

'Real estate stock exchange need of the hour'

As a key real estate player and a successful entrepreneur, what have been KMB Group's (Real Estate) noteworthy achievements in the business?

KMB Estates was founded as a direct result of Ramesh Bulchandani developing various residential properties across western India. As a tribute, the company has been named after his grandfather, Dr. Kishinchand M. Bulchandani, who with his sons pioneered real estate development in Mumbai in the 1950s from Khar to Marine Drive, also founding the National Hospital (now Hinduja National Hospital) and National Sarvodaya School.

Would you like to provide an overview of the KMB Group?

The KMB Group is a diversified group with investments in retail, distribution and real estate. The group began in 1988 as a manufacturing company and soon grew to be one of India's largest watch-strap manufacturers. Today, KMB has under its wing, leading companies in retail, distribution and real estate.

How would you describe the real estate industry scenario at present and future trends in the market?

While India continues to be among the fastest growing economies, the pace is unlikely to sustain unless it is supported by an equally robust development of its infrastructure.



KMB Estates (2006), a division of KMB Group (1988), focuses on developing real estate projects from land identification to inception, design, construction, financing, marketing and final occupation. It has explored themselves in terms of residential, commercial as well as rental properties. They extensively use Information Technology for planning in real estate, as well as innovate to benchmark real estate developments to global standards.

The Family pioneered real estate development in Mumbai in the 1950s from Khar to Marine Drive, and also founded the National Hospital (now Hinduja).

Ramesh S. Bulchandani, Chairman, KMB Group, Bengaluru, shares with **Dilip Phansalkar** an overview of KMB Group, future roadmap, the industry scenario and future, green initiatives, investments, transparency, affordable housing and so on.

India's GDP growth if shepherded appropriately.

Which are the infrastructure projects the company has delivered in recent times?

Nirmal Estates, Industrial Estate, in Goa.

What structural approach do you take in developing and delivering real estate projects?

KMB evolves suitable solutions to local challenges, and participates in joint development and joint ventures, for appropriate locations and properties, delivering enhanced value to land owners through its unique approach to value creation.

What future roadmap have you drawn for the company's growth and expansion plans?

KMB plans to develop Grade A developments in the Mixed Use space.

What current projects have you undertaken in housing, retail and hospitality segment?

La Palazzo Outer Koramangala has 92 upscale apartments, 120,000 sq. ft. of signature office spaces and 40,000 sq. ft. of lifestyle retail complemented with 17,000 sq. ft. of fine dining. This short of a million sq. ft. project is underway and construction is in full swing. In addition, KMB is evaluating several JD projects on Sarjapur Road and Kanakpura Road for appropriate homes and mixed use.

The concept of a construction industry council for the seven Saarc countries was mooted by Sri Lanka in 1999 to fight for their rightful place in the international construction industry. All Saarc countries have similar problems. What should India do?

India needs to get its own act together; benchmarks for world-class approach to all segments of the market are already available. It needs suitable gravitas to get the appropriate solutions out of the door and into the real world.

costs, we find ways to prevent the exploitation of these resources through innovative methods.

Private equity (PE) investments in real estate in April-June quarter rose both in volume and value to \$318 million. What does this trend by real estate companies indicate?

The opportunity provided by the real estate sector meets the appetite

occupants are in lag with global economic trends, largely from outsourcing countries.

Which locations in India are hot property destinations for NRIs in 2013?

Delhi, Mumbai, Bengaluru and Chennai are key destinations for NRIs in my opinion.

Transparency is a grey area in the real estate industry. What is your observation on this issue?

There is a shift in the consciousness of discerning consumers and those developers that do not deliver a transparent process will be left out of the market

What has been the contribution of the National Real Estate Development Council to the real estate industry?

There is scope for embracing the voice of all stake holders in a multi-level engagement model, in order to compile solutions that would have a suitable impact on industry and the economy through an improved

solution to actual home users.

Would affordable housing projects drive the real estate industry?

Affordable housing is a misnomer in today's conversation. 40-60 sq. mt homes are being built where required, the prices are a consequence of cost of land, FSI available, taxes indirect and direct.

If there is a programme that is successful in developing affordable housing, it is the model of public private partnership (PPP) being practised in Mumbai for SRS schemes. These could be, if widely applied, a solution to India's housing needs and fuel the GDP.

The real estate industry is a key industry to which the growth of India's GDP is directly linked. How can this link be reinforced?

All downstream trades and skills in the unorganized sector as well as cement and steel, impact 60 per cent of India's GDP Basket, and can contribute up to 22 per cent of



The real estate sector in India assumed greater prominence with the liberalization of the economy, as the consequent increase in business opportunities and labour migration led to rising demand for commercial and housing space.

The Indian real estate sector's contribution to GDP has since declined from 10.6 per cent in the year 2010-11 to 6.5 per cent in the year 2012. Traditionally, Indian real estate has been dominated by a number of small regional players with low level of expertise and financial resources.

However, with the right offering for the right customer, I believe players today find the current industry state manageable. It is important to note that the impact uncertain times have on the real estate industry could often be considered as an opportunity for the 'prepared' buyer.

You are a promulgator of clean environment and green initiatives. How have you expressed this concern in your construction projects?

All our projects are green buildings, even more, we apply blue thinking. Less is more, in case we can eliminate the need to apply resources in terms of fixed assets or operating

of PE Investors, and signals a weak money market for a sector which forms the backbone of the Indian economy. 318 M is a paltry sum compared to investments in SE Asia markets, India can do much more.

How necessary is setting up a stock exchange allowing exclusive trading in real estate-based mutual funds for the growth of the sector?

This is the need of the hour and provides a safe and regulated investment avenue for India's small investors who are obsessed with gold as the only asset class that meets their safety requirement. A proper approach on listing RE funds in the stock markets may well help route the savings from an unproductive gold investment which is hurting our BoP to our most productive sector with a high multiplier effect to our economy.

How would the introduction of real estate investment trusts (reits) for free trading in real estate shares kick-start the sector in India?

It is long overdue!
In what way do global economic and financial conditions have a major consequence on commercial real estate market?

Occupancy and quality of



La-Palazzo, Bengaluru