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# Realtors bullish on festival season

Focus on inventory clearance rather than new launches

**BINDU D MENON**

Mumbai, September 18

This festival season, developers are busy clearing existing inventory rather than go for new launches. Observers believe that buyer sentiment could be positive due to implementation of RERA and it may translate into buying activity.

Dharmesh Jain, MD, Nirmal Ventures, who recently entered into a joint venture with the Godrej group to develop a residential project, said, "Early indications show that sales are coming back. There is a pent-up customer demand and we expect that to translate into buying."

Nirmal and Godrej plan to launch the project ahead of the festive season.

**High expectations**

"Since the inception of GST and RERA in the Indian real estate system, sentiments have im-

proved immensely and people are much more confident while buying a property. Developers have quickly got themselves in tune with RERA and GST so that customers can go through a hassle-free transaction. Festive season is just about to begin and we are now looking at a much more refined Indian real estate sector. We are expecting this festive season to push sales by at least 20 per cent over the previous festive season," said Kushagra Ansal, Director, Ansal Housing.

Real estate consultants Colliers says that ready-to-move in property may find buyers.

Surabhi Arora, Senior Associate Director, Collier said, "In our opinion, the developers are likely to remain focused on clearing their unsold inventory in under construction and ready-to-move-in projects in H2 during the festive season in September and October with attractive payment plans."

She said that the end-user demand likely to pick up in upcoming festive season.

Collier said that most of the



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local developers have completely suspended new launches in the mid and luxury segment.

"Registration under RERA should start in Q3 2017 and it is likely to take at least six months for developers to become accustomed to the new regulation. So expect, new launches to remain subdued in H2 2017. However,

we expect sales to revive during the festive season primarily in ready-to-move-in projects as most developers will provide discounts and attractive payment options.

**RERA effect**

RERA prohibits pre-launches and its rules also mandate that 70 per cent of the project pro-

ceeds go into an escrow account.

According to a Knight Frank report, post RERA new launches crashed to a seven-year low by 41 percent. The report indicates that for the first half from January to June 2017, barring Chennai new projects dried up in eight major cities.

Festival period starting from Ganesh Chaturthi to Diwali accounts for the bulk of sales for real estate players.

Anuj Puri, Chairman, Anarock Property Consultants, said, "Last year's festive season did not meet their expectations as buyers stayed away from the market. However, the 2017 festive season has started on an altogether different and far more positive note. While structural reforms by ways of RERA and GST have helped firm up buyer sentiment, developers too have progressively adjusted their business approach in the new era of transparency brought on by GST and RERA, and are geared up to cater to the pent-up demand for homes this year."

