

Navin Raheja of Raheja Developers talks to Preeti Singh about all matters real estate. Gen next and executive director, Nayan Raheja joins in the conversation



What are your thoughts on the deadlock on the real-estate scene currently?

Navin Raheja: It is mindless oversupplying brought into the market by so many inexperienced people with the view to make big money. That has spoiled the entire credibility of the sector along with the confidence of customers. On top of it, the last five years have seen a slowdown in economic growth.

How does one break this real estate deadlock?

Navin Raheja: It needs a trigger. Firstly, the government should understand that investment in real estate, in any country and in any economy has always proved to be a turnover for that economy. This sector is supporting more than 250 industries. The leather industry, steel, cement, copper or glass, wood, plastic mills, mechanical, plumbing, almost all these industries are directly affected by the real estate sector. The simple logic is to make people invest in real estate by bringing down the home loan interest rates. When they bring the interest rate down to 6-7% on home loans, the country will start growing in double digits. Secondly, please allow us to work. The government should ease the rules of doing business for us. They come up with something new everyday. One more legislation or one more rule to follow. We are not being given time to work. There are so many compliances to fulfil. Be it venue, electricity, water, environment, other local authorities, fire, labour and all the taxations. And all of these people are not actually supporting us. These problems need to be sorted out. The government can put all these things online. Currently, there is online approval as a single window clearance and we are stuck only with attending to them.

Shouldn't prices then come down considerably?

Navin Raheja: Prices have come down already. But now bringing them down further is not possible because they are, I think, at cost or maybe below cost. It will be disaster for anybody selling below this.

Real estate was not your first business venture.

Navin Raheja: After passing out from college, I had savings of about Rs 5000 from a scholarship. With that I started my first business of providing accessories for scooters. It was a very innovative idea at the time, nobody was doing it. Then, in 1982, there was Asian Games, so I introduced colour TVs also for the first time in Delhi. I was one of the initial distributors for EC and Uptron tv sets. Because of these opportunities, I made good money and by '83 I made my first investment in real estate. And it doubled in less than three months. That gave me a taste of how to bat faster, you know, a faster run-rate.

You have made a sustained effort to work with international firms.

Navin Raheja: The Burj Khalifa in Dubai has been made by Arab builders. So we tried to get in touch with them because they have the competency to create that level of work and those structures. There was a lot of resistance on their part; they were not willing to work with Indians. But ultimately, Nayan, my son, convinced them. Designing alliances are there with the best global companies like Thornton Tomasetti, who are also working on some projects with us. We are bringing in talented companies from all over the world, even to execute our individual modules, after construction. Even our architects are talented international names.



Why don't developers work with Indian architects and firms?

Navin Raheja: I used to work with Indian architects about 10 years ago. But I always had to go back for frequent changes in the drawings. The quality was not really that good. Then we hired the best of the architects from the School of Planning & Architecture. We have a team of about 30 architects from the best of the institutes. They are good in local master planning and in their knowledge of by-laws. And they collaborate with our international architects too.

What's next for the company?

Nayan Raheja: We are evolving with the times and there will be a dramatic shift in the kind of product mix that we do. Currently, it is probably 80% residential and within that 80% we have probably 50% of the luxury homes for the middle segment homes. I think that will dramatically shift to a 30% luxury and you know like 30% middle and a 40% lower-income group sort of a thing. That is the kind of demand pattern, which exists in the country. Also, we are in the process of creating smart technology for homes in the same way we see apps in our phone. I think the last frontier achieved for smart technology is going to be people's homes. We are creating a new sort of technology where soon you will see lot of prototypes where you will be able to experience your lifestyle better. Through this technology, if you want to go for a game of tennis and you know that your friend might be available, you can check via this technology to see if a booking is available at the tennis court at 5 pm and ask if your friend is also there. It automatically communicates. It is almost like Artificial Intelligence (AI). The home starts having a personality of its own where you can communicate with it. Apple and Google are working on it as well.

Raheja Developers Limited was established in 1990 by Navin M Raheja. He holds a MBE degree and is a post graduate in Journalism. His company is regarded as one of the biggest companies in India with executable and sanction projects over 60 million sq ft in hand with projects spanning over 900 acres of land at various stages of deliberations.