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# Evolution of Home Buying Trends in the COVID Era

**Data Insights by Square Yards**

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# PREFACE

It is often said that real estate markets across the globe undergo a certain lifecycle wherein the graph is marked by incidences of troughs and crests. The year 2020 was expected to be a year of resurgence for the sector, after having grappled with multiple policy changes, regulatory reforms and evolving home buying preferences for the last couple of years. However, the unprecedented pandemic and its aftermath saw the real estate sector come to a standstill.

Nonetheless, after a year since COVID-19 altered our lives forever, nobody could have predicted the way the year eventually panned out for the housing sector. As the year drew to an end, sales across the country surged, backed by a highly emotional and sentiment-driven demand for home ownership.

Even though sales had plummeted across all major markets during Q2 as the construction activity was stalled completely, what was encouraging to witness was the way the real estate sector recuperated once the lockdown was lifted. With the workforce returning to construction sites in Q3, the developer fraternity focused their energies on propelling and regaining sales volume and completing pending projects. The market was flooded with in-

novative payment schemes and offers. The number of launches also saw an upward graph post August 2020. Timely economic packages announced by the government such as the extension of RERA deadlines, maintaining low interest rates, loan moratoriums etc. paved way for an improvement in buyer sentiments albeit certain changes in preferences.

With Q4 registering promising numbers for sales as well as for new launches, a revival seems to be on the cards. The RBI's decision to keep the repo rate unchanged in tune with the market's need for liquidity and the government's conscious focus on the housing segment will go a long way in getting the real estate sector back on track in 2021.

2020 will be remembered as the year that saw newer home buying trends emerge in the market. Trends such as the growing need for home ownership, preference for spacious homes, demand for a home office/study and larger balconies/recreation space will change the way residences are curated in the future. The report tries to capture many such trends and observations on the basis of data generated by Square Yards research. Hopefully, you will find it a good read.

# Sales Trends for Square Yards

Total GTV

**₹3000+ CR.**

Total No of Transactions

**5700**

After staying on the backfoot in the beginning of the pandemic, residential real estate across all top cities bounced back during Q3 and Q4, 2020. This was visible in the sales numbers for Square Yards too. With over 5,700 transactions in the year, 2020 proved to be one of the most successful years for our business.

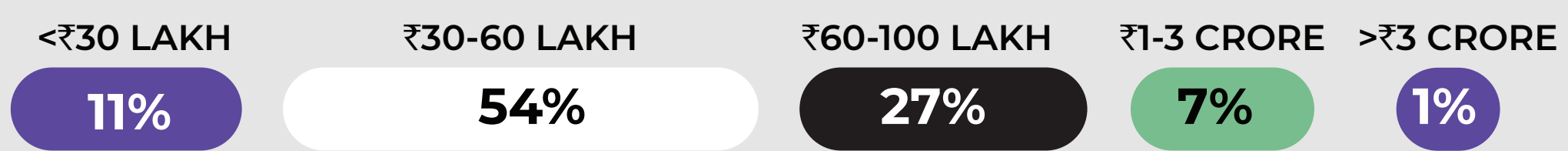
Talking of sales numbers, more than 50% of our transactions were captured in the Rs 30-60 Lakhs segment highlighting the growth in demand for affordable and mid-segment properties in 2020. Maharashtra remained the top market for us with Mumbai and Pune together contributing to 55% of the total sales volumes. Maximum transaction for properties that offered an added room such as a study or a flexible room was noted in Gurugram.

## Top 10 Developers\*

- 01 — Godrej Properties
- 02 — Gaur Group
- 03 — Lodha Developers
- 04 — JP Infra
- 05 — Chandak Group
- 06 — Signature Global
- 07 — Piramal Realty
- 08 — Shriram Properties
- 09 — VTP Realty
- 10 — Incor Group

# Sales Trends for Square Yards

## Ticket Size Split for Sales\*

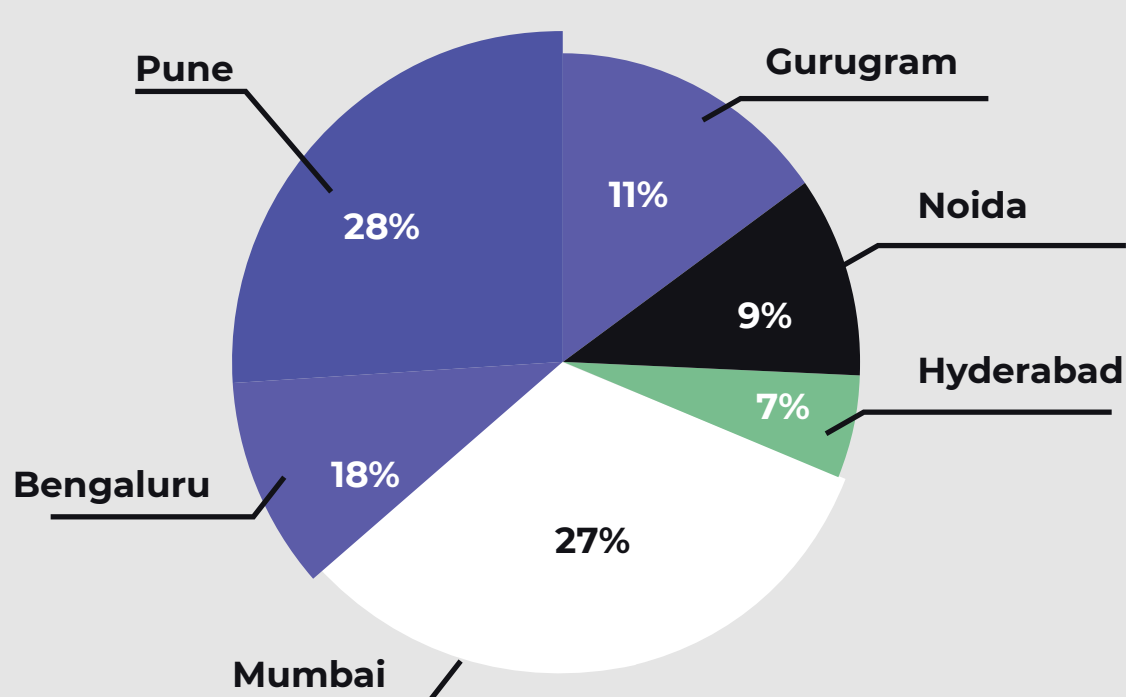


**46%**

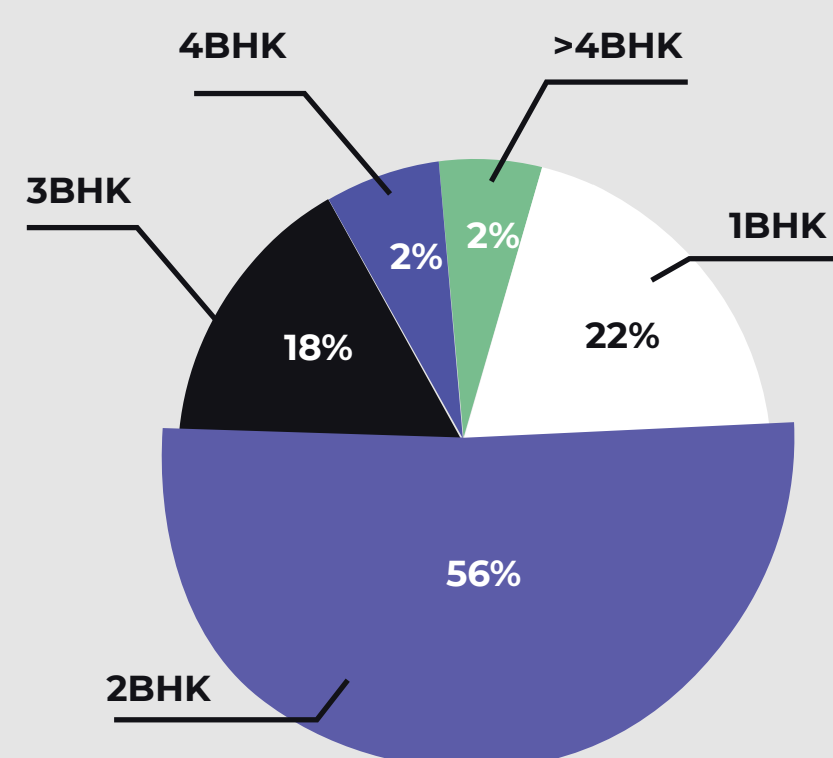
of the total number of properties sold offered an added room (study/servant quarter/any flexible room).

\*For top six cities

## GTV Split of Top Six Cities



## BHK Split for Sales\*



\*For top six cities

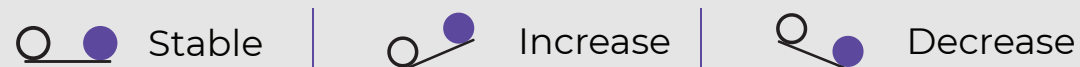
# PAN-India Snapshot

## Residential prices remain muted at the end of 2020

### Average Capital Values ( Per Sq.Ft.) (₹)

CITIES	Q1	Q2	Q3	Q4	Y-o-Y Growth % (Q4 2019 vs Q4 2020)
Bengaluru	5,634	5,627	5,637	5,640	Stable
Hyderabad	4,660	4,660	4,671	4,704	Increase
Gurugram	6,825	6,824	6,826	6,778	Stable
Noida	4,928	4,928	4,942	4,943	Stable
Mumbai	15,638	15,652	15,649	15,645	Stable
Pune	6,210	6,202	6,204	6,209	Stable

### Y-o-Y Price Movement



Residential prices across the top six cities in the country remained largely unchanged at the end of 2020 as compared to the previous year. The unexpected recovery of the real estate sector, particularly in Q4, helped dodge a negative graph for the year-on-year price movement in these cities. Powered by the festive season, the real estate market shifted gears and moved into the revival mode in the last quarter of 2020. Sustained low interest rates, slashed stamp duty charges and a plethora of festive discounts invigorated home

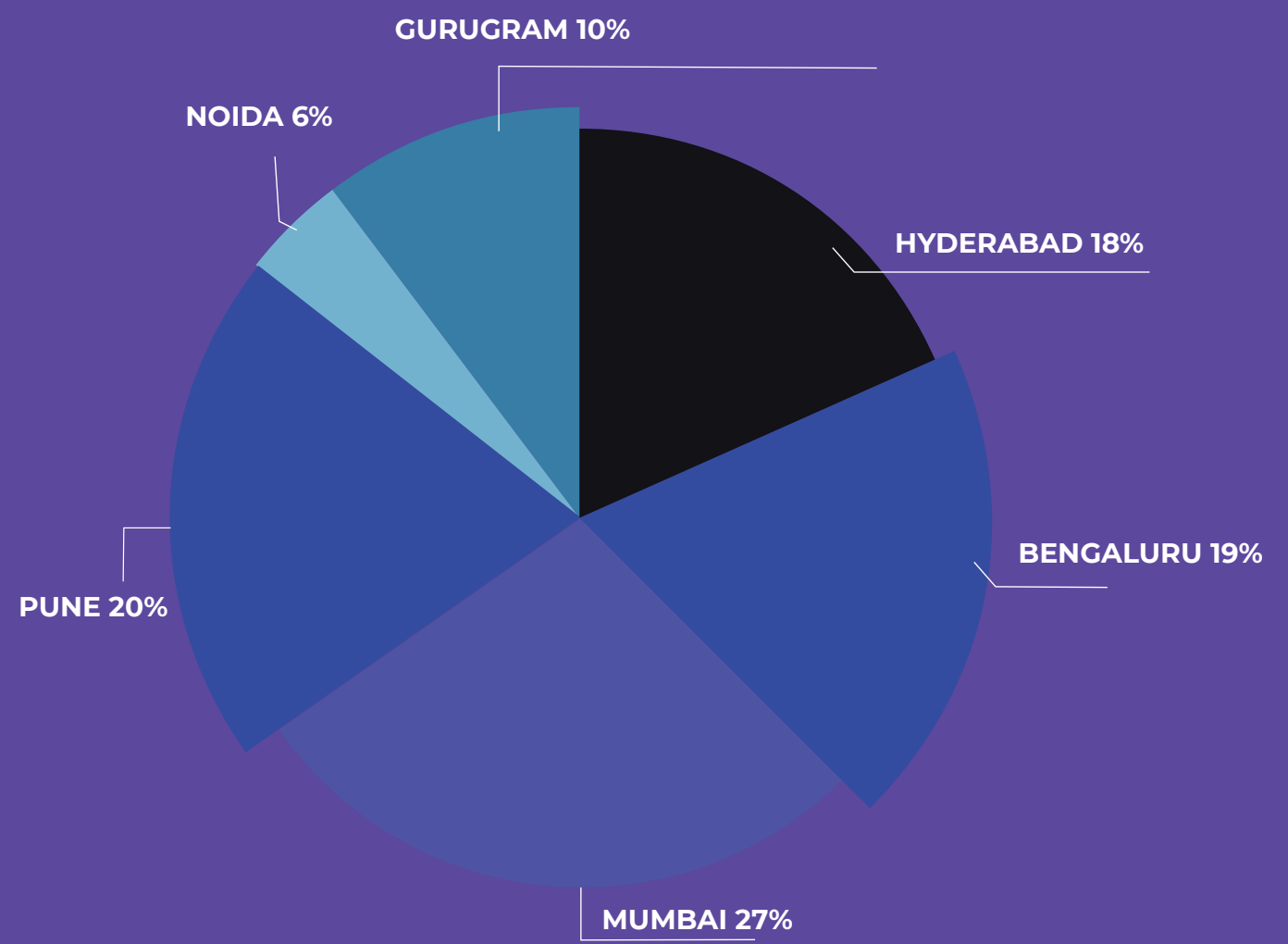
buying sentiments which reflected in the form of improved sales across cities. Another factor that aided in sales recovery was the developers' conscious restraint from hiking project prices. This further ensured that the weighted average capital growth across the top six cities remained muted. Increased demand for luxury properties in Hyderabad pushed up the asking price for these units. This ensured a slight positive year-on-year movement in average capital values at the end of the year in Hyderabad.

# Q4 2020 records improved numbers for New Project Launches

New project launches gained momentum towards the end of the year. With the labour returning to project sites post August 2020, the construction activity picked up steam. Project launches had taken a significant beating during the Apr-June 2020 quarter. However, as compared to the previous quarter, Q4 saw a whopping 66% rise in the total number of projects launched across the top six cities.

Except Bengaluru and Noida, all the other cities witnessed a quarterly growth of more than 85% in the number of launches during the Oct-Dec 2020 quarter. Backed by timely government interventions, developers had focused on completing their pending projects which resulted in these numbers at the end of the year. As expected, most new projects were clustered around IT zones or upcoming residential precincts across cities such as Bengaluru, Hyderabad and Pune. Mumbai and Pune together contributed towards nearly 50% of the total new launches in 2020.

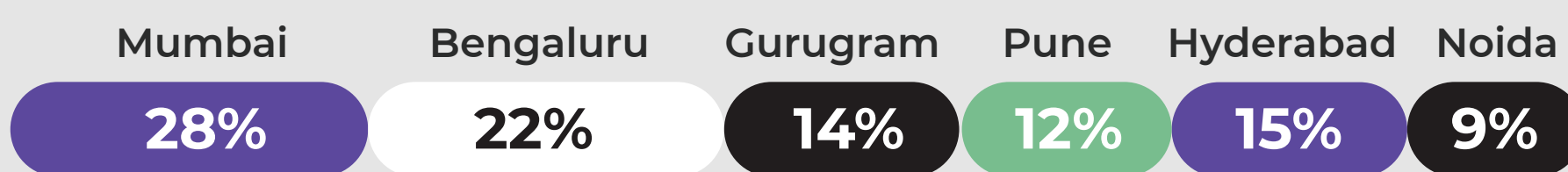
## City-wise Split for New Launches



**66%** quarterly rise recorded in the number of new project launches in Q4, 2020.

## Home hunting trends in 2020

### Most Searched Cities in 2020



**40%** The combined share of property searches in Mumbai and Pune in 2020. Slashed stamp duty charges resulted in the spike in searches.

### Most Searched BHK in 2020



**69%** of the buyer demand was inclined towards larger units, a trend that was noticed throughout the year.

**41%**

prospective home buyers quoted low interest rates as the top incentive for buying a home in 2020.

Bengaluru saw a jump of **>60%**

in the searches for Plots & Villas during Q3 & Q4 2020 as compared to Q1 and Q2.

**43%**

of property buyers in Mumbai looked for a 1BHK unit.



H2, 2020 witnessed

**>40%**

rise in demand for 3 and 4BHK homes as compared to H1 2020.

**33%**

of the buyers searched for a home priced above ₹1 Crore.

Study/Home office has become a must-have for

**48%**

of the post-COVID home buyers.

**>50%**

potential buyers in South India looked for a Villa/Plot during 2020.

# City Trends Mumbai

Mumbai was the most searched city by prospective property home buyers in 2020. The city retained its position at the top quarter after quarter. Stamp duty reduction and the slashed construction premiums buoyed the residential market revival in the city, particularly in the Oct-Dec 2020 quarter.

Developers contributed towards maintaining the momentum gained due to these regulatory measures by declaring a zero-stamp duty period in

Q4 amongst a slew of other festive offers. After a lockdown-induced slump in the Q2, project launches also picked up steam from August onwards registering a peak in the last quarter.

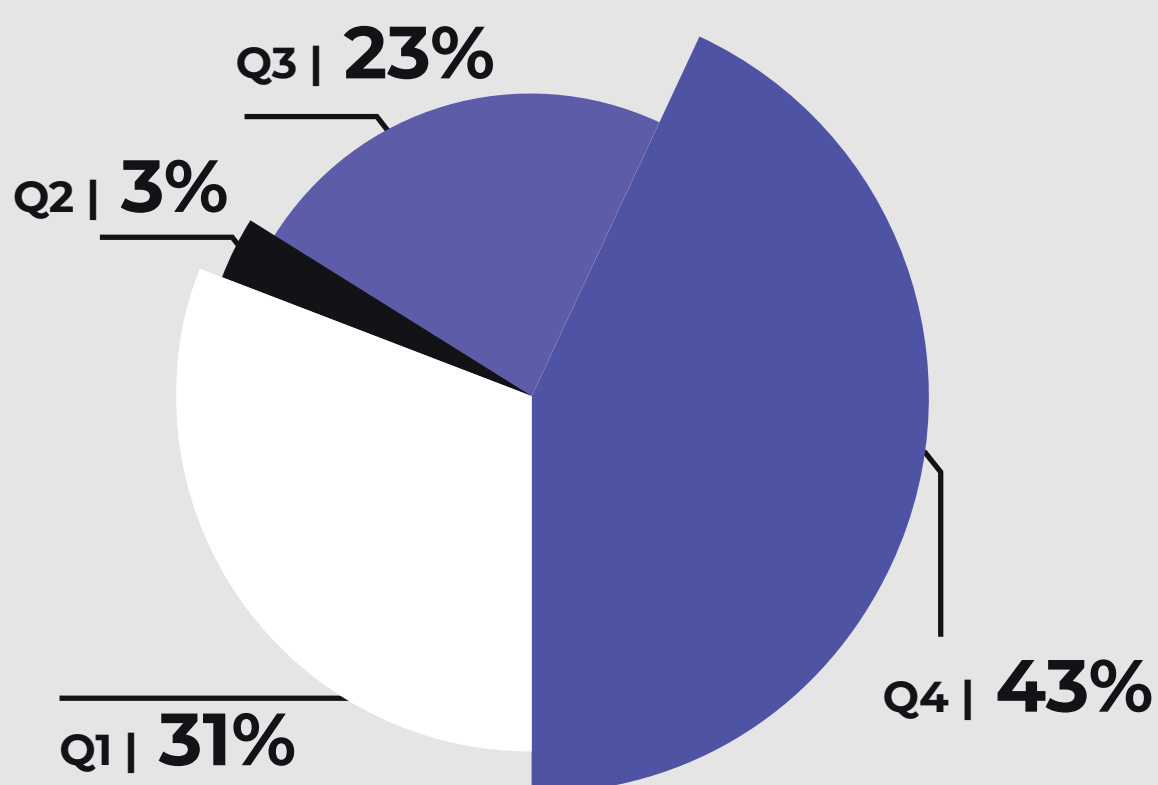
Localities in Thane and Beyond Thane saw the highest number of launches. Localities beyond Mira Road saw a healthy price appreciation in the year due to increased demand on the back of affordable ask rates and improving infrastructure.

### Key Micro-markets

### Average Per Sq.Ft. Capital Values (₹)

Locality	Q1	Q2	Q3	Q4	Y-o-Y Growth % (Q4 2019 vs Q4 2020)
Mumbra	5,078	5,071	5,987	6,005	18%
Boisar	2,988	2,965	3,270	3,350	12%
Virar West	4,890	5,062	5,048	5,200	8%
New Panvel	6,300	6,294	6,308	6,730	7%
Nalasopara West	4,530	4,652	4,643	4,880	6%

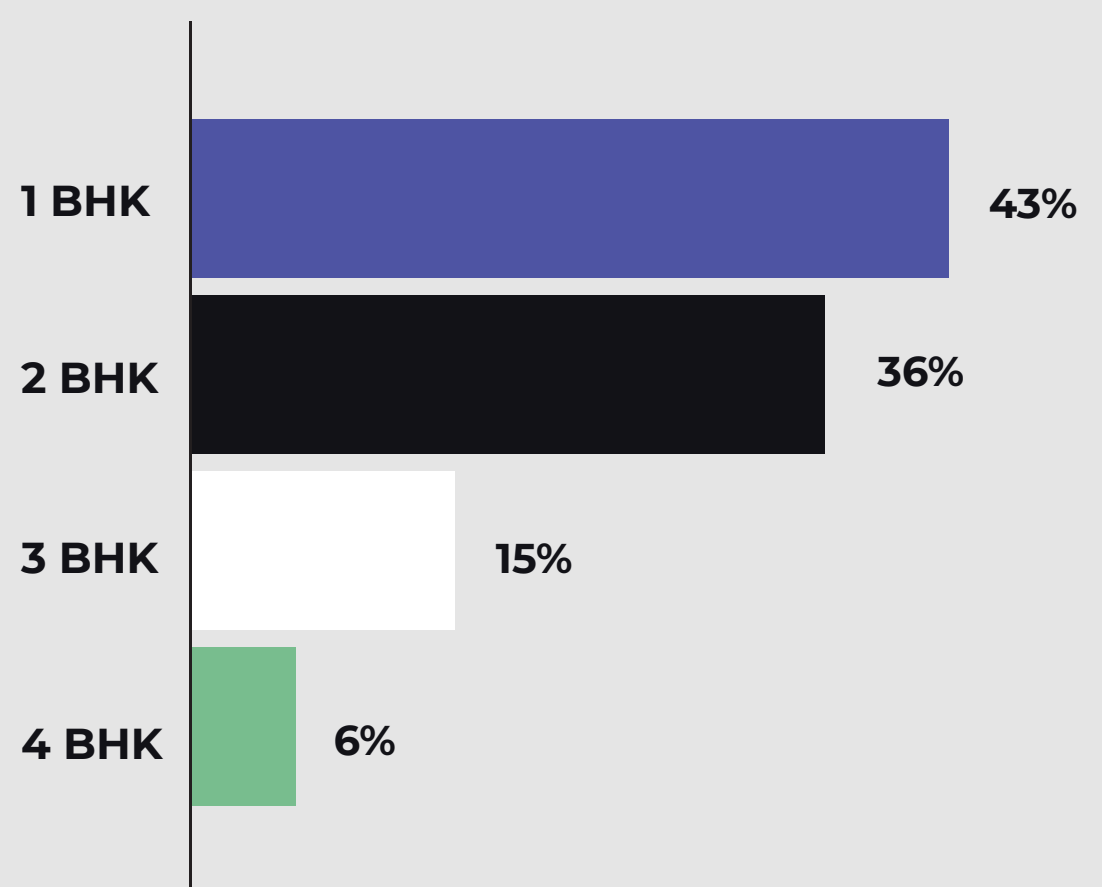
## New Project Launches | 2020



**44%**

of the total launches in 2020 were concentrated in localities in Thane and Beyond Thane zones.

## Demand Trends | 2020



**94%**

of home buyers in Mumbai prefer apartments over other property types.

# City Trends Gurugram

In Gurugram, the residential belts of Dwarka Expressway and New Gurugram saw an uptick in average capital values. Increased demand in these zones backed by availability of multiple projects offering lucrative payment schemes augured well for realty market in the city. Not willing to increase the inventory overhang, developers were cautious in launching new

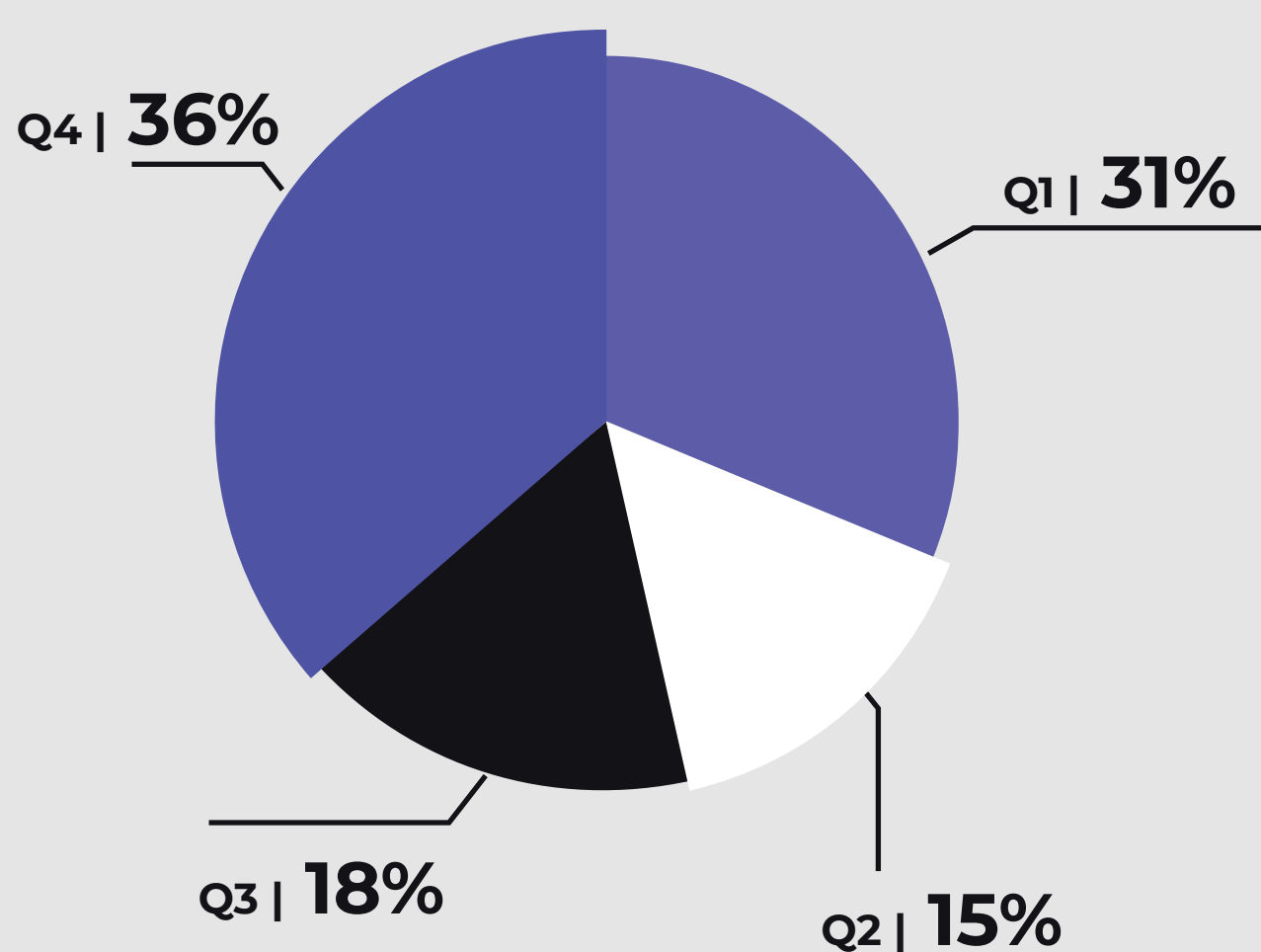
projects in the post-COVID market. This measured approach ensured that the number of launches in Q4 just managed to match the intensity observed at the beginning of the year. New Gurugram saw the maximum share of launches in 2020. Demand trends were largely aligned towards larger homes with 3BHK units accounting for nearly 50% of the residential demand.

### Key Micro-markets

### Average Per Sq.Ft. Capital Values (₹)

Locality	Q1	Q2	Q3	Q4	Y-o-Y Growth % (Q4 2019 vs Q4 2020)
Sector 106	7,900	8,300	8,315	7,977	10%
Sector 36A	4,963	4,952	4,960	5,445	9%
Sohna Sector 36	4,431	4,479	4,500	4,720	8%
Sector 81	5,960	6,350	6,342	6,320	7%
Sector 78	3,920	3,945	3,957	4,179	7%

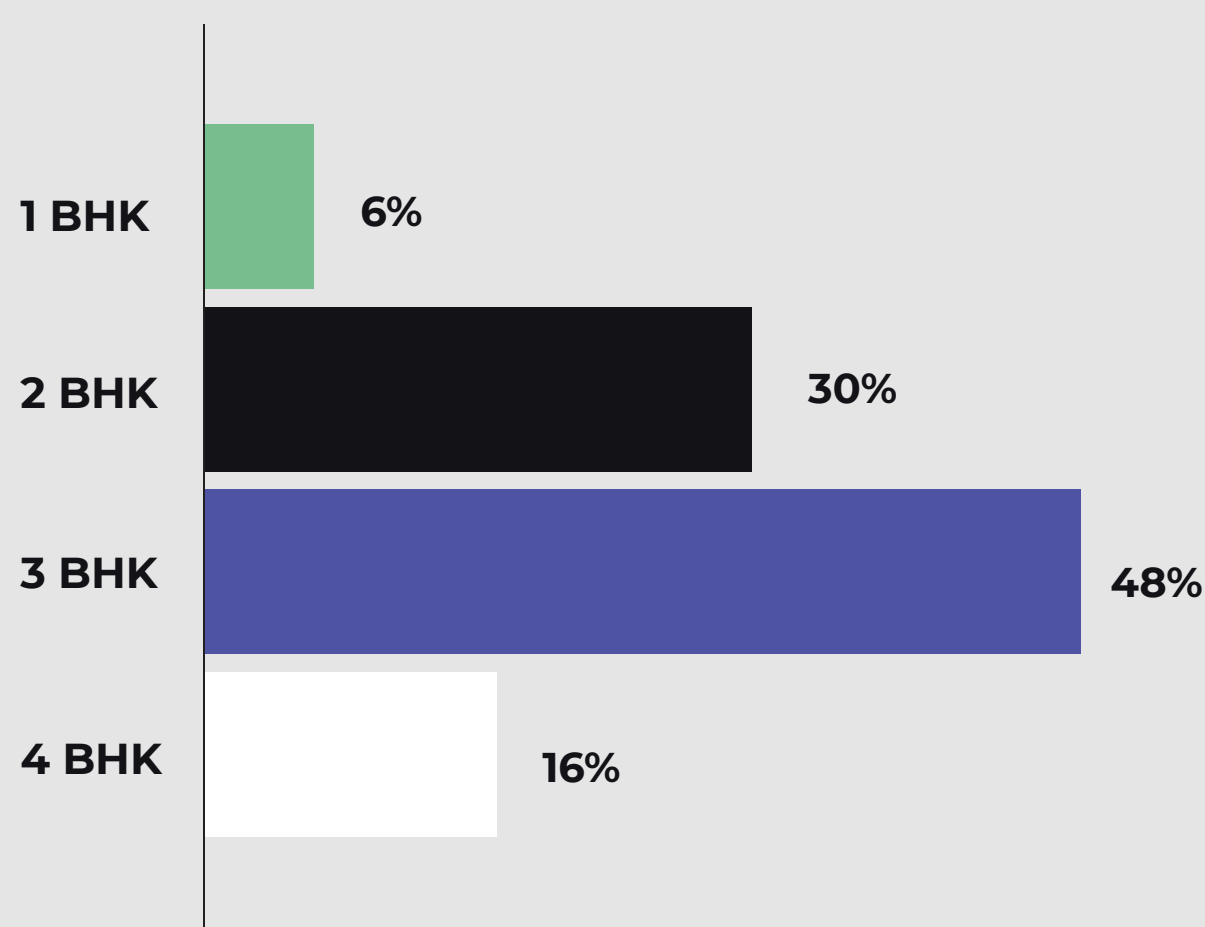
## New Project Launches | 2020



**35%**

of the total new launches in Gurugram were in New Gurugram.

## Demand Trends | 2020



**56%**

online searches were recorded for apartments.

# City Trends Noida

The Noida market remained largely subdued in 2020. While enquiries saw an upward trend in the last few months, sales remained meek. Localities along the Expressway continued to garner traction. Presence of A-Grade developers and excellent connectivity via the Expressway to both Delhi and Greater Noida kept the average capital values on the higher side.

Unlike other markets, new project launches did not show much momentum in the Oct-Dec 2020

quarter as developers were more focused on offloading the existing inventory. However, Q3 did see an uptick in launches after the lockdown was relaxed. The growing affinity to larger configurations was clearly visible in the Noida market as more than 45% of the home buyers searched for a 3BHK unit in 2020.

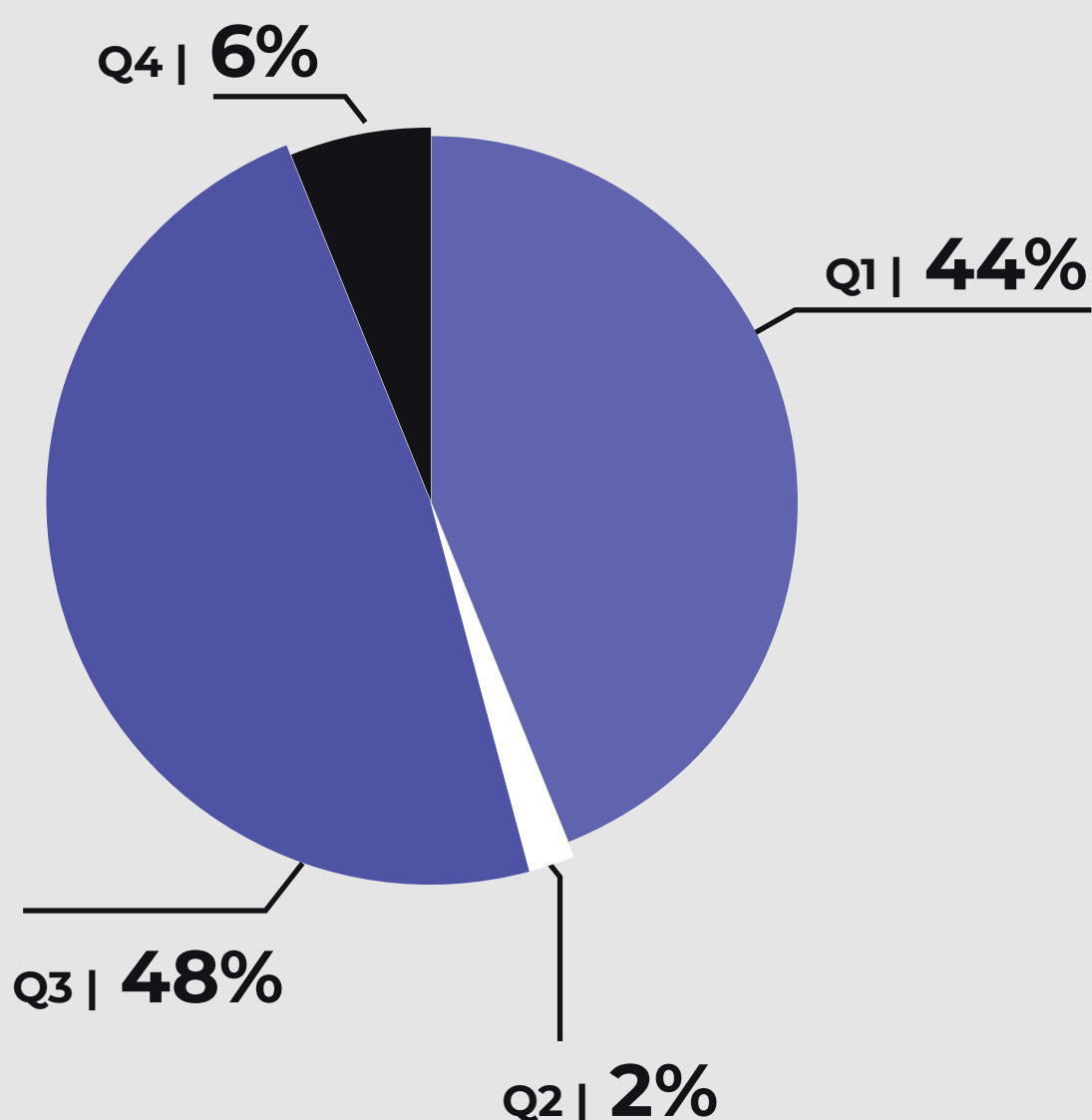
Relatively affordable price points as compared to other markets such as Gurugram and Mumbai also seem to have pushed this trend.

## Key Micro-markets

## Average Per Sq.Ft. Capital Values (₹)

Locality	Q1	Q2	Q3	Q4	Y-o-Y Growth % (Q4 2019 vs Q4 2020)
Sector 44	7,544	7,755	7,750	7,766	11%
Sector 135	3,820	3,850	4,330	4,100	8%
Sector 115	1,891	1,883	1,890	2,000	5%
Sector 151	3,144	3,160	3,165	3,250	4%
Sector 150	5,698	5,725	5,720	5,900	4%

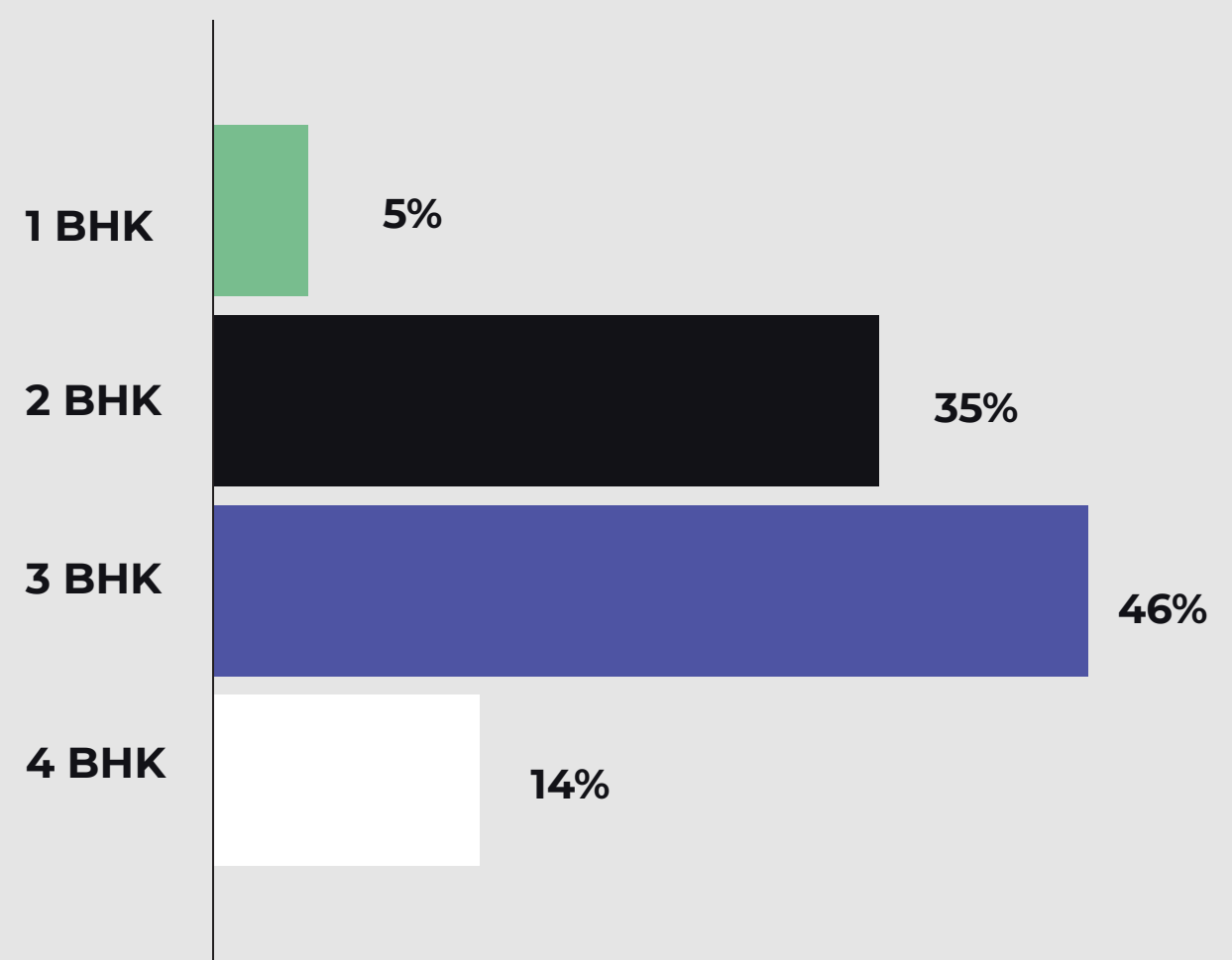
## New Project Launches | 2020



**17%**

rise recorded in the number of new project launches in H2 over H1 2020 in Noida.

## Demand Trends | 2020



**3X**

searches recorded for Plots and Villas in Q4 as compared to Q3.

# City Trends Bengaluru

While the pandemic has pushed the home buying trends towards larger and more spacious homes across all residential markets, this shift was particularly visible in Bengaluru. The search trends were dominated by plots and villas forming more than 50% of the total demand. However, a significant number (48%) of buyers still looked for apartments. As the year progressed, enquiries for larger homes peaked recording a more than 50%

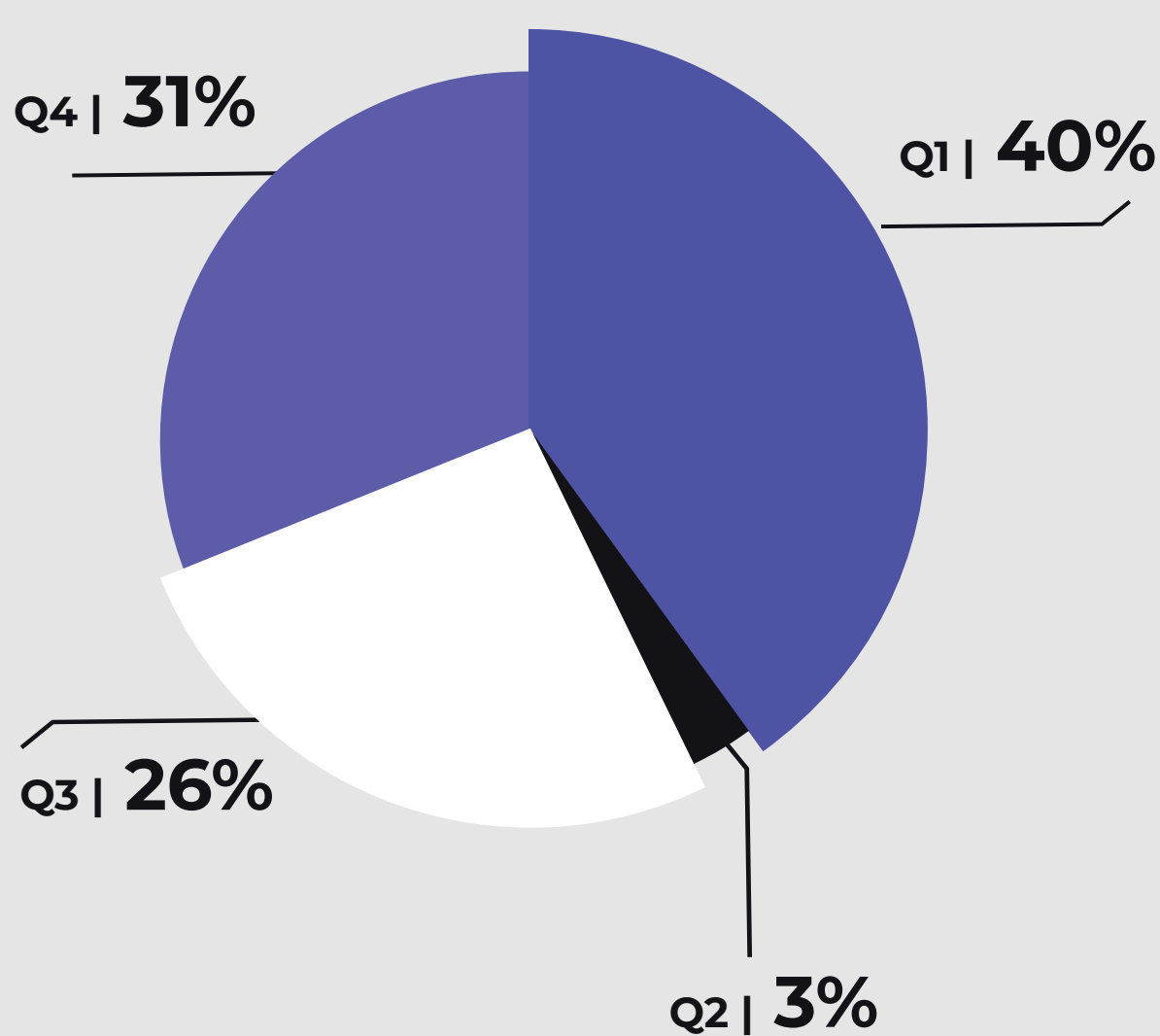
rise in searches for 3BHK units in the last two quarters of 2020. Also, ready or projects nearing completion remained popular throughout the year. Localities in North and East Bengaluru registered moderate to healthy price hikes during the year. New project launches were also largely spread across these zones.

### Key Micro-markets

### Average Per Sq.Ft. Capital Values (₹)

Locality	Q1	Q2	Q3	Q4	Y-o-Y Growth % (Q4 2019 vs Q4 2020)
OMBR Layout	5,132	5,220	5,360	5,877	9%
Domlur	8,230	8,250	8,240	8,895	9%
HSR Layout Sector 2	6,365	6,396	6,386	6,763	8%
Bellandur	7,195	7,343	7,378	7,400	7%
Amrutahalli	6,200	6,120	6,145	5,922	7%

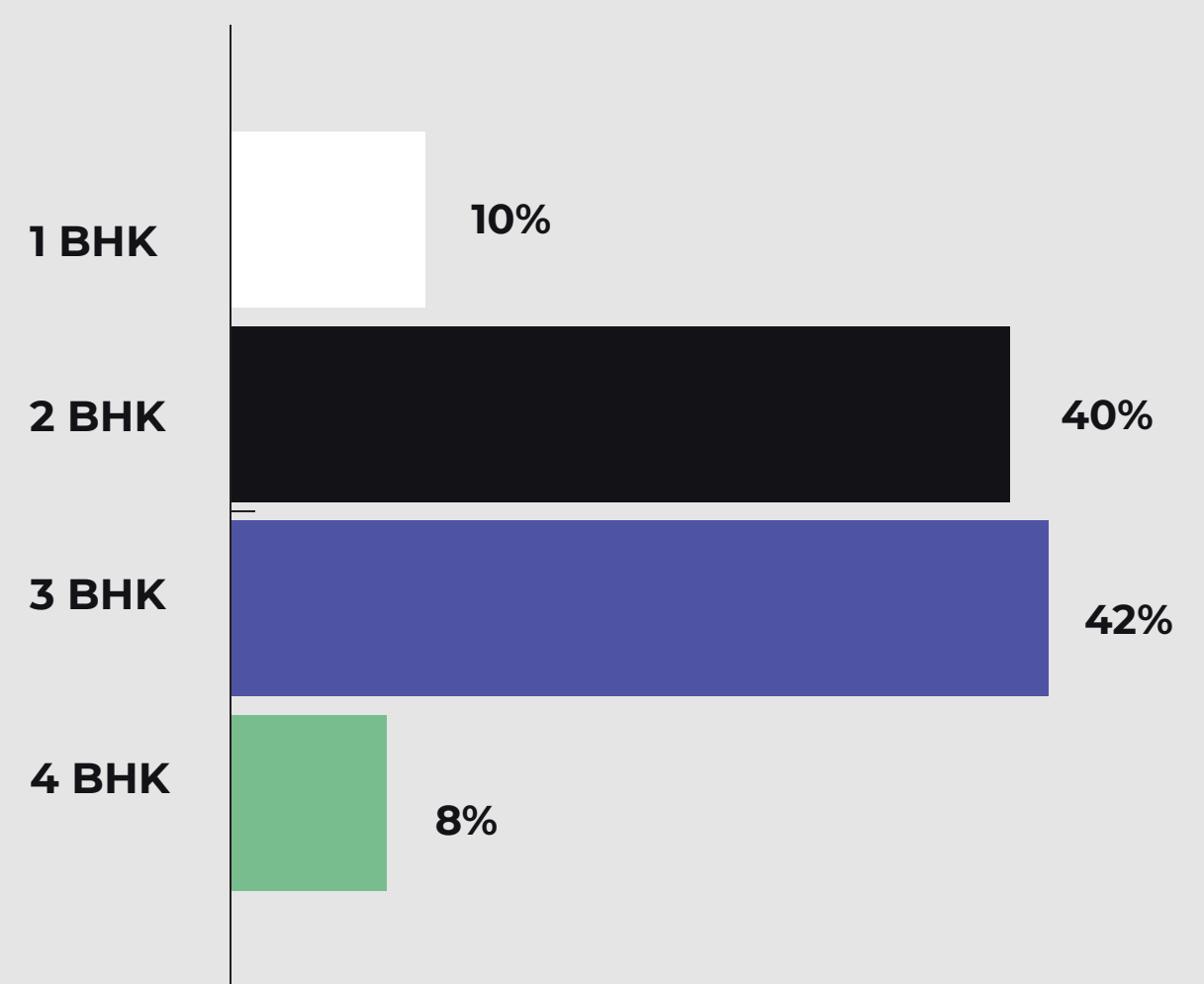
## New Project Launches | 2020



**40%**

of the total new launches were in East Bengaluru.

## Demand Trends | 2020



**>50%**

buyers searched for Villas and Plots reiterating the growing demand for spacious homes.

# City Trends Pune

Amidst a convalescent residential market, developers stayed away from increasing the asking price of their projects.

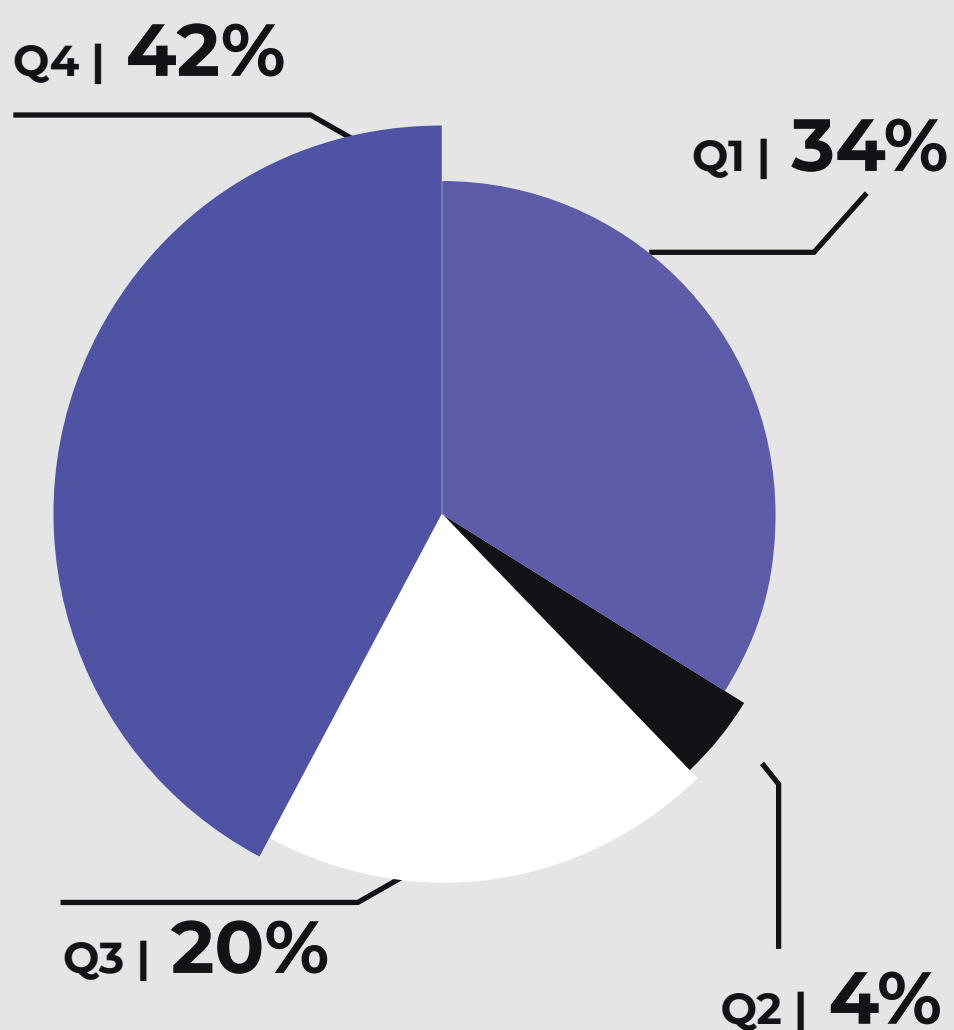
The new project launches were also largely within the average market price and hence the weighted average capital growth remained stable for the year 2020.

Localities that did witness a year-on-year price appreciation were largely in the micro-markets of PCMC and East Pune. Slashed stamp duty, unchanged repo rate and resultant low home loan rates improved home buying sentiments.

This led to a spike in sales volumes in the Oct-Dec 2020 quarter.

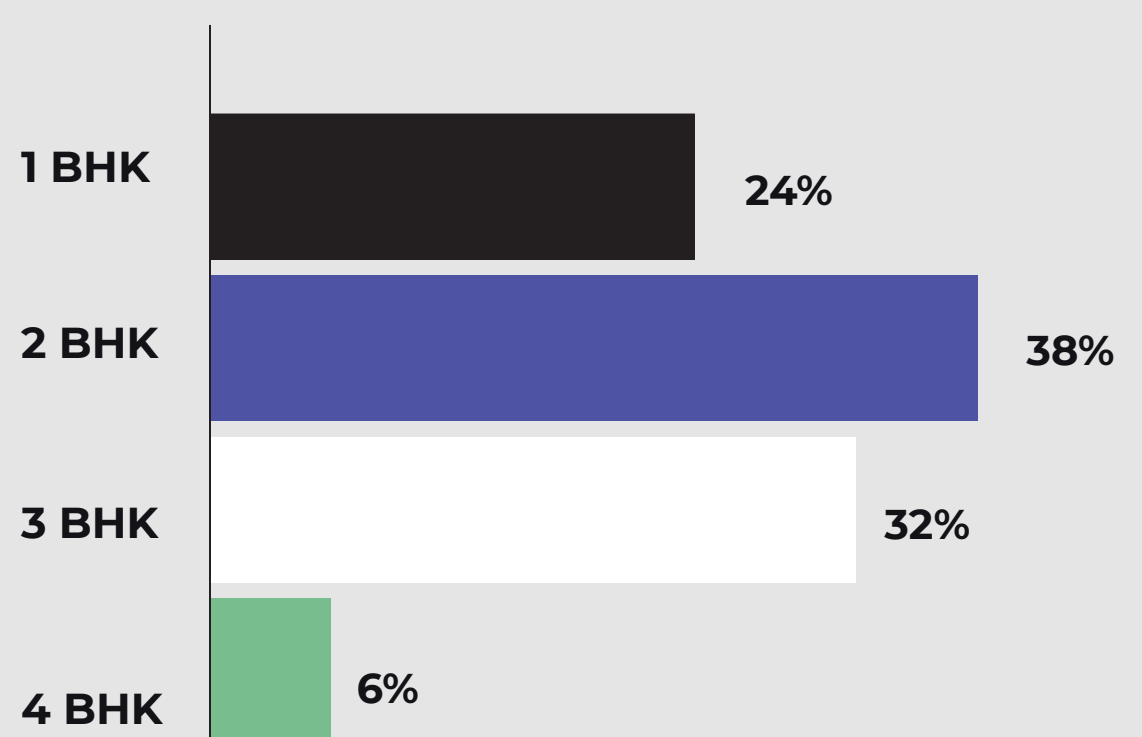
Key Micro-markets	Average Per Sq.Ft. Capital Values (₹)					Y-o-Y Growth % (Q4 2019 vs Q4 2020)
	Q1	Q2	Q3	Q4		
Kirkatwadi	3,922	4,112	4,205	4,300	11%	
Akurdi	6,562	6,770	6,750	6,778	6%	
Wagholi	4,880	4,724	4,820	4,834	5%	
Wanwadi	7,910	8,002	7,958	7,981	5%	
Baner Pashan Link Road	8,030	8,082	8,095	8,314	5%	

## New Project Launches | 2020



**103%** quarterly rise recorded in the number of new launches in the city in Q4

## Demand Trends | 2020



**86%** of potential property buyers looked for a multi-storey apartment in 2020.

# City Trends Hyderabad

Hyderabad residential market proved to be the most resilient amongst the top six cities recording a slight positive movement in the weighted average capital values. Increased demand for luxury properties and a healthy conversion rate for the same pushed up the average capital values in the city.

Non-speculative nature of the market combined with increased NRI demand ensured increased sales towards the end of the year. The Oct-Dec 2020

quarter also witnessed the highest share of new launches which took a leap of more than 25% as compared to the Jul-Sep 2020 quarter.

While most new launches were concentrated around localities in the financial zone of West Hyderabad, North Hyderabad also gained popularity as a residential market amongst the developers.

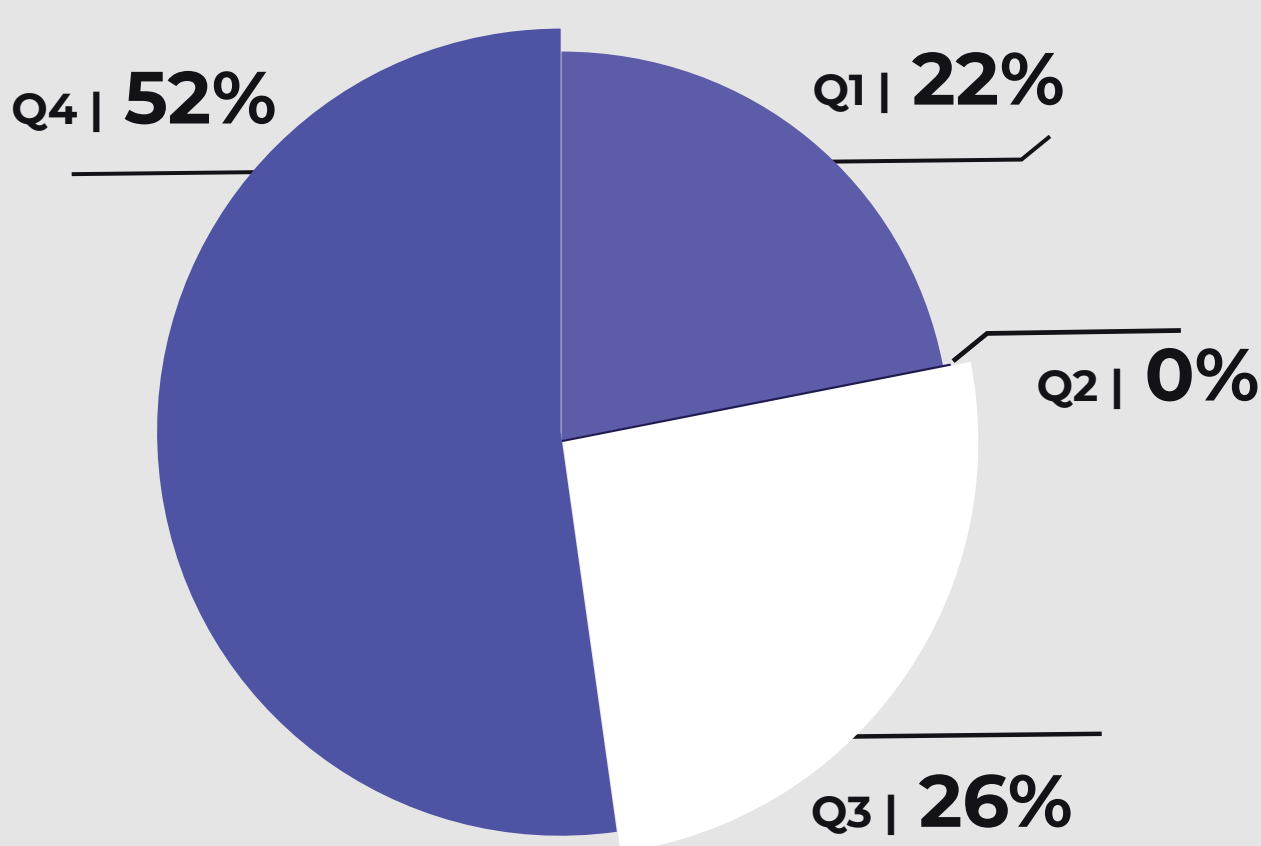
The zone saw 35% of the total new project launches that happened in 2020.

### Key Micro-markets

### Average Per Sq.Ft. Capital Values (₹)

Locality	Q1	Q2	Q3	Q4	Y-o-Y Growth % (Q4 2019 vs Q4 2020)
Jubilee Hills	9,661	9,680	9,688	10,855	13%
Adibatla	2,110	2,127	2,146	2,248	8%
Hitech City	8,040	8,130	8,145	8,160	7%
Beeramguda	3,390	3,400	3,412	3,580	6%
Nizampet	3,835	3,860	3,872	4,055	6%

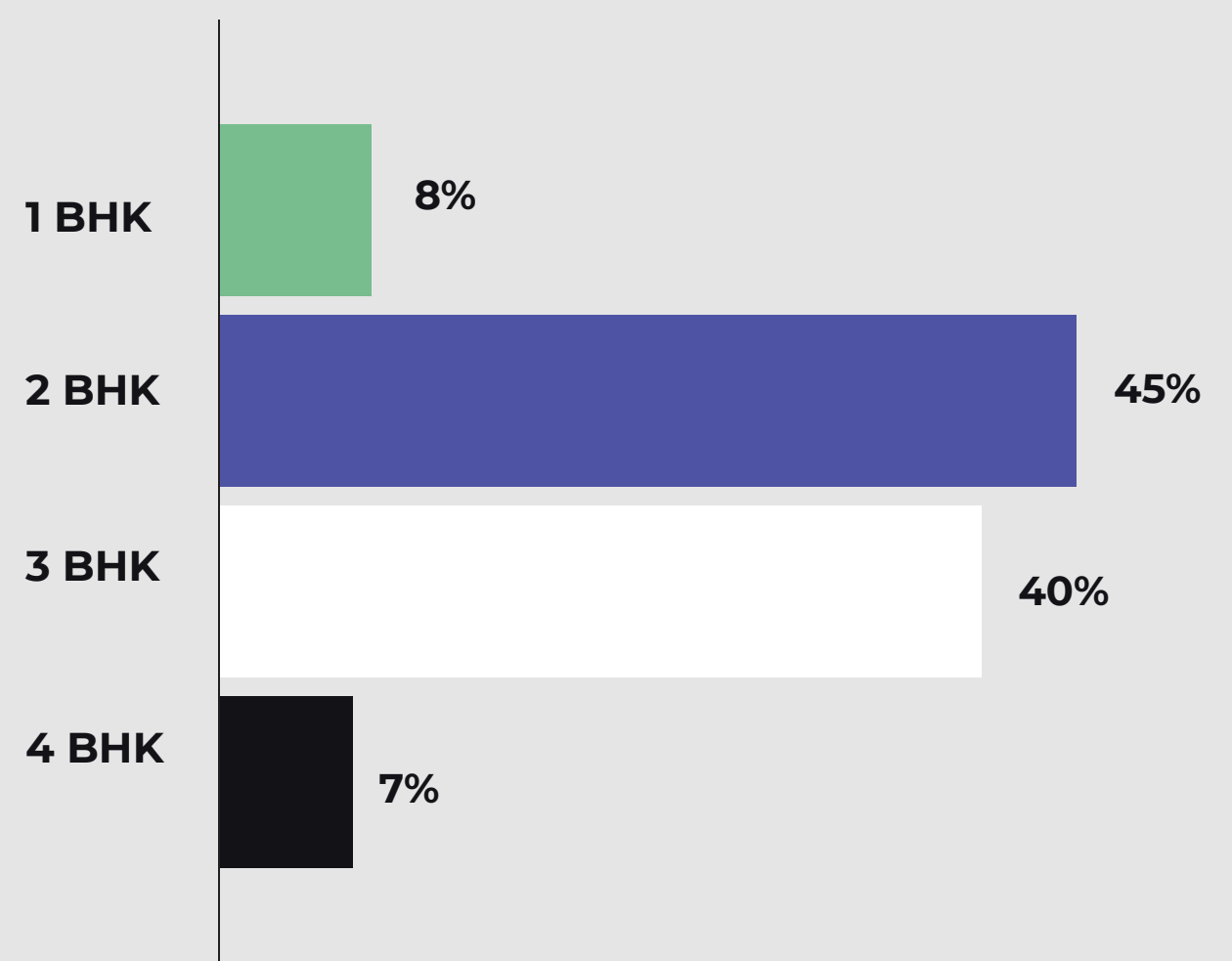
## New Project Launches | 2020



**55%**

of the total new launches in 2020 were concentrated in West Hyderabad.

## Demand Trends | 2020



**73%**

property seekers in Hyderabad looked for a Plot or Villa in 2020.

# About Square Yards

Square Yards is India's largest integrated tech-led real estate marketplace. The company today ranks as top 20 consumer tech start-ups in India in terms of GTV (~USD1bn), top 50 in terms of revenue (~USD50mn) and is amongst the handful of consumer tech start-ups in India which are profitable.

Square Yards has achieved a significant scale in just 5 years and is one of the few Indian start-ups which has successfully expanded globally. It has direct presence in 30+ cities globally and has 4000+ employees across 9 countries. Backed by partnerships with more than 500+ developers across the globe, Square Yards now helps transact 20,000+ transactions worth USD 1 Bn+ every year in Indian and Global Real Estate & Mortgages, which makes us one of the largest players in the ecosystem.

## Contact us

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## Global Presence

Abu Dhabi | Bahrain | Doha | Dubai  
Muscat | Melbourne | Sharjah  
Riyadh | Sydney | Toronto

## India Presence

Bengaluru | Gurugram | Hyderabad |  
Lucknow | Mumbai | Navi Mumbai |  
New Delhi | Noida | Pune | Thane |  
Vijayawada | Vishakhapatnam

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## Disclaimer

The views expressed, and the data used above are for informational purposes only based on the online activity captured on [squareyards.com](http://squareyards.com) and Square Yards sales figures. Data considered is for the period of Jan-Dec, 2020. Top six cities considered for the analysis include Mumbai, Pune, Bengaluru, Hyderabad, Gurugram and Noida.

Square Yards does not guarantee the accuracy, completeness, or reliability of the information and shall not be held responsible for any action taken based on the published information.

