



**ASSET**

*Responsibly Yours*

# REaVIEW

a monthly realty news digest

Dear Readers,

REaVIEW is a monthly news digest bringing to our clients and well-wishers news updates on major developments in the realty industry. The periodical will keep the readers updated on the significant changes and trends affecting real estate development within the country as well as globally, thus helping them in taking informed and calculated investment decisions.

Responsibly yours,

Sunil Kumar V  
Managing Director  
Asset Homes

## REAL ESTATE SECOND PREFERRED OPTION FOR HNIs



Investment in the times of COVID-19 has become difficult. However, High net-worth individuals (HNIs) even in these times are betting on real estate, the oldest investment avenue for the investor segment. In fact, HNIs prefer real estate the most after equities, showed a report by JLL.

With increasing net worth of HNIs, the investment in real estate is also rising. India's HNI population is expected to double from 1,60,600 in FY16-17 to 3,30,400 in FY21-22.

HNIs prefer this sector because of its tangible nature, stable income, steady returns and collateral value. More than residential areas, the office spaces have gained traction among HNIs over the last decade, said the report.

Strata office market worth ~Rs 2.26 lakh crore (USD 30 billion) provides huge investment options for HNIs. The report expressed that the office segment is expected to witness new trends and emerge refreshed, once the current pandemic is behind us. Attractive investment opportunities in the strata office space, which is estimated to be ~180 mn sq ft and is valued at ~Rs 2.26 lakh crore.

Investments in various segments of real estate are reflective of the return potential from each segment. Residential real estate, which once occupied the highest share, has given way to commercial office space and warehousing on the back of robust growth over the years.

<https://realtyplusmag.com/real-estate-second-preferred-option-for-hnis/>

continued to page 02



# SHIFT OF INDUSTRIES FROM GLOBALISATION TO LOCALISATION

**Jinal Palkhiwala, Director – Inmobel Doors, Insight (Architects | Interiors | Modulars)**

The occurrence of the pandemic has definitely changed a lot in every market both for suppliers and consumers. An abnormal wave of issues in terms of import, export, resources, etc. has coaxed industries to adapt to their immediate surroundings more than ever.

In regard to that, I strongly believe that there has been a gradual shift of industries from globalisation to localisation. Amidst the pandemic import of raw materials, machinery and even finishing products such as steel and door frames has been put to a standstill. Resources have become harder to obtain via import and hence markets are shifting their dependencies from global to local. Chaotic logistics and limited availability became key to making a stronger local system in a short period of time.

Not only this, a lot of people, companies and even countries have detached themselves from the Chinese market. The Indian government has taken drastic measures to increase India's independence in almost every market. Both upcoming and existing businesses have been given innumerable incentives to boost their individual and market economy. Make in India especially has taken a very positive toll on the moral of manufacturers and especially local businesses that faced massive competition from cheap imported products.

Over the past few months, masses have also found an emotional disconnect towards China through this episode which fuelled the process of localisation. Indignity would also help resolve a lot of local availability and dependency problems. If the market can keep up with the momentum for a longer period of time a lot of issues can be easily ruled out.

Builders have started showing drastic inclination towards getting raw materials like stone or steel from nearby areas to assist

“green building”. Essentially, green building reduces the carbon footprint along with the costs, leading to a more successful project for the company as well as the market. In addition, given the restricted movement of goods and people for another year, to say the least, clients have been eyeing Indian (local) designers more. I foresee this graph going upwards in the near and later future because we have an inordinate talent pool.

As aforementioned, China had been a huge supplier of products to our country which is now reducing, hence, clients will also tend to focus on more products that have been locally manufactured. India also has the potential to thrive under the global intention to boycott Chinese goods. It has a lot to offer to every market going from exports to being a manufacturing hub for multinational companies.

Going local will allow us to showcase a promising future to both our regional and global market. My only concern in terms of manufacturers bringing in locally manufactured building products is not being able to meet the demand. Furniture as a finishing product was largely imported from various countries especially China because it proved to be inexpensive.

Make in India is now unveiling the true potential of this industry in a local sense. However, in the short run, lack of technology in terms of machinery, systems and otherwise can really put us a step backward as we try to produce the quantum required.

While a lot of industries are heavily equipped to come to fruition, there are quite a few others where the impact of going local will be jarring. The technology and infrastructure required, that each sector desires, will take a certain amount of time to get to pace but soon systems and processes will be streamlined. All in all, everyone is doing their bit to overcome this situation which will eventually make the country prone to being stronger locally.

<https://realtyplusmag.com/shift-of-industries-from-globalisation-to-localisation/#prettyPhoto>

Prepared by



Responsibly Yours

Follow Us :

