

PREMIUM HOME MARKET SOARS WITH ESOPs, RISING INCOMES

Execs take advantage of tax benefit from investing share gains in property

Mini.Thomas@timesofindia.com

Amar Choudhury, a 44-year-old from Kolkata, owns a swanky flat sprawling across 4,000 sq ft worth Rs 5.5 crore in a complex in Bellandur. Amar moved to Bengaluru in 2015 and had stints with Flipkart, Zolostays and DealShare. He holds ESOPs (employee stock options) but he did not encash them to buy his flat in 2022. He did not need to. "When you have good net worth including your ESOPs, you can deploy the rest of your assets more flexibly," he says.

Growing incomes, and especially stock option buybacks, have led to a surge in demand for luxury properties in Bengaluru. Vikram Singhvee, as a wealth advisor, has been a witness to the making of dollar multi-millionaires in the city thanks to ESOPs.

"Employees of various companies like Nykaa, Zomato, Swiggy, Flipkart (PhonePe buyback) have all benefited immensely. Employees of big US tech companies based in India, like Amazon, Google, Apple, Nvidia, Intuit, have also witnessed their net worth skyrocket," says Vikram, co-founder of Venn Wealth. The general trend among employees with ESOPs, he says, is to liquidate their holdings partially, and invest in premium villas, flats and even pockets of land. "The gains generated from sale of unlisted shares can be set off by investing in

"The premium villa market in Bengaluru has evolved significantly in recent years, shaped by changing buyer preferences and global lifestyle influences. There is a growing demand for homes that prioritise well-designed spaces, privacy, personalisation, and sustainability. Unlike other property types, villas offer a tranquil escape from the bustle of urban life, nestled in green surroundings that foster serenity and exclusivity."

Emanda Vaz | ASSISTANT VICE PRESIDENT - LUXURY RESIDENTIAL BUSINESS, EMBASSY GROUP



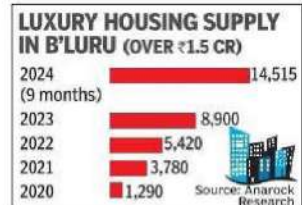
LUXURY PROPERTY GROWS 80% IN PAST YEAR



ing in premium properties.

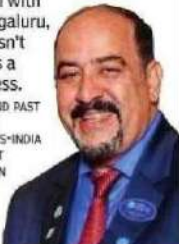
Praveer Shrivastava, senior executive VP-residential in Prestige Group, says one of their upscale villa developments featuring 85 villas priced between Rs 6 cr and 15 cr was sold out in months.

Singh (who did not want his full name disclosed) is a 45-year-old who worked with Flipkart and PhonePe. He says demand for several top-end properties in East Bengaluru were fuelled by those in Flipkart and PhonePe. "I know people who joined Flipkart as freshers in 2012 who are now roaming around with Rs 12 cr cheques, but are still not able to find a villa in Adarsh Palm Retreat," he says.



"Tech wealth is reshaping Bengaluru's skyline as employees turn ESOP gains into luxury homes, blending aspiration with investment. In Bengaluru, luxury real estate isn't just an address, it's a statement of success."

Samir Arora | CEO AND PAST PRESIDENT OF NATIONAL ASSOCIATION OF REALTORS-INDIA (NAR INDIA) AND CURRENT PRESIDENT AND CHAIRMAN OF CONFEDERATION OF REAL ESTATES ASSOCIATES (CREA I)



"The average age of those buying a house has gone down a lot in India. A property is a tangible possession, which adds to your net worth and your comfort."

Shivam Agarwal | VP, STRATEGIC GROWTH, SATTVA GROUP



"Over the last year, the Rs 3cr and above property segment, which we call luxury, has grown by 80% compared to the previous year. This segment has grown 250% in the last four years - the segment was 1% of the total market four years ago, now it is 3.8%. Today, Rs 8cr+ villas are selling like hotcakes. People prefer larger living spaces even if they are a bit away from the workplace; they are willing to commute."

Amit Kumar Agarwal | CO-FOUNDER & CEO, NOBROKER



Luxury living

What goes into these premium properties? Luxury villas come with expansive layouts and potential for customisation. Emanda Vaz, assistant VP - luxury residential business at Embassy Group, says many come equipped with sprawling patios, private swimming pools, home gyms, jacuzzis, and state-of-the-art home theatres. Cutting-edge automation systems seamlessly integrate with these homes.

Kamal Sagar, founder of Total Environment, says they use natural materials like imported marble, pre-finished Kota stone and white oak for flooring. "All woodwork, including doors, windows and cabinetry are crafted at our inhouse manufacturing facility. The wire-cut bricks we use require minimal maintenance and get better with time. All our homes come with gardens, and our villas have green roofs," he says.

Beyond their architectural elegance, Emanda says, "they symbolise opulence and sanctuaries, offering residents a sanctuary of peace and privacy."



"When I exited a company, I got a lot of money. I invested it in two properties - a Rs 3.3 cr property in Varthur, and one in a gated villa community located in a vineyard in Doddaballapur. The latter is my holiday home. All these would not have been possible with my 9-to-5 job. I could buy them thanks to my Esops and exits."

Singh | 45, HAS STINTS WITH FLIPKART AND PHONEPE (Singh did not want his full name disclosed)

"After a stint with a leading tech company, I monetised my ESOPs and bought a high-rise apartment in Chennai for Rs 5 cr. It's a sea facing one. My wife Vandana and I spent our growing-up years in Chennai. We want to move back to Chennai and settle there at some point. For now, it is on rent. I've a family of expats living there."

Pavan Kareti | 52, CO-FOUNDER AND COO AT PLAETO, AND RESIDENT OF KORAMANGALA

"Bengaluru North is emerging as a hub of premium villas and apartments."

Pradeep Joe | CHAIRMAN EMERITUS, CONFEDERATION OF REAL ESTATE ASSOCIATES-INDIA (CREA I)

real estate and a lot of folks have taken advantage of this," he adds.

Income tax laws allow individuals to save tax on long term capital gains (LTCG) from equity shares and equity mutual funds provided the capital gains are used to buy a residential property.

The beneficiaries are the big players in luxury and premium properties, the likes of Total Environment, Prestige, Embassy, Sobha, Brigade, Puravankara, and Godrej. Real estate experts say the majority of such properties are in the city centre, and North and East Bengaluru.

Amit Kumar Agarwal, co-founder & CEO of NoBroker.com, says whenever there is a big ESOP liquidation event (when companies buyback ESOPs), they see a huge demand for premium homes. "Buyers are increasingly interested in premium living experiences. Even for properties in the Rs 1 cr to 3 cr range, it is millennials and Gen Zs who are driving demand," he says.

Samir Arora, chairman of the Confederation of Real Estates Associates (CREA I), the largest realtors' body in Bengaluru with close to 500 realtors and agents as members, says they see a definite increase in the nouveau riche invest-

"In the last couple of years, a lot of people have bought premium villas and apartments with us. Interestingly, most of them are in their 30s and early 40s. That's a key demographic shift that we observe. A lot of these buyers are IT professionals. An upscale villa development featuring 85 villas priced between Rs 6 crore and Rs 15 crore was sold out very quickly."

Praveer Shrivastava | SENIOR EXECUTIVE VP - RESIDENTIAL, PRESTIGE GROUP



DEAR READER

Is Bengaluru property getting too expensive? Are you having to live far from your workplace because places nearby are not affordable? Write to us at timescommunity@timesofindia.com