

# REAL VIEW

Observation On Developments In Tamil Nadu

July 2008

Dear Non / Resident Chennaities,

Very happy to meet you all this month through enews letter. Chennai is growing with speed and pride in Real Estate and especially the rental value is touching new peaks every day. We are trying to make this news letter much more interesting and useful, kindly give us your suggestions and ideas to improve further to benefit the community at large.

Regards --- J Sundar

## **‘Real estate boom to continue in Smaller Cities’**

World’s two fastest growing economies China and India will continue to witness boom in the real estate segments in smaller cities as both countries are expected to record strong growth in report residential demand in the coming years, says a. Further, investments volume in the two neighbouring nations is projected to go up in the next few years.

## **Realty sector may fetch \$13 billion PE funds**

PRIVATE Equity investment in the real estate sector may go up as much as 15-20 per cent in the current fiscal to over \$13 billion in the wake of acute crisis of funds plaguing the growth of the industry. “Private Equity players started investing in India’s real estate space since 2005. The sector had received \$two billion private equity investment in 2005 which went up to \$4.5 billion the next year and to a whopping \$11 billion in 2007. This year, it should go up by 15-20 per cent,” financial services firm Jones Lang LaSalle Meghraj’s Chairman and Country Head Anuj Puri told.

Meanwhile, according to a report prepared by the research group of Germany’s Deutsche Bank World’s two fastest growing economies China and India will continue to witness boom in the real estate segments in smaller cities as both countries are expected to record strong growth in residential demand in the coming years.

## **Canada tops Realty Transparency Index**

REAL estate markets of European countries, the Australian region and the American region are the most transparent real estate markets in the world. Canada’s market now ranks as the world’s most transparent commercial real estate market in the world. Transparency is at its lowest in the Middle East and North Africa (MENA) countries. This is reported in a recently released Global Real Estate Transparency Index from Jones Lane LaSalle, a professional services firm specialising in real estate, and LaSalle Investment Management, its global real estate investment management subsidiary.

In 2008, the biggest improvers in Asia Pacific are India, the People’s Republic of China (PRC), and Vietnam over a period of two years since 2006. These have attracted more and more investors and corporate occupiers in recent years. The report further says, “Delhi retains its position as India’s most transparent market. Some other transparent markets are in Tier 3 cities, such as Chandigarh and Kochi, which equally have the similar growth potential as Mumbai and Bangalore.

## **Emaar MGF to invest in south India**

Emaar MGF, a joint venture between Dubai-based Emaar Properties and MGF Developments Ltd of India, is planning to invest \$3 billion in various construction projects in south India. The south India growth plan will include residential, commercial, retail, IT SEZs and hospitality sectors to be developed over the next few years. The company has already acquired a land bank of 13,000 acres across the country including 1,500 acres in south India. The development will take place in cities like Chennai, Coimbatore, Mysore, Mangalore, Kochi and Hyderabad in the initial phase. Emaar MGF has already announced the launch of the Boulder Hills Golf and residential community project estimated at \$1.4 billion in Hyderabad.

## **Corporate Corner :**

**Bulk Land from 1 Acre to 100 Acres Available**

**On National Highway / State Highway / 100 ‘ Road etc.**

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**Consultation is Free / Nominal Percentage for our service.**

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## **More potential in affordable housing**

If land is available at better rates and tax benefits are also provided, then developers will be able to offer affordable units at rates that would benefit the buyers. Realty experts point to a shortage of 23 million residential units in India. The rising prices only add to the housing crisis.

But is it possible to develop affordable houses with such high input costs? Affordable housing is possible if land comes at an 'affordable' cost, says Mr Irfan Razack, Vice-President -Confederation of Real Estate Associations of India (CREDAI). "Unfortunately, such land is available only far away from the city, and hence government support in the form of necessary infrastructure is vital."

## **SRZ, WIN-WIN FOR ALL**

A notified region, such as special residential zone (SRZ) could be critical to solving the country's housing crisis. "If the basic policy is formulated, other things, such as tax reliefs, will automatically fall in place," says Mr A. Balakrishna Hegde, President CREDAI-Karnataka.

Mr Razack says that large tracts of land should be identified for such purposes; "they can be bid and won by developers," he adds. But the most important issue for developers would be "quick approvals from the government."

## **AFFORDABLE HOUSING PROJECTS**

Mr Kishore Jain, Managing Director, Jain Heights and Structures Pvt Ltd, a Bangalore-based real-estate company, says that affordable housing is the future for the real-estate sector. "Be it the mobile revolution or aviation revolution, the common man was able to benefit. You can see even a villager using mobiles these days, or people from small towns taking flights even till recently. But only in the housing revolution has it not been beneficial for the common man. Affordability is still an issue here," he says.

## **TNHB stepping in to fill the gap**

The Tamil Nadu Housing Board, the public sector agency, is active in housing and commercial projects after nearly a decade of dormancy.

It is planning affordable urban housing for the middle- and low-income group. After going it alone in the earlier years, TNHB today is open to joint ventures with private developers for cost effectiveness. According to Dr P. Rama Mohana Rao, Chairman and Managing Director, TNHB is now a debt-free company. It is well set to meet the State Government's target to create over 22,000 residential units this year.

## **Polaris to foray into real estate business**

CHENNAI: Mid-tier IT firm Polaris Software Labs got board approval to set up a real estate business. But a senior official said it was just a way to sell or lease the land it owns in Chennai and Gurgaon at the right time. The software company informed BSE that the board 'has approved commencement of the real estate business activity subject to the regulatory proceedings.' Polaris CFO R Srikanth said "It's not that we are going to get into buying and selling land. The intention is to monetise our land assets, and unlock its value for our share holders." The company also announced a 87 % jump in its first quarter net profits to Rs 27.01 crore.

### **Proposed Independent Duplex 3BHK Bungalow**

**at Sai Kuberan Nagar, Rathinamangalam Nr. Tagore Er. College, /  
Dental College in Vandalur – Kelambakkam High Way.**

**North facing as per vastu.**

**Land Area 1070 sft. Building Area 1600 sft.**

**Rate Rs.2200/- PSFT. Total Cost Rs.: 35,20,000/-**

**Inagural Offer : Registration Charges Free**

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## TOWNSHIPS IN CITY OUTSKIRTS

TNHB also plans to develop six townships through joint ventures on the outskirts of Chennai, Mr Rao said. Two would be on Old Mahabalipuram Road - the IT corridor and two on the East Coast Road, and one each in Oragadam, the fast developing industrial suburb to the west of Chennai where leading telecom and electronic products manufacturers are investing and in Gummidipoondi, another industrial area to the north of Chennai.

Supreme Court clears acquisition of land for Chennai airport. Bench declines to interfere with High Court judgment

**New Delhi:** The Supreme Court on Tuesday paved the way for expansion of the Chennai airport by dismissing a special leave petition challenging the proceedings initiated by the Tamil Nadu government for acquisition of about 1,070 acres of land for this purpose.

### T. Nagar flyover opening next month

Chennai: Chief Minister M. Karunanidhi will inaugurate the flyover on Usman Road in T. Nagar next month. Local Administration Minister M.K. Stalin made the announcement after inspecting the final stages of the construction of the flyover. He said the flyover, costing Rs. 19.8 crore, would ease traffic congestion at the busy Panagal Park junction and also along Usman Road, Venkatnarayana Road and Thyagaraya Road. Traffic would be allowed both ways. Mr. Stalin said the flyover coming up on Thirumalai Road-G.N. Chetty Road junction would be inaugurated in December. The elevated bridge to replace the Alandur causeway and the vehicular subway near Stanley Government Hospital would be completed in March, while the Rangarajapuram road overbridge would be finished in September. The Perambur flyover was expected to be completed in December. Several bridge or subway projects, including the Saidapet Jones Road subway were in different stages of progress.

### Chetpet: emerging commercial complex

Chetpet, which is strategically located between Central Chennai and North West Chennai, is a popular residential area that is fast becoming a preferred commercial destination. The picturesque pond between the Chetpet railway station and Poonamallee High Road, is perhaps one of the last surviving natural water bodies in the city. Chetpet is well connected to all parts of the city via the local rail network and other means of transport. The area houses some of the city's elite schools like Madras Christian College School, Chinmaya Vidyalaya, Sherwood Hall, Maharishi Vidya Mandir and Lady Andal Venkatasubbarao.

**Commercial:** The area has an enviable mix of IT companies, banks and foreign companies. While the plush IT complexes in the region include Tech Mahindra and HP, banks like Standard Chartered and State Bank of India are also here. The other corporates in the stretch include Suzlon, LeGrande, Carlzeiss, Doosan, Tyco & Hirco. The demand for New Grade 'A' office space far exceeds supply. The capital value of commercial property ranges between Rs 6,000-8,000 per sq ft, while the lease rentals range between Rs 45-65 per sq ft per month.

**Residential:** Though the demand for commercial space is going up, localities like Harrington Road and Spur Tank Road which have large residential bungalows retain their old world charm. Developers like Chaitanya, Vishranthi, Alsa, Alacrity, Gee Gee, Vijayshanti and Alexander Properties have completed several residential projects here. Also, newly-launched projects find buyers instantly. While the lease rentals for apartments range between Rs 12-Rs 30 per sq ft, the capital value of the new apartment projects range between Rs 12,000 and Rs 15,000 per sq ft. Retail: The retail space in Chetpet, is interspersed with furniture stores, supermarkets and eateries. Popular among them are Shoppers Stop, Rani Arts and Teak and Vitan. The eateries include Sparkys, Shree Mithai, Fisherman's Fare, French Loaf and Palimar, The Ega cinema complex, though old, still manages to attract movie buffs. The capital value for ground floor retail property ranges between Rs 9,000 and Rs 11,000 per sq ft and lease rentals for retail space ranges between Rs 75 and Rs 90 per sq ft per month.

**11 Grounds on Mudichur Main Road, Tambaram is available for Sale : 150 Ft Frontage, on 100 Ft Road**

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**Approved Vacant Lands at Kattankulathur, Singaperumal Koil, Padappai, Orapakkam are available**  
We Invite Proposals For Joint Development of Property From Land Lords, Feel Free To Get The Quote @ Free of Cost, For Further Detils Please Contact: 98409 88934

# REAL VIEW

SOCIAL CORNER :

RIGHT TO EMERGENCY CARE

DATE OF JUDGMENT : 23.2.2007 CASE NO : APPEAL (CIVIL) 919 OF 2007

THE Supreme Court has ruled that all injured persons especially in the case of road traffic accidents, assaults etc., when brought to a Hospital / Medical Centre have to be offered first aid, Stabilized and shifted to a Higer Centre/ Government Centre if required. It is only after this that the hospital can demand payment or complete police formalities. In case you a bystander and wish to help someone in an accident, please go ahead and do so. Your responsibility ends as soon as you leave the person at the hospital. The Hospital bears the responsibility of informing the police, Providing First Aid etc.,

Note : Please do inform your family and friends about these basic rights so that we all know what to expect and what to do in the hour of need. Every Two Wheeler Rider must keep a Print Out of this message in their Wallet.

Courtesy By : Mr. S Sridhar, GIC-RE, Mumbai

## India might overtake China :

It has only been a few years since Asia bulls have been touting the arrival of the Chinese Century, citing that nation's enormous potential. Now, get ready for predictions of the India Century. That, in fact, was the title of a recent white paper by the Chicago-based consultancy Keystone-India, founded by a group of top economists from Ernst & Young who believe that India is on track to surpass China in growth. "We believe this is India's moment," declares Keystone Chief Economist William T Wilson. China has a two decade-long track record of 9.5% average annual growth, exports 10 times as much as India, and dwarfs India as a magnet for foreign investment.

By contrast, India has achieved an annual growth rate of 7% or higher only seven times in the past two decades. And largely because of its unruly politics and stifling bureaucracy, it wasn't long ago that economists bemoaned the "Hindu growth rate," implying the nation is simply culturally incapable of achieving high growth. Even under Keystone's projections, India wouldn't match China's current hypergrowth rates for at least another 15 years. And even by 2050, China's economy would be bigger measured in US dollars. But longer term, Keystone contends India will be in a stronger position. It projects that China's average annual growth will peak at 8.8 per cent over the next five years, and then gradually trend downward to under 7 per cent in the 2020s and around 4% by the 2040s.

India's annual growth is projected to rise to around 7.3 per cent by 2010 and stay over 7 per cent until the mid-2030s, and still be in the 6% range until 2050.

## Lafarge to invest \$1 bn in India:

French cement maker Lafarge plans to invest \$1 billion over five years to expand its cement capacity in India to about 20 million tonnes, a media report said on Tuesday citing sources.

Lafarge, which bought top engineering and construction firm Larsen & Toubro's concrete unit for \$350 million in May, plans to build three plants with a capacity of 2.5 million tonnes each, the report said.

Lafarge India officials could not be immediately reached for comment. In 1999, the French firm had bought Tata Steel's cement business and two years later it acquired the cement units of textile firm Raymond India.

It is currently expanding its three plants in India to reach an annual capacity of 12 million tonnes, the report said.

**Builders / Promoters Corner :** Joint Developments / Proposals Available

Approved Plots in Bulk Available for Marketing

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We accept Deposits @ 18% P.A Interest payable --- Monthly / Quarterly / Annual Options.

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