

Strictly Private and Confidential

Pan-India Property Brokers' Poll – Residential properties

- Pessimism digs in deeper

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Highlights of the Pan–India Property Brokers' Poll (1)



- * Key takeaways from our Pan-India Property Brokers' Poll on the residential property market: Generally, first quarter of the calendar year (January – March) is a busy season for real estate brokers but in current year, brokers witnessed very weak traction. We believe that buyer sentiment will remain negative on the back of weak economic environment. Consequently, we expect property volumes to remain muted and prices to decline further. We maintain our negative stance on the sector.
- * None of the respondents expect prices to increase in next 3 months throughout India
- * We expect prices to stabilise for the next few months, given that the bust season is behind us
- * More than 95% of the total respondents are not expecting prices to increase over next 1 year
- * Brokers outlook over next 12 months have weakened significantly since our last poll; 53% of respondents expecting prices to decline against marginal 12% earlier
- * Overall observations:
 - 78% of brokers believe prices have fallen over the past one year
 - 99% brokers believe prices have fallen over the past three months
 - 87% brokers have seen a drop in transactions over the past one month
 - 73% brokers have witnessed a reduction in enquires over the past month
 - 76% brokers expect price trend to be negative over the next three months
 - 53% brokers expect price trend to be negative over the next one year



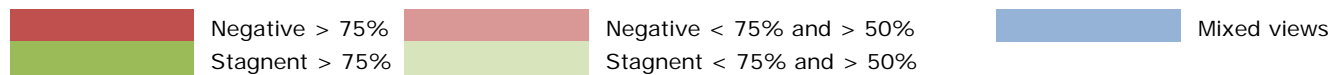
Observations in specific micro markets

- * Inquiries with brokers in NCR have stabilised over the past one month
- * For the first time since we conducted poll in October 2008 (Volume I), brokers in Chennai have seen reduction in transaction and inquiries
- * Bangalore is the least pessimistic market with 32% brokers having negative outlook over the next one year
- * Chennai remains the most pessimistic with 73% brokers having negative outlook over the next one year
- * None of the brokers in Chennai are positive on the property price outlook over the next three months to one year
- * Brokers in Bangalore and Chennai have turned negative from their steady outlook for property prices in the next three months
- * Brokers have turned negative on prices in Whitefield–Marathalli (Bangalore) and Central Chennai-Annanagar, Guindy (Chennai) over the next three months
- * Mumbai and NCR brokers' outlook on property prices in the next one year has turned negative from positive earlier

Heat map: No positive expectation for next one year



	Prices last 1 year	Prices last 3 months	Prices last 1 month	Trasnaction last 1 month	Enquiries last 1 month	Prices next 3 months	Prices next 1 year
Mumbai							
- Island City	Red	Red	Red	Red	Red	Red	Red
- Bandra to Borivali	Red	Red	Red	Red	Red	Red	Red
- Beyond Borivali	Red	Red	Red	Red	Red	Red	Red
- Mulund & Thane	Red	Red	Red	Red	Red	Red	Red
- Vashi & Navi Mumbai	Red	Red	Red	Red	Red	Red	Red
- Panvel	Red	Red	Red	Red	Red	Red	Blue
NCR							
- Delhi City	Light Green	Red	Red	Red	Red	Light Green	Green
- Gurgaon	Red	Red	Red	Red	Red	Red	Red
- Manesar	Red	Red	Red	Red	Red	Red	Red
- Noida	Red	Red	Red	Red	Light Green	Red	Red
- Greater Noida	Red	Red	Red	Red	Light Green	Red	Red
- Ghaziabad	Red	Red	Red	Red	Green	Red	Blue
Bangalore							
- Central Bangalore	Red	Red	Blue	Red	Red	Red	Light Green
- Whitefield/Marathalli	Red	Red	Red	Red	Red	Red	Light Green
- Sarjapur & Kanakpura Road	Red	Red	Red	Red	Red	Red	Blue
- Yelahanka & Devanahalli	Light Green	Red	Red	Red	Red	Red	Blue
- Jayanagar & Malleswaram	Red	Red	Red	Red	Red	Red	Blue
Chennai							
- Annanagar/Guindy	Red	Red	Red	Red	Red	Red	Red
- OMR	Red	Red	Red	Red	Red	Red	Red
- Sriperumbudur	Red	Red	Red	Red	Red	Red	Red





The following questions were asked:

Past price trend

- 1 – How have prices moved over the past one year?
- 2 – How have prices moved over the past three months?
- 3 - How have prices moved over the past one month?

Business volumes

- 4 – Have your transactions increased or decreased in the past one month?
- 5 – Have the number of inquires increased or decreased over the past one month?

Price outlook

- 6 – What is your outlook on prices over the next three months?
- 7 - What is your outlook on prices over the next one year?

Responses were restricted to:

- I : Increase
- D: Decrease
- S: Stagnant
- N: Don't know

What has changed since the previous poll?

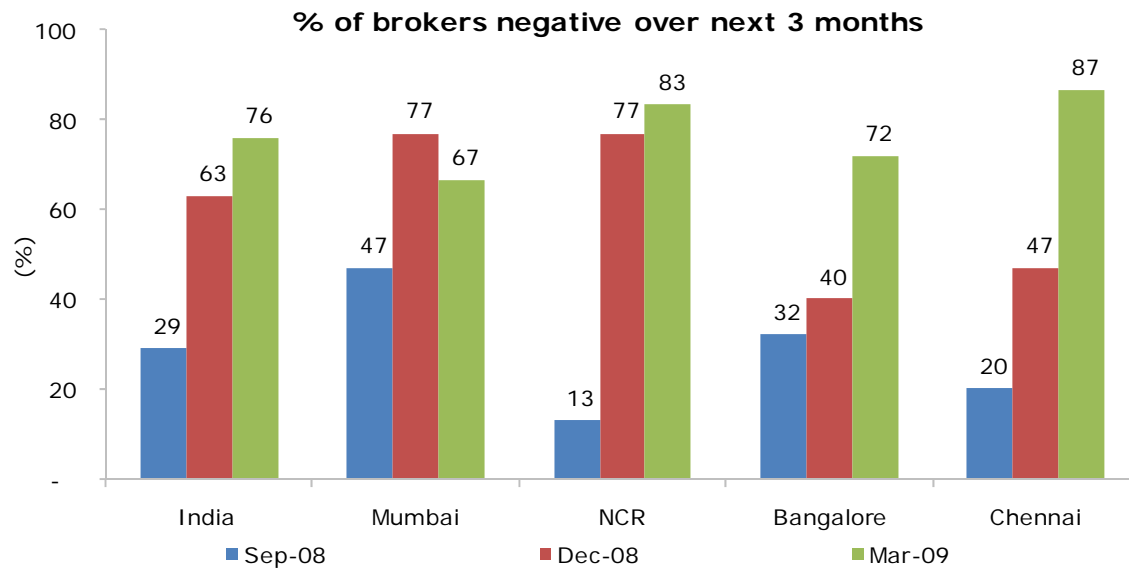


- * Second fiscal stimulus package for the economy and the real estate sector
- * Developers have reduced prices significantly, primarily for under-construction or just-launched properties
 - DLF slashed rates for three projects:
 - For Garden City project in Chennai from INR 3,200 to INR 2,650 per sq ft
 - For project on Bannerghatta Road (Bangalore) from INR 2,750 to INR 1,850 per sq ft
 - For its just launched project in Hyderabad at INR 1,850
 - HDIL launched its project in Kurla at INR 5,251 per sq ft
 - Unitech launched its project in Gurgaon (sector 47) at INR 3,200 per sq ft
- * Banks have reduced their home loan lending rates considerably
 - SBI cut rates to 8% from 10.25%
 - Canara Bank reduced rates to 8.75% and 9.75% for first and second years, respectively
 - Most other banks have reduced their lending rates by 175–200bps
- * Developers have started relying more on their internal sources for marketing
- * Interest rate cuts:
 - **CRR**: cut from 5.5% in December 2008 to 5% in March 2009
 - **Repo rate**: cut from 6.5% in December 2008 to 5% in March 2009
 - **Reverse repo rate**: cut from 6% in December 2008 to 3.5% in March 2009

How have the brokers' views changed – 3 months



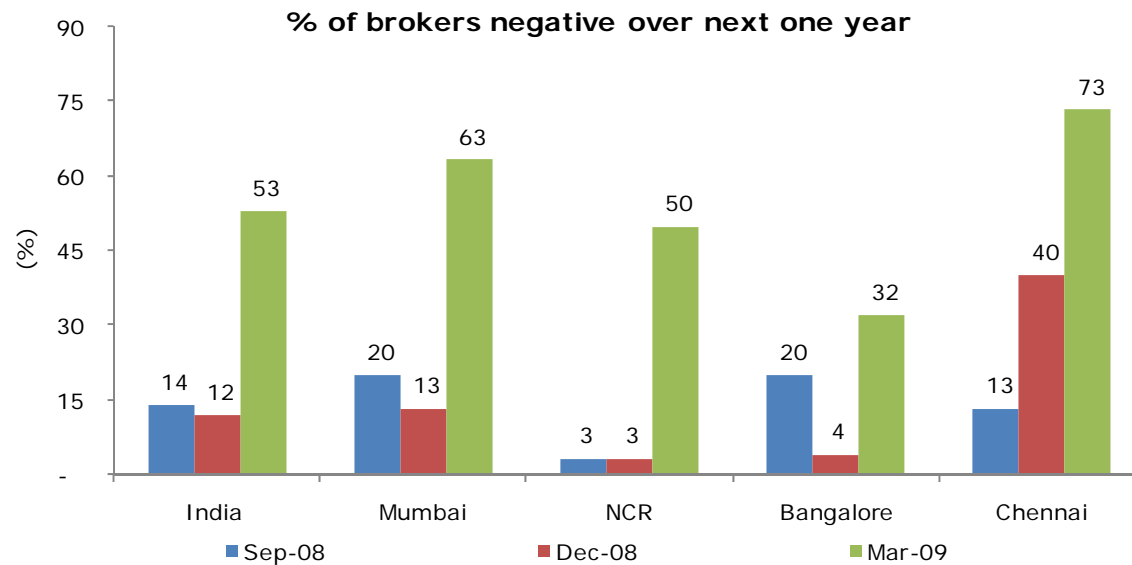
- * Overall, percentage of brokers with negative outlook has increased to 76%, from 63% earlier
- * In Mumbai, contrary to the overall survey, the percentage of brokers with negative outlook has dipped to 67%, from 77% earlier. Brokers expect prices to remain stable till general elections get over



How have the brokers' views changed –1 year



- * Throughout India, brokers have turned negative since the previous poll
- * Percentage of brokers with negative outlook has increased significantly to 53% from marginal 12% earlier



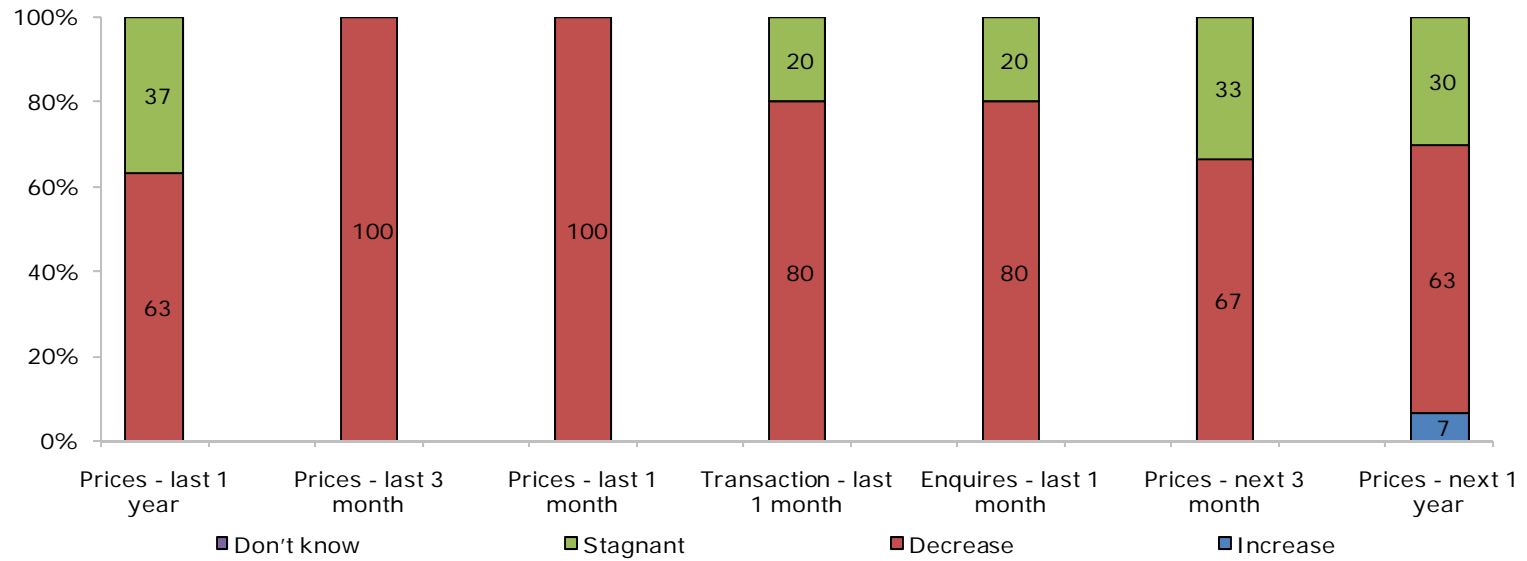
Pan-India: No one is positive over foreseeable future



Synopsis

Price trend	Reduced during past three month
Transactions & inquires	Reduced during past one month
Price outlook	Negative over next three months

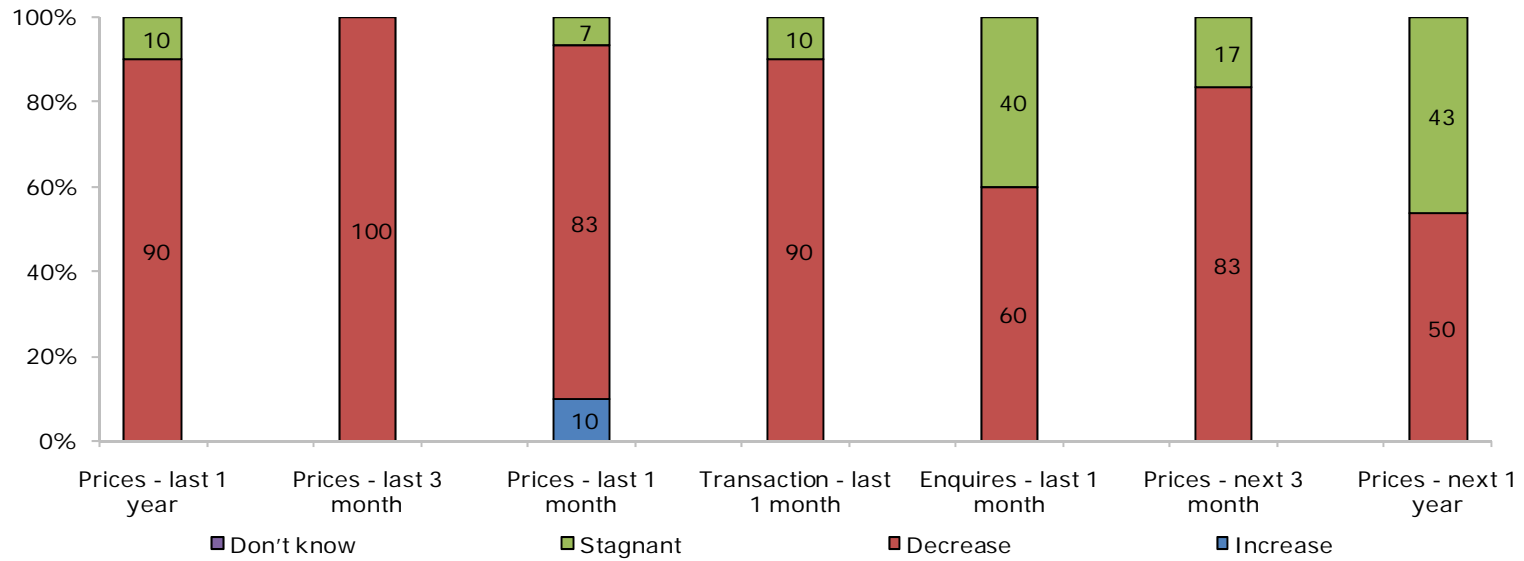
Mumbai: 67% expect prices to fall in next 3 months



Synopsis

Price trend	Reduced during past three month
Transactions & inquires	Reduced during past one month
Price outlook	Negative over next three months to one year

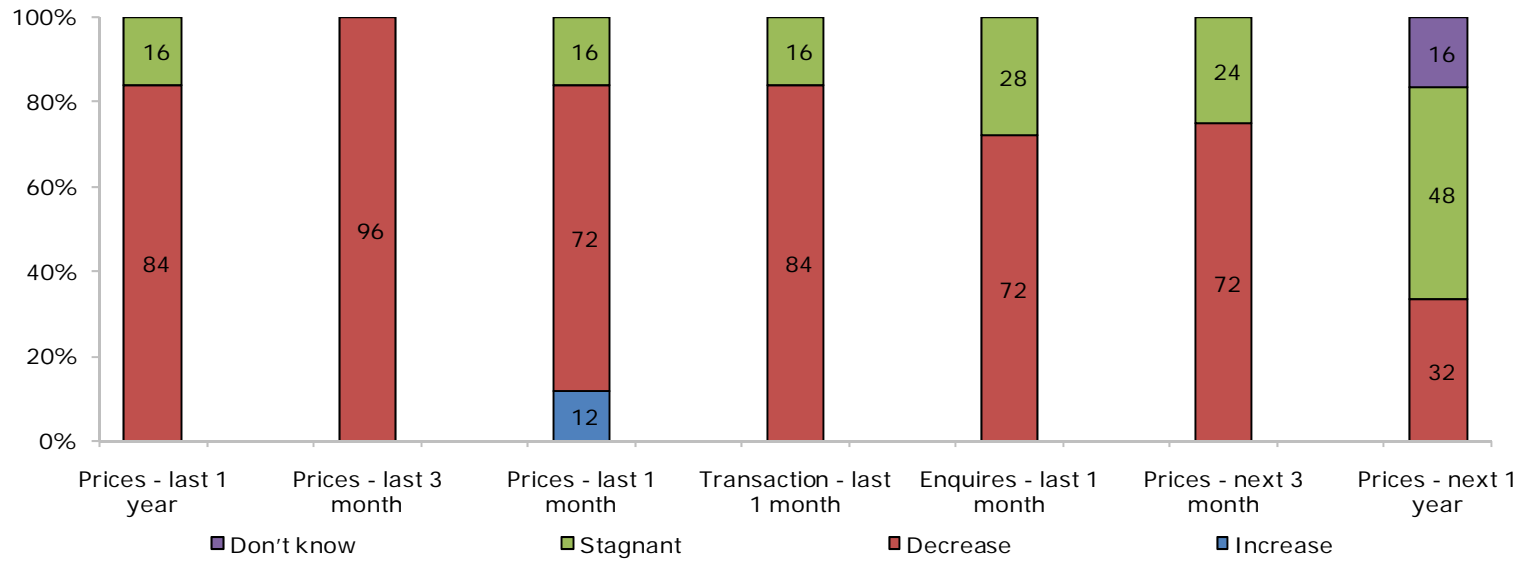
NCR: Transactions have dried up



Synopsis

Price trend	Reduced during past three month
Transactions & inquires	Reduced during past one month
Price outlook	Negative over next three months

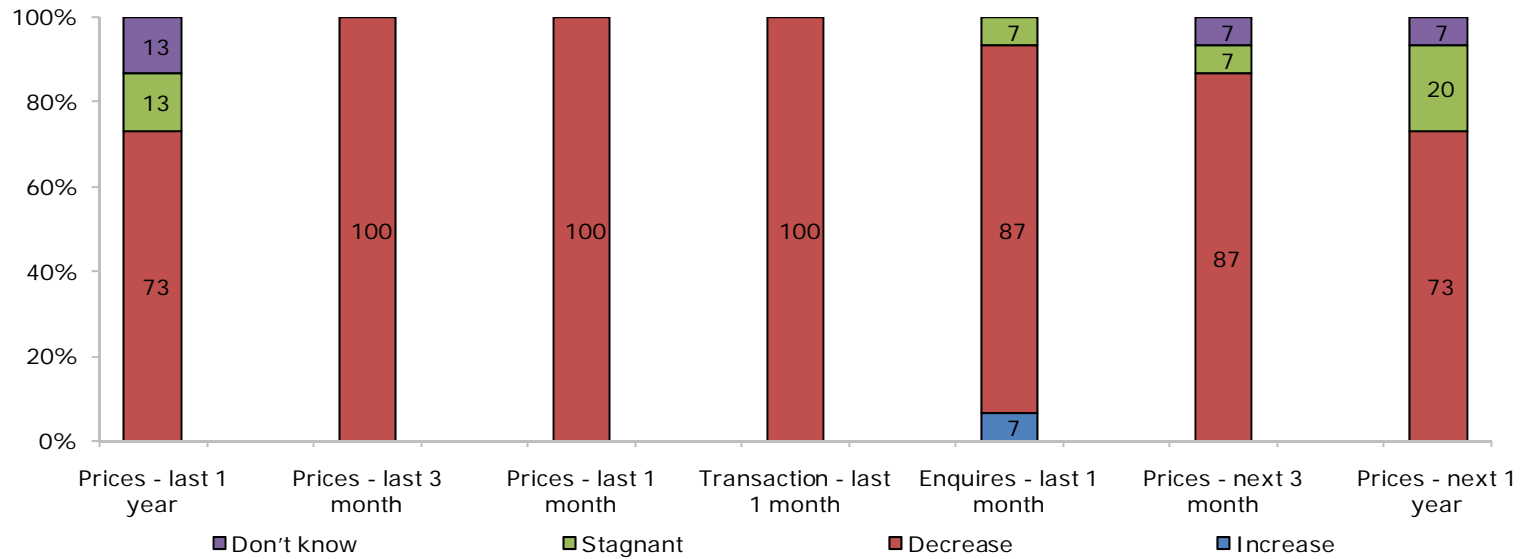
Bangalore: Mixed views over next one year



Synopsis

Price trend	Reduced during past three month
Transactions & inquires	Reduced during past one month
Price outlook	Negative over next three months

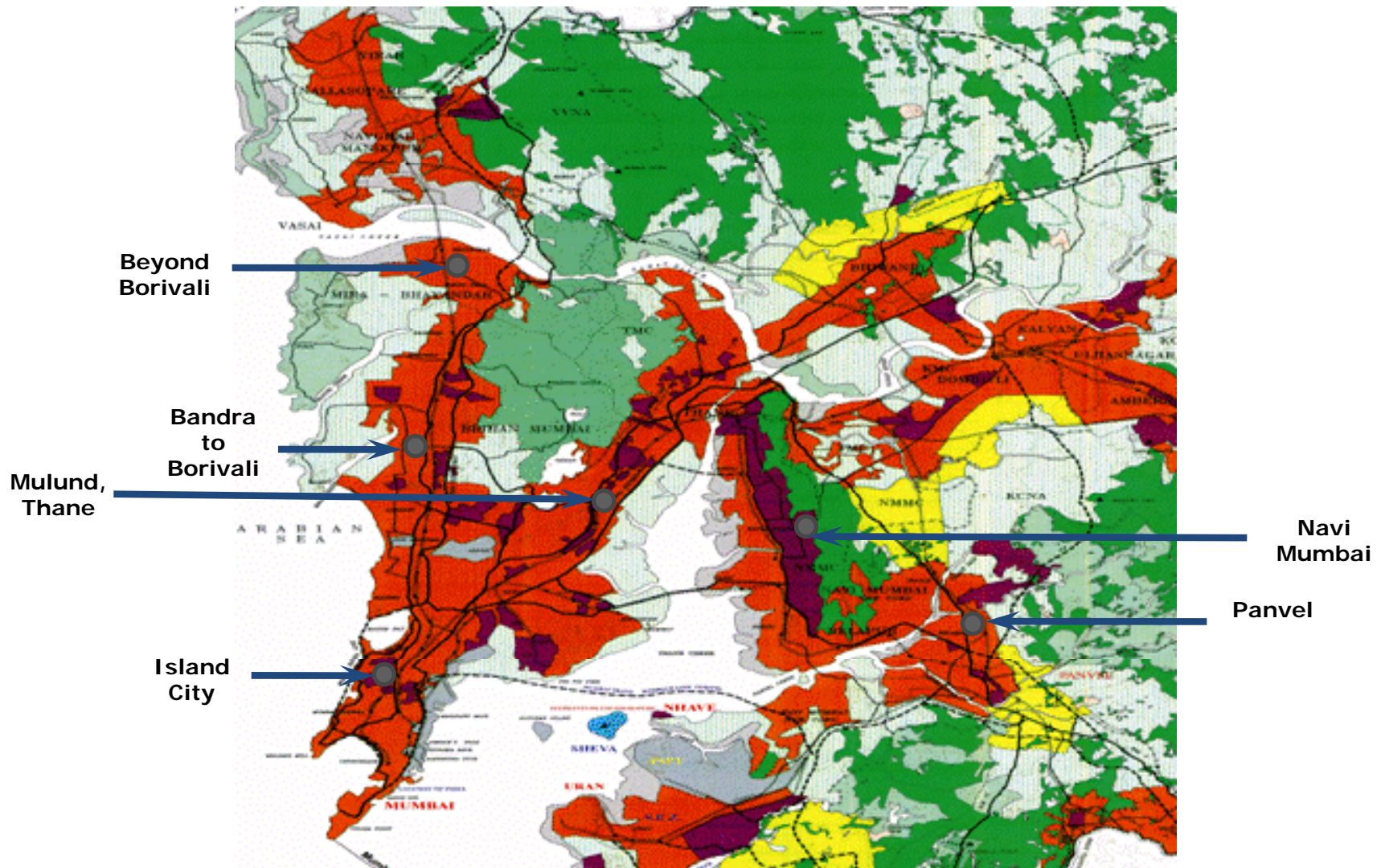
Chennai: 87% expect prices to fall in next 3 months



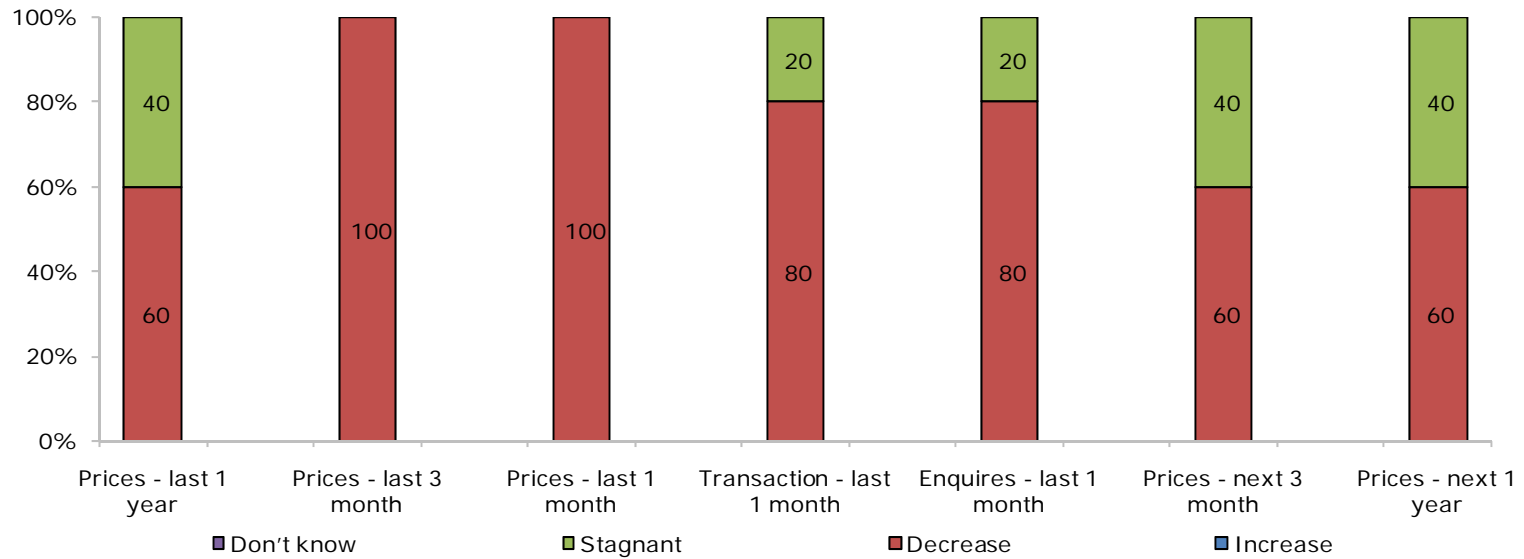
Synopsis

Price trend	Reduced during past three month
Transactions & inquires	Reduced during past one month
Price outlook	Negative over next three months to one year

Mumbai Metropolitan Region (MMR)



Island City: 40% expect prices to stabilise



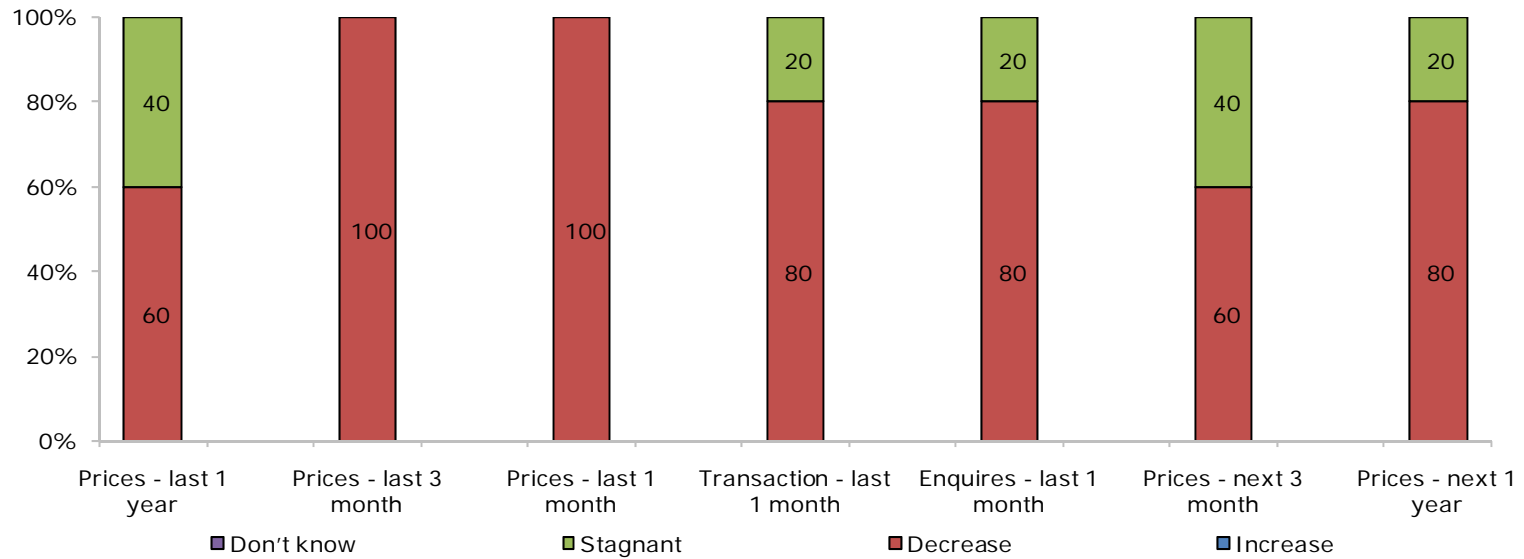
Synopsis

Price trend	Reduced during past three month
Transactions & inquires	Reduced during past one month
Price outlook	Negative over next three months to one year

Companies' exposure

	% of total land bank
Orbit Corporation	26.0%

Bandra-Borivali: Inquiries and transactions have dried up



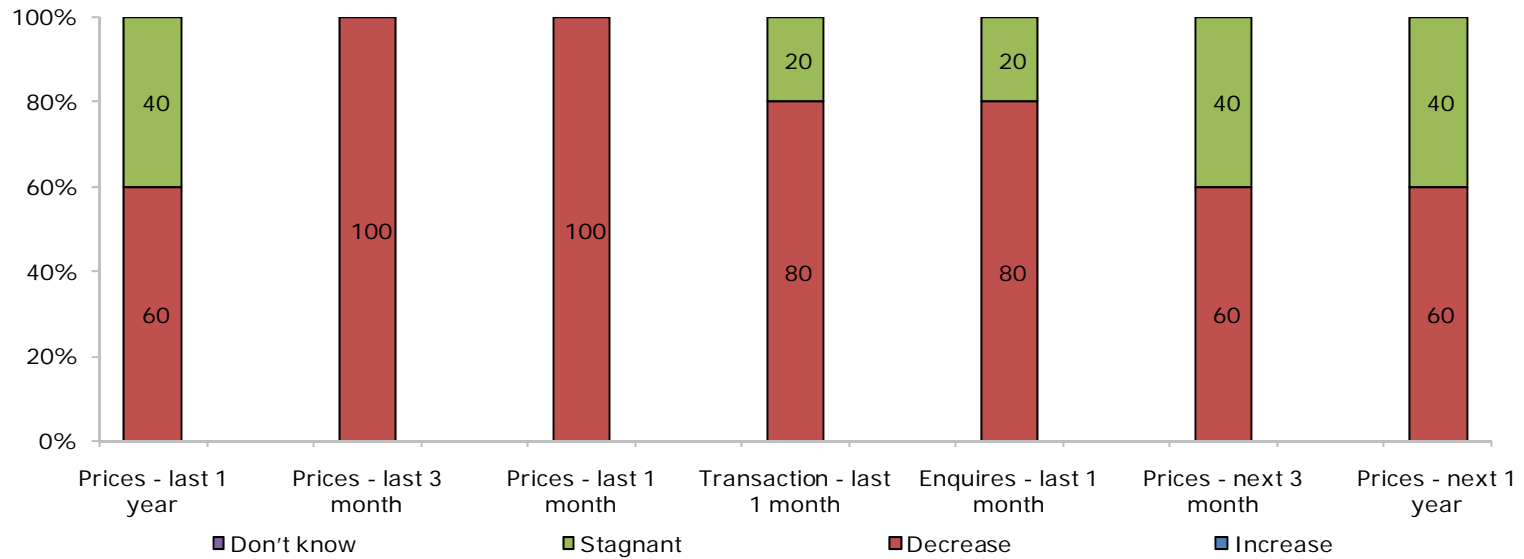
Synopsis

Price trend	Reduced during past three month
Transactions & inquires	Reduced during past one month
Price outlook	Negative over next three months to one year

Companies' exposure

	% of total land bank
HDIL	34.1%

Beyond Borivali: 40% expect prices to stabilise



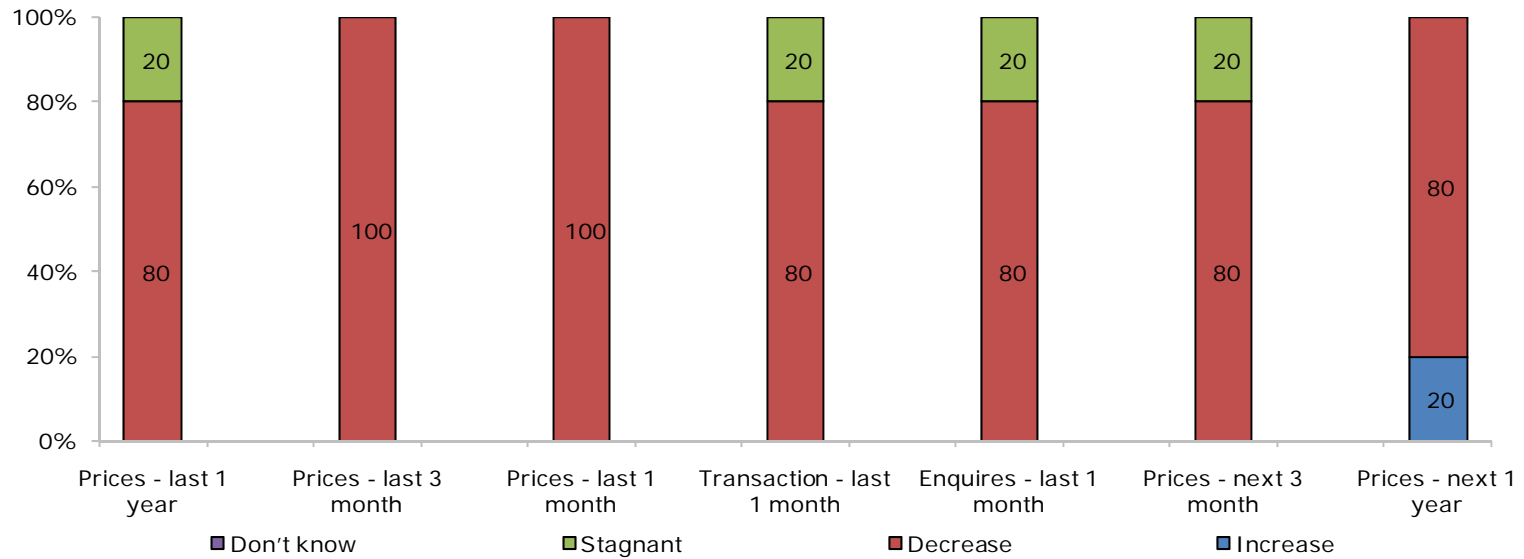
Synopsis

Price trend	Reduced during past three month
Transactions & inquires	Reduced during past one month
Price outlook	Negative over next three months to one year

Companies' exposure

	% of total land bank
HDIL	36.7%

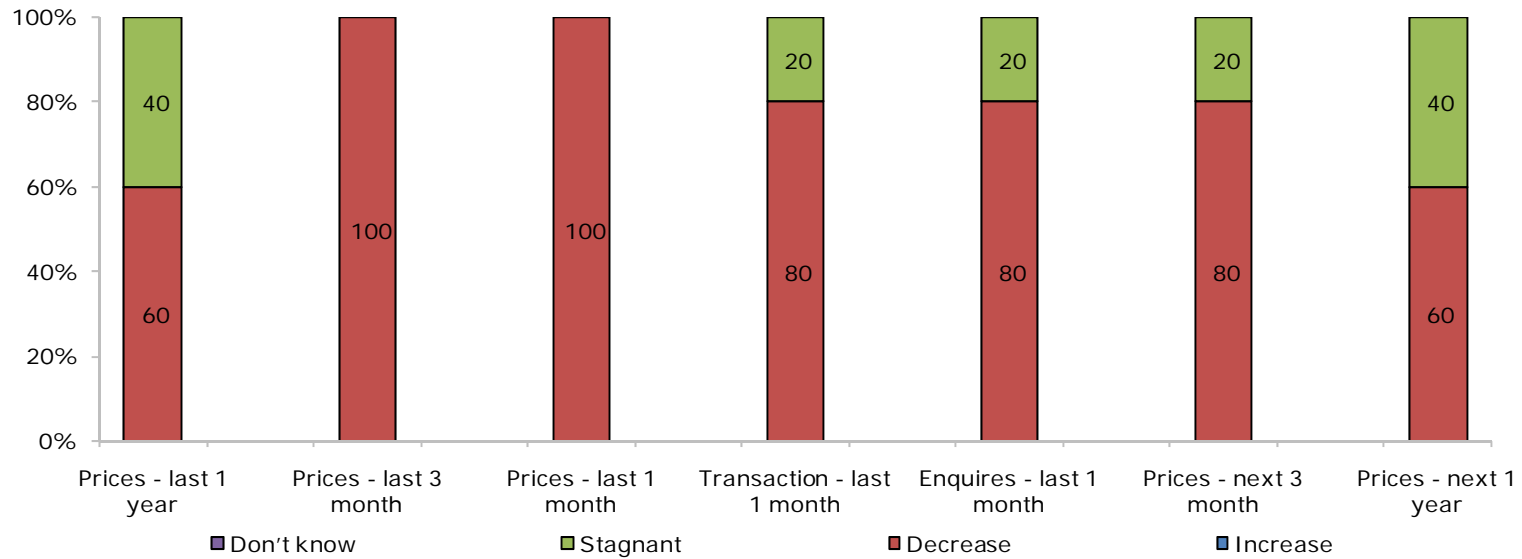
Mulund and Thane: 80% expect prices to fall further



Synopsis

Price trend	Reduced during past three month
Transactions & inquiries	Reduced during past one month
Price outlook	Negative over next three months to one year

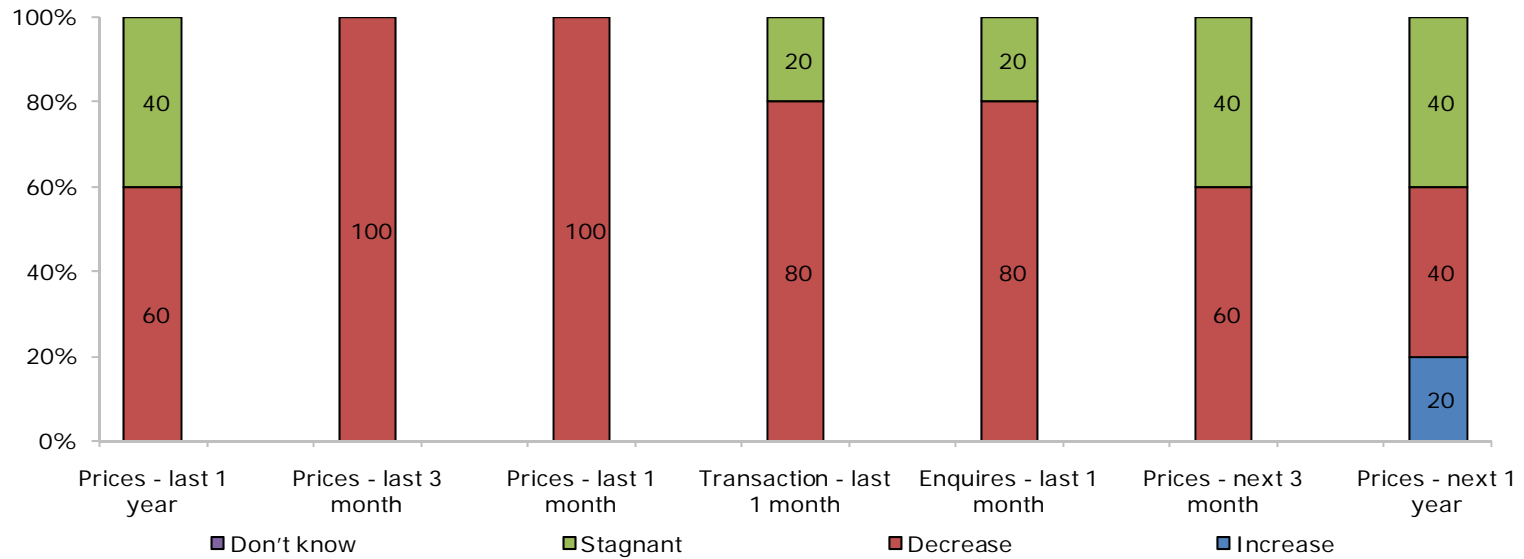
Vashi and Navi Mumbai: Inquiries and transactions have dried up



Synopsis

Price trend	Reduced during past three month
Transactions & inquires	Reduced during past one month
Price outlook	Negative over next three months to one year

Panvel: Mixed view over next one year

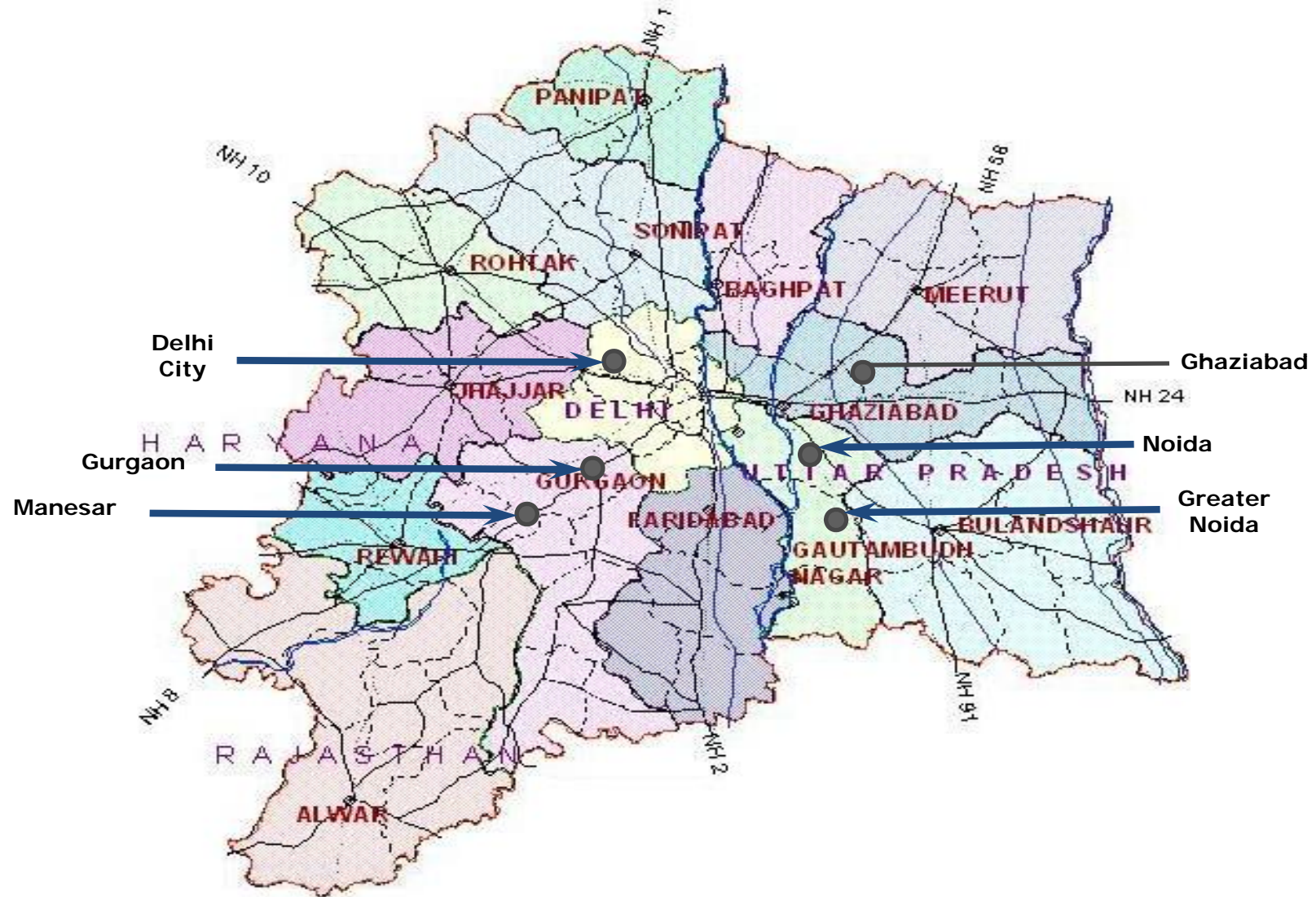


Synopsis

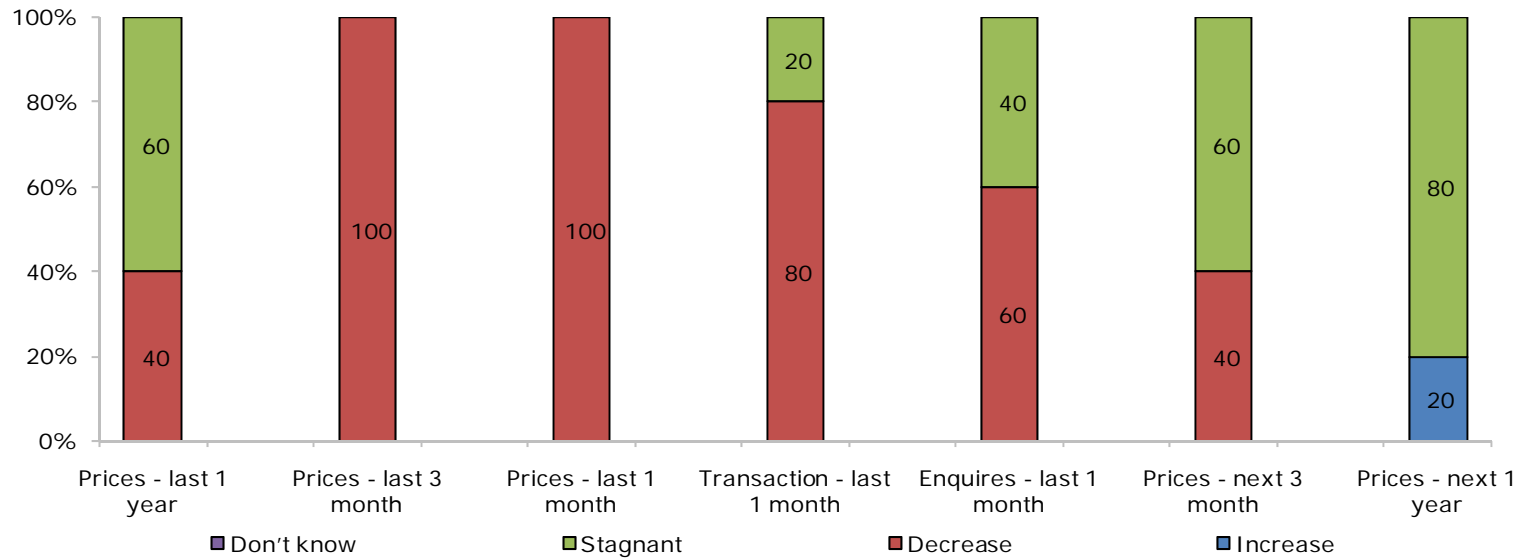
Price trend	Reduced during past three month
Transactions & inquires	Reduced during past one month
Price outlook	Negative over next three months

	% of total land bank
Akruti	20.1%

National Capital Region (NCR)



Delhi City: Most optimistic market in India over next one year

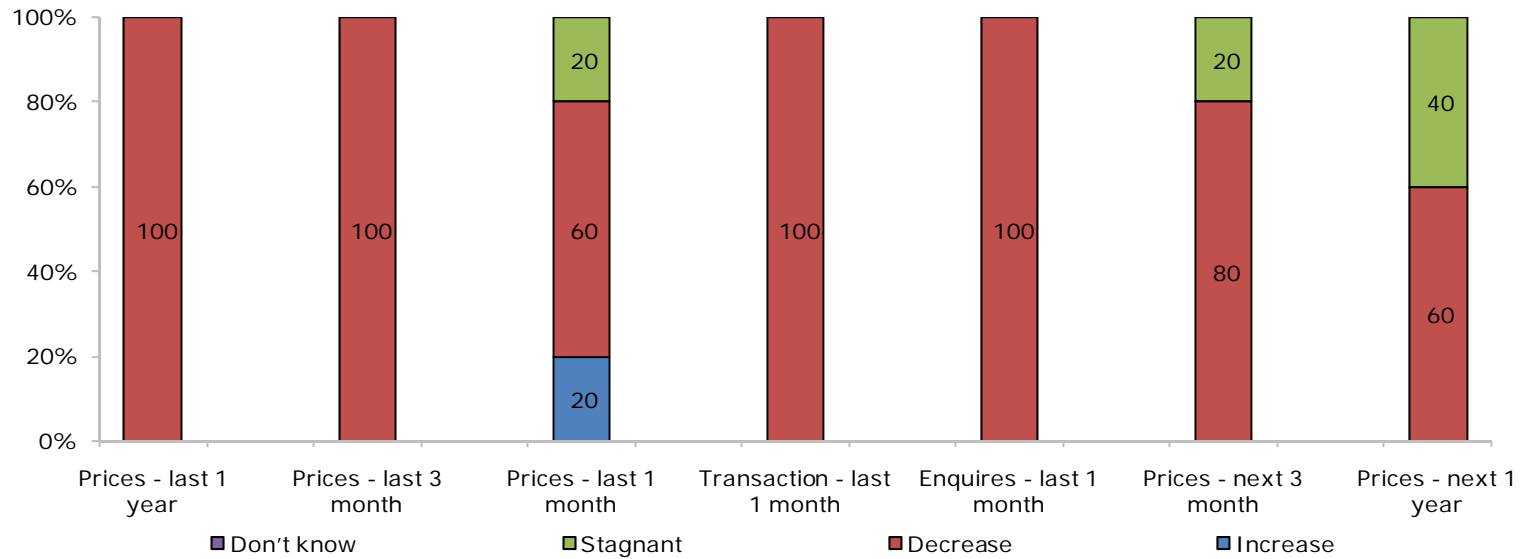


Synopsis

Price trend	Declined since past three months
Transactions & inquires	Reduced during past one month
Price outlook	Stagnent over next three months to one year

	% of total land bank
DLF	1.0%

Gurgaon: 40% expect prices to stabilise over next one year



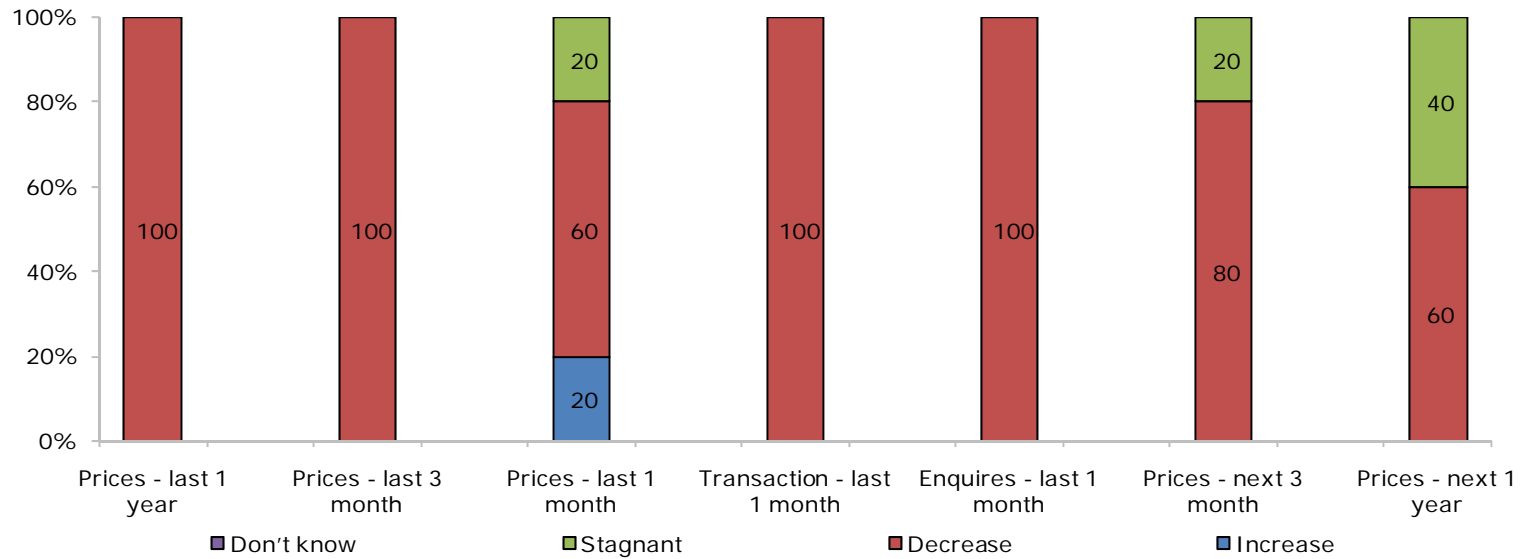
Synopsis

Price trend	Reduced during past three month
Transactions & inquires	Reduced during past one month
Price outlook	Negative over next three months to one year

Companies' exposure

	% of total land bank
DLF	4.3%
Unitech	3.8%

Manesar: Inquiries and transactions have dried up



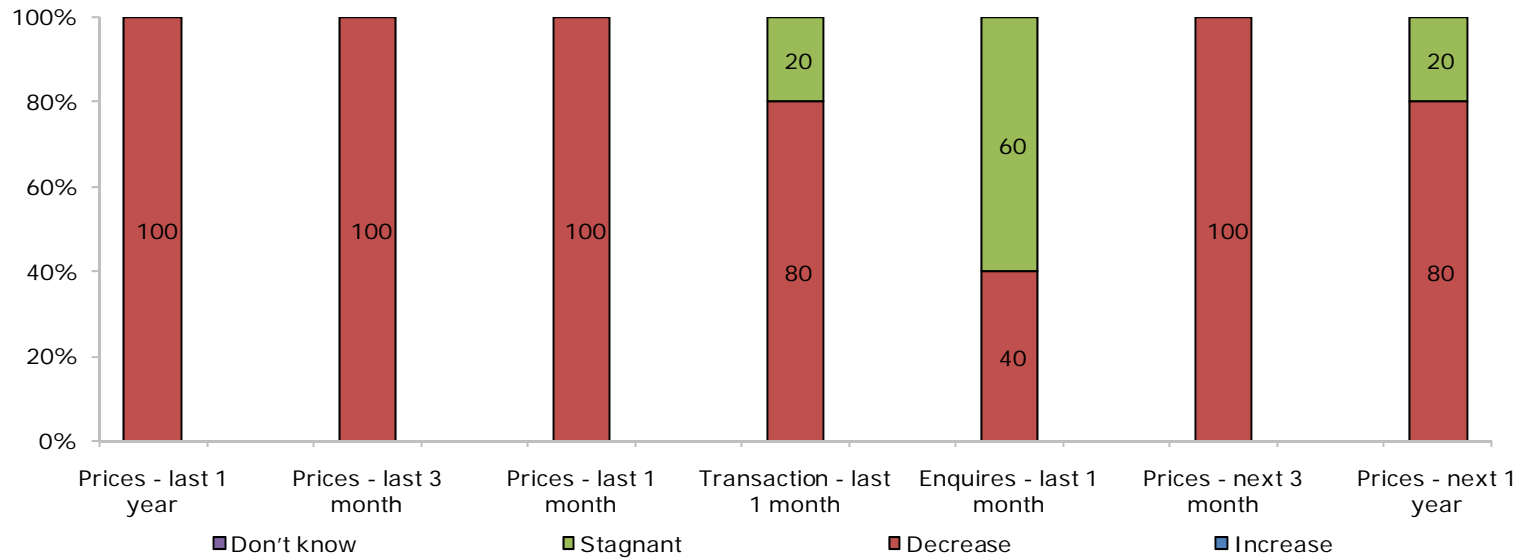
Synopsis

Price trend	Reduced during past three month
Transactions & inquires	Reduced during past one month
Price outlook	Negative over next three months to one year

Companies' exposure

	% of total land bank
DLF	5.5%

Noida: No respite visible



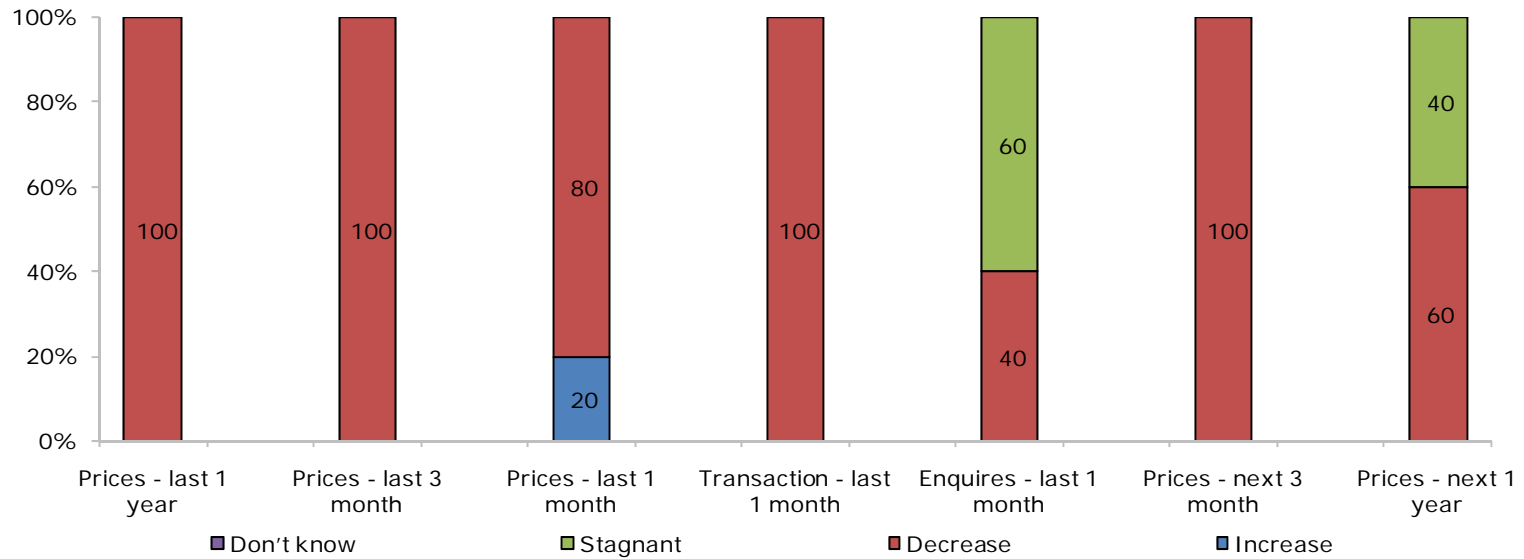
Synopsis

Price trend	Reduced during past three month
Transactions & inquiries	Transaction reduced but inquiries are stagnant during past one month
Price outlook	Negative over next three months to one year

Companies' exposure

	% of total land bank
Unitech	2.7%

Greater Noida: All negative over next 3 months



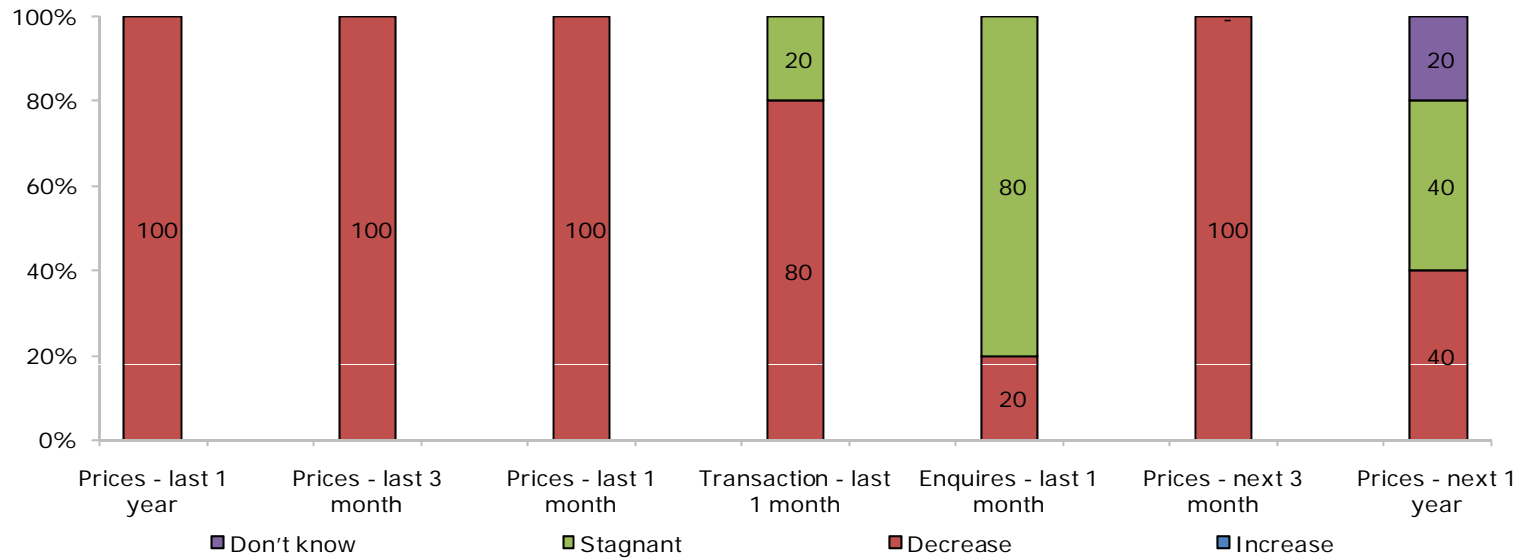
Synopsis

Price trend	Reduced during past three month
Transactions & inquiries	Transaction reduced but inquiries are stagnant during past one month
Price outlook	Negative over next three months

Companies' exposure

	% of total land bank
Unitech	2.3%

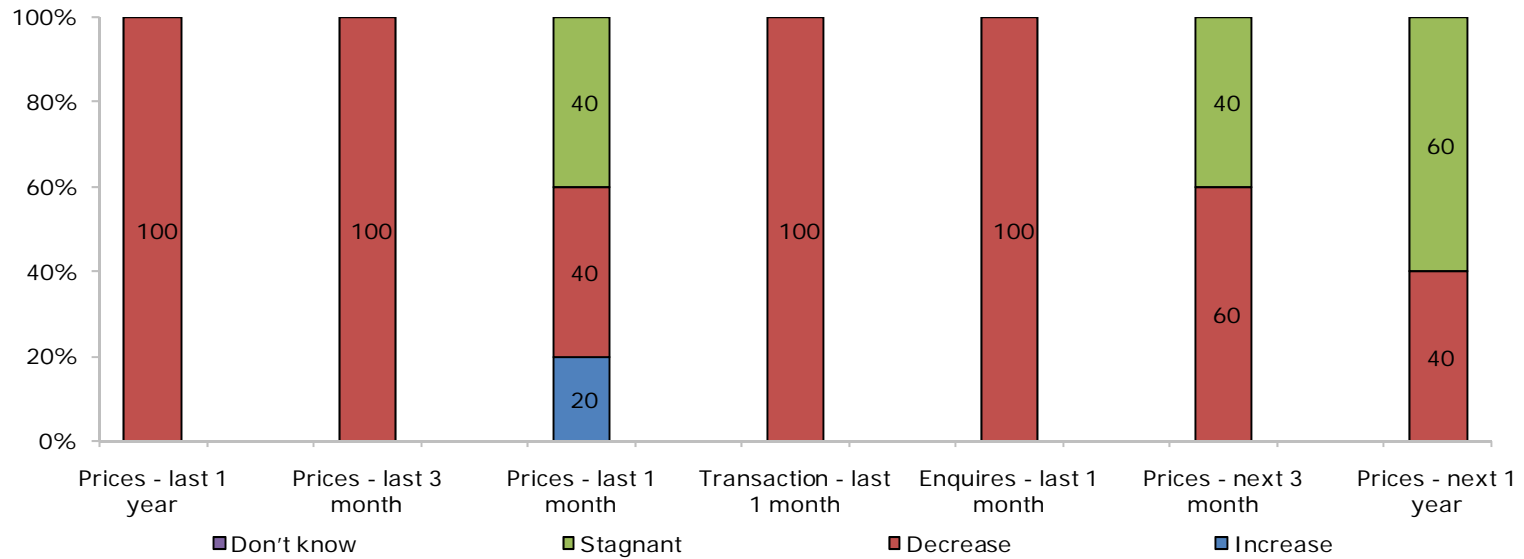
Ghaziabad: Inquiries have not dropped; contrary to others markets



Synopsis

Price trend	Reduced during past three month
Transactions & inquiries	Transaction reduced but inquiries are stagnant during past one month
Price outlook	Negative over next three months

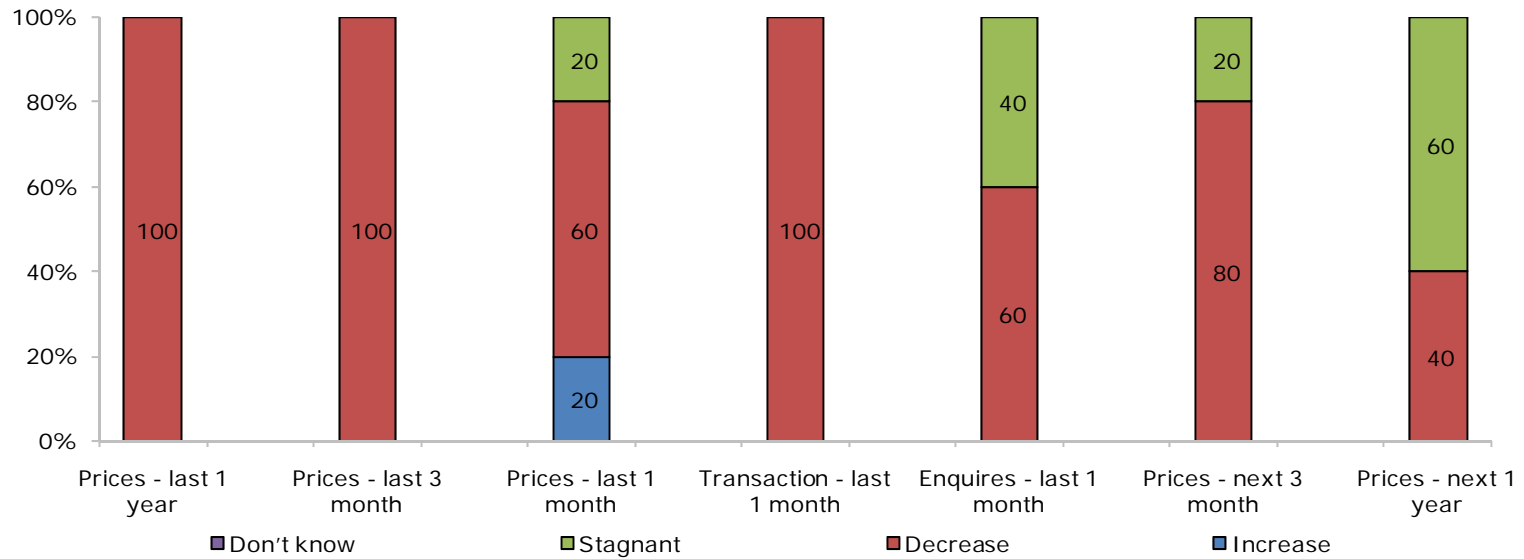
Central Bangalore: 40% expect prices to stabilise



Synopsis

Price trend	Reduced during past three month
Transactions & inquires	Reduced during past one month
Price outlook	Stagnant over next three months to one year

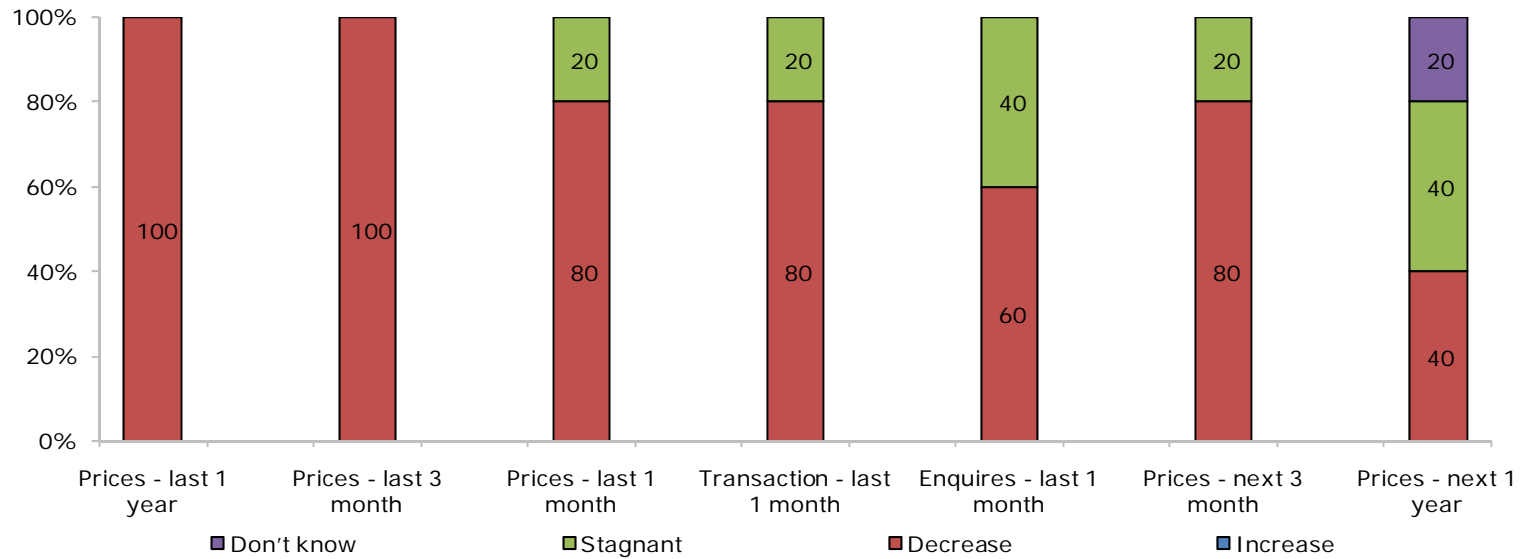
Whitefield/Marathalli: 80% negative over next 3 months



Synopsis

Price trend	Reduced during past three month
Transactions & inquires	Reduced during past one month
Price outlook	Negative over next three months; stagnant over next one year

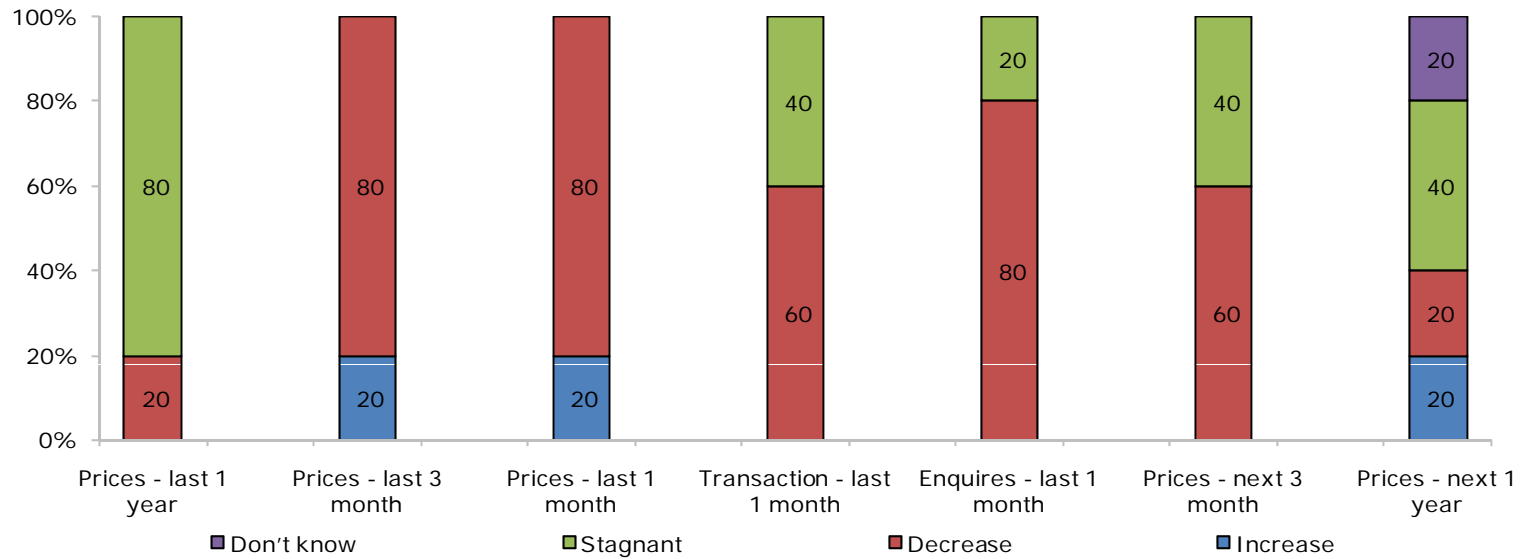
Sarjapur Road and Kanakpura Road: Transactions have dried up



Synopsis

Price trend	Reduced during past three month
Transactions & inquiries	Reduced during past one month
Price outlook	Negative over next three months

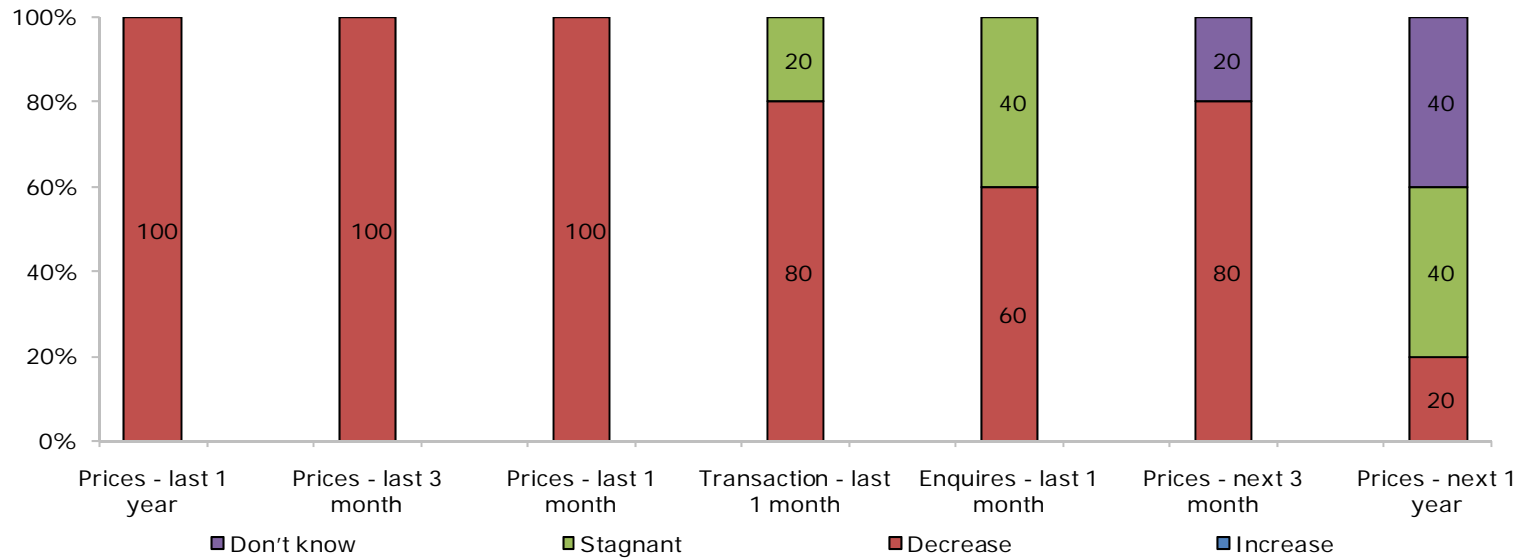
Yelahanka and Devanhalli: Mixed views over next one year



Synopsis

Price trend	Reduced during past three month
Transactions & inquires	Reduced during past one month
Price outlook	Negative over next three months

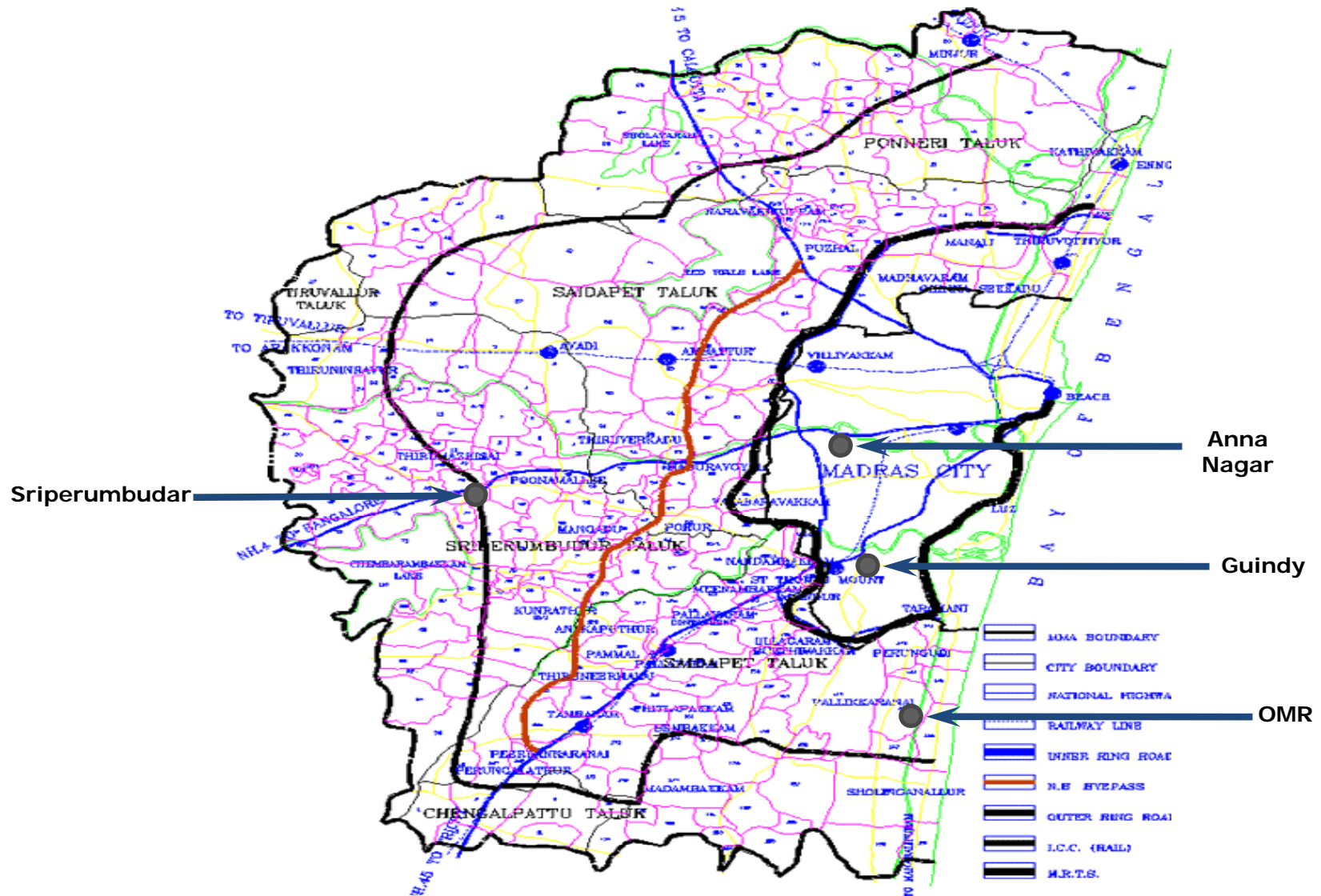
Jayanagar & Malleswaram: 80% expect prices to fall over next 3 months



Synopsis

Price trend	Reduced during past three month
Transactions & inquires	Reduced during past one month
Price outlook	Negative over next three months

Chennai



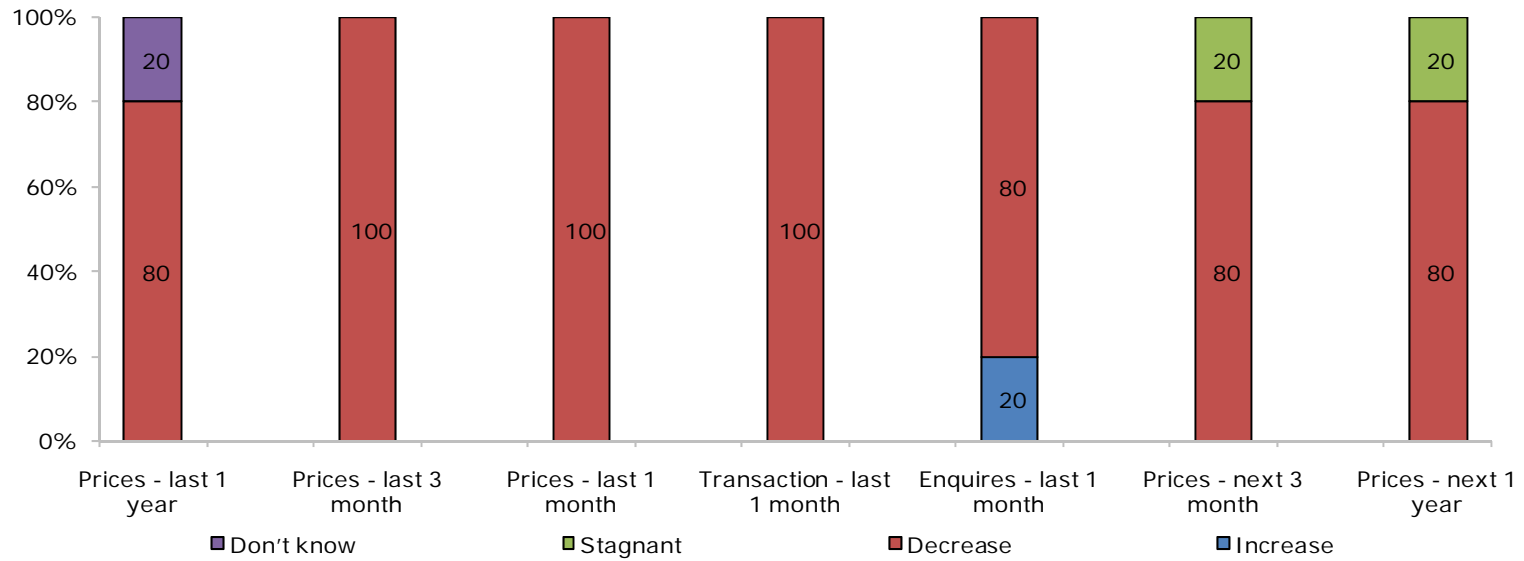
Annanagar/Guindy: Inquiries and transactions have dried up



Synopsis

Price trend	Reduced during past three month
Transactions & inquires	Reduced during past one month
Price outlook	Negative over next three months to one year

OMR: 80% negative over foreseeable future



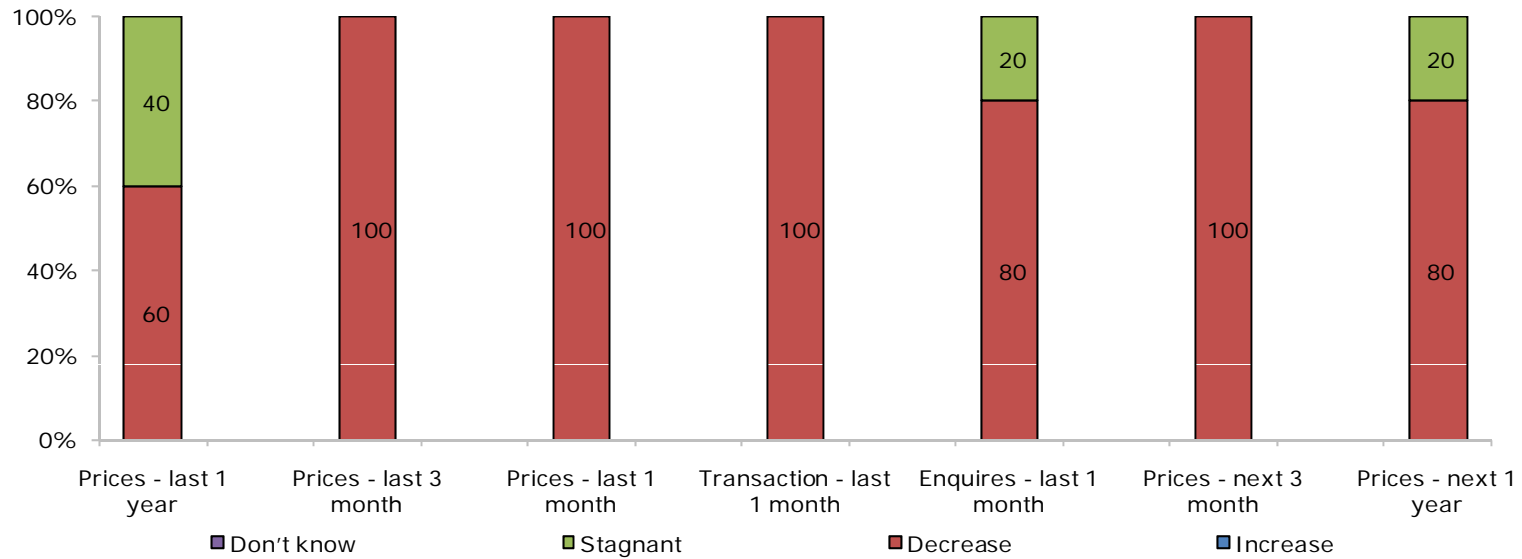
Synopsis

Price trend	Reduced during past three month
Transactions & inquires	Reduced during past one month
Price outlook	Negative over next three months to one year

Companies' exposure

	% of total land bank
DLF	3.0%

Sriperumbudur: Unanimous negative opinion over next 3 months



Synopsis

Price trend	Reduced during past three month
Transactions & inquires	Reduced during past one month
Price outlook	Negative over next three months to one year

Companies' exposure

	% of total land bank
Unitech	6.3%



Features of the survey

Number of brokers: 100

Number of brokers surveyed in each micro market: 5

Number of micro markets: 20

Number of cities: 4

Markets surveyed

Mumbai	NCR	Bangalore	Chennai
Island city	Delhi city	Bangalore central	Annanagar, Guindy
Bandra–Borivali	Gurgaon	Whitefield–Marathalli	Old Mahabalipuram Road (OMR)
Beyond Borivali	Noida	Sarjapur Road–Kanakpura Road	Sriperumbudur
Mulund–Thane	Greater Noida	Yelahanka-Devanhalli	
Vashi and Navi Mumbai	Manesar	Jayanagar and Malleswaram	
Panvel	Ghaziabad		

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