

# NEXT DECADE BELONGS TO INDIAN REAL ESTATE

**SHEKHAR G. PATEL, PRESIDENT ELECT, CREDITAI NATIONAL, MANAGING DIRECTOR, GANESH HOUSING CORPORATION LTD. IN A CANDID INTERVIEW WITH SAPNA SRIVASTAVA, HIGHLIGHTS THE PROMISING FUTURE OF REAL ESTATE SECTOR AND GUJARAT REALTY TRANSFORMATIONS.**

## How do you see the potential of real estate sector of the country & Gujarat.

Indian real estate today stands at roughly 300 million USD of which Gujarat contribution can be estimated at 10%. In 2017, real estate share in GDP was 5 %, which has now increased to 8%. Our real estate CAGR is increasing by 15%, while the GDP CAGR is increasing by 7-8%. In 2034, it is predicted that Indian economy will be 10 trillion USD. in which real estate sector contribution will be around

10-12%, and it will be 1.3 trillion dollars in 2034.

Today if Gujarat market size is Rs. 2.7 to 3 lakh crores, it will grow by 15% CAGR in coming two years, with major development happening in main cities like Ahmedabad, Rajkot, Surat and Vadodara. In Gujarat, rules and regulations are stable and there is a business mindset in the sector players. Also, the government is supportive with fast approval systems. Gujarat's population although is just 5 percent of the total population, the contribution in GDP is more than 10 percent. Infrastructure

**In India, real estate sector has been doing well for past 10 years and the coming 10 years will be a golden period for real estate across all the states of the country.**

is a major reason for the growth of Gujarat and if you want to see a future city, I believe Ahmedabad is the one.

## What are the challenges for the real estate sector that need to be addressed?

Single window system and industry status are the long-standing demands of the real estate sector.

Land title is an issue and digitization can help resolve this with information being available online.

The latest demand we have from government is affordable housing cap of 90 meter and 45 lakh which needs to be revised. With rising construction cost and inflation, majority of homes cannot fulfil that criterion. The government instead of capping the affordable housing based on

price, should consider only the area. In fact, there is no major benefit government is giving in affordable housing. On the other hand, real estate is a highly taxed sector. Affordable housing benefits for developers should be boosted.

## What is the current and future growth plan for Ganesh housing?

We recently introduced projects

in SEZ called Million Minds Tech City. Overall development of the SEZ which is 65 acres. We have already launched 1.5 million of commercial space for leasing and two zone of residential will be launched soon. A total of 3.5 million sq ft will be developed this year. By next year April – May the commercial segment will be ready. That will be our rental on lease portfolio. There are total seven phases of commercial development which will be launched phase wise every year.

Our development plan for the next 10 years is ready with us that includes a township and commercial developments on other land parcels.

## Being part of the industry for more than three decades, how has the sector changed over the years.

The time, when I joined real estate, it was unorganized. Till 15 years back, the customer did not have the purchasing power, that we see today. With India's economic growth, there is more money in the system, housing loans are easily available, young generation has more disposable income and they want quality.

The young generation of developers are lucky that the next ten years is of real estate. My only one message for the young professionals, is to work towards building a trust with the customer - for the brand and the developer. This will help them attain what they have aspired and sometimes even more than that.

