



THE TIMES OF INDIA

INCLUDES 6 PAGES OF BANGALORE TIMES AND 6 PAGES OF ASCENT

AMID SOURING TIES, OBAMA
PLANS TOTAL PULLOUT FROM
AFGHANISTAN BY NEXT YEAR **16**

175
YEARS

SKIPPERS CLARKE & COOK HAVE
THEIR TASKS CUT OUT AS ASHES
CAMPAIGN BEGINS TODAY **22**



Big IT park biggies gatecrash home sales

Anshul Dhamija &
Boby Kurian | TNN

NEW-HOME BOOM



- ▶ Bangalore's new-home market is worth Rs 27,000 crore
- ▶ Office builders Embassy and DivyaSree operate mainly in the above-Rs 1cr-price bracket
- ▶ Embassy notched up Rs 1,000cr and DivyaSree Rs 550cr
- ▶ Top 10 home builders lost 20% sales to the two office builders
- ▶ Prestige Estates (Rs 2,600 crore) and Sobha Developers (Rs 1,400 crore) are city's top home builders

From purely an IT driven residential market the demographics of the buyer in the city has changed with more people from the financial services and biotechnology driving demand.

Jackbastian Nazareth | CEO, PURAVANKARA PROJECTS

This is significant as both Embassy and DivyaSree entered the residential market in the last 20 months and operate primarily in the above Rs 1 crore-price bracket. Embassy, which has built over 20 million sqft commercial buildings, sold 340 units with

an average unit value of Rs 2.81 crore. DivyaSree, with a portfolio of more than 10 million sqft of office space, sold 540 units across four projects with an average unit price of Rs 1.04 crore.

"Commercial developers who have now started focus-

ing on the residential space are doing much more niche work attracting premium clients, whereas older residential players have become somewhat commoditized," said Aspac founder chairman Amit Bagaria.

Another leading office space developer RMZ Corp has jumped on the residential bandwagon with a slew of launches in the last couple of quarters.

Besides, with banks tightening their purse strings on lending to commercial projects developers have to look at other means to generate cash flows. "A lot of commercial developers are getting into residential in a bid to get cash flows, which are being ploughed back in to their commercial operations," said Ram Chandnani, deputy MD (South India), CBRE South Asia, a global real estate consultancy company.

Prestige Estates (Rs 2600 crore) and Sobha Developers (Rs 1400 crore) remained as the city's top residential builders in FY13. Both reported between 15-17% rise in sales indicating Banga-

lore's relatively robust market. "Bangalore remains the best market today in India," said J C Sharma, MD, Sobha Developers.

The strong sales on the home turf would see Prestige Estates, which reported overall sales revenue of Rs 3750 crore, rival DLF Ltd as the largest home builder in the ongoing fiscal. "The company has guided for Rs 4,300 crore in sales value for FY14, which implies 7.5-8 million sqft of sales volume, bring it on par with DLF and making it arguably one of the largest residential developers in India," said a recent Standard Chartered research report.

"From purely an IT driven residential market the demographics of the buyer in the city has changed with more people from the financial services and biotechnology driving demand," said Jackbastian Nazareth, CEO, Puravankara Projects. The southern builder sold 2,351 units and joined Prestige and Sobha to rake in more than Rs 1000 crore in new home sales. Growing new-home market

Bangalore: The city's marquee home builders are facing stiff competition from the big IT park developers. Embassy Group and DivyaSree Developers, better known for their office buildings, together garnered more than 5.5% share of the residential market last fiscal, intensifying top-tier competition in probably the only Indian metro to report double-digit growth in home sales.

Embassy notched up about Rs 1000 crore, and DivyaSree showed up with Rs 550 crore, in Bangalore's Rs 27,000 crore market for new homes, said real estate consulting firm Aspac. But these two privately held commercial developers took 20% sales away from the city's top ten home builders -- including listed firms like Prestige Estates, Sobha Developers, Puravankara Projects and Brigade Enterprises -- that control one-fourth of the new residential units annually.