

# The new power brokers

From helping luxury home buyers find their dream home to vetting the property and negotiating price, professional real estate consultants are offering a bouquet of concierge services

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**B**haskar Ramanathan, a 37-year-old Indian-American consulting with Maxis, an animation company based in Mumbai, remembers the tough time he had while looking for a home. Ramanathan, whose monthly salary runs into high six figures, was hunting for a 4BHK home in a luxury complex where the lifestyle would match the best globally — with spas, fine-dine restaurants, and a great location.

"In Mumbai, house-hunting is tough. Everyone is trying to bargain to achieve a sale on a higher sum. The traditional broker is either too greedy or does not have enough options to show you. It can be a night-

mare. I have been shown homes that didn't even have basic facilities in place but cost a huge amount just because of the location," he recalls.

In such cases, buyers can now turn to professional luxury consultants such as Valion, India's first 'private real-estate family office', which operates in the Mumbai, Gurgaon and Singapore markets. It consults, tracks the real estate market in real time and manages portfolios of super-high-networth individuals who are looking to buying properties that cost more than ₹100 crore.

Ramanathan, who ultimately bought a home in Worli, did not fit this bracket, but he did the next best thing — he approached a professional real-estate consultant, Aristo, to find him the right home. "I went online, registered on

their site and was able to check out the properties on offer with the help of the consultant. I could ask the questions I wanted to ask — about market rates, expected appreciation, the kind of infrastructure and leisure options in the neighborhood. These are questions that no regular broker could answer with conviction," he says.

Luxury housing involves high stakes, given the amount of money you need to put down to buy that fancy villa in the sky, especially in a market where the inventory is high but each apartment still costs a few hundred crores.

Luxury consumers are also very picky individuals — for them, the experience of buying a home is as important as the amenities they offer.



## LUXURY, AT A PRICE

Average price of an ultra-luxury apartment in Mumbai: upwards of **₹30 crore**

The fee that a real estate consultant would charge to help you find and buy the right luxury home and ensure that it is also a good investment, is 8% to 10% of the transaction

So for a **₹30 crore** apartment, you would pay about **₹3 crore** (at the rate of 10%)

"Beginning from basics like promptness on every possible connecting point, be it on the phone or by email, to complex issues such as due diligence on assets and financial transaction economics, every part of the buying experience demands great service, which further leads to great reputation, since luxury buyers trust only and only references," says Amit K Lalit, founder and CEO of Valion.

These consultants can be viewed as big-ticket brokerage firms whose clients include Indians and Non-Resident Indians, though the former outweigh the latter by almost 80%.

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ILLUSTRATION:  
SHRIKRISHNA PATKAR

# Dishing up the right deals

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The companies liaise with developers, form a bridge between the developer and the individual client or between the seller and the buyer, and help maximise the price for a developer, even as they try and land a property that will appreciate in value for an individual luxury buyer or investor.

Before Valion, the first homegrown firm came on the scene, home buyers dealt with — and continue to deal with — international real estate consultants such as Knight Frank, CB Richard Ellis (CBRE) and Jones Lang LaSalle. CBRE, for instance, is headquartered in Los Angeles but has several offices across the world, including the one in India. It was among the first to

bring professionalism to the chaotic Indian real estate market when it set up shop in 1994. “We put a shortlisted property through a complete ‘health check’ — from tracking the

■ **Mudassir Zaidi of Knight Frank India.**

number of times a property (if it is not a direct developer-sold apartment) — has changed hands, check that there is no litigation it is embroiled in, what the actual value of the property or apartment is and the cost enhancement you can expect,” says Nikhil Bhatia, co-head of Capital Market & head of Western Region for CBRE South Asia Pvt Ltd, India.

## The real edge

There are several factors that give professional real estate consultants, or real estate concierges, an edge. First, the kind of properties they bring to the surface: luxury homes that you don’t hear about because they are pre-owned, with sellers who are reluctant to allow just about anyone to buy their precious asset.

“High-end sales don’t get reported on websites or in newspapers. The sellers are discreet, they don’t want to be talked about widely in the market, or want to veto the kind of buyer they want to sell to,” says Mudassir Zaidi, national director — residential, Knight Frank India. Then, of course, there are luxury ‘by invite

only’ complexes, such as Lodha Bellissimo, which was India’s first such project. “Developers want a certain pedigree before sending out invites,” he adds.

## Checks and measures

Just as important are the straightforward deals that consultants offer to luxury consumers. They vet every detail about the property you are buying into — from its location and neighbourhood, to the pricing, extra frills that define the luxury experience and capital appreciation.

“Fundamentals, fundamentals, fundamentals: these are the golden rules for advising in realty assets,” says Lalit. “We also look at the team behind the project and not just the apartment or the asset you are buying. If the developer’s team includes professional architects, designers, project consultants and channel partners, the risk you are taking while buying a property is relatively lower.”

But among the most important factors that can swing the deal in favour of a professional property consultant is their acute knowledge of how the



■ Consultants do a ‘health check’ — including legal and technical details — of premium projects, such as Casa Grande in Lower Parel.

market functions and how profitable your investment can be.

“A lot of luxury buyers, after they have bought their first apartment to live in, buy the second and third one as investment,” says Bhatia. “The property must have the ability to appreciate further if you decide to ever sell it. And that depends a lot on the location.”

Capital appreciation also depends on infrastructure development in a particular neighbourhood and the presence of amenities like

schools, hospitals or leisure options. “For instance, even as the Eastern Freeway was under construction, we were already recommending Chembur as one of the best destinations for a luxury buyer who is not keen on a south Mumbai address, for the smooth ride it would offer,” says Bhatia.

## Client is king

Often, a client is sure about what he is looking for, and the neighbourhood he wants to buy in. “They would even buy in an old building in, say Malabar Hill, which does not offer many luxury amenities, just for the weighted address,” says Zaidi.

However, sometimes, when a buyer is looking for a ‘fully-loaded’ luxury complex, a consultant can help him or her figure the right address to buy into. “The choices are made keeping their needs in mind — do they want the apartment

“FUNDAMENTALS IS THE golden word when it comes to real-estate consulting. In addition to the apartment, we also consider the team behind the project. If the developer’s team includes professional architects, designers, channel partners and project consultants, then the risks to the buyer are relatively lower.”

**AMIT K LALIT**, founder and CEO of Valion, a real-estate consultancy

to stay in or as investment. In case of the latter, we look at the rent and the final sale price they will realise on that apartment. In case it is to live in, we check if they want to buy into an under-construction complex or into an already ready one. Or, are they looking for a distress sale?” says Bhatia.

Occasionally, luxury clients come up with bizarre demands. The one Lalit remembers has to do with a client’s enthusiasm to enroll in a high-profile golf tournament floated by a luxury developer, which was possible only if he bought into one of the latter’s properties.

But such demands are still rare. Instead, the Indian luxury buyer is looking for a home that’s beautiful, in a neighbourhood considered trendy, well-connected to leisure options, schools and hospitals, and make a statement about their status in society. And real estate consultants help them achieve just that goal.

(Deepali Nandwani is editor-in-chief of *Mediascope Publicitas*, which publishes *BlackBook* and *Eat Stay Love*)

## A GROWING MARKET

Here’s what professional real-estate concierge services can offer to luxury consumers, and why more buyers are seeking their help

**Most luxury consumers** looking at buying a home within the prime areas in Mumbai work on recommendation and referral, and this is perhaps the most specific direction in which the luxury real estate market is headed. **Consultants offer** not just

transparent deals, but also advice on how much the property is likely to appreciate in the near future, the infrastructure developments that are underway or on the planning stage, and whether the apartment fits into the lifestyle that you

dream about.

**From legal to technical**, commercial, marketing, communication and IT skills — consultants bring in a host of skills and expertise for the demanding luxury clients.

**For an NRI client**, they bring to the table knowledge

about real estate laws in India to help them understand the fine print.

**Besides helping** luxury clients track the right property that meets their needs, they also help to close the deal with a developer or an individual seller at the right price.