

Real estate players turn to start-ups to build a better tomorrow

Players are investing, incubating and collaborating with startups to get their hands on the latest technologies

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As land prices are dropping or showing flat growth across several markets in India, plunging the country's real estate sector into a state of despair, players are now focusing their binoculars towards startups as they look to quickly

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adopt technologies to improve efficiencies, reduce costs and offer more modern solutions to their buyers.

For this, real estate companies are taking a leaf out of the books of giants such as Microsoft, Samsung and Coca-Cola which run incubation programmes for startups building technologies which can at some point be useful to their businesses. Being a traditional sector that hasn't seen much technology adoption, it is now looking at startups to come out with innovative products which in turn can boost their business.

Earlier, the majority of the profits in the real estate business were generated by land aggregation and converting agricultural land to zoned land for development, says Sameer Nayar, chief executive officer of BuildSupply, a tech-enabled property firm. However, this is dramatically changing.

“Now the only area where margins can be improved is to focus on the cost of construction and cloud computing can play a big role making the development process more efficient and cost-effective,” adds

Nayar.

Other experts also say the time is ripe for technology to replace traditional methods in the real estate segment to make operations more efficient. From drone technology to zero power sewage treatment, from urban plant landscaping to water conservation, real estate players are using technology being steered by start-ups to reduce costs and increase revenue.

The Brigade Group's Real Estate Accelerator Program (REAP), the first real estate-run start-up incubator in India, has mentored 18 start-ups so far and is using their technology for its GIFT city projects.

"We are mentoring start-ups with technology which can make our operations more efficient by helping us save time, reduce cost, and potentially increase our revenue. We look for start-ups which help us in these categories," said Nirupa Shankar, Director, Brigade REAP.

The company is using the drone analytics feature of Airzaar, a cloud-based business platform, to survey land and get weekly updates from drone cameras. It has also employed WeGot Utility Services, an IoT-based water usage analytics company, which has helped save 250 million utility units of water in 25 months. Ecostp, a start-up using zero power sewage treatment technology, is also working with Brigade to set up sewage water treatment plants within the apartment complex.

The Brigade Group has also invested Rs 1 million in SnapTrude, an intelligence enabled rapid modelling platform for real estate, and Rs 7.5 million in QwikSpec, a start-up which aggregates data from all stakeholders on a construction project and provides insights saving money and time.

Companies such as Tata Housing, Mahindra Lifespace, Mantri Developers and Prestige Group are using the project site management technology platform, which was mentored under the REAP programme.

"These start-ups are genuinely solving large problems. Earlier they were solving only real estate problems, but now these are solving global problems such as water and energy conservation," said John Kuruvilla, chief mentor at Brigade REAP.

Purvankara is using the services of start-up MatKraft Building Solutions for cloud-based project management, which directly connects customers to the client service team. House of Hiranandani says it is also looking to engage with start-ups to provide more value to customers.

"Technology would be instrumental in supporting the government in realising its 'Housing for All' target of 20 million affordable homes by 2022. Smart cities equipped with intelligent lighting, digital connectivity, IOT and sustainability, e-governance would require the enhanced intervention of innovation and technology if we are to have 100 smart cities built across the country in the years to come," said Surendra Hiranandani, chairman & managing director, House of Hiranandani.