

## REAL ESTATE MAJORS PLAN LAYOFFS AFTER DIWALI



With lacklustre sales this festive season, most realty firms—including DLF, Unitech, Omaxe, Parsvnath and BPTP—are planning to lay off staff in significant numbers soon after Diwali, report Sanjeev Choudhary & Mahima Puri from New Delhi.

■ FULL REPORT: PAGE 5

THE ECONOMIC TIMES NEW DELHI THURSDAY 23 OCTOBER 2008

CAREER & BUSINESS LIFE

Sanjeev Choudhary & Mahima Puri  
NEW DELHI

# REALTY SHOCK

IT'S NOT going to be a happy diwali for people working in the real estate industry. Even as sales failed to pick up this festive season, most of the realty firms—including DLF, Unitech, Omaxe, Parsvnath and BPTP—are now planning to lay off staff in significant numbers soon after Diwali. While spokespersons of all these companies denied there were any plan to cut jobs or salaries, executives in these companies told ET that job cuts were in the offing and salaries have been delayed in some of these companies.

"All realty players, including us, will have to reduce manpower cost significantly if we are to survive in the current hostile market conditions," says a top executive at a Delhi-based listed mid-sized realty firm, which plans to reduce manpower by almost 20%.

The job cuts will start soon after Diwali. Executives at many other real estate firms also confirmed that companies were planning to offload people and a list of staff was being prepared, who would be asked to leave soon after the festive season was over. Developers are waiting for Diwali as they didn't want to further dampen sentiment in an already subdued realty market by laying off staff. "Job cuts at Jet Airways became a big issue also because it was done be-

## DLF, Unitech, Omaxe, Parsvnath, BPTP Plan Layoffs After Diwali

fore Diwali. Developers are wary of raking up any political controversy," explained a senior executive at a Delhi-based firm.

Also, realty firms needed large number of sales staff for the festive season. But now that their price discounts or other freebies have failed to stimulate the home market this festive season, developers feel they can cut back on staff. The major job cuts may come only after Diwali, but developers have already started easing off some staff. Many developers, including DLF, had already asked around a few hundred employees to leave. And sources say more job cuts are in the offing at DLF, as construction pace slows and expansion plans are put on hold. Unitech, Omaxe, Parsvnath and BPTP too are preparing to issue pink slip.



Salaries have been delayed at many mid-sized and small realty firms, even as management is asking employees to take salary cut. "Salaries at the top-management level have already started to come down. A number of real estate players are already renegotiating salaries with staff so that overall wage bill comes down and not many jobs are lost. Companies are preferring to retain the jobs of those capable of multi-tasking," said Executive Access MD Ronesh Puri. Even though he denies that salaries are being delayed or cut at his company, Parsvnath chairman Pradeep Jain supports the idea of salary cut. "Employees' salaries have risen so much in the past few years that I see no harm in reducing it a bit," says Mr Jain.