

The real estate story in India is growing bigger by the day as it continues to receive an ever-increasing influx of funds. While more than 35 big-ticket foreign funds have already checked in, the first half of 2007 will see at least 20 more funds making an India entry. Meaning, US\$ 10 billion of foreign direct investment (FDI) will be injected into the real estate sector.

Merrill Lynch forecasts that the Indian realty sector will grow from US\$ 12 billion in 2005 to US\$ 90 billion by 2015. Prominent global funds including Carlyle, Blackstone, Morgan Stanley, Trikona and Warbus Pincus are sitting on a total corpus of US\$ 12-15 billion, say experts.

Retailers in India--the most aggressive in Asia when it comes to expanding their businesses--are creating a huge demand for real estate. The Jones Lang LaSalle third annual Retailer Sentiment Survey-Asia revealed that India topped the chart with 45 per cent expanding rapidly followed by Greater China at 27 per cent and other South East Asian capitals at 6 per cent.

Global majors in India's real estate

Eminent global real estate business houses like the Philippines-based Ayala, and Signature group, Och-Ziff Capital, EurIndia and Old Lane from Dubai are keen on sizeable investments into India. And, while FDI from the UK is also likely to pick up in the next few months, investors in the US, Israel, Malaysia and Singapore want to be a part of the India story.

- Australian real estate consultancy major LJ Hooker, with 700 odd franchisees in South East Asia, has opened its India account with a franchisee in Bangalore
- US-based global investment bank Goldman Sachs and Unitech, the largest listed real estate company in India, will set up a special purpose vehicle (SPV) with a corpus of US\$ 208.7 million for investments in the real estate sector
- DLF Ltd is forging a 50:50 joint venture with Nakheel, a large property developer of the UAE, for two integrated townships in India at a whopping investment of US\$ 10 billion
- Zurich-headquartered Credit Suisse, the world's leading financial house, is finalizing on a US\$ 1 billion fund to invest in India's real estate sector
- Hilton Hotels Corporation (HHC) announced a joint venture company with DLF Ltd to develop and own 75 hotels and serviced apartments over 7 years
- Dawnay Day International, the US\$ 10 billion UK-based investment company, plans to invest US\$ 1.5 billion in Indian real estate in the next two years

Retailers and Malls

With the retail sector also on a boom, the country is witnessing a spurt in extremely large retail spaces. Shopping malls with over 1 million sq ft of space have become the order of the day. About 20 of these are now at various stages of construction across the country. In the National Capital Region (NCR), Unitech's Great India Place has a million square feet (sq ft) of retail space. In Mumbai, at least eight malls covering over 1 million sq ft each include R-Mall at Ghatkopar, and two 1 million sq feet plus malls proposed for Thane. In Bangalore, at least three malls with similar dimensions are under development. Ludhiana will soon have a 1.6-million sq ft mall by Today Homes.

As the competition in the market intensifies, builders are going out of their way to be different. Specialised malls, designer brands and multi-movie options are marking the shopper's day out. Gurgaon, on the suburbs of New Delhi, has a jewellery mall and will soon have an auto mall. Bangalore will get an exclusive furniture mall. Two malls, first of their kind, targeting foreign tourists, will come up at tourist hotspots--Goa and Udaipur--with a projected cost of around US\$ 22 million each. A furnishings mall is coming up on Elgin road in Kolkata. And India's largest theme amusement park, Noida Entertainment City (E-City), will stand upon 150 acres approximately.

In what could perhaps become a trend in the booming retail business, Reliance Retail, Future Group and Bharti-WalMart are among leading retail companies that are acquiring housing societies and colonies in Ahmedabad to knock down and build mega-retail stores.

Big deals in realty

The biggest mall of the world--Mall of India--planned by DLF Universal along NH-8--will have 32 acres spanning a huge entertainment area and large city town squares offering a total retail experience.

Chennai, on the radar of foreign real estate funds, recently witnessed two big-ticket property deals. AIG Real Estate Fund and RMZ Corporation purchased an 11-acre plot at Guindy for US\$ 686.9 million and Shyam Kothari, in another deal, bought IDBI's 2.5 acres Boat Club property in Chennai for US\$ 40.3 million.

Residential Development

Majority retailers are now planning to expand within the current city, and a similar percentage is willing to open new stores in other cities within India. The most confident among them are home and interior retailers and sports

apparel/equipment retailers, followed by department stores and jewellery and food retails.

While the last decade saw the transition of sleepy towns like Gurgaon, Noida and Faridabad into enviable addresses, today these tier I towns, as they are called, are saturated and far beyond the means of the middle class. Naturally, the opportunity in the residential development in Tier-II and Tier-III cities--like Hyderabad, Cochin, Chennai, Coimbatore, Gurgaon, and Pune--is equally enormous.

For instance, Pune, the engineering and automobile hub of western India--about 160-km south-east of Mumbai--is emerging as a major IT centre. With sprawling software parks coming up all over the city and its suburbs, the demand for high-value apartments is growing. Beyond professionals and people looking to relocate from Mumbai or even overseas, are the older people who have sold a bungalow and want to live in spacious, easy-to-manage surroundings. Developers maintain that the bar for the super-premium luxury housing has risen from Rs 1 crore (US\$ 231,964) to over Rs 2 crore (US\$ 463,929) per unit.

If the year 2006 was marked by some of the country's biggest land deals, the future of India is set to usher in the gold rush of realty.

Need for a Website

You may ask yourself, "*Why Get a Web Site? Why do I need a web site ... I already have a good customer brochure.*" With an internet site, your product or service is accessible globally, to prospective customers 24 hours, 365 days a year. More and more people these days are using the internet as a first post of call because of its convenience and to save time. Customers and the general public almost expect that a company has a web site. If people want information on a product or service, they are now saying, "*I think they have a web site, I'll check that out first.*"

Because web-sites are quicker, easier and more cost-effective to update than print based media; therefore, you can have pictures, details and prices of your products, the very latest company information, or maps indicating the location of your companies' outlets on your web-site. A web-site can play an integral part of your companies' promotional and marketing strategy. It also makes a powerful statement about your business, showing that you have planned for the future by securing your on-line presence today.

Imagine the scenario whereby customers ring you requesting information on a product or service – there's only so much you can do via telephone and delivering brochures via postal services takes time. It would be great to say, "*If you take a look at our web-site, I'm sure you'll find what you need there.*" You would be surprised how many extra sales you could have by developing an on-line brochure or virtual store. Having an internet site also speeds up the time taken to react to customer queries, which can be done via e-mail.

Advantages of having a web site are

1. **Consumers search for products and services online before making purchases.** Being found on the Internet will give you an advantage over your competition when they call you instead of the competition
2. **You are able to conduct business when it is convenient for your client** whether it be during the day or in the middle of the night. You are never actually closed. If you choose an e-commerce website, your customers can shop with you 24 hours
3. **Consumers can become educated about your business** and get answers to many of their questions which will help to cut back on the number of phone calls you receive with simple inquiries.
4. **Your website can provide further support to existing customers** by offering information such as new pricing, new clauses for the resale, how-to procedures. By having this help available 24 hours a day you will be able to decrease the number of custom service employees you have on staff.
5. **There is potential for your website to become a resource of information for the public.** By supplying helpful tips and articles that are relevant to your industry you will have a number of repeat visitors.
6. **Consumers have more confidence in and prefer doing business with companies that they know something about.** Inform visitors about the structure of your company, of your community involvement, the products and services you offer, awards, and employment opportunities
7. You can publicise your business, service or products to millions of potential customers. Having a web site can increase your sales.
8. You can update your web site with your latest news or prices much easier and cheaper than print based media. A web site can save you a lot of money in communication and administration costs.
9. You can link your web site with other advertising campaigns therefore creating brand awareness.
10. Your business can advertise and publicize on the internet 24 hours a day, 365 days of the year.
11. Your business now has an extra outlet for taking orders.

12. Web sites are easier and cheaper to change / update, than conventional print based media. Content Management System can be set-up so that you can update any section of your web site, when ever you want as often as you want.
13. Web sites make it easier for customers to do business with you. These customers can be global or local.
14. You can compete with other companies in your market area.
15. You can now place your web site address on your business card to enhance your image.
16. You can use your web site to network with other companies and build better business relationships, locally and around the world.