

What is happening in Devanahalli?

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Devanahalli was touted as the next big thing (or the biggest ever thing in Bangalore) prior to the setting up of the international airport. Now it is almost 2 years since the start of operations of BIAL. Numerous layouts and villa complexes which sold out during the boom times of 2003-8 still remain totally unoccupied with no civilisation in the vicinity except for a few brave-hearts or solitude seekers who built residences.

So is Devanahalli the biggest farce in Bangalore realty?

The answer, thankfully, is a resounding NO. If anything, the recessionary times of 2008- 2009 have only delayed the emergence of Devanahalli as the next big thing. With the return of good times, Devanahalli is now expected to pick up the pace it dropped in 2008.

The airport is only a small piece in the puzzle of Devanahalli. An airport by itself can not be the driver of great economic activity though it can play its part. What is done around it is what matters. Fortunately, there is a lot happening now.

- 1) With the spirits of the aviation sector flying high again, there is renewed activity in the aerospace SEZ planned at Devanahalli to be developed in association with the Society of Indian Aerospace Technologies and Industries (SIATI). Aerospace component maker Dynamatic Technologies is looking at an investment of Rs600 crore to set up a manufacturing facility. In the same league, Hindustan Aeronautics Ltd (HAL) has also evinced interest to invest Rs1000 crore to set up a facility within the auto component and aerospace hub.
- 2) The IT sector, now used to having large campuses scaling beyond 100s of acres, is eyeing Devanahalli big time. Which in itself is not surprising as KIADB developed electronic city and EPIP, Whitefield have no more land left for really large complexes. Built office spaces are available in these two areas but if someone wants land, he has no option than to head to Devanahalli. KIADB already has 3000 acres of acquired land here and to put it in perspective, 3000 acres is thrice the size of EPIP, Whitefield which is 1100 acres only.

- 3) But the biggest thing here is the ITIR (Information technology investment region). The ITIR is one of the largest infrastructure projects in Karnataka's history and is spread across 50 sq.km or 12,000 acres under development 15 km North of [Bengaluru International Airport](#). It has received final central and state cabinet approval on January 28th, 2010. It will be situated at the Nandi foothills near [Muddenahalli](#), [Kanivenarayanapura](#), [Chikballapur](#) and another 29 villages in Devanahalli and Doddaballapur taluks. Total cost is expected to be one lakh crores. The initiative will provide direct employment to 1.2 million people and indirect employment to 2.8 million. Development will involve a Centre-State partnership in conjunction with private partners. Basic infrastructure such as road, rail and telecommunication links will be provided by the Centre. The State governments will provide physical infrastructure and utilities, including power, water, sewerage and effluent treatment facilities. The Karnataka State Electronics Development Corporation KEONICS has recently issued Expression of Interest EOI for developing the region. 55 multinational IT companies including Infosys, Wipro, TCS, and Cognizant have signalled an interest in joining.

However some valid concerns are raised about the emergence of Devanahalli as the next hub. 1) Even if all the above were true, these will be seen on ground only in the next 3-4 years. 2) Devanahalli is too far off from downtown Bangalore. My answer for the first is that is the only way real estate works. Realty and stock markets rally on rumours and sell on facts. Smart investors will always need to be ahead of the crowd. As far as being away from Bangalore is concerned, who said Devanahalli will be part of Bangalore? When it finally develops, it will be a city on its own with schools, colleges, workplaces, residences and recreational facilities all available in the vicinity. Add a functioning airport and a railway station at Yelahanka.

Downtown Bangalore will at best be a sibling and not the mother. Devanahalli will be far too big to depend on Bangalore for bed and breakfast. The equation of Devanahalli-Bangalore will be more like Gurgaon-Delhi and not Marathahalli-Bangalore.