

<b>Publication:</b>	<b>Business Standard</b>	<b>Edition:</b>	<b>Mumbai</b>
<b>Date:</b>	<b>24-Apr-2017</b>	<b>Page No:</b>	<b>07</b>
<b>Supplement:</b>	<b>Main</b>	<b>Size (cm2):</b>	<b>277.93</b>
<b>Title:</b>	<b>Home buyers wait and watch as sales halve</b>	<b>Byline (Author):</b>	<b>RAGHAVENDRA KAMATH</b>

# Home buyers wait and watch as sales halve

**RAGHAVENDRA KAMATH**  
Mumbai, 23 April

## A CAUSE OF CONCERN

Ramesh Patra, an executive at a Mumbai-based private bank, has been looking to buy a house for the past seven months. But he hasn't made a decision despite developers giving discounts of 10-15 per cent or absorbing stamp duty and registration charges.

Patra says given the uncertainty about how regulations like the Real Estate (Regulation & Development) Act (Rera), 2016, and goods and services tax (GST) will impact the sector, and freebies doled out by developers, he is not able to take a call.

There are many prospective buyers like him who are waiting and watching across the country.

The lack of new launches and indecisiveness among buyers have hit primary residential sales hard. Home sales have halved in major markets, such as Gurgaon,

	GURGAON			NOIDA			MUMBAI			BENGALURU			PUNE		
	'16	'17	% chg	'16	'17	% chg	'16	'17	% chg	'16	'17	% chg	'16	'17	% chg
New launches	3,114	152	-95	2,234	216	-90	6,458	3,428	-47	14,177	4,000	-72	11,819	6,550	-45
Total absorption	1,771	931	-47	1,827	888	-51	6,067	2,890	-52	13,448	7,130	-47	14,380	8,325	-42
Unsold inventory	34,067	31,103	-9	29,972	26,919	-10	74,900	71,988	-4	123,238	108,087	-12	123,768	112,635	-9

Figures in units; period represents January-March

Source: PropEquity

Noida, Mumbai and Bengaluru, in January to March this calendar year from a year ago, says property data analytics firm PropEquity.

According to PropEquity, home sales have fallen the highest in Mumbai to 52 per cent and in Noida to 51 per cent in January-March.

"There is enough unsold stock in the secondary market and investors are selling these at good rates to buyers. That's why sales are not happening in

the primary market," said Sameer Jasuja, chief executive at PropEquity.

Though unsold stock in Pune, Bengaluru and Mumbai has come down marginally, they are still at high levels of 112,635, 108,087 and 71,988 units, respectively.

Jasuja said developers were still focusing on old projects and not launching new ones. "When launches are not happening, sales are also not happening in the primary market," he said.

Launches have dried up in the National Capital Region, mainly in Gurgaon and Noida, according to the firm. These have come down by 95 per cent and 90 per cent in Gurgaon and Noida, respectively.

Home prices have also dipped or risen only marginally in most of the cities. In Gurgaon, these have gone down by 7.8 per cent while these have gone up 0.7 per cent in Noida and 1.22 per cent in Mumbai.

ASK Property Investment

Advisors Chief Executive Officer Amit Bhagat says buyers are still sceptical about the completion risk and given the freebies and offers, they feel there is no hurry to buy properties.

However, he adds, good brands are still selling.

A recent report by CRISIL said demand for homes remains muted as buyers adopt a wait and watch mode. "Developers are likely to face funding challenges in the short- to medium-term, which could further delay

ongoing projects," it said.

But, developers say sales are gradually picking up.

"Buyers have postponed their decision-making due to demonetisation and other issues. I feel they will pick up gradually. Primary sales will take some time in recovery," said Rajeev Talwar, CEO, DLF, the country's largest developer.

In FY17, DLF's third-quarter profit fell 46 per cent to ₹98.1 crore from the year-ago period. Revenue also fell 30 per cent to ₹2,057.9 crore.

Niranjan Hiranandani, chairman of Hiranandani group, says sales were down in December and January after the note ban. He said in some cities like Noida, buyers haven't got back their confidence back to invest in properties but in cities like Mumbai, they are taking calls.

More on business-standard.com

