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**QUICK
BYTE**

■ IT IS A KNOWN FACT THAT INFRASTRUCTURE ENHANCEMENT AND REAL ESTATE DEVELOPMENT GO HAND-IN-HAND. FOCUSED AND TIMELY IMPLEMENTATION OF VARIOUS INFRASTRUCTURE PROJECTS WILL ONLY REBUILD INVESTOR CONFIDENCE.

Hemant Ghelot, financial advisor with a leading foreign bank, has lived in Chennai, Hyderabad, Delhi and is currently residing in Mumbai. Ghelot is really upset with the lackadaisical approach the state government is having towards the completion of the major infrastructural projects. "Mumbai was the city where careers were made earlier. So, people were ready to struggle everyday in the trains or fight the traffic on roads. Now, other cities offer better growth opportunities and have better infrastructure, so why would I want to live in Mumbai," Ghelot questions.

A Kalpataru spokesperson says, "Mumbai is an important link to the country's trade and finance with international markets. Infrastructure is a critical driver for the economic growth of any city and Mumbai, being a global commercial hub, requires that its infrastructure is given utmost priority. There is tremendous pressure on Mumbai's resources with the large influx of people. The government is busy with the task of improving Mumbai's infrastructure by converting human resources, connectivity and the advantage of its strategic location, in order to make this cosmopolitan city, the Shanghai of India."

Stressing upon the need for good infrastructure for the city, Surjit Singh,

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president, marketing, RNA Corp, adds, "Infrastructure is the fundamental requirement for growth and development and plays a crucial role in determining the quality of life of individuals and the economic development. It is a known fact that infrastructure enhancement and real estate development go hand-in-hand. Focused and timely implementation of various infrastructure projects will only rebuild investor confidence."

The proposed infrastructure projects like the Mono-rail line, the Metro, new roads, development of an airport, etc., would improve connectivity to the location in the future. With work on infrastructure projects like the railway link and road expansion on the anvil in Mumbai, investments are expected to generate healthy returns from a long

term perspective. Ram Raheja, director and head - architecture and design, S Raheja Realty, adds, "Mumbai is the most populated city in India and accounts for its highest GDP. With people flocking from all parts of the country every day, Mumbai requires basic amenities like a developed infrastructure to be able to support the influx of people. Proper connectivity in terms of public transport, roadways and highways, have helped the city expand,

though a lot of problems still need to be addressed." The city is expected to grow in the coming years and is preferred by both, investors and end-users alike. Areas with high population density such as Andheri east and west, suffer from constant high traffic congestion. The metro project is under construction and is expected to be completed in 2014. Once operational, the project will go a long way in reducing the traffic situation in Andheri east. Bandra also has the presence of Linking Road, which is one of the most prominent main streets in the city, with a large presence of a number of international retailers. No major improvements have been made to the road network in the Bandra-Khar belt in the recent past.

Ravi Ahuja, executive director, Cush-

man & Wakefield India, opines that "Infrastructural development plays a key role in property investment decisions in Mumbai. Location and the prospects of future appreciation in the vicinity go hand-in-hand with infrastructural development of the area whilst deciding on a property. Customers need to take a holistic approach after taking into consideration the overall development plans for the location, so that the future appreciation is secured."

No other issue deserves to be centrestage for the first issue of Times Property, in the new year, quite like infrastructure. For a city that's not only the commercial capital of the country but a global commerce hub, Mumbai's need for infrastructure to not just sustain its real estate growth story but to maintain its status as a global city, can't be emphasised enough. By **VIBHA SINGH**

However, improvements in infrastructure are required to cope up with the growing real estate developments. With the huge growth in population in the city, the MMRDA has taken steps to improve the overall infrastructure to improve the quality of living in the city. To ease the traffic congestion in the city, projects such as the Kherwadi Flyover and the Chembur-Santacruz Link road, have been planned and executed. Mumbai has expanded in size and has witnessed a number of new launches in the recent past. With large commercial office spaces also coming up in the city, employment growth prospects look good and there will be an increased demand for housing as well as transport connectivity

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FAST FACT
■ AN EMERGING ECONOMY IS NEVER SHORT OF OPPORTUNITIES AND IT IS TIME THAT RESIDENTIAL REAL ESTATE INDUSTRY REALISES WHERE THE OPPORTUNITY LIES



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New infrastructure projects like the Eastern Freeway, have improved connectivity to Wadala, Lower Parel and the CBD from Chembur and Navi Mumbai. Further expansion of this, till Ghastkopar, will improve access from the eastern suburbs and reduce the congestion and strain on areas such as Chembur, Sion, Dastar, etc. Phase 1 of the monorail, which is also expected to be operational soon, will help connectivity to upcoming locations like Wadala and Chembur. Projects like the business hub at Wadala, which is proposed to support Bandra-Kurla Complex, will aid further in the decentralisation and decongestion of business districts, ensuring that traffic flows are spread out and the strain on the existing infrastructure is reduced. Overall, it will also ensure equitable development of the city, resulting in prices getting more rationalised and affordable, besides improving the overall quality of living and sustaining the long term prospects of the city. Ashutosh Limaye, head - research and REIS, Jones Lang LaSalle India, explains, "The phenomenon of development outstripping a location's infrastructure is very visible in the fringe areas of Mumbai. Apart from Navi Mumbai and Thane, all other outlying locations suffer from a chronic infrastructure deficit. Cases in point are Mira Road-Bhayander, Vasal-Virar, Kalyan-Dombivli and Ambarnath-Badliapur. These areas do, in fact, have their own municipal corporations but these entities are ill-equipped to handle the incessant demand for proper facilitation of their jurisdictions. While they realise the problem and have done much of planning, we have seen no implementation on ground." Part of the solution lies in the fact that city municipal corporations have to work together with the state government, in order to deploy significant infrastructure projects. The first issue therein, lies in the implied bureaucratic disconnect and the assignment of responsibility for implementation and timely completion of such projects. At yet another level, arises the

question of funding. If it is to be raised through the Public Private Partnership (PPP) route, local agencies are not always empowered to launch such initiatives. "A location, focused on the residential segment and low or no commercial and entertainment options, is not likely to sustain itself for a long time. Similarly, a commercial hub with low or no residential development, is likely to cause problems for the employees who may seek alternate residential districts in the vicinity which can reduce the commuting time to work and therefore, is not sustainable. Poor or delayed infrastructural developments, can eventually reduce the investment potential of the location," shares Limaye.

Though, the all-round development requires considerable time, it lends maturity to the real estate market in the location while ensuring that price growth is sustained over a longer time period. To put the above in context of individual Indian cities and specific locations, Powai, which has emerged as a well-developed suburb, has seen a steady increase in prices across all asset classes. As against this, there have been a few locations where speculative activity resulted in increased price volatility which was later marked down considerably when real activity on ground, failed to take off. Most areas in the far suburbs, continue to suffer from the lack of proper roads, water and electricity supply, sewage systems, public transport, hospitals, schools, etc. Many of these areas do not have strong economic drivers to encourage the implementation of infrastructure projects. These drivers exist mainly in the Mumbai Metropolitan Region (MMR). Many of the fringe suburbs serve solely as residential bases for those who cannot afford to live closer to their workplaces in the more centralised locations. Raheja adds, "Without proper infrastructure, the city may fail to attract investors who form the very core of this commercial capital, generating the highest GDP in India." Amit Kulkarni, director, Varad Infra Infrastructure Pvt. Ltd, adds how "If the infrastructure of the city is good, only then are the home buyers interested in buying property."