

Realty rides the snob wave



BY PRAKASH GURBAXANI

The early nineties witnessed some key developments in India, the far reaching effects of which are still being felt. While the growth of the IT sector, the boom in retail, the build-up of infrastructure and some of the other key indices which define national growth have been oft repeated, what really made the difference was the liberalisation of the economy. The inflow of foreign investments was perhaps one of the key growth drivers in a cash-strapped economy.

Real estate, has flourished rapidly, propelled by strong demand drivers and transformations such as liberalisation of FDI norms, increasing transparency and professionalism, improved product quality and service standards etc.

Rapid commercial development has propelled growth in the residen-

tial sector in recent times. The rise in middle class and favourable demographics are further adding to this demand. And people want to buy homes early. Unlike the older days, a significant percentage of property buyers today are in their late 20s or early 30s.

A gated community is a form of residential community with controlled entrances for pedestrians and automobiles, and generally characterised by a closed perimeter of walls and fences. In addition to providing convenience this housing pattern fosters community living and encourage interaction between inhabitants.

The demand drivers for these gated communities are over-crowding in cities, faltering social and physical infrastructure in cities, changing mindsets/improving lifestyles, 'Work & Stay' concept, need for planned development of cities, economies of scale etc. Buyers are expressing a preference for gated communities in most of the world.

These communities also open up better opportunities for investment for NRIs. These can be their second homes/ retreat in India. At the same time it also becomes a better and safer option for leasing out due to the professional facility management services available in these communities.

Due to the changing preferences of the customers and expected higher demand for such homes, these communities are fast becoming a popular option for investment.

The writer is Chairman and Managing Director of QVC Realty