

The Times of India    30.07.2009 **Property registrations in central Chennai falls 23% in the first half**

Aparna Ramalingam, TNN 30 July 2009, 04:14am ISTCHENNAI: While the real estate sector is showing some signs of bouncing back, thanks to the positive response evoked by a large number of [budget](#)

- housing projects (homes upwards of Rs 10 lakh) launched in the suburbs, the sale of residential space in places like Teynampet, Nungambakkam, Mount Road and Mylapore in the heart of the city is still muted.

Going by registration department figures, there is an average 23 per cent dip in property transactions in prime locations between January and June this year, when compared to the corresponding period last year. In Nungambakkam and surrounding areas like a part of the Mount Road, Thousand Lights, Sterling Road, Greams Road and Wallace Garden, the number of registrations between January and June this year (877) was 11 per cent less than that of the corresponding period (983) last year.

Teynampet region witnessed the maximum fall of 35 per cent - from 1,728 registrations to 1,131 transactions. In Mylapore sub-registrar office, transactions fell by 20 per cent, from 2,835 to 2,268.

Nevertheless, industry observers and realtors are of the view that in about six months, the market in the central business

districts (CBD) could revive . "While the OMR and other outlying areas have seen signs of revival, many people are still not excited about [investing](#) in properties in the CBD, especially in the commercial sector, as land prices are still prohibitive in such areas," says VA Ramash, president, Sabari Foundations Pvt Ltd.

Potential home owners, especially the salaried class, are expecting further correction as they don't want to take a huge home [loan](#) and fall into a debt trap at a time when economic revival is not complete. Similarly, sellers who possess properties in such areas are sitting tight and don't want to sell prime properties in a hurry, unless there is absolute financial necessity, say industry observers.

Also, property registrations are expected to be muted this month as Chennaites normally refrain from big ticket purchases and [investments](#) during the month of 'aadi.' Under normal circumstances, the market shows signs of revival with the onset of aavani' (starting on September 15th).

In any real estate slump, the suburbs first bear the brunt, followed by city areas and the CBDs. Similarly, during an upturn too, property revival first happens in mofussil areas and the CBDs are the last to improve.

"While the government's announcement of a 1% subsidy for mid-segment housing is a welcome step, it would be nice if it could extend similar benefits for higher ticket [home loans](#) as well. I am hoping interest rates to fall a bit further so that home

loans become more attractive," says Kasturi Srinivasan, who has been scouting for an apartment for the past several months.