

# NEWSLETTER

BI-MONTHLY

Partnering for the Success of Entrepreneurship

VOLUME 6 • ISSUE 2 • MAR - APR 2014



## Promising Real Estate Future of Nepal

Real estate bubbles are not rare occurrences. Economists have identified a regular land price cycle averaging 18 years with 7 year moderate rise in prices, a slight lull, then a steeper 7 year rise followed by a sharp drop in prices and 4 year down period. Real estate cycle world-wide follows a consistent pattern. There is first an expansion of money and credit by the monetary authorities. That expansion artificially reduces interest rates, which then increases borrowing for long-duration capital goods such as real estate construction, and purchase of real estate. The expansion of the economy reduces vacancies and then raises rentals and real estate prices. Speculators then jump in to profit from this increase, adding to the demand and accelerating the increase in land values. The expansion of money causes price inflation, so the authorities cut back on the money expansion, raising interest rates. Higher interest rates and higher prices for real estate then reduce business profits, reducing the rate of increase in investment in new capital goods.

Beginning of the fiscal year indicates resurgence in the buyers' confidence. 26.43 percent rise in revenue collection from property registrations in the first

half of the fiscal year proves the fact. The country collected Rs 2.87 billion in registration fees in the first six months compared to Rs 2.27 in the previous year according to the Department of Land Reform and Management (DoLRM), Land Revenue Offices (LROs). After four years of recession, realty business is back with low bank interest rates, easy financing, and stable prices. However, building cost has increased approximately three times in five years due to substantial rise in labor costs and construction materials.

There has been a rise in realty loans, particularly home loans. NRB statistics shows lending to residential construction grew 7.1 percent for the first five months of the fiscal year. The market is ready to grow significantly if NRB becomes flexible on the sector. The recent data shows mixed but a balanced supply-and-demand outlook. With home prices up over the past year and increase in revenue generated from real estate transaction since first quarter of this fiscal year has shown the recovery in real estate. Developers and builders introducing affordable housing for middle income group become supportive to an upward trend in activity.

*Editorial Team*  
Brihat Group

“  
...realty business is back with low bank interest rates, easy financing, and stable prices.  
”

### MANAGEMENT QUOTES

By failing to prepare, you are preparing to fail.

- Benjamin Franklin

Let our advance worrying become advance thinking and planning.

- Winston Churchill

In preparing for battle I have always found that plans are useless, but planning is indispensable.

- Dwight Eisenhower

If you don't know exactly where you're going, how will you know when you get there?

- Steve Maraboli

Management by objectives works if you first think through your objectives. Ninety percent of the time you haven't.

- Peter Drucker

### WHAT'S IN

Planning a Real Estate Investment Appropriate to Your Situation.....2

MAITIDEVI CLUSTER.....3

Corporate Social Responsibility.....4

### CORPORATE HUMOR



"This home has a wonderful view. If you go outside at night, you can look up and see the whole universe!"

## ADDITION OF NEW UNITS @ Swayambhu Hotels & Apartments

With high demand for quality serviced apartments in Kathmandu, Swayambhu Hotels & Apartments has added 4 apartments in TCH Tower IV at Sitapaila.



Rates vary from USD 12 to USD 120 per night.



Real Estate Investment



When planning your real estate investments, one of your first tasks will be to decide what kind of exposure to the market is appropriate for your situation.



## Planning a Real Estate Investment Appropriate to Your Situation

There are two fundamental ways to invest in real estate, ownership and leasehold investment. As a real estate investor, you will most likely be purchasing ownership of a real estate property and then earning a return on that investment by leasing it to tenants, who in turn pay rent. On the other hand you could acquire a long-term leasehold on land, which then has a building constructed upon it. At the end of the lease, the land and building become the property of the original land-owner.

When planning your real estate investments, one of your first tasks will be to decide what kind of exposure to the market is appropriate for your situation. The first type of market you could participate in is the private market. In private market, you alone or with partners will own and operate a piece of real estate and receive rent payments from that investment.

Alternatively, you could choose to invest in the public real estate market. In this market you will be investing in a company that owns real estate and manages it on behalf of its shareholders. This type of investment also known as real estate security usually pays a dividend to its shareholders from rent



received from tenants. Any price appreciation or depreciation in the assets owned by the company is reflected in its share or unit price.

The type of market you as an investor participate in should depend on your personal as well as your career goals. If you have enough time to manage your own real estate the private market would be a good venture for you. But if you are looking for an extra source of income besides your primary job, the public market is the best choice. Choose wisely and pave your way to financial freedom!!!



Real Estate Marketing Agent



If you have updated information about the market, you can communicate confidently with your customers.



## Powerful Tools for REMA

*Continue from Vol. 5 Issue 6*

Here are few additional powerful tools for Real Estate Marketing Agent (REMA) to achieve sales success.

### 5. Courage

If you've got courage, you take the necessary risks to expand yourself and your business into new areas—even when you're facing huge probability. You'll see setbacks as learning opportunities rather than failures.

### 6. Honesty

If you've got honesty, there's no disconnect between your stated purpose and your real motivations.

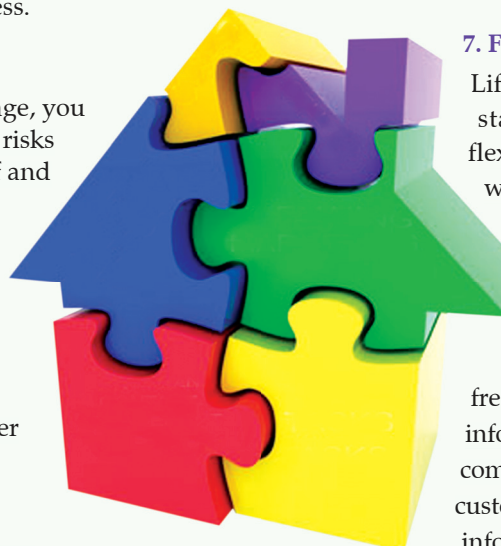
Customers sense the honesty and feel comfortable working with you.

### 7. Flexibility

Life is all about change; nothing stays the same. If you've got flexibility, you can observe what's working and what's not and change your approach to match changing circumstances.

### 8. Information

Market changes very frequently. If you have updated information about the market, you can communicate confidently with your customers. Your confidence and information will judge your capacity and customers feel comfortable to work with you. ■





Real  
Estate  
Partnering for  
Entrepreneurship



Contemporary homes, designed to cater for modern living, Maitidevi cluster offers excellent value houses built to the highest standard.



## MAITIDEVI CLUSTER

Brihat Developers & Builders in collaboration with Anandbhumi Research and Foundation Centre Pvt. Ltd. developed the project "Maitidevi Cluster." Conveniently located in the heart of the city, Maitidevi, the colony is just 2.5 km from Tribhuvan International Airport, 1.5 km from Kathmandu Medical College and 1 km from City Center.

The Project incorporates a range of eco-friendly products and concepts.

### Its main features include:

1. Solar electricity provision
2. Rain water recharge for water conservation
3. Proper garbage disposal system for waste reduction

### Project Features:

- Modern cluster housing comprising of 7 individual houses
- Potable drinking water from KUKL
- Electrical lines from NEA
- Sewerage lines
- Separate outlet for waste products & rainwater drains

- Separate Electric pole for each house
- Easy access to public transportation

### Product Salient Features:

Contemporary homes, designed to cater for modern living, Maitidevi Cluster offers excellent value houses built to the highest standard.

- Each plot has a parking space, lawn in the front yard and in some cases in the backyard as well
- Land Area varies from 0-2-0-3 to 0-4-0-3
- Built-up area varies from 1575 sq. ft. to 1880 sq. ft.
- Minimum 3 bedroom units and all Master bedroom with attached bathroom
- Laundry area, puja room and store in each house

**Come and enjoy the benefits of modern cluster housing with all the amenities in closer proximity.**



ANNOUNCEMENT

Are you looking to sell your real estate property ?

List them in our online listing for free, where you can get:

Maximum Exposure

Easy Accessibility

Quick Response

Professional Service

Call us at **9802020056** to find out how we can help you sell your properties.



TCH Tower-IV, Ground Floor, Block A  
 Sitapaila, Kathmandu, Nepal.  
 PO Box: 25441  
 Phone: +977-01-4033303, 01-4033304  
 Fax: +977-01-4033305  
 info@brihat-group.com  
 www.brihat-group.com

We would be more than happy to send you our newsletter regularly and also anticipate your feedbacks to help us make our publication better. Kindly contact us to get our BI newsletter on a regular basis, if you so desire.

# Corporate Social Responsibility



Life has a meaning when you contribute to the society. With this belief, staff of Brihat Group has contributed Rs. 6000 each from their salary to Hospice Nepal. Hospice provides palliative care to cancer patients and support to the family. ■

## Snapshots of recent activities at Swayambhu Dine & Lounge, Sitapaila

