

In India's highly dynamic market environment, change and innovation have become essential for the survival of any business. The housing sector, which was in the previous years defined by a remarkable lack of change, has been no exception. Let us examine five factors that stand out in this respect.

RISING AFFORDABILITY

Across most Indian cities, the financial 'sweet spot' for homebuyers is seen to be in the range of INR 50-70 lakh. In hyper-expensive Mumbai, ticket sizes of around INR 1 crore are popular with buyers because of the higher wealth creation and therefore purchasing power there. However, as of 3Q16, there has been a rise in apartments priced under INR 1 crore in Mumbai, as well.

The proportion of increase in units launched in Mumbai in the under INR 1 crore ticket size increased more than the proportion of the overall rise in unit launches. Mumbai serves as a good example to illustrate the rising affordability trend because it is the toughest market in the country, and yet could see more launches in this segment. Other cities will, therefore, fare even better than Mumbai in terms of decreasing housing ticket sizes.

To keep the price tags of their offerings attractive, developers have been reducing the average carpet area of apartments across cities. For example, the average apartment sizes in Mumbai and Bengaluru have, in recent times, shrunk by 12% and 30% respectively.

VARIATION IN CONFIGURATION

When it comes to the most preferred configurations, 1 BHK flats remain the most popular in Mumbai, while 2 BHKs rule in most other cities such as Delhi-NCR, Bengaluru, Pune, Hyderabad, etc. Of course, affordability is the main reason behind the popularity of smaller flats in Mumbai. Most of these smaller configurations are priced around INR 1 crore, which is considered 'affordable' by Mumbai standards.

Moreover, selling these units later on is easier than selling bigger configurations, as there are always more people looking to buy 1 BHK flats in Mumbai since there are units available. In other cities, the same logic applies to the 2 BHK configuration. As real estate in most cities is cheaper than



Game changers!

The winds of change are causing aspects of housing industry that previously seemed 'cast in concrete' to give way. **Anuj Puri, Chairman & Country Head - JLL India, examines the trends**

Mumbai's, homebuyers can afford to and do buy bigger configurations.

HIGH DEMAND FOR LOW-INCOME HOMES

The Modi government's focus on affordable housing has helped in making this segment more palatable to developers. The erstwhile aversion to being tagged as 'low-income housing builder' has waned, and even larger players are openly entering this market segment. There is now considerable political and social goodwill attached to such a move, apart from its undoubted business sense. Players like Mahindra Lifespace, Tata Housing, Shapoorji Pallonji Group, AssetzProperty Group, Puravankara

Projects, etc. are all enthusiastic about entering or expanding their affordable housing portfolios this year.

An overall investment of INR 1,600 crore is expected into the affordable housing segment over the next five years. Private equity players are willing to partner with developers operating in this space and fund such projects. Nisus Finance Services, Brick Eagle Capital, Avenue Venture Partners Real Estate, Carlyle, Essel Finance Advisors and Managers LLP, Provident Housing and International Finance Corp are some PE firms helping developers with their affordable housing projects across the country.

India's chronic dearth of affordable projects is nothing short of legendary.

However, with slowing sales in the luxury and premium categories, affordable housing is now the one segment which shows any kind of real promise to open up revenue for developers. After the recent demonetisation move, land prices will plummet - more so in the tier-II, III cities and the fringe areas of metros. This, too, will aid the cause of making homes more affordable in India. While developers are already constructing smaller-sized units on the outskirts of cities, the government must step in by improving the connectivity of these outskirts to respective city centers.

AMENITIES GALORE

Homebuyers expect decent amenities in their housing projects, regardless of whether they are townships or standalone buildings. While townships offer many amenities, sufficient parking, a small garden and play area, good security and power backup are now increasingly being seen even in standalone residential buildings. Buyers are no longer willing to settle for amenities-starved projects and expect the basic facilities even if their purchasing power is on the lower side. With more and more developers of modest-sized residential projects heeding this demand, the rest have been left with no choice but to follow suit.

SOCIAL MEDIA IMPACT

Dissatisfied homebuyers have been using social media effectively to demand redressal to their grievances. Developers have realised the power of social media in brand image management, and many have started responding to buyers' posts or queries in real time. At the same time, they have also realised the potential of targeting possible buyers with advertisements while they are online. In fact, most developers have begun to realise that investing in digital marketing is necessary in a market environment where more and more buyers review all their options online before actually doing site visits at shortlisted projects and making their final decisions.

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Many developers expecting good markets have accepted redevelopment projects and have made members vacate the premises while also demolishing the structures. But, there are multiple reasons which have forced many developers to stop construction and also payment of rent to the existing flat owners.

Here are some:

1. Changes in government, after which policies like 'housing for all', increase in FSI have been announced
2. Development Control of Mumbai undergoing changes
3. Market condition and the sentiments of the people are not in favour of industry
4. Introduction of RERA
5. Demonetisation, which is the latest in the row

Unfortunately, the members of the society are in fix and not aware of the course of action due the following reasons:

1. Building is demolished
2. Construction is stopped halfway
3. The rent has stopped coming
4. Development agreement is executed with the builder and registered
5. In some cases, builder has mortgaged the property and taken project loan
6. Builder has sold the property and registered the agreement with new purchaser
7. The bank guarantee has lapsed
8. The contractors are not paid by the builders
9. Property taxes and other liabilities are mounting
10. The architects and other service providers are payable by the builders

WAY OUT FOR THE MEMBERS OF THE SOCIETY

Where the Builder is cooperative

Meet the developer, understand his concerns and challenges and get the written confirmation from the developer regarding time-bound active plan in next two or three months. On failure to commit the same, authorise the society to complete the project either by engaging a new developer or by

self-redevelopment. The society, at this stage, should obtained complete status of the project — approvals, funds raised by the developer, investors involved, sale of the pre-sold flats, agreement registered, amount received from the flat purchasers,

While affordable housing is not really a practical option in Mumbai, redevelopment definitely is. **Ramesh S. Prabhu lists the challenges that need to be overcome in this aspect**



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Re-building blocks

balances and diversion of the funds in other projects. Normally, this information being technical, the society needs to appoint a PMC (Project Management Consultant) or include architects, advocates, CA, engineers to get all these details, and guide the society to take the next course of action. This is possible when developer is friendly and wants to help the flat purchasers genuinely.

When the builder is not co-operating

The society needs to conduct a general body meeting and appoint an advocate and issue a legal notice, to terminate the development agreement. In all probability, the developer may file a case in the appropriate court, which the society may have to defend. Normally, the courts allow the societies in such circumstance to engage another developer and it is possible that the new purchaser of the saleable area may also file a case for claiming their right, title, interest in the property. Therefore, we need to get a type of



developer who will be able to face litigation from the existing developer as well as flat purchasers. It is possible that the new developer may demand extra contribution from the new flat purchasers or reduce the corpus amount. However, in order to get project the completed, the society members need to be united, take an appropriate decision and then act on them.

Arranging joint venture with new builder:

In a joint venture, the society needs to interact with the developer to get any joint venture partner or provide any other developer from the members' contact. This will be a win-win situation for the developer as well as the society members. The society can also appoint, invite informal offers and arrange meetings of such new developers with the existing one to come out of situation.

There can be many more solutions or combination of solutions which need to be explored by engaging professional teams. The societies,

who are planning to go for redevelopment, should always follow due process of the law and should not be carried away by false offers promoted by developers.

Following precautions should be taken before vacating premises so that society members don't face hardships:

1. Complete building plan should be approved, including saleable area and load, the required TDR. Also, make the payment of premium to the municipal corporation.
2. Obtain bank guarantee for a period of three to four years, one year more than the estimated duration.
3. Individual agreement should be executed. The rent for the project period should be given to the society, which can be paid to the members.
4. The building should not be handed over for demolition till all the conditions of issuance of CC are complied with.

(Ramesh S. Prabhu is Chairman, Maharashtra Societies Welfare Association)

Many forms of radiations are encountered in the natural environment and are produced by modern technology. Most of them have the potential for both beneficial and harmful effects. We live in an environment bathed in radiation of natural origin and essential to the maintenance of the life of the planets. Sunlight and its secondary thermal emissions of heat radiation are the engines of life on planet earth. In addition to this ubiquitous low-energy radiation, there are natural high energy radiation in which life has developed and for which evolution and nature have provided effective defence mechanism.

ILL-EFFECTS OF RADIATION

High-energy radiation damage to DNA molecules is repaired by appropriate enzymes, and our atmosphere protects us from most of the high energy sun radiations. Many medical studies have shown that without adequate sunlight people can suffer from rickets as result of vitamin D deficiency. During winter, some people suffer from depression and lack of energy,

Radiation: The harmful effects



While all of us agree that technology like Wi-Fi and mobiles has made life easier, it is equally true that there are plenty of concerns surrounding it. **Dr. Tushar Yashwant Savdavkar explores the cons**



which has now become known as Seasonal Affective Disorder (SAD). Treatment with full spectrum light has been shown to be beneficial. Ultra-violet light can also be used in a positive way to kill bacteria and has been found to be useful in treatment of some cases of psoriasis, a painful and distressing skin disease. However, with the increasing the concern about skin cancer, sunlight with its ultra-violet components, is now being seen as a problem.

The destruction of the ozone layer, which may be because of technological developments, is beginning to have a negative impact on our lives. To the overwhelming flux of natural radiations, humankind has added a small amount of artificial ones for various specialised purposes. In general, the intensity of these are miniscule compared to natural sources, but in certain cases they can be hazardous. Exposure to an unshielded nuclear reactor fuel element can harm or even kill you. Exposure to an intense laser beam can blind you. Further, uncontrolled exposure to intense microwaves can heat flesh and cook it.

ABOUT EMF

Various Electro Magnetic Frequencies(EMF) pervading around us are found to cause disease, promote latent diseases and cancer metabolism. EMF coupled with other environmental agents cause adverse effects on atoms and cells, on metabolism and biological systems. With the help of modernequipment, we can identify the various radiations existing in the environment, their source, intensity and directions. It is worthwhile to harmonise the built environment, abiding by the law of nature in accordance with the human system response, rhythmising the system and achieving resistance against various hazards.

Below are some examples of EMFs:

1. High tension electric transmission lines
2. Electric distribution lines
3. Video display terminals
4. Beside appliances
5. Other appliances such as mobile, Wi Fi, Internet, hair dryers, microwaves ovens, cordless phone, shavers

(To be continued next week...)

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