

## Homebuyers tilt towards branded players despite slowdown in real estate mkt

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Sohini Das July 29, 2019 Last Updated at 21:31 IST



The residential real estate market may be going through tough times, but listed players saw an uptick in volumes in FY19, even as average

realisations have been lower. Analysts said this was because most players focused on launching projects in affordable and mid-income segments. According to Liases Foras, in volume terms, while annual sales of flats have grown 1.3 times over 2009-18, the existing unsold units are up 3.3 times. According to PropEquity, 600 mn sq ft of projects at a pan-Indian level are stuck. This accounts for 50 per cent of the unsold inventory in terms of units. Analysts at ICICI Securities said new homebuyers are inching towards nearing completion or ready-made flats. Of 87,580 units launched across the top 7 cities in H12018, 52 per cent were by branded developers. This has inched up in H12019 in favour of organised branded players.

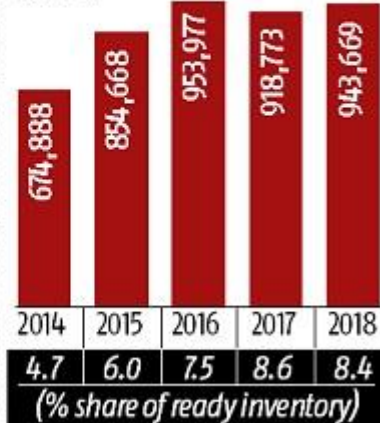
According to Liases Foras, across India's top eight tier-I Indian cities, the percentage share of sales of ready properties has risen from 11 per cent in 2014 to 27 per cent in 2018. This also means, the buyer is shifting towards branded developers, which, in turn, is also getting reflected in new housing launches. In the aftermath of demonetisation, the ratio between supply of branded versus non-branded changed from 40:60 in H12016 to 46:54 in H22016. Thereafter, the change has been significant with supply from branded players overtaking that of non-branded ones, said Anarock Research.

## SALES VOLUMES OF MAJOR LISTED PLAYERS SHOW AN UPTICK IN VOLUMES IN FY19

	FY14	FY15	FY16	FY17	FY18	FY19
<b>Oberoi Realty</b>						
Area sold (mn sq ft)	0.3	1.0	1.3	0.6	0.6	0.8
Average rate (₹/sf)	17,549	16,936	18,176	26,973	23,816	21,362
<b>Sobha Developers</b>						
Area sold (mn sq ft)	3.6	3.3	3.4	3.0	3.6	4.0
Average rate (₹/sf)	6,534	6,389	5,946	6,216	6,680	6,303
<b>Prestige Estates</b>						
Area sold (mn sq ft)	6.1	6.7	4.3	3.1	3.8	5.7
Average rate (₹/sf)	5,916	6,511	6,181	6,449	6,676	6,307
<b>Godrej Properties</b>						
Area sold (mn sq ft)	3	3.9	4.3	3.1	6.3	8.8
Average rate (₹/sf)	8,127	6,874	11,814	6,516	8,123	6,040

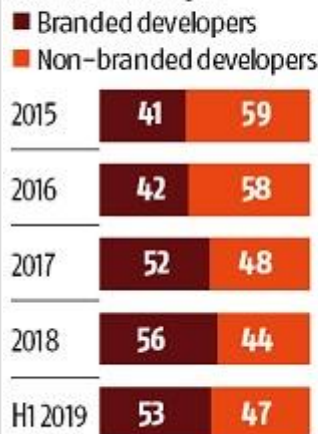
Source: Companies, I-Sec Research

## SHARE OF READY PROPERTIES IN UNSOLD INVENTORY



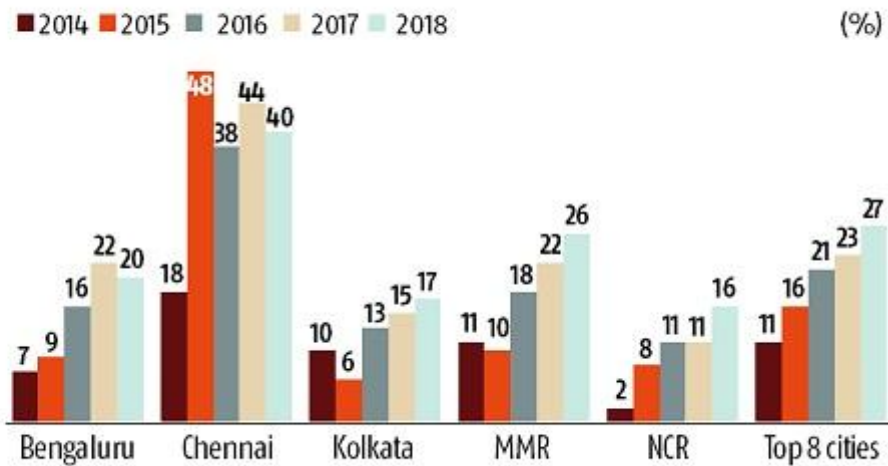
Source: Liases Foras, I-Sec Research

## BRANDED VS NON-BRANDED (% YoY change)



Source: ANAROCK Research

## CONTRIBUTION IN SALES FROM READY PROPERTIES IS STEADILY ON THE RISE IN MAJOR CITIES



Source: Liases Foras, I-Sec Research