

COVID-19 Sentiment Survey - 43% Homebuyers Now Prefer Peripheral Areas, Millennial Buyers Up 31%

- Ratio of end-users vs. investors is currently at 74:26; it was 59:41 in pre-COVID period
- 48% of respondents favouring real estate as an asset class are millennials aged 25-35 years; before COVID-19, they were just 17%
- Most NRIs prefer luxury homes (INR 90 Lakh – INR 2.5 Cr); 3BHKs & 4BHKs top the demand list



... of respondents have already booked homes, influenced by attractive deals, cheap home loans and pandemic-induced urgency to own physical assets
... eased demand for bigger homes across all configurations post-COVID; 69% now prefer bigger 2BHKs (>600 sq. ft. area) vis-à-vis 38% pre-COVID

Mumbai, 17th February 2021: Amidst deals, discounts and cheaper home loans, nearly 62% of respondents in the [CII-ANAROCK COVID-19 Sentiment Survey](#) consider it expedient to buy homes right away. 24% respondents have already booked properties (81% of this segment were previously unsure of buying) and 38% opted for newly-launched projects. The report was unveiled today by CII and knowledge partner ANAROCK at the 3rd CII Real Estate Confluence themed 'Indian Real Estate Vision 2025'.

Real estate's popularity as an investment asset class increased perceptibly post COVID-19. About **57% respondents now favour property over fixed deposits, the stock market, and gold**. 59% property-favouring respondents were convinced after the pandemic unfolded, after riding the fence of uncertainty before COVID-19.

Anuj Puri, Chairman - ANAROCK Property Consultants says, "The survey underscores the massive impact that the coronavirus pandemic has had on home-buying decisions. The work-from-home and online education culture has resulted in buyers seeking larger homes, even if it entails moving to peripheral areas. Surprisingly, new launches are gaining traction post-COVID. 26% of the survey's respondents will opt for homes in newly-launched projects, which is an increase of 4% over the pre-COVID period."

Equally surprisingly, there was **a decrease in the preference for ready-to-move-in homes – a reduction of at least 17%** since the lockdowns and 6% since the pre-COVID levels. This is vouchsafed by data from ANAROCK's consumer sentiment surveys done before and during the height of the pandemic in May 2020.

"One major factor for this could be that post-COVID, new supply was largely by branded developers," says Puri. "Homebuyers consider it safe to buy from strong organized players. Also, there is limited inventory available in the ready-to-move category."

In terms of consumer preferences, **demand for bigger homes across all BHK configurations has risen post-COVID**. 2BHKs continue to be the hot favourite; however, buyers are now also on the market for larger sizes. 69% of the survey's property-favouring respondents now prefer bigger 2BHKs (>600 sq. ft. area) vis-à-vis just 38% in the pre-COVID period. Previously, 62% of buyers preferred compact 2BHK units sized within 600 sq. ft. area.



The popularity of bigger configurations - 3BHK and 4BHK - has also increased as compared to the pre-COVID survey, most notably among NRIs. The latest edition of this survey finds that **most NRIs now prefer luxury homes priced between INR 90 Lakh to INR 2.5 Cr.** 3BHKs and 4BHKs are on top of their wish list. Out of the total 24% respondents who had already booked property recently, 38% were NRIs.

At least **43% respondents now prefer living in peripheral areas** while just 28% favour homes in the city limits (in proximity to offices). Demand for branded developer continues to rise - the ratio of demand for branded vs non-branded developer stands at 61:39 post-COVID, against 52:48 in the pre-pandemic period. Millennial respondents continue to prefer homeownership over renting; of all respondents favouring real estate as an investment option, at least 48% are aged between 25-35 years.

Other Key Highlights

- Ratio b/w End-use & Investment is at 74:26 post-COVID; it was 59:41 in pre-COVID period
- Affordable homes (<INR 45 lakh) see highest preference post-COVID, with over 40% share against 31% pre-COVID – an increase of 9%; ~38% of this demand is from Delhi-NCR, followed by 21% from Kolkata
- At least 36% home seekers will respond favourably to a good deal
- In the short-term (i.e., 12 months), 67% respondents feel prices will remain stable; only 18% foresee an increase; over the long-term (i.e., >5 years), 83% think prices will increase

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