

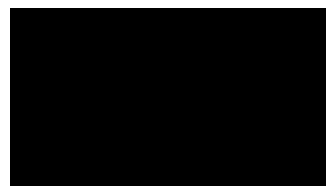
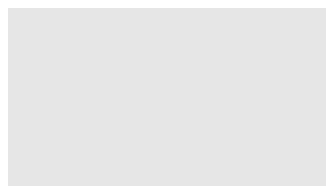


## COMMERCIAL / RETAIL / HOSPITALITY

### Commercial space enquiries picking up in real estate

Enquires for commercial real estate property has picked up in the last couple of months following decent growth in the IT industry."This year there are more number of enquiries for commercial space ...Compared to last year. The trend has picked up because the IT and BPO industries are witnessing decent growth," Confederation of Real Estate Developers' Associations Tamil Nadu unit President T Chitty Babu told reporters here.CREDAI officials said the response for commercial space had decreased considerably in the last year, with many places in the state lying

untapped. Residential units, however, saw a decent growth. While the trend was bent more towards affordable housing segment, luxury houses too were sold in no time. Though there are a number of affordable housing units on the outskirts of Chennai, luxury houses are being sold in no time. It may be because they are few in number," he said. Chitty Babu and senior officials of CREDAI were here to announce the three day real-estate exhibition "FAIR PRO 2011" slated to begin in Chennai on March 11. During the three-day event, over Rs 200-Rs 220 crore business enquiries are expected to be generate, Babu said."We are expecting over one lakh footfalls





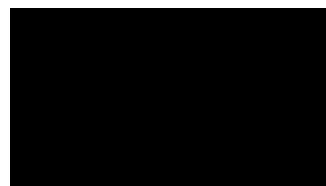
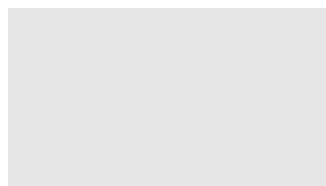
this year and about 250 projects from 53 developers are expected to be approved during the event," he said.

*The Business Standard March 09, 2011, 15:57 IST*

### [Hospitality Major Hyatt Optimistic on Plans to Open Five Hotels in Collaboration with DB Realty](#)

Chicago-headquartered Hyatt Hotels Corporation, one of the world's biggest hotel chains, is going ahead with plans of opening five hotels with the Mumbai-based DB Group. The latter is presently embroiled in the 2G telecom spectrum scam, its managing director, Shahid Balwa, having been arrested (he had resigned after this took place last month). DB Hospitality is building five premium properties in Mumbai, Pune, Mundra (Gujarat) and

Goa. These will be handed over to Hyatt for management, upon completion. Steve Haggerty, global head, real estate and development, Hyatt Hotels Corporation, said, "The plan is intact. The hotels we intended to do with DB Hospitality, we still plan to open, and they remain in the pipeline. We have no further comment or information to share. We cannot really comment on what has happened with DB Realty."





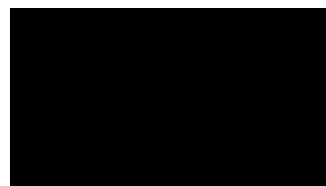
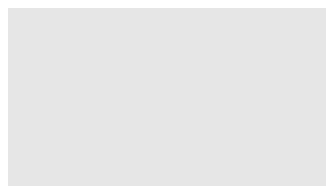
“We have taken no action so as far as our role and our position is concerned, it hasn't changed. All the signed projects with DB Hospitality are in various stages of development. We expect to open Goa this year and construction on Pune is quite advanced,” Haggerty told Business Standard.

While both DB Hospitality and Hyatt state that work on their projects is on, some are behind schedule. For instance, the 314-room Grand Hyatt in Bambolim, Goa, is six to eight months behind schedule, to open in the second half of this year.

A 255-room and 55-service apartment, Park Hyatt, will come up inside a 125-storied skyscraper to be built at Marine Lines in Mumbai. This project, due for completion by 2014, is also

reportedly behind schedule. “We are not sure if the Marine Lines project will be finished by the given date but as of now, 2014 remains our target,” stated a senior executive from DB Hospitality.

The Indian realty news March 30, 2011





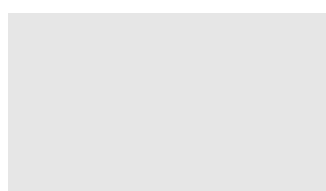
## LAND / INDUSTRIAL / SEZ

### HDFC Property Ventures Ltd Exits Bangalore IT SEZ

Realty fund HDFC Property Ventures Ltd is selling its investment in a technology export zone in Bangalore back to the developer, making its fifth exit in recent months. The sale will earn the fund returns of Rs 490 crore on the Rs 210 crore it invested in Manyata Business Park, an information technology (IT) special economic zone (SEZ) in north Bangalore, less than five years ago. The IT zone, home to firms such as International Business Machines Corp, is a joint venture between HDFC Property and Embassy Property Developments Ltd, a Bangalore realty firm that specializes in office

space. HDFC Property's exit from the venture will be complete by mid-April, the fund executive said.

"It was an excellent investment for us where the developer has delivered well, with 7.5 million sq ft already leased out in the (12.5 million sq.ft.) SEZ," the executive said on condition of anonymity. "However, the liquidity situation is tight in real estate and there may be a slowdown in exits for a temporary period." HDFC Property, the realty fund of India's largest mortgage lender Housing Development Finance Corp. Ltd, had put up for sale six office properties in which it had invested about four years ago, as it prepared





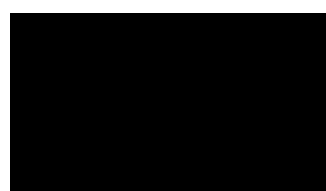
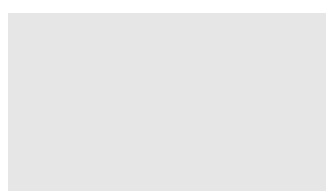
to return money to investors, Mint reported in January. HDFC's domestic fund manages about Rs 1,000 crore of assets. The fund's previous exit was from Embassy Golf Links, an office property in Bangalore. The sale to a clutch of wealthy individuals earned it returns of Rs. 220 crore on an investment of Rs. 51 crore, the fund executive said.

*The Economic Times March 24, 2011*

### [Chandigarh ban on land acquisitions to go soon](#)

Chandigarh: The blanket ban imposed by the government putting all land acquisitions on hold in Chandigarh under the Land Acquisition Act is likely to be lifted soon. All land acquisitions had

been put on hold for the past two years after the centre sent a missive to Chandigarh Administration on April 7, 2009 in the wake of agitation launched by farmers demanding a probe by Central Vigilance Commission into the land acquisition policy of the administration. The letter from ministry of home affairs had come at a time when Chandigarh Administration was in the process of awarding compensation for the remaining 167 acres of land proposed to be acquired for the Rajiv Gandhi Chandigarh Technology Park. On more than one occasion, the then administrator and then advisor of Chandigarh Administration had locked horns on the

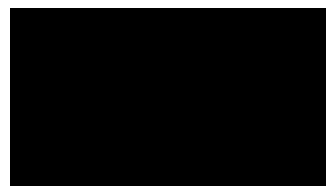
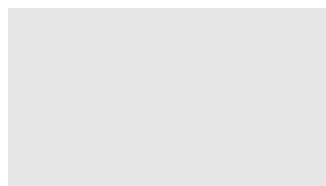




issue of land acquisitions both supporting diametrically opposite views. Sources in the Chandigarh Administration told FE that “Chandigarh Administration would approach ministry of home affairs to lift the ban in view of recent judgement of Punjab and Haryana High Court asking Chandigarh Administration to go ahead with expansion of the Rajiv Gandhi Chandigarh Technology Park.” The farmers of Manimajra and Daria villages had alleged that certain administration officials were hand-in-glove with land-mafias. The matter assumed significance when Chandigarh Technology Park's phase I and II were sanctioned as SEZs by the ministry of commerce. However, for phase III, where administration had set in motion the process to acquire 167 acres

land, necessary approvals for SEZ is yet to be received from the ministry.

The Financial Express Mar 28, 2011





## PRIVATE EQUITY / FOREIGN DIRECT INVESTMENT

### Kotak property arm to raise \$500 mn for India buys

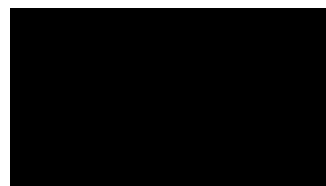
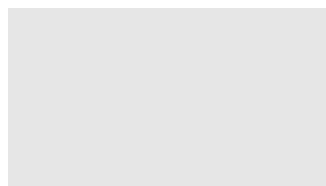
New Delhi: Kotak Realty Fund, the property investment arm of India's Kotak Mahindra Bank, plans to raise as much as \$500 million of funds by the second quarter of this year, in a bet on the long term case for property in Asia's third-largest economy, a top official said.

\* To invest \$100 million in property in coming months

\* Targets opportunities in Delhi, Mumbai, Bangalore

The fund intends to raise about \$150-\$200 million from domestic investors and another \$300 million from global markets, its director, V. Hari Krishna, told Reuters in an interview. The long-term

macro fundamentals are intact. The markets have nearly doubled since 2005 and we have seen a cyclical turn. So, its a good time for investments, he said. Private equity funds, including four domestic and 10 international funds, have invested a total of \$14 billion in Indian property during the last ten years, according to an industry analysis. Of that, private equity firms have sold Indian property holdings worth nearly \$2 billion, Krishna said. Last week, Kotak Realty Fund sold one of its property assets - Peepul Tree Properties Pvt Ltd - to Tata Realty Fund for 5.25 billion rupees (\$117 million). The fund had made an initial investment of 950 million rupees.





Many of the investors are concerned over exits, but we could demonstrate this as a market where we can make decent exits too, said Krishna.

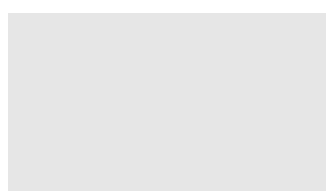
#### INVESTMENT ACROSS CITIES

The fund, which has about \$750 million worth of assets under management, plans to invest close to \$100 million over the next couple of months in major Indian cities, he said. The investments will mainly be in the residential property assets, he said, citing Delhi, Mumbai and Bangalore as target markets.

*The Financial Express Mar 22, 2011*

#### [Australian Company Raises its Stake Beyond 5% in Unitech](#)

Australia's Platinum Investment Management has raised its stake in India's second largest real estate firm Unitech to 5.16%. Platinum Investment Management has acquired 60,56,100 equity shares of Unitech, which is equal to 0.23% of the total paid up capital of Unitech, the realty firm said in a filing on the Bombay Stock Exchange. Before this open market transaction, Platinum had 4.93% stake in Unitech, the filing added. The promoters have 48.57% stake in Unitech. Share of Unitech today closed at Rs 39.30 on the BSE, down 2.48% from its previous close. At the current rate, 60,





56,100 shares would have cost nearly Rs 24 crore. Gurgaon-based Unitech has about 10,000 acres of land bank mainly in Noida, Greater Noida and Gurgaon. It is present in almost all the verticals of real estate including housing, retail, offices and hotels. The company has recently announced that it would launch 10 million sq ft of area in the next three months.

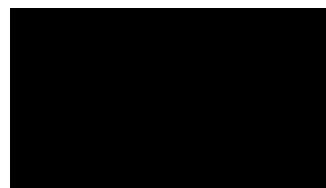
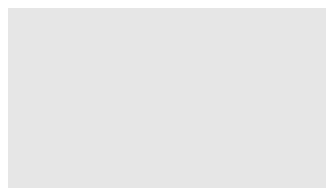
*The Indian realty news March 29, 2011*

### Real estate top investment avenue in non-metros

Real estate has emerged as the most preferred investment avenue for working professionals in non-metro centres vis-à-vis bullion and stock market. Realty has topped the preference chart as it is considered a safer investment option compared to other

instruments and the booming real estate sector in Tier-II towns of the country.

Almost 60 per cent of respondents in a random survey conducted by Associated Chambers of Commerce and Industry of India (Assocham) in seven Indian non-metro cities preferred realty, followed by bullion and stock market at 20 per cent and 15 per cent, respectively. In the survey conducted in Lucknow, Jaipur, Ahmedabad, Surat, Patna, Ranchi and Bhopal during October 2010-





February 2011, the respondents said Indian realty had huge prospects in sectors like commercial, housing, hospitality, retail, manufacturing and healthcare. Interestingly, many opined that investing in National Saving Certificates (NSC), bank fixed deposits (FD), Post Office Monthly Income Scheme (MIS), bonds and debt instruments represented 'old school' of investment. They said prudent investors were trying to strike balance vis-à-vis exposure in realty, gold deposit schemes, mutual funds and life insurance for financial security. The sample size was 7,000 (1,000 in each city) comprising directors, executives, teachers, professionals employed in public sector undertakings and multinational corporations, besides self-employed traders, lawyers, doctors and financial experts.

The remaining five per cent preferred investing in miscellaneous traditional investment instruments. The study was conducted under the aegis of Assocham Social Development Foundation (ASDF). In Lucknow, 44 per cent preferred investing in real estate as it guaranteed higher returns with minimum risk compared to stock market, equity, mutual fund and gold. "Realty being an investor-driven market is one of the most profitable industry as it saves the working urbane populace from paying monthly house





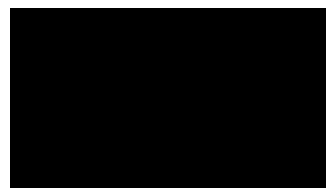
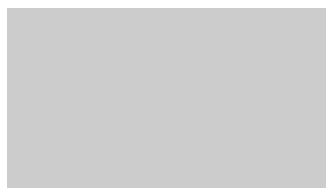
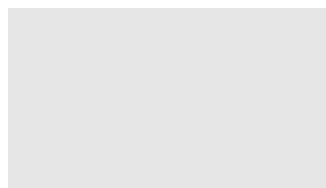
rentals and provides tax benefits while repaying loans along with interest for quite long,” Assocham General Secretary D S Rawat said releasing the findings of the survey. The survey also found that realty sales were gradually drying up in metros, but was fairly steady in Tier-II towns.

*The Business Standard March 17, 2011, 0:51 IST*

### Kotak Realty in largest RE fund exits

Mumbai: Kotak India Real Estate Fund I today announced the sale of Peepul Tree Properties Private Limited (Peepul Tree Properties), a wholly-owned undertaking, to Tata Realty Initiatives Fund 1 for an enterprise value of Rs 525-crore (USD 117-million), thereby scripting India's largest RE fund exits. Peepul Tree Properties owns

an IT park in the Mumbai suburb of Goregaon, which has been 96 per cent leased to marquee tenants such as Accenture, HP, BNP, Tata AIG, BOB Legal and General, Integron and Prana Studios. On an initial equity investment of Rs 95-crore, Kotak India Real Estate Fund I has received over Rs 400-crore from the exit, including internal accruals, a press release issued here stated. The exit has many firsts to its credit. In addition to being the largest real estate exit in the Indian market by a RE fund, Peepul Tree Properties is the first





office property to be divested by a property fund in India, and one of the first foreign direct investments in an income producing asset, the release said. Kotak India Real Estate Fund I is the inaugural Rs 457-crore domestic fund (USD 100-million) of Kotak Realty Fund. With this sale, Kotak Realty Fund will also become the first property fund in India to return the entire corpus of the fund back to its investors. The said Fund has other notable investments such as Lemon Tree Hotels, Pride Hotels, 3C Green Boulevard and Clover Golf community that remain to be exited, the release said. Commenting on the sale, Kotak Realty Fund's Director, V Hari Krishna, said, "this has been a highly successful investment for the

Fund, notably it was a control investment, which we have been able to lease, operate and exit profitably.

The Financial Express Mar 07, 2011

### Manchester United Café to invest Rs 100 cr in India

Betting big on the growing popularity of football in India, Manchester United Café the franchisee model bar and restaurant of the





English Premier League football team has lined up aggressive plans for India. The café entered the country last year and is now present in three metros. It will be seen in all major cities by year-end. "An investment of R100 crore is slated for expansion of our food and beverages (F&B) business," said Om Goenka, chairman, Mirah Group that has exclusive rights for the café's expansion in India. Restaurant and bars, especially those modelled on sports concept are seeing a tremendous surge in popularity, especially in tier-I cities, according to industry experts. It was virtually impossible to find a place in any sports concepts restaurant in the metros on Wednesday when India played Pakistan in the semi-final of the cricket world cup. The amount to fund expansion will be

raised through internal accruals, company executives said. However, the company could also look out for private equity. "We are not in talks with any PE player as of now," said Goenka. Manchester United Café is currently present in Mumbai, the National Capital Region and Goa through five cafes under Mirah Group. The company plans to start another 12 cafes including at least one in Kolkata and Hyderabad by the year-end. The group, an unlisted entity with a presence in hospitality business, has a topline of R1, 500 crore,





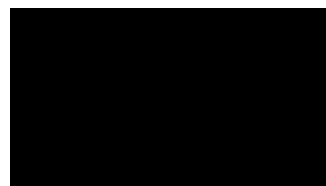
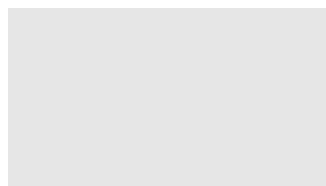
company executives said. The group's F&B business clocked revenue of R100 crore in the current fiscal year. The F&B business also includes other ventures such as Rajdhani, an Indian cosine restaurant and Falafels, a vegetarian Lebanese fast food chain.

The Hindustan Times Mumbai, March 30, 2011

## REGULATORY BUZZ & PROPERTY HEADLINES / INDUSTRY NEWS

### [IT Dept Sends Letter to Realty Companies Citing 10% tax on Land Lease Sales in Mumbai](#)

The Income Tax department has sent letters to real estate companies, MMRDA, CIDCO stating that all land lease sales or transfers attract a 10% tax, sources said. The IT department states that tax should be cut with retrospective effect from FY08 and estimates suggest they could raise Rs 1000 crores in the process. Real estate developers said they will contest this tax liability as it will have a negative impact on their cash flows and cost of land. According to the IT department, the tax on land lease transfers is an obligation on the payee and will be deductible at source (TDS). These will be applicable on all long lease land sales or transfers in Mumbai, sources said. Industry experts say all the land auctions by





government agencies and private lease transfer deals like Lodha's Wadal land deal, RIL-Wadhwa lease transfer, Jet Airways-Godrej Properties deal could fall under the tax net. There have been many such land deals in Mumbai in the last 4 years. On the legal front, Ketan Kothari, Director at Khaitan & Co said, "It is likely to be covered by IT Act provision 194 (i). The tax liability, however, will depend on the way the land deal documents are structured." Legal experts also said that there is a debate between treating it like a 'transfer of lease' or 'transfer of capital gains.' While the debate is on, sources said final decision on whether this tax will be applicable or not will be clear in the next few days.

*The Indian Realty news March 25, 2011*

### [MCD to auction properties that don't pay tax](#)

New Delhi: Evading property tax may soon evoke harsher penalty as the Municipal Corporation of Delhi (MCD) is working on a system to auction properties of defaulters. The civic agency is framing guidelines that will enable it to take possession of properties that have outstanding amounts of more than Rs 5 lakh as tax. At present, the MCD sends attachments to defaulters asking them to pay tax the

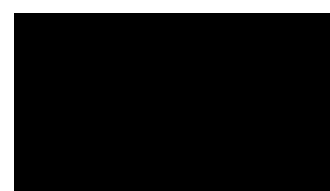
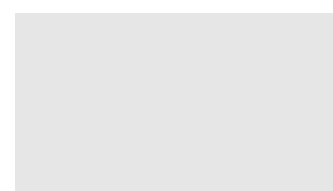




threats were usually ignored. A senior official of MCD said the Delhi Municipal Act allows the municipal body to auction properties for which tax is not paid. "MCD can take possession of the movable and immovable assets to extract the taxes. This means that when MCD takes possession, it takes possession of the property as well as all the items such as cars and furniture," he said. Two months ago, the civic agency had brought out a list of around 900 tax defaulters who owe it more than Rs 5 lakh. The list was also put up on the MCD website and advertised to coax the defaulters to pay up, but very few payments were made. "This time, the MCD is very serious about taxes and will soon start auctioning off properties," said the official. Three weeks ago, the MCD had written to the DDA

asking for help with guidelines on auctioning. After it failed to send the information, the MCD has started talks with auction companies for details. "At first, we will target properties that are vacant, after that we will take into possession properties that have residents as well," added the official.

The Financial Express Mar 17, 2011





**NAI** Property Terminus

Commercial Real Estate Services, Worldwide.

## Contact Details

Mezzanine Floor, A- Wing, ICC Trade Tower, Senapati Bapat Road,  
Pune 411 016, India.

Tel : +91 20 25635550 / 1

Website : [www.naipropertyterminus.com](http://www.naipropertyterminus.com)

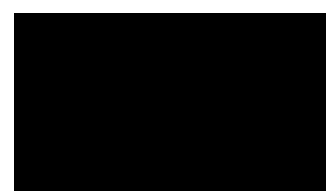
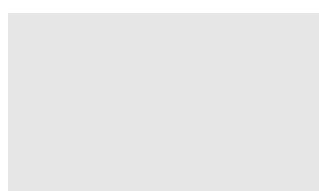
## ABOUT US

NAI Property Terminus is a professionally managed establishment based in Pune, Maharashtra since a decade. We, at NAI India, are part of NAI Global one of the largest companies in the world for Real Estate Transaction Management. We have 325 offices across the globe- 160 cities in US, 110 cities in Europe, and 35 cities in Asia. We have 6 offices in India- Pune,

Hyderabad, Chennai, Kolkata, NCR (Delhi-Gurgaon-Noida), Punjab. Also operating in Bangalore and Mumbai. We act as a surrogate to a firm's in-house real estate group, managing all aspects of the project from needs analysis to site selection and move-management, or merely lend our support with individual project services. We emphasize a lot on delivering high quality services to our customers by implementing the latest methods & techniques available. It is our endeavor to implement a transparent work process & a legitimately ethical business practice.

[Our Prime Focus is on following verticals :](#)

Corporate, Industrial/ Land, Logistics, Retail, Investment, etc.



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