

EXPERT OPINION

How does investment in real estate sector bring new sustainability opportunities

By Yash Tiwari | November 2, 2021



The real estate sector's role in achieving sustainable development goals (SDG) cannot be overstated. It is one of the few sectors that can contribute towards environment conservation and sustainability in the short and long run.

Real estate is more than just a sector for the other side of the value chain — the end-users. The aspirational value that comes with owning something real has an underline emotional appeal.

The sector, which employs millions directly or indirectly, is a significant contributor to the economic growth of the country. The real estate sector is expected to contribute around 13 percent to the national GDP by 2030.

India's real estate sector has had its fair share of problems and issues. However, it is still one of the most robust sectors in the world.

Before COVID-19, the sector was on a steady growth path with several reforms, corrections, and policy overhauling. With the world's largest vaccination drive and a sooner than anticipated economic recovery, real estate is on the verge of bouncing back.

Need for accelerated investments

The real estate sector has the potential to lead the economic recovery of the nation; it can provide short term and long term relief to the economy.

Sectors like construction material production, labour employment, retail, transport, education, health, etc., are directly or indirectly connected or dependent on real estate.

Further, several other sectors are in some way dependent on these sectors. Therefore, the growth of the real estate sector will have a domino effect on the entire economy. A rising real estate sector can trigger a chain reaction of growth for the entire economy.

The Indian government is running several programmes — PMAY - Housing-for-All — directed towards the growth and development of the real estate sector.

Various states have their own schemes to incentivise people to invest in real estate. These schemes have had met with a fair amount of success before the arrival of COVID-19. In the post-Covid-19 recovery phase, these programmes will have a significant role in attracting investments.

Sustainability opportunities

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Project site selection, design, and planning

Developers and administrators need to be careful regarding the selection of the project sites. Local ecology, flora and fauna, climate, demography, and culture should be kept at the centre of planning.

The short- and long-term environmental impacts of the project must be studied carefully before starting the project. Geospatial technologies and methodology like BIM can greatly assist in such studies.

The project designs should minimise the usage of energy and water during the entire lifecycle. Green building guidelines should be kept in mind while designing the projects.

Use of sustainable technologies and materials

Technologies that help reduce energy and water consumption in the projects should be explored and employed.

Environment-friendly construction materials like composite waste construction material, fly-ash bricks, precast concrete slabs, bamboo, recycled plastic, reclaimed steel, etc., should be used as much as possible during the construction phase.

Waste management

Real estate projects generate huge amounts of solid and liquid waste. Often the wastewater either seeps to the underground or finds its way to local water bodies, causing significant ecological damage.

Similarly, the solid waste generated from the project often comprises huge amounts of cement and concrete. Project developers need to take extra care for responsible and sustainable handling of their waste.

Reduce, reuse, and recycling should be the central philosophy while dealing with solid as well as liquid waste.

Sustainability after the project completion

Real estate projects remain in usage for decades and sometimes for hundreds of years, therefore sustainability after the completion of the project cannot be ignored.

During the designing of the projects, the designers and developers should keep provisions of water and energy conservation, electricity generation through renewable means, wastewater recycling, waste management, green spaces, etc. They should also leave scope for adaptation of new technologies that might emerge in future.

Real estate and environmental sustainability are closely related. To achieve sustainable development goals, real estate cannot be ignored.

Similarly, the sector holds the key to the country's economic revival. Acceleration in investments and sustainable developments need to go hand in hand for India to achieve a truly sustainable growth rate.