

Realty market shows signs of revival: Sundaram Home MD

G BALACHANDAR

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Sundaram Home Finance, a wholly-owned subsidiary of Sundaram Finance, said business has returned to about 50 per cent of pre-Covid levels as business activities have picked up in a fragmented manner in the realty sector.

Fund-raising plans

The company's fund-raising plans are intact, and it sees growth opportunities in a few areas in the near term.

"The restart has been much better than expected. The level of activities has picked up. April was a washout. Each successive month since May has shown an upward trend. The market is showing some signs of revival, but it will be a long haul. The revival is to be

viewed in terms of geographies as well as the customer segments, D Lakshminarayanan, Managing Director of Sundaram Home Finance, told *BusinessLine*. Despite the surge in Covid cases in the last few weeks, Karnataka seems to be coping up well in terms of economic activity.

Bengaluru, in particular, as well as smaller cities such as Mangalore, Mysore and Hassan, have been doing well as people are buying homes. Sundaram Home has witnessed home-buying activities in Hyderabad and parts of Telangana. Kerala has remained largely muted.

"Outside of Chennai, some traction was seen in Coimbatore, Madurai, Namakkal and Theni, among others, in Tamil Nadu. We have seen a



D Lakshminarayanan, MD, Sundaram Home Finance

bunch of smaller towns where activities have picked up," he said.

For the company, the business is presently at about 50 per cent of pre-Covid levels, and it is cautiously optimistic about the growth outlook. Now, all its branches are operational and people are back to work following social-distancing norms. "We are talking to customers over the phone,

but full-fledged face-to-face interactions are still not happening. Our philosophy towards business has not changed. We are conservative and continue to apply our underwriting standards," said Lakshminarayanan.

In terms of the customer segment, it is currently witnessing largely small-ticket loans. The biggest purchase from a home buying perspective has been not greater than ₹75 lakh.

The company seeks to target a few segments for growth in the near term. "We are looking at resale of houses as a growth segment. The mix of salaried and self-employed customers has changed for the time being. Self-employed customers have been under lockdown,

and their business has not restarted for the large part. Hence, there has been not been much of a demand for loans against property. Most enquiries are from the salaried segment," said Lakshminarayanan.

Smaller apartments and self-construction houses, particularly in rural areas, are witnessing some traction. Interestingly, plots are doing well.

Liabilities profile

He said the company utilised the lockdown opportunity to re-jig its liabilities profile. In the last three months, it has raised ₹750 crore from the market, banks and through fixed deposits. "We will be raising more in the coming months," he added.