

Realtors Go the e-way to Sell Homes

NEW TREND ^{LCH-9} Hoping online space to play big role in sales, builders launch portals to let customers buy home online

DIVYA SATHYANARAYANAN
MUMBAI

Until recently, real estate portals were used by home buyers to research on floor plans and price of apartments but builders are taking this process to the next level: you can now buy a home online.

With growing internet penetration, builders have realised the potential of the online space in selling homes and some have even tasted success. Mumbai-based Lodha group has generated over 100 bookings through its online portal for its new township project Palava in Navi Mumbai.

"We see the online space offering the potential for us to connect with consumers in new ways across the engagement cycle, from first contact to providing basic information all the way to bookings and sales," says a spokesman of the Lodha Group.

Earlier this year, Tata Value Homes, a 100% subsidiary of Tata Housing, sold over 200 apartments

across five of its projects in a four-day online campaign. It had earlier sold 50 homes online during the Google Online Shopping Festival.

"About 70-80% of the home search happens online which prompted us to take the next step and offer the option of buying a home online," says Rajeeb Dash, head marketing services at Tata Housing. "The exercise was targeted at not only the primary local market but also the NRI base which is more open to such transactions," he adds.

Tata Housing has tied up with banks like IDBI to facilitate sales of homes online. A buyer can narrow down the apartment he wants to buy, pay an online booking amount of ₹50,000 through credit or debit card and the house is allotted to him. The buyer can then complete further payments and formalities online or offline.

However, there's a catch: buyers need to think twice before they make such a purchase as the online booking amount is not refundable.

New Home Just a Click Away

REALISING THE POTENTIAL of online space, builders launch portals to sell homes

BUYERS NEED to keep in mind that online booking amount is not refundable

ONLINE BUSINESS is likely to grow at a CAGR of 40-60% in the next five years

While online property buying is still at its nascent stage when compared to buying clothes, electronics or books, real estate companies have seen an uptick in web transactions of late. Buying a home online has several advantages, say builders. Buyer cannot only see a large

number of properties in the market, obtain details such as home values and asking price, but also search for a home in a specific neighborhood or area of choice.

A recent study by Google India showed that over 50% of real estate buying decisions are influenced by internet research and the phenomenon of researching online for real estate information was not limited to metros but also extended to buyers in tier-2 cities.

Nowadays, builders are more transparent and offer all the project details online, which eases the due diligence process for buyers, says Surjit Singh, president-marketing, RNA Corp. In its residential project, RNA Viva, the company has installed cameras at the project site which allows the buyer to check real time progress and updates of the project online.

As the amount of quality information listed on these property websites is increasing, the online business is expected to grow at a

CAGR of 40-60% in the next five years, says Sandeep Singh, chief executive officer at Century 21 India, a real estate franchisor.

Builders anticipate the online space will play a major role in home sales. For them, it is one of the cheapest options to sell homes. "Typically, the online marketing spend for every 1,000 homes sold is around ₹2-3 crore," says Arjun Aggarwal, chief executive officer, Bhartiya City, on the investment in online space. Online housing portals are betting big on this trend. "As the buying decision is moving online, we will soon see the 'Add to Cart' option even on realty portals," says Advitiya Sharma, co-founder of Housing.com, a realty portal.

But buying a home online also takes the security risks to another level. "People need to take basic safeguards and verify the genuineness of the information as the transaction involves big money," says Mudassir Zaidi, national director, residential agency, Knight Frank India.