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DEMAND FOR HIGH-END PROPERTIES ON THE RISE

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Premium residential housing is back in vogue with a tangible improvement in the real estate sector. To match the increasing demand, developers are launching new projects in this space, adding to their present portfolio.

"As the economy is growing and income levels are rising, there is a rise in demand for high quality and premium housing," J C Sharma, managing director of Sobha Developers, said.

Usually non-resident Indians (NRIs) and high net worth individuals (HNIs) are

the chief buyers of premium properties that range in prices from Rs 1 crore to Rs 3.5 crore depending on property specifics.

"While there seems to be more volatility in western economies, India has shown signs of stability and growth. So, rather than invest anywhere, NRIs and HNIs find it better to invest in premium housing here," Sharma said.

To tap this emerging demand, Sobha Developers is executing 'Sobha Lifestyle Project' in Bangalore with plans to launch similar projects in Coimbatore, he added.

"Profit margin in premium housing segment is higher than the mid segment housing proj-

ects and usually ranges from 25-35 per cent. So, rising demand in this space is a good sign of profitability," M Murali, managing director of Shriram Properties, said.

This segment, which was badly hit in the last 18 months, is witnessing an uptick in demand in the last three-four months, he added.

Shriram Properties, which has launched a premium housing project in Vizag, is planning two more projects in Bangalore and Chennai, Murali added.

According to global real estate consultancy Cushman and Wakefield, developers are planning to launch about 9,000 homes in the super luxury segment across major cities in In-

dia over next two to four years.

"In value terms, demand for premium housing has witnessed a growth of 10-15 per cent in the last three months and prices have increased on rising demand," Shweta Jain, director, residential, Cushman and Wakefield said.

She, however, said that uptick in demand was more in metros like Delhi and Mumbai than southern cities.

Referring to the present inventory levels, Jain said, "There is no major difference in demand-supply situation in premium segment. As during the recession, developers had stopped launching new projects due to low demand, inventory level is very less in this segment."