

THE ADDRESS

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The Changing nature of the Real Estate Marketing

Real Estate Industry in Golf Course Extension (GCK)

EDITOR SPEAKS

Square Yards is back with the latest edition of The Address, the real estate advisory's monthly magazine with a slew of interesting topics, covering the upcoming dimensions of the Indian & Global Real Estate Industry.

In our Cover Story section, we have captured the changing nature of the real estate marketing driven by surge in internet penetration, new innovations & rising engagement of young population in real estate purchase. The detailed cover story mentions how ground breaking innovations are changing the rules of the game.

This time the interview section has been the extension of the cover story. In the interview section, Ms. Kavita Vishnoi, AVP- Bling Marketing, Square Yards real estate marketing arm, has captured how along a changing real estate marketing landscape, Bling Marketing is crafting new game changing real estate campaigns developers.

In the spotlight section we have captured about Golf Course Extension (GCE) & how in spite of moderating real estate sentiments in the Delhi-NCR, GCE is considered amongst one of the most sought after investment destination in Delhi-NCR region.

The edition also talks about rising international investment in Student Accommodation asset class & bullish commercial real estate industry in India.

In the Infrastructure Update section, we have covered the nod given to the Jewar Airport by Defense Ministry. With this, the airport has come a step closer to its fruition. Once completed, the airport can entail a major impact on the real estate dynamics of the nearby areas.

In every edition our team of content specialists, analysts, editors & designers bring their level best to offer our readers a comprehensive magazine that is not only appealing & interesting to read but also effectively captures the major happenings of the global & Indian real estate. We wish to have worked up to your expectations. Enjoy reading & feel free to share your feedbacks.

Kanika Gupta Shori
Editor



The Changing nature of the Real Estate Marketing

The advent of web during the end of last century & its exponential rise in the subsequent years has entailed significant changes on the rules of marketing in the real estate sector. The rules that once relied heavily on the traditional marketing approach, are now increasingly rewritten through the prism of web, digitization & newer technological innovations. From the initial search & discovery process to the final transaction closure, everywhere real estate marketing is subject to newer transformations.

In fact, digital & web based real estate marketing itself is continuously metamorphosing, employing powerful & new ground breaking innovations. The new rules of realty marketing are no more just limited to content marketing mechanism, digital & social media engagement & web marketing campaigns to generate leads.

The evolving dynamics of real estate marketing increasingly calls about transforming the user engagement space by bring a unique experiential pull- Experiences through rich media, that were not even thought of, even few years back. It is about using the cutting edge analytics & research to offer unique propositions to the buyers & help them avail best-fit properties matching to their exact expectations, from a large database. It is increasingly about developing safe & transparent transaction platforms, ensuring a complete peace of mind to the buyers & offering hassle free deal closure, through just few clicks itself.

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Paritosh Kashyap, Senior Manager Research & Communication, Square Yards has compiled the Cover Story, commenting on the changing nature of real estate marketing over the years & how the industry dynamics will appear in the near future.

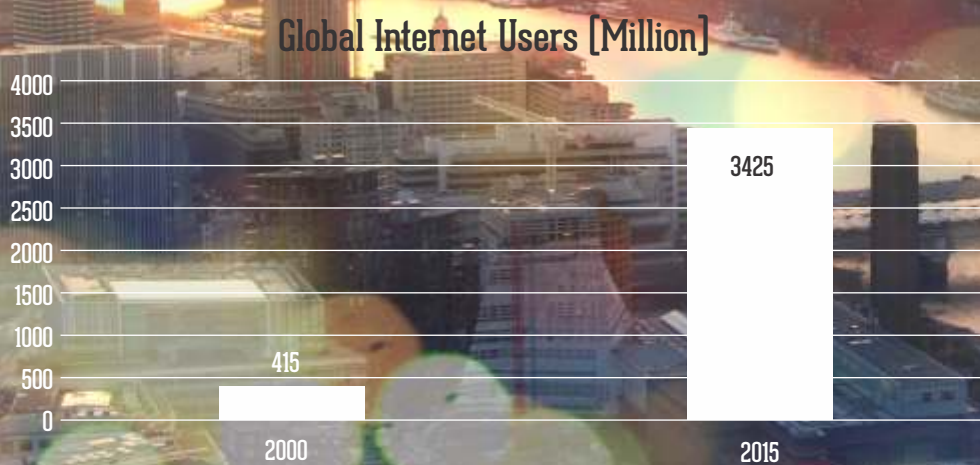
The cover story has also been appended with an exclusive interview with Kavita Vishnoi, AVP & Head Events marketing, with Square Yards, wherein she had shared her expert opinion on the transformations happening in the real estate event & marketing domain.



Factors Spearheading New Wave of Change

The new salvos that are being fired on the real estate marketing could be primarily rooted in three fundamental factors, the rise of internet, its unprecedented popularity amongst the user base & active participation of younger population, the torch-bearer of change, in the real estate purchasing process. The fourth dimension could probably be attributed to the change in buyer preference, wherein there is an increasing need amongst buyer to get more involved into the buying process.

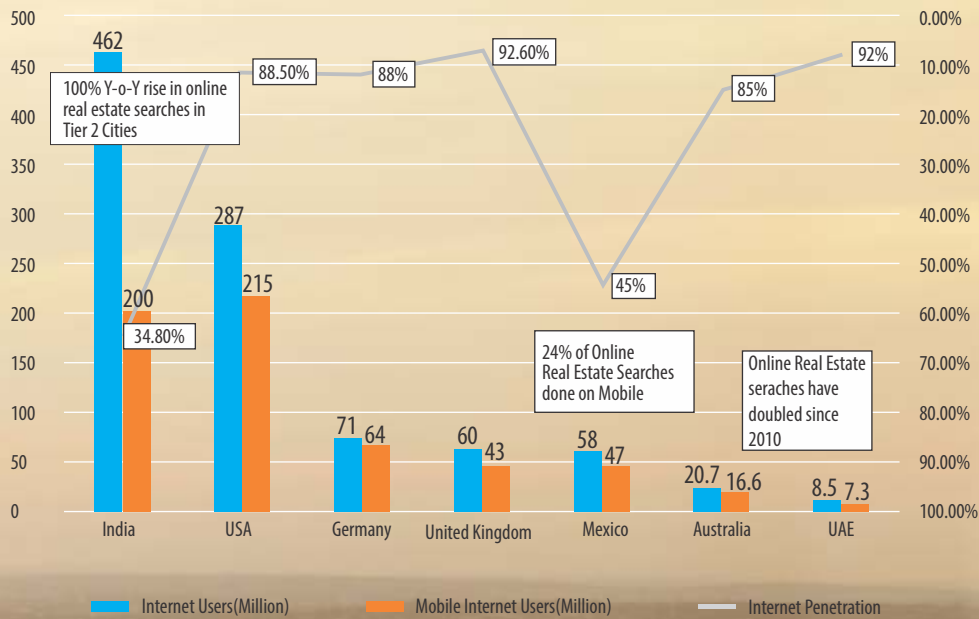
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In most of the major markets, internet penetration is reaching new heights. Along with traditional channels, there has also been significant surge in mobile internet, with the mobile medium contributing substantially towards overall internet consumption.

Like other industry verticals, the megatrends of digitization are necessitating significant impact on the realty world with web increasingly becoming a prime source of information for the discerning buyers. Across the globe, millions of users are using their desktops, laptops & mobile devices to source relevant information for their home searches as discussed in the graph below.

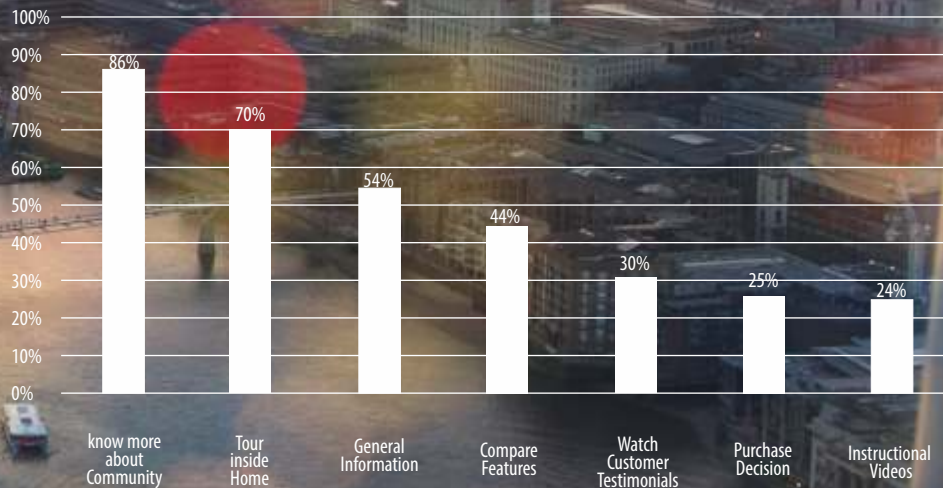
Consumption across the Globe



However, thanks to richer media, the role of internet is not just limited to home searches but to almost every other possible part of the home search cycle, as discussed in the subsequent section. With broadband & higher speed, there has been an exponential rise in richer media & streaming videos, thereby leapfrogging the user engagement to new dimensions.

A survey done on the home buyers in USA indicate how videos are increasingly used across the various aspects of real estate purchase.

Video Usage Purpose For Home Buyers



Active Participation of Young Population

Another change is emanating from the active participation of the younger population in the home purchase process. Previously, home purchase was a responsibility that mostly individuals used to undertake at later stages of their life. However, buoyed with rise in income & various new financing schemes, younger people are increasingly investing into real estate assets both with an end user objective as well as investment purpose. Spanning across USA to Middle East to Indian sub-continent, large volume of young aged buyers is actively participating in home purchase.

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The change in the demographic pattern of the buyer base is linked with the change in expectation with marketing campaigns. The new age young buyers are not interested in just being bombarded with multiple campaigns laced with the usual sales pitch.

The user base expects various cycle of constructive engagement, before zeroing down to buy the right product. There is a penchant towards newer methods of advertising & marketing that can take their user experience to newer heights. The new generation also has better technology adoption learning curves & are comfortable with new technological innovations.

Changing Nature of Real Estate Marketing

Due to the factors mentioned above multiple changes have been observed in the real estate marketing in the recent times- Partly necessitated by the change in demand patterns & partly as a response by the developer community itself to better position themselves in the new landscape.

Search & Discovery

One of the first & foremost areas, where technology has played the role of game changer has been the search & discovery space. All across the globe, newer ventures & platforms have emerged, compiling very large & massive database of real estate projects into one single platform.

Information asymmetry & lack of proper information in the realty sector was one of the reasons, that once made realty appear highly unstructured & opaque. But now thanks to the news search & discovery portals, large chunks of information are available on just few clicks.

Search & Discovery to Transaction

The initial search & discovery could solve a crucial part of the property search cycle, by making available large bunch of information digitally. It resulted in the true democratization of the search process with focus shifting towards buyer's need & convenience. However, search & identification are just a minor part of the property purchase endeavor. The crucial part still comprises of enabling the buyer to make purchase.

This resulted into the next round of real estate ventures that are now focused on the transaction space- through the use of latest technologies. These new ventures have been adopting powerful digital walkthroughs, 3 D animation & virtual reality applications to help discerning buyers inspect various aspects of a property on the digital world itself.



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Further to this, these companies are using powerful & transparent e-commerce transaction tools along with real time inventory management to enable users complete their transaction through the web without involving repeated physical visits to the property site, thereby ensuring a tremendous amount convenience to the buyers.

Project Showcase


As discussed above latest technologies are increasingly finding its way in the modern real estate to help discerning buyers watch various aspects of the property on the web itself.

Developers are using latest innovation & technologies such as Augmented Reality (AR), Virtual Reality (VR), Mixed Reality & Online Interactive Booking Engine to offer more experiential & exploratory pull. These platforms can enable end users to virtually inspect entire projects from Towers, Floor Plan to Granular Levels of each floors, without actually visiting the physical sites.

The application of such inventive technologies, even make it more interesting than actual physical visits. Developers are further upping their ante in terms of digital innovation through the use of entertaining & exciting games to showcase their products.

Virtual realty & various other inventive technologies are paving the way for the future. The ease with which these technologies can showcase the space & depth, makes them suitable for marketing & promoting real estate products. It is not only helping developers to connect better with their target audience but also to capture new audience cutting across various geographies.

According to Goldman Sachs, VR is estimated to be a USD 80 billion industry in 2025, out of which the share of real estate industry will be around USD 2.6 billion. Compare this with the VR marketing for real estate industry in 2014, that was valued at just USD 2.9 million.



Analytics

Increasingly developers are using real time data, analytics & unbiased algorithms to market their products. Real estate purchase is one of the very high involvement decision making process, wherein an end user has to go through various pain points before taking the final call. Understanding this nature of real estate purchase, newer apps & platforms are being designed that are enabling the users towards more informed decision making. Innovations such as Big Data & real time machine learning are increasingly finding its way in the usual schema of things.

City level Heatmaps are being developed to help discerning buyers explore the entire city and identify the best-fit locations based on array of factors like price, connectivity, livability, project status, project class etc.

Once locations are identified, platforms then focus on strong 'usable' insights generated through analytics to offer practical assistance to the buyers. Practical Decision drivers based on empirical evidences such as Lifestyle, Livability, Connectivity, Readiness, and Value for Money indices are increasingly used to aid buyers in their purchase process.

More information rich Project & Unit pages are used to help in evaluating the projects and units through rich and structured information like carpet area as percentage of total area, key distances from important places like nearest connecting roads & much more to better evaluate individual projects.

Conclusion

In the recent times, like other industries, the real estate industry has been fertile enough for new changes & ground breaking industry practices. Interestingly, the changes are multipronged & are visible not only across the demand & supply side but also other components of the value chain such as Branding, Distribution, Loan Disbursement & much more.

For instance, take the case of the vast broker space in India that has hitherto been unorganized. But now thanks to Square Connect, the aggregator app developed by Square Yards, the space is vastly getting unified & organized. The app that draws parallel to Uber & Olas of the world, is helping brokers to sell Grade-A properties, a privilege they are generally denied due to their unorganized nature.

In the times to come more such ground breaking industry practices will be produced & deployed thereby benefitting every possible player in the value chain.



Real Estate Industry in Golf Course Extension [GCX]



In the recent times, real estate market sentiments in Delhi- NCR region has not been very upbeat due to large inventory overhang. However, there are certain micro markets that have been defying the prevailing norms by reflecting impressive growth numbers.

One such market is Golf Course Extension (GCX), located between Sohna & Golf Course Road. It commences from MG Road & stretches till sector 55 & 56. With an average capital appreciation of around 7%, GCX is considered among one of the very sought after real estate markets in the Delhi- NCR.

The micro market epitomizes an ideal blend of calibrated residential, commercial & infrastructure growth in the recent past.

Superb Infrastructure

One of the USPs of the GCX has been its superb connectivity to other parts of Gurgaon & Delhi-NCR. Through the GCX road, it is smoothly connected to other parts of Gurgaon. The road is also connected to Delhi-Gurgaon Expressway via Sohna road, thereby ensuring smooth commute to the national capital. GCX is also connected to the metro network through rapid metro.

Upcoming Commercial Space

A large volume of commercial space has entered into GCX that includes, Global Business Foyer, Paras Twin Tower, Suncity Business Park, Ninex Time Tower, Spaze Business Park, Universal Business Park & much more. Recently in 2016, Trump development has inked a deal with IREO developers to construct a commercial tower in GCX. Once completed, industry insiders believe that it will be one of the most sought after commercial spaces in North India.

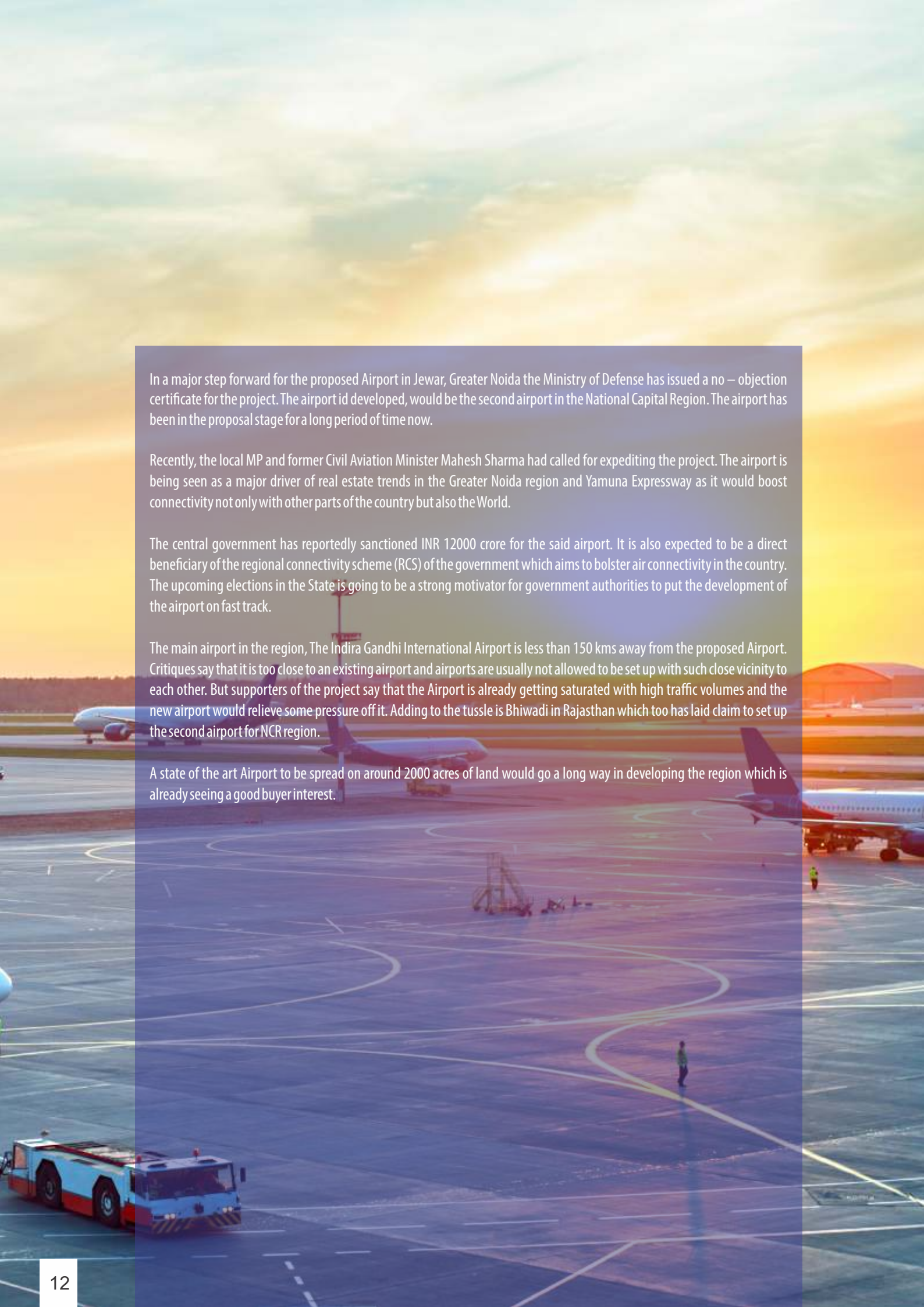
Various other projects including Unitech Business Zone, Splendor Epitome, Imperia Orange & Byron are expected to be operational in the times to come in GCX.

Impressive Price Appreciation

Amidst subdued sentiments, prices have appreciated significantly in GCX on the back heightened demand. On an average, price have appreciated by 7% on a Year on Year (Y-o-Y) basis. It is expected that in the times to come with completion of more number of commercial space, the labor market in GCX will ramp up, that will further boost the demand, there by translating into higher capital value appreciation.

Big Flip to Jewar Airport as it gets Defense Ministry Nod





In a major step forward for the proposed Airport in Jewar, Greater Noida the Ministry of Defense has issued a no – objection certificate for the project. The airport is developed, would be the second airport in the National Capital Region. The airport has been in the proposal stage for a long period of time now.

Recently, the local MP and former Civil Aviation Minister Mahesh Sharma had called for expediting the project. The airport is being seen as a major driver of real estate trends in the Greater Noida region and Yamuna Expressway as it would boost connectivity not only with other parts of the country but also the World.

The central government has reportedly sanctioned INR 12000 crore for the said airport. It is also expected to be a direct beneficiary of the regional connectivity scheme (RCS) of the government which aims to bolster air connectivity in the country. The upcoming elections in the State is going to be a strong motivator for government authorities to put the development of the airport on fast track.

The main airport in the region, The Indira Gandhi International Airport is less than 150 kms away from the proposed Airport. Critics say that it is too close to an existing airport and airports are usually not allowed to be set up with such close vicinity to each other. But supporters of the project say that the Airport is already getting saturated with high traffic volumes and the new airport would relieve some pressure off it. Adding to the tussle is Bhiwadi in Rajasthan which too has laid claim to set up the second airport for NCR region.

A state of the art Airport to be spread on around 2000 acres of land would go a long way in developing the region which is already seeing a good buyer interest.

Rising Trends of Investment in PBSA Sector



In the recent times, there is continuous rise in investment in alternative real estate asset classes along with conventional ones such as residential, office & retail space. These new asset classes are catching the fancies of the international investor fraternity, who are investing into such assets, not just as a part of their value maximization strategy but also to expand their portfolio & reduce risk.

One such asset classes, that has seen a windfall of Investment has been Student Accommodation or Purpose Built Student Accommodation (PBSA), as it is commonly called. These are dedicated space catering to the accommodation need of the international & domestic student class. These spaces are generally built in the vicinity of International universities & college campuses & could involve individual suites & customized students pods. The latter has individual rooms with common kitchen & living space.

The exponential growth in the PBSA is emanating not just from the individual HNIs but also from various institutional investors, that are actively scouting for such lucrative investment opportunities.

Factors Driving the PBSA Investment

There are multiple factors, that have been driving the investment flow in the PBSA asset class. One significant factor is high demand for such accommodation driven by rise in student populace. This has led to significant rise in the demand for quality student accommodation, coming from both domestic as well as international students.

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However, in comparison to high demand, there is dearth of good quality PBSA resources. This further adds to the demand dynamics of the PBSA.

Another benefit of the PBSA is the high occupancy that generally such asset classes enjoy. On an average due to high demand, PBSA has an average occupancy, up to 99% in major educational hubs of the world. The higher occupancy adds to financial attractiveness in the form of higher rental yields & mitigation of any possible risk.

Another unique feature of PBSA is its non-reliance on the global economic dynamics. No matter, whether there is an economic meltdown or a bullish run, education as a sector generally remains strong without witnessing any change in demand. This makes PBSA a great investment opportunity, not to be missed out.





Major PBSA Destinations

Amongst the major PBSA destinations, that account for a market of around USD 260 billion globally, UK leads the chart with a total investment of USD 6.62 billion in 2015, over 100% increase when compared a year before. International students bring in a revenue of over USD 14 billion in UK & the subsequent expansion of the sector in the years to come will make PBSA an attractive class to look into.

Research conducted shows that, investment in the PBSA have multiplied by over 10 times in the last 5 years. With surge in intake in universities, the market in UK is still very under supplied in terms of PBSA. In 2015, work has commenced on over 4500 PBSA projects, all over UK.

USA & Australia are other major markets. Latter, wherein educational export is presently third largest item in the national economy with an estimated value of USD 13.5 billion in exports, PBSA as an asset class is emerging very fast on the investment landscape. However, compared to UK, Australia is considered an immature market with the present bed space estimated at slightly over 80,000. 21,000 new units are anticipated to enter into the country in near future.

The present higher education students in Australia is estimated at around a million, that comprises of around 25% international students. In times to come, both domestic & international students are anticipated to multiply at an aggressive pace that will fuel the PBSA sector.

There are not just HNIs who are investing into the PBSA, but various institutional investors are also investing into the PBSA sector. In fact, in comparison to the investment appetite pertaining to the PBSA sector, there are not enough quality PBSA assets available in the market to feed the demand.

In Q1 2016, Mappletree Investment, arm of Singapore based Temasek, made an investment of USD 541 million in a portfolio of student bed spaces in UK. In 2015, CPPIB, Goldman Sachs & Greystar has also made big ticket size deals in UK PBSA sector. Goldman Sachs has also forged joint venture to invest into the burgeoning Australian PBSA sector.

So far considered to be one of the peripheral investment option for institutional investors, PBSA is now high up on the agenda of various institutional investors across the globe.

Such investment options are not completely devoid of pitfalls as it is believed that PBSA, especially student pods might have some difficulty in resale when compared to conventional homes. Compared to conventional homes, the management & maintenance of PBSA generally requires more expense.

However, given its relatively risk free nature & higher yields, PBSA are going to be one of the most sought after investment engine in the times to come. The market has still not matured in most of the major markets, however with exponential increase in investment, market dynamics are expected to change in the times to come.

International Investments in Indian Office Real Estate is Moving Aggressively up the Curve



Recent times have seen substantial surge in both International & domestic Participation in the Indian real estate sector. Ease in FDI policy & other policy change is further contributing towards the involvement of the former towards Indian real estate.

Out of the various asset classes, the Commercial/ Office asset class have seen a significant increase in investment. Led by IT/ITeS, BFSI, Life Science & Start-ups, there has been a surge in demand for Grade-A quality office space. Led by IT/ITeS, BFSI, Life Science & Start-ups, there has been a surge in demand for Grade-A quality office space.

According to the recent half yearly report published by Square Yards, higher rental yields, better absorption & limited supply is increasingly making it a bright investment opportunity to capitalize. Keeping faith on the future prospects of the Indian economic outlook, Investor fraternity is aggressively looking towards investing into the Indian Commercial Sector.

According to research by Cushman & Wakefield, by the end of 2015, the total investment potential in Grade-A properties stood at USD 54-67 Billion with a rental potential of around USD 5.4 billion.

Along with HNIs, national & international Private Equity (PE) players are also betting on the Indian office markets.

Subdued Supply

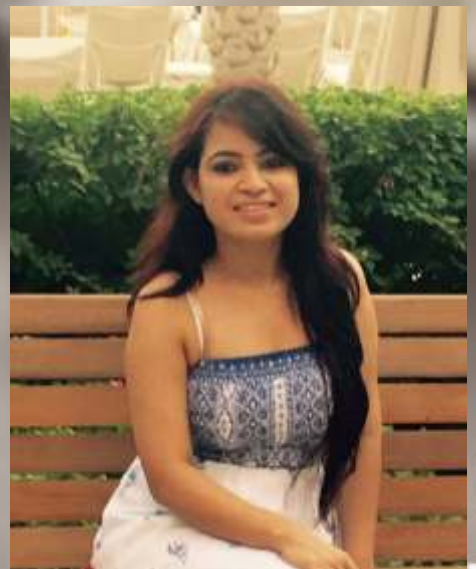
The commercial market still suffers from limited supply that primarily emanates due to more emphasis on the residential properties by Indian developers in the recent times. As a consequence, there is a crunch in terms of the right kind of Grade A type office space in India.

New Supply

Major Real Estate Developers are aggressively venturing into the development of world class office space. DLF, one of India's largest developer have started off work on a new project in Gurgaon comprising of 2 million Sq. Ft of office space. Raheja Group is investing USD 300 million in developing a commercial space in Navi Mumbai comprising of 6 million Sq. Ft. Panschshil Realty, backed by Blackstone is going to invest roughly USD 400 million in 3 commercial projects in Pune.

in conversation

with Kavita Vishnoi



Kavita Vishnoi
Associate Vice President
Bling Events

Kavita Vishnoi, is the AVP & Head of marketing at Square Yards. The young lady, known for her super dynamism & methodical approach is one of the key pillars of the Bling Marketing, the marketing arm of Square Yards, that is presently touted as the biggest agency dedicated to real estate marketing in Asia.

The Address team has a chance to connect with Kavita, who sits at Dubai office, over Skype & understand more about the changing nature of real estate marketing in India & abroad. During the discussion, Kavita shared various key insights pertaining to developer's marketing, changes in buyer's preference, disruptive roles that technology has started to play & the future roadmap of Bling Marketing, Asia's biggest developer marketing agency. Here are the key points from the interview.

Q. What has been the Philosophy behind Bling Marketing?

A. Bling is the largest real estate marketing centric agency. Bling was incorporated as Bling Events, a real estate event management arm of Square Yards. Over the course of last 2 years, it has delivered over 50 international & domestic events in various parts of India & abroad such as London, Singapore, Dubai & Sydney. Not to mention various Indian locations such as New Delhi, Mumbai & Bengaluru. It has sold an aggregate property in tune of USD 50 million. Over the period of time, Bling has made a unique name in the industry fraternity, thanks to its flagship events such as, India Realty Revelry (IRR) & Global Property Road Show (GPRS)

Eventually we have rechristened ourselves as Bling Marketing, a full-fledged real estate marketing agency. Presently we offer a range of services under our umbrella that includes, digital lead generation, media buying, brand promotion, customer support services and design services to many real estate developers. The mantra is to offer across spectrum services for the developer fraternity.

Q. What is the USP of Bling Marketing?

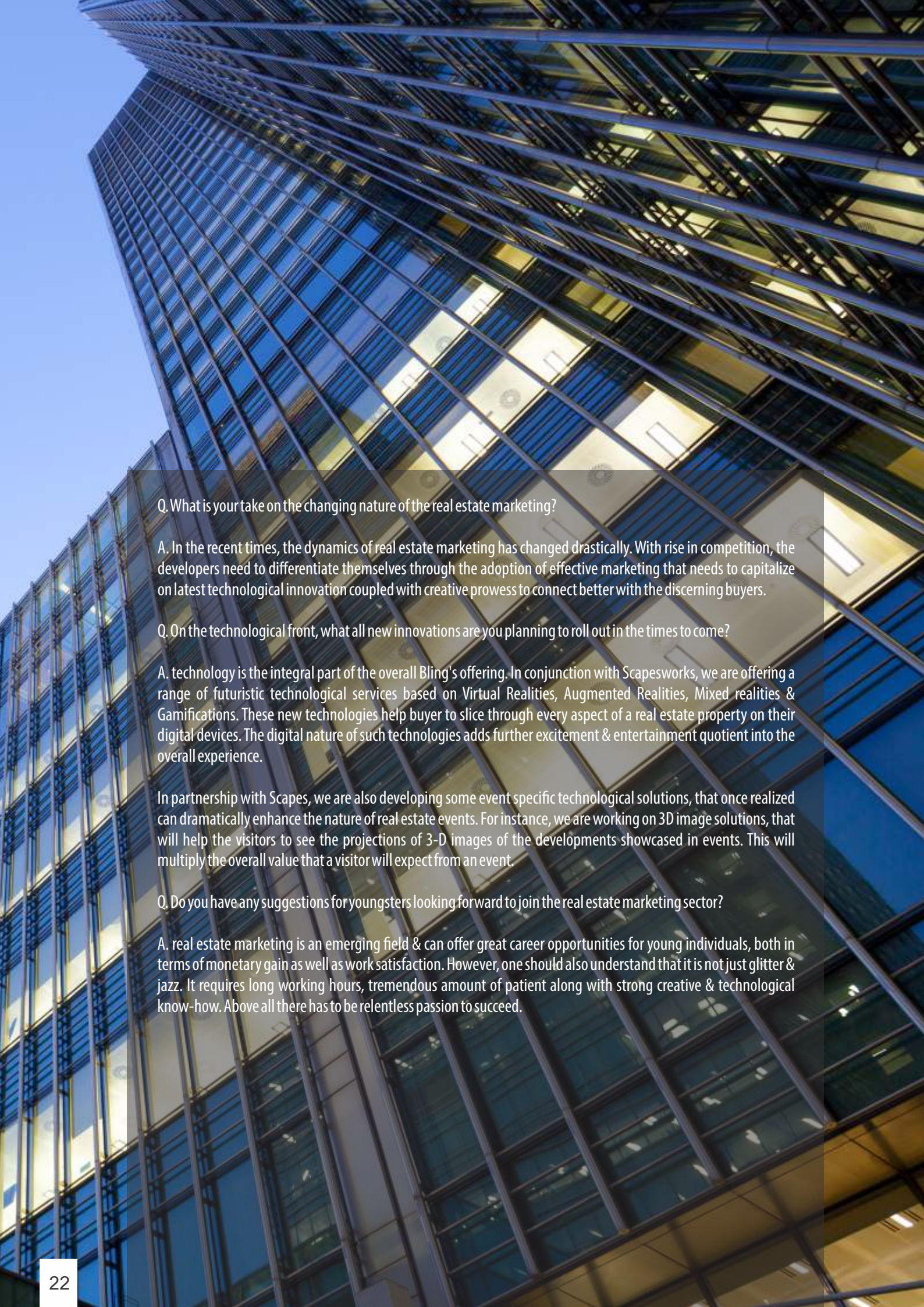
A. Our work speaks for us as, we are loud yet melodious, often sane but balance. Our client portfolio boasts of some of the biggest names from International & Indian realty such as Emaar, Deyaar, Damac, Lodha, Danube, Tata Housing, Godrej Properties & much more.

Not only we are known for conducting world class events, but also have consolidated our strong position in various other aspects of realty marketing. For instance, take lead generation. So far we have generated over 20,000 top quality leads for various developers, an achievement probably untouched by any other player in real estate.

Our expertise lay with our in-depth knowledge of real estate marketing, our dedicated team & the collective power that we possess as a team, that also includes our sister companies, such as Square Yards, that is into primary real estate sales; Square Connect, an aggregator platform for real estate broker & Square Capital, our loan disbursal advisory.

Not to forget, SCAPESWORKS that plays a crucial role in enabling us in integrating high end & futuristic technological solutions for our clients.





Q. What is your take on the changing nature of the real estate marketing?

A. In the recent times, the dynamics of real estate marketing has changed drastically. With rise in competition, the developers need to differentiate themselves through the adoption of effective marketing that needs to capitalize on latest technological innovation coupled with creative prowess to connect better with the discerning buyers.

Q. On the technological front, what all new innovations are you planning to roll out in the times to come?

A. technology is the integral part of the overall Bling's offering. In conjunction with Scapesworks, we are offering a range of futuristic technological services based on Virtual Realities, Augmented Realities, Mixed realities & Gamifications. These new technologies help buyer to slice through every aspect of a real estate property on their digital devices. The digital nature of such technologies adds further excitement & entertainment quotient into the overall experience.

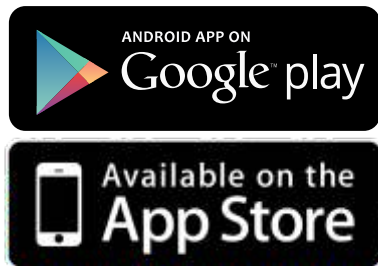
In partnership with Scapes, we are also developing some event specific technological solutions, that once realized can dramatically enhance the nature of real estate events. For instance, we are working on 3D image solutions, that will help the visitors to see the projections of 3-D images of the developments showcased in events. This will multiply the overall value that a visitor will expect from an event.

Q. Do you have any suggestions for youngsters looking forward to join the real estate marketing sector?

A. real estate marketing is an emerging field & can offer great career opportunities for young individuals, both in terms of monetary gain as well as work satisfaction. However, one should also understand that it is not just glitter & jazz. It requires long working hours, tremendous amount of patient along with strong creative & technological know-how. Above all there has to be relentless passion to succeed.

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