

Nil NEW UNIT LAUNCHES IN Q2 2020

1,631 NEW UNIT LAUNCHES IN Q2 2020 – AFFORDABLE HOUSING SCHEME

100% SHARE OF GURUGRAM IN NEW UNIT LAUNCHES IN Q2 2020

MARKET INDICATORS OVERALL Q2 2020

Y-O-Y Change 12-Month Forecast

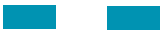
New Launches



Units Sold



Average Capital Values (INR/sf)


New project announcements at a standstill in Q2 2020

The COVID-19 pandemic and the resultant lockdown, caused further grief to the already struggling residential sector in NCR and the result was that no new launches were seen in the city in Q2, a first of its kind instance for this large urban agglomeration and its residential segment. However, 1,631 units were launched across two projects in sectors 70 and 79 in Gurugram under the Haryana Affordable Housing Scheme. The developers continue to focus on offloading their existing inventory rather than launching new projects in the current challenging market environment marked by further weakening in buying sentiment. While muted launch activity in the past quarters despite weak demand levels has helped reduce the unsold inventory numbers, the subdued sales and further weak sentiments are likely to restrain developers for undertaking new launches in any sizeable lots. A significant amount of effort is expected to go towards completion of ongoing projects in an effort to kickstart sales. The pandemic is also likely to further push the consolidation scenario currently playing out, with developers having stronger balance sheets exploring opportunities for joint ventures or development management contracts or even outright land deals as valuations have become very attractive.

Execution delays expected in under-construction projects

Under-construction projects in Delhi NCR are likely to be delayed even further, though construction work has resumed after the lockdown. Disruptions in supply chain and migration of labor are likely to have a bearing on the scheduled completion timelines for various projects. In order to provide some relief to the developers from paying heavy penalties for delays, the Haryana and Uttar Pradesh Real Estate Regulatory Authorities have extended the registration and completion timelines of all registered projects (registration expiring on or after 25 March 2020) by six months. Lowering of return expectations by SBICAP Ventures, which manages the Special Window Fund to revive stalled projects, from 15% to 12% was another move to aid the stressed developers. Moreover, the Reserve Bank of India has allowed a six-month moratorium on EMIs till August 2020, which is expected to provide short term relief to homebuyers, while home loans have fallen to a decade low and tax benefits and subsidies remain in place to further support the demand side dynamics. Despite these measures for both stakeholders, the sector is expected to go through further pain in the short to medium term amidst the tight liquidity conditions and a weak macro-economic environment, that will impact sales momentum.

Headline prices unchanged, but flexibility prevails; offers galore for serious buyers

While developers largely kept the headline prices unchanged, straight discounts of 4-8% on base prices are already being offered to serious buyers. In addition, there were various offers and flexible payment plans to incentivize sales in the market. Some of these included payment plans with a minimum initial payment and rest to be paid on possession, initial payment with an option to cancel the purchase in a limited period (retain or refuse) as well as limited period discounts. Such measures were introduced to attract serious buyers while bringing down the overall ticket size and improve affordability. More such incentives will continue to be on offer for buyers in the upcoming quarters to push demand for residential units at a time of rising income uncertainty which is impacting postponement of purchase decisions. Opportunistic buyers and those looking to upgrade within their budgets are still keenly exploring deals and options in the market. The residential rental market saw a 5-7% drop across all major submarkets for both mid and high-end segments as tenants looked for cheaper options and negotiated hard as income levels were under stress.

SIGNIFICANT PROJECTS (AFFORDABLE HOUSING SCHEME) LAUNCHED IN Q2 2020

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	RATE (INR/SF)
Signature Global Golf Greens	Sector 79, Gurugram	Signature Global	813	4,000
Pyramid Altia	Sector 70, Gurugram	Pyramid Group	818	4,000

RENTAL VALUES AS OF Q2 2020

SUBMARKET	AVERAGE QUOTED RENT (INR/MONTH)	QoQ CHANGE (%)	YoY CHANGE (%)	SHORT TERM OUTLOOK
High-end segment				
South-west	213,900 – 437,100	(7%)	(7%)	▼
South-east	116,250 – 232,500	(7%)	(7%)	▼
South-central	171,000 – 294,500	(5%)	(5%)	▼
Central	270,750 – 522,500	(5%)	(5%)	▼
Gurugram High-end	60,450 – 195,300	(7%)	(7%)	▼
Noida	47,500 – 95,000	(5%)	(5%)	▼
Mid segment				
South-east	93,000 – 186,000	(7%)	(7%)	▼
South-central	114,000 – 218,500	(5%)	(5%)	▼
Gurugram	46,500 – 93,000	(7%)	(7%)	▼
Noida	28,500 – 47,500	(5%)	(5%)	▼

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

SIGNIFICANT PROJECTS UNDER CONSTRUCTION IN Q2 2020

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	COMPLETION
Gurgaon Hills	Gurugram - Faridabad Road	IREQ	288	Q4 2020
Provence Estate	Gurugram - Faridabad Road	Krish Group	170	Q3 2020
M3M Sierra	Sector 68, Gurugram	M3M Group	180	Q3 2020

SIGNIFICANT CONSTRUCTION COMPLETIONS IN Q2 2020

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	UNIT SIZE
Unibera Homes	Greater Noida West	Unibera Group	672	1,025 – 2,250
Nirala Greenshire	Greater Noida West	Nirala Group	540	950 – 1,860

High-end Segment

South-west: Shanti Niketan, Westend, Anand Niketan, Vasanti 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 Q2 2020

SUBMARKET	AVERAGE QUOTED CAPITAL VALUES (INR/SF)	QoQ CHANGE (%)	YoY CHANGE (%)	SHORT TERM OUTLOOK
High-end segment				
South-west	33,000 – 53,000	0%	0%	▼
South-east	24,000 – 35,000	0%	0%	▼
South-central	28,000 – 45,000	0%	0%	▼
Central	63,000 – 98,000	0%	0%	▼
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%	0%	▼
South-central	24,000 – 35,000	0%	0%	▼
Gurugram	4,500 – 9,000	0%	0%	▼
Noida	4,000 – 6,500	0%	0%	▼

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