

Friday 22 January 2010

Bindu Gopal Rao

While the concept of integrated townships is being touted as the next big thing in the realty sector, there is the flip side, that of long gestation periods for these projects to take off, and reluctance on the part of people to move to an isolated location.

Imagine a day when you would be able to walk to work. Although this sounds like an unbelievable proposition on the face of it, integrated townships could hold the key to this solution. An integrated township is a large scale and self-sufficient space that houses apartment complexes, office space and is a hub of commercial activity including schools, hospital, shopping and entertainment centres. The RBI has recently decided to allow real estate companies to access ECBs till December 31, 2010 for integrated townships.

## The concept

Bangalore is seeing several projects in various stages of completion. Mist Valley by Concorde Group on Sarjapur Road, Lavisa Planet by Lakvinsar Group, (under BMRDA, Chikballapur Town Development Authority), DLF's two integrated townships on Hosur Road and Bannerghatta Road spread over 100 acres plus, Patel Realty's Neotown, in Electronic city phase-I spread over 120



acres and El Dorado Park by Alliance Group spread over 275 acres, located close to Electronic City that houses commercial campuses for leading IT and Biotech companies offers an 18-hole Executive Golf Course, a 5-star hotel, a mall with a four-screen multiplex and a large playground and parks.

## Walk-to-work concept

"Ceylinco Shriram will invest approximately Rs 120 crore for an integrated township on 100 acres of land along the Old Madras Road. Leading developers like Shobha and Adarsh Group too are holding large tracks of

land on the Outer Ring Road/Sarjapur for such developments. In principle, the concept of integrated township would be a community living platform where the concept of walk-to-work can be implemented, everything that the end-user needs is available in close proximity from their place of living," says Naresh Dandapat, Regional Head (South) – Knight Frank India. Hiranandani Upscale has launched 'The Villas' - a highly accessible yet serene and tranquil township.

Harinder Dhillon, VP, Marketing, Raheja Developers Limited adds, "You could call these townships cities within cities. Integrated township, as the name suggests, is a self-sustained township with many real estate developments including residential, commercial, retail and institutional, as well as industrial areas in some cases." The township is also being seen as a model for creating ecological spaces.

"BCIL's Zed-Earth is a fine example of such residential townships which will be home to 1,000 people who will not rely on energy or water or waste management on the outside world. Every design, service and feature is driven to bring the highest efficiency possible in home living while we don't depend on Bescom or BWSSB for power and water. Each of the homes also offers air quality which keeps homes warm in winter and cool in summer with rare technology that costs very little for the home owner," says Chandrashekar Hariharan - CEO BCIL (Biodiversity Conservation India limited).

Integrated townships are being seen as a place designed to create a lifestyle, in a sustainable — not just environmentally but also with respect to society as a whole. Samskruti Builders' project Samskruti Maurya is a 100-acre residential sustainable smart township near Electronic City. "We are smart because we are resource aware in terms of managing and mitigating, sustainable because we don't depend on water, waste, vegetables, electricity," says Venkat Chalasani, CEO, Samskruti Builders.

He adds, "We are integrated as we have not only considered various services but also considered diversity of people - from children to working class to retired community. When we did concept selling, more than 500 people signed up with us as they wanted living spaces away from traffic and pollution (as long as they can reach the work place within a reasonable amount of time)."

## Pros and cons

The state government had announced integrated townships with modern facilities at Bidadi, Ramanagaram, Sathanur, Solur and Nandagudi in 2005.

The plans were to develop the project on a public-private partnership with select developers who will be responsible for infrastructure development, construction, marketing, operations and maintenance of the proposed township.

While the concept is being touted as the next big thing for the realty industry, there are both pros and cons to be weighed. The advantages include affordable housing, choice of location, congestion-free roads, pollution-free atmosphere, amenities like club houses, joggers' track, emergency and necessary services like hospitals, schools, retail shops and the like.

"The outskirts provide ample opportunity for planned development as larger land parcels are available. On the flip side, the larger development scale has a longer gestation period in terms of its success as integrated development. People are initially reluctant to move to a new and isolated location and want to move to such a place only after the place gets populated. From the developer's perspective, there is a huge requirement of funds to develop infrastructure before he thinks of marketing the product to the buyers," says Pravin Malkani-President Patel Realty India.

The government needs to be a facilitator, providing support to prospective developers for creating external infrastructure (power, roads, water), relaxation of stamp duty and development charges, green channel/single window clearing procedures and monitoring mechanisms.

## Decongesting the city

The city is home to myriad IT companies that has fuelled demand for integrated townships. "There is a dire need for planned suburban development which should aim at sustainability. In the course of suburb development, infrastructure and commercial development precede residential development. Governments must aim at encouraging infrastructural and commercial developments in an identified suburb which would spur residential catchment development. This ensures that the suburb becomes self sufficient for all needs at short distances," says Surendra Hiranandani, Founder and Managing Director of Hiranandani Upscale. Most townships are positioned about 20 - 25 kilometres from the city due to availability of land on a larger scale and at a lower price.

"Developers who are undertaking projects at long distance (say 40-45 km away) from the city centre might have to struggle. Selling residential and office space so far away could be an issue but a larger scale would justify distance, but they would need to generate enough employment to be sustainable and/or solve the urban transportation problem having good connectivity to road, railways etc," says Dandapat.

Puniet Singh, CEO, Sherwoods Independent Property Consultants India Pvt. Ltd. adds, "the latest trend of moving to the outskirts in the vicinity of IT companies benefits individual and professionals to have their comfort nearby with office and home in the same areas. This will expand the horizon of modern living as well. Further the distance from the city allows its residents to stay away from traffic, pollution and congestion."

## Making a connection

The concept also contributes to a sense of place, community ownership and a strong point of difference from other urban development formats.

"There seems to be a good amount of demand for Integrated Township Development as long as there is a right mix of various elements as part of the development," opines Brotin Banerjee, CEO and MD, Tata Housing Development Company.

"With the elevated flyover on Hosur road slotted to open, people are more than happy to shift to the outskirts. We are sure that once there is planned development the project is bound to be a success," says Malkani. According to the draft of the Karnataka Housing and Habitat Policy 2009, the state government will promote setting up of satellite townships while providing connectivity and better means of communication with Bangalore and the emerging growth corridors to boost housing. If you dreamt of walking to work, that does not seem very far from being realised.