

Unsold Housing Inventory - Gurgaon vs other NCR Markets

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When it comes to unsold housing stock, NCR has been in the 'limelight' in recent times. Gurgaon, the Millennium City, tends to be something of a focal point for such analyses.

As per ANAROCK data, of the total 1.82 lakh unsold units in entire NCR market as on Q2 2019, Gurgaon accounted for nearly 56,550 units (31% share) of total unsold stock - the highest in the region - followed closely by Greater Noida with 50,800 unsold units (28% share), Ghaziabad with 17% share, Noida with 11%, Delhi with 7% and remaining 6% in Bhiwadi and Faridabad.

The total value of the unsold units in Gurgaon (56,550 units) is nearly INR 80,570 crores while in Greater Noida, the value of 50,800 unsold units is roughly INR 26,720 crores. Noida's 20,860 unsold units are worth INR 18,380 crores. This clearly indicates that the unsold properties in Gurgaon largely belong to the luxury segment against affordable properties in Greater Noida (the difference between unsold units is less in comparison to their overall value).

In the last two years, Gurgaon had the dubious distinction of adding 10% to its unsold stock rather than seeing a decrease. In Q2 2017, Gurgaon had nearly 51,220 unsold units (piled up further to stand at 56,550 units in Q2 2019.)

In contrast, Noida had 27,000 unsold homes in Q2 2017 which decreased to 20,860 units in Q2 2019 - an impressive 23%

reduction. Similarly, in Greater Noida, unsold inventory decreased by 26% between Q2 2017 and Q2 2019 - from 69,080 units to 50,810 units. Meanwhile, Ghaziabad saw its unsold stock decrease to 30,250 units in Q2 2019 - declining by 22% in two years. Faridabad, having least unsold inventory in NCR (of 5,180 units) saw the stock fall by 27% since Q2 2017 while Bhiwadi with current unsold inventory of 5,930 units saw a whopping 47% decline during the last two years. Contrary to this, Delhi saw its unsold stock pile up to 12,340 units in Q2 2019, increasing by 4% since Q2 2017.

These are clear indicators that affordable markets are finding favour with buyers, which is in line with the fact that affordable housing is leading the pack across markets - most notably in NCR.

Inventory Overhang - Gurgaon vs other NCR markets

As on Q2 2019, the NCR market had an inventory overhang of nearly 44 months - down from 65 months in Q2 2017.

Greater Noida's inventory overhang declined from 82 months to 39 months in the last two years, followed by Gurgaon which saw it sliding from 80 months in Q2 2017 to nearly 51 months as quarter ending June. Noida also saw a decline in its inventory overhang from 68 months to 37 months in two years. Faridabad's inventory overhang declined from 47 months in Q2 2017 to 33 months in Q2 2019 while that in Ghaziabad fell from 91 months to 42 months during the same period.

Bhiwadi, on the other hand, saw its inventory overhang reduce from 37 months in Q2 2017 to 33 months in Q2 2019. For a market like Delhi, it is far too complex to suggest a trend because it has several properties in L-Zone area which are under litigation or pending government approvals. There has been no traction whatsoever in such properties over the last 3-4 years.

Property Prices - Gurgaon vs other NCR markets

As per ANAROCK data, the average property prices in Gurgaon in Q2 2019 stood at INR 6,100 per sq. ft. - reducing by 1% in last two years. Markets like Ghaziabad, Noida and Greater Noida saw average property prices rise by 3%, 2% and 2% respectively. In contrast, Delhi saw its average prices decline by 4% during the same period.

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