

On Independence Day, **ET Realty** explores a trend that is catching up with the NRIs as they realise the true value of land here. Despite the uncertain economic slowdown in the world, the Indian economy is still showing prospects of bouncing back. NRIs across the globe are more attracted to the Indian real estate than elsewhere

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At a time when the US and European economies are spiralling down, the Indian economy in general is looking up, despite the current slowdown. Not surprisingly the NRI is investing in various sectors, including real estate. Several real estate projects across India



Coming home for more

have garnered approximately 10-20% participation from NRIs. The return on investment provided by Indian real estate has been found to be more attractive than that offered by developed nations. Also the simplified process of investment has reversed the equation and many NRIs have been consistently investing in properties. Rajesh Goenka, chairman and CEO, Axiom Estates, the international property consultants who have several active NRI clients says, "They are the most affluent lot among real estate buyers in India, showing interest in buying large chunks of land in their home country. They are not affected by the current slowdown, as they take a long-range view of the whole scenario. They have faith in the Indian economy, and firmly believe that the prices will appreciate by at least 10 to 15 per cent every year. They see the downturn as an oppor-

tunity to invest in large chunks of land or even developed areas which they get at a good discount from even the top developers." He adds, "According to our assessment, despite a slowdown in the last six months, the interest of the NRIs has increased almost by 20-25% every quarter, that is almost two to two-and-a-half times in the last two to three years."

Raminder Grover, managing director, Homebay Residential, Jones Lang Lasalle Meghraj says, "Many NRIs in the US and UK are not as confident as before of sanctity of their employment, while others are disturbed by negative economic patterns across developed countries. They see greater potential for India overcoming current economic setbacks. Sentimental attachment to their country of origin is another reason." NRIs can expect appreciations anywhere upwards of 15% per an-

num and rental yields of 4 to 6% on his property in India. There are different types of NRIs, as Akshaya Kumar, MD, Parklane Property Advisors, puts it. "The Gulf NRI is one who is bound to return. NRIs are looking for decent returns, and might think of holding property in India, while investors from UK and USA are pure investors. NRIs mostly have an affinity to the areas they come from," he says. Pune, Mumbai, Indore, Baroda, Bangalore, Chandigarh, Gurgaon and Kolkata and Goa seem to draw the highest number of inquiries. So do second home destinations and extended suburbs. Those with business aspirations are investing wherever IT/ITES is making its presence felt. According to Mr. Vidhan Choubey, senior VP, Lodha Constructions, "The property price upswing seen in the Indian market has made NRIs very bullish about the Indian real estate.

NRI segment contributes to about 25-30% investment - both for the end-use and for investment." Mostly all sectors including residential, commercial, retail have seen good NRI investment.

Ramesh Bijlani of Ekta Supreme Group adds, "Many NRIs have shown keen interest in luxury homes in places like Khar, Bandra and Powai due to their vicinity to the airport. Also there has been interest in projects in Kandivali and Borivali. For many Maharashtrais abroad, Pune is the preferred location for investment. Many a times, a crisis situation in their country brings them to other countries for investment."

As opposed to earlier times when an NRI had to struggle with various rules, income tax and other issues, these days the NRI is being welcomed with open arms, and this has elicited an extraordinary response.