

Mixed-use developments see a compelling transformation

As this segment gains prominence as a transformative factor in India's real estate landscape of late, numerous key regions across the country are experiencing a surge in such projects, presenting attractive prospects for all stakeholders involved.



Golden Grande, Greater Noida (West)



TOP STOREY
Kausar Firdausi

In recent years, a remarkable transformation has been unfolding in India's real estate sector, with the rise of mixed-use developments taking centre stage. These innovative projects, seamlessly blending residential, commercial, retail, and entertainment spaces, are reshaping the urban landscape and ushering in a new era of possibilities. Across the length and breadth of the country, key regions are witnessing an unprecedented surge in such projects, painting an enticing picture for all stakeholders involved.

Industry experts and survey reports say that this surge in mixed-use developments and projects offers abundant opportunities for stakeholders. "While all the asset classes are

witnessing growth, mixed-use developments are creating a lot of possibilities not just for the investors who are getting a viable option to diversify, but also for occupiers who are looking for the benefits, conveniences and amenities which these developments are offering in these prominent markets," says Navin Dhanuka, MD & CEO, Aris Unitem RE Solutions.

Amrita Gupta, director, Manglam Group, and founder president, CREDAI Rajasthan Women's

"Our mixed-use projects reflect the essence of modern life, providing exciting retail routes, advanced IT/ITeS, and sustainable space."

SUDHANSHU RAI
Director, Ashrai Group

Wing is of the view that as our cities expand, lifestyles shift, and sustainable living gains importance, the concept has gained significant traction. This trend not only opens up several opportunities for all stakeholders in the real estate industry but it is also expected to drive the growth of the sector with versatility."

According to CBRE's report, capital investments in India's real estate was valued at USD 7.8 billion from 2018 till 2022, with mixed-use projects alone accounting for about one-third of the investments. "The rising demand for office spaces complements retail space absorption, amplifying the appeal of mixed-use commercial developments. This segment has seen the second highest total saleable development potential after residential at around 140-155 mn. sq.ft. in the past five years," states Anshuman Magazine, chairman & CEO - India, South East Asia, Middle East & Africa.

According to Anuj Puri, chairman, Anarock Group, with land being scarce in city centres,

peripheries came in high demand and hence, many developers are exploiting this concept of mixed-used developments and creating a human-friendly township, which is appreciated by one and all. "Buoyed by the growing demand, some developers bought land in cities like Noida, Bengaluru, Gurugram and Pune in 2023. As per the Anarock research, at least four separate land deals were clocked in these cities spanning over a total area of 62+ acres," informs Puri.

Navdeep Sardana, founder, Whiteland Corporation updates that mixed-use developments have gained significant traction as a new trend in the Delhi-NCR, transforming the region's urban contour and catering to the evolving needs and preferences of its residents.

One of the fastest growing realty players in the NCR, Ashrai Group stands at the forefront of this transformative wave. "We envision communities which thrive amidst well-designed spaces, where convenience meets sustainability, and connectivity converge with a sense of belonging. Our projects reflect the essence of modern life, providing exciting retail routes, advanced IT/ITeS, and sustainable

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NAVDEEP SARDANA
Founder, Whiteland Corporation

space," asserts Sudhanshu Rai, director, Ashrai Group. The group has recently launched 'Golden Grande' in Greater Noida (West). Spread over an area of 25 acres, the project offers state-of-the-art facilities for all working, shopping, and dining experiences.

Vivek Mohanani, MD & CEO, Ekta World appraises that such projects offer homebuyers a plethora of options, according to their budgets. For instance, locations such as Virar in the MMR and Goregaon in Mumbai western suburbs are seeing a surge in mixed-use projects. Runwal Gardens in Dombivli and Runwal City Centre in Kanjurmargin are also the fine examples of the segment. "The response we are receiving for these mixed-use developments has been extremely encouraging. While Runwal Gardens has already sold over 9000 homes in three and a half years, Runwal City Centre has seen an exponential appreciation of prices, close to 30% in the last three years," proclaims Lucy Roychoudhury, head of sales, marketing & CRM, Runwal Group.

The success of mixed-use developments is also defined with their commitment to sustainability and green design. "The developers' conscientious efforts to embrace eco-friendly practices, such as energy-efficient systems, green spaces, and waste management initiatives, align seamlessly with India's burgeoning emphasis on sustainable urbanisation," avers BK Malagi, COO, Experion Developers.

Hence, these developments not only promise to respond to the demands of the present but also secure a more promising future for the generations to come.

IN SPOTLIGHT

Make happy, healthy and affordable housing asks former vice president to NAREDCO

Former Vice President M Venkaiah Naidu urged the hosts of real estate and infrastructure developers to prioritise creating happy, healthy, and affordable housing while retaining superb architectural elements for the satisfaction and sustainability of the housing sector. He made these remarks during the recently held inauguration of NAREDCO's Silver Jubilee 25th Foundation Day conference in Hyderabad.

While inaugurating the event,

Naidu also appealed to realty and infrastructure developers to ensure the provision of adequate air, sunlight, and water availability in all housing projects. This, he emphasised, would enable residents to live in these housing units without any grievances and spend their time happily.

The former vice president underscored in his address that the real estate and infrastructure sectors are so crucial for the country's growth that they must be built upon a foundation of happy, affordable, and healthy housing. He stressed that without meeting these fundamental housing needs, the expansion and development of the real estate and infrastructure sectors will not achieve their intended purpose.

Also present in the event, Vemula Prashanth Reddy, the minister of roads, building and legislative affairs & housing for the Government of Telangana, encouraged investors not only to invest in real estate and infrastructure in Hyderabad and throughout the

state of Telangana but also in irrigation and agriculture. He assured that the government would provide all necessary clearances for such projects within 21 days.

In his presidential address, Rajan Bandelkar, president of NAREDCO, expressed confidence that the contribution of the real estate and infrastructure sector to the national GDP would significantly increase in the next few years, surpassing the current 7%, owing to its potential. Bandelkar also expressed hope that government policies, including those of the central government, would proactively support the growth of the real estate and infrastructure sectors.

NAREDCO's vice chairman, Niranjan Hiranandani, who also addressed the gathering, urged all stakeholders, including government, private and public sectors, to work together to achieve the target of zero unemployment and foster exponential growth in the real estate and housing sectors.

India's warehousing supply to cross 500 million sq.ft. by 2026: JLL report

The cumulative Grade A and B supply in India's warehousing and industrial sector is expected to reach 516 million. sq.ft. by 2026, finds JLL's H1 2023 India: Logistics and Industrial State of the Nation report. The report states that India's total supply of leasing stock reached 344 mn. sq.ft. in H1 2023. Around 15 mn. sq.ft. of new stock were added in H1 2023 with the Delhi-NCR, Mumbai and Bengaluru gaining maximum share of the supply.

H1 2023 net absorption or new leases stood at 15 mn. sq.ft. in top eight cities. However, the country's gross absorption, which would include renewals and churnings across top eight cities in H1 2023 marginally declined to 20 mn. sq.ft. from 23 mn. sq.ft. in H1 2022. Mumbai, Pune and

Delhi-NCR were top three locations in terms of demand in H1 2023.

With 43% share in the demand, third-party logistical players dominated the leasing and industrial sector across top eight cities, which is a considerable growth, compared to 35% in H1 2022. FMCG and retail segment accounted for 15% of the leasing pie in H1 2023 against 23% during the same period last year.

Yogesh Shevade, head of logistics & industrial, India, JLL said, "The logistics and industrial sector has shown resilience post pandemic. We expect the logistics and industrial leasing to pick pace in the second half of this year and upward bias on rentals in select markets in the near future."

The leasing in industrial sector witnessed year on year rental growth of 6.5% in H1 2023, touching an India average of ₹23 per sq.ft. per month for Grade A spaces. Pune, Chennai, and Bengaluru led the average rental growth in Grade A leasing stocks.



Realtors' Forum

How significant role the upcoming inflation data will play in determining the outlook for interest rates and liquidity in the real estate sector? Here's what industry bigwigs answer...



PRASHANT THAKUR
Regional Director & Head - Research, Anarock Group

"Lower home loan rates will be good for the realty sector, particularly the affordable and mid segment homebuyers who have been reeling under pressure in the last one and half years with the RBI increasing the repo rates by at least 250 bps in this period. This has caused the affordable homebuyers to pay almost 20% more EMIs over the last two years."



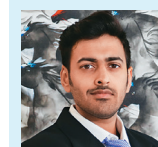
AMIT JAIN
CMD, Arkade Group

"Data on inflation is a vital sign of the stability and health of the economy. Increased inflation might raise worries about the fall in buying power and unpredictability in the economy. In the real estate sector, factors including loan rates, liquidity, and property valuations will be highly impacted by inflation."



AKASH PHARANDE
MD, Pharanade Spaces

"The RBI's repo rate is guided by inflationary trends, and is one of its most potent means to counter it. As such, high inflation will cause repo rates to rise, which will in turn impact banks' lending rates to home loan borrowers. Reduced affordability leads to reduced ability to purchase homes, leading to constrained liquidity within the realty ecosystem."



MAZHAR SYED
Director, AsmitA India Realty

"India's economy is experiencing inflation, affecting all asset types, including real estate. Real estate has shown to be a safe investment even during inflationary periods, and we expect liquidity conditions to relax further in FY24 amid robust real estate demand. Investors should purchase real estate for the long term rather than flipping it for a quick profit."