



North Goa Residential Market Watch



ECONOMY ROUND-UP

- The world's largest democratic exercise took place in the form of the 2024 general elections in India. The National Democratic Alliance (NDA) secured a third consecutive term, with Narendra Modi entering his third term as Prime Minister.
- India's real GDP grew by 8.2% in FY24, surpassing the 7.0% expansion in FY23. Macro-economic indicators point to resilient domestic activity in FY25, with real GDP growth projected at 7.2% for the full year. Forbes expects India to be the third largest economy by 2027.
- Domestic inflation dropped to a 12-month low of 4.75% in May 2024. The RBI has projected India's headline inflation rate at 4.5% for FY25, comfortably within the target range of 2-6%.
- The policy repo rate remained unchanged at 6.5%. The stability in the policy rate, along with moderated inflation, has fostered an encouraging environment for housing demand and boosted investor confidence.
- GST collections for the Centre reached INR 20.18 lakh crore in FY24, marking an 11.6% YOY increase. Collections hit a record high of INR 2.10 lakh crore in April 2024, reflecting a strong start to the current fiscal year and demonstrating the country's resilience and buoyancy, driven by robust domestic demand and investment activity.

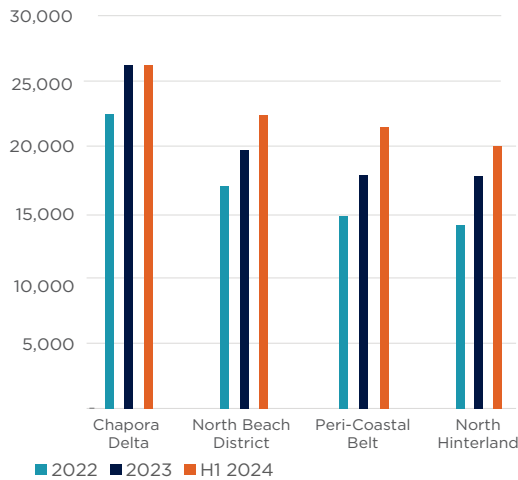
“ Second home demand leading to a steady rise in capital values for villas

PRICE TRENDS

- Average capital values for villas in North Goa witnessed a steep rise of 28% YOY. This increase in prices is attributed to its rising popularity among homebuyers as a second home location owing to high rental yields, a growing preference for gated villas and a demographic shift towards younger, lifestyle-focused buyers.
- The market is witnessing a trend of young professionals, especially from major cities like Mumbai, Delhi and Bengaluru, relocating to Goa. These professionals often work in creative fields or are digital nomads seeking a better work-life balance.
- With its tropical climate, pristine beaches and vibrant culture, Goa has become a sought-after destination for NRIs looking for a second home or investment property. During H1 2024, the market witnessed several enquiries from NRIs, mainly from the European region as well as the Middle East.
- Homebuyers preferred gated villas in locations along the North Beach District, such as Anjuna, Arpora, Baga, Calangute, Candolim and Vagator. This has led to a 29% YOY increase in prices in these locations.
- Homebuyers in Goa are increasingly prioritising green living. Hence, developers are focusing on building sustainable housing options, adopting eco-friendly designs, solar panels, rainwater harvesting, and energy-efficient technologies.

- Due to rising land prices, the nature of supply of villas in North Goa has seen a tremendous shift. The standard sizes of villas have shrunk to almost half from 5,400 sq. ft. to 2,700 sq. ft. in the past five years.

Average Capital Values for Villas (INR per sq. ft.)

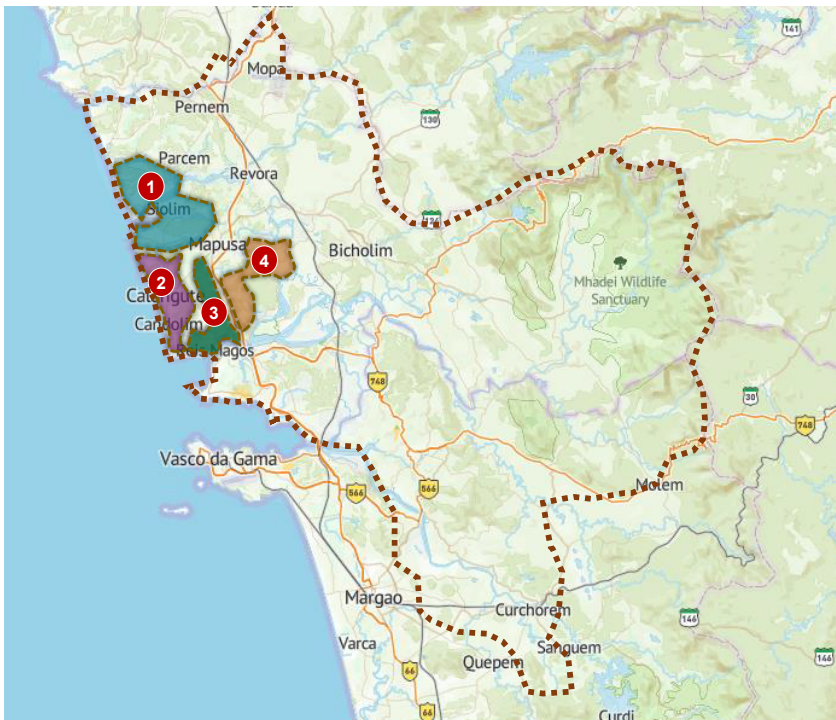


Source: Savills India Research

NORTH GOA MICROMARKETS

Chapora Delta: Morjim, Assagao, Siolim, Chapora, Mandrem
North Beach District: Anjuna, Arpora, Baga, Calangute, Candolim, Vagator
Peri-Coastal Belt: Pilerne, Reis Magos, Nerul, Parra, Saligao, Verla Canca
North Hinterland: Aldona, Moira, Porvorim, Penha de Franca, Nachinola

NORTH GOA MICROMARKETS



Cluster 1 (Chapora Delta):
Morjim, Assagao, Siolim, Chapora, Mandrem

Cluster 2 (North Beach District):
Anjuna, Arpora, Baga, Calangute, Candolim, Vagator

Cluster 3 (Peri-Coastal Belt):
Pilerne, Reis Magos, Nerul, Parra, Saligao, Verla Canca

Cluster 4 (North Hinterland):
Aldona, Moira, Porvorim, Penha de Franca, Nachinola

KEY TRANSACTION

Transaction: Sale
Location: Cunchelim
Asset Type: Villa
Area: 1 acre
Asset Description: Private estate with fully-furnished villa
Price: INR 26 Crore

Source: Savills India Research



OUTLOOK FOR H2 2024

- ◆ Goa is witnessing remarkable rejuvenation as far as infrastructure is concerned. Some key recent infrastructure upgrades are explained below:
 - The establishment of Manohar International Airport (also known as MOPA airport) which was inaugurated in December 2022, along with the existing Dabolim airport, has significantly propelled real estate demand in the area. In addition, connectivity via the Vande Bharat train (Mumbai to Goa), the expansion of highways, and the development of new bridges will likely bring

Notes:

- Capital values for villas are quoted prices on carpet area.
- Capital values for villas are reflective of properties for INR 3 crore and above.

about new investment opportunities in previously untapped areas. The market is witnessing significant land acquisitions in locations such as Morjim, Ashvem, Mandrem, Arambol and Perne. The area around the airport is expected to be developed as a real estate hub in the long term.

- The completion of the second Zuari bridge (southbound) in December 2023 has enhanced connectivity between North Goa and South Goa. This has provided the necessary boost to real estate prospects in Goa and will likely attract investors to the state.

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