

OVERVIEW OF THE INDIAN REAL - ESTATE

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ABSTRACT

This research paper presents a pioneering exploration of sustainability in the Indian real estate sector through the innovative 4E Model: Economy, Environment, Equity, and Execution. In navigating the dynamic landscape of the industry, the paper delves into the multifaceted challenges and opportunities that shape its trajectory. The 4E Model serves as a holistic framework, offering a nuanced understanding of the interplay between economic dynamics, environmental responsibilities, social equity, and effective governance. The introduction sets the stage for a transformative journey, emphasizing the groundbreaking nature of the 4E Model in decoding the complexities of India's real estate sector. The conclusion reflects on the intricate navigation of this dynamic landscape, portraying the 4E Model as a guiding beacon towards a future where sustainability harmonizes with economic vitality, environmental stewardship, social inclusivity, and governance efficacy.

Keywords: 4E Model, Economy, Environment, Equity, Execution, Environmental Stewardship.

Introduction

In the dynamic landscape of the Indian real estate sector, the pursuit of sustainability has emerged as a critical imperative, influencing the economic, environmental, and social facets of property development. This research paper endeavours to delve into the sustainability paradigm through the lens of a comprehensive framework, The 4E Model. This model, encompassing Environment: in which study some of green practices and methods for the efficient use of energy," Economy; the financial aspects and market trends", Equity, it elaborates the affordability and social sustainability of Indian real estate and Execution which describes the most important of policies and governmental interventions in the estate industry hence it serves as a holistic guide to evaluating and enhancing the sustainability of real estate in India. In the diverse spectrum of the definitions of real estate we will only consider residential and commercial (office/retail) space into it.

The Financial Aspects & Market Trends in India; The Economy (E1)

India's real estate market is gaining momentum, specially after pandemic the industry has shown exaggerating numbers and so its becomes necessary to delve deep into it foreseeing what are the implications that the rising real estate industry poses on the Masses? Thus, in this section, we embark on a journey into the fiscal heart of the real estate landscape, where the ebb and flow of capital meet the nuanced patterns of market trends. As we unfurl this chapter, the aim is to reveal not only the current financial health of the sector but also prognosticating the future trajectories that will shape the destiny of India's real estate market.

According to knight research survey sale in the inr<5mn has decreased from 45% in 2020 to 42% in 2022.conversely in same period sale of 5mn-10mn and >10 mn ticket-size categories grew from 35% to 37% and 20% to 21% respectively. (All figures in INR)

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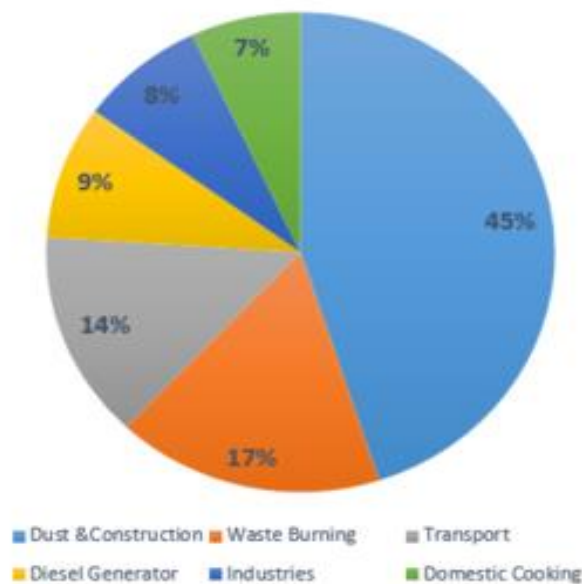
The All-India house price index rose by 4.56% in Q1 2023 from a year earlier, following y-o-y increases of 2.79% in Q4 2022, 4.52% in Q3, 3.45% in Q2, and 1.8% in Q1, according to figures released by The National Housing Bank (NHB), the country's central bank.

The same goes as well with the no of units launches VS no of unit sales with the former receding the latter. Thus we can easily figure out with the reference from the above data that at a macro-level the demand for private ownership of real estate for asset class has been continuous and increasing steadily from the past few years. this growth is due to several factors including *increase in per-capita income*, viewing property as an asset rather just a "temporary need" and the rise capitalism. This rise in demand in the industry continues to trigger inflation and increases the price in multiple folds and at micro level the the rising consumer preference into mid and luxury segments worsens up the situation as excessive debts, without the increase in national income burdens the economy and lead to financial instability and inflation.

Green Building Practices and Energy Efficiency; Environment (E2)

The Indian real estate industry accounts for one of the major polluting industries in the Indian market according to an article in India times nearly 3.1 million trees were cut-OFF IN 2020-21 for the public infrastructure projects which means putting ignoring the opportunity cost 372000 tonnes of oxygen, the list doesn't stop at air pollution but According to centre for **science and environment analysis;** "India manages to recover and recycle only about 1 per cent of its construction and demolition (C&D) waste, says new CSE analysis Official estimates say India generates 150 million tonnes of C&D waste annually; unofficial estimates put the number at three-five times more. According to the Press Information Bureau, India generates 62 million tonnes of waste (mixed waste containing both recyclable and non-recyclable waste) every year, with an average annual growth rate of 4% (PIB 2016).

Sources of Air Pollution



Source: Wikipedia

Thus it becomes very eminent for the country to look over and reconsider it's Regulations and Policies(which is discussed as E4 below).

In order to improve several steps can be taken – First, there should be an emphasis on proper waste segregation through proper channels of technology such as RFID Technology, energy from waste and composting plants by providing capital to waste management start-ups (karo Sambhav, Waste ventures India, I got garbage scwachiffy), by involving international firms and relevant stakeholders.

By channelling capital into initiatives like these, we not only invest in the present but also sow the seeds for a greener, more resilient tomorrow. Through these concerted efforts, we pave the way for a harmonious coexistence with our planet, ensuring that progress aligns with environmental stewardship.

Affordability & Sustainability; Equity (E3)

In the dynamic landscape of India's real estate, a sense of optimism resonates amidst the challenges, particularly when addressing the critical facets of affordability and social sustainability. As the nation undergoes rapid urbanization, there is a palpable commitment to transforming the housing paradigm into one that is not only economically viable but socially enriching. The narrative shifts towards fostering an environment where sustainable and affordable housing becomes an achievable reality for a diverse spectrum of the population. In the midst of urban aspirations, policies are evolving to bridge the affordability gap, emphasizing inclusivity and accessibility.

Better affordability is one of the major reasons for the increasing demand in real estate industry in India this accounts for both psychological and economical shift at an individual level formerly, as every poor family is provided home by the government of India under schemes such as PRADHAN MANTRI AWAAS YOGNA(PMAY)-R&U, lower and middle income groups are also able to buy a home due to lower interest rates while the upper middle and the affluent class still make-up to increase the demand for the industry. The same trend follows through the office space also (data given above) .



Source: Housing Development Finance Corporation Data for Property Affordability

Government Regulations & Policy Considerations; Execution (E4)

AS, Governmental intervention and effective policy-making are vital in the real estate sector. Regulations ensure the safety and quality of buildings, fostering public trust. Policies addressing housing affordability and sustainability promote inclusive growth. Government initiatives in infrastructure development enhance the overall real estate landscape. Legal frameworks guide property transactions, providing a secure environment for investments. Environmental regulations influence green building practices, promoting eco-friendly developments. Economic policies impact interest rates and mortgage availability, influencing property demand. Crisis management policies are crucial for handling real estate challenges during economic downturns or natural disasters. Government support for urban planning and smart city initiatives shapes the future of real estate development. Overall, governmental intervention is integral to balancing economic interests, social equity, and environmental sustainability in the real estate sector. Hence as in case of India it has both positives and negatives and so it becomes necessary to propose some solutions to some dark-side problems which could compounds a disaster in the future .Some Surface-level solutions like governmental interventions to protect consumer from the both at retail and at brokerage level, and also introducing price ceilings. (this power TO decide the land rate should be concentrated to the central government), apart from this DLC rates being publicised by the municipal cooperation rather it should conduct regular due diligence on the real estate companies in other words there should be more transparency between the promoters and the buyers rather than between governing body and the buyer. Next, Under the ticket price of say, 50 lakhs the government can also provide its citizen an analysis about the options which are better suited to individual customer which is

based out of customer needs including his/her economic circumstances and , further based out of the points incurred by the best company in that particular space. This will not only help the buyer to select the best seller but also motivate the promoters to be ethical and follow government guidelines, In the long-run this can be a drastic step towards better selection of property by individuals and firms and simultaneously increase transparency between them. This could be the best method to tap the trust that people have on government.

It is important to have literacy among people & to have some basic knowledge about things to be considered while purchasing a property. Running campaigns and advertisements indicating talking about when, how and where to buy a property,(in other words a basic consultancy at a large scale) would be beneficial for the society and have the potentiality to reduce property inflation, disproportionate demand-supply ,rising interest rates all at once.

Conclusion

Having intricately navigated the dynamic expanse of India's real estate sector, this research paper unveils a transformative narrative rooted in the pioneering 4E Model: Economy, Environment, Equity, and Execution. This comprehensive framework not only dissects the challenges but also unravels the rich tapestry of opportunities defining the trajectory of real estate in India. The holistic approach advocated by the 4E Model propels the sector towards a future where sustainability seamlessly intertwines with economic vitality, environmental stewardship, social inclusivity, and effective governance. As we conclude, the 4E Model stands not just as a guide but as a beacon illuminating the path to a resilient, sustainable, and thriving real estate landscape in India.

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