TIMES PROPERTY

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Jimmy Mistry, MD, Della Tecnica with board of directors of Mittal Corp Limited, at the launch event in Mumbai recently

STRUCTURAL *Engineering Redefined*

For the first time in India, Mittal Corp Ltd introduces a revolutionary product, stainless steel rebar, which is set to change the face of the construction industry

>> KARAN MITTAL

In a development that's set to revolutionise the construction industry in India, Mittal Corp Ltd (MCL) has introduced a stainless steel rebar, which offers salt resistant and anti-corrosion technology, thus extending the lifespan of any concrete structure.

Stainless steel rebar is ideal for usage in restoration of monumental structures and in multi-storeyed skyscrapers near the sea, where the corrosion level is high or in an industrial environment, where it is aggressive. In large cities, due to increased vehicular emission, the high percentage of carbon dioxide leads to carbonation of concrete. It has been proven the world over that a stainless steel rebar holds the answer to provide strength inside and outside to any structure.

Karan Mittal, MD, Mittal Corp Ltd, says, "It's a new generation, contemporary product that has been in vogue and used extensively in Europe, the US and China. In India, we are quite positive that once the awareness level picks up, the usage would rise simultaneously. We will price it quite competitively vis-à-vis the imported products."

Mittal is of the view that the newage construction industry in India, must change its way of thinking. "We look forward to being in a position where we can act as an agent of change in terms of usage of stainless steel instead of carbon steel."

Architect, Jimmy Mistry launched the product and praised MCL for being the only company in India to possess the unique capability to manufacture the stainless steel billets which go a long way in ensuring strong homes and structures. Mistry says, "We keep hearing the tragic news of a building collapse in the city every now and then. With a world-class product like this, such untoward incidents can be avoided."

MCL is the flagship company of the Mittal Group Indore that has carved a niche in manufacturing stainless steel, alloy steel and special steel rods in coils, rounds, QTR rebars, SS rebars, according to international standards, at their new state-of-the-art plant and machinery setup at Pithampur in Madhya Pradesh.

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FIVE THINGS TO CONSIDER WHEN BUYING A PROPERTY IN SION

Given below are the five essential aspects that must be kept in mind while opting for a home in the central suburb of Sion

PIC: SANJAY HADKAR

Residential property prices in Sion increased by almost 15 per cent in the last year, as per MagicBricks.com research. The rise was not limited to capital values, as rental values too went up by 22 per cent in the same period. Undoubtedly, as one of the most central localities in Mumbai, Sion is a popular residential destination for the middle and high income home buyers. Here is a snapshot of what keeps the real estate scenario of the locality vibrant.

Connectivity: Sion is well-connected to the city due to its strategic location on the city's map. It can be easily approached via roads and the rail network. On the central line, it can be reached from the railway stations at Sion, Guru Teg Bahadur Nagar and Kings Circle. Sion also houses one of the stations of the soon-to-roll-off Mumbai Monorail. Even the public transport conveniently aids the accessibility of the locality, with BEST buses plying in ample frequency to all parts of the city.

Proximity to commercial places: At a distance of merely seven kms from Bandra Kurla Complex (BKC), Sion has significantly benefitted due to its proximity to the commercial hub. Sanjay Yadav of Sunrise2Realty, says, "The residential demand in Sion has gone up considerably because of its proximity to BKC. Offering easy commute and properties at much lower values, Sion receives a spill-over residential demand from central areas where property prices are much higher."

Infrastructure: Due to the well-developed social and physical infrastructure, Sion proves itself as one of the ideal end-user destinations. Along with a few reputed schools, colleges and hospitals, the area also houses ample entertainment and recreational centres.

Property values: The average property values in Sion range from Rs 16,500-21,500 per sq ft. A 1,000-sq ft apartment which was available at Rs 1.4-1.9 crores a year ago, is priced at Rs 1.6-2.1 crores today.

Rental values: Low supply and high demand, have resulted in enhanced rental values as well. A 2-BHK, 1,000 sq ft apartment that could be leased for almost Rs 30,000 per month until last year, is now available for nothing less than Rs 40,000 per month. Jayesh Gadda of Arihant Estate, says, "Being an old locality, Sion has limited scope for development of new properties. The demand for rental properties is high here, especially from those who are impacted by the redevelopment at Matunga. Sion offers properties at almost half the values as in Matunga and is thus, preferred by temporary home seekers."

MagicBricks.com Bureau

Property Index

RESIDENTIAL APTS: MUMBAI

Locality	Capital Values (₹/Sq feet)
Andheri East	14100 to 18000
Andheri West	17900 to 23200
Bhandup West	11850 to 15050
Borivali West	12550 to 15700
Chembur	14850 to 18950
Ghodbunder Road	7800 to 9550
Goregaon East	13050 to 16850
Goregaon West	13100 to 16650
Kamothe	5450 to 6350
Kandivali East	12650 to 15750
Kandivali West	11650 to 14800
Kharghar	6350 to 7950
Malad West	13200 to 16850
Mira Road	6300 to 7700
Mulund West	12000 to 15450
Panvel	3950 to 5200
Powai	15250 to 19400
Ulwe	4550 to 5400

SOURCE: magicbricks.com

2014 EXPECTED TO GET BIG TICKET FUNDING

Funding has always been an issue with the real estate industry. With the onset of a new year, the buzz in the sector is that 2014 could well be the year that could provide major relief from funding issues, writes RAVI SINHA

PIC:©AKP PHOTOS /ALAMY/INDIAPICTURE

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Funding, or rather the lack of it, has been one of the key concerns of the real estate developers throughout 2013. However, if we look at some of the key policy decisions that have been taken in the year, it seems 2014 is all set to get big ticket funding. The money is poised to be invested in the sector and if not as private equity, the biggies will put in money through Real Estate Investment Trust (REIT). The reports suggest that private equity funds such as Kotak Realty Fund, Tata Realty & Infrastucture, Blackstone, Xander and others, are getting ready to float REITs in the country once the capital markets regulator comes out with the final guidelines on such securities.

Kotak, Tata Realty, Xander and Blackstone have investments in rent producing IT parks and other commercial assets, which can form part of underlying assets of a REIT. By floating the REITs and listing them on stock exchanges, the funds would get exits in their investments. According to Morgan Stanley, India has 400 million sq ft of office and mall properties valued at $60 billion (Rs 3.72 lakh crore).

Tata-Sons owned fund manager/developer Tata Realty and Infrastructure (TRIL), which is an advisor to realty fund TRIF-I, is also looking at floating a REIT here and in Singapore, over a period of time. TRIL's first fund Tata Realty Initiatives Fund (TRIF-I), has a corpus of $750 million and owns around 90 per cent stakes in the company's mall projects in Amritsar and Nagpur, among others.

The US-based Blackstone has also started the groundwork for launching REITs. Blackstone is the most aggressive investor in commercial properties in the country and has invested nearly $1 billion in Indian commercial properties, mostly in IT parks and special economic zones since 2011. Some of its major investments include its $149 million investment in DLF Ackruti Info Parks in Pune and the $200 million investment in properties of Embassy Properties among others.

Xander, which manages capital of over $2 billion and over 50 million square feet of residential buildings, office complexes, retail malls, is also looking at REIT structures. Industry analysts maintain investors such as IDFC, Everstone and others, who have investments in rent producing assets, could also look at REITs once they are allowed in the country.

Sachin Sandhir, managing director, RICS, South Asia, says he genuinely feels that REITs are a step in the right direction provided it is addressed correctly with taxation issues and can bring the retail investors forward. Since their announcement, there has been sudden interest from foreign funds, who are now looking to invest in income producing assets with a potential exit option.

Moreover, PE funds are down but they have not dried up. These funds have only equipped themselves with safeguards. A Cushman & Wakefield report in June 2013 says USD 2 billion (INR 11,854 crores) is available with private equity firms ready to be deployed in real estate, despite a drop in the PE investment in the first half of 2013. While the PE investments in real estate were recorded at USD 276 million (INR 1,638 crores) in H1 2013, which is 46 per cent lower when compared to the first half of 2012 (USD 514 million / INR 3,050 crores), the PE funds continue to show keen interest in the market, with a number of deals in discussion.

"From the policy perspective, there has been a clear realisation within various circles that the housing sector needs to be propelled through various mechanisms, for investments to increase for the sector. If you look at the last six months, whether it was the Land Acquisition Act, Regulator Bill, REIT guidelines; suddenly there was plethora of activities and buzz happening in the finance ministry and also about the measures that can be taken to get the economy back on track. Some of these developments have the ability to change the market dynamics significantly," says Sandhir.

PK Tripathi, president, Unitech, explains that the most important aspect of the business is financing which should be addressed. Demand is increasing and with the number of regulations coming in, it will be all the more difficult to raise funds. So, when demand will increase and supply will not be in a position to match that, then the prices will go up. So, option like REITs are coming up but this is only one of the fund raising products. Other such products also need to come up, especially for buying the land. "I would even suggest financing for land purchase. Land is something that cannot go anywhere. So, even if you are getting 50 per cent finance for the same, it can ease the liquidity crunch of the developers. You are not allowing finance for buying the land, you are not allowing for foreign companies to invest in the company even as an equity partner; I fail to understand why real estate is not being treated like any other industry," opines Tripathi.

Navneet Bhadla, director, Brys Group, says the sector has waited for long and in 2013, the buzz has been that NRI money will come into the sector. It was more of an expectation which did not materialise. She feels it became a news point when the rupee depreciated and there was a lot of hype about it but the depreciation of rupee has hurt the sector. "With elections ahead and the government having the last chance to put the economy back on track, I feel some of the liquidity concerns of the sector would be addressed with the budget. Instruments like REITs will also see execution, with clear taxation policies and all this makes me optimistic that 2014 could be a game changer year," shares Bhadla.

Neeraj Bansal, partner-Real Estate & Construction with KPMG India, seconds this point. According to him, NRIs also need stable currency to enter the market because a lot of NRIs who had earlier invested were uncomfortable with the rupee depreciation. "In any market where the sentiments are low and the currency is volatile, no one wants to enter that market. It is not that money has not flown in but many of them preferred to park it in fixed deposits than real estate," points out Bansal.

"The moment you launch a new project, a significant amount of investment goes into that project and when your project gets delayed, it affects your overall cash flows, whereas, when you deliver a project, the liability is shifted from your balance sheet," explains Gaurav Gupta, managing director, SG Estates. "Moreover, launches here are also a function of the release of land in the market. Hopefully, it will start getting released from the next year and by that time, the cash flow of the developers will also be better than it is now."

So, the year 2013 may have been the year when both, the developers as well as the lenders were waiting for policies like the REIT to roll out, as well as other cost and benefit analysis. However, the direction in which the market is heading to, added with the new funding sources being cleared by the government, it seems the turnaround of the financial fortunes of the realty sector, is on the cards, in 2014.

(The writer is CEO, Track2Realty)

TIMES PROPERTY EXPO: THE RIGHT PLACE TO BUY YOUR DREAM HOME

The 17th edition of 'Times Property Expo' opened its doors for all at Hotel JW Marriott, on December 20, 21 and 22, 2013. Neha Dhupia, well-known Bollywood actor and a familiar face in tinsel town, inaugurated this much talked-about expo.

"The 'Times Property Expo' is a fabulous event and is very well-organised. It is a one-of-a-kind exhibition wherein, the participants are extremely trust-worthy and reliable," said Dhupia excitedly.

Across the three-day event, buyers and sellers were able to facilitate business and familiarise themselves with each other. It was a showcase of an array of premium properties across India, aimed at those who believe in excellence in business.

Attention to every exhibitor and visitor was one of the USPs of this real estate event. At the 'Times Property Expo', there was no dearth of properties to choose from.

From a first home; to a prime commercial property; and exclusive weekend homes from across the city; to banks with lucrative loan options, property consultants, to property insurance companies to make property buying smart and hassle-free; all were present at the expo.

The exhibition had something for everyone - for investors with small pockets and also, for the ones willing to loosen their purse strings. There was a spurt of sales seen, particularly among real estate developers who specialised in affordable properties but with crème-de-la-crème amenities.

'Times Property Expo' created another milestone along the way, with the world-class brands and exhibitors participating, pan-India. The 'Times Property Expo' proved itself as one of the most ambitious expos, in a league of its own, by facilitating requirements of both, exhibitors as well as visitors. With some of the finest minds in the realty sector, under one roof, it was an exhibition that truly facilitated home buying.

The expo gave visitors an opportunity to interact and get insights from all experts present, face-to-face. Participating in the expo were a slew of professionals from the industry. It was organised on a very large scale, with national as well as international participants to its credit. The biggies of the real estate industry showcased their unique and iconic creations that could enhance the buyers' lifestyle experiences, offering comfort and luxury.

Overall, the three-day expo witnessed huge footfalls, numbering thousands of visitors, making it a common platform for real estate companies, leading developers, individual/institutional investors as well as first-time buyers. The expo, which is in its ninth year, was very well-publicised as well. The 'Times Property Expo's' unparalleled success has encouraged all involved to take the exhibitions across India.

When trade fairs became a success in India, 'Times Property Expo' moved first for the real estate industry. The expo has gained prominence over the years to become the practical resource for the who's who in the real estate industry in India. 'Times Property Expo's' overwhelming success has made it a prime event for the real estate industry. The Times Property Expo has proved itself to be the ideal platform for exhibiting, exchanging and investing in real estate.

The 'Times Property Expo' is scheduled for February 7, 8 and 9, 2014, at Noida Exhibition Centre, Noida and March 1 and 2, 2014, at Hotel Lalit Ashok, Bengaluru.