

## Namma Metro: Bengaluru's real estate influencer



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### ***Bengaluru's real estate is a market driven mainly by end-user.***

With supportive government policies that enhance business friendly environment, the start-up culture and IT sectors have boosted the real estate business in the city. Further, residential market has also witnessed growth due to heightened commercial activities, improved infrastructure coupled with increased job opportunities.

According to a recent industry study, there has been 6-10% higher appreciation in land value along the metro corridors post 2017 and 28% increase in residential projects along the metro corridors. Most of the areas which are well connected will see high demand for properties as they provide an easy, safe and cost effective standard of living to residents. Connectivity also reduces the travel time between destinations inturn impacting the real estate sector.

### **Metro in Bangalore**

Namma Metro is the second largest metro system in India. It offers quick transport and transit between certain pockets of the city, bypassing traffic jams and bottle-necked routes. The Metro has registered record-breaking stats of commuters with an average daily ridership of 4,00,000 passengers.

The Bengaluru Metro has been a major boon in the following ways-

- Limiting pollution and control of green-house gases emissions, owing to zero fuel emission.
- Improved connectivity leading to reduced travel time.
- Decrease in road accidents
- Decrease in traffic congestion
- It's cost efficient and pocket friendly.

The Metro will also go on to play an active role as a socio-economic project, providing scope for recreation, commerce and socializing for people of all age groups in their stations. The Rangoli Metro Arts Centre and Café Coffee Day on MG Road Metro Station, is a fine example of the above.

### **Impact on real estate**

It is estimated that land value and rentals of residential projects within a 500 m proximity to the Metro line will appreciate by at least 20%. This will only see a steep increase on completion of the other phases

of metro. Furthermore, the proposed Metro line to Kempegowda International Airport, will be a real game changer.

In the not so distant future, a lot of people will travel 40-50 kms every day, from one end of the city to another on account of work- if it gets him/her there in an hour or less. It will lead to a change in perception that a home need not necessarily be located close to work. If infrastructure changes, it will result in the emergence of new residential pockets. Considering the buyers' sentiment towards the affordable and mid-market, developers community would strategise to offer budget-friendly flats across the upcoming metro corridors to allure more home buyers and this will help boost overall housing sales, in the ensuing years.

The completion of the metro project will upgrade the connectivity level across the city, linking different regions. This will improve absorption of residential units in Bangalore in the ensuing quarters. Ready-to-move-in units would be highly preferred. However, demand for under-construction properties could be escalated in the areas situated along the metro corridors.

While the real estate business has been eased through connectivity like building flyovers, public transport system and cab services, one of the primary drivers for an upward market sentiment is the metro rail connectivity. The introduction of mass transport systems like suburban rails and metros will provide cheaper and faster commuting options, which will enhance demand for housing in the peripheral areas. This will encourage middle-income families to look for affordable housing in peripheral areas.

### **Conclusion**

In summary, it is safe to say that today, people from different demographic segments (students, working professionals, small nuclear families, large joint families) won't mind migrating to a premium home in a suburb or corner of Bengaluru, which is a departure from need to live in the heart of the city. This is all thanks to the sheer connectivity to the rest of the city, through the ever popular Namma Metro and other allied convenient transportation systems, which are in close proximity to their home.