

ANAROCK

VALUES OVER VALUE

Presents

— Indian Residential Real Estate — **Consumer Sentiment Survey**

• H2 - 2019 •

In Association with



Building homes. Nurturing relationships.



FOREWORD



As another eventful decade draws to a close, the Indian real estate sector stands at the cusp of change- from one stage of revolution to another. Residential sector particularly is in the throes of transformation on multiple fronts. Government

announced a series of reforms to support buyers' interest and bring much-needed transparency in the sector. While RERA continues to empower buyers across several states, amendments in the Insolvency and Bankruptcy Code (IBC) have elevated the status of homebuyers to that of financial creditor. Furthermore, the government's AIF of INR 25,000 Cr to revive stalled housing projects has raised hopes of developers desperately seeking a financial lifeline.

Despite headwinds including liquidity crisis and consolidation, sales continued to exceed new launches in 2019, and helped reduce unsold inventory by 4% from 2018. The affordable home story is also going from strength-to-strength as 1.13 lakh affordable homes are expected to be completed across top cities by 2020-end. While few changes may seem daunting, but there are several golden opportunities for those prepared to move forward in a transformed Indian real estate market.

ANUJ PURI
Chairman | ANAROCK Group

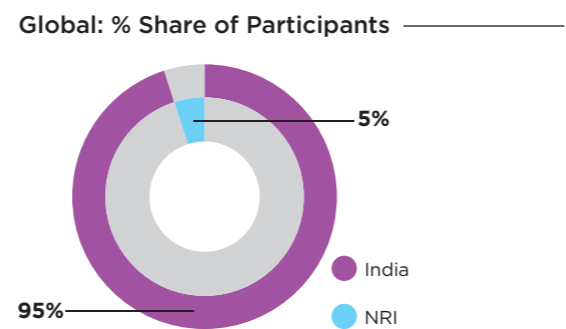
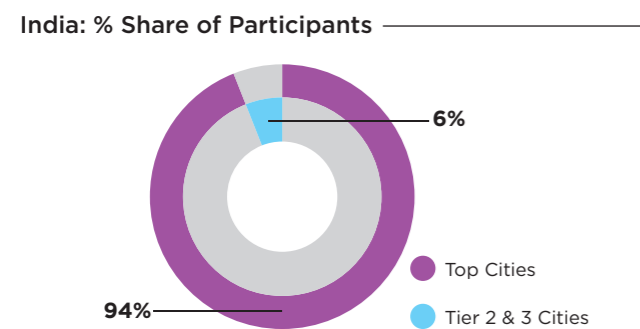
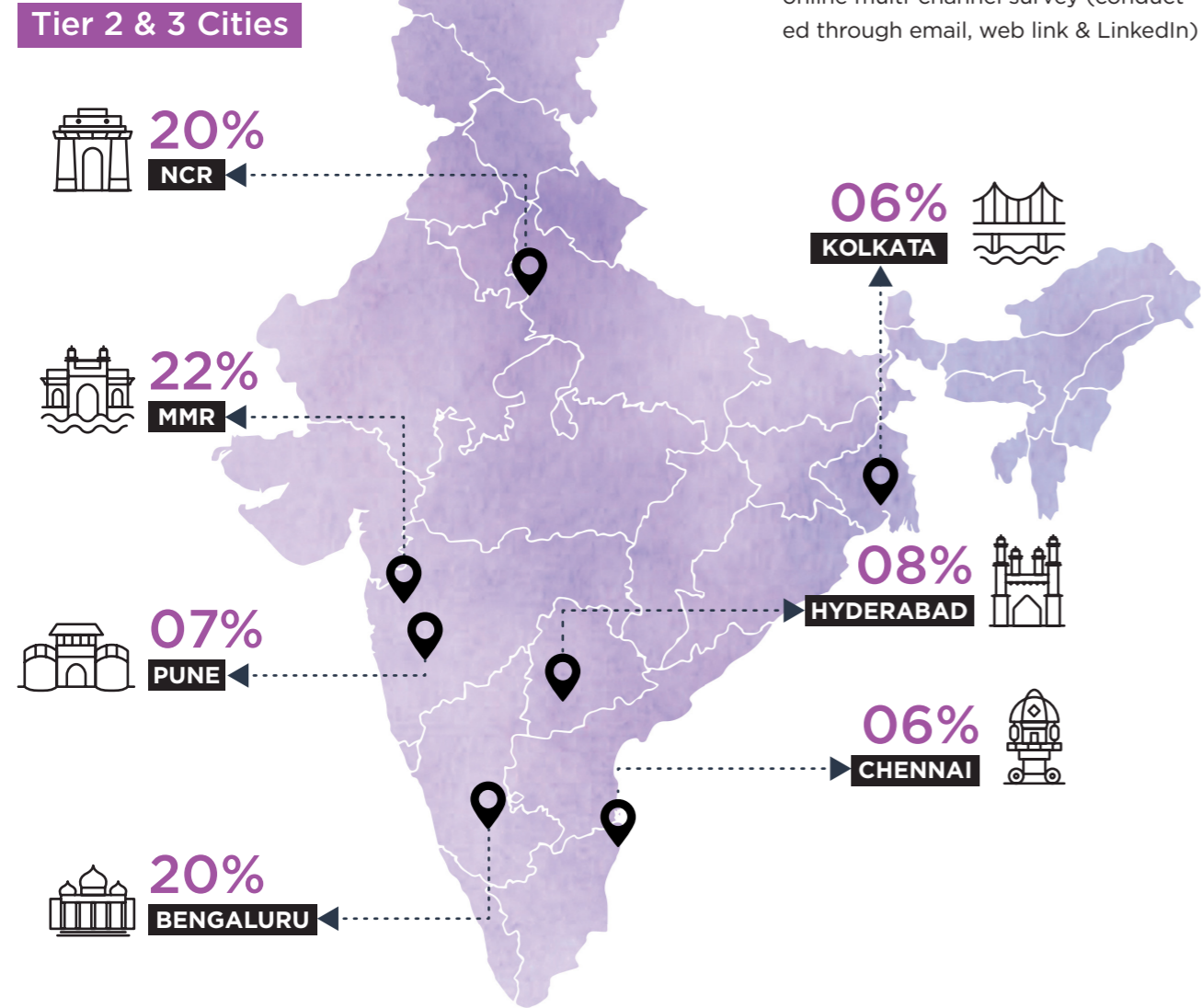
In this backdrop, ANAROCK Property Consultants conducted a comprehensive survey - Real Estate Consumer Outlook: H2 2019 - to understand what property seekers are thinking and whether the current macroeconomic environment is conducive for them to take the plunge in the property market or not. Besides analysing the future trends based on buyer's preference, the report also delves deeper into the past behaviour of property buyers from the demand and supply perspective. We hope that this report will provide valuable insights to not just consumers, but also other stakeholders in the Indian realty sector including developers, real estate consultants, and local & international property investor community.



SURVEY PARTICIPANTS: GEOGRAPHIC DISTRIBUTION

2,602

No. of participants that responded via online multi-channel survey (conducted through email, web link & LinkedIn)



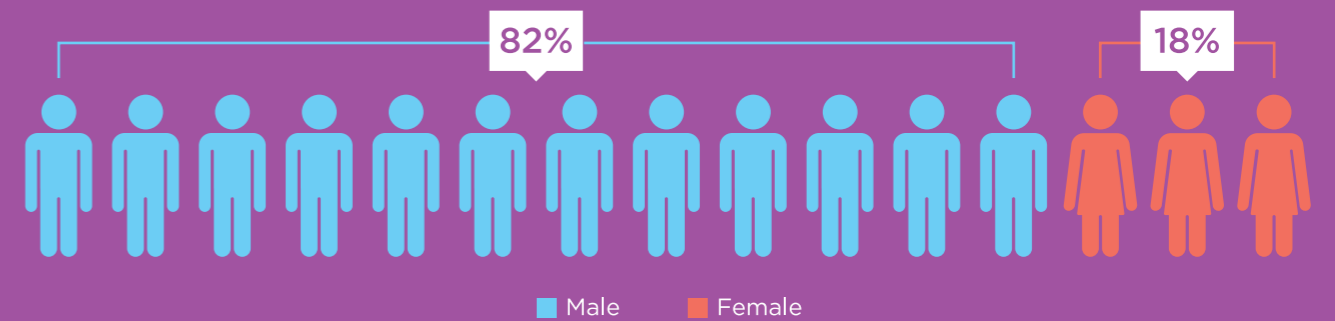
The Survey Methodology

Similar to the preceding survey, the third edition of the ANAROCK Consumer Sentiment Survey - H2 2019 tries to gauge buyers' preference and their consumption pattern which invariably leads to emergence of significant trends in the Indian real estate industry. The main aim of the survey is to provide all stakeholders - consumers, developers, investors, sellers and owners including local and expatriates - deeper insights into the Indian property market purely from a consumer perspective.

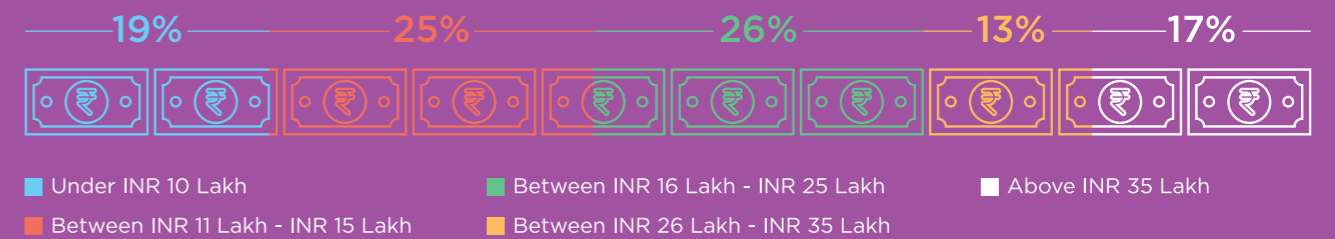
Conducted in the second half of 2019, the online survey saw nearly 2,602 participants (including NRIs) responding to it via different sources including email campaign, a web link and LinkedIn messages. The sample was carefully selected so that it would give a relatively fair representation of the overall population demographics in terms of geographical distribution, gender and age. Thereafter, the answers collected were analysed in-house and data was correlated to the present economic conditions. The views expressed in the report are completely unbiased.

Demographic Profiling

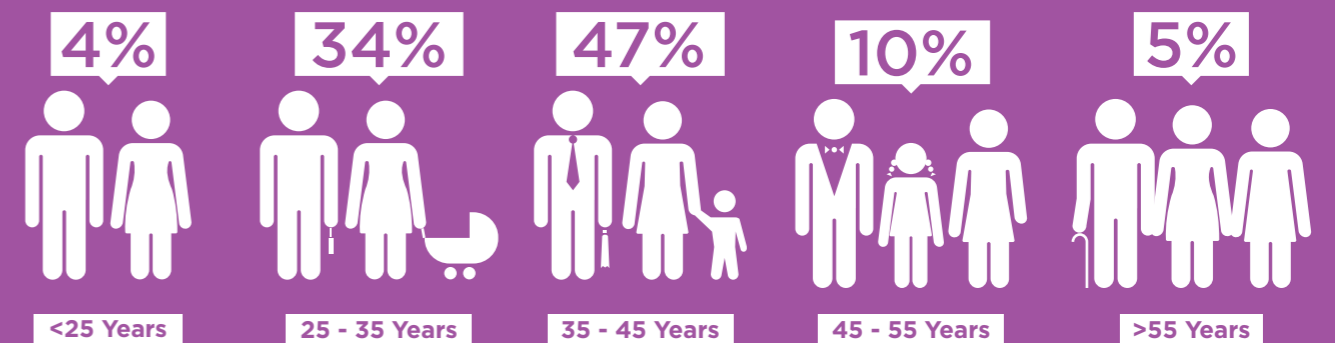
Gender Typology



Annual Family Income



Age Group





Building homes. Nurturing relationships.

Pay When You Stay

6 EMI Waiver

No Principal repayment till possession for under construction projects*

EMI waiver for Ready to Move Home*

Limited Period Offer

2020
HOME LOAN OFFER

Rate of Interest
8.10%
Onwards

*T&C Apply

For Home Loans log on to www.lichousing.com or contact nearest Area Office

? Best asset class for investment?

Despite all headwinds within residential sector, real estate continues to be the first choice for investments for majority respondents. A whopping 59% participants preferred real estate over other asset classes like stock market, FDs and gold. A year ago, in the survey conducted during the same period, 53% participants preferred real estate. This gradual increase indicates the prevalent mood among prospective buyers who continue to repose their faith in real estate as the best investment option. Given the volatile nature of most other asset classes, real estate is indeed a safe bet for most - proviso they remain invested for a long-term. Also, property prices are at their lowest best across most cities and with government announcing a slew of measures favouring the sector, both investors and buyers are hoping for steady growth in the future.

Declining interest rates of FDs is further making investors change their preferences. From 14% respondents wishing to invest in FDs in H2 2018 survey, merely 10% respondents now prefer to invest in it as per H2 2019 survey. Alternately, stock market maintains its status as the second most preferred asset class for investments.



Real Estate
59%



Stock Market
23%



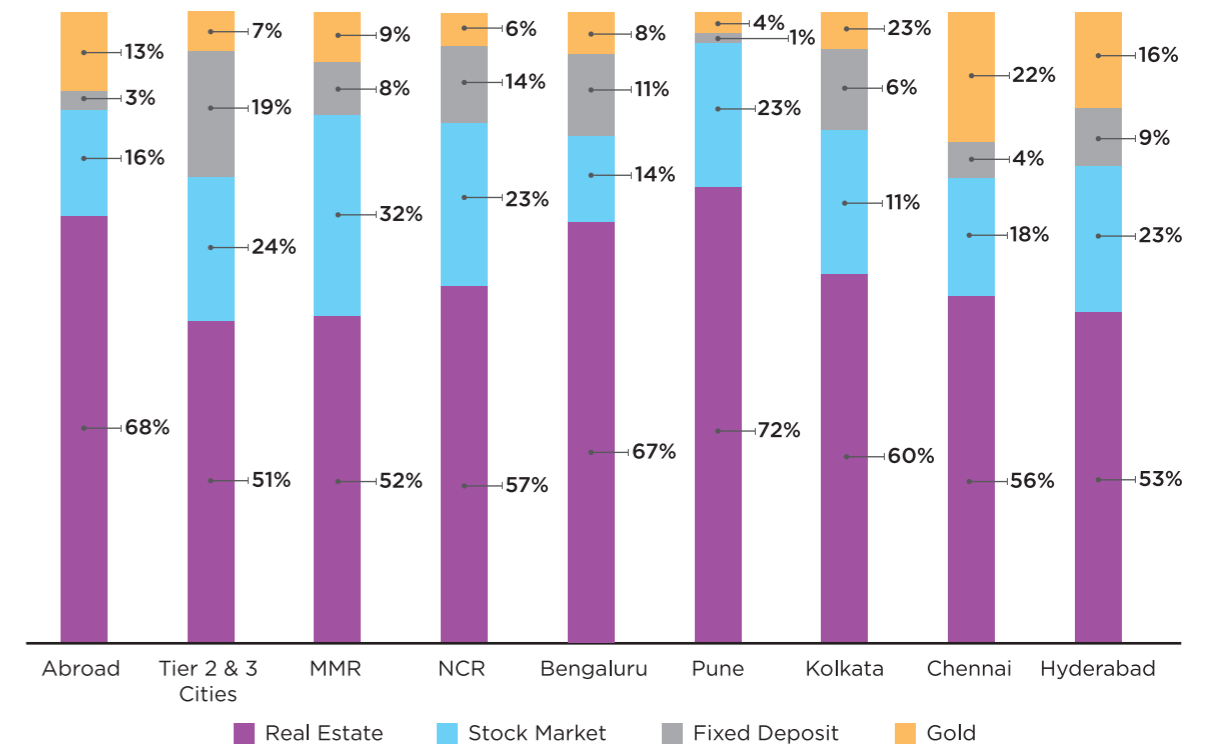
Fixed Deposit
10%



Gold
8%



Real estate continues to be the first choice for investment amongst majority of the respondents



City-wise, Pune saw maximum respondents (over 72%) preferring real estate. They consider it to be the safest asset class for investment in the present scenario. Also, the city has emerged as an affordable hotspot in 2019 with majority new launches in the budgeted segment priced <INR 40 lakh. Given that the affordable segment is doing fairly well in recent times, it makes for a safe investment bet.

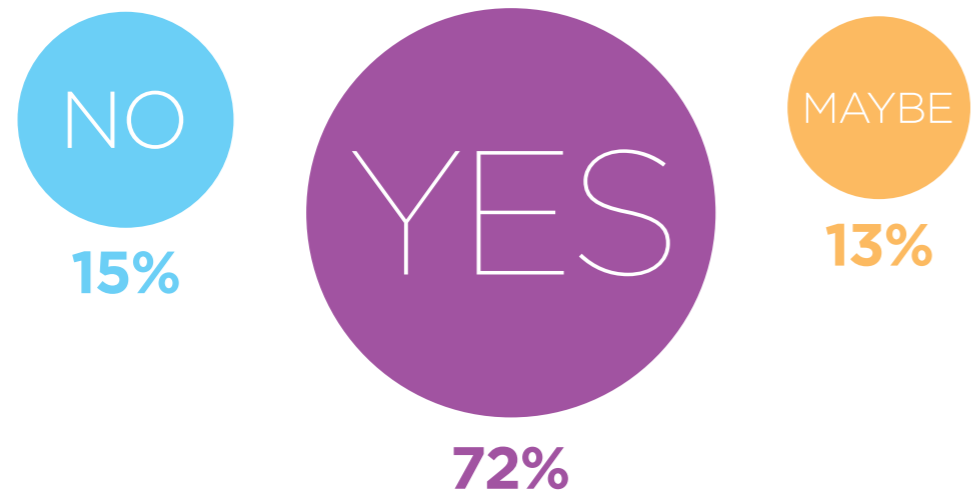
Interestingly, even while the yellow metal has lost much of its sheen since DeMo and many have become weary of it, a good 22% respondents in Chennai continue to have faith in gold. No wonder, it is the second most preferred asset class for investment after real estate, pacing ahead of even stock market which saw merely 18% preference.

As anticipated, stock market as an asset class is most preferred in MMR (by 32%) - Mumbai being the financial capital factoring in largely. Over 24% respondents in Tier 2 & 3 cities also consider investing in the stock market a better option over more conventional asset class like FDs.

As anticipated, for nearly 68% NRI respondents, real estate continues to be a safe investment bet. This is led by their unrelenting quest for owning a property in the country of their origin or as a fallback when they return back home anytime in the future. Interestingly, a decent 13% NRIs are now looking to invest in gold - something which didn't happen earlier. Other than physical gold, there could be a growing demand for paper gold in terms of gold exchange traded funds (ETFs) and sovereign gold bonds (SGBs).

Chennai is the only city which still prefers gold (22% respondents) over stock market and FDs

? Have the recent court rulings & Govt. measures favouring homebuyers rekindled your confidence to invest in real estate?



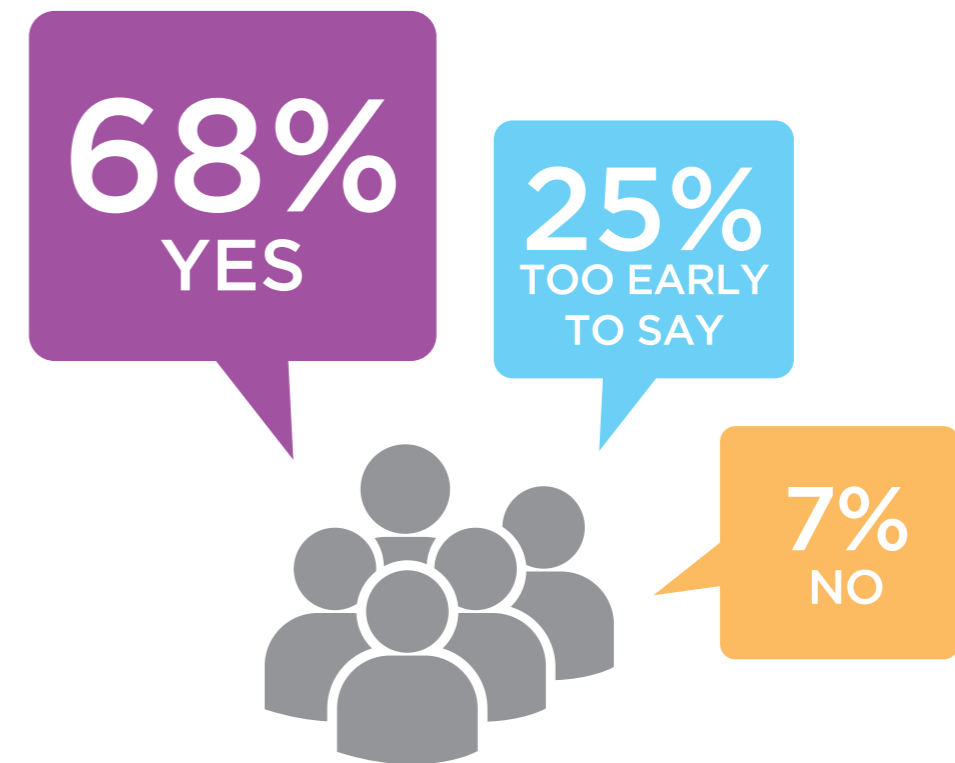
The government has been on a roll ever since it resumed office for the second term in May 2019 after getting a thumping majority. Realising the potential of the real estate sector and its direct implications on the overall Indian economy, the government announced a slew of measures not just in the Union Budget in July but also all along the following months in order to boost confidence of prospective homebuyers. The most recent being the creation of alternate investment fund (AIF) of INR 25,000 crore for last-mile funding of stuck realty projects, an issue that jolted the confidence of homebuyers. This move will not only rekindle hopes of lakhs of beleaguered homebuyers but indeed act like a lubricant for the

jammed wheels of residential real estate and get it kickstarted. Add to this, the recent court rulings are also favouring homebuyers, giving them much respite and building their hope.

In this background, it became imperative to understand what homebuyers are thinking. An overwhelming 72% of the survey respondents believe that the various government measures coupled with recent court rulings in favour of homebuyers has helped them to increase their confidence to invest in real estate. Mere 13% believe that the measures taken by the court or the government in recent past are still not enough to rekindle their faith in investing in real estate.

72% voters were positive of various government measures and court rulings in favour of homebuyers

? In your opinion, is the current Government doing a good job in making the real estate market a better place to buy and invest?



Undoubtedly, the government has taken much heed to some of the pressing issues within residential real estate in recent times - stuck projects being one of them. Further, much in line with its intention to provide Housing for All by 2022, it has given major impetus to affordable housing over the last few years. Most recently, in the budget it announced major tax benefits to stimulate demand for this segment. Interest deduction up to Rs 3.5 lakh for affordable housing (priced <INR 45 lakh) as against Rs 2 lakh earlier was made available until March 31, 2020. This would help attract first-time homebuyers.

Over and above, the government's previous game-changing regulatory policies like RERA, GST, amendments to Benami properties Act, Insolvency and Bankruptcy Code etc. have given homebuyers

reason to cheer. Not just that, certain policies are being constantly altered or revised to suit present day needs. This has inevitably begun to instil faith in homebuyers and investors alike. A whopping 68% respondents think that the government is doing a good job to make the real estate sector safer and more viable for investments.

However, 25% respondents still think that it's too early to think so and would rather wait-and-watch before concluding that the government has made real estate a safe investment option. Interestingly, a meagre 7% survey respondents think that the current government's efforts and measures are far too less for the overall betterment of the real estate sector and thus it's not a safe investment option.

? Already bought or looking to buy a property?

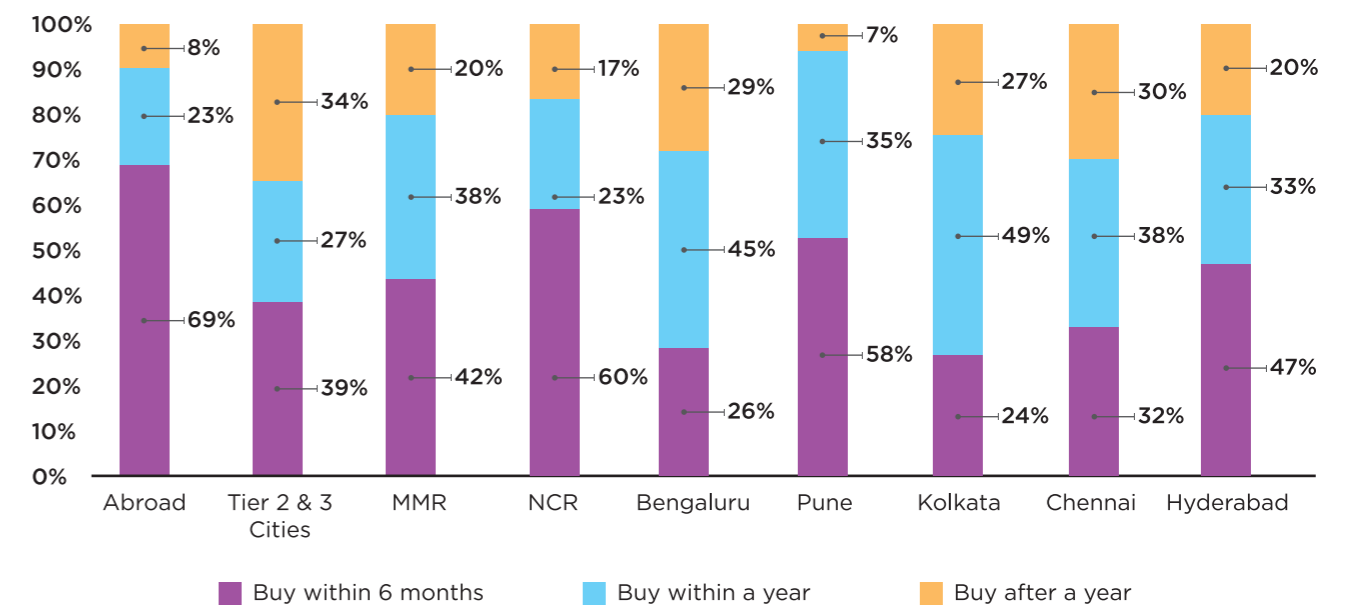


Similar to previous two surveys, recent trends also suggest that there are many 'real' buyers who are still waiting to take the plunge into the Indian residential real estate. As such, many of these prospective homebuyers are looking to buy a home for their end-use. Meanwhile, property prices in most cities have also bottomed out while developers are going all out to offer the best deal possible. Thus, there couldn't be a more opportune time than this to buy a property, particularly for self-use. Taking advantage of the prevailing scenario, as many as 20% respondents decided to take the plunge into residential real estate during 2019.

Going forward, altogether 63% respondents across the country are likely to take the plunge into the real estate market within the next one year. These prospective homebuyers are definitely in for a treat because latest ANAROCK research reveals that nearly 2.75 lakh units are likely to get completed by December 2020 across the top 7 cities. These units were launched in 2014 or afterwards. Moreover, the top cities also have overall unsold inventory of nearly 6.56 lakh units across the top 7 cities. Hence, property seekers will have ample choices across budget segments in the forthcoming year.

Meanwhile, despite stable property prices and favourable regulatory environment, the residential market still fails to lure at least 17% respondents who have postponed their home buying decisions for more than a year.

Altogether, 63% respondents across the country will take the plunge into Indian real estate over the next one year



At the individual city-level, a whopping 60% of the respondents in NCR are looking to buy a property within the next six months - this is the maximum among all cities across the country. In stark contrast, merely 24% respondents in Kolkata and 26% participants in Bengaluru are looking to buy a property within the next six months. Quite understandably, several property seekers in Delhi-NCR have been in a wait-and-watch mode since a long time and now find it conducive to take the plunge. Average property prices have also largely remained stagnant across the region and are at their lowest best. Property seekers are thus hoping to reap the twin benefits (of lower property prices and lucrative offers by developers).

Notably, Delhi-NCR respondents displayed maximum optimism in H2 2019 survey against last year (in H2 2018 survey) when only 38% showed interest

in buying a property within six months, thus recording a significant increase of 22% this year.

Pune seems another lucrative market for many property aspirants as nearly 58% seekers within the city hope to take the plunge over the next six months, followed by Hyderabad with 47% seekers and Mumbai-MMR with 42% aspirants. This is a major cue for developers in these regions.

Additionally, the NRIs are also very keen to invest in a property in India over the next six months as nearly 69% of them are willing to seal-the-deal as compared to last year's 65%.

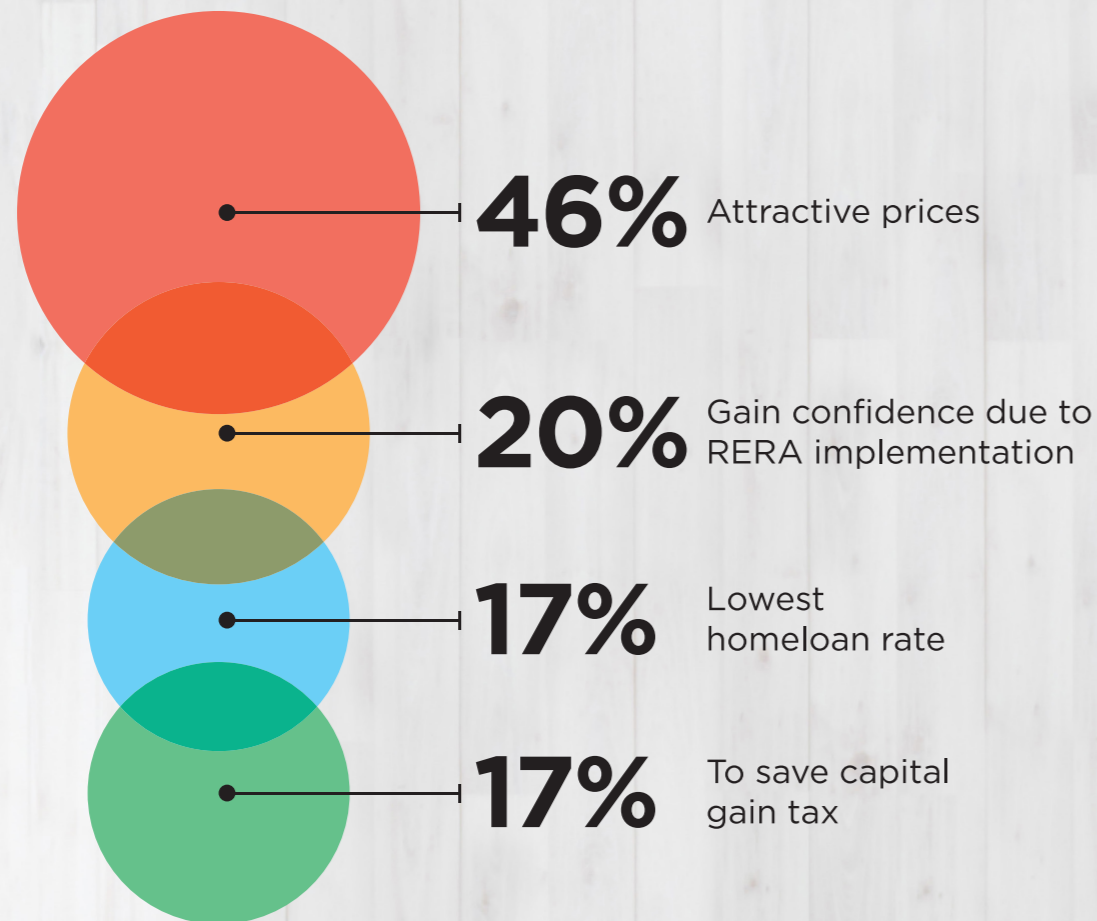
However, further analysis of city-specific trends indicates that maximum respondents from Tier 2 & 3 Cities (34%), followed by Chennai (30%), Bengaluru (29%) and Kolkata (27%) are holding on to their decision of property buying until the next one year.

? If already bought within last one year, specify the most influential reason for buying the property.

In an attempt to push sales in a sluggish market, several developers continue to recalibrate property size and pricing to make their offering more 'affordable' and attractive to prospective buyers. This strategy seems to be working with home buyers, and of the 20% of respondents who had already purchased property within the last one year, most (40%) were influenced by attractive prices offered by the developers. This was followed by 20% respondents who gained confidence due to the successful implementation of RERA. Into its third year of implementation, RERA has gathered momentum across many states

where several developers have been heavily penalised for not completing projects on time and violating other regulations.

Despite repeated rate cuts by the RBI and subsequent rationalising of home loan rates by most banks this year, a larger section of consumers place confidence in RERA implementation. Compared to the previous survey conducted in H1 2019, more respondents (20%) in the current survey gave precedence to RERA implementation than lowest home loan rates while purchasing property. Interestingly, 17% respondents also purchased properties in last one year for saving their capital gain tax.



46% home buyers bought property in 2019 due to attractive prices

? Will this property be for end-use or for investment?

One of the most significant shifts witnessed by the country's residential market is the growing dominance of end users over investors. The sector has become more end-user driven and especially post-RERA, developers are focusing on the needs of the consumers.

In line with the previous two ANAROCK survey results, the H2 2019 survey also stamps their authority with 67% respondents wanting to buy property for end-use. It's interesting to note that 33% mentioned investment as the reason behind their purchase, 9% lower as against H1 2019 findings.



In city specific analysis, respondents who are looking to buy property for investment are mostly from Delhi-NCR, Hyderabad, Bangalore and MMR with 39%, 33%, 33% and 27% respectively. Even as end-users dominate the market, investors and par-

ticularly NRIs continue to believe in the prospects of India's residential sector. An overwhelming 89% NRI respondents gave investment as their reason for purchase indicating their confidence in the future of the housing market.

67% home seekers will buy for end-use, up by 9% against last survey



Investment
End-use

? If end-use, then is it your first home or an upgrade?

Seeing the enormous positive response for the end user market, this time, we asked respondents 'if it's your first home or an upgrade?' Well, of the 67% of respondents who plan to buy property for end use, most (76%) respondents are first-time home buyers. However, 34% are also looking to upgrade their current accommodation.

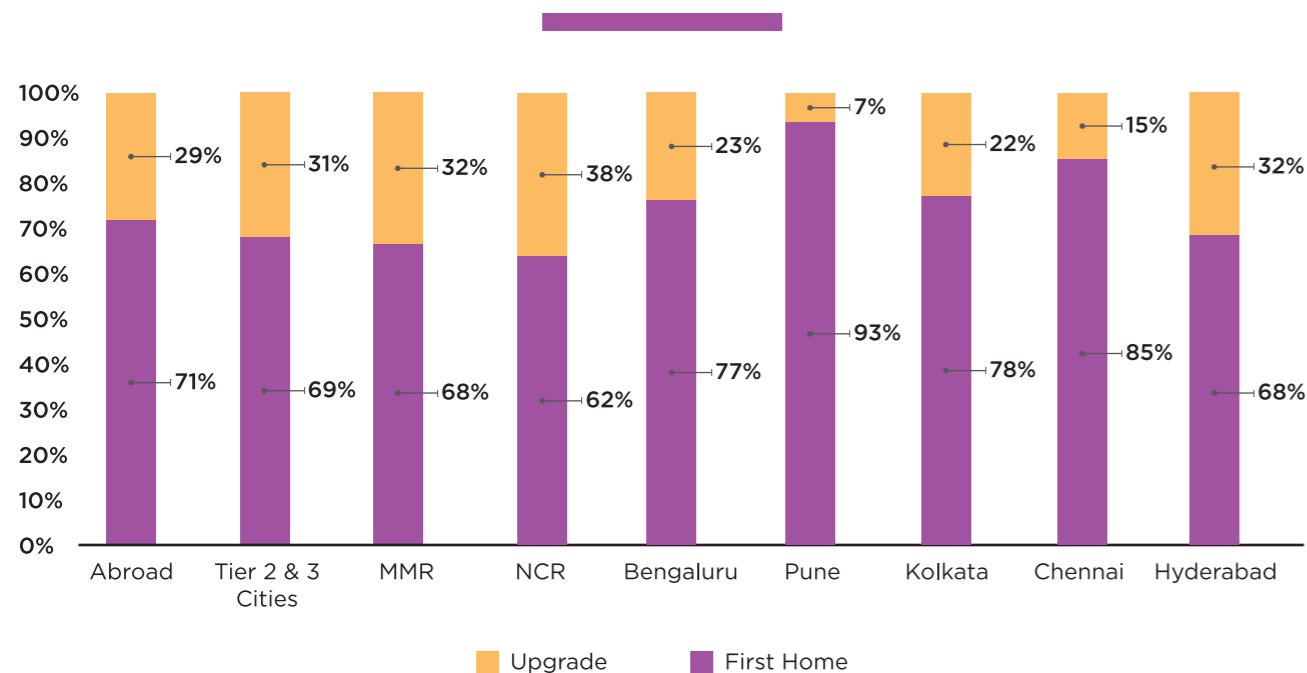
With the rise of double-income households, rising aspirations and rationalisation of prices in certain pockets, many consumers are keen on an upgrade in the size and quality of their house. The cities where end users are looking for an upgrade present an interesting picture. In Delhi-NCR, 38% respondents are seeking an upgrade, with 72% of them preferring Gurugram for a better house, followed by 18% in Noida

and the rest (10%) for different parts of Delhi-NCR.

Moving to Mumbai-MMR, 32% are looking for an upgrade, and almost half (44%) are looking to buy their upgraded home within Mumbai, followed by 37% who are willing to shift to Navi Mumbai. Considering the upcoming metro connectivity to the island-city from Thane, 19% respondents are also willing to upgrade move to Thane and beyond.

Even as peripheral locations and suburbs continue to grow and flourish with better connectivity, affordable options and employment opportunities, the city continues to hold its charm. This is reflected in our findings as 32% respondents in Hyderabad, 31% in Tier 2&3 cities and 23% in Bengaluru are willing to move to upgraded homes within the city limits.

Over 76% respondents buying a home for end-use are first-time homebuyers

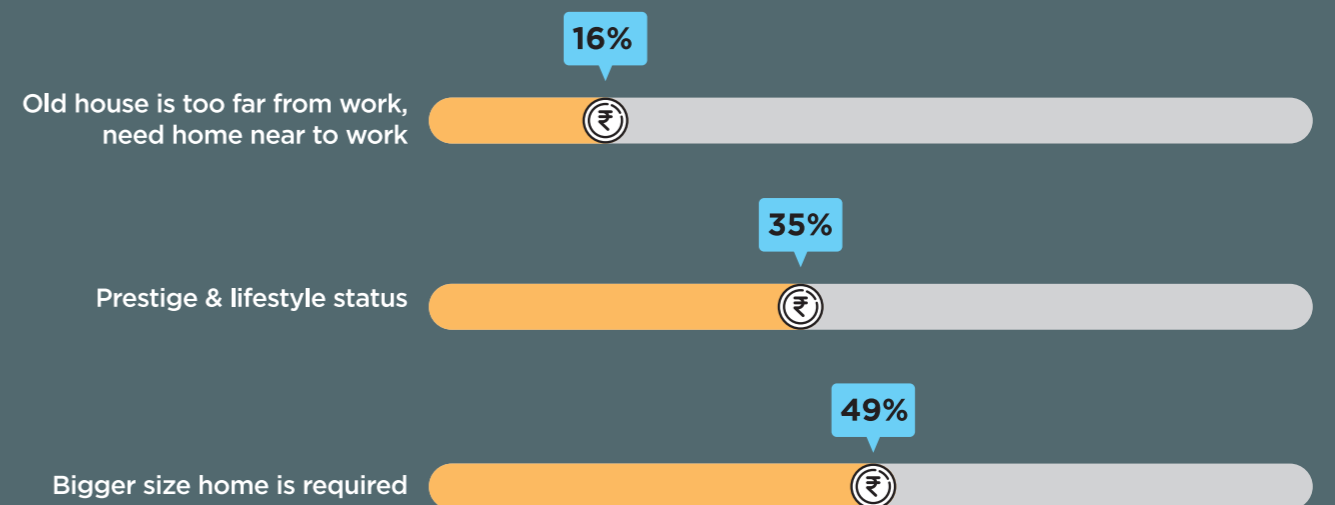


? If upgrade, then what is the most important reason for this?

Looking at a sizeable section of respondents aspiring for an enhancement in their home, we delved deeper to find out what is the most important reason for the upgrade.

When it comes to real estate, size does matter and almost half of the respondents (49%) required a bigger size home as compared to their current

homes. Interestingly, 35% respondents voted for prestige and lifestyle status as the most important reasons for their willingness to shift to a new home and upgrade the current accommodation. However, 19% respondents said the need for better connectivity to their workplace is the most important reason for this upgrade.



? If investment, then what is your plan?

ANAROCK's Consumer Sentiment Survey H2 2019 results highlight the potential rental housing holds to solve the housing conundrum of a rapidly urbanizing India. In the current survey, majority (45%) of survey respondents plan to take advantage of the enormous demand for rental housing and utilize their investment to earn rental income. Even as rental demand has been high in most top cities, there was a dire need for the government to relook at rental laws and propose guidelines to enforce rental contracts and protect the rights of landlords as well as tenants. The Draft Model Tenancy Act 2019 is a step in the right direction and could prove to be a gamechanger by formalising and stabilising India's rental market.

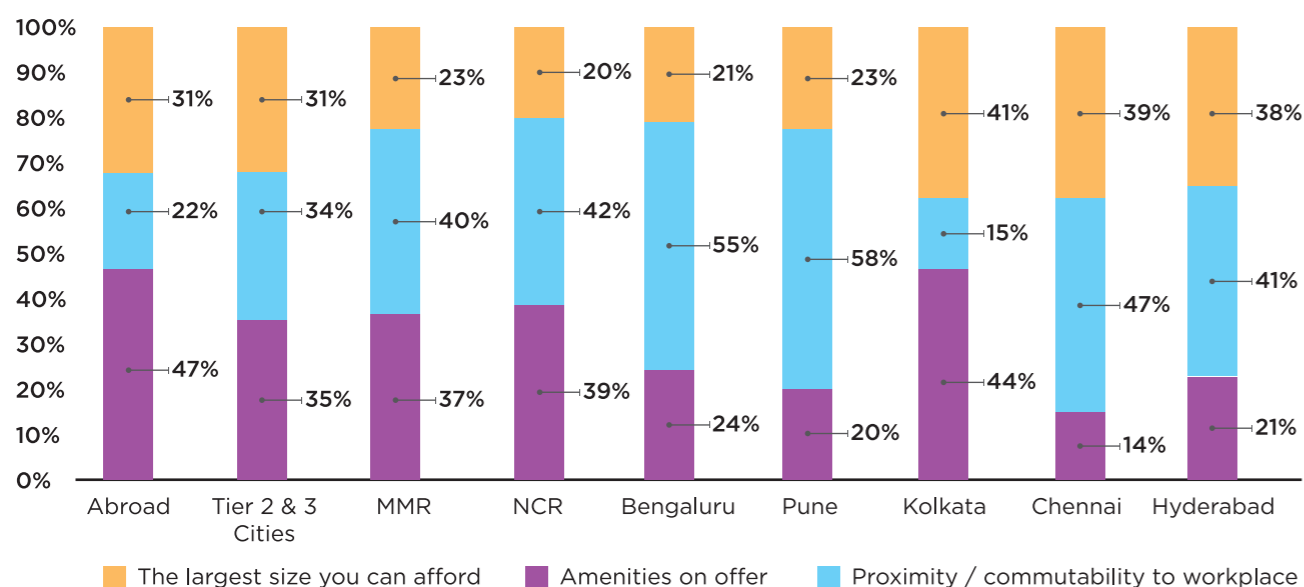
Meanwhile, 37% respondents preferred to sell their property after appropriate price appreciation indicating confidence in real estate as an asset class. If we delve deeper into city specific trends, 52% respondents in Mumbai-MMR remain optimistic about high return on investment, followed by Bengaluru and Hyderabad with 45% and 43%, respectively.

Interestingly, 18% respondents in the current survey believe in having multiple real estate properties as an asset for the future, which is a 10% increase against H1 2019 survey results. Despite its tepid performance in the last few years, NRIs remain confident of owning residential property in their native country. More than half of NRI respondents (51%) have marked investment in the property market to build an asset for the future.

Massive demand for rental housing prompts 45% respondents to invest in a property for rental income



Excluding price, what is your most important priority while buying a house?



Connectivity to workplace most important factor for 43% property seekers; right set of amenities is second on the list with 32% votes

When it comes to zeroing in on a residential project, connectivity features high on any home buyer's 'look out' list. It's no surprise then that majority of the respondents (43%) in H2_2019 survey marked connectivity to workplace as the top priority while finalising a home. Interestingly, in established IT hubs such as Pune (58%) and Bengaluru (55%) where residential real estate has developed around IT-ITeS establishments, connectivity is the first priority while buying a house.

For decades, the term 'amenities' has dominated marketing campaigns and sales pitches first in the hospitality industry later in the housing market as well. We live in an era when amenities like swimming pool, clubhouse, tennis courts, gymnasium etc. are passé. Developers are thinking out-of-the-box to offer

home buyers a unique living experience with concierge services, business lounges, and even pet parks and spas. For consumers, a home is more than just a residence, but an extension of their lifestyle and the right amenities are integral to their decision of choosing a property. This is reflected in the current survey results as well, as 32% of the respondents marked amenities on offer as the second most important factor while buying a home.

On the other hand, bigger is better for 26% respondents who voted for a larger-sized house as the deciding factor. Looking at a city-wise analysis and Kolkata (41%), Chennai (39%) & Hyderabad (38%) were the top cities where respondents place a high premium on the largest property they can afford.

What stage of property would you prefer?

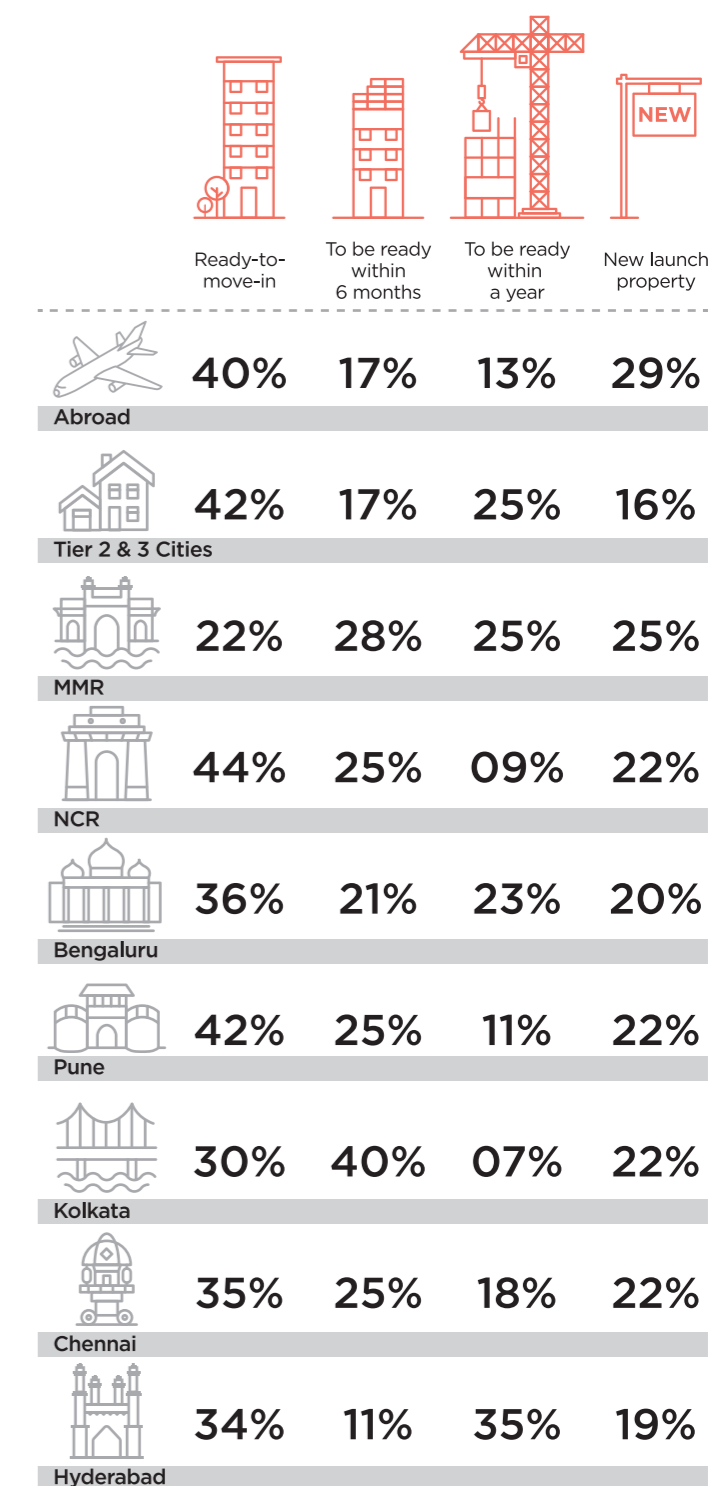
Investment in property is a strategic step and its success largely depends on the 'stage of construction' in which the property is purchased. Over the last few years, there has been a steep rise in delayed and incomplete projects and cases of litigation against errant developers, with a rising number claiming bankruptcy. With the high risks associated with new launches including incessant delays, ready-to-move-in options have emerged as a far safer bet.

In fact, H2 2019 survey results show that with 35% votes, the consumer sentiment is firmly on the side of ready-to-move-in properties.

If we do a city-wise analysis, Delhi-NCR (44%) has once again emerged as the top city with a high demand for ready-to-move in properties, followed by Pune (42%) and Tier 2 & 3 cities (42%).

However, properties which are in advanced stage of construction are also emerging as safe options for both end-users and investors. 24% of respondents preferred to buy properties which will be ready within 6 months, followed by 19% voting in favour of properties which will be ready within a year. This is a positive trend that could help reduce the stock of unsold units across the country.

The changing regulatory environment and proactive government policies have infused more buyer confidence in new launches. As the number of RERA registered projects continues to rise, more buyers have faith in new launches. Compared to last year (5%), significantly more respondents (22%) are willing to buy property in new-launched projects.



? If you prefer ready-to-move-in properties, what is the reason behind your choice?

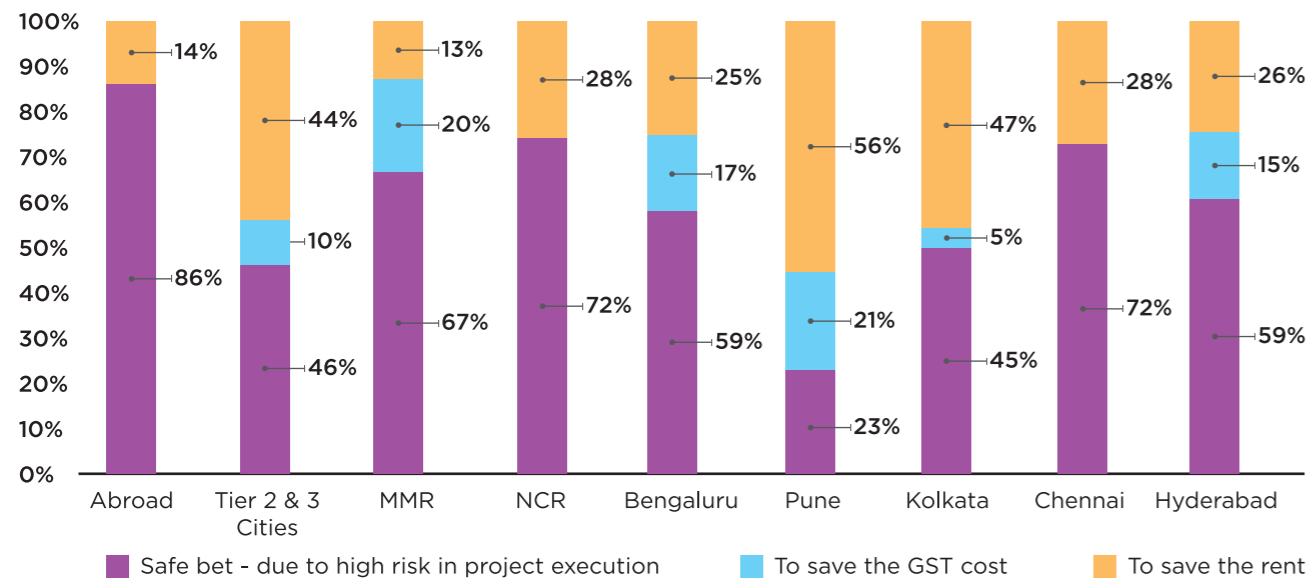
The issue of stalled projects continues to be a bane of the residential sector and most prospective home buyers thus remain averse to the risk of investing in under-construction properties. Of 35% respondents who plan to buy ready-to-move-in properties, most (59%) preferred ready-to-move-in over under-construction properties due to the high-risk involvement in under-construction projects.

At the same time, ready-to-move-in properties score high also because nearly 28% of respondents don't want to pay rent as well as home loan EMIs and marked "saving rent" as the most important reasons to choose this option.

Earlier this year, the central government announced a rate cut in the GST cost on under-construction properties. The GST on under-construction flats, which are not in the affordable housing segment, was reduced to 5% without input tax credit (ITC) from 12% earlier with the ITC. The GST rate on affordable homes was reduced to 1% without the ITC from earlier 8% with the ITC.

This significant decision has had a major impact on the buying preferences of respondents. Only 13% respondents in the current survey marked 'saving GST' as the major reason to choose ready-to-move-in property over under-construction as against 30% respondents in the H1 2019 survey.

High risk in project execution' top reason for 59% respondents preferring ready-to-move-in homes over under-construction



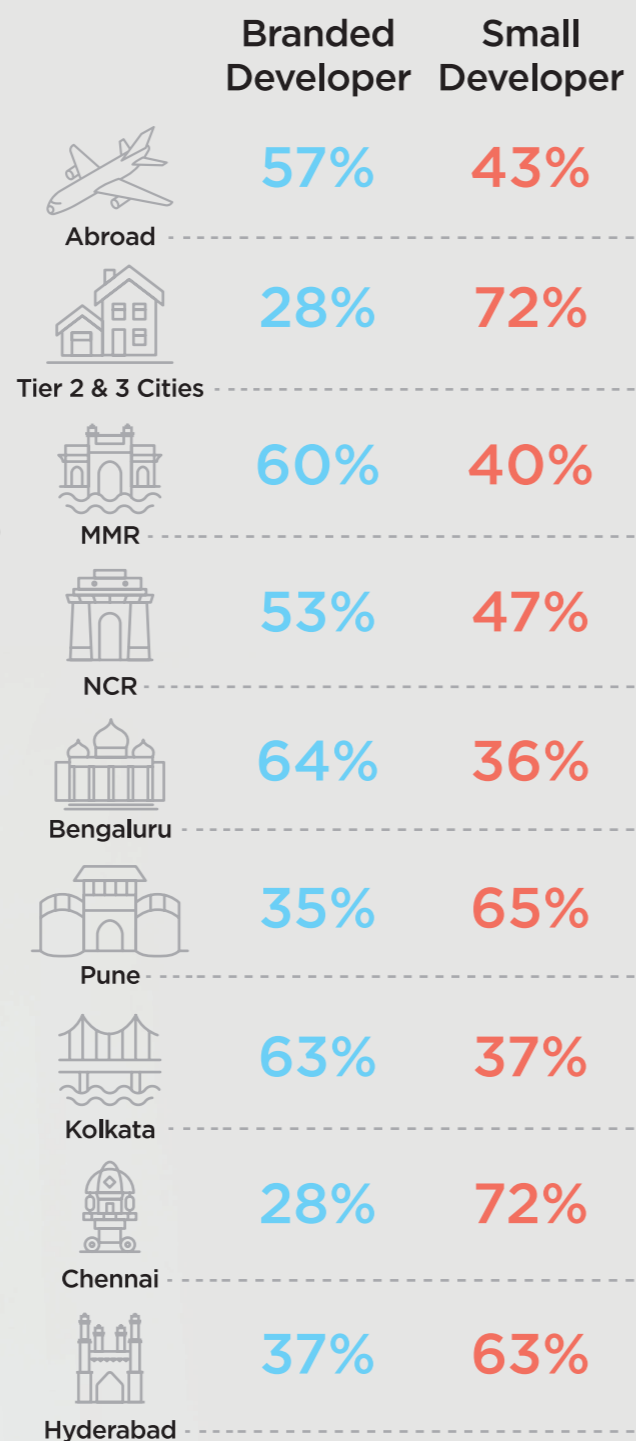
56% home seekers in Pune prefer ready homes in order to save money on rent



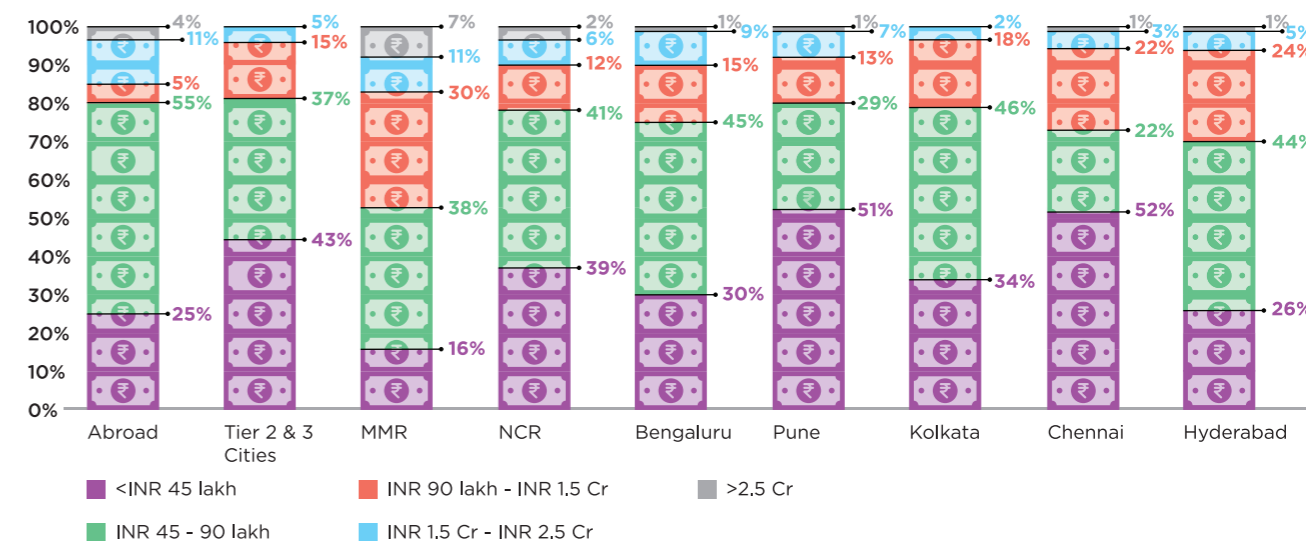
? Will you prefer to pay a premium & buy property with branded player or instead go with smaller developer to save on extra cost?

With so much action in the market, the Indian real estate industry is passing through a major consolidation. For developers struggling to complete projects, JVs, JD and DM offer a viable means to overcome financial distress and find synergies. Cash back branded developers are exploring alliances to jointly develop projects within revenue-sharing pacts and many other options. As per ANAROCK research, the branded developer share increased by 20% to 30% across the top seven cities in 2019 over 2018 launches.

On the same lines, we also asked our respondents will you prefer to pay a premium and buy property with branded player or instead go with smaller developer to save on extra cost? Well, majority of respondents (52%) will not mind paying extra for buying property from a branded developer over the small developer. Keeping price factor in mind, 48% of them will still prefer to go with the small developers to save the extra cost.



? What is the budget for your investment?



The answer to this question of our survey had no surprises as the mid-range and affordable segments continue to dominate consumer demand. According to the H2 2019 survey results, the most preferred budget category among homebuyers is mid-segment (INR 45 lakh - INR 90 lakh), as 42% of respondents indicated their preference to buy property in this budget range.

Affordable budget segment (INR < 45 lakh), the most preferred budget category in the H2 2018 survey (39%), has taken a back seat this year (31%) and has landed the second spot among homebuyers. Interestingly, Pune and Chennai homebuyers are still inclined towards affordable budget category as their first choice with 52% and 51% votes respectively.

Collectively, these two segments (affordable & mid segment) account for a massive 73% of the buyer's demand in H2 2019 survey results. The writing on the

wall is clear that home buyers, especially end-users, favour properties within the sub INR 90 lakh budget.

This year's budget came with several goodies for the affordable segment such as the announcement of the second phase of Prime Minister Awas Yojana (PMAY)- Gramin that entails providing 1.95 crore houses to eligible beneficiaries in rural areas. Affordable housing got another shot in the arm with an additional income tax deduction of INR 1.5 lakh on the home loan interest. It seems that the government's incessant push for affordable housing in the form of policy decisions and incentives is translating into actual demand for this category.

Looking at the other end of market spectrum and luxury housing (INR 90 lakh-INR 1.5 crore) is favoured by only 18% respondents. The share of consumers preferring the ultra-luxury category (above INR 1.5 crore budget range) continues to fall and stands at 9%, which is down 4% against H2 2018 results.

? What BHK-type are you looking to buy?

Small continues to be big in India's residential market and consistent with market sentiments in the last two surveys (H1 2019 & H2 2018), 2BHK again secured first spot as the most preferred BHK-type in H2 2019 survey. About 52% respondents voted in favour of 2BHK unit-configurations but its share preference saw an annual decline of 5% from 57% in H2 2018 survey.














On the other hand, nearly 31% indicated preference to buy 3BHK homes, while 15% homebuyers are contemplating to buy 1BHK homes. Merely 2% respondents showed interest to buy 4BHK homes.

The reduced average age of Indian buyers over the last decade has possibly increased the popularity of small-sized apartments. According to ANAROCK's report, Age of Indian home buyers - across decades and cities, 20% respondents fall in the age bracket of 25-35 years and at least 7% are under 25 years of

age. The home buyer share of these two age brackets was extremely limited in the early 2000s. However, improved tax benefits motivated more working youths in this age category to opt for home loans. Moreover, younger buyers also showed a preference for smaller homes in central locations over large-sized apartments in peripheral areas.

Delving deeper into city-wise findings and consumer sentiment has shifted back to 1BHK apartments in MMR. With 23% of votes, 1BHK has become the second preferred choice amongst the MMR respondents. This trend is not limited to MMR only, even Pune and Delhi-NCR respondents showed increased preference for 1BHK with 19% and 18% votes respectively. It's interesting to note that just six months back (in H1 2019) only 9% respondents in Pune and 12% in Delhi-NCR had chosen 1BHK over other BHK configurations.

52% respondents prefer 2BHKs

		 BHK	 BHK	 BHK	 BHK
Abroad 	14%	40%	44%	2%	
Tier 2 & 3 Cities 	18%	46%	33%	3%	
MMR 	23%	58%	18%	1%	
NCR 	18%	56%	25%	1%	
Bengaluru 	13%	52%	31%	4%	
Pune 	19%	60%	20%	1%	
Kolkata 	9%	55%	34%	2%	
Chennai 	8%	58%	33%	1%	
Hyderabad 	9%	43%	45%	3%	



? Which city do you intend to invest in?

With relatively higher ROI, diverse customer base and wide range of properties, smaller cities are trumping metros when it comes to making an investment in property. As per H2 2019 survey results, Tier 2 & 3 cities retained their numero uno position as the most preferred destination for property investments over all other cities. The second place in the current survey was secured by Pune replacing Bengaluru as the second most-favoured investment destination.

This year's survey findings came with more surprises as Hyderabad climbed two notches to reach the third position as the most promising city to

invest in. At the same time, there has been a marked improvement in customer sentiment in Delhi-NCR compared to the last two surveys. The city has been voted as the fourth most preferred city to invest in. Within Delhi-NCR, 58% of respondents want to invest in Gurugram, followed by 39% in Noida & Greater-Noida and rest 5% in other remaining parts of Delhi-NCR.

MMR tumbled a notch down to fifth position while the sharpest fall was registered by Bengaluru that fell to the six position, down four places from the H1 2019 survey.

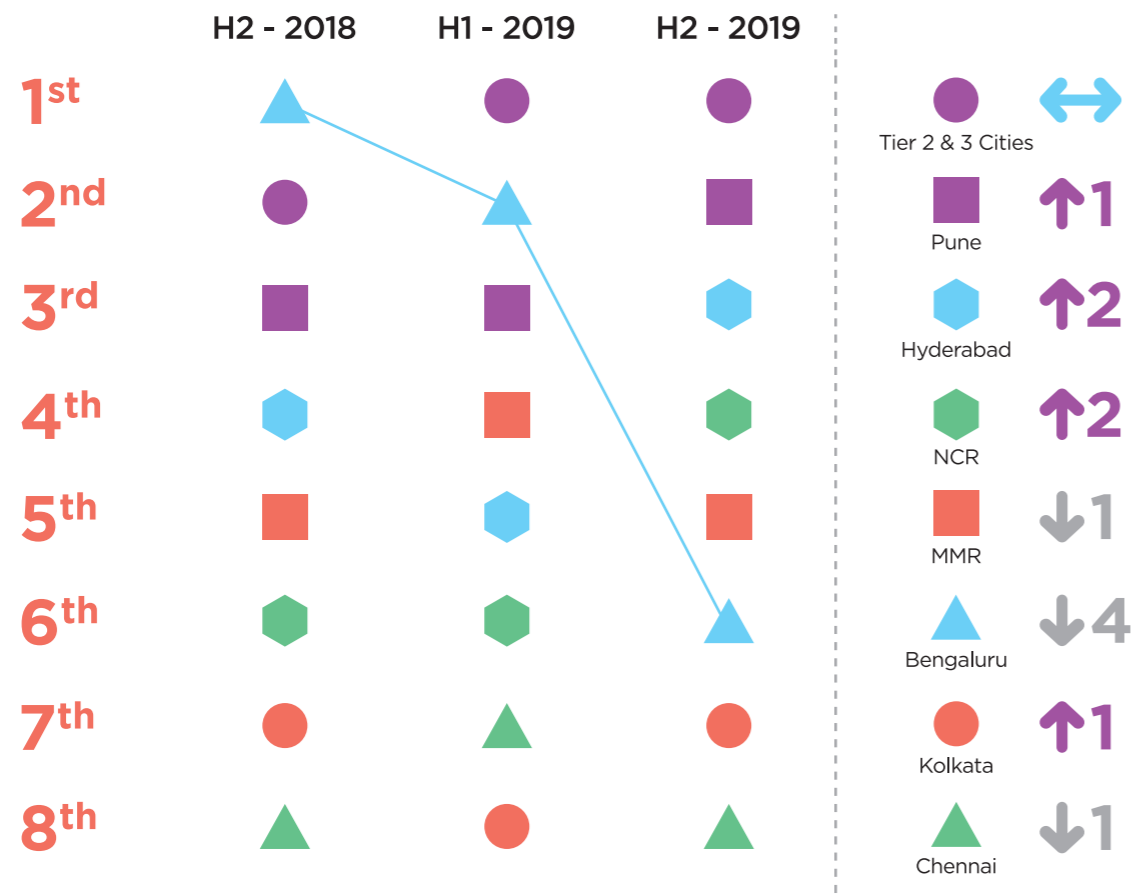
The IT capital of the country, Bengaluru, retained its appeal with NRI respondents who yet again voted for it as the most ideal place for buying a home in India. In the previous two surveys (H2 2018 & H1 2019) too, Bengaluru had been the first choice as a home buying destination for NRIs.

At the same time, Tier 2 & 3 cities have also caught the fancy of NRI buyers in the current survey. From fourth position (in H1 2019) & third position (in H2 2018), Tier 2 & 3 cities have now secured the second spot in the H2 2019 survey. It's a testament to the growing clout and prospects of these smaller

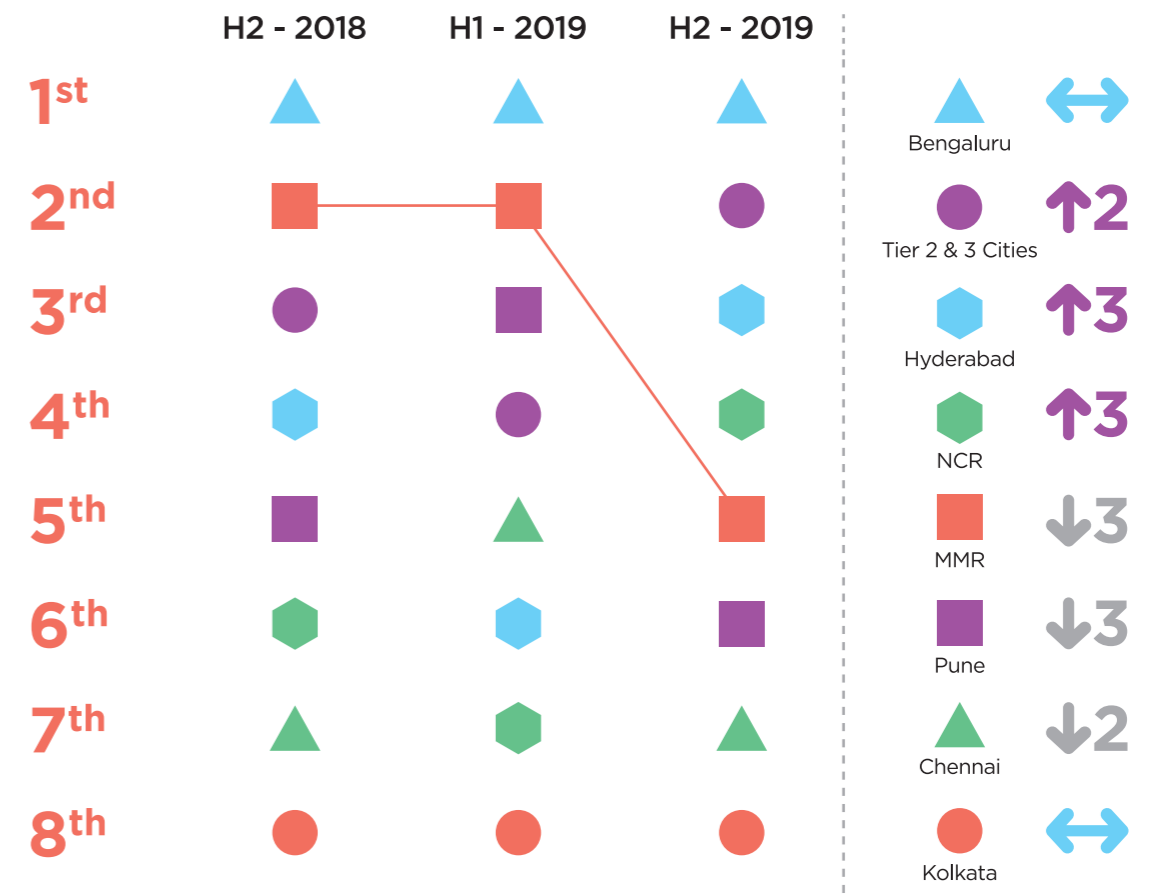
centres of property that they are emerging as favourites with domestic buyers as well as NRIs.

Hyderabad and Delhi-NCR have emerged as popular choices not just with resident investors but NRI buyers too. While Hyderabad secured third position, Delhi-NCR came up as the fourth most preferred city by NRI respondents in the current survey. MMR & Pune, the second and third most preferred cities among NRI homebuyers in the previous (H1 2019) survey, have slipped on the charts this time to fifth and sixth position, respectively.

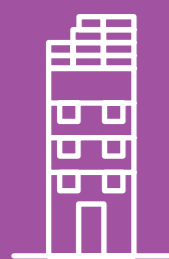
Top city rankings for home buying - For Indians



Top city rankings for home buying - For NRIs



EMERGING CONSUMER TRENDS IN INDIAN REAL ESTATE



Properties nearing completion are the new flavour of the season

Properties which are in advanced stage (completing within 6 months & completing < 1year) of construction are emerging as safe options for both end-users and investors. They are priced lower in comparison to ready-to-move-in properties and are also a safer option over properties which will take another 2-3 years or more to complete. With so many factors working in their favour, 43% respondents choose to buy properties which are in advanced stage of construction.



'Branded' developers gain precedence

Projects by renowned and 'branded' developers are in high demand as they come with superior construction quality, robust social infrastructure, range of amenities, and better after-sale service. Not only do these homes provide a better living experience, they also yield better returns in terms of rental income as well as capital appreciation. It's little surprise then that 52% of property seekers will prefer to buy properties from branded developers.



Mid-segment homes top consumer demand

Properties priced in the INR 45 lakh to INR 90 lakh bracket are the new preferred budget among homebuyers. The mid-segment has even trumped affordable housing to occupy the top spot with 42% respondents voting in its favour. At the same time, affordable housing is not losing its sheen and is still preferred by more than one third of the survey respondents.



Property seekers eye Pune & Hyderabad

Along with Tier 2&3 cities, Pune and Hyderabad are on the radar of property seekers. With strong backing from the IT-ITeS sector and other industries, Pune and Hyderabad have outperformed other major cities as favourites amongst property seekers. The current capital values in Pune and Hyderabad are pegged at INR 5,494 and INR 4,187 per sq. ft, respectively offering a wide range of options to a cross section of buyers.



Connectivity to workplace tops buyer agenda

The ease of commute and time spent traveling to and from the workplace is the most essential factor while finalising home. Home buyers are consciously seeking residential options either located close to their workplace or well-connected by public transport or an expressway/freeway. A decisive 43% of respondents marked connectivity to workplace as the top priority while finalising a house.



68% home seekers feel govt 'doing good' to make real estate a safe investment option

With real estate shadowed by the liquidity crisis and overall economic gloom, the onus has been on the government to take steps to revive demand. On that front, several policy decisions and steps have been taken including tax concessions for buying affordable homes and the INR 25,000 alternate investment fund to bail out stalled projects. These steps have certainly boosted the confidence of home seekers and a majority thinks that the government is doing a good job to make the real estate sector safer and more viable for investments.



Bigger size homes & better lifestyle prompt buyers to upgrade their property

As home buyers seek to upgrade their current property, the most important reasons remain bigger size homes and prestige & lifestyle status. While almost half of the respondents aspire for a larger apartment, about 35% place a premium on prestige and lifestyle status to move to another house.



Building homes. Nurturing relationships.

LIC HOUSING FINANCE 2020 HOME LOAN OFFER

LIC Housing Finance Ltd has a special limited period home loan offer for customers planning to purchase House Under Construction or Ready to Move houses where OC has been received. Under its "Pay When You Stay" scheme, the borrower gets to commence payment of principal on home loans only on possession of house or after 48 months from first disbursement, whichever is earlier. Only interest on the disbursed amount needs to be paid during the period. This would ease the monthly burden of EMI and rent for the borrower as there is a breather for principal payment till maximum up to 48 months. For the benefit of purchasers of ready to move house, the Company has offered to waive up to 6 EMIs during the loan tenure. The waiver will be 2 EMIs each at the end of 5th, 10th and 15th years provided the borrower is regular in repayments and makes no pre-payment for the first 5 years.

Customers can apply for Home Loan at their own convenience using the LIC HFL Home Loan App. The App is easy to use and offers the customer the facility to check their eligibility, calculate EMI, upload documents and track their application. The customers can also resolve their queries using the HomY Chatbot and get latest updates on all LIC HFL products and offers.



ANAROCK Group

ANAROCK is India's leading independent real estate services company with a presence across India and the Middle East. The Chairman, Mr. Anuj Puri, is a highly respected industry veteran and India's most prominent real estate thought leader.

The Company has diversified interests across the real estate lifecycle and deploys its proprietary technology platform to accelerate marketing and sales. ANAROCK's services include Residential Broking and Technology, Retail, Commercial, Investment Banking, Hospitality (via HVS ANAROCK), Land Services, Warehousing and Logistics, Investment Management, Research and Strategic Advisory & Valuations.

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 2000 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.

Visit: www.anarock.com

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LIC Housing Finance Ltd (LIC HFL)

LIC Housing Finance Ltd (LIC HFL), promoted by Life Insurance Corporation of India in 1989, is a premier housing finance company in India. The company provides loans for purchase, renovation and repair of house, flat and plot. It also provides finance for purchasing or constructing office premises to professionals for their professional practice. In addition, it also provides loan for personal needs, loans against future rent receivables and business requirements against mortgage of property. LIC HFL went public in 1994 and has been listed on the BSE, NSE & Luxembourg Stock Exchange. The Company has spread of 282 Marketing Offices, 24 Back offices and 9 Regional Offices pan India. It has representative offices in Dubai and Kuwait to cater to home loan needs of Indians working in the Gulf and willing to own a house in India. The Company is also contributing in meeting the housing needs of the country by providing finance to builders/developers or corporate bodies for construction of flats, houses or staff quarter.

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