

The Indian buyer is analytical

North India Sotheby's International Realty's two-day conclave on the global luxury real estate market brought together experts and stakeholders from around the world as they examined the growing luxury segment of India



L to R: Inaugural session with Amit Burman, T K Arun, Amitabh Kant, and Jamie McMullan and Soma Banerjee

Nilakshi.Sharma
@timesgroup.com

Luxury as a category has been growing steadily in India. Over the last few years India has witnessed a huge growth in the number of millionaires. One of the categories where the increasing number of consumers of luxury is most emphatically visible is the real estate category. Reflecting the rising interest in luxury realty, North India Sotheby's International Realty, in partnership with Confederation of Indian Industries (CII), recently organised a Global Luxury Realty Conclave in New Delhi. With The Economic Times as a media partner, this two-day long conclave explored various aspects of the global luxury realty market.

The conclave brought together all the stakeholders from the luxury realty category - these included real estate industry experts, select international and Indian developers, tax advisors, HNIs, creative leaders, as well as luxury observers and innovators. Partnered by other apex industry bodies like Royal Institution of Chartered Surveyors (RICS) and PricewaterhouseCoopers (PwC), the two-day event, hosted at The Taj Palace Hotel provided a unique international platform for bringing together people from key segments in this category. The conclave consisted of panel discussions across a range of subjects and exhibitions.

Each subject was discussed by a panel that brought together some of the best names in the segment. The day began early with a warm

welcome by the host, Shivani Wazir Pasrich. The inaugural session, which framed the context of luxury realty - its need and function, consisted of a fascinating conversation between Amit Burman, VC, Dabur India Ltd., & Chairman, North India Sotheby's International Realty; T K Arun, Editor - Opinion, The Economic Times; Soma Banerjee, Principal (Energy & Infrastructure) CII; Amitabh Kant, CEO, NITI Aayog and Jamie McMullan, Director, EMEA region, Sotheby's International Realty. This panel made perhaps the most pertinent observation of the day - that the growth of the luxury category points to a national economy that is healthy and growing steadily. Moreover, the consumers of luxury, especially the ones at the high end, deserve to be celebrated because they are the real growth drivers and entrepreneurs whose vision and drive create jobs and help the economy grow.

The first session comprised an overview of the 'Global Real Estate Market & the Buying Behaviour of the Global Indian.' The panel

consisted of Josef Cardona, Director - Tax & Corporate Services, Sotheby's International Realty, Malta; Richard Silver, Sr VP, Sotheby's International Realty, Canada; Leigh Williamson, Gulf Sotheby's International Realty, Dubai; Kevin Brown, Real Estate Partner, Sotheby's International Realty, New York and James Lane, Head of Sales, Capital & Counties Properties PLC, UK. Apart from a comprehensive picture of what is available in the global realty market, this session more than any other focussed on the global Indian consumer of luxury. Clearly, he is not just well heeled but is also confident enough of his likes and dislikes to be precise in what he is interested in buying. Moreover, as summed up by Kevin Brown, the Indian buyer is not an emotional one, he is analytical, knows his numbers and understands the exit strategy. The session was moderated by Manisha Natarajan, Executive Editor, Business & Real Estate, NDTV. Session two, which discussed 'The Changing Face of Indian Luxury Real Estate' was



L to R: Manisha Natarajan, Josef Cardona, Richard Silver, James Lane, Leigh Williamson and Kevin Brown



L to R: Amit Goyal, Shivani Wazir Pasrich, Marco Bonini, Tarun Tahliani, Uttam Dave, Sethu Vaidyanathan, Saba Ali, Prabjyot Kaurr Bindra, Francesco Pensabene, Tarun Mehrotra and Ashwin Chadha



L to R: Amit Goyal, Amit Gupta, Gaurav Bhatia, T C De Sousa, Saba Ali, Raseel Gujral, Paresh Maity, Prabjyot Kaurr Bindra and Ashwin Chadha

moderated by Akash Puri, Director - International Sales, North India Sotheby's International Realty. The participants included Rajeev Talwar, CEO, DLF Ltd., & Chairman, NAREDCO; Amarjit Bakshi, MD, Central Park; Dinesh Arora, Partner, PwC India; Anupam Saxena, Professor, RICS School, Amity University and Sonaly Rastogi, Founder, Morphogenesis, Architects. Session three shone a light on the 'Policy Changes Affecting the Real Estate Sector'. The participants here included Sunil Agarwal, Director & Associate Dean, RICS School of Real Estate; Sunil Tyagi, Sr Partner & Co-Founder, Zeus Law Associates, New Delhi; Dinesh Varma, MD, SAARC Associates; Rahul Soota, Partner - My Money Mantra & Board Member - North India Sotheby's International Realty and Prerna Mehndiratta, Partner - M&A Tax, PwC India.

Session four witnessed a discussion between Theodosios Vassiliou, VP - Global Development, Sotheby's International Realty; Robin Paterson, Joint Chairman, UK Sotheby's International Realty; Joseph O'Neil, US Immigration Fund, USA; Hardeep Dayal, CEO, Kamla Group, Mumbai and Ravindra Kumar, Solicitor & Advocate, Singhania & Co, London. The subject under consideration

was 'Recent Developments Impacting Domestic & International Real Estate'. The last session of the first day dwelt upon 'Global Trends in Vacation & Second Homes - Domestic & International'. Tarun Tahliani, Designer, was the moderator of this session. The national and international participants included Sethu Vaidyanathan, Park Group; Francesco Pensabene, Italian Trade Commissioner, India; Tarun Mehrotra, National Head, Marketing & Sales, Tata Housing Development Company Ltd.; Uttam Dave, CEO, Amoravida and Marco Bonini, Director, Soneva Private Residences, Maldives.

The last panel discussion of the conclave looked at luxury up close and personal - 'Art & Home: Luxury Living'. Bringing their expertise to bear on the subject were T C DeSousa, Director, Ferry Wharf Communications; Gaurav Bhatia, MD, Sotheby's Auction, India; Paresh Maity, Artist; Raseel Gujral, Founder - Casa Paradox and Amit Gupta, Director, vis a vis.

The luxury sector in India is poised for growth across categories that comprise luxury. And this growth is expected to be a diffuse one, predicated upon the creation of new luxury markets in cities other than the top tier metros.

What They Said

AMIT BURMAN, VC, Dabur India Ltd. & Chairman, North India Sotheby's International Realty



This government's real estate policy initiatives have given us the opportunity to cater to the industry in a transparent manner and provide the best solutions towards creating greater value for our clients.

ROBIN PATERSON, Joint Chairman, UK Sotheby's International Realty



Brexit has stimulated the residential real estate market and that is primarily due to the devaluation of the pound sterling... So recently the realty market has increased its volumes significantly with international buyers.

DINESH ARORA, Partner, PwC India



The demand for luxury real estate in India has been growing at a steady rate of nearly 25%. We see this demand continuing to grow in the near future.

RAHUL SOOTA, Partner, My Money Mantra



The real estate sector and industry in India has grown. Overall, the trend seems to be very positive and looking ahead towards the next 4 to 5 years, I believe that this 200 billion dollar mortgage industry is going to become a 400 billion dollar industry.

SUNIL TYAGI, Sr Partner & Co-Founder, Zeus Law Associates, New Delhi



RERA will definitely have a positive impact. Anything which protects the interests of the buyer or the investor will obviously help boost the real estate market.

RAJEEV TALWAR, CEO, DLF Ltd.



The quality of life that is offered is what sets apart the luxury real estate category... And of course real estate in both categories - mass or affordable housing and the aspirational luxury housing - will play a big part in the growth of the Indian economy.

MARCO BONINI, Director, Soneva Private Residences, Maldives



While most owners buy residences in the Maldives as a lifestyle choice, these homes also do offer an attractive investment opportunity.

UTTAM DAVE, CEO, Amoravida



The current trend in Goa is towards smaller, more affordable units. This is partly due to the changing profile of the buyer - young professionals - and partly because these homes are also being seen as an investment opportunity.

SUNIL AGGARWAL, Director & Associate Dean, RICS School of Real Estate



In India the end user demand (for homes) is very high and at some price point that demand is infinite because in India there is a basic shortage of homes. So I see the real estate sector emerging better and stronger for the next two decades or so.

JAMIE MCMULLAN, Director, EMEA region, Sotheby's International Realty



The conclave is a great platform to reach out to the wide Indian diaspora spread across the world. I am pleased to be a part of this wonderful opportunity.

RISE IN HNI IN INDIA IS DRIVING THE DEMAND FOR LUXURY

Amit Goyal, CEO, North India Sotheby's International Realty shares his thoughts on the coming of age of the global Indian consumer and the increasing consumption of luxury products by the new Indian consumer



How do you characterize or define the Indian consumer of luxury?

The growing luxury segment in India can be attributed to a growing number of India's high net worth individuals (HNI). According to the New World Wealth Report, India's wealth amounts to \$6.2 trillion and the country is home to 264,000 millionaires and 95 billionaires as of December 2016.

The broad profiles of Indians who are looking at buying luxury assets include business owners, professionals, property investors, art collectors, mid-to-top level company managers and high net worth individuals. A very large

percentage of people investing in luxury are those who travel frequently and send their children abroad for education.

What are the categories where the Indian luxury consumer has already established his interest?

Affluent Indians have established an interest in every class of luxury asset or service such as luxury cars, watches, jewelry, high end properties, fashionable clothing and accessories, dining in lavish restaurants and hotels, etc. Today, Indians have also developed a taste for extraordinary art, classy home interiors and extravagant facilities in their homes. With regards to luxury real estate, the Indian consumer prefers homes sitting on Golf Courses, overlooking water, branded residences, etc.

Which are the luxury categories that are now poised to witness growth?

Besides the other categories mentioned above, luxury real estate properties including vacation

homes, sustainable and eco friendly assets, and properties abroad shall witness growth going forward.

What is the estimated potential that you see in the Indian luxury real estate market?

In a country which has declared an annual 7.6% rate of growth, driving a two trillion dollar economy, the future of India luxury real estate market is bright. The Indian luxury market shall undergo modernization, innovation and sustainable development. There shall be an abundant supply of branded residences with world class amenities, environmental features, designer homes designed by international architects and interior decorators.

Post demonetization and the presentation of the union budget for 2017, there has been a reduction in home loan rates, rationalization of prices of properties, and rebates in income tax. All of these will help the real estate sector to flourish.

50% of all Indian UHNWIs have foreign real estate in their portfolios, which is the highest in the world.

Indians are estimated to comprise **6%** of the global billionaire population by 2025.

India is home to the **4th** largest population of millionaires in the Asia Pacific region.

Implementation of policies such as RERA, GST, easing of rules in FDI norms and introduction of REITS will give an impetus to the real estate sector as whole, and this includes the luxury realty category. The government's focus in the coming years will be hugely on developing infrastructure. This may lead to a healthy growth of increase in demand for luxury properties in India.

What potential trends do you see in the Indian HNI becoming a strong consumer of the luxury

real estate?

Luxury real estate is witnessing a tremendous growth owing to the increasing number of HNIs in India. There is a great amount of excitement and brand awareness and also a significant increase in demand for luxury products that is being driven by the increasingly wealthy young population of India. Startup companies have risen to become billion dollar unicorns and this has given an impetus to youth employment and wealth. Moreover, with the presence of credible, sophisticated, educated and experienced players in the industry, Indian HNIs feel assured and more confident about the Indian luxury real estate market.

New trends such as sustainable and eco friendly features, automation systems, state of the art interiors, locations with beautiful surroundings, etc., are some of the features that are attracting the luxury consumers.

-As shared with Nilakshi.Sharma@timesgroup.com