

Commercial Real Estate in Delhi NCR

Upcoming Projects



Introduction

Delhi NCR Offering enormous opportunity for commercial real estate

Real estate in India is soaring high with people reaping profits from this sector. In the last 2-3 years real estate has plummeted to new highs with around 100 % to even 600% increase in the rates of both commercial and residential sector.

The shift, today and expected in the future will be towards the commercial segment with retail giving a strong impetus to it. The international retail giants have keenly set their eyes on government of India for granting entry to them into this enormous demand generating country with huge potential. At present only single brand retailers can own upto 51% of the equity. All the international players are anxious to have their share of this pie in an attempt to raise the company's profit graphs touching new peaks. The retail wave which is waiting to come into its full swing will sweep the commercial real estate sector to further highs. The year 2006-07 saw organized retail growing at an express pace of 25-30%, experiencing a capital appreciation to an extent of 25-35%.

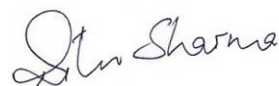
Not only the global retail giants are eager to foray into Indian markets but big and well established companies back home are mapping out plans to explore new expansions into retail. Wal-Mart recently entered into a JV with Bharti and will soon be setting shop in India. Other retailers waiting on the wings are: TESCO, Carrefour, IKEA, Target, VF brands, etc.

According to AT Kerney's report, India is the most favored destination for global retailers. AT Kerney's Global Retail Development Index 2005 puts India at the top.

Rapid commercial development in Delhi NCR has led to a spillover of housing growth from Noida to Greater Noida, Gurgaon to Manesar, Bhiwadi and Ghaziabad to Meerut. Benefitting from Metro extensions, expressways, wider highways and release of land parcels, Delhi NCR promises to be a sought after destination.

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Delhi

Big established names like Uppals, TDI, DLF and EROS have their upcoming commercial projects all over Delhi from Shalimar Bagh to Saket, with the **concentration** over South Delhi areas like Jasola, Ishwar Nagar and Saket.

Commercial boom has spelt over Delhi too similar to the NCR regions. These commercial projects are expected to come up with a total built up area of approximate 2.4 million sq ft including office space too giving both the options of sale and lease to the investors.

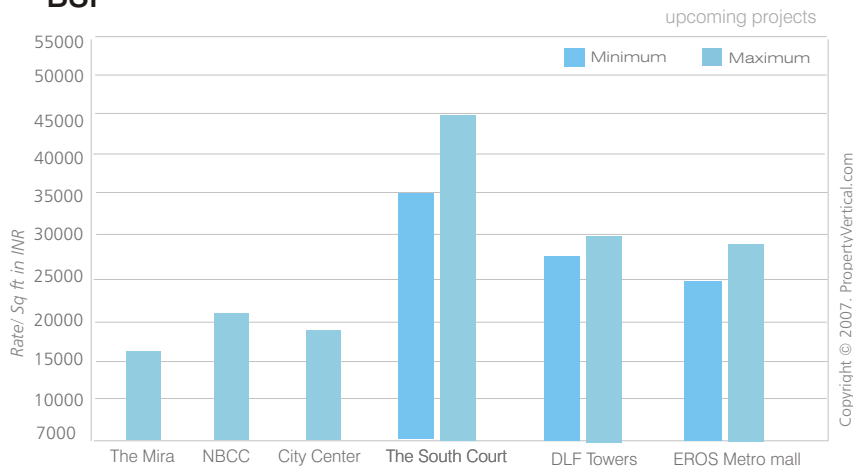
Upcoming Commercial Projects in Delhi

Project	Location	Type	Rate (per sq ft) in INR	
			Lease	BSP
The Mira Uppals	Ishwar Nagar South Delhi	Office	Rs 165	Rs 17,000
Plaza M6 Uppals	Jasola, New Delhi	Retail and Office	Rs 185-200	
NBCC Uppals	Pushp Vuhar Saket South Delhi	Retail and Office	-	Rs 21,000
TDI Center TDI	Jasola, New Delhi	Retail and Office	Rs 185-225	-
City Center DLF	Shalimar Bagh, New Delhi	Retail	-	Rs 18,000
The South Court DLF	Saket, New Delhi	Retail	GF Rs 450 FF Rs 400 SF Rs 350	Rs 45000 Rs 40000 Rs 35000
DLF Towers DLF	Jasola towers South Delhi	Retail	-	GF Rs 30,000 FF Rs 27,000
EROS Metro mall EROS	Sec 14 Dwarka	Retail	-	GF Rs 27500 FF Rs 27500 SF Rs 22500 TF Rs 20000

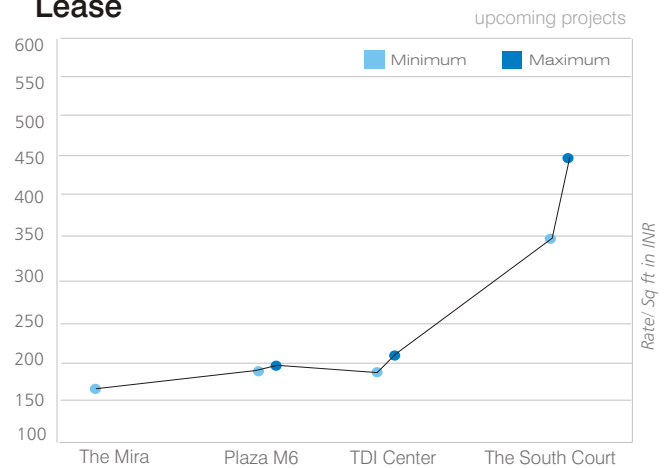
The commercial projects in Delhi are expected to come up with a total built up area of approximate 2.4 million sq ft including office space, offering both the options of sale and lease.

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BSP



Lease



Faridabad

Faridabad will have good potential by 2010. Several infrastructure

- ▶ The flyover project till Badarpur border
- ▶ Metro
- ▶ Improved connectivity in the future with eastern parts of NCR once the Taj Expressway is complete
- ▶ The flyover from Kalindi Kunj once becomes a reality, will develop the potential of Faridabad.
- ▶ Also, there will be a cargo airport. Delhi-Mumbai freight corridor will pass from Faridabad.
- ▶ The HSIDC has also planned an IMT Balabhgarh on the lines of IMT Manesar. So we see a lot of growth here in this region.

Investors are expected to reap good yields on their investments in a time period of at least three years. The new sectors beyond the Agra Canal and HUDA sectors like 21, 45 and 46 are the developed ones. Been neglected till recently, Faridabad has attracted the attention of the bureaucracy and the developers as well.

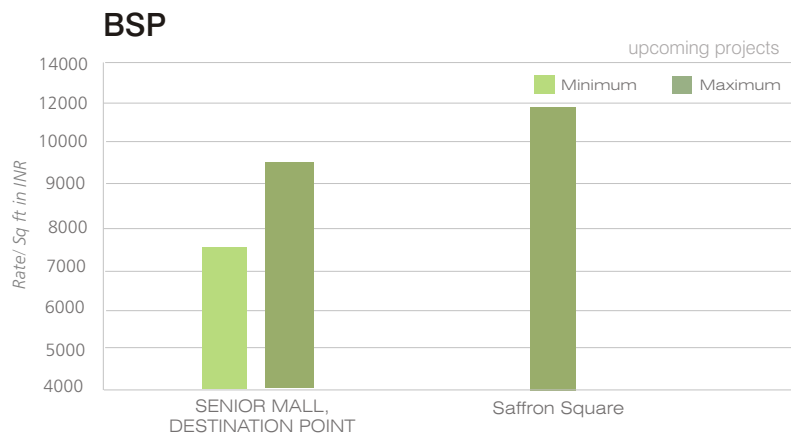
The advantages in Faridabad if compared with Ghaziabad:

- ▶ **Real Estate:** The rates in Faridabad are cheaper than in Ghaziabad.
- ▶ **Social:** Law and order situation is better.
- ▶ **Education/Infrastructure:** There are medical colleges, two dental colleges, and 10 engineering colleges. Some educational institutions are offering professional courses of international standards. They have tied up with the Cambridge University. And third is the connectivity with other parts of the NCR.

Upcoming Commercial Projects in Faridabad

Project	Location	Type	Rate (per sq ft) in INR	
			Lease	BSP
Eldeco Citadel Eldeco Citadel	Greater Noida, Faridabad	Retail	-	-
Senior Mall, Destination Point Senior Builders	opposite sector 37, Faridabad.	Retail and Office	-	1.75 lakh Rs 7,500-9,500
Vatika Group Vatika Group	Faridabad	Office Space	-	-
Pal Galleria Pal Group	Sector 20-B, Mathura Road, NH-2, Faridabad	Retail	-	-
Saffron Square.	Mathura road 2 kms from Badarpur border	Retail	-	Rs 12000/sq ft

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Noida

Noida, Gr Noida

Noida and Greater Noida have evolved immensely over a period of time. Earlier, these were considered to be the second choice after Gurgaon but now with high quality residential and commercial development the perception has changed. And with mega development plans like Metro Rail in the offing prices here are set to soar in the long run.

Noida-Greater Noida Expressway:

Work has commenced on the Taj Expressway linking Gr Noida and Agra which is to stretch for an impressive 163 kilometres promising to put the property in these twin real estate hotspots on fast track. Land from 115 villages in five districts has been acquired for the mammoth road.

The eight-lane expressway is to link Greater Noida and Agra, traversing Aligarh, Hathras and Mathura districts. This will not only make travel to Agra much more convenient but also relieve pressure on Mathura Road. Five "integrated cities" are to be built in the stretch between Noida and Agra. The work has been assigned to developers JP International and the road is scheduled to be completed and operational by April 2009.

Special economic zones (SEZs), hotels, and commercial and residential complexes coming up on the Noida-Greater Noida Expressway offer great scope for strong and sustained growth for all real estate segments. There are 40 sectors along the expressway that have been divided into four zones under the Noida Masterplan 2021 to ensure balanced development amidst population explosion. The authorities have also planned development projects on each side of the expressway in phases to give a boost to IT & ITeS services. The impact of all these developments is clearly visible in the increasing demand for land by IT companies, triggering real estate boom in these satellite townships.

In less than two years, land prices along the expressway have jumped from Rs 15,000 per square yard to Rs 22,000-Rs 32,000 per square yard. The education institutions are also interested in this region following the footsteps of Amity University happening to be a major institutional landmark on the expressway. The expressway is likely to emerge as a hot IT destination on the strength of its proximity to New Delhi and availability of quality urban infrastructure including housing. One factor that makes it an attractive destination for infotech is the land scarcity in the national capital leading to high prices, thus making establishment of large campuses there unviable.

Projects completed:

At the Noida end, the projects which have been completed include Amity University, Logix Techno-Park, Lotus Valley School, Mayoor International School, ATS Green and Parasvsnath Prestige Apartments, all in Sector 93.

Projects planned by the authorities:

- ▶ A world class sports complex with an approximate budget of Rs 50 crores with all facilities like a multipurpose indoor stadium, a stadium for athletics, a football field, cricket stadium, bowling alley and much more. Officials have hinted that Noida might host a couple of events during 2010 Commonwealth Games.
- ▶ A world class 18-hole golf course costing about Rs 37 crores. The Authority has finally agreed to have it developed over 180 acres in Sector 101 falling in Zone 3 of the Noida Greater Noida Expressway.
- ▶ Greater Noida Industrial Development Authority (GNIDA) is planning to build an IT park in the city to meet the specific infrastructure requirements of the IT industry. The park will be fully integrated, self-contained and designed to offer ready-to-use office space of international quality and social infrastructure for the IT and ITeS industries.
- ▶ The multipurpose SEZs spread over 2,500 acres of land along the expressway are to be divided into industrial, residential, commercial and recreational facilities.
- ▶ Noida Authority is planning to set up, on more than 50 acres of land along the expressway, a medical city called Arogya Dham which will contain super-specialty hospitals of world standard, a matching commercial complex, homes for the attendants and plenty of open space, thanks to wide roads, parks and green cover.
- ▶ For providing better connectivity, a mono-rail project on circuitous route via the expressway has been planned at a cost of Rs 3,300 crores.
- ▶ Another rail link from Tuglaqabad to Greater Noida via the expressway is also envisaged, for which Indian Railways has given its approval.
- ▶ A sewer network is being laid in advance along the expressway and a Master Plan 2021 for water and sewer has also been prepared; to provide infrastructure prior to development,
- ▶ Three flyovers are under construction, and are expected to be ready in 10 months
- ▶ The entire stretch of the expressway will soon be wi-fi enabled. With these massive development plans, the property prospects there are quite bright rating it after Gurgaon.

Noida

Market Trends:

The prices have doubled in the past three years and there is a positive indication of future prospects in property appreciation. The land in this stretch is priced between Rs. 5000 and Rs. 7500 psf. There has been a hike also in the sale value of houses already built, it has gone up by 80% in 18 months from Rs 1,600 psf to Rs 2,900 psf.

And considering the booming infrastructure along the Noida-Greater Noida Expressway, developers, realtors and property professionals are all upbeat about the future prospects of real estate in this emerging hot location.

There are significant residential projects that will cater to the residential demand once the industries/companies start operating. Some of the major builders are Unitech, Omaxe and Eldeco.

Development of residential, commercial and institutional areas along the Noida-Greater Noida Expressway in the next 10 years could be simply phenomenal. Moreover, with an international airport on the anvil, the land prices are bound to soar.

At the Greater Noida end of the expressway, India Expo Mart, an alternative to Delhi's Pragati Maidan, has become operational. Knowledge Park, with over 24 engineering and management colleges, will also come up along the expressway.

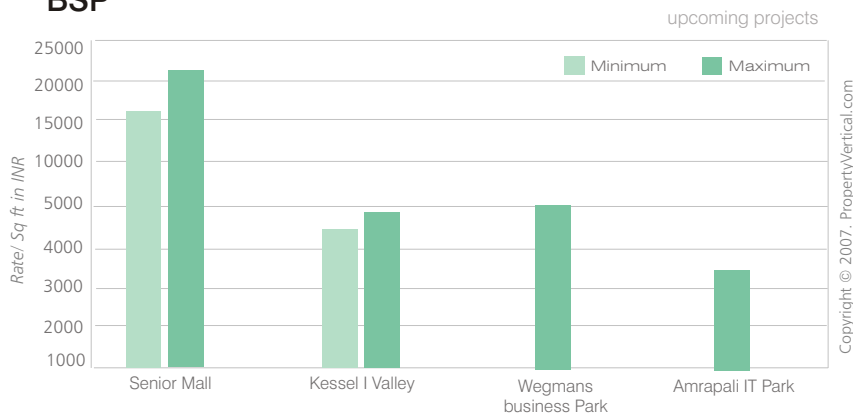
Upcoming Commercial Projects in Faridabad

Project	Location	Type	Rate (per sq ft) in INR	
			Lease	BSP
Senior Mall Senior Builders	Sector 32, Noida	Retail and Office	Rs 160-220	Rs 16,000-22,000
Kessel I Valley Suraj Realtors	Plot No 9, Tech Zone, Taj Express Way, Greater Noida	Retail	-	GF/FF/SF- Rs 4800 3F-5F Rs 4500
Wegmans business Park	On main road, casna highway Greater Noida	IT park	-	Rs 5000
Logix Cyber Park Logix Group	C28 and 29 Sec 62 Noida	IT park	Rs 40-45	-
Amrapali IT Park	Gr noida	IT park	-	Rs 3500

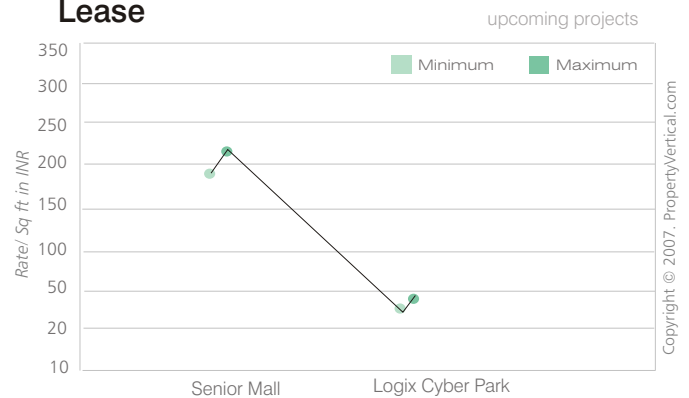
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Commercial space in the upcoming projects in Noida is available from RS 3500/ sq ft to Rs 22,000/ sq ft

BSP



Lease



Gurgaon

Commercial property rates in Gurgaon of some of the projects like DLF have increased exponentially over the period of 2-3 years by whopping Rs 10,000 since the time these projects were launched.

Gurgaon compared with Noida

The battle is in between Gurgaon and Noida. Then comes Faridabad followed by Panipat. First, Noida has strong geographical advantage in comparison to Gurgaon. It is linearly situated to Delhi. Keep on developing bridges across Yamuna and you get access to parts of Delhi. While if a person living in Gurgaon has to come to Delhi, he will have to take the south Delhi route.

Second, Gurgaon has opened gates for the private developers to develop the infrastructure much earlier. Noida is now opening up. The sector plans for both have already been laid.

Third, Gurgaon has an international kind of environment. The culture today is multilingual. Noida is a step behind. Malls are still coming up in Noida.

But in the near future, both of them would excel and add value to the national capital region.

In future, Ansals will come up with multiplexes in class B and C cities. These would add value to the lifestyles of the populace. Other than this, they are also developing a chain of clubs across their projects by the name, Florence. First one in this line is ready in Gurgaon.

Manesar- An attractive Investment Destination

With Manesar emerging as one of the biggest industrial hubs around the National Capital Region, it has become an attractive investment destination. If we look at the real estate market, economic development of an area is the basis for growth in real estate prices. For example, in South Delhi, it was the Okhla industrial area that triggered a spurt in real estate prices in the area. Similarly, Gurgaon's real estate market got a major fillip after the Maruti Udyog car factory was set up there, over 25 years ago.

And, now, Manesar is likely to be one of the biggest growth centres in the NCR. It has all the ingredients of being the next commercial hub, after Gurgaon, with better infrastructural facilities and tax incentives. It is likely to emerge as one of India's major outsourcing hubs, with major corporate entities like Honda, Baxter, Suzuki, Stanley, Mitsubishi, Nippon, Toyota and Maruti Udyog setting shop here.

Upcoming Commercial Projects in Gurgaon

Project	Location	Type	Rate (per sq ft) in INR	Lease	BSP
Tech Park Welldone Group	Sohna Road, Gurgaon	Retail and Office	-	-	Rs 6000
Vatika City Point Vatika Group	Mehrauli, Gurgaon	Retail	-	-	Rs 14500
DLF South Point DLF	Golf Course Road	Retail	-	-	Rs 14000
ILD Trade Center ILD	Sec 47 on Sohna Road, Gurgan	Retail and Office	-	-	GF Rs 12,500 FF Rs 10,500 2 F Rs 10,500 3-9 F Rs 8,500
EROS Corporate Tower	IMT Manesar	Retail and Office	-	-	GF Rs 12,250-17,550 FF Rs 11,250 SF Rs 8,750 3-14 F Rs 7,750
Senior Mall Senior Builders	M.G. Road, Gurgaon	Retail	Rs 180-220	-	LGF Rs 20,00 UG Rs 22,000 F -2F Rs 18,000
Central Plaza Senior Builders	On main 60 mtr. wide sector road opposite DLF Golf Club. Gurgaon	Retail and Office	Rs 225	-	Rs 25,000
Palm Court TDI	Gurgaon	Office Space	-	-	-
Sahara Mall Sahara Infrastructure & housing	Gurgaon	Retail	-	-	GF Rs 15,000-18,000 FF Rs 12,000-13,000 2F Rs 10,000 3F Rs 12,000-13000
Landmark, the Mall Landmark group of companies	Sec 56 Sohna Road, Gurgaon	Retail cum multiplex	-	-	GF Rs 9400 FF Rs 7800 SF Rs 6500
BPTP Mall	Golf course Road GGN	Retail	-	-	Rs 6,500 pre launch
Spaze IT park	On Sohna Road	Retail	-	-	Rs 4,500
Sapze mall	GGN	Reatil	-	-	Rs 7,500 Pre launch
Element 9 UPPALS	Sector 2 IMT Manesar	Retail and Office	-	-	Commecia Rs 12,500 office-Rs 6,500/sq ft
Amrapali Corporate Mall	Sec 2, J Tower Manesar	Reatil and Office	-	-	GF Rs 14000 FF Rs 11,000 SF Rs 8000 TF Rs 7500 4 F Rs 7000 5-7 Rs 6500
Vipul Mall	M G Road	Retail	-	-	Rs 12,500-13,000

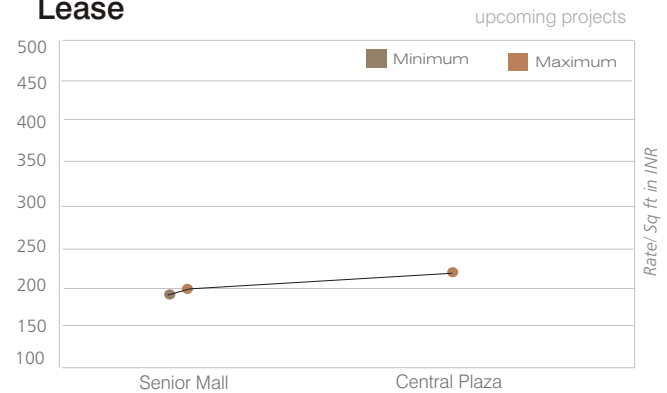
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Gurgaon

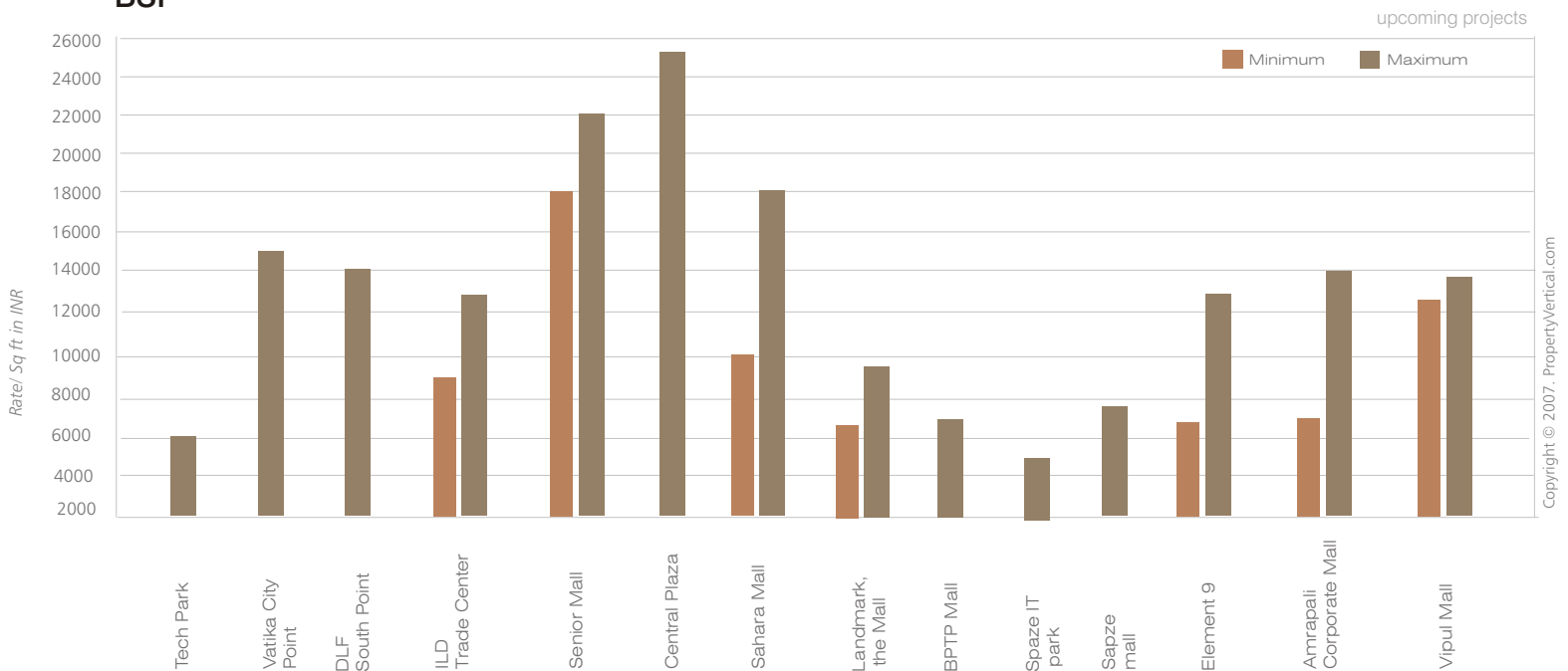
Naturally, such a massive corporate and industrial activity not only triggered the need for office space, but has also created a huge demand for residential properties from people who are employed here, and also from those likely to be inducted by the emerging corporate sectors. A few comparisons between the IMT Manesar of today and the one, four years hence, are given in the table.

In a recent survey, Manesar has emerged as one of the top three investors' choice for real estate investment in India.

Lease



BSP



Gaziabad

Commercial real estate in Gaziabad has received a major boost due to the Commonwealth Games in 2010. Not only hotels with international standards are under construction but also huge commercial mall, some having hotels too, on the top floors, are soon going to be operational in areas like Indrapuram, Vaishali, Kaushabhi and Vasundhra.

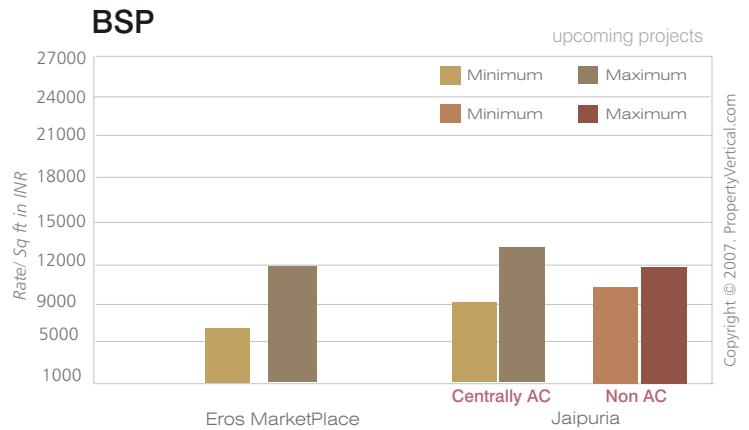
Metro is another development in this eastern part of Delhi which has certainly resulted in appreciation of land prices along the route. With the first phase being from Anand Vihar in Delhi to Vaishali in Ghaziabad, the second will be a 16-kilometre elevated stretch from Vaishali to Mehrauli. The line will go via Indirapuram, Noida's Sector 62 crossing, the Central Industrial Security Force battalion compound, Pratap Vihar, Vijay Nagar, Dundahera and Shahapur.

Talking about Indrapuram, in last 9 months the residential property prices in Indrapuram have gone up from an average of Rs. 1600 per sq ft to over Rs. 3200 per sq ft. This clearly depicts the increasing demand of the place which will certainly give boost to the commercial segment once the residential properties are developed and inhabited by the owners. Also, the main site for the upcoming Commonwealth Games 2010 is right next to Indrapuram, thereby, attracting a lot of attention to faster development work both from Central and State governments.

Upcoming Commercial Projects in Gaziabad

Project	Location	Type	Rate (per sq ft) in INR	
			Lease	BSP
Eros Market Place	Indrapuram	Retail	-	LGF Rs 8,500 GF Rs 12,500 UGF Rs 10,000 FF Rs 9,000 SF Rs 6,000
Sunrise plaza Jaipuria	On NH-24 Indrapuram	Retail	-	Rs 9,500-Rs 13,500
Centrally AC				Rs 5,500-Rs 7,500
Non AC				

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Conclusion

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