Commercial developmen drives residential boo

The real estate market is one of the fastest growing sectors im India. It successfully domestic as well as foreign investments. Many factors have contributed to this growth, mainly large middle class base, rising income and rapid irbanisation, says Kunal Premnarayen, Group CEO, ICS Group, adding retail is the most profitable investment in real estate, if the correct principles are implemented.

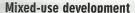
evelopment of residential, commercial and retail in the same vicinity is advantageous for the It helps them attain a her lifestyle as their travel me between work place and ome is reduced. It is definitely a oon in a country where travel ime is calculated in hours spent n road rather than kilometres. Having entertainment and retail onveniences close by is always referred. Some properties are also

ound investment vehicles, as a uccessful mall in the same eighbourhood makes the locaon more premium. There are sually other components such s health facilities and hospitals hat also develop nearby and ive the location more promience. A popular mall increases he traffic and crowd in a certain rea. The particular area ecomes well known and highly isited and hence the demand or residential in and around it

Consider the live example of a ell-known suburban mall in lumbai - Inorbit. A decade

back, when the shopping centre had opened, it was surrounded by waste land. The area around the mall had hardly developed and the property cost was around ₹2,800 per sq. ft. However, soon Inorbit gained recognition and became a weekend destination. The development of the hyper market, Hypercity, next to it added to the area's popularity. The mall soon became a commercial hub and premium residential complexes developed nearby. The property prices saw a meteoric rise of approximately 400 per cent while, presently, the cost per sq. ft in this area is around ₹14,000 to ₹15,000.

Another fitting example would be of Gurgaon. Located about 15 miles south of the national capital, the city barely existed two decades back. With the advent of malls like, DLF City Centre, Amby Mall, Metropolitan Mall etc., Gurgaon's fame grew. Within a few years residential as well as commercial developments were mushrooming in the area. Today, Gurgaon has emerged a preferred location for buyers looking for residential properties. The cost per square feet is around ₹12,000 simultaneously there is immense demand for new developments.



The above examples clearly show how mixed use developments have gained significance. Small contained townships that incorporate residential, retail, hospitality and commercial or office spaces in the same area is the new emerging concept. Mixed-use developments are built over a large area and in phases. They are coming up in metros as well as tier-II & III cities. This trend has proved to be profitable for developers.

A developer captures all the segments - residential, retail and commercial — in the same area. His risk is diversified and helps him get the maximum returns on his investment. The close proximity of residential and commercial helps develop the retail asset which manages to become a source of annuity later. With FDI in retail opening, this concept may get a further boost. More and more developers are considering mixed use projects instead of standalone

Companies, too, are keen to have their offices within these environments and hotels serv-

ing both business and leisure

travellers wish to be located in

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The Gateway Theatre of ping at Durban, South developed by Old Mutual erty, our partners for India such example. This mal been the driving force for new developments in the Originally a sugar came tion site, the launch of Gat in 2001 has led to the der ment of a new town cert both commercial and resid developments within the In conclusion, the sub real estate - residential mercial, retail and hospital are complementary and growth for each other.

As real estate markets the world continue to from the global financial in India, the sector has q become the second employer after Future projections silver sector will continue to rapid pace. With the nomic fundamenta graphic factors, this se As a critical sector and a contributor of countributor this is good news.



A panoramic view of development around Inorbit Mall in northwest Mumbai.

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