

MW MARKET WATCH

Q1 2017-18



Key Residential Trends - Kolkata

Sentiments, New launches and Enquiries

- Real estate market in Kolkata remained largely unresponsive in terms of price hikes and corrections during first quarter. Thus, it has meted out a similar treatment to the various policy changes that took place during the period.
- New launches remained restricted as developers concentrated upon completing ongoing projects and re-aligning their current products offering to meet the demand for affordable housing in the bracket of up to Rs 30 lakh.
- Home buyers showed an increased appetite for ready units in the price bracket of Rs 25-30 lakh. As the supply in the market was not in tune with this demand, actual conversions and transactions remained subdued.

Sales Volumes, Inventory and Price Trends

- Residential sales and prices have remained stagnant in the last couple of months. Series of major events starting from demonetisation, RERA and finally GST have led buyers to take a back seat and wait for clarity. Developers have also been diverting their attention towards RERA compliance. As a result, marketing activities have been toned down or put to hold.
- However, a slight uptick in prices was noted for properties that were ready and in the affordable range. Disparity between demand and supply in this segment has led to slight fluctuations in the prices.
- All other budget categories have an over-supply in the market and hence the prices have remained stable.

Expected Likely trends during the Q2 2017-18

- Multiple ongoing infrastructure projects are expected to spruce up market sentiments in the coming months.
- One of the most anticipated infra-projects i.e. the under-water metro might add a positive flavour to the real estate market. This is expected to push up residential values in the areas being traversed by the rail.
- Another project that will enhance the physical infrastructure of the city is the six-laning of the NH2 which also forms a part of the Golden Quadrilateral connecting Chennai, Kolkata, Delhi and Mumbai, the economy of Kolkata is set to witness growth.



- While stakeholders expect a surge in market sentiments post all the infrastructural developments, residential prices may rise up in certain locations like Rajarhat and New Town due to expansion of IT giants into the peripheral areas.

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