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LIFE OF PAI

Ravindra Pai, MD, Century Real Estate, has not only inherited his father's keen business acumen, but also vast tracts of land, which will soon transform into landmark developments across Bengaluru.

TO THE MANOR BORN

Dayanand Pai, founder, and Ravindra Pai, MD, Century Real Estate, are steadily working their way at creating developments on the land banks they have bought over the last 50 years.

BY JAYASHREE KINI MENDES

Intuition does not come to an unprepared mind, so goes the pithy saying. If you plant yourself indomitably on your instincts, and there abide, success will come to you. It's with this hunch that Dayanand Pai and Satish Pai, founders of Century Real Estate conducted themselves way back in the 1970s at a time when real estate was a term not yet coined, even little used.

What started out as a livelihood has turned into a colossal business a couple of decades down the line. Today the mantle falls on **Ravindra Pai, MD, Century Real Estate**, and scion of the real estate business.

Interestingly, unbeknownst to the *hoi polloi*, Century Real Estate owns the largest land bank in Bengaluru, mainly (several thousands of acres spread within and outside the city). Ravindra understands the enormity of the responsibility that falls on him, but he hasn't forgotten the legacy. With much modesty, he says, "In a way, we've been pioneers in the real estate scene in Bengaluru at a time when the city back then had a reputation as a pensioner's paradise. Little did anyone foresee that real estate would go on to be such a large business here. And my father and uncle were entrepreneurs who had only just moved in. First-generation entrepreneurs were low on capital, so their business model started primarily by trading in land."

In those days, a peculiarity of India's real market scenario was that a plot of land or an estate could have several owners. Who do you approach? "It takes skill to negotiate through that," says Ravindra, scion of the literally vast Pai empire. "It could be an aggregation. Disputes and litigations are not ruled

out." Land was primarily agricultural, so the Pai family had to convert it for non-agricultural purposes and bring it to a state of maturity. By maturity what is meant is that an end-user can develop land for residential or commercial purposes, or it could be a hospital or a hotel.

So the business model and land banking began in the 1980s. Recalls Ravindra Pai: "By the 1990s we migrated up the value chain by getting into 'plotted' development." By this he meant breaking up and planning plots and providing basic infrastructure like drains, water and electricity. The 1990s also saw the verticalisation of Bengaluru. Till then, it was a bungalow culture. Land became scarce and development moved

forward. Ravindra is content in the thought that his company pioneered the concept of joint development in Bengaluru. The company has worked with reputed developers such as Embassy Group, Mantri Developers, Prestige Group, Shriram Developers, among others.

The Pairs have made a name for themselves as seasoned players in the art of joint development, which is their main source of income. How does joint development run? Ravindra explains: "The land is ours, with a built-up area. Let's say a property like Taj Vivanta. We brought it to maturity. The same was the case with IBC Knowledge Park and Sterling Shalom. Builders came and developed the projects and we got a certain amount. A 5-acre's revenue in a total built-up area in 15 acres was good enough for us," adds Ravindra.

Was that a viable option after having such a large land parcel, almost Rs 200 crore? "It made sense at that time," rea-

3,000
acres of land is what the
company owns.

▼ Ravindra Pai (standing)
and Dayanand Pai.



sons Ravindra. "We didn't have the machinery to develop, and developers did not have that much money to pay. Institutions don't fund land purchase. So we settled for less until such time as the lifecycle of the project met both ends. So a developer would offer Rs 50 crore in a deal of say Rs 200 crore. Technically, I was armed with a Rs 200 crore receipt. The upside was that I was also participating, although not building or constructing, and in a manner of speaking, making money on the side," he adds.

Generally, people in Bengaluru prefer to buy plots because it's been the culture. So it was a good space to get into. "We were one of the first developers to get into it in a big way. Now, of course, many are following suit. We have done close to about 300 acres of plotted development. So roughly about maybe 3,000-4,000 plots over the last 5-6 years. In a way, it unlocked large parcels of land and the value comes out not by incremental investment, and is also less execution intensive.

PAST IS FUTURE

Ravindra is dyed in the wool. He has been successfully handling the task of building a future on the past. He has a lifestyle, but he does not break from tradition. So who is Ravindra Pai? He graduated in Electronics and Communications in 2004 and joined Tata Infotech. He then got into IIM Bengaluru before hopping to Oracle. Ravindra looks back: "At Oracle, I was handling sales for southern and western region. But the family needed me. So I joined the business."

But by 2005, Bengaluru was seeing a slow and steady increase in real estate prices. He recalls: "The big advantage was that our pieces of land were landmarks. They may have appeared far-flung then, but were historical in their own way." The Pais bought cheap and were in a position to sell costly. Ravindra says with nostalgia: "Life got more active and busy

with the development of ring roads, and land prices escalated further."

In a flashback, he adds, "We didn't have a balance sheet or anything. We engaged with developers and end-users. We were wholesale, not really dealing with the consumers."

THE PAI CHART

A couple of years later, having tried their hand at joint development, Ravindra realised that it was not working in their favour

TRACK RECORD

Ongoing projects: 7

No. of completed projects: 15

Total area of land owned: >3,000 acres

HELPING HANDS:

Construction Contractors: MFAR, Capacit'e Infraprojects, Technal, Santach, VKBS, BL Kashyap

Façade Contractors: Technal, Dorma

Construction Methodology: Monolithic concrete, Pre-cast, Regular formwork

BRANDS USED:

Elevators: Toshiba, Schindler

Lighting: Philips

Cement: ACC, UltraTech

Glass: Saint Gobain, Asahi India Glass

Bath Fittings: Kohler, American Standard, Jaguar

Paints: Asian Paints, SKK

Steel: Tata Steel, JSW

Flooring: Kajaria, Johnson

▼ Century Breeze is located in north Bengaluru, and comes with 80% open space, and state-of-the-art amenities.





▲ Over 22 years, Vidyashilp Academy has been recognised worldwide for its unique curriculum and teaching practices.

as they would have liked it to. Moreover, development is not a business that moves quickly. After the series of approvals, accruing finances, materials sourcing, there continues to be delays. The regular delays were causing a strain. So in 2005-06, Ravindra and family decided to venture out into residential construction. The idea was to self-liquidate land while looking at development in prime areas.

The company is also foraying into commercial development. It's in the process of developing a 2 million sq-ft commercial development in Hebbal, which will build an annuity stream for the company. "This is something we will develop and retain. The commercial strategy will not involve buying land or joint development. Within our portfolio, there are lands located in a marquee location which lends itself for commercial. We have a plan to build close to about 7 million sq-ft over 5-7 years," adds Ravindra.

One of the improvements that Ravindra implemented on the strength of his father's nod was to turn the business from people-dependent to process-oriented. He began scouting for talent that would add weightage to the business.

Most of the decisions were taken after scrutinising the issues with his father, Dayanand, considering that it was Dayanand and uncle Satish's intuition that real estate was really real. Patriarch Dayanand says a few years ago, people called him a fool for investing in 'godforsaken' places. "Now they say I'm a man with a vision!"

Speaking to the patriarch is also a

“THE COMPANY IS FORAYING INTO COMMERCIAL DEVELOPMENT AND IS IN THE PROCESS OF DEVELOPING A 2 MN SQ-FT COMMERCIAL DEVELOPMENT IN HEBBAL.”





▲ Century Corbel is a commercial complex set in the heart of Bengaluru's growth area of the residential suburb Sahakarnagar.



▲ Century Wintersun villas seamlessly merges top-of-the-line technology with clean, contemporary and aesthetic designs.

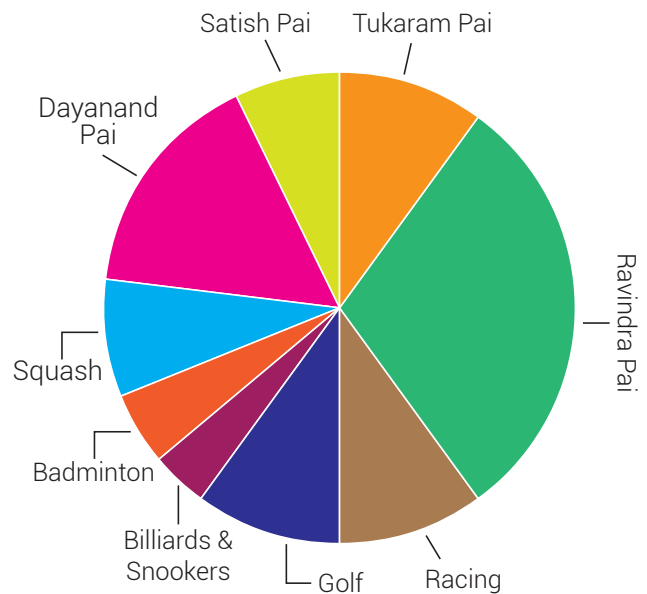


▲ Century Ethos is a luxurious property in north Bengaluru.



▲ Century Sports Village in Devanahalli is the only sports themed plotted development dedicated to fitness and sports.

THE PAI CHART



* Percentages not given as schedules & interests fluctuate

delightful talk in itself. There's an interesting story about how he came about to own such huge tracts of land. After moving to Bengaluru, Dayanand decided that he wanted to be someone distinct. He came in contact with a certain Tukaram Pai, an advocate. The two became fast friends. Dayanand trusted him like he trusted his wallet, though there wasn't much money in it. Tukaram was of a slightly different bent, preferring to deal in land. The helpful Tukaram was always around, and Dayanand watched him as he went about buying and selling land. He admired him. It was a small amount by today's standards. Rupees 5 per sq-ft compared to Rs 20,000 per sq-ft now. But Tukaram was making some money.



▲ Century Artizan is a premium plotted development conceptualised on art and thematic designs.

Dayanand was making no headway in construction. He was coming a cropper in that field. And here was Tukaram not looking back. Dayanand began thinking about his true and final calling. Was he cut out for construction?

There are four types of people that banks won't 'lend' an ear to. One, a builder. Two, a lawyer. Three, a policeman. And four, a journalist. Dayanand didn't know which way to go. Then one day Tukaram had a long and hard talk with him, and convinced him that he should deal in land instead and dump construction.

Dayanand complied. Another revelation from Tukaram was that he showed Dayanand how to do business without money. Of course, you use other people's money to pile up yours, but what the hell, money is money. A realtor doesn't usually work hard for money, because money works for him.

Dayanand and Tukaram started buying and selling land as a joint venture. Tukaram was always into property and so had no difficulties with buyers. Dayanand was quick to learn the ropes. He picked up the tricks of the trade faster than Tukaram had expected. Dayanand was on his way.

INTUITION & VISION

Dayanand's intuition had brought him thus far. His vision told him Bengaluru was ripe for the picking. With a radius of less than 10 kilometres, Bengaluru would be a large enough canvas for his exploits. As he says: "I went on investing my profits in land. I had the feeling that property rates would go up to my benefit."

The baton has passed on to Ravindra Pai who steers the flagship Century Real Estate. The versatile Ravindra may have moved on and diversified his lifestyle, but he has obviously not delinked from his roots. Like his father, Ravin-




▲ Century Central is a mixed development project and is the most commute-friendly and most accessible of locations.

dra has always been a Bengaluru-centred person. Like his father, he has never thought of venturing out of Bengaluru and looking for better prospects elsewhere. Ravindra asserts that real estate is strictly local business. "We have a strong feeling that there is a particular strength attached to geography," says Ravindra. "You don't see a real estate player as global. Besides, the idea has not met with much success in India."

One reason why Ravindra stays put in Bengaluru is that the property documents are made in the local language. Dayanand's simple advice was, "If you can't read a document, don't touch it."

BUSINESS SENSE

After having been there and done that, Ravindra Pai is firmly rooted to the traditional art of making money. Following in the family line, he is an educationist, philanthropist and a keen sportsman. The family also runs a school, Vidyashilp, headed by his wife, Kiran Pai. Actually, Ravindra Pai wears many hats. In the process of business dealings and social interactions one feels the need to do things for relaxation and recreation. That is how Ravindra got into sports. When not discussing real estate, Ravindra divides his time between racing, golf, badminton, billiards, snooker and very importantly squash. Exercise is good for the body. And he adds characteristically: "Health is wealth." He wants both.

Ravindra's favourite sport is squash. "It is my dream game," he says. "It is not very popular in India, but I want to take it to the next level, and I am ready to provide whatever help I can." Just like his father, he knows this is another dream that will not be squashed. 

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ongoing residential
projects across the city.