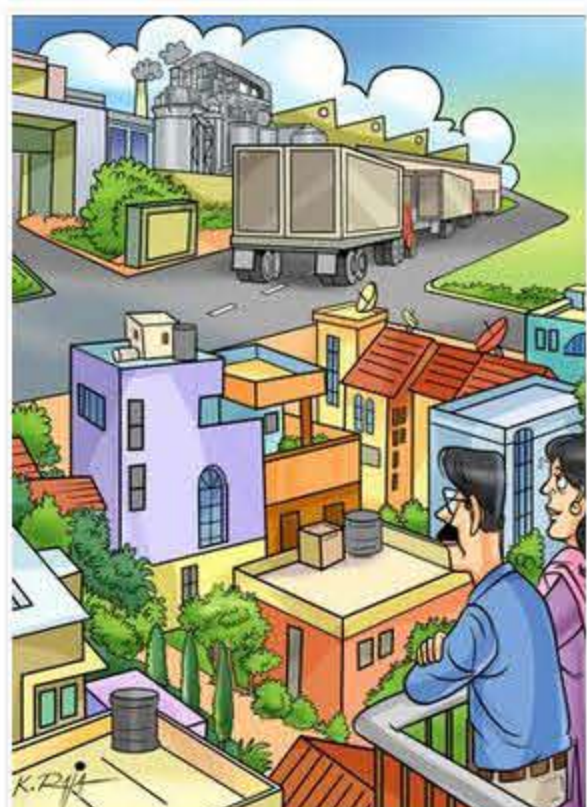


## Head West - sweet spot of home market

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Large tracts suitable for development and close to the city are opening up, as private developers and policy makers look to the suburbs to the west of Chennai. The industrial hub and commercial centre is driving the demand for housing. Unlike the southern suburbs, the West offers an option closer to City.

What South Chennai suburbs saw in real estate development a few years back, the western suburbs are witnessing now. Home buyers have an option to purchase closer-to-city property at relatively lower prices compared with the South, say industry watchers.

Developers are concentrating on suburbs beyond Mogappair and up to Ambattur or along the Poonamallee High Road up to Poonamallee itself. There are opportunities for buyers to invest in a property at rates lower than that prevailing on the Old Mahabalipuram Road or the East Coast Road to the South of the city, say builders and real estate analysts.

The Tamil Nadu Government has also announced plans to set up a 311-acre satellite township at Thirumazhisai, a suburb close to Poonamallee, about 25 km to the west of Chennai to provide affordable housing.

The project, estimated to cost around Rs 2,160 crore, will be built on land belonging to the Tamil Nadu Housing Board once the approach road is laid. The township will cover the areas of Chembarambakkam, Kuthambakkam, Parvatharajapuram, Narasingapuram and Vellavedu villages. The township with 12,000 apartments will have the required physical and social infrastructure and amenities. The units will be affordable to a wide segment including the economically weaker sections, lower and middle income groups.

In the suburbs to the West, the development is over a wide area unlike the South where it is along the stretches of the Old Mahabalipuram Road or the East Coast Road. So there are more projects coming up closer to the city to the West than in the South where people have to “go long.”

The market to the West is driven diverse industrial development, particularly manufacturing units unlike the IT sector dependent South. The perception is that this area is on a lower pricing scale, which is good news for those planning to buy a property close to the city. Also, the social infrastructure to the west is yet to catch up whether in healthcare, education or leisure and entertainment facilities. But this is fast changing.

Hirco, Arun Excello, Inno Geo City, Godrej Properties on the Poonamallee High Road have all announced large township and mini township-sized projects. In addition there are a host of regional players offering projects. Now is the time to invest in the suburbs to the west of Chennai, it is bound to get pricier with the fast paced development, says Ganesh Vasudevan of IndiaProperty.com, a real estate portal. For example, Oragadam, an industrial suburb close to Sriperumbudur, has hit a “sweet spot” – just off the Bangalore-Chennai highway and well connected to the GST Road, this suburb has come into its own with major developers setting up large projects and doing well.

He says the peak is yet to come for the western suburbs of the city. Social infrastructure is yet to take off, there is a perception that it is not a destination for premium projects; infrastructure is yet to match what is available to the South of the city. But buyers need to wait just a couple of more years before things fall into place. Meanwhile, pricing is in the more affordable range as compared to the southern parts of the city, he points out.

Even areas closer to Chennai opened up only in recent years. The localities beyond Anna Nagar and Mogappair (up to Ambattur) offer good projects and are value for money, he says.

Prices range around Rs 3,500-4,500 a sq. ft at Mogappair but just beyond there are properties available for Rs 2,900 and Rs 3,300. These are areas that are in the vicinity of the fast developing Metro Rail project and are bound to appreciate.

Even better bargains are to be had at Ambattur – Rs 2,500-2,700, says Vasudevan.

The Chennai-Bangalore highway, specifically the portion between Chennai and Sriperumbudur, a centre of automobile industrial investment, and the link between this suburb and the GST road on which lies another major auto industrial hub, Oragadam, have become hotspots for development.

Pratish Devadoss, Managing Director, VGN Developers, points out that Ambattur is the largest urban local body, a Municipality in Asia. The area of development is huge and supply matches the demand. Road and rail connectivity is also supporting the development. From Ambattur or Avadi, over 25 km from prime areas in the city, people commute by rail in 30 minutes. “You cannot do that within the city, where it can take over an hour by road,” he said.

### ANNA NAGAR

These suburbs are a natural extension of the city catalysed by the earlier development of Anna Nagar. There is balanced and uniform growth of commercial – retail and office or work space, residential and social amenities. Take any of the bylanes or side roads, the localities will be well-developed. That cannot be said of the suburbs to the South where the development is along the main roads.

It is here that there is a well-developed multimodal transport. People use two wheelers to come to the suburban rail stations and commute to the city by train, he pointed. This makes the western suburbs the ideal destination for office goers.

There is adequate education and healthcare facilities, and they are improving. In Mogappair, for example, a property could be purchased for around Rs 3,000 a sq.ft in 2009. It has now doubled. But there are properties further down at more affordable prices, he says.

Rajnish Kumar, Regional Business Head, VBHC Chennai Value Homes, which is setting up a 3,000-apartment township project at Oragadam says, the company has sold 50 of the 148 apartments planned in the first phase.

Focussed on the affordable segment, VBHC offers two-bedroom apartments for about Rs 17.4 lakh each, about Rs 2,200 a sq.ft. The project was launched a couple of months back and is seeing strong enquiries driven by the local industrial development.

Oragadam has emerged a household name with leading developers such as Tata Housing, Hirco and Arun Excello launching township scale projects as the demand is expected to be driven by the proximity to the industrial development happening in the region.

Bharat Benz, Renault Nissan, Apollo Tyres are some of the automobile majors who have manufacturing facilities in the vicinity.

The road, a state highway that links Sriperumbudur, where Hyundai has a manufacturing facility, and the GST Road which is home to Ford and Mahindra World City. Buyers are not just the locally employed but also investors, says Kumar.

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