

“HOUSING WILL ALWAYS BOUNCE BACK FROM TOUGH TIMES”

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Developer, policy advisor and industry leader, **Dr Niranjan Hiranandani** has been serving the Indian real estate in various capacities for over four decades. As co-founder and MD, Hiranandani Group, and national president of two key industry associations—NAREDCO and ASSOCHAM, he has seen the industry transform from nascent stages to its current tech-driven, buyer-centric avatar. On the occasion of his 70th birthday, he sheds light on what it will take to usher in the next phase of growth

How has Indian real estate evolved during the tenure of your career?

The one thing that has not changed is the demand for industry status — we are regulated but not yet given the status. Ease of doing business has improved because a proactive government is coming up with new policies, and these are certainly some of the positive changes. The Indian economy has made a paradigm shift over the decades, and this is reflected in real estate. From plain vanilla standalone buildings to integrated townships with greenery that encourage walk-to-work, community living has become a reality in real estate today.

Is the entry of R E RA to be credited for the change?

In the post-RERA scenario, transparency and accountability have evolved, from buzzwords to a way of working. Artificial Intelligence and Machine Learning are as much a part of present-day real estate as the Internet of Things (IoT) is for homes.

Real estate has seen some hard times over the years, including 2008-09 recession. How has it bounced back? How will it revive now?

Any business survives tough times if it is able to adapt to the changed circumstances. Indian real estate has also been in sync with the economic scenario. In the time of the boom, we see luxury real estate taking off; in tough times, we see affordable housing topping the list. The basics of doing business the right way applies; you cannot over-leverage and expect to get out of economically tough times easily. If one looks at the buyer profile, for those who need residential real estate, it is a necessity. Housing, as such, will always bounce back first from economically tough times, as a roof over one's head is a must. Other than that, commercial real estate is largely driven by economic growth; as the economy prospers, demand for commercial real estate also bounces back. Currently, real estate faces the challenges of credit squeeze and last-mile funding, which has led to many stalled projects.

How has the home-buyer evolved over the years?

Buying a home is no longer a 'socially required asset' but more of 'wealth creation'. Co-living and rental homes are in demand; the new-age millennial home-seeker wants compact, boutique living spaces but will not compromise on common amenities. The home-buyer is increasingly female; the decision-maker in a family's home-buying decision is a female. The home-buyer's age is younger. The paradigm has certainly shifted. For the real estate investor, it is about creating and growing wealth, in terms of both, capital

appreciation and rental income. Addons like low interest rate on home loans and taxation benefits on EMI payments are factored in before taking the final decision.

