



Burgeoning growth corridors

With tier 2 and 3 cities accounting for a substantial proportion of the total land area transacted in India, developers are strategically venturing into newer markets and pockets of growth.



TOP STOREY
Kausar Firdausi

The burgeoning prominence of tier 2 and 3 cities as growth engines signals a paradigm shift in the India's current real estate landscape.

As urban dwellers increasingly prioritise spacious living and proximity to nature, realty developers are astutely recalibrating their strategies to cater to this evolving demand. The phenomenon is not merely geographical, it's a societal renaissance, with individuals seeking an enhanced quality of life beyond metropolitan confines. The strategic foray of developers into untapped markets and new pockets of growth reflects a visionary approach to meeting these shifting preferences. As the market recalibrates, there are newer destinations that are gaining prominence.

As per the recent JLL data, in the 22-month period from January 2022 – October 2023, around 3,294 acres of land were acquired by developers in the country. The data shows that 44.4% of

these land deals were transacted in tier 2 and 3 cities, with a total of 1,461 acres being acquired across 17 separate land deals. The data indicates that driven by the increasing demand and buying capacity of customers, branded developers have successfully closed many land transactions in these cities.

In the north, developers are venturing into cities like Panipat, Sonipat, Kurukshetra, Panchkula, Lucknow, Jaipur, and Ludhiana, and in the west, cities like Nagpur, Khalapur, Surat and Palghar have attracted national level players.

It is pertinent to note that 91.6% of the land acquired (1,339 acres) is for proposed residential developments, with a majority being planned as plotted residential developments/units. Developers are primarily focusing on low rise and plotted developments in these cities as the locals are accustomed to living in these types of formats. In fact, around 1,015 acres have been earmarked for plotted developments and valued at over ₹3,163 crore.

Samantak Das, chief economist and head of research and REIS, India, JLL says,

"Strategic land acquisitions by realty developers in tier 2 and 3 cities to enter new markets and leverage the rising demand for quality projects is on the rise. The launch of new residential projects is expected to strengthen further through new land acquisitions in strategic locations and growth corridors."

According to various market sources, prominent developers like DLF, Godrej, M3M, Eldeco and Omaxe have entered or expanded in these markets with recent land acquisitions. Encouraged by the unprecedented levels of residential sales in emerging cities, developers are also acquiring land to build relevant supply pipelines for the future.

Some developers are also planning to launch holiday homes as people in metros are looking for second homes in vacation destinations like Goa, Shimla, Rishikesh, etc. "Discerning buyers are drawn not only by the promise of a tranquil retreat in hotspots like Goa but also by the investment potential inherent in these vibrant markets. Simultaneously, the surge in luxury real estate in tier 2 and 3 cities

underscores the sophistication of evolving consumer aspirations. These cities are no longer mere satellites; they are vibrant epicentres of prosperity and culture," opines Aditya Kushwaha, CEO & director, Axis Ecorp.

As per Dr Niranjan Hiranandani, chairman, NAREDCO, several factors could contribute to the rise of these tier cities, including demographic shifts to emerging urban hubs with better connectivity, improved civic ecosystems, and industrialisation. "They serve as important economic hubs by attracting investments, creating jobs and attracting a workforce that will have a snowball effect on the economy," asserts Dr Hiranandani. Furthermore, he adds, illustrious educational campuses and improved healthcare facilities have

attracted career migrants along with institutional investment.

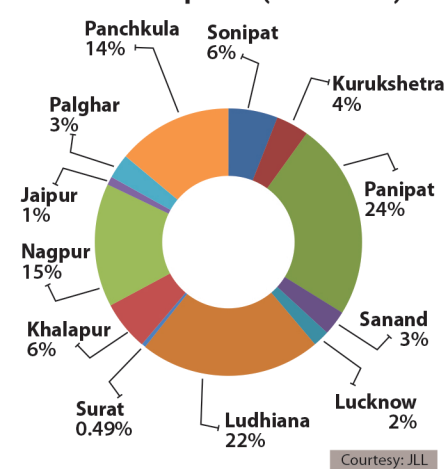
As per Anarock Research, Ahmedabad saw total new launches of approx. 34,600 units in first nine months of 2023 while nearly 29,910 units were sold in the same period. "What is interesting is that avg. residential prices have seen 27% jump in the city between 2019 and 2023 presently – from ₹3,010 per sq.ft. in 2019 to nearly ₹3,810 per sq.ft. as of September-end 2023," states Prashant Thakur, regional director & head – research, Anarock Group.

In these burgeoning tier 2 and 3 cities, developers are not merely building structures, they are laying the foundation for vibrant communities and economic vitality. "As they strategically allocate resources to tap into the latent potential of these markets, they are not just transacting land, they are catalysing transformations that resonate across both urban and rural landscapes," avers BK Malagi, COO, Experion Developers.

The interest in real estate sector is now not only restricted majorly to residential and commercial properties, but also to warehousing, data centres, malls, high street retail. "With e-commerce gaining momentum and with the expectation of same day delivery, the demand of warehouses has also increased in various smaller city centres," puts in Harsh Parikh, partner, Khaitan & Co.

Jatin Suratwala, MD and chairman, Suratwala Business Group too highlights that this decentralised growth pattern will contribute to a more balanced and sustainable real estate market, alleviating the pressure on overcrowded metropolitan areas.

City wise share of and acquired in last 22 month period (1461 acres)



IN SPOTLIGHT

Danube Properties launches two projects 'Sportz' and 'Eleganz'

Riding high on strong demand from residents and non-residents in Dubai and the region, Danube Properties, one of the fastest-growing private realty developers in the UAE, recently announced Sportz, a stylish 39-floor tower which will deliver 1,100 apartments in Dubai Sports City, while also unveiling their first ready-to-move-in project, Eleganz, which will deliver 259 stylish and elegant apartments and townhouses at the Jumeirah Village Circle.

With increased interest from Indians

living in the UAE and India, Danube Properties will continue to conduct roadshows and expos across key centres in India. Over the months, the realty major has witnessed over 30-40% of Indians investing in each project launched by the company and also opting for the revolutionary 1% per cent plan.

Rizwan Sajan, founder and chairman, Danube Group, said, "The twin launches reflect a strong commitment of Danube



Properties to the UAE economy, which is one of the fastest-growing economies in the region. With Eleganz, we tested the ready-to-move-in market segment while all other projects have been on the off-line market. This reflects our ability to build and deliver projects with our financial resources and makes Danube Properties one of the most sustainable developers in this part of the world."

With these two new projects, Danube Properties' project portfolio will stand at 14,888 units spread across 27 projects, with a combined development value exceeding Dh 15.47 billion so far. Apartments within Sportz and Eleganz will be smart and sustainable homes and will consume less energy. Danube Properties offers an instant initial sale contract on-site and also a 10-year Golden Visa – especially for those who qualify as per the investment criteria – subject to government approval.

Ganga Realty launches uber-luxury project in Gurugram

Gurugram-based developer Ganga Realty announced that it will invest more than 1000 crore to develop an uber-luxury residential project 'Nandaka 84' in Sector 84, Gurugram. The project is located at a 2-minute distance from Dwarka Expressway/Northern Peripheral Road and shares close and seamless connectivity with NH-48, Cloverleaf Flyover, the ambitious mixed-use Global City project, IGI Airport, and Delhi's premium hotspot Rajiv Chowk. The Ganga Realty Group has stated that the project will be completely self-funded.

The company will develop 3BHKs, 4BHKs and penthouses in this project, which will be spread across 8.33 acres. It has also tied up with London-based firm UHA as its architecture and sustainability partner.

The project will consist of four towers

and comprise a social club, a business club, and a sports club. The project will have boundless luxe amenities such as an infinity pool, community lounge, open-air dining, mini theatre, senior citizens' deck, yoga room, meditation room, children's gym, kids' mania, spa, salon, gaming zone, library, multi-purpose halls installed with natural air cleaners.

Vikas Garg, joint managing director, Ganga Realty, commented, "We have received a phenomenal response for our first luxury project in Gurugram. Because of several factors such as strategic connectivity, multiple access points, and an ever-growing appetite for uber-luxury residences, we are deeply grateful that our project has drawn unanimous praise from everybody."

Ganga Realty aims to complete the project in a single-phase development by 2028.



India's realty landscape is undergoing a striking transformation, poised for a significant surge in demand, especially in the realm of senior housing. Industry honchos speak...



ANKUR GUPTA,
JMD, Ashiana Housing, and
Co-Founder, Association of
Senior Living

"We're diving into the senior care industry. Our goal is to empower entrepreneurs to understand the world of seniors and uncover the vast potential for startups in this field. The Association of Senior Living (ASLI) currently takes care of over 2 lakh seniors turning senior care into an inspiring, innovative journey."



RAJIT MEHTA,
MD & CEO,
Antara Senior Care

"India's senior living industry holds immense potential. But we need to address some challenges like regulatory frameworks, societal perceptions, and infrastructure development to ensure a brighter future for our elders. Besides, ASLI is committed to making their golden years truly golden."



SACHIN BHANDARI,
Executive Director & CEO,
VTP Realty

"Senior housing has evolved as developers better understand the needs of senior residents. Its realty undergoes annual refinement, attention towards changing lifestyles, with more nuclear families and children living away for education or work. Developers are now building senior citizen homes which cater to various needs, including medical facilities and 24/7 support"



C J SINGH,
COO, Wave City

"India's real estate sector is undergoing a notable shift, driven by a surge in demand for senior housing. NRI investors are also looking for safe housing for their ageing parents and are pushing the demand for 'senior care' where their parents have every possible amenity at their fingertips. We expect this market to become more sizable, going ahead."

