



2008

# 2nd quarter report

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## Welcome

Keeping the legacy of the Quarter Reports, PropertyVertical has come out with Second Quarter Report for the year 2008 for its readers and valued clients. This year we have been more elaborate and comprehensive covering the rural areas in Chandigarh along with the suburbs.

The authenticity of the data is maintained which is sourced from the Estate Office, Chandigarh and to give it a complete perspective, it is evaluated on the grounds of current market scenario for the relevant periods.

This Second Quarter Report '08 will be followed by the Third and Fourth quarters in the coming month giving all inclusive analysis and update for the whole year.

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## Introduction

Chandigarh has been the focus and much sought after destination for the real estate developers. In the last one year the area has witnessed almost all the major developers establishing their projects in close vicinity and sub-urban areas of Chandigarh like Kharar, Zirakpur, Dera Bassi, Baddi including a few in Chandigarh Tri city itself, i.e. Mohali and Panchkula.

No matter what is the open market scenario of residential real estate, the prices of these projects have increased since their pre-launch. Going by the huge figures, high prices and less demand of flats/apartments offered by the developers, there are chances of the inventory to rise in this region. The reasons attributed to less demand of the flats offered by the developers could be exorbitant rates, increased home loan rates. Developers are yet to prove their credibility and win over investors' and the authority's confidence those yet seeking the approvals.

Residential real estate prices in Chandigarh Tri city including the suburbs like Kharar and Zirakpur have increased in the 2nd quarter of the year 2008 as compared to the previous quarter. In the last one year, there has been a slump in the real estate market. The residential rates being at the peak in the same quarter previous year have dropped since then rather than further moving northwards.

The government ennobled the registration charges from Rs 19,200 per sq yard for residential plot to Rs 24,960 per sq yard which is 9% of the registered amount (for sale deed) whereas registration charges for gift deed is only 1%. With this the value of construction has also increased to Rs 500 per sq feet for new construction and Rs 250 per sq feet for old construction.

Keeping in view the movement of sale-purchase, the areas that were active were around Chandigarh and not the city itself due to very restricted supply, unaffordable due to very high rates and limited options. Though the highest moving property was in the periphery areas like Zirakpur then Kharar and Mohali, Chandigarh kept its basic elevated price, i.e. Rs per sq yard, therefore it shows that if they are not selling, they are not compromising also. It has also been noticed that the maximum demand going by the trend is always for 6-12 marla residential plot/house.

The real estate boom in Chandigarh and its neighboring areas, especially Mohali district, is directly related to Corporate sector, ITES, Information Technology (IT) companies, Banking sector and International Airport setting up base in the region.

Some small private property developers have took the initiative to build their own enclaves in places like Zirakpur, Kharar, Banur and Rajpura. The same trend has been extended to Mohali in a phased manner. Now metropolitan style urban development is stepping into major cities of Punjab



### Number and types of deeds registered in Chandigarh:

Number of Deeds vis a vis the sectors:

Sectors	8	9	11	15	16	18	19	20	21	22	23	27	28	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47
2nd qtr Report Number of deeds	14	3	3	17	10	16	12	18	14	30	13	22	11	7	12	5	15	7	18	36	-	19	2	6	2	19	9	9	2
1st qtr Report Number of deeds	2	1	3	6	3	6	5	9	7	11	10	6	4	3	2	4	3	5	10	16	3	3	1	1	2	6	1	3	1

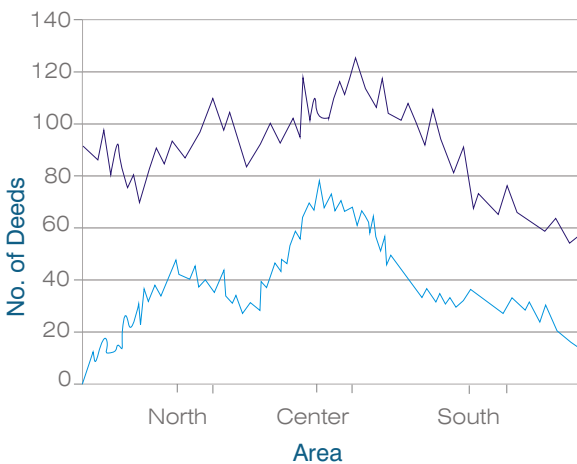
- Going by the trend , in second quarter too,the highest number of sale-purchase of residential properties was in sector 38.
- The reason attributed to this is the higher degree of availability of residential property in the form of plot, house as well as Chandigarh housing board flats which are in sectors 22 and 27 till sector 15. Along with this, co-operative flats which are the newly built ones are also available in sectors 48 onwards. Thus offering numerous options at cheaper rates compared to the main sectors in Chandigarh.
- Sector 38 was followed by sector 22, 27 and 40. The reason for this higher activity of sale-purchase in sectors 22 & 27 are:
  - 1) These sectors offer a greater quantity of residential houses of 8-12 marlas and demand for this bracket of residential properties is the maximum which has been proved by the highest number of registries registered in the Estate Office for this category.
  - 2) These sectors being the central ones, generate more demand as compared to the far-off sectors.



### Number of deeds vis-a-vis the location in Chandigarh:

Area	North	Central	South
No of sale deeds in 2nd Qtr	108	125	68
No of sale deeds in 1st Qtr	42	80	37

- The maximum number of deeds i.e. 125 were registered in the central region that includes sector 18,19,20,21,22,23,27,28,32,33,34,35,36,37. The reasons attributed to this are cheaper property rates as compared to northern sectors and credibility of plot and houses.



- The southern sectors covering 38, 39, 40, 41, 42, 43, 44, 45,46,47 also reported to have substantial number; 68, of deeds registered. These sectors are towards Mohali. For this record, the reason is more availability and options in the form of plots, houses and flats; both Chandigarh housing board and co-operative societies.

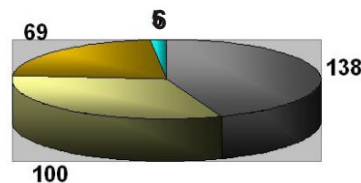
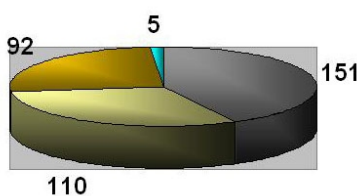
	2nd Qtr	1st Qtr
Sale deeds :	151	138
Gift Deed :	5	6
DoC :	110	100
Transfer deed :	92	69

- The maximum number of deed registered was the sale deed which was 151. The similar trend was followed in the first quarter. This signifies certain characteristics of the open market real estate dealings:

- i) sale deed is the only instrument for 100% assurance of property transfer

- ii) sale deed is the basis of sale-purchase real estate

- iii) open sale purchase has been noticed in the market not in blood relations as very less gift deeds were recorded as per family transfers etc.





### Chandigarh Market Comparison (100-250 sq yards)

Comparison between the registered amount, the actual average market rate and the rate fixed by the government relation to residential property area between 100-250 sq yards.i.e 4-8 marlas.

Property area	Total Government rate	Average Market Rate	9% of the govt	Registered Amount
100	24,96,000	65,00,000	2,24,640	8,15,900
100	24,96,000	65,00,000	2,24,640	13,65,000
100	24,96,000	65,00,000	2,24,640	25,12,000
100	24,96,000	65,00,000	2,24,640	85,00,000
102	25,45,920	66,30,000	2,29,140	29,21,650
102	25,45,920	66,30,000	2,29,140	12,56,600
104	25,95,840	67,60,000	2,33,630	28,53,000
106	26,45,760	68,90,000	2,38,120	15,31,000
106	26,45,760	68,90,000	2,38,120	39,73,800
117	29,20,320	76,05,000	2,62,830	25,25,700
119	29,70,240	77,35,000	2,67,320	10,08,000
119	29,70,240	77,35,000	2,67,320	17,28,900
121.9	30,42,620	79,23,500	2,73,840	34,26,000
121.9	30,42,620	79,23,500	2,73,840	40,50,000
121.9	30,42,620	79,23,500	2,73,840	34,73,000
122	30,45,120	79,30,000	2,74,000	46,00,000
123.79	30,89,800	80,46,350	2,78,000	8,60,000
123.79	30,89,800	80,46,350	2,78,000	23,36,900
127	31,69,920	82,55,000	2,85,300	34,24,000
127	31,69,920	82,55,000	2,85,300	50,00,000
127	31,69,920	82,55,000	2,85,300	16,41,500
142	35,44,320	92,30,000	3,18,990	8,75,000
145.5	36,31,680	94,57,500	3,26,850	16,90,000
151.67	37,85,680	98,58,550	3,40,700	39,75,000
151.67	37,85,680	98,58,550	3,40,700	45,24,936
151.67	37,85,680	98,58,550	3,40,700	1,49,34,816
157.85	39,39,936	1,02,57,720	3,54,600	9,25,000
159.125	39,71,760	1,03,43,000	3,57,460	14,40,600
169	42,18,200	1,09,85,000	3,79,640	22,22,850
169	42,18,200	1,09,85,000	3,79,640	65,00,000
175.5	43,80,480	1,14,07,500	3,94,240	32,50,000
181.9	45,40,200	1,18,23,500	4,08,600	56,00,000
182.8	45,62,600	1,18,82,000	4,10,600	8,53,500
182.8	45,62,600	1,18,82,000	4,10,600	28,75,000
182.8	45,62,600	1,18,82,000	4,10,600	18,00,000
182.8	45,62,600	1,18,82,000	4,10,600	53,62,300
184	45,92,600	1,19,60,000	4,13,300	89,86,200
186	46,42,560	1,22,90,000	4,17,800	52,82,000



### Chandigarh Market Comparison (100-250 sq yards)

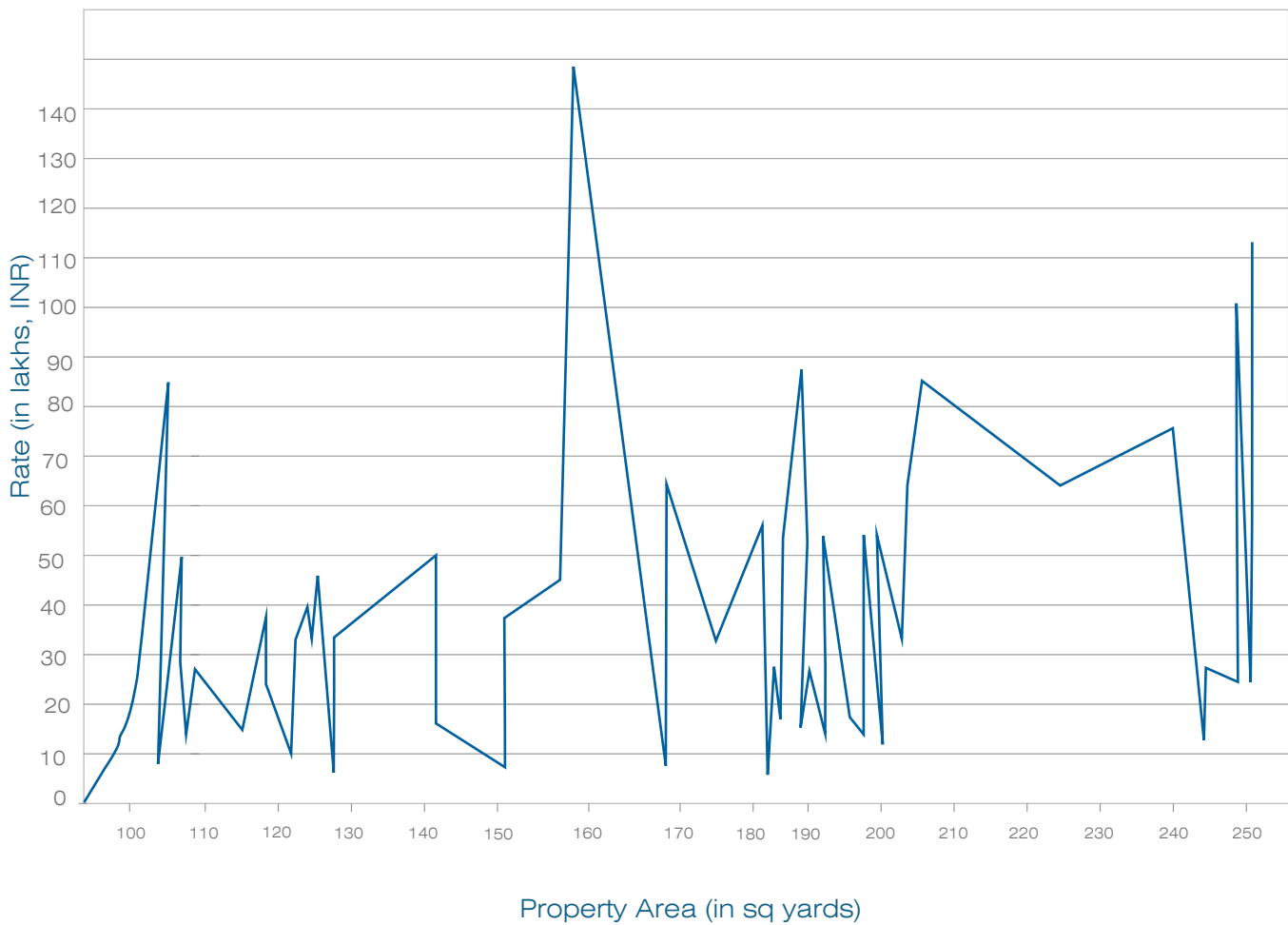
Comparison between the registered amount, the actual average market rate and the rate fixed by the government with relation to residential property area between 100-250sq yards i.e 4-10 marlas.

Property area	Total Government rate	Average Market Rate	9% of the govt	Registered Amount
188.4	47,02,400	1,22,46,000	4,23,200	15,50,000
188.4	47,02,400	1,22,46,000	4,23,200	27,00,000
192	47,92,300	1,24,80,000	4,31,300	14,99,000
192	47,92,300	1,24,80,000	4,31,300	27,45,000
192	47,92,300	1,24,80,000	4,31,300	52,99,000
196.8	49,12,100	1,27,92,000	4,42,000	19,34,500
198.3	49,49,500	1,28,89,000	4,45,500	15,73,000
198.3	49,49,500	1,28,89,000	4,45,500	28,10,000
198.3	49,49,500	1,28,89,000	4,45,500	54,75,000
200	49,92,000	1,30,00,000	4,49,200	11,60,000
200	49,92,000	1,30,00,000	4,49,200	54,56,000
212	52,91,000	1,37,80,000	4,76,100	33,78,000
215	53,66,400	1,39,75,000	4,82,900	63,85,000
217	54,16,300	1,41,05,000	4,87,400	85,00,000
226	56,40,960	1,46,90,000	5,07,600	64,50,000
240	59,90,400	1,56,00,000	5,39,100	76,32,000
243.8	60,85,200	1,58,47,000	5,47,600	14,00,000
243.8	60,85,200	1,58,47,000	5,47,600	28,86,500
249.4	62,25,000	1,62,11,000	5,60,200	25,00,000
249.4	62,25,000	1,62,11,000	5,60,200	66,40,500
249.4	62,25,000	1,62,11,000	5,60,200	1,00,00,000
250	62,40,000	1,62,50,000	5,61,600	25,60,000
250	62,40,000	1,62,50,000	5,61,600	57,23,600
250	62,40,000	1,62,50,000	5,61,600	1,12,50,000



The lowest price recorded, as shown in the graph is for 4 marla i.e Rs. 8,15,900 and in the same area price is Rs. 85,00,000. The determinant behind such variations encompasses, the availability of loan or location, type of property (new/old), locality etc.

Graph representing the comparison between the registered amount, actual average market rate and the rate fixed by the Government with relation to residential property area between 100-250 sq yards .i.e 4 marlas-10 marlas.





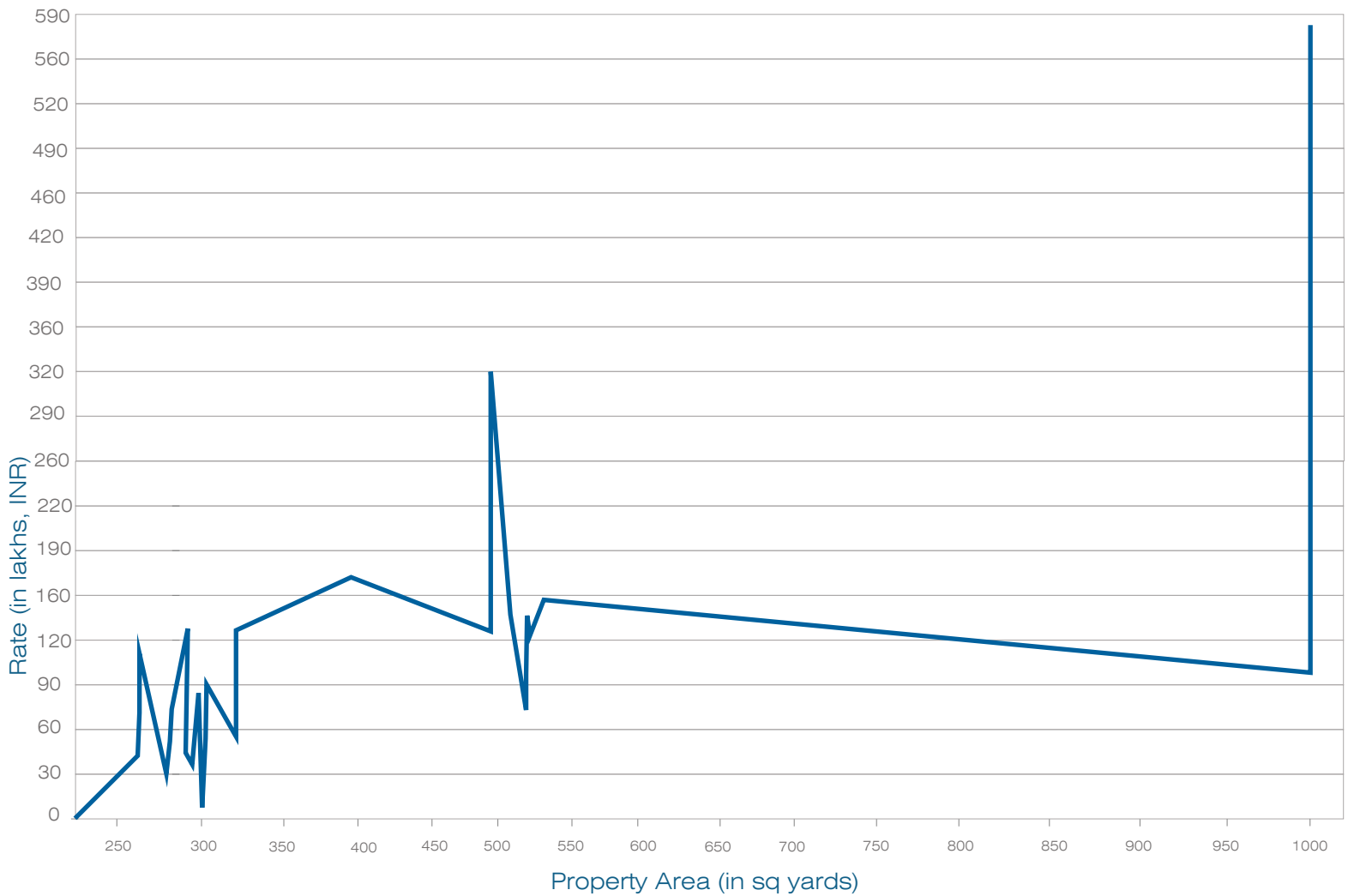
**Chandigarh Market Comparison (250-1000 sq yards)**

Comparison between the registered amount, the actual market average rate and the rate fixed by the Government with relation to residential property area between 251-1000 sq yards.i.e 10 marlas and 2 kanal.

Property area	Total Government rate	Average Market Rate	9% of the govt	Registered Amount
253.5	63,27,360	1,64,77,500	5,69,460	45,00,000
253.5	63,27,360	1,64,77,500	5,69,460	66,57,000
253.5	63,27,360	1,64,77,500	5,69,460	1,17,50,000
256.5	63,89,760	1,66,72,500	5,75,000	30,00,000
256.5	63,89,760	1,66,72,500	5,75,000	41,25,000
256.5	63,89,760	1,66,72,500	5,75,000	63,83,000
270.69	67,54,000	1,75,93,500	6,07,000	1,30,92,000
278	69,38,000	1,80,70,000	6,24,000	33,25,000
293.33	73,21,000	1,90,66,000	6,58,800	32,00,000
293.33	73,21,000	1,90,66,000	6,58,800	80,50,000
300	74,88,000	1,95,00,000	6,73,900	18,00,000
300	74,88,000	1,95,00,000	6,73,900	50,00,000
300	74,88,000	1,95,00,000	6,73,900	90,00,000
338	84,36,000	2,19,70,000	7,59,200	51,50,000
338	84,36,000	2,19,70,000	7,59,200	93,45,000
338	84,36,000	2,19,70,000	7,59,200	1,35,00,000
444	1,10,82,000	2,88,60,000	9,97,380	1,72,00,000
500.5	1,24,80,000	3,25,00,000	11,23,200	1,35,00,000
500.5	1,24,80,000	3,25,00,000	11,23,200	3,20,00,000
525	1,31,04,000	3,41,25,000	11,79,360	1,42,47,000
528.13	1,31,82,000	3,43,28,400	11,86,380	67,55,000
528.13	1,31,82,000	3,43,28,400	11,86,380	92,00,000
528.13	1,31,82,000	3,43,28,400	11,86,380	1,45,50,000
530	1,32,28,800	3,44,50,000	11,90,500	1,32,00,000
570	1,42,27,200	3,70,50,000	12,80,400	1,50,99,000
633.3	1,58,07,000	4,11,64,500	14,22,600	1,58,50,000
1000	2,49,60,000	6,50,00,000	22,46,400	1,12,00,000
1000	2,49,60,000	6,50,00,000	22,46,400	2,50,00,000
1000	2,49,60,000	6,50,00,000	22,46,400	3,50,00,000
1000	2,49,60,000	6,50,00,000	22,46,400	4,50,00,000
1000	2,49,60,000	6,50,00,000	22,46,400	5,80,00,000



The lowest price recorded, as shown in the graph, is for 12 marlas i.e 300 sq yard (18,00,000) and in the same area, price is 90,00,000. The determinant behind such variations encompasses, the availability of loan or location, type of property (new/old), locality etc.



Graph representing the comparison between registered amount, actual market average rate and the rate fixed by the Government with relation to the residential property area between 250-1000 sq yards. i.e 10 marlas- 2 kanal.



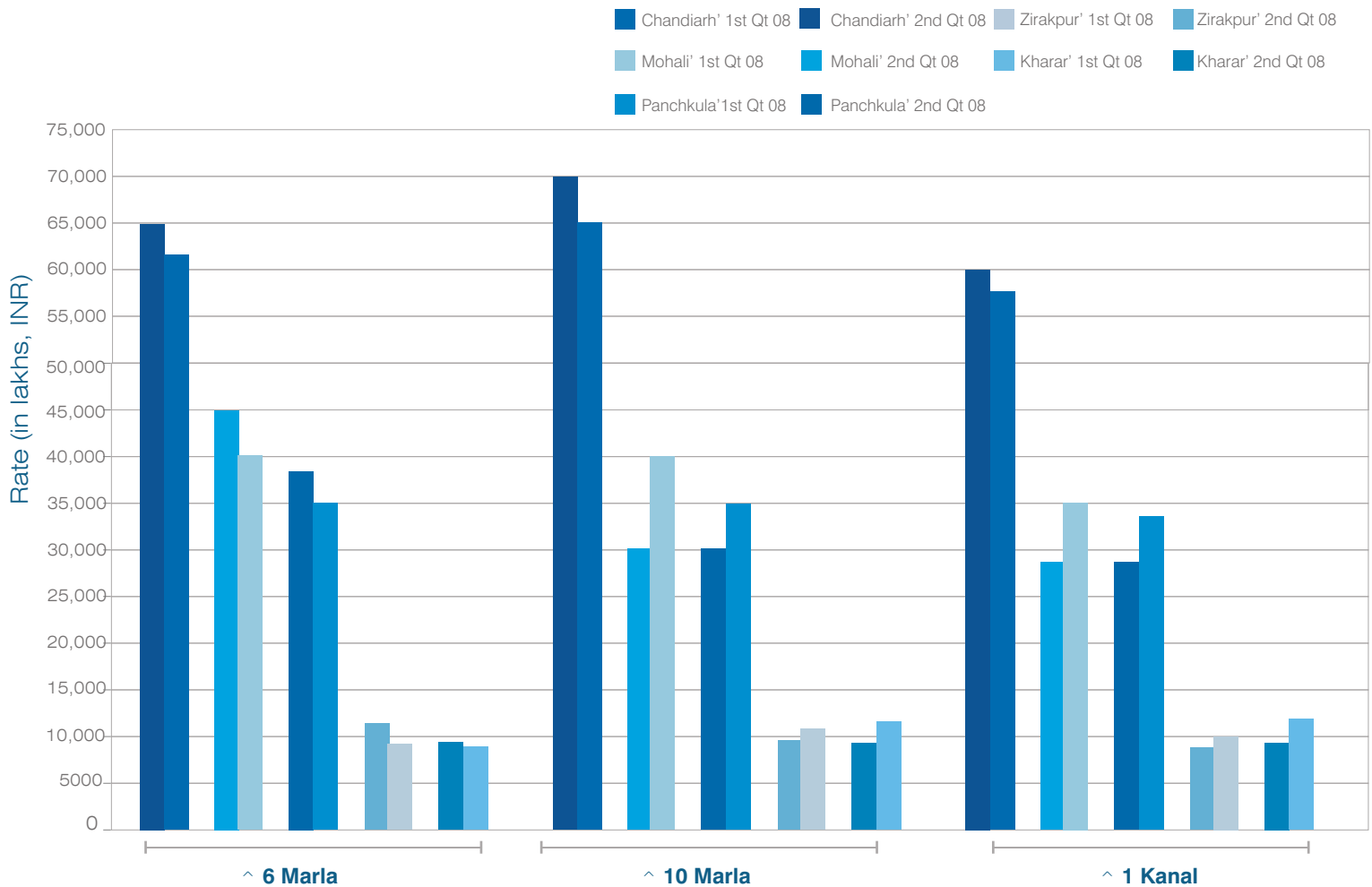
### Sub-urban Market Comparison:

Comparative Analysis of the rates of 1st quarter 2008 with 2nd quarter:

Location	Property area					
	6 marla		10 marla		1 kanal	
	2nd Qtr 2008	1st Qtr 2008	2nd Qtr 2008	1st Qtr 2008	2nd Qtr 2008	1st Qtr 2008
Chandigarh	65,000/ per sq yard	62,000/ per sq yard	70,000/ per sq yard	65,000/ per sq yard	90,000/ per sq yard	58,000/ per sq yard
Mohali	45,000/ per sq yard	40,000/ per sq yard	50,000/ per sq yard	40,000/ per sq yard	40,000/ per sq yard	40,000/ per sq yard
Panchkula	38,000/per sq yard	35,000/ per sq yard	38,000/ per sq yard	35,000/ per sq yard	35,000/ per sq yard	32,000/ per sq yard
Zirakpur	12,000/ per sq yard	9,000/ per sq yard	10,000/ per sq yard	10,500/ per sq yard	10,000/ per sq yard	10,000/ per sq yard
Kharar	9,500/ per sq yard	8,000/ per sq yard	10,000/ per sq yard	12,000/ per sq yard	10,000/ per sq yard	10,000/ per sq yard

●The residential property rates in the sub-urban areas have appraised within this quarter. Evaluating the rates of the 2nd quarter of 2008 with 1st quarter, it has been noticed that the rates have been appraised in the range of 5%-10%, thus the graph shows an acclivous trend.

●The rates of 10 marla & 1 kanal in Chandigarh have been appreciated within this quarter, thus showing the upward slope.





### Number and types of deeds registerd in Rural area :

Number of Deeds vis a vis the sectors:

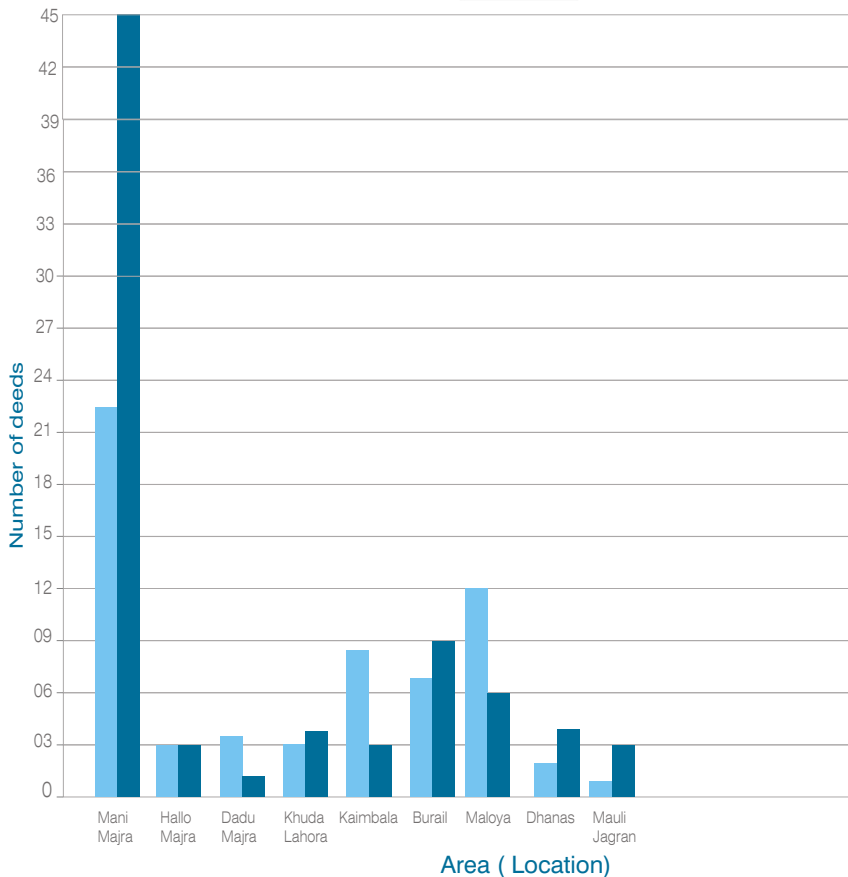
Location	Number of deeds 2nd Qt 2008	Number of deeds 1st Qt 2008
ManiMajra	45	23
HalloMajra	3	3
DaduMajra	1	4
Khuda Lahora	4	3
Kaimbala	3	8
Burail	9	7
Maloya	6	12
Dhanas	4	2
Mauli jagran	3	1

The highest number of sale-purchase of residential properties was in Manimajra.

- The reason attributed to this is the higher magnitude of availability of residential flats in cheaper rates compared to the other suburbs.
- Proximity to Punjab, Haryana and Himachal Pradesh adds another reason for its high sale deeds.
- Manimajra is very close to Chandigarh as well as IT park, which adds another feather in its cap.

Manimajra was followed by Burail and Maloya. The reasons for higher activity of sale purchase in this two areas are:.

- Being adjacent to Chandigarh, these two areas effectuate more demand as compared to the far off areas.

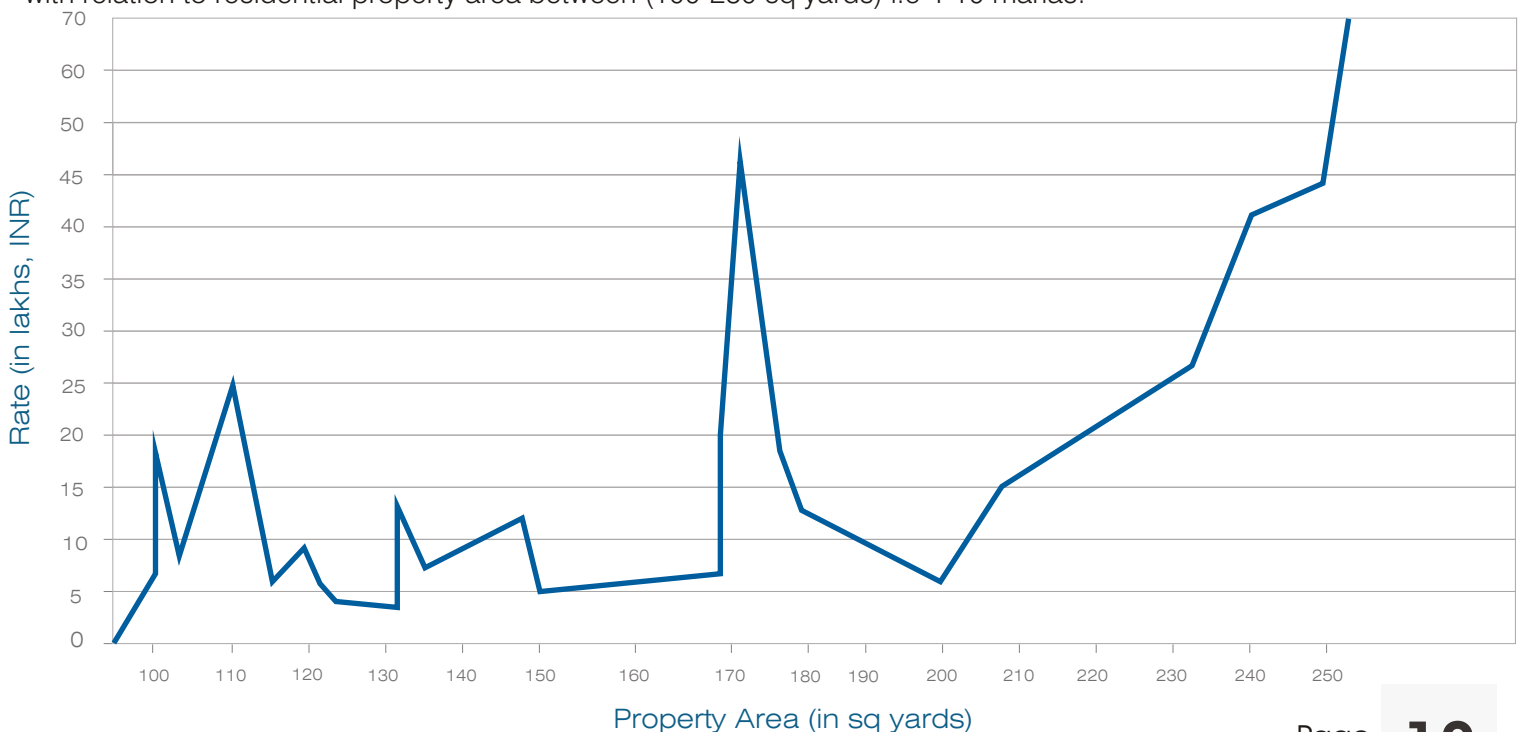




### Rural Market Comparison (100-250 sq yards)

Property area	Govt rate per sq yard	Total Government rate	Average Market Rate	9% of the govt Rate	Registered Amount
100	3120	3,12,000	5,50,000	28,000	5,50,000
100	3120	3,12,000	5,50,000	28,000	18,00,000
106	3120	3,30,700	5,83,000	29,700	7,80,000
110	3120	3,43,200	6,05,000	30,888	25,00,000
115	3120	3,58,800	6,32,500	32,900	6,00,000
120	3120	3,74,400	6,60,000	33,600	7,52,000
121.5	3120	3,79,000	6,68,200	34,110	6,75,000
126.5	3120	3,94,680	6,95,700	35,500	4,50,000
131.5	3120	4,10,200	7,23,200	36,900	4,10,000
131.5	3120	4,10,200	7,23,200	36,900	13,64,500
135	3120	4,21,200	7,42,500	37,900	6,50,000
148.8	3120	4,64,250	8,18,400	41,000	12,28,000
150	3120	4,68,000	8,25,000	42,000	5,00,000
168	3120	5,24,100	9,24,000	47,000	6,00,000
168	3120	5,24,100	9,24,000	47,000	20,00,000
169.11	3120	5,27,600	9,30,100	47,400	46,55,500
176.77	3120	5,51,600	9,72,200	49,600	18,53,000
180	3120	5,61,600	9,90,000	50,500	13,95,500
200	3120	6,24,000	11,00,000	56,100	6,50,000
209.5	3120	6,53,640	11,52,250	58,830	15,00,000
232.44	3120	7,25,200	12,78,400	65,200	26,00,000
232.44	3120	7,25,200	12,78,400	65,200	30,00,000
240	3120	7,48,800	13,20,000	67,400	36,00,000
247.5	3120	7,72,200	13,61,250	69,500	44,00,000
247.5	3120	7,72,200	13,61,250	69,500	70,28,900

Comparison between the registered amount, the actual market average rate and the rate fixed by the Government with relation to residential property area between (100-250 sq yards) i.e 4-10 marlas.

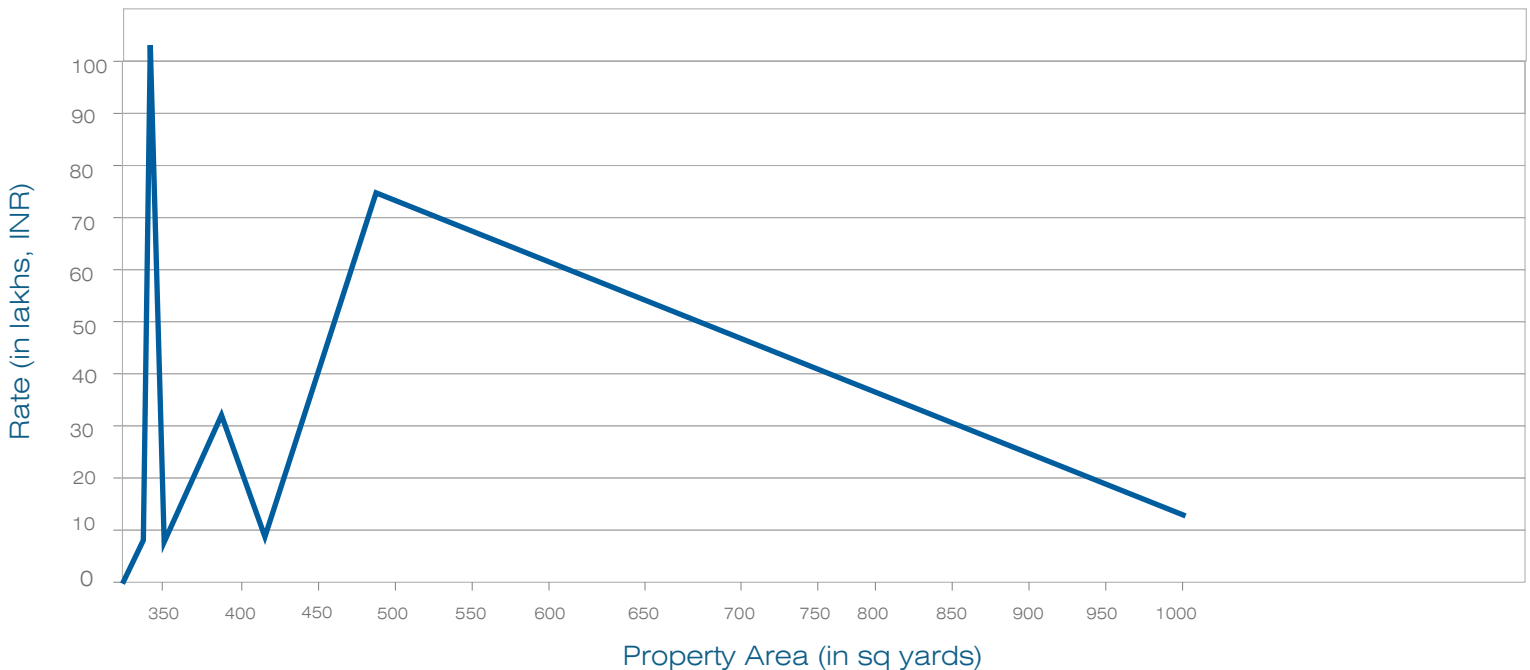




### Rural Market Comparison (251-1000 sq yards)

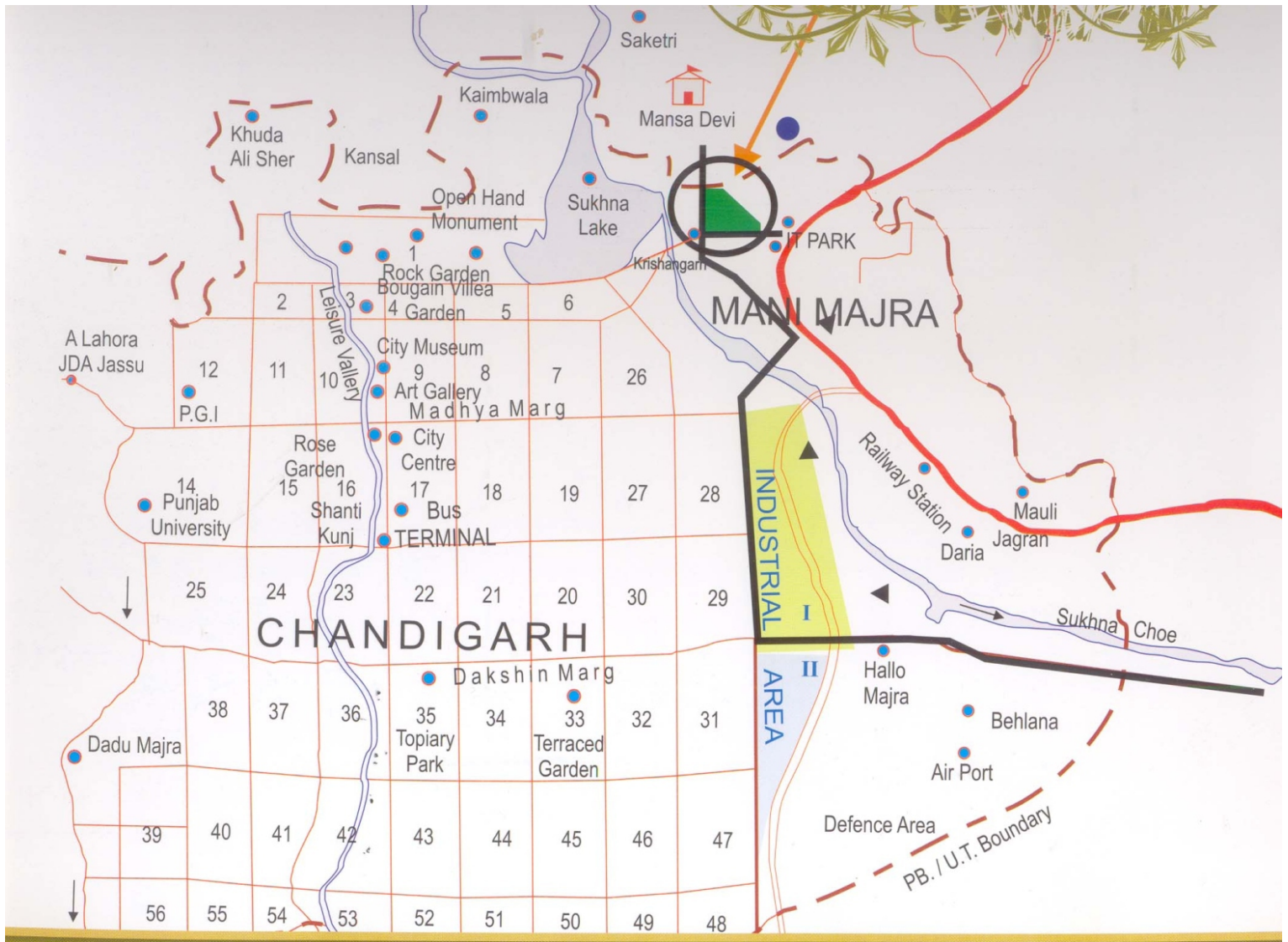
Property area	Govt rate per sq yard	Total Government rate	Average Market Rate	9% of the govt Rate	Registered Amount
260	3120	8,11,200	14,30,000	73,000	6,50,000
287.5	3120	8,97,000	15,81,200	80,700	1,04,50,000
350	3120	10,92,000	19,25,000	98,200	7,00,000
398.09	3120	12,42,000	21,89,500	1,11,700	31,00,000
428	3120	13,35,360	23,54,000	1,20,100	4,00,000
485	3120	15,13,200	26,67,500	1,36,100	75,68,000
1000	3120	31,20,000	55,00,000	2,80,800	12,75,000

Comparison between the registered amount, the actual market average rate and the rate fixed by the Government with relation to residential property area between 250-1000 sq yards i.e. 10 marlas-2 kanals.





### Chandigarh Rural Map :





## Summary

The research and comparative analysis of 1st and 2nd quarter data of the residential segment in Chandigarh and suburbs throws light at various phenomena.

The sale deed rules prominence over other types like transfer, gift, exchange or conveyance in both the quarters. The maximum number of sale purchase of residential properties in Chandigarh has been recorded in sectors like 18,19, 20,21,22, 27, 32, 35 and 37. The reasons attributed to this are cheaper property rates as compared to other central and main sectors like 4, 5, 8 and 9. These are the most expensive sectors in Chandigarh, thus rare movement of residential properties reported.

In second quarter too, the highest number of sale-purchase of residential properties was in sector 38. The reason attributed to this is the higher degree of availability of residential property in the form of plot, house as well as Chandigarh housing board flats which are in sectors 38 and 40 till sector 55. Along with this, co-operative flats which are the newly built ones are also available in sectors 48 onwards.

The comparative analysis of average market rates in first and second quarters indicates the market rate has gone up in the 2nd quarter. This appreciation in the market rates is analyzed to be from 5% to 10% on an average.

The residential property rates in the sub-urban areas have appreciated within this year.

Comparing the rates of the 2 consecutive quarters, there has been a slight apprise in the rates which is in the range of 5% to 10% as at some places the rates have not changed at all.





## Source of Information

- Chandigarh Estate Office
- Real Estate Brokers in Tri-city.
- [www.propertyvertical.com](http://www.propertyvertical.com)

## Special Thanks

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## About Propertyvertical.com

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Our presence in US, Delhi and Chandigarh helps us to cater to a wide range of customers both national and international. For the ease of our clients, the technical support team continuously updates and enhances the website. Assistance from trained, skilled and dedicated team working around the clock provides sale/purchase/investing solutions to the clients. Also the presence of dedicated research team and advisory council offers an in depth information and advisory services.

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