

Super luxury housing segment makes a comeback

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The super luxury housing segment ranging between Rs 4 crore and Rs 30 crore, which had taken a backseat during the slowdown, is making a comeback. Over the last year, demand for super-luxury residential properties has risen by 30-40 %.

Seeing the spike in demand, a clutch of realty firms such as Lodha Developers, Orbit Corporation, and Skyline Constructions have readied plans to cash in on a rather specialised niche — the boutique homes category “Luxury boutique homes are selling a lot better today than volume luxury properties since there is scarcity in this segment,” says Anand Narayanan KB, national head (residential agency) Knight Frank India.

Such properties are constructed in limited numbers in high-profile locations that are in high demand among the super rich. Labelled as boutique homes, these exclusive projects have no more than 5-10 units in each. The units will have ultra-luxurious specifications such as personal swimming pools, gyms and lounge bars within individual homes. “These homes can be further customised to the individual buyer’s preferences,” said Avinash Prabhu, MD, Skyline Constructions.

Real estate developers such as DLF, Ansal API and Uppal are also developing high-end apartments across India. Delhi-based Ansal is looking to launch upscale properties in Lucknow later this year. “The prices will be in the range of Rs 5-10 crore for villas of 4,000-5,000 sq ft,” said a spokesman.

Bangalore-based Skyline Constructions plans to launch a project in Bangalore totalling six exclusive apartments this year. The apartment sizes will range between 6,000-10,000 sq ft and will be priced in the range of Rs 4-23 crore.

“The market for luxury and premium homes has remained more or less stable in the past. Buyers who deferred purchase are back in the market,” says Mr Prabhu. The firm plans to sell the products by invitation and is currently zeroing in on prospective buyers.

Luxury boutique homes are targeted at the HNI segment. This includes CEOs, senior professionals, entrepreneurs in new-age businesses and wealthy non-resident Indians who are looking for homes in India. “Since the revival of the market, the prices of luxury homes has gone up by 20%,” says Raminder Grover, CEO, Homebay Residential, Jones Lang LaSalle Meghraj, a real estate services firm.

A minimum profit margin of 50-60 % is also one of the reasons why developers are looking at this category. Mumbai-based premium luxury home-builder Orbit Corporation plans to build four projects totalling 40-50 exclusive apartments in Mumbai with an investment of Rs 200-250 crore each. “There is a shortage of such apartments in Mumbai,”

Mumbai-based Lodha Developers, which has four premium luxury projects under its belt, has sold 80% of the 100 units in South Mumbai. “Sales have definitely picked up as the economy is on an upswing,” says R Karthik, its senior vice-president of marketing.

However, analysts warn against further upward revision of pricing. “Pricing should remain stable and any further price correction will dent the demand,” said Mr Grover.