



# India Housing Finance Report, 2018

Vinod Kothari Consultants P. Ltd.

# Preface

We have the pleasure of presenting the 2018 edition of our report on the Indian housing finance market.

Anyone who has been observing the housing finance market over the recent years is obviously impressed by the sharp increase in both the volumes of housing finance, as the number of housing finance players. However, we are still at a penetration level much smaller compared to our economic peers. Hence, if there is a long way for housing finance in India to go, it is not merely for the ambitious Housing-for-All or similar government schemes. The urban and semi-urban levels of incomes in India are increasing impressively, and the problem of housing shortage is felt more seriously than ever in the past. At the same time, more and more people are coming into organised sector, and the lines of demarcation between the so-called formal versus informal incomes are fast getting blurred, with increasing data availability. That creates scope for housing finance players to move into the lower segments of the population pyramid.

Like our earlier reports, this year's report also, besides analysing the macro parameters affecting the demand side of housing finance, gets into an in-depth study of the performance of housing finance companies in the country. We have tried to analyse the data to get metrics such as cost of financing, net interest margins, cost of overheads, etc.

The Report also provides a concise account of the regulatory framework applicable to housing finance companies in the country.

Our previous reports have had a wide reader base – we are glad to have received such reception to our work. We are hoping this report also to reach the large number of professionals interested in this ever-interesting and important field in financial services.

Vinod Kothari

4<sup>th</sup> September, 2018

Kolkata

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