

## Housing prices rise in 43 cities in Q4 of FY23: 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 Q4 FY 23.**
- ❖ **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 January-March 2023 period. Ahmedabad (10.8%), Bengaluru (9.4%), Chennai (6.8%), Delhi (1.7%), Hyderabad (7.9%), Kolkata (11.0%), Mumbai (3.1%) & Pune (8.2%) 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 5.8% during the fourth quarter of the fiscal 2023 as compared with 5.3% a year ago.

The annual change in HPI @ Assessment Price varied widely across the cities – ranging from an increase of 19.6% (Gandhinagar) to a decline of 12.9% (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 1.3% in January-March 2023 as against 1.5% in the previous quarter. The index is showing an increasing trend on Q-o-Q basis since June-21.

The index recorded increase in 42 cities out of 50 cities with Gurugram recording the highest sequential increase of 5.3%, while Delhi, Navi Mumbai, Kochi, Coimbatore, Raipur, Faridabad, Bidhan Nagar, & New Town Kolkata recorded sequential decline in the HPI @ Assessment Price during the quarter (Raipur recording the maximum decline of 6.7% due to projects launched by Raipur Municipal Corporation for the EWS and LIG Category).

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 11.7% in QE March 2023 as against 4.8% a year ago.

The quoted prices witnessed an increase driven by the partial pass on of the increased input cost coupled with increased demand in ready to move in properties, more so in the affordable segment.

The annual variation in HPI @ Market Price ranged from an increase of 47.6% (Lucknow) to a contraction of 4.1% (Rajkot & Panvel).

On a sequential (Q-o-Q) basis, the 50 city Index witnessed an increase of 2.6% during the quarter compared to 3.1% in previous quarter.