

CreditScape

A Publication On Credit Landscape
Vol VIII – HOUSING LOANS



Together to the next level

INFORMATION. ANALYTICS . SOLUTIONS

Introduction & Key Highlights

A home is one of the most valued possessions of any individual, with a deep sense of security and social pride attached. Purchasing a house is increasingly becoming easier and faster with several lenders easing requirements and faster processing time. The Government has brought in reforms, policy and fiscal support in the last few years to support home buyers across the social and economic spectrum. More recently the Government announced extension of tax holiday on affordable housing segment for one more year in the Union Budget 2021. The RERA ACT which came into force in 2016 has also boosted buyer confidence in the real estate market accentuating demand for housing loans.

Some of the notable trends that emerge from this study are:

- ❑ HL Industry witnessed 10.4% growth in Portfolio outstanding (PoS) in Dec'19 over Dec'18. Growth in Dec'20 over Dec'19 was 9.6% despite Covid19 pandemic. The recovery is largely due to huge rebound in originations in Q3 FY 2020-21.
- ❑ Q3 FY 2020-21 witnessed 28% Q-o-Q growth in disbursements compared to 6% in Q3 FY 2019-20 (pre-Covid 19 level). Industry experts believe that Q4 FY 2020-21 is also expected to end on a positive note with disbursements showing tremendous growth.
- ❑ Affordable Housing Segment (Ticket Size up to ₹35 Lakh) constitutes 60% of the market by value and nearly 90% by volume as of Dec 2020.
- ❑ Public sector banks are the largest players in terms of value and volume, dominating affordable and mid range segments (Ticket Size ₹35L-50L) and an increasing share in premium (Ticket Size ₹75L+) segment; HFCs (incl. NBFCs) are significant players across ticket segments by value and volume, though they continue to lose market share to banks in the last 3 years due to non-bank lenders becoming more cautious since the NBFC liquidity crisis and general consumption slowdown.
- ❑ Average ticket size of home loans given to millennials and young borrowers has continued to increase over the last 5 years, with a CAGR of 6.2%.
- ❑ Tier II and III geographies have a higher annual growth rate in HL book compared to metros with a large part of the growth coming in from affordable and mid-market segment.
- ❑ Tier III & Beyond geographies also have higher default rates, compared to other geographies as well as housing segments.
- ❑ Growth in affordable segment comes in more from Tier II and III geographies, while overall volumes continue to be much larger in metro cities.

Housing Loans Market has grown at 3-Year CAGR of 6.5%

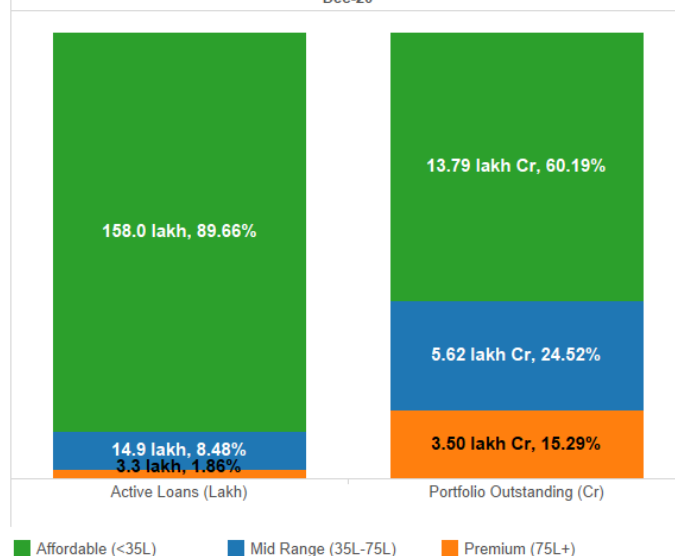
	Dec-18	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20
Portfolio Outstanding (Cr)	18,40,012	20,31,291	20,71,106	20,78,342	21,29,810	22,26,022
% Growth in Portfolio Outstanding	18.01%	10.40%	1.96%	0.35%	2.48%	4.52%
Active Loans (Lakh)	149	158	161	162	165	169
% Growth in Active Loans	12.09%	6.45%	1.88%	0.29%	1.87%	2.41%
Loan Delinquency 30+%	8.91%	8.48%	8.41%	7.78%	6.31%	7.63%
Amount Delinquency 30+%	5.33%	5.41%	5.16%	5.57%	4.05%	5.27%
Loan Delinquency 90+%	4.21%	4.31%	4.53%	4.92%	4.67%	4.19%
Amount Delinquency 90+%	1.90%	2.26%	2.46%	2.81%	2.59%	2.49%

- Growth in Portfolio Outstanding was 9.6% in Dec'20 over Dec'19 compared to 10.4% in Dec'19 over Dec'18.
- Growth was flat in quarters ending Mar'20, June'20 and Sept'20 due to covid-19 pandemic and resulting nation wide lockdown and suspending of most of the business and lending activities in large parts of the country. However, there has been a rebound in HL originations in quarter ending Dec'20 leading to 4.52% growth in Portfolio Outstanding.
- Approximately 50% growth seen in Dec'20 over Dec'19 is contributed by Oct'20-Dec'20 quarter.

Affordable Housing Segment (Ticket Size up to ₹35 Lakh) constitutes 90% of the market by volume and nearly 60% by value as of Dec 2020

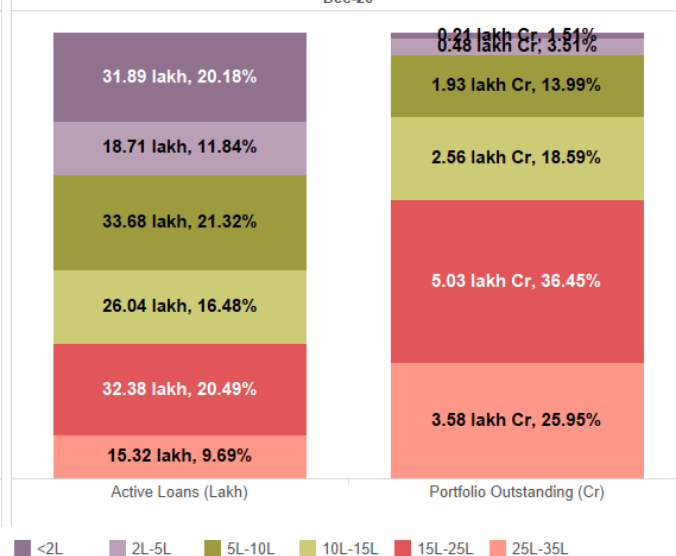
HL Industry - Volume & Value Share

Dec-20



Affordable Segment - Volume & Value Share

Dec-20



- Within Affordable housing, loans under ticket size Rs 15 lakhs comprises 70% by volume and 38% by value.
- Originations for Loans above ₹15L ticket size grew at 4.3% Q-o-Q between Q2 and Q3 FY 2020-21, twice the pace of Q-o-Q growth between Q3 and Q4 FY 2019-20, i.e., prior to COVID -19 disruptions.

Public Sector Banks have retained the largest market share in housing loans by value and volume, with a near 45% share over the last 3 years

As of Dec 2020, top 5 public sector banks constitute nearly 30% of HL Industry book by value.

Private banks have a relatively smaller share of 17% by value

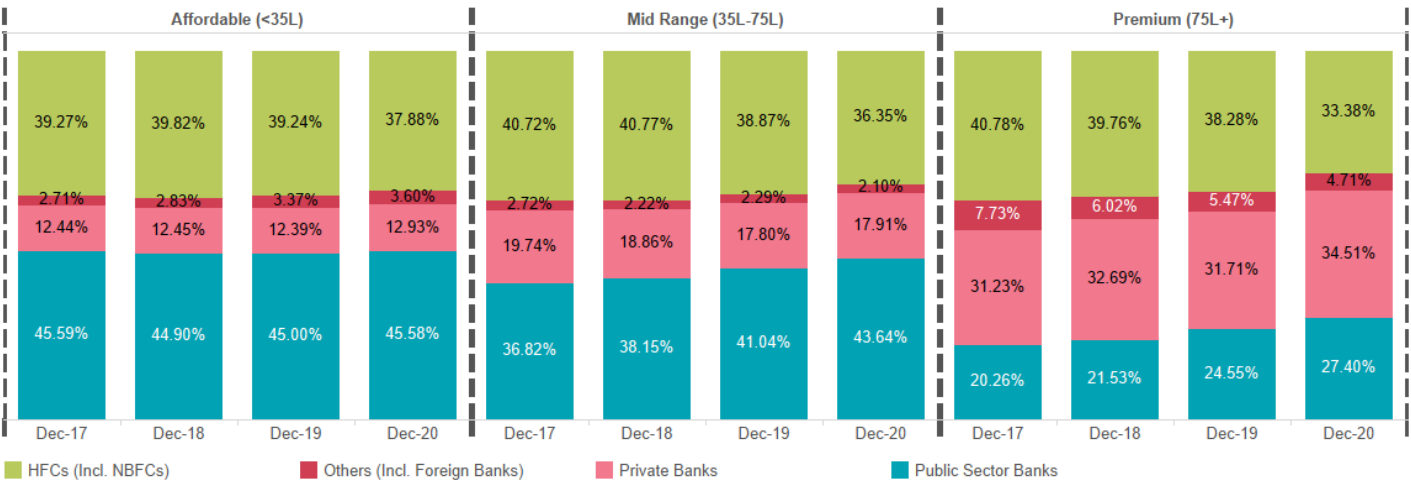
As of Dec 2020, top 5 private banks constitute 15% of HL Industry book by value.

HFCs have an overall market share of nearly 37% by value

The top 5 (out of the nearly 140) HFCs (Incl. NBFCs) as of Dec 2020 constitute 27% of the Pan India HL book. 2 HFCs (incl. NBFCs) constitute 61% of the HFC Market by value and 49% by volume.

Per capita home ownership is still one of the lowest in India as compared to developed and developing economies, which will continue to provide opportunities for growth in the Housing Market in India.

Housing Segments - Lender Type Market Share (by Value)



- Public Sector Banks are dominant players (by value), while Housing Finance Companies (HFCs) have a relatively lower but significant share in the affordable (<35L) and mid range (35L-75L) segments. Private banks dominate the premium (75L+) segment surpassing HFCs as of Dec 2020 (composition is similar by volume)
- Over the last 3 years, public sector banks have increased their lending in mid and premium segments with a gain of near 7% share in both segments by market size.
- The average ticket size of private banks stands the highest at ₹ 27.6 lakh, although Y-o-Y growth in average ticket size is highest in public sector banks increasing from 17.9 Lakh to 19.1 Lakh as of Dec 2020.

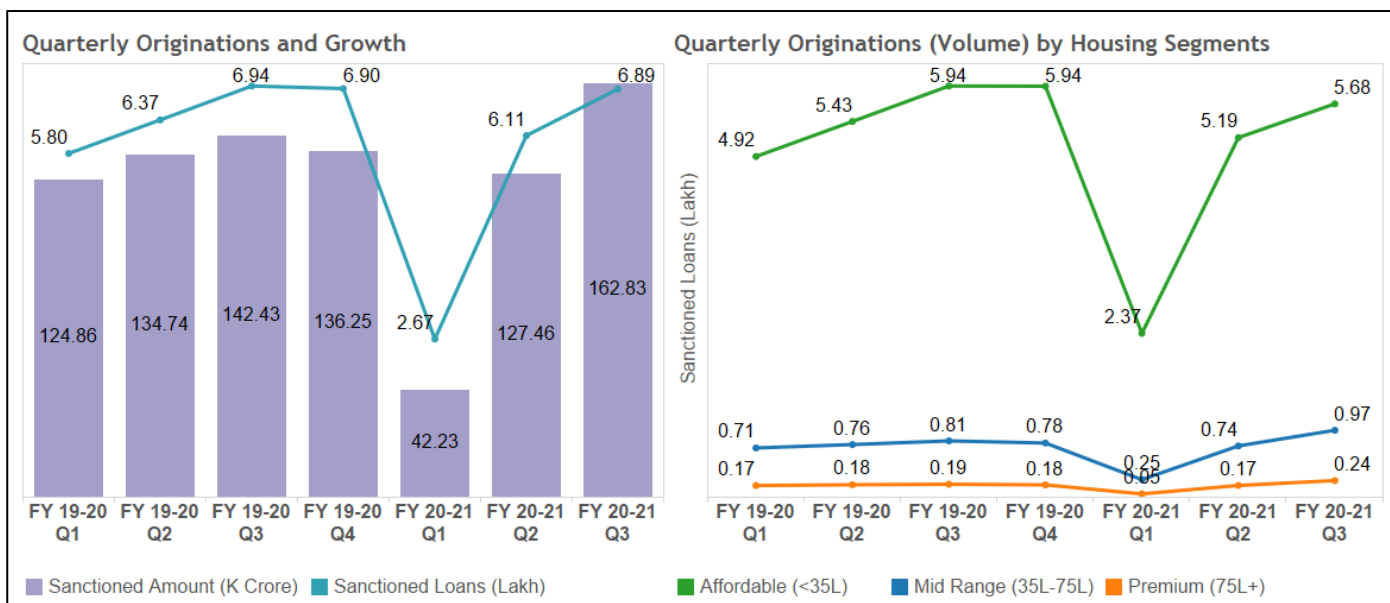
Small Finance Banks have increased focus on housing loans, witnessing strong annual portfolio growth and reducing amount delinquencies (90+ DPD) as of Dec 2020 in their HL book.

- ❑ HL Originations witnessed a quarterly decline of nearly 70% by value and 62% by volume in Q1 FY 2020-21 due to COVID 19 imposed lockdown and close of business operations

Steep recovery in Q2 and Q3 FY 2020-21, with around 80% of the demand (volume) coming in from the affordable segment

- ❑ This has been aided by changing consumer sentiment, lower interest rates, reduction in stamp duty registration charges in states such as Maharashtra, rise in household savings in the last one to two years, among other factors.

Value of disbursements in Q3 FY 2020-21 (₹162.8 K Cr) stood higher than the same quarter previous year (pre-covid), with Q3 FY 2020-21 recording 28% Q-o-Q growth in disbursements compared to 6% in Q3 FY 2019-20.



- ❑ Annual Originations for FY 2020-21 (till Dec 2020) stood at 15.6 lakh with a value of ₹ 3.32K crore as of Dec 2020. In comparison, annual originations in the last 2 years, pre-pandemic, stood at around 26 lakh with a value of around ₹ 5.3K crore.
- ❑ In Q2 FY 2020-21, as business operations resumed, private banks and HFCs experienced steep recovery in demand of over 250% over the previous quarter, which continued into the next quarter Q3 FY 2020-21.
- ❑ The reduction in interest rates to an all time low, along with a rise in household saving levels has also contributed to the increasing home ownership and investment sentiment.

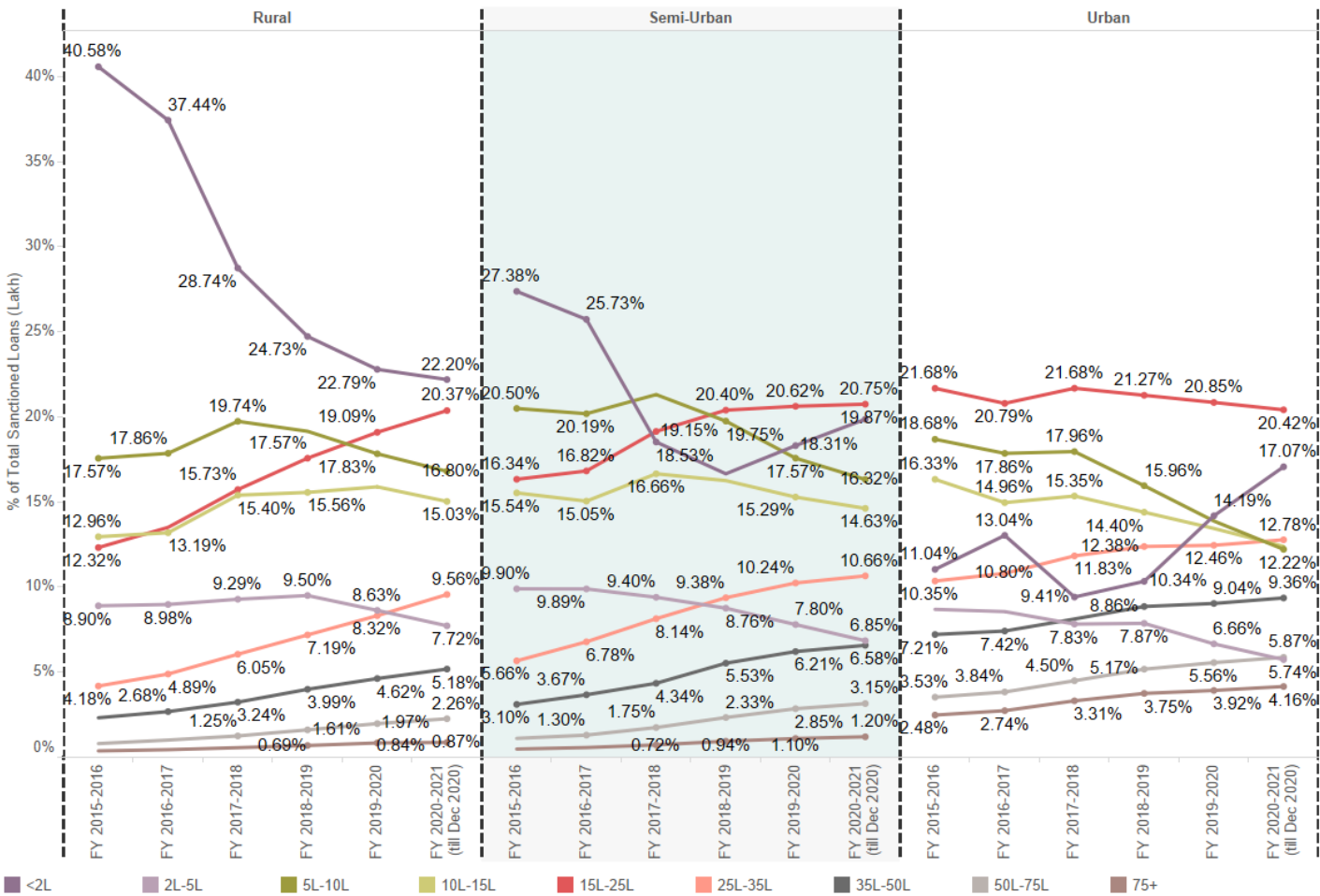
The lockdown impacted the urban housing segment the most as stricter restrictions on movement and business activity were imposed in Q1 FY 2020-21

Within the affordable segment, volume growth in loans of 15L-35L over the last 4-5 years, coupled with increasing share in overall originations across Rural, Semi Urban and Urban segments indicate shifting preferences of buyers towards higher ticket sizes

Rural Housing demand for mid range and higher ticket sizes has continued to increase over the last 5 years

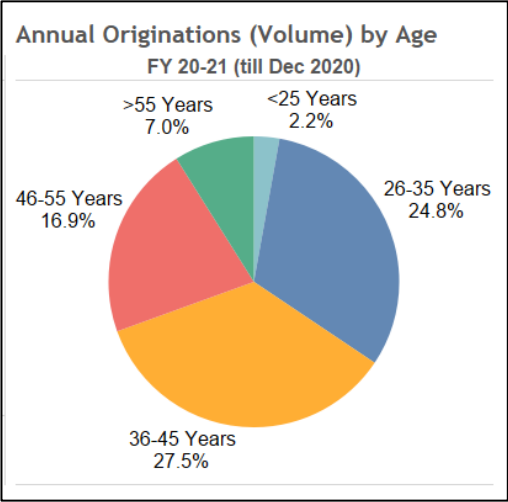
- ❑ Share of annual originations (volume) of 35L-75L ticket size has increased by >4% in the last 5 years
- ❑ Share of annual originations (volume) of 75L+ ticket size has increased from 0.37% to 0.87% in the last 5 years
- ❑ Share of annual originations (volume) of <15L ticket size has declined over the last 5 years, largely due to falling demand for very small ticket size segment of <2L

Share of Annual Origination Volumes by Ticket Size

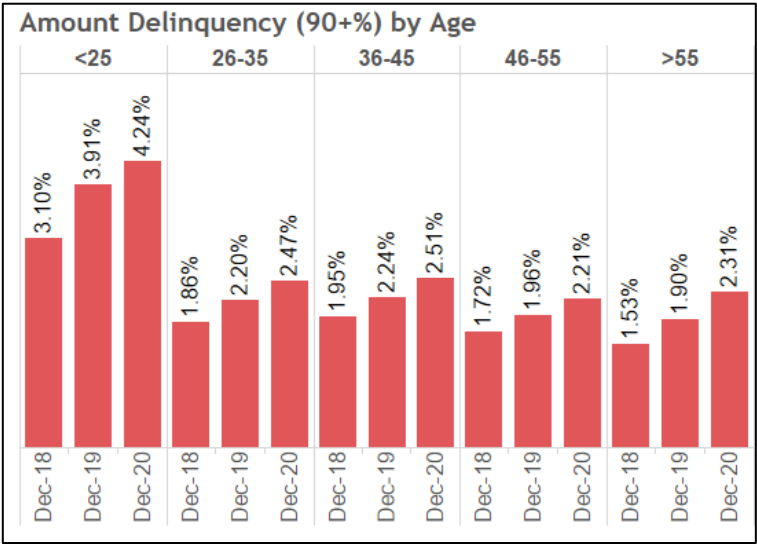
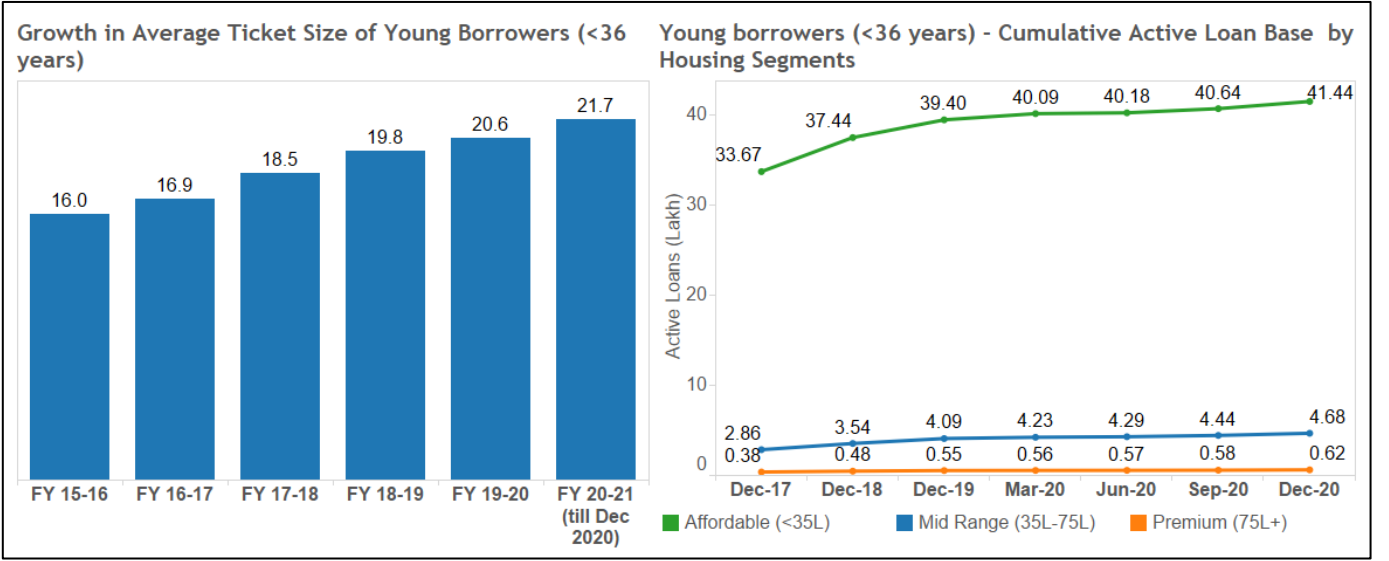


Young borrowers and millennials (<36 years), with high aspirations and commensurate disposable incomes are increasingly being seen as an attractive audience for housing loans, with a share of 27% in the annual originations in FY 20-21 (till Dec 2020).

Average ticket size of a housing loan given to this segment of borrowers has continued to increase over the last 5 years, with a CAGR of 6.2%.



The cumulative active loan base for millennials and young borrowers (<36 years) in the affordable segment (<35 L) has been growing continuously over the last 3 years at a CAGR of 3.5% as of Dec 2020



There is a steady increase in HL delinquency across borrower age groups. Default rates are lowest in 45+ year age groups followed by 26-45 year age groups. Default rates are highest in <25 year age groups.

Amount (value) delinquencies by 90+ DPD in housing loan book stand at 2.49% having increased across all segment of ticket sizes and by 23 bps overall Y-o-Y as of Dec 2020

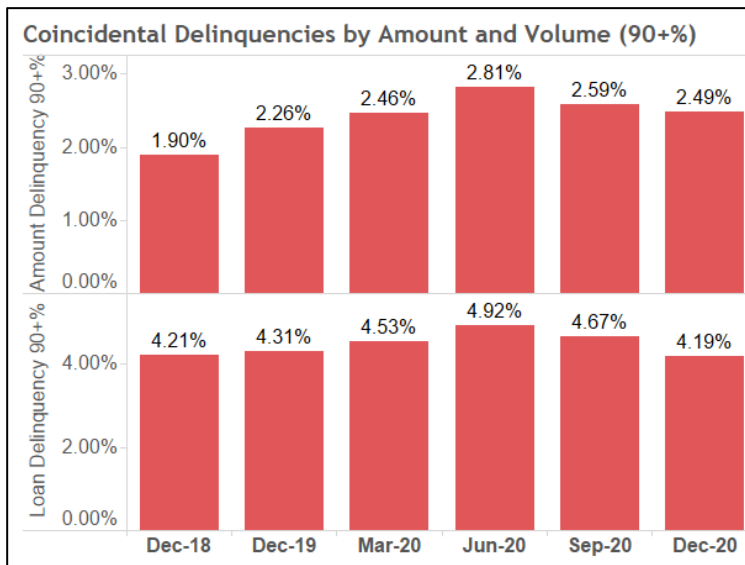
❑ Amount delinquency (90+%) for the premium segment stands at 3.01%, for mid range at 1.99% and for affordable segment at 2.56% as of Dec 2020

❑ Within the affordable segment, <10L ticket size loans have the largest amount delinquency (90+%) at 4.44%

Loan (volume) delinquencies by 90+ DPD stand at 4.19% having improved by 12 bps Y-o-Y as of Dec 2020

❑ Largely attributable to the Y-o-Y decline in delinquencies in the affordable segment (<35L) by 13 bps as of Dec 2020, although it remained higher than other housing segments at 4.48% (refer table below)

❑ Loans of ticket size <2L have witnessed a decline of nearly 2% in volume delinquencies (90+%) over Dec 2019



As of Dec 2020, Affordable segment under 15L ticket size has higher than Industry average Amount Delinquency (90+%)

❑ This is attributable to largely the <5L ticket size segment, which has very high volume and value delinquencies.

❑ HFCs (Incl. NBFCs) have the highest delinquencies, largely due to the stress in the <15L ticket size book. Public sector banks have comparatively lower stress in this segment.

Amount Delinquency 90+ (Value)

	Affordable (<5L)	Affordable (5L-10L)	Affordable (10L-15L)	Affordable (15L-35L)	Mid Range (35L-75L)	Premium (75L+)	Grand Total
Public Sector Banks	6.30%	2.42%	1.74%	1.52%	1.51%	2.33%	1.88%
HFCs (Incl. NBFCs)	7.84%	2.57%	2.51%	2.31%	2.30%	4.41%	2.77%
Private Banks	5.28%	3.37%	2.42%	1.99%	2.12%	2.04%	2.18%
Grand Total	8.28%	3.08%	2.44%	2.04%	1.99%	3.01%	2.49%

Loan Delinquency 90+ (Volume)

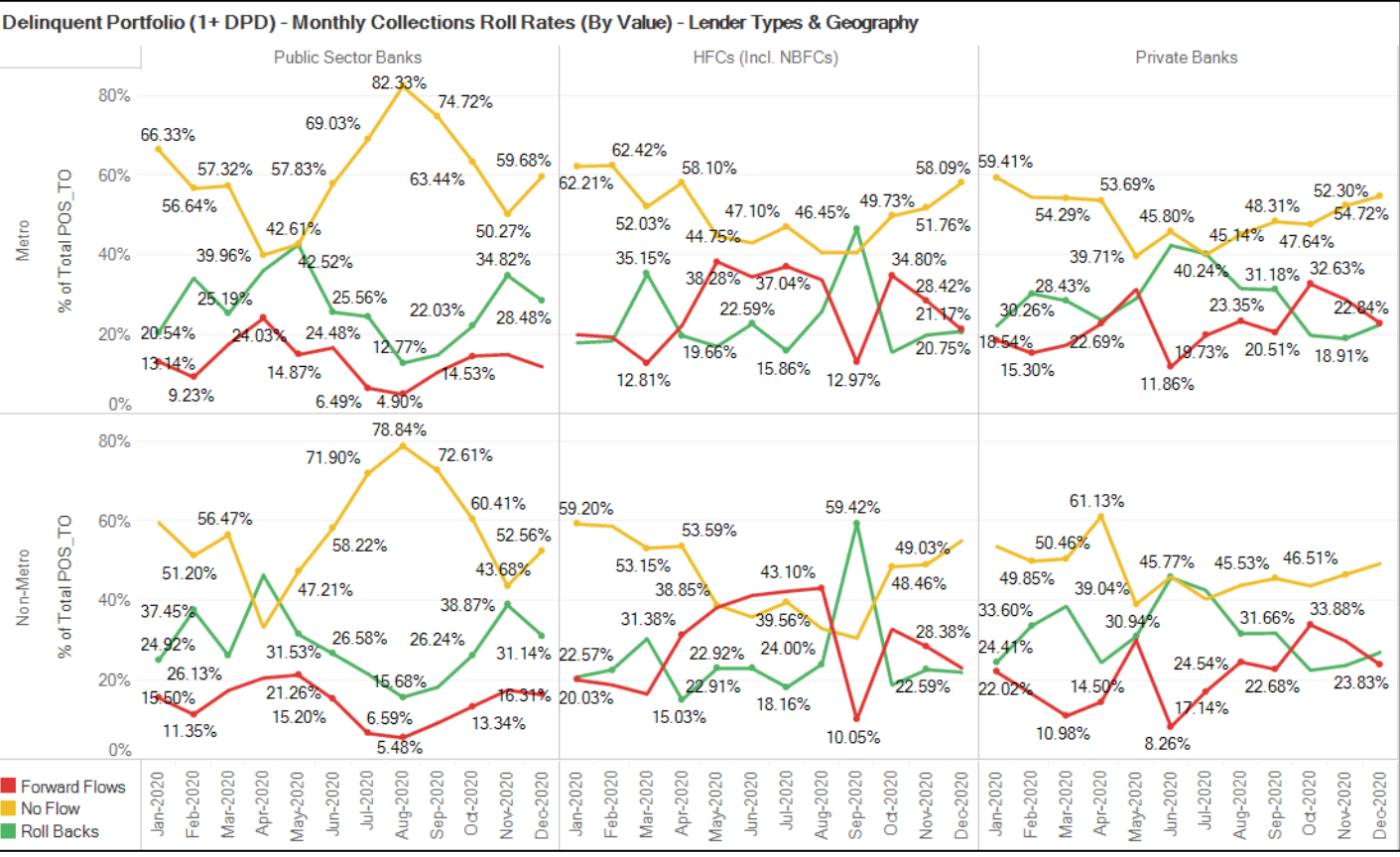
	Affordable (<5L)	Affordable (5L-10L)	Affordable (10L-15L)	Affordable (15L-35L)	Mid Range (35L-75L)	Premium (75L+)	Grand Total
Public Sector Banks	7.57%	2.12%	1.52%	1.33%	1.30%	1.89%	3.53%
HFCs (Incl. NBFCs)	7.71%	2.09%	2.04%	1.88%	1.78%	2.86%	3.22%
Private Banks	4.27%	2.93%	2.07%	1.69%	1.75%	1.79%	2.31%
Grand Total	9.75%	2.60%	2.04%	1.73%	1.61%	2.22%	4.19%

Overall proportion of monthly forward flows has increased by 5% between Mar 2020 and Dec 2020

The monthly forward flows for the delinquent HL portfolio (1+ DPD), spiked in May 2020, to reach 30.56% in the immediate aftermath of the COVID – 19 induced lockdown from 14.38% in Feb 2020. Thereafter, the portfolio saw stagnancy in forward flows with the no flow rate continuing to increase to until the end of Aug 2020, when the moratorium was lifted.

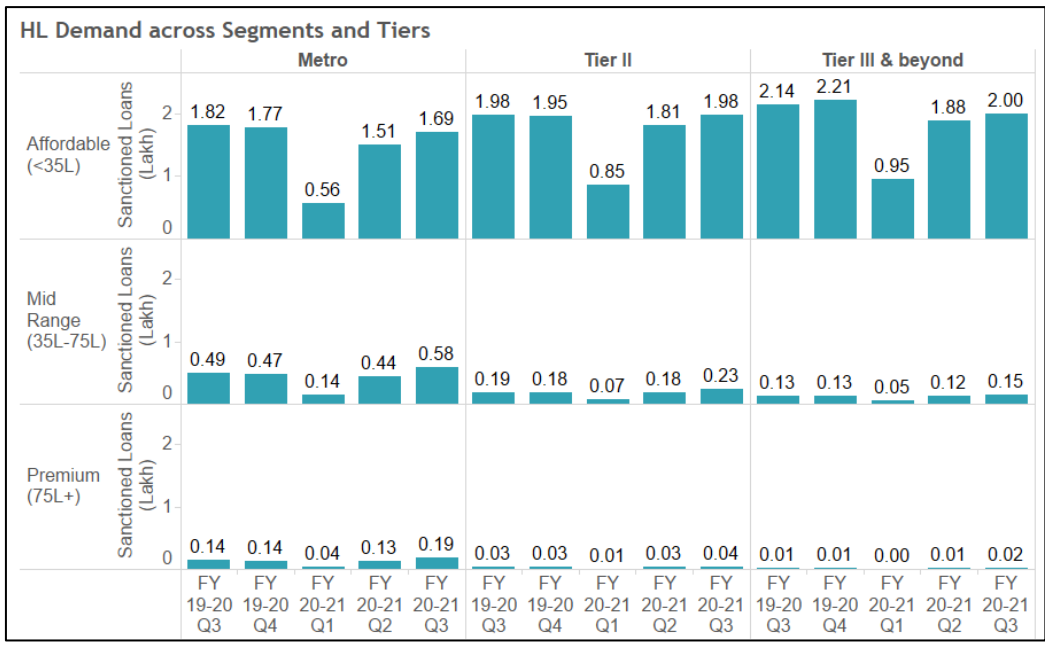
Monthly collection roll rates for public sector banks - the largest players in the market saw a 2X spike in the no flow rates between May 2020 and Aug 2020

- Monthly collection roll rates exhibit a similar pattern across housing segments and across metro and non-metro geographies.
- Delinquent portfolio (1+ DPD) for HFCs (Incl. NBFCs) saw increase in monthly forward flows between Mar 2020 to Aug 2020 in both metro and non metro geographies.
- Delinquent portfolio (1+ DPD) for private banks saw increasing monthly roll back rates in the initial 3 months of the lockdown across metro and non metro geographies, thereafter, forward flows have increased at a faster pace compared to the no flow portfolio.



Demand for affordable segment (<35L) comes in more from Tier II and III & beyond geographies

Overall, more housing loans are disbursed in metro geographies compared to Tier II and III & beyond geographies



HL Delinquencies across Tiers

Tier	Amount Delinquency 90+%			Loan Delinquency 90+%		
	Dec-18	Dec-19	Dec-20	Dec-18	Dec-19	Dec-20
Metro	1.68%	2.14%	2.51%	1.98%	2.19%	2.40%
Tier II	1.93%	2.24%	2.40%	3.31%	3.60%	3.27%
Tier III & beyond	2.41%	2.55%	2.55%	7.27%	7.09%	6.76%
Grand Total	1.90%	2.26%	2.49%	4.21%	4.31%	4.19%

Tier II and III & beyond geographies have a higher annual growth rate in HL book compared to metros, with tier III & beyond reporting highest delinquency by value and volume as of Dec 2020

❑ Mumbai, Delhi NCR, Bangalore are Top 3 HL markets. Mumbai and Delhi display high delinquencies as of Dec 2020.

Home Loans Market - Regional Scorecard Dec 2020

	Portfolio Outstanding (Cr)	Y-o-Y Growth	Active Loans (Lakh)	Y-o-Y Growth	Average Ticket Size (Lakh)	Amount Delinquency 90+%	Delinquency 90+%	Annual Originations Volume (Lakh)
Metros	11,15,110	7.3%	56	4.9%	26	2.51%	2.40%	5.28
Mumbai	2,81,630	7.0%	13	2.6%	30	2.66%	2.80%	1.03
Delhi NCR	2,16,346	6.0%	11	5.1%	27	3.93%	2.99%	1.05
Bangalore	1,75,203	7.0%	7	5.0%	33	1.99%	1.56%	0.75
Hyderabad	1,24,590	11.3%	6	8.5%	25	0.98%	2.15%	0.64
Pune	1,17,018	7.0%	6	4.2%	24	1.99%	2.19%	0.61
Chennai	97,237	4.0%	5	4.2%	26	2.92%	2.17%	0.42
Kolkata	53,170	9.8%	4	5.8%	16	2.68%	2.83%	0.39
Ahmadabad	49,917	11.3%	3	8.3%	19	1.33%	1.46%	0.38
Tier II	6,17,432	10.9%	54	6.9%	15	2.40%	3.27%	5.19
Tier III & beyond	4,93,448	13.3%	58	8.0%	11	2.55%	6.76%	5.19
Industry	22,26,022	9.6%	169	6.6%	17	2.49%	4.19%	15.67

The portfolio has data of low address quality on which a district AND/OR pin code is not identifiable. The Industry figures represented here are inclusive of such portfolio.

HL growth centres in Tier II and III markets

Tier II Growth Centers for Housing Loans Market								
Top 15 Centers	Portfolio Outstanding (Cr)	Y-o-Y Growth	Active Loans (Lakh)	Y-o-Y Growth	Average Ticket Size (Lakh)	Amount Delinquency 90+%	Loan Delinquency 90+%	Annual Originations Volume (Lakh)
Surat	43,672	6.23%	3	6.42%	17	3.56%	3.21%	0.43
Jaipur	28,262	10.52%	2	6.48%	17	1.89%	1.61%	0.31
Coimbatore	20,756	11.37%	2	7.18%	17	1.93%	1.81%	0.22
Ernakulam	20,112	9.07%	2	4.72%	16	2.70%	2.92%	0.18
Vadodara	19,600	8.95%	2	6.56%	15	1.80%	1.53%	0.24
Indore	19,436	7.73%	2	5.91%	15	2.74%	3.77%	0.26
Visakhapatnam	18,739	12.85%	1	8.18%	17	1.05%	1.19%	0.23
Lucknow	18,055	9.90%	1	4.24%	18	2.41%	2.25%	0.17
Nashik	17,329	10.17%	2	5.94%	13	2.42%	2.93%	0.24
Nagpur	15,883	9.05%	1	2.94%	16	2.72%	3.10%	0.17
Vijaywada	15,658	13.65%	1	10.22%	17	1.42%	1.82%	0.17
Thiruvananthapuram	14,787	11.41%	1	7.26%	14	2.07%	2.29%	0.16
Rajkot	13,673	16.09%	1	13.09%	15	1.60%	1.64%	0.22
Bhopal	11,798	7.26%	1	6.61%	14	3.39%	4.25%	0.15
Guntur	10,766	14.84%	1	13.20%	15	2.12%	3.59%	0.13

Tier III Growth Centers for Housing Loans Market								
Top 15 Centers	Portfolio Outstanding (Cr)	Y-o-Y Growth	Active Loans (Lakh)	Y-o-Y Growth	Average Ticket Size (Lakh)	Amount Delinquency 90+%	Loan Delinquency 90+%	Annual Originations Volume (Lakh)
East Godavari	11,469	13.26%	1	8.15%	13	1.11%	1.88%	0.16
West Godavari	7,720	15.77%	1	5.85%	11	1.28%	2.06%	0.11
Sahibzada Ajit Singh Nagar	7,339	10.13%	0	7.26%	20	2.55%	2.24%	0.08
Chittoor	7,276	18.12%	1	14.99%	17	1.60%	1.92%	0.09
Gandhinagar	6,846	12.66%	1	9.31%	16	1.35%	1.73%	0.09
Alappuzha	6,120	11.00%	1	4.02%	12	2.63%	3.92%	0.07
Karimnagar	5,838	17.14%	0	10.58%	14	0.89%	2.16%	0.08
Jalgaon	5,522	11.61%	1	3.89%	10	2.26%	5.56%	0.09
Ahmadnagar	5,471	12.32%	1	7.04%	12	4.29%	7.08%	0.08
Tirunelveli	5,076	13.24%	1	9.76%	11	1.98%	1.91%	0.1
Valsad	4,907	10.53%	1	6.26%	12	2.23%	2.55%	0.06
Vellore	4,881	11.12%	0	7.14%	13	2.71%	2.30%	0.08
Panchkula	4,798	6.26%	1	0.60%	10	1.83%	0.75%	0.04
Bharuch	4,719	12.12%	0	7.28%	13	1.69%	1.80%	0.07
North Goa	4,656	10.49%	0	15.09%	18	2.37%	3.11%	0.06

- ❑ As of Dec 2020, within Tier II cities, the top 10 cities by portfolio size constitute 37% of the Tier II market, Surat is the largest market in Tier II.
- ❑ Vishakhapatnam and Coimbatore among the top 10 cities, have the largest Y-o-Y growth of over 10% as of Dec 2020. Vishakhapatnam has reported improving amount delinquencies (90+ DPD) by 11bps over the previous year while Coimbatore saw a jump of only 13 bps.
- ❑ Lucknow, Nashik, and Nagpur have also shown good Y-o-Y growth with improving amount delinquencies (90+ DPD) over Dec 2019.
- ❑ Lucknow and Coimbatore are states reporting the highest average ticket size of HL at 18.03 lakh and 17.17 lakh respectively.
- ❑ In Tier III geographies, the top 10 towns and villages constitute nearly 15% of the Tier III and beyond market.
- ❑ Among the top 10 towns by portfolio size, Chittoor, Karimnagar and West Godavari have reported relatively higher Y-o-Y growth.
- ❑ East and West Godavari – the two largest markets have reported improving amount delinquencies (90+DPD) by 12 and 6 bps over Dec 2019.
- ❑ Sahibzada Ajit Singh Nagar and Chittoor among top 5 towns in Tier III and beyond geographies have reported highest average ticket size of HL at 19.58 Lakh and 16.64 lakh respectively as of Dec 2020.

Active housing loan borrowers base as of Dec 2020 stand higher than pre pandemic levels in Dec 2019, Y-o-Y growth of nearly 5%

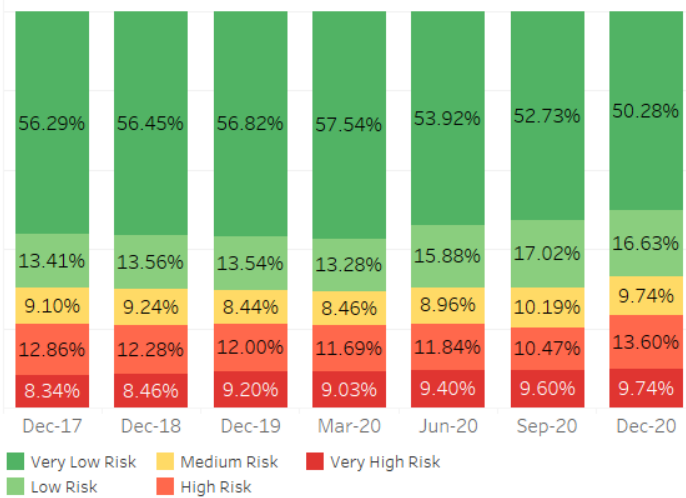
HL Borrower Base & Growth

	Dec-17	Dec-18	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20
Total Borrowers (Cr)	1.71	1.94	2.16	2.20	2.22	2.27	2.32
% Growth		13.37%	11.02%	2.00%	0.76%	2.25%	2.47%
Active Borrowers (Cr)	1.11	1.25	1.36	1.37	1.38	1.40	1.43
% Growth		12.59%	8.14%	1.29%	0.17%	1.85%	2.04%

The proportion of housing loans to riskier customers continues to increase marginally in the last 3 years.

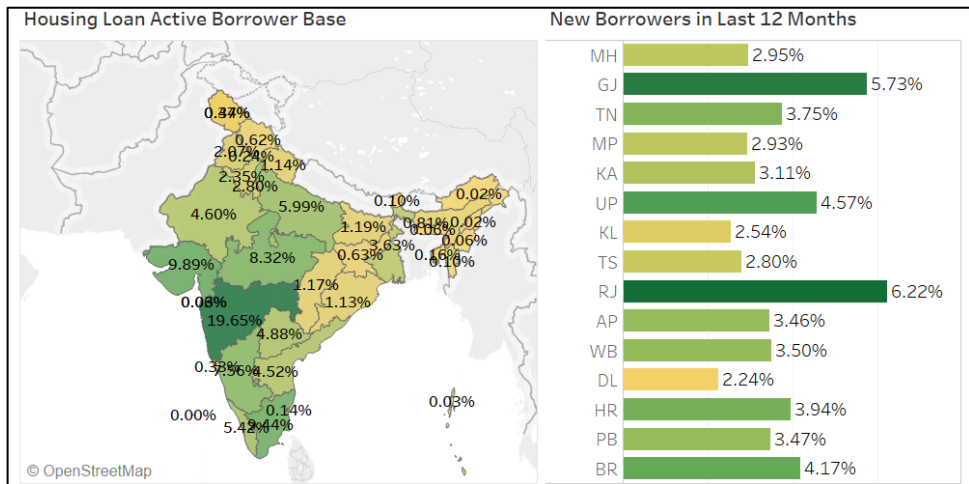
- ❑ As of Dec 2020, the total housing loan borrower base stood at 2.32 crore lakh
- ❑ It can be observed that there is an overall increase in customer level credit risk in HL portfolio.
- ❑ Share of very low risk customers (by credit score) reduced from 56.8% to 50.3% in Dec'20 over Dec'19 while that of other risk categories have increased.

Industry - Active Borrower Mix by Credit Score



Maharashtra has the largest HL borrower base with a share of nearly 20% of the national base and 16% share of the New to HL borrowers (<12 month vintage) across the country as of Dec 2020

- ❑ Maharashtra, Gujarat, Tamil Nadu, Madhya Pradesh, and Karnataka constitute the top 5 states with a share of 55% as of Dec 2020
- ❑ The overall New to HL borrowers across the country stood at 4% as of Dec 2020.



Summary

Housing Segments		Public Sector Banks	HFCs (Incl. NBFCs)	Private Banks	Others (Incl. Foreign Banks)	Total
Affordable (<35L)	Portfolio Outstanding (Cr)	6,09,580	5,06,583	1,72,967	48,137	13,37,266
	% Market Share	45.58%	37.88%	12.93%	3.60%	100.00%
	Active Loans (Lakh)	74.5	51.2	15.2	9.9	150.9
	Amount Delinquency 90+%	1.96%	2.59%	2.31%	10.85%	2.56%
	Loan Delinquency 90+%	3.74%	3.37%	2.44%	18.76%	4.48%
	Annual Originations (Volume) % Share	48.45%	32.73%	11.64%	7.18%	100.00%
Mid Range (35L-75L)	Portfolio Outstanding (Cr)	2,40,338	2,00,168	98,643	11,538	5,50,688
	% Market Share	43.64%	36.35%	17.91%	2.10%	100.00%
	Active Loans (Lakh)	6.5	5.3	2.5	0.3	14.6
	Amount Delinquency 90+%	1.51%	2.30%	2.12%	5.46%	1.99%
	Loan Delinquency 90+%	1.30%	1.78%	1.75%	4.00%	1.61%
	Annual Originations (Volume) % Share	47.10%	34.21%	16.76%	1.94%	100.00%
Premium (75L+)	Portfolio Outstanding (Cr)	92,635	1,12,848	1,16,665	15,920	3,38,068
	% Market Share	27.40%	33.38%	34.51%	4.71%	100.00%
	Active Loans (Lakh)	0.9	1.1	1	0.2	3.2
	Amount Delinquency 90+%	2.33%	4.41%	2.04%	4.18%	3.01%
	Loan Delinquency 90+%	1.89%	2.86%	1.79%	2.53%	2.22%
	Annual Originations (Volume) % Share	32.84%	30.48%	32.96%	3.72%	100.00%
Grand Total	Portfolio Outstanding (Cr)	9,42,553	8,19,600	3,88,275	75,595	22,26,022
	% Market Share	42.34%	36.82%	17.44%	3.40%	100.00%
	Active Loans (Lakh)	81.9	57.6	18.7	10.4	168.7
	Amount Delinquency 90+%	1.88%	2.77%	2.18%	8.62%	2.49%
	Loan Delinquency 90+%	3.53%	3.22%	2.31%	18.04%	4.19%
	Annual Originations (Volume) % Share	47.84%	32.85%	12.87%	6.44%	100.00%

- ❑ The housing loans market, which was growing at an annual rate of 18%, in Dec 2018, witnessed demand slump coming into 2019, leading to comparatively slower pace of growth at 10.4% as of Dec 2019.
- ❑ HL sector after witnessing set back in Q1 FY20-21 in terms of originations, bounced back in Q2 & Q3 FY20-21 ending the year with 9.6% growth in Portfolio Outstanding compared to 10.4% growth during previous year.
- ❑ The affordable housing segment (Up to ₹35 lakh ticket size) has a market share of 60% by value and nearly 90% by volume as of Dec 2020. Having received strong support from the government through its 'Housing for All' project under Pradhan Mantri Awas Yojana, this segment is increasingly becoming more relevant with rise in population, rapid urbanization and migration to cities causing severe urban housing shortages in India, particularly for the economically weaker sections.
- ❑ At the same time, mid-range and premium housing segments are gaining traction with millennials and young borrowers demanding higher ticket sized housing loans annually. Rising per capita disposable income, India's growing middle class and affordable mortgage rates due to competition as well as government's 'credit linked subsidy scheme' have made home buying easier for common man.
- ❑ Public sector banks are dominant players in affordable and mid-range segments. Private banks have a larger play in premium segment. HFCs have a good play in affordable and mid-market segments while losing market share in premium segment.
- ❑ Housing loans offer relatively stable returns with low risks and carry potential cross-selling benefits, making them a lucrative product for lending across lender types.

Endnotes

The analysis in this Edition of CreditScape is based on data which is 95% representative of the Industry as of Dec 2020 as received by the bureau.

The housing loans portfolio has data of low address quality on which a district AND/OR pin code is not identifiable. The Industry figures represented are inclusive of such portfolio. Therefore, the geographical spread across Metros, Tier II and Tier III cities does not add up to 100%.

About CreditScape

CreditScape is a quarterly publication from CRIF High Mark on Retail lending in India. The publication is a deep dive into trends & analysis of key parameters such as Gross Loan Portfolio, Industry Growth, Market Competition, Sourcing, Portfolio Risks and Borrower Landscape of various retail lending products.

This report contains only aggregate level information. It does not contain any Credit Information and shall not be construed as Credit Information Report or part thereof. The analysis in this report is based on Credit Information in CRIF High Mark's database. The results are NOT to be construed or used as a "legal description". CRIF High Mark strives to keep its data accurate and up to date but does not guarantee its accuracy. CRIF High Mark does not assume any liability for any errors, omissions, or inaccuracies in the data provided regardless of the cause of such or for any decision made, action taken, or action not taken by the user in reliance upon any data provided herein. The contents of the report shall not be reproduced in part or whole without permission from CRIF High Mark Credit Information Services Pvt. Ltd. The opinions expressed herein are those of the author. Its contents, therefore, do not represent any commitment between CRIF High Mark and the recipient(s) and no liability or responsibility is accepted by CRIF High Mark for the content mentioned herein.

About CRIF India

CRIF in INDIA- partner for all your credit related requirements

CRIF in India, now offers products and services for Credit Information, Business Information, Analytics, Scoring, Credit Management and Decision solutions in India.

CRIF operates **CRIF High Mark**, India's leading credit bureau, which has largest database of individual records and supports millions of lending decision every month. CRIF High Mark is India's first full-service credit bureau covering all borrower segments – MSME/Commercial, Retail and Microfinance. CRIF High Mark works with all leading financial institutions in the country, providing them a comprehensive bureau coverage using its proprietary 'Made in India for India Search Engine', proven to work even with low quality data.

We bring our global expertise in Analytics, Scoring, Credit Management and Decision Solutions to India through our center of excellence at Pune. Our team of expert data scientist and statisticians bring together years of experience in developing bespoke scorecards for Origination, Marketing and Collections for Financial Services, Insurance or Telecom sectors.

We bring together best of both worlds – comprehensive data and sophisticated dedupe technology for India along with global best practices, expertise in scoring and top-rated credit management software solutions – to add most value to our clients.

Reach us at info@crifhighmark.com

Stay updated with Insights, follow us on



www.crifhighmark.com