

Housing prices rise in 43 cities in Q1 FY 2023-24: NHB

- ❖ **All the 8 major metros (viz. Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata, Mumbai & Pune) witnessed appreciation in property prices.**
- ❖ **43 cities registered growth in indices during Q1 FY 2023-24.**
- ❖ **50 City composite HPI based on Valuation prices improved on a Y-o-Y basis.**
- ❖ **Home prices in the country moves up sequentially.**
- ❖ **Quoted prices for under construction and ready to move unsold properties registers improvement on a Y-o-Y basis.**

India's eight key primary residential markets witnessed appreciating property prices during the Apr-Jun 2023 period. Ahmedabad (9.1%), Bengaluru (8.9%), Chennai (1.1%), Delhi (0.8%), Hyderabad (6.9%), Kolkata (7.8%), Mumbai (2.9%) & Pune (6.1%) recorded increase in the index on an annual basis as per the Housing Price Index published by National Housing Bank.

The 50 city HPI based on valuation prices of properties collected from Banks and Housing finance companies (HPI @ Assessment Prices) recorded an annual increase (Y-o-Y) of 4.8% during the first quarter of the fiscal 2024 as compared with 7.0% a year ago.

The annual change in HPI @ Assessment Price varied widely across the cities – ranging from an increase of 20.1% (Gurugram) to a decline of 19.4% (Ludhiana).

Out of the 50 cities covered, 43 registered an increase in property prices whereas 7 cities registered a decline in the property prices. The home loan rates are still lower than the pre pandemic rates leading to a healthy affordability overall.

On a sequential (Q-o-Q) basis, the 50-city index registered an expansion of 0.7% in April-June 2023 as against 1.3% in the previous quarter. The index is showing an increasing trend on Q-o-Q basis since June-21.

The index recorded increase in 36 cities out of 50 cities with Chandigarh recording the highest sequential increase of 4.9%, while Navi Mumbai, Ludhiana, Howrah & Bhiwadi, recorded sequential decline with more than 2% in the HPI @ Assessment Price during the quarter (Navi Mumbai recording the maximum decline of 5.9%).

On the supply side, the 50 city HPI based on the quoted prices for under construction and ready to move unsold properties (HPI @ Market Price for Under Construction Properties), also recorded an annual increase (Y-o-Y) of 12.2% in QE June 2023 as against 5.7% a year ago.

The annual variation in HPI @ Market Price ranged from an increase of 33.7% (New Town Kolkata) to a contraction of 2.2% (Rajkot).

On a sequential (Q-o-Q) basis, the 50 city Index witnessed an increase of 2.3% during the quarter compared to 2.6% in previous quarter.