

HYDERABAD AND Kolkata see biggest jump in bookings, reveals a JLL study

‘Home Sales in Top Cities See 40% Growth on Reforms, New Projects’

On a High

Cities	Sales Growth Rates (%)
Hyderabad	277
Kolkata	230
Chennai	77
NCR	53
Pune	19
Bangalore	12



IN TERMS of launches, Kolkata led the way with 325% on-year growth

THE LIQUIDITY crisis sparked by NBFCs and real estate developers' defaults have slowed down funding to sector

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Bengaluru: Housing realty across top cities in India is seeing green shoots of recovery with both sales and new launches rising despite liquidity issues and low buyer sentiment. According to JLL data for the nine-month period ended September 30, sales in residential segment have risen 40% year-on-year.

Business environment for real estate has seen rapid changes with a series of reforms in the form of demonetisation, implementation of Real Estate (Regulation & Development) Act, 2016, the Goods & Services Tax (GST), Benami Properties (Prevention) Act and the Insolvency & Bankruptcy Code.

“While the implementation of GST and RERA led to some initial challenges for developers, most of the issues have been addressed and the industry as a whole is aligned. Going by the data for sales and new launches in the January to September period, home buyers are no longer delaying or postponing decisions on purchase,” said Ramesh Nair, country head, JLL India.

Hyderabad and Kolkata were the standout performers with growth rates of 277% and 230%, respectively.

The relatively small residential markets in the two cities also provided a low base effect for the jump in bookings. These were followed by Chennai (77%), NCR (53%), Pune (19%), and Bangalore (12%), the report said.

“There is definitely an increase in confidence in the market amidst positive signs of recovery. This, coupled with stable pricing, augurs well for the industry and demonstrates the return of buyers' confidence in the mar-

ket, which has in turn prompted developers to launch new project,” Nair said.

In terms of launches, Kolkata led the way with an astounding 325% on-year growth, followed by Chennai (289%) and NCR (152%) rounding off the top three. While Bengaluru and Hyderabad recorded growth rates of 101% and 82%, respectively, launches in Pune had registered a 3% growth.



A series of reforms in the form of note ban, Real Estate Act, 2016, GST, Benami Properties Act and IBC seen as triggers

“The southern market has been performing as compared to other bigger markets. Going ahead, we will see some consolidation due to policy reforms,” said Rakesh Reddy, director, marketing, Aparna Constructions and Estates.

The liquidity crisis sparked by non-banking finance companies (NBFC) as well as real estate developers' defaults have clearly been the reason for the slow-down in funding to the sector.

“We have around 14% exposure to NBFC money and do not see any impact. In fact, this year has been so far the best for the company in terms of sales and we have a strong pipeline of launches for the coming quarters,” said J C Sharma, managing director, Sobha Developers.

Debt refinancing has become a preferred route for builders over the last few years to the lower cost of borrowing for builders in the wake of the downward interest rate cycle.