

'Prices in Key Micro-Markets are Rising in NCR Region'

HAVING an portfolio of contemporary commercial, residential, IT park and retail developments, Gurgaon-based BPTP now claims to be setting new benchmarks in luxury housing with various projects across the NCR. Sanjeev Sinha caught up with Sandeep Bedi, director-systems & strategy, BPTP Ltd, for his views on the realty sector as well as the NCR market. Edited excerpts:

What is the growth and future outlook of real estate industry?

With rapid growth in urbanisation, a large section of population being in the working age group, high savings rate and increasing purchasing power of the consumers, the real estate industry is bound see strong growth in the coming years.

The market size is expected to touch \$180 billion by 2020 and the real estate sector will continue to provide best returns across all asset classes. As far as this year is concerned, the industry started off on a cautious note given the overall global and macro-economic scenario.

High interest rates also resulted in muted growth in the last 12 months. But currently, one can see capital values going up in the residential segment due to increase in input costs. In Mumbai and Delhi, the residential rates are topping peak levels, but the demand is still high. A slew of new projects across high income and luxury

categories have been launched in the NCR in the last few months, reflecting continued demand.

I don't see prices falling in the near future in Mumbai and Delhi. And with the service sector experiencing strong growth, a slow-down in commercial real estate is also unlikely.

The property market might be in a bad shape for some time now, but prices are still increasing, especially in metro cities. Localities in Delhi-NCR have seen prices appreciate by double digit percentages over the last two years. What is your view on this?

The sector is, though, going through a challenging phase, but developers with a long-term vision will overcome these challenges. I think the prices in key micro-markets of NCR are increasing due to multiple factors. Rising land costs due to scarcity of land around the existing social infrastructure is one major reason.

Further, buyers are becoming more discerning and want homes loaded with features, which is in turn driving up the cost of construction. The NCR is witnessing an increase in demand for luxury homes and villas. Locations like the NPR (Dwarka Expressway) & SPR (Southern Peripheral Road) in Gurgaon, Gurgaon-Faridabad Expressway and Noida-Greater Noida Expressway have seen many new project launches in the high-end segment.

Do you think luxury housing segment should make a comeback?

Driven by lifestyle aspirations and matching earning capacities, salaried as well as business class are opting for luxury housing in a big way. The Indian luxury market is growing by 20 percent every year, powered by the 1.5 lakh strong HNI population which is also growing at a fast rate. Almost 40 percent of the investments made by HNIs in India are in real estate. For Delhi-NCR this figure is more than 50 percent. NCR and Mumbai markets have received luxury branded residences extremely well and we believe in line with the international trend, this segment will see significant growth.

How important is NCR for you?

We are an NCR-focused develop-



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SANDEEP BEDI

Director-Systems & Strategy, BPTP Ltd

er. It is by far the most important market for us and our plan is to further strengthen our position in this market. Faridabad continues to be our biggest micro-market with over 1800 acres of licensed land parcel under development. We also have a significant presence in Gurgaon with our two townships, Astaire Gardens and Amstoria, in the upcoming SPR and NPR areas besides the several group housing and commercial projects in the area.

