

BOOMYEAR

SPARK PLUGS TO FIRE SECTOR IN 2017

Experts predict that the real estate market will pick up on the back of the NDA government's policy reforms—slated to kick in over the coming months—and predict a transformation of the sector in 2017

Experts say that the market—particularly the residential segment—is likely to look up in the near future, as there is a lot of pent-up demand for houses even in current times, with fence-sitters expected to buy homes once they get good deals.

"As of now, demonetization drive has put a dampener on sentiment, especially in the resale properties segment. However, a Real Estate Regulatory Authority (RERA) in each state is likely to be a reality, sooner rather than later across the country, and homebuyers should start carrying more confidence into the real estate market," Anuj Puri, chairman and country head of JLL India, said.

"Even now buyers are quite open to good deals with reputed developers. There is a lot of pent-up demand for homes in all Indian cities, and this demand will definitely come onto the market with purchase decisions," Puri said.

Vivek Singhal, president (corporate strategy) of M3M Group, says: "India's realty sector has started showing encouraging signs. RERA will strengthen people's faith in the sector. This, coupled with availability of affordable housing and falling interest rates, is triggering demand in the residential segment."

Developers also say that the sector will pick up on policy reforms. Things like RERA and demonetization will transform the sector, making it more

transparent as well as professional in its approach towards customers.

"The real estate sector has already started looking up. NCR, especially Gurgaon, is an investor-driven market, but investors are currently out of real estate because prices are not rising. We, however, remain hopeful that the real estate market will pick up further with more policy reforms kicking in over the coming months," Rahul Singla, director of MAPSKO Group, said.

Experts say ready-to-move-in segment was the first choice of buyers and affordable housing wasn't affected to that extent due to demonetization drive.

"RERA will ensure time-bound delivery of projects and transparent dealings with developers will be factors leading to the sector's growth. The demonetization drive will push economic development and also have a positive impact on the realty sector, as transactions in the primary market are usually done through home loans," Ssumit Berry, managing director of BDI Group, said.

Lots of customers are waiting for a further fall in property prices. Some experts, however, say that in case prices do not fall, customers will keep on postponing their purchase till January-February of 2017. **"In any scenario, I foresee—beginning 2017—a re-run of the golden era of 2003-2008 and, to an extent, of 2010-2012, in the real estate sector; 2017-2021 might go down as the five-year period that changed the shape of the real estate sector in India,"** Sunil Mishra, chief business officer-primary sales, PropTiger.com, said. —Mamta Sinha



FAST FACT

THERE IS A RENEWED INTEREST IN PRIVATE EQUITY INVESTMENTS IN REAL ESTATE, WITH A FOCUS ON RESIDENTIAL SEGMENTS. THE GOVERNMENT IS STREAMLINING THE NATION'S OVERALL ECONOMY AND GOING ALL OUT TO BRING TRANSPARENCY INTO THE REALTY SECTOR, WHICH WILL ENSURE A ROBUST GROWTH.
—VIVEK SINGHAL, M3M GROUP

