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More feathers in North Bangalores cap

The icing on the cake being the international airport, North Bangalore has much more to offer now. Widening of National Highway 7, improvement of roadwork on National Highway 207 and State Highway 104 (connecting Whitefield and Hoskote to North Bangalore), is also paving the way for various residential, industrial and commercial developments, finds out Bindu Gopal Rao



If you thought the real estate scenario in Bangalore was witnessing any sort of downward trend, check out North Bangalore. In the news for the much hyped and debated International Airport, North Bangalore is poised to change the real estate outlook of the city with a slew of big projects in the residential, commercial and retail space. Buoyed by the infrastructural impetus given by the Government to develop this area, things are certainly looking up here. Ravindra Kumar, Senior VP, Group Strategy, The MetroCorp Group, explains, "To facilitate planned development around the new International Airport, significant quantum of land around North Bangalore has been re-zoned in the new CDP Master Plan 2015 for residential, commercial and industrial activities, making it an ideal self-contained new destination for work and residence. Iconic developments will now unlock North Bangalore's potential and transform it to an 'urbanscape' that will be referred to as the 'New Bangalore' in the future."

Infrastructural impetus

The upcoming International Airport, widening of the National Highway 7 and improvement of roadwork on National Highway 207 and State Highway 104 (connecting Whitefield and Hoskote to North Bangalore), is likely to give further impetus to demand in North Bangalore. The improvement in road connectivity from Hoskote, Whitefield and Tumkur Road to north Bangalore will result in increased residential developments along these stretches. Says Prakash Gurbaxani, CEO & Founder, QVC Realty, "Devanahalli in North Bangalore will witness the first Greenfield International airport in the country, developed under PPP (Public Private Partnership), that is expected to mark the beginning of the shift of growth momentum in Bangalore to areas surrounding the airport in North Bangalore. State Government, on its part, has set up the local planning authority, BIAAPA (Bangalore International Airport Area Planning Authority), to ensure planned development of the region. Growth in real estate activities closely follows development of infrastructure. Location of the airport has forced the Government to take steps to improve connectivity with the rest of the city."

According to Chandrashekar Hariharan, CEO, BCIL, "The action, so to speak, has moved by default and not by design, to north Bangalore over the last 3 to 4 years. The first in the sequence of decisions was the step to move the international airport to the north, from an initial proposal to have it in an area around the Mysore Road. Then came a couple of other important decisions from the State Government to set up an ambitious Apparel Park over 3,000 acres in the vicinity of the sprawling Doddaballapur Industrial Area."

Continued on Page III The government has proposed infrastructure projects around the area that are at various stages of development, which once completed, would make the area more conducive for residential and commercial purposes. Demarcating of land parcels by the BIAAPA has also, to a certain extent, contributed to the appreciation, as now a clearer

land use policy helps current land owners with their pricing according to the proposed usage. Growing interest from corporates in this area, along with a view that Devanahalli area is the upcoming New Bangalore, with a well laid-out and implemented master plan, is fuelling speculative purchases and thus pushing the prices. "The International airport will drive the infrastructure in the location. Many residential projects are being constructed, shopping malls, 5-star hotels, direct rail link to international airport, express highway, etc, are being planned. It is expected that many IT companies may expand their operations in north Bangalore due to close proximity to international airport and good infrastructure readily available," says Raj Changrani, VP Research & Investment, Red Fort Capital.

Sandeep Trivedi, National Head, Development Consultancy, India, Cushman & Wakefield, says, "Numerous residential and commercial projects are being developed/expected to be developed within the micro market in anticipation of the International Airport. The micro market is witnessing extensive land banking by developers." In addition to the above, the government has invited bids for development of an International Convention Centre close to the airport.

Investment haven

Most of the projects in Devanahalli are still at planning and design level. Visible signs of activity could be expected by Q2–Q3 of 2009. "North Bangalore is the most attractive investment location because the percentage of appreciation is far greater than in other saturated areas of Bangalore. This is evidenced by the fact that maximum land transactions are happening in North Bangalore that provides a compelling opportunity for investors," says Kumar. Adds Gurbaxani, "Along the lines of East and South (Whitefield and Electronic City) in the past, North Bangalore promises to be the next suburban growth story in Bangalore. The proposed IT/ITES SEZs, Hardware Park, the Apparel SEZ, Aerospace SEZ and Multi-product SEZ, coming up in North Bangalore, are likely to support the growth of the Devanahalli belt."

Several luxury hotels are expected to start operations from there in the next couple of years. Soon IT and companies operating in knowledge-based industries will find it convenient to operate out of facilities closer to the airport. These reasons make North Bangalore an attractive investment destination. "Not many of us realise that the border to Andhra Pradesh is no more than an hour from the international airport. What we will next see is the rapid development of a whole new industrial sprawl that will seek to take advantage of this proximity. The next big destination, therefore, will be Hindupur and its surrounds, which is across the border from Devanahalli," says Hariharan.

IT companies have also started looking at this area to set up large format complexes. This, in turn will lead to the leapfrogging of demand for residential housing. Currently, if BIAL starts functioning, there will be a huge deficit in terms of housing requirements, considering the levels of staffing, the new airport will require. "The area is in the early stages of development. Thus, apartment prices are still fairly competitive. Buyers, at this stage, can expect healthy appreciation on their investments, in the not too distant future. With the boom in demand for residential accommodation, prospects for rentals are also bright," says Hari Menon, VP, Marketing, Mantri Developers. Because of great demand and less supply right now, there is great investment opportunity. "However, title of land and sanctioning has become a major challenge. Further the sudden demand has also brought number of fly-by-night operators. Hence, investors must be extra cautious to ensure clear titles and project profile," cautions Syed Mohamed Beary, Chairman and Managing Director, Bearys Group.

Projects

QVC Realty will be coming up with 'QVC Hills', which is a residential community spread over 62.5 acres located at the foothills of Nandi Hills in North Bangalore. Biodiversity Conservation (India) Ltd has on offer the small but much-celebrated residential BCIL Collective. BCIL has laid its bets on this area, with two more ambitious eco-projects — both residential — which are on the anvil and will be launched later this year. Mantri Developers has upcoming projects in Hennur, Jakkur and Hebbal that are yet to be announced. Prestige Estate Projects Pvt Ltd has recently launched a premium development, 'Prestige Golf Shire' on the foothills of Nandi Hills. "Prestige will shortly be launching a villa development — Prestige Oasis with 182 independent homes spread on 33.5 acres of land," says Zaffar Sait, GM, Business Development, Prestige Estates Projects Pvt Ltd. They are also marketing an apartment complex, Prestige Wellington Park, and Prestige Kensington Gardens is under construction.

According to Ali Vakil, Director, Vakil Housing Development Corporation Pvt Ltd, "North Bangalore still has tremendous potential left, because the upcoming airport still lacks sufficient support infrastructure. In the next few years, this area will witness significant boom in terms of new structures, employment and support services." Chartered Housing has High End apartments coming up in Hebbal. "We also have plans of a villa project little beyond the Airport. Chartered is also looking at a SEZ between Yelahanka and the Airport. Besides, plans of a tourism related hospitality project are also on the radar," says A Balakrishna Hegde, President, KOAPA.

The MetroCorp Group, one of the early developers to invest in the potential of North Bangalore, has its flagship project MetroCorp Nirvana, set the trend for luxury residential townships. Riding on this overwhelming success, the MetroCorp Group, in partnership with Singapore's Jurong International Group, has a pipeline of projects in North Bangalore that cater to value-for-money, semi-luxury and luxury segments. "Our projects in North Bangalore include group housing apartments, row houses, luxury villas and a signature golf course that will redefine the urban space," adds an upbeat Kumar. So if you are looking for a piece of the real estate pie, head North!