

<https://www.hindustantimes.com/real-estate/looking-to-invest-residential-flats-may-not-be-your-best-bet/story-akdEw0C9YRPnqZLsV7b2nJ.html>

## Looking to invest? Residential flats may not be your best bet

The Return of Investment in the commercial sector is much higher than the residential and is attracting the investors to invest in the segment.

REAL-ESTATE Updated: Aug 30, 2019 11:19 IST

ht Asian News International  
Gurugram, ANI



The future of commercial segment looks promising with the rising demand for office spaces, particularly grade A offices.((Sakib Ali /Hindustan Times)

The commercial segment is in an upward trend in the Indian real estate sector and is offering optimistic prospects to the buyers and investors alike.

The sector drove high on positive outlook in the last quarter with the seamless performance of it and is predicted to rise in the coming years.

The Return of Investment in the commercial sector is much higher than the residential and is attracting the investors to invest in the segment. Technology has played a mandatory role in transforming the sector and has set a benchmark in the realty sector.

“The commercial segment is growing immensely and is expected to witness a surge in the near future as well. The introduction of REITs has opened up new avenues and provided much-needed liquidity to the commercial market creating a stable demand for it. Subsequently, the rental yields and capital appreciation of the commercial properties have increased and are attracting the buyers towards it. Today, NRIs are also investing in the segment rather than residential due to high risk and slowdown in the residential segment,” said Ravish Kapoor, Managing Director, Elan Group.

The future of commercial segment looks promising with the rising demand for office spaces, particularly grade A offices. The largest occupier of office space during the year continued to be the IT/ITes, banking, engineering and manufacturing sectors. The rising lease rentals and high absorption rates are reason behind the escalating demand for such spaces in Delhi-NCR.

“Owing to better appreciation and rental yield growth over the residential segment, commercial realty market continues to witness robust demand. Grade A office space in a well-located place is generating great returns. Backed by favourable policy environment and expanding workforce, office space segment is expected to witness healthy leasing momentum in coming years. With much needed industrial push from the government, Noida is fast becoming home to manufacturing companies which would give a fillip to the demand for office space in the region. Located in sec - 132 Noida, World Trade Center Noida CBD has a prime advantage of robust infrastructural development, excellent commutation facilities through the expressway and metro connectivity. World Trade Centers around the world are catalyst of growth - facilitating international trade and contributing to the development of regional business and enjoy higher rental and faster occupancy making it a preferred place of business,” said Ashish Arora, Director-Distribution, Viridian RED.

“The demand from commercial real estate has increased with improved occupancy and rentals. The commercial real estate market has witnessed a growth due to the increased penetration of e-commerce, demand for quality workplaces and warehouses. With improved transparency and accountability in the sector, the commercial realty segment has been successful in attracting great investments. It is expected that the coming quarters will continue to witness more commercial supply across key markets including Delhi NCR,” said Ashish Sarin, CEO, AlphaCorp.

The Indian retail real estate scenario is witnessing a revolution and is becoming more organised. With various Government interventions such as relaxation of FDI policy for Single Brand Retail trading, like 30 per cent local sourcing rule, Indian retail market is set to welcome more global retail majors. Various developers have been developing world class infrastructures for the brands like them and are attracting foreign brands to invest in Indian market.

So we can conclude that investing in commercial properties has emerged as the more prudent route in India and promises a brighter future ahead for investors, brokers and landlords. The industry is upbeat with the change and hopes to make the most of this trend. The segment is undeniably poised to become a game changer of the real estate sector.