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Realty sees ₹12,700 cr investment in first half

Residential market got \$1,075 mn, commercial \$796 mn, retail \$119 mn

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Mumbai: India's real estate market has seen an investment of \$1,990 million (approximately Rs 12,766 crore) in the first half of this year, and the residential segment has cornered 54% of it.

The inflows have been robust thanks to greater transparency ushered in by various reforms.

Anuj Puri, chairman of Anarock Property Consultants which has come out with the report on inflows in real estate, said, "Residential property remained the most preferred asset class in Indian real estate during H1 2017. While overall investments in Indian realty touched \$1,990 million in this period, the residential sector accounted 54% of total investments. Investments into commercial realty accounted for 40% and retail received 6% of total real estate investments."

Similar views were shared by Shobhit Agarwal, MD - capital markets and international director, JLL India.

INVESTMENTS MADE IN H1 2017



...& ANALYSIS

- The inflows have been robust on account of reforms such as Rera, GST
- Institutional investors had been waiting for greater transparency for long

"The total investments are the highest ever seen in any year's first half. Given the scale, 2017 seems set to break all previous investment records," Agarwal said. Explaining the reason for

strong inflows, Puri said that the institutional investors had been waiting for greater transparency for long, which has now arrived with the deployment of Real Estate (Regulation and Development) Act (Rera) and goods and services tax (GST).

Besides, liberalisation of foreign direct investment has also improved the investment community's sentiment. This measure is expected to attract further private equity from foreign players, opined Agarwal.

Thirdly, non-credible players are in a dock with the consumer-friendly Rera law.

According to Puri, all indicators point towards a decisive return of buyer interest over the next 18-24 months. This revival is likely due to a combination of factors such as improved buyer confidence, GST and repo rate being cut to 6% by Reserve Bank of India.

Hence, there is a possibility of top-notch developers becoming the preferred lot with the buyers during the upcoming festive season.

