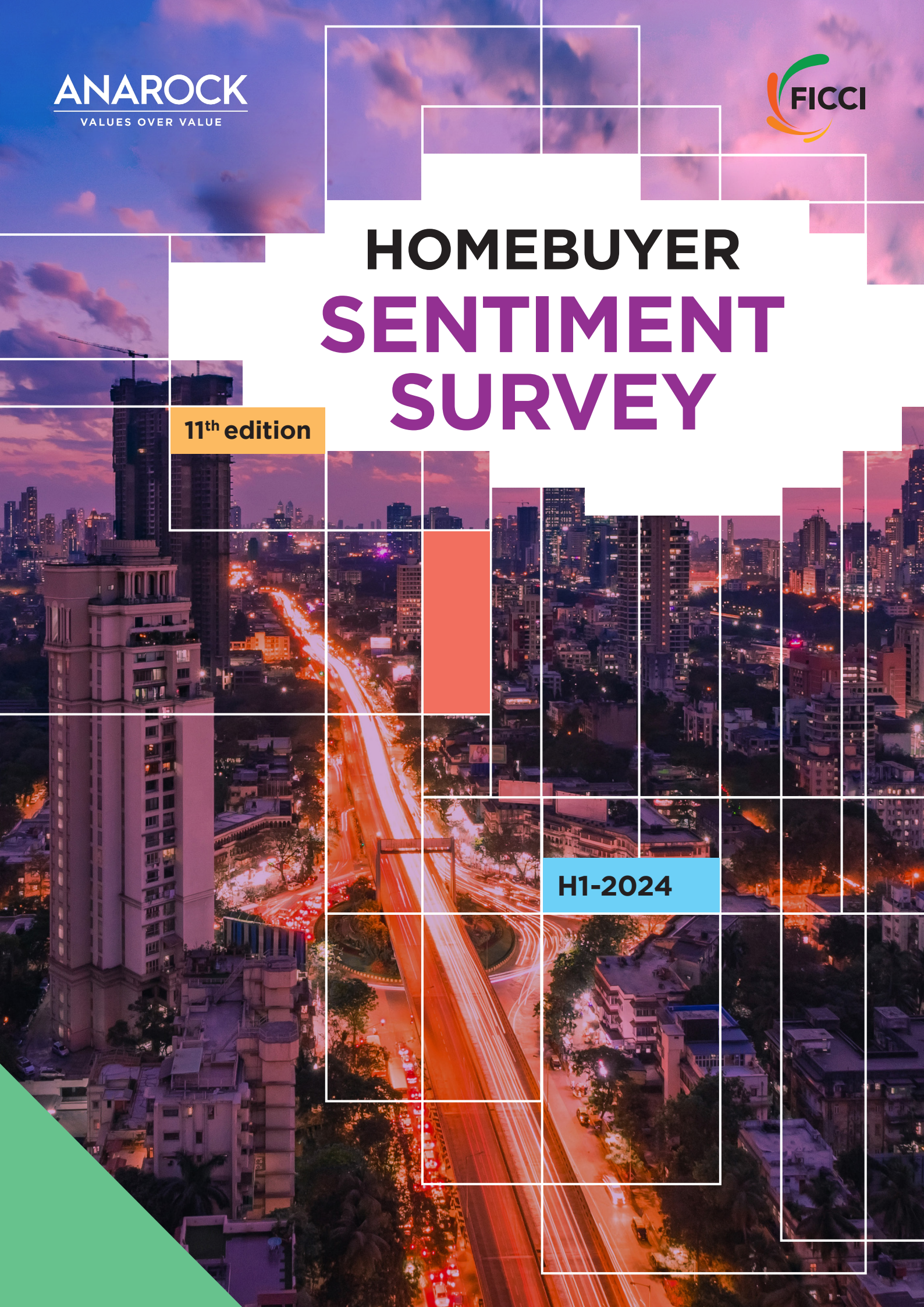
ANAROCK
VALUES OVER VALUE

FICCI

HOMEBUYER SENTIMENT SURVEY

11th edition



H1-2024

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FICCI

FOREWORD

FOREWORD



MR. RAJ MENDA

Chairman, FICCI Committee on Urban Development and Real Estate & Chairman of Supervisory Board, RMZ Corporation

The Indian real estate sector continues to exhibit remarkable strength in the first half of 2024, establishing itself as a pillar of stability amid a challenging economic landscape marked by unprecedented global uncertainties. As the outlook for the global economy shows signs of improvement, sentiment among Indian homebuyers has remained buoyant. This optimism is evident in the continued demand for homes across the top seven cities from January to June 2024.

As an asset class, real estate in India that has managed to instill confidence among investors from diverse geographies, buoyed by a confluence of factors that underscore its potential for growth and stability. Several pivotal government initiatives have played a crucial role in fostering this renewed investor confidence. Through policies aimed at enhancing infrastructure development, streamlining regulatory frameworks, and incentivizing housing projects, the government has created an environment conducive to investment.

Over the years, the residential landscape has undergone a significant transformation. Today's homebuyers, predominantly millennials, are more inclined to purchase larger homes and prioritize high-quality products. They are not merely seeking shelter; rather, they are looking for spaces that embody durability, aesthetic appeal, and long-term value, even if these come at a premium. They tend to favor investments that are perceived as low-risk and capable of providing stable returns over time. Consequently, one of the primary demands from homebuyers is the assurance of timely project completion.

Furthermore, with the introduction of smart and lucrative new projects in the market, affordable housing has become less prioritized across major cities. From a homebuyer's perspective, numerous affordable housing initiatives have struggled to generate significant interest due to several glaring shortcomings which includes inadequate accessibility of project locations, substandard construction quality coupled with poor design, and the small unit sizes of these homes that undermine their appeal and viability.

A significant emerging trend points out the interests of investors entering the market with the objective of securing a steady rental income. This demand is largely driven by the fact that rental values in prominent micro-markets across major cities have risen by as much as 70% over the past two years. Such trends underscore a broader transformation within the Indian real estate landscape, where both individual and institutional investors are keenly aware of market dynamics and are strategically positioning themselves to capitalize on this burgeoning opportunity.

FICCI – Anarock report on "Homebuyer Sentiment Survey – H1 2024" aims at providing invaluable guidance to property developers by reflecting homebuyer interest in a rapidly changing market. With its aim to deliver deeper insights into the residential market from a consumer's viewpoint, the survey holds significant importance for developers. As we look ahead, the future of luxury housing in India will be shaped by the integration of technology, environmental sustainability, and community focus—reflecting the evolving preferences of today's discerning buyers. I believe the findings will be beneficial for realtors, consumers, government bodies, research institutions, and the industry, guiding future developments. The ideas and deliberations arising out of this report would go a long way in reflecting on the way forward.

FOREWORD

ANAROCK
VALUES OVER VALUE



MR. ANUJ PURI
Group Chairman | ANAROCK

Amidst unprecedented global uncertainties and turmoil, the Indian real estate sector stood strong and emerged as a beacon of resilience. On annual basis, housing prices rose anywhere between 13-39% across the top 7 cities, primarily due to increased input costs and strong homebuyer demand. Interestingly, despite price rise we saw a significant jump in housing sales and new launches. As per ANAROCK Research, H1 2024 saw all-time high housing sales of nearly 2.51 lakh units across the top 7 cities, 9% more than the corresponding period in 2023, thus creating a new peak in H1 2024.

Meanwhile, amidst this strong demand, several developers had a healthy pipeline of new project launches during the year across the top 7 cities. More than 2.28 lakh units have been launched in the first half of 2024 across the top 7 cities as against nearly 2.12 lakh units in H1 2023, thus seeing 7% yearly jump. Interestingly, housing sales continue to outstrip new supply in a given period, thus implying a healthy market.

Amid this strong growth momentum, we tried to gauge the mood of the prospective homebuyers and analyse their preferences in the changing scenario. While few preferences have altered in the new-normal scenario, there are few that remain unchanged. For instance, demand for bigger homes remains strong even now despite rising prices with nearly 51% respondents preferring to buy a 3BHK home, followed by 39% for 2BHK.

Notably, some trend reversals are also seen to be happening in the current survey as compared to the previous one (H2 2023). Investors are seen to be taking a pause because in Q2 2024 we saw a slight dip in housing sales as compared to the preceding quarter. As seen, over 33% respondents in H1 2024 are looking to buy property from an investment perspective as against 36% respondents back in H2 2023. Likewise, demand for ready properties has shrunk considerably and stands at the lowest end of the preference chart. As of H1 2024, the ratio of ready homes to new launches stands at 20:25. This indicates a complete trend reversal compared to H1 2021, when the ratio was 32:21.

Further, premium and luxury homes are gaining high momentum. According to the survey, even while the budget range of INR 45 lakh to INR 90 lakh remained the most preferred budget for over 35% of prospective homebuyers, premium and luxury homes are gaining significant traction. At least 45% respondents now prefer to buy homes priced >INR 90 lakh.

Notably, residential plots are seeing a growing interest by the prospective buyers with at least 20% property seekers preferring to invest in these. On analysing the city-wise trends, it emerges that southern cities have a higher preference for residential plots – Chennai with 30% votes, 29% in Bengaluru and 27% in Hyderabad. Several large and branded developers have extensively launched residential plot projects in these south cities over the last few years and buyers have come forward to close the deals. Similarly, villas and row houses are also extensively preferred in these southern cities.

Besides these, we also intercepted several other interesting trends, and I sincerely hope you enjoy reading these in the survey.

SURVEY METHODOLOGY

ANAROCK Consumer Sentiment Survey is an attempt to gauge homebuyers' preferences in the prevailing scenario, invariably leading to emergence of significant trends in the Indian residential real estate industry.

The main aim of the survey is to provide all stakeholders – consumers, developers, investors, sellers, and owners including local and expatriates – deeper insights into the Indian property market purely from a consumer perspective. This survey was conducted by ANAROCK Research between Jan to June (2024). The online survey saw nearly 7,615 participants responding to it via different digital sources including email campaign, web link and messages.

The sample was carefully selected so that it would give a relatively fair representation of the overall population demographics in terms of geographical distribution, gender, and age. Thereafter, the answers collected were analysed in-house and data was correlated to the present economic conditions. The views expressed in the report are completely unbiased.

7,615
Respondents

24-78
Age

14
Cities

DEMOGRAPHIC PROFILING

DEMOGRAPHIC PROFILING



Gender Typology

MALE | FEMALE

50% | 50%

Annual Family Income



Under
INR 10 Lakh



Between
INR 11 Lakh – INR 15 Lakh



Between
INR 16 Lakh – INR 20 Lakh



Between
INR 21 Lakh – INR 25 Lakh



Between
INR 26 Lakh – INR 35 Lakh



Above
INR 35 Lakh

Best Asset Class for Investment

As per the current situation, which is the best Asset Class for investment?

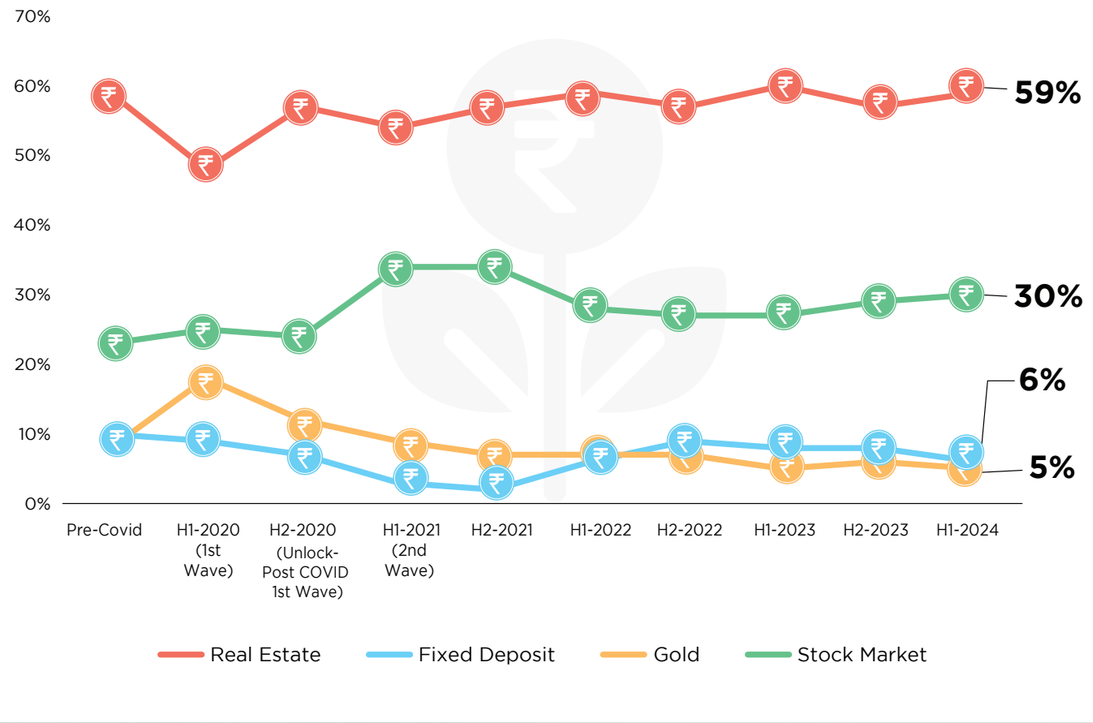
Real estate the most preferred asset class for investment for over 59% respondents, Jumped 2% against previous survey.

Real estate as the best asset class option has seen a 2% jump compared to the previous survey. Over 59% respondents now consider real estate as the best investment option, followed by the stock market which is favoured by 31% in the current situation.

In contrast, preference for gold witnessed a meagre decline, although ranking at the bottom of respondents' investment options despite the surging gold rates. Currently, only 5% respondents view gold as their preferred choice for investment.

Notably, sentiments towards stock market have experienced a positive boost in the wake of rising Sensex & Nifty reached its new peak in 2024. Over the past two years, stock market as an asset class have witnessed a noteworthy surge in preference among respondents, with 30% of them now favouring stock market.

BEST ASSET CLASS FOR INVESTMENT



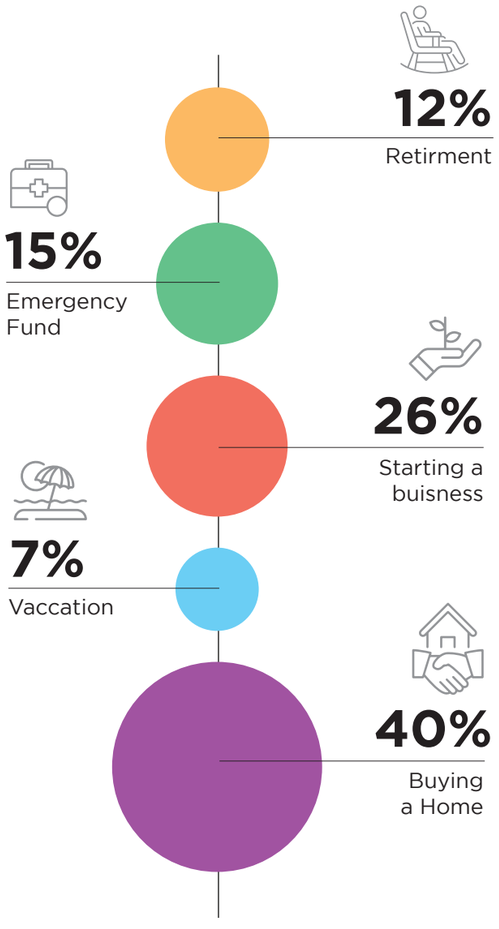


Future Plans for their Investments

When we asked investors about their future plans / goals for their investment – those who chose other asset classes (41%) over real estate?

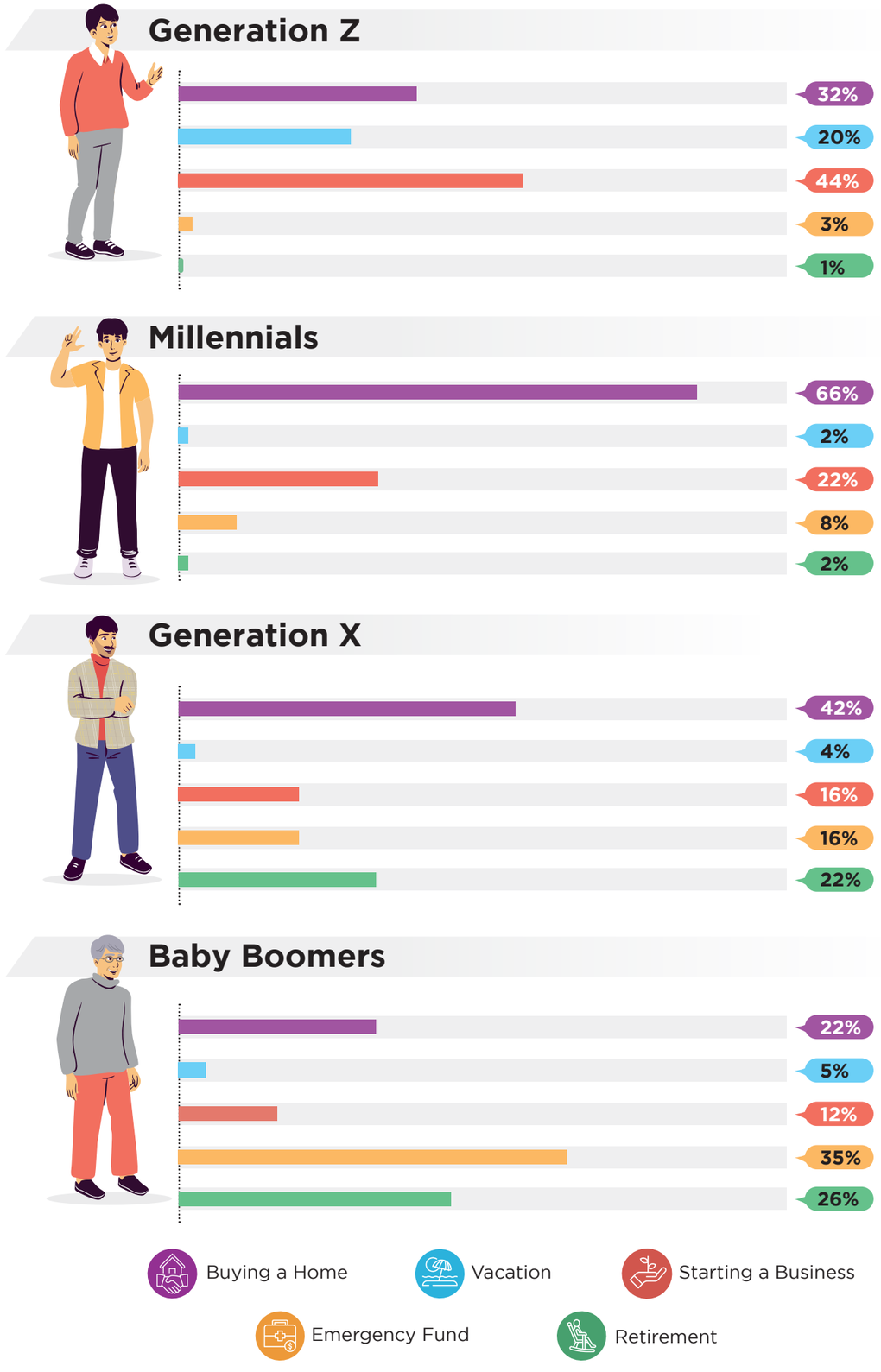
Real estate has become a pivotal asset class within the portfolios of many investors, serving as a critical mechanism for portfolio diversification. Recent survey data highlights a noteworthy trend: 40% of respondents actively diversifying their investments are increasingly gravitating toward real estate. As they realize capital gains from various financial instruments, the prospect of acquiring property presents an attractive avenue for long-term stability and appreciation.

The second most prevalent motivation for investment, indicated by 26% of participants, is the strategic intention to leverage capital gains for future entrepreneurial endeavours. Following closely, 15% are focused on establishing an emergency fund, while 12% prioritize contributions to retirement savings. Additionally, 7% allocate their investment returns toward achieving aspirational travel goals. These findings illustrate the diverse financial objectives and aspirations of investors, highlighting the necessity for bespoke investment strategies tailored to achieve specific outcomes.



> 66% Millennials & 42% Generation-X respondents intend to utilize their investment gains for purchasing a home in the future.

Generational gap in investors priorities

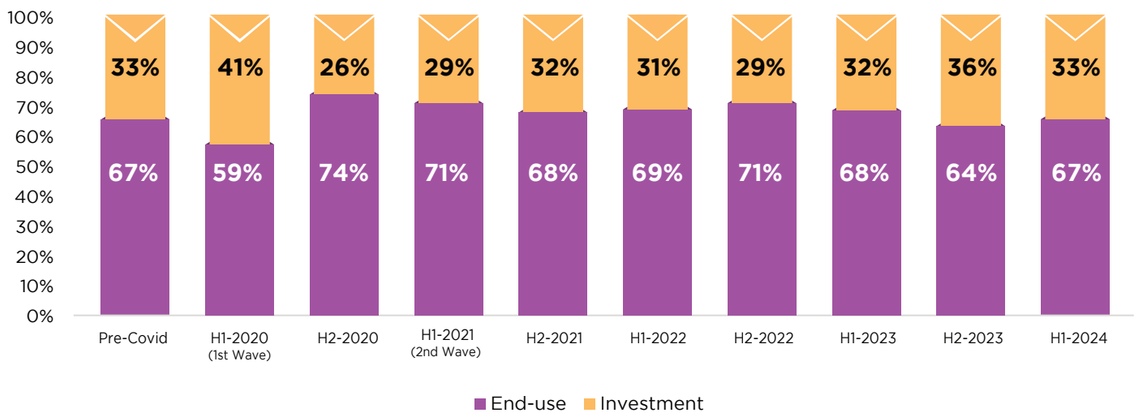


End-use or Investment

The Indian residential market continues to be predominantly driven by end-users, with over 67% survey participants buying properties for self-use. In comparison to previous survey (H2 2023), there has been a 3% surge in the share of participants seeking property for end-use in H1 2024 survey. This trend is likely to continue going forward as well because there is a sense of security and safety associated with homeownership.

That said, there has also been a notable shift with investors once again taking some breather and holding on to buying real estate. When compared to the H2 2023 survey, there has been a 3% decline in the share of participants who are buying a property from investment perspective rather than for self-use. At present, at least 33% of the prospective buyers aim to purchase a property from an investment perspective. Given that real estate prices have escalated significantly across top 7 cities in the last one year, investors are gradually taking a pause. ANAROCK data indicates that average residential prices in the top 7 cities collectively went up by 25% between H1 2023-end to H1 2024-end. This is a significant yearly jump and with prices escalating, it is natural that investors will pause and be cautious.

End Use vs Investment



> Over 67% buyers seeking property for end-use; investors take some breather.

IF INVESTMENT, THEN WHAT IS YOUR PLAN?

Majority investors (57%) want to earn rental income

Purpose of Investment

57% Earn Rental Income

20% Sell property after appropriate price appreciation

23% Build an asset for future

Earning a rental income is the key deciding factor for investors looking to buy a property in recent times, according to H1 2024 survey. At least 57% respondents prefer to buy a property so as to earn a steady rental income. Growing migrant population in tier 1 cities, driven by better job opportunities and rapid urbanization, is creating significant residential demand in the top 7 cities, leading to increased need for rental housing. For investors, earning a steady rental income presents an appealing opportunity. The fact that rental values across prominent micro markets in top cities have surged up to 70% in the last two years is a major reason driving this demand.

Moreover, TDS threshold on rental income up to INR 2.4 lakh and allowing capital gains tax benefits for investments in two properties instead of one further enhance housing demand as more individuals find property investment attractive for generating consistent rental income.

Building an asset for future is the second main reason among the investors with over 23% respondents favouring it. Indians' love for property is prevalent since time immemorial.

Meanwhile, 20% survey participants prefer to sell their property after it sees reasonable price appreciation. With higher disposable incomes and relatively reduced job risks, many homebuyers are opting for multiple real estate investments to secure good long-term returns. However, for those seeking significant price appreciation It is advisable to hold onto their properties for a long term - ideally 6 to 10 years - to maximize their profits.



Preferred Stage of Construction

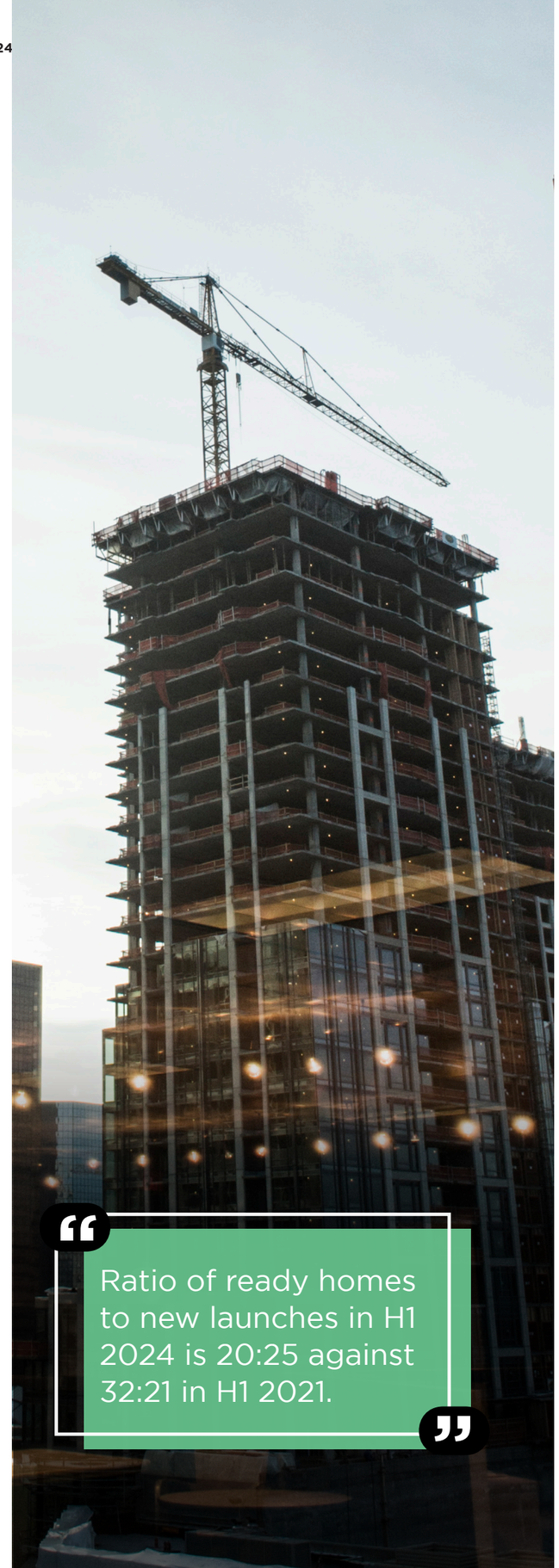
What stage of property would you prefer?

Demand for ready homes has been on a decline and is at the lowest end of the preference chart in H1 2024 survey. As of H1 2024, the ratio of ready homes to new launches stood at 20:25 as against 23:24 in H2 2023. This indicates a complete trend reversal compared to H1 2020, when the ratio stood at 46:18 and H1 2021 when it was 32:21.

One main reason for this shift is the increased new supply by the large and listed developers. These established developers have garnered higher confidence among prospective homebuyers due to their reputation for timely project delivery. In the past, new launches were mostly dominated by smaller players, leading to numerous delays in project completion, which eroded buyer confidence. Consequently, buyers favoured ready homes.

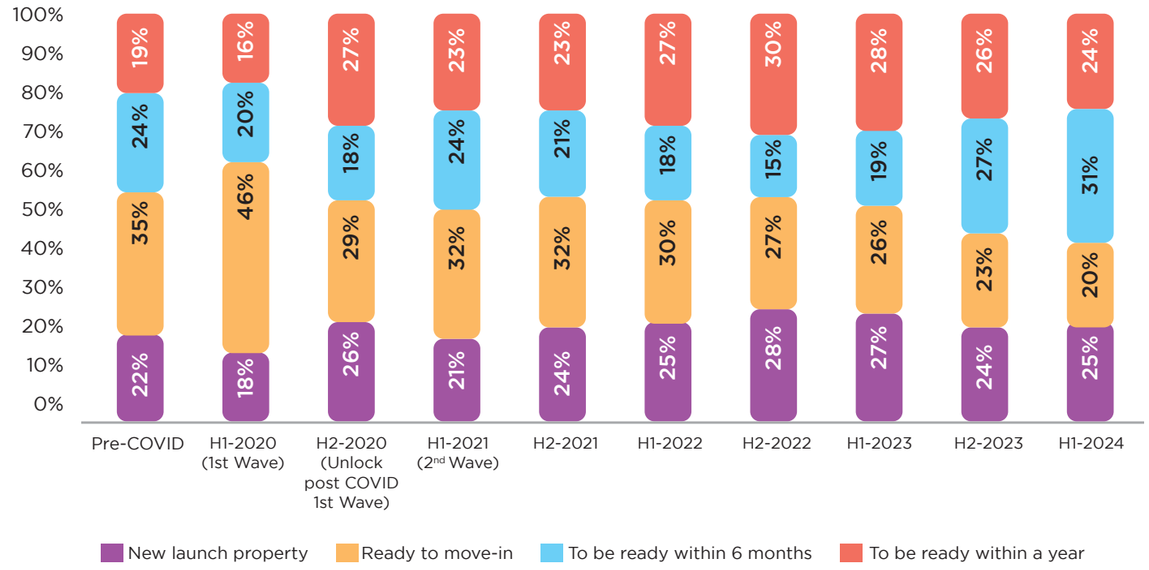
Moreover, implementation of RERA across states has further enhanced buyer confidence as timely project delivery has been a major issue that the respective state RERA authorities address.

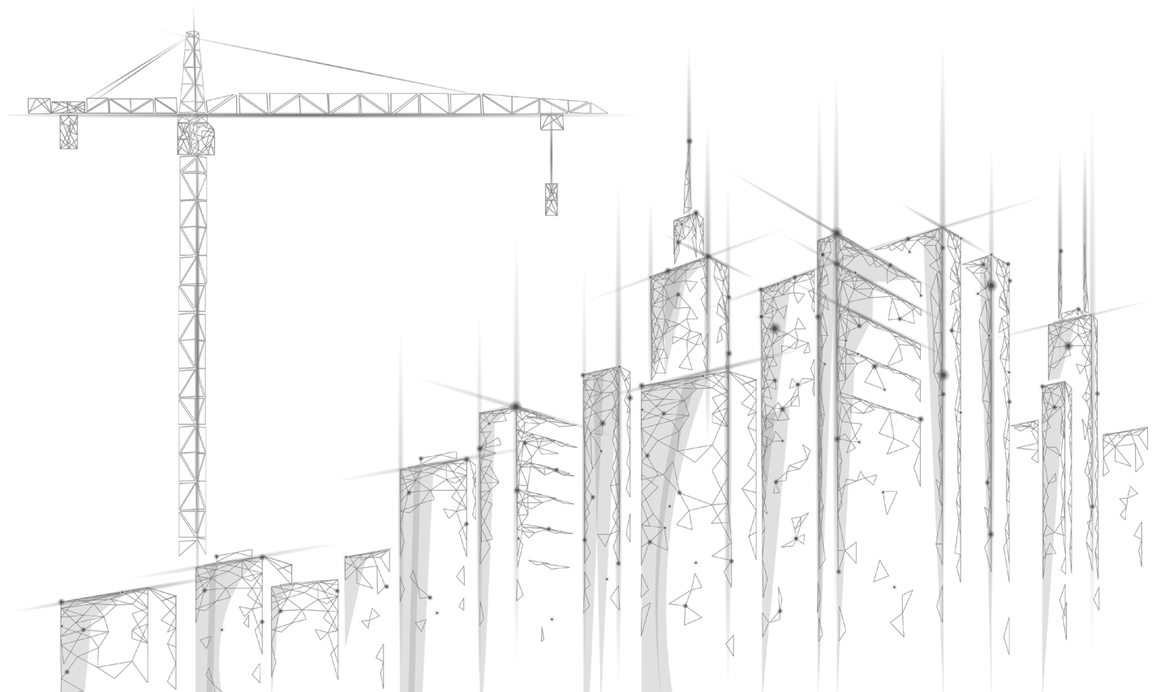
Recent government data also indicates that more than 1.26 lakh cases have been disposed by the respective RERA authorities across various states and Union Territories. Among the cases, timely project delivery is a major grievance of the homebuyers.



> Ratio of ready homes to new launches in H1 2024 is 20:25 against 32:21 in H1 2021.

Construction Stage Preference Among Home Buyers





Ideal Budget Range

What is the budget for your investment?

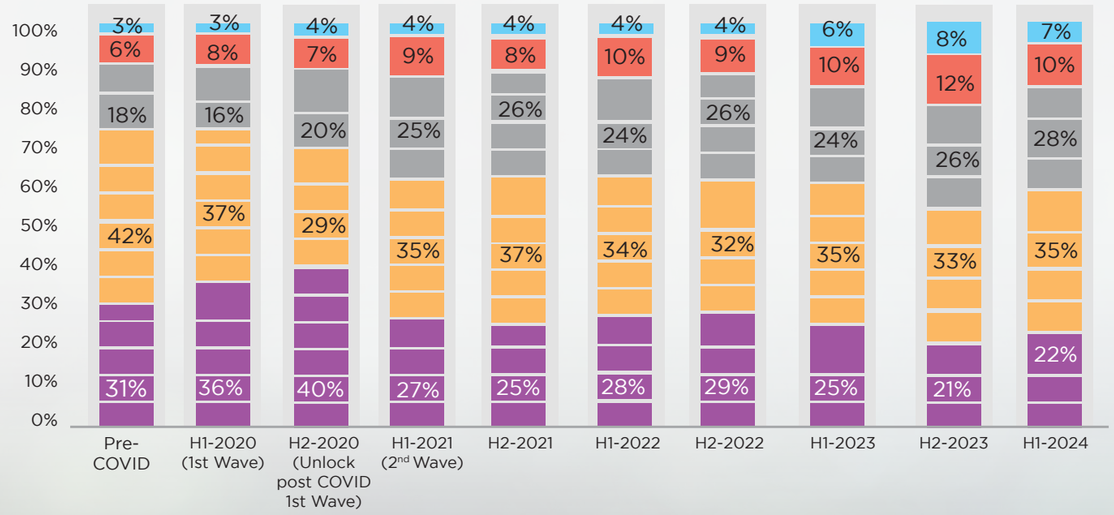
The H1 2024 survey reveals that while the budget range of INR 45 lakh to INR 90 lakh continues to be the most favoured option for over 35% of prospective homebuyers, there is a discernible shift towards premium and luxury properties. Currently, over 28% of survey respondents stated their preference for homes priced between INR 90 lakh and INR 1.5 crore.

Over the past three years, there has been a marked transition in housing demand, evidenced by an 18% decline in the proportion of buyers targeting affordable homes. Back in H2 2020, over 40% survey participants preferred to buy an affordable home priced <INR 45 lakh. However, in H1 2024, this has come down to just 18% preferring it. The pandemic has been a major detrimental factor for the declining demand in this segment as its target audience was severely impacted by it. Many of these affordable buyers are currently in a wait-and-watch phase, which has consequently prompted developers to curtail new supply in this budget category.

ANAROCK data indicates that new supply share in the affordable category has shrunk considerably in the last three years across the top 7 cities – it has declined from 26% in 2021 to just 17% in 9M 2024. Back in 2019, the share was 40% of the total new launches.

> Homes priced b/w INR 90 lakh to INR 1.5 Cr. gain traction; 28% prefer it in H1 2024 vs 18% pre-covid.

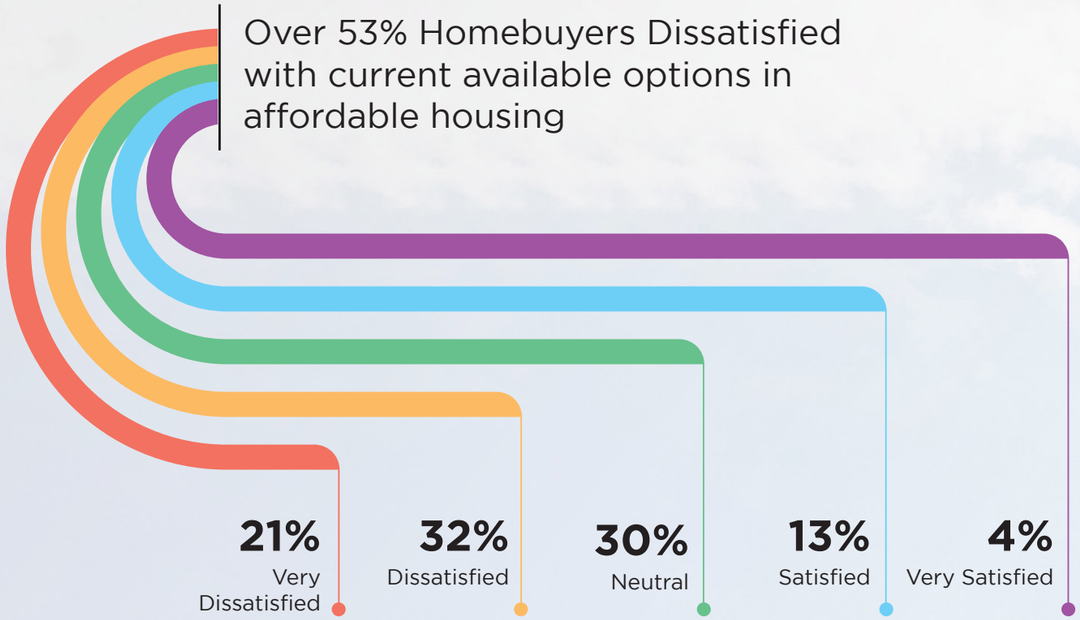
Budget Preference Among Home Buyers





WHY AFFORDABLE HOUSING NOT WORKING?

Over 53% Homebuyers Dissatisfied with current available options in affordable housing



The top 3 reasons why prospective affordable homebuyers (53%) are not satisfied with the available options in the market include project location accessibility, low construction quality with poor design and small unit sizes of these homes.

Of these dissatisfied affordable home seekers, whopping 92% respondents are not happy with project location. At least 84% state that these projects are of low construction quality and poor design. For 68% respondents, the unit sizes are very small.

Three Major Factors of Dissatisfaction? (% Share)



On further deep-dive, it emerges that those buyers who are dissatisfied due to location accessibility, their main concerns included accessibility to healthcare services, to workplaces, security concerns and accessibility to recreation facilities.

How do you rate the location accessibility of affordable housing?

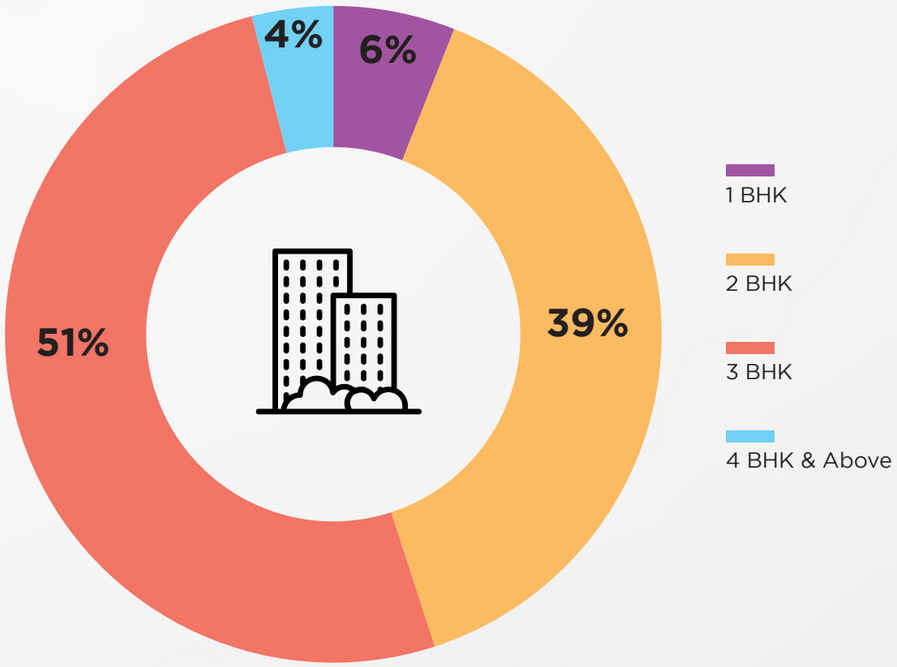
	Extremely Satisfied	Satisfied	Neutral	Dissatisfied	Extremely Dissatisfied
Accessibility to recreation facilities	8%	14%	22%	26%	30%
Accessibility to healthcare services	12%	16%	11%	19%	42%
Accessibility to shopping areas	11%	27%	32%	12%	18%
Accessibility to school & colleges	16%	29%	24%	24%	7%
Accessibility to workplace	14%	15%	12%	28%	31%
Security conditions	8%	10%	31%	29%	22%

BHK Preference

What BHK-type do you prefer?

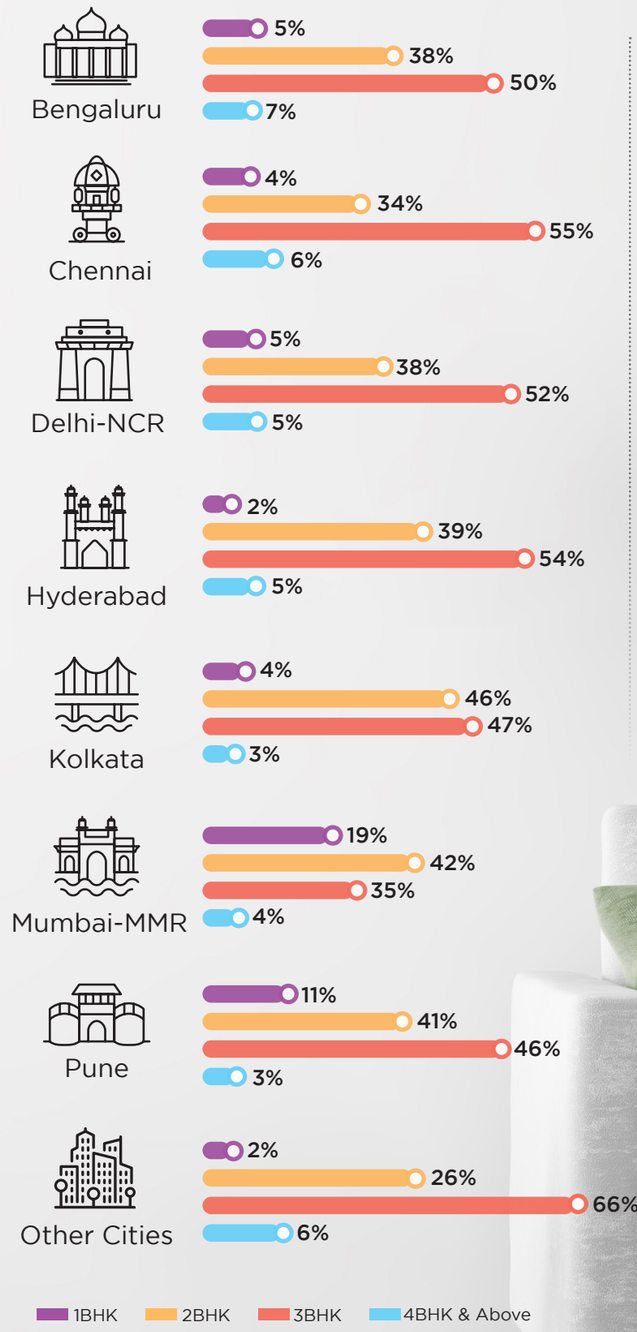
Bigger homes continue to dominate buyer preferences since the pandemic. Notably, over 51% of the current survey respondents prefer 3BHK units while only 39% are looking for 2BHK options. Compared to the survey conducted two years ago (H1 2022), interest in 3BHKs has increased significantly - from approx. 41% in H1 2022 to nearly 51% in H1 2024. Interestingly, the increasing prices are no deterrent to continued consumer preferences.

PAN INDIA BHK CHOICES

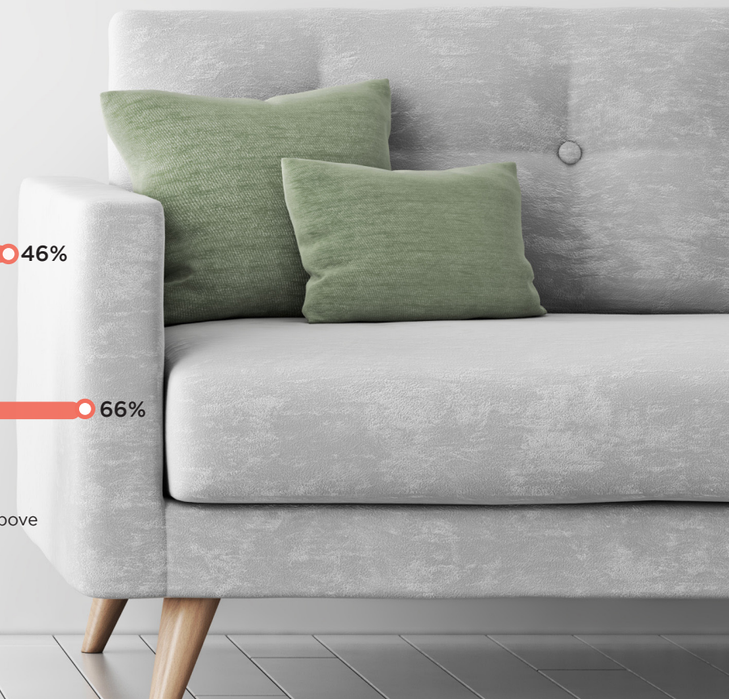


> Bigger homes continue to dominate buyer demand; 51% respondents prefer 3BHKs.

City wise BHK Preference - H1 2024

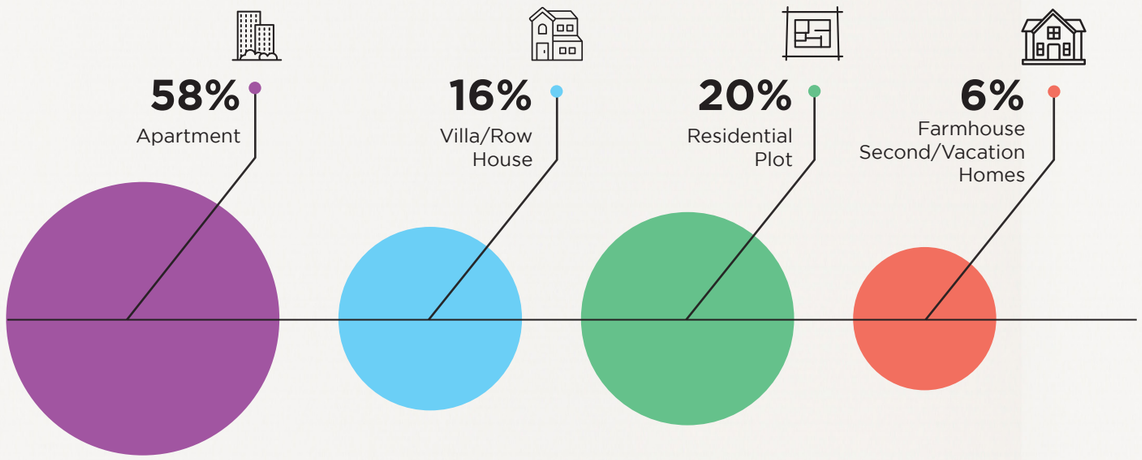


Further, city-wise analysis indicates that demand for 3BHK apartments is particularly high in cities like Chennai, Hyderabad, Delhi-NCR and Bengaluru, with more than 50% respondents preferring it over other BHK configurations. Conversely, more than 40% participants in Kolkata, Mumbai Metropolitan Region (MMR) and Pune expressed a predilection for 2 BHK apartments as their primary choice. Furthermore, 1 BHK units continue to be increasingly sought after in the western markets of MMR and Pune, where a significant percentage of respondents prefer this configuration. This data underscores the heterogeneous preferences for residential unit sizes across various urban locales.



Property Type Preference

What is your preferred property type?



Apartments continue to dominate buyer preferences in terms of property-type. At least 58% buyers prefer to buy an apartment. However, there is a growing preference (20%) for residential plots as well. Interestingly, 6% property seekers currently prefer to buy a farmhouse or a second or vacation home.

City-wise data indicates that residential plots have gained significant preference in the southern cities - 30% buyers in Chennai prefer it, 29% in Bengaluru and 27% in Hyderabad. Several large and branded developers have extensively launched residential plot projects in these south cities over the last few years and buyers have come forward to close the deals. Similarly, villas and row houses are also extensively preferred in these southern cities.

Contrastingly, more than 70% survey participants in MMR, NCR and Pune prefer to buy apartments.



TOP 3 Homebuyer Demands

What are the top three demands that must be implemented in the upcoming housing projects besides price changes and basic amenities!

Homebuyers' demands have risen considerably in the last few years amid growing awareness and yearning for quality products, even if there is a premium charged on it. Many prefer to make risk-free investments in the current environment. Therefore, one of the major demands by the homebuyers (98%) is timely project completion assurance. Now developers cannot bargain for more time and must deliver their projects on time as any delay can result in either consumers dragging them to court or drifting away to their competitors.

Construction quality is another top demand by over 93% home seekers. One major reason for large and leading developers doing robust sales now is because they give a sense of confidence and assurance to the buyers for timely project delivery and good quality products. Likewise, at least 72% property seekers want to have well-ventilated homes

Timely project completion assurance

98%

Construction Quality Improvement/Assurance

93%

Well Ventilated homes

72%



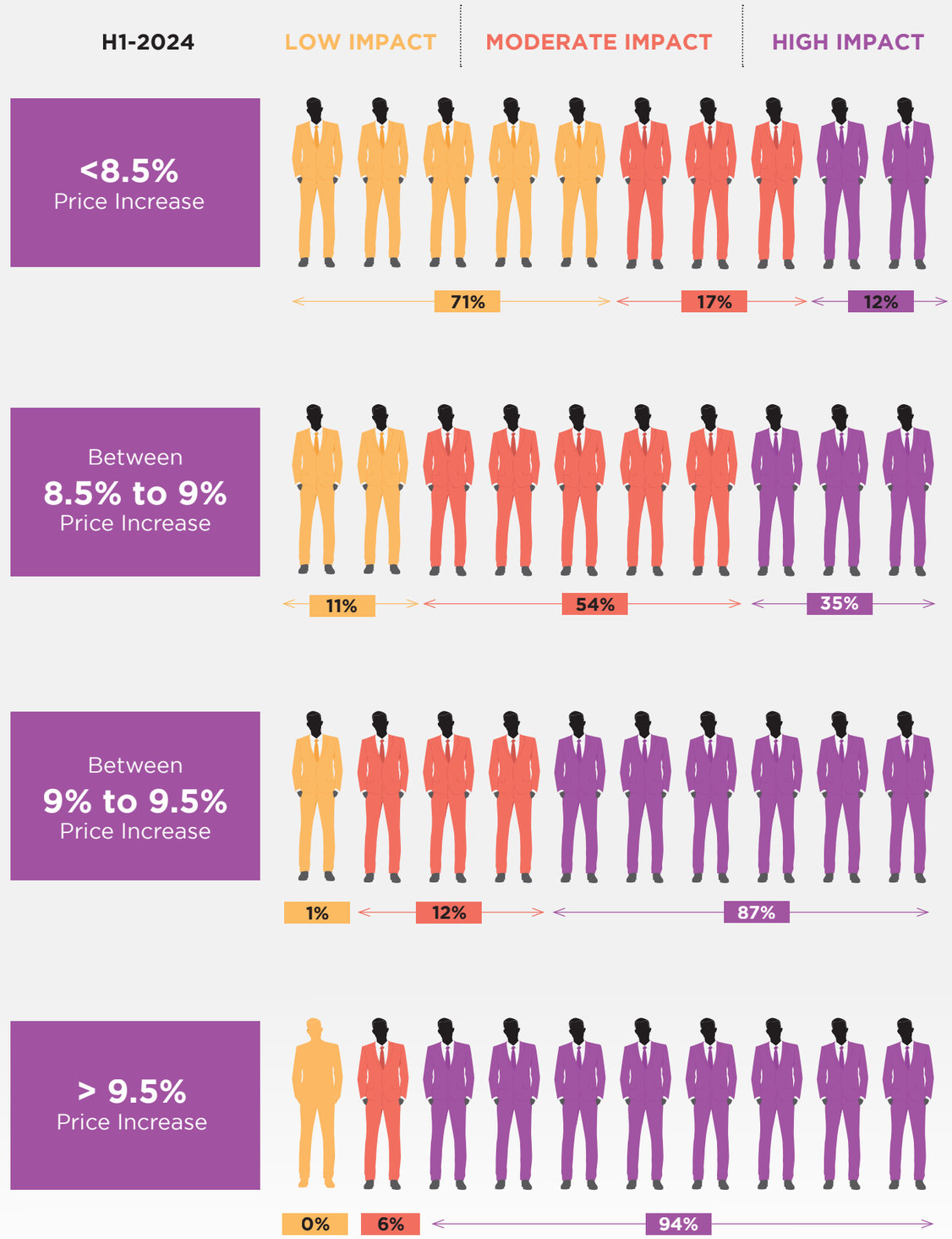
Impact of home Loan Rates!

If home loan interest rate increases in the below % range, how deeper will it impact your home buying decision?

Low home loan rates have been a key factor driving housing sales across various cities in the last few years. Even when rates began to rise between 2022 and early 2024, demand remained strong, primarily because current rates are still lower than those seen during the 2008 global financial crisis, when they exceeded 12%. A positive sign is that the RBI has kept the repo rate unchanged for the ninth consecutive time, which helps maintain home loan rates in single digits. This stability is likely to boost consumer confidence.

Moreover, with housing prices rising significantly in the top 7 cities over the past year, the stable home loan rates provide some relief to buyers. Looking ahead, we can expect housing sales momentum to persist, supported by stable repo rates, consistent home loan rates, and a favourable economic outlook for India.

In a recent survey, over 71% of respondents indicated that their home-buying decisions would remain unaffected if rates stay below 8.5%. However, if rates exceed 9%, then it will have a significant impact for over 87% respondents. For rates between 8.5% and 9%, about 54% expect a moderate influence on their choice.



MORE ABOUT YOUR CITY RESIDENTIAL MARKET

MORE ABOUT YOUR CITY RESIDENTIAL MARKET



MMR

Zone	Average Budget Range for 2BHK	Average Rate/Sqft	H1-2024 Sales
Mumbai Central Suburbs	1.6 Cr – 2.5 Cr	**25,500**	**84,500 Homes sold** Up by 16% Compared to last year same period
Mumbai Western Suburbs	1.8 Cr - 2.6 Cr	**28,000**	
South Central Mumbai	3.3 Cr – 4.5 Cr	**44,500**	
Peripheral Central Suburbs	45 lakh - 65 lakh	**6,800**	
Peripheral Western Suburbs	42 lakh - 60 lakh	**7,200**	
Navi Mumbai	95 lakh – 1.40 Cr	**10,100**	
Thane	95 lakh - 1.40 Cr	**12,500**	

Source: ANAROCK Research



NCR

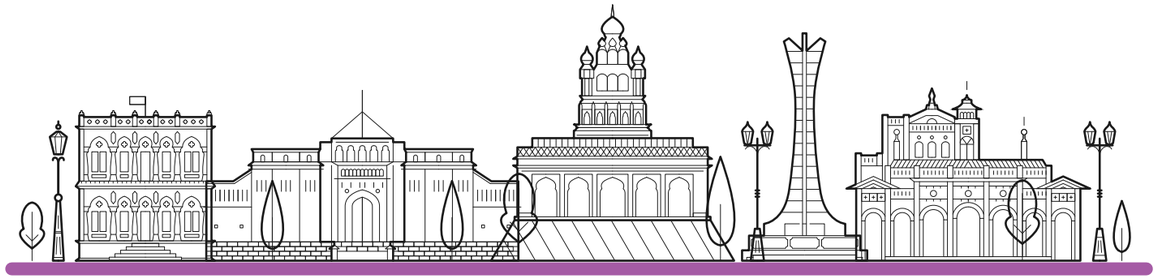
Zone	Average Budget Range for 2BHK	Average Rate/Sqft	H1-2024 Sales
Gurgaon	95 lakh – 1.4 Cr	**9,000**	**32,200 Homes sold** Down by 4% Compared to last year same period
Noida	85 lakh - 1.20 Cr	**7,600**	
Greater Noida	40 lakh - 60 lakh	**5,300**	
Ghaziabad	45 lakh - 65 lakh	**4,500**	
Faridabad	42 lakh - 55 lakh	**4,200**	



BENGALURU

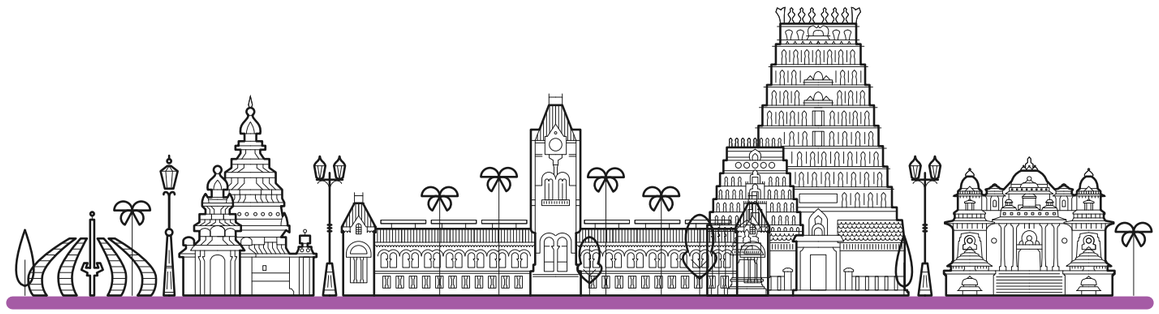
Zone	Average Budget Range for 2BHK	Average Rate/Sqft	H1-2024 Sales
Central Bengaluru	1.5 Cr - 2 Cr	**15,200**	**34,100 Homes sold** Up by 11% Compared to last year same period
East Bengaluru	65 lakh - 1 Cr	**7,600**	
North Bengaluru	60 lakh - 95 lakh	**7,700**	
South Bengaluru	55 lakh - 65 lakh	**6,500**	
West Bengaluru	55 lakh - 70 lakh	**7,100**	

Source: ANAROCK Research



PUNE

Zone	Average Budget Range for 2BHK	Average Rate/Sqft	H1-2024 Sales
Central Pune	1.3 Cr - 1.8 Cr	**18,400**	**44,100 Homes sold** Up by 9% Compared to last year same period
East Pune	58 lakh - 75 lakh	**7,200**	
North Pune	55 lakh - 70 lakh	**6,460**	
South Pune	60 lakh - 75 lakh	**7,250**	
West Pune	60 lakh - 75 lakh	**8,560**	



CHENNAI

Zone	Average Budget Range for 2BHK	Average Rate/Sqft	H1-2024 Sales
Central Chennai	1.6 Cr - 2 Cr	**19,000**	**10,500 Homes sold** Down by 9% Compared to last year same period
North Chennai	50 lakh - 65 lakh	**6,100**	
South Chennai	55 lakh - 80 lakh	**6,340**	
West Chennai	60 lakh - 75 lakh	**7,120**	



KOLKATA

Zone	Average Budget Range for 2BHK	Average Rate/Sqft	H1-2024 Sales
Kolkata Central	90 lakh – 1.10 lakh	**15,400**	**10,300 Homes sold** Down by 17% Compared to last year same period
Kolkata East	40 lakh - 50 lakh	**5,350**	
Kolkata North	35 lakh - 45 lakh	**4,600**	
Kolkata South	40 lakh - 55 lakh	**5,250**	
Kolkata West	35 lakh - 45 lakh	**4,365**	



HYDERABAD

Zone	Average Budget Range for 2BHK	Average Rate/Sqft	H1-2024 Sales
Central Hyderabad	1 Cr – 1.5 Cr	**9,450**	**34,700 Homes sold** Up by 25% Compared to last year same period
East Hyderabad	55 lakh - 70 lakh	**5,850**	
North Hyderabad	55 lakh - 65 lakh	**5,945**	
South Hyderabad	45 lakh - 55 lakh	**5,720**	
West Hyderabad	65 lakh - 90 lakh	**7,765**	

Source: ANAROCK Research

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KEY EMERGING TRENDS

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READY HOMES' DEMAND LOWEST; RATIO OF READY HOMES TO NEW LAUNCHES AT 20:25

Demand for ready homes has seen a considerable decline in recent survey and is the lowest ever. Presently (H1 2024), the ratio of ready homes to new launches is at 20:25 as against 46:12 back in H1 2020. This indicates a complete trend reversal in the post pandemic period. As trends suggest, the preference for ready homes has been on a yearly decline ever since the pandemic. Back in H1 2021 the ratio was 32:21, in H1 2022 it stood at 30:25 and in H1 2023 it was 26:27.

One main reason for this shift is the increased new supply by the large and listed developers. These established developers have garnered higher confidence among prospective homebuyers due to their reputation for timely project delivery. In the past, new launches were mostly dominated by smaller players, leading to numerous delays in project completion, which eroded buyer confidence. Consequently, buyers favoured ready homes.

57% RESIDENTIAL INVESTORS PREFER STEADY RENTAL INCOME AMID RENTAL RATES SURGE IN CITIES

As per H1 2024 survey, at least 57% investors prefer to buy a property today for earning a steady rental income. Growing migrant population in tier 1 cities, driven by better job opportunities and rapid urbanization, is creating significant residential demand in the top 7 cities, leading to increased need for rental housing. For investors, earning a steady rental income presents an appealing opportunity. The fact that rental values across prominent micro markets in top cities have surged up to 70% in the last two years is a major reason driving this demand.

28% PREFER HOMES PRICED B/W INR 90 LAKH-1.5 CR. VS 18% IN PRE-COVID PERIOD

While INR 45 lakh to INR 90 lakh properties continue to be the most favoured for 35% prospective homebuyers, there is a discernible shift towards premium and luxury properties. Currently, over 28% survey respondents prefer homes priced between INR 90 lakh and INR 1.5 crore. In the past three years, there has been a marked transition in housing demand, evidenced by an 18% decline in the proportion of buyers targeting affordable homes. Back in H2 2020, over 40% participants preferred affordable homes priced <INR 45 lakh. However, in H1 2024, this has come down to just 18% preferring it. The pandemic has been a major factor for the declining demand in this segment as its target audience was severely impacted by it. Many of these affordable buyers are currently in a wait-and-watch phase, which has consequently prompted developers to curtail new supply in this budget category.

53% HOMEBUYERS DISSATISFIED WITH CURRENT AVAILABLE OPTIONS IN AFFORDABLE HOMES

The top 3 reasons why prospective affordable home buyers (53%) are not satisfied with the available options include project location accessibility, low construction quality with poor design and small unit sizes of these homes. Of these dissatisfied affordable home seekers, whopping 92% respondents are not happy with project location. At least 84% state that these projects are of low construction quality and poor design. For 68% respondents, the unit sizes are very small.

BIGGER HOMES DOMINATE BUYER DEMAND; 51% RESPONDENTS PREFER 3BHKS

At least 50% of property At least 51% property seekers now prefer 3BHK units, while 39% prefer to buy a 2BHK apartment. Compared to the survey conducted two years ago (H1 2022), interest in 3BHKs has increased significantly - from approx. 41% in H1 2022 to nearly 51% in H1 2024. Interestingly, the increasing prices are no deterrent for this continued consumer preference.

ANAROCK data also indicates that average flat sizes in the top 7 cities have grown by 32% in the last five years – from 1,145 sq. ft. in 2019 to 1,513 sq. ft. in H1 2024. Back in 2023, the average flat size across the top 7 cities stood at 1,420 sq. ft., indicating a 7% jump in the six months of 2024 alone.

RESIDENTIAL PLOTS GARNER HIGH INTEREST IN SOUTHERN CITIES

Apartments continue to dominate buyer preferences (for 58%) in terms of property-type. However, there is a growing preference (20%) for residential plots as well. City-wise data indicates that residential plots have gained significant preference in the southern cities - 30% buyers in Chennai prefer it, 29% in Bengaluru and 27% in Hyderabad. Several large and branded developers have extensively launched residential plot projects in these south cities over the last few years and buyers have come forward to close the deals. Similarly, villas and row houses are also extensively preferred in these southern cities.

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