



**360** REALTORS  
Commitment | Honesty | Reliability

# NRIs CONTINUE

To Become a Force  
Multiplier in Indian  
Real Estate



A Research Report by 360 Realtors

# FOREWORD

## NRI Investments into India is Racking Up



**Ankit Kansal**

Founder & MD, 360 Realtors

In the last few years, NRIs have become a dominant force in Indian Real Estate. Besides love for the homeland, the NRI interest in India is also stemming from growing structure & transparency in the Industry.

In FY 2019, the total amount of money poured into the Indian housing market from various NRI quarters roughly amounted to USD 11 billion. In FY 20 the uptrend is expected to continue as the investments will reach USD 12.5 billion, as per the estimations by 360 Realtors.

UAE constitutes around 20% of the total investments in-flow, becoming a major source of NRI capital. Other GCC nations are also joining the bandwagon gradually.

In total, GCC accounts for around 36% of NRI investments in the country.

Besides GCC, major sources will include Asia Pacific (Australia, Singapore, Malaysia, etc.), Europe (UK, Germany, etc.), America (USA, Canada), etc.

In terms of assets, NRIs are investing in both smaller units such as 1 BHK, studio apartments & micro-homes, etc. alongside bigger units such as 2, 3 & 4 BHKs.

Mumbai being the commercial capital of India continues to be a major recipient of NRI money. Upcoming locations such as Bandra Kurla Complex (BKC), Powai & Andheri, etc. are attracting NRIs in big numbers.

However, the amount of investments into Mumbai is expected to ease out when compared to the previous fiscal year, as the region is undergoing moderation in demand.

IT-centric cities such as Bengaluru & Pune are witnessing vigorous growth in NRI investments, primarily from the Gulf region, where people from South India are employed in big volume.

As a leading ICP in India, 360 Realtors is also consolidating its position in the NRI market by deepening its foothold relentlessly. Our NRI expansion achieved a unique milestone in the month of April this year, as we became the first ICP from India to enter the USA market.

We have acquired US-based property brokerage house RISA Realty to set up a new entity, namely, 360 Realtors USA. Going forward, 360 Realtors USA will be a key constituent of the 360 Family.

## A New Era in Indian Real Estate

As the Modi government has entered its second installment with a whopping majority in Parliament, Indian Real Estate will also continue to recover & gain strength.

The government in the first installment has introduced a host of positive reforms such as Benami Property Act, RERA, demonetization, REIT, etc. Likewise, it announced ambitious infrastructure projects such as SMART city, Housing for All 2022, etc.

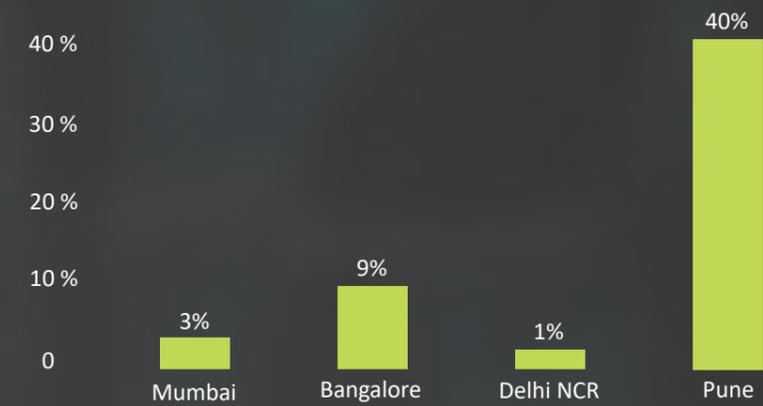
Despite the slowdown in overall demand, which was partly cyclic in nature, the fundamentals of the market have strengthened significantly in recent quarters.

The existing gaps & loopholes in the market were bridged through targeted efforts by the government, regulatory bodies & private entities.

Meanwhile, the time was also marked by notable technological changes & innovations, thereby further benefiting the overall industry.

Post-re-election, it is expected that due to sustained government efforts, Indian Real Estate will continue to get a facelift. Transaction volumes are picking up in most of the major Indian markets.

### Quarterly Growth in Transaction Volume



Source: 360 Realtors Research

The recent Budget session has been a little disappointing in some ways as it missed out on certain crucial parameters such as industry status, single-window clearance for developers & tax rationalization, etc. However, the Budget once again affirmed its commitment to build infrastructure & encourage affordable homes. It also declared prudent steps to recapitalize banks & NBFCs, thereby bringing back liquidity.

Sustained efforts to boost country-wide infrastructure, spurt in liquidity & growing organization will continue to impact Indian Real Estate in a very positive fashion. The new Real Estate will be much more organized & will be pinned on stronger structural reforms. This will surely result in a rise in interest both from domestic as well as international quarters. As the industry will evolve, institutional players will also bet big on the market. It is already estimated that after Modi 2.0, private equity capital will double in the current financial year to USD 10 billion.



## NRI Investments in India

India has a vast expatriate population spread around the globe.

In recent years, the government has undertaken a host of efforts to reach out to the NRI population, which has resulted in stronger bonds between the expats & their country of origin.

Property purchase laws have been simplified for NRIs, which has further resulted in their growing interest in the Indian property market.

A host of other political & geopolitical parameters such as dwindling value of Indian rupee, contingencies over VISA status in USA (& other countries) are further fuelling the flurry of investments.

## NRI Investments in Indian Residential Real Estate

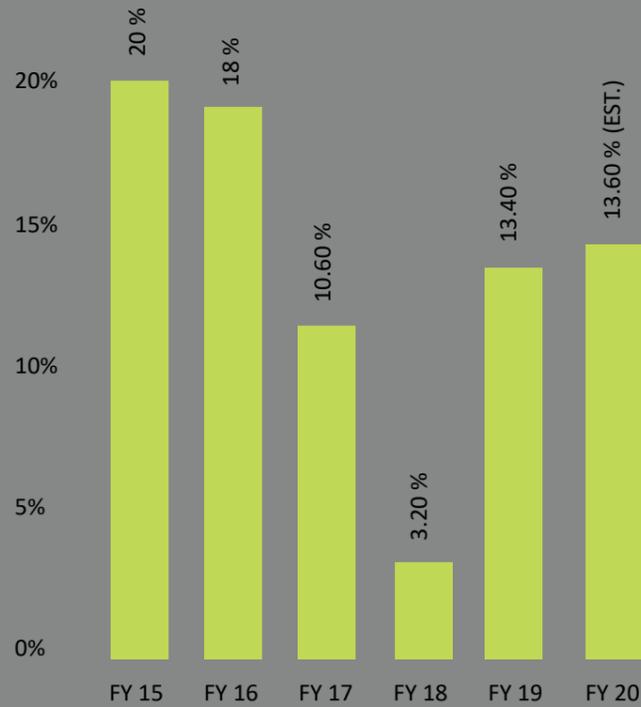


Source: 360 Realtors Research

NRIs are also drawing strength from the growing formalization & transparency in the sector. Earlier, NRIs were wary of investing in Real Estate due to lack of formal structure & pertinent loopholes.

However, in recent times, the government has rolled out a host of prudent policies to harmonize the discrepancies, enable hassle-free transactions & provide the much-needed safety framework to homebuyers. Interestingly, the government has not just conceptualized robust policies but also shown strong commitments towards enforcing guidelines & taking punitive actions in case of non-adherence. This has given a major boost to the buyers' confidence, both in the Indian as well as international market.

## Annual Growth in NRI Investments

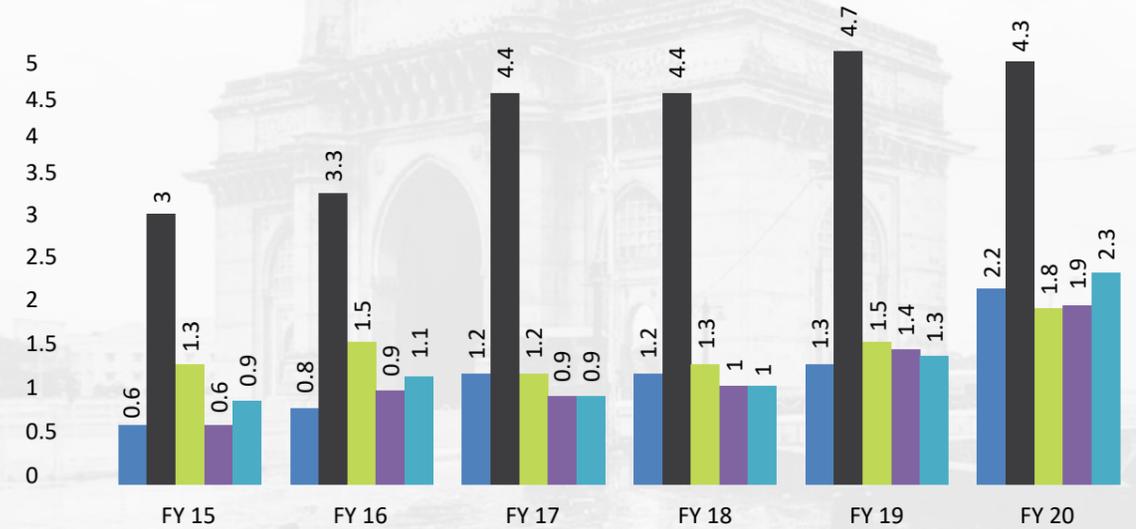


Source: 360 Realtors Research

Despite the fact that the Indian property market has recently emerged from the prolonged slowdown, the NRI confidence is at an all-time high. Even when Indian property prices were at a historical peak a few years back, such confidence was absent.

In FY 20, housing investments from the expatriate are expected to reach USD 12.5 billion (In 5 major markets- MMR, Gurgaon, Noida, Bangalore, & Pune), growing 13.6% on a yearly basis. In the past five years, the annual NRI investments have appreciated by around 74%.

## City-wise growth in NRI Investments in India



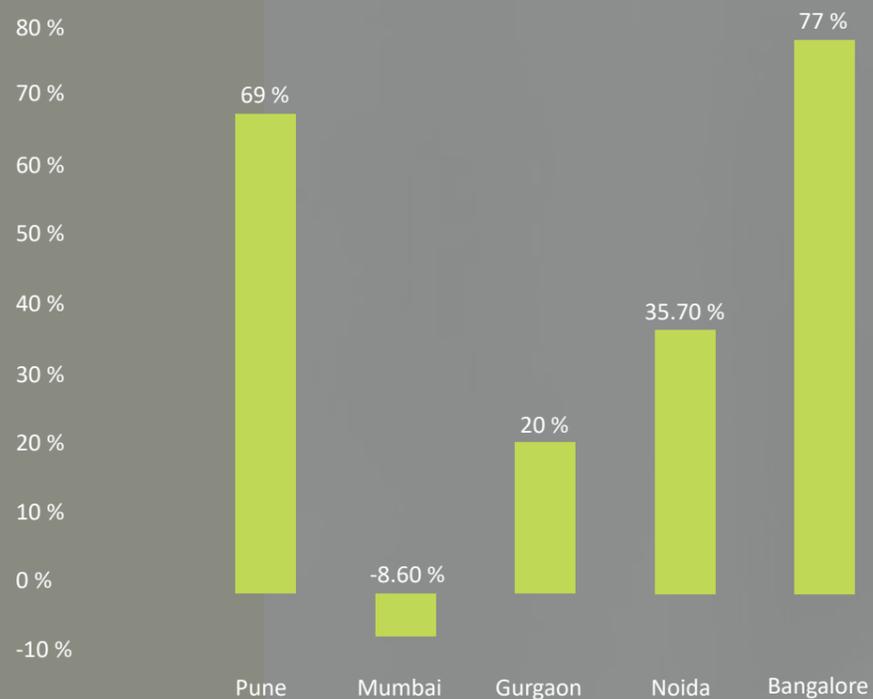
Source: 360 Realtors Research

- Pune
- Mumbai
- Gurgaon
- Noida
- Bangalore

City-wise NRI Investments (USD Billion)

IT-centric cities such as Pune & Bangalore have once again come to the fore, as they are generating continuous investments from the NRI quarter.

In FY 20, total NRI investments into Pune are expected to reach USD 2.2 billion, growing by over 69% when compared to a year before. The overall Real Estate environment in Pune is bullish as transactions have jumped by 40% in the current quarter when compared to the quarter before.

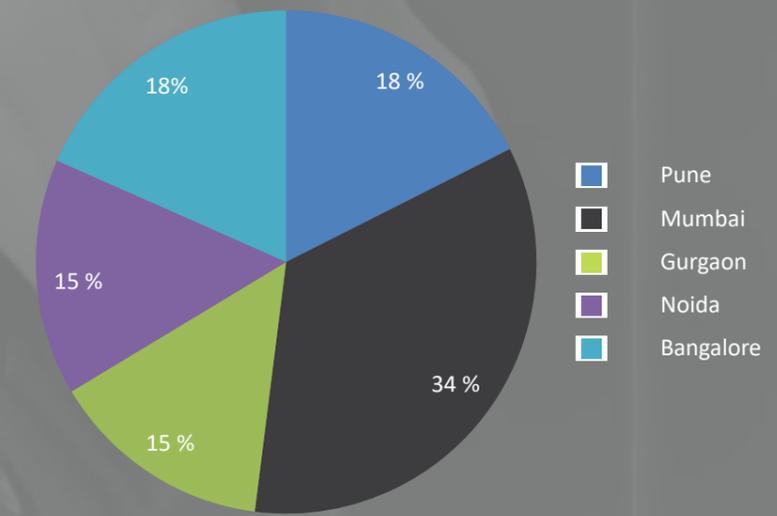


Source: 360 Realtors Research

City-wise annual Increase in NRI Investments in FY 20 (EST.)

In the Previous fiscal year, investments into Bangalore simply inched up. However, Bangalore market is once again gaining vigorous momentum. NRI investments into Bangalore are expected to reach USD 2.3 billion in FY 20, rising by 77% on an annual basis.

Other major North Indian markets such as Gurgaon & Noida are also expected to show marginal growth. The only major market that has shown a downturn is Mumbai, where investments are estimated to ease out by 9% on a yearly basis.



Source: 360 Realtors Research

Estimated City wise split of Investments (FY 20)

**PRESENCE**  
IN 9 COUNTRIES  
GLOBALLY

**15000+**  
SATISFIED  
CUSTOMERS

**350+**  
REPUTED  
DEVELOPERS

**40+**  
CITIES  
IN INDIA

## Devising New Ways to Enter the NRI Space

As the potential in the NRI markets is set to rise steadily, Indian developers & advisories are also proactively reaching out to the market & devising new strategies.

Apart from targeted digital marketing & NRI events, advisories are also inking deals with local professional organizations to conduct joint shows & events.

Through these specialized events, they are reaching out to the wider base & apprising them effectively about how to make investments in India.

360 Realtors has also recently conducted a host of high-profile events by partnering with numerous professional organizations such as ICAI, Engineer's Forum, & Doctor's forum, etc.

Advisories are also opening up new offices in international locations to expand their ground presence. Recently, 360 Realtors has acquired RISA Realty, a US-based brokerage house specializing in the NRI markets.

The USA with a vast Indian population could be a major source market, which has hitherto not been realized.

A ground presence in a prolific market such as USA can be the real force multiplier in the times ahead.

# 360 REALTORS