

# Price gap of ready and under construction houses narrows

**SANGEETHA G**  
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Sluggish demand has narrowed down the price difference between ready-to-move-in and under-construction residential units to as low as 3 per cent.

The price gap between ready and or under-construction housing, which has been narrowing since 2017, has come down to 3 to 5 per cent, indicating the sluggishness in demand in the market, finds Anarock Property Consultants.

In 2017, the price gap stood at 9 to 12 per cent and it had narrowed to 5-8 per cent in 2018.

In Mumbai, the price difference shrunk from 12



per cent in 2017 to 3 per cent in Q1 2021. In the case of Bengaluru, it was 12 per cent and 4 per cent and Pune, the gap narrowed from 12 per cent to 5 per cent.

According to Anarock, average prices of ready-to-occupy homes in Delhi NCR were Rs 4,650 per sq.

ft. and for under-construction ones Rs 4,500 per sq. ft. In Mumbai it stood at Rs 10,700 per sq ft and Rs 10,350 per sq ft respectively.

Apart from sluggish demand, unsold stock too held back the price rise of ready-to-occupy homes in these years. Construction delays and stalled projects also made customers averse to investing in under-construction units. Further, ready-to-occupy homes do not attract GST and this has been an added attraction.

“The shrunk price gap works well for end-users as well as investors,” said Anuj Puri, chairman, Anarock Property Consultants.