

## Home sales up 9% in June quarter, see 3rd straight quarter growth: Liases Foras: The Economic Times

Home sales in India's top eight cities grew 9% in the quarter to June compared to that a year ago, marking the third straight quarter of expansion and indicating green shoots in a market emerging from a prolonged downturn, according to property research firm Liases Foras.

The growth was led by cities including Ahmedabad, Hyderabad and Kolkata, where home sales went up 20%. The national capital region, which includes the large markets of Gurgaon and Noida, saw a 12% increase in home sales while Mumbai recorded a modest 2% growth.

On the other hand, Pune, Chennai and Bengaluru witnessed sales decline of 8%, 4% and 3% respectively.

The improvement in sales was helped by a 35% drop in launch of new projects compared to

that in the previous quarter. The weighted average price during the quarter increased 4% year-on-year to Rs 6,660 per sq ft, with the maximum increase reported in Ahmedabad at 11%, while Chennai reported 8% and Hyderabad 6%. The Mumbai market saw prices remain flat while NCR saw a drop of 3%.

"Yes, sales are starting to happen, but mostly in projects that are either close to completion or completed. Those projects that are stuck are seeing negative traction at the moment as even resale is not happening in such projects," said Ashish Sarin, CEO of Gurgaon-based builder Alpha Corp Development.

In Mumbai's suburban locations, there is traction where ticket size of a property is about Rs 2 crore while central Mumbai has a lot more supply than demand.

Pankaj Kapoor, managing director of Liases Foras said sales of homes under Rs 25 lakh in the top eight cities remained stagnant on a year-on-year basis and dropped 25% on a quarter-on-quarter basis because of lack of good quality supply. "Whatever supply is present in this segment is in locations which are not feasible for end users," he said.

Dropping or at least stagnating property prices alongside lowering interest rates are

expected to help push home sales. The past three quarters have seen a marginal increase in home sales indicating some kind of recovery but a full-fledged one is still some quarters away, experts said.

One reason why homebuyers are still sitting on the fence is delays in completion of projects. Sarin said many builders with stuck projects today want to exit and are looking for other builders or funds to bail them out.