

IT slowdown fails to affect elite housing

By GOUTAM DAS

Bangalore, May 9: There is no apparent slump in the demand for premium homes in this 'City of Bungalows', despite numerous headwinds being faced by the IT/BPO companies, real estate developers told this correspondent on Friday.

This is primarily because residential homes and villas above the Rs 1.5 crore range, unlike budget apartments, are not in oversupply.

IT and BPO companies are struggling to hedge against multiple headwinds. These pressures are reflecting in employee compensation and hikes, which have been moderate this year when compared to the last several years.

"The IT/BPO industry in India has never had to brace up to so many issues at the same time. This impacts their employees' ability to buy homes," Mr Prakash Gurbaxani, CEO of QVC Realty, said. People looking for budget apartments are postponing buying decisions, making this asset class vulnerable to a case of low demand and high supply.

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The high-end segment, however, seems to run on a different steam, "People looking for homes in gated communities are not dependent on the availability of finance. They buy if they like a property and if it is in sync with their lifestyle," a spokesperson for Mantri Developers said.

One of the new hotbeds for such properties is the foothills of Nandi Hills, about 65 kms from Bangalore. The Prestige group, for instance, is building a gated community of 225 mansions on 275 acres. Each villa will have a private swimming pool and will be priced between Rs.6.25 crore and Rs.10.6 crore.

But while premium home buyers aren't letting the headwinds affect them, realtors are exercising caution: demand from such buyers has dipped over the past quarter, says Naina Cariappa, VP, marketing, with Puravankara Builders.