

**FDI IN REAL ESTATE**  
**BY**  
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FDI is not exactly a new concept in India. The year 1608 would ring a bell. That was when the East India Company made its first investment and foray into India and in return acquired the Indian Empire for the British Imperial Masters.

It is perhaps because of this psychological fear of being conquered by foreigners that in the first five decades since independence, India has been so resistant to globalisation and liberalisation. But suddenly now there is an acceptance that Change is the only constant. Every day there is progressive liberalization - new circulars/press notes are being issued which are the mantras of change. India has come of age and is ready to be introduced as the most alluring debutante, being wooed by all manner of wealthy suitors from across the nations. What are the vital statistics? An impressive figure of population- one billion plus. Average Internal Rate of Return (IRR) over 30% in property development projects. Demand and hunger for housing fuelled by availability of housing loans at reasonable rates. Mall Mania running into millions of sq.ft. of space being snapped up on announcement of projects yielding returns as high as Rs.200 to Rs.300 per sq.ft. in Gurgaon and Delhi. Forget our Mumbai becoming like Shanghai one would be happy, if Vashi and Nariman Point were to become like Gurgaon. From our point of view over population is a critical malady but from the investors point of view it is a huge opportunity, the rationale being that no other market is going to see such growth. Small nations

