**THE 13TH**

**GERA PUNE RESIDENTIAL REALTY REPORT**

**VOLUME 13 | ISSUE 2 | JULY 2024**

**GERA DEVELOPMENTS PRIVATE LIMITED**

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# FOREWORD

The Pune real estate market continues to demonstrate its resilience and adaptability in 2024, navigating through a blend of growth and cautionary trends. This period has been marked by an increase in project launches and inventory, alongside the persistent challenges of affordability and regulatory changes.

In the last 12 months, the number of projects under construction has risen by 9.61%, reaching 2,441 projects as of June 2024. This resurgence from the 10-year low in June 2023 at 2,227 projects indicates a robust development pipeline. However, the total number of apartments under development have risen by 2.65% over Jun 2023 i.e. from 3,04,688 units in June 2023 to 3,12,748 units in Jun 2024. This suggests a cautious approach by developers in response to market dynamics.

Prices have continued their upward trajectory, with an 8.92% increase over the last year, when prices stood at Rs 5,782 in Jun 2023. This rise is driven primarily by new projects that have seen a price surge by 15.39%, i.e. Rs 6,499 in Jun 2023 to Rs 7,499 in Jun 2024. The price growth at a CAGR of 7.9% over the past five years, from Rs 4,555 per sq ft in Jun 2020 to Rs 6,298 per sq ft in Jun 2024, highlights sustained demand for residential spaces despite economic uncertainties and rising interest rates.

Affordability, a critical metric for the housing market, has seen a slight decline to 3.98x annual income, the lowest since June 2020, when it was 3.79x. This decrease is influenced by the persistent rise in home prices and static interest rates. While affordability remains below peak levels of 5.30, seen last in Dec 2013, it reiterates the importance of balancing price growth with economic realities to maintain market stability.

The market has seen the inventory overhang rise over the last 24 months, from 8.5 months in 2022 to 9.68 months in 2024, reflecting a cautious sentiment in the market. This increase, coupled with a replacement ratio of 1.05, indicates that supply is marginally outpacing demand. Strategic restraint in new launches, particularly in higher price segments, suggests a market adjusting to maintain equilibrium.

Sales dynamics reveal a continued preference for larger homes, with units above 1,000 sq ft witnessing a 12% increase in offtake. This trend towards spacious living is a significant shift from the pre-pandemic era, and aligns with evolving lifestyle preferences of homebuyers.

Looking ahead, the potential introduction of the Unified Development Control & Promotion Regulations (UDCPR) for the PMRDA region remains an unpredictable factor. This regulatory change, which could significantly increase development potential, will require astute navigation by developers to balance supply and demand effectively.

At Gera Developments, our strategy remains one of prudent optimism. We are committed to delivering high-quality projects that meet the evolving needs of our customers while maintaining a cautious approach to market fluctuations. As we continue to innovate and adapt, our focus is on sustainable growth, leveraging our strong brand reputation to navigate the complexities of the real estate landscape.

Rohit Gera
Managing Director
Gera Developments Private Limited

# INVENTORY OVERVIEW

**Total apartments under development increases marginally; total number of projects under development increase by 9.61%**

Between Jun 2023 (2,227 projects) and Jun 2024 (2,441projects), there has been a 9.61% increase in the number of projects under construction.

As of Jun 2024, there are 3,12,748 apartments under development across the Pune region. This is an increase of 2.65% over Jun 2023, when the apartments under development amounted to 3,04,688 units. While the number of apartments has come down by approximately 4.56% from the peak of 327,670 in Jun 2017, the total number of projects has come down by 35%, from a peak of 3,733 projects in Jun 2017 to 2,441 projects in Jun 2024.

The average size of projects has increased by 44% - from 89 apartments per project, up to 128 apartments per project, over the decade between Jun 2014 to Jun 2024.

**INVENTORY AVAILABLE FOR SALE**

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**Inventory available for sale increases by 7.3% to 75,598 units**

he current inventory available for sale stands at 24.17% of total homes under development - a reasonable number, at 75,598 units as of Jun 2024. The available inventory for sale has increased by 7.3% compared to Jun 2023, when there were 70,449 units available for sale. However, this number is a lot lower than the peak unsold level of 1,07,402 units seen in Jun 2016, when the unsold inventory had stood at 33% of the total homes under development. RERA was introduced shortly thereafter, and inventory clearing led to home prices starting their four-year downward trend.

The inventory available for sale has been classified into four stages based on construction status i.e. Early, Mid, End, and Ready.

As of Jun 2024, the share of the inventory for sale across the stages as of Jun 2024 is as follows:

Early 25,016 apartments (33.09%),
Mid 47,198 apartments (62.43%),
End apartments 1,000 (1.32%), and
Ready apartments 2,384 (3.15%)

In Jun 2014, End- and Ready-stage inventory together (15,335 units) constituted 23% of the total inventory available for sale, while as of Jun 2024, ‘End and Ready’ are collectively at a 10-year low (3,384 units), making up only 4.5% of the total available units for sale.

Compared to the Jun-end position of the last ten years, inventory at the ‘Ready’ stage is at a 10-year low of 2,384 units (in Jun 2014 it was 7,498 units), while Early-stage inventory is at a 5-year high, with 25,016 units (in Jun 2019, it was 19,116 units). This also indicates consumer preference leaning to purchasing apartments with lower delivery risk.

The reduction in the number of apartments is seen the most in the Early-stage projects, which at peak, constituted 43,140 units in Jun 2015 of the total homes available for sale. As of Jun 2024, this number is down to 25,016 homes.

Ready-stage inventory has come down by 74% from a peak of 9,005 homes in Jun 2018 to 2,384 homes in Jun 2024. During the same period, End-stage inventory has dropped from 3,691 homes to 1,000 homes.

Developers require capital to construct homes. Project sales provide funds to developers to build the projects. When sales are low, external capital (generally through construction finance) is required to fund the construction of the project. Unsold ready inventory is an indication of capital blocked for developers. The shift towards consumers buying when the risk is lower, means costs for developers has gone up, However, the fact that the inventory is eventually sold bodes well as it means clearing the inventory will generate cash flow for the developers.

75,598

**AVAILABLE STOCK**

**REPLACEMENT RATIO**

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eplacement Ratio is the number of new apartments added, divided by the number of apartments sold in a period of time.

A replacement ratio of 1 indicates that demand and supply are in consonance i.e. inventory being sold is being replaced by an equivalent amount of new inventory. When the ratio is more than 1, it means supply is added faster than sales, and when the ratio is less than 1, sales are faster than inventory addition. Throughout the COVID period, the replacement ratio was less than 1, indicating that sales were higher than the inventory being added. This was immediately followed by a slew of new launches that took this ratio to more than 1 in the subsequent periods. In the six months ending Jun 2024, the replacement ratio was 1.05 (48,823 units added, compared to sales of 46,335 units i.e. supply increased 5% more than the sales), indicating that supply is marginally higher than demand i.e. more units are being added than sold.

During the 2015 peak in prices, the replacement ratio was 1.46, indicating a significant over- infusion of inventory, compared to sales, putting a downward pressure on prices. Today, we are nowhere near that situation, and market fundamentals look robust. Given the increase in the FSI potential for all lands, every property can deliver more apartments per acre than ever before. However, rapid launches of inventory—without the support of demand—can lead to a challenging market for the industry again.

# PRICES

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he average prices of homes across the city have risen by 8.92% in the last 12 months, driven by new projects, where prices have risen by as much as 15.39%. Prices have—since the bottom of 2019—grown at a compounded annual rate of 7.9% over the last five years, rising from Rs 4,644 per sq ft (as of Jun 2020), to now at Rs 6,298 (as of Jun 2024), breaking into another lifetime high. Prices have been continuously posting highs since the last 3 years i.e. since Jun 2022.

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| **TABLE 1 - BREAKUP OF PRICE GROWTH (**nos. are in Rs per sq ft except percentages**)** |
| **Project Type** | **Jun ’23** | **Jun ’24** | **Y-o-Y** |
| **New Projects** | 6,499 | 7,499 | 15.39% |
| **New Phases** | 5,932 | 6,501 | 9.59% |
| **Existing Projects** | 5,629 | 6,021 | 6.96% |
| **Overall** | 5,782 | 6,298 | 8.92% |

Overall prices per sq ft have grown at a five-year compounded annual growth rate of 7.9% from Rs 4,555 per sq ft in Jun 2020 to Rs 6,298 per sq ft in Jun 2024.

Looking at individual segments, we find new projects launched at increasingly higher prices; prices of new projects have grown at a CAGR of 8.3% (from Rs 5,460 per sq ft in Jun 2020 to Rs 7,499 per sq ft in Jun 2024) compared to the all-Pune average of 7.9% over five years i.e. they have gone up by 37.3%.

This price run-up in new projects over 5 years seems to also have impacted Existing Projects and New Phases which seem to be largely playing catchup with New Projects. Prices of Existing Projects have grown at a five-year CAGR of 7.2% (from Rs 4,556 per sq ft in Jun 2020 to Rs 6,021 per sq ft in Jun 2024) and New Phases have grown at a CAGR of 6.91% (from Rs 4,976 per sq ft in Jun 2020 to Rs 6,501 per sq ft in Jun 2024).

Looking at the various budget segments, we find that the maximum price rise has been in the PremiumPlus segment where prices have grown at a 5-year CAGR of 7.58% (Rs 6,205 per sq ft in Jun 2020 to 8,310 per sq ft in Jun 2024). Perhaps, one of the reasons is that the value for money in a PremiumPlus product is the maximum. It is almost as aspirational as homes in the Luxury segment but at a price point 33% lower – average price of Rs 8,310 per sq ft in the PremiumPlus segment compared to Rs 12,427 per sq ft in the Luxury segment.

The Luxury segment has exhibited a five-year CAGR of 5.2% rising from Rs 10,145 per sq ft in Jun 2020 to Rs 12,427 per sq ft in Jun 2024. Growth rates in the Budget, Value, and Premium segments are 6.92%, 7.47% and 7.36% respectively.

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# AFFORDABILITY

**Affordability decreases to 3.98x as of Jun 2024, and hits its lowest in the last 5 years (in Jun 2020 it was 3.79x)**

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omes have become less affordable. However, on an overall basis, Affordability continues to be good at 3.98x annual income, which is well below the peak 5.30, seen last in Dec 2013. While interest rates continue to remain unchanged over the last one year, they have increased over time, and so have incomes – thereby significantly increasing affordability. However, this cycle might have bottomed out, with interest rates having risen, and developers raising home prices owing to rising input costs. Given the expectation that RBI would end the rate increase cycle and interest rates would come down (which has not happened yet), affordability may see an increase in the future. Rapidly rising home prices could, however, lead to increased risk weightages for some segments in order to cool down an overheated market.

We evaluated the salary needed to buy a home based on the Jun 2011 prices per sq ft, considering interest rates of the time. We then increased this salary, based on the consumer price index, and compared the new cost of the home with the increased salary. In Jun 2011, the salary needed to buy a 1,000-sq ft home was 4.83x the cost of the home. This peaked in Dec 2014, when the salary needed to buy the same 1,000-sq ft home, at the increased salary, and increased rates was 5.27x. Since Dec 2014, the consistent reduction in interest rates and home prices, along with salary increments, have led to a situation where the house cost of a 1,000-sq ft home is now at 3.98x the salary. However, affordability has decreased from 3.84x in Jun 2023, to 3.98x in Jun 2024. This is primarily due to the interest rates remaining flat at 9.85% in the previous period, and prices rising from Rs 5,938 per sq ft to Rs 6,298 per sq ft.

As mentioned earlier, while affordability has decreased, homes remain below the peak level of 5.30, which means that affordability is still robust. Affordability drives the consumer to bigger developers who have the capabilities to deliver on promises. When Affordability was low, consumers had no choice but to settle for lesser-known developers, leading to a fragmented market. Now, they can afford to pay for homes by reputable, branded developers, and in many cases, they are paying a premium for reputation and track record.

On the flip side, an increasingly unaffordable scenario would possibly mean that home buyers postpone their plans or settle for a budget category a notch lower than what they would have ideally wanted, with some buyers compromising on developer credentials. It remains to be seen if this scenario would happen in the future—at present at 3.98x levels—Affordability is good, and homes are within reach for most homebuyers.

# INVENTORY OVERHANG

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| **TABLE 2 – INVENTORY OVERHANG | 12 MONTHS ENDED** |
| **Segment** | **Jun ’18** | **Jun ’19** | **Jun ’20** | **Jun ’21** | **Jun ’22** | **Jun ’23** | **Jun ’24** |
| **Total** | **12.49** | **9.75** | **10.03** | **8.32** | **8.50** | **8.70** | **9.68** |
| **Budget**(< Rs 5,081per sq ft) | 9.67 | 7.77 | 7.30 | 6.67 | 7.86 | 7.57 | 10.09 |
| **Value**(Rs 5,082 per sq ft to Rs 6,352 per sq ft) | 14.73 | 11.63 | 12.25 | 8.93 | 8.26 | 10.71 | 9.80 |
| **Premium**(Rs 6,353 per sq ft to Rs 7,622 per sq ft) | 12.50 | 10.59 | 11.23 | 9.44 | 9.55 | 8.07 | 10.79 |
| **PremiumPlus**(Rs 7,623 per sq ft to Rs 9,528 per sq ft) | 16.26 | 10.46 | 11.23 | 8.11 | 8.04 | 8.34 | 7.23 |
| **Luxury**(Rs 9,528+ per sq ft) | 20.59 | 16.43 | 13.03 | 11.29 | 9.67 | 9.11 | 10.22 |

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ased on the offtake rate for 12 months, the Inventory Overhang increased to 9.68 months. There has been an increase in overhang across all the budget categories except Value & the PremiumPlus Segments, where it continues to improve over the last 12 months.

Looking at a longer timeframe, Inventory Overhang has improved significantly in the PremiumPlus (from 16.26 months in 2018 to 7.23 months in 2024) and Luxury segments (from 20.59 months in 2018 to 10.22 months in 2024).

That the residential market has only 9.68 months of inventory left indicates an optimistic and promising demand situation—however, the market has also seen inventory overhang rise over the last 24 months, from 8.5 months in 2022 to 9.68 months in 2024—throwing caution to the tailwinds indicating the need for a balanced approach towards the marketplace.

# NEW LAUNCHES

**Yearly new launches increase by 6%; PCMC accounts for 42% of all new launches in Pune.**

New launches over the last 12 months increased by 5.8% to 99,166 units compared to the 93,734 units launched in the 12 months ended Jun 2024.

Compared to the previous 12 months – all the price categories have seen an increase in new launches except the Luxury segment (Rs 9528 per sq ft) where launches have reduced by 5.7% (from 7,601 launched in the previous 12 months compared to 7,169 units launched in the last 12 months).

The maximum number of new launches has been in the Budget segment (Rs 5081 per sq ft or lower) where launches have seen a significant increase of 16.2% i.e. from 19,500 units launched in the previous 12 months to 22,664 units launched in the last 12 months).

The corresponding increases in the Value, Premium and PremiumPlus segments have been 5.2%, 1.3% and 6.1% respectively.

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| **TABLE 3 - NEW STOCK ADDED IN ZONES (**Numbers in Units per year**) | 12 MONTHS ENDED| See Annexure** |
| **Zone** | **Jul ’16 - Jun ‘17** | **Jul ’17 - Jun ‘18** | **Jul ’18 -Jun ‘19** | **Jul ’19 - Jun ’20** | **Jul ’20 - Jun ’21** | **Jul ’21- Jun ’22** | **Jul ’22 - Jun ’23** | **Jul ’23 - Jun ’24** | **% change over Jun ‘23** |
| 1 | 10,632 | 6,351 | 11,851 | 9,291 | 9,062 | 17,657 | 10,291 | 12,910 | 25% |
| 2 | 12,987 | 10,653 | 15,493 | 12,171 | 10,370 | 16,347 | 12,338 | 13,654 | 11% |
| 3 | 14,645 | 10,420 | 13,956 | 7,988 | 4,400 | 10,019 | 4,241 | 5,369 | 27% |
| 4 | 15,108 | 11,951 | 19,922 | 17,658 | 16,511 | 24,641 | 24,415 | 21,292 | -13% |
| 5 | 2,234 | 2,300 | 1,810 | 3,288 | 1,371 | 5,100 | 4,422 | 4,871 | 10% |
| 6 | 26,316 | 14,735 | 24,763 | 23,307 | 22,903 | 42,232 | 38,027 | 41,070 | 8% |
| **Total** | **81,922** | **56,410** | **87,795** | **73,703** | **64,617** | **1,15,996** | **93,734** | **99,166** | 6% |

There has been an increase in supply across all the 6 zones in the last 12 months compared to the previous 12 months except in Zone 4 (West Zone – Balewadi, Baner, Hinjewadi, etc) where new launches have gone down by 13%.

The maximum increase is seen in Zone 3 (Sinhgad Road, Ambegaon, Narhe, Dhayari, etc) where new launches have increased by 27%, closely followed by Zone 1 (East Pune – Kharadi, Wagholi, etc) where launches have increased by 25%.

PCMC (Zone 6) now accounts for 42% of all new launches in Pune, followed by Zone 4 (West Zone – Balewadi, Baner, Hinjewadi, etc) which accounts for 21%.

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| **TABLE 4 – ZONE WISE MARKET SHARE IN NEW INVENTORY ADDED (** PERCENTAGES **) | 12 MONTHS ENDED** |
| **Zone** | **Jul ’19 - Jun ’20** | **Jul ’20 - Jun ’21** | **Jul ’21- Jun ’22** | **Jul ’22 - Jun ’23** | **Jul ’23 - Jun ’24** | **% change in share** |
| 1 | 13% | 14% | 15% | 11% | 13% | 2% |
| 2 | 17% | 16% | 14% | 13% | 14% | 1% |
| 3 | 11% | 7% | 9% | 5% | 5% | 0% |
| 4 | 24% | 26% | 21% | 26% | 21% | -5% |
| 5 | 4% | 2% | 4% | 5% | 5% | 0% |
| 6 | 32% | 35% | 36% | 41% | 42% | 2% |
| **Total** | **73,703** | **64,617** | **1,15,996** | **93,734** | **99,166** |  |

The overall trend of fewer new projects being launched in the Budget segment continues with 198 projects launched in this category in the last 12 months, compared to the 349 that were launched five years ago. At that time, 49% of all the new projects brought into the market were in the Budget category – indicating a shift in consumer preferences in the last 5 years.

After seeing a high number of project launches in the Luxury segment, growth is flat in this category with 103 projects launched in the last 12 months, the same number that was launched in the previous 12 months though this category accounts for 16% of all the new projects launched. Five years ago, it accounted for only 8%.

Compared to five years ago, there has been an 87% growth in the number of projects launched in the Luxury segment (from 55 in 2020 to 103 in 2024).

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| **TABLE 5 - SEGMENT WISE NEW PROJECTS LAUNCHED (**Number of Projects**)** |
| **12 months ended** | **Budget(< Rs 5,081per sq ft)** | **Value(Rs 5,082 per sq ft to Rs 6,352 per sq ft)** | **Premium(Rs 6,353 per sq ft to Rs 7,622 per sq ft)** | **PremiumPlus(Rs 7,623 per sq ft to Rs 9,528 per sq ft)** | **Luxury(Rs 9,528+ per sq ft)** | **Overall** |
| **Jul ’19 - Jun ’20** | 349 | 149 | 75 | 79 | 55 | **707** |
| **Jul ’20 - Jun ’21** | 150 | 105 | 94 | 60 | 39 | **448** |
| **Jul ’21- Jun ’22** | 217 | 192 | 115 | 96 | 100 | **720** |
| **Jul ’22 - Jun ’23** | 179 | 165 | 102 | 85 | 103 | **634** |
| **Jul ’23 - Jun ’24** | 198 | 151 | 120 | 68 | 103 | **640** |

**UP 87%**

Looking at the numbers over the last 6 months, 17% of the new projects launched have been in the Luxury segment, while at a 12-monthly level this number is 16%. During the 6 months ended Jun ‘19, Luxury segment accounted for a meagre 3% of all the new projects launched.

On the flip side, the Budget segment, which accounted for 57% of the new projects launched during the 6 months ended Jun 2019, now accounts for 30% in the six months ended Jun 2024.

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| **TABLE 6 - BREAKUP OF NEW UNITS LAUNCHED BY NUMBER OF BEDROOMS (**Number of Units**)** |
| **12 MTHS ENDED** | **1BR** | **1.5BR** | **2BR** | **2.5BR** | **3BR** | **3.5BR** | **4BR** | **Other** | **Total** |
| Jun ‘18 | 27,143 | 482 | 24,458 | 489 | 3,108 | 145 | 234 | 351 | **56,410** |
| Jun ‘19 | 37,071 | 760 | 40,945 | 885 | 6,562 | 163 | 293 | 1,116 | **87,795** |
| Jun ‘20 | 26,034 | 1,013 | 34,453 | 1,853 | 7,975 | 210 | 297 | 1,868 | **73,703** |
| Jun ‘21 | 17,392 | 596 | 35,100 | 889 | 9,206 | 200 | 462 | 772 | **64,617** |
| Jun ‘22 | 24,415 | 575 | 63,730 | 2423 | 20,826 | 477 | 1037 | 2513 | **1,15,996** |
| Jun ‘23 | 14,148 | 269 | 49,110 | 2,590 | 23,601 | 558 | 2,245 | 1,213 | **93,734** |
| Jun ‘24 | 13,550 | 268 | 48,233 | 3,204 | 26,811 | 630 | 3,608 | 2,862 | **99,166** |

The share of three bedrooms in the overall new units launched continues to improve, accounting for 27% of all new units that have been brought into the marketplace. Five years ago, it constituted only 10.8% of the new units launched. On the other side of the spectrum, the share of 1BHKs continues to fall. In 2019, it accounted for almost 35% of all new launches, and in the last 6 months, it accounts for only 14% - a sign of shifting consumer preferences towards larger-sized homes.

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# SALES OVERVIEW

**Total sales in the last 12 months have reduced by 3.6% as compared to the previous 12 months**

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riven primarily by a 19% reduction in sales in units sized 1,000 sq ft and below, we see a decreased Sales Velocity by 3.6% in the last 12 months. Units sized 1,000 sq ft and above, on the other hand, have seen an increase of 12% in the offtake – from 48,796 units sold during the 12 months ended Jun 2023 to 54,634 units sold during the last 12 months ended. Clearly, consumers are leaning towards buying larger homes.

Sales in the 1401+ sq ft size bracket have grown by 37% in the last 12 months (19,222 units) compared to the previous 12 months (13,995 units). This segment now accounts for 21% of all sales compared to the 14% in the 12 months prior to that.

The maximum volume of sales at ~52% is in the units sized 801 sq ft to 1,200 sq ft (carpet area between 593 sq ft and 889 sq ft).

The share in offtake of the 1,001-1,200 (carpet area between 741 sq ft and 889 sq ft), the category has improved substantially over the years, from 17% during the 12 months ended Jun 2021 to 28% in the last 12 months ended Jun 2024.

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| **TABLE 7 - SALES OFFTAKE – 12 MONTHS ENDED** |
| **Size** | **Jun ‘21** | **Market share** | **Jun ‘22** | **Market share** | **Jun ‘23** | **Market share** | **Jun ‘24** | **Market share** | **% change over Jun ‘23** |
| **Overall** | 85,378 | 100% | 1,05,625 | 100% | 97,214 | 100% | 93,737 | 100% | -3.6% |
| **< 600** | 16,831 | 20% | 14,476 | 14% | 8,960 | 9% | 6,451 | 7% | -28% |
| **600-800** | 16,074 | 19% | 15,752 | 15% | 12,834 | 13% | 9,787 | 10% | -24% |
| **801-1000** | 26,026 | 30% | 32,630 | 31% | 26,624 | 27% | 22,865 | 24% | -14% |
| **1001-1200** | 14,254 | 17% | 22,986 | 22% | 25,599 | 26% | 26,205 | 28% | 2% |
| **1201-1400** | 5,759 | 7% | 9,203 | 9% | 9,202 | 9% | 9,207 | 10% | 0.1% |
| **1401-1600** | 3,421 | 4% | 4,985 | 5% | 7,031 | 7% | 9,344 | 10% | 33% |
| **1601-1800** | 1,178 | 1% | 2,262 | 2% | 3,252 | 3% | 3,513 | 4% | 8% |
| **1801-2000** | 407 | 0% | 1,328 | 1% | 846 | 1% | 1,792 | 2% | 112% |
| **2000+** | 1,428 | 2% | 2,003 | 2% | 2,866 | 3% | 4,573 | 5% | 60% |

At a 6-monthly level, offtake has reduced by 2% over compared to the six months ended Jun 2023, driven by a reduction of 18% in the Budget Category. The maximum sales growth is seen in the Luxury segment, which has grown by 17% compared to the six months ended Jun 2024. There has been a growth in sales across all the categories at a 6-monthly level.

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| **TABLE 8 - SALES OFFTAKE – 6 MONTHS ENDED** |
| **Segment** | **Dec ‘18** | **Jun ‘19** | **Dec ‘19** | **Jun ‘20** | **Dec ‘20** | **Jun ‘21** | **Dec ‘21** | **Jun ‘22** | **Dec ‘22** | **Jun ‘23** | **Dec ‘23** | **Jun ‘24** | **% change over Jun ‘23** |
| **Total** | 41,562 | 49,273 | 45,110 | 38,018 | 44,709 | 40,669 | 52,227 | 53,398 | 50,036 | 47,178 | 47,402 | 46,335 | -2% |
| **Budget** | 18,868 | 21,592 | 17,728 | 13,485 | 14,586 | 14,546 | 15,612 | 15,168 | 13,886 | 15,473 | 11,840 | 12,764 | -18% |
| **Value** | 8,365 | 9,737 | 11,183 | 10,060 | 10,256 | 8,455 | 15,238 | 11,669 | 12,296 | 12,203 | 13,223 | 12,894 | 6% |
| **Premium** | 5,862 | 8,999 | 7,802 | 7,133 | 11,344 | 11,004 | 10,581 | 14,897 | 12,210 | 9,424 | 10,423 | 10,002 | 6% |
| **PremiumPlus** | 6,819 | 7,186 | 6,062 | 5,873 | 6,306 | 4,822 | 7,905 | 8,462 | 7,912 | 7,294 | 8,729 | 7,414 | 2% |
| **Luxury** | 1,648 | 1,759 | 2,335 | 1,467 | 2,217 | 1,842 | 2,891 | 3,202 | 3,732 | 2,784 | 3,187 | 3,261 | 17% |

The trend of large projects (>500 units) continues, with currently 189 projects under various stages of construction accounting for 13% of the 3,12,748 units under construction. This number has improved substantially over time. In Jun 2018, they used to account for only 8%.

In sharp contrast, the number of projects sized 100 units or fewer has reduced by 44% in the last seven years – from 2,433 projects under development in Jun 2018 to 1,362 projects in Jun 2024.

Larger projects require greater amounts of capital as well as capability, and therefore are developed by larger developers. This reiterates the continued trend of consolidation, and shaking out of the smaller developers from the market.

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| **TABLE 9 - DISTRIBUTION OF EXISTING NUMBER OF PROJECTS UNDER DEVELOPMENT BASED ON APARTMENTS / PROJECT****As on 6 months ended** |
| **Number of apartments in the project** | **Jun ‘18** | **Jun ‘19** | **Jun ‘20** | **Jun ‘21** | **Jun ‘22** | **Jun ‘23** | **Jun ‘24** |
| <= 100 | 2,433 | 2,441 | 2,069 | 1,736 | 1,441 | 1,218 | 1,362 |
| 101-250 | 699 | 687 | 638 | 603 | 624 | 577 | 610 |
| 251-500 | 225 | 215 | 231 | 235 | 261 | 258 | 280 |
| >500 | 115 | 128 | 138 | 156 | 177 | 174 | 189 |
| **Total** | **3,472** | **3,471** | **3,076** | **2,730** | **2,503** | **2,227** | **2,441** |

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| **TABLE 10 - DISTRIBUTION OF EXISITING NUMBER OF APARTMENTS UNDER DEVELOPMENT** |
| **As of 6 months ended** |
| **Number of apartments in the project** | **Jun ‘18** | **Jun ‘19** | **Jun ‘20** | **Jun ‘21** | **Jun ‘22** | **Jun ‘23** | **Jun ‘24** |
| <= 100 | 91,676 | 93,458 | 80,522 | 55,474 | 46,077 | 41,938 | 45,243 |
| -30% | -31% | -26% | -19% | -15% | -14% | -14% |
| 101-250 | 94,262 | 90,277 | 88,032 | 83,593 | 90,903 | 85,365 | 82,550 |
| -31% | -30% | -28% | -29% | -29% | -28% | -26% |
| 251-500 | 93,870 | 91,527 | 1,04,954 | 1,23,222 | 1,44,052 | 1,40,547 | 1,45,030 |
| -31% | -30% | -34% | -43% | -45% | -46% | -46% |
| >500 | 22,783 | 26,469 | 37,734 | 26,161 | 34,056 | 36,838 | 39,925 |
| -8% | -9% | -12% | -9% | -11% | -12% | -13% |
| **Total** | 3,02,591 | 3,01,731 | 3,11,242 | 2,88,450 | 3,15,088 | 3,04,688 | 3,12,748 |

In the last few years, there has been a visible shift in consumer preference, from smaller developers to bigger developers with a strong brand. This has led to an increase in the capacity of reputable developers to launch large projects, as also to channelise this sentiment into demand, and thereby, sales. The following table shows the number of projects selling 500+ units in the last 12 months. This clearly indicates a consolidation in the market from both, the demand and supply sides. From 1 project selling more than 500 units eight years ago, we now have 11 projects selling 500+ units during the 12 months ended 2024. In the last five years, the number of projects selling more than 500 units has ranged between 9 & 12 projects, barring the 12 months post-COVID.

# HOME SIZES

Home sizes of units launched in new projects continue to expand with the current average of 1,238 sq ft (carpet area of 917 sq ft).

# INVENTORY VALUE AND SQUARE FEET

**FIG. 18 – VALUE OF INVENTORY**

The value of Total Inventory Available for Sale has risen substantially, by 25% from Rs 49,423Cr in
Jun 2023 crores to Rs 61,849Cr in Jun 2024. The total saleable inventory has also risen by 14.46% to 89.51M sq ft in Jun 2024 from 78.19M sq ft in Jun 2023.

**CONCLUSION**

Prices continue their stellar runup, and have increased further by 8.92% in the last 12 months. This has impacted affordability.

Affordability has gone down to 3.98x annual income while five years ago in Jun 2020, Affordability was 3.79x annual income. Clearly, we are seeing the pressure on Affordability, although its nowhere close to the peak of 5.30, continuing to remain good at present.

Sales volume has also come down by 3.6% compared to the last 12 months. The Replacement Ratio of 1.05 indicates that the quantum of new supply is greater by 5% compared to sales. The increase in Inventory Overhang years from 8.7 months from Jun 2023 to 9.7 months in Jun 2024 indicates a little pressure on overall sales momentum, throwing caution to the wind.

**ANNEXURES**

|  |
| --- |
| **TABLE 11 - PRICING CLASSIFICATION FOR EACH SEGMENT (**in Rs per sq ft**)** |
| **SEGMENT** | **Jun-14** | **Jun-15** | **Jun-16** | **Jun-17** | **Jun-18** | **Jun-19** | **Jun-20** | **Jun-21** | **Jun-22** | **Jun-23** | **Jun-24** |
| **Budget <** | 4,122 | 4,144 | 3,991 | 3,808 | 3,633 | 3,705 | 3,777 | 3,917 | 4,236 | 4,665 | 5,081 |
| **Value <** | 5,152 | 5,180 | 4,989 | 4,760 | 4,541 | 4,631 | 4,721 | 4,897 | 5,296 | 5,832 | 6,352 |
| **Premium <** | 6,182 | 6,216 | 5,987 | 5,712 | 5,449 | 5,558 | 5,665 | 5,876 | 6,355 | 6,998 | 7,622 |
| **Premium Plus <** | 7,728 | 7,770 | 7,484 | 7,140 | 6,811 | 6,947 | 7,082 | 7,345 | 7,943 | 8.748 | 9,528 |
| **Luxury >** | 7,728 | 7,770 | 7,484 | 7,140 | 6,811 | 6,947 | 7,082 | 7,345 | 7,943 | 8,748 | 9,528 |