Residential realty

Consumer sentiment outlook

January - June 2021
Growth outlook strengthened by vaccination drive

Indian economy contracted by **8 percent** in 2020.

First case of COVID-19: **Jan**

National Lockdown: **Mar**

First wave peak: **Sep**

Commencement of vaccination drive: **Jan**

Second wave of COVID-19: **Mar**

Second wave peak: **May**

Indian economy projected to grow by **8-10 percent** in 2021.

Consumption levels surpassed the first wave

**Passenger vehicle sales**

Vehicle sales more than doubled compared to first wave – 2.31 lakh units sold in June 2021

**Power consumption**

Power consumption returns to pre-pandemic levels – 17 percent YoY growth on preceding same period

**Petrol consumption**

92 percent closer to pre-pandemic levels – despite price hike

**Air travel**

Air passenger traffic grew 15 times during the second wave – 16 million passengers travelled in April-May 2021

**E-payments**

Reach record-high – INR 2.8 billion transactions registered in June 2021

Source: SIAM, Petroleum planning and analysis cell, Airport authority of India, industry sources, Housing Research
Consumer economic outlook optimistic for coming six-months as businesses hint at a speedier bounce back than the first wave.
Future sentiments continue to be in the positive zone.
Homebuyer's in Delhi-NCR, Chennai and Bengaluru relatively more optimistic regards the economic scenario.
Income outlook remains strong

INCOME OUTLOOK FOR COMING SIX MONTHS

- **Confident**
- **Can’t say**
- **Not confident**

**H1 2021**
- 60% Confident
- 35% Can’t say
- 5% Not confident

**H1 2020**
- 53% Confident
- 29% Can’t say
- 18% Not confident

Source: Housing Research
Homebuyers hint at resuming their home search in the coming 3-months; availability and proximity to healthcare facilities to drive future demand preference.
Residential real estate continues to be the preferred investment asset class.
Buyers keen on resuming their search-for-home in the coming 3-months

COVID-19 IMPACT ON HOMEBUYING DECISION

- Resume in 0-3 months
- Resume in 3-6 months
- Resume in 6-12 months
- On hold indefinitely

Source: Housing Research
Hyderabad homebuyer keen to resume search quicker than other metros

COVID-19 IMPACT ON HOMEBUYING DECISION – CITY-WISE

<table>
<thead>
<tr>
<th>City</th>
<th>Resume in 0-3 months</th>
<th>Resume in 3-6 months</th>
<th>Resume in 6-12 months</th>
<th>On hold indefinitely</th>
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<tbody>
<tr>
<td>Ahmedabad</td>
<td>26%</td>
<td>22%</td>
<td>30%</td>
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<td>Bengaluru</td>
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<td>Chennai</td>
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Source: Housing Research
Work-from-home emerges as a key factor for upgrading to a larger home

IMPACT OF WORK FROM HOME

- Yes, I will look for a larger home
- No, I have planned arrangements in my current home

H1 2020

33% 66%

H1 2021

53% 47%

Source: Housing Research
Homebuyers in Pune, Mumbai and Delhi NCR more keen to upgrade homes on account of work-from-home
Nearness to healthcare infrastructure to guide demand in future

**PREFERRED AMENITIES**

- **Proximity to healthcare services**: 49%
- **Recreational and open spaces**: 24%
- **Day care centre**: 13%
- **Gated community**: 9%
- **Senior citizen friendly**: 5%

Source: Housing Research
Flexible payment plans and discounts, key to drive fence-sitting homebuyers

**FINANCIAL COMFORT**

- Flexible payment plans and discounts: 65% (H1 2020) vs. 71% (H1 2021)
- Low mortgage rates: 35% (H1 2020) vs. 29% (H1 2021)

Source: Housing Research
Online business platforms gain homebuyer confidence for credibility and quality

- Close the deal completely online or after one site visit
- Close the deal after multiple site visits
- Do not prefer online platforms

H1 2020:
- 37% Close the deal completely online or after one site visit
- 47% Close the deal after multiple site visits
- 16% Do not prefer online platforms

H1 2021:
- 42% Close the deal completely online or after one site visit
- 45% Close the deal after multiple site visits
- 13% Do not prefer online platforms

Source: Housing Research
Key Takeaways

• The economic and income outlook for the coming six months is more optimistic as compared to H1 2020.

• Real estate remains a preferred asset class.

• Buyers keen to resume home search in coming 3-months, compared to deferring for a year in H1 2020.

• Work from home a key factor to upgrade home, as businesses continue to adopt remote working and hybrid policies.

• Proximity to healthcare infrastructure followed by recreational and open spaces were most preferred amenities amongst the potential homebuyers.

• Flexible payment plans and discounts continue to motivate homebuyers.

• Use of technology and online search platforms has accelerated during the pandemic.

Source: Housing Research
Approach & Methodology

• The residential consumer sentiment outlook is a half-yearly assessment to gauge residential demand predispositions for the coming six months.

• The survey includes findings and assessment of the consumer’s sentiments regarding economy, income and home buying.

• The survey is undertaken by Housing Research once every six months, through a random sampling technique for a fair representation across regions. The latest survey was conducted between January to June 2021.

• The insights entirely represent the view of more than three thousand potential homebuyers who reach out to Housing.com to complete their property search.

Source: Housing Research
Download our reports and presentations at

housing.com/research-reports

OR

Contact us on
research@housing.com
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