

## Bob Dhillon, Top Indo-Canadian Landlord, Says FDI In Indian Real Estate Will Push Up GDP ( Nov 14 2012 )

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Toronto

Top Indo-Canadian landlord Bob Dhillon, who is on the Canadian prime minister's entourage currently visiting India, says, "India can be a developer's dream because of so many factors. If India now goes for the kind of reforms it has just announced for retail, I will be the first person to invest in India."

Japan-born, India-educated Dhillon, who is one of the biggest Indian-origin landlords in the western world, said in an interview before his departure for New Delhi that Indian policy-makers need to unlock the real estate market for institutional investors and then see the results.

"As I said, India is a developer's dream because of its demographics, migration from rural to urban areas, and the breakdown of extended family to the nucleus. Any push to foreign investment in real estate will be a major boost to India's GDP," said the founder and CEO of Calgary-based Mainstreet Equity which runs over 8,500 properties from Canada to Belize in Central America.

Dhillon, whose company has been the 10th best performing stock on the Toronto Stock Exchange in these tough economic times, said foreign institutional capital will create a real estate industry in India rivalling that of China.

"The Indian correlation of real estate industry to the GDP is very low compared to other developing and developed countries. For example, in North America real estate accounts for 30 percent of the GDP. But in India, real estate accounts for just 5 percent of the GDP. Now that is not good for a country which has to lift millions and millions out of poverty," said Dhillon who started his company from the back of his car and went on to become one of the first Indian-owned companies to be listed on the Toronto Stock Exchange in the 1990s.

Asked what major steps India should take to attract foreign institutional investors in real estate, the man who is estimated to be a billionaire said, "They need to make some major changes to alter the face of real estate - and thus the economy. One, they have to relax FDI in real estate as they did in retail. Two, they have to spell out ownership rights. Right now, it's a grey area and we don't know what our rights are.

"Third, we want more favourable landlord tenancy rights. It means they have to rewrite landlord tenancy act, etc. Right now, tenants can encroach and there is no redressal mechanism. Fourth, we want clarifications on repatriation of capital because they still have currency control." Dhillon, who has developed a 2,300-acre leisure island in Belize in central America for celebrities and Hollywood stars, said he was looking forward to conveying his ideas to leaders and policy makers in India.