



GREEN KEY

to Your Dream Home

India's real estate market is expected to reach USD 180 billion by 2020. Emergence of nuclear families, rapid urbanisation and rising household income are likely to remain the key drivers for growth in every sphere of real estate, including residential, commercial and retail

BY EKTA MAKAN

Real estate is currently the fourth-largest sector in the country in terms of Foreign Direct Investment (FDI) inflows. Total FDI in the construction development sector during April 2000 to May 2015 was around USD 24.07 billion.

The Indian government has played a vital role in development of the real estate sector. In August 2015, the Union Cabinet approved 100 Smart City Projects in India. The Government has also raised FDI limits for townships and settlements development projects to 100 per cent. Real estate projects within the Special Economic Zone (SEZ) are also permitted 100 per cent FDI. In Union Budget 2015-16, the government allocated USD 3.72



billion for housing and urban development. The government has also released draft guidelines for investments by Real Estate Investment Trusts (REITs) in non-residential segment.

However, as pointed by Brig. R R Singh, Director General, National Real Estate Development Council (NAREDCO), “A very pertinent point everybody must keep in mind is that growth in the real estate sector must be compatible with sustainability and protection of environment.”

Not many know that the real estate sector accounts for more than a third of global greenhouse gas emissions and potentially provides great opportunity for carbon reduction. Energy-efficient and green buildings have a huge potential

in transforming the property sector, and investors could benefit from that transformation through the greening of the real estate holdings and investing in green technology real estate developments.

Brig. Singh emphasizes that “under these circumstances, the role of an organization such as the National Real Estate Development Council (NAREDCO) becomes quite crucial. A few of the relevant primary objectives of NAREDCO in this context are (a) to collect, collate and disseminate information and knowledge for the benefit of all interests engaged in the real estate business and allied activities, comprising enterprises of all scales – large, medium and small, (b) to encourage and conduct research for improvement of technology

in relation to all aspects of real estate operations, and to encourage and promote utilisation of improved technology and materials, (c) to promote and encourage continued upgradation of technology and skills, and (d) to promote excellence and high standards of operations based on just and equitable principles in transactions relating to various operations of real estate business.”

Energy-efficient equipment and services must be employed in existing and new constructions to reduce the environmental impact of commercial properties. Government must provide funding assistance for energy audits and an energy improvement plan for buildings, which should work as an alternative financing methodology allowing the sharing of

upgrade costs with the building owners. The sharing is done on the basis of the argument that it's both the owner and the government who benefit from technology up gradation and therefore must share the burden.

A few important key green technologies in commercial property development must be discussed here:

- Buildings must be built allowing more natural light and fresh air, with low volatile organic compound materials such as fumes from paints and protective coatings applied to furnishings to contribute to the health and productivity of the occupants.
- Buildings must be able to survive for longer cycles or must be easily renewed or upgraded.
- The top green features for commercial properties include electricity, heating/cooling and water technologies through the following:
 - Usage of photovoltaic (solar panels) generating energy locally.
 - Gas-fired tri-generation of energy meaning generation of electricity through burning gas, capturing waste heat to create hot water, and using absorption chillers to cool the building.
 - Generating biomass, such as waste paper products or waste timber, for creating biogas through gasification process. This can then be used in co- or tri-generation systems to generate energy and heat.
 - Using double skin facade technology which allows ventilation between the outer wall of a building and a second

skin. The cavity can be naturally or mechanically ventilated and can be conducive to cooling and heating a property.

- Chilled beam air conditioning passes pipes of water through a 'beam' (heat exchanger) that cools hot air as it raises to the ceiling. As the air cools, it gets denser and falls creating a convection cycle.
- Recycled water and rainwater can be used for washroom flushing systems as well as plant irrigation.

Brig. Singh further explains that "The role of NAREDCO is important in

estate industry into a mature, professional and globally competitive industry.

"It strives to be the leading advocate for developing standards for efficient, effective and ethical real estate business practices, valued by the stakeholders and viewed crucial for success. NAREDCO works to create and sustain a business environment conducive for the growth of the real estate industry in India, in partnership with industry and Government alike through advisory and consultative processes."

Important aims and objectives of NAREDCO in the context of better and green technologies have already been discussed.

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creating and implementing better and green technology in the real estate sector as it is an autonomous self-regulatory apex national body for the real estate. It was established in 1998 under the aegis of Ministry of Housing and Urban Poverty Alleviation, Government of India. It is visualized as a single platform of Government, industry and the public to discuss issues relating to development and advocacy of policies and systems in the real estate. NAREDCO was formed with the mandate to induce transparency and accountability in real estate business and transform the unorganized Indian real

Further, "the emphasis of the Council is on Education & Training, Annual National Conventions, Conferences, Workshops and Knowledge Sessions for discussing real estate issues and sharing knowledge, Real Estate Policy Formulations in cooperation with Central and State Governments and other stakeholders of industry and Publications of National Realty Magazine to disseminate information. Real estate Regulation and Development Bill, Simplification of Project Approval Procedures, Affordable Housing and Rental Housing Policies are some of the important achievements of NAREDCO in the recent past," described Brig. Singh. ■

