Grant Thornton

An instinct for growth™

Indian Real Estate Sector Handbook

Disclaimer:
The information contained in this document has been compiled or arrived at from other sources believed to be reliable, but no representation or warranty is made to its accuracy, completeness or correctness. The information contained in this document is published for the knowledge of the recipient but is not to be relied upon as authoritative or taken in substitution for the exercise of judgment by any recipient. This document is not intended to be a substitute for professional, technical or legal advice or opinion and the contents in this document are subject to change without notice.

Whilst due care has been taken in the preparation of this report and information contained herein, Grant Thornton does not take ownership of or endorse any findings or personal views expressed herein or accept any liability whatsoever, for any direct or consequential loss howsoever arising from any use of this report or its contents or otherwise arising in connection herewith.

Executive Summary

The economic uncertainty that ruled the roost throughout 2013 kept businesses in the real estate sector on tenterhooks. The weakening of the rupee, high inflation, policy paralysis and slow pace of reforms added to the woes of the players in the sector and took its toll on demand for new housing across the country. However, three specific developments during the year emerged as bright spots in a rather dim state of affairs.

First, the introduction of the Real Estate (Regulation and Development) Bill 2013 in the Rajya Sabha was a big step taken by the government to try and regulate the sector and bring in more transparency in real estate transactions. The Bill proposes the setting up of Real Estate Regulatory Authority in every State and Union Territory and plans to give enough teeth to the regulator to impose penalties on defaulters. If enacted in its present form, the law could change the face of the sector and help attract more investors and buyers, many of whom have remained at bay for want of greater transparency in the Indian market.

Another milestone in this direction has been the enactment of The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. This new Land Acquisition Act has replaced the draconian law of 1894, and is aimed at protecting the rights of land owners while ensuring fair compensation and resettlement in lieu of sale of their land to either private developers for commercial development or government for public purposes. The new law will pave the way for inking of more public-private partnerships in the real estate sector and give land owners and Panchayati Raj institutions a fair say in matters involving land acquisition.

The third important development has been the introduction of a draft regulatory framework for Real Estate Investment Trusts (REITs), by market regulatory SEBI. A REIT acts as a single company or a group that owns and manages assets on behalf of its investors. This is a big move aimed at attracting more foreign investment in the real estate sector and infuse funds into cash-strapped developers looking to kick-start new projects. Globally, REITs have been successful in attracting investments for the sector and India could turn out to be another success story.

Amidst these positive regulatory developments, the icing on the cake has been the enactment of the Companies Act, 2013 which is a big leap towards simplification of corporate laws. If implemented in letter and in spirit, this new law would make India more competitive on the ease of doing business parameters, and the real estate sector could leverage this success in more ways than one.

This publication presents a brief round-up of the key developments in the sector in the last one year and gives a few indicators on how it would perform in the year ahead. With the easing of regulatory bottlenecks and several positive signs emerging on the horizon, the sector is likely to witness renewed momentum and grow much faster this year. However, the onus lies on dynamic businesses to make the most of this opportunity and rewrite the growth story in 2014.

David Jones
Director,
Grant Thornton Advisory Private Limited

Content

Key highlights - 2013

January
Housing sales fall 16% in 2012; new launches decline 30% according to property consultant Knight Frank

February
According to a NHB study, housing prices rise 9.6% in 18 major cities

March
Godrej Properties to develop 82 msf (million square feet) across India

April
According to Knight Frank, over 1.4 million housing units in NCR lie unsold due to weak demand

May
RBI slashes Repo rate by 0.25%. New Repo rate stands at 7.25%

June
Union Cabinet approves the Real Estate (Regulation and Development) Bill

July
Mahindra Lifespace Developers sets up 50:50 JV with an investment arm of Standard Chartered Bank for Rs 1,000 crore investment in housing projects

August
Lok Sabha passes Land Acquisition Bill, boosting farmers' rights

September
Commerce and Industry Ministry releases draft note to ease FDI norms for the housing sector

October
SEBI releases draft guidelines to set up REITs in India

November
Non-banking finance companies increase capital lending to real estate firms and projects

December
SEBI to discuss proposal allowing REITs. SBI and HDFC cut home loan rates by 0.25%

January 2014
The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Bill, 2013, commonly referred to as the Land Acquisition Act, came into effect from January 1, 2014

February 2014
Maharashtra Housing (Regulation and Development) Act 2012 received presidential approval, making Maharashtra the first Indian state to have a real estate regulatory body

Regulatory developments: the big picture

The Indian real estate sector has witnessed a roller coaster ride over the past two decades. The bullish run during 2007-08 was followed by a decline during the economic slowdown since mid-2008. The startling dip in foreign investment into the sector bears testament to this tumultuous journey. Since 2010, the sector has witnessed an emerging growth trend. However, the sector needs to regain momentum, thus there is a growing need to introduce reforms.

The year 2013 saw a series of reform-oriented moves by the Indian government in an effort to infuse cash flows and bolster the sector. In the following, we provide a snapshot of the major regulatory developments that would impact the sector in the future.

Real Estate (Regulation and Development) Bill, 2013[1,2]

The Real Estate (Regulation and Development) Bill, 2013 was introduced in the Rajya Sabha on August 14, 2013, after receiving approval from the Union Cabinet in June 2013. The bill aims to eliminate the murkiness associated with real estate transactions in India and bring transparency in implementing projects. State governments, along with Ministry of Consumer Affairs, the Competition Commission of India and the Tariff Commission among others, have backed the bill.

In a nutshell:

- The Bill mandates establishing the 'Real Estate Regulatory Authority' in each state/union territory as an enforcement agency empowered to impose penalties on defaulting developers.
- It mandates formulating the 'Real Estate Appellate Tribunal' in every state for speedy settlement of disputes
- Standardised definitions for 'apartment', 'common areas', 'carpet area', 'advertisement', 'real estate project', and 'prospectus', among others
- The 'carpet area' concept for deals to eliminate obscurity resulting from ambiguous sales terminology
- It proposes that all real estate agents be registered, and can sell immovable property registered with the 'Real Estate Regulatory Authority'.
- Real estate promoters to deposit 70% (or government mandated percent) of cash received in separate bank accounts.
- If developers fail to adhere to the provisions set forth, the 'Real Estate Appellate Tribunal' can impose penalties
- Penalty may go up to 10% of the estimated project price, and continuous violation can invite imprisonment up to three years.

The Right to Fair Compensation and Transparency in Land Acquisition,Rehabilitation and Resettlement Act, 2013[3,4]

This complex and comprehensive Act came into effect from January 1, 2014, replacing the archaic Land

Acquisition Act, 1894. The Act combines both land acquisition, and rehabilitation and resettlement (R&R) for the loss of land and livelihoods of those even marginally affected by land acquisition. It focuses on increasing transparency and involves prior consultation with local landowners and the local Panchayati Raj institutions.

In a nutshell:

- For private projects, approval of 80% land owner and 70% land owners' approval for private-public partnership projects
- The solatium amounts to 100% of the total compensation, and compensation to land owners is proposed to be four times the market value in case of rural areas, and twice the value in case of urban areas
- Food security is safeguarded by ensuring protection of multi-crop cultivated land and acquisition of such land to be only undertaken as the last resort
- For land owners and livelihood losers:
  - Subsistence allowance of Rs 3,000 per month to be paid for 12 months to affected families.
  - In addition, Rs 2,000 per month for the next 20 years as annuity; with appropriate index for inflation
  - Rs 5 lakh per family or a mandatory job for one family member;
  - Rs 50,000 for transportation and one-time replacement allowance of Rs 50,000.
- The Act ensures that R&R provisions will follow land acquisition. It seeks to achieve balance between the need for facilitating land acquisition while addressing the concerns of families and farmers whose livelihoods are dependent on the land being acquired
- It has a retrospective clause which aims at correcting historical inequalities by allowing provisions for certain classes of individuals to benefit from enhanced compensation:
  - Where the award has been made but acquisition has not been completed, compensation shall be made according to the provisions of the new Act
  - Where majority of individuals have not received compensation, the new law will apply
  - Where the affected individuals have not accepted compensation/ not given up possession, with proceedings pending for five years or more after the acquisition has taken place, the new law will apply
- Introduction of standardised definitions for 'public purpose', 'urgency clause' for land acquisition, and 'affected families' for rehabilitation and resettlement
- Specialised and enhanced roles for Panchayati Raj institutions like gram sabhas to speed up acquisition process and reduce lawsuits.

of the new Act
- Where majority of individuals have not received compensation, the new law will apply
- Where the affected individuals have not accepted compensation/ not given up possession, with proceedings pending for five years or more after the acquisition has taken place, the new law will apply
- Introduction of standardised definitions for 'public purpose', 'urgency clause' for land acquisition, and 'affected families' for rehabilitation and resettlement
- Specialised and enhanced roles for Panchayati Raj institutions like gram sabhas to speed up acquisition process and reduce lawsuits.

> "The Real Estate (Regulation and Development) Bill 2013 is a right step by the government in streamlining the sector. The Bill is aimed towards improving buyers' confidence, ensuring timely execution of projects by reducing delays. Developers will be required to put all project details on the website of real estate regulatory authority and they will get money from buyers only after taking all necessary clearances. This will protect the interests of stakeholders- lenders and investors, as it proposes to prevent the diversion of the funds and will bring in more transparency into the real estate sector."

Vineet Relia,
Chief Operating Officer, SARE Homes

Foreign direct investment in real estate[5,6,7,8]

India opened its doors to FDI in real estate in 2005. Prior to this, only non- resident Indians (NRIs) and persons of Indian origin (PIOs) were permitted to invest in the real estate and housing sectors other than agricultural land, plantation property, or farmhouse property. However, foreign companies, through their Indian operating centres, are allowed to acquire properties to conduct their businesses.

In a nutshell:

- Indian government considering sweeping changes to their FDI policy, allowing 100% FDI in the real estate sector
- Government hopes to boost inflow of funds into the sector from mid-level foreign investment firms and developers
- Current shortage of 18.78 million housing units for the lower income category. Ministry anticipates to bridge this gap through low-cost housing projects initiated by new developers
- Revised policy guidelines sent by the Ministry of Housing and Urban Poverty Alleviation to the Department of Industrial Policy and Promotion.

Updates

Some of the revised guidelines proposed are:

- Minimum carpet area sold in FDI-linked projects to be 20,000 square meters (down from previous mandate of 50,000 square meters) across all class-1 Indian cities with population over 100,000 persons
- Minimum area to be developed for serviced housing proposed to be reduced to 5 hectares from 10 hectares
- Minimum lock-in period for repatriation of FDI to be reduced to three years or completion of project, whichever is earlier. This is a marked change from the previously set norm of minimum lock-in period of three years or completion of minimum capitalisation, whichever was later
- Reduction of minimum capitalisation for investment. Several initiatives under this proposed change are:
  - For wholly-owned subsidiaries, minimum capitalisation to be lowered to US$ 5 million from US$ 10 million (Rs 60 crore)
  - For foreign developers entering into joint ventures (JVs) with Indian partners, minimum capitalisation proposed to be lowered to US$ 2.5 million from US$ 5 million
- Permitting transfer of shares between NRI investors in the real estate sector eases liquidity concerns for foreign investors
- Cash needs to be infused within six months of the plan approval by the statutory authority.

New regulations by Securities and Exchange Board of India

To attract foreign investment in the real estate sector, SEBI has introduced a draft regulatory framework for Real Estate Investment Trusts (REITs). This move is expected to create a transparent environment, there by attracting retail investment and enabling liquidity infusion for cash-crunched developers.

SEBI (Real Estate Investment Trust) Regulations 2013[9]

REITs function as a single company or group, owning and managing assets on behalf of their investors. REITs primarily invest in completed real estate assets that generate revenue and majority of their earnings are distributed among investors. REITs are thus a low-risk investment avenue providing regular

income.

Salient features of the SEBI (Real Estate Investment Trust) Regulations 2013:

- REIT to be set up as a trust and registered with SEBI and to have trustees registered with SEBI, sponsor, manager and principal valuer
- Minimum size of assets under REIT to be not less than Rs 1,000 crore (US$ 167 million)
- Minimum 25% public participation in REIT and initial offer size to be not less than Rs 250 crore (US$ 42 million)
- Ninety percent of the REIT's net distributable income after tax to be distributed among unit holders
- REITs to invest in real estate properties, other than vacant/ agricultural land/ mortgages or through special purpose vehicles (SPV) wherein the SPV shall own not less than 90% of assets
- The REIT to hold controlling interest of the SPV, subject to not less than 51% equity of the SPV
- Seventy-five percent of the revenues of the REIT shall be from rent, lease, other than gains arising from selling of property
- Reverse mortgage policy reformed by making annuity income from loan tax-free and making annuity payment life-long.

Other regulatory developments

Policies to boost real estate sector [10,11,12]:

The government has adopted some of the following reforms to give a boost to the sector:

- Relaxation of norms by RBI for external commercial borrowings (ECB) in the affordable housing sector ECB limit extended for two years
- Maximum carpet area of individual housing unit to be 60 square meters; cost to not exceed Rs 30 lakh and loan amount to not exceed Rs 25 lakh to qualify as affordable housing
- Lower interest rates and availability of additional low-cost housing options through implementation of ECB
- Prospective buyers of low-cost housing units can be financed with ECBs by housing finance companies (HFCs)
- Experience for builders reduced to three years from five in building residential projects
- The National Housing Bank (NHB), introduced the Rural Housing Fund to offer financial assistance to economically weaker sections
- NHB formed a Mortgage Guarantee Company (India Mortgage Guarantee Corporation Pvt. Ltd, IMGC) to provide mortgage guarantees to primary mortgage lenders like banks and HFCs against defaults by home loan borrowers with Genworth, Asian Development Bank (ADB) and International Finance Corporation (IFC) as other JV partners.

Proposed single-window clearance for realty sector projects [13]:

- Ministry of Housing and Urban Poverty Alleviation plans to introduce a new system of single-window clearance of all real estate projects
- New system to reduce timelines required for project approval to 45-60 days from the current average of 196 days
- Move to have impact on reducing project costs translating to downward correction of property prices ranging between 5-15%.

"The Real Estate Regulation and Development Bill, 2013 brings in a slight ray of hope for investors. Better governance and transparency in policies are comforting factors for any investor. The appointment of a regulator should bring discipline to the industry thus giving some confidence to the investor community. This bill will also challenge the existence of non-serious players and fly by night operators through the various checks put in place for revenue collection and will eventually make the sector more organised and credible with only serious players. However, there are shortcomings that can't be ignored. The current form lacks implementation clarity. From an investor's perspective, timely completion of projects is key to generating good returns but adding another bureaucratic layer to an already fragmented, disorganised and tardy approval system could lead to further delays and have a negative impact on the returns. Therefore a well laid out implementation strategy with microscopic clarity on the approval process would be instrumental in regaining the confidence of the investors."

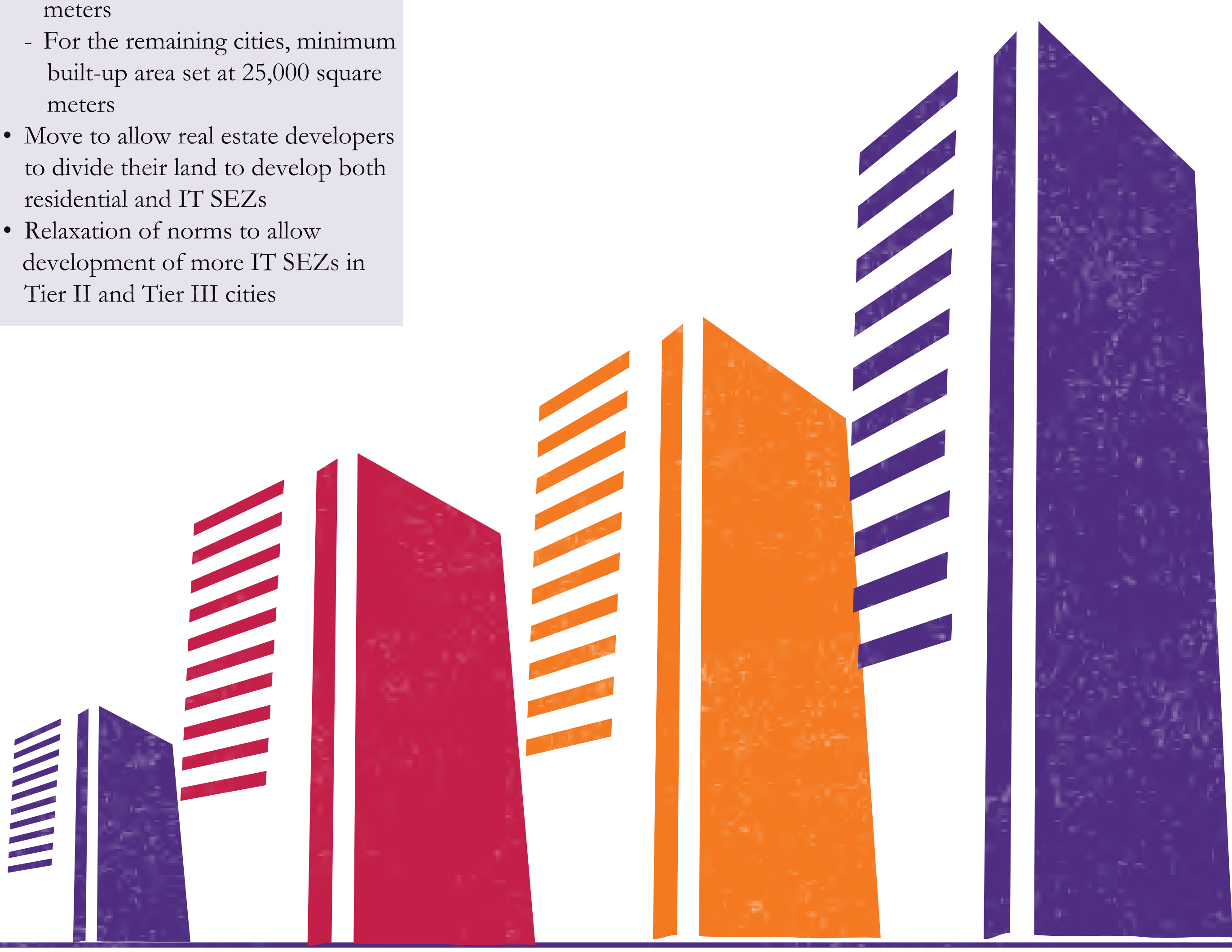
Gaurav Rakyan,
Principal, Red Fort Capital

New Special Economic Zone (SEZ) norms[14]:

The Indian government has amended its SEZ norms to make them more inclusive by attracting more small and medium enterprises to its scheme.

In a nutshell:

- India's real estate and IT sectors set to receive a major boost through the government's decision to eliminate mandatory requirement of 10 hectares of minimum land area for setting up an IT/ITES SEZ
- According to the recent government mandate, minimum built-up area for SEZ developments has been reduced:
  - For the seven major metros, minimum built-up area set at 100,000 square meters
  - For category B cities, minimum built-up area set at 50,000 square meters
  - For the remaining cities, minimum built-up area set at 25,000 square meters
- Move to allow real estate developers to divide their land to develop both residential and IT SEZs
- Relaxation of norms to allow development of more IT SEZs in Tier II and Tier III cities



Investment scenario: the ins and outs

FDI inflow in real estate (termed as "construction development" by Department of Industrial Policy and Promotion [DIPP]) declined drastically by over 57% in 2012-13 from the year ago. The year 2013-14 till December witnessed no significant growth compared to the previous year. Moreover, linear extrapolation of available data suggests FDI inflow will reach US$ 1,334 million for the year, nearly the same as the previous year.

As per DIPP figures, the real estate sector witnessed FDI inflow worth US$ 914 million in 2013-14 till December.

Foreign investors remained wary of the sector due to the poor economic performance of the country, a highly volatile currency, sticky inflation, currency depreciation, high interest rates, and increased input and labour costs. The sluggish global environment also played a significant role in the subdued FDI investment scenario this year.
From April 2000 to December 2013, the sector has attracted US$ 22.99 billion in FDI (11% of the total FDI inflow), and stands second only to the service sector.
The report, "Assessing the Economic Impact of India's Real Estate Sector", released by the Ministry of Housing and Urban Poverty Alleviation, estimates that the sector accounted for around 6.3% of India's GDP in the year 2013. It also stated that the sector is the second largest employment generator after agriculture.

According to the report, real estate generated approximately 7.6 million jobs in 2013.

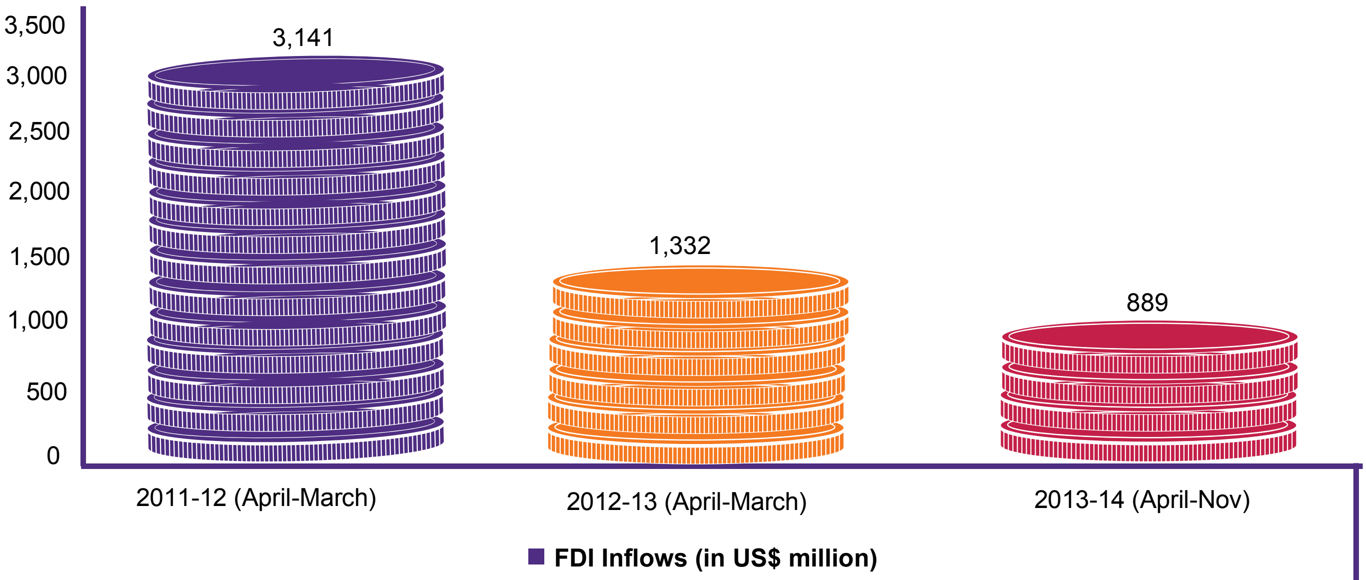
The report further estimates that development of around 3.6 billion square feet is nearing completion in 2013 with about 98% of it focused on the residential segment.

In 2013, Private Equity (PE) firms having real estate exposure made 45 investments, compared with 49 in the year ago. The disclosed value of 37 deals was worth approximately US$ 1,423 million. In 2012, the disclosed value of 39 deals was US$ 1,202 million[15].

Meanwhile, PE exits in real estate in 2013 were up 33% compared with 2012. Twenty four companies exited in 2013, while 18 pulled out in 2012. Of the 24 exits, the disclosed value of 10 was approximately US$ 421 million.

Year-wise FDI inflows - Construction Development

Note: The Construction Development sector encompasses townships, housing and built-up infrastructure.



Source: Department of Industrial Policy and Promotion (DIPP), Government of India

According to figures from data tracing firm VCCEdge, Indian companies inked 655 PE deals in 2013. In terms of the number of deals, real estate with 45 deals stands below information technology at 210, consumer discretionary at 152, financials at 99, health care at 73 and industrials at 60 deals, respectively.

In the current economic scenario, PE funds have increased focus on the residential segment rather than the retail and commercial segment. The reason being, unlike retail and commercial subsectors, which are highly correlated with the general economy, the residential space is resilient as there is a huge demand-supply gap. According to data tracking company Venture Intelligence, 66.7% of investments in 2013 were routed to the residential sector, including townships, while commercial projects accounted for only 16% of the investment pie.

PE deals in the residential sector in 2013[16]:

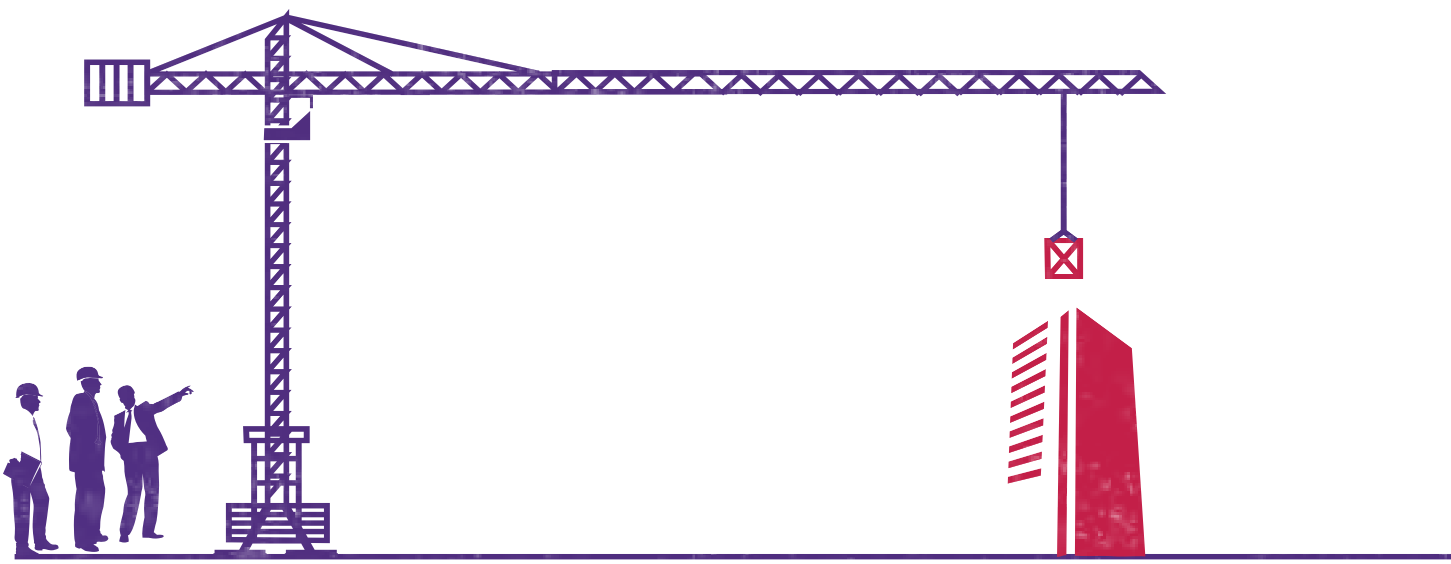
- Jones Lang LaSalle raised Rs 101 crore (US$16.8 million) in the first half of 2013 for development
- Ashiana Housing Ltd is planning to invest US$ 18.01 million in property in Gujarat's Halol city.

PE deals in the Commercial sector in 2013[17]:

- Ascendas Trust acquired 2 million square feet of office space in Hyderabad from Phoenix Group for about US$ 110 million
- Canada Pension Plan Investment Board (CPPIB) committed US$ 200 million to form an 80:20 joint venture with Shapoorji Pallonji Group to invest in office space[18].

According to the International Monetary Fund (IMF), the "retail" reality sector is expected to grow ~15% year-on-year in the short term, over the next 3-5 years. Some of the major planned/proposed investments in India are:

- Unitech Ltd inked a US$ 128.17 million deal with Aon Hewitt to lease 800,000 square feet of office space
- Mr Ravi Pillai, an NRI, plans to invest US$ 100 million in Panchshil Realty through an SPV
- Godrej Properties Ltd plans to invest US$ 1.44 billion in the Indian real estate sector over the next 10 years[19].



2013: Prominent Deals in Indian real estate sector [20,21,22,23]

Investor	Investee	Investment	Purpose
IDFC Private Equity	Paranjape Schemes (Construction) Pvt. Ltd	US$ 83 million	Acquired phase 1 of BlueRidge SEZ
Xander Group Inc.	Supertech Ltd	US$ 46.6 million	Cash generated from this deal to be utilised to acquire additional land and accelerate construction-related activities
Godrej Properties Ltd	Red Fort Capital (PE firm)	Undisclosed	Through this deal, Godrej Developers Pvt. Ltd becomes a wholly-owned subsidiary of Godrej Properties
RP Group	Panchshil Realty	US$ 90 million	Investment to help Panchshil Realty build two iconic properties in Pune – Trump Towers and World Trade Centre
Ascendas Trust	Phoenix Group	US$ 110 million	Acquired office space measuring 2 million square feet, located in the IT hub of Gachibowli, Hyderabad
Blackstone Group	Embassy Group	US$ 200 million	Acquired Embassy Business Park, Embassy Golf Link and Manyata Embassy Business Park in Bangalore, and Embassy Tech Zone in Pune
Lodha Group	DLF	US$ 466 million	Bought its 17.5-acre land parcel in Mumbai

2013: Prominent PE exits in Indian real estate sector [24,25,26,27]

PE Fund	Value	Background
IL&FS Investment Managers Limited	Undisclosed	Sold 29.29% stake in Offbeat Developers Private Limited to The Phoenix Mills Ltd
Kshitij Venture Capital Fund	Undisclosed	Announcement in August 2013 regarding sale of 32% stake in Classic Mall Development Co. to The Phoenix Mills Ltd
IL&FS Investment Managers Limited	US$ 55 million	Sold 26% stake in Bhartiya Urban Infrastructure and Land Development
Goldman Sachs Group	Undisclosed	Sold its stake in Vatika Limited to the promoters of Vatika
Horizon Realty and Horizon Ventures II of Everstone Capital Ltd	Undisclosed	Sold their stake in Star Mall Developers Private Ltd to The Phoenix Mills Ltd

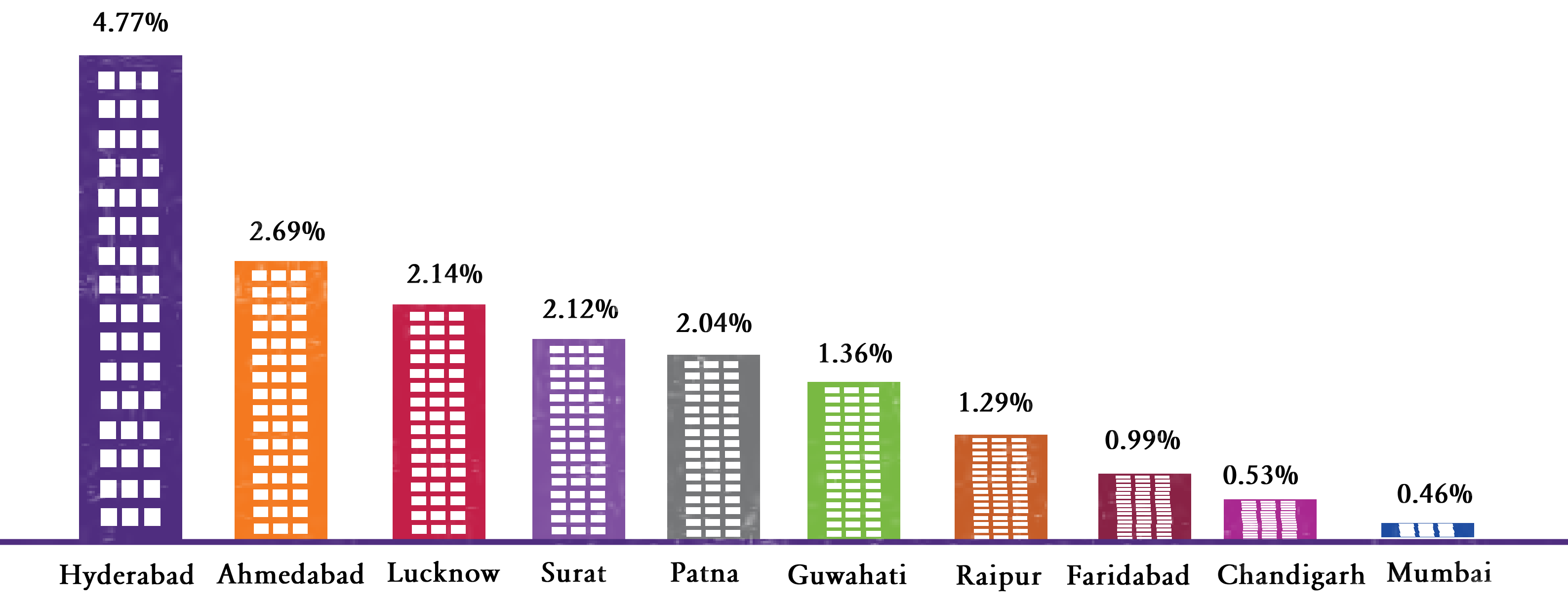
Key issues and challenges: caution and diligence

The Indian real estate sector is rapidly evolving with a rising number of domestic and foreign participants. The government is adopting policies to increase fair play an transparency, and raise professional standards.

Pricing trends[28]

According to NHB, in the quarter ending September 2013, property prices of residential units in Kolkata and Chennai registered growth of 5.3% and 4.95%, respectively over the previous quarter, representing the highest increase among all the 26 cities covered under the NHB Residex.

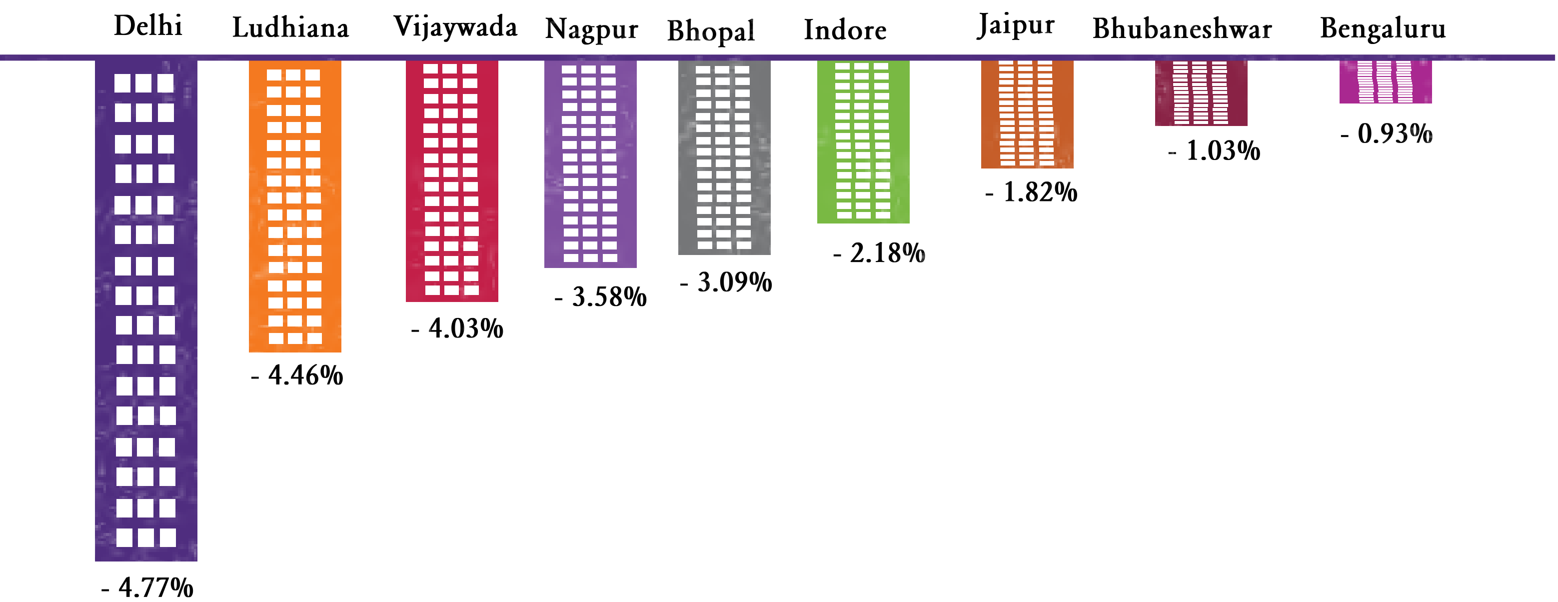
At 0.46%, Mumbai registered the lowest growth in property prices. The other ten cities which recorded growth in property prices over the previous quarter were as shown in the graph below:



Among all the cities covered under the NHB Residex, ten cities displayed a declining trend in property prices over the previous quarter with Meerut recording the steepest fall at -6.88%. The other nine cities which experienced a drop in property prices were as shown in the graph below:

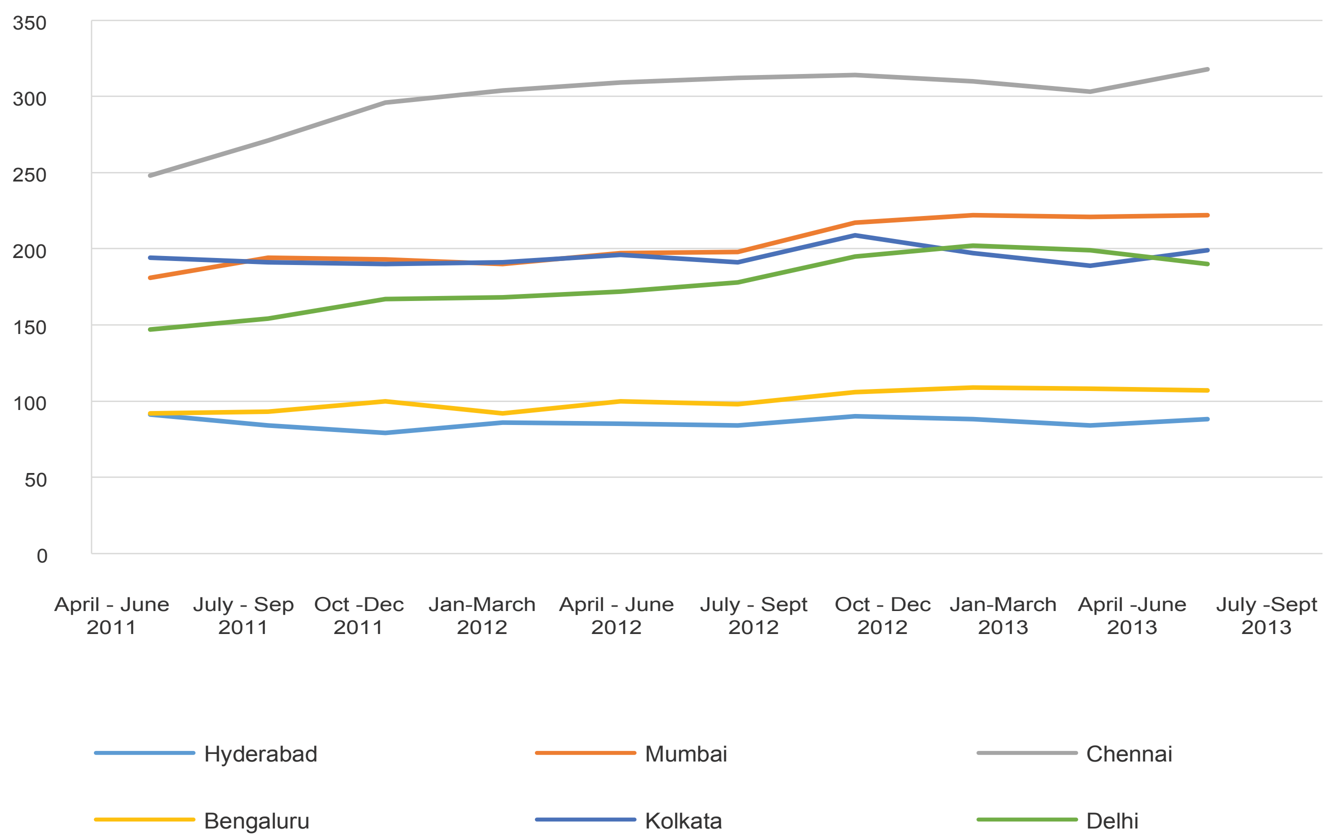
> "Year 2014 will be a year of recovery for real estate. The end users will be in the market and demand for mid and mid high segment will start improving from the 2nd quarter of the calendar year. We expect a growth in prices of real estate by around 10% on year on year basis. It is also expected that capital market regulator, SEBI will notify the guidelines for REITs in India. This will help the small investors to invest in real estate sector. REIT will help to boost demand of income generating assets such as Rental housing, senior living, managed residences etc. With scarce availability of land in the urban areas, redevelopment may emerge as another growth driver. At present an exceptional opportunity for developers in this respect - as per the latest available census data on households, only 50% of the residential units are in good condition, while the remaining are either merely liveable or in dilapidated condition. We also expect that penetration of home loan business by Home finance companies, will also help the sector to grow further."

Manoj Goyal
Director, Raheja developers



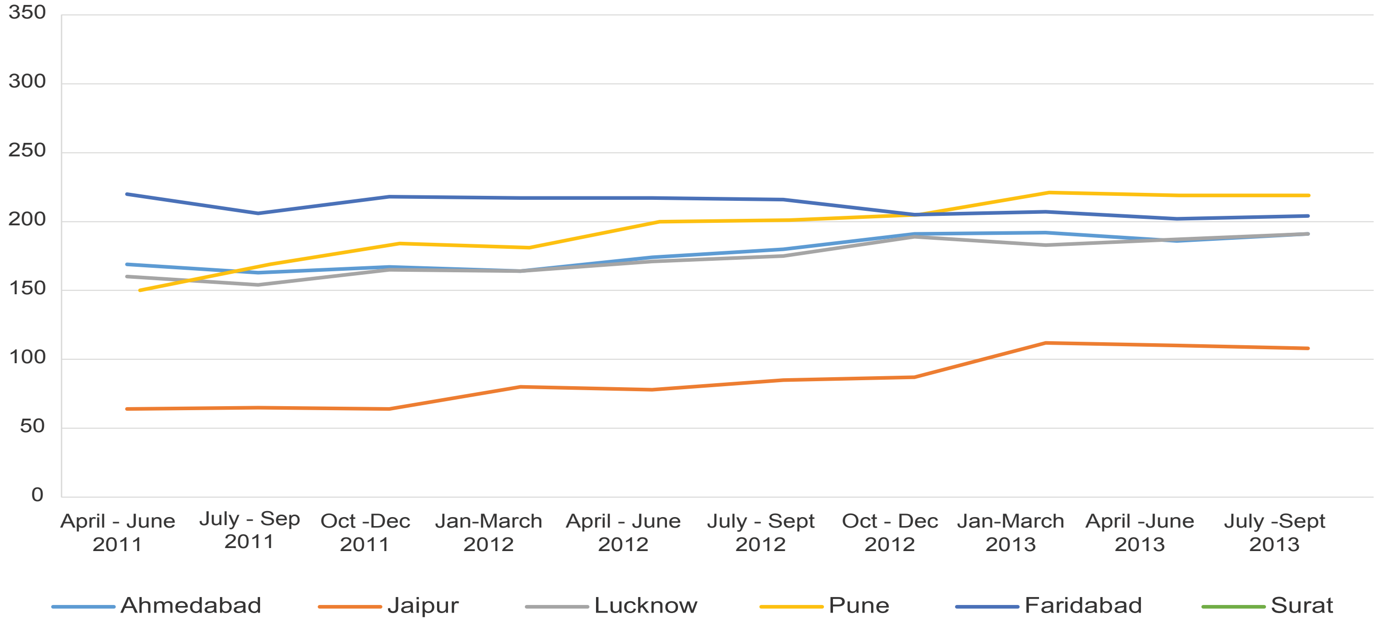
Residential property prices in Pune, Kochi, Coimbatore and Dehradun have remained stagnant when compared with the previous quarter.

City-wise housing price index – Tier I cities

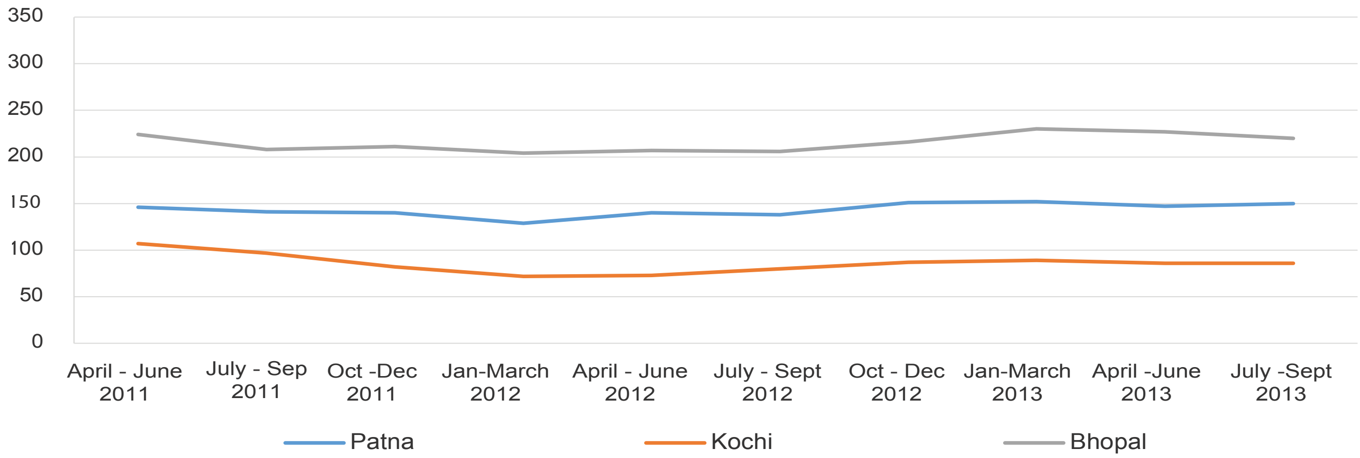


Source: NHB Residex

City-wise housing price index Tier II cities



City-wise housing price index Tier III cities



Source: NHB Residex

During 2013, rents of malls and high streets across major Indian cities appreciated, except in Mumbai which showed a reversal in trend[29]. This upsurge was due to the entry of several international brands across key Indian cities in 2013. According to a Cushman & Wakefield study, rents across prime main streets in key Indian cities like Delhi, Hyderabad, Pune and Chennai appreciated in the range of 3–12%. The cascading effect of the delay in project deliveries, leading to absence of quality retail space in prime locations, was the reason for the appreciation. The trend reversal seen in Mumbai was attributed to the exit of non-profitable retailers from Linking Road in the city's suburbs.
The rental rates and capital values for high-end properties in Gurgaon declined by 3-12% Q-o-Q in CY 2013 as compared to last year owing to cautious buyer sentiment coupled with inventory pile and low sales.

According to property consultant CBRE, land prices in Gurgaon and Noida could decline in coming years owing to DDA's new land pooling policy which is likely to free up around 70,000 acres of land in Delhi NCR.

Decline in absorption of office space[30]

According to a study by Cushman & Wakefield, the commercial real estate market was subdued, with net office space absorption in the top eight Indian locations of Delhi NCR, Mumbai, Bengaluru, Chennai, Hyderabad, Pune, Kolkata and Ahmedabad witnessing a steep decline of 25% over the previous year. Net office space absorption in 2013 stood at 23 msf. Mumbai and Bengaluru were the top cities in terms of net office space absorption at 4.7 msf and 4.6 msf, respectively. Most cities witnessed a decline in the range of 20–40%, except Pune which witnessed a rise in growth of 15% year-on-year of new office space occupancy, of which 78% was Grade A. This steep decline is a result of companies exercising caution against the backdrop of a slowdown in the Indian economy and their choice to focus on relocation and consolidation to streamline costs. The reversal in trend observed in Pune can be attributed to their increasing preference for quality office space.

Total supply of commercial office space in 2013 stood at 34 msf, a decline of 14% over 2012. Office space vacancy stood at 19.4%, an increase of 0.9% from the previous year. Leasing activity also witnessed a marginal decline of 2% in 2013 over the year ago.

The mood, though cautious, is optimistic for the year, with the upcoming general elections scheduled in mid–2014. Net absorption and leasing activities are expected to gain pace with new companies entering the market, expansion plans by current players, and consolidation of business operations.

Slump in residential real estate market[31]

The macro-economic environment in India kept potential home buyers on the sidelines, thus resulting in a subdued residential market for most part of 2013. New residential project launches fell 12% in 2013 over 2012. There were an estimated 172,500 residential unit launches in 2013 across eight major Indian locations of NCR, Mumbai, Bengaluru, Chennai, Hyderabad, Pune, Kolkata and Ahmedabad.

Bengaluru recorded a steep 15% increase in new residential unit launches, while Chennai registered the sharpest decline of 39% over the

previous year. About 65% of the new project launches were recorded in Delhi and Mumbai. Mumbai registered 6% growth in new residential unit launches and Kolkata recorded 3% growth. In contrast, NCR recorded a 33% decline, Pune registered a 20% drop and Ahmedabad witnessed a 5% fall in new residential unit launches. The residential real estate market in NCR took the biggest hit in the luxury segment with no new launches.

In a nutshell:

- Indian real estate market in a subdued mode in 2013 due to the dual effect of the cautious approach adopted by home buyers and firms' decision to contain their current expansion plans and streamline costs
- Large PE investments in commercial real estate in pre-leased assets, mainly in Bengaluru and Pune, with IT/ITeS being the primary growth driver
- Real estate developers struggled owing to high borrowing costs, rising input costs and shrinking profit margins, leading to strained cash flows
- In the residential segment, launches and sales declined in 2013 in almost all major metro cities of India. New residential project launches witnessed a steep 12% drop in 2013 over 2012
- Bengaluru recorded the highest increase in new residential project launches in 2013, while Chennai recorded the steepest decline during the same period
- In the commercial segment, net office space absorption fell sharply in 2013 owing to corporations deferring their expansion plans
- Mumbai and Bengaluru led Indian cities in terms of office space absorption in 2013.

Slump in residential real estate market

News round-up: key highlights for 2013

1 Economy

In 2013, the government focused on growth and introduction of reforms to generate economic activity in the sector. FDI up to 100% is now allowed under the automatic route in housing, townships, built-up infrastructure and in construction related projects.

2 Policies

Some policies introduced by the government that are likely to boost the sector include: the Real Estate Regulation Bill, REITs and the new Land Acquisition Act.

3 Residential real estate

The Supreme Court of India, in a landmark judgement, upheld levying VAT on residential properties under construction. RBI issued a notification to link disbursal of sanctioned home loans with the stages of construction of the housing project. The government sanctioned Rs 6,000 crore for the Rural Housing Fund and also set up an Urban Housing Fund with an initial allocation of Rs 2,000 crore. Supreme Court also upheld the Bombay High Court verdict directing builders to pay 5% VAT for all under-construction properties transacted for sale between 2006 and 2010 in Maharashtra. The Supreme Court clubbed all 26 appeals on this issue - 14 from Karnataka and 12 from Maharashtra. Developers in Maharashtra, Karnataka and UP will have to pay the charges (The Maharashtra government had reduced VAT on sale of flats to 1% from April 1, 2010).

4 Commercial real estate

The commercial real estate segment witnessed oversupply and a cautious approach by firms which largely controlled rentals. Net office space absorption declined steeply. Relaxation of FDI policies in multi-brand retail boosted growth among retailers. There were healthy PE investments in commercial real estate in pre-leased office assets.

News round-up: regulatory

Government Initiatives[32]

The government undertook several reformatory steps to boost investment and economic activity in Indian real estate:

- As part of the latest reforms, 100% FDI is allowed under automatic route in housing, townships, built-up infrastructure and in construction related projects
- The Ministry of Housing and Urban Poverty Alleviation planned to introduce a single-window system for clearance of all real estate projects across India. The system will reduce timelines required for project approval to about 45-60 days from the current average of 196 days
- Under the aegis of Jawaharlal Nehru National Urban Renewal Mission (JNNURM) programmes, the government sanctioned projects worth Rs 41,723 crore (US$ 6.9 billion) for building 1,569,000 houses/dwelling units for economically weaker/lower income group sections
- Housing loan limit raised to US$ 52,080 for priority sector[33]

Budget 2013-14 highlights

- Rate of abatement for high-end constructions (defined as homes and flats with a carpet area of 2,000 square feet or more or of a value of Rs 1 crore or more), where the component of services is greater, reduced to 70% from 75% [34]
- Rs 6,000 crore (US$ 1 billion) provided to Rural Housing Fund, setup through NHB
- NHB planned to set up Urban Housing Fund, to be utilised in building new homes in the budget housing and affordable housing categories. Fund given an initial allocation of Rs 2,000 crore (US$ 333 million) in 2013-14[35]. Move expected to infuse cash-strained sector with liquidity for urban housing development
- Budget proposed levy of 1% TDS on immovable properties of above Rs 50 lakh, other than agricultural land. Move expected to bring in accountability in high-value real estate transactions
- Tax deduction limit raised by Rs 1 lakh for first-time home buyers[36]
- Additional deduction of interest up to Rs 1 lakh for a first-time home buyer availing a loan up to Rs 25 lakh from April 1, 2013 to March 31, 2014[37].

RBI directive on innovative home loan products[38]

The RBI curtailed certain subvention schemes, which include innovative home loan products, popularly known as 80:20 or 75:25 schemes. These are usually tripartite agreements between the bank, builder and home buyer, which include home loan schemes where lump-sum amounts of sanctioned home loans are disbursed upfront to builders without linking the disbursals to various stages of construction of the housing project, among others.

The RBI issued a directive to link disbursal of pre-approved loan amounts to the stages of construction of housing projects. The central bank also issued a clear mandate that "upfront disbursal of loan amount should not be made in case of incomplete/under-construction/green field housing projects".

This move was introduced to mitigate the potential risks associated with the lump-sum disbursal of loan amounts like disputes between parties, delayed payments, and non-completion of projects, among others.

Supreme Court of India order will increase home prices[39]

In a landmark judgement, the Supreme Court upheld levying of VAT for property under construction. The Court upheld that state governments can levy VAT on building cost while selling property to buyers.

The apex court also included past purchases under the purview of this ruling. Property prices for flats under construction would likely face an immediate direct impact as developers would pass on the additional cost to buyers.

New property tax to impact West Bengal real estate market[40,41]

The Central government proposed inserting Section 43 CA in the Income Tax Act, thereby imposing a new tax on the basis of "assessed valuation of a property at the time of transfer instead of levying tax on the basis of sale price, fixed when the project was initiated". According to the Bengal chapter of the Confederation of Real Estate Developers' Associations of India (CREDAI), this move wil negatively impact the sector in the state. The stamp duty values of properties in many locations in West Bengal are higher than the real sales values.

News round-up: financial

CPPIB and Shapoorji Pallonji Group form strategic alliance[42]

The Canada Pension Plan Investment Board (CPPIB) formed a strategic alliance with Shapoorji Pallonji Group in November 2013 with initial equity of US$ 200 million. CPPIB is expected to own 80% of this venture, which will acquire stabilised office property in urban Indian areas. The venture will engage in asset management by targeting and leasing out FDI compliant office buildings to well-known clients.

Emerging investment avenues pose tremendous opportunity in Delhi-NCR[43]

Real Estate Observer, in its magazine, analysed the emerging investment 'hotspots'. As per the analysis, Millennium City (Gurgaon) and Noida-Greater Noida possess tremendous growth potential over the long term and have also given good returns over the last 20 years. In Gurgaon, Sohna Road and Dwarka Expressway are expected to be future real estate hubs.
Availability of land, lower property prices and large infrastructural projects will make these areas key destinations for investment.

India witnessed 39% increase in retail space in shopping malls during 2013[44]

According to real estate services firm Cushman and Wakefield, retail space in malls increased by 4.59 msf in eight Indian cities, despite delay in the completion of 18 malls. The liquidity crunch has been primarily responsible for the delay in most projects.

Maximum space addition was recorded in Chennai, followed by Mumbai, Pune and Kolkata. There was no addition in mall space in Delhi-NCR, Bengaluru and Ahmedabad.
Due to an increase in leasing activities in the newly constructed malls, vacancy declined by 2%.

Qatar Investment Authority (QIA) in talks with Kotak Realty Fund to invest US$ 200 million in Indian residential properties[45]

QIA entered into talks with Kotak Realty Fund, run by Kotak Mahindra Bank, to invest US$ 200 million in residential property in India to manage investments on behalf of the fund. Kotak will also make a small capital investment and largely focus on developing residential property across major cities for QIA.

This deal follows the July 2013 investment by Abu Dhabi Investment Authority (ADIA) of US$ 200 million in Indian real estate.

Also in July, Singapore's GIC Pte Ltd, Temasek Holdings and Oman's State General Reserve Fund announced a combined investment of US$ 200 million in a real estate fund run by Housing Development Finance Corporation Ltd.

ADIA to invest US$ 250 million in Hines India Real Estate[46]

ADIA announced investment of US$ 250 million (Rs 1,500 crore) in Hines India Real Estate. The ADAI–Hines strategic alliance will invest in targeting mid-market and upper mid-market residential real estate in Indian metro cities.

In 2013, QIA invested US$ 300 million (Rs 1,800 crore) in RMZ Corp. to acquire commercial space in Bengaluru, Hyderabad, Chennai and Pune. These deals are taking place against the backdrop of increasing overseas activity.

News round-up: miscellaneous

Online real estate business growing 100% annually[47]

Online real estate portals gained market share of nearly 3% in 2013 from 0.5% in 2010-11, registering over 100% growth annually. This trend is gaining traction in the eastern region even though it has the lowest market share in online property transactions when compared with the West, North and South.

Online property activities as part of the total real estate market were fairly low. However, market experts expected a sharp rise in growth with the increase in public awareness. For instance, the company managing online property portal, Indianproperty.com, launched its first property show, Grihapravesh. It expects bookings from this fair to total nearly Rs 20 crore.

High-end villa rentals slide as expats relocate[48]

Bengaluru witnessed a decrease in rentals of high-end villas, with nearly a 50% decline in deals from expats, with an increase in supply of such units. As per data from global real estate consultants and city-based brokers, rentals of high-end villas decreased 25-30% during 2012–13. This decline was also due to strict corporate budgets triggered by sluggishness in global markets. Only 50 expats relocated to Bengaluru in Q1 2013 compared to 100 in the corresponding period of the previous year.

Supertech-Armani Group tie-up for luxury residences[49]

Real estate firm Supertech Ltd partnered with Armani/Casa, the home and interior design division of the Italian fashion house, Armani Group, for development of luxury housing. The alliance will build 100 exclusive, luxurious 'Residences by Armani/Casa', a part of their Supernova project in Noida, and will sell them only through invitation. They expect a price differential of 75–100% over other, non-branded Supernova products.

Trump and Lodha Group sign up for luxury housing project [50,51,52]

Lodha Group has signed a brand licensing agreement with US-based luxury developer, Trump Organization for a luxury residential tower, 'Trump Tower', to be located inside Lodha Group's recently acquired 'The Park' project, which is a 17.5 acre plot they acquired from DLF. The Trump Tower, which is expected to be completed by 2018, will be an 800-feet, 77-storey tower with three and four bedroom luxury apartments. Lodha Group will pay Trump unspecific amount (in crore) for licensed use of its brand name. This deal follows the recent termination of similar brand licensing agreement with Rohan Lifescape for a 65 storey building at Chowpatty, Mumbai.

Lodha Group added yet another feather to its cap in early 2014, by announcing the launch of an 800 acre township with an investment of about Rs 14,000 crore (US$ 2.3 billion). The "Palava" project is spread across

4,000 acres between Navi Mumbai and Dombivali, and is designed to be one of the topmost liveable cities in the world. Future estimates include housing for nearly four lakh people in Palava. The company has already invested Rs 4,800 crore (US$ 800 million) in acquiring the land and building the first phase, with the second phase consisting of residential, commercial and other social infrastructure projects.

Lodha Group ventures into London real estate market[53,54]

Lodha Group acquired the Macdonald House in Central London for a deal valued at about Rs 3,000 crore (approximately US$ 500 million) from the Canadian government. This is the first investment by an Indian developer in the London real estate market, and is significant especially because the high value deal has taken place at a time when the Indian market is facing liquidity crunch. Funds for the transaction will be accrued internally, with the Group already having made an initial payment of Rs 300 crore (US$ 50 million). Lodha Group plans to proceed with the 0.67 acre property as a high-end, mixed-use development, housing both residential and commercial developments.

Maharashtra hikes ready reckoner rates[55]

The Maharashtra government has hiked ready reckoner rates for residential and commercial properties by up to 20% in municipal corporation areas of Pune, Thane, Navi Mumbai and Mumbai with effect from January 1, 2014. This increase will spike up residential property prices as RR rate is used to calculate the minimum registration fees and stamp duty charges paid while registering the property. In 2012, the government had increased RR rates by a maximum 30%.

Land Pooling Policy by the Delhi Development Authority (DDA)[47,48]

The Land Pooling Policy introduced by DDA was approved by the Ministry of Urban Development in September 2013 and regulations for operating the land pooling policy were approved in January 2014. Under this policy, land owners can surrender their land into a central pool and be a stakeholder in its development plan. Instead of compensation, the land owners would get back 40–60% of the total surrendered land after development of infrastructure by DDA, which they can keep for themselves or give to private developers. Two types of land pooling have been announced:

1) 2–20 hectares, where about 48% land would be returned to owners
2) 20 hectares and above, where 60% land would be returned to owner.

The policy focuses on achieving the aim of Master Plan Delhi (MPD) 2021, which seeks to provide houses to all Delhiites. Under the aegis of the plan, affordable housing units of area around 500-1,000 square feet will be built, priced at Rs 2,000 per square feet. DDA will also promote economic weaker section (EWS) housing units by giving 15% extra floor area ratio (FAR) on a project.

Currently, around 200 villages along the outskirts of Delhi have been identified by DDA for pooling. They aim to convert around 90 villages into ‘development areas’ and another 90 into ‘urban villages’. Implementation of this policy is likely to free up more than 70,000 acres of land in the NCR, which would rationalise the increasing land prices in Gurgaon and Noida, though the effect on land rates may be felt only after 3–4 years.

The way forward

“2013 was primarily a year of legal transformation. Several changes were introduced to draw a level playing ground for all the players. These changes were mainly related to norms surrounding environmental clearances, civil aviation limits, fungible FSI amongst others. This led to significant delays in the projects leading to a negative impact on customer sentiments and subsequent lower inventory turnover. This created a severe cash crunch leading to higher borrowings and increased finance costs.

In 2014, with most of the introduced changes having taken full effect, the industry expects a smoother ride. With the general elections scheduled in April – May, a stable government in the center will only give an impetus to the overall mood in the sector. On the other hand, a coalition/un-stable government might bring in more uncertainty. In a nutshell, 2013 was a ‘wash out’ whereas the 2014 scenarios is more like a ‘wait and watch.”

Mr. Srinivasan Gopalan,
COO, Wadhwa Developers

Listed real estate developers may face some short to medium term concerns like slowdown in launches of new projects due to necessary approvals. Over the medium to long term, funding scenario may improve with greater transparency and access to low-cost funding, thus boosting profitability.

The Real Estate Regulation and Development Bill, which seeks greater transparency, will lower the risk for investors (PE investors, banks and mezzanine investors), thus boosting cash inflows into the sector.
Uniformity and transparency in laws will increase the sector’s attractiveness, which can attract foreign institutional investors. However, developers are wary about property price hikes owing to increased legislation.

For smaller builders, increased disclosure requirements may spike up their costs and augment difficulty in obtaining permits and approvals. This will increase their barriers to market entry.

For home buyers, the bill is a welcome relief due to stricter guidelines related to advertisement and prospectuses created by builders. Provisions for claims compensation arising from misleading statements by developers will improve buyer confidence.

The Indian economy showed signs of growth and recovery in the first half of 2013. However, poor economic performance of the country coupled with currency depreciation and volatility, and sticky inflation made investors wary.

Going forward, the US Federal Reserve's resolution on tapering, the Indian general election in mid-2014 and the RBI's policy directions are key developments to look out for in 2014.

According to the provisions in the new Land Acquisition Act, the acquisition cost of land in both urban and rural areas will go up, along with land acquisition cost for all government/private/PPP projects.

The added R&R component will increase input costs for real estate developers, who will intend to pass it on to the buyers. This may negatively impact home buyers, even though the land parcel sizes of most residential, commercial and retail real estate projects fall below the stipulated size.

Infrastructure projects may be impacted due to increased input costs, and projects may get delayed due to the consent clause included in the bill.

Occurrence of joint real estate development projects may see a spurt due to increased input costs and lower profit margins for developers, who would want to share risks and preserve their profits.

2013: the year gone by

Sluggish income growth, sustained weakness in the rupee, sky-rocketing inflation and high borrowing rates resulted in lack of consumer/investor confidence in the sector. This was clearly reflected in the Indian consumer confidence index, which has been falling consistently.

As a result, absorption remained subdued during 2013 falling further from the already difficult levels observed during the same period last year.

Progressive reforms were initiated in mid-2013 in the form of Real Estate Regulatory (RER) Bill and the new Land Acquisition Act. Schemes such as prelaunch and 80:20, assured returns were targeted to trigger the fresh demand in the sector.

Every reform has its pros and cons and these were no different. Both the RER & the new Land Acquisition Act had clauses or bye-laws that threatened to further escalate prices and making the current process complex and time taking. However, we are yet to see the impact of new land Act, which got applicable from April 1, 2014.

2014: Outlook

The future doesn't seem to be so grim, there is a definitely a hope of a stable government, with a positive outlook and a firm focus on the real estate and infrastructure sector.

While the Policy-based efforts are already under way to make the real estate sector more transparent and appealing and will continue in 2014, as well. India's capital market regulator has reiterated the importance of Real Estate Investment Trusts (REITs) as a tool to attract large pools of money into the real estate sector at relatively cheaper cost.

These factors can help the Indian real estate sector sustain its attractiveness. Consumer confidence will remain subdued during the first two quarters of 2014, owing to uncertainties surrounding the general elections and macroeconomic condition (both global and domestic). However, post the elections, fence-sitting investors are likely to become active. The sector leaders are quite positive of the sector and they believe that this sector will rise again…

Neeraj Sharma
Partner, Walker Chandiok & Co LLP

About Grant Thornton

Grant Thornton International Ltd.

Grant Thornton is one of the world's leading organisations of independent assurance, tax and advisory firms. These firms help dynamic organisations unlock their potential for growth by providing meaningful, forward looking advice. Proactive teams, led by approachable partners in these firms, use insights, experience and instinct to understand complex issues for privately owned, publicly listed and public sector clients and help them to find solutions. More than 38,500 Grant Thornton people, across over 130 countries, are focused on making a difference to clients, colleagues and the communities in which we live and work.

About Grant Thornton India LLP

Grant Thornton India LLP is a member firm within Grant Thornton International Ltd. The firm has today grown to be one of the largest accountancy and advisory firms in India with over 1,500 staff in New Delhi, Bangalore, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, Noida and Pune, and affiliate arrangements in most of the major towns and cities across the country. The firm specialises in providing assurance, tax and advisory services to growth-oriented, entrepreneurial companies.

At Grant Thornton, we are committed to helping dynamic organisations unlock their potential for growth by fulfilling our simple promise to clients:

1. **Robust Compliance** services where we mirror the agility of our dynamic clients, and
2. **Growth Navigation** solutions where we give actionable tailored advice to help our clients grow.

This service focus has today made us the Growth Advisors to dynamic companies seeking to navigate the complexities facing their businesses.

Unlocking the potential for growth in dynamic real estate organisations

We believe that sustaining long term growth in successful organisations means looking at many different aspects of the business simultaneously. Financial measures, operational efficiency, new ways of working and stakeholder relationships all must grow together if dynamic organisations are to fully achieve their objectives. To help real estate organisations unlock their potential for growth, we provide world-class advice in six core areas. To know more about our solutions for real estate businesses, please write to us at realestate.solutions@in.gt.com.

Insights for real estate leaders in India

Grant Thornton India LLP strives to speak out on matters that relate to the success and sustenance of your business. Through our publications, we seek to share our knowledge derived from our expertise and experience. The firm publishes a variety of monthly and quarterly publications designed to keep dynamic business leaders apprised of issues affecting their companies such as:

- Real estate insights and updates – Real Estate Handbook 2011 and 2012, RealtyReality
- Emerging trends in real estate
- Future cities: the choices that we make today
- Fighting construction fraud in India
- Microclimates of opportunity

Visit our Blog at www.grantthornton.in/insights to know more about our Thought Leadership initiatives.

References

1 Government of India. Ministry of Housing and Urban Poverty Alleviation. Real Estate (Regulation and Development) Bill, 2013 Introduced in Rajya Sabha. (2013). http://pib.nic.in/newsite/PrintRelease.aspx?relid=98224

2. 10 Features of the Real Estate Bill 2013. (2013). http://apartmentadda.com/blog/2013/09/03/10-features-of-the-real-estate-bill-2013/

3. Ministry of Law and Justice. The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation, and Resettlement Act, 2013. No 30 of 2013. (2013). http://indiacode.nic.in/acts-in-pdf/302013.pdf

4. Land acquisition on stabler ground? (2014). http://www.financialexpress.com/news/land-acquisition-on-stabler-ground-/1223231?rhheader

5. Changed FDI housing norms to attract mid-level developers. (2013).http://www.livemint.com/Politics/XA55Oq1mJN2QZqWZAXMgXL/Changed-FDI-housing-norms-to-attract-midlevel-developers.html

6. Government may relax FDI norms for real estate sector to boost fund flows. (2013).http://articles.economictimes.indiatimes.com/2013-08-12/news/41332868_1_real-estate-sector-construction-development-sector-ministry

7. Suggestions regarding relaxing current FDI regulations/guidelines and for construction development sector. (2013).http://www.ficci.com/SEdocument/20239/Suggestions_for_relaxing_FDI_Policy_guidelines_for_Construction_development_sector-Final-14.1.13.pdf

8. India: real estate development FDI to be liberalized. (2013).http://www.globalpropertyguide.com/news-India-real-estate-development-FDI-to-be-liberalized-1750

9. Security and Exchange board of India. Consultation paper on draft SEBI (Real Estate Investment Trusts) Regulations, 2013. (2013). http://www.sebi.gov.in/cms/sebi_data/attachdocs/1381398382013.pdf

10. Easing of external commercial borrowings norms positive for low-cost housing projects. (2013). http://timesofindia.indiatimes.com/business/india-business/Easing-of-external-commercial-borrowings-norms-positive-for-low-cost-housing-projects/articleshow/20779839.cms

11. Reserve Bank of India. Master Circular No. 12/2013-14. (Updated as on September 20, 2013). Master Circular on External Commercial Borrowings and Trade Credits. (2013). http://rbidocs.rbi.org.in/rdocs/notification/PDFs/12MCECB290613.pdf

12. National Housing Bank forms India's 1st loan mortgage guarantee company. (2013). http://timesofindia.indiatimes.com/business/india-business/National-Housing-Bank-forms-Indias-1st-loan-mortgage-guarantee-company/articleshow/19704621.cms?referral=PM

13. Single-window clearances for real estate projects. (2013). https://constructionworld.in/News.aspx?nId=1Kj9gHHYFIuhubw1MKOhKw==&NewsType=Single-window-clearances-for-real-estate-projects-India-Sector

14. New SEZ norms to help real estate and IT sector, say experts. (2013). http://articles.economictimes.indiatimes.om/2013-04-19/news/38674481_1_sez-policy-sez-developers-sez-units

15. PE exits in real estate rose by 33% in 2013. (2014). http://wap.business-standard.com/wapnew/pe-exits-in-real-estate-rose-by-33percent-in-2013-0-114010900157

16. JLL investment arm raises Rs.101 crore for maiden real estate fund. (2013).http://www.livemint.com/Money/FfZTI2MQMzxDKoMQzHxNmN/JLL-investment-arm-raises-101-crore-for-maiden-real-estate.html

17. 10 big real estate transactions in India. (2013).http://www.estateworld.in/magazine/2013/August/10-BIG-REAL-ESTATE-TRANSACTIONS-IN-INDIA_1-1-1/

18. PE exits in real estate rose by 33% in 2013. (2014). http://www.business-standard.com/article/companies/pe-exits-in-real-estate-rose-by-33-in-2013-114010900157_1.html

19. Indian Real Estate Industry: an overview. (2013). http://www.ibef.org/industry/real-estate-overview

20. IDFC to buy the entire phase 1 of BlueRidge SEZ. (2013). http://www.livemint.com/Companies/dwvyAn5ja OpkJNPovetWaM/IDFC-to-buy-the-entire-phase-1-of-BlueRidge-SEZ.html

21. 10 Big Real Estate Transactions In India. (2013). http://www.estateworld.in/magazine/2013/August/10-BIG-REAL-ESTATE-TRANSACTIONS-IN-INDIA_1-1-1/

22. Godrej Properties buys back Red Fort's 49% stake in Kolkata project. (2013). http://www.thehindu.com/business/ Industry/godrej-properties-buys-back-red-forts-49-stake-in-kolkata-project/article5421825.ece

23. Ravi Pillai to buy $100-mn stake in Trump, World Trade Centre projects. (2013). http://www.business-standard.com/ article/companies/ravi-pillai-to-buy-100-mn-stake-in-trump-world-trade-centre-projects-113091800818_1.html

24. Offbeat Developers Private Limited. (2013). http://investing.businessweek.com/research/stocks/transactions/ transactions.asp?ticker=6059462

25. Phoenix Mills Buys Kshitij Venture's Stake In Classic Malls And Classic Housing. (2013). http://www.dealcurry. com/20130813-Phoenix-Mills-Buys-Kshitij-Venture-s-Stake-In-Classic-Malls-And-Classic-Housing.htm

26. IIML to sell stake in Bangalore township. (2013). http://www.livemint.com/Companies/n245U8AuWpguRbszp 0KcBI/IIML-to-sell-stake-in-Bangalore-township.html

27. Goldman Sachs Exits from Vatika Group. (2013). http://www.dealcurry.com/20130514-Goldman-Sachs-Exits-From-Vatika-Group.htm

28. National Housing Bank. NHB RESIDEX – RESIDENTIAL HOUSING PRICE INDEX Quarterly Update October-December, 2013 (26 cities). http://www.nhb.org.in/Events/Events.php#july-sep-13

29. High street rent up 12% at Delhi's CP, down 12% at Mumbai's Linking Road. (2013). http://www.business-standard com/article/companies/high-street-rent-up-12-at-delhi-s-cp-down-12-at-mumbai-s-linking-road-113051800591_1.html

30. Net Absorption Declines by Over 25 Percent in 2013. (2013). http://www.cushmanwakefield.co.in/en-gb/ news/2013/12/net-absorption-declines-by-over-25-percent-in-2013/#_ftn1

31. New Residential Launches Decline by 12percent in 2013. (2013). http://www.cushmanwakefield.co.in/en-gb/news/2013/12/new-residential-launches-decline-by-12percent-in-2013/

32. Real Estate Industry in India. (2013). http://www.4aims.com/real_estate.php

33. Real Estate Industry in India. (2013). http://www.rentxperts.in/NewsDetails.aspx?Newsid=257

34. Intricacies of Construction Service after Budget 2013. (2013). http://www.taxindiaonline.com/RC2/inside2.php3? filename=bnews_detail.php3&newsid=17439

35. Budget 2013: FM announces Rs 2,000 crore urban housing fund. (2013). http://economictimes.indiatimes.com/ markets/real-estate/policy/budget-2013-fm-announces-rs-2000-crore-urban-housing-fund/articleshow/18729160.cms

36. Budget 2013 proposes urban housing fund, luxury homes to cost more. (2013). http://archive.indianexpress.com/ news/budget-2013-proposes-urban-housing-fund-luxury-homes-to-cost-more/1081192/1

37. Budget Highlights 2013-14. (2013). http://www.karvydistribution.com/files/BUDGET_Highlights_2013.pdf

38. Reserve Bank of India. Housing Sector: Innovative Housing Loan Products – Upfront disbursal of housing loans. (2013). http://www.rbi.org.in/scripts/BS_CircularIndexDisplay.aspx?Id=8366

39. Real estate: Supreme Court order to hike home prices. (2013). http://www.financialexpress.com/news/real-estate-supreme-court-order-to-hike-home-prices/1178661

40. Realty developers to move finance ministry against new property tax. (2013). http://articles.economictimes.indiatimes.com/2013-03-26/news/38040374_1_stamp-duty-sale-price-tax-on-property-sales

41. New property tax to hit Bengal real estate sector: CREDAI. (2013). http://www.business-standard.com/article/news-ians/new-property-tax-to-hit-bengal-real-estate-sector-credai-113050800808_1.html

42. Canada Pension Plan Investment Board. Canada Pension Plan Investment Board And Shapoorji Pallonji Group Enter Into A Strategic Alliance. (2013). http://www.cppib.com/content/cppib/en/public-media/news-releases/2013/CPPIB-Shapoorji-stratalliance.html

43. Real Estate Observer, October to December 2013 Issue. Investment Hotspots In Delhi Are Strong. (2013). http://bibindia.org/magazine1/index.html

44. Fresh supply of mall space up 39% in 2013; no addition in NCR. (2013). http://articles.economictimes.indiatimes.com/2013-12-17/news/45296122_1_shopping-malls-mall-space-18-malls

45. Qatar fund in talks to invest $200 million in Indian property – source. (2013). http://in.reuters.com/article/2013/12/23/india-qatar-kotak-idINDEE9BM05R20131223

46. Abu Dhabi Investment Authority to invest $250 million in Hines India Real Estate. (2013). http://articles.economictimes.indiatimes.com/2013-12-11/news/45080815_1_wealth-fund-kotak-realty-estate-sector

47. Online real estate biz at 3%, growing over 100% annually. (2013).http://www.moneycontrol.com/news/business/online-real-estate-biz-at-3-growing-over-100-annually_1004258.html ?utm_source=ref_article

48. High-end villa rentals slide as expats relocate. (2013).http://timesofindia.indiatimes.com/business/india-business/High-end-villa-rentals-slide-as-expats-relocate/articleshow/18841253.cms

49. Supertech ties up with Armani group for luxury residences. (2013).http://articles.economictimes.indiatimes.com/2013-03-26/news/38040351_1_interior-design-armani-group-armani-hotel

50. Trump, Lodha tie up or luxury hsg project. (2013). http://www.lodhagroup.com/backoffice/data_content/media_files/Times%20of%20India.pdf

51. Donald Trump back in Mumbai, this time with Lodha Group. (2013). http://www.business-standard.com/article/companies/donald-trump-back-in-mumbai-this-time-with-lodha-group-113091700640_1.html

52. Lodha launches 4,000-acre township near Mumbai. (2014). http://www.lodhagroup.com/backoffice/data_content/media_files/Feb%2020,%202014%20-%20Financial%20Chronicle%20-%20Lodha%20launches%204,000-acre%20township%20near%20Mumbai.pdf

53. Lodha takes big strides amid gloom. (2013). http://www.lodhagroup.com/backoffice/data_content/media_files Lodha%20takes%20big%20strides%20amid%20gloom.pdf

54. Lodha Group buys London property for over £300m. (2013). http://www.lodhagroup.com/backoffice/data_content media_files/Lodha%20Group%20buys%20London%20property.pdf

55. 20% rate hike in ready reckoner for posh areas in Maharashtra. (2014). http://content.magicbricks.com/industry news/20-rate-hike-in-ready-reckoner-for-posh-areas-in-maharashtra/62276.html

56. Land price on a high as DDA set for pooling policy. (2014). http://www.business-standard.com/article/economy-policy/land-price-on-a-high-as-dda-set-for-pooling-policy-114012700887_1.html

57. Delhi Master Plan (MPD) 2021. Land Pooling Policy. (2014). http://delhi-masterplan.com/land-pooling-policy/

Contact us

NEW DELHI
National Office
Outer Circle
L 41 Connaught Circus
New Delhi 110 001
T +91 11 4278 7070

BENGALURU
"Wings", 1st floor
16/1 Cambridge Road,
Ulsoor
Bengaluru 560 008
T +91 80 4243 0700

CHANDIGARH
SCO 17
2nd floor
Sector 17 E
Chandigarh 160 017
T +91 172 4338 000

MUMBAI
6th floor, Tower II Indiabulls
Finance Centre,
SB Marg,
Elphinstone (W)
Mumbai 400 013
T +91 22 6626 2600

GURGAON
21st floor, DLF Square
Jacaranda Marg
DLF Phase II
Gurgaon 122 002
T +91 124 462 8000

HYDERABAD
7th floor, Block III
White House
Kundan Bagh, Begumpet
Hyderabad 500 016
T +91 40 6630 8200

KOLKATA
10C Hungerford Street
5th floor
Kolkata 700 017
T +91 33 4050 8000

NOIDA
Plot No. 19A, 7th Floor
Sector – 16A,
Noida – 201301
T +91 120 7109001

PUNE
401 Century Arcade
Narangi Baug Road
Off Boat Club Road
Pune 411 001
T +91 20 4105 7000

CHENNAI
Arihant Nitco Park,
6th floor, No.90,
Dr. Radhakrishnan Salai
Mylapore
Chennai 600 004
T +91 44 4294 0000

For more information or for any queries, write to us at contact@in.gt.com

www.grantthornton.in