Business Today

Real estate vs MFs: Devina Mehra busts property myth, shares lessons from banker's wealth journey

For decades, buying property was seen as the ultimate financial goal in an investor's wealth journey. Devina Mehra points out seasoned investors like Saurabh Jain, who have shown that long-term wealth may lie elsewhere, in disciplined, simple investing.

Aug 5, 2025

Financial analysts have observed a shift in investment strategies among high net worth individuals towards conservative methods.

For decades, owning property was considered the ultimate sign of success for Indian families — a symbol of security, stability, and pride. But in today's financial reality, that dream is being re-evaluated — even challenged — by some of the most seasoned voices in the industry. Devina Mehra, Founder of First Global, recently posted a sharp critique of real estate as an investment class. Citing her own experience and that of top banker Saurabh Jain, Mehra pointed out that property investments — even in prime cities like Mumbai and Bengaluru — have underperformed traditional investment options like mutual funds and fixed deposits.

"Here is a financially savvy person who bought real estate in the metros of Bengaluru and Mumbai in 2010 and 2014 — sold both at a LOSS relative to inflation (with WAY less than FD Returns)... THIS is the reality of real estate on the ground," Mehra wrote on X, adding that real estate remains largely illiquid and often attractive only for parking unaccounted money.

The Saurabh Jain Strategy

Saurabh Jain, Managing Director and Head of Wealth Management and Affluent Client Segments at Standard Chartered Bank, is known for helping high-net-worth clients navigate complex portfolios. But when it comes to his own investments, Jain takes a surprisingly simple approach.

Over the past 25 years, he has steadily invested in mutual funds and the Employees' Provident Fund (EPF) — achieving a remarkable 17–18% CAGR (compound annual growth rate). His disciplined strategy focuses on high savings rates and long-term compounding, eschewing short-term gains for sustainable wealth creation. Even though Jain has access to some of the most advanced financial tools and products in the market, his personal strategy avoids excessive complexity. Instead, it's grounded in time-tested investment vehicles — the kind that most Indians can access and understand.

Investing in real estate

Mehra's post — and Jain's experience — highlight a hard truth: real estate has not kept up with inflation in many urban markets over the past decade. High entry costs, maintenance expenses, illiquidity, and taxes reduce its attractiveness as an investment. In contrast, diversified mutual fund portfolios and instruments like EPF offer transparency, liquidity, and better long-term returns.

While anecdotes of property windfalls abound, Mehra warns that "anecdotes are NOT data." Her take: unless you're buying a home to live in, real estate may no longer be the safest bet for building wealth.

Focus on high savings

Jain's journey is a powerful reminder that building wealth doesn't require complex strategies or constant market moves — it requires discipline, patience, and a clear, long-term plan. His story offers a simple yet effective roadmap: focus on high savings, invest consistently in low-cost, diversified mutual funds, and let compounding do its work over time. Perhaps most importantly, it encourages investors to question conventional wisdom, particularly the long-held belief that real estate is the ultimate path to wealth.

In an era flooded with financial noise and ever-changing trends, Jain proves that simplicity still wins. He chose mutual funds over mansions — and came out ahead.