



ASSET

Responsibly Yours

REaVIEW

a monthly realty news digest

Dear Readers,

REaVIEW is a monthly news digest bringing to our clients and well-wishers news updates on major developments in the realty industry. The periodical will keep the readers updated on the significant changes and trends affecting real estate development within the country as well as globally, thus helping them in taking informed and calculated investment decisions.

Responsibly yours,

Sunil Kumar V
Founder & Managing Director
Asset Homes

Kerala government to engage international property consultants to market three IT Parks



THIRUVANANTHAPURAM: With a huge built-up area and vast land parcels lying ready but unoccupied in three IT parks in the state, the government has decided to engage international property consultants (IPCs) to market them.

As per government records, 20 million sqft built-up space and 1,000 acres are readily available in the three main IT parks and their satellite parks in the state. Another 10 million sqft built-up space is also getting ready.

The cabinet cleared the decision as the in-house marketing team for government's IT parks are facing stiff competition from private developers, who are setting up their campuses within the IT parks, and are engaging IPCS to sell their spaces to various companies, said IT department sources.

With the help of IPCs, private developers are able to attract and bring multinational companies to their built-up spaces, according to the cabinet note. It is important to engage such IPCs for marketing the government IT parks and spaces too, in tune with the competitive and expanding market, the note said.

As per the government decision, the fee for IPCs have been fixed at equivalent to the lease rent for two months of the company that will occupy a built-up space. In case of land lease, the fee is equivalent to 1% of lease premium fixed as lease rent for the company occupying the land.

As per government data, 380.29 acres and 7,20,590 sq ft built-up area is lying unoccupied in the main campuses of the three IT parks Thiruvananthapuram's Technopark, Infopark in Kochi and Cyberpark in Kozhikode. The largest unoccupied land is in Technopark with 245.1 acres being available. The largest unoccupied built-up area is available in Infopark with 5,12,522 sqft lying vacant.

Technopark, the country's first IT park, is spread across 766.86 acres with 106 lakh sqft completed built-up space and 486 companies being operational presently. Technopark has five campuses - Technopark Phase I, Technopark Phase II, Technopark Phase III, Technopark Phase IV (Technocity) and Technopark Kollam.

Infopark in Kochi is spread over 323 acres with 92 lakh sq ft completed built-up space and has 572 companies. Under it, Infopark has Infopark Kochi Phase I and II, Infopark Thrissur, Infopark Cherthala and Infopark TBC.

Cyberpark in Kozhikode, in association with Kerala State IT Infrastructure Ltd (KSITIL), has leased out five acres of SEZ land from KSITIL (which is the developer) in a 45-acre campus to develop the first IT SEZ building Sahya. It has a built-up space of 3 lakh sqft. Cyberpark presently has over 84 functional companies, as per government data.

Return property papers to borrowers within 30 days of repayment: RBI



NEW DELHI: Reserve Bank of India (RBI) has directed all banks, non-banking financial institutions, housing finance companies, asset reconstruction companies and others to release property documents within 30 days of repayment.

"Regulated entities (REs) are required to release all movable/immovable property documents upon receiving full repayment and closure of loan account. However, it has been observed that the REs follow divergent practices in release of such movable/immovable property documents leading to customer grievances and disputes," said RBI.

The REs have been directed to release all the original movable/immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/settlement of the loan account.

The borrower is to be given the option of collecting the original movable/immovable property documents either from the banking outlet/branch where the loan account was serviced or any other office of the RE where the documents are available, as per her/his preference.

The timeline and place of return of original movable/immovable property documents will be mentioned in the loan sanction letters issued on or after the effective date.

In case of demise of the sole borrower or joint borrowers, the REs shall have a well laid out procedure for return of original movable/immovable property documents to the legal heirs. Such procedures shall be displayed on the website of the REs along with other similar policies and procedures for customer information.

In case of delay in releasing of original movable/immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment/settlement of loan, the RE will have to communicate to the borrower reasons for such delay. In case where the delay is attributable to the RE, it shall compensate the borrower at the rate of Rs 5,000 for each day of delay.

In case of loss/damage to original movable/immovable property documents, either in part or in full, the REs shall assist the borrower in obtaining duplicate/certified copies of the movable/immovable property documents and shall bear the associated costs, in addition to paying compensation. However, in such cases, an additional time of 30 days will be available to the REs to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).

These directions are applicable to all cases where release of original movable/immovable property documents falls due on or after December 1, 2023.

Cement makers hike prices to counter rising costs



Cement manufacturers have raised prices sharply by around 12-13% over the past month amid rising input costs even though the post monsoon increase demand is yet to kick in. This is considered as a bold move by sector trackers since cement companies were observing caution over the past few months while deciding prices.

With the steep increase, the all-India average cement price has reached Rs 382 per 50 kg bag. The sharpest rise was in the eastern region where the price rose to Rs 400 from Rs 326.

Historically, the demand for cement in the September quarter is weak given due to low amount of construction activities given the monsoon period. Generally, cement firms promptly reduce prices when their sales volume is impacted due to low demand.

The bold stand to raise prices despite sluggish volume offtake is therefore unusual. Some analysts attribute this to the possibility of creating a higher price base in advance to take advantage of a demand recovery once the monsoon is over.

In addition, prices have increased at a time when raw material costs have once again started rising.

"Over the past three months, imported coal prices have increased by 15% and petcoke prices have increased by 28%. Even though,

both coal and petcoke prices are still lower on a year on year basis, operating costs for the sector are likely to rise from March 2024 quarter onwards," said Mangesh Bhadang, Senior Vice-President and cement analyst at Centrum Broking in a sector note. He expects that demand growth in FY '25 will be weak amid higher costs, which may put pressure on the margins of cement makers.

High on Profitability

Company	EBITDA/tonne (₹)	
	2013	2014E
UltraTech Cement	1,000	1,257
Ambuja Cements	852	1,222
Shree Cement	925	1,192

EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortisation. E-estimated. SOURCE: Centrum Broking

Some analysts estimate that if cement firms are able to sustain the recent price increase, they are likely to post earnings before interest, taxes, depreciation, and amortisation (EBIDTA) per tonne of Rs1200-1300 in the second half of the present fiscal year from Rs 800-900 in the past few quarters.

According to Ravi Sodah, cement analyst at Elara Capital, the benefit of the recent price increase will reflect fully in the December 2023 quarter when margins of cement firms will improve.

Given these factors, large cement companies such as Ultratech Cement, Ambuja Cements, and Shree Cement, which have a strong market presence and strong balance sheets are likely to benefit in the coming quarters.

<https://realty.economicstimes.indiatimes.com/news/cement/cement-makers-hike-prices-to-counter-rising-costs/104004418>

Prepared by



Responsibly Yours

Follow Us :

