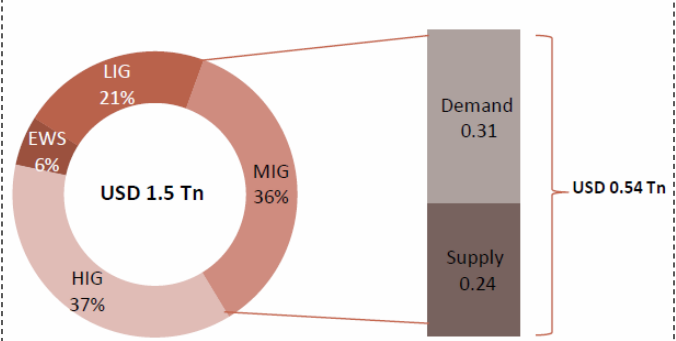


AFFORDABLE HOUSING – MARKET OVERVIEW

REAL ESTATE SECTOR OVERVIEW

- ❑ The Real Estate sector is estimated to grow at 11.2 % to USD 180 Bn by 2020
- ❑ Residential vertical contributes approx. 80% to Real estate sector
- ❑ The 2011 Census survey reported 247 mn households in India (Rural 168 mn: Urban 97 mn)
- ❑ By 2022, overall demand of additional 90 Mn housing units expected

USD 1.5 Tn OPPORTUNITY IN URBAN HOUSING BY 2022



TOTAL FUNDING REQUIREMENT INCLUDES BOTH SUPPLY SIDE AND DEMAND SIDE FUNDING. SUPPLY SIDE FUNDING ~ USD 8.1 Tn

GROWTH DRIVERS

Economic Growth	Expected to be the fastest growing economy reaching 3rd place by 2028
	A strong and stable democratic government coupled with the relatively free play of market forces make India an attractive investment destination today.
	Growth driven by infrastructure investment and the rising industrial and service sector
Favourable Demographics	India to become the world's largest country in terms of population, overtaking China around 2028
	Rapidly increasing population likely to drive demand for housing, infrastructure and consequently drive growth of real estate
	Significant rise in working population and drop in dependency ratio to 53.67 per cent to generate higher personal savings, boosting the real estate growth
Urbanisation	Urban population projected to increase by 404 million people between 2014-2050
	Urban areas expected to contribute 70 to 75 % to the Country's GDP by 2025
	Urbanisation to drive economically viable affordable housing model for both government housing agencies and as well as private developers
	Proposed "Housing for All" and "Integrated City Infrastructure" initiatives by Government to boost real estate development
Increasing Nuclear Families	The increase in the number households (28.04 per cent) much faster than the population growth rate (17.64 per cent)
	Average Household size decreases from 5.3 to 4.8
	Decrease in household size to create additional demand for approx. 10 mn new dwelling units
	Future housing demand for next 15 years to be largely driven by population between 15-35 years of age constituting 37% of total population
Rising Affordability	Per Capita Income to triple from USD 2,800 in 2012 to USD 8,200 in 2028
	Rising affordability and risk appetite of Indian "Rich" and "Consuming" class leading to substantial rise in demand for high end housing
	With housing being one of the key thrust areas for the government especially in the affordable housing/mid end space mortgage industry is likely to grow at similar pace
	Mortgage penetration (currently at 9 per cent) also likely to increase to double digits over the next three years

AFFORDABLE HOUSING – MARKET OVERVIEW

DEMAND – SUPPLY SCENARIO

Pan India (In Units)

	Supply (Under 25 lakh)	% Share in Overall	*Total Absorption (Under 25 lakh)	% Share in Overall
2015	120,790	27%	148,525	32%
2016	64,556	24%	96,681	28%

- ❑ Absorption in the under 25L segment higher by approx. **50%** in 2016 as compared to the supply during the year.

MMR & Pune (In Units)

	Supply (Under 25 lakh)	% Share in Overall	*Total Absorption (Under 25 lakh)	% Share in Overall
2015	47,105	29%	44,452	29%
2016	21,918	25%	34,555	30%

- ❑ Absorption in the under 25L segment higher by approx. **58%** in 2016 as compared to the supply during the year.

KEY AFFORDABLE SEGMENT PLAYERS

Pan India (Under 25 lakhs) - 2016

	Supply	*Total Absorption
Amrapali Group	612	1,811
Value & Budget Housing	-	290
Tata Housing Development Company	-	16
Provident Housing	-	2

Prominent developers in the affordable housing segment such as VBHC, Tata Value homes, Provident housing did not witness any supply in the under 25L segment in 2016.

Amrapali witnessed absorption of approx. 1,811 units in 2016 in the under 25 Lakh category.

KEY AFFORDABLE SEGMENT PLAYERS OF 2016

Pan India (Under 25 lakhs) - 2016

	Supply	*Total Absorption
Xrbia Developer	3,776	3,415
Signature Global	729	2,201
Shapoorji Pallonji	2,170	1,929
Amrapali Group	612	1,811
Shriram Properties	1,429	1,299

MMR & Pune (Under 25 lakhs) - 2016

	Supply	*Total Absorption
Xrbia Developer	3,776	3,415
Karrm Infrastructure	3,200	1,214
Seven Eleven Constructions	-	885
Paranjape Schemes	-	663
Mantra Properties	802	403

Xrbia emerging as the leading Real Estate Developer in the Affordable Housing Segment in Western Region as well as across India.

AFFORDABLE HOUSING – MARKET OVERVIEW

GOVERNMENT INITIATIVES

PRADHAN MANTRI AWAS YOJNA

Parameters	Details
Scheme Name	Pradhan Mantri Awas Yojna
Launch Date	25 th June 2015
Estimated time for completion	7 years (2022)
Primary objective	Providing affordable houses to Indian citizen
No. of houses to be built	2 crores+
Primary Target group	LIG & EWS
Previous name	Housing for all scheme

Highlights:

- ❑ Targeted group or beneficiary
 - Indian women of all religion
 - LIG & EWS
- ❑ Subsidy- 1 Lakh - 2.30 Lakh
 - The scheme will provide a credit linked subsidy of Rs 1.00 Lakh to 2.30 Lakh to the home buyers
 - Credit linked subsidy granted to LIG and EWS segments of urban population
- ❑ Concession on interest rates
 - For loan amount up to 9 lakhs: 4% concession on current interest rates
 - For loan amount up to 12 lakhs: 3% concession on current interest rates^[1]

REAL ESTATE REGULATORY AUTHORITY

Key points about RERA:

- ❑ It establishes the State Real Estate Regulatory Authority for that particular state as the government body to be approached for redressal of grievances against any builder.
- ❑ Developers to park 70% project fund into an Escrow account
- ❑ Project measuring more than 500 square meters or more than eight apartments will have to be registered with the RERA.
- ❑ The developer cannot make any changes to the plan that had been sold without the written consent of the buyer.
- ❑ Now flats to be sold on the carpet area
- ❑ If the project is delayed, Developer liable to pay the same interest as EMI being paid by the consumer to the bank.

Impact of RERA:

- ❑ Reduced risk for the consumers
- ❑ Only filtered developers
- ❑ Increased transparency; push to affordable housing demand

HIGHLIGHTS OF BUDGET 2017

- ❑ Affordable Housing has been given the **Infrastructure status** which implies cheaper access to funds for longer duration.
- ❑ Allocation for Pradhan Mantri Awas Yojana increased from Rs15,000Cr to Rs23,000Cr.
- ❑ Instead of Built up area of 30 and 60 sq. meters, the carpet area of 30 and 60 sq. meters will be applicable for affordable housing.
- ❑ Exit period reduced from 3 years to 2 years for long term capital gain tax.
- ❑ Extension for consideration period for tax on unoccupied houses

[1] www.pmaymis.gov.in

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