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Bengaluru real estate faces approval delays amid BBMP restructuring



Real estate project approvals for mid-stage and new launches in Bengaluru are reportedly facing delays following the restructuring of the Bruhat Bengaluru Mahanagara Palike (BBMP) into the proposed Greater Bengaluru civic body. Sources indicate that the consolidation into five zonal entities is progressing more slowly than anticipated, resulting in temporary disruptions to building plan clearances and project approvals. This not only impacts the real estate industry but also has a cascading effect on employment generation, housing supply, and related sectors such as cement, steel, and logistics. Administrative confusion stalls building and plan approvals. Sources close to the development, on condition of anonymity, told businessline that although the corporations have been formally split, the newly carved-out entities are yet to become fully operational. As a result, the BBMP has stopped processing several project-related approvals, having been relieved of many such responsibilities under the decentralisation plan. This transition has created confusion over the assignment of work and who has to be deputed (officers), with responsibilities caught in administrative limbo between BBMP and the newly formed five entities. Further, the caste census has also delayed the integration. Adding to this is the long-pending e-khata, which is affecting several stakeholders, including the government of Karnataka. Murali Malayappan, Chairman and Managing Director, Shriram Properties Ltd., shared that there has certainly been a perceptible slowdown in project approvals and building plan clearances, commencement certificates, and occupancy certificates across Bengaluru since the restructuring process of BBMP began. The procedural clarity that existed earlier has become somewhat diffused, resulting in extended response times and bottlenecks, especially within the planning and engineering departments. Developers flag rising costs and procedural bottlenecks. Santhosh Kumar, Vice Chairman – ANAROCK Group, the initial 6-12 months must be seen as a necessary transition period wherein the new systems are being established and processes fine-tuned. Kumar added that the confusion is a short-term phenomenon and is expected, given the magnitude of the change. Obviously, the initial unfamiliarity does present some pain points, as has been witnessed with most major structural changes and administrative overhauls in the past. This

is expected to settle within 6-12 months at the most. Experts say delays are transitional, expected to stabilise soon Sunil Pareek, Executive Director, Assetz, said, “For a large urban ecosystem like Bengaluru, we are in that transition phase now, and the industry had anticipated this, and the effect has been largely localised to areas directly under BBMP’s restructuring, while regions governed by other planning authorities have continued to function with normal approval cycles.” Industry urges government for interim clarity, single-window clearance Malayappan said the uncertainty is also leading to cost escalations, as developers must absorb extended holding costs, interest, and compliance obligations while awaiting approvals. The impact is more visible in peripheral zones with active infrastructure development. We sincerely appeal to the government to provide interim clarity and a single-window facilitation mechanism during this restructuring period. Malayappan added that Bengaluru’s housing and infrastructure growth have always been the cornerstone of Karnataka’s economic progress, and timely administrative support at this stage will greatly help sustain industry confidence and ensure the smooth continuation of ongoing projects. Published on October 23, 2025