

Plot sales up amid pandemic

Developers are venturing into plot development due to high demand

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Branded plots, priced in the range of ₹30-75 lakh each, have found favour with buyers during the lockdown as they see it as an opportunity to buy land at bargain prices and developers use the route to monetize assets quickly.

Given the desire to own land in south India, several Bengaluru-based developers, including Sobha Ltd, Puravankara Ltd, Salarpuria Sattva Group, Shriram Properties Ltd and Century Real Estate Holdings Pvt Ltd, are either venturing into “plotted development” or looking to monetize more land parcels with only plots for sale.

The advantages are many—quick monetization of land, faster sales pace of plots than apartments, better cash flow generation, and quicker exits from investments.

To be sure, sale of plots is not new and has been traditionally marketed as ‘layout developments’ in cities such as Bengaluru.

But as larger, organized developers enter the space, they are being sold as ‘branded’ plots that offer amenities such as clubhouses, gyms, swimming pools, landscaped gardens just like gated communities.

Bijay Agarwal, managing director of Salarpuria Group, said post-covid, plots are seeing good traction. Salarpuria, which entered plotted development recently, has multiple projects lined up across price points, from ₹40 lakh up to ₹1.5 crore, depending on plot size.

It will launch two plotted projects this month, one each in Bengaluru and Mandya and two more in the coming months.

Typically, developers either use existing land banks for plot



For buyers, affordability is a driving factor, and they can build more spacious homes at a later stage. ALAMY

sales, buy the land parcel or strike a development management pact with the landowner.

In June, Shriram Properties, which entered plotted development last year, struck a strategic partnership with SLV Infra Projects, which does plotted development in Bengaluru. Through this, they will launch multiple projects, the first project being a 97-acre land parcel off Magadi Road.

“Demand has been good, and we are planning six projects in Chennai and Bengaluru this year,” said M. Murali, chairman and managing director, Shriram Properties.

While home-buying sentiment has been tepid, mid-income housing priced

under ₹60-70 lakh, along with plots, has seen relatively good demand.

Ashish R. Puravankara, managing director, Puravankara Ltd, said the launch of its first ‘plotted development’ project Provident Woodfield is a step to address the growing demand for this segment.

Puravankara virtually unveiled the project in Electronic City, Bengaluru, in June and said nearly 70% of inventory was sold in a day. The plots are priced in the range of around ₹21-77 lakh.

A GOOD PLOT

HOME buying mood has been tepid, but mid-income housing priced under ₹60-70 lakh, is in demand

EASY monetization of land, faster sales than apartments and better cash flows are the benefits of plots