Insite

Quarterly Real Estate Analysis for DELHI NCR

April-June 2015

Price Trends

Growth Drivers

Supply Analysis

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INTRODUCTION

The 99acres.com Delhi NCR Insite report brings to you major movements in the real estate market of the city in Apr-May-Jun 2015 as compared to Jan-Mar-Feb 2015. The report not only captures the significant trends across various localities in Delhi NCR but also brings to you the analysis and the insights that will make this report valuable for investors and end users. The report also includes an in-depth supply analysis to enable sellers and buyers determine the direction of the market.

Content

City-Highlights: 06

Price Trend Analysis:

Delhi-North, South, East, West & Dwarka 07

Noida, Greater Noida 08

Ghaziabad 09

Gurgaon, Faridabad, Bhiwadi & Dharuhera 10

Supply Analysis: 11

Methodology

We have reported quarterly price movements in the capital values and rental values measured in per square feet for 3BHK in the analysis on residential apartments in Delhi NCR. Effort has been made to provide comparable and accurate city level data, since prices and rents are floating and at any point may vary from the actual numbers.

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Delhi NCR

1%

City Insite Report

April-June 2015

Capital Growth

Delhi South 1%

Gurgaon 1%

Noida 1%

DEMAND-SUPPLY

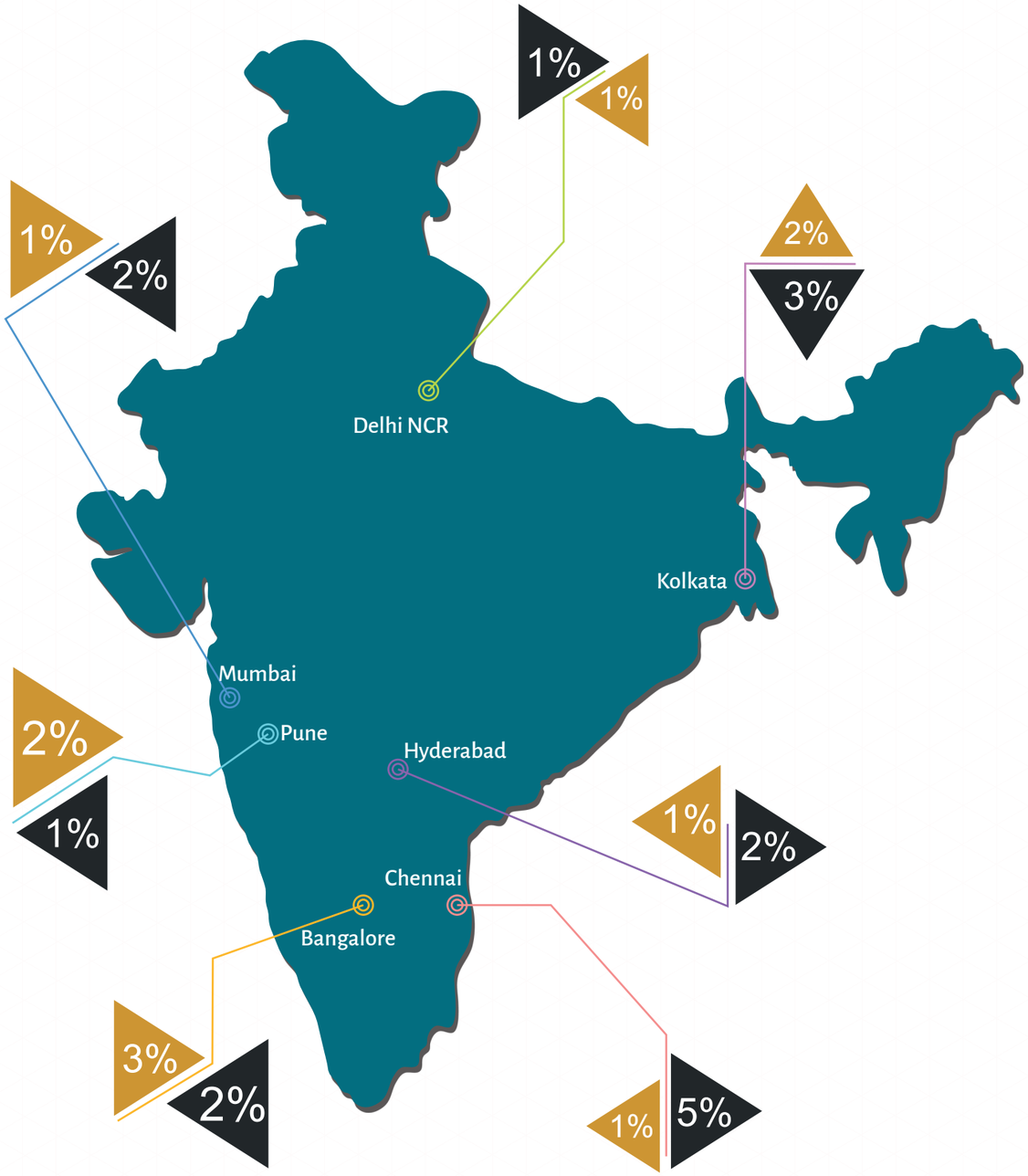
mismatch continued although metro expansion offered relief

Gr. Noida 2%

Ghaziabad 2%

Faridabad 1%

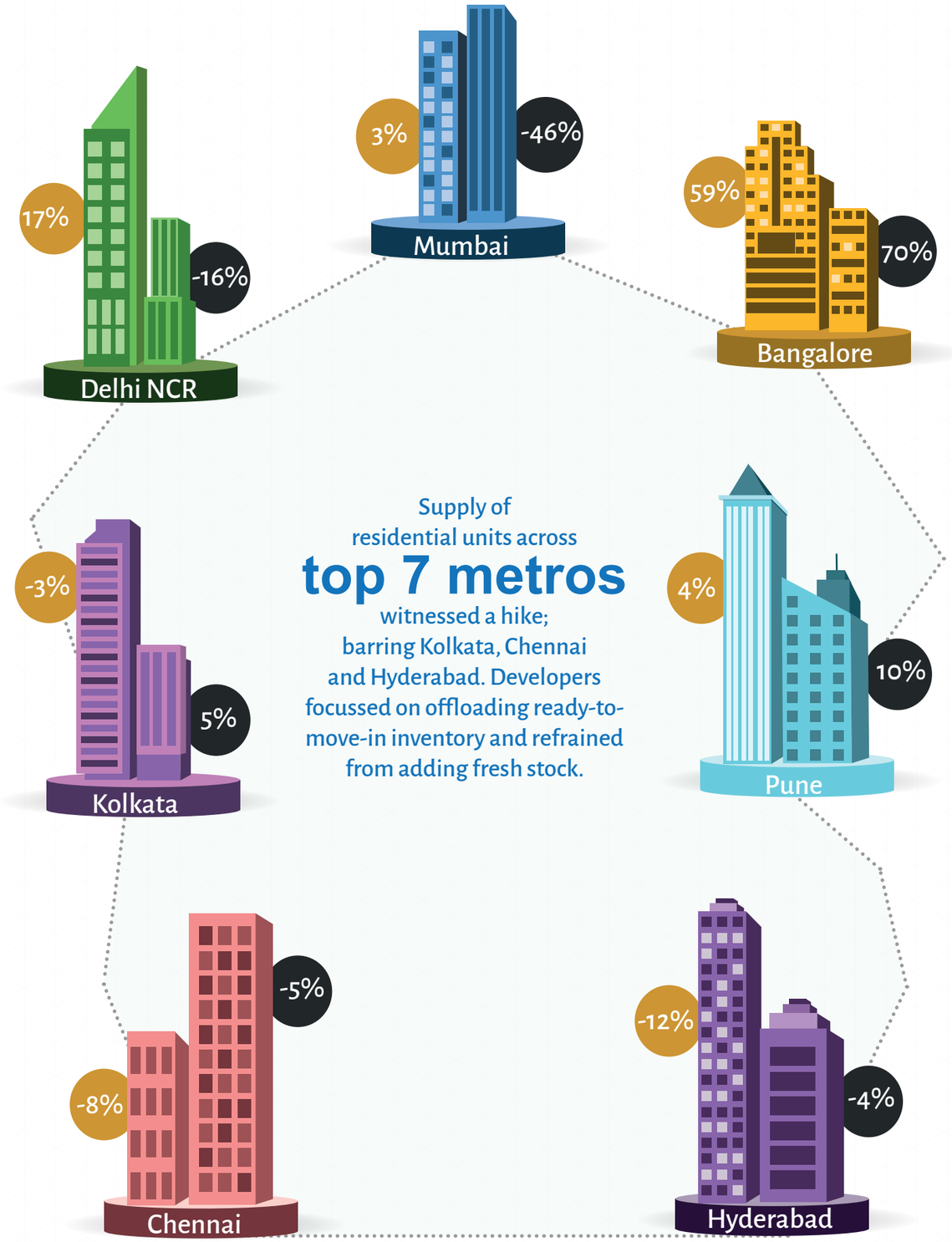
Price Movement



Apr-Jun 2015
Jan-Mar 2015

Supply Movement

Apr-Jun 2015
Jan-Mar 2015



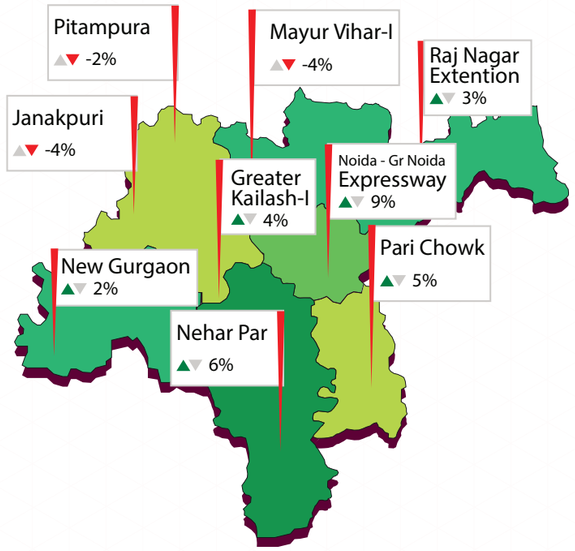
Supply of residential units across **top 7 metros** witnessed a hike; barring Kolkata, Chennai and Hyderabad. Developers focussed on offloading ready-to-move-in inventory and refrained from adding fresh stock.

DELHI NCR

City Highlights

Delhi's property market continued its snail-paced trajectory from Jan-Mar 2015 to Apr-Jun 2015 with insignificant growth in property prices. While frequent legal conflicts resulted in subdued buyer sentiment, a demand-supply mismatch gave developers a run for their money.

- The real estate story of India's national capital continues treading its paradoxical path. Prices soar despite a huge inventory pile-up of 1.70 lakh units, recorded till Apr-Jun 2015 by ASSOCHAM.
- The expansion of Delhi metro improved sentiments in certain pockets of the market. However, it impacted the rental values more than the capital prices.
- Commencement of the metro construction towards Greater Noida lifted mood in the capital market from complete stagnancy in Jan-Mar 2015 to two per cent growth in the Apr-Jun 2015.
- Talks of a new International Airport in Jewar, Greater Noida, infused some hope and cheer to the property market, but it's yet to translate into capital gains.
- Increase in office space absorption by IT/ITeS and e-commerce firms kept the commercial and home rental markets of Noida and Gurgaon upbeat.
- Ghaziabad's realty, too, rose on the promise of numerous physical and civic infrastructure development projects, including roadways, overbridges and the metro.
- Gurgaon's competition for the status of a 'smart city' has raised eyebrows as the city continues to face traffic gluts and remain starved of requisite infrastructure.



Map 1: Significant Price Movements in Delhi NCR

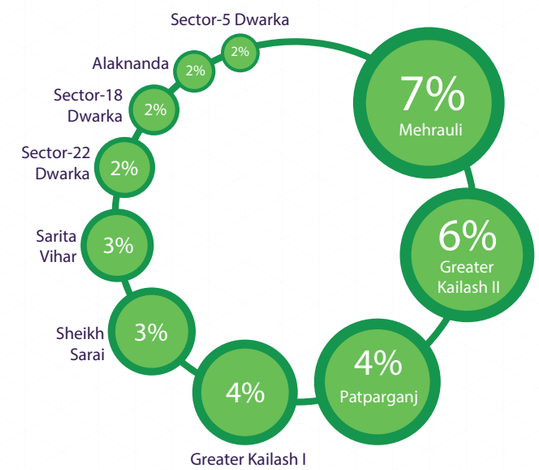
- The drop in the number of new launches continue from the previous quarter to Apr-Jun 2015. Due to this trend, most properties in all budget brackets, save one, are in the ready-to-move-in category.

KEY INFLUENCERS

- Delhi metro rail expansion impacted both capital and rental values across NCR
- Housing demand poised to grow further with rise in office space absorption
- In certain pockets of Noida, homebuyers continue to languish under NGT ban
- Launch of infra projects worth Rs 7,500 cr in Noida and Greater Noida in April

Capital Analysis

Top Performers in Delhi (Capital Values)

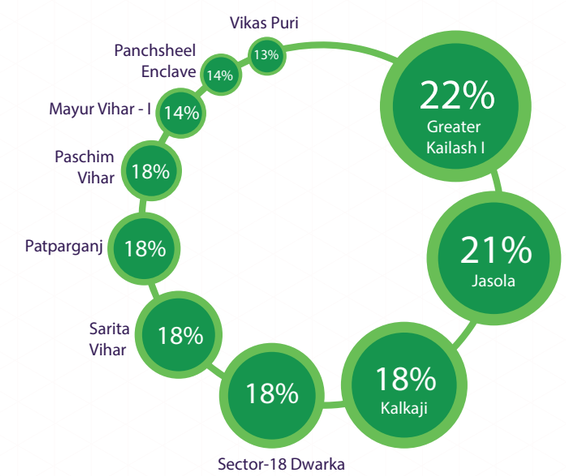


- Delhi witnessed a dip of over three per cent in Apr-June 2015, as compared to the preceding quarter. Property prices in South Delhi grew insignificantly, while that in North and West Delhi dipped by five per cent and eight per cent, respectively. Meanwhile, Dwarka's price graph declined by four per cent.
- Mehrauli was the top grosser, witnessing seven per cent rise in capital values in Apr-Jun 2015, as against the quarter ending March 2015.
- The upmarket neighbourhoods of Greater Kailash I and II clocked a surge of six per cent and four per cent, respectively, in the quarter ending June. The area will get improved metro connectivity after the completion of GK Enclave-I metro station, which is less than 3 km from both GK I and II.
- After seeing subdued sentiments in Jan-Mar 2015, property prices in Patparganj rose to the tune of four per cent in the quarter ending June 2015. However, the metro corridor which was to connect Mayur Vihar-I to Anand Vihar ISBT, passing via Patparganj, has met with a land hurdle with the National Highway Authority of India (NHAI). The NHAI has asked the Delhi Metro Rail Corporation (DMRC) to return the plot for the purpose of widening NH-24 into 14 lanes.

Rental Analysis

- As opposed to the weak end-user and investor sentiments, the rental market of Delhi soared in response to the existing and developing infrastructure and increasing employment opportunities. Rental values in the region surged by an average of five per cent annually.
- East Delhi witnessed the highest uptrend in the zone by 10 per cent between Apr-Jun 2014 and 2015, followed by Dwarka with a spike of six per cent in rental amount. South and West Delhi clocked an increase of five and four per cent, respectively.
- A Y-o-Y analysis revealed that Jasola in South Delhi recorded over 20 per cent rise in rental values, the highest in the region. This locality has the advantage of a metro station just a km away from it.
- Following Jasola closely were Dwarka Sectors 18 and 19, and Patparganj, each clocking a growth of 18 per cent. Rental sentiments around Dwarka sectors have risen in the wake of the Punjab and Haryana High Courts removing the stay order on construction of the 18 km Northern Peripheral Road (NPR). Further, the DDA announced an ambitious transit- oriented development (TOD) project along the metro corridor in June. The DDA plans to develop a central hub spanning 28 hectares, featuring business and eco-recreational centres.

Top Performers in Delhi (Rental Values)

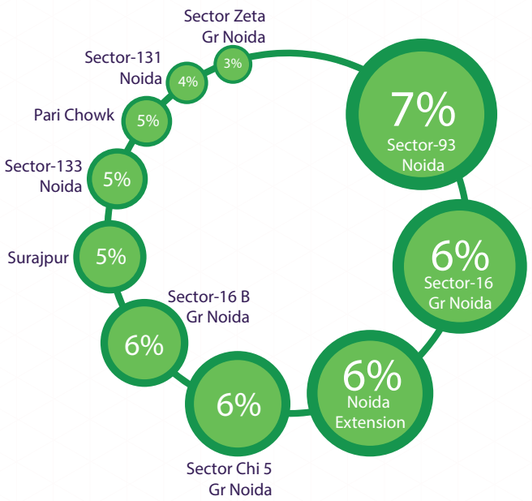


*Rental Values represent annual change

Noida and Greater Noida

Capital Analysis

Top Performers in Noida, Greater Noida (Capital Values)

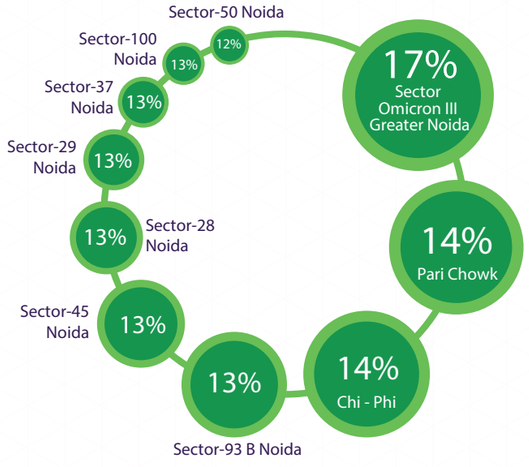


- The plethora of proposed social and physical infrastructure propelled real estate sentiments in Greater Noida from stagnancy in the last quarter to two per cent growth in Apr-Jun 2015. However, residential market in Noida maintained its slow growth pace with negligible price hike.
- The DMRC has mentioned a tentative timeline of three years for the metro corridor between the twin cities.
- The announcement of a new International Airport in the suburbs of Greater Noida – Jewar – is expected to lift market sentiments. However, the airport is currently embroiled in legal throes as the airport infrastructure of India does not permit for the construction of a second airport within a distance of 150 km.
- The Supreme Court's ruling on Greater Noida land acquisition has cleared the haze of uncertainty for almost 1.5 lakh property buyers. CREDAI has assured the delivery of around 50,000 residential units by the end of 2015.
- In addition, the region saw commencement of a new bus service, called Yamuna Sarthi. This service will boost commutation facilities between the twin cities.
- The Noida-Greater Noida Expressway was the frontrunner with nine per cent spike in real estate prices, with Sector-16 in Greater Noida and Noida Extension following closely with six per cent each.

Rental Analysis

- Boasting of a massive 16 per cent spike in rental prices in the quarter ending June, Greater Noida realty landscape is riding the wave of Noida-Greater Noida Metro corridor, the construction work on which commenced in the month of June. The metro link is slated to be operational in 2018.
- In addition, Greater Noida Industrial Development Authority (GNIDA) has announced December 31, 2015 as a tentative date of the completion of the Dadri rail overbridge project. Once operational, the bridge will offer immense relief to the residents, who currently face heavy traffic snarls as a result of containers from the depot. The bridge will also benefit commuters as they can reach NH-91 without entering Dadri.
- Rental values in Noida grew to the tune of four per cent between Apr-Jun 2014 and 2015. Improving connectivity, coupled with developing entertainment hubs are the prime growth drivers.
- According to a report published by CBRE, office leasing activity gained momentum by 70 per cent in Delhi-NCR, especially in Gurgaon and Noida during Apr-Jun 2015. Global IT giants, Oracle and NTT Data have leased out 1.25 lakh sq ft of space in Noida recently. Presence of IT majors creates more demand in the rental market as they attract workforce from all over the country.

Top performers in Noida, Greater Noida (Rental Values)

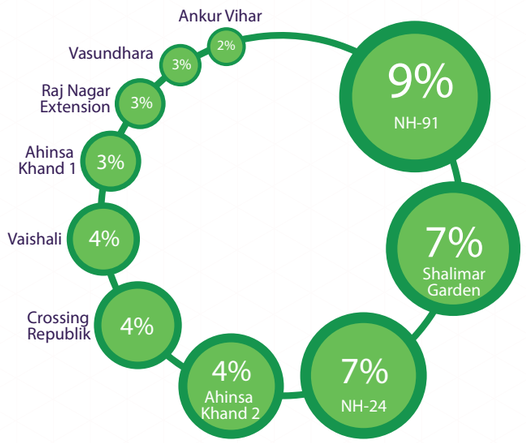


*Rental Values represent annual change

Ghaziabad

Capital Analysis

Top Performers in Ghaziabad (Capital Values)

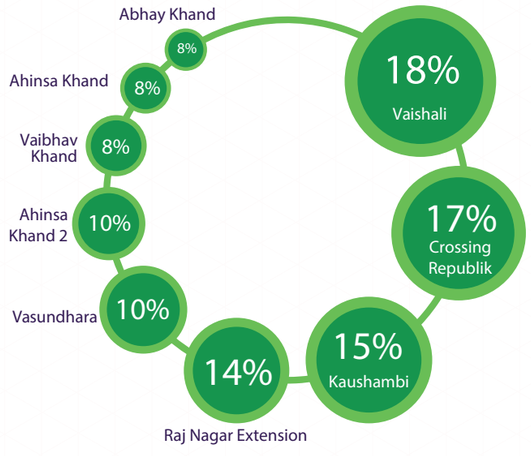


- At times referred as the 'Gateway of UP', Ghaziabad's realty landscape clocked an uptrend of two per cent in Apr-Jun 2015, in comparison to the preceding quarter on the promise of infrastructural growth. The city's real estate sentiments thrived on the announcement of Rs 1,500 crore for infrastructure development.
- The major infra plans include expansion of metro network from Dilshad Garden to New Bus Stand metro and construction of a Northern Peripheral Road spanning 21 km between Tila Mod in Delhi to Dasna Toll Plaza on NH-24. Development of a six-lane Hindon Elevated Road is also on the cards. This road will follow the Hindon Canal route, starting from NH-24 till Karhera in Raj Nagar Extension, via UP Gate. These projects would ease the flow of traffic from other NCR regions.
- In the month of June, Ghaziabad Nagar Nigam (municipal corporation) extended its approval for minor civic infrastructure work worth Rs 15-20 lakh, such as touching-up of bitumen-topped streets, strengthening and streamlining of concrete-cement roads etc. GDA has prepared an ambitious report for development worth Rs 300 crore for constructing overbridges, pavements, service lanes and underpasses at varied locations.
- National Highway 91 emerged as the highest grosser with nine per cent spike in property prices since March 2015.

Rental Analysis

- An annual analysis revealed that rental values in Ghaziabad rose to the tune of 10 per cent in the quarter ending June, after a five per cent rise in Jan-Mar 2015. The city's rental market thrives on its working population and affordability quotient, with convenient connectivity to Noida and Greater Noida being an added advantage.
- Vaishali saw the highest appreciation in the rental graph by 18 per cent from Apr-Jun 2014 to the same quarter this year. The proposal to expand the Vaishali metro link to Mohan Nagar has given a massive fillip to realty sentiments.
- The integrated project of Crossing Republik witnessed rental prices rising by 17 per cent during the same span. In addition to metro connectivity being on the cards, the locality is comparatively more affordable than neighbouring Vaishali and Indirapuram, where rental demand rose by eight per cent in the last one year.
- Raj Nagar Extension, saw rental values climbing by 14 per cent Y-o-Y. The promise of improved road infrastructure seems to have increased housing demand in the locality.
- As expansion of Delhi metro improves connectivity between Ghaziabad and the rest of the NCR, rental values are expected to head further north.

Top Performers in Ghaziabad (Rental Values)

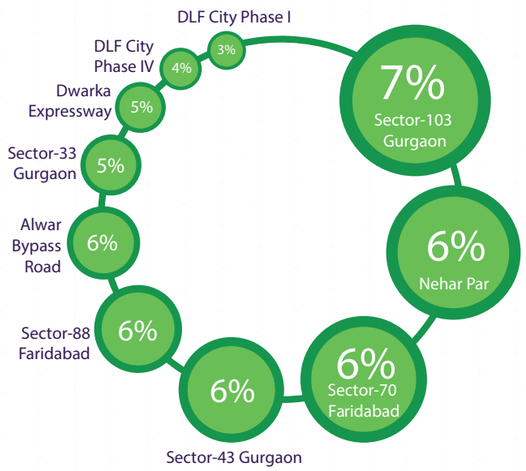


*Rental Values represent annual change

Gurgaon, Faridabad, Dharuhera and Bhiwadi

Capital Analysis

Top Performers in Gurgaon, Faridabad, Dharuhera and Bhiwadi (Capital Values)

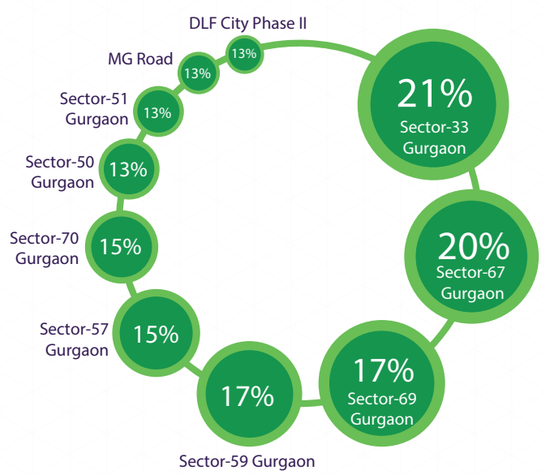


- Gurgaon and Faridabad saw an uptrend in capital values, albeit an insignificant one per cent in Apr-Jun 2015. Homebuyers continue with their wait-and-watch approach, although both the cities are frontrunners in the race for the 'smart city' tag.
- In addition to boasting an array of luxury houses, the Millennium City of Gurgaon is witnessing the emergence of a new segment of properties, mid-range luxury housing. However, the luxury and mid-luxury segments do not have many takers, despite a substantial number of enquiries. The capital values of luxury properties had swelled by almost 17 per cent in 2011-12, on a year-on-year basis. This trend narrowed to 3.7 per cent in 2012-13 annually and dipped further to one per cent in 2013-14.
- Gurgaon has an upcoming underpass project at IFFCO Chowk, Rajeev Chowk and Singature Towers. Once this ambitious project gets completed, it will ease traffic snarls on the Delhi-Gurgaon Expressway. However, the project has hit a space hurdle at IFFCO Chowk recently.
- Construction of the metro network has given Faridabad a fresh lease of life. Despite being designed in accordance with the Nehruvian vision of a 'City of Hope', Faridabad has remained dependent on autos and buses till date. The metro will become the city's first transit system.

Rental Analysis

- Rental demand remained robust in Gurgaon and Faridabad, with prices increasing by four per cent, each, in a year's time.
- The highest grosser in Gurgaon was Sector 67 where values rose by 20 per cent in Apr-Jun 2015 as compared to the same quarter last year, followed by Sectors 69 and 59 where rentals increased by 17 per cent, each.
- A CBRE report stated that Gurgaon accounted for 73 per cent of the total office space transactions that took place in the NCR in Apr-Jun 2015. The rise in rental values can be attributed to the increase in housing demand from the workforce of these IT/ITeS and e-commerce companies which leased out space in the city.
- Sector 86 in Faridabad witnessed rental values escalating by 14 per cent during the same span. Housing demand in this industrial township is being fuelled by expansion of the DMRC line. While residential rental prices have improved considerably in certain parts of the city, commercial yields are expected to surge by 25-30 per cent in the forthcoming quarter.
- In addition to capital values, Alwar Bypass Road in Bhiwadi saw rental yields rising to the tune of 17 per cent. The rental market of the region is primarily propelled by the workforce in Gurgaon.

Top Performers in Gurgaon, Faridabad, Dharuhera and Bhiwadi (Rental Values)



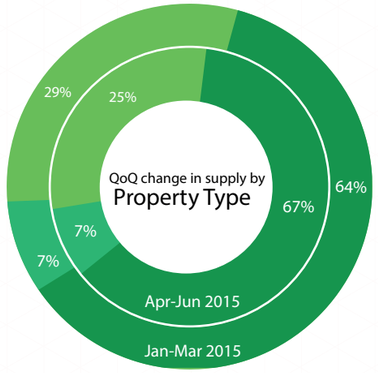
*Rental Values represent annual change

Supply Analysis

As end users and investors continued to sit on the fence, the property supply graph proceeded its slow trajectory from Jan-Mar to Apr-Jun 2015. Decline in housing demand translated into a steep downslide in the number of new launches in Delhi NCR.

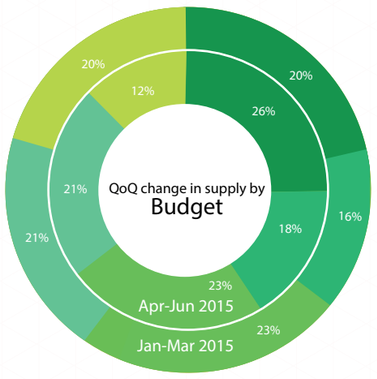
Availability of different property types

- Supply of different property types – residential apartments, builder floors and independent houses/villas witnessed slight variation in Apr-June 2015, as compared to the previous quarter.
- Multi-storeyed apartments continued to be the most popular property type, capturing almost two-third of the total market share. High demand due to the unparalleled convenience offered by apartment-living resulted in increased supply of these units in this quarter. Maximum inventory of apartments was witnessed in Gurgaon and Noida.
- A quarter of the city's total inventory was for builder floors, making it the second highest supplied property type in Delhi NCR. Delhi and Ghaziabad recorded the maximum supply for builder floors.
- Independent houses/villas made up a mere seven per cent of the entire market share. Delhi recorded the maximum share of independent houses/villas, followed by Gurgaon and Greater Noida.



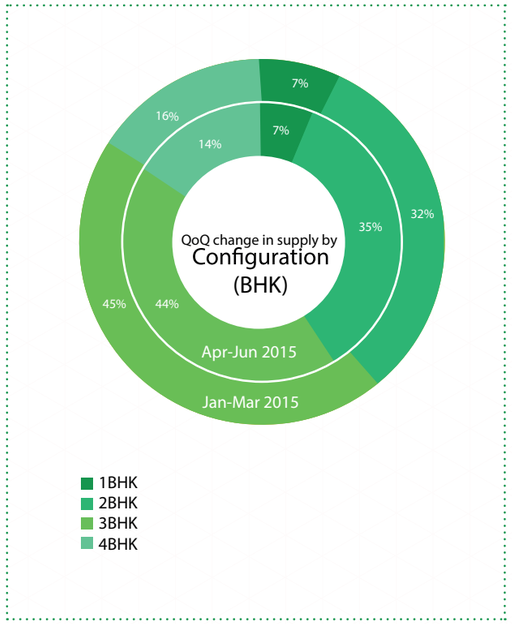
Availability of Property by Budgets

- With the government focusing on budget housing, there was an increase in the supply of properties priced within Rs 40 lakh. Unlike the previous quarter, the said budget category hogged the limelight and captured almost a quarter of the entire market share of Delhi NCR. Ghaziabad, followed closely by Delhi and Greater Noida, had the maximum residential inventory in this category.
- Bhiwadi and Dharuhera too had majority of the inventory priced within Rs 40 lakh.
- High-income housing category (Rs 60 Lakh to Rs 1 crore) was the next most supplied in the city and captured almost another quarter of the total market. Gurgaon and Noida had the maximum properties available in this budget.
- Supply of luxury-housing (properties priced between Rs 1-2 crore) remained unchanged since quarter ending March 2015. The category made almost 20 per cent of the



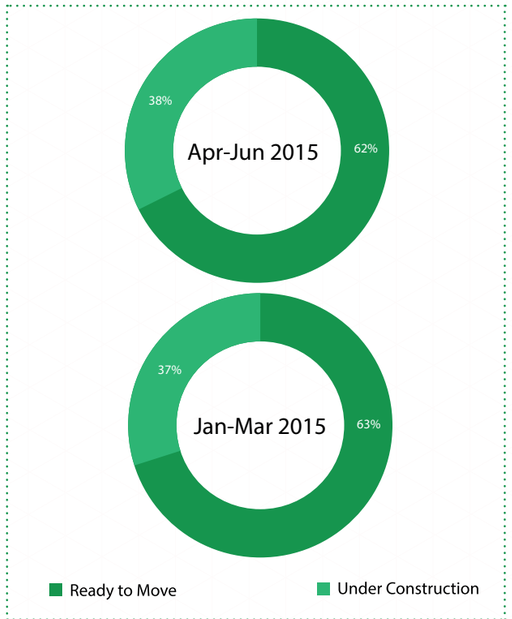
total market. Close to half of the inventory of properties in this price bracket was in Gurgaon. Delhi and Noida too had a significant supply of these units.

- Supply of mid-income housing (properties priced between Rs 40-60 lakh) increased by two per cent from Jan-Mar 2015 to Apr-Jun 2015 and stood at 18 per cent. Noida and Ghaziabad offered maximum housing units in this budget category.
- Supply of ultra-luxury housing, priced between Rs 2-5 crore, dipped significantly and stood at 12 per cent in the quarter ending June 2015. Delhi and Gurgaon made up almost the entire market for these properties (85 per cent). Close to 10 per cent of these units were in Noida.



BHK-wise Distribution of Property

- Continuing with last quarter's trend, 3BHK units emerged as the most supplied ones in Apr-Jun 2015, capturing almost half of the entire market share. Taking the lead, Gurgaon offered maximum 3BHK units and contributed almost 30 per cent to the total supply in the city. Delhi and Noida followed by contributing close to 20 per cent each.
- More than two-third of the remaining half of Delhi's residential inventory was taken up by 2BHK units. Catering to most of the housing demand from middle-income home buyers, Noida and Ghaziabad recorded maximum supply of these units.
- Most of the properties in Greater Noida, Bhiwadi and Dharuhera were configured as 2BHK units.
- Supply of 4BHK units dropped by two per cent in this quarter and stood at 14 per cent. Catering to robust housing demand in the luxury and ultra-luxury price brackets, Gurgaon recorded maximum supply of 4BHK units.
- Properties with 1BHK configuration seemed to be the least popular. Delhi and Ghaziabad recorded the maximum supply of these housing units. Within Delhi, West and South zones were the most popular for such single room homes.



Ready to move vs Under-construction

- Similar to the previous quarter, more than 60 per cent of the properties in Delhi NCR were ready-to-move-in. Being a secondary market, Delhi continues to have maximum inventory of these units in NCR. In Delhi alone, 85 per cent of the properties were in the said category.
- Almost 70-80 per cent of the total inventory in Ghaziabad and Faridabad was ready-to-move-in. Slow absorption of housing units refrained builders from announcing new projects.
- Almost three-fourth of the inventory in Noida, Greater Noida, Bhiwadi and Dharuhera continued to be under-construction due to long delays in project deliveries. The National Green Tribunal's (NGT) ban on construction of houses within a radius of 10 km round the Okhla Bird Sanctuary delayed many projects in Noida and Greater Noida.

ANNEXURES

CAPITAL VALUES-
Delhi North, South, East, West, Dwarka

Locality	Apr-Jun 2015	%Change
Alaknanda	15500	2
Chattarpur	5000	1
Greater Kailash I	20000	4
Greater Kailash II	23000	6
Janakpuri	11450	-4
Lajpat Nagar	14300	-8
Mayur Vihar - I	13350	-4
Mehrauli	4500	7
Narela	4350	-10
Paschim Vihar	10500	-5
Patparganj	13050	4
Pitampura	10900	-2
Saket	16000	-2
Sarita Vihar	11350	3
Sector-12 Dwarka	9500	-8
Sector-13 Dwarka	8750	-6
Sector-16 Dwarka	6200	-11
Sector-18 Dwarka	9300	2
Sector-18B Dwarka	8000	3
Sector-22 Dwarka	9000	2
Sector-23 Dwarka	8550	-7
Sector-5 Dwarka	8750	2
Sector-6 Dwarka	9150	-1
Sheikh Sarai	15700	3
Uttam Nagar	4200	-14
Vasant Kunj	14000	0

RENTAL VALUES-
Delhi North, South, East, West, Dwarka

Locality	Apr-Jun 2015	%Change
Akshardham	24	-4
Alaknanda	25	-4
Chattarpur	14	0
Defence Colony	55	10
East of Kailash	25	9
Greater Kailash I	33	22
Greater Kailash II	29	7
Green Park	30	3
Kalkaji	26	18
Lajpat Nagar	28	0
Malviya Nagar	24	0
Mayur Vihar - I	24	14
Mayur Vihar - II	20	5
New Friends Colony	25	-4
Panchsheel Enclave	33	14
Paschim Vihar	20	18
Patparganj	20	18
Safdarjung	30	-14
Saket	26	8
Sarita Vihar	20	18
Sector-13 Dwarka	12	9
Sector-18 Dwarka	13	18
Vasant Kunj	23	0
Vasant Vihar	36	-12
Vikas Puri	17	13

*All prices are per sq ft rates
*Capital values represent quarterly change
*Rental Values represent annual change

CAPITAL VALUES- NOIDA, GREATER NOIDA

Locality	Apr-Jun 2015	% Change
Beta 2 Gr Noida	4550	1
Chi - Phi	4100	1
Noida Extension	3500	6
Pari Chowk	4500	5
Sector Omega -1 Gr Noida	4000	1
Sector-120 Noida	5500	0
Sector-128 Noida	6700	-4
Sector-133 Noida	4500	5
Sector-134 Noida	4200	-9
Sector-137 Noida	6000	0
Sector-151 Noida	3500	0
Sector-16 Gr Noida	3300	6
Sector-168 Noida	5000	0
Sector-93 Noida	8000	7
Yamuna Expressway	3000	0

RENTAL VALUES- NOIDA, GREATER NOIDA

Locality	Apr-Jun 2015	% Change
Sector Mu Gr Noida	5	0
Sector Pi- 1 Gr Noida	7	0
Sector ZETA Gr Noida	6	0
Sector-104 Noida	15	7
Sector-110 Noida	13	8
Sector-119 Noida	11	10
Sector-120 Noida	12	9
Sector-25 Noida	14	-13
Sector-34 Noida	18	6

RENTAL VALUES- NOIDA, GREATER NOIDA

Locality	Apr-Jun 2015	% Change
Sector-44 Noida	17	6
Sector-51 Noida	16	7
Sector-61 Noida	17	6
Sector-62 Noida	13	-7
Sector-76 Noida	13	8
Sector-93A Noida	17	6
Sector-93 Noida	17	6

CAPITAL VALUES- GHAZIABAD

Locality	Apr-Jun 2015	% Change
Ahinsa Khand	6000	2
Ahinsa Khand-1	6500	3
Ahinsa Khand-2	5500	4
Ankur Vihar	2950	2
Bhopura	3050	0
Crossing Republik	4150	4
Govind Puram	3000	2
Indirapuram	6000	2
Kaushambi	6050	-2
Lal Kuan	2500	-7
Mohan Nagar	4500	0
NH-24	3000	7
Raj Nagar Extension	3300	3
Shalimar Garden	4500	7
Siddhartha Vihar	3500	0
Vaishali	7000	4
Vasundhara	6100	3

*All prices are per sq ft rates.
*Capital values represent quarterly change.
*Rental Values represent annual change.

RENTAL VALUE- GHAZIABAD

Locality	Apr-Jun 2015	% Change
Ahinsa Khand	13	8
Crossing Republik	7	17
Indirapuram	13	8
Raj Nagar Extension	8	14
Vaibhav Khand	13	8
Vaishali	13	18
Vasundhara	11	10

CAPITAL VALUES- GURGAON, FARIDABAD, BHIWADI, DHARUHERA

Locality	Apr-Jun 2015	% Change
BPTP	3600	0
Charmwood Village	8800	-2
DLF City Phase 1	10000	3
DLF City Phase 2	14500	1
DLF City Phase 4	12500	4
DLF City Phase 5	13000	1
Dwarka Expressway	5750	5
Golf Course Road	14000	-4
Manesar	4200	0
MG Road	15000	1
Nehar Par	4150	6
New Gurgaon	5450	2
NH-8	3500	1
Nirvana Country	9000	0
Palam Vihar	8500	2
Sector-109 Gurgaon	6000	2
Sector-110A Gurgaon	6200	2

CAPITAL VALUES- GURGAON, FARIDABAD, BHIWADI, DHARUHERA

Locality	Apr-Jun 2015	% Change
Sector-112 Gurgaon	6050	-7
Sector-30 Gurgaon	14500	-1
Sector-31 Gurgaon	11000	1
Sector-37 Gurgaon	5050	1
Sector-49 Gurgaon	9000	1

RENTAL VALUES-- GURGAON, FARIDABAD, DHARUHERA AND BHIWADI

Locality	Apr-Jun 2015	% Change
DLF City Phase 2	26	13
DLF City Phase 5	23	5
Golf Course Ext. Road	15	7
Golf Course Road	29	7
MG Road	26	13
Nehar Par	9	13
Nirvana Country	19	12
Palam Vihar	17	6
Sector-27 Gurgaon	25	9
Sector-28 Gurgaon	26	8
Sector-45 Gurgaon	15	7
Sector-47 Gurgaon	18	13
Sector-53 Gurgaon	21	11
Sector-56 Gurgaon	15	7
Sector-90 Gurgaon	6	-25
Sohna Road	18	13
South City 1	22	5
Sushant Lok Phase - 1	22	5

*All prices are per sq ft rates
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*Rental Values represent annual change

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