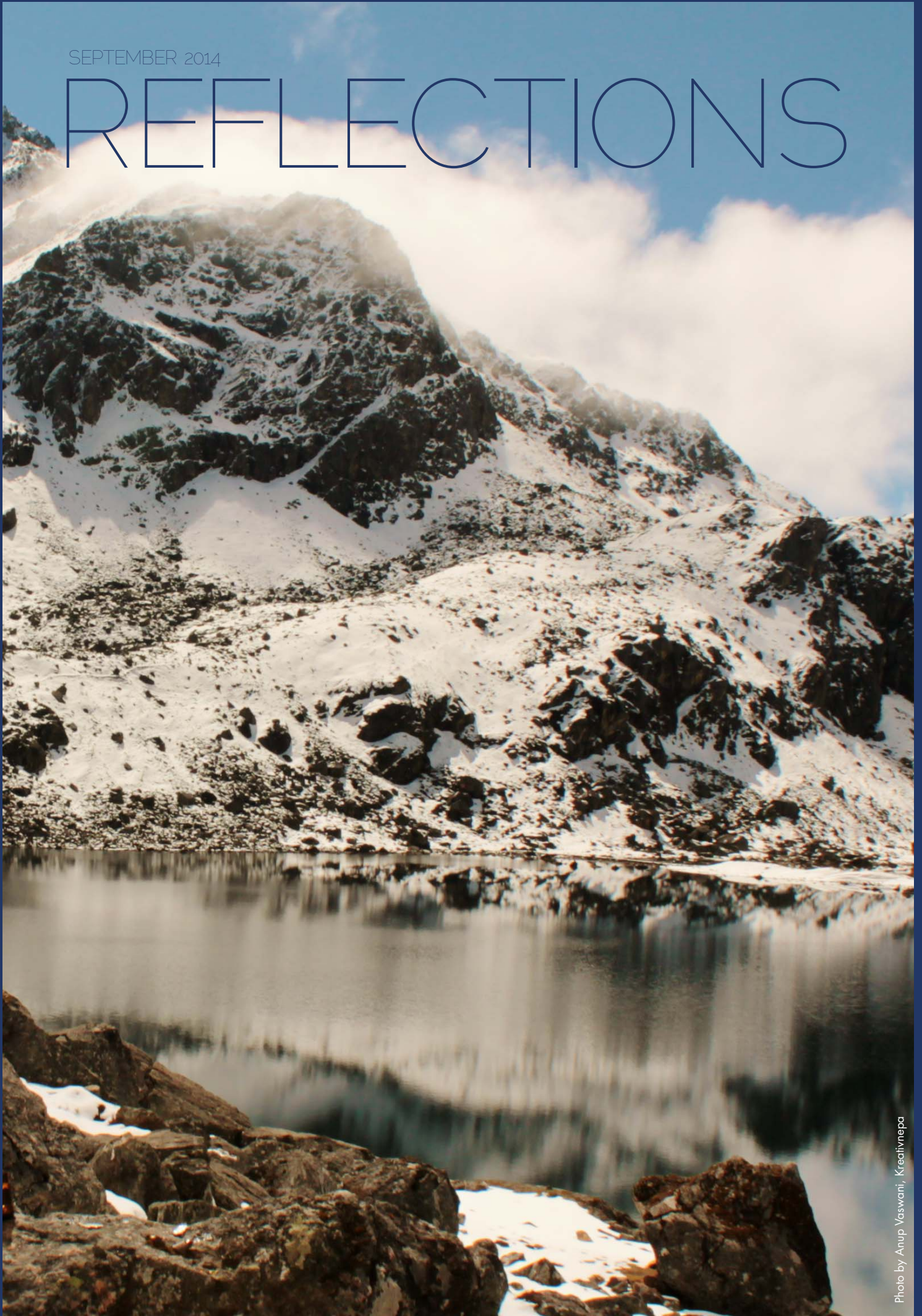


SEPTEMBER 2014

REFLECTIONS



CEO'S NOTE

A Message by Umang SJB Rana

To begin with, we would like to thank you for your interest towards Westar. In order to facilitate property management at Westar Residency, we have introduced Integrated Services (IS) to take charge of the duty. IS has been in the property management business since 2006 and their clientele include hospitals, embassies, housing companies and others. IS will be responsible for managing issues like day to day operation of facilities and overall maintenance at Westar Residency.

We hope this will really help to address our residents' complaints and provide prompt service.

Westar participated with great success in the "NLHDA Real Estate Expo 2014" organized by Nepal Land and Housing Developer's Association (NLHDA). The four day event was able to bring buyers and real estate companies of Nepal under one roof. We are delighted to have such a lot of interests and inquiries for our products.

We continue to remain committed to your service with perspective and creativity, and we always endeavor to exceed your expectations.

Please feel free to send us your feedbacks or queries related to our projects or the newsletter.

Sincerely

Umang SJB Rana

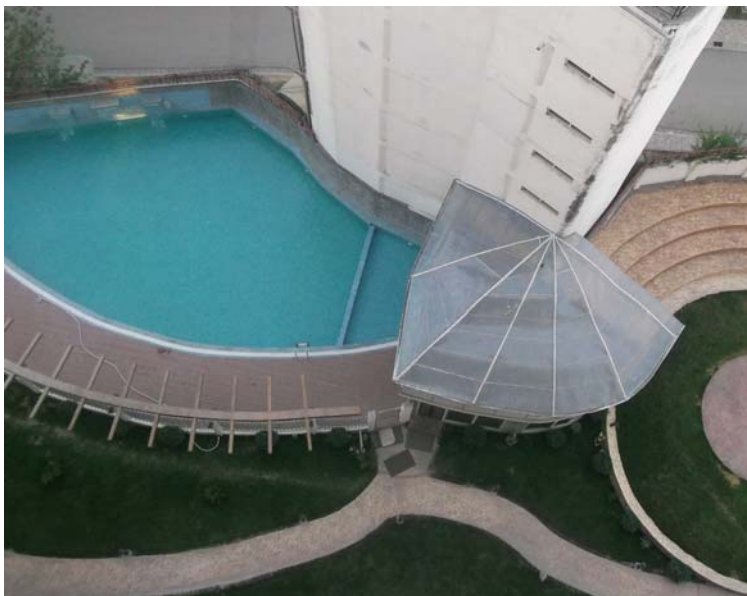




CONSTRUCTION UPDATE

Westar Residency

Common Amenities are in the final testing phases and we can expect to have the Childrens Play Area, Squash Court and other indoor games to be opened shortly for the use of the Residents. The structure for the Commercial Building is now complete and brick work is ongoing at its 1st and 2nd floor.





Westar Skyliving

Construction continues to hum at Westar Skyliving. For Tower 1, casting has been completed till 8th floor. Brick work has been completed up to 6th floor. Foundation work is going on for Tower 2 while casting and piling work have almost been completed. Apart, slab formwork is going on for upper basement. Reinforcement work is going on at the upper basement.



A LOOK AT DIFFERENT TYPES OF LIGHTING

There are many types of lighting that can be used in various rooms of the home or office.

Natural

Sunlight, candlelight and firelight; this is light that moves and is sometimes referred to as kinetic. The quality of natural light, sunlight in particular, depends on many things -- time of day, weather, what season it is. Fall has a different light than summer, for instance. The setting sun gives a different kind of light than midday sun.

Task

Task lighting is just that; lighting that's used to perform daily activities such as reading, cooking, shaving, putting on makeup, etc. It needs to be glare-free. Effective task lighting enhances visual clarity and keeps the eyes from getting tired.

Different banks of task light are useful in the kitchen -- near the stove and chopping areas are places for this type of lighting. Task-lighting sources are never seen and any task light should have a reflective shield. Ambient lighting and task lighting go hand in hand. Pools of light created by several spots produce a lovely effect.

Accent

Directional lighting or lighting that adds interest or highlights a certain object or unusual architectural feature in a room. A bulb and some kind of shield to direct the light are all that's needed for this type of lighting. Halogen spotlights and table lamps with opaque shades are good ways to achieve accent lighting.

Ambient

A hidden source of light that washes a room with a glow. It flattens an interior and creates very little shadow. A wall sconce is an example of ambient lighting. So are those Japanese paper shades you find in stores. Use of a dimmer also can provide ambient light.

Aesthetic

Lighting itself can be a work of art. A neon sculpture would be purely decorative and an example of aesthetic lighting. A spotlight illuminating a statue on a pedestal or portrait on the wall is also artistic. This type of lighting also needs to be used along with other lighting types.

And now for the various types of light bulbs and what they do:

Tungsten

Gives off a slightly yellow tinge. These are your ordinary light bulbs.

Spotlight

Gives a focused burst of white light.

Halogen

Gives the closest approximation of natural daylight, known as “white light.” Colors appear sharper under halogen light. The halogen bulb is also an energy saver. Can be dimmed.

Fluorescent

The typical fluorescent gives a flat, cold light, often bluish and harsh. It is a daylight-equivalent and cannot be put on a dimmer. There are many types of fluorescents on the market: warm ones, cool ones and special-colored ones.

Incandescent

Refers to several types of bulbs, including halogen and some fluorescents. This type of light has a warm quality and is very complimentary to skin tones and psychologically appealing. It's an inviting light.



TIPS

So what's the best light to use where? There are many ways to light a room. And the room's function greatly determines the way it should be lit. Some examples: If a room is too tall, use low luminaries that let no light out the top to help shorten those high ceilings.

If a room is too small, visually push one wall open by washing it with light. If a room is too wide, illuminate the narrow ends. Conversely, if a room is too narrow, illuminate the wide sides.

Rooms should be illuminated to accommodate the user's needs. So what about a multipurpose room? You will need to divide it up into activity areas. If there is a dining or game table, a separate light hanging over the table will be necessary. A reading chair in the same room will need a lamp that directs light over the shoulder of the reader, being careful not to place the source of light behind the person's head so as to avoid shadows on the book or magazine. Dark walls and floors reflect less light than light-colored ones. If you're looking for an intimate atmosphere, use little illumination in this dark room. On the other hand, be aware that this darker room will require more light for general tasks.

A balancing act is important in all rooms when it comes to light. An evenly lit room will become boring rather quickly. It will also tend to fatigue the user, particularly if repetitious tasks are being performed. Up lights, down lights and wall washers work well together. They make a good team in almost any room and if dimmers are added they can perform well in any atmosphere.



Realty sector pins hope on Budget

“The umbrella organization of real estate developers have submitted a nine-point list of suggestions to the central bank to resolve their major concerns”

As the budget announcement for the upcoming fiscal year 2014-15 is approaching, the real estate sector has heated up with demands to adjust major concerns that have been hindering the sector from growing. Nepal Land and Housing Developers Association (NLHDA) has submitted a nine-point list of suggestions to Nepal Rastra Bank (NRB) to resolve the concerns of the sector. Since the realty sector has been gradually experiencing positive vibes after few years of stagnancy, real estate players are optimistic about this budget and monetary policy.

Citing that monetary policy determines exposure to banks and financial institutions, Ichchha Bahadur Wagle, Vice President of NLHDA said, “The current home loans ceiling of up to Rs 10 million is not enough for home buyers and has to be revised.” Citing that although commercial banks are lowering interest rates on home loans, he said, “We are demanding the central bank maintain interest rate in single digit for increasing development activities through housing projects.”

NRB directives limited the exposure of banks and financial institutions (BFIs) in real estate to 25 per cent. Stating that BFIs are only investing 10 to 15 per cent in real estate sector, he said, “There is a misconception that the real estate sector is risky . Hence, NRB should guide them to invest in the sector and create a conducive environment for the sector.” He further stated that despite demand, new projects are not coming up due to the lack of resources.

Wagle is of the opinion that the scope for real estate is increasing. “There is a need to introduce policy to decentralize the establishment of planned urbanization outside Kathmandu valley,” he said. With the declaration of 70 sub-municipalities across the country, there is greater scope for affordable housing and land plotting in the market. He urged the government to create an environment for developers investing outside the valley such as Jhapa, Birtamode, Lahan, Nepalgunj, Simara, Nawalparasi, among others.

Source: The Himalyan Times, June 14, 2014

Green respite soon for road users in Capital



The widespread loss of greenery to the ongoing road expansion drive in Kathmandu Valley is set to be reverted beginning with a section on the 2.2km road spanning Maitighar and Tinkune.

Trees, shrubs and herbaceous species will provide much-valued greenery to 350 metres of the road in the first phase of the Kathmandu Valley Development Authority's (KVDA) plan to beautify either side of the way linking Singha Durbar with Ring Road. To coincide with the World Environment Week beginning Saturday, the KVDA plans to complete the stretch till Dhobikhola Bridge starting from Maitighar.

"We wish to compliment a successful expansion drive with beauty and greenery is the priority," said Yogeshwor K Parajuli, development commissioner at the KVDA. "The Valley will see massive beautification over the next few months."

The beautification project is slated to be accomplished ahead of the 18th SAARC Summit to be held in the Capital in November.

The plants to be grown in three rows will not exceed 25 feet in height while the sidewalks will be dotted with green patches and ornamental plants.

The KVDA plans to request the Federation of Nepalese Chambers of Commerce and Industries to take charge of the greenery maintenance.

Currently, the Kathmandu Valley Road Implementation Project, responsible for the construction of the Maitighar-Tinkune section, is busy filling up soil containers. "We plan to complete soil stuffing at least till Dhobikhola Bridge for the plantation," said Project chief Shyam Prasad Kharel.

Source: The Kathmandu Post, June 4, 2014

Real estate expo ends, recording 214k footfalls

The fourth NLHDA Real Estate Expo 2014 concluded on Sunday, attracting 214,000 visitors.

The four-day event saw sales of 54 standalone homes and apartment units worth around Rs 270 million.

The organizer, Nepal Land and Housing Developer's Association (NLHDA), says the event has been a huge success in terms of both peoples' attendance and bookings. "We are very happy with the response we got as almost all developers received good bookings," said Minman Shrestha, general secretary of NLHDA.

The property developers say a total of 1,220 prospective buyers have shown interest in purchasing property. "We expect this interest will convert into sales in the next two months," said Shrestha.

The exhibitors said the expo was successful than last year's event. "We have been putting our stall every year, but this year we recorded good business," said Shambhu Phuyal, general manager of CE Group of Companies.

The expo proved the demand for individual homes and apartments is still there, the developers said, adding homes and apartments in the price range of Rs 4 million to Rs 6.5 million attracted more visitors.

Mahesh Swar, assistant general manager of Kantipur Publications, said the expo was able to accomplish the objective. "We saw many serious buyers with great enthusiasm," he said. "The expo helped boost trust and confidence of the buyers, besides showing signs for the growth of the overall real estate sector."

Source: The Kathmandu Post, May 12, 2014

Cost to build a house goes through the roof

Building a residential house now costs approximately three times more than what it did five years ago due to substantial rise in labour costs and price of other construction materials.

Construction cost per square feet now hovers around Rs 2,400 as against Rs 850 five years ago, with labour charges going through the roof due to scarcity of workers here. Skilled masons, for instance, now charge around Rs 1,000 per day, as against Rs 450 five years ago, said civil engineer at Sharma & Company, Birendra Kumar Jha.

Even general unskilled labourers demand at least Rs 330 per day now, as against Rs 220 half a decade ago, while helpers and general masons do not agree to render services for less than Rs 425 and Rs 550 per day, respectively, as against Rs 300 and Rs 350 five years ago. "People working at construction sites are demanding more money every day due to shortage of labourers in the domestic market. This is the prime cause that is pushing up the cost of building a house," Jha said.

One of the main reasons for exorbitant labour costs is flight of labourers from the domestic market to the Gulf and countries like Malaysia. As per statistics of the Department of Foreign Employment, up to 1,200 people leave the country every day for foreign job destinations. This means some 450,000 people who join the domestic labour market per year are getting job placements abroad.

"If this trend continues we will either have to continue paying higher wages or take the support of technology to reduce construction costs," Jha said.

But higher labour charge is not the only cause that is pushing up construction costs. Prices of major construction materials such as steel, cement, bricks, sand and aggregates have also gone up lately. One brick, for instance, which could be bought for around Rs 3 five years ago now costs Rs 10, up 233 per cent. Per cubic feet of sand, which used to cost around Rs 20 half a decade ago, now costs around Rs 50. Similarly, per cubic feet of boulder has become dearer by around 112 per cent at Rs 36, while cost of per cubic feet of aggregates like chips has doubled to Rs 60 in the last five years.

Price of OPC cement has also gone up to Rs 760 per 50-kg sack from Rs 600 five years ago, while the cost of steel has perked up to Rs 80 per kg from Rs 58 half a decade ago.

"While rising costs of these materials are putting pressure on builders, hike in prices of petroleum products and power shortages have also added to the costs," Jha said.

If this continues, experts say, many middle-income people may not be able to afford to build a house.

Source: Poudel Subarna, The Himalayan Times, Jan 3, 2014

Real estate sector moves to firmer ground

Slowly and steadily, the real estate sector has been moving towards stability. After sinking into a five-year recession, the industry is now gradually moving towards a growth path with housing developers experiencing a surge in their business.

Leading housing developers said that the housing sector had completed a full cycle, witnessing a boom and a slowdown in the course of a decade. And now, the outlook looks brighter.

An indication of this turnaround is shown by two factors. First, revenue collection at the Department of Land Reform and Management (DoLRM) has started picking up significantly with all the Land Revenue Offices (LROs) posting high growths. Second, housing projects are seeing more buyers.

As per the DoLRM, transactions at all the five LROs in the Kathmandu valley and across the country have increased this fiscal year.

Such is the upward trend that within the first nine months of the current fiscal year, LROs across the country have already exceeded the government's revenue target for the current fiscal year. The government has set a target of Rs 4.5 billion for the current fiscal year.

Similarly, Min Man Shrestha, general secretary of the Nepal Land and Housing Developers' Association (NLHDA), said that the main reason behind business becoming stable is a rise in buyer confidence, relatively stable prices and easy availability of home loans from banks and financial institutions (BFIs).

Moreover, lower bank interest rates have been another reason making it a good bet to buy homes currently. BFIs are offering home loans at around 8 percent interest, which is similar to the rates prevalent around five years ago.

Another point that makes residences developed by private developers a good bet is the fact that prices have remained stable in the past five years. Around five years ago, land prices had witnessed a significant growth due to speculative investments. As a result, home prices too had climbed beyond the capacity of most buyers. "Realizing that prices have normalized and speculative investments have lessened, we are getting real and serious buyers now," said Shrestha.

"New apartment projects are not coming due to the fact that developers need to obtain permission from several government agencies which consumes almost two years," said Shrestha.

Source: Giri Sanjeev, The Kathmandu Post, May 7, 2014

Apartment sales bouncing back as getting loans gets easier



After a five-year slowdown, apartment projects in the Capital seem to have been regaining momentum, thanks to easy availability home loans. Out of 9,000 apartment units built so far, around 5,500 units have already been sold, according to Nepal Land and Housing Developers' Association. However, no new project has been started in the last two-three years. "There has been a slow and steady growth in

apartment sales,” said Min Man Shrestha, general secretary of NLHDA. “Around 1,000 apartment units were sold in the last year, which is a good indication.” Shrestha said only apartments priced above Rs 10 million are not selling. “There are just 1 percent apartments that are priced above Rs 10 million,” said Shrestha.

According to Shrestha, various factors including relatively increased confidence of buyers, easy availability of home loans and availability of property at relatively moderate prices played a crucial role in boosting the sales. Banks are offering home loans at 8-9 percent on an average. Developers say the interest rate for them too has come down to around 10-14 percent on an average from above 15 percent. Although banks are reluctant to make investment in the real-estate sector following the recession, a continued liquidity surplus situation forced them to adopt flexibility in home loans and loans for real estate projects, according to developers. Bankers say loans to individuals to purchase apartments as well as build their own homes have surged of late. “We are providing loans to people having fixed income and who are capable of paying monthly installments,” said Upendra Poudel, vice-president of Nepal Bankers’ Association.

Poudel, however, said banks were hardly offering loans to developers as a majority of developers seeking loans are those who are facing trouble. He also said apartment sales have not picked up substantially. Nepal Rastra Bank (NRB) statistics also show home loans have surged in the recent times. In one-year period until mid-February, home loans (up to Rs 10 million) surged by Rs 19 billion to Rs 77 billion. On the other hand, real estate loans have continued to decline. Over the review period, realty loans came down by Rs 7 billion to Rs 82.8 billion. Developers say although it is difficult to get loans for new projects, sales have remained good at projects already completed. Bijay Rajbhandary, chairman and managing director at CE Constructions, said inquiries were converting into sales encouragingly at their project in Dhapashi, Kathmandu. “We have already sold 70 percent of our 300 apartment units.” Bhesh Raj Lohani, secretary of NLHDA, said the overall real-estate sector has seen some growth over the past few years and its impact is visible on apartment projects. “There has not been a significant growth in apartment sales, but if you analyze the situation a few years ago, there has been some improvement,” said Lohani.

Developers say apartments priced at Rs 5,000-7,000 per sq ft are selling decently. They say apart from apartment sales, the trend of renting out flats after buying too is also on the rise. Several facilities, including electricity, drinking water and security, have attracted people towards apartments. “People who are paying up to Rs 20,000 a month for a general house are happily shifting to apartments and are ready to pay around Rs 30,000,” said Shrestha. This has also been one of the reasons why apartment sales have risen lately, according to developers. Lohani said although returns on rental investment are not that good, the trend has definitely helped projects regain momentum. He said as most of the buyers live in foreign countries, they tend to rent out their property. “Many people see empty flats even after the building is fully constructed and make a perception that the property is not selling,” said Rajbhandary, adding the trend of renting out apartment has helped change this perception and helped attract buyers.

Source: The Kathmandu Post, May 3, 2014



Mr. Kishore Maharjan

CEO of Civil Bank Ltd

Mr. Kishore Maharjan, CEO of Civil Bank Ltd. is one of the most successful bankers of Nepal. Having established two commercial banks, Mr. Maharjan is the CEO success story which he really is proud of.

Under his stewardship, Civil Bank has substantially grown to become a bigger institution in terms of capital, asset size and business volumes. With the completion of merger with former Axis Development Bank Limited and former Civil Merchant Bittiya Sanstha Limited, Civil Bank now figures in the top seven banks in terms of paid-up capital out of 31 commercial banks in Nepal.

What would you suggest to aspiring bankers?

Banking is not an easy job and has become even more challenging now. At the same time, it is rewarding and is also regarded as a very prestigious career in context of Nepal. Being in a tough competition, you need to perform hard and meet your targets. Policies like Know Your Customer (KYC) and Anti Money Laundering (AML) are becoming increasingly important and with compliance issues like Basel I, II and III being implemented now, banking is going to be a much tougher job. So, my suggestion is understand banking properly, work very hard and be aware about banking rules and regulations because banking punishments are very hard. You encounter many risks which are not taught in your business school. To be a successful banker, you need to develop positive attitude and build patience.

What are you bank's plan for the future?

We have established ourselves as a technology driven bank. With this we aim to provide flawless modern banking services to general public. As you might have heard, we have finished our merger process recently. With this we have been able to expand the network and plan to keep it going all over the country. Within 3.5 years of operation, we have 41 branches from East Phidim to all across West Dhangadhi. As an inclusive bank, we are not limiting our services within urban areas only and have expanded branches in remote locations like Okhaldhunga, Arughat, Musikot and others. Our ambition is to penetrate more into remote areas and provide technology driven banking services to people there. We are now looking at introducing new products through branchless banking avenues. We plan to push innovative modern banking products in the market.

Where do you see the real estate market in Nepal?

The real estate market was in a very lean phase for the past five years or so. Actually, this was not the only case in Nepal because the momentum started from the West. I guess both entrepreneurs as well as bankers are responsible for this. But over last one year, the real estate market is stabilizing although the prices are not going up. Compared to previous real estate crashes, the real estate people have held on tight and banks followed fairly good steps

to keep themselves guarded. The Central Bank (Nepal Rastra Bank) came up with certain policies which prevented disaster in real estate sector. I think the real estate business has hit the rock bottom and we cannot go worst than this. So, with stability for some time, the sector should start going up again. People need home to live and the fact that our population is growing at the rate of more than 2 percent, new homes are required every year and even if a small percent of this population decides to have their own home, it is a huge demand. The market is there and for the last 4/5 years people have been withholding from buying properties in a hope for getting a lower price. But most of these potential buyers now are aware that the price is not going down further, and is rather starting to rise. We have been investing in some real estate companies, and can see a bit of movement there. So, I hope the real estate market will be normal in next six months.

How is the liquidity state in Nepal currently?

Well, the liquidity state was pretty bad after 2009. There was severe liquidity crunch in the banking system for almost three years. But, since last year the liquidity situation has started improving. With banks sitting on lots of liquidity funds, and of course we owe this to huge amount of remittance we receive from abroad every year. The remittance we receive is going up which is believed to cross NRs. 600 billion this year. On the other side, the government is not spending much and banks do not have many sectors to spend in. You can tell that by Credit Deposit (CD) Ratio which one time was bursting beyond 80%, has come down to below 75%. We are at the end of fiscal year but there is still surplus liquidity. Banks need to maintain minimum 20% liquidity funds, which are supposed to be invested in financial instruments like bonds and treasury bills, also placements abroad or interbank lending. The unspent development budget has made it unnecessary to issue financial instruments. This is the trend since last 3 years, and there is no requirement for the government to borrow from the market or to issue bonds or treasury bills. So, banks have this 20% liquidity fund to be maintained. This idle fund is hurting the bank's profit. Who is suffering in this aspect are the borrowers and the depositors because banks are forced to charge a bit higher to borrowers and a little lower to the depositors. We are hoping that the new government of Nepal will initiate development activities and the liquidity in the market will be mocked up by its spending.

How do you relate banks and the real estate sector?

Well I guess real estate sector is one of the most important components of loan portfolio to any bank. Actually speaking, until 4/5 years back, real estate sector used to be one of the largest investment portfolios of financial institutions. So, when real estate crisis began in Nepal, the central bank had to clamp down and limit the exposure of all the financial institutions towards real estate sector. The ceiling set by Nepal Rastra Bank was as high as 25% against other sectors which had the ceiling of 10-12 %. This has been proved as the most profitable sector for banks because the yield is normally 1-2 % higher than other sectors. On the contrast, it has also been proved bad for some banks that did not plan well before investing in it and had to bear chunks of loan loss. With recent stability in this sector and way things are moving positively, we all are hopeful that this sector will revive within shortest time possible and banks can slowly compensate their losses.

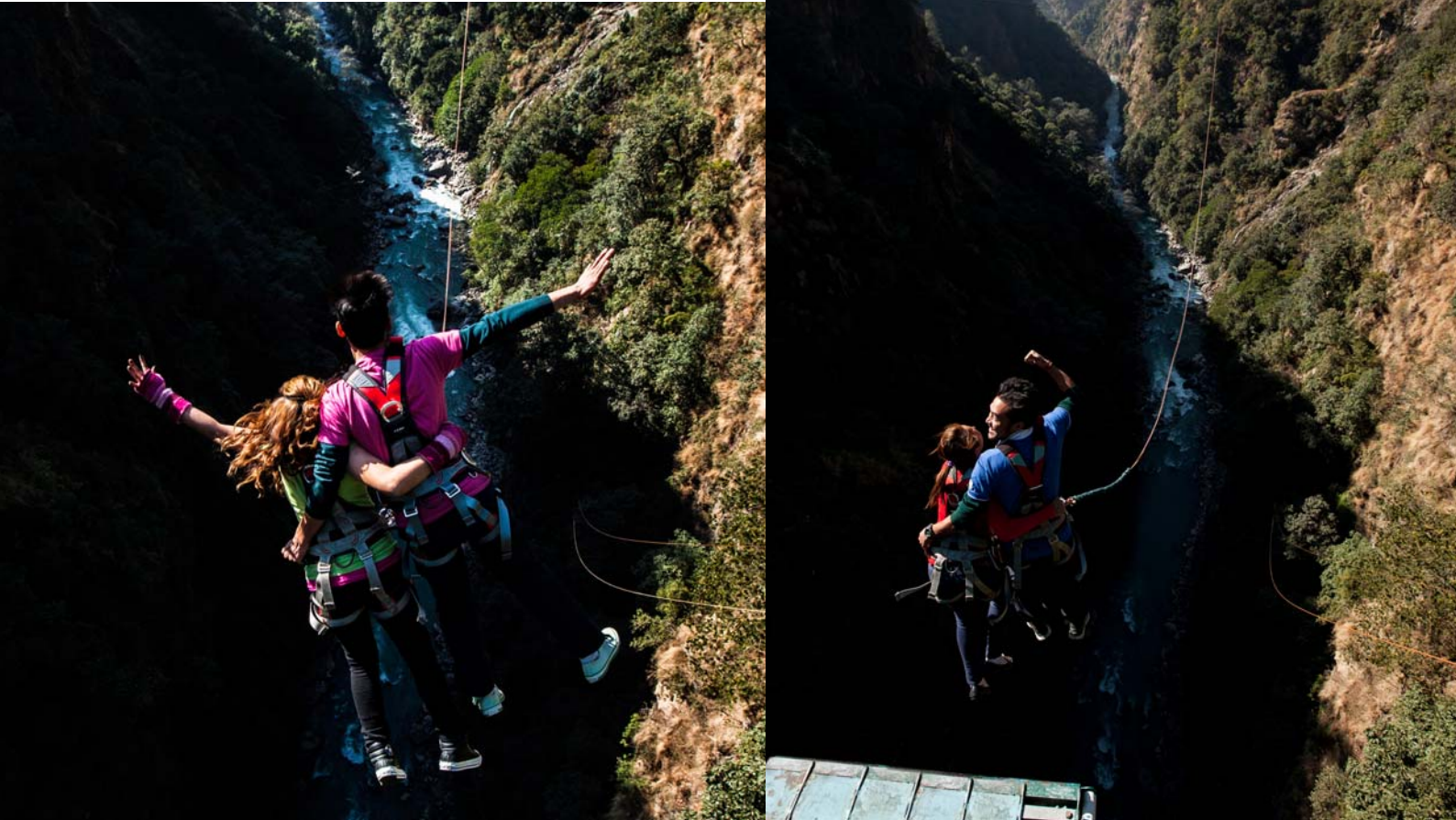
Is the lowered rate for home loan helping you in attracting clients? What is your current interest rate for home loans?

Oh yes! Ever since this real estate crisis began, people were in wait and watch mode expecting for the price to drop. But that went against their expectations and is pretty stable now. At this stage, the banks need to diversify and try to help their real estate clients to sell their products. So, banks started reducing their interest rate on home loans drastically. Some years back, interest rate used to be 13-15 % but now it has dropped to below 10% and some of the older banks have even brought it down to below 9%. So, that has really attracted a lot of people who have been waiting all these years to buy properties. The lower interest rate and lower price of the properties have motivated a lot of people.

For different tenure, Civil Bank Ltd. has different interest rate structure starting with 9.9% for 5 years to maximum tenure up to 25 years at the rate of 12.49

Is there any new product coming from your bank for the real estate sector?

Specifically for real estate sector, we have introduced several schemes earlier. We are designing our strategy for coming fiscal year and we will definitely consider the real estate sector. The most attracting scheme would be to further lower the interest rate and increase the quantum of financing. Right now, we have limited the quantum of financing to 60% only and in coming days, we will be disbursing additional loans to people for furnishing their homes.



TANDEM SWING SHARE THE SCARE!

A beautiful three-hour ride from Kathmandu, Nepal, The Last Resort is located on top of a river gorge close to the Tibetan border. The Last Resort Nepal has been a hub for amazing adventures in spectacular settings, including the world famous bungee jump, thrilling White Water Rafting, most extreme canyoning, the world's highest giant swing and now the amazing new Tandem Swing.

Why bungee or swing alone, when you can hold hands and share the scare and take the 160-meter leap with your best friend, spouse or lover? Human beings are social creatures and are always more confident about doing even the craziest of things with a partner in tow. This is precisely why we introduced tandem swing at The Last Resort. The Tandem Swing connects two jumpers with special imported tandem body harnesses to share the full-on, adrenaline-filled, and gravity-defying adventure.

This could be the best gift to your valentine when flowers and perfumes don't work, show that you really care for your friend and let your mum know she's the best in the world. You can book your jump as a day trip from Kathmandu or combine it with a stay and other activities.

The Last Resort truly is a place to be for the adventurous and nature lovers. Share the scare, double the fun on the Tandem Canyon Swing, Nepal's new thrilling adventure.

Source - The Last Resort, Nepal



A story of a moment

Somewhere far away,
The sun has given way,
bright or gloomy, it is a new day –
an artless day; until yet.
Come 1000 hours,
I wait,
As suits and salwars pass,
the pupil restless.
They search;
the anticipation contained.
A little lost;
a juice in one of his hand.
In that little bend where the road meets,
She arrives...
Glances they click, brief it is.
Within it, a vacuum.
Moment it is, a precious one,
joy there is, in the silence that rings.
A moment has occurred;
A moment of perfectness,
A moment of completeness,
A moment of bliss,
Conscious of my unconsciousness.
The day – better.
Strange it is; that moment,
for communication words unnecessary.
That moment, hard to comprehend;
Within seconds; an eternity experienced.
Smiled we have,
cried maybe more.
Lost we have,
yet, found more.
Seen we have,
with closed eyes more.
Walked we have,
Babu, there is no end to this shore.

-Pankaj Thapa



A member of  **GOLYAN**
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