NATIONAL ASSOCIATION OF REALTORS - INDIA
NAR-India Realty News

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Over the next two years, GCCs are expected to lease about 45-50 mn sq ft of office space. P3


There has been a paradigm shift in Indian cities driving housing demand among US NRIs in bay area. P10


By comprehending the intricacies of tax regime, individuals can optimise their tax liabilities. . P11

Realty Sector set for Upswing in Growth

India's real estate sector has shown remarkable growth in recent years and is poised for unprecedented expansion by 2050. With the nation's economy expected to grow to an astonishing $40 trillion GDP by 2047, the real estate sector will play a pivotal role in shaping India's future economic landscape.

Real Estate's Share in the Economy

Currently, real estate contributes approximately $350 billion, or about 10% of India's GDP. This percentage is expected to increase significantly in the coming years. According to a recent report by CREDAI (Confederation of Real Estate Developers' Associations of India), real estate's share is set to exceed 13% of GDP soon and is also projected to become the highest employment provider in the country. Government reports suggest that the sector's share could soar to around 20% by the time India becomes a $5 trillion economy by the end of 2025.

Growth Projections by 2050

By 2050, India's GDP is projected to reach $40 trillion. Given real estate's expected share of 15-20% of the GDP, the sector could account for between $6 and $8 trillion. This staggering growth indicates a 20-fold increase, or 2000%, in the sector's size over the next quarter of a century, compared to its current size.

Impact on Allied Industries

Real estate growth has a multiplier effect on over 400 allied industries, including tiles, wires, electronics, cement, steel, and furniture. When real estate flourishes, it drives growth across a significant portion of the economy—about 56% of the GDP is influenced by the real estate sector. The robust health of this industry is crucial for the overall growth and prosperity of the country.

Real Estate: An Asset Class with Strong ROI

Real estate is unique in that it serves as a basic need while also being a valuable asset class. It is one of the safest investments available, offering steady returns in the form of capital appreciation. Rental returns can also be lucrative, providing a consistent source of income for investors.

Seizing Opportunities

As the real estate sector prepares for this exponential growth, it presents golden opportunities for those willing to invest. Creating significant wealth over the next 25 years, the industry offers potential for both individuals and businesses to benefit from this economic boom.

In summary, the Indian real estate sector's growth trajectory is set to transform the country's economic landscape by 2050. By contributing significantly to the GDP and boosting employment considering the real estate sector employs close to 70 million people, the sector will be a cornerstone of India's journey towards becoming a global economic powerhouse. Investors and entrepreneurs who seize the opportunities presented by this sector will have the chance to participate in the creation of enormous wealth and contribute to India's bright future.

Mr Amit Chopra
is President, NAR-India.

> With the real estate sector poised for a major turnaround in development, investors and entrepreneurs who seize the opportunities will have the chance to participate in the creation of enormous wealth and contribute to India's bright future,
> **says Amit Chopra.**

PE investments in Realty Sector

Indian economy's promising outlook added with quality real estate and an enabling environment will assure manifold growth in investments into the real estate sector, **says Savills survey.**

The Indian economy demonstrated remarkable resilience, achieving a growth rate of 7.2% in FY23 with even higher growth projections for the next year. Expanding manufacturing and services, as well as robust GST collections are powering the economy. According to the January 2024 edition of World Economic Outlook published by the International Monetary Fund (IMF), India is anticipated to maintain its position as the fastest-growing major economy, with a projected GDP growth rate of 6.7% in FY2024, underscoring its endurance. Forbes expects India to be the third largest economy by 2027.

The real estate sector, with an approximately 7.3% share in India's GDP, has undergone significant transformations, particularly in its financing landscape post the pandemic, as private equity funds regained confidence. Policies and reforms have further bolstered this environment, facilitating private equity investors' deployment of capital into the real estate sector.

Consequently, traditional asset classes like commercial office, retail, and residential have witnessed continued private equity investments in recent years. This trend has set in motion a virtuous cycle of development, with fund inflows growing in tandem with the sector's expansion.

While the past has witnessed positivity amid uncertainties, the future looks secure and more interesting. There is clear evidence of investor confidence as they increasingly favour alternative assets, such as industrial & warehousing, life sciences, data centres and student housing real estate. This report endeavours to illuminate the emerging trends within private equity investments and the opportunities that lie ahead for discerning investors.

The real estate sector in India has experienced the power of policy support in the last decade. Sustained economic growth with continued policy reforms catalysed these investments further, especially the private equity investors that invested USD 10.7 billion (INR 843 billion) in the last three years (2021-2023), spread across just under 100 deals.

The initial years of the current decade witnessed about 30 transactions each year, which has progressed over 25% in numbers as well as by 13.7% in investment value, reaching USD 3.9 billion. The average deal sizes across the years have been in the range of USD 100-120 million (INR 8.3-9.9 billion) during 2021-2023.

The office segment, a well-established asset class in India, garnered the maximum share at 51% over the last three years, followed by industrial & warehousing at 20%. As investors shifted their focus onto other asset classes, investments diversified into sectors like data centres, life sciences, student housing etc.

Emerging Trends:

India's real estate market saw a sustained growth post-Covid with an all-time high demand for office spaces in 2023. This was complemented by robust end-user interest in the residential segment. The industrial & warehousing segments witnessed a growth in the post-pandemic period as well. Importantly, there is a notable shift in investment avenues. Whether it is the source of funds or its destination, the Indian private equity investment market is displaying some interesting trends.

Recent Trends in PE Investment Landscape

1 Rising interest in land transactions

Share of land transactions in the overall PE investments rose from 5% in 2021 to 26% in 2023.

2. Diversification into alternatives

During 2021-2023, India witnessed USD3.1 billion (INR238 billion) of PE investments in alternatives, constituting about 29% share in the overall investments.

3. Heightened interest by Asian investors

Share of investments flowing in from Asian investors grew from 15% during 2019-2020 to 47% during 2021-2023.

3. Private Equity in Indian Real Estate:

Rising Opportunities Private Equity in Indian Real Estate:

The share of land transactions in overall PE investments in the Indian real estate market has increased from a mere 5% in 2021 to 26% in 2023. In absolute terms, the quantum of land deals has grown six times in 2023 from that registered in 2021.

Split of Purpose of Land Investments (2021-23)

Sector	PE investment
Office	68%
Industrial and warehousing	11%
Data centre	8%
Residential	5%
Mixed use	4%
Retail	4%

Source: Savills India Research

Citywise Cumulative PE investments in Land (2021-23)

Sector	PE investment
Mumbai	57%
Delhi-NCR	10%
Hyderabad	8%
Bengaluru	7%
Chennai	6%
Pune	2%
Tier II	10%

Source: Savills India Research
Note: Tier II cities: Aurangabad, Cuttack, Hosur and Surat.

Split of PE Investments into Alternatives (2021-23)

Sector	PE investment
Industrial and warehousing	69%
Student housing	11%
Life Sciences	10%
Data Centre	10%

Source of Funding for PE Investments in India

Country	2019-20	2021-23
Asia	15%	47%
North America	69%	32%
Europe	5%	3%

Source: Savills India Research, MSCI Real Capital

4. Opportunity for Investors

India's position in the investment universe is remarkably distinct. The Indian real estate sector holds a plethora of opportunities across the most prominent office sector and for the growing alternatives, for various stakeholders. In this section, we present our estimates of investment opportunity in commercial offices, industrial & warehousing as well as the life sciences segment.

4.1 Investment Opportunity in Office Real Estate Segment

The Indian office market has shown remarkable recovery after the disruptions caused by Covid and other global headwinds. Indian office real estate has consistently witnessed gross leasing of approximately 55 million sq. ft. on an annual basis (barring the COVID impact) as per our Realistic scenario. The segment would require an equivalent amount of office stock to be introduced perpetually on an annual basis to be able to meet the demand. This demand may range between 40 million sq. ft. and 70 million sq. ft. based on our Conservative and Optimistic scenarios.

We estimate the investment potential in office real estate in India to range between USD 2 billion (INR 175 billion) and USD 4 billion (INR 305 billion) on an annual basis, based on our Conservative and Optimistic scenarios. Realistically, as per our estimates, office real estate in India holds the potential to attract institutional investments amounting to USD 3 billion (INR 240 billion) on an annual basis. This can be jointly funded by private equity investments, developers' own funds, or joint development agreements.

4.2 Investment Opportunity in the Industrial & Warehousing Real Estate Segment

The industrial & warehousing segment in India has recorded an impressive growth over the years owing to greater emphasis on the manufacturing sector along with penetration of e-commerce beyond Tier I and Tier II cities. The demand has been on an upward trajectory in the last three years recording an average annual absorption of 46 million sq. ft. While the absorption in 2023 recorded a growth of 12.7% compared to 2021, Tier II and Tier III cities registered a robust growth of 44% during the same period, indicating a growing demand beyond Tier I cities. This healthy growth in demand has been led by growth in the manufacturing sector, the contribution of which to overall absorption increased from 14% in 2021 to 24% in 2023. Similarly, the retail sector's contribution rose from 8% in 2021 to 14% in 2023.

The Indian industrial & warehousing real estate segment has witnessed leasing of approximately 46 million sq. ft. across Tier I, Tier II and Tier III cities on an annual basis. And holds the potential to attract institutional investments amounting to USD 1.2 billion (INR 99 billion) on an annual basis.

4.3 Investment Opportunity in the Life Sciences Real Estate Segment

India has the potential to create a demand for approximately 96 million sq. ft. of life sciences research and development real estate from 2021 till 2030.

5. Afterword

The ascent of private equity investments in India's real estate market is noteworthy. In order to draw greater investments, concerted action is necessary. The market needs to create a larger pool of assets and the ecosystem must create a bridge for investments to find the market attractive. The promising outlook of the Indian economy over the next few years, added with quality real estate and an enabling environment will assure multifold growth in investments into the real estate sector.

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India Investment Update as of Q1, 2024

GDP growth forecast for FY2024-25 was maintained at 7%, amid sustained economic growth and renewed spending on infrastructure, according to Colliers survey. Further, India's CPI inflation maintained declining momentum, contributing heavily towards the stability in repo rates, which were maintained at 6.5% for the seventh consecutive time by the central bank.

Key Themes

Resilient economic growth in India contributed towards healthy leasing

In 2023, domestic macro-economic indicators like service and manufacturing PMIs remained above 50, indicating strong business confidence in respective sectors, which were translated into better than anticipated office market performance in 2023. The momentum in domestic business sentiments is reflecting not only in the office segment, but also in the industrial and logistics segment.

- Capital inflows in Q1 2024 saw a 40% YoY decline at USD1.0 bn but surged by 21% sequentially on a QoQ basis, led by sustained investor confidence in India.
- Foreign investments retained their dominance, forming 55% of the total inflows during Q1 2024, majority of which came from APAC region. 5.4 2023 1.0 Q1 2024.
- At USD 0.6 billion, office sector accounted for 57% of the total investment inflows during Q1 2024. Bengaluru and Hyderabad were the leading markets for office investments.

TRENDS FOR INSTITUTIONAL INVESTMENTS – Q1 2024 (US$ BILLION)

Sector	Investment	Trend
Office	$ 0.6 billion	-38% YoY
Industrial & Warehousing	$ 0.2 billion	-18% YoY
Residential	$ 0.1 billion	-72% YoY
Mixed use	$ 0.1 billion	>100% YoY
Alternatives	$ 0.02 billion	-87% YoY

Source: JLL Research

India's office space demand is poised to surpass 50 msf in 2024

Key themes In an optimistic outlook, office leasing is expected to close between 55-60 mn sq ft in 2024. This will be majorly supported by robust domestic occupier activity, resurgence in GCC demand and tenant base diversification. Grade A space uptake by domestic origin occupiers already rose to 50% in 2023 from 34% in 2029. Moreover, sectors such as BFSI and Engineering & Manufacturing have started emerging as strong demand drivers, contributing significantly to office demand.

ASSETWISE SHARE OF INVESTMENTS – Q1 2024

Sector	% of investment
Office	57%
Industrial & Warehousing	18%
Mixed use	13%
Residential	10%
Alternatives	2%

Source: Colliers

GCCs are projected to contribute over 40% of total office demand by 2025

Over the next two years, GCCs are expected to lease about 45-50 mn sq ft of office space, accounting for approximately 40% of the total office demand across top 6 Indian cities. In H2 2023, gross leasing by GCCs stood highest at 12.4 mn sq ft, since 2020, dominated by US origin GCCs, belonging to Tech and BFSI sectors, with 71% share, followed by EU based GCCs. Bengaluru and Hyderabad together drove GCC leasing activity at a cumulative share of 60% from 2020 to 2023.

Amid rising demand, housing prices surged ~20% from 2021 to 2023

Led by a favourable interest rate cycle and positive economic outlook, housing demand scaled up and prices surged by about 20% in the last two years (2021-2023). Bengaluru, Delhi NCR, and Kolkata have witnessed the highest rise in average housing prices at about 30% in 2023 compared to 2021 levels. Unsold inventory however, remained rangebound in from 2021 to 2023, despite significant influx of new supply.

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May 2024

AROUND NAR-INDIA (A ROUND UP OF REALTOR EVENTS ACROSS THE COUNTRY)

APPCC Business Meet held to boost networking

A Business Exchange meet was organised by APPCC on April 23 in Chennai at Hotel Shilton (formerly known as Dee Cee Manor) on G N Chetty Road in T Nagar. In all, 30 members attended the event where a round Robin swap of members to each table was organised. This option among APPCC members has enabled all the members to interact with each other during the business meet.

Besides, each member was allotted 90 second duration to share his specific real estate requirements in and around the city and at the same time offer his client's supply options for better planning and coordination. There is no denying that the networking session has also witnessed a lot of camaraderie and enthusiasm during the entire programme.

APPCC secretary Venkataraman Visveswaran explaining the modus operandi of business meet event to members.

NAR RICS Executive Leadership Programme 2024

The NAR RICS will be starting the fourth batch of special RICS course at NAR-India.

For those intend joining, there will be a session on May 16, between 6.45 pm and 8 pm which will explain the advantages of the course to excel in profession.

The invitation link is : **http://wa.wati.io/s/u33qr**

For more information, members can contact Mr Vikas Agrawal, Hon. Secretary.

BENGALURU OFFICE MART – MICROMARKET STATISTICS Q1

Micromarket	Stock (million sqft)	Vacancy	Rental range (Rs/sqft/month)
Central Business District (CBD)	12.3	6.9%	90-250
Secondary Business District (SBD)	34.3	14.8%	75-175
Outer Ring Road (ORR)	96.7	14.1%	75-120
Peripheral East (PBD East)	52.4	22.1%	48-85
Peripheral North (PBD North)	13.6	37.4%	45-89
Peripheral South (PBD South)	14.4	13.2%	45-75
Overall	223.7	17.1%	45-250

Source: Savills

DELHI-NCR OFFICE MART – MICROMARKET STATISTICS Q1

Micromarket	Stock (million sqft)	Vacancy	Rental range (Rs/sqft/month)
Delhi CBD	1.7	26.9%	150-385
Aerocity	1.1	3.6%	225-250
South Delhi Business District	5.1	7.6%	120-190
Gurugram CBD	36.9	6.9%	100-195
Gurugram SBD	47.4	23.2%	55-100
Gurugram PBD	9.1	34.6%	50-70
Noida CBD	5.7	14.6%	55-115
Noida Sector 62 Cluster	11.5	10.7%	55-65
Noida Expressway	25.0	30.5%	55-75
Overall	143.4	19.0%	50-385

Source: Savills

MUMBAI OFFICE MART – MICROMARKET STATISTICS Q1

Micromarket	Stock (million sqft)	Vacancy	Rental range (Rs/sqft/month)
oLDCBD	2.1	3.5%	240-325
Central Mumbai	18.4	17.7%	160-350
New CBD BKC	11.7	6.0%	250-615
BKD Periphery	5.4	2.6%	115-225
Western Suburbs I	16.0	4.6%	100-180
Western Suburbs II	17.4	2.2%	85-180
Eastern Suburbs	18.1	11.9%	95-175
Thane	7.9	7.2%	55-80
Navi Mumbai	20.0	11.7%	50-95
Overall	116.9	8.8%	50-615

Source: Savills

CHENNAI OFFICE MART – MICROMARKET STATISTICS Q1

Micromarket	Stock (million sqft)	Vacancy	Rental range (Rs/sqft/month)
Central Business District (CBD)	13.8	7.6%	65-120
Guindy (SBD)	8.0	6.5%	75-85
MPR (SBD)	10.8	18.0%	65-82
Pre toll OMR (SBD)	25.0	10.9%	75-115
Post toll OMR (SBD)	13.1	20.5%	40-65
Ambattur (PBD)	4.7	6.7%	40-50
PTR (PBD)	7.6	17.1%	58-85
GST Road (PBD)	4.7	47.4%	50-55
SBD Others	2.1	3.1%	55-60
Overall	89.7	14.3%	40-120

Source: Savills

HYDERABAD OFFICE MART – MICROMARKET STATISTICS Q1

Micromarket	Stock (million sqft)	Vacancy	Rental range (Rs/sqft/month)
SBD I	67.2	10.4%	60-78
SBD II	45.2	28.2%	50-65
PBD East	2.5	35.6%	35-45
PBD South	0.7	29.9%	35-40
Overall	115.6	18.0%	35-78

Source: Savills

PUNE OFFICE MART – MICROMARKET STATISTICS Q1

Micromarket	Stock (million sqft)	Vacancy	Rental range (Rs/sqft/month)
CBD	11.9	8.7%	75-140
SBD East	29.9	5.9%	65-110
SBD West	9.5	10.2%	65-95
PBE East	3.1	39.0%	60-75
PBD West	16.6	21.2%	45-65
Overall	71.0	11.9%	45-140

Source: Savills

INDIA MARKET MONITOR Q1 2024

Better Days Ahead for Realty Sector

India's economy continues to grow at the fastest pace among all major economies. Inflation has come down for almost all major goods and services except for food items. Private consumption is expected to pick up as inflation eases in the coming months. Further decline in the Consumer Price Index (CPI) in the coming months would strengthen the Reserve Bank of India's (RBI) confidence to initiate a measured easing of key policy rates and reserve ratios. The government's fiscal consolidation roadmap, coupled with the central bank's cautious monetary policy, has established a strong footing for continued economic expansion.

Investment activity witnessed an uptick in Q1 2024; sustained capital inflows are expected during the year from both traditional real estate segments and emerging sectors. However, caution still prevails amongst investors which may lead to some lag in deal closures.

Investments:

- Delhi-NCR followed by Bengaluru and Pune accounted for a cumulative share of nearly 80% in investment inflows in Q1 2024.
- Developer activity accounted for a share of nearly 44% in overall investments, followed by institutional investors at 16%.
- Institutional equity investment was up by ~355% QoQ and 38% YoY; capital inflows concentrated in built-up, operational assets.
- ~84% share of domestic investors (predominantly developers) in capital inflows in Q1 2024.
- ~56% of the total capital inflows in site / land acquisitions were deployed for residential developments, while ~18% were committed towards warehousing developments.
- Investment and development platforms worth over US$60 million were set up during the first quarter across the residential sector.

> India's ongoing mega infrastructure projects, encompassing transportation networks, highways, airports, and metro networks, are expected to support real estate growth and catalyse the creation of new residential nodes, **says CBRE survey.**

Outlook for Residential Sector:

A CBRE take on how the real estate dynamics would pan out in the future.

Residential:

- The residential sector is expected to exhibit positive momentum in both sales and new launches, building upon the sustained growth of the past two years.
- Data from 2023 indicates end-users displaying a strong preference for mid-end (INR 45 lakh to 1 crore) and high-end (INR 1 to 2 crore) residential properties. Considering India's anticipated growth in household and disposable incomes, CBRE expect continued robust demand within these segments.
- Discerning buyers seek residences that elevate their lifestyles. This has fuelled demand in the premium and luxury segments (INR 2 crore+), with sales quadrupling in 2023 compared to pre-pandemic levels, a trend which is expected to persist in 2024.
- Following rising capital values since the residential sector's resurgence in 2021, CBRE anticipate divergent asset pricing trends in 2024. This will likely be dictated by project fundamentals and convenient access to support infrastructure.
- India's ongoing mega infrastructure projects, encompassing transportation networks, highways, airports, and metro networks, are expected to support real estate growth and catalyse the creation of new residential nodes.

Bengaluru tops in Housing Sales in Q1

CITY FOCUS

Bengaluru emerges as the forefront of residential sales across India in Q1, recording nearly 17,000 units sold, **says a survey by JLL.**

BENGALURU

Bengaluru has once again dominated the Indian real estate market by achieving the highest total sales of housing units for two consecutive quarters. The capital city of Karnataka witnessed a phenomenal performance in Q1 2024, with a staggering 16,995 housing units being sold. While there was a 15% decline in Quarter-on-Quarter sales (Q4 2023, which previously set a record with approximately 20,000 units sold), the city showed an impressive bounce-back in Q1 2024, recording a remarkable 30% growth in sales compared to the same quarter in the previous year (Q1 2023). The Q1 2024 data was not just notable on a quarterly basis but have also surpassed the quarterly average sales volume (Q1 average 2019-22) by an astounding 124%. Bengaluru's real estate market continues to attract investors and homebuyers due to its robust infrastructure, thriving IT sector, and conducive business environment. The city's ability to surpass previous sales records, even in the face of challenges, reaffirms its position as a highly sought-after destination for real estate investments and home purchases.

The mid-segment apartments, priced between INR 50-75 lakh, accounted for the highest share of nearly 33% in quarterly sales. This was closely followed by the premium category apartments, priced between INR 1.0-1.5 crore, which held a 23% share.

"An interesting trend indicated that approximately 90% of the sales were in under-construction projects, signalling strong buyer confidence in such developments. Furthermore, the unsold inventory continued to decline, showcasing a 6% and 20% decrease compared to Q4 2023 and Q1 2023, respectively. The total unsold inventory stood at 72,158 units by the end of Q1 2024. In terms of specific locations within Bengaluru, Whitefield emerged as the forerunner, capturing a substantial 34% share in sales. This was followed by the Bellary Road submarket, which held around 27% share. The proximity of Whitefield to the IT hub and the extension of the metro network have fuelled increased sales in the area. On the other hand, projects in the Bellary Road submarket have benefited from their proximity to the airport," said Rahul Arora, Senior Managing Director – Karnataka, Kerala, JLL India.

Bengaluru	Q1 Average (2019-22)	Q1 2023	Q1 2024
Units launched	7,413	12,409	66%
Units sold	4,231	11,270	69%

Source: Real Estate Intelligence Service (REIS), JLL Research

Additionally, new launches during the quarter increased by 9% compared to Q4 2023, with a total of 12,616 units introduced to the market. Here, Whitefield took the lead once again, contributing 37% of the new launches. Hosur Road and Bellary Road submarkets also made significant contributions. In terms of segments, the premium segment, consisting of apartments priced between INR 1.0-1.5 crore, held a dominant 43% share, followed by the upper-mid segment, priced between INR 75 lakh-1.0 crore, with a 22% share in quarterly launches. Reflecting the high demand, prices and rents have experienced a positive trajectory. On average, capital values increased by 3.5-4.5% quarter-on-quarter in Q1 2024 and 15% compared to Q1 2023. Notably, the recent extension of the Namma Metro network to Whitefield resulted in the highest residential price growth in that submarket. Hosur Road also witnessed significant capital value increases following the government's approval of Phase 3 of Namma Metro, which will connect the submarket with the Kempegowda International Airport.

Driven by supply from established developers, stable economic conditions, and positive buyer sentiments, residential sales in the first quarter (Jan-March) of 2024 experienced significant growth. The first quarter of 2024 (Q1 2024) achieved the highest residential sales to date, with a notable 20% increase compared to the same period in 2023, selling a total of 74,486 units. This quarter marks the second consecutive quarter where sales have exceeded 74,000 units, following the record-breaking performance in Q4 2023 (75,591 units). These results establish a strong foundation for continued growth in the residential market, surpassing the sales performance of 2023.

Residential Launches Dip in Q1

HYDERABAD

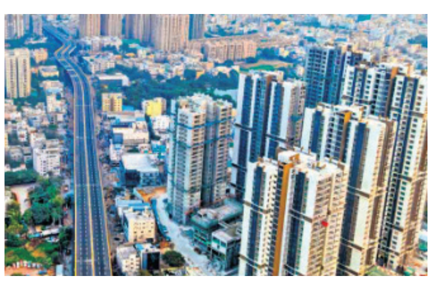
Residential launches fell by 44% on a q-o-q basis during Quarter 1 this year, **says Cushman & Wakefield survey.**

Hyderabad witnessed residential launches of 11,090 units during the first quarter, a fall of 44% on a q-o-q basis and 23% drop on a y-o-y basis. The fall was largely owing to the robust numbers that came out last year in 2023. As against that, residential launches over an eight-quarter average for the period 2021-22 stood at 10,000 units, which makes Q1-24 number appear better.

The western corridor commanded dominant share of 97% in the Q1 launches, primarily around micro markets such as Tellapur, Manikonda and Kondapur. Almost half of the new supply this quarter came from two major launches in Tellapur, totalling around 5,100 units. The remaining 3% launches were distributed between southern and north western markets.

Mid Segment leads supply during Q1-24

During Q1, mid segment housing units lead supply, accounting for 47% share with highest contribution from Tellapur in Western Corridor (96%). followed by Mamidpally from the southern corridor. The high-end segment followed with a 34% share in quarterly launches, mostly from the western submarkets of Narsinghi, Manikonda and Pappulaguda. Luxury segment captured a share of 18% in the new supply during the quarter across the western submarkets of Kondapur and Manikonda. The market



share in the high-end and luxury category continues to rise and has reached almost 50% in Q1-24, closely mirroring a trend observed in other tier 1 cities, where consumer preference is shifting towards projects offering premium amenities. Additionally, the newly proposed metro line, slated to link western region to the airport, is poised to unlock a promising residential corridor, particularly in the southern and north-eastern, where the airport link is expected to pass through, over the upcoming quarters.

Steady growth in capital values and rentals on y-o-y basis

On y-o-y basis, the capital as well as rental values across the city saw an average increase in the range of 8– 15%. The western region of Hyderabad witnessed an average increase of 12% to 15%, followed by the northern markets such as Miyapur and Kompally, which increased by 8% to 10%. However, on a q-o-q basis, average property prices and rental values in the city remained broadly stable. Rental values are most likely to remain stable in the near term, owing to good availability of rental properties across the city.

RESIDENTIAL RENTAL VALUES AS OF Q1

Submarket	Average quoted rental value (Rs/sqft)	YoY change (%)
HIGH-END SEGMENT		
Banjara Hills	52,500 – 1,45,000	8%
Madhapur, Gachibowli	37,000 – 68,000	12%
Kukatpally	25,000 – 40,000	15%
Himayat Nagar	20,000 – 35,000	7%
MID-SEGMENT		
Banjara Hills	23,000 – 45,000	10%
Madhapur, Gachibowli	25,000 – 35,000	15%
Kukatpally	18,000 – 24,000	13%
Himayatnagar	13,500 – 19,000	8%

Source: Cushman & Wakefield

RESIDENTIAL CAPITAL VALUES AS OF Q 1

Submarket	Average quoted rental value (Rs/sqft)	YoY change (%)
HIGH-END SEGMENT		
Banjara Hills	10,000 – 15,000	8%
Madhapur, Gachibowli	9,000 – 12,000	12%
Kukatpally	8,000 – 11,000	15%
Narsingi, Kokapet	8,500 – 12,000	12%
MID-SEGMENT		
Madhapur, Gachibowli	7,000 – 8,000	14%
Kukatpally	6,500 – 8,000	15%
Kompally	6,000 – 8,000	10%
Myapur, Bachupally	5,200 – 7,200	8%

Source: Cushman & Wakefield

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Real Estate Unboxed

The significance of the real estate sector in India and its contribution to the economy cannot be understated. Real estate plays a pivotal role in driving economic growth, providing employment opportunities, fostering infrastructure development, and catering to the housing needs of the burgeoning population.

Additionally, it serves as a key indicator of the overall health and stability of the economy. The residential real estate sector in India is not just a market for buying and selling properties, it is a cornerstone of wealth creation and asset appreciation for investors. With its far-reaching impact on various facets of society and the economy, real estate stands as a crucial pillar that sustains India's growth trajectory.

Various policy reforms have led to significant cleanup in the real estate sector.

REAL ESTATE REGULATORY ACT (RERA)

The Real Estate (Regulation and Dev 2016 (RERA) is a significant legislation at regulating the real estate sector in India aimed at regulating the real estate sector to safeguard the interests of homebuyers and promote transparency and accountability.

Before RERA, the Indian real estate sector grappled with various challenges: lack of transparency, unfair practices, project delays, and conflicts between buyers and developers. Homebuyers faced issues like unclear contracts and deceptive advertising eroding trust. RERA aimed to address these by ensuring transparency, timely project and accountability among developers.

Overall, RERA aims to enhance transparency, accountability, and efficiency in the real estate sector, thereby protecting the interests of homebuyers and promoting growth and development in the industry.

Capital Value Trends – Housing prices across Pan India up 15% YoY

Residential property prices have also registered a significant growth in tandem with demand across the top 7 cities. During the last 10 years, average housing prices have appreciated in the range of 25%-60% across the top seven cities due to an increase in the input costs and strong demand.

Residential Sector – Completions

As a result of aforesaid policy interventions, many large developers have focused on completing stalled projects along with new launches. Sustained high demand for housing led to increased sales and improved cash flows in the hand of developers. Approximately 2.5 lakh housing units were completed during 2018; is expected to touch completion of 5.3 lakh units by the end of 2024. There was an 8% annual increase in housing unit completions in India's top seven cities, reaching 4.35 lakh units.

Consolidation in the Sector

Traditionally characterized as fragmented, the real estate market in India has been dominated by numerous small and medium-sized developers working autonomously. Nevertheless, in the last few years, a discernible trend toward consolidation has manifested, giving rise to larger and more organized entities within the industry. This consolidation can be attributed to structural reforms and factors including more stringent regulatory frameworks, heightened competition, and evolving preferences among buyers.

Over the past six years, the share of listed and leading developers in sales has doubled, rising from 17% to 34% as they continue to dominate the market.

Excerpts from
Real Estate Unboxed – The Modi Effect (2014-2024)
released by Anarock and Naredco.

Real estate today stands as a crucial pillar that sustains India's growth trajectory, says a joint survey by Anarock and Naredco.

HIGHLIGHTS OF RERA

Escrow Account	Under RERA, promoters must deposit 70% of project funds in escrow, allowing 30% for administration costs, ensuring financial accountability and transparency in real estate projects.
Transparency	In compliance with RERA, builders must furnish original project plans and cannot modify them without explicit consent from buyers, safeguarding transparency, and integrity in property development.
Fairness	RERA's unique mandate to sell properties based on carpet area rather than high-density area ensures that homebuyers receive fair and transparent pricing.
Quality	The distinctive provision mandates builders to address buyer issues within 5 years of purchase, ensuring timely resolution within 30 days of complaint.
Authorisation	RERA prohibits regulators from engaging in any real estate activities, including marketing, selling unless they are registered with RERA, ensuring transparency and accountability.

Source: Colliers   Note- Data pertains to Grade A buildings

CURRENT STATUS: As of February 2024

Registered Projects
1,22,553

Real-estate Agents
86,262

Complaints disposed-off
1,20,605

Sl. No.	State	Projects registered since 2016	Agents registered since 2016	Complaints resolved since 2016
1	Andhra Pradesh	4,617	195	163
2	Assam	787	66	114
3	Bihar	1,572	528	3,251
4	Chattisgarh	1,745	799	1,993
5	Gujarat	13,009	2,666	5,751
6	Himachal Pradesh	185	117	107
7	Karnataka	6,646	4,643	1,020
8	Kerala	1,168	574	1,726
9	Madhya Pradesh	5,985	1,261	5,839
10	Maharashtra	45,128	47,253	16,806
11	Odisha	1,119	195	2,379
12	Punjab	1,259	3,160	3,307
13	Rajasthan	2,946	8,078	2,432
14	Tamil Nadu	18,915	2,962	2,920
15	Telangana	8,045	3,342	1,092
16	Uttar Pradesh	3,459	6,714	44,602
17	Delhi	101	719	645
18	Punjab	1,259	3,160	3,307
19	Goa	1,223	467	330
20	West Bengal* (HRERA)	1,280	419	NA
21	Haryana (Gurugram & PanchKula)	1,443	5,239	NA
	Total	**121,891**	**92,557**	**97,784**

Source: Respective State RERA websites.
Compiled by Anarock Research.

NATIONAL ASSOCIATION OF REALTORS – INDIA
NAR-India
Realty News

May 2024

India's infrastructure sector is poised for unparalleled growth

- India's infrastructure sector is poised for strong growth, with investments worth US$1.4 trillion planned by 2025 under the National Infrastructure Pipeline (NIP).
- Senior executives from the sector emphasize that differentiation is crucial in a crowded marketplace, and that companies must stand out to attract more investment in Indian infrastructure.
- GIFT City model emerges as a compelling option, offering innovative avenues for infrastructure financing and attracting foreign direct investments (FDIs).

Driven by government initiatives and increased investments, Indian infrastructure sector is inching a new high, **says a round table conference held at EY's Gurugram office.**

India's infrastructure sector is poised for strong growth, with planned investments amounting to US$1.4 trillion by 2025. The government's ambitious National Infrastructure Pipeline (NIP) program outlines the injection of massive capital into various sub-sectors, including energy, roads, railways, and urban development. This unprecedented push is expected to spawn associated industries, create jobs, and stimulate the economy. Specific focus areas are the expansion of public digital infrastructure, clean and renewable energy projects, and establishing resilient urban infrastructure. This ambitious undertaking seeks to enhance India's global competitiveness and improve the quality of life across its vast populace.

On February 2, EY hosted an infrastructure roundtable at its Gurugram office. The session was attended by some of the top C-suite representatives of the Indian infrastructure space, who discussed and deliberated the ongoing trends and way forward for this pertinent sector. Participating companies included GMR Airports, Fortum India, Hexa Climate Solutions, EDF Renewables India, O2Power, Jakson Green, NKC Project, Enel Green Power, ib vogt and Mobility Infrastructure Projects.

The session offered a deep dive into the state of the infrastructure sector in India and various factors impacting it. Here are the key takeaways from the discussion:

Capex in Indian infrastructure: The Indian government's proposed capital expenditure has a heavy emphasis on the renewable energy and road sectors. This trend reflects in the bulk of transactions and investment activity happening currently, but highlights the importance of having a diversified focus across sectors.

Investments in renewable energy and roads drive India's infrastructure growth, paving the way for sustainable development

Buyer-seller dynamics: The balance of buyers and sellers varied significantly across sectors. For example, on highways, sellers far outnumbered buyers. In transmission, on the other hand, there were primarily buyers, indicating a possible dearth of investment opportunities. The dynamics of these relationships significantly impact return expectations and perceived value.

The construction of new highways stimulates the economy through job creation, infrastructure development, and enhanced transit efficiency

Importance of differentiating business: Given the crowded marketplace in sectors like renewable energy, differentiating businesses has become essential. Companies must endeavour to stand out in order to attract investment and buyers.

Market predictions: Projections for the future of the Indian economy showed promise. Different sectors could expect three to five times growth in the next few years. However, these projections varied greatly, with some estimates reaching 50 times growth.

Capital structure: Companies in the infrastructure sector tended to stick to a certain capital structure, typically involving some combination of equity, shareholder loans, or senior debt. The panel encouraged companies to not be averse to playing with the capital structure to secure necessary funding or capitalize on opportunities.

The airport sector in India is growing twice as fast as GDP; therefore, investors are eyeing a direct play in the sector

Energy transition: The extension of how energy is produced, transported and used across all industries will be integral to society's progress toward sustainability.

The role of external investors: External investors, notably those not currently present in India, often proved to be the best partners. These investors approach the market with a "clean slate" – free from previous biases or beleaguered by past experiences, which can lead to more favorable outcomes for both parties.

Focus on exit IRR: When negotiating transactions with investors, the focus was on the Internal Rate of Return (IRR) investors could anticipate at exit, either by listing or down selling. This practical approach recognized that no one will "sit around with an investment" indefinitely. However, the quality of infrastructure needs to find the center stage, reflected in the Hold To Maturity (HTM) IRR, which in itself will ensure a greater positive impact on exit IRRs.

Indian infrastructure is drawing interest from a diverse range of investors, spanning both strategic and financial sectors. Deal structures encompass the entire spectrum from straight equity to structured capital and debt. Successful exits have been seen, and as the regulatory framework matures, deal sizes are also scaling up.

Examining the GIFT City model: The discussion also examined the Gujarat International Finance Tech (Gift) City model as an attractive option for infrastructure financing outside of India. Embedding finance companies within the Gift City could provide a useful means of lending to Indian entities and could bring down overall project costs in the long run.

To attract more FDI, it is essential to establish certainty in the tax administration process. This enables companies to make confident investment decisions, ultimately lowering overall fundraising costs.

The session provided a comprehensive assessment of the infrastructure sector in India, including market dynamics, investment strategies, and the potential impact of government initiatives like GIFT City. The conversation highlighted the importance of a diversified approach, innovative financing mechanisms, and embracing new trends, such as technology solutions.

3D Printing Construction takes Less Time

BY TAHA ANSARI

3D printing technology in construction, also known as additive manufacturing, is a technology that creates a 3D object layer by layer using a computer aided design tool or a 3D scan of the object that needs to be built. Additive manufacturing is widely used in the Automotive industry, pharmaceuticals industry, product prototyping, etc.

3D printing technology is not a very new invention, it has been around for more than 40 years now in some form or other. The first 3D printer was invented by Charles Hull in the 1980s based on the principles of stereolithography, which is used to take input from a digital file and transform it into a resin-based 3D object layer by layer and simultaneously curing and cross-linking the polymers with the help of UV light. Ever since, the use case of this technology has been enormous and is widely used in Industrial designing, the automotive industry, the pharmaceutical, healthcare industry, etc. The potential varies from creating a very small and simple 3D object to large and complex structures like rocket engine components, 3D prototypes of complex organs, tissues, etc.

Adoption in Construction Industry

In the construction industry, the use of 3D printing technology is very new, perhaps 6-7 years old. Over this period, we have seen many promising residential dwelling units that are being constructed using this technology around the world, however, the implementation of this technology for large-scale construction projects is still debated and one can say that it is in its developmental stages. As technology improves, there is no doubt that the integration of 3D printing with traditional construction techniques is going to change the future of construction.

After being successfully implemented in several significant projects across the world, the technology was adopted in India, by L&T. In 2023, India's first 3D printed post office spread across 1100 sft was built by L&T in 45 days at a cost of 23 lacs. The duration was reduced by approximately 40 percent, whereas the cost was approximately the same as compared to similar scale construction using traditional techniques, however this can be made affordable if implemented on a large scale. L&T had earlier constructed a 650 sft residential unit back in 2019 using 3D printing technology.

Advantages

Faster Construction Technology 3D printing construction takes less time as compared to traditional constructional technology. Depending on the scale and complexity of the building, developments that take months to complete with traditional methods, can be completed within days using 3D printing technology. There is a considerable saving of approximately 40-50% in construction duration which is a huge benefit for the project.

Reduced Wastage In traditional construction techniques, there is lots of wastage as the exact quantification and precision can't always be achieved. This is mitigated when the construction is done using 3D printing technology as it is computer-aided and has no margin for error. It is estimated that 3D printing technology in construction can reduce construction waste by approximately 30-40%.

Sustainable There is a wide range of materials that can be integrated with concrete and used in 3D printing construction. One can use recycled plastics, soil, farm waste, etc. to make the design more sustainable and reduce carbon footprint.

Cost-effective Since the 3D printing technology is computer-aided, the measurements and executions are accurate as per the input given and this reduces lots of wastage. Apart from this the project duration and manpower requirement are drastically reduced, resulting in considerable savings in terms of cost of construction.

Disadvantages

Expensive Technology Even though the construction duration and manpower requirement reduction are resulting in huge cost savings, it is being nullified by the cost of the printer and the technology. At present, the technology is being implemented on a small scale; it may become more cost effective if the execution is done on a large scale.

Training requirement Since 3D printing construction is a relatively new technology, there is a requirement to provide adequate training and certifications to the labor to increase efficiency and be able to deliver complex projects.

Limited Technology Providers Currently, the international market is dominated by COBOD International which provides 3D construction printing solutions worldwide. Other prominent technology partners with international presence are ICON, Apis Cor, CyBe Construction, Black Buffalo 3D, Mighty Buildings, Diamond Age, Aeditive, Mobbot, Contour Crafting Corporation, FBR, Change Maker 3D, Adimant, Serendix, AMT, WASP, WINSUN, D-Shape, BatiPrint 3D etc.

Future Scope

The 3D printing technology in the construction industry is in its developmental phase and we are already seeing many individual small-scale residential projects and demo buildings coming up which are showcasing its potential and benefits. Since the construction industry is very complex and crowded with multiple stakeholders working on site simultaneously, the intervention of 3D printing technology simplifies a lot of things and streamlines the process, thereby achieving more efficiency and reducing the chances of error.

Over time, we will experience challenges with the adoption of this technology like any other technology that has come up in the past, but they will be mitigated and soon 3D printing will dominate the way construction is being done. There have already been talks about using similar technology for space missions and it would be very interesting to see the limits and potential of this technological advancement

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NATIONAL ASSOCIATION OF REALTORS - INDIA
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Global Business Opportunities for Indian Realtors

By Tarun Bhatia

The real estate sector, a cornerstone of economic growth and investment, has become increasingly globalised in recent years. Indian real estate agents, recognising the vast opportunities beyond domestic borders, are now exploring international markets. This article highlights key global opportunities available for Indian real estate professionals and how they can leverage these prospects.

1. Diverse Investment Opportunities

Global real estate markets present a diverse range of opportunities for Indian real estate agents. High Net worth Investors are increasingly seeking out foreign real estate assets for diversification, wealth preservation, and higher returns. Indian realtors can help their clients tap into this demand by offering tailored investment options in various countries. From luxury residences in New York to commercial properties in London, the possibilities are vast.

2. Growing Indian Diaspora

The growing Indian diaspora, with its substantial purchasing power and affinity for real estate investments, offers a lucrative client base for realtors. Overseas Indians often seek investment opportunities in both their country of residence and India, creating dual markets. Real estate agents who can cater to these specific needs will find significant opportunities.

3. Cross-Border Partnerships

To effectively navigate international markets, Indian real estate agents are increasingly entering into partnerships with foreign agencies. NAR India has played a significant role and facilitator by signing a number of bilateral MOUs with international realtor associations. These collaborations enable realtors to understand local regulations, market trends, and customer preferences better. By leveraging these partnerships, realtors can provide clients with comprehensive services, from property selection to legal assistance.

4. Digital Transformation and Virtual Tours

Digital transformation has revolutionised the real estate industry. Indian realtors can now showcase properties worldwide through virtual tours and digital marketing. This technology reduces the barriers of distance, enabling agents to market properties to global clients without requiring physical presence.

5. Changing Investment Regulations

Many countries have eased their real estate investment regulations to attract foreign capital. This trend has opened doors for Indian agents to facilitate overseas investments. For instance, countries like Portugal offer residency permits to foreign investors, making it easier for Indians to invest and live abroad.

6. Education and Immigration

Many Indian families invest in foreign properties to support their children's education and future immigration plans. Real estate agents can guide these families by providing insights into the property markets of popular destinations for Indian students, such as the United States, Canada, Australia, and the United Kingdom.

7. Tourism and Hospitality

The tourism sector offers significant real estate opportunities for Indian realtors, particularly in hospitality and vacation rentals. Countries with high tourist influxes, such as Thailand and Dubai, have thriving real estate markets where realtors can find lucrative deals for their clients.

8. Retirement and Lifestyle Investments

An increasing number of Indians are considering retirement investments and lifestyle properties abroad. Indian realtors can tap into this trend by offering properties in countries known for their favourable climates, healthcare facilities, and quality of life.

Key Markets for Indian Realtors

1. **The Middle East:** With a significant population of Indian expatriates, the Middle East offers lucrative opportunities, especially in the UAE and Saudi Arabia. The demand for residential properties, coupled with large-scale infrastructure projects, creates a fertile ground for Indian realtors.
2. **Southeast Asia:** Emerging economies like Vietnam, Thailand, and Malaysia present opportunities in commercial and residential real estate, driven by rapid economic growth and increasing urbanisation.
3. **North America:** Indian realtors can explore niche markets like student housing, co- living spaces, and tech-enabled commercial real estate, particularly in regions with a substantial Indian diaspora, like California, New York, and Texas.
4. **Europe:** The UK remains a preferred destination due to historical ties and the ease of doing business. Indian investors are increasingly exploring Portugal, Spain, and Germany for residential and commercial opportunities.

Growth Drivers

1. **Government Policies:** The Indian government has supported the global ambitions of its businesses. Streamlined regulations, bilateral investment treaties, and diplomatic initiatives like the International Solar Alliance are opening doors for real estate investments abroad.
2. **Digital Transformation:** Technology is enabling realtors to manage international properties more effectively. From virtual property tours to blockchain-based transactions, digital tools are breaking down barriers.
3. **Cultural Connect:** The strong Indian diaspora worldwide provides a ready market for Indian realtors looking to offer homes and commercial spaces that cater to cultural preferences.

Challenges to Global Expansion

1. **Regulatory Complexity:** Real estate regulations differ widely across countries. Indian realtors need to navigate local laws, taxes, and compliance requirements, which often requires partnering with local entities.
2. **Cultural Differences:** Understanding local preferences and business cultures is crucial to success. Misjudging consumer needs or communication styles can hinder market entry.
3. **Currency Fluctuations:** Volatility in currency markets can impact profitability, especially in high-risk markets where the Indian Rupee might depreciate.
4. **Market Volatility:** Real estate markets can be sensitive to political and economic instability. Global events, such as changes in trade policies or sudden economic downturns, can impact investments.

Strategies for Success

1. **Market Research:** Thoroughly understanding the target market, including consumer preferences, regulations, and economic conditions, is crucial before investing.
2. **Local Partnerships:** Collaborating with local businesses can help navigate regulatory landscapes and provide insights into consumer behaviour.
3. **Risk Management:** Hedging against currency risks and diversifying across multiple markets can mitigate the impact of economic downturns.
4. **Technology Adoption**: Leveraging digital platforms for property management and transactions can streamline operations and enhance customer engagement.

The world is increasingly interconnected, and so is the real estate industry. Indian realtors / real estate agents who adapt to global trends and understand international markets can unlock a wealth of opportunities. By leveraging technological advancements, fostering cross-border partnerships, and understanding the needs of global investors, Indian realtors can significantly expand their horizons and achieve remarkable success in the global arena.

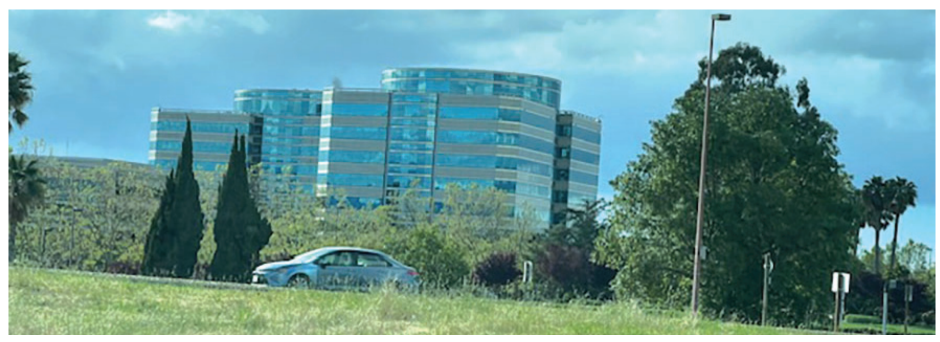
Mr Tarun Bhatia is current Vice-Chairman and Chair-Global of NAR India. He was a member of the Board of Directors of NAR United States in 2021.

INDIA PROPERTY SHOW IN US

A Paradigm shift in Housing Demand

GLOBAL EVENTS

There has been a paradigm shift in Indian cities driving demand pattern for housing among US NRIs, **reports V Nagarajan from Santa Clara.**



The annual event held to showcase India's varied housing units across USA in Frisco and Santa Clara drew encouraging response from US NRIs who are keen to invest in real estate back home. The 2-day event in each location, organised by Bengaluru based Maxpo Exhibitions, has revealed certain data on the migration of US NRIs to the west coast and the changing demand pattern on housing while investing in immovable property in India.

There has been a paradigm shift in demand in that Bengaluru and Hyderabad dominated the list of Indian cities in demand for investment by US NRIs in the silicon valley, followed by Mumbai/Pune and Chennai. The surge in demand for North Indian cities is a clear indication of the growing migration from other cities in India and the surge in demand for North Indian cities for investment in housing.

As regards categories of properties, 3 BHK and villas dominated the demand while investors are looking for land investment particularly in projects were property management services are made available. According to reliable industry sources in bay area, 50 per cent of the NRI investors wish to seek home loans to part-finance their home-buying exercise while investing in immovable property in India.

According to banking sources, a majority of the US NRIs in bay area invest in real estate across Indian cities predominantly for investment purposes. Yet another source admitted that a majority of the US NRIs prefer to stay in US and do not have any immediate plans to migrate to India. With the result the number of NRIs looking at investment back home has been stagnant over a period of three years. There is another reason for this trend. The US real estate market has not performed well in the recent past due to hike in mortgage rates and the increasing layoff putting a dampener on real estate investment back home.

Among the cities driving investment in housing for home loans include Bengaluru, Hyderabad, Chennai. "US NRIs in bay area prefer apartments in the price range of Rs 2.0 crore -Rs 2.5 crore in southern cities like Bengaluru, Hyderabad and Chennai. For Mumbai, the minimum investment looked at is in the region of Rs 5 crore - Rs5.5 crore. The average NRI home loan size is said to be in the region of Rs 2.0 crore - Rs2.5 crore," according to industry sources in silicon valley in bay area, California.

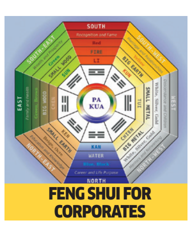
In a related development, it is said that NRIs wish to repay home loans before the repayment period originally committed. The average home loan tenure preferred for repayment ranges from 5 to 7 years and they invariably preclose the home loan within that period.

Luxury housing is sought for in select cities on a selective scale if the quantum of high value loan availed in bay area by Indian expatriates is any indication. Loans for luxury housing projects are sought for in the region of Rs 12 crore to Rs 15 crore for investment in cities like Bengaluru and Gurgaon.

As regards investment in commercial property by US NRIs in bay area, only 5-10 per cent of the investors are evincing keen interest in the commercial property.

Balancing the design architecture

Directions are extremely important when it comes to Feng Shui design and layout, **says S BS Surendran.**



Feng Shui is largely a matter of arranging the flow of a space not for aesthetics alone, but more importantly, so that the space serves a particular function or set of functions that are critical to your success and well-being. Whether you are building a new home, office, and factory or remodeling it, the consultant can identify the lucky and unlucky areas as they relate to the specific individual and fine-tune your space to be in synchronicity.

One of the primary concepts of Feng Shui interior design is energy often referred to as 'CHI'. Feng Shui interior design attempts to direct, retain, and channel this energy in a way that is most beneficial to those using the room. This can be done by the placement of objects at different compass locations or by using furniture made of specific types of material.

Directions are extremely important when it comes to Feng Shui design and layout. Feng Shui has eight basic directions, four that are considered primary and four that are secondary further subdivided into three parts. This actually gives 24 directions as per the special Feng Shui compass that facilitates a perfect alignment, positioning and analysis of the property. This in turn helps in deciding the layout, room positioning and décor including placement of fixtures, furnishings, furniture and adapting the right colours pertain to the specific sectors.

Apart from this, the five element analysis in Feng Shui known as 'Wu Xing' is another important factor which enhances good energy and controls bad energy by placing objects made of these materials in a specific room or by painting certain areas with an elemental colour.

General precautions one should take care of include:

- Plan a home that's square or rectangular. Odd-shaped or angular buildings have Feng Shui challenges that are difficult to undo.
- Make the building generally symmetrical in shape, and avoid angular protrusions.
- Include a foyer in the floor plan. Don't have the front door open directly into a room (where 'chi' would be permitted to escape).
- Avoid floor-to-ceiling windows in bedrooms these let too much 'chi' to escape.
- Choose smooth surfaces for interior walls as curved walls and surfaces also encourage positive flow of 'chi'.

Arranging furniture is merely a part of the interior design, while actually creating flow and energy is a greater task that demands accuracy, expertise and insight. Whether your home is a century old or still in the initial stages of planning, Feng Shui can help positive transformation take place and one can experience the changes over a period of time.

Troubleshooting the afflictions in the property for external disturbances like electric pylon, trees, designing of garden, placement of plants, water features, ill effect of neighbourhood buildings can ensure that the property is charged with good energy flow, vibrant and in harmony with the occupants.

Lastly, always remember to keep a balance. The fundamental theory of Feng Shui is the concept of Yin and Yang which is about balance. Hence the design and remedy should pay attention to the fact that too much of anything is not healthy.

Mr S BS Surendran is an accreditd master Feng Shui consultant, traditional Vaastu practitioner and bio-energetician.

Capital Gains – How to optimise Tax Liability?

By CA AJIT SHAH

Under the Income Tax Act, 1961, the computation of income is categorised into five heads, with capital gains being one of them. Capital gains entail profits or gains derived from the transfer of capital assets. This article aims to provide a detailed understanding of Capital Gains, including the types of income falling under this head and the computation methods involved.

Five different heads of Gross Total Income are as follows: 1. Salary Income 2. Income from House Property 3. Profits and gains of Business or Profession 4. Capital Gains 5. Income from other sources (i.e. residuary income which does not fall under any of the preceding heads.)

Brief details about which type of income will fall under which head.

01. Salaries: This head will cover Sections 15, 16 and 17 of the Act. Under this head, remuneration in any form (including perquisites) due for personal service under an express or implied contract of employment or service. That means any amount received on the relationship of employer and employee will fall under this head.

02. Income from House Property: This head will cover Sections 22 to 27 of the Act. Under this head any income received from the ownership of any house will fall.

03. Profit and Gains of Business or Profession: This head will cover Sections 28 to 44DB of the Act. Under this head any income earn from business or profession will fall.

04. Capital Gains: This head will cover Sections 45 to 55A of the Act. Under this head any profits or gains arising from the transfer of a capital asset will fall.

05. Income from other sources: This head will cover Sections 56, 68 and 69 of the Act.

Income under the head Capital Gains:

Capital gains means any profits or gains arising from the transfer of a capital asset. Hear the most important, word is Capital Assets. Capital asset is defined under section 2(14) of the Income Tax Act, 1961. The term "capital asset" means property of any kind held by an assessed, whether or not connected with business or profession, but does not include inter alia:

(1) any stock in trade (other than securities);

(2) personal effects such as wearing apparel, furniture, motor car, air conditioner, refrigerator, etc.; held for personal use by assessed or by any member of his family dependent on him.

However, definition of the term capital asset shall include jewellery which will include jewellery held for personal use which will include, ornaments made of gold, silver, platinum or any other precious metal or any alloy containing one or more of such precious metals, whether or not containing any precious or semi-precious stone, and whether or not worked or sewn in to any wearing apparel; and precious or semi-precious stones, whether or not set in any furniture, utensil or other article or worked or sewn in to any wearing apparel.

(3) 6.5% Gold Bonds, 1977; 7% Gold Bonds, 1980; National Defiance Gold Bonds, 1980; Special Berar Bonds, 1991; Gold Deposit Bonds issued under the Gold Deposit Scheme, 1999; Deposit Certificate issued under the Gold Monetization Scheme, 2015 notified by the Central Government; and

(4) Agricultural Land in India with certain conditions.

Transfer: Section 2(47) "Transfer" in relation to a capital asset, includes the sale, exchange, or relinquishment of the asset or the extinguishment of any rights therein or the compulsory acquisition thereof under any law or in a case where the asset is converted by the owner thereof in to, or is treated by him as stock in trade of a business carried on by him, such conversion or treatment; or the maturity or a redemption of a zero coupon bonds.

Transfer includes possession of immovable property given without registration of conveyance deed and also transactions in agreement to buy or sell any immovable property or any rights therein.

Transfer of movable property is complete when delivery or possession is complete. Transfer of immovable property, normally, is complete only when the conveyance deed is registered. However for the purpose of capital gains, the transfer is treated as complete with delivery of possession and when an agreement to sell/buy immovable property is entered in to when such agreement is itself a subject matter of transection.

Two types of Capital Asset, Short Term and Long Term.

Capital asset is divided as short term and long term with reference to the period of holding of the asset by the assessee or by the previous owner and the assessee under certain circumstances. The period of holding of the assets computed from the date of acquisition to the date immediately preceding its transfer.

Short Term Capital Asset: For assets being a security (other than unit) listed in a recognized stock exchange in India or a unit of Unit Trust of India/ Administrator of the specified undertaking/ Specified Company/ or a unit of an equity oriented fund as defined in the Explanation to Section 112A or a zero coupon bond held for not more than 12 months. For assets other than assets specified above, held for not more than 36 months Long Term Capital assets: Assets which are not Short Term Capital assets are considered as Long term Capital assets. Mode of Computation and deductions: Section 48 of the Act, provides that, from the full value of consideration received, the following amounts should be deducted to arrive at the amount of capital gains.

(a) the cost of acquisition of the capital asset;

(b) the expenditure incurred on any improvement to the capital assets;

(c) expenditure incurred in connection with the transfer of the capital asset, such as stamp duty, registration charges, legal fees, brokerage etc.

Second proviso of Section 48, the cost of acquisition of long term assets and cost of any improvement there on is to be calculated as under:

(a) Cost of acquisition X Cost Inflation Index of the year in which the asset is transferred divided by Cost Inflation Index of the year of acquisition or cost of 1st April, 2001.

In the case of shares and securities purchased before 1st February, 2018, the cost as on 31st January, 2018 is to be considered as cost of acquisition.

Understanding capital gains is essential for taxpayers engaged in the sale or transfer of capital assets. By comprehending the intricacies of this tax regime, individuals can optimise their tax liabilities and ensure compliance with regulatory requirements. With detailed knowledge of the types of income falling under capital gains, the methods of computation, and the deductions allowed, taxpayers can navigate this aspect of taxation more effectively.

Courtesy: www.taxguru.in

A Guide to Financial Tax Planning

By Chetana Rajput

Financial tax planning is a crucial aspect of personal and business finance management. Whether you're an individual taxpayer or a business owner, understanding tax laws and implementing effective tax strategies can significantly impact your financial well-being. In this comprehensive guide, we'll explore the importance of financial tax planning, key strategies to minimize tax liabilities, and how to optimize your financial position while staying compliant with tax regulations.

Financial Tax Planning Matters:

Tax planning is not merely about complying with legal obligations; it's about strategically managing your finances to minimize tax liabilities and maximise wealth accumulation. Effective tax planning can help individuals and businesses:

1. Maximize Tax Efficiency: By strategically structuring financial transactions and investments, you can reduce the amount of tax you owe, allowing you to keep more of your hard-earned money.

2. Plan for the Future: Tax planning involves forecasting future income and expenses to anticipate tax liabilities accurately. This foresight enables individuals and businesses to make informed financial decisions and allocate resources efficiently.

3. Enhance Cash Flow: By optimising tax deductions, credits, and deferrals, tax planning can improve cash flow, providing individuals and businesses with more liquidity to pursue investment opportunities or meet financial obligations.

4. Achieve Long-Term Financial Goals: Whether it's saving for retirement, funding education, or expanding a business, tax planning plays a crucial role in achieving long-term financial objectives by minimising tax burdens and maximising savings.

Key Strategies in Financial Tax Planning:

Effective tax planning involves a combination of proactive strategies tailored to individual or business circumstances. Some key strategies include:

1. Income Deferral and Acceleration: Timing income and expenses can significantly impact tax liabilities. Deferring income to future years or accelerating deductions into the current year can help manage taxable income effectively.

2. Maximising Deductions and Credits: Take advantage of available deductions and tax credits to minimize taxable income. This includes deductions for charitable contributions, mortgage interest, education expenses, and various business expenses.

3. Investment Planning: Choose tax-efficient investment strategies such as investing in retirement accounts (e.g., 401(k), IRA), tax-exempt municipal bonds, or capital gains deferral through tax-loss harvesting.

4. Entity Structure Optimisation: For business owners, selecting the right legal structure (e.g., sole proprietorship, partnership, corporation) can impact tax obligations significantly. Each entity type has its own tax implications, so it's essential to choose wisely based on factors such as liability protection, tax treatment, and operational flexibility.

5. Estate Planning: Implementing estate planning strategies can minimise estate taxes and ensure smooth wealth transfer to heirs. Techniques such as gifting, trusts, and life insurance can help preserve assets and minimise tax consequences upon transfer.

6. Tax Law Compliance and Updates: Stay informed about changes in tax laws and regulations to ensure compliance and identify new opportunities for tax optimization. Consulting with tax professionals or financial advisors can provide valuable insights.

Financial tax planning is a fundamental aspect of prudent financial management for individuals and businesses alike. By implementing strategic tax planning techniques, you can minimise tax liabilities, optimise financial resources, and achieve long-term financial goals. Whether it's through income deferral, maximising deductions, or entity structure optimisation, proactive tax planning can pave the way for financial success and security. Stay informed, seek professional guidance when needed, and make tax planning an integral part of your overall financial strategy.

Courtesy: www.taxguru.in

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Real Estate Roundup

- WeWork Inc to sell its entire **27%** stake in India unit via **INR 1,200 cr.** secondary transaction
- Brigade Group to invest **INR 400 cr.** to develop Brigade Tech Boulevard, a Grade-A office space in Chennai
- ASK Property Fund exits from QVC Realty Developers at **INR 350 cr.**
- Lohia Global enters into real estate sector with **INR 1,000 cr.** investment
- Kanodia Group acquires **1.74-acre** land parcel for **INR 153 cr.** to develop a luxury project in Sector 46, Gurugram
- Sumadhura Group acquires **40 acres** land parcels for about **INR 800 cr.** to develop residential projects in Bengaluru
- K Raheja Corp to redevelop SOBO Central Mall in Mumbai into luxury residences
- Century Real Estate raises **INR 450 cr.** from Edelweiss to fund realty projects in Bengaluru.
- Rx Propellent leases **0.13 mn sq. ft.** to GV Research in Nextopolis at Genome Valley, Hyderabad among the largest life sciences real estate deal
- CapitaLand India Trust acquires **1.4 mn sq. ft.** IT-SEZ project in Hinjewadi, Pune
- Edelweiss Alternatives to acquire **1.21 mn sq. ft.** IT park in Bengaluru for over **INR 1,475 cr.**
- Godrej Properties acquires around **3-acre** of a land parcel in Kokapet, Hyderabad
- Chalet Hotels acquires Courtyard by Marriott Aravali resort near New Delhi for **INR 315 cr.**
- DLF IT Offices Chennai sells **4.67-acre** land parcel in Chennai to Cholamandalam Investment and Finance for **INR 735 cr.**
- Certus Capital set to invest **INR 1,000 cr.** over the next year in Indian real estate market through secured credit
- Mahindra Lifespaces developer acquires **9.4-acre** land parcel in Whitefield, Bengaluru for residential development
- NeoLiv, an integrated residential real estate platform, raises over **INR 300 cr.** from UHNIs across the country for Inliv Real Estate Fund
- DB Realty leased out **186.52-acre** land to BMC for annual rent of **INR 248 cr.**
- LTI Mindtree leases **0.6 mn sq. ft.** office space in L&T Innovation Campus, Chennai
- TCS acquires **0.4 mn sq. ft.** office space on lease in Assotech Business Cresterra, NOIDA
- ASK Property Fund to invest **INR 120 cr.** in a luxury residential project by TREVOC in Gurugram
- Bandhan Bank acquires 12 offices on outright basis in BKC, Mumbai for over **INR 135 cr.**
- Table Space Technologies leases over **0.1 mn sq. ft.** in CCD Square Property in Bengaluru
- Maharashtra Govt. allocates **INR 10,519 cr.** towards land acquisition for outer ring road in Pune
- Ashiana Housing to invest **INR 400 cr.** to develop senior living project in Chennai
- Auction of four land parcels by HSIIDC to three developers - Eldeco, Trehan Iris & Conscient for residential development fetch **INR 500 cr.**
- PAG Asia, a global alternative investment managers, to invest **INR 400 cr.** in M3M India's bonds
- Godrej properties acquires a **6.45-acre** group housing plot via auction in Sector 44, NOIDA for **INR 506 cr.**

Source: Savills