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Bangalore Residential Market to Grow by 4-6% till FY15: Icra

MUMBAI Real estate market in Bangalore is expected to grow at 4-6% annually till FY15 amid demand from new migrants as well as investors and continued expansion plans of many large IT, engineering and manufacturing companies based in the city, says a report. "The city's residential demand is mainly led by growth and performance of the IT/ITeS sector," rating agency Icra said in a report. Bangalore is currently contributing to 33% of India's IT exports and home to over lakh IT/ITeS professionals, which accounts for about 55% of the total demand of the organised real estate market, it said. The total residential households in Bangalore has grown at a CAGR of 6% over the last 4 years ended FY12, with an average of 94,000 new household added every year, the report said. "With an estimated residential market size of 92 million square feet (msf) and value of Rs 27,600 crore in FY13, the sector forms around 5-6% of Karnataka's Gross State Domestic Product (GSDP)," it said. Icra said that there has been an increase in the residential projects under development over the last two years, which would result in increased supply in the market.