

A Larger Outlook

2013 has a lot in store for Avighna - earlier in the year the group was bestowed with several international and domestic awards for its construction quality, superior designs and meticulous approach. The group's marquee development, One Avighna Park was also awarded as the 'World's Best Residential High-rise Development' by International Property Awards in London. **Nishant Agarwal, Managing Director, Avighna Group**, talks to **Anuradha Ramkumar** about how education and international exposure have influenced perspectives of the new generation in the realty industry

Today, the realty sector is a developing story in itself with most of the second generation joining the family business. How is this helping in the evolution of the industry?

When one studies evolution of the industry over the last decade, there is much that has changed. A father's rich experience and the young generation's dynamic and creative approach have together impacted the business across all phases - similarities between them bring the two generations on common grounds whilst differences allow them to



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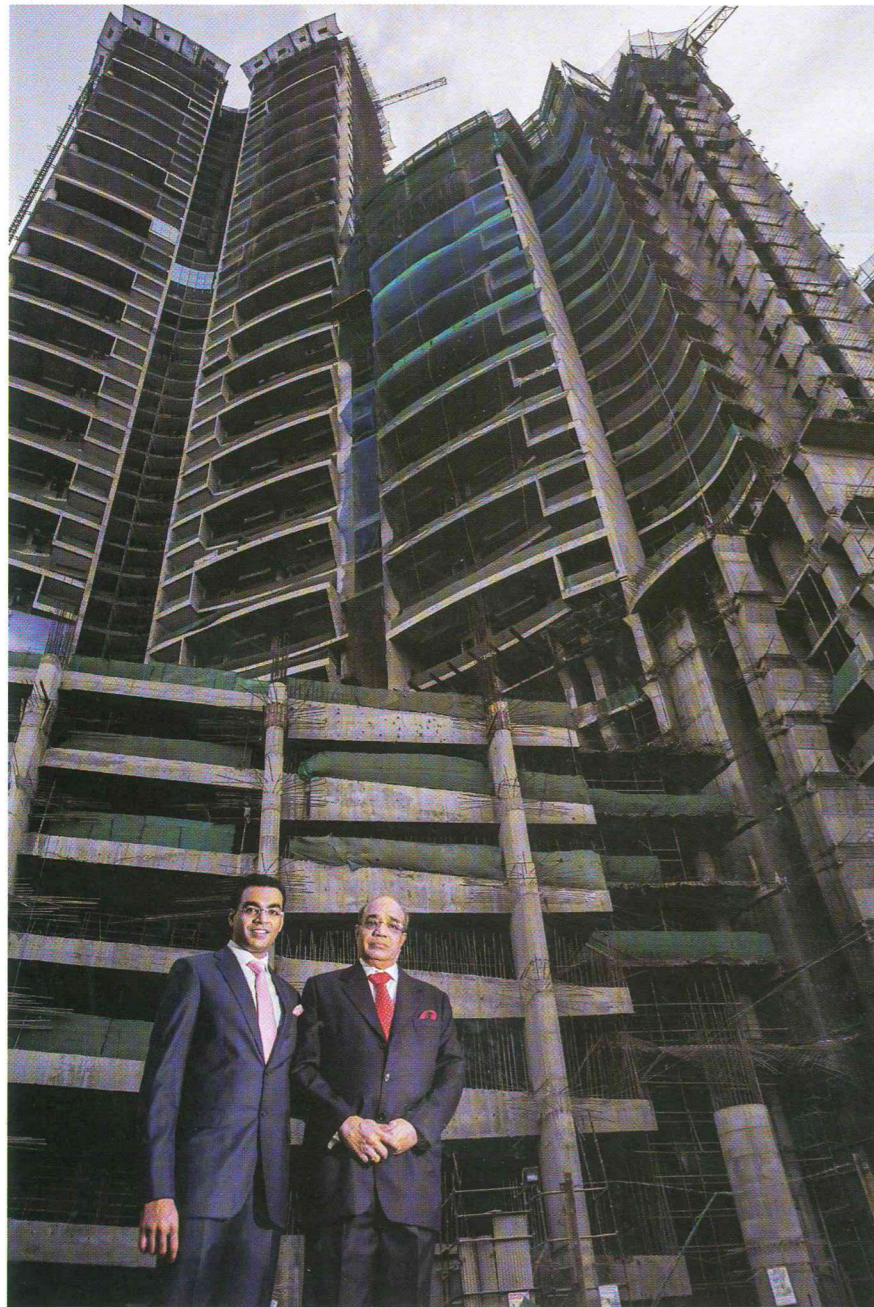
One Avighna Park was awarded as the 'World's Best Residential High-rise Development' by International Property Awards in London.

experiment and evolve. One of the most significant evolutions in this sector is that of introducing international practices and standards to design and execution. Given the number of skyscrapers that are now being planned, it has become absolutely critical for international standards and experience to be taken into consideration. This change in seeking consultation from international experts has resulted in significant improvements in quality, safety and speed of delivery.

When compared to the older generation, do you see a difference in terms of the educational exposure, the new age business practices and

the global outlook?

The new generation has brought about numerous changes - from design processes to the last details in execution. Education and international exposure have certainly influenced perspectives of the new generation - there is focus on developing a professional work environment with effective teamwork. Besides that the new generation is giving importance to quality and safety by way of using international consultants and also international contractors. For instance, in our new project, One Avighna Park, Lower Parel, in order to ensure quality standards and workmanship, we have



With Group Chairman, Kailash Agarwal

imported all materials from Europe and America. Furthermore in order to ensure international quality mechanical, electrical and plumbing installations, we have flown down 300+ skilled workers from various GCC countries.

What was the homework that you did before joining your family business?

Prior to joining Avighna in 2007, I was pursuing my MBA at MIT Sloan, Cambridge. Academics and experiences from that time have brought me great

insights related to strategic leadership, best management practices and ensuring a sound financial health for the company. My career prior to that was quite diverse – from working in small start-up companies to multinational giants.

What are the key highlights to focus on for Avighna in 2013?

In terms of development activity, our group will spend a large part of the year focusing on completion and handover of the said project, comprising of two

iconic 64 storey residential towers in the heart of Mumbai. We will also be focusing on completing and handing over 450 plus apartments in three 23-storey rehabilitation towers. This is in addition to the four 23-storey rehabilitation towers, comprising of 600 plus apartments that were given possession in 2012. Towards the end of the year, we intend to commence design and planning of our proposed 40-storey commercial and hospitality tower.

What are the current projects that Avighna is working on?

As a policy, Avighna undertakes one project at a time – we adhere and operate by two simple philosophies - delivering quality over quantity and function over form. At present, the entire team at Avighna is focused on One Avighna Park, which promises to be amongst the most sought after residential addresses globally. The world is yet to experience a product like One Avighna Park – 64 storeys of high-end living is only part of the story, we are truly attempting to enhance the quality of life. In a city which is starved for gardens and green space, we are providing each and every one of the 278 apartments with 25 ft high private gardens measuring upwards of 700 sq ft each. These astonishing heights will allow the gardens to be planted with trees and shrubs of resident's choice. We are using the verticality of a high-rise building to create one of the tallest vertical gardens in the world. The project comprises of:

- Two 64-storey residential towers – 51st floor in progress
- One 40-storey commercial and hospitality tower – design to commence in Q3 2013
- Seven rehabilitation towers – Four towers handed over and occupied, three towers in finishing stages

One Avighna Park is strategically located in the heart of Mumbai – Lower Parel, with excellent connectivity to prime business districts Bandra Kurla Complex and Nariman Point.

Elaborate on the redevelopment

projects that you have undertaken.

Our cluster redevelopment project will rehabilitate more than 1,000 families in all. Residents of dilapidated chawls have been rehabilitated to newly constructed 23-storey towers with modern amenities in a record time of 14 months. These rehabilitation towers are the first green rated rehabilitation towers in the country, furthermore they have been rated Gold. Such steps will ensure that residents benefit from significant savings due to lower maintenance costs:

- **Energy savings:** Schindler (Switzerland) was contracted to supply, install and maintain the elevators in the towers. Their technologically advanced systems will result in energy savings of 30-40 per cent. Large Windows (6ft x 6ft) have been provided in the living room, which will allow plenty of natural light and fresh air circulation throughout the day. Eco-friendly light fixtures have been used to reduce energy consumption. Recycled AAC blocks to have the lowest dead weight on the structure. They are better than bricks as they reduce heat effect on the building.
- **Water conservation and sewerage disposal:** State-of-the-art Sewerage Treatment Plant (STP) will be installed. This will not only recycle and reuse water, but also reduce the sewerage disposal. Bore-well water will be available for use to occupants other than fixed supply of water by BMC. Imported PPR pipes were preferred over GI pipes to ensure no leakage and rusting from pipes up to 50 years and water efficient fixtures and dual flush tanks have been used.

What are the challenges faced by the realty industry?

Owing to the scarce availability of encumbrance free land in Mumbai, the realty industry is for the most part dependent on redevelopment of old structures. Redevelopment proposals are complex, time consuming and challenging – people in general don't quite understand the intricate and difficult efforts involved to bring such schemes to fruition.

Besides the hurdles one faces in



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redevelopment, there are other challenges that one has to deal with:

- **Red tape and bureaucracy** – The process of getting approvals is extremely painful, slow and expensive. The repercussions of this are far greater than what most people realise - since this process is slow and expensive, the number of projects one is able to complete is limited, therefore he/she tries to maximise profit on select number of projects. Moreover, this drastically reduces supply and also forms very high barriers to entry, as most people are not able to cope. Large turnaround times further increase the cost. All factors result in ultimately higher costs to end users.
- **Negative connotation** – Unlawful acts of a few developers have generally created a negative and cautious perception towards all developers. Although this sector is very closely followed by everyone, people in general do not realise the importance of supporting this sector. Realty sector besides being a large employer in the country, also supports many others industries - steel, cement, sanitary, machinery etc. If one analyses the support our sector gets, it is rather weak – be it in banking or from the government. This invariably leads to higher costs that

are ultimately passed on to the end user.

How will the introduction of single window transparency help the realty sector?

In my opinion, a single window system, although a drastic improvement from the situation today, by itself is not sufficient. There are other things that need to be thought of in tandem – a practical system needs to be instilled that not only understands the ground reality of a development; but is also empowered to take decisions. For instance, in today's scenario, if few members/govt officials understand that certain unfeasibility on ground exist, by the time it actually translates into an approval, those members/govt officials are already on their next assignment. Therefore it is back to square one.

In any case, the current system requires 56 approvals from various departments in order to commence a development activity; many of which are interlinked and dependent upon each other. A single window system will work wonders if implemented correctly – but that will take some doing as many will be rooting against it. ☐