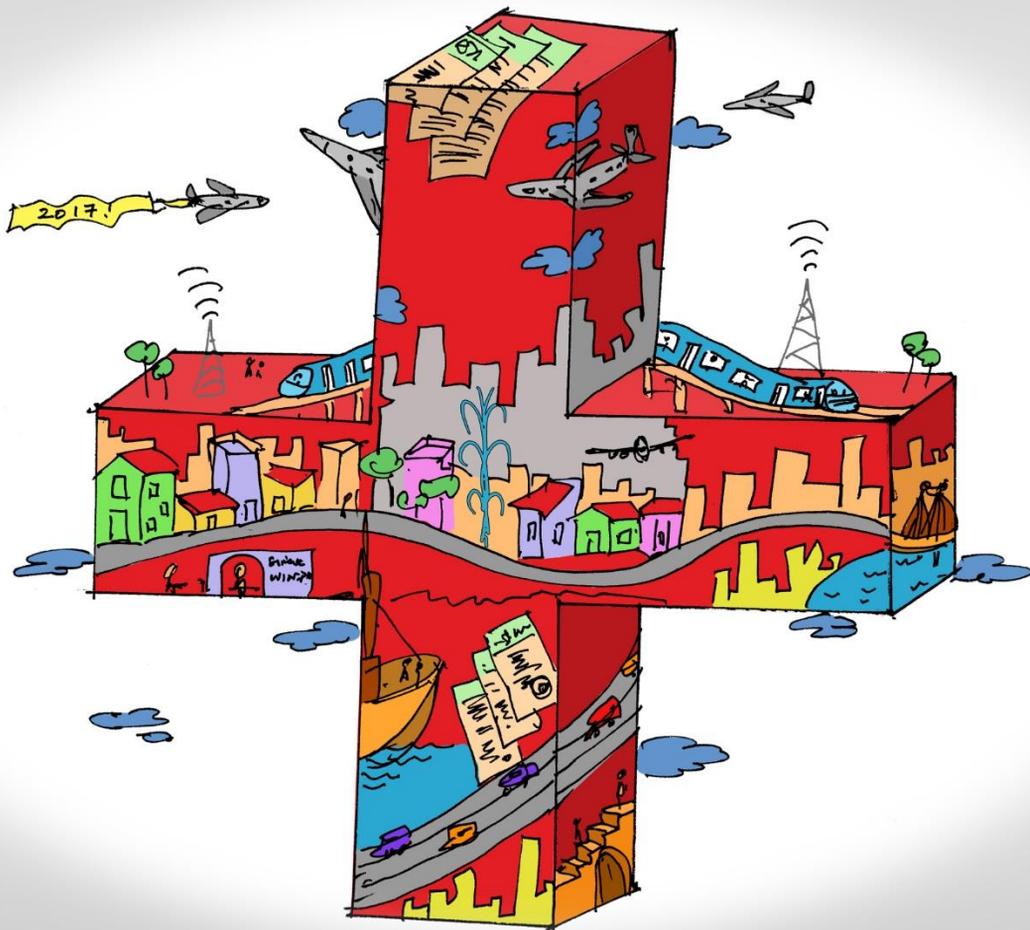




A POSITIVE NOTE



FOR THE REAL ESTATE SECTOR





FROM THE FOUNDER'S DESK

February was a mixed bag for the Indian realty sector. On the one hand, the Union budget 2017 gave us reasons to cheer, while on the other, status quo on repo rates brought in some disappointment.

Real estate sector had a huge wish-list for the Finance Minister and we are happy that some of our recommendations have seen the light of the day. Needless to say, affordable housing stole the show at Union Budget 2016-17. The Housing sector saw a gamut of policies that aimed at providing a demand-side as well as supply-side impetus to affordable housing. Coupled with this, there was much-needed focus on infrastructure, digitisation of transactions and rural housing.

Infrastructure development has been taken rather seriously by the state governments as well, which is an encouraging sign. The Gurugram-Manesar metro received approval, while the much-delayed Navi Mumbai International airport is beginning to see some signs of development. Not only this, the Dwarka Expressway, which has been on a slow track of development, is sure to get a boost with the involvement of the National Highway Authority of India.

Hyderabad has got its draft master plan ready, and West Bengal launched incentives for faster registration through rebates and stamp duty instalments. The Central government's unwavering focus on Housing for All is a pillar of strength for the entire sector and it has once again proved so by announcing the Interest Subvention scheme for first-time home buyers.

In a nutshell, 2017 has begun on a positive note for the Real Estate sector. We just hope that the implementation of the various schemes announced remains on track.

Pankaj Kapoor

Founder and MD, Liasis Foras Real Estate Ratings and Research Pvt Ltd



MACRO DEVELOPMENTS

More clarity on modalities of Interest Subvention scheme

The benefits of first home will not just be restricted to the EWS or LIG category. Those earning up to Rs.18 lakhs p.a. and buying their first home will now receive an interest subsidy of about 3% points on the principal component of Rs.12 lakhs, while those earning up to Rs.12 lakhs will receive an interest subsidy of 4% points of a principal component of Rs 9 lakhs, The loan tenure for the same will be up to 20 years. We expect that houses costing between Rs.50 lakhs to Rs.75 lakhs in tier I cities should benefit most out of this scheme.

Realtors disappointed over RBI's 2nd straight status quo on repo rate

The status quo on repo rates left developers disappointed. Keeping the current condition of the market in mind, a further rate cut would have really boosted the spirit of first time home buyers. Keeping the rate unchanged for the second time in a row was something unexpected. Demonetisation has caused a knee-jerk reaction in the sector and a flush of liquidity was much needed. This is a perfect time to lure fence-sitters into the market and give it a push, moreso because in the past, banks have rarely passed on the benefits of rate cuts by reducing interest rates. Nevertheless, it seems the realty sector has to wait for another monetary policy update to find some favourable news.

More affordable homes under PMAY (Urban) in 3 states

Affordable housing is progressing at a fast pace. The Union government has approved construction of 90,095 more affordable houses for urban poor under Pradhan Mantri Awas Yojana (Urban) with a total outlay of Rs. 5,590 crore in three states, namely Jammu and Kashmir, Madhya Pradesh and Dadra & Nagar Haveli.

'Challenge Fund' to push states for urban reforms

In a move to expedite Smart City participation amongst states, the Centre has planned to set up a Challenge Fund. The states will become beneficiaries to the Challenge Fund if they gain weightage on maximum adherence to the Modi government's philosophy. These include government certification for land titles, employing value capture financing methods for funding urban development projects, credit rating for municipal bodies, floating municipal bonds and a dedicated municipal cadre. This is indeed an innovative way to incentivise the development of Smart Cities and make the cities adhere to the target.



MMR

Navi Mumbai international airport to be developed by GVK

The path seems to have got clearer for the much-awaited Navi Mumbai International Airport. The GVK-owned consortium, Mumbai International Airport Ltd (MIAL), has bagged the bid for developing the airport and the same is expected to be operational by 2019. The ambitious project had run into several obstacles such as environmental and land acquisition problems as well as awaiting clearances and approvals. It's good news that many of these issues have been resolved and the airport will finally see the light of the day. The Navi Mumbai International Airport will not only decongest the existing city airport but also boost the real estate development of adjoining areas.

Metro work may extend beyond the 10 pm deadline for faster completion

Mumbai Metropolitan Region Development Authority has sought that noise pollution rules be relaxed to extend metro work hours for faster completion of the project. The authority is seeking certain alterations in the noise pollution control rules to expedite the completion of the project. However, this has sparked off a lot of discussions. Environmental activists continue to oppose change in noise pollution control rules, while authorities and residents are of the opinion that the faster the metro rail work gets completed, the lesser the traffic and air pollution. Only time will tell if the work hours for the metro project is extended or stringent pollution control norms will prevail over the issue.



NCR

Gurugram-Manesar Metro gets approved by the Haryana government

The Haryana government has approved a proposal to set up a Mass Rapid Transport System (MRTS) between Gurgaon and Manesar. The work is expected to begin from end of March. Putting the metro connectivity between the financial and industrial hubs on the fast track is sure to boost infrastructure development in the stretch.

NHAI begins to acquire land for Delhi portion of Dwarka e-way

As land acquisition under the National Highways Authority of India (NHAI) is relatively easy, the authority has started the land acquisition process to construct the incomplete portion of the Dwarka Expressway in Delhi. The Expressway is aimed at easing the extra traffic and is one of the most awaited infrastructural projects. A lot of real estate projects are also coming up on the Dwarka Expressway, hence any progress on this front will go a long way in development of the Gurgaon real estate sector.

More areas for real estate may be opened in Gurugram

Availability of land has always been an issue in the real estate sector. To ease things on this front, the Haryana Government has planned to de-notify certain areas in the state marked as controlled no-construction zones. Though the proposed move could cater to the high demand for real estate in Gurugram, urban planners are of the opinion that it might be counterproductive to the long-term development plans as envisaged in the regional, sub-regional and master plans.

Property tax scheme in Gurugram may attract fresh rebate

In an attempt to ease the tax burden on all property owners and make payments convenient, the state government has offered 25% refund and a one-time interest waiver on tax dues and arrears till the end of the current financial year (2016-17). The Haryana government has also announced 1% additional rebate for digital payments.

DDA plans to alter land-use tag for Delhi Metro

The Delhi Development Authority has changed the land-use status of a plot in Trilokpuri, which might ease the construction of a 286m viaduct that is crucial for Line 7. Metro rail is one of the key factors of transit-oriented development these days and any progress on this field paves the path for further growth in realty sector. Many of these developments have been stalled because of controversies on land-use and thus such actions taken by civic authorities helps to reduce delays in these projects.



HYDERABAD

Hyderabad draft master plan ready

The Hyderabad Metropolitan Region (HMR) is all set to have its integrated master plan in the next few weeks. After final touches to the blueprint, the Hyderabad Metropolitan Development Authority (HMDA) has sought permission from the municipal administration and urban development department to release the draft plan. The HMDA has taken measures to integrate all separate master plans for bringing uniformity in land use and zoning regulations along with incorporating features. In the near future, Citizens would be able to access land use details of a particular survey number and also check whether they get permission for a house, all on a single online platform.

AMRAVATI

Some good news for Andhra Pradesh

For the new capital of the State of Andhra Pradesh which is being constructed by innovative land-pooling mechanism without use of the Land Acquisition Act, the Union Finance Minister, Mr. Arun Jaitley, proposed to exempt from capital gains tax, all those who were holding land on 2.6.2014 - the date on which the State of Andhra Pradesh was re-organised - and whose land is being pooled for creation of the capital city under the Government Scheme.

KOLKATA

Faster registration of homes in West Bengal expected in the near future

The West Bengal government has offered incentives to encourage timely registration of properties. The incentive includes 20% rebate on registration fee if buyers do so within a year of the project completion. With registration fee at 1% of the property value, the buyer of a property valued at Rs. 50 lakh can save 0.2% or Rs. 10,000. The government has also proposed registration of the agreement against 2% stamp duty and offered buyers four years to pay the balance 5%, as against the 7% charged even before commencement of the construction.

INDORE

Guideline value of 69 colonies finalised

The district collector's guideline for property rates of as many as 69 newly developed colonies were finalised. Some of the colonies finalised are Sanwer, Rau, Juni Indore, Moti Tabela and Aerodrome. It is also expected that property registration in these colonies will be started soon once approval comes through from Bhopal.



JAIPUR

Jaipur development body plans to meet target for affordable houses

The Jaipur Development Authority (JDA) plans to expedite more allocation to affordable housing. It will now write letters to the Economically Weaker Section (EWS) and Lower Income Group (LIG) category allottees of its residential colonies to construct houses. The JDA plans to achieve its target and thus plans to assist EWS and LIG plot owners to seek loan from banks and provide subsidy on interest amount of loan up to Rs.1.5 lakh.

VADODARA

Vadodara moves a step ahead in the Smart City project

The Gujarat government has provided consent for the formation of the Special Purpose Vehicle (SPV) to handle the Smart City Mission projects in the city. The implementation of the Smart City Mission at the city level will be done by the SPV. It will plan, appraise, approve, release funds, implement, manage, operate, monitor and evaluate the Smart City development projects.



Disclaimer

The content discussed above is based on reports by leading national newspapers. Neither the whole nor any part of this document or any reference to it should be copied or reproduced without Liases Foras' prior written approval.

The data of real estate projects has been collected through field surveys as well as primary and secondary research. As a result of the methodology, sources of information are not always under control of Liases Foras. The information and analytics also undergoes estimates and compilations derived out of statistical procedures. Liases Foras does not by any means guarantee the accuracy of the information provided in the above document. However, Liases Foras undertakes due care and statistical checks in the collection of the data and its research. LiasesForas makes no representation or warranty regarding the standing, credit or otherwise of any person, firm or company mentioned in the above document, or the suitability of the information for any purpose. A person is required to undertake his own due diligence with regard to its investment decisions, and investment decisions should not be purely based on the document presented above.

Under no circumstances shall Liases Foras or any of its successors, parents, subsidiaries, affiliates, officers, directors, shareholders, employees, agents, representatives, attorneys and their respective heirs, successors and assigns be liable for any damages, including loss of money, goodwill or reputation, direct, incidental, punitive, special, consequential or exemplary damages that directly or indirectly results from the use of, or the inability to use, of the information by Liases Foras in the above document.

Authors:**Mr. Pankaj Kapoor****Founder and MD - Liases Foras Real Estate Ratings and Research Pvt. Ltd**Email id: pankaj@liasesforas.com**Ms. Namrata Sen Chanda****Content Manager**Email id: namrata@liasesforas.com**Mr. Murali Raman****Editor & Director - Communication**Email id: murali@liasesforas.com

About Us

Strategic Partner: **dmg** information

Liases Foras: The Pioneer in Scientific Research in Real estate

Founded in 1998, Liases Foras is a non-brokerage research centric firm that offers data and advisory services. Our works on industry and scientific prognosis of the local market is highly regarded. We have an organized and structured data source on real estate and property trends in India, which is updated on quarterly basis by primary market survey.

In 2015, DMG information, UK acknowledged us as their strategic partners.

Data & Coverage

Liases Foras has a geographical coverage of more than 125000 projects all over India. As of today, we monitor more than 18,000 ongoing projects every quarter spanning 55+ cities in India, which comprises 80+ Census cities. We have tracked over more than 50 billion sq ft of Residential, Commercial and Retail supply over time.

PRODUCTS

 <p>Ressex Ressex, our online data interface, provides structured solutions to day-to-day questions pertaining to real estate markets and projects.</p>	 <p>Comparables Comparables is a first of its kind, a unique web based valuation validation tool.</p>	 <p>Developer's Rating It is the first of its kind analysis of the on-ground performance of more than 8500 developers across 55 census cities of the country.</p>	 <p>Business Intelligence and Risk Analytics With our razor-sharp analytics, we help banks, HFCs and corporates to identify the potential opportunity and underlying risks.</p>	 <p>Construction and Approval Monitoring Project Monitoring, Legal Due diligence and Technical evaluation across projects in a single platform.</p>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

ADVISORY SERVICES

 <p>Highest Best use Analysis Every structure belongs to its location and time. The analyses scan into various options to find out the one which gives the highest/ maximum development realisation.</p>	 <p>Valuation Report Liases Foras offers transparent, scientific, data-driven and unbiased valuation solutions.</p>	 <p>Urban Planning Services We prepare City Development Plans outlining the vision and development strategy for unlocking land in a city.</p>	 <p>Consumer Profiling We specialise in the field of real estate-specific consumer surveys.</p>	 <p>Preparing a Design Brief Extending beyond the best-use prognosis, we write uncluttered, contextual design briefs for Master Planners/Architects.</p>
 <p>Product Viability Study This study is to ascertain that the envisaged development and product plan of the developers are correct or risky.</p>	 <p>Risk Reports Risk Reports are carried out primarily to assess the state of the market and measure the price correction during oversupply scenario or default risks in the market.</p>	 <p>Portfolio Optimisation Strategy Every structure has an opportunity cost. We analyse organisational functions, manpower and real estate assets to arrive at an optimal cost-effective portfolio.</p>	 <p>Location & Entry Strategy This study is to understand the growth patterns of a city and real estate developments to ascertain an ideal location for projects or establishments.</p>	 <p>Marketing Strategy Partnering with the developer to formulate a marketing plan keeping in the line with target audience, positioning, product and pricing.</p>

