

March 2014

REFLECTIONS



Photo by Anup Vaswani (Kreativnepa)



A Message by Umang SJB Rana

CEO'S NOTE

We are delighted by the response we received for Reflections, our revamped newsletter. Thank you for your support and appreciation of our efforts.

With the start of 2014, Westar Residency is getting its final finishing touch for the outer infrastructure. Apart from the facilities that are already available for use by the Residents, new facilities like Badminton Court, Basketball Court, Steam, Sauna, Jacuzzi and other indoor games have also been installed. These will be available soon for the use of the residents. With the completion of the green landscape garden and jogging track around Westar Residency, we hope it gives the residents an ambience of a natural and healthy lifestyle. In an evolving real estate sector, we at Westar are committed to offering the best range of Real Estate services and deliver excellence in our customer care.

To add to the evolving newsletter, we have tied up with Kreativ Nepa, a social venture that strives to inject art into the local community and wishes to see a change in the society. Their belief – “Together, we can create a vibrant society, moving away from passivity. Let the future shine as we traverse territories untrodden.”

We hope you enjoy this edition of Reflections and as always, we appreciate your feedback.

Sincerely

Umang SJB Rana
CEO



CONSTRUCTION UPDATE

Westar Residency

The finishing works on Tower3 (T3) and Tower4 (T4) is going on at full pace. Few families have already started living in T3 and T4. Almost all the booked apartments are in ready to move in condition. External paint work has been completed making Westar Residency a landmark in the neighborhood. Games and safety necessities have been fitted in the allocated children's play area and will be ready to use soon. The work for facilities like squash hall, snooker/ pool, tennis, etc have already been completed and will be ready to use soon. The work for basketball and badminton court is in progress. We are happy to announce that the foundation work has been started for the commercial building. This will encompass a hospital, bank and office spaces to add more convenience to the residents.





Westar Skyliving

Westar Sky Living is now taking shape with speedy construction progress. The slab casting has been completed till 8th floor. Pile work is almost complete with the work for raft foundation going on simultaneously. We will soon come up with Sample Apartments to give our clients an outlook of a piece of luxury living.



5 SIMPLE IDEAS FOR ORGANIZING YOUR KITCHEN

There's nothing like cooking in an organized kitchen. A place for everything and everything in its place is the perfect advice for getting your kitchen in good form. From pots and pans to spices and special dishes, kitchen organization can be simple and functional.

Use easy and budget-friendly ways to whip your kitchen into shape. Let me show you how.



Drawers Not Doors

Having to kneel or stoop down on the floor to dig through a kitchen cabinet can be both back-breaking and frustrating - especially when it always seems like what you need is buried in the back of the cabinet. The easier way to organize your kitchen storage in short order is to use drawers instead of doors in your cabinet units.

If you've never experienced storing your pots, pans or dinnerware in a pull-out drawer, you're missing out on a major convenience. Deep drawer on full extension glides make easy access to whatever you're looking for.

Hang From The Shelf

A simple shelf installed above your sink or stove is the perfect place to stack dishes or pots and pans. Make it even more functional by adding a metal or wood rod beneath the shelf to hang kitchen utensils you use on a regular basis. It's perfect for keeping everything at your fingertips.





Stowing Your Spices

Stuffing your spices in an upper cabinet isn't always the best solution to kitchen organization. Often our spices get so buried in the mix, we don't know what we have because we can't see what's way in back. However, when you use a pull out drawer to stow your spices, you'll be able to see each one clearly.

Close To The Ceiling

If you're short on storage space in our kitchen, all you have to do is look up. Run a continuous expanse of shelving around your kitchen about 12 to 14 inches from the ceiling to give you the perfect place to store large serving pieces, holiday platters and other items that take up a lot of room in your cabinets.



Put Pots And Pans Within Reach

Pots and pans take up the most room in our cabinets and they're the most frustrating to jockey around when you're digging for that special piece of cookware. You can put an end to the frustration by installing a hanging bar above your kitchen window for your pots and pans. Easily hang 10 to 12 pieces - keeping them right out front and easy to access when you need them.



Home, auto loans rates cut-Interest slashed to as low as 8 per cent to attract clients

Average Nepali households are getting to avail cheaper home and auto loans, as the banks struggling with credit demand crunch have slashed the interest rates heavily. Of late, the banks have shifted their focus on making home and auto loans more affordable for the consumers to counter the lowered credit demand. However, the rate



cuts in lending are also accompanied by similar slash in the deposit rates. At present, the interest rates for home and auto loans have come down to as low as eight per cent. Five months ago, the lowest rate for these consumer loans stood at 10 per cent. Hence, average Nepali households can once again afford to buy houses and cars. "The lowered rates are one of the most tempting factors for most clients looking to purchase houses or cars, and their reaction is pretty much instant in many cases," said head of corporate affairs at Standard Chartered Bank Nepal, Diwakar Poudel. Standard Chartered Bank is providing home and auto loans at rates as low as eight per cent. In September, the same bank was offering these loans at 10 per cent. The commercial banks, development banks and finance companies have forwarded loans worth Rs 73 billion by mid-November, 2013. The amount of such home loans provided by these financial institutions was Rs 65 billion in mid-July, 2013. Likewise, auto loans that are included under hire-purchase loan have reached Rs 56.3 billion as of mid-November, which stood at Rs 50 billion by mid-July, 2013.

Source: The Himalayan Times, Feb 3, 2014

Revenues swell 26 percent as real estate sector rebounds

The real estate sector posted a notable growth in transactions since the beginning of the current fiscal year, indicating resurgence in the buyers' confidence. After a four-recession, the realty business is bouncing back, thanks to easier financing, low bank interest rates and stable real estate prices. The rebound in land and building deals is shown by the 26.43 percent rise in revenue collection from property registrations in the first half of the fiscal year.



According to the Department of Land Reform and Management (DoLRM), Land Revenue Offices (LROs) across the country collected Rs 2.87 billion in registration fees in the first six months compared to Rs 2.27 in the previous year.

Bankers and realty traders said there has been a rise in realty loans, particularly home loans. "Personal home loans have gone up and interest rates have also come down," said Anil Gyawali, chief executive officer of Nabil Bank. Looking at the trend of revenue from land registration over the last five years, revenues from realty transactions had plunged to Rs 4.71 billion in fiscal 2010-11 from a high of Rs 7.01 billion in 2009-10 after Nepal Rastra Bank (NRB) intervened to cool the overheated sector terming the growth as artificial. Developers attributed the growth in transactions to a correction in land prices which had skyrocketed during the realty boom. "A plot costing Rs 500,000 around five years ago is trading today at Rs 600,000 posting a slow growth. The market has witnessed a price correction, and buyers too are now willing to make purchases," said Iccha Bahadur Wagle, vice president of the Nepal Land and Housing Developers' Association (NLHDA),

Source: The Kathmandu Post, Feb 3, 2014

KMC gets tough on house, land taxes

The Kathmandu Metropolitan City is getting tough against the house and land owners who do not pay taxes and has directed the ward authorities to warn those to make the tax payments within two weeks.

The taxes include the money to be collected from houses and commercial complexes residing within the area of 10,000 sq feet in all the 35 wards of Kathmandu.



Failing to pay the taxes, the KMC has decided to take stern action by cutting down basic facilities. "We will cut off all the basic amenities required by the households, including garbage collection and drinking water. We will also request the electricity and telephone authorities to disconnect their lines from these tax-defying houses," said Aryal.

Source: The Kathmandu Post, Feb 3, 2014

Realty sector expected to make a comeback in 2014

Nepal's real estate sector, which has been stagnant for the last few years, seems to have regained momentum and is expected to improve in 2014. With the growing hope of stable government, liquidity surplus in the banks and financial institutions (BFIs), confidence up among customers and correction in related policies and artificial pricing, the real estate sector is speculated to come back on track in the coming days. Of late, home loans have witnessed flexible interest rate of eight to 10 per cent, which is yet another factor that will help boost the sector.

Moreover, as the government has recognised realty sector as a productive sector, developers are encouraged to invest in the sector. The central bank's directives on compulsorily disclosure of income source while purchasing property, cap to limit aggressive loan exposure to 25 per cent of each bank's total investment portfolio to the realty sector, increased capital gain tax on home loans were some major factors that barred the expansion in the sector. To rescue the sector, Nepal Rastra Bank took corrective measures such as disclosure of income source for purchasing property only above Rs 10 million and 50 per cent cut down on the capital gain tax.



Source: The Himalayan Times, Dec 27, 2013

E-building permit system by January 16 from Kathmandu Metropolitan City Office

Kathmandu Metropolitan City Office (KMCO) is all set to launch its e-building permit system on January 16. With the introduction of the system, it is expected that the process of acquiring construction permits will be simplified and more transparent. In the first phase of the pilot project, KMCO and Lalitpur Sub Metropolitan City will be using an online system. Dr Uttar Regmi, chief of Electronic Building Permit System (EBPS), says, "We are all set to introduce the online service on the stipulated date by the prime minister. KMCO will provide this service to seven wards in the trial phase." For this process, KMCO will provide passwords and usernames to access web-based applications to authorized engineers and designers of private firms.

Now with the introduction of e-service, the system will ask for a complete set of documents required for the registration, if not it will not entertain such applications." He further adds, "This will be effective to ensure that the minimum building code compliance will be maintained with the new buildings to be constructed within the metropolises." The automated system has been developed with a view to maintain urban data, transparency in construction permits and monitoring to facilitate applicants. "Once this online service is launched, we can actually get urban data of constructions and with this we can monitor and plan the city well," he says. According to KMCO, they will promptly respond to applicants via email once all the necessary documents are submitted.

The system will record construction maps in digital format and store them at the Government's Integrated Data Centre in Singha Durbar, which will help keeping documents safe.

The metropolis will provide usernames and passwords to applicants to track their applications and status using the internet. The metropolis has provided first phase software training to 40 engineers and designers to assure smooth system usage and further planning to provide second phase training.

KMCO may also share these documents with the central bank, other banks and financial institutions and research centres if asked for property verification in future.

Source: The Himalayan Times, Jan 9, 2014

Real Estate developers upbeat- The festive schemes on real estate garnered good response from the market

The festive schemes on real estate garnered good response from the market

The real estate developers are thrilled by the response they were able to garner with their Dashain schemes — claiming the number of enquiries, and visitors to the construction sites increased by three folds and they also received good amount of bookings this festive season. According to them, various schemes such as discounts up to 30 per cent and gold prizes were able to attract genuine customers and helped to maintain public relations.

Source: The Himalayan Times, Oct 19, 2013

Low-end housing in high demand-Nepal

Housing Real Estate Research 2013

Housing and apartment projects with a price tag between Rs 5 million and Rs 10 million are in high demand in the Kathmandu valley, a study on the country's housing market has revealed.

The study conducted by Brihat Investment, a research company, found that 82 percent of housing and 72 percent of apartment projects sold had price range of Rs 5-10 million.

Of the 858 housing units with a price value between Rs 5-10 million, 702 were sold. Likewise, 829 out of the 1,147 apartment units in the same price category were also sold. Interestingly, apartment units priced below Rs 5 million and over Rs 10 million are lower. There are a total of 2,201 apartment projects out of 4,307 projects.

There is a higher demand for low end, ready to move in and instant ownership transferable units, the report entitled, 'Real Estate Market Outlook 2013', states. "This shows most of the customers are seeking cheaper housing and apartment units," said Om Raj Bhandari, coordinator of the Urban Development Forum at the Federation of Nepalese Chamber of Commerce and Industry (FNCCI). The average price for housing units stands at Rs 12.3 million, while the price of an apartment unit is Rs 9.2 million. A total 3,708 units of housing and apartments projects, out of 6,282, have so far been sold. This means 41 percent of units are yet to be sold.

According to the report, the total investment value in housing projects is 37 percent, while 63 percent is in apartment projects. However, the data only includes real estate projects from three districts, Kathmandu, Lalitpur and Bhaktapur.

The report has attributed factors such as preference for owner built houses, lack of buyer confidence, change in customer preference and lack of flexible financial plans towards the selling of total units and accomplished projects as major challenges.

Source: The Kathmandu Post, Oct 9, 2013

Source: The Kathmandu Post, Dec 13, 2013



Dilip Neupane

Vice President, The Realtors

The Realtors is one of the only professionally managed Real Estate Agencies in Nepal headed by Mr. Dilip Neupane. With a Masters degree in Real Estate Management, Mr. Neupane has been in the industry for the last 16 years. Apart from work, Mr. Neupane loves to travel and bring home the experiences gained from his travels to improve the local Real Estate Market in almost all corners of Nepal.

Mr. Neupane shares with us, his insight into the Nepalese Real-estate sector of Nepal.

How are the Real Estate Agents in Nepal successful helping the customers ?

Having no form of government regulation or support, as of today the Real Estate Agency market is a self disciplined and managed industry. Therefore, it is very important for us to be systematic and professional in our approach. From our own experiences, some of them very bitter, we have come to realize that there are more ingenuine buyers than actual ones and the expectation of price differs significantly from the buyers point of view and the seller's point of view. Therefore, it is very difficult to actually facilitate an actual transaction. However, as Real Estate Agents it is our duty to educate the clients about the role of the Real Estate Agents and how involving a professional Agent actually helps tremendously. Both Buyers and Sellers are now realizing that by involving a professional Real Estate Agent, they are mitigating their risks of fraudulent transactions, saving time over the transaction process, and getting the best value out of their asset.

What makes The Realtors different from other real estate firms ?

We claim that "The Realtors" is the first professionally managed real estate agency in the market and our goal is to differentiate from the standard "brokerage" firms in Nepal. We do this by applying different practices and methodologies in our approach. Even before offering a property to the market, our proficient team evaluates the property and makes a comparative analysis to educate the Seller or Buyer as to the expected market value. One of our core values is to bring about transparency and faith in the industry so that when a client comes to us he/she should know that there is no chance of being cheated. In parallel, we also conduct programs to educate people on design efficiency, Vaastu compliance, earthquake safety, sanitation issues, and mortgage/financing options.

Where do you see the market right now ? Whose market is it Buyers or Sellers ?

Before we get to the present, we must understand the past. With the global rise of the Real Estate industry from 2003-2007, there was an unprecedented rise in the Nepalese Real Estate sector as well. With the boom, there came a lot of undisciplined and ungoverned Real Estate activity that ultimately led to the burst of the Real Estate bubble. This significant fall in the global Real Estate value has made many investors weary of investing in the sector. Therefore, we saw a period of almost 4 years of stagnancy in the market before transactions finally started again. However, people must understand that Real Estate is a cyclical industry and is bound to bounce back. We can see this in western countries where prices are escalating. Thanks to the help of government policies and support.

If you see the market of Nepal, even today the demand for housing outstrips the supply, which should actually make it a Seller's market. However, due to the uncontrolled and baseless rise of prices during the boom, the Sale Prices are beyond the means of the actual consumers. Therefore, the Sellers must realize that while there is a demand, actual transactions will only happen at realistic prices. Due to this gap between the Buyer's and Seller's asking prices, it has unfortunately led to a low demand, thereby making it a Buyer's market.

Having said that, with the government taking shape, we have seen an incredible rise in the Stock Markets, doubling in the last few months. With investors looking for alternative avenues to invest, Real Estate seems like the next logical step.

What do your customers prefer, villa or apartment ?

With the classic mindset of owning one's land, majority of our customers still prefer a villa to an apartment. However, we have noticed that the trend is slightly changing.

The number of people who prefer apartments is steadily increasing and this is due to the rise in the concept of Nuclear Family. Over the past two decades, we have seen the slow demise of the Joint Family system. Therefore, for a single family an apartment is proving to be a preferred choice. While previously the husband's income was enough to support the single family, over the past decade both husband and wife are now working. This means that there is little time to take care of the major issues that come with a villa – Maintenance, Security, Water Supply, Electrical Supply, etc. Apartments, on the other hand, are safer, easier to maintain and have additional facilities like Swimming Pool, Gym, Banquet Halls, Sports Activities, etc. Therefore, we are seeing that more and more nuclear families are choosing to live in an apartment over a villa.

What do customers like about living in an apartment ?

As mentioned earlier, the primary factors for choosing an apartment are the services - Security, Gym, Swimming Pool, Permanent Water Supply, Power Backup, Sports Facilities, etc. An apartment not only offers the services, which would otherwise be impossible to have in a villa, it also takes away the headache of managing and maintaining it. Since there is a management team that is actively managing the entire community, the owner has more free time to do what is more important - spend time with their families and enjoy their lives.

With the current infrastructure of Nepal, the pleasure of living in a villa is becoming more and more a hassle. We are noticing that more and more senior citizens are more attracted towards apartments to get the company of the neighbor next door.

How has the trend of apartment living changed Kathmandu Valley for the better ?

Naturally, one of the features in a metropolitan city is the sky line. The high rise building and towers add to its beauty. Vertical expansion controls the haphazard construction of poorly designed housing as can be seen in the 700 years old cities like Ason and Indrachowk. These areas are not designed with proper control and are prone to earthquake disasters. Naturally, an apartment brings change in lifestyle and increases the standard of living. Moreover, it adds beauty to the city and helps redevelop unplanned developments, while at the same time save greenery. Apartment living is one of the good practices happening in Kathmandu city.

In today's context, should customers wait longer for buying properties or is it the right time ?

As I mentioned earlier, the actual demand of housing is far higher than the supply and the only reason for the availability is the affordability. With the sharp rise in the stock markets in the recent months, we see that investors are again entering the market. With stock markets reaching its heights, the next logical step will be in Real Estate. With more and more developments nearing completion, many developers have already increased their prices as people gradually start occupying the unit.

The reason why somebody decides to buy a property is because the needs are outgrowing their current house and need a ready place to move-in. Now, more than ever, the Buyer has many options for ready to occupy apartments. You make the payment today; occupy your property the next day. The low demand has made many developers to put future developments on hold, and if the situation continues our estimates predict a shortfall in housing in the next 5 years. Therefore, in my opinion, if one is looking to buy an apartment, it is the right time to do so.



Kreativ Nepa is the brainchild of a group of close friends, perpetually in love with creative process. Always trying to express themselves differently from others, their dream was to create a forum where they would rope in creative geniuses who would convey their thoughts and emotions to the pleasure of readers and viewers.

My Salvation

A tribute to my nation

My country, my pride, my soul, my salvation,
Whenever trouble shall fall on thee manifold,
I shall always be there,
Committed, determined and ready to sacrifice myself,
On the threshold of an eluding victory.

Persecuted and cursed have been we,
When trying and delivering souls have perished,
Humiliated and despondent have been we,
When the world failed to realize the troubles beset in thee.

But, now the time has come,
When this nation, hidden behind the gloom and mist,
Of ever domination red & green monsters shall awaken.

Now, the time has come,
When every youth shall lay down his mortal life,
For the cause of relinquishing,
The country from the hands of commun tyranny.

Today, I pledge in thy holy name,
Till the last breath left in this body,
I shall work hard and long,
And fight all the impeding obstacles,
To restore the pride of this nation,
On the pinnacles of the majestic Himalayas.

Today, I pledge,
That the insurmountable impediments,
Shall in no way hinder my determination,
Or ever cool down the fire of a burning desire,
In my goal of glorifying this holy Kingdom of Nepal.

© Varun Kumar Todi. 2006
www.kreativenepa.com



A member of  **GOLYAN**
GROUP

Mathuri Sadan, Ravi Bhawan, Kathmandu
Tel.: +97714671200, +97714671201
E-mail: info@westarproperties.org
Website: www.westarproperties.org