Bennett & Coleman
THE TIMES OF INDIA

Transforming Realty in North Bengal

AUGUST 2024

ADVERTORIAL AND PROMOTIONAL FEATURE

STRIKING GOLD IN REAL ESTATE

CA Sanjay Goyal
Chartered Accountant
and Real Estate Advisor

THE DEVELOPMENT OF TRADE AND BUSINESS HAS LED TO BETTER SUPPLY AND ABSORPTION OF VARIOUS COMMERCIAL PROPERTIES IN SILIGURI, ACCORDING TO GFS REALTORS

Siliguri is famous as a Chicken Neck's Corridor to North East and Sikkim, Bhutan, Nepal and Bangladesh. It is a major business centre, dominated by trade activities and the real estate industry. The development of trade and business leads to better supply and absorption of commercial real estate.

COMMERCIAL SPACE, MALLS & SHOPS

The city, which historically brought its daily needs from the neighborhood mom-and-pop shops, has moved on to making purchases from the retail giant stores and malls. From buying apparels at streets of Seth Sri Lal Market, the residents now do so from the malls and exclusive brand outlets (EBOs) and multi brand outlets (MBOs) on the high street. The demand is not just from the people of Siliguri but also from adjoining areas of entire North Bengal, Sikkim, Bihar, Nepal and Bhutan. All these have led to a growing demand for commercial space in the high streets of Sevoke Road, Burdawan Road, SF Road and Hill Cart Road as well as Eastern Bypass, Salugara, Matigara, Shiv Mandir, Champasari. In fact, Eastern Bypass promises to trump other locations in the next five years owing to the opportunity for development of malls, commercial complexes, hotels, hospital and office buildings. The scenario is such that if a corporate looks for a 10,000-15,000 sq ft retail space on Sevoke Road or Burdawan Road, there is hardly any ready inventory. The only option is to go for a built-to-suit (BTS) model.

INDUSTRIAL LAND AND OFFICES

A prosperous trade hub, Siliguri is slowly but steadily developing as an industrial town. Various initiatives by the state government promoting MSMEs will go a long way in boosting this. The government policy of State Aided Industrial Parks (SAIP) has been encouraging local real estate developers and businesses to set up private industrial parks. This allows MSMEs to identify the right industrial land at right places for development of the industries.

Office real estate is one the most slow-moving real estate products in Siliguri as the demand is only from family businesses or corporates looking for small offices for their back-office operations. There is no demand from IT/ITeS companies. This market may develop if there is government policy to attract IT/ITeS companies to Siliguri.

LOGISTICS AND WAREHOUSING

This sector is, however, the most promising of all the commercial real estate products. Siliguri has land available for setting up premium logistic facility and logistic parks in major locations like Ghora More, Balaram, Siliguri-Jalpaiguri Highway and other places in and around Siliguri. Corporates prefer Siliguri for their warehouses so that they can cater to the adjoining places of Assam, Bihar, Sikkim, Bhutan, Nepal, etc. Many corporates and pharma companies have set up warehouses ranging from 50,000 sq ft to 2,00,000 sq ft. The demand for smaller warehouses has also gone up.

However, the biggest challenge is rising land prices which is impacting setting up of Grade A warehouse facilities owing to the high cost of setting up and low rentals being offered by the corporates. This calls for the development of new logistic corridors where land prices will be a bit less.

Siliguri has been growing by leaps and bounds. Development in terms of airports, railway station and road infrastructure will make it more attractive. The future of commercial real estate here looks promising — both from the viewpoint of buyers as well as corporates looking to take these properties on long-term lease for setting up retails stores, F&B facility, industrial facility and logistic facility.