

# Buy homes in a group and benefit

Heard of this new concept that would ease some of the problems for home buyers? Nitin Degaonkar spells out the advantages in a conversation with **RANJANI GOVIND**

**G**roup-buying concepts in property are just catching on. One such entrant, Home Buyers Combine (HBC), with a platform created for buyers to come together for "making home buy a hassle-free experience," has already seen a good response in Poona. HBC has just jumped into the Bangalore property market where such concepts are expected to see easier acceptance.

The brain-child behind HBC, Nitin Degaonkar, MD, who was in the city recently to announce his first Southern market project 'Solaris' take off (on Bannerghatta Road with 100-plus units of 2- and 3-BHK) said, "The concept involves collating the home requirements of groups of buyers to pitch for competitive mass home-buying rates with developers. The set-up also helps developers sell their property in bulk, rather than promoting market projects to its members."

The company provides an option for buyers to register on its website [www.homebuyerscombine.com](http://www.homebuyerscombine.com) with preferences for location, specifications and budget for the kind of home one is seeking.

*Nitin Degaonkar spoke to PropertyPlus about the group-buying concept that could help people with options leading to about 15-20 per cent cost benefits. Excerpts...*

**Is HBC the pioneer in this kind of thinking in India?**

Home Buyers Combine was born out of concern when I moved from Bangalore to Pune in Infosys and observed the change in the Pune real estate scenario over five years since the time I had left the city due to



professional commitments. With the boom in real estate, there was great exploitation of ignorant home buyers by real estate marketers. With an intention to bring about a positive change, we worked out a win-win approach for both buyers and developers. Soon, we successfully did a pilot project of group booking and started hunting for a developer who was willing to invest in the idea.

The success of this model and the interest of the buyers to be a part of group bookings led me to move out of a corporate job to initiate the Home Buyers Combine. Group home-buying is unique which starts with customers to build clusters as per their needs and then initiate projects in accordance with it.

**You make it sound too simple...**

Our methodology is that we eliminate the non-value-adding costs in

the housing project. The major costs involved are finance and marketing. With buyers of similar needs in a group, marketing costs are eliminated and with the buyers pooling their contributions towards the cost of the house, the builder gets large funding from the buyers themselves. This eliminates a substantial part of financial costs. This helps reduce the cost of buying a house by about 15 to 20 per cent. The builder thus gets his money in advance from buyers and then each buyer signs an agreement with the builder. While making the advance payment, HBC ensures due diligence for legal and technical aspects of the project.

The 'group' concept helps build this trust and security as customers have a support infrastructure at their disposal to clear their doubts. We have been able to set up transparent communi-

cation channels such as Facebook and Yahoo groups for members of a group to discuss issues openly among themselves.

**Will the Bangalore market be open to this idea, compared to the Mumbai or Delhi market?**

Bangalore, like Mumbai, has a good percentage of young migrant professionals preferring to invest in property rather than gold. Such novel concepts can help make it more convenient for buyers as their choice is attended to, and we are guiding them through the process of purchasing. The HBC group-booking model came about only after observing these trends.

**What are the advantages in going through HBC, when people are used to surfing through several property online portals?**

HBC as a platform is different from all other online e-commerce platforms. Unlike other platforms, we do not advertise projects to sell the homes to groups. We work with a 'bottoms up' approach where we create homogeneous clusters of buyers based on specific requirements,\* and then initiate projects based on this group requirement along with developers or approach upcoming projects that suit the requirement of these clusters.

HBC is able to facilitate and initiate this process for buyers as well as consult them on various levels of the purchasing process, making sense for buyers to pay us a fee. Buyers are open to paying the fee due to the savings obtained, strong position attained, transparency in the entire transaction, and our overall consultation all

along the buy.

**You have had more than 400 buyers in Pune from this concept. Will you explain the general trends that you have observed in people wanting to invest in houses? What are their specifications and how do you step in to fit their choices?**

One major trend we have seen through our customer interactions is the average age of buyers reducing to as low as 25 years. As we approach the developers with the set of requirements from the clusters of buyers who register with us, we facilitate involvement of buyers at a nascent stage of a given project that allows the developer to offer a good price benefit to buyers against a down payment. This provides the builder with a customised project configuration, rescues him from the market risks, and provides the developer with upfront funding from the buyers, eliminating major non-value-adding costs of financing, marketing and risk.

**In what way are you benefited, and what is the kind of investment and infrastructure are you equipped with for tackling customers?**

As a company, our revenue model is through a standard fee charged to the buyers and developers based on the specific services provided to each. To deliver our service model, we have a team, as well as external consultants from various domains such as architects, lawyers, and real estate experts to help our members make informed decisions. Our infrastructure includes an online platform which helps us initiate our novel approach.