



2008

4th quarter report

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Research analysis report on chandigarh real estate

Dec 2008

Welcome

Property Vertical is pleased to bring the Fourth Quarter Report on the Chandigarh residential property sales 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.

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.

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Introduction

The slowdown in the real estate sector is widespread and the impact of economic slow down is now visible on the demand on Real Estate sector as the residential property rates in the sub-urban areas have declined within this quarter. The rate of properties in Chandigarh has been affected to a greater extent as the rates have come down.

Most of the buyers have postponed their plans to buy or invest in real estate sector. According to them, the overall market is not in a good condition and therefore one would want to save the money for rainy days in case current economic conditions continue for a long period. Home loans are expensive, despite the banks had lower their interest rates, but that is for a specific segment of buyers, therefore paying high EMI could be a cause of worry.

Sellers are holding on and are not willing for negotiations despite real estate companies bringing the prices down in the overall gloomy scenario. Buyers are adopting a wait and watch policy as they think, with time and prevalent market conditions, prices may drop further. The financial crisis in the global market has deeply affected the availability of funds for the domestic realty sector.

In the fourth quarter number of sales deeds is comparatively less than the third and second quarter. The rates have dipped from 15 % to 20 %. The rates of properties like 1 kanal has been affected to a greater extent as the rates have come down from 90,000 per sq yard to 72,000 per sq yard in Chandigarh. In rural areas too, number of deals has declined to a great extent.



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Number and types of deeds registered in Chandigarh:

Number of Deeds vis- a- vis the sectors:

Sectors	8	15	16	18	19	20	21	22	23	27	28	32	33	34	35	37	38	40	44	45	46	47
4th qtr Report Number of deeds	2	11	2	7	-	3	22	8	8	6	1	1	5	1	12	16	9	13	5	1	1	-
3rd qtr Report Number of deeds	3	14	3	4	1	4	11	9	7	10	2	3	4	2	3	4	7	5	5	1	3	1

The highest number of sale-purchase of residential properties was in sector 21, whereas in the third quarter, the sale was recorded high in Sec 15.

Sec 21 was followed by Sec 37, 35 and 15. The reason attributed for this higher activity of sale-purchase in these sectors are :-

- 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.
- 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:

	4th Qtr	3rd Qtr
Sale deeds :	140	145
Gift Deed :	9	5
DoC :	140	110
Transfer deed :	65	44

•The maximum number of deed registered was the sale deed which was 140. The similar trend was followed in the previous quarter. This signifies certain characteristics of the open market real estate dealings:

- sale deed is the only instrument for 100% assurance of property transfer
- sale deed is the basis of sale-purchase real estate
- 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)**

Property area	Govt rate per sq yard	Total Government rate	Average Market Rate	Registered Amount
100	24,960	24,96,000	60,00,000	20,00,000
100	24,960	24,96,000	60,00,000	26,19,000
115	24,960	28,70,400	69,00,000	15,00,000
117	24,960	29,20,300	70,20,000	20,00,000
121.92	24,960	30,43,000	73,15,200	16,65,000
121.92	24,960	30,43,000	73,15,200	25,00,000
121.92	24,960	30,43,000	73,15,200	48,00,000
124	24,960	30,95,000	74,40,000	50,00,000
126.7	24,960	31,62,400	76,02,000	17,00,000
126.7	24,960	31,62,400	76,02,000	33,50,000
126.7	24,960	31,62,400	76,02,000	40,00,000
130	24,960	32,44,800	78,00,000	12,50,000
130	24,960	32,44,800	78,00,000	34,12,000
146.3	24,960	36,51,600	87,78,000	19,00,000
146.3	24,960	36,51,600	87,78,000	32,47,500
146.3	24,960	36,51,600	87,78,000	81,00,000
169	24,960	42,18,240	1,01,40,000	25,70,000
169	24,960	42,18,240	1,01,40,000	46,78,000
173	24,960	43,18,000	1,03,80,300	47,04,000
180.5	24,960	45,05,000	1,08,30,000	25,70,000
180.5	24,960	45,05,000	1,08,30,000	53,25,000
186	24,960	46,42,500	1,11,60,000	55,00,000
192.5	24,960	48,04,000	1,15,50,000	17,00,000
192.5	24,960	48,04,000	1,15,50,000	51,50,000
220	24,960	54,91,200	1,32,00,000	20,18,700
245	24,960	61,15,200	1,47,00,000	25,00,000
245	24,960	61,15,200	1,47,00,000	69,00,000
245	24,960	61,15,200	1,47,00,000	82,00,000
250	24,960	62,40,000	1,50,00,000	24,25,000
250	24,960	62,40,000	1,50,00,000	34,00,000
250	24,960	62,40,000	1,50,00,000	40,00,000

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

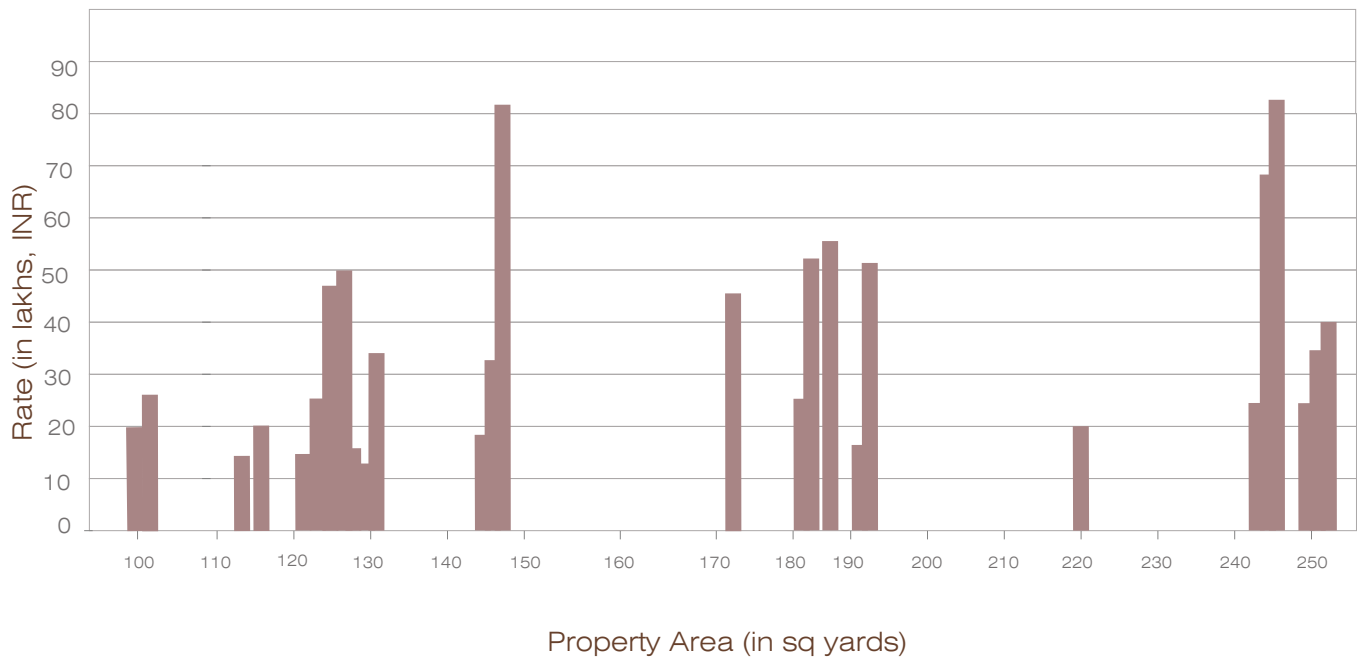
The lowest price at which the property is registered, as shown in the graph, is for 5 marla i.e Rs. 12,50,000, whereas the average market rate is Rs. 78,00,000 and for the same area, registered amount is Rs. 34,12,000.

The highest number of sale-purchase of residential properties was between the registered amount of Rs 14 to 25 lakhs and Rs 35 to 40 lakhs. The lowest number was in the bracket of Rs 60-65 and 70-80 lakhs. This proves that there is a trend of registry at the lowest registered amount as lesser registry amount will attract lower registry charges thus, the buyer paying the least for the sale deeds to be registered with the Estate Office.



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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)

Property area	Govt rate per sq yard	Total Government rate	Average Market Rate	Registered Amount
253.5	24,960	63,27,360	1,52,10,000	40,00,000
253.5	24,960	63,27,360	1,52,10,000	40,00,000
253.5	24,960	63,27,360	1,52,10,000	80,00,000
256.6	24,960	64,04,700	1,53,96,000	74,00,000
256.6	24,960	64,04,700	1,53,96,000	2,80,00,000
256.6	24,960	64,04,700	1,53,96,000	6,71,56,000
260.5	24,960	65,02,000	1,56,30,000	40,50,000
260.5	24,960	65,02,000	1,56,30,000	62,78,700
265	24,960	66,14,400	1,59,00,000	73,00,000
278.2	24,960	69,43,800	1,66,92,000	80,00,000
295.15	24,960	73,66,900	1,77,09,000	87,00,000
300.5	24,960	75,00,400	1,80,30,000	30,00,000
300.5	24,960	75,00,400	1,80,30,000	51,50,000
320	24,960	79,87,200	1,92,00,000	82,53,000
338.5	24,960	84,48,900	2,03,10,000	92,50,000
338.5	24,960	84,48,900	2,03,10,000	1,45,00,000
338.5	24,960	84,48,900	2,03,10,000	1,56,00,000
482.6	24,960	1,20,45,700	2,89,56,000	1,26,00,000
500.5	24,960	1,24,92,500	3,00,30,000	70,00,000
500.5	24,960	1,24,92,500	3,00,30,000	1,60,00,000
500.5	24,960	1,24,92,500	3,00,30,000	1,91,00,000
500.5	24,960	1,24,92,500	3,00,30,000	2,50,00,000
500.5	24,960	1,24,92,500	3,00,30,000	4,00,00,000
528.13	24,960	1,31,82,000	3,16,87,800	1,37,00,000
528.13	24,960	1,31,82,000	3,16,87,800	1,50,00,000
528.13	24,960	1,31,82,000	3,16,87,800	2,50,00,000
633.75	24,960	1,58,18,400	3,80,25,000	1,60,68,000
647.6	24,960	1,61,64,000	3,88,56,000	41,77,000
1000	24,960	2,49,60,000	6,00,00,000	3,22,51,000
1000	24,960	2,49,60,000	6,00,00,000	5,00,00,000

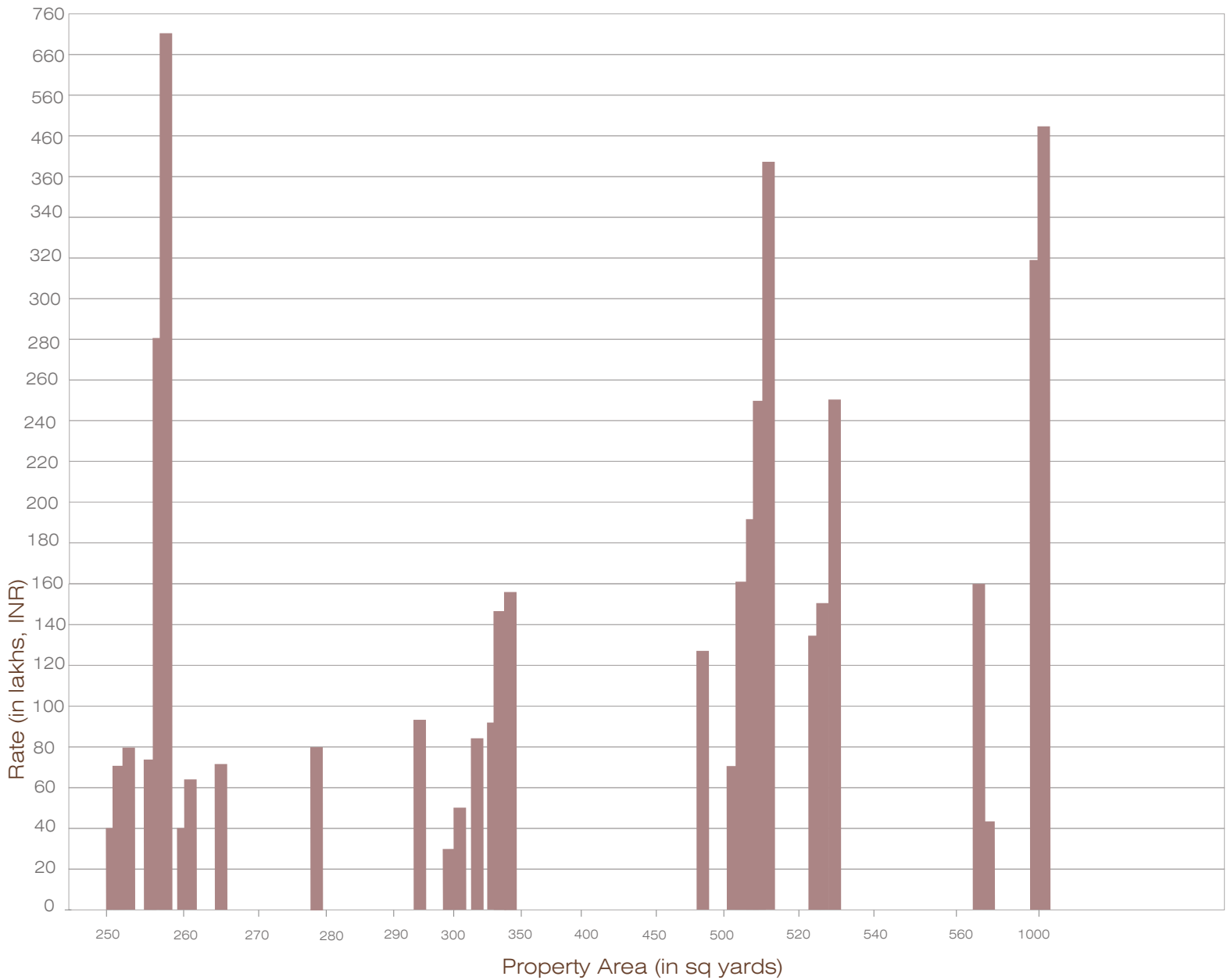
Comparison between the registered amount, the actual market average rate and the rate fixed by the Government with relation to residential property area between 251-1000 sq yards.i.e 10 marlas and 2 kanal.

The lowest price at which the property is registered, as shown in the graph, is for 12 marla i.e Rs. 30,00,000, whereas the average market rate is Rs. 1,80,30,000 and for the same area, registered amount is Rs. 51,50,000. The highest number of sale-purchase of residential properties was recorded more than 1crore of the registered amount. The lowest number was in the bracket of Rs 25-30 lakhs and 70-80 lakhs.



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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.



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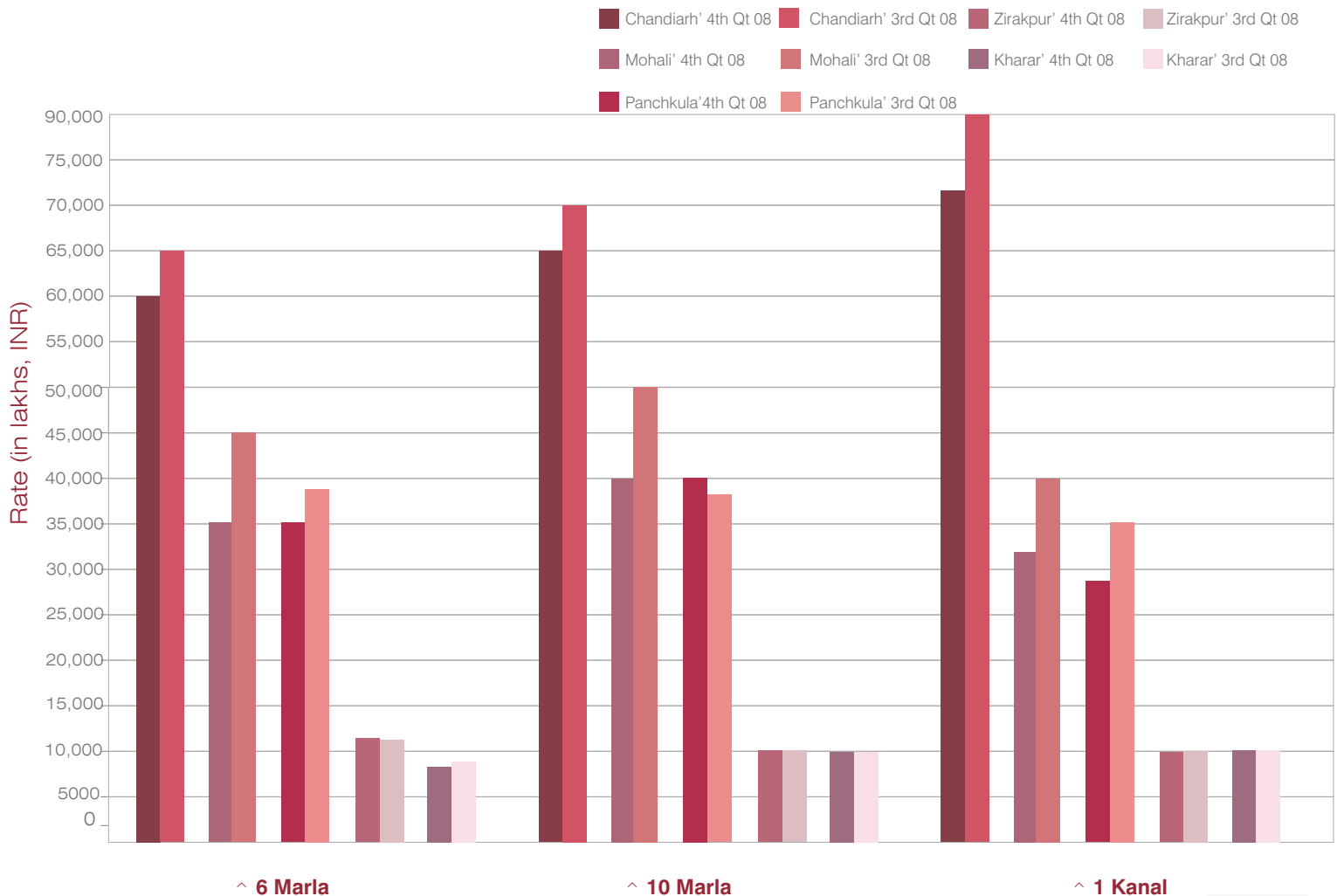
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Sub-urban Market Comparison:

Comparative Analysis of the rates of 4th quarter 2008 with 3rd quarter 2008:

Location	Property area					
	6 marla		10 marla		1 kanal	
	4th Qtr 2008	3rd Qtr 2008	4th Qtr 2008	3rd Qtr 2008	4th Qtr 2008	3rd Qtr 2008
Chandigarh	60,000/ per sq yard	65,000/ per sq yard	65,000/ per sq yard	70,000/ per sq yard	72,000/ per sq yard	90,000/ per sq yard
Mohali	35,000/ per sq yard	45,000/ per sq yard	40,000/ per sq yard	50,000/ per sq yard	32,000/ per sq yard	40,000/ per sq yard
Panchkula	35,000/ per sq yard	38,000/ per sq yard	40,000/ per sq yard	38,000/ per sq yard	28,000/ per sq yard	35,000/ per sq yard
Zirakpur	12,000/ per sq yard	12,000/ per sq yard	10,000/ per sq yard	10,000/ per sq yard	10,000/ per sq yard	10,000/ per sq yard
Kharar	8,000/ per sq yard	9,500/ per sq yard	10,000/ per sq yard	10,000/ per sq yard	10,000/ per sq yard	10,000/ per sq yard

The impact of economic slow down is now visible on Real Estate sector as the residential property rates in the sub-urban areas have declined within this quarter. The rates of properties like 1 kanal has been affected to a greater extent as the rates have come down from 90,000 per sq yard to 72,000 per sq yard in Chandigarh. Evaluating the rates of 4th quarter-2008 with 3rd quarter, it has been noticed that the rates had declined from 15% to 20% thus showing downtrend in the graph.





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Number and types of deeds registerd in Rural area :

Number of Deeds vis a vis the sectors:

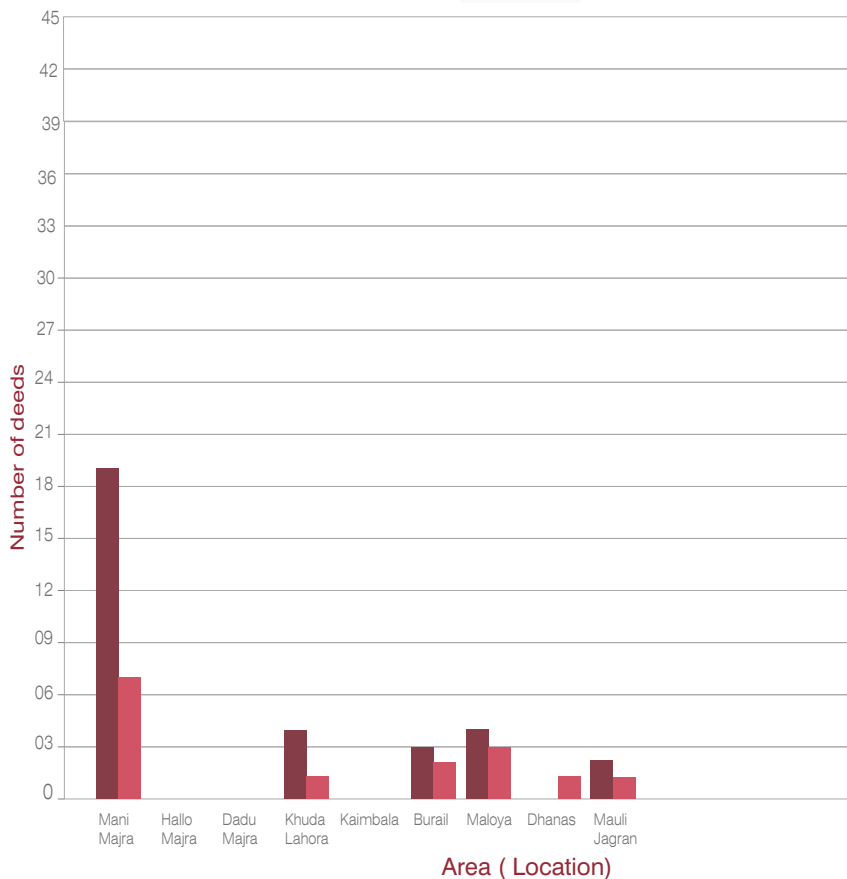
Location	Number of deeds 4thQt 2008	Number of deeds 3rd Qt 2008
ManiMajra	19	7
HalloMajra	-	-
DaduMajra	-	-
Khuda Lahora	4	1
Kaimbala	-	-
Burail	3	2
Maloya	4	3
Dhanas	-	1
Mauli jagran	2	1

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.





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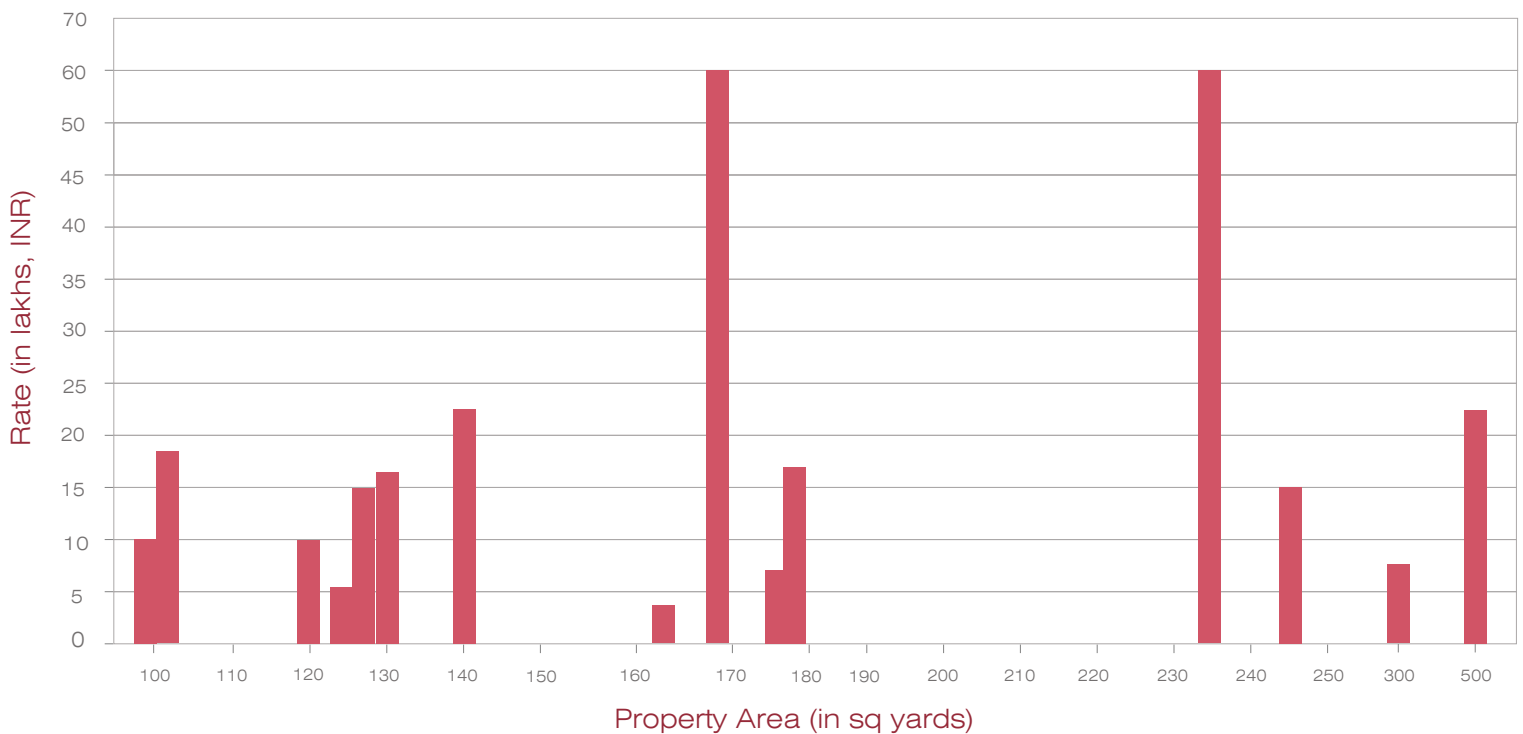
Rural Market Comparison (100-500 sq yards)

Property area	Total Government rate	Average Market Rate	Registered Amount
100	3,12,000	5,50,000	10,00,000
100	3,12,000	5,50,000	18,00,000
120	3,74,400	6,40,500	10,00,000
125	3,90,000	6,87,500	5,89,200
125	3,90,000	6,87,500	15,00,000
130	4,05,600	7,15,000	16,00,000
140	4,36,800	7,70,000	23,40,000
163.5	5,10,680	8,99,200	3,40,000
169.11	5,27,600	9,30,100	60,00,000
176.5	5,50,600	9,70,700	6,70,000
176.5	5,50,600	9,70,700	16,00,000
233.6	7,28,800	12,84,800	60,00,000
245	7,64,400	13,47,500	15,00,000
300.5	9,37,500	16,52,700	7,77,000
500	15,60,000	27,50,000	24,33,600

Comparison between the registered amount, the actual average market rate and the rate fixed by the Government with relation to residential property area between 100-500 sq yards.i.e 4 marlas-1 kanal.

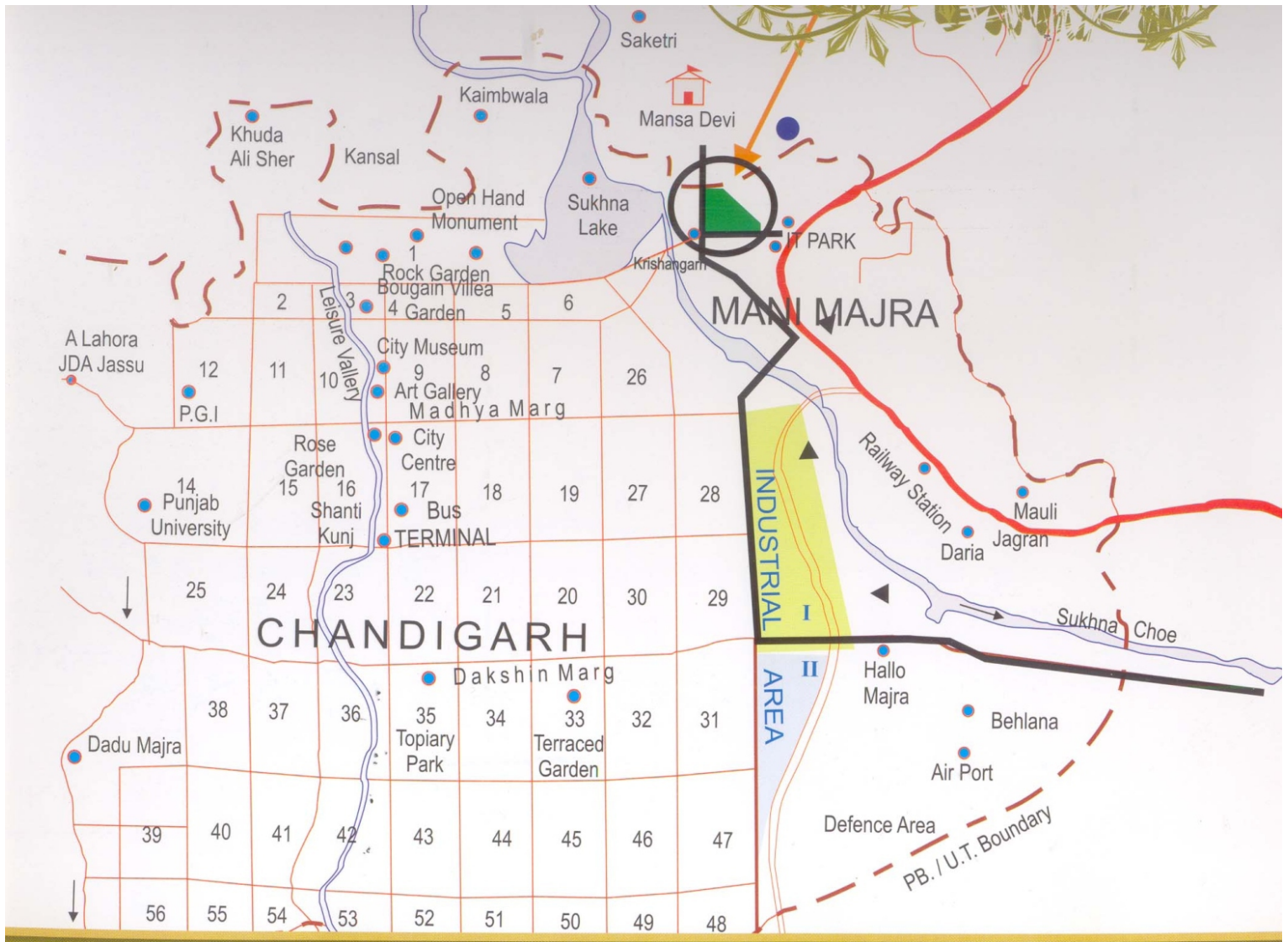
The lowest price at which the property is registered, as shown in the graph, is for 6.54 marla i.e Rs. 3,40,000, whereas the average market rate is Rs. 8,99,200.The highest number of sale-purchase of residential properties was recorded In the registered amount of Rs 10 to 16 lakhs.

The lowest number was in the bracket of Rs 25-30 lakhs. This proves that there is a trend of registry at the lowest registered amount as lesser registry amount will attract lower registry charges. Thus, the buyer paying the least for the sale deeds to be registered with the Estate Office.





Chandigarh Rural Map :





Summary

The research and comparative analysis of 4th and 3rd 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. In the fourth quarter number of sales deeds is comparatively less than the third and second quarter. The rates have dipped from 15 % to 20 %. The rates of properties like 1 kanal has been affected to a greater extent as the rates have come down from 90,000 per sq yard to 72,000 per sq yard in Chandigarh. In rural areas too, number of deals has declined to a great extent. Though prices remained stagnant in the last quarter, the number of sale deeds has gone down by 10-15 percent.

The real estate scenario has changed completely and has been struggling since the past six months. But the government's move to cut the bank rates has provide some respite to the sector. Government's encouragement package and RBI's move allowing banks to provide special treatment to realty companies may provide a breather to the sector. Also with the public sector banks slashing the home loan interest rates to boost the struggling realty sector would prove beneficial for the sector. Though in the tricity region, one could not find any property in the suggested price range, but it would invigorate movement of property in the suburbs like Kharar, Zirakpur and Derabassi. Residential plots and old constructions are easily available in these areas in the suggested bracket.



Source of Information

- Chandigarh Estate Office
- Real Estate Brokers in Tri-city.
- www.propertyvertical.com

Special Thanks

Special thanks to Chandigarh Estate Office and the real estate brokers in the tri-city for the support

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