

# Is N.B'lore poised for aerotropolis tag?

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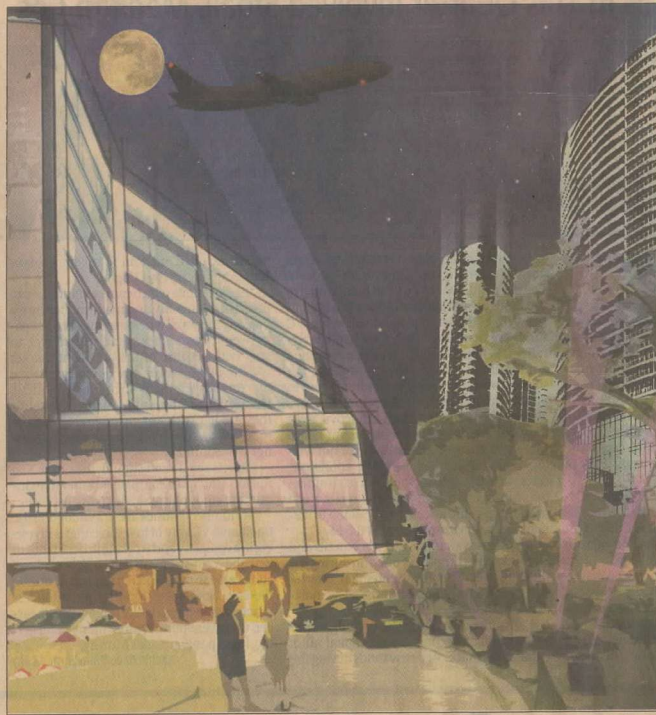
**S**WEEPING URBANISATION is enveloping fringes of cities and Bangalore's aerotropolis — the new urban phenomenon of airport cities — is becoming an addition to the mix. With the Bengaluru International Airport at the nucleus, the micro market has been propelled into an economic hub that promises to be home to international business and support development like commercial, residential, retail, hospitality and entertainment.

According to a KPMG report, Indian Airports Global Landing Ground, the airport model is undergoing a shift as new airports are being developed away from central hubs in cities. Aerotropolises are emerging because of the advantages airports provide in the fast-paced commercial and economic environment. They offer significant scope of development beyond the airport space and are a key consideration as players undertake airport development projects. Some of the global airports that have led to flourishing aerotropolises include Amsterdam Schiphol, Dallas/Fort Worth, Frankfurt Airport and Singapore's Changi.

"Bangalore is already reeling under the assault of growth — a greenfield airport city will act as a counter magnet to this. Presuming that land acquisition compensation has been fair, airport cities are a win-win for the public, government, and the private operator. They meet a new need of global connectivity and generate employment — both around the airport and along the corridor to Bangalore and potentially towards Doddaballapur," urban planner Swati Ramanathan said.

The BIA city, including the area around the airport which will be commercialised, has in itself given the airport operator an incentive to enter into a PPP agreement with the government to expand its scope of generating revenue from the high-end traffic that it will receive. According to the revised master plan 2015, north Bangalore has an area of 281.87 sq km. The international airport planning area includes the Devanahalli taluk, Doddaballapura taluk and the Bangalore north taluks of Hesarahhatta Hobli and Jala Hobli.

Even as most projects in the area are in various stages of development — paper proposals to near completion



— individual projections show promise of high investments. Real estate analysts say overall investments for this expanse could be anywhere between Rs 25,000 crore and Rs 50,000 crore within the next 5-10 years. Take, for instance, the expression of interest invited for the Rs 95-billion Devanahalli business park being handled by the Karnataka State Industrial Investment & Development Corporation (KSIDC) and advised by IL&FS Infrastructure Development Corporation. Though several projects in the area have been delayed, most will see activity pumping up by mid-2009.

A slew of infrastructure building blocks proposed by the state government are buoying the market for residential and commercial projects. Though connectivity to the city centre was tipped as an impediment to growth, the Rs 150-crore six-lane highway from Hebbal to Devanahalli has already linked the airport development to the bustling Bangalore city. A Rs 450-crore expressway between Hebbal and Yelahanka is also on the drawing board.

Estimates by property consultancy firm Cushman and Wakefield suggest that the capital values for mid-range apartments — with an approximate area of 1,750-2,500 sqft — across Hebbal, Bellary Road, Yelahanka and Doddaballapur Road vary between Rs 3,000 and Rs 4,000 per sq ft. Land prices on the Devanahalli main road (NH7) range from Rs 2.5-8 crore per acre upto Devanahalli town and Devanahalli town up to Nandi Hills lie between Rs 75 lakh-Rs 2 crore per acre. While areas around Hebbal have witnessed an increase in land prices of 30-60% in the last 12 months, rates in Devanahalli have risen by 50%. Rising interest from corporates and demarcation of land parcels by the Bangalore International Airport Area Planning Authority (BIAAPA) have also contributed to the appreciation of land prices, say analysts from Cushman and Wakefield.

The master plan from BIAAPA has zoned specific areas for residential, commercial and industrial activities. Buoyed by the growing soft infrastructure in terms of international schools in the area, it will enable new

Bangalore to develop into a self-sustained urban node.

A positive fall-out is that the outskirts have become a gateway for retail developments by RMZ Corp, Divyasree, Rahejas, Hindujas and Concorde, Karley and Golden Gate Properties. Hebbal is slated to morph into a residential suburb with apartment projects such as Godrej Properties' Woodman Estate, Bearys Group's Lakeside Habitat, NCC Nagarjuna Meadows, Purva Venezia, Sobha Azalea, Althea, Moonstone and Renaissance Exotica.



**ACTION PACKED NORTH B'LORE IS EXPECTED TO BE REPLETE WITH TECHNOLOGY PARKS. SEVERAL HOTELS ARE ALSO EXPECTED TO COME UP**

Single family home projects namely Prestige Oasis and Century Winter Sun are also on the cards. Close on the heels is a residential cluster of plotted developments along Bellary road, namely Jade Garden, Swiss Town, Hollywood Town and the upcoming MetroCorp Villa development Nirvana. A bevy of high-end villas — Sobha Lifestyle and QVC Hills is also in the offing. From a sparsely settled landscape, people are buying real estate in new Bangalore to gain heavily on investments just as residential townships are sprouting up to accommodate most SEC categories.

North Bangalore is expected to be replete with technology parks. The recently proposed ones include Electronics Hardware Park, Apparel Industry Parks and SEZ, Aerospace SEZ and multi-product SEZs, among others. The airport city already boasts of a slew of upcoming hotels, such as Oberoi's hotels at Bangalore International Airport and Hebbal Lake, the Hyatt Residency, Taj Airport Hotel, Holiday Inn at Devanahalli and Marriott Resort at Prestige Golfshire. "The existing CBD is not scalable. Large corporates want to build multi-million square feet offices with world-class buildings today, which is not possible within the business district. This is why Hebbal will turn into the new CBD in the next five years," CEO and MD QVC Realty Prakash Gurbaxani said.

Even as extensions of suburbs gain importance to bring balance to urban growth, it is surely transforming the fabric of the cityscape.

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(With inputs from Peerzada Abrar)