

STEADY RISE IN NRI INVESTMENTS

Compiled by
360 REALTORS
Commitment | Honesty | Reliability



Amidst Increased Transparency and Structure, NRIs are Expanding Their Foothold

Introduction

Over the years, NRIs have emerged as an eminent force in the Indian residential real estate space. Currently, they constitute approximately a quarter of primary residential sales in the country. Developers are also realizing the growing influence

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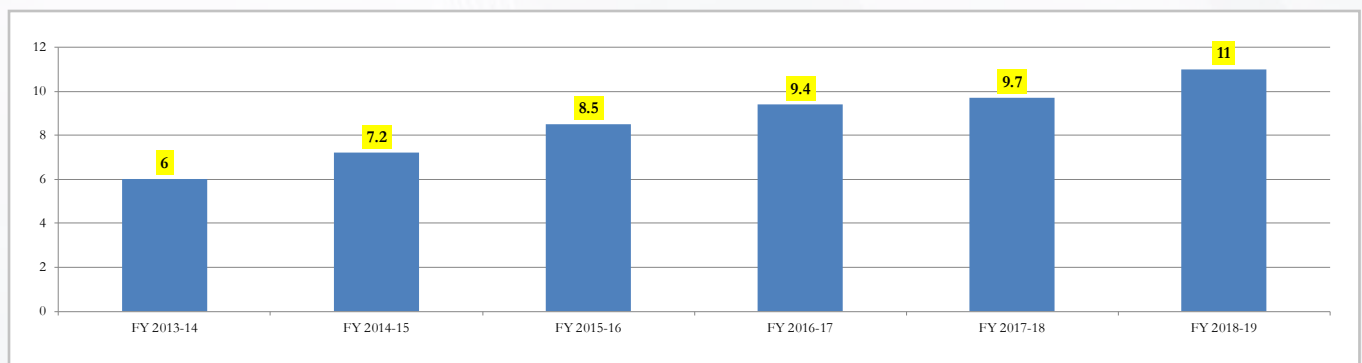
of the expatriate clientele base and continuously devising new strategies to tap into the prolific market. Post-RERA formalization, as real estate in India gets set to enter into an era of increased transparency and eth-

ical industry practices, NRIs are gaining further confidence about the prospects of the sector. A dwindling rupee has also been a shot in the arm, as Indian properties are now more affordable and conducive for international capital inflow.

Growth in NRI Investments (Values in USD billion)

Over the previous five years, investments by NRIs have been growing in a vigorous manner. The total amount of investment inflow in five major cities, namely Mumbai Metropolitan Region (MMR), Gurgaon, Noida, Bangalore and Pune, has nearly doubled in size. Although investments stabilized during 2016-18, markets have picked up again recently.

Undoubtedly, one of the principal factors that drives expatriate investments is their affection for their country of origin. Many NRIs have plans to come to India post-retirement and purchase property. However, there are numerous other macroeconomic parameters that are complementing the demand amongst NRI buyers. NRI investments are also stemming from attractive rental returns and robust capital appreciation that Indian realty has been offering recently. Global capital has, of late, become significantly diversified in its quest for risk-adjusted returns and there have been notable investments into emerging frontiers of the world such as China, India, Vietnam, Central and Eastern Europe (CEE). Capital outflow from the NRI quarters has not remained untouched by such evolving paradigms.



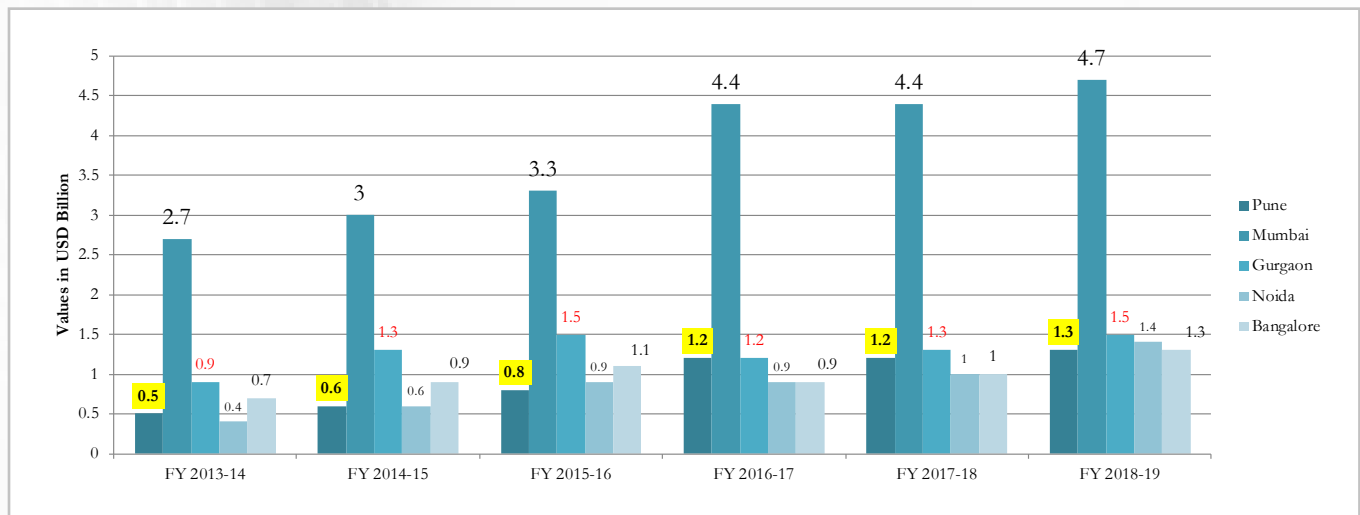
Source: 360 Realtors' Business Intelligence

Going forward, the ascending tendencies in the NRI capital inflows will continue to climb upward. The growth will be underpinned by a rise in disposable income, resurgence in Indian residential real estate and dwindling value of the Indian rupee. RERA and growing formalization in the sector are further making NRI buyers overwhelmingly positive about its future prospects.

As RERA has eventually emerged out of policy contours and started getting enforced, there has been an incredible rise in buyer confidence. The property transaction processes, which were mostly believed to be highly skewed towards the developer, are now becoming more just and intend to enforce higher transparency in every individual transaction.

City-wise Growth in NRI Investments (USD Billion)

Mumbai, the business and entertainment capital of India, constitutes around 45-50% of the NRI investment inflows into the country. Mumbai holds a prominent place not just among Maharashtra-based NRI buyers, but also among those from other parts such as North and South India. Over the previous five years, NRI investments in the city have grown by around 74%. The marked preference for Mumbai is backed by its high capital appreciation and attractive rental returns. Mumbai's dominance over its other peers is also due to its high ticket sizes.



Source: 360 Realtors' Business Intelligence

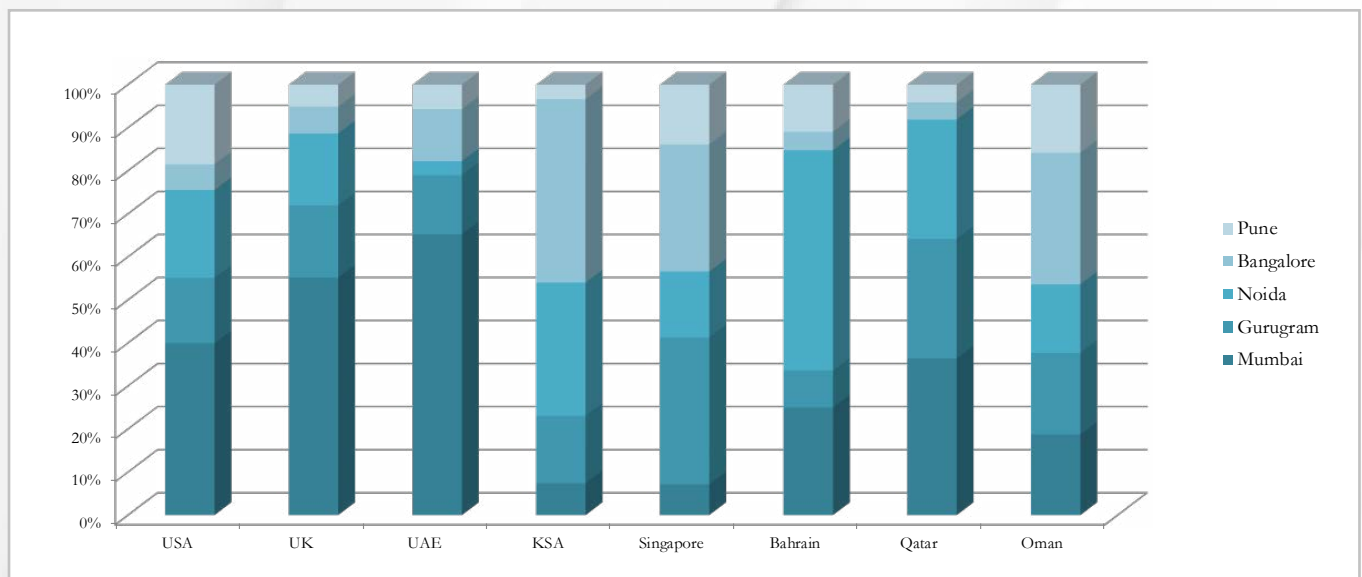
IT-centric markets, such as Pune and Bangalore, have been constantly consolidating their positions amongst the NRI investors. Capital inflow into these cities has almost doubled over the previous five years. Their cosmopolitan appeal and a rapidly developing infrastructure are in sync with the expectations of international buyers. The growth rates are steeper in Pune, as the city was largely successful in containing the recent downfall in property price growth that most of the major cities were grappling with.

In North India, cities such as Noida and Gurugram have started to hold a prominent place amongst the NRI buyer base. Interestingly, the difference between Noida and Gurugram has narrowed down in the recent years, demonstrating a more equitable share of capital concentration within the Delhi-NCR region. Once known to be an outpost of Delhi, Noida has made notable progress, as it is now home to IT/ ITeS, consulting and publishing industries expanding at a rapid pace. Many major national developers are also heading for the Noida market, thereby giving more options to discerning buyers.

Country-wise split of Investments- FY 2018-19 (Till Date)

In the current financial year, while scrutinizing the investment outflow, it was noteworthy that apart from KSA and Singapore, Mumbai holds the most prominent position amongst the NRI source markets, major amongst which are USA, UK and other GCC nations. Nearly 70% of the investments from UAE are currently directed towards the Mumbai Metropolitan Region (MMR), indicating a widening of the gap between Mumbai and other Indian cities.

NRI buyers from Singapore are largely betting on Bangalore and Gurugram. Of late, sentiments have slowed down in Gurugram. However, at the onset of the current financial year, the market got a buying boost in the backdrop of expansive job markets and attractive schemes from developers. These schemes, which include subvention and assured rentals, are also being increasingly appreciated by the expatriate buyers. Absorptions from both domestic and NRI buyers have started to pick up in upcoming micro-markets such as Dwarka Expressway and New Gurugram.



Source: 360 Realtors' Business Intelligence

Conclusion

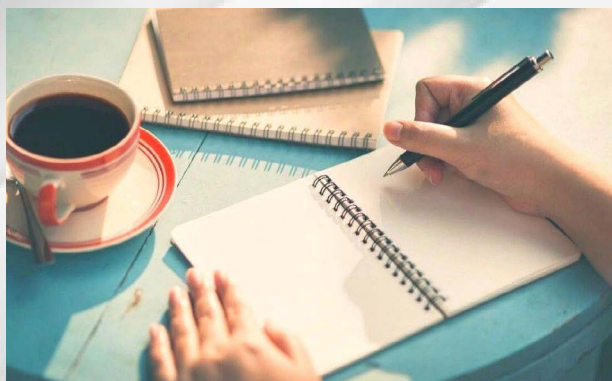
As per a UN survey, the global NRI population is in excess of 16 million. A large population base coupled with rising disposable income has resulted in high

aggregate wealth amongst the Indian diaspora, thereby rendering them a formidable buying power. However, as a source market, the NRI base is still under-utilized. Although marketing

activities to cater to the NRI clientele have picked up in the recent times, there is still ample scope to maneuver.

The housing industry in India has suffered from structural opacity, which has not augured

very well with the NRI buyers in the past. But thanks to a culmination of policy pivots such as RERA, demonetization and GST, the Indian real estate market is set to transform and enter into an era of increased transparency and organization. These interventions are set to boost the confidence level of the NRIs, as now they are likely to be more positive about the safety of their investments. Going forward, these developments will build the momentum for further NRI deal inflows.



About 360 Realtors

Growing at a breakneck yet sustainable momentum, 360 Realtors has emerged as the largest player in primary Indian residential sales in just a short span of time. Having sold over 10,000 individual units, its accomplishments are yet to be matched in the organized primary residential space. The company was founded in March 2014 by a visionary entrepreneur with vast experience in a host of business areas – Mr. Ankit Kansal (also the current Managing Director of the company).

Apart from its relentless drive and unrivalled dominance, 360 Realtors is also known for its stellar reputation in Ethics, Honesty and Reliability. It is greatly credited for bringing in transparency and client centric practices to the Indian real estate, which has otherwise been known for being much unstructured, poorly organized and led by unprofessional middlemen. Till recently, property purchase in the country has been a cumbersome task due to information misrepresentation alongside uncountable documentations that are required

with each house purchase. Synonymous to its name, 360 Realtors has been bridging the gap by offering unbiased advisory and handholding the client through every step to ensure a hassle free and memorable home buying experience. Our team of seasoned property experts has successfully been catering to both the customer segments: end users looking for the best-fit solutions that can take care of all their housing needs, as well as pure play investors scouting for risk adjusted greater returns.



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