



TEAL Analytics

Pan - India Real Estate Report Covid-19 Impact and Recovery 2020 & 2021

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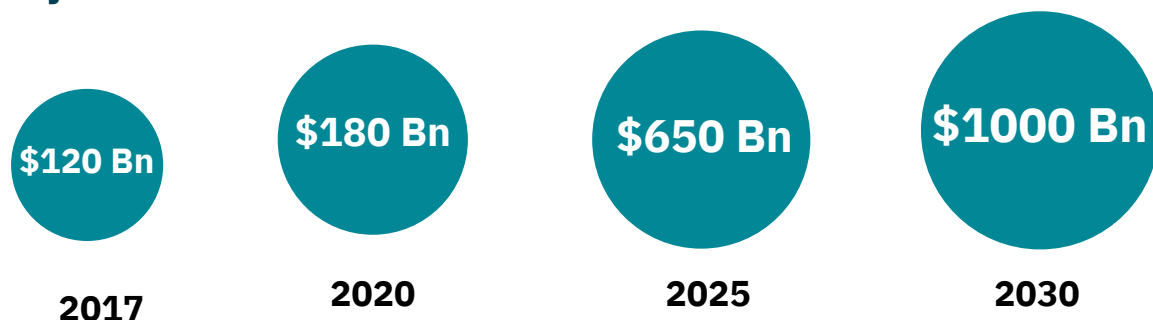
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Indian Real Estate: Pre Covid-19 Outbreak Overview

The real estate sector is the second largest employment sector in India, after agriculture. The sector employed 40 million workers in 2013, 52 million in 2017, and was expected to hire up to 67 million in 2022, a 28.84 % growth from 2017 to 2022. At present, the real estate sector in India contributes 7% to its GDP [1]. According to an analysis by the Indian Brand Equity Foundation (IBEF), Real estate sector in India is expected to reach US\$ 1 trillion by 2030. By 2025, it will contribute 13% to the country's GDP [2].

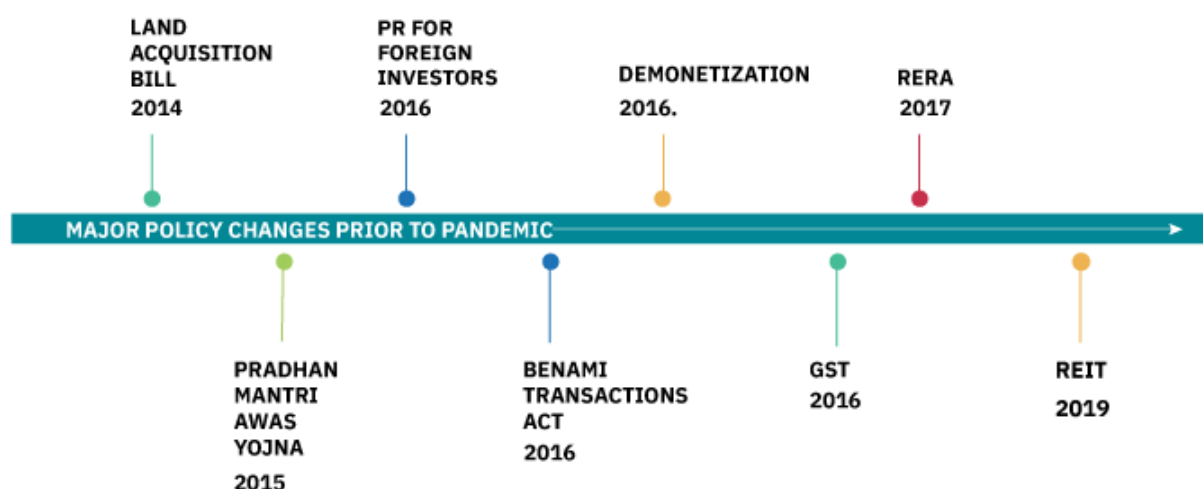
Projected Market Value of Real Estate Prior to Pandemic



With the pandemic hitting the nation, these projection seem hard to acheive.

In November 2016, the central government implemented demonetization whereby INR 500 and INR 1000 notes were stripped of their legal tender [3]. Following demonetization, the government introduced the Goods and Services Tax in __ and passed the RERA (2016) Act. All three policy changes contributed to the growth of the real estate sector until the Covid-19 pandemic brought real estate activity to a complete halt in March, 2020.

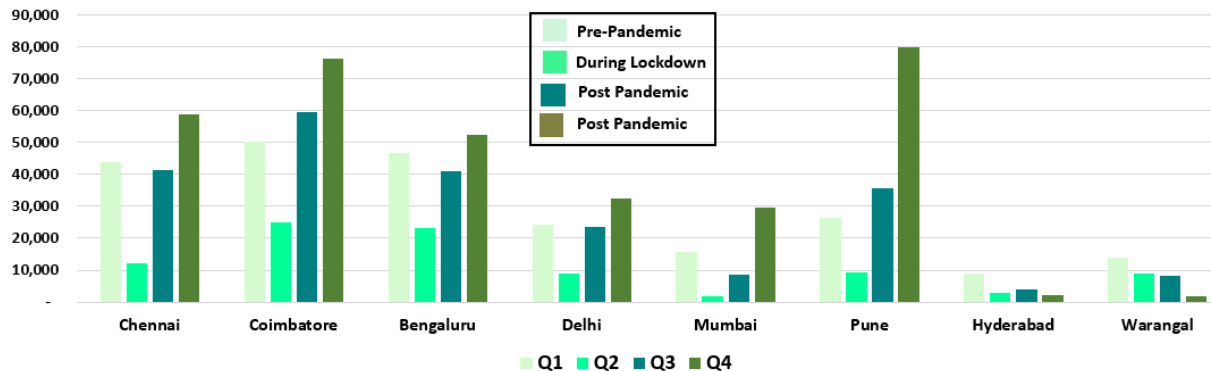
Major Policy Changes Prior to Pandemic



"For the purposes of this report we have placed reliance on digital data made publicly available by the respective state government within whose jurisdiction the property is situated. TEAL doesn't change the substance of the underlying data made publicly available by the respective state government while producing the this report. Terralytics Analysis Private Limited shall not take any responsibility for any information in the report which may be later found to be factually incorrect."

Impact of First Wave on Property Sales - 2020

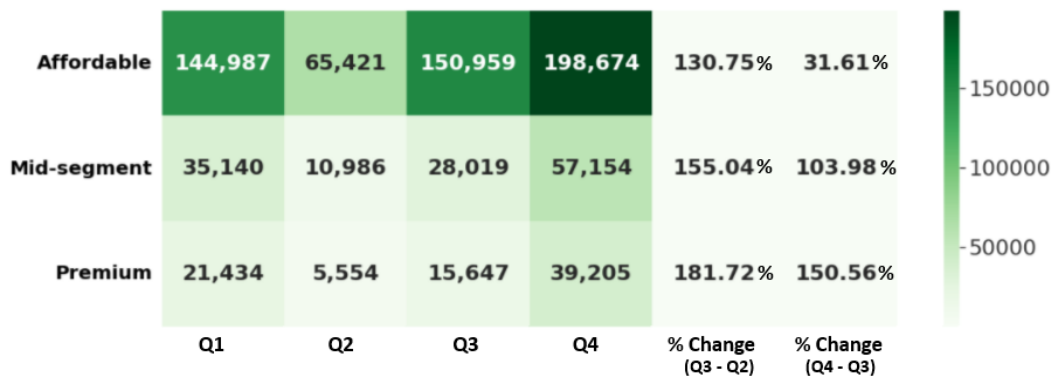
Post-First Wave Recovery in Property Sales



After suffering a major setback in Q2 2020 due to the lockdowns during the first wave of the Covid-19 pandemic, major cities in India recovered in Q3 and Q4 of 2020 with even higher property sales numbers than Q1 2020.

Affordable Segment Leads Property Sales - 2020

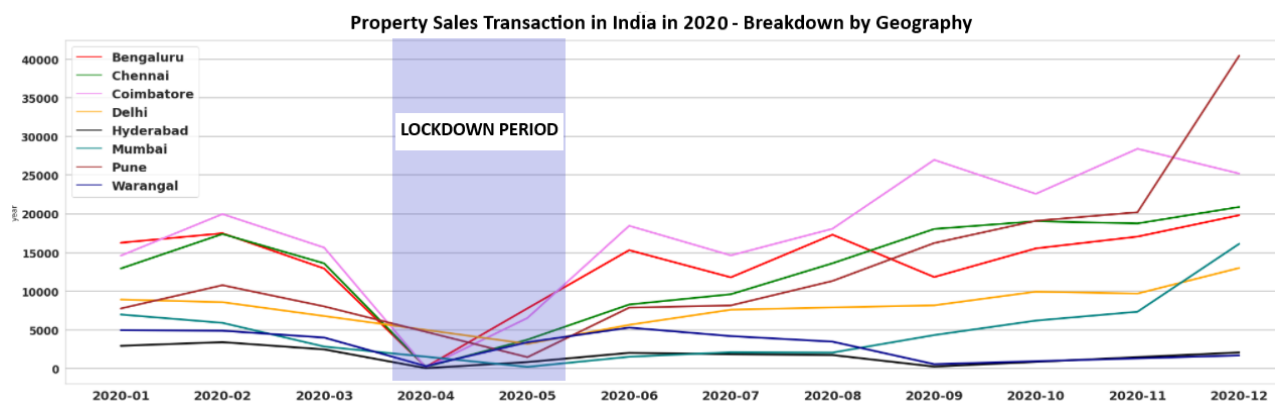
The Affordable market segment recorded the most number of property sales in every quarter.



% Change calculated as change from the previous quarter.

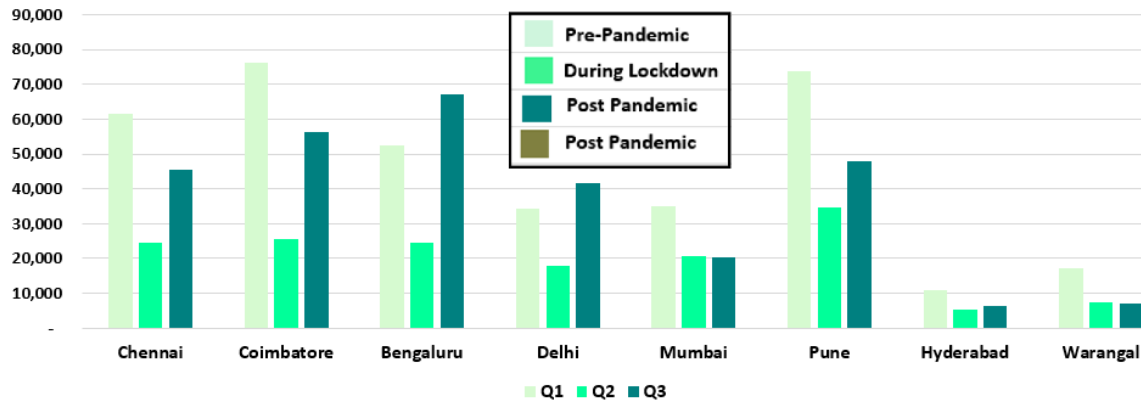
Pune Records Efficient Post-First Wave Property Sales Growth

Pune and Coimbatore recorded higher property sales numbers towards the end of 2020; Post-pandemic property sales in Delhi remained consistent with pre-pandemic levels.



Impact of Second Wave on Property Sales - 2021

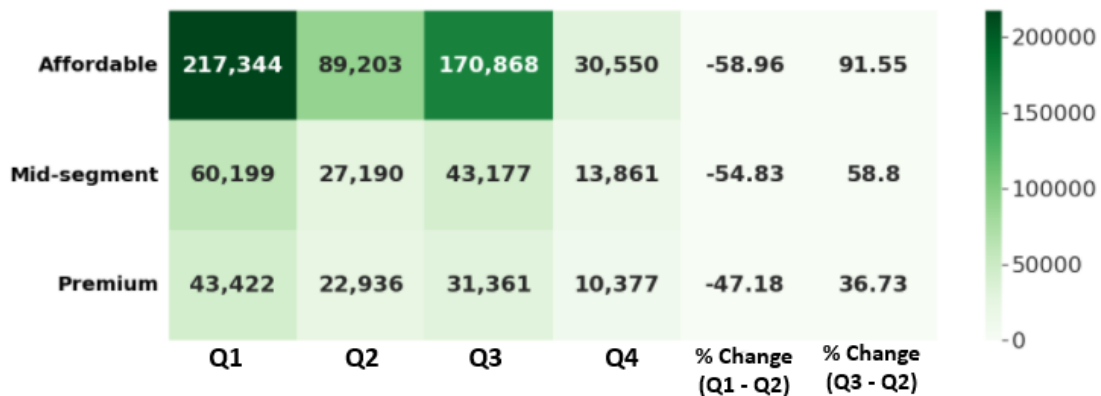
Property Sales in 2021 - Before and After Second Wave



Q1 of 2021 enjoyed the forward momentum from the first wave recovery. This was disrupted by the second wave of the Covid-19 pandemic in April 2021. The nation seemed better prepared to face the second wave as the declining impact in Q2 2021 was lesser than in 2020.

Affordable Segment Leads Property Sales - 2021

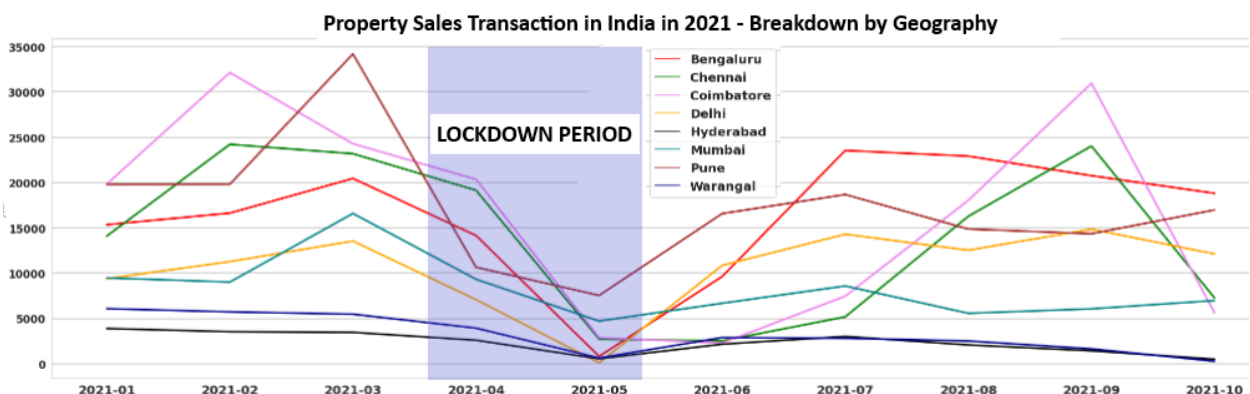
The Affordable market segment recorded the most number of property sales in every quarter.



% Change calculated as change from the previous quarter.

Coimbatore Records Efficient Recovery in Q3 2021

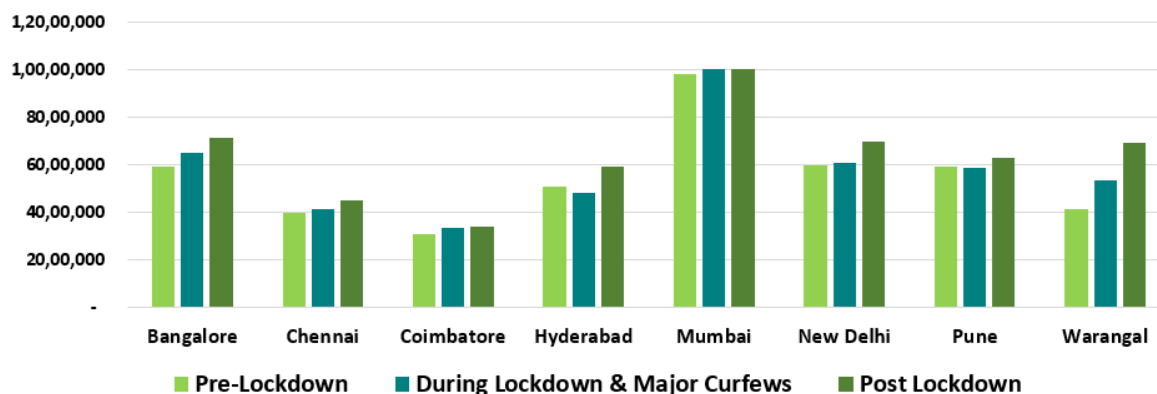
Delhi and Bengaluru record higher property sales transactions in Q3 2021,



Property Listing Trends - 2021

At TEAL, we analyzed the listing price of properties as posted on real estate classifieds to understand the listing price trends for the year 2021 in the light of the second wave of the Covid-19 pandemic.

Median Listing Prices of Properties - 2021

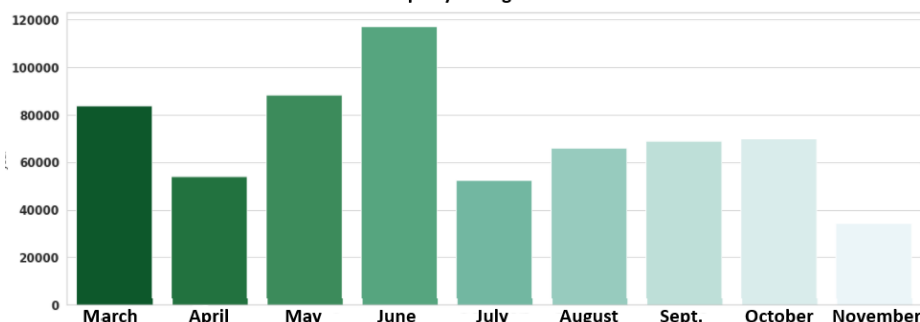


Mumbai recorded one of the highest median property listing prices of all the regions in all three phases of the year - Pre-Lockdown, During Lockdown and Post Lockdown.

June Records the Highest Property Sales Listing

June witnessed the highest number of property listings as the government began to relax its lockdown restrictions.

Number of Property Listings Per Month - 2021



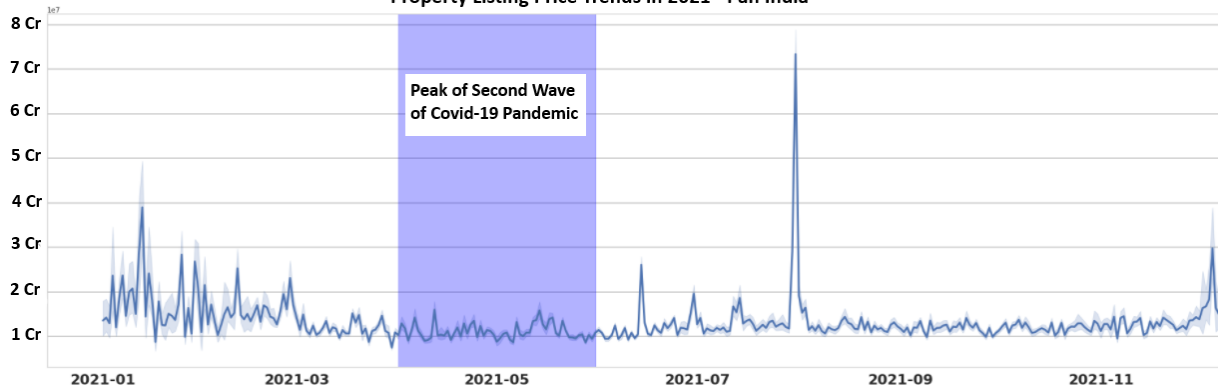
-27.7%

is the QoQ % change in number of property listings from Q2 to Q3 2021.

Property Listing Price - Monthly Breakdown

A look into the daily total listing price trends for the year 2021 shows an unusual spike in August 2021, indicating a large listing price listed in that period.

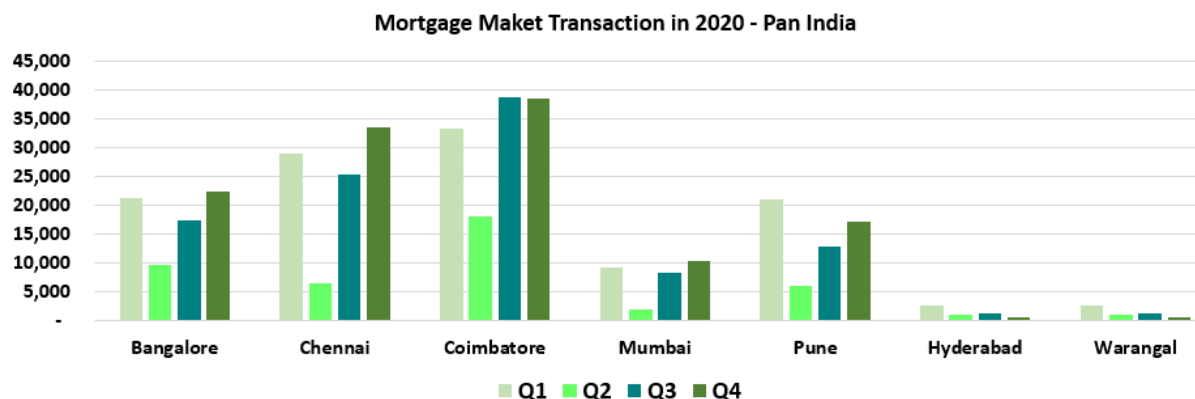
Property Listing Price Trends in 2021 - Pan India



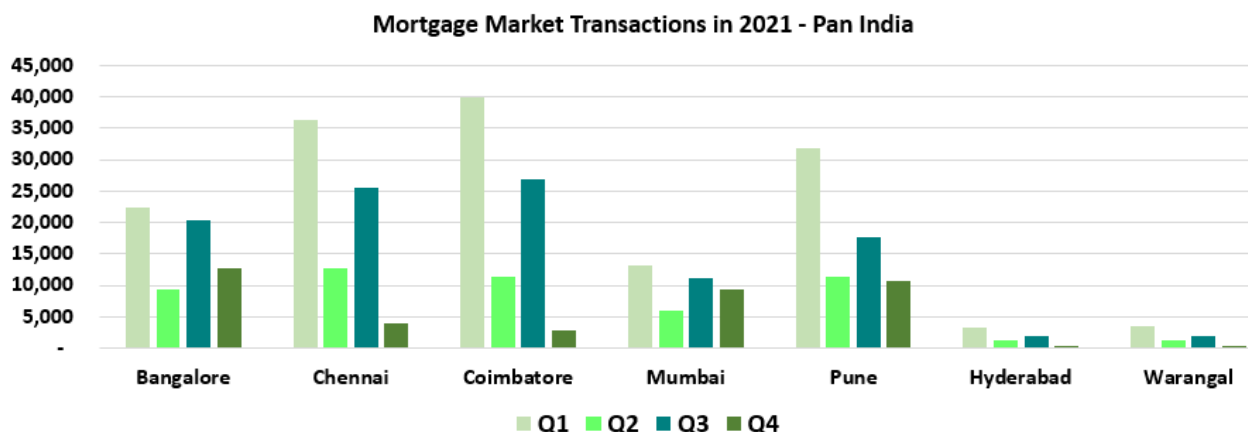
Mortgage and Lease Market

At TEAL, we analyzed the mortgage and lease transactions over the course of 2020 and 2021 to understand the changes occurring in the market in the light of the first wave and second wave of the Covid-19 pandemic.

Mortgage Transactions Witness Effective Recovery in Q4 2020



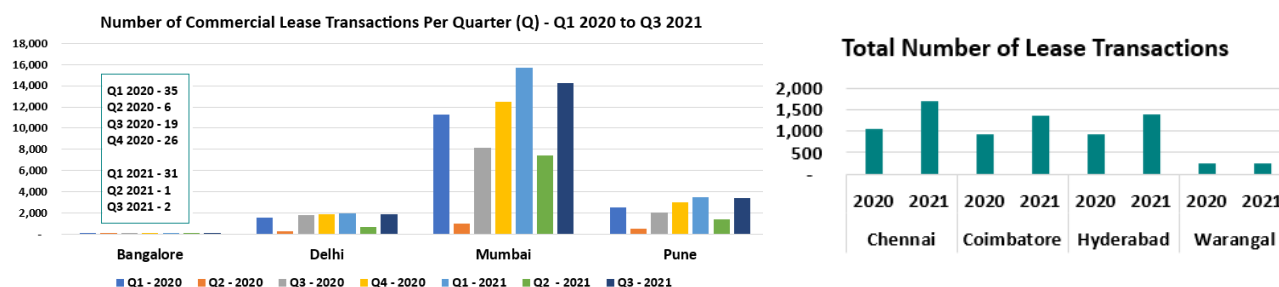
Q1 2021 Records the Highest Mortgage Transactions in 2021



[Q4 2021 reflects data as of November only]

Lease Market- 2020 & 2021

Mumbai records the highest commercial lease transactions in Q1 2021; Chennai and Hyderabad witness a rise in total lease transactions in 2021.

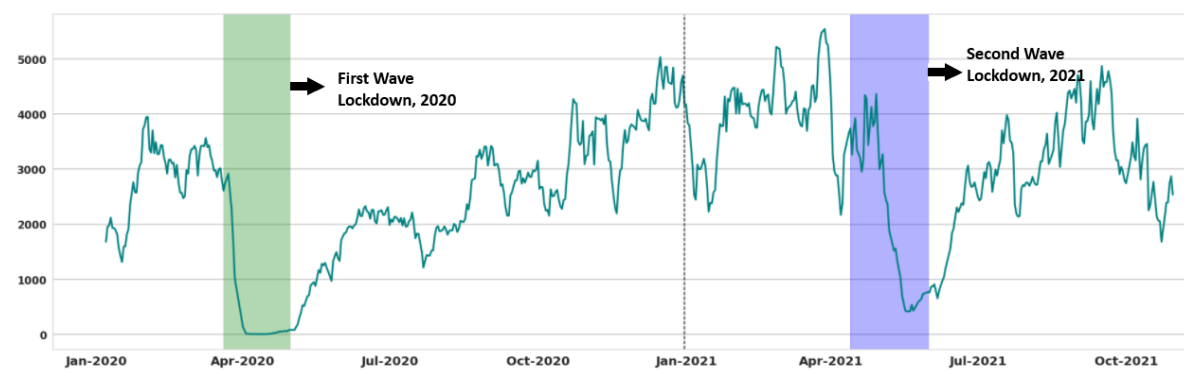


[2021 numbers in 'Total Number of Lease Transactions' graph reflects data as of November only]

Resilient Property Sales Market during Second Wave

The first wave of the Covid-19 pandemic in April and May 2020 adversely impacted the real estate sector in India with all time low monthly property sales transactions - both developers and homebuyers affected by liquidity shortage and unstable project delivery capabilities. Construction and sales activity came to a complete halt in the nation with the shutting down of Sub-Registrar's Offices (SROs) and homebuyers looking to save rather than spend amid the uncertainty of the pandemic.

Pan India Property Sales Trends - 2020 & 2021



The active measures taken by the Government in the form of subsidized housing schemes, policy changes and tariff concession after the first wave in 2020 helped lessen the impact of the second wave and also enabled quicker recovery.

How did the Market Recover?

To propel the recovery of the real estate sector post the first wave of Covid-19, the Centre and respective State Governments have introduced several policy changes and concessions as a stride towards recovery.

- **The Reserve Bank of India (RBI) cut its reverse repo rate** by 25 basis points to 4% to encourage banks to deploy excess funds within the system toward lending and help revive growth in the country. [4].
- **Reduction in stamp duty rates by respective State Governments.** Some examples:
 - **Maharashtra State Govt.** reduced stamp duty to 2% and 3% in Q4 2020 and Q1 2021 respectively [5].
 - **Karnataka State Govt.** reduced the stamp duty on properties priced between Rs 35 lakhs and Rs 45 lakhs to 3% from the earlier 5% [6].
- **Pent up market demand and upswing in the job market.**
- Under Union Budget 2021-22, **tax deduction** up to Rs. 1.5 lakh (US\$ 2069.89) on interest on housing loan, and **tax holiday for affordable housing projects** have been extended until the end of fiscal 2021-22 [2].

MARKET UPDATES

The Reserve Bank of India has decided to extend its prevailing repo rate of 4% for the ninth consecutive time, as of December 2021. This measure has been taken to support economic recovery, especially in the light of risen with the emergence of Omicron and renewed surges of COVID-19 [4].

The Karnataka state assembly passed an amendment under which the state has reduced the stamp duty on properties priced between Rs 35 lakhs and Rs 45 lakhs to 3% from the earlier 5%. The reduced rates are applicable only on registrations where the property is changing hands for the first time from September '21 [6].

To expand into the Indian real estate market, SRAM & MRAM Group collaborated with Area CAS Developers and Infrastructure Private Limited (Area Group), and Gupta Builders and Promoters Private Limited (GBP Group) of India. It plans to invest US\$ 100 million in the real estate sector [7].

The Cabinet approved the extension of the Centre's flagship housing-for-all scheme, Pradhan Mantri Awas Yojana-Gramin (PMAY-G), beyond March 2021 till March 2024 to achieve the target of constructing 2.95 crore houses. The continuation of the scheme till 2024 ensures that the remaining houses get assistance [8].

Hyderabad market has grown into the most preferred real estate investment hub for Non-Resident Indians (NRIs). Apart from gated communities, luxurious open plots, vacation homes, and flats in prime localities are highly sought after [9].

The Delhi Development Authority (DDA), on September 14, 2021, gave its approval to the additional development control (ADC) norms for areas notified under its land pooling policy, 2018. The new ADC rules are likely to make property investment more lucrative for real estate developers in the national capital [10].

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[8] <https://indianexpress.com/article/india/cabinet-extends-pmay-rural-plan-till-march-2024-nod-to-ken-betwa-river-inter-linking/>

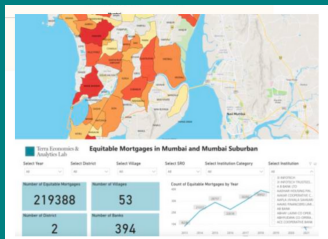
[9] <https://timesofindia.indiatimes.com/business/india-business/hyderabad-tops-in-nris-realty-investment/articleshow/84549447.cms>

[10] <https://housing.com/news/dda-approves-land-pooling-policy-city-get-17-lakh-houses/>

GET A CLOSER LOOK WITH TEAL ANALYTICS

TEAL Real Estate Analytics Suite leverages TEAL's unmatched access to real estate data to produce actionable insights that give you an immediate competitive edge in the market. Our analytics is driven by key parameters and determinants relied upon by leading players in the real estate and allied sectors including developers, aggregators, and lenders. Our state-of-the-art data aggregation, cleaning, and ingestion processes deploy cutting-edge natural language processing, artificial intelligence, and machine-learning capabilities to standardize data from diverse datasets to power your insights. Get in touch with us directly to know how we can answer the following questions and more:

- **Bank and HFC wise mortgage distributions**
- **Developer wise sold and unsold inventory units**
- **Housing sales and mortgages by price range**
- **Office and retail lease insights**
- **Micro-locality level lease rate per sq. ft.**

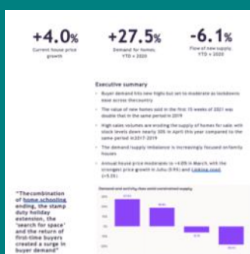
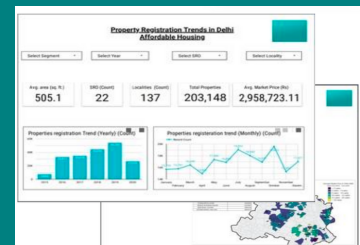


Transaction Monitor

Explore in-depth real estate market movements through our Transaction Monitor. Transaction Monitor captures information on inventory movement, mortgage lending, rentals, and leases at the pin code level. Annualised and monthly visualizations allow you to identify growth areas and underserved markets with unparalleled ease

Interactive Dashboards

Benchmark your business to the real estate markets you operate in. Track vital property market metrics and get fast access to the answers you need for better decision-making. Our intuitive and easy to use interactive dashboards allow you to dig deeper into broader trends and unpack insights that can drive intelligent business decisions.



Market Reports

On demand micro-market reports take a no-stone untouched approach to analysing selected localities on demand. These reports include demographic profiles, historic transaction trends, and key-market determinants such as local infrastructures, upcoming projects, etc. to provide in-depth evidences and compare the attractiveness of local markets.

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