



Friday, April 11, 2008

The B School-Realty industry nexus

There is an increasing number of B-School graduates opting to make a fruitful career in the Real Estate industry that is slowly but surely becoming more organised. Bindu Gopal Rao describes the trend.



There is a slow but sure trend in the real estate market. Before you let your imagination run wild, its not to do with the 'now-up', 'now-down' prices, but the fact that there is an increasingly large number of B-School graduates opting for jobs in the Industry.

The fast growth of the real estate industry has led to huge employment opportunities for skilled professionals, and as a result, more and more graduates from leading educational institutions are taking to this industry.

According to employment agencies and recruitment executives, the real estate sector is moving towards becoming more organised, and top-notch real estate companies are focussing on becoming more professional and transparent. Student aspirants looking at a career in real estate are appointed across various horizontal in leading real estate/urban infrastructure firms. They could range from analytics, planning and acquisitions — to project management and marketing.

With the entry of MNCs, the industry is seeing an upswing. Sample this. In the academic year 2007, of the 418 students who have graduated out of ISB, 45 students have opted for a career in real estate, which is more than 10 percent of the batch size! Says V K Menon, Director, Career Advancement Services, ISB, companies like TSI, QVC Realty and Macquarie JLL are employing and taking in lot of B-School graduates.

Says Prakash Gurbaxani, CEO, QVC Realty, "We have about 20 percent of its workforce from B schools — it is an increasing trend and B school grads are a sought-after set of resources for all areas of real estate. In India, today, companies offer opportunities for faster growth in a shorter time as the industry is on the verge of getting professionally organised. A fresh B-School graduate will have opportunities with Strategy & Acquisition, Design & Construction (if they have the relevant background, ie, civil engineering or architecture), and areas like Sales and Marketing, Finance, Human Resources."

Laying the foundation

In India, schools like ISB are beginning to follow the global trend (B-schools like Wharton, for instance), and offer Real Estate as a major. B-Schools today are laying special emphasis on real estate in their curriculum. "In ISB, we have a specified curriculum, which is part of the course wherein we bring leading practitioners from DLF, TSI — individuals who are at the top level or heading the company. These professionals conduct a set number of classes on a particular subject, thus imparting valuable practical knowledge, along with theoretical aspects of the subject," says Menon. In fact, ISB, among several industry focussed campus clubs, has a club specific to real estate and urban infrastructure. The club has about 80 members and conducts regular knowledge driven activities that keep them updated on the sector. ISB also has a full credit course on 'Real Estate Finance' and another full credit

course on 'Real Estate Industry Overview', taken in partnership with DLF, Jones Lang Lassalle Meghraj, KPMG, TSI Ventures and Walton Street Capital.

Adds Saurav Mukerji, Chairperson, Placement - IIM Bangalore, "Some of the IIM-B PhD students work for the Sobha Group as analysts/researchers." The IIMs also seem to be picking up interest in this sector. Two years back, this sector was not even considered by any of the students as a career choice. Now there is a small section of students who hope to make a career in this sector. The real estate club formed earlier this year at IIMA is probably a sure sign of things to come. According to Jaisooraj Nambiar ISB, 2007 DGM (Corp. Strategy) at Maytas Infra, " There is definitely more awareness and interest about the opportunities that this industry can provide a B-school student. The potential of the industry and its contribution to India's GDP is well understood. There is high excitement when it comes to real estate private equity players, international property consultants (IPCs) and top-end property developers." With GDP growth rates pegged between 8-9%, infrastructure and real estate are going to play crucial roles in this growth story.

Edge over the rest

Chandrashekar Hariharan, CEO, BCIL, (an alternate technology enterprise dedicated to urban eco-habitats creation), says "What makes the difference is their mental discipline, energy and focus; ability to discern figures from numbers; respect for systems and procedures." This obviously means these graduates have an edge over others. MARG has hired over 20 B-School graduates engaged in verticals like Port & Logistics, Industrial Clusters, Commercial Infrastructure and Housing. Says G R K Reddy, Chairman & Managing Director, MARG Ltd., "Beyond business graduates, the real estate and infrastructure industry requires a large talent pool of engineers, technical specialists with the competencies of general management skills and more importantly 'thinkers' to drive innovative ideas on project structuring and project financing models." A Balakrishna Hegde, Managing Director, Chartered Housing, agrees and says, "B School Graduates can effectively function in most areas of business such as Finance, Administration, and Marketing, etc. The entire orientation for students in B School is different from other colleges. Students in B School are exposed not only to the subjects per se but are also made to engage themselves in group studies, case studies and made to work in project sites."

Supply- demand

The Industry has seen tremendous international interest, post liberalisation of FDI norms in 2005 because of which it is changing very fast. The supply-demand disconnect is fast disappearing, there is a change in the competitive landscape and the industry is now attracting B-School talent who see immense growth opportunity for themselves in this sector. Says Sushil Mohta, Managing Director, Merlin Projects Limited, "Major activities involved include acquiring of land and understanding the laws related to properties. Planning of the project requires interaction with the architects and carrying out a market research for various products, which will help in planning and marketing, financing, accounting and taxation. For B-school graduates, it will be much easier to understand the various fundamentals of industry requirements of the real estate sector. The commercial aptitude of the person should be good and he also needs to have flair for good marketing and understanding of various laws."

Real Estate has only recently begun to be regarded as a career option. The sector has proved to be a well paying line with immense professional growth potential that also has an advantage of having perpetual demand — be it residential, commercial, retail, hospitality,

infrastructure — there can never be a zero demand scenario for this product and related services. Explains Sanjay Dutt, Joint Managing Director, India, Cushman & Wakefield, “Consultancy, Development, Banking, Finance or Capital Markets, Corporate Occupiers and Asset Managers are some broad heads under which various sub sectors or segments fall. Project Management and Development, & Property and Facilities Management, is probably the most labour intensive.”

According to Ali Vakil, Director, Vakil Housing, “The real estate industry has become more mature over the last several years. Along with the maturity, comes professionalism so there is certainly a lot more scope for graduates. The demand for more quality from the consumer, is also driving the need for real estate companies to hire B-School graduates.” Arindham Lahiri, Director, Career Launch, says “From swanky malls and corporate offices, to high-tech townships, to complete education campuses — are all the work of real estate companies.

Their acceptance as providers of decent housing facilities is also quite visible. Switch on an FM channel and you will not fail to notice the number of real estate ads, with promises of luxurious living and safe investments.”

According to Sushil Vats of ANS Constructions, “New companies are coming in and playing the game professionally. Foreign investment is also coming in. With that, accountability is coming in.” Some quick statistics are that the nation is facing a shortfall of 20 million homes. India needs 125 airports to handle 60 million passengers by 2012. Ports capable of handling capacity of over 510 million tonnes are required urgently. The country needs to add 7 km of road everyday, at an investment of Rs 27 crores per day. These mind-boggling requirements and investment present an exciting career opportunity for high-energy individuals willing to create financial value for themselves and build social and national value.