

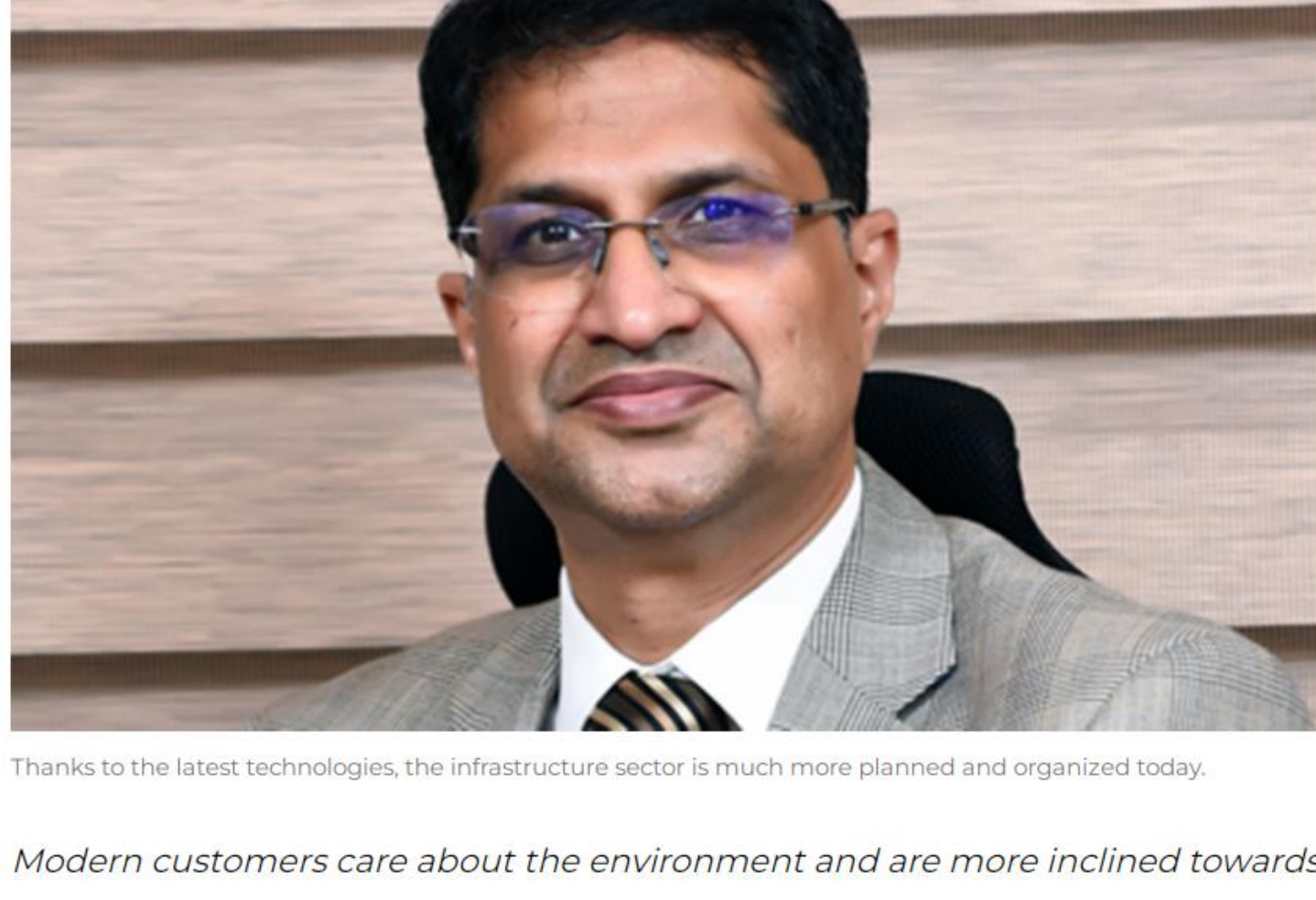
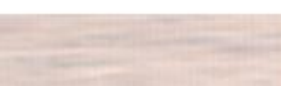
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Modern customers prefer buying property in sustainable projects: Pradeep Misra, REPL

In an exclusive interview, Pradeep Misra of REPL shares his views on infrastructure development in the country as well as the current real estate scenario.

Written by [Sanjeev Sinha](#)

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Thanks to the latest technologies, the infrastructure sector is much more planned and organized today.

Modern customers care about the environment and are more inclined towards buying property in sustainable projects, even if it means shelling out some extra money. The ESG movement is gaining momentum in India and projects that care about the environment are deemed to be less risky in ESG funding. This also might mean cheaper financing for the project which can compensate for the inflated cost of the project due to sustainability measures.

Sustainable projects harness long-term annuity benefits and are, therefore, a rational decision irrespective of regulations, says **Pradeep Misra, Chairman & MD, REPL (Rudrabhishek Enterprises Limited)**.

In an exclusive interview with Sanjeev Sinha, Mr Misra shares his views on infrastructure development in the country as well as the current real estate scenario. Excerpts:

What is your take on the speed and magnitude of infrastructure development which is happening in India?

Infrastructure growth in the country has been impressive over the past few years. Industry reports show that the sector is growing at 7% CAGR and is expected to continue with this growth rate till at least 2025. The government's pledge to invest Rs 102 lakh crore in the national infrastructure pipeline projects has started showing its effects in the form of better connectivity, improved standards of living, and increased economic activity in even the remotest parts of the country. At around 38 km per day, highways are being constructed at an unprecedented rate and the target of 25000 km of highways to be constructed in the FY 2022-23 is a sign of the government's unwavering commitment to the infrastructure sector. As an industry stakeholder, I can express my satisfaction with the scale of work that is being done within the infrastructure sector. However, there is a lot out there to be accomplished in the coming years.

While recession and inflation remain global concerns, what role do you see of the infrastructure industry in guarding India's position?

The internal demand in India has been its greatest buffer against the global recession. Infrastructure sector helps the government and the corporate sector reach even the remotest corners of the country, physically as well as digitally. It helps in opening new markets for the companies to sell their products and services. Sectors like Banking, Finance, and Edtech have largely benefitted from digital infrastructure. As new markets open, economic activities increase, and new jobs are created, instead of recession, the economy enters a growth path. During the construction, infrastructure projects generate employment for thousands and help in circulating cash in the economy, thus causing a highly positive snowball effect on GDP growth.

Which schemes of the government do you consider extremely successful in creating a multiplier effect? What are the roadblocks you see for the infrastructure sector in the time to come and how do you envision them to be addressed?

In my opinion, the highways sector has been the most significant one in creating the multiplier effect. Besides boosting connectivity between important cities and rural areas, highways help in reducing carbon emissions and saving fuel. They generate employment during their construction and there is a boom in the economic activities in the surrounding areas. Improved connectivity through highways also lets the government and businesses reach places that were previously inaccessible. This helps in the development of sectors like healthcare, hygiene, and education. 5G telecom network, new airports and completion of DFC (Dedicated Freight Corridor) will have multiplier effects. Managing inflation with the lending rate remaining untouched will have a direct impact on infrastructure.

How is technology playing its role in changing the way the infrastructure industry works today as compared to the last decade?

Thanks to the latest technologies, the infrastructure sector is much more planned and organized today. Technologies like IOT, GIS, GPS, and remote sensing are available today to identify the best project sites, plan the projects, and anticipate the effects of weather and climate change on the projects. They also help in determining the impact of the project on the local ecosystem and communities. Connected construction and BIM helps in optimizing resources, reducing wastage, and meeting project deadlines. Automation has become instrumental in reducing the dependency on manual labour, saving costs, and increasing the speed of project completion. Digital technologies also play a crucial role during the operation of the projects.

A lot has been discussed about sustainable infrastructure development. However, sustainability has a significant economic implication. How do sustainability factors affect project planning? Is it a deterrent or a booster for the growth of the infrastructure industry?

Sustainability does come with a cost, however, if one observes deeply, sustainable infrastructure projects are much more immune to any sovereign and social risks. Projects without the concept of sustainability are more likely to get into trouble with the law and society. Modern customers care about the environment and are more inclined towards buying their properties in sustainable projects, even if it means shelling out some extra money. The ESG movement is gaining momentum in India and projects that care about the environment are deemed to be less risky in ESG funding. This also might mean cheaper financing for the project which can compensate for the inflated cost of the project due to sustainability measures. Sustainable projects harness long-term annuity benefits and are, therefore, a rational decision irrespective of regulations.

What are your company's current projects and future plans?

REPL has an all India presence with a variety of complex projects. Roads & Highways, Smart Cities, Water supply scheme, GIS based Master Planning, OBPAS, City Development, Industrial Corridors, Development of Tourism Sites, Street Vending Plans, Hi-tech Cities, Residential Townships and Commercial Complexes. For reviving & completion of stalled real estate projects, our in-house expert team is providing comprehensive PMC and design solutions to major builders in Delhi NCR, which include Unitech, Jaypee Associates and others. We have the capabilities of taking up projects at any stage and handle its design, PMC, compliance and completion.

What is your take on the current real estate scenario? Despite repo rate hikes, the demand for property is growing. How do you see this growth?

The economy is exhibiting strong signs of growth. The real estate sector has been one of the primary beneficiaries of this recovery. In addition to a preferred asset class for investment, real estate has a sentimental value. It gives people a sense of owning something tangible. Therefore, a slight increase in price due to the increase in the repo rate is not a deterrent to the demand. The work-from-home culture also has a positive impact on real estate sales as people are now shifting from renting to owning homes. Customers are once again showing an increasing inclination towards buying ready-to-move properties than the under-construction ones.

There are many stalled projects, especially in the NCR, which have shaken the faith of buyers with several developers facing a crisis. Authorities/bodies like RERA and NBCC are taking corrective measures to bring the lost trust back. What do you think is the way forward?

The stalled projects indeed have been a setback for the image of the real estate sector. It has severely affected all the stakeholders, including buyers, developers, investors and funders. The attention of RERA bodies as well the direct intervention from judiciary are making it possible to re-initiate the works for completion of such projects and ensure handing over of units to its allottees. Expert consultancy organizations are being appointed to do a correct assessment of the present status of such projects and then ensure the completion of the remaining work within the stipulated timeline. As stated earlier, REPL is also working on such projects assigned by the concerned authorities. It is also in the interest of the PE investors and banks involved in stalled projects. However, by the very nature of these assignments, it requires extensive credentials in working on large-scale real estate projects as well as high-level expertise in design (architecture, structure & MEP) and PMC work, along with an understanding of the statutory guidelines.