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The year gone by has been an eventful one for the Indian economy, and particularly so for India's real estate and infrastructure sector. In fact, one could term 2017 as a watershed year for Indian real estate, given the implementation of game-changing policies such as the Real Estate (Regulation and Development) Act, 2016 (RERA), and the resulting need for realignment by all stakeholders to a brand new regulatory environment. GST, in parallel, occupied bandwidth to set in place mechanisms for smooth adoption, while dealing with the impact of an increase in price for under construction projects even after passing on Input Tax Credit (ITC) benefits.

In residential real estate, demand in end-user-driven markets has sustained and is now back to pre-demonetisation levels, while speculative buying, especially in the luxury segment, has declined sharply. RERA and the roll-out of GST have led homebuyers to favourably consider completed projects, and have resulted in longer decision-making cycles across categories overall. Recalibrating to a RERA-regime has also resulted in a year-on-year slowdown in launches, with greater focus on project execution and sales of existing inventory. Prices have mostly remained stable or increased marginally in 2017, and are expected to continue to do so in 2018.

Affordable or 'inclusive' housing, already a compelling narrative of urban development in India, came into sharp focus this year. The segment has emerged a key growth driver of real estate, with unit sales and launches in the country's top housing markets increasingly dominated by the sub Rs 50 lakh category. Notable measures have been announced - vital 'infrastructure' status for affordable housing, increased budgetary support for the PMAY scheme, additional refinance for the National Housing Bank and shift of timeframe for project completion from three years to five years - and can provide a thrust to the segment via greater participation by organised

developers. Single window clearances, infrastructure building and enhanced connectivity between city peripheries and job districts can further accelerate growth in the segment.

While 2017 began as 'the challenging year that followed demonetisation', with impact continuing well into April, the ensuing months have witnessed several positives for sustained, long-term growth. India has moved forward 30 spots to secure a place among the top 100 countries on World Bank's ease-of-doing business list - the highest jump yet by any country in the rankings; Moody's credit rating upgrade marks a growing vote of confidence in the country's economic reforms; and India appears set to once again emerge as the fastest growing economy in the world, with the UN predicting a GDP growth rate of 7.2 per cent in 2018. Furthermore, there has been significant FDI equity inflow into construction development, an indicator of rising confidence in the sector and the India growth story.

As India's real estate markets make the transition towards becoming more transparent, structured and stakeholder-friendly, 2018 could well mark the beginning of a period of sustained revival for the sector. Regulated and organised realty is a healthy and sustainable asset class globally; in India, structural reforms and changes in FDI norms are making real estate increasingly attractive to domestic and foreign investors.

In a nutshell, 2017 has witnessed positive changes for affordable housing in India, and a policy-driven shift towards increasing accountability and consolidation. Similar positive shifts in policy across all segments – faster clearances, incentives for green housing or development, low-cost institutional credit, etc. – can accelerate growth momentum in the industry, further improve economic impact, and make 2018 'a year to remember' for the Indian real estate and infrastructure development.