

HIGHLIGHTS FOR JUNE 2008

~SHRACHI GROUP~

DIRECT NEWS

Participation in Industry articles:

- Times of India

Coverage on 7th Greenwood Spirit Theatre Festival:

- Sanmarg

Coverage on Property Tour: Renaissance

- Ananda Bazaar Patrika
- Pratidin
- Business Standard

SNAPSHOTS

The recent fate of real estate stocks on the bourses mirrored the first signs of trouble ahead for the industry. Fuel price hike and lower IIP (Index of Industrial Production) numbers were recent setbacks to the sector and now with a 13% growth in WPI (wholesale price index), inflation has emerged as a serious threat to the sector, which has been cooling off in recent times. Liquidity crunch has already forced developers to go in for high interest loans. While the primary market for real estate has virtually dried up, private equity players are also following a very cautious approach. Only those developers who have internal cash flows and have not gone for recent land acquisitions will be able to sustain these tougher times. Earlier they were seeking mortgage against property but now credit requirement has forced them to pledge their own shares for securing mortgage, industry officials said.

A recent hike in interest rates and inflation has a far reaching impact on real estate stocks, which are trading at 20%-40% below their 1 December 2006 levels. "Market capitalization weighted index", SENSEX ran up near 1.77% - from 13844.78 on 1 December to 14,090.98 on 13 February 2007. Market participants are the situation to be a double whammy of high property rates and increasing interest rates and inflation figures.

COMPETITORS IN NEWS

DLF

DLF board recommends 100% final - DLF has posted over 300 % in rise in its consolidated net profit for the year ended in March 2008 at RS 7,812 crore against the previous year.

DLF optimistic on township - Despite uncertainty over the fate of the township project at Dankuni, DLF is optimistic of going ahead with it.

UNITECH

Unitech in search of Mobile ally - Unitech is likely to finalize by the end of June the entity which will pick up 25-30 % stake in its new telecom venture.

Unitech's net plunges 5 % on realty slowdown - Unitech posted a 52% dip in its net profit at Rs 360.28 crore for the fourth quarter ended March 31, 2008.

Unitech to sell 26% in telco - Unitech will dilute 26% stake in its telecom arm to a strategic foreign partner, for which it is in discussion with a few telcos.

PARSVNATH DEVELOPERS LTD.

Parsvnath gets order for Rs 1.25 bn project - Parsvnath Developers said it has got an order to build a park in Bihar for the state government, valued Rs 1.25 bn. The park will be developed in Patna.

Parsvnath, others to hike prices - Parsvnath Builders has already hiked the price in the range of 3 to 10 % for their different projects in the current month. All big realtors are gearing up to raise prices of their existing projects in the months to come.

EMAAR MGF

Emaar MGF Land to put \$ 3bn in properties - Emaar MGF Land plans to spend \$3 bn in developing properties in South India over the next few years.

Emaar MGF announces mega project in Hyderabad - Emaar MGF announced the launch of 'Boulder Hills Golf and Country Club'; its signature master planned integrated world class leisure and Residential community in Hyderabad. The launch of this project with a capital outlay of US \$ 1.4 billion is the first amongst a significant cache of Emaar MGF projects in South India.

Emaar MGF, Leighton venture to focus on Palm Springs project - Emaar MGF's 50:50 JV with Leighton Group would to carry out construction of the realtor's Mohali Hills integrated township project as originally planned, and instead focus on construction of the Palm Springs project in Gurgaon.

OMAXE LTD.

Omaxe forays into Dubai market - Omaxe announced its foray into Dubai market through its wholly owned new subsidiary Rohtas Holding (Gulf) Ltd.

SIDDHA GROUP

Siddha group - Siddha Group has tied up with West Bengal Green Energy Development Corporation to produce solar energy solution for its studio apartment project in Rajarhat.

SOBHA DEVELOPERS

Sobha plans three projects in Mysore - Sobha Developers is foraying in the Mysore realty market with three projects this financial year. The company has lined up a villa project on 14.5 acres at Jattihundi village and residential and commercial projects of 500,000 sqft space on a seven-acre plot near Mysore.

INDIABULLS REAL ESTATE

IndiaBulls extends Singapore REIT retail offer - IndiaBulls properties Investment trust had extended the retail portion of its \$ 284 million IPO of shares in Singapore by a day on Friday.

IndiaBulls Prop listing on Singapore SE today - IndiaBulls Property Investment said that it will commence trading on the Singapore stock exchange from Wednesday (11th June'08),

and IPIT has raised about \$193 million through the IPO which was priced at 1 Singapore dollar, the lower end of the projected price band of 11.1 S\$ per unit.

OTHERS

Ruchi realty plans IT Sez in Bantala - Ruchi Realty Holdings Ltd, part of \$4 bn Ruchi Group conglomerate, is planning to build an IT SEZ on 5.5 acres in the Bantala Leather Complex. Ruchi will invest Rs 200 crore and the project is scheduled to be over in two years.

PS group to set up IT SEZ in Lanka - PS Group has chalked out a major expansion plan that will include setting up of an IT SEZ in Sri Lanka, besides a pan-India presence. The Kolkata based group has completed 100 projects across destinations in India.

Lake Mall to be unveiled next year - The Rs 600 cr Lake Mall to be developed in a PPP model by KMC & Venkatesh Foundation, will be unveiled early 2009 to transform the much decaying Lake Market into an organised retail-social rendezvous.

Mani plans more projects after Bypass mall - Kolkata based Mani Group -plans to execute projects worth Rs 3,000 crore over the next four years across the country, with a majority of the project being in the retail segment. The group has recently opened their shopping mall Mani Square on bypass. The mall is spread over more than 7 lakh sqft will accommodate around 150 retail outlets. Mani square boasts of having the one & only outlets of some of the brands like, The Scary House, IMAX etc. facilities include multi level car parking for 15, 00 cars, a radio station, a play zone & a 650-cover food court.

CHD Developers to invest ES 1k cr in realty sector - CHD developers have firmed up plans to pump in RS 1,000cr into various projects over the next 3-4 years. The developers plan to raise the money from market as well as plough back the profit.

Lehman Brothers acquired 50% in Western Expressway - Lehman Brothers Real Estate Partners is acquiring a 50% stake in the Western Expressway for \$175 million, which is being jointly developed by real estate firm Unitech Ltd & their local Mumbai partners.

Goldman invests in Shapoorji group co - Goldman Sachs, the global financial power house, has picked up a minority stake in Sterling & Wilson, Shapoorji Pallonji group company, for \$50 million.

Radisson checks out of Ambuja hotel - Carlsons Hotels Worldwide & Ambuja realty have parted ways. The Ambujas have dropped the Radisson tag from the Ffort Radisson resort - its property at Raichack and renamed the property as The Ffort Resort. Radisson is planning to build a resort within 50 km of the Ffort.

INDUSTRY NEWS

Green building sector in a spot over talent crunch - In spite of the rapidly growing green building market in India, there are many challenges that may slow down the growth of the green building industry in the country. The industry is facing a shortage of trained work force as well as lack of adequate green building equipments and materials.

Carrefour cajoles realtors in partner quest - while Wal-Mart is facing delay in the roll out of its retail plan, Carrefour Sa is still struggling to finalize its Indian partner even after six years of persistent search.

Housing subsidy to go directly to beneficiaries - To prevent diversion of funds meant for the government's flagship housing programme, the Indira Awas Yojana, the rural development ministry has asked states to transfer payments directly into the beneficiaries bank accounts.

Realty, bank stocks pull indices down - The Nifty ended below the psychological level pf4800 dragged down by bank, power, metal & real estate.

At home, abroad - India's super rich are keen to spend their week ends in Dubai villas. Dubai's Sanctuary Falls, a 9-villa super Luxury Community Complex is the hot favourite among them now. Global realty players who have made a beeline to tap the Indian real estate market are now wooing Indians to shop for properties overseas.

Home Stores to expand- Home Stores India Ltd, a part of Wadhawan Food Retail Ltd, is planning to expand its super market format Sabka Bazar and lifestyle format The Home Stores by investing Rs 250 crore over the next three years.

Off the shelf: Global retail rush skips India, heads for Vietnam- After rooting the roost as the most attractive destination for retail investment among emerging markets for three consecutive years, India has slipped to second position behind Vietnam, a recent survey shows.

Dankuni township plan scrapped - In a move that would hurt the business plans of major builders and developers working in the state, the left front ruled government that it would not proceed with the proposal to build a 4840 acre satellite township at Dankuni. The State government said that it would not proceed with the Rs 30,000 cr DLF-KMDA mega housing project at Dankuni.

Real estate to reap benefits of IT based technology - Real estate is the next big industry that is expected to leverage the benefits of technology-driven environments. The industry has started seeing deployments, though currently at a minuscule stage, of building management solutions over Internet Protocol.

Amanora township to unveil eco-friendly temple tomorrow - Amanora Park Town the first township of Pune is set to unveil the Temple of environment. The temple would be unveiled on Environment Day (June 5). It is a 18 feet tall prism made from granite and glass.

Lee Cooper breaks with Future Group - Lee Cooper has exited its equal JV with Future Group in India in less than two years after it entered into it. Future Group, however, will continue to sell Lee Cooper products in India under the licensing arrangement with the UK company.

Hyderabad turns hot destination for global realty players - Hyderabad has become the first choice for several international players interested in real estate business to foray into Indian Real estate sector.

Old isn't gold anymore - Though developers have been tearing down old palatial houses within the city only to replace them with brand new structures for sometime now, there has been a sharp surge transactions over the last couple of years. Such behind the scenes deals have been taking place in rest of the country as well primarily because of high price and paucity of space in the CBD & prime areas of major cities.

Home rush - More and more people are buying into the second home concept be it as an investment or as a relaxing getaway.

Small realty pay a big price - Small companies have to offer high interest rates on inter-corporate deposits (ICD) as liquidity crunch and poor ride on the stock markets send them alternative sources. In sectors like realty, the rates have shot up to 17 - 18% from 8 - 9% within a short span.

Rising City - Kolkata's skyline is set to take off, with the government allowing builders to go for greater vertical development in this land-scrapped city and state. The Floor Space Index has been low, between 1 -1.5 in most areas, only in some selected places, it has gone up to 2.5.

Grand Getaway to Shangri-La - The state government has finally decided to take look at the neglected Chinese settlement in Tangra - India's lone Chinatown - and chalked up plans for Rs 1 crore makeover.

The demand Supply factor - Although there is a supply of apartments at Rs 35 lakh and above in the city, a huge demand for apartments between R 10 & 20 lakh remains unattended. The market observers are waiting for the price check though government interventions. They think that Government should put a ceiling to the realty prices.

Accelerated transformation - Tier I cities are the most investment attractive cities in the country, according to a report entitled 'Accelerated Transformation - Investments IN India real estate' brought out by Jones Lang LaSalle Meghraj.

After a famine a feast - Kolkata may soon find its place of honour on the world art map. KMOMA hopes to carve a niche for itself among some of the best known art museums in the world.

Subhiksha gears up for initial share offer - Subhiksha supermarket chains, will hit the Indian courses to raise \$ 120 million by December or early next year.

Now, homes with helipads - Ahmedabad based EsVee Group plans to invest Rs 2000 cr in the next five years to develop exclusive townships that will also offer helipads.

Developers mull European, Australian listings - After Singapore, Indian property developers such as IndiaBulls Real Estate and Phoenix Mills among the others are looking at London, German & Australian stock exchanges to list their property trusts there.

A (sub)-prime reason to buy realty abroad - Young Indians consider NYC as a global hub for business, finance, media and the arts and with good apartments in Manhattan being available for as little as \$750,000 (Rs 3 crore), it is considered to offer very good value for money for a second home. In India the real estate sector is expected to witness a correction in the short to medium term, making property investment risky because of which investors are exploring beyond geographical boundaries.

Seamless beauty - A mall without doors - that's the first impression that Central Gurgaon creates. This is the first seamless mall in NCR and it breaks the conventional image of mall and the way people shop.

RBI grounds SBI real estate fund proposal - RBI has put a question mark on three investment proposals of SBI relating to exposure in private equity companies, two of which are aimed at floating real estate funds.

Tata in talks with Tecenguiz for \$10 billion green home - UK based property magnet & billionaire clean-energy investor Vincent Techenguiz is holding talks with Tata, to invite investment from the latter in a new \$10 billion environment fund.

Realtors ink trendy budget homes to woo middle-class buyers - In the southern parts of India, Bangalore based Alliance Group is in the process of acquiring a 640 acre plot in Chennai to set up about 60,000 to 70,000 budget homes.

Mantri developers to re-enter Pune with realty projects - Mantri Developers who have their in Bangalore, Hyderabad, Chennai & Goa, are now re-entering Pune with projects in the commercial & residential segment.

Hotel's green efforts - As part of its CSR activity to promote environmental protection ITC Sonar organised symposiums, seminars, a green march and landscaping in keeping with its policy of aero solid waste management and compliance to its motto of “reduce, reuse and recycle” and free plantation.

Slowdown concerns rock realty stocks - In one of the largest sectoral loses in recent times, real estate stocks were battered heavily - falling by 7.38 %.

BPTP pays Rs 1,000cr in land deal - Almost three months after it clinched 95 acres of prime commercial land at Noida for Rs 5,006 crore, real estate company BPTP has made payment of Rs 1,000 to Noida Authority towards the first installment of the deal.

SRS adds jewellery to its retail foray - Real estate firm SRS group has forayed into the organised jewellery market. The Rs 700 cr group has interests in real estate, multiplexes, retail, hospitality and aviation.

Repo rates rises, home loans next - Home loans will become more expensive soon, RBI has increased the repo rate by 25 basis points, to 8% from 7.75. The move is aimed at tightening money supply to bring inflation under control.

Get set for Mini Wonderland - A miniature world is coming up in Kolkata on 200 acres of land off EM Bypass. The Kolkata project is purchased by Greentech Infrastructure. It will be a PPP project with WB govt.

A guide on green real estate launched - A guide on the green movement in real estate has been launched that identifies four core pointers for strategy design: Managing Green - improving existing building performances, Developing Green - creating new green buildings and refurbishing existing ones; Occupying green - leasing a green building, creating green outfit & operating a green office; and living Green - improving your own individual footprint.

Pune builders, promoters launch realty fund - With RBI imposing restrictions on funding land acquisitions, small developers are finding it tough to raise funds and kick off their projects. The Promoters & Builders association of Pune's Realty Fund takes off with a small corpus of Rs 26 cr but business but aspires to be billion dollar fund in three year's time.

Real estate index yo-yos over repo rate hike - Reacting to the repo rate hike by the RBI, the already -battered stocks in the realty sector witnessed a high bout of volatility on Thursday.

Real education - The Bengal chapter of the country's top realty body CREDAI has joined hands with the state government and a city college to start structured courses for prospective workers - right from the plumber to the manager.

Realty rates set to march northwards - Property prices in and around Kolkata could shoot up by as much as 15% as city developers contemplate a basket hike in product prices to combat a steep rise in realty rates, though, could be tempered by a slack market.

More in store - Kolkata has for a while, been seen to be the epicentre of India's retail revolution. Pantaloons made its debut in Kolkata in 1997, and other big names have also established their outlets here. But while, modern retail in Kolkata had largely come up on high-street locations, the city had been a late starter as far as malls were concerned.

Realtors eye huge profits from modest houses - Affordable housing, the most neglected segment of the real estate sector, is now attracting large-scale investments from developers as well as private equity funds.

Real estate MFs to have 2 independent valuers: AMFI chief - The Real Estate MFs, which are expected to be introduced this year, will have two independent valuers. This is to protect the interest of the investors and to ensure fairness in valuations.

Turning 'dirt to dollars' - With growing expectations from property investors, increasing sophistication of home buyers, and new pressures on developers, the days of casual investing, unplanned development and little attention to asset management are coming to a close.

Cash crunch - The recent bloodbath in the real estate sector has started taking a toll. Almost all large developers are now facing a severe cash crunch and finding it difficult to complete their ongoing projects. In fact, the situation is so bad that most of them have reported a 50-70% cash shortfall.

Cement, steel costs cripple infra sector - The construction & infrastructure sector is feeling the heat of rising cement and steel costs following a steep increase in the prices of these primary inputs.

Realty rocks in micro markets - For the developers, moving to the peripheral locations might help to bypass the current low in real estate sector.

Real estate to clock 30% growth in next 10 years - The realty sector is projected to grow at the rate of 30% annually over the next decade, attracting foreign investments worth \$30 billion.

MAN plans real estate foray - MAN industries India Ltd, a part of the well-diversified UK based \$1 bn MAN Group and India's leading manufacturer of large diameter line pipes and coating systems, is planning to diversify into the real estate sector.

Property buy on EXL agenda - Nasdaq - listed business process outsourcing firm, EXL Services, is in talks with real estate companies including DLF, Unitech and 3C for purchasing properties as a move to cut costs on rentals.

Gateway future - Calcutta is soon to get a new airport terminal with room for further expansion in the future. This will come up adjacent to the existing airport. The IK based RMJM is the architect of the project. The total cost would be around 1, 900 - 2,000 cr.

Banks turn choosy on realty loans - Sensing a correction in the realty sector, commercial banks have become selective in lending to new residential and commercial real estate projects. Besides, increasing the lending rates some banks have asked the promoters to increase their share in project funding in an attempt to mitigate the associated risks.

Foreign funds may shun Indian realty - Foreign investors may shun the Indian real estate market as lower asset prices in the US and the potential to earn better returns skew the risk-reward equation against emerging markets such as India.

Co-ops may find it easier to offer home loans - Co-Operative banks will find it much easier to extend home loans in the future, if the loans are for only a small portion of the property value. The RBI has inked the risk weight on home loans provided by co-operative banks to the loan-to value ratio of the advance extended.

Realty goes short - Foreign institutions, in recent weeks, have relentlessly created short positions in derivative contracts of real estate shares to back their belief that these shares may fall further.

Centre backs out from retail, shifts burden to states - Days after the ICRIER report was submitted to the department of industrial policy and promotion (DIPP), the government seems to be in no mood to mire itself in any further controversies regarding retail.

Correction in real estate prices seen in 3 months - There is going to be a major price correction in the real estate market in the next three months. Landowners & developers are holding on to their properties due to the ongoing monsoon but post-monsoon, price would nose-dive 15 - 20% builders and property consultants opine that monsoon season is considered to be lean season for the real estate market when hardly any buying or selling of properties happen.

Rail hotel contract - The Indian Railway Catering & Tourism Corporation has awarded contracts to Zoom Developers to set up hotels in Mangalore, Puducherry, Chennai & Coimbatore.

Realty, banking push sensex up 300 pt - Rally in banking and real estate stocks, the sectors which were hammered the most during the past few weeks, led the gainers. As a result the Sensex extended its gains for the second successive sessions and ended 301 points higher at 15,696.

No dearth of funds for sound realty projects - Private equity players are investing in the selected real estate developers despite the current slow down. The window is open for long term players with a good track record.

Suncity in talks with PE firms to raise Rs 350 cr for IT SEZ projects - Real estate company Suncity projects said that it is in talks with 3-4 private equity players to raise about Rs 350 crore for its proposed IT / ITeS SEZ project in Gurgaon.

Work on Smartcity Kochi project to begin by year-end - Work on Smart City Kochi, the integrated township with a SEZ for knowledge based industries, will be launched by the year-end.

SG private banking to launch real estate, private equity fund - SG Private Banking, the wealth management arm of Societe Generale, is looking to launch real estate & PE funds for its private banking clients.

Sarovar hotels in deal with Phoenix, EWDPL - After its five-hotel deal with Vipul Hospitality late last year, Sarovar Hotels & Resorts is now in the process of finalizing a brand new eight -hotel deal with the JV company of Phoenix hospitality and EWDPL. The hotels will be set up in the tier-II locations of Raipur, Udaipur, Nanded, Jabalpur, Chandigarh, Indore, Ujjain and Bhilai.

Chinese developer invites IT firms - Chinese real estate firm Shui On, which is involved in the development of Asia's biggest information technology hub Dalian Tiandi, is in talks with IT companies in India to invite them to set up operations in their new software park.

Realty promoters pledging shares to raise funds - Akruiti City, Omaxe, Sobha Developers, among the other property developers, are pledging shares with lenders to provide additional security, apart from hypothecating properties to borrow funds, according to information submitted to the stock exchange.

Investors pour funds into Asian realty - The flow of capital into Asian from outside the region is accelerating as a result of the credit crisis in the US, according to a report on the sector. Property investment in Asia grew 27% to \$121 billion in 2007 and continues to

build, says the report, which is being published by KPMG, the Asia Pacific Real Estate Association and index provider FTSE.

Vertical limit - The Airport Authority of India (AAI) has told the state government that no more high-rises should be allowed there for the sake of the metro's safety. The city airport is just a few kilometers away from Rajarhat and the AAI has objected to buildings above 20 storeys as they pose problems to air traffic movement.

Quake quotient: Seismic map for the city - Chief scientists of the state's department of science and technology has sent a proposal to the union ministry to conduct a micro-seismic zonation study of Kolkata and is awaiting a feedback from them to start working on the project to find out answers to this question and prepare a seismic map of the city.

30 unsafe houses set to be rebuilt - The owners of 30 unsafe buildings in Kolkata have come forward with reconstruction proposal within six weeks of the civic authorities announcing an incentive package for such package.

ITC's Fortune Park hotels to foray into Nepal - ITC is planning to foray into Nepal with its Fortune Park Hotels that operate in the mid to upscale market.

Big deals boom in realty slump - Big real estate deals are hot and happening despite slump in the realty sector. Through the number of high-end deals has come down from last year, cash-rich individuals and corporates are closing deals without waiting for a correction.

The falling curve - India ranks second in the seventh Global Retail Development Index (GRDI) after being at the top for three consecutive years.

Tower of tape - Union & State Governments will have to give at least 57 approvals for any real estate project. Out of these 57 approvals 30-35 have to be granted by the state government. According to the recent Assocham report, one of the key roadblocks - as the Indian real estate market opens up with an estimated \$30 bn FDI in the next 10 years - is the requirement of multiple approvals in real estate development.

Batanagar township to get 5 star hotel - Batanagar township[project a 50:50 JV between Bata India and Calcutta Metropolitan Group, will sign on an international 5 star hotel chain and a hospital within two weeks.

Beyond city heights - India's realty barons have been a tad slow on the uptake. They have actually started looking beyond city limits only in recent years. And the trend holds true for realty heavyweights in Kolkata too. But the good news is that suburban real estate development is now real, and it is fast spreading beyond Kolkata to nearly every major city in the eastern region.

Renovation of park Circus market begins - Work on the Park Circus market has begun once again after a temporary halt. The market has been taken over Reliance industries for a face lift.

HDFC may list MF arm before insurance biz - Housing Development and Finance Corporation is planning to list its asset management arm ahead of its life insurance venture that would go public in the third quarter of 2009-10 to fund the third quarter of 2009-10 to fund purchase of stake in HDFC bank.

Demand for second homes on the increase - While first home buyers are postponing their decisions many home owners are going in for their second homes in India. The phenomenon is providing some succor to the realty market. The second home buyers whose individual or family income is more than Rs 20 lakh a year are not too price sensitive to defer purchase decisions when analysts predict a fall in realty prices.

Home loan borrowers face interest heat - Interest rates of home loans could rise, if the Reserve Bank of India crimps money supply to thwart inflation.

Groups clash over booty - A batter sparked out in Tollygunge between two rival gangs fighting for control over Masjidbari which has been witnessing frenetic realty development. Four people were injured in this skirmish.

Realty, media firms keen on oil hunt - Big oil companies may be keeping away from exploring for oil in India. But realty companies & media houses to oil service company.

Dainik Bhaskar, HDIL and Hyderabad based Vasundhara projects & oil servicing company Hydrocarbon resources Development have evinced interest.

Builders pull put of hotel ventures as profits dry up - Leading developers are pulling out of the proposed deals with the hospitality majors, including Royal Orchid & Ramada Worldwide, as cash flows in the real estate sector are slowing.

Retail investors lose \$50 bn in stocks - Small individual investors have lost \$50 bn in the market meltdown.

A modern township nestled in the Sahyadris - A good three hours drive from Mumbai, Lavasa could rank as the empress of all hill stations by 2020. Mumbai based Hindustan Construction company is developing a picturesque township project Lavasa, near Sahyadri Mountain. The cost involved in Rs 2,000 cr.

Realty & core sectors facing talent crunch - The centre is going to pump in \$ 500 bn in infrastructure projects over the next five years. But this time the HR managers will not be able to join the dance floor as they are bogged down with the problem of talent crunch in the industry.

Real estate gains await Modern India- Mumbai-based Modern India is bucking the bearish wave that has engulfed real estate companies of late. Over the last one week, the stock has gained close to 16%. According to market buzz, the company is selling some of its apartments and penthouses for close to Rs 80-90 crore in Belvedere Court in Mahalaxmi. When contacted, Modern India chairman and managing director VK Jatia declined to comment.

Rs 8,000 crore premium realty projects face delay- According to industry estimates, around Rs 8,000 crore of real estate projects covering over 40 million square feet are facing delays. Analysts said the construction cost for large commercial projects was Rs 2,000 per square feet on average. In the process, developments are facing huge cost overruns.

Actis picks up stake in Vaishnavi- Actis promoted real estate fund Actis India has invested Rs \$25 million in Bangalore based realty developer Vaishnavi Infrastructure to pick up minority stake in the latter's Yeshwantpur project.

Fish, fun and films- The dank decrepit building will give way to an aluminium glass elevation built to revolutionize the daily shopping experience of Lake Market from January 2009. the first civic market to undergo a makeover under a public-private partnership scheme, the lake mall will house a somewhat curious joint family of a regular fish and vegetable market, branded biggies, swank shops, cafes and Cineplex. The CMC has taken up reconstruction of old markets as a part of its urban renewal scheme. The next two municipal markets in the facelift line are Park Circus and College Street.

Developers take to new routes as loans get costlier - Real estate developers who are already straddled with stagnant demand for housing and high costs of construction, have now to reckon with a major liquidity crunch in the banking system and high interest rates on loans.

Nilkamal to pump Rs 150 cr 9in retail - Modern furniture major, Nilkamal ltd will invest Rs 150 crore in retail venture in three years.

Home loans costlier as repo rate rises again - The RBI has increased the repo rate to 8.75 % from 8.25 % in a bid to discourage consumer spending and rein in inflation that has surged to double digits. It has also increased the share of deposits that banks must cash reserves - the cash reserve ratio - to 8.75 % from 8.25 %.

Moneylenders fund realty boom - With financial institutions and banks increasingly restricting loans to developers, the moneylenders, who mostly belong to the Sindhi, Marwari & Kutchi community have stepped into play their part in the real estate sector.

Dons pump crores into city realty - Like Bangladeshi Mafia, high profile criminals from other states are pumping money into the booming real estate trade in the city and its fringes. The depth of their involvement was revealed recently with the arrest of dreaded UP don Brijesh Singh, a close aide of Dawood Ibrahim. Having planned to settle in Kolkata, he had invested crores in realty.

Real estate FDI inflow up nearly five-fold - The Indian real estate & housing space emerged as the darling of foreign investors in 2007-08, clinching FDI equity inflows of about Rs 8,749 crore, a near five-fold increase over FY07.

HDIL group picks up 51% stake in Broadcast Initiative - HDIL is acquiring 51% stake in Broadcast Initiative Ltd, a Hindi News Channel besides a 51% stake each in Sri Adhikari Brothers Media Ltd & Technocraft Media Pvt. Ltd.

Rate-hit realtors mull price hike - A day after the RBI raised the benchmark repo rate and cash reserve ratio, leading property developers said that they are mulling hiking prices of apartments & focusing on the affordable housing segment to counter the impact of a high interest rate regime.

Real estate investment to yield profits - Deutsche Bank Group subsidiary RREEF India Advisors Funding country head Kishore Gotey has said that funding realty projects will turn out to be a profitable proposition for Indian banks in the long run as investments in country's real estate sector are expected to yield 19-24% annualized return over a lock-in period of 7-10 years.

Hilton to add 300 hotels in Asia - Hilton Hotels Corp wants to add 300 hotels to the 47 it operates in Asia in the next decade in a bid to match its rivals and take advantage of a business and leisure travel boom in India & China.

Gujarat turns to Shanghai developers to build a 'towering' financial hub - For designing the project off the banks of Sabarmati, on the outskirts of Gandhinagar; Gujarat government had welcomed a team of designers from the East China Architectural Design and Research Institute. The project will have the region's tallest high-rise- over 350 meters.

Still a good time to buy a house, say experts - Industry experts expect the real estate price to go up to 15-20% over the next six to 12 months.

FII's still kept out of realty investment - Foreign Institutional Investors (FIIs) are finding it difficult to enter the real estate sector despite the government clearance to them to

invest in townships, housing, built-up infrastructure & construction-development projects. RBI is still keeping the FII applications on hold, asking them to comply with the FDI rules.

Lower deposits, higher rentals for real estate players at Delhi airport - The real estate developers waiting to develop the hospitality district in the airport land may now pay lower security deposits and higher lease rentals, according to the latest proposal from the GMR Group that leads the consortium developing the Delhi airport.

Master plan on the anvil for 30 towns in Punjab - In order to ensure planned future expansion and prevent mushrooming of unplanned constructions in Punjab, the state government is deliberating over a master plan for 30 towns.

For Dubai: rotating skyscraper - Extravagant plans were unveiled for the world's first swirling skyscrapers, with each floor rotating up to once an hour to form an ever-changing profile on the skyline. The rotating floors will be made of prefabricated units that spin around a concrete core.

Axis Bank, HSBC lead rate hike charts - Axis Bank took the lead in raising its prime lending rate by 50 bps to 15.25% from June 26. HSBC has also hiked deposit rates by up to 75 bps with immediate effect.

RBI move to moderate demand, says Finmin - In a bid to soothe the nerves in the aftermath of RBI hiking rates, the finance ministry said that the objective behind the RBI move is to moderate and manage aggregate demand.

Shocking realty - Real estate developers see further slowdown in demand and price correction due to RBI's move to raise the interest rate. Caught between sluggish demand and rising cost of capital and construction, developers are deferring launch of new projects. Some even fear that ongoing projects may get delays.

Green revolution - Top developers are now betting on green buildings to woo tenants. Even though green buildings involve an incremental cost of 7-10% over traditional buildings, developers see it as an opportunity for differentiation in a growing market. In a world where energy costs are going up by the day and investments in energy are peaking,

a green building which saves energy and comes at the same rental for the occupier is a decent marketing tool for the developers.

Realty & retail see highest salary hikes this year - As the yearly salary increment cycles draw to a close, the ripple effects of recession in the western economies is being felt in the Indian markets. Real estate & retail sector have emerged as the highest paymasters.

Boundary waltz - Powerful forces and advances in communications and information systems technology are continually transforming markets and changing the ways of doing business. With markets becoming increasingly integrated and interlinked, companies, including real estate firms, are chalking out future growth plans for world markets as a whole rather than on a country-by-country basis.

HT media acquires stake in realty major Sunil Mantri - HT Media Ltd has invested Rs 20 crore in equity shares of Rs 1 each at a price of Rs 125.

LIC Housing Fin sets up financial services arm - LIC Housing Finance Ltd has floated a subsidiary to sell financial products including home loans, mutual funds and insurance policies.

Property boom comes to an end - India's five year property boom is coming to an end as the supply of housing increases, borrowing costs rise and a stock market rout erodes buying power, according to executives at two mortgage lenders.

Green Lungs - Singapore's green scheme of things includes turning the 'Garden City' to a 'City in Garden' through green corridors, three new gardens.

SBI raises lending rate, loans dearer - SBI & Union Bank have hiked the prime lending rates by 50 basis points, taking these to 12.75% and 13.25% respectively. Realty & auto firms are to be hit by this hike.

Subhiksha to invest Rs 1,200 cr - Subhiksha will invest Rs 1200 crore for expansion by 2010. It plans around 3,000 stores over this period.

Working Indians spending more on housing: Survey - As much as 41% of working class families in the country stay in independent houses. The expenditure rose to 16.01% against 9.84% in the earlier period.

Bengal Land data to be digitized by Dec 2009 - The WB Government is likely to complete the computerization & update of land data and land maps by Dec 2009, according to BP Gopalika, director of Land & land reforms department.

Industry bets on long-term prospects for real estate - At a seminar on the real estate market in India, held in Mumbai, it came out that despite the rising interest rates & a falling demand the real estate market in India has some long-term prospects.

NHB plans to launch retail term deposit schemes- national Housing Bank (NHB) plans to launch retail term deposit schemes and zero coupon bonds to raise resources, according to a top NHB executive.

Biyani may be open to foreign partner - Future Group may be finally willing to share equity with a foreign partner. Mr. Kishore Biyani is understood to be working on a plan to slice Big Bazaar, country's largest hypermarket format in two entities. While one would be a B2C front-end consumer facing entity, the other will be a back-end operations led company.
