

# AN EYE OPENER INTO FUTURE TRENDS IN HYDERABAD'S REALTY MARKET



Home buyers, investors and industry professionals came together to explore latest trends and offerings in Hyderabad's booming real estate market, in the 3rd edition of Times Home Hunt Real Estate Expo held earlier this month in the city.

The momentous event which was inaugurated by Dr. G. Ranjith Reddy, Member of Parliament, Chevella and Gadwal Vijayalaxmi, GHMC Mayor, also featured a thought provoking and insightful panel discussion on the topic, 'Future outlook & growth potential in Hyderabad'. Several notable personalities from the real estate industry and achievers with impeccable realty track records were part of this invigorating dialog.

## KEY FACTORS CONTRIBUTING TO THE FUTURE OF HYDERABAD

Naveen Kumar R, Senior Director, JLL Homes, opined that, "The key factors contributing to the future of Hyderabad include significant development, good connectivity, decision-making of companies leading to the construction of 9 million square feet of space, a thriving IT industry, a business-friendly environment supported by the government, and the implementation of futuristic infrastructure." "Areas like Kokapet, Narsingi, and the southern part of Kukatpally are witnessing substantial developments and offer promising investment opportunities." "The specific property segment that has seen peak interest among new-age buyers is spacious apartment layouts and gated communities," said Pranjal Soni, VP, Candeur Constructions.

## BOOMING INFRASTRUCTURE

The booming infrastructure in Hyderabad is evident through various developments. "The city has witnessed positive advancements such as the expansion of the airport and the construction of the Nanakramguda new bridge. Further, to enhance space available for purchase, the government is actively focusing on the development of new upcoming areas and seeking to improve infrastructure in other parts of the city. For example, Uppal is set to have an IT park, to further enhance its status as a hub. Further, the expected GDP of \$2 billion and the steady growth of exports at 2.2 lakh crores indicate Hyderabad's economic growth. Additionally, these developments are anticipated to generate 1.5 lakh jobs, which accounts for one-third of the employment provided by IT companies," expressed Sunil Chandra Reddy, President, Naredco Telangana.

## MARKET RISKS

Developers in Hyderabad face potential risks that can affect their operations and projects. Radhey Daggumalla, MD, Radhey Constructions, said, "Changes in market patterns can impact the demand for real estate and affect property prices. However, the government's proactive measures in creating more jobs and developing infrastructure will help mitigate these risks by sustaining a favourable market environment." "Banks can also support the real estate sector by providing financial support, such as loans and project financing to developers, which can fuel growth and development," he added.

"As Hyderabad experiences rapid growth, one of the risks in the real estate sector is the influx of new players, including developers with limited experience. However, if these new entrants maintain discipline and adhere to industry best practices, Hyderabad's reputation in the real estate market can continue to thrive," said Sarath Babu, VP Sales & Marketing, Ramky Estates.

"Investing in real estate has its advantages, such as long-

term appreciation, stable income streams, and potential tax benefits. However, it is crucial to consider various factors, including market conditions, location, property management, and the financial stability of tenants, to mitigate risks associated with real estate investments. Overall, while there are risks involved in both commercial and residential real estate investments, careful consideration of market dynamics, property selection, and thorough risk assessment can help investors make informed decisions and capitalise on the advantages offered by real estate as an investment asset," believes Sunil Chandra Reddy, President, Naredco Telangana.

## PROMISING INVESTMENT OPPORTUNITIES

For young investors, Jubilee Hills, Hyderabad is considered a favourable area due to its prominence and upscale residential developments. Gachibowli in western Hyderabad, has emerged as a new city with significant investments and growth opportunities, with cost-effective options. The Outer Ring Road (ORR) provides good connectivity to Gachibowli and other areas, allowing residents and businesses to access different parts of the city easily.

## THE GOVERNMENT'S ROLE

Hyderabad has been proactive in promoting green initiatives, such as green buildings which are designed to be environmentally sustainable, energy-efficient, and resource-friendly, contributing to a greener and healthier urban environment. Further, the government's proactive conservation efforts in forest areas, and initiatives to preserve and maintain water bodies have played a crucial role in Hyderabad's development.

"The government can implement policies to foster a conducive business environment by streamlining approval processes, providing tax incentives for developers, and ensuring transparent regulations, to attract investments and facilitate the growth of the real estate market," said P Krishnan, General Manager, Union Bank of India.

## FINANCIAL INSTITUTIONS TO HELP DRIVE INVESTMENT

Investing in real estate is considered one of the best security options due to its potential for long-term appreciation and stability. It provides a steady income stream through rental yields or capital appreciation over time.

"Banks can offer specialised services and products tailored to the needs of NRIs, including NRI home loans and assistance in navigating legal and financial aspects of property purchase. These services should provide options and flexibility for NRIs to invest in the market and meet their aspirations. Further, personal home loans are available to individuals based on their income capacity to ensure their ability to repay the loan. Other investor friendly initiatives could include builder tie-ups, offering assistance on investor decisions, retail assistance and playing the role of a financial advisor," added P Krishnan, General Manager, Union Bank of India.

## REALTY IN THE POST-PANDEMIC ERA

"Due to the COVID-19 pandemic, there was a challenge in finding office space to accommodate freshers who received job offers during this time. However, with the expected economic growth of 15-18%, coupled with government support, the job market will stabilise and create opportunities for fresh graduates. Further, enhanced connectivity, particularly through the Outer Ring Road (ORR), helps bridge the distance between residential areas and office hubs, enabling

individuals to reach the office early and return home conveniently," said Radhey Daggumalla, MD, Radhey Constructions.

## FACTORS TO CONSIDER WHILE EVALUATING BUILDERS

Mudit Gupta, City lead, Anarock Group, felt that "As buyers become more educated about the construction process, many new developers are adopting sustainable practices and using eco-friendly materials, which is a positive trend. Opting for builders who prioritise sustainability can create a win-win situation for both buyers and the environment."

## AVAILABILITY AND AFFORDABILITY

Availability can make it easier for individuals to purchase properties and invest in real estate. With more choices and potential opportunities, buyers may find properties that

align with their budget and investment goals.

"However, it is important to note that affordability is not solely determined by availability. Other factors such as market demand, infrastructure, location desirability, and property condition also play significant roles. Additionally, affordability is relative and can vary based on individual financial situations and preferences," noted Radhey Daggumalla, MD, Radhey Constructions.

"Looking ahead to five years, the real estate market in Hyderabad is expected to experience various developments. While the western part of the city holds its charm, there is a notable shift happening towards Shankarpalli. Furthermore, Shadnagar is poised to blossom with excellent connectivity due to the expanding metro junction, making it an attractive location for major investments. Eastern Hyderabad is also expected to see improvement and development," Sarath Babu, VP Sales & Marketing, Ramky Estates observed.

## PANEL DISCUSSES FUTURE TRENDS IN REAL ESTATE

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