

Whitefield fueling growth in Bengaluru market

Per our analysis of new business developments (BDs) in Bengaluru by listed developers, a high appetite for residential expansion exists in Whitefield and peripheral markets (Hoskote – an extension to Whitefield). Notably, Whitefield accounted for >40% of new BDs in Bengaluru by listed players executed in the past year. The latest addition is a 20acre land acquisition by Brigade on the Whitefield-Hoskote Road. This high-value deal carries a price tag of INR 315mn/acre, implying a 19% / 47% premium to the price paid by Prestige for 17.5acres / 21acres of prime land in Whitefield last quarter (Oct '24) / April '24 respectively.

The deals highlight that developers are comfortable with rising price tags for new BDs in high velocity micro markets – the cost of land, as a percentage of gross development value (GDV), for Brigade is 23% versus 10-12% for Prestige. This is likely as projects have gleaned solid responses. Two key launches in FY25 include Godrej Woodscapes (Whitefield Extension) selling 2,000+ units, with presales at >INR 30bn and Prestige Raintree Park, >50% of the inventory is sold (amounting to >INR 20bn). Overall, key performance indicators (KPIs) in Whitefield and extension markets indicate that land bankers (Sobha) are key beneficiaries.

Whitefield and peripheral markets form >40% of new BDs by listed players in Bengaluru. In the past year, listed players executed ~27msf of new BDs in Bengaluru (total GDV: ~INR 300bn). Whitefield and extension areas formed at least 42% / 46% / 35% of the deals in volume / value/ acreage, respectively. Overall, bigger peers account for a lion's share in the BD mix at 85% (value), led by Prestige at 30%, Godrej at 26%, Brigade at 16% and Macrotech at 13%.

Rising price tag of land implies developers' comfort in high velocity micro markets: The most-recent land acquisition by Brigade on the Whitefield-Hoskote Road has come at a price tag of INR 315mn/acre, up 19% / 47% versus prior land transactions (17.5acres / 21acres of prime land in Whitefield acquired by Prestige in Oct / April 2024). The cost of land, as a percentage of GDV, for Brigade is earmarked at 23% vs. 10-12% for Prestige, implying comfort associated with a higher price tag for fast-moving micro markets.

Sobha – Key beneficiary: Sobha boasts a developable landbank of >300 acres at Hoskote, of which 43acres is part of the identified pipeline of 242acres in Bengaluru. Expect a rerating for Hoskote landbank given rising traction in Whitefield extension, as evident in strong interest to expand into the micro market by regional leaders and good response to launches such as Godrej Woodscapes (>INR 30bn pre-sales; +2,000 units sold at launch).

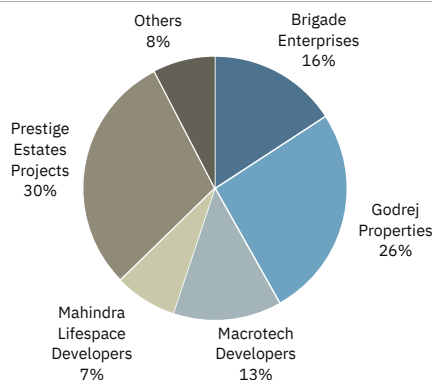
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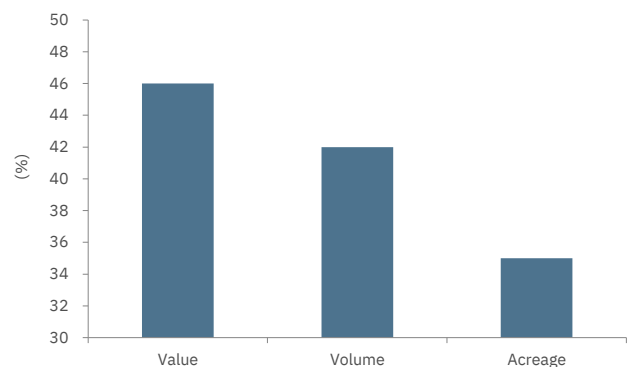


Exhibit 1: Bengaluru – Listed players executed new BDs worth INR 300bn in the past year



Source: Company, Elara Securities Research

Exhibit 2: Bengaluru - Whitefield and extension road accounted for >40% of new BDs by value and volume (in msf)



Source: Company, Elara Securities Research

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