



2006
third quarter report
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A comprehensive analysis
of Chandigarh residential
real estate market

Welcome

Property Vertical is pleased to bring the Third Quarter Report on the Chandigarh residential property sales. Such endeavor has been made for the first time in the Indian Real Estate Market and we feel proud to be the pioneers of this concept. An attempt has been made to come up with a comprehensive analysis of the residential property in Chandigarh.

The authenticity of the data is kept in mind as it is collected from Chandigarh Estate Office. To give a complete perspective to the report this data is then compared with the data collected from the local property dealers.

Simplicity of the report has been maintained for easy understanding and evaluation by the readers.

We hope to provide a relevant and informative report to our valued readers.



Ritu Sharma
Research Analyst



Vipin Sharma
General Manager

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Introduction

The real estate sector is attracting both national and international private developers and colonizers in India. The tri-city i.e. Chandigarh, Mohali and Panchkula and the suburban areas of Chandigarh like Kharar, Zirakpur, Baddi and Dera Bassi are not left far behind. These locations are much sought after destinations for developers like TDI, MGF, Westend, Unitech, Parsvnath, Omaxe and EMMAR. Huge investments have been made by these developers and still many are in the pipeline ready to explore opportunities in this area.

The entry of huge number of private builders in the outskirts of Chandigarh developing land into residential property has increased the availability of residential property to the prospective buyers and investors. As a result there has been definitely a manifold increase in the supply but the demand is not increasing proportionately. As a result residential property rates have depreciated around 25% to 30% in the areas like Mohali and Panchkula.

In last six months there has been a slump in the residential properties in Chandigarh. Around 15%-20% rates for small properties like 5 marlas and 10 marlas have gone down whereas for the larger properties like 1 kanal it has been static in Chandigarh residential properties in last one year. Both the investors and the sellers are waiting for the slump to settle down before going into any transaction.

The main reasons attributed to this can be that the residential property market in Chandigarh is nearly saturated. Now the expansion is on the outskirts and the sub-urban areas. This has surely brought smiles on the faces of middle income and the salaried class who can now buy a residential property not far away from Chandigarh.

The rate of registration of a plot in Chandigarh fixed by the administration is Rs 19,200 per square yard on which the registry is supposed to be done. Whereas the market rate is around Rs. 60,000 per square yard in sectors like 18, 19, 21 and 22. The registration rate in Mohali and Panchkula is around Rs 10,000 to Rs 14,000 whereas in the suburbs it is between Rs 4,000 to Rs 6,000.

The government rate for construction is Rs. 200 per square feet covered area for old construction which is more than 10 yrs old and Rs. 400 per square feet for new construction which is less than 10 yrs old.

In the residential property the demand is high for 5-10 marlas in both the plot and the constructed house. The value of a 5 marla old constructed house is around 70 lakhs whereas for 10 marla it is around Rs. 1.25 crore and for 1 kanal it is around Rs 2.5 crore.

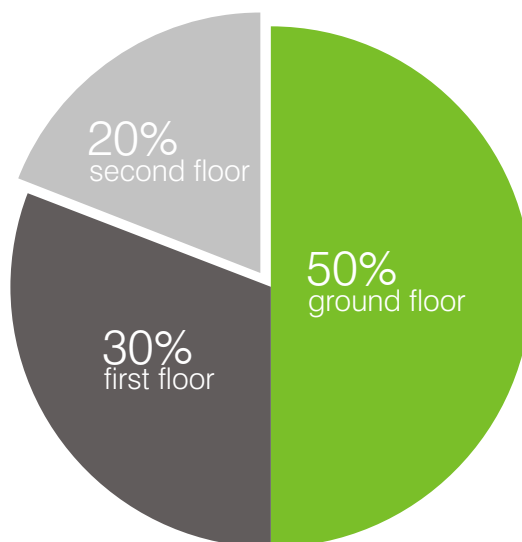
Considering the flats, rates vary from location to location and from project to project. Taking the example of MDC (Mansa Devi Complex), Panchkula, the property rates are Rs. 31,000 per square meter and a 3 bed room flat would cost around Rs. 40-60 lakhs.

The rates of leasehold properties are around 20-25% less than the freehold properties. Leasehold properties are in sectors like 44, 43, 42, 41 and 40. Due to the lack of finance availability from the banks on leasehold properties, these have a fewer buyers. These days most of the buyers are opting for the loans. Also the government provides benefits on the loan amount like exemption from the Income Tax.

Property Vertical Research Department believes that there is a need for Apartment Act to be enforced in Chandigarh. As separate floors cannot be sold or bought in Chandigarh but they are transferred under the Shared Transfer Act. In last 5-6 years there has been a trend of transferring floors of a multi storey constructed house. But the Apartment Act will make it more convenient and simple for both the parties. For instance if a family staying in a three story house has three children and they want to give a portion to each, the act will enable them to do so.

At present the ownership rights are distributed as 50%, 30% and 20% for ground floor, first floor and the second floor respectively.

Floor	Ownership rights
Ground Floor	50%
First Floor	30%
Second Floor	20%



Flats in Chandigarh

The availability of flats in Chandigarh is limited to Sector 41 to Sector 49 only. These are the Society Flats which are categorized as LIG, MIG and HIG. These are again divided into lower and upper categories.

The rates of these flats per category are given in table xx.

Category of Flats		Rate* (rs./per sq feet)
LIG (2 BR)	Lower	2000
	Upper	1900
MIG (3 BR+DD)	Lower	2100
	Upper	2300
HIG (3 BR+DD)	Lower	2600
	Upper	3100

Floorwise Rates of 10 marla house in Chandigarh

Floor	10 Marla House	
	Old Constructed	New Constructed
Ground Floor	65-70 lakhs	80-90 lakhs
First Floor	50-55 lakhs	60-65 lakhs
Second Floor	35-40 lakhs	45-50 lakhs

Old constructed house means on which the construction is more than ten years old.

New constructed house means on which the construction is less than ten years old

Plots in Chandigarh

The availability of plots in Chandigarh is very limited and in some areas is almost negligible. For instance 5 and 10 marla plots are not available in the northern sectors of Chandigarh. Also 10 marla plots are rarely available in the southern sectors.

The demand for 5 and 10 marla plots is the maximum in Chandigarh but due to limited availability, the rate per square yard of these plots is the maximum.

The Chandigarh market scenario related to residential plots is very limited. There is more demand but less supply. Hence the rates are high as compared to the residential plots in the periphery of the tri-city like Kharar, Banur, Zirakpur and Dera Bassi. As a result due to lower rates and ample availability the shift is towards these areas.

Area of Plot	Market Rate* (rs./per sq feet)
5 marlas	50 - 60 lakhs
10 marlas	1.35 - 1.5 crores
1 kanal	2.65 - 3 crores
2 kanal	5.5 - 6 crores

*The rates are approximate as per the property dealers. All the rates are in INR.

New constructions and Developments in Panchkula and Mohali

In Mohali and Panchkula the development is more aggressive with around 10-15 new sectors being developed in Panchkula alone in the coming 5 years. This will add up to the existing number of 28 sectors. There are also 140-150 society flats in Sector 20 Panchkula. 4-5 new sectors are also under construction in Mansa Devi Complex (MDC).

In Mohali too, new sectors have been allotted to the private developers like Westend Estate in Sector 85, EMMAR- MGF Sector 105 and Pearl in Sector 100 and 104. As a result the rates in Panchkula and Mohali have depreciated around 25-30%. Further there is more development on the Pinjore road and Kharar-Chandigarh- Landran road which has expanded till Banur.

Emmar Properties - the largest listed real estate developer in the world - joining hands with the Delhi-based MGF Developments to announce India's largest FDI in the realty sector amounting to over US\$ 500 million in projects having capital outlay of US\$ 4 billion.

Location	Project Name	Apartments/Plots	Rates (in INR)	
Mohali	Westend Estate Sector-85	Apartments 2 BR (1250 sq. ft.) 3 BR (1675 Sq. Ft.) 3+ Servant Room (1875 Sq. Ft.) 4+ Servant Room (2375 Sq. Ft.) 4+ Servant Room (2675 Sq. Ft.)	Coral Rs.2200 per sq.ft.	Sapphire Rs.2500 per sq.ft.
		Plots (350 and 500 Sq. Yds.)	Rs.18,000 per Sq. Yard	
	EMMAR MGF Sector-105	Apartments 1350, 1550 and 1750 Sq. Ft. Pent Houses 2475, 2875 and 3225 Sq. Ft.	Rs. 2750 per Sq. Ft.	Rs. 2950 per Sq. Ft.
	Pearl Infrastructure Sector 100 and 104	Plots 256.67, 400, 450 and 500 sq. yds	Rs. 14,000 per Sq. Yard	

New Developments around Tri- city

To meet the demand in the real estate sector the development is now shifting to the outskirts of the cities as the land inside has been completely exhausted. This leaves no solution for the investors but to look for other options around.

The property rates vary from builder to builder depending upon the facilities and amenities provided by them. Like a villa in Shivalik City may cost you something around Rs. 40-50 lakhs whereas in Gillco Towers it may cost you around Rs.28 lakhs depending upon the area and number of storey built up.

A flat in Shivalik City costs around Rs.1,868 per sq feet. In TDI it costs around Rs.1, 750 per sq feet whereas in MGF it may cost something around Rs.2, 750 per sq feet which is the discounted price as against the actual price of Rs.2, 950 per sq feet.

The plot rates also vary from builder to builder. For instance plots in Pearl costs around Rs.15,000 per sq. yard. Whereas in MGF the residential plot is for Rs.11,500 per sq. yard and in Shivalik city it is for Rs.12,000 per sq yard.

Zirakpur



Location	Project Name	Apartments/Plots	Rates (in INR)
Zirakpur	Nirmal Chhaya Towers	Apartments 2,3,4 and 5 BR	Rs.2100 per Sq. Feet (Basic Rate)
	Whistler Heights Townships Pvt. Ltd.	Flats Ground Floor to 7 th Floor G.F. F.F.	Rs.3085 per Sq. Feet Rs. 3055 per Sq. Ft. (The rate goes on decreasing reciprocal with the floors).
	Jaipuria's Sunrise Greens	Flats Ground Floor to 6 th Floor 2 BR 3 BR	Rs. 2100 to Rs. 2200 per Sq. Ft. Rs. 2200 to Rs. 2100 per Sq. Ft.

Baddi



Location	Project Name	Apartments/Plots	Rates (in INR)
Baddi	Omaxe Parkwood	Flats 1, 2, and 3 BR	1st and 2 nd floor for Rs.1670 per Sq. Feet 3 rd , 4 th and 5 th floor for Rs.1620 per Sq. Feet

Kharar

One of the examples of the expansion of the residential properties outside the tri-city is the area enclosing Kharar-Landran and Kharar-Chandigarh (National Highway 21) stretch between Kharar, Landran and Mohali. On one side the road leads to Ropar and Ludhiana and on the opposite it goes to Banur whereas Chandigarh is on the other side. This area is enclosed by Chandigarh and the Quark city Mohali making it easily accessible.

It is emerging as a huge potential residential area these days. Almost everyone interested in the real estate including the developers, constructors, dealers and also the end consumers planning to buy a residential plot, flat or a house are considering this as an option. Also, those who due to the sky rocketed real estate prices cannot afford to buy any property in Chandigarh or Mohali or the young working generation who are looking for their own residence rather than paying huge rents are investing in Kharar.

Location	Project Name	Apartments/Plots	Rates (in INR)
Kharar	Shivalik City	Flats Villas Plots	Rs. 1868 per Sq. Ft. Rs. 40-50 lakhs Rs. 12000 per Sq. yard
	Sunny Enclave (Bajwa Developers Ltd.)	Apartments Ground Floor to 5 th Floor 2 BR 3 BR Villas 140 Sq. yards 165 Sq. yards 263 Sq. yards 290 Sq. yards	Rs. 1846 per Sq. Ft. Rs.1687.50 per Sq. Ft. 30 lakhs 34 lakhs 53 lakhs 58 lakhs
	Acme Heights (Marvel Buildcon Pvt. Ltd.)	Apartments 1 st Floor to 6 th Floor	Rs.1750 per Sq. Ft.



Dera Bassi

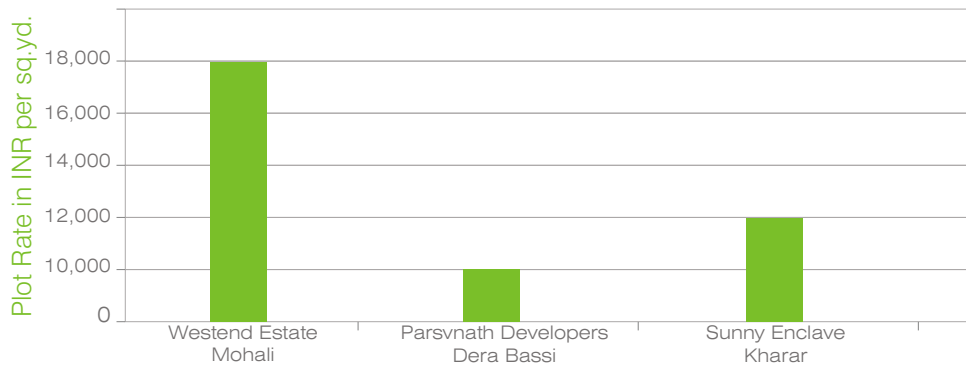
After Zirakpur, Dera Bassi is now attracting the colonizers. The land which was selling at the rate of Rs 20 lakh per acre last year on the Chandigarh- Ambala Highway in the villages like Madhopur, Sheikhpura Khurd, Dadrala, Gulabgarh and Sadhemajra is now selling at the rate of 1.25 cr to 1.5 cr per acre. This land however is non agricultural, which is now bringing smiles on the faces of the farmers as they are getting good returns for their land.

The tri-city being out of reach of the common middle class, salaried and small businessman, now Dera Bassi is another option for them.

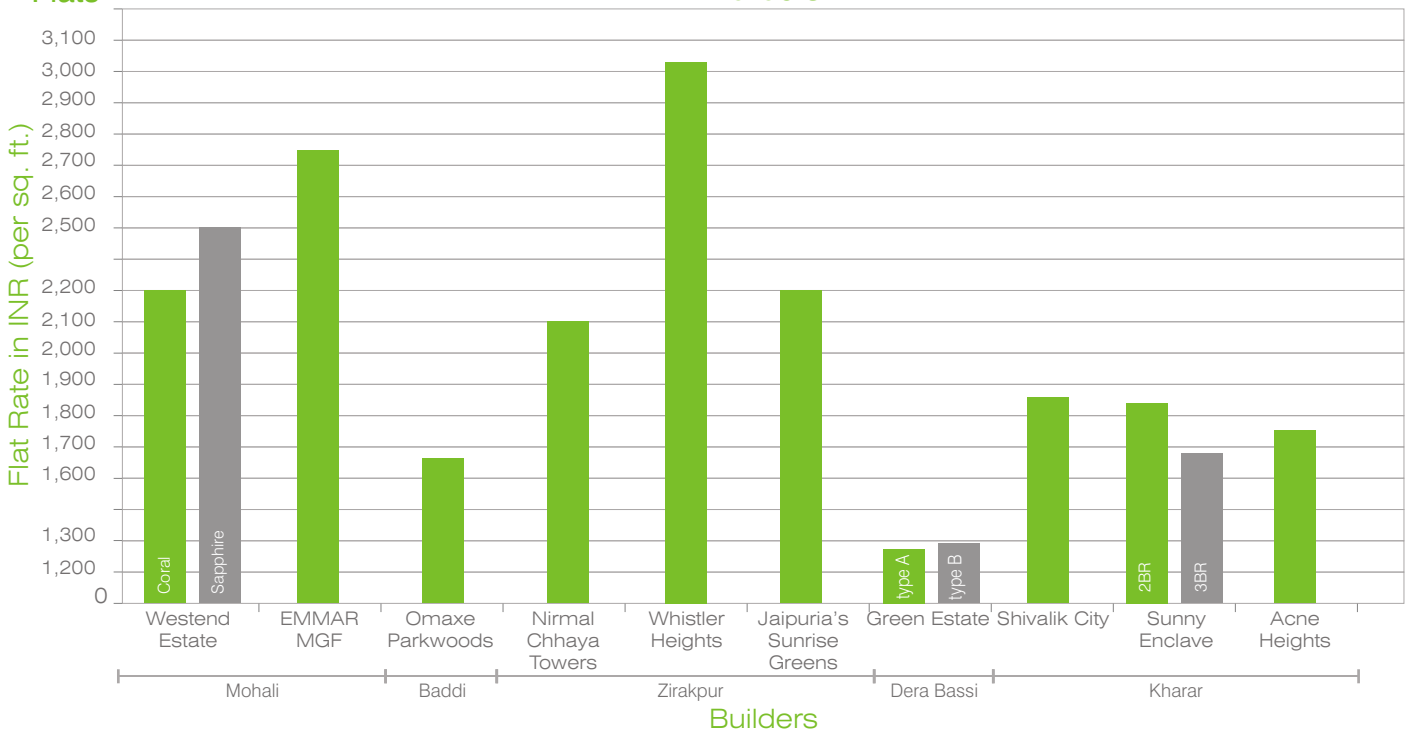


Location	Project Name	Apartments/Plots	Rates (in INR)
Dera Bassi	Parsvnath Developers Ltd.	Plots (In 200, 250, 300, 350, 400 and 450 Sq.yards)	Rs. 10,000 per sq yard.
	Green Estate	Flats Type A Type B	Rs.1286 per Sq. Ft. Rs.1297 per Sq. Ft.

Plots



Flats



Types and No. of deeds registered in Chandigarh

In the third quarter months of July, August and September the maximum number of deeds in the residential property in Chandigarh was the sale deeds. 92 sale deeds were registered in the records of Estate Office.

10 Gift Deeds were recorded.

4 Transfer Deeds and only 1 Exchange Deed was recorded.

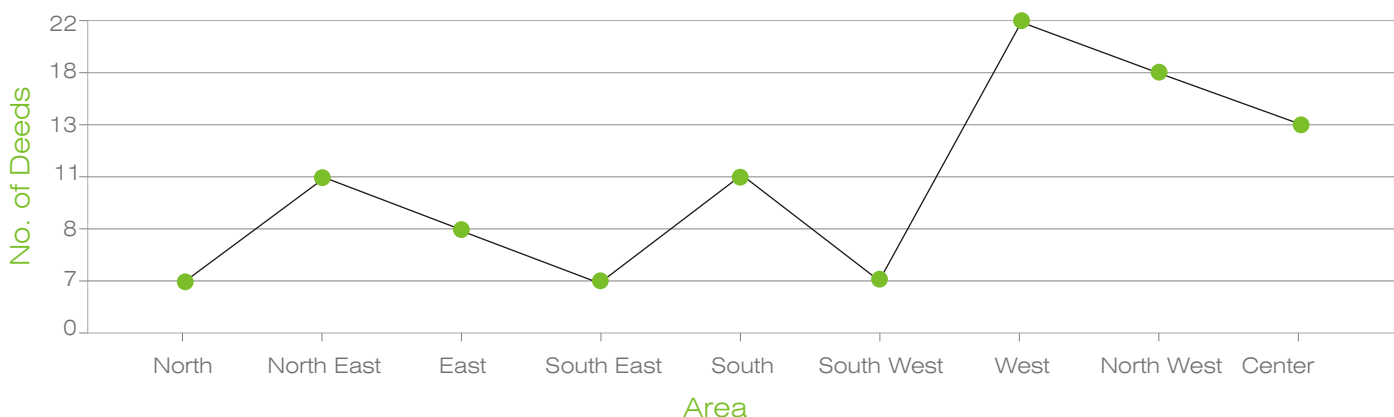


Type Of Deed	No. of Registries
Sale	92
Gift	10
Transfer	4
Exchange	1

Number of deeds registered vis-à-vis the location in Chandigarh.

The maximum number of sale in the residential property as registered which is 22 in the months of July, August and September was in the western sectors of Chandigarh which includes Sector 35, 36, 40, 42.

North West sectors of Chandigarh recorded the second highest sale i.e. 18. These sectors are 37, 38 and 23.



Area	North	North East	East	South East	South	South West	West	North West	Center
No. of Deeds	7	11	8	7	11	7	22	18	13

* The information is according to the Chandigarh Estate Office Records. All rates are in INR.

Variations in the property area with respect to the registered amount in Chandigarh

The highest average residential property area i.e. 376.65 sq. yard falls under the registered amount category of 17 to 19 lakhs. This proves that in the third quarter, registries of amount ranging between 17 to 19 lakhs was done for the highest average residential property area as compared to the other related property areas.



Registered Amount (in lakhs, INR)	Area (sq. yards)		
	Min.	Max.	Average
3 to 5	126.75	266	196.375
5 to 7	121.92	-	-
7 to 9	125	500.5	312.75
9 to 11	121.92	249.38	185.65
11 to 13	151.67	253.5	202.585
13 to 15	121.92	269	195.46
15 to 17	338	-	-
17 to 19	253.3	500	376.65
19 to 21	192	338	265
21 to 23	182	198.33	190.165
23 to 25	166	253.5	209.75
25 to 27	500.5	-	-
27 to 29	250	253.5	251.75
31 to 33	151.67	425	288.335
37 to 39	500	-	-
49 to 51	250	259.405	254.7025
53 to 55	600	-	-
57 to 59	568.8	-	-
61 to 63	250	-	-
63 to 65	314.33	-	-
69 to 71	344.5	-	-
89 to 91	300	-	-
99 to 101	253.5	475.22	364.36
101 to 103	322	505.4	-
105 to 107	528.13	-	-
109 to 111	521.7	-	-
113 to 115	528.13	-	-
129 to 131	639.4	-	-

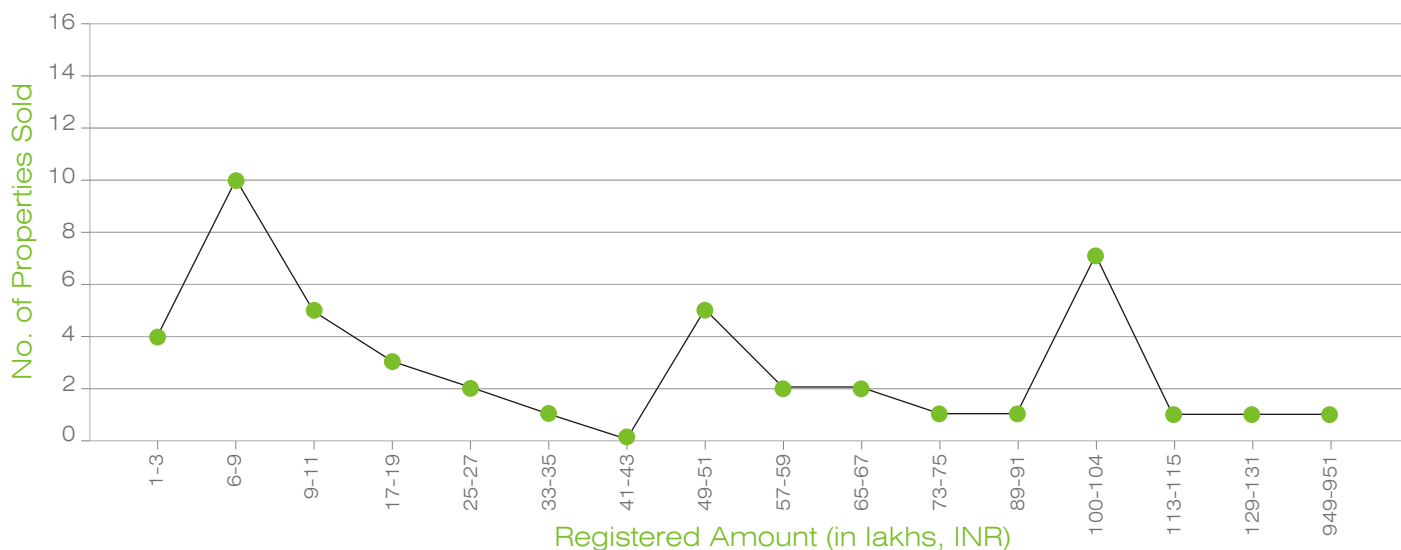
No. of properties sold vis-à-vis the area of property in Chandigarh

The highest number of properties sold in the months of July, August and September was of 250 to 275 sq. yards area. 15 residential properties were registered in the Estate Office with the area of 250 to 275 sq. yards or approximate 10 marlas. The property dealers also confirmed to this data that the demand of 10 marla residential property in Chandigarh is the maximum. As a result the rates of 10 marla residential property is the highest.



No. of property sold vis a vis the registered amount in Chandigarh

According to the Estate Office Records the maximum number of residential properties was sold in the registered amount category of 9 to 11 lakhs. 10 property deeds were recorded with the administration with this registered amount.

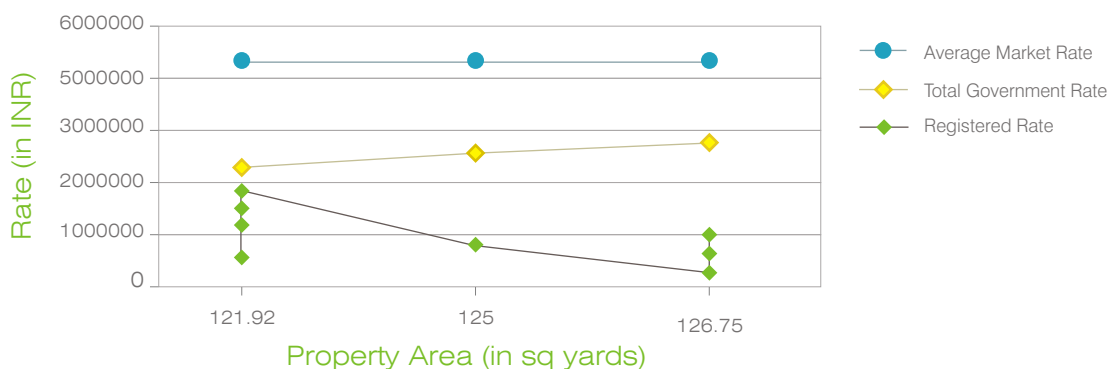


Chandigarh Market Comparison (120-130 sq yards)

The comparison between the registered amount, the actual market average rate and the rate fixed by the Government with relation to residential property area between 120-130 sq yards.i.e 4.8 marlas and 5.2 marlas.

Property Area	Gov.t Rate per sq. yard	Total Government Rate	Average Market Rate	6% of the Govt. Rate	Registered Rate
121.92	19200	2340864	5750000	140452	600000
121.92	19200	2340864	5750000	140452	1015580
121.92	19200	2340864	5750000	140452	1335000
121.92	19200	2340864	5750000	140452	1500000
125	19200	2400000	5750000	144000	750000
126.75	19200	2433600	5750000	146016	400000
126.75	19200	2433600	5750000	146016	500000
126.75	19200	2433600	5750000	146016	1000000

* All rates are in INR.

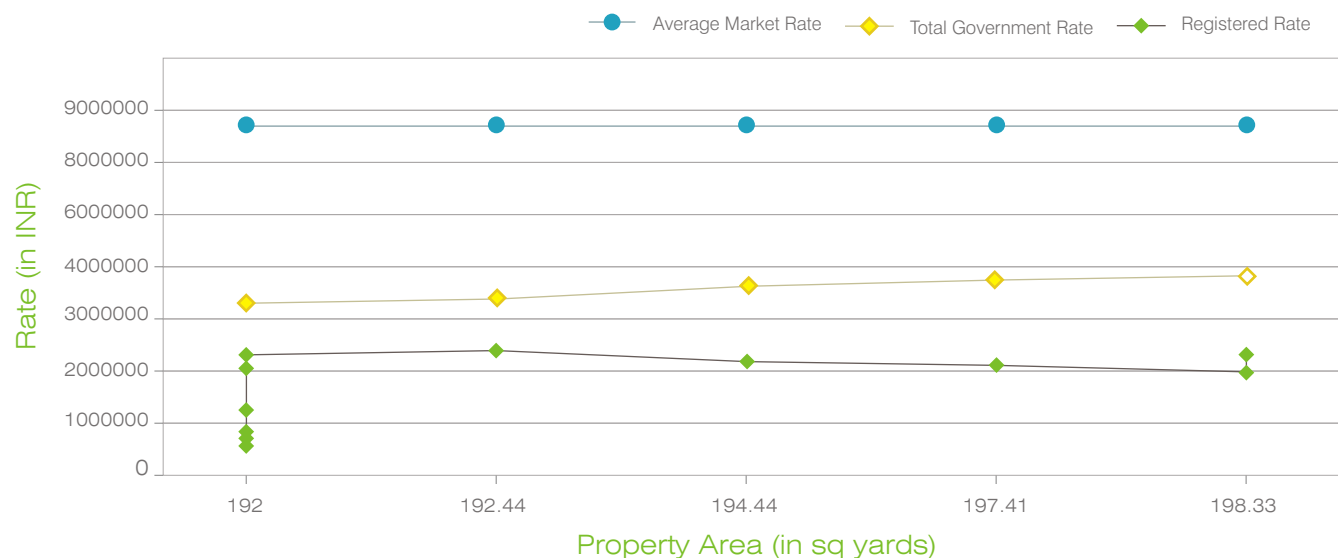


Chandigarh Market Comparison (190-200 sq yards)

The comparison between the registered amount, the actual market rate and the rate fixed by the Government with relation to residential property area between 190-200 sq yards.i.e 7.6 marlas and 8 marlas.

Property Area	Gov.t Rate per sq. yard	Total Government Rate	Average Market Rate	6% of the Govt. Rate	Registered Rate
192	19200	3686400	8750000	221184	830000
192	19200	3686400	8750000	221184	900000
192	19200	3686400	8750000	221184	950000
192	19200	3686400	8750000	221184	1210000
192	19200	3686400	8750000	221184	2010000
192	19200	3686400	8750000	221184	2300000
192.44	19200	3694848	8750000	221700	2337000
194.44	19200	3733248	8750000	223995	2205000
197.41	19200	3790272	8750000	227416	2100000
198.33	19200	3807936	8750000	228476	2071968
198.33	19200	3807936	8750000	228476	2200000

* All rates are in INR.

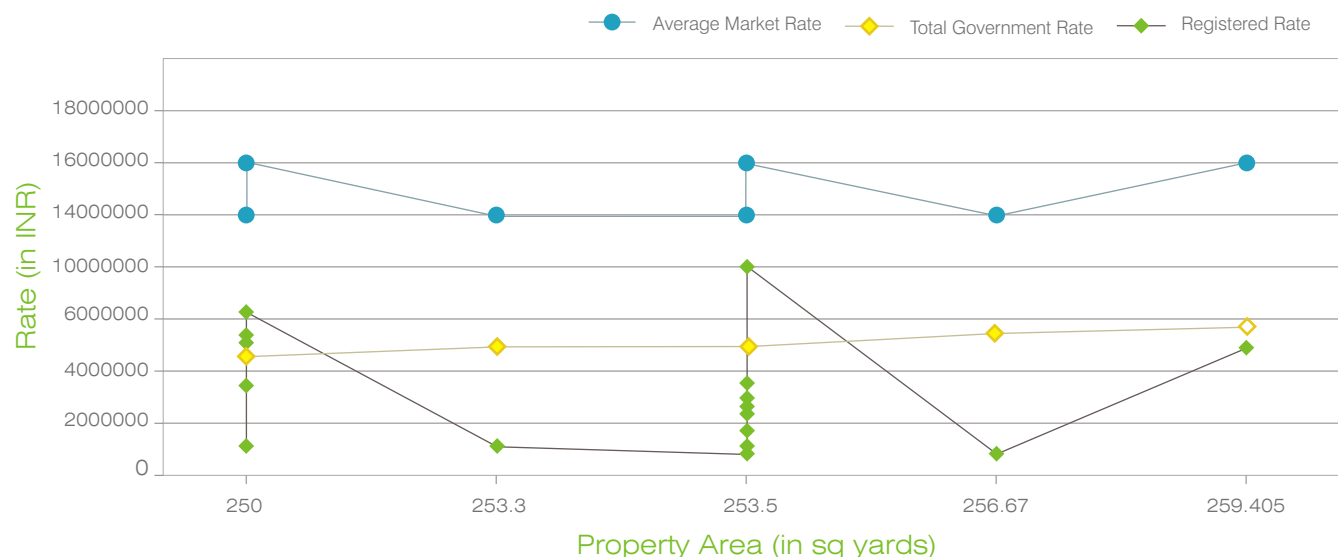


Chandigarh Market Comparison (250-300 sq yards)

The comparison between the registered amount, the actual market rate and the rate fixed by the Government with relation to residential property area between 250-300 sq yards.i.e 10 marlas to 12 marlas.

Property Area	Gov.t Rate per sq. yard	Total Government Rate	Average Market Rate	6% of the Govt. Rate	Registered Rate
250	19200	4800000	14000000	288000	1140000
250	19200	4800000	16000000	288000	2730600
250	19200	4800000	14000000	288000	5000000
250	19200	4800000	14000000	288000	5070000
250	19200	4800000	14000000	288000	6250000
253.3	19200	4863360	14000000	291800	1750000
253.5	19200	4867200	16000000	292000	1200000
253.5	19200	4867200	16000000	292000	1751000
253.5	19200	4867200	16000000	292000	1980000
253.5	19200	4867200	14000000	292000	2400000
253.5	19200	4867200	14000000	292000	2400000
253.5	19200	4867200	14000000	292000	2500000
253.5	19200	4867200	16000000	292000	2500000
253.5	19200	4867200	16000000	292000	2850000
253.5	19200	4867200	14000000	292000	3200000
253.5	19200	4867200	16000000	292000	10000000
256.67	19200	4928064	14000000	295700	1750000
259.405	19200	4980576	16000000	298800	5000000

* All rates are in INR.



Chandigarh Market Comparison (500-600 sq yards)

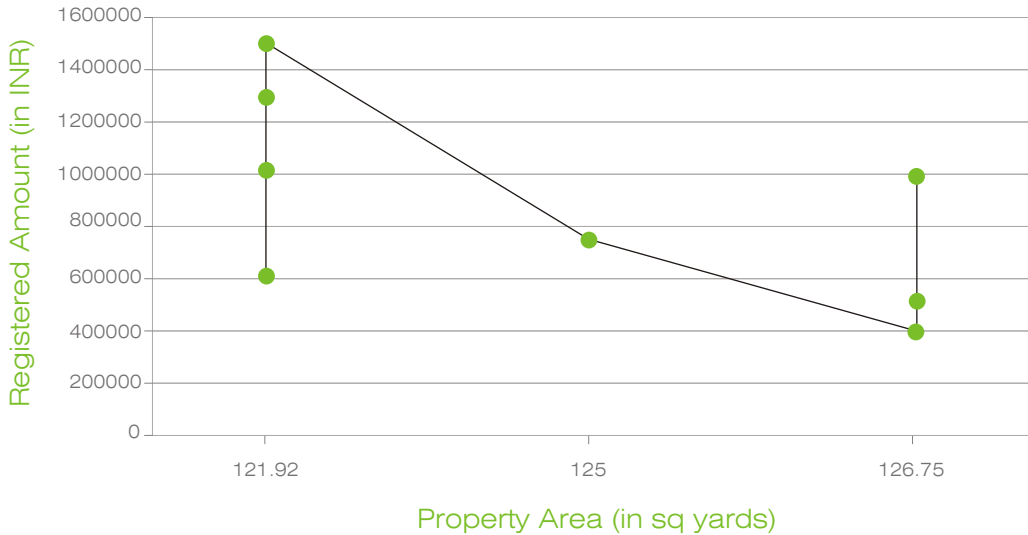
The comparison between the registered amount, the actual market rate and the rate fixed by the Government with relation to residential property area between 500-600 sq yards.i.e 20 marlas to 24 marlas

Property Area	Gov.t Rate per sq. yard	Total Government Rate	Average Market Rate	6% of the Govt. Rate	Registered Rate
500	19200	9600000	32000000	576000	1900000
500	19200	9600000	32000000	576000	1900000
500.5	19200	9609600	28750000	576600	900000
500.5	19200	9609600	32000000	576600	2600000
505.4	19200	9703680	28750000	582200	10250000
521.7	19200	10016640	32000000	601000	10966640
528.13	19200	10140096	26500000	608400	10540096
528.13	19200	10140096	28750000	608400	11500000
568.8	19200	10920960	32000000	655250	5860500
568.8	19200	10920960	32000000	655250	5860500
600	19200	11520000	32000000	691200	5340000

* All rates are in INR.

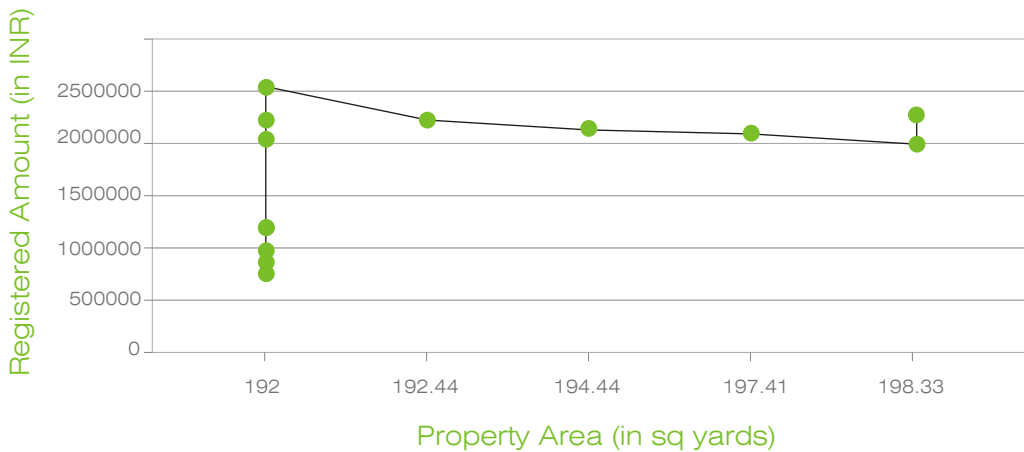


The variations in the Registered Amount with the same residential property area in Chandigarh



Property Area	Registered Amount
121.92	600000
121.92	1015580
121.92	1335000
121.92	1500000
125	750000
126.75	400000
126.75	500000
126.75	1000000

* All rates are in INR.



Property Area	Registered Amount
192	830000
192	900000
192	950000
192	1210000
192	2010000
192	2300000
192.44	2337000
194.44	2205000
197.41	2100000
198.33	2071968
198.33	2200000

* All rates are in INR.

This proves that the same residential property area is registered with different registry amounts. Some of the reasons for this variation are that it depends on the will and the financial capability of the buyer as whether he wants to go for loan from the bank for the purchase of the property.

Variations in the registered amount in Chandigarh sector wise

The maximum and the minimum registered amount of 120-200 sq. yards in different sectors

Sectors	Registered Amount (in lakh, INR)	
	Minimum Amount	Maximum Amount
22	6	15
27	9	22
38	8.3	23

The maximum and the minimum registered amount of 250-300 sq. yards in different sectors

Sectors	Registered Amount (in lakh, INR)	
	Minimum Amount	Maximum Amount
35	12	32
38	13.25	28.5
40	4.5	100
44	50	62.5

The maximum and the minimum registered amount of 500-600 sq. yards in different sectors

Sectors	Registered Amount (in lakh, INR)	
	Minimum Amount	Maximum Amount
8	19	39
10	26	100.9



Predictions

Property Vertical research team came up with the following predictions for the next quarter related to real estate in Chandigarh.

- The rates for residential properties will rise in the coming quarter.
- Whereas the commercial rates are concerned; these are already shooting up due to the latest movements in Panchkula commercial segment.
- Rental commercial is getting pace and is high right now. It has increased by 50% to 100% in Panchkula and 20% to 30% in Chandigarh. Further appreciation is unlikely to occur.
- The sale and purchase of both residential and commercial properties in Chandigarh tri city will surely boost up due to NRI visits in the year end and early next year.
- This quarter has witnessed many new developments in and around Chandigarh tri city and this trend is expected to continue and increase in the coming months. But until the demand and supply is proportional, the new developers will not get the expected sales and profits on their investments.

Conclusion

The third Quarter Report tries to throw light on the residential property market in Chandigarh with respect to the records of the Estate Office and the information collected from the property dealers.

The maximum number of registered deeds in the Chandigarh residential property in the third quarter months of July, August and September was the sale deed as compared to the Gift Deed, Transfer Deed and Exchange Deed.

The maximum number of sale in the residential property as registered in the third quarter months was in the western sectors of Chandigarh. 22 deeds were registered in the sectors 35, 36, 40 and 42.

The highest average residential property area i.e. 376.65 sq. yard falls under the registered amount category of 17 to 19 lakhs. This proves that in the third quarter, registries of amount ranging between 17 to 19 lakhs was done for the highest average residential property area as compared to the other related property areas.

The highest number of properties sold in the months of July, August and September was of 250 to 275 sq. yards area. The property dealers also confirmed to this data that the demand of 10 marla residential property in Chandigarh is the maximum. As a result of this the rates of 10 marla residential property is also the highest.

In this report one factor which came into light was that same residential property area is registered with different registry rates. Some of the reasons for this variation are that it depends on the will and the financial capability of the buyer as whether he wants to go for loan from the bank for the purchase of the property.

Source of Information

- Chandigarh Estate Office
- Property Dealers in Tri-city
- www.propertyvertical.com

Special Thanks

Special thanks to Chandigarh Estate Office and the property dealers in the tri-city for the support and co-operation.

Our Addresses

Chandigarh Office:

SCO - 58 & 59, Level 2, Sector 34 A,
Chandigarh, India.
Ph:0172-5017354, 5088814

Delhi Office:

#155, Level 2, Lane-4,
Mahipalpur Ext. New Delhi- 37, India
Phone: +91-11-55094144

US Office:

115 Broadway, Suit 1304
New York, NY, 10006
Toll Free: 888-276-4064

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Email report author Ritu Sharma at info@propertyvertical.com with questions or comments

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