

Bangalore South: Potential market for budget, mid-segment homes

Bengaluru south has some of the most well-developed and self-sufficient residential neighbourhoods. From Basavanagudi, Jayanagar, JP Nagar, Koramangala and Banashankari to the emerging locations around Hosur Road, Electronics City, Bommanahalli, Sarjapur Road and Kanakapura Road, homebuyers have a wide range to choose from. The mid-range and budget categories have taken off in most of the peripheral residential locations, owing to relatively lower land rates, availability of large land parcels and easy access through upgraded roads.

Favourable factors

Locations in Bengaluru south are well-connected to the city centre as well the IT hubs of Electronics City and Outer Ring Road (ORR) stretch between Marathahalli and Silk Board through the ORR, NICE Road, Hosur Road, Bannerghatta Road and Kanakapura Road. This year, the Bruhat Bengaluru Mahanagara Palike (BBMP) has plans to widen Sarjapura Road (ORR to Dommasandra) and Bannerghatta Road (J D Mara junction to NICE Road), making it easy for commuters.

Trivita Roy, AVP Research and Real Estate Intelligence Service, JLL India, explains, “Locations in south Bengaluru emerging as budget and mid-range residential markets are Begur, Kudlu Gate, Singasandra and Electronics City on Hosur Road; Arekere, Bilekahalli and JP Nagar on Bannerghatta Road; Kanakapura Road, Sarjapur Road; and Subramanyapura and Uttarahalli on NICE Road. The emergence of new locations as mid-segment residential markets is driven by development of the IT hub on the ORR stretch between Marathahalli and Silk Board, and at Electronics City, improving connectivity along this road due to Metro connectivity until Kanakapura Road which is under construction and availability of good social infrastructure such as hospitals, schools and malls.”

Pricing and affordability

According to research by JLL India, locations close to the ORR and on Bannerghatta Road, Kanakapura Road and Sarjapur Road are mostly catering to the middle to uppermiddle segments with prices ranging between Rs 4,500-8,000 per sqft. Locations along Hosur Road close to Electronics City and Begur Road are catering to affordable and mid segment housing with prices less than Rs 4,500 per sqft. Many reputed developers are developing middle to affordable housing options in south Bengaluru, with many already present in this micro-market.

Naveen Nandwani, Executive Director, Cushman and Wakefield, explains what price range can be termed 'affordable' and 'mid-range' for south Bengaluru. “The size, quality of development and amenities offered are usually the primary indicators to classify

developments into affordable or mid-segment category. In south Bengaluru, the affordable segment units are visible away from the city centre, especially near Electronics City in areas such as Attibele, Anekal, Jigani, and other localities south of NICE Road. Mid-segment options in the south are located primarily along Kanakapura Road, Bannerghatta Road, Jayanagar, JP Nagar, BTM Layout and other surrounding areas.“

Research by Cushman and Wakefield reveals that capital values for residential units in south Bengaluru range between Rs 2,900-3,500 per sqft for the affordable segment and between Rs 4,500-6,500 per sqft for mid-segment units. Units in the affordable segment are available in the configuration of one-bedroom and twobedroom with an approximate area of 500-750 sqft and 800-1,000 sqft respectively. In the mid-segment, apartment units are typically available in the twobedroom and three-bedroom configurations with the areas ranging between 1,200-2,000 sqft. The ticket price is Rs 25-45 lakhs and Rs 45-65 lakhs for the affordable segment and the mid-segment respectively.

Outlook

Trivita Roy says, “This location serves both types of homebuyers end-users and investors. The growth of office spaces along the ORR and Electronics City is expected to drive demand in south Bengaluru. Prices in these locations have appreciated by about 5-10 percent in the last one year and it is expected to improve further by another 5-10 percent by next year.“

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