

2,254 NEW UNIT LAUNCHES IN Q4 2019

73% SHARE OF MID SEGMENT IN Q4 2019

80% SHARE OF GURUGRAM IN NEW UNIT LAUNCHES IN Q4 2019

New launches in 2019 up 1.5X y-o-y

The fourth quarter recorded new launches of 2,254 units across 7 projects with one project in Gurugram being launched after completion. This project was sold out completely in a matter of days, indicating the strong appetite for ready and close to completion inventory in the NCR residential market. Another 1,035 units were launched in Gurugram under the Haryana Affordable Housing Scheme. Sectors 69, 81 and Dwarka Expressway recorded new launches in Gurugram in Q4, while sectors 150 and 75 were the activity centres in Noida. Over half of the new unit launches in Q4 were subsequent phases in already launched projects, which had seen healthy sales traction in previous phases and were witnessing active construction activity. On an annual basis, new launches in 2019 at 11,843 units were higher by 1.5X on a y-o-y basis, indicative of some returning confidence to the market. However, most of the new launches in the city during the year were by established, well known developers (some as part of joint ventures or joint development arrangements). A total of 5,021 units were launched under the affordable housing policy of Haryana in 2019. Similar to last year, the mid segment accounted for a majority share - 63% in the annual launches. Gurugram and Noida had an equal share of 48% each in launches in 2019, while Delhi constituted a mere 4% share. Luxury segment launches recorded a 1.7X increase y-o-y, with launches in this segment utilizing the optimal location and pricing as the USP for the targeted buyer.

Dealing with stalled inventory and insolvency proceedings amid buyer protests causing further pain

With the twin blows of a credit squeeze and sluggish sales, developers are demanding that homebuyer complaints on project delays should be dealt by RERA rather than initiating insolvency proceedings under NCLT. The recent government ruling amending Section 7 of Insolvency and Bankruptcy Code mandating that 100 or 10% of homebuyers, whichever is lower, can initiate insolvency proceedings against developers is aimed at curbing frivolous complaints and ensuring that the project execution that has been stalled does not worsen further. Delhi NCR with one of the worst records on stalled projects needs the support of the newly set up fund for helping such stalled projects and a policy that is geared towards project delivery and completion.

Capital and rental values remain stable

With sales remaining sluggish despite some uptick and unsold inventory levels still high, prices were largely stable in the prevailing price ranges across all price segments. A few developers continued to offer limited period discounts to push sales in their projects. The South Delhi submarket recorded a 3-4% increase on a y-o-y basis with limited for-sale inventory and previous price corrections paving the way for some growth. Buyer preference for nearing completion projects continues as they look to avoid any risks in a market that is slowly improving its completion rate. We expect price stagnation in the short to medium term, though some growth at the lower end of price range of completed inventory is likely.

MARKET INDICATORS OVERALL Q4 2019

	Y-O-Y Change	12-Month Forecast
New Launches	▲	▲
Units Sold	▲	▲
Average Capital Values (INR/sf)	■	■

SIGNIFICANT PROJECTS LAUNCHED IN Q4 2019

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	RATE*(INR/SF)
Tulip Yellow	Sector 69, Gurugram	Tulip Infratech	630	5,290
DLF Ultima Phase 2	Sector 81, Gurugram	DLF	520	8,270 – 8,700
Hero Homes Phase 2	Sector 104, Gurugram	Hero Realty	476	6,800
Ivy County	Sector 75, Noida	County Group	360	6,000
Signature Tower – Crown at Joyville	Sector 102, Gurugram	Shapoorji Pallonji Group	96	6,799
Ace Parkway One Imperial Tower	Sector 150, Noida	Ace Group	92	5,090 – 5,250

RENTAL VALUES AS OF Q4 2019

SUBMARKET	AVERAGE QUOTED RENT (INR/MONTH)	QoQ CHANGE (%)	YoY (%)	SHORT TERM OUTLOOK
High-end segment				
South-west	230,000 – 470,000	0%	4%	■
South-east	125,000 – 250,000	0%	0%	■
South-central	180,000 – 310,000	0%	3%	■
Central	285,000 – 550,000	0%	1%	■
Gurugram High-end	65,000 – 210,000	0%	4%	■
Noida	50,000 – 100,000	0%	0%	■
Mid segment				
South-east	100,000 – 200,000	0%	0%	■
South-central	120,000 – 230,000	0%	3%	■
Gurugram	50,000 – 100,000	0%	0%	■
Noida	30,000 – 50,000	0%	0%	■

SIGNIFICANT PROJECT COMPLETED IN Q4 2019

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	UNIT SIZE
DLF Ultima Phase 2	Sector 81, Gurugram	DLF	520	2,092 – 2,872
Mahagun Mirabella	Sector 79, Noida	Mahagun Group	472	1,380 – 2,720
Araya	Sector 62, Gurugram	Pioneer Urban Land and Infrastructure Ltd	256	3,498 – 9,625

SIGNIFICANT PROJECTS UNDER CONSTRUCTION – TO BE COMPLETED IN NEXT 12 MONTHS

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	COMPLETION
Imperial Gardens Phase II	Sector 102, Gurugram	Emaar MGF	345	Q2 2020
Emerald Bay Phase II	Sector 104, Gurugram	Puri Constructions	324	Q2 2020
Ambience Creacions Phase I	Sector 21, Gurugram	Ambience Group	190	Q2 2020

Data collated from primary and secondary resources. Estimations are subject to change

The above values for high-end segment are for units typically of 2,000-4,000 sq ft

The above values for mid segment are for units typically of 1,600-2,000 sq ft

Faridabad & Ghaziabad are not included in the new unit launches in Delhi NCR

Affordable housing has been defined as units with a carpet area of 60 sq.mt in metros / 90 sq.mt in non-metros and value up to INR 45 lakhs

High-end Segment

South-west: Shanti Niketan, Westend, Anand Niketan, Vasant Vihar

South-east: Friends Colony East, Friends Colony West, Maharani Bagh, Greater Kailash – I, Greater Kailash – II

South-central: Defence Colony, Anand Lok, Niti Bagh, Gulmohar Park, Hauz Khas Enclave, Safdarjung Development Area, Mayfair Gardens, Panchsheel Park, Soami Nagar, Sarvaodaya Enclave

Central: Jorbagh, Golf Links, Amrita Shergil Marg, Aurangzeb Road, Prithviraj Road, Sikandara Road, Tilak Marg, Ferozshah Road, Mann Singh Road, Sunder Nagar, Nizamuddin, Tees January Marg, Chanakyapuri

Gurugram-Luxury: Golf Course Road

Mid Segment

South-east: New Friends Colony, Kalindi Colony, Ishwar Nagar, Sukhdev Vihar, Kailash Colony, Pamposh Enclave

South-central: Uday Park, Green Park, Saket, Asiad Village, Geetanjali Enclave, Safdarjung Enclave, Sarvapriya Vihar, Panchsheel Enclave, Navjeevan Vihar

Gurugram: Sohna Road (Sectors 38, 47-49), Southern Peripheral Road, New Gurugram, Dwarka Expressway and Sohna

Noida: Sectors 50, 74-79, 82, 83, 110, 112, 115-121, 134, 135, 137, 143, 150, 151 and 168), Greater Noida and Yamuna Expressway

CAPITAL VALUES AS OF Q4 2019

SUBMARKET	AVERAGE QUOTED RENT (INR/MONTH)	QoQ CHANGE (%)	YoY (%)	SHORT TERM OUTLOOK
High-end segment				
South-west	33,000 – 53,000	0%	4%	■
South-east	24,000 – 35,000	0%	0%	■
South-central	28,000 – 45,000	0%	4%	■
Central	63,000 – 98,000	0%	4%	■
Gurugram High-end	10,000 – 16,200	0%	0%	■
Noida	7,000 – 9,000	0%	0%	■
Mid segment				
South-east	20,000 – 27,000	0%	4%	■
South-central	24,000 – 35,000	0%	4%	■
Gurugram	4,500 – 9,000	0%	0%	■
Noida	4,000 – 6,500	0%	0%	■

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