

KPOs eye big biz in real estate lease services for US cos

Market potential valued at \$10 billion

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Chennai, Sept. 21

Major US real estate companies have started outsourcing their lease administration to third party companies in India.

And companies like the Chennai-based NTrust Infotech, a knowledge process outsourcing (KPO) service provider, have become a niche player in the real estate lease administration. The company partners with commercial real estate service providers and offers lease administration services to both the tenant and landlord in the US.

It uses a combination of software product and services to serve major real estate clients in the US like Staubach, Trammell Crow, May Company, Great Atlantic & Pacific Tea Company,

Spencer Gifts and Liz Clairborne, Mr Srikanth Ramachandran, President and CEO, NTrust, said.

The potential for real estate lease administration is valued at \$10 billion, he told *Business Line* quoting a third party report.

REAP is an enterprise software product developed in India by NTrust. It helps corporate real estate administrators and professional property managers maintain a comprehensive lease, portfolio, asset and occupancy management system.

LEASE MANAGEMENT

LEAP is a lease management abstraction service and back-office support. "We provide 100 per cent accuracy on critical data while abstracting content

from lease contracts." Currently more than 150 persons are engaged in LEAP, and the company works on about 1,500 leases a month from its Chennai centre, he said.

Giving an example of the back-office support service, Mr Ramachandran said KFC or Pizza Hut operates across different locations in the US. Each restaurant is occupied on lease under different terms and conditions. On an average a lease document will run to around 120 pages.

NTrust abstracts every contract and each abstracted contract is subjected to multiple quality assurance checks to ensure that the information in the client's system exactly matches the lease, he said.

Real estate lease administration is becoming increasingly

important to organisations. Companies do not possess in-house expertise to carry out this specialised function and the management of lease terms, obligations and cash flows. Real estate cost is the second-most important outflow for a client after the HR costs, he said.

NTrust employs over 300 (200 in Chennai and 100 in the US) and plans to add another 200 employees, including candidates with legal, accounts and commerce background, in the next six months at its new facility in Chennai.

It has invested around Rs 5 crore in the new facility, he said.

The company reported revenue of Rs 54 crore for fiscal ending March 2006 and expects to report Rs 72 crore for this year, he said.