



## Kolkata witnesses all-inclusive growth

The real estate market of Kolkata has perceived substantial momentum so far in 2018. The market's growth dynamics has been primarily triggered by prompt infrastructural development and progressive governmental policies in place. The growth is all inclusive.

### RESIDENTIAL MARKET

The residential market has been specifically nurtured by the wave of 'Housing for All' initiative, CLSS (Credit Linked Subsidy Scheme) on home loans under PMAY (Pradhan Mantri Awas Yojna) and reduction of GST rates on affordable housing. Other decisive catalysts are metro rail expansion, flyover development, calibration of thoroughfares and enhancement of urban aesthetics.

### COMMERCIAL MARKET

The commercial market also sprouted green shoots of growth. There has been sustained demand from large corporates as well as start-ups to establish their operational bases here. Technology giants Infosys and Genpact have already declared their massive expansion plans here in the first quarter of 2018. The State Government is further emphasizing on the development of fin-tech hub and IT parks to nudge the overall business sentiments.

### RETAIL MARKET

Urbanization, mass scale consumerism, rising disposable income, brand consciousness, rising online consumption and emergence of the 'uber' middle class have triggered the growth of organized and classy retailing in and around the city.

### WAREHOUSING

The warehouse industry of Kolkata in the current scenario can be also contemplated as a sunshine industry backed by recent implementation of GST and the city's strategic positioning. While GST implementation has given seamless cross-boundary distribution advantage, Kolkata's highly favorable location has enticed the development of dedicated freight and industrial corridors.



## Institutional funding to lure affordable housing

Easy access to institutional funding and higher limit on external commercial borrowings (ECB) are going to attract more investments thereby assuring sustained growth of affordable housing in India. Among various forms of institutional funding, FDI (Foreign Direct Investments), FII (Foreign Institutional Investments) and PE (Private Equity) investments will play a predominant role in enhancing the housing supply and infrastructure projects in the urban areas.

Long term financing at lower interest rates will also reduce the construction costs for the developers allowing them to pass on the benefits to the end-users. Simplification of external commercial borrowing (ECB) guidelines has opened a new window of funding for housing finance companies in India, increasing the prospects of a fresh round of overseas borrowings. The emphasis is majorly on affordable housing and integrated townships built under PPP models.

## All time low home loan interest rates : Driving buyers!

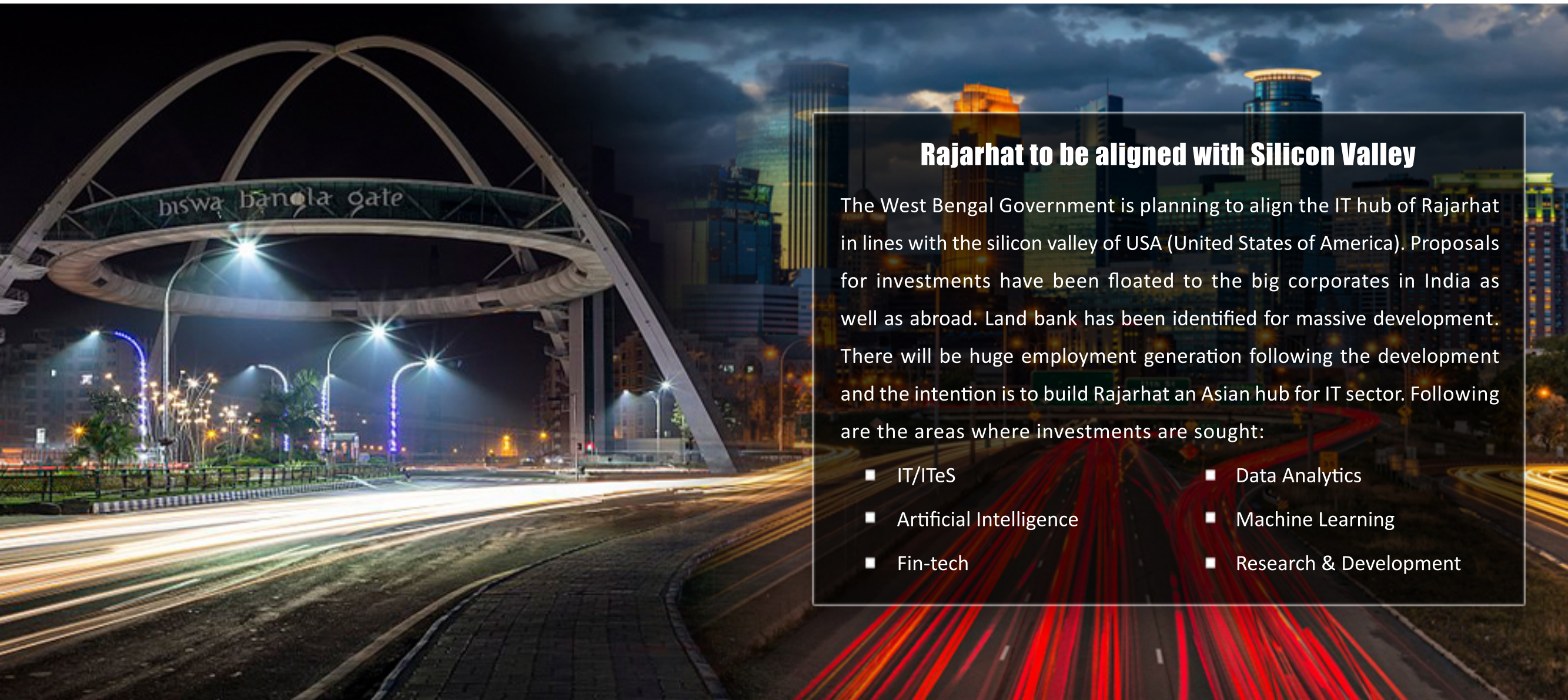
Interest rates on home loans play a crucial role in maneuvering the purchasing decisions of the consumers. In a desperate attempt to provide housing for all, the Government of India in the past two years had reduced the interest rates on home loans drastically. So much so, the interest rate in the current scenario is all time low in the past one decade.

The RBI (Reserve Bank of India) has been consistent in reducing the Repo Rates in the past two years which has helped in softening the interest rates primarily. From a level of 11% in the year 2015, the current home loan interest rate is 8.35%. Along with that, push to affordable housing, credit linked subsidy under PMAY (Pradhan Mantri Awas Yojna) has further reduced the burden of interest rates on home loans. The middle class end-users have tapped this opportunity and leaving no stone unturned in materializing their dream home by availing home loans.

The inventories in the market are neutralized presently. There is hardly any room for price corrections. At this juncture, with home loan rates being all time low, it is the best time for the fence sitters to make their purchasing decisions.







### Rajarhat to be aligned with Silicon Valley

The West Bengal Government is planning to align the IT hub of Rajarhat in lines with the silicon valley of USA (United States of America). Proposals for investments have been floated to the big corporates in India as well as abroad. Land bank has been identified for massive development. There will be huge employment generation following the development and the intention is to build Rajarhat an Asian hub for IT sector. Following are the areas where investments are sought:

- IT/ITeS
- Artificial Intelligence
- Fin-tech
- Data Analytics
- Machine Learning
- Research & Development

### Millenial Buyers trigger the market growth

Millenials, the informed tech savvy youth within the age bracket of 25 to 35 years, are triggering the residential market growth significantly. Transparency, legitimacy and stability in the market, backed by technology, are driving the millenials to make informed decisions. These young people prefer filtering their purchases by definite, computer-accurate categories and are taking parameters like delivery timelines and quality seriously as opposed to the yester-year buyers who mostly understood value for money.

The market's growth dynamics are already propelled by schemes like CLSS (Credit Linked Subsidy Scheme) under PMAY(PradhanMantriAwasYojna) for first time home buyers. The millenials with high disposable incomes are tapping this opportunity and leaving no stone un-turned in buying permanent homes for themselves, which are a symbol of social status and stability. Their confidence is also being boosted by the implementation of RERA as they know that they will have further security for their investments in property.



### Housing complexes to treat their own waste

To ensure zero garbage disposals from high rises in and around Kolkata, the revised national Solid Waste Management Rules have made it compulsory for the housing complexes with an area of more than 5,000 square meters to treat their own solid wastes. The housing complexes must install compost machines on their premises to treat the solid waste generated by residents. The dependency on the local municipal bodies will be reduced to the core.

The compost machines will have to be installed by the developers of the projects and then it will be handed over to residents' body for maintenance and upkeep. This is a good move to impregnate sustainability and robust solution to reduce the city's growing wastes.

