

- Preference for owning homes seems to be on the rise in the post-COVID-19 pandemic world

CRISIL MI&A expects the industry to pick up steam gradually and the loans outstanding in housing finance focused on low income housing segment to touch ₹ 5.4-5.7 trillion by March 2026, translating into a 8-10% CAGR between Fiscals 2023 and 2026.

5.3 State-wise loans outstanding

Based on the home loans outstanding in the low income housing segment, the top 10 states/union territories (“UTs”) account for approximately 79% of the market size in this segment as of December 2023. Maharashtra tops the list with the highest share of 16%, followed by Gujarat (12%), Tamil Nadu (9%), Rajasthan (7%) and Madhya Pradesh (7%).

State wise market share of outstanding housing loans focused on low income housing finance

| States | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | 9MFY24 |
|-----------------------|------|------|------|------|------|------|--------|
| Maharashtra | 19% | 18% | 18% | 18% | 17% | 17% | 16% |
| Gujarat | 10% | 10% | 11% | 11% | 12% | 12% | 12% |
| Tamil Nadu | 9% | 9% | 9% | 9% | 10% | 9% | 9% |
| Rajasthan | 5% | 5% | 6% | 6% | 6% | 7% | 7% |
| Madhya Pradesh | 5% | 6% | 6% | 6% | 6% | 7% | 7% |
| Uttar Pradesh | 6% | 6% | 6% | 6% | 6% | 6% | 7% |
| Kerala | 6% | 6% | 7% | 7% | 7% | 7% | 6% |
| Karnataka | 6% | 6% | 6% | 6% | 6% | 6% | 6% |
| Andhra Pradesh | 5% | 5% | 5% | 5% | 5% | 5% | 5% |
| West Bengal | 4% | 4% | 4% | 4% | 4% | 4% | 4% |
| Others | 23% | 23% | 22% | 22% | 21% | 21% | 21% |

Note: States/UT which have less than 1.5% share of housing finance focused on low income housing segment are- Bihar, Odisha, Uttarakhand, Assam, Himachal Pradesh, Jharkhand, Chandigarh, Jammu and Kashmir, Goa, Tripura, Pondicherry, Sikkim, Mizoram, Dadra & Nagar Haveli, Manipur, Meghalaya, Daman & Diu, Andaman & Nicobar islands, Nagaland, Arunachal Pradesh and Lakshadweep

Source: CIBIL, CRISIL MI&A