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ESTATE AVENUES

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Indian real estate sector driving nation's growth

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Regulation and Development Bill fails to address
KEY ISSUES

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North India Real Estate Report
2013-14?

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Trendsetters of buyer-developer environment

Dr. Anil Kumar Sharma
CMD, Amrapali Group

A MEDIA HOUSE Production

Challenges

Soaring
prices and
delays

Rising
cost of
construction
material and
fund crunch

Increasing
debt burden

Costly
credit

Shortage
of affordable
properties

Several
new mall
projects
deferred

December, 2012). Maximum increase was observed in Jaipur (28.74 per cent) followed by Delhi (3.59 per cent), Faridabad (0.98 per cent),

Declining Trend

Two cities have shown decline in prices over the previous quarter with maximum fall Ludhiana (-6.71 per cent), Lucknow (-3.18 per cent).

It is time for mixed-use realty projects

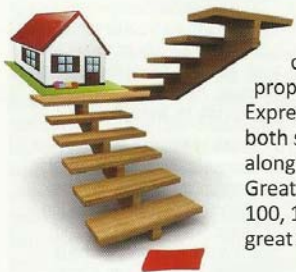
With the shrinking land bank in big cities and towns and skyrocketing

prices of land, the developers are now geared up for mixed-use of land as retail, entertainment, shopping and accommodation within a single building. According to real estate consultants, the retail does not work on more than three floors; developers are utilizing the extra floor space for other classes of tenants such as commercial, residential as retail space is typically limited to 300,000 to 700,000 across the country. DLF Place in Saket, New Delhi, World Mark by Bharti Realty Aerocity in South Delhi, Supernova-Radiance Place in Noida, and Trilium in Amritsar are some of

the buildings in North India real estate sector. This new class of tenants can help ease the liquidity problems of developers that are affected by rising project costs, delays and weak demand. Though the real estate sector in India remained weak in 2012 as investors, buyers and occupiers kept away from the market which has been affected by falling sales, delays over approvals, rising construction costs and high interest rates. However, the occupier market saw demand rising modestly in the first three months of 2013 but the development starts remained broadly flat in the quarter

(Delhi-Noida-Greater Noida, Yamuna Expressway, Faridabad, Gurgaon, Sohna Road, Dwarka Expressway, Manesar, Neemrana, Bhiwadi, Kundli-Sonepat, Ghaziabad, Rajnagar Extn)

DELHI-NCR



Noida-Greater Noida and Yamuna Expressway continues to attract investors, buyers and realtors owing to the infrastructure and good connectivity of the area. Demand for residential and the commercial property on this stretch, which further connects to the 165-km long Yamuna Expressway, is increasing at a fast pace. Residential sectors have developed on both sides of the Noida-Greater Noida Expressway. The main advantage of living along this passage is the rapid access to Noida and Delhi through one side and to Greater Noida through the other. Developing sectors like Sectors 94, 95, 96, 97, 100, 101, 110, 107, 137, 142, 143, 150, 151, and 168 along the expressway offer great scope for strong and sustained growth for all segments of the real estate.

Greater Noida/Yamuna Expressway Best Places For Investment

The outlook for real estate sector in the 2013 looks promising in the NCR. However, consultants and developers says that those areas where the prices have not yet peaked and where the authorities concerned and builders are developing world-class infrastructure

like roads, sports complexes, parks, educational institutions, rapid transport systems, entertainment etc, will have the maximum appreciation. The Noida, Greater Noida and Yamuna Expressway show huge potential for investors as well as end-users. The price sustainability and appreciation trends of the recent past, and also its relative affordability, will continue to maintain investor interest and confidence,

the report says. The increase in commercial development, its developing infrastructure, continuing affordability and the proposed connectivity via Metro and the Expressway between Faridabad-Noida-Ghaziabad will put this region on top of the realty radar in 2013.

Infrastructure

The region has best infrastructure so far and the Noida/Greater Noida and Yamuna

planning. Availability of basic infrastructure is planned to exceed demand at all stages of development and inter-flowing green spaces, a grid iron pattern of wide roads for an efficient transport system, and a unique integration of industrial, commercial, institutional and residential zones. There's even an 18-hole, 236-acre PGA-standard golf course designed by renowned-golfer Greg Norman. And an endless supply of unpolluted, fresh air!

Being developed on 20,000 hectares with wide roads, underground cabling and drainage system, the city offers amenities and infrastructural facilities of international standards. Among them: Reputed Educational Institutions, Shopping Centres, Medical facilities, Aesthetically-developed Theme Parks and Entertainment Complexes- and even a 222 acre international designer Golf Course.

The residential and commercial policies of the Greater Noida Industrial Development Authority (GNIDA) have led to remarkable development of infrastructure in this area. This, coupled with other top-notch infrastructural facilities, has prompted realty watchers to peg it very high among the real estate destinations in the NCR.

Greater Noida has today becomes one of the fastest developing sub-cities in the NCR and is an attractive destination for commercial and residential real estate. As the city is close to central Delhi and Noida, it provides a good residential solution to working people. Besides, as a number of corporate houses have chalked out plans to start offices here, it will provide good employment opportunities to residents.

Realty Market is expected to Upswings

On Expressway stretch, large numbers of renowned developers are coming



Real Estate in India, specially in North India and NCR, is growing at a phenomenal rate but facing countless challenges which includes no single window system for clearance, lack of clear land titles, approvals and procedural difficulties, rising man-power, inadequate source of finance, are affecting this "industry". He demanded single window clearance and industry status for this unorganized sector. Bringing in transparency through and reducing the cost of property by making uniform stamp duty suitable amendments in the Foreign Direct Investment (FDI) guidelines in the sector."



Mr Raheja said, "the single biggest reason for delaying projects that a number of developers use the funds for buying land elsewhere, the funds meant to be utilized for the construction of a particular project resulting possession is delayed considerably which lead to consumer unrest. Currently, NCR is the hottest destination for north Indian real estate with upcoming cities like Mohali, Jaipur, Lucknow and Meerut. He said there should be a balance between the circle rates and the actual transaction rates so that "coloured" money transactions can be curtailed.

"Every market is a function of demand & supply. Demand outstripping supply results in upward movement of prices. Real estate is no different. Demand from investors & end-users combine to outstrip supply significantly, leading to increased prices. The only way out of the market scenario is an effective affordable housing policy aimed at those who are left out of the normal market. The housing policy should aim at PPP model with a focus on land at affordable rates for developers to come out with low cost housing, which is a challenge today on account of spiraling land prices".

Naveen Raheja
Chairman & Managing Director,
Raheja Developers says

with their new projects. According to an estimate, the annual appreciation is around 30 per cent; this is a handsome return on investment by any yardstick and this is raising a huge demand for property on the Noida Expressway. The mid-segment apartments are quoting at ₹3500 to 5500 per square foot and the premium segments are in the range of 9000 to ₹15,000 per square foot. Professional, end-users, investors are looking out this new stretch as a good destination for investment purpose as the area is yielding good returns as per developers. Some of the upcoming projects on Expressway are Gulshan's Ikebana, Logix Blossom Greens, Prateek Edifice, Ajnara Daffodil, Paramount Floraville, Amrapali's Heartbeat City and Hanging Garden, ATS Pristine,

Supertech's Supernova, Unitech Grande, JP's Wishtown and many more.

Investors' First Choice

Housing prices in the region have hit with the Noida Authority decision to hike the



Considering the economic slowdown already being experienced, the hike in land would prove to be a counter-productive move for the real estate market. It will add to the costs for the buyer and make houses and property more expensive.



Getamber Anand
Vice-President CREDAI.

Noida Expressway Apartment Pricing

Average price in March, 2013	₹5515 per sq.ft
Median Price in March 2013	₹5125 per sq.ft

Out of total 30 residential projects in Noida Expressway, 16 due for possession in 2014.

Most popular locality	Average price (per sq. ft)	Median price (per sq. ft)
Noida Expressway	5515	5125
Sector-129	4030	3874
Sector-128	6745	6745
Sector-137	5149	5200
Sector-107	5764	5800
Sector-100	6150	6150

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Real estate sector has a huge multiplier effect on the Indian economy and therefore there is a need to streamline government policies and introduce reforms to boost this sector. The expected reforms will bring transparency in the system, which we believe should work for limiting intervention in the process of granting clearances and registrations and providing a credible platform to address consumer dissatisfaction. Granting industry status would bring in a much deserved discipline in this sector enabling it to have access to organized funds from banks and financial institutions.

Despite of the ongoing substantial growth of realty there are still some obstacles which need to be confronted. There is a high demand for commercial and residential properties in North India and property values have quadrupled in the last decade making it difficult for middle class Indians to invest.

With property boom spreading in all directions, North India has become a dream for every potential investor looking forward to dig profits. Delhi and the adjoining National Capital Region (NCR) has seen a 20 per cent rise in property prices over the past year, the highest among all metropolitan regions in the country, according to a report. These areas are witnessing increase in capital values and property market here has been upbeat for a while and is expected to see a similar trend on account of huge latent demand. However, Tier II & III cities have also evolved as a better alternative to metro housing due to availability of land at affordable prices, improved infrastructure and connectivity.

On Industry status to real estate, a regulation should be the one that empower customers and enforce discipline among property developers. It's been our long pending demand that the sector should be given the industry status so that it is able to raise funds from banks and financial institutions without difficulty and at the same time it will also bring transparency and trust of buyers to the developers. The legislation should promote clarity on policies concerning special economic zone (SEZs), land acquisition norms and certain taxes. Besides, there is a need to speed up the grant of approvals and setting up of a single-window mechanism in the sector.

Mohit Arora
Director, Supertech Ltd

land allotment prices by 8.53 per cent to 30 per cent in Noida, Greater Noida and Yamuna Expressway. The Noida Authority have hiked the allotment rates in non industrial area by 15 percent while that of the industrial/commercial areas have been hiked up by 30 per cent and 11.25 per cent. The Greater Noida Authority has declared a hike of 8.53 percent and the Yamuna Expressway Authority has raised the rates between 14 and 18 per cent. The Greater Noida and the Yamuna Expressway authorities have also increased the compensation rate to be offered to farmers for acquisition by 10.4%.

In Greater Noida, the allotment rate for land across all categories has been uniformly hiked by 10.4%. The Yamuna Expressway area has seen the steepest hike in allotment rates as residential properties have gone up by about 40%, while, the allotment rate for industrial and institutional properties have been hiked by 28 to 42%. The

hike in allotment rates means that residential properties in Noida have become dearer by at least ₹5,100 per sq m in 'A' category sectors like 14, 14A, 15A, 17 and 44 and by ₹1,855 per sqm in 'E' category sectors like 102, 115, 158. Group housing flats in Noida have become costlier by almost ₹7,000 per sq m in the 'A' category areas and by ₹4,640 per sqm in 'B' category areas.

"Considering the economic slowdown already being experienced, the hike in land would prove to be a counter-productive move for the real estate market," said Getamber Anand, vice-president CREDAI. "It will add to the costs for the buyer and make houses and property more expensive."

Noida Extension

Though developers recognize Noida Extension as a separate location, it comprises Sectors 1, 2, 4, 16B, 16C, 16D and Knowledge Park V of Greater Noida.

“



The market is stable in this region at present and I do not think there will be big price changes in the real estate market in the next two/three years. However, demand for housing will be in the market. The sector is creating around 50,000 jobs per year in the NCR real estate sector and a person getting ₹40,000 and above per month, needs a home after three years of his/her job. May be the other parts of North India, the demand will not be as high as in NCR.

There are no sign of any escalation of real estate prices in the market in the current year but I think, the prices should be moreover stable. The biggest problem before the real estate industry is the shortage of skilled and unskilled labour and this is the main reason of delaying in the completion of projects. The government should declare the real estate as an "industry" for more transparency in the interest.

Mr Vijay Jindal
Chairman & Managing Director, SVP Group,

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The North Indian real estate market is not in good shape at present and there are little chance to recover in the near future as the Delhi (in November) and Parliamentary elections (in April next year) are round the corner but we can expect good

recovery in the next financial year 2014-15.

S P Singh
Managing Director, BCC, Ghaziabad

It is close to Noida (10-km from Noida City Centre) and 18km from Connaught Place, New Delhi's prime business location. A proposed metro rail link will improve connectivity between Noida and Delhi. It is the most attractive location in the NCR for affordable housing and is expected to see yearly growth of 15-20 per cent in the next five years. Knight Frank says properties in Noida Extension will give an annual return of 16 per cent over the next few years.

“Lack of availability of funds is an outcome of a prolonged weakness of the sector to generate trust among investors and the lending institutions. In addition to this, country's huge current account deficit and subsequent inflation have burdened developers and homebuyers. Current account deficit hit a record high of 6.7 per cent of GDP in December quarter. While rising cost of input materials and high cost of labour is a concern for developers high interest rate scenario



is making lending costlier for both developers and homebuyers. Though, the RBI has revised the key policy rates several times to lower the burden from borrowers and the industry, it may not be enough.

Another problem that is hampering the growth is the shortage of manpower. According to RICS Research Report 'Real Estate and Construction Professionals in India by 2020, India has nearly 50 million people working in built environment, of which only 2 million are professionally qualified, while the remaining are primarily construction workers. To deliver all the potentially required real estate space and planned infrastructure, India may potentially require nearly 4.5 million 'core' built environment professionals over the next decade. However, given the miniscule supply of built environment professionals today: the current demand-supply gap ranges between 82-86%. The built environment

will have the requirement of 5 million skilled candidates every year till 2020. This shortage further delays the delivery of projects.

Indian real estate, construction and infrastructure sectors need technological advancements along with skilled workforce to meet the delivery timelines. The challenges involved in construction and delivery of projects are enormous. There are common worries focused on timeliness, costs, performance and delivery. Stakeholders involved across the development process are often insufficiently coordinated to deliver a finished product within budget and on time. Safety is also a growing concern.

To address some of these issues, the builder's community should look at embracing innovative construction materials, equipment and technologies that lend support to lean project delivery cycles. Recent technological advances in the use of information and communication technology have the potential for dramatically improving construction productivity while reducing waste and improving inventory levels, project cycles and budgets. Efficiency, innovation and cutting-edge technology are the keys to success in addition to professionalism, transparency and regulation. This answer is still better than all above questions.

Mr Sachin Sandhir
MD, RICS South Asia

Emerging areas are best for Investment

As per real estate principles, we always have to invest in emerging areas/ emerging cities/ emerging sectors. The best investment would be the plots which will be developed within a township. For e.g. JP plots within a township are returning best today as they have come up with a great infrastructure as a township inside. There are lots of social amenities within township example, Golf, Lake, Stadium etc etc. In future people would love to live within that township.

For investment side, you'll find that the prices are already on saturation, and may not get best returns but if you would invest in those areas where the work is either under development or the areas have future projects or plans, you will get best returns. The areas which have future plans like future connectivity, upcoming projects, upcoming industries, malls etc. would give you best returns.

Greater Noida

Situated around 40-km from the south-eastern part of New Delhi, Greater Noida, is emerging as an industrial region and an educational hub. It has

Developers say that buyers have all the options at hand, be they construction-linked plan or ready-to-move plan. With clear land titles and progress in delivering units so far, Raj Nagar Extension is a one-stop destination for a wide band of middle-class end users. It is good to invest in areas where development has already taken place and people have moved in. This way you will know that your investment is secure. An area that offers affordable homes and can provide secure investment is Raj Nagar Extension.

good infrastructure and is home to several big companies. It is connected to Noida by a six-lane highway operational since 2002. You can drive from Noida to Greater Noida in 15-20 minutes. The Yamuna Expressway, which has also become a property hotspot, connects it with Agra via Mathura. A metro link will connect it with Noida, Ghaziabad and New Delhi.

Greater Noida is an attractive location for mid- and high-end residential

“There is always boom in the North Indian real estate and good growth is reported continuously for the last over two decades. There is various reasons like best development and infrastructure in the region and good connectivity with other parts of the country. We have seen slowdown in other parts of the country like Bangalore, Mumbai or Chennai but the North Indian real estate continuously growing and definitely in the current financial year, it will upswing though little.



Mr Shekhar Mutreja
Director, Cosmic Group Noida

segments. “Though there was not much activity in last 15-17 months due to land acquisition and master plan issues, things are expected to pick up. The area may witness a year-on-year price increase of 20-25 per cent.

Residential Projects in Noida (West)- Greater Noida

Supertech's prestigious North Eye project in Sector 74 is coming up

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“With a huge migrant population present in all across the major metro cities today, availability of affordable homes have become a necessity where the prices and demand are quite high but supply is not up to the mark due to some setback policies. For affordable housing, costs have to be reduced. Major costs are land, taxes, easy availability of finance at reasonable rates and speedy implementation of the project.



‘Since land cost is very high in A and B grade cities, one way to reduce this cost is to increase the FAR and density allowed for development of the project. However, for this meticulous planning is required by the local authorities

for implementation of adequate infrastructure facilities. There are various taxes imposed by the central and state government. They vary from state to state and are not simple to implement. These contribute to a major chunk of the cost and are very cumbersome to implement. This need to be simplified and we are encouraging towards single taxation source.”

There is a mammoth demand of dwelling units in 2013 but supply is not up to the expectations. It is estimated that about housing shortage to 70 million units in India. Many number of projects that were launched in 2010 have seen execution delays pushing the completion dates to 2014 and early 2015. Due to hike of prices and construction cost, more funds are required to execute real estate projects. The government can't fulfil the demand of homes alone without having any support from developers. Now the trend is shifting more towards affordable homes. The government should develop a mechanism to encourage developers to built homes in affordability segment.”

Being President of CREDAI-NCR, our team will focus on consumer awareness and consumer redressal. We have already formed a consumer redressal forum last year and have so far received about 700 complaints and out of that 90 per cent cases have been resolved. On disclosure of carpet area by developers in their brochure and application form, we will ask our members to disclose saleable as well as carpet area and also method used for calculation of such areas. Meanwhile, on property brokers' mis-selling products, we have come across situation where some of the brokers are not providing full information to buyers. The governing council will take up the matter how to regulate them.

Dr A K Sharma

Chairman & Managing Director, Amrapali Group and NCR Credai President

Expressway authorities are several plans for more infrastructural development which will enhance the appeal of the place for end-users and investors. As per Master Plan of the city, the authority has plans to link Noida with Greater Noida and later with Yamuna Expressway. The authority has plan to build metro line between Botanical Garden and Kalindi Kunj, another 6.6 km line from sector 32 to Sector 62. To meet the water requirement of the region, authorities are making arrangements to provide Ganga water to the residents besides road work and sewage treatment plants. The Noida/ Greater Noida and Yamuna Expressway have good educational institutions and universities and land to good number of more educational institutions have also been allotted.

In 2013-14, (Kundli-Manesar-Palwal Expressway) an Expressway connecting Kundli with Palwal via Manesar in Haryana, in 2013-14, (Southern

more and more IT-ITeS companies shift their offices to Noida Expressway for its rental affordability. The Noida Expressway will increase its appeal as a residential hub. Better infrastructure, easy accessibility and availability of affordable options will appeal to investors and end-users. Supply in this region will not be an issue, and good levels of absorption, with appreciation in capital values, are a high possibility in 2013. However, affordability will remain the key factor for the sector to do well in the current financial year. The important step is to bring down the home loan interest rates as they are hampering the decision of many homebuyers in the affordable segment. However, the luxury offerings will remain stable in the year and many high-end projects recently announced might pick up some pace.

New Okhla Industrial Development Area (NOIDA)

Greater Noida is a planned township. Roads are wide with service lanes for every major road. The sectors are named by letters of the Greek Alphabets. All cabling and utilities are run underground. It is currently planned to be connected to Delhi through Delhi's metro system by 2016. Recently there has been a spurt in the development

Land use	Noida	Greater Noida	Yamuna Expressway
Commercial	3.80%	8.45%	6%
Industrial	18.37%	21.40%	20.30%
Public & Semi Public facilities	8.89%	10.40%	9.00%
Residential	37.45%	27.60%	20.00%
Roads & Public Transport	12.71%	08.48%	15.00%
Green Cover	18.10%	24.19%	25.70%
Water body	0.68%	02.88%	04.00%

Peripheral Road) it will further connect Gurgaon and Manesar with South Delhi, in 2014-15, (Dwarka Expressway) an alternative link between Dwarka, Delhi and Gurgaon and after 2016, (FNG) the entire stretch will be connected between Faridabad, Noida and Ghaziabad.

Affordability is the reason

Noida Extension and Noida Expressway will continue to generate interest as

of shopping malls and retail stores. Major retail chains such as Tata Croma, More Retail, Reliance Fresh, Reliance Footprints, etc have set up business in Greater Noida. The development model of Greater Noida was to attract industries, provision of quality infrastructure, employment generation and growth & Development of the city.

Greater Noida has emerged as a modern model of farsighted town

“Today there multiple issues affecting the real estate industry such as declaring land use in Master Plan, the developers need to get environment clearance—a



time consuming effort. Banks are not readily coming forward to fund projects, prohibition to use ground water for construction and delayed infrastructure development in land/provisional urbanisation, periodical increase in BDC/ IDC charges and increase in taxation rates, unabated growth of developers in the absence of government benchmarking for qualifying developers with track-record: higher cost labour and input charges etc. The government should go for single window system approach for all clearances.” He said, “Developers face many impediments in the process of project completion— be it delay in sanctioning, delay in bank finances, slow sales due to high rate of bank loan interest, need for multiple clearances, no legislation controlling erratic labour require to build projects. Multiple NOCs required for project clearances.”

All Delhi NCR region has experienced surge in Demand – Gurgaon, Noida, Greater Noida, Bhiwadi, Manesar, Dharuhera, Ghaziabad, Sonapat to name a few. However major metros have always been a preferred destination due to job opportunities presented and conveniences of urbanization. North India has always been cash rich and has invested well in real estate. Hence the scope for New Chandigarh is bright. However things will better emerge once political environment becomes more conducive and economy starts to look up.

Extending urbanisation, increasing FAR, control of raw material cost, rationalization of taxation and registration cost, incentive on development, land availability on easy terms and Single Window Clearance to reduce timeline will help in reducing the cost of real estate to make it more accessible for mid segment, said Mr Jain.

Mr Pradeep Jain
Chairman, Parsvnath Developers:

“Indian real estate continues to be one of the safest channels for investment. But there are still many areas that need attention like, deficiency of capital,



funding issues for buyers and investors, soaring land prices, unreliable record of sales transactions and many others. Apart from these issues, the protracted global slow-down also as a natural consequence, affects the performance and progress of real estate development in the country. The new bill allowing for a bona-fide and empowered regulator will hopefully facilitate more transparency and accountability in the sector. Besides, the industry status and proper planning for the sector too is long awaited, but sustained political will to achieve the maximum potential of this crucial sector seems to be missing.

The future of North Indian real estate is very bright. Smaller cities and towns in North India have woken up to global trends in development. People there are demanding cosmopolitan lifestyles and have the means to pay for the premium amenities and additions. However, the real estate sector is lacking good infrastructure. But several town planning authorities across North India have the Noida and Greater Noida models to be inspired by. I believe that we will see many more progressive and sustainable development and infrastructure models in other North Indian cities soon.

Dr Prodipta Sen
Executive Director, Marketing, Corporate Affairs & Retail, Alpha G:Corp

List of Project near Completion in Noida region

Projects	Price (per sq. ft)	Possession
Supertech Apex Tower	5100	2013
Supertech Ceyane Tower	5700	2013
Supertech Emerald Court	7000	2012
Eldeco Olympia	7700	2012
Eldeco Sylvan View	8370	2013
Logix Blossom Zest	3790	2014
Klassic Heights	3874	2014
Logix Blossom Greens	4190	2014
Victory Crossroads	4250	2013
Today Ridge Residency	4250	2015
Jaypee Krescent Homes	4415	2016
Ajnara Daffodil	4435	2014
Divine Meadows	4500	2013
Sikka Karnam Greens	4670	2014
Nimbus Golden Palms	4700	2014
Supertech Ecociti	4750	2013
Gulshan Vivante	5000	2013
Lotus Zing	5000	2015
Sunworld Arista	5000	2015
Supertech Apex Tower	5100	2013
Paras Seasons	5150	2013
Paras Tieria	5400	2014
Loginn	5500	2013
3C Lotus Panache	5500	2014
Paramount FloraVile	5600	2013
Supertech Ceyane Tower	5700	2013
Prateek Stylome	5700	2015
Amrapali Sapphire	5900	2013
Ajnara Elements Studios	6000	2014
Supertech Emerald Court	7000	2012
Jaypee Kalypso Court	7500	2013
Eldeco Olympia	7700	2012
Omaxe The Forest Spa	8000	2014
Eldeco Sylvan View	8370	2013
Unitech UGC Amber	8495	2013

with 66 floors, spread over 9 acres land, is set to provide fully-furnished studio apartments, 2-3 BHK apartments, shopping malls and expected to be delivered in April 2015. The prices in the range are ₹1.7 crore to ₹4 crore while studio apartments are around ₹50 lakh. Cape Town is also coming up in the same complex in 50 acres with eight variants of well-planned 2-3-4 BHK apartments, penthouse

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“ Government must provide fiscal incentives to developers to build low cost and affordable housing for the masses and also review the existing FDI guidelines for investment and development in Indian real estate in order to increase the flow of foreign capital into the sector. There is a need to streamline government policies and introduce reforms to boost the real estate sector. The cabinet approval of the Real Estate (Regulation and Development) Bill 2013 will prove its true relevance when the government gives project approvals on time and avoid unnecessary delays as acquiring the clearances is mandatory before launching projects, as mentioned in the bill, which might cause delayed projects and cost overruns.



It has been a pressing demand from all the stakeholders in the real estate sector for the sector to be given the status of 'infrastructure.' Whilst it is the RBI's prerogative to grant this status, it is also up to the Government to recommend and push for this.

Noida, Ghaziabad is the micro-market that has shown an upward trend in sales, primarily due to a number of project launches in the affordable range, witnessing the highest number of launches in the area. Top urban centers like Noida, Ghaziabad, Gurgaon owing to the proximity to the national capital of the country followed by Chandigarh and parts of Uttarakhand and Rajasthan are the hot destination for investment.

It will ultimately help the industry to mature, improve management and adopt advanced construction techniques. Adequate infrastructure forms a prerequisite for sustaining the long-term growth momentum of the sector. The pro-farmer bill will further stretch the process of land acquisition for industry and will push up costs and delay projects, thus upsetting, both the buyers and the developers.

Anil Mithas
Chairman & Managing Director
UNNNATI GROUP

“ The current real estate market is certainly not a vibrant one where everything and anything is selling. It's a choosy and selective market where only the best products are getting sold at the right price. The market is slow but steady. While a lot of brownies like the real estate regulation bill are round the corner, their execution would take time. Hence, the north Indian Real Estate market would continue like this or maybe only marginally improve with no drastic changes till major government reforms are implemented. Some strategies that the Developers are implementing like flexi payment plans, subvention schemes are giving a sort of push to customers to invest. For Developers this scenario implies that their projects are correctly priced, for brokers it implies that they focus on the right project and for customers it implies that they exercise caution while investing and also while choosing the right Broker and Developer.

lot of brownies like the real estate regulation bill are round the corner, their execution would take time. Hence, the north Indian Real Estate market would continue like this or maybe only marginally improve with no drastic changes till major government reforms are implemented. Some strategies that the Developers are implementing like flexi payment plans, subvention schemes are giving a sort of push to customers to invest. For Developers this scenario implies that their projects are correctly priced, for brokers it implies that they focus on the right project and for customers it implies that they exercise caution while investing and also while choosing the right Broker and Developer.

Anuja Sinha
Director Bricks & Mortar Global Real Estate Advisory
Pvt Ltd, President Elect- NAR INDIA Delhi NCR

“ Looking at the current economic scenario, due to the depreciating value of rupee & rising inflation the market might have taken a hit but it looks favorable from the perspective of NRI investment. The demand & supply



of property in the Real Estate segment seems to be holding on fine in the Delhi NCR region due to the infrastructural growth & availability of plots & segments for further development. What is essential in the North Indian states especially in the Delhi NCR region is a scope for Redevelopment & introduction of the Urban Planning for areas like Karol Bagh & Chandni Chowk, Old Delhi essentially for taking the state to New Height. The pricing of the properties can be fixed but they have their own pros & cons as a lot of factors play a major role in deciding the price of a property.

Mr. Pradeep Misra
Director, Rudrabhishek Enterprises Pvt. Ltd (REPL)

towers and luxury villas. The first phase of Cape Town has 17 towers and construction is in full swing. The project is expected to be completed in the current year.

Grihapraves Buildteck has launched its first group housing project in Sector 77 in an area of 5 acres, offering 2-3-4 BHK apartments in the carpet area of 1175-2569 sq ft. The project boasts of good connectivity plus infrastructural developments apart from the amenities and facilities. The project is likely to be delivered in mid-2014. The other two projects—Prateek Wisteria & Prateek Laurel—of Prateek Group is coming up in Sector 77 and 120 respectively. The presence of commercial centres and other infrastructural facilities are the added benefits. The Antriksh Group's 50-acres Antriksh Forest in Sector 77 is offering 2-3-4BHK apartments in sizes 1195 to 2700 sq ft.

Ajnara Grand Heritage of Ajnara India in Sector 74 is offering luxurious features as the project is in proximity to posh localities like Sector 50 and 58 and commercial centres, malls and institutions which have played a major role in the development of all these

new sectors. Currently, the rates of properties here are comparatively lower compared to the other nearby sectors. Sector 121 is has also in good demand because of its close proximity to major malls and commercial centres Homes 121 of Gulshan Homz project is getting tremendous response from investors and buyers. The present prices are around ₹4870 per sq ft.

Yamuna Expressway

Yamuna Expressway is growing attraction to the NCR. With scarcity of land in Noida, Yamuna Expressway has large parcels of land available on either side and projects are already planned and many townships are proposed near the highway. Developing sectors like Sectors 94, 95, 96, 97, 100, 101, 110, 107, 137, 142, 143, 150, 151, and 168 along the expressway offer great scope for strong and sustained growth for all segments of the real estate.

The Yamuna Zone, spread over more than 2,30,000 hectares (Greater Noida to Agra) along the 165 km long Yamuna Expressway, is being developed as one of the preferred zones for residential, industrial, institutional,

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The market is completely depends on demand and supply of any product.



The product is sold when there are buyers in the market. The Delhi-NCR market has still huge demand. It is very common to face some slowdown

after every 2 to 3 years but it is temporary. The real estate market of Delhi-NCR had always been very favourable for the developers and builders. The pricing of the properties can be fixed but they have their own pros and cons as a lot of factors play a major role in deciding the price of a property.

Manu Garg
Director, Landcrafts

sports, recreational and service sectors. With the Yamuna Expressway Authority planning to transform the whole area into a giant urban agglomeration sporting world-class infrastructure, investors and developers are moving into this emerging economic hotspot. Around 50,000 hectares of the Yamuna Zone is coming up for development in the initial push.

Having Delhi, Noida and Greater Noida in neighbouring pockets and with easy accessibility via Noida-Greater Noida Expressway and with the addition of the Six-lane World-class Expressway, there is no concern of travel issues for the people who are looking to invest here. Another selling point is the attractive price brackets offered by the real estate developers in Delhi. Apartments are available from ₹2,500 – 3,800 per sq ft and plots from ₹19,000 – 30,000 per square yard.

Ghaziabad-Indirapuram Vaishali-Raj Nagar Extn

Infrastructure developments pushing realty growth in Ghaziabad

Mr Vijay Jindal, Managing Director, SVP Infrastructure Pvt Ltd says, Increasing population, traffic jams and hunt for home has become a big reason for Ghaziabad's realty growth in NCR as most preferred location. In recent years strategic infrastructure development from government has also pushed realty growth at a new level in Ghaziabad.

State and local authorities like; GDA (Ghaziabad Development Authority), UP Awaas Vikas and local municipal authorities, has developed infrastructure in a planned way and Ghaziabad has scaled a quick rise in front of investment in real estate.

After metro connectivity, now plan of rapid metro from Delhi to Meerut via Ghaziabad, inter connected mono rail in city and multiple flyways and flyovers has increased connectivity of Ghaziabad from Delhi, Noida, Meerut and other adjoining cities. On the other hand, UP government is concentrating on widening of roads, new underpass

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The real estate scenario in North India, specially in Delhi-NCR, is very bright because of best infrastructure, connectivity with roads and Metro, educational institutions and large number of people arriving in this particular



region in search of job from other states in the last 7-8 years." In the last two years uncertainty in the real estate market, the investors and end-users are still adopting "wait & watch".

After two years stagnant and sluggish market, it is picking up once again in the current year because of devaluation of Indian currency and gold uncertainty, the NRI are taking big interest in the Indian real estate. He said the market was badly affected with the frequent interest rate changes and not declaring the real estate as "industry" by the government. Delhi NCR (specially Noida, Greater Noida and Yamuna Expressway), Chandigarh and tier III cities like Bhiwadi, Alwar are the hot destination for investment.

He said the Indian developers should adopt the foreign technology for speedy and quality product.

Mr Ashwani Prakash
Executive Director, Paramount Group of Companies

and foot-over bridges, service lanes with green belt to revive overall infrastructure. This has contributed to a sharp spurt in realty sector of the district that has resulted in various residential, commercial, township, hospitality and

business & corporate suites in Vaishali, Kaushambi, Vasundhara, Mohan Nagar, Indirapuram, Govindpuram, and Crossing Republik.

In coming future, Ghaziabad is going to be a very prime destination because government has plans to make it a city of dreams. To increase connectivity from Delhi, recently GDA has approved plan of metro link from Dilshad Garden to New Bus Stand. New corridor, FNG (Faridabad-Noida- Ghaziabad) is another landmark for Ghaziabad to increase connectivity with two big and developing cities of NCR region. Due to high rise apartments in Ghaziabad, now GDA has plans to explore possibilities of Mono Rail from Vaishali to Ahinsa Khand initially and moving forward it could be another medium of world class public transport in the city. Even state government is also pushing the infrastructure model in the city and infused a huge investment of ₹3750 crore in Ghaziabad only with major structures like water treatment plant, widening of NH 24, internal road communication, power stations etc.

Mr Jindal said, "GDA's current plan to increase metro route till Collectorate is going to bring big opportunity for Ghaziabad and position it as one of the most prominent location in Northern India. Strategically location of Ghaziabad makes it a more lucrative destination. Higher rentals and space crunch of Delhi has forced people to look towards Ghaziabad for affordable options.

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Raj Nagar Extension has already emerged as the nerve centre of the area.



With excellent connectivity and a huge green area, it enjoys the status of having high connectivity with Delhi, Noida, Greater Noida, Vasundhara, Indirapuram, Vaishali, Meerut and Hapur." a realty consultant says. The ease of commutation that this place has is also one of the USPs. "Using New Karhera Flyover, RNE will be just 5km away from Vasundhara, 8km from Indirapuram, 9-km from Vaishali Metro station, 11km from Anand Vihar Railway and Metro stations.

Gaurav Gupta,
Director of SG Estates

REAL ESTATE REPORT

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“ Raj Nagar Extension is one place that defied many myths and perceptions in the real estate circles. One of the strongest doubts was when people started talking of the model where real estate developers work towards one project.



The place saw the conglomeration of 12 developers initially, and as the project got off, more joined the cause. And, Raj Nagar Extension doled out affordable homes at a time when many such options were not available even in the Delhi NCR. As of now, there are 25 developers who have taken the job of delivering affordable houses to buyers.

Manoj Goyal
Chairman and MD of KDPMGI

Currently Ghaziabad has all basic amenities for society, be it hospitals, schools, colleges, shopping places, transportation, banks along with ATM, electricity, sewage system, rail & road connectivity, green belt and parks etc. Walking together, the developers with local government authorities have also shown their commitment in development of the city with ultra luxury, luxury, and affordable segment for home buyers and providing all facilities like; 24x7 power back up, electricity, water supply, club and sports facility, and other basic amenities for all age group. This is another reason for sudden hike in house demand and approximate appreciation of 25- 35% hike in prices of property. In the search of dream home, people have moved towards Ghaziabad and invested in all categories.

Raj Nagar Extension-hot and budgeting destination but unplanned

Raj Nagar Extension is the most ideal and hot destination planned city of Ghaziabad district and Delhi-NCR region having best impeccable civic infrastructure, affordable prices to suit middle class group. The Raj Nagar Extension is being developed by about three dozen developers of the region including some top real estate players with a view to develop a flawless destination for people who aspire for a

better living and within their budgets too. The real estate developers of this region are providing affordable and strategically located homes at very low prices compare to surrounding areas like Noida, Ghaziabad and Delhi to its customers and that too within Delhi-NCR. The developers' affordable homes are available approximately between ₹15 lakh to ₹30 lakh.

Mr J P Chauhan, Director, M R Mittal & Co admitted that this upcoming city is unorganized as lands were offered to developers as per their choice instead of preparing blueprint of the city first and this is the biggest setup. Raj Nagar Extension is a well-planned city where the apartments are nestled on land with 80% of the area devoted to greenery;



“ Overall the North India real estate market is gloomy and there is not much buyers or investors in the market at present but may be pick up after the Delhi Assembly elections and Parliament due next year. It is not the right time for investment or home-buying. I think the investors should "wait and watch" the market before investing in the real estate. The buyers are keeping distance from real estate market in Rajasthan and Punjab also.

Dr. Kunal Banerji
Director-Marketing, Shri Infratech

all homes offer beautiful view of the landscaped gardens and parks. This place has one of the largest green belts in the whole of the NCR and holds out a lesson to all urban centres to have a clean and green environment so as to promote a healthy living and also to protect our environment.

Distance

Raj Nagar Extension is 30-35 kms from AIIMS /Dhaura Kuna, 40 kms from IGI Airport, Gurgaon IT Hub about 50 km, Connaught Place, Delhi Old and New Delhi Railway Station, Delhi University, India Gate all within 25 km reach, near Delhi Metro Stations Anand

Vihar ISBT, Vaishali, Dilshad Nagar, ISBT Kashmere Gate is 18 kms from Raj Nagar Extension. Noida is 15 minute drive, Greater Noida 35 minute drive, Vasundhara, Indirapuram & Vaishali 10 minute drive and Meerut- Hapur approx 40 minute drive from Raj Nagar.

Property Trends in Raj Nagar Extension

Around 16,000 housing units of 40 projects are either completed or under-constructions. The property trend at present here is ₹2200 to ₹2600 an average. The region is concentrating on budgeting house in the size of 500 sq ft to 1280 sq ft. To provide budgeting houses to all, the land is being purchased from farmers directly and selling at ₹600 sq ft for land + ₹1200 to ₹1400 sq ft as construction charges (total ₹2000 sq ft)

On Affordable and budgeting house

The developers here have their own version about the budgeting house. Mr J P Chauhan, Director of M R Mittal & Co says the upcoming city is offering affordable and within budgeting house unit and this is the reason, homebuyers



“ The North Indian Real estate sector in India has come a long way by becoming one of the fastest growing markets. It is not only successfully attracting domestic real estate developers, but foreign investors as well. The growth is attributed mainly to a large population base, rising income level, and rapid urbanization. Even when the market has been comparatively down since 2011, the demand in the real estate market hasn't dropped extensively. Investors Clinic generates 30,000 - 40,000 leads every month proving the same. Giving examples from Delhi NCR, Gurgaon continues to do well with New Gurgaon and the Sohna master plan coming up. Even though 2013 is undergoing a worse impact of recession today as compared to the previous years, overall the northern market looks good.

Honey Katiyal
CEO, Investors Clinic Infratech Pvt. Ltd.



The real estate market in North India should remain largely stable this year. The economic situation is expected to weigh on investor and buyer sentiments; as a result they might continue to remain cautious of the level of



opportunities available in the market. However, the upcoming assembly and parliamentary elections might result into some last stage big ticket announcements on reforms, such as those on the land acquisition bill and foreign direct investment. These are expected to bear positive results for the sector, particularly in major cities such as Delhi-NCR. The commercial real estate market should see large supply infusion, mostly in Gurgaon and Noida, amidst stable demand levels. The retail market should remain upbeat with more clarity being provided on FDI guidelines, likely to churn the entry of numerous global retail chains particularly in the F&B, fashion and apparel segments. The residential market will remain slow in terms of off take and the number of project launches are also expected to remain muted. Housing sales are likely to appreciate if the central bank continues with its present trend of monetary easing.

Anshuman Magazine
Chairman & MD, CBRE South Asia Pvt. Ltd.

and investors are taking keen interest here. He says, his project Raj Nagar Residency, yet to be taken up next month, over 70 per cent has already been sold. But Mr Anuj Goel, Director, KDP has his own version. He admit about 4 years back, when this city came into existence, there were some developers offering within budgeting house but now no house unit is less than ₹25 to ₹30 lakh here. But the scenario is changing here as homebuyers have enough funds to spend.

However, the scenario is finally starting to change and people who are looking to buy early possession budget houses can easily close their transactions in the area, as there would be many projects offering possession soon with a benefit of low costs. Thus this should result in the rates firming up a little with more and more families shifting to this area, said Mr Pankaj Jain of KWorld.

We always knew that once the delivery of units happens, the area will see enhanced interest of homebuyers. In fact, many families have started living here. With timely delivery, we have proved that the conglomeration of developers can work in unity if they have common cause," says Mr. Vijay Jindal.

By delivering some projects on time developers have proved that a conglomeration of firms can work in unison if they have a common cause. "We always knew that once the delivery of units happens, the area will see enhanced interest of buyers. In fact, many families have started living here," says Manu Garg, Director of Landcraft Developers & spokesman for Raj Nagar Extension Developers Association.



The future of real estate market and demand is very good in north



India. Though at present, the market is stagnant as investors are keeping distance. At present the NCR real estate residential market is likely to witness stable demand and supply dynamics in the short term. Prices are likely to remain stable across most micro markets with marginal price appreciation expected in select locations of North India market. But it will pick up in the next two to three years or by 2015.

Amit Handa
Executive Director, Shri Group

Raj Nagar Extension A Middle-Class Haven

Then the myth that people will not come to the place as it seemed, at that time, that it is away from main road has also been busted. Today, the people who invested here feel vindicated about their decision as the infrastructure which was promised by developers is in place. Four years after the project took off, enquiries have not stopped and the place has emerged as one of the most talked about real estate destinations in Ghaziabad.

Options for all

Vijay Jindal says: "With clear land titles and the serious intent of the developers to deliver, Raj Nagar Extension has a

wide range to offer customers; from 1BHK for ₹12-15 lakh to a 3BHK for ₹40-45 lakh. We believe that 'affordability' has a wider connotation and, hence, we have kept our price range wide so as to include the whole of the middle class. Though this place, too, will become fully occupied in the next three years, it will still be far ahead of other places where the population density will not appreciate before the next five-six years."

Real Estate on NH-24, NH-58

A quiet and dusty town a few years ago, Ghaziabad has now turned out to be a chic place to live in. Two places in Ghaziabad that have witnessed maximum real estate attention are the areas in and around NH-24 and NH-58. Places that used to be deserted in 2003, with a hint of development taking place, are now buzzing with real estate activity and are now commanding a premium. Since 2003, localities like Indrapuram, Vasundhara, Kaushambi, Vaishali, NH-24 and NH-58 came into prominence and have become the addresses that people are literally fighting for.

As an option to the capital city, NH-24 and NH-58 are flourishing owing to their proximity to the capital, excellent connectivity and infrastructure



North India real estate sector holds great promise and is amongst the fastest growing sectors in this region today. The improvement in connectivity between States and in overall transport infrastructure has driven the real



estate activities in north. Prices have shot up considerably in the last 1-2 years and is likely to go up further in the coming years. This region is already seen as a good investment option and a lot of good properties are being developed to attract investments from different segments of the society. Prominent developers from south, east and west have ventured into the north market to tap new opportunities for development.

Mousumi Roy
Senior Director & Head, Real Estate,
Urban Infrastructure, FICCI

GURGAON

Gurgaon realty market is one of the most attractive investment options amongst investors. Not only Indian investors, but investors from all across the world find it a lucrative choice. Active presence of major real estate players in the city makes it a vibrant property market. And this is not limited only to the investment; end users also find it an excellent living destination due to various reasons such as good 'life to work' environment, good career options and state-of-the-art infrastructure. One of the contributing factors in growing real estate market in the city is the escalating significance of city as a corporate hub.

Whether its residential properties or commercial properties, Gurgaon realty market is widely known for the world-class architecture it offers. It has been a significant factor behind success of the city. Various realty leaders have launched state-of-the-art projects such as EMG Ekaantam, IREO Skyon, Vatika INXT City and Puri Emerland Bay etc. The city reports presence of major real estate builders including DLF, BPTP, Raheja, Emaar MGF, Ansal, Unitech, Omaxe etc. These developers use services of highly qualified national and international architects, use latest techniques and focus on offering an international lifestyle to the residents, which raise confidence of investors and end-users.

Over the last one year, capital values rose by more than 30-35% in Gurgaon's residential sector. Developers are now going slow on execution of real estate projects, resulting in a drop in supply of residential apartments in most prime markets. Emerging residential areas are still not able to meet the huge housing demand.

Hot Locations

Residential property prices on the upcoming southern peripheral road connecting to National Highway 8 have seen considerable appreciation over the past few months. This location holds great investment potential thanks to enhanced connectivity that NH8

provides to Manesar and Dwarka. In particular, residential properties along the Dwarka Expressway have attracted interest from the mid-income buyer group. As prices soar in upcoming locations of Gurgaon such as Golf Course Extension, Sectors 70 and Sector 78, buyers have been looking at these alternate locations.

Areas in the NCR like Dwarka Expressway, New Gurgaon-Manesar show immense potential for investors as well as end users. The year 2013 is expected to be promising for the real estate industry. Jones Lang LaSalle India report says in a report on NCR that areas like Dwarka Expressway, New Gurgaon-Manesar show huge potential for investors as well as end-users because of its infrastructural advantages and the locational benefits, has immense potential. The area has been able to successfully withstand the heat that many other areas and pockets of NCR have faced.

The residential real estate market in 2013 will depend on many factors though 2012 was not very good for the sector and market picked up only a little at the end of the last quarter. In the coming year, several steps are needed from the government and the developers to make sure that the market remains affordable for buyers. One very important step is to bring down the home loan interest rates, as they are hampering the decision of many homebuyers in the affordable segment. The market for luxury offerings will remain stable in the year and many high-end projects recently announced might pick up some pace, says Mr Vijay Jindal, Managing Director SVP.

The Gurgaon Residential Market performed decently in 2012, but it was not uniform all across. There were high levels of unsold inventory in some of the projects, while many others sold exceedingly well. Golf Course Road, Golf Course Extn Road and Sohna Road achieved handsome appreciation in both capital values and rentals. The factors what worked for them were their good connectivity with New Delhi through the

six-lane NH-8 and MG Road, providing quick and easy access to the IGI airport and the 14-km Southern peripheral Road, which covers all the major developments in this part of Gurgaon and connects MG Road and Golf Course Extension Road with NH-8, the report said.

The most sensational performer in NCR region is Dwarka Expressway. Its proximity to the international airport and the proposed diplomatic enclave, along with its rapidly evolving infrastructure and good connectivity with west Delhi and Gurgaon continued to work in this region's favour.

Residential demand on Golf Course Road was driven by heavy demand from corporates. Projects there saw an average appreciation of around ₹1,500-2,000 per sq foot during the year, thereby taking the price point to an average of ₹12,000-15,000 per sq foot, the report said.

Golf Course Extension was also a hot destination for residential real estate. Project in the area saw capital appreciation of around ₹1,500-2,000 per sq foot because of its vicinity to Golf Course Road, its various other locational advantages.

With good-quality supply under construction and more affordable options, Golf Course Extension saw high level activity from investors looking for lucrative returns over an investment period of three-four years.

Similarly, Sohna Road saw very decent residential sales levels as it is more affordable than Golf Course Road and Golf Course Extension and had a steady supply of ready-to-move-in units to offer. This made it a location of choice for end users.

Projects on Sohna Road appreciated by around ₹1,500-2,000 per sq foot, bringing price points to the current average of ₹8,000-9,500 per sq foot, the report said. Sohna Road also benefited from the cyclical impact of high-level leasing of office space by companies to base their office out of the area. This, in turn, generated the demand for residential options which further augmented the office leasing activity.

Expectations in next few years

Real estate experts states that in next few years Gurgaon real estate market might