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CROWDFUNDED REAL ESTATE INVESTMENTS: A WIN-WIN FOR BOTH, CUSTOMERS AND DEVELOPERS

Crowdfunding is an investment option, where a development is funded through aid from many people. A closer look at the existing funding choice of different developers puts forward the fact that some loose associations resembling crowdfunding, do exist in the Indian realty market. However, crowdfunding as a practice is still not a very popular practice. With appropriate policies, crowdfunding could be a silver lining for developers' liquidity issues, thus drawing end-users and others into the market.

Crowdfunding is more often than not, done on a universal online platform or a portal where financiers can jointly contribute. They have the choice to opt for the asset (a land deal or a project) and then chip in accordingly. Supervision of their investments can be done through a common platform that will be custom-made for each individual on the basis of their investments. The distinctive feature of this form of funding is the expediency it offers in managing more than just one asset at the mere click of a button.

The Indian real estate market is very volatile and falls short of trust. Most of the money is propelled by well-established firms. Prior to getting into any kind of big investment with real estate players, one should have recovery potential as well as an appetite for risk. The project may get wedged in red tapes. In such conditions, end-users may not really



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be accepting of crowdfunding.

However, it is advantageous for small investors who are not too keen on taking risks with huge sums of money. Crowdfunding gives the investor the choice to pool in some amount of capital that will form a part of a huge deal. In this way, many more investors can come together in order to initiate the investment or in case of start-ups, it gets the idea rolling.

With the crowdfunding trend gaining momentum, there are now many platforms that are making this investment option available to the public online. What this signifies is that there is a wide-spread availability, which also means that many more trustworthy crowdfunding pedestals for real estate investment are coming up. The more known the practice becomes, the higher will be the businesses that will be rivaling to provide real estate investors with

the most paramount and the most legitimate services possible.

The real estate sector presently has incomplete projects whose constructions have been mired due to a lack of sufficient funds. Banks are also not willing to fund them any more, as most of the developers have failed to repay the debts already owed to the banks. In such a scenario, crowdfunding could be a useful means of settlement, which rewards both, the investors and builders equally.

