

Sector bets big on NAVARATRA

The realty sector is betting big on the current festive season for revival of fortunes, as the sector has been reeling under a slowdown for quite some time now due to economic downturn. **PRABHAKAR SINHA** writes

Revival in the realty sector is now clearly visible. With the onset of festive season—considered to be an auspicious period to invest in assets, especially the fixed ones like real estate—investors and end users have started scouting for suitable properties.

For their part, developers have decided to offer special schemes to buyers, which will provide further impetus to the revival. Developers say that as demand from general investors and end users picks up in the festive season, the offerings of special discounts and payment plans help buyers in taking decisions.

In fact, a number of buyers wait for the festive season to invest in the real estate sector. The special schemes offered by developer help even the fence-sitters in taking decision to invest in the sector.

Developers say that these special schemes do not put any extra burden

on them and, to the contrary, with the improvement in the market sentiments these schemes help increase transactions. Therefore, developers docket them under marketing expenses which help them push their sales. As the sector has been reeling under a slowdown for quite some time now due to economic downturn, it is betting big on the current festive season for revival of fortunes.

This can be gauged from the fact that a number of property developers have already rolled out a number of attractive schemes in a bid to woo prospective buyers and fence-sitters.

At the same time, the festive season should be used by buyers to enter the market. As the sector is coming out of the slowdown, buyers can bargain hard to get something extra from builders. As the market is likely to revive due to various economic measures taken by the Narendra Modi government, demand for apartments and residential units is likely to pick up, which may lead to rise in prices. Therefore, instead of waiting for prices to fall further, buyers should make use of the festive season offers by developers to buy or invest in the real estate sector.

The sector got a big boost through the recent initiatives of the Modi government, as well as the changing business and consumer sentiment after the general election. The government's stated objective of providing "Housing for all by 2022" alone requires more than \$2 trillion, to build nine crore houses, in the next eight years.

Santhosh Kumar, the CEO (Operations & International Director) of JLL India, says: "Developers are undoubtedly bullish about this year's festive season, and

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Santhosh Kumar | JLL India

for good reason. There is now renewed vibrancy after the general election and Budget announcements, and the Indian economy is once again in revival mode. The job market is once again stable and growing, and home ownership is again an attractive proposition. This makes the current festive season very important for developers."

Apart from a reviving economy and stable job market, the prospects of a stable government at the Centre is also bringing buoyancy in the market.

"The festive season is always considered to be an auspicious time to purchase property. But this year's festive season is more special in the sense that the real estate is getting back and is gradually increasing the buyers' confidence index. Moreover, the market is witnessing the positive sentiments through a stable government at the Centre. The stability in the market has resulted in buyers coming forward this festive season to purchase their dream homes," says A



Harikesh, the senior vice-president (Marketing & Sales) of Tata Housing Development Company.

Apart from being auspicious for any kind of investment, the festive season is also considered peak time by developers, as 25-35% of their annual sales usually happen in this relatively short period.

"In recent years, the sales figure was only around 15-20% because of the depressed economic climate and sentiment. This year it should certainly be between 25% and 30% in the metros and even higher in Tier II and Tier III cities," Kumar of JLL India said.

Abhay Kumar, the CMD of Grha Pravesh Buildteck Pvt Ltd, says: "For the real estate sector, the festive season beginning from Navaratra and continuing till Diwali is the high point in a year, as usually one third of the annual sales happen during this time. Buyers tend to choose this specific period to invest and purchase properties as it is considered to bring luck and prosperity, and developers too hinge on this season to

make their inventories as attractive as possible to give a lift up to the demand. This season, therefore, turns into a big marketing bonanza."

The current festive season is extremely important for the realty industry since the market is now on a revival path and demand is looking up in the residential sector. In order to attract clients, developers are offering subvention payment plans as well as possession-linked payment plans which will perk up demand even more. With the overall economy showing signs of resurgence, the festive season is all set to be a harbinger of 'achhe din' (good times). The expectation is that sales will go up significantly

during this period," says Navin Raheja, the CMD of Raheja Developers and chairman of the National Real Estate Development Council (Naredco).

Experts say nothing works better than hard discounts—or any other offer—that leads to actual savings on the bottom line. This includes hard discounts, free parking space that buyers would otherwise have had to pay for, or waived stamp duty and registration charges. Even modular kitchens, free furnishing or free interior decoration make sense if the project's profiling and target clientele suggest that the intention to avail of these after the purchase already exists.

(With input from Sanjeev Sinha)



QUICK BITES
A NUMBER OF PROPERTY DEVELOPERS HAVE ALREADY ROLLED OUT SEVERAL ATTRACTIVE SCHEMES IN A BID TO WOO PROSPECTIVE BUYERS AND FENCE-SITTERS. IN ADDITION TO BEING AUSPICIOUS FOR ANY KIND OF INVESTMENT, THE INDIAN FESTIVE SEASON IS ALSO CONSIDERED PEAK TIME BY DEVELOPERS, AS 25-35% OF THEIR ANNUAL SALES USUALLY HAPPEN IN THIS RELATIVELY SHORT PERIOD.

