

## **RESIDENTIAL REAL ESTATE**

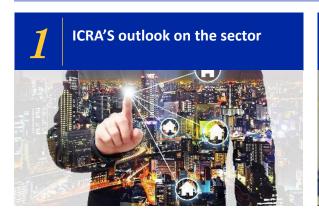
Demand to remain steady; sales value to grow by 13-16% in FY2024

**March 2023** 



## **Agenda**













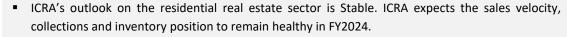
### **Highlights**

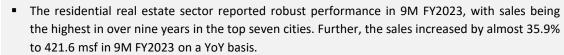


Sales value growth of 13-16% likely in FY2024 supported by adequate demand backed by healthy affordability.

While underlying sector fundamentals remain healthy with low inventory overhang and calibrated launches, the impact of rising recessionary pressures on the job market and increase in interest rates on affordability remains to be seen.









The unsold inventory level dipped to 851 msf in Q3 FY2023 from 927 msf in Q3 FY2022 in the top seven cities. The current years-to-sell (YTS) for the unsold inventory is the lowest in the last five years at 1.6 years supported by the uptick in sales.



■ In FY2023, for listed companies in ICRA's sample set, it expects the area sold to increase by 5% to 60.8 msf and value of area sold by 9-11%. The area sold is further expected to increase by 8-10% in FY2024 to 66.5 msf. Alongside, the value of the area sold is expected to increase by 13-16% in FY2024.



■ ICRA expects leverage to remain comfortable with Net debt/Cash flow from operations to be < 2 times in FY2023 and FY2024 backed by healthy cash flow from operations.

<sup>&</sup>lt;sup>1</sup> Source: Propequity and ICRA Research

Top Seven Cities: Mumbai Metropolitan Region (MMR), National Capital Region (NCR), Bengaluru, Hyderabad, Pune, Kolkata, Chennai

<sup>&</sup>lt;sup>2</sup> Listed entities: Sobha Limited, Ashiana Housing Limited, Puravankara Limited, DLF Limited, Kolte-Patil Developers Limited, Mahindra Lifespace Developers Ltd, Godrej Properties Limited, Prestige Estate Projects Ltd, Brigade Enterprises Limited, Sunteck Realty Limited, Keystone Realtors Limited and Macrotech Developers Limited www.icra.in























#### **Chintan Chheda**

Rabbani Mohammed D

Senior Analyst

Analyst



chintan.chheda@icraindia.com

d.rabbani@icraindia.com



022 - 6169 3363

040 - 4547 4829

















## **ICRA Business Development/Media Contact Details**

	L. Shivakumar	Jayanta Chatterjee	Naznin Prodhani
	Executive Vice-President	Executive Vice-President	Head Media & Communications
	shivakumar@icraindia.com	jayantac@icraindia.com	communications@icraindia.com
C	022- 6114 3406	080 – 4332 6401	0124 – 4545 860



















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# **Thank You!**

