

● **INTERVIEW: NITESH KUMAR**, managing director & CEO, Emami Realty

‘Demand for quality housing rising steadily in tier II & III cities’

Emami Realty, the real estate arm of Kolkata-based Emami Group, is expanding operations in small towns and cities like Jhansi as Covid-19 has spurred demand for quality houses. Its marketing survey suggested that a majority of people in tier II and III cities like Jhansi, Kanpur, Gwalior, Indore, Karnal, Panipat and Agra also prefer buying well-developed plots and independent villas. Emami Realty's managing director & CEO Nitesh Kumar, in an interview with Rishi Ranjan Kala, said the company will focus on tier II and III cities and is exploring opportunities in Bhubaneswar. Edited excerpts:

What has been the impact of Covid-19 on Emami Realty?

Real estate has been facing a tough time since the last few years. The pandemic has pushed the sentiment to an all-time low, but at Emami Realty we were able to manage net sales of ₹105.71 crore in the March

2020 quarter, almost a 100% increase from March 2019. In June, we launched one of our flagship projects, a 100-acre township in Jhansi (Uttar Pradesh), and we have targeted to hand it over within three years. We are also known to come up with innovative sales strategies and launched a special scheme during the lockdown period.

How is Emami managing operations in the post-lockdown phase? What about the delay in construction schedules due to the nationwide lockdown?

As the lockdown started lifting, we are trying to resume construction as much as possible. In Jhansi, we have already started construction and development works. We are fortunate that most of our projects are either complete or nearing completion.

What is the status of the ₹223-crore Jhansi project?



Currently, the company is launching the first phase of the project with around 54-acre of land parcel and around 203 plots of different sizes starting from ₹33 lakh. Due to its strategic location and easy accessibil-

ity to other parts of UP and Madhya Pradesh, Khailar in Jhansi has become the most preferred real estate destination for homebuyers and futuristic investors.

Developers like Emami are looking at tier II and III towns. What other towns does Emami intend to go to? Also, what is the rationale behind launching projects in towns like Jhansi?

Apart from Jhansi, we are exploring opportunities in Bhubaneswar. There is a steady rise in demand for quality residential and commercial real estate in tier II and III cities. Firms now have tangible data which prove that regions beyond metros have seen good sales comparable to traditional realty hubs.

Though Jhansi is one of the prominent industrial districts of UP, which houses administrative headquarters of BHEL, Mysore Cement, Bharat Petroleum, government cotton mills, a large railway junc-

tion, it is lacking in quality living with planned development. Emami Nature aims to fulfil this need in a planned, integrated township with nature-centric smart living.

What are your views on developers slashing prices to clear unsold inventory?

There are many factors involved in pricing and most are beyond the control of the developers. The rate of land, labour and raw materials are some factors that one needs to take into account before suggesting price reduction. However, prices in the majority of tier I and II cities have not increased significantly over the last few years and any significant price correction looks unlikely due to the high cost of investment in land and raw materials. Labour and construction material costs have gone up, so margins have further diminished. The primary reason is that there is hardly any margin.