

## COMMUNE LIVING

With scarcity of land, big developers are promoting integrated townships on the outskirts of metropolitan cities

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**W**HERE there is a will, there is a way. Ask property developers. With land becoming scarce at key locations in metropolitan cities, promoters are eyeing big projects on their outskirts to develop integrated townships. Away from the humdrum, the scale of operations, conveniences offered, availability of infrastructure, levels of customisation, security, proximity to offices and a host of related factors, are positioning these townships at a vantage point. Many also see them as potential investments with assured returns, when the time comes.

Says Sanjay Chugh, head-residential services (Chennai) JLL India: "As land within the metros becomes scarce and expensive, residential developers with the financial wherewithal to launch townships, scout for large land parcels in the suburban areas of a city where the cost of land is much cheaper than in the cities' interiors. Once such land is identified, a developer will get an architect and urban planning experts to design an integrated township to be built on it."

Sample some recent trends:

\*\*\*In Chennai, such integrated townships are located in OMR and surrounding areas in the southern part of the city. They are also coming up at Anna Nagar in the west and Perambur in north Chennai. Their success has attracted top developers like Embassy, Hiranandani, DLF, Prestige, Godrej, Tata Housing, Olympia, Puravankara, Ozone and others. These projects are being developed in phases, catering to homebuyers' preferences in terms of sizes and specifications.

\*\*\* In Hyderabad, such settlements are focused on the APJA junction, Gachibowli, Hitec City and areas with a concentration of IT and other offices. With the western part of the city nearly saturated, the focus has shifted elsewhere. Now, Kompally and Shamirpet in north Hyderabad and Pocharam in east Hyderabad are on the developers' radars.

\*\*\* Likewise, Bangalore. Bhartiya City Developers from the diversified lifestyle Bhartiya Group is developing an integrated township project, Bhartiya City, constructed in about 125 acres near Hebbal. With residential, commercial, IT SEZ, hotels/convention and retail districts, it is envisioned as the largest development of its kind.

It would not be incorrect to state that places that have traditionally been hubs of independent housing are converting to the township concept. Chennai, traditionally a city whose denizens have preferred independent housing, welcomed apartment living a few decades ago followed by gated communities and now integrated townships.

Typically, an integrated township project could comprise of residential plots, row houses and villas as well as low-rise and high-rise apartments. However, it does not end with developing residential spaces. To attract homebuyers to invest and live in these projects, related physical and social infrastructure are also required.

The physical infrastructure in such places is developed partly by the



developer and partly by the government or the civic body concerned. In such an arrangement, internal roads, lighting, open spaces, landscaping and related aspects are taken care of by the developers while the government provides externally connecting roads, water, electricity supply and sewerage connections. Social infrastructure like schools and colleges, hospitals, malls and other shopping areas, clubs and cineplexes are key motivators for a potential homebuyer. They may or may not be present at the beginning of the project, but would sooner than later, come up in the neighbourhood.

Proximity to office hubs is an important factor, which defines the success of such a township project. Most such schemes in Hyderabad and Pune, for instance, have IT office hubs in the vicinity. This cuts down on travel time. In some cases the projects have commercial space,

which promotes walk to work or paddle to work kind of living, which is increasingly, catching up.

Chennai attracts a sizable migrant population in sectors like IT/ITES from other metropolises. "The trend among those seeking rental accommodation in residential townships, as opposed to stand-alone residential buildings, is seeing a quantum leap. The main reasons for this can be attributed to additional safety, conveniences and lifestyle factors offered by large-scale community living," says JLL's Chugh.

SatyaVani Homes, which have announced a township project Annojiguda in the city's east on the Warangal highway, will cater largely to the workforce at Infosys, Genpact, Mindspace and other organisations.

To provide luster to the lifestyle, developers also include recreational areas like clubhouse, gymnasiums, swimming pool, game rooms and

utility areas like convenience stores, ATMs, laundry, party halls and coffee shops – you name it.

Says Chugh: "Developers who wish to see their projects succeed must ensure that they get these variables right, both in terms of the location of their projects and in providing shopping, healthcare, schools and high-grade office buildings, which will attract companies."

Ram Raheja, director, S Raheja Realty, concurs. "The concept of townships has gained tremendous popularity of late. They offer convenient transport facilities, easy access to schools, gymnasiums, parks, healthcare and recreational and sporting facilities, hotels and shopping malls, all under one roof, so to speak."

He also points out that the price of apartments in townships is relatively lower, located as they are on the

outskirts of cities and towns. However, the cost varies with location and amenities on offer. The resale value depends on the success of the township and in any such successful venture there should be at least 30 per cent increment from the initial rate of the project to the final rate.

After the success of Raheja Prime, an affordable housing project in Palgarh, S Raheja Realty has plans to launch a mini township project in Palgarh.

JLL's Chugh points out to some inherent advantages of moving into a residential township. They include more housing choices in a large developed area, better infrastructure, professional asset management, cosmopolitan living environment and higher investment value for those who view their properties as performing assets.

From the owner's perspective, the asset is professionally managed and

maintained and therefore attracts better rental yield and capital appreciation. Though the capital values or price points of township projects would be marginally higher than in standalone residential projects, the amenities and lifestyle conveniences offered more than make up for the incremental cost.

Developers too are seeing these advantages. In Hyderabad, Ushodayam Homes, coming up on a 15-acre area, would have about 1,800 units. Other prominent developers like Lanco, Aparna, Cybercity, Shantha Sriram, SMR and Janapriya have township projects in various stages of development. **The Bhartiya group, in partnership with The Leela Palaces Hotels and Resorts, has devised limited edition apartments, Leela Residences, which will offer what the rich want: chef on call, concierge services, a travel desk, private wine coolers and a priority pass at airport lounges.**

For cities like Pune, integrated townships offer a solution to citizens aspiring for better living conditions. There are clutch of projects in the Pimpri Chinchwad Municipal Corporation (PCMC). Problems like air, water and noise pollution, traffic congestion, lack of adequate parking and environmental degradation have now become inescapable realities for Pune residents.

In September, Godrej Properties, the real estate development arm of the Godrej Group, announced the launch of its residential township project, Godrej Prana, at Undri in Pune. Spread across 31 acres, the first phase of the project would have a total saleable area of seven-lakh sq ft. It would have 1, 2 and 3BHK apartments, well backed by rainwater harvesting, solar panels and zero discharge that have been incorporated into the design of the township, the company informed the BSE in its filing.

Then there are incentives for developers to provide walk-to-work projects. In one instance, the Maharashtra government earlier this year has announced perks like higher floor space index (FSI) for builders and developers, setting up integrated information technology townships, which would revolve around this concept with residences permitted inside integrated townships.

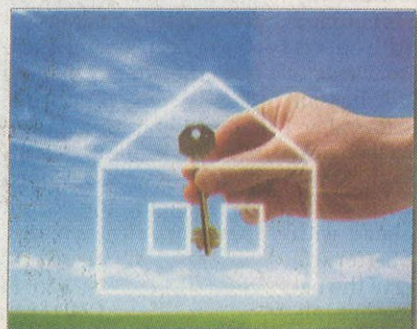
S Venkat Rama Reddy, chief operating officer, Lanco Hills, says their integrated township project is self-sustained and provides residents with educational infrastructure, health care, shopping and an office, which is walking distance. The residents have access to 'Club Zeus', which is amongst the biggest and the best in the country, equipped with an Olympic-sized swimming pool and an international spa, he claims.

"In the integrated township it is essential to build one's own infrastructure for drainage, power lines, internal roads and STP. This helps reduce dependence on state-provided infrastructure and ensures better maintenance and consistent quality of essential services," Reddy explains.

For good measure, Reddy adds that price appreciation is higher for integrated townships and has seen a 20-25 per cent appreciation over the previous year. Well, looks like it is a trend that is catching on then. ■

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