

COVID-19

Impact on Indore Real Estate

CONSUMER SENTIMENT SURVEY





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During this Covid-19 time there have been many changes, hence, to understand it better we tried to find out the sentiments of the prospective homebuyers and analyze what they think during this Lockdown.

In this survey, we tried to find out whether the all-time low home loan interest rates (7.15% to 7.8%) has influenced them to buy a property or the recent stock market volatility has changed their investment point of view or whether this pandemic has created a fear of investment in the minds of people.

As per the findings, Majority participants believe Real estate to be the best asset class for investment and consider 'now' as the right time to buy property. Homebuyers major deciding factor to buy a property is attractive deals offered by builder and developers. Demand for mid and affordable segment (Less than ₹ 60 Lakhs) continue to be the top choice of maximum home seekers. Homebuyers still consider Plots and Row house to be the best property type when compared to flats.

In addition to this, we have marked several other interesting facts, which I hope you enjoy reading these in the survey.

Survey Methodology

This survey is to find out the sentiments of the prospective homebuyers and analyze what they think during this Lockdown, which are likely to be considered as the emerging trends in the INDORE Real Estate Market.

The main aim of the survey is to provide all stakeholders – consumers, developers, investors, sellers and owners including local and expatriates – deeper insights into the INDORE property market purely from a consumer perspective.

This survey was conducted by Sunil Agrawal And Associates between 4 th may to 8 th may (2020), it was an online survey in which 512 participants responded via different digital sources including email campaign, web link and messages. The sample was carefully selected so that it would give a relatively fair representation of the overall population. Thereafter, the answers collected were analysed in-house and data was correlated to the present economic conditions. The views expressed in the report are completely unbiased.



04-08 MAY
2020
Survey conducted



512
Respondents



22-65 years
Age Group



Greater Indore

Which is the best asset class for investment amidst COVID-19?

62 % respondents believe Real estate is the best investment option in these uncertain times. According to our report, people want a safe haven in the moment of crisis and owing to less volatility and low interest rates, Real Estate becomes an attractive choice



REAL ESTATE

62%
Residential Real Estate :

62% Respondents believe real estate is best investment opportunity due to low volatility and risk attached



FIXED DEPOSIT

19%
Fixed Deposits:

19% respondents say Bank FDs still are best option to generate consistent return. It becomes 2nd priority on our charts



GOLD

10%
GOLD :

10% of respondents say Gold still remains their best investment asset. It becomes 3rd Priority in our survey



STOCKS

9%
Stocks:

9% People have opted for stocks as their first preference for investment which is considerably lower than our survey done last year

Is it an ideal time to buy a property?

Over 51% participants, consider “Now” to be the right time to buy a property while only 15% says it not the ideal time to buy a property.



51% respondents consider 'now' to be the best time to buy a property as they have an opportunity to crack good deals from builder and also, they feel a sense of security that physical assets provide.

15% people do not want to buy a property right now, due to economic slowdown and fear of job loss, salary cuts etc.



23% of the participants think that 'may be' it's a right time to buy a home.

They don't consider buying property a bad option, but they are bit confused due to underlying uncertainty as to when COVID-19 will end and to what extent it will hamper the economy.

11% home buyer have already booked their dream home

These participants have booked their property before the lockdown period



ALREADY BOOKED

Those who have already booked a property

Despite the changing economic situation due to COVID-19 , **61 % respondents still want to continue with their bookings.**



I will continue with my booking

61% of the homebuyers that have already booked the property and are happy with their purchase and will continue with their booking in the future.

30% of the buyers are not sure about it, this is mainly due their fear of job loss, salary cuts etc.

I am not sure whether I will continue with the decision



I will Cancel my Property

Only **9%** want to cancel their bookings.

Did **COVID-19** affect your home buying decision?

Over 52% homebuyers have not changed their plans and will still prefer to buy property as they still think to be an ideal time to buy property. Interestingly, 22% respondents were previously not planning to buy, but now, they are interested.

52% **Not changed**, I will buy property as per my old Plans as they think its an ideal time to buy property and expects higher return on investments in future.

22% **Changed**, Previously not decided but now I will buy as they see an opportunity of best deals from builders and developers and availability of cheaper Home loans is an another factor influencing their decisions.

26% **Hold**, previously were planning to buy but now put their decision on hold due to fear of job loss .



Which will be the most deciding factor to buy a property?

42%

Attractive deals offered by builders and developers

21%

A sense of security that physical assets provide

19%

Return on Investment (ROI)

15%

Availability of cheaper home loans

3%

Others



What type of property would you prefer ?



According to our report, Plots and Row houses are still the preferred choice of homebuyers.



46%

Prefer Row Houses



33 %

Prefer Plots



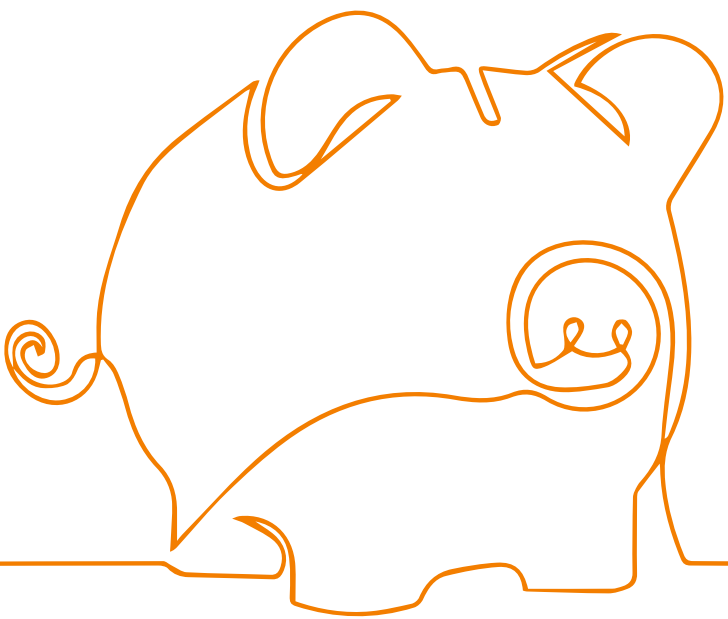
21 %

Prefer Flats

You will buy this property for end use or investment?

60% home seekers will buy property for end use.

It is interesting to note that 40% participants think property as an good investment option which wasn't the case before COVID-19.



END-USE
60%

End-users continue to rule the Indian residential market with 60% participants buying a property for self-use, as current situation has made people think home as the safest place, that gives the utmost satisfaction and security.

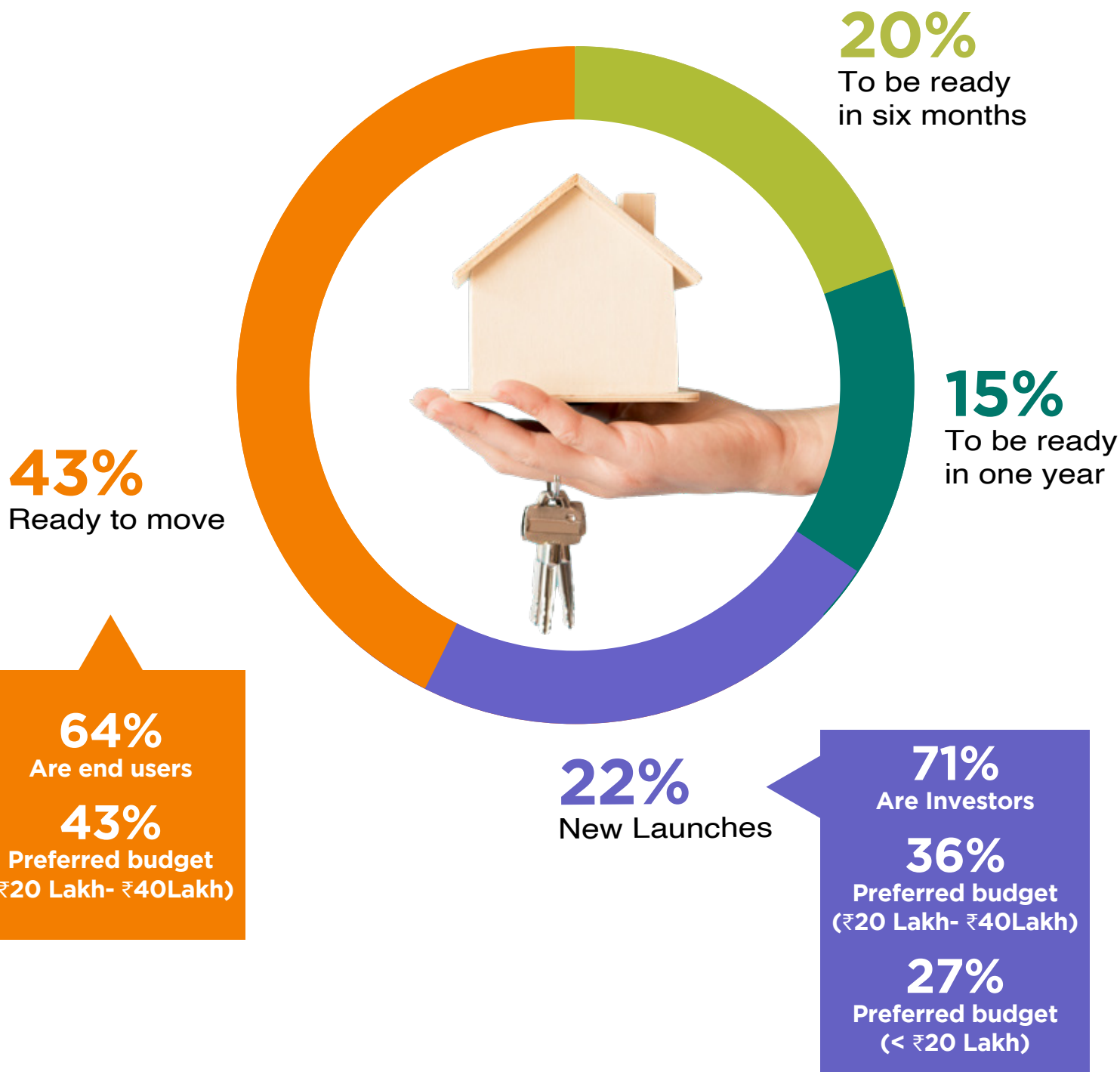


INVESTMENT
40%

At least 40% want to purchase a property from investment perspective, as they now don't feel a sense of security in other investments like stock market due to high volatility.

At what stage of property would you prefer?

Over 43% survey participants prefer to buy ready to move-in properties during Covid-19 situation in order to eliminate all possible construction risks.



Further, It is interesting to note that Respondents have shown their second preferred choice in 'new launches' with majority being investors.

What is the budget for your Investment ?

Mid segment (₹20 Lakh - ₹40 Lakh) is the most preferred budget category with 35% votes in its favor.

25%

< ₹20 Lakh

Affordable segment

35%

(₹20 Lakh - ₹40 Lakh)

Mid segment

26%

(₹40 Lakh - ₹60 Lakh)

7%

(₹60 Lakh - ₹ 1 CR)

7%

> ₹1 CR

As the report suggests, affordable and mid segment properties continue to remain the top choice of the maximum home seekers, as there is an increase in first time home buyers in Indore Market and also multiple government incentives for affordable housing has upped the game for this budget category in last few years.

Emerging Consumer Trends in Indore Real Estate Market during Covid-19 times



Owning a house is the top priority for Generation Y

Owning a house is the top priority for Generation Y- 52 % property seekers are aged between 25-35 , interestingly , 58 % of the Generation Y are end users.



Attractive deals offered by builders and developers and the sense of security the physical assets provide are the key factors determining change

The most Deciding factor to buy a property are attractive deals offered by builder and developer during these uncertain times and the sense of security the physical assets provide over other assets like stocks, gold etc.



Affordable and mid segment properties continue to remain the top choice of the maximum home seekers

It is Interesting to note that, affordable and mid segment properties continue to remain the top choice of the maximum home seekers. Collectively, 86% home seekers prefer to buy properties priced within ₹60 lakh budget.



Demand of Ready to Move in Property is still the highest

The demand of Ready to Move in Property is still the highest as end users want to avoid any risks related to possession delay, while the buyers who want to buy property for investment prefer a 'new launch' property as early entry in the project might give them good return on investment in the future.

At Sunil Agrawal and Associates, we believe that no deal is good for us if it's not good for our customers. Keeping the interests of the customer ahead of everything, we strive to get the right value for their money.

An entity that symbolizes prosperity, properties and profits for all, Sunil Agrawal and Associates is one of the most renowned and trusted name in the real estate sector of Indore. In its Twenty years of existence, the company has carved a niche for itself with its biggest core strength of credibility and its ability to deliver delightful solutions. Known for its landmark success in marketing and branding some of the biggest housing projects of the city, Sunil Agrawal and Associates explores ways and means to ensure that it serves its clients in the best possible ways.

In a time span of 20 years, Sunil Agrawal and Associates has achieved several milestones with the successful branding of the most renowned projects of Indore. Providing the best of consultancy to the end user and the best of marketing strategies to the developers, we have been able to strike a great chord with smiles on both the ends. This is the reason we count our experience in the number of smiles we have generated.

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