



Dwarka Expressway, Gurugram

From a quiescent road to being the life-line of NCR

Micro Market Overview Report

May 2018

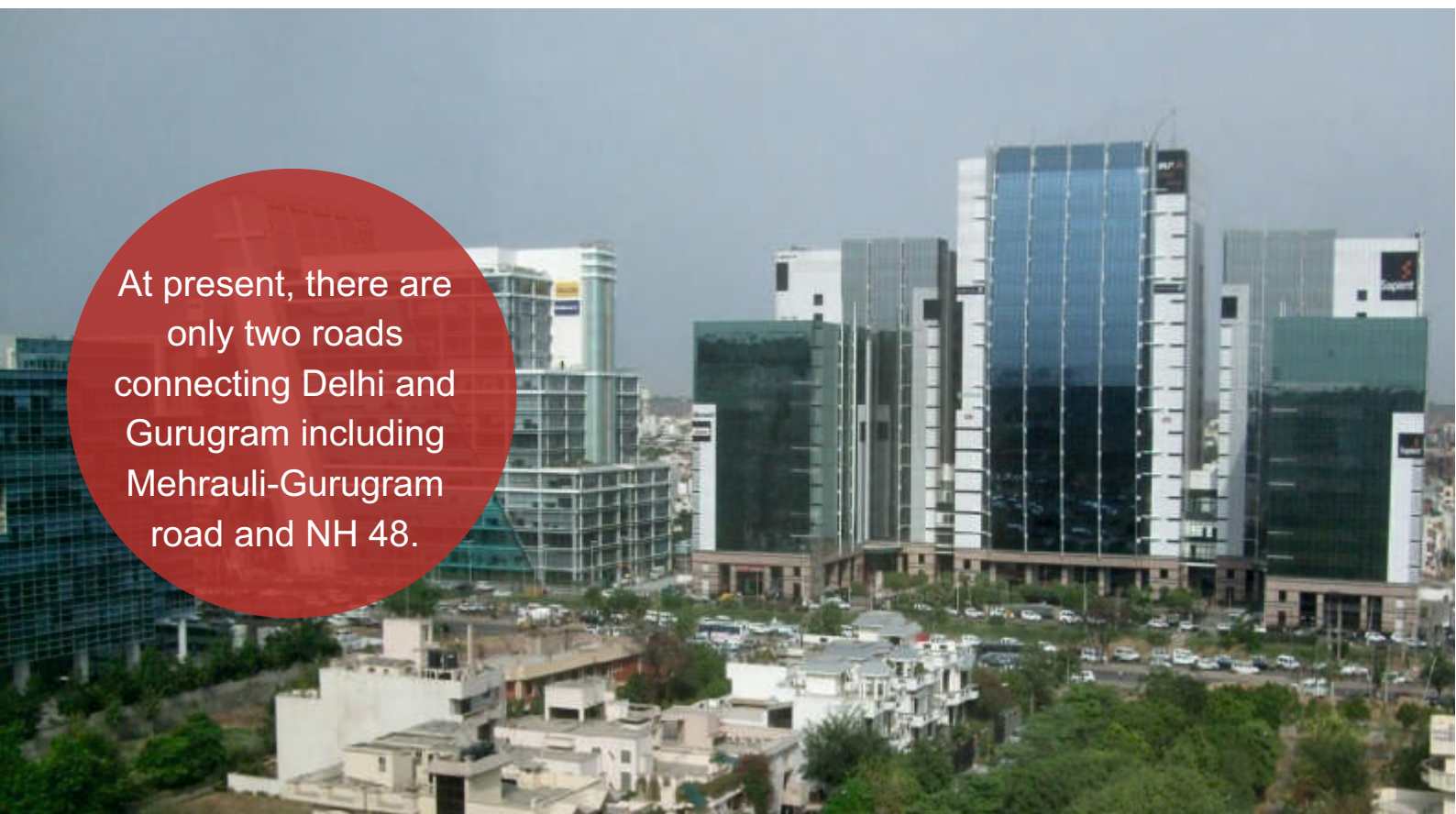





About Micro Market

Conceptualized under Gurugram Master Plan 2021, Dwarka Expressway or the Northern Peripheral Road (NPR) initially intended to connect Dwarka in Delhi to Palam Vihar in Gurugram. However, it was further extended to Kherki Dhoola toll plaza intercepting NH 48, as per Master Plan 2025. Currently, the entry point for the expressway is at Shiv Murti in Mahipalpur while the exit point is at Kherki Dhoola toll plaza. Stretching along 18km, this 8-lane and 150 meter wide expressway aims to provide seamless connectivity between Delhi, Gurugram and Manesar. At present, there are only two roads connecting Delhi and Gurugram including Mehrauli-Gurugram road and NH 48.

The expressway passes through sectors 109, 113, 37D, 88B, 105, 99 and many more which saw an upsurge in residential real estate activity since its announcement. But, with land acquisition issues over the years, the residential real estate suffered a major setback along the region. However, the recent clearance of all major hurdles here has given a new ray of hope to prospective buyers and investors alike.



At present, there are only two roads connecting Delhi and Gurugram including Mehrauli-Gurugram road and NH 48.



Dwarka Expressway's core advantage will be its seamless connectivity between Gurugram and Delhi.



A fully operational Dwarka Expressway will reduce travel time to Indira Gandhi International Airport. Currently, sectors along Dwarka Expressway take 45 minutes via NH 48.

The nearest metro station is Huda City Center which is a 30 minute drive from Dwarka Expressway



- Sectors along the Dwarka Expressway will enjoy excellent connectivity to Delhi and the international airport.
- It is well connected to Gurugram Cyber city and other major office spaces via NH 48.
- Dwarka Expressway enjoys good connectivity to Manesar industrial belt and Maruti Suzuki India Ltd, which is half an hour drive.



Major Growth Drivers

Excellent connectivity and smooth access to employment pockets of Gurugram will drive residential growth.

The belt has decent healthcare facilities along the expressway such as Kamla Hospital, Jain Sant Phool Charitable hospital, AIIMS Jhajjar and Columbia Asia Hospital etc.

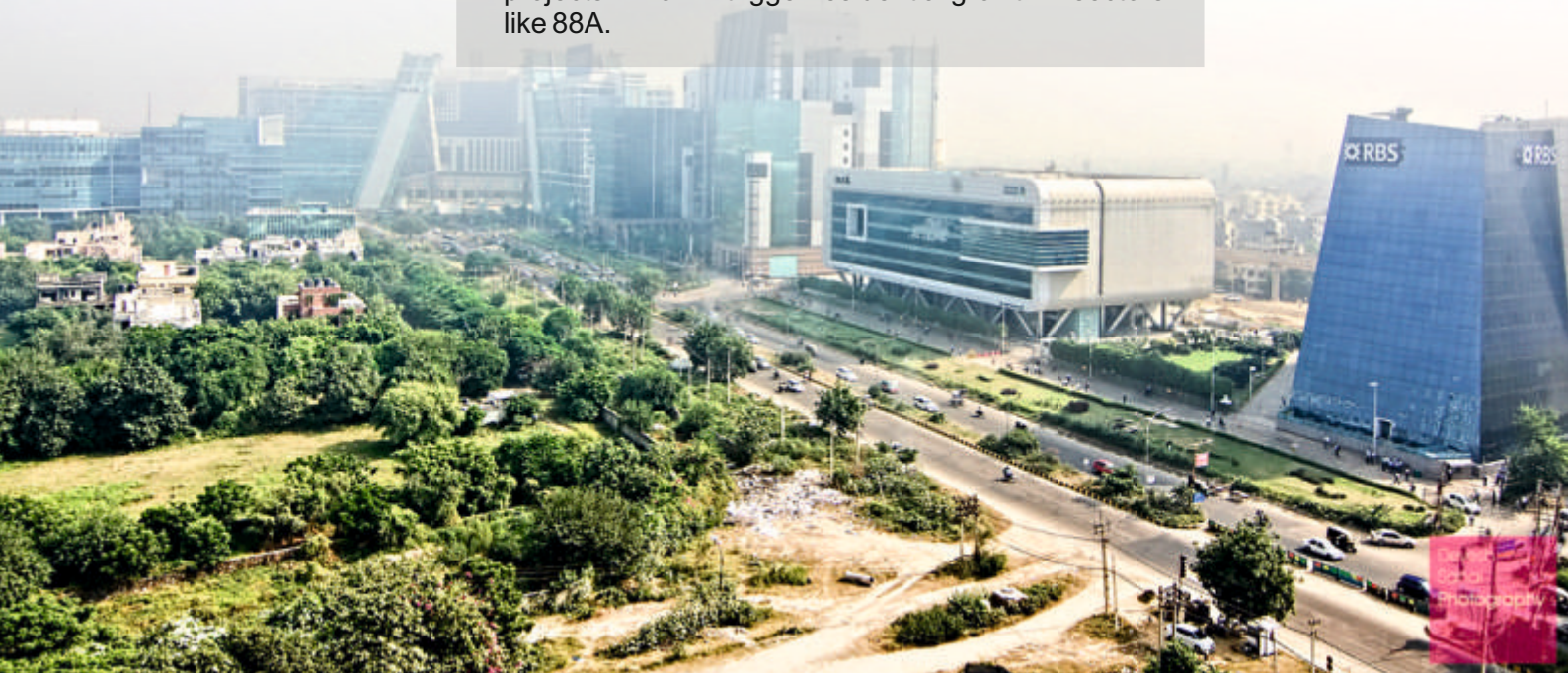
Its excellent connectivity to Delhi and different parts of Gurugram may lead to the development of an employment zone along the expressway.

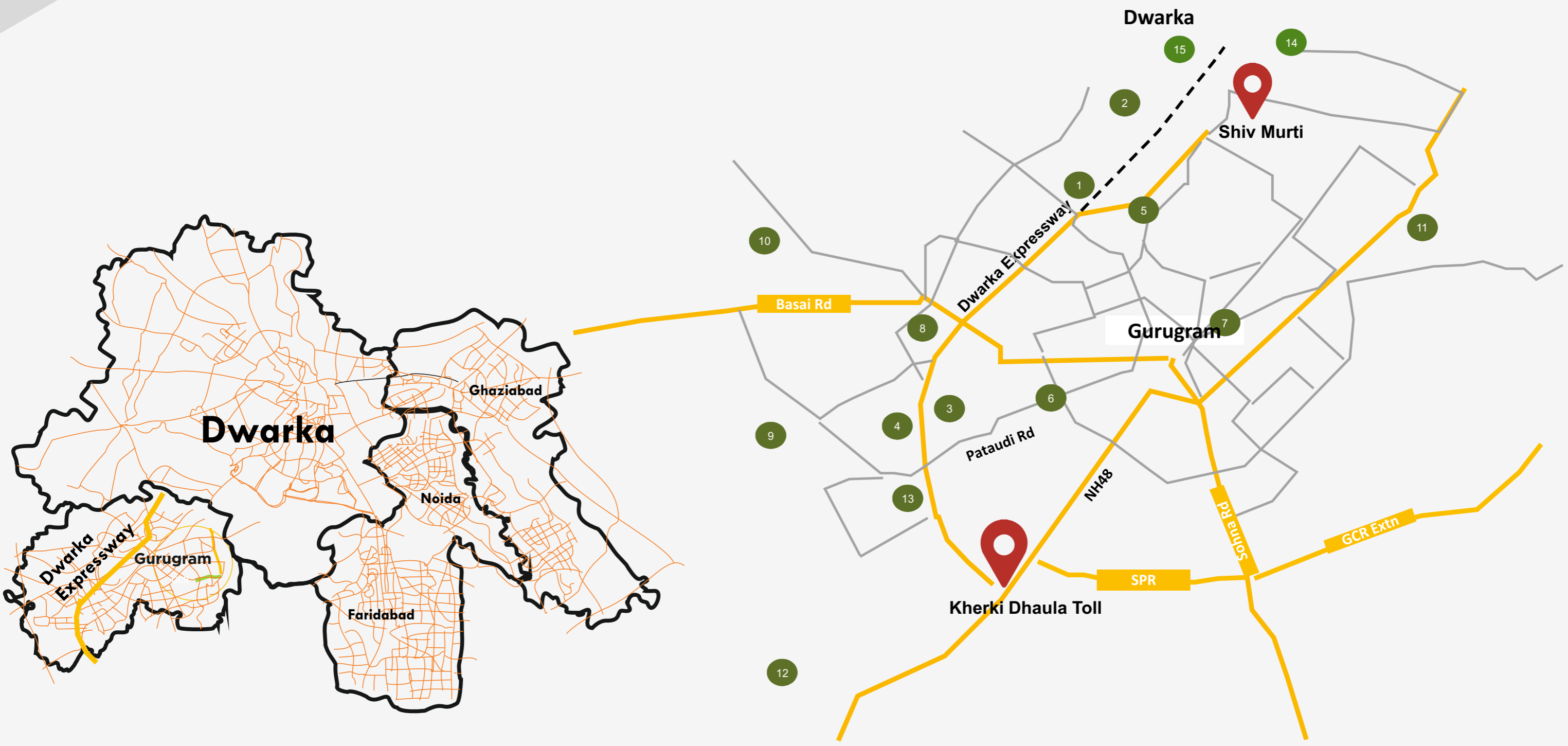
Distance between Gurugram and IGI airport will be reduced, thus, minimizing travel time.

Recently, the central government announced that all hurdles holding the expressway have been cleared and that work on the last leg will begin very soon. This will spurt residential activity in the region.

Commercial complexes such as ICD Gurugram - Garhi Harsaru, Gateway Rail Freight Limited and the proposed BRT corridor at Gurugram, similar to Delhi, will spike up residential demand along Dwarka Expressway

The cancellation of the Reliance-HSIIDC SEZ according to Master Plan 2031 led to the reallocation of land for residential, commercial and institutional projects. This will trigger residential growth in sectors like 88A.



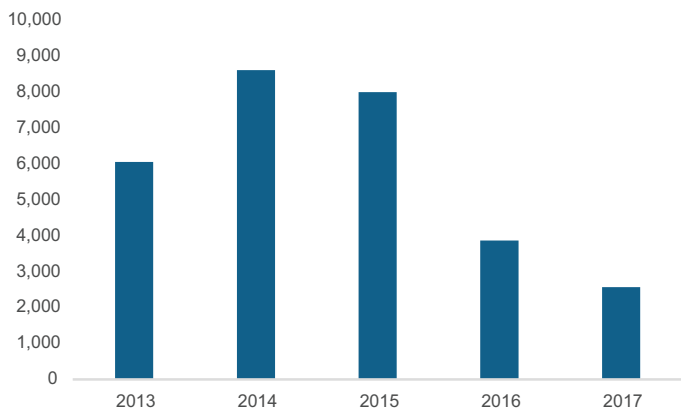


1) Sector 109	2) Sector 113	3) Sector 37D	4) Sector 88B	5) Sector 105
6) Kamal Hospitals	7) Jain Hospital	8) Sector 99	9) ICD	10) AIIMS
11) DLF	12) Maruti Suzuki	13) Sector 88	14) IGI Airport	15) Sector 26

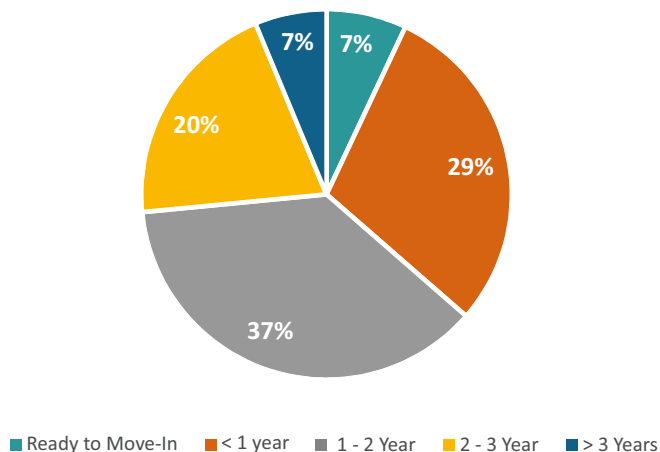
	Major Road
	Roads
	Expressway

Residential Market Assessment

New Launch Supply



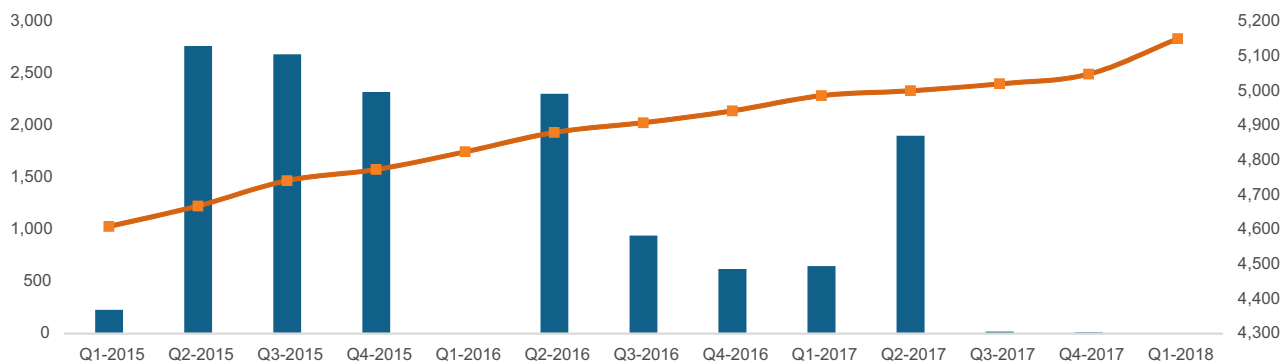
Age of Inventory (Launches between 2013 to 2017)



- In the last five years, Dwarka Expressway has seen new supply of over 29,100 units. More than 80% of the supply was added during the period 2013-15.
- However, various litigation issues created a slump in this region and new supply saw a major fall.
- In 2016, Dwarka Expressway saw the highest decline in new launches of more than 50% from 2015.
- Similarly, the new supply in 2017 was restricted to mere 2,500 units, a decline of more than 30% since 2016.
- The decline in new launches from 2016 was the cumulative effect of delay in land acquisition along the expressway, DeMo, RERA and GST coupled with weak consumer sentiments in NCR.

- Interestingly, out of the total supply launched since 2013, the expressway currently has just 7% (around 2,000 units) ready-to-move-in units. The land acquisition issues along the expressway hampered its development which in turn negatively affected the residential growth in the region. Several projects have been delayed over the years.
- Around 29% (8,500 units) of the total supply is expected to complete within a year, whereas a significant share, 37% (10,800 units) is likely to complete in 1-2 years. This suggests that many housing units will enter the market within two years.
- Furthermore, the total unsold inventory is close to 13,300 units of which a large share (98%) is still in under construction phase.

Micro Market Price Movement wrt Supply



- Average property prices in Dwarka Expressway have constantly increased over the past three years. The average price as of Q1 2018 is Rs 5,200 per sq. ft., which is 7% more than Q1 2016 and 12% higher than Q1 2015.
- Thus, despite the slowdown witnessed in major markets in NCR, Dwarka Expressway saw steady rise in capital values at a CAGR of ~4% for the period of Q1 2015 – Q1 2018.




Once fully operational, Dwarka Expressway will be a harbinger of change for the real estate market in NCR. In fact, since its announcement in 2007, there has been a spurt in real estate activity in the sectors along the expressway. But the land acquisition issues over the last few years have caused incessant delay in completion of the project. As a result, the property market here suffered a setback including residential project delays. However, the recent government initiatives that cleared all major hurdles in land acquisition issues has rekindled hopes for the realty market here.

With the office space market in most areas in Gurugram saturated, Dwarka Expressway will emerge as one of the prominent destinations for the IT-ITeS companies as it will enjoy seamless connectivity with the international airport and other key office destinations in Gurugram. On the residential front too, there will be increased activity in the coming year as significant number of units are slated to complete.

And, with builders concentrating on project completion, buyers will have ample options across segments. Moreover, rise in commercial and residential demand will eventually encourage builders to develop various social infrastructure facilities including hospitals, malls and entertainment centers.

Interestingly, despite all odds over the last few years, prices have improved in the region. Dwarka Expressway saw steady rise in capital values at a CAGR of ~4% for the period of Q1 2015 to Q1 2018 which shows that the area has immense potential. The exceptional connectivity between Cyber City, Manesar industrial belt and residential areas of Dwarka Expressway has propelled growth for sectors situated along the expressway and will continue to do so in the years to come.



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