

Publication:	DNA	Edition:	Mumbai
Date:	22-Aug-2017	Page No:	01
Supplement:	Money	Size (cm2):	222.72
Title:	Real estate stock falls, prices may rise	Byline (Author):	Ateeq Shaikh

Real estate stock falls, prices may rise

Ateeq Shaikh

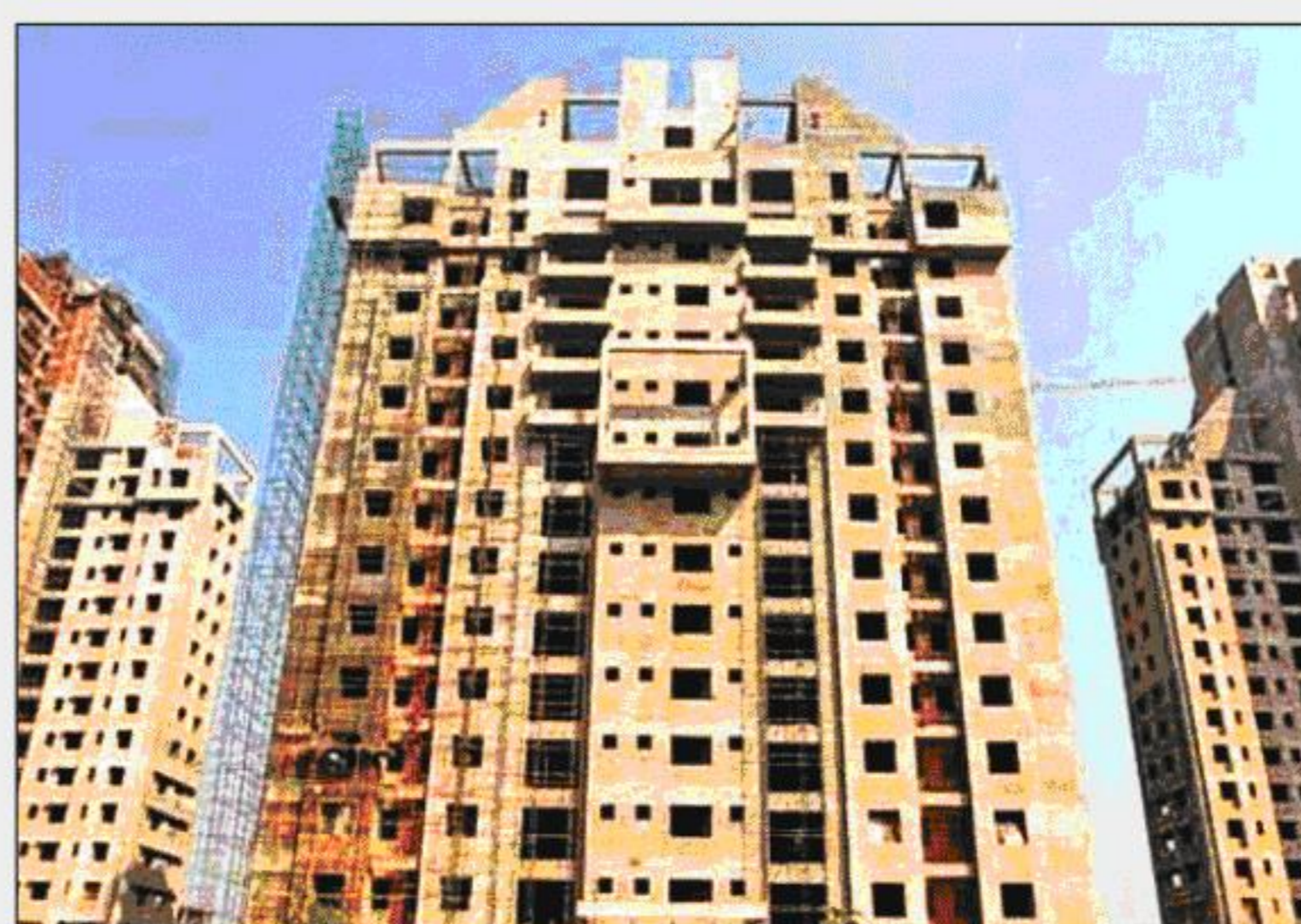
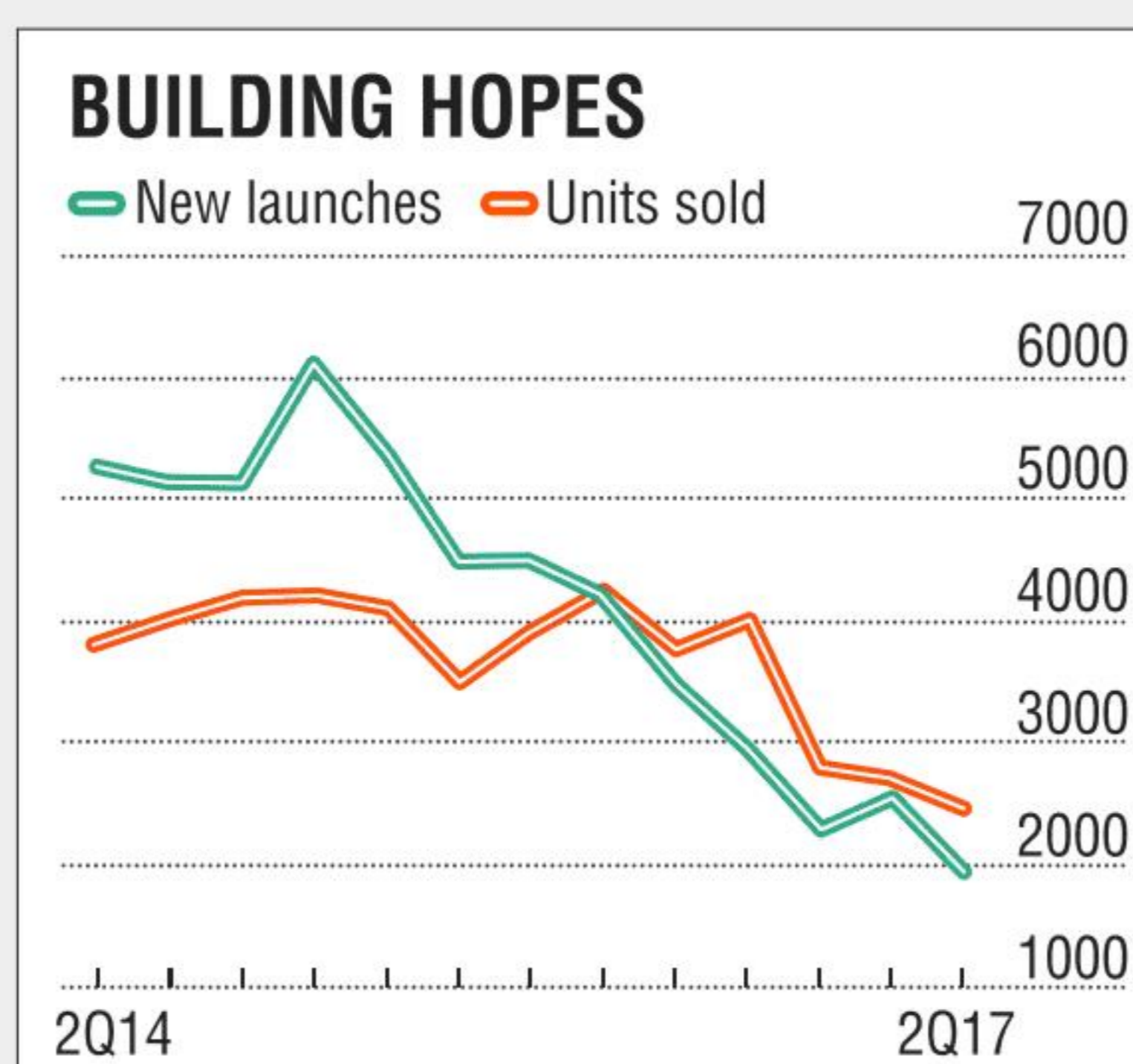
ateeq.shaikh@dnaindia.net

Mumbai: Thanks to a slew of recent reforms, the unsold inventory across country's top cities is seeing a faster decline as project launches have reduced. But home hunters should brace for price rises.

The upcoming festive season may see several launches in the months to come.

"The first quarter of this fiscal marks a record low for units launched across India, even as sales continue to outdo new units getting constructed in a quarter for the sixth consecutive quarter. A total of over 20,000 new units were launched across India's top seven cities during the quarter, while the corresponding number was slightly higher at over 26,000 units in the fourth quarter, last year," said Anuj Puri, chairman of Anarock Property Consultants.

Pankaj Kapoor, managing director of Liases Foras concurs. "The total number of project launches has come down during this year as compared to the last couple of years. On the other



hand, unsold stock in tier-I cities has marginally declined, too. Inventory across tier-I cities decreased to 44 months, from 47 in the previous quarter. A decline of 6% also implies that the market sentiment is improving."

The market is improving despite demonetization, which was

believed to have negatively impacted realty sales.

Secondly, implementation of Real Estate (Regulation and Development) Act, 2016 in some states and goods and services tax, too, acted as catalysts.

"Rollout of Rera and GST will have a short-term impact in the form of delay of launches due to compliance procedures, but there are medium- and long-term benefits thereafter," a senior industry participant told **DNA Money**.

Liases Foras's latest residential market report states 38% new supply was recorded in the cost bracket of Rs 50 lakh to Rs 1 crore, followed by Rs 25 lakh to Rs 50 lakh, which contributed 28%. Mumbai Metropolitan Region (MMR) contributed highest new supply across top 8 tier-I cities at 35%, whereas Kolkata contributed the lowest with 8%.

The unsold stock during April-June 2017 stood 9.53 lakh as compared 9.51 lakh units in the preceding quarter. Across tier-I cities, the stock marginally declined by 0.3%. Pune witnessed a 4% fall, followed by Ahmedabad and Bengaluru at 3%.

