



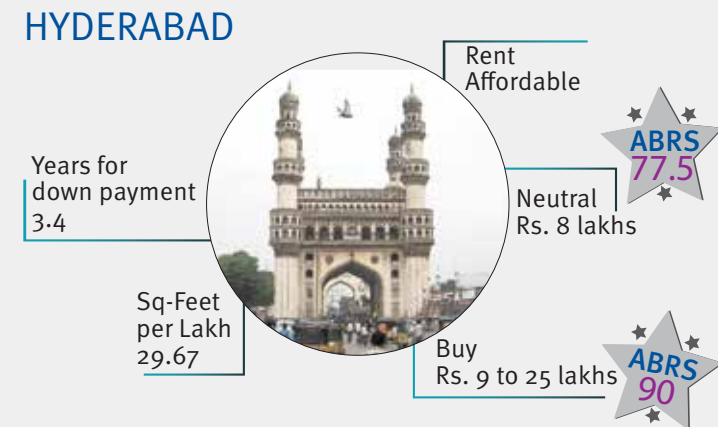
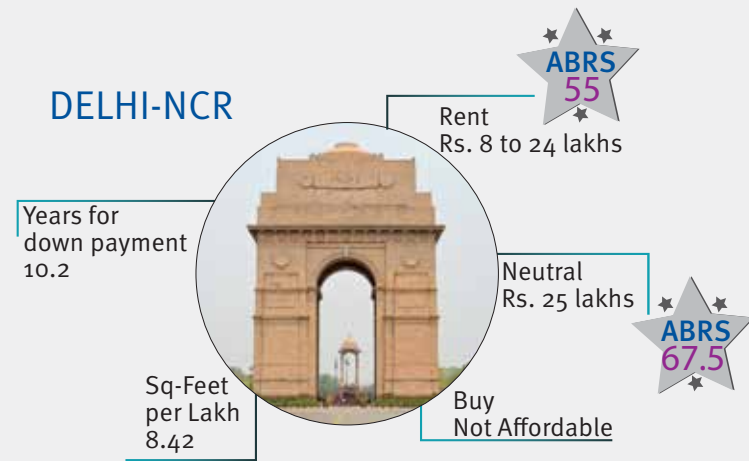
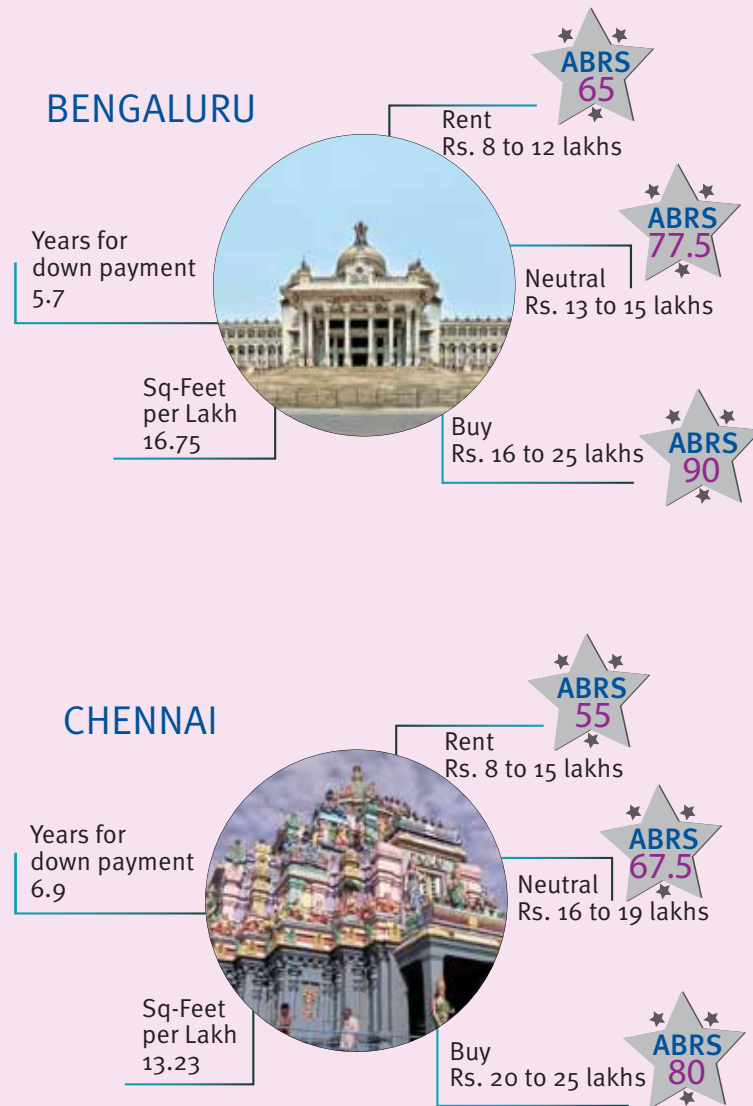
ArthaYantra Buy Vs. Rent Report 2016



CONTENTS

	Pg. No.
1. Introduction	06
2. Methodology	07
3. Assumptions	07
4. Findings	07
4.1 Historical Data of NHB Residex	07
4.2 Analysis of property prices v/s rental values	08
4.3 Change in property rates & rental values	08
4.4 Affordability-To-Buy and Affordability-To-Rent Ranking	09
4.5 Purchasable Area for Rupees One Lakh	10
4.6 Initial Down Payment	10
4.7 Initial Corpus (security deposit) for Renting	11
4.8 Urgency to Buy ratio	11
5. ArthaYantra Buy vs. Rent Score (ABRS)	12
6. Comparative Analysis of 8 Cities	12-16
7. Conclusion	17
8. Limitations	17
9. Sources & Appendix	18

ArthaYantra Buy vs. Rent Report 2016 Citywise Snapshot

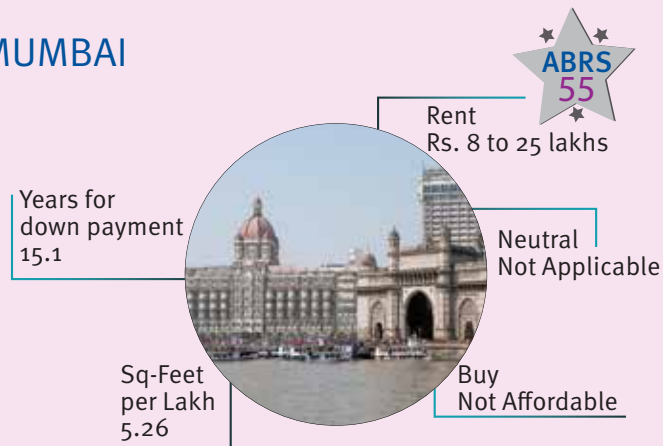


Score	Recommendation
100	Buy
90	Buy
87.5	Neutral: Recommended to buy
80	Neutral: Can afford to buy
77.5	Neutral: Both buying and renting are affordable.
75	Rent
67.5	Neutral: Can afford to Buy, paying EMI is more expensive than renting, recommended to rent
<55	Cannot afford to buy or Rent

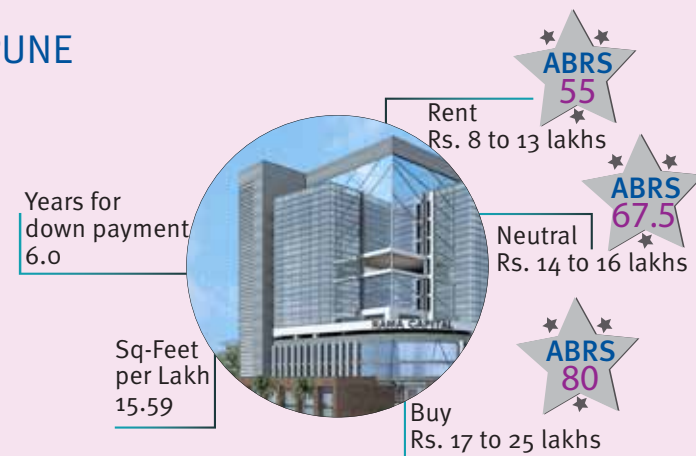
Figure: 01

ArthaYantra Buy vs. Rent Report 2016 Citywise Snapshot

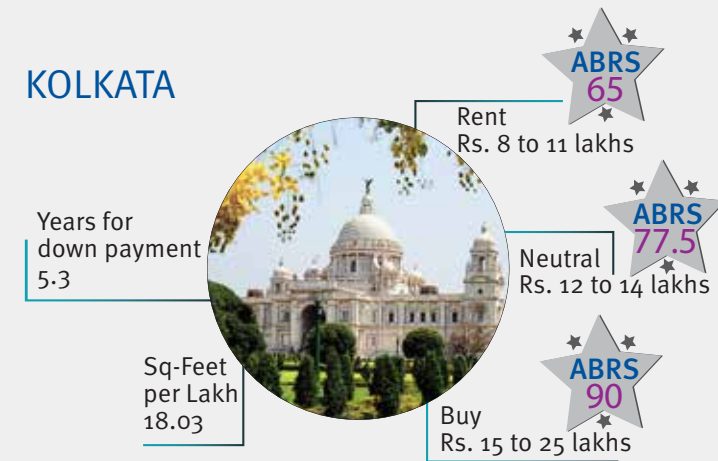
MUMBAI



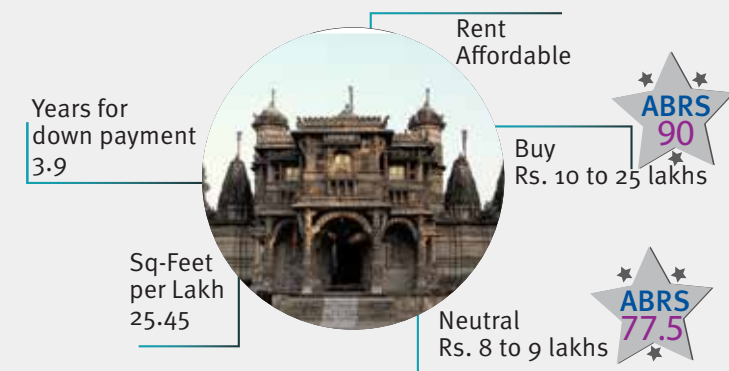
PUNE



KOLKATA



AHMEDABAD



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Map not to scale

Summary

THE FOURTH ANNUAL EDITION OF ARTHAYANTRA BUY VS RENT RESEARCH COVERS TOP 8 CITIES ACROSS INDIA.

BENGALURU continues to be favorable for renting rather than buying, even though average property rents have increased by 10.08%. The garden city is an affordable buy destination for people with an annual income of Indian Rupees (INR) 16 lakhs or above.

CHENNAI continues to be an expensive city to buy a property. However, an increase in property prices by 8.78% from last year has had a negative effect on rental values. Buying a property here is only suitable for people with an annual income INR 20 lakhs or above.

DELHI-NCR is the second most expensive city for both renting and buying a property. The demand for real estate is still buoyant and people with an annual income above INR 25 lakhs can consider buying a residential property.

HYDERABAD remains the most affordable city for both buying and renting a residential property. The market is yet to pick up and still holds first rank in terms of affordability to rent and affordability to buy a residential property. Anyone with an annual income of over INR 9 lakhs can consider buying a residential property in this city.

MUMBAI is the most expensive city for both buying and renting a residential property. Though the real estate market in the city has had an upward trend, it is still beyond the reach of a middle income household. Even someone with an annual

income of INR 25 lakhs cannot afford to buy a residential property. Therefore, it is most suitable city for renting a house.

PUNE has seen an increase in both rental & property prices. There has been an upswing in the property prices as compared to last two years. People with an annual income above INR 17 lakhs can consider buying a residential property.

KOLKATA is uniquely placed in our findings as a city having very similar growth across rentals and property prices. In spite of this growth, it is still an affordable city to rent or buy when compared to Delhi and Mumbai. People with an annual income over INR 15 lakhs can buy a house in the city of joy.

AHMEDABAD like Hyderabad, continues to be an affordable city for both buying and renting a residential property. We observe a demand in rentals since last year. People with an annual income of INR 10 lakhs and above can consider buying a residential property in this city.





1. INTRODUCTION

The real estate sector is one of the most globally recognized sectors. In India, real estate is the second largest employer after agriculture. The growth of this sector is well complemented by the growth of the corporate environment and the demand for urban and semi-urban accommodations.

In line with trends in the real estate market, the residential sector, in particular, provides Indians ample scope to choose whether to buy or rent a property in the city they live in. At the same time, they do need a reliable tool to assess whether their current financial state coupled with the city's property prices & rental values guides them to arrive at a pragmatic and rational decision.

Buying a house is considered a significant milestone in one's life, people work hard to realize this important personal dream, both for investment as well as for emotional reasons. Thus, the idea of property purchase will have multiple financial implications.

On the other hand, renting a property serves a great alternative to buying one. For urban professionals, renting is often a convenient option because of the flexibility it offers. Some people may prefer a lifestyle where they do not want to belong to one place for too long, some may have transferrable jobs and for these people, renting/leasing a property works favorably.

Consider the below components that determine one's decision of renting/leasing a property vs. buying:-

CASH FLOWS

The intent of buying a property is determined by the amount of impact its purchase would have on individual's cash flow. To buy a property one has to go through the down payment for the loan, EMI to be paid, property taxes and the regular maintenance and repair costs. Whereas, renting would attract the monthly payment towards rent along with the maintenance cost besides the security deposit. Rental values year-on-year should not be ignored as they tend to increase. The savings after such fixed payments will determine whether owning or renting would be a feasible option.

TAX SAVINGS

The net savings after bearing the cost of ownership or renting has a direct impact on tax savings. Separate sections of the Income Tax, such as Section 24 B or Section 80C also determine the reduction in net payment toward the EMI's. On the other hand renting saves your taxable income as the major or whole portion of the rent paid can be saved by claiming it under Section 10 as HRA. In short, both options would help the tax savings; the comparative savings for the longer run would give a real picture on what should be done.

So considering both the above conditions of owning a house vs. renting a house, the 4th Annual ArthaYantra Buy v/s Rent (ABR) Report offers a qualitative as well as a quantitative approach for individuals to decide what is best suited within their budget.

Taking a decision on real estate is way more complicated than expected. And in order to simplify this complexity, the 4th Annual ABR Report deep dives into the trend of property prices and their rental value over the past four years across 8 major cities in India. This quantitative methodology offers individuals with an insight into the options of buying versus renting properties keeping the best interest of their personal finances.

2. METHODOLOGY

As part of our research, data was captured from multiple sources like from National Housing Board (NHB) of India, available real estate reports and major real estate aggregators.

The methodology used for arriving at the results considers various key parameters derived from the initial data collected which include price of the residential property, rental values, years of saving for accumulating down payment, initial security deposit amount while renting a property and lastly the purchasable area (number of square feet) per INR 1.0 lakh.

The main idea behind this research is to quantify the buy versus rent decision from a personal finance perspective. Two major factors which drive the decision are:

How much more money does a professional need to shell out for buying a home compared to renting it?

Can the professional afford this additional amount?

ArthaYantra's Buy vs. Rent Score (ABRS) tries to address these questions and come up with a comprehensive scoring system. The ABR Score not only tells if it is better to buy or rent but also tells whether it's affordable to buy or rent.

3. ASSUMPTIONS

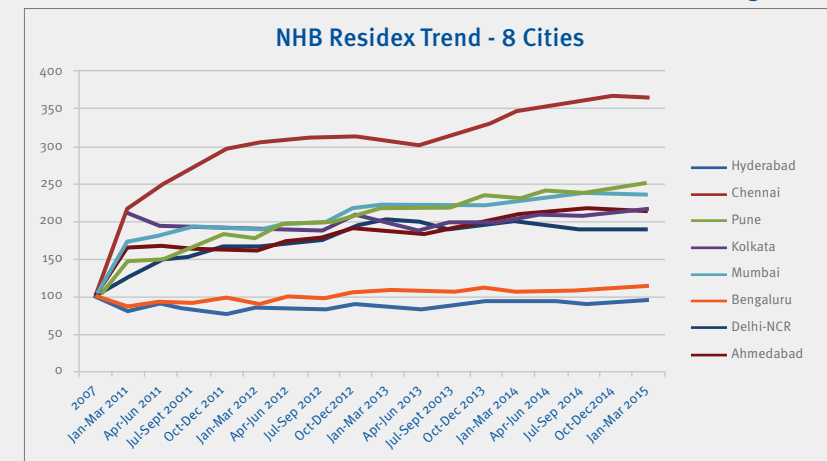
- The sale price and rental values are calculated for a ready to occupy 1,000 sq. ft. residential property
- Baseline gross annual income for analysis is considered to be INR 8.0 lakhs
- Initial down payment amount = 20% of the house price
- Tenure for the home loan is considered to be 15 years
- Home loan lending rate is considered to be 9.75% per annum
- Average savings rate towards residential purchase is 25% of one's annual income.
- Monthly EMI to be paid = 50% of monthly take home salary
- Property tax = 1.5% of the property value
- Property appreciation is not considered for EMI & down payment calculations
- Rental security deposit varies depending on the city

4. FINDINGS

4.1 Historical data for NHB Residex

National Housing Board India's Residential Index (NHB Residex) tracks the movement of prices in the residential housing segment across India. Figure 02 shows the historical NHB Residex values since its inception in 2007.

Figure: 02



Chennai remains unchanged with steepest rise in the index value by 264% from the base year (2007) and a 19.74% increase in index value over the past four years i.e. from 2012. Pune comes next to Chennai with a rise in index value by 151% since 2007 and a 38.67% increase in index value since 2012 i.e. the year of the first ABR report. This shows that the prices of residential properties are rapidly growing when compared to last year both at Chennai & Pune.

On the other hand, Hyderabad has seen de-growth in real estate prices by 3% since the base year 2007. Mumbai occupies the third position in real estate growth rate with rise in the index value by 138% from the base year (2007)

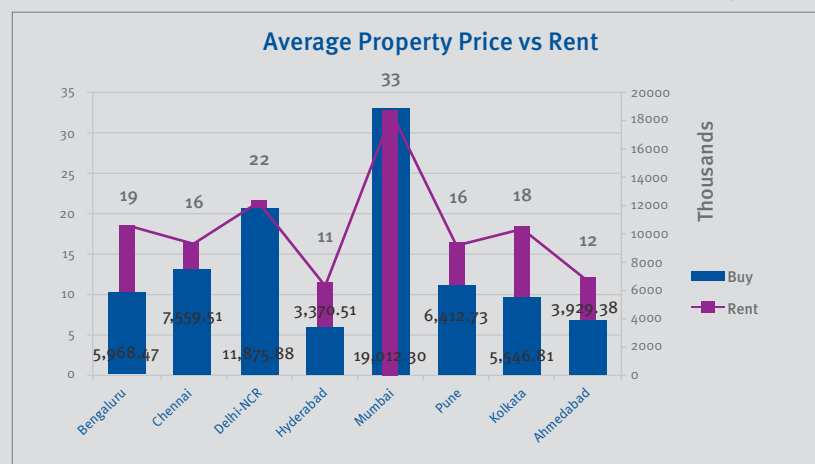
Cities like Ahmedabad, Kolkata, Delhi and Bengaluru have seen a positive trend in real estate growth with rise in the index values by 115%, 112%, 90% and 15% respectively from base year.

4. FINDINGS

4.2 Trend analysis of Property Prices v/s Rental values

The key parameter in determining whether to buy or rent a home is the property cost vis-à-vis the rental value. In this study, we compare property prices with rental values for 1,000 sq. ft., ready to occupy house across selected eight cities. The figure below shows our findings:

Figure: 03



Mumbai (INR 1.91 crores), Delhi-NCR (INR 1.18 crores) & Chennai (INR 75.6 lakhs) have been very expensive cities for buying, whereas the rentals have undergone a marginal change for the past two years. With rising inventory levels in these cities indicates that the supply that is available is unaffordable to many. So, people are left with renting as an option over buying.

Coming to Bengaluru, inventory remains at the same levels given that buying is not being considered the top priority, people prefer to rent, and so we observe constant increase in rental values over the past four years.

When we look at last two year trend at Hyderabad & Ahmedabad, both property prices & rental values haven't undergone a significant change as compared to the other 6 cities.

4. FINDINGS

4.3 Change in Property Rates

Change in prices: 1-year over 4-year trend

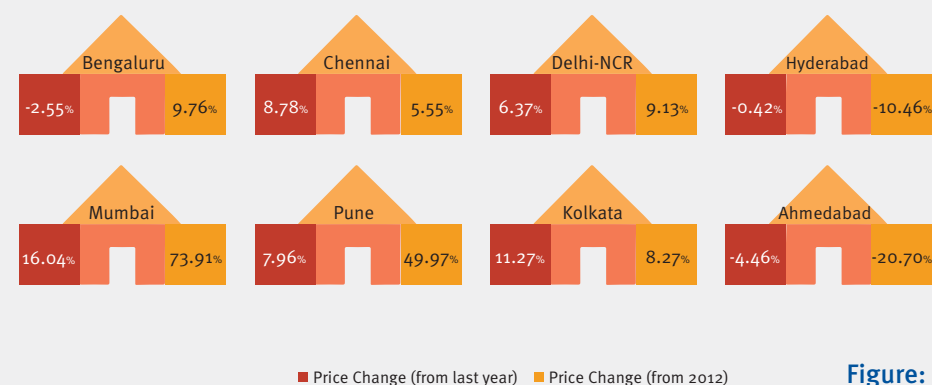


Figure: 04

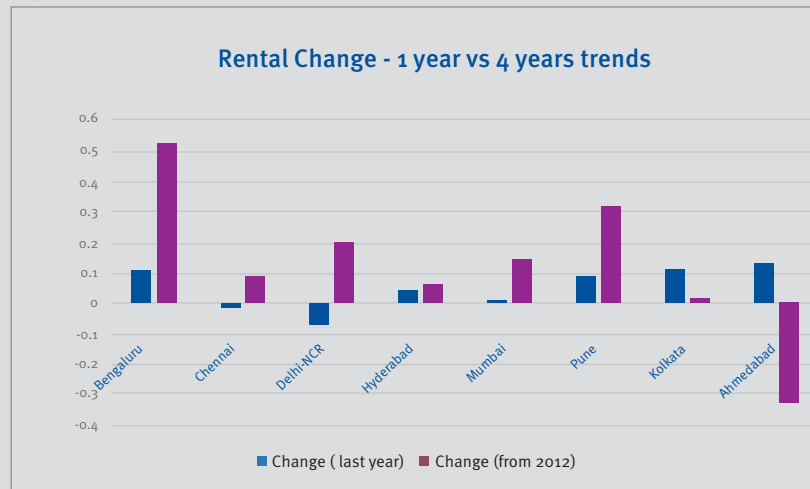
Since 2012, cities like Mumbai and Pune have seen aggressive growth in their property prices by 73.91% and 49.97% respectively. Even though property prices are high in Delhi-NCR, we observe that there is marginal increase of 6.37% since 2014 which could be due to the rise in number of incomplete projects & a near stagnation in property prices.

Kolkata is the second city after Mumbai which has seen significant increase in the property rates since last year i.e. 11.27%. Hyderabad & Ahmedabad have seen a negative growth in the property rates since 2014 making them look attractive as buy opportunities.

4. FINDINGS

4.3 Change in Rental Values

Figure: 05



Ahmedabad has seen a negative growth in the property rents since 2012, thus placing it high on the affordability-to-rent.

Hyderabad has seen a fair increase in the rental values despite drop in property prices, which makes this city affordable for buying a property.

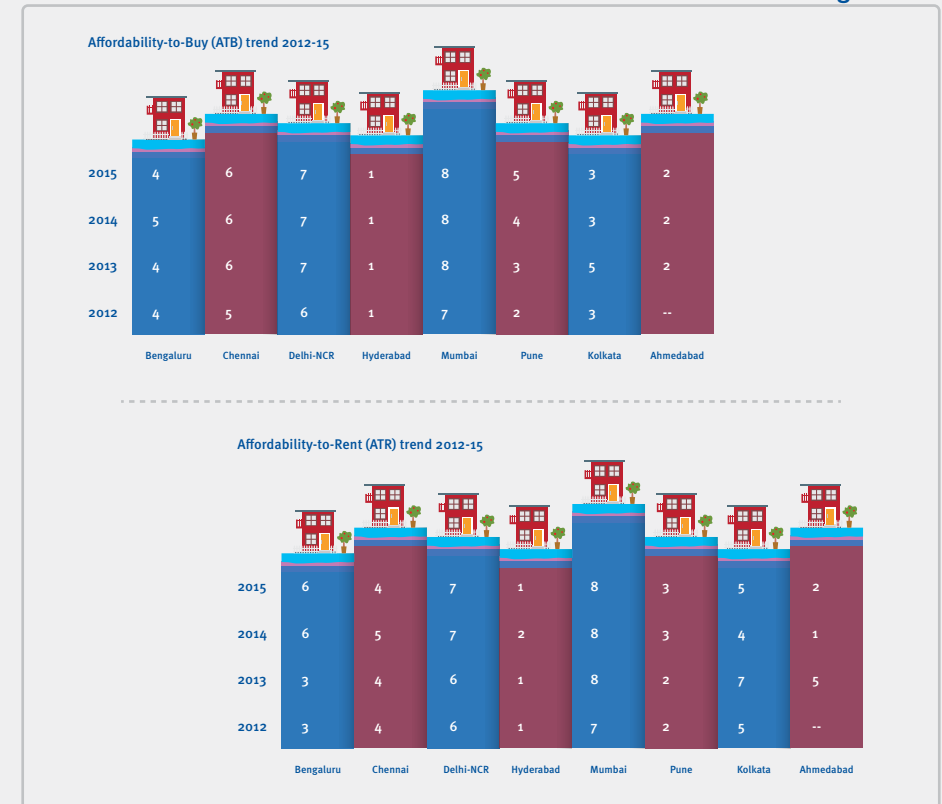
Bengaluru is more favourable towards renting than buying a property inspite of seeing a drop in property prices due to its high-value real estate.

4. FINDINGS

4.4 Affordability-to-Buy and Affordability-to-Rent ranking

Cities are given Affordability-to-Buy (ATB) rank and Affordability-to-Rent (ATR) rank by considering income factors of an individual, expected EMI to be paid, and renting a property. The rankings aim to help Indian families to take a sound financial decision on buying or renting a home.

Figure: 06



Since 2012, Hyderabad and Ahmedabad have retained their ATB ranking. Cities like Mumbai and Delhi-NCR stand to be very expensive both in terms of buying and renting a property and this has been consistent trend year-on-year. Chennai continues to be at 6th position like last year in ATB ranking while there is step up in the ATR ranking from 5th to 4th position making it better placed for renting. Pune, over the last four years, has come down in its ATB ranking due to a constant increase in property prices while it retains the 3rd position for ATR ranking. Bengaluru has become more attractive in ATB ranking i.e. from 5th position in 2014 to 4th position in 2015 but remains at 6th position on the ATR ranking. Kolkata remains at 3rd position for ATB but has seen a drop in its ATR ranking from 4th to 5th position.

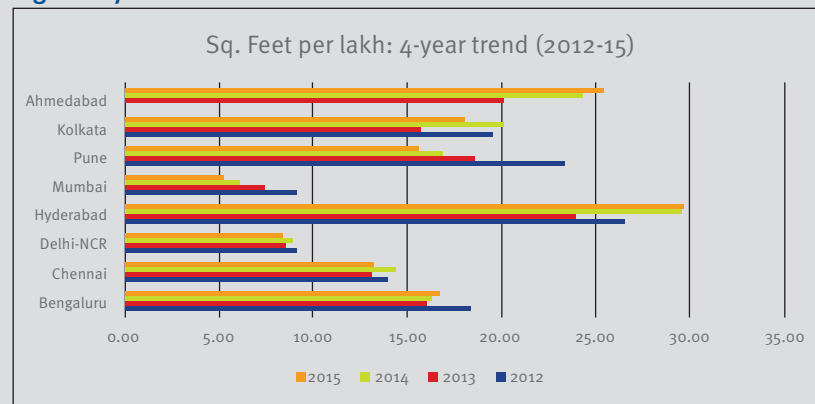
4. FINDINGS

4.5 Purchasable Area for Rupees One Lakh

For an Indian middle class family, one primary factor that affects property buying decision will be the total sq. ft. they get for the allocated budget. Thus, as a part of this analysis, the area covered (number of sq. ft.) per one lakh Indian Rupees spent will be a dependable parameter.

We observed that with change in property prices over the last four years impacts the area covered per one lakh Indian Rupees.

Figure: o7



Amongst the 8 cities covered, the drop in property prices in Bangalore (16.75 sq. ft.) and Ahmedabad (25.45 sq. ft.) has enabled increase in area covered as compared to last year. When we look at the 4-year trend, except for the cities of Hyderabad and Ahmedabad, all other cities have seen a considerable decline in the sq. ft. covered.

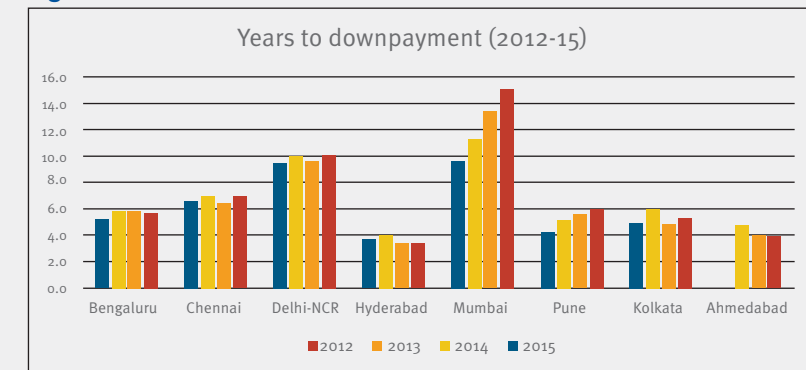
4. FINDINGS

4.6 Initial Down Payment

Before purchasing a house, an average middle class household works hard to create the corpus i.e. initial down payment. Although the EMIs takes care of 80% of home loan, accumulating the down payment amount is a very important aspect.

With a recent drop in home loan interest rates by RBI, buying a home has become more attractive. However, the rate cuts won't lead to any significant rise in sales without making ready the initial down payment. For this analysis we've assumed the savings rate of 25% of one's annual income (pre-taxes), the time required to accumulate the corpus for the down payment is represented in the figure below:

Figure: o8



Households in Mumbai would take 15.1 years to accumulate the down payment to purchase a 1,000 sq. ft. house. The time required is 1.8 years more than last years. Over the period of 4 years, time required for down payments increased by 5.5 years which makes it a challenging task for house purchase in Mumbai.

Over the past four years, cities like Delhi-NCR, Pune, Bengaluru, Chennai and Kolkata have seen marginal increase in accumulation of corpus amount. Whereas, Ahmedabad and Hyderabad have seen reduced number of years for corpus buildup.

4. FINDINGS

4.7 Initial Security deposit for Renting

In order to acquire a rental property one has to pay a security deposit as advance which is calculated as (number of months)*(monthly rental value). Thus, the advance amount needs to be accumulated before moving in and this varies from city to city depending on the rental agreement between the landlord and the tenant. Following are the average no. of months of rent required as an initial deposit amount across 8 cities:



Figure: 09

4.8 Urgency-to-Buy (UTB) Ranking

Urgency-to-Buy (UTB) is a ranking that enables people to take an objective decision to either buy or rent. The UTB ratio indicates what extra payment one has to pay every month if the property is purchased instead of rented. This ratio helps in understanding whether the rental yields are in line with the property prices in a city. The average monthly cost of renting is derived from the sum of rents and maintenance cost whereas monthly cost of buying is calculated by adding maintenance cost with the EMI. This ratio is a very good means to understand if property prices are inflated.

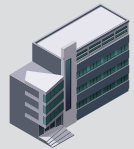


Figure: 10



MUMBAI

- Avg. out of pocket cost (Rent) Rs.33,556
- Avg. out of pocket cost (Buy) Rs. 1,62,127
- Rent-to-Buy Ratio 0.20
- Urgency to Buy Ranking 8



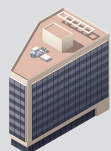
PUNE

- Avg. out of pocket cost (Rent) Rs. 16,843
- Avg. out of pocket cost (Buy) Rs. 55,347
- Rent-to-Buy Ratio 0.29
- Urgency to Buy Ranking 5



KOLKATA

- Avg. out of pocket cost (Rent) Rs. 19,181
- Avg. out of pocket cost (Buy) Rs. 48,009
- Rent-to-Buy Ratio 0.39
- Urgency to Buy Ranking 2



AHMEDABAD

- Avg. out of pocket cost (Rent) Rs. 12,592
- Avg. out of pocket cost (Buy) Rs. 34,301
- Rent-to-Buy Ratio 0.35
- Urgency to Buy Ranking 4

*Maintenance cost of INR 1,000 per month added to all cities.

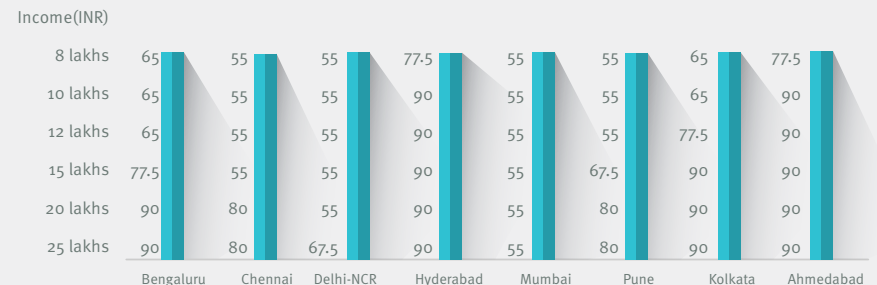
Mumbai has the least UTB ranking which means that renting a home is the best option here. Kolkata and Hyderabad have shown similar trend in Urgency to buy despite difference in their property prices.

5. ARTHAYANTRA BUY VS. RENT SCORE (ABRS)

ArthaYantra's Buy vs. Rent Score (ABRS) is an effort to seamlessly integrate the various decision parameters like Affordability-To-Buy, Affordability-To-Rent and Urgency-To-Buy considered for purchase or renting a house.

The property price and rental value of the place determines if one should rent or buy the place. They have an impact on the cash flows of a household (be it rent or EMI), the tax benefits availed and other lifestyle decisions.

ABRS is a powerful tool to logically compare rentals and/or property prices across cities. In a way, one can arrive at the pros and cons of renting and/or buying a house in a particular city/region. As a part of this research report we have considered the average property prices and rental values of the localities and calculated the ABR Score across different salary groups.



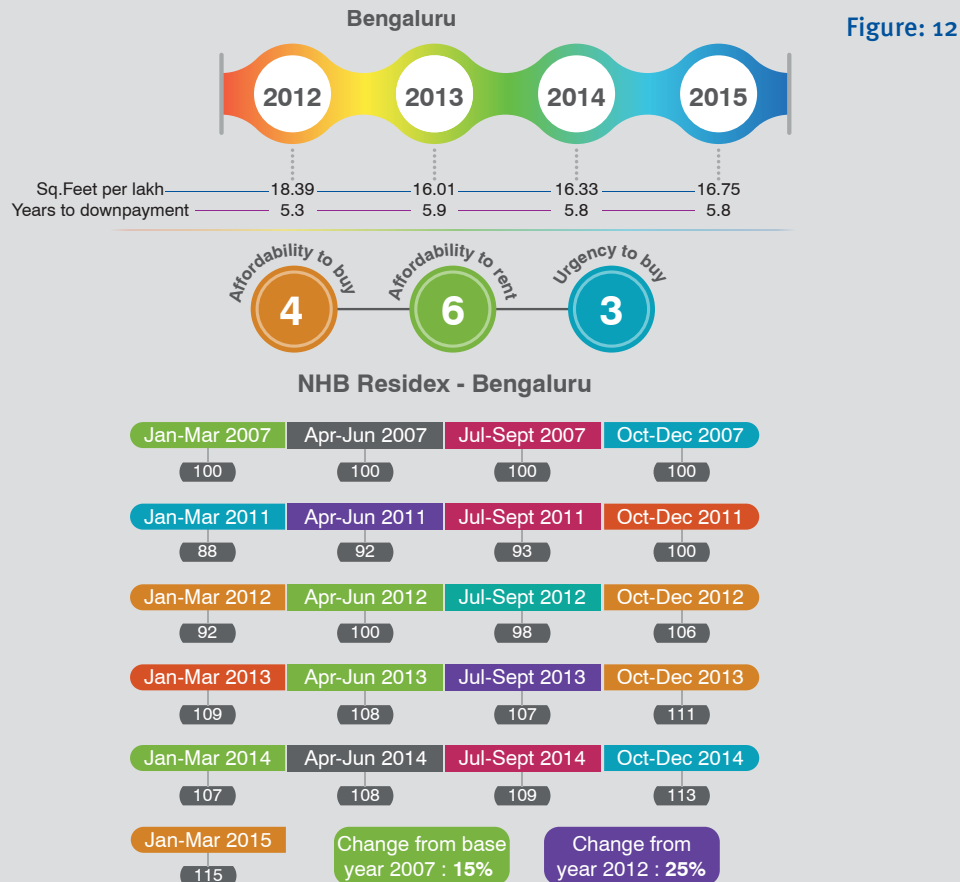
6 COMPARISON WITH PREVIOUS YEARS

6.1. Bengaluru - Rising Rental Yields

The IT capital of India has seen buoyant growth in the job market leading to an increased demand for rental houses inspite of a drop in the property prices. It remains to be the most popular IT job destination vis-à-vis Pune, Hyderabad & Chennai for IT/ITES professionals hailing from tier-2 and tier-3 cities of India. Over the past four years, though the property prices have grown by 9.76%, on year-on-year comparison, the property prices have dropped by 2.55% since 2014. This drop is because of real estate developers finding it difficult to sell units and thus bringing in a price correction.

The city has seen steeper growth in rental values as compared to the property prices. This shows a drop of city's Affordability-to-Rent rank from 3rd last year to 6th position this year. In terms of the Affordability-to-Buy rank (4th in 2015), it still not in the top 3. The years required for down payments have decreased slightly to 5.67 years this year leading to a marginal increase in area covered per one lakh rupees.

ABRS suggests that a person having an average annual income over INR 15 lakhs can plan to buy a residential property in the city, while some areas like Hosur Road and Whitefield look affordable for other income groups.



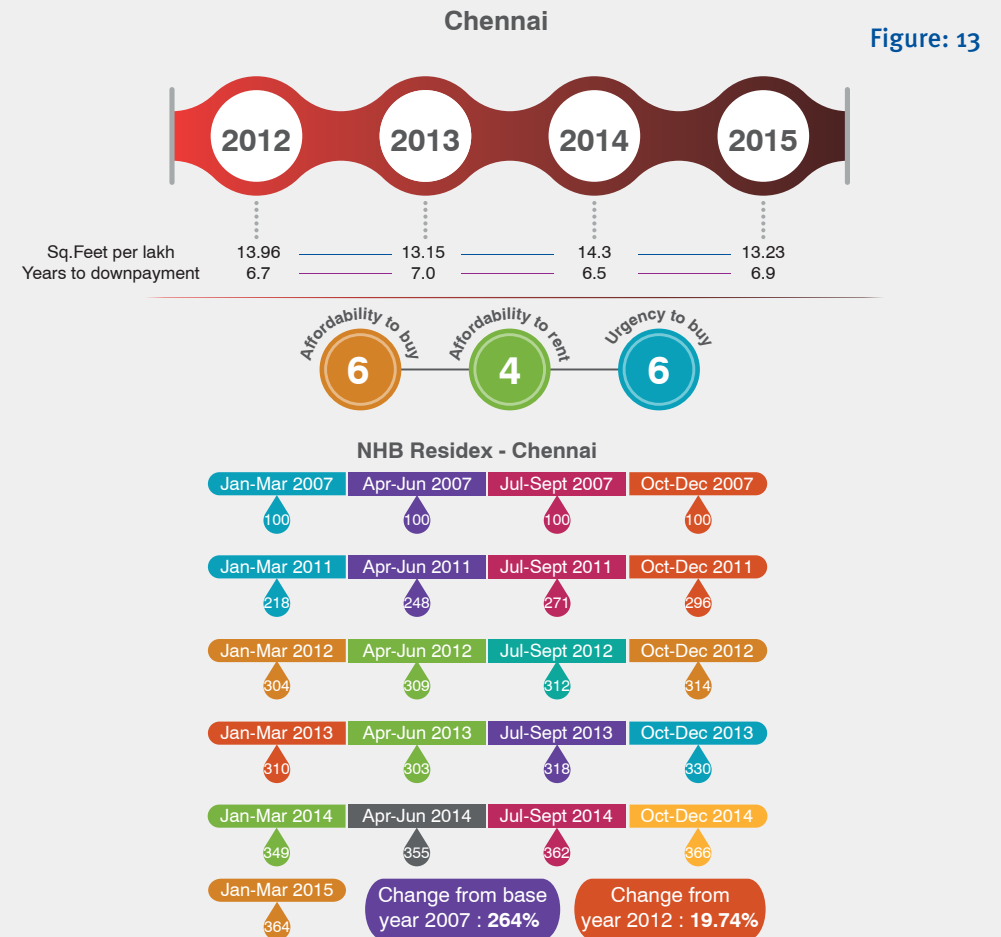
6.2. Chennai – Affordable renting over buying

Chennai, a hub for both manufacturing units & services enterprises, continues to witness a growth (5.5%) in real estate prices since 2012 while the rentals values increased by 8.89%, in line with inflation, for the same period.

Of the 8 cities, Chennai, besides Mumbai & Delhi-NCR, remains to be an expensive destination for property purchase making it occupy the 6th position (since 2013) on the Affordability-to-Buy ranking. On the other hand, due to marginal drop (1.7% since 2014) in rental values, the city remains affordable for renting. Chennai's Affordability-to-Rent ranking is 4th, a step-up from its previous year.

There has been a slight increase in the years needed to accumulate the initial down payment while the purchasable area per one lakh rupees has reduced by 8%.

The ABR Score of Chennai recommends a buy for people having average annual incomes of INR 20 lakhs and above. Nevertheless, areas like Medavakkam and Chrompet are still attractive buys for people with average annual incomes below INR 20 lakhs.



6.3. Delhi - NCR - Rents are increasing

The National Capital Region (NCR) remains to be the second most expensive region to own a home in India. The average rental value of Delhi, over the last four years, has increased by 20% whereas the average property prices increased by 9.1% for the same period. Being a highly preferred city for both education & jobs in North India, Delhi-NCR experiences high amount of immigration from neighboring states making rentals values steadily increase year-on-year.

On the Affordability-to-Rent as well as Affordability-to-Buy ranking, Delhi-NCR holds the 7th position. So, a person aspiring to own a "Dream House," with an annual earning of INR 8 lakhs, requires a little over 10 years (10.2 years) to accumulate the down payment corpus besides living with 6% lesser carpet area when compared to 2014.

The ABRS proposes Delhi-NCR to be a rental city for individuals having average annual income between INR 8 lakhs & INR 25 lakhs. And areas like Noida, Greater Noida Expressway and Indirapuram (Ghaziabad) are favorable for renting despite increased travel time to work locations

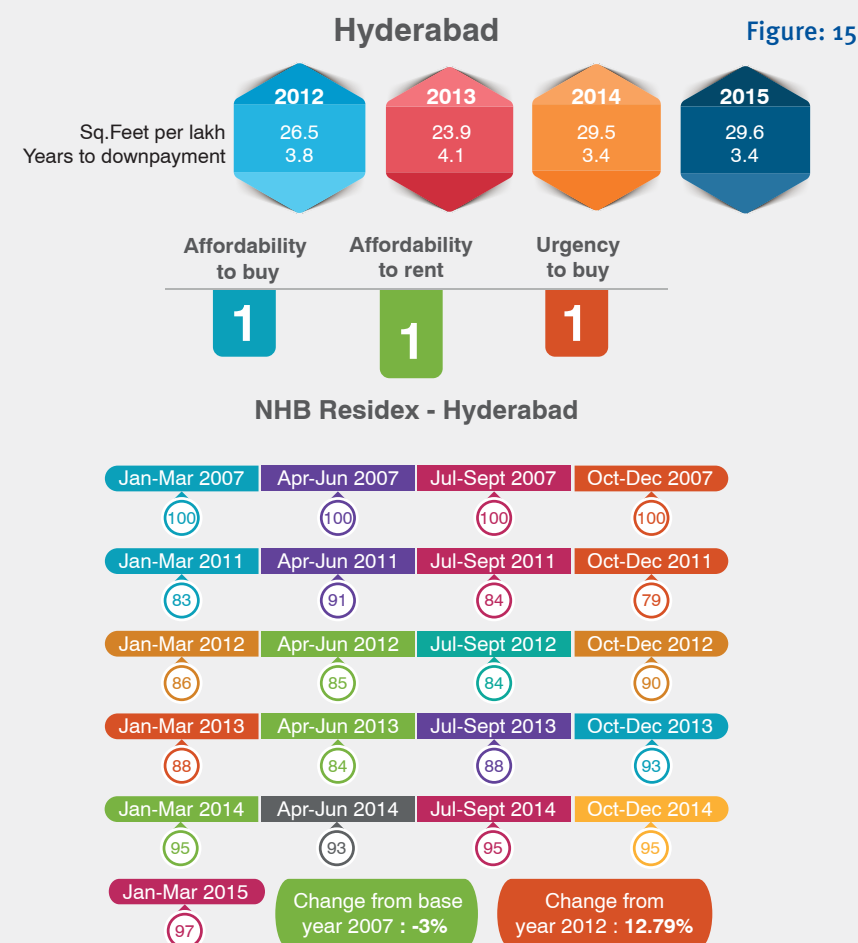


6.4. Hyderabad – The Most Affordable Market

Since the inception of ABRS Report in 2012, Hyderabad has been rated as the most affordable city both in terms of renting and buying a residential property. With a relatively stagnant real estate market, this city has become attractive destination for purchasing a residential property. Over the past 4 years, the property prices declined by 10.46% whereas the rental values have increased by 6.3% for the same period. People belonging to any income groups can lead a comfortable lifestyle here.

To an extent, the bifurcation of Andhra Pradesh & the formation of Telangana State hasn't positively impacted the real estate market in Hyderabad. Nonetheless, this city keeps its 1st position in both Affordability-to-Rent & Affordability-to-Buy ranking. Also, an individual will take 3.4 years to accumulate the initial down payment, the lowest among the 8 cities.

ABRS suggests that a person having an average annual income of INR 9 lakhs and above can plan to buy a residential property across most of the real estate development areas in and around the city.

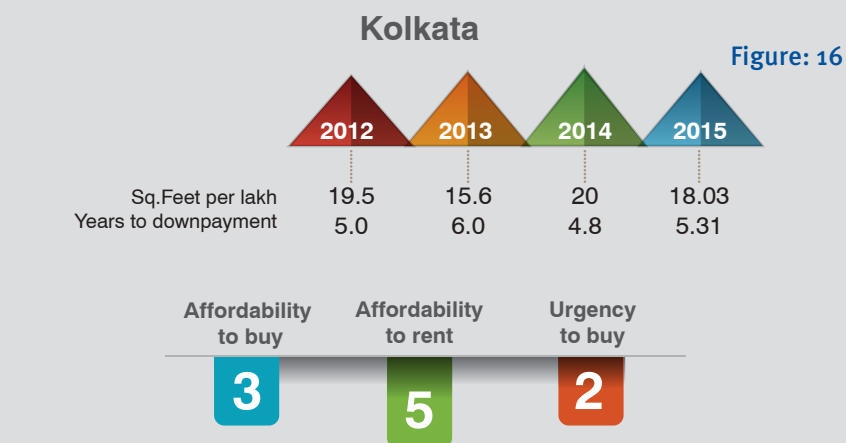


6.5. Kolkata – Steady trend

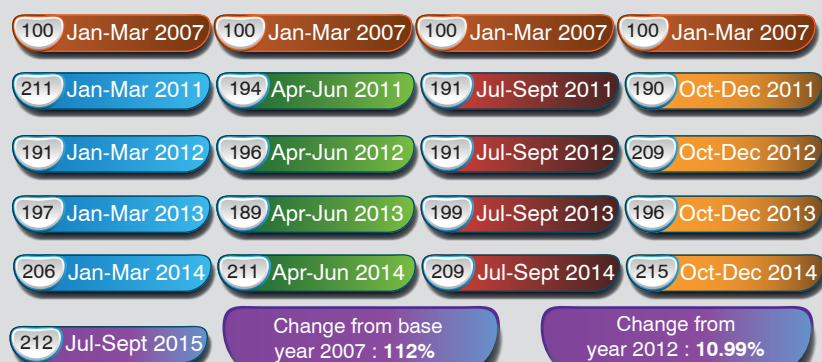
In the city of joy rental values have followed the same trend as property prices between 2012 and 2015. Over the past year, property prices and rental values have grown by 11.27% and 11.48% respectively.

The Affordability-to-Buy ranking remains at 3rd position like in 2014 while the Affordability-to-Rent ranking slipped to 5th position from 4th position (2014) indicating that the city is becoming a little more expensive to rent. The years required for accumulating the initial down payments has increased slightly to 5.30 years. Also, we observe there is 10.13% decrease in purchasable area per one lakh rupees over last year.

ABRS suggests that a person having an average annual income of INR 15 lakhs and above can purchase a residential property in the city, while some areas like Howrah and Behola look affordable for other income groups.



NHB Residex - Kolkata



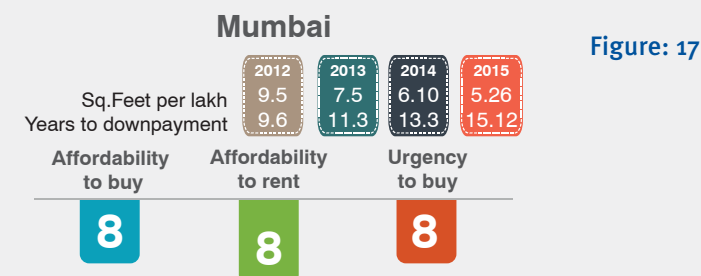
6.6. Mumbai – Zooming real estate price

This city retains the title of being the most high-priced place to buy a home as well as most expensive place to rent. The property prices zoomed by 74% since 2012 whereas it had a growth of 16% from last year's findings. Compared to the 2012, the average rentals has increased by 14.14%.

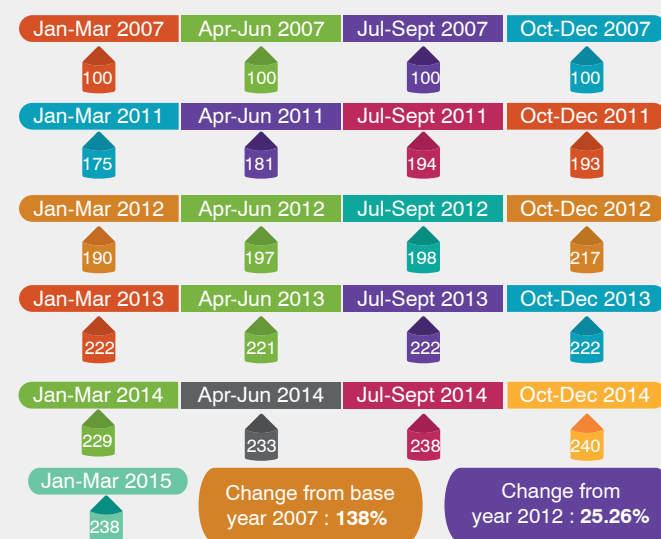
Being the financial & commercial capital of India, the city has increased demand for real estate prices despite the fact that the prices are now beyond the reach of a salaried professional having average annual income of INR 25 lakhs.

In terms of Affordability-to-Buy & Affordability-to-Rent ranking the city comes at the bottom of the table at 8th position. The years of saving required to create the down payment corpus is 15.1 years which is a good 1.8 years over 2014. On other hand, due to increased prices the area covered for every lakh rupee spent also shrunk to 5.26 sq. ft. which is 13.9% less over 2014.

The ABR Score for individuals with a salary range of INR 8 lakhs and INR 25 lakhs remains at the bottom with a score of 55 making Mumbai unaffordable to own a property in India. Although, some areas like Virar and Kalyan can offer some low cost homes for professionals under the annual salary range of INR 25 lakhs.



NHB Residex - Mumbai

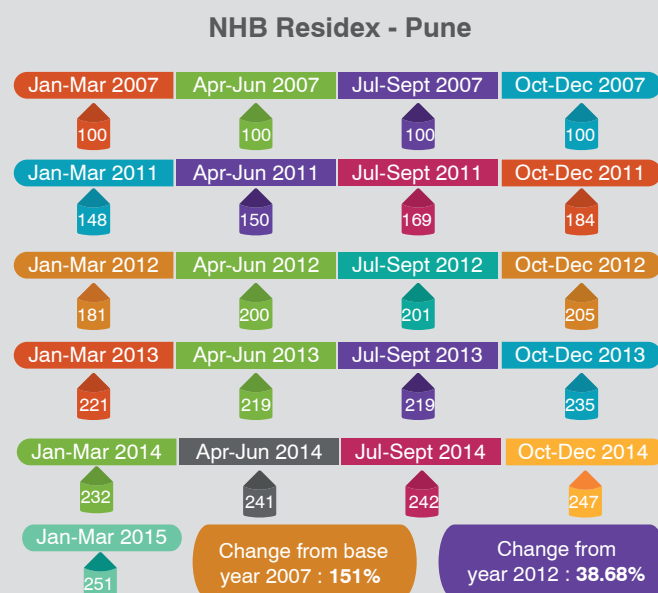
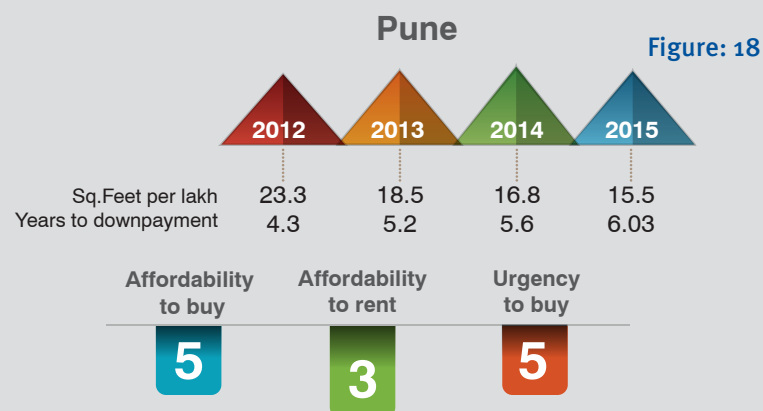


6.7. Pune – Both real estate and rental increase

Over the past 4 years, Pune had seen a 32% rise in rentals and a 50% rise property prices. Among the 8 cities, Pune, now stands at 5th position in Affordability-to-Buy ranking and 3rd position in terms of Affordability-to-Rent ranking.

Pune, an educational hub and a vibrant job destination for core engineering & IT/ITES professionals, has been in demand for both house purchase and rentals. The number of years required to create the down payment corpus for Pune has increased to 6 years from 5.6 years in 2014. For the past 4 years, the purchasable area has reduced by 33.3%.

Individuals earning an average annual income of INR 17 lakhs and above can afford to buy a home. Some areas like Hadapsar and Hinjewadi were found to have cheaper property rates and prove to be affordable for the individuals having average annual income between INR 14 to INR 17 lakhs.

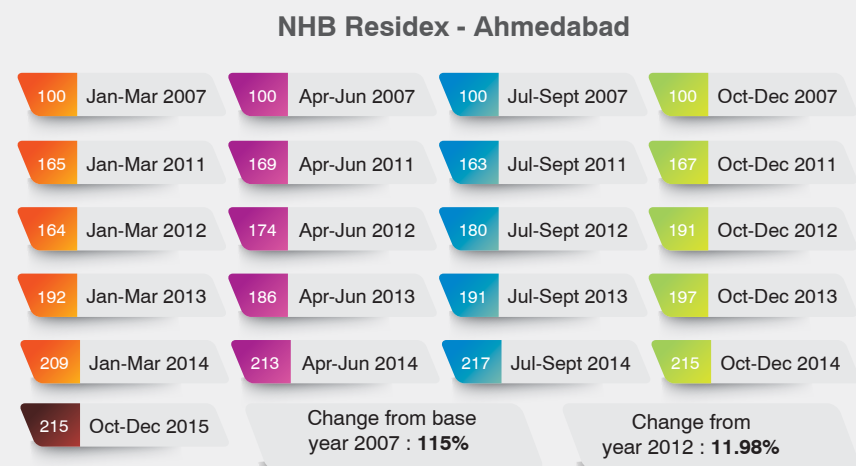
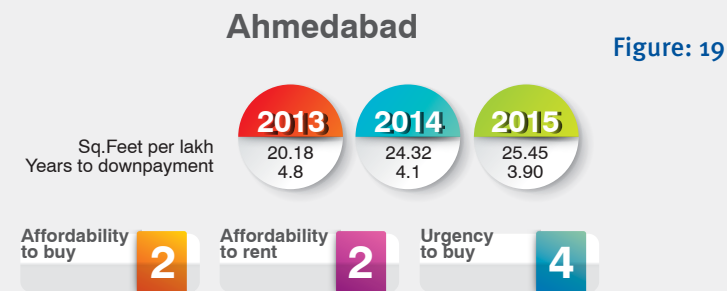


6.8. Ahmedabad – Waiting to be found

In Ahmedabad, the real estate is growing at slower pace compared to rest of the 8 cities, thus, making this city affordable for buying and renting a residential property. Over the past three years, though the property prices have grown by 13%, on year-on-year basis, the property prices have dropped by 4% since 2014.

Even though the city has seen sharper growth in rental values as compared to the property prices, there is a drop in city's Affordability-to-Rent ranking from 1st (2014) to 2nd position this year as Hyderabad remains to be most affordable rental city. In terms of the Affordability-to-Buy rank, Ahmedabad stands at 2nd position this year, it is still among the most affordable cities to buy. The years required for accumulating the down payment corpus are 3.9 years this year and the purchasable area per one lakh rupees is 25.45 sq. ft., which is second highest amongst the 8 cities.

ABRS advocates that a person having an average annual income of INR 10 lakhs & above can buy a residential property in this city, while some areas like Vastrapur and Vatva look affordable for other income groups.



7 Conclusion

The current economic scenario along with the ongoing trend in the realty market make the Buy v/s Rent decision a little more complex for individuals. Among the top 8 cities researched in this report, Mumbai and Delhi-NCR clearly stand out as cities where buying a home has gone beyond the reach of individuals earning even up to INR 25 lakhs per annum.

The purchasable area per one lakh rupees has increased for the cities like Hyderabad and Ahmedabad, making them attractive destination for buying a residential property. While the rest of the cities have seen decrease in purchasable area per one lakh rupees, thus making us to conclude that the real estate market, by and large hasn't seen significant growth inspite of the interest rate cut by RBI and tax slab changes in the recent past.

Builders might not be passing on the benefits of lower interest rates to the end user and are holding on to their prices, while developers continue to launch spacious units. This has led to a mismatch in what the market wants and what is being developed/offered. In all, it discourages the price-sensitive individuals from taking a 'buy' decision on residential properties. Also, it implies that there is a need for price correction as sales are declining and leading to a pile up of inventories.

As a cost-effective alternative, Hyderabad and Ahmedabad continue to be the most sought after cities for both renting and buying for people having annual earning of INR 10 lakhs or more. However, in Pune and Bengaluru, the salary threshold to buy a home starts when the annual income is around INR 20 lakhs. These cities today offer a good buying alternative for Mumbai and Delhi-NCR based professionals earning similar annual salaries

The economic value for a person in buying a home across the selected 8 cities is being lessened given a combination of factors like steep rise in property prices year-on-year, preference to rent over buy, reduced purchasable area and longer duration to accumulate the initial corpus.

Buying a home without clear economic benefits can be detrimental to the financial well-being of the buyer. We recommend that ABRs should be used as the mainstay tool to arrive at a more objective decision on whether to buy or rent a property.

8 Limitations

In each of the eight cities, data for analysis has been collected for the below mentioned localities:

BENGALURU: Old Madras Road, Indira Nagar, Bellary Road, Hosur Road, Whitefield, Tumkur Road, Kanakapur Road, Mysore Road, Lavella Road, Benson Town, Vijaya Nagar.

CHENNAI: Adyar, Medavakkam, Tambaram, Anna Nagar, Porur, Sholinganallur, Perambur, Kolathur, Chetpet, Ashok Nagar, Chromepet, Thriuvannamiyur, Nehru Nagar and Nungambakkam.

DELHI-NCR: Golf Course Road, Sohna Road, Golf Course Extension Road, Noida & Greater Noida Express Highway, Noida City, Indirapuram, Safdarjung Enclave, Rohini Sector 13, Delhi East, Delhi South, Friends Colony, Shalimar Bagh, Vasant Kunj, Dwarka, Mayur Vihar Phase 1.

HYDERABAD: Banjara Hills, Begumpet, Kondapur, Tellapur, Kukatpally, Miyapur, Rajendra Nagar, L B Nagar, Tolichowki, Himayatnagar, Tarnaka, Uppal, Srinagar Colony.

MUMBAI: Lower Parel, Wadala, Andheri, Ghatkopar, Ghodbunder Road, Kharghar, Chembur, Borivali West, Bhandup West, Mira Road, Kalyan, Virar, Pokaran Road, Malabar Hills, Matunga East, Bandra West, Mulund, Dahisar.

PUNE: Wakad, Kharadi, Hadapsar, Hinjewadi, Kondhwa, Pimpri Chinchwad, Shivaji Nagar, Pimple Saudagar, Baner, Kharodi, Pashar, Chinchwad, Kothrud.

KOLKATA: Alipore, Behola, EM Bypass, Howrah, Jadavpur, Jodhpur Park, Lake Town, Maniktala, Bhavanipur, Dhakuria, Salt Lake City.

AHMEDABAD: Motera, Gota, Satellite, Maninagar, Thaltej, Bodakdev, Vatva, Ambawadi, Chandkheda Gam, Vejalpur, Shilaj, Vastral.

- The property tax to be paid is considered as 1.5% of the property value. The property tax calculation reforms need some stringent reforms to regulate the process. In most places the value is calculated based on the rental value. The rental values being shown in the related local governing bodies website varies from the actual rental prices
- The tax benefits received under section 80 C is taken at INR 1.5 lakhs
- The tax benefits under section 24 B for home buyers is considered as INR 2.0 lakhs
- The HRA benefits in case of renting is considered as per the taxation rules based on average rental prices
- However, tax calculation for the previous years is taken as per rules pertaining to the respective previous years

9. Sources and Appendix

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Appendix - Figures

	Pg. No.
• Figure 01 : City wise Snapshot	03, 04
• Figure 02: NHB Residex trend-8 cities	07
• Figure 03: Avg. Property price and rental values across 8 major cities	08
• Figure 04: Change in property prices 1 year over 4-year trend	08
• Figure 05: Rental change - 1 year versus 4 year trend	09
• Figure 06: Affordability-to-Buy and Affordability-to-Rent ranking trends	09
• Figure 07: Square feet per lakh: 4 year trend (2012-15)	10
• Figure 08: Years to down payment: 2012-15	10
• Figure 09: Initial rental security deposit	11
• Figure 10: Urgency-to-Buy ranking	11, 12
• Figure 11: Arthayantra Buy vs Rent Scorecard	12
• Figure 12: Bengaluru	13
• Figure 13: Chennai	13
• Figure 14: Delhi-NCR	14
• Figure 15: Hyderabad	14
• Figure 16: Kolkata	15
• Figure 17: Mumbai	15
• Figure 18: Pune	16
• Figure 19: Ahmedabad	16
• Figure 20: Important numbers to look at before making a decision	18

Important Numbers to look at before making a decision

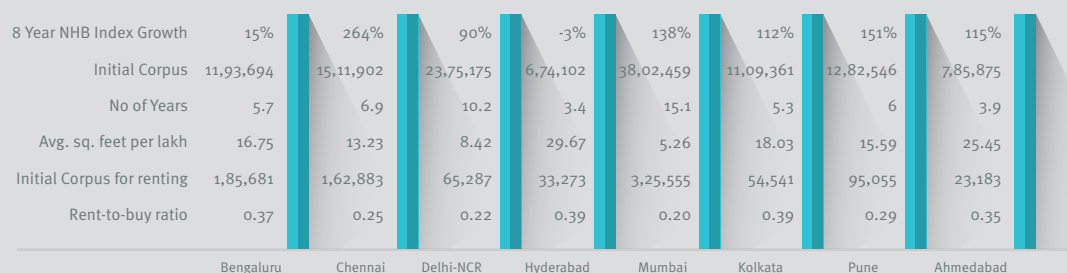


Figure: 20

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