

Indian Real Estate on the Rise: Future sentiment score reaches new heights in Q2 2023

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Reflecting the country's stable economic performance, Indian real estate experienced a surge in positive sentiment during Q2 2023, as reported in the 37th edition of the Real Estate Sentiment Index, jointly prepared by Knight Frank India and the National Real Estate Development Council (NAREDCO). It also revealed growing confidence in the sector.

"The real estate market sentiment in the NCR is overwhelmingly positive. It is primarily driven by the presence of reputable developers known for their timely project deliveries, commitment to promised amenities and construction quality. Besides the recent pause in the interest rate hike by RBI, the country's stable economic performance, growth projections, and the post-Covid desire to own a home have also played a significant role. Further, there has been a shift in preference towards larger homes, complete with every facility inside the apartment complex," says Manoj Gaur, CMD of Gaur's Group.

As per the report, the Current Sentiment Index Score increased from 57 to 63 between April and June 2023, indicating a significant boost in optimism compared to the previous six months. A score above 50 represents optimism, 50 denotes a neutral sentiment, and below 50 indicates pessimism.

"This rise in optimism is primarily attributed to factors such as supportive policy measures and sustained demand in

the residential and office leasing segments. As real estate developers, we are glad to catalyse this rise in sentiment metre. We are upbeat about the country's growth story and guided by the sector's emphasis on customer satisfaction; the sentiment will only continue to rise," says **Amit Modi, Director, County Group.**

Rajjath Goel, Managing Director, MRG Group, says, "The Future Sentiment Score reflects an unwavering optimism in India's real estate landscape. It indicates that every stakeholder in the sector expects that the positive outlook will outperform itself in the coming months. There is a decline in the unsold inventories. RBI has signalled the end of interest rate hikes, there is a healthy demand for luxury properties, and we expect this trend to continue this year."

The Future Sentiment Score also saw an improvement, rising from 61 in Q1 2023 to 64 in the second quarter. The survey conducted as part of the index revealed that 55 per cent of respondents expect an increase in residential sales over the next six months, compared to 48 per cent in the previous quarter.

"The Reserve Bank of India's decision to halt interest rate hike has played a pivotal role in boosting confidence in the sustainability of demand momentum. Not only are investors back in the sector, the demand among end-users also continues to remain high. Apart from proactive policies by the Central and state governments, their efforts to boost infrastructure have also played a role in this," says **Ashwinder R Singh, CEO-Residential at Bhartiya Urban.**

Office leasing, too, will continue to witness growth in the coming months. Experts remain upbeat about India's growth prospects and anticipate increased office leasing due to robust demand from businesses, co-working space operators, and international companies setting up their bases in the county.

The industry remains cautiously optimistic about the next six months, fueled by the country's steady economic performance and the anticipation of further positive developments. As the real estate landscape continues to evolve, stakeholders in the Indian market are hopeful for a thriving sector in the foreseeable future.