

NHB Releases NHB RESIDEX for Quarter Ended June 2022

Press Release

30th August 2022

National Housing Bank releases the **NHB RESIDEX** for Quarter ended June 2022. The Housing Price Index (HPI) tracks the movement in prices of residential properties in select 50 cities on quarterly basis with FY 2017-18 as the base year.

The 50 city HPI based on valuation prices of properties collected from Primary Lending Institutions (**HPI @ Assessment Prices**) recorded an annual increase (Y-o-Y) of 7.0% in QE June 2022 as compared with 1.8% a year ago.

The annual change in **HPI @ Assessment Price** varied widely across the cities – ranging from an increase of 16.1% (Coimbatore) to a decline of 5.1% (Navi Mumbai).

Out of the 50 cities, 42 cities registered increase in the index whereas 5 cities registered decline on an annual basis. All of the eight major metros of the country viz., Ahmedabad (13.5%), Bengaluru (3.4%) , Chennai (12.5%), Delhi (7.5%), Hyderabad (11.5%), Kolkata (6.1%), Mumbai (2.9%) & Pune (3.6%) recorded increase in the index on an annual basis.

On a sequential (Q-o-Q) basis, the 50-city index registered an expansion of 1.7% in April-June 2022 as against 2.6% in the previous quarter. The index is showing an increasing trend on Q-o-Q basis since June-21.

While Kalyan Dombivali, Bidhan Nagar, Panvel & Thiruvananthapuram recorded sequential decline in the HPI @ Assessment Price during the quarter (Kalyan Dombivali recording the maximum decline of 0.9%), the index recorded increase in 37 cities with Chennai recording the highest sequential improvement of 4.5%.

The 50 city HPI @ **Market Price for Under Construction Properties** computed using the quoted prices for under construction and ready to move unsold properties, also recorded an annual increase (Y-o-Y) of 5.7% in QE June 2022 as against 1.9% a year ago backed by rising cost of building materials.

The annual variation in HPI@ Market Price ranged from an increase of 28.6% (Bhubaneshwar) to a contraction of 13.2% (Indore).

On a sequential (Q-o-Q) basis, the 50 city Index witnessed an increase of 1.8% during the quarter compared to 1.9% in previous quarter. The uptick in the asking prices for properties is indicative of continued demand and rising cost of construction.

The overall increase in composite HPI @ Assessment Price and HPI@ Market Price is an indication of reviving housing finance sector. A stable to moderate increase in HPI also offers confidence to both homeowner as well as home loan financier in terms of retained value of the asset.
