



Luxury realty market sizzles despite price surge

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PRICES aren't holding back anyone who wants to own an upmarket condominium. In Mumbai, where space is perhaps the costliest anywhere in the world, luxury apartments worth ₹10,000 crore have been sold in the ten months to October. That's across nearly 500 units costing an average of ₹20 crore, data from PropEquity shows.

A luxury residence could cost as much as ₹100 crore in Mumbai and more posh locations in New Delhi but the bulk of the transactions, real estate watchers say, are in the range of ₹20-25 crore.

The tab could be slightly smaller in Bengaluru, Hyderabad, Pune, Chennai or Kolkata where a luxury home can be bought

for even ₹5 crore though really nice places can set you back by ₹15 crore.

The action in the luxury space hasn't been restricted to Mumbai. In the NCR, for instance, 368 apart-

ments costing between ₹4-40 crore were sold between January and October while in Bengaluru 302 of the 311 units launched were sold.

Relatively young buyers, aspiring for a luxurious lifestyle, are

lured by properties built by local developers often in collaboration with marquee international names like American real estate baron Donald J Trump and designer Jade Jagger. Around 340

new units in the luxury segment with an average cost of ₹20 crore were launched in Mumbai between January-September 2014.

Avnish Bajaj, managing director of venture fund Matrix Part-

ners, recently bought an apartment overlooking the Arabian Sea in Four Seasons' upcoming private residence project in the upscale neighbourhood of Worli, in South Mumbai. The apartments here are priced upwards of ₹30 crore and cost as much as ₹100 crore for a 7,000 sq ft duplex apartment

"What started off as being a good investment opportunity will now be my home," says 43-year-old Bajaj, who made his fortune by selling his portal Bazeed.com for about ₹250 crore in 2004. Bajaj likes the fact that it's a class of ferret that one doesn't get in a large scale project.

The growing interest in luxury spaces is visible from the recent interest in the Lodha Group's 'World One' and 'World Crest' properties in central Mumbai.

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Prime property



| City | Units launched* (Jan-Oct 2014) | Units sold** (Jan-Oct 2014) | Average price (₹ cr) | Total sales value (₹ cr) |
|--------------|--------------------------------|-----------------------------|----------------------|--------------------------|
| MMR | 340 | 497 | 20 | 9,940 |
| NCR | 439 | 368 | 15 | 5,520 |
| Bengaluru | 311 | 302 | 15 | 4,530 |
| Chennai | 35 | 111 | 9 | 999 |
| Hyderabad | 51 | 85 | 5 | 425 |
| Pune | 472 | 262 | 20 | 5,240 |
| TOTAL | | | | 26,654 |

All the data points discussed in the above table refer to primary market only. Above residential data is representative of organised real estate developers only. Verticals considered — apartments, independent floors, villas. *Units launched are new units launched between January-October 2014 ** Units sold also include sales from the carried forward inventory of previous years. Source: PropEquity



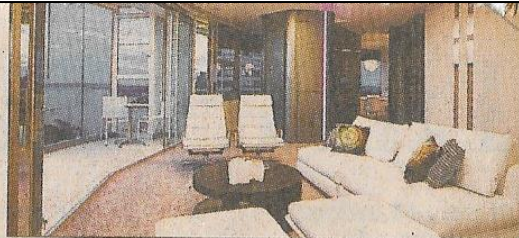
mercial vehicles.

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The developer was able to notch up sales of Rs 500 crore by selling 30 units in the first two weeks after bookings re-opened in November and is now roping in Jade Jagger for a project in the western suburb of Goregaon. The Trump Organisation has also partnered with Lodha in Mumbai.

The sale of ubèr-luxury residences could continue to be driven by the \$12 billion e-commerce and mobile phone industry which is churning out many millionaires. Indeed, buying luxury apartments is no longer the sole domain of people with "old money", says Mudassir Zaidi, national director, Knight Frank India. "Apart from promoters who have made money in IT, financial services and pharmaceuticals, CEO-level professionals and even lawyers are the new buyers of luxury real estate," Zaidi points out.

Ajjay Agarwal, CMD of handset maker, Maxx Mobile, is one such promoter, who aspires to own a luxury home some day; his



firm is tipped to clock a turnover of Rs 600 crore by March 2015 Rs1,500 crore by end of 2017. "Like any promoter who has achieved a certain business target, the next step is to invest in high-end real estate and luxury cars," Agarwal says.

Meanwhile, established business persons continue to be in the market for luxury homes. Shiv Nadar chairman of tech-giant HCL is understood to have bought a bungalow for Rs 115 crore in South Delhi. Nimesh Kampani, chairman of financial services firm JM Financial is said to have bought an apartment in upcoming Signature Island in Bandra Kurla Complex, where ticket sizes range from Rs 35 crore to Rs 60 crore.

Adarsh Jatia, managing director of Provenance Land, who is spearheading the joint venture with Four Seasons for private residences says demand for privacy and greater space in houses is important to buyers of luxury residences.