



## 2018: Reshaping the Indian Real Estate Sector

The real estate sector is waiting to explode. And as more and more youth join the nation's workforce, urban India would need new and additional houses to begin their own families.

Ravish Kapoor, Director, Elan Group, exudes confidence. " The countdown for 2018 has already begun. Year 2017 brought the much needed revival for the real estate industry. By introducing regulations like Real Estate (Regulation and Development) Act, 2016 (RERA), effective from May 1, 2017, Benami Transaction Prohibition Act, GST etc, the government has not only ensured fair play in real estate transactions and timely execution of projects, but has also boosted investor confidence. . Many malls which were to be completed in 2017 have been completed in the year and many malls are to be developed in coming time. We believe that the Indian real estate sector will emerge stronger, healthier and capable of long periods," Kapoor stressed.

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**Rahul Singla, Director, Mapsko Group** too stresses that 2018 is going to be the best time to invest in this sector. "Buyers will have a huge range of properties to choose from and purchase.

Demonetisation, which was done to crack down the black money, has finally proved to be beneficial for the segment. Goods and Services Tax (GST) and like Real Estate (Regulation and Development) Act, 2016 (RERA), would bring a lot of transparency in the real estate sector and minimize unscrupulous transactions. Ready to move –in- apartments would be of special interest to buyers. The future is bright as the market is expected to pick up and continue like this," Singla said.

**Harinder Dhillon, VP (Sales) , DLF** points out that 2018 would be the perfect time to invest in real estate sector.

According to Dhillon, "The year 2017 can be regarded as a watershed year for the real estate sector due to the implementation of Real Estate Regulation and Development Act (RERA) and Goods and Services Tax (GST). The forthcoming year is the perfect time to invest in real estate sector as these legislations have heralded transparency and accountability. Home loan rates, too, are at an all-time low and are expected to remain low in the near future as well. This implies considerable savings in the EMI costs that will enable homebuyer's to avail low-cost home finance and fulfill their dream of owning a home".

With the coming of RERA and GST the realty market witnessed a tumultuous change but all for the better, in the coming time. Apart from this, the reduction in circle rates, has led to lowering of the costs, which is expected to boost the sector in the coming year. However, the realty market is recovering gradually post implementation of RERA and GST, therefore, the coming year will hopefully be positive for the sector. An increase in sales and decline in unsold inventory is expected. 2018 may witness new launches as well but most of the developers will focus on completing their under construction projects. Moreover, there is need for more clarity on GST leading to better transparency in the sector. – **Vineet Relia, Managing Director, SARE Homes**

According to **Mr. Sumit Berry, Managing Director, BDI Group** , Like any other sector the real estate segment also experienced many ups and down in 2017. Some of the biggest game-changing policies like GST and RERA have been implemented which aim at bringing transparency and accountability in the sector. Clarity on the applicable GST rate for the real estate sector is still expected in 2018. We can say that in longer period both RERA and GST will bring smiles on the faces of developer and home buyers. Affordable housing finally got the much-coveted infrastructure status. One crore houses are to be built in rural India by 2019, and this vital segment will now see cheaper sources of finance which will give further boost to the sector. The country's real estate markets are definitely poised for growth in the medium-to-long term on the back of higher transparency and further consolidation. The demonetization move showed considerable beneficial; however, along with the Benami Transactions Act, it proved to be profitable to the entire segment".

**Vineet Taing, President, Vatika Business Centre** points out thus : “ 2017 has been a landmark year both for the Indian Economy and the Indian Real Estate. Policies such as RERA & GST have ushered in transparency and brought confidence in buyers. Talking specifically about the Commercial Realty segment, co-working spaces and business centres have become the preferred choice in a short span of time, thanks to the rapid urbanization. Across the country, co-working spaces and business centres have been in great demand with freelancers, startups and small and medium businesses flocking there for the amenities, prices, and flexibility and networking opportunities. Additionally, another interesting industry trend that has been observed is office occupiers in Gurgaon are pre-committing office spaces in under-construction especially in central business districts of Gurgaon to secure themselves against high or rising future rentals. For the year 2018, the tidal growth for office spaces will continue as larger corporates and smaller companies are increasingly opting for co-working spaces”.

Recent government initiatives including RERA, GST along with Real Estate Investment Trusts (REITs) will help improve transparency in the long run and thus increase buyer’s confidence in the real estate sector. With the overall market moving towards ease of doing business, we can expect potential buyers (end users) to relook at the market for investment opportunities. Having less project launches and uniform absorption will lead to increase in demand hence, improving sector in coming year.

Also, 2018 will be the year of affordable housing. Since the market is consumer friendly, buyers will tend to invest in affordable housing segment owing to great options at affordable prices and good investment returns with time bound possession. The loan interest rates are low, making banks more supportive and thereby encouraging the buyer to invest. We believe that the long term market dynamics for the sector will remain positive, especially in the residential market. – **Mr. Gaurav Mittal, MD, CHD Developers Ltd**

For those looking out for homes of their own, 2018 is the best year to invest.