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## Real estate sector to see record Rs 60,000 crore launches in Q4



The fourth quarter of the current fiscal year is expected to see a record Rs 60,000 crore launches of projects by top listed developers. This is a substantial increase from the Rs 24,000 crore worth launches in the corresponding period of the previous year.

A recent report by Kotak Institutional Equities attributed the sharp increase in Q4 of this year to pent-up demand following elections in states such as Maharashtra and Delhi which had led to delay in approvals. Launches had fallen 35% in Q3FY25, the report said.

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For top listed developers , the combined launch pipeline for FY2025 stood at 106 million sq. ft with a gross development value (GDV) of Rs1.6 lakh crore in comparison with 88 million sq. ft in FY2024, Kotak said.

Half of the launches in Q4FY25 will be by Bengaluru based Prestige Estates. “A total of Rs 30,000 crore worth of inventory will be brought in this quarter. We are saying this with utmost confidence as most of these projects have been logged in for RERA and should be launched in the next few weeks,” said Zayd Noaman, executive director at Prestige Estate Projects in its Q3 earnings call.

Chairman and managing director Irfan Razack said projects such as Prestige Southern Star and Prestige Suncrest In Bengaluru, Pallava Gardens in Chennai , Prestige Nautilus In Mumbai among others got approvals.

Analysts at JM Financial said the approval challenges were over and inventory of most of the listed players are at less than 12 months. Also, Q4 is considered a seasonally strong quarter and the key developers are fairly behind on their launch schedule as of 9M FY25.

Lodha can potentially launch over Rs 7,000 crore worth of inventory in the MMR and Bengaluru, JM Financial analysts said.

Despite record launches , property developers do not see any glut in the market in the current quarter. Amit Kumar Sinha , managing director and chief executive officer at Mahindra Lifespace Developers said a lot of GDV addition has happened in the past which is getting ready for launch soon. “There is healthy demand in the market from end-users,” Sinha said

He said despite developers pricing their products in the most optimal manner,”the pricing growth that was witnessed in the past three years will cool off and is expected to be moderate for now” Mahindra Lifespaces is launching projects worth GDV of Rs 2,000 crore to Rs 3,000 crore in Q4.

Vivek Venkateswar, chief sales & marketing officer (CSMO), Shriram Properties said decision-making in real estate is heavily concentrated in Q4, as this is when most buyers finalise their investments.”Given this, the temporary delay in launches should not be misinterpreted as a shift in demand or supply trends. I don’t foresee a significant inventory overhang in Q4, and in comparison, to Q3, I expect it to be a much stronger quarter overall,” Venkateswar said .

He said the key question is whether brands can sustain pricing in alignment with demand. If some developers attempt to increase prices significantly due to time loss, there could be a minor impact, he said , adding:”but I see a very low probability of this affecting overall market trends,” he said

Dhaval Ajmera, director, Ajmera Realty & Infrastructure said there is no oversupply coming at one time.”Three to six months’ delay is not an issue in real estate ,” Ajmera said.

Anuj Puri, chairman of Anarock Property Consultants said the inventory overhang across the top 7 cities remains at its lowest in 2024 at 14 months. Inventory measured in months indicates the number of months it will take for the current unsold housing stock on the market to sell at the current absorption rate. An inventory overhang of 18-24 months is normally considered healthy at any given period, Puri said.

“Most importantly, demand remains high and is largely skewed towards the premium and luxury segments and most developers are following this demand and launching or planning to launch projects in these segments,” he said.