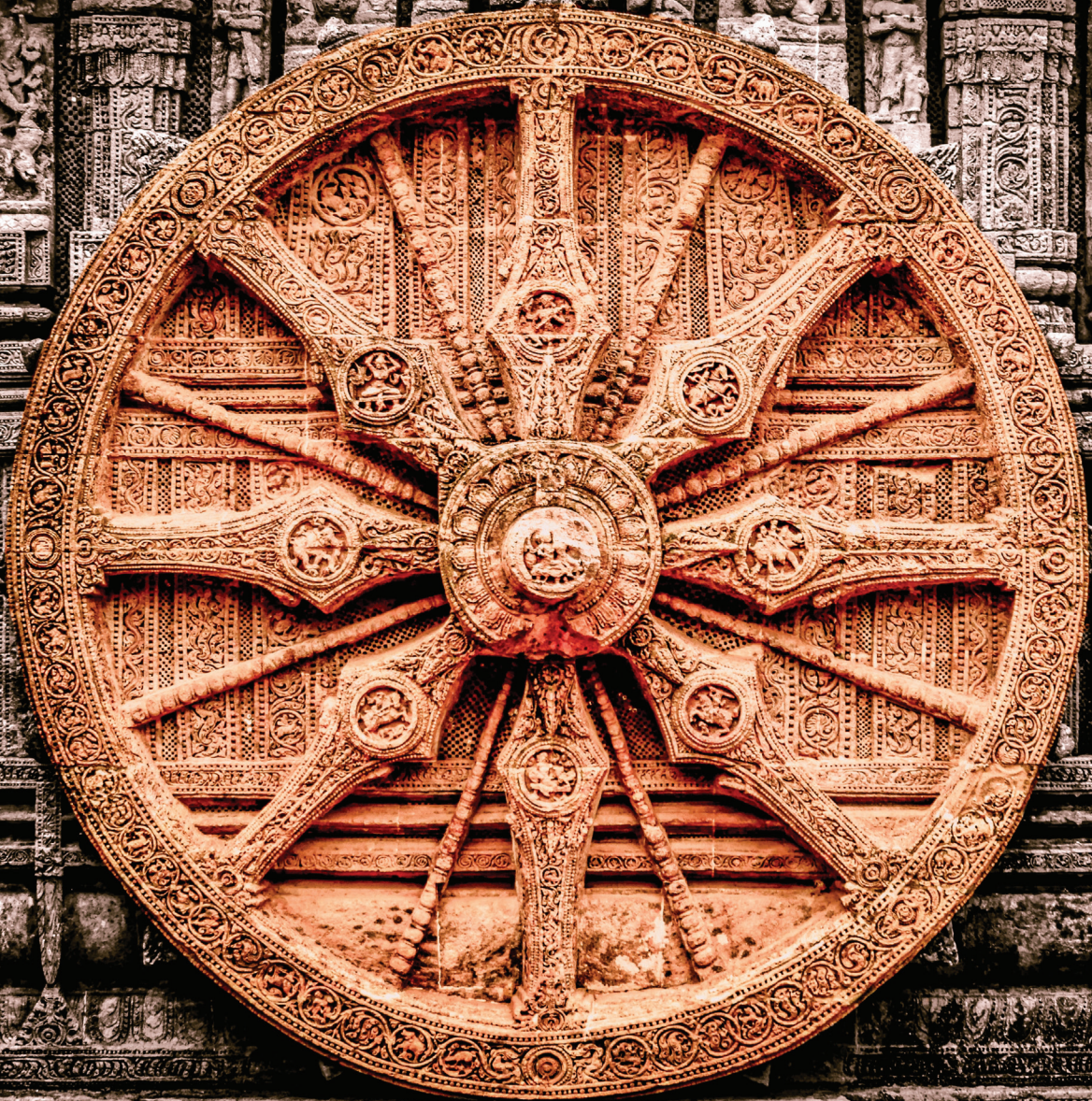


# BHUBANESWAR

A REPORT ON RESIDENTIAL PROPERTY SEARCH TRENDS

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2024

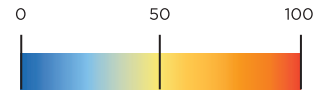




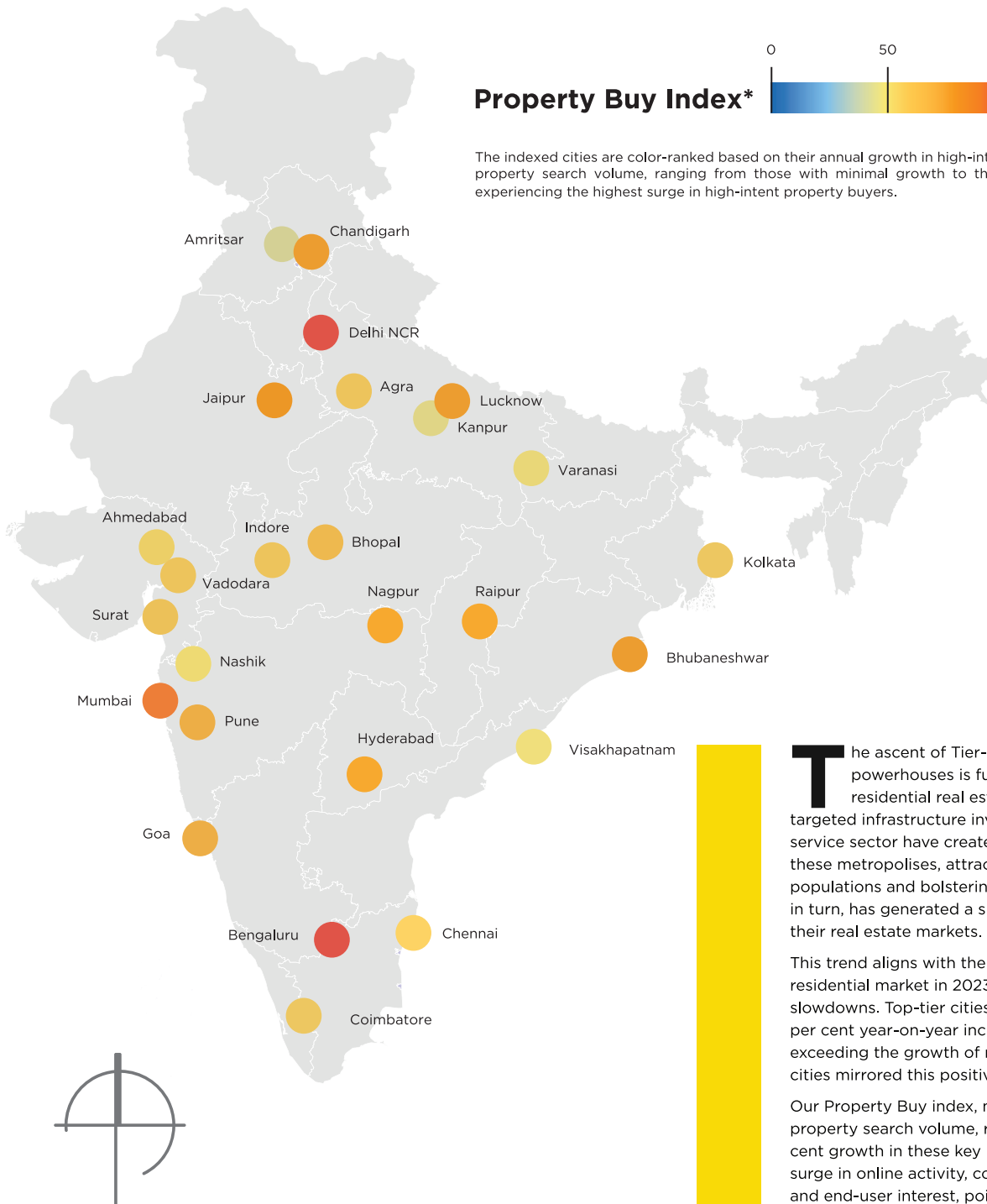
# Tier-2 cities partake in realty growth

Register double-digit surge in high-intent property search volume in 2023

## Property Buy Index\*



The indexed cities are color-ranked based on their annual growth in high-intent property search volume, ranging from those with minimal growth to those experiencing the highest surge in high-intent property buyers.



**T**he ascent of Tier-2 cities as economic powerhouses is fuelling a robust demand for residential real estate. Enhanced connectivity, targeted infrastructure investments, and a thriving service sector have created a dynamic landscape in these metropolises, attracting upwardly mobile populations and bolstering consumer spending. This, in turn, has generated a significant multiplier effect on their real estate markets.

This trend aligns with the broader recovery of India's residential market in 2023 after pandemic-induced slowdowns. Top-tier cities witnessed a remarkable 33 per cent year-on-year increase in property sales, exceeding the growth of new supply. Notably, Tier-2 cities mirrored this positive momentum.

Our Property Buy index, measuring online high-intent property search volume, revealed a staggering 48 per cent growth in these key locations. This sustained surge in online activity, coupled with rising investor and end-user interest, points towards Tier-2 cities becoming the next major drivers of India's residential real estate growth.

\*Property Buy index is a comprehensive monthly metric tracking high-intent property buying search activity across 42 key cities in India. Serving as a leading indicator, it provides valuable insights into future demand trends and forthcoming on-ground transactions in the subsequent quarters.

Map is not to scale and is for representation purposes only.

Source: Housing Research



# Bhubaneswar

Bhubaneswar, the capital of Odisha, along with its twin city Cuttack, constitutes the largest urban hub in the state, serving as a pivotal economic, administrative, and educational center in eastern India. With excellent connectivity via National Highway 16, the city provides seamless access to major metro cities such as Chennai and Kolkata. Its international airport sees nearly 3.6 million passengers annually (FY 23)<sup>1</sup>, further enhancing its accessibility and regional significance. Over the past decade, the capital city has undergone a significant economic transformation, transitioning from an industrial and tourism-centric economy to one dominated by the services sector.

This shift is evidenced by the sector's contribution, which makes for nearly half of its Gross Domestic Product (GDP). The establishment of Infocity and IT Special Economic Zones (SEZs) in areas such as Patia and Chandrasekharpur have played a crucial role in driving this growth, and positioning Bhubaneswar as a prominent destination for major players in the IT industry. Remarkably, Bhubaneswar stands out as the only tier-2 city in India to host all top five Indian IT firms: Infosys, Wipro, TCS, Tech Mahindra, and Mindtree.<sup>2</sup>

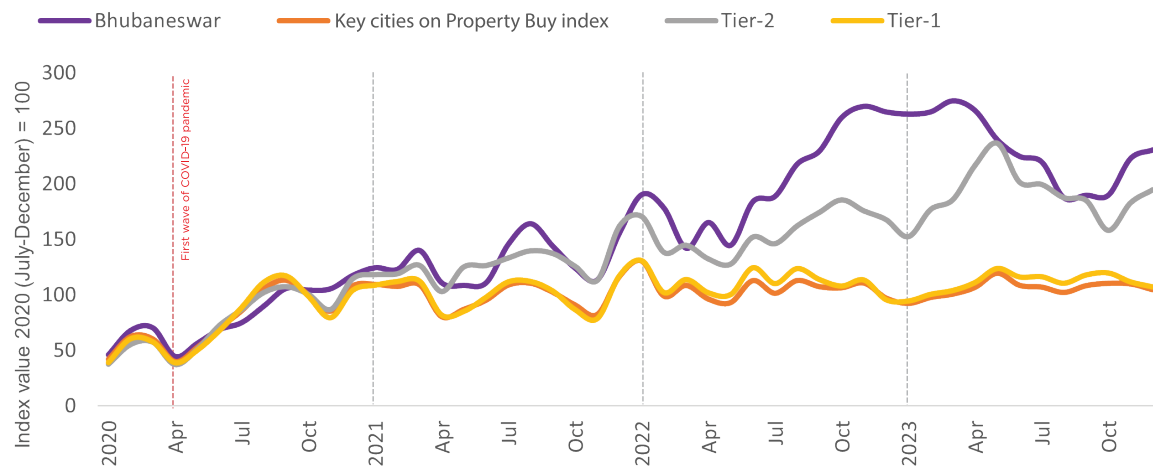
Then there is the robust and growing educational ecosystem, what with the presence of reputed national institutions such as IIT, NIFT, and AIIMS and many private universities. Together, they attract a large number of aspiring and ambitious students to the city from across Odisha and beyond. Bhubaneswar is also a notable tourism center and serves as a gateway to places such as Puri and Konark,

forming an integral part of the most visited "Golden Triangle" in the state. Indeed, the city made for a substantial 33 per cent share of the state's approximately 90 lakh tourists in FY 2022-23.<sup>3</sup> What's more, since the city is the only major economic hub in the state, it attracts a working population from not just across Odisha but also its neighboring states, increasing its population to an estimated 1.2 million.<sup>4</sup> Bhubaneswar's population is projected to grow by 27 per cent between 2020-2030, outpacing other capital tier-2 cities such as Bhopal, Chandigarh, Jaipur, and Lucknow.

This city's economic health extends to the residential sector, positioning Bhubaneswar as the prime real estate market in Odisha. Demonstrating this, the city consistently surpassed the key 42 cities index in 2023, and presently maintains a significant 126-point lead on our Property Buy index, which gauges high-intent online homebuying search activity. Property market trends indicate buyers are gravitating towards apartments in Bhubaneswar's northern micro-markets along the Nandankanan Road, and the eastern micro-markets along NH-16, which connects to Cuttack. These areas offer convenient proximity to key commercial hubs such as Patia, Infocity, SEZ in Chandrasekharpur, and the industrial hub in Mancheswar.

A deep dive into the city's micro-trends reveals that Patia is the most preferred locality (INR 8,500-10,500 per sq. ft.), closely followed by its adjacent area, Pahala (INR 6,500-8,500 per sq. ft.). In the western micro-market, Khandagiri (INR 6,500-8,500 per sq. ft.) and Patrapada (INR 6,000-8,000 per sq. ft) take the lead, owing to proximity and

## Bhubaneswar on Property Buy\* index



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Source: Housing Research

convenient access to the airport. While areas such as Patia, Pahala, Khandagiri, and Patrapada currently hold sway over Bhubaneswar's property demand dynamics, areas such as Phulnakhara, which is strategically positioned between Bhubaneswar and Cuttack, and Trisulia along the Nandankanan Road near Cuttack, are steadily gaining traction. The rising demand for properties has fueled price growth across Bhubaneswar, particularly in pivotal micro-markets such as Patia, which has witnessed a remarkable surge of 15-20 per cent in capital value.

Bhubaneswar's property market is seeing interest not only from end-users, but also investors planning for their children's future needs, given the city's rising prominence as an educational hub, and non-resident Indians (NRIs) investors eyeing high-value properties. The surge in demand in the city is characterized by a shift in homebuyer preferences, with potential buyers showing a growing inclination towards a diverse range of amenities such as jogging tracks, clubhouses, open spaces, and recreational facilities, prioritizing these over independent homes and low-rise formats.

To conclude then, Bhubaneswar's residential real estate sector is well and thriving, fueled by robust economic activity, attracting both end-users and investors. While the service sector contribution is yet to reach tier-1 city levels, the fact that Odisha's service sector witnessed, relatively, the fastest growth of 8.8 per cent in state GDP in FY 2022-23 as compared to other sectors, and with Bhubaneswar being its primary hub, it is set to benefit from the multiplier effect on the property market in the coming years.<sup>5</sup>

Looking ahead, areas along the Nandankanan Road and NH-16 are primed for sustained growth, fueled by the expanding service sector and upcoming infrastructure projects such as a proposed metro network along the Nandankanan Road. Additionally, the forthcoming international airport in Puri will unlock areas south of the city center. The city's dynamic economic landscape, coupled with strategic infrastructure development, bodes well for continued growth in the residential market in the years to come.

<sup>1</sup>Airport Authority of India, Housing Research <sup>2</sup>Smart City Bhubaneswar, Housing Research  
<sup>3</sup>Department of Tourism, Odisha, Housing Research <sup>4</sup>United Nations, Housing Research  
<sup>5</sup>Odisha Economic Survey-2022-23, Housing Research



# Bhubaneswar prime realty hubs



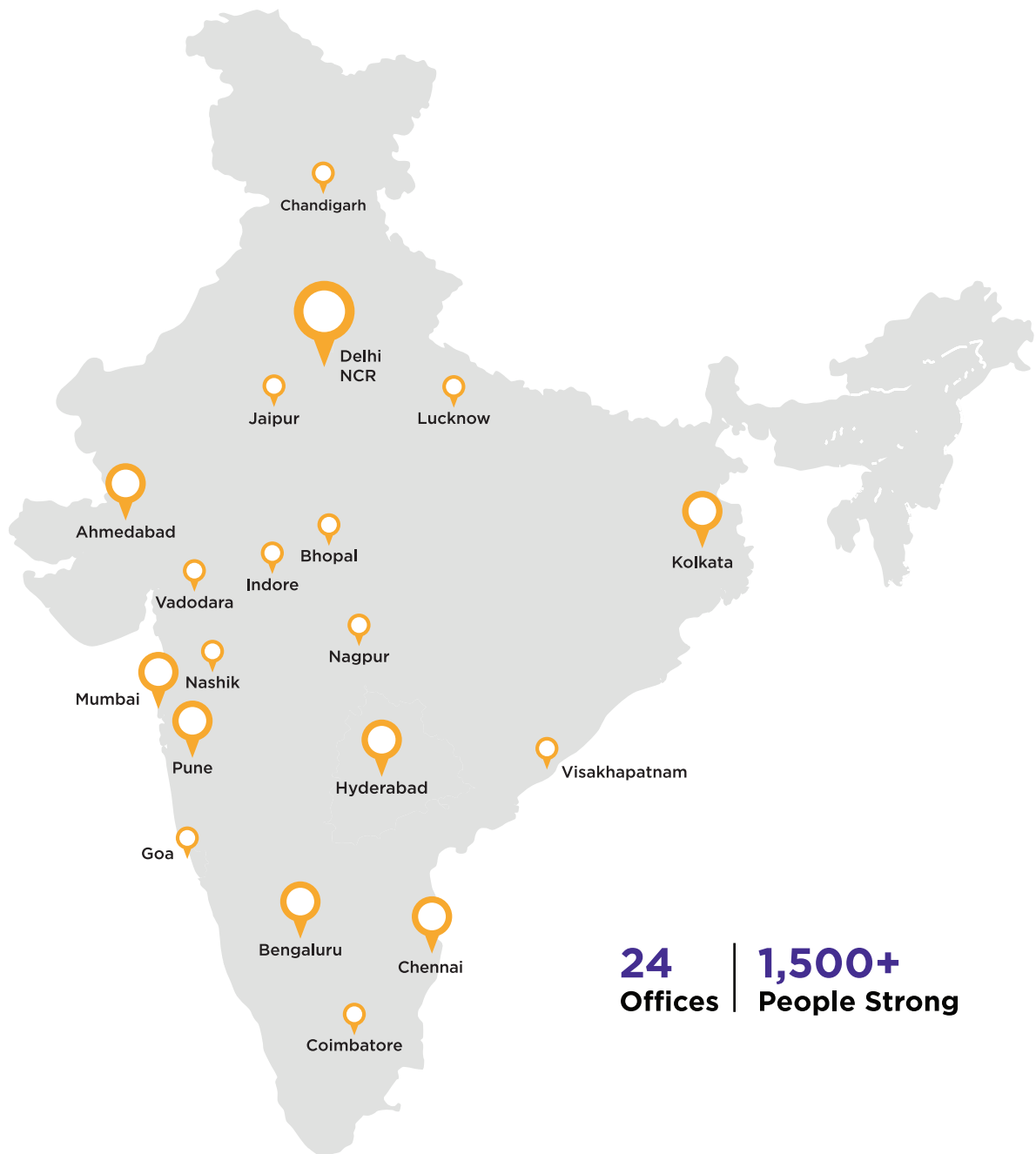
\*Prime realty hubs are the zones with high volume and high intent search activity.  
 \*\*Data and insights presented reflect online search activity trends for buying an apartment on Housing.com for the period of January – December 2023.  
 \*\*\*Average prices as per new supply for apartments.  
 #Size of the influence zones indicates the volume of search activity.  
 Map is not to scale and is for representation purposes only.  
 Source: Housing Research



# About Housing.com

Established in 2012 and acquired by REA India in 2017, Housing.com stands as India's premier prop-tech platform. Operating across 24 offices in Tier I and II cities, and serving homeowners, seekers, landlords, developers, and brokers, the company ensures exceptional services across listing segments. As a subsidiary of the global proptech leader REA Group Ltd. headquartered in Melbourne, Australia, REA India oversees Housing.com, Makaan.com, and PropTiger.com

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