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AWARDS OF EXCELLENCE



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CITIES IN THE MAKING

With established metros reaching saturation point, Tier-II and Tier-III cities could hold the promise of a better quality of life. **CW PROPERTY TODAY** gives you a realty check.



With India actively working to recast its urban landscape, there is huge potential for transformation in the country's Tier-II and Tier-III cities. Last month, the Ministry of Urban Development announced a list of 98 cities and towns selected for the development of smart cities (view infographic on page 136-137). While four nominated cities – Chennai, Greater Hyderabad, Ahmedabad and Greater Mumbai – have a population of above 50 lakh, 94 cities are from the country's Tier-II and Tier-III bracket. Add to this the Central Government's 'Housing for All' initiative and the opportunity speaks for itself.

"We are limited only by our imaginations and the words we use," says **Tanushree Gulati, Principal Planner, Manifestation of Fluid Architecture (M:OFA)**. "The potential of these cities lies in not calling them Tier-II and Tier-III or as some lesser form of metros, but seeing the uniqueness of character and quality of life that they bring."

While the idea of these cities being attractive markets is not new and has been around for at least a decade if not more, from the investment point of view, **Pankaj Kapoor, Managing**

Director, Lias Foras, says, "As these cities have a small urban sprawl, the developer market is not actually available on a large

scale here." In his view, the developer market may originate and property may become costly only in select regions, which are denser – but this is limited. "Unless a city attains a 4-million population base with an urban sprawl radius beyond 10 km from the city centre, it is not prepared for a developer market," he adds.

The promising lot

Earlier, people changed cities depending on employment. Now, the trigger may become quality of life.

"Smart cities are a precursor," says Tanushree Gulati. "Technology and infrastructure need to remain layers. The soul is the unique character of the city itself." Along these lines, she lists Pondicherry, Manali, Benaras, Lucknow, Nalanda, Darjeeling, Bhopal, Vijayawada, Kochi, Goa, Pune, Nagpur, Baroda, Diu, Bhuj and Jodhpur as promising cities. To this, **Manish Gulati, Principal Architect, M:OFA**, adds, "It is a movement between metros to Tier-II and Tier-III and vice versa, because there is something these cities offer and the big cities might not. So, one chooses as per one's situation."

Kapoor's list comprises cities with a population of close to 1 million. In Tier II, he includes Bhopal, Jaipur, Indore and Nagpur.

QUICK BYTES

- Of the 98 cities selected for smart development, 94 cities are from the Tier-II and Tier-III bracket.
- Promising cities: Bhopal, Jaipur, Indore, Nagpur, Noida, Vadodara, Chandigarh, etc.
- Challenges: Single window, labour and land acquisition.
- Growth drivers in these pockets: Services and manufacturing sectors.



Tanushree Gulati,
M:OFA



Pankaj Kapoor,
LIASES FORAS



Manish Gulati,
M:OFA

Residential Real Estate Market Performance in Tier-II Cities

City	Sales (Units)	Value of Sales (Rs Cr)	Unsold Stock (units)	Months Inventory
	FY15	FY15	As on Mar-15	As on Mar-15
Vadodara	7779 (16%)	2644 (11%)	20687 (12%)	34
Surat	7086 (14%)	4338 (18%)	22604 (13%)	27
Bhopal	6485 (13%)	2595 (11%)	21791 (13%)	54
Jaipur	3645 (7%)	1964 (8%)	14963 (9%)	53
Lucknow	3409 (7%)	1554 (6%)	21144 (12%)	76
Chandigarh	3333 (7%)	2007 (8%)	14013 (8%)	67
Nashik	3023 (6%)	1384 (6%)	8385 (5%)	21
Indore	2589 (5%)	871 (4%)	8809 (5%)	50
Bhubaneswar	2362 (5%)	981 (4%)	4829 (3%)	24
Nagpur	1999 (4%)	1041 (4%)	10003 (6%)	56
Cochin	1955 (4%)	1425 (6%)	3887 (2%)	19
Mangalore	1377 (3%)	861 (4%)	3718 (2%)	17
Goa	1057 (2%)	1049 (4%)	1956 (1%)	47
Thiruvananthapuram	955 (2%)	678 (3%)	2496 (1%)	16
Patna	906 (2%)	376 (2%)	4858 (3%)	144
Coimbatore	895 (2%)	468 (2%)	2382 (1%)	22
Kanpur	554 (1%)	260 (1%)	3090 (2%)	58
Grand Total	49,409	24,496	169,615	38

Source: Liases Foras

A collective push from the government, industrial bodies and developments in terms of attracting investments could elevate Tier-II and Tier-III cities to the next level of growth.

In his opinion, Kochi, which had Middle East NRI support, hasn't really recovered after the global meltdown. In the NCR region, he lists Ghaziabad and Noida as two emerging destinations.



Jogy P Thomas,
ATS INFRASTRUCTURE

"Vadodara has been good and Chandigarh is showing potential to some extent," he says.

The developers have been eyeing their own list of opportunities. **Jogy P Thomas, CEO, ATS Infrastructure**, says, "Tricity Chandigarh has huge growth potential." He also points to NCR cities like Bhiwadi, Bawal and Neemrana and the Mumbai Industrial Development Corridor (MIDC)

as having the potential to develop as industrial townships.

Meanwhile, **Sahil Paranjape, Department Head-Purchase, Paranjape Schemes Construction**, says, "The government has planned metro and BRT, which is helping growth in Pune and Nashik." And **Sunil Jha, Director, Bengal Shristi Infrastructure Development Ltd**, says, "Guwahati and Asansol are two important cities for us."



Sahil Paranjape,
PARANJAPE SCHEMES
CONSTRUCTION