

NRI's Home in on Property as ₹ Crashes

Sagging realty gets a boost as non-residents look for safe investment

RAVITEJA SHARMA

NEW DELHI

When Navin Raheja, a Gurgaon-based builder, launched the city's tallest residential tower earlier this month with apartments priced between ₹1 crore and ₹3 crore, most real estate analysts scoffed at the timing of the launch.

The robust response, especially from non-resident Indians who stand to gain from the sharp slide in the rupee, however holds out fresh hope for domestic builders saddled with piling inventories.

Raheja says he was himself pleasantly surprised as he managed to sell within a fortnight 240 of the 300 apartments on offer in

Revanta in the first phase — 40% of them to NRIs.

"I was a little sceptical myself," Raheja admits. "But, to my surprise, our mailbox was flooded with inquires. We realised most of those writing to us were non-resident Indians, and soon they were buying our apartments."

The rupee has depreciated by more than 16% against the dollar since July. This has made homes in India increasingly cheaper in dollar price terms, an attractive proposition especially at a time the real estate sector in the developed markets remains depressed.

Add the 10-15% discount that builders offer on down payment and the effective price for an NRI buyer drops by more than a

fourth. Little wonder then, NRIs have been looking at homes back home with renewed interest, reflected in their rising share in the domestic real estate market.

NRIs now account for about 12% of the sales for Unitech, up from 6-7%, says Anuj Malik, who heads international sales for the company and is based in Dubai. "A lot of money that was being invested in Dubai and the US is being moved to India as there is total lack of confidence in these markets," he says.

Indian real estate, even during the global economic turmoil over the past three years, has given returns of 30-40%.

Surge in Enquiries by NRIs ▶▶ 27



SALAM