Livability Retail in Resi, Office (and Mixed Use) Projects

(Replaces Neighborhood retail in residential developments-Concept note)

1. **Requirement of livability retail in projects using 3rd parties**

Type	Livability retail category	Residential				Office
		Small	Medium	Large	Very Large*	
I	Medical centre	NA	NA	N	N	NA
I	Pre-school / Day Care(#)	NA	NA	NA (creche can be operated within the kids indoor play area)	N – for Casa or Aspi developments with > 2500 units only.	C (for iThink with > 10,000 occupants planned)
I/II	F&B (1st operator) (**)	NA	NA	N	N	N (type II)
II	Convenience store	NA	C	N	N	NA
II	ATM	NA	C	N	N	N
II	Laundry	NA	NA	C - Luxury and Hi end only	C	NA
II	Salon	NA	NA	C	C	NA
II	Pharmacy	NA	NA	C	C	NA
II	Hardware	NA	NA	C	C	NA
II	Gym	Shall be part of club and managed by club operator				C (for Excelus or iThink with > 5000 occupants planned)

Legend

N – Needed (must-have)

C – Provide if not available within 1 km driving distance

Notes

outside access permissible, but this space should not be located in private part of the clubhouse.

*For very large projects, number of each type of livability retail outlets can be increased based on overall size of development. 1 applicable livability retail outlet can be considered for every 5mnsft of saleable area and thereafter no. of outlets to be increased for every additional 5 million sft of saleable area.

** F&B 1st set up will be in the Club of residential, and standalone in office. In case of office development, space shall be provided for branded café / restaurant with external access permitted based on retail footfall potential (min. 1 for any office development with > 2500 planned occupancy) – foodcourt shall be planned if occupancy is expected to exceed 10,000 occupants in single shift in said campus. Operations Strategy shall be responsible for ensuring that the spaces are planned (concept design phase), details are communicated to the team responsible for tie-up/leasing/sale at P-6 months and checking that they are operational as per timelines specified herein. In case of delays/issues, they should take help of Regional CEO to resolve in timely manner.

2. Commercial model and responsibilities

Classification	Objectives	Commercial model	Responsibility for Tie-up /Leasing/ Sales
Livability	Enhances livability for the customers by being operational at the start of the project's possession period. a. Type I: Medical centre, Pre-school/Day care, F&B for residential (1 operator, generally in club) b. Type II: Convenience store (< 2000 sft carpet area), ATM, Laundry, Salon, Pharmacy, Hardware, F&B for office / retail	a. Can be leased only. b. Full tenure: typically 3 years to max. 5 years c. Lease / revenue / profit share, sale should be avoided unless absolutely necessary; First term lease rate can be discounted up to 50% of current market rate; First Term (generally max of 1 year) should be kept as reasonably short as possible so that betters commercials can be negotiated with the operators once viability is established.	Type I Livability– Hospitality Type II Livability– Commercial sales team (ATM may be handled by Finance)
All others	Profit maximization objective. Applicable to all other retail categories/ amenities	As per sales plan	Commercial sales team

Other charges

Common areas outside the retail units will be managed by HFM. CAM collections shall be as per CAM+Sinking Fund + Property Tax policy (ref: Boulevard Retail). If retail saleable/leaseable area in development is <=2% of the total development's saleable/leaseable area, CAM shall not be calculated separately and shall be calculated on the same basis as the rest of the units (not applicable to Property Tax which shall be governed by calculation of appropriate authority).

Timelines

It is mandatory for all livability categories to be operational within 6 months from date of offer of possession for first wing in the development. However, in case of F&B operator for residential development, Café / restaurant operator should be brought in on arms-length commercial basis only after occupancy crosses 250 units / 50 units for weekend development (may be brought in earlier if needed for sales-related reasons but in such case, some subsidy may need to be provided till occupancy reaches level of 250 / 50 units).

Steps to be taken:

a. Alliances will coordinate with Design and confirm that these spaces have been located within 6 months of project launch as per 'Provision for livability retail in residential, office (and mixed use) developments' design policy; and
b. Alliances will coordinate with Ops Strategy so that it is made aware 6 months prior to scheduled date of offer of possession and in turn, Alliances will:
    i. Inform Commercial Sales / Finance about the target date for operationalization, who will then start the process of leasing for the Type II livability retail.
    ii. Start process of leasing for the Type I livability retail.
    iii. Coordinate with Ops Strategy to ensure that the physical spaces (along with surroundings) are ready for handover to retailer within 3 months of date of offer of possession for first wing in the development to ensure that retailers have 3 month for fitouts.