

INDIANS TRUST IN REAL ESTATE!

Lets's get Real!



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Whenever I have been asked, at any point in my professional life, "What should I invest in?" by any potential investor, my go-to answer has always been real estate. After having spent more than 3 decades on the inside of this industry, I can vouch that real estate is a reliable and safe bet for an investor, an owner, as well as an end user. A well-researched, well-informed and timely investment in real estate is the wisest move you can make if you want to create a Real Rich future, not only for yourself, but also for your future generations.

The question is, does India as a whole share my enthusiasm for real estate?

Well, the numbers don't lie.

In March of 2023, the Jefferies Group – a world-leading investment and banking firm – calculated that the total financial value of all assets

held by Indian households was 11.1 trillion USD. 51% of the value of this gigantic sum comes from real estate. The next closest number was gold, at 15%. What does this mean? It means that Indians trust real estate.

According to more recent research, conducted by the renowned real estate think tank CRISIL, the Indian peoples' trust in real estate – and thereby investment in the same – is projected only to increase in 2024 by as much as 20%.

Why? It's because real estate has shown to provide more robust and more reliable returns on investment than alternative methods, such as stocks, mutual funds or FDs. This is corroborated by the Jefferies report, which states that Indians prefer physical assets – such as real estate, gold or cars – to financial assets – such as FDs – because the former are thought to be more predictable and therefore more controllable. According to many experts in the field, another reason that Indians

– of all social strata – prefer to invest in real estate rather than equity is because the volatility of equity has made most Indians wary of it. Additionally, especially in contrast to FDs, many believe investing in equity to be little other than gambling – an activity that many (if not most!) Indians are often socially conditioned against.

Even when Indians borrow money, they tend to use the most of it to buy new properties – such as in the case of first-time home-buyers – or invest in their second or third homes. In research conducted by the Business Standard in May 2024, they said that Indians will continue to prefer physical assets – especially real estate and gold – as the economic health of India improves. This, they claim, can be understood from the fact that the overwhelming majority of new loans are used to purchase – like I said – new properties.

But what does all this mean for you, the investor?

Well, it means that – as I've been saying in this column for months – real estate and investing in it is the key to getting Real Rich. All you have to do is practice an abundance of research, and stay wise in your choices of developer, location and property.

India is on the cusp, it is in fact almost over the edge, of a sharp and predictable financial boom. Markers, such those that I have spoken about today, are clear and undeniable indicators of it.

The Indian economy is rising – it will overtake Japan to become the 4th largest in the world by April of 2025 – and real estate makes up nearly 40% of it. The Indian real estate market is going to be worth 1 trillion USD by 2030 – almost certainly earlier. The question then, for a wise and smart investor such as yourself, is not "what should I invest in?"

The question has now become "what is the best property that I should invest in?"

And, "How soon?"



REAL RICH
GETTING REAL ABOUT REAL ESTATE