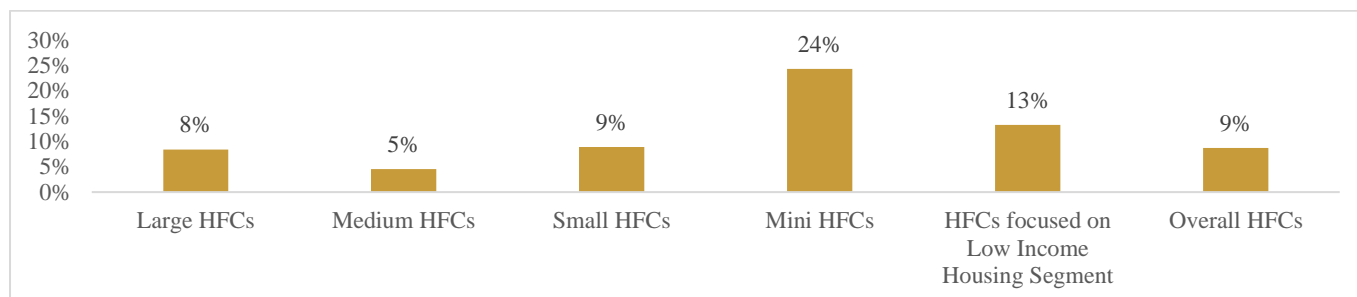


## 8.1 Mini HFCs and HFCs focused on low income housing segment have grown the fastest amongst various player groups

Among the various player groups, the credit outstanding of mini HFCs and HFCs focused on low income housing segment grew the fastest at 24% and 13% CAGR respectively between Mar-2018 to Mar-2023.

### Five-year CAGR (Mar-2018 to Mar-2023) of HFC groups in overall housing finance industry



Source: CIBIL, CRISIL MI&A

## 8.2 Large HFCs continue to have dominant share, however mini HFCs have increased their market share in overall home loans outstanding

The large HFCs continue to have a dominant share of the housing finance market within the HFC pie. However, their market share has been coming down in credit outstanding as several new HFCs focused on specific target segments such as low income housing have emerged. As of December 2023, large HFCs had a market share of approximately 63% in housing loans outstanding. Share of mini HFCs in housing loans outstanding has increased from 4% as of March 2018 to 9% as of December 2023. Going forward, as economic growth picks up, CRISIL MI&A expects revival in demand from lower income segment which will aid mini, small and mid-sized HFCs, especially those with a strong segment focus and access to funds, to increase their market share, albeit on a relatively lower base.

### Market share of HFC groups, based on disbursements in overall housing finance industry

	HFC player group-wise disbursement (₹ billion)						HFC player group-wise disbursement mix					
	FY19	FY20	FY21	FY22	FY23	9MFY 24	FY19	FY20	FY21	FY22	FY23	9MFY 24
Large HFCs	805	528	522	796	880	652	66%	62%	67%	65%	55%	66%
Medium HFCs	150	135	92	199	281	242	12%	16%	12%	16%	20%	12%
Small HFCs	179	128	99	124	190	138	15%	15%	13%	10%	12%	15%
Mini HFCs	79	55	63	101	175	163	7%	7%	8%	8%	14%	7%
Total	1,213	847	776	1,221	1,526	1,195	100%	100%	100%	100%	100%	100%

Source: CIBIL, CRISIL MI&A

### Market share of HFC groups, based on credit outstanding in overall housing finance industry

	HFC player group-wise credit outstanding (₹ trillion)							HFC player group-wise credit outstanding mix						
	FY18	FY19	FY20	FY21	FY22	FY23	9MF Y24	FY 18	FY19	FY20	FY21	FY22	FY23	9MF Y24
Large HFCs	2.0	2.3	2.7	2.6	2.8	3.0	3.3	66%	66%	69%	68%	70%	65%	63%
Medium HFCs	0.5	0.5	0.5	0.4	0.4	0.6	0.8	16%	15%	12%	12%	10%	14%	15%
Small HFCs	0.4	0.5	0.6	0.6	0.6	0.6	0.7	13%	15%	14%	15%	14%	14%	13%
Mini HFCs	0.1	0.2	0.2	0.2	0.3	0.4	0.5	4%	5%	5%	6%	6%	8%	9%
Total	3.1	3.5	3.9	3.8	4.0	4.7	5.3	100%	100%	100%	100%	100%	100%	100%

Source: CIBIL, CRISIL MI&A

The HFC focused on low income housing segment consists primarily of small and mini HFCs. They were able to increase their market share from 14.9% as of March 2018 to 19.5% as of December 2023 in terms of home loan outstanding.

The defining characteristic of these HFCs is their strong focus on their target segment (i.e., housing loans lower than ₹ 1.5 million ticket size to low-income customers), deep understanding of the micro- markets they operate in, and relatively lower