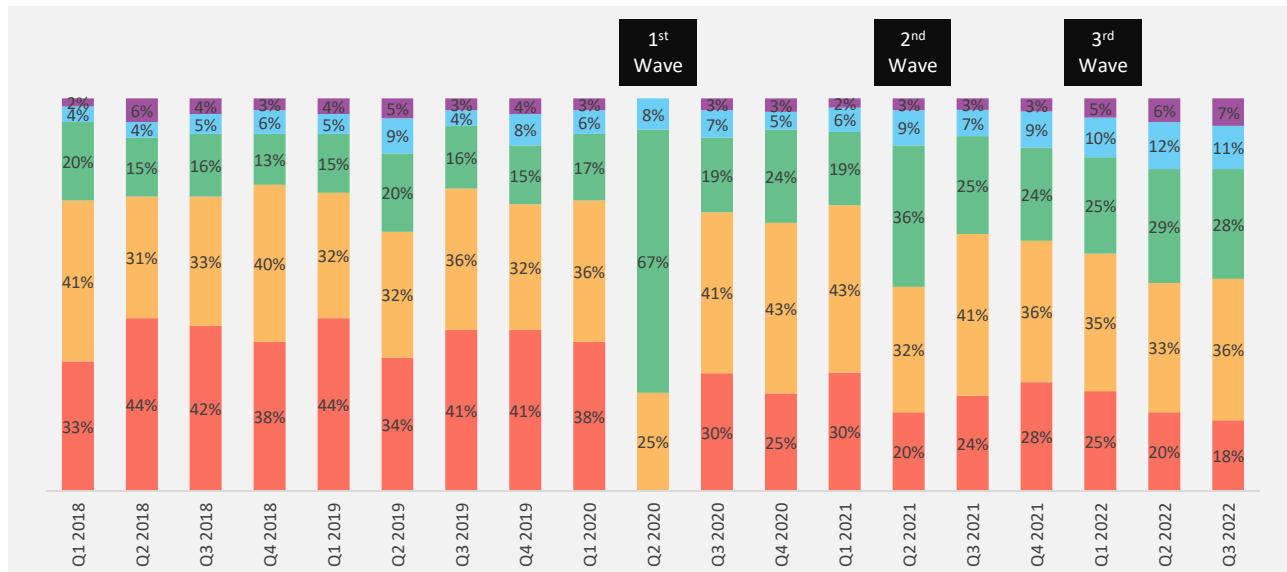
**NCR, Kolkata and Chennai**, with individual shares of 7%, 5% and 3% respectively, comprised the lowest volume of new launches across the top 7 cities. In Q3 2022, new launches in **Kolkata multiplied by nearly 2.3 times**, followed by **1.6 times growth in Chennai and NCR** compared to Q2 2022.

City	Q3-22	Q2-22	Q-o-Q
NCR	6,400	4,100	56%
MMR	36,000	29,700	21%
Bengaluru	13,900	12,500	11%
Pune	14,700	16,600	-11%
Hyderabad	15,500	15,800	-2%
Chennai	2,400	1,500	60%
Kolkata	4,500	2,000	125%



# New Launch Supply Trend

## By Budget Segmentation



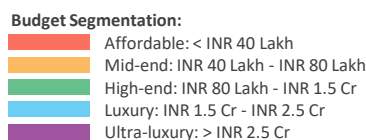
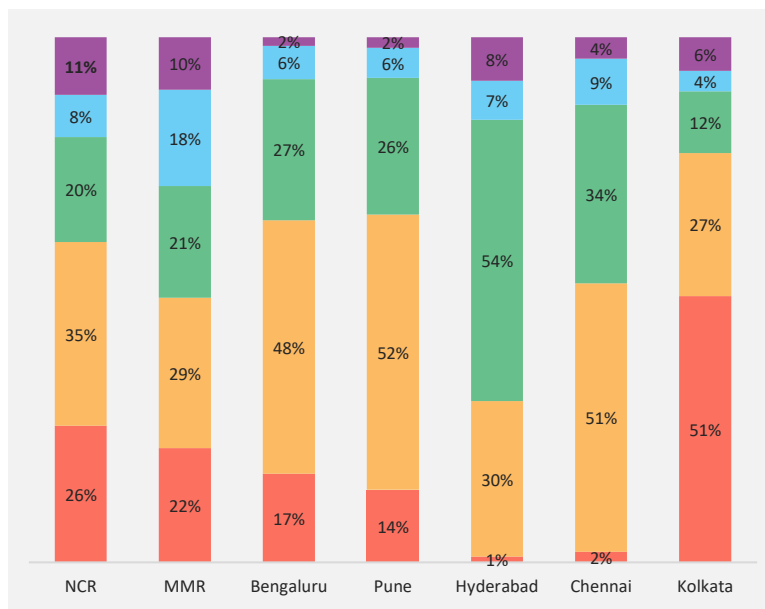
- Mid segment homes** priced between INR 40 Lakh – INR 80 Lakh comprised the highest share take-up in Q3 2022, accounting for a **36% share of the overall new launches**.
- Premium segment homes** (priced between INR 80 Lakh - INR 1.5 Cr) followed by the units in the **affordable segment** priced <INR 40 Lakh were the next highest launched units in the quarter, individually comprising **28% and 18% share**, respectively.
- Luxury and Ultra-luxury**, like the preceding quarters, observed the **lowest new launch activity**, holding a **share of 11% and 7%** respectively in Q3 2022.

### TOP 7 CITIES

In terms of overall new supply in the top 7 cities, **MMR dominated across budget segments – affordable, mid-end, luxury and ultra-luxury**. **Hyderabad** witnessed maximum new launches **in the premium segment**.

In Q3 2022, new launch supply in the **mid segment** was dominated by 5 out of the top 7 cities - **NCR, MMR, Bengaluru, Pune and Chennai**, individually taking up 35%, 29%, 48%, 52% and 51% share in their respective city's new residential supply, respectively.

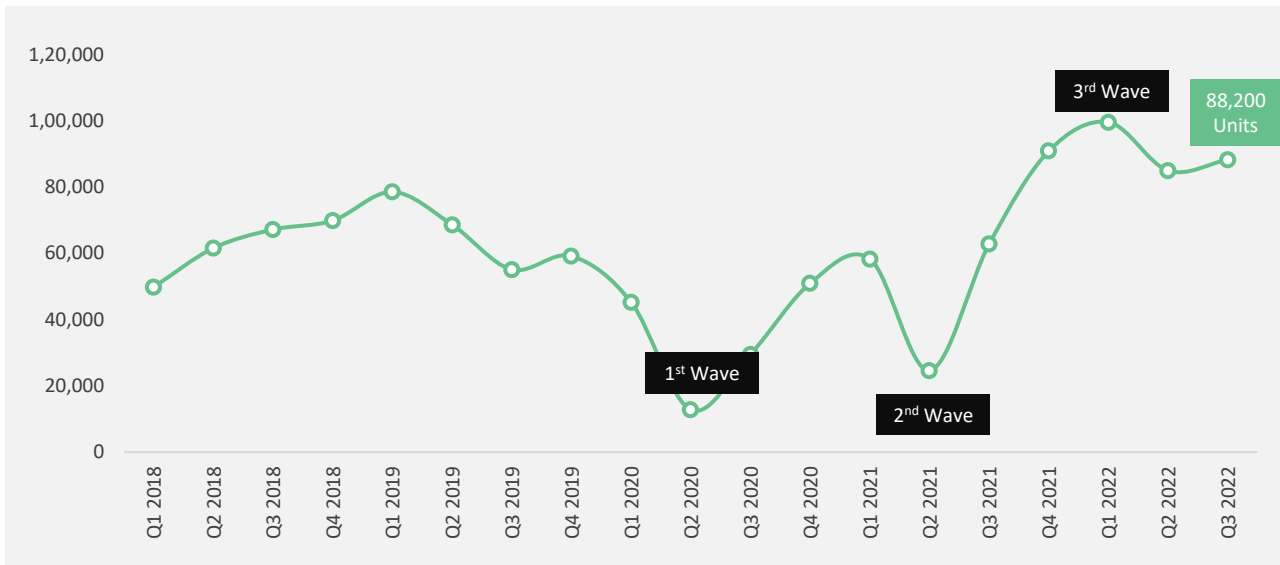
**Hyderabad** is the only city to have the highest volume of new launches in the **premium segment** amongst all top 7 cities, comprising total share of 54% within the city's overall new supply. **Kolkata**, stood as the frontrunner in the **affordable housing segment** – accounting for 51% of new supply in the city in this price bracket.





# Housing Sales Trend

## Pan-India



- Housing sales in Q3 2022 stood at **88,200 units** across the top 7 cities against 84,900 units in Q2 2022 – a slight quarterly increase of 4%. This increase can be attributed to the **healthy new supply in Q3 2022 across top 7 cities**. Residential sales registered a **41% yearly growth** compared to the home sales during the **same quarter preceding year**.
- Despite the minor turbulence being caused in the market due to **increased repo rate** of 50 basis points (bps) to 5.9% by the RBI, the **sales velocity is likely to continue strong** in the upcoming festive quarter as well since homeownership sentiment has increased significantly post the pandemic. Furthermore, in order to maintain the sales momentum during the ongoing festive season, **developers have rolled out lucrative launch offers** for the homebuyers.

### TOP 7 CITIES

NCR, MMR, Bengaluru, Pune, and Hyderabad together accounted for **90% of the total housing sales** across the top 7 cities in the quarter.

**MMR** witnessed the **highest sales volume** amongst the top cities, with a share of approx. 30%, followed by **NCR** accounting for 17% sales share.

**Pune, Bengaluru and Hyderabad** followed closely with individual housing sales shares of 16%, 14% and 13% respectively.

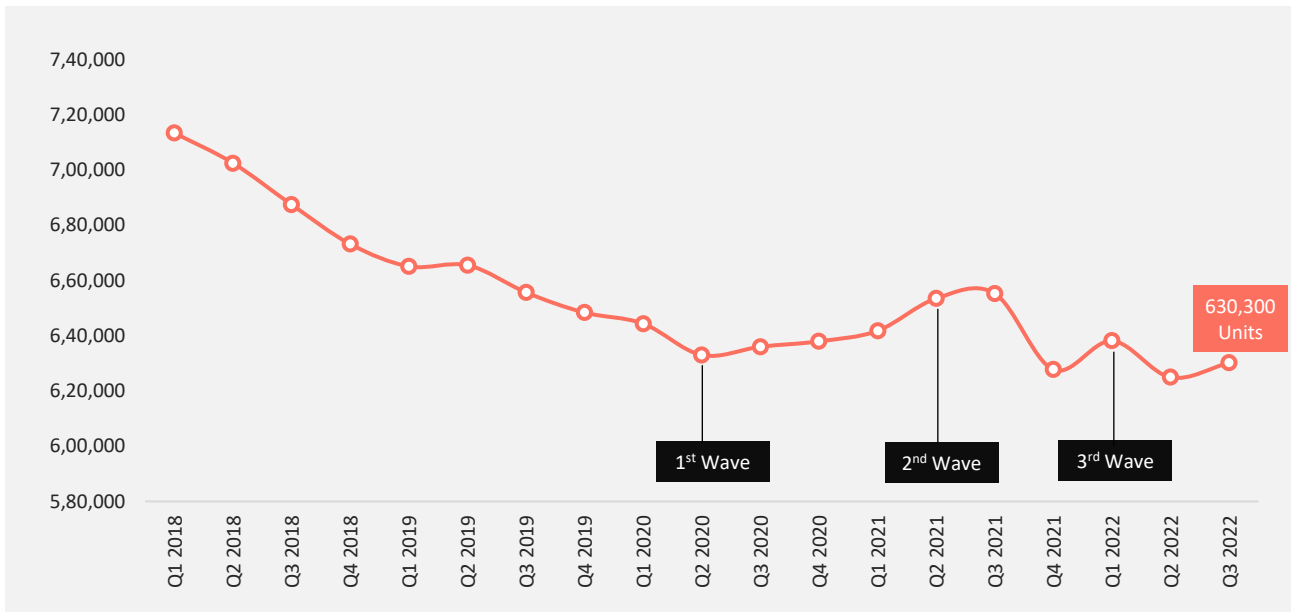
**Kolkata and Chennai** registered **10% housing sales in the quarter** – individually accounting for 6% and 4% home sales respectively.

City	Q3-22	Q2-22	Q3-21	Q-o-Q	Y-o-Y
NCR	15,000	15,300	10,200	-2%	47%
MMR	26,400	25,800	21,000	2%	26%
Bengaluru	12,700	11,500	8,550	10%	49%
Pune	14,100	12,500	9,700	13%	45%
Hyderabad	11,650	11,200	6,700	4%	74%
Chennai	3,500	3,800	3,400	-8%	3%
Kolkata	5,000	4,800	3,200	4%	56%



# Available Inventory Trend

## Pan-India



- 1 Available inventory in the top 7 cities stood at **6.30 Lakh units in Q3 2022** as against 6.25 Lakh units in the second quarter of 2022.
- 2 Available inventory **increased by 1% in Q3 2022 over Q2 2022** due to strong new housing supply in the current quarter. However, **on an annual basis, available inventory declined by 4% in Q3 2022** across the top 7 cities.

### TOP 7 CITIES

Out of the total available housing stock of nearly 6.30 Lakh units across the top 7 cities, **MMR, NCR and Pune** have the **highest volume of available inventory**, accounting for 30%, 21% and 16% respectively. **Chennai** continues to have the **lowest available inventory comprising a share of 5%** due to restricted new launch activity by the developers.

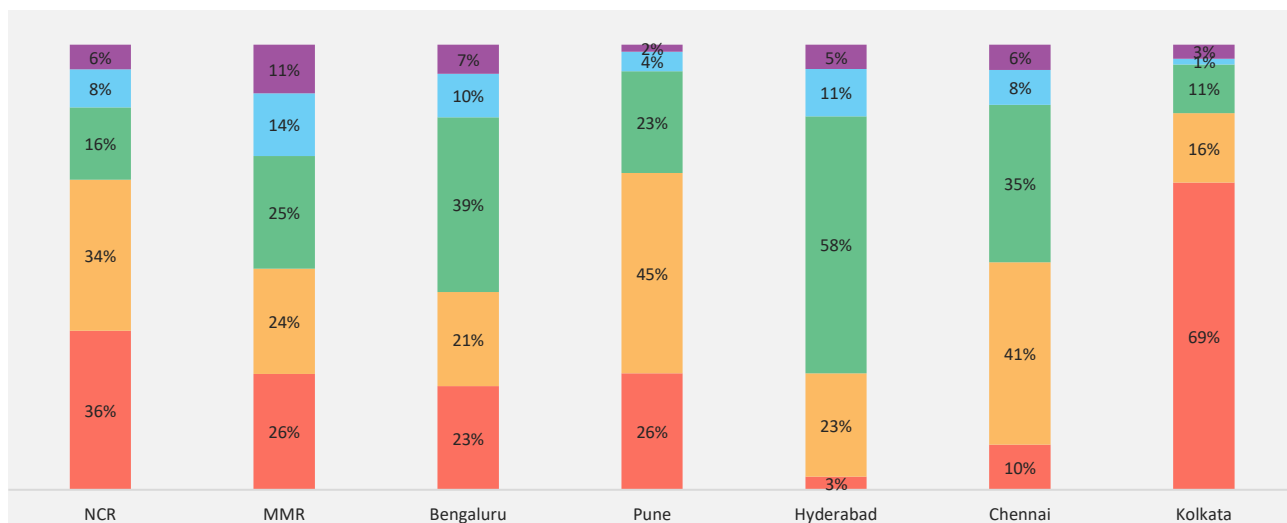
Whilst cities such as **MMR, Bengaluru, Pune and Hyderabad** saw a Q-o-Q increase in the available inventory in the range of 1% - 5%; **NCR, Chennai and Kolkata** were the cities that recorded a **Q-o-Q drop** in the available stock by 6%, 4% and 1% respectively.

On a **year-on-year basis**, the three cities – **NCR, Chennai and Kolkata along with Bengaluru** witnessed a **decline** in the available inventory by 21%, 22%, 12% and 3% respectively. **Hyderabad** saw the highest Y-o-Y rise in the available inventory of 36% amongst all top cities.

City	Q3-22	Q2-22	Q3-21	Q-o-Q	Y-o-Y
NCR	1,32,700	1,41,200	1,66,900	-6%	-20%
MMR	1,91,100	1,81,500	1,92,100	5%	-1%
Bengaluru	58,900	57,700	60,600	2%	-3%
Pune	1,02,300	1,01,600	98,200	1%	4%
Hyderabad	79,700	75,800	58,500	5%	36%
Chennai	28,900	30,000	37,300	-4%	-23%
Kolkata	36,700	37,100	41,700	-1%	-12%



# Available Inventory Trend Pan-India by Budget Segmentation



- Of the total available inventory across the top 7 cities, **mid segment** properties comprise the largest share - **of approx. 29%**. **Premium and Affordable segments** follow subsequently, **comprising 28% and 27% share**, respectively. **Ultra-luxury segment**, like the previous quarter comprises the lowest share of available inventory - of **6%**.
- Delving deeper into the budget split of the available inventory across the top 7 cities, **NCR, MMR and Kolkata have** maximum available inventory in the **affordable price bracket**.
- In Pune and Chennai**, maximum available stock is in the mid segment (**INR 40 Lakh - INR 80 Lakh**) while in **Hyderabad and Bengaluru**, the highest volume is in the **luxury segment**.

#### Budget Segmentation:

- Affordable: < INR 40 Lakh
- Mid-end: INR 40 Lakh - INR 80 Lakh
- High-end: INR 80 Lakh - INR 1.5 Cr
- Luxury: INR 1.5 Cr - INR 2.5 Cr
- Ultra-luxury: > INR 2.5 Cr

## CAPITAL VALUES & INVENTORY OVERHANG

City	Avg. Base Selling Price (INR/sf)	Q-o-Q (%)	Y-o-Y (%)	Inventory Overhang*	Q-o-Q Change*	Y-o-Y Change*
NCR	4,985	2%	6%	24	-13%	-64%
MMR	11,700	2%	7%	21	0%	-39%
Bengaluru	5,485	2%	7%	14	-4%	-43%
Pune	5,960	2%	5%	23	-10%	-36%
Hyderabad	4,590	2%	6%	21	-5%	-47%
Chennai	5,280	2%	4%	20	-4%	-53%
Kolkata	4,650	1%	4%	21	-9%	-60%

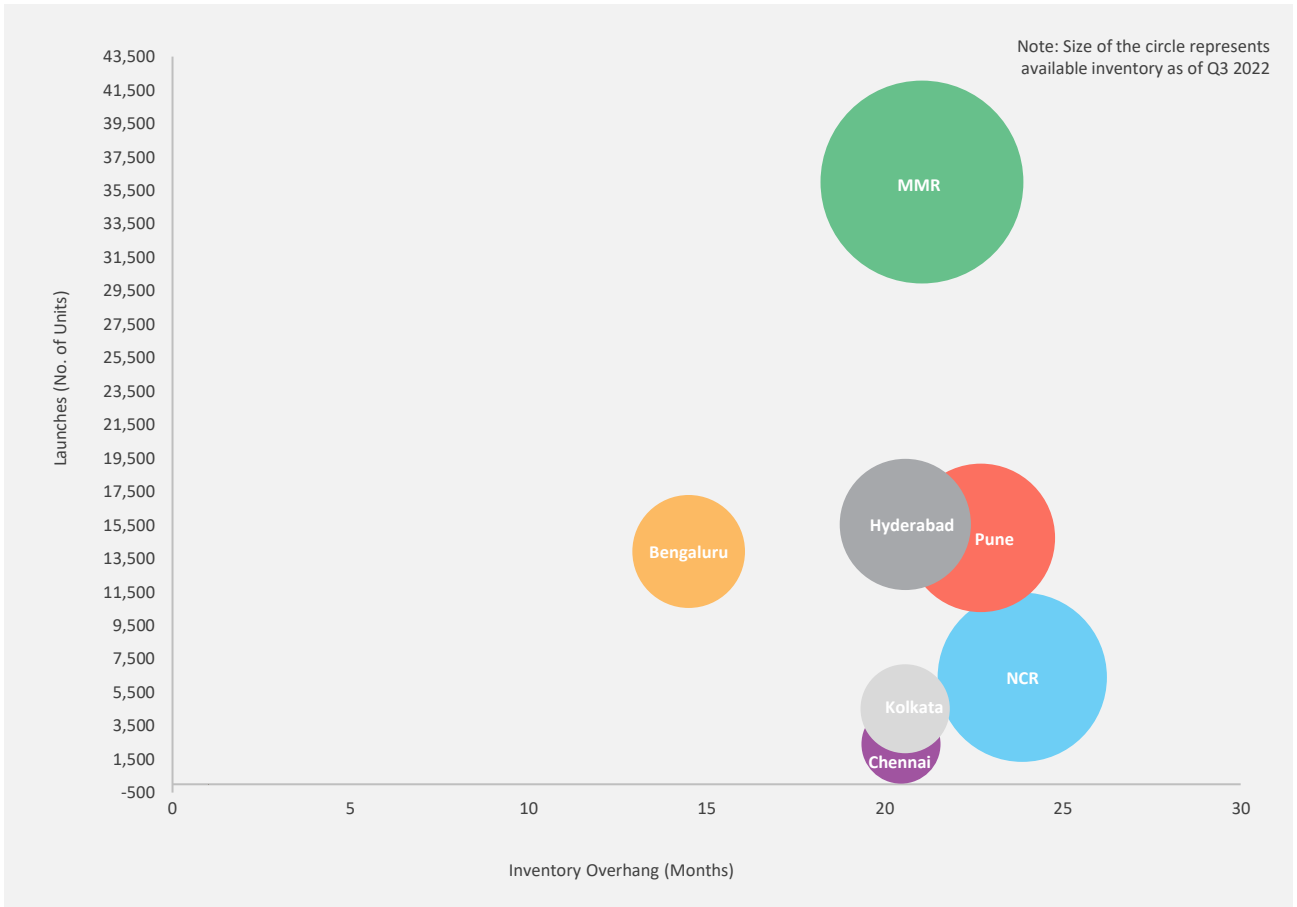
Average price in INR/sf as quoted on BSP on BUA

\*In months

- Average property prices across the top 7 cities have see a **1-2% rise compared to Q2 2022 and 4-7% jump in comparison to Q3 2021**, primarily due to an increase in the input costs and demand comeback post-COVID.
- Top 7 cities inventory overhang has significantly **declined by 1 month** during the current quarter. With the current level of available inventory, it takes **21 months** to offload or liquidate the existing stock.



# Inventory Overhang v/s New Launch Supply v/s Available Inventory



- 1 Inventory overhang across the top seven cities in India **declined to 21 months by the end of Q3 2022**, compared to 22 months overhang in Q2 2022 (Q-o-Q decline by 1 month) and 40 months in Q3 2021 (Y-o-Y decline by 19 months).
- 2 **National Capital Region (NCR) and Pune** are the top 2 cities that saw the highest Q-o-Q decline in the inventory overhang by 3 months in Q3 2022, followed by **Kolkata** which witnessed a **drop by 2 months** on quarterly basis.
- 3 Whilst **Bengaluru, Chennai** and **Hyderabad** registered the lowest Q-o-Q decline by 1 month in the inventory overhang during Q3 2022, MMR is the only city amongst top 7 cities to witness no difference in the inventory overhang in Q3 2022 against Q2 2022.



BENGALURU



CHENNAI

# Way Forward

## Indian Housing market to maintain its momentum in the upcoming festive quarter

The Indian residential sector is expected to remain buoyant in the festive quarter (October-December period). Despite the recent fourth consecutive repo rate hike by the RBI which led to increased home loan rates, housing sales are likely to remain more or less the same as that in the corresponding period of 2021.

As per ANAROCK Research, as many as 91,000 units were sold during the festive quarter - Q4 2021 (Oct.- Dec.). This year too, we anticipate that it would more or less remain the same. Last year there was a pent-up demand in housing and interest rates were their lowest best at the time. Also, most developers including the large and listed players too were sweetening the deals by doling out various offers and discounts to cash in on the housing demand.

This year, even while home loan rates and developer prices have increased in the wake of 190 bps repo rate hike by the RBI and input costs, respectively, the sales momentum will continue and instead of seeing a dip in the quarter despite all prevailing headwinds, we anticipate it to remain the same.

Grade A (large and listed) developers are reporting high sales despite a price rise, and this will prevent them from any significant reductions in average property prices in the upcoming festive quarter. At the most, only the smaller developers may reduce the prices to attract buyers in the upcoming festive season.

Going forward, we anticipate residential demand to remain steady and be driven primarily by the end-users, which will inevitably prevent any unnatural speculative spikes. Grade A developers will continue to dominate the residential market and gain more market share.

Input cost pressures could lead to further upward revision of prices between 1-2% in Q4 2022. Hardening interest rates, if any in the December policy, may play a downside risk in overall demand towards the end of 2022, but the new pandemic-infused desire for homeownership will remain strong throughout the year.



- 1 **Avg. property prices have risen 1-2% in Q3 2022** amidst escalation in input costs and overall increased sales .
- 2 **Inflation** is a cause of concern as it has impacted disposable incomes of at least 61% respondents of recent ANAROCK's consumer survey.
- 3 **Interest rates** are still lucrative despite four successive rate hikes by the RBI; it continues to be lower than during the global financial crisis of 2008.
- 4 **Owning property** during uncertain times of pandemic is more profitable as the price volatility is extremely low compared to other investment asset classes

## About ANAROCK

ANAROCK is India's leading independent real estate services company with a presence across India and the Middle East. The Chairman, Mr. Anuj Puri, is a highly respected industry veteran and India's most prominent real estate thought leader. The Company has diversified interests across the real estate lifecycle and deploys its proprietary technology platform to accelerate marketing and sales.

ANAROCK's services include Residential Broking & Technology, Retail (in partnership with Vindico), Commercial, Investment Banking, Hospitality (via HVS ANAROCK), Land Services, Industrial and Logistics (in partnership with Binswanger), Investment Management, Research, Strategic Advisory & Valuations, Project Management Services (in partnership with Mace), Flexi Spaces (in partnership with Upflex) and Society Management Services (acquisition of ApnaComplex). The Company has a unique business model, which is an amalgamation of traditional product sales supported by a modern technology platform with automated analytical and reporting tools. This offers timely solutions to its clients, while delivering financially favourable and efficient results.

ANAROCK has a team of over 1,800 certified and experienced real estate professionals who operate across all major Indian (Mumbai, Navi Mumbai, Pune, Ahmedabad, NCR – Delhi, Gurugram, Noida, Chennai, Bangalore, Hyderabad, Kolkata, Lucknow) and Middle East markets. ANAROCK has successfully completed over 400 exclusive residential project mandates. ANAROCK also manages over 80,000 established channel partners to ensure global business coverage.

Our assurance of consistent ethical dealing with clients and partners reflects our motto - Values Over Value.

Please visit [www.anarock.com](http://www.anarock.com)

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