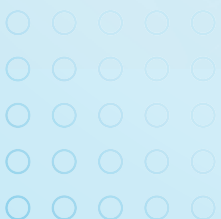


Real Estate Developers *Sentiment Survey*



CREDAI National
statistics & standards





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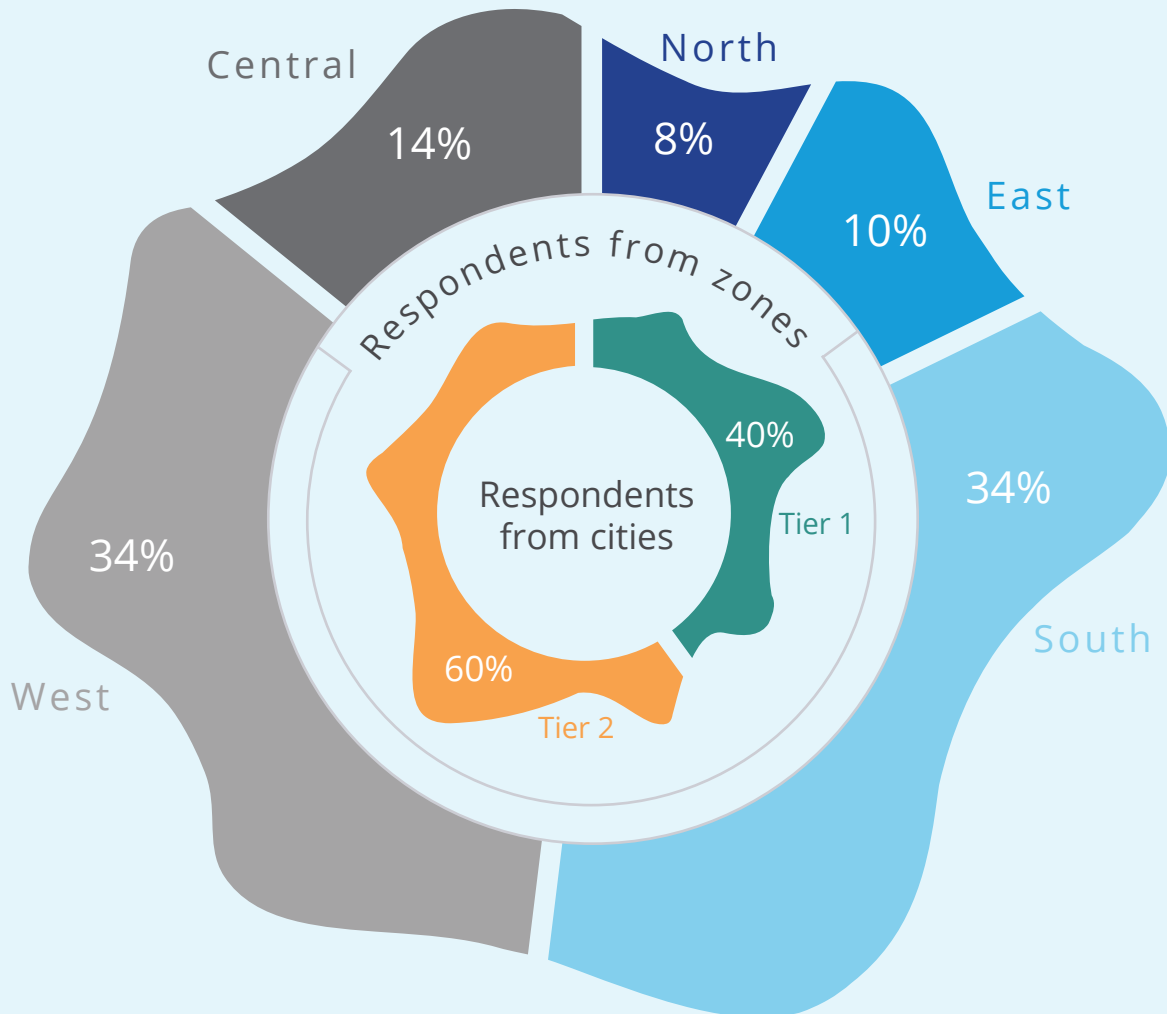
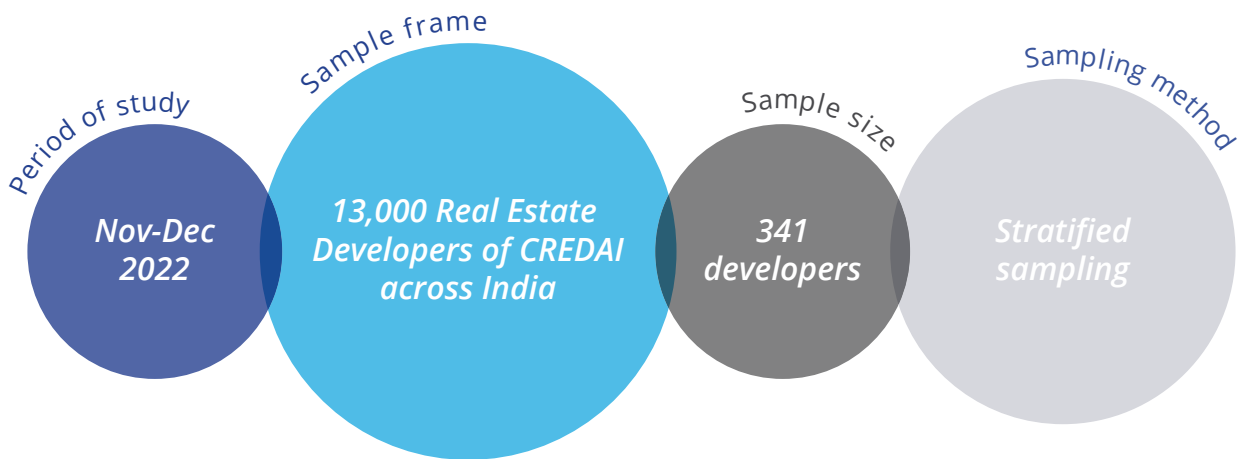
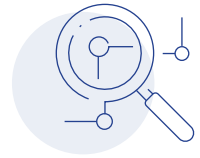
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State Analysis



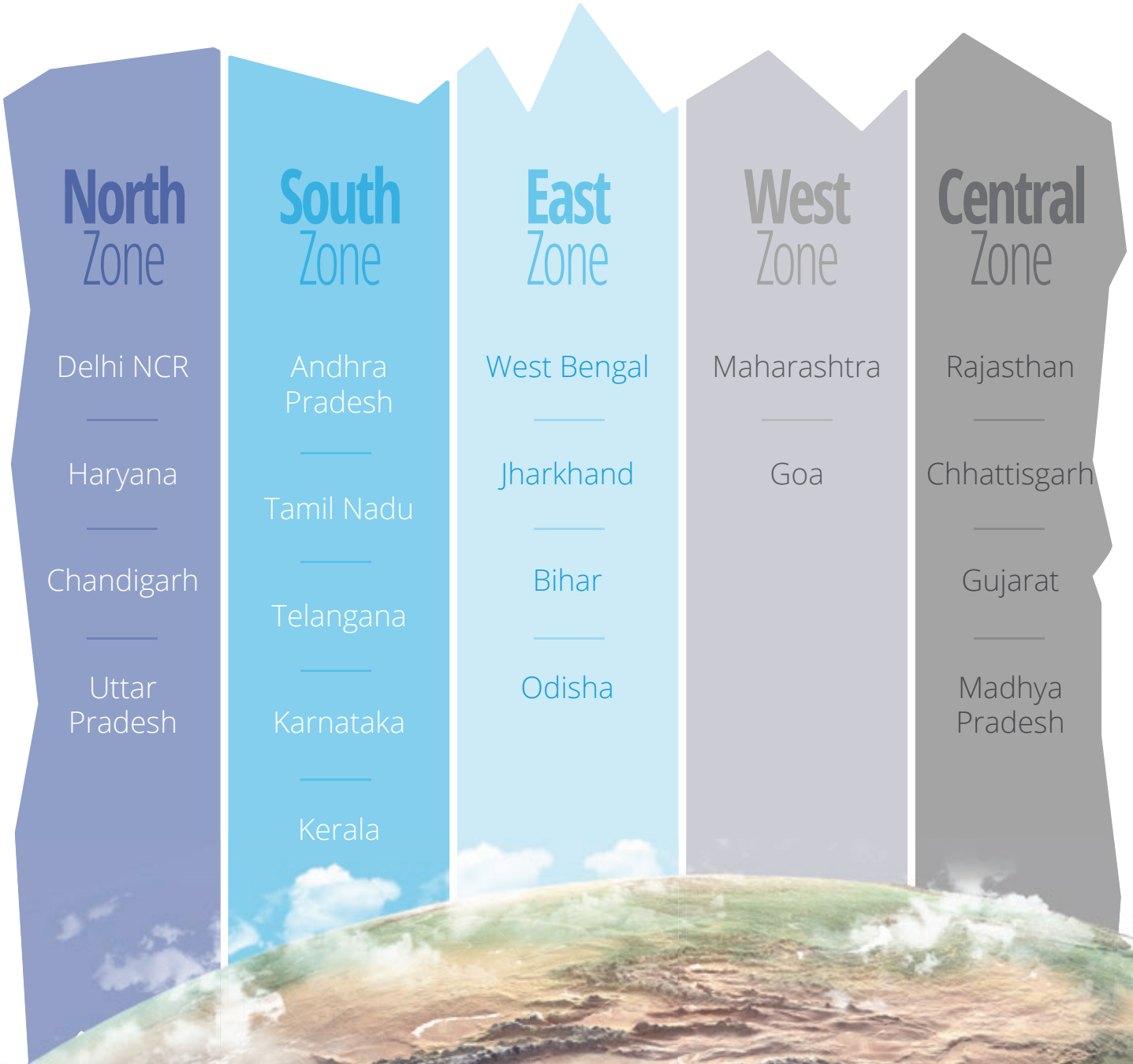
Research Methodology



Tier 1 cities include Ahmedabad, Bengaluru, Chennai, Delhi-NCR, Hyderabad, Kolkata, Mumbai, Pune

Questionnaire type	National analysis	State analysis
Close ended	Pan India Analysis of all 341 Respondents	18 States

Zonal Classification



Questionnaire



1.	What is your current under-construction stock (Lakh Sqft)?					
	Residential	Commercial	Industrial & Warehousing	Retail & Malls	Any other category (Please specify)	
2.	How much supply do you intend to launch in 2023 (Lakh Sqft)?					
	Residential	Commercial	Industrial & Warehousing	Retail & Malls	Any other category (Please specify)	
3.	How has buyers' enquiries and engagement changed in 2022 compared to 2021?					
	a) Increased	b) Declined	c) Remained the same			
4.	What is your outlook for residential demand for 2023?					
	a) Demand would be stable	b) Up-to 25% increase	c) 26-50% increase	d) 51-75% increase	e) More than 75% increase	f) A slowdown is expected
5.	How did an increase in cost of construction materials impact your project cost in 2022 as compared to 2021?					
	a) No impact	b) Increased by 5-10%	c) Increased by 10-20%	d) Increased by more than 20%		
6.	How do you expect the housing prices to fare in 2023?					
	a) Increase	b) Decrease	c) Will remain constant	d) Can't say anything about it now		
7.	How will unsold inventory levels change in 2023 in your focus area?					
	a) Increase	b) Decrease	c) Will remain constant	d) Can't say anything about it now		
8.	Which new business models are you willing to explore?					
	a) Co-living spaces	b) Senior living spaces	c) Branded residences	d) Data centers	e) Co-working spaces	
	f) Plotted development	g) Warehousing / Logistic Parks		h) IT Parks	i) Not Willing to Explore	
9.	Led by the current geopolitical situation and rising inflation, apart from the fear of recession, how do you foresee recession impacting your business?					
	a) Severely impact	b) Moderately impact	c) Minor impact	d) No impact at all		
10.	What are your expectations from the government for 2023?					
	a) Ease of Doing Business	b) Rationalized government charges	c) Rationalization/ ITC in GST	d) Increasing the tax exemption limit for home buyers		

National Analysis

62%

of the developers feel that buyer enquiries and engagement have increased in 2022 compared to 2021

43%

of the developers feel that residential demand would remain stable in 2023, followed by 31% who feel that the demand would increase up to **25%**

43%

of the developers saw a 10-20% rise in project costs in 2022 amidst rising input costs



58%

of the developers expect housing prices to increase in 2023. Another 32% feel that the prices are likely to remain constant.

31%

of the developers are willing to explore plotted developments as an alternative business model, followed by branded residences preferred by **19%** of the developers

Developers remain **undecided** about unsold inventory levels



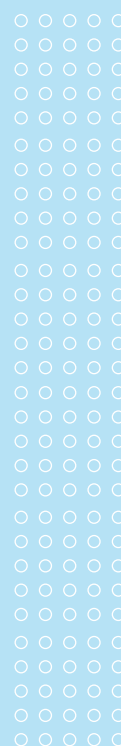
About

39%

of the developers hope for better ease of doing business from the government in 2023. Another 31% expect rationalization/ Income tax credit GST



Almost half of the developers believe that a probable recession will have a **moderate impact** on their business.



How has buyers' enquiries and engagement changed in 2022 compared to 2021?

62%

of the developers have witnessed a rise in buyers' enquiries and engagement in 2022, as compared to 2021.

62% increased

22% stable

16% declined



Key Insights

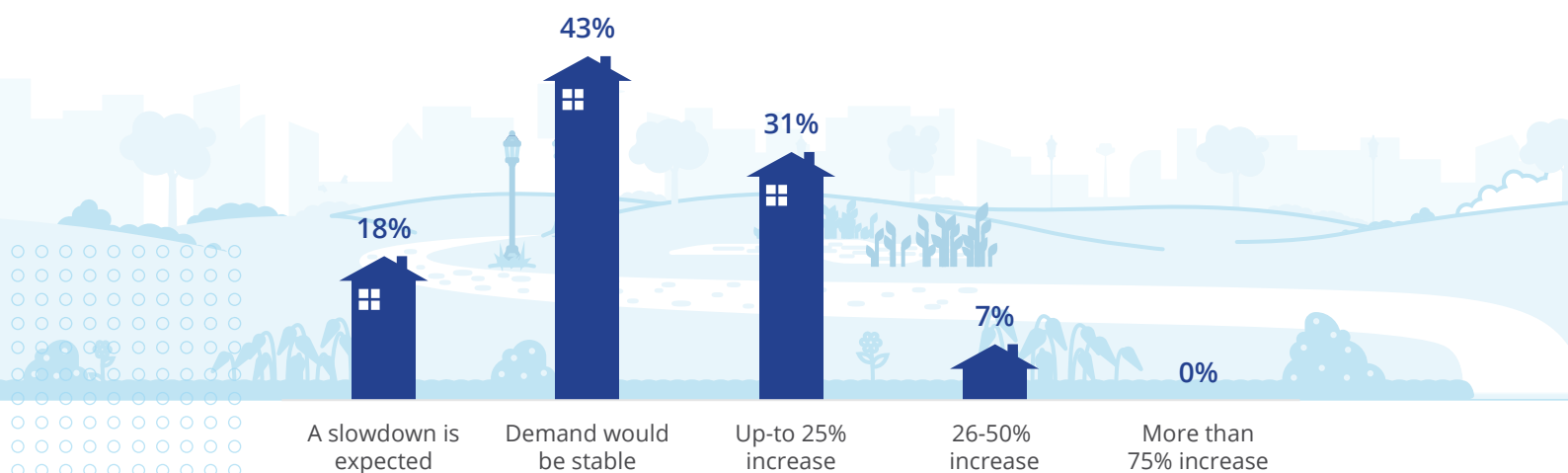
Homebuyers' enquiries for new homes increased in 2022

During 2022, developers across the spectrum saw increased enquiries led by continued inclination towards home ownership since the pandemic. Homebuyers realized the importance of homes in gated complex with amenities and ample open spaces. The rise in home ownership was further supported by interest rates that continue to hover below 9% and discounts and offers by developers.

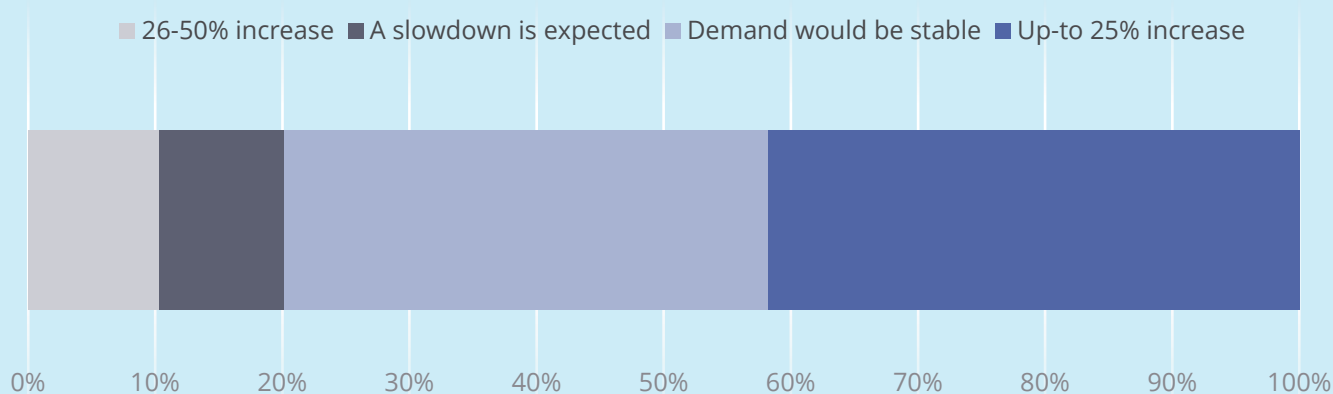
What is your outlook for residential demand for 2023?

Majority (43%)

of the developers expect residential demand to remain stable in 2023 and 31% feel that the demand would increase up to 25%



What do developers who witnessed an increase in buyers' enquiries and engagement have to say about the outlook for residential demand in 2023?



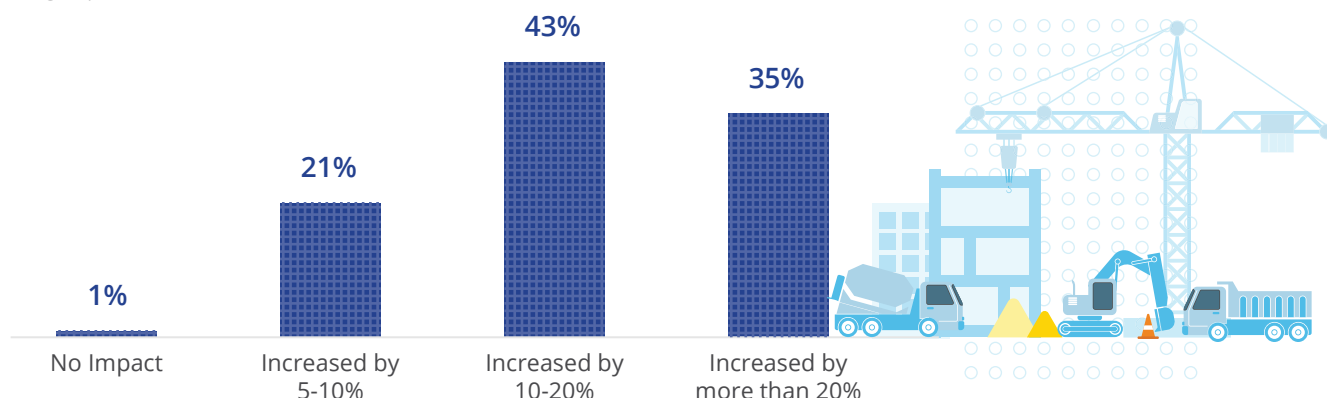
Key Insights

Developers bullish on next year

Of the total developers who saw an increase in buyer enquires and engagement in 2022, 80% say that the demand would remain stable or increase up-to 25%. Developers are focusing on launching projects that are aligned as per the needs of the homebuyers. Only 10% of these developers are expecting a slowdown next year.

How did an increase in cost of construction materials impact your project cost in 2022 as compared to 2021?

43% of the developers saw a 10-20% rise in project costs in 2022 amidst rising input costs



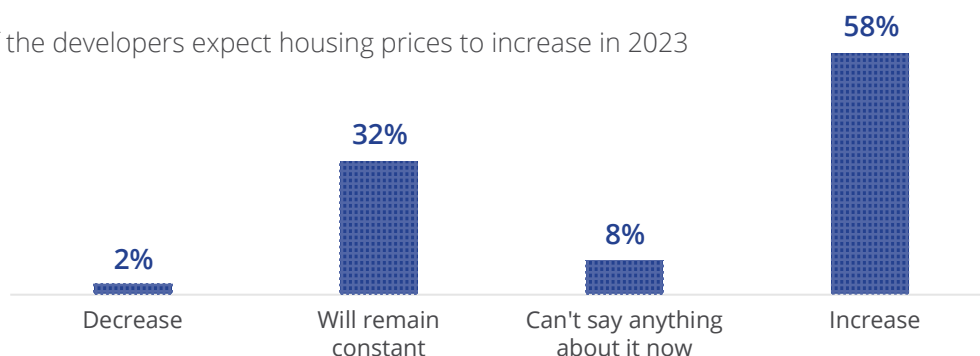
Key Insights

Construction costs increased by more than 10% amidst volatile input costs

Raw material costs have surged significantly in last two years globally due to inflationary pressures and supply chain disruption. As per Colliers' construction cost update: November 2022, the overall cost of construction have remained stable since March 2022, and they are still 28% higher than pre-pandemic levels. This has led to increased cost of construction for the developers. About 78% of the developers concede that increased raw material costs have pushed the project costs up by more than 10% in 2022.

How do you expect housing prices to fare in 2023?

58% of the developers expect housing prices to increase in 2023



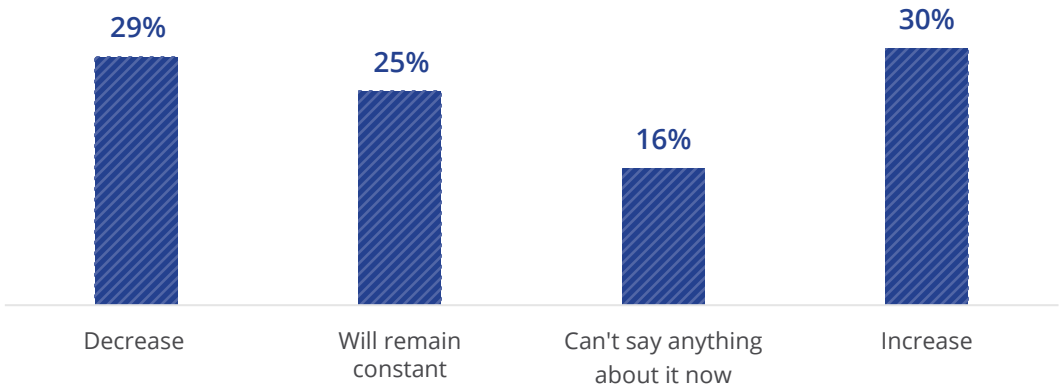
Key Insights

Volatile input costs to push housing prices in coming year

An overwhelming 58% of the developers feel that housing prices are likely to rise in 2023 amidst volatile input costs, economic uncertainties and sustained inflation rates. However, about 32% of the developers believe that the prices will remain stable in 2023. Housing prices have been on the rise over the last few quarters, led by robust housing demand as well as rise in input costs.

How will unsold inventory levels change in 2023 in your focus area?

55% of the developers expect unsold inventory levels to increase or remain stable during 2023



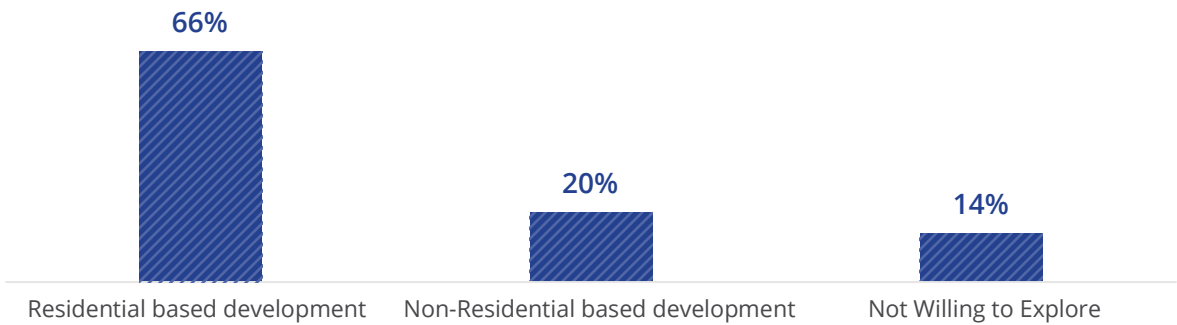
Key Insights

Developers remain undecided about unsold inventory levels

○ Developers are formulating strategies to complete their pending projects and bring in demand-led supply. Unsold inventory might see some surge in select cities in 2022 hinging on the new supply levels.

Which new business models are you willing to explore?

31% of the developers are willing to explore plotted developments as an alternative business model, followed by branded residences preferred by 19% developers



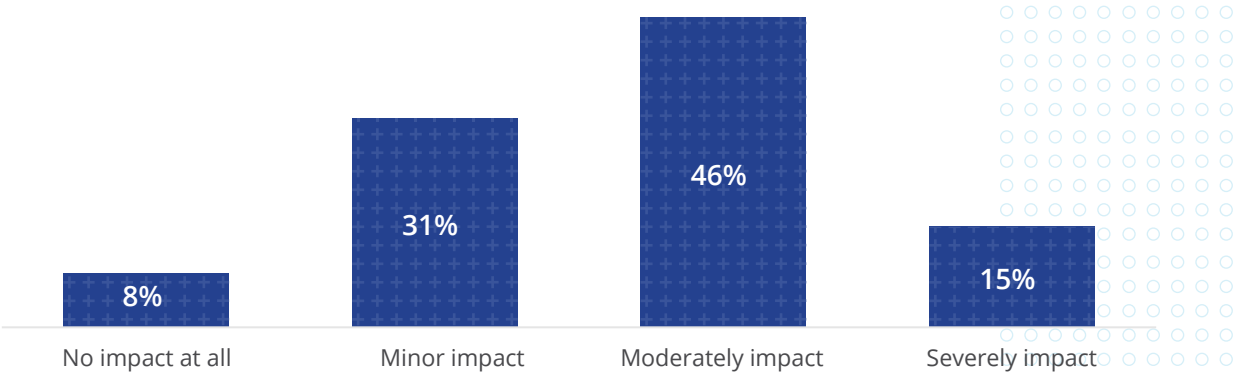
Key Insights

Branded residences – a clear favorite among developers

○ Higher disposable incomes and increased need for amenities and open spaces have pushed up demand for self-contained residential complexes. 51% of the developers, who believe that residential demand would either remain stable or increase in 2023, are willing to explore plotted development and branded residences as a new business model. Plotted developments are also becoming popular, especially in tier II cities due to lower land rates and the flexibility they offer to homebuyers.

Led by the current geopolitical situation and rising inflation, apart from the fear of recession, how do you foresee recession impacting your business?

Almost half of the developers believe that a probable recession will have a moderate impact on their business.

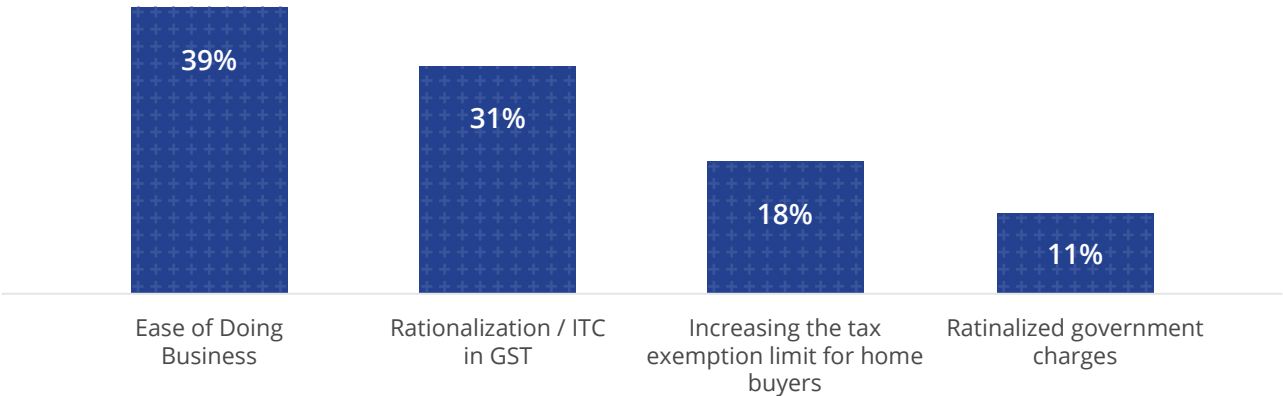


Key Insights

Developers see recession to moderately impact construction activity. However, the next few months will determine the extent to which the Indian economy will be impacted.

What are your expectations from the government for 2023?

About **39%** of the developers hope for better ease of doing business from the government in 2023

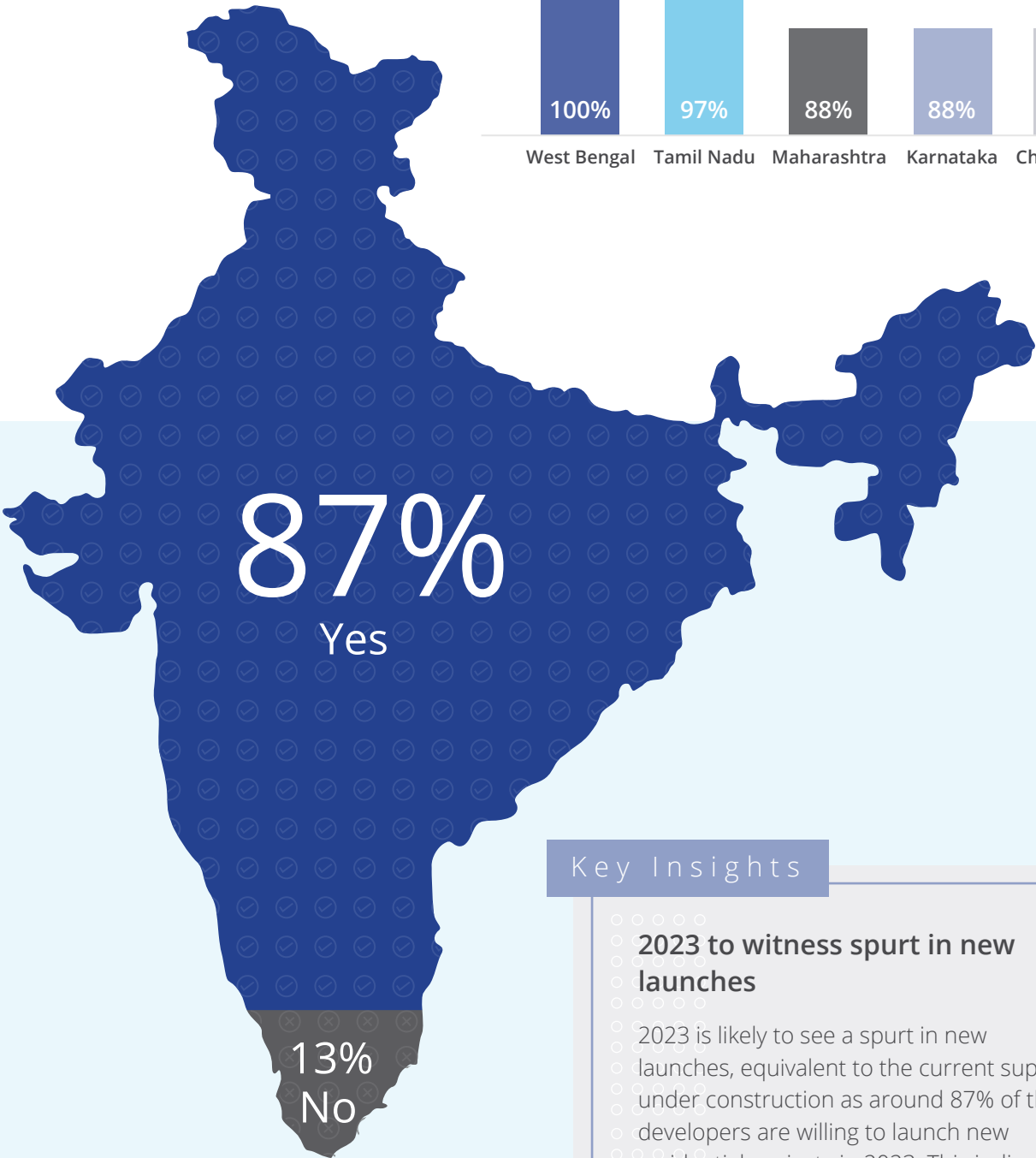


Key Insights

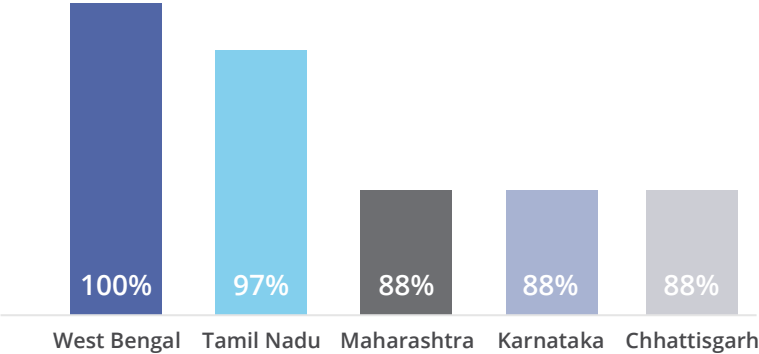
Improved 'Ease of Doing Business' is the top expectation from government
Improving 'ease of doing business' is the top ask of developers from the government. According to World Bank, enforcing contracts, resolving insolvency, starting a business, registering property, paying taxes and trading across borders are the key parameters of ease of doing business.

How much supply do you intend to launch in 2023 (Lakh Sqft)?

Pan India



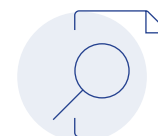
Top 5 states



Key Insights

- 2023 to witness spurt in new launches
- 2023 is likely to see a spurt in new launches, equivalent to the current supply under construction as around 87% of the developers are willing to launch new residential projects in 2023. This indicates increased optimism among developers despite inflationary pressures and potential impending recession.

State Analysis



How has buyers' enquiries and engagement changed in 2022 compared to 2021?

Across most states (except Andhra Pradesh and Telangana), developers have seen an increase in buyers' engagement in 2022.

State	Declined	Increased	Remained the same
Andhra Pradesh	60%	30%	10%
Bihar	21%	50%	29%
Chhattisgarh	18%	53%	29%
Delhi	14%	71%	14%
Goa	0%	100%	0%
Gujarat	29%	62%	10%
Haryana	0%	80%	20%
Jharkhand	0%	67%	33%
Karnataka	2%	81%	17%
Kerala	0%	86%	14%
Madhya Pradesh	17%	67%	17%
Maharashtra	18%	56%	26%
Odisha	0%	100%	0%
Rajasthan	0%	100%	0%
Tamil Nadu	7%	72%	21%
Telangana	24%	29%	47%
Uttar Pradesh	6%	69%	25%
West Bengal	27%	67%	7%
Grand Total	16%	62%	22%

Key Insights

- The first half of 2022, especially, saw increased engagement from homebuyers. The interest rates have been rising since mid 2022 due to rising inflationary pressures, which is likely to put some pressure on enquiries especially for affordable and mid segments.

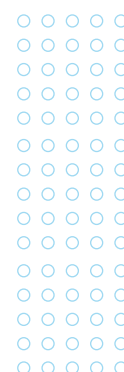
What is your outlook for residential demand for 2023?



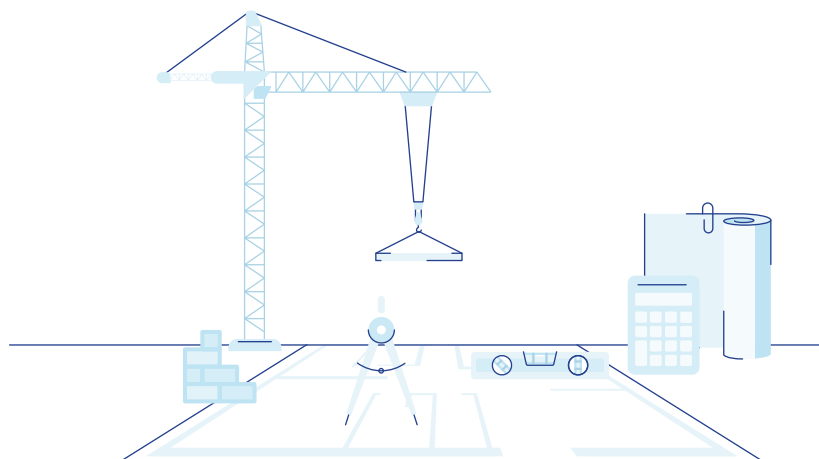
State	26-50% increase	A slowdown is expected	Demand would be stable	More than 75% increase	Up-to 25% increase
Andhra Pradesh	0%	40%	60%	0%	0%
Bihar	7%	7%	43%	0%	43%
Chhattisgarh	6%	18%	59%	0%	18%
Delhi	0%	0%	86%	0%	14%
Goa	0%	0%	67%	0%	33%
Gujarat	10%	19%	43%	0%	29%
Haryana	0%	0%	20%	0%	80%
Jharkhand	33%	33%	33%	0%	0%
Karnataka	10%	23%	35%	0%	33%
Kerala	14%	0%	43%	0%	43%
Madhya Pradesh	17%	17%	50%	0%	17%
Maharashtra	5%	17%	43%	0%	35%
Odisha	0%	0%	0%	0%	100%
Rajasthan	0%	0%	0%	0%	100%
Tamil Nadu	7%	24%	41%	3%	24%
Telangana	6%	29%	35%	0%	29%
Uttar Pradesh	13%	0%	50%	0%	38%
West Bengal	7%	27%	47%	0%	20%
Grand Total	7%	18%	43%	0%	31%

Key Insights

- Developers from more than 14 states including Delhi, Karnataka and Maharashtra expect demand to be stable in 2023. However, developers from Odisha, Rajasthan, Haryana and Kerala are more optimistic and expect an uptick in demand next year



How did an increase in cost of construction materials impact your project cost in 2022?



State	Increased by 5-10%	Increased by 10-20%	Increased by more than 20%	No impact
Andhra Pradesh	10%	20%	70%	0%
Bihar	21%	36%	43%	0%
Chhattisgarh	29%	41%	29%	0%
Delhi	0%	43%	57%	0%
Goa	33%	67%	0%	0%
Gujarat	33%	38%	29%	0%
Haryana	20%	60%	20%	0%
Jharkhand	0%	0%	100%	0%
Karnataka	27%	44%	29%	0%
Kerala	29%	57%	14%	0%
Madhya Pradesh	0%	50%	50%	0%
Maharashtra	24%	42%	33%	1%
Odisha	100%	0%	0%	0%
Rajasthan	33%	33%	33%	0%
Tamil Nadu	3%	55%	38%	3%
Telangana	6%	35%	53%	6%
Uttar Pradesh	0%	50%	50%	0%
West Bengal	33%	53%	13%	0%
Grand Total	21%	43%	35%	1%

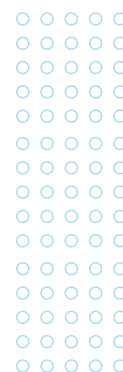


Top 10 states where developers experienced changes in project cost due to rise in input costs



Key Insights

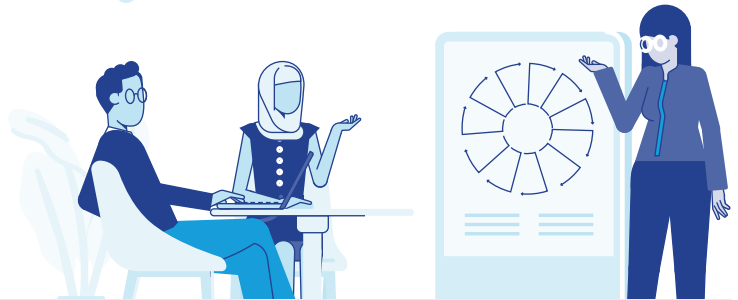
- Majority of states witnessed an increase in project costs. More than 70% developers in
- Delhi, UP, Telangana, Andhra Pradesh and Tamil Nadu witnessed a more than 10% increase in project costs. While majority of the developers who witnessed an increase up to 10% were from Gujarat, Rajasthan, Karnataka, Kerala and West Bengal






































Which new business models are you willing to explore?

State wise top 2 asset classes



State	Top 2 asset classes	State	Top 2 asset classes
Andhra Pradesh	 	Kerala	 
Bihar	 	Madhya Pradesh	 
Chhattisgarh	 	Maharashtra	 
Delhi	 	Rajasthan	
Goa	 	Tamil Nadu	 
Gujarat	 	Telangana	 
Haryana	 	Uttar Pradesh	 
Karnataka	 	West Bengal	 
Jharkhand		Odisha	



Branded residences



Senior Living



Plotted development



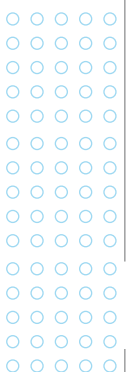
Warehousing/Logistics park



Co-working spaces

Key Insights

- While majority of the developers across all states are eyeing Branded residences and plotted developments, developers from some of the states such as Andhra Pradesh, Goa, Karnataka and West Bengal are looking to explore senior living segment as well.



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