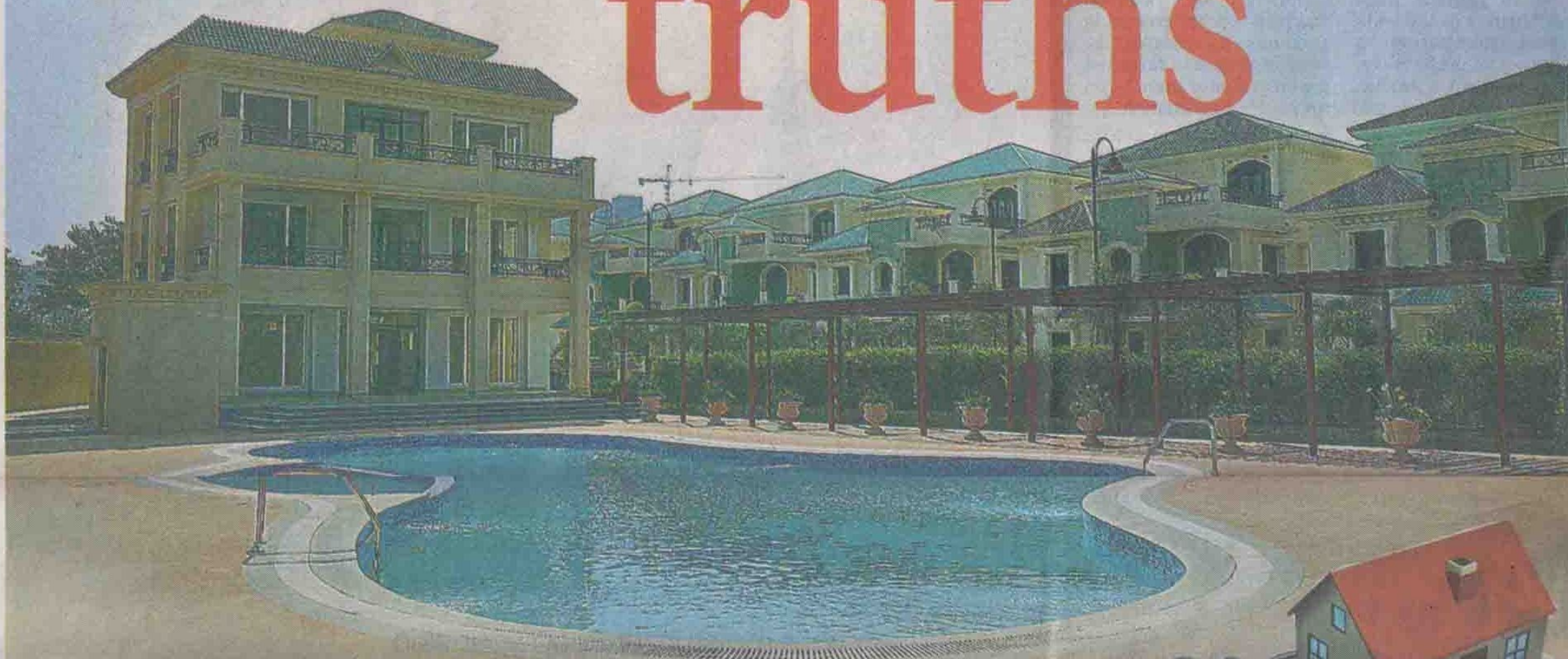


**REAL ESTATE IS THE PLACE TO INVEST.  
VALUES MAY NOT ZOOM LIKE WITH GOLD  
OR STOCKS, BUT THEY NEVER CRASH**

Future  
sense

# Home truths



**SANGEETHA CHENGAPPA**

DECCAN CHRONICLE

**D**espite rising interest rates and high inflation levels that resulted in dampening the home buyers' sentiment, realty is the place to be.

In the top three cities in the south — Chennai, Bengaluru, Hyderabad — apart from Mumbai, Kolkata, NCR, Pune and Ahmedabad, the housing market witnessed an overall increase of 11 per cent in number of units launched in the first half of 2013, compared to the same period last year.

Bengaluru, along with Mumbai and NCR, witnessed the highest number of new residential launches among the top eight cities.

Reeling under the pressures of delays in regulatory approvals, rising construction costs coupled with sluggish demand, property developers across cities focused on launching 2- and 3-BHK units mostly in the mid-end category. In order to boost sales and improve cash flows, developers have introduced flexible payment options to attract buyers instead of reducing cost per unit. As a result, the mid-end property segment registered an overall capital appreciation of 13-20 per cent over the previous year.

As per Cushman & Wakefield Research, urban housing demand is likely to scale up by an additional 12 million housing units till 2017. The Top 8 will contribute to 23 per cent of this demand, totalling nearly 2.8 million units.

Demand from the middle income group would constitute two-thirds of the total housing demand at 1.84 million units by 2017 across the Top 8 followed by the high income group contributing 24 per cent of the demand at 655,000 housing units and lower income group constituting 10 per cent.

"Real estate will always be a popular investment option with good

returns, as a result of demand continuing to outstrip supply and inflation levels remaining high," said Ravindra Pai, managing director, Century Real Estate.

"In some cities like Mumbai and NCR, real estate prices have shot up and are far higher than in Bengaluru, Pune and Chennai, which are more affordable. This is because unlike in Mumbai and NCR where speculative investors cause fluctuations in real estate prices depending on the macro-economic environment, in markets

Home buyers in their late 20s and early 30s invest in second homes in cities like Goa and Vizag

like Bengaluru, Chennai and Pune there is no room for speculative investors as they are end-user driven markets," he said.

"The Telangana situation in Hyderabad has made people adopt a watch-and-wait attitude, therefore, not many new residential projects have been announced as people wait for the situation to be resolved," Mr Pai said.

"Some of the emerging locations to invest in within these cities are Neerama and Bahadurgarh in NCR; Rajarhat and New Town in Kolkata; Peenya, Tumkur, North Bengaluru in Bengaluru; Sriperumbudur, Kelambakam in Chennai; Undri and Talegaon in Pune," said Brotin Banerjee, managing director, Tata Housing.

Over the next 5-7 years, real estate will continue to remain the most attractive investment opportunity in the office and retail segment as well as in the home segment, point-

ed out Sanjay Dutt, executive managing director, South Asia, Cushman & Wakefield.

"While Hyderabad is the most undervalued market because of the political situation, the day the situation gets resolved it will have the highest bounce-back in terms of value. If a home buyer in Hyderabad is willing to invest for the long term he will reap rich returns."

Along with the increasing popularity of smart homes that allow the home buyer to control and operate his home from his smartphone or tablet from wherever he is, and green homes that allow for ecologically sustainable lifestyles, there is a growing demand for an entirely new class of branded residences that buyers are clamouring for.

"Branded homes will continue to be in demand over the next few years as people are not interested in plain vanilla apartments. They would like to own homes that are associated with prominent fashion, retail or hospitality brands which would lend their homes the brands' key characteristics along with softer features," said Swaroop Anish, chief operating officer, Bhartiya City Developers Pvt Ltd.

"In established markets, future homes will be more lifestyle-oriented in the growing premium-to-luxury segment, appealing to nuclear families. They will have premier specifications in aesthetics, landscaping and quality of materials used and will be green," said Mr Dutt of Cushman & Wakefield.

Concurs Mr Banerjee of Tata Housing. "We have to cater to customers who are tech-savvy, well-travelled and are proud of their roots and culture. Over the next few years, you will see completely automated homes with independent swimming pools, private elevators that lead directly into the living room, with access to fine dining restaurants, clubhouse, spas and lounges," he said.



## WHAT'S IN STORE

### HERE'S A QUICK LOOK AT THE SHAPE OF HOMES TO COME

● **Themed luxury:** Globe-trotting Indians and NRIs are demanding homes to match their dreams. Balinese and Spanish style homes will jostle for attention with Disney, Formula 1, Golf and Armani homes. These cost 30% and the enhanced architectural features take a longer time to complete. But home buyers are willing to wait it out to indulge their fantasies.

● **Office-cum-Residences:** New York Loft style homes that are located on the same tower as the clubhouse within easy reach of the gym, music studios, pool, restaurant, library, business centre, spa and cafeteria are the new way to avoid the long commute to work. Designed for young achievers, loft apartments have three large bedrooms, with a bedroom on the lower level which can be converted into a workspace.

● **Ready-to-walk-in:** Apartments that offer ready-fitted kitchen solutions, and furniture solutions for every room with multiple products to choose from a catalogue. This takes away the tension of having to shop for furniture.

● **Studio apartments:** To suit single lifestyles of the young who are starting off in life, studio apartments are in great demand and will continue to stay in vogue until these young singles are ready to move out to bigger homes.

● **Green homes:** These are for those who insist on sustainable homes that address the issues of urban sprawl, social and environmental disconnect and dependency on automobiles. They offer rainwater harvesting, solar panels, restricted parking ratios and connections to commuter transit, wet waste and waste water recycling, organic vegetable gardens etc.