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# India Real Estate News

## Real Estate Headlines

### Migration to create demand for 23 lakh houses in seven cities

Migration to bigger cities will create a demand for 2.3 million housing units in country's seven residential markets by 2017, a survey conducted by Cushman & Wakefield's research team says. Of this, private developers will construct 1 million units by 2015. Most of the new demand will come from the National Capital Region, Mumbai and Bangalore, says the survey that also covered markets like Chennai, Hyderabad, Pune and Kolkata. NCR is expected to record the highest demand of over 700,000 units followed by Mumbai (650,000 units) and Bangalore (287,000 units). Experts feel that migration of human resource is the key demand-driver in the large property markets of the country. [Read more](#)

### Swanky flats in Delhi, NCR cost 36 percent more in 1 year

Prices of upscale residential projects in south Delhi, Gurgaon, Noida and Faridabad have clocked about a 36 percent hike during the past one-year, defying the general slowdown in the realty sector. For instance, an ultra-luxury apartment in DLF's Queens Court project at Greater Kailash-II - a posh South Delhi locality - will now cost at least Rs 16.20 crore, while it was worth less than Rs 10 crore just a year ago. Experts attributed the price hike for these apartments - ranging between 4,000 and 10,000 sq ft - to inadequate availability of ready-to-move-in luxury apartments and speculative investments. [Read more](#)

### Why buying a studio flat is a good investment

A studio apartment can be a good investment if you are a newbie or conservative investor wary of putting your money in equity or mutual funds. Most Indians consider real estate a safe investment option, so buying a studio apartment, for which you need to pay a home loan EMI of Rs 6,000-10,000, can be a feasible choice. Even if you move to a bigger house later on, it guarantees a rental income. Alternatively, you could sell the flat and use the sale proceeds to make a down payment for a second house. [Read more](#)

### Residential in, commercial out for real estate bigwigs

Lack of funds, customer aversion to striking advance lease deals and a slowdown in demand for office space have combined to push real estate developers into building more residential apartments than commercial spaces. "In the residential (market), you can pre-sell the space and customer advances can almost fully finance the actual construction," Pirojsha Godrej, executive director, Godrej Properties, said in an interview. "But, in the commercial market, it is a difficult thing to do." [Read more](#)

### Unlock the potential

For an industry that is rapidly evolving and energetically meeting the challenges of the future, 13 years is a short time indeed. During this period, however, India's real estate sector has metamorphosed beyond recognition; in 1998, when Times Property made its first tentative entry

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into the market as a tabloid, published once a month, there was little or no property market to speak of; choices for home buyers were limited, builders were generally considered - sometimes with very good reason - as being untrustworthy; and the boom in housing and home finance had yet to happen. [Read more](#)

### Castles in the air

The Indian real estate industry has seen spectacular growth during the past five years. Various estimates indicate a compounded annual growth rate of 25-30 percent during this period, leading to the industry size being pegged at \$12-15 billion. This growth has been driven by a combination of factors such as favorable demographics, rapid urbanization and a steady growth in per capita income. These factors were aided by a benign macro-economic environment of high GDP growth driven by a rapid expansion of services sector, easy availability of financing and low interest rates during a major part of the past five years. [Read more](#)

### Home prices may go up on rising cost of funds after RBI's move

Housing prices are set to go up as real estate developers today said they will pass on the increase in cost of funds to home buyers following the Reserve Bank of India's decision to hike key policy rates. "RBI has put us in a sorry situation. It is a vicious circle of higher input cost, higher borrowing cost and higher property prices. We are bound to pass on the increased cost of funds to our customers," Confederation of Real Estate Developers' Association of India (CREDAI) Chairman Pradeep Jain said. [Read more](#)

### Costlier home loans force austerity on borrowers

Hikes in interest rates, higher EMIs, higher property prices... The flood of bad news for those buying houses/property on loans seems unending. With interest rates set to increase after another hike by the Reserve Bank of India (the 13th over one-and-half years), it appears that borrowers will have to fork out more in the coming months. Interest rates on home loans have gone up by 2.5 percentage points (250 basis points) over the past 18 months. Rating agency Crisil, recently estimated that the additional annual burden on borrowers on account of rising interest rates would be of the order of Rs 6,000 crore. For most borrowers, the rise in their EMIs has been of the order of 15 percent. [Read more](#)

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## Economy News

### PM says sees economy growing at near 8% in 2011/12

"Despite the global slowdown, we will still achieve a growth rate of close to 8 percent this year," the [statement](#) said.

Additionally, bolstered by industrialization, India is projected to grow at a faster clip than neighboring China with a [9% economic expansion in 2013](#), says a report by global consultancy firm Ernst & Young. It cautioned, however, that India needs to tackle rising inflation and said the country's growth this year would be 7.2%, much lower than 8.2% recorded last year. India's growth rate would rise to 8% next year, according to the report released today.



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## Attention NRIs



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*Drawing November 30, 2011*

## Growth, reforms lift living standards in India: Human development Index

Economic growth and liberalization have helped lift living standards across the country in the eight years to 2007-08, according to a human development gauge unveiled by Planning Commission deputy chairman Montek Singh Ahluwalia. [Read more](#)

## With 22 million population Delhi topples Mumbai as maximum city

The urban agglomeration of Delhi has for the first time overtaken that of Mumbai, a TOI analysis of census data just released shows. Close to 22 million people now live in Delhi's extended urban sprawl, while Mumbai is home to close to 20 million. [Read more](#)

Related: [NCR population shot up by 40% in 10 years](#)

## India 2nd only to US, with 3 million affluent households: Survey

Strange as it may sound, with as many as one-third of its population still living in poverty, the country is also home to the second largest number of affluent people with a whopping three million households which have over USD one lakh of investible funds. [Read more](#)

Related: [India and China affluent and wealthier than many European countries](#)

## India's exports to reach \$280 billion, betting on new markets

As demand slows down in the US and the crisis-ridden Eurozone, Indian exporters are searching new markets of Latin America and Africa for ensuring [USD 280 billion](#) exports this fiscal, Minister of State for Commerce and Industry Jyotiraditya Scindia has said.

India's exports maintained their growth momentum in [September 2011](#), rising by 36.3 per cent year-on-year to \$24.8 billion, though there was a "deceleration" due to uncertainty in the US and Europe, Commerce Secretary Rahul Khullar today said.

## India has the 12th largest HNI club

India's high net worth individuals' wealth grew by 22% in 2009-10 to \$582 billion compared to \$477 billion in 2008-09, a 2011 Asia-Pacific Wealth report by Merrill Lynch Global Wealth Management and Capgemini said. [Read more](#)

## India Inc's fresher hiring up 21% in Q2: report

India Inc has witnessed 21% growth in fresher recruitment in the July-September quarter, say experts. "We have seen overwhelming response from clients over campus hiring. Industries like energy, infrastructure, consulting, media, IT and retail has grown up by over 20% in Q2, FY11-12. [Read more](#)

## Draft IT policy aims creation of 10 million new jobs by 2020

The government today unveiled the draft policy on information technology, 2011 that is aimed at creating a pool of extra 10 million skilled manpower by 2020 and strengthening India's position as a global IT power. [Read more](#)

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## Policy Changes

### Hindu woman entitled to equal property rights: SC

A Hindu woman or girl will have equal property rights along with other male relatives for any partition made in intestate succession after September 2005, the Supreme Court has ruled. A bench of justices R. M. Lodha and Jagdish Singh Khehar in a judgment said that under the Hindu Succession (Amendment) Act, 2005, the daughters are entitled to equal inheritance rights along with other male siblings, which was not available to them prior to the amendment. [Read more](#)

### Relief for small-home buyers: Government to give 1% interest subsidy on loans

The government is moving to provide some relief to small home loan borrowers by providing a 1% interest subsidy for loans upto Rs 15 lakh, provided the cost of the property does not exceed Rs 25 lakh. [Read more](#)

### Realty check



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## Upcoming Events



The IREO Team and Vijay Amritraj, IREO's brand ambassador, are hosting a dinner and informational session in your city! Please join us to learn about our projects in Gurgaon, Ludhiana, Mohali,

Finally, some concrete steps to clean up the real estate sector are being taken. The recent Supreme Court judgment stating that immovable property can only be transferred via a registered deed of conveyance should plug loopholes that buyers and sellers use to transfer property using power of attorney and other devices, thereby bypassing taxes. And the draft Real Estate (Regulation & Development) Bill to be introduced in Parliament's winter session will - if implemented properly - finally afford buyers some security. [Read more](#)

### Circle rates in Delhi raised by up to 250%

Home prices in Delhi are expected to rise sharply for the second time this year after the Delhi cabinet gave its nod to increase circle rates in the city by up to 250%. "The growth of the real estate market and instances of under valuation of properties necessitated the notification of the minimum rates," said Delhi's chief minister Sheila Dikshit. [Read more](#)

### Verdict on general power of attorney seen hitting property sales

Experts analyzing Tuesday's Supreme Court order barring the sale of properties through general power of attorney (GPA) and sale agreements (SA) said the ruling could reduce black money component in deals and bring down legal disputes. However, they added that it would hit liquidity in the real estate market, bringing down the number of transactions in the short term. [Read more](#)

Related: [Making property deals transparent](#)

### Buying property to get simpler

Purchasing a property will now be simpler. Home buyers will soon be able to pay fees for registration of a property document online. On Wednesday, the state cabinet is expected to discuss a proposal for amendment in the Maharashtra Stamp Act, 1958, to permit e-payment of registration fee. [Read more](#)

### Builders to benefit from higher floor area ratio in Greater Noida

A few months ago, when the Allahabad High Court first cancelled the acquisition of land in a few villages in Noida Extension area of Greater Noida, real estate developers were in a fix. Projects and home sales got stalled and developers expected to suffer a huge loss. [Read more](#)

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## Infrastructure Updates

### Metro Updates

- [Metro comes to Bangalore finally](#)
- [Work on Navi Mumbai Metro Rail begins](#)

### Drive from Gurgaon to Jaipur to get smoother

In a bid to make the drive from Gurgaon to Jaipur smooth and hassle-free, the National Highway Authority of India (NHAI) has decided to induct certain changes in the widening plan. With the addition of flyovers, pedestrian and vehicle underpasses on the NH-8 stretch -which is being widened to six lane -local residents of upcoming townships in Sectors 81-86 and those working in industrial townships all along the highway in Manesar, Dharuhera and Bawal, will also benefit. [Read more](#)

### Asia top infra investment destination for 12 months: survey

About half of investment consultants worldwide believe that Asia will offer attractive opportunities in the infrastructure space over the next 12 months due to the rapid pace of development in their emerging economies, according to a survey by research firm Preqin. [Read more](#)

### Delhi-Gurgaon-Alwar train to cover 158km in 115 min

Soon, a high-speed train link will connect Delhi and Alwar (Rajasthan) via Gurgaon. The train, which will ply on a 158-km-long route, will have a swanky look similar to the Delhi Metro trains, and would cover the distance in around 115 minutes. It is expected to receive a daily passenger load of nearly 7.43 lakh and its speed is likely to range between 160kmph and 180kmph. [Read more](#)

### India plans industrial corridor bigger than Japan

Chotubhai Raghani's fields in a dry, salty strip of Indian coastline on the Arabian Sea never yielded much wheat but he feels like a lucky man now he's started selling them at a juicy markup. He expects his land may one day make way for a car factory or an air-conditioned shopping mall, all part of what may be India's most ambitious infrastructure project ever. Excitement is rising almost as quickly as land prices in his village, one of the sites chosen for building 24 industrial cities from scratch along a 1,483-km (920-mile) railway line. [Read more](#)

### Delhi-Mumbai infrastructure link test case for core growth

Chotubhai Raghani's fields in a dry, salty strip of coastline on the Arabian Sea never yielded much wheat but he feels like a lucky man now he's started selling them at a juicy markup. He expects his land may one day make way for a car factory or an air-conditioned shopping mall, all part of what may be India's most ambitious infrastructure project ever. [Read more](#)

and Panchkula:

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Priya Indian Cuisine  
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#### Chicago, IL

Sunday, November 13, 2011 | 6pm  
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1521 W Schaumburg Rd, Schaumburg, IL 60194  
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## E-way project around Delhi hits bottleneck

Even as the highways ministry has been pushing its plan to award more projects to meet its ambitious target to improve road construction, it seems to be delaying the 135-km expressway project around Delhi. [Read more](#)

## Highways along rivers planned

The Punjab government has decided to build highways along rivers and upgrade the older ones along these natural routes, under the Canal Road Project, a new initiative. The project worth about Rs 830 crore has been undertaken by the public works department (buildings and roads) and Punjab Infrastructure Development Board (PIDB). [Read more](#)

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## NRI Corner

### Western economies in deep freeze, expats look at India for jobs

Indians who once coveted senior executive positions in companies across the US, Europe and West Asia are escaping a worsening global economic situation and returning to a relatively stable economy back home. There has been an up to 20 percent increase in the number of CEO movements compared with last year, as persons of Indian origin and non-resident Indians return home, according to findings by various executive search firms. Spearhead Intersearch. [Read more](#)

### Weak Rupee prompts NRIs to invest in local market

Weak currency in their home country has prompted Indian expatriates living in the Gulf to borrow and invest in domestic equities and bonds. Non-resident Indians - especially those living in the Gulf - have invested about Rs 75 crore in August and September, the largest pay-in in over 30 months. [Read more](#)

### FAQs: All about PPF accounts for NRIs

Public Provident Funds are a favorite investment avenue in India, thanks to the tax-free, risk-free interest rate of 8% per annum. But for NRIs seeking to put some money in this avenue, the news ain't so good. Firstly as an NRI you cannot open a new PPF account. Secondly, if you live in a country like the US or UK, you will have to pay tax there on your PPF earnings and withdrawals. [Let's dive deeper](#)

### How to remit NRO account funds abroad

It's common knowledge now that the Government of India allows you to remit funds up to USD 1 million per financial year abroad. But how exactly do you go about doing it? What are the documents you need to submit? Can you do it from abroad? [Let's take a look](#)

### US homeowner visa: Invest \$500,000 in property and stay in America?

Two American senators have introduced a bill that calls for the creation of a new homeowner visa that will allow foreigners who spend at least \$500,000 on residential property in the US to obtain visas allowing them to live in the country. [Read more](#)

### EB-5 visa program for wealthy investors grows

This fast track to legal status is possible because Solaris developers are seeking \$80 million from foreign investors - mainly Chinese and South Koreans - under a little-known but rapidly growing visa program called the EB-5. The 21-year-old program is currently being rediscovered in the aftermath of America's crippling recession. [Read more](#)

### NRIs should plan their return to home as it has a bearing on the taxability of overseas income

The grass is not really greener on the other side. And many Indians abroad are figuring it out the hard way. Faced with a gloomy economic and career prospects, some are packing their bags and heading back to test the job market. [Tax issues to consider](#)

### NRIs can hold accounts in any currency now: RBI

The Reserve Bank today said Indians who have non-resident accounts in the country can now hold them in any currency which is fully convertible. [Read more](#)

### Best asset class right now for NRIs investing in India

Fixed income in India has become an extremely attractive proposition for NRIs investing in India, thanks to the high interest rate regime. State Bank of India for instance is offering a whopping 9.25% interest on NRO deposits of 1 year or more. Even assuming a tax rate of 30%, this gives a post tax return of 6.5%. The rupee too is currently at Rs 49 to a dollar. [Read more](#)

### 5 things returning NRIs should know about salaries in India

In the [previous article](#) we saw what kind of salaries NRIs returning to India from the US could expect. Broadly, you could expect 40-70% of your US salary as your salary in India. The next step is to understand [what exactly salary means](#).

## Construction Update



Victory Valley, Guragon



The Grand Arch, Gurgaon



IREO Uptown, Gurgaon



## HH-1B Visas for Indians rise by 24% in 2010-11

Despite a higher rate of rejection, issuance of H-1B Visa in India increased 24% in 2010-11, one of the highest-ever in the history of the US Mission to India. [Read more](#)

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## Hospitality

### Home suite home: Serviced apartment fast becoming default choice for business and leisure travelers

Serviced apartment—has long been the preferred choice for business travelers and expats, particularly those staying in a city for long periods. However, over the past few years, even leisure travelers have been seriously considering this alternative since it allows one to live like the locals, enjoy more authentic travel experiences due to increased interactions with neighbors, and most importantly, save more. [Read more](#)

Related: [Serviced apartments may eat into hotel occupancy](#)

### Chatwal's Dream gets bigger in India

Indian-American hotelier Sant Chatwal is expanding his Dream Hotel chain in India, with a new project in Goa set to open in 2013. Chatwal said he is also looking at Jaipur, Mumbai and New Delhi to set up the Dream Hotel. Earlier this year, Chatwal had announced plans to set up 50 new hotels in India in five years as part of a major expansion into South Asia in partnership with the Wyndham Hotel Group. [Read more](#)

### Hilton plans to triple presence in India in two years

Hilton Hotels & Resorts today said it could triple its presence in India in the next two year as its intensifies expansion here. The company that today opened a 168-room property under the Hilton brand in the Capital, taking its total to seven properties in India, said it plans to launch five more hotels over the next eight months. [Read more](#)

### Marriott International plans expansion in Asia-Pacific

Marriott International Inc., the largest publicly traded US hotel chain, plans expansion in Asia-Pacific markets, including China, India and Thailand, amid a slowdown in Europe and the US. "Asia-Pacific is our growth factor," said Neelima Chopra, chief sales and marketing officer, Asia-Pacific. [Read more](#)

### Rising room inventory puts hotel occupancy under pressure

The Delhi-NCR region will continue to see the largest number of room additions with 18,608 expected to come up in the next five years. Bangalore and Mumbai are next in the tally with expected addition of 12,000 rooms. [Read more](#)

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## Conversion Rates\*

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\*As of November 2, 2011



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