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Language/Frequency	English/Daily
Page No	23
Date	8th June 2019

Housing sales up 3% in Q1 2019: Report

IANS
letters@hindustantimes.com

NEW DELHI: Sale of residential apartments during the January-March quarter of 2019 rose by 3% on a quarter-on-quarter basis to 33,000 units across seven major cities in the country, according to a report released by real estate services and investment firm, CBRE.

According to the report, new launches during the period under review also stood at 33,000 units, up 14% on a quarterly basis.

"While policy reforms such as Real Estate - Regulation and Development Act 2016 (RERA) and the Goods and Services Tax (GST) brought in the much-needed transparency in the residential real estate, the present upward movement is also credited to proactive and customer-centric initiatives undertaken by real estate developers.

"The overall impact of both these reforms and proactive approach of the developers resulted in new launches and sales witnessing a yearly increase of about 11 per cent and 19 per cent respectively in 2018," it said.

THE STABILISATION OF CAPITAL VALUES HAS CREATED A SUITABLE ENVIRONMENT FOR THE RESURGENCE OF THE RESIDENTIAL SECTOR

The broad stabilisation of capital values and increasing disposable income also created a suitable environment for the recovery of the residential sector, it added.

Mumbai, Chennai, Bangalore and Delhi-NCR were the dominant markets, with a share of almost 70-75% in both new launches and sales.

The other cities where the survey was carried out were Hyderabad, Pune and Koltaka.

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THE TIMES OF INDIA

SBI offers home loans that will be in sync with RBI rate

Becomes First Lender To Use Repo As External Benchmark

TIMES NEWS NETWORK

Mumbai: State Bank of India, the largest housing finance provider, has become the first bank to link the cost of its home loans to the Reserve Bank of India's repo rate. The move comes even as the RBI has put on hold a proposal to get banks to link their lending rates to an external benchmark, like the repo.

The country's largest bank announced the new product — to be launched on July 1 — on Friday, a day after the central bank lowered its repo rate by 25 basis points (100bps = 1 percentage point). It was the RBI's third rate cut in a row in 2019. SBI's move comes in the wake of criticism that lenders were not passing on the RBI's rate cuts to borrowers.

Currently, banks link their lending to an internal benchmark — the marginal cost of lending rate (MCLR), which is computed based on their cost of funds. The repo rate is what the RBI charges for its short-term lending to banks.

SBI has said that loans up to Rs 75 lakh will be available at 2.65% over the repo rate. Given that the current repo rate is 5.75%, these new home loans will be available at 8.40%.

"This product is for the informed customer who understands the linkage with the repo rate. Basically, this product is for better transmission as the loans will be revised without the bank revising its MCLR. If there is a change in the repo rate, the next month itself would see a change in the home loan rate," said SBI deputy MD Prashant Kumar.

SBI will continue to offer its existing home loan products as well. Those who have availed of conventional home loans can switch to the repo rate-linked loan on paying the switching fees.

According to Kumar, the loan will not impact the bank's spread. "We are able to offer this because we have already linked large savings accounts with the repo rate and cash credit accounts have also been linked to the repo rate," said Kumar. He added that the bank was not currently looking at linking other loan products to the repo.

Last year, Citibank India was the first to link its home loans to an external benchmark — the 91-day treasury bill. Under this product, changes in the rates will be effected once every quarter on March 1, June 1, September 1 and December 1.

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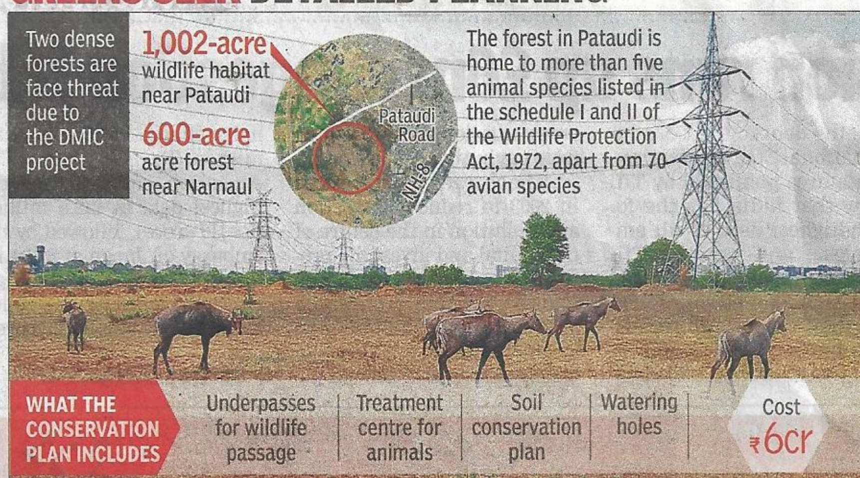
THE TIMES OF INDIA

New govt plan to save forestland earmarked for Global City project

Shilpy.Arora@timesgroup.com

GREENS SEEK DETAILED PLANNING



Gurgaon: Around three weeks after **TOI** carried a report on the environmental impacts two forested areas could face if the state government develops its ambitious Global City project there, the forest department has come up with a roadmap to conserve the flora and fauna in the 1002-acre forestland near Pataudi.

Sources in the forest department said over Rs. 6 crore had been sanctioned for preservation of wildlife habitat. The plan includes construction of underpasses so that wildlife can conveniently cross the area. Also, it includes soil conservation, building treatment centres for animals, digging of waterholes and making enough provisions of food for herbivores.

The state government's project, which will serve as an important node to Delhi-Mumbai Industrial Corridor (DMIC) sub-region of the state, poses a huge threat to flora and fauna of the two forests—1,002-acre wildlife habitat near Pataudi and a 600-acre forestland in Narnaul.

Among many wild species, including Indian rock python, blue bulls, jackals and cobras, the forest is home to one Sambar, listed as "vulnerable" on the IUCN Red List. Also, leopards have also been spotted in the area. While the area near Pataudi has hundreds of sheesham trees, forest in Narnaul has kejri trees.

TIMES IMPACT

Activists, however, called for a systematic plan to conserve natural habitat of the forestland. "While it is difficult to keep wildlife close to an industrial corridor and amid human intervention, the best way is to look for an alternative route. However, if construction of an alternative route is not possible, the project should be developed on a 1,400-acre land located on one side of the Pataudi road and other side (that has about 600 acres) should be left as a wildlife corridor. There is a need to plan it properly. Otherwise, the wildlife won't survive and we will lose precious flora and fauna," said Anil Gandas, a wildlife enthusiast, who lives close to the forest area.

According to the law, any area that has presence of Schedule I and II species should be listed as eco-sensitive, and non-forest activities shouldn't be allowed there.

The Global City project is expected to have residential and industrial zones, along with a large convention centre, and an 82-km-long mass rapid transit system connecting Gurgaon, Manesar and Bawal.

A major part of land earmarked for the project in Patuadi is spread across Gadoli, Khandsa, Mohammedpur and Narsinghpur villages, and is protected under the Aravali notification 1992. Non-forest activity is prohibited here.

A study conducted by the Wildlife Institute of India in 2017 also indicates presence of wild animals, including leopards and hyenas, in the area.

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Date	8th June 2019

THE TIMES OF INDIA

GMDA wants stamp duty share, seeks govt's nod

Shubhra.Pant@timesgroup.com

Gurgaon: Gurugram Metropolitan Development Authority (GMDA) has sent a proposal to the state government, seeking its approval to split the stamp duty charges between the authority and the Municipal Corporation of Gurgaon (MCG). This move is aimed at creating a new revenue source for GMDA which is currently wading through financial troubles.

The proposal has been under discussion for a while now and it was also discussed at the recent GMDA meeting in Chandigarh. "Around ten days ago, we sent the proposal to the state government for a final approval. Once the approval is given, 1% of the stamp duty charges on all transactions will come to GMDA," said a senior GMDA official.

The proposal to split the charges with MCG was made so as to not to put additional burden on property owners. However, there are two issues with the proposal. Firstly, it has been opposed by MCG, especially the municipal councillors. Secondly, until a couple of years ago, MCG itself was struggling to get the stamp duty charges transferred to its account from the state government. As of now, MCG is entitled to 2% stamp duty charges on the land transactions taking place within the boundaries of the municipal corporation.

GMDA has been staring at financial troubles for a while now. **TOI** had earlier reported that the two-year-old authority is currently seeing a Rs 300 deficit in income in the 2019-20 fiscal year as compared to the estimated expenses. While the estimated expenditure is Rs 1,443 crore, the estimated income is only around Rs 1100 crore.

Of the Rs 1100 crore, around Rs 250 crore is pending from MCG, another 120 crore in water charges, Rs 20 crore in sundry charges, Rs 120 crore conversion charges, and Rs 20 crores in interest income, and Rs 534.90 crore in external development charges. In the past two years, GMDA has not received any funds from the department of town and country planning (DTCP).

"We have received around Rs 130 crore from DTCP till now and more funds are expected. Once the EDC funds start flowing in and the stamp duty charges are transferred to GMDA accounts, we will have substantial funds to meet our expenditure demands," said the official.

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hindustantimes

Buyers await cheaper loans

Dhirendra Tripathi
dhirendra.t@htlive.com

Home and car buyers would be hoping for cheaper loans from banks after the Reserve Bank of India recently announced a cut in key policy rates for the third time in a row.

The bank's Monetary Policy Committee (MPC) cut the repo rate — the rate at which it lends to the banks – by 25 basis points (bps) to 5.75%.

The central bank has already cut interest rates twice by 25 bps each this calendar year.

Consumers would be hoping to be third time lucky as the two previous cuts by the central bank have failed to meaningfully bring the lending rates down. This and other reasons have led to demand for consumer loans being sluggish, resulting in lower sales at manufacturing companies.

Domestic sales at Maruti Suzuki India Ltd, India's largest passenger carmaker with over 50% market share, fell by 23.1% from a year ago to 125,552 units in April.

The times have not been bad for the banks amidst gloom at non-banking finance companies (NBFC) which were major lenders of home, car and other consumer loans for two years before crisis struck them in 2018.

The NBFCs are gripped by high non-performing assets as infrastructure developers that they had lent to have failed to pay back.

This has resulted in severe liquidity crunch in the market, leaving banks in bit of a sweet spot and helping them keep the rates high, according to some market experts.

The RBI rate cut came after the central bank's Monetary Policy Committee (MPC) concluded its second bi-monthly monetary policy review for 2019-20.

Headline retail inflation inched up by a mere 6 bps in April to 2.92%.

While this was the highest inflation print in half a year, it was the ninth consecutive month in which the retail inflation, as reflected by the Consumer Price Index, had come in below the RBI's medium-term target of 4%.

While inflation has given no worries to policymakers, the same can't be said about the economic growth.

As per figures released Friday by the Central Statistics Office (CSO), GDP growth rate declined for the fourth consecutive quarter in Jan-Mar to come in at a 20-quarter low of 5.8%.

The growth rate for the last financial year (2018-19) — 6.8% — was also a five-year low, coming in below the CSO's second advance estimate of 7%.

These decisions are in line with the objective of achieving the RBI's medium-term target for CPI inflation of 4% within a band of +/- 2 per cent, while supporting growth.

The fiscal deficit for the year came at 3.39%, pretty much in line with the targeted 3.4%.

But this happened on the back of a cut in government expenditure which was ₹23.11 lakh crore as against the revised target of ₹24.57 lakh crore.

The government's target for the fiscal deficit is unchanged from last year's.

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Business Standard

Embassy to ride on Indiabulls to foray into Mumbai, NCR markets

PAVAN LALL
Mumbai, 7 June

In the last one year, Bengaluru realty player Embassy group has been getting attention for taking big strides, at a time when most of the sector is dealing with a downturn. They include the launch of a real estate investment trust (REIT) called the Embassy Office Parks REIT, which was rolled out in April with the backing of New York-based investment firm Blackstone group.

Then came the recent announcement on acquiring Indiabulls Real Estate Division (IBRIL). Specifically, on Thursday, Embassy announced it would buy out promoter Sameer Gehlaut's stake in his firm Indiabulls Real Estate that is expected to be worth ₹2,700 crore with an equity valuation of around ₹7,000 crore, according to public reports.

Indiabulls owns marquee assets that include One Indiabulls Centre, and Indiabulls Finance Centre in Parel, Mumbai, and the upcoming Indiabulls Blu Estate and Club in Worli, Mumbai.

Jitu Virwani, chairman and managing director of the Embassy group, was in his family business when differences led him to part ways with his brother and go solo in 1993. At that time, say real estate analysts, he struck the right chord with HDFC Bank, which became his preferred lender and helped him grow his business, brick by brick.

The early business was largely centred around offices and business parks that included back offices and was spread around southern cities, including Hyderabad, Chennai, and Bengaluru, and Pune but not Mumbai.

Over time, Virwani, who has been described by those who know him as "a relationship-driven entrepreneur who is a balanced mix of aggressive and conservative" pushed the limits of his business by investing in foreign markets as well.

In 2011, Indija, a Serbian town 20 miles from Belgrade saw Embassy set up a 125-acres park there. Other foreign plays include Malaysia.

Indiabulls owns assets that include office complexes One Indiabulls Centre, and Indiabulls Finance Centre in Parel, Mumbai, and the upcoming Indiabulls Blu Estate and Club in Worli, Mumbai

Even as some reports indicated that Blackstone was involved in the Indiabulls deal, officials with the private equity firm declined comment but said it was not involved. Virwani also declined to comment, when contacted.

Anuj Puri, chairman at Anarock Property Consultants, says that there's no doubt that the tie up for the REIT with Blackstone becomes a game-changer but Embassy has also evolved over the years.

Now, the company has even built and owns three hotels — two Hiltons and the Four Seasons — in Bengaluru.

"Beyond growth, this is also the first time a major player from Bengaluru will have entered Mumbai's real estate scene in a big way," says Puri. The footprint will also extend to Gurugram and NCR where Indiabulls has its flags.

Those who have worked with Virwani says he's "an old school operator" in that he's financially disciplined, strong on execution and stuck to his core-competencies for a very long time even if they were not as exciting as prime real estate.

In 2015, private equity player Warburg Pincus and Embassy got together on a 110-acre parcel of land in Haryana with a view to building an industrial and warehousing park.

Virwani is not a maverick risk taker like some real estate promoters are but has been a stable player, says Gulam Zia, executive director with property management firm Knight Frank India.

"He's also partnered one of the best and benefited from the great timing when it came to foreign investors taking note of the REIT platform in India," adds Zia. Other foreign PE investors such as GIC and Brookfield are also partnering real estate platforms and on the lookout for deals.

Blackstone may see Embassy as an excellent vehicle for spreading its wings across cities in the future but for now the Indiabulls deal does more than that.

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Business Standard

THE COMPASS

Indiabulls Housing unlikely to gain much from stake sale in realty arm

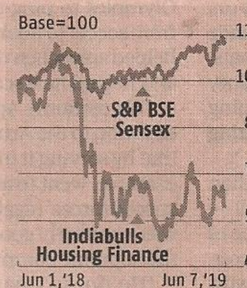
At best, it could improve company's liquidity situation

SHREEPAD S AUTE

The Indiabulls group's decision to sell 14 per cent stake in Indiabulls Real Estate is expected to help its financing arm, Indiabulls Housing Finance.

The deal comes at a time when the non-banking lending space is grappling with liquidity issues. "The stake sale is likely to improve leverage and give liquidity support to Indiabulls Housing. Incremental disbursements in the retail and non-retail segments, and managing liquidity, are key triggers for the stock," says Shubhranshu Mishra, analyst at Bank of Baroda Capital Markets.

The move, however, may not lead to significant gains for the stock (down marginally on Friday), given multiple headwinds in the sector. The impact of the liquidity crisis can be seen in the Indiabulls Housing's performance in the March quarter. Its assets under management, which indicates size of loan book, declined by 1.7 per cent year-on-year and 3 per cent sequentially to ₹1.2 trillion.



Compiled by BS Research Bureau

While the company did pass on the high cost of funds to borrowers to protect its profitability in the quarter, higher funding costs will make it difficult for the firm to maintain its margins.

In addition, the issues impacting the real estate sector, too, will have a bearing on the performance in future. The asset quality of Indiabulls Housing's corporate mortgage portfolio is a key monitorable, said an analyst at a domestic broking house.

Of the total loan book size, 17 per cent is accounted for by real estate developer or corporate mortgage loans. Gross bad loans were, however, stable at 0.88 per cent as of March 2019.

This apart, the Reserve Bank of India's decision on the Indiabulls Housing-Lakshmi Vilas Bank merger is another key event.

Analysts, however, believe that this may not come about, given the RBI's track record on licence approval for entities with interest in real estate and capital markets.

For now, analysts advise investors to stay away from NBFCs and look at private banks instead.

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Date	8th June 2019

FINANCIAL EXPRESS

Promoters of Indiabulls Real Estate to sell 14% stake to Embassy for ₹950 crore

PRESS TRUST OF INDIA
New Delhi, June 7

INDIABULLS REAL ESTATE promoters have sold 14% stake through open market transactions to Embassy Group for ₹950 crore, as part of the group's strategy to focus on financial services and exit from realty business.

Promoters have around 39% stake in Indiabulls Real Estate, of which 14%, representing over 6.3 crore shares, have been offloaded through bulk deal on Friday.

Indiabulls Group is looking to exit the real estate business so that it can get regulatory approvals for the proposed merger of Indiabulls Housing Finance with the Lakshmi Vilas Bank.

With this deal, Bengaluru-based developer Embassy group will get entry into Mumbai and Delhi-NCR, the two biggest property markets in the country.

According to the bulk deal data available on the BSE, promoters entities have sold 6,30,95,240 shares to privately-held Embassy Property Developments at ₹150.45 apiece, aggregating to nearly ₹950 crore. At this price, the company has been valued at nearly ₹6,800 crore, higher than the current market cap of nearly ₹5,800 crore. The share price of Indiabulls Real Estate fell 2.58% on the BSE to close at ₹128.20 per share.

According to sources, Embassy Group may buy another 14%in Indiabulls Real Estate, taking its total stake to 28%and triggering an open offer. Indiabulls promoters may retain some stake in the company but will lose management control.

Indiabulls Group is looking to exit the real estate business so that it can get regulatory approvals for the proposed merger of Indiabulls Housing Finance with the Lakshmi Vilas Bank

Whether Embassy Group is buying stake in Indiabulls Real Estate directly or in partnership with global investment firm Blackstone could not be ascertained.

On late Thursday, Indiabulls Real Estate informed BSE that the "promoters intend to dispose-of up to 14%of the fully paid-up share capital of the company (out of the aggregate 38.72%fully paid up share capital of the Company, currently held by them) to third party investors". The stake sale is in line with the promoters' strategy to focus on financial services in the long run, it added.

Recently, Embassy Office Parks, the joint venture firm with global investment firm Blackstone, launched India's first Real Estate Investment Trust to raise ₹4,750 crore.

The group, which commenced its operations in 1993, is led by CMD Jitu Virwani. The group has developed 54 plus million sq ft of commercial, residential, retail, hospitality and industrial warehouse spaces and holds an extensive land bank of over 1,000 acre across the country.

Indiabulls Real Estate has been selling its commercial assets to Blackstone in last few years. In December 2018, it sold 50%stake in two office assets in Gurgaon to Blackstone for ₹464 crore.

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Date	8th June 2019

The Tribune

REPO RATE CUT: Banks should pass on benefits to home buyers

Grappling with weak demand, real estate companies welcomed another rate cut of 0.25 per cent by RBI, but linked revival of the sector with banks passing on the benefits to consumers. While reduction in key lending rate is aimed at lowering EMIs for consumers and finance costs for builders, banks' reluctance to transmit the commensurate benefits have been a major concern in recent months.

Ensuring the transmission of rate cuts is a big task now at the hands of RBI.

In response to the repo rate cut on Thursday, ANAROCK Property Consultants Chairman Anuj Puri said, "As for the housing sector, this rate cut may send only positive notional signals. Its real gain can be realised only if banks pass on the benefits to actual home-buyer borrowers," Puri said.

Ramesh Nair, CEO & Country Head, JLL India agreed, saying the repo rate cut is likely to have a direct impact on the real estate sector, provided the banks transmit the same by reducing lending rates.

"It has been observed that, despite 50 bps reduction in repo rates by RBI in the previous two reviews, the mortgage interest rate has remained sticky. As a result, the required benefit of the rate cut has not reached the home buyers," said Nair. "There is a slight reform in liquidity issues in the sector after two back-to-back rate reductions, and a cut-down for the straight third time will definitely undertake the liquidity shortfall in the sector at large. We expect more such actions by RBI," said Rohit Poddar, Managing Director, Poddar Housing and Development Ltd. — IANS

Publication	The Tribune
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The Tribune

PROJECT TRACKER

NEW GURGAON, GURGAON

PRICE RANGE:

Average Unit Size **1,889** sq ft | Average Unit Price Rs.**94.50** lakh

PROPERTIES AVAILABLE

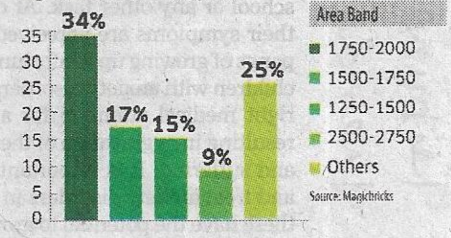
Rs **14.14** lakh (avg)
1 BHK: 485 (avg sq ft)

Rs **57.68** lakh (avg)
2 BHK: 1200 (avg sq ft)

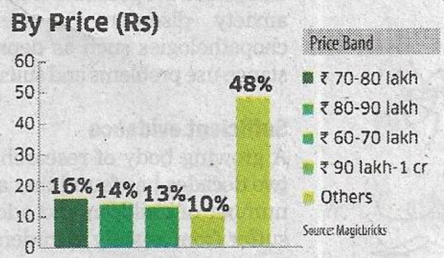
Rs **94.37** lakh (avg)
3 BHK: 1840 (avg sq ft)

RESALE SUPPLY

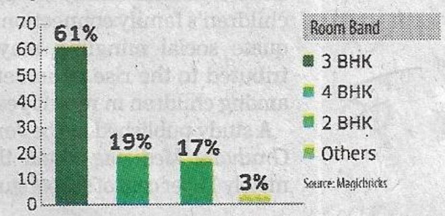
By Unit Size (Sq ft)



By Price (Rs)



By BHK



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