

NRI market for Indian properties becomes positive

Recent expert surveys indicate a remarkable growth in demand from non-resident Indians in the country's residential real estate.



TOP STOREY
Kausar Firdausi

For non-resident Indian (NRI) investors, Indian real estate has always been a market with enormous opportunities. But post pandemic there has been a keen interest from the NRI diaspora to invest in the country's real estate like never before. The penchant to remain connected to their roots is one of the underlying factors which provides motivation to these NRIs. It is further fuelled by factors like appreciation of dollar against the rupee, better capital appreciation in property being witnessed in the country, great rental yields in both residential and commercial. Land reforms, regulations like RERA, the availability of comprehensive end-to-end online services, digitisation of land records have also made the entire buying process more streamlined and seamless. According to a survey by NoBroker, a prominent prop-tech unicorn, there has been a 35% rise in the investment of NRIs in the country's residential real estate market over

the past few months. "Based on our analysis, we have witnessed that while 35% of NRIs are showing interest for investment purposes, a substantial 65% are opting to buy properties either for themselves or their parents," says Amit Agarwal, CEO & co-founder, NoBroker. NRIs are showing increased inclination towards 3BHK and 4BHK units for their spacious living experiences and versatility. Additionally, they prefer gated communities for investment for their enhanced security; and a host of amenities ranging from swimming pools, and well-equipped gyms to large parks, playgrounds, centralized maintenance services, and green spaces for calm and peace.

"With Mumbai witnessing a phenomenal infrastructural upliftment, we foresee the NRI investments to further grow in the coming year."

CYRUS MODY
Founder & CEO, Viceroy Properties



Aranyam's Amayah Villas in Assagao, North Goa.

As per Anarock research, H1 2022 saw total housing sales of at least 1.85 lakh units across the top seven cities while in H1 2023, nearly 2.29 lakh units have been sold. "On an average, in any given quarter, the share of NRI purchases is anywhere between 10-15% of the total sales in that period," informs Anuj Puri, chairman, Anarock Group.

Siva Kesavan, MD - Chennai & Coimbatore and India head - residential services, JLL India observes that the NRI market for Indian properties also becomes positive basis the price appreciation in the last two to three years post-pandemic. "After RERA implementation, the Indian housing market is getting much-needed credibility with developers focusing more on the completion of projects, delivery timelines, and quality," states Kesavan.

The Indian realty sector, especially the luxury segment, has been one of the preferred asset classes among NRIs. As per studies, many realty majors record nearly 20% of sales from NRI buyers. "NRI investment has consistently played a crucial role in DLF's residential portfolio, with the company achieving sales worth ₹2000+ crore from NRIs

in the FY2022-2023. In the last two years, the contribution from NRIs in our homes business has been between 14% and 20%," proclaims Aakash Ohri, joint managing director and chief business officer, DLF Home Developers Ltd.

In recent years, Smartworld Developers, a realty company based in NCR, has also experienced a growing demand from NRI investors. "We have witnessed a significant increase in NRI investments across various real estate asset classes, driven by the growing demand for luxury housing," asserts Vivek Singhal, CEO, Smartworld Developers.

Elan Group's residential project has garnered substantial interest from the NRIs as well. "We have received a significant attraction from the NRI community for our luxury residential project, The Presidential, located at Dwarka Expressway, with the majority of demand coming from countries like the USA, the UK, the UAE, Australia and Singapore," shares Ravish Kapoor, MD, Elan Group.

Mumbai is currently experiencing a remarkable improvement in its infrastructure, coupled with a surge in redevelopment projects, which is giving rise to new, upscale housing markets. "With Mumbai witnessing a phenomenal infrastructural upliftment along with the redevelopment boom leading to the

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AMIT AGARWAL
CEO & Co-founder, NoBroker

emergence of newer micro-markets for luxury housing, we foresee the NRI investments to further grow in the coming year," asserts Cyrus Mody, founder & CEO, Viceroy Properties.

Within the luxury segment, holiday homes have particularly found a burgeoning interest and investments from NRIs due to short-term rentals. "Even in the captivating narrative of Aranyam, we find ourselves at the intersection of excellence and nature, and this distinctive blend has struck a harmonious chord with our discerning NRI audience," avers Varun Maheshwari, co-founder, Aranyam.

The government has brought in several relaxations in investment laws to promote NRI investment in India's real estate. "The NRIs can enjoy tax benefits under Section 80C of the Income Tax Act 1961. Virtual reality has made it easy to have a realistic view of the property from their location, realty developers are also doing online launches via video conferencing to fulfill the needs of the NRI buyers," elaborates Dr. Mohit Ramsinghani, chief of sales, Runwal Group.

A recent survey conducted by India Sotheby's International Realty indicated that a larger number of HNIs are planning to purchase luxury real estate in the next two years. "The Indian residential real estate market is expected to present an exciting opportunity for NRI investors in 2023, with expected investments reaching an astounding \$14.9 billion, which is an increase of 15% over the previous year," informs Sarveshaa SB, MD, Bhadra Group. Simultaneously, NRIs perceive this as an excellent opportunity to invest in larger properties within their home country, supported by the government's initiatives and increased purchasing power.



Realtors' Forum

In Q1 FY 2023-24, India's GDP grew the fastest in four quarters. How did real estate contribute to propelling the growth? Industry experts answer...



DR. NIRANJANA HIRANANDANI
National Vice Chairman, NAREDCO

"The realty sector plays a pivotal role in our economic system and shaping up the growth trajectory towards the north. The bolstered growth in the sector has a multiplier effect on 270 allied industries and generates employment. The influx of investment in the sector is bolstered on the grounds of strong economic performance, impetus to infrastructure development, tax incentivisation and conducive policy reforms."



ANSHUMAN MAGAZINE
Chairman & CEO - India, South-East Asia, Middle East & Africa, CBRE

"In Q1 FY 2023-24, India's remarkable GDP growth of 7.8%, the highest in four quarters, signifies a remarkable economic performance. The realty sector has played an instrumental role in propelling this growth, driven by increased demand for both commercial and residential spaces. This surge in real estate activity has not only created jobs but also stimulated economic activity across the board."



DR. SAMANTAK DAS
Executive Director and Head of Research and REIS, JLL India

"Sales of residential units witnessed historical highs with a 22% y-o-y increase, which significantly contributed to the growth of real estate services. However, the construction sector recorded a slower-than-expected growth rate. With the government's emphasis on infrastructure development, this is expected to improve in the coming quarters."



KANIKA GUPTA SHORI
Founder and COO, Square Yards

"The availability of affordable housing, basic amenities, and improved infrastructure facilities in tier II and III cities have led to the migration of people from rural to urban areas, further driving the demand for real estate. Further, investments across real estate asset classes have witnessed significant FDI inflows in recent years demonstrating investors' confidence in Indian market."

IN SPOTLIGHT

Mumbai records decadal best August: Knight Frank India

August 2023 marked a significant milestone for Mumbai city, achieving its most successful month in the past decade in terms of both registration numbers and revenue generated. About 10,550 properties got registered and a revenue influx of INR 790 crore was contributed for the state government. This showcases a 23% surge in registrations and revenue compared to the preceding

year. Of the overall registered properties, residential units constitute 80%, the remaining 20% constitute non-residential assets.

Remarkably, the central and western suburbs have shown a pronounced inclination for buyers to upgrade within their own micro markets. Around 75% of western suburb buyers and 84% of central suburb purchasers opt to invest within their familiar micro market.

During the initial eight months of 2023, the city achieved a remarkable registration count of 83,263 units, resulting in a substantial revenue accumulation of INR 7,242 crore for the state treasury. This achievement stands as the highest within the same timeframe since 2013. The elevated revenue growth can be attributed

to various factors, including the registration of higher-value properties and an augmented stamp duty rate.

Shishir Bajjal, CMD, Knight Frank India, "Mumbai's residential market continues to remain strong as aspiring homebuyers embrace the trend. Remarkably, the share of registration of properties valued at INR 1 crore and above continue to rise, led by surge in property prices and increasing preference among home buyers for more spacious accommodation."

Over the recent years, there has been a consistent upward trajectory in the percentage of property registrations for properties valued at INR 1 crore and beyond. This proportion has climbed from 48% in 2020 to around 57% in 2023.

SS Group unveils 'SS Cendana' in Gurugram

SS Group, a Delhi-NCR based realty major, recently launched its new luxury project 'SS Cendana', located in Sector 83, Gurgaon, the most happening place in the region and the hub of elite living. The luxurious project offers excellent connectivity to the rest of Delhi-NCR region. This precisely planned and thoughtfully crafted apartment complex represents the pinnacle of luxury and modern living in the city. It is spread over 8 acres of luxurious green area.

Spread across 12.61 acres of urban oasis, SS Cendana has 10 high-rise towers over G+33 and G+32 floors and

designed by the renowned and acclaimed architect ARCOP. Replete with amenities for all ages and all purposes - the recreation buff, the sports buff, the party animal, fitness freak - SS Cendana can very well be termed a 'home within a home'.

In the words of Ashok Singh Jaunapuria, MD & CEO, SS Group, "It has been the philosophy of SS Group to offer the best of luxury living to customers at the most cost-effective prices with all modern amenities. SS Cendana takes this philosophy one notch up with its exquisitely crafted homes replete with all modern amenities with a vision that those who buy their homes at the project don't feel like stepping out for anything."