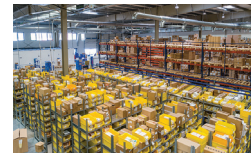




Realty Data

The potential demand for organised co-living continues.



Defensive assets like logistics and data centres would provide opportunities and are expected to gain traction



TAX PLANNING

IT Act provides tax benefits on repayment of principal component as well as on interest component of loan.

There are formidable challenges as well as new opportunities for realtors to explore in the wake of changing market scenario aggravated by Covid-19 pandemic leading to a paradigm shift in demand and innovation, reports V Nagarajan.

NAR INDIA-APPCC REALTY CONCLAVE PAVES WAY FOR GLOBAL NETWORKING

Learn Locally, Earn Globally

A realty conclave was held in association with NAR India at Radisson Blu on August 26, sponsored by DRA, Prop Shell, Chennaiproperties.com, Coimbatoreproperties.com, Atlas Estates Online Realty LLP and RPC Realty.

The APPCC and NAR India's joint address to realtors to gear up and get access to executive learning programmes, become members of NAR Global to utilise over a million realtors' network globally and target the vast global market has encouraged APPCC realtors. After a brief introduction of NAR India Leaders, a panel discussion was held to discuss the changing real estate market scenario and its cascading impact on realtors.

Delivering the inaugural address, Tarun Bhatia, President, NAR India, launched the brochure relating to the executive learning programme. He said about 40 members from NAR India have already joined and completed the executive learning programme.

The executive learning programme has been organised between NAR India and RICS, a world's leading body on real estate based in UK. The second batch will be commenced shortly. Once a member completes four modules, he can apply for MRICS degree. In the next month or so, there will be about 20 new MRICS professionals at NAR India. This will be covered in about 60 online webinars. People from all over India can connect together. The module covers varied areas like due diligence of land, customer relationship and a few others. Tarun requested everyone to make the best use of the opportunity made available and join the programme. He said that a larger training programme has been planned for members including communication skills.

APPCC President Ram Kumar initiated a panel discussion targeted at NAR India Leaders for their views and comments on varied issues impacting the real estate sector's growth and scenario.

On the need to focus on 'one India, one licence', Tarun said that discussion has been going on with RERA authorities as well as with the concerned officials at the government level but a solution is still eluding the

sector. As realtors are doing business in multiple cities, they have to mandatorily register in each state to comply with the local requirements. Last year, Credai-MCHI has approached NAR India for a campaign wherein we had negotiated and come to an arrangement for "One India, One Licence" and they have backed us, said Tarun. "We have recently submitted a representation to the government on the need for "One India, One Licence" to ensure that small brokers get the advantage of doing business across the country with a single licence.

Samir Arora, President-elect, NAR India, explained the nuances between an agent and a realtor and stressed the importance of getting membership of US Realtors Association so that realtors will get access to global networking opportunity.

Swapanil Patil, Honorary Secretary, Chair-Research, at NAR India, said that real estate sector has the potential of \$1 trillion by 2020, and this by itself presents realtors an ideal opportunity. "The sector has been contributing about 7 per cent of the GDP which is likely to grow to 15-16 per cent in the years ahead. Moreover, 250 ancillary industries are dependent on real estate sector for their survival thus generating employment for 4 million people," said Patil.

According to Patil, demand for office space has been dipping due to impact of Covid-19 pandemic and WFH option that continue to remain. "While 100% FDI has been opened up for infrastructure and REITs, an investment of \$29 billion is expected to flow into India. By the year 2022, close to \$50 billion will flow into REITs alone. Now



they prefer commercial space especially Grade A office space which will extend to warehousing and data centres. They are the sunrise sectors. Adoption of modern technology will usher in new areas for the realtors to expand their business operations," said Patil.

NAR Vice-President Shivakumar said that there is lot of clamours for according "industry" status to real estate sector as even film industry has got it much earlier. "Though affordable housing and logistics and ware-

housing sectors have been given the industry status, it is still delayed for the real estate sector despite representations from various industry groups to the government. It is high time the government favourably considers the sector's demand which has been eluding a solution for several years now," he said.

On the changing realty scenario in Chennai, APPCC Chairman Nazeer said that there will be a quantum leap in the way office is functioning hereafter. The Government of Tamil Nadu

has announced that offices can function with 100 per cent staff presence from September 1. "On the retail front, demand continues in central Chennai and south Chennai. The recovery level is moderate in residential sector since pandemic outbreak but a slew of fiscal incentives like low home loan rate and stable prices would change the scenario. On the flip side, the stamp duty is still high in Tamil Nadu at 11 per cent whereas in the neighbouring Karnataka it is 7%. In fact, Credai Tamil Nadu has already represented to the government on the need to reduce stamp duty," said Nazeer.

According to Nazeer, a leading builder has sold 200 plus units in a span of just seven days, a clear indication of the residential property market revival. "A couple of leading developers have also reduced prices by 5-10 per cent for affordable housing projects. Layout development is gaining traction and sales are picking up. As FSI norms are stringent at 0.8 per cent due to CRZ regulations, prime areas are being converted on ECR and sold as plots. The response has so far been overwhelming," said Nazeer.

Narrating the reasons for the shift in market demand pattern and the unscrupulous elements impacting the goodwill earned by developers and realtors among NRIs over a period of years, Tarun said that while US NRIs have invested \$13.1 billion in Indian real estate, resident Indians have invested \$7-8 billion in the US market. "There has been a surge in investment by resident Indians in overseas market in countries like Dubai, Singapore, South East Asia and US.

Continued on page 2



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Learn Locally, Earn Globally

Continued from page 1

With NAR India signing an agreement with US Realtors association, there is ample opportunity for realtors to utilise the networking opportunity made available," said Tarun. The NAR Global membership costs a joining fee of \$100 and a recurring annual fee of \$75.

It is advisable to become a member as it gives access to 1.4 million members globally and flexibility to participate in exchange programmes. Most of the global members are spread across US and other countries.

According to Tarun, there is no dearth of opportunity for realtors in the changing market scenario. "RERA is a welcome move to ensure transparency and they are tightening up all loose ends now. India is blessed with young population. There is immense potential for warehousing and strata sales of office space. REITs will pick up an investment of \$50 billion by 2025. Office spaces will be fully rented out by November/December," said Tarun.

Sumanth Reddy, past President of NAR India, stressed the need to reinvent among realtors in the profession amid mounting challenges they have to face on all fronts. "Unless we identify the changes that are happening in the realty market and gear up to face the challenges, it will be difficult to succeed," said Sumanth.



Realty Data

CAPITAL FLOWS – CITYWISE INVESTMENTS (US \$ MILLION)

Cities	Hyderabad	MMR	Delhi NCR	Pune	Bengaluru	Chennai	Pan India	Total
Q1 2020	100	54	171	8	385	35	10	763
Q2 2021	374	183	196	6	-	-	231	922

Source: JLL Research Q1, 2021.

PROPORTION OF LAUNCHES IN AFFORDABLE AND MID SEGMENT

Period	Bengaluru	Chennai	Delhi NCR	Hyd erabad	Kolkata	Mumbai	Pune
Q1 2021	77%	57%	27%	76%	60%	70%	100%
Q2 2021	72%	100%	48%	58%	100%	84%	95%

Average: Q1 2021 69% ; Q2 2021: 72%

Source: JLL Research Q1, 2021.

UNSOLD INVENTORY – CHENNAI

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Unsold inventory (units)	32,429	32,060	31,977	32,369	34,205	33,997
Years to sell (YTS)	2.5	2.8	3.0	3.1	3.2	4.0

Source: JLL Research Q2, 21

POTENTIAL DEMAND FOR ORGANISED CO-LIVING

Year	Supply (No. of beds)	Demand (No. of beds)
2018	0.94 lakh	36.35 lakh
2019	1.76 lakh	40.26 lakh
2020F	2.42 lakh	44.36 lakh
2021F	3.17 lakh	47.88 lakh
2022F	3.92 lakh	52.06 lakh
2023F	4.70 lakh	56.96 lakh

Note: "F" is forecast. Source: JLL Research



Tamil Nadu's finance minister Palanivel Thiaga Rajan has announced a slew of measures to improve housing development in the state.

BUDGET ON HOUSING

TN's Budgetary measures to boost Housing Development



In his maiden budget speech, Tamil Nadu's finance minister Palanivel Thiaga Rajan has announced a slew of measures to improve housing development in the state.

The Tamil Nadu government has made provision of adequate and decent housing to all citizens of the state, while ensuring sustainable urbanisation. To this end, some of the older legislations in the housing sector including the Tamil Nadu Housing Board Act, 1961, Tamil Nadu Slum Areas (Improvement and Clearance) Act, 1971, and Tamil Nadu Apartment Ownership Act, 1994 be reviewed.

Tamil Nadu is the most urbanised large state in the country, but only 7% of the total land area is covered under Master Plans. The government will ensure that the coverage under Master Plans is enhanced to 22%.

Tamil Nadu has many million plus cities and there is a need to regulate and ensure planned urbanisation around such cities. Accordingly, new Urban Development Authorities will be formed for Madurai,



Coimbatore – Tiruppur Area, and for the fast growing Hosur area.

The government is committed to ensure Tamil Nadu is made entirely slum-free within a period of 10 years. The total demand for housing for the urban poor has been estimated at 9,53,446 dwelling units. The total provision for the Tamil Nadu Slum Clearance Board in the revised budget estimates for 2021-22 is Rs.3,954.44 crore.

A new slum resettlement and rehabilitation policy will be formulated in consultation with all stakeholders to ensure that slum dwellers are treated fairly and humanely when they are resettled from objectionable

poramboke lands including water courses.

The Second Tamil Nadu Housing Sector Strengthening Project with World Bank assistance

will be taken up shortly. The negotiations for the first phase of the inclusive, resilient and sustainable housing for the urban poor with Asian Development Bank's assistance have been recently concluded. The provision for the World Bank Projects in the housing sector is Rs.320.40 crore and for the Asian Development Bank project is Rs.171 crore in the revised

budget estimates 2021-22. – V Nagarajan.

Realty Sector - What to expect in 2021?

Though office assets will continue to attract maximum investments, defensive assets like logistics and data centres would provide opportunities and are expected to gain traction, says JLL survey.

India has succeeded in keeping the pandemic under control and posting better than expected recovery. The lifting of lockdown and travel restrictions is expected to revive real estate assets, improve income visibility and attract cross-border investments in 2021. Investors are expected to remain moderately cautious and will reposition strategies with improved asset pricing discovery during the year. Low interest rates, and continued monetary stimulus are expected to bring broad-based investment growth. The success of REITs is expected to drive investment momentum with a preference for office assets.

REITs market to drive investment momentum Listing of new REITs is expected to provide opportunities for institutional investors to build asset portfolios or co-invest with existing platforms before the IPO. The evolution of REITs in India has been very successful with all three listed REITs getting oversubscribed. The recent Brookfield group sponsored REIT, which was opened for subscription on 3rd February 2021, saw a good response with eight times oversubscription. Good sponsor quality, track record, transparency and delivering predictable returns have caught the at-



tention of foreign investors looking for stable yield and regular returns. Landlords owning income yielding core office assets have been forming strategies to list their assets through REITs. The provision of the Union Budget 2021-22, allowing to raise debt from foreign portfolio investors at low cost will lead to more asset acquisitions by REITs. Office assets are expected to be the preferred option due to stable rental yields and income visibility.

Income stability and diversification to gain pace The pandemic led uncertainty continues to influence investment outlook. Investors are likely to focus on assets with higher yields and lower rent-

al growth to ensure stability of income. Though office assets will continue to attract maximum investments, defensive assets like logistics and data centres would provide opportunities and are expected to gain traction. Investments in retail and hospitality would also gain traction in line with economic recovery.

Higher visibility on asset pricing Asset pricing is expected to improve with resumption of full economic activity during the year. Core office assets with steady incomes are likely to benefit from better price discovery. On the other hand, opportunistic assets are expected to witness more price adjustments as they lack income certainty and entail more risk. Emerging Indian REITs market is expected to attract cross border flows and further improve transparency and asset pricing leading to more mature markets. This loop of increasing maturity and capital flows will lead to investments in Indian real estate scaling new peaks.

Excerpts from 2021 – Indian Real Estate Outlook – A new growth cycle by JLL.

TAX PLANNING



The Government has provided various tax benefits to assessee on housing loan. The Income Tax Act provides tax benefits on repayment of principal component of loan as well as on repayment of interest component of loan.

Income-Tax Benefits available on Housing Loans

By Surabi

Deduction under section 24(b)

(A) In respect of let-out property, actual interest incurred on capital borrowed for the purpose of acquisition, construction repairing, re-construction shall be allowed as deduction

(B) In respect of self-occupied residential house property, interest incurred on capital borrowed for the purpose of acquisition or construction of house property shall be allowed as deduction up to Rs. 2 lakhs. The deduction shall be allowed if capital is borrowed on or after 01-04-1999 and acquisition or construction of house property is completed within 5 years.

(C) In respect of self-occupied residential house property, interest incurred on capital borrowed for the purpose of reconstruction, repairs or renewals of a house property shall be allowed as deduction up to Rs. 30,000.

* Any interest pertaining to the period prior to the year of acquisition/ construction of the house property shall be allowed as deduction in five equal installments, beginning with the year in which the property was acquired/ constructed.

*** Deduction for interest on borrowed capital shall be limited to Rs. 30,000 in following circumstances:**

a) If capital is borrowed before 01-04-1999 for the purpose of purchase or construction of a house property;



b) If capital is borrowed on or after 01-04-1999 for the purpose of re-construction, repairs or renewals of a house property;

c) If capital is borrowed on or after 01-04-1999 but construction of house property is not completed within five years from end of the previous year in which capital was borrowed. With effect from Assessment Year 2020-21, deduction for interest paid or payable on borrowed capital shall be allowed in respect of two self-occupied house properties. However, the aggregate amount of deduction under this provision shall remain same i.e., Rs. 30,000 or Rs. 2,00,000, as the case may be.

Deduction Under Section 80EE

Deduction of up to Rs 50,000 or interest payable on housing loan whichever is less shall be allowed to an individual for interest payable on loan taken for the purpose of acquisition of a house property subject to following conditions:

a) Loan has been sanctioned by financial institution during the financial year 2016-17;

b) The amount of loan sanctioned does not exceed Rs 35,00,000;

c) The value of residential property does not exceed Rs 50,00,000;

d) The assessee does not own any residential house property on the date of sanction of loan;

e) Where deduction has been allowed under this section, no deduction shall be allowed in respect of such interest under any other provision.

Deduction under section 80EEA

(1) In computing the total income of an assessee, being an individual not eligible to claim deduction under section 80EE, there shall be deducted, interest payable on loan taken by him from any financial institution for the purpose of acquisition of a residential house property.

(2) The deduction under sub-section (1) shall not exceed Rs150,000 and shall be allowed in computing the total income of the individual for the assessment year beginning on the 1st day of April, 2020 and subsequent assessment

years. (3) The deduction under sub-section (1) shall be subject to the following conditions, namely:— (i) the loan has been sanctioned by the financial institution during the period beginning on the 1st day of April, 2019 and ending on the 31st March 2022;

(ii) the stamp duty value of residential house property does not exceed Rs 45 lakh;

(iii) the assessee does not own any other residential house property on the date of sanction of loan.

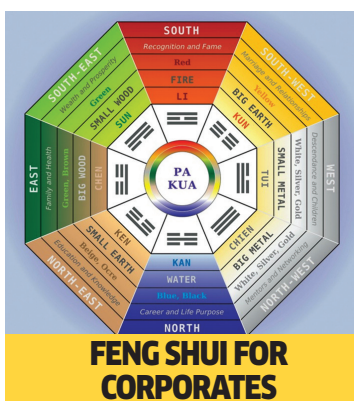
(4) Where a deduction under this section is allowed for any interest referred to in subsection (1), deduction shall not be allowed in respect of such interest under any other provision of this Act for the same or any other assessment year.

Deduction Under Section 80C

A) Deduction under this section is available on repayment of principal amount of housing loan.

B) Section 80C also provides deduction on stamp duty and registration charges paid on purchase of property and the maximum deduction available under this section is Rs150,000.

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Balancing the design architecture Directions are extremely important when it comes to Feng Shui design and layout, says S BS Surendran.

By S.BS.Surendran

Feng Shui is largely a matter of arranging the flow of a space not for aesthetics alone, but more importantly, so that the space serves a particular function or set of functions that are critical to your success and well-being. Whether you are building a new home, office, and factory or remodeling it, the consultant can identify the lucky and unlucky areas as they relate to the specific individual and fine-tune your space to be in synchronicity.

One of the primary concepts of Feng Shui interior design is energy often referred to as 'CHI'. Feng Shui interior design attempts to direct, retain, and channel this energy in a way that is most beneficial to those using the room. This can be done by the placement of objects at different compass locations or by using furniture made of specific types of material. Directions are extremely important when it comes to Feng Shui design and layout. Feng Shui has eight basic directions, four that are considered primary and four that are secondary further subdivided into three parts. This actually gives 24 directions as per the special Feng Shui compass that facilitates a perfect alignment,

positioning and analysis of the property. This in turn helps in deciding the layout, room positioning and décor including placement of fixtures, furnishings, furniture and adapting the right colours pertain to the specific sectors.

Apart from this, the five element analysis in Feng Shui known as 'Wu Xing' is another important factor which enhances good energy and controls bad energy by placing objects made of these materials in a specific room or by painting certain areas with an elemental colour.

General precautions one should take care of include:

- Plan a home that's square or rectangular. Odd-shaped or angular buildings have Feng Shui challenges that are difficult to undo.
- Make the building generally symmetrical in shape, and avoid angular protrusions.
- Include a foyer in the floor plan. Don't have the front door open directly into a room (where 'chi' would be permitted to escape).
- Avoid floor-to-ceiling windows in bedrooms these let too much 'chi' to escape.
- Choose smooth surfaces for interior walls as curved walls and surfaces also encourage positive flow of 'chi'.

faces also encourage positive flow of 'chi'.

Arranging furniture is merely a part of the interior design, while actually creating flow and energy is a greater task that demands accuracy, expertise and insight. Whether your home is a century old or still in the initial stages of planning, Feng Shui can help positive transformation take place and one can experience the changes over a period of time. Troubleshooting the afflictions in the property for external disturbances like electric pylon, trees, designing of garden, placement of plants, water features, ill effect of neighbourhood buildings can ensure that the property is charged with good energy flow, vibrant and in harmony with the occupants. Lastly, always remember to keep a balance. The fundamental theory of Feng Shui is the concept of Yin and Yang which is about balance. Hence the design and remedy should pay attention to the fact that too much of anything is not healthy.

Mr SBS Surendran

is an accredited master

Feng Shui consultant and traditional

Vaastu practitioner.

