

Realtors vying for land around metro corridor

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The state government's proposal to allow floor area ratio (FAR) up to 4, to properties within 500 meters of the entire metro corridor, that was approved in the month of April, has resulted in a windfall in demand for land around the proposed corridor, as buyers throng to buy properties close to these areas.

"Many of the projects are mainly closer to the second phase of metro stretch. The exact quanta of projects are difficult to estimate. Further, there are vast tracts of lands that are waiting to be developed. The rates have drastically increased in and around metro stations. With the inception of corridors as existing there has been an increase of 5-10 per cent," said Suresh Hari, secretary, Confederation of Real Estate Developers' Associations of India.

Experts in the area believe that if there is one thing that is going to change the way Bengalureans live, it is "The Namma Metro project". Upon completion, it is expected to ferry close to 2 million people on a daily basis and reduce congestion on the roads and reduce close to 100k vehicles.

Metro has revived the property markets in many ways. Not only has it impacted peripheral areas it has also benefited the real estate market in the city's centre, with people being able to commute with ease to various parts of the city. So developers are happy to pay 60 per cent of the guidance value (per sq ft per FAR), in the zone where the FAR has been enhanced, as the demand is high.

Bhaskar T Nagendrappa, joint managing director, Habitat Ventures, said, "With the east-west metro line operating end-to-end, people are now realising that living in suburban areas, close to the metro, will make commuting hassle-free. This has created a clear surge in demand in both residential and commercial real estate in areas connected by the metro. Due to this, a lot of builders are coming up with projects along the metro."

The impact of a real estate along the metro is direct and



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-CMD, Silverline Realty

powerful. Of course, retail or commercial areas benefit due to improved accessibility, but residential areas receive a dual demand driver – the metro generates jobs which result in increased demand for homes, and reduced commuting costs and convenience draw buyers to areas close to the metro.

Land prices are higher if a land parcel is located within walking distance. In the metro stretch, residential rentals have gone up by about 50 per cent and 40-50 per cent on commercial property. Areas that are currently at a distance will now get closer and see a price rise of 20 to 50 per cent in the capital values. Farook Mahmood, CMD, Silverline Realty, said, "Owning properties near metro stations, is good from the point of view of logistics."