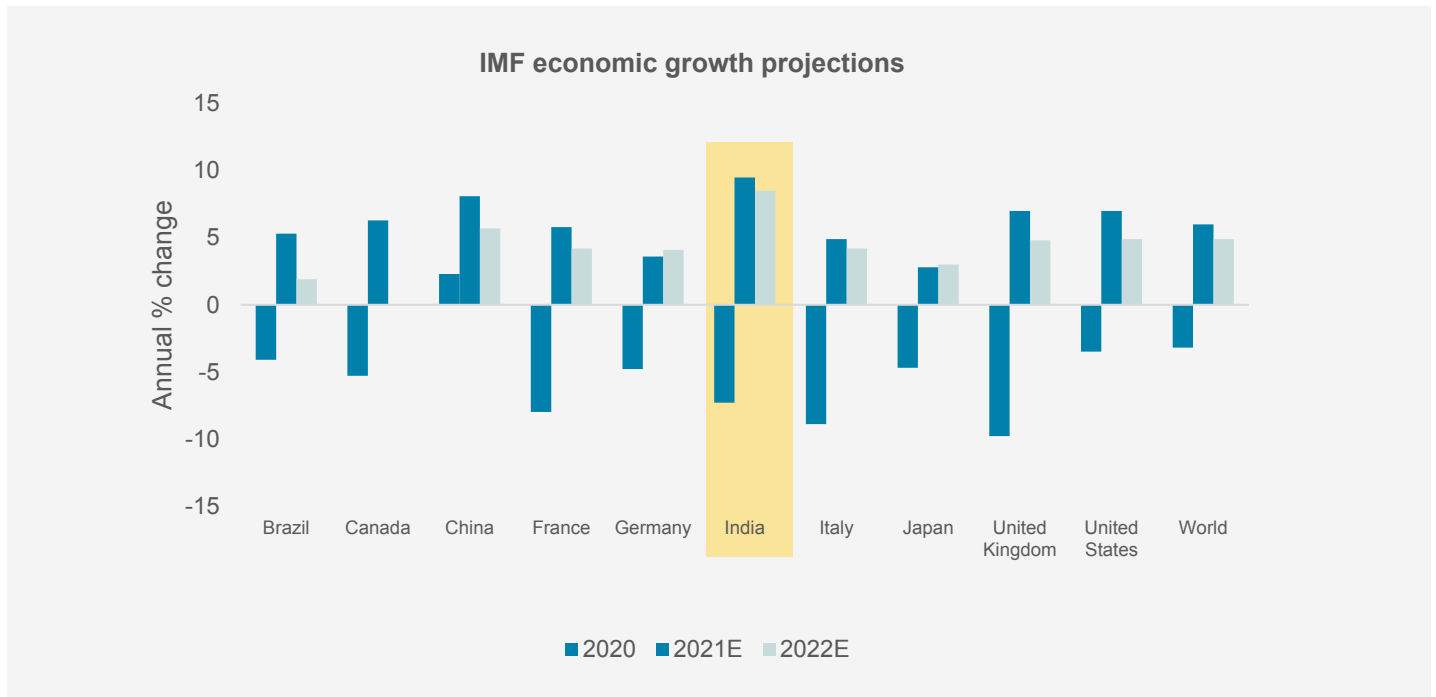


AUGUST 2021

EconoBeat

A comprehensive monthly dialogue on leading indicators

IMF slashes growth forecast for several economies including India

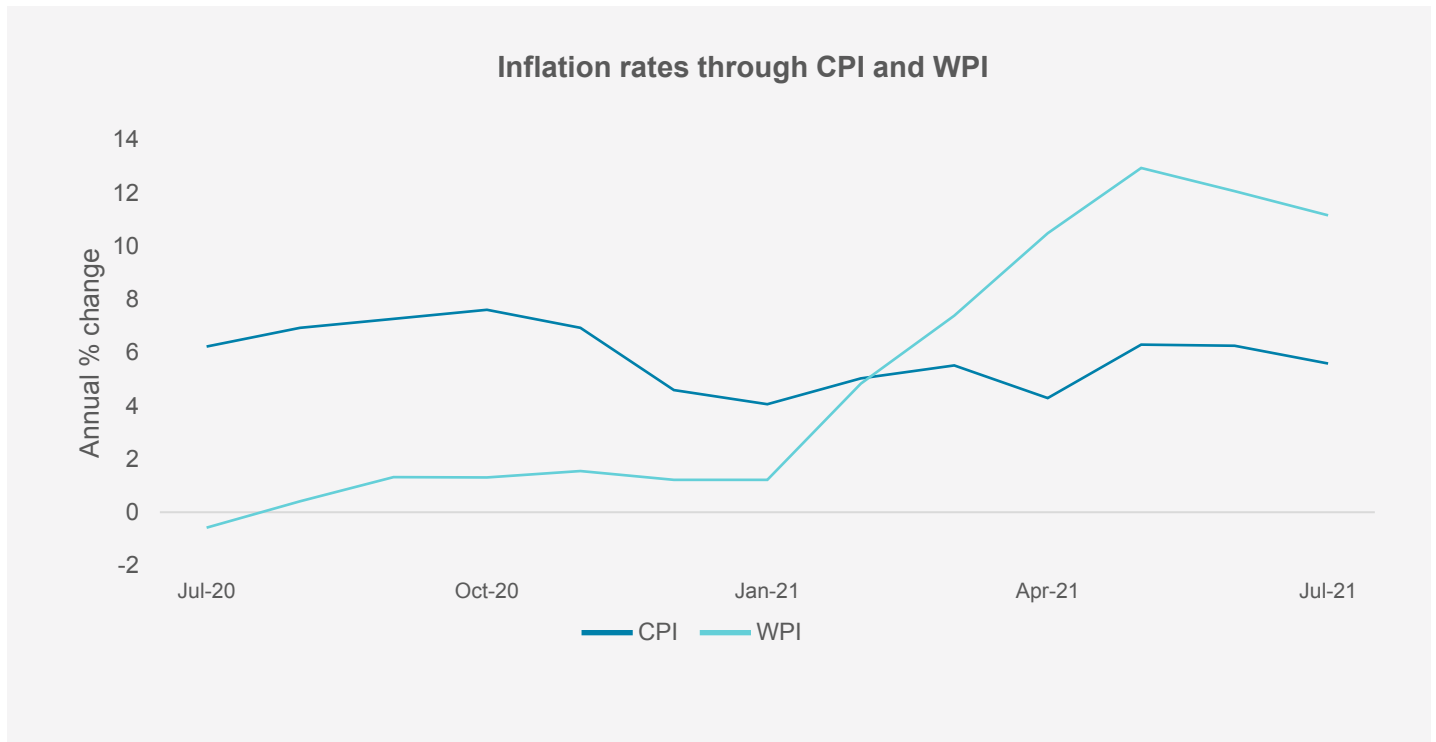


Source: International Monetary Fund, Housing Research

- IMF has slashed its growth forecast in Q2 2021 for several countries, including India, in the wake of the resurgence of cases and slow vaccination pace.
- India's growth rate has been revised to 9.5 percent in 2021 from 12.5 percent projected in April of this year – the highest cut amongst all countries.
- However, despite the downward revision, India's growth forecast remains higher compared to other major economies.
- The recovery for India experienced a significant setback during the second wave, coupled with a slower inoculation pace. The growth estimate for 2022 is pegged at 8.5 percent.



Retail inflation at a three-month low; WPI eases, albeit continues to see double-digit growth

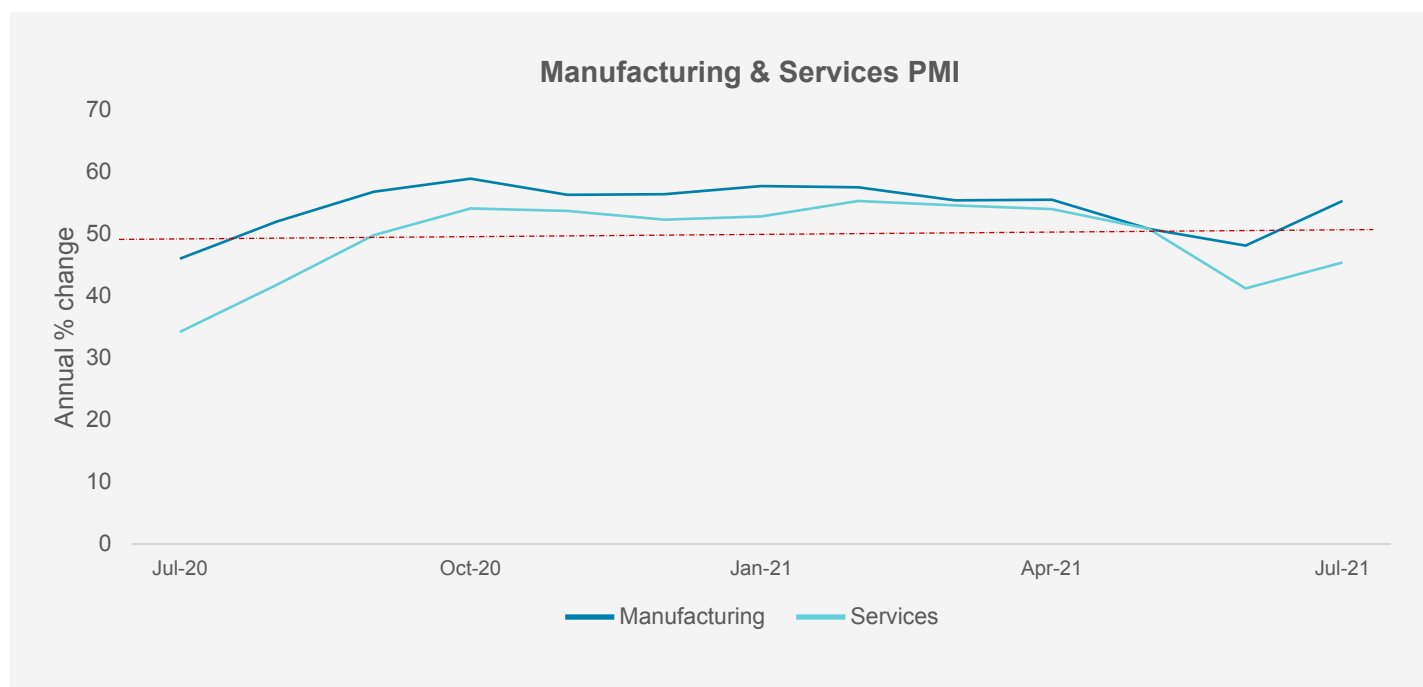


Source: Ministry of Statistics and Programme Implementation, Office of Economic Advisor, Housing Research

- After continuously breaching the central bank's upper band of 6 percent for the last two months, India's retail inflation eased to 5.59 percent in July 2021.
- The CPI in urban areas was pegged at 5.82, a shade below the Reserve Bank of India's tolerance level. Inflation in urban areas remained higher compared to rural areas (5.49 percent).
- While some moderation was recorded in food items, prices for items such as oils and fats remained high. The high global crude oil prices continue to put upwards pressure on the fuel prices.
- The WPI slowed down slightly to 11.06 percent in July 2021, compared to 12.07 percent in the preceding month. much softer than that recorded during the first lockdown.
- Although the wholesale price-based inflation continues to see double-digit growth, it is easing from the all-time high recorded in May 2021.
- Wholesale inflation remains high due to the low base effect and the high price of crude oil and manufactured products.



Manufacturing PMI out of the contraction zone; services activity remains low

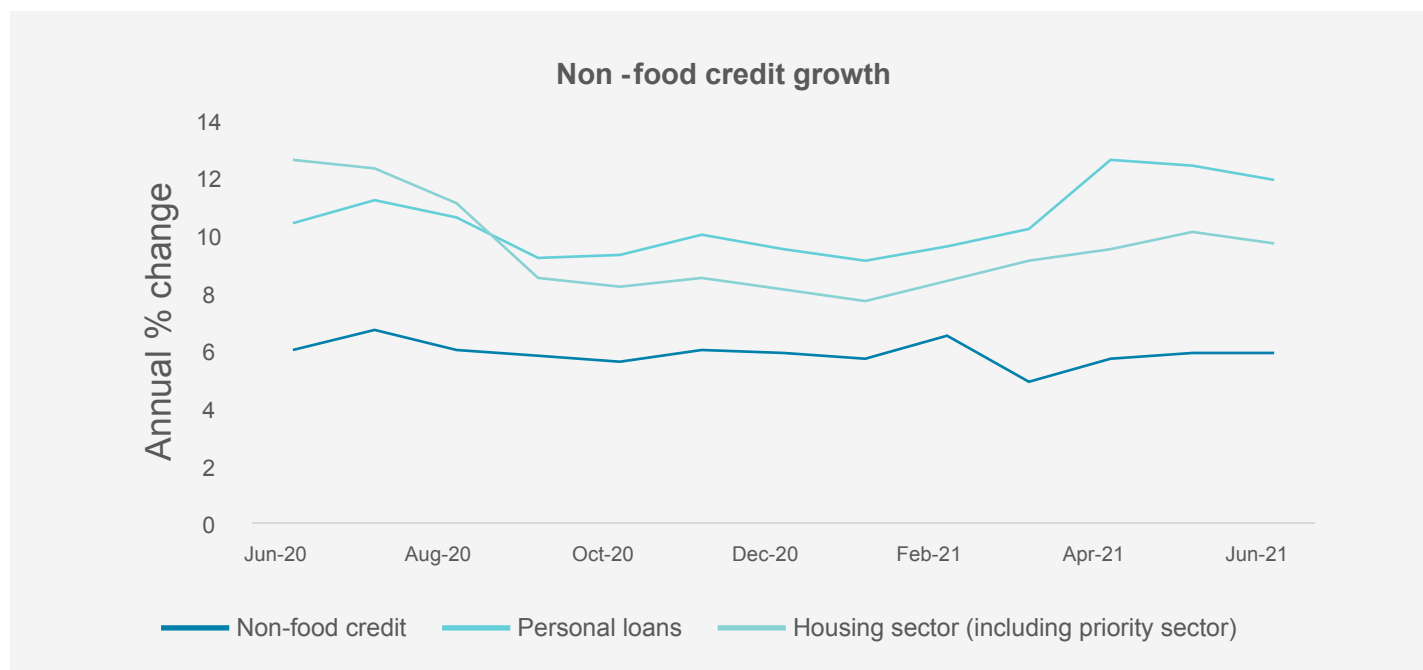


Source: IHS Markit, Housing Research

- The Manufacturing Purchasing Managers Index (PMI), which reached 55.3 in July 2021, is at a three-month high after slipping below the critical threshold of 50 in June 2021.
- The easing of restrictions has seen the industry bounce back from the lows as operation conditions, new orders, and exports improve.
- Although the Services PMI continued to be in the contraction zone, it showed slight improvement and reached 45.4 in July 2021 compared to 41.2 in the previous month.
- The business activity remained muted, and input costs increased further in July 2021. However, it declined at a much softer pace than that observed in July of this year.
- According to PMI parlance, a reading above 50 indicates expansion, while below 50 indicates contraction.

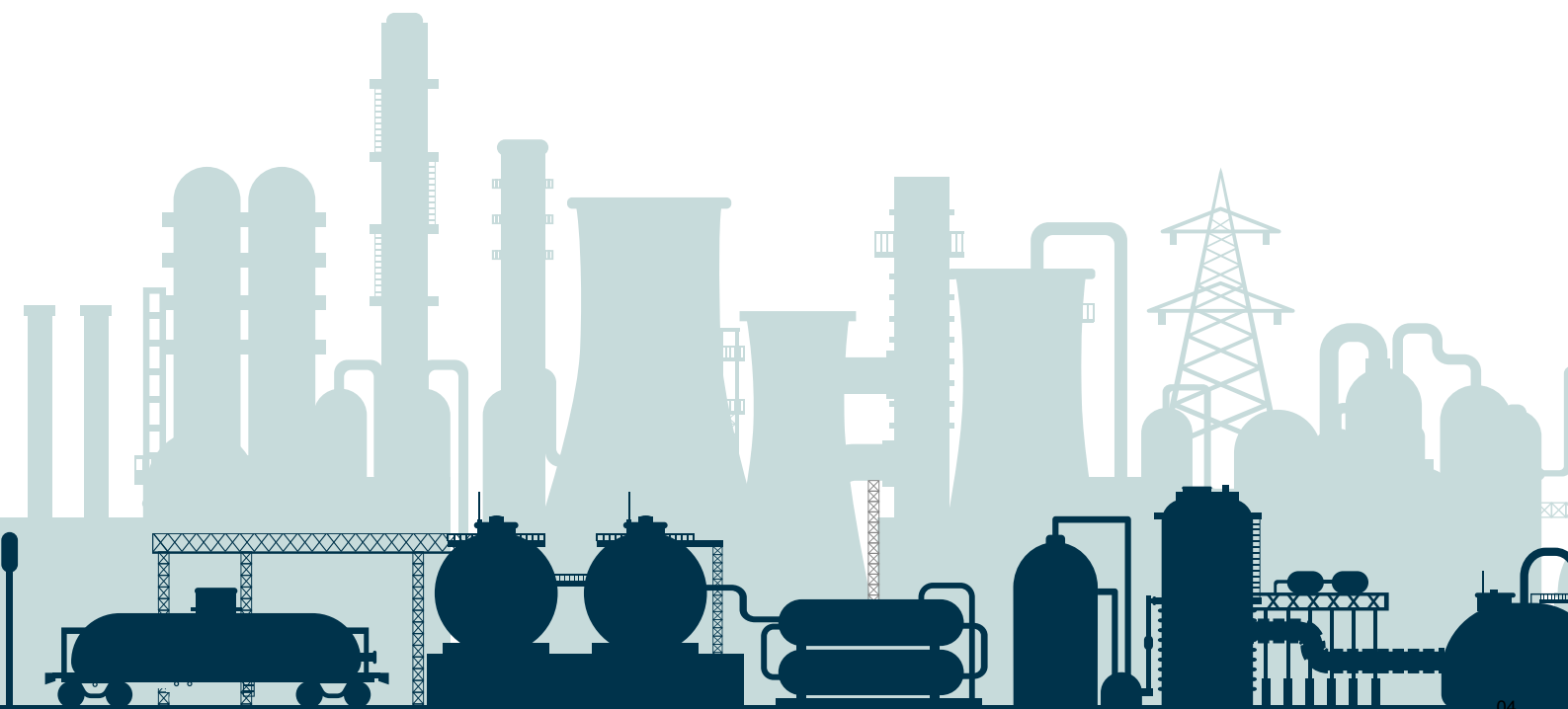


Non-food credit growth pace eases in June

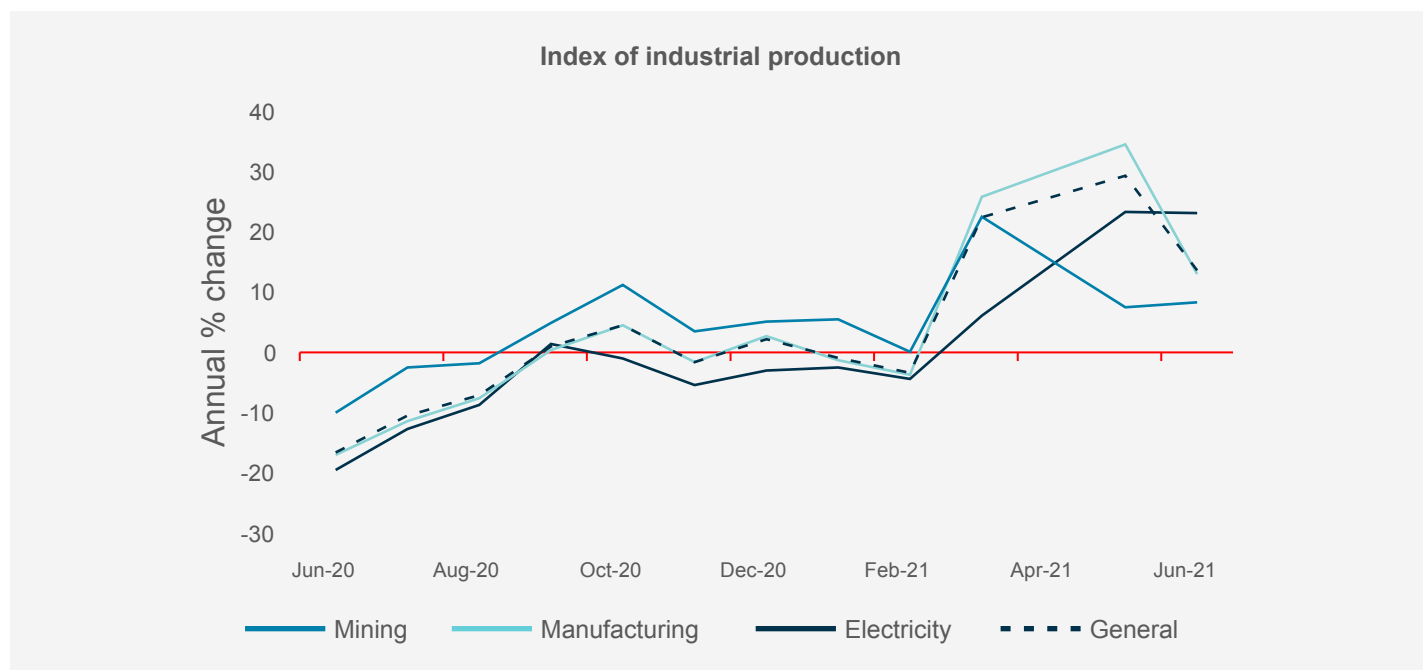


Source: Reserve Bank of India, Housing Research

- The non-food credit growth was pegged at 5.9 percent YoY in June 2021, compared to 6.0 percent same period the previous year.
- The credit in agriculture and allied services registered a YoY growth of 11.4 percent in June 2021, compared to 2.4 percent in the same period last year.
- Growth in loans to the service sector decelerated to 2.9 percent YoY in June 2021, compared 10.7 percent in the year-ago period.
- Personal loans grew by 11.9 percent in June 2021, compared to 10.4 percent a year ago.
- The loans in the housing sector (including the priority sector) grew at 9.7 percent YoY in June 2021.



IIP grew 13.6 percent in June 2021

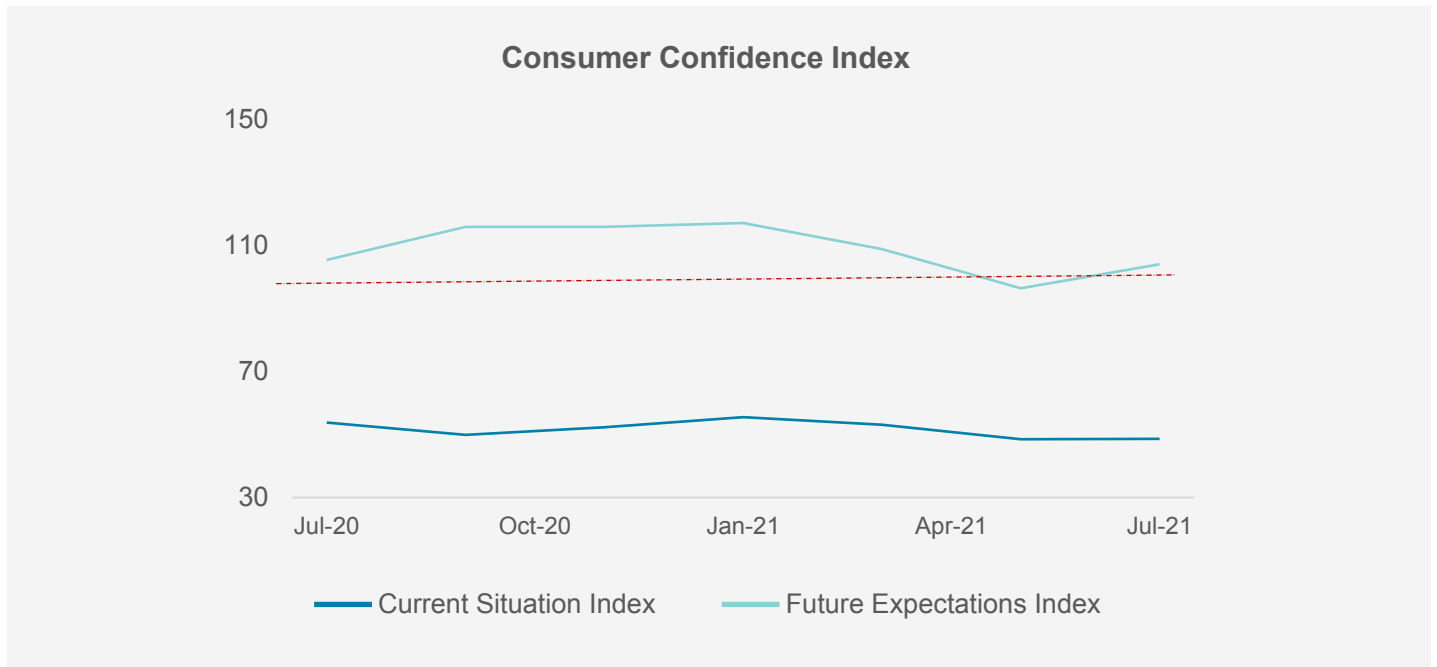


Source: Ministry of Statistics and Programme Implementation, Housing Research
 Note: Data for April 2021 is not available

- Industrial production saw a growth of 13.6 percent YoY in June 2021. In the same period last year, the IIP had contracted by 16.6 percent.
- All sectors, except electricity, continued to record double-digit growth in June 2021.
- The factory output measured by the index has been showing a sharp growth since March 2021 due to the favourable base owing to the national lockdown last year. However, the low base effect declined in June 2021 where IIP in all the allied activities has eased compared to the previous three months.



Future consumer sentiments move into optimistic zone

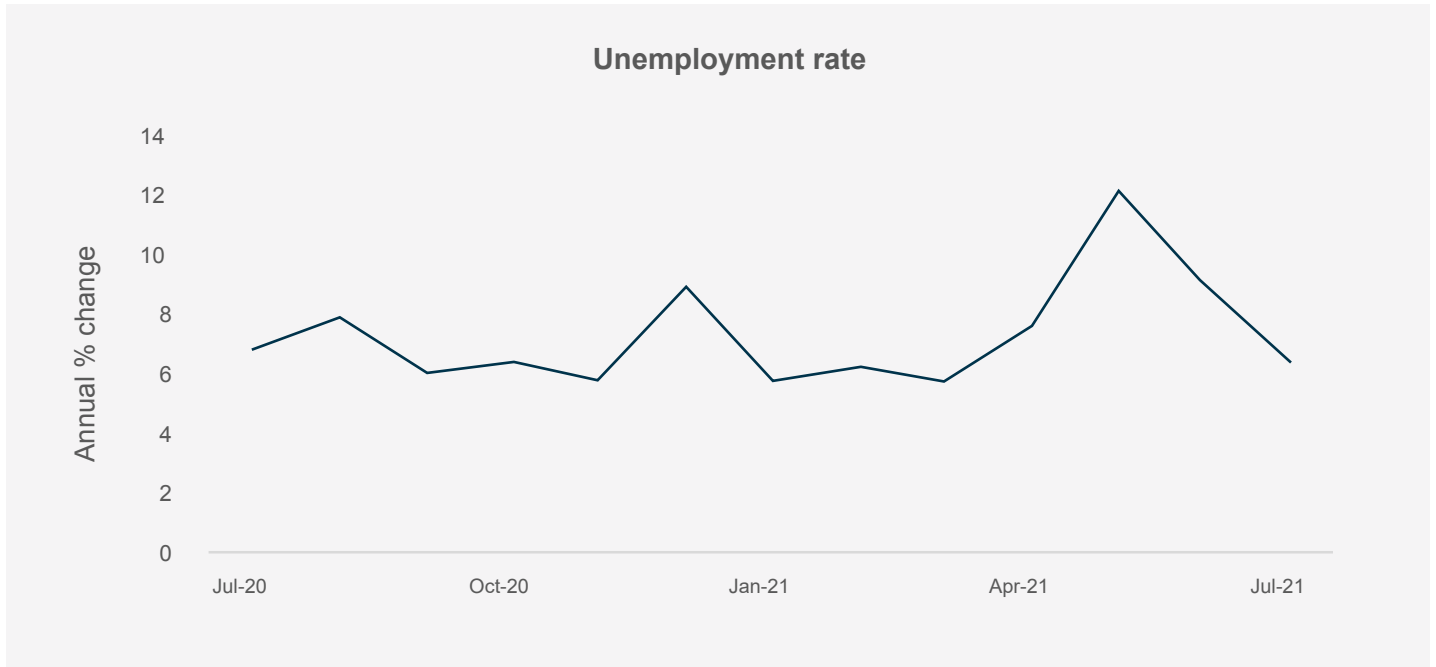


Source: Reserve Bank of India, Residential Realty Consumer Sentiment Outlook (January-June 2021), Housing Research

- Consumer confidence remained weak and stood at 48.6 in July 2021, compared to 48.5 in May 2021.
- However, with the economy recovering from the impact of the second wave, the future sentiments of the consumers have returned to the optimistic zone.
- The future expectation index reached 104.0 in July 2021 after going into pessimistic zone (96.4) in May 2021.
- The optimistic sentiments were driven by substantial improvements in the general economic and employment situation.
- Corroborating with this, our consumer sentiment outlook survey for potential homebuyers also suggests that sentiments are optimistic for the coming quarters.



Unemployment rate falls to four-month low



Source: Centre for Monitoring Indian Economy, Housing Research

- The unemployment rate eased further to 6.9 percent in July 2021, post the spike of 11.9 percent in May 2021 due to the peak of the second wave.
- The unemployment in urban areas was 8.3 in July 2021 compared to 10.0 percent in the previous month.
- The rural areas saw lower unemployment rates (6.3 percent) than the urban areas due to fewer coronavirus cases during the second wave and lower restrictions.
- The opening up of activities, vaccination and improving high-frequency indicators are all pushing the demand, leading to a drop in the unemployment rate.



KEY UPDATE

DOMESTIC

Gati Shakti – INR 100 lakh crore plan to boost infrastructure

- As announced on the 75th Independence Day of India, the government will soon unveil an INR 100 crore national master plan, 'Gati Shakti', to develop infrastructure and generate employment.
- The plan is to lay the foundation for adopting a holistic and integrated approach in infrastructure construction. It is to bring coordination in the transport infrastructure across India to shorten travel time and aid in creating future economic zones.

Source: Prime Minister's Office (15/08/2021), Housing Research

Foreign investments in India at a historic high in FY 21

- India received an inflow of USD 81.72 billion during the last financial year FY 2020-2021, in contrast with the COVID-19 induced shrinkages in investment inflow globally.
- Singapore, United States and Mauritius were the top investors.
- Of the total USD 763 billion FDI reported in the last 21 financial years, 58 percent was received over the last seven years.

Source: Ministry of Commerce & Industry (04/08/2021), Housing Research

RBI keeps policy rates unchanged seventh time in a row

- The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) has unanimously voted to keep the policy repo rate unchanged at 4 percent.
- In the ongoing pandemic scenario, the committee has decided to maintain the accommodative stance as long as necessary to support sustained growth and mitigate the impact of COVID-19 on the economy.

Source: MPC Reserve Bank of India (06/08/2021), Housing Research

11 industrial corridors with 32 projects approved under NICP

- The government has approved the development of 11 industrial corridors with 32 projects as part of the National Industrial Corridor Programme (NICP). These projects are to be developed in four phases.
- Most of the projects to be developed are part of the Delhi Mumbai Industrial Corridor, Amritsar Kolkata Industrial Corridor and Chennai Bengaluru Industrial Corridor.

Source: Ministry of Commerce & Industry (04/08/2021), Housing Research

UP RERA gives nine-month extension, MahaRERA six-months to real estate projects

- UP RERA has decided to grant a nine-month extension to the registered real estate projects with a completion date on or after 31st December 2021 in the NCR region. The extension is up to six months for projects in the non-NCR region.
- In Maharashtra, the RERA authority has given a six-month extension for registered projects with completion dates on or after April 2021. It is to bring relief to developers who have not been able to deliver projects due to the second wave of the pandemic.

Source: UP RERA (02/08/2021), Housing Research

Assam becomes first state to adopt Model Tenancy Act 2021

- Assam became the first state to adopt and implement the Model Tenancy Act 2021 after the Assam Legislative Assembly passed the Act on August 13th, 2021.
- Under the Act, the state will establish a rent authority, rent court and rent appellate to regulate the renting landscape and protect the stakeholders' interests.

Source: Department of Town and Country Planning, Assam (14/08/2021), Housing Research

World Bank signs USD 105 million project to improve urban services in Amritsar and Ludhiana

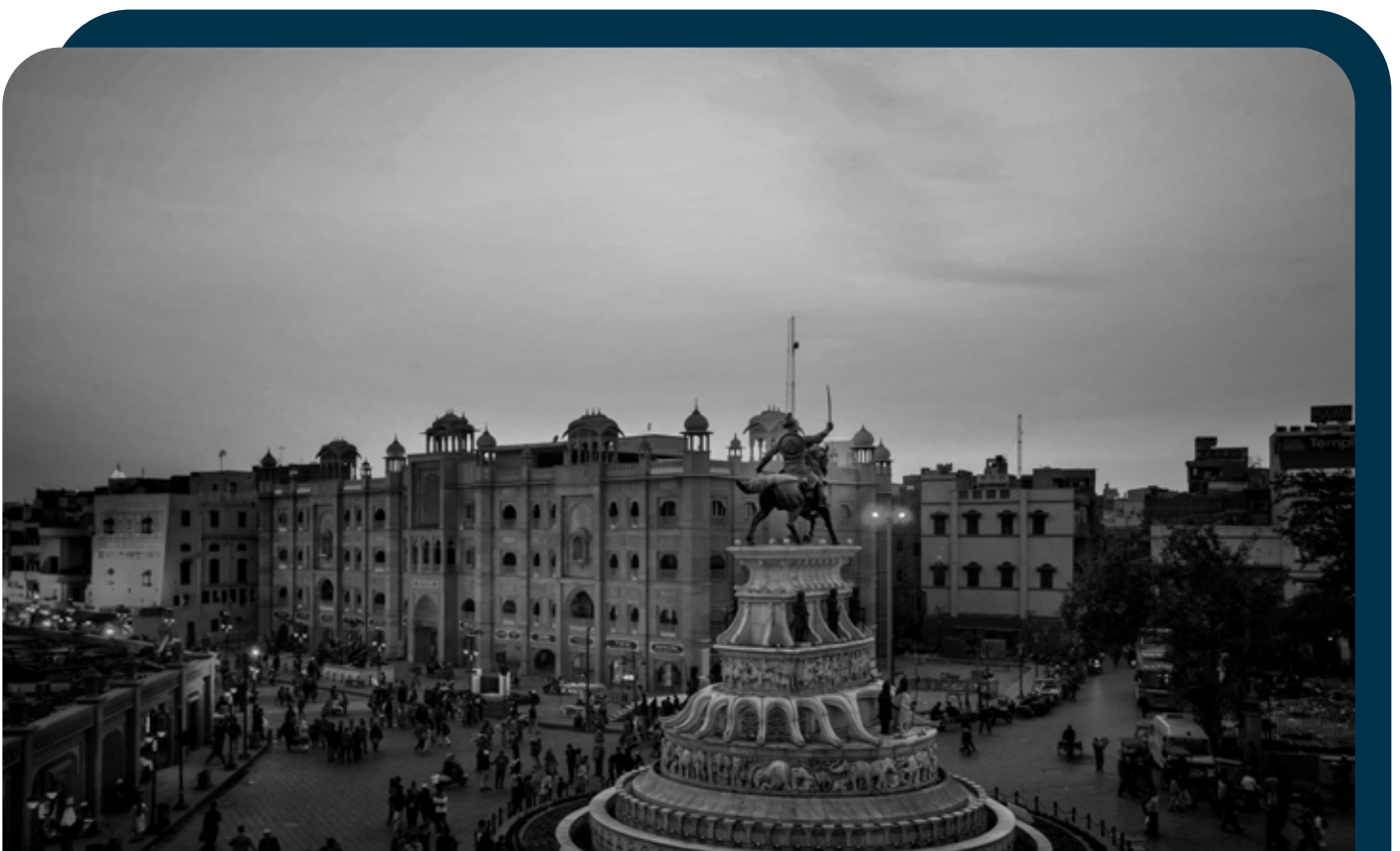
- The Government of India, the state government of Punjab and the World Bank, have signed a USD 105 million 'Punjab Municipal Services Improvement Project' to strengthen the urban services infrastructure in Amritsar and Ludhiana.
- The project will focus on providing efficient water supply and sanitation services in these two cities which are engines of economic growth in Punjab.

Source: World Bank (12/08/2021), Housing Research

2,781 projects worth INR 48,150 crore completed under Smart Cities Mission

- The 100 cities selected under the Smart Cities Mission have shown considerable progress, with 2,781 projects worth INR 48,150 crore completed.
- There is total of 6,107 projects worth INR 1,80,873 crore currently taken up under the mission. The tendered projects have witnessed more than 260 percent growth, while the completed projects have recorded a 380 percent increase in the last three years.

Source: Ministry of Housing & Urban Affairs (11/08/2021), Housing Research



INTERNATIONAL

US Senate passes USD 1 trillion infrastructure bill

- The US Senate passed a USD 1 trillion infrastructure bill to repair the country's ageing public work system.
- Some of the projects included in the expansive bill are repairing and construction of roads, transportation programs, measures to counter the effects of global warming, and connecting hard-to-reach rural communities to high-speed internet.

Source: Industry Sources (11/08/2021), Housing Research

Global economy projected to grow at 6.0 percent

- The July 2021 World Economic Outlook (WEO) forecast by the International Monetary Fund (IMF) has estimated the global economy to grow at 6.0 percent in 2021 and 4.9 percent in 2022.
- While the global outlook remains similar to April 2021, the prospects for emerging markets and developing economies have seen downward revision on the back of resurgence of cases and slow-paced vaccination.

Source: International Monetary Fund (27/07/2021), Housing Research

World Bank announces new fund for cybersecurity

- The World Bank announced the launch of a new Cybersecurity Multi-Donor Trust Fund under the broader Digital Development Partnership (DDP) program.
- As digital transformation is accelerating in many countries, offering development opportunities to low and medium-income economies, it also brings cyber risks and threats.

The new fund aims to support in the development of global knowledge on cybersecurity solutions.

Source: World Bank (16/08/2021), Housing Research

Dubai to unveil infrastructure investment opportunities in October

- Dubai plans to host several infrastructure investment opportunities to local and international investors as it looks to build a productive ecosystem for public-private partnerships.
- The emirates will host the Dubai International Public-Private Partnership Conference in October to foster a dialogue on partnership opportunities with private investors.

Source: Industry sources (16/08/2021), Housing Research



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Consumer Sentiment Outlook
January - June 2021



IRIS Index
JUNE 2021 Edition



Real Insight (Residential)
Q2 2021



EconoBeat (June Edition)
2021



Housing Price Index (HPI)
2021



State of Indian Healthcare
2021



Real Insight
(Residential) Q1 2021



Bricks to Clicks: Smart Homes
in India - A Luxury No More



PropTech: The future
of real estate in India



Real Insight
(Residential) Q4 2020



Time for Internal
Globalisation Small cities
setting the tone for revival



Concerned, Yet Positive:
Real Estate Consumer Sentiment Survey
September 2020

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