

QuikrHomes™



Indian Consumer's Home-buying Sentiment This Festive Season

A survey of as many as 1500 consumers from metros highlighting the seasonal real-estate trends in 2018

Introduction

The Indian festive season starting in October and ending in December is considered extra special for real estate builders and buyers, who eagerly wait for this period. These months, falling in the third quarter of a financial year, bring increased sales activity in the market, as prospective homebuyers look forward to avail attractive festive offers lined up by various developers across the country.

Buyers also delay their purchase decisions as this period is considered auspicious for momentous decisions like home-buying. Looking to cash in on this sentiment and the opportunity that lies in it, developers make their marketing strategies to cater to this festive season demand. Not just developers but financial institutions too come up with offers to significantly slash down interest rates for bigger shares of home loan, thus creating a win-win situation for all.

Unlike earlier, buyers now have a plethora of options depending on budget, requirements, location, amenities amongst others. Moreover, various government initiatives like RERA, GST, Affordable Housing have also paved the path for revival of sentiments and positive outlook going forward.

In this setting, QuikrHomes conducted a comprehensive survey with 1500 consumers to capture their sentiments around festive season. It gives an overview of the current market dynamics and purchasing/investing patterns of prospective buyers. It further gives insights into the future of home buying and enables one to understand the expectations and interests of property buyers from consumer demand perspective.



Geographic Distribution of Survey Participants

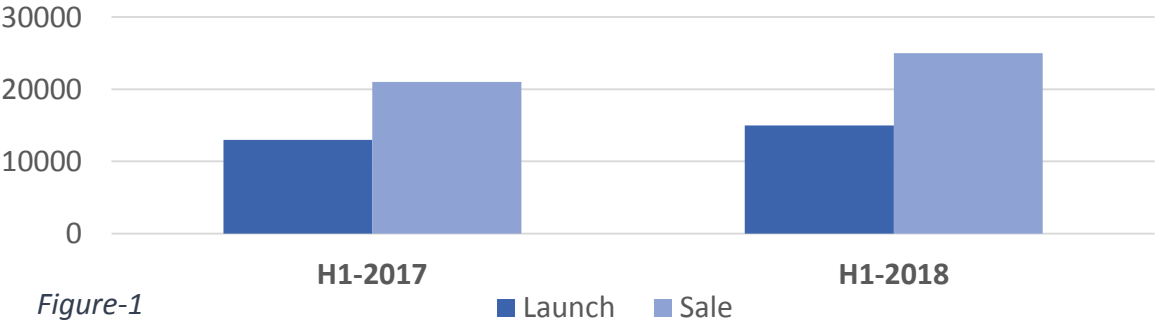
Bengaluru

As can be seen from **figure-1** below, Bengaluru’s residential market has witnessed a remarkable comeback this year with residential sales up by **20%** from the same period last year. RERA has infused trust amongst fence-sitters to take the plunge, backed by the presence of dispute redressal authorities. Residential hotspots like Whitefield, Varthur, Sarjapur Road, Kanakapura Road, Thanisandra, and Devanahalli have emerged while **South Bengaluru** accounted for half the market share, as per our QuikrHomes project data.

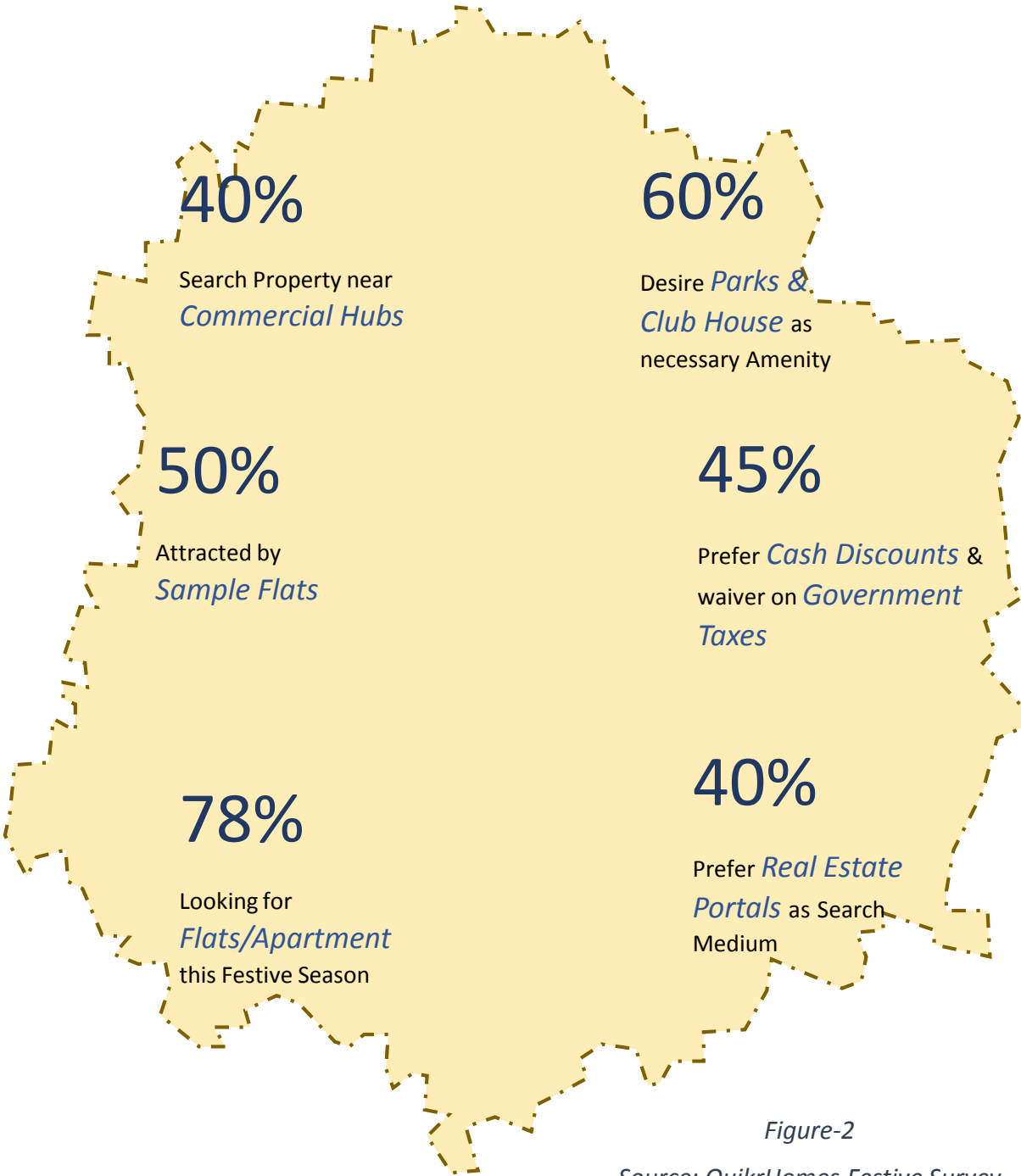
From QuikrHomes Seasonal Survey 2018, it is evident that Bangaloreans are eyeing for **Tax Waivers** such as GST waiver, Stamp Duty waiver, and exemption on PLC.

Majority of Bengaluru’s tech-savvy buyers search for properties on real estate **portals** with **40%** eyeing proximity to **commercial hubs**. Like any other tier-I city, ready-to-move flat with affordable price (<50 lacs) is the most desired choice for end-users as well as investors.

More than **one-third** buyers look for **Parks & Play areas** in the project keeping in mind the needs and security of children. Also, **50%** buyers believe that **model flats** enhance their experience and sway them into final decision-making.



Source: QuikrHomes Project Data



Source: QuikrHomes Festive Survey

Chennai

The Chennai residential market has had some relief in 2018 with a healthy hike in sales as well as launches, backed by revival of consumer sentiments post-RERA. This upsurge can be credited to a dedicated effort on part of the developers' fraternity to bring more affordable units into the market and to negotiate hard to push sales.

The South and West Chennai micro markets like SIPCOT, OMR Road, GST Road Thalambur have accounted for 80% of the total units absorbed in 2018, according to QuikrHomes project data, with buyers looking to stay in vicinity of SEZs and Commercial hubs.

QuikrHomes Seasonal Survey 2018 gives us an insight into the property buying pattern of Chennaites. More than **60%** buyers are looking to capitalize on festive offers like waivers on government taxes and complimentary amenities such as free club memberships, free parking, free maintenance, etc.

Nearly **two-third** of the Chennaites search for their dream homes on real estate **portals** with nearly half the buyers looking to purchase property near **commercial hubs**, owing to its large IT population. Around **60%** buyers in Chennai prefer **Club House** and **Parks & Play areas** for children as the primary necessity in any residential project. Also, their informed plunge into decision-making depends on Presentations/Analytics from the developers about the project and its surroundings.

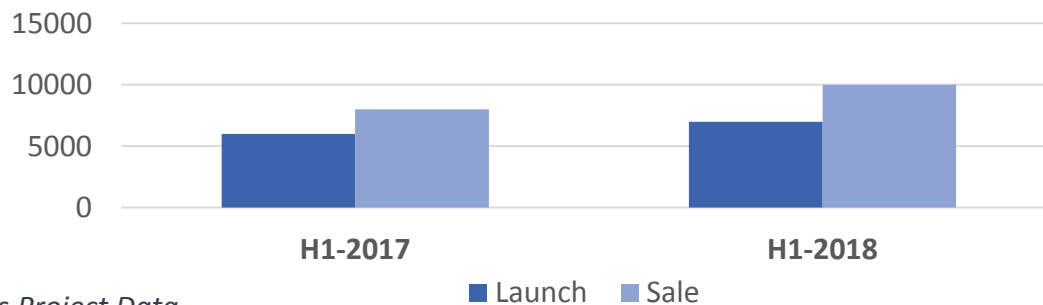


Figure-1

Source: QuikrHomes Project Data

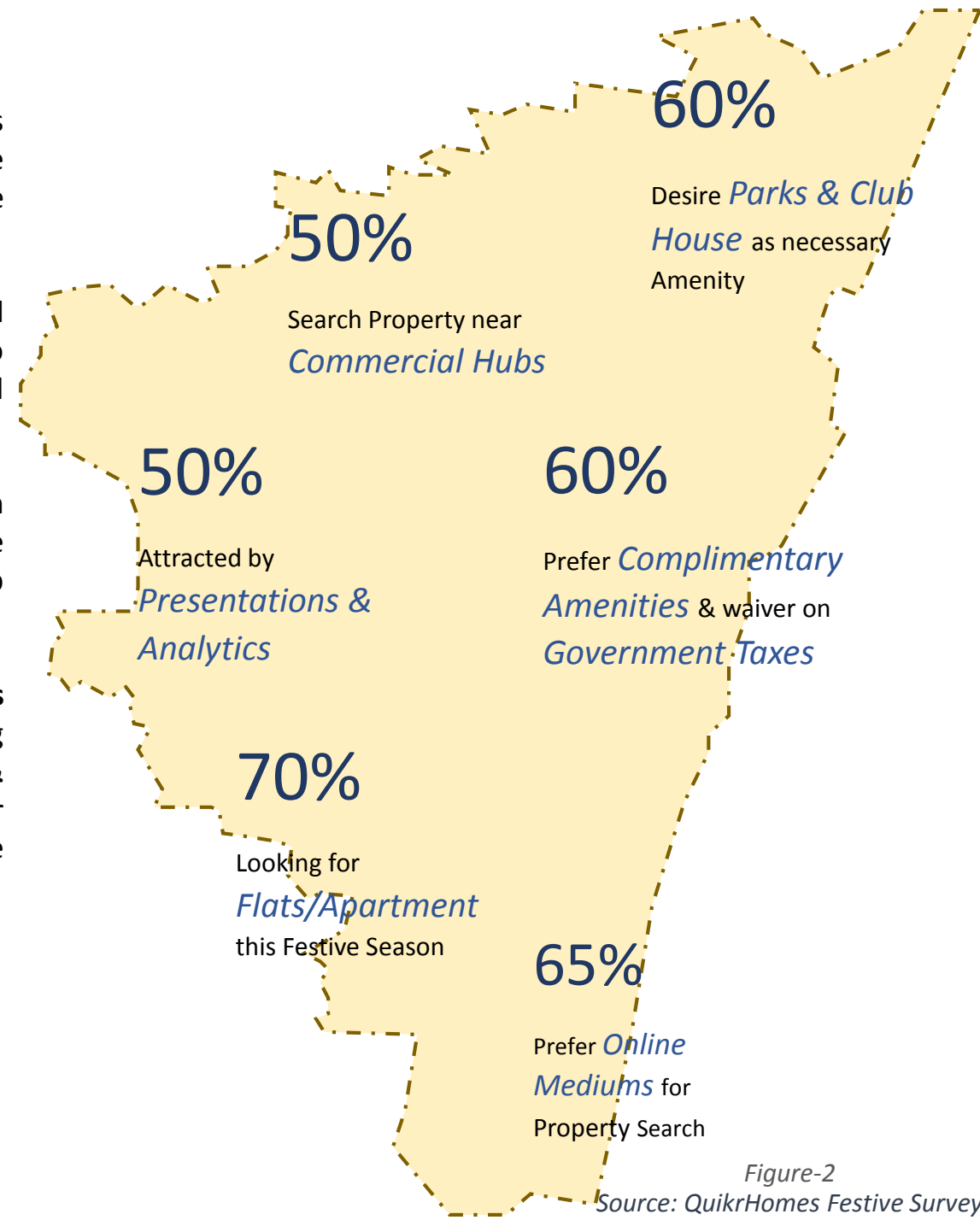


Figure-2

Source: QuikrHomes Festive Survey

Delhi NCR

The NCR residential market is showing recovery in 2018 with sales marginally picking up from its nadir point in preceding years. In the past years, consumer confidence faded in the market due to project delays tainted by litigations and insolvency.

However, buyers have put their confidence back in the market after streamlining of sector post RERA. From QuikrHomes survey, **80%** buyers have shown inclination towards ready-to-move properties making developers cautious of launching new projects and rather concentrating on completing their existing projects.

As per QuikrHomes project data, **South Delhi** is attracting most investments (75%) in Delhi NCR with residential hotspots like Greater Noida, Gurugram, Ghaziabad, Noida, Dwarka Expressway, etc. Affordability of these areas has helped boost sales.

From QuikrHomes Seasonal Survey 2018, it is apparent that about **two-third** Delhites look for cash discounts and waivers on government taxes this festive season. It is also evident that Delhites take note of customer testimonials and feedbacks before making purchase due to past incidents in the capital city.

Majority buyers are searching for properties on property **portals** in the vicinity of **metro stations** for hassle-free transit. Similar to other metros, buyers are more inclined towards purchasing affordable flats with play areas for children.

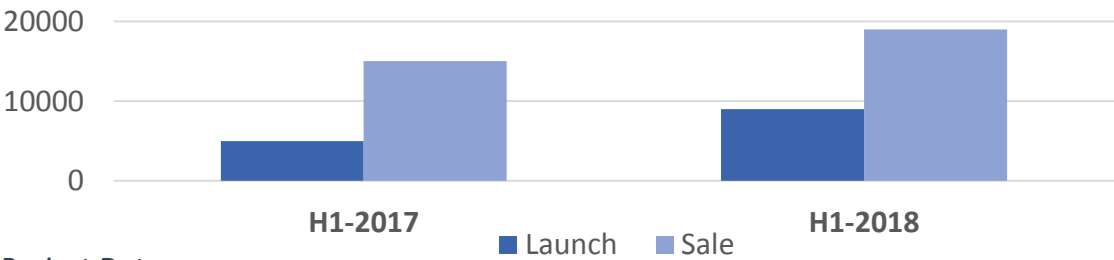


Figure-1

Source: QuikrHomes Project Data

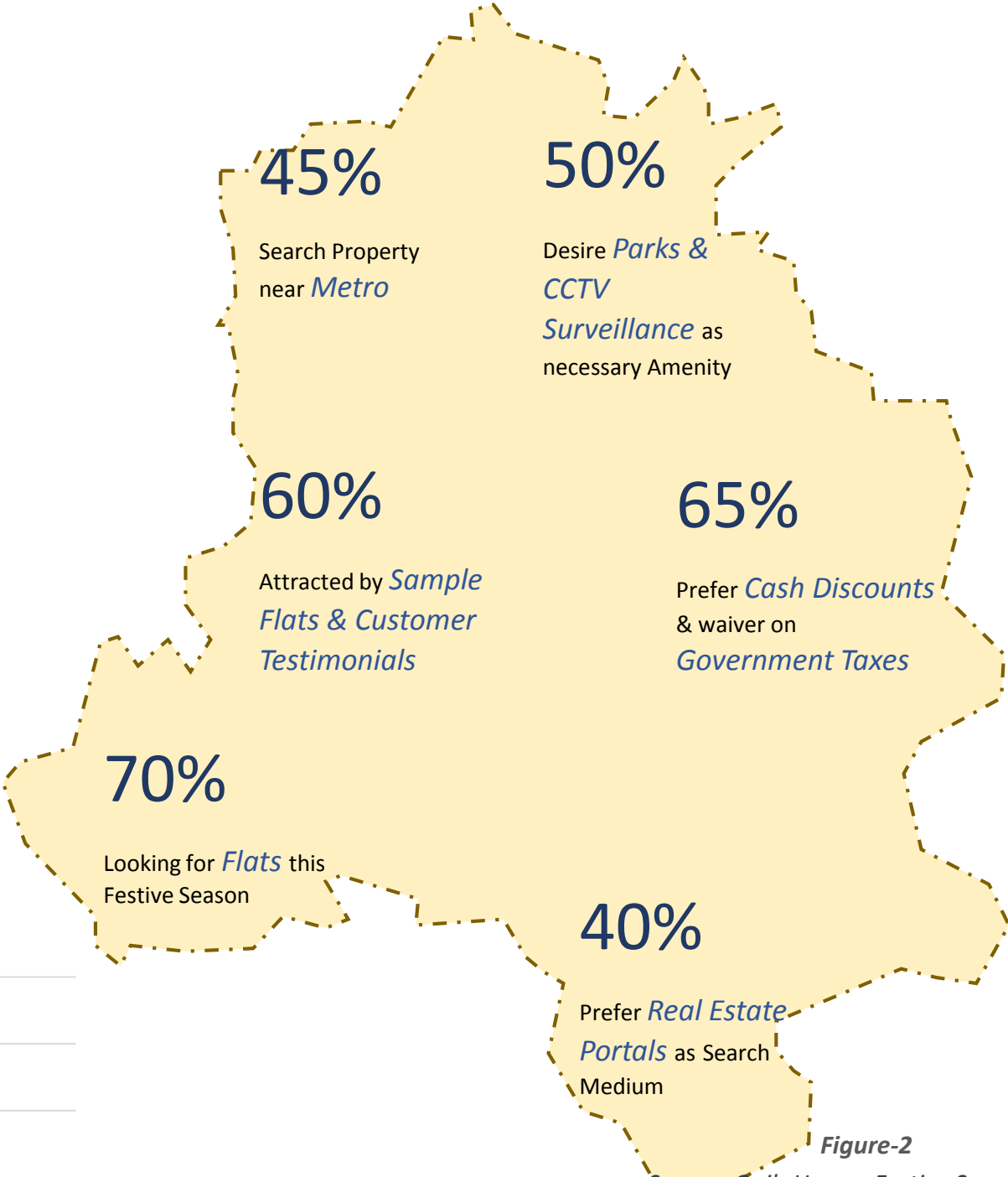


Figure-2

Source: QuikrHomes Festive Survey

Hyderabad

As evident from **figure-1** below, Hyderabad saw a major spike in new launches in 2018 compared to 2017 with a **40% Y-o-Y** increase. Launches and sales revived on the back of RERA implementation prior to which developers were more focussed on completing their on-going portfolios.

West Hyderabad continues to be a dominant micro-market accounting to about **two-thirds** of sales and launches in Hyderabad, as per QuikrHomes project data. Its proximity to commercial hubs like Gachibowli, Kukatpally, and Financial District hitched with world-class infrastructure has lured homebuyers.

From QuikrHomes Seasonal Survey 2018, it is clear that a majority of buyers are interested in renting out their properties near **commercial hubs** to the ever-growing IT population of the city. Other festive benefit in their mind is direct cash discounts on base price so as to get lowest prices and maximum gains.

Maximum buyers in Hyderabad prefer searching for their dream homes through **online mediums**, preferably Google. Their top choice is ready-to-move affordable flats with parks and play areas as the most desired amenity within a project. Further **60%** buyers make their purchase decision based on screening via sample flats and presentations/analytics of different portfolios.

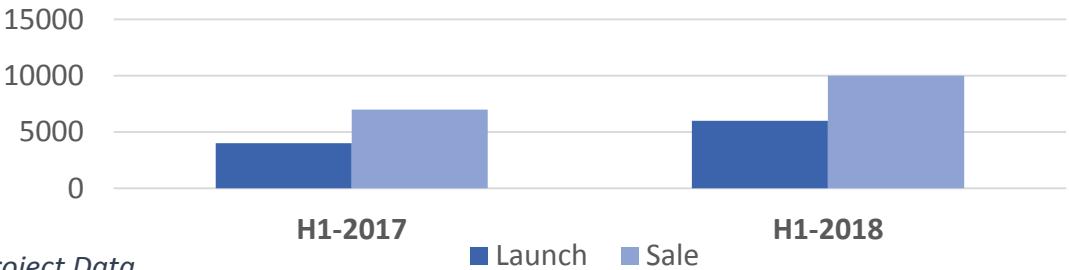


Figure-1
Source: QuikrHomes Project Data

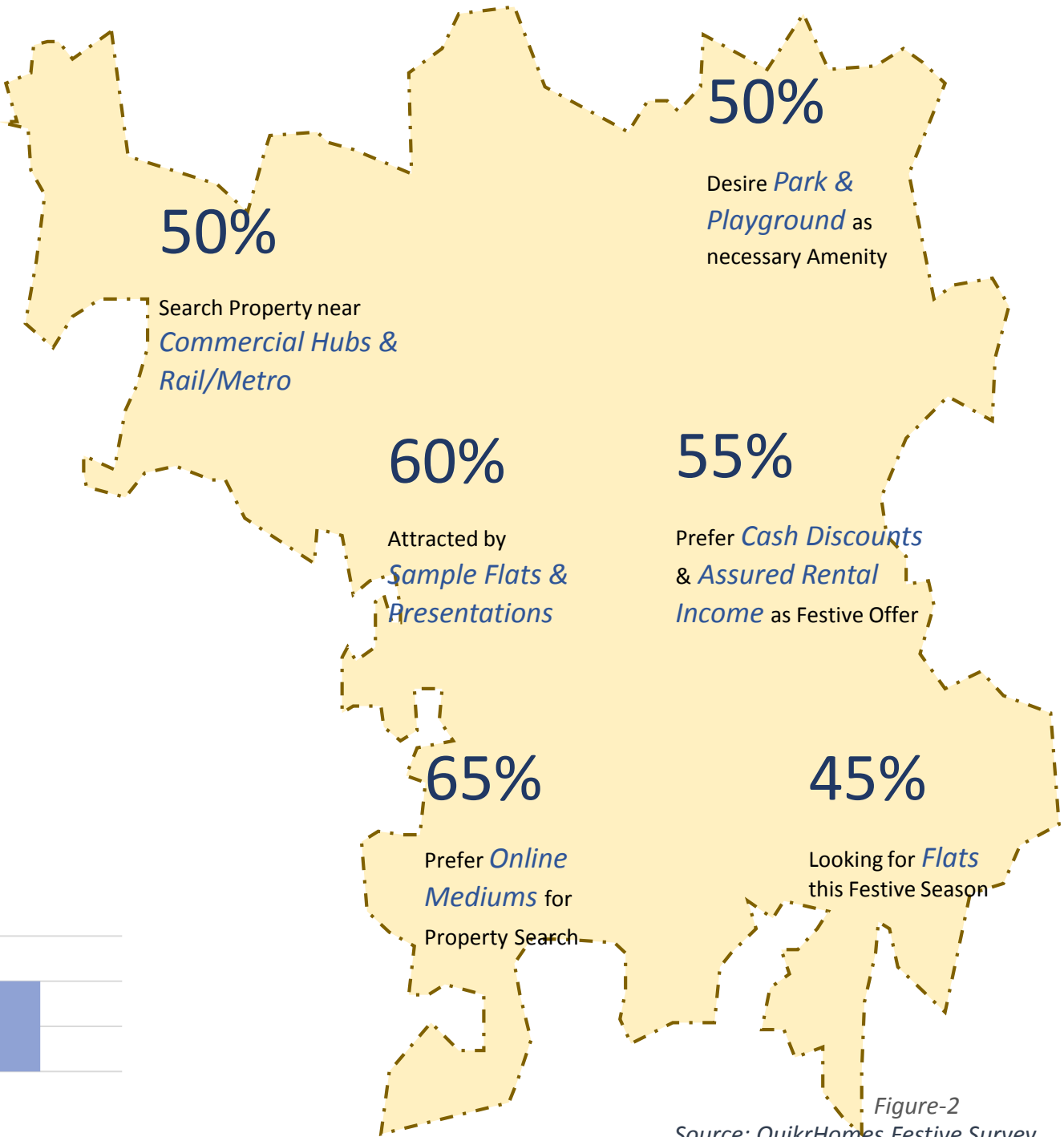


Figure-2
Source: QuikrHomes Festive Survey

Kolkata

Kolkata residential market is observing a gradual cramping of new launches with **25%** less launches than H1-2017, according to **figure-1** below. Sales are mostly driven by end-user sentiments with more than 80% launches in affordable segment. The end-user sentiment towards property purchase is low, which could be linked to the non-implementation of RERA in West Bengal.

Rajarhat and South Kolkata peripherals such as Garia, Baruipur have accounted for more than **60%** launches in the city, as per QuikrHomes project data. Rajarhat and Salt Lake city have attracted traction backed by its commercial hubs, infrastructure developments, and metro connectivity.

Homebuyers look out for ready-to-move properties and have kept away from under-construction properties due to the dilution of “force majeure clause”, which may be invoked to bypass the on-time delivery schedule.

QuikrHomes Seasonal Survey suggests that the top offers in buyers mind this festive season are direct **cash discounts** or **waivers on government taxes** such as GST, Stamp Duty, etc. Also, **two-third** buyers search on **online mediums** such as Google, Social Media, Portals, etc. for properties near metros and railway stations, due to their excellent linkage to other parts of the city.

Buyers are attracted into decision-making by offering affordable flats through innovative and customized payment plans suiting their requirements.

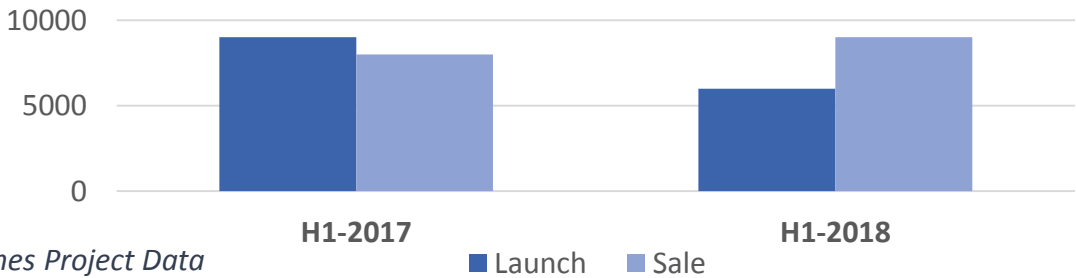


Figure-1

Source: QuikrHomes Project Data

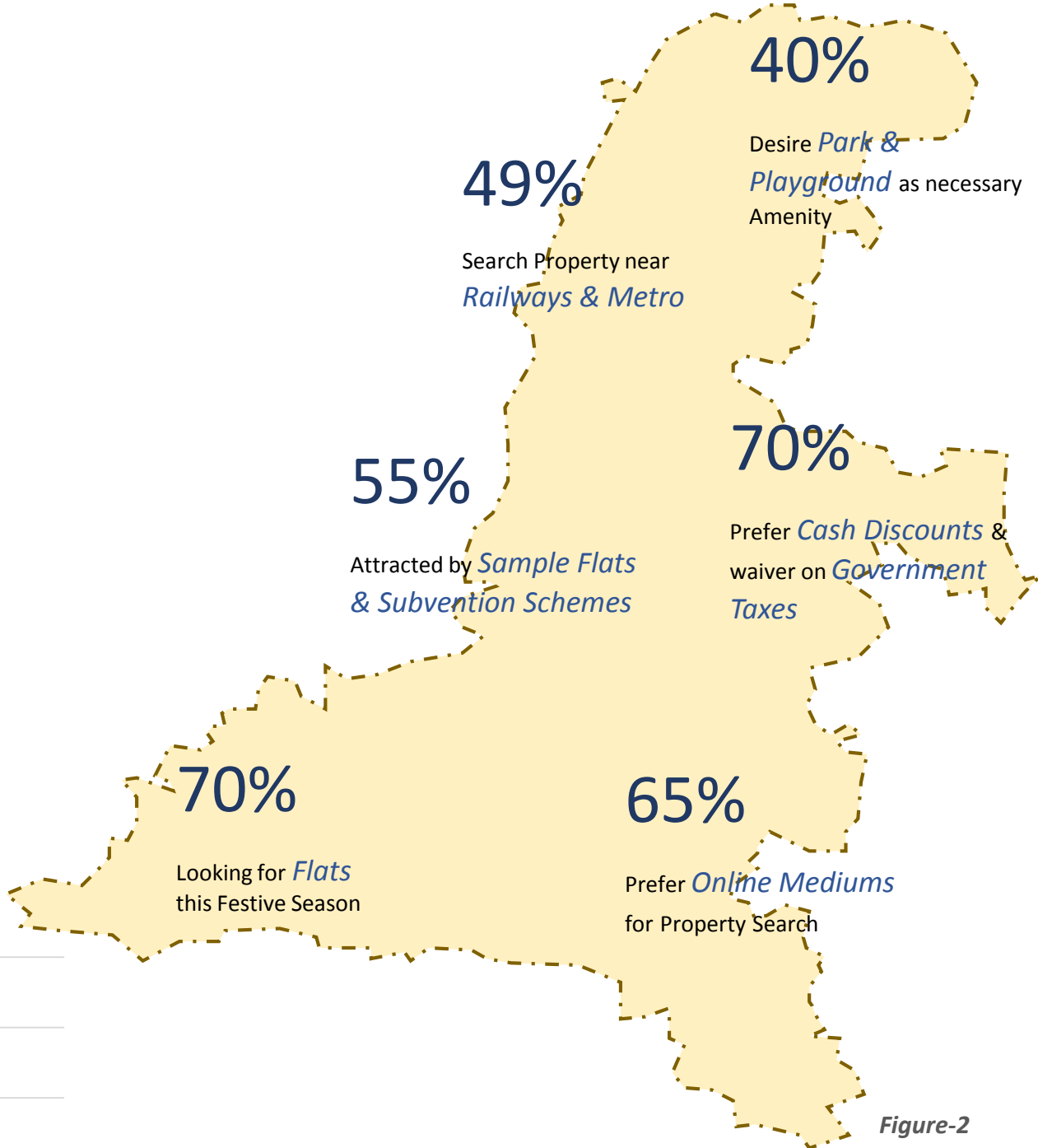


Figure-2

Source: QuikrHomes Festive Survey

Mumbai MMR

Mumbai real estate is widely known for its sky-high prices. Developers have catered to the market demand and come up with lower ticket size projects to entice customers into buying these affordable units. As evident from the **figure-1** below, the launches and sales in H1 2018 have substantially hiked by **40%** from H1-2017 on account of the temporary lifting of construction ban in BMC limits, large-scale affordable launches in suburbs, and effective implementation of MahaRERA.

Buyers are opting to make the purchase only in Occupation Certificate (OC) received projects to avoid the 12% GST on under-construction projects. According to QuikrHomes project data, majority of launches took place in peripheral suburbs like Kalyan, Bhiwandi, Mumbra, Karjat, Navi Mumbai, Vasai, Thane, etc. accounting for **70%** of the market share.

This festive season, **60%** buyers are looking to capitalize on **cash discounts** on base price and **waivers on government taxes and duties**. It is also evident from the survey that buyers look for properties near **railway and metro stations** due to their excellent connectivity to commercial hubs, city centres, and peripheral suburbs. This facilitates hassle-free transit from budget-friendly suburbs to places of work in the city.

Homebuyers are largely attracted by innovative subvention schemes floated by developers and banks, which gives them an opportunity to pay the major sum only after getting possession. A massive **92%** buyers in Mumbai MMR search for flats due to the indisputable high land prices and space crunch in the city.

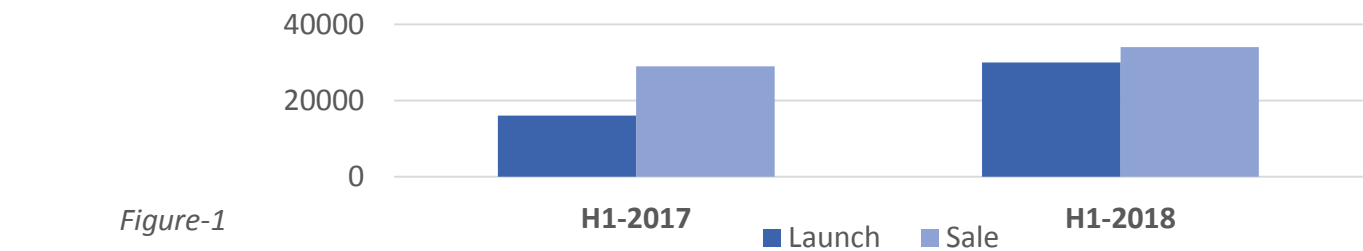


Figure-1
Source: QuikrHomes Project Data

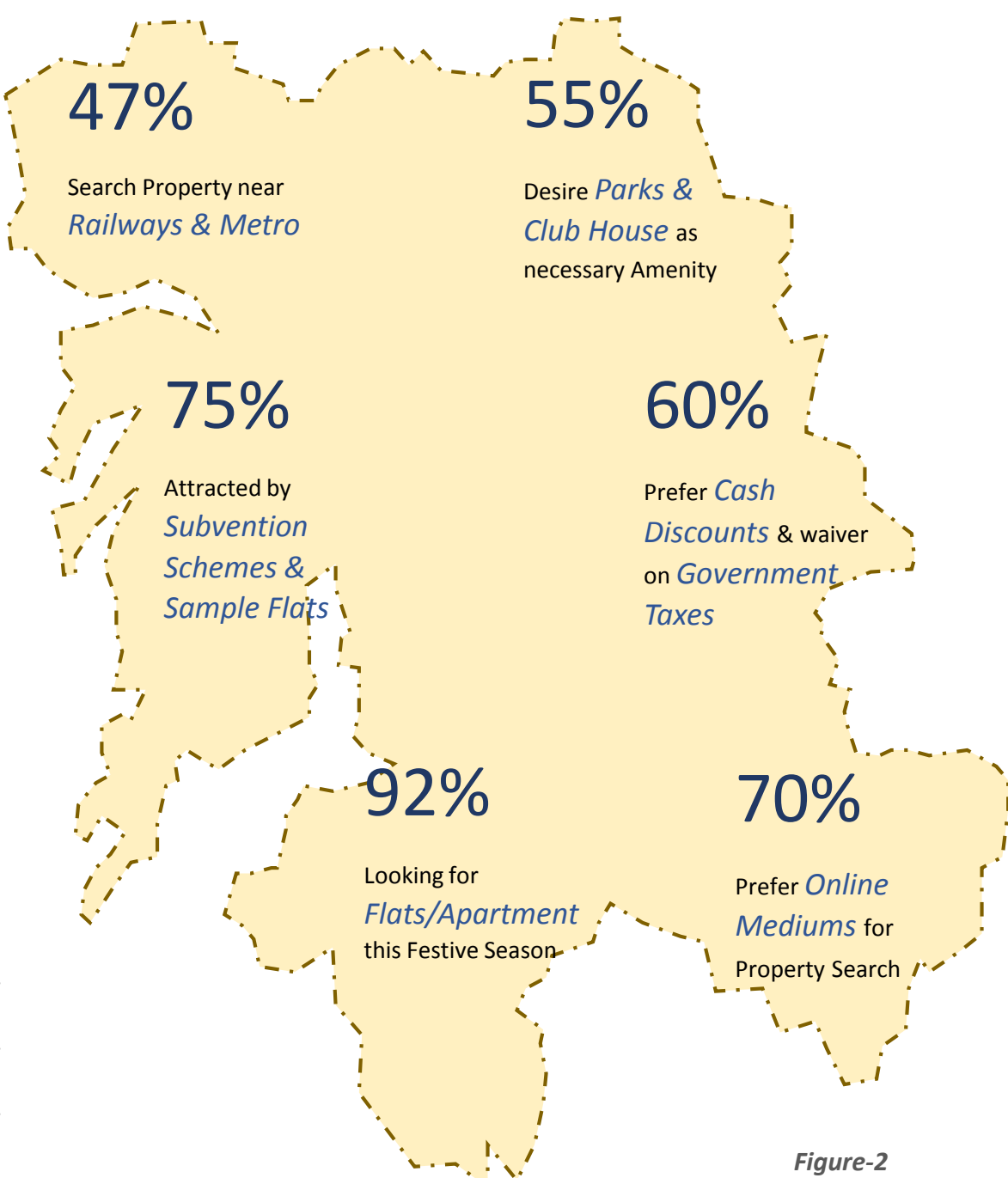


Figure-2
Source: QuikrHomes Festive Survey

Pune

Pune market has been witnessing a slowdown in sales, as the buyers are finding the existing prices to be high. Hence, several developers have reduced the quoted prices for their properties. However as apparent from the **figure-1** below, new launches have increased by **40%** as compared to last year with lower price per sq. ft. and lower ticket size.

For under-construction properties, buyers are reluctant to pay the 12% GST hence a significant proportion of the sales is happening in ready-to-move properties. From QuikrHomes project data, micro-markets like Kharadi, Undri, Katraj, Kalyani Nagar, Hinjewadi, Karve Nagar, Wagholi etc. have emerged as hot investment destinations due to proximity to commercial and educational hubs, where **50%** buyers are looking to invest this season.

It is palpable from QuikrHomes Seasonal Survey that Puneites are looking for **Freebies and Furnishings** as festive offer this season. Free furnishings and durables fetch higher rentals, which is a plus for investors who look to rent out their properties.

Moreover, buyers are attracted by new-age **Smart Homes** and prefer club house as an necessary amenity in their invested projects. Around **60%** Puneites prefer **Subvention schemes & analytics** to enhance their property buying experience and push them into final decision-making.

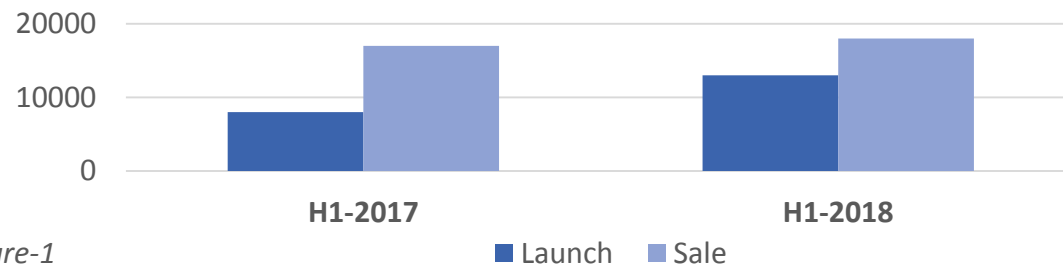


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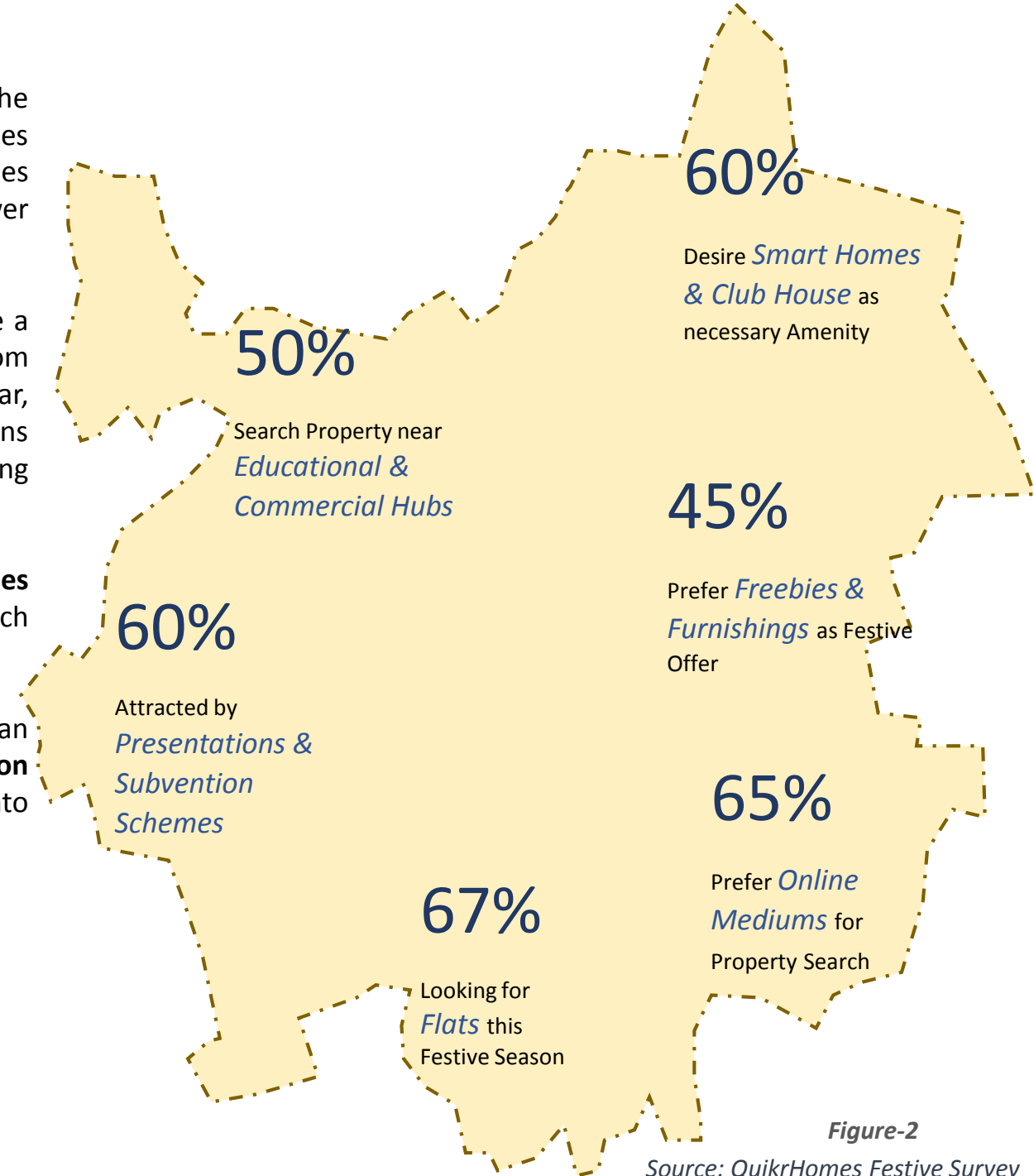


Figure-2

Source: QuikrHomes Festive Survey

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