



Looking for a good bargain?

Bengaluru, Chennai, Hyderabad and Pune offer wonderful investment opportunities and high rental yields, says Mantri Developers Pvt Ltd

WHILE the Mumbai and Delhi real estate markets continue to be sluggish, thanks to high property prices, four major cities of India – Bengaluru, Chennai, Hyderabad and Pune – are faring well.

Sushil Mantri, Chairman and Managing Director, Mantri Developers Pvt Ltd, which has projects in all four cities, says the main reason for the buoyancy in these property markets is the affordability of apartments.

Bengaluru seems to be the brightest spot in the Indian real estate sector. “It has one of the largest office absorption in the world,” Mantri points out. “Thanks to companies setting up their office in Bengaluru, at least half a million new jobs are created every year.”

This in turn is fuelling demand for apartments and villas. “People from all over India and even NRIs from around the globe keep coming to Bengaluru,” says Mantri. “At least 500 families are relocating here every day. This has resulted in Bengaluru rental yields being the highest in the country.”

He expects demand for residential properties in Bengaluru to continue growing over the coming years. “We expect Rs5 million to Rs10 million would be the sweet spot for sale of apartments here.” Bengaluru is the lowest among all Indian metros and it is possible to get flats for rates ranging between Rs4,000 and Rs5,000 a square feet, within a radius of 15kilometres from the city centre.

Hyderabad is also emerging as a major real estate destination and apartments are available at rates between Rs3,500 and Rs4,000 per square feet,

says Mantri. Office space in Hyderabad is among the cheapest in India with rentals being as low as Rs35 to Rs40 per square feet a month. “There is political stability in Hyderabad today, and property prices are at their lowest levels. One can expect good appreciation over the next two to three years.”

Chennai and Pune, unlike Bengaluru, have two sectors to depend on – IT and automobiles – which fuel demand. Apartments in these two cities are available for an average of between Rs5,000 and Rs6,000 per square feet, notes Mantri.

According to the leading developer, NRIs from the Gulf, Singapore and US show pretty good interest in the domestic market. “NRIs account for about 20 to 25 per cent of our sales,” he points out. Mantri Developers has offices in both Dubai and Singapore. It is now planning to open one in the US. “NRIs don’t have much investment opportunities abroad, where interest rates are very low. So they prefer to invest in properties in India,” he says.

Snehal Mantri, Director, Marketing and HR, says that NRIs face some problems while investing in properties in India. The main concerns are the non-availability of documents with some builders and delays in possession. “They are unhappy at times with the services, especially with regard to facilities management and security,” she says.

Mantri Developers now provides 360-degree services to NRIs, taking care of their properties and investment and even acting as a wealth manager, by advising them to churn their properties. “Naturally, we have a lot of regular NRI customers,” she adds.



Sushil Mantri, Chairman and MD



Snehal Mantri, Director, Marketing and HR



Mantri Pinnacle

Pump in the silicon valley of India

Citrus Ventures’ bouquet of offerings in Bengaluru include apartments and villas starting from Rs10 million

UNLIKE other real estate markets in India, Bengaluru has depth and the industry is also very transparent. According to Vinod Menon, Director and CEO, Citrus Ventures, the city absorbs about 12 million square feet of office space on an average every year.

“This has been happening for the last six years as software and services companies continue expanding operations here,” says Menon. “Between 50,000 and 100,000 new jobs are generated by these companies, besides thousands more in ancillary and service sectors.”

Interestingly, Bengaluru is also one of the most aggressively priced property markets in India, he says. Unlike in Mumbai or even Chennai, one can get a modest two bedroom apartment for Rs5 million. Every year, about 55,000 apartments and 45,000 villas/plots are sold in the metro.

“We also have a fairly professional set of developers,” points out Menon. “Most developers have transparent dealings and provide all the necessary documents and approvals from various agencies to potential customers even before they sign the deal.”

According to him, a buyer in Dubai can download and check approvals acquired by Citrus Ventures from various government authorities including title deeds. “We prepare a dossier for every project, which is approved by top lawyers and even banks and housing finance companies.”

Buyers in Bengaluru are young and tech-savvy and expect these things from developers, he says. Menon says the city is popular both among resident Indians and NRIs for a variety of reasons.

It has an entrepreneurship culture, which spawns new businesses and companies all the time, generating new jobs. Thanks to the presence of a number of institutions of higher education, talented manpower is available all the time. Bengaluru is also a cosmopolitan city. And with properties being affordable, investors can also rent out flats and earn decent yields of three to four per cent, says Menon.

Citrus Ventures is a three-year-old company and has developed about one million square feet of real estate. It also has projects of about 4 million square feet. “The typical ticket size of our apartments is less than Rs10 million and the villas are priced between Rs12 million and Rs15 million,” adds Menon.



Vinod Menon, Director and CEO