

What makes Bengaluru's developers best in country

Focus On Quality, Fin Discipline & Demanding Customers Have Put The City's Real Estate Biz In A Class Of Its Own

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Bengaluru: Ravi Menon, chairman of Bengaluru-based property developer Sobha, inspects every completed residential project of the company meticulously before it is handed over. He does it at dawn. It's an inconvenient time for many, but Menon believes he gets to understand how the apartment would look both in the night light and in daylight.

An average inspection of a residential tower takes about five hours. Menon starts from the common amenities such as corridors, staircases, basements, electrical rooms, clubhouse and swimming pools. Then he walks down from the terrace and inspects at least two random apartments on every floor.

"He looks at the finishing details, whether they are perfect, whether the doors are opening properly, tiles are placed at correct angles, and even whether the water pressure in the taps is right," Sobha managing director JC Sharma says.

This fastidiousness explains why Sobha has been No. 1 in independent property consultancy Track2Realty's annual rankings of India's developers. It has been No. 1 in the best practices survey since the rankings started two years ago. And it has held that position in the past four surveys on perceptions about builders' brands. The 2019 best practices rankings are based on ten criteria, including fiscal management, execution, consumer connect, desirable practices and functional professionalism. And Sobha has topped in six of them. The rankings, which study some 120 developers across multiple cities, also show there's something to where Sobha is headquartered. Five of the top 10 developers in both the best practices and brand surveys for the past several years, have been Bengaluru-based. The others are Embassy, Prestige, Puravankara and Brigade. Of the remaining, four are from Mumbai, and one from Delhi-NCR.

"This has a lot to do with the genesis of Bengaluru in terms of development and the buyers' profile," says Chintan Patel, deal advisory partner of real estate & hospitality at KPMG India. It is a city of professionals, he says, and builders have the right systems and processes to cater to such clients. "The city has also always been known as an end-user market, less prone to speculative investments, which has also made the builders more disciplined. Purchases are done from post-tax income and by

cheques," he says.

Builders have been conscious that they are catering to a highly evolved customer. Puravankara managing director Ashish Puravankara recalls an incident about a decade ago when he travelled to Dubai for a real estate conference and met an NRI who was looking to buy a property in Bengaluru. The person had assured him he would fly down to Bengaluru the next weekend to have a look at Puravankara's projects and if he liked them, would seal a deal. "The gentleman paid a visit and his child was excit-

go to the root cause and do a thorough analysis of the problem," Brigade vice president Girish Mithra says.

Brigade was the first developer in India, and perhaps still the only one, to launch a startup accelerator programme, one that was ranked in 2017 among the top 5 real estate accelerators in the world by Berlin-based Archipreneur, a digital publication that connects architecture with technology and creative entrepreneurship. The programme, which has seen 25 startups graduating from it and which the company itself

makes it unique. It includes among other things, checking to see painting has been done with uniform texture and doors are covered with low density polyethylene (LDPE) sheets. The final check is to ensure there are no hand marks on tiles.

Pankaj Kapoor, managing director of real estate rating firm Liases Foras, says Bengaluru developers have also benefited from their business model wherein they typically develop in partnership with landowners. In Delhi-NCR, developers have tended to buy large tracts of land. "In joint developments, builders have more flexibility and their margins tend to be higher," Kapoor says.

KPMG's Patel notes that Bengaluru builders have also been able to deliver projects largely on time, the most essential box to tick when connecting to the customer. Delhi-NCR, on the contrary, has seen huge delays. Bengaluru's performance is partly a reflection of builders' better ability to manage demand and supply, as also their finances.

"In NCR, large number of projects were stalled for more than five years as builders had no funds," says Patel. That is one of the reasons Track2Realty's list hardly features any NCR builder consistently apart from DLF and ATS Group.

Snehdeep Aggarwal, founder and chairman of Bhartiya Group, which is based in Delhi but whose first major real estate project is coming up in Bengaluru, says NCR builders are often constrained by regulations. "There are rules there that force a developer to build larger units in order to consume the entire FSI (floor space index). In Bengaluru, I could create a variety of apartment sizes to cater to the different requirements of families," he says.

But ultimately, it seems to be all about discipline, focus, and how promoters ensure that. "There is no second-generation real estate guy who is so involved in the business as Ravi Menon (of Sobha) and Pirojsha Godrej (of Godrej Properties). The difference is Pirojsha is more hands on in the operations and finances while Ravi is into the product," says an industry expert, who did not want to be named. Such levels of commitment, he says, is missing in realtors in most other locations, especially Delhi-NCR. "Those promoters hardly ever go to a site. And if a customer asks about delivery delay, the standard reply is, it is common to all."

Builder	Best practices	Brand recollection	City
	2019	2017-18	
Sobha	1	1	Bengaluru
Godrej Properties	2	3	Mumbai
Embassy	3	5	Bengaluru
Prestige Group	4	2	Bengaluru
Oberoi Realty	5	6	Mumbai
Puravankara	5	4	Bengaluru
Piramal Realty	7	Not in top 10	Mumbai
Brigade	8	9	Bengaluru
K Raheja Corp	9	8	Mumbai
DLF	10	7	Delhi NCR
Lodha	Not in top 10	10	Mumbai

* The 2017-18 brand recollection study is the latest in that category

Source: Track2Realty

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- Chintan Patel | DEAL ADVISORY PARTNER OF REAL ESTATE & HOSPITALITY, KPMG INDIA



ed to see Crabtree electrical accessories in the home which he could associate with. That did it for him," Puravankara recalls.

Branded fitouts are common even in mid-range properties today. "Buyers here are far better travelled than anywhere else in the country. They understand trends and quality and are very demanding," Puravankara says.

The focus on quality has been steadily rising. Brigade Group has deployed a process in the last one year in its construction improvement technology. Called Conquas (Construction Quality Assessment System), it ensures that each activity is inspected and cleared during the construction stage, which is helpful in minimising defect to a significant extent and improve completion time. "We also work with startups such as FalconBrick Technologies and QwikSpec whose apps help us collect data on building defects and

is now benefiting from, is supported by Cisco, Intel, Microsoft, Nasscom and property consultancy CBRE.

Sobha has ensured consistent quality over the years through its backward integration model, wherein most of the construction activity, woodwork and painting is done inhouse, unlike most developers who outsource the work. It even has its own training academy where workers are trained for 15 days on average before they are deployed on-site.

Sobha also ensures quality through a process called snagging. It involves inspecting apartments minutely during the finishing stages so as to achieve the desired quality with respect to dimensional and finished appearances. "The main aim of snagging is to achieve micro-level perfection or zero error," Sobha says. While the process is not unique, the builder says it has put four layers of checks to it, which