



PANORAMIC VIEW FROM LAVASA: It promises to offer a different hill station experience



Building a new Hill Resort

Most of India's hill-stations are of pre-Independence vintage. But a new one coming up in Maharashtra is all set to change the parameters.

A report on the upcoming Lavasa Hill station by **Annamma Oommen.**

The quintessential Indian hill station, the much loved getaway for the country's teeming plain-speople, is set to witness a new prototype. Largely developed by the British and the erstwhile Indian royalty in 19th and 20th centuries, the scores of hill stations in places such as Darjeeling, Ooty, Kodaikanal, Shimla, Nainital, Mussoorie and Mahabaleshwar followed a more-or-less predictable pattern, with a mall road, the club house, the church, et al. For the colonial rulers and the former royalty, these were ideal getaways during the harsh summer months in the plains of the sub-continent.

Presenting a stark contrast from the traditional hill station is the HCC-promoted hill town of Lavasa. A respectable 200 km from Mumbai and 65 km from Pune, Lavasa is independent India's first hill station and, in keeping with the times, it is showing the way for development of modern India's hill stations – lake-front homes with high-speed Internet, international education and hospitality, and environmentally conscious without compromising on robust infrastructure.

Promoted by construction major HCC, along with other equity participants, Lavasa promises to be a different hill station experience.

"We have already invested about US\$215 million to provide initial infrastructure at Lavasa," says Ajit Gulabchand,

chairman and managing director, HCC. "The total revenue expected from the Lavasa project over the next 15 years is about US\$30 billion," he adds. About US\$8.5 billion will be invested in the project in the coming years.

Rajgopal Nogia, president, Lavasa Corp, says equity, debt and internal accruals will ensure funding of the project. "We will come out with an initial public offer (IPO) at an appropriate time," he adds.

HCC holds a 65 per cent stake in the project, while other partners include Gautam Thapar's US\$3 billion Avantha Group (with a 15 per cent stake) and Venkateshwara Hatcheries (12.5 per cent equity).

A hill station emerging in the era of globalisation needs to be a perfect package of economic viability and environmental sustainability. The vision for Lavasa is that of sustainable development, combined with cutting-edge technology, resulting in a stress-free work, play and living environment – an elegant lifestyle, as the promoters like to call it.

Built in accordance with Maharashtra's hill station policy, HCC intends to develop only 50 per cent of the 25,000-acre hill station, leaving the other half as natural as ever.

The township is well-connected to both Mumbai and Pune with five access points to it. It will be completed over four phases. Dasve, the town centre, comprises the



ECO-FRIENDLY: Modern technology merging with environment-friendliness is a common theme at Lavasa

first phase and will be operational from 2010. It includes almost 1,000 villas (priced at around US\$2 million) and 500 apartments (costing around US\$35,000).

Phase 2 will start from 2010 and is expected to be completed in four years. The third and fourth stages are expected to be completed by 2017 and 2021, respectively.

Nogia points out that Lavasa is not a township or a huge real-estate project. "It is a complete town that is self-sufficient, and meets the residential and living needs of the poor, middle-class and the elite," he explains. "The hill station itself will create more than 50,000 jobs over the next 10 years. Citizens residing here can enjoy a walk-to-work lifestyle," he adds.

The uniqueness of the hill station is attributed to its planners and design consultants. The entire project is being designed by renowned international design consultant HOK of the USA and is based on the principles of 'new urbanism.'

The transect model of development envisions the hill station evolving out of

a populated city centre that progresses outwards and upwards in terms of terrain, with ever-thinning population.

Modern technology merging with environment-friendliness is a common theme running through the project. For example:

- Eco-friendly construction materials, such as basalt, are being used for homes.
- Ecological mapping had been undertaken at the planning stage to monitor the effects of development.
- Around half-a-million indigenous shrubs and plants have been planted to preserve the green cover and enhance the biodiversity of the terrain.
- Ground water level is maintained by dams that retain surface runoff or rainwater.
- Superior technology has been used for large-scale forestation.
- Denudation is addressed by the use of bio degradable coir mats sprayed with plant seeds.
- An advanced sewage treatment plant will ensure that waste water is recycled for gardens and landscaping.

CALL OF THE MOUNTAINS

India is home to nearly a hundred hill stations, from Almora in Uttarakhand to Kalimpong in West Bengal, and Lonavla in Maharashtra to Yercaud in Tamil Nadu. Many of these hill stations served as the summer capital for the British Raj and for the pre-1947 princely states.

After Independence, holidaying Indians thronged the hill stations, while India's emerging entertainment industry found them to be ideal locales for film shoots.

The opening up of the Indian economy in the 1990s saw a large number of affluent Indians head for foreign destinations on holidays, but many of the domestic hill stations retained their charm, attracting a loyal clientele.

With tens of millions of Indians now travelling across the country on holidays, the pressures on hill stations continue. Most of the popular hill stations are packed with tourists, both during the summer and winter holidays.

They have virtually no room for growth, resulting in a sharp escalation in room tariffs during the peak season.

Domestic tourism is also evolving rapidly and tourists are looking forward to exciting opportunities including adventure tourism. Similarly, the industry has seen the growth of a new segment, MICE (Meetings, Incentives, Conferences and Exhibitions) tourism, reviving interest in hill stations.

Some state governments want to encourage the development of new hill stations, but after ensuring that adequate measures are taken to protect the environment. This would mean sustainable growth without disturbing the delicate ecological balance in the mountains.

DEVELOPING A STAND ALONE HILL STATION

Rajgopal Nogia, president, Lavasa Corp, on the project. Excerpts:

What triggered off the project?

HCC has always been involved in large projects. Post the formalisation of the Hill Station Policy in 2000 (by the Maharashtra government), the group felt it was the right time to develop a standalone hill station – a city cut off from the world, but yet with all of its modern amenities. Besides, it was easy acquiring this piece of land since it had minimum hindrances.

How many units have been sold?

About 1,500 houses out of a total of 2,000 in the first phase of the project have been sold. Phase 1 includes completion of residential villas and apartments. Apartments are priced at US\$65 per sq ft and villas at US\$75.

Are you offering any incentives to tackle the downturn in the industry?

We don't need to offer any incentives

to sell. We have sold 500 houses over the last two months. Lavasa city cuts across all socio-economic levels, starting from the bottom of the pyramid to the premium end.

Do you plan similar projects?

Not at the moment. It is quite impossible to replicate such a project.

Is this project a revenue model?

This is a complete revenue model. We generate revenues from real estate, maintaining the city and infrastructure. Currently, we have 25 special purpose vehicles (SPVs), including those used for hospitals, hotels and educational institutions in Lavasa. Recently, Axis Bank picked up a 2.5 per cent stake in Lavasa for over US\$50 million. While Times of India picked up a 1.5 per cent stake for over US\$30 million, Allahabad Bank acquired a 0.5 per cent stake for US\$10 million. Currently, we have around US\$375 million worth of funds and Lavasa is valued at over US\$2.1 billion.



NEW URBANISM: Lavasa has won international acclaim for its world-class planning and amenities

International acclaim has been forthcoming for the world-class planning and amenities being provided in an environmentally sustainable manner. The master plan was appreciated by the Congress of New Urbanism (CNU) and the American Society of Landscape Architects (ASLA).

Three town centres have been planned, each with its own unique charm. The first one, Dasve, offers elegant housing in the form of Portofino lakeside apartment and villas of Goan-Mediterranean design. A country club, a day school, hospital, hotels, resorts and spas, and a centre for excellence in education and research are also envisioned here.

Lavasa is likely to become a major educational centre with strong local and global linkages. It has attracted several top educational institutions of the world. For example, Oxford University of England has been roped in by Lavasa Corp to develop executive education facilities in India. The university's Saïd Business School will host the centre and address major business issues in India through collaborative research between academicians from Oxford, India and other parts of the world.

Ecole hôtelière de Lausanne, a leading hospitality school in Switzerland, plans to start classes in 2009, while the Institute of International Business Relations, the premier business school of the University of Berlin, will welcome its first batch of students later this year for an international executive MBA programme.

Lavasa Corp has also an agreement with the Girls' Day School Trust (GDST) of the UK, to establish a co-educational residential school for 1,000 students, due to start in September.

The GDST is the largest group of independent schools in England and Wales, and is the Britain's largest educational charity.

Classes start from grade seventh through ninth and diplomas to be offered will include the Indian Certificate of Secondary Education and the International 'A' levels, with International Baccalaureate certification planned for the future.

Among Indian universities, Pune-based Symbiosis will launch management programmes, while NSHM Knowledge Campus, Kolkata, plans to establish India's first retail, media and thinking manage-



WILDFLOWER HALL, SHIMLA: Hill stations in India attract millions of visitors every year

ment university at Lavasa by 2010.

Besides education, the developers of Lavasa are also focussing on healthcare and plan to set up top-class health and research facilities in collaboration with Apollo Hospitals.

The facility to be set up on a 200-acre plot will provide primary, secondary and tertiary medical care for both the long and short term, and medical educational facilities. On the hospitality side, Lavasa's promoters have roped in a host

of hospitality majors, both domestic and international. For example, Accor Hotels and Resorts of Australia, plans to open two hotels in Lavasa: a 250-room Novotel resort to be developed by HCC in technical collaboration with Accor and an 80-key Grand Mercure Spa resort. Indian major ITC will open the Fortune Lavasa, a business hotel, while an agreement has also been signed with International Leisure Consultants for managing the Dasvino Town and Country Club at Dasve.

A pleasant climate round-the-year, combined with vast open spaces, will also attract residents towards leisure activities such as golf, trekking, rappelling, nature trails, yoga and ayurvedic massages and health spas.

Entertainment infrastructure, including cinemas and theatres, are also expected to be developed soon.

The Lavasa project is indeed an ambitious one, which could set a new trend in urban development in India. 🌈