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## Progressive market favours homebuyers



**FACTORS LIKE RATIONALIZATION OF CIRCLE RATES IN SOME MARKETS AND EASE OF BANK LENDING SUGGEST THAT THE NCR'S REAL ESTATE MARKET IS PROGRESSING IN TERMS OF HOUSING DEMAND. WHILE HOMEBUYERS HAVE A CONDUCTIVE MARKET THE INDUSTRY HAS WELCOMED THESE RECOVERY EFFORTS. ANKIT IHAAN SHARMA WRITES**

**H**ousing demand has shown a spike in the past few months and demand and sales would likely increase further in the forthcoming festivities. With rise in demand, the industry has indicated a favourable market for homebuyers.

Consumer sentiment has become stronger in the past couple few months.

"The pent up demand on festive tailwinds, fiscal impetus in the form of a stamp duty waiver, unchanged ready reckoner rates, historic low home loan interest rates and deal sweeteners by developers - cumulatively resulted in the demand impetus from domestic as well as the NRI home buyer segment," **Niranjan Hiranandani**, MD of Hiranandani Group, said, commenting on the findings of the Second Quarter (April-June, 2021) Knight Frank-FICCI-NAREDCO Real Estate Sentiment Index.

"Since June 2021, the sector has gathered up steam, and all segments are performing better. The demand for residential properties has shifted dra-

matically, and it is now at an all-time high. Even though the affordable and mid-segment account for over 70% of overall sales, demand continues to rise across all segments. The market is becoming end-user driven due to positive judgments such as lowering transfer fees and lowering home loan interest rates. The economics of buying a home has improved, and there has never been a better time for homebuyers to lock in a deal," **Manoj Gaur**, CMD of Gaur's Group, said.

**Anuj Puri**, chairman of ANAROCK Group, says: "Latest ANAROCK research reveals that the highest demand is currently in the premium segment, where properties are priced INR 80 lakh and above. This is primarily the result of homes now doubling as offices and e-learning centres." Market indicators suggest that the market will become friendlier to homebuyers.

Bank lending to become easier: Development firms have realised the potential of completing the task and capitalising on the heightened demand. Even banks have started doling out offers and discounts.

In times of come, several banks may announce schemes for prospective homebuyers. Last week, the country's largest lender, State Bank of India (SBI), has launched a bouquet of festive offers for prospective home loan customers. The offers are aimed to make home loans more affordable in the festive season. In a first-of-its-kind initiative, SBI offers credit score linked home loans at just 6.70%, irre-

spective of the loan amount.

"The reduction in ROI in home loans to 6.7% by SBI and HDFC is also motivating factor for flat buyers to buy a house. In the case of first-time buyers, considering the benefit of PMAY, the effective ROI is about 5-5.5% only which is an all-time low. I feel this is the best time for home seekers to buy their dream home," **Sanjay Sharma**, director of SKA Group, says.

**Rationalization of circle rates:** The Noida authority has brought down the transfer charges in Noida. In June, the Greater Noida Authority also rationalized transfer charges. "Reduction in transfer charges is a positive move by Noida authority to give the required impetus to this industry. Reduction in cost of transfer will encourage customers to buy more," **Sharma** said.

**Prelude to long-term recovery:** The real estate sector is slated for a massive resurgence once the economy stabilizes. Some experts have called this the groundwork for long-term recovery. The resilience of the real estate sector has been hailed as a strong factor.

"Given the increased importance of having an asset during the epidemic, consumer attitudes will continue positive in the coming quarters, providing an overall optimistic growth for the sector. While 2021 may not be able to overcome all the pandemic-induced obstacles, the groundwork for a sector-wide recovery has already been prepared," **Nikhil Anand**, director of Maasters Infra, said.

"Since June 2021, the sector has gathered up steam, and all segments are performing better. The demand for residential properties has shifted dramatically, and it is now at an all-time high. Even though the affordable and mid-segment account for over 70% of overall sales, demand continues to rise across all segments. The market is becoming end-user driven due to positive judgments such as lowering transfer fees and lowering home loan interest rates. The economics of buying a home has improved, and there has never been a better time for homebuyers to lock in a deal," **Manoj Gaur**, CMD of Gaur's Group, said.