

Creating real estate wealth through beautiful design

Why does a Patek Philippe watch sell for so much? What has made Apple the most valuable company in the world? How did Tesla get a market cap higher than that of any other automaker? The common factor in all these success stories is beautiful design - designs that are coveted by consumers across the globe and command a premium price.

In some ways, real estate is similar to a Patek Philippe or an Apple device. On the one hand, it is a work of art. On the other hand, just as an Apple device or a Tesla car has a practical functional purpose, so do buildings. And just as a beautifully designed phone or car can command a premium price, so does a beautifully designed property.

And yet, most real estate investors fail to consider design while investing. When they look at an investment, they consider the location, the developer's reputation, the going rates in the area, and the discount that they may get. This worked well in the past, when developers were creating unremarkable buildings and the core competency in real estate was the ability to manage legal and regulatory hurdles. But as



▲ **Stunning Grade-A office in East Bangalore, by Prime One Corp**

the real estate industry in India becomes more sophisticated, the competencies of architecture and design are becoming more prominent.

An early harbinger of this trend was Adarsh Palm Meadows in Bangalore with its, for its time, cutting edge design. Palm Meadows was way ahead of the curve, which resulted in its price shooting up from Rs. 300 to Rs. 10,000 per square foot in a very short period, while other properties nearby enjoyed only a small fraction of its price appreciation. This trend can also be seen in commercial properties - new office buildings are much better built than older ones, and command a premium both in rental rates and capital values.

As design becomes the most important aspect of real estate success, new developers are leapfrogging over older ones and creating products that command a higher price. A good example of this is Prime One Corp, which is headed by NRIs and has a team of internationally experienced architects and designers led by Jeff Kiser, an American architect. It has a number of projects that one would mistake for buildings abroad. These homes seem exquisitely designed, with beautiful balconies to enjoy Bangalore's wonderful weather, and thoughtfully designed interior spaces. Even aspects that developers often neglect, such as the rooftop, are transformed into sky lounges that evoke the feeling of being in a five star hotel. Another area where we noticed it being different was in the infrastructure - the roads, sidewalks and bike paths felt more like what one would see abroad.



▲ **Expansive deck areas to relish the beautiful Bangalore weather, in The Treeline by Prime One Corp, India's first vertical forest**

Investors who carefully look at the design aspects of projects will be rewarded with superior returns as these developments will have higher price realizations. Long-term appreciation in prices will be driven by beautifully architected projects and not by unremarkable ones. Invest with developers with a DNA of superior design so that you get a better return and de-risk your investment from obsolescence.

▶ **Beautiful entrance arch of a spanish themed villa project by Prime One Corp, 80 ft wide for multi-lane ingress/egress, a perfect fusion of beauty and functionality**

