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NRI's Invest in Real Estate Despite Recession

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Non-Resident Indians (NRIs) and overseas Indians feel that with the property rates heading southwards, time is ripe to invest in India's real estate industry. Experts are of the view that the Indian economy is probably one of the few investment destinations across the globe as it would be one of the very few countries that will be growing at five to six per cent despite the global meltdown.

India's real estate companies faced slowing sales as homebuyers waited on the sidelines for prices to fall further and companies put expansion plans on hold as interest rates remained high and banks went tough on lending. But with funds flowing in from abroad, the situation might not seem all that grim. "I used to invest in stocks, but now I feel real estate is a better alternative when it comes to long-term investment," said Suraj Patel of Gujarat who lives in New Jersey for a major part of the year.

The fluctuations at the stock market have made investors wary of speculating in share prices and are taking to the real estate sector. "I used to invest in the stock market daily, but then it is not lucrative. The share prices are going down and people are making huge losses. I think real estate is the right place to invest as the prices are comparatively low. Gujarat is a good investment destination," said Snehal Patel, another NRI real estate investor.

Economic growth of about nine per cent over the past few years had boosted demand for hotels, offices, homes and malls, as well as roads, ports and airports across India. But with the global recessionary trends seeping in, even this sector has not been left untouched. In fact, a boom that followed a 2005 move to ease rules on foreign investment in the construction industry is ending in a bust. But overseas Indians feel that real estate is a good investment alternative in times of global meltdown.