

# BANGALORE

Unlike Delhi NCR and Mumbai, Bangalore's real estate market stayed resilient to the jolt of demonetisation and other radical policy reforms that took place in 2017. Though sales and new launches witnessed a temporary slowdown, buyers continued enquiring for properties to crack the best deal at the time of a currency-ban induced hiatus. The investor-driven markets of North and West Bangalore suffered the most, however, property prices remained stable.

The subsequent implementation of the Real Estate (Regulation and Development) Act, 2016 (RERA) and Goods and Services Tax (GST) further left the market perplexed as stakeholders awaited clarity over the new reforms. New supply, too, suffered at the hands of RERA. Fence-sitters shifted focus toward the rental market which later received a blow incurred by rain-fed floods in September 2017.

Overall, 2017 remained an uneven year for Bangalore's realty landscape. A booming IT and BFSI industry, coupled with multiple infrastructure projects in the pipeline came to the city's rescue and prevented an impasse that its northern counterparts experienced.

With ready to move properties cornering a major share of residential demand in the city, steady sales are expected to drive the city closer to a full recovery in forthcoming quarters.

## GROWTH INDUCERS

- Bangalore witnessed the commencement of multiple connectivity projects including Kittur Rani Chennamma Circle flyover and Namma Metro's Green Line running between Nagasandra in North and Yelachenahalli in South.
- The infra-development spree in the city continued this year with Karnataka allocating Rs 4,410 crore towards improvement and growth of roads and railway corridors in the city. Two of the major proposed infrastructural overhauls include the six-laning of NH-275 connecting Bangalore and Mysore, and the suburban rail project. The latter has been assigned a separate corpus of Rs 345 crore.
- Namma metro was granted a development fund of Rs 3,650 crore. Fast-paced expansion of the metro is expected to trigger growth in areas adjoining the metro route.
- The government's intent to improve city's infrastructure was evident with the adoption of Public-Private Participation (PPP) model for the redevelopment of Yeshwanthpur and Bangalore Cantonment railway stations.
- The growth story of Bangalore is also linked to the development of a Smart City. After Whitefield failed

to qualify as one, the government proposed to develop the Central Business District (CBD) with an investment of Rs 1,792.35 crore.

## GROWTH IMPEDIMENTS

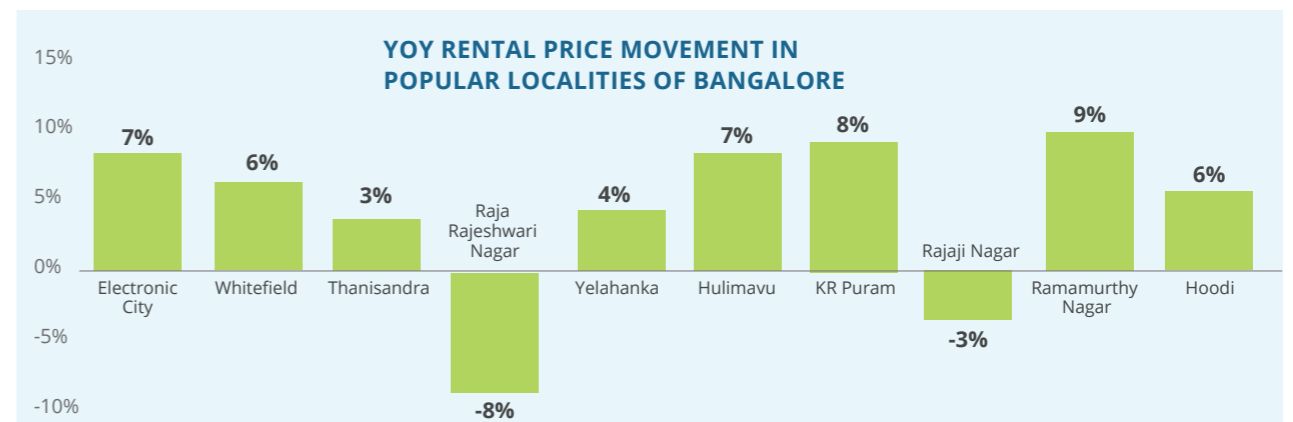
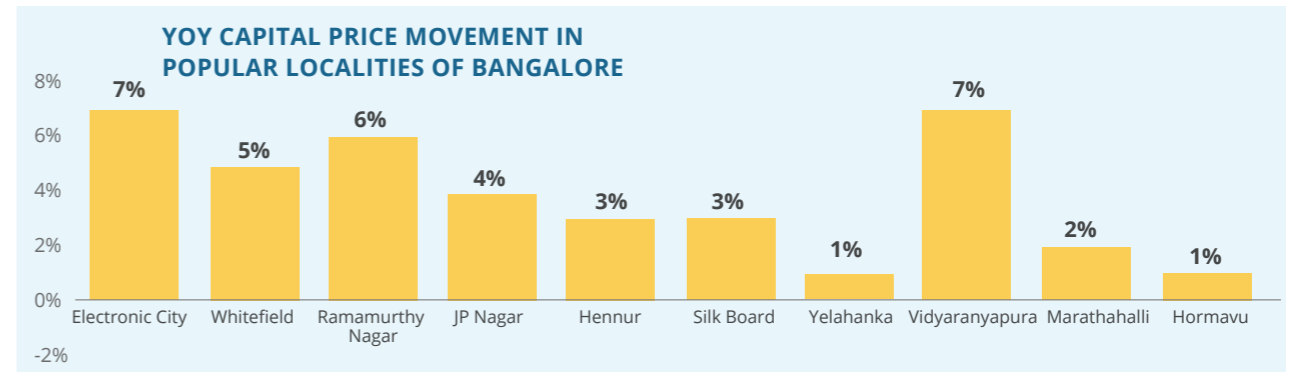
- The dilution of rules under Karnataka RERA, slow-paced project registration process and red-tapism marred buyer's confidence in the regulatory authority.
- An unsold inventory pile up of 1.2 lakh units may restrict price growth in the coming year. Addition of new launches may further worsen the scenario.
- The much-awaited Akrama Sakrama Scheme was halted by the Supreme Court. This adversely impacted owner community which has been longing to get their B-Khata properties regularised.
- National Green Tribunal (NGT) banned industrial and commercial activities near Bellandur Lake and subsequently, Varthur Lake, dampening buyer sentiment.
- Water paucity continued to tarnish the realty prospects of several locations such as HBR Layout, Lingarajpuram and Banaswadi in the city.

## MARKET INDICATORS

	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018*
Capital Values	↑	↑	↑	↑	↑
Rental Values**	↑	↑	↑	↑	↑
Residential Inventory	↓	↓	↑	↑	↑

\* Projected price movement and inventory status

\*\*Rental values depict annual change in average asks for respective quarters



## IN FOCUS

### KARNATAKA REAL ESTATE (REGULATION AND DEVELOPMENT) ACT

<p><b>Regulatory Authority</b></p> <p>Interim</p>	<p><b>Website</b></p> <p><a href="http://rera.karnataka.gov.in/">http://rera.karnataka.gov.in/</a></p>	<p><b>Registered Realtors</b></p> <p>617</p>	<p><b>Registered Projects</b></p> <p>1005</p>
<p><b>Project Applications Received</b></p> <p>1,764</p>	<p><b>Complaints Filed</b></p> <p>80</p>		

\*Data shows approximate registrations till December 27, 2017

\*\* Source: State's RERA website

# THE YEAR GONE BY...

## IN NEWS



# 99 acres

India's No.1 Property Portal

CONTACT US

0120 4879465 | Monday - Friday | 9:30 AM to 6:30 PM IST | Email: [content@99acres.com](mailto:content@99acres.com)