

Indian Realty On A Revival Route?



India, touted to be one of the fastest growing economies in 2016, saw a modest slump in real estate market in 2015. Despite slow growth in initial quarters, real estate sector ended on a high note in 2015. After timely intervention by policymakers, real estate market is hopeful of seeing outstanding growth in 2016.

India revived its investment strategies in 2015 to attract investments from all quarters. Investments in form of FDI received a boost by 27% in 2014-15. Thus, experts are hopeful that real estate sector will grow very well in 2016. There is an expectation of growth in investments; particularly in form of FDI because the government is trying to ease norms for foreign investors. Real estate got the lion's share of positive policy revival initiatives from Indian government's plan to revive FDI investment in India. The government has put forward a transparent and comprehensible report on FDI. As per the new rules, non-repatriable investments by NRIs and PIOs will be treated at par with domestic investment, thus keeping it out of the purview of FDI caps. Furthermore, this has also been extended to companies, trusts, and partnership firms owned by NRIs outside of India. These NRI entities have also been exempted from FDI cap regulations.

With the Indian economy on a stronger foothold and tardy bureaucratic procedures being channeled out, industry is hopeful that NRI investments will see a boost. Achal Raina, Group President, M3M Group, said, "With regulatory changes including easing of foreign direct investment rules and better execution capabilities, Indian realty is being preferred as an investment destination by global investors. Transparency in processes like online approval will further improve the perception of Indian real estate in the eyes of international investors. This would help them bring in robust inflows of funds in the sector. The hottest growth sectors in Delhi – NCR area are Gurgaon (Golf Course extension Road), South of Gurgaon, Noida Extension and areas adjoining Dwarka Expressway, KMP Expressway and SPR."