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Realty Likely to Attract \$7b Investments in 2017

Our Bureau

Mumbai: Rising institutional investor confidence and appetite for Indian real estate on the back of attractive asset valuations and a favourable regulatory environment are expected to push investments into the sector to \$7 billion in 2017 from \$6 billion in 2016, showed a report.

The sector had witnessed \$0.8 billion investment in 2008, \$1.2 billion in 2010, \$3.2 billion in 2012 and \$4 billion in 2014.

While office and residential are expected to remain traditional drivers for the industry; alternate sectors such as retail and warehousing will also come to the forefront in 2017.

The sector is witnessing unprecedented interest from offshore equity investors, large Indian corporates and high net worth in-

dividuals (HNIs) as investors believe that the sector now offers a level playing field with attractive returns, said a CREDAI-CBRE report.

“The above sentiment is further endorsed by a cyclical decline in interest rates in 2016. This has drastically reduced the cost of doing business for all investor classes. Even ‘structured debt’ has evolved from being a “high-cost source of funding” to being a very viable source of funding with successive interest rate cuts,” said the report.

The combination of measures like RERA, GST, easing of FDI norms, demonetisation are likely to help in catalysing ease of doing business in the country while supporting corporate entities entering or expanding their footprint in India.

