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Plotted projects see higher price growth than flats



Plotted development projects, which gained popularity after the pandemic, have witnessed higher price growth than residential projects.

In the last two years, plotted project prices have increased by at least 50-70% due to high demand and sales momentum, while apartments saw a 20-30% price rise.

While southern cities such as Bengaluru, Chennai and Coimbatore have typically seen more plotted project launches, developers are launching such projects in other metros and upcoming real estate locations.

In August, Godrej Properties Ltd said it had acquired nearly 90 acres in Khalapur, a town in Raigad district, Maharashtra, to do a residential plotted project. Before this, the Mumbai-based developer has launched plotted projects in Kurukshetra and Nagpur, which saw brisk sales.

Plots are usually sold as standalone properties or as part of a larger residential project. Given their price appreciation and lack of construction risk, they are good investment products.

“Demand is good across the country, but prices have gone up significantly in NCR (National Capital Region),” said Mayank Saxena, managing director and chief executive officer, land services, Anarock Group, a property advisory. “In Bengaluru, prices of plotted projects have nearly doubled in the last couple of years. Suburban Mumbai and Pune localities are also emerging as plotted project destinations.”

As a result, developers are looking to launch more plotted projects in the metros and beyond to tap into this demand.

Bengaluru-based Prestige Group’s average price realization of apartments, villas and commercial spaces was ₹11,934 per sq. ft in the April-June quarter, a 16% year-on-year rise.

Meanwhile, the developer's plotted projects saw an average realization of ₹7,285 per sq. ft, up 46% year-on-year.

Prestige's first plotted project was launched in 2021 in Bengaluru's Sarjapur Road. Prices have more than doubled since then. In June, it launched Prestige Kings County in suburban Jigani. Around 600 plots in the first phase were sold out. The second phase will be launched at a higher price.

"The market has been very receptive towards plotted projects by listed developers," said Praveer Shrivastava, senior vice-president, residential, Prestige Group. "We will launch four more plotted projects this year, totalling over 2,500 plots. We are exploring land parcels for such projects in Hyderabad and Chennai as well."

Another Bengaluru developer, Century Real Estate Holdings, which has an extensive land bank in the city's northern stretch, has also seen good price appreciation. Century Seasons, a lakeside plotted development pre-launched in 2021 at ₹2,800 per sq. ft, has risen to ₹5,500 per sq. ft. Century Trails, an adventure-themed plotted development, saw an appreciation of 45% since its launch in January.

"North Bengaluru has seen a lot of private and government investments," said Ravindra Pai, Century Real Estate Holdings' managing director. "This has fuelled demand for premium, themed-based plotted projects, for both end-use and investment purposes. Our plotted projects have seen organic price appreciation and have yielded high returns to the customers."

Developers typically build the infrastructure and amenities in plotted projects and sell the plots. Buyers or investors would hold them as plots or develop villas or individual homes there.

In the past four years, The House of Abhinandan Lodha (HoABL), primarily into plotted development, has acquired 850 acres across six locations. Of this, it has already delivered 150 acres.

In 2024-25, HoABL plans to expand into new regions such as Amritsar, Khopoli, Shimla, Varanasi and Vrindavan.

"On average, our projects have experienced 30% CAGR appreciation over three years, with certain locations like Ayodhya standing out due to recent events that have captured global attention," said HoABL chairman Abhinandan Lodha.

Will the momentum continue?

Just as the residential sector continues to see sales momentum, plotted projects have not shown any signs of weakening in prices or sales.

Anarock's Saksena said the plotted development market has changed over the years. It has evolved from just launching a project with land and basic infrastructure.

"Today, developers plan it as community living, with a clubhouse and premium amenities. Tier-II locations such as Indore and Sonapat are gaining importance because developers want to launch projects there. Large corporate developers are also looking at this space now," he said.

"...The continued price rise in plotted projects is a concern if a project is not in a location that has the potential to become a good residential address. So, if prices keep going up but the infrastructure of the area doesn't develop, people won't live there," said M. Murali, managing director, Shriram Properties, which develops plotted projects.