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MARKET: BUZZ AROUND STUDIO APARTMENTS

Studio apartments, a new concept emerging on the horizon, and with plenty of hints in the market, will be the real estate buzzword in the next few years. **Team Times Property** writes

Since the time it was launched in India, “studio apartment” has evolved as a potent investment tool. Realty experts say that the trend has picked up as capital appreciation and rentals are lucrative for this asset class. The approach, which has deep roots in the West, is gaining traction in the NCR. The buzz is more in Noida and Gurugram, as these cities have infrastructural developments.

Assotech, which launched Cabana Serviced Apartment in Ghaziabad in the mid-2000s, was the first mover in this category in the Delhi NCR.

Interestingly, an investment in serviced studio apartments earns a return of around 6%, against 2% form that in residential apartments of bigger size. As living in serviced studio unit have added advantage of easy maintenance and other at-hand facilities, many single, professionals prefer to live in them.

Even retired couple prefer to live in studio apartments that have good facilities over normal housing condominium. The market began to pick up speed gradually, and now we have studio flats in other regions of the NCR as well.

Central Park’s “The Room” revolutionized studio apartment market. It came with a promise of 5-star living through well-managed 24x7 service floor, multi-cuisine restaurants, and world-class retail outlets.

“Because of the changing profile of the working population in India, there is a tremendous demand for studio apartments. Such flats are in high demand, particularly among newcomers to a city who cannot afford larger properties. Corporate executives who are on the go, in addition to expatriates,

are driving demand for studio flats,” **Amarjit Bakshi**, MD of Central Park, says.

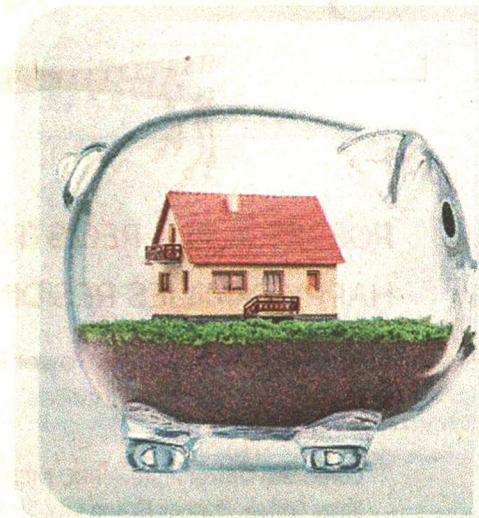
Madhu Singh, director of Perch Service Apartments, said serviced studio apartments are popular as they provide you with the option of staying independently, while also having access to kitchen and living space. In essence, they are a one-stop shop providing you an entire living space. After the 1st wave of Covid, more people are opting for studio apartments, as these are ideal for small families and more economical as well, compared to larger apartments.”

“Perch Service Apartments owns multiple properties having serviced one-bedroom studio apartments in Gurugram. The rent of an apartment is majorly dependent on things like location, add-on facilities like daily service, house cleaning, Wi-Fi, Netflix, complimentary breakfast, etc. Our cost for a serviced one-bedroom apartment is in the range of Rs 60,000 to Rs 85,000 per month, depending on the facilities offered,” **Madhu Singh** says.

Pradeep Mishra, founder of Homents, says: “The market for studio units depends on movement of expats and corporate workers, which in the current situation is almost at a halt. However, price of studio units starts in the range of Rs 7,000 per sq ft to Rs 10,000 per sq ft in Gurugram, and, in Noida, it is between Rs 5,000 per sq ft and Rs 9,000 per sq ft. Depending on the facilities, the rent in Gurugram is between Rs 20,000 per month to Rs 35,000 per month; while the rent in Noida ranges from Rs 9,000 to Rs 16,000 per month. Gurugram has more potent market for studio units compared to Noida, due to its proximity to the air-



port. Once the airport in Noida comes up, studio units will gain traction there also.”



The size of studio units in Gurugram is in the range of 500 sq ft to 1,000 sq ft. M3M’s My Den in Sector 67A has studio units of 800 sq ft at Rs 14,625 per sq ft, MagicBricks.com shows. Other players with studio units include DLF Regency Park 1, Sapphire, Banni, Ocus, etc.

Nayan Raheja of Raheja Developers says, “It is a residence kept and operated like a hotel.” He goes on to say that Gurugram has a strong market for studio apartments because it is home to many enterprises, corporate headquarters, and educational institutions, all of which are excellent for such projects.

“There is a growing need in Noida, as more educational institutions open their doors, and the studios are perfect locations to meet the demand of student community, as well as visiting parents and teachers from the educational institutions,” **Manoj Gaur**, CMD of Gaurs Group, said.

Gaurs Group, Paras Buildtech, Supertech, RG, Logix, Spectrum Metro, Ajnara India Ltd, Golden Palms and others have launched studio apartments in Noida over the years, keeping up with the newest real estate trends. The size of Golden Palm Studio Apartment on Noida-Greater Noida Expressway in Noida is 506 sq ft.

Ashok Gupta of Ajnara India Ltd, says: “It’s a household product with commercial returns. Capital returns in the residential segment are often low because it is a consumer-driven market, whereas, in the commercial segment, the initial capital investment is substantial, and returns are also high. However, studios provide a potential to earn a high return on a small investment.”

“The travesty is that the void is being filled by PGs that lack services and do not appeal to India’s changing demographics. Then there’s the issue of pricing, because not everyone can afford hotels, especially for extended stays. In India, the potential for such apartments has yet to be fully realized,” **Vijay Verma**, CEO of Sunworld Group, said.

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STUDIO APARTMENTS — DOING BRISK BUSINESS

Project	Location	Monthly Rentals (In Rs)	Capital Va (In Rs)
The Room, Central Park	Sector 48, Gurugram	60,000 - 75,000	1.1 crore - 1.3
Urbtech Xaviers	Noida Expressway	12,000 - 15,000	45 lakh - 50
Paras Tiera	Noida Expressway	10,000 - 12,000	35 lakh - 40
Paras Season	Noida Expressway	15,000 - 18,000	35 lakh - 40
Supertech SuperNova Spira	Noida Expressway	30,000 - 35,000	75 lakh - 1 c
Golden Palm	Noida Expressway	12,000 - 15,000	30 lakh - 35
Supertech North Eye	Sector 74, Noida	12,000 - 15,000	35 lakh - 40
Eldeco Studio	Noida Expressway	20,000 - 22,000	50 lakh - 60
The Perch	Gurugram	60,000 - 85,000	NA