



# INTEGROW INSIDER

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## INDUSTRY INSIGHT

# Real Estate Insights: Growth Opportunities

### -By Team Integrow

The real estate industry continues to be a cornerstone of the global economy. It offers diverse investment opportunities and plays a vital role in shaping our communities. In this month's newsletter, we delve into the current state of the real estate market, exploring its key trends and highlighting the exciting potential it holds.

### Market Dynamics

The real estate market is experiencing exponential growth, fueled by factors like rising urbanization and low-interest rates. According to Statista, the global real estate market is projected to reach a value of USD 637.80 trillion by 2024. This has created a lucrative environment for investors, as risk-adjusted investment strategies can potentially lead to higher returns. For example, a recent study by the National Council of Real Estate Investment Fiduciaries (NCREIF) found that real estate investments can offer average annual returns of 10.3% compared to 9.6% for stocks. Consequently, demand for various real estate asset classes, including residential apartments, commercial office spaces, and even alternative options like industrial warehouses. However, navigating this market still requires a strategic approach due to ongoing challenges like rising material costs and limited land availability.

### Investment Opportunities

Despite the challenges, the real estate market presents a wealth of investment opportunities for individuals and institutions alike. The industry offers a diverse range of options, catering to various risk tolerances. According to a report by Knight Frank, 32% of high-net-worth individuals consider real estate a core asset class in their portfolios. From traditional options like buying rental properties to innovative solutions like real estate crowdfunding, there are avenues for investors to participate. In fact, the global real estate crowdfunding market is expected to reach a value of USD 868.9 billion by 2024, showcasing the growing popularity of these alternative investment options. As Mr. Ramashrya Yadav emphasised, "Real estate offers a tangible asset class with the potential for long-term wealth creation." Real estate investments can provide investors with benefits like stable cash flow, potential for appreciation, and diversification benefits.



### The Future Of Real Estate

The real estate landscape is rapidly transforming, driven by cutting-edge technology and a commitment to sustainability. Smart buildings, AI, and virtual experiences are streamlining operations and enhancing investments. Meanwhile, green practices are setting new standards, ensuring that the spaces we inhabit are not only profitable but also sustainable.

"At Integrow, prioritizing technology enables us to drive alpha and transparency. Our commitment to leveraging advanced tech solutions ensures we provide our clients with superior investment opportunities and clear, reliable data."

As we embrace this new era, real estate stands as a beacon of innovation and long-term value creation. The real estate industry remains a dynamic and rewarding sector. By understanding the current trends and embracing innovation, investors can capitalize on the numerous opportunities it offers.

## MARKET TRENDS



# Mumbai's Growing Residential Market

**Aakash Morakhia, Head Residential Investments, Integrow**

The Indian real estate market is a bustling landscape, and within it, Mumbai's residential sector is experiencing a particularly exciting phase. Here, we delve into the key trends shaping this vibrant market and offer insights for potential homeowners and investors.



### Mumbai on the Rise:

The city's residential market is projected for continued growth in 2024. Fueled by a growing young population and a robust job market, particularly in IT and finance sectors, the demand for quality housing remains strong. This strong demand is reflected in housing prices across MMR, which witnessed a 6% annual rise. Notably, micro-markets like Island City saw a significant surge of 16% year-on-year, followed by Panvel. Navi Mumbai also experienced a 10% annual rise, likely due to the completion of the Mumbai Trans Harbour Link (MTHL) which has improved connectivity.



### Affordability in Focus

While Mumbai has a reputation for premium properties, there's a growing focus on affordability. Government initiatives and developer strategies are making homes more accessible, particularly in upcoming suburbs with well-developed infrastructure. Interestingly, data suggests a shift in buyer preferences within the city. While prices of larger apartments (3-4 BHK) saw a 3-6% YoY rise, prices of smaller 1 BHK units dropped 5% annually. This indicates a continued demand momentum for spacious dwellings, possibly driven by a desire for more comfortable living spaces post-pandemic.



### The Rise of Compact Living:

Space optimization remains a key trend. Modern apartments are designed to maximize functionality, with features like smart storage solutions and flexible living spaces catering to young professionals and smaller families. This focus on compact living aligns well with the potential preference for smaller unit sizes we just discussed.



### Location Matters:

Connectivity remains a top priority for homebuyers. Areas with easy access to metro lines, railway stations, and key business districts are witnessing a surge in demand. Navi Mumbai, Thane, and Thane West are prime examples of such well-connected locations, and their rise in popularity is further supported by the overall 10% price increase witnessed in Navi Mumbai.



### A Look at Rental Yields:

Mumbai boasts some of the highest rental yields in the country, making it an attractive market for investors. Areas like Bandra Kurla Complex (BKC) and Lower Parel offer particularly strong rental yields due to their proximity to business hubs. It's important to note that a significant portion (around 97%) of the total unsold inventory in Mumbai is currently under construction. This suggests that the market is anticipating future demand and actively building new housing units, particularly in the mid-range and affordable segments.



### Beyond the Numbers:

While data paints a positive picture, challenges like rising construction costs and limited land availability persist. However, developers are exploring innovative solutions like prefabricated construction and redevelopment projects to ensure continued growth.

Mumbai's residential market offers a compelling opportunity for both homeowners and investors. The key is to understand your needs and preferences. With careful planning, you can find your ideal space in this dynamic city.

**The Takeaway: Mumbai's residential market offers a diverse range of opportunities for everyone from young professionals seeking their first home to seasoned investors. By staying informed about local trends and leveraging expert advice, you can navigate this dynamic market and make informed decisions.**

## PEOPLE OF REAL ESTATE:

### Navigating the Real Estate Spectrum: Insights for Success with Yomesh Rao

With 28 years of combined experience in civil engineering, law, and real estate, Yomesh Rao embodies expertise and dedication in the industry. Holding a Bachelor's Degree in Civil Engineering and subsequent degrees in Law, including an LLB and LLM in Environmental Law, Yomesh's journey reflects a commitment to both practical knowledge and legal acumen. Currently serving as the Hon. Secretary of PEATA (Practising Engineers, Architects and Town Planners Association) and the Chairman of CVSRTA, Yomesh is deeply ingrained in the professional community. Additionally, as a member of prestigious institutions like the Institution of Engineers and the Institution of Valuers, Bombay/Mumbai Chapter, he brings a wealth of experience and insight to the table. Yomesh's dedication extends beyond his professional roles; he actively participates in knowledge-sharing initiatives, delivering presentations and seminars at industry events. Notably, his involvement with Greenlance Energy Management demonstrates a forward-thinking approach to environmental sustainability, emphasizing the importance of innovation in shaping the future of real estate.

#### The Bread and Butter of Business

Real estate's foundational importance in the business world cannot be overstated. As one industry expert puts it, "Real estate is the bread and butter industry. If you learn this trade, any other trade is very easy." Mastering real estate equips individuals with essential skills like market analysis, negotiation, and financial acumen, which are valuable in virtually any business setting.

#### Diverse Opportunities

The real estate industry offers a spectrum of opportunities, from residential and commercial sales to property management and development. Gaining a broad understanding of these areas can open multiple career paths. As noted, "Real estate is a spectrum, if somebody is coming in from a business perspective, he should do everything of it."



You should be a jack of all trades initially." This broad experience not only builds versatility but also provides a solid foundation for specialising later on.

#### Learning and Experience

For newcomers, the initial focus should be on learning and gaining experience rather than immediate financial gain. "The new entrant or the person who's just started real estate should understand that first and foremost... forget about the money part initially. Initially just work hard, learn as much as you can, and make the mistakes that you will ever do in life." This period of intensive learning is critical for building the knowledge base and skills necessary for long-term success.

#### Continuous Learning and Work Ethic

A strong work ethic and continuous learning are essential in real estate. "I believe a strong work ethic is necessary in real estate. You should always keep upgrading yourself; the moment you stop that you are out of the race."

The real estate market evolves rapidly, and staying competitive requires a commitment to ongoing education and skill enhancement

#### Ethical Practices and Transparency

In real estate, ethical practices and transparency are crucial for sustained success. "There are no shortcuts in real estate. The good developer, the ethical ones, teach you the real way of doing work. Try to do things transparently. The shortcuts really don't work in the long run." Upholding integrity and following proper procedures build a reputation for reliability and trustworthiness, which are invaluable assets in this industry.

#### Promising Future

The future of real estate looks promising, with a continued demand for premium locations and larger spaces. "Real estate is in, and the way I look at it, I think people are still looking for larger offices, bigger offices, creamier locations. I illustrate for the next 10 years I don't see anything going anywhere. It's just going on an uptrend." This trend suggests robust growth opportunities and a bright future for those involved in the industry.

In conclusion, real estate offers a dynamic and rewarding career for those willing to learn, work hard, and uphold ethical practices. By embracing continuous learning and maintaining a strong work ethic, professionals can navigate the real estate spectrum successfully, contributing to its ongoing growth and evolution.

## EXPERT COMMENTARY

### SEBI's New REIT Regulations

SEBI's introduction of a framework for small and medium REITs with a minimum investment of Rs 10 lakh opens doors for a wider range of investors to participate in the Indian real estate market.

This significantly lowers the barrier to entry, allowing retail investors to diversify their portfolios through managed real estate platforms.

Platforms specializing in managed real estate stand to benefit greatly. With a larger investor base, these platforms can offer a wider variety of investment options and potentially increase market liquidity. However, strict adherence to SEBI's guidelines remains paramount.

By working together to foster a transparent and well-regulated environment, SEBI and innovative real estate management platforms can unlock the true potential of accessible real estate investment.

- Shriya Rao,  
Manager - Legal, Integrow



## TECH INNOVATION

# Unleashing the Power of AI in Real Estate: Integrow at the Forefront

- **Vikash Gupta**, Manager Technology Deployment, Integrow

**Integrow: Redefining Real Estate with the Power of AI**

The real estate industry is on the cusp of a revolution driven by Artificial Intelligence (AI) and Machine Learning (ML). This isn't just about streamlining tasks; it's about a complete transformation. By harnessing the power of AI, Integrow is poised to achieve new heights in efficiency, accuracy, and innovation.

**Unlocking Efficiency with Smarter Workflows**

Imagine a world where paperwork doesn't stall transactions. AI-powered document automation tools can automatically extract and process data from crucial documents, significantly reducing processing times and minimising errors. Studies show this can improve efficiency by up to 80% and reduce errors by over 50%. This translates to faster closings and a smoother experience for everyone involved.

**Building Smarter with AI-powered Construction Management**

Labour shortages are a constant challenge in construction. However, AI-powered solutions can automate essential tasks like material ordering and site layout optimization. This can improve project efficiency by up to 50%, effectively mitigating the impact of labour gaps and keeping projects on track.

**Revolutionising Design: Exploring Unforeseen Possibilities**

AI's ability to analyse data and generate design concepts is transforming property development. Integrow leverages cutting-edge AI technology to create a multitude of innovative design options, pushing the boundaries of creativity and dramatically reducing design time. In fact, AI-powered design software can help reduce planning errors by half, leading to a significant reduction in planning time. This gives Integrow a competitive edge and opens doors to previously unexplored design possibilities.

**Data-Driven Decisions for Prime Locations**

Selecting the perfect location requires a keen eye and a deep understanding of various factors. Integrow utilises AI tools that analyse demographics, economic indicators, and a multitude of other data points to pinpoint the most promising development sites. This kind of precise analysis takes the guesswork out of site selection, ensuring projects reach their full potential and reach the market faster. These AI tools go beyond mere data collection – they generate valuable business intelligence by identifying trends, eliminating manual data entry, and learning from user behaviour to recommend the most promising opportunities.

**Faster Closings with Streamlined Workflows**

The closing process, often the final hurdle, can now be completed much faster thanks to AI-powered e-signature technologies. These tools streamline the signing of digital documents, resulting in quicker, smoother deal closures. Additionally, AI integration within accounting software can expedite the closing process for the finance team, leading to faster delivery of financial reports. This translates to a significantly improved experience for all parties involved.

**AI: Beyond Automation – The Power of Strategic Insights**

AI in real estate is about more than just automation. It's about creating opportunities to operate more strategically and efficiently across the entire real estate lifecycle. As AI technology continues to evolve, the potential for innovation is limitless. Integrow is positioned to be at the forefront of this exciting future, shaping a smarter and more successful real estate landscape.

**Looking Forward: A Responsible and Human-Centric Approach**

While AI offers tremendous benefits, it's important to acknowledge potential challenges like data security and the impact on human jobs. Integrow is committed to using AI responsibly and strategically, ensuring a future where both technology and human expertise work together to achieve optimal results.

## Preview for the Next Issue – June 2024

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

**Market Insights:** Dive into the latest trends and insights shaping the real estate landscape.

**People of Real Estate:** Meet the industry leaders and visionaries who are transforming the market.

**Innovation Unveiled:** Explore cutting-edge technologies and advancements redefining the real estate experience.

**Financial Frontiers:** Discover new investment opportunities and strategies to unlock your real estate potential.



**Integrow Chronicles:** Stay informed about Integrow's latest innovative solutions shaping the future of real estate.

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