

“WE EMPOWER BUYERS WITH EFFICIENT AND COST-EFFECTIVE PROPERTY PURCHASE”

Everyone is conscious about number of things while buying new home. Buying home in group thus gives an assurance that we are part of the process and the icing on cake is this group buying fetches good amount of discounts on home buying too. **Nitin Degaonkar, Managing Director of Home Buyers Combine (HBC)** speaks about the concept and process of buying homes in group.



How did you come up with the concept of harnessing the power of group-buying by negotiating discounts from the developers for the buyers? How is the buyers' response to your initiative?

The concept of group buying was born out of my concern for my colleagues, when I moved to Infosys in Pune. There was a major change in the real estate scenario in five years since the time I had left the city due to professional commitments. It was more like exploitation of ignorant home buyers at the hand of cartelised market. To counter the situation, I formed a group within Infosys to hunt for a right

kind of developer who could meet the demands of the consumer at an affordable price. We got a positive response from the market forces due to which I initiated Home Buyers Combine, a group buying company that enables and empowers buyers to make their property purchase cost-effective and efficient.

The response from the buyers has been more than positive. Since the time we started off in 2011, we have more than 12000 registered buyers and 400 buyers who have benefitted from this initiative.

Which projects have you successfully

negotiated and concluded deals on behalf of the buyers?

Yashwin - Vilas Javdekar Ecohomes, Sus Baner
Suyog West Meadows - Suyog City Developers, Bavdhan
Palash 2e - Vilas Javdekar Ecohomes, Wakad

Regalia Residency - Raj Heramb Properties, Bavdhan
Insignia Elite - Raj Heramb Properties, Sus
Currently HBC is working on the following

VENKATESH IMPERIA -
Punawale (Hinjewadi)

On what basis does HBC categorise the buyers into groups? How does HBC zero in on suitable property for various categories of buyers?

HBC works on a 'bottom up' approach wherein the company understands and creates a demand for specific needs of the customers interested in buying a property. It categorises buyers on the basis of their requirement like location, type of house, specifications and amenities desired by them with a price range. These requirements are collated, classified and clustered. With the cluster of 100 and multiples of that, we initiate a project with reputed developers or approach for a bulk offer in the ongoing or under launch real estate projects for the cluster of buyers with substantial price discount.

What is the range of discounts you have managed to get for the buyers? Are there any other benefits for the buyers?

The registered member of HBC gets the cost benefit in the range of 15 to 20 percent on the market price of his house. For example the benefit would amount to anywhere from Rs five lakh to Rs seven lakh for a house of Rs 35 lakh and the extent of such benefit will only increase as the price of the house goes higher. As a group, the buyers are in a better position to ensure compliances of project to various regulations and can ensure that the project expedites in timely manner as well.

Moreover, once the group is together, it can source many services together like lawyer, home loan and other things required for home that leads to economical price and other related benefits.

Is there any membership system employed to create group of buyers? If yes, what are the criteria for membership and how much is the membership fee?

The prospective buyers just have to register on the website www.homebuyerscombine.com, along with details on their requirement and preferred price range. The registration is completely free of cost.

How much are the buyers charged



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for these services and what kind of arrangements are done with the developer to earn revenue?

When the buyer gets a house of his liking with price benefit we will take only to 0.5 to 0.75 percent of the price of house as service charge from the buyer. For example one buyer finalises a house with a value of Rs 35 Lakhs. We shall be happy to take from Rs 20000 to Rs 25000 as service charge (including service tax) from the buyer depending on number of buyers in the particular project. We want buyers to value our service and hence this charge would be applicable.

HBC, charges certain percentage of the price of the property as group booking facilitation fee to the builder depending on the project, discount offered and number of units taken. Moreover the revenue schemes works as the builder gets a running capital to work on the property without any extra expenses made on marketing. This model works best for developers companies.

Please give us case study of one of your projects.

In PALASH 2e, we did group booking of 64 flats (44 of 2BHK flats and 20 of 3BHK flats, at the price of Rs 3100- 3200 per sq ft when prevailing market prices were in the range of Rs 3700 – 3900 per sq ft)

Each buyer saved minimum Rs six lakhs to 9.5 lakhs on their flats. Booking were over on 31 March 2011 and the flats are nearing completion for possession by December 2012.

How do you evaluate the creditworthiness of buyers? What if some buyers from the group back out before taking possession? Did you ever have such experience during any of your project?

We have our own assessment based on criteria of past projects, reference check etc. for builders. Creditworthiness of buyer is assessed with the ability to avail loan from bank that is known from sanction of loan.

If anyone backs out, a small part is charged as cancellation fee and balance of paid amount is refunded.

What kind of other services HBC is planning to offer in future?

HBC's purpose has always been to help home buyers to buy homes in cost effective and efficient manner and will remain so. I feel that there is sustainability and scalability in this offering and we are taking it to multiple cities.