

Publication	The Times of India
Language/Frequency	English/Daily
Page No	03 (Times Property)
Date	16 th Feb 2019

Market is cautiously OPTIMISTIC

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SATURDAY,
FEBRUARY 16, 2019

As residential markets across the country, including those in the NCR, continue to recover, development firms are ready to align their launch strategies keeping in view the real demand. Year 2019 is expected to see a rise in launches, too!

There are reasons to believe that Year 2019 will see a significant rise in new launches.

As the country gears up for more projects this year, it is expected that developers in the Delhi NCR will not just focus on deliveries but also aim to finish existing projects. Developers have confirmed this.

"We expect many project launches in 2019 to meet the burgeoning housing demand in developing destinations," **Manoj Gaur**, MD of Gaur's Group and vice-president of Credai National, said.

"With 2017-18 showing strong growth in demand for real estate, 2019 is expected to be a better year. In fact, in 2018, most of the reputed developers posted whopping sales figures, which has left very few unsold inventory. Even if there is some unsold inventory, it is in the preferred locations," Gaur said.

Other developers echo this view. "2019 will be a year of launches, as developers are creating products with a focus on micromarkets, which will cater to a well-defined target group. We have planned launches and are exploring new venues as well," **Ashish Sarin**, director and CEO of AlphaCorp, said. Sarin's company plans to launch a premium residential project in Gurugram this year.

THE STATUS

Data from ANAROCK Property Consultants gives a clear picture of the market. It says that all cities across the country have seen a rise in launches in 2018.

"While the three main southern cities — Bengaluru, Chennai, and Hyderabad — collectively saw 77% increase in new residential supply in 2018 over the previous year, the Mumbai Metropolitan Region (MMR) and Pune together, and the Delhi NCR, registered an increase of 17% and 16%, respectively, in the same period," **Santosh Kumar**, vice-chairman of ANAROCK Property Consultants, said.

The data confirms that southern cities have performed better in comparison to their northern counterparts.

"The collective unsold stock in these southern cities is a mere 19% of the total 6.73 lakh unsold units across the Top 7 cities. NCR alone has nearly 28% of the total unsold stock," Kumar says.

The recently released **Fourth Quarter 2018 Real Estate Sentiment Index** by another consultant, **Knight Frank**, in association with the Federation of Indian Chambers of Commerce and Industry (FICCI) and National Real Estate Development Council (Naredco), hints that there has been a cautious optimism in the sector.

"The future sentiment score for north has gone into the red in the fourth quarter of 2018. This dip in sentiment for the next six months stems from a lack of buyer confidence in the market. Accumulating inventory, stagnant prices, sluggish sales, and default by reputed developers have contributed to a further dip in the NCR's future sentiment score," the report said.



Amidst the strategies applied, several development firms are now focusing on affordable segment in the NCR.

ANAROCK data reveals that there has been significant rise in the number of new launches in the affordable category; out of the total 77,590 units across the Top 7 cities, nearly 25% are priced below Rs 20 lakh while the remaining have price tags between Rs 20 lakh and Rs 40 lakh. The NCR saw a supply of nearly 12,120 (at Rs 40 lakh) housing units in 2018, according to the data.

For instance, Gaur's Group plans to launch 1-2 affordable housing project in every quarter until 2020, with a committed investment of over Rs 1,000 crore.

Another established company, Joyville Shapoorji Housing Pvt Ltd, of the Shapoorji Pallonji Group, recently announced a project in Gurugram and claims to target the aspirational homebuyers in the region.

—Ankit Sharma