

INFRASTRUCTURE, COMMERCIAL DEVELOPMENT DRIVE PROPERTY MARKET AROUND CITY



Pic: Sai Manohar K.J

Civic and social infrastructure, large land parcels, and attractive prices are pushing the real estate market. Sai Prasanna reports

Over the last two decades, Bangalore has seen unprecedented growth both area-wise as well as in terms of population. Measures by the government to promote the setup of commercial and industrial establishments have led to the generation of employment opportunities. A growing city in terms of improved infrastructure with projects facilitating upgradation of key in-city and arterial roads, world-class social infrastructure and considerably lower land costs with respect to other metropolitan

cities has led to many people calling this city their home.

Naveen Nandwani, Director, South India, Cushman & Wakefield, traces the pattern of residential development in the city over the years. "Bangalore's residential market has evolved from layout developments to developments by organised players. Traditional areas of the city such as Jayanagar, Rajajinagar and Malleswaram saw BDA plotted developments taking place in 1970s. Thereafter, the late 80s and 90s saw development of areas such as Koramangala, CV Raman Nagar and Indiranagar due to their proximity to the CBD, availability of land and strong infrastructure. The 90s also witnessed the IT revolution which created new economic magnets such as Electronics City, Whitefield and the Outer Ring Road (ORR)."

The IT/ITES companies led to an influx of working population to the city. Subsequently, the real estate prices in central and suburban regions shot up and companies relocated to the peripheral areas. This is when significant residential development took place in White-

field, Sarjapur Road, ORR and Electronics City during the late 90s. Post 2008, areas in the north such as Hebbal, Thanisandra Road and Hennur Road began witnessing sizeable real estate activity in the residential segment owing to the relocation of the airport and subsequent infrastructure initiatives taking shape," he adds.

Steady market

The demand in Bangalore is driven mainly by IT professionals with an average income of approximately Rs 6.5 lakhs per annum. The range of primary demand is from Rs 20 lakhs to about Rs 80 lakhs.

Naveen elaborates, "In Bangalore, the residential market has been an end-user driven market. The residential market experiences healthy demand from the IT-BPM population primarily concentrated in the mid-range and affordable segment. This demand is also aided by higher purchasing power of IT crowd owing to dual income families. Moreover, the city has seen a steady capital value trend when

compared to other cities such as Mumbai and NCR. This has also led to significant investors investing their money in high-end and luxury properties in the city."

Peripheral areas in focus

Alexander Moore, Chief Executive Officer - India, I, J Hooker, says, "The population density has increased markedly with many more people per acre - the city has had a 50 percent population rise in 10 years that has put a significant pressure on the existing urban areas. The population of the city have shifted towards the perimeter but not necessarily moved the perimeter further out. We are seeing much greater density in the belt between the Inner and Outer Ring Roads with a predominance of high-rise construction. Apartment sizes are also getting smaller as affordability becomes the key issue. The south-east is still the primary demand area as that's where the majority of IT employment is. As more IT parks and campuses are coming up in the north, residential demand is shifting to the north-east."

Research by Cushman & Wakefield indicates that Whitefield in the east, Sarjapur Road and Bannerghatta Road in the south, Mysore Road in the west, Hebbal, Hennur Road and Thanisandra Road in



continued investor interest, the residential market of the city is expected to witness healthy growth in the years to come. Apart from areas already witnessing significant demand, Kanakapura Road in the south, Mysore Road in the west, Tumkur Road and Yelahanka in the north, and K R Puram and Badigere Cross in the east hold good potential and are anticipated to witness increased demand.



the north, and the ORR (Sarjapur-Hebbal belt) are witnessing concentration of demand. Proximity to IT hubs and presence of strong social infrastructure has led to buoyant demand in Whitefield, Sarjapur Road and Bannerghatta Road. Availability of affordable housing, connectivity through NICE Ring Road and upcoming Metro connectivity has fuelled demand in Mysore Road. Connectivity to the airport and ongoing infrastructure initiatives have provided impetus to demand for residential units in Hebbal, Hennur Road and Thanisandra Road. Establishment of the Sarjapur Road-Hebbal stretch of the ORR as an IT corridor has aided residential demand in this belt.

Areas with potential

Given the demand from end-users and

Given the skyrocketing real estate prices in the central and suburban areas, these peripheral locations prove to be attractive future destinations with properties priced at competitive rates in the wake of land availability, upcoming/announced infrastructure initiatives resulting in improved connectivity and development of these areas.

Naveen states, "Kanakapura Road with availability of land, upcoming Metro, connectivity via the ORR and NICE Ring Road and proximity to areas with developed social infrastructure such as Jayanagar and J P Nagar is an attractive emerging residential destination. Availability of land banks, upcoming Metro connectivity and presence of NICE Ring Road drives the potential of Mysore Road as a residential destination. Proximity to the airport and ongoing infrastructure initiatives promote Tumkur Road and Yelahanka as residential hubs. K R Puram and Badigere Cross with proximity to Whitefield are anticipated to support the spill-over demand of this IT hub in the future."