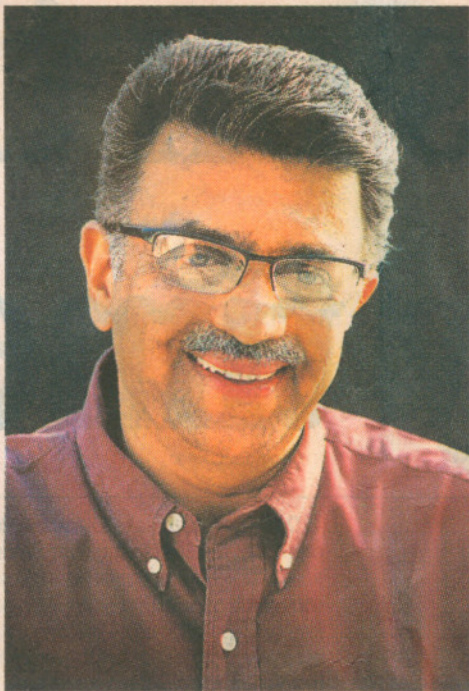


Special Residential Zones



The realty sector in the south has seen an interesting pattern since 2003. The year 2003-04 saw decent growth; between the year 2005-06 it was exceptional. In 2007, it started plateauing and the trend continued till 2008 especially in Bangalore. But the trend was reflected in Chennai and Kochi as well. Between 2003 and 2008, there has been an average appreciation of 20 to 22 percent in Bangalore.

In Kochi, as well as in Thrissur and Thiruvananthapuram, because the Kerala government is very proactive, there have been fast clearances compared to other south Indian cities. The huge NRI market has seen more locals

on a property buying spree.

Hyderabad too witnessed steady realty growth because all the State's chief ministers have been proactive and ensured better infrastructure.

By Diwali this year, the realty market all over will pick up and grow by 20 to 24 percent.

In future, there will be a remarkable pattern in residential living with advanced technology incorporated into living spaces. There will be a shortage of 23 million homes and the building community will have to cater to affordable housing for all. I foresee a trend towards the creation of SRZs or Special Residential Zones along the lines of SEZs. These SRZs will facilitate tax benefits for those who opt to develop land for affordable residential complexes. High-end apartments will continue to be popular with an increase in the population of high net worth individuals (HNI) and their expectations of luxury living on par with international standards.

Balakrishna Hegde, President - CREDAI, Karnataka