

# INSITE REPORT 2018

**DELHI NCR**  
APRIL - JUNE

# Contents

03	<b>From CBO's Desk</b> CBO's perspective on current market sentiment
04	<b>National Outlook</b> Snapshot of real estate ambience across top 8 metro cities
05	<b>Market Indicators</b> Changes in capital rates and inventory status QoQ; and rental values YoY
06	<b>Market Movers</b> News that impacted Delhi NCR's realty market in Apr-Jun 2018
07	<b>99acres Outlook</b> 99acres' perspective on current market sentiment
08	<b>Noida, Greater Noida, Ghaziabad</b> Key highlights - Noida, Gr. Noida and Ghaziabad's Capital and rental market in Apr-Jun 2018
10	<b>Gurgaon and Faridabad</b> Key highlights - Gurgaon and Faridabad's capital and rental market in Apr-Jun 2018
12	<b>Delhi</b> Key highlights - Delhi's capital and rental market in Apr-Jun 2018
14	<b>Annexures</b>



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## CBO's Desk

The positive impact of groundbreaking policy reforms - Real Estate (Regulation and Development) Act and Goods and Services Tax (GST) – is seeming to bear some fruit in FY 2018-2019. Marked by a gradual reduction in unsold inventory, a rise in enquiries in affordable housing segment and the return of new launches, the beginning of the fiscal year is hinting towards a slow but steady revival.

The quarter recorded a quantum jump of almost 50 per cent in new residential launches to reach 50,100 units. Affordable housing led the supply graph, up by about 100 per cent, QoQ, in Pune, Hyderabad, Delhi NCR, Chennai, Mumbai Metropolitan Region, Bangalore and Kolkata. Inventory levels, on the other hand, dropped by 10-30 per cent, YoY, across metros. RERA-approved projects commanded a significant share of the residential demand, evident from a healthy upswing in the timeshare on RERA-registered projects on 99acres.com. Realty stakeholders are gung-ho about the upcoming festive quarter, which might see a resurgence in end-user demand and sales volume.

## Methodology

The Insite Report by 99acres.com captures the quarterly capital trends and the annual rental analysis of residential apartments in key real estate markets – Delhi NCR, Mumbai Metropolitan Region (MMR), Bangalore, Pune, Chennai, Hyderabad, Kolkata and Ahmedabad. In order to assess the prevailing sentiment, the report delves deep into demand and supply of properties across varied budget segments and occupancy stages. While demand is a function of queries received, supply is based on property listings posted on 99acres.com in Apr-Jun 2018.



## NATIONAL OUTLOOK

### HOME BUYING SENTIMENT

The realty landscape witnessed a fleeting calm even as enquiries and sales recorded a slight uptick in most metro cities this quarter. While the non-formation of a RERA-body marred buyer sentiment in Kolkata and Hyderabad, the approaching 'Aadi' period slackened growth in Bangalore and Chennai. A revival in property sales is expected in the festive quarter.

### PROPERTY PRICES

Price movement remained marginal across cities, except Hyderabad, which saw notable growth due to infrastructural overhaul and robust office-space absorption. The premium segment remained passive as affordable housing grabbed a majority share of buyer demand. Any significant deviation in average weighted capital 'asks' is likely to happen around Oct-Dec 2018.

### RENTAL LANDSCAPE

The rental landscape continued to remain upbeat for the seventh consecutive quarter. Rental values witnessed a notable hike across cities, except Delhi NCR and Pune where a pile-up of ready inventory inflicted the market. The growth is likely to continue for a few more quarters, until home buying picks up pace and sees a complete revival.

### SUPPLY

The hiatus in new launches amidst piling residential stock helped cities such as Bangalore, Mumbai, Pune, Chennai and Hyderabad rationalise inventory levels. Slow-paced registrations under RERA played a key role in curtailing the saleable primary stock. The trend is expected to continue as no exceptional measures are being observed to fast-track RERA registrations.

## MARKET INDICATORS

	Capital Values	Rental Values	Supply
Bangalore	^	^	v
Delhi NCR	<>	<>	^
Mumbai	^	^	v
Chennai	<>	^	v
Pune	^	<>	v
Hyderabad	^	^	v
Kolkata	<>	<>	^
Ahmedabad	^	^	^

\* Capital values represent quarterly change \* Rental values represent yearly change \* Supply is basis properties listed on 99acres.com

## IN FOCUS RERA ANNIVERSARY

May 1, 2018 marked the first anniversary of the Real Estate (Regulation and Development) Act, 2016 [RERA]. The implementation progress varied from State to State depending on timely compliance with Central RERA rules. Kerala, West Bengal and the six north-eastern States are yet to implement the Act. Others including Karnataka, the NCT of Delhi and Tamil Nadu made snail-paced progress, tarnishing consumer sentiment.

### GENERAL BUYING SENTIMENT

Buyer confidence ameliorated for RERA-approved projects. A resurgence of fence-sitters in select pockets, driven by connectivity and job opportunities, was a testimony to the reviving market. Conversion rate improved, albeit minimal. The affordable housing sector garnered maximum buyer interest, however, RERA registration alone did not suffice to drive buyers towards under-construction properties.

### PROPERTY PRICES

Enquiries resurfaced and led several housing pockets register an uptick in property prices. While Hyderabad reported a notable rise in residential property rates, Pune and Chennai maintained status quo. Delhi NCR and Mumbai reported a price correction in the last one year due to discounts offered by developers to lure buyers back into the market.

### NEW LAUNCHES

New launches nose-dived across cities due to increased compliance under RERA. Chennai, Hyderabad and Kolkata reported a 50-70 percent dip in launches, YoY, largely owing to delayed notification of RERA rules. Delhi NCR, Mumbai, Bangalore and Pune, too, witnessed new launches coming to halt. A year later, the markets seem to have gained ground with new launches reporting an improvement, QoQ.



## Market Movers

### Expansion of urban transport system spurs realty growth

The steadily-expanding metro grid – the Botanical Garden-Janakpuri, Mundka-Bahadurgarh, Janakpuri-Kalkaji stretches and the proposed Noida City Centre-Sector 62 line – has left its mark on several residential pockets along the corridor. Further, the inauguration of the Delhi-Meerut Expressway Phase I and the upcoming Jewar International Airport will uncover new land parcels, compounding realty demand.

### Availability of affordable homes offers a silver lining

With demand for homes priced within Rs 40 lakh capturing one-third of the total market in NCR, governmental initiatives are likely to reap benefits for Noida, Greater Noida and Gurgaon. While Uttar Pradesh sought approval for 15 lakh urban homes, Haryana sanctioned affordable housing policy for core areas.

### Delivery of delayed homes proffer a ray of hope in Ghaziabad

Realty sentiment bolstered due to possession of over 60 percent delayed units in Ghaziabad. This development was supplemented by amendment in building bye-laws to allow stilt parking plus three storey on plot sizes

of 150-300 sq m and four floors with stilt parking on parcels measuring 300+ sq m.

### Revision of circle rates in Gurgaon to rationalise property prices

To maintain equilibrium in the realty sector and rationalise home prices, circle rates in the Millennium City have been increased by 15-20 percent, causing a spike in property rates and leading potential buyers to settle for homes with lower price tags.

### Delay in completion of Dwarka Expressway mars sentiment

Persistent land acquisition issues have delayed the construction of the Dwarka Expressway inordinately, inconveniencing sectors 76-115 and impacting traffic movement. Realty sentiment continues to remain subdued despite the announcement of a new completion date in 2019.

## 99ACRES OUTLOOK

The Apr-Jun 2018 quarter was a testimony to Delhi NCR's real estate firmly positioning itself on the pathway to recovery. Declining sales volume, plateauing price points and delays in major infrastructural projects were offset by a steady rise in enquiries, especially in the affordable budget bracket. The expanding metro network and inter-city connectivity encouraged end-users to loosen their wallet strings, benefitting sales volume.

The radical policy measures – RERA and GST – hold the promise of ushering transparency, streamlining processes and steering Delhi NCR's property market out of the current impasse. GST will further gear consumer footfall to the possession-ready segment, propelling the developer fraternity complete projects on time. Besides, advancement of the Pradhan Mantri Awas Yojana (PMAY) will ensure availability of homes in the most popular budget category – within Rs 40 lakh – thereby, bridging the demand-supply lacunae.

The forthcoming Jul-Sep 2018 quarter will be a decisive period for Delhi NCR's realty market. Unremitting focus on policy compliance, if supplemented with an equally strong emphasis on improving connectivity and construction of the Dwarka Expressway at a steady pace, will infuse hope amongst the end-users, translating into sales in Oct-Dec 2018. Enhancement of sales volume will, in turn, impact the new launch segment positively. A substantial change in the real estate story of Delhi NCR, however, will be visible only by the end of 2018 or early 2019.

### Price Movement in Key Micro-markets

LOCALITY	AVERAGE 'ASK' RATE (PER SQ FT)	QoQ CHANGE	YoY CHANGE
Raj Nagar Extension	2,800 - 3,200	0%	5%
Vasundhara	3,600 - 4,900	-1%	1%
Sector-78, Noida	4,600 - 5,300	1%	0%
Crossings Republik	2,500 - 3,400	-1%	1%
Vasant Kunj	11,300 - 13,500	-2%	0%
Pitampura	8,500 - 10,400	-3%	5%
Sector-12, Dwarka	7,100 - 8,800	1%	4%
Sector-74, Noida	4,300 - 4,700	-2%	1%
Sector-56, Gurgaon	5,900 - 7,000	2%	-1%
Paschim Vihar	7,500 - 9,000	-1%	-5%

\* Average 'ask' rates have been calculated as per listings posted on 99acres.com in the current quarter

# NOIDA, GREATER NOIDA AND GHAZIABAD

The UP metropolises emulated the stasis prevalent in realty markets across the top eight cities, to report a plateauing capital graph in Apr-Jun 2018. The plethora of upcoming and completed infra projects – Jewar International Airport, elevated roads, new metro corridors, malls and medical units – improved sentiment, but did not convert into higher sales volume in Noida and Greater Noida. Ghaziabad's realty market, meanwhile, remained placid in the face of stale inventory.

## KEY HIGHLIGHTS

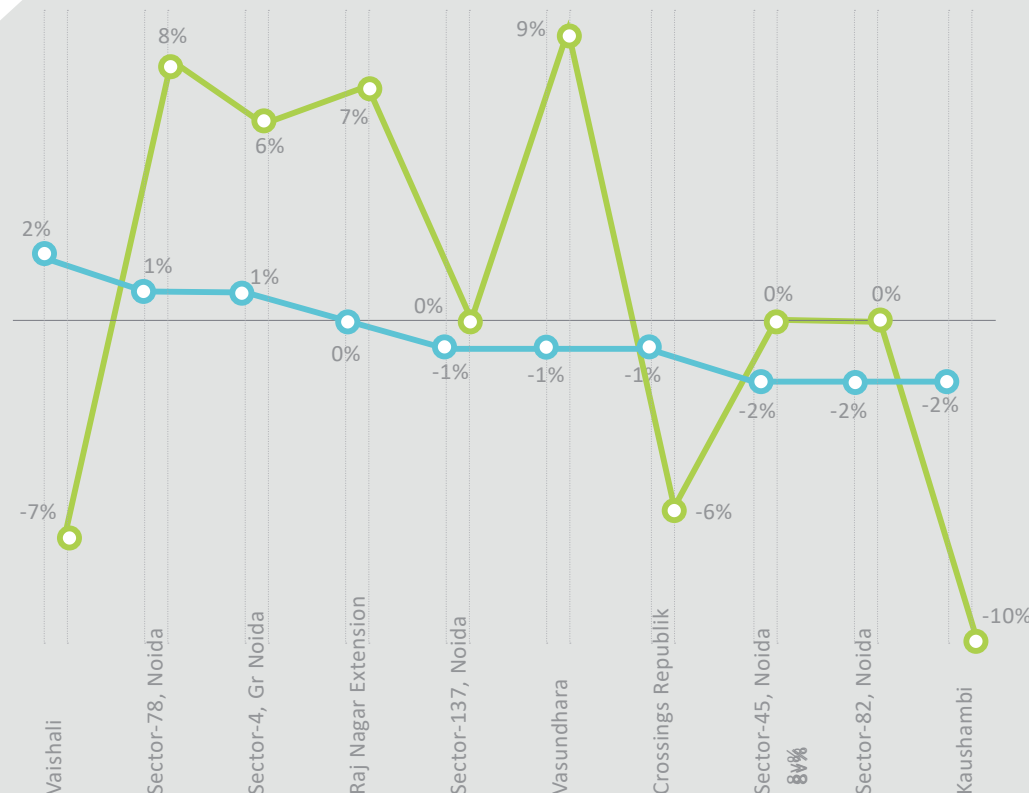
While Noida and Ghaziabad witnessed a stagnant market in Apr-Jun 2018, Greater Noida posted a drop in home values, courtesy a comparatively fragile civic infrastructure and safety concerns.

An inventory overhang of almost 90,000 units in Noida-Greater Noida kept realty sentiment in check, despite the expanding metro grid. Only 35 percent of the tracked localities exhibited growth in price points.

Sector 107, Noida led the capital charts with an uptrend of two percent, QoQ. Handover of new projects and proximity to the business hub of Sector 132 worked in favour of the locale.

Riding the wave of possession-ready homes and the upcoming metro corridor, Sector 150, Noida clocked a marginal growth on the capital graph, QoQ.

Average weighted rental values, too, plateaued in the twin cities, with Sector 78, Noida, beating the market blues with an eight percent growth in Apr-Jun 2018, vis-à-vis the same quarter in 2017. Rents in the locality bolstered due to the availability of new inventory.



\* %change represents quarterly capital movement and yearly rental movement

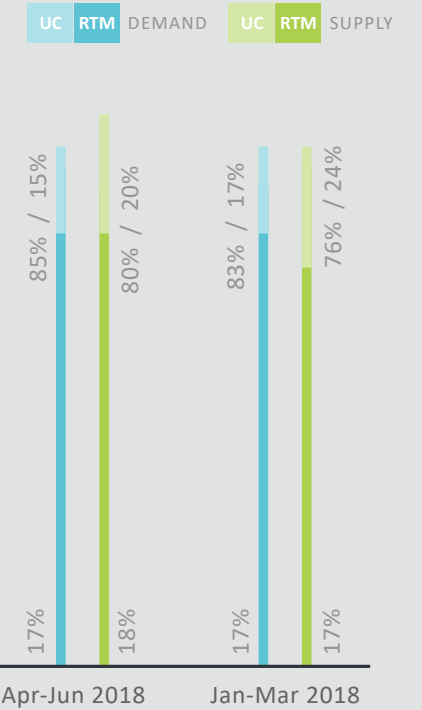
Sector 4 in Greater Noida West followed with a six percent uptrend in rental rates, YoY. Possession of new projects opened up fresh inventory in this belt, leading to a rise in demand, therefore, price tags.

Sectors Chi 5, Greater Noida and Sector 120, Noida witnessed annual rental values skyrocketing by six percent, each. Growth in residential rents can be attributed to project handovers in the last six months, which ensured an abundance of fresh rental stock in Apr-Jun 2018.

Ghaziabad's new launch segment continued to be sluggish in Apr-Jun 2018. Although the low-rise market received a fillip in the form of new building bye-laws, real estate sentiment stagnated with less than one-fourth of the tracked locales reporting capital growth. Rajendar Nagar emerged as the frontrunner in Ghaziabad, with home values increasing by three percent in Apr-Jun 2018, QoQ.

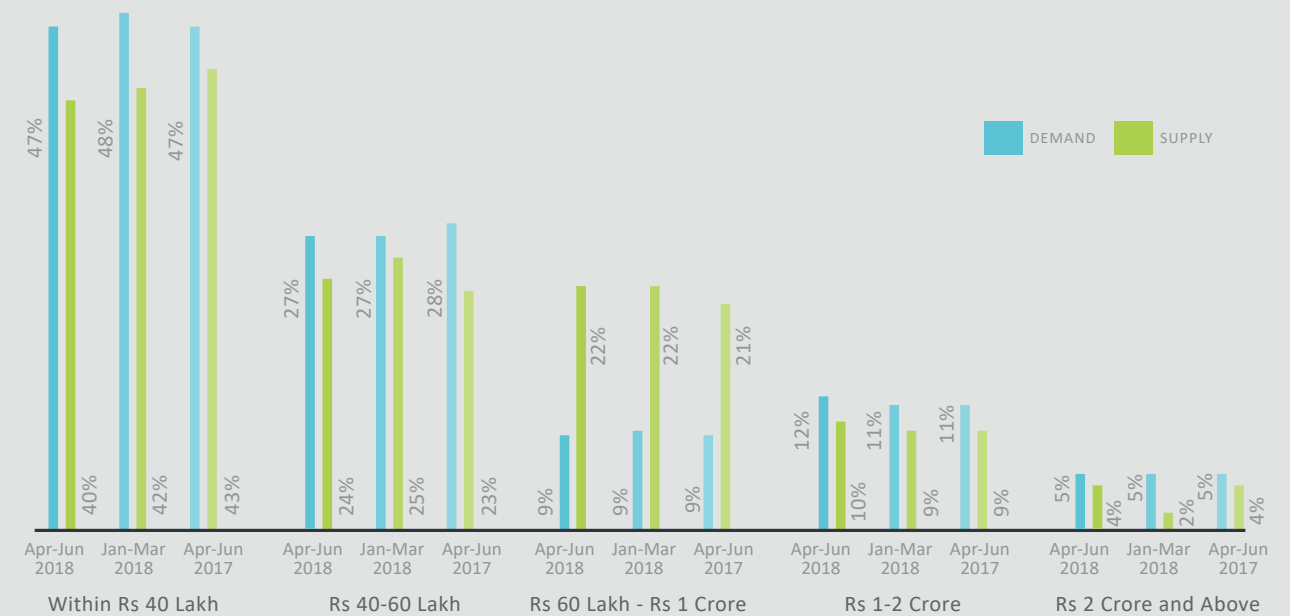
In the rental segment of Ghaziabad, only Vasundhara and Raj Nagar Extension clocked an uptrend, with nine percent and seven percent annual growth, respectively, YoY. While rents in Vasundhara buoyed as a result of new lease contracts, Raj Nagar Extension boasted of new projects.

## SUPPLY OF APARTMENTS



\* Graph depicts the availability of residential apartments wrt other property types, QoQ, along with the distribution of under-construction and ready stock

## BUDGET-WISE SUPPLY OF PROPERTIES



\* Graph depicts the fluctuation in supply wrt demand for residential properties in various budget categories

# GURGAON AND FARIDABAD

The residential real estate segments of both the Haryana cities witnessed restricted number of new launches in Apr-Jun 2018. While price points inched up slightly in Gurgaon on the back of some project handovers and new flyovers easing traffic gluts at important junctions, Faridabad reported weak realty sentiment. Soothsayers repose hope on the Faridabad Development Plan-2031, which is believed to infuse life in the quasi-industrial city's realty market.

## KEY HIGHLIGHTS

The residential segment of Gurgaon witnessed median home values heading north in Apr-Jun 2018, when juxtaposed with Jan-Mar 2018, albeit by an insignificant margin. The successful acquisition of a disputed farmhouse for the construction of the Dwarka Expressway proffered a silver lining.

Sectors 53, 65 and DLF City Phase II in Gurgaon, topped the popularity charts with each of the localities witnessing a quarterly surge of four percent in property prices. While the presence of an ultra-luxury project brought cheer to Sector 65, Sector 53 and DLF City Phase II boasted of good inter-city connectivity.

Sectors 107, 108 and 111 in Gurgaon also reported an upswing of four percent in Apr-Jun 2018, vis-à-vis Jan-Mar 2018. Homes with comparatively reasonable price tags, ranging between Rs 5,000 and Rs 6,400 per sq ft, bolstered sentiment in this belt. Property values will witness a further spike once the Dwarka Expressway is complete.

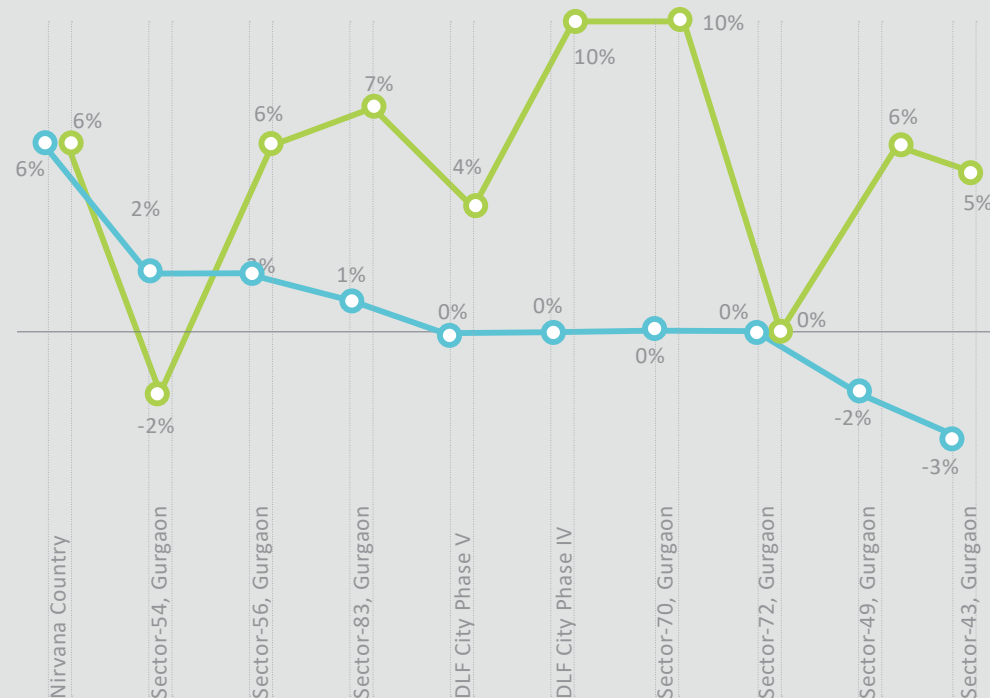
The Millennium City posted a cheerful rental market in Apr-Jun 2018, as compared to the June ending quarter in 2017, with

average weighted rental values strengthening by four percent. The growth in lease rates has been credited to the migrant working populace and availability of new rental inventory in the time span.

Sectors 70, 78 and DLF City Phase IV reported a vibrant rental market, as a result of quick connectivity to Sohna Road and Golf Course Road. Rents in these residential belts skyrocketed by a margin of 10 percent, YoY. Possession of a few new units also helped push rental 'asks', which is anticipated to settle by the next quarter.

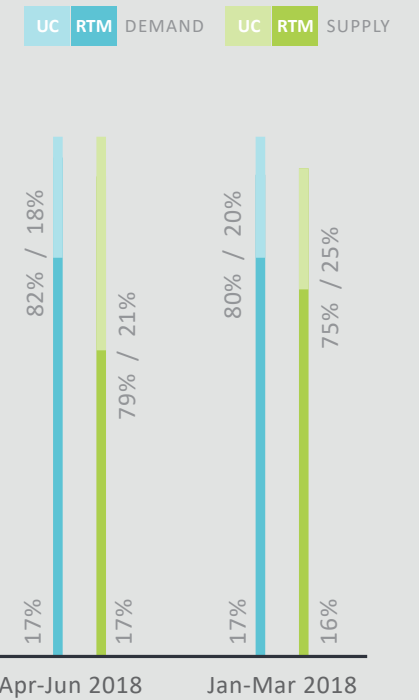
Although rental sentiment buoyed in Sectors 82 and 83, Gurgaon, in Apr-Jun 2018, clocking an annual growth of six percent and seven percent, respectively, 'ask' rates are expected to get impacted in the forthcoming quarters. The proposed shift of the Kherki Daula toll plaza towards the KMP expressway has been rejected.

Only 25 percent of the tracked localities in Faridabad posted growth on the capital charts in Apr-Jun 2018, as opposed to the preceding quarter. Not surprisingly, the most preferred residential area of Sector 81 led the race with over three percent uptrend in home values, QoQ.



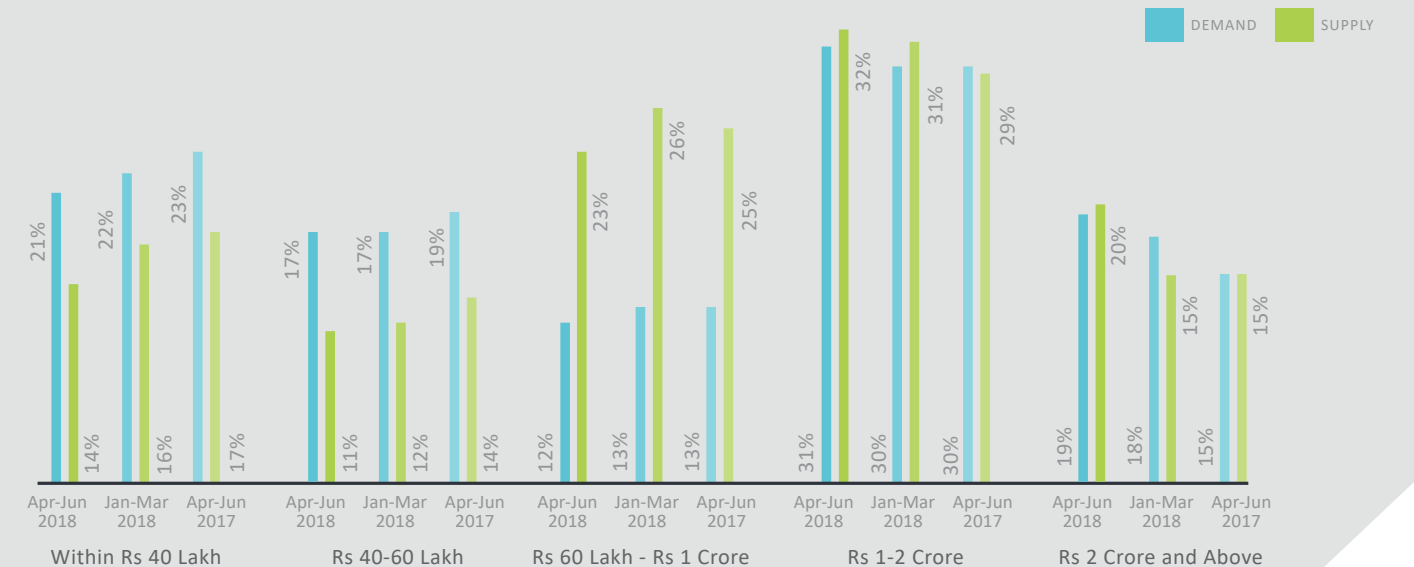
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# DELHI

Riding the wave of affordable homes, expanding metro network and new roadways facilitating inter-city connectivity, Delhi's real estate reported a happier market in Apr-Jun 2018. Price points, however, continued to remain meek, with only select residential belts in proximity to road and rail infrastructure showcasing a positive movement. Completion of the Dwarka Expressway can proffer the much-needed breather to this saturated micro-market.

## KEY HIGHLIGHTS

In line with the current market trend, the capital city reported maximum demand for affordable homes priced within Rs 40 lakh in the June ending quarter of 2018. To this end, growth in average property prices in the East and North Delhi, albeit by an insignificant margin, did not come as a surprise.

Sector-24, Rohini reported a capital appreciation of three percent in Apr-Jun 2018, when juxtaposed with Jan-Mar 2018. 'Aspirational' pricing around Rs 7,500 per sq ft contributed to the increase in average apartment values in the ready-to-move category.

Housing values improved by a margin of four percent, QoQ, in Laxmi Nagar, Mayur Vihar-III, Tilak Nagar and Ashok Vihar, despite the sealing drive on commercial properties. This incremental increase in price points is anticipated to settle in the forthcoming quarters if the sealing continues.

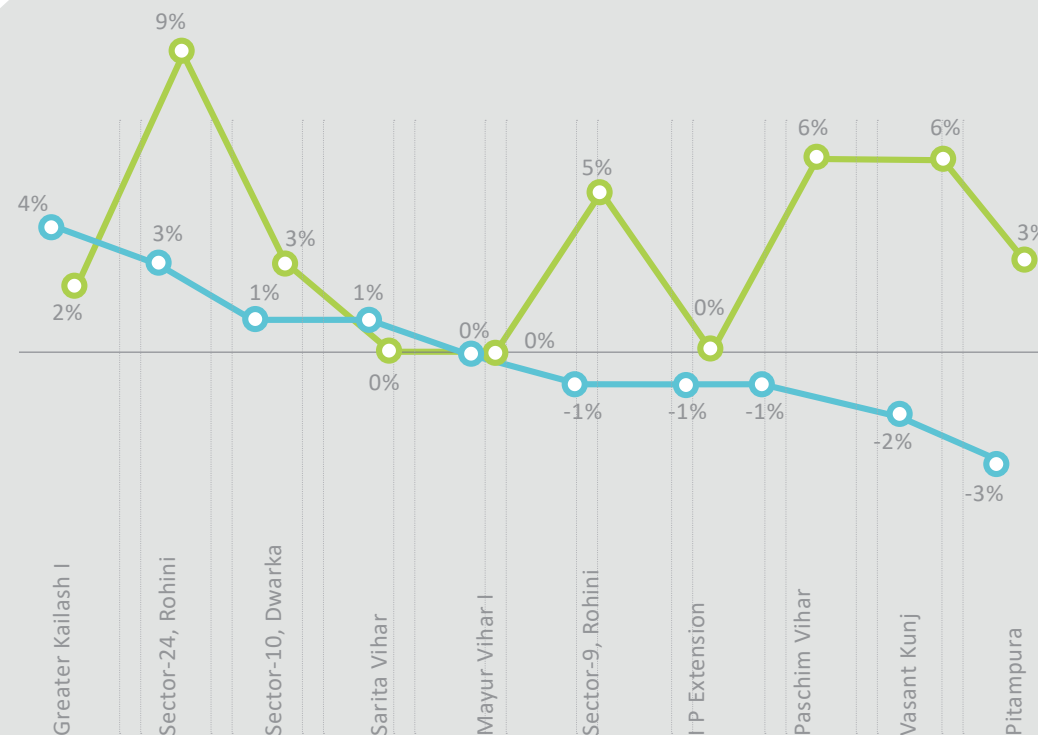
As opposed to the eastern and northern zones, average weighted home prices remained under pressure in South Delhi. Less than 30 percent of the tracked locales clocked growth on the capital charts.

While Greater Kailash I and Alaknanda witnessed a surge of four percent in property price tags, Sheikh Sarai and Sarvpriya Vihar followed with three percent uptrend in Apr-Jun 2018, versus the previous quarter.

Property values in Dwarka are anticipated to shoot up once the expressway is complete. The rental market of the sub-city is also on a growth spree as is evident from the four percent rise in average rentals 'asks'. Proximity to Gurgaon will continue working in favour of Dwarka unless the area sees an unreasonable spike in price points.

Marking a contrast to the preceding quarters, Delhi's rental story showcased buoyancy in Apr-Jun 2018, as compared to the same quarter in 2017. Average rental 'asks' reported an upturn of three percent.

Tilak Nagar and Sector-24, Rohini emerged as the most popular rental pockets. Tenants also forayed into the southern zone of Lajpat Nagar IV and Safdarjung due to the availability of comparatively low-priced, but quality homes. The locales exhibited a massive surge of nine percent in rental 'asks', each, YoY.



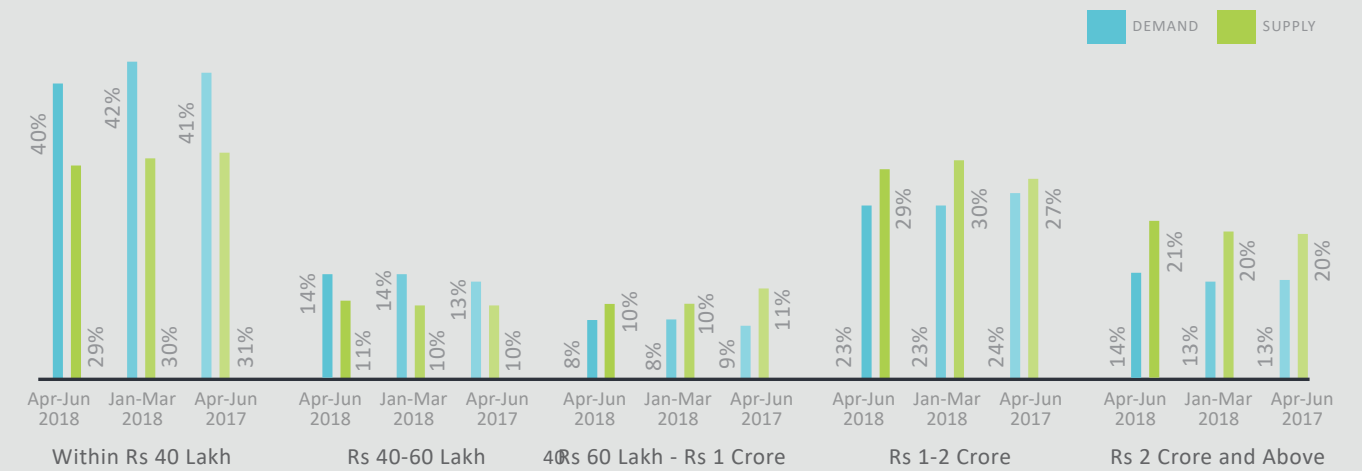
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## BUDGET-WISE SUPPLY OF PROPERTIES



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# Annexures

## CAPITAL VALUES - GURGAON, FARIDABAD

Locality	Apr-Jun 2018
Ardee City	6100
Charmwood Village	7600
DLF City Phase II	9600
DLF City Phase IV	11233
DLF City Phase V	11750
Greenfield Colony	3450
Nirvana Country	7200
Sainik Colony	3800
Sector-102, Gurgaon	5450
Sector-103, Gurgaon	4525
Sector-104, Gurgaon	5875
Sector-106, Gurgaon	5125
Sector-107, Gurgaon	4950
Sector-108, Gurgaon	7550
Sector-109, Gurgaon	5350
Sector-110, Gurgaon	5350
Sector-111, Gurgaon	6350
Sector-112, Gurgaon	3725
Sector-24, Gurgaon	12300
Sector-28, Gurgaon	10900
Sector-30, Gurgaon	10400
Sector-31, Gurgaon	9000
Sector-33, Gurgaon	6700
Sector-37C, Gurgaon	4750
Sector-37D, Gurgaon	4517
Sector-42, Gurgaon	13150
Sector-43, Gurgaon	8400
Sector-45, Gurgaon	6650
Sector-47, Gurgaon	8700
Sector-48, Gurgaon	9375
Sector-49, Gurgaon	8050
Sector-50, Gurgaon	7475
Sector-51, Gurgaon	6850
Sector-53, Gurgaon	11300
Sector-54, Gurgaon	14000

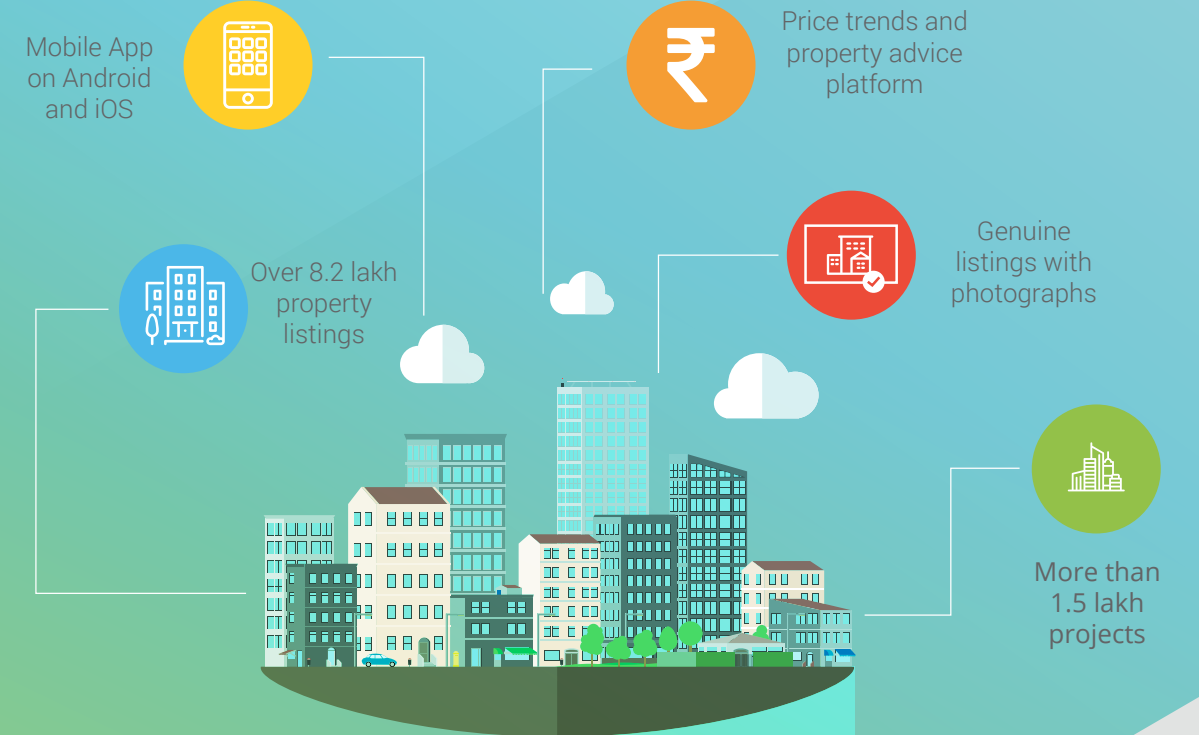
## CAPITAL VALUES - GURGAON, FARIDABAD

Locality	Apr-Jun 2018
Sector-56, Gurgaon	6950
Sector-58, Gurgaon	10100
Sector-59, Gurgaon	10000
Sector-60, Gurgaon	8850
Sector-61, Gurgaon	8300
Sector-62, Gurgaon	8300
Sector-65, Gurgaon	8300
Sector-66, Gurgaon	8550
Sector-67, Gurgaon	8050
Sector-68, Gurgaon	5500
Sector-69, Gurgaon	6000
Sector-70, Gurgaon	6150
Sector-71, Gurgaon	6000
Sector-72, Gurgaon	7875
Sector-73, Gurgaon	5550
Sector-77, Gurgaon	5100
Sector-78, Gurgaon	4800
Sector-80, Gurgaon	5100
Sector-81, Gurgaon	5425
Sector-82A, Gurgaon	6600
Sector-83, Gurgaon	5050
Sector-84, Gurgaon	4450
Sector-85, Gurgaon	4600
Sector-86, Gurgaon	4700
Sector-89, Gurgaon	4225
Sector-90, Gurgaon	4675
Sector-91, Gurgaon	4325
Sector-92, Gurgaon	4150
Sector-93, Gurgaon	3950
Sector-95, Gurgaon	3375
Sector-99, Gurgaon	5175
South City 1	8000
South City 2	6950
Sushant Lok Phase I	8200
Sushant Lok Phase II	6400

## RENTAL VALUES - GURGAON, FARIDABAD

Locality	Apr-Jun 2018
Ashoka Enclave	10
Charmwood Village	19
DLF City Phase I	19
DLF City Phase II	26
DLF City Phase III	22
DLF City Phase IV	29
DLF City Phase V	26
Nirvana Country	18
Palam Vihar	19
Sainik Colony	10
Sector-14, Gurgaon	17
Sector-15, Gurgaon	16
Sector-17, Gurgaon	17
Sector-43, Gurgaon	21
Sector-45, Gurgaon	17
Sector-46, Gurgaon	18
Sector-49, Gurgaon	18
Sector-50, Gurgaon	20
Sector-51, Gurgaon	17
Sector-52, Gurgaon	18
Sector-54, Gurgaon	21
Sector-55, Gurgaon	15
Sector-56, Gurgaon	19
Sector-57, Gurgaon	16
Sector-58, Gurgaon	21
Sector-70, Gurgaon	17
Sector-71, Gurgaon	15
Sector-72, Gurgaon	16
Sector-78, Gurgaon	11
Sector-82, Gurgaon	9
Sector-83, Gurgaon	8
Sector-92, Gurgaon	8
South City 1	18
South City 2	19
Sushant Lok Phase- 1	20

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