

Growing Popularity of Farmhouses

In the New Normal

A Survey by



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Farmhouses are increasingly becoming popular in the new normal. Once a status symbol for the super-rich in India, it is now also becoming an alternative asset class for the emerging higher class and the high-mid income segment in the country.

In a time of hybrid work models/remote working/WFH cultures, farmhouses offer a suitable platform to escape to a natural ambience and operate in a distraction-free atmosphere. Even during a regular working schedule, owning a farmhouse in the outskirts of the city can be a peaceful weekend gateway. For a while, people can escape the hectic city life and rampant pollution and connect with nature, and enjoy a calm and serene atmosphere amidst scenic views.

It can also safeguard against any future outbreak of the virus and help individuals and their families to take refuge and avoid congested urban living.

Farmhouses are also emerging as a prudent investment option on the back of the rise in demand. Investing in a farmhouse and holding for the mid/long term can give highly promising capital

appreciation. In a remote working culture, an increasingly millennial workforce now prefers to rent out farmhouses or related properties and operate amidst peace and tranquility. Farmhouses are also used to host corporate events, marriages, family get-togethers, etc. These days even tourists prefer farmhouses, second homes, and retirement homes rather than conventional hotel stays. Thus, investing in farmhouses and managing the property smartly can unlock new sources of recurrent income.

Coming to locations for farmhouses, it could be broadly split into two categories- city suburbs as well as regular tourist hotspots. A host of tourist destinations such as Lonavla, Goa, Uttarakhand,



Himachal Pradesh, Ooty, Pondicherry, Mysore, Coorg, Vizag, etc. are attracting farmhouse developments and other related categories such as row houses, bungalows, gated villas, etc. Besides, urban peripheries with abundant natural resources and greenery are becoming thriving farmhouse destinations. In MMR, Alibaug, Karjat, Panvel, etc. are farmhouse destinations. In Delhi NCR, Delhi-Jaipur Highway, Aravalis, Mehrauli, Chhattarpur, Brijwasan, etc. are popular destinations. In Bangalore, the thriving jungles and natural beauty around the Bannerghatta region, which includes Nandi hills as well, are attracting buyers as well as developers' interest. In Chennai, Pondicherry, with its beautiful sea beaches, is a farmhouse and second home paradise.

In terms of functionality as well, various kinds of farmhouse living are emerging. Traditionally, there were grain farms/ dairy farms/coffee estates, etc. Now we have alternate-style farmhouse living such as organic farms/aqua farms/ orchards/ horticulture gardens, etc. The scope of amenities has also widened recently, with the growing focus on the hotelization or giving a resort- style makeover to farmhouses in India.

Traditional farmhouses used to have swimming pools and few other sporting amenities. Modern farmhouses have endless facilities and amenities including, but not limited to, adventure sports/ meditation & wellness/ luxury lifestyle/ on-demand chef/ parties & socialization spots/ village tourism/ nature walk/ children play areas/ remote controlled security features, and much more. The segment is not only growing horizontally but also expanding vertically with close attention to value addition and incremental features.

The segment is also now a new playground for large developers in India. The unorganized nature of the Indian farmhouse category is now altering with big developers such as Kalpataru, Tata Housing, Lodha, Piramal, and Axon venturing into the space and swiftly consolidating their footprint. Across the value chain from development to property management to funding, big players are deepening their foothold and this is a very positive sign for the industry.

To further understand the farmhouse segment, we have conducted a survey of 400 HNIs in India to evaluate their farmhouse buying behavior. The respondents are spread all over India.



FARMHOUSE CRAZE

FACTOR(S) DRIVING THE INDIAN FARMHOUSE MARKET

There are numerous factors that are driving the current Indian farmhouse market.

A Sense of Elevated Living: Since the 1980s and 90s, there has been a sense of an elevated lifestyle with farmhouse-style living. A fascination for farmhouses is a global phenomenon, which has also been shared by the rich and elite of India. Most leading industrialists, celebrities, business personas, public figures, and sportsmen have owned farmhouses in the countryside or hill stations. Amongst the rich and elite, owning a farmhouse has been associated with a subtle sense of social status and fashion. The trend continues and farmhouses are still touted as status symbols among Indian HNIs.

A Gateway to Bond with Nature: Farmhouses offer a great gateway to escape the hectic and congested city lives and bond with nature. Increasingly, there is a sense of frustration and discomfort in the cities amidst the rise in pollution, growing traffic & congestion, and densification. Having a cottage or a house on a piece of farmland gives city dwellers a great escape from the usual hustle-bustle of the city and spending some quality time amidst the tranquility of nature.

Weekend Destination: Farmhouse can be a great weekend destination, especially if located in the city peripheries or nearby hill station/ sea shore etc. One can go out with friends and family to spend some quality time, relax and rejuvenate. This is

one of the reasons that the beaches of Alibaug and Karjat or the hilly terrains of Lonavla are perfect farmhouse destinations for the rich and elite of Mumbai and Pune. Likewise, the hilly terrains of Aravalis or the peaceful Delhi-Jaipur Highway is a near-perfect farmhouse destination for families from Delhi-NCR, wherein they can hang out with their friends and family.

Growing Remote Working: In India, after the pandemic, remote working is no more just fancy jargon. Even when offices are resuming, remote working, work from home (or anywhere), hybrid working models, etc. will continue to gain popularity. This will drive demand for farmhouses and similar products (retirement homes, gated villas, second homes, etc.). Many working professionals and entrepreneurs will prefer operating amidst scenic views, natural beauties, and a peaceful atmosphere. Moreover, a tranquil and peaceful living can also help in focusing better and sometimes aid in coming up with breakthrough ideas.

Escape from Future Crises: The good news is that COVID cases have greatly come under control. However, the bad news is that it does not necessarily mean there will be no future cases. In case of any future outbreak, farmhouses or an RSH can be a great escape. In the event of any potential future wave, one can take refuge in a remote and isolated farmhouse

away from the congested city lives. This can greatly reduce the chances of being contaminated with the virus.

Plenty of Option(s) to Choose From:

Farmhouses have always been for the super-rich and the ultra HNIs. Nevertheless, now there are plenty of farmhouse-style accommodations that are available in the market in the sweet spot of INR 2- 5 crores, making it an asset within the reach of the HNIs and the high mid-income segment. Further to this, there are big developers such as Tata, Axon, Lodha, Kalpataru, etc. venturing into the space, thereby further revitalizing the segment. Today there are gated communities of farmhouses available, which makes it more secure and lets people enjoy community-styled living.

Blurring Definition: The traditional demarcation of farmhouses/gated villas/ retirement & second homes/ signature row houses is now blurring. Increasingly, these types of properties are now used

interchangeably. Rather than mulling over the definition, there is an increased focus on giving an escape from the hectic and traffic-laden city lives and letting people enjoy serene views, greenery, and natural beauty. People in India are now realizing the importance of spending a little extra to get an isolated living somewhere amidst natural landscape and serenity.

Experiential Lifestyle: In the aftermath of the pandemic, people are largely realizing the importance of spending money and enjoying a good lifestyle. They now understand that rather than saving money, one should spend to enjoy a good lifestyle. As a result, many buyers are now looking for farmhouses and second homes in picturesque locales. Over there, they just do not wish to go and stay but also engage in some meaningful activities such as farming, adventure sports, nature walks, ecotourism, etc. Similarly, people use their farmhouse stays for learning and practicing yoga, sports, cooking, and indulging in a lot of other fun activities.



Awesome!

THE GROWING TREND OF VALUE ADDITION IN INDIAN FARMHOUSES

The overall farmhouse category in India is evolving at an unprecedented pace. Farmhouses are no more about a house in the midst of farming activities. There is an increased focus on amenities and social facilities such as swimming pools & aqua sports, board games, adventure sporting activities, nature walk, ecotourism activities, and much more. There is also an uptrend in the hotelization of farmhouses. Farmhouses are increasingly leased out for corporate events, social functions, marriages, and other events. This is resulting in adding value-added services in the farmhouse

category in India. Services such as concierge, laundry, chef on demand, doctors and medical staff on demand, yoga, and wellness classes are increasingly bundled with the regular offerings of the farmhouse. In a growing WFH culture, many individuals are now shifting from metros to countrysides, mountains & hill stations, coastal locations, etc. to spend and work amidst nature and tranquility. This is also driving demand for operational and functional farmhouses with value-added services to cater to a WFH millennial workforce.



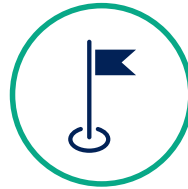
GENERAL AMENITIES



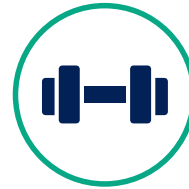
Clubhouse



Swimming Pool



Golfing



Gym



Amphitheatre



Cafes &
Restaurant



Gaming rooms



Meeting rooms



Jogging/ walking
tracks



Library



24/7
Surveillance



Video-based
access/ geotags



Gazebo



Natural lighting



Party halls

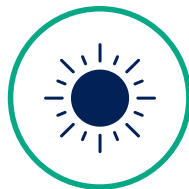


Ponds/ water
bodies

ADVENTURE + RECREATION



Nature walk



Sunlight areas
(Vit D)



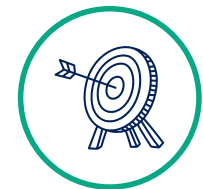
Camping/ bonfire



Theme parks



Skating parks



Archery



Air gun



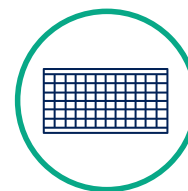
Wall climbing



Trampoline



Bungee run



Commando net/
commando crawl



Zipline/
sky bike



Pottery/
carpentry



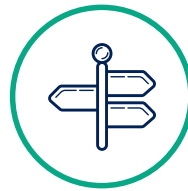
Photography



Boating



Horse riding



Sightseeing



Cultural events

FARMING



Organic



Dairy



Horticulture



Fishing/
aquaculture



Organic fertilizers/
biogas plant



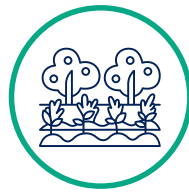
Tractor driving



Poultry



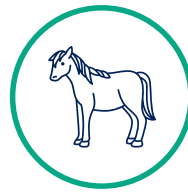
Hay farming



Orchard



Vineyard



Ranching



Micro farming



Group/ community
farming



Forest lands/
woods

WELLNESS



Yoga &
meditation



Dance & music
classes



Pilates



Reiki practice



Naturopathy



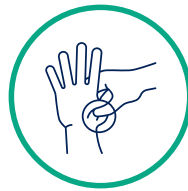
Zen garden



Healthy cooking



Baking classes



Acupressure



Discourses

SERVICES



Personal chef



Pvt. Parties-
family style/
buffet, etc.



Luggage
assistance



Laundry



Spa services



Concierge



Ticket booking



On call medical-
therapist/ nurse/
dental



Helpers on call

RESEARCH INPUTS ON FARMHOUSE-STYLED LIVING IN INDIA – SURVEY RESULTS



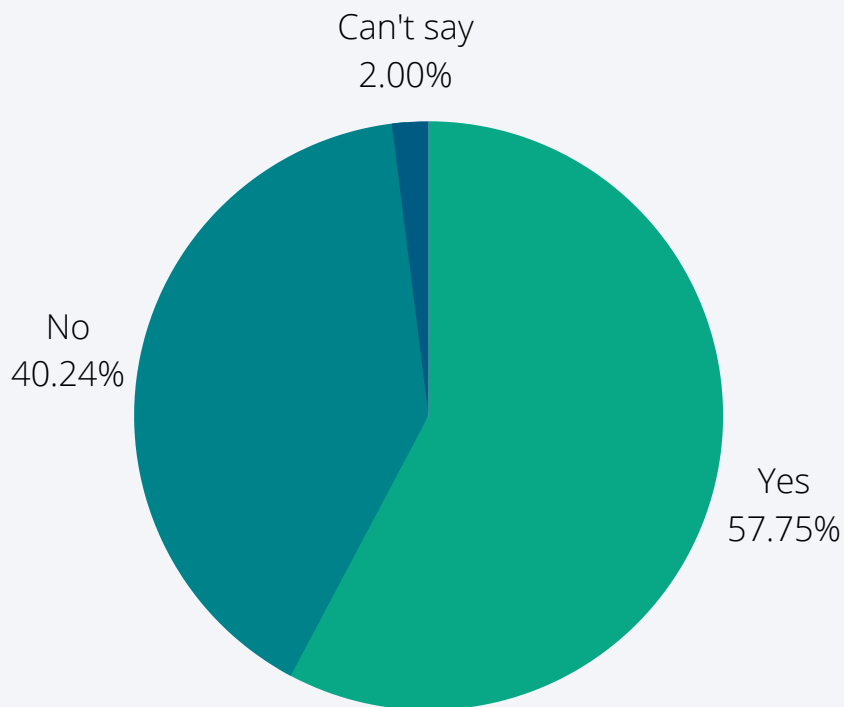
Indian HNIs have always been fascinated by the idea of owning a farmhouse. The segment is one of the key growth drivers of the farmhouse market in the country. The interest of the HNIs in owning farmhouses has further risen during the pandemic. This rise in interest is rooted in numerous factors. Firstly, tangible assets such as farmhouses are a prudent long-term investment. Secondly, it can also

help in escaping in case there is another wave. Moreover, the pandemic has also enforced a subtle but visible shift in general thinking, wherein people would now want to invest their money and enjoy rather than save. This is also enabling more buyers to now think about high-end/luxury real estate such as farmhouses, gated villas, second homes, etc.

In India, close to ~ 3% of the HNIs prefer buying farmhouse properties worth over INR 10 crores (which can go up to 20-30 crores.). Owning a luxury farmhouse with world-class facilities has been on the

wishlist of the Indian super rich. Meanwhile, it is interesting to observe the emergence of a new trend, wherein close to ~ 26% of the respondents are looking for a more affordable version in the range of 1.5 –3 crores.

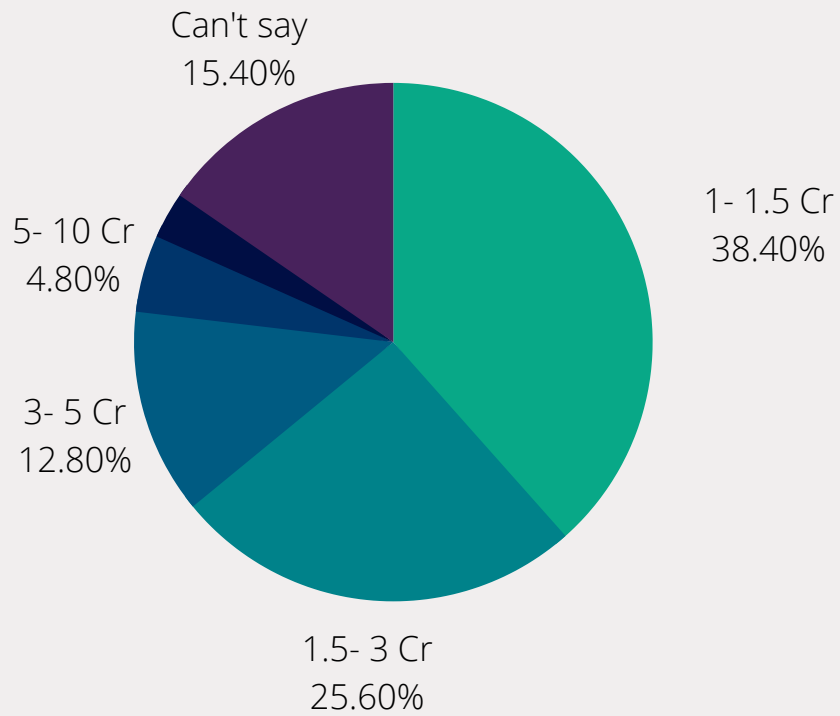
What Indian HNIs think of buying a farmhouse



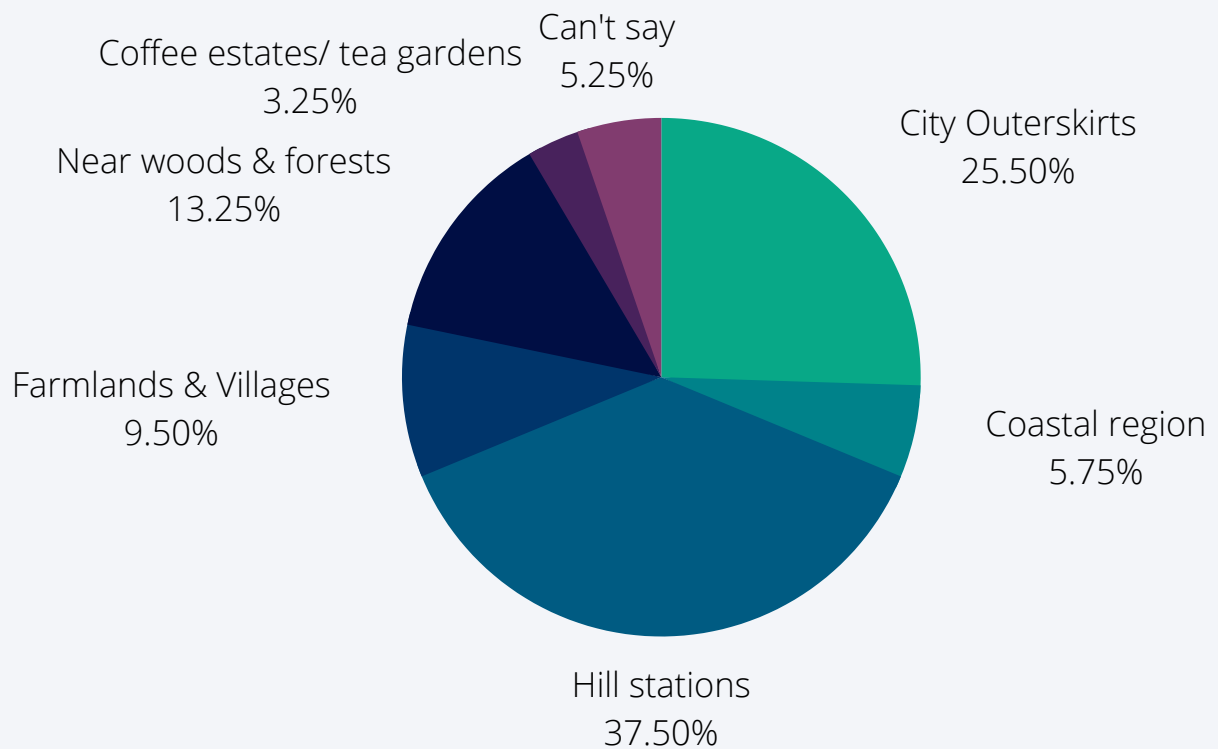
Acquiring a full-fledged farmhouse in this budget is difficult. However, thanks to the growing number of big & organized developers entering the segment, the cost of farmhouse construction has been systematically reduced. Large pieces of agricultural land are now being split into multiple smaller farmhouse-styled independent houses to match the evolving expectations. There are also plenty of row houses and villa-type options available in the hill stations of Uttarakhand, Ooty, and Himachal Pradesh. Preferences vary when it comes to where HNIs wish to develop/ purchase farmhouses. Hill stations (~ 38%) are the most preferred destination

for farmhouses. In Maharashtra, amidst the scenic views of Lonavla, many HNIs prefer to buy farmhouses, alongside row houses, cottages, bungalows, etc. In the north of India, Shimla, Solan, Nainital, Mussoorie, Almora, Dehradun, Manali, etc. are highly desired farmhouse/second home destinations. Amidst snow-capped mountains, scenic views, and plenty of greenery, such locations offer ample opportunities to engage with nature and enjoy a refreshing time. They are also within approachable distance from north Indian cities such as Delhi, Chandigarh, Lucknow, etc.

How much HNIs in India are willing to spend on farmhouse



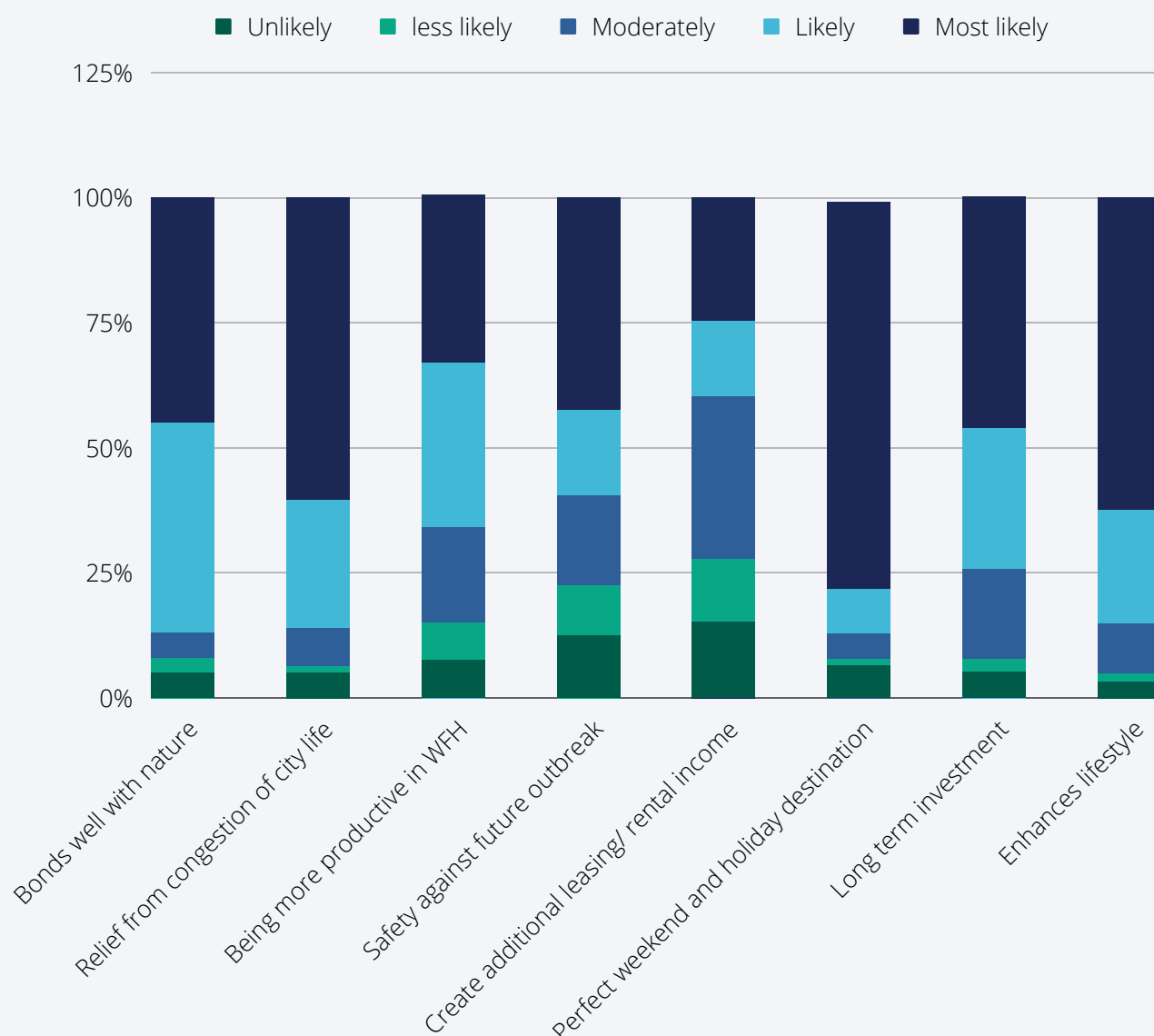
Where Indian HNIs would wish to buy their farmhouse



Besides hilly terrain, city outskirts are also becoming popular as farmhouse destinations. In the Mumbai region, Alibaug is a favorite destination for farmhouses/ bungalows/ gated villas, etc. Properties are available in the range of INR 1.5-4.5 Crores. Alibaug is also linked with the upcoming trans-harbor link in Mumbai, which will soon greatly reduce commute time with Mumbai. Panvel in Navi Mumbai is also a popular farmhouse destination. The region is known for its wide roads, a plethora of greeneries, old forts, water bodies, etc. It is also well-connected with Mumbai through the Sion-

Panvel expressway. As a new international airport is built in Navi Mumbai, the commercial value of Panvel has also taken a shot in the arm. In Bangalore, the Bannerghatta National Park and its extension such as Jigani, Nandi Hills, etc. are popular farmhouse destinations. The region is connected with Bangalore via NH-7 and takes around ~ 50 Km to reach from Silicon Valley. It has plenty of archaeological & cultural sites, hilly terrains, and other natural beauties. It offers plenty of stress-busting activities such as wood walks, cycling, hiking, etc. amidst a pollution-free atmosphere.

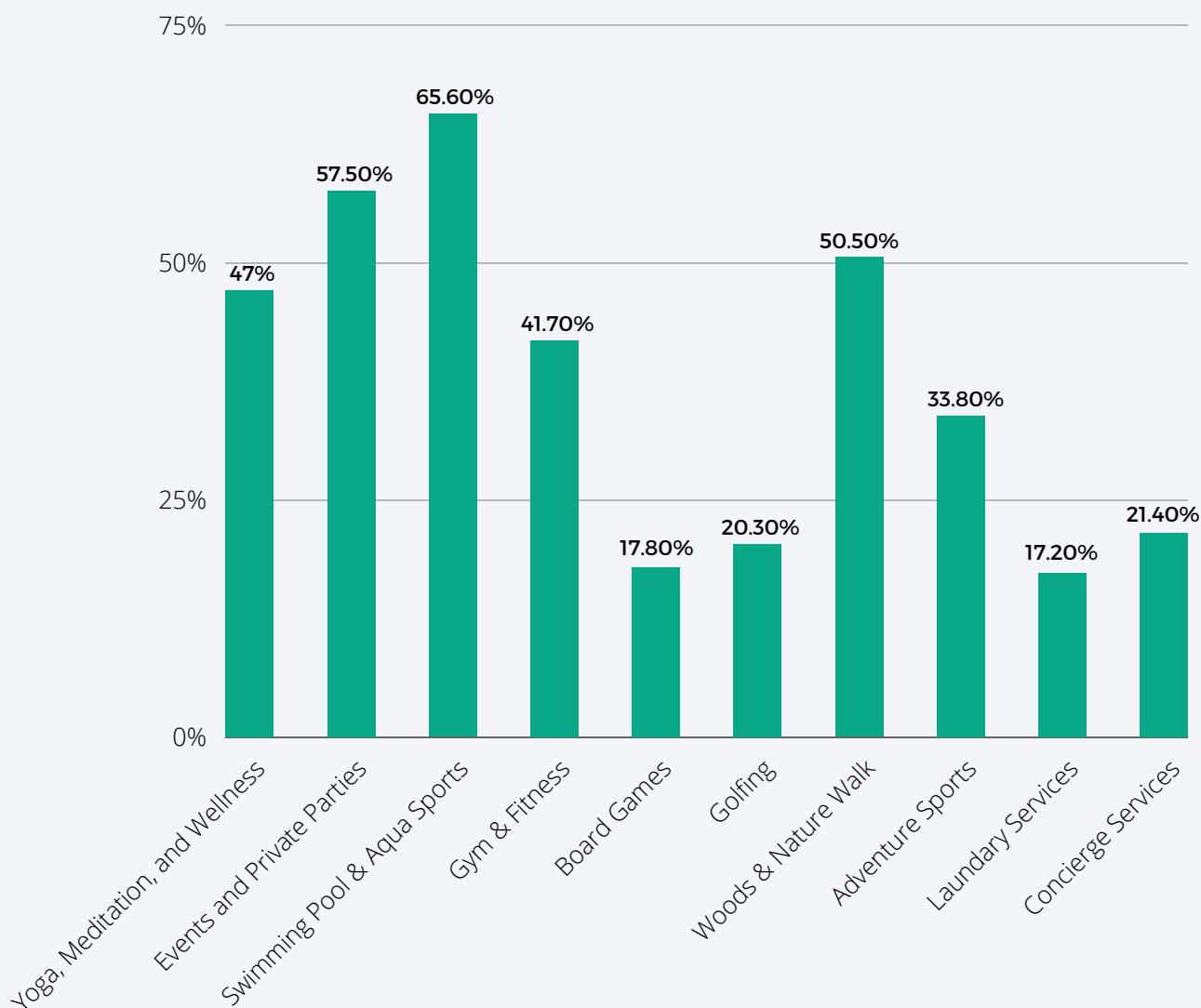
What Indian HNIs think about Farmhouse Buying



The growing demand for farmhouses is driven by numerous underlying factors. Bonding with nature is one of the major factors that is motivating HNIs to own farmhouses, bungalows, and gated villas, away from the hustle and bustle of city life. It can give them chances to immerse in nature and get relief from the noise, pollution, and congestion that city life is known for. Farmhouses are also becoming weekend and holiday destinations. Buying farmhouse properties are also dictated by long-term investment choices. As discussed in the previous section, there is an uptrend amongst farmhouse buyers

to invest in value-added services. The traditional definition of farmhouses is changing as homebuyers now want engaging and meaningful experiences in farmhouses. They want facilities for wellness and fitness (gyms, yoga, etc.). Likewise, they want adventure sports, nature walks, ecotourism, etc. Farmhouses are becoming part-time hotels & resorts. They are lent out for parties as well as for long stays. This also necessitates the availability of better facilities such as concierge, laundries, automated security features, etc.

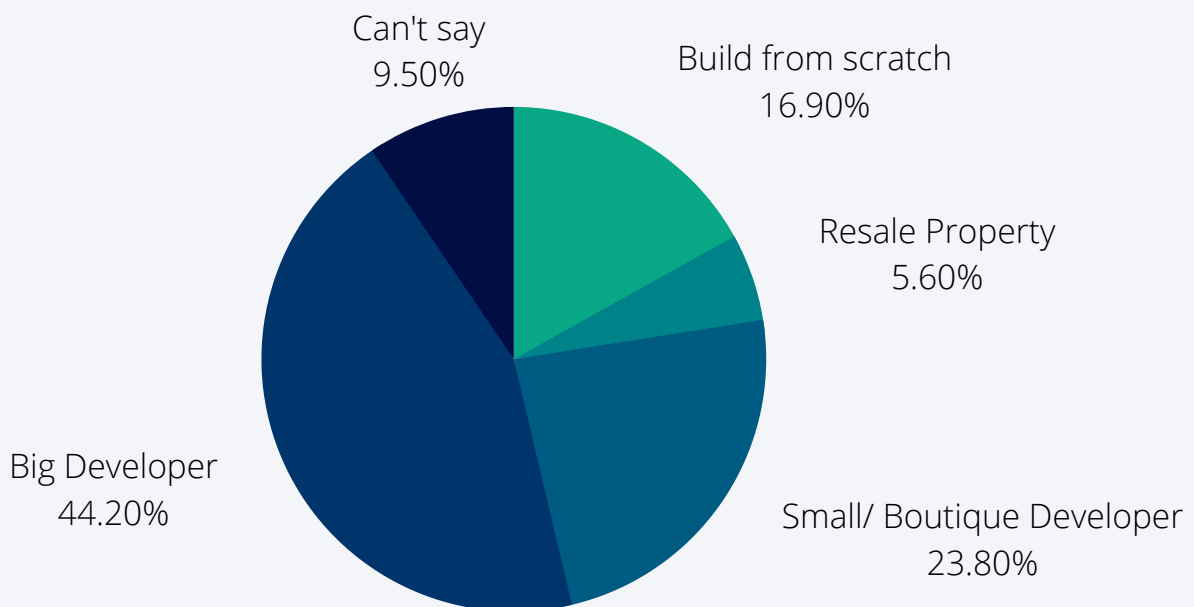
How HNIs view paying additionally for value-added services



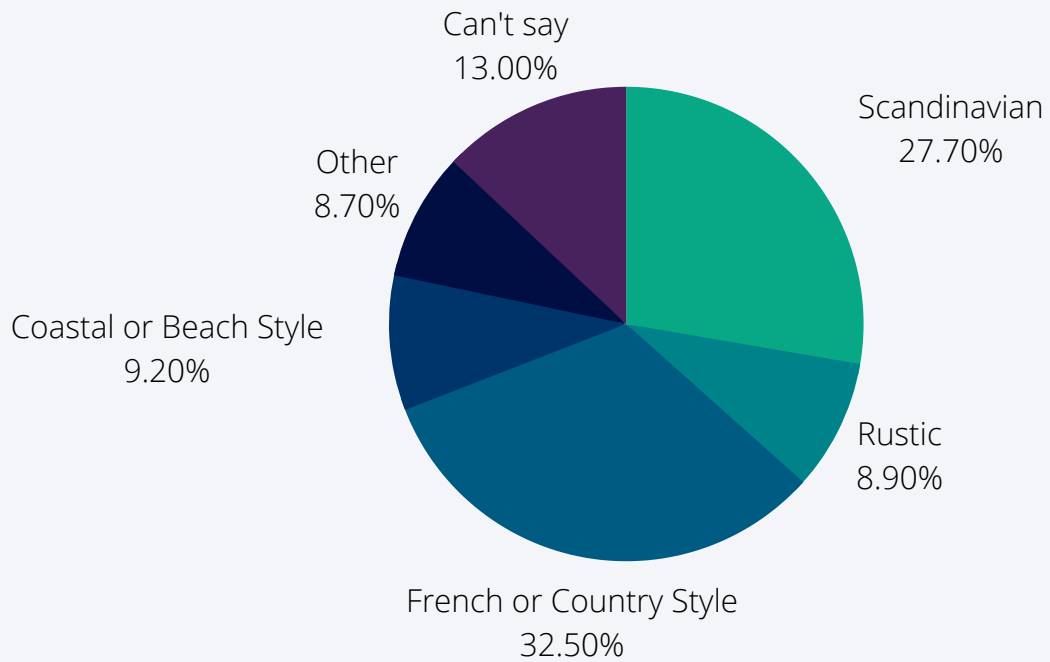
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unorganized category in the country. However, as the demand is rising fast, the trends are shifting and increasingly, big developers are venturing into the segment. In recent months, major developers such as Tata, Panchsheel Realty, Lodha, Axon, Piramal, Kalpataru, etc. have entered the space, thereby adding additional momentum to an already growing segment. The advent of bigger players has greatly improved the product quality, design & architecture features, amenities, community development, etc. thereby enriching and enhancing the overall segment. Increasingly, as the big players are stepping in, the overall product marketing has also transformed.

How HNIs would prefer to build their farmhouse



What designs HNIs prefer in Farmhouse



In a country like India which is defined by its richness in art and heritage, it is natural that people will be willing to experiment when it comes to high-ticket personalized investments such as farmhouses, gated

villas, bungalows, etc. From minimalist to extravagant styles, from modern styles to contemporary rural styles, home buyers are trying various design ideas.





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