

C O N S U M E R O U T L O O K

ON

INDIAN REAL ESTATE MARKET

POST COVID-19 GROWTH ANALYSIS

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FOREWORD



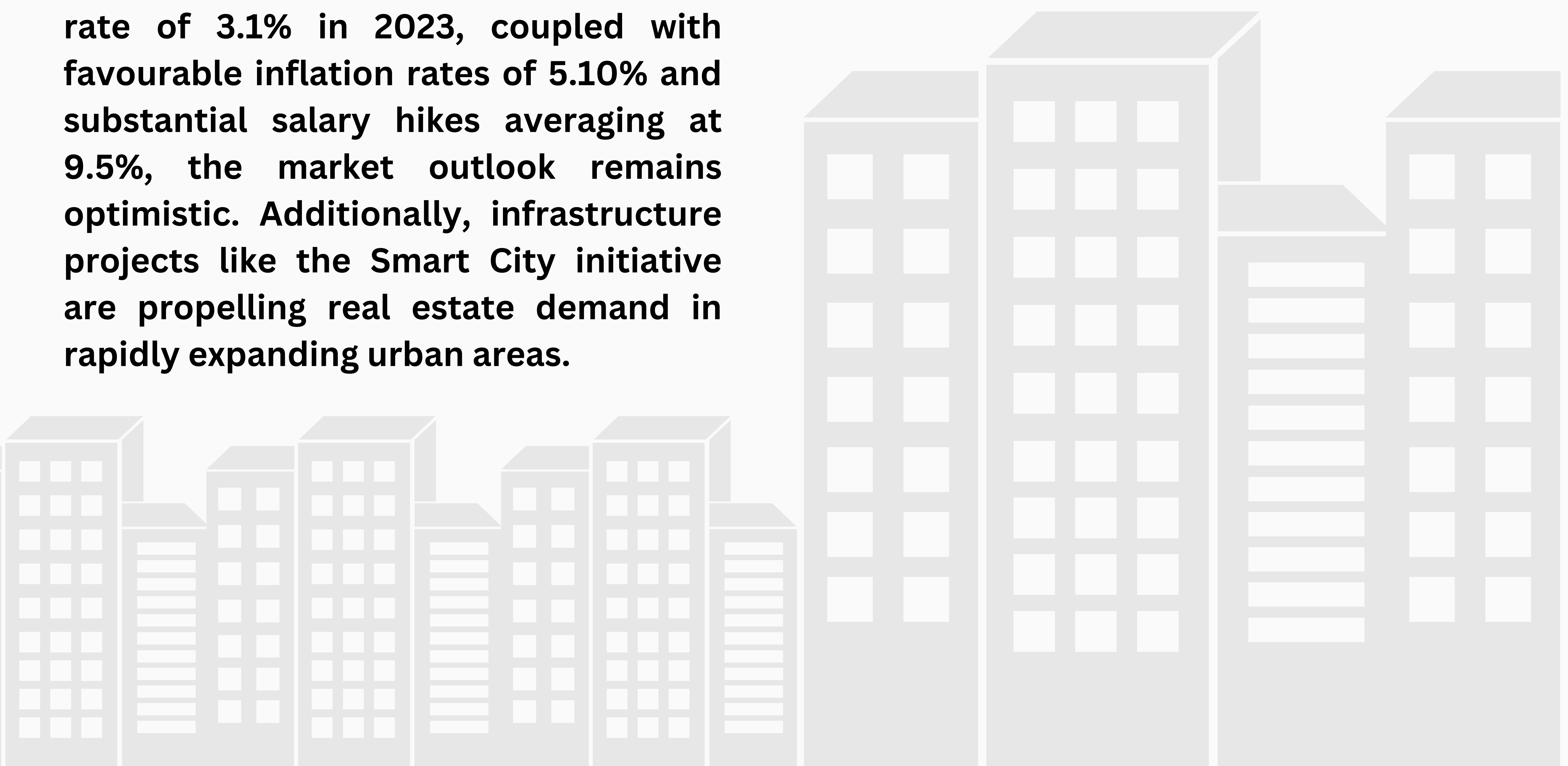
The Indian real estate market has witnessed significant changes, especially after the COVID-19 pandemic. With a notable surge in property prices, our research aims to explore this evolving landscape by understanding the sentiments of homebuyers amidst these transformations.

Despite global economic uncertainties, the Indian real estate sector remains resilient. In 2023, it reached an all time high with over 2.82 lakhs units sold. Forecasts suggest that sales will sustain momentum, with expected year on year (YOY) growth of 10-15%, projecting to exceed 3,00,000 units, ranging between 3,10,000 to 3,25,000 units.

This resilience can be attributed to various factors, including government initiatives and stable economic indicators. With a low unemployment rate of 3.1% in 2023, coupled with favourable inflation rates of 5.10% and substantial salary hikes averaging at 9.5%, the market outlook remains optimistic. Additionally, infrastructure projects like the Smart City initiative are propelling real estate demand in rapidly expanding urban areas.

Post COVID-19, there has been a notable shift in buyers' preferences and budget allocations. A growing inclination towards larger homes and dedicated office spaces has emerged, reflecting the changing dynamics of work from home culture. Moreover, there is a renewed emphasis on homeownership as a tangible asset in investment portfolios.

Through our research, we aim to provide invaluable insights into these evolving trends, equipping stakeholders with the knowledge to navigate this dynamic landscape with confidence.



Welcome,

At the heart of our mission lies a steadfast commitment to ensuring customer satisfaction through transparency and informed decision-making. This dedication has been the driving force behind our comprehensive research efforts outlined in this report.

In the ever-evolving real estate landscape, especially post COVID-19, we've witnessed significant transformations, presenting both challenges and opportunities for stakeholders. Our research endeavours to illuminate these changes by delving deep into the sentiments of property buyers, understanding their evolving preferences, and addressing their concerns.

We firmly believe in the transformative power of knowledge. By equipping property buyers, investors, marketers, and developers with valuable insights, we empower them to navigate market trends, identify investment opportunities, and strategize effectively. This research serves as a guiding beacon for all stakeholders involved.

I am confident that the insights presented in this report will enrich your understanding of the Indian real estate market and provide actionable strategies for success. Thank you for placing your trust in us, and we remain committed to serving you with excellence.



Warm regards,

Anil Katariya

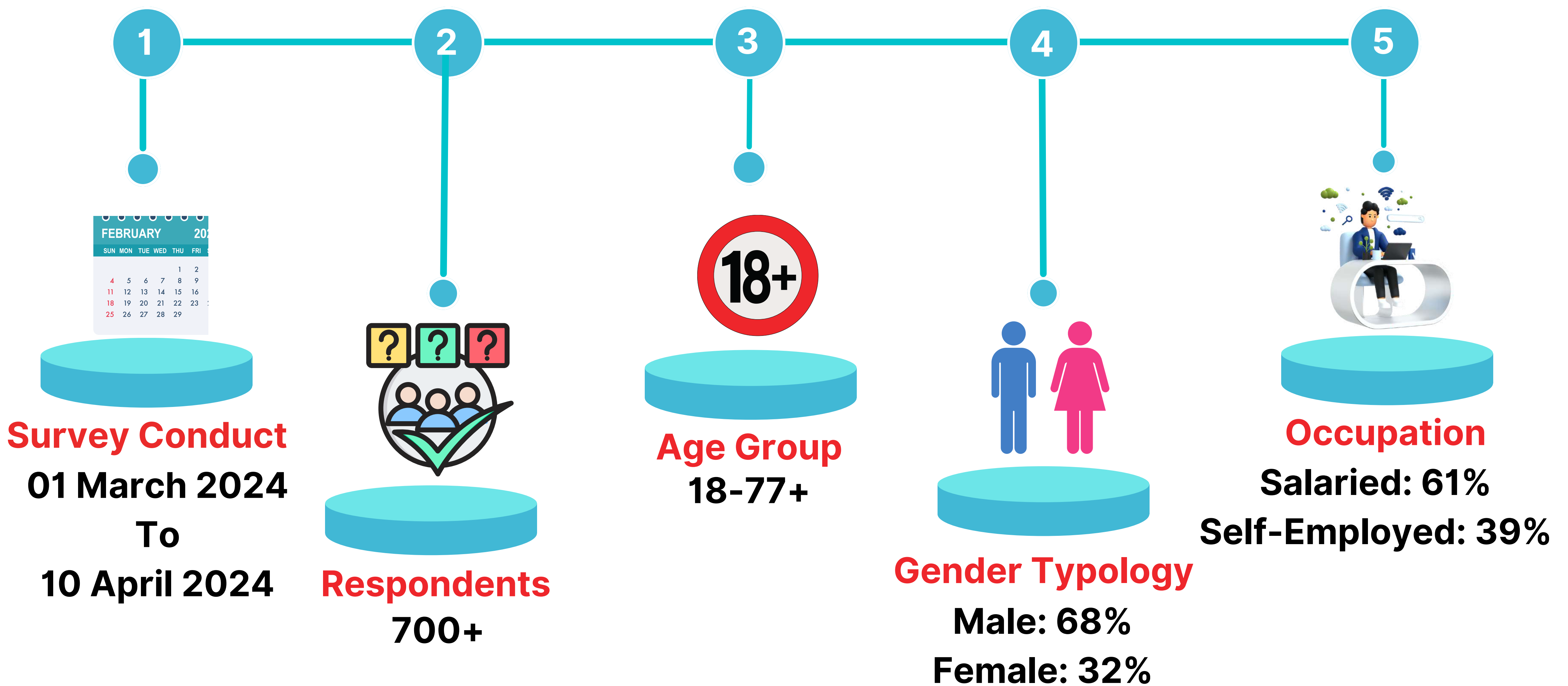
Founder, CEO

Shree Katariya & Associates

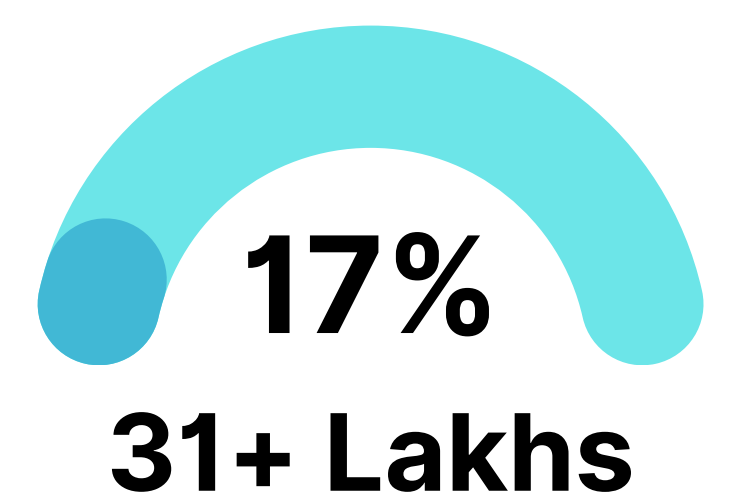
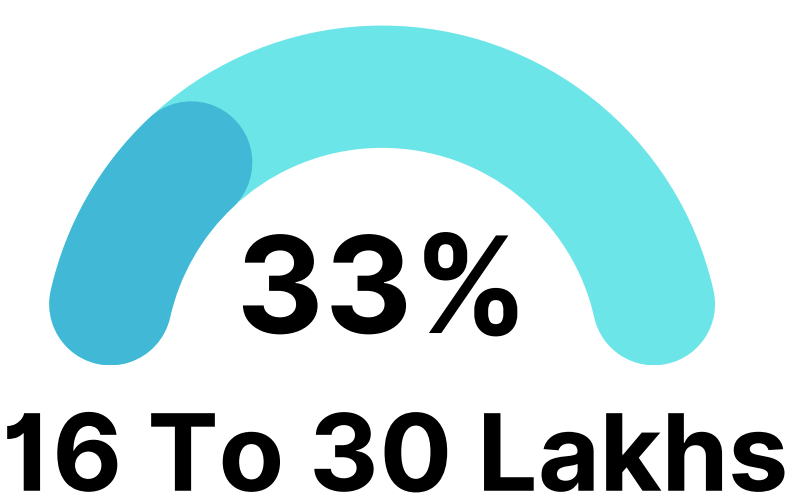
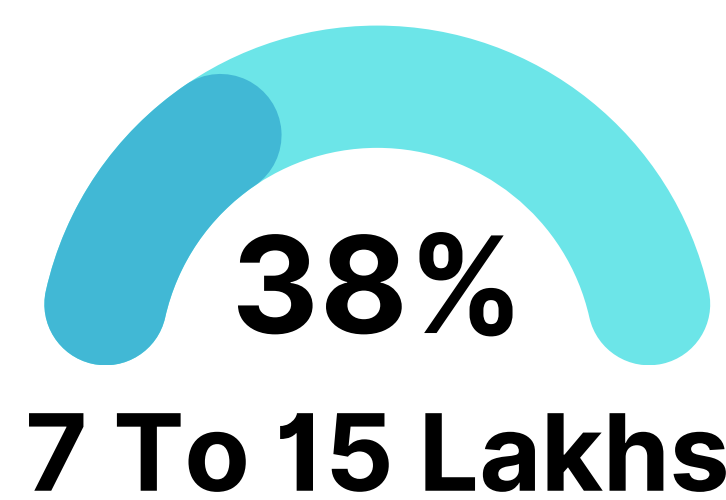
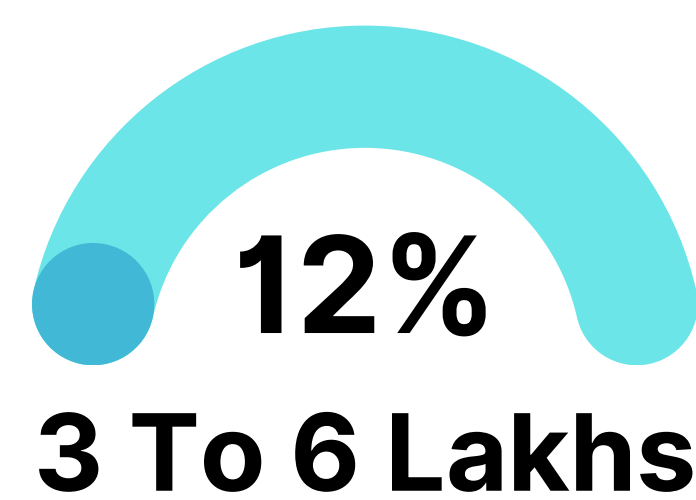
Survey Methodology

Explore India's real estate market dynamics post COVID-19 with our 'Shree Katariya & Associates' Consumer Sentiment Survey, designed to uncover homebuyers' preferences. In the wake of the post COVID-19 property boom, our aim is to offer a comprehensive understanding of the market solely from the buyer's perspective.

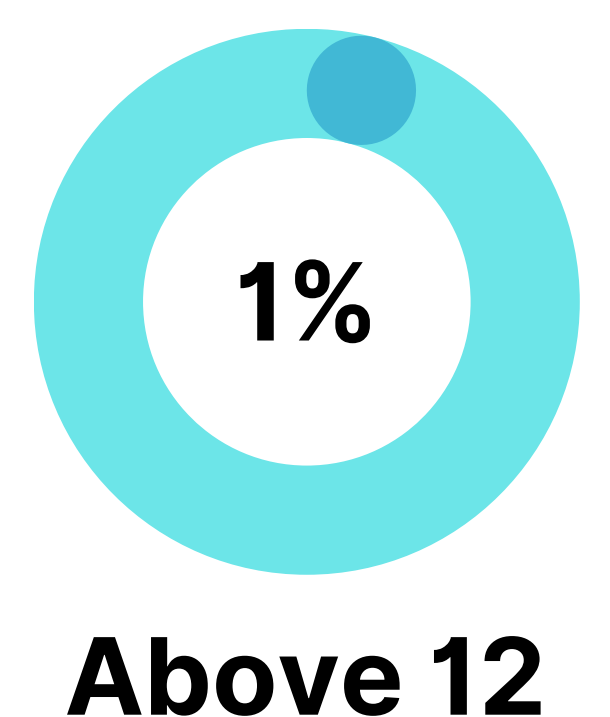
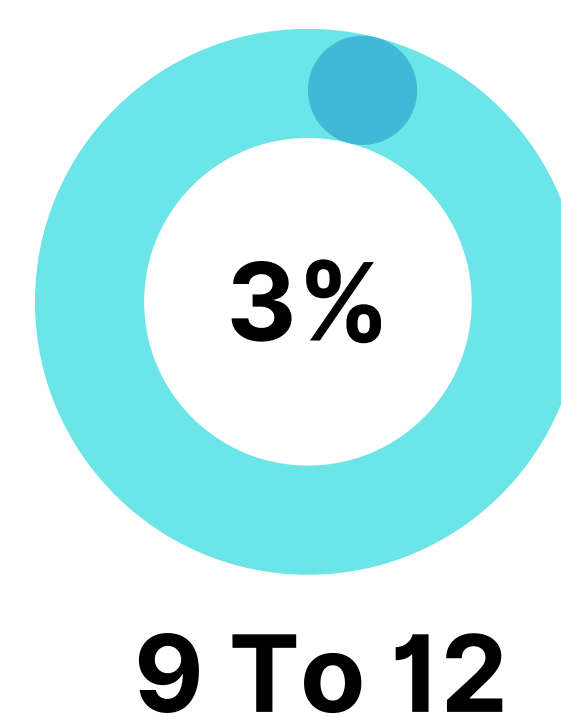
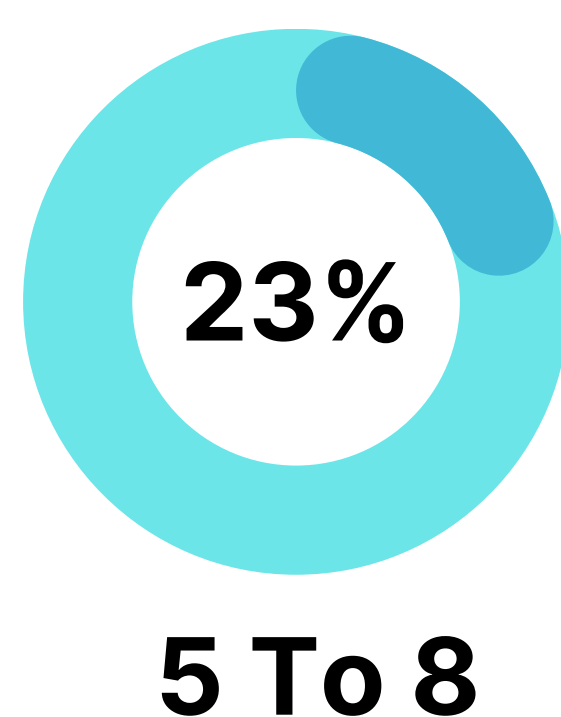
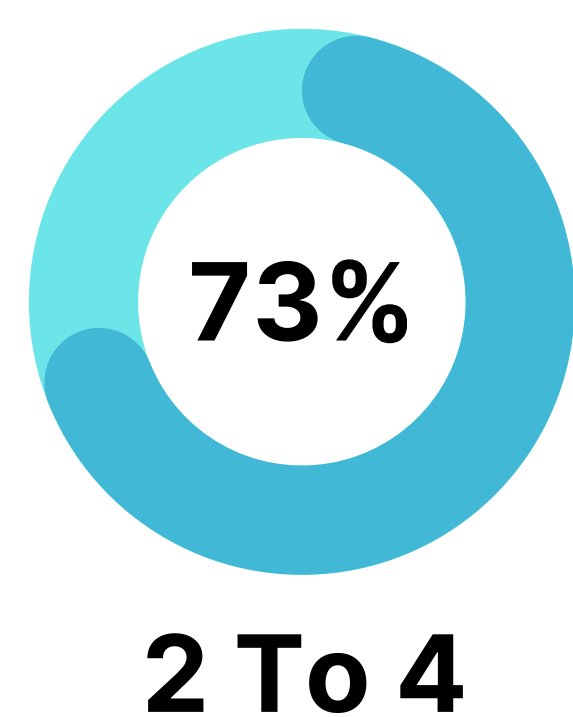
SKAA Research conducted a survey from 1st March 2024 to 10th April 2024, gathering responses from diverse demographics via digital and paper based platforms. Our aim is to provide stakeholders with insightful perspectives on the Indian property market, meticulously analyzed and contextualized against current economic conditions.



Family's Annual Income



No. of Family Members



Which is the best asset class for investment in 2024?

In the prevailing circumstances, real estate emerges as the top investment choice, with 58% of respondents, mainly

Millennials and Generation X (aged 22-57) favoring it. Notably, 53% intend to purchase property for personal use.

58%
Real Estate



Post COVID-19, owning a home is deemed the best investment option, valued for its significance and potential for high ROI.

26%
Stock/Mutual Funds



After Pandemic stock market's rising appeal for higher returns, but Millennials and Gen X still favor real estate due to stock market volatility.

12%
Gold

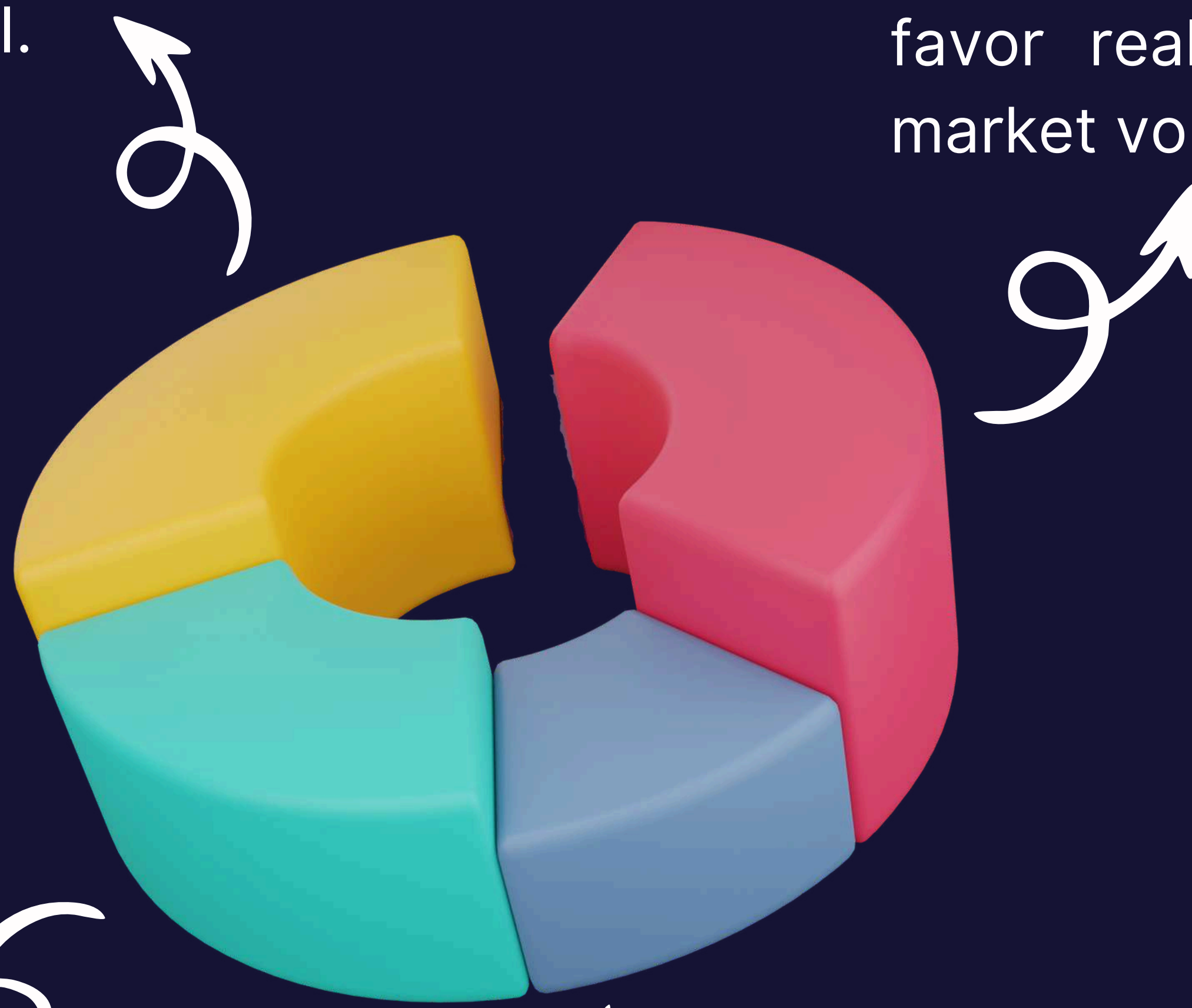


Gold prices recently touched the INR 73000/- mark, leading to a notable increase in interest in gold, ranking it as the third most favored choice.

4%
Fixed Deposit



Currently, only Baby Boomers aged 65+ are interested in Fixed Deposits (FDs) because they prefer safe and steady returns with minimal risk.



• **Millennials: 22-41 Years**



• **Baby Boomers: 58-76 Years**



• **Generation X: 42-57 Years**



• **Silent Generation: 77+ Years**

Is this the right time to buy property?

The majority of surveyed individuals, comprising over 71%, consider "Now" to be an ideal time to purchase property.

Conversely, approximately 14% express uncertainty, opting for a "Maybe" response.



1



Yes Now

The majority of respondents, at 71% perceive the current period as an ideal opportunity for property purchases, attributing it to the significance of homeownership during COVID-19 and the promise of better (ROI) return on investment.



2



May Be

A significant number of participants, around 14%, are uncertain about when to buy a property, mainly due to the substantial increase in property prices after the COVID-19 pandemic.



3



No

Merely 2% of respondents hesitate to buy property due to substantially increased property prices after COVID-19, insufficient funds, and personal circumstances. These factors have significantly undermined their confidence.



4



Already Booked

Among the respondents, 13% have already acquired their dream properties, whether to elevate their lifestyle or to pursue a higher return on investment (ROI).



31% of 🤔 **May Be** respondents are prepared to purchase property if they get an appropriate offer.

Do you think property prices will continue to rise further?

India's residential market witnessed remarkable growth in 2023, with over 2.82 lakhs units sold, representing around 124% of total 2022 sales, reflecting strong consumer confidence despite global challenges. Our research indicates that history will repeat itself in 2024, with 87% of respondents expecting growth. Around 69% are sure property prices will keep rising at the same pace; while 18% believe they'll go up, but not as fast as post COVID-19.



Yes, definitely

A significant portion, approximately 69% of individuals, express confidence in the ongoing rise of property prices, indicating optimism in the market's future prospects.

Yes, but at a slower rate

Despite a majority expecting stable growth, 18% of respondents believe that property prices will increase further, albeit not as rapidly as the surge witnessed after COVID-19

03

No, they will remain stable

A notable 8% of people believe that property prices have already reached very high levels. They anticipate that prices will remain stable for some time before increasing once again.

02

01

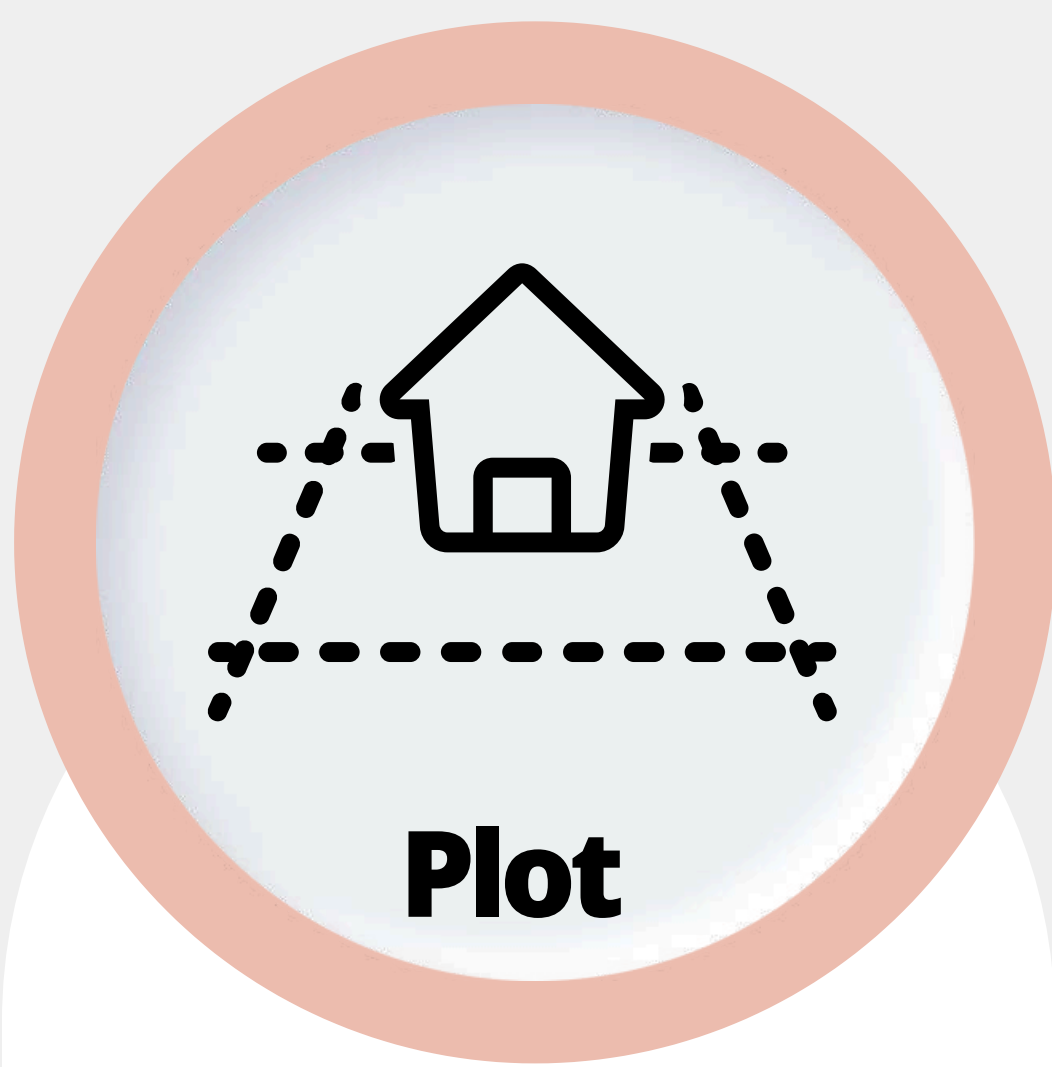
No, they will decrease

Only 5% of individuals perceive that property prices have reached their peak; they believe that prices will decrease in the near future.

What kind of property would you like to buy or invest in?

Out of all surveyed respondents, 41% preferred residential plots, 27% favoured row houses/villas, 24% leaned

towards flats/apartments, and 8% opted for commercial property.



Plot

41%

People prefer residential plots for either end-use or investment, as they offer higher returns and the flexibility for construction based on financial readiness.



Villa

27%

Buyers prefer villas for their privacy, spaciousness, luxury features, and exclusivity compared to other housing options



Flat

24%

Buyers prefer apartments for their cost-effectiveness, prime locations within budget, safety, and access to high-end amenities.



Commercial

8%

Buyers prefer commercial property for its potential for high returns on investment, stable income streams, and diversification of their real estate portfolio.

91% of plot buyers prefer budget ranges between 15 to 50 Lakhs

44% of villa buyers prefer budget ranges between 51 to 76+ Lakhs

63% of flat buyers prefer budget ranges between 26 to 50 Lakhs

87% of commercial buyers prefer budget ranges between 51 to 76+ Lakhs

What is your budget to buy property?

Affordable and mid-segment properties continue to dominate as the top choice for the majority of property seekers. This trend has only been reinforced by the

challenges posed by the pandemic. A staggering 78% of property seekers express a preference for properties within a budget of ₹50 lakhs.

15 to 25 Lakhs

Affordable Segment

30%

However, recent rapid hikes in property prices have dampened the demand for affordable housing in urban areas.

Nonetheless, demand remains robust in tier-2, tier-3 cities, and rural markets.

26 To 50 Lakhs

Mid Segment

48%

51 To 75 Lakhs

Premium Mid Segment

14%

The mid and premium mid housing segments emerge as the favored budget categories, garnering 62% of the vote. These segments epitomize aspirational living, resonating with young Indians aspiring for global standards and vibrant community experiences.

Interestingly, many buyers have expanded their budget for property purchases in response to the swift price hikes post COVID-19. With a keen awareness of recent price trends, they are eager to secure properties without waiting for further escalations.

76 Lakhs & Above

Luxury Segment

8%

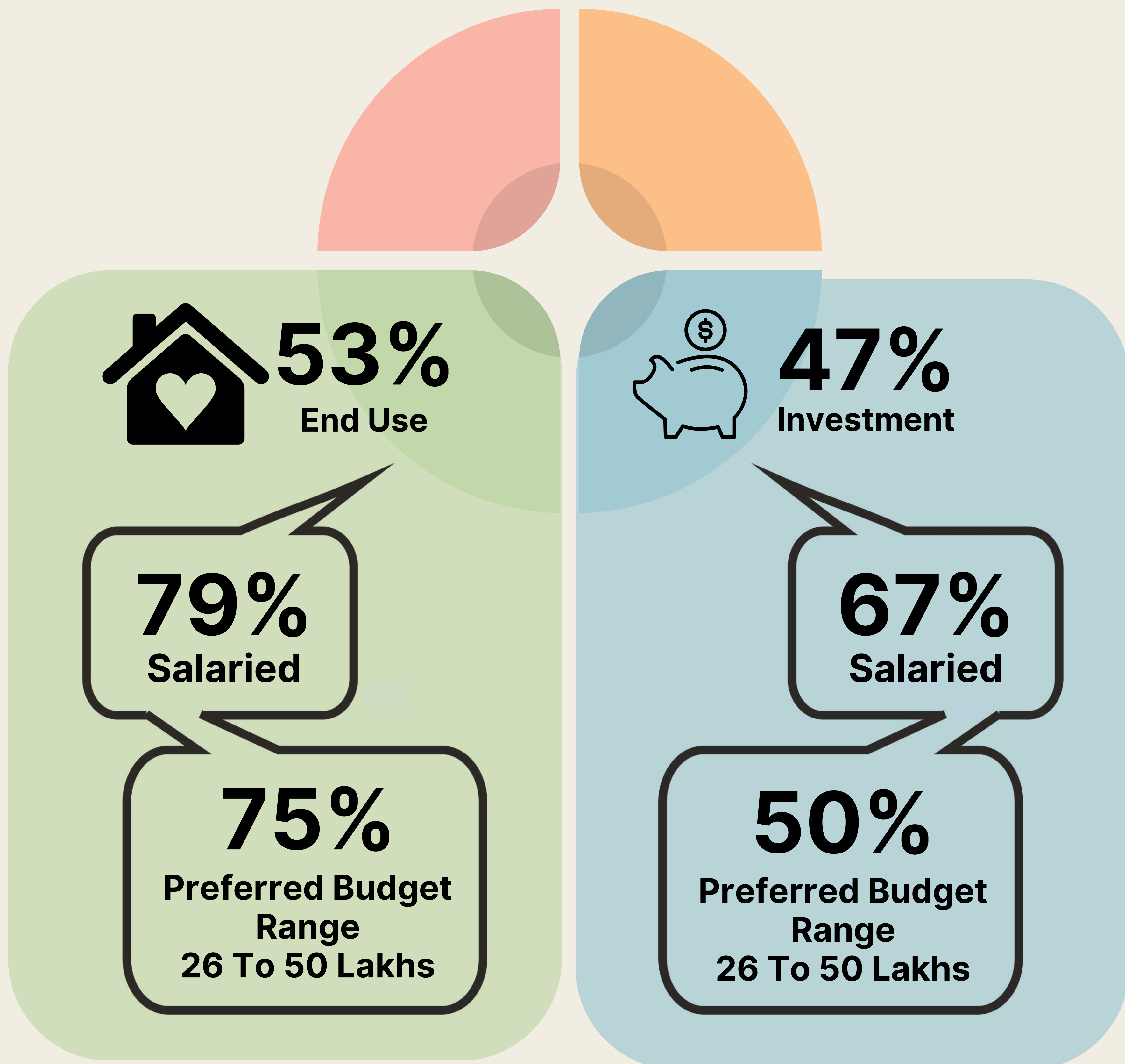
Meanwhile, India's luxury real estate sector is experiencing a surge, driven by affluent buyers in search of high-end properties. The demand for luxury homes boasting top-notch amenities is

fueled by urbanization and rising incomes. This trend is expected to persist as more affluent individuals seek to invest in upscale living environments.

Is the property you want to buy for end use or for investment?

End-users continue to dominate the Indian residential market, with 53% of participants purchasing a property for end-use. Notably, out of the total end

users, 79% of respondents belong to the salaried class, among whom 75% have a budget ranging from Rs 26 lakhs to Rs 50 lakhs for buying a property.



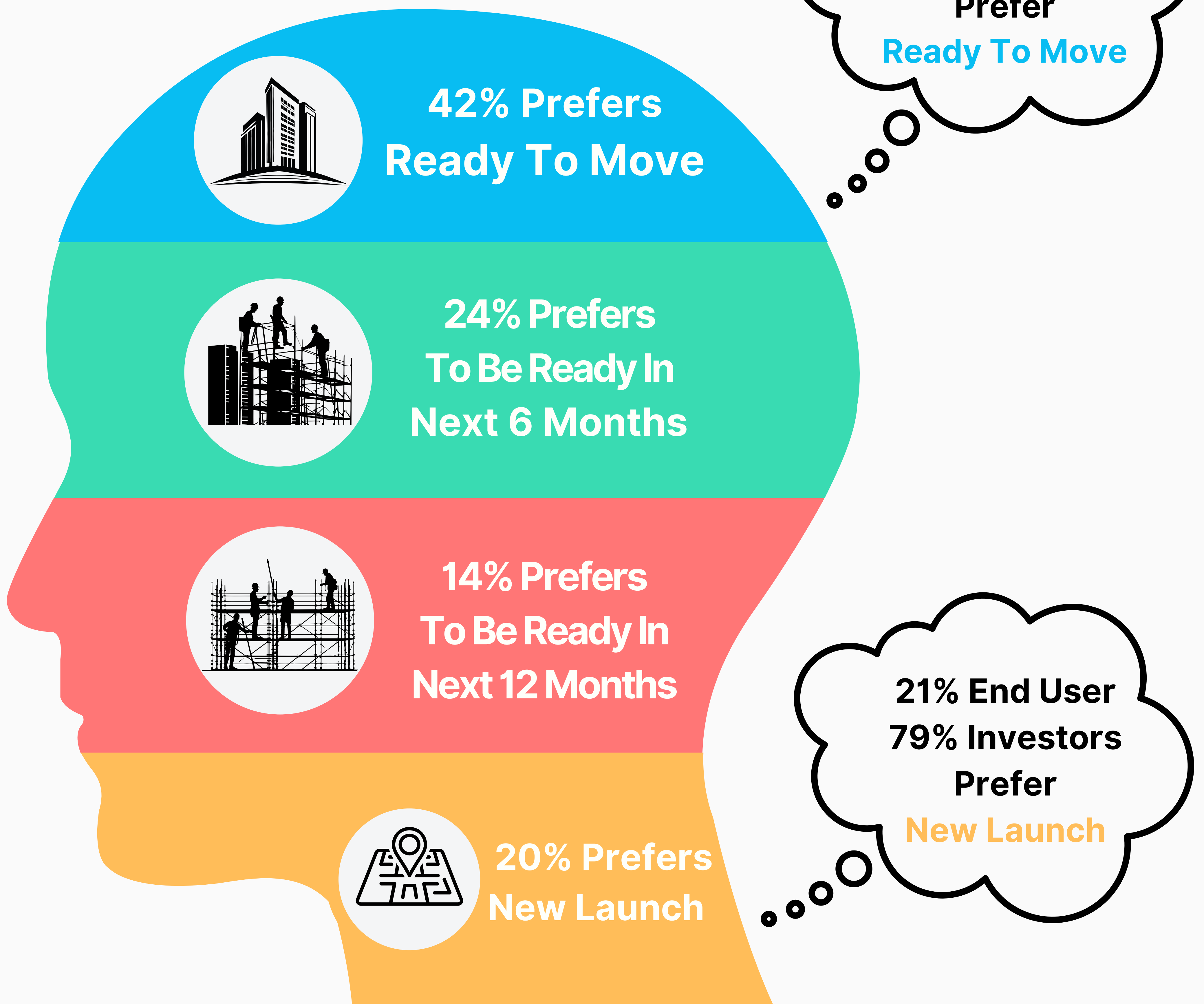
The good thing is that now 47% of people want to invest primarily in property. What surprised us the most during the entire research is that out of the total investor category, 67% are from the salaried class.

These are the people who buy property with the maximum loan available and keep it for a long time. They're different from traditional investors who usually buy properties for trading purposes only.

At what stage of property would you prefer?

Currently, over 42% prioritize ready to move in properties, seeking to avoid delays and enjoy immediate occupancy, with rental savings. Notably, this figure was 47% during COVID-19.

As the pandemic recedes, Millennials and Gen X are shifting from end users to investors. Their preference leans towards properties at earlier stages, with 20% favouring new launches and 14% eyeing properties expected to be ready within 12 months. This transition is fuelled by the potential for future price appreciation.



42% Prefers Ready To Move

64% End Users
36% Investors
Prefer
Ready To Move



24% Prefers To Be Ready In Next 6 Months



14% Prefers To Be Ready In Next 12 Months

21% End User
79% Investors
Prefer
New Launch



20% Prefers New Launch

Key reason why buyers put their decision on hold?

Buyers often encounter challenges such as insufficient funds and limited knowledge of financing when purchasing a property. However, if they receive extra financial help from banks and NBFCs, magic can happen!

Banks and NBFCs are more inclined to offer additional funding to buyers with a strong repayment capacity or favorable profiles. By doing this, sales can be easily increased by 18 to 24% among the by 18 to 24% among the respondents who were facing a lack of funds and limited understanding of financing options.

28%

LACK OF FUNDS



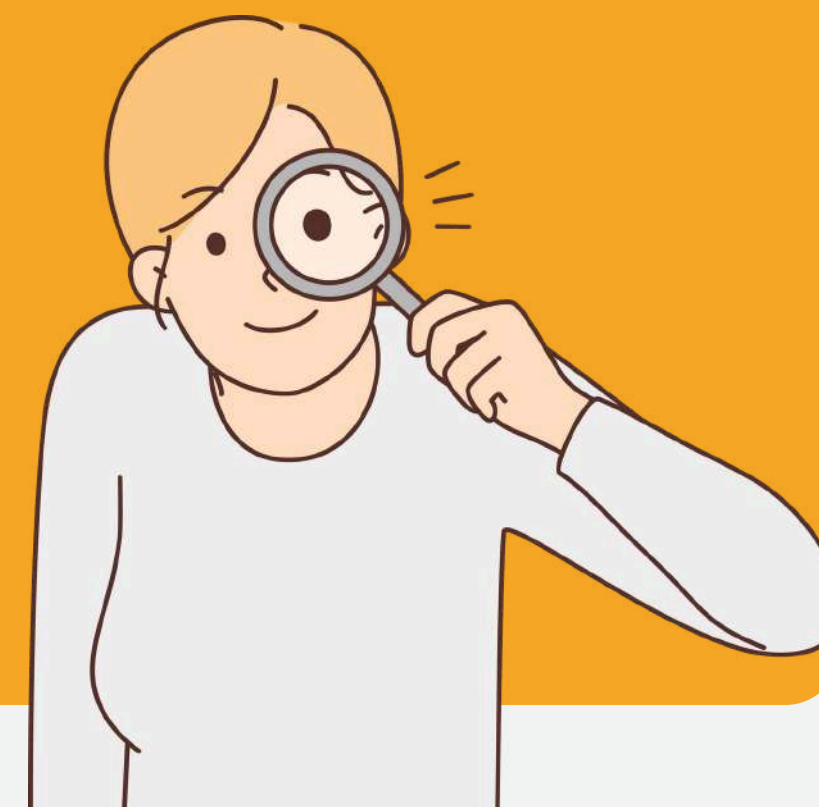
18%

LIMITED UNDERSTANDING OF FINANCING OPTIONS



39%

EXPLORING OTHER PROPERTY OPTIONS



15%

PERSONAL CIRCUMSTANCES



Out of the total respondents who put their decision on hold due to various reasons, 37% are ready to buy property if the deal is good.

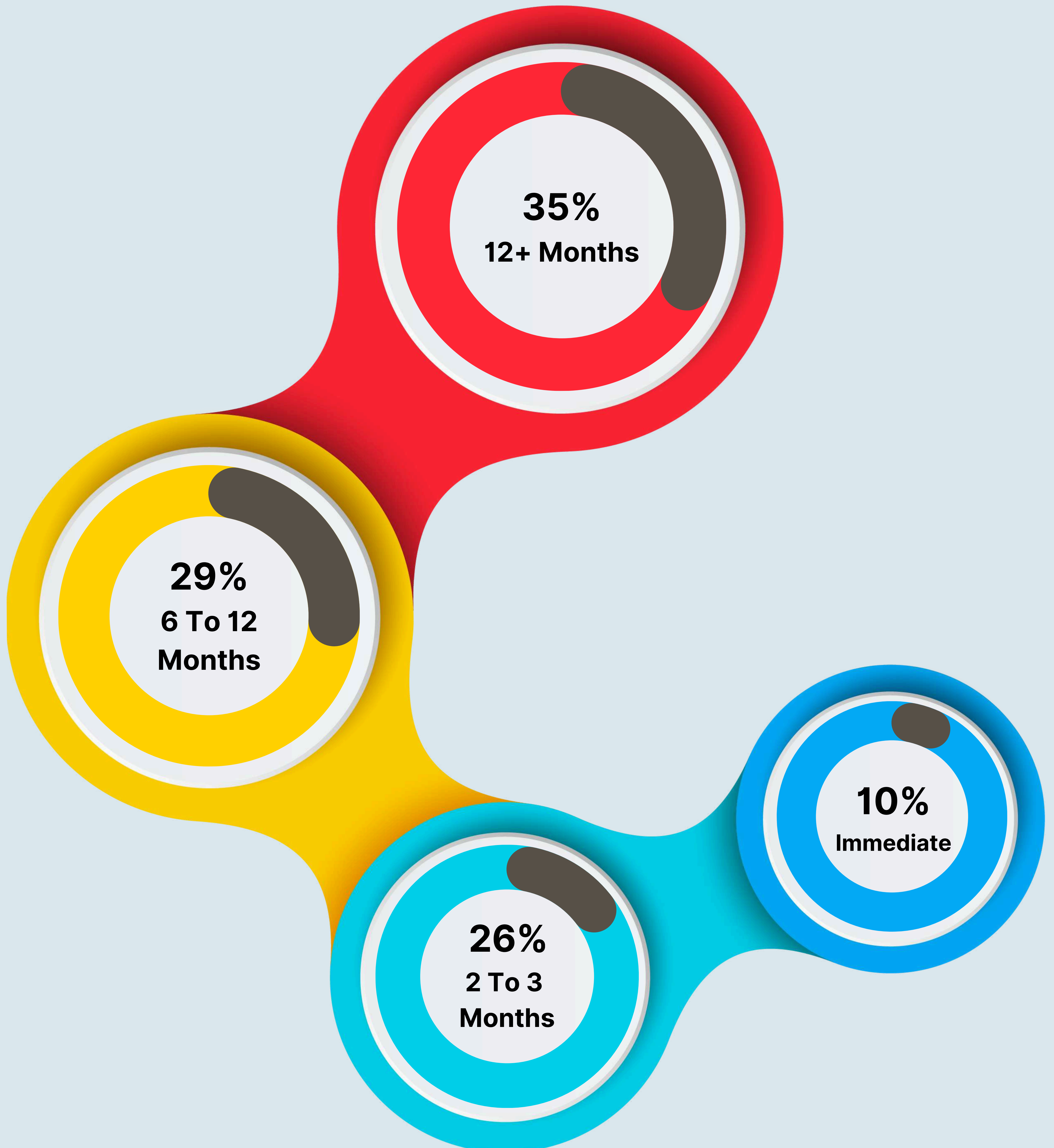


Among the total respondents from exploring other property options & personal circumstances, 21% have confirmed they will buy property in 2 to 3 months.

When will you buy property?

Our research shows that the Indian real estate market is doing well, with 71% considering it an ideal time to buy property and 87% believing the market will keep growing. Interestingly, 58% among total respondents see real estate as a preferred investment option.

Moreover, immediate buying intent is high, with 10% aiming for an immediate purchase and an additional 26% actively searching. These insights provide valuable guidance for stakeholders navigating the dynamic real estate landscape.



Research Summary

Our market research offers valuable insights that benefit all stakeholders and buyers in the real estate sector, empowering informed decision making and enhancing the potential for success.

1 Best Asset Class?

Real estate emerges as the top investment choice for 58% of respondents, surpassing all alternative investment avenues.



2 Ideal Time?

Over 71% consider now is an ideal time to purchase property, citing COVID-19 and promising ROI.



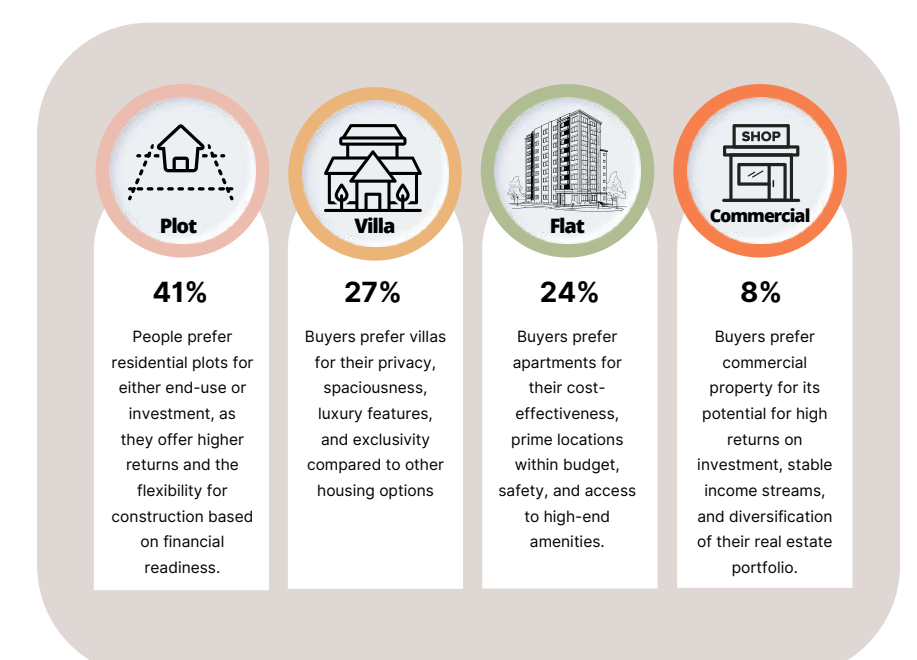
3 Growth Expectations?

87% of respondents anticipate further growth in property prices, with 69% expecting a steady increase.



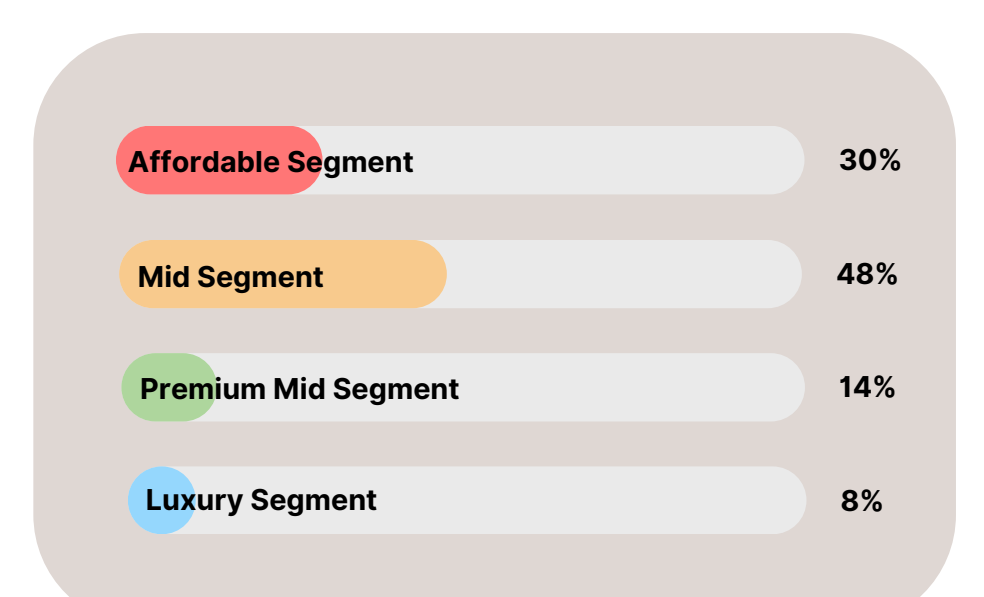
4 Property Preferences?

Residential plots are preferred by 41% of respondents, followed by row houses/villas at 27% and flats/apartments at 24% among total respondents.



5 Preference Breakdown?

Affordable and mid-range properties are favored by 78% under ₹50 lakhs. Mid and premium segments claim 62% preference. Luxury real estate sees 8% favorability, driven by affluence and urbanization.



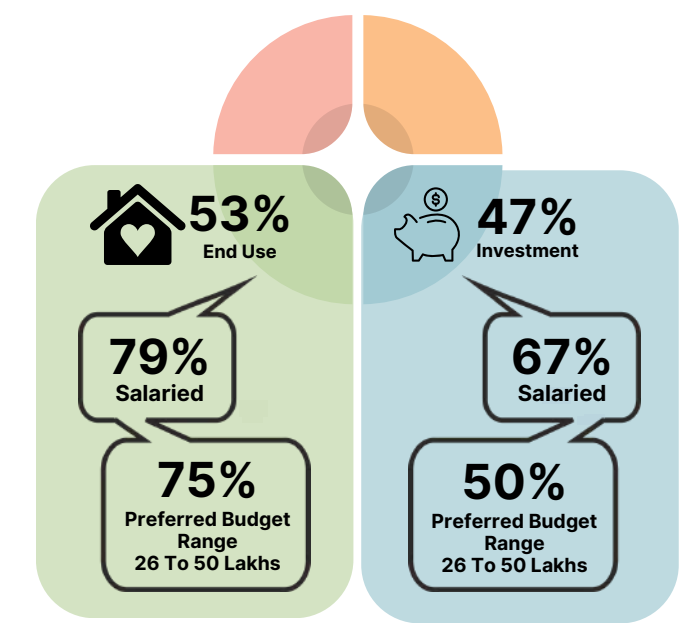
Research Summary

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Buyer Preferences?

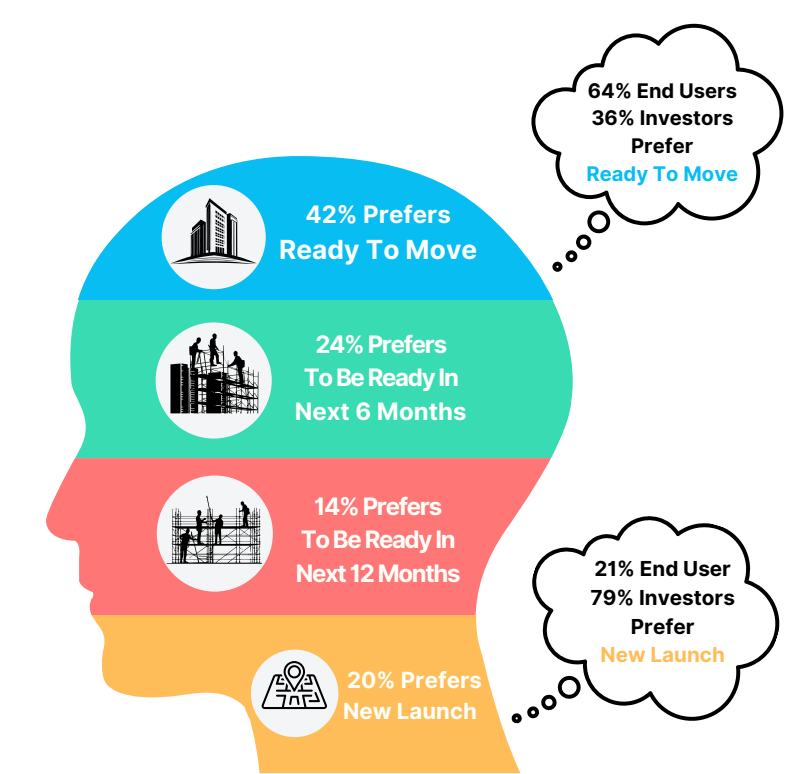
53% of participants buy property for end-use, while 47% are investors, among whom 67% are from the salaried class.



7

Property Stages?

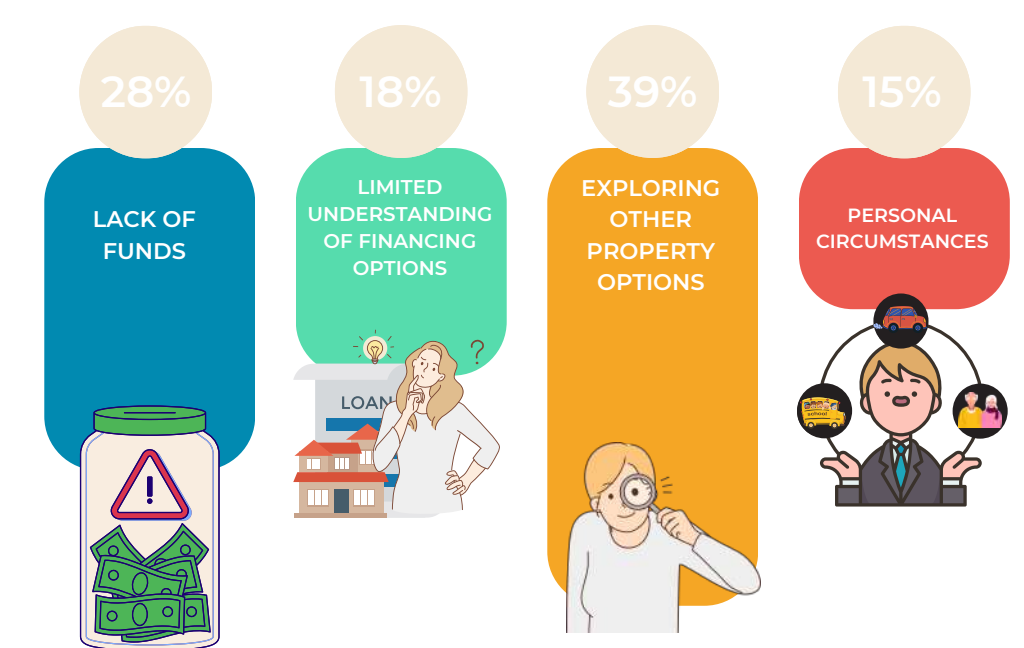
Over 42% prioritize ready-to-move-in properties, while Millennials and Gen X increasingly favor properties at earlier stages nowadays, with 20% favoring new launches and 14% preferring properties ready within the next 12 months.



8

Delay Reasons?

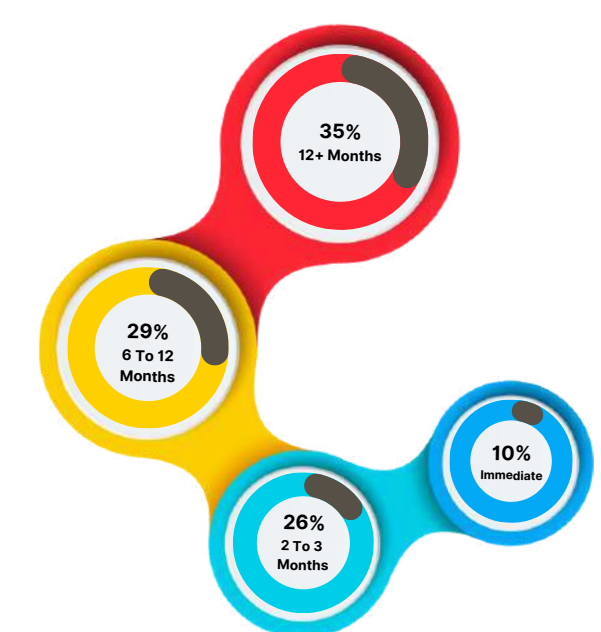
Key reasons for delaying purchases decisions include lack of funds 28%, limited understanding of financing options 18%, exploring other options 39%, and personal circumstances 15% among total respondents.



9

Purchase Timing?

Immediate buying intent is high, with 10% aiming for an immediate purchase and an additional 26% actively searching.





Shree Katariya & Associates (SKAA) is a rapidly growing real estate marketing company based in Indore. Renowned for its exceptional growth and a strong customer base of 1500+ satisfied clients, Shree Katariya & Associates was founded in 2010 and secured its first exclusive marketing project in 2012. Since then, the company has expanded its portfolio rapidly to offer a comprehensive range of products and services that cater to the specific requirements of both buyers and developers.

At Shree Katariya & Associates, we prioritize compliance with legal and regulatory standards, including RERA guidelines. We conduct transparent transactions and provide valuable insights throughout your real estate journey. Leveraging world-class technology and maintaining a dedicated team of professionals, Shree Katariya & Associates ensures an exceptional experience for both buyers and developers.



14+

Years of Experience



6+ Projects



1500+
Units Sold



20+
Team Members

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