



# Leading with vision in real-estate major projects: A conversation with Vikas Oberoi

Real-estate major projects are notoriously difficult to manage given their long timelines. Complexity, risk, and new technology compound the struggle. One developer sees a path forward in leading with vision, customer centricity, and open architecture.



**Vikas Oberoi**

Chief executive officer  
Oberoi Realty

Real-estate major projects are fraught with hurdles—from securing financing despite long timelines, to shaping and meeting ever-evolving customer demands. Vikas Oberoi, chairman and managing director of Oberoi Realty, has worked in real estate for more than two decades and is widely known for his megadevelopment, Oberoi Garden City. This city within a city rests on 80 acres in the Goregaon neighborhood north of Mumbai and includes a mall, five-star hotel, international school, commercial towers, and residential homes, among other amenities. In this interview, Oberoi discusses how to meet evolving customer demands and how to design and deliver future-proof major projects.

**McKinsey:** *What's the secret to a successful major project?*

**Vikas Oberoi:** If you are doing a major project, you need to start with a bold vision. This will help you find the right land, get the right tenancy mix, build the appropriate organization, and secure the right financing. I would say that most developers want to minimize risk by putting money-making projects up first and then turning to social and cultural infrastructure. But we did it the other way around for Oberoi Garden City. I believe that social infrastructure—like education, entertainment, culture, and art—has a pull factor that traditional real estate like homes or apartments do not.

**McKinsey:** *What was your vision for Oberoi Garden City?*

**Oberoi:** Our overall concept was to provide 85 percent of everything that our customers need within the development itself. In a large city such as Mumbai, the external environment in most areas is fraught with difficulties. It is tough to travel across the city; public transportation and infrastructure are improving, but challenges such as congestion and pollution cannot be addressed overnight.

I wanted the families that live in my developments to experience a world-class city within a city. So we brought the best of the city into our environment. We have restaurants, schools, a mall, coffee shops, a cinema—we're meeting the majority of their needs. Even today, we try our best to get the most contemporary restaurants and retailers into our development so that our residents don't need to leave Oberoi Garden City to meet their lifestyle needs.

We also maintain an utmost respect for nature. This land parcel had a vast green landscape when we acquired it. The brief I gave my architects was, "This is a beautiful piece of land. I know you cannot add beauty to what exists—what you create will only deplete the natural beauty of this space. So show us how you can minimize this depletion." Everything had to complement what existed and be authentic. In Oberoi Garden City, as with all of our ongoing developments, both residential projects are Gold LEED precertified and our commercial project is Gold LEED certified.

**McKinsey:** *In the initial years of this long-drawn major project, weren't there times you felt like reducing risk by pulling back the project's vision?*

**Oberoi:** Of course, there were many such moments. But fortunately, we didn't budge. A lot of it is also luck; in retrospect, everything looks great. But in the first five years of Oberoi Garden City, things were not easy. Every expert we consulted told us that a five-star hotel in this part of the city could never be viable. Nevertheless, I maintained my position. I told my team that as long as the hotel recovers its ongoing operating costs, we should proceed. Today, our hotel is one of the best-performing hospitality projects in the Mumbai metro area. Studies showed that we wouldn't get more than 3,000 daily visitors to our mall—and

yet today, the mall's annual rent exceeds its capital expenditure. All this was feasible because I was both the owner and CEO and maintained a focus on the long-term vision; being obsessed with short-term returns is the biggest risk in these large projects.

**McKinsey:** *What are some ways you created demand?*

**Oberoi:** We created demand by keeping customers at the center of everything. Because of globalization, customers are aware of all their options and expect everything in their life to be of higher quality than ever before. We're not competing with other real-estate developers anymore. We're competing with the brands that our customers use every day, and developers have to align with this global perspective. Our customers are buying a car and experiencing the touch and feel of a global automobile. Our customers have many smart devices. They travel the world. We have to offer first-class, global products. The mind-set is, "Why should my apartment not be the iPhone of apartments?" I am not doing a favor to any customer by creating a better product; the customer is doing me a favor by buying it.

We're also changing the way we design our spaces to be more customer-centric. When customers buy a car, they pick an exterior color, a wheel, an interior color, a fabric. Why can't real-estate developers provide similar options for basic elements of their living space? We are going to allow customers to choose such elements as wall color, door finish, and tile design.

**McKinsey:** *Given that major projects take decades, how does one ensure organizational continuity?*

**Oberoi:** It's very simple—the vision takes precedence and cannot be compromised at any cost. Those who agree with the vision can be a part of the team. Those who don't can step aside. Having said that, most people like this way of working. They want

to make a difference and be part of developments that make cities better and leave a mark on society.

**McKinsey:** *What role will technology play in the way real-estate major projects are conceived and delivered? What's your vision for developments of the future?*

**Oberoi:** I believe that technology is improving quality of life. Let's take Uber as an example. Uber didn't change the basic fact that a person has to travel from point A to point B. It changed the way you achieve that goal—your overall experience. Developments are undergoing a similar transition. People still need to buy homes or go to work. But digitization will certainly change the experience of living in an apartment or working with colleagues. So, one major decision we have taken is to ensure that our next set of projects are technologically advanced and enabled. We won't integrate technology for technology's sake, but we will include simple things that will truly improve the living experience.

Today we are using technology to plan, design, build, and monitor the progress of our developments. We build our project virtually first as it enables us to improvise before creating the development. Smart devices in each apartment ensure safety, efficiency, and accessibility as it enables the home owner to remotely control and monitor the apartment's features through a smartphone—for example, smart security cameras that can be accessed and controlled from an app. In other words, we want to provide our customers a home where they can use high-quality facilities at a single touch or a click.

I also think an open architecture in technology is the key to success for future developments. If we have air taxis by the year 2025, then I need to make sure that my building is among the first to have landing spaces for them. When drones are delivering pizzas, I need my building to accommodate this facility. In fact, I

am hoping that soon, we will be able to use a garbage disposal system in buildings that can locally convert waste into energy.

Essentially, apartments will need to be like smartphones that can be continuously upgraded and personalized while being pleasant and enjoyable places to live. ■

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