

Proximity to healthcare services highest-ranked amenity to potential homebuyers: Survey

Synopsis

"The health crisis has reinforced the importance of home ownership across the world. As a result, the residential real estate market is not only witnessing fresh demand from first time homebuyers but also from a lot of consumers who are upgrading to bigger apartments," said Dhruv Agarwala, Group CEO, Housing.com.



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Healthcare infrastructure and recreational and open spaces are now taking precedence over **amenities** such as furnishings, parking, power backup as **homebuyers** finalising home after the second wave of **COVID**, according to the Housing.com and NAREDCO **survey**.

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During the first nationwide lockdown in 2020, the overall uncertainty regarding economy and employment resulted in buyers deferring the search for a home by a year.

However, the pandemic has reinforced the importance of owning a house during its course. This, coupled with a more optimistic outlook, has seen majority (35 percent) of the respondents resuming their home search in the coming three months.

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While residential sales derailed in April and May 2021, the homebuyers returned to the markets, as June 2021 recorded nearly 50 percent of the overall sales in Q2 2021.

The survey findings highlighted that majority of the potential homebuyers opine that the intent to buy would be boosted by the right pricing along with flexible payment plans and discount schemes. In fact, the focus on these parameters has only grown stronger since last year.

"Value of owning a home has been reinforced by the Covid 19 pandemic crisis with the renewed preferences. Integrated township living will garner traction

as it offers holistic lifestyle all at one stop destination and also offers work near home opportunities,” said Niranjan Hiranandani, NAREDCO President & Founder and MD Hiranandani group.

The majority of the respondents (71 percent) have reported that flexible payment and discounts will provide for the financial cushioning required in the current times and drive them to culminate the searching of a home into purchase.

Residential real estate continues to be the most preferred investment asset class for the majority of the potential homebuyers. Of the total respondents, 43 percent feel that real estate is a worthwhile investment compared to other assets such as fixed deposits, gold and the stock market in H1 2021.

In comparison, 35 percent of the homebuyers reported that real estate was the preferred asset class in the same period the previous year.

While the sentiments dipped during the second wave, the outlook for the coming six months is more optimistic than that seen during the same period in 2020. Also, as the pandemic has brought about social and structural shifts such as social distancing and work-from-home, such changes have trickled-down in buyers' preferences while narrowing down on a home search.

The real estate portal conducted the survey between January to June this year of more than three thousand consumers.

Survey trends also suggest that the homebuyers are warming up to the digital avenues. While the second wave has seen dwindling consumer sentiments, survey findings suggest that the future outlook for the year remains in the optimistic zone.

Of the total respondents, 40 percent think that the overall economic scenario will improve for the coming six months.

“Builders' margins for under construction properties have reduced due to increase in construction costs and land prices in some cities. Therefore, there is little scope for reduction in basic selling price (BSP). However, builders have been offering flexible payment plans and discounts in some cases to attract customers,” said Mani Rangarajan, Group COO, Housing.com.

The impact of the second wave on employment has been less severe than the last wave. According to CMIE, the unemployment rate had peaked at 23.5 percent in the first half of 2020. In contrast, the highest unemployment rate recorded in H1 of 2021 was 11.9 percent.

Of the total respondents, 60 percent were confident about the income for the coming six months, which also corroborates with the overall economic scenario, witnessing a V-shaped recovery.

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