

Real estate to see little sparkle this festival season as sales remain low

Unlike the past, buyers nowadays take a cautious approach before purchasing

NAVADHA PANDEY

New Delhi, October 15

The festive season has failed to brighten the real estate sector, as developers see low sales conversion despite high enquiries.

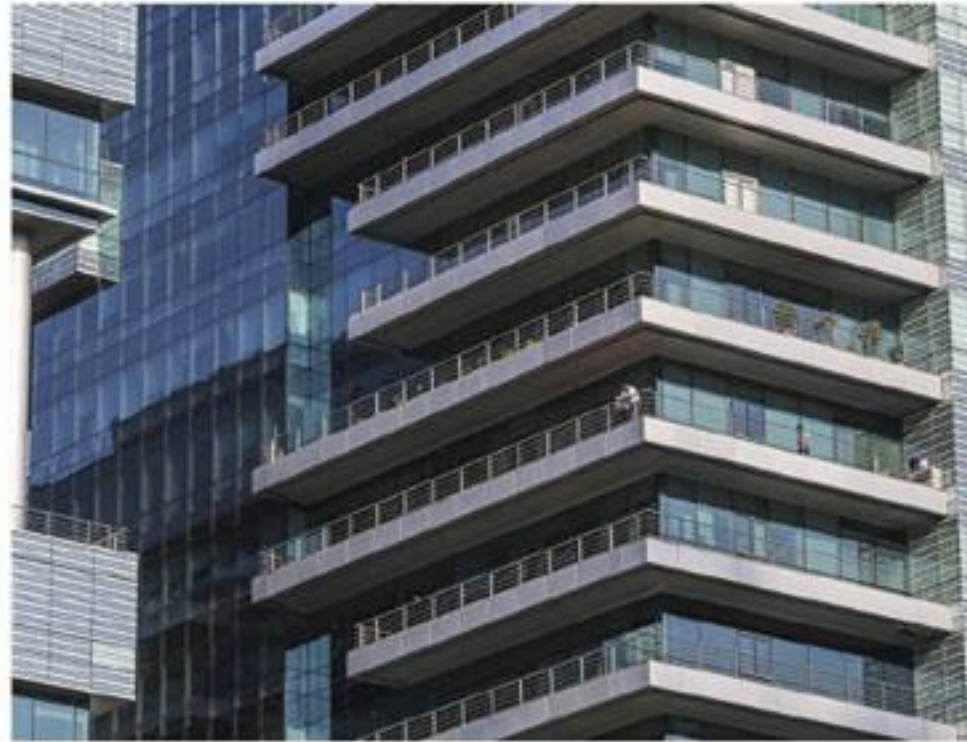
While real estate players geared up for the festival period with discounts, incentives and freebies, the success of which has varied across locations, the sales have not been very encouraging. New projects too, are being announced at lower rates.

Anuj Puri, Chairman and Country Head of JLL India, said, "The RBI has held on to current interest rates in favour of safeguarding against further inflationary trends. It will take several months for the market to get into forward momentum again, and while it is showing signs of revival, the effect will take 6

months or more to trickle down, developers said. Vineet Relia, Chief Operating Officer of SARE Homes, said, "The last boom we saw during the Navratri period was in 2011. We have received a lot of enquiries and sentiment too has improved, but sales conversions are low. The sales that have picked up pertain to houses where the ticket size is small."

Increasing inventory

There has been 30 per cent increase in the launch of new residential projects every quarter in 2014, and this has resulted in the inventory further going up by 6.7 per cent in the same period, Puri added. The dull in the market is a combination of unsold inventory and the overall economic situation, said Prashant Solomon, Managing Director of Chintels



Markets like NCR and Mumbai have not even seen regular investments and seem to be waiting for the Government to execute reforms. BLOOMBERG

Council, Credai NCR. Ahead of general elections, developers had launched many projects but residential property buyers have

sumers are really aware now and take time to make a purchase decision unlike the past when they used to queue up at the launch it-

self," Relia added. While August and September have been particularly tough, Abhay Kumar, CMD of Griha Pravesh Buildteck, said that October seemed to be comparatively better with the company selling around 40-50 units in the first fifteen days.

However, Kumar added that the sales conversion from enquiries has been 7-8 per cent. Knight Frank India, in a recent report said that markets such as NCR and Mumbai have not even seen regular investments coming their way and seem to be waiting for the Government to execute reforms.

"Keeping in view the current situation we expect at least 6-8 months before actual transactions begin picking up. Though stakeholders are hopeful that this will change before the said time period, but if the current signs in the market are anything to go by, it's still a long way ahead," the consultancy added.