



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



Up in Foreign Capital Flow
The foreign capital flows in real estate jumped 3X times to USD24.0 billion compared to the preceding five-year period



FENG SHUI
What are the general guidelines to rejuvenate your work place?

Realty News

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Surge in Land Development Projects

The pandemic that has hit all sectors of economy over a period of two years has impacted new housing supply in the market in and around Chennai. As a result, residential market has not witnessed any noticeable price appreciation for apartments and due to limited new project launches, investors are left with a few choices for investment in real estate.

Leading developers on noticing limited demand for apartments have ventured into land development and in the process reaped rich dividends. The trend has picked up and more developers started venturing into land development options by providing additional amenities, giving innovative lifestyle in the community development projects and extending property management services. The influx of investors has given a virtual boost to the land developers to expand their existing operations as well launch new projects.

Recent launches by Puravankara on Vandalur-Kelambakkam road and DLF in Siruseri clearly illustrate the trend. DLF which launched at Rs 3,250 per sqft hiked the price for phase 3 at Rs 4,250 per sqft. It is not only confined to land development projects alone. With the input costs rising, new project launches have to factor in additional cost and homebuyers may have to shell out anywhere from 9 per cent and above for new projects.

According to Jayaraman, CEO of Propshell, the traction for apartment is slowing down. Investors in apartments



for rentals have to remain contend with declining returns due to lack of price appreciation, maintenance costs and overheads. On the other hand, plot maintenance does not require a higher maintenance cost. "Moreover, leading developers themselves undertake free maintenance for the initial period. Investors segment has entered in a big way in layout in CMDA areas where there are limited layout projects. There is yet another reason for the sudden shift in trend. Property developers are diversifying into land development as it provides quicker exit route and supplements working capital income in the interim," said Jayaraman.

On the flip side, there are smaller developers who have launched land develop-

ments which are partly remaining unsold for inadequate amenities and poor marketing efforts. Location, amenities, credibility in the market and after sales services play a key role in land development projects.

The rapidity with which land developers are able to realise their sales has given a virtual boost to the land developers in Chennai to continue to launch land development projects, said Ritesh of Propleaf and an APPCC member involved in the primary market. "A number of layout projects launched in the recent past drew overwhelming response from investors. The main reason is there are no new project launches or very limited launches and that too in locations that a majority of investors can ill afford to invest. Apartment projects did not evince

Land developers are in for bonanza with investors evincing keen interest to partake in the projects, reports V Nagarajan.

the desired price appreciation and people are shifting their investments. Moreover, recent launches took into account the demand size of 600 sqft into consideration while launching new projects," said Ritesh.

There are other factors that have supplemented real estate sector for a turnaround in the market scenario. The repo rate remained unchanged for the last ten consecutive bi-monthly monetary policies, thereby extending the benefit of lower interest rates to homebuyers. The expansion of IT sector, increase in salaries, low mortgage rates, affordability, and other positive variables, fueled real estate sector which has been hit in the past due to a combination of factors. Housing sector has shown resilience against pandemic in the midst of tough macro-economic environment.



Realty Data

CHENNAI RETAILING – MARKET STATISTICS

Prime Retail Rents – Main Streets	Rs per sqft pm
Nungambakkam high road	130
Khadar Nawaz Khan road	135
Cathedral road – Dr R K Salai	115
Usman road – South	100
Usman road – North	110
Adyar main road	140
Anna Nagar 2nd avenue	145
Purasawalkam high road	150
Pondy Bazaar	150
Velachery	100
Ambattur (MTH road)	95
Prime Retail Rents – Malls	
Chennai CBD	215
Chennai western	180
Chennai south	180

Source: Cushman & Wakefield

SIGNIFICANT LEASING TRANSACTIONS Q4 2021

Property	Location	Tenant	Area in sqft
Vivira mall	Navalur	Decathlon	10,000
Individual building	Alwarpet	Croma	12,000
Individual building	Gowriwakkam	Vasanth & Co	15,000

Source: Cushman & Wakefield



SIGNIFICANT PROJECTS UNDER CONSTRUCTION

Property	Location	Area in sqft	Completion
Chennai Airport MLCP	Meenambakkam	238,101	Q2 2022
Market of India	Perambur	5,400,000	Q2 2023

Source: Cushman & Wakefield

RESIDENTIAL PROPERTY PRICES AT SELECT LOCATIONS

Location	Apartment Price (Rs per sqft)
Manapakkam	6,000 – 6,800
Madambakkam	5,000
Pallavaram	3,600
Mogappair	6,000
Kilpauk	9,000
Padur	3,600
Perungudi	7,000
Pallikaranai	5,500
Perumbakkam	3,800
Sholinganallur	4,200 – 5,600
Teyanmpet	15,000
Tiruverkadu	5,500
ECR-OMR link road	6,700

Note: The above prices are indicative only and quoted during the Fairpro event by select developers. Prices may vary depending on the location, developer, specification and amenities offered in the project.



SIGNIFICANT INVESTMENT TRANSACTIONS – Q4 2021

Investor	Investee	Transaction type	City	Investment (Rs crore)
Brookfield India REIT	Seaview Developers	Office	Delhi NCR	3970
Brookfield Asset Management	Indis	Residential	Hyderabad	1000
Blackstone group	TARC	Industrial	Delhi NCR	2950
Varde Partners	Casagrand	Residential	Chennai	120
Walton Street Blacksoil	Paranjape group	Residential	Pune	105

Source: Cushman & Wakefield

SIGNIFICANT CORPORATE TRANSACTIONS – Q4 2021

Buyer	Buyer's sector	Transaction type	City	Investment (Rs crore)
Brookfield India REIT	Seaview Developers	Office	Delhi NCR	3970

Source: Cushman & Wakefield

CITYWISE ABSORPTION TRENDS

City	2019		2019	
	Total Units Sold	% Share of New Launch Absorption	Total Units Sold	% Share of New Launch Absorption
NCR	40,050	30%	46,920	22%
MMR	76,400	26%	80,870	23%
Bangalore	33,080	35%	50,450	27%
Pune	35,980	39%	40,790	34%
Hyderabad	25,410	55%	16,590	28%
Chennai	12,530	34%	11,820	28%
Kolkata	13,080	34%	13,930	23%
Total	2,36,530	34%	2,61,370	26%

Source: ANAROCK Research

Note: In Chennai, of 12,530 units sold in 2021, newly-launched units accounted for a 34% share - up from 28% of 11,820 units sold in 2019

REALTY INVESTMENT

Foreign capital flow Up at USD24 billion in realty

During 2017-21, the foreign capital flows in real estate jumped 3X times to USD24.0 billion compared to the preceding five-year period, as per Colliers report "Foreign investments in Indian real estate turn a corner" released in association with FICCI. Over the last five years, global investors have shown an increased inclination towards investment in Indian real estate buoyed by regulatory reforms introduced in 2016.

Foreign investors, who had previously refrained from investing in the Indian real estate market due to the lack of transparency, started investing in the country with greater optimism from 2017. The share of foreign investments in Indian real estate has grown to 82% during 2017-2021, compared to 37% in the preceding five-year period.

Piyush Gupta, Managing Director, Capital Markets and Investment Services, Colliers India, added, "We are witnessing a buoyancy in global capital inflows in India across asset classes, with office and industrial assets remaining the most preferred. The investors take a long-term view with significant exposure on development assets, reflecting confidence to take construction risks with credible Partners. The investors continue to invest with developers with proven expertise in respective business areas to build and acquire long-term sustainable assets. With residential sales continuing to do well across markets in India and available opportunities to grow for developers, more structured Capital is likely to flow into the sector".

Office Sector dominant post 2016; Industrial and Logistics leads in 2021

During 2017-21, the Office sector holds the frontline of foreign investments with 43% share in total foreign investments followed by mixed-use sector accounting for 18% share in total foreign investments. The investments in the Industrial and Logistics sector stand at position three surpassing the residential sector. Foreign investors remained cautious about the residential sector in the aftermath of the NBFC crisis and subdued residential sales. The share of residential assets in total foreign investments has reduced to 11% in 2017-2021, from 37% in a preceding five-year period.

Office sector grows 3X to USD10.3 bn in 2017-2021

Office sector saw a significant uptick in foreign capital flows post regulatory reforms in 2016, like enhanced transparency, robust demand for Grade A office space and exit avenues like REITs bolstered investments. Foreign investments in the office sector have consistently reached USD2.0 billion in each year since 2017 except in 2021, where the quantum of investments almost halved.

The Industrial and Logistics sector emerges as the top gainer in 2021

Momentum in Industrial and logistics assets in India has picked up only in the last five years driven by robust demand from E-commerce and

3PL firms for modern warehousing facilities. In 2021, Industrial and logistics assets emerged as the top choice for foreign institutional investors, garnering almost a third of foreign investments (USD1.1 bn) surpassing the office sector. Lack of ready Grade A industrial and logistics parks across tier I and II locations amid high demand scenario has pushed investors to create platforms for the development of modern warehousing facilities in these locations.

Alternative assets seeing strong investor interest

During 2017-21, alternative assets saw an inflow of about USD1 bn, with a majority of it coming during the pandemic years. Government policy for data localisation and infrastructure status received for data centres recently are likely to give a boost to the establishment of new data centres in the country.

Canada and USA dominant investors

The share of investments from the USA and Canada together has been more than 60% in foreign investments each of the years since 2017. Despite the challenges posed by the pandemic, the funds from USA and Canada continue to actively explore the industrial segment, apart from the office and mixed-use assets. Similarly, the majority of the investments from Asia are targeted towards the office and industrial and logistics sector.



Start-ups see Notable Leasing



India's startups are expected to lease about 29 million sq feet between 2022 to 2024, an estimated 1.3x increase from the 2019-2021 period, according to Colliers' joint report with CRE Matrix, 'Startups Scale Up'.

The demand will be led by fintech and logistics startups as they have gained momentum post pandemic due to increased digital adoption and e-commerce boom, and hold a healthy pipeline in potential unicorns list. Additionally, increased digital adoption, availability of a deep talent pool, favourable government policies and funding options from venture capitalists are steering growth of startups.

"Increased entrepreneurship and rapid growth of startups has been one of the most remarkable trends in Indian office space. Startups are the fastest growing occupier group among other occupier groups, and currently occupy 10% of the office space. This has created numerous opportunities for office space providers to rethink and reposition their workplace offerings to attract diverse set of occupiers. As startups pick up pace, landlords need to consider the business life cycle and work preferences of the startups to capture the real estate demand from

startups to drive more value," said Ramesh Nair, CEO, India & Managing Director, Market Development, Asia, Colliers.

"About 30 million sq ft office space in India is occupied by co-working or flex players. We believe a large share of this is occupied by start-ups. Therefore, anecdotally, start-ups currently occupy more than 49.7 million sq ft. Our internal forecasts peg the start-ups occupancy to be about 78 million sq ft of office space + 20-22 million sq ft in flex spaces by 2024, totalling to about 100 million sq ft by 2024. Within this start-ups segment, the Fintech niche aces all others as the leader in terms of number of start-ups, occupied office spaces and growth. We anticipate other sectors such as Ed-tech, Logistics, Healthtech, PropTech to catch-up soon," said, Abhishek Kiran Gupta, CEO & Co-founder, CRE Matrix.

Bengaluru top startup hub, followed by Delhi-NCR

Bengaluru remains the top startup hub with a 34% leasing share during 2019-21. Delhi-NCR is amongst the fastest-growing market in terms of leasing by startups. Delhi-NCR witnessed a three-fold increase in leasing by startups during

2021 on a YoY basis. Mumbai has seen certain pockets of startup activity over the years. However, relatively higher rentals, and high cost of living are often seen as deterrents by early-stage companies.

While metro cities remain the core hubs for startups, non metro cities are seeing growth in startup leasing as well as flex space take up due to low cost of living, reduced capex and work from anywhere trend. Emerging hubs such as Jaipur, Ahmedabad, Indore, Coimbatore are likely to witness rise in flex space and startup occupancy as entrepreneurs are increasingly leveraging these locations to launch operations.

Last three years have seen significant activity in leasing by startups. Continuing this momentum, startups are likely to occupy 78 million sq feet of office space by 2024, accounting for 13% share from a mere 2% share in 2010. As of 2021, while global companies continue to dominate Indian office space occupying more than 60%, growth of startups has been highest, currently occupying a sizeable share of 10%.

TAX PLANNING



The Supreme Court, in its judgement, upheld the legal validity of this section in its entirety and provided partial relief. The CBDT initially made it mandatory to link PAN with adhaar number till 30th September 2019 which was extended to 31st December 2019 which was again extended to 31st March 2020. The government has already extended the deadline thrice due to Covid-19 – first from March 31, 2020, to June 30, 2020, then to March 31, 2021 and then again to June 30, 2021. The date was extended to 30th September 2021 which had been extended to 31st March 2022. Recent amendments to the Income Tax Rules make it mandatory to link your Aadhaar to your PAN, as notified by Government of India. If they are not linked, PAN shall be deemed to have become inoperative, after 31st March 2022.

1. How to link Aadhaar with PAN: It is easy to link your Aadhaar with your PAN, by following any of the two steps below:

Advisory for Non Residents

There is a need to get the profile status updated on the Income tax Portal/ NSDL to prevent the PAN from becoming inoperative.



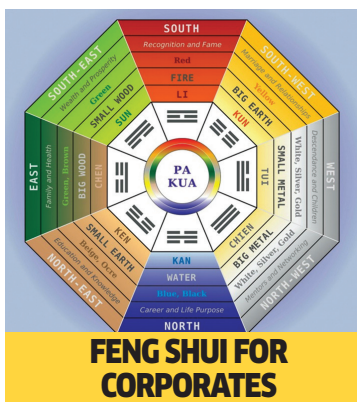
1. On the new Income Tax Portal, there is a "Link Aadhaar" facility (<https://eportal.incometax.gov.in/iec/fooservices/#/pre-login/bl-link-aadhaar>). Please keep your mobile phone handy to receive and submit the OTP [One-Time Password] during the process. (OR)
2. Send a SMS to 567678 or 56161 from your registered mobile number in the following for-

mat: UIDPAN[SPACE][12-digit Aadhaar][SPACE][10-digit PAN]. Example: UIDPAN 123456789012 ABCDE1234F 2. Consequence of Non linking of Pan with adhaar: Report this ad If you do not link your Aadhaar with your PAN, on or before 31st March 2022, a higher tax may be deducted at source on your income distribution or capital withdrawals. Future transactions, both financial and non-financial, may also be restricted effective 01st April 2022. 3. NRIs to update their status If you are not required to comply with linking of your PAN with Aadhaar by virtue of being an NRI, you may please have the status updated with Income Tax / NSDL suitably, on or before 31st March 2022. 4. Steps for NRIs to check and update their status

the application form for allotment of permanent account number; (ii) in the return of income: Provided that where the person does not possess the Aadhaar Number, the Enrolment ID of Aadhaar application form issued to him at the time of enrolment shall be quoted in the application for PAN or, as the case may be, in the return of income furnished by him. (2) Every person who has been allotted PAN as on the 1st day of July, 2017, and who is eligible to obtain Aadhaar number, shall intimate his Aadhaar number to such authority in such form and manner as may be prescribed, on or before a date to be notified by the Central Government in the Official Gazette: Provided that in case of failure to intimate the Aadhaar number, the PAN allotted to the person shall be [made inoperative after the date so notified in such manner as may be prescribed]. (3) The provisions of this section shall not apply to such person or class or classes of persons or any State or part of any State, as may be notified by the Central Government in this behalf, in the Official Gazette.

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Rejuvenating Place of Dwelling

The process of controlling the movement of 'Chi' was conceived during the emperor days. When 'Chi' moves too quickly, it invites natural disasters like precipitous slopes that threaten avalanches in the winter or raging of rivers that overflow their banks in spring. Energy known as "Chi" in Feng shui enters structures in a variety of ways. It can seep in through cracks or vents, it can rush in through large windows, and it can be generated within a room by electric lights, a fireplace or even merely an argument with tempers running high. The surroundings and the environment have a great impact on our well being and frame of mind. Some places we visit make us feel restless and an urge to move away, yet some places have a feel of tranquillity and calmness making you remain there for a time more than you would have envisaged. The environment we are living in can improve our well being by generating a good flow of energy in our homes and offices. The best way to achieve this is by arranging the five elements around

us to where they belong. The general recommendations for a house to sustain the good energy and enhance the luck are to re-charge or re-energise the space either by simply moving the furniture around, re-painting and re-furnishing or replacing the main door. For those who cannot follow any of these can still move out the stagnating energy by cleaning the space and moving the furniture. The process of recharging the place to activate the energy and push away stagnation is very much part of the oriental system which is often referred to as "spring clean" or in other words "annual cleaning". This not only ensures systematic clearing of clutter but through Feng shui analysis one can also ascertain the direction which could have bad energy sources for the year and accordingly take precautions to counter them. The process of annual cleansing ensures that afflictions created unknowingly over a year can be countered and the Chinese zodiac afflictions which affect the individuals based on their per-



sonal date of birth is also mitigated and in turn brings in positive energy and a new feel to the environment through subtle changes and empowers specific aspirations for the year. Say you wish to improve your career luck then placing a painting of fishes or even furniture which is blue in color towards the North sector of your living room would aid.

The general guidelines for re-charging your place are:-

- Keep the foyer and the area just inside your main door well lit, clean and fresh without furniture or obstacles in line with the main door.

- Place fresh flowers in a large urn of water close to the main door.
- Floral decorations with yellow flowers in the living room bring in fresh feel.
- Place green and healthy plants in the East and the Southeast sectors of your living room to enhance wealth luck.
- Replace wall drapes and curtains and re-align the furniture and ensure that the under surface of the beds and furniture are cleaned.

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

What are the general guidelines to rejuvenate your work place?
SBS Surendran offers a few tips.