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GETTING SMARTER ABOUT INDIA'S SMART CITY MISSION

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PREVIEW

September marks the beginning of the festive season when the real estate market becomes flooded with surfeit discount schemes to woo those buyers who have been waiting long, for prices to drop. History however tells us that festive seasons are hardly able to revive market sentiments- at least according to data collected over the past 3 years. Yet, developers are hoping to turn around their fortunes, by riding on the growing confidence among buyers, following the successful implementation of RERA, GST and several other initiatives announced by the Government of India to boost affordable housing. Festival or no festival, since real estate markets across the country have been undergoing price corrections, the demand for housing will be sustained by end-users, if not investors.

A lot hinges on the success of this festive season for the future course of Indian real estate. If ever, there was a greater need of a successful auspicious period for real estate, it is this year. If it isn't the case, we are in for a long haul. Hopefully, the industry will make amends and emerges with positive indicators.

Further, disturbance caused from unprecedented rains & recent stampede incident at Prabhadevi Railway Station in Mumbai have once again, put a burning issue of crumbling urban infrastructure in our big cities to the fore. Repeated incidents of water logging, traffic snarls, building/flyovers collapsing across big cities, also highlights apathy or dis-connect between various implementing agencies to take prompt actions. It's not the lack of funds always.

Government's ambitious "Smart City Mission" or SCM, provides a meaningful answer to the urban infrastructure woes. The Mission aims at developing 100 'Smart Cities' that will provide core infrastructure, a decent quality of life to its citizens, clean and sustainable environment and application of smart solutions. While intentions are right, execution of SCM has its own share of gaps, risks and challenges. A pertinent question that begs an answer is that "Why not start with existing cities i.e. our big cities, than to focus on tier-II & tier-III towns. Ironically, India's most crowded cities like Mumbai & Kolkata doesn't find mention in "Smart Cities" list. Amongst the other tier-I cities, Bengaluru, Chennai, Pune and Thane find a place in Smart City list. There are serious challenges in attracting private or external funding for SCM

Besides, During September, there have been key developments including central govt announcing new PPP policy for private investments in affordable housing, Maharashtra govt announcing redevelopment policy for tenanted buildings in Mumbai, SEBI easing fundraising norms for REITs, InvITs and time-lines extended for CLSS-MIG Scheme amongst others.

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NEWS OF THE MONTH

Getting Smarter about India's Smart City Mission

India is rising. People across each city, each district, each state are reinventing themselves with bourgeoning aspirations for higher consumption, income & living standards. As the process goes on, big cities tend to take centre stage due to higher employment generation potential. In that manner, globally, the rise of cities has often been construed as an indicator of development and progress for a country and India is no different.

Yet, India is known as a 'reluctant urbaniser' for a reason. Our ruling class romanticised the notion that the "soul of India lives in its villages" for far too long. The excessive obsession with villages in our policies led to the decay of many potential towns over time, and eventually resulted in mass migration of population towards metros. Presently, India has 377 million urban dwellers and by 2050, 814 million people will be in cities (Source: MoUD). A McKinsey Global Institute report says the country will need 25 new townships or urban areas two-and-a-half times that of America to contain that population.

As a result, our mega cities are today, overcrowded and unmanageable due to the rising migrant workforce. There is an immense pressure on common resources such as water, power, sewage collection and treatment, transport systems amongst others and it is no rocket science to judge that most of our cities are crumbling to the mounting pressure.

Smart Cities: The Govt. answer to Urbanisation Threat:

Then, the govt has come up with a new business model for urbanisation: "Smart City Mission" or SCM. Initially, budget speech of 2014 stated the objective of creating "satellite cities" and "modernising the existing mid-sized cities". In 2015, the draft smart city notice said that the aim was to create 'compact areas' within already existing cities so that other cities could create a replicable model. Later in 2015, the mission of developing '100' smart cities that will provide core infrastructure, a decent quality of life to its citizens, clean and sustainable environment and application of smart solutions, was launched.

To date, a total of 90 cities, spread across 32 states & UTs have been announced to be developed as "Smart Cities". This has been done in 4 tranches starting January, 2016, when the first lot of 20 cities was announced. In the latest round in June, 2017, 30 cities have been included with an estimated investment of Rs 57,393 Crore. Grossly, the total investment approved under the smart city plans of 90 cities stands at Rs 1,89,256 Crore. In terms of geographies, Tamil Nadu leads the way with 10 winning proposals, followed by Maharashtra (8) Madhya Pradesh & Karnataka (Both 7) and Gujarat (6).

Under the SCM, states which qualify for the initiative are allocated funds for projects to develop "inclusive and sustainable development" to provide 'smart' solutions for a better standard of living. In the words of central govt: "Cities which have smart (intelligent) physical, social, institutional and economic infrastructure which ensure centrality of citizens in a sustainable environment". To qualify, local governments are expected to consult with citizens and come up with proposals to make their city smart. The central government will then select the hundred cities: based on past record and future potential, to receive recognition and resources for their plans.

Progress on Smart Cities

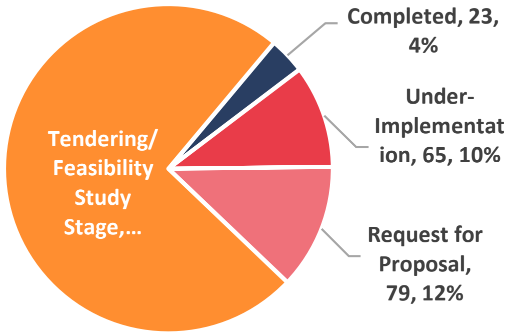
According to Ministry of Urban Development, the total investment approved under the smart city plans of 90 cities stands at Rs 1,89,256 Crore. However, on progress, data is available for only 60 cities. As on March, 2017, a total of Rs 5,961.7 Crore has been released to the cities under SCM during financial year 2015-16 and 2016-17, against an approved funds of Rs 25,935 Crore for 642 projects. At city level, implementation is to be done by a SPV company, formed by state government and Urban Local Bodies (ULBs). After forming the SPV, Project Management Consultants (PMCs) have to be procured by SPVs to convert the SCPs into projects.

Presently, out of 90 Smart Cities, 60 cities have incorporated city-level SPVs for implementation of the mission. For designing, developing, managing and implementing the SCPs, PMCs have been set up in 23 cities. Request for proposals (RFPs) for appointment of PMCs have also been floated in other 22 cites. Regular reviews are undertaken at the State and Central level to monitor the progress of the Mission. (Figures as on March, 2017)

Smart Cities: Key Stats on Progress

Total Costs of Projects Approved	Rs 189,256 Crore
Total Area Based Development (ABD) Cost	Rs 152,600 Crore (81%)
City-level SPVs	60 Cities (Out of 90)
No of Projects Approved*	642 (In 20 Round-1 Cities)
Funds Approved*	Rs 25,935 Crore
Funds Released*	Rs 5,961.7 Crore

*As on March, 2017 Source: MoUD



So far, 20 cities have identified 642 projects amounting to Rs 25,935.02 Crore. Out of this, 23 projects (worth Rs 304.97 Crore) have been completed, works in 65 projects (worth Rs 2,736.90 Crore) have started, request for proposals for 79 projects (worth Rs 6,351.39 Crore) have been issued and remaining 475 projects (worth Rs. 16,541.76 Crore) are at pre-tendering stage or feasibility study stage.

What is interesting here, is the implementation approach. E81% of the proposed central government investment in its flagship Smart City mission will flow to well-developed pockets that account for only 2.7 % of the cumulative area of cities identified under the initiative. ABD refers to pockets in the selected cities that will be made 'smart' with a combination of IT and infrastructure projects such as Wi-Fi hotspots, sensor-based public lighting, redesign of streets, zones promoting start-ups and multi-modal transit points.

Looking at the slow progress of SCM, in a review meeting held last month, Centre has proposed to set up a review mechanism in place for all the projects approved. Centre has also directed all chief secretaries of states to look over the progress of the venture.

Impact: Real Estate Perspective

Smart cities are expected to be a key growth catalysts in improving the quality of life and give a major fillip to the real estate in urban locations. Expansion of physical as well as ICT infrastructure will result in expansion of urban centres and generate more employment opportunities. The office space market is expected to be a direct beneficiary of improved infrastructure and connectivity promised by the Smart Cities initiative. Moreover, the development of smart cities will also push the demand for other asset classes such as hotels, service apartments and retail malls.

Besides expanding of urban centres, creation of new smart cities across Tier-II & Tier-III town structures a long term solution to a fundamental problem in India's real estate. A steady Infrastructure development in smaller town will enable 'land monetisation', leading to a robust appreciation in land prices over a medium to long run. Further, with many Economic or industrial corridors planned alongside SCM mainly, Delhi-Mumbai industrial Corridor, Amritsar-Delhi-Kolkata Corridor, Vizag-Chennai Corridor, Chennai-Bengaluru Corridor, Mumbai-Bengaluru economic corridor amongst others, will provide fillip to employment opportunities in the cities, which will help real estate activities in both commercial & residential segments

Robust real estate activities in tier-II & III cities will result in expansion of Indian real estate landscape. Due to higher land availability, higher job creation centres and developed infrastructure, pressure on existing big cities will ease out as developers would find themselves comfortable expanding into these smaller town. Low pressure on big cities will check the land prices there, which is expected to bring down the prices. This would also check the rate of urbanisation in the process.

Already, due to prospects of having better infrastructure, In its 3-year action agenda documents, Niti Aayog has directed respective state government as well as the housing and urban affairs ministry to take up a time bound review of the FSI norms in all the 53 cities with a population of over one million each and examine the extent to which it could be enhanced.

Flipside: Flaws, Risks & Challenges

But scratch the surface, and a different picture emerges. As mentioned earlier, our big cities are over-crowded and is witnessing crumbling infrastructure and there is an urgent need to address infrastructure deficiencies in existing cities, than to develop new cities. Ironically, Cities big real estate markets like Mumbai, Gurugram, Kolkata, Noida and Hyderabad have not been included in SCM, while infrastructure in these cities are crumbling.

Though, there is no definition of 'Smart City' is given, it is imperative that the project should look to upgrade the infrastructure in existing cities to enable better governance. Creating new cities with use of digital technology isn't the only solution. Besides, it's also about eradicating the administrative structural inadequacies at the top of the existing urban deficiencies to ensure timely execution of urban infrastructure projects.

Mumbai provides a classical case study, why Infrastructure up-gradation in existing big cities should be priority, instead of creating new cities. Maharashtra accounts for 40% of the country's direct taxes; within it Mumbai accounts for the lion's share. Yet the city has pathetic state of infrastructure. Consider the following:

• In September, 2017, a stampede broke out at the sub-urban Prabhadevi railway station, claiming 23 lives and living 39 others injured. Prima facia, the stairway leading out of the station was far too narrow to handle the thousands of passengers who used the station every single day

• Mumbai's train system, according to a 2010 estimate by the World Bank, suffers from some of the most severe overcrowding in the world, carrying 4,500 passengers in trains with a rated capacity of just 1,700. Between January and August 2017 - Mumbai trains have seen over 2,000 deaths - more lives than any other form of accidents, natural catastrophe or terrorist attacks put together.

• In September, Mumbai received second heaviest September rain in over a century. It resulted into severe flooding, paralysing public transport and leaving thousands of commuters stranded in their offices overnight. Poor visibility and flooding also forced airport authorities to divert some flights while most were delayed by up to an hour. Floods in 2005 killed more than 500 people in the city. The majority of deaths occurred in shanty town slums, home to more than half of Mumbai's population

• In August, A 5 storey residential building in Bhendi Bazaar area of south Mumbai collapsed, killing 20 lives. Building was more than 100 year old. Earlier in July, a building in suburban Ghatkopar area collapsed, which left 17 people dead

Chennai

• Chennai had a series of five "extreme precipitation events", in scientific parlance in 2015 that saw a financial loss of more than Rs 15,000 Crore. The city is yet to recover from the mass loss of infrastructure during floods and is now no longer a robust real estate market. Chennai's key IT Corridor in OMR is still in slowdown ever since those floods

Bengaluru

• As per a recent Indian Institute of Science (IISc), Bengaluru is fast losing its green cover to accommodate unplanned construction and by 2020 the city will be uninhabitable by 2020. By that time, Bengaluru is expected to have a green cover of only 6.46% from the 63% green cover in 1973. The city, already facing scarcity of water, is hugely dependent on ground water which as per the study, is receding at a fast pace. The water table has declined to 300m from 28m, and 400 m to 500m in a highly urbanized area such as Whitefield.

Likewise several other big Indian cities including Kolkata, Ahmedabad, Hyderabad, Gurugram amongst others battles with day to day civic infrastructure problems. These are cities that provides homes/employment to lakhs, but still lacks basic amenities required as per global livabilty index. While cities like Thane, Chennai, Bengaluru and Pune are included in SCM, exclusion of cities like Mumbai, Hyderabad, Gurugram etc. needs reconsideration, whatever may be the reason for exclusion

Secondly, one of the key reason for the slow pace of implementation of SCM has been the bureaucratic processes of investment and approvals. Difficulties have led to the retraction of several agreements by private investors. At the city level, some local authorities are refusing to implement the vision, on the basis that it gives India's central government increased powers over urban development, which were constitutionally reserved for local authorities.

More importantly, it is at the grassroots where the smart city vision has been really challenged. After nationwide protests and petitions, in August 2015, the government was forced to withdraw proposals to relax land acquisition laws, which sought to remove embedded consultation and compensation clauses. Further, In Dholera, Rajarhat, Amravati, Haolenphai and several other new smart cities, farmers, tribe's people and indigenous groups are resisting their exclusion from India's smart city makeover. They are campaigning for their constitutional rights to land, livelihoods and local cultures. Their struggles are proof that India's experiments with smart urban futures is contested, and will continue to evolve

Financing

As per the govt, guideline document, The Smart City Mission will be operated as a Centrally Sponsored Scheme (CSS) with a financial assistance of over Rs. 48,000 Crores over 5 years i.e. on an average Rs. 100 Crore per city per year. An equal amount, on a matching basis, will have to be contributed by the State/ULB. Rest will be raised by ULBs through following means:

Means through which SPVs can raise funds:

User Charges/Fees	• Own resources from collection of user fees, beneficiary charges and impact fees, land monetization etc.
Funds under other Govt. schemes	• Additional resources transferred due to acceptance of the recommendations of the Fourteenth Finance Commission (FFC) • Funds allocated under Swachh Bharat Mission, AMRUT, National Heritage City Development and Augmentation Yojana (HRIDAY) • Funds from The National Investment and Infrastructure Fund (NIIF) – a Rs 40,000 Crore fund set up in December 2015, to provide long term capital for infrastructure projects
Leverage Borrowings	• Funds through issuance of municipal bonds with credit rating of ULBs, Pooled Finance Mechanism, Tax Increment Financing (TIF) • Leverage borrowings from financial institutions, including bilateral and multilateral institutions, both domestic and external sources.
Private Sector	• Private sector through PPPs

Source: SCM Guidelines, MoUD

Central govt, themselves acknowledge the fact that government funding would remain insufficient to fund entirely SCM and SPVs will have to raise a substantial funds on their own to achieve financial closure. According to Deloitte, the 100 smart cities mission will require an investment of over $150 billion over the next few years with private sector contributing $120 billion. In other words, only one-fifth of the total investments in smart cities will come from the government. The rest of the money should come from the private sector. So, who will put the money on the table?

Till now, even the govt. has not been able to release sufficient funds. To initiate things, none of the 20 cities in phase-I received any funding from the Centre till February, 2016. Till date, a total of Rs 5,961.7 Crore have been released (As on March, 2017), as against total project approved worth Rs 1, 89,256 Crore.

But, how will the SPVs raise funds is a bigger concern? Consider the following:

User Charges/Fee: Historically, revenue from supplying water, gas and power is much less than the cost incurred in providing these services. Their ratio of revenue to cost is less than one, at times as low as 0.25 (for water supply). According to a MoUD document, the ratio of revenue to cost is greater than one only for telecom services. Therefore, user charges are not a viable source of funding.

External Funding (Including FDI): Despite PM's many foreign visits and laying the red carpet for foreign investors, NO investment has come from foreign investors for SCM. Only 2 MoU have been signed till date. The US Trade and Development Agency (USTDA) inked an MoU for Vishakhapatnam, Allahabad and Ajmer, and the French Agency for Development signed a pact to assist Nagpur, Chandigarh and Oulgaret.

Domestic Institutions (Bonds etc.)/PPP: Historically, raising money from bond issuances hasn't been easy and not much money has been raised. It will be a test whether these SPVs will be able to leverage the grants given by central and state governments and raise money in the debt market. Likewise, PPPs success stories in urban infrastructure are rare mainly because of gradual pace or at times inadequate cost recovery and associated political sensitivity. When you talk about urban infra projects, recovery is generally not immediate. SPVs should find out alternate ways of revenue generation. Can private sector investor get returns to his investments? Nobody will come for charity.

In cases where the ULBs have managed to generate funds, allocation has not been equitable among different sectors. Considering the basic problems of water logging, floods, traffic snarls, power outages, water supply amongst others, the greater emphasis should have been on creating the physical infrastructure, yet, more funds are being allocated for "Smart" part of the city plans. Yes the smart part would generate more funds for states in the foam of charges/fees, but its costs overrides the basic cost of living, which needs to be addressed to make it affordable for a smart city concept to be meaningful. Also, for a higher living standards, people require better power, water, traffic management, BRTS, sewage, drainage, waste management first, than modern art centre, open air smart gym, multi-model hub etc. The states needs to get this right as soon as possible to address the core issue of SCM.

Conclusion

There aren't two thoughts on the potential of SCM. It is an idea that deserves strong attention as much of its success will lie in the execution. But, there are underlined flaws & risks –none bigger than achieving financial closure for such a large scaled initiatives. Progress have been slow to date, highlights the greater need of political harmony and inter-partnership amongst all stakeholders including private players. It's not going to be easy, but then it's a matter of finding answers to India's urbanisation threat and achieving higher living standards for citizens through developed infrastructure without corresponding increase in cost of living.

It's a daunting tasks today but once put together, it can have a telling effect in the years to come. It is often like that, the significance of an event is felt much later.

SECTOR/REGULATORY/POLICY UPDATE

Government announces new PPP policy for private investments in affordable housing

Taking its efforts to achieve 'Housing for All by 2022' further, the central government has announced a new PPP policy for affordable housing that allows extending central assistance of up to Rs 2.50 lakh per each house to be built by private builders even on private lands. Under the new policy, 8 innovative PPP models have been suggested for private sector to invest in affordable housing segment. It includes 6 models that provides incentives while using government lands and 2 new models on developing affordable housing on private land.

The 8 PPP Models: Explained in detail:

Using Government Land:

• **Design Build, Transfer (DBT) Model:** Private developers to design and build houses built on government lands and then transfer them to public authorities. Government land is to be allocated based on the least cost of construction. Payments to builders will be made by the public authority based on progress of project as per agreed upon milestones and buyers will pay to the Government.

• **Mixed Development Cross:** Government land to be allotted based on number of affordable houses to be built on the plot offered to private builders, cross subsidizing this segment from revenues from high-end house building or commercial development.

• **Annuity Based Subsidized Housing:** Builders will invest against deferred annuity payments by the Government. Land allocation to builders is based on unit cost of construction

• **Annuity-cum-capital Grant Based Affordable Housing:** Besides annuity payments, builders could be paid a share of project cost as upfront payment.

• **Direct Relationship Ownership Housing:** As against government mediated payments to builders and transfer of houses to beneficiaries in the above 4 models, under this option, promoters will directly deal with buyers and recover costs. Allocation of public land is based on unit cost of construction

• **Direct Relationship Rental Housing:** Recovery of the costs by builders is through rental incomes from the houses built on government lands

On Private Land

• **Assistance with Bank loan:** Extending central assistance of about Rs 2.50 Lakh per each house as interest subsidy on bank loans as upfront payment under the CLSS component of PMAY (Urban).

• **Assistance without Bank loan:** Under the second option, central assistance of Rs 1.50 Lakh per each house to be built on private lands would be provided, in case the beneficiaries do not intend to take bank loans.

Besides the above, view would soon be taken on allowing urban housing projects in peripheral villages and talks are going on this regard with the Ministry of Rural Development. Online mechanism for time bound approvals for building plans and construction permits has already been introduced in Mumbai and Delhi and the same would happen soon in additional 53 cities with population of above one million each, he said. He also added that the government is ready with Model Tenancy Act and National Rental Housing Policy.

Centre sanctions Rs 1,594 Crore for housing scheme in Telangana

The Central Government has sanctioned an amount of Rs. 1594.57 Crores for construction of 1,06,305 new houses in Telangana State. The Government of Telangana has designated MEPMA (Mission for Elimination of Poverty in Municipal Areas) as State

Level Nodal agency for implementation of PMAY under Housing for All Mission for providing houses to all eligible urban poor families in Telangana State. Earlier, the Government of India has sanctioned 80,481 Houses in Telangana state and tied up with 2 BHK Program (2 Bed room Houses) launched by Government of Telangana. The Government of Telangana through MEPMA have submitted the proposals for sanction of 1,06,305 New Houses in addition to the earlier sanction.

Odisha completes 12.76 lakh houses under rural housing schemes

The state government has so far completed construction of over 12.76 lakh houses under various rural housing schemes including Biju Pucca Ghar Yojana (BPGY), Pradhan Mantri Awas Yojana (PMAY), India Awas Yojana (IAY) and Nirman Shramik Pucca Ghar Yojana (NSPGY). Over 1.42 lakh rural houses were constructed so far in the current financial year alone. Of this, as many as 94,695 houses under PMAY, 22,730 houses completed under BPGY, 5,430 units under BPGY (mining), 991 houses under NSPGY and 19,056 under IAY. Broadly, the state government sets a target to complete around 6.5 lakh houses during the year 2017-18 under various scheme

Timelines for CLSS -MIG scheme extended

Introduced on 31 December 2016, the CLSS under PMAY for MIG households, middle income beneficiaries with annual household income between Rs 6 Lakh and Rs 12 Lakh (categorised as MIG-I) would get an interest subsidy of 4.00% on a 20-year loan component of up to Rs 9 Lakh. Those with annual household incomes of more than Rs12 lakh and up to Rs18 lakh (categorised as MIG II) would get interest subsidy of 3.00% on a 20-year loan component of up to Rs12 lakh. Additional loans beyond the specified limit, if any, will be at the non-subsidized rates

As many as 54,000 homebuyers have so far availed the interest subsidy under CLSS. Of these, about 2,300 are from the middle income group (MIG),

On 22 September, for the PMAY, central government extended the benefit of interest subsidy on home loans for households who fall in the MIG. This will benefit households with annual incomes between Rs 6 lakh and Rs 18 lakh. This interest subsidy scheme was to close at the end of December 2017, but it has now it has been extended for another 15 months -till March 2019.

For this scheme, the annual family income will comprise of incomes earned by husband, wife, unmarried sons and/or unmarried daughters. Also, the scheme is applicable only to those families where none of the family members own a pucca house (an all-weather dwelling unit) in their name in any part of India. CLSS for MIG I is available for acquiring or constructing a house (including re-purchase) with carpet area of up to 90 square meters. For MIG II this limit is 110 square meters. The house must have basic civic infrastructure such as water, sanitation, sewerage, and access to road and electricity.

SEBI eases fundraising norms for REITs, InvITs

SEBI has amended norms governing real estate investments trusts (REITs) and infrastructure investment trusts (InvITs), allowing them to raise funds through debt securities and also permitting single-asset REITs in a bid to boost the financial instruments. REITs and InvITs listed on national stock exchanges will also be allowed to issue debt via debt securities. SEBI has also allowed REITs with a single asset. As per the current norms, REITs were required to have at least 2 projects under them. The norms for REITs and InvITs, notified in September 2014, have been tweaked at least four times since then. But issuances have been lacklustre due to restrictive regulations. Over the past 3 years, only two InvITs have listed on the stock exchanges—IRB InvIT Fund and Indiagrid Trust.

Government to sell its properties leased to Air India

The government has decided to sell some of Air India’s real estate directly to expedite the state-owned carrier’s divestment. This follows the discovery that some of the assets are not owned by the carrier but on a 99 year lease from the government. Two such properties in Delhi owned by the urban development ministry have already been identified as 4-acre land on Baba Kharak Singh Marg near Connaught Place and the other is the residential colony in Vasant Vihar. The plan for the Vasant Vihar residential colony is to hand it over to NBCC Ltd, which will redevelop it. The plan for the land near Connaught Place has not been decided yet.

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INFRASTRUCTURE UPDATE

South Korea set to invest in Rs 45,000 Crore Mumbai-Nagpur Expressway project

> The 706-km expressway would be a greenfield project for which land acquisition has already started. It would reduce the travel time from Mumbai to Nagpur from the current 10-12 hours to 6 hours. The plan is to develop 24 industrial townships alongside the expressway in a phased manner

In a major development, South Korea has evinced interest in investing in some big-ticket infrastructure projects in India and the Mumbai-Nagpur Expressway tops the priority list. Seoul, South Korea's capital has already prepared a proposal for the Rs 45,000 Crore project and submitted it to the Government of India. Maharashtra chief minister now, will travel to South Korea by early October to finalise the partnership. The Maharashtra State Road Development Corporation is planning to raise Rs 30,000 Crore from loans for the expressway project while the rest of the expenditure would be met by various state agencies. The state government has set an ambitious target of completing it in 2 years

ADB plans to raise annual lending to India to $4 billion

Multi-lateral funding agency ADB is planning to raise annual lending to India to a maximum of $4 billion per year during 2018-22 to accelerate inclusive economic transformation, planned by central government. The proposal was endorsed at new ADB Country Partnership Strategy (CPS) and will entail a substantial increase from an average of $2.65 billion a year in loans extended during 2012-2016. Intended investment will focus on boosting economic competitiveness to create more and well paid jobs, improved access to infrastructure and services, and addressing climate change and improving climate resilience over said 5 years. Financing will also go for public sector management, agriculture, natural resources and rural development as well as skills development and urban health.

Airports Authority of India plans integrated passenger terminal building at airports in tier-II cities

Aiming to improve and develop airport infrastructure to meet growing traffic demands, the AAI will undertake new development works at Lucknow, Deoghar, Rajkot and Allahabad airports. AAI plans to construct new integrated passenger terminal building at Chaudhary Charan Singh International Airport, Lucknow, at an estimated cost of Rs 1,230 Crore. At Deoghar in Jharkhand, AAI will develop the airport to facilitate joint use for civil operation up to Airbus-320 and DRDO operation up to C-130 type of aircraft. In Allahabad, a new civil enclave will be developed by AAI at an estimated cost of Rs 125.76 Crore and will be made operational before the 'Ardh Kumbh Mela' to be held in January 2019. AAI will also take up the work of development of greenfield airport at Hirasar, Rajkot in Gujarat on Build, Operate and Maintain basis.

Govt mulls Rs 10 trillion public financing for infrastructure projects

> India needs funds for its ambitious plans such as Sagarmala (ports) and Bharatmala (roads) to improve its transport infrastructure. For both the programmes, the govt has planned an investment of Rs 8 trillion and Rs 10 trillion respectively by 2035

With bank credit drying up for large infrastructure projects, Central government is now looking at retirees and provident fund beneficiaries to raise a whooping Rs 10 trillion to fund infrastructure projects which involves building of roads, railways, waterways and airports. The plan aims to raise money in tranches of Rs 10,000 Crore by selling 10-year bonds at a coupon of 7.25-7.75%. Each tranche will be meant for a specific project. India plans to invest as much as Rs 3.96 trillion in the current financial year to bankroll its new integrated infrastructure programme

The total road length to be developed as expressways under Bharatmala will be around 51,000km; the Sagarmala programme envisages construction of new ports to harness the country's 7,517km coastline and setting up as many as 142 cargo terminals at major ports.

However, the scheme was still at a conceptual stage and has not been discussed with the finance ministry.

Centre to fund Uttar Pradesh's Purvanchal Expressway

The central government is ready to completely fund the, Rs 30,000 Crore Purvanchal Expressway aimed at providing road connectivity to eastern Uttar Pradesh. The ambitious road project will be 350km long, six-lane and would require 4,478 hectares of land across 411 villages and will span 9 districts—Lucknow, Barabanki, Amethi, Sultanpur, Faizabad, Ambedkar Nagar, Azamgarh, Mau and Ghazipur.

The project is also an attempt to woo industries and is expected to play a significant role on the economic landscape of UP, the 3rd largest state economy in India that contributes 8.4% to the country's gross domestic product (GDP). Industrial townships are being planned along the expressway to provide jobs for the youth and market access for farmers.

Indian Railway to re-develop 10 railway stations with NBCC aid

Rail Land Development Authority (RLDA) has signed a MoU with state owned NBCC for re-development of 10 railway stations across the country at par with international standards. Stations taken up for this pilot project includes: Tirupati, Sarai Rohilla (Delhi), Nellore, Puducherry, Madgao, Lucknow, Gomtinagar, Kota, Thane (New) and Ernakulam. RLDA and NBCC shall form a SPV in the form of a JV company to execute the station redevelopment project. The JV shall redevelop the stations on a self-financing model. These stations would be developed as smart railway stations.

This is only a pilot project to begin with and more stations would be given to NBCC in subsequent phases. Broadly, the Railways has embarked on this ambitious project to redevelop 403 stations on PPP mode with the participation of private players, public sector and with the assistance of foreign funding.

REGIONAL

DELHI NCR

Push for vertical buildings to boost IT sector in Gurugram

As a part of newly launched IT/ITeS policy, the state government of Haryana is likely to increase the FAR to 500 from exiting 250 for the IT sector, providing a much-needed impetus to the industry. The government has taken the step, keeping the high real estate costs in the suburb. The government had increased the FAR last year too, from 175 to 250. But, the increasing real estate prices offset the advantage. Besides to cope up with proposed increase in infrastructure, the state govt is already working to ensure that infrastructure is also expanded at the same rate as FAR.

Licence for group housing, commercial projects only via auction: Haryana Government

> With the advent of new policy, all the 140 pending applications for group housing colonies in Gurugram, Sohna, Faridabad, Sonepat, Panipat, Pinjore and Panchkula and 68 pending applications for commercial colonies in Gurugram and Panchkula shall be returned along with scrutiny fee and all other fees deposited with these applications

In a welcome move, The Haryana government has decided to discard the "first come first serve" policy and instead use auction as the only mode for grant of licences for group housing and commercial colonies. The govt. will also restrict the grant of such licences only in those areas for which final development plan stands published. For the purpose, the date of publication of Final Development Plan shall be the effective date for acceptance and consideration of licence applications.

The Department of Town and Country Planning had earlier been granting the licences for developing commercial colonies and residential group housing colonies respectively in 3.5 per cent and 20 per cent of the net planned area of every residential sector under the Haryana Development and Regulation of Urban Areas Act, 1975 and Rules thereof on "First Come First Serve" basis

Yamuna authority seeks Rs 3,000 Crore loan for Jewar airport project

The Yamuna Expressway Industrial Development Authority (YEIDA), the nodal agency for the Noida international airport project in Jewar, along the 165km Yamuna Expressway, has started the process of arranging funds for the ambitious project. To begin with, the authority has decided to arrange Rs 3,000 Crore from the Central government agencies - national capital region planning board (NCRPB) and the Housing and Urban Development Corporation Limited (HUDCO).

YEIDA has also started the process of selecting a consultant to prepare a techno-feasibility report. The techno-feasibility report comprises a survey of land, impact on ecology and technical issues related to the project. YEIDA hope to finalise the agency in the next one month so that work can begin on the ground.

200 housing projects face audit by Uttar Pradesh government

As per a recent directive, the Uttar Pradesh government, has asked the 3 authorities - Noida, Greater Noida and Yamuna Expressway, to draw up an audit plan for as many as 200 group housing projects in these areas. For the purpose, authorities will hire realty experts as 'consultants', within 6 weeks who will carry out an audit of all ongoing projects in the two cities to determine the physical and financial status of each project. Financial statements of all projects whose construction is incomplete, in the past 5 years between 2010-11 and 2016-17, will have to be made available by the developers of the projects for perusal.

Ghaziabad administration identifies land for govt hospitals

In its effort to augment medical infrastructure in the city, administration and health department have identified land for hospitals at 6 places in the city. This also include 2 hospitals at Khoda and Morti, both in in trans Hindon areas where there is no government hospital and there have been long standing demand from residents. Other hospitals would come at Loni, Bhojpur block, Tilla Farukhnagar and Vijaynagar. These hospitals will be a 100 beded hospitals and will cater to health needs of about 30% of the city's population. After completing the process of identifying land a proposal will be sent to the state government which in turn will decide on fund allocation and other needs

Government to expedite long-awaited Delhi highway projects

Within the next 6 to 8 months, major highways leading to Delhi as well as neighbouring Noida, Gurugram and Ghaziabad will be completed. The NHAI has set in motion the long-awaited Delhi-Meerut Expressway up to Uttar Pradesh border on the Ghaziabad side and by the end of this year, stretch between Nizamuddin Bridge to UP border will be opened for the public. 'The second phase of it - UP border to Dasna - will be completed in another 6 months. NHAI will also start work on the Delhi-Jaipur Super Expressway by December. Beside a, a section of the Dwarka Expressway will also be ready in 6 months and it will reduce the vehicular load on NH-48. All projects combined, will significantly improve transport infrastructure and traffic movement on the 2 most-congested entry points to the national capital

UP Government approves DPR for Delhi-Ghaziabad metro corridor

The fund crunch plaguing the Dilshad Garden - New Bus Stand Metro project is all set to end after the state cabinet approved its revised DPR last week. The approval will now let the Centre to release Rs 402 Crore of its share which was held up for the past two years for want of cabinet nod. In a concurrent development, GDA has ordered other agencies like UPSIDC and housing board to pay their share (~97 Crore) for metro financing in 10 days. So far, the GDA has paid Rs 640 Crore out of its share of Rs 695 Crore. The UP housing board paid Rs 50 Crore against its Rs 440 Crore.

MMR

Maharashtra govt announces redevelopment policy for tenanted buildings in Mumbai

The Maharashtra government has announced a reconstruction and redevelopment policy for authorised tenanted buildings in Mumbai city and suburbs. This move comes in the wake of recent building collapses which took the lives of 50 people. The new policy whose notification is now published by the government is going to benefit the tenanted buildings in the suburbs and non-cessed tenanted buildings in the island city.

Feature of Maharashtra Re-development Policy

- Tenants who have occupied the place before June 13, 1996 are covered under this policy.
- Consent of 70% tenants is required to take up redevelopment of old buildings.
- Each tenant will be given a carpet area occupied by him/her in the old building with the minimum area of 300sqft and maximum area up to 753sqft.
- Developers will get 50% incentive floor space index (FSI) for redevelopment of the building.
- The landlords should start the construction of the building within one year from the date of the demolition and complete it within a period of five years.
- Landlords will have to provide alternate accommodation for the tenants during the time of redevelopment.
- A corpus fund should be created by the landlord which will take care of the maintenance of the building for a period of 10 years.

According to the BMC, there are over 600 dilapidated buildings in Mumbai which have been declared as dangerous structures. The residents, especially those belonging to the tenanted buildings, continue to reside in these dilapidated buildings as landlords do not initiate any redevelopment work due to lack of any incentives

Infrastructure development on cards for Ghansoli node

CIDCO has chalked out a large scale development plan for the Ghansoli, and has also sanctioned around Rs 85 Crore last week for the development work. The nature of work the civic administration would be undertaking, includes laying and repairing of roads, installing road furniture, developing footpaths, constructing of rainwater channels, laying of utility ducts, water and sewerage lines. The development work will be undertaken in phases.

10,000 housing societies in Mumbai finally get to own land

Around 10,000 housing societies in Mumbai and thousands more in Navi Mumbai, Thane, Pune and other cities are likely to get ownership soon of the land on which their buildings have stood for decades. The deemed conveyances can finally come through for them because the government, through a resolution has removed the condition of submission of occupation certificate as one of the eight documents needed to get the nod. This will help bypass developers in shifting the collective ownership of the society land to the members.

Since 70% of housing societies in the city still do not own the building land, the developers are making money by selling open parking slots, renting out rooftops for hoardings and cell towers, and commercial spaces to retailers. This money can come to societies once the land ownership gets transferred through deemed conveyance to society members who own flats in the buildings. The Mumbai metropolitan region has around 70,000 housing societies.

Maha Govt. approves Cluster Redevelopment in Thane City

Barely a month after the Bombay High Court cleared the decks for cluster redevelopment in Mumbai suburbs, Thane and Navi Mumbai, state govt of Maharashtra has approved the regulation for the reconstruction in Thane city by implementing the urban renewal scheme. In Thane, cluster redevelopment projects will get an FSI of 4, depending on the width of the road next to the project. To ensure the policy does not further crowd the region, the minimum size of a cluster will have to be 10,000sqm. Builders will also have to develop public amenities on 25% of the plot, leave 15% for open spaces and implement development plan reservations. The Scheme is expected to pave way for redevelopment of old, dilapidated & unauthorised buildings in planned manner & in large public interest.

First phase of Navi Mumbai airport to begin by 2019-end

Maharashtra Chief Minister Devendra Fadnavis has reiterate that the first phase of the much-delayed Navi Mumbai airport project will commence by December 2019. Giving new time-lines to the much delayed project, the state govt. would issue a letter of intent (LoI) on awarding the contract in a “matter of time” after which a special purpose vehicle (SPV) can be set up to execute the project. As per the govt estimates, pre-developmental work for the ambitious project would be completed by May next year.

The project has been dogged by inordinate delays since its conception in 1997. Infrastructure major GVK group had bagged the bid to build and operate the second international airport in the Mumbai metropolitan region for Rs. 16,000 Crore earlier this year, beating rival GMR group

OTHER CITIES

HYDERABAD

Rs 20,000 Crore to set right Hyderabad infrastructure

Giving a big push to furthering the image of Hyderabad as a global city, the state govt of Telangana has proposed an investment of Rs 20,000 Crore over the next 19 months on projects that will address all the major issues and strengthen the infrastructure of Hyderabad. While a whooping Rs 6,700 Crore will be spent on improving the roads, a separate drinking water reservoir will be constructed at Kesavapuram on the city outskirts at an estimated cost of Rs 7,000 Crore. Besides, the government will spend nearly Rs 1,900 Crore to provide potable drinking water to the Greater Hyderabad region which includes several surrounding municipalities

First phase of Hyderabad metro to be operational in November

The Telangana government today decided to start the first phase of Hyderabad metro rail project in November. The construction under the project is going on in 3 phases covering an area of 72kms. So far, the development of the 13 km-long stretch between Miyapur and Ameerpet and the 17km Ameerpet-Nagole stretch has been completed. The metro rail stations have also been built. The trial run has been successful and security clearances have also been obtained. The state government has decided to open these stretches in November.

LUCKNOW

Lucknow on Metro map as Phase-I kick-starts commercial operations

Finally, Lucknow has made to the elite club of being a “Metro City”, as the 8.5-km priority corridor from Transport Nagar to Charbagh, which is a part of Phase-I, has been inaugurated earlier this month. In totality, Phase-I (North-South Metro corridor) of Lucknow metro spans over 23km and connects Chaudhary Charan Singh Airport to Munshipulia. The foundation stone for phase-1 of the North-South Metro Rail Corridor project was laid by then Chief Minister Akhilesh Yadav on March 4, 2014. Second proposed corridor, is a 11km long “East- West corridor” and is to be finished by April 2019.

KOLKATA

Kolkata set to get six flyovers in 3 years

State govt of West Bengal has allocated Rs 12,180 Crore for road, power and water supply projects in the state. A big chunk of this will go into constructing 12 road projects in Kolkata, including 6 flyovers and an elevated corridor. If they do materialise, it will significantly reduce commute time and remove bottlenecks that lead to traffic snarls. On the city list is a controversial elevated corridor from EM Bypass to New Town that cuts through the East Kolkata Wetlands, an internationally-recognised Ramsar site where multiple legislations and court orders disallow construction activity. BT Road in north Kolkata, which is both a lifeline and nightmare for commuters between the city and Baranagar-Sodepur-Barrackpore belt, gets a fillip as a stretch will be made six-lane with three vehicular underpasses to ease traffic congestion.

The other list of projects includes renovation of power plants, installation of water treatment plants, warehouses for food grains and four-laning of highways and expressways

KOCHI

Kochi Metro Rail Ltd to enter into realty sector

If all goes as planned the Kochi Metro Rail Ltd (KMRL) will soon enter the city's realty sector. The Metro agency's entry into real estate targeting middle class home buyers is expected to redefine the sector. KMRL expects to generate revenue of approximately Rs 1,000 Crore through the sale of these apartments. To initiate operations, Kerala government has provided 18 acres of land to KMRL at Kakkanad, where old NGO quarters are located, and the flats will come up here. The Metro agency intends to develop

European-styled apartments which are of 1,000-1,200sqft. These apartments would cost less than what the front runners in the sector are selling now.

JAIPUR

JDA land rates slashed in suburban areas

This is for the first in a decade that the reserve price for JDA land is being reduced in Jaipur. In 2015, the JDA had hiked the land reserve prices in several areas by six times even when the real estate sector witnessed a slump.

Taking into account the prolonged slump in the real estate market, the Jaipur Development Authority (JDA) has reduced the reserve price of uninhabited land in its region by 25-40% in U2 and U3 areas as well as less populated areas of U1. For definitions, U1 area is defined as already developed areas with high density area where no land is available for new residential projects. The U2 area in the master plan is defined as the immediate influence area of U1 as well as satellite towns, while the U3 area is mostly rural where most of the land is vacant and unused and, hence, can be used to construct houses. JDA has reduced rates from Rs 14,000/12000 per sqm to Rs 10,000 in the U1 area of Zone 9. Similarly, in the U2 area of Zone 9, it has reduced the reserve price from Rs 10,000 to Rs 8,000.

The agency also decided to impose a higher reserve price for land situated on 80 feet and 100 feet roads by 10% and 15%, respectively, across the city. The idea is being introduced for the first time by JDA and is expected increase the price of plots situated on these roads. However, JDA has not touched the reserve prices of land in existing developed colonies. After this revision, plots/flats in the outer colonies of Jaipur will become affordable for buyers.

MUNDRA

Adani plans Rs 1,500 Crore International airport in Mundra

In 2008, the government allowed fully owned private airports without any equity participation from the Airports Authority of India (AAI). However, central agencies will oversee functions like navigation, security,

Port to Power conglomerate, Adani Group is foraying into airport business with an international airport at Mundra, Gujarat. The group has firmed up plans to upgrade the existing airstrip at Mundra to a full-fledged commercial airport with integrated cargo and aerospace operations. The group has received environmental clearance for the project, plans to invest around Rs 1,500 Crore for the project. The group plans to upgrade the airstrip to a runway capable of handling large passenger aircraft like Boeing 747 and Airbus A350. A passenger terminal building with a capacity of 300 passengers, to be increased in the future, will also be constructed

MOHALI

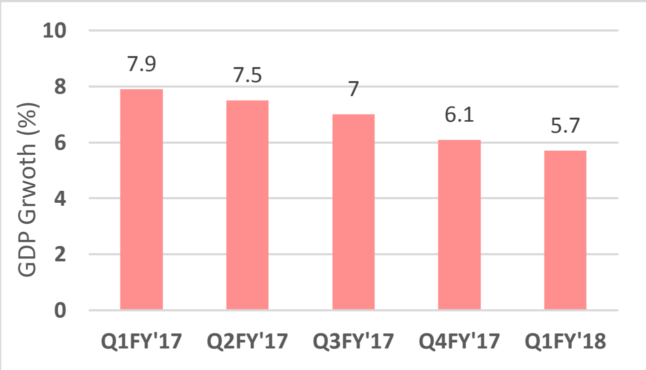
GMADA to launch low-density residential scheme in Mullanpur Garibdass area

Severely cash strapped Greater Mohali Area Development Authority (GMADA) will soon float a low-density (Population of 30 only per acre) residential scheme in Mullanpur Garibdass area, with plots of 500 sq yds and 1,000 sq yds near Medi-City, Chandigarh International Airport. GMADA has initiated the process of acquiring 255 acres of land for the scheme. Further, to conserve its finances, instead of paying cash compensation to all the owners of the acquired land, GMADA has offered the option of land pooling. Under this, the owner will be compensated per acre with a 1,000 sq yd residential plot and a 121 sq yd commercial plot. GMADA is offering cash compensation to owners of land less than 1 acre.

MACRO ECONOMIC TRENDS

India likely to be $6 trillion economy in 10 years: Morgan Stanley

India GDP Growth (%) in recent quarter



Source: Central Statistics Organisation

As As per the recent report by global investment bank, Morgan Stanley, India is expected to be a USD 6 trillion economy -- the third largest in the world - in the next 10 years, majorly helped by digitisation, which is likely to provide a boost of 50-75 basis points to GDP growth in the coming decade. Morgan Stanley expect India's real and nominal GDP growth to compound annually by 7.1% and 11.2% respectively over the coming decade.

As per the report, apart from some short term teething problems including implementation of GST, there is scope for visible shifts in economic activity starting in 2018 which would eventually lead India to be the top five equity markets in the world with a market capitalisation of $6.1 trillion and the third-largest listed financial services sector around the globe with a market cap of $ 1.8 trillion by 2027.

ADB cuts India's growth forecast to 7% from 7.4%

In a separate development, The Asian Development Bank (ADB) has lowered India's GDP growth forecast for the current fiscal to 7% from 7.4% it estimated in July, citing weakness in private consumption, manufacturing output and business investment. The latest growth projection is also lower than the 7.1% GDP growth recorded in 2016-17.

Like Morgan Stanley, the bank, however, is bullish on growth gaining traction on reforms. Private consumption is expected to pick up on the back of low inflation and anticipated wage hikes. Government consumption and services will continue to buoy economic activity. Manufacturing is also likely to bounce back as the sector adjusts to the new tax regime

Banks rush to grab retail home loan share with lending rate cuts & festive offerings

Top banks are rushing to grab the retail share in the festive season by reducing interest rates on loans and with various offers on home loans. Ahead of festive season, SBI, country's largest lender, cut base rate by 5 basis points (bps) to 8.95%, Andhra Bank has reduced the base rate to 9.55% from 9.70% while Bank of Baroda has reduced base rate from 9.50% to 9.15%. Private lenders including ICICI Banks & Axis Banks have announced cash back scheme e.g. 12 EMIs free from Axis Bank.

However, the rate cuts by banks is not an indication of overall interest rates decline. Banks may have been just passing on the deposit rate cut benefit to the customers to stay retail competitive while the corporate loan growth has remained muted given the slowdown in the economy. Recently, led by SBI, most banks also reduced their savings interest rates to 3.5% on deposits. This has helped banks reduce their interest outgo and hence shrink their cost of funds.

Lacklustre Manufacturing drags down IIP growth to 1.2% in July

According to revised estimates released by the Central Statistics Office (CSO), Industrial production grew a meagre 1.2% in July from 4.5% a year ago, bearing the brunt of a dismal show of the manufacturing sector -especially that of capital goods and hence putting pressure on RBI to lower rates further. Growth of the manufacturing sector, which makes up 77.6% of the index, decelerated sharply to 0.1% in July compared to 5.3% in the same period of 2016. Output of capital goods - a proxy for infrastructure investments in the country - contracted 1% in July as against a growth of 8.8% in the year-ago period.

During April-July, IIP grew by 1.7%, down from 6.5% in the same period last year.

INVESTMENT ACTIVITY

Real Estate Financing

Investor(s)	Target	Stake (%)	Amount (Rs Crore)	Business	Strategy
L&T Finance	Supertech Ltd	NA	350.0	Residential	Construction Finance
IFC	Mahindra Lifespace	NA	320.0	Industrial	To Develop industrial parks across Gujarat, Rajasthan and Maharashtra.
Premjinvest	Shubham Housing	45%	225.0	NBFC	Financing Affordable Housing
L&T Finance	Saarthi Group	NA	150.0	Residential	Construction Finance including old loans

Source: Liases Foras Research

Land/Development Rights Transactions

Buyer	Seller	Location	Deal Value (Crore)	Strategy
Indiabulls Real Estate	NA	Sector-18, Gurugram	NA	Construction of 5 lakhs sqft Office Space
K Raheja Corp/GIC	Siemens Ltd	Worli, South Mumbai	610.0	Commercial Land
Phoenix Mills	Varied Investors	Across Cities	1350.0	Buyback of stakes in retail malls
LuLu/Puravankara Projects	Dewa Projects	Marine Drive, Kochi	308.0	A Mixed land use land parcel

Source: Liases Foras Research

Key Trends/Activities:

Ajay Piramal forays into home loan market, sets up housing finance company

Piramal Finance, part of the $1.3 billion Ajay Piramal Group's flagship Piramal Enterprises, has forayed into retail housing finance by floating a new 100% owned subsidiary, Piramal Housing Finance Private Ltd. The new subsidiary will offer home loans as well as loans against property and construction finance for small developers. The company will seek to fund the entire spectrum of real estate and will be able to deliver a seamless and customer-centric experience to all our stakeholders. The move is a natural extension for Piramal Finance, with a wholesale business of over Rs. 35,000 Crore in AUM across debt and equity) and funding across 300 plus projects and over 100 development partners mainly in the real estate sector.

> Currently PFL is the second largest real estate development financier with a loan book of Rs 24,924 Crore (as of June 30, 2017), next only to HDFC which has a loan book of over Rs 65,000 Crore

Motilal Oswal realty arm to invest Rs 1,000 Cr in FY18

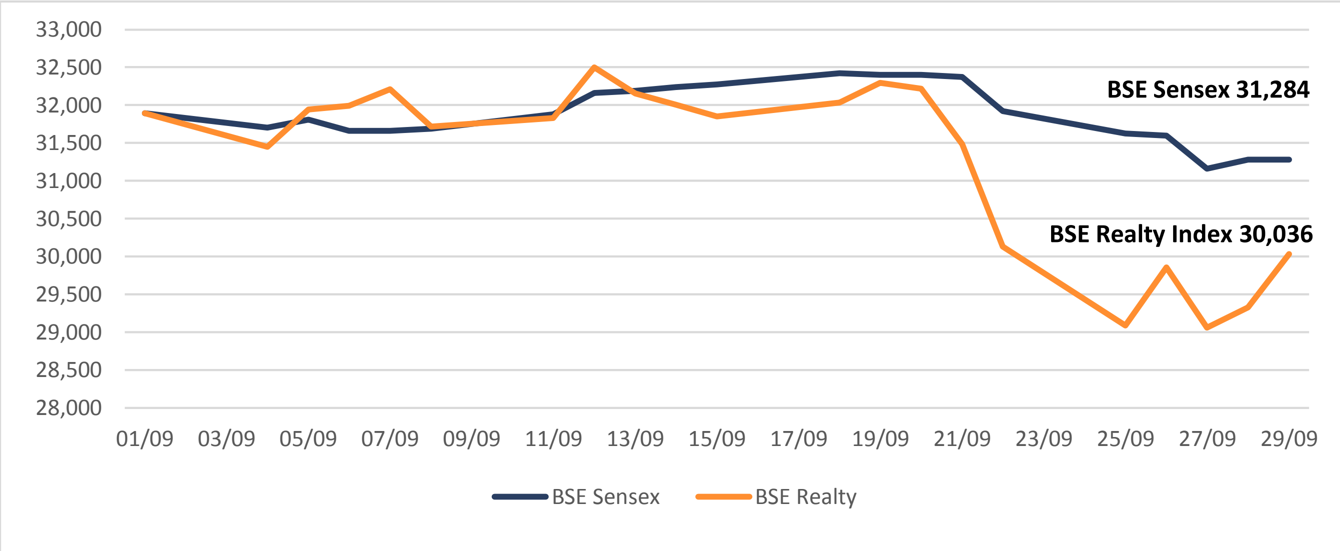
Motilal Oswal Real Estate, the real estate arm of Motilal Oswal Private Equity (MOPE), is looking to invest Rs 1,000 Crore in the current financial year. Investments will be made from India Realty Excellence Fund-III (IREF-III) and IREF-II. MOPE has also announced the fourth and final close of its third fund, which raised a total of Rs 1,030 Crore. Currently, the fund is 70% committed and expected to be fully committed by the end of this financial year. The fund focuses on early-stage mezzanine/ structured equity investments with established developers across the 6 cities

Blackstone set to buy UIOF for Rs 800 Crore, step up housing play

US private equity major Blackstone Group is set to acquire Anand Jain-promoted Urban Infrastructure Opportunities Fund (UIOF) that also counts Reliance Industries as a key investor for nearly Rs 800 Crore. This will be a landmark deal as no such private equity secondaries transaction, which involves buying and selling of pre-existing investor commitments of private equity and other alternative investment funds, has ever taken place in India. Both the entities have almost zeroed in on the structure and terms of the proposed transaction. A final term sheet for the same will be signed with the asset management company. Following this, Blackstone will make an offer to the fund's investors

STOCK MARKET UPDATE

BSE Sensex vs. BSE Realty Index



Source: BSE Sensex. BSE Realty Index is rebased to BSE Sensex

Commentary

• During the Month of September, BSE Reality Index fell by 5.8% (mom), which was much higher than a decline of 1.9%, seen by BSE Sensex, during the corresponding period. For BSE Realty Index, there was a cumulative decline of 10% in three straight trading sessions between 21st to 25th September.

• Company specific issues and broad macro factors were mainly responsible for the broad decline in both the index during the corresponding period.

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About Us

Strategic Partner: dmg::information

Liases Foras: The Pioneer in Scientific Research in Real estate

Founded in 1998, Liases Foras is a non-brokerage research centric firm that offers data and advisory services. Our works on industry and scientific prognosis of the local market is highly regarded. We have an organized and structured data source on real estate and property trends in India, which is updated on quarterly basis by primary market survey.

In 2015, DMG information, UK acknowledged us as their strategic partners.

Data & Coverage

Liases Foras has a geographical coverage of more than 125000 projects all over India. As of today, we monitor more than 18,000 ongoing projects every quarter spanning 55+ cities in India, which comprises 80+ Census cities. We have tracked over more than 50 billion sq ft of Residential, Commercial and Retail supply over time.

PRODUCTS

Ressex
Ressex, our online data interface, provides structured solutions to day-to-day questions pertaining to real estate markets and projects.

Comparables
Comparables is a first of its kind, web based property value validation tool.

Developer's Rating
Extensive analysis of on-ground performance of more than 9000 developers across 62 cities in India.

Business Intelligence and Risk Analytics
With our razor-sharp analytics, we help banks, HFCs and corporates to identify the potential opportunity and underlying risks.

Crystal
Crystal is a valuation workflow system which streamlines the interaction between lenders, valuators, and surveyors in carrying out valuations using automation and mobile devices.

ADVISORY SERVICES

Highest and best-use analysis
Every structure belongs to its location and time. The analysis scans various options to find out the one which gives the highest/ maximum development realisation.

Valuation advisory
Liases Foras offers transparent, scientific, data-driven and unbiased valuation solutions.

Urban planning services
We prepare City Development Plans outlining the vision and development strategy for unlocking land in a city.

Preparing A design brief
Extending beyond the best-use prognosis, we write uncluttered, contextual design briefs for Master Planners/Architects.

Consumer survey & profiling
We specialise in the field of real estate-specific consumer surveys.

Product viability study
This study is to ascertain whether the envisaged development and product plan of the developers are correct or risky.

Risk Reports
Risk Reports are carried out primarily to assess the state of the market and measure the price correction during oversupply scenario or default risks in the market.

Portfolio Optimization Strategy
Every structure has an opportunity cost. We analyse organisational functions, manpower and real estate assets to arrive at an optimal cost and an effective portfolio.

Location & Entry Strategy
This study understands the growth patterns of a city and real estate developments, to arrive at an ideal location for projects and establishments.

Marketing Strategy
Partnering with the developer to formulate a marketing plan keeping in mind the target audience, positioning, product and pricing.

National Housing Bank | airtel | State Bank Of India | HDFC | Mahindra Lifespaces | Godrej Properties | Hiranandani | Axis Bank