

Publication:	Economic Times	Edition:	Mumbai
Date:	28-Sep-2017	Page No:	16
Supplement:	Main	Size (cm2):	279.68
Title:	Realty Firms may Offer Freebies to Push Home Sales	Byline (Author):	Kailash Babar & Sobia Khan

FESTIVAL BONANZA

Realty Firms may Offer Freebies to Push Home Sales

Cos betting on improving sentiment with DeMo woes fading and interest rates falling to 6-year low

Kailash Babar & Sobia Khan

Mumbai | Bengaluru: Realty developers are betting big on the upcoming festive season to boost housing sales, and are going all out to regain some lost ground, especially at a time when interest rates on home loans are at a more than six-year low and demand for affordable housing is picking up.

What's also encouraging is that enquiry levels have increased after the implementation of RERA, as consumers are more confident to venture into the market, secure with the belief that their rights will be protected.

Given the requirement of complete down payment, not all homebuyers are looking at ready-to-move-in apartments, but search for such flats is also close to its peak level. While a broad market discount remains elusive, freebies and various incentives being offered amount to net discount of around 10-15%.

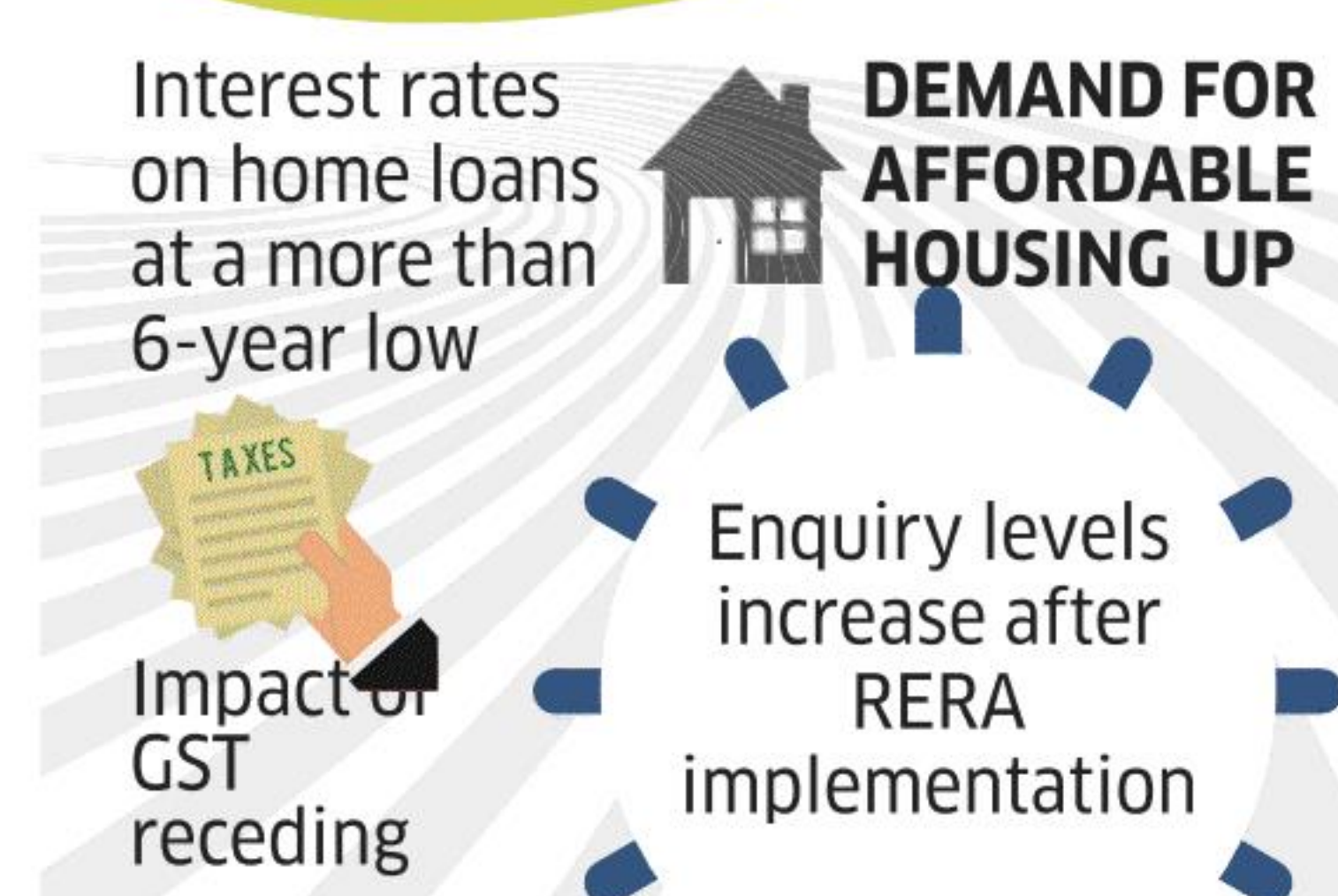
"There's a big bargain available where the consumer is expected to win. Based on our initial dipstick, we estimate that this quarter would see a good jump in new launches. Even during the quarter ended June, we saw 35,000 new apartments launched across top 8 markets and festive season will certainly see the number cross that mark. Developers are prepared for incentives and freebies that amount to 10-15% benefit to homebuyers," said Pankaj Kapoor, MD, Liases Foras Real Estate Rating & Research.

Residential real estate is seeing some revival in buyer's sentiment. With the uncertainty around the setting up of real estate regulatory authority ending and the impact of the goods and services tax receding, buyers are finally being able to make a purchase decision.

"Most home buyers deferred their purchase decisions, preferring to wait until RERA kicked in fully. Though most developers offered compelling discounts and schemes, buyers stuck to their cautious approach during the last festive season," said Anuj Puri, chairman of Anarock Property Consultants.

A recent Knight Frank India report had shown that residential sales, led by affordable housing, gathered pace and

Growth Times



have shaken off demonetisation woes. While sales across top eight cities during the first half ended June are down 11% year-on-year, they have risen by the same proportion when compared with July-December marked by the demonetisation shock.

The mid and affordable housing in the ready-to-move-in segment have posted a steady recovery, and developers are betting on the festive season to drive this growth further.

"Number of enquiries and actual site visits have increased at least three times compared to a year-ago period. Based on the response so far, we can certainly see around 25% of site visits getting converted into sales. We are targeting 800-1,000 apartment sales from 15 projects over the next two quarters. Festive season is expected to kick start this," said Ashok Chhajjer, CMD of Arihant Superstructures, which has projects in Navi Mumbai and Jodhpur.

The company will be launching four projects, including three new phases of existing projects, over the next one quarter, after launching two projects in Navi Mumbai and Jodhpur in the past six months.

The real-estate market, especially the residential segment, had been witnessing a slowdown for past three-four years, leading to sluggish housing sales, delay in the completion of projects. Homebuyers stayed away from the market during last year's festive season due to execution delays, an uncertain economic scenario and unaffordable prices. However, the scenario has changed now with more end users exploring the market to buy an apartment.

