

Lemon Tree Hotels Along with US-based investment firm Warburg Pincus Plans to Launch Housing Projects in India

Hospitality firm Lemon Tree Hotels is foraying into real estate, with plans to invest over Rs 1,400 crore, to launch housing projects in India in partnership with US-based investment firm Warburg Pincus. New Delhi based firm has formed a 51:49 joint venture, Oceanus Real Estate Pvt Ltd, with Warburg Pincus for the housing projects. Besides diversification into housing, the hospitality chain has put in place a blueprint to expand in its core business within India and explore neighboring markets like Nepal and Sri Lanka.

“The joint venture with Warburg Pincus will develop at least three to four affordable housing projects in Gurgaon,” Lemon Tree Hotels chairman and managing director Patu Keswani said. Out of a total planned investment of Rs 1,400 crore by 2015, the JV will invest Rs 700 crore while Warburg Pincus alone will put another Rs 700 crore separately, he said. Keswani said the residential apartments would be sold under the 'Lemon Tree' brand in the range of Rs 20 lakh to Rs 1 crore per unit. “We have already identified a couple of sites in Gurgaon and will begin construction soon and start selling by December this year,” he said. In 2006, Warburg Pincus had invested in Lemon Tree Hotels and currently own 25.8% stake. In the hospitality segment, the company currently owns and operates 14 mid-scale Lemon Tree hotels in the country with a total capacity of 1,500 rooms. “By mid 2013, we have a plan to own and operate total 20 hotels with 2,800 rooms and then we have a plan to go public by making an IPO,” Keswani said. The first Lemon Tree hotel was opened in 2004 and since the inception in 2000; Rs 1,600 crore has been invested in the company.

Asked about revenues, while he did not provide figures for the past fiscals, he said this financial year Lemon Tree Hotels expects the turnover to be around. 300 crore. Besides, domestic expansion, Keswani is also exploring Nepal and Sri Lanka to set up Lemon Tree hotels. “International expansion plans is at a preliminary stage at the moment,” he said.

Source : The Indian realty news April 25, 2011

IHG to come up with 45 Hotel Properties across India by 2015

Luxury hotel group InterContinental Hotels is planning to open over 45 hotel properties across India by 2015. These properties will be developed in the cities like in Delhi, Mumbai, Jaipur, Bangalore, Ahmadabad and Kochi. Meanwhile, it has just opened Holiday Inn in Hinjewadi, Pune. The company has invested around Rs 70 crore in this property. The hotel offers 172 rooms ranging from deluxe, studio, executive suites, and restaurants and meeting spaces.

Commenting on the launch, Kadambini Mittal, director commercial South West Asia said, "IHG is an international hotel company whose goal is to create Great Hotels Guests Love and Holiday Inn Pune Hinjewadi aspires to be just that. It is ideal for an enthused business trip and social events." She added, "We are rapidly growing and will increase our foot prints to cover all metros and mini metros by 2015. Following the opening of this strategic property, we will add additional hotels in 2011. The business traveler in India has become value conscious and it is our group's endeavor to offer luxurious hotel accommodation combined with unsurpassed service."

Elated with the opening of the hotel, Jay Welinkar, general manager, Holiday Inn reaffirmed, "Meeting high grade standards and assured quality from the IHG brand, the Holiday Inn Pune Hinjewadi promises its guests a truly refreshed experience with the best of hospitality and dining services.

Bringing in the refreshed hospitality experience, the world class brand has an array of features and services to offer. A fresh solution to the needs of the global business travelers and leisure guests alike, the hotel has multiple banqueting venue options, security that matches international standards and a plethora of dining options with trademark hospitality and efficient service."

The Group owns a portfolio of hotel brands including InterContinental Hotels & Resorts, Hotel Indigo, Crowne Plaza Hotels & Resorts, Holiday Inn, Hotels and Resorts, Holiday Inn Express, Staybridge Suites and Candlewood Suites. According to IHG, it has more than 1,700 hotels in its development pipeline, which will create 200,000 jobs worldwide over the next few years.

Source : The Indian realty news April 18, 2011

Real Estate Firm 3C Partners with Four Season Hotels and Resorts to Develop 5 Star Hotel in Delhi

Realty firm The 3C Company has partnered with Four Seasons Hotels and Resorts to develop a five-star hotel at the recently announced project 'Delhi One'. The company plans to invest about Rs 1,800 crore (Rs 600 crore on land and Rs 1,200 crore on construction) on this venture. The project is expected to be completed in 42-48 months. The strategic move between the two companies was sealed by ensuring that Four Seasons will not develop any other five-star property in Delhi and Noida for the next 25 years. Set to be ready and functional by 2014, the coveted brand of Four Seasons hotel will help further create a niche for 'Delhi One' which is set to offer ultra luxury lifestyle. Delhi One project would also feature the Four Seasons residences which would be serviced by the hotel. This strategic tie-up will help strengthen Four Seasons presence in the region and also ensuring that The 3C Company makes an entry into the hospitality sector with élan.

Speaking on this new development, Vidur Bharadwaj, director, The 3C Company, said, "It is a proud moment for The 3C Company to commence our hospitality foray by associating with none other than the leading hospitality chain Four Seasons Hotels and Resorts. This marks a big milestone in the progress of our company, which has continuously endeavored to offer only the best product to its customers."

The Hotel would feature 250 rooms with 180 exclusive fully furnished serviced private residences which one can own. The truly state-of-the-art architecture of 'Delhi One' boasts of 180 exclusive fully furnished serviced apartments spread across 10,00,000 sq ft of area with an average sized apartment measuring over 6,500 sq ft. Luxury in the hotel will be extended to these super luxury serviced private residences.

Source: The Indian realty news April 22, 2011

Sayaji Hotels Ltd to Invest Rs100 Crores in Pune; Plans to Expand Operations

On completion of two years in Pune, Sayaji Hotels Ltd is planning to invest Rupees100 crore in Pune. . "This expansion will be completed by September 2012 with a total investment of Rs 100 crore" said, Sajid

Dhanani, MD, Sayaji Hotels Ltd. The group is planning to expand its operations with a sports and cultural club, restaurant, mall, meeting and conference facilities and service apartments.

“The demand for hotels and restaurants is increasing at a good rate in Pune. Dhanani's estimate is 22 per cent as far as hotel business is concerned. Though supply of rooms in the last two-three years has increased considerably, the restaurant business is on the rise far more speedily.

Moreover, Sayaji Hotels further plans to influence the brand image it has created in Pune by exploring in other locations like Bangalore, Chennai and Gurgaon wherein majority of its customers come from automobile, Information Technology and Engineering industries. It also has plans to expand Barbeque Nation brand from current 18 divisions in the country to around 33 divisions by the end of the year. The new Barbeque Nation restaurants will be opened in majorly in metropolitan seven cities such as Mumbai, Delhi NCR, Chennai, Bangalore, Hyderabad, Kolkata and Pune. The group's turnover was roughly around Rupees 190 crore for the financial year 2010-11.

April 29, 2011 10:46 am

LAND / INDUSTRIAL / SEZ

DLF to set up Info park projects

DLF is India's biggest real estate developer which has decided to develop Infopark project worth of Rupees 1000-crore which would be spreaded over 54 acres in all the phases. Firstly, they intend to develop one-tenth of the plot (5.4 acres) in first phase, for which they had made the building plan and had forwarded for the approval of the Bhubaneswar Development Authority (BDA). In this context,” DLF has submitted a revised building plan for the Infopark project which is under scrutiny of BDA”.

After following the de-notification of the Special Economic Zone (SEZ), DLF had thought to develop the Infopark project under the STPI (Software Technology Parks of India) scheme.

DLF had made certain changes in its Infopark project which is to be built over 54 acres in the Infocity region of the city. DLF real estate masters are interested on setting aside a greater area for non-processing

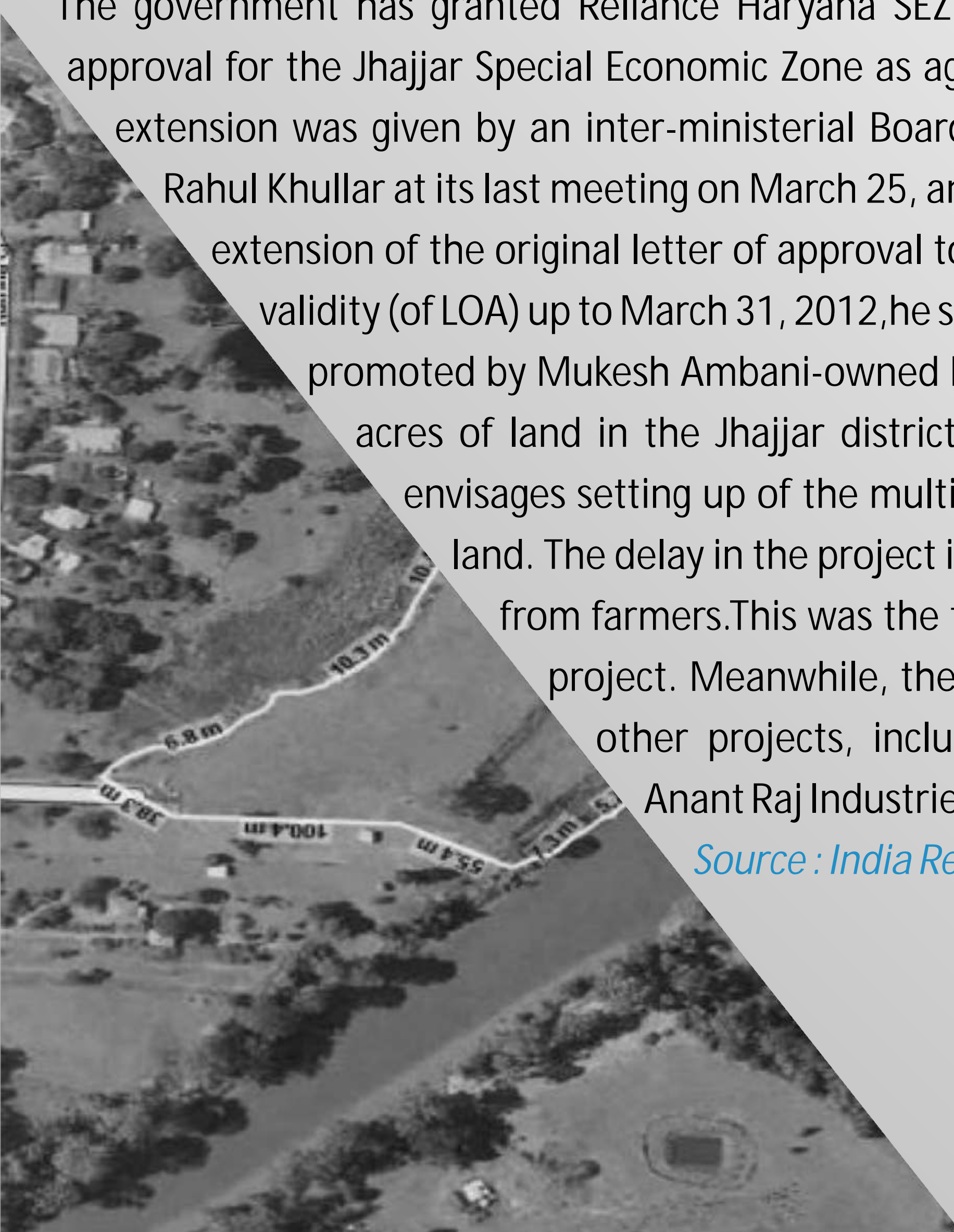
facilities like shopping malls and multiplexes. This project which had to come up in three phases, comprises of an IT area, a luxury hotel, a chain of retails, service apartments and recreational facilities with a total built-up space of about 5.5 million sq ft. For the luxury hotel, DLF had tied up with Hilton which is a famous international hotel chain. For the first phase, DLF had committed an investment of Rupees 300 crores for developing an IT workspace of international standards which would be a built-up area of 5.7 lakh sq ft. This phase is scheduled to be operational within 18 months to 02 years after commencement of construction of work. The Infopark project may generate direct and indirect job opportunities for over 40,000 people in sectors like IT and ITes (IT enabled services), retail and hospitality.

April 18, 2011 11:38 am

Govt. Granted Reliance Haryana SEZ only 1-year extension

The government has granted Reliance Haryana SEZ one year extension in validity of in-principle approval for the Jhajjar Special Economic Zone as against four years sought by the promoters. The extension was given by an inter-ministerial Board of Approval headed by Commerce Secretary Rahul Khullar at its last meeting on March 25, an official said. Though the developer had sought extension of the original letter of approval to March 2015, the board decided to extend the validity (of LOA) up to March 31, 2012, he said. The official said while Reliance Haryana SEZ, promoted by Mukesh Ambani-owned Reliance Industries, possesses more than 1,000 acres of land in the Jhajjar district in Haryana, it is not contiguous. The project envisages setting up of the multi-product SEZ over an area of 5,000 hectares of land. The delay in the project is on account of difficulties in acquisition of land from farmers. This was the third extension in principle validity given to the project. Meanwhile, the board also gave one year extension to several other projects, including those promoted by the Unitech Group, Anant Raj Industries, Uppal IT projects and IFFCO.

Source : India Realty Search Friday, April 2011



PRIVATE EQUITY / FOREIGN DIRECT INVESTMENT

India Eager to Attract FDI: PM

India is eager to absorb foreign direct investment, Prime Minister Manmohan Singh said on Thursday in a statement at the BRICS summit. Singh also said the Indian economy is well positioned to achieve annual long-term growth of 9% or more. The Prime Minister said the health of the country's financial and capital markets was sound.

The economy is expected to grow 8.6% in the fiscal year that ended in March. Meanwhile, China at on Thursday recorded its recognition of India's status in global affairs and said it supports its aspiration to play a greater role in the world body, a nuanced expression that could be seen as a step forward towards backing New Delhi's bid for a permanent seat on the UN Security Council.

The Chinese position was reflected in a declaration issued after the BRICS summit while referring to the need for comprehensive reform of the UN, including the Security Council, to make it "more effective, efficient and representative so that it can deal with today's global challenges more successfully."

The declaration said, "China and Russia reiterate the importance they attach to the status of India, Brazil and South Africa in international affairs and understand and support their aspiration to play a greater role in the UN."

Source: The Indian realty news April 18, 2011

Fidelity's Private Equity Arm Invests in Logistics Firm

The Indian private equity venture of Fidelity International Ltd. has invested \$13.5 million in Transpole Logistics Pvt. Ltd., a New Delhi-based company. Fidelity wants to take advantage of the rapid growth of the logistics business as India's economy expands.

The move comes about a fortnight after private equity firm Warburg Pincus India Pvt. Ltd. invested \$100 million in Chennai-based Continental Warehousing Corp. (Nhava Seva) Ltd., a unit of the NDR Group. Warburg Pincus India has deployed \$2.5 billion in the country.

Fidelity Growth Partners India has invested in Transpole through an instrument that can be



converted into

equity at a later date, said Sandeep Upadhyay, who heads the infrastructure and logistics team at Centrum Capital Ltd., which was the financial adviser to Transpole on the deal.

"This investment would represent a significant minority stake in Transpole," he said.

Transpole plans to go public by 2015, and expects to increase its sales to 10 billion rupees (\$226 million) in the next three to four years.

Executives at Fidelity and Transpole were not available for comment.

Transpole is expected to post revenue of 3.50 billion rupees (\$79.2 million) in the current financial year, according to a company press release, and the funds raised from Fidelity would be used to expand operations in India and Singapore and build a pan-Asia network of offices across South Korea, China, Hong Kong and Malaysia.

Transpole offers logistics services such as freight forwarding, warehousing, distribution, third-party logistics and advisory services.

Source : WSJ www.indiape.com Mon 25 April, 2011

PROPERTY HEADLINES / INDUSTRY NEWS

Sobha Developers to Develop 11 mn SQFT at an Investment of 2500cr

Sobha Developers plans to develop over 11 million square feet during this fiscal at an estimated project cost of Rs 2,500 crore. Bank funding for some of these projects has already been tied up, according to a top company official. "Our sales realisation in 2010-11 crossed Rs 1,000 crore, with an average realisation of over Rs 4,000 per sq.ft. We have generated positive cash flow in the last fiscal thereby reducing our debt significantly," J C Sharma, managing director, Sobha Developers, said. The company's debt, which was at Rs 1,450 crore at the beginning of last fiscal, has been reduced to Rs 1,250 crore during 2010-11 and "targets of debt reduction were achieved without doing land monetization as much as we were expected to do," Sharma told Business Line.



The company, which has a land bank of 2,800 acres now, monetised land for about Rs 150 crore in 2010-11.

The targeted debt equity ratio is 0.5-0.6 for 2011-12, he said, adding that in absolute terms, the company would bring it down to Rs 1,000 crore. Besides new launches in the four cities where it already has presence Bangalore, Pune, Coimbatore and Thrissur the company also plans to enter the National Capital Region, Chennai and Mysore. "We plan to enter Mysore this month and NCR next month, while the Chennai launch is slated in the next two-three months," said Sharma. Of the 11 million sq ft planned this year, over 90 per cent would be in the residential segment. "For the projects to be immediately launched, land cost has been paid for and bank funding has been tied up," he added. With these new launches, Sharma expected good growth in 2011-12. The company's sales went up by over 50 per cent during the last fiscal, and considering the product mix of new launches "our average realisation should further improve this year," he said.

April 22, 2011

Bangalore to Witness Robust Commercial Retail Space Demand

Bangalore is likely to witness a robust demand in commercial and retail space in the present calendar year on the back of higher economic activity. According to a study of real estate research firm Jones Lang LaSalle India, the city is likely to absorb about 7.1 million sq ft of office space by 2011 against a supply of 7 million sq ft in this period. "A majority of the expected absorption is likely to take place in the secondary and Whitefield micro-markets," Abishek Kiran Gupta, head-research and REIS, JLLM said.

In the meantime, the office market has witnessed a total transaction of 2.77 million sq ft in the first quarter of CY10, which is 7.36 per cent higher than the previous quarter. The total net absorption in the city was 958,091 sq ft, of which the central business district (CBD) and others accounted for 18 per cent of the absorption during this period. Some of the key transactions during this period are Math Works leasing a 10,076 sq ft on Ulsoor Road, Impetus Leasing 20,000 sq ft on the Outer Ring Road among others. In the rental space, the average rent for office space in the CBD increased to Rs 78 per sq ft from Rs 76 sq ft in the first quarter

of CY10. Similarly, the retail space is expected to see a momentum during the present calendar year.

“Demand is expected to gain momentum and the total absorption in 2011 is likely to be about 2.31 million sq ft against a supply of 3.3 million sq ft,” the report said. However, the report said vacancy rate was expected to rise from 5.8 per cent in 2010 to 16.4 per cent in 2011. According to JLLM, the retail market absorbed 200,000 sq ft of retail mall space during the first quarter of CY11.

‘The high streets of Indiranagar, Koramangala, Whitefield, BEL Road and Old Madras Road accounted for 277,995 sq ft of the leasing activity indicating a surge in demand in retail space,’ the report said. Vacancy has also fallen to 5.5 per cent in the first quarter from 5.8 per cent in the last quarter. Some of the deals during this period are Pantaloons leasing 20,000 sq ft, Costa Coffee leasing 3,000 sq ft among others. Referring to retail rentals, the report said rental and capital values across micro-markets of Bangalore were expected to rise in 2011.

“We forecast rental values in the prime city area to reach Rs 184 per sq ft per month by the end of 2011,” the report said. The appreciation in rental and capital values is anticipated in the prime city due to the lack of supply in the pipeline to meet growing demand, he added.

Source : The Indian realty news April 26, 2011

Indian office market expected to grow over corporate expansion plans

The current uptrend in the economy has finally started reflecting on the demand for commercial real estate in the country. In turn, the increase in demand for office space will also soon start reflecting in the sale of residential real estate too. According to a report on Indian office market by CB Richard Ellis, a global realty consultancy firm, the first quarter of 2011 saw a 20% increase (almost 6 million sq ft) in the demand for office space across key markets in the country vis-a-vis the same period last year. The National Capital Region (NCR) of Delhi accounted for 27% (more than 1.6 million sq ft) of the total space absorbed in the country.

Anshuman Magazine, the managing director of CB Richards Ellis, says: “The office market across India continues to grow. With corporates renewing their expansion plans across most industry sectors, demand levels and transaction velocity are expected to remain buoyant in the near to midterm. However, with significant supply in



the market, rentals are expected to remain under pressure except for Grade A office space in a few key micromarkets."

The good news for the end users is that despite rise in demand, the rentals have not gone up due to good supply of the quality space in the region. "While demand levels have been positive, the large supply pipeline and ready availability of quality space has negated any undue price enhancement," the report says. In some micromarkets, high vacancy levels could contribute to development of some downward pressure on values in the short to medium term. Values in the Central Business District (CBD) locations in Delhi, Pune, Kolkata and Hyderabad remained stable, while those in Bangalore and Chennai witnessed enhancement. The report says that the Indian office market is expected to continue to grow with new opportunities offered by corporate expansion plans across most industry sectors. Both demand levels and transaction velocity are expected to remain buoyant in the near to midterm. The CBD of Connaught Place and surrounding locations witnessed increased interest from prospective tenants in the first quarter of 2011. Similar to the previous few quarters, there was no supply to the CBD in the first quarter. Looking at the general scarcity of new supply, a few Grade B buildings have initiated refurbishment initiatives in order to upgrade their facilities and attract occupiers.

Gurgaon witnessed an addition of around 0.85 million sq ft of fresh IT space and approximately 0.47 million sq ft of non-IT space. Transaction activity continued to be relatively higher than other micromarkets with absorption recorded at around 0.75 million sq ft in IT/ITeS and another 0.12 million sq ft in the non-IT segments. Increased transaction activity and rising occupier focus on SEZ developments led to an increase in rental values by almost 7-8%, q-o-q basis.

Office leasing activity in Noida remained low compared to the previous quarter. An increasing occupier interest in SEZ projects along the Noida-Greater Noida expressway is likely to give a push to the transaction activity in the near term.

Source: The Economic Times Apr 22, 2011



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 :

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