

THE ADDRESS

May, 2016

14th ISSUE

RUSSIA

In the spotlight - Noida Extension

Iconic Train Journeys

Editor Speaks

Dear Readers,

We are once again back with our platter of interesting reads capturing various aspects of Global & Indian real estate industry.

In the last edition we covered the slowing down of the Chinese dragon & how the subdued economic sentiments in the world's largest economy is going to impact the country as well as global realty industry. In this issue, we focus on yet another BRIC economy- Russia. Due to slump in oil prices coupled with geopolitical tensions, the country is in a stage of economic contingency that is beyond the control of Kremlin. The cover story discusses how the crisis is resulting into poor real estate sentiment & what lies ahead for Russian real estate in the years to come.

The spotlight section talks about the evolution of Noida extension as one of the most sought after locations for buyers in the National Capital Region. Learn more about the recent land reforms in Rajasthan and the factors that are influencing the millennial generation in India to seriously look into buying a home at an early stage itself. In the Kaleidoscope section we have captured some of the iconic train journeys around the world.

This edition also talks about the precautionary steps that one needs to consider if planning to buy a home near a power generation unit. Other regular sections like Tarot & Projects in Focus are there keeping in mind the great responses they have received from our readers in the past

Enjoy reading & feel free to share your feedback.

Kanika Gupta Shori
Editor



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Land Reforms in Rajasthan

One of the most vibrant states of India, Rajasthan is a beautiful amalgamation of the old and new, i.e.; the ancient and the modern. Area wise it is the largest state in the Republic of India with an area of over 342,000 Sq. Km. The state is known for its rich culture, heritage & numerous archaeological sites, that offer great attractions for the lakhs of tourists that visit the state from various parts of the globe every year.

Apart from tourism & cultural charm, there is also a new emerging area, where the state seems to be making a mark for itself. It is leading the pack in implementing meticulous land reforms. As a major step towards good governance and ease of doing business, the government had brought in "The Rajasthan Urban Land (Certification of Titles) law, 2016" which has been recently passed in the state assembly. It has proudly become the first state in India to clear the land title Bill.

Apart from the titling law, the state government has also got the Rajasthan Land Pooling Schemes Bill passed in the state assembly. With these initiatives, Rajasthan is clearly emerging as India's fastest reforming state.



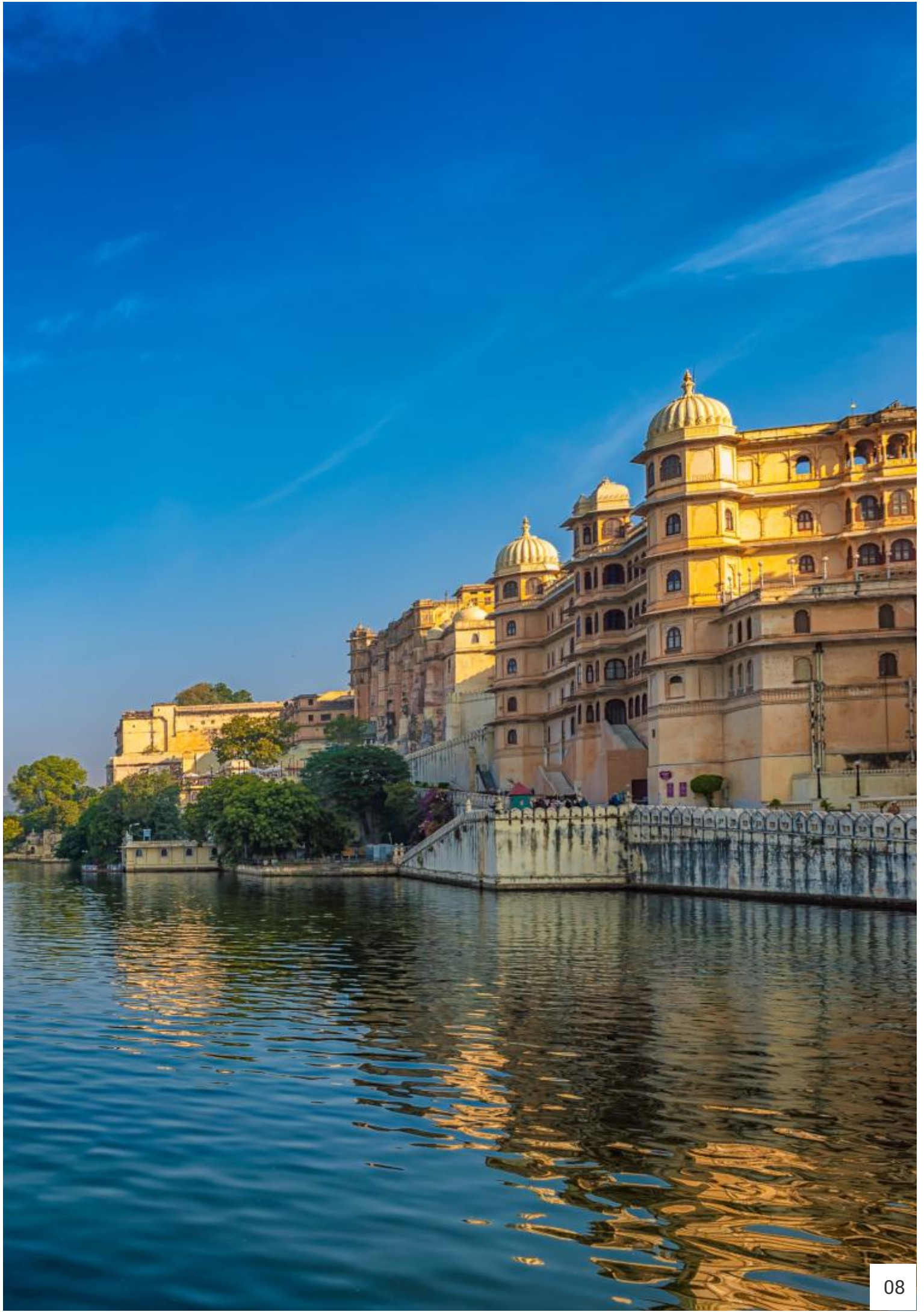
The Rajasthan Urban Land (Certification of Titles) Law:

The certified title provided under the Act will provide clear title over a chain of documents and enable hassle free transactions of urban lands. It means the state residents can seek a certificate of ownership of their lands by paying a nominal fee to the state government.

This will lead to transparency and will create a sense of confidence among land owners. Also the disputes and frauds in land deals will be brought to a stop through its implementation as there will be clear title.

Currently, in the rest of the country, all ownership is 'presumed'. If A sells his property to B and the deal is registered and the appropriate stamp duty paid on it, it won't be considered as a proof of ownership, but merely treated as a proof that a transaction took place between A and B –so, if tomorrow a third party C successfully contests the ownership of the property, there is no one to compensate B for the money invested.

Whereas, under property titling law, once B buys a property from A, even if C comes and successfully challenges the title, the Rajasthan government will compensate B for the payment made. With this initiative, the investors in the state will be safe & able to breathe easier.



Land Pooling Schemes Bill:

This act will facilitate acquisition of small land parcels for bigger infrastructure projects. In many big ticket projects, fragmented land holdings, often prove to be tricky in terms of acquisition thereby also affecting the projects. According to this law, if land owners decide to give up their properties, they would get a proportional share in the developed land, thereby stimulating easier acquisition.

The prime objective of the bill is to foster development of the infrastructure & investment promotion regions. The construction of new building, new structure or new installation that may be used for residential, commercial, public and semi-public, industrial, warehousing purposes shall not be deemed to be an operational construction within the purview of the Act.

The biggest advantage of this law would be that it will speed up development works and simultaneously would create a fare advantage for those who own the properties, where the project is supposed to be set up. This will help in developing infrastructure as per the master plan. The land required for development will be shared by all the land owners in the area. People in the area will contribute land and in return will get developed land in the same proportion.

In order to ensure justified acquisition of land, the government will have to allocate land close to where it has been taken from, as far as possible. According to the law, land owners will get up to 55 per cent of the developed land from the authority. Post development, it could be estimated that the value of their returned land will be much more than the original value of the entire land acquired & hence it should be a win for all the stakeholders involved.

These land reforms will give a positive boost not only to the real estate norms in the state but also pave new policy framework for the whole nation. It is increasingly clear that Rajasthan will lead the country in terms of policy reforms with initiatives such as the titling law and the land pooling schemes initiatives.



IN SPOT LIGHT

NOIDA EXTENSION

Strategically located between the Aravalli Hills and the Yamuna River, Delhi is the centre of political administration in India. As the capital state, Delhi has always attracted a large pool of talent cutting across various age groups. The prime drivers being great employment opportunities & not to forget the charm of living in the capital state.

The large influx of people from different parts of the country has resulted in rise of population that in turn accounted for more commercial and residential developments

The natural consequence was expansion of the boundaries of Delhi across all frontiers- Creating new hubs of urban excellence such as Gurgaon & Faridabad (Haryana), Noida & Ghaziabad (UP) & Alwar (Rajasthan)- The cumulative region known as Delhi National Capital Region (NCR). Over the period of time these new extensions have themselves morphed into self -sufficient urban catchments with prolific commercial, residential & retail spaces, shouldering Delhi- its progenitor.

Interestingly as History repeats, the high octane pace at which these places are evolving, is giving birth to new extensions. Recent times have seen coming up of places such as New Gurgaon & Noida Extensions, that themselves are new hub of urban excellency. In the previous edition, we have mentioned how New Gurgaon is becoming to Gurgaon, what Gurgaon has been to Delhi once. In the given edition of address, we will discuss yet another extension, that is rapidly emerging powerfully on the urban landscape of the NCR.





Noida Extension:

Noida Extension, located between Greater Noida & Noida is a burgeoning locality that gives a fresh contrast to Noida. While Noida has been built on the lines of a traditional industrial town, with large industries & low rise buildings; Noida extension is full of glitter with high rise buildings, wide roads, well planned infrastructure & modern amenities, capturing the interest of modern buyers.

Not to mention a strong commercial market that further pushes its demand dynamics. It has offices of big MNCs such as HCL, Birlasoft, Oracle, Adobe & CSC etc. There are also various upcoming commercial hubs in Noida Extension such as Earthcon – Regal Emporia, City Walk, RJ Group – Cyber City, Aarza Square & Galaxy Plaza that are further expected to drive the residential markets.

Infrastructure & Connectivity

The plunge of commercial space requires spectacular connectivity and robust infrastructure that Noida Extension has at its best. It has wide expressway roads (120-metrewide!) and internal sector roads (45 & 60 metre wide!). The region has remarkable connectivity with Delhi and Agra through Noida-Greater Noida Expressway and Yamuna Expressway respectively.

The location is well connected to current metro station at Noida City Centre. Besides, two metro corridors have been proposed that will connect Noida Sector 71 to Noida Extension and Okhla Bird Sanctuary to Noida Sector 142 thereby stepping up its connectivity.







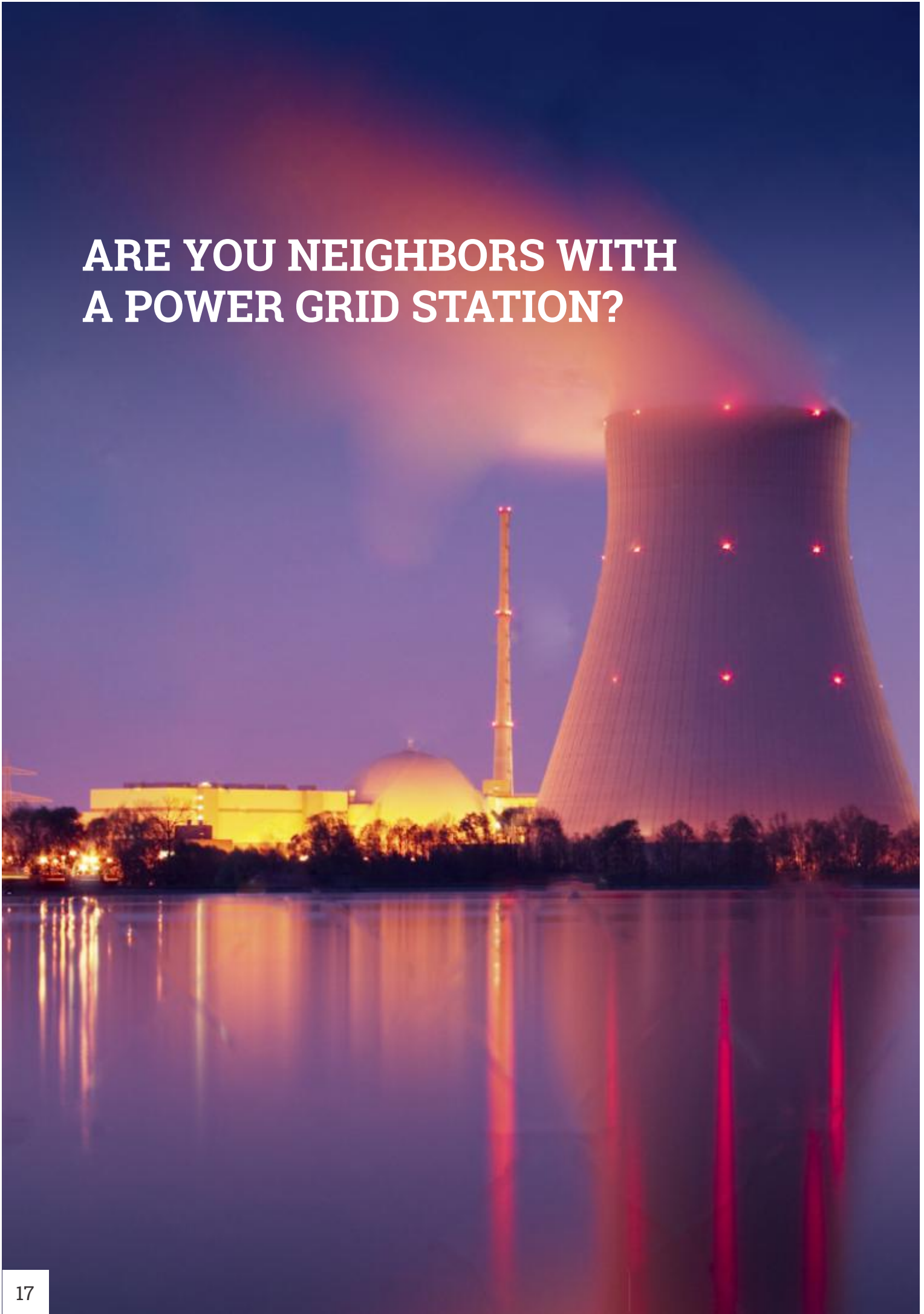
Social & Civic Infrastructure


To cater to the demand of a rising population, Noida Extension has a rich social infrastructure consisting of plethora of educational institutes, hospitals, police stations, taxi stands, indoor & outdoor sports, clubs etc. that makes the location enticing for buyers & investors. Apart from social infrastructure, the location has a strong civic infrastructure in the form of good electricity & water supply, efficient drainage system & plenty of green areas. The region has over 22% of greeneries, higher than any other region in Delhi NCR, that further allures a large chunk of buyers and investors.

Noida Extension – Realty Price Check (RPC)

- **Renowned Developers:** Key real estate players such as Amrapali, Antriksh, Trident, Cosmic, Paramount & Exotica etc. are active in Noida Extension with their state of the art projects.
- **Affordable Investment Hub:** The property prices in Noida Extension scores high on the affordability index as compared to other localities of Delhi NCR region such as Gurgaon, Delhi & Noida etc. The average per Sq. Ft. price in Noida Extension is INR 4545 that is way too low compared to other high end locations in Delhi NCR wherein the prices are in tune of INR 7000-8000 per Sq. Ft.
- **Good ROI:** As per Square Yards GIC, the property prices in Noida Extension has appreciated by over 9% in the last 12 months on the back of high demand. In Q1-2016, average property prices per Sq. Ft. has been INR 4545, compared to INR 4159 per Sq. Ft. in Q1-2015. Similar growth momentum is expected in the coming time as well.

ARE YOU NEIGHBORS WITH A POWER GRID STATION?



A photograph of a power plant at night. The plant's lights are reflected in a body of water in the foreground. The sky is dark blue.

Modern life has become so dependent on electricity that sometimes it is said to be tantamount to the air you breathe – In other words an indispensable part of one's life. From the ACs & Coolers to the TVs & the refrigerators to the chargers used to revitalize our mobile phones, everything runs on electricity. Without power, life as we know, doesn't exist, at least in the modern urban world.

Modern Power Plants

This integral part of our lives are generated in modern power plants from where it travels to our houses through an amazing system called the power distribution grid that consists of substations & transmission lines. Power grids connect electrical power plants to homes and businesses. Since large amounts of energy cannot be stored, electricity should be simultaneously produced as it is consumed. The power distribution grid must respond quickly to shifting demand and continuously generate and route electricity to where it's needed the most.

Health Hazards & Precautions

However, not everything about these power stations & sub-stations is convenient. Staying near them might create some health hazards. Mentioned below are some of the health hazards associated with staying near a power generating unit.

- The high voltage can generate Electro Magnetic Field (EMF) which are known to have carcinogenic effects (Cancer Causing). Unfortunately, people staying near station or substation have chances of getting exposed to large volume of EMFs. This may result in brain cancer, Alzheimer's disease, Lou Gehrig's disease, miscarriage, breast cancer, birth defects, fatigue, hormonal imbalances etc. Not to forget decreased libido, sleeping disorders, heart disease, neuro-degenerative disease and much more.
- If you live at a short distance from a power grid station with your family having kids and pets; another potential danger for children & pet is running into a dangerous spot.
- There might be other problems such as noise along with interference with mobile phone network, wi-fi connections and TV receptions.

In case you've ended up in a house at such zones, there are few combat tactics that can be helpful.

- You can use an EMF blocking pendant or neckless that can be a shield against various frequencies. One can also use bio-electric shield that can neutralize the harmful effects of the EMF.
- Don't stick with an old appliance because the older it is, the higher EMFs (Electro Magnetic Fields) will be emitted through it.
- EMFs (Electro Magnetic Fields) are the strongest when you're 2-3 feet from the appliance. Maintain your distance always!
- Don't spend too much of time around electrical appliances in your home.
- Keep cordless phones, cell phones, clocks and other electrical devices, at least six feet from where you sleep.





What is a Pre-Approved Home Loan?

A pre-approved home loan is essentially an 'in-principle go ahead' given by a bank for a particular loan amount. A robust process is followed by the banks to determine the amount to be sanctioned. The customer is required to submit his financial information such as income tax returns, bank account statements, income proof, salary slips, identity proof, and PAN (permanent account number) card details along with various other things. Banks will also obtain data from CIBIL to check the customer's credit history.

Once these background checks are in place, the bank will pre-approve the loan and hand over a letter stating that an in- principle approval of a particular home loan amount has been granted. This will be valid up to a particular period. Some banks will also state the rate of interest at which the loan will be provided.

Usually, a pre-approved loan is valid only for a particular period, six months in most cases, after which the individual will have to go through the process again. Loan amount disbursement is also subject to verification of documents and the property. Also, several banks do charge a pre-approval loan processing fee, which is refunded after the loan is granted to the customer.

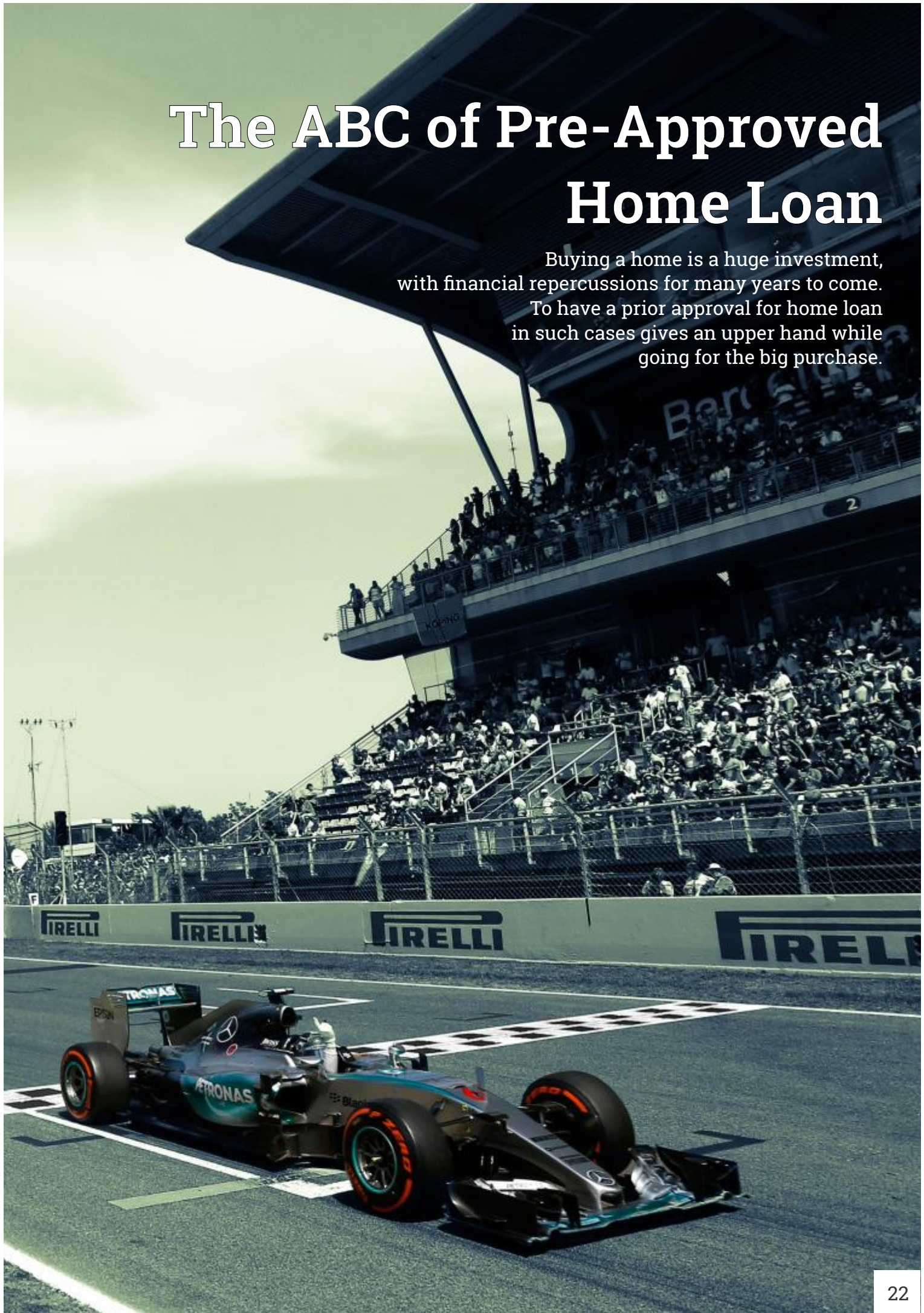
Pre-Approval Does Not Imply Guaranteed Sanction

Though the customer may have been made an offer for a loan, the bank is under no obligation, and sanctions are purely subject to successful verification of all relevant documents in the later stages. For approval of loan, one would still be required to provide his bank account statement, PAN details, salary slips and tax returns details. If a person is already an existing customer with the bank, this procedure could be a bit easier as banks would already have the information.

The ABC of Pre-Approved Home Loan

Buying a home is a huge investment, with financial repercussions for many years to come.

To have a prior approval for home loan in such cases gives an upper hand while going for the big purchase.





What advantages does a 'Pre-Approved Loan' offer?

1. NARROW DOWN THE HOME SEARCH

Getting a loan pre-approved will help the customer to target a house that is within the budget. It helps in planning for any property investment and the extent of loan that one can depend on. This will prevent the customer from going after houses bigger than the budget.

2. NEGOTIATION POWER

Holding such a sanction letter from a bank improves the negotiation power with the builders from whom one can negotiate better prices. This is because the builder will have the confidence that the buyer is serious and the loan would be indeed sanctioned in quick time.

3. REAL ESTATE CONSULTANT'S ROLE

If the property is been sought through a real estate agent he would be proactive in providing some good options because of the surety of purchase and his subsequent commission.

4. QUICKER LOAN DISBURSAL

It also reduces the documentation process which otherwise would have been cumbersome and time consuming.

THINGS TO REMEMBER

1. The customer should evaluate his home need clearly before opting for a pre-approved loan. It should not be a case wherein he is unable to locate the house of his choice for purchase within the stipulated period of six months.
2. Also, interest rates might change depending on market conditions during the time of the actual loan disbursement.



What Lies Ahead for Russian Real Estate

In our previous cover story we have captured the subdued economic outlook of China & its subsequent impact on the Chinese & global real estate markets. In the present cover story our focus would be on the ongoing slowdown of yet another BRIC economy- Russia & how its real estate industry is facing the heat under the economic turmoil.

After Bloom, Comes the Bust

Russia with a GDP size of around USD 2 trillion, is the 5th largest economy in the world, followed by Germany, Brazil & France. Nevertheless, after an impressive growth in the recent times, Russian economy has entered into a phase of acute recession- with the GDP contracting by nearly 4% in 2015. The slowdown has been attributed to factors such as reduction of oil prices & international embargo on the country after its alleged interference in the Ukraine crisis. International Policy analysts believe that its combat mission in Syria is further adding to its economic woes.



Rise in Poverty & Poor Spending Sentiments

The impact on the contracting economy has been severe on the general public. Nearly 3 million more Russians have fallen below the poverty line, thereby making the total population living below poverty line as 19 million. There has been more job cuts & poorer pay hikes leading to weaker spending sentiments. According to Association of European Business, in 2015, total number of passenger cars sold have been almost cut down by half, indicating troubles in the middle income households as well.

Slump in Real Estate

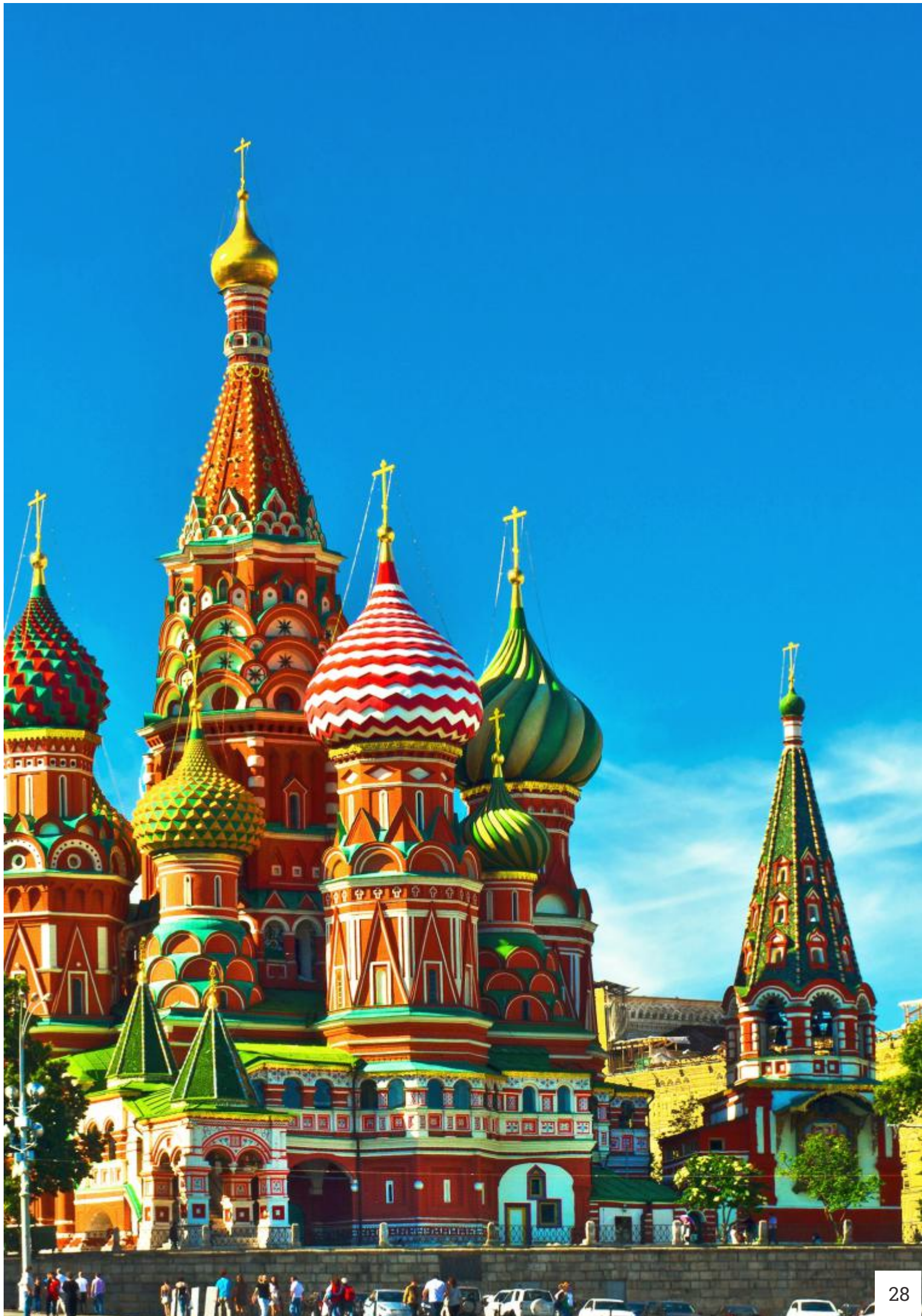
Shrinking economy & poor buying sentiments have also been very detrimental to the Real Estate Industry of the country. It is in stark contrast with the prolific & attractive nature of the industry over the last couple of decades. After the fall of the USSR in 1991 & transfer of property rights to individuals from the state, Kremlin has been playing its cards smartly to exercise soft diplomacy on world stage through its real estate industry. The market was made open for foreign buyers, making it a hot platter for international investor fraternity. In the subsequent time, institutional investors such as private Wealth Fund Managers & Real Estate Investment Trusts along with global HNIs started heavily investing in the Moscow, St. Pittsburgh & other major Russian realty markets- Eventually leading to significant price appreciation.

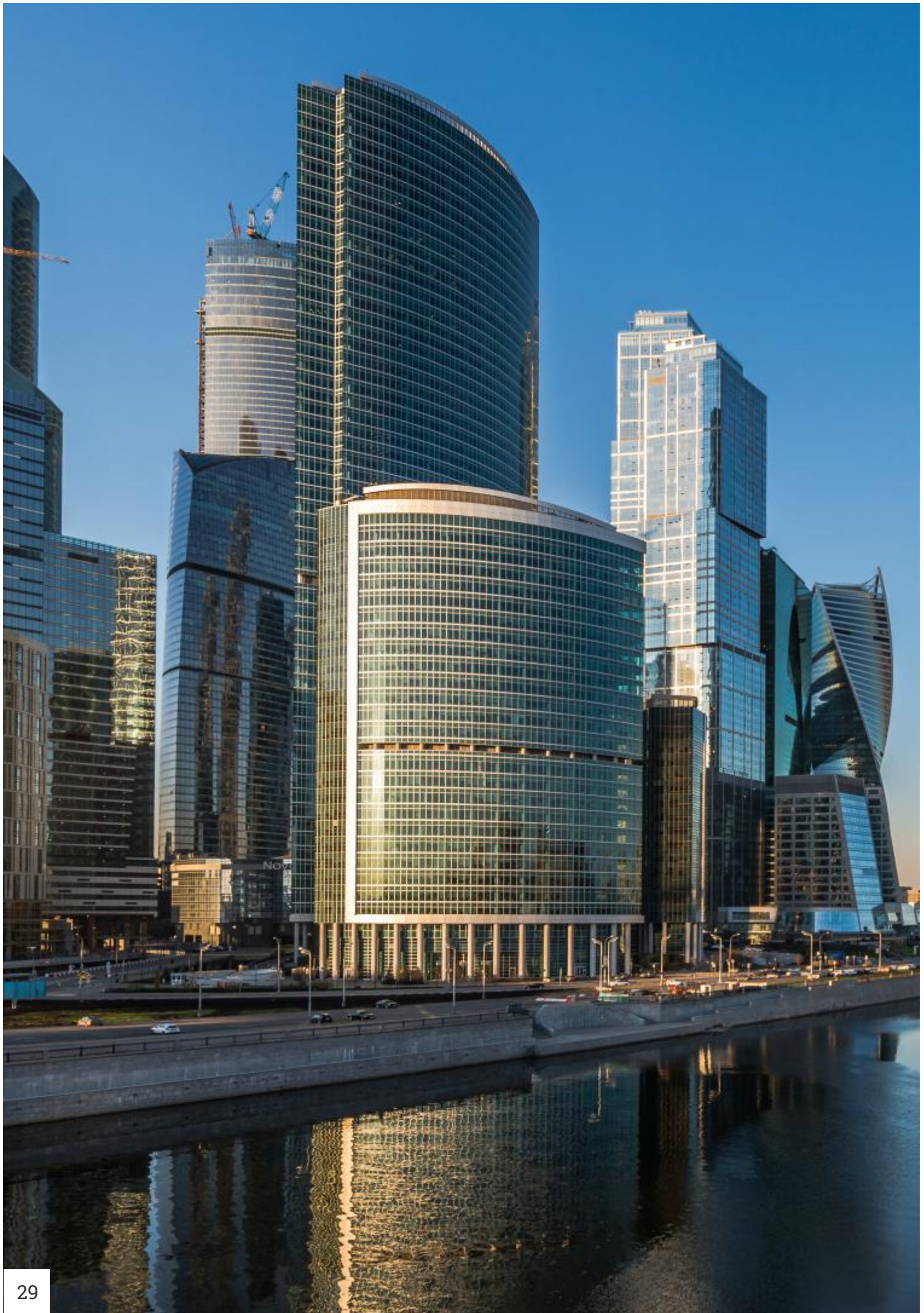
However, things have reversed now with most of the major real estate markets in Russia facing a tough time. Property prices have been slashed & slowdown in transaction volume could be observed. Even among, wealthy investors there is an apparent tendency to hold to their funds & let the market further depreciate. The realty market is also suffering due to the surge in home loan rates, that is above 12% at the moment.

Silver Lining- Devalued Ruble Stimulating International Investment

All is not negative about the Russian real estate markets. The dip in prices is enticing a large number of foreign buyers to look into the Russian Real Estates. A devalued Ruble that has lost over 40% of its value when compared to the beginning of the year 2015, is enticing international investors to invest in Russia. Both across the commercial & residential classes, there have been an ample amount of investment emanating from foreign individual & institutional investors- leveraging a devalued ruble.

Another positive news comes from the industrial segment which in spite of economic contingencies, is showcasing significant growth. For instance in Moscow, in the industrial segment, the total take up has been in tune of 14,822 million Sq. Ft. in 2015, demonstrating a 35% rise compared to 2014.





The Future of Economy & Russian Real Estate Industry

Due to lower oil prices, the future of Russian economy looks bleak in the coming time as well. Incidentally, the factors affecting the economy are mostly external in nature with Kremlin having almost no control on them. According to Barclays, the economy is expected to shrink by 1% in 2016 & showcase a very modest 1.5% growth in 2017. According to Capital Economics, a global Macro-Economy Research House there might be some improvement in oil prices in the latter half of 2016, but till then the prices are expected to plunge, thereby indicating harsher times for the economy.

Due to poor economy the overall real estate market sentiments are expected to remain slow in the near future. Declining real income will continue to effect customer spending. This will eventually affect the overall market sentiments along with real estate industry. Due to the ongoing crisis many of the Russian Oligarchs are also wary of investing in the Russian real estate. In order to park their capital safely they are looking into other alternative markets such as Dubai, Western Europe & even Greece, which is offering greater capital appreciation prospects.

Among individual cities, Moscow would ideally be hit hard more due to its higher cost of living that is at par with Western Europe. In comparison, St. Pittsburgh is expected to have a better outlook due to lower unemployment rate & moderate cost of living & upcoming industrial sectors.

However, a devalued ruble & cut in current price should attract more international investors to look into Russia. The government is also trying hard to bolster the crisis stuck sector. In 2015, Russian government has subsidized USD 13 billion in housing loans. Such proactive steps are expected to make some positive impact on the sector.

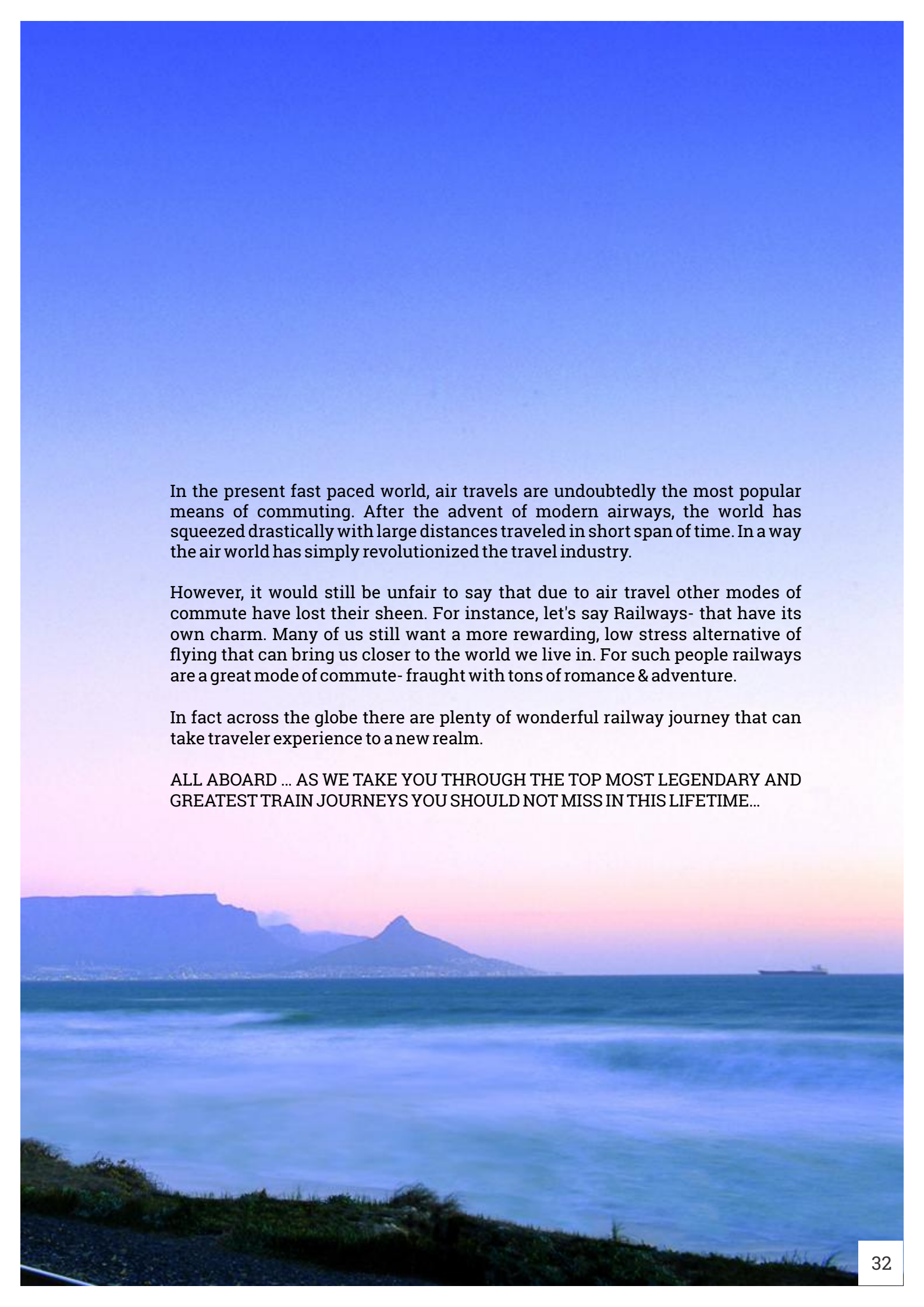


kaleidoscope

ICONIC

TRAIN JOURNEY





In the present fast paced world, air travels are undoubtedly the most popular means of commuting. After the advent of modern airways, the world has squeezed drastically with large distances traveled in short span of time. In a way the air world has simply revolutionized the travel industry.

However, it would still be unfair to say that due to air travel other modes of commute have lost their sheen. For instance, let's say Railways- that have its own charm. Many of us still want a more rewarding, low stress alternative of flying that can bring us closer to the world we live in. For such people railways are a great mode of commute- fraught with tons of romance & adventure.

In fact across the globe there are plenty of wonderful railway journey that can take traveler experience to a new realm.

ALL ABOARD ... AS WE TAKE YOU THROUGH THE TOP MOST LEGENDARY AND GREATEST TRAIN JOURNEYS YOU SHOULD NOT MISS IN THIS LIFETIME...

THE ORIGINAL TRANS-SIBERIAN EXPRESS

Spanning 9,288 km of track, this is perhaps the most iconic of rail journeys and the longest passenger train route in the world. With an average speed of just 77 kmph, the trip from Moscow to Vladivostok isn't for those on a tight schedule – you will need to set aside a minimum 146 hours (six days) and most journeys include stop overs. But in that investment you will cross multiple time zones and witness the breadth of Russia's majestic terrain, from verdant woodlands through mountains and a desert, to grassy steppe. While itineraries vary, most journeys break at Irkutsk, one of the largest cities in Siberia, with ornately decorated 17th century buildings, just 70 kms from the world heritage – listed lake Baikal.

THE PALACE ON WHEELS

India's most luxurious train journeys starts in New Delhi- spanning a week, it covers a distance of about 2, 411 km. Running between September and April, it meanders through the historic cities of Rajasthan and goes along the wild terrain of Ranthambore & finally culminates in Agra, the land of Taj Mahal. The train has 14 saloons named after former Rajput states, two restaurants and a well-stocked bar. While it has had several incarnations, the first version of the palace on wheels consisted of coaches that were built by India's Royals and British Viceroys.

THE CANADIAN

The trip from Toronto to Vancouver is a sleepy 83 hours long, but considering you will be winding through the steep and snowcapped rocky mountains and Canadian shield forests, the pace suits anyone looking for relaxation, rest and peaceful views. Huge glass windows make the most of the scenery, as the train winds its way across 4,466 kms of Canada's diverse landscapes.

THE BLUE TRAIN

South Africa's famous blue train spans 1,600 km of track linking Pretoria in the North with Cape Town in the South Western coast. More like a hotel on rails, there are lounge carriages where passengers can mingle in comfort & special suites that contain full sized bath. High tech additions like the drivers eye cameras view meet classic décor and a butler service, thereby bringing the best from the new and the old world. The journey takes 27 hours and crosses some of the most diverse and picturesque scenery on the African continent. Don't expect to feel the rush of wind through your hair though, as its average speed is just 57 kmph.

THE INDIA PACIFIC

Departing from Sydney, it takes about 70 hours for the Indian Pacific to traverse the Australian continent on its way to Perth. Stopping at the mining town of Broken Hill, Adelaide and Kalgoorlie, you will cover 4, 352 km at an average speed of 85kmph. You will catch the full glory of the sun setting across the horizon on the longest stretch of straight rail track in the world. Travel in spring for the best of Western Australia's wild flowers.

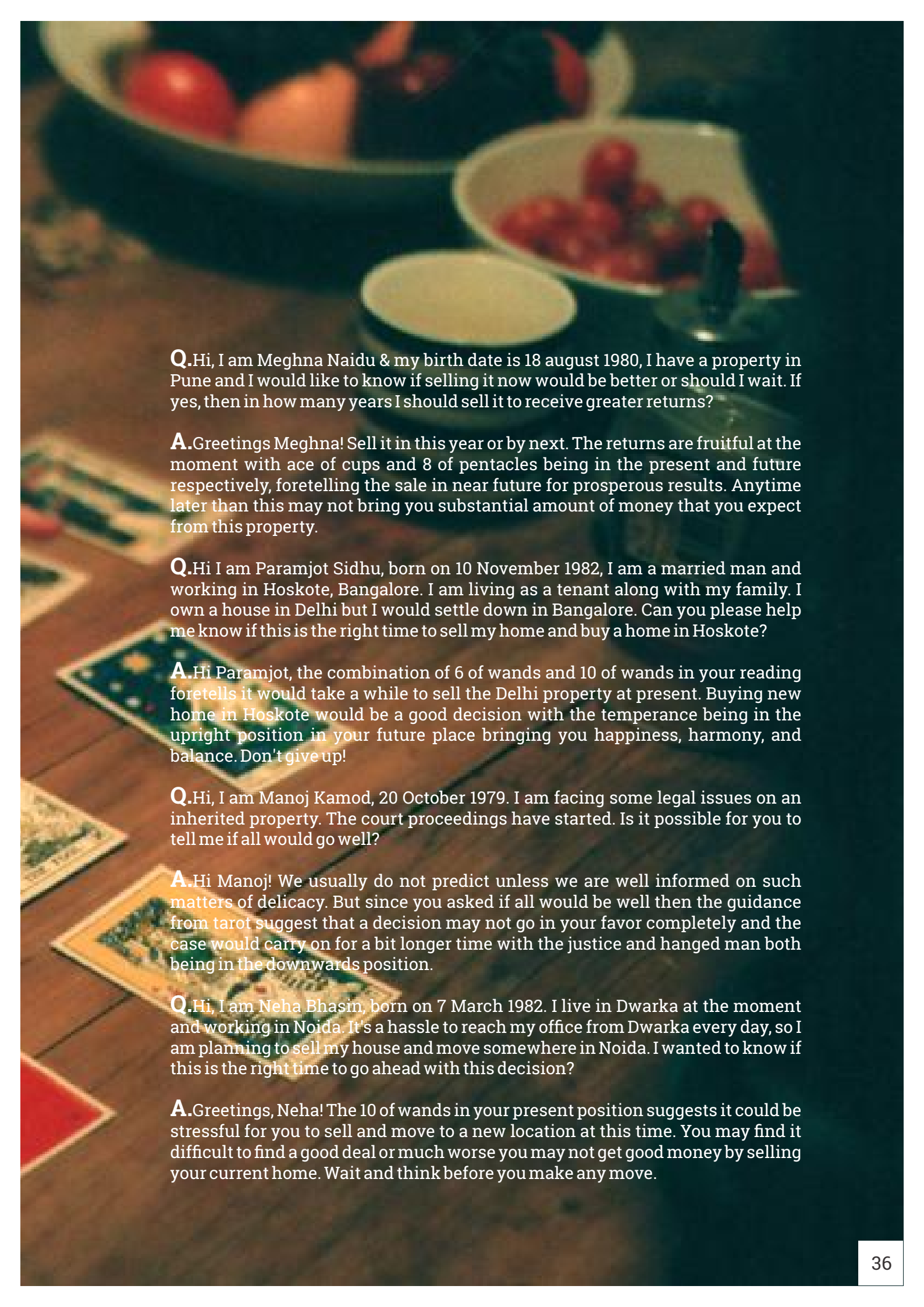
JINGHU HIGH SPEED RAIL

For all those who like their train travel to evoke the future rather than the past, China is calling. The showcase of China's modern rail fleet was launched in 2012 and shaves roughly 20 hours off the 1,303 km trip from Beijing to Shanghai, delivering passengers to their destinations in five super-fast hours. It is currently the fastest long distance passenger train in the world reaching a high speed of 300 kmph.



TAROT SECTION

TALK TO THE EXPERT



Q.Hi, I am Meghna Naidu & my birth date is 18 august 1980, I have a property in Pune and I would like to know if selling it now would be better or should I wait. If yes, then in how many years I should sell it to receive greater returns?

A.Greetings Meghna! Sell it in this year or by next. The returns are fruitful at the moment with ace of cups and 8 of pentacles being in the present and future respectively, foretelling the sale in near future for prosperous results. Anytime later than this may not bring you substantial amount of money that you expect from this property.

Q.Hi I am Paramjot Sidhu, born on 10 November 1982, I am a married man and working in Hoskote, Bangalore. I am living as a tenant along with my family. I own a house in Delhi but I would settle down in Bangalore. Can you please help me know if this is the right time to sell my home and buy a home in Hoskote?

A.Hi Paramjot, the combination of 6 of wands and 10 of wands in your reading foretells it would take a while to sell the Delhi property at present. Buying new home in Hoskote would be a good decision with the temperance being in the upright position in your future place bringing you happiness, harmony, and balance. Don't give up!

Q.Hi, I am Manoj Kamod, 20 October 1979. I am facing some legal issues on an inherited property. The court proceedings have started. Is it possible for you to tell me if all would go well?

A.Hi Manoj! We usually do not predict unless we are well informed on such matters of delicacy. But since you asked if all would be well then the guidance from tarot suggest that a decision may not go in your favor completely and the case would carry on for a bit longer time with the justice and hanged man both being in the downwards position.

Q.Hi, I am Neha Bhasin, born on 7 March 1982. I live in Dwarka at the moment and working in Noida. It's a hassle to reach my office from Dwarka every day, so I am planning to sell my house and move somewhere in Noida. I wanted to know if this is the right time to go ahead with this decision?

A.Greetings, Neha! The 10 of wands in your present position suggests it could be stressful for you to sell and move to a new location at this time. You may find it difficult to find a good deal or much worse you may not get good money by selling your current home. Wait and think before you make any move.

PROJECTS IN FOCUS

SPRING INTO LUXURIOUS LIVING ...
...At ...

M3M SEIRRA

Sector 68, Sohna Road, Gurgaon



An unparalleled ambiance that rejuvenates your spirit and brings peace to your mind with great connectivity to the business and entertainment hubs of Gurgaon.

2 BHK

Prices starting from ₹71 Lacs

MAHAVEER CELESSE

Bellary Road, Bengaluru (North)



Designed at Bengaluru's most prominent corridor, yielding 11-18% capital appreciation and high rental prices.

2-3 BHK

Prices starting from ₹56 Lacs

Set amidst one of the leading industrial sectors of Hyderabad, A2A Lifespaces is a luxurious canvas that awaits your artistic touch, letting you create your own unique statement of style.

Premium 3 BHK

Prices starting from ₹60 Lacs

A2A LIFE SPACES , Bala Nagar, Hyderabad



Runwal Eirene Balkam Junction, Thane, Mumbai



Nestled comfortably in the quietest part of Balkum, Thane, with amazing views of the yeoor Hills and the Thane Creek.

1/2/3BHK

Price Starting from ₹45 Lacs

In Conversation with Rajul Tandon

When it comes to the South East Asia markets, Mr. Rajul Tandon is the man on whom Square Yards banks upon. Al though the markets sentiments have not been very positive in the South East Asia in the recent times, Rajul has been running & managing the company's South East Asia office successfully over the last one year. A S.P.Jain Alumni, Rajul holds over ten years of rich experience on every aspect of business development, sales & negotiation cycle.

The Address team has a chance to talk with Rajul over phone & know a bit more about Singapore & other South East Asian realty markets & learn how the company is positioning itself in the region.

Rajul Tandon
Associate Principal Partner
SquareYards



Q. How do you judge the Singapore Market at the moment?

A. It is no secret that the market sentiments are slow at the moment. A modest growth of just 2% in 2015 will further add to the woes of an already slowing down realty market. Property prices will further depreciate, with price reduction ranging anywhere between 8-12% points in the next one year.

With lending rates in the country being highly correlated to the Federal Reserves in USA, the interest rates are supposed to be high in the coming time. A higher mortgage rate will further dampen the demand dynamics & perpetuate the slowdown in the market. But amidst a lackluster property market, there are some bright spots as well. The demand for high end homes- SGD 8 Million (USD 5.9 Million) & above is still high & that is giving developers some sense of relief.

Q. Is not the Additional Buyer Stamp Duty (ABSD) affecting property purchase in the luxury segment?

A. Yes, there has been a blow to the market due to a higher ABSD of 15 percentage points on the foreign investors, which adds disproportionately in case of high end projects. Many developers are feeling the heat & believe that, had the ABSD not been levied, their rate of stock turnover could have been made twofold.

But in spite of the ABSD, the city has a lot to offer. At the end of the day, the fact cannot be forgotten that Singapore is a truly global city. In a time when the geopolitical crisis across the globe is mounting further, Singapore with a stable politics & cosmopolitan cultural appeal offers a safe haven to park their investment for the international investor community.



Q. How will the looming economic doom in China going to affect the property markets in Singapore?

A. Singapore has traditionally been a favorite Chinese capital sourcing destination. With the economic slowdown in China, the HNI segment of the country is looking forward to safe havens to park their monies. This will surely increase the Chinese investment in the Singapore market- especially in the luxury segment.

Q. What about other Real Estate Markets in the Region?

A. There are other promising markets such as Malaysia & Hong Kong that offer suitable investment opportunities. Property prices in Hong Kong is in a corrective mode & prices are expected to start bottoming out by the year end in 2016.

Although with a moderate rate, property prices are appreciating in Malaysia. With 80% of Malaysian populace still aged below 50, the demand for residential units are expected to stay high in the coming time. The country is also deploying a host of infrastructure development activities that will induce more positivity in the real estate industry. There should be substantial surge in investment in other segments such as affordable housing, lifestyle living & the commercial sectors.

However, one challenge in Malaysia would be securing home loans, as most of the banks are facing high asset to deposit ratio. This will create difficulties for 1st time home buyers to secure their loans.

Q. What is Square Yards strategy in the region?

A. A large part of our business depends on channelizing the NRI investment in Indian as well as other property markets. Square Yards has monopoly in the NRI segment & the same applies in the region. We are aggressively promoting Indian properties in the region through our roadshows, property shows & exhibition.

Along with Indian properties, we are also sourcing some new international deals in the region as a part of our strategy to upscale our international property venture called International Property Management (IPM).



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