

Several realtors see home sales cross Rs 10,000 crore on record demand

Synopsis

Buyers and investors continued to invest in residential real estate, as per the annual sales data from listed and major developers like Macrotech (Lodha), DLF, M3M, Sobha, Godrej Properties, Brigade and Mahindra Lifespace Developers, despite the second and third Covid-19 waves.



The initial demand was driven by low mortgage rates, a stable macroeconomic environment, stamp duty reductions in certain states and job stability among consumers.

Many of India's prominent real estate developers recorded their best ever annual sales in fiscal 2021-22, with several of them topping the Rs 10,000-crore mark for the first time, amid strong [demand](#) for houses after the first two Covid-19 waves.

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major developers like Macrotech ([Lodha](#)), [DLF](#), M3M, [Sobha](#) NSE -2.28 %, [Godrej Properties](#) NSE 0.72 %, Brigade and [Mahindra Lifespace Developers](#) NSE 5.59 %, despite the second and third Covid-19 waves.

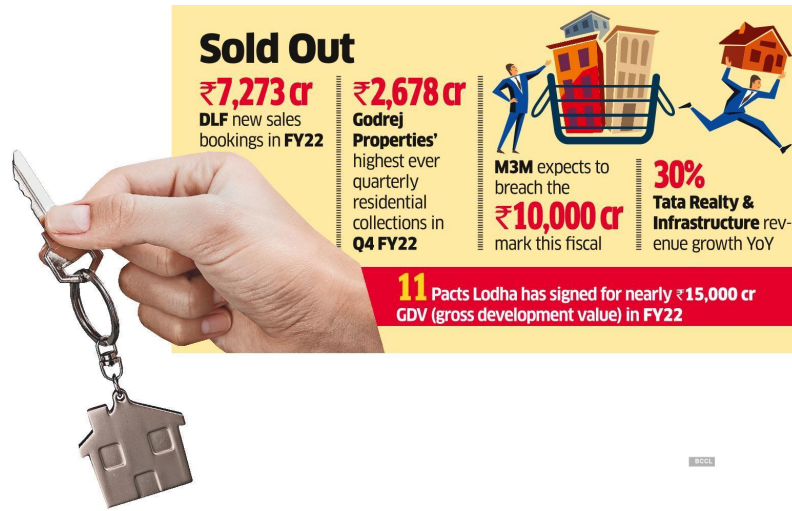
Lodha recorded the best ever annual pre-sales (of homes that are under construction) of more than Rs 14,000 crore, including in its [UK projects](#). Its India pre-sales at Rs 9,024 crore were 51% higher from the year before and the highest ever, while in the UK, sales grew more than threefold to Rs 5,300 crore.

Pre-sales of Rs 3,456 crore in the January-March period were also the highest in a quarter for Lodha.

"On the ground, demand for quality housing remains very strong. With each passing quarter, demand only strengthens on the back of rising consumer confidence in the strong real estate brands, on the back of a growing economy and per capita income," said Abhishek Lodha, managing director of [Macrotech Developers](#) NSE -2.39 %.

After several years, the industry has entered a positive price-demand cycle in fiscal 2022, allowing latent demand to be converted into actual sales in a shorter time frame.

According to [DLF](#) NSE 1.24 %, its residential business exhibited a record performance in the fiscal year with new sales bookings of Rs 7,273 crore, reflecting growth of 136% from the year before.



"We witnessed strong growth across all our segments, with the luxury segment leading this trend," DLF said while announcing its annual result. The company said its super luxury offering, The Camellias, delivered bookings worth Rs 2,550 crore in the last fiscal year.

In the Indian real estate market, demand has been on a structural upswing across segments and geographies.

"At the family level, we have achieved sales of Rs 10,500 crore, with M3M contributing Rs 6,100 crore and Smartworld, in its first year, reporting sales of Rs 4400 crore," said Pankaj Bansal, director of M3M India and founder of Smartworld. "With the kind of launch we have in the pipeline, we are confident that M3M alone will breach the Rs 10,000 crore mark this year."

The initial demand was driven by low mortgage rates, a stable macroeconomic environment, stamp duty reductions in certain states and job stability among consumers.

"What really set the ball rolling was that the residential assets started appreciating significantly over the last year or so. The demand, which was largely driven by end-users till then, started seeing a lot of investors again in the game," said Shalin Raina, managing director (residential services) at consultancy firm Cushman & Wakefield.

Another listed real estate developer, Sobha, achieved its highest ever sales volume in FY22 at 4.91 million sq ft, which was 22% higher compared with the pre-pandemic year of fiscal 2019 as well as FY21.

It reported the highest ever quarterly cash inflow of Rs 1,291 crore in the fourth quarter, up by 32% from a year earlier and 22% from a quarter before.

"We registered some of our best quarter figures during the year on the back of improved operations and steady sales with positive customer sentiment that resonated throughout the year," said Jagadish Nangineni, managing director of Sobha Ltd.

Century Real Estate of South India has also achieved its highest ever sales and collections in FY22.

"72% of our saleable inventory was sold this year. Buoyed by the response we are receiving, we are looking forward to bringing in at least eight new projects and phase launches in the coming financial year," managing director Ravindra Pai said.

For Mahindra Lifespace, residential pre-sales totalled Rs 328 crore in the fourth quarter and Rs 1,028 crore, almost up 50%, for the fiscal year.

Godrej Properties reported its best ever quarter for sales and booking value at Rs 3,248 crore in the January-March quarter, up 23% from a year earlier and 111% sequentially.

The company also reported the highest ever quarterly and annual residential collections at Rs 2,678 crore in Q4 and Rs 6,907 crore in FY22.

"The real estate sector has strengthened during FY22 and we expect strong growth for the sector over the next few years," said Pirojsha Godrej, executive chairman of Godrej Properties.

The Brigade Group also registered its best ever residential performance in FY22, growing 9% in sales value over FY21. The company recorded 4.72 million sq ft of net new bookings having a sales value of Rs 3,023 crore, compared to 4.60 million sq ft and sales value of Rs 2,767 crore in FY21.

"It is very encouraging to end FY22 on a good note with the best ever sales and collections till date," said MR Jaishankar, chairman of Brigade Enterprises.

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