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HOUSE PURCHASE SENTIMENT INDEX

RESIDENTIAL REAL ESTATE TRENDS IN MMR

MARCH 2022

CREDAI-MCHI

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CREDAI-MCHI and TruBoard are proud to present the very first of its kind of House Purchase Sentiment Index (HPSI) which strategically captures the purchase plans of home buyers and also maps the influencing factors for home buying. This is a part of the constant endeavour of CREDAI-MCHI to provide transparency and strategic directions to its members and to the fraternity of real estate industry in MMR.

The effort is to track the sentiments of consumers across MMR and its key micro markets, which will be very useful tracker for all the real estate developers across MMR. The fraternity of real estate can use this very important index in developing their business goals, strategies and tap the nerve of consumer sentiments to offer the product in demand. The report is based on detailed research of various micro markets across MMR and will be a useful tracking report even for the policy makers.

This is the first of its kind of report with an aim to bring transparency and visibility for home sales and also for lenders.

Best,
Boman Irani
President
CREDAI – MCHI

TruBoard in association with CREDAI-MCHI has developed a quarterly House Purchase Sentiment Index (HPSI) to capture future home buying plans of consumers and key influencers. This tracks consumer sentiment in key micro markets of the MMR region. This one-of-a-kind index in India is a useful tool for Real estate developers and housing finance companies to forecast demand and plan marketing strategies, for investors to gauge the future financial health of RE developers in specific micro markets; for policy makers (RBI, State Government and Central Government) to ascertain sensitivities on home demand from policy changes; for home buyer to gauge the overall sentiment of other consumers; and for research analysts tracking Real Estate Sector.

Currently, there are no indexes tracking consumer sentiment on buying homes across micro markets in Mumbai Metropolitan region (MMR). The existing Real Estate indexes are based on historical sales and pricing which does not provide lead indication for the future, while HPSI is visioned to bring transparency in the Real Estate sector by tracking home buying preferences for future home sales and mortgage volumes.

Best,
Sangram Baviskar
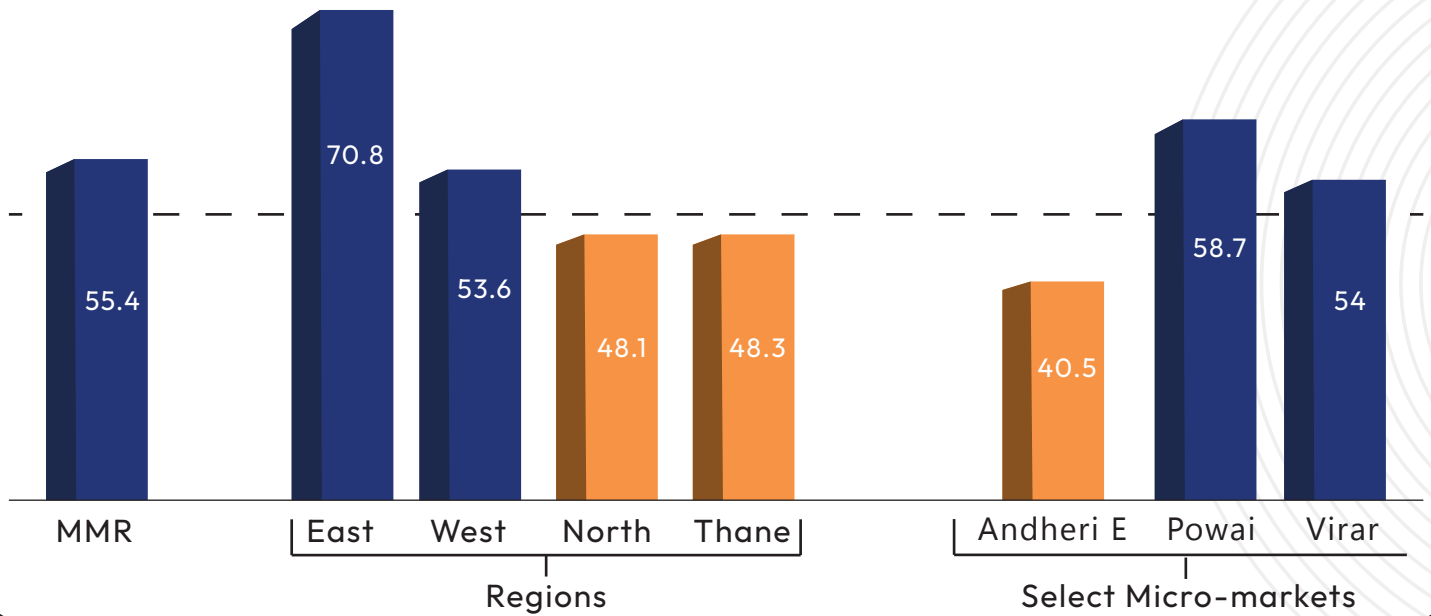Founding Team Managing Director
Real Estate

CREDAI-MCHI in association with Truboard is proud to present the first ever MMR House Purchase Sentiment Indec Report for March 2022. This index is the key tool for developers, policy makers and banking organisations as it transparently shows the confidence levels of purchasers for various micro markets of MMR. It guides to reshape sales strategies, project propositions and pricing strategies based on real time research of prospective customers and investors. CREDAI-MCHI is glad to present such in-depth and real time research product which will benefit the entire Real Estate Sector in MMR. The methodology is to arrest and document the behavioural patterns and inclination of consumers across MMR and its key micro markets. Truboard and CREDAI-MCHI will regularly present House Purchase Sentiment Index as a service to the real estate sector. Superb efforts from team Truboard lead by Mr. Sangram Baviskar and Dr. Adv. Harshul Savla under constant guidance from CREDAI-MCHI President Mr. Boman Irani has resulted in publishing this superior index report and I'm glad to present it to the readers.

Many thanks,
Keval Valambhia
C.O.O.
CREDAI-MCHI

House Purchase Sentiment Index (HPSI)

TruBoard MCHI House Purchase Sentiment Index Mar'22 (HPSI)

Bar chart values:
- MMR: 55.4
- East: 70.8
- West: 53.6
- North: 48.1
- Thane: 48.3
- Andheri E: 40.5
- Powai: 58.7
- Virar: 54

Regions — MMR, East, West, North, Thane
Select Micro-markets — Andheri E, Powai, Virar

Home purchase plans in MMR were optimistic in March'22.

Overall sentiment driven by strong willingness to purchase in Eastern and Western suburbs of MMR region.
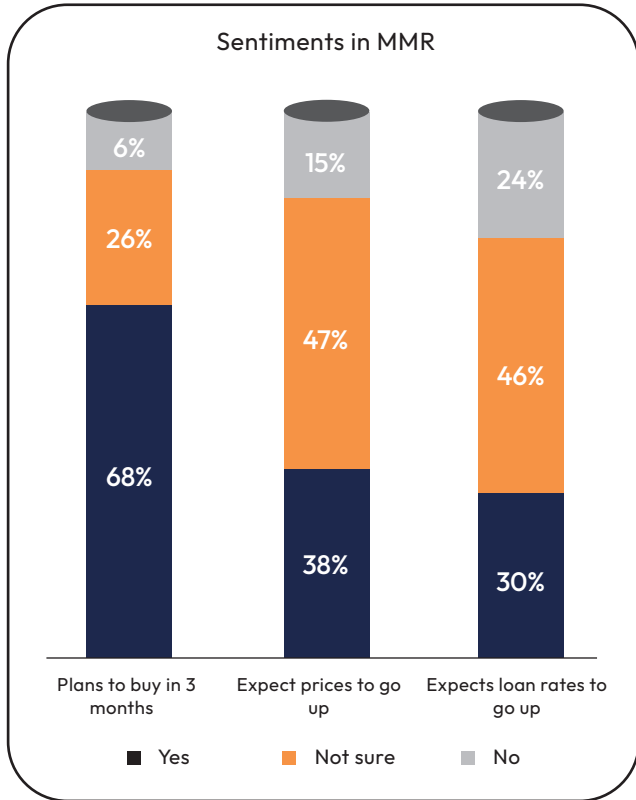
3 out of every 5 customers who walked into under-construction sites in Eastern suburbs (Bhandup, Chembur and Powai) plans to buy within 3 months.

This was followed by Western Suburbs, particularly Virar, Bandra (E) and Khar (E).

Interestingly, Andheri (E) is witnessing a very low propensity to buy homes, with the lowest Index score of 40.5 (pessimism). Powai, an Eastern suburb, while close to Andheri East, has a much stronger purchase sentiment of 58.7.

Thane (+Kalyan) and Northern suburbs demonstrated marginally pessimistic outlook towards home purchase plans in recent future.
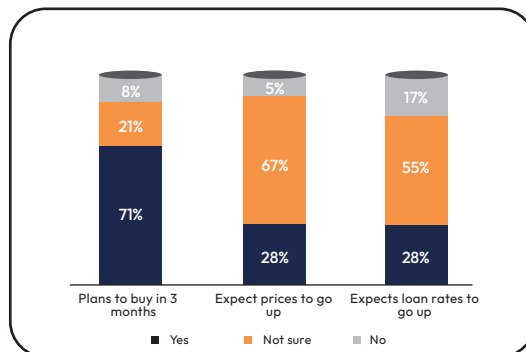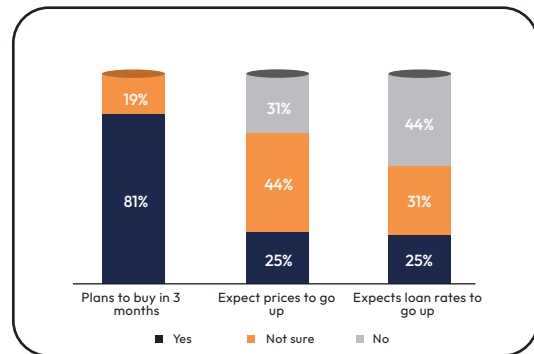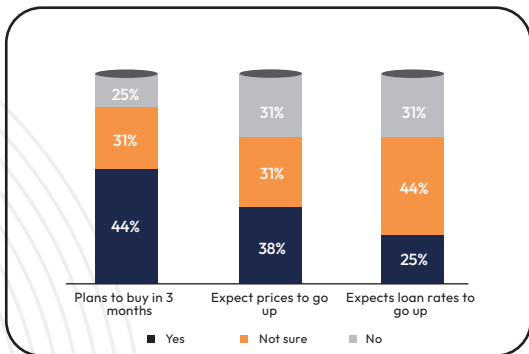
Consumer Sentiment on plans to buy homes, future home prices and mortgage rates

Sentiments in MMR

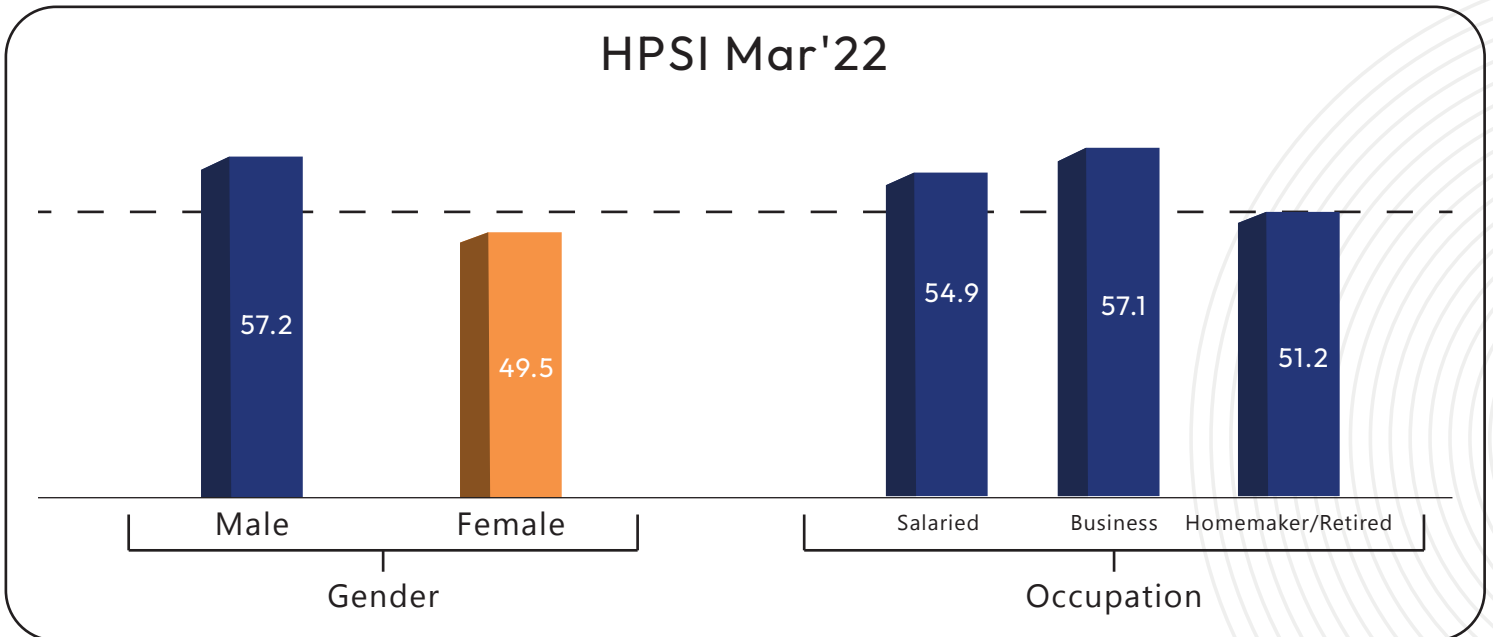| Plans to buy in 3 months	Expect prices to go up	Expects loan rates to go up
6% No	15% No	24% No
26% Not sure	47% Not sure	46% Not sure
68% Yes	38% Yes	30% Yes

■ Yes   ■ Not sure   ■ No

Expected rise in home prices driving buying sentiment.

- 7 out of 10 customers visiting a project were planning to purchase a home in the next 3 months.

- Expected rise in prices was the key determinant driving purchase plans. This was followed by fears of higher home loan rates.

- 4 out of 10 respondents willing to buy thought prices will rise in 3 months. 3 out of 10 respondents planning to buy thought rates will rise in three months.

Consumer Sentiment on plans to buy, future home prices and mortgage rates across major micro markets

Plans to buy in 3 months	Expect prices to go up	Expects loan rates to go up
25%	31%	31%
31%	31%	44%
44%	38%	25%

■ Yes   ■ Not sure   ■ No

Plans to buy in 3 months	Expect prices to go up	Expects loan rates to go up
19%	31%	44%
81%	44%	31%
	25%	25%

■ Yes   ■ Not sure   ■ No

Plans to buy in 3 months	Expect prices to go up	Expects loan rates to go up
8%	5%	17%
21%	67%	55%
71%	28%	28%

■ Yes   ■ Not sure   ■ No

Demographic trends of home purchase sentiment

HPSI Mar'22

57.2	49.5	54.9	57.1	51.2
Male	Female	Salaried	Business	Homemaker/Retired
Gender		Occupation		

Male and business owning customers are the most optimistic

Female customers appear to be more likely to be fence sitters, ready to wait for the right deal before making a plunge. On the contrary, it is more likely to close a sale with a male walk-in customer (6 out of 10 males).

Business owners are more likely to purchase a home compared to salaried or homemaker/retired customers.

Index Methodology

Surveys are conducted quarterly in under-construction projects in MMR region.

- North Greater Mumbai
- East Greater Mumbai
- West Greater Mumbai
- South Mumbai
- Thane and Kalyan
- Panvel

Stratified random sampling used to collect 1,500 responses from key micro markets.

Responses to sentiment-based questions are converted into diffusion scores. The scores have a range of 0-100, with 50 being the threshold between optimism (greater than or equal to 50) and pessimism (lesser than 50).

Diffusion Score=(% reporting 'up')+(0.5 * (% 'the same'))+(0.0 *(% reporting 'down'))

Index= Weighted average of Diffusion Scores

CREDAI-MCHI

CREDAI-MCHI is an apex body consisting of members from the Real Estate Industry from the Mumbai Metropolitan Region (MMR). With a strong Membership of over 1250+ leading Developers in MMR, CREDAI-MCHI has expanded across MMR, having its own Units in the region of Thane, Kalyan-Dombivli, Mira-Bhyandar, Vasai-Virar, Raigad, Navi Mumbai, Palghar, Boisar, Bhiwandi, Uran-Dronagiri, Shahapur-Murbad, Alibag, Karjat-Khalapur-Khopoli and Pen. CREDAI-MCHI is the only Government recognized body for private sector developers in MMR and consistently working to make the industry more organized and progressive. CREDAI-MCHI under the aegis of CREDAI National which is an apex body of 13000 developers from across the nation has developed into a preferred platform with regard to a regional discourse on housing and habitat through its close and deep networking with the Government.

Email Id: secretariat@mchi.net   **Blog:** https://mchi.net/blog/

TruQuest

TruQuest is a knowledge series launched by TruBoard Partners providing succinct updates and views on:

- Liquidity Outlook
- India's macro-economic view
- Trends within the Infrastructure, Real Estate and Renewable Energy sectors
- Impact analysis of new regulations and policies on lending and capital flow

TruBoard Partners

TruBoard provides bespoke solutions for capital providers to better manage their investments and maximise returns. TruBoard brings in a combination of domain expertise and artificial intelligence to the mainstream of financial analysis, enabling speedy and effective decision making. TruBoard's core area of operations are Credit Monitoring, Real Asset Management, Retail Loan Servicing and Collection, and Dispute Resolution and Advisory.

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