



"Great architecture is the design of space that contains, exalts, or stimulates persons in that space"
- Philip Johnson



Back on track

The residential realty market is on the road to recovery according to a new sector report by Religare

Vijay Pandya, Mumbai

They say there is no denying hard facts and numbers and a new sector report by Religare Hichens Harrison has confirmed that the residential realty market is well on the road to recovery. Revival in residential demand due to lower home loan rates, property price cuts, apartment downsizing, and a recovery in the job market are translating to a pick up in demand for residential projects - as evidenced by an increase in property registration in major cities. With the improvement in macro economic conditions as well as buyer affordability, developers witnessed a stronger response to new launches across cities over the past quarter.

The report states that in January

to March 2009, bookings were mostly being absorbed by the business class and professionals (doctors, lawyers), while participation of the service class (barring government employees) was minimal. Now that property prices have climbed down and the risk of job layoffs has diminished, the service class is likely to participate actively in property absorption, leading to a strong recovery in residential demand.

Over the last couple of months, several developers have launched properties across cities in the residential category, garnering a significant response from buyers. This has motivated builders to focus on the residential space, particularly on the affordable segment. Most developers are looking to enhance their execution capabilities in this space. If 60% of the planned development is executed, it will improve the balance sheet of realty players and also enhance buyer affordability.

According to the report, there are indications of a healthy improvement in the number of registration agreements - a key indicator of prop-

erty sales - signed during January to April 2009. For Mumbai and Pune, registrations have increased by 24% and 21% MoM respectively. Another key indicator, stamp duty, has also risen 55% MoM in March. Although it declined 17% in April, this was mainly because of a reduction in apartment size and prices.

Residential property prices have witnessed a correction across India. In some cities the correction is as much as 50% from peak prices. This appears to be a healthy sign as it has encouraged the conversion of buyer intent into demand.

Along with the reduction in property prices, developers have downsized apartments in order to attract a wider breadth of customers and push volume sales. In a few cities, the apartment size has been trimmed by anywhere between 19% and 38%.

This means that flat costs have come down to 40 to 50%, enabling a lower segment buyer to select a house at a better location or at the same location but at a lower cost. Some developers have also introduced the concept of condo apartments, one-bedroom and



one-and-a-half-bedroom units to widen their customer base.

Over the last two years till December '08, home loan rates had moved up steadily. Fixed and floating rates of major banks like HDFC Bank and ICICI Bank peaked at 14.5% from 8-8.5% in 2007. Further, banks were agreeing to finance only 70-80% of the total property value as against 85-90% previously. These factors deterred individual investors from availing of home loans especially in conjunction with the job uncertainty induced by the economic slowdown.

Since October '08 inflation has begun to cool off and is currently below 1%. The corresponding rate cuts have led private banks to lower interest rates to 9-10% (floating), while large state-owned players are offering a special rate of 8% to home buyers. Loan sanctions too have risen to 80-90% of the property price, reviving buyer interest.

The housing loan portfolio of banks and financial institutions is increasing, reflecting stronger residential volume sales. An analysis of the portfolios held by HDFC and LIC Housing Finance (LICHF) shows that loan disbursement to individuals is increasing at a robust rate. LICHF's individual loan portfolio has increased by 22% in Q4FY09 to Rs 24.7bn as against Rs 20.3bn in the same period last year. Similarly, HDFC's has increased by 12% in Q4FY09 as against the same period last year.

Religare believes that the sector's fundamentals could improve marginally in the second half of 2009, as a result of a reduction in home loan interest rates, and a paring of risk weights on commercial real estate. Further, with the formation of a new government and the return of stability to the job environment, the residential market could improve at a faster pace.

A township of wellness

Nirvana Farms at Wada is a Vaastu Shastra Certified Project of N. A. Farm Plots and Farm Houses



Nirvana Farms was launched on August 15, 2009 at the quaint destination of Wada. This is a Vaastu Shastra Certified Project of N. A. Farm Plots and Farm Houses at Wada approved by Vaastu Consultant Dr. Nitin Parakh, presented by Disha Direct and developed by Mokshana Spaces Pvt. Ltd.

The township spreads across 75 acres comprising N. A. Farm Plots, N. A. Farm Houses, Meditation Park, Contemporary Club House and Children's Play Area. A total number of 335 individual non agriculture farm house plots are being offered in this project.

The promoters of Nirvana Farms have an existing farming operation going in the vicinity of the project where they cultivate organically grown fresh vegetables as well as food grain. This gives the project a look and feel of farm plots. For those who may be interested, their plots can be developed into beautiful vegetable gardens.

In the first week since its launch, the project witnessed an over-

whelming response from customers. As an introductory offer, N. A. Farm House Plots at this project were made available at Rs. 99 per sq. ft. onwards. The proximity of these plots to lush green forest, mountain ranges and water bodies make them a precious asset with great potential for future appreciation.

signatureprojects

The response to Nirvana Farms has been commendable from the day of its launch. In the last one week, the project has registered more than 40 bookings and the spill over of the same to this week. The concept has been appreciated by investors in property and end users who wish to begin a lifestyle of difference.

The success of Nirvana Farms is driven by factors which complement its process of development. Wada as a destination serves as the perfect location for the development of a unique project like Nirvana Farms. Easily approachable by Ahmedabad Expressway from Manor as well as the Thane-

Bhiwandi-Wada route; the location has three ponds in the property and proximity to a river, huge mountains and lush green surroundings.

Nirvana Farms adheres to the finer nuances of Vaastu Shastra, the most ancient Indian Vedic Science of Architecture or House Building. The plots have been thoughtfully designed and laid out by basing them on specifications suggested in Vaastu Shastra that comprise marvelous orientation, shape and auspicious location of the entry gate. The project is offered at a price that is legible and presents the opportunity of good returns in the future.

Santosh Naik, MD and CEO of Disha Direct, says, "We had this vision of creating a township of wellness and we have succeeded in doing so. Secondly we wanted to make this project available at a price, which ensured rich dividends in the future to the investors. And thirdly the project's adherence to Vaastu Shastra norms makes it truly unique in its own sense because it ensures the beginning of a zestful lifestyle."

industryupdate

MOFA PUBLISHED, SUGGESTIONS INVITED

The Maharashtra Ownership Flats (Amendment) Rules, 2009 was published on August 25, 2009 for inviting public suggestion and objections on or before October 16, 2009. After considering the suggestion and objection, the final rules will be published by the government for implementation.

Chartered Accountant Ramesh Prabhu points out that the law was already passed appointing the District Deputy Registrar as the Competent authority under MOFA, 1963 to hear the cases where a) Builder does not form the society and members wants to form under builder non-co-operation, b) To hear the cases to disclose the utilisation of money collected towards maintenance, share money, society formation, etc. and c) To grant the conveyance of land and building of the society/ Association within 6 months of receipt of application from the aggrieved society / Member of the society. Salient features of the Amendment Rules are as follows:

- Conveyance of individual societies in a layout plot (or big complex) is possible without forming Federation or apex Body. In case all the societies in the layout plot want to have conveyance in the name of apex body or Federation, the same is possible.
- The Builders/ /developers cannot stop giving conveyance under the pretext of Balance FSI or there is development pending in the plot. The developer can hand over the conveyance to the building in proportion to the FSI/ TDR used in respect of the particular society and still continue his development in the balance area of the plot as per the balance FSI/TDR available as on the date of obtaining the approval of building plan as per the prevailing law.
- Nominal Court fees of Rs.2000 are payable for making an application before the competent authority.
- The complaints by the flat purchasers/ society can be done before the competent Authority for disclosing the accounts for the money collected towards formation of the society, share money, maintenance, etc from the date of handing over the possession till the formation of the society.
- The flat purchasers can approach the competent authority, if the builder does not form the society.
- If the builder/ Developer is convicted under the provisions of MOFA by any of the court, the Competent Authority has been authorised to inform the local authority to debar such building from construction activity for a period 5 years on the application made by the aggrieved party to that effect.
- The various forms like, Application formats for different purposes like deemed conveyance, society formation, disclosure of information by the builder, debarring the builder from further construction activities, deemed conveyance order format, appointment of authorised officers, list of requirements to be attached with different types of applications and the court fees ranging between Rs.500 to Rs.2000.
- In the absence of builder/ developer or their legal heirs or they are not traceable, the deemed conveyance is possible by making a public notice in two news papers of which one should be in Marathi language inviting the claims and objections from the public. After hearing the interested parties, the competent authority shall pass necessary order.
- The entire hearing procedure has been clearly brought out in the rules without leaving any room for ambiguity.
- Builders who have executed the conveyance deed have to submit a copy to the competent authority within 2 months of its registration.
- The Competent Authority has been given sufficient powers to call for the required documents, carry out the inspection, verification and then take the appropriate decision. In case certain documents cannot be found and if the competent authority is satisfied, he will be able grant the conveyance order, in the absence of such documents also. The list of documents is of recommendatory nature.

residentialrealtyrates

Location	Rental Values/ Rs./sq.ft.
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SOUTH MUMBAI	
Cuffe Parade	80 - 160
Marine Lines	50 - 100
Churchgate	50 - 100
Malabar Hill / Walkeshwar	100 - 200
Worli	70 - 140
Prabhadevi / Parel	55 - 90

CENTRAL SUBURBS	
Wadala	15 - 30
Sion	20 - 45



Powai	20 - 60
Chembur	20 - 30
Ghatkopar	15 - 30
Mulund	15 - 32
Thane	15 - 25

WESTERN SUBURBS	
Bandra - E	40 - 70
Bandra - W	50 - 150
Khar / Santacruz - E	35 - 55
Khar / Santacruz - W	45 - 90
Vile Parle - E	40 - 50
Juhu	50 - 75
Andheri - E	25 - 50
Andheri - W	35 - 70
Goregaon - E	25 - 40
Goregaon - W	25 - 40
Malad - E	15 - 35
Malad - W	20 - 40
Kandivali - E	15 - 30
Kandivali - W	20 - 35
Borivali - E	15 - 30
Borivali - W	18 - 32
Mira Road - E	10 - 12
Vasai - W	6 - 10

NAVI MUMBAI	
Vashi	12 - 20
Koper Khairane	12 - 20
Nerul	10 - 20
Belapur	8 - 15
Panvel	8 - 12

PUNE	
Koregaon Park	25 - 40
Boat Club Road	25 - 40
Deccan Gymkhana	15 - 30
Sopan Baug / Uday Baug	15 - 25
Kalyani Nagar	20 - 35
Aundh	15 - 25
Hadapsar	15 - 25



Koregaon Park Annexe	10 - 25
Kothrud	10 - 20
Viman Nagar	10 - 20
Wanorie	8 - 20
Kondwa - Undri	10 - 20
Pashan / Bhavdhan	10 - 15
Hinjewadi/Baner/Wakad	10 - 15

BANGALORE	
Lavelle, Rajbhavan,	
Racecourse Road	40 - 70
Palace Orchard	40 - 60
Sadashiv Nagar /	
Richmond Road	30 - 50
Kormangla / Indiranagar	15 - 30
Malleswaram / Jayanagar	10 - 20
JP Nagar / Rajaji Nagar	10 - 15
Whitefield / Outer Ring Road	10 - 15

DELHI	
Prithviraj Road	100 - 160
Chankapuri / South Delhi	75 - 150
Vasant Vihar	50 - 70
Shantiniketan / Jor Bagh	60 - 100
Golf Links	70 - 120
Greater Kailash	30 - 60
Gurgaon	20 - 30
Noida	10 - 20

HYDERABAD	
Banjara Hills	20 - 35
Jubilee Hills	20 - 30
Begumpet	15 - 20
Madhapur / Cyberbad	15 - 20
Rajbhavan Road	15 - 25

Source : Sunteck Realty Ltd. Rates are indicative and may vary with location, age amenities, facilities, quality, infrastructure etc. Values are excluding maintenance, car parking charges and taxes. Values may also be negotiable.