

Home sales, launches plunge in Apr-May on pandemic woes

Madhurima Nandy

madhurima.n@livemint.com

BENGALURU

The second wave of covid has taken a harsh toll on home sales and project launches in India's top property markets in April and May, halting the gradual recovery witnessed until March.

Residential sales fell 60% in April from the preceding month amid crisis. Fresh project launches in April dropped 53% from March and remained subdued for the fifth straight month, according to a report by Edelweiss Research.

Developers said sales bookings continue to be negligible in May as well, as state-wise lockdowns continue. However, both sales and launches were up 92% and 110%, respectively, from a year ago, due to the nationwide lockdown last year, Edelweiss said. The southern markets of Hyderabad and Bengaluru (both dropping

about 50% from March) were less affected in terms of sales in April, while Mumbai Metropolitan Region and Pune were down 64% and 65%, respectively, from a year ago.

Niranjan Hiranandani, managing director of Hiranandani Group, said the property market took a turn for the worse in

May. However, the labour exodus is much less during the second wave than in the first. "The pace of recovery in the residential sector has been hit, and we have lost about 25% of our labour this time. I expect sales and businesses to open up post-June though we are expecting a third wave later this year, mainly because of the failure of vaccination. We have postponed both our residential and office launches till June," Hiranandani said.

Bijay Agarwal, managing director of Salarpuria Sattva Group, said the impact of the second wave has been worse.

"Residential sales were happening last year despite the lockdown. This time around, the business has been impacted much more. The June quarter will be a washout, and then it

may start picking up. We have pushed two-three project launches in Bengaluru till later in the year," Agarwal added.

Bengaluru-based Shriram Properties Pvt. Ltd attributes the

drop in sales to the absence of site visits by homebuyers. "We lost 1,000 workers during West Bengal elections, but they have returned. The June quarter will be hit, but sales and launches should pick up from September quarter," said M. Murali, MD, Shriram Properties.

Developers said sales bookings continue to be negligible in May as well, as state specific curbs continue