

Business Standard

Realty sector likely to generate 75 million jobs by 2022: KPMG

Real estate and construction sector is expected to generate 75 million jobs by 2022 and emerge as the largest employer in the country, according to a report by KPMG India.

"Real estate and construction sector in India is expected to be the third largest globally by 2030 contributing over 15% to the Indian GDP and emerge as the largest employer in India providing employment opportunities to over 75 million people," KPMG said in a statement.

The size of the construction market is expected to be more than \$1 trillion by 2030.

KPMG India and the National Real Estate Development Council (NAREDCO) on Friday released a report that provides an overview of the key programmes launched by the central government in the recent past to address the key challenges in urbanisation and the real estate sector.

The report highlighted that India's urban population is forecast to increase about 40% to over 580 million by 2030 from 420 million in 2015.

The government has launched several large programmes (such as Smart Cities, Housing for All, AMRUT, HRIDAY etc.) along with policy support (Real Estate Act, REITs, GST etc.) to accommodate such a vast population base.

According to the report, nearly 110 million houses would be required by 2022 in urban as well as rural India to provide housing to all citizens. This includes the current shortage of over 60 million houses, out of which around 20 million exist in urban areas.

The report said real estate and construction sector has attracted over \$24 billion Foreign Direct Investment (FDI) between 2000 and 2015.

It also said the 'Housing for All' initiative requires an investment of \$2 trillion by 2022. Also, the potential value of commercial office assets that can come under REIT (real estate investment trust) is more than 400 million sq ft which is worth over \$50 billion.

There are many solid infrastructure projects in the pipeline. These include 432 projects worth Rs 6.5 trillion for roads, more than 400 projects worth Rs 6 trillion in railways, 70 projects worth Rs 670 billion for the development of airports and 75 projects worth Rs 551 billion for the ports.

"With every sixth person getting urbanised globally being an Indian, the real estate and construction sector holds significant opportunity for both global and domestic companies engaged across the value chain (design, development, construction, finance etc)," said Neeraj Bansal, Partner and Head, Building, Construction and Real Estate Sector, KPMG India.