



# INTEGROW INSIDER

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## PEOPLE OF REAL ESTATE: Harshul Savla's Journey Through the Real Estate World

–By Team Integrow

Harshul Savla's journey through the Real Estate industry is a story of perseverance, adaptability, and a deep-rooted understanding of the sector's intricacies. Coming from a family of entrepreneurs, Savla's exposure to various business ventures early on, set the stage for his eventual foray into Real Estate. His journey is marked by both challenging periods and insightful observations, offering valuable lessons for those entering the field today.

### Early Influences

Savla's family background in business, spanning industries such as manufacturing and Real Estate, played a pivotal role in shaping his entrepreneurial spirit. After graduating from Business School, Savla ventured into the corporate world, interning at Citibank and working at JLL for two years. It was during his stint at JLL that he realized Real Estate was his true calling, as he gained exposure to the organized side of the industry.

"The organized side of Real Estate I saw at JLL gave me a glimpse of how Real Estate could evolve," Savla shares. "It was an eye-opening experience that guided my decision to join the family business in Real Estate."

### Navigating Through Challenging Times

Savla joined the family business in 2014, during a period he describes as "fence sitting." The market was characterized by indecision, slow transactions, and a lack of fluidity. This phase extended up until the pandemic, testing Savla's patience and resolve. "That period felt like a PhD in Real Estate," Savla reflects. "It was a test of patience and survival skills. Many couldn't complete the course, but those who persevered emerged stronger and more grounded."

Despite the challenging environment, Savla considers this period a blessing in disguise. It provided him with a solid foundation and survival skills that would prove invaluable during subsequent boom periods. He also emphasizes the resilience of the Real Estate sector in the face of adversity. "You don't see six lakh crores getting lost," Savla points out. "Force majeure events, like the pandemic, actually became a boon for the sector, adversity does really well for Asset Classes of gold and Real Estate"

### The Decade of India

Savla is optimistic about the "Decade of India", a period of substantial growth and transformation in the Real Estate sector. As the country undergoes economic expansion and infrastructural development, Savla sees opportunities for investors and developers to leverage India's demographic dividend and strategic market positioning.

He stresses the importance of understanding diverse asset classes like warehouses, office spaces, retail spaces, data centers, and REITs (Real Estate investment trusts). Real estate literacy is crucial for guiding investment decisions and ensuring successful outcomes.



"Real estate literacy is essential but often missing in individuals" Savla explains. Savla believes the next decade offers India a chance to become a major player in the global Real Estate market. His insights offer a roadmap for navigating this exciting period and maximizing the country's potential for growth and development.

### Survival Tips and Strategies for Real Estate Developers

Savla offers several survival tips for those entering the Real Estate field today, emphasizing the importance of financial stability, understanding micro markets, and choosing the right partners. He advises:

- **Financial Stability:** "Do lesser work but ensure financial closure in whatever you do," Savla suggests. "It's crucial to have a solid financial foundation for each project to take it towards maturity"
- **Understanding Micro Markets:** "Real estate is a micro market business. Your reading of the market dictates your product's success, tailor your projects accordingly"
- **Choosing the Right Partners:** Savla stresses the importance of carefully selecting partners. "A wrong partner can mess up all the other aspects of your business. Choose wisely and aim for clear, dispute-free deals."
- **Succession Planning:** He also highlights the need for a clear succession plan, saying, "Try going out for a month and see if your business can still function without you. If not, you need to set up a plan B."

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# Harshul Savla's Journey Through the Real Estate World

## Real Estate in the Modern Age

Savla is well aware of the challenges and opportunities presented by the modern real estate landscape. He emphasizes the importance of brand management in the age of social media and the need for alternate cash flow plans."Today, brands can be built and destroyed in a matter of days. Managing social media presence is crucial," he explains. "Additionally, having alternate cash flow plans can help manage cash flows more effectively and ensure business continuity."

Savla also underlines the importance of real estate literacy, noting that it is essential for individuals to understand the different facets of real estate investment, such as warehouse spaces, office spaces, retail spaces, data centers, and REITs (real estate investment trusts). "Real estate literacy is something very essential and missing," he adds. "This lack of literacy is what creates the issues we see in the sector."

## Advice for Newcomers

For newcomers in real estate, Savla's advice is clear: prioritize cash flow management. "Cash flow is the real lifeline," he says. Maintaining solid cash flow helps manage project financing and prevent undervaluation due to the temptation to sell at a discount.

Savla's journey demonstrates that real estate is an industry of cycles, where success depends on resilience, adaptability, and strategic decision-making. His story serves as a valuable guide for aspiring real estate professionals looking to navigate the dynamic landscape of the industry. Through his dedication and adaptability, Savla exemplifies the essence of the people who make real estate the dynamic field it is today.

# Real Asset? Real Easy: Debunking myths of real estate investment

By Varun Poddar – Marketing Analyst, Integrow

The world of real estate investing can seem intimidating. Complex terminology, large sums of money, and tales of both great success and epic failure might make you hesitant to explore this asset class. However, real estate doesn't have to be complicated. Let's break down some myths and show you why real estate investing might be surprisingly accessible.

### Myth 1: "I Need a Ton of Money to Get Started"

While direct ownership of a large property does require significant capital, there are plenty of entry points with lower barriers:

- **REITs (Real Estate Investment Trusts):** These publicly-traded securities let you invest in a variety of properties with small amounts of money, just like buying stocks.
- **Fractional Ownership:** Platforms now allow you to become a co-owner of a property for a fraction of the usual purchase price.



- **AIFs (Alternative Investment Funds):** These professionally-managed funds pool investor money for real estate projects, offering diversification and hands-off management.

### Myth 2: "Being a Landlord is a Nightmare"

The idea of dealing with tenants, repairs, and late-night emergencies scares many away from rentals. However, consider these options:

- **Property Management Companies:** They handle the day-to-day headaches for a fee, letting you enjoy passive income.
- **Turnkey Properties:** These pre-renovated rentals often come with tenants in place and even a management team included as part of the purchase.
- **Lease Options:** Explore rent-to-own structures to minimize immediate landlord responsibilities while retaining ownership benefits.

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## Realty check

"Private equity focus in Indian real estate has adjusted without losing steam. Although overall investment saw a slight dip in FY 2023-24, rising interest from Asian investors (15% in 2019-20 to 47% in 2021-23) and increased transaction volumes point to market strength. The office sector remains dominant, with industrial and warehousing gaining significant ground."



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# Real Asset? Real Easy

## Myth 3: "Real Estate is Too Risky"

Every investment carries risk, but real estate is often seen as riskier than it truly is. Here's why:

- **Tangible Asset:** Unlike stocks, you own something physical with inherent value – land and a structure.
- **Less Volatility:** Real estate markets generally aren't as prone to wild swings as the stock market, offering some stability.
- **Multiple Income Streams:** Rental income, property appreciation, and potential tax benefits contribute to overall returns, spreading your risk.

## The Real Deal

Real estate investing takes effort – research, due diligence, and a long-term perspective. But it doesn't have to be reserved for seasoned millionaires. With smart strategies and the right resources, real estate can become a powerful wealth-building tool for a wide range of investors.

Real estate investing might be easier than you think, opening doors to passive income, long-term appreciation, and a diversified portfolio.



# Economic overview Safeguarding Wealth Amidst Inflation

By Vishal Iyer – VP – Treasury And Finance, Integrow



Inflation, a persistent concern within the financial world, challenges investors seeking to preserve and grow their wealth. In India, with the inflation rate falling to 4.85% in March 2024, flexibility becomes paramount. Against this economic backdrop, real estate stands out as a reliable safeguard against inflation's impact – diversification is key.

## Diversification Unveiled:

A strong investment portfolio demands a variety of assets to navigate market fluctuations. Real estate, a tangible asset with a history of resilience, is a smart way to diversify your holdings. Its ability to hold value amidst inflation makes it essential to any well-balanced investment approach.

## Real Estate's Steadfastness

The All-India House Price Index (HPI) reveals an average annual growth rate of approximately 10.1% over the past decade. Historically, real estate returns in India have appreciated with 20-year returns averaging 9%. India's housing inflation rate rose to 5.9% year-on-year in December 2023, signalling continued appreciation in property values. Even with potential challenges like liquidity constraints and project delays, India's real estate market remains robust. Rapid urbanisation, population growth, and increasing GDP per capita fuel positive projections for real estate, with residential sales expected to grow in 2024.

## Investment Options Beyond Direct Ownership

Real estate investment isn't limited to just owning property. Real Estate Investment Trusts (REITs) are a common option, but the financialization of real estate has expanded accessible products like Alternative Investment Funds (AIFs). Category II AIFs, especially, have seen dramatic growth driven by interest from High Net Worth Individuals (HNIs) and Ultra High Net Worth Individuals (UHNIs).

## Success Through Strategic Partnerships

Navigating the real estate investment landscape demands careful planning and guidance. Partnering with experienced investment advisors will tailor insights to your risk tolerance and goals, ensuring your portfolio thrives throughout market shifts.

Including real estate in your investments is a strategic inflation hedge, protecting your wealth and building a strong financial future. Its resilience and inflation-proof returns solidify real estate as a reliable asset in a growing economy, offering a path to lasting financial success. Category II AIFs are projected to maintain growth at 29% over the next 3 years, highlighting the continued potential of real estate as a powerful investment tool against inflation.

Source: INTEGROW RESEARCH.



# Due Diligence In Real Estate Investing

## Why It Matters and How Managed Assets Ease the Burden

By Rudraksh Kumar – Analyst Investment, Integrow

Real estate investing can build wealth and diversify your portfolio, but like any investment, it carries risks. Due diligence is your shield, protecting you from unpleasant surprises and maximizing your chances of success. Let's dive into why it's important and then explore how managed asset services can streamline this process for you.

### Why Due Diligence is Crucial for Your Investments

- Uncovering Hidden Issues:** A seemingly good deal might have costly problems lurking beneath the surface. Thorough due diligence can reveal structural flaws, title disputes, environmental contamination, or unfavorable zoning regulations that derail your investment.
- Verifying Financial Projections:** Sellers naturally present their property in the best light. Careful due diligence cuts through any optimistic forecasts. It analyzes income and expenses, confirming that the property's true cash flow potential aligns with your financial goals.
- Assessing Market Dynamics:** A property exists within its neighborhood and the broader market. In-depth research helps you analyze area trends, demographics, and competition. This ensures the property fits your investment strategy, whether it's immediate rental income or betting on long-term appreciation.

### Key Aspects of Real Estate Due Diligence

- Physical Inspections:** Assess the building's condition, identifying repairs or potential value-add renovations.
- Title & Legal Review:** Verify ownership, check for liens or unresolved disputes.
- Financial Scrutiny:** Analyze income, expenses, lease agreements, and tax implications.
- Market Analysis:** Research the local market, competition, and economic outlook.
- Developer/Manager Assessment (If applicable):** Investigate their track record and financial stability.
- Exit Strategy Review:** Understanding how and when you'll potentially sell the asset is key for maximizing returns.



### The Advantage of Managed Assets: Expertise and Efficiency at Your Service

While indispensable, due diligence is time-consuming and requires specialized knowledge. Experienced real estate asset management companies leverage their expertise to perform this meticulous analysis on your behalf. Their services include:

- In-Depth Property Assessments:** A professional team evaluates physical condition, market value, and aligns it with your investment objectives.
- Financial Forensics:** They dissect financial statements, verifying income streams, and identifying areas to increase profitability.
- Risk Mitigation Strategies:** Thorough due diligence helps foresee potential hurdles and develop proactive plans to safeguard your investment.

### Invest with Confidence

Reputable real estate asset management firms understand successful investing rests on a foundation of solid due diligence. By utilizing managed assets, you not only gain access to premium investment opportunities but also benefit from a rigorous analysis process that minimizes risks and sets your investment up for long-term success.

*Disclaimer: This article is for informational purposes and not professional advice.*

## Preview for the Next Issue – May 2024

### Integrow Insider: Dive Deeper with the Next Issue!

**Market Insights:** Stay ahead of the game with a deep dive into current real estate trends and market movements. Our detailed analysis will provide you with the data and knowledge you need to make informed decisions in today's ever-evolving market.

**Industry Overview:** Gain a comprehensive understanding of the real estate industry as a whole, including emerging trends, key players, and competitive landscapes. Stay updated on what's happening across different sectors and regions.

**Technology in Real Estate:** Discover how technology is revolutionizing the real estate sector. From proptech innovations to digital transformation strategies, we'll explore the tools and trends that are shaping the future of the industry.



**People of Real Estate:** Meet the movers and shakers of the real estate world! We'll highlight influential professionals, their career journeys, and their insights into what it takes to excel in the industry. Be inspired by their success stories and expert advice.

**Legal & Compliance:** Navigating legal and compliance matters is crucial in real estate.