Construction States of Growth

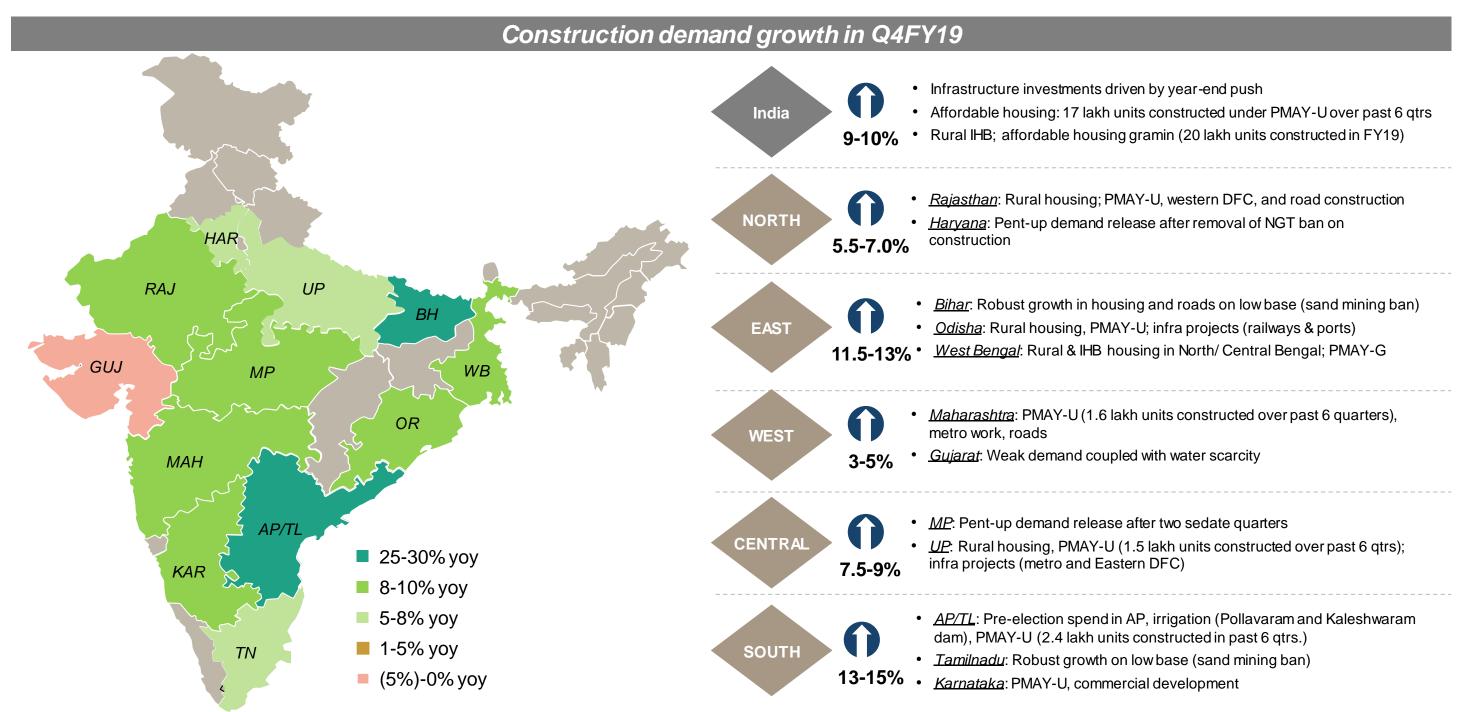
May 2019







Construction demand growth continues through Q4 FY19







Key drivers of growth for FY20: Housing

Research

		Key	Drivers of Growth for U	Jrban & Rural Hous	ing	
		PMAY-Urban	Residential Real Estate	Housing credit	Agri Profitability	PMAY-Gramin
		Lakh units under construction Apr19	Share of state's residential real estate in top 13 states*	% yoy growth Q3FY19	% YoY Growth Rabi 2018/19	'000 units for which instalments released Apr19
The state of the s	RAJASTHAN	0.4	5-10%	15-20%	1-5%	51
	HARYANA	0.2	5-10%	10-15%	10-20%	5
The con-	UP	2.9	>15%	15-20%	1-5%	15
	MP	2.6	<5%	0 10-15%	>20%	71
	GUJARAT	1.7	<5%	>20%	10-20%	12
	MAHARASHTRA	0.7	>15%	15-20%	<1%	48
	ODISHA	0.3	<5%	15-20%	<1%	123
	BIHAR	0.8	5-10%	>20%	10-20%	209
	WEST BENGAL	0.9	5-10%	>20%	1-5%	101
and the second s	AP/TL	7.4	>15%	>20%	<1%	2
	TAMILNADU	2.4	<5%	0 10-15%	<1%	47
	KARNATAKA	1.3	5-10%	15-20%	<1%	18

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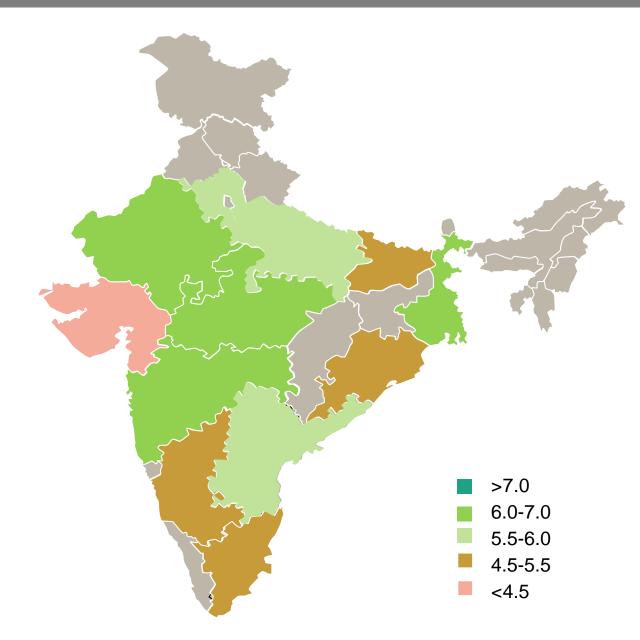
Key drivers of growth for FY20: Infrastructure

			Key Drivers of Growth f	or Infrastructure		
		Roads & Highways	PMGSY	Irrigation	Smart City	Metro
		NHAI kms awarded / DPR stage Aug18	PMGSY Road Constructed FY19	Irrigation spend	Tendered Projects (Rs. Crore) & % under implementation	Metro Projects
	RAJASTHAN	3,000-5,000	2,527		5,178 70%	
	HARYANA	1,000-2000	<15		533 43%	
Rearn ?	UP	2,000-3,000	1,688		11,625 65%	
	MP	3,000-5,000	4,521		61%	
	GUJARAT	1,000-2000	<15		12,595 64%	
	MAHARASHTRA	3,000-5,000	267		13,288 44%	
	ODISHA	1,000-2000	8,151		65% 4,954	O
	BIHAR	<1,000	4,227		3,371	
	WESTBENGAL	1,000-2000	5,112		42% 100%	
	, AP/TL	2,000-3,000	718		6702	
	TAMILNADU	2,000-3,000	2,167		57% 5,930	
search	KARNATAKA	2,000-3,000	<15		73% 8,320 64%	© CRIS

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Construction sentiment score that measures outlook for next two rolling quarters falls to 5.5 from 6.0 in previous quarter

Construction Sentiment Score (on a scale of 1 to 10 wherein 1 represents major decline and 10 indicates sharp rise)



- Construction sentiment score is based on a sample of ~250 respondents at pan-India level (cement manufacturers, cement dealers, rebar dealers, real estate developers / brokers)
- The sentiment measures the outlook on construction growth over next two rolling quarters on a scale of 1 to 10 where 1 indicates major decline and 10 indicates robust rise (on a yoy basis)
- The sentiment score at pan-India level for next two quarters fell to 5.5 from previous quarter's 6.0
- Majority of respondents reported weak institutional demand which was the torchbearer for stellar growth in FY19



Construction demand growth to moderate in Q1FY20

Research

Construction Demand Growth in Q1FY20 · Growth moderation in Q1FY20 led by general elections India • Rise in cement prices to have some bearing on rural housing demand in East & 3-5% South Rajasthan: Roads, Western DFC, and affordable housing to drive healthy growth **NORTH** Harvana: Metro, road projects, commercialization of new cities post metro connectivity 5-7% RAJ UP BH Bihar: Labor shortage; weak rural & IHB demand on high base of last year EAST Odisha: Cyclone to impact demand growth 1-3% **GUJ** West Bengal: Affordable housing and infra (road & metro) to drive healthy growth MP WB OR Maharashtra: Infra (road and metro projects) and affordable housing MAH **WEST** 2-4% Guiarat: Elections and water shortage to impact demand on high base of last year 25-30% yoy • MP: Road and affordable housing to drive growth KAR **CENTRAL** 8-10% yoy 6-8% • <u>UP</u>: Affordable housing and infra projects (metro, Eastern DFC, road projects) 5-8% yoy 1-5% yoy <u>AP/TL</u>: Slowdown in fund release (general and assembly election in AP) (5%)-0% yoy SOUTH Tamilnadu: Tepid demand from housing & infra on high base of last year

2-4%

Karnataka: Modest demand growth

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