

## Bengaluru skyline set to rise as Karnataka allows taller projects in industrial areas

By Sobia Khan, ET Bureau • Last Updated: Feb 09, 2026, 11:59:00 AM IST

### Synopsis

Bengaluru's skyline is set for a vertical surge. Karnataka has eased building rules, permitting a Floor Area Ratio of up to 5.2. This move will drive expansion in industrial, commercial, and residential projects across industrial corridors. Land use efficiency will increase, attracting more investments. This policy aims to boost economic output and create jobs, reshaping development patterns.



Bengaluru skyline set to rise as Karnataka allows taller projects in industrial areas.

Bengaluru: The [Bengaluru](#) skyline could soon witness a significant vertical transformation as [Karnataka](#) has relaxed building regulations under the Karnataka [Industrial Areas Development Board](#) (KIADB), allowing a floor area ratio (FAR) of up to 5.2 through premium purchases.

The move is expected to trigger major expansion across industrial, commercial and residential real estate developments across the state's industrial corridors, particularly in Bengaluru's peripherals where land scarcity has constrained growth.

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FAR determines how much built-up area is permitted on a given parcel of land. FAR 5.2 means that the total built-up floor area can be 5.2 times the plot size.

"We have relaxed FAR for industrial plots to promote efficient use of land and vertical development so that we can have more industries, higher economic output and larger numbers of jobs in a given area," said S Selvukumar, principal secretary at the state's commerce and industries department.

The move is in sync with the government's ease of doing business initiatives at a time when land is getting increasingly scarce, he told ET.

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The revised norms, notified through a government order dated February 6, are aimed at maximising land use efficiency, lowering compliance constraints and accelerating investments across industrial clusters and integrated townships

under KIADB, the state's main industrial-land planner.

The board has developed tens of thousands of acres of industrial areas across Karnataka, with a significant amount of that in [Bengaluru Urban](#), Rural and neighbouring districts.

The regulations apply to industrial areas, special investment regions, single-unit complexes and infrastructure developments, including residential and commercial projects developed within KIADB limits, the notification said.

Under the revised planning framework, the government has substantially increased permissible FAR based on road width while allowing developers to purchase premium FAR.

Industrial plots along roads wider than 30 metres can now achieve maximum FAR of 5.2, compared to significantly lower development potential earlier at 3.25 FAR.

"The revised table allows FAR of 4.8 for plots along 24-30 metre roads, 4.0 for 18-24 metre roads and 3.6 for 12-18 metre roads," as per the notification. "Even smaller industrial roads with widths below 12 metres now allow FAR between 2.45 and 2.8, ensuring higher buildable area across categories."

In addition, the new reform introduces higher development intensity for integrated industrial townships. Projects located along roads above 30 metres can achieve 45% ground coverage and total FAR of 5.2, enabling large-scale mixed-use ecosystems combining manufacturing, commercial support infrastructure and worker housing.

Industry stakeholders said the revised norms will significantly alter development patterns, allowing vertical factory models, multi-level warehousing, co-located commercial facilities and worker residential clusters within single industrial campuses.

Building regulations historically locked up substantial factory land. The revised FAR limits will reduce cost of doing business, enable higher production density and create significant employment opportunities.

"While this move is consistent with optimising land efficiency and vertically competitive developments, for residential we need to evaluate urban scale densities too," said Sunil Pareek, executive director at real estate developer Assetz Group.

He said the FAR increase is particularly relevant for pockets like Bagalur, especially around the [Hardware Park](#) and similar KIADB layouts because road widths support higher intensity development.

The policy also provides targeted incentives to encourage industrial expansion outside Bengaluru, where industries are expected to benefit from enhanced FAR allowances and lower land costs. The move is seen as a key step towards balanced regional industrial growth across Karnataka.

Developers believe the revised framework will have a cascading impact on the broader real estate ecosystem. Higher FAR allowances are expected to improve project viability across industrial parks while also driving demand for commercial office space, retail support infrastructure and residential developments around emerging manufacturing clusters.

"Developers can now design vertically integrated manufacturing and logistics hubs while incorporating commercial and residential components, improving land efficiency and long-term project viability," said Bijay Agarwal, chairman and managing director of [Sattva Group](#).

The reforms also relax setback norms for smaller industrial plots. Buildings up to 7 metres height on plots up to 255 square metres will require only a minimum front setback of 1.5 metres and one side setback of one metre, provided the road width is at least nine metres. The changes are expected to reduce non-productive land allocation and enable faster development approvals.

Revised parking norms have also been introduced to support higher density developments. General industries and data centres must allocate at least 2% of total plot area for parking, while warehousing and logistics facilities must earmark 3% of plot area for vehicle movement and parking infrastructure.

Real estate consultants estimate that earlier development norms often resulted in nearly half of industrial land remaining underutilised due to restrictive building regulations. The revised FAR provisions are expected to unlock additional built-up capacity across KIADB's extensive land bank, improving returns for developers and occupiers alike.

"The policy aligns with Karnataka's efforts to attract global manufacturing investments across sectors such as electronics, aerospace, automotive, data centres and supply-chain infrastructure," said [Ram Chandnani](#), managing director – leasing services at [CBRE India](#). "As global manufacturers increasingly adopt vertical production models to improve efficiency and optimise land acquisition costs, Karnataka is positioning itself as a competitive destination for high-density industrial ecosystems."

Market experts believe the reforms could also stimulate growth in residential townships and commercial hubs around industrial corridors such as Tumakuru, Hosur and Doddaballapur. Increased workforce demand is expected to help create new housing and supporting retail infrastructure in these regions.

With land availability tightening across major urban clusters, stakeholders believe the revised FAR norms could reshape Bengaluru's peripheral skyline and accelerate integrated real estate development across Karnataka's industrial growth corridors in the coming decade.

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