



CORNER SPACE

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Top 5 Smart Cities ripe for real estate investment

Smart Cities are the new buzzword on the urban landscape and are expected to be a catalyst in transforming the way we live. They are essentially an integration of information technology, urban planning, smart infrastructure and operations in an environment geared to maximize the quality of life for a city's population.

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American real estate mogul Donald Trump has his eyes on commercial real estate in Delhi and the National Capital Region (NCR) after investing in super luxury residential projects in Mumbai and Pune. They will soon announce a "brand tie-up" with private equity fund and developer IREO in Gurgaon.



5 strategies to consider when expanding to a new location

As a business grows, expansion to new locations is organic and vital to the health of any enterprise. However, the decision to extend the scope of your business must be a result of thoughtful consideration of various factors, including the financial, logistical and managerial readiness.

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A Propstack report claims that India's commercial real estate - both purchases and leasing - has upped to 5.8 million square feet during Q1 of 2016, a rise of 8% from a year ago.

Known for their stellar designs of marquee hotels like the Four Seasons in Toronto and the W in New York, international design firm Yabu Pushelberg plans to make India one of its top three markets in five years.

Retail brand Zara to cough up a whopping INR 2.5 crore for a 50,000 sq ft space at the Fort area in south Mumbai. The four-storey building is the largest high street retail space to be taken up by an international brand.

About Citadel Propcon Pvt. Ltd.

Citadel Propcon, with over a decade of experience and a pan-India presence, is a leader in real estate services. With our passion for property and creative solutions and an exuberant team, we put our best forward to exceed client expectations. We integrate the resources of real estate specialists for our clients ranging from major corporates to individual private investors, to accelerate their business goals.

Top 5 Smart Cities ripe for real estate investment

Smart Cities are the new buzzword on the urban landscape and are expected to be a catalyst in transforming the way we live. They are essentially an integration of information technology, urban planning, smart infrastructure and operations in an environment geared to maximize the quality of life for a city's population.

The government recently announced the first list of 20 Smart Cities that will give residents an efficient and reliable infrastructure, enhanced quality of life and economic opportunities. Here's our pick of 5 Smart Cities that stand out as great investment destinations considering the potential price appreciation. We have focused on the most promising localities in each city, their current prices and expected appreciation over a five-year horizon.

1. Bhubaneswar and Cuttack

With several institutes of higher education, including an IIT, the twin cities are setting the foundation to becoming hubs of research and technology startups in the eastern region, a clear alternative to the established IT center of Kolkata.

Promising localities:

Upcoming areas like Hanspal, Patrapada, Kanan Vihar, Uttara and established ones like Kharavela Nagar, Saheed Nagar and Nayapalli are expected to be real estate centers.

Price points and expected appreciation:

Property prices in the twin cities are in the range of INR 2,600 - INR 5,100 per sq ft and the expected rate of appreciation is around 3 - 5 percent.



2. Vishakapatnam

As the port city of Vishakapatnam gets ready to don the mantle of a 'smart city', real estate is set to be one of the direct beneficiaries of its planned development. The pharma and IT sectors in Vishakapatnam have been driving demand in and around the city. Experts claim that the turning point for realty in the city has been the state bifurcation, opening up fresh opportunities for the port city.



Promising localities:

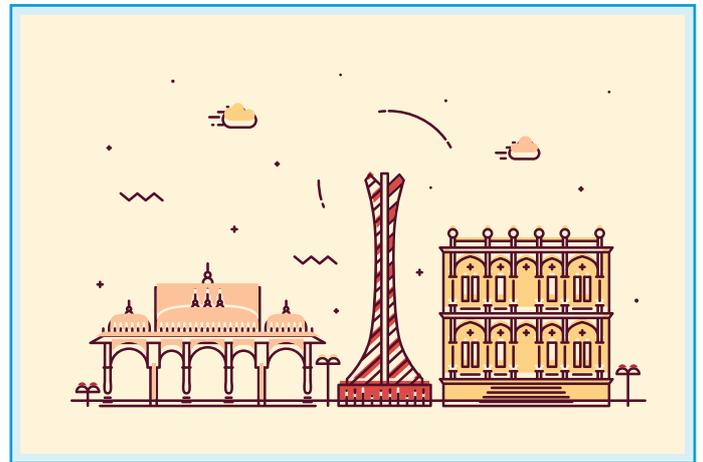
Madhurawada, located in the north-east of the city along NH-5, is an IT hub. Other promising areas include Seethamadhara, Packer Layout and Murli Nagar.

Price points and expected appreciation:

Property prices are in the range of INR 3,500 - INR 6,500 per sq ft and the expected rate of appreciation is around 5 - 7 percent.

3. Pune

With its salubrious climate, local talent and presence of educational institutes, Pune has emerged as a prominent IT and automobile hub. The city has come a long way from just being a 'Pensioners' Paradise' and has grown to one of the best performing real estate markets in the country. Upcoming infrastructure such as the Metro rail, BRTS and a new international airport are expected to further propel the city's growth.

**Promising localities:**

While established areas such as Kalyani Nagar and Koregon Park command high prices, upcoming localities such as Kharadi, Hinjewadi and Wakad offer budget options.

Price points and expected appreciation:

Property prices are in the range of INR 5,000 - INR 16,000 per sq ft and the expected rate of appreciation is around 8 - 14 percent.

4. Ahmedabad

One of the country's largest business and trading hubs, Ahmedabad has evolved into an attractive real estate market. A rise in employment opportunities has attracted talent to the city turning the market here from investor-driven to end user-driven. Infrastructure projects such as GIFT City, Outer Ring Road and the upcoming Metro rail is expected to further boost the city's real estate prospects.



Promising localities:

Upcoming areas such as Vastral, Bopal, Gota offer mid-segment buyers attractive options while upscale localities like Ambavadi and Navrangpura already command high prices.

Price points and expected appreciation:

Property prices are in the range of INR 2,300 - INR 5,800 per sq ft and the expected rate of appreciation is around 5 -10 percent.

5. Indore

IT companies are increasingly looking at investing in Indore as there are a large number of engineering colleges from where thousands of talented engineers graduate every year. Companies like Infosys and TCS have started the construction of their respective offices near the Super Corridor. Apart from that, the air and rail connectivity to the city has improved significantly.

**Promising localities:**

The locations that are in demand from a real estate perspective include Bypass Road, Super Corridor, Nipania and Khandwa Road.

Price points and expected appreciation:

Property prices are in the range of INR 1800 - INR 4,500 per sq ft and the expected rate of appreciation is around 4 - 8 percent.

Conclusion

In an ideal scenario, it is easier to build new cities rather than transform old ones into smart cities. However, in the Indian context, upgrading cities is also as imperative and it may take several years accomplishing it. These cities, with their upcoming infrastructure projects and other growth drivers, hold a distinct advantage and can be safe bets for real estate investments.



5 strategies to consider when expanding to a new location

As a business grows, expansion to new locations is organic and vital to the health of any enterprise. However, the decision to extend the scope of your business must be a result of thoughtful consideration of various factors, including the financial, logistical and managerial readiness. Read on to know more:

1. Formulate a development strategy

Have a development strategy which will help you measure your progress. It should set out your methods, costs, targets and a realistic schedule. With multiple offices to run, you should also be prepared to delegate responsibilities and be open to new ways of doing things.



2. Extend your management team

Employees you can trust are a must for new locations. You must identify the best people in your company and build a strong team for your second location. Even as you plan the expansion, the most efficient employees can be trained for this role.

3. Create standardized systems

While expanding, it's imperative to create standardized systems, processes and management controls across operations. These can range from marketing and sales plans to HR practices and financial controls.

4. Keep employees motivated

Motivated and efficient employees will help you achieve your business goals. Make use of technologies such as video conferencing to ensure seamless communication across different locations.

5. Create financial viability

Branching out to a new location can be heavy on the pocket, but don't rush to earn your investment back as soon as possible. Before you embark on an expansion, you must review economic and consumer trends, for indications on your company.

The journey of expanding your business into a high-profit venture with a larger market share has its share of risks. However, if this challenge is met with thoughtful planning and a patient outlook, the profits and rewards can be manifold.