



Tips to Homebuyers
The world of real estate has several jargons for a few and rich investment scheme for others.



What makes a Realtor tick?
Initiating several measures to enable realtors exchange matters of mutual interest for a win-win situation.



FENG SHUI
Harmonising Bio-forces and Energy Balancing

BUDGET HIGHLIGHTS

Thrust on Affordable Housing and Sunrise Sectors

At a time when the country is slowly recovering from the adverse impact of pandemic, finance minister Nirmala Sitharaman's budget for 2022-23 lays much emphasis on elevated public capex which would herald a new era of investment and generate opportunities on multiple fronts. What is more the budget gives a blueprint to steer the economy over the next 25 years, India at 100.

The budget has given a boost for promoting affordable housing for middle class and economically weaker sections in urban areas. In 2022-23, 80 lakh houses will be completed for the identified eligible beneficiaries of PM Awas Yojana, both rural and urban in one year. A sum of Rs 48,000 crore has been allocated for this purpose. Allocation of more funds for infrastructure will create more job opportunities which in turn will push demand for housing.

The total effective Capex spend by the government will be Rs10.7 lakh crore would improve connectivity and logistics infrastructures of the country.

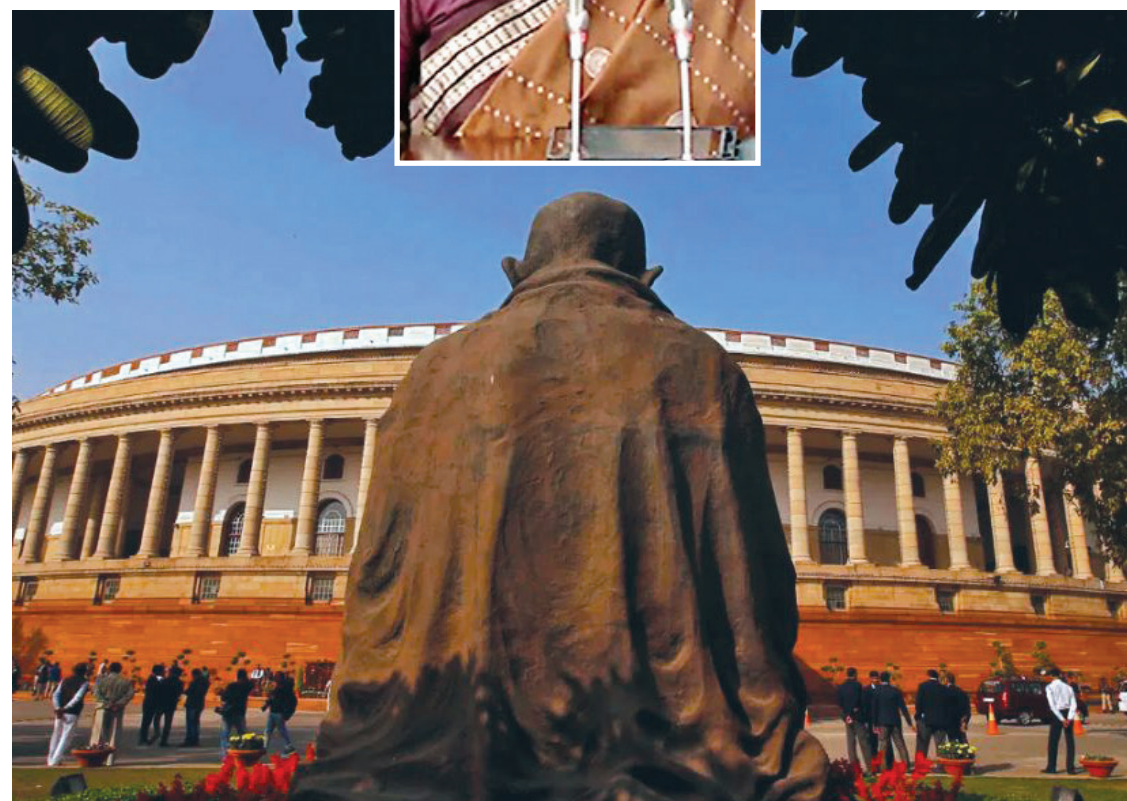
A significant aspect is that the central government will work closely with the state governments to reduce time required for all land and construction-related approvals to give confidence to both builders and homebuyers alike while planning investment in affordable housing. It is said that this will aid the supply side of affordable units.

It has been felt necessary to leverage the SEZ legislation by making it available for domestic economic activities as well. The new legislation will enable states to

become partners in 'Development of Enterprise and Service Hubs'. It will cover all large existing and new industrial enclaves to optimally utilise available infrastructure and enhance competitiveness of exports.

A unique land parcel identification number for digital land records management to bring in more transparency in real estate transactions has been proposed in the budget. Steps are being taken for the translation of land records from regional languages. The 'anywhere registration' of deeds and documents under the 'One nation One-registration software' could be a game changer for real estate sector in India.

As part of kneejerk solution, the budget has granted infrastructure status to data centres. The access to availability of cheaper and long-term institutional funding is a welcome move. It is said that the data centre industry capacity is expected to double in 2023. Increasing optic fiber network and 5G spectrum allocation this year would lead to a higher digital push which in turn will push the real estate demand.



The growth oriented budget with a thrust on digital, infrastructure and affordable housing has not taken into account the realty sectors' request to grant industry status for better financial planning, reports **V Nagarajan**.

There are certain inherent advantages for commercial sector with the start up policy announced in the budget. The period of incorporation has been extended upto March 2023 for availing tax benefits. Colliers India estimates confirm that during 2021, start-ups alone leased about 2.2 million sqft of commercial space, in the top three cities of Delhi-NCR, Mumbai and Bengaluru. Around 14,000 start-ups were recognised during the financial year 2022, with about 555 districts in India had at least one new startup.

The budget has given a boost to urban planning in tier 2 and 3 cities. This involves an overhaul of building laws and development of transit-oriented corridors with an intent for building urban capacity. The government will offer in-

terest-free loans to state governments. Five centres of excellence have been mooted for urban planning, which will offer the sector a medium to hire trained professionals. A high level committee will be formed to recommend urban planning policies, implementation plans, capacity building and governance.

On the flip side, the real estate sector's long-term demand of giving industry status to enable developers to obtain low cost funding for projects has not yet been met. This is so in spite of the fact that 262 ancillary industries are dependent on real estate sector. As per the government of India, the construction sector contributes 9 pc of the GDP and employs 44 million workers, becoming the second-largest employer in India in 2017.

BUDGET HIGHLIGHTS - HOUSING & URBAN PLANNING

- Rs 48,000 crore is allotted for PM Awas Yojana.
- In 2022-23, 80 lakh houses will be completed for identified beneficiaries of PM Awas Yojana; 60,000 houses will be identified as beneficiaries for PM Awas Yojana in rural & urban area.
- Rs 60,000 crore allocated for providing access to tap water to 3.8 crore households.
- * In 2022-23, 80 lakh households will be identified for the affordable housing scheme.
- Rs 60,000 cr allocated to provide tap water connections to 3.8 crore households in 2022-23.
- A high-level committee for urban planners and economists to be formed for recommendations on urban capacity building, planning implementation, and governance.
- 5 existing academic institutions for urban planning to be designated as Centre for Excellence with endowment fund of Rs 250 crore.
- Modern building by-laws will be introduced.
- A high-level panel to be set up for urban planning.
- Govt to promote use of public transport in urban areas.
- Proposal to reduce Minimum Alternative Tax to 15 pc for co-op societies, at par with corporate.

Source: The Economic Times

Realty Data

CHENNAI OFFICE MARKET STATISTICS Q4 2021

Submarket	Inventory (sqft)	Vacancy	YTD gross leasing activity (sqft)	Planned & under construction	YTD construction completions (sqft)	YTD net absorption (sqft)	Grade A weighted average rent (Rs/sqft/month)
CBD	2,685,809	13.29%	350,352	377,415	—	-30,500	77.50
Off-CBD	544,110	29.91%	7,281	50,000	—	7,281	74.48
Southwest	13,260,008	9.10%	2,421,794	6,245,466	311,071	525,343	73.40
Northwest	3,232,000	23.58%	81,313	-	—	-	39.78
Suburban South	18,250,412	6.92%	1,828,671	2,445,026	—	-54,288	76.50
Peripheral south	11,882,105	14.81%	1,525,982	1,500,000	—	219,801	49.68
Peripheral southwest	4,794,125	18.14%	144,887	4,967,114	502,125	58,000	54.65
Total	54,648,569	11.67%	6,360,280	15,585,021	813,196	725,637	57.48

Source: Cushman & Wakefield Research

CHENNAI INDUSTRIAL MART H2 2021

Submarket	Rs crore per acre
Ambattur	19 crore
Poonamallee	10 crore
Sriperumbudur-Oragadam	2.6 crore
Irungattukottai	2.5 crore
Madhavaram	7.5 crore
Gummidipoondi	1.4 crore
Periyapalayam road	1.6 crore
Manali	3.6 crore
Mannur	1.4 crore
Maraimalai Nagar	4.5 crore

Source: Knight Frank Research

Tips to Homebuyers

The world of real estate has several jargons for a few and rich investment scheme for others. Everyone, sometime or the other in his life time approaches stakeholders of real estate while investing in a house, plot or building to meet his own aspirations.

Are you a first time buyer? You may have heard people talking about buying/ selling/market price/ sale price/ area et al, but you have been confused about what it is all about and how things generally work in the real estate sector. So, when you have finally firmed up your plans to buy a house/building, for the first time, this is what you should check with a builder or any individual from whom you are buying.

While investing in real estate, there are little-known glossary such as square feet, carpet area, built up area, super built-up area, amenities, documentation & registration etc. Let us demystify them.

Investing in Real Estate

STEP 1: KNOWING THE GLOSSARY

Square Feet: A basic unit of measurement mapping the extent of land/apartment, it is important for any purchaser to know about this as one pays the sale consideration in terms of rate per square feet. Right now, the general practice is to pay as per super built-up area.

Carpet Area: Net usable area, excluding exterior wall.

Built-up area: Carpet area + area of walls + area of balcony

Super built-up area: Built up area + proportionate common area. (Calculation of price in Tamil Nadu presently)

While investing in real estate, it is better to be aware of the nitty gritty involved in the exercise and ground realities are strictly adhered to ensure hassle free homebuying, says **Alifya Yusuf**.

UNDIVIDED SHARE IN LAND: A vital factor to be taken care of is UDS. The term UDS is the portion of the land on which the structure is built and that's proportionally divided among the number of apartments.

STEP 2: VIABILITY CHECK: Documents for scrutiny:

The next stage is that of documentation as follows:

- Agreement of Sale ● Construction Agreement ● Sale Deed
- Completion Certificate.

It is advisable to get the documents verified by a property consultant or advocate well versed in property law matters.

STEP 3: REGISTRATION: Then comes the registration, where in while investing in newly built apartments one has to pay 11% on the value of undivided share of the land towards government revenue and 2% on the construction value while registering construction agreement.

Finally, if you are buying through an agent, make sure the agent has RERA registration identity. It is equally important to ensure that the project has RERA approval. This safeguards any investor from a number of fraudulent activities and also ensures protection against legal hassles that may arise in future.

Ms Alifya Yusuf is an APPCC member and founder of EVERNEST.



KEY LEASE TRANSACTIONS Q4 2021

Property	Submarket	Tenant	Area sqft.	Lease Type
Prestige Metropolitan Tower 1 & 2	CBD	Global e Business Operations Pvt Ltd	1,58,309	Pre-commitment
TVH Agnitio	Suburban South	Qualcomm	58,202	Fresh Lease

SIGNIFICANT PROJECTS PLANNED AND UNDER CONSTRUCTION

Property	Submarket	Major Tenant	Area sqft.	Completion
Featherlite IT Park Block B	Peripheral Southwest	NA	221,102	Q1 2022
Embassy Tech Zone Block 4	Peripheral Southwest	Bank of New York Mellon	600,000	Q1 2023
ASV Husainy Tech Park	Southwest	NA	1,000,000	Q3 2023

INDUSTRIAL - SIGNIFICANT TRANSACTIONS H2 2021

Buyer/Lessee	Seller/Lessor	Type	Submarket	Area (sqft)
TVS Logistics	TVS Infrastructure	Warehouse	Periyapalayam	200,000
Flyjac	Sai-Poly fusion	Warehouse	Periyapalayam	185,000
Royal Enfield	CCI – Industrial Logistics Park	Warehouse	Sriperumbudur	111,000
Uddan	Kandhan Metal warehouse	Warehouse	Madhavaram	57,000

Source: Cushman & Wakefield Research

INDUSTRIAL – KEY LEASE TRANSACTIONS H2 2021

Buyer/Lessee	Seller/Lessor	Type	Submarket	Area (sqft)
Casa Grande	SHV	Land	Peripheral South	44 acres
Ashiana Developer	Mahindra World City	Land	GST road	15 acres
Fanuc Industries	Individual	Land	Irungattukottai	4 acres

Source: Cushman & Wakefield Research

What makes a Realtor tick?

With legislations enacted by the government, realtors play a crucial role in providing guidance and transparency in the realty deals. The National Association of Realtors (NAR) has been initiating several measures to enable realtors exchange matters of mutual interest for a win-win situation. With the real estate market showing definite signs of revival, a number of stakeholders are invariably depending on realtors for vital data and multiple options to get the best deals. Mr Tarun Bhatia, President at NAR – India, has played a stellar role in organising several sessions to interact with realtors' associations nationally for local as well as international business. With versatility and experience in realty deals, Tarun Bhatia shares with V Nagarajan, Editor of APPCC Realty, his experience and how realtors should enrich their skills and succeed in today's competitive environment. Here are the excerpts.

With the adverse impact of pandemic gradually receding, what are your thoughts on the market recovery in realty sector?

Due to Covid19, Indian economy contracted sharply. The impact has been largely disruptive in terms of economic activity as well as a loss of human lives. Almost all the sectors have been adversely affected as domestic demand and exports sharply plummeted. The last two years have been difficult for the Indian economy on account of the Covid-19 pandemic. Repeated waves of infection, supply-chain disruptions and, more recently, inflation have created particularly challenging times at policy-making levels. Faced with these challenges, the Government of India's immediate response was:

- Bouquet of safety-nets to cushion the impact on vulnerable sections of society and the business sector;
- It next pushed through a significant increase in capital expenditure on infrastructure to build back medium-term demand as well as aggressively implemented supply-side measures to prepare the economy for a sustained long-term expansion.

Advance estimates suggest that the Indian economy is expected to witness real GDP expansion of 9.2 per cent in 2021-22 after contracting in 2020-21. This implies that overall economic activity has recovered past the pre-pandemic levels. Rising capital expenditure by the Indian government on infrastructure and an uptick in the housing cycle have been responsible for reviving the construction sector. This has allowed the consumption and production of steel and cement consumption to revert to pre-Covid levels.

Statistics provided by RBI and leading real estate companies' show significant revival in the Indian residential real market in 2021 in terms of growth in sales, prices and new launches. Home sales rose 71% year-on-year, with 237,000 units sold in 2021, thus reaching 90% of pre-Covid 2019 levels. Mumbai Metropolitan Region (MMR) recorded the highest sales at 76,400 units, followed by the National Capital Region (NCR) with 40,050 units sold.

What are the sunrise sectors that would get a boost in the coming months?

DATA CENTRES: The real estate demand for data centres is expected to increase by 15-18 million sq. ft. by 2025.

LOGISTICS & WAREHOUSING: The Indian Warehousing Market is expected to be an estimated \$15 billion in 2022, growing to \$19.5 billion by 2025.

With the data centre industry now getting infra status, do you think there will be multiple opportunities for realtors across the country?

As per reliable reports, real estate demand for data centres is set to rise by 15-18 million sq ft by 2025 across the country with the adoption of 5G, Internet of Things (IoT), artificial intelligence (AI), increasing use of cloud services and smart cities. Data centers have been one of the real estate asset classes that has emerged as the least affected due to Covid-19 related crisis across the globe including India, indicating their crucial role in supporting continued business activity. The increased demand will provide opportunities for realtors throughout the country especially in cities like Hyderabad, Chennai, Bengaluru, Navi Mumbai etc.

As a veteran realtor, what are your suggestions for realtors to interact with fellow realtors for deriving maximum benefit in the transaction business?

The real estate market is vibrant, healthy, and vigorously competitive. A wealth of data is available to consumers and technology companies from a multitude of sources, and real estate agents provide their clients and consumers with more real estate information today than has ever been available. Therefore it is very important to collaborate with fellow realtors. I cannot think of any other industry that has more cooperation among competition for the good of the consumer than in real estate brokerage.

It is always beneficial to collaborate and work with fellow realtors. The benefits range from:

- i) Better options for the clients; ii) collaboration ensures transparency and market-driven pricing options for the benefit of home buyers and sellers; iii) one can gain market insights; iv) learn best practices from more experienced realtors; v) using expert knowledge of fellow realtors when stuck in a difficult situation.

What are the skills required to be an effective realtor who can interact with multiple channels, clients, corporate and become successful in today's scenario?

Real estate is a competitive industry. You are up against countless other professionals, all of whom are pushing to gain the best deal for their clients. Simply being qualified for the job won't cut it: you need to have the right real estate agent skills, some of those being integrity, great work ethic, patience, knowledge of the industry



and the local markets, good communication skills, active listening skills, problem solving skills, ability to negotiate people skills, time management skills, and tech knowledge.

What are the drawbacks in the current system that acts as deterrents for realtors to improve their level of business?

Lack of Multiple Listing Service (MLS) in India - The multiple listing service, or MLS, is a facility that allows real estate professionals to learn about and share local property listings in support of the interests of clients and customers. Real estate agents enjoy an economical, efficient system of sharing property information and facilitating cooperative transactions, while their clients and customers have access to the most accurate and up-to-date property information available. In India, we lack proper multiple listing service portals, thereby posing challenges for the realtor community.

- Lack of Digital Property Ownership Records;
- Lack of Training Courses related to real estate brokerage business;
- Lack of Trained Manpower to expand teams;
- Lack of One Nation One License under RERA - therefore many realtors have to take RERA registration in multiple states and may a huge fees and file multiple records with the authorities. For example, if a realtor is keen to work in the Delhi NCR market, then they have to take RERA registrations in the states of Delhi, Haryana, Uttar Pradesh & Rajasthan.
- Increase in marketing and promotion costing especially online marketing;
- High cost of stamp duty and registration costs

Is the international market resilient and responsive to Indian real-

tors to interact and improve the volume of business?

The slew of reforms introduced in real estate sector over the past five-six years are helping the market move towards improved transparency and are therefore attracting more foreign investors. With RERA, GST, IBC law, etc, the Indian economy is getting more sophisticated, and becoming an easier place to do business. All of a sudden risk return moves into India's favour. A huge amount of investments are flowing into Indian real estate sector and it is a great opportunity for Indian realtors to leverage the same. Similarly, a number of HNIs are investing in real estate abroad especially in Dubai, London and the US realty markets. That is another opportunity for Indian realtors.

For instance, Indians invested \$7.8 billion in prime residential real estate in the US in 2017, up from under \$6 billion in 2016. In 2020, six percent of foreign buyers of property in the U.S. hailed from India; In FY 2021, a total of \$13.1 billion of NRI capital is expected to enter the Indian housing industry, growing by 5% on a YoY basis;

What do today's realtors lack in terms of improving their level of business and interacting with peers in the industry?

I believe the realtors of today are far smarter and are learning and adapting at a fast pace. A lot of them are tech and social media savvy and are generating leads and listings with innovative ways and are not solely dependent on referrals. However there is always scope for improvement. Here are some suggestions:

- Hire the right team members; enable team training; set goals and try and achieve them consistently; define a process workflow; prioritise leads; keep a track of inventory; use mobility solutions; take regular feedbacks from your team members, clients, fellow realtors and developers; manage relationships; keep learning etc.



TAX PLANNING



By Prashanth Reddy Yalala

In general practice many developers treating it as sale of land by taking an assumption that basic facilities provided such as roads, drainage system, electrical work, etc along with land as an ancillary services and sale of land is a principal supply [Sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building (Clause 5 of Schedule III read with clause (30) of Section 2 of CGST Act, 2017)]. From the above definition, sale of developed plots is neither treated as a supply of goods nor supply of services. Therefore, GST is not applicable if it treats as sale of land. After receipt of rulings of AARs in some states, land owners are under confusion that whether GST is applicable on sale developed plots or not? Let us see whether GST applicable on sale of developed plot, developed by land owner. Report this ad

The following are the Ruling under various AARs:

1. PPD Living Spaces Private Limited (GST AAR Kerala) dated 26-09-2018:

a. Facts: In this case Land owner charged separately for Land and development of roads up, water and electricity supply to each plot, water drains, trees, party hall, health club, play courts, compound wall and collected GST at the rate of 18% only on development charges. Appellate have taken ITC received on develop-

Applicability of GST on Sale of developed Plots Before Completion Certificate

ment of said facilities.
b. Applicant questions before Authority are
i. Is it correct structure agreement by fixing the land cost by absorbing the development charges?
ii. Whether the ITC availed on goods/services used for development of land has to be paid back on pro rata basis, on plots sold after completion.
c. Decision of Authority:
i. It is lawful to structure agreement by fixing the land cost after absorbing the development charges.
ii. ITC availed is liable to be reversed on pro rata basis, on plots sold after completion.

2. Satyaja Infratech (GST AAR Gujarat) dated 20-09-2019:

a. Facts: In this case applicant treated sale of developed plot as sale Land as per para 5 of schedule III of CGST Act, 2017.
b. Applicant questions before Authority are i. Whether the activity of purchase of land and selling the said land by converting in to integrated residential sub plots of varying sizes under name of "Bliss Homes" with basic facilities prescribed is liable to GST or not? ii. If the same is liable for GST then under which category of supply it will fall and what will be the rate of GST on it?
c. Decision of Authority:
i. Sale of developed land with the basic facilities is liable to GST.
ii. The activities fall under clause (b) of paragraph 5 of schedule II of CGST Act, 2017 (i.e., treated as construction of complex, building, civil structure or part thereof intended for sale to a buyer). GST rate attracts as per serial no 3 of Notification No 11/2017 Central Tax (Rate) [i.e., 12% or 1% or 5%]

3. Shree Dipesh Anilkumar Naik (GST AAR Gujarat) dated 19-05-2020:

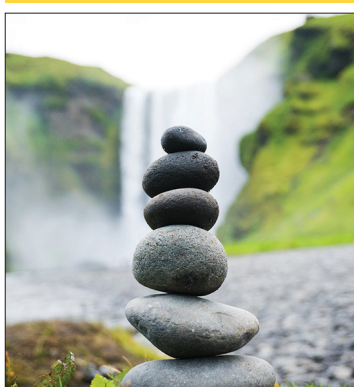
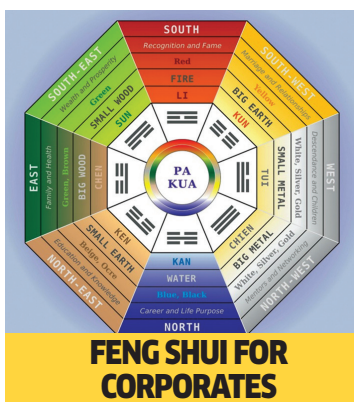


a. Facts: In this case applicant develops land into plots with facilities as per the plan approved by local authority and treated as sale of land as per para 5 of schedule III to CGST Act, 2017. Applicant also pointed out that the transaction shall be out of GST net only if the activity is exclusively dealing with transfer of title or transfer of ownership of land, which is immovable property or earth. Here the substance of agreement between the parties is important. Where the nature of activity is that of only sale of immovable property of plot, it is excluded from GST levy.
b. Applicant questions before Authority are i. Whether GST is applicable on sale of plot of land for which, as per the requirement of approved by the respective authority (i.e. Jilla Panchayat), Primary amenities such as, Drainage line, Water line, Electricity line, Land levelling etc. are to be provided by the applicant?
c. Decision of Authority: i. The above indicates that sale of developed plot is not equivalent to sale of land but is a different transaction. Sale of such plotted development tantamount to rendering of service. This view has also been

taken by the Supreme Court in the case of M/s Narne Construction P Ltd. reported at 2013 (29) STR 3 (SC)
ii. Sale of developed plot is liable to GST. From the above rulings concluding that department is under view that "sale of developed plots cover under supply of services". On the other hand, in case of Maarq Spaces Private Limited (In case of Joint Development Agreement), GST AAR Karnataka has taken different view that in case land owner it is sale of land as per para 5 of Schedule III of CGST Act, 2017 as he has title to the land and in case of developer it is supply of service. Department should bring proper provisions & rules in this regard.

Courtesy: www.taxguru.in

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Harmonising Bio-forces and Energy Balancing

By S.BS.Surendran

Everything in nature has shape and energy, the science of understanding the relationship between shape and energy is known as bio-geometry. Bio-geometry is a design language through which you can design anything, and use it in any activity in your life and in turn adapt shapes which bring balance into the energy fields and the immediate surroundings. It could be home or office or any space, the improper flow of energy influences the thought process and the quality of life and work of the individuals in that space. Hence aligning ourselves with supporting energy and countering neg-

ative zones is the key to a Vaastu or Feng Shui analysis of a space. Such alignments and fine-tuning could be a part of everyday auspicious sitting, town planning to domestic arrangements. Science of bio-geometry could be adapted while putting up a new building or adjusting existing building. It could begin with identifying a suitable site to orienting the building, allocating rooms, bed directions, positions and even décor to ensure that the structure is supporting the occupants. One way to deal with harmful earth energies is to avoid them: move your bed, desk, chair position or even move to another home. Alternately energy can be transformed or cured. Earth acu-

puncture (similar to human acupuncture) promotes the flow of blocked meridians and allows stagnancy and negativity to clear. Energy can be transformed or dispersed to become free-flowing and restoring the balance is a technique called "geo-mancing" – balancing the earth energies. Improper flow or imbalanced energies could cause various ill effects and some of the general observations could be like building structural problems, soil subsidence, and constant delays in completion of building works, muddle-headedness and sluggishness, lack of concentration, frequent accidents/breakages, illness irritation and arguments.

You could try to restore the imbalance partially by:-

- Placing healthy green plants, displaying fresh flowers, in the east sector of your living area.
- Have a wall décor in blue or green in the east sectors of your home, it could even be curtain drapes, paintings, artifacts.
- Display water fall or decours of blue and gold in north sector of the foyer, verandah or living room. Ensure wa-

- ter is clean and replenished periodically and emanate pleasant sound and not too harsh to the ears.
- Add a touch of red in the form of bright lights, curtains, sofa cushions in the south sector of living, dining or even bedroom but ensure that it is not overpowering.
 - Bring in shades of ochre, beige, pale brown, pink as décor or earthen ware in the southwest sectors which will enhance the flow of good energy and make the place vibrant, fresh and supportive to the occupants.
 - Adapting designs with proper dimensions and angles in creating pyramid designs on roof top of homes and even in gardens can enhance the positive energy fields in a premise and increase the comfort levels of the occupants.

A balanced setting empowered by your intentions and goals will attract and ease the flow of positive energy into many facets of our lives ushering in health, wealth and happiness.

Mr Surendran is an accredited master Feng Shui consultant and traditional Vaastu practitioner.