

RESIDENTIAL PROPERTY MARKET BANGALORE – mid year 2013

a snapshot of the numbers.....



There are lies, damned lies, and statistics.

Mark Twain

**It is the mark of a truly intelligent person
to be moved by statistics.**

George Bernard Shaw

An overview of our Methodology

- We map 717 residential projects across Bangalore
- This represents over 182,000 units of stock.
- We close our figures twice a year and compare the results of the total market, the old stock in the market, & the newly released stock that has come into the market since the last report.
- We review the data by property type, geographic location, size, price, sale velocity and inventory.
- Our report details market supply and absorption it does not address demographic issues or statistics that affect future market trends.

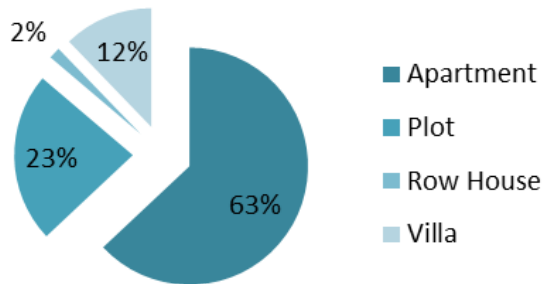
An overview of the Market Supply

	Total	Apartment	Plot	Row House	Villa
Number of Projects	717	530	93	19	75
Number of Units	182,264	136,280	32,870	1,595	11,519
Unsold Inventory Units	60,544	48,486	6,307	595	5,156
Total Size in Million sft	319	201	74	5	39
Unsold Size in Million sft	108	74	14	2	18
Value of Unsold Inventory (Bn.)	495	352	19	14	110

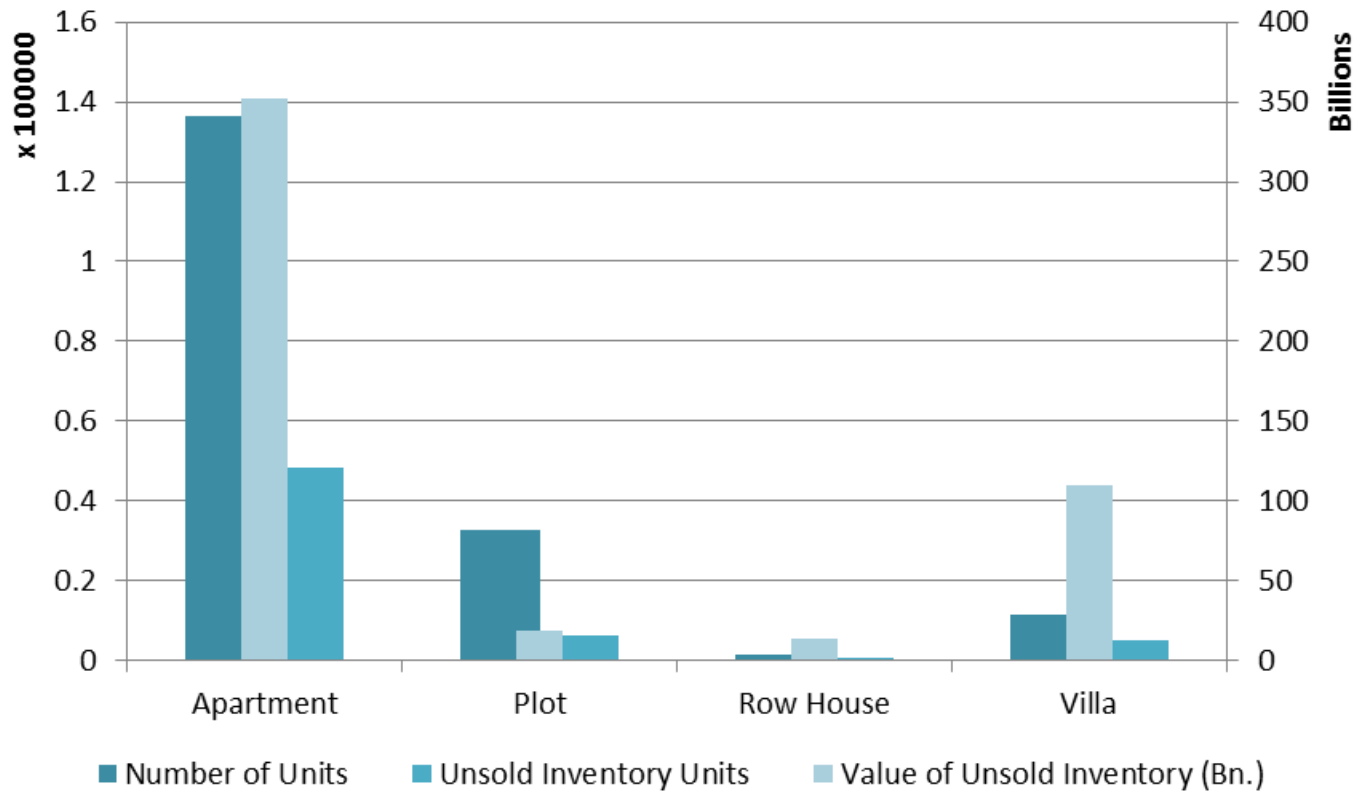
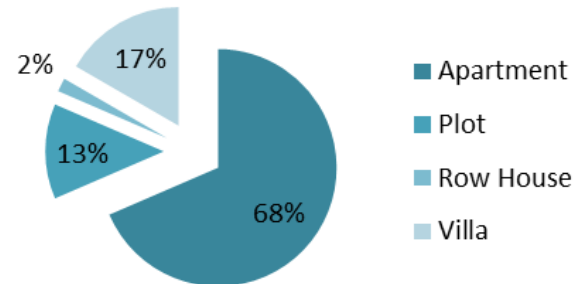
KEY POINTS

- Rs.49,500 Cr of unsold inventory
- 71% of this inventory (by value) is apartment stock
- Plots represent 23% of stock but only 13% of unsold inventory
- Villa's are 12% of inventory, 17% of unsold, 22% of unsold by value & 45% of the total villa inventory is unsold (33% Apt, 19% plots)

Supply



Unsold



New Stock in the Market

	Apartment	Plot	Row House	Villa	GRAND TOTAL
Number of Projects	112	22	4	11	149
Total units	28,580	5,304	350	1,426	35,660
Total size Million sft	39.2	11.0	1.3	5.8	57.3
Unsold size Million sft	26.6	4.0	0.9	3.3	34.7
Value of Unsold Inventory (Bn.)	127	5	9	18	160

KEY POINTS

- 57.3 million sft of space added
- 35,660 new units of stock
- 80% of new stock is apartments, 15% plots, 4% villas, 1% Row houses
- 61% is unsold (value of 16,000 Crore)

Changes in Price & Size

	Apartment	Plot	Row House	Villa	GRAND TOTAL
New Average Price PSF INR	4,556	1,287	5,583	6,020	4,325
Dec-12 Average Price PSF INR	4,432	1,356	4,895	5,783	N.A
New Average Size in sft	1,643	2,090	3,023	3,462	1,927
Dec-12 Average Size in sft	1,753	N.A	2,831	3,545	N.A
Average Cost of a unit in Lakh	97	29	187	226	104

KEY POINTS

- The average apartment size has reduced by 6.3%
- The average new apartment sft price has risen only 2.8% against price increases in existing stock of 12.5%
- Ave price of total apt stock is Rs.4,556 - of new stock Rs.4,201 (-8%)
- Average ticket price is now almost 1 Cr for an apartment and 2.26 Cr for a villa

Absorption – Old Stock

		Apartment	Plot	Row House	Villa
Launch to till date	Monthly Sales	3,636	1,206	64	433
	Sales Velocity	4%	5%	5%	5%
	Month Inventory	8	2	7	9
Over the Last 6 months	Monthly Sales	2,666	729	60	318
	Sales Velocity	3%	3%	5%	3%
	Month Inventory	11	4	8	12

KEY POINTS

- Monthly sales have fallen by aprox 27% in the last 6 months
- Sales velocity has slipped by as much as 40% (24% for apartments)
- Inventories have pushed out by up to 30%

Absorption – All Stock

		Apartment	Plot	Row House	Villa
Launch to till date	Monthly Sales	6,713	2,246	82	541
all 717 Projects	Sales Velocity	5%	7%	5%	5%
	Month Inventory	7	3	7	10

KEY POINTS

- The new stock has a far higher sales velocity than the existing pushing the existing averages up by as much as 25-30%
- Monthly inventories have a corresponding fall
- The majority of sales in the last 6 months have been newly released projects.

Review of Market by Regions

Regions	Locations
Bangalore - Central	Andree Road, Bellari Road, Brigade Road, Cunningham Road, Frazer Town, Indiranagar, Lavelle road, Magadi Road, MG road, Palace Road, Richmond Road, Sankay Road, Vittal Mallya Road, Wheeler Road
Bangalore - North East	Banaswadi, Brookefields, CV Raman Nagar, Gunjur, Hebbal, Hennur Road, Horamavu, Hoskote, ITPL, Jakkur, KR Puram, Marathahalli, Old Airport Road, Old Madras Road, Ramamurthi Nagar, Thanisandra Main Road, Whitefield
Bangalore - North West	Bellari Road, Chikkaballapur, Devanahalli, Doddaballapur Road, Jalahalli, Magadi Road, Malleshwaram, Nandi Hills, R.T. Nagar, Rajajinagar, RMV Extension, Tumkur Road, Vidyaranyapura, Yelahanka, Yeshwanthpur
Bangalore - South East	Anekal, Attibelle, Bannerghatta Road, Begalur, Begur Road, Bellandur , Bidadi, Chandapura, Chandrapura - Anekal Road, Electronic City, Gunjur, Harlur Road, Hosur, Hosur Road, HSR Layout, Jigani, Koramangala, Marathahalli, Sarjapur, Sarjapur Road, Varthur Road
Bangalore - South West	Banashankari, Bidadi, BTM Layout, JP Nagar, Kanakapura Road, Kengeri, Mysore Road, Rajarajeshwari Nagar, Uttarahalli

Apartment Inventory by Region

Region	Total Units	Total size Mn sft	Unsold size Mn sft	% unsold	Value of Unsold Inventory in billion INR
Bangalore - Central	1,406	3.8	1.54	41%	37.82
Bangalore - North East	40,304	65.35	25.87	40%	119.55
Bangalore - North West	23,112	33.27	11.63	35%	54.17
Bangalore - South East	54,180	73.92	24.58	33%	98.42
Bangalore - South West	17,278	25.06	9.98	40%	42.06
GRAND TOTAL	1,36,280	201.4	73.61	37%	352.01

KEY POINTS

- The east side of the city has 69% of available inventory
- Only 2% of volume lies in the city but this is 11% of inventory by value
- The largest percentage of unsold stock (by area) is the City, North East and South West

Apartment Performance by Region

	Apartment			
Region	SV (Overall)	SV (Incremental)	MI (Overall)	MI (Incremental)
Central	2%	1%	11	19
North East	4%	3%	8	11
North West	4%	3%	7	8
South East	4%	2%	7	11
South West	3%	3%	11	11

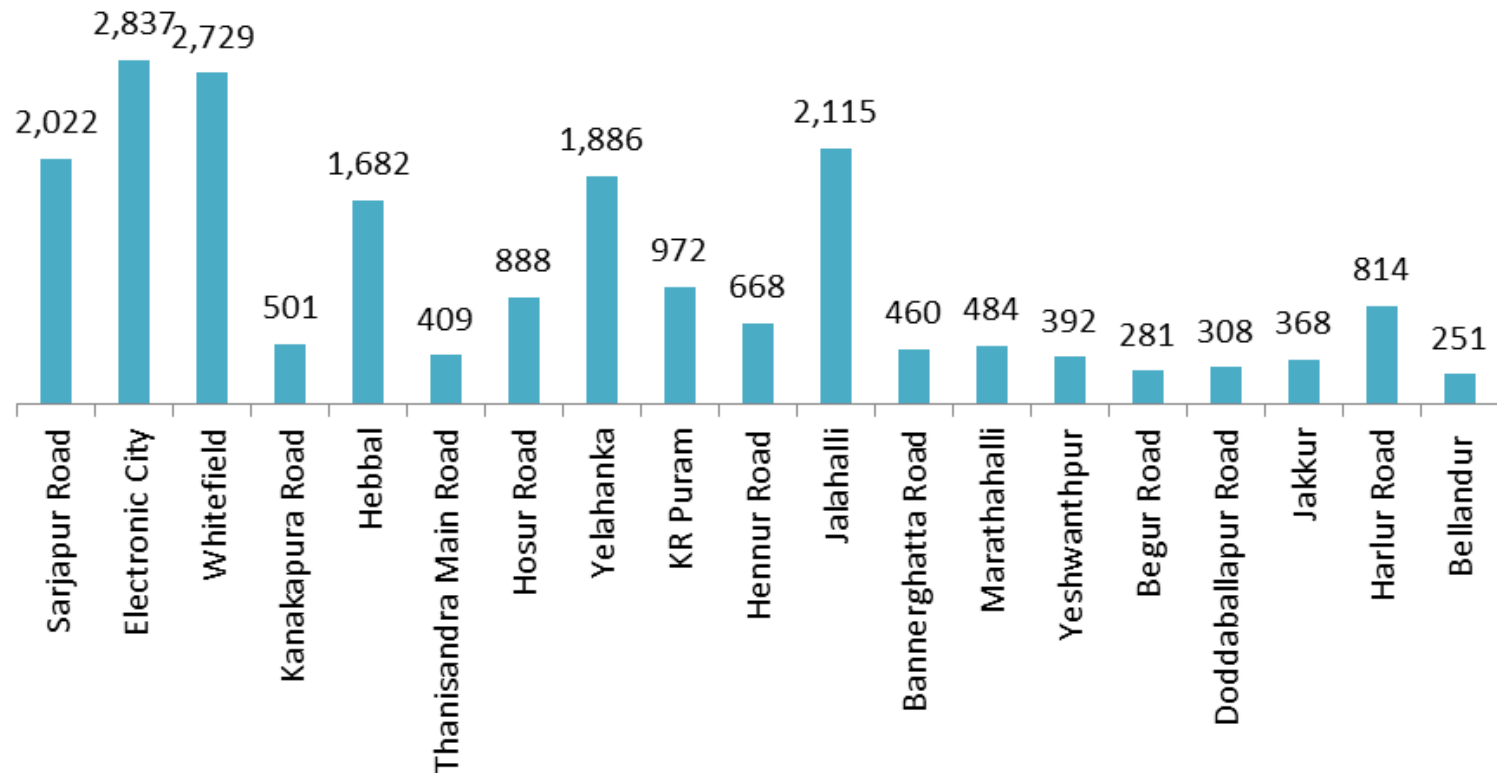
KEY POINTS

- Sales velocities across the board are down (25% - 50%)
- Sales velocity fell the most in the South East & Central
- A jump in new (high end) city apartment projects and a drop in velocity has pushed the inventory from 11 to 19 months

Top 20 Locations based on Inventory

Location	Total units	Total size in Lakh sft	Unsold size in Lakh sft	% OF TOTAL UNSOLD	% OF UNSOLD AGAINST SOLD
Sarjapur Road	13,283	192.3	63.9	9%	33%
Electronic City	11,702	158.1	57.0	8%	36%
Whitefield	10,346	152.6	56.7	8%	37%
Kanakapura Road	8,097	117.4	52.4	7%	45%
Hebbal	6,486	155.1	51.2	7%	33%
Thanisandra Main Road	5,117	76.0	40.6	6%	53% *
Hosur Road	5,933	81.5	34.0	5%	42%
Yelahanka	7,637	109.3	32.7	4%	30%
KR Puram	3,804	60.2	29.8	4%	50%
Hennur Road	3,569	51.4	24.4	3%	47% *
Jalahalli	3,990	50.8	19.0	3%	37%
Bannerghatta Road	3,773	59.7	18.2	2%	30%
Marathahalli	3,443	55.0	15.6	2%	28%
Yeshwanthpur	2,132	37.8	14.6	2%	39%
Begur Road	3,687	46.5	14.5	2%	31%
Banashankari	1,836	33.1	14.3	2%	43%
Doddaballapur Road	4,182	44.6	13.5	2%	30%
Jakkur	892	18.0	12.1	2%	67% *
Harlur Road	1,483	26.4	11.7	2%	44% *
Bellandur	904	16.8	10.4	1%	62%

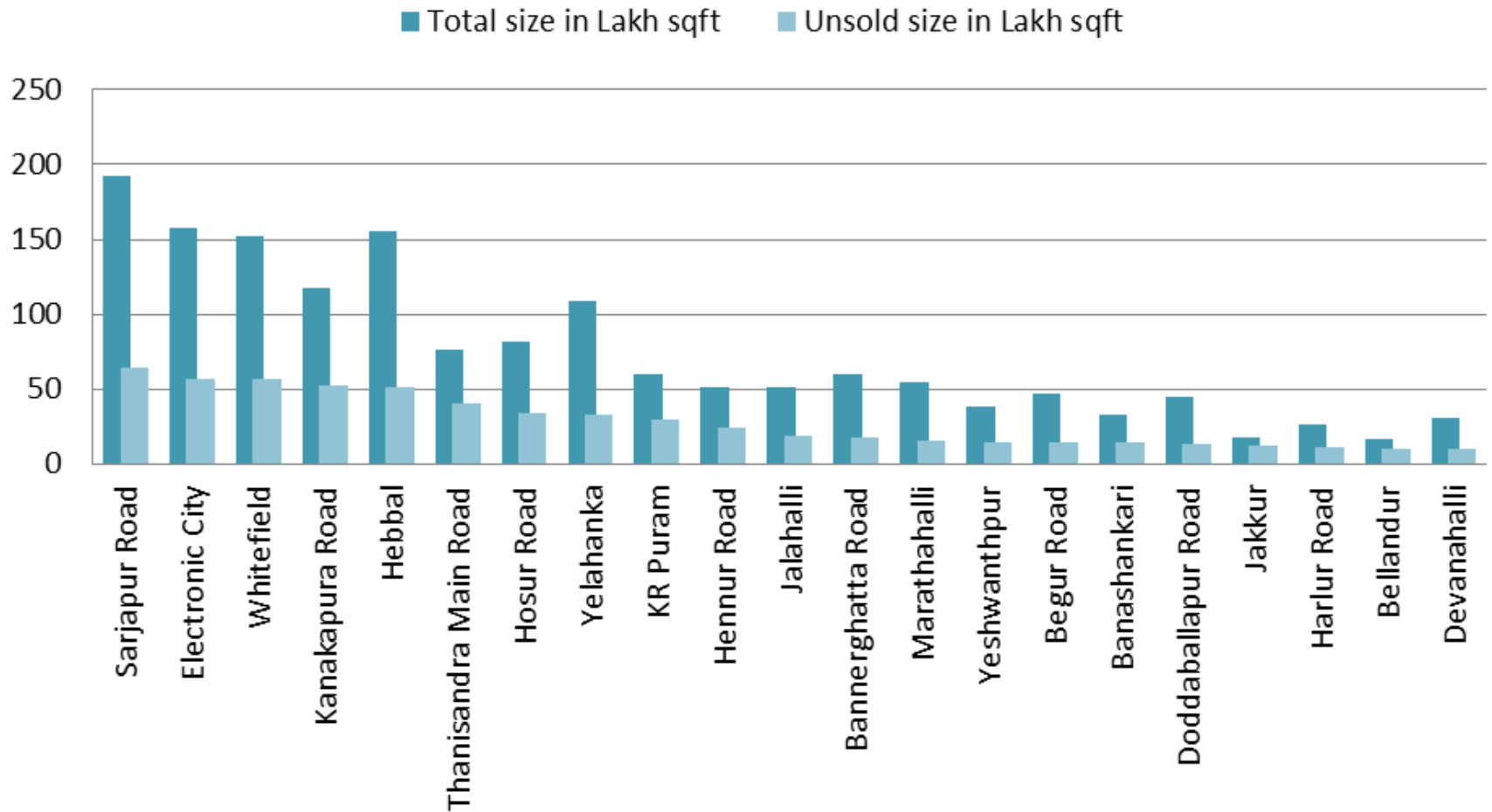
New Launches by Location



KEY POINTS

- Most new releases are still to the east side of the city
- Some northern areas are making a big push

Supply & Inventory by Location



Performance by Location

location	SV (Overall)	SV (Incremental)	MI (Overall)	MI (Incremental)	Dec 2012 Price	June 2013 price	% Change
Sarjapur Road	4%	2%	7	11	3,908	4,120	5%
Electronic City	4%	3%	7	8	3,172	3,527	11%
Whitefield	4%	2%	10	18	3,743	4,017	7%
Kanakapura Road	2%	4%	19	12	4,120	4,583	11%
Hebbal	6%	4%	4	7	5,078	5,592	10%
Thanisandra Main Rd	5%	6%	10	9	4,140	4,473	8%
Hosur Road	3%	2%	5	13	2,971	3,280	10%
Yelahanka	3%	3%	7	10	3,855	4,078	6%
KR Puram	4%	4%	6	7	4,015	4,181	4%
Hennur Road	3%	2%	14	22	3,921	4,237	8%
Jalahalli	7%	1%	6	23	3,521	3,668	4%
Bannerghatta Road	3%	3%	4	4	4,527	4,705	4%
Marathahalli	4%	2%	4	8	5,060	6,690	9%
Yeshwanthpur	3%	1%	3	9	3,603	4,503	25%
Begur Road	3%	2%	8	14	3,056	3,221	5%
Banashankari	4%	2%	7	19	5,155	5,559	8%
Doddaballapur Road	2%	5%	11	6	3,025	3,235	7%
Jakkur	5%	3%	12	20	3,688	3,913	6%
Harlur Road	7%	6%	7	7	4,330	4,460	3%
Bellandur	3%	2%	13	23	4,483	4,583	2%
Devanahalli	4%	3%	5	8	3,111	3,208	3%

Affordability

Job Title	Average Salary	No of data
Software Engineer	399,130	2,741
Sr. Software Engineer / Developer / Programmer	629,332	2,233
Senior Software Engineer	673,844	2,098
Project Manager, Information Technology (IT)	1,180,182	1,120
SAP Consultant	619,225	875
Software Developer	372,792	802
Project Manager, Software Development	1,237,291	520
		10,389
Total Number of salary surveyed (A)	10,389	
Total Value (B)	6,719,034,617	
Weighted Average Salary (B/A)	646,745	

KEY POINTS

- Maximum lending capacity is 16-32 lakh (dependent on FOIR)
- With the deposit this gives a range of 39 -50 lakh for ticket size
- So at 97 lakh the 'average' apartment price is a minimum 94% higher than the affordability of the 'average' buyer.

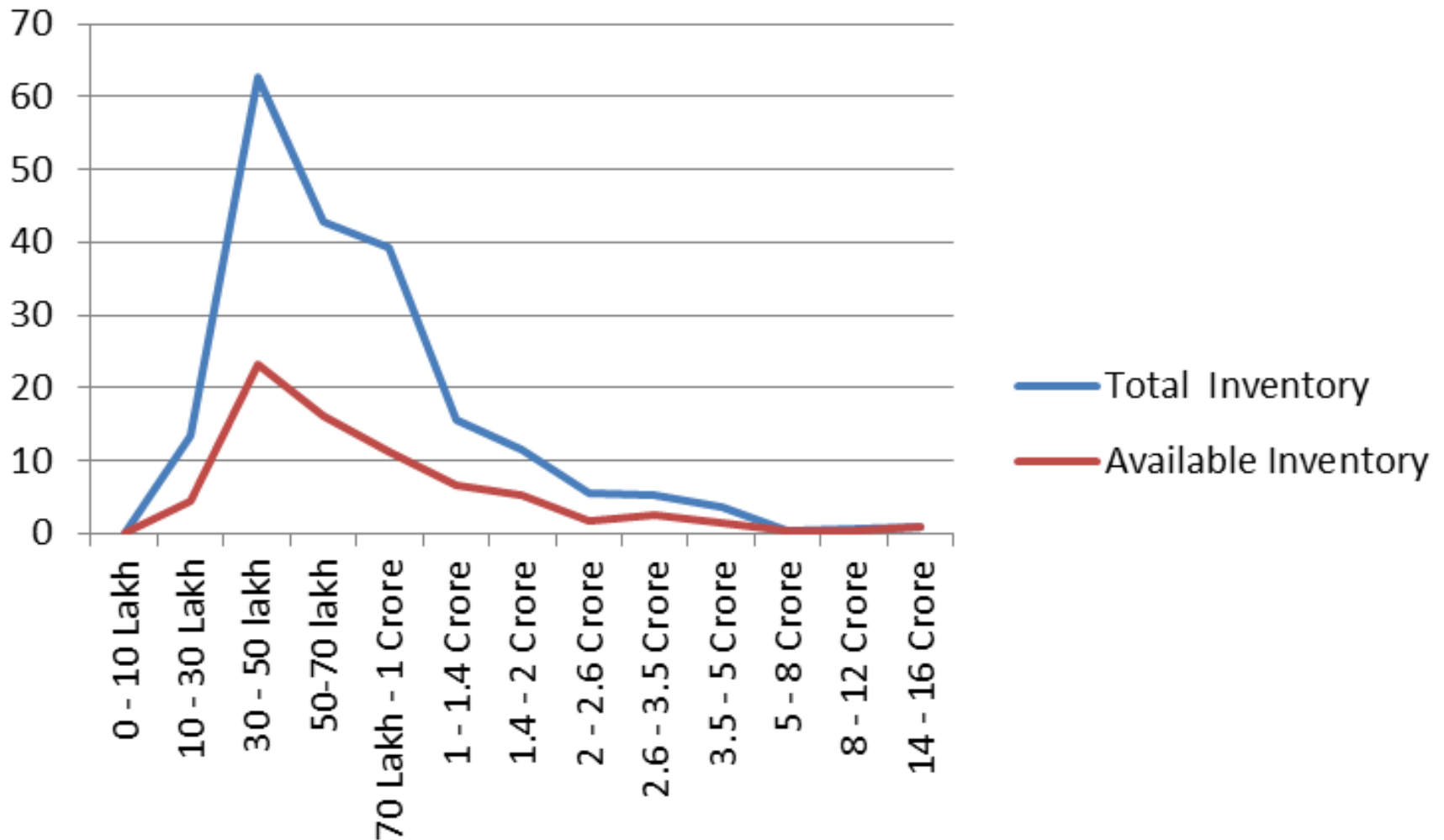
Apartment Distribution by Ticket Price

	Apartment	
	Total size	Unsold size
0 - 10 Lakh	-	-
10 - 30 Lakh	13.4	4.4
30 - 50 lakh	62.8	23.3
50-70 lakh	42.7	16.1
70 Lakh - 1 Crore	39.3	11.1
1 - 1.4 Crore	15.6	6.5
1.4 - 2 Crore	11.5	5.1
2 - 2.6 Crore	5.4	1.8
2.6 - 3.5 Crore	5.3	2.4
3.5 - 5 Crore	3.5	1.4
5 - 8 Crore	0.4	0.2
8 - 12 Crore	0.6	0.4
14 - 16 Crore	0.9	0.8
GRAND TOTAL	201.4	73.6

KEY POINTS

- 38% of apartments fall in the 'affordable' bracket to 50 lakh
 - 42% of stock falls into the premium segment to 1Cr
 - 20% of stock is 1Cr plus
-
- 36% of 'affordable' stock remains unsold (sub 50 lakh)
 - 44% of 1 Cr + stock remains unsold
 - In the super luxury band of 5Cr and above 74% of stock is unsold

Bell Curve of Inventory by Ticket Price



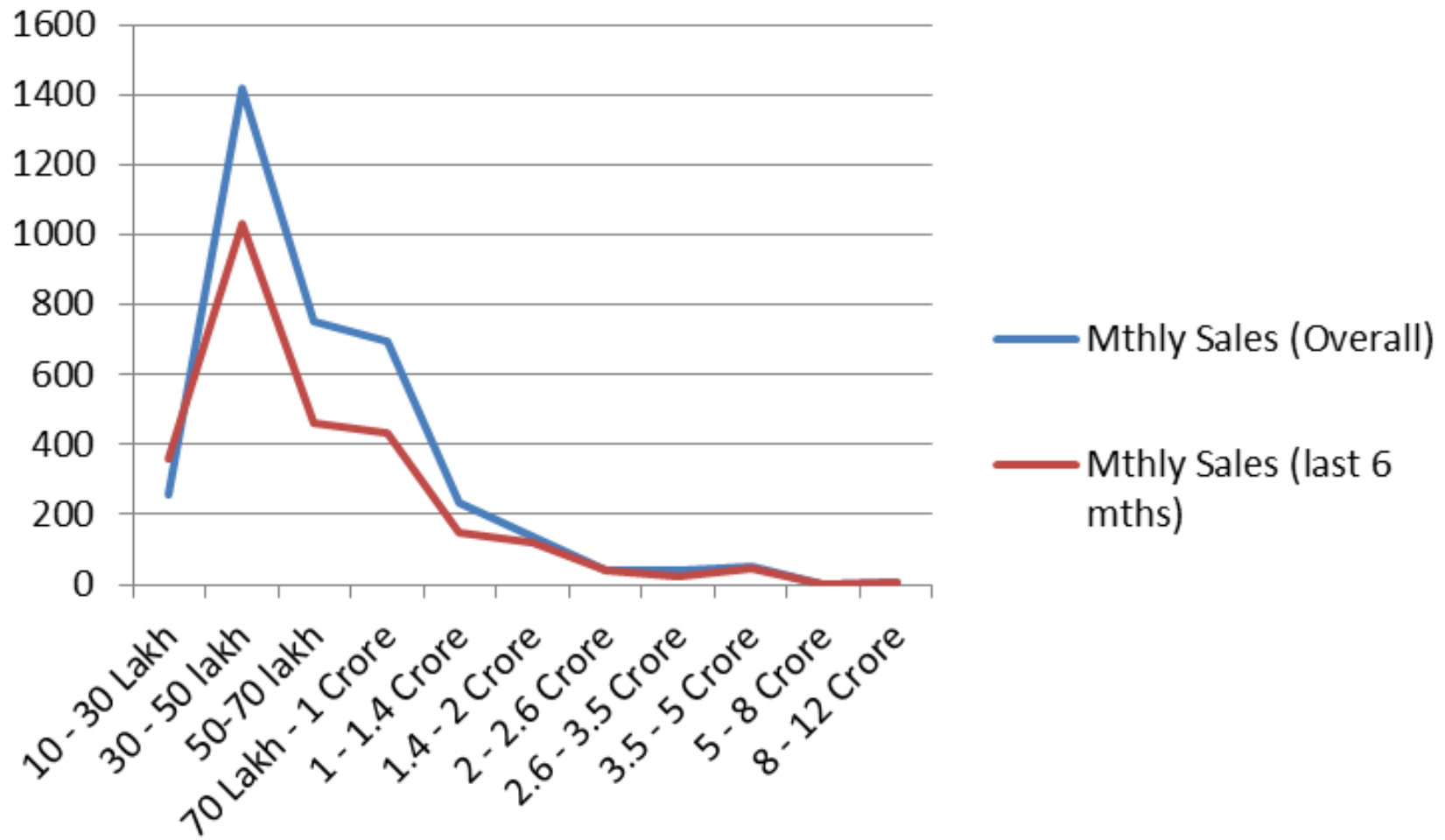
Apartment Performance by Ticket Price

Ticket Price range	Mthly Sales (Overall)	Mthly Sales (Incremental)	Sales Velocity (Overall)	Sales Velocity (Incremental)	Mths Inventory (Overall)	Mths Inventory (Incremental)
10 - 30 Lakh	256	358	3%	2%	8	6
30 - 50 lakh	1,421	1,029	4%	2%	7	9
50-70 lakh	751	464	4%	2%	8	13
70 Lakh - 1 Crore	697	433	4%	2%	8	13
1 - 1.4 Crore	233	147	5%	2%	11	17
1.4 - 2 Crore	135	123	4%	3%	7	8
2 - 2.6 Crore	38	38	3%	3%	12	12
2.6 - 3.5 Crore	41	22	4%	1%	11	21
3.5 - 5 Crore	53	48	5%	6%	5	6
5 - 8 Crore	3	1	4%	1%	27	73
8 - 12 Crore	7	5	7%	4%	11	17

KEY POINTS

- Monthly sales down from 3,635 to 2,668 (a drop of 27%)
- Monthly sales are up by 40% in the 10-30 lakh band

Sales Performance by Ticket Price (last 6 months v project life)

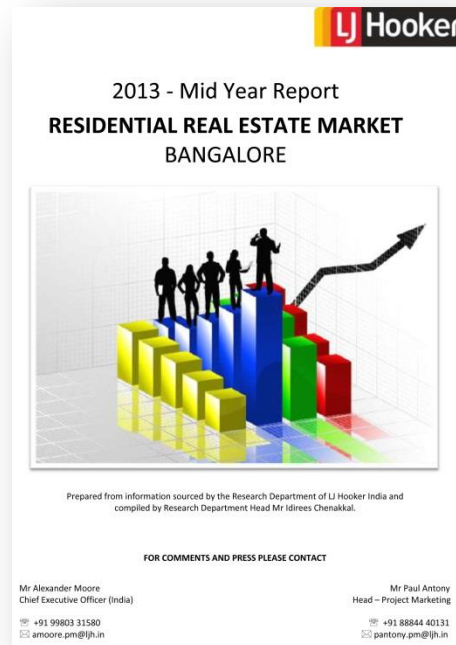


Some Conclusions

- Old stock in the market has experienced a significant slowdown in sales velocity, primarily based on price.
- Newly launched stock is performing well due to increased affordability from a decreased area and decreased rate.
- Ticket size and its match to the basic buyer affordability is the key to sales.
- The East is still the primary market with Northern areas on the rise.

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