

# NORTH WHERE AFFORDABILITY MEETS CONVENIENCE



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Bearing testimony to Kolkata's rich cultural, social and architectural history, North Kolkata is a part of the city that emanates old world charm even while riding high on the waves of robust urbanisation. Dotted with heritage buildings that boast of architectural nostalgia from the bygone era, this stretch symbolises everything that takes us a little closer to our roots. However, times are a changing and slowly but steadily, the North is becoming one of the most sought after destinations for house-hunters for a number of reasons. With the perfect mix of smooth connectivity, attractive amenities and reasonably priced housing amidst tranquil surroundings, areas like Dum Dum, BT Road, Madhyamgram, Barasat, Sodepur, Kashipur, Bonhoogly, Hridaypur, Khardah, etc are now trending on the list of property hotspots.

## CONNECTIVITY IS THE KEY

With the Dum Dum metro close by and most of the avenues well connected by bus, auto and local train service, the northern extension's USP is its easy commutation. Needless to say, living experience in and around Dum Dum Cantonment and Jessore Road will improve as these places will soon be connected to the city's Metro network. This will automatically ease the burden off the roadway traffic, manage suburban rail crowd better and consequently, promote action for realty groups in the area.

Talking of the present scenario of the real estate market, Hemont K Sikaria, CMD, Mounthill Realty, feels that the imposition of RERA and GST has turned out to be extremely buyer-friendly, as a result of which many can fulfill their dream of getting their own space now. When asked about locations doing well in the North, he said, "Belgharia is an area which is seeing a lot of action. With facilities like club, gym, utility shops, banquet halls, swimming pool, indoor games, parks, within the housing complex itself, 2BHK and 3BHK flats with multiple balconies make for a tranquil living experience in the northern fringes of the city. Away from the hustle bustle of the city, such locations are a breather." According to Sikaria, properties in this zone of the city are coming up with interesting models that click instantly with the demands

The northern extension of the Kolkata has been the centre of home seekers' attention of late, thanks to super affordable housing options that come with an array of amenities

of buyers. For instance, a well-constructed central courtyard connected with a lobby adds more space to the property. Optimistic about ample opportunities for big housing projects taking shape in this part of the city, Sikaria also highlighted how most projects in the north are a boon for the middle income group.

## VALUE FOR OWNERSHIP

Majority of Kolkattans who seek to buy homes usually opt for 2 BHK and 3 BHK apartments, cashing in on which the northern extension of the city has come up with several affordable housing complexes. "Most residents of north Kolkata prefer to buy homes in the northern pockets, as it keeps them closer to their roots. Naturally, while looking for a home, factors like security and availability of amenities top their priority list," says Suhel Saraf, director, Sugam

Group. As mentioned earlier, the prime advantage for those looking for homes in this area is the wide availability of low-cost public transports. "With excellent metro connectivity and proximity to the airport acting as magnets for buyers, affordable pricing in the suburban areas of the north has led to a decent growth in recent times. Reputed realty groups investing in well planned projects in this zone is also boosting the market," Saraf signs off.

Is it just affordable housing that target buyers in this zone look for? Biswadeep Gupta, director (marketing), Eden Realty Group, shared his experience with trends in buyers' preferences. "There is tremendous market for affordable housing in the northern part encompassing BT Road, Bonhoogly and Khardah, but contrary

## REIT HERE, RIGHT NOW

REITs are expected to give the realty sector its much-needed boost. Jaxay Shah explains why

The real estate sector is currently riding on a wave of positive sentiment that is indicative of a positive turn around in the industry. Sales across 9 cities rose by 19 per cent in the March quarter, rebounding from a 20 per cent slump in the previous three months. The implementation of RERA is setting reformative rules regarding the functioning, financing and delivery of a variety of real estate projects.

### CAPITAL VALUE GROWTH

The 'Housing for All Mission' is expected to bring 1.3 billion people under the category of home owners. CLSA India Pvt Ltd, expects 60 million new homes to be built between 2018 and 2024, adding 75 basis points to India's GDP. This, paired with the rising incomes and a boost to affordability, will result in a higher purchasing power, thereby mobilising end-users to actively purchase property.

### FINANCIAL AFFLUENCE

While in the last five years, mortgage rates have dropped about 275 bps, prices have remained stable and the per capita incomes have posted a 10 per cent compounded annual growth rate. This, collectively, will boost the volume growth of new home construction by a compounded annual growth rate of 8 per cent over the next seven years, as opposed to zero over the last five years.

### BUY REAL ESTATE AND WAIT

For now, though the focus might be on commercial real estate, it is only logical that REITs will move on towards residential real estate as well. With the possibility of investing a sum as low as ₹ 2 lakh to secure units, REITs as a platform, opens up the sector to all kinds of investors to make safe and rewarding investments.

### UNPARALLELED INVESTMENT POTENTIAL

The trust will distribute 90 per cent of the income among its investors, at least twice a year. With guidelines dictating that minimum two projects be invested in with 80 per cent being revenue-generating and completed projects, this will create good diversification and mitigate risks. The remaining 20 per cent can be invested in under-construction projects, equity shares of the listed properties, mortgage-based securities, equity shares that derive a minimum of 75 per cent of the income from government securities, money market instruments, etc.

As a long-term investment, realty is the optimum option for most Indian investors who are traditionally bullish and turn towards bonds and FDs to secure long-term investment returns. REITs provide a suitable means for those who are keen to leverage on the growing market into a viable source of investment that requires lower capital and gives secure returns.

The author is president, GREDAL. The views expressed in this column belong to the author

to expectations, those made for higher income groups are also doing exceptionally well. Though the market for luxury homes is still at a nascent stage, the market is likely to pick up in times ahead."

Residents of the north usually have to travel to eastern or southern Kolkata for their share of entertainment or mall-hopping. To cater to the needs of the residents, there is also a strong requirement for organised retail outlets in the form of shopping malls, Gupta feels.

## ROOM FOR IMPROVEMENT

Says Shrayans Jain, vice chairman, Jain Group, "I am pretty bullish about robust developments in areas adjacent to BT Road, which is currently

complexes that come with a plethora of attractive amenities at affordable rates have the best market in this region. Given the end user-friendly conditions in the realty sector now, people are thinking of buying homes even at the age of 35-40. Families are looking for a secure environment where their aging parents can go for walks and children can play within the premises of the complex, thereby contributing to a hassle-free community living experience. With better infrastructure and traffic management, the scenario will only get better in the days to come."

From the perspective of realtors, this is clearly a great opportunity to conceptualise projects at locations that were previously unpenetrated, like Agarpara, Sodepur, Madhyamgram-

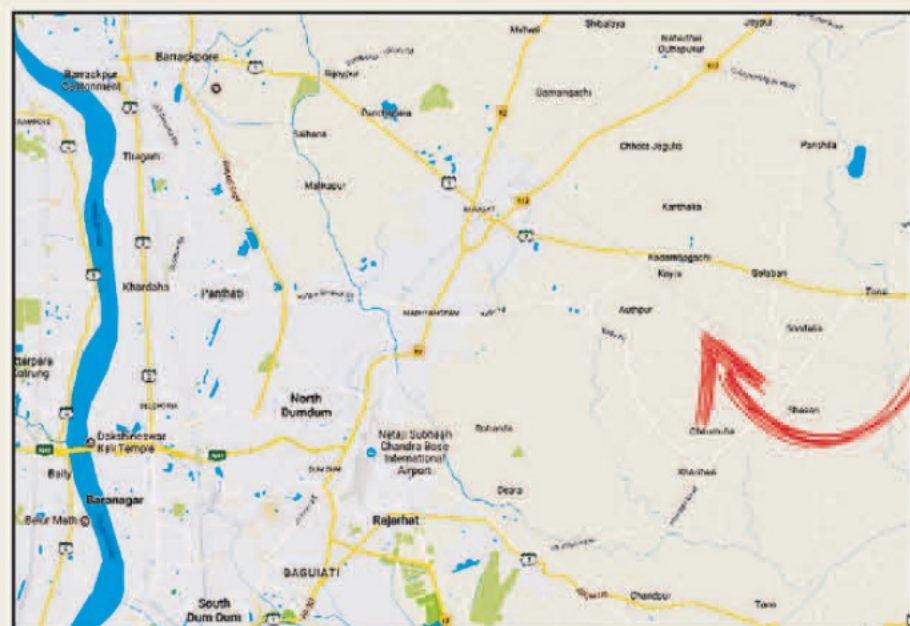
From the perspective of realtors, this is a good opportunity to materialise projects at peripheral locations that were previously not taken into consideration, like Agarpara, Sodepur, Madhyamgram, Srirampore, Uttarpara, Rishra, Konnagar, Belgharia, Khardah, etc. However, to cater to the recreational needs of the residents, there is a strong requirement for organised retail outlets in the form of shopping malls in this part of Kolkata. As per industry experts, the suburban extensions of the north are ideal channels of investment for those looking for low budget property ventures. With comparatively lower acquisition prices, investors can only expect excellent resale values few years down the line.

the hub of cosmopolitan living experience in the northern extension. Thanks to the upcoming Metro project, the demand for housing has shot up in volume in the northern extension better than its southern counterparts in recent times. Widening social infrastructure has given rise to plenty of housing options suitable for the MIG's pocket." However, Jain also feels that in order to enhance good living, certain pockets in the interiors of the north must work on their drainage system and other municipal facilities.

What is it that makes most people opt for community housings, a hot property of this part of the city? According to Prateek Sureka, director, Sureka Group, "Low-rise housing

gram, Serampore, Uttarpara, Rishra, Konnagar, BT Road, Baruipur, Sonarpur, etc. As per industry experts, the suburban extensions of the north are ideal channels of investment for those looking for low budget property ventures. With comparatively lower acquisition prices, investors can only expect excellent resale values in years down the line.

Giving tough competition to other peripheral locations all over Kolkata, North Kolkata seems to have evolved, slowly but steadily, into a happening centre of urbanisation. In days ahead, one can expect realty groups to take up the challenge of introducing a variety of housing options and thereby strengthen the realty landscape of the area.



### RESIDENTIAL PROPERTY RATES OF KOLKATA MULTISTOREY APARTMENT FOR APR-JUN 2017

AREA	PRICE RANGE (₹/Sq-ft)	AVERAGE PRICE (₹/Sq-ft)	Q-O-Q
Barasat-Madhyamgram	2,050-3,496	2,773	3%
Barrackpore	1,918-3,151	2,534	1%
Belgharia Expressway	2,968-4,499	3,733	2%
BT Road	3,164-4,687	3,926	0.1%
Dum Dum Metro	2,961-5,005	3,983	8%
Jessore Road	2,972-5,619	4,295	1%
Khardah	2,066-2,917	2,491	1%
Konnagar	1,977-2,841	2,409	1%
Paikpara	4,581-6,102	5,342	-
Shyamnagar	3,586-5,827	4,706	7%
Sinthi	2,782-4,813	3,797	7%

SOURCE: MAGICBRICKS.COM

### SALE PRICE TRENDS IN BARASAT-MADHYAMGRAM

