



NEWS UPDATE

Prajapati Group felicitates ultra-runner

The swimming pool & skywalk of Prajapati Magnum was recently inaugurated by Rashmi Singh, Regional Manager, LIC Housing Finance Limited along with Mahesh Kumar the ultra-runner from Haryana, who was then felicitated by Raajesh Prajapati, MD, Prajapati Group. Addressing those gathered, the Prajapati Group MD, said, "It is a great achievement for us to hand over the 4 in 1 swimming pool along with skywalk to residents of Prajapati Magnum specially in this summer season. We had around 700 visitors at our handing over event called 'Magnum Splash' in which we decided to felicitate Mahesh Kumar and help him in his endeavour to spread awareness about organ donation which is the pressing need of the hour".

ICRA report highlights REITs

ICRA recently released a report on 'Indian Real Estate Sector - Small and Medium REITs'. Rajeshwar Burla, Senior Vice-President & Group Head - Corporate Ratings, ICRA, said, "Small and Medium REITs will provide an opportunity for small Grade A and most of the Grade B office developers to monetise their investments. Also, fractional ownership platforms (FOPs) are expected to be formalised, leading to wider market acceptance. However, the minimum unitholding requirement for SM REITs could act as a deterrent from a scalability perspective."

ASG's Akshaya Tritiya offer

The Ashwin Sheth Group (ASG) Akshaya Tritiya, offering named 'Sone ki Chaabi' is based on the most valuable gift being given out - a 100 gm gold key with several other luxury gifts to buyers who secure their dream homes. This opportunity is live till May 20, 2024 across their developments, encompassing Avante in Kanjurmarg, Montana in Mulund, Sheth Zuri in Thane, Sheth Avalon in Thane, Sheth Vasant Lawns in Thane and Edmont-Aurelia in Kandivali.

Final inventory in Alta Monte

Omkar Realtors has opened bookings for its balance inventory (Tower B) at Alta Monte located at Malad East, Mumbai. It comprises of 2/3/4 BHK apartments ranging from 830-1322 sq. ft. carpet area and lifestyle amenities. The 20:80 developer subvention plan has been introduced that gives home buyers the flexibility to pay only 20% now and the rest at the time of Occupancy Certificate (OC) with possession to be given by December 2024.

To share information about your home purchase decision, new launches and real estate-related events, write to us at realestate@fpj.co.in. Consulting Editor: Vijay Pandya



Concrete gains from home ownership

DR. MALINI SABA

In the ongoing perennial debate between renting and owning a home in the Mumbai Metropolitan Region (MMR), the benefits of residing in an owner-owned property are undeniable. While renting offers flexibility, home ownership brings stability, community, financial security, and a sense of pride. Let's delve into the multi-faceted advantages of owning a home compared to renting, or 'scripting a successful residential stay saga.'

Stability and security

Owning a home provides a sense of stability and security that renting often lacks. Unlike rental properties, where landlords can sell or raise rents at any time, homeownership offers a permanent living situation. Home owners have control over their living environment, allowing them to establish roots in their community without the uncertainty of relocation.

Networking opportunities

Home ownership fosters stronger community connections compared to renting. Apartment or row house owners tend to be more invested in their neighbourhoods, leading to deeper relationships with neighbours and local businesses. These connections offer networking opportunities, job referrals, and support networks that enhance both personal and professional lives.

Personalisation and favourite things

One of the joys of homeownership is the ability to personalise and decorate one's space according to personal tastes. Unlike rental properties, where modifications are often restricted, homeowners can make changes to reflect their style and preferences. Whether it's painting walls, installing fixtures, or adding decor, homeowners can create a space that truly feels like home.

Support and maintenance

Home owners enjoy greater control over maintenance and support compared to renters. While renters rely on landlords for approving or getting repairs done by specific 'trusted' people, homeowners can address issues promptly, often with the assistance of neighbourhood service



providers or the facility management team. This level of control and investment in maintenance ensures a well-maintained property and fosters a sense of pride in homeownership.

Financial rewards

Owning a home offers numerous financial benefits not available to renters. Home ownership provides long-term stability and enables creation of a valuable asset. Additionally, tax benefits such as mortgage-based home loan interest deductions and property tax reductions or waivers can lead to significant savings. Owning a home also serves as a hedge against inflation, as housing costs tend to be more stable compared to rental prices.

Sense of community and belonging

Living in an owned home fosters a sense of community and belonging that renting may lack. Home owners find it easier to make friends and set up a support system for tasks like collecting children from the school bus, getting vendors to sell vegetables and fruits at a better

Analysing the multiple benefits of operating from an owner's domain versus leasing a residence

price, monitor children playing in the building premises compound or garden area, etc. Those staying on lease may not be accepted given the transitional nature of their stay.

Ability to customise and expand

Home ownership allows for greater customisation and expansion compared to renting. The owners can undertake renovations, additions, and mini landscaping projects on the deck area of the apartment to enhance their living space and increase property value. This flexibility to tailor the home to personal preferences ensures a comfortable and enjoyable living environment for years to come.

Generational wealth and legacy

Owning a home provides an opportunity to build generational wealth and leave a lasting legacy. Unlike renting, where payments offer temporary housing and no returns, home ownership builds equity that can be passed down to future generations. This inter-generational transfer of wealth provides financial security and stability for heirs, ensuring a strong foundation for their future.

Sense of pride and accomplishment

Finally, home ownership instils a sense of pride and accomplishment that renting cannot match. Purchasing a home represents a significant milestone and signifies achievement and responsibility. This sense of pride boosts self-esteem and overall well-being, contributing to a happier and more fulfilling life for homeowners and their families.

In conclusion, the advantages of living in an owned home compared to rentals are vast and encompass various aspects of life. From stability and community to financial security and personalization, homeownership offers a host of benefits that enhance quality of life and contribute to long-term well-being. For those seeking stability, community connections, and the opportunity to build wealth and legacy, owning a home remains a wise and rewarding choice.

(The author is a psychologist, philanthropist, environmentalist, human and social rights activist, global advocate for women and girls, cookbook author, and founder & chairman of the Anannke Foundation)

Evaluating real estate opportunities

A look at the factors that influence real estate value appreciation at an emerging location in India and MMR

CHANDRESH VITHALANI

Real estate value appreciation in emerging locations in India, including in and around the Mumbai Metropolitan Region (MMR), is influenced by several key factors that are pivotal for potential investors and homebuyers to consider.

Location and infrastructure

The value of real estate is heavily influenced by its location, with properties in areas having robust infrastructure, good connectivity, and proximity to essential amenities such as schools, hospitals, and shopping centres generally appreciating faster. Significant infrastructure developments like new roads, metro lines, and airports further enhance property values by improving connectivity.

Economic factors

The overall economic environment plays a critical role in real estate appreciation. A growing economy, increasing employment rates, and industrial development contribute to rising demand for real estate, thereby pushing up property values. Factors like GDP growth and favourable government policies that boost investor confidence can also lead to higher appreciation rates.

Supply and demand dynamics

Real estate prices are also a function of the supply and demand in the market. In areas where the demand for housing outstrips the available supply, property prices are likely to increase. Urbanization and population growth can exacerbate these dynamics, creating hotspots of high demand and rapid appreciation.

Market trends and economic indicators

Keeping an eye on market trends and economic indicators is crucial for predicting the right investment timing. Factors such as market demand, economic growth indicators, and region-

al development plans provide insights into potential value appreciation.

Property features and upgrades

The condition of the property and any improvements made to it can significantly affect its appreciation. Well-maintained properties with modern amenities and sustainable upgrades tend to fetch higher market values. Investments in eco-friendly features and smart home technologies can also enhance a property's appeal and value over time.

Investors should consider these fac-



tors when evaluating real estate opportunities, especially in emerging markets within India where the potential for rapid growth and appreciation can yield substantial returns. Understanding and leveraging these elements can help maximize the value and returns of real estate investments.

(The writer is Partner, Palladian Partners Advisory Private Limited)



NAREDCO Maharashtra conducts knowledge session 'All about Policy' held in association with PEATA illuminates Mumbai real estate policy updates

The National Real Estate Development Council (NAREDCO) Maharashtra in association with Practising Engineers, Architects and Town Planners Association (PEATA) recently hosted a pivotal knowledge session 'All About Policy' which brought together distinguished experts from the real estate sector to discuss critical policy implications and their impacts on the Mumbai real estate market. Prashant Sharma, President of NAREDCO Maharashtra, inaugurated the session, emphasising the significance of such knowledge exchanges in understanding the intricacies of real estate regulations. "These sessions are crucial for all stakeholders to gain clarity on the rules governing our sector," he said. Manoj Dubal, President, PEATA, opened the discussions with a detailed examination of Sections 33(11), 33(20B), and a comparative analysis of regulation 33. His insights covered essential topics such as permissible Floor Space Index (FSI) on plot developments, transit camp tenements for Slum Rehabilitation Authority (SRA), clubbing of schemes in case of unconsumed sale component of additional FSI, development of affordable housing, rehabilitation and resettlement on private plot or plot of authority other than government authority. The need for government support in light of substantial profits earned from the realty sector was debated during a panel discussion titled 'Navigating the Future: Policy Priorities for the Real Estate Sector' moderated by Aarti Harbhajanka. Dr. Niranjan Hiranandani, Chairman Emeritus, NAREDCO Maharashtra said, "The real estate sector is the most taxed industry and unless we ask



the government to fulfil our industry demands; they will not be met. The government is earning substantially profits from the realty sector and therefore we expect them to support us as well. There was a time when people said that the now defunct Urban Land Ceiling (ULC) would never get scrapped, but it did get scrapped after we followed up for its removal. There is a huge parcel of vacant land in Mumbai which is unutilised. We need to awaken the government and tell them that if you want affordable housing then open these land parcels and reduce the cost of development to fulfil the government's obligation to provide affordable housing to all."

Rajan Bandelkar, Vice Chairman, NAREDCO, stressed on the need for the industry to stay within its limits. "In the past we have seen a section of the industry going far beyond and have not delivered on its promises to customers. This is the reason why the government has brought in the Real Estate Regulatory Authority (RERA) bill, in its bid to control the sector, bring more transparency and safeguard home buyer interest. It's imperative that our industry adheres to its

commitments to ensure trust and sustained growth. The successful implementation of the Pradhan Mantri Awas Yojana (PMAY-U) has helped the needy and poorer sections of society; we would request the government to undertake in the same way similar schemes for other sections of society as well."

Conversations also touched upon the need for innovative urban planning. Kamlesh Thakur, Vice President, NAREDCO Maharashtra, opined that we need to create smart cities as there will be a reverse migration of Indians from abroad; will our cities survive till then is the question we need to ask ourselves. In addition, the government should encourage green field developments instead of brown field developments, which we are presently doing.

Architects Karan Daisaria and Devansh Daisaria, Design Principal, Daisaria Associates gave an insightful presentation on the elevation features of new developments. They spoke on the challenges faced by architects in the planning and designing of buildings given the strict norms and guidelines laid down by the competent authorities.

Which configuration is in greater demand?

Findings from a recent FICCI-ANAROCK survey revealed that 50% of home buyers prefer larger residences

The 'bigger is better' mantra continues to drive the Indian housing market. The FICCI-ANAROCK Consumer Sentiment Survey (H2 2023), unveiled during the FICCI Real Estate Summit held recently in Delhi, found that the highest home-buyer demand is now for 3BHKs, with at least 50% respondents picking this size. 38% respondent favour 2BHKs. The demand for 3BHKs stood at 42% in the H2 2022 edition of the survey.

The survey was conducted by ANAROCK Research between July to December 2023 with approximately 5,510 online respondents from across Indian geographies and age groups. The data was analysed and correlated to the current economic conditions.

Despite increasing property prices, the demand for bigger apartments continues unabated and is, in fact, increasing. 3BHKs are particularly in vogue in Bengaluru, Chennai, Hyderabad, and Delhi-NCR. In hyper-pricey MMR, 44% of respondents preferred 2BHKs. The demand for 1BHK units is being primarily evident in the western markets of MMR (17%) and Pune (10%).

Aligned to the growing preference for bigger apartments, the demand for luxury homes priced >Rs 1.5 crore has also gained more traction. At least 20% of the H2 2023 survey respondents prefer to buy homes in this price bracket, against 12% in H2 2021. The Rs 45-90 lakh budget range remains the most popular, with over 33% prospective homebuyers favouring it. Affordable housing demand has shrunk further, to 21% in H2 2023 from 25% in H2 2021, and 40% in H2 2020.

Anuj Puri, Chairman, ANAROCK Group, says, "The supply of bigger



A SIGNIFICANT CHANGE

- The current survey also finds that no less than 75% property seekers now want balconies
- The desire for more open spaces within homes is a significant change from earlier years, when the focus was more on dedicating almost every square inch for indoor utilisation
- 74% of the surveyed homebuyers insist on improved construction quality

back in H1 2020."

The survey further highlights the growing inclination of homebuyers towards suburban areas and city centres, in line with the return to office (RTO) dynamic being witnessed post the COVID-19 pandemic. 30% of respondents in the current survey (H2 2023) chose suburban areas as their first choice for buying a home, against the 25% who preferred suburban areas in H2 2021.

KEY TAKEAWAYS

- 58% millennials and 39% Gen-X respondents intend to use their gains from other investments to purchase homes.
- While real estate remains the most preferred investment asset class for over 57% respondents, there is also a growing sentiment towards Fixed Deposits (FDs) in the wake of rising interest rates.

homes is seamlessly following the demand for them. ANAROCK data indicates that average flat sizes in the top 7 cities grew by 11% annually last year - from 1,175 sq. ft. in 2022 to 1,300 sq. ft. in 2023. The survey also finds that for the first time, the demand for ready-to-move homes is lower than new launches. The survey highlights that in H2 2023, the ratio of ready homes to new launches is 23:24 against 32:24 in H2 2021. Interestingly, it stood at 46:18