

Phoenix mulls to emerge as largest mall developer

Realty Firm Phoenix Mills plans to emerge as the largest mall developer of India. Phoenix Mills is to buy underperforming malls and turn them around to attempt becoming the largest mall developer in India. "Acquisition is going to be a route for us....." **page 3**

Tata Housing mulls to foray into intl markets

To tap the world's multimillionaires, Tata Housing Development Company (THDC) has announced plans to foray into international markets initially through Sri Lanka and the Maldives. To pursue these initiatives the company has set up a team **page 3**

Realtors set to cut prices as PE cos tightens screw

With the private equity (PE) players dictating prices to be charged for real estate properties, several new real estate projects, especially those in which PE firms are investing, could see a substantial price correction across India. "PE players dictate terms...." **page 2**

Deccan yet to start work on Pardesipalem IT SEZ

Deccan Infrastructure & Land Holdings Ltd is yet to start construction work on its Pardesipalem IT SEZ Project in Visakhapatnam of Andhra **page 4**

Local body cancels DB Realty's project

Real estate firm DB Realty has stated that its township project in Pune has been cancelled by a local development authority, Pimpri Chinchwad **page 3**

Nipko gets nod to build Tipaimukh dam

Tipaimukh Dam's construction is to begin shortly, said a top official of Nipko, an affiliate of Power Ministry which will implement the hydroelectric **page 4**

Rakindo braces for 2nd phase of Orchids

Close on the heels of the completion of the first phase of its housing project in Coimbatore, Rakindo Developers announced the launch of the **page 4**

Zion Promoters ends Faridabad Project

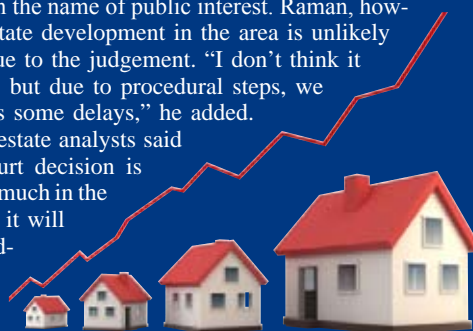
One of the officials of Zion Promoters & Developers Pvt Ltd has said that the company has completed its Faridabad lake view apartments project Avantika, The project is.... **page 3**

New land policy may lead to rise in property prices

Following the recent Supreme Court's order prohibiting it from acquiring 176 hectares of land from farmers, Greater Noida Industrial Development Authority (GNIDA) recently said consumers will have to pay much more for properties in the region in future. The Authority also said it will return the acquired land to the affected farmers as per the apex court ruling and will strictly follow the new land acquisition policy of Uttar Pradesh in acquiring land for future projects.

"After this court order, we will acquire all future land keeping in mind the market price and hence will have to pay higher land prices. Automatically, sale prices will increase and hence end consumers will be impacted severely," GNIDA Chief Executive Officer Rama Raman said. "Initially, we will return the land as per the orders. We will see later how we can proceed in this respect after going through the detail judgement," Raman said. He, however, did not specify what GNIDA will do to compensate the developers, but said it will acquire land at regular intervals "as and when necessary".

The Supreme Court had upheld a verdict of the Allahabad High Court that quashed acquisition of 176 hectares of land from farmers in Greater Noida saying the authorities were "sub-serving" private builders in the name of public interest. Raman, however, said real estate development in the area is unlikely to get affected due to the judgement. "I don't think it will affect much, but due to procedural steps, we may only witness some delays," he added. Meanwhile, real estate analysts said the Supreme Court decision is unlikely to affect much in the future, but rather it will help all stakeholders to approach cautiously.



Insight@firstinfocentre.org

Mumbai most favoured market

Mumbai is ranked third as the most promising investment market, and the first as the most favoured development market, in the recent **page 2**

Greater Noida realty proj face uncertainty

Following the order to return the 156 hectares of farmland, allotted for realty projects, to villagers, uncertainty looms large at the real estate projects in **page 4**

Godrej announces new towers in A'bad

Godrej Properties Ltd (GPL), the real estate development arm of the Godrej Group, has announced the launch of new towers in its Godrej Garden.... **page 3**

Janapriya to deliver Greenwood proj by Dec

Janapriya Engineers Syndicate Pvt. Ltd (JESPL) will deliver its Bangalore Greenwood residential project by December 2011, according to Raj .. **page 3**

Nod to 28 new industrial proj in K'taka

Despite protests from its farmers over land acquisition, the Karnataka government recently approved 28 mega industrial projects with an investment of Rs 8,622.41 crore. The State.... **page 4**

Home buyers benefited through bulk buying portals

Mumbai resident Jitendra Rathod had spent almost three months looking for an apartment in Mulund, a fast growing central suburb of the city. He knew that developers were struggling to find buyers and were sitting on **page 2**

AlphaG Corp invests Rs 290 cr in residential project

Alpha G:Corp Development (Alpha G:Corp) will invest Rs 290 crore in the phase III of its residential project, GurgaonOne 84, which will be spread over 12.5 acres in New Gurgaon. GurgaonOne 84 will comprise **page 3**

Sluggish demand in realty slashes billet prices

Sluggish demand from real estate sector prompted manufacturers of long steel products in Orissa to reduce prices. High quality steel billet in the state is currently quoted at Rs 27,500 per tonne, excluding taxes, lower **page 2**

REAL ESTATE

Home buyers benefited through bulk buying portals



Mumbai resident Jitendra Rathod had spent almost three months looking for an apartment in Mulund, a fast growing central suburb of the city. He knew that developers were struggling to find buyers and were sitting on huge inventories, so he expected a good discount. Much to his surprise, no builder was willing to budge an inch.

Rathod's luck changed when he joined a group buying portal that brings buyers together for bulk deals. A few rounds of negotiations later he bought an apartment from the same builder at a price 10 per cent lower than what he was offered barely two weeks ago.

"Two weeks ago the builder, Samta Builders, said it couldn't offer me anything below the 15th floor. Now I have got a flat on the 5th floor," he says, regaling in his newfound power. GrOffr, a real estate group buying site which helped Rathod buy his dream home, is barely a year old. In that period, it says it has managed to sell homes worth Rs 147 crore to about 100-odd buyers, and helped them save about Rs 27 crore. It doesn't charge the buyer a penny. Instead it makes money from the commission it gets from the builder for selling their apartments.

Co-founder Sandeep Reddy says he expects revenues to grow from Rs 1 crore in the last fiscal year to Rs 5 crore in the current fiscal year-he is expanding into other cities.

The crisis in the realty market has thrown up a big opportunity for so-called group-buying firms of which GrOffr is possibly the veteran in the business. New players such as GemiDeals.com, dealflats.com, 21flats.com, groopoffers.com have popped up overnight. These firms work on the principle that if builders can form cartels and not bring down home prices, consumers too can get together and negotiate a deal.

While buyers obviously benefit as they get a discount, many builders are happy to work with such firms. This is because builders, famously reluctant to bringing down prices in a difficult market, can generate business without having to advertise the discount.

"Developers are willing to give a discount today but they will not want to put that on paper," says Raj Iyer, Chairman of Groopoffers.com, which claims to have sold about 45 homes in the last six months and has helped customers save 10-12 per cent on the price.

Groopoffers recently raised Rs 2 crore from a group of angel investors.

Most of these portals use social media such as Twitter and Facebook to reach out to buyers, apart from emails and SMSes. GroopOffers' Facebook and Twitter pages are updated regularly with new deals and offers. "The idea is to keep the cost per acquisition low," says Iyer.

The company has also tied up with some companies so that they are on the company's intranet. What has worked for GrOffr till now is word of mouth. "Now, with angel funding in place, we are planning to hire an online agency and get more active through viral marketing on Facebook," says co-founder Vikhyat Srivastava.

Realtors set to cut prices as PE cos tightens screw

With the private equity (PE) players dictating prices to be charged for real estate properties, several new real estate projects, especially those in which PE firms are investing, could see a substantial price correction across India. "PE players dictate terms like what prices to be charged, whether the project should be affordable or luxury and exact time of its completion," said Sunil Rohokale, Executive Director, ASK Investment, which has invested Rs 850 crore till date and recently raised Rs 480 crore. "The increased power of PE players is due to the unavailability of funds from any other source," he added.

As banks tread realty sector with caution and the capital market appears too volatile for raising funds, special purpose vehicles (SPVs) with private equity appears to be the only alternative. "We are the last resort for the real estate developer as our return expectation is high," said Ved Prakash Arya, Managing Director, Milestone PE.

But why are PE players interested in bringing down the property prices? Many of them fear a slump in sales at such steep prices, especially in Mumbai and the National Capital Region (NCR). "If sales don't happen (then) we are stuck with our investment so we decide the price. We also decide whether the project should have one-bedroom or two-bedroom apartments," said Rohokale.

Avinash Gupta, Head, financial Advisory, Deloitte India said: "Funds are now going for structured deals as it binds the developer and the funds get more power in case they do not yield promised returns." In a recent transaction in North Mumbai, a developer who had made 50 per cent payment for a plot a year ago, and could not pay the rest, was forced to approach a PE player for funds.

In this project, the PE player, who requested not to be named, has picked up a stake on the condition that prices would be lowered. "The developer wanted around Rs 12,000 per sq ft, but sales would only happen around Rs 8,000," said the PE player who is close to finalising the deal. "He was reluctant but if he doesn't agree to the selling price we tell him, he will end up losing the amount he has paid (for the land)."

Many developers delay projects due to liquidity issues, hence PE players are fixing project tenures also. "We expect a return of 20 per cent to 24 per cent per annum and only invest in projects that would be launched

in three to six months," said Arya. Milestone was reported to have invested Rs 100 crore in a project of Ackruti City, a Mumbai-based developer. ASK has invested in six projects within last one year in projects in NCR, Chennai and Pune.

Industry players expect PE investments to rise. "Just a year back one could not find a single deal within Rs 150 crore in Mumbai, but now things are different, due to attractive valuations," said Rohokale.

Sluggish demand in realty slashes billet prices

Sluggish demand from real estate sector prompted manufacturers of long steel products in Orissa to reduce prices. High quality steel billet in the state is currently quoted at Rs 27,500 per tonne, excluding taxes, lower than Rs 28,400 sold in the first week of June. Billet is a semi-finished long steel product used in construction works.

This is in addition to the normal slump in construction activities following the onset of monsoon.

According to Confederation of Real Estate Developers' Association of India (CREDAI), the real estate developers are feeling the pinch of rate hike as the number of booking orders has been falling constantly for the past few weeks.

The long steel makers believe the piquant situation will continue in the July-September quarter too and hope prices may rebound in October-December period, after the monsoon season.

Mumbai emerges most favoured realty market



Mumbai is ranked third as the most promising investment market, and the first as the most favoured development market, in the recent Emerging Trends in Real Estate Asia Pacific 2011, a real estate forecast jointly published by the Urban Land Institute (ULI) and Pricewaterhouse-Coopers (PwC).

Projections for Mumbai in 2011 look good, as the city's investment ranking rises five spots to third, the report states, adding that this city is "clearly the best performing and most active real estate market."

Development in Mumbai continues to be an area of interest, with the city ranking first in the 2011 results, up from second in 2010. Oversupply continues to be a serious risk for the area, but respondents "don't think many people are worried about real estate turning into a bubble again."

AlphaG Corp invests Rs 290 cr in residential project

Alpha G:Corp Development (Alpha G: Corp) will invest Rs 290 crore in the phase III of its residential project, GurgaonOne 84, which will be spread over 12.5 acres in New Gurgaon.

GurgaonOne 84 will comprise seven independent towers, each of over 19 floors and with combinations of two, three and four-bedroom apartments ranging from 1,181 to 3,194 sq ft. The project, with a total of 668 apartments, is divided into four phases. Phase I and II, launched in February, consisted of 439 apartments with a base price of Rs 3,420 per sq ft.

Phase III of the project has been launched on July 1 comprising 109 apartments with a base price of Rs 3,800-4,000 per sq ft and the company claims to have sold out all the apartments within two days of the launch.

Godrej announces new towers in A'bad



Godrej Properties Ltd (GPL), the real estate development arm of the Godrej Group, has announced the launch of new towers in its Godrej Garden City (GGC) project, in Ahmedabad. This project has already witnessed the sale of nearly 2,500 apartments till date. Under the new phase of the project, GPL will now offer two and three BHK apartments with modern amenities, ranging from 1,270 square feet to 1,729 square feet.

Regarding the launch of the new phase of the project, Pirojsha Godrej, Executive Director, Godrej Properties, said, "We are very happy to announce the launch of a new phase in our township project, Godrej Garden City. We have already sold about 2,500 apartments and look forward to continuing the strong momentum in this project. We are making every effort to ensure that the residents of Godrej Garden City benefit from living in a world class self-sufficient township." All total, when completed, Godrej Garden City proposes to house over 13,000 apartments and villas. Godrej Properties envisages creating facilities for transport, education, healthcare, recreation, hospitality, retail and banking within the development. Important civic facilities and public utilities will also be added to make Godrej Garden City a fully self-sufficient township.

The project is conveniently located in the heart of Ahmedabad, just off SG Highway (i.e. in the Jagatpur area). The project falls within the limits of Ahmedabad Municipal Corporation (AMC) and is easily accessible from any part of the city. The master plan of GGC has been created by world-renowned architects, Skidmore, Owings and Merrill (SOM), who have designed numerous architectural landmarks like Bruj Dubai.

Here it deserves a mention that Godrej Gar-

den City is one of the two projects in India and amongst only sixteen worldwide to be chosen as a partner by The Clinton Climate Initiative, in the objective to create a climate positive development.

Phoenix mulls to emerge as largest mall developer



Realty Firm Phoenix Mills plans to emerge as the largest mall developer of India. Phoenix Mills is to buy underperforming malls and turn them around to attempt becoming the largest mall developer in India. "Acquisition is going to be a route for us. We are under-leveraged right now. We will look at under-performing assets that are leaders in the market that they are in and buy them," Phoenix Mills Managing Director Atul Ruia, told a business newspaper. "Raising a war chest will not be a worry," said Ruia, without specifying the size of acquisitions and source of funds.

Phoenix operates 1.5 million sq ft of retail space, which includes 0.8 million sq ft of the High Street Phoenix mall at Lower Parel in Mumbai and malls in smaller cities with other developers, such as Entertainment World Developers Ltd and Big Apple Real Estate. Phoenix plans to emerge as one of the largest mall developers in the next 12 months, Ruia added.

Local body cancels DB Realty's project

Real estate firm DB Realty has stated that its township project in Pune has been cancelled by a local development authority, Pimpri Chinchwad New Town Development Authority (PCNTDA) an action the company has termed as arbitrary and illegal. The eco-friendly township project at Bhosari, Pune, was awarded to the company in August, 2009, by the PCNTDA and the same was to be developed through a joint venture, DB Realty said in a filing to the Bombay Stock Exchange (BSE).

On June 10, PCNTDA informed the JV that "the bidding process for the selection of a developer stands annulled and hence, letter of allotment (LOA) dated August 25, 2009, issued in the name of JV stands cancelled and has refunded the upfront deposits," it added.

The company said the cancellation of the project after a period of 22 months is "arbitrary and illegal and (it) has recorded its protest against the cancellation". DB Realty said it would challenge the cancellation decision of the PCNTDA and is currently seeking legal advice for taking the necessary steps.

Zion Promoters ends Faridabad Project

One of the officials of Zion Promoters & Developers Pvt Ltd has said that the company has completed its Faridabad lake view apartments project Avantika. The project is spread over four acres of land area. It offers 148 residential apartments.

The residential apartments are available in three and four BHK (bedroom, hall, kitchen) format with servant quarter and penthouse at sector-48, Faridabad Haryana. It has been equipped with modern amenities like swimming pool, gymnasium, shopping centre, club house and parking area..

The company announced the project in May 2007 and the construction work commenced in the same month.

Tata Housing mulls to foray into intl markets

To tap the world's multimillionaires, Tata Housing Development Company (THDC) has announced plans to foray into international markets initially through Sri Lanka and the Maldives. To pursue these initiatives the company has set up a team headed by Sandeep Ahuja, VP - Business Development of the company. "We are in the final stages of due diligence for two mixed-use development projects of two million sq ft each in Colombo. With peace returning to the island nation, real estate will be a big growth story there," said Brotin Banerjee, MD and CEO, Tata Housing.

THDC recently announced that it has entered into a 65:35 JV in the Maldives to develop luxury holiday villas and premium apartments under the brand 'La Grande'. Named Apex Realty, the JV has as minority partner Chennai-based SG18 Realty that has executed some projects in the island country. The total investment will be around Rs 850-900 crore over a period of two and a half to three years. "We are trying to minimise the extent of loans by trying to sell apartments in advance. Since the project is in a prominent area in the capital Male, which is facing acute housing shortage, we don't expect to have a problem," said Banerjee.

HARIDWAR

Work yet to start on KDP Infra's Haridwar township

Construction work has not yet commenced on KDP Infrastructure Pvt. Ltd.'s Haridwar township project. It is still in announcement stage. A Company Official, who did not wish to be named, said. He declined to comment on the other issues related to the project. The project was announced in January 2007. It is spread over 100 acres to house residential villas at Haridwar, Uttarakhand.

BANGALORE

Janapriya to deliver Greenwood project by Dec

Janapriya Engineers Syndicate Pvt. Ltd (JESPL) will deliver its Bangalore Greenwood residential project by December 2011, accord-

ing to Raj Reddy, Marketing Manager of the company. The project will be developed in two phases. Phase-I was completed in December 2010. Phase-II of the project will be ready by December 2011.

The project, spread over six acres, will house 356 residential flats. The residential flats will be made available in two and three BHK (Bedroom, Hall, Kitchen) format at Somashettyhalli on Hesarghatta road, near Chikkabannara railway station, Bangalore (Karnataka).

The company announced the project in October 2008.

CONSTRUCTION

Nod to 28 new industrial projects in Karnataka



Despite protests from its farmers over land acquisition, the Karnataka government recently approved 28 mega industrial projects with an investment of Rs 8,622.41 crore. The State High Level Committee for Industrial Projects clearance chaired by Chief Minister BS Yeddyurappa accorded in principle approval for the projects, which included the Honda Motor Cycle and Scooters India Ltd, to be set up at a cost of Rs 1,350 crore in Narsapur Industrial area in Kolar district.

Giving details of the projects that got the Committee's approval, Minister for Industries Murugesh Nirani told reporters after the meeting that these projects had the potential to generate 22,799 jobs. The projects which got approval are: automobile (2), Ceramics

(1), Chemicals (2), Education (1), Engineering (2), Food processing (2), Infrastructure (2), Steel (3), IT Park (1), Petrochemicals (1), Sugar (8), Textile (1) and others two. Mangalore Chemicals and Fertilisers will manufacture urea, basic organic chemicals and other specialty fertilisers in Panabur village of Mangalore district with an investment of Rs 483 Crore, he said. Sugar factories with a total investment of Rs 1,900 crore will be established in the districts of Bijapur, Mysore, Bagalkot, Belgaum, Nirani said. The meeting also approved change of ownership of the proposed Rs 36,000 crore steel plant in Bellary, which was transferred by Brahmini Steels promoted by Tourism Minister G Janardhana Reddy, to Delhi-based company Uttam Galwa. Reddy has sold his company's rights in favour of Galwa.

Deccan yet to start work on Pardesipalem IT SEZ

Deccan Infrastructure & Land Holdings Ltd is yet to start construction work on its Pardesipalem IT SEZ Project in Visakhapatnam of Andhra Pradesh. The project is on hold since June 2010, due to adverse market conditions, according to Arun Shourie, Company Secretary.

The company announced in June 2008 that it would set up an IT SEZ over 38.99 acres at Pardesipalem. The SEZ Board granted formal approval to the project in the same month. Land was also acquired in June 2008.

Rakindo braces for 2nd phase of Orchids

Close on the heels of the completion of the first phase of its housing project in Coimbatore, Rakindo Developers announced the launch of the second phase of Orchids.

The area earmarked for Orchids (Phase I and II) is 18.45 acres. The promoters floated 260 apartments and 75 row houses under the first phase of the project.

Phase II though is expected to be costlier

than Phase I, with the promoters mulling to price it between Rs 2,300 and Rs 2,450 per sq feet. The company opened the booking last month and plans to go ahead with the construction of two and three bedroom apartments ranging from 951 sq feet to 1,236 sq feet and numbering 240 and 95 row houses in the second phase.

Greater Noida realty projects face uncertainty

Following the order to return the 156 hectares of farmland, allotted for realty projects, to villagers, uncertainty looms large at the real estate projects in Greater Noida.

After the order to return the land to farmers, buyers are uncertain over the fate of their properties in the area. It is noted that the order may prompt other farmers, who have sold their land, to knock on the doors of courts to seek similar recourse in a bid to get higher compensation than what they had earlier received since such a framework has now been set in courts.

Short-term impact on investment in realty development in Greater Noida, in particular, may also occur, unless the government or any other regulatory authority takes stock of the situation. Financing projects in the area would be a bit difficult now as the collateral itself which is the property-is in jeopardy. Commercial banks have slowed down the processing of loans for that region.

MANIPUR

Nipko gets nod to build Tipaimukh dam

Tipaimukh Dam's construction is to begin shortly, said a top official of Nipko, an affiliate of Power Ministry which will implement the hydroelectric project in River Barak, an international river. He said Nipko Company obtained environmental clearance approval and received go-ahead from the Central government to build the dam in Churachandpur district in Manipur state.

New Real Estate Projects proposed this week

Company Name	Project Name	Location
I F C I Infrastructure Devp.	IFCI Tower- Commercial	Ahmadabad
Adani Developers	BKC Commercial Complex	Bandra Kurla, MUM
Brigade Enterprises	Brigade Rhapsody -Residential	Bangalore
I F C I Infrastructure Devp.	IFCI Tower -Commercial	Bangalore
Adani Infrastructure & Developers	Residential Complex	Borivalli, MUM
Adani Infrastructure & Developers	Residential cum Commercial	Byculla, MUM
Chandigarh Administration	UT Employees Housing Scheme	Chandigarh
Pallavarajha Properties	Ashikka Housing	Chengalpet
I F C I Infrastructure Devp.	Fraser Suites Serviced Apartment	Chennai
I F C I Infrastructure Devp.	Financial City Commercial Complex	Devanahalli
Himachal Pradesh Housing & Urban Devp.	Satellite Township	Dharamsala
Hoysala s	Hoysala Royal Heights -Residential	Kochi
Casa Grande	Residential Villa	Perungudi

After receiving go-ahead the company has completed all necessary preparation to start construction work, the source of 350-kilometer-long Surma and 110-km-long Kushiara rivers, the lifeline of Bangladesh's north-eastern region.

Besides, a diversion barrage, an irrigation project will be built downstream of the dam at Fulertol in Lakhimpur in Assam, sources at the Nipko said.

All machinery and equipment are being transported to Tipaimukh and engineers, technicians and construction workers are gather-



ing at the site. Meanwhile, news of Nipko preparing to start Tipaimukh dam construction defying objection of the people of Bangladesh and India's north-eastern region worried the people of the region. Environment and agriculture experts have warned that the dam is a catastrophe in the making for Bangladesh. Some said it will also harm India's north-east.

The dam will heavily reduce and dry up Surma and Kushiara in winter and trigger river erosion and flood in rainy season making hundreds of thousands of people of greater Sylhet homeless, they warned.