

# REAL VIEW

Observation On Developments In Tamil Nadu

May 2008

Dear Non / Resident Chennaities,

Once again I am very happy to meet you through this e news letter, Chennai climate is boiling with heat and hope some changes in the days to come. In this month news letter we have covered varied subjects which will be of interest and worth reading.

Happy reading. -- J Sundar

**CHENNAI:** The Hindu Religious and Charitable Endowments (HR and CE) department has converted vacant land of seven temples in and around the city into parking yards. These were opened for public use. The seven locations where parking space has been established are: Taramani Link Road in Velachery; near Vadapalani Andavar Temple; Vyasarpadi; Madhavaram Main Road; on Grand Northern Trunk Road near Ponneri; Thirumullaivoyal and Irumbuliur.

## BAI Condemns Increase in Steel Price :

The Builders' Association of India (BAI) also asked for the withdrawal of steel from trading in commodity exchanges. The BAI Chairman, Mr Ralhan Lal Chand, told reporters that with all major steel producers having captive mines and with importing of the balance requirement of coking coal from Australia, Africa and other countries, input costs varied with each producer. Commenting on the impact of the rising steel price, the BAI General Treasurer, Mr D.L. Desai, said the average price has steadily increased from Rs 17,750 in July 2002, to Rs 35,000 per tonne in January 2008 and to Rs 48,500 a tonne in March 2008.

## Emaar To Invest In China :

DUBAI-BASED developer Emaar Properties signed an initial agreement on Wednesday to cooperate with a Chinese firm on real estate, healthcare and education opportunities in Chinese cities.

## Mysore Alternative For Bangalore :

SOARING land prices in Bangalore have led to a rush by developers to secure space in Mysore, the heritage city of Karnataka. The influx of IT/ ITeS professionals is seen as instrumental in driving the demand for residential property since land rates in Mysore are low compared with Bangalore, industry officials said.

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## **Metros losing out, real estate wants Rs 20 lakh home loan ceiling raised**

WITH inflation rising, the run-up to the April monetary policy has been overtaken by talk of a likely increase in either the repo rate (the rate at which the RBI lends to the banks) or Cash Reserve Ratio (the amount of funds that banks have to keep with the RBI) but what seems almost certain is that home loan rates will either remain where they are or go up further.

Deepak Parekh, Chairman, HDFC, told press “it is most likely that there will an upward revision either in the CRR or repo rate and so the home loan rates could go up marginally.”

But there’s another area which is causing greater concern, especially among real estate players and the others involved the Rs 20 lakh limit for priority sector lending. There’s need, they say, to revise the limit upward from Rs 20 lakh or introduce a differential limit for Tier I, II and III cities so that home buyers in larger towns too can benefit. The other way out, they suggest, is to increase the tax benefit limit of Rs 1.5 lakh for the interest component paid on a home loan.

Anuj Puri, Managing Director, Trammel Crow Meghraj, a multinational real estate consultancy, said: Also the tax benefit limit of Rs 1.5 lakh on the interest component repaid should go up. This will bring down the post-tax interest cost for home buyers.”

Industry players are of the same view. Rajeev Talwar, Group Executive Director, DLF, said: “Property prices have risen due to a supply gap created as a result of land not being released.

## **Gurgaon: Corporate India’s new mecca**

Most of Corporate India is moving to Gurgaon, one of Delhi’s two main satellite cities. On both sides of the eight-lane road, 21 gigantic towers that span 8 million square feet have “ changed the skyline of this sleepy town beyond recognition. Passersby will be forgiven for thinking they are in Hong Kong, so dazzling is the glare of this mega concrete jungle with its innumerable lights at night.

Just behind Cybercity (which by 2010 will comprise 15 million square feet of office space over 150 acres of which 8 million is already built) and touching on one side the “Mall of India” (India’s largest retail mall), there is DLF’s special economic zone. Here there is a cluster of another 15 buildings that will offer close to another 5 million square feet of office space to companies primarily in the IT arena.

Further on the same road, close to the DLF Golf Club on what is called the sector road, new buildings have come up in the last few months for American Express (which has moved its corporate head- According to real estate consultancy firm Frank Knight, “ Strong Pre-Commitment demand is expected to continue in Gurgon”, Which has become the centre of new-age office space development in NCR.

## **100-acre megacity by NU-TECH**

REAL Estate developer Nu-Tech recently launched its Megacity project, proposed to come up on a 100-acre green land in Enathur village on the Chennai-Bangalore Highway.

**Independent Duplex Bungalow South Facing :** 2 Hall, 3 Bed, Kitchen, Portico at UV Swaminathan Street, SBI Colony, Chitlapakkam, Chennai- 64. As per Vasthu and Manaiyadi Sasthra.

**CMDA Approved Vacant Land at Chromepet Purushothaman Nagar, 3600 sft North Facing 45X80 on 30 Ft. Road.**  
**For Details Contact: 98409 88934**

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The launch at the Ballroom of Taj Coromandel hotel might have easily been mistaken for a simple meet of tinsel town, as almost the entire first row was occupied by film personalities.

The Megacity project includes a 56.35-acre of well laid-out vasthu designed flats and 44-acre of independent designer villas that will be built shortly. The company has so far completed 110 projects in and around Chennai.

## **Proposed High-Speed Railway Corridors :**

THE railways have asked states to levy cess on all new properties coming up along the proposed high-speed railway corridors in order to pan-fund these projects that are estimated to cost Rs 30,000 crore. States that had sent proposals for these projects include Maharashtra, Gujarat, Rajasthan, Punjab, Haryana, Tamil Nadu, Kar-nataka, Bihar, Jharkhand and Madhya Pradesh.

The proposed network, for instance, will enable trains to cover the Mum-bai-Ahmedabad distance and Delhi-Amritsar distance in just two hours. “New commercial and residential constructions along the west-west corridor Ahmedabad, Anand, Vadodara, Surat and Mumbai and the north-north corridor Jaipur, Gurgaon, Delhi, Sonapat, Ludhiana, Jalandhar and Amritsar may have to servicing, there is a valid case for funding part of the debt from sources other than the fare-box revenues,” the official said.

A feasibility study has been done by RITES on the Ahmedabad-Mumbai stretch. Chairman of Taiwan High Speed Rail Corporation, Nita Ing, recently met top railway officials recently to discuss bullet trains for India.

The idea of having such trains in India was mooted in 1969-70. Due to cost constraints the project remained on shelves for years till rail minister Lalu Prasad revived it in the Budget 2007.

## **BCCL Invests in Mantri :**

Bennett, Coleman & Company (BCCL) has picked up Rs 60 crore worth preference shares in real estate major Mantri Realty, an associate concern of Mantri Enterprises. Sunil Mantri, chairman, Mantri Realty, says, “We are delighted to have Times Group as an investor in our company. The alliance will enable our company to achieve further milestones in the future.”

## **Vijai Mantri to head DLF jt venture**

U S-based Prudential Financial Inc (PFI) and the DLF Group on Wednesday announced that Mr Vijai Mantri has been appointed as the Chief Executive Office and Managing Director designate of their proposed asset management joint venture DLF Pramerica Asset Managers Pvt Ltd. As lead executive, Mr Mantri would be responsible for managing the process and preparations for the launch of the business.

## **Hirco's Chennai reports robust revenues**

Hirco PLC, the investment vehicle of Mumbai-based Hiranandani Developers, has announced that sales of residential units in Phase I of its Hiranandani Palace Gardens township development in Chennai continue to be robust both in terms of volume of units sold and the level of pricing achieved. As of March 31, sales revenues have been received on approximately 15,62,820 square feet at an average price of Rs 3,906 per square foot.

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## **Smaller construction cos may be worst hit, Infrastructure cos protected by escalation clauses BL Research Bureau**

The mounting price of steel is likely to impact construction companies, especially those that have a higher proportion of fixed price contracts and also real estate developers. The price of hot rolled steel has seen over 30 per cent increase between December 2007 and March 2008. The recent increase in HR coils would take the user price close to Rs 50,000 per metric tonne.

## **Getting Realty: Options For Property Investment**

For most Indians, property is seen as the best investment option. But, till recently, investors were forced to invest in realty through the usual tools of land deeds or purchases in buildings, now they have the option of investing in Realty Funds

## **Engineers Estates launches villa project near Chennai**

CHENNAI-BASED realty firm, Engineers Estates, has launched a luxury villa project about 35 km from Chennai, signalling increasing demand for a second home away from the city. The project, Park City, located near Padappai, will offer 115 luxury villas priced between Rs 25 lakh and Rs 30 lakh. It plans to invest Rs 30 crore in the project and expects it to be completed in the next 18 months. Mr Balasubramanian, director (Engineers Estates), said it was designed to be a weekend home, and the company is planning for more such projects at its existing land banks.

## **Textile park proposed**

SALEM: A Trust backed by the textile industry in Salem has submitted a proposal to the Union Ministry of Textiles seeking to establish an Integrated Textile Park in the district. The park could support textile units in different areas including in terms of production, design development and marketing.

The industry has formed the Salem Integrated Textile Park Trust and decided to implement the project in the public-private partnership mode. It has appealed to the govt. for at least 100 acres of land to set up the park.

## **Nod For Route Chennai To Bangalore As Industrial Corridor :**

CHENNAI: Prime Minister Manmohan Singh has accepted in principle the suggestion made by Chief Minister M. Karunanidhi to declare the stretches along the Chennai-Bangalore highway as an industrial corridor. It was the considered opinion of the State government that by making the Chennai-Bangalore highway an industrial corridor, the Centre could facilitate the improvement of infrastructure along the highway on a par with world standards. Besides, it would help further industrial development of Ranipet, Vellore, Krishnagiri and Hosur.

## **Yahoo's Map Service : Desi Touch**

Bangalore: Yahoo's map services have gone 'desi.' recently, the Internet portal leader added interfaces in 10 languages to its Indian map and place finder utilities. The service, which can be found at <http://in.maps.yahoo.com>, allows users to switch from the default English to Hindi, Tamil, Gujarati, Marathi, Bengali, Kannada, Telugu, Malayalam, Punjabi and Oriya. Kindly visit the site to know more information.

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