

# Construction

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## Driving on an ARBITRARY ROAD

The new Government announced ambitious road and highway projects, allocating a hefty budget to this sector. But the road ahead is going to be uphill considering the amount of ongoing projects under arbitration or litigation. For Indian road contractors the road ahead is arbitrary, and slippery too!

### SPECIAL FEATURES

- Road Building Equipment
- Affordable Housing
- FDI Booster
- India's Growth Story
- Green Cement
- Satellite Cities

### INTERVIEWS

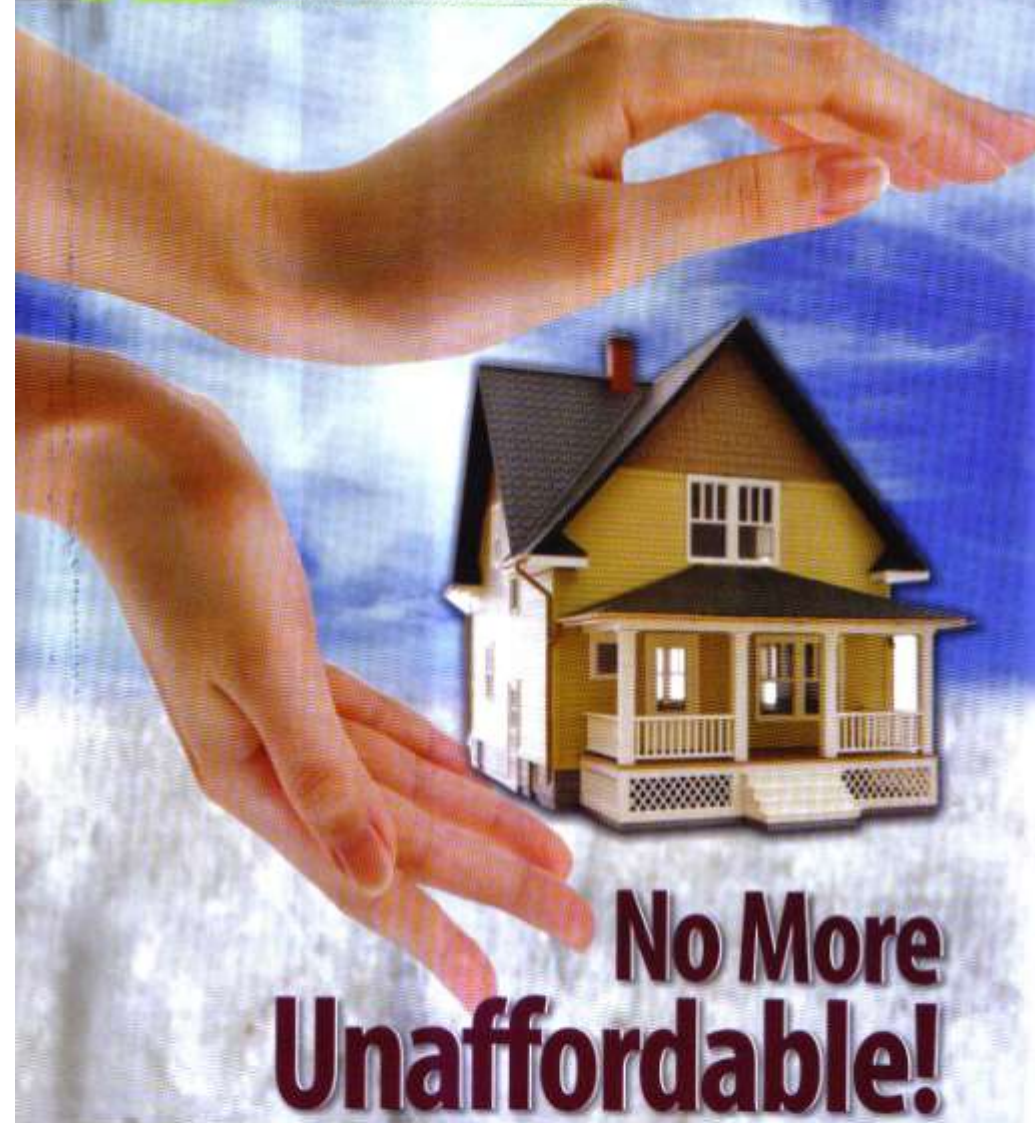
- JCB India
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- Mahindra Lifespace Developers
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### FEATURE - AFFORDABLE HOUSING



## No More Unaffordable!

**A**ffordable housing is no new concept. And developers always promoted it. However, certain factors like land cost, various sanctions, environmental issues, eviction of tenants and its political fallout, had a major impact on it.

India is on the brink of urban revolution. 32 per cent of country's population is living

in urban areas but contributing 60 per cent GDP of the country. **Union Minister for Urban Development and Housing & Poverty Alleviation, M Venkaiah Naidu**, says, "Today urban areas are at the heart of many great challenges, opportunities and promise. Since long time development of cities was ignored even as the urban population increased. It has resulted in the haphazard expansion of cities and

rapid growth of slums. To overcome these challenges we all have to work together. Transparency and accountability has to be the basic principle of governance."

#### Opportunities galore

According to **Rana Kapoor, Managing Director & CEO, YES BANK** and **President, ASSOCHAM**, "India requires an estimated INR 8.5 lakh crore

Affordable housing segment is poised for growth exponentially with the government and RBI seeming focused on promoting the sector. The positive change in scenario is reflected in foray of established high-end residential project brands also into the segment. Developers say that the key to deliver affordable housing is to keep costs low without compromising on quality or speed of execution. Read on to know more...

to the Government's planned skill development programme."

"Institutional reforms in land acquisition, approval processes and taxation are much needed to expedite development of affordable housing and finally facilitating investments through FDI, REITs, IovTs and other innovative real estate financing models will help attract long term funds from foreign and domestic investors," adds Kapoor.

Seconding his view, Vivek Jaiswal, Head-Sales & Marketing, Pashmina Developers, says, "This segment is poised for growth exponentially now with the government and RBI seeming focused on promoting the sector with various schemes and incentives. The positive change in scenario is reflected in foray of established high end residential project brands also into affordable homes segment. In fact, some big players have instituted separate SBU's to spearhead progress in this segment."

It is rightly said that the key to deliver affordable housing is to keep costs low without compromising on quality or speed of execution. On his company's

latest initiative, Anand Mahindra, Chairman, Mahindra Group, says "Our commitment to sustainable urbanization is to be in businesses and develop projects that promote Culture, Connectedness and Community. Happiness, an initiative by Mahindra Lifespaces epitomizes the concept of Shared Value where companies seek to do business in a manner which combines profitability with advancing the economic and social conditions of the communities which they operate in. I welcome this foray into the affordable housing space which is critical to India's growing urbanization."

Adding to this Anita Arjundas, Managing Director & CEO, Mahindra Lifespace Developers Ltd, maintains, "India is urbanising fast and more than a third of urban Indians cannot afford to buy their own homes. Happiness stands for our intent to enable a cross section of Indians fulfill their dreams of home ownership in a safe, secure and healthy environment. Enduring and thoughtful design, swift execution using technology and enabling access to home ownership through financial inclusion will be both the enablers and the pillars of success."



**M VENKAIHAH NAIDU**  
Union Minister for Urban Development and Housing & Poverty Alleviation

"Today urban areas are at the heart of many great challenges, opportunities and promise. Since long time development of cities was ignored even as the urban population increased."



Photo courtesy: Tashee Group

investment to fill the Affordable Housing gap today, and with the country expected to emerge as the third largest economy by 2030, development of affordable housing & urban infrastructure will play a pivotal role in the structural transformation of India's economy. This clear opportunity coincides with the Hon'ble PM Shri Narendra Modi's vision of 'housing for every Indian by 2022' and will contribute

Photo courtesy: Pashmina Developers



**ANAND MAHINDRA**  
Chairman, Mahindra Group

"Our commitment to sustainable urbanisation is to be in businesses and develop projects that promote Culture, Connectedness and Community."

**In the making**

It is no secret that the world's urban population is picking up, and, in many cases, urban rent prices are rising with it. Architects are continually inventing new solutions to confront the challenges of maximum unit count paired with minimum budget, all the while incorporating architecture's latest technologies and trends into the design.

As Major Sanjay Khorana, Senior Vice President, Tashee Group, puts it, "Design, of course, can't solve it; architects must evaluate the social and political structures that define public housing instead of simply agreeing to

think inside the box. As per the latest trends, people are opting for Green Roofs, Splash of Colour, Accessibility for All, Gardens in the Sky (Skyville) while choosing a house."

According to Jaiswal, "There is a

replacement for natural stone such as ceramic and vitrified tiles today in the form of resin (PVC) based products for internal use that tend to offer economic benefits. Similarly the external/permanent claddings are also replaceable with PVC material adding to the cost factor. Though these trends are still into experimental stages and haven't yet qualified the time-test making the use of these is a judicial process before mass implementation."

Khorana lists out some of the latest construction practices for affordable housing adopted by developers:

- A logical approach needs to be adopted for implementing appropriate technology, while also considering its technical and economic aspects.
- There should be optimal space in the design, considering efficiency of space, with minimum circulation space.
- Cost-effective construction systems need to be adopted.
- Energy efficiency has gained considerable importance due to the energy crisis being faced in developing countries. Orientation, built-form, openings & materials play a vital role besides landscaping/outdoor environment.

On the techniques implemented for such projects, Jaiswal avers, "With innovative technologies such as Aluminium formwork commonly known as MIVAN as well as pre-cast techniques introduced in the Indian real estate industry, the TAT (Turn Around Time) for construction is reduced considerably allowing faster development. These technologies tend to be cost-effective when used for larger developments with repetition in designs."



**RANA KAPOOR**  
Managing Director & CEO, YES BANK and President, ASSOCHAM

"India requires an estimated INR 8.5 lakh crore investment to fill the Affordable Housing gap today."

## FEATURE - AFFORDABLE HOUSING

On the basic ticket size offered, Jaiswal says, "We at Pashmina have spent a lot of time identifying and designing the optimum spaces required under the category of affordable and compact homes. Our first project under this category i.e. Brookwood in Bangalore boasts of such highly efficient and well planned units in the range of 300 to 657 sq ft across the category of a studio, 1BHK & a 2BHK unit. It offers a total of 1,887 units across five residential towers spread over 10 acre. Its price range is Rs 10.50 - 23.02 lakh (basic cost)."

### Optimum use of resources

In a country reeling under an acute shortage of affordable housing, it makes sense to adopt methods that allow the supply pipeline to be enlarged while simultaneously reduce the amount of waste created in the construction process by reducing, recycling and reusing materials. "We use different types of technology that allows us for speedy, accurate and highly consistent casting of all internal and external walls, columns, beams, floor slabs, stairs and other parts during construction. The use of construction technology vastly reduces the chance of on-site mishaps and making it one of the safest systems for building construction nowadays," informs Khorana.

An element that defines a project as affordable is the design. "While the term affordable is relative, using the architectural philosophy of the building to develop and design optimised apartments with high efficiency highlights the affordability of the project. Inculcating optimisation in the design phase without compromising on the quality is the key to affordable housing," believes Jaiswal.



**VIVEK JAISWAL**  
Head-Sales & Marketing, Pashmina Developers

"Inculcating optimization in the design phase without compromising on the quality is the key to affordable housing."



**ANITA ARJUNDAS**  
Managing Director & CEO, Mahindra Lifespace Developers Ltd

"India is urbanising fast and more than a third of urban Indians cannot afford to buy their own homes."



Photo courtesy: Pashmina Developers



**MAJOR SANJAY KHORANA**  
Senior Vice President, Tashee Group

"It makes sense to adopt methods that allow the supply pipeline to be enlarged while simultaneously reduce the amount of waste created in the process."

"A characteristic that should be factored in the design phase is repetition. Repetition often paves way for economising cost through amalgamating several innovative construction techniques as highlighted previously. With labour entering the high cost bracket, optimum use of machinery will be the next step. However to ensure cost effectiveness,

this switch must be supported by larger volumes and repetition to economise the cost," he adds.

### Growth strategy

On RBI's recent affordable housing measures, Mohit Goel, CEO, Omaxe Ltd, says, "The RBI's move to make city-wise classification of affordable housing and periodically review its definition is a significant step forward in boosting the real estate sector. The increase in cap of affordable housing eligible for loan under priority sector was imperative considering the rising prices of homes in the last few years. Homebuyers can now avail loans easily and at a lower interest rate. As a result

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**SUNIL MANTRI**  
Chairman, Mantri Realty and President, NAREDCO

"There is going to be a change from margin game to volume game. And I foresee positive growth in next 6-12 months."



Photo courtesy: Pashmina Developers



**SANTHOSH KUMAR**  
CEO - Operations, JLL India

"There is increased buoyancy in the market after the arrival of the new government, especially after the budget has set the ball rolling for real estate sector."

of this, a rise in demand of affordable housing is imminent thereby leading to more developers focusing on affordable housing segment and creating varied choices and ample supply in this segment."

Santhosh Kumar, CEO - Operations, JLL India, says, "There is increased buoyancy in the market after the arrival of the new government, especially after the budget has set the ball rolling for real estate sector. With allocation of more funds for affordable housing, easing of FDI norms, implementation of REITs and the special focus on infrastructure development, the Government has made it clear that in

order to push economic growth, a special focus on infrastructure and real estate development is pivotal. In the foreseeable future, the real estate market in Delhi NCR is going to see considerable forward momentum."

Appreciating the latest reform policies,



**MOHIT GOEL**  
CEO, Omaxe Ltd

"A rise in demand of affordable housing is imminent thereby leading to more developers focusing on it and creating varied choice and ample supply."

Sunil Mantri, Chairman, Mantri Realty and President, NAREDCO, adds, "The new Government's long term strategy is development oriented. The biggest difference it has made in this short honeymoon period is to turn the sentiment positive. It has made a big difference by focusing on real estate in the budget and promoting affordable housing to achieve the goal of housing for all by 2022 set by this government. And I believe in order to create a huge supply a lot of reforms will follow. There is going to be a change from margin game to volume game. And I foresee positive growth in next 6-12 months."

Agreeing to this, Jaiswal says, "Yes, the outlook certainly is positive. With the kind of efforts, government is putting towards infrastructure development and urbanisation including the agenda for 100 smart cities, it's only a matter of time. Apart from that, the various schemes and incentives being deliberated by the government and RBI are also going to play major role in promotion of this segment. We can visualise growth in competition among players in this segment which will obviously help in rationalising the prices."

"The new government promises to aggressively promote affordable housing. Property is once again going to become the most popular investment option, as there will be significant appreciation in real estate prices on the heels of higher demand in the coming years. Modi's pledge to implement an affordable housing policy and thereby provide homes to every Indian family presents a \$150 billion business opportunity to the sector," sums up Kumar.