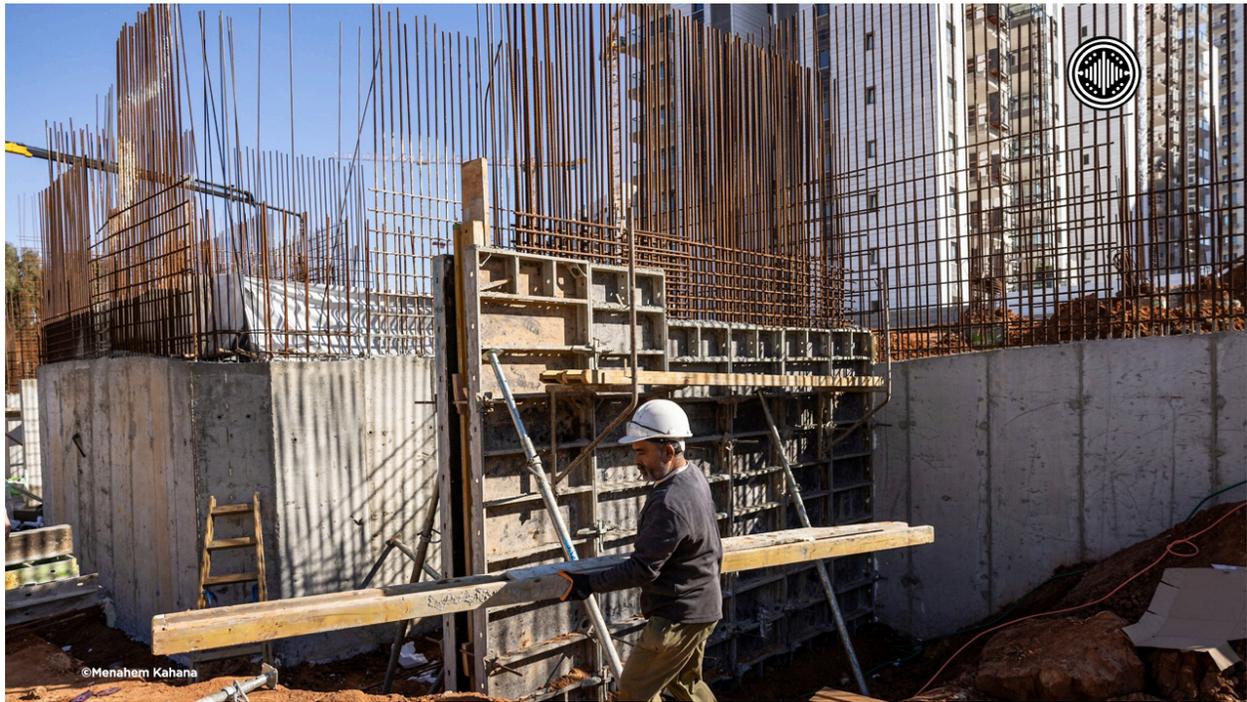


Skill Gap in Construction Poses Challenge to Real Estate, Infrastructure Growth



The real estate and infrastructure sectors in India are currently facing a significant skilled labor shortage of 20 lakh (2 million) workers, a deficit that could widen to 50 lakh (5 million) over the next five years. Dr. Niranjan Hiranandani, Chairman of the National Real Estate Development Council (NAREDCO) and the Hiranandani Group, highlighted this critical issue at a recent industry event, underscoring the paradox of high unemployment alongside a severe lack of skilled professionals. This shortage is hampering development, increasing project costs, and making it increasingly difficult to deliver on affordable housing promises.

Hiranandani noted that while the real estate sector experienced a 10% growth in the last fiscal year, the lack of a properly trained workforce presents a substantial obstacle. This issue is particularly acute in the affordable housing segment, where sales have dipped by 15% for the first time in his 45-year career. Hiranandani attributed this decline to a combination of high land prices near urban centers and the rising costs of construction, which are exacerbated by the skilled labor deficit. He emphasized that without addressing these foundational challenges, meeting the housing needs of a growing population will be nearly impossible.

The NAREDCO Chairman stressed that a concerted effort from both the government and the private sector is needed to solve this problem. He called for a focus on skill development and vocational training programs to bridge the gap between job seekers and industry demands. Hiranandani pointed out that the current situation is a "disaster" because neither the public nor the private sector has been able to fulfill the demand for skilled workers. The industry leader's

comments reflect a growing concern that India's ambitious infrastructure and housing goals may be stymied if the workforce is not adequately prepared.

This shortage of skilled labor is not an isolated problem. It is part of a larger issue of workforce development that needs a strategic and collaborative solution. The challenge now for industry leaders and policymakers is to implement effective training programs and incentives that can attract and retain talent in these vital sectors, ensuring that India's economic growth is not held back by a lack of manpower.