

■ square
yards

INDIA RESIDENTIAL OVERVIEW

OCT - DEC, 2021

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INTRODUCTION

The residential real estate segment displayed an indomitable spirit to remain resilient in Q4, 2021 as well as the whole year. Even though the home buying sentiments were dented in the second quarter due to the second wave of Covid, the sector bounced back by the end of the year.

A healthy growth of 16% in the number of new residential units launched in Q4, 2021 as compared to the Jan-Mar 2021 quarter, in spite of the second wave and the looming threat of the Omicron wave,

indicated that the sector is well equipped to handle any future contingencies caused by the pandemic. Home-buying sentiments also improved consistently as the year drew to a close. Home buying trends have been evolving ever since the pandemic took over the world. For the past two years sentiments of prospective home buyers have pendulated between the urge to own a home and trying to hold their savings under the uncertain economic conditions. With improving economic conditions, buyers are gradually gaining back the confidence to invest.

This was clearly reflected in the demand trends wherein a clear shift from affordable housing to middle and upper middle segment was noted over the years. There has been a consistent growth in demand for a little extra space in the form of an added room, or flex rooms or larger balconies, thanks to the changed working and living circumstances in the Covid era. For instance, more than 40% of the total property searches in 2021 were for 3BHK and larger configurations homes. Further, 35% of the online property seekers looked for a home sized between 1000-2000 Sq. Ft. in 2021, a considerable shift from the pattern noted in 2020 wherein the share was less than 20%.

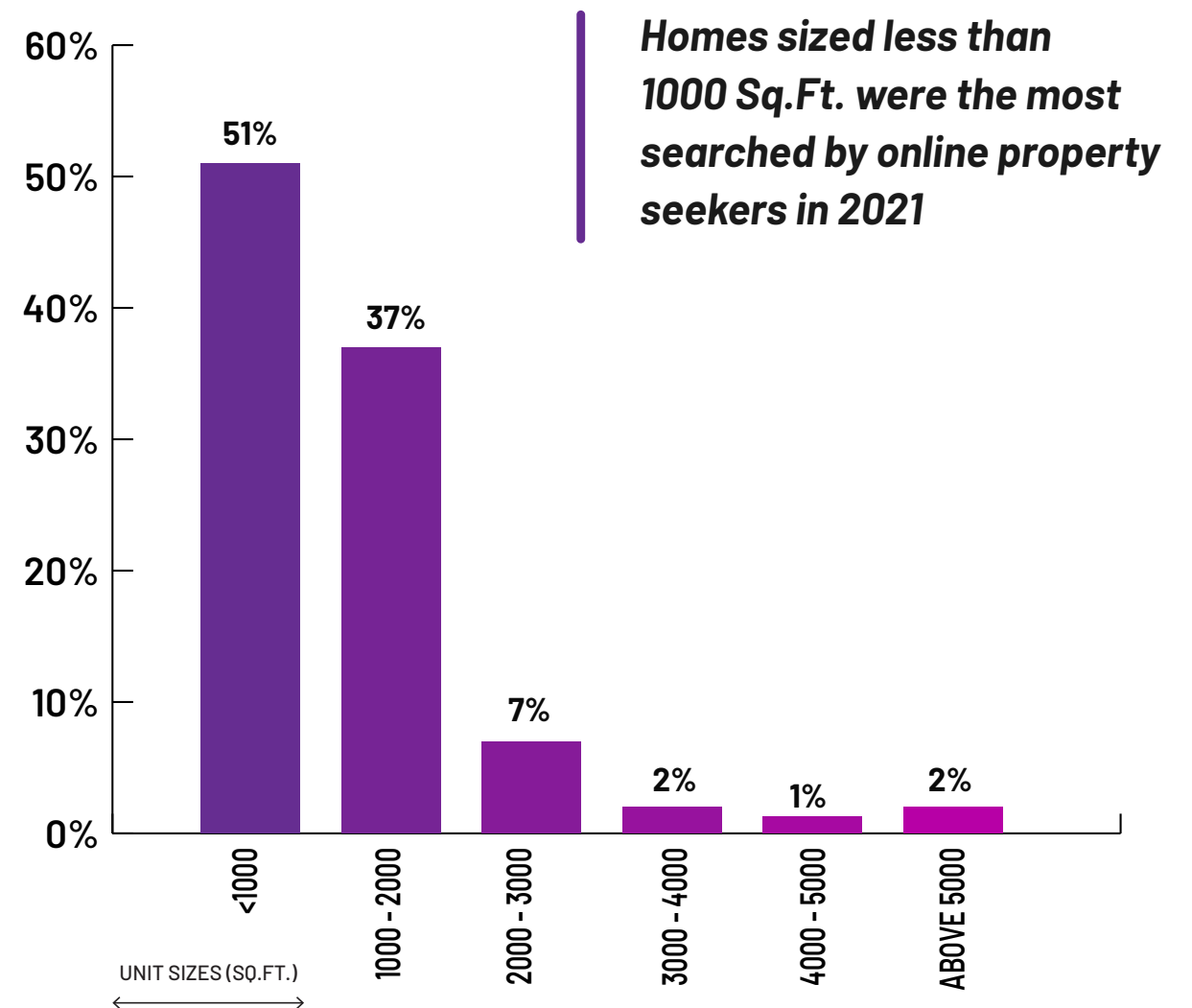
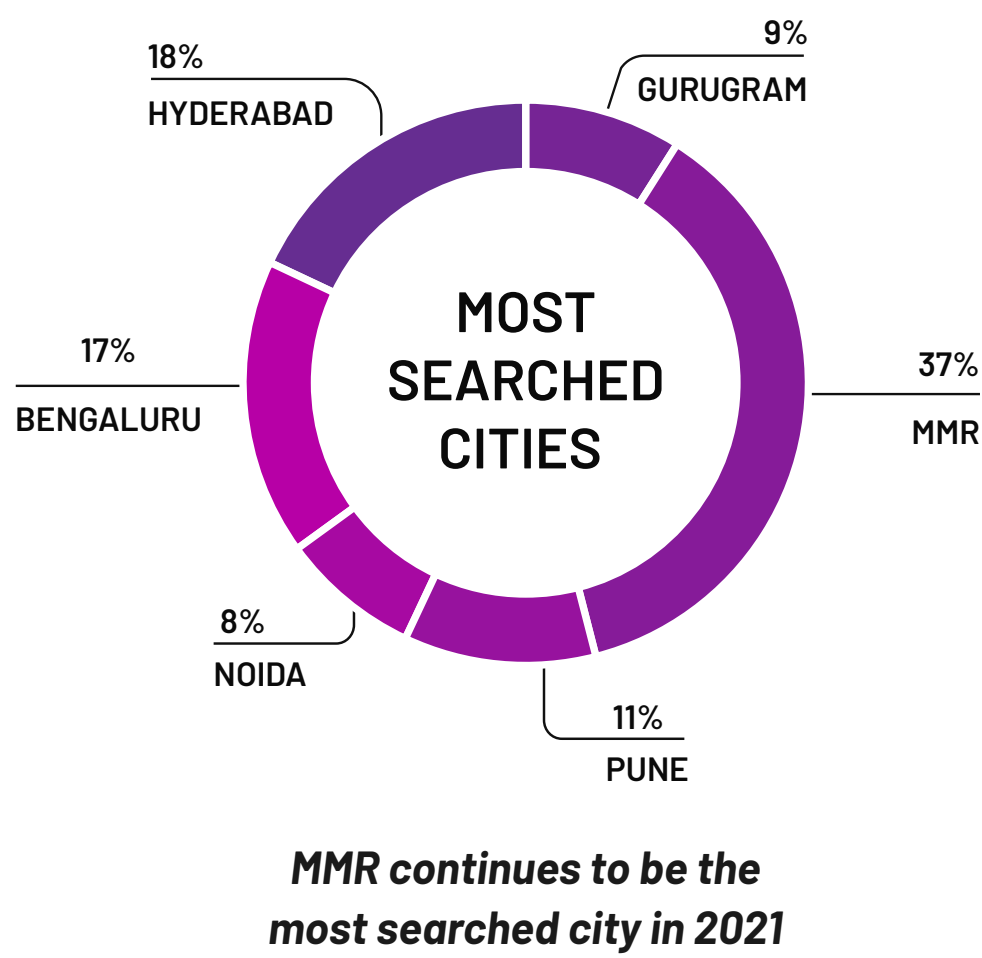
This shift also meant the gaining popularity of larger ticket sizes in the post-pandemic era. While mid-segment housing still drives the major demand, properties priced above Rs 1 Crore formed 33% of total online searches in Q4, 2021 a rise of 6% from Q1, 2021. The search for larger homes also meant property types other than apartments gaining back popularity. For instance, a consistent Q-o-Q growth was noted in the share of demand for independent homes in 2021. There was a 14% rise recorded in the demand for these in Q4, 2021 over Q1, 2021. The trend was particularly prevalent in the southern cities of Bengaluru and Hyderabad.

43%

of the property searches in 2021 were for 3BHK and larger homes

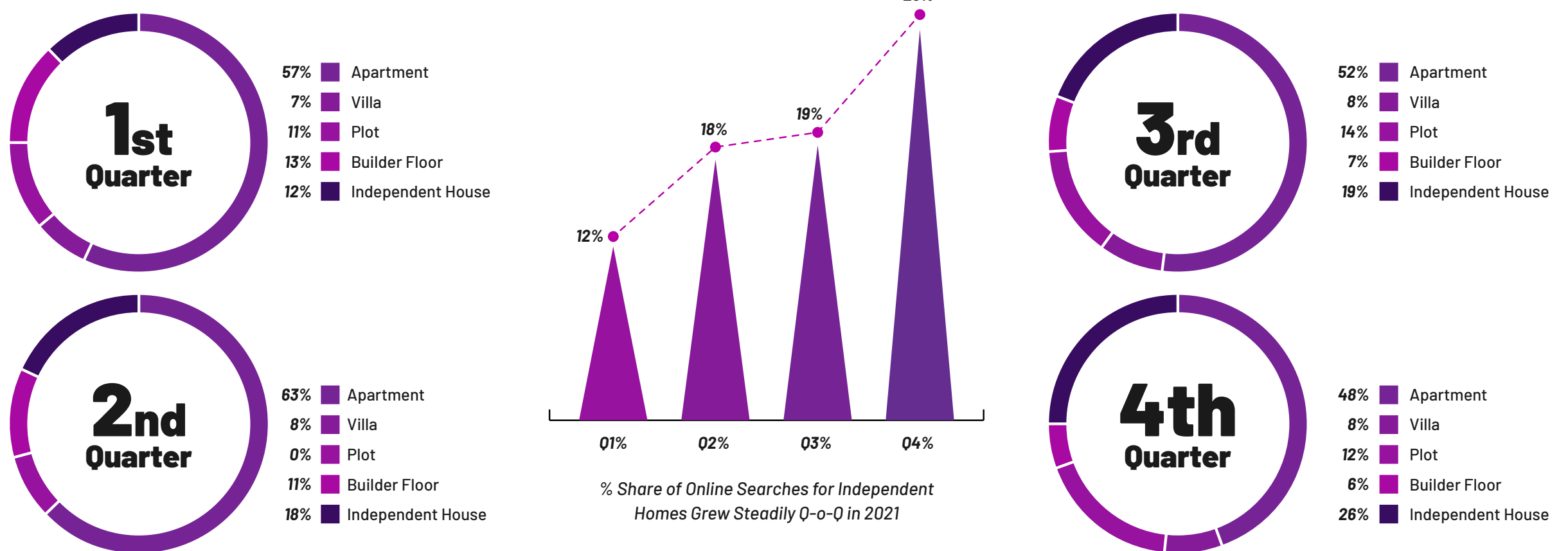


HOUSE HUNTING TRENDS: SALES

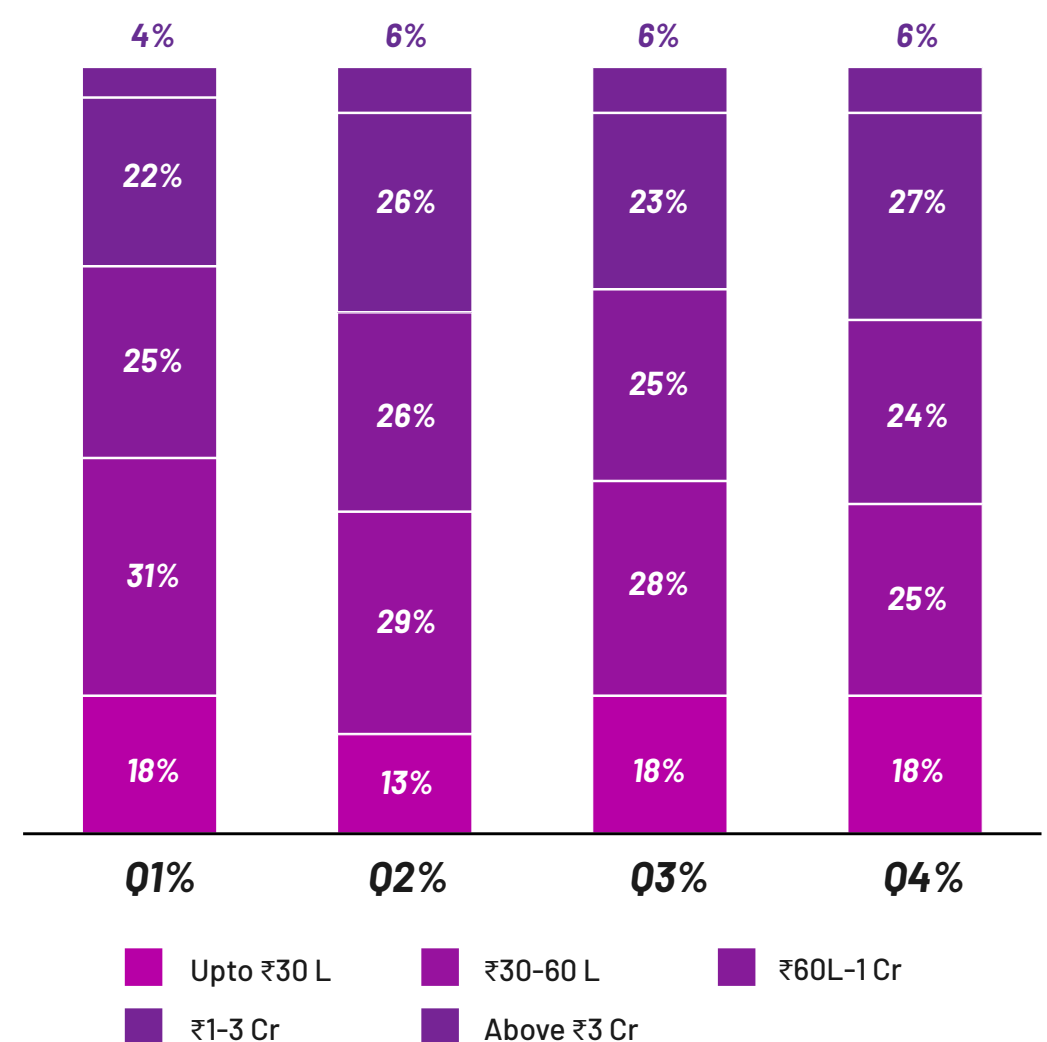
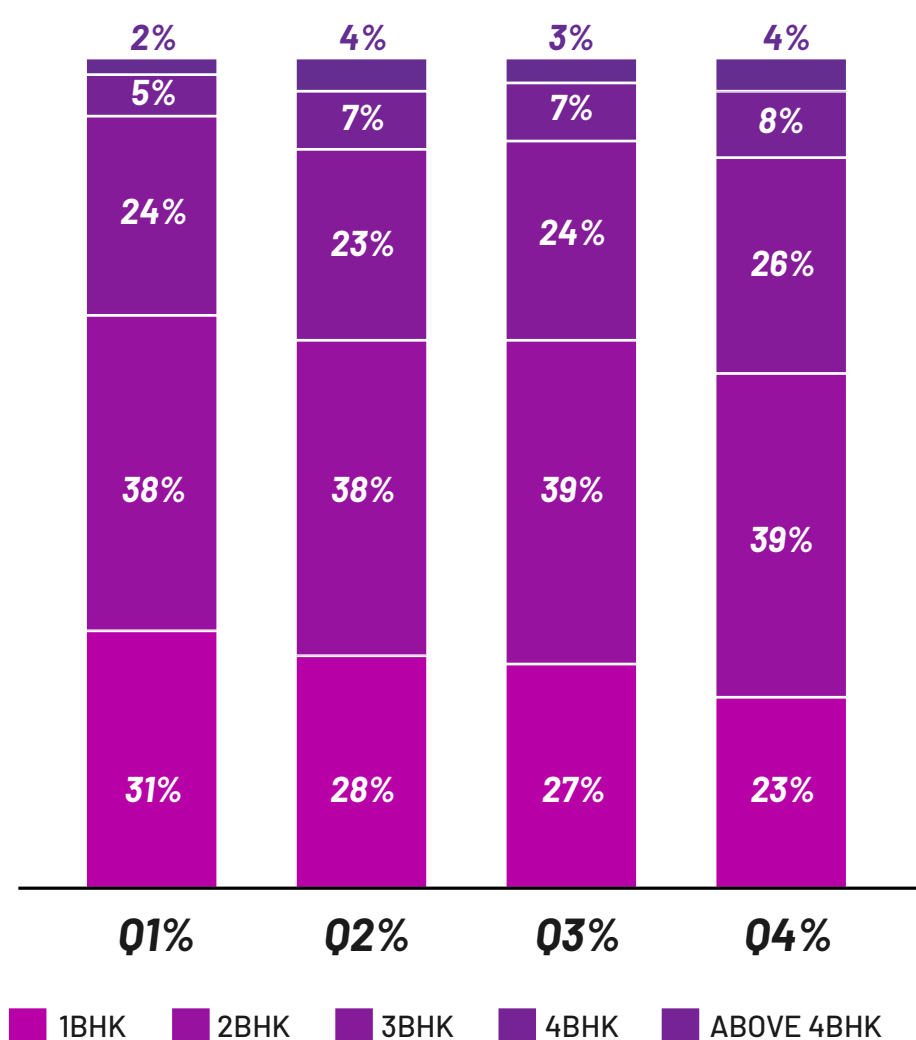


CHANGING PROPERTY SEARCH TRENDS ACROSS QUARTERS

Q-o-Q Demand for different property types in 2021



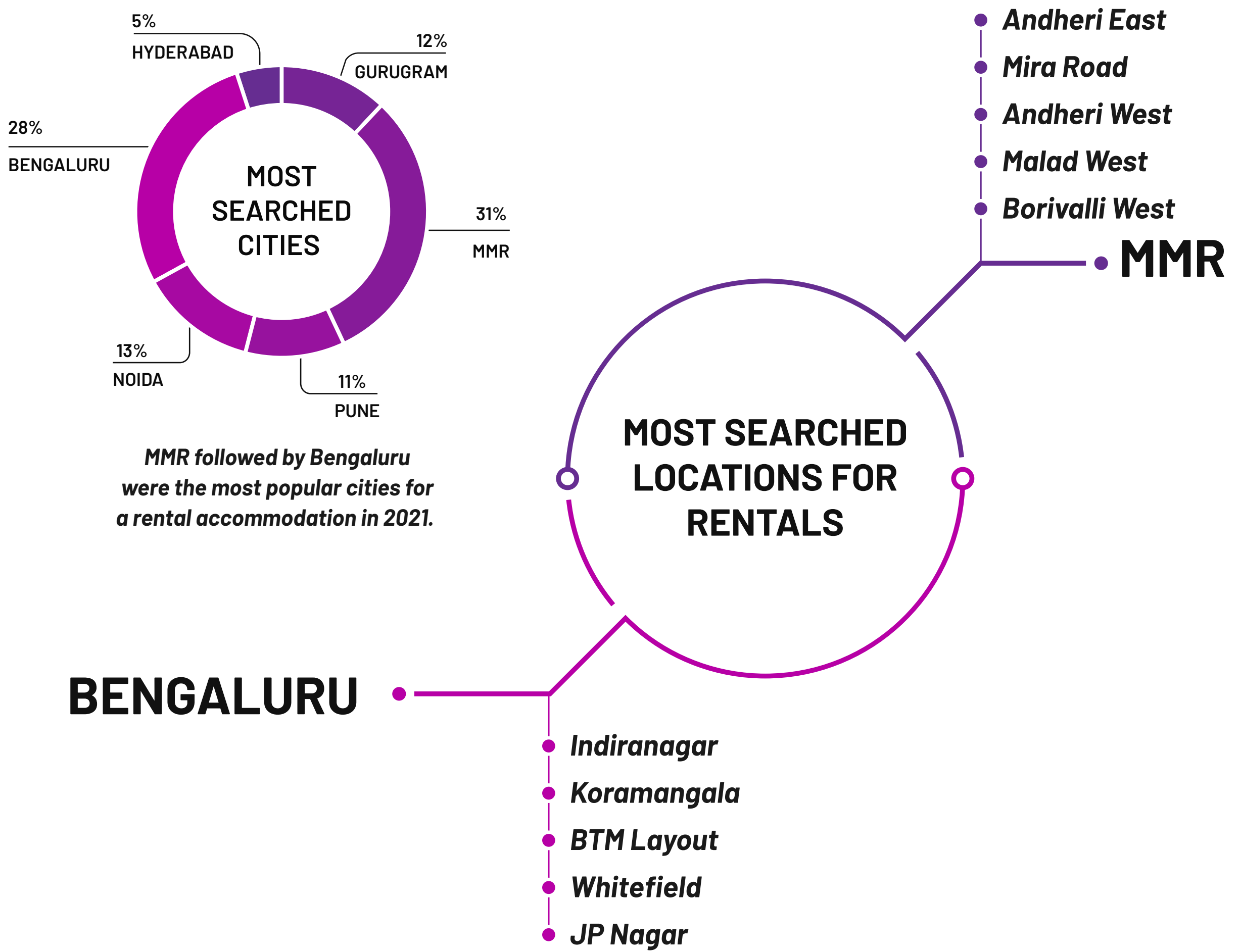
14%: Rise in demand for independent homes since Q1, 2021



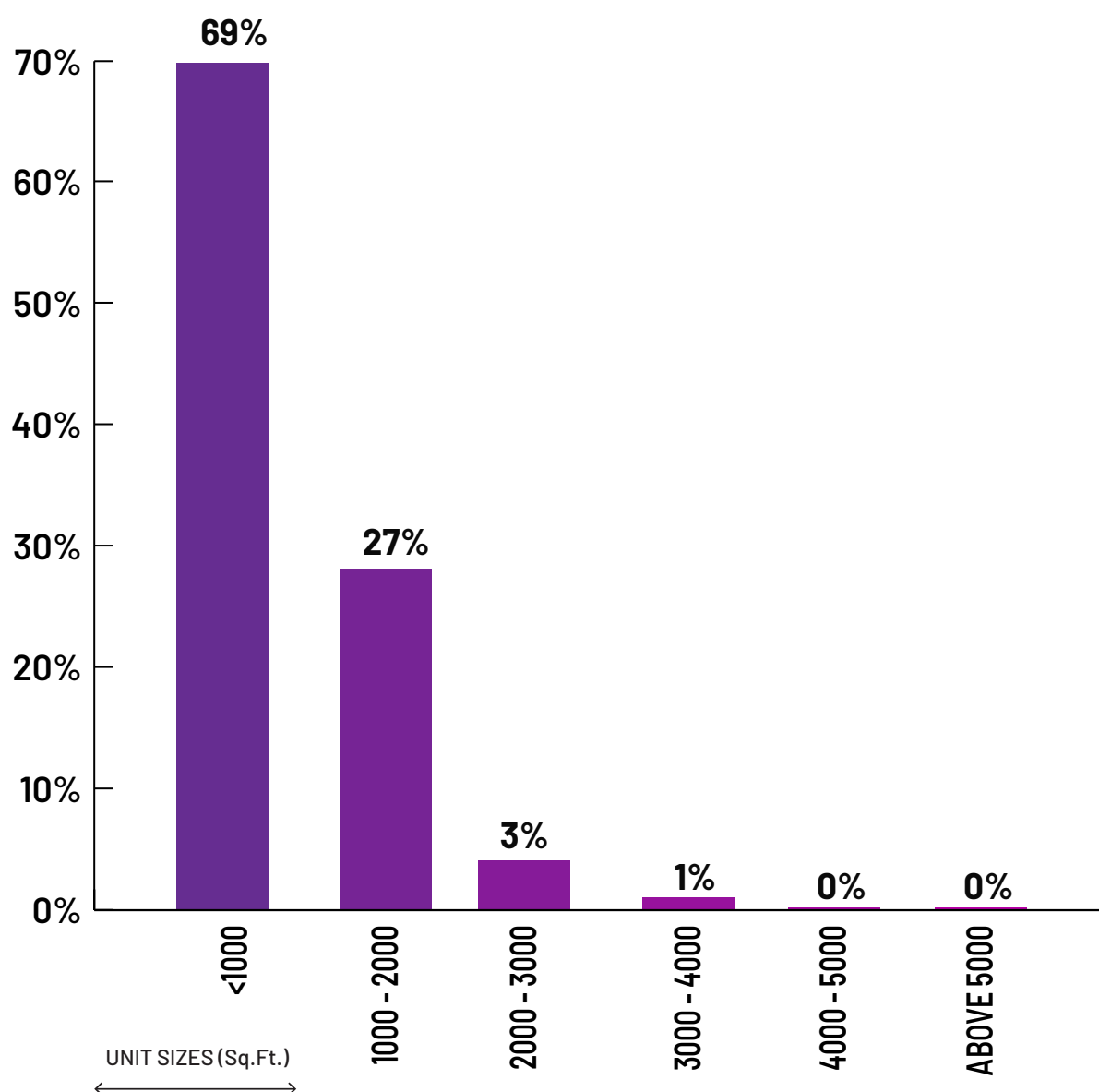
The year 2021 saw a gradual increase in the number of searches for larger configurations (3BHK and Above) as these units captured 38% of the total searches by Q4, 2021.

As the year progressed demand for affordable and mid-segment properties priced between ₹30-60 Lakhs dropped while that for premium homes pegged at ₹1 Crore and above inched up.

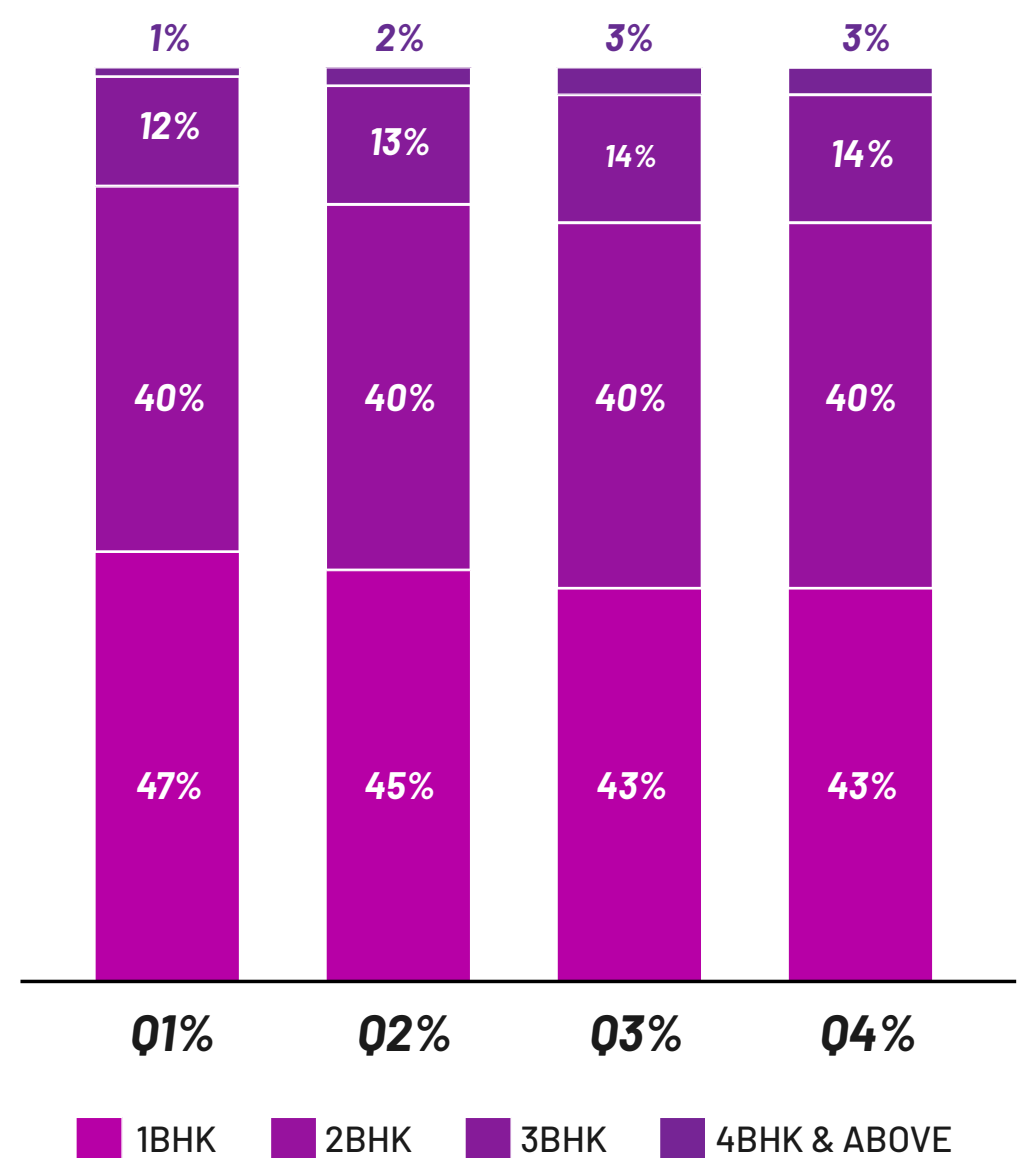
HOUSE HUNTING TRENDS: LEASE



2BHK OR SMALLER UNITS PREFERRED FOR RENTAL ACCOMMODATIONS



Almost 70% searches for rental homes were concentrated for homes sized less than 1000 Sq.Ft. in 2021

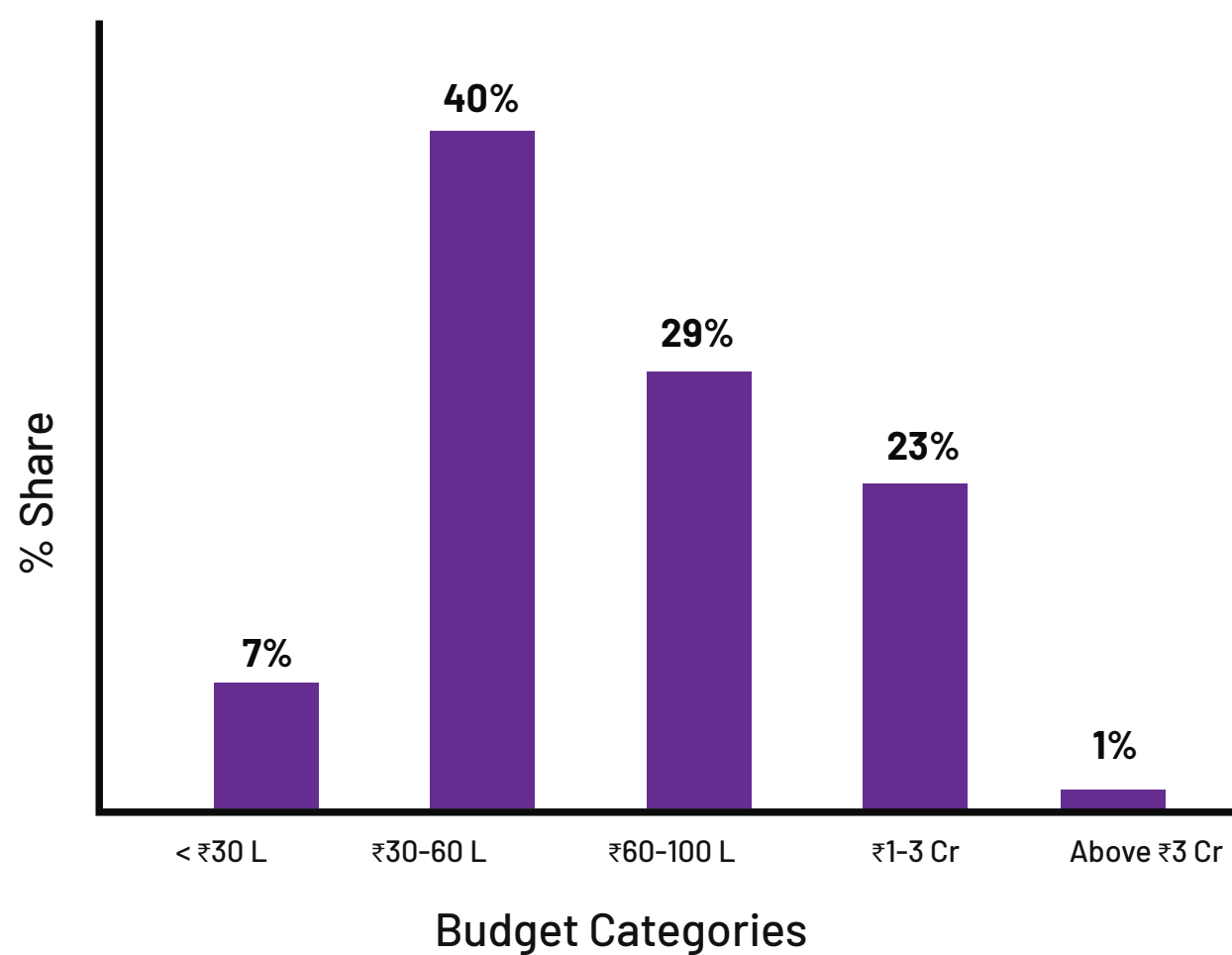


More than 80% of the online searches for rental accommodations in 2021 were recorded for 1 and 2BHK units.

With a consistent **45%** searches throughout 2021, the 'sweet spot' for rental homes was at **₹10,000-20,000/month**.

TICKET SIZE SPLIT OF SALES

Amidst the constant buzz which surrounded home buying in 2021, pandemic-induced constraints also had a considerable impact on the residential markets. At large, homebuyers looked for spacious homes but in the mid housing segment. People seemed willing to increase their budgets but not in a profligate manner. Given that, large number of buyers looked for offerings, where they could have a spacious home that wouldn't put their financial security at stake at the cost of ensuring a roof over their head.

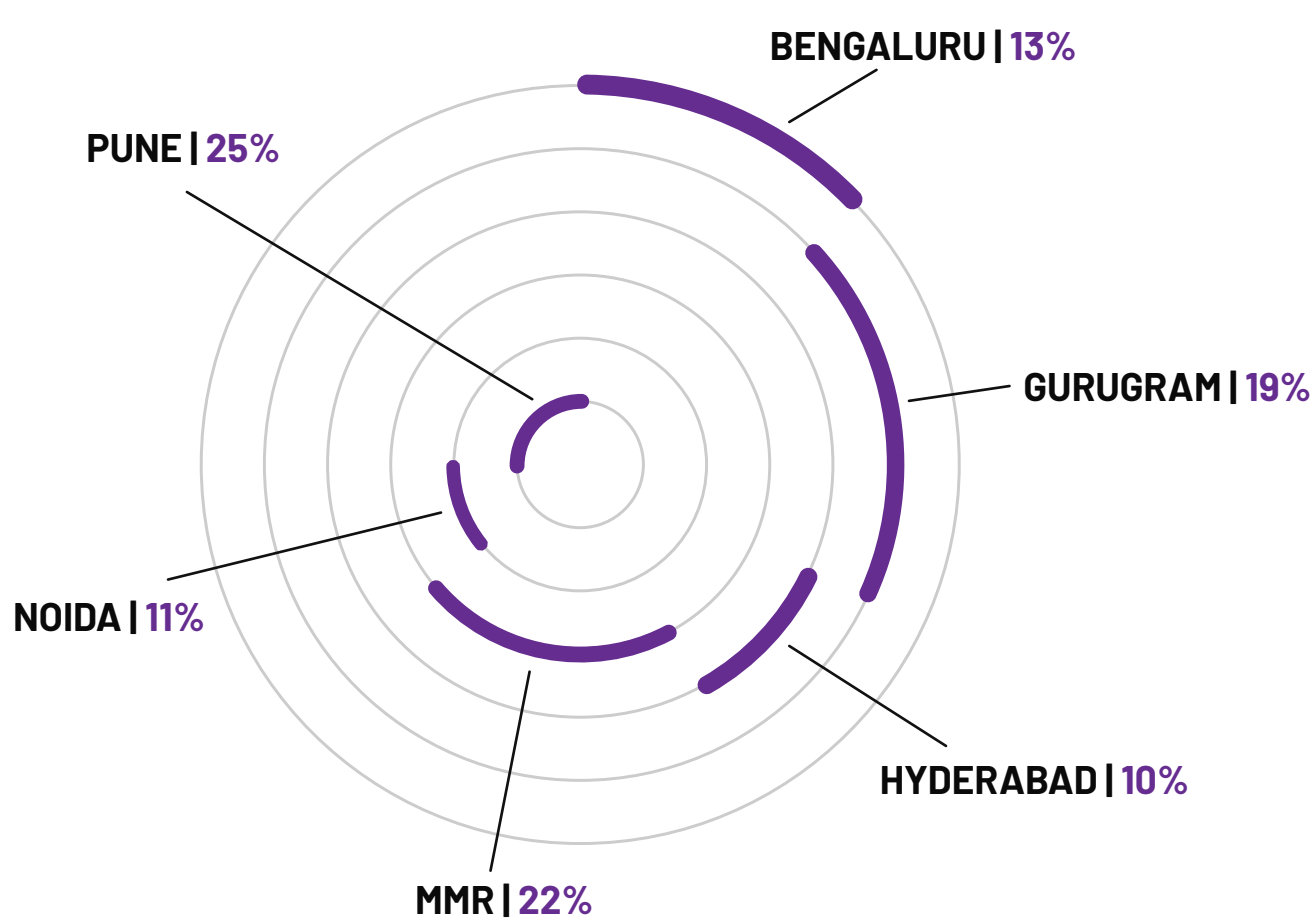
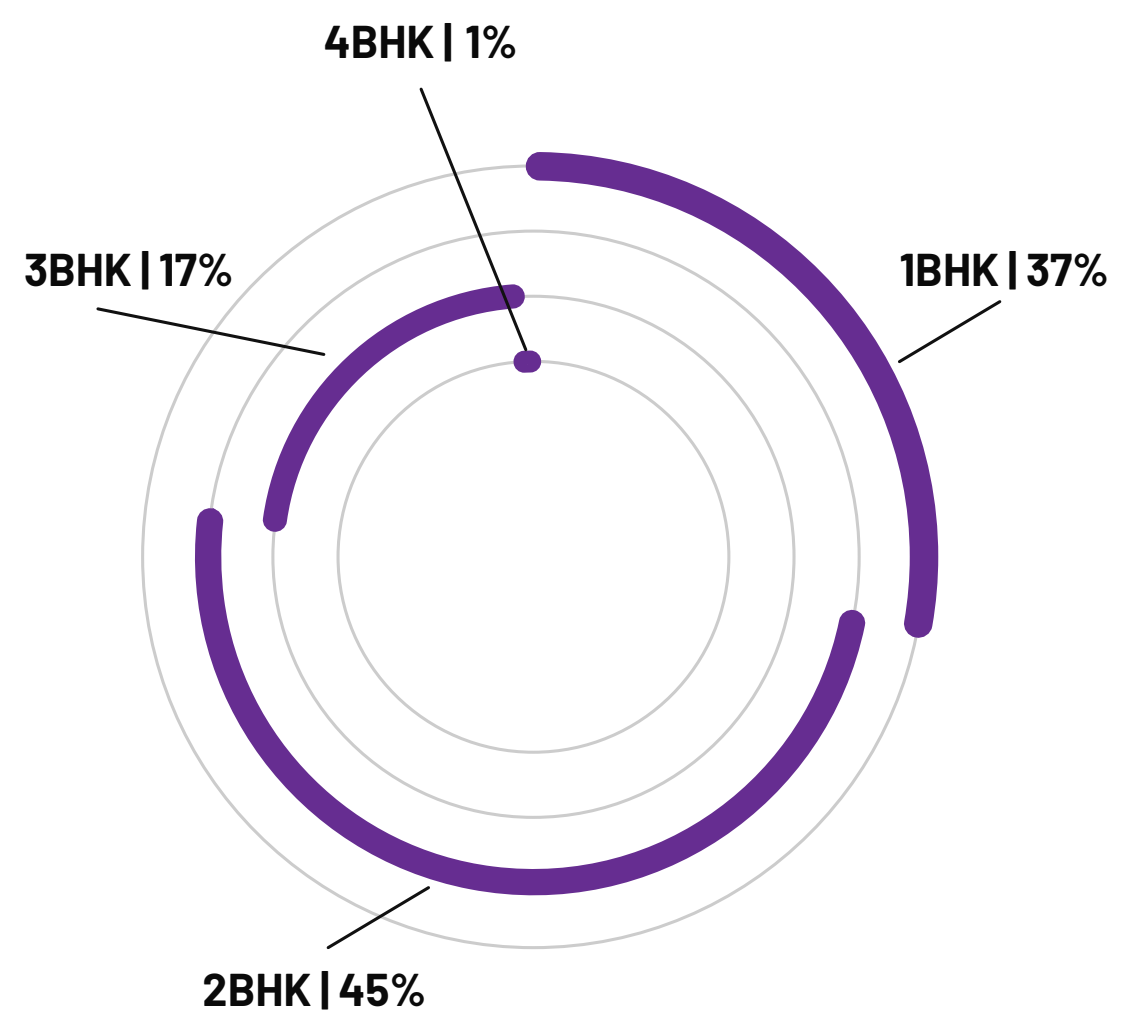


Reflecting the same, Q4, 2021 also had maximum registrations in the mid-housing segment. About 40% of the sale transactions at Square Yards were for homes in the ticket size of Rs 30-60 Lakhs and 29% of the transactions were for residential units at Rs 60-100 Lakhs. In addition to it, the last quarter of 2021 also recorded an overall jump of 12% in the transactions share of mid-segment housing as compared to the previous quarter. The sale of residential units between Rs 1-3 Crore also picked up well in the last quarter by contributing 23% towards the total share, compared to 14% in Q3, 2021.

BHK SPLIT FOR SALES

Though home buyers were on a hunt for larger and spacious homes in 2021, affordability remained the main determinant. However, the definition of affordability differed from one segment of buyers to another. 2 BHK units continued to constitute about half of the total transactions in the last quarter of 2021.

The sales share of 1 BHK and 3 BHK configurations appeared to put forth the same promising trend of “rising demand of spacious homes” as anticipated by realtors. As compared to the third quarter of 2021, the number of 1 BHK units sold dropped by 9% in the last quarter. On the other hand, the sales share of 3 BHK configurations in the fourth quarter increased by 5% as compared to Q3, 2021.



GTV SPLIT FOR TOP SIX CITIES

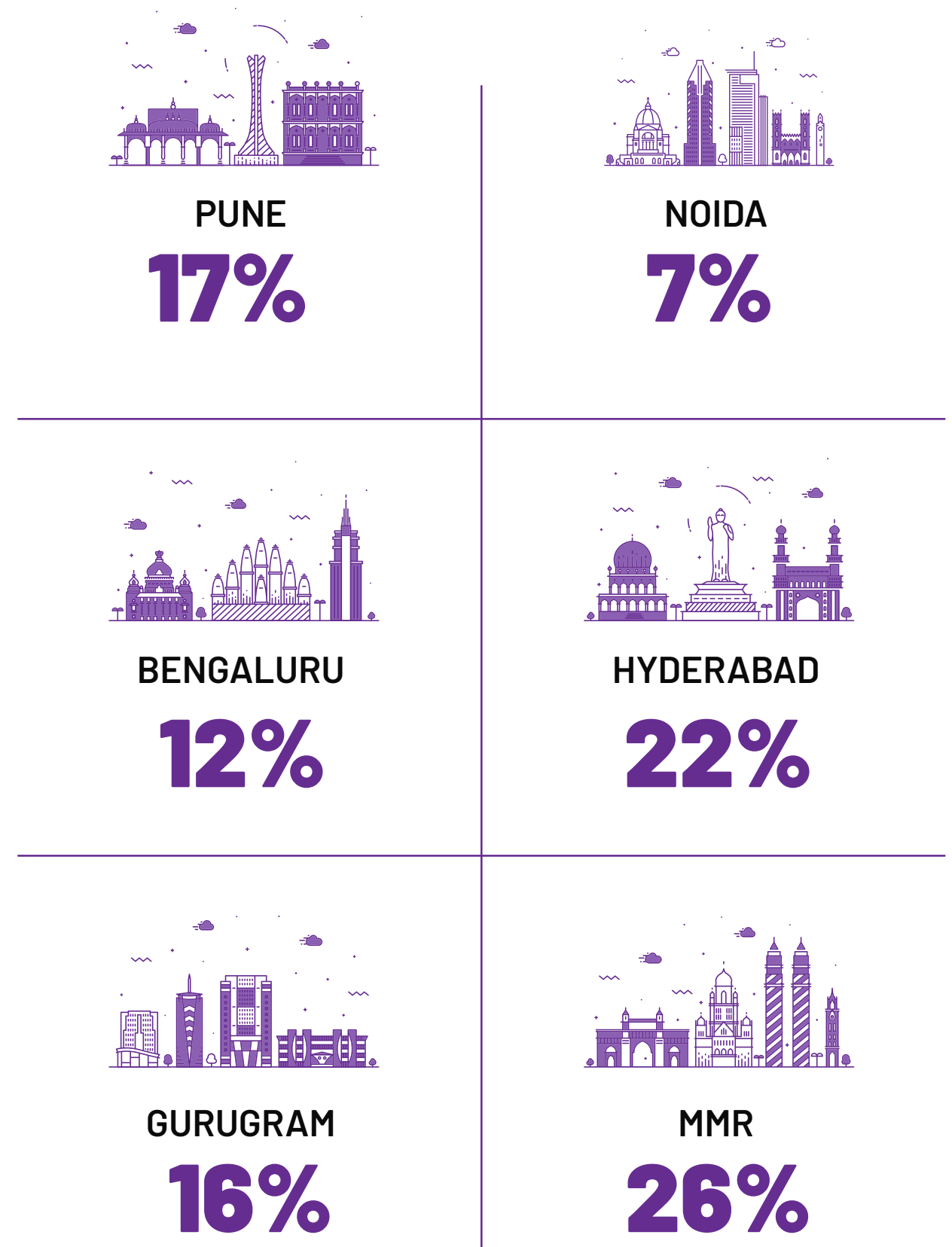
In Q4, 2021, Pune registered the maximum sales with 25% of the total GTV share. This was closely followed by MMR which contributed 22% towards the total revenue. Overall, the year 2021 had been an optimistic one. Maharashtra as a state maintained its spot on the top by attracting the maximum number of residential transactions in 2021.

High sales for Pune can be attributed to prevailing market scenario in which more home buyers are looking for spacious properties in mid-segment housing in Maharashtra.

CITY WISE SPLIT FOR NEW LAUNCHES

Indicating the restored developer sentiment in the realty sector, the last quarter of 2021 attracted 50,000+ new residential units in the top six cities. While 26% of the new launches were in MMR, an almost equal share (24%) of new units was launched in Hyderabad. With these numbers, one can say that this is a clear sign of a market scenario where more developers are looking forward to focus on cities that have more land to offer apart from factors that make a place the “City of Dreams”.

Despite the challenges posed by the second wave, the overall new launch numbers in 2021 seemed upbeat. With more than 1.7 Lakhs units launched across the top six cities, the real estate sector can soon be expected to return to its pre-pandemic status. Further, the quarterly analysis revealed that except for Q2, 2021 all the three quarters registered almost an equal share of new residential launches.

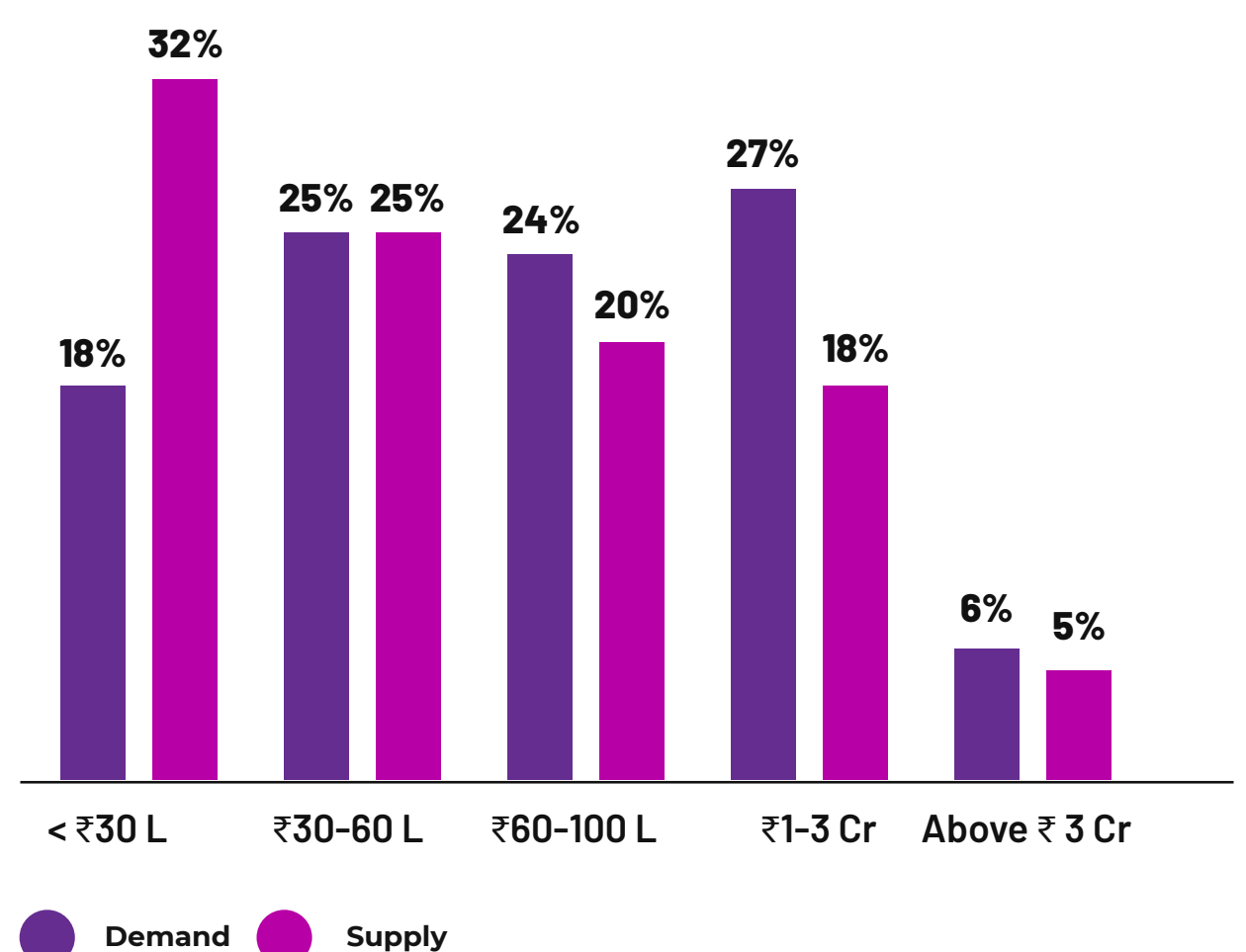


SUPPLY VS DEMAND BUDGET

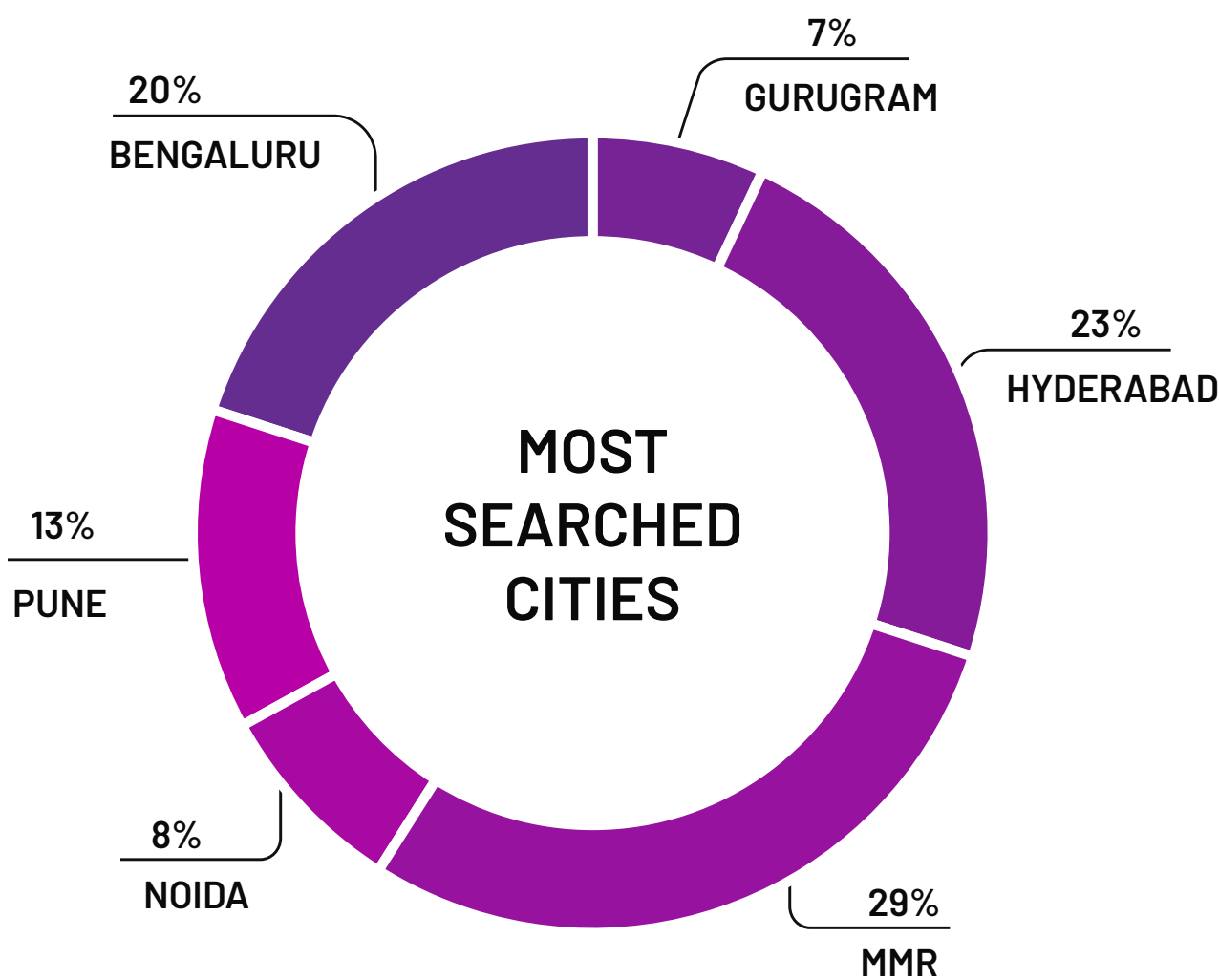
Reverberating the similar trends as observed in the previous quarters of 2021, the supply and online search trends reflected the same sentiment which is, ‘more home buyers widening budget to own more spacious homes’ and ‘more developers tweaking their inventory to get them absorbed’.

As observed across quarters in 2021, nearly half of the online property searches were for homes in the mid-segment ticket size (INR 30 - INR 100 Lakhs). The share only seemed to grow as more homebuyers entered the market. However, what was interesting to note was that initially the builders/developers who were quite reluctant and maintained the status quo regarding inventory, they eventually took note of the changing sentiments. The supply-demand trends for mid-segment housing were more aligned in 2021 than expected. However, the same does not hold true for the other ticket sizes. In Q4, 2021, while the demand remained a little skewed towards the premium housing segment, the inventory still consisted of about one-third of the residential units in the affordable segment (<Rs 30 Lakhs).

With the year 2022 ahead of us, it remains to be seen how the supply-demand dynamics are further realigned for premium as well as for affordable housing segment.



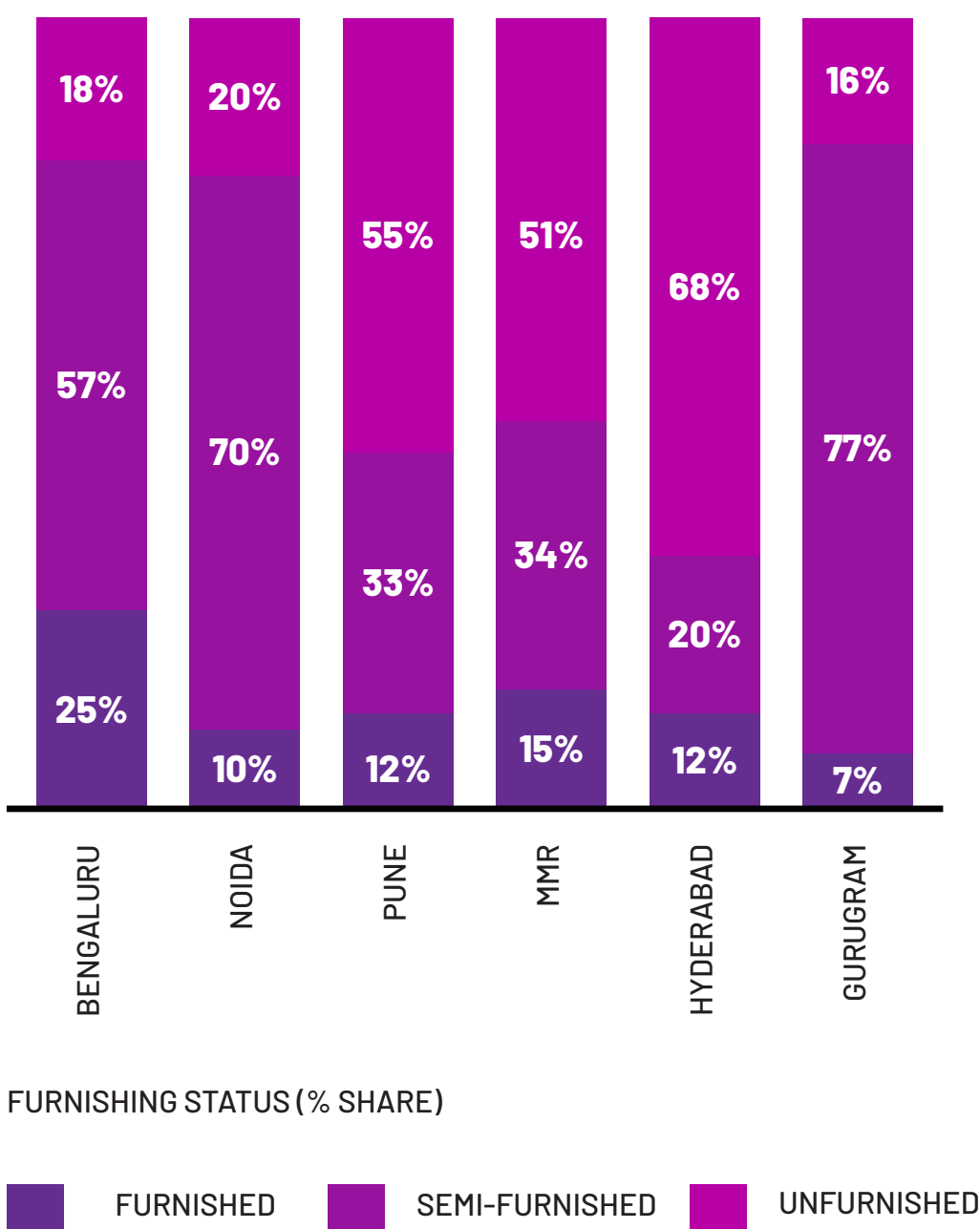
ONLINE SEARCH TRENDS



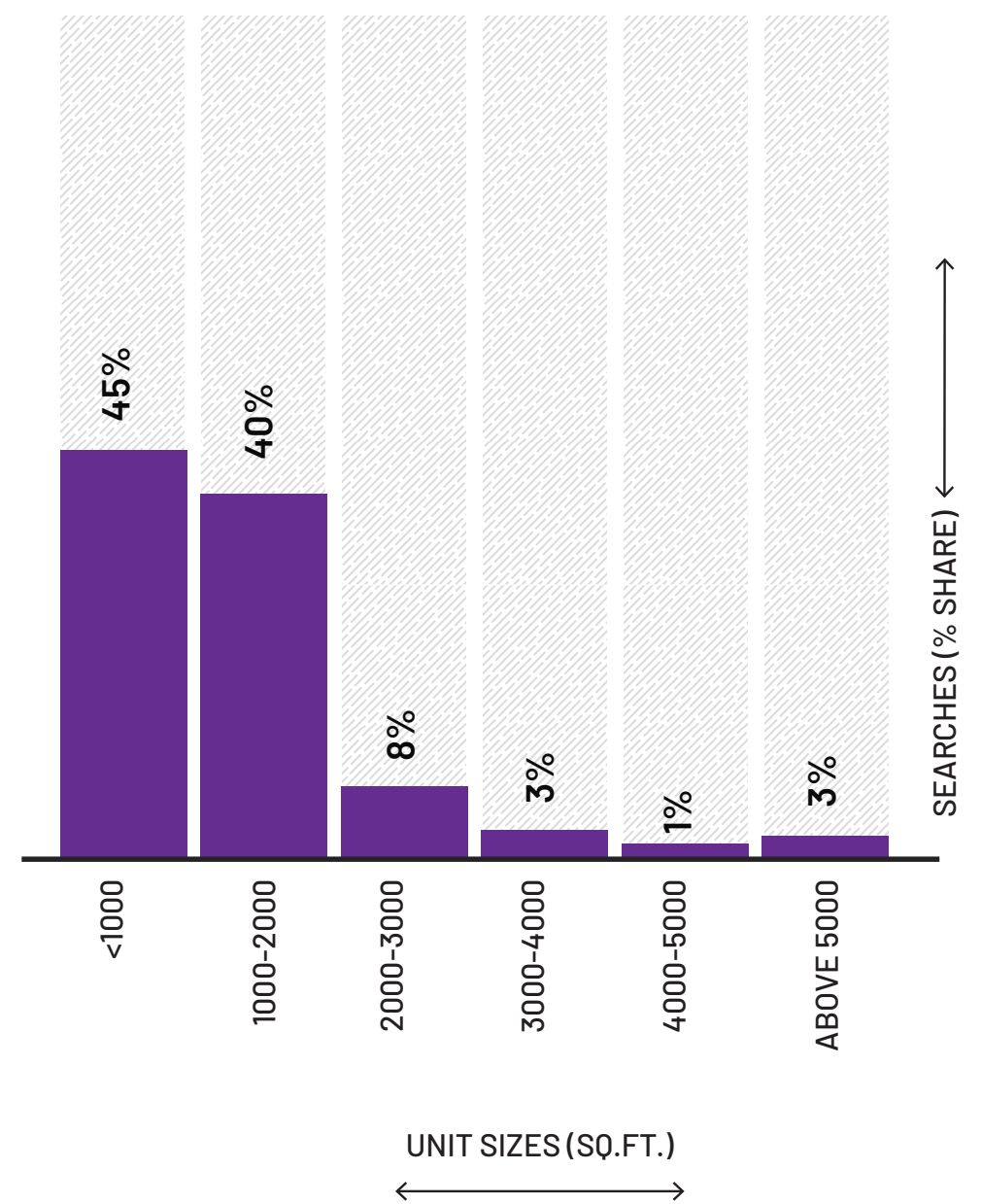
MOST SEARCHED BHK



CITY WISE SPLIT OF FURNISHING STATUS



MOST SEARCHED UNIT SIZES

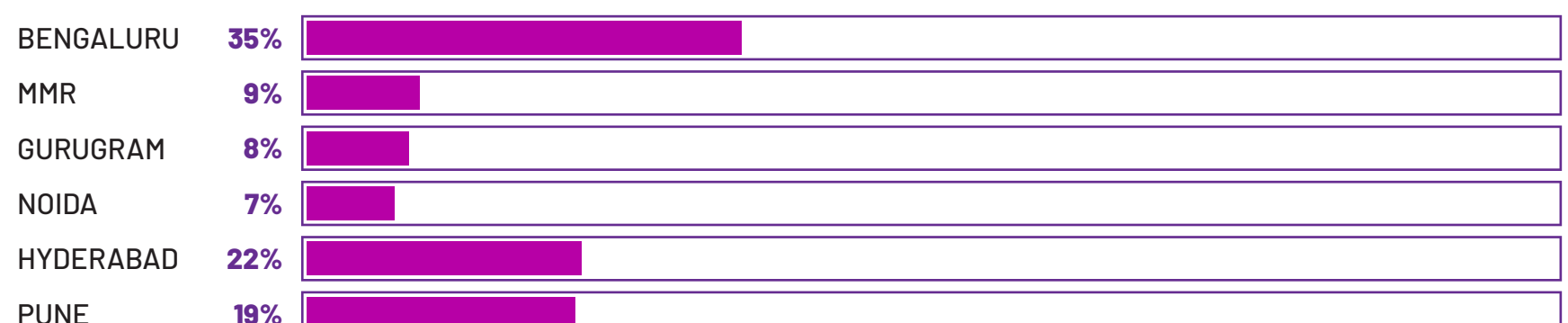


CITY-WISE SPLIT OF PREFERRED HOME SIZES (SQ. FT.)

	<1000	1000-2000	2000-3000	3000-4000	4000-5000	Above 5000
BENGALURU	24%	55%	10%	4%	2%	5%
MMR	80%	16%	2%	1%	0%	1%
GURUGRAM	30%	44%	15%	6%	3%	2%
NOIDA	32%	52%	10%	2%	2%	2%
HYDERABAD	23%	57%	13%	3%	1%	3%
PUNE	51%	33%	6%	4%	1%	5%

Affordable Mid-Income Luxury Ultra Luxury

DEMAND SPLIT FOR LUXURY APARTMENTS (> 4000 SQ. FT.)





CITY TRENDS

- MUMBAI METROPOLITAN REGION (MMR)

- PUNE

- GURUGRAM

- NOIDA

- HYDERABAD

- BENGALURU



24%

NAVI MUMBAI

23%

MUMBAI CENTRAL
SUBURBS

18%

MUMBAI WESTERN
SUBURBS

16%

MUMBAI SOUTH

9%

THANE

8%

MIRA ROAD AND BEYOND

2%

MUMBAI HARBOUR

NEW LAUNCHES ZONE-WISE SPLIT

Throughout the year 2021, zones namely Thane and Mumbai Western Suburbs housed major portion of the new project launches in MMR. Both the zones collectively contributed to about 45% of the total new residential units launched in 2021.

However, the last quarter of the year had a different story to tell. Though as a city MMR continued to hold its dominant position contributing about 26% to the total new launches across the top six cities, the zone wise split in Q4, 2021 differed visibly.

Unlike the third quarter of 2021, Navi Mumbai and the Central Suburbs collectively accounted for about half of the total share of the new launches in Q4, 2021.

The Oct-Dec 2021 quarter also saw a project launches in South Mumbai, home to several high-net-worth individuals. The zone attracted about 16% of the total new launches in the quarter indicating a revival of the luxury real estate segment.

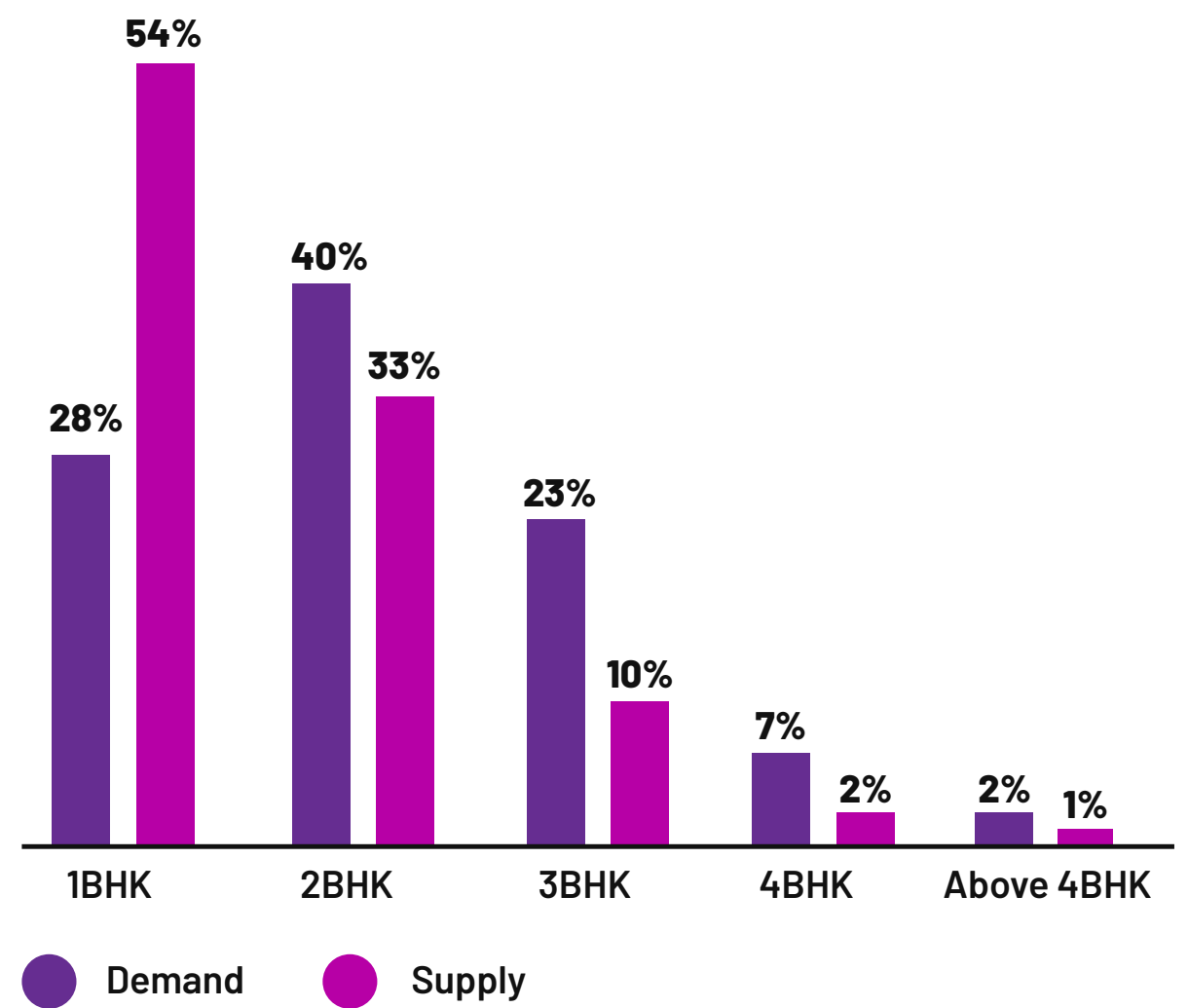


DEMAND VS SUPPLY: BHK

The supply and demand dynamics in MMR did not seem to be in alignment with each other in Q4, 2021 as the growing need for spacious homes became very visible in the search trends. Unlike the previous quarters, a significant 63% of the searches were for 2 and 3BHK homes while the inventory in the market remained skewed towards 1BHK units. This meant that the developers were still offloading their pent up inventory and thus their offerings did not reflect the changing demand preferences.

Also, there had been at least 2% Q-o-Q rise in the demand for 4BHK and above configurations

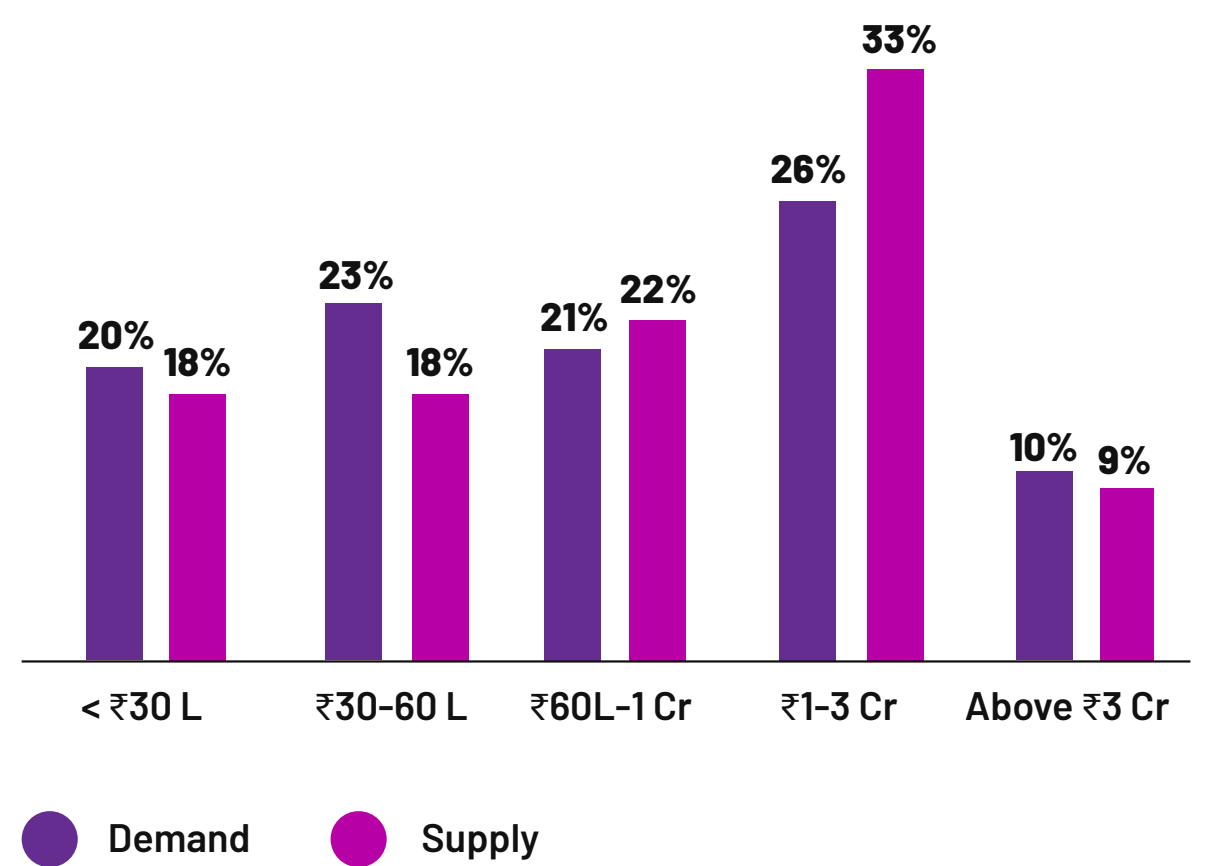
throughout the year. Irrespective of the diminutive increase in demand, what remains to be seen is whether this kind of demand is temporary or is set to stay, especially considering the staggering price points in MMR.



DEMAND VS SUPPLY: BUDGET

Making the most of the tremendous rise in homeownership aspirations, developers in the last quarter of 2021 seems little prudent. About one third of the inventory comprised of home units worth Rs 1-3 Crore, recording a 6% Q-o-Q rise. However, the supply of mid-segment housing recorded a dip of 4% in Q4 indicating greater absorption as well limited new inventory addition in this segment.

Overall, year 2021 recorded a gradual shift of the residential supply towards the mid segment and premium segment (properties above Rs 3 Crore). On the other side of the spectrum, preferences of home buyers in MMR remained relatively constant in all the four quarters. The share of mid segment housing decreased from 50% of the total share to 44% and hovered around the same figure in the following quarters.



PROPERTY TYPE

Without a doubt, apartments remained the most preferred property type both at the supplier's as well as the home buyers' end. It formed 90% of the total online searches in Q4, 2021 while a whopping 97% of the total inventory was inclined towards apartment projects.

≥ 90%

Demand and supply noted for apartment projects in the MMR during Q4, 2021.



45%

PIMPRI CHINCHWAD

35%

WEST PUNE

17%

EAST PUNE

02%

SOUTH PUNE

01%

CENTRAL PUNE

NEW LAUNCHES ZONE-WISE SPLIT

Unlike MMR, where home buyers are constantly tussling to get their hands on the best deal given the pricey real estate market, Pune always offers a middle ground to prospective home buyers. Home buying offers are mostly spread across affordable to mid-segment ranges in Pune. Though Pune crawled down to 4% in its overall contribution towards new project launches in the top six Indian cities, the total number of new units launched was roughly equal to the Q3, 2021 numbers.

Following the supply traction in the peripheral region, West Pune had a fair share of new residential projects throughout the year 2021 (at least 32% in every quarter), as anticipated. What was surprising to note was that Pimpri Chinchwad bagged a whopping 45% share of the total pie of the new housing projects in the last quarter of 2021. This was in stark contrast with the first three quarters, where supply in Pimpri Chinchwad was almost muted.

New launches in other zones of the city, namely East and North Pune, also changed significantly towards the end of the year. East Pune, which seemed to have picked up steam in the third quarter, recorded a slight decrease of 5%, despite constituting one-fifth of the total new launches in 2021. This was closely followed by North Pune, which comprised about 18% of the total new residential projects in the city for 2021.

The number of new project launches in Pune - despite the second wave of pandemic - seemed to pick up really quick and emerged more resilient.



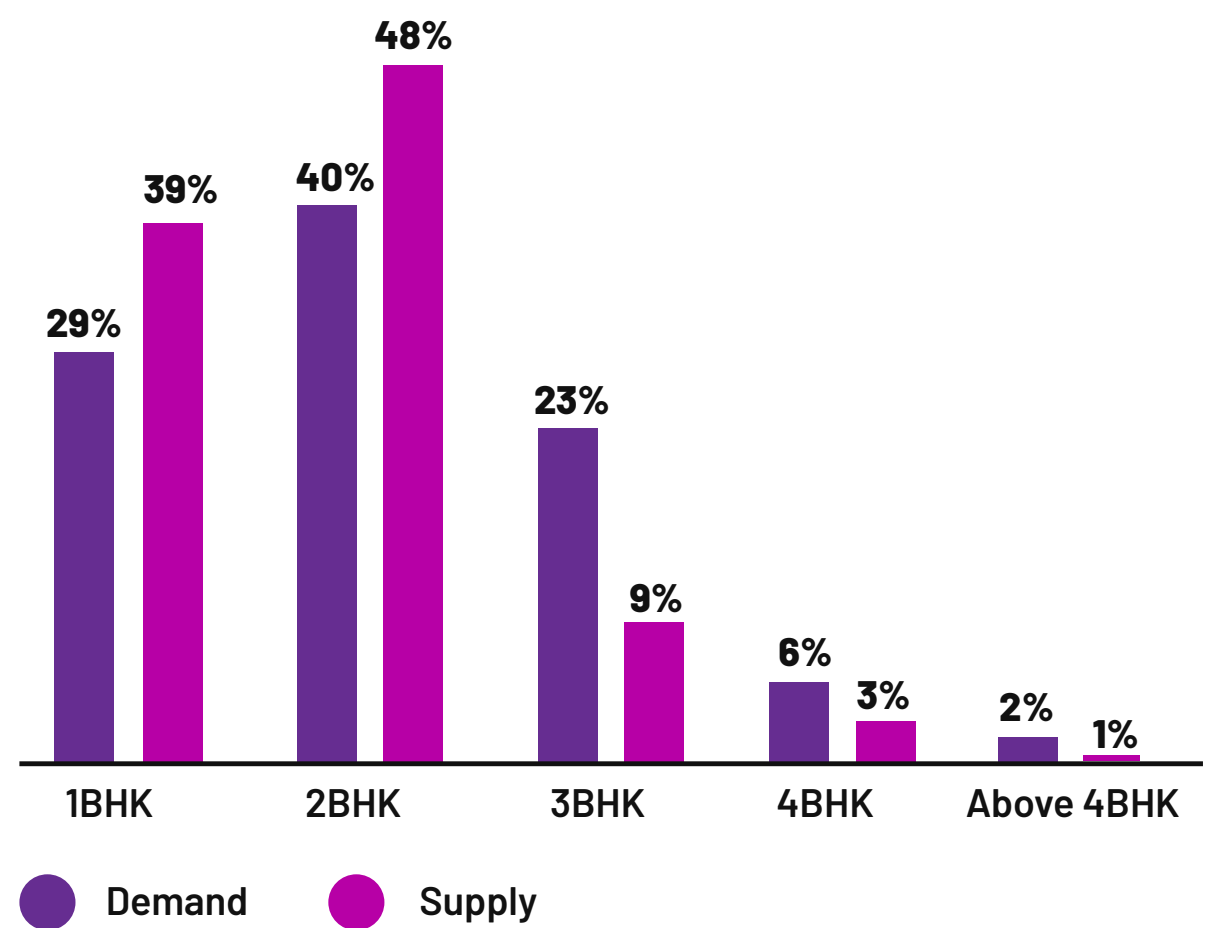
DEMAND VS SUPPLY: BHK

Apart from offering spacious dream homes in the peripheral region of MMR, Pune is also expected to be relatively more affordable when it comes to the price tags attached to homes. Throughout 2021, the online search demand for 3 BHK units in Pune constantly floated around 20%, and the same was affirmed in the Oct-Dec 2021 quarter too.

In the last quarter of 2021, about 40% of the online property searches were for 2 BHK homes, followed by 23% for 3 BHK units. It can be safely said that the

home buyer inclination has started to drift towards larger homes slowly. Demand for home configurations on the other two extremes (1 BHK and 4 BHK and above) remained unchanged.

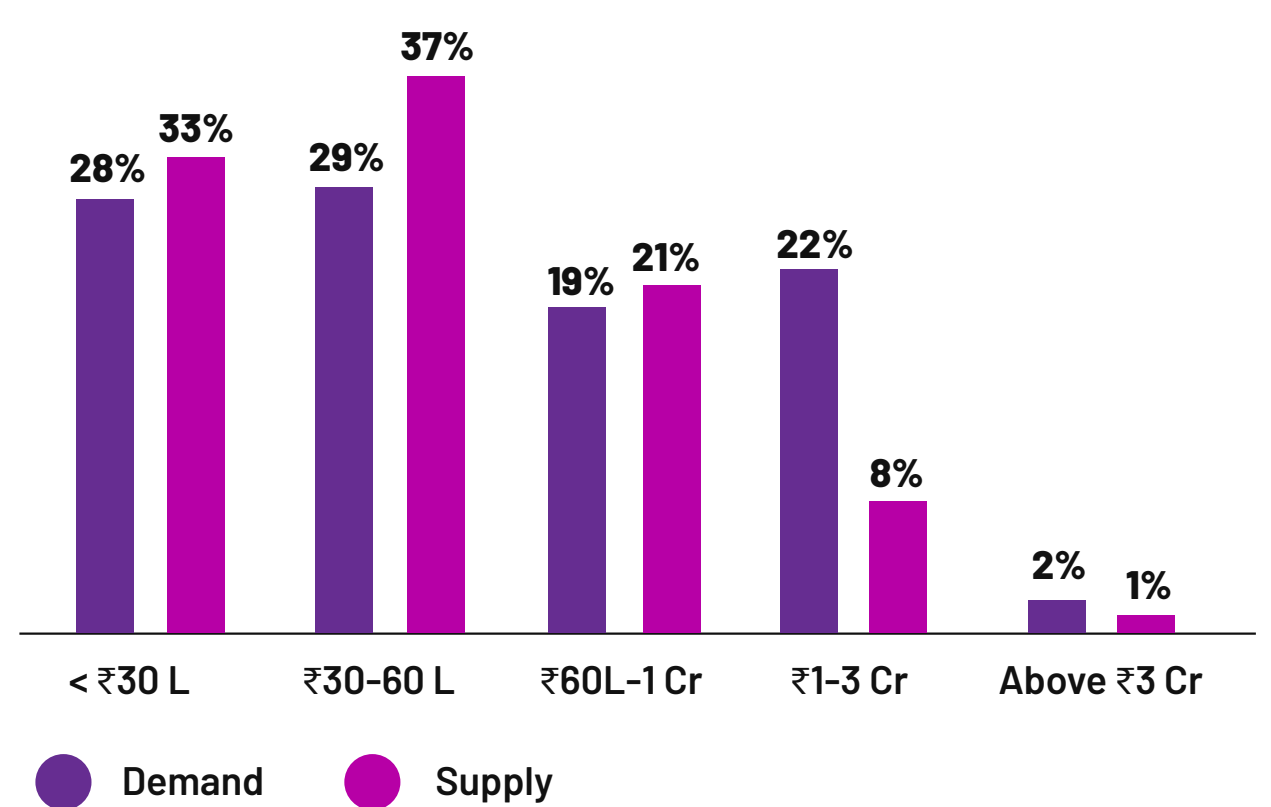
Accordingly, the plans being offered by developers appeared to be in line. Even though the inventory for smaller home configurations stood high at 87%, the intent of creating space for larger units was evident. About 40% of the inventory was for 2 BHK units in each quarter of 2021. There was a marginal increase in the supply of 3 BHK units as well. Developers seemed to be cognisant of the changing buyer requirements, and they were more willing to present the buyers with lucrative offerings.



DEMAND VS SUPPLY: BUDGET

Similar to the trends in Q3, 2021, the maximum share of the inventory as well as the demand was concentrated in the Rs 30-60 Lakhs budget segment. Most home buyers seemed to be comfortable with spending a little extra for their dream home, given that the ‘space’ quotient regained importance amidst the pandemic. A constant increase in the share of the demand for premium properties (priced above Rs 1 Crore) was observed throughout the year.

Suppliers too realigned their offering as per the market demand; hence a more uniform distribution in the inventory across different ticket sizes for affordable and mid-segment units was witnessed. The mid-segment category comprised 58% of the total inventory, further spread across the two ticket sizes: Rs 30-60 Lakhs and Rs 60-100 Lakhs. The number was slightly skewed towards the former category.



PROPERTY TYPE

The previous quarter was majorly about independent units, thus approbating the constant rise for the need for privacy among buyers. Approximately 20% of the demand was recorded for independent homes in Pune. The current supply for the same stood at an insignificant 1% of the inventory. Apartments continued to be the most available property type.

17%

The gap between supply and demand of apartment projects in Pune where the category was over-supplied during Q4, 2021.

NEW LAUNCHES ZONE-WISE SPLIT

Attributed to major developments such as re-vamping of the Southern peripheral areas, the zone in Q4 attracted 43% of the new residential projects. This was closely followed by the Central Gurugram zone which added more than 1300+ new residential units to its kitty. The developers also seemed more vigilant about the changing preferences of the home buyers. Peripheries of the city continued to gain traction as more than 60% of the new launches were in the outskirts (Southern Peripheral Road and New Gurugram) of the city.

Overall Gurugram's contribution to the total new project launches increased by a small 5% in the last quarter of 2021. However, it was amply visible that the developers' confidence has once again been resurrected in the residential segment with new launches constantly on the rise, albeit gradually.

43%

SOUTHERN
PERIPHERAL ROAD

38%

CENTRAL
GURUGRAM

18%

NEW GURUGRAM

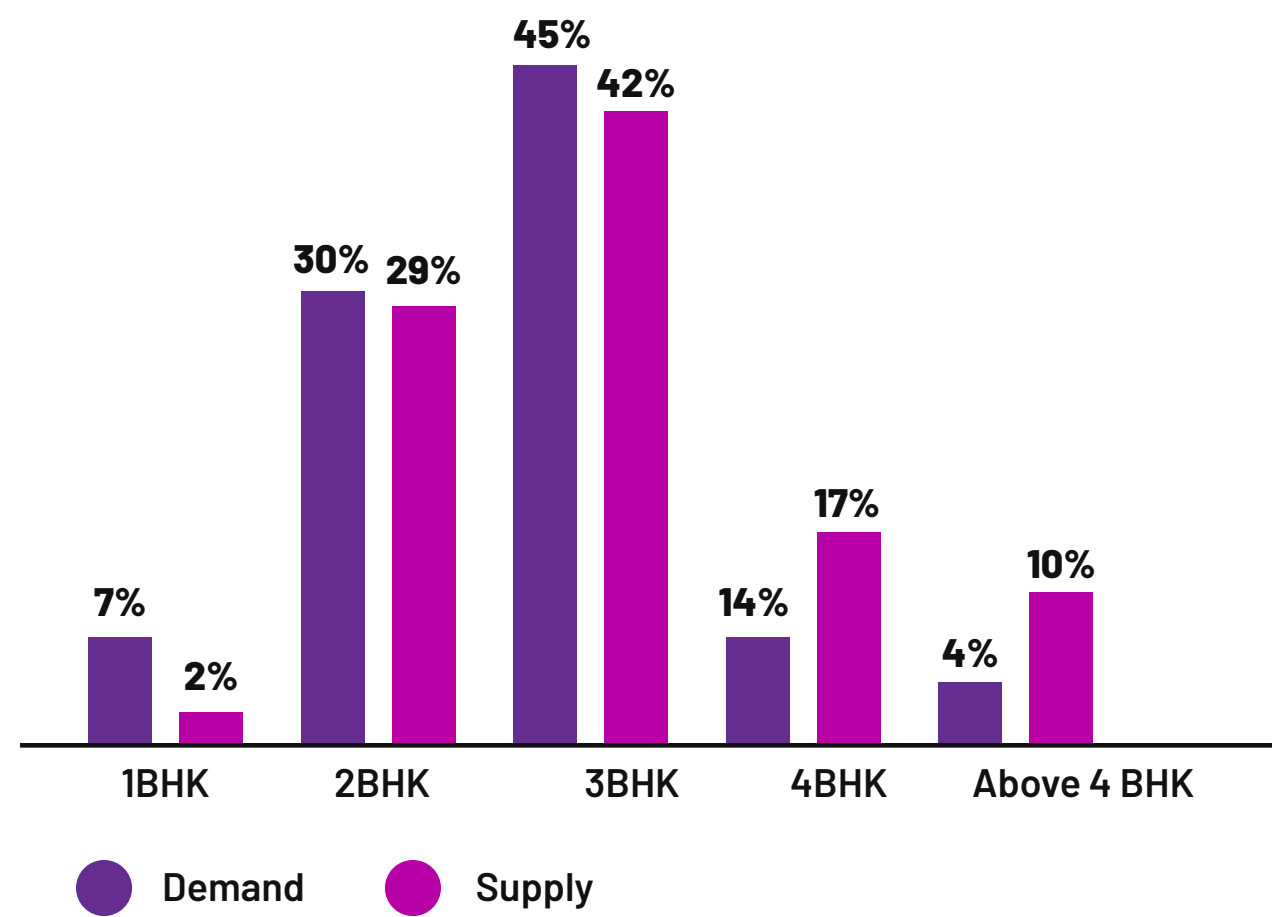
1%

GOLF COURSE ROAD



DEMAND VS SUPPLY: BHK

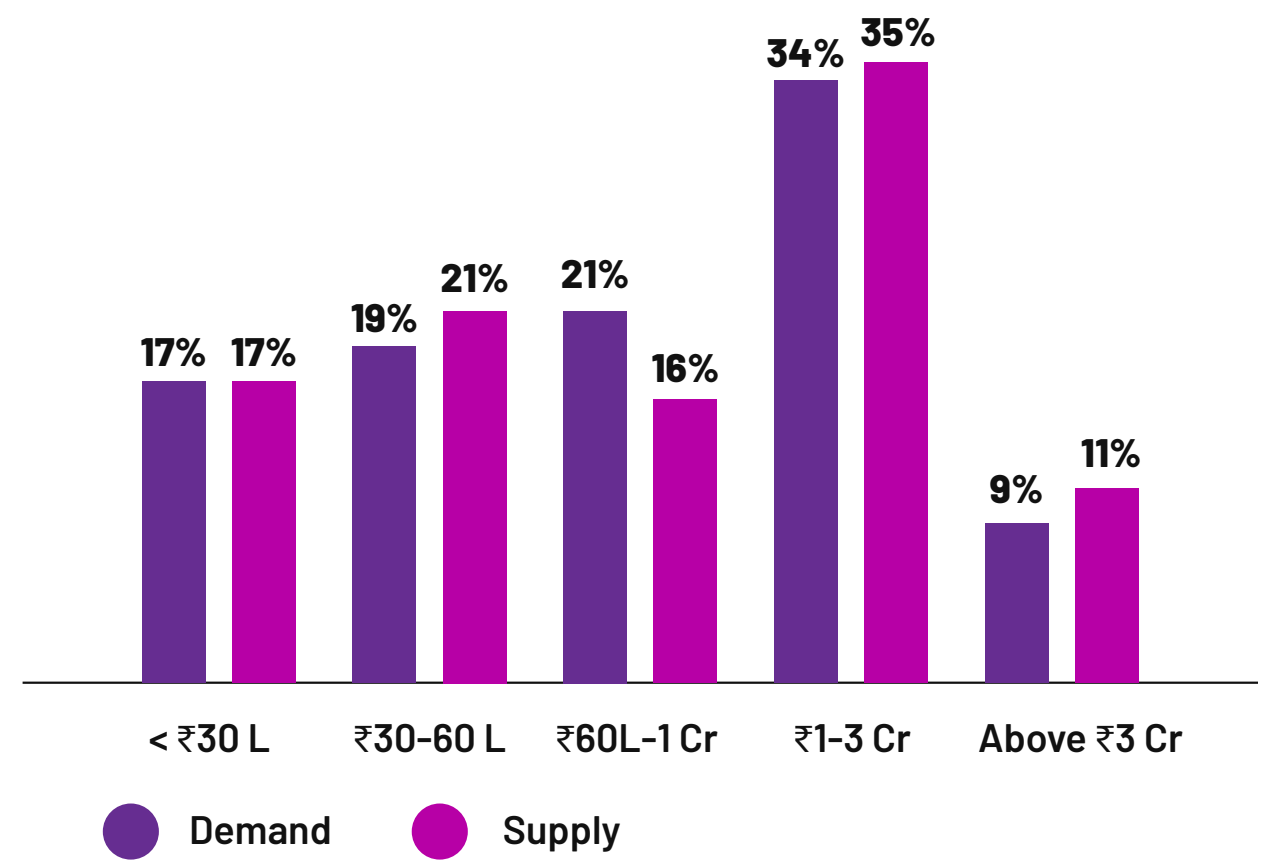
As per Square Yards research, in the wake of the paradigms set by the COVID-induced crisis, both suppliers, as well as homebuyers in Gurugram, looked for big and spacious units in the fourth quarter of 2021. About 45% share of the online searches and 42% share of the supply was limited to 3BHK configurations.



The supply of residential units seemed to be in sync with home buyers' aspirations, with about 70% of it or 3 BHK and above configurations. A whole new trend to keep an eye on! The year 2021 further emerged more in favour of the spacious and larger home units strongly backed by more home buyers stepping in the market.

DEMAND VS SUPPLY: BUDGET

In contrast to the earlier quarters, Q4, 2021 recorded about 10% rise in the supply of properties priced at Rs 30- 100 Lakhs, approbating the shift in focus of Gurugram developers to mid-segment properties. As per the Square Yards data, about 34% of the online searches in Q4 were for the ticket size of Rs 1-3 Crore. Similar to Q3, the price bracket of ₹ 60-100 Lakhs and Rs 1-3 Crore continued to pick up the interest of home buyers as well as developers. Unlike other top cities where the mid segment seemed to gain more traction, for Gurugram the ticket size Rs 1-3 Crore (premium segment) can be seen as the “extended mid-segment housing” category.



However, the overall residential inventory was in sync with the respective demand across various ticket sizes with only a 2-3% difference between the searches and supply.

PROPERTY TYPE

The impact of the pandemic and the resultant need for spacious homes was quite visible in the type of properties home buyers searched for as well in the inventory available. As opposed to apartments dominating demand and supply landscape in the city, Q4, 2021 data revealed a more evenly distributed pattern. While apartments continued to be the most searched property type capturing 40% of the total searches, almost equal share of searched was noted for builder floors. Supply was also uniformly split between the two categories while plots was over-supplied by 14%.

≥ 34%

Almost equal demand and supply noted for Builder floors in Gurugram.



96%

NOIDA
EXPRESSWAY

|

04%

NOIDA
EXTENSION



NEW LAUNCHES ZONE-WISE SPLIT

The Noida residential market in 2021 witnessed limited new launches, recording not more than 2,500 new units per quarter. Even so, the market slowly paced up and maintained a steady inflow of new projects. Despite the surge in demand, these figures cannot be compared to the pre-pandemic times.

It was interesting to note that in the last quarter, more than 2,000 new residential units were launched along the Noida Expressway region. More developers can be expected to venture in and strengthen their plans to add more new projects in the city. This will provide the home buyers in Noida the long-awaited incentive amidst the row over several stalled residential projects.

Also, there exists a contrasting background in view of demand in Noida as compared to other top cities. In other cities, home buying sentiments, as well as developers' inventory, are primarily driven by the mid-segment. In Noida, however, the demand for mid-segment housing is yet to catch up in a full-fledged manner. This is attributed to the presence of multiple factors boosting the affordable segment.

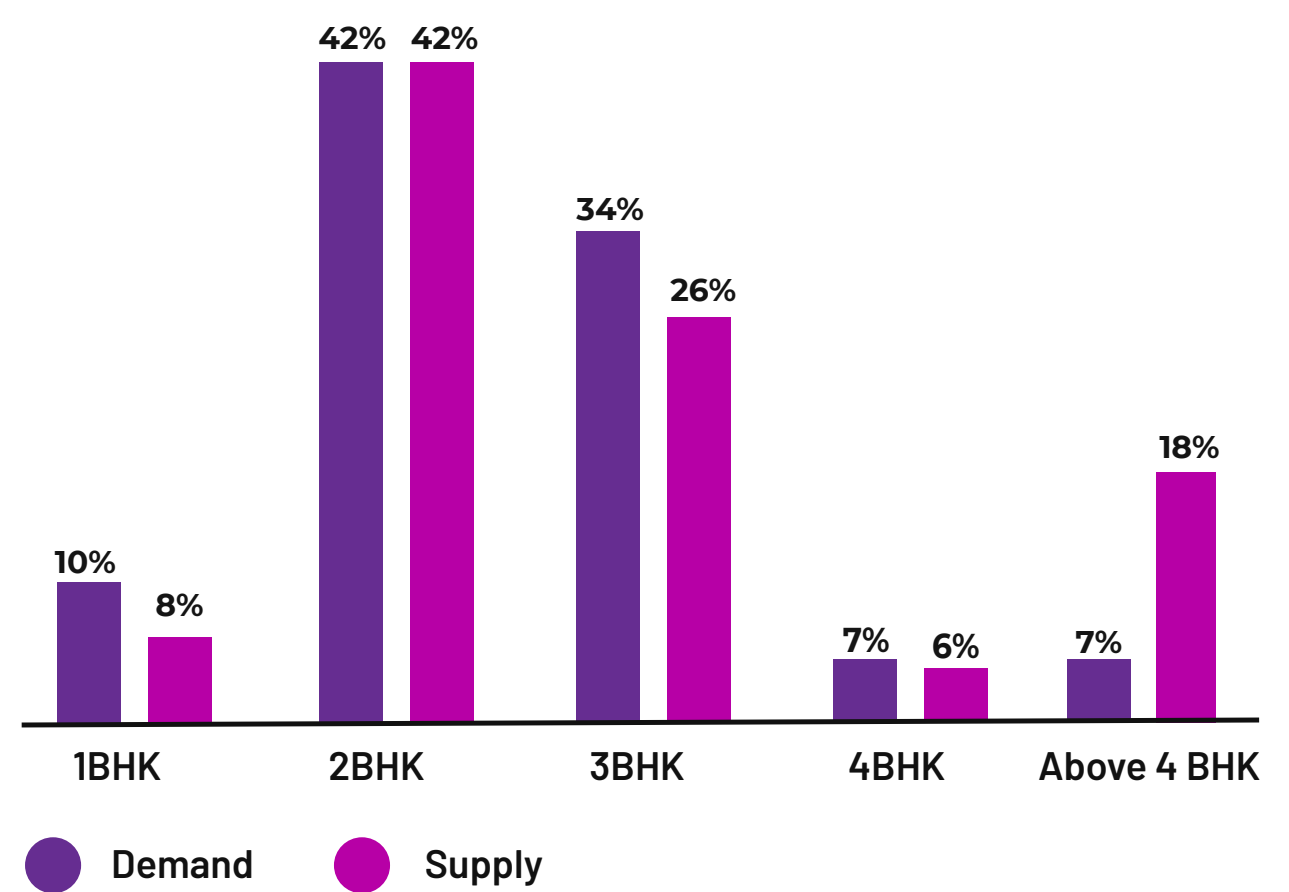


DEMAND VS SUPPLY: BHK

Despite the affordable segment leading the residential market in Noida, it was clearly understood from the trends that the need for “more space” was nowhere to be compromised by the prospective buyers.

Though 2 BHK constituted 42% of the supply as well demand, one cannot entirely negate the demand for spacious homes. With half of the total demand for 3 BHK and above configurations, more home buyers appeared to be on the hunt for larger homes.

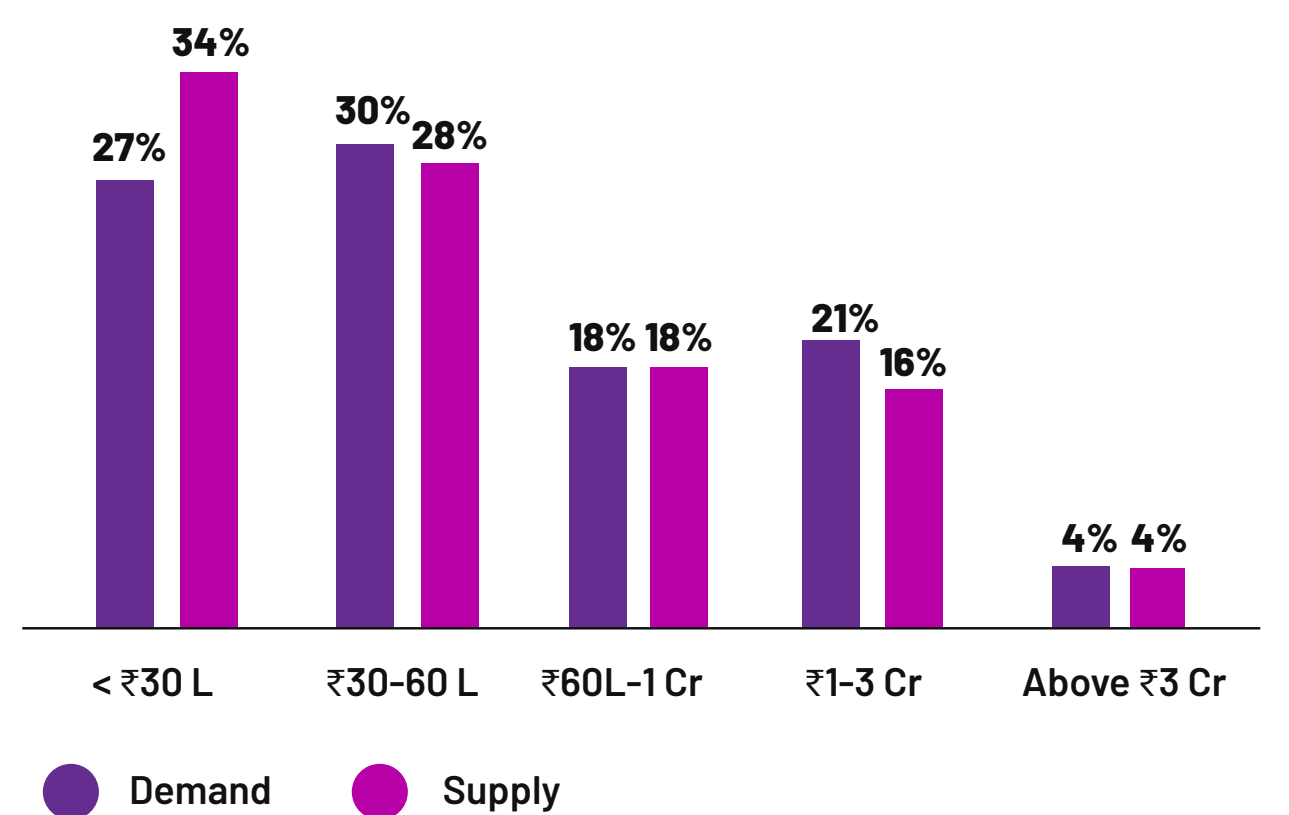
Also, yearly trends showed a consistent demand for 3 BHK units comprising at least 30% of the demand, there was another startling observation. There had been a constant 3-4% Q-o-Q rise in demand for the above 4 BHK category. This can either be deciphered as a delusionary deviation in realty trends or serious buyers eyeing lavish big-budget properties in the NCR.



DEMAND VS SUPPLY: BUDGET

With the upcoming Jewar airport lending a positive buzz to the city, more buyers seemed to look for residential units in Noida during 2021. The city not only gained momentum in demand for housing units but also asked for speedy completion of the ready-to-move-in properties. Thus, only under-construction properties formed a major portion of the unsold inventory.

Apart from that, throughout the year, the Noida residential market had ample property options to choose from for every buyer, irrespective of which spectrum of the demand pyramid they belonged to. Reverberating the same, more developers came up with spacious housing units under ₹ 30 Lakhs (34%), closely followed by the ticket size ₹ 30 Lakhs-₹ 60 Lakhs (28%) in the fourth quarter of 2021. This very well depicted the exact portrayal of 2021, where more than 50% of the buyers looked for properties priced at less than Rs 60 Lakhs. Gauging the improved home buying sentiments, builders also offered about half of the inventory in the same segment, leaving plenty of speculations around the strong sailing of the affordable segment in the city.



PROPERTY TYPE

With major developers delineating their launches in Noida, apartments emerged as the most preferred property type, distantly followed by the demand for independent houses that stood at 19% of the total share.

> 39 %

Demand and supply noted for apartments in Noida.

57%

WEST
HYDERABAD

18%

NORTH
HYDERABAD

15%

EAST
HYDERABAD

8%

CENTRAL
HYDERABAD

2%

SOUTH
HYDERABAD

NEW LAUNCHES ZONE-WISE SPLIT

As the market recovered, the last quarter of 2021 registered positive momentum with a Q-o-Q rise of 8% in the number of new residential launches in Hyderabad. As noted in the last three quarters, West Hyderabad once again attracted 57% of the total new launches. The city once again emerged as the developers' favourite adding about a quarter of the total new launches amongst the top six cities.

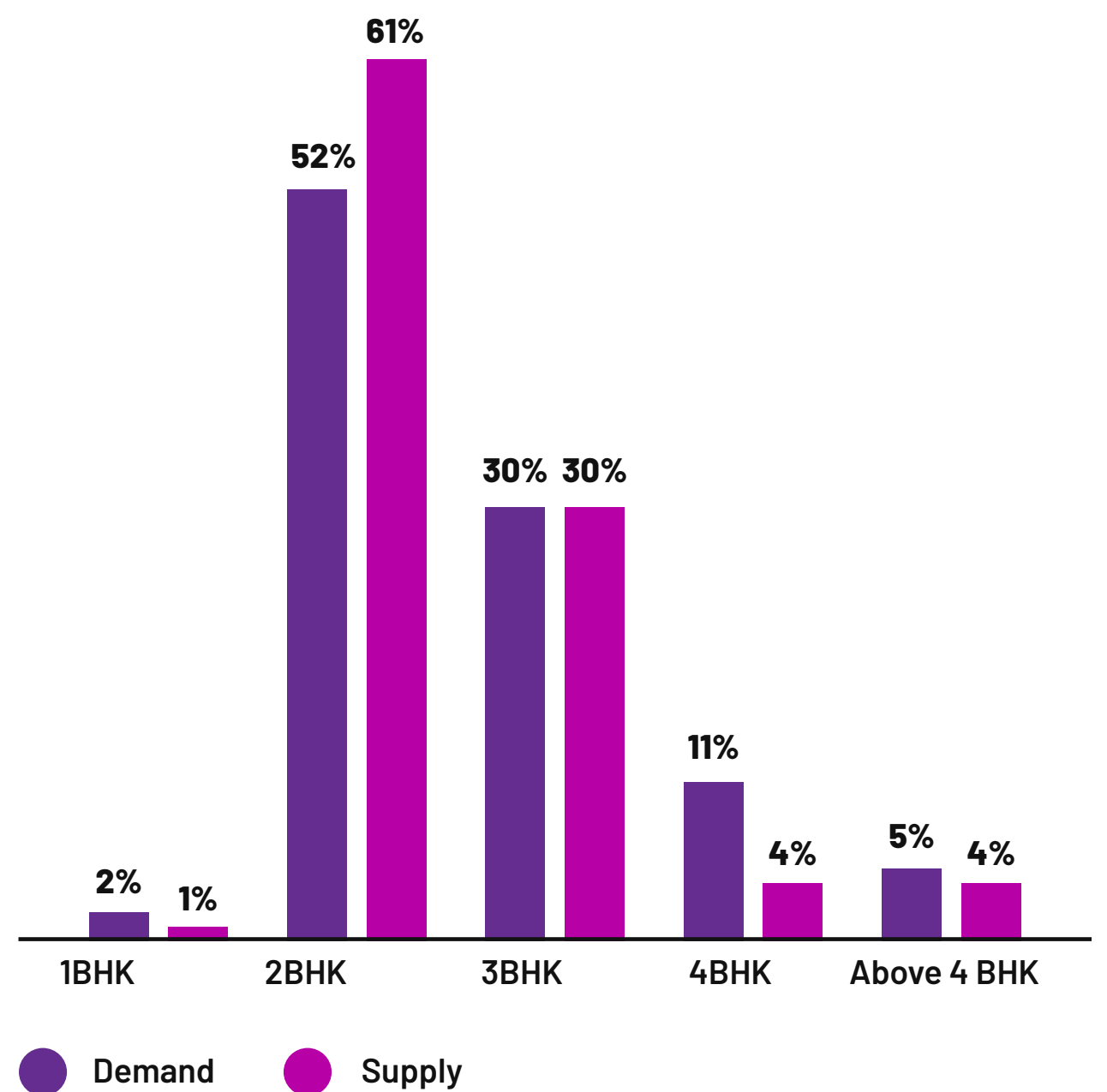
The yearly analysis of the new project launch numbers revealed the gradual emergence of West Hyderabad as a preferred zone for new real estate development overtaking North Hyderabad. The peripheral zone (West Hyderabad) in the first quarter of 2021 accounted for only one-fifth of the total new launches. With the pandemic creating havoc once again with its deadly second wave during Q2, 2021, developers thought it prudent to expand their residential offerings to the peripheries of the city. This thought process could have germinated from the sentiment of "affordable yet spacious homes" gaining prominence and becoming a mainstream selling point.



DEMAND VS SUPPLY: BHK

In accordance with the buyer demand, the inventory was also more tilted towards 2-3 BHK configurations with 61% of the supply for 2BHK units and 30% of the supply for 3 BHK units, a slight increase from the previous quarter. As far as the Q-o-Q analysis is considered, a small 5% jump in the supply of 3 BHK configurations was noted, approving the slowly rising enhanced need of home buyers to upgrade to larger living spaces.

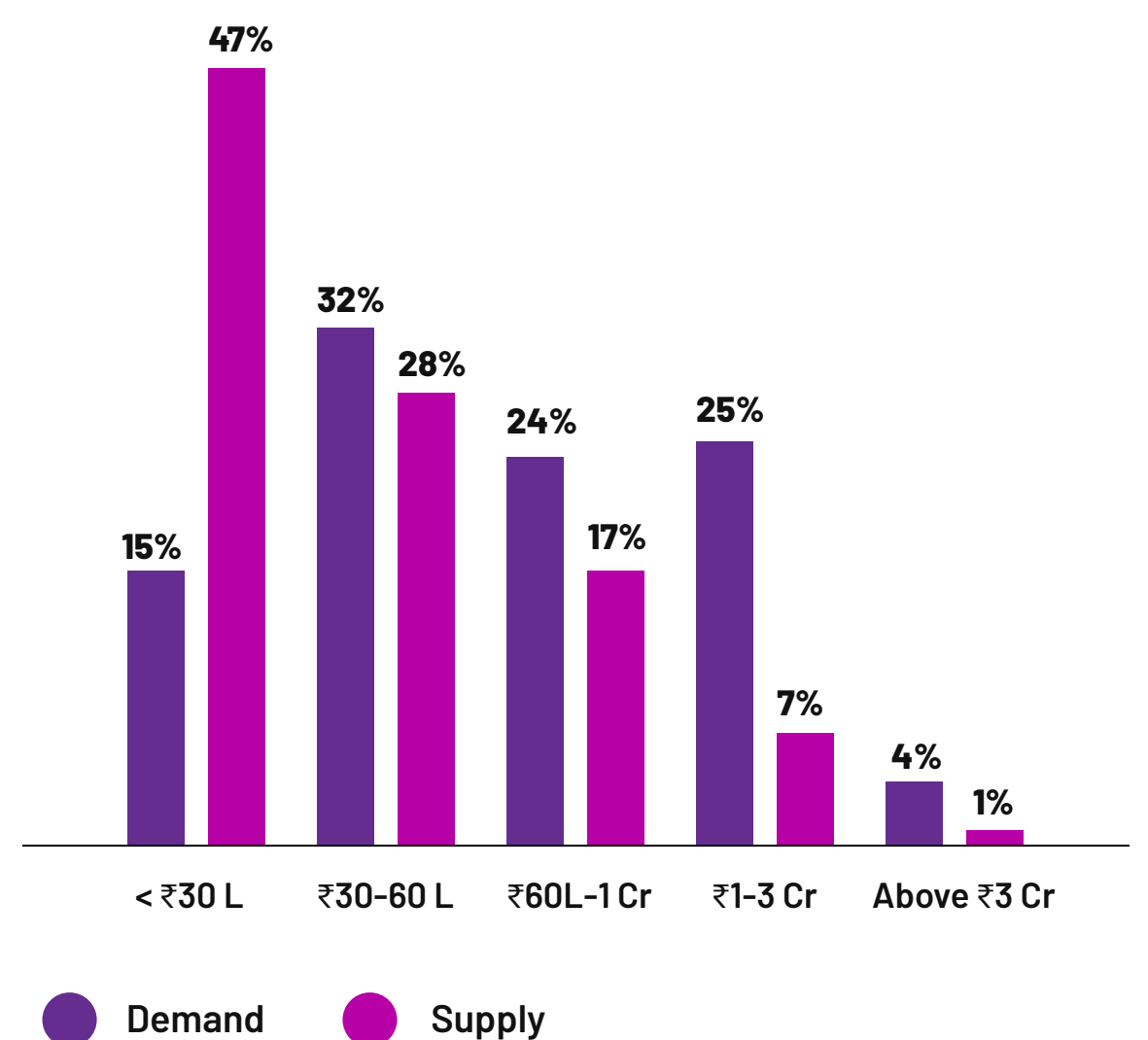
Like other top cities, demand for spacious homes in Hyderabad was also largely concentrated in peripheral locations like Tellapur, Bachupally in the west and Attapur in the South.



DEMAND VS SUPPLY: BUDGET

As per online search trends for the Oct-Dec 2021 quarter, the supply and demand dynamics for various budget categories appeared to be out of sync with each other. This skewed inventory, however, can be attributed to more developers listing plots as compared to residential units. Close to 75% of the residential listings in the city was for affordable properties priced below Rs 60 Lakhs.

As opposed to this, most home buyers looked for properties in the mid-income segment and a healthy 25% searches was also noted for the Rs 1-3 Crore ticket size. This could be attributed to the fact that independent homes are gaining a lot more traction over apartment projects in the city. This combined with the rise in plotted developments in 2021 in the Hyderabad residential market, what will be the buyers take in 2022 is open to lot of speculations.



PROPERTY TYPE

Barring Bengaluru, Hyderabad emerged the only city to have a huge demand for independent homes as compared to apartments. The category recorded a 43% supply deficit in Q4, 2021. For now, both the buyer as well as seller mindsets seem to be aligned with respect to independent homes. Buyers seem to be looking for built options with amenities rather investing in plots and taking up construction on their own.

50%

Demand noted for independent houses in Hyderabad during the Oct-Dec 2021 quarter.



38%

**NORTH
BENGALURU**

36%

**EAST
BENGALURU**

22%

**SOUTH
BENGALURU**

4%

**WEST
BENGALURU**

NEW LAUNCHES ZONE-WISE SPLIT

Similar to the third quarter, the Oct-Dec 2021 period indicated a steady increase in developers' interest concerning new launches. The city recorded launch of more than 7,000 new residential units, clearly showing the signs of rising developers' confidence towards the end of the year. At the same time, this also signified that the residential segment in Bengaluru was relatively less impacted. Barring Q2, 2021, in which the new launches dropped by 10%, all other quarters, including the last one, recorded a constant addition of more than 7,000 units on an average.

In terms of the zone-wise distribution of the new residential projects in the city, the same precincts, namely East Bengaluru and North Bengaluru, held the maximum share. These zones collectively accounted for 74% of the total new residential launches. However, this time around, the individual share of precincts was almost equal which was not the case in the previous quarters.

Looking at the new launch trends around 2021, it was evident that North and West Bengaluru continued to be the builders' favorite. South Bengaluru, on the other hand, noted a minor blip in the number of projects launched in the second and third quarters. However, the zone registered a 7% increase for new launches in Q4, 2021 as compared to the Jul-Sept period.

Throughout 2021, the new supply segment in Bengaluru remained quite promising. The credit for this goes to the home buyers in the IT-dominated market that rendered the city resilient with little residential price change, and, the conducive markets entailed by government authorities.

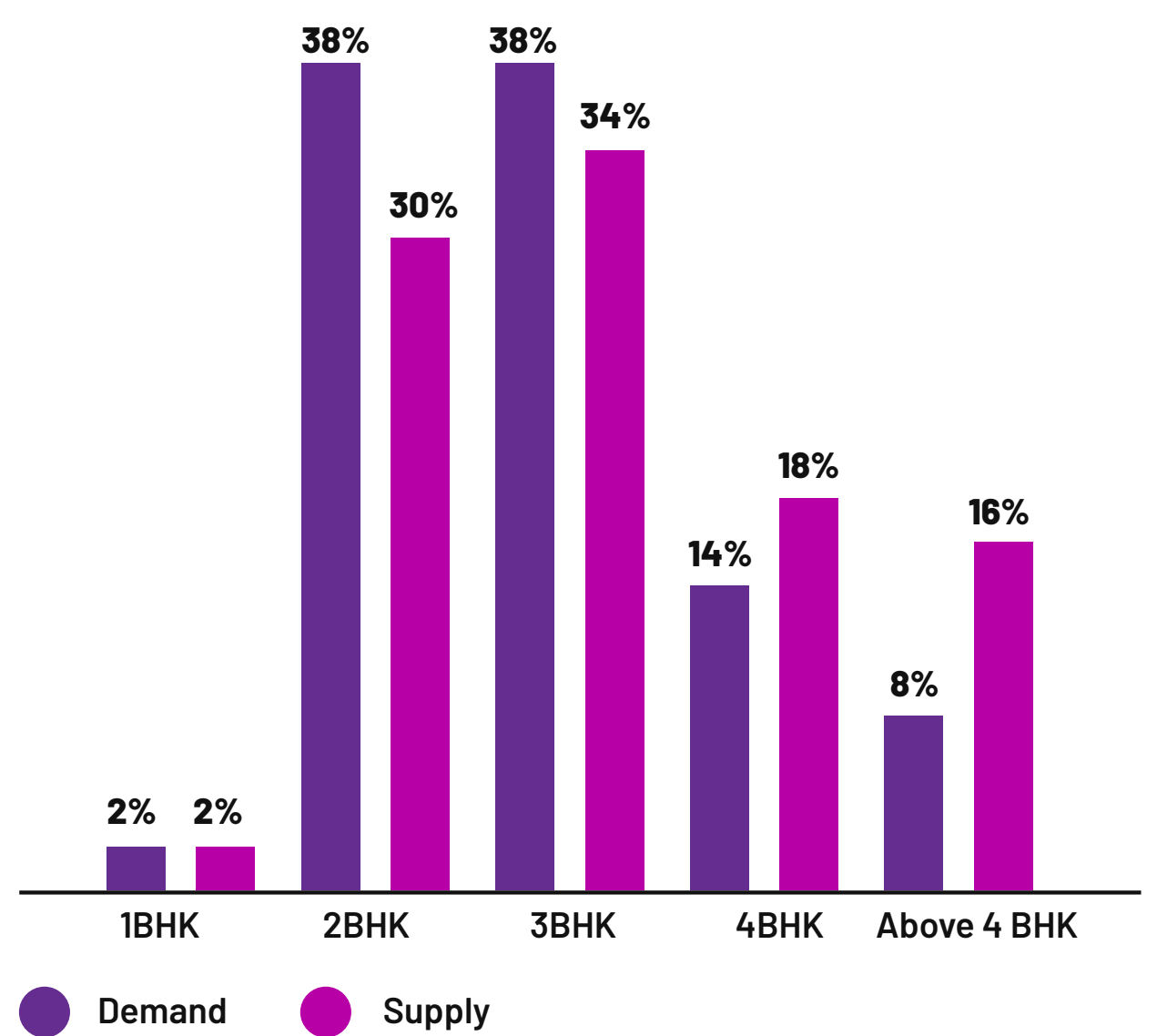


DEMAND VS SUPPLY: BHK

Backed by the rising end-user demand, the preference for bigger and better-equipped homes prevailed in the fourth quarter of 2021 as well. This is supported by the fact that the Bengaluru residential market registered a huge traction both in terms of online search demand and developers' offerings.

Peripheral locations of the city, namely Begur, Hegde Nagar, and Sanjay Nagar, witnessed considerable interest of home buyers given the large and spacious configurations these areas have to offer (3 BHK and above). In the last quarter of 2021, 34% of the inventory consisted of 4 BHK and above configurations, equaling the share of 3BHK

residential units. On the other side, sentiments for owning a 2BHK seem to have taken a back seat in 2021, especially in cities like Bengaluru, where buyers prefer to invest in bigger homes even at the peripheral locations.

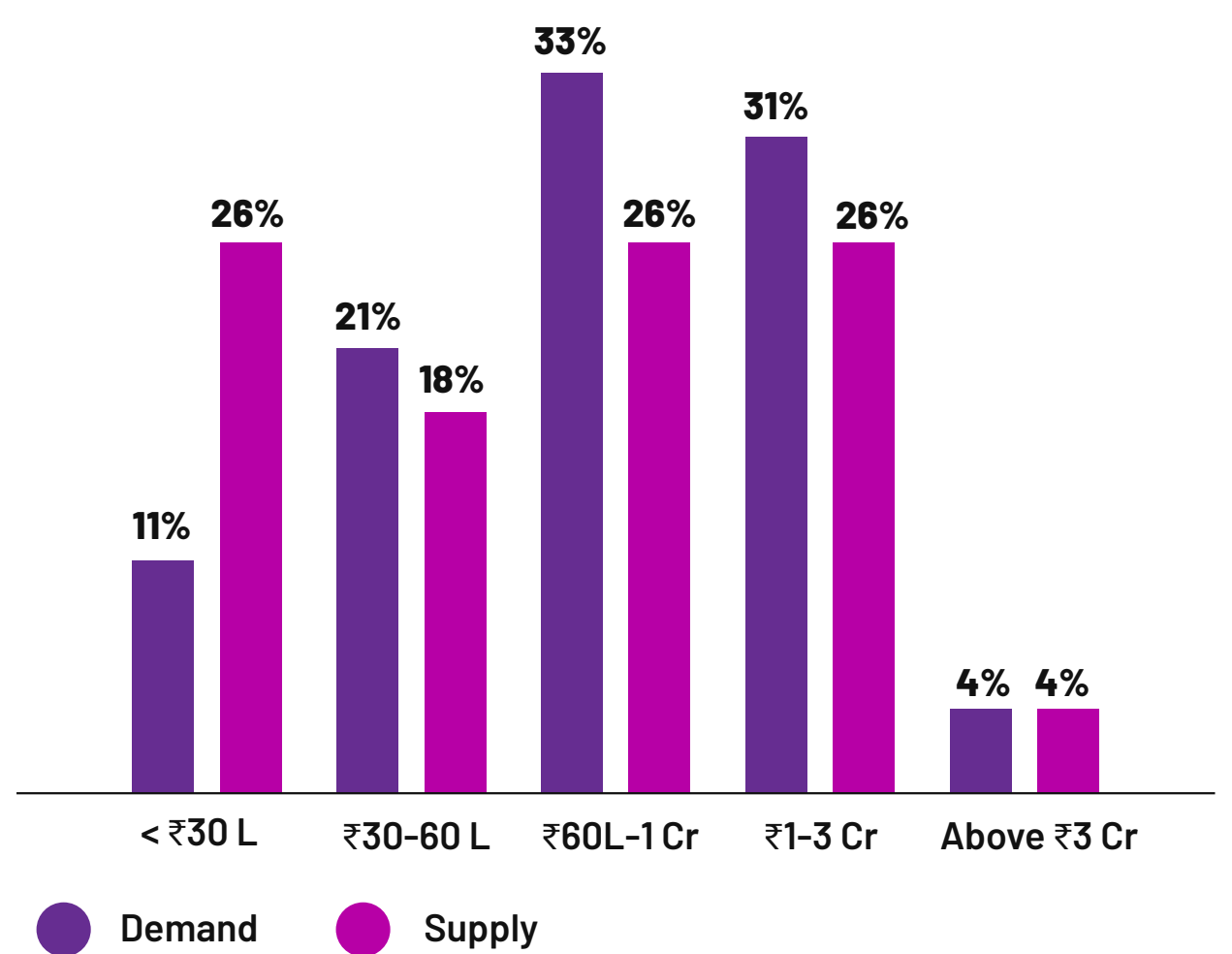


DEMAND VS SUPPLY: BUDGET

Though demand in the high-end segment witnessed traction of about 30%, the mid-segment continued to dominate the home buyer's sentiment at large throughout 2021.

The mid-segment (home units priced between Rs 30 Lakhs-Rs 100 Lakhs) ticket size attracted 54% of the total buyer demand. The segment comprised 44% of the inventory, thus leaving little space for affordable units both at home buyers as well as developers' front.

Developers, however, seemed to inch a little closer to the premium segment (Above Rs 1 Crore) in 2021. The inventory share of the same increased from 18% in the first quarter to 30% in the fourth quarter of the year.



PROPERTY TYPE

Almost half of the total residential demand in Bengaluru during the last quarter of 2021 was inclined towards independent homes. However, residential plots captured the major share of the inventory pie indicating that the developers continued to find plots to be more feasible in line with the changing needs. However, a gradual decline in the share of the plots towards the total inventory of residential units is something to still keep track of.

45%

The share of online property searches for independent homes in Bengaluru during Q4, 2021.

METHODOLOGY

This report titled “India Residential Overview” captures the yearly real estate trends of 2021, in addition to diving deep into the demand-supply dynamics observed during October- December 2021. For arriving at the analysis and drawing inferences on the state of the residential segment, data inputs from the top six cities namely- Gurugram, Noida, Mumbai Metropolitan Region (MMR), Pune, Bengaluru, and Hyderabad were considered.

To attune the data and enhance readability, several regions have been clubbed together for convenience. As per this criterion, Mumbai Metropolitan Region includes Navi Mumbai, Mumbai, and Thane; Noida includes Greater Noida and Noida; and Pune includes Pimpri Chinchwad in addition to localities of Pune.

To bring forth a more lucid picture of prevailing home buying sentiments, the report considers the demand and supply of residential properties across different budget categories, BHK configurations, and property types. While demand considered refers to the expression of interest recorded on squareYards.com, supply refers to property listings posted on squareyards.com.

The data points presented in the new launches segment are derived based on thorough secondary research carried out by Square Yards Research in coordination with the developers/builders across the top six cities. The Sale trends are based on the transactions of residential units carried out by Square Yards during Oct-Dec 2021.

The report aims to gauge the buyers’ preferences and the developers’ inclination to understand the emerging trends in the housing market. Thus, forming a strong basis to forecast the housing market trends for the upcoming quarters.

ABOUT SQUARE YARDS

Square Yards is a tech-led brokerage and mortgage marketplace; a unique Online to Offline (O2O) B2C transaction and aggregator platform for both Real Estate and Mortgages. Over the last couple of years, Square Yards has successfully expanded globally in Middle East, Australia and Canada with current presence across 9 countries and 30+ cities. 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 and Mortgages, which makes us one of the largest players in the ecosystem.

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