

WHAT'S NEXT?

ASSET MANAGEMENT COMPANIES ON A ROLL!

Asset management companies enable the developers to manage properties for investors more efficiently

Real estate market and property prices are reaching their peak. Upcoming projects are loaded with amenities and facilities. Today's developers are not building just projects, they are building places. Healthy competition in market among developers forces them to offer something new and unique. When it comes to provision of amenities, aesthetics of projects, each and every developer wants to set the benchmark. Today, real estate is a product-driven market. Developers are not just selling house/property,

they are selling a brand. Understanding the need of the customers, developers are now providing post-sale services through their own in-house professional asset management company. Earlier, the role of asset management companies were confined to malls, but now as luxury, super luxury, destination housing (property located at holiday destination), are in demand, developers are extending services through in-house asset management companies.

The asset management company takes care of maintenance

services like housekeeping, security, technical solutions, electro-mechanical services, financial services, property transfer, liaison with government/local authorities, food court, club house parking management, lease management in case of destination housing, etc.

Today, property buyers are young. Buyers looking to buy properties at the start of their career, want return on investment and are thus, willing to invest money in upcoming cities though they are not living in a particular city. Buyers in this segment want property pur-

chase, selling, leasing and due diligence process hassle free. It has required developers to provide asset management services in housing projects as well. In today's time of digital era where information is available on the tip of the finger and many e-portals operating in real estate have made brand-conscious developers to provide state-of-the-art, post-possession services to increase the rating and to boost buyer's confidence. The other main aspect of it is that developers are building investor circle, which they see as a potential in-

vestors/buyer for future project launches. Thus, in-house asset management is gaining acceptance among developers as well.

Moreover, there is a common trend seen among developers in the last decade to foray into hotels, hospitals and corporate leasing business, which is based on revenue sharing model. The brand operates the facility and the developer owns the property. An asset management company is a key for smooth functioning of such joint ventures. Day-by-day, schools, education sector are also going the corporate way, and are working on revenue



FAST FACT

AN ASSET MANAGEMENT COMPANY PLAYS AN IMPORTANT ROLE IN SMOOTH FUNCTIONING OF SUCH JOINT VENTURES



sharing model. Swanky modern campuses are replacing old buildings which ultimately get managed by asset management companies. So, by and large, the sector is getting organised and the concept of asset management will gain acceptance in big way in the coming times!

—Anushrav Bhatt
(The writer is a housing planner and real estate analyst)