PROPTIGER RESEARCH

REAL INSIGHT RESIDENTIAL

July – September 2020

FOREWORD

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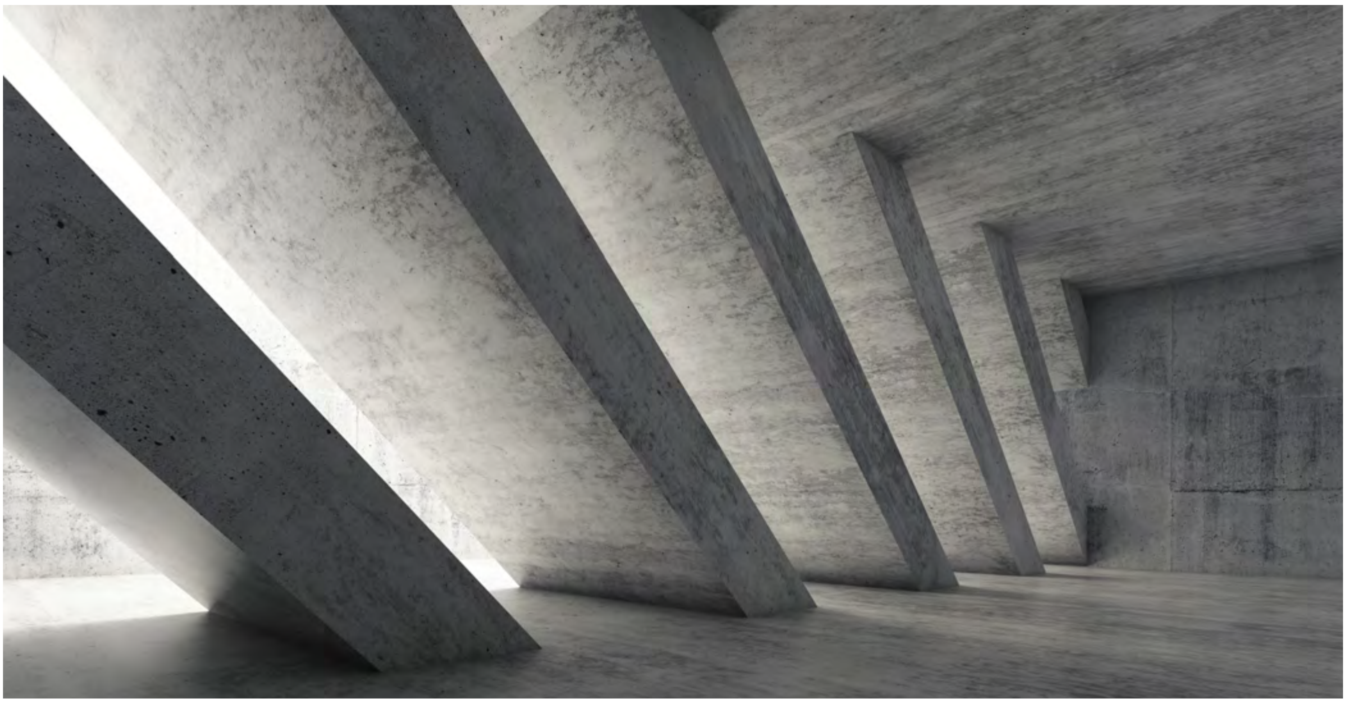
Hope you and your families are keeping safe in these unprecedented challenging times. We are three quarters down in 2020, and the COVID-19 pandemic continues its grip on the global economy, impacting lives and livelihoods of millions of people. As many of the developed economies such as Australia, Germany, Japan, the United Kingdom, and the United States enter a 'technical recession' with two consecutive quarters of negative growth, India registered its worst economic trough, with the gross domestic product contracting by 23.9 percent in the first quarter of FY21.

However, the encouraging news is that the third quarter brings in some optimistic buoyancy in the slackened market sentiments with some high-frequency cues of revival. The manufacturing purchasing managers' index (PMI) rose to 56.8 for September 2020, and peak power demand, fuel consumption, rail freight collections, retail payments, GST collection, electronic toll collection, and compact car and tractor sales are nearing pre-COVID levels, indicating a forward-looking optimism about the overall economic scenario.

For the real estate sector, various steps taken by the Central bank and the Government of India have infused confidence and invigorated demand, which has been able to resuscitate the market from the bottomed-out second quarter of 2020. Corroborating the cues, our Virtual Residential Demand Index for September 2020 also indicates an uptick in interest levels for residential properties from the top eight cities, with the index spiking to 182 — overarching pre-COVID levels. As we head towards the festive season, the cues of revival and the historical low mortgage rates are expected to cushion sentiments and enliven residential demand. A slew of fiscal and monetary measures has been steps in the right direction and will attract the fence sitters who will benefit from the low mortgage rates and discounts on offer. However, with the ongoing uncertainty and no plausible vaccine in place, the actual picture will emerge only in the coming months.

Stay well!



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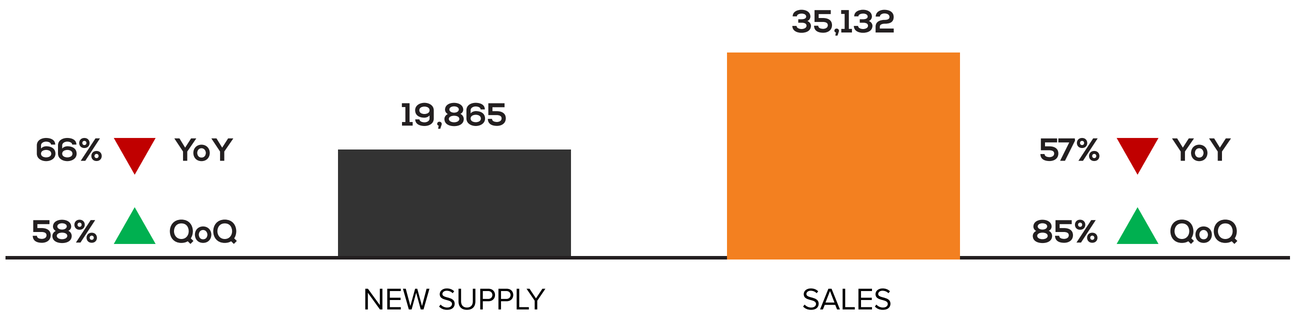
DEMAND OVERARCHES SUPPLY

All India Residential Real estate Trends

July – September 2020

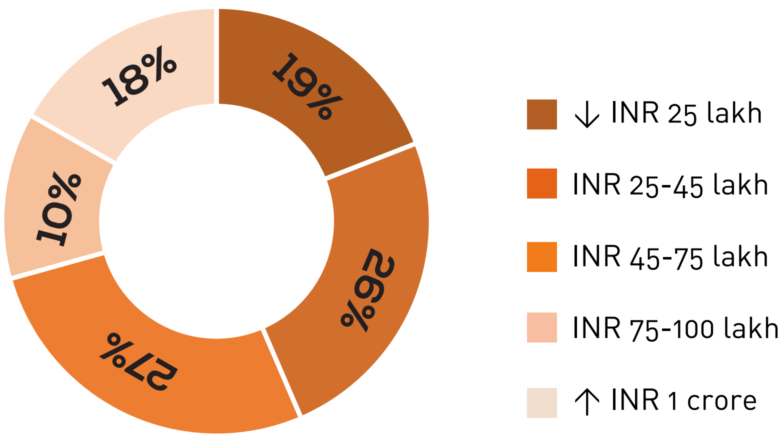


46% of overall demand is from **2 BHK** configuration

30% of overall sales in **ready-to-move-in** category

2-6% price growth YoY

Ticket-wise split of sales



45% sales concentrated in **<INR 45 lakh** price bracket

KEY MOVERS FOR DEMAND

Top 10 localities by sales

1	Thane West	Mumbai	₹ 10,200 - 10,400 per sq-ft
2	Hinjewadi	Pune	₹ 5,500 - 5,600 per sq-ft
3	Dombivli	Mumbai	₹ 5,900 - 6,100 per sq-ft
4	Sec 89, Gurugram	Delhi NCR	₹ 3,300 - 3,400 per sq-ft
5	Varthur	Bengaluru	₹ 5,200 - 5,300 per sq-ft
6	Sec 79, Gurugram	Delhi NCR	₹ 5,000 - 5,100 per sq-ft
7	Wagholi	Pune	₹ 4,000 - 4,100 per sq-ft
8	Bavdhan	Pune	₹ 6,000 - 6,200 per sq-ft
9	Wakad	Pune	₹ 6,100 - 6,300 per sq-ft
10	Manjari	Pune	₹ 5,100 - 5,200 per sq-ft

OVERVIEW

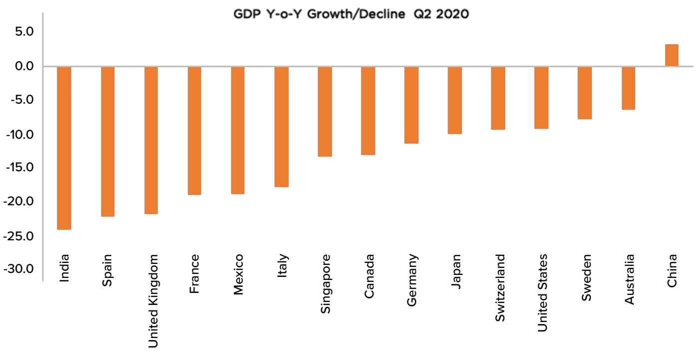
THIRD QUARTER DOWN

Another quarter down – the third one – in 2020, and the uncertainty surrounding the Covid-19 pandemic continues to grip the global economy. Despite the most stringent lockdown measures, India is second to the United States in the coronavirus global tally, rallying at 6.6 million confirmed cases as on date. Amidst the improbability of a vaccine in the near term and the continued downward revision of growth estimates, the second quarter for economies the world over meant having to use words such as "slump" and "negative growth", when it came to the gross domestic product (GDP).

Countries such as Australia, Germany, Japan, the United Kingdom, and the United States are in recession, with two quarters of negative GDP growth. As per the Australian Bureau of Statistics, the country's GDP had shrunk by seven percent from the previous quarter in Q2, marking the biggest decline since 1959. The United States, too, registered its steepest decline since the Great Recession of 2007-2009, with the country's economy recording a year-on-year (YoY) 9.1 percent contraction in the second quarter. Several other countries show the same trend of shrinking economies – the United Kingdom by 21.7 percent, France by 18.9 percent, Spain 22.1 percent, Italy 17.7 percent, and Germany 11.3 percent.

The Indian economy fared much worse than the markets had estimated, and registered one of its worst troughs in history. The economy registered a contraction of 23.9 percent in the first quarter of FY21, which led to various rating agencies sharply cutting their GDP forecasts for India for the current fiscal year. Barring agriculture and allied activities, all other sectors such as manufacturing, real estate, mining, and industry went in the red.

COVID-19 spirals economies into negative growth



Source: RBI, PropTiger Research

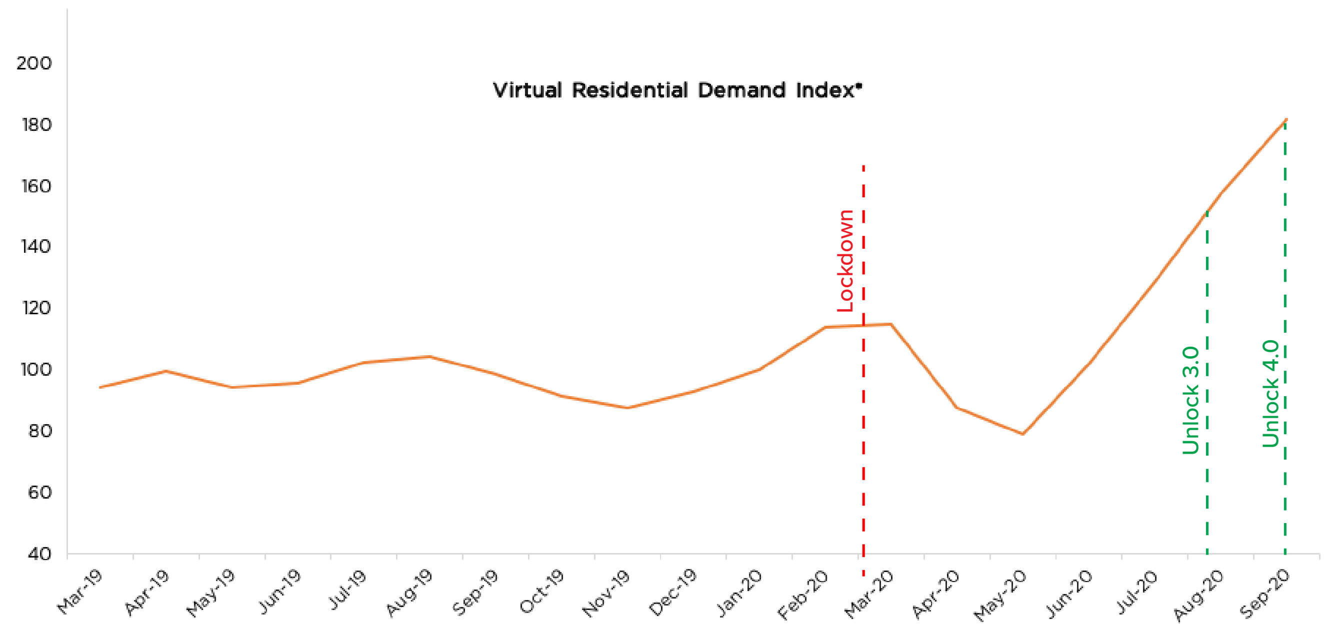
CUES OF REVIVAL

The good news: the worse may be over. As per the International Monetary Fund (IMF), initial cues suggest that the world economies are recovering from the 'Great Lockdown', with almost 80 percent of the countries lifting the lockdown partially or wholly. Having said that, however, the picture continues to remain grim, with fears of recurrence hampering global confidence. After all, the IMF in its June estimates had already projected that the global economy was headed for a 4.9 percent contraction in 2020, with all regions set to experience negative growth. In India, despite the worst growth ever, cues suggest that the economy is looking up, with variables such as peak power demand, fuel consumption, rail freight collections, retail payments, GST collection, electronic toll collection, compact car, and tractor sales nearing pre-COVID levels.

Early cues of revival

	Peak power	Touched 174.33 GW, surpassing demand September 2019 level; indicative of spike in commercial and industrial activity
	Fuel consumption	Petrol sales reach pre-COVID level
	Rail freight	Rail freight earnings improve in August, collection on the back of ease in movement
GST	GST collection	Six-month growth in GST collection in August
	Electronic toll	FASTag collection reaches pre-COVID collection level
₹	Compact automobile sales	Vehicle sales for the compact segment increased in August 2020, as compared to the preceeding quarter

Upsurge in virtual residential demand



*Virtual Residential Demand Index is a barometer to gauge online consumer interest for residential properties for buying within a given period. Base: January 2020

Source: PropTiger Research

Corroborating the cues, our Virtual Residential Demand Index for September 2020 indicates an uptick in interest levels for residential properties from the top eight cities with the index spiking to 182, thus overarching pre-COVID levels. It is understood that although there had been a steady movement in virtual interest levels for residential spaces since the start of the year, the upswing in traction on virtual platforms has become more distinct post the stringent countrywide clampdown since March 2020. The phased opening of the economy has also attracted the fence sitters to take advantage of the historical low interest rates and a supportive ecosystem has further aided the sector.

As suggested by the KV Kamath committee, the agreed loan recast at project level is a welcome step and will cushion the cash-strapped supply side since it will ease in cash flows for the projects stuck in limbo. However, given the current stringent norms, many will be left out from the scope of restructuring. To be fair, the actual picture will emerge only in the coming months.

WARM UP TO THE FESTIVE SEASON

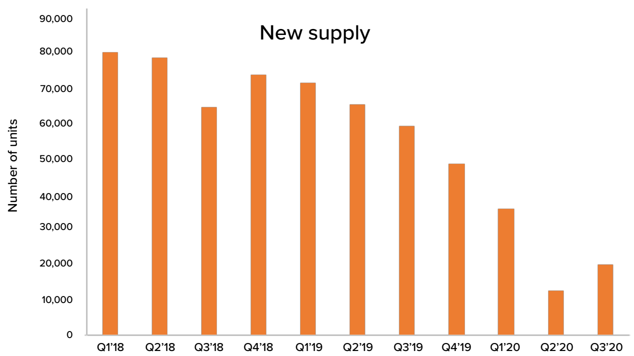
To summarise, although the Central Banks and the Government of India have undertaken a slew of fiscal and monetary measures to revive the economy, its impact on the overall economic scenario is still in a wait-and-watch mode. Along with the cues on revival of consumption due to Unlock 5.0 and the oncoming festive season, the ensuing quarter is expected to continue the momentum of slow recovery for the real estate sector.

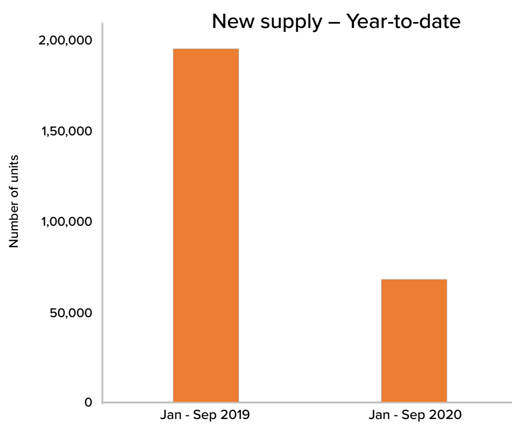
Residential sales are expected to be slow but steady in the wake of job insecurity and salary cuts across the blue- and white-collar workforce. Limited sales will be driven by fence-sitting end-users, who will drive bargains and avail benefits of reduced interest rates and developer schemes and discounts. New supply has been faltering due to the double whammy of credit crunch and sluggish sales, and the scenario will continue in the near term. Trends suggest prices will continue to move in the current range; however, discounts and bargains will be available on a case-to-case basis.

ALL INDIA MARKET TRENDS

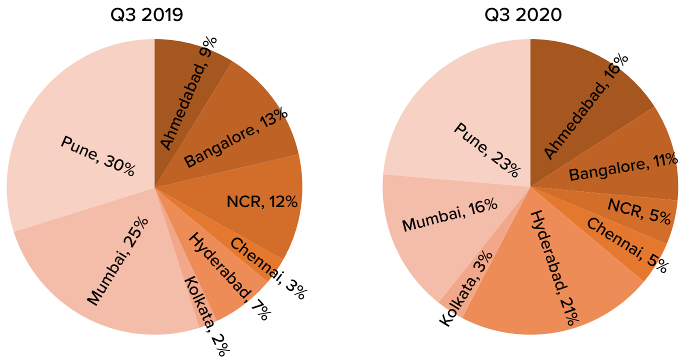
NEW SUPPLY

- With phased opening of the economy, slow but steady improvement is visible in the Indian real estate market. Various relief measures announced by the government for the revival of the real estate industry has infused a degree of vigour in the reeling sector, with both demand and supply gradually recovering from the bottomed-out last quarter.
- New units launched in Q3 2020 stood at 19,865 units, registering a YoY decline of 66 percent in the period between July and September 2020. However, on a quarterly comparison, new supply registered a growth of 58 percent in Q3 2020, as compared to the preceding quarter of April-June.
- A majority of the developers continued to be under pressure from unavailability of construction workers as well as liquidity crunch due to sluggish sales. Also, difficulty to raise capital in the current times has restrained many developers to launch new projects and focus on completing their existing inventories.
- On a year-to-date comparison (January-September) 2020, new units launched declined by 65 percent as compared to the same period in 2019.



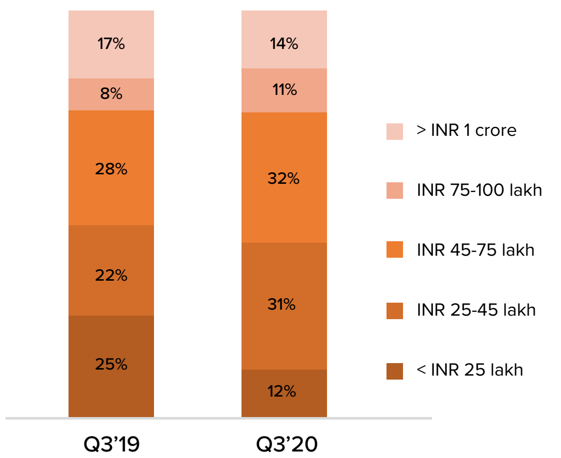


City-wise break-up



- Despite being one of the worst-affected cities due to the pandemic, Pune contributed nearly 23 percent of the overall new supply in Q3 2020, closely followed by Hyderabad with 21 percent, and Mumbai with 16 percent. Emerging from the lows of the previous quarter, all the other cities except Bengaluru and Delhi NCR witnessed an increase in new supply. However, the increase is significantly lower than the same period in the preceding year. An exception: new supply in Hyderabad registered a growth of 4 percent, with nearly 4,260 new homes in Q3 of 2020, as compared to 4,080 units in the same period of the previous year.
- Contrary to the previous quarter, the less than INR 45 lakh category in Q3 2020 emerged as the largest contributor to the overall pie of new supply with nearly 43 percent share, followed by mid-segment, with a share of 32 percent. The more than INR 75 lakh price bracket accounted for 25 percent of the total supply.

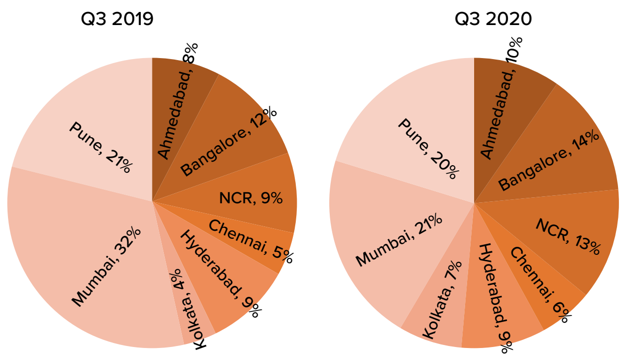
Ticket-wise split–New supply



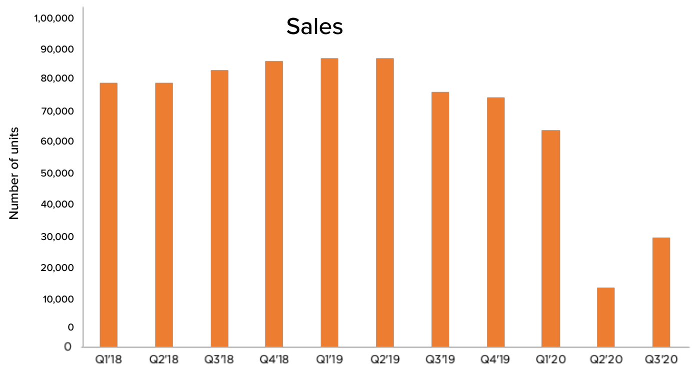
Source: DataLabs, PropTiger Research

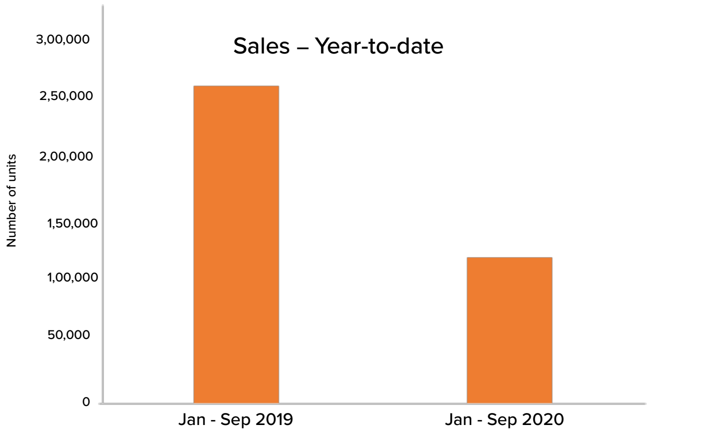
SALES

City wise break-up



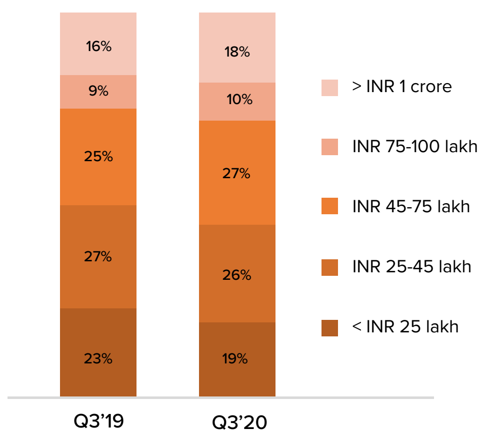
- In line with the new supply, residential sales across the top eight cities have started to show green shoots of recovery. The third quarter of 2020 saw primary residential sales to the tune of 35,132 units, registering a growth of 85 percent from the bottomed-out preceding quarter, which was heavily impacted by restrictive movement and uncertainty surrounding the global coronavirus pandemic. However, on a yearly comparison, demand registered a decline of 57 percent over the same period last year, with nearly 81,800 units sold in Q3 2019.
- On a year-to-date comparison (January–September) 2020, demand registered a 54 percent contraction compared to the same period in 2019.





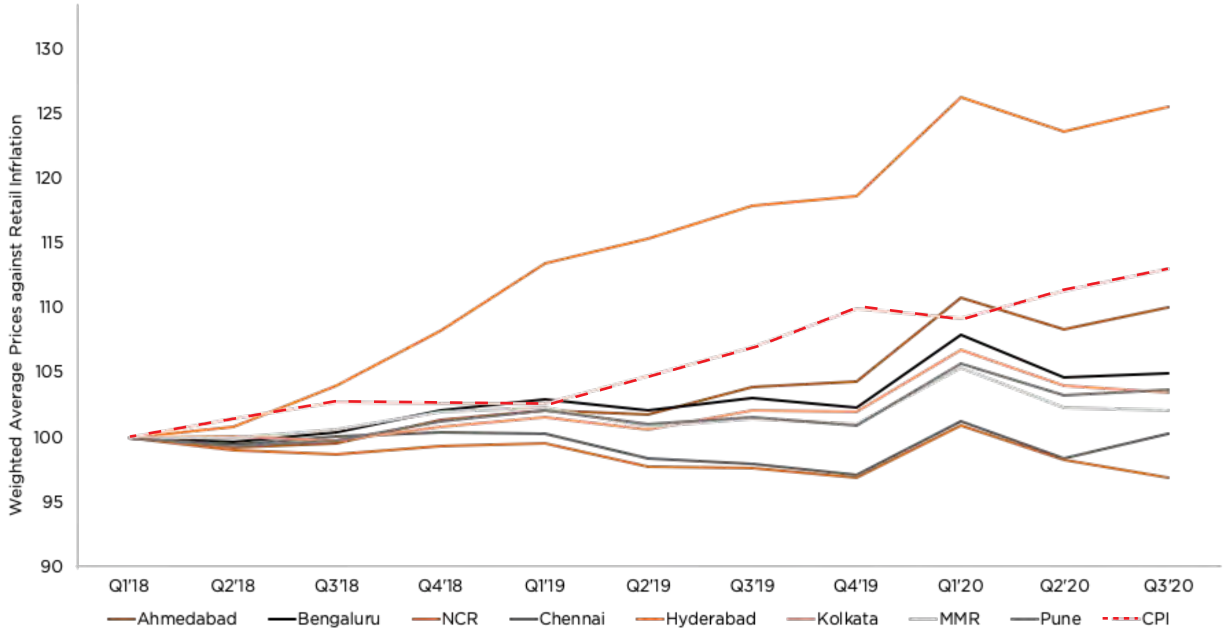
- Amid the ongoing crisis, Mumbai and Pune continue to dominate sales with a share of 41 percent in the overall pie, followed by Bengaluru and NCR with 14 percent and 13 percent, respectively. All the top-eight cities witnessed an increase in sales as compared to the previous quarter, with Hyderabad and Ahmedabad leading the tally. A reduction in stamp duty by the Maharashtra Government is being seen as one of the major catalysts in wooing prospective homebuyers to sign on the dotted line in the cities of Mumbai and Pune.
- During Q3 2020, the demand in Hyderabad and Ahmedabad has more than doubled from the previous quarter, with nearly 6,600 units sold in these two cities in Q3 of 2020, as compared to 2,280 units in Q2'2020.
- The third quarter saw maximum traction in the projects priced below INR 45 lakh, with sales in the price bracket contributing nearly 45 percent to the overall demand pie in Q3 2020, followed by 28 percent in projects priced above INR 75 lakh.
- The prolonged lockdown, one of the sternest, has marred the sentiments of the already troubled real estate sector, which has been going through its own share of policy and structural realignments. We believe the monetary and fiscal steps taken by the Central Bank and the Government of India will play a crucial role in providing the much-needed push to the residential sector. Together with this, easy payment plans, attractive marketing as well as operational strategies with an aim to revive demand during the upcoming festive season, the use of technology for site visits with the help of drones, and virtual property tours will continue to nudge the fence-sitting buyer.

Ticket-wise split of sales



Source: DataLabs, PropTiger Research

PRICE TRENDS



Source: DataLabs, PropTiger Research

- Weighted average prices for new launched projects remained muted across cities in the past few quarters, with prices moving in close ranges. The cities of Hyderabad and Ahmedabad were exceptions where end-user demand in key locations drove up weighted average prices by 6 percent in Q3 over the same period in 2019.
- Sluggish sales and distress selling in the secondary market have restrained developers from increasing prices; however, as mentioned above, traction in end-user demand and controlled supply in micro markets of Ahmedabad and Hyderabad have firmed prices in these cities.

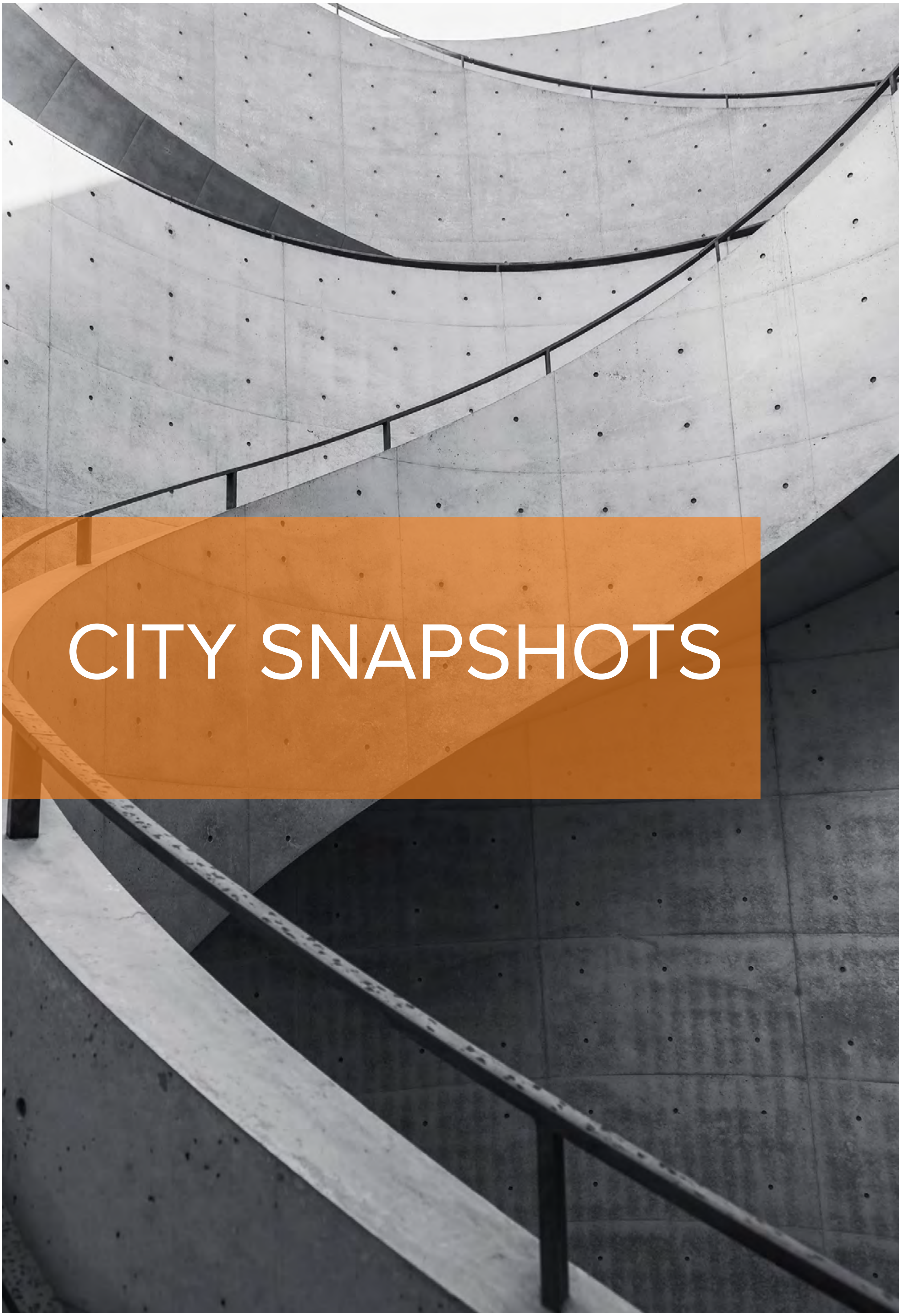
UNSOLD INVENTORY

City	Unsold inventory as of September 2020	Inventory overhang (in months)
Ahmedabad	38,736	31
Bengaluru	72,754	36
Delhi NCR	1,07,634	58
Chennai	34,902	39
Hyderabad	33,072	25
Kolkata	31,070	39
Mumbai	2,72,248	52
Pune	1,32,652	37

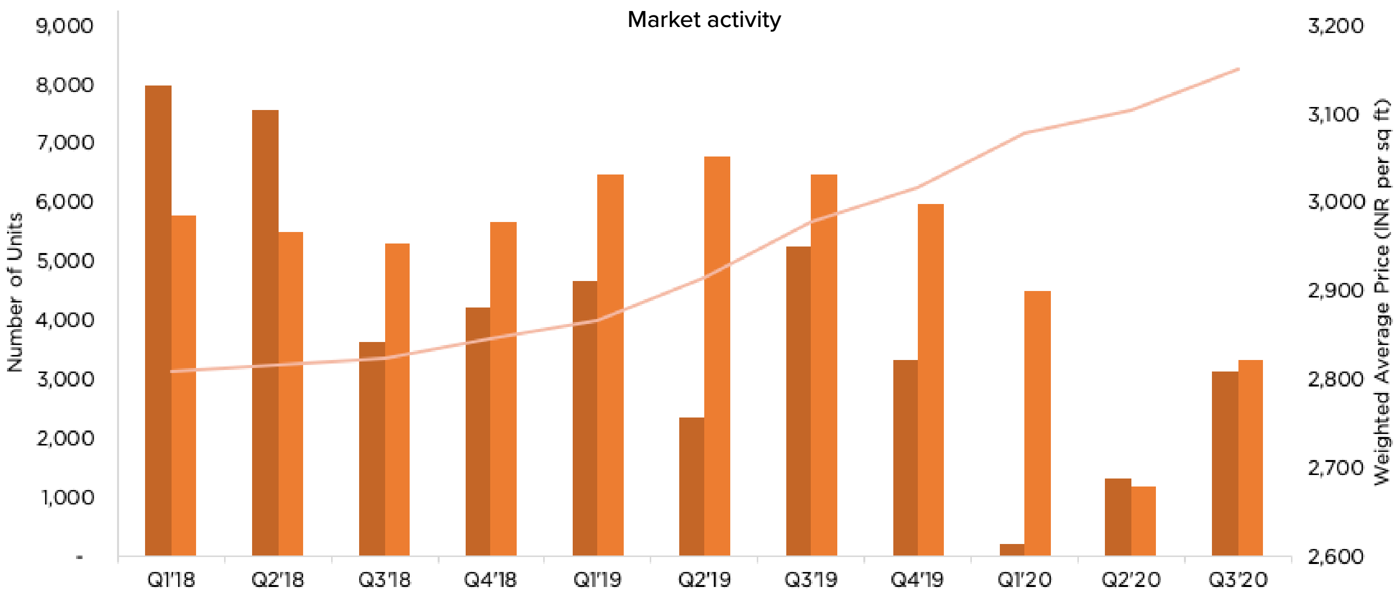
Source: DataLabs, PropTiger Research

- Unsold inventory across the top eight cities stands at 7,23,060 units as on 30 September, 2020. On a YoY basis, unsold inventory stock decreased by 12 percent from 8,23,770 units in Q3 2019.
- During the third quarter of 2020, demand exceeding new supply across the top cities has slightly reduced the unsold inventory by 2 percent over the previous quarter. Except Hyderabad, all the other cities witnessed a reduction in unsold inventory in the range of 1 percent to 5 percent as compared to the previous quarter. Unsold inventory in Hyderabad has inched up to the tune of 3 percent as compared to the previous quarter due to an influx of new supply in this quarter.
- Mumbai and Pune continue to hold the maximum share of unsold stock (56 percent), followed by NCR and Bengaluru with 15 percent and 10 percent share, respectively.
- Out of the available stock in the top-eight cities, nearly 19 percent of the unsold inventory falls in the ready-to-move-in category.
- In terms of inventory overhang, Hyderabad has been the best performing market during Q3 2020 with the lowest inventory overhang of 25 months, followed by Ahmedabad and Bengaluru with 31 months and 36 months, respectively.
- The overall inventory overhang stood at 43 months as of September 2020, as compared to 28 months in Q3 2019. This implies that with the current sales velocity, it will take over three-and-a-half years to absorb the current residential inventory.

CITY SNAPSHOTS



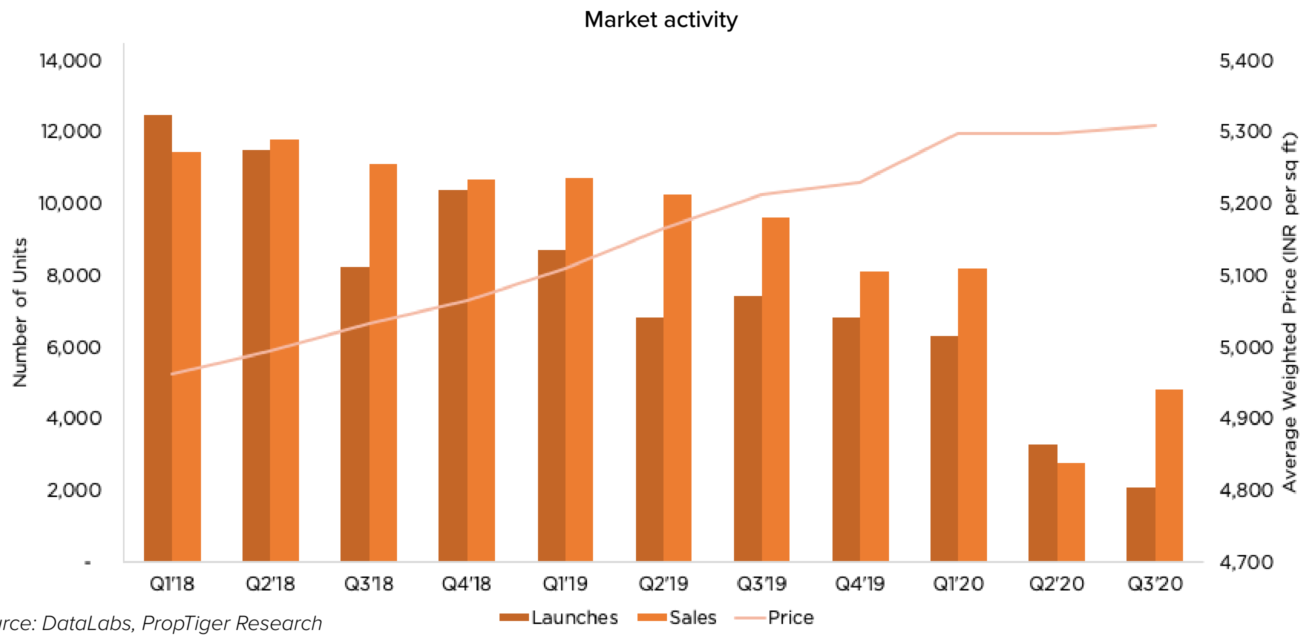
AHMEDABAD



Source: DataLabs, PropTiger Research

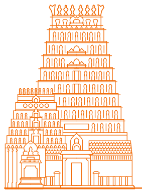
- New supply in Ahmedabad witnessed a YoY decline of 40 percent with around 3,142 units launched in Q3 2020. However, as lockdown restrictions are easing, the new supply has more than doubled compared to the previous quarter and is inching closer to revival.
- Majority of the new supply was concentrated in the less than INR 45 lakh price bracket in the third quarter, with nearly 61 percent of the new supply recorded in this price bracket. Urjanagar, Nava Naroda, and Rayson were the most prominent localities that witnessed maximum new supply in Ahmedabad.
- Demand has started to inch up from the lows of the preceding quarter, and has gradually inched up to 3,340 units from 1,180 units in Q2 2020, with nearly 60 percent sales concentrated in the less than INR 45 lakh price bracket in this quarter. However, the demand is still way below the 2019 level.
- Localities of Nava Naroda, Vatva, Vastral, Chandkheda, and Bopal were the most preferred amongst buyers due to their proximity to the Sardar Patel Ring Road and various industrial and commercial areas.
- Amongst the buyers, 3BHK was the preferred configuration in this quarter, with a 40 percent share in the overall pie, closely followed by 2BHK, which had a share of nearly 37 percent.
- Unsold inventory in Ahmedabad saw a YoY decline of 20 percent and stood at 38,736 units in Q3 2020. Nearly 38 percent unsold inventory falls in the less than INR 25 lakh price bracket. Of the current available stock, 20 percent of the inventory falls in the ready-to-move in category.
- Ahmedabad has a current inventory overhang of 31 months, as compared to 23 months in the same period of the previous year.
- In terms of prices, Ahmedabad witnessed a 6 percent price appreciation, mainly in the localities of Bopal, Shela, and Vatva.

BENGALURU

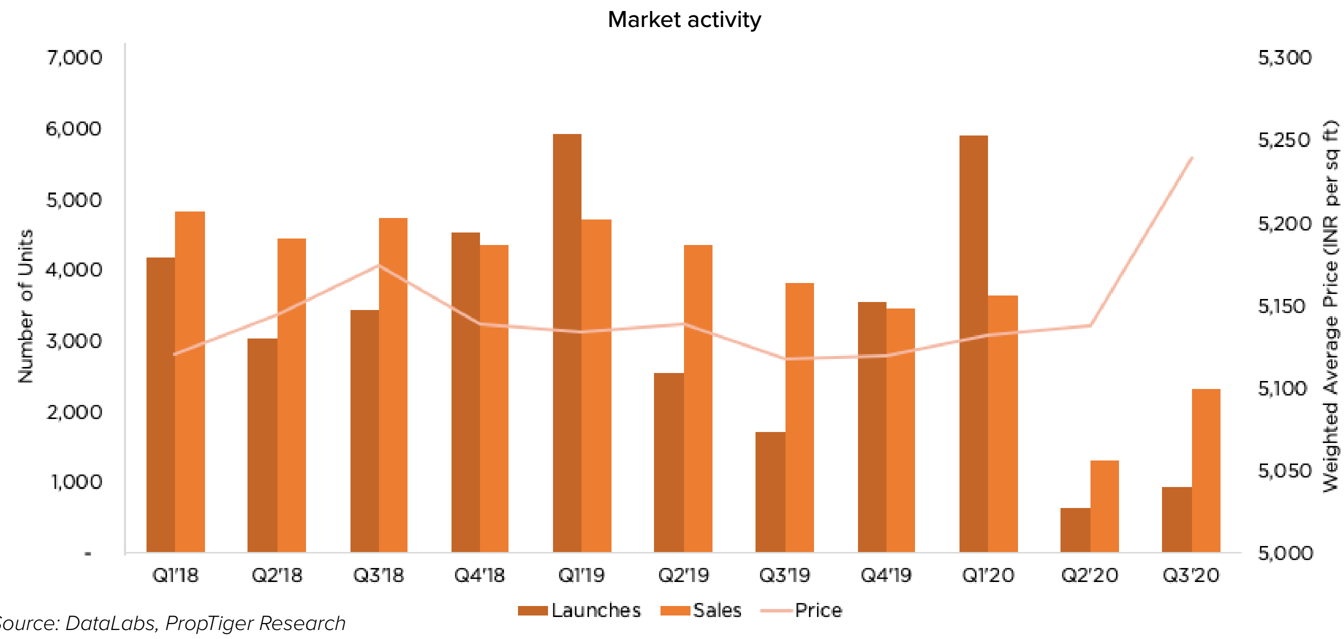


Source: DataLabs, PropTiger Research

- New supply in Bengaluru dipped by a sharp 72 percent as compared to the previous year, with around 2,086 units launched in Q3 2020. A majority (47 percent) of the new supply in the third quarter was recorded in the less than 45 lakh price bracket, followed by 33 percent in the INR 45 lakh to 75 lakh price bracket.
- Whitefield and Begur saw maximum new supply in this quarter, with 46 percent and 22 percent share, respectively. Begur witnessed traction in the INR 25 lakh to 45 lakh price bracket, while Whitefield saw a majority of the new supply in the more than INR 75 lakh price bracket.
- On the demand side, although the demand somewhat picked up from the lows of the previous quarter with 4,825 units sold, Bengaluru registered a 50 percent YoY decline in demand in Q3 2020. Interestingly, nearly 42 percent of the sales were concentrated in the INR 45 lakh to 75 lakh price bracket.
- Varthur, Whitefield, Krishnarajapura, along with Begur on Hosur Road, were the most sought-after localities, contributing to nearly 20 percent of the total sales in the city.
- Localities of Varthur, Krishnarajapura, and Begur saw maximum traction in the INR 45 lakh to 75 lakh price bracket, and 45 percent sales in Whitefield were concentrated in the more than INR 1 crore price bracket.
- Demand and supply for both 2BHK and 3BHK configuration continued to remain stable with 92 percent and 85 percent share, respectively, from overall supply and sales.
- Unsold inventory in Bengaluru stood at 72,754 units in the third quarter, compared to 80,942 units in Q3 2019. With the current level of unsold units available with the developers, it will take approximately 36 months to liquidate the current stock.



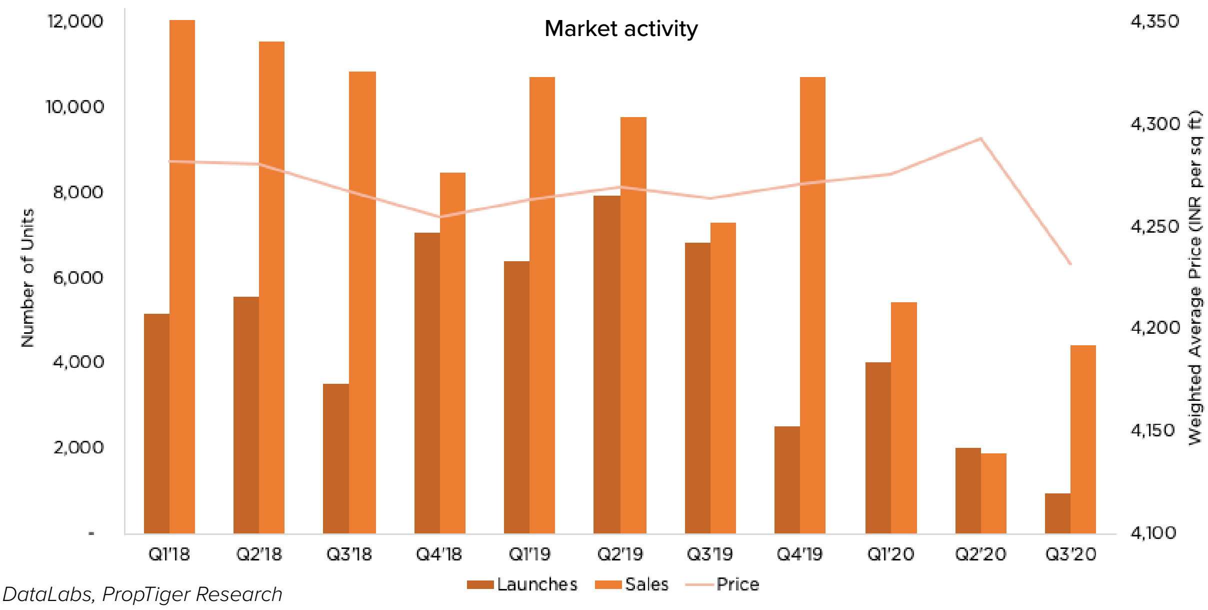
CHENNAI



Source: DataLabs, PropTiger Research

- Chennai saw new supply decline by 45 percent YoY, with a mere 947 units launched in the third quarter of 2020. Majority of the new supply was in the less than INR 45 lakh price bracket, accounting for a share of 44 percent from the total new supply. Localities of Velappanchavadi in Chennai West and Navallur in the OMR region dominated the new supply with a majority concentrated in the 2BHK category (58 percent share) in Q3 2020.
- Residential demand in Chennai dipped by 40 percent YoY, with 2,317 units sold in the third quarter, as against 3,830 units sold in the same period in 2019. The demand in Chennai may have increased by 77 percent as compared to the previous quarter, but the momentum can be attributed to pent-up demand and a low base.
- Majority of sales in Chennai were concentrated in the INR 75 lakh price bracket with 37 percent share, closely followed by projects in the less than INR 45 lakh segment with 33 percent of the total sales.
- Significant traction was seen in localities across OMR, Chennai West, and GST, accounting for a share of 83 percent from overall sales in the city.
- In the third quarter, 2BHK remained the buyer's preferred configuration (50 percent), followed by 3BHK, with a 33 percent share.
- No significant change was seen in the unsold inventory, which stood at 34,902 in Q3 2020, with 30 percent of the unsold inventory concentrated in the ready-to-move-in category. The current inventory overhang in the city is 39 months.

DELHI NCR



Source: DataLabs, PropTiger Research

- New supply in Delhi NCR* fell by a steep 86 percent on a YoY comparison, with a mere 940 new units launched during Q3 2020. While other metros, barring Bengaluru, saw a positive growth compared to previous quarters, Delhi NCR registered a degrowth of 53 percent. A majority of new supply was concentrated in Gurugram, followed by Ghaziabad.

- New supply in Gurugram was concentrated in Sector 36 in Sohna, with 60 percent of total supply in the less than INR 45 lakh price bracket, followed by 40 percent in the INR 45 lakh to 75 lakh bracket. New supply in Ghaziabad was recorded in the more than INR 75 lakh price bracket. Developers in Gurugram focused on the 2BHK configuration, followed by 3BHK, while maximum units launched in Ghaziabad were 3BHK.

- The sales, however, are inching towards revival across Delhi NCR due to the on-going phased opening of economic activities. While sales declined by 39 percent on a YoY basis, they have more than doubled as compared to the previous quarter. Gurugram recorded a majority (59 percent) of sales, followed by Greater Noida with 13 percent share in the overall pie.

- Majority of the sales across Gurugram were in the price bracket of less than INR 45 lakh, which contributed 56 percent of total sales, followed by 24 percent share in the price bracket of more than INR 1 crore. Nearly 50 percent of the units sold in Gurugram lie in the 2BHK configuration, followed by 3BHK with a 32 percent share.

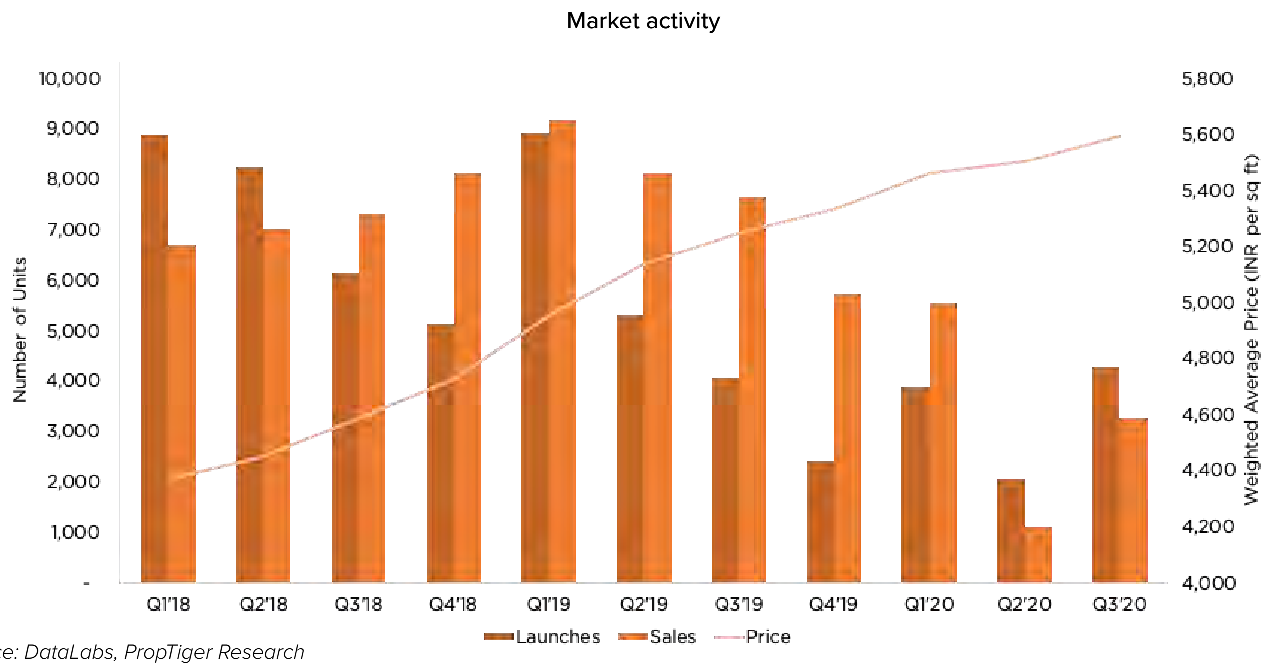
- Following a similar trend, Greater Noida saw maximum (49 percent) traction in sales for units in the 2BHK configuration, while 33 percent units sold were from the 3BHK category. In terms of the price bracket, nearly 60 percent sales in Greater Noida were in the less than INR 45 lakh category, followed by the INR 45 lakh to 75 lakh category, with 28 percent share.

- In Gurugram, Sector 89 and Sector 79 in New Gurugram, Sector 36 in Sohna, and Sector 103 and Sector 102 along the Dwarka Expressway witnessed maximum demand in Q3 2020. In Noida (Greater Noida), sales were concentrated in localities across the Noida Expressway and Noida Extension.

- Currently, Delhi NCR has an unsold inventory of 1,07,634, with nearly 51 percent of this unsold inventory concentrated in Noida and Greater Noida, and 25 percent in Gurugram. Nearly 33 percent of the total unsold stock across Delhi NCR falls under the ready-to-move-in category. Currently, Delhi NCR has the maximum inventory overhang of 58 months, significantly higher amongst the top eight cities.

**NCR includes Noida, Greater Noida, Gurugram, Ghaziabad and Faridabad.*

HYDERABAD



Source: DataLabs, PropTiger Research

- Although modest, Hyderabad was the only city amongst the top eight cities to witness a positive YoY growth of 4 percent in units launched in Q3 2020. Over 50 percent of the new supply was recorded in the INR 45 lakh to 75 lakh price bracket.

- Accounting for nearly 40 percent of the total new supply, Serilingampally, Manikonda, and Chandanagar were key localities that witnessed maximum supply. While all three localities witnessed maximum supply in the INR 45 lakh to 75 lakh category, Serilingampally and Manikonda also saw nearly 30 percent of new supply in the price bracket of INR 75 lakh to 1 crore. A majority (56 percent) of units launched were from the 2BHK configuration, followed by 3BHK, which accounted for nearly 40 percent of the total new supply in Q3 2020.

- On the demand side, sales nosedived by 57 percent YoY, with 3,260 units sold during Q3 2020. However, the demand in Hyderabad grew three times compared to the last quarter, with 55 percent sales being recorded in the more than INR 75 lakh price bracket.

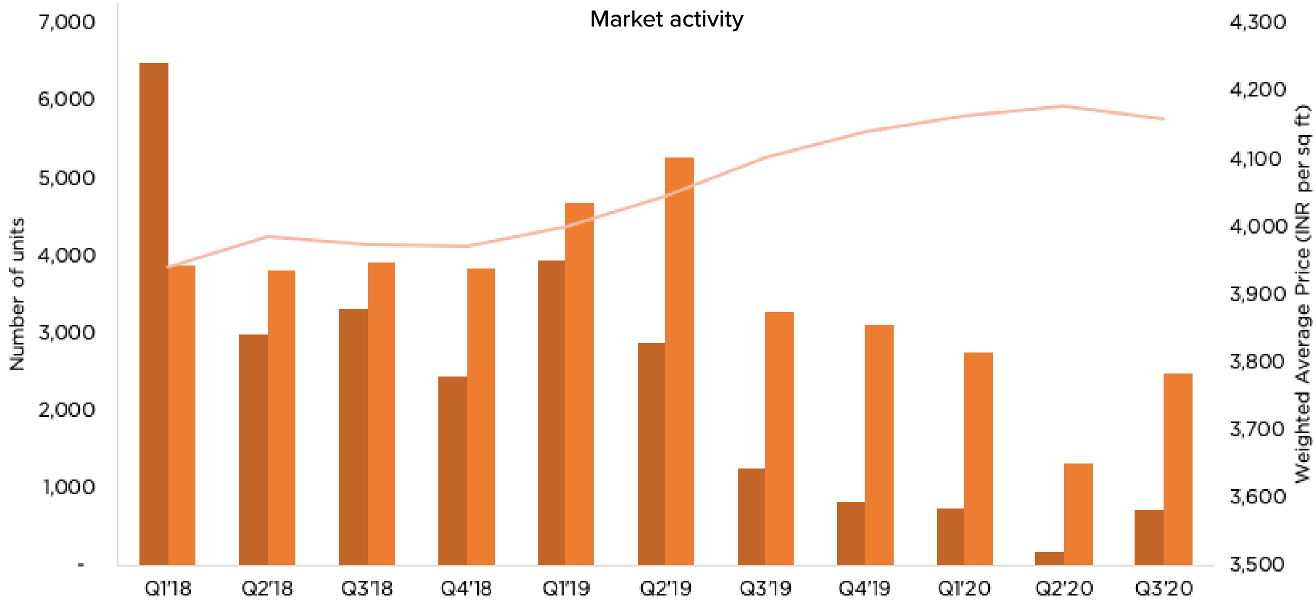
- The western suburbs in Hyderabad witnessed maximum demand with a 56 percent share of total sales. Prominent localities in Hyderabad West such as Kondapur, Hitech City and Chandanagar accounted for majority sales in the micro market. Kondapur and Hitech City saw maximum sales in the more than INR 1 crore price bracket, while Chandanagar saw a majority of sales in the INR 45 lakh to 75 lakh price bracket.

- In this quarter, 3BHK configuration was the most preferred amongst buyers with 52 percent share, followed by 2BHK with 40 percent share from the total sales recorded in the city.

- The unsold inventory levels in Hyderabad stand at 33,072 units in Q3 2020, as compared to 36,367 units in Q3 2019. While unsold inventory has reduced slightly, the inventory overhang did not improve due to sales velocity not being able to keep pace with new supply. As a result, the inventory overhang has increased to 25 months in Q3 2020, as compared to 13 months in the same period previous year.

- On the price front, Hyderabad is the only city – followed by Ahmedabad – to have witnessed a positive movement in prices in the current times. The city witnessed maximum (6 percent) price appreciation in the country, predominantly in localities such as Kondapur, Hitech City, Chandanagar, and Manikonda.

KOLKATA



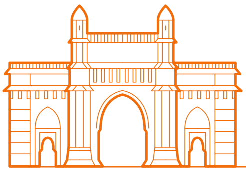
Source: DataLabs, PropTiger Research

- The rate of new units launched in Kolkata remained low with less than a thousand units launched in Q3 2020. A majority (48 percent) of the new supply was concentrated in the less than INR 45 lakh price bracket, followed by 35 percent in the more than INR 75 lakh category. Localities such as Rajarhat, Salt Lake City, and Barrackpore witnessed maximum new supply, accounting for 82 percent of the total new supply in Kolkata. Nearly 48 percent units launched were of the 3BHK configuration, followed by 2BHK, which was 43 percent of the total supply.

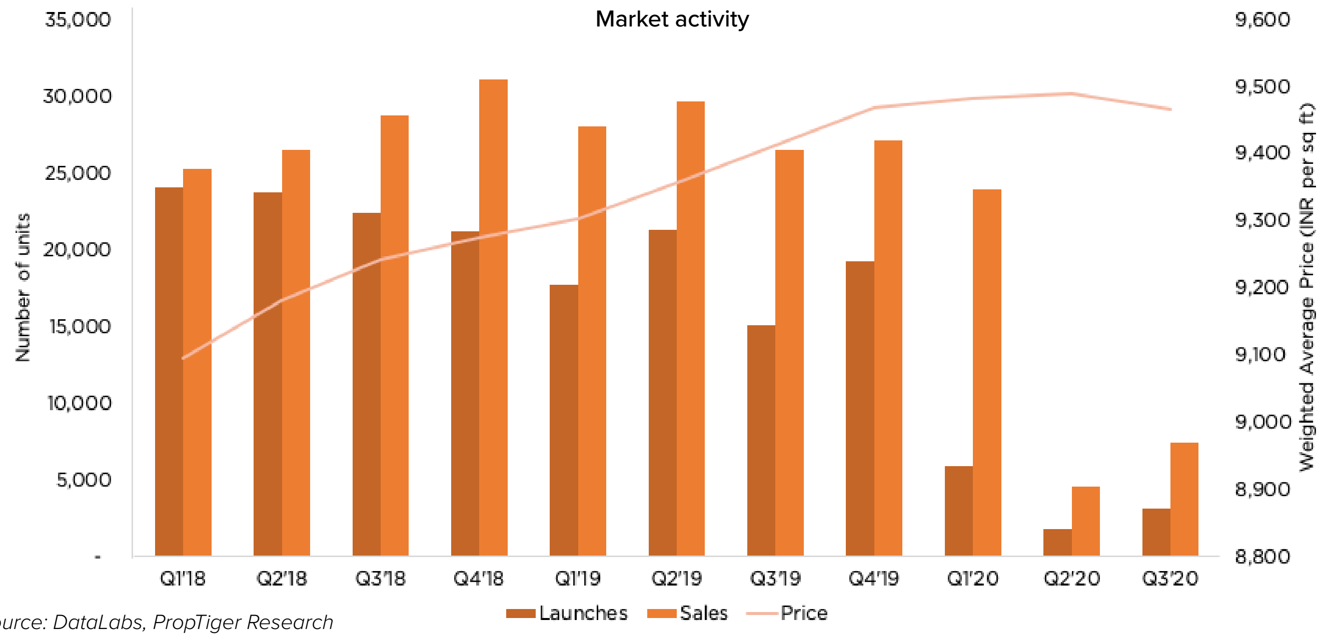
- Sales, on the other hand, saw a YoY decline of 24 percent with 2,479 units sold in Q3 2020, with a majority of the demand concentrated in the localities of Rajarhat, Joka, and New Town.

- The affordable segment continues to drive demand in Kolkata, with 57 percent sales concentrated in the less than INR 45 lakh category. However, Rajarhat also saw nearly 40 percent sales in the INR 45 lakh to INR 75 lakh price bracket in this quarter. Both 2BHK and 3BHK equally contributed to the overall demand pie, with 46 percent and 43 percent share, respectively.

- The unsold inventory stock reduced by 19 percent as compared to the same period previous year, and stood at 31,070 units this quarter. At the current sales velocity, developers in the city will take nearly 39 months to liquidate the current available stock.



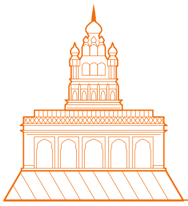
MUMBAI



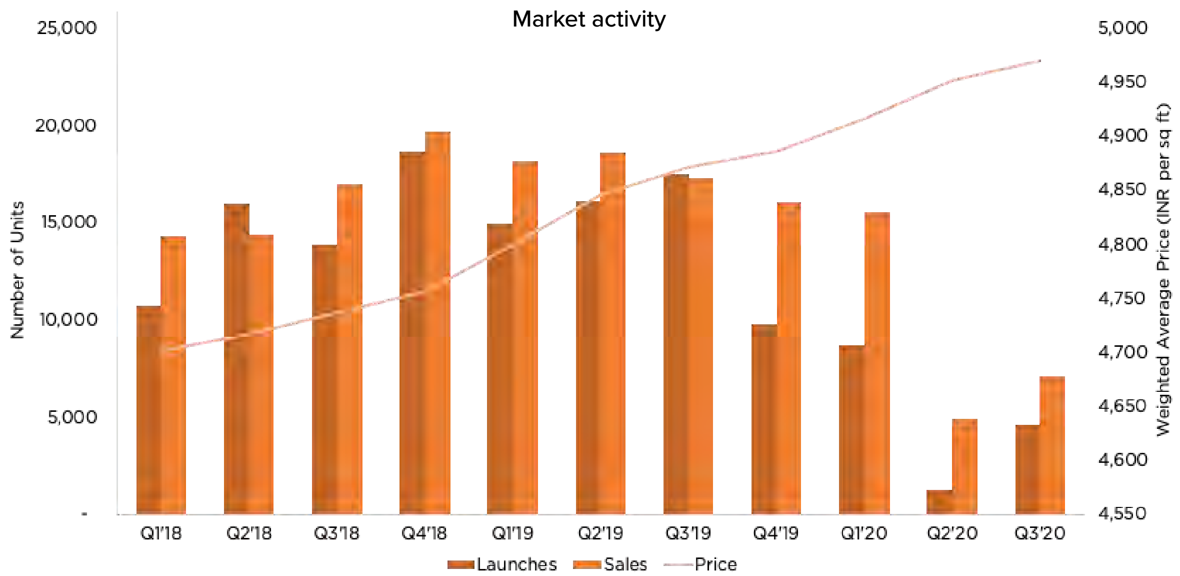
Source: DataLabs, PropTiger Research

- Mumbai is amongst India's worst affected cities due to the rising number of COVID-19 cases. It's no surprise that the city registered a YoY decline of 79 percent, with 3,134 units launched in this quarter.
- However, with the easing of lockdown restrictions, both demand and supply have started to look up. Although not too encouraging, the new supply has nearly doubled from the previous quarter, with nearly 56 percent of the new units launched concentrated in the localities of Thane West, Mazagaon, and Boisar in the Mumbai Metropolitan Region (MMR)*.
- Majority of the new units launched were in the price bracket of more than INR 75 lakh, accounting for nearly 64 percent of the total supply. Focus was more on the 2BHK and 1BHK configuration, which contributed 52 percent and 38 percent, respectively, to the overall pie of new supply.
- On the demand side, even though sales in Mumbai dipped by 72 percent with 7,378 units sold in Q3 2020 as compared to same period in the previous year, it registered a 62 percent increase from the lockdown-induced second quarter. The city also leads the pan-India tally for maximum sales in Q3 2020, contributing 21 percent share to consolidated sales in India.
- Nearly 47 percent of the units sold were concentrated in the less than INR 45 lakh price bracket. With a 52 percent share, 1BHK was the preferred configuration amongst homebuyers in Mumbai, followed by 2BHK with 37 percent share.
- Thane West, Dombivli, and Panvel were the key localities that attracted buyers in the quarter ensuing the lockdown. While Panvel and Dombivali witnessed traction in the less than INR 45 lakh price bracket, with 1BHK being the most preferred configuration, Thane West saw maximum sales in the INR 45 lakh to 75 lakh price bracket, with significant demand coming for 2BHK configuration.
- Mumbai saw a YoY decline of 12 percent in its unsold inventory levels in Q3 2020, and stands at 2,72,248 units at the end of September. Even with a dip in unsold inventory levels, Mumbai's continues to hold maximum (38 percent) unsold inventory amongst the top eight cities in the country. The inventory overhang has significantly increased to 52 months as compared to 32 months in the same period previous year.

**MMR includes Mumbai, Navi Mumbai and Thane.*



PUNE



Source: DataLabs, PropTiger Research

- New supply in Pune has registered a YoY decline of 74 percent, with 4,635 units in Q3 2020. However, showing signs of revival, three times more new supply entered the market in this quarter as compared to the previous quarter. Over 53 percent of units launched in Q3 2020 were recorded in the price bracket of less than INR 45 lakh, with maximum focus on the 2BHK configuration. Hinjewadi, Wakad, Kharadi, and Undri were amongst the key localities that witnessed maximum new supply in this quarter.

- Sales dipped by 59 percent YoY in Q3 2020, with 7,107 units sold as compared to 17,271 units in Q3 2019. Despite that, Pune was in the second spot, with the highest number of units sold amongst the top eight cities, and recorded significant growth as compared to the previous quarter.

- The 2BHK configuration was most preferred amongst buyers, with nearly 56 percent of the total sales falling in this category, closely followed by 1BHK with 30 percent share in city sales.

- With proximity to IT hubs and connectivity advantage, Hinjewadi, Wagholi, Bavdhan, and Wakad were the most preferred localities amongst buyers.

- Hinjewadi, Bavdhan, and Wakad witnessed maximum sales in the INR 45 lakh-75 lakh price category, while maximum units sold in Wagholi were in the less than INR 45 lakh price bracket.

- Unsold inventory declined YoY by 14 percent, with 1,32,652 units at the end of September 2020. Nearly 12 percent of the total unsold stock in Pune falls under the ready-to-move-in category.

- At the current sales velocity, builders in the city would take nearly 37 months to offload the existing unsold stock as compared to 25 months in Q3 2019.

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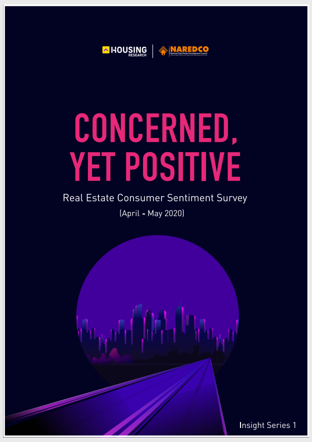

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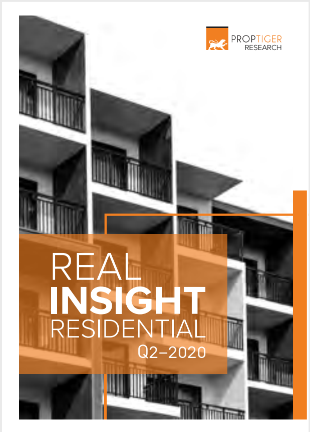

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