

Real Estate in India is Expected to Show Further Decline

As per the experts a slowdown will take place within one and half year while the market undergoes through price corrections. The prospective buyers should take the opinion of an impartial market analyst before buying a property. At present, the market is in a state of fluctuation due to the liquidity crisis and muted responses.

July 25, 2008 (FPRC) -- The present time is not ideal for the realty market. The decelerated pace has affected the sector. The leading banks have increased the interest rates of home loans and the inflation level is also rising. Therefore, putting together, the probable property buyers are feeling dejected. But perhaps there may be a silver lining. The prospective buyers are delaying their home-buying decision to buy properties because of a widespread conjecture of probable price reduction in times to come. How long one should wait and watch is however not known.

Anuj Puri, the chairman and country head of the operations of the international real estate consultancy Jones Lang LaSalle Meghraj (JLLM) in India, says that the correction will take 4 to 6 months depending on the local trend of the market and the holding power of the developers operating in that location.

JLLM also makes a forecast of 5 to 15% probable price reduction in different hyped micro markets of Pune, Bangalore, Gurgaon, Noida, and other such locations. The real estate India appears to be going through a rocky period. The real estate markets of South Mumbai, several other places in Mumbai suburbs, and some locations in New Delhi may experience a price reduction of even up to 10%. These areas already have seen unreasonable price trends.

As per Mr. Puri, the problems for the developers to finish the existing projects as well as initiate new projects will escalate which will result in reduced incoming supply. This will also increase the consumption time needed for the existing supplies. The prospective buyer of India property will reschedule the decision of purchasing property because of his or her limited disposable income. Sonapat and Ghaziabad property market however has been quite stable and has attracted a lot of investors.

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Keywords

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[India property](#)

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