

Chennai home realty witnesses signs of recovery

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CHENNAI

RESIDENTIAL realty in Chennai is seeing a modest uptick, especially over the last one-and-half months. Leading builders claim they are able to sell a couple of apartments a day compared to nearly zero levels four months ago. Top builders like Chaitanya, Appaswamy, Olympia Opaline, Provident Housing, Unitech-Arihant, Vijayashanthi, Dugar and XS Real have reported a pick-up in sales.

From a "wait-and-watch" mode, buyers have started booking apartments with even premium units in tony localities getting sold, marking a distinct improvement.

For one, Chaitanya has sold three units, measuring 3,250 sq ft each, for Rs 17,000 per sq ft in the upmarket Boat Club area. In Poes Garden, another builder has closed a deal for four premium apartments at Rs 12,000 per sq ft. Confirming the sales, Chaitanya's executive director Nirmala Rajan told ET that the buyer profile constituted a mix of professionals and industrialists.

Vijayashanthi Builders MD Suresh Jain says its 'Terracotta' project in Adyar, targeted at the upmarket buyer, has seen six of the eight units getting sold for Rs 13,000 per sq ft. At Thoraipakkam, four units of the Water Lily project have been sold at Rs 4,500 per sq ft, while sales of the mid-segment project, Lotus Pond, on OMR too has gone up.

The joint development project of Unitech-Arihant on the 70-acre Binny property at Perambur has been able to get 1,200-plus bookings, mopping up Rs 50 crore in earnest money.



Jones Lang LaSalle-Meghraj MD Ramesh Nair said the drop in home loan interest rates was one of the main reasons for the pick-up.

The Confederation of Real Estate Developers' Association of India TN president Prakash Challa feels unlike in other cities, Chennai doesn't have any "unsold stock" of dwelling units. Anticipated sops in the coming Union budget — introduction of infrastructure bonds and likely sops on interest and principal repayments — too have lifted sentiments.

DLF Southern Homes head KK Raman says sales have been good even though it had raised the price by Rs 100 per sq ft from June 1 to Rs 2,750 per sq ft. Olympia Opaline and Dugar too figure among the list of builders, who have reported pick-up in sales.

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