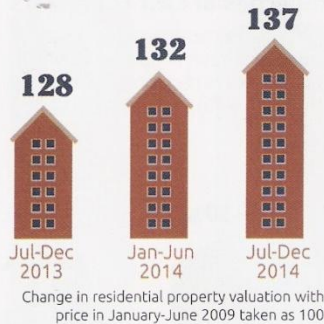


NOIDA & GREATER NOIDA

Expected Valuation Change



Fresh Supply



Quick Look: Delhi-NCR

Location	Monthly Rental (2BHK-1,000 sq. ft)	Capital Value (per sq. ft)
Golf Course Road	22,000-32,000	12,000-16,000
Sohna Road	15,000-20,000	5,800-7,500
Golf Course Extension	16,000-22,000	8,000-9,500
National Highway 8	14,000-19,000	4,500-6,500
Dwarka Expressway	—	5,500-7,500
Greater Noida Expressway	12,000-14,000	4,000-6,100
Noida	12,000-14,500	4,700-6,000
Indirapuram	10,000-12,000	4,200-5,000
National Highway 24	7,000-9,000	2,400-3,200

All figures in Rs as on end-July 2013

The two Delhi suburbs have seen the highest number of launches in the country in the last three years. Noida and Greater Noida are well-planned townships with good infrastructure built by the local authority, unlike Gurgaon, where infrastructure development has usually followed residential projects. Greater Noida, which has emerged as an affordable housing hub, already has arterial and service roads. Noida is connected to Delhi via a metro link. This line will connect Greater Noida as well. The two have also emerged as important office destinations, which should support the demand for residential units.

End-users, too, are going for affordable houses in suburbs and peripheral areas that have good connectivity and social infrastructure. However, new launches have been much less than the demand. One reason for this is that this segment is dominated by local builders as most big players stay away due to low margins.

“There is evidence of an increased but calculated focus on luxury housing. However, the mid-income segment is the most active, as it has acceptable margins and sales speed,” says Puri of JLL.

According to Cushman & Wakefield, the number of units launched in high-end and luxury segments has risen in top cities.

“There is a lot of demand for projects close to workplace hubs. But due to the high cost of land in these areas, they attract developers focused on premium and luxury housing,” says Puri of JLL.

However, the luxury segment is also under stress.

“Many people are adopting a wait-and-watch approach in the hope of getting a better deal,” says Jain of C&W. “There has been a dip in demand and sales due to slow-down and in certain areas due to oversupply,” she says.

However, high inventory and low sales do not seem to be preventing companies from entering the sector. For instance, Reliance Communications plans to shift its real estate holdings to a new company. The Action group, which makes shoes and inverters, has already laid the groundwork for launching at least six residential projects. It set up a real estate company, Microtek Infrastructure, in 2010.

“The first is a high-end project, Greenburg, in Sector 86 of Gurgaon,” says Ajay Aggarwal, managing director, Microtek Infrastructure.

Value Growth

Going by established economic theories, falling sales