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realty trends

Oberoi Garden City,
Oberoi Realty

GET A GOOD DEAL

While there is still a long way to go, developers are now going out of their way to usher in transparency and meet the needs of customers at all levels, says **Menka Shivdasani**

First, the bad news. If you have been delaying your property buying decision hoping prices will come down, forget it. Whatever talk there might be of corrections, in reality, prices tend to keep going up, for various reasons, including inflation, rising cost of raw materials, the long arm of the tax department, and shrinkage of supply. On the other hand, the sooner you buy that flat you really like, you will find that it will appreciate in value; a delay could end up being costly.

Ask Vivek Nandan, an award-winning architect, who hesitated before purchasing a home in Powai in 2004. The price was Rs 2,800 a sq. ft. and Nandan was concerned about stretching his resources. Then he realised the equated monthly installments (EMIs) were about the same as the rentals he was paying.

Buying the property meant he would never have to worry about rising rental costs again; he would be able to settle in one place without being uprooted every time the lease ran out, and best of all, he was creating a long-term asset that would certainly appreciate with time. Today, if he were to sell this house, he says, it would fetch him at least Rs 12,000 per sq. ft. Of course, the pleasure of owning his own home is invaluable.

"If you like something, there is no point waiting," says Nandan. He believes if you are planning to buy a property for your own use, the sooner you do it, the better.

It's a view most real estate experts would endorse. For instance, Anuj Puri, Chairman and Country Head, Jones Lang LaSalle India, states that with increased pressure on developers' margins thanks to new Development Control Regulations in Mumbai, prices are unlikely to fall in the near future. He observes that downward revision of interest rates by Reserve Bank of India (RBI) has brought relief to buyers and will provide a much-awaited boost to sales velocity in the near term.

SILVER LININGS

At first glance, whichever way you turn these days, experts seem to be predicting gloom and doom. Certainly, things have been rough lately. CBRE South Asia Pvt. Ltd., in its *India Residential Market View - 2011*, (May 10, 2012), notes that "numerous repo-rate revisions by RBI which led to upward revision of mortgage rates, tighter control on teaser rates earlier being offered by financial institutions to reduce EMI burden in the initial years of a loan tenure, and inflationary pressures impacted end user as well as investor sentiment by the end of 2011".

In a sluggish market, however, there are definitely silver linings. For one thing, developers are out to woo customers in a variety of ways. Speaking strictly in terms of price, there is no doubt you'd be able to strike a great bargain, either through closed-door negotiations or through discounts and incentives developers are willing to give, to attract customers during a slow period, particularly during festival times.



• The real estate market has seen a tremendous change in recent times

• Developers are becoming aware of the need for best practices and transparency



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• Vikas Oberoi, CMD

Real estate is one of the most expensive purchases a customer will make in his life. Organisations which simplify the buying process by making it transparent and also enhance the customers' experience are the ones that will be the preferred choice of the customer.

“If you like something, there is no point waiting” - Architect Vivek Nandan