Realtors Open Doors For Sr Citizens in NCR

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GROWING urbanisation and the increasing trend of nuclear families has created a separate market segment for cash-rich senior citizens (older than 60 years). Retired folks — with deep pockets and well-settled children — want to keep up with their lifestyle. Old age homes are passé for them.

Sensing a business opportunity in this niche segment, some realtors in the national capital region have introduced the concept of 'Active Senior Citizens Living' aka senior apartments that are specifically designed for people over 55. These housing units cater to their health and social needs and also creates an active lifestyle for them.

REAL VALUE

Many realtors have picked up the concept of senior apartments. Real estate company, Ashiana Group is developing Ashiana Utsav Retirement Resorts in Bhiwadi, Jaipur and Lavasa. UCC Care is coming up with its Golden Estate project in Faridabad and Supertech's Upcountry (project) is under construction in Greater Noida.

Common features in these projects are; fully-furnished units, fixed monthly charges for maintenance, housekeeping and laundry, food and beverage services, 24x7 security, round the clock medical assistance — availability of doctors, nurses and ambulances — DTH TV and internet connections.

Along with these, there are pay by use services, like meditation and yoga classes, indoor games room, convenience stores, health clubs, home delivery services and business centers for retired professionals.

Some of these residential complexes are in the format of resorts, 1/2/3 BHK apartments and villas spread over a built-up area of 300 to 2,500 sq ft. These units are offered under various sales models — outright sale, upfront deposit and lease.

AGELESS MARKET

According to a recent study conducted by real estate consultant, Jones Lang LaSalle India, the demand for senior living housing units in tier I-II cities — including NCR, Meerut, Ghaziabad and others — account for nearly 50 percent share in the pan-India requirement.

"There has been a marked increase in the number of senior living projects in the past five years with growing acceptability and demand in the sector. Geographically, senior apartment projects are coming up in suburbs of all key metros and in some select destinations, such as Coimbatore, Goa and Dehradun, which have traditionally been retirement towns," said Sanjay Dutt, CEO - Business, Jones Lang LaSalle India.

According to 2011 Census, in 2011, India had about 100 million senior citizens and it growing at a rate of 3.8 percent per annum versus 1.8 percent of the overall population. In future, the population will comprise 12.4 percent senior citizens by 2026 (100 million by 2025) and reach 19.7 percent (173 million) by 2050. In 2001, this figure stood at 7.4 percent.

DELHI HEIGHTS

Ashiana Housing was the pioneer in Delhi-NCR to launch the senior apartments in 2004 with their project Ashiana Utsav Retirement Resorts in Bhiwadi. The 15 acre resort comprised 640 units — primarily 1/2/3 BHK apartments — targeted the middle-income and financially independent retirees.

It is like "Giving a new lease of life to 'retirement' with a classic homecoming," as Ankur Gupta, joint managing director of the company, puts it.

"In the past 7 years, since we started, there has been three major categories of senior occupants — aspirational empty nester couple wanting quality life; aging retiree facing health issues and seniors looking for a short-term stay (3-6 months a year)," Mr Gupta said.

It was a calculated risk that Ashiana Group took. "We had purposely termed our offerings as resorts because we wanted to break the stereotype image of old-age homes," Mr Gupta said. "With resorts, one gets a very lively feeling and thinks about open spaces, greenery and most importantly enjoyment and thrill. Keeping this in mind our apartments have senior-friendly design, like huge master bedrooms, large balconies and spacious storerooms."

CONDITIONS AND FACILITIES

Real estate players are using different business models for these projects. Some sell these units others rent it out. Plus, there're charges for facilities provided.

Ashiana's Utsav units are sold to senior citizens at 5 to 10 percent appreciated market value. "Here, a senior couple can have a luxurious and active lifestyle by paying nominal charges of Rs 15,000 to Rs 17,000 per month for various services, including maintenance," Mr Gupta said.

Of the 640 apartments at Bhiwadi around 400 are occupied. "Within three years of the launch, we were able to earn good returns on our investment, albeit cost for maintenance and other services are still neck to neck," he said. Ashiana group is now expanding the concept in other parts of the country.

On the other hand Golden Estate project, by UCC Care works on a different model. The focus is on delivering services. "The apartments at Golden Estate are not for sale but given in lieu of a security deposit by senior citizens. Seniors can stay in for lifetime but do not own it," said Amit Vaidya, director, UCC Care said.

Under the long-term stay agreement, a resident makes a fixed deposit with the developer as security, of which 75 percent is fully refundable and the rest 25 percent is refunded depending on the stay.

Revenue is earned from the interest incurred from the security deposit. The average security deposit for a suite and a studio apartment is Rs 21 lakh and Rs 26 lakh, respectively. As far as the fixed and variable monthly expenses are concerned, at Golden Estate, it comes to approximately Rs 25,000 per month.

Golden Estate, by UCC Care, was launched in Central Greens within New Industrial Township (NIT) in Faridabad. The project, spread across 1.2 acre, houses 70 units comprising suites and studio apartments. It also has a tie-up with Fortis Healthcare to meet any medical emergency.

Realty giant Supertech also ventured into the senior apartments segment by carving out dedicated space in its Supertech Upcountry project — located at Yamuna Expressway near Greater Noida — and is expected to open for booking by March 2012.

The project sprawls over 100 acre comprising 7,000 units out of which 1,200 units will be exclusively for senior citizens with different designs and services. It will have 1/2 BHK apartments in the range of 700 to 1,200 sq ft.

OLD IS GOLD

With compassion for senior citizens especially in urban cities, where youngsters are too busy in their lives, realtors are trying to do their bit.

"Senior citizens need to be taken care of. For me as a realtor they are the untapped growing niche target segment that wants to live its life to the fullest and we are there for them," said RK Arora, managing director, Supertech Group. Other major developers such as Paranjape Schemes, Impact Senior Living Estate, Covai Properties, Brindavan Senior Citizen Foundation and Classic Promoters have their projects already operational in Pune, Bangalore, Amritsar, Coimbatore and Chennai.

Apart from these, there are charitable organisations working in the sector and some of India's reputed corporate groups have also started building their business plans to start senior housing projects.

UCC hopes to open up 2000 senior apartments across India in the next three years. Mr Vaidya is all out for the senior apartments concept and believes in five years they will be able to achieve break-even with a decent 15 percent to 20 percent returns on investments. "Senior apartments as a business can become a success only if it is managed and operated professionally, partners with healthcare providers, etc. but the key to its success is the realisation that this western concept cannot be blindly replicated in India and thus it has to have a customised approach," Mr Vaidya said.

Revenue Sharing a Concern

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Video streaming or mobile TV is also on the rise. "We believe that video streaming powered by its edge over other data services, will evolve as one of the most significant revenue generating opportunities for mobile operators thereby creating a substantial market," said Shabir Momin, chief executive officer of Noida-based Zenga TV, a leading mobile and web TV service provider.

According to a study conducted by Zenga TV, who's main market is the Delhi-NCR region, the video streaming market in India will grow to $829 million by 2013 and mobile video will contribute nine percent to operators' data revenues by 2013 — a growth of 10 percentage points over 2006. Another prominent mobile gaming player,

Nazaara, is very optimistic about growth on the back of the ever-growing Indian youth market. "Youngsters in the age group of 10-35 years form our core market. Though we create and sell online games but proliferation of VAS in bollywood and cricket genre have been the most," said Nitish Mittersain — chief executive officer of Nazaara.

CALL WAITING

Neeraj Jain, director, telecom with KPMG is of the view that almost 50 percent mobile users have been added in past 4-5 years of which the majority comes from tier II and III cities. "For them, mobile is the only device that they can be used as a window to the world."

Entertainment rules the VAS market with 50 percent share followed by information services with 40 percent. "We estimate the contribution of data revenues to increase to 54 percent of the overall mobile VAS revenues by 2015," said Dr Subho Ray, president, IAMAI.

"Contribution of CRBT will decline from 13-5 percent by 2015, and that for SMS will decline from 45 to 33 percent. The usage of voice-based services will see an increase from 15 percent to 25 percent by 2015 as voice is an important channel for delivery of utility, information and entertainment to the non-data users," added the IAMAI president.

CALL DROP

Despite a promising outlook of the MVAS market, the key stakeholders are not very happy. The core reason for it is the revenue-sharing model practiced in the telecom industry between telecom operators and application / content developers.

As mobile operators form the centerpiece of the ecosystem, they have been the key beneficiaries of the revenue generated.

As per practice telecom operators enjoy 60 to 70 percent share depending on the kind of content or mobile application. The remaining is shared between the VAS developers and copyright owners.

"Although entertainment has been the main driver of growth of MVAS, utility and mCommerce needs to catch up for an over all growth. High level of technical innovation along with development of products and services that are beyond entertainment and changing the way people use their phones," said Mr Aul of Boungiorno.

Branded Clothing May Stay Expensive

FinMin said to be keen on retaining excise duty thanks to a buoyancy in collection

Tough Times for Textiles

- **The finance** ministry is said to be excited by the buoyancy in tax collection from branded clothing
- **Collections from** this segment have topped Rs 2,000 crore till now in this fiscal
- **On a garment** with MRP of Rs 100, the excise duty works out to Rs 4.50
- **Clothing companies** blame the excise duty for a 20% drop in sales and flat corporate growth
- **Most brands** increased prices between 15% and 20% and this dampened consumer demand

OUR BUREAU
NEW DELHI

BRANDED clothing may continue to stay expensive this year as the finance ministry is keen to retain excise duty on retail prices. The finance ministry is learnt to be excited by the "considerable buoyancy" in tax collection from branded clothing, with collections of more than Rs 2,000 crore till now in this fiscal.

"The finance ministry is encouraged by the revenue collected from this segment for the first time. It is highly unlikely that the excise duty will be removed," said sources. The textiles ministry has recommended that the levy of excise duty on branded garments be withdrawn and exemption restored or alternatively levied at the rate of 1% with abatement and CENVAT credit.

Industry has also represented to the textiles ministry that in the backdrop of concessions on tariff lines offered to Bangladesh garmenters, trade is likely to shift to Bangladesh imports unless the domestic industry is adequately protected. Introduced in this year's budget, government is collecting 10 percent as excise duty after giving an abatement of 55 percent . In other words, on a garment with maximum retail price of Rs 100, the excise duty works out to Rs 4.50. Immediately after the Budget speech, retailers such as Shoppers Stop, Marks and Spencer's and Pantaloons shut stores for a day protesting the levy.

Ten months later, clothing companies are blaming the excise duty for a close to 20 percent drop in sales and flat corporate growth. Most brands increased prices between 15 percent and 20 percent to pass on the burden of excise to consumers. This dampened consumer demand in a year of economic turbulence.

"Overall, the industry is expected to have a cumulative loss of around Rs 4,000 crore, which includes sales going down and discounts going up, plus the extra inventory carrying cost to retailers and manufacturers.," said Mohan Sadhwani, executive director, Clothing Manufacturers Association of India.

The industry reported its worst sales performance in the festival months of September and November, he added. There are 25 large branded players and lakhs of small and medium clothing manufacturers, all of whom are covered under excise.

India's organised apparel market is worth Rs 40,000 crore annually and was growing at 15 percent till 2010. "This year there has been no opportunity to grow," Sadhwani said. Clothes worth Rs 1,400 crore are lying unsold with retailers and manufacturers, according to Clothing Manufacturers Association of India.

Companies are now desperate to get rid of high-cost inventory. Usually, the ratio of fresh sales and discount sales is 70:30. This year, the share of discount will rise to 40 percent . Brands using discounts as a marketing tool (including factory outlets) have been very badly affected, he added. They are now being forced to pay excise on MRP which is much higher than the actual selling price. Caught between higher inventories and deeper discounts, the average margins of 7-8 percent have now evaporated.

Online Rental DVD Biz Too Faces Heat

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PRIYUNGKUSH Chatterjee, a Sushant Lok resident reiterated Mr Yadav's statement, "I have nothing against renting DVDs but since I have a broadband connection at home, I prefer downloading movies online for no extra cost. The prints are good with the advantage of downloading the movie as per your convenience."

According to a study by Internet Mobile Association of India (IAMAI) and Indian Market Research Bureau (IMRB), India is all set to have 121 million internet users by December 2011 since computers are becoming affordable and internet penetration is increasing. The report also stated that out of 121 million, 97 million are exp

Online movie rental services and services like video on demand by DTH companies are other reasons for the upwardly mobile in Gurgaon abandoning the trend of renting DVDs.

"Our business has come down to almost half in the past six years and the future seems dark. Besides downloading, people prefer ordering movies online and that is where we have lost our busy corporate," complained Amar Upadhayay, manager of Supermart-based Great India Movies.

On the other hand, online movie rental companies have been on a high. "We have over 10, 000 customers in Gurgaon. The demand has been consistently increasing 50 percent year on year basis," said Suresh Mansharamani, president of online movie rental service MovieMart that started its services in Gurgaon in 2006.

MovieMart gets approximately 2,000 rental orders for DVDs per month from Gurgaon. Mr Mansharamani said that it is their collection and service that sets them apart from the local stores. "Customers today are very demanding and expect a very high level of personalised service. We have a huge collection of over 40, 000 titles in DVD and over 1,500 titles in Blu-ray. Local stores do not have such a large collection and a good service like ours," he said.

Targeting working professionals and businessmen who have invested in LCDs and home theater systems, Mr Mansharamani is betting big on Gurgaon. "Our business is increasing manifold. Recently we have seen a surge in Blu-ray rental and expect 5,000 new customers in Blu-ray and DVD segment in the year 2012," he added.

A player in the DVD rental business has now started selling pirated DVDs because the rental business was not good business. "I end up giving pirated DVDs on rent of new releases to run my business," he said, requesting anonymity. "People don't want to wait for better prints. They want to see movies as soon as they are released."

However, online DVD rental services too have been facing the heat of the piracy and downloading. While Reliance-owned BigFlix recently closed its DVD rental centres and shifted to online streaming of movies through a paid subscription, Mr Mansharamani says piracy and downloading is hurting his business. "Otherwise we could have 10,0000 customers from Gurgaon alone," Mr Mansharamani added.

Vikram Mehra, chief marketing officer, Tata Sky, which recently launched its video on demand service, said that the residents of Gurgaon are seekers of convenience and they see a good potential for their service in the city. "Our service is for anyone who seeks ultimate convenience. If someone wants to watch a Shammi Kapoor movie or a Dev Anand movie he/she would not want to rent a DVD since these rental stores have problems like unavailability of print, etc.," he said.

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