

### **Emaar ties up with Marriott for 4 hotels**

IF one needs proof of sustainability of the Indian growth story, JW Marriott's plans for the country surely paint a bright picture. The group plans to operate 29 hotels in India by the last quarter of 2010. Presently it has 6 hotels in the country. The luxury hotel company on Tuesday signed a memorandum of understanding (MoU) with realty developer Emaar MGF for developing four hotels.

Emaar will be developing these 4 hotels in Amritsar, Delhi, Kolkata and Hyderabad for a total investment of \$ 400 million. The hotel projects are likely to be completed by 2010-end. As part of the agreement, Emaar MGF will be the owner and developer of the proposed hotels and Marriott International shall provide advisory and management services for the planning, design, construction and operations.

"As services, travel, and tourism sectors continue to show impressive growth in India, resultant demand for more hotel rooms is on an upswing. However, presently there is a shortage of about 1,50,000 rooms across all segments in the country and our partnership with Marriott is an endeavor towards effectively bridging this gap," chairman and managing director, Emaar MGF, Shравan Gupta said.

Hotels in New Delhi, Hyderabad and Kolkata will operate under the JW Marriott brand while the one in Amritsar will be called Courtyard by Marriott. Emaar MGF is also planning a pan India presence of its hotels and 10 hotels are already under construction, said Gupta. The company has also tied up with Accor to develop 100 Formule 1 brand of budget hotels to India.

*Source: The Indian Express*

### **DLF, Hilton sign management pacts**

DLF and Hilton Hotels Corporation in India on Tuesday announced that they have signed management agreements involving seven new hotel developments in the pipeline. This marks the second phase in the DLF-Hilton JV company's overall strategic development plans to build and develop 75 hotels in India in the next 5-7 years. "The new projects named today will bring the total number of new hotels under this DLF-Hilton alliance to 16, comprising 3500 rooms. All these 16 projects are in various stages of development and construction," a DLF statement said.

*Source: The Hindu Business Line*

### **Provogue sells real estate arm for Rs 457 crore**

Apparel retailer Provogue India said today it has sold 27 percent stake in a unit of real estate arm Prozone Enterprises for Rs 457 crore. The stake has been acquired by Triangle India Real Estate Fund, South Africa-based Old Mutual Investment Group Property Investment (OMIGPI). and city-based ICS Realty. The funds raised will be used in the completion of four real estate development projects Pro-zone has coming up in Aurangabad, Indore, Nagpur and Jaipur covering 16 million square feet, J K Jain, CFO said. "There are some more projects in the pipeline," he added. Further funds could be raised if required, he said. The real estate projects will start contributing to the revenues from 2009/10 and 2010/11, he said. The projects involve setting up shopping centres, hotels and entertainment zones. Prozone Enterprise is a joint venture between Provogue and Liberty International. It has set up six international and domestic special purpose vehicles to carry out various business activities in real estate.

*Source: The Hindu Business Line*

## Realty majors see real money in IT

The next time you go to an IT conclave, don't be surprised if you see a bevy of property developers vying for your attention. The nascent property boom has seen developers hitting the road in full force to showcase their prime projects to the target audience. Infrastructure companies are leaving no stone unturned when it comes to marketing their projects.

Right from a pureplay conclave for infrastructure or a property summit to a IT summit, these companies are taking active interest in showcasing their projects at the event to target the right kind of customers. In fact, the recently concluded Hyderabad .IT Summit conducted by the information technology and communications department of the Andhra Pradesh government and Federation of Indian Chambers of Commerce and Industry (Ficci) saw active participation from infrastructure companies both as sponsors and exhibitors. Companies like the Indu group, Maytas Properties, Hiranandani Properties, Lanco, Brahamani Infratech, K Raheja Corp and Larson & Toubro had taken part in the event. Even at the earlier conducted IT seminars like the Bangalore IT.com and the Infocom event, infrastructure companies had made their presence felt.

Lanco officials said, "Today IT is the largest job creator among all other industries in any metro. IT professionals are paid well compared to the other industries. So there is lot of scope for business for infrastructure companies that too related to IT industry, both in terms of residential projects and commercial space. At Lanco, we are building a large IT park and also have good high-end residential projects, which can be targeted at IT professionals. So to showcase our projects and create awareness about the projects and the IT SEZ, we took part in the IT Summit. We found it a good opportunity to tap the targeted clientele."

Sanjay Chawla, head, commercial and SEZ, Maytas Properties, said, "Infrastructure companies are increasingly participating in IT summits, to network with IT companies. It's a win-win situation for both IT players and infrastructure companies. While the former gets infrastructure solutions for their growing business demands, under one roof, the latter catch a majority of their prospective clients right at their doorstep. Maytas Properties has participated in many IT-related summits in the last few months like the Bangalore IT.com, Mumbai Tech Park, Hyderabad Infocom and Hyderabad IT summit to target prospective clients."

*Source: The Financial Express*

## **MMRDA to build 5 lakh tenements in next 5 years**

The Mumbai Metropolitan Region Development Authority (MMRDA) is coming out with a rental housing scheme where five lakh tenements are to come up on MMRDA land across the city in the next five years. For this purpose it has already sanctioned work in two areas in Mumbai.

"We have identified land at Wadala which belongs to the MMRDA. Presently there are slums on that land. They will soon be relocated," said Mr Ratnakar Gaikwad, metropolitan commissioner. By May end, work on the Wadala plot is expected to commence. Another plot that has been identified is in Kanjurmarg (east). This piece of land will be, developed by the NGO SPARAC or Society for the Promotion of Area Resource Centres.

"Around 5,000 tenements will come up at Kanjurmarg. We are working out plans for the Wadala plot and are in the process of identifying more land in Mumbai to build a total of five lakh units in the next five years," added the metropolitan commissioner.

He said that the body is yet to finalise the rental amount, but it is likely to be around Rs 3,000. Construction of each unit is estimated to cost the MMRDA somewhere around Rs 2 lakhs. SPARC will not be taking any financial assistance to develop 5,000 tenements, but the MMRDA will spend around Rs 100 crores for the same project.

A proposal on the housing policy is ready and has been submitted to the state administration for approval to increase in the floor space Index (FSI) from the pre-sent 2.5 to 3. According to the MMRDA chief, this rental housing scheme will bring down the property rates not only in Mumbai but also in the Mumbai Metropolitan Region (MMR) as there are so many units available for sale. This will force private builders to slash their prices.

"One of the prime reasons for coming up with this scheme is to avoid the mushrooming of slums. Everyday new employment opportunities are created and this leads to an influx of people, for which there is need for a living space," said Mr Gaikwad.

*Source: The Asian Age*

### **Armani to set up outlet in new DLF mall**

London: Italian group Giorgio Armani will take a majority stake in a joint venture with Indian realty firm DLF Ltd to set up its first outlet in India, a media report said on Tuesday.

"The Italian group will take a 51% stake in a joint venture with DLF, the Indian property developer the biggest presence it is allowed in the country under regulations," 'The Times' said in an article published in its online edition.

According to the report, the first Armani outlet would be opened at a new mall being built by DLF, which also has a partnership with Dolce and Gabbana, in New Delhi. "By the end of the year, Armani expects to have around five stores across the subcontinent," it said.

*Source: Mint*

### **Retail rentals stabilising after two years**

AFTER witnessing an unbridled run for the last two years, retail rentals seem to be holding their breath now. Rentals for retail stores and showrooms have stabilised across Delhi NCR, Bangalore, Hyderabad and Kolkata, with most markets in these cities witnessing little or no growth in the past six months. The rentals in Mumbai, however, is still roaring with some pockets witnessing an increase of as much as 174% in the past six months.

"Retail rentals had been increasing much faster than the revenue generated from the stores. At such pace, it reached a stage, where revenues stopped supporting the rentals, leading to little or marginal hike for rents," says Cushman & Wakefield India director (retail services) Rajneesh Mahajan. Skyrocketing rentals have been a sore point for retailers who have had to restrict their expansion plans and even down shutters at some places due to this. Several retailers have complained that rising rentals was putting pressure on their margins

Bangalore, which witnessed over 50% annual growth in rentals over the past two years, seems to be cooling off with no increase in rentals since September '07

Location	Current Rentals	Hike in 6 Months
Mumbai- Linking Road	1350	111 %
Colaba Causeway	960	174 %
Delhi – Connaught Place	775	0 %
Khan Market	1200	9 %
Gurgaon	250	16 %
Noida	325	0 %
Bangalore – M.G Road	250	0 %
Hyderabad – Banjara Hills	210	0 %

Source: The Economic Times

### **UAE's Emaar eyes China property**

DUBAI-BASED developer Emaar Properties signed an initial agreement on Wednesday to cooperate with a Chinese firm on real estate, healthcare and education opportunities in Chinese cities.

"We hope to announce the first projects very soon," Ng Boon Yew, chief executive of Emaar's education subsidiary, told reporters in Shanghai after the formal signing of the memorandum with Shanghai China News Enterprise Development. He did not give the potential value of projects that were being explored.

The two companies would explore opportunities in cities such as Shanghai and Beijing, as well as in smaller urban centres around China.

Emaar, the largest developer in the Arab world by market value, opened an office in China in 2006, according to a statement sent on Wednesday. Emaar is expanding outside of Dubai, the commercial hub of the world's largest energy-exporting region, with \$60 billion in developments in 14 countries, including Pakistan, India and Indonesia.

Source: The Economic Times

### **Hiranandani, Lahari to invest in SEZ**

Real estate major Hiranandani Group and Hyderabad-based Lahari Infrastructure Ltd will invest Rs 750 crore in a multi-services Special Economic Zone (SEZ) to come up about 40 km from here." Our Group and Lahari will invest Rs 150 crore each as equity in the venture and the remaining money will be mobilised from banks and other financial institutions. We will be equal partners in investments and revenue-sharing," Surendra Hiranandani, Founder, Hiranandani Group, told. The SEZ, christened as 'Hiranandani Upscale', will have world class infrastructure for all industries, including information technology, Pharmaceuticals and banking. Already, two pharmaceutical companies, including Suven Life Sciences, have committed to take two lakh sq ft facilities each in the SEZ."We will offer the facilities on rent for nine years to these companies by December 2008," Hiranandani said. Albeit initial investment is pegged at Rs 750 crore, the SEZ would involve Rs 12,000 crore investment over a period of 14 years, they stated.

Source: Projects Info