

INVESTMENTS

Partnering for the Success of Entrepreneurship VOLUME 4 • ISSUE 6 • NOV - DEC 2012



Flourishing Real Estate Future

It is a pride to say that realty sector is bouncing back. Just as developers have anticipated the market is rebounding during and after Dashain and Tihar. The improvement in Real Estate transactions from last fiscal year has also continued during the first few months of this fiscal year. According to the department of Land Reforms and Management, the revenue collection from land and property registration has surged 80.5 percent in the first quarter of this fiscal year. Developers are very hopeful that coming days are promising and will bring noticeable improvement. Loaded with ample liquidity, banks and financial institutions (BFIs) are offering home loans at cheaper rate. This is the lowest rate home loan has gone until now as BFIs see the possibility of it going higher next year. After the central bank increased the limit on home loans that are not categorized under realty loans, BFIs have increased the investments in the sector. Festive schemes offered by housing developers and soft approach adopted by BFIs on home loans also lured home buyers.

Looking at the broad spectrum of Urbanization, Kathmandu faces

two major urban challenges. One is managing existing population while another is relocation of the growing population. Concepts like HOUSE POOLING should be introduced to manage the existing chaos in the core city areas. It consists in acquisition of houses in a congested area belonging to a large number of owners; it is then planned, built and provided with all necessary infrastructure such as road, water supply, drainage, electricity and telephone, open spaces, community service area; consolidated and is given back to the owners. The benefits of this would be that the quality of living of the Downtown will be high and the cost also cheaper making it aesthetically beautiful. Feasibility study has been started by the Ministry of Urban Development for this program in a core area of Kathmandu. Lastly, the growing urban population in the valley needs to be relocated to the nearest district or township developing SATELLITE TOWN where infrastructures and services can be depended on in the event of disaster like earthquake, fire etc. ■

Editorial Team
Brihat Investments Pvt. Ltd.

“
...coming days are promising and will bring noticeable improvement...”

LEADERSHIP QUOTES

“A good leader inspires people to have confidence in the leader, a great leader inspires people to have confidence in themselves”

- Unknown

“The greatest leader is not necessarily the one who does the greatest things. He is the one that gets the people to do the greatest things.”

- Ronald Reagan

“Don't tell people how to do things, tell them what to do and let them surprise you with their results.”

- George S. Patton Jr.

“Leadership is the art of getting someone else to do something you want done because he wants to do it.”

- Dwight D. Eisenhower

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CORPORATE HUMOR



“You forgot to show us the most important room-room to negotiate!”

BI Family wishes you & your family

HAPPY TIHAR 2069



Brihat Investments Pvt. Ltd.



“
It's your responsibility to gain knowledge about the property investment business and become financially smarter.
”

(Continued from the last issue)

10 Key Mistakes Beginner Real Estate Investors Make

- 6 Only have one exit strategy** – To minimize risk, it is essential to have multiple exit strategies. If you cannot flip a property you can quickly end up upside down, behind in payments and lose the property and your credit. Instead, buy below market properties that cash flow. That way you can sell retail, wholesale, lease option, seller finance, refinance, even rent and hold.
- 7 Buy in Warzones** – It is wish to buy property at a deep discount. In today's market you can find huge discounts in many areas with no infrastructure. Buying a property for fraction of the market rate sounds like a slam dunk, but not if the property is vandalized multiple times during repairs, and there is next to zero interest from renters or buyers due to the location in or near a warzone. Make sure there is strong demand from renters and/or ownership in the area.
- 8 Do not consult an expert or build a team** – Many people are do-it-yourselfers and cannot understand the idea of another person giving them advice or handling tasks. All successful property investors build a great team around themselves. It's your responsibility to gain knowledge about the property investment business and become financially smarter.
- 9 To look for a bargain** – You can be successful in property investment by buying the right property, not a cheap property.
- 10 Not managing risks** - Strategic investors don't only buy properties; they buy time by having financial buffers in place to not only cover their negative gearing, but to see them through the down times like we have experienced in the last few years. ■



“
Entrepreneurs never stop educating themselves and those that are successful in real estate will always echo that advice.
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5 Pitfalls and Potholes of Being a Real Estate Entrepreneur

- 1. You will become whom you surround yourself with.**
Before starting any new venture in real estate industry, you must surround yourself with high-quality people with “real estate” minds. It is vitally important that you not only have really good advisers who can help guide you, but they will also help encourage you to push through obstacles and stumbling blocks.
- 2. Real Estate is generally simple – don't make it complicated.**
Real Estate is a vast sector, from which you need to pick a branch and conserve your time, money, relationships and other precious resources for it that can lead to profits much sooner than chasing every opportunity regardless of our plan. If you are going to be a realtor – then commit to being the best realtor in the business. Bottom line – Keep It Simple.
- 3. Constantly educate and work on yourself and your team.**
You must always be educating yourself, no matter what level of businessperson you are, i.e. - beginner, advanced, all-pro. You need to inter-act and learn from others if you want to stay at the forefront of education. Professional association meetings, continuing educations, seminars and gatherings are all designed for real estate professionals to come together and share and learn from one another what is working and what is not working within the profession. Often times these are great places to brush up on best practices and glean practical tips for success. Entrepreneurs never stop educating themselves and those that are successful in real estate will always echo that advice.
- 4. When it is time to Grow – get Growing.**
As a business grows and begins to thrive, one of the key lessons entrepreneurs must learn is the value of delegating important tasks to others. You are the engine of the train and it is your job to drive forward. All of the auxiliary (but extremely important) tasks that a company develops must be maintained and handled as you grow your company.
- 5. Handling the unexpected.**
This is a potential pothole and an entrepreneur has to be prepared with contingency plan while dealing with unexpected adversity. You should try to remain calm and level-headed at all times no matter the situation. Whether or not you are in control is not the point – everyone around you believes that you are and regardless of the unexpected occurrence, you are moving towards a solution. This is a characteristic that has to be worked on constantly because as a real estate entrepreneur, your ability to handle the unexpected will be tested almost daily. ■





Real
Estate
Marketing
Agent



...Track the properties in the market and observe how long it takes for them to sell....

Analyze real estate data, such as the home price index and read research reports...



How to Become a Successful Real Estate Agent

Here are few recommendations to become successful Real Estate Agent:

- 1. Learn to make yourself a better salesperson.** You may take classes or participate in training program on real estate marketing to learn the basics and finer points of selling technique of real estate. Share experiences of successful real estate expert or agent who can suggest road map for you.
- 2. Define what being a successful real estate agent means to you and set some goals.** Agent setting an income figure and calculating the amount of work you need to do to achieve that income goal. For example, if you want an income of Rs. 150, 0000 per year from transaction service fee, then you aim to do eight to twelve transactions in a year.
- 3. Get to know your area, including the local neighborhood, the region and how the national trend affects your market.** Track the properties in the market and observe
- how long it takes for them to sell. Find out about every school, hospital, shopping center and park in the area. Analyze real estate data, such as the home price index and read research reports. Real estate magazines and the real estate section of newspapers also help you understand the real estate market.
- 4. Tell everyone that you work as a real estate agent and that you're willing to help them to buy and sell houses.** Ask them to tell you if they know anyone looking to buy or sell properties.
- 5. Create a schedule to structure your work hours.** Real estate agents don't follow strict schedules, but dedicate enough time to achieve your goals.
- 6. Use technology to your advantage.** More homeowners first found their home from a website rather than from real estate agent.



Experienced and skilled real estate agents can earn at least Rs. 200,000 per transaction. Agents are responsible for showing houses to prospective buyers, sharing market knowledge, communicating with both sellers and buyers and coordinating the closing of properties. For this they are paid a service fee of 2 to 6 percent of the house's selling price depending on types and price of house. If you're considering a real estate career, plan to take a real estate marketing agent course before seeking your first customer. ■

ANNOUNCEMENT

After the successful completion of 6th REMA, Brihat Investments is proud to announce

7th Real Estate Marketing Agent (REMA) Course

December 18 - 23, 2012 (Poush 3 - 8, 2069)

Limited seats! Pre-registration is highly encouraged for all the aspiring candidates.

Job opportunity for 2 competent participants.



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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



Brihat Investments is proud to be the corporate sponsor and be a part of the Everest Build-2012 organized by Habitat for Humanity Nepal. Volunteers from BI have worked together with the indigenous family at Paanch khal for 6 days to help them build their home. ■

On the occasion of Fifth Annual Day of Brihat Investments, Blood Donation Program was organized at its premises among various other programs. ■



BI and HUAFANG Construction signed MOU



On 19th Oct 2012, MOU was signed between Brihat Investments Pvt. Ltd. (BI) and HEBEI, HUAFANG Construction and Decorate Company Ltd. of China for establishing Contracting Company under the umbrella of BI in Nepal. Mr. Om Rajbhandary, Chairman of BI and Mr. Zhang Fu Lai, General Manager of HEBEI, HUAFANG Construction & Decorate Co. Ltd signed the MoU amid a ceremony held at BI boardroom in presence of the entire BI team. ■

CACCI Conference

Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) conference was held in Kathmandu during 3 – 5 October 2012. Along with Mr. Om Rajbhandary, who was the coordinator for the conference, few of the BI staffs actively participated during the conference. ■

