

Printed from

# THE ECONOMIC TIMES

Morgan Stanley stays bullish on Indian realty

18 Nov 2008, 0023 hrs IST, Rajesh Unnikrishnan & M V Ramsurya, ET Bureau

MUMBAI: The global economic slump and downturn in the real estate hasn't deterred Morgan Stanley Real Estate from going ahead with its India plan. It's planning to invest an additional \$1 billion over the next five years and has recently formed a large team for Indian operations.

These investment plans—the company had earlier invested about \$750 million in the India—come despite views that India could see fewer commercial investment transactions in the near term. There is an opportunity to develop asset management expertise in real estate to help grow the property industry, said Morgan Stanley Real Estate in India interim head Sean Williams, who is also MD of Morgan Stanley Capital KK.

The company has formed a 12-member team for this purpose and has also appointed Naresh Naik to head the asset management division. "Infrastructure is key to support new residential, industrial and retail facilities. Limited institutional ownership of property means little asset management expertise exists outside of individual owner-users of property," said Mr Williams. "As such growth opportunities exist...but more broadly, there exists a need to develop asset management expertise to help evolve the property industry's focus from growth to profitability," Mr Williams added.

Banks and financial institutions across the world tightened lending to real estate after the subprime mortgage crisis in the US and other countries compounded into the ongoing liquidity crisis that has affected all economies including India.

A recent DTZ report, a global real estate adviser, says real estate capital market was about \$12 trillion in 2007, including products in public and private debt and equity, although "this would have been compressed significantly in the last 12 months," said Mr Williams. "To date, the percentage of global cross-border inflows to India has been modest, and this is likely to remain a bit lower in the short term, with many investors focused on deals with lower risk-return profiles," he added.

---

[About Us](#) | [Advertise with Us](#) | [Careers @ TIL](#) | [Terms of Use](#) | [Privacy Policy](#) | [Feedback](#) | [Sitemap](#)

Copyright © 2008 Bennett Coleman & Co. Ltd. All rights reserved. For reprint rights: [Times Syndication Service](#)

This site is best viewed with Internet Explorer 6.0 or higher; Firefox 2.0 or higher at a minimum screen resolution of 1024x768