



REALTY EXPO 2015

Home of the biggest real estate opportunities

The very best of Bengaluru

REALTY CAPITAL
The Garden City has recorded a strong appreciation of land and housing assets, defining North Bengaluru as the most promising destination, says Bindu Gopal Rao



LOOKING GOOD Bengaluru remains one of the best performing markets in India due to the large quantum of sales going through end users. DH FILE PHOTO

will come out to be positive and supportive of Bengaluru real estate market," he adds.

Doing the math

According to a recent JLL report, during the first quarter of 2015, there was an increase in new launches as well as a rise in the net absorption of units in Bengaluru. While 13,400 units were newly launched in the first quarter of 2015, the corresponding figure stood at 11,170 units in 2014. The City also observed a net absorption rate of 8,310 units in the first quarter of 2015, which was 7,210 units in the corresponding quarter of 2014 — a rise of 15 per cent in total sales year-on-year, observes Jai Singh, senior vice president, sales and marketing, Vaishnavi Group.

"Residential units in the up to one crore rupees range continue to see greater demand with limited demand being seen in the over Rs 1.5 crore segment. Infrastructure, distance from the workplace, easy access to education centres and medical facilities continue to be key factors for purchasers. Areas such as Whitefield, Electronic City and the Outer Ring Road IT corridor continue to be popular among buyers in this price segment. Apart from that, the affordable housing segment in Bengaluru continues to see consistent demand," avers Rohan Bulchandani, co-founder & president REMI.

According to Sunil Reddy, executive director, Concorde Group, Bengaluru real estate is seeing a growth in the Rs 30 lakh to one crore category. "Developers in leading real estate detonations like Delhi and Mumbai are straggling with the price tag of Rs 80 lakh to one crore. But in Bengaluru, the trend is falling more towards the Rs 30 lakh to one crore margin, and this is a trend that has seeped in towards the south of India," he says.

The real estate market, expert believe, is forecasted to have a stable to moderate growth in the coming years. The government has increased the limit of foreign investment proposal requiring cabinet approval from Rs 2000 crore to 3000 crore, making the realty sector boom more evident.

Also, the new Real Estate Bill will impact a number of projects that are available for buyers since the builders will be able to sell only after getting all the required approvals. Also with the government's ambitious smart city project, Bengaluru's realty prospects can only get brighter and better.

Bengaluru might be known by the sobriquet Garden City, but can easily be called the Realty Capital of India, courtesy the fact that it is consistently topping polls as the most livable city in India. Real estate here is certainly on a roll and how. Despite frequent slowdowns pan-India, Bengaluru is still the place where real estate has sustained growth.

According to a recent survey conducted by Concorde Group, annually, 10 million people move to new cities looking for investments and residences. Of these, a whopping 73 per cent of migrants want to invest in real estate; Bengalureans who want to invest constitute 29 per cent.

"Real estate market in Bengaluru has performed well if compared to the other metros in India during the recent slowdown. As majority of the market in Bengaluru is an end-user market rather than investor driven, the overall sales were stable," explains Siva Kyasa, regional owner, RE/MAX Bengaluru.

"The international business, social infrastructure, climate and other favourable factors make Bengaluru a leading destination for education, health, employment and investment. It has also recorded a strong appreciation of land and housing assets with a stable 13 per cent average annual price appreciation in the residential sector for the last four years, defining North Bengaluru as the most promising realty destination of the City," opines Jitu Virwani, chairman and managing director, Embassy Group.

"Despite the relative slowdown, Bengaluru remains one of the best performing markets in India due to the large quantum of sales going through end users. A steady growth of IT/ ITeEs has added to the growth of real estate scenario in Bengaluru," says Satish BN, executive director, South Knight Frank India.

Location matters

Areas like Kanakapura Road, Basavanagudi, Hesaraghatta, Rajajinagar and KR Puram seem to be the emerging real estate hotspots in terms of residential spaces. On the other hand, office development is centred on areas like Electronic City, Sarjapura and Marathahalli.

The micro markets in and around the Outer Ring Road from Electronic city to Hebbal (North East quadrant) is expected to do well on account of established ecosystem of IT and ITeEs, which provides inherent demand for residential segment. Further, the micro markets around North quadrant (particularly localities such as Thanisandra and Jakkur), on account of proximity to the international airport and

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upcoming aerospace park, is also expected to see increased activity in short to medium term, according to Proptiger data research lab.

Bimal Hegde, CEO, Chartered Housing adds, "The key factors contributing towards North Bengaluru as the next big investment destination is the IT/BT corridor, a 12,000-acre information technology investment region near Devanahalli about 15 km north of the international airport. Infrastructure in the region is also among the best in the City with the elevated expressway, mono rail and excellent connectivity to prime

locations apart from the proposed aerospace near the airport."

The peripheral parts of the City have witnessed drastic improvements in the social and civic infrastructure and employment opportunities in the last few years, contends Om Chaudhry, founder and CEO of Fire Capital.

"This has resulted in the launch of a slew of larger villa projects and integrated developments on the outskirts. Some of the key infrastructure projects like the elevated expressway, Bengaluru-Mysore Infrastructure Corridor (BMIC), metro rail and proposed peripheral ring road