



Realty Monitor

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- Feasibility Study
- Development Options Study
- Market Research
- Valuation
- Strategy Consulting
- Location Analysis
- Information Memorandum

Join hands in SEZs: Indian businesses tell Japanese firms

August 2, 2009

Tokyo/Osaka (PTI): Indian businesses have asked Japanese firms to make investment and forge technological tie-ups in special economic zones during their week-long visit to Tokyo, Osaka and Yokohama.

At a conference in Tokyo last week, Japan-India Business Co-operation Committee Standing Committee Chairman Yoshihiro Watanabe expressed concerns that

land acquisition in India can take long time for doing businesses there.

To remove apprehensions in Japanese minds, L B Singhal, Director General of the Export Promotion Council of EOUs and SEZs, said land has been acquired for 568 SEZs that have been approved in India.

Of this, 315 zones have been notified also, Singhal said.

"Notified means that after acquisition of land, the



developers have completed all formalities required to make these SEZs operational and they are on the verge of starting their operations," he said, adding that 91 SEZs have started operations.

Source: The Hindu [Read More](#)

SBI cuts home loan rates

August 08, 2009



The State Bank of India reduced its home loan rates further by announcing a three-month-long "SBI My Home Campaign", starting from Saturday. In SBI's home loan scheme, interest rate for the first year is 8%, and for the next two years is 8.5% to 9% depending on size of the loan. It is linked with benchmark lending rates. However, the chairman of the country's biggest home loan lender HDFC, Deepak Parekh criticized SBI, for doing the same.

Source: TOI [Read More](#)

Amid downturn, banks hiked exposure to realty

August 3, 2009

NEW DELHI: Despite the global financial meltdown owing to overexposure to the housing sector, Indian banks were quite bullish in their investments to the real estate.

The total outstanding credit to the real estate sector by Indian banks, both government-owned and private, at the end of March 2009 was Rs 91,500 crore as against Rs 63,000 crore till March 2008. This was not only an increase of 45% over the previous year but was more than double the amount of Rs 44,000

crore exposure of these banks during the boom period of 2007.

The major portion of this huge lending came from government-owned banks. This despite the fact that RBI had prescribed regulatory limits on banks' exposure to individual and group borrowers as a preventive measure given the sub-prime crisis in the western world.

Source: Times of India [Read More](#)



3C Company launches Rs 1,500 cr housing project in NCR

August 06, 2009

Real estate firm 3C Company today announced launch of Rs 1,550-crore residential project in the national capital region, the first phase of which would be completed in the next two years.

The project, Lotus Boulevard, would be funded by real estate private equity firm Red Fort Capital, which has 50 per cent stake

in it.

The global equity firm, which has invested \$300 million in India, said it has already put in Rs 150 crore (\$30 million) in the project.

"The total cost of the project would be around Rs 1,100 crore and the realisation value is around Rs 1,550 crore. The project will be developed in three phases.

Source: BS

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Unitech Q1 net dips by 63%

August 02, 2009

NEW DELHI: Unitech, India's second largest property company, plans to launch 30 million sqft of residential space this fiscal, with focus on low cost homes, even as it recovers from the real estate slump that slashed its profit by 63% and halved its sales for the quarter ended June '09.

The Gurgaon-based firm, which was at the beginning of the year deep into financial trouble due to its high leverage and meagre cash-flow, saw its financial situa-

tion significantly improve after it mopped up \$900 million in two tranches of qualified institutional placement (QIP). The company's debt-equity ratio has fallen from 1.2 at March-end to 0.57 now, a company spokesman said.

The company also raised in the quarter Rs 1,000 crore through sale of assets, including a hotel in Gurgaon, an office building in Delhi and some land parcels.

Source: ET

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Real estate developer has new project

August 08, 2009

KOCHI: Real estate developer Jairaj Projects has launched its new project 'Jairaj Spectrum' on the Sea Port Airport Road. The building, which is coming up in 200 cents, will have 60 flats on 16 floors.



Projects managing director M D Jairaj said that the project was designed to provide a serene ambience to home buyers.

He said that the company's relentless mission to maintain quality, loyalty and credibility in all its business ventures had helped it launch new projects with confidence, despite the economic slowdown.

Source: Expressbuzz

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Anant Raj to invest Rs 450 cr to buy land for housing projects

August 2, 2009

New Delhi (PTI): Taking advantage of the fall in property prices, real estate firm Anant Raj Industries plans to invest Rs 450 crore to acquire a land bank, which it would use for developing low-cost housing in north India. The Delhi-based firm has Rs 750 crore as cash-in-hand, out of which, it has earmarked Rs 450 crore for land acquisition while the rest would be utilised to complete existing projects.

"We feel this is the right time to look at low-cost housing because land is now available at an attractive rate," CEO Amit Sarin told. Sarin noted that land prices have gone down by up to 70 per cent in north India. In prime areas of Delhi and Gurgaon, land prices have declined by 30-40 per cent. The company is in talks with many small builders to buy distressed assets that are available in plenty at present due to a slowdown in the property market.

Source: The Hindu

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Summary

- This is the time when the property prices are at their lowest while the real estate industry has started picking up. Therefore many developers like Anant Raj Industries are seizing the opportunity by buying land parcels for their future projects.
- Though major real estate firms like Unitech have faced decline in their profits, still they are continuing with their residential projects due to low cost involved in the construction.
- With the improving Real Estate scenario in the country, major developers have now started launching new projects. On one side developer "Jairaj Spectrum" has launched a new project in Kochi, and on other side the real estate firm 3C has launched a Rs. 1550 Crore residential project named Lotus Boulevard in NCR, having 50% stakes of Red Fort Capital, a global private equity fund, in the project.

West Bengal plans 1,600 acre township

August 06, 2009

The West Bengal information technology (IT) department has acquired 1,600 acres in Kolkata, close to Vedic Village, to build an IT township.

At a seminar organised by CII in Kolkata, Debesh Das, state IT minister, said, "We have acquired 1,600 acres close to Vedic Village, of which 600 acres will be commercial space for IT companies. Currently the mutation and conversion process is going on for close to 200 acres. It would take around three years for the township to be completed."

According to Das, Akash Nirman is the private party involved in the project. "By December this year, we can give land to any IT company, be it Wipro, Infosys, ICICI or ITC Infotech," Das claimed.

Currently Wipro Technologies has a 6,500-people facility in Kolkata and has sought 90 acres from the state government. Infosys Technologies, too, has sought 90 acres to set up a facility in Kolkata.

Source: BS [Read More](#)

Omaxe launches limited Expandable villas at Omaxe City, Bathinda

August 03, 2009

Omaxe, India's leading real estate developer today launched luxurious and stylish expandable villas in Omaxe City, Bathinda. Developed over an area of approximately 72 acres, the PUDA approved township is being developed with an investment of approximately Rs 200 crore and is slated to reinvent the opulent lifestyle of the residents. The villas start at an unbelievably low price of Rs 17.47 lakh and are strategi-

cally located amidst amenities to make living comfortable. Situated just two kilometers away from Delhi Public School and set in lush green ambience, these villas are surely delightful homes packed with all the modern amenities.

On offer are limited villas on plot sizes of 200 sq yds to 350 sq yds with an option of constructing 2-4 bedrooms. A Special



scheme like never before is also being announced by Omaxe and according to it, the first six allottees of the draw will get discount upto 50%. Draw is scheduled for August 22, 2009 for applications received till August 18, 2009.

Source:EquityBull [Read More](#)

Calcutta Riverside integrated township's first phase to be unveiled by 2011

August 03, 2009

The Calcutta Riverside integrated township presently under development on the banks of river Hooghly in Kolkata will unveil the first phase of the township by 2011. The 262 acre township will be a self-sustained unit, which will house an executive nine hole, 1785 yard, par three golf course, condominiums, luxury villas, waterfront marina and a five-star hotel in addition to a host of recreational and entertainment facilities.

The project is being devel-

oped by Riverside Developers Pvt Ltd, a subsidiary of Kolkata-based Hiland Group. The first phase of development will feature 24 luxury villas and 84 condominium units, overlooking the golf course. The mix use project will be unveiled in five phases and is expected to be completed by 2013. The Calcutta Riverside project's golf course is being positioned at par with Kolkata's three premier golfing destinations and is likely to attract a



substantial amount of tourist traffic and golf enthusiasts. The project will feature a one Lakh sq ft sports clubhouse and an exclusive golf club for members equipped with modern amenities.

Source: HospitalityBiz [Read More](#)

Summary

- The first phase of Calcutta Riverside Integrated township, featuring 24 luxury villas and 84 condominium units, will be unveiled by 2011. The Hiland Group subsidiary is planning to launch an ultra-modern 262 acre township equipped with all luxury facilities like golf courses, five star hotels and entertainment zones in a total of five phases. The project is expected to be completed by 2013.
- The west Bengal IT department has acquired 1600 Acre land for an IT Township. The township will be developed in around three years. A Private firm, Akash Nirman, is also involved in the project.
- Omaxe has launched luxurious and stylish expandable villas in its 72 acre PUDA approved township in Bhatinda. Providing an extremely lucrative scheme to its customers, the company is offering a discount of 50% to the first six allottees of the villas, to be decided by a draw. The draw will be held on August 22 for which applications are invited till August 18.



Commercial office space market poised for growth

Aug 02, 2009

Commercial office space is showing slow but steady signs of recovery. In fact, many companies have been shifting to alternative, cheaper locations due to the cost advantage they offer. Moreover with adequate supply expected to come up in 2009 and 2010 in various cities, the commercial office market stands poised for growth. So which are the ideal locations to invest in commercial office spaces and which should be

given a skip?

According to global real estate consultancy Cushman and Wakefield (C&W), Saket in Delhi, NH8 & Golf course road in Gurgaon, Bandra Kurla complex (BKC) in Mumbai, MG Road in Bangalore and Kondapur in Hyderabad are viable locations. But there are some considerations that need to be taken into account.

Manish Aggarwal from Cushman & Wakefield India says investment in commercial space requires multiple considerations as the risks are greater and so are the returns. "Purchase should be done in consultation with experienced parties where due diligence such as legal, demand-supply and other studies can be undertaken to minimise losses.

Source: ET

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Realtors see rise in commercial inquiries

August 04, 2009

In the past two months, property developers have reported an increased number of inquiries for their properties, indicating the economy is on its way up, clearly visible in companies' recent quarterly results.

This upturn comes soon after an earlier stalling of demand. In February, DLF, the country's largest property developer, said it had stalled construction on 16 million sq ft of commercial space (retail and office) due to lack of demand.

So, too, with other developers like Unitech, Parsvnath and Raheja, who either stalled or slowed the construction of their commercial properties because of a demand-supply mismatch.

Because of a supply-demand mismatch, rentals came down by 30-35 per cent in the past one year in most micro markets and developers were forced to delay their projects.

Source: Rediff [Read More](#)

Nitesh Estates looks to raise Rs 1,200 cr

August 05, 2009

Nitesh Estates, a Bangalore-based realty major, is on private equity trail after Citigroup snapped a \$350-million funding last year, citing the deteriorating economic environment. The firm has now opened talks with Farallon Capital, JP Morgan and TPG Capital for raising capital through equity sale at entity and project levels. It is planning to raise Rs 1,200 crore through a combination of PE deals and a possible IPO.

The company is in the process

of raising around Rs 600 crore through PE placement, while the IPO size could be Rs 500-600 crore. Morgan Stanley is advising Nitesh Estates on the private equity fund raising, which kicked off nearly two months back. Promoter Nitesh Shetty has a 85% stake in the company, while Och-Ziff holds the remaining. When contacted, Nitesh Estates declined to comment.

While investors, like JP

Morgan and Farallon, have been scouting for real estate portfolios, TPG Capital's interest in the sector is relatively new. A banking source confirmed that TPG Capital has been holding preliminary discussions with a few realty players to book assets that are coming in at discounted valuations. Till now, TPG's realty exposure was mainly through a \$10-billion hedge fund TPG-Axon Capital Management.

Source: ET

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Summary

- After a long period of slowdown, the commercial real estate market is finally poised for growth. Companies are now shifting to low cost commercial locations and, with adequate supply expected to come in next few years, the market is ready to take a big leap.
- Nitesh Estates, a Bangalore based firm, is now planning to raise Rs 1200 Crores through a combination of PE deals and IPO. The company is taking services of Morgan Stanley for PE funding.

Demand for Delhi's retail rental drops 25 per cent

Aug 03, 2009

With the economic slowdown impacting consumer sentiments, the demand for retail rental space in Delhi has seen a 25% decline over six months, says a report by the global realty consultant CB Richard Ellis released.



According to the report titled Global Retail MarketView, the demand for retail space has declined across the world as consumers cut back on spending and unemployment continued to rise in many countries. "New Delhi in India saw a 25 per cent decline in a six month period," the report said.

The CB Richard Ellis report said despite a 10 per cent rental decline, New York remained the world's most expensive retail destination followed by Hong Kong, Moscow, Paris and Tokyo, while Delhi ranked 69th on the list.

Source: ET

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EWDPL to offer more retail space to emerging brands

August 06, 2009

NEW DELHI: Real estate player Entertainment World Developers on Thursday said it will offer 10 lakh sq ft of retail space to 20 malls across India under rent-free revenue sharing agreement to 'emerging brands'.

The company hopes to have a sale of up to Rs 600 crore from the concept of 'Treasure Showcase' and has tied up with marketing and franchise solutions company Franchise



India Holdings to select the brands which will be offered space in the malls.

"The concept is modelled on the system of mall-in-mall. We will offer seamless space of ten lakh sq ft in 20 malls, to non-mall brands to offer and sell

their merchandise, free of rent and any maintenance charge," Entertainment World Developers Pvt Ltd (EWDPL) Chairman and MD Mr Manish Kalani said.

He said among 20 malls to be covered under the concept, three are already operational, while 17 are under construction and will be completed by 2011.

Source: BLine [Read More](#)

Pantaloon Retail plans capital expenditure of Rs7bn

August 05, 2009

Pantaloon Retail India has reportedly planned a capital expenditure of Rs7 bn for the current fiscal year and will add 4 million square feet to its existing retail space, chairman Kishore Biyani said. The money would be raised through a mix of debt and equity.

In April, Pantaloon Retail had announced plans to raise nearly Rs15bn through a mix of preferential allotment of shares to promoters and private equity funding to fuel its

Pantaloon Retail is believed to be in talks with Carlyle, Bain Capital, Blackstone and Kohlberg Kravis & Roberts for private equity funding of about Rs11-12bn

growth plans.

It has already raised Rs3.67bn through preferential allotment of shares and warrants to promoters.

The company has already announced plans to invest close to Rs2.5bn within the next year-and-a-half for setting up 10 Central malls in the country.

Source:

IndiaInfoline

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Summary

- According to global realty consultant CB Richard Ellies' report, the demand for Retail rental space in Delhi has declined by 25% in the last six months due to recession.
- EWDPL is offering 10 lakh sq ft of retail space to 20 malls across India under rent-free revenue sharing agreement to 'emerging brands'. The company has hired Franchise India Limited for selecting the suitable 'Emerging brands' for the programme. Out of the 20 malls to be covered under the concept, 17 are still under construction and will be completed by 2011.
- Pantaloon Retail India Ltd is planning to invest Rs. 7 Billion for adding 4 million Sq Ft to its existing retail space. For raising the required funds, the company is already in talks with Carlyle, Bain Capital, Blackstone and Kohlberg Kravis & Roberts.

Infrastructure-based funds back in vogue due to govt's big push

August 03, 2009

MUMBAI: The infrastructure theme in mutual funds industry is like festivals in India. It recurs with predictable regularity to garner mixed response. This year funds that play on infrastructure theme are back in vogue, because of the Budget's emphasis on infrastructure. The government has earmarked Rs 12,887 crore for urban infrastructure, an increase of 87% over the previous year.

This gives an indication for infrastructure funds and investors to align their strategies towards the theme. If reports are to be believed, Reliance MF new infrastructure fund offer has managed to mop up around Rs 2,500 crore. So would these do well to offer good returns? Would it be prudent to invest in these funds? We at ETIG analyse the performance

of existing schemes in bullish and bearish phases in the light recent development in the power sector.

Structure and Performance:

A confusion investors face while investing in infrastructure funds is how different those are from diversified equity funds. They are among the most diversified funds. The confusion has, however, been compounded by the marketing strategy employed by fund houses. Last two years' performance record suggests that around 10 diversified equity funds beat most of the infrastructure funds on returns parameter.

Source: ET

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Metro Rail sparks real estate

August 07, 2009

CHENNAI: The Chennai Metro Rail has become a buzzword not only among people awaiting to commute in the comfort of the air-conditioned trains, but also amidst the real estate sector, which pins its hope on this multi-crore project.

Real estate developers reeling under the pressure of the global recession, confirm that the Metro Rail project has become a determining factor in the escalation of real estate prices in the city.

Land prices around the Chennai Metro Rail project skyrocketed as developers flocked in to invest in these prime locations.

Source: Expressbuzz

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\$10-bl FDI to come into road sector in next 2 yrs: Kamal Nath

August 08, 2009

The Minister of Road Transport and Highways, Kamal Nath, on Friday said that the road building sector in India would receive \$10 billion (Rs 47,950 crore) of foreign direct investment within the next two years.

"I'm confident of bringing foreign investment into building roads and highways in India.

"The country is still an attractive destination for foreign investments," said Nath.

Source: Business Line

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Bidding deadline extended for infrastructure projects

Aug 04, 2009

After receiving a poor response, the UP Housing and Urban Planning Department has extended the deadline by one month for submitting the bids for six of the 10 urban infrastructure projects.

Earlier the bids for the six projects, under the Integrated Urban Rejuvenation Plan, were supposed to be submitted by August 4.

Source: IndianExpress

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Summary

- Government's recent decision of increasing Urban Infrastructure Budget by 87% to 12887 Crores has resulted in festival like situation in the Mutual Fund Industry, where various investors have started aligning their strategies accordingly.
- UP Housing and Urban Planning Department has extended the deadline for submitting the bids for 10 infrastructure projects by one month.
- Chennai Metro Rail project is bringing good news for real estate sector in the city where land prices around the project sites are skyrocketing due to possibility of better mode of transportation facilities in the future.
- The MRTH ministry is quite confident of bringing around \$ 10 Billion dollars of foreign direct investment (FDI) in next two years for building roads and highways in India.

Room revenue declines 34% at five-star hotels

August 3, 2009

Mumbai: When companies cut costs, hotels pick



up the tab. Occupancies, average room rates and revenue per available room have shrunk significantly across India's premium segment hotels in the first quarter.

A Crisil Research report which surveyed six cities, said the average revenue per available room (RevPAR) fell by 34.4%, from Rs 6,583 in June 2008 to Rs 4,315 in June 2009.

Average room rates (ARRs) also edged down 25.5% to Rs 7,639 in June 2009, whereas occupancy rates (ORs) declined from 64% to 56%. The six cities tracked included Mumbai, Delhi, Kolkata, Pune, Bangalore and Goa. Interestingly, occupancy rates at leisure destinations such as Goa have fared better compared with business locations.

Source: DNA

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RCL setting up 'ginger' hotel chain

August 07, 2009

Roots Corporation of India (RCL), a subsidiary of Indian Hotels Company Limited, would invest an estimated Rs. 80 crore for setting up seven/eight more hotels in the current fiscal.

"Apart from the existing ones, we have plan to set up 60-70 hotels in various locations around the country in next four/five years, including in



Pune and Chennai, with many of them already under construction," Chief Executive Officer and Director of RCL, Prabhat Pani.

Pani, who was talking to reporters on the sidelines of the

inauguration of a 94-room 'ginger' facility, the Gennext Smart Basic Hotel, said the expense of each venture would depend on the location, the cost would vary between Rs 8 crore - 10 crore and the proposed hotels would be located in western and southern states.

Source: ET

[Read More](#)

Indian Hotels to raise capital through debt, equity

August 4, 2009

Indian Hotels Company (IHCL), the country's biggest chain operator and owner of the Taj brand, that it would look at various methods of raising funds to meet its future expansion plans, including setting up hotel properties in India and abroad.

"We are seeing various forms of raising debt, as well as raising equity from the market," said Ratan Tata. He, however, refused to elaborate. The amount raised will be used to fund IHCL's target of setting up 45 hotels, which includes

an addition of more than 7,200 rooms over the next four years. The expansion will be seen across all of its existing brands such as Taj, Gateway, Vivanta by Taj and Ginger. Tata also stated that the company will spend Rs 350 crore as capital expenditure in this financial year.

He also stated that although an average of 70-75 per cent occupancy is seen across all its properties in India currently, it will be difficult to predict at what capacity it would operate for the rest of the year.

Source: BS

[Read More](#)

J S Hospitality to increase restaurant portfolio in India

August 07, 2009

Delhi-based J S Hospitality is in the process of increasing its restaurant portfolio in India. The company manages two restaurant brands namely Pind Balluchi and Park Balluchi in Delhi and National Capital Region (NCR). The company plans to double each brand's portfolio in the next two years.

Source: Hosp'ybiz [Read More](#)

Summary

- According to Crisil Research survey report, the room revenue declined by 34% in the first quarter in 5-Star Hotels of the country. The survey tracked six cities including Mumbai, Delhi, Kolkata, Pune, Bangalore and Goa.
- Indian Hotel Company is looking at various methods of raising funds to meet its future expansion plans. The amount raised will be used to fund company's target of setting up 45 hotels over the next four years.
- Roots Corporations of India, a subsidiary of IHCL, is planning to set up 60-70 ginger hotels in the country in next 4-5 years. For this financial year, the company would invest around Rs. 80 Crores for setting up 8 hotels.
- Delhi based J S Hospitality is planning to double its number of two restaurant brands, Pind Balluchi and Park Balluchi, in next two years.

Gujarat, Korea ink pact on tech park

August 05, 2009

Korea Land Corporation (KLC), a government of Korea owned organisation, will set up an Industrial Park/Technology Zone in Valsad district.



Mumbai Industrial Corridor (DMIC) in Valsad.

A delegation of Korean government, led by Do Youp Kwon, vice minister, ministry of land, transport and maritime affairs of

the Republic of Korea, signed a tripartite memorandum of agreement (MoA) with the Gujarat Government, the Korea Land Corporation and the Gujarat Vittal Innovation City Ltd, in the presence of chief minister, Narendra Modi.

Source: DNA

[Read More](#)

Recession jitters for SEZs too

August 4, 2009

HYDERABAD: The SEZ story in the state has hit a recession roadblock. At least three developers of Special Economic Zones (SEZs) coming up in areas close to the airport have expressed their difficulty in taking forward their IT/ITES SEZ activity, saying they are unable to get clients to set shop here.

Source: TOI

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Sri City steals the show

August 08, 2009

CHENNAI: Sri City — India's first integrated multi-product special economic zone — stole the show at Suminfra 2009, a summit on sustainable public private partnership in infrastructure, which was organised for the four southern states namely Tamil Nadu, Andhra Pradesh, Kerala and Karnataka by the Confederation of Indian Industry (CII) in association with the Tamil Nadu Government, in the city.

Source: Expressbuzz [Read More](#)

Reliance wants more time for Haryana SEZ: Hooda

August 05, 2009

Mukesh Ambani's Reliance Industries has asked for a two-year extension to launch its \$5-billion special economic zone near Gurgaon.

The group had floated a company named Reliance Ventures and signed a pact with the State government's Haryana Industrial and Infrastructure Development Corporation in June 2006 for forming a joint venture called Reliance Haryana Special Economic Zone.

Source: The hindu [Read More](#)

Commerce min for core tag for all loans to SEZs

August 05, 2009

The commerce department has urged the Reserve bank of India (RBI) to treat all bank loans to developers of special economic zone as infrastructure financing, eligible for a lower interest rate. The ministry has said the concessional rate of interest should be given even if the developer leases out or rents a part of the land to other units within the zone. The RBI had earlier proposed that land rented out would be considered a commercial realty activity, which would not get concessional interest rates from banks.

The central bank had said that since repayment of loans by developers who rent out units was linked to real estate prices and not economic activity, it was a real estate activity

Source:ET

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SC to hear Mumbai SEZ transfer plea next week

August 3, 2009

The Supreme Court will hear next week the Mukesh Ambani-promoted Mumbai SEZ's transfer petition related to land acquisition for its project in Raigad in Maharashtra.

Earlier, a Supreme Court Vacation Bench had dismissed the Ambani firm's

another plea challenging the High Court interim order that refused to stay the process of land acquisition.

According to the company, its public interest project will be in jeopardy as it had spent around Rs 600 crore on setting up the SEZ.

Source: BS

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Summary

- Recession, making a severe impact on SEZs, has raised trouble for three developers in Hyderabad who are finding it very difficult to attract clients to set up their shops in the zones. While on the other side, big companies like Reliance are delaying their planning to launch SEZs in the country.
- Korea Land Corporation will set up an Industrial park in Delhi Mumbai industrial corridor (DMIC) in Gujarat. The project is promoted by Gujarat Industrial Development Corporation (GIDC).
- The commerce department has urged RBI to treat all bank loans in SEZs as infrastructure financing, eligible for a low interest rate, even if the land is rented out by the developer.



Cover your loan with insurance

Aug 2, 2009

Uncertainties and unpredictability are part and parcel of life. The journey can be smooth sometimes and turbulent at other times. Harish's family learnt it the hard way. arish was a senior executive with a multinational firm. He had to work hard to make handsome money. Then, destiny played a cruel joke in the form of a road accident. Harish was immobilised and doctors feared that he had to spend the rest of his life confined to

the bed. His smooth and joyous life plunged into chaos and darkness. He had two vehicle loans and a couple of personal loans that he could pay off with his investments in stocks. But the biggest challenge was his home loan.

The Rs 85 lakhs home loan was impossible to clear without regular income from his well paying job. But the accident rendered him unfit to go out and work. Would his family be thrown out on the roads now? To clear a debt of

that huge proportion without a job was no child's play.

In these difficult times, borrowers must consider an insurance policy to take care of the expensive home loan, in the event of death, permanent disability, critical illness and job loss. If something unfortunate were to happen to the breadwinner, the entire family would have to bear the burden of debt. To recover from such a financial crisis would be a nightmare.

Source: ET

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Home loans under interest subvention scheme in a month

August 08, 2009

At least six major home loan financiers met finance ministry officials on Thursday to discuss the modus operandi of launching the schemes under the 1% interest subvention scheme announced by finance minister. Under the scheme, homes loans up to Rs 10 lakh, whose property value is not above Rs 20 lakh will get a 1% lower interest, with the same being paid from the government's

kitty.

Among those who attended were heads of National Housing Bank (NHB), State Bank of India and LIC Housing Finance.

"We discussed on the checks and controls that banks should have on the property, what is the target amount," said a senior banking official.

Source: DNA

[Read More](#)

Stimulus package boosts housing loan offtake

August 06, 2009

The government's first ever initiative to give impetus to the realty sector in the form of special home loan package has reaped benefits. The latest data released by RBI shows that housing loan disbursed by banks as a whole grew by more than four times (353%) during three months ended May 2009.

This compares with the average 53% decline in the

previous three quarters.

It was a right step to introduce the stimulus package. This helped to ease out the risk of interest rate volatility for at least the initial years. The special housing loan scheme was announced in December 2008 when home loan rates were ruling at around 11%.

Source: ET

[Read More](#)

Homing in on interest rates

Aug 02, 2009

It is not just the stock market that has been swinging wildly over the past two years. If you are a home-loan borrower, your interest rates have behaved quite erratically too. After climbing steadily between September 2004 and October 2008, repo rates (policy rates set by RBI) have since dropped sharply from 9 per cent to 4.75 per cent. What does this mean for you, as a retail borrower, and what should you expect in the

Except for fixed-rate home loans covered by the stimulus, it makes sense to opt for floating rates. Fixed rates are still much higher for most banks, indicating that they are expecting interest rates to rise in the next one year.

months ahead?

Sources: Business Line [Read More](#)

Summary

- The government's first ever stimulus package to real estate sector has reaped benefits and has helped to control interest rate volatility for initial two/three years. The stimulus was announced in Dec 2008.
- For discussing the modus operandi of governments' recently announced home loan subsidy scheme, six major financiers of the country met finance minister, Mr. Pranab Mukherjee. Under the scheme government will provide a subsidy of 1 % interest on home loan upto 10 lakhs, having property value upto 20 lakhs.



On a wing and a prayer

Aug 02, 2009

The Maharashtra government has chosen a 1140-hectare area (that includes 150 hectares of mangroves and 340 hectares of coastal marshy land) to build the Navi Mumbai International Airport. The Ulve and Gadhi rivers, which flow through this site and meet the Panvel creek a little distance ahead, will have to move over for the airport to take off.

Unfulfilled promises: In the process, 10 villages with a combined population of 50,000 will be shifted

elsewhere. Villagers say that a rehabilitation site has been identified, but their concern is greater. "We don't trust the CIDCO (City and Industrial Development Corporation), It has cheated us over four decades."

Source: *The Hindu*

The approval given to the Navi Mumbai airport project highlights the failure of the legal framework governing coastal rules: In the last 18 years, the law was amended 25 times to clear development projects..

Govt should appoint real estate regulator: Assocham

August 04, 2009

New Delhi: Industry body Assocham today said the government should appoint a real estate regulator to help expedite the redressal of consumer grievances.

"There is a need for an efficient and focused regulatory body to overlook functioning of the real estate sector in order to insure the industry development and safeguard of consumer interests in line with international benchmark," the chamber said.

Source: *Mint*

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UK offers help to Haryana in different sector

Aug 3, 2009

The United Kingdom offered collaboration to Haryana in several fields including education, food processing, logistics, transportation, hotel management and hospitality. The Chief Minister apprised the delegation of the government's decision to develop four new industrial model townships at Faridabad, Kharkhoda, Rohtak and Yamunanagar in addition to a publishers' hub in Sonapat.

Source: *PTI*

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Investors may have lost one-third investment in real

August 07, 2009

"Investors have pumped in \$25 billion into the Indian real estate market over the last three years but with land values having gone down they could have lost a third of the value of their investment," said Deepak Parekh, chairman, HDFC, in a letter to shareholders.

Call for Energy-Efficient IT buildings

Aug 02, 2009

The information technology industry has to invest in non-conventional energy sources and "temper the architecture of its buildings to Indian conditions". The building designs of exclusive spaces developed for IT use often reflect western styles without giving thought to exploiting the natural light and ventilation available under local conditions.

Source: *Business Line*

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All's not well for realty; top players take a 76% net hit

August 07, 2009

NEW DELHI: India's struggling realty industry may have sprouted some green shoots of late, but the top nine listed real estate firms posted a 76% dip in profit and 57% fall in sales in the June quarter, prompting the segment leader to observe that the industry is not "completely out of the woods".

Analysts said the revival in demand could improve things, especially in light of a government subsidy for loans taken for affordable housing, but warned that a possible price war between players sitting on huge inventories could spoil the scene. "The recovery of the sector will depend a lot on the sustenance of demand," said Shailesh Kanani, a real estate analyst with Angel Broking.

Source: *ET*

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Summary

- The United Kingdom has offered a collaboration to Haryana government in various fields including education and transportation. The govt is currently working on four new township models at Faridabad, Kharkhoda, Rohtak and Yamunanagar.
- The law governing Mumbai International Airport has been amended 25 times in the last 18 months. The chosen 1140-hectares land occupies 10 villages, 50000 people and two flowing rivers, which will have to be moved over. The site accommodates excess rain water during heavy rainfall and might create flooding situations after the airport is built.
- Writing a letter to company's shareholders, Chairman of HDFC said that they might have lost a third of their invested money in the real estate sector due to huge decline in the land values.



Ariston Advisory Group

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Mission Statement

At Ariston, we strive to channelise our resources towards understanding the real estate industry in a structured and scientific manner. Thereby assisting our prestigious clients in making an accurate assessment of their real estate investments

Some of our satisfied clients :



Ariston Advisory Group is a pan India Real Estate Advisory firm. The company specialises in drafting feasibility studies, market intelligence reports, valuations, location analysis and strategy consulting. The company maintains an exhaustive database of real estate data and continuously tracks the market dynamics of the industry. The firm is headed by Saurabh Tyagi who has received his Engineering degree from the prestigious Indian Institute of Technology Roorkee (IIT Roorkee).

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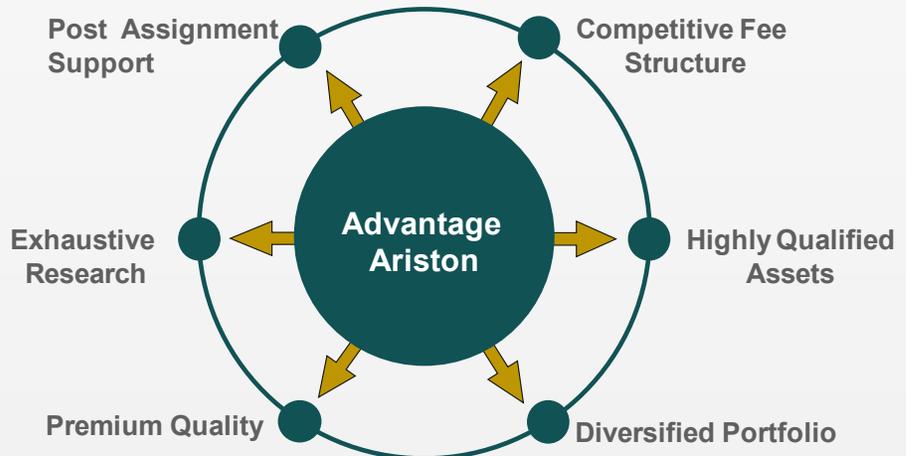
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