



CHENNAI WILL SOON HAVE A WORLD TRADE CENTRE COMING UP ON THE IT CORRIDOR



100 % FDI IN E-COMMERCE WILL OPEN FLOODGATES TO A HOST OF OTHER PLAYERS IN THIS SEGMENT

EXPERTS&INSIGHTS

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NEWS DIGEST

WTC IN CITY
Brigade Group, which holds licences to build World Trade Centres in five southern cities, will build its third WTC in Chennai after Bengaluru and Kochi, developing over 2.5 million sq ft of commercial and office space on a 16-acre land parcel. The company had invested ₹537.8 crore for the land. The development of commercial and offices spaces would be a total of 2.5 million sq ft.

\$1 TRILLION FOR REALTY IN 2016
Global realty market is likely to witness an investment of more than \$1 trillion this year, up 6% from 2015 - as investors continue to find real estate appealing on relatively higher returns, according to CBRE survey.

COURT TALKS TOUGH
The Madras High Court has directed the civic authorities to ensure that the planning permission is visibly exhibited in all the buildings. The bench directed the Corporation authorities to ensure that the approved plan should be available on the website of the Corporation for any building, the party which has to carry on construction should be mandated to display the plan at the site specifying the user and in case of both CMDA and the Corporation, it should be ensured that such display is not placed in such a manner as to only meet a formality, but should be clearly visible.

WEALTHY SURGE
India will account for 5 per cent of the total UHNWI population and 6 per cent of the billionaire population across the world by 2025, Knight Frank India Wealth Report 2016 says. Out of 97 cities globally, Mumbai and Delhi currently ranked at 21 and 33 respectively, slated to move up to ranks 14 and 29 respectively by 2025. Average number of residential property owned by wealthy Indians stands at 4th highest in the world - the global average stands at 3.7.



spaces in and around these cities. On the flip side, there has been a rider clause attached to the FDI liberalisation on e-commerce. This is that e-commerce players now will be unable to sell below market prices and not more than 25 per cent of sales will happen via one vendor (this proviso does raise a question about the term 'market price', given there is fairly broad accepted range for most products). In any case, this announcement brings brick-and-mortar retailers on a more level playing field, and would help to still the outcry over unfair trade practices to an extent. Overall, this is positive for the retail industry; more rational behaviour will now prevail in terms of market trade practices, and mounting of losses by most e-commerce companies will be curtailed. Online sales may re-

MARKETFUNDA

THE 100 PER CENT DEAL

FDI in e-commerce will open the floodgates to the market

India is already host to some of the largest global e-commerce players. The announcement that 100 per cent FDI will now be allowed in e-commerce is going to open the floodgates to a host of other players in this segment. The impact that this development will have on Indian real estate will be significant. In the first place, the new players - like their predecessors - will require large office spaces to house their back-end teams. They will naturally direct this re-

quirement to the country's top 7 cities. The second impact will be on the demand for warehousing and logistics real estate. Unlike the demand for office spaces, this additional requirement will be spread fairly evenly across Indian cities. E-commerce players need to be able to deliver quickly to their customers, and one of the most important clientele segments for them are in the Tier 2 and Tier 3 cities. We will therefore see a significant step-up in demand for warehousing



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CEOSPEAK

“Consumers have become conscious about buying green homes”

With the government aiming at the 'Housing for All by 2022' scheme, there will be an upward trend in the affordable housing sector in the coming years, says M Arumugam, MD and CEO of Rajkham Builders

How has the financial year 2015-16 been for the property sector in Chennai?

In reality, the real estate sector is in a stagnant state. But that doesn't mean there is no movement at all. Over the past one year there has been a demand for quality affordable housing options in the city. Homebuyers want quality homes that fall within their budget with a reputed builder. Projects that range between ₹30 to ₹50 lakh have been in demand in the previous financial year. A phenomenal growth rate has been witnessed in areas like Porur, Velachery, Tambaram, Medavakkam and many other pockets of GST Road. These have primarily been residential growth.

In this budget, the government has given special focus on the affordable housing scheme. How do you see this move affecting the affordable housing scenario in Chennai?

In the budget, a number of schemes have been introduced for the benefit of home buyers and developers. People are showing interest in affordable housing options since first time home buyers will get deduction of an additional interest of ₹50,000 per annum for loans up to ₹35 lakh sanctioned in 2016-17, where house cost does not exceed ₹50 lakh. Developers

are also seeing the advantage as the budget allows 100 per cent deduction for profits to housing projects building homes up to 30 square metres in the four metro cities. So I think the move will definitely affect the residential market here. And this will be a continuous growth. With the government aiming at the 'Housing for All by 2022' scheme, there will be an upward trend in affordable housing sector in the coming years.

Does Chennai see an increasing number of FDIs in the property sector?

Chennai is an end-user market. There is constant demand for homes in the city. This factor has been attracting private equity investors to Chennai leading to an increase in the funds entering the city through the real estate sector. There are also various infrastructural developments taking place in the city such as the highway projects, metro rail, the Outer Ring Road, extension of city limits, improvement of the radial roads that show signs of the city's growth thus aiding the FDI inflow. While there are a handful of foreign investments in the city, there will be a steady growth in the number of investments.

Do you think developers need to focus on building eco-friendly and green homes?

Developers are becoming aware of the need for eco-friendly and green homes in the city. This is why, they are tying up with Indian Green Building Council (IGBC) to get their projects green certified. Developers are paying attention to solid waste management, recycling of waste water and conserving energy. Consumers have also become conscious about green homes and are on the lookout for such projects.

Has the average age of home buyers reduced in the past few years?

About a decade ago, the average home buyers age was between 35 and 40 years. But, in the last four years, the buying capacity age group has dropped drastically. The average age has dropped to 22 to 30. This is because, once youngsters are settled, the first thing they want to invest in is a home. Investors in this age group are usually first time home buyers or first home buyers who are looking at affordable housing options.

Is Chennai becoming an ideal option for office and industrial spaces?

Many businesses are coming into the Chennai market thus leading to a growing demand for good office and industrial spaces. Sriperumbudur is witnessing a rise in warehouse and storage spaces whereas Old Mahabalipuram Road (OMR) is seeing many office spaces being occupied.

Design Value

A good design, regular maintenance and renovation can help you fetch a good value for your home



Who would not want to live in a property customized to suit your style? Every individual dreams of having a customised home suiting his or her lifestyle. Having a custom made home décor and amenities not only makes your property exclusive, but also increases its value in the real estate market.

How exclusive interiors and layout improve your home's worth?

- They are a differentiator when a developer sells a property
- They impact the quality of life
- Allow occupier to maximize the usable space in a house
- Leave space for different kinds of activities
- Allow consumers to repurpose the same space for different activities

New ideas of designing

If you have strong ideas about how and what exactly

your dream home should be, no one could be a better architect than yourself. Hire an architect who understands what you want and how practical it is. "The idea of DIY that is 'Do It Yourself' shall give consumers the desired layout and spaces according to their needs. Make sure the architect you hire explains the urban guidelines of designing and plans the layout accordingly," says Baljit Khurana, a designer.

Consumers today should focus towards choosing a house with more green and open spaces. If the house is with a garden and is maintained regularly the value increases.

"These days, people have become conscious about the climatic changes as well. So, go for layouts that are meant according to the climatic conditions," says Arunima Sen, Architect at Common Ground Practice. If a house is renovated, the value becomes almost double. There should be more exploring space for kids. The free interactive space gives you a better lifestyle.

The concept of expandable homes is again getting popular, which once adopted, can help consumers serve the purpose to a great extent. The idea of providing frameworks of the beams and columns to the home buyer can make the designing and layout process more flexible.

If the developers bring this concept into the market, it will be an opportunity for home buyers to opt for an affordable designing. This will help save a lot of money and time in getting the ownership of the house.

How to add value to your house?

The construction material that we use says a lot about the whole layout. The first step towards adding value to your house is using good quality concrete. This not only strengthens the house but also gives it a longer sustainability. Secondly, choose fine plastering. If you have good quality plaster, POP is not required. Select an environment-friendly paint,

which keeps the aroma of your house fresh and clean. You should use fixtures that enhance the elegance of your house.

When it comes to doors and window fixing, use lightweight fabricated materials that are easy to change.

So, if you renovate your house for ₹50-60 lakh, the value of your house post renovation becomes almost ₹3 crore.

Steps to maintain the house

- Use materials that are easy to maintain - For example, consumers can choose marble, stone and granite for the floor as it resists moisture and dirt. There are tiles available in the market which are easily maintainable.
- Use washable paints - Consumers should choose paints that are washable and easy to clean.
- Prefer stainless steel pipelines for water supply to avoid rusting.
- Check the details of fixtures regularly and keep them maintained.

Elements of renovation

- Re-doing floor works
- Good quality paints and POP (Plaster of Paris)
- Modular Kitchens
- Furniture and Fixtures

A design-led living is nothing but a hassle-free approach with a good lifestyle. The space you live in should offer a healthy environment that keeps you physically and mentally fit. So, be the designer of your house and live with the interiors of your own choice.

- Sukriti Yaduwanshi, Magicbricks Bureau

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