

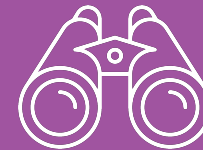
INDIA REAL ESTATE

# A different world post COVID-19



# India Real Estate What changed due to Covid-19?

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*Construction halted. Raw material supply chains disrupted.  
Reverse migration of workers.  
Macro-economic uncertainty.*

# India Real Estate: What changed due to Covid-19?



1

## Raw material supply chains disrupted

- Construction requires more than 200 items
- Dependence on China for elevators, steel, etc.
- Limited availability and possible hike in raw material prices



2

## Hampered consumer sentiments

- Uncertainty due to a probable economic slowdown
- Considering to cancel bookings
- Construction delays playing on the mind



3

## Purchase managers stare at uncertainty

PMI: April 2020

27.4

5.4

PMI: March 2020

51.8

49.3

- Manufacturing
- Services

As per IHS Markit



4

## Migrant workers heading back home

- 4.7 lakh residential units planned to complete in 2020 may face hurdles
- Possible hike in wages due to demand-supply imbalance
- Monitoring health and well-being of workers to add costs



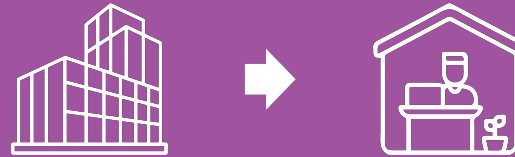
5

## Massive job losses

- As per CMIE, an estimated 122 Mn job losses in India, of which 75% are small traders and labourers
- Job loss of around 18 Mn salaried class raises a question on future real estate buying decisions

# India Real Estate Commercial Office

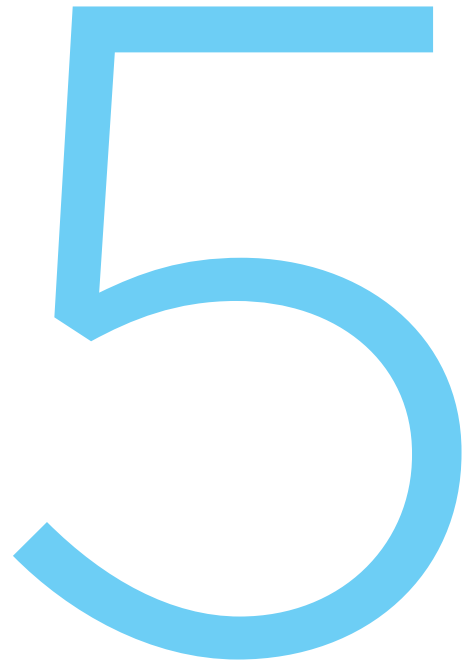
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*Work life disrupted temporarily.*

*WFH becomes the new norm.*

*Reopening with sufficient hygiene and safety measures remain the key.*



## Key Trends

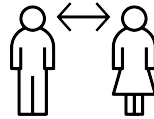


1

Demand for flexible spaces may rise, albeit after some time

Coworking spaces account for nearly 3% - 4% of the occupied office space

Rising demand for flexible workspaces may lead to an increase in its share to 6% - 7% in the future



2

New layouts to emerge as per social distancing norms

Allocation of space per capita has reduced from 100 sf - 125 sf in the last decade to 75 sf - 100 sf currently

Due to social distancing norms, space allocation per capita may rise



3

Decentralization of operations to ensure business continuity

Trend reversal from the prominent consolidation during the past few years

Companies to consider decentralizing office spaces to ensure business continuity



4

Work from Home (WFH) to emerge as a blended option

WFH has its own set of challenges from a dedicated workspace to team collaboration to internet connectivity

Blended option with rostered work-days seems to be a likely option



5

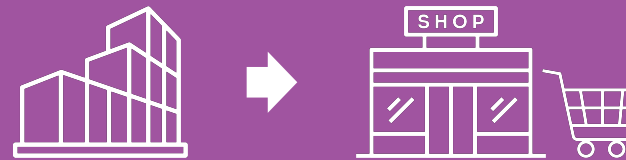
Technology to dominate building operations & management

Safety and hygiene of the employees to emerge as a top priority

Contactless building operations & automation to rise

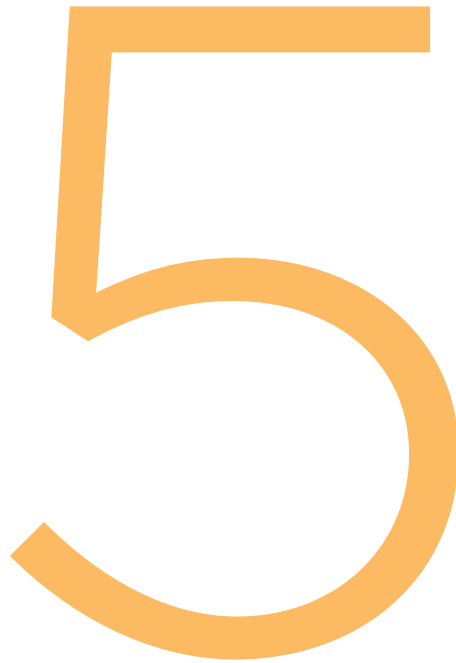
# India Real Estate Retail Sector

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*Malls have been shut for over a month. Sales have nose-dived. Local shops have gained customer confidence.*

*Reopening the malls remains a challenge. Social distancing norms to prevail post lockdown.*

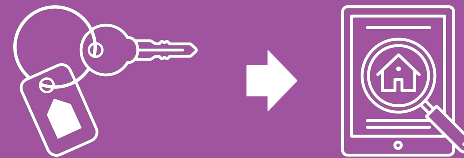


## Key Trends

	<b>1</b> Growth of organised retail to slow down	Organized retail accounting for nearly 10% of the market was expected to grow to 25% in 2025	Malls have been shut for over a month, local small retailers run 12 Mn shops & generate annual business of INR 700 Bn
	<b>2</b> Online businesses to gain momentum	E-commerce giants added over 5,000 people to their delivery fleet	Consumer base expanded as senior citizens embraced technology
	<b>3</b> Essentials to drive demand	Shopping for non-essentials and aspirational products not on the mind of consumers	Multiplexes and F&B may take longer to recover
	<b>4</b> Footfalls to be restricted	Average footfalls in major malls across top cities vary between 30,000 - 60,000 per day	Due social distancing norms, footfalls are likely to decline
	<b>5</b> Hygiene & sanitation to take centre stage	Patrons will be critical to hygiene and sanitation practices	Malls that are better poised to offer the same are likely to benefit

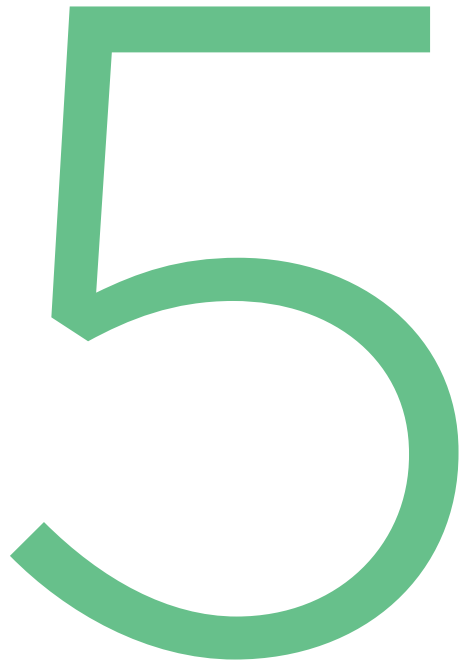
# India Real Estate Residential Sector

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*Complete lockdown has stopped construction and disrupted sales. Financially weak players may have a tough time and spiral a new wave of consolidation. Reputed developers may dominate.*





## Key Trends

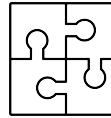


1

Developers moving from physical to phygital & further to digital

Developers with end-to-end digital solutions performed better in the lockdown

Digital is the way forward



2

Consolidation to increase, rise in trust for branded developers

Financially strong and organized players are likely to occupy 75%-80% market share in the coming years

Further consolidation is on the cards

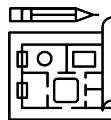


3

Demand for townships to rise

Township projects are currently less than 5% in Top 7 cities across India

With a desire to reside in a controlled environment, demand to rise

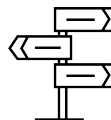


4

Need for larger, flexible homes to rise

A rising need for functional and flexible homes with an ability to convert rooms into workspaces

Product offerings may be redesigned



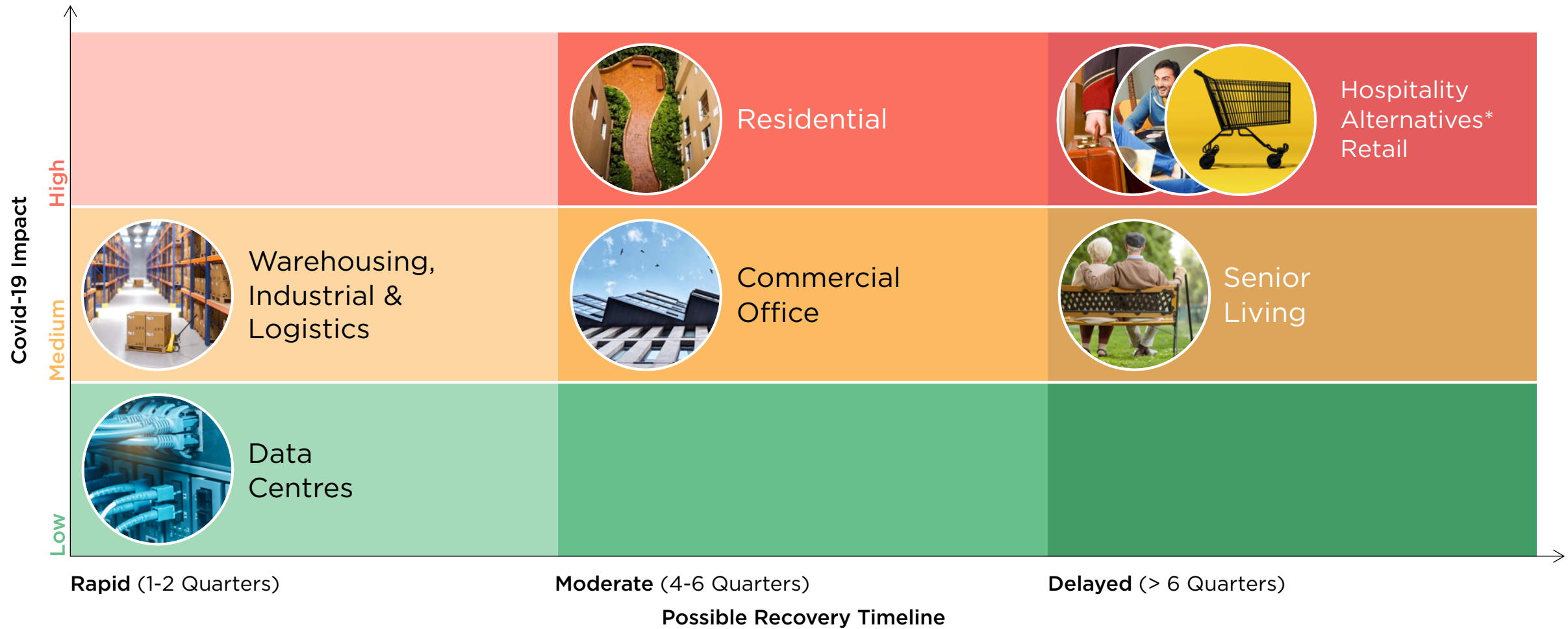
5

Reverse migration may create housing demand in tier II & tier III

Top 7 cities presently account for around 70% of the overall residential market

The share is likely to decline in the future periods

# India Real Estate: Covid-19 Impact vs. Possible Recovery Timeline



\* Co-working, Co-living & Student Housing

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The Company has a unique business model, which is an amalgamation of traditional product sales supported by a modern technology platform with automated analytical and reporting tools. This offers timely solutions to its clients, while delivering financially favourable and efficient results.

ANAROCK has a team of over 2,000 certified and experienced real estate professionals who operate across all major Indian (Mumbai, Navi Mumbai, Pune, Ahmedabad, NCR - Delhi, Gurugram, Noida, Ghaziabad, Chennai, Bangalore, Hyderabad, Kolkata, Lucknow) and GCC markets, and within a period of two years, has successfully completed over 300 exclusive project mandates.

ANAROCK also manages over 80,000 established channel partners to ensure global business coverage. Our assurance of consistent ethical dealing with clients and partners reflects our motto - Values Over Value.

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