

BUILD OURSELVES

BUILD THE INDUSTRY

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MCHI CREDAI

37<sup>th</sup> AGM



PROTUNE KS AIYAR CONSULTANTS PVT LTD

BUILD OURSELVES  
BUILD THE INDUSTRY



You can't buy happiness...

But you can buy  
real estate, and  
that's kind of the  
same thing.



**LighterSide**  
OF REAL ESTATE™

# What we will cover

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- ❑ Upgrading traditional business models
- ❑ Targeting the young buyer
- ❑ Reforming NBFCs to boost realty sector
- ❑ Gaining investor confidence in tough times





# CORPORATE PROFILE



**ABOUT KS AIYAR  
GROUP**

# About KS Aiyar Group



## KS Aiyar & Co

- Assurance
- Taxation

## Protune KS Aiyar

- Risk Advisory
- Process Consulting

## BTA Consultants

- Accounting Outsourcing
- Compliances

## India Law Alliance

- Corporate Law
- Legal services



## KS Aiyar Alliance Global

- Alliance of Indian accounting firms



## Leading Edge Alliance

- Accounting alliance across 220 countries

Established in 1897 | 20 Partners | 7 offices | 450+ staff



## INDUSTRY SCENARIO



# Macro economic factors and slowdown

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- 'Profit is private, losses are public'?
- Liquidity has dried up. Slowdown in home loan disbursals.
- Income of home buyers has not increased since 2012 hence affordability is still an issue
- GST, DeMo and RERA – Discussed and debated
- Unsold houses at all-time high

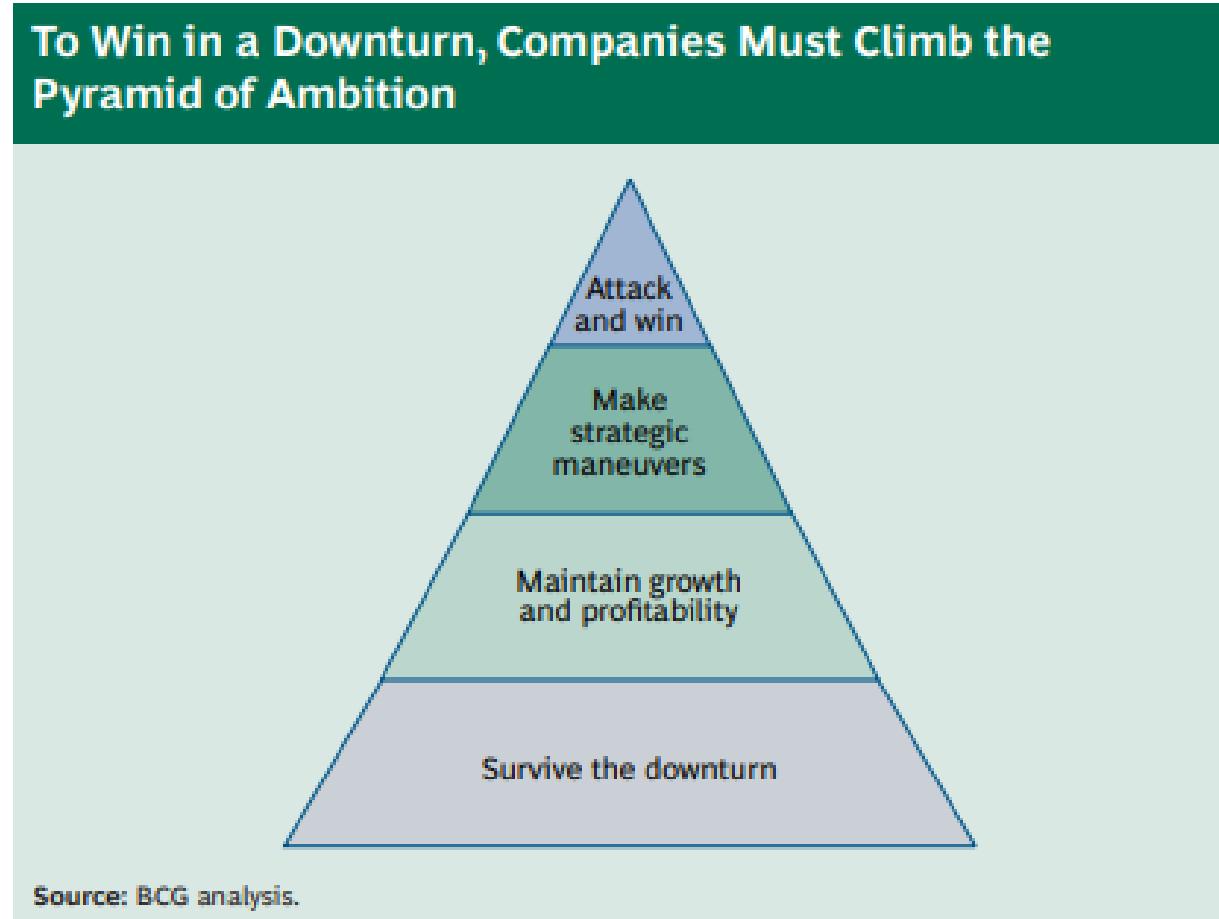


# STANDING STRONG



# Winning in a downturn

- Winning Mindset
- Winning Preparation
- Winning Execution



# FINDING UPSIDE

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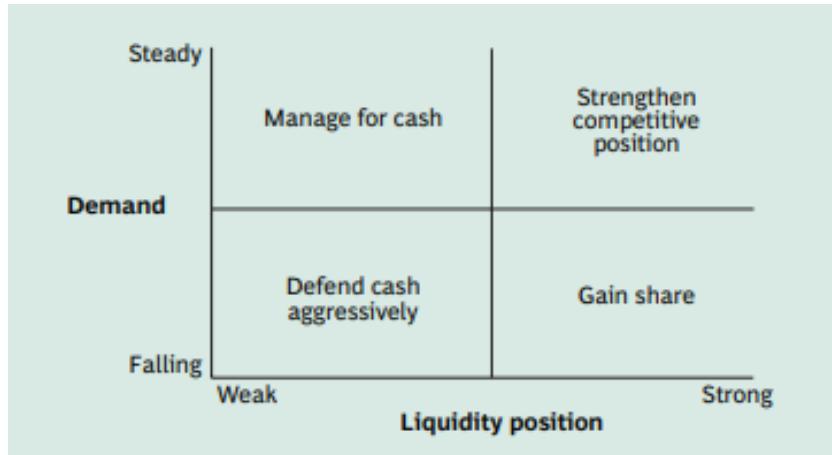
- ❑ Assess your risk
- ❑ Sharpen your downturn radar
- ❑ Get in shape – now!
- ❑ Create a prioritized action plan
- ❑ Think counter-cyclically
- ❑ Be ready for the unexpected



*Avoiding the Ostrich Approach?*



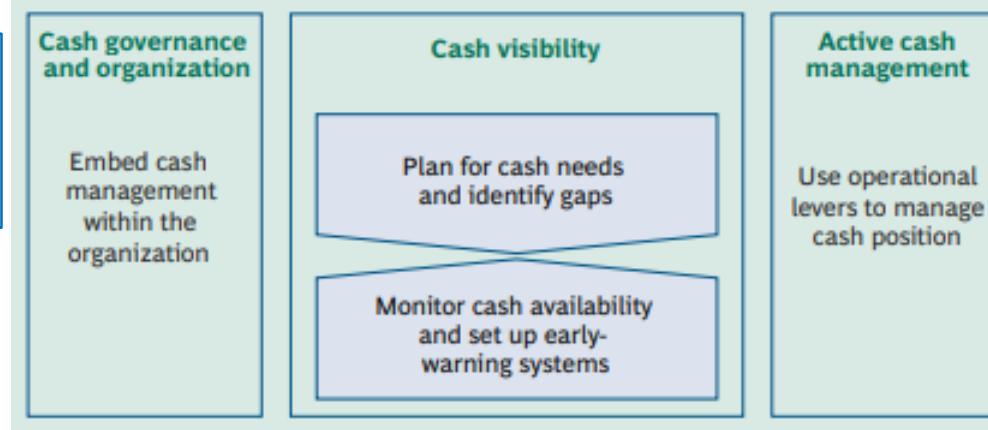
# Integrated Cash Management



- Real estate sector typically in weak liquidity and falling demand zone
- ‘Defending cash aggressively’ is the only way to manage working capital



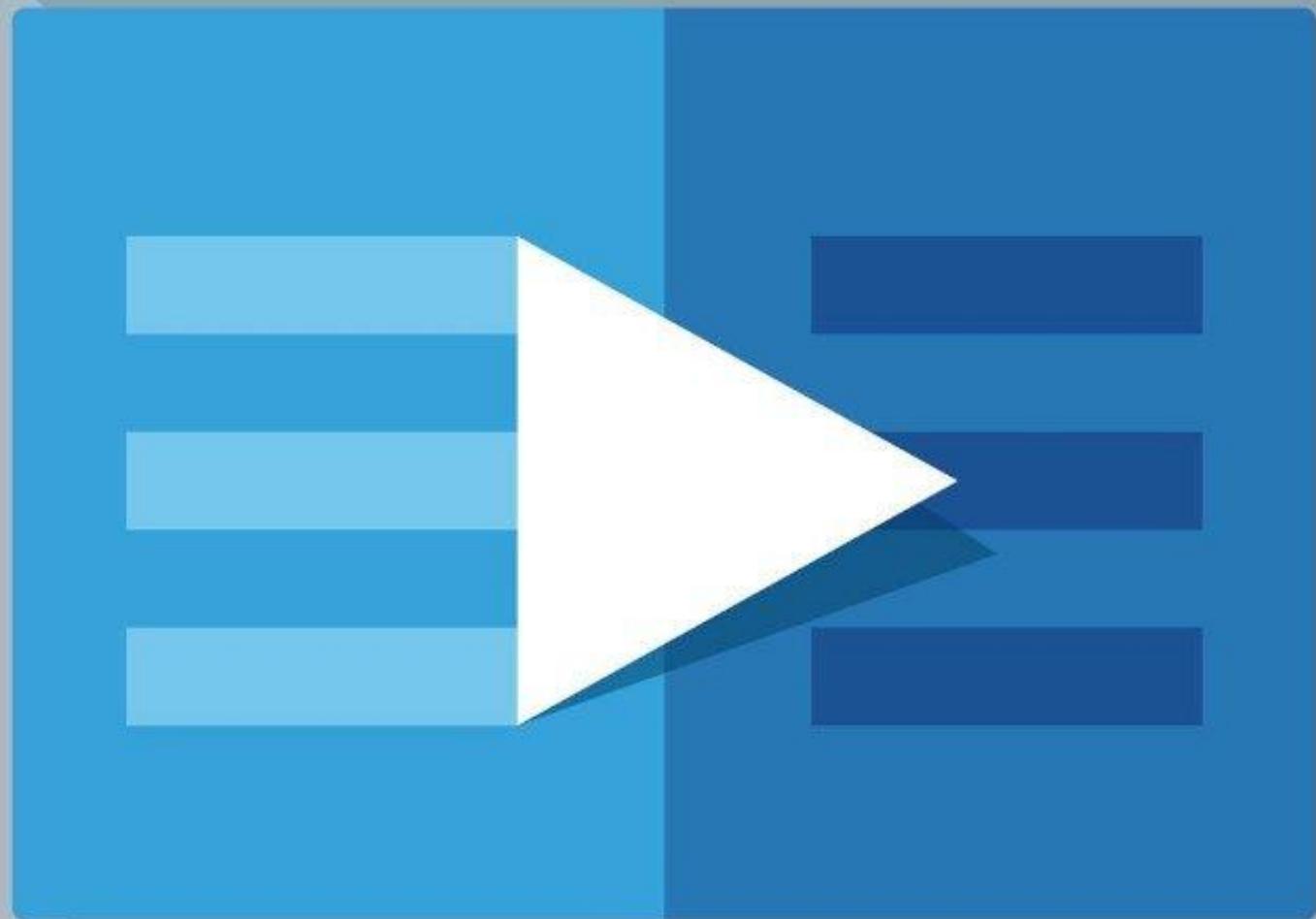
- Three pronged integrated cash management approach suggested to manage working capital woes





BUILDING OUR INNER STRENGTHS  
TO REALIZE OPPORTUNITIES

## UPGRADING TRADITIONAL BUSINESS MODELS



# Upgrading business models

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- Latest Maharashtra government circular to provide sops to housing sector for redevelopment projects including self-development will require paradigm shift and new package of deliverables.
- Expanding the scope of services from traditional ‘build and transfer’ to ‘Facilitate and build’



# ATTRACTING THE MILLENIAL GENERATION



# The Millennial Dollar Question!

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- 400 million who prefer access over ownership
- Millennial homebuyers are looking at affordable category properties
- 'Own and managed' Co-living spaces & Student housing – \$1 trillion opportunity. Penetration expected to go up from 2.6% in 2018 to 8.3% in 2023 (FICCI Jul 2019)



## NFBC Reforms



# Home financing going forward

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- HFCs under RBI gambit. More transparency in pricing to bring about systematic lowering of lending rate for HFCs
- Relaxation of External Commercial Borrowings (ECB) guidelines for financing of homebuyers under PMAY and reduction of interest charged on housing building advance via linkage to 10-year G-Sec yields
- 10K Crore stressed asset fund, which is to be used to provide finance to affordable housing projects, will benefit around 3.5 lakh homebuyers though this will not benefit the larger players
- Tier II and Tier III cities are under penetrated thus small ticket loans are an opportunity for HFCs
- Fintech based NBFCs to reach out to 'The ignored lot'.



-TRUST-



**GAINING INVESTOR  
CONFIDENCE**

# Gaining Investor confidence

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- Housing REIT opportunity – Will rental yields boost?
- Housing market has traditionally aided the economy in recovering from a recession, as consumers who are less effected by the downturn are willing to buy and sell, and existing homeowners are able to take advantage of equity in their properties
- Vast majority of investors (82%) are calling for companies to focus on long-term value creation. But they said that only 50% of the companies they invest in or follow have properly aligned business, financial, and investment strategies.
- There are always smart investors in the market. Multi bagger deals are still the norm.



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# THANK YOU!

- ASSURANCE
- TAXATION
- PROCESS AND RISK CONSULTING
- COST OPTIMIZATION
- FRAUD AND FORENSIC
- ENTERPRISE RISK MANAGEMENT
- ACCOUNTING OUTSOURCING & COMPLIANCE
- BUSINESS ANALYTICS

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