

How markets performed last week

	Aug 1	One-week	Local currency	In US\$
Sensex	80,600	-11	31	0.9
Nifty	24,565	-11	3.9	1.6
Dow Jones	43,589	-2.9	2.5	2.5
Nasdaq	20,650	-2.2	6.9	6.9
Hang Seng	24,508	-3.5	22.2	20.9
Nikkei	40,800	-1.6	2.3	9.1
FTSE	9,069	-0.6	11.0	17.7
DAX	23,426	-3.3	17.7	31.7

*Change (%) over previous week

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Gurugram circle rate hike may price out low, mid-income buyers

SANKET KOUL
New Delhi, 3 August

The 10-30 per cent increase in circle rates across Gurugram could price out prospective buyers in the low - to mid-income segments, said developers and market watchers, with the hike being the second such since December 2024.

The sudden increase in circle rates could further dampen subdued demand in the real estate market. Property prices have increased 67 per cent to ₹16,186 per square foot in Q2 of 2025 from ₹9,718 per square foot in Q2 of 2023, according to Magicbricks.

"The extent of these hikes warrants careful consideration, especially in Gurugram, where property prices have surged in recent years. This has priced out low-to-mid income buyers and further increases in circle rates could escalate overall acquisition costs, placing an even greater financial strain on price-sensitive segments," said Kartikeya Sharma, associate principal partner at Square Yards.

"The steep rise comes at a time when consumer sentiment has only just begun to improve, following the RBI's three consecutive rate cuts totaling 100 basis points. The move could temporarily slow down the growing interest among buyers," said Vineet Nanda, director (sales & marketing) at Krisumi Corporation, which has projects spanning ₹2,000 crore worth of investments in Gurugram.

Last week, the Haryana government approved revised circle rates, or the minimum cost below which land or property cannot be sold, effectively increasing stamp duties on registering sale deeds of immovable properties. According to the new rates



This is the second increase in Gurugram circle rates since December 2024

which came into force from August 1, homes in the millenium city's Haryana Shehri Vikas Pradhikaran (HSVP) sectors, private licensed colonies and other areas will see a 10 to 30 per cent hike in circle rates, which in turn will increase the price of properties.

While the district administration had earlier proposed hikes up to 77 per cent in residential areas and 145 per cent for agricultural land, the final rate has been capped at 30 per cent for both. For example, the highest increase was suggested in the circle rate for agricultural land in Bajghera village off the Dwarka Expressway, at 145 per cent from ₹2.03 crore per acre to ₹5 crore per acre. The final rate, however, has only seen a 30 per cent rise at ₹2.64 crore per acre.

Some developers said that the revising of circle rates was a necessary step, as it will align property valuations with

market realities and enhance transparency in the sector. Signature Global founder and chairman Pradeep Aggarwal said that if implemented in a balanced manner, the move can enhance market transparency and improve buyer confidence by aligning property valuations with ground realities.

Calling Gurugram a billionaire's playground, Rajjath Goel, managing director at MRG Group, said that luxury apartments priced above ₹5 crore selling out within days hardly surprises anyone here. "A rationalised circle rate framework will boost state revenues and ensure fairer benchmarking of land and property values," he added.

The significant rise in property prices reflected strong demand for premium housing across Gurugram's key micro-markets, including Dwarka Expressway, Golf Course Road Extension, Sohna Road and New Gurugram, some developers noted. While the last revision was done in December last year, the proposed rates across these upscale markets is expected to rise by another 10 to 30 per cent when the new rates come into effect.

Vishesh Rawat, vice-president and head of marketing, sales and CRM at M2K Group added that the rate rise is unlikely to shake up luxury home demand. "While there might be a short-term price adjustment in some pockets, Gurugram's overall luxury market remains on a strong, upward path," he said.

Apart from Gurugram, the rise in circle rate is also expected to drive up overall costs in several other districts such as Panchkula, Faridabad and Sonapat due to their proximity to either Delhi or Chandigarh.

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