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A GUIDE TO Chennai Real Estate

VOLUME 18 | 2019

MODI PUTS CHENNAI ON GLOBAL MAP

Prime Minister Narendra Modi has mooted a proposal for a full-fledged maritime route between Chennai and Vladivostok

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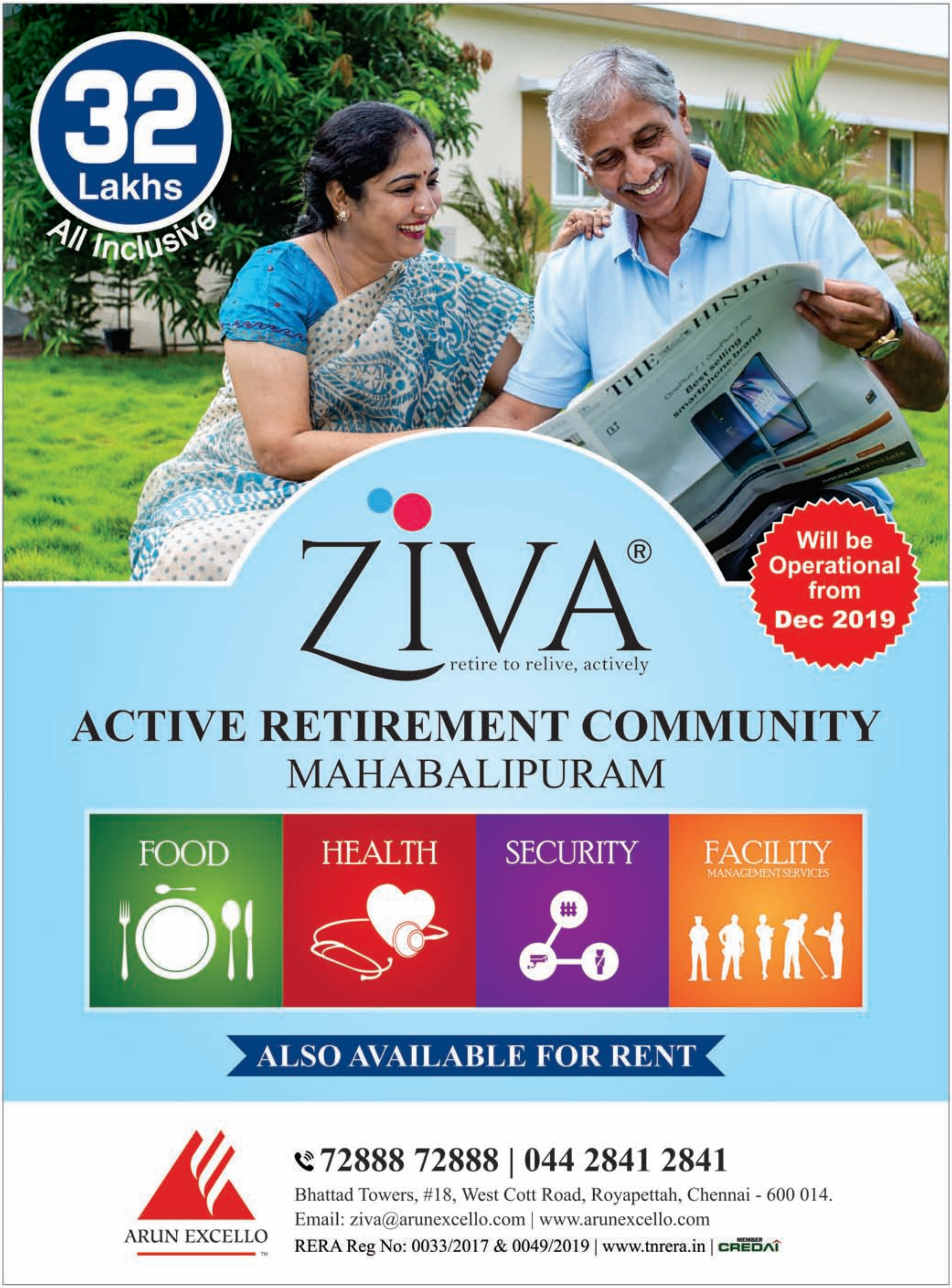
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Letter from the Publisher...

TAMIL NADU, home to 61 Fortune 500 companies, has established itself as the Detroit of South Asia and contributes 45% of the India's motor vehicle /car exports. The state accounts for 16% of India's electronics output and produces nearly 40% of the total yarn in the country. It has the largest talent pool in the country with about 570 engineering colleges and more than 500 polytechnics. The service sector contributes about 56% to the state's economy and the state is a leading exporter of IT/ITES in India. The state government has identified over 200 infrastructure projects targeting to attract investments to the tune of US$250 billion.

The Tamil Nadu Business Facilitation Act, 2018 ensures transparent and time-bound approvals, single window clearance, online tracking of approvals, deemed approvals for certain clearances, prompt grievance redressal mechanisms, self-certification and third party certification, and district level committees for MSMEs and state level committee for large industries.

Chennai has recorded the highest inward manufacturing FDI investment in the country, with 18 projects and a capital investment of $1.73 billion followed by Bengaluru, according to greenfield investment monitor fDi Markets. Construction of 13 fly-overs, 2 railway overbridges, 2 foot overbridge worth Rs 1,122 crore were announced by the state government in order to boost the road infrastructure in the city.

As regards second edition of GIM, of the 221 investment plans, out of 304 MOUs with large industries and 2,783 MoUs out of 12,360 agreements are under various stages of implementation. In nine months from GIM 2019, ground breakings have taken place for 22 industries and four units have already started operations.

Chennai's real estate market, however, has not been doing well for the past three years due to a combination of factors. During H1 this year, residential launches grew by 19% y-o-y, out of which 74% belongs to the sub-Rs 50 lakh category. Sales saw a modest 5% growth in H1, 2019, while unsold inventory came down by 21%. The quarters-to-sell level stood at 4.5 at the end of H1, 2019, according to Knight Frank survey.

Whereas Chennai's office market has seen the absorption of 2.8 million sqft till H1 2019 and supply addition of 0.8 million sqft. With the anticipation of both supply and leasing activities remaining strong, year-end leasing is expected to be close to 6 million sqft, according to CBRE.

Chennai's logistics and warehousing sector has absorbed four million sqft during 2018. Unlike earlier, there was a spurt in demand for organised warehousing space in Tier II cities in Tamil Nadu. Leasing rates are inching a new high but supply level is also surging. Incidentally, Chennai is among the first six locations identified to set up logistics parks which will be joint ventures between the central and the concerned state governments.

With the finance minister's booster package and NHB's injection of Rs20,000 crore additional liquidity to HFCs, the year 2019 may see the revival in realty sector with stable prices, restricted launches and improving sales. However, the fact remains that the number of developers declined by 46% between 2011-12 and 2017-18, says Edelweiss Securities report. In a paradigm shift, consolidation will also impact the commercial segment, where the top four players now own more than 20% of the office stock.

In our continued efforts for the benefit of housing sector, Priya Publications will organise a series of realty conclaves, seminars and panel discussions in India and abroad to update the market trend and the emerging potential in the sector. Exclusive road shows are being planned in US, Singapore and Gulf countries for select developers. We thank our advertisers, readers, subscribers and well-wishers for their consistent support and cooperation in all our endeavours.

V. Nagarajan

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September 15, 2019

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An authoritative and comprehensive realty guide for investors in Chennai

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CHENNAI IN A NUTSHELL

POPULATION & DENSITY

- Tamil Nadu has a population of 72.2 million which grew by 15.6% from 2001 to 2011.
- Chennai district population witnessed a decadal growth of 7% with a population density of 26,553 people per sqkm in 2011.
- Chennai has a literacy rate of 90% which is higher than that of the state and the country.

TAX REVENUE

- Chennai ranked 4th in India with overall tax collection (corporate tax, income tax, fringe benefit tax and securities transaction tax) of Rs 74,000 crore in 2018-19, registering a 12% annual growth.

Ports

- Tamil Nadu has three major ports - Chennai port, Ennore port and VO Chidambaranar port.
- Chennai port being the biggest in Tamil Nadu, handled 53.01 MMT of cargo in 2018-19 as compared to 51.88 MMT in 2017-18, registering an annual growth of 2%.

STATE'S CONTRIBUTION TO INDIA

- Tamil Nadu's GSDP grew by 8.1% for 2017-18 as compared to India's GDP growth of 6.98%.
- Second largest contributor to India's (GDP 8.4%).
- Tamil Nadu ranked fourth in terms of FDI inflows during 2017-18, received US $ 3.48 billion - 7.7% of total FDI received in India.

THREE PILLARS OF CHENNAI'S ECONOMY

Chennai's economy is majorly driven by automobile, electronic hardware and IT-ITES industry.

Automobile: The total exports of automobile and auto components touched US$6.8 billion in 2017-18 registering a growth of 19% over the previous year.

Electronics: The electronics hardware industry in the state is primarily concentrated in Chennai. The state ranks second in the production of electronic hardware in the country and has been the third-largest exporter in the country during 2017-18, accounting for US$1.27 billion.

IT-ITES: The IT-ITES sector has been a dominant economic driver of the city in the past decade. Industry estimates that till 2017-18 the revenues of the sector were around US$ 18.51 billion and created direct employment of over 4,00,000 people.

AIRPORT

Expansion of current airport: Chennai airport terminals are under a redevelopment project which is expected to be concluded by 2021. After the expansion, the airport will be able to host 30 million passengers annually from the current capacity of 23 million passengers annually. The expansion plan has already received environment clearance and expected to cost Rs 2,476 crore.

Second International Airport at Chennai: The city might get its second airport as the current airport is expected to reach saturation even after the expansion. The site for the second airport is not yet decided. It is expected to come at either Mamandur or Sriperumbudur. The Tamil Nadu Industrial Development Corporation (TIDCO) is currently searching for a consultant to do techno-economic feasibility study for the project, identification of sites for the development of new Greenfield airport near the city and for preparing a Detailed Project Report (DPR).

Chennai's economy was majorly driven by manufacturing and port related businesses. Eventually, the city has shown the shift from traditional manufacturing jobs to white collar jobs in the service sector. While development of major national highways, ports and airport helped in the migration to the city, phase 1 of metro rail and MRTS made the city commute comfortable. Upcoming infrastructure such as monorail, phase 2 of metro rail, new Greenfield airport and CBIC is expected to open new avenues of growth for the city.

CHENNAI AEROSPACE PARK:

TIDCO has planned to set up an exclusive integrated aerospace and defence park in 250 acres (expandable to 600 acres) of land in Sriperumbudur Industrial Park to support the growth of the aerospace industry. The land has been selected in Vallam Vadagal village where all the internal infrastructure including roads, stormwater drainage, electricity, etc. have already been created. Eighteen companies such as Vinmn Aerospace, Minerva Aviation Services, Balaa Harconn-Aerospace Services, etc. have already been allocated land in the aerospace park.

CHENNAI-BENGALURU INDUSTRIAL CORRIDOR (CBIC)

The corridor between Chennai-Bengaluru-Chitradurga (around 560 km) would have an influence area spread across the states of Karnataka, Andhra Pradesh and Tamil Nadu. Three nodes were taken up on priority - Tumkur (Karnataka), Ponneri (Tamil Nadu) and Krishnapatnam (Andhra Pradesh). The details of the CBIC node in Tamil Nadu (Ponneri Node) are given below.

AREAS	PROJECT DETAILS
Greenfield area of the node	13,581 acres
Node vision	Engineering hub for auto and machinery
Industrial sector impact	Chemical, Petrochemical Machinery, Pharmaceuticals and Medical Equipment.
Land usage	Industrial land - 67%, Residential - 16% and others - 17%
Distance from Chennai city centre	36 km
Nearest ports	Ennore port (part of this node) Chennai port - around 20 km from the node
Projected node population by 2025	1.29 million

Source: Department for Promotion of Industry and Internal Trade

Courtesy: Anarock survey in association with FICCI on Chennai - Driven by Diversified Economic Base - Reinforcing the Future (September 2019).

CHENNAI REALTY SECTOR - AN OVERVIEW

BETTER DAYS AHEAD

With proactive governments both at the Centre and in the State, there are better days ahead for realty sector in Chennai, surveys V Nagarajan

CHENNAI has always been an investors paradise for real estate investment due to its inherent strengths and improved connectivity levels and infrastructure development. But the city has not been adequately marketed globally by the policy makers at the appropriate level over the years due to a combination of factors.

Chennai has recorded the highest inward manufacturing FDI investment in the country, with 18 projects and a capital investment of $1.73 billion followed by Bengaluru, according to greenfield investment monitor fDi Markets. Construction of 13 fly-overs, two railway overbridges, two foot overbridge worth Rs 1,122 crore were announced by the state government in order to boost the road infrastructure in the city.

As regards second edition of GIM, of the 221 investment plans, out of 304 MOUs with large industries and 2,783 MoUs out of 12,360 agreements are under various stages of implementation. In nine months from GIM 2019, ground breakings have taken place for 22 industries and four units have already started operations.

The government's focus on infrastructure development is manifested with major projects such as ORR Phase II, metro, international airport and monorail corridors being planned to improve connectivity and accessibility to various parts of the city. These infrastructure upgrades will have a positive impact on micro markets such as Pallikaranai, Gudavanchery,

OMR, Ambattur, Oragadam. In addition, Vandalur, Kathipara, Koyambedu, Villivakkam, Anna Nagar are the emerging residential destinations where development is expected to gain momentum.

As regards residential sector, housing units sold saw an increase of 5% in H1 2019 to 8,979 from 8,585 in H1 2018, according to Knight Frank survey. Residential launches increased by 19% to 7,762 units from 6,523 units in 2018.

On the commercial front, till H1, Chennai has seen the absorption of

TOP THREE NOTABLE INVESTMENTS DURING 2018

INVESTOR	Investee	Sector	Amount (USD in million)
Maple Tree Investments	Shapoorji Pallonji group	Commercial	352
Blackstone	Prestige group	Commercial	134
Piramal Fund	Appaswamy Real Estate	Residential	31

Source: Anarock Research

SIGNIFICANT PRIVATE EQUITY INVESTMENTS

INVESTOR	Company	Type	Sector	Amount (US$ million)
Apollo Management	Olympia	Commercial	IT-ITES	107.47
LOGOS India	Casagrand Distripark	Logistics & Warehousing	Logistics & Warehousing	98.28
Mitsubishi	Shriram Properties	Residential	Luxury	25

Note: Transactions above are from 2018 onwards about 2.8 million sqft and supply addition of 0.8 million sqft. In the second half, it is expected that both supply and leasing activity are expected to remain strong, according to Preetham Mehra, CBRE, Executive Director and Head, Chennai. The year-end leasing is expected to be close to six million sqft, he adds.

Chennai retail market has seen significant demand in high street in H1, 2019. The city added around 0.7 million sq. ft of retail space in H1 2019. Retail real estate has seen a return of investor interest. Chennai witnessed robust retail space leasing from F&B, Health and Fitness segments. Strong demand and supply resulted in steady rents with few high street pockets seeing appreciation due to sustained demand.

CHENNAI INDUSTRIAL AND WAREHOUSING TRENDS

Chennai warehousing market has evolved in four arterial highways that branch out from the centre of Chennai towards the west such as the Grand Southern Trunk Road (GST Road/ NH 32), Poonamallee High Road (Bengaluru highway), Chennai Thiruvallur Road (MTH Road) and the GNT Road(Kolkata highway, NH 16) toward the north. Chennai industrial and Warehousing market saw growth of 25% YoY in demand for space.

Leading occupiers leasing space are e-Commerce, engineering and manufacturing, and 3PL companies. Leasing activity was largely concentrated across projects such as Indospace and Kailash Logistics. Rentals in most of the micro - markets remained stable during H1, 2018. NH - 5 (Red Hills - Gummidipoondi), Tada and Sriperumbudur - Tiruvallur stretch remained the most vibrant industrial and warehousing market seeing an appreciation of 15%-12% year on year.

While the social infrastructure in the city is adequate as of now, education and retail are likely to grow further in the near future as the city widens its contours along the lines of new infrastructure additions

MODI PUTS CHENNAI ON GLOBAL MAP

Prime Minister Narendra Modi has mooted a proposal for a full-fledged maritime route between Chennai and Vladivostok during his recent visit to Russia. A Memorandum of Intent on the development of maritime communications was signed.

India has been making concrete moves to expand its global presence in Far East Russia to harness natural resources. The shipping link would enable to transfer cargo between Chennai and Vladivostok in 24 days in comparison to over 40 days currently taken to transport goods from India to Far East Russia via Europe.

PE INVESTMENT IN CHENNAI

The real estate sector in Chennai has been successful in attracting institutional investments for the past few years. Since 2015, nearly US$ 2.0 billion have been invested in the city, which accounts for nearly 14% of the capital deployed in the country. The highest volume of infusion was recorded in 2018, which was US$ 674 million.

Equity investments account for nearly 86% of the total which not only depicts the confidence of the investors, but also the underlying potential of the city's real estate sector.

An analysis of the deals by Anarock during this year shows that the quantum of investments received in Chennai has exceeded those of Bengaluru, Hyderabad, Pune and NCR. Chennai accounts for 14% share of the total investments across the major cities.

The commercial segment accounts for the highest level of investments in Chennai and accounts for 64% of the total in the last four years (2015 - 1H 2019). This is followed by the residential segment at 19%. It is interesting to note that the logistics and warehousing segment is also generating interest among investors owing to the high volumes of exports and manufacturing services spread across the city. Investments in the logistics and warehousing have commenced from 2018 and have been successful in generating capital of US$ 218 million. **(See tables)**

OUTLOOK

Developer profile, location dynamics, right product mix, presence of adequate infrastructure and judicious pricing are going to be the major factors driving success in the future in Chennai.

Chennai is poised to continue its growth momentum despite the recent headwinds faced by the automobile sector. Since the economy is not dependent individually on the sector, the services and electronic hardware manufacturing are expected to keep the economy buoyant, according to Anarock's latest report on Chennai - Driven by Diversified by Economic Base released in association with FICII.

The planned and under-development infrastructure initiatives are likely to unlock the latent potential of several emerging localities and create opportunities for further real estate development, across the asset classes. As businesses thrive and expand, we are likely to witness the emergence of newer asset classes in the city. The growing IT-ITeS sector may create a demand for assets such as co-working spaces. This may also lead to the development of rental housing or co-living spaces which may emerge as the newer asset in the coming years.

While the social infrastructure in the city is adequate as of now, education and retail are likely to grow further in the near future as the city widens its contours along the lines of new infrastructure additions.

Over the years, Chennai has grown and expanded embracing expatriates from across the world, but the growth was not spread across evenly on all zones of the city. South and West Chennai witnessed exponential growth led by services and industrial sectors, respectively. With the recent infrastructural developments, North Chennai's connectivity with South and West Chennai improved significantly which may help North Chennai to get much-needed attention. All- in-all, Chennai is surely driven by a diversified economic base and the initiatives to reinforce its future surely look promising.

On going projects: Ashwarya & Mayuri

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Deva Constructions is a member of Builders Association of India, Indian Green Building Council, SMERA MSE 3, and obtained ISO Certified 9001: 2008. It provides conformity assessment and certification services all across the world. The construction company is also associated with National Small Industries Corporation. Er. Deva Constructions received small-scale industries credit rating of MSE 3 by SMERA.

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CHENNAI REALTY DATA

RESIDENTIAL MART

PARAMETER	2018	Change YoY	H1-2018	H1-2019	Change YoY
Launches (housing units)	10,373	12%	6,523	7,762	19%
Sales (housing units)	15,986	3%	8,585	8,979	5%
Price (weighted average)	47,245/sqm (4,389/sqft)	-3%	48,567/sqm (4,512/sqft)	47,110/sqm (4,377/sqft)	-3%
Unsold inventory	19,027	-23%	22,579	17,810	-21%
Quarters to sell	4.8	—	5.7	4.5	—
Age of unsold inventory (in quarters)	14.5	—	14.5	14.4	—

Source: Knight Frank India

CHENNAI MART - RESIDENTIAL LAUNCHES AND SALES

	Launches	Sales (housing units)
Central H 1 2019	35	361
H1 2018	569	929
North H1 2019	349	292
H1 2018	871	832
South H1 2019	6,002	6,345
H1 2018	6,130	10,491
West H1 2019	1,376	1,982
H1 2018	2,803	3,734

Source: Knight Frank India

DEMAND AND SUPPLY - RESIDENTIAL UNITS

CATEGORY	Demand	Supply
Affordable Housing	56%	39%
Middle Income Housing	26%	42%
Luxury Housing	18%	19%

Source:*99acres.com*

MAJOR DEALS IN CHENNAI INDUSTRIAL AND WAREHOUSING MARKET - H1 2019

PROPERTY	Location	Tenant	Sq.ft
Warehouse	Saidapet	NPT Offset	5,000
Warehouse	Maraimalai Nagar	Super Packs	25,292

SECTORWISE SPLIT OF TRANSACTIONS

INDUSTRY	H1 2018	H1 2019
BFSI	23%	2%
IT/ITES	27%	29%
Manufacturing	17%	7%
Other services	34%	61%

Note: BFSI includes BFSI support services. Other services includes co-working, media, telecom, etc. Source: Knight Frank India

CHENNAI INDUSTRIAL AND WAREHOUSING RENTALS

SUBMARKETS	Industrial	Warehousing
NH4-Sriperumbudur-Oragadam SIPCOT	21-29	25-29
Sriperumbudur-Tiruvallur	18-20	18-22
NH5-Gummidipoondi SIPCOT	15-18	18-20
NH5 - Red Hills - Gummidipoondi	18-22	18-22
Ambattur	24-26	23-25
Poonamallee	25-30	—
Maraimalai Nagar	21-25	21-25

Source: CIRIL

CHENNAI OFFICE MART

PARAMETER	2018	Change YoY	H1 2018	H1 2019	Change YoY
New completions million sqft	1.3	-28%	1.2	0.3	-76%
Transactions (million sqft)	3.5	-23%	1.8	1.9	6%
Weighted average rental (Rs per sqft per month)	59	3%	57	59	3.5%
Stock (million sft)	71.2	2%	71.05	71.5	1%
Vacancy (%)	10.6%	—	11%	10.2%	—

Source: Knight Frank India

MAJOR DEALS IN CHENNAI COMMERCIAL MARKET - H1 2019

CLIENT	Building Name	Area sqft	Location	Lease/Sale
Workafella	Highstreet IT Park	142,000	CBD	Lease.
CoWorks	Arihant Technopolis	120,000	Suburban south	Lease.
IDP	DLF	41,000	South west	Lease.
Southern Global Services	Gateway Office Park	140,000	GST	Lease.
CoWorks	Sterling Technopolis	93,000	OMR	Lease.
SmartWorks	Kochar Globe	80,250	Guindy	Lease.

Source: CIRIL

PRICES FOR DEVELOPED PLOTS

LOCATION	2017	2019 (Price Rs per sqft)
Acharapakkam	300 - 600	390 - 650
ECR (Opp. Crocodile Park)	1,500 - 1,800	2,200 - 2,700
Kunrathur	1,750	2,000
Madhavaram	—	3,500 - 4,000
Manali	—	2,500 - 3,000
Maraimalainagar	1,500 - 2,000	1,495 - 2,500
Mannivakkam	2,500	2,800
Madhurapakkam	3,090	3,200
Padappai - Oragadam belt	850 - 1,400	1,200 - 1,650
Behind Queensland	900 - 1,200	1,500
Singaperumal Koil	2,000 - 2,500	1895 - 2,800
Sriperumbudur		
(Near Rajiv Gandhi Engineering College)	750 - 850	950
Sunguvarchathiram	250 - 1,000	800 - 1,200
Tandalam	750 - 850	800 - 1,000
Trivellore	1,500 - 2,000	1,500 - 2,200
Wallajabad	700 - 1,000	800 - 1,100
Kunnam (Behind Samsung)	500 - 600	650 - 700
Padur (OMR)	—	3,200
Wimco Nagar	—	5,000

Note: The above rates are indicative only for CMDA/DTCP approved plots. They may vary depending on the location, developer, specification and amenities offered in the project.

CHENNAI RETAIL RENTAL TRENDS

LOCATION	2015	2016	2017	2018	H1 2019
Nungambakkam High Road	150	150-175	150-180	150-180	150-185
KNK Road	210	210-220	210-230	200-220	200-220
Cathedral road/RK Salai	135	135-150	135-150	137-150	137-155
Usman Road South	130	130	130	130	130
Usman Road North	140	140	140	140	140
Adyar Main Road	100-125	110-125	115-130	120-135	125-135
Anna Nagar 2nd avenue	130-175	130-185	130-185	140-190	150-200
Purasawalkam High Road	120	120	120	120	120
Pondy Bazar	160	160-185	160-200	160-200	160-200
Velachery	130	130	130	131	132
Chennai - CBD I (Mall)	230	230-260	230-275	230-275	235-280
Chennai - CBD II (Mall)	300	250-300	250-325	250-325	255-330
Chennai Western (Mall)	200	180-200	180-200	180-200	185-210
Chennai - South (Mall)	220	200-230	200-230	200-230	205-235

Source: CIRIL

MAJOR DEALS IN CHENNAI RETAIL MARKET - H1 2019

PROPERTY	Location	Tenant	Sqft	Lease/Sale
Standalone	Medavakkam	FBB	20,000	Lease.
Standalone	Perungudi	Tata Croma	15,000	Lease.
Standalone	Ambattur	Pantaloons	12,000	Lease.
Standalone	ECR	Heads up for tails	1,650	Lease.
Standalone	Taylors road, Kilpauk	HNS Hotels	1,500	Lease.
Standalone	Poonamallee High Road	Mohan Diabetes	2,634	Lease.
Standalone	T. Nagar	Tea villa	3,200	Lease.

Source: CIRIL

PROJECT LEVEL INVESTMENTS

INDOSPACE	Gurgaon (New Delhi)	Land only	2019	12.5
	Orgadam (Chennai)	Land + Stabilised	2018	29
	Chennai	Land only	2019	3
ASCENDAS FIRSTPACE	Panvel (Mumbai)	Land / Stabilised	2018	77.6
	Orgadam (Chennai)	Land only	2018	30
	Periyapalayam Road (Chennai)	Land + Stabilised	2018	55
LOGOS INDIA	Sriperumbudu &Oragadam (Chennai)	Land + Stabilised	2019	100
	Gurgaon (New Delhi)	Land only	2019	23
ESR	Sohna Road (New Delhi)	Land only	2019	19
	Chakan (Pune)	Land	2018	19
	Bhiwandi 1 (Mumbai)	Land + Building	2019	Unidisclosed
	Bhiwandi 2 (Mumbai)	Land	2019	Undisclosed
EMBASSY	Bilaspur (New Delhi)	Land	2017	13
	Farukkhnagar (New Delhi)	Land	2018	12
	Bhiwandi (Mumbai)	Land	2019	Undisclosed

CHENNAI OFFICE MART - SELECT LEASING TRANSACTIONS

PROPERTY	District	Size (in sqft)	Tenant
Pacifica Tech Park	Chennai	196,000	Infosys
Karuna Conquest	Chennai	132,000	Tata Telecom
KG 360 degrees	Chennai	66,000	Temenos

Source: CBRE

COMPANY	Building	Location	Developer	Area in sqft.
Cognizant Technology Services	Ozone Techno Park	OMR	Ozone group	300,000

Source: Vestian

AVERAGE DEAL SIZE AND NUMBER OF DEALS (OFFICE MART)

	H1 2018	H1 2019
Average deal size (sqft)	20,355	24,156
Number of deals	86	77

Source: Knight Frank India

MAJOR DEALS IN CHENNAI INDUSTRIAL AND WAREHOUSING MARKET - H1 2019

PROPERTY	Location	Tenant	Sq.ft
Warehouse	Saidapet	NPT Offset	5,000
Warehouse	Maraimalai Nagar	Super Packs	25,292

RESIDENTIAL UNITS - UNSOLD INVENTORY H1 2019

	Unsold Inventory	Age of inventory (in quarters)	Quarter to sell
Central	1,027	16	2.89
North	607	8	4.12
South	11,181	14	4.64
West	4,997	15	4.81

CHENNAI'S GROWTH CORRIDORS

Chennai has inherent strengths like right business environment, skilled manpower, improved connectivity levels and infrastructure development which are bound to take the city's growth level to a new high in the coming years, reports V Nagarajan

WITH the notification of expansion of Chennai Metropolitan Area (CMA) by the state housing and urban development department, the city's area will expand sevenfold from 1,189sqkm to 8,878 sqkm. As a result of this there is immense need for an overriding importance on improving the infrastructure sector in and around the city.

Among the probable infra projects, specific mention should be made about 190 km satellite town ring road (STRR) linking Mahabalipuram and Gummidipoondi. Yet another significant development is that the centre has proposed to build a defence corridor linking Tamil Nadu and Karnataka. There is no denying that Tamil Nadu has several defence production plants since late Shri Kamaraj's days. The corridor is expected to cost Rs 1,250 billion investment and generate 4,00,000 jobs. It will start from Mysuru, passing through Bengaluru, Chennai, Coimbatore, Salem and Trichy.

The pace at which the development is ongoing in the following growth corridors is ample testimony to the shape of things likely to come up in the coming years in Chennai.

IT CORRIDOR (RAJIV GANDHI SALAI / OLD MADRAS ROAD)

CHENNAI'S Phase 1 IT corridor spanning 20 km from Madhya Kailash to Siruseri has been brimming with activity now and almost reached the saturation level with an estimated 1.5 lakh techies commuting every day. The second phase from Siruseri to Mahabalipuram involving a distance of 25 km is now gearing up for six-lane highway development.

The two bypass works under implementation will ease the interconnectivity congestion between OMR and ECR. One connecting Kelambakkam involving 4.8 km distance and the other bypass at Tiruporur involving 7.2 km distance have been planned in such a way to cater to the traffic needs upto the year 2045.

Out of total project outlay of Rs 570 crore for Phase 2 IT Corridor, land acquisition cost alone has been estimated at Rs 465 crore. It is said that the project is being funded through internal accruals and a consortium of Japanese funding institutions.

Land acquisition involves 88 hectares of land area and the acquisition is at an advanced stage of settlement with compensation to the landowners. Out of total land area, 50 hectares belongs to the government, and the balance owned by the salt development authorities and central government, according to senior government officials.

Though land acquisition exercise was started way back in 2008, the project had to face several hurdles mainly court cases posing formidable acquisition challenges. It is said that all land acquisition cases have now been cleared by the court except a few cases. The recent judgement will not have any adverse impact on the land acquisition, say senior government officials.

In Phase-I, the 20.1 km stretch between Madhya Kailash temple junction to Siruseri was widened to dual three lane carriageway with median, service road, pedestrian footpath and planter strip.

The ECR Link Road has also been improved to dual two lane carriageway.

Another significant feature of the Project is the construction of service trenches/ducts for conveying utility lines including electrical, telephony and optic fibre cables/wires so as to avoid digging in future. The water and sewer lines are also being conveyed under the footpath.

In a significant development to enable Chennaiites to migrate to suburban areas, the central government establishments are planning to shift their operations to the phase II corridor. Apart from this, a private medical college is planning to set up operations on the corridor. All this may ease the city traffic congestion to a significant extent, feel property consultants.

Land owners are property developers are keen to know the infrastructure development in the area to plan their projects accordingly. Primarily, their interest lies in knowing the land classification to plan their product-mix. The CMDA is yet to make a formal announcement on the land use pattern in the area. The Master Plan issued in 2008 still remains to be clarified for land use in Phase II corridor.

In a related development, a new road connecting NH45 (Singaperumal Koil) is being laid and land acquisition in progress. The Mahabalipuram-Ennore corridor involving a distance of 130 km length is in progress. Land acquisition is progressing well.

In Phase II, investment is expected to flow in once the road is ready in the first instance, feel TNRDC officials. Beyond

Kelambakkm the hamlet Thaiyur is the focus of attention by various stakeholders. A number of developments engulfing the area has suddenly catapulted real estate developers to scout for land for development. Among the major development is the IIT's expansion in Thaiyur. A few developers were able to capitalise through land development projects on the infrastructure development in progress.

The Tamil Nadu state government has allotted 160 acres for the Thaiyur research institute project estimated to cost Rs600-800 crore, and the compound wall for the project has been fully built. The development work has already begun. The facility is expected to house 10-15 research centres. The CSR activities have convinced large corporates like Saint-Gobain to fund the project.

Among other developments specific mention should be made about housing development, warehousing complex for the state civil supplies corporation, All India fire institute, international stadium, etc.

The mega industrial township coming up near Payanur, located 50 km south of Chennai, OneHub Chennai, is now looking out for leasing space. Due to market slowdown and the general adverse impact on the realty sector, the intake of industrial plots has rather been slow. OneHub involves development of 1,450 acres of land in phases integrating industrial, business, commercial and residential facilities. When completed it will offer versatile business space solutions for approximately 1,40,000 people.

GST ROAD

THE Grand Southern Trunk road is home to a number of SEZs dotting the skyline. The proposed bus terminus for south bound passengers in Guduvanchery is expected to ease the congestion.

The surge in demand for office space and the bustling Thuraipakkam-Pallavaram corridor has added a new dimension to the busiest traffic zone on GST road. Bengaluru based Embassy group's first phase of 4.5 million sqft Embassy Splendid Tech Zone will be completed by end of this year.

The government has earmarked 222 acres of land in Kadambur village for developing a new residential township. It will be developed as a self-supporting residential township with all infrastructure facilities. The township is being promoted to cater to the housing needs of people in and around Maraimalai Nagar.

Among the significant projects that will change the skyline of the corridor include Vaccine Park in Chinglepet on an area of 100 acres in Chinglepet, which is considered as national importance. The Medi Park involving an investment of Rs 594 crore is coming up on a land area of 330 acre.

KILAMBAKKAM BUS TERMINAL TO EASE CITY CONGESTION

Chennai's southern corridor got a big boost with the proposed construction of a new mofussil bus terminus at Kilambakkam, near Vandalur on GST road. The state government is planning to build a state of the art infrastructure and also provide inter connectivity. It will decongest the city traffic and disburse activities towards outskirts of south from the main CBD areas. The DPR has been issued by the government authorities.

To be built on the lines of inter-state bus terminal (ISBT), the support bus terminal is expected to be completed in two years. But the government is confident that it will be completed ahead of scheduled time, according to senior officials.

The project involves a capital outlay of Rs 375 crore and the government has already given administrative sanction for the project. Initiated to ease the traffic congestion into the city from south bound buses, it is expected to considerably decongest city traffic and enable smooth movement of people to various areas of the city.

The project was inaugurated by the Chief Minister Edappadi K. Palaniswami on February 22, and the excavation work on the site is in progress now (see photograph).

Out of 89 acres of land for the project, 44 acres have already been acquired. The government does not envisage any problem in acquiring the balance land required for the completion of the project. The project involves construction of 11 platforms, 270 car parking and 3,500 two-wheeler parking slots. Other ancillary facilities would be provided.

When completed, the project is expected to generate both direct and indirect employment to over 1 lakh people. Besides augmenting other projects in the vicinity, it is said that the bus terminus will also help the Minjur-Vandaluru ORR and accelerate other growth corridors.

— V Nagarajan

ORAGADAM

CHENNAI'S largest auto cluster in Oragadam has earned the distinction as the Detroit of Asia. The 4-wheeler vehicles in Chennai is the base for 30% of India's automobile industry and 35% of its automobile component industry. The largest automobile cluster hub is poised to become one among world's top 10 auto clusters. Oragadam is where 22 of the Fortune 500 companies have their operations enormously aided by downstream support industries.

The influx of auto majors and ancillary industries has given a boost to affordable housing development in the region driven by a work force of 45,000 blue collared employees in Oragadam. They have been currently commuting from various parts of the city including Kanchipuram due to lack of adequate housing in the corridor.

On the infrastructure front, the State Highway 57 is connecting GST (NH45) and NH4 along Oragadam belt with a distance of 20 kms. With the road widening work in full swing, the improved connectivity levels have given a virtual boost to the real estate players to launch new residential and commercial projects across the corridor.

"Peripheral ring road will have a better connectivity with port and related activities and further enhance the suitability of Oragadam region for industrial and warehousing spaces. Six laning of road widening initiative has had a major impact on the destination and once it is completed in full swing, it will have a major impact," said A Shankar, Chief Operating Officer, Strategic Consulting, JLL. As rail corridor details are in the process of finalisation, there is no denying that the initiative will boost the real estate investments in Oragadam once it is implemented, he adds.

Auto Nagar is under development in Appur. "The rail auto hub set up at Wallajabad provides an additional connectivity for the car manufacturers to transport finished cars to various locations," said S. Sridharan, Chairman, Credai Tamil Nadu. Oragadam is less than 50 km from the Chennai CBD areas and is ideal for auto as well as other industries to set up shop and manufacturing their products. It enjoys good connectivity to several key points in the city," he adds.

RESIDENTIAL AND COMMERCIAL DEVELOPMENT

A majority of the demand in Oragadam is for affordable housing but the demand-supply mismatch is a deterrent. Budget villas are instant favourites among homebuyers in the vicinity as a few projects were instant hits with little marketing efforts. Luxury apartment projects are finding price resistance due to lack of social infrastructure in the vicinity even though there is a guaranteed rental income option for investors in the area. The demand is predominantly generated by the foreign expatriates working in the corridor. Investors in residential property can expect an ROI of 4 per cent with the availability of property management services.

The residential property market is currently dominated by end-users and there is a growing and unmet demand for affordable housing in the price range of Rs 15 lakh-Rs 25 lakh in Oragadam. While demand for affordable housing is growing, thanks to the PM's subsidy scheme, land supply, however, is limited and cost prohibitive which act as deterrents for housing development.

Unlike earlier, commercial space requirement in Oragadam is inching a new high. Besides requirements for office space, co-living and co-working, demand for commercial space for establishing knowledge centre and training centre is gaining momentum, according to leading developers operating in the corridor. Multiplex and corporate hospital are in the pipeline.

Aerospace Park and Warehousing

The Chennai Aerospace Park has all necessary clearances in place and will commence land development shortly. The park has attracted an investment of close to ?1,300 crore from 14 companies, with 19 more expressing interest, according to government sources. The park will have developed industrial plot in the utilities like power and water and facilitate the building of communication, connectivity and social infrastructures to suit to the specific needs of the park. The road connectivity will be developed to the aerospace Park.

The Tamil Nadu Industrial Development Corporation (TIDCO) will develop the park on 260 acres of land at Sriperumbudur, which can be increased to 700 acres later. Besides an aerospace Maintenance Repair and Operations (MRO) complex will come up near the airport, with TIDCO as a joint venture partner.

According to TIDCO sources, the global aerospace industry is valued at $1.3 trillion. Whereas the Indian aerospace sector accounts for about $40 billion, and this share is gradually increasing. The growth rate is 12 per cent in the country, compared with the global average of 3.5 per cent. Additionally, the global aviation sector is shifting its focus from the US and Europe to Asian countries such as India and China. This presents a huge opportunity for aerospace sector in India.

"A mega defence corridor was launched in January this year by then Defence Minister Nirmala Sitharaman to link leading military manufacturing units in five southern cities. With an investment of over Rs 3,000 crore, the Tamil Nadu Defence Industrial Corridor, will connect Chennai, Hosur, Coimbatore, Salem and Tiruchirappalli. The purpose behind the development of this defence corridor is to set up a well-planned and efficient industrial base that will facilitate defence production in the country. Defence corridors also become the means to connect different defence industrial units. The selected cities already boast of a defence ecosystem including ordnance factory boards and suppliers working with defence PSUs, and other allied industries. Sensing the potential of this new defence initiative, global security leader Lockheed Martin has announced its intention to invest in the corridor," according to Anarock survey.

On the Oragadam junction-Wallajabad highway, a number of developers are looking at land for establishing logistics

and warehousing parks. The Sriperumbudur-Trivellore submarket has seen large land purchases by prominent developers looking to build industrial parks, recording YoY growth rate of 11.0%.

In a related development, the Sriperumbudur-Oragadam submarket saw a 10.0% increase in rents YoY. These submarkets remain the preferred entry and expansion choices for most corporate occupiers due to their attractive locations because of connectivity to the Chennai port.

Embassy group has started the work on the development of an industrial park in the state with a projected total investment of Rs 900 crore. The company is planning to promote industrial plots and warehousing which will generate employment and boost housing demand.

Warehousing is yet another important sector which has a huge potential due to the fact that many warehousing and logistics players are looking at Chennai as an important destination for expansion. According to Anarock survey, warehousing and investment platform LOGOS India has invested Rs 700 crore in the warehousing assets of Chennai-based Casagrand Distripark. In December last year, Ascendas-Firstspace bought two assets including a piece of land in Oragadam for an industrial and Logistics Park of 2.8 million sq ft and a 120-acre industrial park at Periyapalayam.

The Global Investors Meet (GIM) held recently has witnessed the signing of 304 MoUs and agreements worth Rs 3 lakh crore. Sectors like office space, IT, tourism, school and higher education have received promises of big investments. Royal Enfield, a leading manufacturer of motorcycles has signed an MoU with the Tamil Nadu government for Rs 1500 crore investment to expand its manufacturing facilities in Oragadam, Thiruvottiyur and Vallam Vadagal.

WHAT MAKES ORAGADAM TICK?

- Largest auto cluster employing thousands of blue collared workers.
- Improved infrastructure and connectivity level connecting south and western areas of the city.
- Expansion through peripheral ring roads will improve accessibility level.
- Availability of land parcels for logistics and warehousing purposes.
- Wherever Greenfield airport comes, Oragadam will be at mid-point and provide strategic support.
- Three modern ports provide an easy gateway for exports and imports.
- The GIM has received an investment of Rs 1,500 crore from Royal Enfield for expansion of manufacturing facilities.
- Impending multiplex and corporate hospital.

CHENNAI INDUSTRIAL MARKET BEAT

Submarket	Rs million/acre	US$ million/acre	Euro million/acre	Y-o-Y change
NH4 - Sriperumbudur - Oragadam SIPCOT	17.5	0.3	0.2	75%
Sriperumbudur - Trivellore	15.0	0.2	0.2	20%
NH5 - Gummidipoondi SIPCOT	7.0	0.1	0.1	75%
NH5 - (Redhills - Gummidipoondi)	15.0	0.2	0.2	0%
Tada	8.5	0.1	0.1	10%

SIGNIFICANT TRANSACTIONS

Buyer/Lessee	Seller/Lessor	Type	Submarket	Sale/Lease	Area (sqft)
Ceat Tyres	Land aggregator	Land	Sunguvarchathiram	Sale	163
Ascendas	Private developer	Land	Vadakal	Sale	125
Apollo Tyres	Indo Space	Warehouse	Vallam	Sublease	4.6
Amazon	Individual	Warehouse	Thirumazhisai	Lease	1.1

Source: *Cushman & Wakefield*

BENGALURU - CHENNAI EXPRESSWAY

THE government of India has taken up the development of about 1000 km of expressways under Phase VI of the National Highways Development Project (NHDP). The National Highways Authority of India (NHAI) has initiated to facilitate the high-speed travel in Bengaluru-Chennai expressway (BCE). The Greenfield alignment is to be developed as a fully access-controlled facility.

According to NHAI sources, the total extent of the land to be acquired by the three states involved (Tamil Nadu, Karnataka and Andhra Pradesh) is 2644.73 hectares out of which 349 hectares of land belongs to the government. From the Tamil Nadu, the area is said to be 975 hectares of land. Land acquisition is in advanced stage and likely to be completed by the end of the year, according to NHAI sources in Chennai.

The project cost is expected to be Rs 20,000 crore including land acquisition and construction cost. The proposed project expressway is a new alignment which will connect Bengaluru and Chennai. The revised alignment has been approved by the respective state governments. The final length of the expressway alignment comes to 262 km with a design speed of 120 mph. The total travel time between the two cities would be considerably reduced along the new expressway.

"The expressway is proposed with a 6-lane divided carriageway configuration, and 1.5m unpaved and 3.0m paved shoulders on both sides," according to Avadesh Singh, Egis India, as reported in www.constructionsphere.com. The central median of 6m width has been proposed, for safety as well as for future inward widening. Some of the benefits of a high-speed transport facility like the BCE are, saving in travel time and cost, enhancing the safety of the user of the facility and galvanising the economy in the project influence area. ***(See table)***

The main aim of the corridor is to boost commerce and trade between cities across south India and remove all infrastructural bottlenecks between them, according to ANAROCK survey. In second half of 2018, the Karnataka government took to fast-track work on this corridor, laying key focus on defence projects and automobiles. It signed and registered an SPV with the central government for the execution of the project along with its nodes. In fact, the government is also mulling to extend the corridor further up to Mangalore in Karnataka so as to connect the east seaport with the west seaport. This will eventually lead to the corridor having two seaports at the extreme ends.

The financial feasibility study of a project has been completed on the basis of the Model Concession Agreement of National Highways (Planning Commission, Government of India). The internal rate of return (IRR) of equity and O&M will determine the viability gap support from the government. As regards financing, the project has been found to be viable with a grant of 40% for a concessional period of 28 years when the toll rates are 1.5 times the normal rates, according to Avadesh Singh of Egis India.

BENGALURU - CHENNAI EXPRESSWAY HIGHLIGHTS

NUMBER OF MAIN EXPRESSWAY

Major Bridges	8
Minor Bridges	103
VUP	42
PUP	50
Elephant Underpass	3
ROB	4
Interchange	12
Flyover	17

Source: www.constructionsphere.com

IMPACT ON REALTY MART

Other than Bengaluru and Chennai, the major areas that are seeing activity both in the short to long-term include:

Hoskote: A satellite town in Bengaluru, Hoskote's real estate market has seen significant growth over the last few years due to this mega project and also because of the various industries and educational institutes in the region. The area lies at the intersection of NH 4 and NH 207, further enhancing its connectivity to other major hubs.

As per ANAROCK data, Hoskote saw launch of nearly 3,500 units over the last five years while housing sales stood at 2,500 units. The current average property price is about Rs 3,300 per sq. ft.

Sriperumbudur: A popular automobile hub, the region has seen increased real estate activity in the last five years. It is one of the most high-potential areas in five years. Interestingly, the average property prices have risen by 30% between 2014 and 2018 - from Rs 2,300 per sq. ft. in 2014 to nearly Rs 3,000 per sq. ft. in 2018. The fact that the prices were significantly low in the area, there was scope for growth over these years which were characterised by slow sales.

Ponneri: Falling along this corridor, Ponneri has emerged as a major affordable residential destination in the northern region of Chennai since it boasts of being a major industrial zone. The 'smart city' tag added another feather for this once-sleepy region in the city. The area saw launch of nearly 820 units over the last five years with average property sizes increasing by 15% during the same period - from INR 2,900 per sq. ft. in 2014 to INR 3,300 per sq. ft. in 2018.

Other cities that may also see some real estate activity in the long-term include Ranipet, Bangarpet, Chittoor (AP), and Kanchipuram.

EAST COAST ROAD

AFTER a prolonged period of stagnation, Chennai's entertainment corridor is picking up momentum in land acquisition, influx of hospitality projects and emergence of more eateries for the transit passengers to Puduchery. Among the factors attributed for the sudden surge in demand in real estate on ECR corridor, specific mention should be made about the impending infrastructure projects including the link roads to improve the connectivity level between ECR and IT corridor (OMR).

Earlier, due to FSI restrictions and the abetting Buckingham Canal making lesser land availability and development, property developers were selective in identifying projects and villa developments have been dominating the corridor. But the government's easing of 2019 CRZ norms de-freezing the Floor Space Index and permitting FSI for construction projects, has revived the interest level among developers to relook at the development plans. With the functioning of Sheraton Grand and Taj group hotel on ECR, entry of more theme parks and sporadic resorts development, real estate activity is slowly but surely gaining momentum.

Yet another factor is the retail sector seeing growth and with the gradual increase in the number of entertainment complexes, more developers are now eyeing the sector for lifestyle housing development.

Starting from Thiruvanmiyur and extending all the way to Uthandi within Chennai's city limits, ECR comprises of major micro markets such as Thiruvanmiyur, Sholinganallur, Palavakkam and Kottivakkam, among others. Most of these areas come under the purview of the Chennai Corporation with various ongoing and proposed infrastructure projects, according to Anarock property consultants. However, leading property developers built high end villas on the link road connecting ECR to Sholinganallur where lack of response is still a major concern for others to follow suit.

Realising the pulse of the market, developers are nowadays cautious while launching new villa projects and preferred to keep the unit price well below the Rs 1.5 crore. This drew encouraging response as is evident from the recent encouraging response to project launches in areas like Pattiupulam near Nemeli.

INFRASTRUCTURE DEVELOPMENT

The biggest real estate driver for ECR is its proximity and easy connectivity to OMR, Chennai's main IT corridor. Several software companies and BPOs are located on OMR and the consistent growth of the IT/ITeS sector in the area has spurred demand for apartments in neighbouring ECR in recent times, according to Anarock consultants. Among the probable infra projects, specific mention should be made about 190 km satellite town ring road (STRR) linking Mahabalipuram and Gummidipoondi.

ECR enjoys good connectivity to key areas of the city via major roads including OMR, Velachery-Tambaram Road and the Kalaingar Karunanidhi Salai. The Guindy Metro Station and St Thomas Mount Metro Station of the Chennai Metro further boost its connectivity. The upcoming Phase 2 of Chennai Metro running through OMR will further improve ECR's connectivity.

The 33-km stretch from Akkarai to Mamallapuram has been driving heavy traffic as it is the only entertainment corridor for Chennaiites. Road widening work estimated at a cost of Rs 272 crore has been undertaken and making progress now.

As an integral part of the work, a two-metre-wide median will be built to prevent vehicle accidents and the entire stretch of 33-km stretch will be illuminated at a cost of Rs. 8.1 crore. Apart from this, a new bridge will come up alongside the Muttukadu Bridge and three bridges at Kovalam and two near Mamallapuram will also be widened and strengthened in order to provide more space for vehicular movements, according to official sources.

The desalination plant in Nemeli will undergo expansion for a production rate of 400 MLD. The plant's existing capacity is 100 MLD.

A significant development is the upcoming mega industrial township, One Hub near Mahabalipuram. Located 55km from Chennai, the 1,450-acre park, being built by Ascendas and a Japanese consortium will be home to more than 60 Japanese companies once ready for operation.

The township will integrate industrial, business, commercial and residential facilities with lifestyle amenities and eco-friendly infrastructure to facilitate the growth of Japanese and international businesses in India.

Promoted by Singapore Ascendas, it will include 650 acre of industrial park. It is said that Japanese firms looking for quality industrial parks for investment in India, are showing interest in the township. Out of five companies that have taken 50 odd acre so far, only four are from Japan.

In One Hub, about 35% of phase one has already been leased out. Ascendas Singapore will be investing Rs 3,500 crore on infrastructure development. It is expected that companies that set up base there will invest another Rs 15,000 crore. The development includes residential complex as well.

ENVIRONMENT MINISTRY'S EASING OF CRZ REGULATIONS 2019

The new norms aim at promoting sustainable development.

CRZ-III A: The A category of CRZ-III areas are densely populated rural areas with a population density of 2161 per square kilometre as per 2011 Census. Such areas have a No Development Zone (NDZ) of 50 meters from the High Tide Line (HTL) as against 200 meters from the High Tide Line stipulated in the CRZ Notification, 2011.

CRZ-III B: The B category of CRZ-III rural areas have population density of below 2161 per square kilometre as per 2011 Census. Such areas have a No Development Zone of 200 meters from the HTL.

Floor Space Index Norms eased

As per CRZ, 2011 Notification, the Floor Space Index (FSI) or the Floor Area Ratio (FAR) had been frozen. In the CRZ 2019 Notification, the government decided to de-freeze the Floor Space Index and permit FSI for construction projects.

Tourism infrastructure permitted in coastal areas

The new norms permit temporary tourism facilities such as shacks, toilet blocks, change rooms, drinking water facilities, etc. in Beaches.

Streamlining of CRZ Clearances

The procedure for CRZ clearances has been streamlined. Now, the only such projects which are located in the CRZ-I (Ecologically Sensitive Areas) and CRZ IV (area covered between Low Tide Line and 12 Nautical Miles seaward) will be dealt with for CRZ clearance by the Ministry. The powers for clearances with respect to CRZ-II and III have been delegated at the State level.

NORTH CHENNAI

ONCE shunned by the developer community due to agglomeration of industries and lack of infrastructure, North Chennai is driving both residential and commercial development today. Proximity to thriving Marwari business community, improved connectivity levels and infrastructure development have all made commuting to the prime city areas much easier and hassle free. Unlike South Chennai where the land prices are inching high, land prices are relatively competitive and availability are other driving factors towards North Chennai. Moreover, port and logistics and warehousing development have transformed the region and paved the way for industrial, residential and commercial development.

Yet another factor is the established industrial area, Sri City, which is 30 km from the outer ring road that has opened up vast employment opportunities for both skilled and unskilled workforce in Chennai.

A number of leading corporates have announced mega projects which will transform the skyline of the area in the coming years. Ponneri is one of the three smart cities on the Chennai-Bengaluru industrial corridor. The Rs925-crore industrial park being setup by Japanese major Sumitomo in association with Mahindra group is a significant development. Phase 1 involves development of 107 hectares of land which will house 20-30 tenant companies. Ascendas has purchased 80 acres near Periapalayam for logistics development.

Infrastructure development: The 90 km long outer ring road is connecting NH 32 (GST Road) at Vandalur, NH 48 (GWT at Nemilichery to NH 16 (GNT Road) at Nallur and to TPP road at Minjur. The extended metro line which has nine stations will help commuters travelling from Wimco Nagar to reach Chennai Central, CMBT and airport.

As regards ports, the Kamarajar port is the only corporatised major port and is registered as a company. Today, the landlord port is the dominant port model in larger and medium sized ports. Adani Ports and Special Economic Zone Ltd (APSEZ) is the seamless integration of three verticals consisting of ports, logistics and special economic zone.

Housing development: Land prices are gradually inching high in anticipation of the demand and the entry of more developers to North Chennai for real estate development. Recent land transactions include Olympia group buying 6.5 acre of land for Rs 100 crore, on Tiruvottiyur road from Eveready Industries. The site is close to the Tiruvottiyur metro station and will be developed as a value mall cum office space.

"Land prices range from Rs 3,000 to Rs 6,000 per sqft in Tiruvottiyur. Redhills and surrounding areas command a price of Rs 3 crore per acre. In Ponneri, land prices vary from Rs 2.5 crore to Rs 3 crore due to demand-supply mismatch. DTCP approved plots cost Rs 300-400 per sqft in Anupampattu village. In Minjur, apartment prices range from Rs 6,000 per sqft and upwards. In Tondiarpet and Royapuram, land prices range from Rs 2 crore per ground depending on the location and proximity to landmark areas. Due to upcoming Wimco nagar metro terminal, land prices have gone up by 40 per cent in just two years in the area," according to S. P. Balasubramanian of VP Realty in North Chennai.

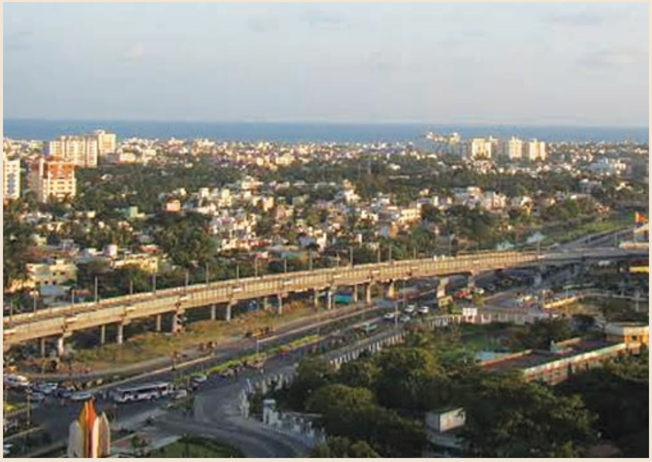
The proliferation of international schools and medical and engineering colleges on Periapalayam road have nudged more developers to look at entry into housing development in the area. It is no wonder that developers like Rajarathinam Constructions and Navin Housing are entering the arena. Prince Foundations, Emaar, Ganga Foundations, Hansa, Arihant and CasaGrand have projects in Royapuram and Tondiarpet.

UPCOMING INFRASTRUCTURE IN THE CHENNAI METROPOLITAN REGION

- **Project Name: Mass Rapid Transit System (MRTS) Phase II Extension**
- **Project Scale:** 5 km
- **Observations:** This MRTS extension is expected to benefit numerous people, especially those working in IT establishments and offices in Park Town, Fort, RK Salai, Adyar and Taramani. The St. Thomas Mount station will emerge as a single point interchange for five different modes of public transport – public buses, southern railway, MRTS, sub urban south line and Metro Line 2.
- **Current Status:** This project has been grappling with land acquisition issues since opening of Velachery MRTS in 2007. In June 2019, it has been brought under the purview of Tamil Nadu government's Pro-Active Governance and Timely Implementation (PRAGATI) platform, for reviewing and monitoring.

- **Project Name: Chennai Metro Corridor IV** (Poonamallee-Lighthouse)
- **Project Scale:** 26.1 km
- **Observations:** Part of Chennai Metro's Phase-II project, this corridor aims at providing a widespread east-west connectivity through the city centre. Mostly underground, this metro corridor connects the office catchment in the city to the residential locations such as Valasaravakkam, Porur and Poonamallee.
- **Current Status:** Soil testing in progress. Construction is expected to commence by mid of 2020. Expected to be completed in 2026.

- **Project Name: Chennai Metro Corridor V** (Madhavaram-CMBT)
- **Project Scale:** 16.34 km
- **Observations:** Mostly underground, this metro line will enhance connectivity along north western micro markets such as Retteri, Kolathur and Thirumangalam.



- **Current Status:** Soil testing is in progress. Construction is expected to commence by end of 2019. Expected to be completed in 2025.

- **Project Name: New Terminal and Greenfield Airport**
- **Project Scale:** –
- **Observations:** Proposed 35 mppa capacity at New Terminal and 40 mppa capacity at Greenfield Airport. Both the projects will help increase the passenger as well as the cargo handling capacities of Chennai Airport. The increased connectivity will support office market activity and identify new residential growth corridors with economic activity.
- **Current Status:** New terminal is under construction, expected to be completed by 2022. Government approval for the Greenfield airport is awaited.

- **Project Name: Chennai Peripheral Ring Road (Ennore-Mamallapuram)**
- **Project Scale:** 133.381 km
- **Observations:** The peripheral ring road is envisaged as a ring road connecting north-south stretch of Chennai from Ennore and Kattupalli ports to the East Coast Road at Mamallapuram town. The project will not only ease the traffic burden of the city, but it will also enhance connectivity across city's major industrial belts such as Singaperumalkoil, Oragadam, Puduvoyal, Periapalayam, etc. The four-lane divided carriageway will enhance connectivity between sea ports and important industrial pockets, spurring commercial and cargo activity in Chennai.
- **Current Status:** This project has been grappling with land acquisition issues. In January 2019, loan was sanctioned by a Japanese agency to begin work on phase-1 of the project and it is expected to be completed by 2023.

- **Project Name: Elevated Corridor (Chennai Airport-Chengalpattu toll plaza)**
- **Project Scale:** 40 km
- **Observations:** Planned along NH-32, it will improve connectivity from the city to the southern outskirts, and eventually to the green field airport.
- **Current Status:** Proposed.

- **Project Name: Elevated Expressway along Rajiv Gandhi Salai**
- **Project Scale:** 45 km
- **Observations:** Proposed to reduce the heavy traffic congestion witnessed along Rajiv Gandhi salai. Planned from Taramani to Siruseri under Phase I and from Siruseri to Mahabalipuram under Phase II. Post announcement of Metro corridor along OMR, this project is uncertain considering the road alignment with metro rail.
- **Current Status:** Proposed.

- **Project Name: Chennai Monorail Corridor I (Vandalur-Kathipara)**
- **Project Scale:** 40 km
- **Observations:** This monorail corridor will provide better connectivity for Vandalur and Tambaram with the city centre via Velachery. This project would provide better accessibility for southern suburbs located along Velachery Tambaram main road.
- **Current Status:** Still to take off.

- **Project Name: Chennai Monorail Corridor II (Porur – Vadapalani)**
- **Project Scale:** 21 km
- **Observations:** This monorail corridor will connect West Chennai via Porur. This project would provide better accessibility for southern suburbs located along Arcot road. Upon announcement of Chennai Metro Phase 2 corridors, objective of this project seems redundant and would require relook of the alignment.
- **Current Status:** Still to take off.

- **Project Name: Chennai Monorail Corridor III (Poonamallee – Kathipara)**
- **Project Scale:** 18 km
- **Observations:** This monorail corridor will enhance connectivity of Poonamallee, as Porur is also a node on Metro Corridor II. Upon announcement of Chenai Metro Phase 2 corridors, objective of this project seems redundant and would require relook of the alignment.
- **Current Status:** Still to take off.

***SOURCE:** Knight Frank India report on India Real Estate H1 2019.*

CHENNAI'S DIVERSIFIED ECONOMY PUSHES REALTY GROWTH

Chennai has least delayed housing stock of top seven cities, says Anarock Property Consultants

Chennai's real estate market reflects little of the automobile sector's slowdown, says Anarock's latest report on 'Chennai: Driven by Diversified Economic Base'. In fact, Chennai's diversified economy is keeping the momentum upbeat for its realty market.

Chennai logged a 25% jump in housing sales in H1 2019 against the preceding year - much higher than Hyderabad's 12% and Bangalore's 9% over the same period. The city's developers have remained focused on restricting new housing supply and deploying resources to complete ongoing projects. This has had remarkable results - Chennai has the least number of delayed housing units among the top 7 cities. The 8,650 delayed units, worth around INR 5,620 crore, were launched in 2013 or before - however, none of these projects are completely stalled or cancelled by their developers, according to Anuj Puri, Chairman - ANAROCK Property Consultants.

The major factor favouring Chennai is its diverse economy, which does not depend solely on the automobile and automobile ancillary industries but also banks heavily on its evolving services sector - especially IT/ITeS - and electronic hardware. Chennai houses more than 20 electronic hardware technology parks situated in the major IT-centric SEZs of Sriperumbudur, Oragadam and Mahindra World City. The upcoming aerospace park at Sriperumbudur, spanning 250 acres, will pave the way for continued growth.

The report examines Chennai's residential real estate market in detail, revealing that the bulk of housing demand in Central and South Chennai comes from the IT/ITeS sector while demand in the peripheral areas is driven by the manufacturing industry.

REPORT HIGHLIGHTS:

- Nearly 72,000 units launched in Chennai since 2015.
- Around 38% of this supply is in the budget range of INR 40-80 lakh while 36% is priced below INR 40 lakh.
- Demand by mid-level IT/ITeS and automobile sector employees gives major traction to residential projects in the sub INR 80 lakh budget range.
- Weighted average prices have corrected by 2% since 2015 and is currently at INR 4,950 per sq. ft.
- As on June 2019, total unsold inventory in Chennai was around 31,500 units with an overhang of approximately 30 months for liquidation - high when compared to Bangalore and Hyderabad, where the inventory overhang has reduced to 15 and 16 months respectively.

The city's real estate sector has successfully attracted institutional investments to the tune of nearly US$ 2.0 billion since 2015, which accounts for nearly 14% of the capital deployed in the country. The highest infusion volume of US$ 674 million was recorded in 2018.

HIGHLIGHTS

Other than auto & auto ancillary industries, Chennai's realty market banks heavily on IT/ITeS & electronic hardware.

Chennai housing sales saw 25% yearly rise in H1 2019, higher than Hyderabad's 12% and Bangalore's 9%.

Demand by mid-level IT/ITeS and automobile sector employees give major traction to sub INR 80 lakh budget housing.

City's real estate sector drew nearly USD 2 billion of institutional investments since 2015 — nearly 14% of total capital deployed in the country

OTHER MAJOR HIGHLIGHTS:

- South Chennai most active housing market with an equilibrium in supply and sales - 51,000 units new unit launches since 2015 and sale of 50,000 units in the same period.
- Medavakkam and Sholinganallur are some important micro markets in South Chennai.
- Auto clusters mainly concentrated in the western quadrant due to the region's direct connectivity to Ennore port.
- Strong base of services operators in automobiles and electronic hardware sectors - with no intention to wind up or relocate - will keep the economy buoyant.
- Planned and under-development infrastructure initiatives will unlock the latent potential of several emerging localities and create opportunities for further real estate development across asset classes.
- Education and retail are likely to grow further in the near future as the city widens its contours along the lines of new infrastructure addition.

Aerial view of the project

REDEFINING RETIREMENT HOMES

[ADVERTORIAL]

WITH the proliferation of nuclear families and the fast changing lifestyle among modern day workaholics, there has been a gradual transformation of joint family system in Tamil Nadu. Though unfortunate, many senior citizens are finding their sunset years tough and difficult to overcome the hurdles in many spheres.

A number of property developers in and around Chennai, whom this correspondent had occasion to interact on several occasions for decades, have voiced their concern and vowed to pay back to the society through promoting retirement homes. But it is unfortunate that none has come forward till today even to launch a project. There is, however, one exception. Arun Excello's managing director P Suresh, has made his commitment into reality with the launching of his maiden retirement home community in ECR. The project titled Ziva provides a fitting answer to people to look for all what they are looking in a retirement community.

Ziva is located on a 16 Acre pristine piece of land full of coconut grove with an attached 150 Acre lake abutting the property. It is at Mahabalipuram which is an hour drive from Adyar and Airport and well connected by both ECR and OMR.

In Ziva, there are so much for the residents to indulge like swimming, walking, cycling, kitchen garden, gym, indoor games, outdoor games, cultural activities, yoga, temple, dairy farming, reading, script writing, music, painting, et al. All this will keep the residents engaged and busy throughout the day in the company of like-minded people.

P SURESH

There are four main criteria which people look for before deciding about the retirement community project namely Security, Food, Health and Facilities Management in addition to the location which is primary.

The handpicked and well trained security personnel will secure the premises by providing round the clock protection and surveillance by patrolling the entire property along with 150 CCTV cameras with a central control station to keep a vigil on the surroundings. The push panic button in each house will ring an alarm in the central control room and will activate an attendant to rush for help. The residents are bound to feel fully safe and secured with the perimeter compound wall adding an extra layer of security.

The state of the art kitchen will ensure that the satvick food will be fresh, hygienically prepared, stored and served in an air-conditioned dining hall.

The Ziva farm located next door which has cows of the native breeds like Gir, Kankrej, Red Sindhi, Sahiwal varieties provide for the daily requirement of A2 milk and curd which will be served to the residents from the kitchen. In addition, the Ziva organic farm which produces organic vegetables without using any fertilizer or pesticide and only using the manure from the cow will be part of the kitchen menu for a healthy life.

Another area of major expectation is about the availability of healthcare facilities. With resident doctors, paramedics, this concern is answered. The availability of consultation rooms, pharmacy within the campus along with 24x7 ambulance service. In case of any medical emergency, the patient can be moved to Chettinad General Hospital which is located few minute drive from Ziva with 24/7 emergency care and for further medication at Chettinad Hospital which is 30 minutes away and there is no need to worry about the "Golden Hour".

There will be trained housekeeping staff who clean each and every house on a daily basis and also ensure upkeep of the other common areas. This removes the major botheration of engaging and managing the maids at home. Water, power, sewage and garbage are no more botheration of the residents as the facilities team will take care of all these essential services.

With in-house ATM and safety locker facilities, there is no need to worry about keeping cash and valuables at home.

All the needs of the retirement community are fully addressed in the project. The main comfort being the developer will continue to be involved in running and maintaining the facilities gives a very big relief to the inmates.

In an interview with Chennai Property's V Nagarajan, P Suresh, Managing Director of Arun Excello group of companies, explains the painstaking efforts he took to make it a reality. Here are the excerpts.

What prompted Arun Excello to enter into retirement homes development?

The need for a quality retirement community living space in Chennai is there for a long time. Though we wanted to be in that space for the last ten years, we are confident of providing and managing the same only now due to following developments:

- To be successful in this area it is not sufficient if the company's core competence is only in property development. The success of developing and managing a retirement community lies in possessing previous experience and expertise in hospitality and facilities management areas.
- The group is involved in developing residential projects over the past two decades. The company gained rich experience in facilities management by operating and maintaining the facilities of two large residential Township projects namely Estancia for three years and Temple Green for the last seven years which houses more than 7500 people.
- Since 2013, the group has been owning and managing Confluence Convention & Resorts which is a 15 acre property with 90 key resort and a convention centre which can house 3000 people under one roof along with a restaurant, bar, etc.

This expertise gained by the Group in the last 5 years gave the confidence of developing and managing an active retirement community.

At a time when the residential market is slowly recovering, how come you have taken a bold plunge into retirement homes project?

Residential market and retirement homes project are two entirely different product and market. In residential development the responsibility of the developer seizes once the property is handed over to the client. Whereas in the case of retirement homes, it is a continuing relationship with the customers who have bought the property. Unless the company has the long term vision of providing and continuing the services to the customers in the areas of safety, health, food and facility, it is not possible to be successful in the development of retirement community.

Our group will continue to develop compact homes and provide housing solutions in the affordable segments. Currently the company is developing 15 compact home projects in various locations in Chennai. In addition to this, we are focusing on this active retirement community project.

In our opinion there is a huge untapped demand for a quality retirement community living space in Chennai which can provide a holistic service to the residents where they can live without any hassles and worrying about the mundane things for the rest of their life. Ziva will be the much sought after abode for such people providing such services.

What are the inherent strengths in the project that would drive demand?

Luxury retirement residences are a place where everything required by the senior citizens are taken care of and provide them with enough time to indulge in things which are of interest to them like painting, music, reading, art, etc. During their busy career, they wouldn't have found time to pursue their passion.

Even the housewives will get free from their busy schedule as there is no need to mend the house and carry out the daunting task of cooking for just two persons day in and day out thereby the house wives also can enjoy a retirement life.

For the parents of Non-Resident children, it is a big boon. Whenever they want to visit their son or daughter overseas, they can just do so by handing over the house key to the care taker at the reception and board a flight. On their return back after few months they can collect the key and move into their residence which the company would be maintaining even in their absence spic and span. Such an arrangement saves them from botheration of who will maintain their house in their absence and the connected support service problems like maids, drivers, etc.

Club House

Persons who have been in good positions and have saved enough for their retirement life decide to move to those retirement communities to enjoy a life of luxury and independence.

It also provides a sense of relief to the children to see their parents live independently and enjoy the retirement life in a safe environment.

In what way do you wish to be different from others while implementing the project?

We are very lucky to have a parcel of land which is located very close to ECR & OMR which gives an easy access but still it is tucked away from the hustle and bustle of noise and dust pollution. The project is having a lake on one side and an existing coconut grove with tall grown trees on the other side.

To make the project more greener, though there is a possibility of going for a 2.5 FSI, it is a conscious decision to restrict the same to 0.6 FSI so that there is lot of open space to develop greenery.

Lot of emphasis is being given in creating an external landscape with well laid out hardscapes for walking, jogging, cycling, using non-slippery materials and compliment it with softscapes with different themes in various areas of development. More than 35,000 plants are being planted only in the first phase along with game pavilion and reading pods plunked in between to give a lovely garden ambience.

The landscape combined with the host of facilities in the Club House will keep the residents engaged right through the day in various activities.

In a development of this nature, the scale of operation is very important. We are developing 146 units in the first phase and will eventually have 600 units in the future phase of development.

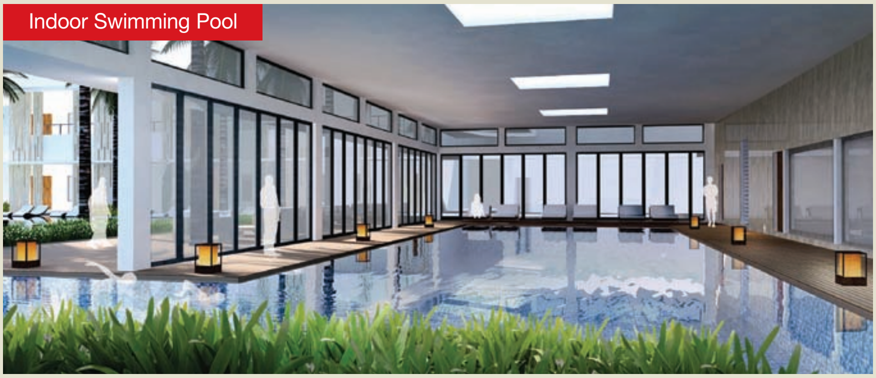
In order to support the various facilities in the club including the kitchen, a minimum strength is required in order to run and maintain all the facilities.

To cite an example if a project has only 30 units and out of that 15 units are owned by investors and hence not occupied then the total occupants will be only 25 to 30. To maintain a swimming pool, kitchen and other facilities for a group of 25 members will be extremely difficult and unviable. We expect at least 200 persons will be there which is a respectable size to manage and maintain the club activities.

In the final stage, we expect to have a population of 900 likeminded people living in the community which will make it lively and vibrant.

In the event of investors keen to partake, do you think there is a growing potential for them and also easier exit route?

In this project, we cater to four different set of clientele.


Indoor Swimming Pool

- The first being own and self-occupy.
- The second one being tenants.
- The third belongs to the investor category.
- The fourth category people are who plan in advance for their retirement life.

The company will fix tenants for the units and will offer to investors to own the property which will be maintained by the company. Hence the investors need not worrying about the rental income or about the property maintenance as both are the responsibilities of the company.

The fourth category are persons in the age group of 55 years and have reached peak position in their career with maximum salary. We offer them to own the property by going for a five year loan so that on superannuation they can move into their retirement home which will not have any loan outstanding. This is essential because getting the loan after the age of 60 is always a challenge with limited income source. In such cases like in the case of investors, the company will be fixing the tenant and maintain the property till the owner comes for self-occupation after retirement.

In all these cases, the company is responsible for two things.

- Fixing tenant for the property. Even if someone vacates, it is the responsibility of the company to fix an alternate tenant.
- Selling the property is also the responsibility of the company when someone wants to exit the project.

The responsibility of fixing the tenant and finding an alternate owner always rests with the company not for any financial benefits but only to ensure that the fabric of the community which has like-minded people is not disturbed in any way by properly screening the tenants as well as the new owner.

What are the factors do you attribute, that deter more such projects from coming up?

There is a big demand and supply gap as far as quality senior living residences are concerned. It is estimated that the demand for senior living housing in India is 2.4 lakh units in urban areas. The SBI report states that the percentage of elderly population in the southern states is set to grow at a higher rate than the rest of the nation.

But there are serious entry barriers for new entrants to come into retirement community residences. As explained in the beginning a combined experience of development, facility management and hospitality fields are required to do a successful project. The second determent is that any new player unless he completes and demonstrates at least the first phase, the clients are not going to place their money on trust as this will be the last property investment they will be making in their lifetime which they do not want to go wrong.

The third determent being the initial investment being high towards land, building, club house and creating landscape and other facilities and it will take a long time for the developer to realise the return on investment unlike a pure residential development.

With the growing nuclear families, do you feel that there is a huge potential for retirement homes in future in India?

In our opinion, there is already a huge potential for retirement homes. Going forward with the growing nuclear families and also with the growth in elderly population across India, there will be steady increase in the need for more retirement homes.

What are your plans to extend this project to other cities in Tamil Nadu or other states?

We would like to take only measured steps. The company will develop the Ziva project fully and based on the expertise gained we will explore the possibilities of having similar projects in other cities in future.

AFFORDABLE HOUSING TAKES CENTRE STAGE

The share of affordable housing to total new launches in Chennai almost doubled from 25% in 2017 to 50% 2018, reports V Nagarajan

THE housing shortage in the urban areas has been estimated at 18.78 million units, out of which 96% was in the EWS and LIG segment. Total housing shortage is projected to be about 38 million by 2030, according to Ministry of Housing and Urban Affairs.

As per 2012 statistics, Uttar Pradesh tops the list of states having a housing shortage with over 3 million homes and Maharashtra is the second with a shortage of fewer than 2 million units, followed by West Bengal, Andhra Pradesh and Tamil Nadu. These top five states contribute 47% of the total housing shortage in India, according to Anarock survey on affordable housing. EWS and LIG together account for nearly 96% of the shortage and there is a huge market that needs to be addressed by property developers.

URBAN HOUSING SHORTAGE AMONG SOCIO-ECONOMIC GROUPS

EWS	LIG	MIG and above
56%	40%	4%

Source: *Estimate of the Technical group on Urban Housing Shortage (2012-17)*

The demand for housing in Tamil Nadu is over 1.2 million units out of which 95 per cent of the shortage is for units in the EWS and LIG sector, according to government sources.

Affordable housing activity picked up in 2014 after the announcement of 'Housing for All by 2002' campaign by the government. Post-2015, Indian real estate sector was grappled with subdued demand and as a result, the overall new launches were on a decline. Nonetheless, the average share of affordable housing supply to total new launches was around 40% between 2013 and 2018, indicating the incessant activity in this segment, according to Anarock research.

In 2017, affordable housing supply had the highest share of 45% to total new launches and it increased by 18% in 2018 over 2017. This is the first positive sign of market recovery after the regulatory changes. Total new supply between 2013 to 2018 (approximately 19.9 lakh units) was added across the top seven cities of which more than 38% of the supply catered to the affordable segment (i.e. unit prices <Rs40 lakh). PAN-India, affordable housing supply share increased from 35% in 2013 to 45% in 2017, and was recorded at 40% in 2018 due to several government initiatives to improve the affordable housing stock.

The share of affordable housing to total new launches in Chennai almost doubled from 25% in 2017 to 50% 2018. As regards affordable housing supply and unit sizes by budget segmentation in Chennai, an estimated 12% was in the price range of Rs 10-20 lakh, 34% in the price range of Rs 20-30 lakh and 54% in Rs 30-40 lakh. In Chennai's IT/ITES hub, Rs30-40 lakh budget unit accounts for 35% of the supply, according to Anarock research.

The peripheral locations have become hotspots for affordable housing development due to competitive land price, flexible land options and improved connectivity levels

In Chennai, the peripheral locations have become hotspots for affordable housing development due to competitive land price, flexible land options and improved connectivity levels. Areas like Oragadam, Guduvancheri, Perumbakkam, Nallambakkam, Chinglepet, Tiruporur and Trivellore are seeing a surge in the number of affordable housing projects and improved level of absorption. There has been a spurt in the number of developers undertaking development of affordable housing due to infrastructure status, flexible financing options, fiscal sops, tax holiday and demand supply mismatch in the city. The Union budget has given further impetus to affordable housing by creating a dedicated fund under which it will ensure that 37 lakh houses are built in urban areas by end of FY2018-19.

On the buyer front, the government has taken several measures to boost demand for affordable housing. Tax benefits of Rs 50,000 for first time homebuyers on the home loan sanctioned, households earning between Rs6-12 lakh a year can claim 4% subsidy on the home loan and Rs12-18 lakh earning households can get 3% subsidy on home loans and slash in GST to 1% minus ITC, are just to mention a few of the major benefits.

Pioneers of affordable housing

Team Oragadam


P Suresh


Er Devendran


Shyam Sunder

TREND IN CHENNAI APARTMENT PRICES

Apartment selling prices (in rupees)

LOCATION	2014	2015	2016	2017	2018	2019
Abhiramapuram	18000	18000	13,150-15000	13150-15000	15000	15,000
Adambakkam	6200	6200	6000-6300	6000-6300	5500-5800	6200-9000
Adyar	17000	17000	12000-14000	13500-14000	13500-15750	10500-17250
Alwarpet	19000-27000	19000-27000	15000-20000	15000-20000	15000-20700	1100-19500
Ambattur	4200-4600	4200-4600	4500-6900	4700-6300	3600-6300	3900-5800
Alandur (Housing Board rate: 3175)	4700	4700-7500	6050-7500	7500	6000-8200	7,000
Alwarthirunagar	5500-6500	5500-7000	6500	6500	6500-7000	6000-6500
Aminjikarai	—	—	9300	9300	8900	8900
Anakaputhur (Near Pallavaram)	3000-3500	3000-4000	3000-4000	3000-4000	3000-3800	4000
Anna Nagar (East)	9000-15000	11000-15000	12000-18000	12000-15500	8800-14200	8500-13000
Anna Nagar (West)	8000-10000	8000-10000	12000	10000-12500	6500-9500	6300-11750
Arumbakkam	8500-1000	8500-10000	7450-7850	8650-10500	10000	9000
Ashok Nagar	10000-13000	10000-13000	7800-15000	9300	12000-12500	11000-12000
Avadi	3400-4000	3400-4000	3250	3250	2800-4000	3200-4450
Ayanavaram	7500	7500	7500	7500	7100	8000-8500
Ayyappanthangal	3500-4500	3500-4500	3500-4500	3500-4500	3500-4200	4500-5000
Besant Nagar	13000-15000	13000-15000	10000-16000	13000-15000	14000-17500	11500-17000
Bishop Wallers Avenue	23000	23000	20000-23000	20000-230000	21800	22,000
Boat Club Road	35000	35000	35000	35000	33000	33,000
Chembarambakkam	3500	3500	3500	3500	3300	3300
Chetpet	12000-15000	12000-15000	13000	18000	17000	17000
Chinmayanagar	5500-7000	5500-7000	5500-7000	5500-7000	6700	6700-7000
Chitlapakkam	3500-4500	3500-4500	4000-5000	4000-5000	3500-6000	4500-5900
Choolaimedu	8000-10000	8000-10000	7000	7000	6700	5800-9100
Chrompet	4800-5200	4800-5200	4200-5200	5300-6750	3800-6000	3700-5900
Cowl Bazar	—	—	—	4000	4200	4200
Egmore	13500-18000	13500-18000	10500-15000	14000-20000	11500-18250	11500-18000
Ekkattuthangal	8750-9750	8750-9750	9700	9700	9300-9500	8500
Gandhi Nagar (Adyar)	17000	18000-20000	15500	15500	15000	15000
Gerugambakkam	4500-5000	4500-5000	4500-5000	4200-5000	4800	3500-4000
Gopalapuram	—	—	15850	16000	15500	15000
Gudavancheri	3200-3600	3200-3700	3400	3300	3100-3500	3950
Greenways Road	28000-30000	28000-30000	25000-26000	22000	21000	21000
Guindy	9000-12000	9000-12000	8000-12700	8000-12500	8000-11500	10000-14500
Harrington Road	—	—	18000	18000	17000	18000
Indira Nagar, Adyar	14750	14750	14000	14000	14000	14000
Injambakkam	—	—	10200	11000	10000	10000
Iyappanthangal	—	4300-4450	3725-4050	4050-5200	3600-5000	4600-7500
Kalakshetra Colony	17500	17500	13760	14000	14000	14000
Kandanchavadi	—	—	—	7000	7000	7000
Kasturi Ranga Road	28000	28000	22150	22150	22150	22000
Kattupakkam (Near Porur)	3900-4400	3900-4400	4000-4450	4500-4800	3600-5000	3800-5800
Kellys	11000	11000-13000	11000-13000	11000-15000	11000-15000	12000-13000
Keelkattalai	4500-5000	4500-5500	4900-5000	4900-5000	4200-5800	5000-6200
Kelambakkam	3500-4500	3500-4500	3550	4625	4625	3850-4700
Kilpauk	14800-15500	14800-15500	11000-16000	12000-16600	16600	7900-13500
K.K. Nagar (Housing Board:8006)	8000-9000	9000-12000	9000-12000	7100-9400	7100-9400	7100-9400
K.K. Nagar (West)	—	—	11000	11000	11000	7250-12500

LOCATION	2014	2015	2016	2017	2018	2019
Kodambakkam	10000-12000	10000-12000	9400	8000	8000	6600-11000
Kondungaiyur	—	—	—	—	4700-4800	4700-4800
Koilambakkam	6750-7250	6750-7250	6000-7000	5325-7000	5500-7000	5100-7200
Kolathur	4800-5200	4800-5500	5250	5250	5000-6750	4300-6400
Korattur	5500-6200	5500-6200	5900	4850-5900	4800-7700	4900-7000
Kottivakkam	7000-7500	7000-7500	8600	8600	8600	7500
Kotturpuram	15000-19000	15000-19000	12000	14000-22000	14000-22000	14000-22000
Koyambedu	6600-7000	6600-7000	6750	7500	7500	7400-10200
Kunrathur	—	—	3400	4500	4500	4000
MRC Nagar	18000-23000	18000-23000	16000+	16000+	16000+	15000-16000
Madampakkam	3900-4100	3900-4100	4200	3000-4200	3500-4900	3300-4200
Madipakkam	4800-5000	4800-5000	4900	5300	4100-6200	4400-6500
Madhavaram High Rd	4500-4800	4500-5500	4000-5000	4850	5000	4600-5700
Maduravoyil	5400-6200	5400-6200	5500	5500	5500	5500
Mahindra World City	2500-3300	3300-3600	3800	3800	3600	3600-4800
Mambakkam	—	—	—	3275	3300	3400-4900
Manapakkam	5000-5400	5000-5400	5000-7000	7800	7500	4500-6100
Mandaveli	14000-18000	14000-18000	15750	16200	16200	1300-18600
Mangadu	—	—	—	4500	4500	3600-5200
Mahalingapuram	9000-12000	9000-12000	11600	14500	14500	14500
Maraimalainagar	2900-3600	2900-3600	3600	3600-4250	3600-4300	3200
Medavakkam	3750-5500	3750-5500	4500-6000	6550	6550	4500-5600
Mogappaiar (East)	5800-6300	5800-6700	6600	—	6600	6100
Mogappair (West)	5300-6000	5300-6000	6600-6800	—	6500-6600	4900-7300
Moolakadai	—	—	—	5400	5400	5000-5500
Mudichur	—	—	3600	3400	3400	3200
Mugalivakkam	5500-5900	5500-5900	5200	5200	5200	5000-5500
Mylapore	15000-17500	15000-17500	15000-15750	12500-16250	12500-16500	9300-17300
Nandanam	12500	12500	12500	—	—	—
Nanganallur	7500-9000	7500-9000	6200-7200	8100	6500-8500	5400-8700
Nandambakkam	6500-8000	6500-8000	6500-8000	5750	5800	5800
Nanmangalam	—	4400-4800	4400-4800	4400-4800	4500-4800	4500-4800
Neelankarai	11000	11000	8000	8500	8500	8500
Nungambakkam	18000-27000	18000-27000	20000	14000-24000	13500-22000	11000-20000
Nolambur	5500-6500	5500-6500	5800	5800	5800	5000-6000
Oragadam	2400-2800	2400-2800	2800-3650	2800-3650	2800-3700	3700-4700
Padappai	2500-3000	2500-3000	3200	2950	3000	3000
Padi	5000-7000	5000-7000	6800-9600	6500-7450	7500	7500
Pallavaram	4600-6000	4900-6000	4600-6200	7500	4300-7500	4600-7200
Pallavaram-Thoraip-akkam road	—	—	—	—	—	5100-7300
Palavakkam (ECR)	10000-12000	10000-12000	8225	6300	6300	7000
Jameen Pallavaram	4650-5000	4650-5000	5150	5150	5200	4500-5500
Pallikaranai	4800-5000	4800-5000	4900	4300-5250	4500-6000	4500-6500
Pammal	3800-4000	3800-4500	4000-4250	4200	4200	4000
Paruthipatt(Poonamallee - Avadi highway)	3000-3500	3000-3500	3000-3500	3000-3500	3000-3500	3200-3500
Pattabiram	3000-3500	3000-3500	3500	3500	3500	3200-3500
Perambur	6200-6500	6200-6500	5800	5800-6500	5000-6800	5500-7900
Perumbakkam	3950-4500	3950-4500	3650-3850	3600	3600	3600-5300
Perungudi	6550	6550	5000-7300	5000-7300	5000-7300	5500-8500
Ponneri	—	—	—	—	—	—
Poes Gardens	28000-30000	28000-30000	17000-25000	17000-25000	17000-25000	20000-25000
Poonamallee (Near Savitha Dental College)	4000-4200	—	4200	4200	4200	3700-5200
Poonamallee-Avadi Rd	3600-4300	3600-4300	3500	3500	3500	3200-3500
Porur	4000-6200	4000-6200	5300	6500-7000	5200-8000	4500-7000
Potheri	3600-4150	3600-4150	3100-3200	3000-3200	3400-3500	3400-3500

LOCATION	2014	2015	2016	2017	2018	2019
Purasawalkam	11500-18000	11500-18000	9200	6800	6800	7600
Puzhal	2700	4000	—	—	—	—
Radial road	5500-7000	5500-7000	—	—	—	—
Rajakilpakkam	4000-5000	4000-5000	4600	4700	3800-5200	3800-5200
Raja Annamalaipuram	19000-23000	19000-23000	15250-16000	15000-18000	19000-21000	12800-19000
Ramapuram	5500-6500	5500-6500	5900	6000-6500	6000-6500	5500
Rangarajapuram	8000-9000	8000-9000	11600	11600	11000	11000
Royapettah	12500-15000	12500-15000	10000-12000	17000	17000	17000
Royapuram	6500-7000	6500-7000	8750	8550	8600	8500-9000
Saidapet	7000-8000	7000-8000	8000-10000	10250	10500	7400-13300
Saligramam	8100-9300	8100-9300	9200-9800	9000-9200	9000-9200	6400-10500
Santhome HR	15000	15000	12000	12000	12000	12000
Santhosapuram	3800-4000	3800-4000	4000	4000	4000	4500-5500
Selaiyur (East Tambaram)	4600	4100-4600	4100-4600	4200	4200	3700-6100
Shastri Nagar, Adyar	15000	15000	9500-13000	11000-13000	11000-13000	11000-13000
Shenoy Nagar	8000-10000	8000-10000	13000	13000	13000	13000
Sholinganallur	4250-5800	4800-5800	4800	4850-5200	4850-5200	4000-6000
Singaperumalkoil	2800-3500	2800-3500	4250	2275-3500	3000-3500	
Sri Nagar Colony (Saidapet)	16000-16500	16000-16500	13000-16000	14000-16000	14000-16000	14000-16000
Sriperumbudur	2700-3100	2700-3200	3300	3300	3300	3300
Sterling Road	22000-25000	22000-25000	16000-20000	16000-20000	16000-20000	16000-20000
St. Thomas Mount	8000	8000	7000			
T. Nagar	15500-19000	15500-19000	11000-16000	19450	8000-13500	10500-18000
Tambaram East	3500-4500	3500-4500	4200-6000	5500-6000	3400-5100	3400-4800
Tambaram West	3400-3900	3400-3900	3500-3800	3000-3500	3500	4500
Taramani	7000	7250-7500	7200-9000	8000	8000	8000
Teynampeet	—	—	—	15500	15500	16000
Thaiyur	2750-3300	2750-3300	3300	3400-3500	3400-3500	3500
Thandalam	3200	3200	—	—	—	—
Thirumullaivoyil	3300-3500	3300-3500	3600	3600	3600	4500-5000
Thiruninravur	2800-3500	2800-3500	3000	3000	3000	3000
Thiruneermalai	3300-3800	3300-3800	3300-3800	4300-4500	4300-4500	4300-4500
Thiruverkadu	4000-4500	4000-4500	4000-4500	5000-9450	5000-9500	5300
Tiruporur	2800-3400	3000-3400	2700-3600	—	—	—
Thuraipakkam	5500	5500	5300-5400	5300-8400	5300-8400	5300-8900
Tiruvallur	2500-3000	2500-3000	3200	3200	3200	3200
Tiruvanmiyur	12000-13500	12000-13500	10500-13500	12000-16400	12400-12750	8500-13250
Tiruvottiyur (Wimco Nagar)	—	—	—	—	—	5000
Tondiarpet	—	—	—	6500	6500	6050
Ullagaram	5000-6000	5000-6000	6200	6200	6200	5500-6000
Urapakkam	3300-4500	3300-4500	3300-4500	3650-4000	3650-4000	3200-4700
Uthandi	6500	6500	4500+			
Vadapalani	7500-8700	7500-8700	8150	8150	10000-10100	7400-11100
Valasaravakkam	6300-6950	6300-6950	6500	7700-8020	5400-8000	5500-9000
Valmiki Nagar	10000-13000	10000-13000	9700	10000	10000	10500-11000
Vanagaram	4000-5500	4000-5500	4000-5500	5850	5850	4300-5800
Vandalur (Villa: 4000)	3200-4200	3200-4200	3650	3300	3300	3400-4500
Varadarajapuram (Tambaram)	3500-4500	3500-4500	3500-4500	—	3500-4500	4500
Velachery	6800-10000	6800-10000	6800-8500	6000-9500	5300-8700	5700-9100
Velappanchavadi	4400	4400	4400	4700	4700	4700
Vengaivasal	4200-4300	4200-4300	3950	4500-5000	4600-5000	4100-6000
Vepery	—	—	14350	14500	14500	14200
Villivakkam	5000-6500	5000-6500	5000-6500	5000-6500	5000-5200	6000-6500
Virugambakkam	8000-9000	8000-9000	8000-9000	8000-9000	8000-9000	6100-10200
West Mambalam	—	—	—	—	—	6500-10500

CHENNAI RESIDENTIAL PROPERTY PRICES - IT CORRIDOR

	2014	2015	2016	2017	2018	2019
Kelambakkam	3500-4500	3500-4500	3550	3550	3550	3300-4700
Egattur	4500-5500	4500-5500	6550	6550	6550	—
Karapakkam	6500	6500	4850-6350	5050-6350	5050-6350	3800-6000
Kovalam-Kelambakkam road	3500-4500	3500-4500	3500-4500	3500-4500	3500-4500	4500
Navalur	4250-4700	4250-4700	4300-4400	3500-4600	3500-4600	3400-5400
Kazhipattur	3500	3500	4000	4000	4000	4200
Padur	3900-4300	3900-4300	3950	3500-3900	3500-3900	3800-5200
Pudupakkam	3700	3700	3700	3700	3700	4000
Semmencheri	5000-5500	—	4200-4600	4200-4600	4200-4600	4500
Sholinganallur	4250-5800	4250-5800	4850	5200-5750	5200-5750	4100-6300
Sholinganallur (Housing Board Apartments)	4800	4800	4800	—	—	—
Siruseri	3300-4300	3300-4300	3950	2800-3750	2800-3750	3500-5500
Thalambur (Off OMR)	3300	3300	3750-4750	4850-7500	4850-7500	3200-4400
Thaiyur	3000-3300	3000-3300	3000-3300	3400-3500	3400-3500	3400-3500
Thoraipakkam	6000-7000	6000-7000	5300-7000	5300-8400	5300-8400	5300-8400
Vandalur-Kelambakkam Road	4600-5300	4600-5300	4300-5300	4300-5300	4300-5300	4300-5300
Perungudi	6300-7000	6300-7000	7000-7300	6400-7300	6400-7300	6400

Note: Rates are indicative only and quoted by select developers for ongoing projects. They may vary depending on the location, developer, specification and amenities offered in a particular project. The rates are provided as a matter of reference only and the editor/publisher of this publication do not take any responsibility arising out of decision based on the above prices.

RESIDENTIAL PROPERTY PRICES - OTHER CITIES IN TAMIL NADU

Coimbatore Residential Property Prices (Rs per sqft)

REGION	Location	Capital Values 2017	Capital values 2018	Capital Values 2019
North	Savarnampatty, Thudiyalur, Koundampalayam, Mettupalayam, Sanganoor, Ganapathypudur	3,300 - 5,500	4,000 - 5,000	4,000 - 5,000
East	Peelamedu, Uppilipalayam, Ondipudur, Avarampalayam, Singanallur, Avinashi road, Trichy road	4,000 - 6,500	4,000 - 6,500	4,000 - 6,500
	Avinashi road	—	—	10,000
	Sowripalayam	—	—	3,500 - 4,000
Central	Avarampalayam, Ram nagar, Race Course Road (Rs 12,000-14000) , RS Puram (Rs 8,000-9000)	7,000 - 14,000	6,000 - 7,000	—
	Ram Nagar	—	—	6,000 - 7,000
	Race Course Road	—	—	12,000 - 14,000
	R.S. Puram	—	—	8,000 - 9,000
South	Podanur, Kuniamuthur, Kovai Pudur	3,000 - 4,500	3,250 - 3,500	3,250 - 3,500
West	Vedapatti	—	—	4,000 - 5,000
	Vadavalli	—	—	5,000 - 6,000
	Saibaba Colony	—	—	7,000 - 8,000
	KK Pudur	—	—	6,000

TIRUCHIRAPALLI RESIDENTIAL PROPERTY PRICES

Location	Prices in 2014 (Rs per sqft)	Prices in 2018 (Rs per sqft)	Prices in 2019 (Rs per sqft)
Cantonment area	4,500 - 7,000	7,000	4,300 - 5,000
Edamalaipatti - Pudur	4,300	4,500	4,000
Karumandapam	5,000	4,000	3,800
Puthoor / Thennur	6,500	5,500 - 6,500	5,500 - 6,000
Srirangam	5,000 - 6,000	5,000 - 6,000	5,000 - 6,000
Thillai Nagar	7,500	7,500 - 8,500	8,500 - 9,000
No.1 Toll gate / Samayapuram	3,000	4,000	3,800
TVS toll gate	3,500 - 4,000	5,000	5,000
Vayaloor road	3,500 - 4,000	3,500 - 4,500	3,500 - 4,000

Courtesy: Rohini Housing

DETAILS OF RESIDENTIAL RENTALS AT SELECT CITY LOCATIONS IN CHENNAI

LOCATION	Area in sqft / Specification	Residential Rentals per month	
		Furnished	Semi furnished
Alwarpet	2000 sqft apartment	75,000	65,000
	Brand new apartment	80,000	90,000
MRC Nagar	3BHK apartment (Cee Bros One 74) (2600 sqft)	2,20,000	1,90,000
	4 BHK apartment (2600 sqft)	2,20,000	1,90,000
	3800 sqft apartment	350,000	2,75,000
Boat Club Road	3 BHK apartment (2500 sqft)	125,000-150,000	1,10,000
	4 BHK apartment	150,000-175,000	1,40,000
	5,000 sqft apartment	300,000	2,50,000
Poes Garden	3 BHK apartment	100,000	80,000
	2500 sqft apartment	125,000-150,000	1,00000
	4 BHK apartment	150,000-175,000	1,30,000
Anna Nagar	2,000 sqft apartment	75,000	60,000
	For brand new units and fully furnished apartments	80,000-100,000	70,000
	1800 sqft apartment	55,000	40,000
	2000 sqft apartment	70,000	45,000-50,000
	2400 sqft apartment	80,000	60,000-70,000
Velachery (Phoenix mall)	3 BHK/4 BHK apartments	150,000-200,000-225,000	1,75,000
	4,000 sqft apartment		

Notes: Rates quoted above are indicative only for Grade A apartments with 24x7 security, amenities and in select cases community development projects. They may vary depending on the project, condition of the apartment and other factors.

Source: PropToday

ONGOING RESIDENTIAL PROJECTS IN AND AROUND CHENNAI

ARUN EXCELLO GROUP OF COMPANIES

Bhattad Towers, #18, West Cott Road, Royapettah, Chennai - 600 014 Tamilnadu, India. Phone: +91 44 2841 2841

LOCATION	Type of property	Area in sqft.	Per sqft. (₹ in Lakhs - All inclusive)	Completion
Ziva An Active Retirement community Mahabalipuram	Flats/Villas	645 to 1500	Flats Starts ₹32.00 Villas ₹127.500	December 2019
Compact Homes Narmada	Flats	630 to 670	Flats Starts ₹20.99	Ready to occupy
Compact Homes Sankara	Flats	585 to 655	Flats Starts ₹21.99	Ready to occupy
Compact Homes Saranga	Flats	665 to 865	Flats Starts ₹22.99	Nearing Completion
Compact Homes Sanajani	Flats	625 to 810	Flats Starts ₹19.99	Nearing Completion
Compact Homes chandrika	Flats	440 to 485	Flats Starts ₹14.99	Nearing Completion
Compact Homes Triveni	Flats	680 to 790	Flats Starts ₹23.99	Under Construction
Compact Homes Lalithangi	Flats	440 to 750	Flats Starts ₹14.99	Under Construction
Compact Homes Urmika	Flats	375 to 595	Flats Starts ₹13.40	Under Construction
Compact Homes Jalmika	1 BHK	425 & 520	Flats Starts ₹16.00	Under Construction
Compact Homes Haripriya	1&2 BHK	535 & 740	Flats Starts ₹19.79	Under Construction
Temple Green Heights	1,2&3 BHK	695 to 1320	Flats Starts ₹27.00	Ready to occupy
Town House	Villas 4&4 BHK	1460 & 1680	Villas Starts ₹71.00	Under Construction
Green Acres	Plots	600 to 2200	Plots Starts ₹12.00	Ready to Build

Note: *Rental prospects are good incl. all the locations and property management services are available.*

DEVA CONSTRUCTIONS & CONTRACTORS

No. 1 /44 Parvathy Apartment S2 2nd Floor, Bazar Road, Mogappair East, Chennai - 600037,
(Near MMM Hospital and Allahabad Bank). Tel. 044-26563007, 8754593460 www.devaconstructions.com

LOCATION	Type of property	Area in sqft.	Price Rs per sqft.	Completion
Anna Nagar (Near DAV boys school)	3 BHK flats	1215	13,000	Sep 2019
Mogappair (Golden George Nagar)	2 BHK flats	845-928	9,000	Only five units available
Thirumullaivoyil	2 BHK flats	770-850	3,900	Under construction
Tambaram Sanatorium			6,999	Ready for occupation
Vandalur-Mannivakkam	1, 2 BHK units	525-905	3,999	Under construction To be ready in two months
Potheri (Opp. SRM)	2, 3 BHK units	982-1198	4,500-5,000	
Kolathur	2, 3 BHK units	630-1030	6,000	Ready for occupation

Note: *Rental prospects are good in all the locations and property management services are available.*

LISTINGS

HIRANANDANI COMMUNITIES

Hiranandani Park, Triveni Nagar, Vadakapattuvillage,Oragadam, Singaperumal District, Chennai 603204.
Tel: 044-67203300.

LOCATION: Oragadam (Tierra)

TYPE OF PROPERTY: Villa Plots

AREA (IN SQFT): 1200-3000 (Sizes: 1200, 1500, 1800, 2100, 240, 3600, Misc. plots)

PRICE (Rs per sqft): —

REMARKS: Ready to register. DTCP approved. Options for customised villa design and construction. Modern civic infrastructure for individual plots.

NOTE: Proud owners of this premium piece of Tierra (land in Spanish), will be privy to all amenities of the integrated township. It means access to 24-hour safety and security, access to the township clubhouse, access to the golf course and driving range.

BRIGADE XANADU

Brigade Xanadu, No.1, Chanakyan Main Road, Annamalai Avenue, Mogappair West, Nolambur (Near Saibaba Temple), Chennai 600095 **Tel:** 1800 102 9977, **eMail:** alesenquiry@brigadegroup.com

BRIGADE XANADU is the first project in Chennai from Brigade Group, the pioneers of Integrated Enclaves. After building several successful integrated enclaves and townships such as Brigade Millennium, Brigade Metropolis, Brigade Gateway etc in Bangalore, Brigade brings its experience to Chennai with a one of its kind township.

- 33 Acre Spanish Township
- Spanish styled homes that maximize light and ventilation, conceptualized by famed architects, Ricardo Bofill& Associates, Barcelona, Spain
- Landscaping by Balinese landscaping by Tropland Studio, Bali.
- More than 10 acres of green open space
- 2787 sq.mt. clubhouse with rooftop swimming pool, gym, squash, indoor badminton and indoor games.
- 2, 3 & 4 bedroom premium homes ranging from 110.6 sq.mt. to 237.9 sq.mt. (1190 - 2580 sqft)

What does a Township lifestyle mean?

Brigade Xanadu is a 33 acre township with over 10 acres of open space. Brigade has taken care to curate enough space for the community to embrace new friendships, nurture stronger relationships and also look forward to a life of togetherness.

In a time when everyone is rushing to meet our everyday deadlines and dealing with routines, rarely do people pause to appreciate and acknowledge the smaller pleasures of life. Community living gives you the time and space to not only spend time with your family but also meet like-minded people and be a part of a larger community. Brigade Xanadu is a place that gives you enough space to embrace newer friendships, to nurture stronger relationships and most importantly lead a better life. Spend your Friday evenings at our amphitheatre watching plays or have an alfresco dinner with your neighbours under the moonlight at the luxuriant courtyard. Invite your friends over the weekend to play a round of billiards at our 2787 sq.m. club-house or relieve the work stress by plunging into our rooftop swimming pool.

Brigade Xanadu: TN RERA Registration No. TN/02/Building/0016/2017

RAGHAV REALTY CONSULTANCY

Tel: 044-42043857 / 9384836698
Email: raghavrealty@gmail.com

- Commercial space for leasing (floor plate 5,000sqft onwards) near OMR tollgate, Pallavaram-Thuraipakkam road, etc.
- Apartments in Oragadam with guaranteed rental income.
- Resale apartments in Oragadam, Kodambakkam, etc.
- Land for sale and joint venture development across select micro markets ranging from 3 acres and above.
- Land for long-term lease for logistics and warehousing in Oragadam/Sriperumbudur.
- Approved residential projects for acquisition.
- Approved DTCP layouts for acquisition.

HYDERABAD:
- Land for joint venture development near BITS Pilani.

BENGALURU:
- Land for Joint Venture for residential / commercial development.

PACIFICA GROUP

Pacifica Aurum, Padur, Rajiv Gandhi Salai, Padur, Chennai 603103
Tel: +91 44 47413001 / 81446 60055
Email: infor@pacificacompanies.com
Website: www.pacificacompanies.co.in

Location: Padur: OMR
Type of property: 2, 3, 4 BHK Luxury Apartments (Total: 662 units)
Area (in sqft): 1147 - 4303
Price (Rs per sqft)—

Location: Padur, OMR
Type of property: 2 and 3 BHK Luxury Apartments (Total: 646 units)
Area (in sqft): 1147 - 1468
Price (Rs per sqft)—

Location: Padur, OMR
Type of property: 3, 4 and 5 BHK Luxury Apartments (Total: 406 units)
Area (in sqft): 2111 - 3556
Price (Rs per sqft)—

Note:*Property management services available.*

[ADVERTORIAL]

BRIGADE GROUP

A PROVEN BRAND IN ALL DOMAINS OF REAL ESTATE

BRIGADE GROUP is one of India's leading property developer headquartered in Bangalore with presence in all domains of real estate - Residential, Offices, Retail, Hospitality and even Education. In the last 31 years, since its inception in 1986, Brigade has developed many landmark buildings in Bengaluru and Mysuru and has also expanded its operations to Kochi, Hyderabad, Mangaluru, Chikmagaluru, Ahmedabad and Chennai.

Brigade's residential portfolio includes apartments in various budget ranges. Penthouses, villas, premium residences, luxury apartments, value homes and retirement homes complete the bouquet of our residential offerings.

The Group, has completed over 200 buildings in residential, commercial and hospitality sectors amounting to 35 million sq. ft and has an ambitious target of completing 30 million sq. ft of development in the next 5 years.

The Brigade stamp of innovation, quality and trust speak of a standard that has been established, and is consistently being upgraded by our continual efforts to provide a positive experience.

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SPANISH TOWNSHIP IN CHENNAI

Bengaluru's leading developer Brigade group has launched 33 acre Spanish township in Mogappair West. The maiden project coming from a listed developer who has completed 25 million sqft of built up space and additional 30 million sqft under various stages of construction, will offer a range of amenities and lifestyle hitherto unheard of in the city of Chennai.

The property located just just 10 minutes away from Anna Nagar. Out of 33 acres, the first phase of development will comprise 264 apartments. The project has the Balinese landscaping developed by Tropland Associates, Bali. There is also a 40,000 sqft clubhouse.

The project has been approved by major housing finance institutions like HDFC, ICICI Bank and Indiabulls. The project is expected to be delivered during December 2019.

Brigade Xanadu: TN RERA Registration No. TN/02/Building/0016/2017
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PACIFICA GROUP

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PACIFICA companies started its Indian operation in 2004-05, with the head office in Ahmedabad & regional offices in New Delhi, Bangalore, Hyderabad and Chennai. These offices are well poised to meet our vision of establishing a national leading position in the real estate industry, spanning the spectrum of all real estate development. Pacifica brings along with itself 30 years of experience in real estate to India. With the rationalised Foreign Direct Investment Policies in India, the real estate/property developer has targeted several Indian cities for its projects. Pacifica's foray into the Indian real estate development with its country headquarters at Ahmedabad is based on a comprehensive understanding of the international market place. It is currently developing real estate projects with a global perspective at Ahmedabad, Pune, New Delhi, Chennai, Bangalore and Hyderabad worth $1 billion. Pacifica is a global team of creators with a focus on customising global knowhow to realty, creating new benchmark of excellence and delivering beyond expectations. This makes Pacifica a truly world-class company.

HISTORY AND EVALUATIOn

Pacifica Companies is a privately held, vertically integrated real estate developer, owner, investor and investment manager. The company has grown exponentially over three decades due to an unwavering commitment to opportunistic investing, maintaining high levels of liquidity, and having a knack for finding the right real estate at the right price. Pacifica has used this skill set to successfully partner with pension funds, institutional banks, investors, and real estate funds for strategic real estate investing ventures.

Pacifica's vast real estate portfolio includes hotels, mixed use projects, development projects, master planned communities, office, industrial buildings, retail shopping centers, senior housing assets, single tenant leases, multifamily for rent and sale projects and single-family communities throughout the United States, Mexico and India.

The company was founded in 1978 by the current Chairman Ash Israni and has since grown at an exponential rate. The company currently has over 80 executives in their San Diego California headquarters and employs nearly 3,000 employees in the US and Asia. The principals have taken a less common approach to real estate investing with the tact that all real estate classes should be understood and evaluated for investment. This approach is based upon an opportunistic investing strategy and desire for continuous growth. This approach has shaped what is now a very diversified portfolio in terms of asset classes and geographic locations. Pacifica's asset class experience includes the residential, senior housing, hospitality, multifamily, mixed use / infill development, office, and retail.

ACHIEVEMENTS

Pacifica has been declared as no. 1 builder of the year 2005 in San Diego. Courtyard by Marriott in Ahmedabad is the biggest 5 Star hotel in Gujarat in its category with 160 + rooms. Pacifica signed an MOU of Rs. 100 crore for Courtyard Marriott during Vibrant Gujarat Global Investors Summit 2007 with Government of Gujarat & Tourism Corporation of Gujarat Ltd. (TCGL). It has signed an MOU of Rs. 1000 crore for residential and townships, projects with government of Gujarat during Vibrant Gujarat Urban Summit 2007. While Rs.1500 crore investments have already done in various projects in India other projects worth Rs.1500 crore are in the pipeline. The group has won several awards.

REALTY TRENDS IN OTHER CITIES OF TAMIL NADU

COIMBATORE REALTY SCENARIO

POST RERA and GST era, real estate sector has been adversely impacted across micro markets in Coimbatore. The promoters of apartment projects have slowed down their overall activity. Two segments which are driving demand and where developers are focusing include layout development and construction of independent villas in a gated community project.

In the fast changing market scenario, only organised developers are focusing on real estate development in and around the city now. Industry sources point out that 50 per cent of the players have already exited the market due to a combination of factors. Areas undergoing development include Avinashi road, Sakthi road, Kalapatti and the corridor covering airport to IT Park junction.

Residential property prices are stable, said M R Velu Anand and S IJagadeesan of J&V Associates, Legal consultants on property matters. For the affordable housing segment, both demand and supply are increasing, it is said.

There has been a surge in the number of new companies entering the city due to infrastructure projects like Smart City and city development projects. In today's scenario, end users are major buyers due to stable prices and the flexibility in payment terms offered by developers.

R Kriti

HILL STATION PROPERTIES

OOTY: REALTY MART SLOWDOWN CONTINUES

*After the imposition of rigid rules, there has been a slowdown in real estate activity across micro markets, say **R Prahalad and P Sankarsh***

AS the queen of hill stations with beautiful mountains and green valleys, Ooty is a popular summer resort in South India. Located 80 km north of Coimbatore, it is the capital of the Nilgiris district. The local economy is dominated by tourism and is still considered as a nerve centre for supply of vegetables to the neighbouring areas.

A number of recent policy measures initiated by the government has curtailed real estate development.

Unlike earlier,for building 1,500 sqft unit, additional clearance from the technical cell of Geological department would be needed now. For units above 1,500 sqft, NOC clearances would be needed from forest and agriculture departments. The earlier practice was obtaining NOCs and then submitting it to the Panchayat for approval of building plans. Now the process is filtered at the collectorate itself. Only when the clearance from the collectorate is obtained, one can go for NOC with other departments. With the result, mushrooming of both residential and commercial units have been drastically curtailed, according to property consultants.

Land prices have dipped by 50-60 per cent and in some areas it is stable. For instance, in areas like Doddabetta and Kothagiri and within 5 km radius, land price varies from Rs 1 lakh - Rs 2 lakh per cent depending on the location, development in the vicinity and other factors. In areas like Lovedale towards Nundala, land prices dipped and varies from Rs1.5 to 1.75 lakh per cent, said R. Manikandan, a senior executive with a leading developer in Bengaluru. This is considered as the most happening place as far as real estate development is concerned now.

According to industry sources, a pragmatic developmental norms taking into consideration the needs of a varied section of industry will ease the haphazard development of both residential and commercial development in Ooty. This in turn will enable the hill station to generate additional revenue from tourism for the exchequer.

CHENNAI'S OFFICE MART: ROBUST GROWTH

Chennai's office market absorption is set to touch 6.3 million sqft this year, which is considered as one of the milestones in commercial property absorption in the city in the last few years, reports V Nagarajan

FOR Chennai's office market, the year 2019 may prove to be the best year in terms of office space absorption. According to industry sources, quarter 1 was the best period in terms of office space intake in the last few years. The year end absorption level is anticipated to touch 6.3 million sqft, which is considered as one of the milestones in commercial property absorption in the city in the last few years.

Preetham Mehra

The major factors attributed to the sudden surge in demand for office space are due to increase in supply level by various developers like DLF, Embassy, Ascendas, Brigade, RMZ, K. Raheja and others. A majority of the office space was taken by IT/ITES and co-working companies.

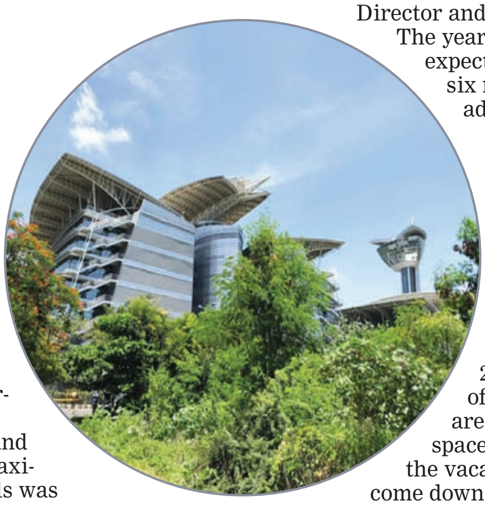
Pre-leasing activity was up 15% y-o-y with the momentum driven by upcoming SEZ developments in the suburban south and peripheral south-west markets, according to Cushman & Wakefield sources.

RENTALS SCENARIO:
Rentals are steadily moving up. In OMR I till toll gate, rentals are trading in the range of Rs80-90 per sqft per month over Rs65-70 per sqft per month last year. This is a significant uptrend over last year. On an average, rentals are up by 15-20 per cent across micro market, according to industry sources.

CBD rentals have artificially gone up and overall city rentals have increased particularly in micro markets like Porur, Guindy and OMR I. However, maximum spurt in rentals was observed in OMR I and Guindy micro markets.

Institutional investors get an ROI between 8 and 10 per cent per annum whereas individual small investors get anywhere between 7 and 8 per cent per annum.

Till H1 this year, Chennai has seen the absorption of about 2.8 million sqft and supply addition of 0.8 million sqft.



In the second half, it is expected that both supply and leasing activity are expected to remain strong, according to Preetham Mehra, CBRE, Executive Director and Head, Chennai. The year-end leasing is expected to be close to six million sqft, he adds.

SEZ SUPPLY
There is a rush right now among corporates to move into SEZ premises due to impending sunset clause in 2020. A number of large clients are committing space in SEZ where the vacancy level has come down drastically.

With the sunset clause date of March 2020 fast approaching (which will impact the benefits accrued for occupiers), heightened activity for both absorption and development completions is expected in the SEZ and tech park space in 2019, according to CBRE sources. It is said that there is hardly any space available in SEZ premises in Chennai.

CHENNAI OFFICE RENTALS - QUARTER 2, 2019

SUB-MARKET	Average Rent in Q2 2019 (INR /sqft /month)	Average Rent in Q2 2019 (INR /sqft /month)
CBD (Anna Salai, Nungambakkam, RK Salai, T Nagar, Egmore, Alwarpet) Grade A (Non-IT/IT)	88	88
Guindy, Ekkaduthangal, Vadapalani, Santhome & MRC Nagar Grade A (Non-IT/IT)	75	75
Mount Poonamallee High Road (IT)	70	68
Mount Poonamallee High Road (SEZ)	75	75
Ambattur, Ambattur Industrial Estate and Padi Grade A (IT)	42	42
GST Road (SEZ)	45	45
OMR 1 - Taramani to Perungudi Toll Grade A (IT)	92	90
OMR 1 - Taramani to Perungudi Toll Grade A (SEZ)	100	100
OMR 2 - Perungudi toll up to Sholinganallur Grade A (IT)	45	45
OMR 2 - Perungudi toll up to Sholinganallur Grade A (SEZ)	58	58
OMR 3 - Sholinganallur to Padur Grade A (IT)	35	35
OMR 3 - Sholinganallur to Padur Grade A (SEZ)	45	45

Source: CBRE

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CHENNAI GEARING UP FOR 10 NEW MALLS

Organised retail activity in Chennai is picking up with 10 new malls covering over 5.45 million sq. ft. area due to come up 2022-end, surveys Sanjay Chugh

TODAY, a city's real estate success formula depends on quite a few other industries than just housing. Housing demand is a natural by-product of the success of businesses and industries that drive consumption and create jobs. Chennai's strengths as an automobile hub has already earned it the tag of 'the Detroit of the East', but it has also emerged as one of the leading IT/ITeS destinations of the country.

Both these industries drive job growth, which in turn drives housing demand, but there are at least two other industries that share a deep symbiotic relationship with Chennai's overall real estate viability - the organised retail and warehousing & logistics sectors.

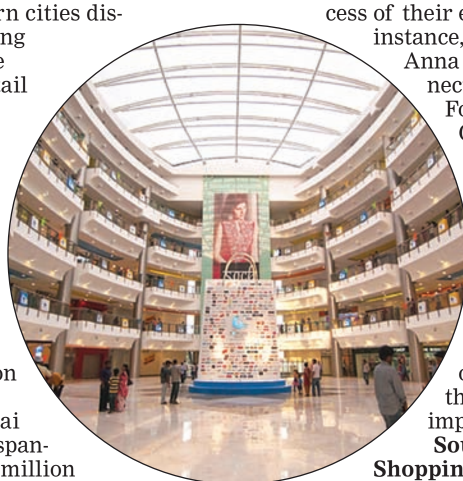
SHOPPING MALLS

Economic downturn or no economic downturn, Indians love to shop. Some consumer items like cosmetics (the fabled 'lipstick effect'), fast fashion and electronics like smartphones are actually beating the current trends, with the growth figures in these industries still firmly in the green.

Sanjay Chugh

Malls are the best places to shop for these - and to enjoy a few hours in clean, air-conditioned and visually appealing environs.

Contrary to doomsayers' predictions when the Indian e-commerce boom began revving up in earnest, malls are still very much the pièce de résistance of the Indian retail industry. South India has not been left behind, with the main Southern cities displaying bracing growth of the organized retail sector.



As per ANAROCK research, the top 7 cities in India currently have 105 operational malls sprawling over 50 million sq. ft area, of which Chennai has 10 malls spanning over 5.9 million sq. ft. area. Organised retail activity in Chennai may not have caught up with Bangalore's pace as yet, but it is picking up. In fact, at least 10 new malls covering over 5.45 million sq. ft. area are slated to come up in Chennai by 2022-end.

Chennai Mall Trends: The prominent areas in Chennai that will see new supply of malls include OMR, Anna Nagar, Perambur, Saligramam and Navallur. Average monthly rentals in the city hover anywhere between Rs 70 - 150 per sq. ft. Mall vacancy levels in Chennai are more or less on par with Hyderabad at 14%, but higher than in Bengaluru (where mall vacancy currently clocks in at 10%.)

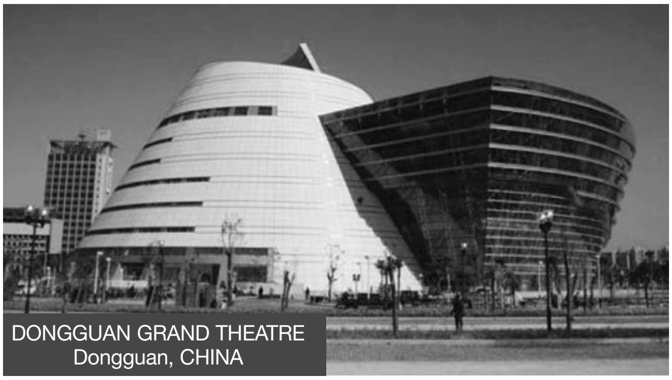
Unlike in some other major cities in India (MMR and Bengaluru come to mind) easy accessibility and connectivity drive footfalls in Chennai's malls. The city's top-performing malls essentially lie in prime locations and are easily accessible by both public and private transport.

In fact, their easy accessibility is one of the USPs for Chennai's shopping malls and mall developers recognize this critical factor as integral to the success of their establishments. For instance, malls in and around Anna Nagar - which is well-connected via metro - such as Forum Vijaya Mall and VR Chennai are seeing excellent footfalls, with the average footfalls in Forum Vijaya Mall averaging at least 1,500 even on weekdays.

Chennai is a leisure-loving city, so the fact that mixed-use elements by way of entertainment options are de rigueur in the city's malls is another important footfall driver.

South Chennai - the Shopping Hub: As is seen in most large cities, Chennai's Southern precinct draws the aces when it comes to attracting the cream of real estate developments. Several malls are either already operational or coming up in South Chennai, which is largely inhabited by the city's IT/ITeS professionals. At least three new malls are coming up in the OMR belt over the next three years while malls like Grand Square, Phoenix Marketcity, Palladium are already operational.

The author is City Head, Chennai, ANAROCK Property Consultants


DONGGUAN GRAND THEATRE
Dongguan, CHINA

ARCHITECTURE

DESIGNING ICONIC BUILDINGS GLOBALLY

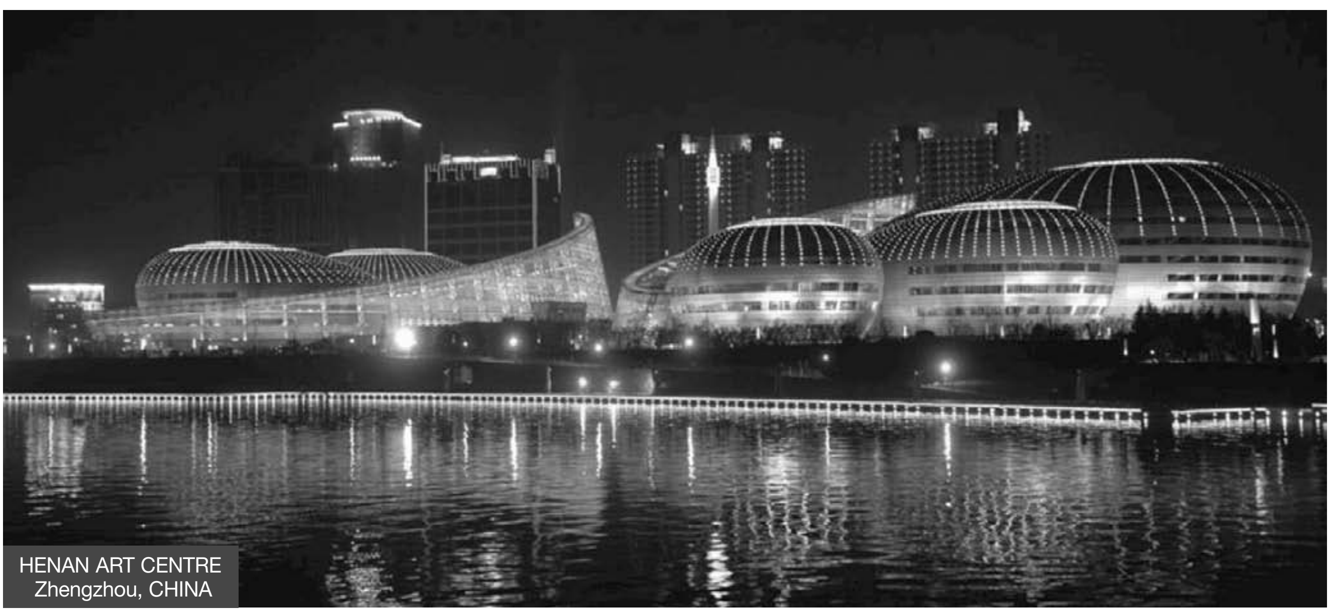
CARLOS OTT Architects in association with Carlos Ponce de Leon Architects, is a leading design architectural firm, based at Montevideo Uruguay. The firm has designed and directed large and mid-scale architectural and urban projects, as well as interior design, always looking for the best quality.

More than 45 years of outstanding experience in the design and construction of iconic buildings, destined to offices, homes, mixed-use, laboratories, heath, infrastructure works, master planned communities, free trade zones and industrial parks, support our professional background.

TCS building in Siruseri has been designed by them. The building complex looks like a butterfly with a 400 metre central spine forming a majestic atrium at a height of 42 metres. The design contract has not only catapulted TCS into establishing its first Latin American operations but also spearheaded successfully the expansion of TCS across eight countries (Argentina, Chile, Brazil, Mexico, Peru, Colombia and Costa Rica besides Uruguay) in Latin America.

"Green design" has been incorporated in their architecture, as it has environmental, economic and social elements that benefit their owners, users and the general public. Their sustainability forum was established to promote the use of sustainable technologies and methods throughout the practice. These measures make sure that environmental awareness is an integral part of the practice´s culture as it evolves to meet the challenges of the future.

In an interview with **V Nagarajan** of A Guide to Chennai Real Estate, **Carlos Ponce de Leon** of Carlos Ott, architects, shares his experience and the background that had resulted in creating iconic buildings globally. Here are the excerpts.


HENAN ART CENTRE
Zhengzhou, CHINA

To incorporate green building concept inside the buildings, to lower the consumption of fuels to save energy, to collect the water and use it as recyclable materials. It is so important to ensure that every building needs to be conscious of using low emittance materials

What has been your impression about structures that have been built in India?

The issue with architecture must always be contemporary as you will have to do innovation in design, always respecting the place where it is located. The tendency is to give emphasis to mixed use development and the neighbourhood in order to try to commit as less space as possible. Today people are working in different ways including from homes.

What has been your experience of working with TCS in their Siruseri project?

Their clients came from abroad and they see the future in their installation. The associates of TCS are extremely happy to work in another environment in the green space. This is because they are able to work in an environment that is different, surrounded by greenery and they are also in direct contact with nature, water, shadows et al.

What is your suggestion to the developers of residential and commercial complexes across India?

My suggestion is to realise that the buildings need to be in line with the concept of green buildings. To incorporate green building concept inside the buildings, to lower the consumption of fuels to save energy, to collect the water and use it as recyclable materials. It is so important to ensure that every building needs to be conscious of using low emittance materials.

Both residential and commercial projects must incorporate sufficient level of maintenance in order to enable people to live and work so that they can do other activities. It can be used for meeting with friends and relatives for the rest of the day. In other words, it can be used as co-working space.

Besides people who are working in commercial offices need to have a place for options like taking shower or hire a bike and go to work place.

TCS Sipcot / Siruseri Information Technology Park, Chennai

What has been the perceptible difference you see since your last visit to Siruseri?

When we came to the IT corridor we saw a number of palm trees which many said will be maintained over a period of time. But unfortunately what we are now seeing is that all the palm trees are gone. Of course there are some nice buildings that have come up. But one must always respect the nature.

What has been the changes you have seen in commercial buildings over a period of time?

In commercial buildings, many things are changing nowadays. The work space must be extremely flexible to enable meeting of two or three people who can interconnect and exchange ideas. People should be in contact with nature and TV. It is better to use public transportation and walk to work ways to access work place. In fact many companies are now encouraging work from home concept.

PHARE TOWER Asuncion, PARAGUAY

HANGZHOU GRAND THEATRE Hangzhou, CHINA

LOGISTIC AND WAREHOUSING SECTOR GEARING UP IN CHENNAI

By V NAGARAJAN

CHENNAI'S logistics and warehousing sector has absorbed 4 million sqft during 2018. Unlike earlier, there was a spurt in demand for organised warehousing space in Tier II cities in Tamil Nadu. Leasing rates are inching a new high but supply level is also surging. As a result leasing rates may not be sustainable or may become competitive in the coming years.

The government's concerted efforts to build multi-modal logistics parks across the country and to grant 'industry' status to the logistics sector has paved way for boosting its efficiency. In 2015, it launched a Logistics Park Policy which aims to build 35 logistics parks across the country, of which six are to be made in the Phase 1 of the project. Chennai is among the first six locations identified for this purpose. These logistics parks will be joint ventures between the central and the concerned state governments, according to Anarock survey.

LOGISTIC & WAREHOUSING

Rental rates in Chennai which were quoted at an average of Rs 15 per sqft per month during 2000-10 had gone up to Rs 20-25 per sft per month in 2011. However, it started sliding because of several industrial project failures in the city aggravated by power shortage at that time. With the entry of organised private sector players lease rentals are now moving north.

Indian logistic sector employs 16.74 million sqft and the biggest challenge for the sector is to attract talented workforce, said John Prashanth, Director, Business School of Logistics India, during The Times of India's India-International Logistics Conclave held in Chennai recently.

The country is going to spend Rs 10,000crore for reskilling and human resource development. National Skill Development Corporation India (NSDC) will need 28.4 million people for transportation, logistics, warehousing and packaging sector. In logistics, Amazon alone needs 17,000 people for warehousing function, he adds. The cascading impact on the demand for budget housing need not be overstressed.

With 24 million sqft space, warehousing has seen 45% growth over last year. "The GST has integrated the whole country into one common market and

Indian warehousing and logistics sector has been estimated to attract nearly $10 billion investments over the next 4-5 years. "One of the stimulating factors is that warehousing investment and exit is quick when compared to other asset classes

RESIDENTIAL PROPERTY PRICE MOVEMENTS IN PROXIMITY TO LOGISTIC CORRIDORS

Micro Markets	Launched Units - 2014-2018	Average Prices Rs/sq ft 2014	Average Prices - Rs/sq ft 2018	% Change in 5 years
Avadi	4,420	3,450	3,900	13%
Oragadam	3,410	3,100	3,650	18%
Pallavaram	2,160	4,800	5,450	14%
Sriperumbudur	1,070	2,400	3,000	25%
Guindy	1,010	6,600	7,300	11%

Source: ANAROCK Research

brought down parameters in terms of removing all check posts across the country. The twin benefits are better utilisation and optimisation of use of vehicles and consolidation of warehouse. Earlier there was cost to set up new warehouse in each and every state. The present operational efficiency is driving to set up larger warehouse and in the process leading to leaner supply chain time. Vehicles can carry goods meant for different destinations across the country," said P K Behera, Commissioner, GST & Central Excise, Chennai.

According to JLL India, Indian warehousing and logistics sector has been estimated to attract nearly $10 billion investments over the next 4-5 years. "One of the stimulating factors is that warehousing investment and exit is quick when compared to other asset classes," said M Nirmal Kumar, Director, Head Industrial & Logistics, Capital Markets, CBRE, Chennai. For instance, in Chennai, property developer Casagrand ventured into logistics and within three years they were able to identify potential exit routes.

Since Chennai has been one of the prominent hubs for trade and commerce in the country, it evolved into one of the key manufacturing hubs, particularly automobile. Besides having major connectivity via roadways, Chennai is an active port city. This invariably led to higher demand for warehousing and logistics. There are several clusters like Sriperumbudur-Oragadam that are located outside the city and have developed over the years as far as warehousing and logistics-related services are concerned. These clusters have easy accessibility with highways, ports, airport and railways. Needless to say, these activities have had a significant impact on the residential activity in major areas in and around these clusters in recent times. As per ANAROCK data, the top five residential locations based on new launch supply in the last five years include Avadi, Oragadam, Sriperumbudur, Guindy and Pallavaram.

HIRANANDANI GROUP PROMOTED GREENBASE SIGNS INDUSTRIAL AND WAREHOUSING DEAL WITH VESTAS INDIA

Dr Niranjan Hiranandani and N Shridhar, talking about GreenBase

GREENBASE, a fully owned subsidiary of India's leading real estate conglomerate, Hiranandani Group, will create a Wind Turbine Park and Warehousing set-up for Vestas India, the leading wind turbine manufacturing multinational, at Oragadam, Chennai. The development will be spread over half a million sq. ft. The ground breaking ceremony for the 'built to suit' set-up took place on 12 September 2019 at the Industrial and Logistics Park, located within Hiranandani Parks, Oragadam, Chennai. The newly established vertical 'GreenBase', the brain-child of Dr. Niranjan Hiranandani, the leading Indian Real Estate developer, will provide Industrial and Logistics Parks which will be more customer-centric and build optimisation and efficiency for the end user.

At Oragadam, Chennai; GreenBase is creating and facilitating an Industrial and Logistics Park of global standards. Given the Hiranandani Group's track record in terms of its rich legacy and strength in developing mega, mixed-use integrated townships along with development of core infrastructure, the new development in the Logistics sector by GreenBase will dove-tail perfectly into the Group's activities.

Vestas India is setting up an assembly and warehousing facility, which will be spread over 23 acres at the Industrial and Logistics Park. This underscores the growing economic development at Oragadam, Chennai; in keeping with the trends witnessed in recent times. This project by Vestas will result in creation of new jobs as also business opportunities for allied and ancillary industrial units, and will give a big fillip to development of the industrial and manufacturing sector in Oragadam, said Dr. Niranjan Hiranandani, co-founder and MD, Hiranandani Group. "The Indian Government has also granted infrastructure status to the logistic industry; making it an even more positive situation. These are favorable reasons, which provide an impetus to diversify and foray into the industrial and logistics sector," he added.

The Group has allocated 115 acres for the Industrial and Logistics Park out of 430 acres of the mixed used integrated township, Hiranandani Parks in Oragadam, Chennai. The acreage is dry land, and is suitable for industrial and logistics usage. It offers strategic advantages, including provision of STP, power substation, security cabin, boundary wall etc. Infrastructure and security for the industrial parks has been well planned and executed. For end-users, the required core infrastructure in form of required water and uninterrupted power are available at the Industrial and Logistics Park. The development also opens up potential for attracting further investment through Vestas vendors within the Hiranandani Industrial & Logistics Park.

"Hiranandani Group's intrinsic strength in infrastructure development and township development gives Green Base natural advantage over competition, to build and deliver world-class Industrial and Logistics Parks. Apart from our land bank measuring over 500 acres, we are in the process of acquiring new land banks, either directly or through partnerships /JVs across Pan-India for the Green Base platform," said Mr. N. Shridhar, Group Director & CEO - Infrastructure (Industrial & Logistics).

"Our on-going projects as also 'planning in progress' are located across Pune, Oragadam in Chennai, Nashik, Bhiwandi, Durgapur, Kolkata and Bengaluru. We are targeting close to 12 million sq. ft. over the next 5 to 7 years. This portfolio is a good yield asset class, which most probably will be available for retail participation through a REIT/InvIT platform," he added.

The operating model of Industrial and Logistics Parks by GreenBase include Built-to-suit industrial facilities, Cold storage, Built to Suit Warehouses for end customers as well for large 3PL players. For businesses that opt for 'plug and play' operations, and need warehousing and logistics solutions, GreenBase will offer larger space options It will also play the role of a 'partner', assisting the customer with an 'end-to-end solution', which would include land acquisition, master planning, Optimising Design as also Build to Suit and a Project Management consultant.

PORT LED GROWTH IN THE LOGISTICS SECTOR

India's share of water transport is less than 6% whereas the share by available transport for inland transfers is about 47% in China, 34% in Japan and 12.4% in US, reports V Nagarajan

CHENNAI PORT

COASTAL shipping is an integral part of economic development. The port led growth is voluminous as is evident from the Sagarmala initiative. The potential logistics cost saving has been estimated at Rs 35,000-Rs40,000 crore per annum by 2025. Due to modernisation of ports, cargo handling facility will double by 2025 and 189 projects valued at $21 billion have been identified so far. Harness India initiative will connect 7,500 km long coastline and its 200 plus ports, said R Prabakar, Senior Deputy Traffic Manager, Chennai Port, at the India International Logistics Conclave organised by Times of India in Chennai recently.

According to Prabakar, in order to develop connectivity along the coast, 14 coastal economic zones covering multiple states and union territories have been proposed. In all 72 coastal districts hosting 18% of the population have been chosen and 23 projects have been identified.

"India's share of water transport is less than 6% whereas the share by available transport for inland transfers is about 47% in China, 34% in Japan and 12.4% in US. Water borne transportation is a safe, cheap and eco-friendly option when compared to rail/road transportation," he said.

"Among the steps undertaken by the government to improve coastal shipping include implementation of bilateral coastal shipping agreement with Bangla Desh, incentivise coastal RoRo movement, cabotage relaxation and promote transportation of containers through Indian ports. The relaxation of cabotage law is a game changer and can transform Indian ports," he said.

"The government has dedicated its resources to develop 14,500 km across the country. The National Waterways Bill will cover 106 rivers, creeks across the country and the total length involves 4,503 km covering 15 states," he said.

With the ratification of the Trade Facilitation Agreement of WTO by India, technology driven procedures and transparency have enabled clearance of sea cargo within two days and land customs on the same day, said R Srinivasa Naik, Commissioner (Import), Chennai, at the India International Logistics Conclave, organised by the Times of India.

Indian logistics industry is likely to touch $215 billion in the next two years from the present $160 billion due to the reform measures introduced by the government and implementation of GST, he said. "There are challenges ahead like high cost, under developed material handling equipment, infrastructure, processing by multiple regulators and seamless movement of goods that need to be integrated with technology. These challenges, particularly redundant documentation alone involving several agencies have dented our performance in the international trade causing 70% of the delays," he said.

Naik said that Indian Customs never shies away from challenges and consistently evolving measures to meet the standards set by the government. "Chennai customs has identified the points in the supply chain key system and created risk management facilitation cell with extensive outreach programme which was well received," he said.

According to Naik, India has reduced transaction cost and time both in import and ease of container movement, upgrading of port infrastructure and allowing electronic submission of document through e-signature policy.

"While IGST refund of Rs 1650 crore has been refunded during the mela, overall for this year, Rs 5500 crore has been refunded," said Naik.

Besides, the process of survey and verification are completely automated now which drew appreciation from CBSE to AEO operators, he said. "The introduction of documents app Aeote has enabled filing of minimum documents online. Delivery of air cargo was also put in place. Apart from railway movement of container for direct port entry, in-house laboratory has been established for testing of sample materials. Now it has been proposed to house all partner government agencies in the customs for operational convenience," he said.

HOW TO TRANSPLANT OLD TREES SUCCESSFULLY?

There is no need to destroy old trees which are 10 to 100 years, plus in today's urbanisation drive as Landscape architects are providing tangible solution to preserve the nature in its pristine glory, reports V Nagarajan

MANKIND destroys trees in the gross commercialism shifting towards increasing urbanisation. But the landscaping experts now have found a lasting solution to save those precious old trees and preserve them in their pristine glory for future generation. It is said that 25 million square miles of leaf surface are daily engaged in the miracle of photosynthesis, producing oxygen and food for man and beast. Of the 375 billion tons of food we consume each year, the bulk comes from plants and the remainder from animal products which in turn are derived from plants.

Is it not our duty to protect and preserve the plants with a little extra effort when technology is available to carry it forward to the deserving next generation? Says Sekar James, a well-known landscape architect based in Chennai, who has successfully transplanted over 2500 trees between the age group of 25 years and 100 years in a career spanning 35 years plus. "It is important to follow the ground rules on what to do and what not to do with the tree", he added.

Among the cities where the transplantation has been carried out by Master Plan architects include Bengaluru, Chennai, Hyderabad, Visakhapatnam and other cities. Corporates who have sought the services of transplanting trees in their new premises include the property developer Olympia group in Chennai, IT major Infosys, etc. As regards hospitality sector, GRT Temple Bay in Mahabalipuram near Chennai needs specific mention where 250 coconut trees have been transplanted in a single location in the hotel.

"There are ground realities one should observe before transplanting such trees from one location to another. One has to be doubly careful while dealing with such exercise," cautions Sekar James.

"Perfect balance between the root pruning and shoot pruning (pruning of branches) is a must. How much you can prune away also depends on age or species of the trees. Professional approach by an expert might even end up pruning away 85% tree roots, including tap root! The balance in pruning is so important to regulate intake of water by the root system and the transpiration (out-go) of water through the leaves! Protecting the evaporation from the stem and the branches is yet another challenge. The normal practice is to burlap the stem with straw or gunny to keep it moist," says Sekar James.

How does then one go the whole exercise of transplanting trees? First one has to prune the branches as the volume of leaves is the main source of evaporation. However, we leave twigs on the top of the branches to see if the pumping system is still working to make sure the tree is still alive.

The pruning of the tree is done on one day and pruning of the shoot of the branches after a week or so leaving the tree to get over the shock. One has to arrest or discourage the evaporation. There are hormones which are playing a vital role which will discourage evaporation through leaves, it is said.

Among the cities where the transplantation has been carried out by Master Plan architects include Bengaluru, Chennai, Hyderabad, Visakhapatnam and other cities

According to Sekar James, root promoting hormones will be injected into the earth ball of the tree to encourage quicker formation of roots for survival. New leaves will start sprouting from the fourth week. The foods stored in the stem negate growth of new leaves and the new leaves have to produce food using sun light to strike new roots. The straw burlapped stem is kept moist, for the next eight weeks by hosing water!

It is never the age or the size of the tree that matters but the standard horticultural procedures and the aftercare that matters and in the process there is no denying that 100% survival is assured, said Sekar James.

NRI INVESTMENT IN REAL ESTATE MADE SIMPLE

Indian regulatory and tax regulations are being made more investor-friendly and NRI investments are being treated at par with domestic investments with very little restrictions on purchase /sale of such investments, say Rajesh Srinivasan, G Sudhakar and E R Parameshwaran

THE Indian realty sector has always been a favored investment venue for non-residents investors, especially Non-Resident Indians. The realty sector was first opened up for foreign investments way back in the year 2005 by permitting foreign direct investments in townships, housing, built up infrastructure and construction and development projects, subject to certain conditions and obligations. Ever since then, the sector has seen a constant inflow of funds from NRI's for both residential and commercial developments.

Estimates reveal that in 2017, total NRI investment in realty from top eight cities touched nearly Rs 1150 crores as against Rs 600 crore in 2013. Majority of NRI investors are from the UAE, followed by USA and Kingdom of Saudi Arabia. With the recent depreciation of value of the Indian rupee, the current year is expected to see an upswing in realty investments by NRI's.

In this article, we have sought to provide clarity on certain regulatory and tax issues associated with the investments made by NRIs.

INVESTING IN INDIA - THE REGULATORY REGIME

Who is an NRI?

Under the extant exchange control regulations, a NRI is an Indian citizen who is resides outside India and includes a Person of Indian Origin ("PIO"). The definition of NRI today includes a PIO (a person who himself, or any of his parents or grandparents was an Indian citizen) and an Overseas Citizen of India ("OCI") (a person resident outside India which is registered as an OCI cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955). Therefore, a NRI today includes both PIO and OCI and all regulations as is applicable to NRI will also apply to PIO and OCI's.

How can an NRI invest in property?

Investments into real estate property in India by NRI's are regulated by Reserve Bank of India ("RBI") through Foreign Exchange Management (Acquisition and Transfer of Immovable Property in India) Regulations, 2018 issued under Foreign Exchange Management Act, 1999 ("FEMA").

An NRI can acquire by way of purchase, gift or inheritance any immovable property in India. Immovable property includes both residential and commercial development spaces. The payment for the acquisition of the property can be made out of funds received in India through normal banking channels by way of inward remittance from any place outside India or by debit through NRE/ FCNR(B)/ NRO account. Such accounts can be maintained in Indian / foreign currencies for permissible remittances and repatriations by NRI's. However, traveller's cheque or foreign currency notes or any other mode are not accepted methods for investment.

NRI's are prohibited to purchase or gift agricultural land, plantation property or farmhouse. Further, residents of certain nations such as Pakistan, China, Nepal, Bangladesh, Sri Lanka, etc cannot acquire or transfer immovable property in India without prior permission of RBI.

An NRI is also permitted to acquire one property jointly with a non-resident spouse. To be eligible, the marriage between NRI and non-resident spouse should have been registered and subsisted for a minimum continuous period of two years immediately preceding the acquisition of the property.

Can an NRI repatriate proceeds of property sale?

NRIs can repatriate proceeds of immovable property if it was acquired in accordance with FEMA and the cost of acquisition was paid in foreign exchange received through banking channels or out of the funds held in NRE/ FCNR (B)/ NRO account. Repatriation is permitted for a maximum of two residential properties.

However, an NRI, who acquired property while he was a resident in India, should obtain RBI approval before repatriating proceeds of property.

Further if the property was inherited by NRI/ Non-resident widow / widower or acquired due to retirement from Indian employment, repatriating upto USD1 million per financial year of the proceeds of sale is permitted.

It may be noted that the above-mentioned laws do not apply to acquisition or transfer of immovable property in India

Nature of asset transferred	Residential House property	Any Long Term Capital Asset	Land, building or both
New asset to be acquired	One Residential House Property in India	One Residential House Property in India	Bonds issued by NHAI or RECL or any other notified bond
Investment Amount	LTCG on Transfer	Net consideration on transfer	LTCG on transfer (maximum limit is Rs 50 lakhs)
Exemption Amount	Least of - ■ Amount invested in new house, or ■ Capital Gain	$\frac{\text{LTCG x Amount Invested}}{\text{Net consideration}}$	Least of - ■ Amount invested in bond, or ■ Capital Gain
Time limit for investment	■ For purchase - One year before or two years after date of transfer ■ For Construction - Within three years after date of transfer	■ For purchase - One year before or two years after date of transfer ■ For Construction - Within three years after date of transfer	Within six months from transfer
Holding period of new asset	Three years after acquisition or construction	Three years after acquisition or construction	■ Bond issued before April 1, 2018 - Three years from acquisition ■ Bond issued after April 1, 2018 - Five years from acquisition

on a lease basis for a period not exceeding five years.

TAX REGIME

Is citizenship of NRI relevant for taxation?

From an Indian income tax point of view, citizenship criteria laid down under FEMA is irrelevant. India follows residence based taxation under which a resident is taxed on his global income while a non-resident is taxed on the income 'received' or 'accrued' in India. In other words, income earned from a property in India will be taxable in India under the Income-tax Act, 1961 since the income is received/accrues in India.

How is sale of immoveable property taxed?

Sale of immoveable property is taxable as capital gain under the IT Act. Capital gain is computed by reducing the cost of acquisition of asset from the sale consideration received. In case, where the actual consideration received is less than the stamp valuation of the property, the IT Act provides that the assessed value shall be considered as the sale consideration for computing capital gains.

What is long term capital gain and short term capital gain?

Capital gain is categorised into Long Term Capital Gain ("LTCG") and Short Term Capital Gain ("STCG") depending on the period of holding of asset. An immovable property, being land, building or both, is classified as a long term capital asset once the owner holds it for a period of more than 24 months immediately preceding the date of transfer. If the period of holding falls short of the prescribed period, the asset is classified as a short term capital asset.

What are tax rates for LTCG and STCG?

For STCG, the tax rate will be 30 percent (plus applicable surcharge and cess), with no benefit of inflation based indexation on the cost of acquisition of the property. However, for LTCG, tax rate is 20 percent (plus applicable surcharge and cess) with the benefit of adjusting inflation based indexation on cost of acquisition.

What are the investment avenues available to save capital gain tax?

There are very limited avenues to save taxes if the gain arising on sale of property is a STCG. However, in order to save tax on LTCG, the following investment avenues can be considered -

HOW ARE TAXES DEDUCTED / PAID?

At the time of purchase of a land, building or both, the NRI should deduct withholding taxes at 1 percent from the total consideration, in case such consideration exceeds Rs 50 lakhs. Once taxes are withheld, it should be deposited and Form 26QB to be filed within 30 days from the end of the month in which taxes are deducted.

When property is sold by the NRI, the buyer is required to deduct income tax for on the consideration paid under section 195 of the IT Act. If an NRI is liable to tax under the IT Act, then an application should be made to the Jurisdictional Assessing Officer to obtain a 'NIL' or 'Reduced rate' order. Based on the review of the application, the Assessing Officer will issue an order computing the total tax, which will apply for the capital gain transaction.

REAL ESTATE (REGULATION AND DEVELOPMENT) ACT, 2016

Earlier, there was a certain degree of uneasiness among NRIs to invest in real estate due to rising number of failed projects by unscrupulous developers and long drawn litigation. This is mitigated now with the introduction of Real Estate (Regulation and Development) Act, 2016 (RERA). The aim of RERA is to establish an authority to regulate the real estate sector and bring overall accountability and transparency, thereby reducing trust deficit between developers and buyers. Under RERA, all real estate projects satisfying certain threshold limits should be compulsorily registered and developers are required to adhere to project completion timelines. Strict penalties can be levied under RERA on developers for failure to adhere to timelines and sanctioned plans. In addition, a separate appellate tribunal to resolve disputes in a timely manner between developers and buyers has also been implemented.

Indian regulatory and tax regulations are being made more investor-friendly with the aim to attract investments in the sector. Investments by NRI are being treated at par with domestic investments with very little restrictions on purchase/sale of such investments. However, buyers, especially NRIs, should take adequate precaution and ensure that sufficient due diligence is performed before putting hard earned money on significant real estate investments. With reforms such as RERA, GST and recent upswing in investments, it is safe to conclude that real estate will continue to be a favored investment bet for NRI's for a long time to come.

The views expressed by Rajesh Srinivasan, Partner, Deloitte Haskins & Sells, Sudhakar G - Director, Deloitte Haskins & Sells and Parameshwaran E R - Deputy Manager, Deloitte Haskins & Sells are the personal views of the authors and does not represent the views of the Firm.

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THE MILLIONAIRES COMMUNITY

NRIs no longer want a vanilla investment and are looking at a second home or an investment they can fall back. They prefer an asset that is on par with the standards that they are accustomed to while living abroad. There is no denying that NRI investment is on the rise unlike earlier, say five years ago

NRI TRENDS

By IMRAN PADIYAR

THE number of NRIs who held millionaire status last year was 2.36 lakh, with an average wealth of over $3.83 million.

As expected, the US accounted for the largest proportion of NRI millionaires with a total of 133,564, or a 56.5 per cent share, followed by the UK with a 12.7 per cent share. Other major countries with a significant number of NRI millionaires include the UAE, Canada, Hong Kong, Singapore, Indonesia and Japan

The total wealth of NRI millionaires was estimated at around $915 billion in 2015 and is expected to reach $1.4 trillion by 2019.

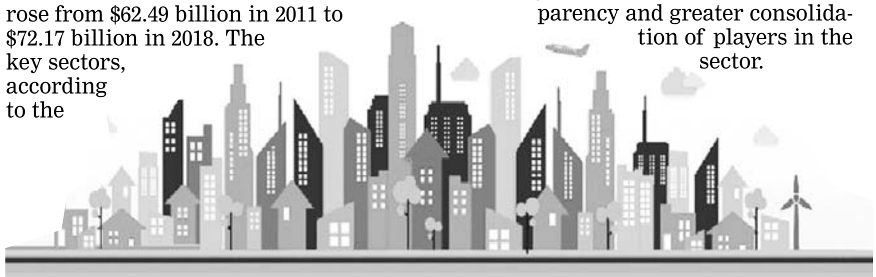
India's strong economic growth and depreciation of the rupee have been key driving forces of increased investment from overseas Indians in the country.

The value of inward NRI remittances rose from $62.49 billion in 2011 to $72.17 billion in 2018. The key sectors, according to the research, in which NRIs are expected to increase investment in India, include Real Estate and Healthcare.

The major concerns of NRIs have, very often, been the lack of information and standardised due diligence, delays in project delivery and tedious or no legal recourse for buyers. But, with the introduction of RERA and GST, there has been a renewal of interest by NRIs to make such decisions.

The economic reforms and the regulations that have been brought in general and the unrest in the world is causing everyone to try and protect their own interests are other factors that have made to look homeward seriously. NRIs no longer want a vanilla investment and are looking at a second home or an investment they can fall back. They prefer an asset that is on par with the standards that they are accustomed to while living abroad. There is no denying that NRI investment is on the rise unlike earlier, say five years ago.

Indian real estate market, which has been close to its lowest levels over the past 4 to 5 years, has witnessed a smart recovery level in 2018 with more transparency and greater consolidation of players in the sector.



IMPLICATIONS OF BECOMING A NON-RESIDENT UNDER INCOME TAX AND FEMA

How one becomes a non-resident under Income Tax and FEMA and the implications of becoming a non-resident?

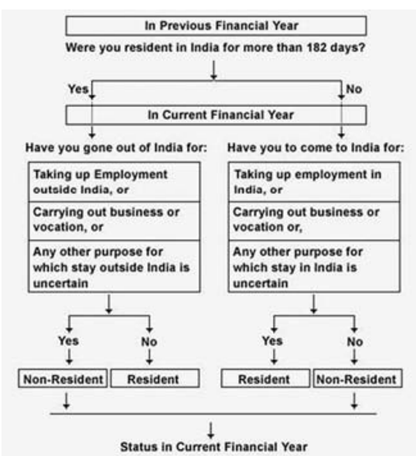
By BALWANT JAIN

THOUGH the word "non resident" is used interchangeably but the tax laws and Foreign Exchange laws have different connotation of it as the purpose of both the laws is different.

NON RESIDENT UNDER TAX LAWS

Physical presence is only considered under the tax laws and your residential status can normally be determined after end of the financial year based on your aggregate stay in India. **(See Chart)**

So you would be resident of India for the financial year 2018-19 if either you were present in India for 182 days or more during 1 st April 2018 to 31 st March 2019 or you were in India for 60 days or more during the previous year ended 31 st March. 2018 and were also present in India for 365 days or more during the four years 1 st April 2014 to 31 st March 2018. There is relaxation in respect of second condition of stay requirement which will be enhanced to 182 days in stead of 60 days for Indian citizen who leaves India during the previous year either as crew member of an Indian Ship or for taking up an employment outside or an Indian Citizen or a person of Indian origin who comes to India for a visit. So in case you do not satisfy any of these two basic conditions, you would straightway become a non resident.



TAX PLANNING

There is one more category of "Ordinary but not ordinary resident" (ONOR) under the tax laws. So once you satisfy any of the above two basic conditions, you would still qualify as a ONOR if you were a non resident for nine years out of ten years period ended on 31 st March 2017 or were not in India for more than 729 days during seven years ending on 31 st March 2017.

IMPLICATIONS OF BECOMING A NON RESIDENT?

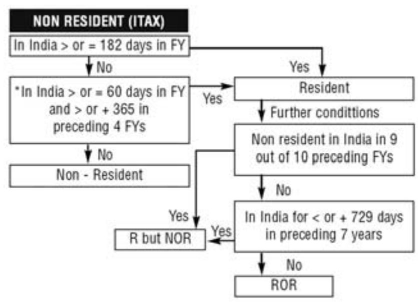
For a resident global income becomes taxable in India even if such foreign income might have been taxed in other country, subject however to availability of tax credit for taxes paid on such income and double tax avoidance agreement benefits. In contrast for a non resident only the income which is first time received in India or accrues from assets held in India or for services rendered in India only become taxable here. So your salary will become taxable in India if it is directly credited in India while you are working abroad even if you are a non resident. Moreover there are certain tax benefits which are not available to non resident.

NON RESIDENT UNDER FEMA ?

Unlike under the tax law where stay in India is considered, the foreign exchange regulations go by intention of an individual in addition to stay in India. Though under FEMA a person becomes a non resident if he has been in India for less than 182 days during the year he still becomes a non resident immediately on leaving India under certain circumstances. So You become a non resident as soon as you leave India to take up an employment outside India or to start any business or profession outside India or leave the country with an intention to stay outside for an indefinite period.**(See Chart)**

So in the circumstances given above you will become a non resident as soon as your flight takes off or your ship sails on water irrespective of your stay in India and that too without having to wait for the year end. However if you leave India for medical treatment or on a business trip or on holidays or even for study, you would still not become a non resident under FEMA as the intention to stay outside India is for a definite period and is not for an indefinite period though you may become a non resident under tax laws due to physical stay.

Likewise one will become a resident under FEMA if he comes to India for taking up an employment or for carrying on any business or profession or comes back to India to spend retirement years here in India. He will become resident under FEMA immediately on arrival in India.



Unlike Tax Laws where residential status is determined at the end of the year based on the physical stay, the status under FEMA changes instantly when a person either leaves the country with an intention to stay out of India for uncertain period of time or comes to India with an intention to stay here for indefinite period of time.

So you would become a non resident if you leave the country to spend your retired life with your children immediately but you would still be a resident if you leave the country to take care of your daughter in law during her pregnancy in US. The residential status under FEMA is important to determine as to what type of investments you can make in India or how you can remit money outside India.

Please note that residential status under FEMA and tax law has nothing to do with your citizenship.

The author is a tax and investment expert.

BUDGET IMPLICATIONS ON REALTY SECTOR

A progressive budget will kickstart the economy but it could have done much more to boost the housing sector, say R Prahalad and P Sankarsh

THE Union Budget 2019-2020, presented by NDA government in its second term is a progressive budget in many areas but the housing sector should have been focused much more to provide a comprehensive solution to the ailing sector. However, a beginning has been made to seriously look at the sector's long term value.

In a nutshell, the affordable housing sector, as anticipated, has been given a big boost with the fiscal sops. There will be an additional deduction of Rs 1.5 lakh towards interest paid on housing loan borrowed for loans availed between April 1, 2019 and March 31, 2020 for investment in affordable housing upto the unit value of Rs 45 lakh. This would give the much needed relief to the developers of affordable housing projects as well homebuyers.

Moreover, 1.95 crore additional houses will have to be built in rural areas over FY 2019-20 to FY 2021-22 under PMAY-G.

The announcement of re-introduction of a model tenancy code is targeted to release the unutilised housing stock and this may augur well to ease the housing shortage in areas where it is needed most.

Land is always a critical area where much has been talked about but little has been done so far. The NDA government aims to identify and release unutilised lands owned by the central public sector enterprises and ministries through concessional agreements and joint developments may lead to augmentation and creation of public infrastructure and affordable housing. The easing of sourcing norms for single brand retailers is a welcome move.

Infrastructure is key to overall development of the economy. Investment target of Rs 100 lakh crore in the infrastructure sector over next five years will augment logistics capacity for higher internal trade carried out through inland water transport system and creation of multi-modal inland cargo terminals. The oft-repeated SPV model for faster development of railway infrastructure through development of regional rapid transit system and enhancement of metro rail network through PPP, will improve the connectivity levels and ease city congestion. In fact the total road sector outlay for FY20 is Rs. 1.58 lakh crore, up 12%, which will supplement the exercise.

On the regulatory front, the move to enhance the powers of RBI over NBFC would improve the overall credibility of the sector. This will also improve transparency in the system. With a thrust on intensifying the FDI inflow, the budget has allowed foreign portfolio investors (FPIs) to subscribe to listed debt papers of REITs and InviTs. The development of transit oriented development (TOD) may lead to growth of commercial and industrial units along the new and existing corridors across the country.

PE INFLOWS IN INDIAN REALTY UP 17 PERCENT

TOP 3 ENTITY-LEVEL DEALS BETWEEN 2015-2018

INVESTOR	Investee	Deal Size in USD million
GIC	DLF	1,390
Blackstone	Indiabulls Real Estate	730
CPPIB	Indospace	500

Source: ANAROCK Research

By SHOBHIT AGARWAL

PREVIOUSLY, private equity (PE) funds focused on Indian real estate were content with investments at the project-level. Now, investors' preference is now gradually tilting towards entity-level investments. Data trends from ANAROCK's recent report Private Equity in Indian Real Estate indicate that the share of entity-level investments is on the rise.

PROJECT Vs ENTITY-LEVEL - WHAT'S THE DIFFERENCE?

Entity-level investment is an efficient strategy to get a firmer foothold in the real estate market. It allows a private equity investment firm to not only deploy its capital but also gain synergetic skills in the real estate marketplace. PE firms invariably look for high levels of corporate governance in a real estate development company before deciding to invest in it at an entity level.

Project-level investments take shorter-term view of capital deployment as they do not necessarily involve partnering with the developer over the long haul. Rather, a PE firm will invest in a developer's project, which involves a lower commitment and is, for that reason, a less risky approach to investing in real estate.

Entity-level investments, on the other hand, involve multiple projects and require the forging long-term business alliances. They require a thorough due diligence of the entity's financials, as opposed to project-level investments where the PE fund will primarily seek to understand the financials of an individual project.

There are well-established benefits to entity-level investments. Once a PE firm and its developer partner have established synergy, more options to deploy further funding open up. In the current cash-crunch scenario of the Indian real estate industry, this is significant as longer-term funding can help the developer address long-term issues rather than merely seek short-term solutions.

While entity-level investments by PE players come at the cost of lower returns and higher due diligence requirements, they are of greater overall value for the real estate market in general and developers and PE players in particular. An increase in entity-level investment alliances implies increasing confidence in developers with high corporate governance scores. As such, they bode well for a market which is making determined strides towards deeper organization.

ENTITY-LEVEL INVESTMENTS SURGE

From an overall 22% share in 2015 and 2016, entity-level investments increased to a share of over 39% during 2017 and 2018. In actual value terms:

- During 2015 and 2016, nearly USD 1.1 billion funds were pumped into Indian real estate at the entity-level
- In the 2017-2018 period, it was nearly USD 3.3 billion.

Back in 2007, investors were investing all across - largely at the project level - as the picture looked fairly rosy then. However, post the Lehman Brothers crisis in 2008 and up to 2014, they became more selective. They refocused on select developers with good past track records, and with whom they felt 'comfortable'.

As in any relationship, a comfort level comprises of various dynamics. With private equity players, it primarily hinges on a

SECTORS	% share of total USD 1.1 billion entity-level inflows in 2015-16	% share of total USD 3.3 billion entity-level inflows in 2017-18
Commercial	13%	74%
Logistics & Warehousing	0%	17%
Mixed Use	25%	0%
Residential	62%	4%
Retail	0%	5%

Source: ANAROCK Research

developer delivering consistently and factoring in their funding partners' expectations - not just their own requirements.

Despite this new focus on comfort and credibility, PE investments remained limited largely to the individual project-level. This approach was very much in evidence in the 2015 to 2018 period, wherein approx. 2/3rd of PE investments in Indian real estate were at the project level. Of the total USD 14.01 bn PE funds in Indian real estate over the last four years, more than USD 4.4 bn were infused at the entity level.

A deep dive into data reveals that the focus on portfolio or entity-level investments picked up momentum in the latter half of the period between 2017 and 2018. In this period, entity-level private equity inflows almost tripled compared to the previous two years. **(See table)**

For these plays, institutional investors used a combination of 'vanilla' and structured equity for investments into projects. That said, they found greater comfort with vanilla equity while investing at the entity level, considering the longer-term focus at the entity level, and also the limited availability of structural options while investing at this level.

Entity-level investment is an efficient strategy to get a firmer foothold in the real estate market. It allows a private equity investment firm to not only deploy its capital but also gain synergetic skills in the real estate marketplace

The major reason for this change is that institutional investors are now looking at long-term partnerships with fruitful returns over a long period, rather than the earlier focus on short-term gains.

COMMERCIAL REAL ESTATE RETAINS THE WINNING HAND

As anticipated, the commercial office segment accounted for the maximum share with 59% of entity-level investments over the last four years.

- Entity-level investments in commercial real estate accounted for a mere 13% share in 2015-2016
- Such investments increased to a share of nearly 74% during 2017 and 2018 (approx. USD 2.5 bn.) **(See table)**

WHAT CHANGED THE GAME?

The constant talk of these factors has, perhaps, become something of a cliché. Nevertheless, it was primarily the improved transparency brought on by a completely new regulatory approach and policy regime that turned the tide for Indian real estate. There were also far more favourable macro-economic indicators, including IMF's forecast of India's GDP growth rate, at play.

Thanks to these positive market signals, private equity investors once again reposed their faith in the Indian real estate sector - particularly in commercial real estate. In fact, the new sunshine sectors of logistics & warehousing as well as retail real estate attracted entity-level PE investments.

The residential sector, on the other hand, witnessed a massive decline in entity-level PE inflows - here, investors favoured investments at the project level as this mitigated their risk exposure in a very uncertain market segment.

OTHER KEY TAKEAWAYS:

- In the past four years, out of total USD 4.4 bn entity-level investments in real estate, the commercial segment received a 59% share, followed by residential with a 18% share, logistics & warehousing at 13%, mixed-use projects at 6% and retail at 4%.
- Massive growth in the commercial sector - from just 13% of a total of USD 1.1 bn funds at entity level in 2015-2016 to 74% of a total of USD 3.3 bn in 2017-2018.
- The period between 2017-2018 saw meaningful entity-level investments in the logistics & warehousing sector; entity-level investments in retail also picked up in this period (after a lull in 2015 - 2016).
- Entity-level investments in residential real estate witnessed a sharp drop - from a 62% share to just 4%.

The author is, MD & CEO, ANAROCK Capital

CO-WORKING SPACES SET TO TOUCH A NEW HIGH

Co-working spaces have now moved beyond their initial role of acting as providers of flexible and vibrant workspaces. Today, they are acting as business enablers for start-ups as well as large corporates, says Ramesh Nair

OVER the last few years, co-working spaces have gained popularity with start-ups, small and medium enterprises (SMEs) and large corporates. Unlike the traditional business centres, co-working offices offer unique amenities such as a gymnasium, spa, a food court, gaming zones, sleeping pods, crèche services etc. These attributes have helped popularize co-working spaces among employees, entrepreneurs and corporates alike.

An analysis of leasing trends in the top seven cities in India in the report by JLL and FICCI 'Co-Working: Reshaping Indian Workplaces' clearly reflects the rising proportion of mainstream corporates and established entities from different sect ors in the total co-working space leased. Space taken up by the co-working segment has doubled to 3.9 mn sq. ft. in 2018 compared with 2017. Cumulative space taken-up by co-working segment from 2017 to 1Q19 is 6.9 mn sq. ft.

There is more. The co-working share in office leasing in the top seven cities of India increased from 5% (2017) to 8% (2018) and this moved up further to 12% in 1Q2019.

Large scale investments: Naturally investments have been pouring into this sector. According to JLL estimates, at the end of May 2018, close to $400 million would be invested in co-working space. The trend has continued until now. As a result, the flexible workspace segment is likely to attract over $1 billion in investment during FY 201 9-20. The trend is fuelled in part by the sleuth of large enterprises that have started moving into flexible workspace solutions. This has also resulted in commercial real estate markets seeing a larger shift - wherein flexible workspaces account for a larger share of absorption.

Scaling up: Huge investments in the sector are enabling shared space providers to scale up faster by utilising these funds. The scaling up is not only in terms of geographical expansion, but also technological innovation. Besides the top seven cities, co-working operators are venturing into tier 2 cities such as Jaipur, Goa, Chandigarh and Lucknow. It is expected that smaller cities would further see the growth of co-working spaces as they are witnessing a spurt of start-ups and incubation spaces.

Investments have also enabled co-working spaces provide upgraded facilities and amenities that traditional business centers do not offer like a gymnasium, spa, a food court, gaming zones, sleeping pods, crèche services and so on.

Enabling start-ups: Interestingly, co-working spaces are not only playing an important role in office leasing markets but also supporting the growth of start-ups and enabling accelerator programs which help them grow. While co-working spaces are catering to the requirements of large enterprises, they are also providing start-ups and SMEs a well- structured office space from where they can work and grow.

For instance, co-working player Incuspaze recently announced its collaboration with Small Industries Development Bank of India (SIDBI) to support micro and small enterprises (MSEs) and start-ups with a well-managed space to meet their office requirements. Whilst, Incuspaze will develop and operate the co-working space, SIDBI will provide support to the start-ups to grow further.

Co-working spaces have now moved beyond their initial role of acting as providers of flexible, vibrant workspaces. Today, they are acting as business enablers for start-ups as well as large corporates.

CO-WORKING SEGMENT IS LIKELY TO ATTRACT OVER $1 BILLION IN INVESTMENT DURING FY 2019-20

WITH GREATER PENETRATION ACROSS CITIES, CO-WORKING SPACES ARE PLAYING AN IMPORTANT ROLE IN SUPPORTING THE GROWTH OF START-UPS AND ENABLING ACCELERATOR PROGRAMS FOR A NUMBER OF NEWLY FORMED FIRMS

CO-WORKING OPERATOR	FUND/INVESTOR/JV PARTNER	YEAR
Innov8	OYO Hotels & Homes: acquired Innov8	2019
Incuspaze	Small Industries Development Bank of India (SIDBI)	
Workspace	SmartOwner Capital Growth Fund	
91Springboard	FreakOut	2018
IndiQube	WestBridge Capital Partners	
Creator's Gurukul	A group of individual investors	
Corporatedge	SIDBI India Opportunities Fund	
Awfis Space Solutions	Sequoia India, Innoven Capital and The Three Sisters: Institutional Office	
WeWork India	Embassy Group - JV Partner	2017
BHIVE	Blume Ventures	
Innov8	LetsVenture & Venture Catalysts	
The Office Pass	A group of individual investors	
91Springboard	Sandway Investment Ltd, Pearl Brook Holdings, AMA Holdings, Silo Holdings and Al Nour	
InstaOffice	Globevestor and other angel investors	

Source: JLL Research & Secondary Sources

JUDGEMENTS IN A NUTSHELL

HOME BUYERS WILL HAVE THE RIGHT TO APPROACH NCLT

THE Supreme Court of India has delivered its landmark judgment while upholding the constitutional validity of the Section 5(8) (f) of the IBC Code which gives right to the Homebuyers to approach the National Company Law Tribunal under the Insolvency & Bankruptcy Code.

Around 400 Home Buyers of 79 different Builder Companies were represented by Advocate Aditya Parolia and Advocate Piyush Singh of PSP Legal, Advocates and Solicitors before the Supreme Court of India. Detailed arguments were led by the dedicated team of PSP Legal in order to substantiate the case, concerns of homebuyers and necessity of this law.

The writ petitions were filed by as much as 200 builder companies challenging the 2nd the amendment made to the Insolvency & Bankruptcy Code, where Homebuyers were given the right to be considered as Financial Creditors, before the Supreme Court of India - Court 5. A special 3 judge bench was constituted to hear these matters. That matter was concluded only after detailed arguments were heard by the Hon'ble Court for almost 3 weeks by both the sides and the Union of India.

The Builders were represented by the lawyers like Dr. Abhishek Manu Singhvi, Mr. Shyam Diwan, Mr. Jayant Bhushan, Mr. Arvind Datar, Mr. Neeraj Kishan Kaul Mr. Krishnan Venugopal and many other senior lawyers. The Union of India was represented by the Solicitor General of India and by Addl. Solicitor General of India Ms. Madhavi Divan.

The lead matter was filed by Pioneer Urban Land and Infra Structure Ltd against Union of India and home buyers. In the lead matter Pioneer was represented by Dr Abhishek Manu Singhvi and his team and Home buyers were represented by Aditya Parolia and Piyush Singh of PSP Legal.

This will be a remedy against all those projects which have been delayed and builders who do not intend to return the money to the buyers or complete the construction. Further, this law will endeavour to resuscitate the companies who have abandoned the projects after collecting huge amount of money from the innocent homebuyers or companies who cannot deliver on their promises. The law of IBC is very progressive in nature and it will not only restructure the real estate industry but also will create a deterrent on fraudulent builders. (Source: PSP Legal, Advocates & Solicitors).

NCLT

SALE OF MORTGAGED PROPERTY

The Supreme Court has set aside the judgement of the Uttarakhand High Court and stated that high courts should not interfere in the sale of properties pursuant to default in repayment of loans.

In this case, Pradeep Kumar vs. UPFC, a firm borrowed funds from the UP Financial Corporation but did not pay instalments. Before selling the mortgaged property under the State Finance Act, the owner of the property already sold it to another and there was a resale too. In the dispute over the sale, the high court cancelled the sale in favour of the purchaser from the corporation. He appealed to the Supreme Court. It quashed the high court order stating that the corporation had the power to sell the mortgaged property and courts should not interfere in such private sales of property. (Source: Business Standard).

Homebuyers to remain cautious before filing an application against Real Estate developer/Company

The AAA Insolvency Professionals LLP Legal team has done an analysis of a recent judgment passed by the Hon'ble Supreme Court in the matter of Pioneer Urban Land and Infrastructure Limited and Anr. v. Union of India where a challenged was preferred by builders against the status of financial creditor accorded to the homebuyers' under the Insolvency and Bankruptcy Code, 2016 ('IBC').

As per the decision rendered by the Supreme Court, once prima facie default is made out on an application under section 7 of the Code, the burden shifts on the promoter/real estate developer to establish that:

- Allottee is himself a defaulter;
- Insolvency Process has been invoked fraudulently;
- Allottee is a speculative investment and not genuinely interested in purchasing a flat/apartment;
- Allottee does not go ahead with an obligation to take possession of the unit.

Once the promoter/developer fails to establish any of the above-mentioned points, the NCLT shall admit the petition filed by the Homebuyer(s) and push the Company into Corporate Insolvency Resolution Process.

The Supreme Court also categorically added that Real Estate (Regulation and Development) Act ('RERA') and IBC must be read harmoniously, however, in case of a conflict, IBC shall take precedence over RERA.

Liability of guarantor in event of default by the borrower was limited only to extent of value of mortgaged property

Where in terms of Corporate Debt Restructuring (CDR) agreement, petitioner stood as a guarantor in respect of loan taken by 'A' Ltd. from respondent bank and mortgaged its property, in event of default committed by 'A' Ltd. in repayment of loan, liability of petitioner was limited only to extent of value of mortgaged property and, thus, petitioner could seek discharge of same by paying value of said property.

Section 13, read with section 17, of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) - Enforcement of security interest - Respondent and some other banks constituted a consortium with respondent bank being lead bank - They sanctioned financial facilities to tune of several crores to 'A' Ltd. - 'A' Ltd. defaulted in repayment of loan and, consequently, its account was declared as NPA - 'A' Ltd. requested bank for restructuring of loan - Accordingly, Corporate Debt Restructuring (CDR) was executed in term of which lender was obliged to raise guarantees for fulfilment of terms and conditions of CDR - Petitioner stepped into offer guarantee by mortgaging its property - Subsequently, 'A' Ltd. defaulted in implementation of CDR package and, consequently, respondent issued a notice under section 13(2) to petitioner reflecting entire amount due and payable - Respondent also initiated proceedings for acquiring possession of mortgaged property - Whether since liability of petitioner was limited only to extent of value of mortgaged property, petitioner could pay value of property and seek discharge of same - Held, yes - Whether in view of fact that petitioner had already deposited certain amount with DRAT, instant petition was to be disposed of with a direction to deposit a further amount of Rs. one crore and on compliance of such term, petitioner would not be dispossessed from property in question - Held, yes [Paras 11, 15 and 16]. Delhi High Court. (Source: Taxmann.com).

Temporary /makeshift superstructure not eligible for Section 54F exemption

In the case of Shri Harshad M Thakkar (Gandhi) Vs DCIT (ITAT Ahmedabad), the judiciary has held as follows:

"The vast open land with naturally grown grass, a grossly asymmetric consumption of land for construction of superstructure (cost less than 1% of total costs), the occupation of the superstructure by a watchman/caretaker clearly indicates that such superstructure cannot be mechanically reckoned as a residential house.

The existence of vast parcel of open land is a reality. We thus find it utterly difficult to put blinkers on tell-tale facts. The superstructure claimed to be a residential house is clearly superficial and does not go hand in hand with ground realities. It is totally unconceivable that a token and symbolic superstructure of temporary nature involving insignificant construction costs or land occupying negligible space (created with an object to typically accommodate a watchman to safeguard the land) would convert huge parcel of land into a residential house.

As we see in nutshell, cost of land exceeds 99% of the total cost of new investment in so called residential house. Likewise, land used for construction of superstructure is less than 1% of total area. The superstructure is jointly owned and devoid of basic amenities and actually used by the caretaker of lands. The unflappable facts narrated above when seen cumulatively seals the narrative against the assessee. The sale consideration is thus essentially appropriated towards purchase of land per se and not towards construction of residential house as enjoined by S. 54F of the Act. We thus find no plausible reason to interfere with the conclusion drawn by the Revenue authorities," said the judge.

NCLAT quashes insolvency proceedings against NCR realty firm

The National Company Law Appellate Tribunal (NCLAT) has set aside insolvency proceedings against Paramount Propbuild, noting that no notice was served to the NCR-based real estate firm before initiating the debt recovery

process.

The appellate tribunal dismissed the application filed by Ultimate Infracity, an operational creditor of the company and directed the National Company Law Tribunal (NCLT) to close the proceedings.

The tribunal also set aside the order of NCLT appointing a resolution professional to run the company, declaring moratorium, freezing of accounts and other orders.

"In effect, order passed by Adjudicating Authority (NCLT) appointing 'Interim Resolution Professional', declaring moratorium, freezing of account and all other orders passed by Adjudicating Authority pursuant to impugned order and action taken by the 'Resolution Professional', including the advertisement published in the newspaper calling for applications and other orders and actions as taken are declared illegal and are set aside," the NCLAT order said. The appellate tribunal also observed that parties have also reached the settlement on December 1, 2018.

Buyer can claim interest even for a 22-month delay in possession:

Consumer commission

In a city where inordinate delays in receiving possession of flats have become commonplace, the state consumer commission has held that even a delay of 22 months entitles a flat buyer to claim interest, reports the Economic Times.

The commission ruled in favour of Malad resident Neela More who had booked a 607 square feet flat for Rs 13 lakh in June 2000 but got its possession 22 months later, in April 2002. In addition to the 24% interest levied for the 22 months on the Rs 13 lakh, the state commission ordered the builder to pay Rs 1 lakh as compensation for the mental agony caused.

Builders' cannot use 70% of homebuyer's money to repay their bank loans

Real estate developers should not repay loans taken from the banks and financial institutions by using the funds collected from allottees of a project, ordered Haryana Real Estate Regulatory Authority (HRera) and UP Real Estate Regulatory Authority (UPRera). According to a law 70 per cent of the total amount collected from the homebuyers is meant to meet construction and land cost of the project, the regulatory authorities said. In one of the cases in Gurugram, the local bench of Haryana Real Estate Regulatory Authority (HRERA) has directed the Gurugram Police commissioner to file a criminal case against Indiabulls Housing Finance Limited, Industrial Finance Corporation of India Limited and PNB Housing Finance Limited for misappropriation of homebuyer's and allottee's money from RERA accounts, which was kept in reserve for the completion of the projects, according to a news report in ToI.

According to HRERA Gurugram chairman, Dr. K.K Khandelwal said since the regulatory authority is constituted, it is the first-of-its-kind decision, in which it has been asked from the police to initiate action against the financers. As per the national publication, the authority has taken a serious note of the fact that lending institutions fraudulently and arbitrarily withdrew 100 per cent of the receivable deposited in the Rera account which is a violation of Section 4(2)(l)(D) of Rera, 2016. According to the RERA provision, the law provides that "70% per cent of the amounts realized for the realty project from the allottees, from time to time, shall be deposited in a separate account to be maintained in a bank to cover the cost of construction and the land cost, and shall be used only for that purpose."

TENANTS AND OWNERS

Tamil Nadu Regulation of Rights and Responsibilities of Landlords and Tenants Act, 2017

IN July, 2017 the Tamil Nadu State Government introduced a bill to promulgate the Tamil Nadu Regulation of Rights and Responsibilities of Landlords and Tenants Act, 2017.

Less than two years later, from February, 2019 the bill has become a reality as it became an Act. The new tenancy act is aimed at balancing the rights, duties and interest of the tenant and owners / landlords. This Act will replace the Tamil Nadu Buildings (Lease and Rent control) Act, 1960 commonly known as the "Rent Control Act".

Under this Act, the government proposes to constitute a RERA like legislation with respect to rent accommodations. It proposes to create a rental authority, Courts and a Tribunal to deal with rent and its related issues. It aims to balance rights of the owners and tenants.

A look at the salient features of the latest tenancy Act:

- This Act will become applicable to renting out of properties in all urban areas of the State. However, the Act will not govern accommodation provided by the government and or institutions that lease properties as part of its service contract, notified religious and charitable trusts, Wakf property and registered Trusts.
- After the commencement of this Act, no person can take on rent a property / accommodation except by entering into a written agreement and registering the agreement within the stipulated time limit with the rent control authority. Such registration shall be done jointly by the tenant and the landlord.
- Definitions have been made more inclusive - for instance, the definition of "Landlord" includes not just the person whose name is in the tenancy agreement, but also a person entitled to receive on behalf of the landlord including such others - Trustees, Guardians, Receivers and Successors in interest. The definition of "Tenant" is also expansive and includes sub tenants and includes every person occupying or in possession of the property.
- The Act contains an open ended provision enabling the parties to mutually determine and fix the security deposit. However, if the agreement is silent on the same, then not more than 3 months' rent can be collected as security deposit.
- There is an express provision on subletting that states that a tenant cannot sublet premises without the prior consent of the landlord. There is also an express provision that the tenant cannot charge rent to the sub lessee an amount higher than the rent paid by the tenant to the landlord. However, there seems to be no express provision restricting the landlord from doing the same.
- In the event of the death of the tenant, his / her heirs: parents, spouse, children - son, unmarried daughter and daughter-in-law (being the widow of an already deceased son) shall continue to live in the premises as long as the tenancy agreement continues.
- The Act introduces the concept of a Property Manager - an individual / a company to act as an

agent on behalf of the landlord. Such property managers can collect rent from the tenant, carry out essential repairs and inspect the premises from time to time. The landlord shall inform the tenant about the property manager by providing relevant details. Also the property manager has to suitably inform the tenant of inspection of premises at least 24 hours prior to such inspection. The property manager can also act as an intermediary between the landlord and tenant in the event of dispute resolution.
- A three tier hierarchy is proposed to be put in place - (i) Rent authority (ii) Rent Court and (iii) Rent Tribunal.
- The Rent authorities in every district would be created / constituted. Such quasi-judicial authorities will be headed by a Deputy Collector rank officer to resolve disputes between tenants and landlords. (ii) Rent Court will be headed by a member of the State Judicial services. The Rent Tribunal is a multi-member body to be headed by the retired High Court Judge and will have the appellate authority over matters arising on appeal from the Rent Court.
- The civil court has no jurisdiction over suits or proceedings under this Act. Similarly the jurisdiction of the Rent courts are limited to the tenancy agreement under this Act. Questions such as title and the ownership of the premises shall not be decided by the Rent courts.
- The State government has launched an exclusive portal to register the agreements and obtain a tenancy registration number. This when jointly registered by the tenant and landlord will be sufficient evidence to establish a relationship between both parties.
- The Act clearly lays down responsibilities of both the tenants and landlords - such as Landlord: structural repairs (except those caused by damages by tenant), plumbing, internal wiring and whitewashing.
- Any disputes between the tenant and the landlord shall be heard and decided by the Rent Courts which shall be created / constitutes in each District. The decision by such Court shall be considered final.

Land is a State subject as per the second list of the seventh schedule of the Constitution of India. Hence legislations are governed by the respective States. The erstwhile "Rent Control Act" was perceived to contain provisions favouring the tenants. The latest tenancy Act, modelled on the Centre's Tenancy Act is aimed at maintaining a balance in protecting interests of the tenants and the landlords. With ever increasing demand for rental accommodations / property, the enactment of the new legislation is timely and the need of the hour.

TAX IMPLICATIONS OF OWNING MORE THAN ONE HOUSE

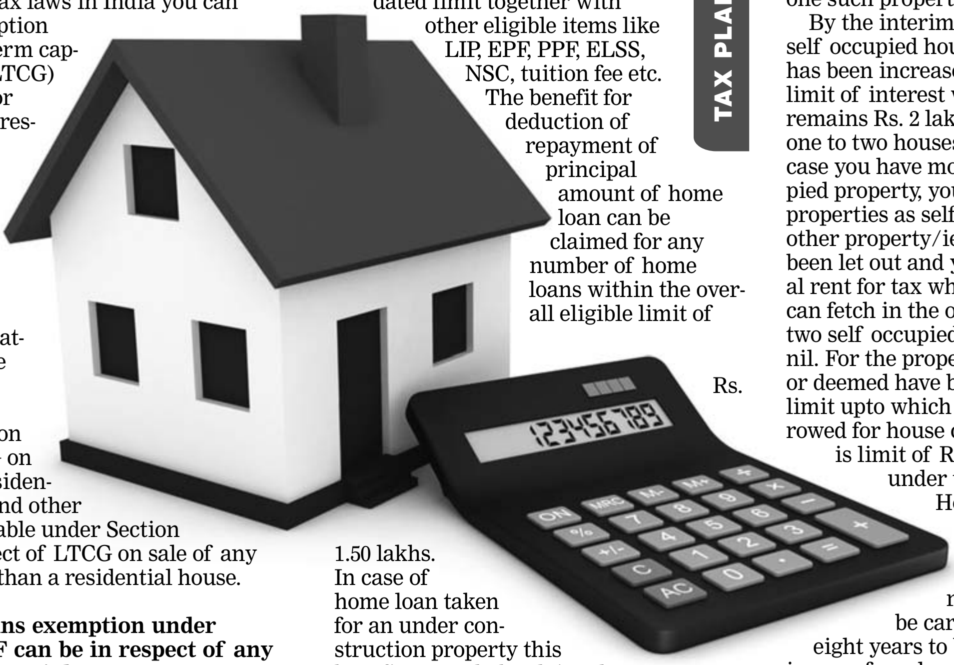
The deduction in respect of interest can be claimed for any number of properties. It is available from the year in which the possession is taken. The interest paid during the construction period can be claimed in five equal installments starting from the year of possession

By BALWANT JAIN

PEOPLE frequently ask me as to how many house one can buy and own at a time in own name. The answer is as many as you want and can afford. So there are no restrictions under the tax laws or general laws on the number of houses you can own. Likewise I also get queries as to for how many houses I can obtain the home loan. The answer again is the same. i.e. as many as you wish and you are able to service. But there are certain tax implications in case you own more than one house property. Let us understand the income tax implications.

CAPITAL GAINS EXEMPTION ON INVESTING IN A HOUSE

As per the tax laws in India you can claim exemption from long term capital gains (LTCG) if you buy or construct a residential house. The exemption for investment in residential houses can be claimed under two categories. One exemption available is under Section 54 for LTCG on sale of a residential house and other one is available under Section 54F in respect of LTCG on sale of any asset other than a residential house.



Capital gains exemption under Section 54F can be in respect of any land, commercial property or even shares companies whether listed or unlisted etc.

For claiming exemption under Section 54F one of the condition to be satisfied is that you should not be owning more than one house other than the one which in which the investment is being made. So in case you already own two houses on the date of sale of the asset subject matter of sale, you are ineligible to claim this exemption. It may be noted that no such pre condition of owning a particular number of houses is prescribed under Section 54 in case the capital gain arises from sale of a residential house and you want to claim exemption by investing in another house.

DEDUCTION IN RESPECT OF REPAYMENT OF PRINCIPAL OF HOME LOAN

You can claim deduction for principal repayment of home loan, taken for residential house from specified entities like banks, housing Finance Companies, Central Government, State Government etc under Section 80 C upto Rs. 1.50 lakhs. This limit is a consolidated limit together with other eligible items like LIP, EPF, PPF, ELSS, NSC, tuition fee etc. The benefit for deduction of repayment of principal amount of home loan can be claimed for any number of home loans within the overall eligible limit of Rs. 1.50 lakhs.

In case of home loan taken for an under construction property this benefit can only be claimed from the year in which construction is completed or possession is taken.

DEDUCTION FOR INTEREST ON MONEY BORROWED FOR BUYING/CONSTRUCTING A HOUSE

The deduction in respect of interest can be claimed for any number of properties. It is available from the year in which the possession is taken. The interest paid during the construction period can be claimed in five equal installments starting from the year of possession. Till last year the tax laws allowed you have one house property as self occupied and deduction for interest was available for one such property upto Rs. 2 lakhs.

By the interim budget 2019 the limit for self occupied house which one can have has been increased to two but the overall limit of interest which can be claimed remains Rs. 2 lakhs whether you occupy one to two houses for self occupation. In case you have more than two self occupied property, you have to opt any two properties as self occupied and then the other property/ies are deemed to have been let out and you have to offer notional rent for tax which the other property can fetch in the open market. For upto two self occupied properties this value is nil. For the properties which are let out or deemed have been let out, there is no limit upto which interest on money borrowed for house can be claimed but there is limit of Rs. 2 lakhs for losses under the head "Income From House Property" which can be set off against other income. However the losses which remain unabsorbed can be carried forward to next eight years to be set off against income from house property.

So from the above discussion it becomes amply clear that instead of buying multiple houses in your own name, it makes sense for you to buy houses in the name of different family members.

The author is a tax and investment expert. He can be reached through email: jainbalwant@gmail.com

GST ON REAL ESTATE

TIME FOR BUILDERS AND OFFICIALS TO ENRICH GRACEFULLY

Recent changes in real estate confusions galore — common man at mercy opportune time for builders camp; Officials to enrich gracefully

GOODS & SERVICES TAX

By S N PANIGRAHI

IN the recent times there are Headline News and Flashes in many Electronic Media about GST rate slash to just 1% & 5% from as high as 8% & 12%. It might have enthused the common man before election time.

The GST Council in its 33rd, 34th Council Meetings recommended the reduction in GST rates on residential house properties and accordingly notifications were flashed. There may be some good intention behind it in line with Government's vision to provide every citizen to afford to own a house by 2022. The measure also may be seen to boost demand so as to ease out the huge pileup of un-sold inventory in the real-estate sector which is somehow denting the growth of economy. However, the Intentions are not seeming to be translated truly to ground level.

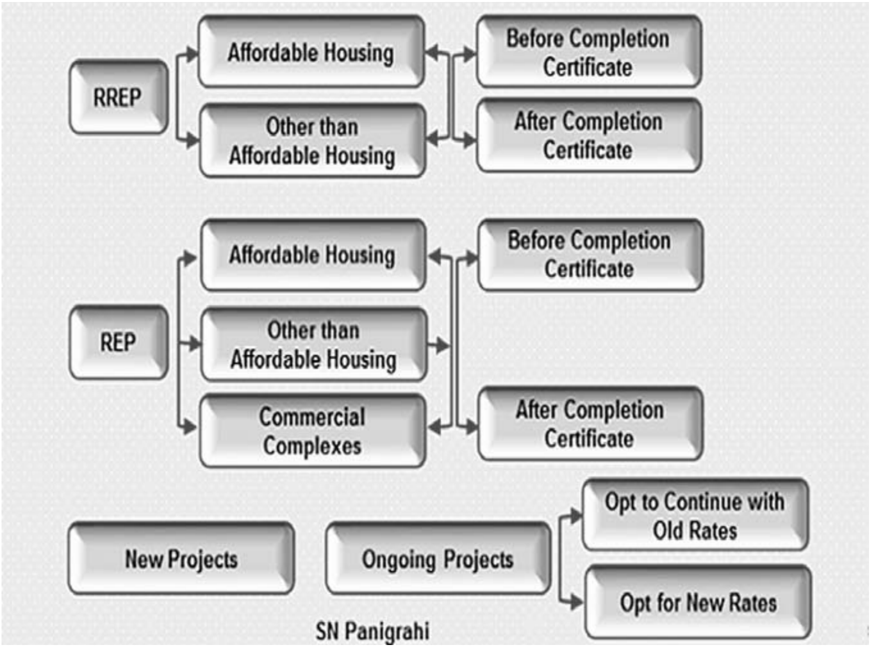
LET'S HERE ANALYSE SOME OF THE MAJOR ISSUES:

Multiple Schemes - Multiple Rates

The GST Rates applicable depending on multiple factors such as REP, RREP, Affordable Housing, Other than Affordable Housing, Commercial Complex, Completion Certificate Received or Not, New Project or Ongoing Project, Whether Builder has exercised the Option to Continue with Old Rate with ITC or New Rates with ITC etc,.

That means now for the similar flats, multiple rates are applicable depending on various conditions, which may lead to a lot of confusion, even experts in the field unable advice the buyers properly and builders do not disclose all the facts. When Confusion Prevails, Seeds of Corruptions Germinates. Unscrupulous builders may encash this opportunity mislead the public to collect higher rates .**(See table)**

Multiple Definitions / Abbreviations: In a 27 page Notification 03/2019-Central Tax (Rate),dt. 29-03-2019 many Terms are used and provided their definitions, meaning or explanations like apartment, project, affordable residential apartment, promoter, Real Estate Project (REP), Residential Real Estate Project (RREP), ongoing project, commencement certificate, development works, external development works, internal development works, competent authority, carpet area, Real Estate Regulatory Authority, Residential apartment, Commercial apartment, floor space index (FSI) etc and many more explanations, in stroke. One has to understand the relevance and its applicability to determine GST Rates.



MULTIPLE NOTIFICATIONS

Following Notifications are issued amending various provisions as below: ***(See table)***

With Multiple Scenarios & Options and Multiple & Complex Calculations and Lengthy Descriptions, Definitions, Abbreviations, Notifications with Cross References, every one alike confused and unable to come to any conclusions & decisions.

- Common Man - Buyer is Confused of Which Rate is Applicable on Residential Apartments as there are mix of offerings with New Rates of 1% & 5% or Old Rates of 8% & 12% or No GST applicable.
- Builders / Developers Confused and unable decide on which option is better and its implications.
- Consultants Confused unable advice the Clients properly
- Officials are in great mess washing out their hands

Whether Reduction of Rates Benefit the Buyers?

Recent Notifications issued by CBIC effective from 1st April 2019

03/2019-Central Tax (Rate), dt. 29-03-2019	Amend Notification No. 11/2017- Central Tax (Rate)	**Notify CGST rates of various services as recommended by Goods and Services Tax Council for real estate sector**
04/2019-Central Tax (Rate), dt. 29-03-2019	Amend Notification No. 12/2017- Central Tax (Rate)	Exemption of services as recommended by Goods and Services Tax Council for real estate sector.
05/2019-Central Tax (Rate), dt. 29-03-2019	Amend Notification No. 13/2017- Central Tax (Rate)	Specified services to be taxed under Reverse Charge Mechanism (RCM) as recommended by Goods and Services Tax Council for real estate sector.
06/2019-Central Tax (Rate), dt. 29-03-2019		Notify Certain Class of Persons by Exercising Powers Conferred under Section 148 of CGST Act, 2017
07/2019-Central Tax (Rate), dt. 29-03-2019		Notify certain services to be taxed under **RCM under section 9(4)** of CGST Act as recommended by Goods and Services Tax Council for real estate sector.
08/2019-Central Tax (Rate), dt. 29-03-2019	Amend Notification No. 1/2017- Central Tax (Rate)	Notify CGST rate of certain goods as recommended by Goods and Services Tax Council for real estate sector.
16/2019 – Central Tax 29th March, 2019	Central Goods and Services Tax (Second Amendment) Rules, 2019	Amendments in GST Rules (Rule 41, Rule 42 and Rule 43)

The GST rate for residential houses was reduced to 1% from 8% for affordable housing and to 5% for other than affordable housing from the existing rate of 12% subject to some other conditions. The new rates are applicable from 1st April 2019. The new rates applicable are without availing benefit of the input tax credit which is the crux of the issue.

Though on the face of it seems GST rates are reduced, but since the Non-availability of Input Tax Credit, may compel the Builders to hike up the prices. The quantum of Input Tax Credit is not known. Figures in the books of accounts are mostly manipulated. For home-buyers, the rate change may not lead to a proportionate reduction in housing prices as the developer will not take on the burden of the input tax credit and it would be hence factored in the cost.

Despite clear provisions in the statute, mandating issue of Tax Invoice, Builders never issues such documents to the buyers. There is also no concept like Cost Plus. Generally, the rates are negotiated on inclusive price. The industry always operates on Demand & Supply basis making buyer "Bakry" (scamp goat).

THUS THE QUESTION IS WHETHER REDUCTION OF RATES BENEFIT THE BUYERS?

Question remain as question without clear answer.

Builders too Undecided to Opt for the New Scheme

New Scheme with reduced GST rate comes with gambit of other conditions. Non- availment of ITC, mandatory 80% procurement from registered supplier, otherwise paying tax on reverse charge etc are very stringent conditions, the impact and implications of cost and compliance are still in conflicting mode.

Builders are mostly procuring most of their supplies from unregistered suppliers - sand, building materials, and other items even like steel & cement etc are sourced from unregistered for cost advantage or to avoid / evade tax. Mostly labour Contractors are unregistered. Unaccounted buying and consumption of Cement, Steel and other material are also very difficult to ascertain. Now the new conditions, mean more requirements of compliances and possibly a higher cost of inputs.

Undecided to Excise the Option of Continuing with Old Rates or Opt for New Rates, by 10th of May'2019, the extension of date come as a sigh of relief to the Developers. The Date is now Extended by another 10 Days ie upto 20th May 2019. Notification yet to be published. (God Knows still how many such extensions shall be granted)

Confusing Transitional Provisions of the Input Tax Credit

There are multiple methods of allocating input tax credit with complex calculations to provide pro-rata allocation based on credit proportionate to the amount on booking the flat and invoicing done for the booked flat. For mixed projects including commercial space, it would again depend on the proportionate carpet area.

All these calculations are mind boggling to just understand.

TDR, FSI, long term lease (premium) of Land by a Landowner to a Developer : Conditional Exemption

The supply of TDR, FSI, long term lease (premium) of land by a landowner to a developer shall be exempted from GST if the constructed flats are sold before the completion certificate is issued, and tax has been paid on them.

If they have been sold after the completion certificate has been issued, the exemption stands withdrawn, however, the withdrawal is limited to 1% of the value in case of affordable houses and 5% of value in case of other than affordable houses.

Builder shall be Liable to pay tax on TDR, FSI, long term lease (premium) of land under RCM in respect of Flats sold after Completion Certificate. This will add up tax expense, which may not get passed on to the buyers and have to be borne themselves, as GST is not applicable on completed properties.

However, in cases where this exemption applies, it could solve the cash-flow problem that is currently being faced.

SIMPLIFICATION TO COMPLICATION

In the Name of Simplifying the Provisions and pass on benefits of reduction of rates, it's now more Complicated the Matter with Bureaucratic Intelligence Forcefully Imposed on Public & the Builders who unable to Digest Complexities Still Struggling to make their Buying or Selling Decisions.

It is believed that new provisions are brought hurriedly just before elections to lure common man for voting benefits. Some Builders still hoping some Relief as the New Govt. forms in this Month end.

The Crux of the issue is Complexity

It is well established fact all over the world that Complexity & Compliance are negatively co-related. With increased Complexity, Laxity of Compliance develops and the "Dhekengeh" (Let's see What Happens) attitude pervades and infuses into the minds of the Builders & Developers whose credentials are also very Doubtful. The "Dhekengeh" approach has a hidden flow of undue fortune.

With more Complexity and its Consequential increase in non-compliances, bureaucrats too celebrate making money.

In between the Festive Time of unscrupulous Builders and Corrupt Bureaucrats, the Common man suffers, paying higher amounts to Developers, defeating the very purpose of benefiting the Common man by bringing down the GST rates.

Construction and Infrastructural industry being most money spinners and major sources of funding to political parties, in the recent time they are dried and drained of most resources, finds this again an opportune propitious time to quench their money thrust this summer hot days to make nefarious, iniquitous and atrocious acts gracefully to enrich together with master mind officials who coins new ideas from time and again very frequently to favour the fiendish trade.

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RAINWATER HARVESTING

HOW LONG CAN INDIA AFFORD TO IGNORE IT?

INDIA, which depends almost completely on the annual monsoons, currently faces the most severe water crisis in the annals of its known history. A recent report by NITI Aayog predicted that as many as 21 cities in the country will see the total depletion of their groundwater by as early as 2020.

Even today, our cities run dry like clockwork during summers. Nevertheless, there is still not enough awareness about the simple solution of rainwater harvesting in India. Can we really afford to neglect this straightforward solution any longer?

CITIES THAT ROSE TO THE CHALLENGE:

- In Bangalore, the Bangalore Water Supply and Sewerage Board (BWSSB) has mandated that every structure built on 30x40 sq ft and above and old buildings built on 40x60 sq ft above should install rainwater harvesting. In case anybody fails to do so, he/she must pay a penalty every month. Interestingly, despite its annual water woes, Bangalore gets ample rainfall.

There even are some notable success stories. A R Shivakumar, also known as the city's 'Rain Man' has built a house that is completely dependent on rainwater harvested during the rains. His house 'Sourabha' in Vijayanagar runs on water collected in underground and overhead tanks. Shivakumar has spoken widely on the importance of rainwater harvesting and has played a big role in the establishment of the 'Sir M Visvesvaraya Rainwater Harvesting Theme Park' in Bangalore's Jayanagar area.

(Even though Bangalore has taken strong steps to enforce rainwater harvesting, several studies still number it - right along with the notorious Cape Town - among the 'hot zones' that may run out of water sooner rather than later.)

- Chennai in Tamil Nadu is among the leaders in rainwater harvesting and boasts of several successful examples of water conservation.

Rainwater harvesting is compulsory in the city, and fresh designs for rainwater harvesting structures have been incorporated into the Tamil Nadu Combined Development and Building Rules, 2019. As a notable example, residents of 56 apartments of the Sabari Terrace Complex in Sholinganallur, Chennai planned, designed and implemented a rainwater harvesting structure to collect rainwater on their own terraces.

- In Delhi, the Ministry of Urban Development and Poverty Alleviation has made it mandatory for all new buildings on plots of 100 sq. meters and above to provide for water harvesting through storing of water runoff including rainwater.

- In rural Maharashtra, Shirpur - once an arid, drought-stricken area - has literally turned green due to the adoption of rainwater harvesting. Known as a green district today, Shirpur has - almost solely through the efforts of its residents - built rainwater harvesting systems and small dams to cultivate three to four crops a year.

WATER HARVETING

GETTING IT DONE - STATE LEVEL

Major cities like Delhi, Mumbai, Bangalore, Hyderabad as well as tier 2 cities such as Chandigarh, Indore, Surat and Nagpur do have laws regarding rainwater harvesting. However, it is not good enough for such rules existing just on paper. If the concerned authorities fail to check regularly to ensure their on-ground implementation, rules for rainwater harvesting are obviously are toothless.

State governments can popularise rainwater harvesting by launching awareness drives, not just in urban areas but in rural areas as well. They can promote rainwater harvesting by incentivising housing societies that do comply, such as by offering a rebate on property tax for installing a rainwater harvesting system, severely penalise societies/builders who don't comply.

GETTING IT DONE - LOCAL LEVEL

As some of the above examples show, local initiative can fill the gap even if policy and legislature fail at the city and state level. Individual housing societies take up the challenge of sustaining themselves through the annual water shortage. To do this, they must gauge the average rainfall in their particular area, evaluate how much water the society typically uses and to what extent it can depend on rainwater harvesting to meet those needs, and get their own rainwater harvesting systems in place.

The size of an underground tank will depend on the following factors:

- Number of family members in the society
- Per capita water requirement
- Average annual rainfall
- Period of water scarcity to ensure even distribution of water throughout the year

RAINWATER HARVESTING IN RURAL AREAS

Rooftop rainwater harvesting is among the most common solutions in rural areas as it is a basic, inexpensive method requiring minimum expertise for implementation. In this method, rainwater is collected on the roof and carried to a storage tank from where it goes to the point of consumption. This technique is ideal for supplementing existing water sources which may become brackish or polluted.

Other methods of rainwater harvesting in rural areas include the gully plug and contour bund methods, as well as Gabion structures and percolation tanks.

WATER SHORTAGES WILL GET WORSE

It is said that World War III will not be fought for geographic dominance but solely on the basis of water. This may sound far-fetched to citizens of more developed countries. However, in India there are already daily battles being waged by areas, projects and individuals for access to this precious resource during summers. The conflict potential is indubitably high.

In such a scenario, state governments and local bodies must enforce rules on compulsory rainwater harvesting, and impose hefty penalties for non-compliance. This cannot happen too soon - it must happen now, or India will eventually lose its own Water Wars.

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#Actual Image

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The said project is mortgaged to Axis trustee services Ltd and financed by Axis bank and PNB housing finance Ltd. NOC/ROC shall be provided on demand by the lenders. The project has been registered via TNRERA registration number TN/01/LAYOUT/0046/2018 and is available on the website http://www.tnrera.in under registered projects.