

Building A Greener Future! Is Sustainability Driving India's Real Estate Sector?

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In order to create sustainable and socially inclusive spaces, the real estate sector needs to reduce carbon footprint and save Mother earth.

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Climate Change and environmental degradation are growing challenges for the world, and the real estate sector has emerged as a vital player in promoting sustainable development. (Representative image)

Rare heavy rainfall in North and West India this season has highlighted the increasing unpredictability of monsoons. And, one of the factors driving this change is global warming. With erratic weather patterns already manifesting, it is critical that industries take stock of their climate impact and catalyse the transformation to a greener planet.

As we speak, the climate phenomenon El Nino has gripped the world which generally drives temperatures higher and we could see its impact on several parts of the globe. In India, it corresponds to drought-like conditions during monsoon but other internal and external factors also affect India's rains. Among them is climate change.

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As nations sign agreements to mitigate climate risks, the lens is now on emissions-heavy sectors that must recalibrate their businesses. Besides power generation, transportation, heavy manufacturing, oil and gas extraction etc., housing and construction also need a major revamp.

Climate change and environmental degradation are growing challenges for the world, and the [real estate sector](#) has emerged as a vital player in promoting sustainable development. And, as India is experiencing rapid urbanisation and an increasing population, the need for sustainable real estate practices has become even more pertinent.

The need of leading a healthy lifestyle has grown more after the Coronavirus pandemic thereby leading to the demand of green buildings and minimising the impact of carbon footprint. This has also led to real estate developers developing solar-powered buildings so as to reduce the carbon footprint and bring down energy costs for occupants.

India has set a long-term target of achieving net zero by 2070 and the Govt. is progressively trying to decouple economic growth from greenhouse gas emissions. To accelerate the transformation, the Centre has launched many schemes and programs to scale up India's actions on adaptation and mitigation.

With government policy and public demand setting the direction, it is time for businesses to align with sustainability goals.

As per the World Economic Forum data, real estate drives approximately 40% of global carbon emissions, with the building and construction sector producing 37% of CO2 and embodied CO2 emissions. Clearly, decarbonisation of the real estate industry is essential to meet the broader climate goals.

Real estate developers agree that climate risk entails larger risks. As a result, many of them have begun implementing environment-friendly processes and designs. Layouts that minimise energy consumption, sustainable building materials, recycling and wastewater treatment, energy efficient fittings and systems are being adopted by more and more players.

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Even homebuyers agree to pay premiums for properties that are green and "smart" because both compound the benefits of the other and make living smoother, more secure and less costly in the long run.

A circular economy is being encouraged in real estate wherein buildings are designed for longevity, using renewable materials and promoting adaptive reuse and refurbishment instead of demolition.

The road ahead

The real estate sector is going to witness a boom as its market size is expected to reach \$1 trillion in India. Urbanisation, expansion of middle class & infrastructure development will continue to be the tailwind for this space. Also, foreign investment and government support are giving the green signals to real estate development.

The demand for township living is also on the upswing. Homebuyers are seeking out residential townships where they can access all social and civic needs within the bounds of multilayered security. These properties are also at the forefront of incorporating AI-based solutions to ease living for its residents. With services linked to 'Internet of Things' tools, developers are able to reduce consumption and emission.

Developers are also prioritising vendors who commit to environmental sustainability and attempt to reduce their greenhouse gas emissions. This creates positive pressure on the whole industry to speed up their green initiatives. Demand, investment, policy and intention can create climate resilient buildings that will not only weather the impacts of global warming but will also mitigate it.

There is no doubt that sustainability is reshaping the future of real estate in India. And, in order to create sustainable and socially inclusive spaces, the real estate sector needs to integrate energy efficiency, water conservation and environment friendly materials to reduce carbon footprint and save Mother earth.

- The author is COO, Wave City. Views expressed are personal.

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