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Realtors move to metro peripheries for villa projects

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MumbaiWith signs of economic revival clearly becoming visible, real estate developers in metros are moving away from prime locations to the peripheries for developing villa projects in the form of row-houses, bungalows and villa-type apartments. According to industry experts, this is being done to meet the growing demand for such housing.

Sushil Dungarwal, founder, Beyond Squarefeet, told FE, "So far, villa projects spread across 7 to 8 million square feet have already been developed in peripheries of metros such as Mumbai, Bangalore, Chennai, Hyderabad and Delhi along with few cities in Punjab.

"By 2010-end, 40 million square feet of villa projects is expected to come up in the peripheries of these metros, which would entail an investment of Rs 16,000 crore. Of the 40 million square feet, 60% of the villa projects are under construction, 20% in the blueprint stage and 20% projects already sold."

In the last three years, demand for villas or single family homes have shot up due to creation of an affordable mid-category villas priced between Rs 40 lakh and Rs 50 lakh in the extreme suburbs of Mumbai like Panvel, Neral, Khopoli, among others.

North and South-based builders including DLF, Puravankara, Prestige Group, Brigade Group, Unitech have also been focusing on developing villa projects. Mahindra Lifespace Developers Ltd (MLDL) has launched Aqualily, a premium residential community with a blend of villas, twin homes and luxury apartments being developed within the Mahindra World City in Chennai.

There are builders who feel that demand for villas rise during a market boom as there is a lot of money available. Dilawar Nensey, joint managing director of Mumbai-based Royal Palms India, said, "Royal Palms has so far sold over 60 villas or bungalow plots ranging from Rs 89 lakh to Rs 5.5 crore."

According to Nensey, since buying a villa is a matter of taste and not a necessity, it is very cyclical in nature.

Mumbai-based Lodha Group has launched Lodha Bellezza, a villa style project in Hyderabad. Abhishek Lodha, director, Lodha Group, told FE, "With this project, we bring to Hyderabad California-style living." Mumbai-Pune real estate developer, Kumar Urban Development has launched Sky Villas project which will be developed near the Worli Sea Link. A 270-m high tower called Kumar Couture will have villas of 8,000 square feet carpet area each. A total of 24 villas are being accommodated in the project. Lalit Kumar Jain, its chairman and managing director said, "The height between each villa will be equivalent to four floors of normal structures. We are offering triplexes and duplexes."

3J Cherumkal Builders and Developers has launched its luxury villa project in Ooty, spread across four acres and the company proposes to build 37 luxury villas with two-bedroom and three bedroom villas costing between Rs 40-50 lakh.

Not only builders but some top international property consultants such as CB Richard Ellis have been approached by many developers based in Bangalore, Gurgaon, Noida, Coimbatore and Pune for consultancy on developing villa projects. CB Richard Ellis chairman and managing director Anshuman Magazine said, "We have advised many developers in these cities to develop villa projects after doing a feasibility study depending on the land cost, demand for the project, capital required. Developers consider villa houses as demand-led second home preferences for end-buyers."

Besides, allied service providers who offer interior designs, fittings, paints and Vastu, among others, have also seen a proportional growth of almost 50% in the last two quarters.