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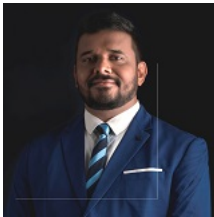
Special Report

COVID-19 takes a toll on housing sales in MMR

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Mar Ahmedabad

Ram Naik
Executive Director
The Guardians Real Estate Advisory

Site visits in the residential projects in the Mumbai Metropolitan Region (MMR) have dipped by 40-60 percent ever since the outbreak of COVID-19. The sentiment may worsen further if the situation does not improve in the near-term, shares Ram Naik, Executive Director, The Guardians Real Estate Advisory.



With several investment-friendly measures announced by the Government in 2019, the year 2020 was expected to boost the homebuying sentiment and accelerate the realty transactions. However, the breakout of the novel Coronavirus has challenged the industry expectations as the realty stakeholders are postponing their investments until the situation improves.

1. How has the COVID-19 outbreak impacted the Indian real estate market?

Currently, the residential market in India is facing a precarious situation. As it is a sector that thrives on customer site visits for the successful closure of transactions, the businesses are majorly hurt post the **COVID-19 outbreak** as buyers are advised to stay indoors. The challenges have compounded both ways. With many sites been shut down, the sales staff has also been asked to stay at home. The lockdown has impacted the sector, although marginally as of now. But the scenario may get worse if the situation does not improve. The affordable and mid-income housing, which have been a silver lining for the real estate sector for the past several years, may also suffer as the site visits and sales volume may decline further in the near-term.

Developers have also postponed new project launches, and Channel Partner meetings that involve large gatherings. The scenario is equally grim for the ongoing projects. Majority of the home buyers prefer to purchase homes in March to avoid Capital Gains Tax (CGT). However, this year the situation seems to be different. Sentiment might also remain the same on the **occasion of Gudi Padwa**.

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2. Has the pandemic hit the construction activities? If so, what measures have been adopted by developers to combat it?

A lot of financially well-placed developers who were planning to launch new projects may consider groundbreaking activities at construction sites, as they require minimal workforce and more of machines.

3. Are homebuyers still enquiring for homes?

Now that the customer is at home and spending more time on gadgets, the digital marketing campaigns are seeing excellent traction from prospective buyers. But the scenario currently is such that leads are unlikely to convert to site visits. Hence, a lot of developers are focussing on accumulating the current leads to drive customer visits, once things normalise in future.

4. Have you noticed any dent in site visits lately?

Yes, there has been a significant reduction in customer site visits. Overall, the site visits in MMR have declined by 40-60 percent ever since the Coronavirus outburst, and they may fall further in the days to come if the situation does not improve. A lot of socially responsible developers have voluntarily closed the sites to curb the spread of the virus.

5. Can you give an account of the property sales in the last month in your city?

The last two months have seen 9,300 units being registered across MMR, as opposed to 12,800 units in the first quarter of 2019.

6. Do you think the epidemic has/would hit property prices in India?

We do not see the prices getting affected across the board. However, some developers who have monthly/quarterly obligations to meet may take aggressive calls to lure home buyers. The current situation if improves soon, would leave the prices unaffected.

7. What measures are you taking to implement social isolation at your office?

For us, employees and their well-being come first. We have, therefore, advised all the staff members to work from home. Moreover, we are regularly briefing them on preventive measures to be taken while they are at home.

8. Do you expect a strong realty rebound in the near future?

We do see the markets shaking off due to the virus impact; however, they may rebound to the pre-COVID 19 levels in the immediate future if the situation does not persist. Nevertheless, the property prices are likely to remain stagnant across the year



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