



THE ADDRESS

MONTHLY REAL ESTATE INFOZINE

APRIL 2017

AFFORDABLE HOUSING

The current buzzword in Indian Real Estate

IMPACT OF STATE ELECTIONS 2017

on Indian Property Markets

SQUAREYARDS.COM

MAJOR FRONTIER MARKETS

What the budget had in store for Indian realty



The Address
April 2017

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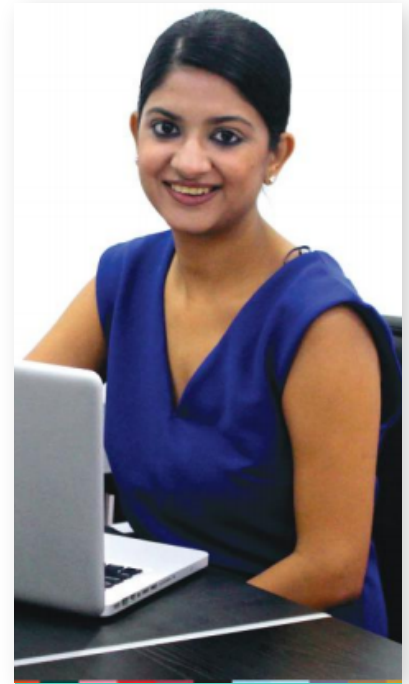
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THE ADDRESS

Editor's Note



Square Yards' monthly info zine, The Address comes up in a fresh avatar. We have incorporated a new design concept to satiate the evolving tastes of our readership base.

With every edition, our team of researchers, communicators & creative professionals comes up with a catalog of latest real estate insights on global & Indian real estate. This time in our cover story section, we have written about the Affordable Housing Buzz. Affordable Housing is driving the realty demand in India right now especially with the continued push by the Government.

We have also covered insights on Frontier Markets and informative news updates.

In the technology section, this time we have mentioned about the new international property portal by Square Yards. Along with our regular features, there are also plenty of other exciting features to cater to our diverse readership base.

Hope you enjoy reading & feel free to come up with your valuable feedback!

KANIKA GUPTA SHORI
EDITOR-IN-CHIEF

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A REAL ESTATE INFOZINE BY
SQUARE GLOBAL GROUP

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BUYING A HOME?

TECHNOLOGY AND DIGITIZATION CAN
MAKE IT FASTER, BETTER, CHEAPER!

Credit Linked Subsidy Scheme

For Middle Income Group Segment

Pradhan Mantri Awas Yojana (PMAY) comes with a bold vision of providing affordable housing solutions for all Indian citizens. All middle-class home buyers with an annual income of above Rs. 6 lacs* and up to Rs. 18 lacs* can now avail interest subsidy on housing loans taken in 2017 under PMAY.

The eligibility criteria to avail credit linked subsidy scheme (CLSS) have been summed up below:

INTEREST SUBSIDY

Per annum based on annual income categorization

4% & 3%

4% for loans up to ₹ 9 lacs and income level up to ₹12 lacs
3% for loans up to ₹12 lacs and income level up to ₹18 lacs

ANNUAL INCOME

MIG segment has been divided into two segments based on annual incomes up to

₹12 & 18 lacs

All norms have been based on this categorization of MIG segment

DWELLING UNITS

For home loans for construction or purchase of house with carpet area

90-110 sq.mtrs

for those earning up to ₹12 lacs and ₹18 lacs respectively.

ELIGIBLE HOME LOAN AMOUNT

Borrowers can avail subsidy on loan amount

₹9-12 lacs

depending on income level of the borrower.

1 YEAR

The scheme is valid for just 1 year starting from 1st January, 2017.

₹1000 Cr.

has been earmarked in this year's Union Budget for the scheme.

TENURE

Tenure of the loan can be up to 20 years.

₹2000

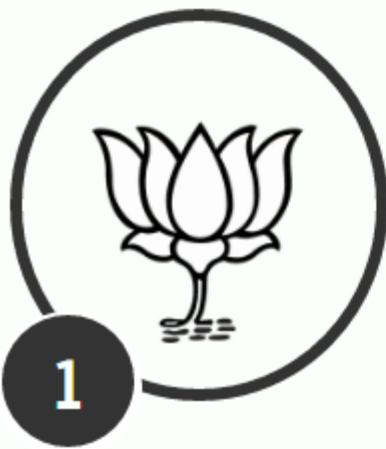
is the estimated amount by which the the EMI's might fall.

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S Q U A R E
T I M E S

Impact of State Elections 2017

on Indian Housing Markets



B.J.P. Rules the way

The ruling party in the Center, Bhartiya Janta Party has formed governments in four out of five states that went to polls.



Housing for All


Prime Minister's ambitious Housing for All scheme would get easier penetration with better state and center relations.



Key Micro - Markets

Lucknow and NOIDA are very active property hotspots. The election results bring in good news for them, with influential people winning elections.

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THE AFFORDABLE HOUSING BUZZ

BY ARUN PRAKASH

There's a kind of buzz going around in the real estate industry nowadays. It's made up of just two words.

Affordable Housing.

Heard the buzz? I'm sure you have. You might be surprised to learn that the real estate industry wasn't the place from where this buzzword originated. Selling houses that were affordable was never part of a developer's construction plan. Has anyone ever wondered why? Perhaps one reason is because they could not afford to build such dwelling units. Or maybe what they considered affordable was unaffordable for the segment of buyers who would be interested in buying affordable houses.

While real estate is primarily a developer driven sector the government does occasionally provide policy guidelines. In recent times, we've seen a flurry of such policy activism, amongst which the RERA bill has been the most significant.

"It began with Mr. Modi announcing a subvention on interest rates for housing loans ranging from Rs 6 lakhs to Rs 12 lakhs for certain categories of buyers. The 2017 union budget added some more clarity."

The pitch for affordable housing is another recent development, initiated by the Prime Minister of India under the Pradhan Mantri Awaas Yojna.

The sizes of units located within Metros was capped at 30 sq mts and those outside municipal limits at 60 sq mts. More significantly these were specified as carpet area. But the biggest takeaway was the conferring of infrastructure status on affordable housing thus ensuring developers would be able to raise debt at reasonable rates which would, in turn, help keep prices low, and affordable. Delivery deadlines were also relaxed from three years to a realistically achievable five years.

So, now developers can afford to construct and deliver affordable houses. Houses which a lot of first-time buyers will now be able to book, take a loan on, and eventually live in. With infrastructure improving the locations where most of these projects will be launched should easily be accessible.

How would this defining of affordable housing impact the real estate sector?

Most new launches in 2017 will happen in this category leading to a renewed buyer interest and a subsequent flow of funds towards construction and allied businesses. I also expect some PE funds to spread their investment across affordable housing projects.

For large investors, this could be an opportunity to invest in multiple units which could yield good rental returns. Overall, the buzz around affordable housing will grow and be heard all over.



SquareYards.com Launches new International Property Portal

Global.SquareYards.com

“This is notably the first & only portal by any Indian tech startup focusing exclusively on global real estate.”



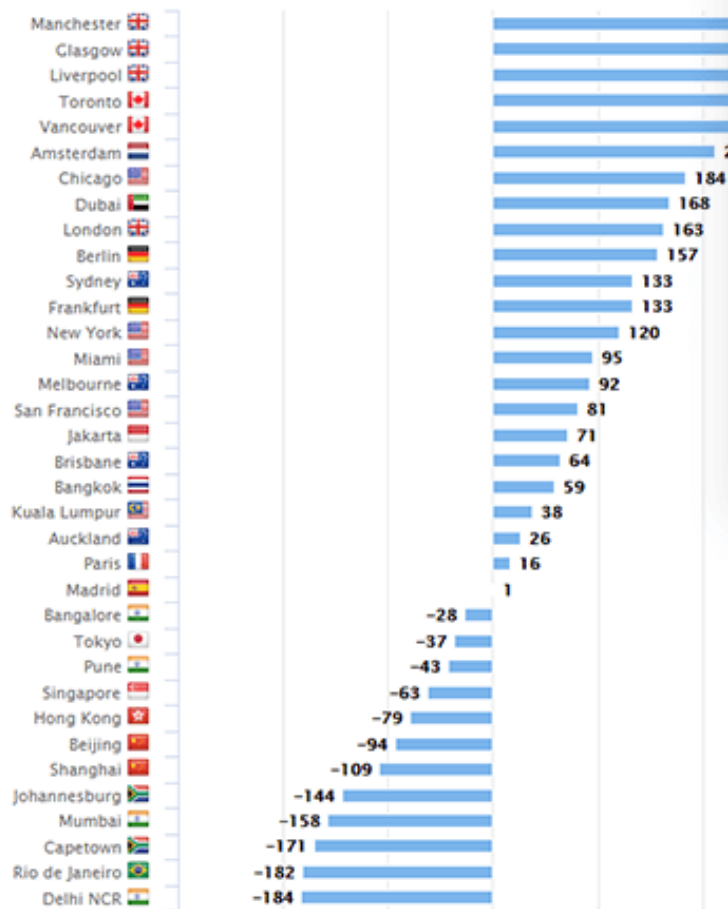
Global Investment Scores

Square Yards Global Investment Scores™ Methodology



Investment Score™

Select Parameter ▾



Investment Score™

Rental Yield

Capital Appreciation

Cost of Capital

Average Price Per Sq. Ft

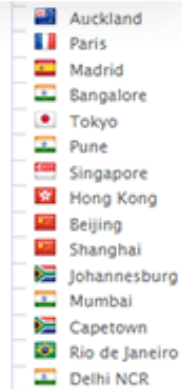
Transaction Cost

Capital Gain Tax

Tax on Rental Income

Loan To Value Ratio

GDP Growth Rate



City Specific Research

Price Trend in Dubai



Dubai Micromarkets

International City

Average Price

196 USD / Sq. Ft

Capital Appreciation

2.56% ↑

Downtown Dubai

Average Price

646 / Sq. Ft

Capital Appreciation

0.17% ↑

News Updates

\$4.2 BILLION

fresh capital is estimated to be
invested in Indian Real Estate by
Global Investors in 2017

according to Cushman & Wakefield

For property updates follow
SquareYards.Com/Blog

Indians are Biggest buyers of Dubai Property
purchasing

AED 12 Billion

• worth property in 2016 •

according to Dubai's Land Department (DLD) | 1 AED = 0.27\$ approx.

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BENGALURU PIPS HO CHI MINH CITY TO BECOME THE MOST DYNAMIC CITY IN THE WORLD

TUSHAR MANGL

Bengaluru has emerged as the most dynamic city in the World per an annual City Index listed by Jones Lang LaSalle. This is the index's 4th edition. The index records the pace of transformation of an economy of a city and its commercial property prospects. A total of 134 cities is covered based on their potential and fundamentals.

Top 5 Cities

- Bengaluru, India
- Ho Chi Minh City, Vietnam
- Silicon Valley, United States
- Shanghai, China
- Hyderabad, India

Top 5 Indian Cities

- Bengaluru (Rank -1)
 - Hyderabad (Rank - 5)
 - Pune (Rank - 13)
 - Chennai (Rank - 17)
 - Delhi (Rank - 23)
- It is interesting to note that Asia remains a bright spot in World's dynamic city index. With 15 of the top 30 cities, it has registered a significant presence on the Global Map. Out of this India has contributed about half of the cities with 6 cities in the list.



Property Platter

Godrej Golf Links Greater Noida



Godrej Golf Link Noida is a premium integrated golf theme township located at Sector 27 in Greater Noida. Godrej Golf Link spreads over a massive 100 acres and is a low-density project. This project will offer around 4 million sq. ft. of the saleable area along with luxuriously designed villas to residents.

- 100 Acre Township
- 9 Hole Golf Course
- Villas available in 3BHK & 5BHK configuration
- Apartments range from studios to 2BHK homes.
- Near proposed Metro Station
- Advanced Sports Facilities
- 5 Swimming Pools
- Fragrance Garden
- Secure Living
- Near Yamuna Expressway





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"INDIAN REALTY REVELRY IS FLAGSHIP EVENT SERIES WHICH BRINGS THE BEST INVESTMENT PROJECTS FROM INDIA."

IRR was held in Toronto at Hotel Novotel Toronto Mississauga Centre, on 18th & 19th March.

The event was held in New Jersey from 25th-26th March at DoubleTree by Hilton Hotel Newark Airport

The events witnessed participation of over ten developers from India who featured projects from 11 top Indian cities.

EVENTS ROUND UP

A look at property events held in March

Investment Multiplier Carnival was held in Bengaluru and witnessed a huge response from all stake holders

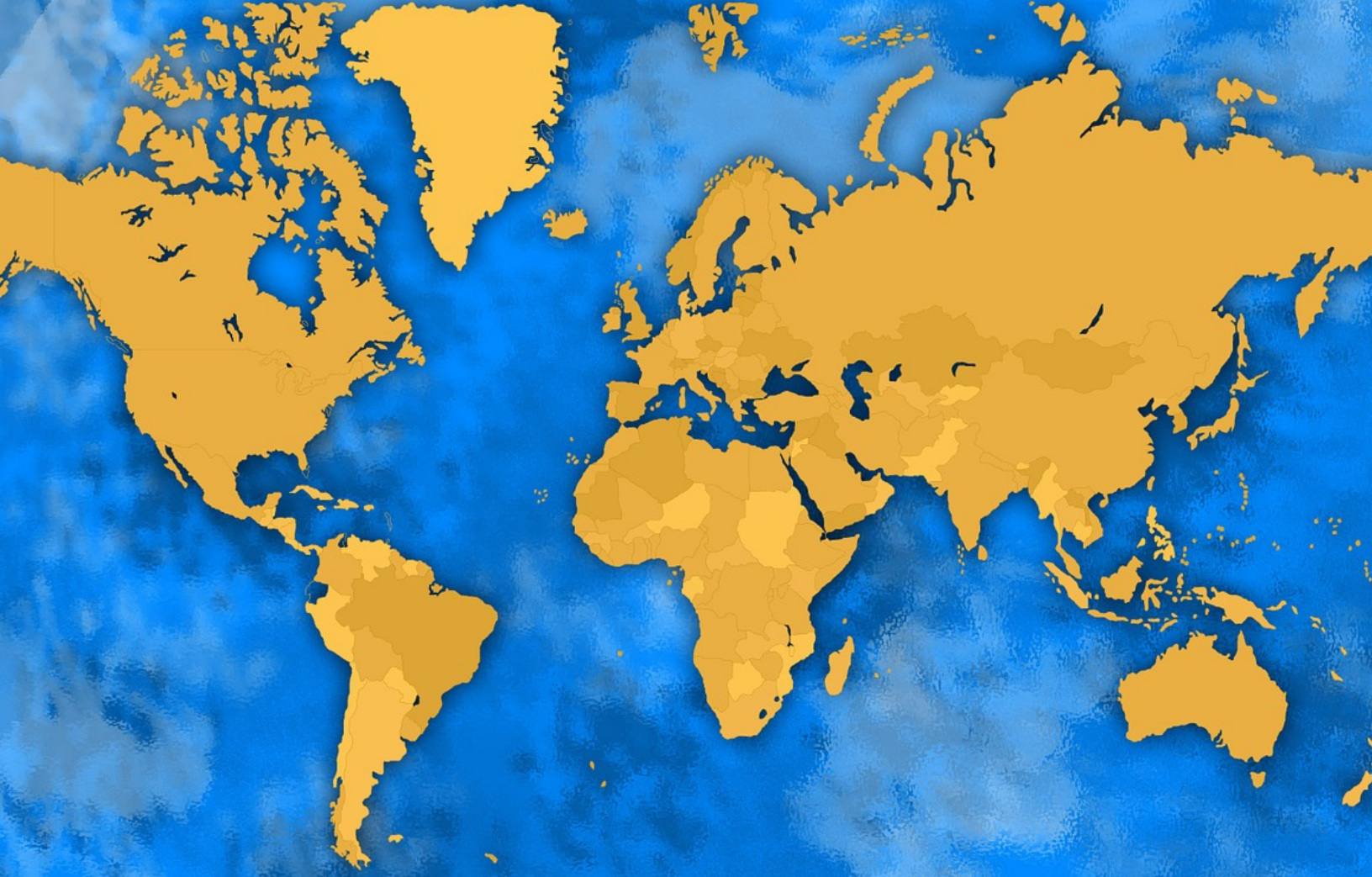




PRESENCE



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MAJOR FRONTIER MARKETS IN 2017

Paritosh Kashyap

Frontier Markets are generally classified as growing & expanding economies spread across the world. Generally ranked below emerging markets, these economies offer tremendous growth opportunities driven by a host of new policy changes, a rise in exports & lower base.

"As a premier real estate advisory, Square Yards presents a list of Frontier Market, that we feel could give higher returns to the discerning real estate investors, looking to expand their wealth through meaningful investment."

Argentina

Once considered in the list of an emerging economy, the South American nation has been badly hit in the recent times. The strong exchange control policies implemented by its previous government had been inimical to its real estate industry. In 2014, in the capital city of Buner Aries, the monthly residential transaction has gone down to 2000/ month- a debacle when compared to 2010; when the transaction volume was hovering northwards of 7000/ month.

There are still gray areas that remain to be worked upon in the times to come. The inflation is at around 30%, that is not enabling the government to reduce the central government loan rates- a stand that has to be reversed in the coming time; as the economy is set for a further reduction in 2017. Argentina also has a very low private sector housing lending that is presently in tune of 14% of the GDP. However, the new government has pledged to offer one million mortgages in its full tenure & this will be a major boost to the economy.

"WITH A POWER CHANGE IN 2016 & SOFTENING OF THE CURRENCY POLICIES, MARKET HAS STARTED TO EMERGE BACK. IN 2016, MOST OF THE MAJOR LOCALITIES IN ARGENTINA HAVE APPRECIATED IN TUNE OF 5-7% IN THE PRIMARY REAL ESTATE SECTION. THERE IS ALSO A NOTABLE INCREASE IN TERMS OF NEW LAUNCHES & UPTAKE IN THE MARKET."

Myanmar will continue to gain traction in the coming times. The GDP growth at 6.5% in 2016 is significantly higher than the global average. With the implementation of the condominium law, foreign investors can buy condominium properties in Myanmar- One of the most sought after real estate assets in the recent times.

Myanmar Real Estate

After political reforms in 2011, Myanmar was considered as one of the last frontier markets to capitalize upon. Soon political transitions were followed, resulting in soaring FDI inflow & surge in real estate sector. Property prices appreciated by a significant value. The bullish sentiments softened with a string of regulatory norms including a rise in transaction price & ban on building over 9 floors in Yangon region.

Mexico Real Estate

Rising middle class, safer market sentiments & exotic beachfront residences will keep driving the Mexican real estate industry. Although the markets have been subject to risk from the recent US election, where one of the major election rhetoric of Donald Trump revolved around the idea of building a wall around Mexico; the underlying sentiments in Mexico look healthy & the real estate industry is expected to showcase admirable growth patterns. The market is inclusive, with around 60 million of the population covered by banking financial system.

Mexico's beach communities continue to be a favorite amongst the international investors. The transaction cost that lies around 4-11%, relatively cheaper when compared to other international markets. Although heavy taxes are levied on transaction done by foreign nationals.

Vietnam Real Estate Industry

The South East Asian nation that offers a low-cost manufacturing alternative to China, will be one of the major frontier markets to capitalize upon.

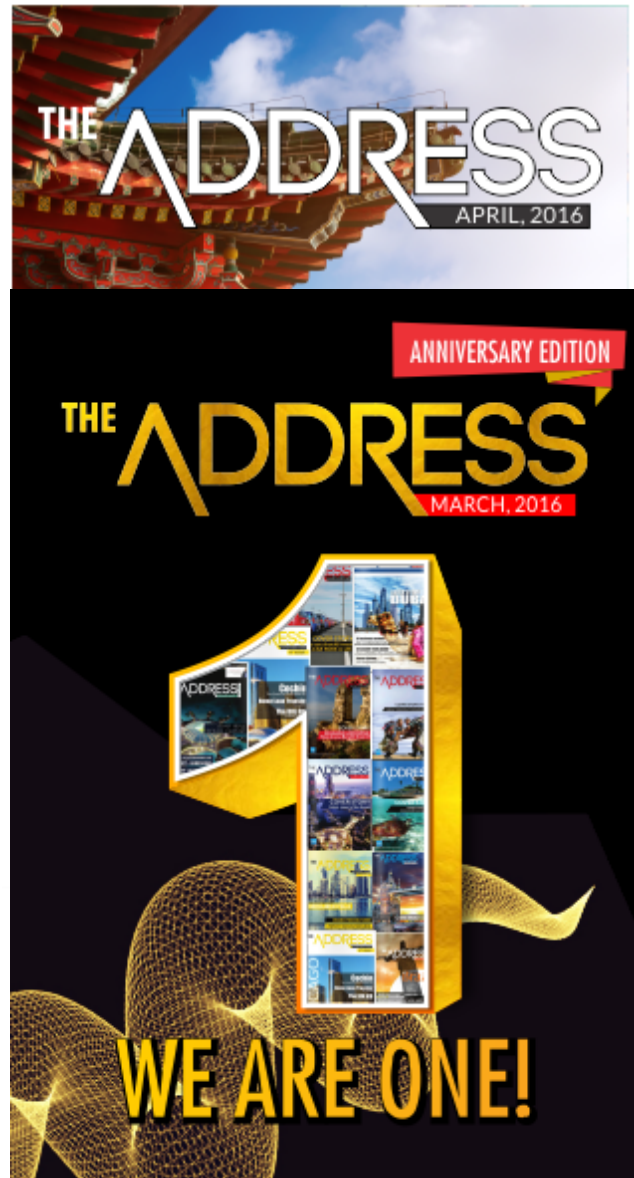
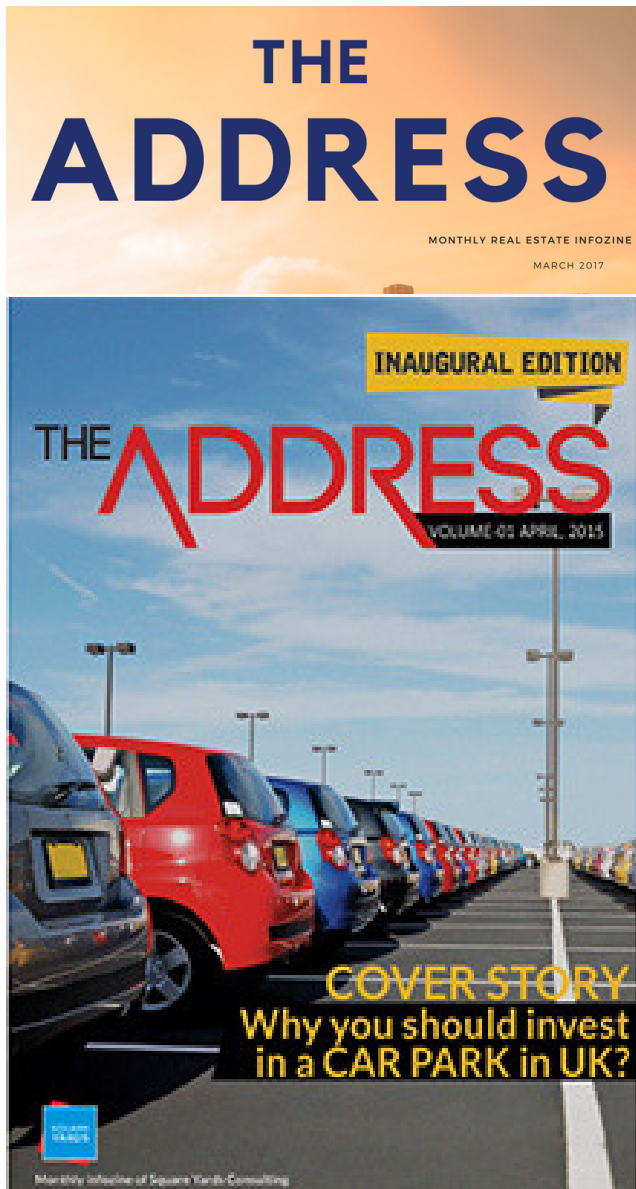
The country has registered a growth of 6.3% in 2016 & is expected to expand by 6.8% in 2017. Annual inflation is within 5% & with rolling out of a host of policy level changes, Vietnam will further consolidate its position as one of the major FDI destination in the Asia Pacific region. Vietnam's expanding economy & surging middle class will continue to stimulate its real estate industry. It is expected that by 2020, the total number of the middle class will reach 33 million in Vietnam with an average income of around USD 750.

Vietnam is amongst one of the brightest hot spot on global reality landscape with prices moving aggressively upwards in the recent times. In Q3 2016, Primary real estate prices in HCM City appreciated by around 7.2% wherein in Hanoi the prices moved up by around 8%. In 2015, Vietnam has also liberalized its policies & have allowed foreign investors to buy local properties.

Kenya Real Estate Industry

Kenya's GDP is expected to grow by near around 5.7-6% in 2017 & a surging GDP will give a push to the construction & real estate industry. Kenya's real estate industry have been bullish in the recent times, with double-digit returns. Although it is expected that demand will soften in 2017 & investors will be more cautious in terms of investment. However, a surge in international MNCs & PE investment will continue to drive the market.


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Get your work featured in global real estate infozine The Address. Original submissions related to real estate, housing, home decor and similar themes are invited.

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BUYING A HOME? TECHNOLOGY AND DIGITIZATION CAN MAKE IT FASTER, BETTER, CHEAPER!

BY SURBHI GUPTA

Imagine a time when home buying becomes as hassle free as buying stocks or SIP plans! What if you can get the site visit at the comfort of your home or comparing property prices without actually going into the market. Sounds fancy? It is not, anymore!

With the advent of technology marketers and technologists have come together to evolve a system where home buying can be coupled with effortless experience. Be it home hunting or locality research or neighborhood tour or visit to sample apartment, innovations have cut through these time taking processes. Earlier, a home buyer used to spend all of his time visiting project to project, looking for a home of his kind. But today, thanks' to modern day marketer, locality recce is conducted with the help of 360-degree videos, sample flats are available for virtual experience, brochures and floor plans are reduced to mobile screen with 3-D view.

Hunting at rocket-speed

Real estate portals like squareyards.com have actually made home hunting task a simpler one. With millions of options listed at a single place, these are segregated on the basis of budget, location and property size. A buyer who is clear about his needs can find a home of his dream in no time. Heat maps which has found its way in Indian realty arena very recently is a handy tool for end-users as well as investors. Search results on the basis of demand, supply, price range, new and old properties, ready-to-move and under-construction options, developed infrastructure are available at just one click.

Better judgements

Based on the results derived above, there are innumerable comparing tools available online where any prospective buyer can compare localities, properties, projects and even builders. Not just the technologists and the middle-man, even the builders are striving for achieving maximum customer satisfaction. Mobile apps, real-time construction updates, online stamp duty and registration formalities, frequent property fairs and events are some of the strategies being adopted in order to gain maximum traction from potential customers.

Online activism and Real Estate Buying

These days' online research, social media, reviews can actually influence buyers decision. Suggestions and inferences are derived from consumer sentiments visible online. Social platform, reviews, and ratings have become real parameters to judge the credibility of the builders. Online reputation of any service provider in real estate industry has a vital role to play when it comes to actual transactions from consumers. And why not, testimonies of current customers give a wide perspective to potential ones especially when it comes to post sale service.

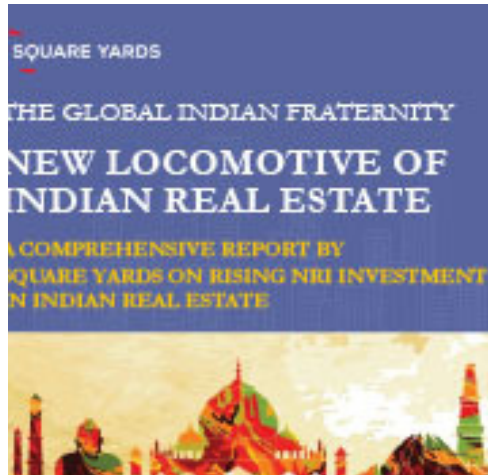
In short, in today's time home buying is no more a troubling idea, rather a technological art, if not mastery, you have to learn it.

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