

<b>Publication</b>	business-standard.com
<b>Date</b>	19 March 2024
<b>Link</b>	<a href="https://www.business-standard.com/india-news/water-crisis-spurs-bengaluru-realty-developers-towards-green-buildings-124031800631_1.html">https://www.business-standard.com/india-news/water-crisis-spurs-bengaluru-realty-developers-towards-green-buildings-124031800631_1.html</a>

### **Bengaluru real estate developers cast a green lifeline amid water crisis**



As Bengaluru grapples with water scarcity, the city's real estate developers are adopting green building practices and sustainable solutions aimed at conserving water and helping residents mitigate the crisis.

Sobha, a city-based real estate developer, said there is an increased customer interest in water meters, treated wastewater reuse, rainwater harvesting, water-saving fixtures, and sustainability initiatives.

"Given the circumstances, sustainability is now in the spotlight, calling for intervention from government and non-government organizations. These include encouraging rainwater harvesting, instituting water conservation measures, upgrading wastewater treatment facilities, and restoring lakes and water bodies. With increasing concerns about environmental sustainability and climate change, consumers are actively seeking products and services that minimise their ecological footprint," said Prasanna Venkatesh, executive vice-president, plumbing, fire & environment, Sobha.

Sobha said it was integrating efficient rainwater harvesting and wastewater treatment systems in its projects, ensuring good-quality water for reuse.

"Sobha practices a four-pipe water supply system which is unique in the industry where dual plumbing in water-supply systems is common practice. We have different stages of centralized water and wastewater treatment plants. There are dedicated networks for each type of water so that the overall energy consumption is less and water losses due to rejection/backwash are reduced significantly," said Venkatesh.

For Shriram Properties, sustainability has been a core focus area. "Our projects adhere to rigorous standards, with our latest endeavors boasting best-in-class sustainable features. These encompass water conservation, waste management, energy efficiency, renewable energy utilization, biodiversity preservation, creation of green spaces, and initiatives for Climate change mitigation and adaptation," said Murali Malayappan, chairman and

Managing director, Shriram Properties. Malayappan believes that customers are willing to pay for the additional sustainable benefits.

Murali Malayappan, Chairman and Managing Director, Shriram Properties

“Incorporating the latest sustainability technologies does entail a cost, but customers are increasingly willing to invest more in these advanced features. A significant portion of our customer base comprises environmentally conscious millennials. Therefore, prioritizing cutting-edge technologies related to water and power consumption, as well as other sustainability features, remains a key focus area for us,” he added.

The Concorde group has embedded smart and tech-enabled elements into all its properties as a standard feature. It is aiming to bolster security and foster energy conservation through home automation.

“We are broadening our scope to incorporate more environmentally sustainable practices. As an example, all our forthcoming projects will incorporate provisions for electric vehicle (EV) charging stations, aligning with our commitment to greener initiatives,” said Anil RG, managing director, Concorde.

“Moreover, in our commercial ventures, we are laying emphasis on biophilic design principles. By prioritizing biophilic design, we strive to contribute to the creation of a more environment-friendly and harmonious workspace,” he added.

A Prestige group spokesperson said: “We recognize our responsibility and established water-conservation initiatives such as rainwater harvesting, sewage treatment plans, and sustainable water management practices.”

<b>Publication</b>	business-standard.com
<b>Date</b>	23 March 2024
<b>Link</b>	<a href="https://www.business-standard.com/industry/news/residential-buyers-willing-to-pay-5-10-more-for-green-buildings-report-124032200766_1.html">https://www.business-standard.com/industry/news/residential-buyers-willing-to-pay-5-10-more-for-green-buildings-report-124032200766_1.html</a>

### Residential buyers willing to pay 5-10% more for green buildings: Report



Middle-income residential consumers in tier-I Indian cities are willing to pay a 5-10% premium for sustainable living while corporate houses are willing to pay more than a 15 per cent premium for green-certified buildings, according to a report from Xanten, an advisory firm focused on sustainability.

Of these, residents in Mumbai have the highest appetite for sustainability in home purchase decisions — they are 70 per cent more likely to select a building with sustainability features, such as access to greenery and clean indoor quality, than residents in Delhi, Ahmedabad, and Hyderabad.

However, despite good sustainability engagement, 88 per cent of the respondents have no knowledge about green buildings. This indicates a need for the real estate sector to do more to raise awareness about the benefits and availability of green buildings.

Among corporate occupiers, over 85 per cent already lease green office spaces, motivated by energy savings and sustainability targets. 74 per cent indicate a willingness to accept higher premiums for lower emissions buildings, from premiums of 15 per cent for near-zero emissions to 50 per cent for net zero. Energy efficiency and renewable energy emerge as the top motivators.

However, gaps exist between sustainability goals set at the board level and integration into real estate decisions. Clear internal communication and alignment of priorities is needed.

“The survey results debunk the perception that Indian consumers' demand for sustainable living is negligible or nascent. Today consumers care about access to greenery, clean air, reliable materials, and operational savings, which green buildings can offer. This is the perfect time for real estate/construction companies to seize the moment and offer green alternatives,” said Vipul Kumar, Senior Partner, Xanten.

The survey was conducted on 1,100 residents from Ahmedabad, Bhubaneswar, Delhi, Noida, Gurugram, Hyderabad, and Mumbai, spanning lower-middle to middle-income groups, along with 26 corporations.

The report depicts that customer engagement is high for sustainability but misconceptions around green building costs, availability, and benefits hamper the demand. The report suggests real estate developers should invest more in sustainability features and credentials coupled with effectively communicating associated benefits like energy savings. Companies can ensure green building targets are integrated into real estate decision-making.

“Real estate is one of the largest contributors to total global emissions generated by manufacturing (steel and cement) and the rest is contributed by the energy used to power the buildings. There is a clear need to adopt green practices while building homes and offices; now strongly backed by consumer demands,” Kumar added.

At Shriram Properties, a considerable segment of its customers consists of environmentally conscious millennials who are willing to pay a premium for sustainable and green amenities. “This trend, along with rising economic prosperity, has spurred an increased demand for eco-friendly buildings. Consequently, prioritizing cutting-edge technologies related to water and power consumption, as well as other sustainability features, remains a key focus for us,” said Murali Malayappan, chairman and managing director, Shriram Properties.

Nesara B S, chairman of Concorde Group concurs that as India progresses into a mid-income country, sustainability is becoming a key focus area for both home buyers and developers alike. “While customers may be willing to pay an extra premium for green features that are not part of standard offerings, developers on our part need to create more sustainable and integrated developments. Our recent property offering with SMART philosophy is a perfect example of innovative green solutions. We are currently working on a reliable digital meter solution for water management that will be implemented in our projects soon” he said.

Consumers today are becoming more aware of the financial benefits of implementing sustainability solutions, said Prasanna Venkatesh, Executive Vice President - Plumbing, Fire & Environment, Sobha. “With increasing concerns about environmental sustainability and climate change, consumers are actively seeking out products and services that minimize their ecological footprint.”

Publication	financialexpress.com
Date	26 March 2024
Link	<a href="https://www.financialexpress.com/business/industry-price-spike-may-push-up-housing-inventory-3436425/">https://www.financialexpress.com/business/industry-price-spike-may-push-up-housing-inventory-3436425/</a>

### Price spike may push up housing inventory



Unsold inventory in residential properties is likely to increase due to a sharp price rise and increase in launches. Housing prices went up sharply by 15-35% in 2023, especially in key markets like National Capital Region (NCR), Hyderabad and Mumbai. Luxury property prices have gone up even more at 20-50%, as per CLSA.

“This (rise in prices) has also led to an increase in speculative demand, especially in the NCR market. Such a sharp increase in prices may deter end-users, which will then lead to high unsold inventory as speculative buyers try to offload their units,” CLSA said.

Between 25-40% of buyers are speculators/ investors in NCR, as per channel checks done by the brokerage . “If unsold inventories rise, it would certainly put downward pressure on prices,” said an analyst who did not want to be quoted.

Besides price rise, an increase in launches in residential properties may lead to higher unsold stock in FY26, India Ratings and Research said recently. The robust sales seen in residential real estate in FY24 could moderate in FY25, it said. “Factors such as escalating home prices and interest rates, a high base of FY23-FY24, and an influx of new launches are likely to limit the growth rates,” the rating firm said.

Price rise in the last two years and sticky interest rates could lead to moderation in prices of specific types of products, it said.

“Largely, the affordable segment (less than Rs 5 lakh) and mid-segment (Rs 50 lakh to Rs 1 crore), as a proportion of overall sales has been showing a declining trend for top eight cities for these segments. Developers may resort to price moderation for faster inventory offtake,” said Vikas Anand, associate director, India Ratings & Research.

Murali Malayappan, chairman and managing director, Shriram Properties agrees. “The current scenario, characterised by stagnant interest rates, rising residential prices, and a high sales benchmark from the previous year, may result in a temporary slowdown in sales growth,” Malayappan said.

This challenge is impaired by the influx of new property launches. Additionally, high input costs and slim profit margins present significant hurdles, he said, adding that to address

These challenges effectively, it is essential to explore strategies for cost optimization, embrace lean construction practices, and employ financial management techniques. However Shriram's larger peers disagree.

"Speculation is not new. It has been there some markets here and overseas. It demonstrates that people have belief in the sector. If economy grows faster, there could be a shortage (of new residential properties)," said Sanjay Dutt, managing director and CEO of Tata Realty & Infrastructure.

Dutt said stagnation could set in some of the markets where there is excess speculation one or two years from now. "But I feel that will be complemented with reduction in inflation and interest rates making real estate environment favourable."

Viswa Prathap Desu, chief operating officer-residential, Brigade Enterprises, said there has been a shift in customer preferences from ready-to-move-in homes to newer launches.

Primarily due to lack of ready inventory being available. "The demand dynamics coupled with shifting customer preferences is expected to continue to drive robust sales along with healthy price increases," Desu said.

He said the current demand curve suggests that prices will continue to increase in FY25 as well, given that demand is still holding up across markets and price segments. Prices will continue to rise across mid, premium and luxury segments.