

# Editorial

The real estate sector is one of the most globally recognized sectors. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

The Indian real estate sector has witnessed high growth in recent times and is expected to contribute 13 per cent of the country's GDP by 2025. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs. Buyers and investors who were earlier undecided, are now actively looking for homes, as the overall real estate market in the country has seen an upward movement.

The Indian real estate and construction sector has witnessed both disruption as well as optimism with a slew of reforms being implemented. Rapidly evolving technology is redefining how real-estate business is conducted and managed in India. Real estate operators are progressively exploring opportunities to harness this 'big data' and develop building automation and resource management systems for commercial and private spaces to maximise comfort, environmental quality and sustainability. Despite all this, there is a strong need for public-private-partnerships and private ventures for improving efficiencies in the real estate ecosystem.

The three major reforms in the recent past – the introduction of GST, the launch of RERA (Real Estate Regulation Act, 2016) and the grant of infrastructure status to affordable housing properties – have had a massive and positive impact on the industry. Today, the results of the RERA can be seen – it has increased transparency in real-estate deals, improved accountability of builders, which in turn has led to increased demand from buyers. GST has made it easy to do business in the country, seeing a marked increase in infrastructure developments and other real-estate projects.

The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. Under the Pradhan Mantri Awas Yojana (PMAY) Urban, more than 8.09 million houses have been sanctioned up to May 2019. The government's

vision of "Housing for All by 2022," and the grant of infrastructure status to compact, affordable residential homes saw an increase in the demand for low-cost homes.

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform, which will help in allowing all kinds of investors to invest in the Indian real estate market. Responding to an increasingly well-informed consumer base and bearing in mind the aspect of globalisation, Indian real estate developers have shifted gears and accepted fresh challenges. The most marked change has been the shift from family owned businesses to that of professionally managed ones. Developers have also undergone major transformations, and the leading and most trusted developers are looking to provide their valued clientele with added value and holistic living experience.

Generally, real estate or construction sector is known for high degree of uncertainty exposed with cost escalation and a commitment in completing projects, however, it requires a clear and tight control of costs at every stage to run on the wheel of profits. CMAs here can play crucial role in real estate accounting and strategic decision-making. The CMA practitioners are authorized to act as "Valuer" in respect of financial valuation under section 2(zz) of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended on November 30, 2016. As per Section 56 of the Real Estate (Regulation and Development) Act, 2016, Right to Legal Representation – the applicant or appellant may either appear in person or authorize CMA to represent his or its case before the Appellate Tribunal or the Regulatory Authority or the adjudicating officer, as the case may be.

This issue presents a good number of articles on the cover story theme '*Real Estate Investment and Capital Markets*' by distinguished experts and authors. To make the issue more informative and stimulating we have included *Special Article* related to a significant event of recent times. We look forward to constructive feedback from our readers on the articles and overall development of the journal. Please send your mails at [editor@icmai.in](mailto:editor@icmai.in). We thank all the contributors to this important issue and hope our readers enjoy the articles.

