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Increased transparency to buoy realty sector in South: CRISIL

The residential real estate market in South India is expected to register strong growth in 2011 (refers to calendar year, January 1 to December 31) primarily on account of the strong macro-economic environment, backed by improvement in the information technology (IT) sector, and continued economic growth in the region. Also, micro trends in response to customer requirements, such as reduction in flat size and moderation in price increases by developers are expected to have a positive impact on the realty segment in these cities.

CRISIL believes that developers in South India are well ahead of the rest of the country in key aspects such as governance standards and institutionalisation. Thrust on transparency, coupled with the pro-customer attitude of developers, has helped acquire consumer confidence. According to **Mr. Akash Deep Jyoti, Head - CRISIL Ratings**, *“CRISIL Real Estate Star Ratings (CREST Ratings) has found special favour among developers from South India. In fact, many leading developers from the region have indicated that they intend to get a CREST Rating for all their future projects.”*

CRISIL had, in 2010, introduced a city-specific 8-point scale - CREST - to gauge the quality of real estate projects in a city. CREST helps buyers make informed purchase decisions in the sector, which is in need of greater transparency. Projects from South India dominate CRISIL’s portfolio of CREST Ratings: more than 50 per cent of the 35 project ratings announced by CRISIL so far are from this region. Similarly, more than half of CRISIL’s yet-to-be-announced 24 ratings are from South India.

Customers in South India attach significant importance to transparency in practices followed by developers, especially in relation to documentation and construction quality. *“Three out of four calls received from customers seeking information about CREST Rating and whether the project is CREST-rated, are from southern cities. The well-informed customers in South India are the key reason driving developers to select transparency as the key differentiator for brand image,”* says **Mr. Ramraj Pai, Director - CRISIL Ratings**.

Table 1 indicates the list of CREST-rated projects in South India:

Project Name	Developed by	City
The Gardens	ETA Constructions	Bangalore
Greenage	Salarpuria and Sattva Group	Bangalore
Luxuria	Salarpuria and Sattva Group	Bangalore
Magnificia	Salarpuria and Sattva Group	Bangalore
Melody	Salarpuria and Sattva Group	Bangalore
Senorita	Salarpuria and Sattva Group	Bangalore
Prestige White Meadows	Prestige Estates (P) Ltd.	Bangalore
January	Akshaya Group	Chennai
36 Carat	Akshaya Group	Chennai
Adena	Akshaya Group	Chennai
The Belvedere	Akshaya Group	Chennai
Metropolis	Akshaya Group	Chennai
Abode Valley	Lancor Holdings Ltd	Chennai
The Central Park South	Lancor Holdings Ltd	Chennai
RC Royal Grande	Rajrathnam group	Chennai
Ivy League	Skyline Builders	Cochin
Orbit 11	Akshaya Group	Coimbatore
ARK Homes	ARK Builders	Hyderabad
My Home Jewel	My Home Constructions Pvt Ltd	Hyderabad
Asset Signature – Phase I	Asset Homes Pvt Ltd	Trivandrum
Shrishti	Salarpuria and Sattva Group	Vishakhapatnam

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