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# Housing prices up 7%, sales down 28%, supply dips 64% in last five years: Anarock

BY PTI | MAR 24, 2019, 04.08 PM IST

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**Housing** prices rose by a modest 7 per cent in seven major cities during the past five years, while sales and new supply have declined 28 per cent and 64 per cent, respectively, according to brokerage firm **Anarock**.

In its analysis of the performance of the real estate sector in the past five years of the current central government, Anarock founder and Chairman **Anuj Puri** said many steps were taken to reform and improve the image of the Indian real estate sector.

Measures such as demonetisation, new realty law **RERA** and GST did cause some pain for the sector in short term but would prove beneficial in the long run, he added.

On operation performance of the housing segment, Puri said the prices in primary markets have seen more of a "time correction" rather than a price correction, with average prices across top-seven cities seeing a meagre 7 per cent increase in the past five years.

"Considering inflation (assuming seven per cent a year), all cities will have seen negative price trends in the last five years," he added.



*Housing sales were also slow, dropping by 28 per cent during the same period – from 3.43 lakh units in 2014 to 2.48 units last year.*

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These seven cities are Delhi-NCR, Mumbai Metropolitan Region, Chennai, Kolkata, Bengaluru, Hyderabad and Pune.

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The supply of new housing units reduced by 64 per cent in the past five years – from 5.45 lakh units in 2014 to 1.95 lakh units in 2018.

Housing sales were also slow, dropping by 28 per cent during the same period – from 3.43 lakh units in 2014 to 2.48 units last year.

"Like it or lump it, but (Prime Minister Narendra) Modi's victory in 2014 ushered a new era in Indian real estate – starkly marked by his vision to set the 'house' in order and alter the scarred face of an unorganised sector beset by unscrupulous activities," Puri said.

Prime Minister [Narendra Modi](#) "tightened the Centre's grip on real estate – previously the largest dump-yard for black money hoarders – and introduced big-bang schemes to benefit consumers", he said.

Puri said the government set the stage for the real estate sector in the long term through major policy overhauls and initiatives like 100 smart cities and Housing For All by 2022.

The chairman of Anarock said demonetisation, realty law RERA and the GST brought about a paradigm shift in the way the Indian real estate does business and laid the groundwork for improved transparency and efficiency in the sector.

"The measures he took to achieve this did have short-term negative impacts, but nobody can argue that this is a case where short-term pain is necessary for the sake of long-term gain," he added.

However, Puri felt that the on-ground implementation for most of these initiatives could have been better to achieve more even in these five years.

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