

Sector to employ 7.5 crore by 2030

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Housing and construction sector in the country is likely to be the largest employer—with 75 million workforce—by 2030, global consultancy firm KPMG India, along with the National Real Estate Development Council (NAREDCO), said in a report, “Urban Indian Real Estate, Promising Opportunities”.

The report said it is expected that the Indian construction industry would be the third largest globally, by 2030, making up over 15% of the Indian GDP.

The paper said that India’s urban population is forecast to increase by nearly 40%—from 420 million in 2015 to over 580 million by 2030, which would provide great business opportunities.

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—**RAJEEV TALWAR**, CHAIRMAN, NAREDCO

REAL FIGURES!



To provide housing and supporting infrastructure to such a huge population, the NDA government has

launched several mega programmes like 100 Smart Cities, Housing for All, Atal Mission for Rejuvenation and Ur-

ban Transformation (Amrut), National Heritage City Development and Augmentation Yojana (Hridaya), among others. Apart from these, the NDA government has also brought in new legislation to give policy support like the Real Estate Act 2016, Real Estate Investment Trusts Act (REITs), Goods and Services Tax (GST), etc, the report said.

According to the report, nearly 110 million houses would be necessary—by 2022 alone—in urban as well as rural India, to provide housing to all citizens. This includes the current shortage of over 60 million houses, out of which around 20 million exist in urban areas.

To achieve the vision of Prime Minister Narendra Modi in meeting the requirement of “Housing for all by 2022”, the country will have to construct 43,000 houses—every day—until 2022, which calls for an investment of Rs 130 lakh crore (\$2 trillion)!

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REAL FIGURES!

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As per the report, there are already a number of infrastructure projects in the pipeline that include: 432 projects worth Rs 6.5 lakh crore for roads, more than 400 projects worth Rs 6 lakh crore in railways, 70 projects worth Rs 67,000 crore for the development of airports, and 75 projects worth Rs 55,000 crore for ports.

Infrastructure and real estate sector has attracted over \$24 billion in Foreign Direct Investment (FDI), between 2000 and 2015.

“With every 6th person getting urbanized globally being an Indian, the real estate and construction sector holds significant opportunity for global and domestic companies engaged across the value chain of design, development, construction, and finance. This will lead to development of hundreds of new cities over the next decade. This has the potential of catapulting India to the position of 3rd largest construction market globally,” said Neeraj Bansal, partner and head (Building, Construction and Real Estate Sector) of KPMG India.

Rajeev Talwar, chairman of Naredco, says: “The Prime Minister has laid the road map for turning India into a \$10 trillion economy. We are excited about the next decade belonging to

India, as real estate is going to be a catalyst and major economic driver in the process. The government has paved the way with introduction of GST, Real Estate Act, relaxation in investment norms for REITs, direct and indirect tax incentives on housing development, etc.”

The report also speaks of the need for streamlining the approval processes to expedite construction activity which would be necessary to meet the demand. This will also help in controlling the cost of units and make the system more efficient and competitive. The requirement for the development of high-quality infrastructure is also underlined in the report.

The report also pointed to the major problem in getting long-term fund at competitive cost by the sector. It also asked the government to amend the tax regime to make it more efficient and less problematic for the sector.

On a very optimistic note, the report said India has made rapid progress in recent years in addressing some of the challenges like ease of doing business (rankings have improved), reforms in direct and indirect tax policies, streamlining the approval mechanism across cities, and regular review of policies encouraging transparency and governance.

— **Team Times Property**



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