



Promising growth for warehouse segment

India's warehouse segment is set to witness a 10% growth annually and is anticipated to capture a market share of Rs. 4,340 billion by the year 2019.

This can be majorly attributed to the proactive policy changes by the Indian Government to propel the segment's growth. GST (Goods and Services Tax) by far can be regarded as the most decisive reform for driving the growth of the segment. Major benefits for the companies are:

- Implementation of e-bill
- Removal of check points
- Cost savings in the range of 3-7% from pre-GST era
- Reduced travel time
- Improved turnaround time
- Inventory reduction leading to savings
- Faster interstate movement of goods
- Tax savings

Apart from GST, the 'Make in India' campaign has also been significant in pushing the growth of warehousing segment. Giving infrastructure status to the logistic sector under 'Make in India' has attracted the interests of institutional investors. Over the past four years, institutional investors have pumped in \$ 3.4 billion into the warehousing segment wherein private equity (PE) investments accounted for around 26%. In the year 2017, leased transactions in warehousing sector grew by 85% as compared to the year 2016. Apart from that, robust developments of industrial freight corridors are also luring the development of warehousing sector.

KMC focuses on UAA switchover

The Kolkata Municipal Corporation (KMC) is readily emphasizing on shifting from rent based assessment to Unit Area Assessment (UAA) system. A draft has been formulated by the KMC where areas of relief like exclusion of common areas, nullification of double taxation, relaxed parameters in determining various tax zones and calculation of potential rent on the basis of various localities has been made. KMC wants to increase UAA compliance to at least 30% by the end of the year which at the current scenario is 8%.

For UAA switchover, the KMC has also adopted further measures:

- Initiating general revaluation (GR) of the properties
- Tax inspectors are going door to door for helping out the tax payers in adopting UAA
- If any portion of a building is being rented out, there is 10% hike in existing tax structure

Probability of Aadhaar linkage with real estate transactions

To increase transparency of the real estate market to the core, there is a probability of linking Aadhaar with real estate transactions. The Government of India has stated that this step would provide clarity especially in terms of land titles. The Aadhaar linkage will improve investors' confidence as well as the financial institutions. More fund inflow will take place and will fuel more activities in the sector. There will be also elimination of multiple ownership of land paving the way for clear title deeds. Products like land insurance may also develop.

By linking the Aadhaar numbers with property transactions, a comprehensive database of real estate assets for the government will be created and there will be complete elimination of black money from the market.

The Government is planning to include the provision of Aadhaar linkage under the Benaami Property Act also. There will be separate legal provision that would seed Aadhaar numbers with property transactions. The Government is strongly convinced that the same will help develop a foolproof monitoring mechanism.



Steel houses: New dimension to affordable housing

For the purpose of promoting affordable housing and 'Housing for All' scheme, the Government of India will push for houses made of steel that can be finished quickly within a budget bracket of Rs. 6 to 7 Lakhs. The steel houses will be dedicated to the urban and rural poor.

The Government has stated that for these houses, pillars and foundation will be made of rod and cement but the walls and roof will be made of steel. It has been stated that a 300-500 sq.ft. house will be developed within a time span of two to three months. This is indeed very good news as almost every Indian will be able to purchase a permanent home.

Compact Homes: Key driver

Compact homes are the mainstay demand of the Indian real estate market in the current scenario. As affordability is the key factor of home buying decisions, the builders are readily & progressively concentrating on trimming the apartment sizes. On a nationwide scale, the builders have reduced the average apartment sizes by approximately 10% and reduced the ticket sizes by 6 to 10%.

The need for smaller flats at affordable prices is huge in the current scenario and from the developers' end, tweaking and repositioning is working well. 1.5 BHK configurations have become suitable alternatives to 2 BHK apartments.



Real Estate employment to increase 80% by 2025

As per recent research data, the Indian real estate sector's employment is set to increase by 80%. 17.2 million jobs are expected to be generated by the year 2025. The aggregate contribution of real estate to the Indian economy is expected to increase to around 13% by the year 2025 from a level of 7% presently. The aggregate built-up area is expected to increase to about 8.2 billion sq.ft. from 3.6 billion sq.ft. in the year 2013.

The factors that can be attributed to the same are:

- Increased urbanization
- Expansion of Tier II and Tier III cities
- Growth of affordable housing
- Implementation of RERA
- Technology implementation
- Smart cities
- Push to Green buildings
- Growth of organized warehousing



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