

Golf Course Road, Gurugram

Ultra-luxury micro market with good appreciation potential

Micro Market Overview Report

April 2018



Popularly known as GCR, Golf Course Road is one of the most high-end micro markets in the entire National Capital Region (NCR). This 8 km stretch includes sectors 27, 42, 43, 53, 54, 55, 56, DLF Phase 1, 2 and 5. GCR's history traces back to the early 2000s when it was a motorists' delight to drive on this stretch. But since 2004, when realty-giant DLF launched luxury projects - Magnolias and Aralias, GCR has become one of the most coveted real estate addresses in Gurugram. Soon, other developers followed suit and launched projects that became popular with expats, high net worth individuals and the top executives of major multinationals. Thus, the micro market holds immense real estate potential giving the highest capital value appreciation in NCR.

However, with several residential and commercial developments over the years, there was utter traffic chaos which made it a nightmare to drive on this road. But, the stretch is getting a massive transformation with the government focusing on multiple connectivity options including the 16-lane expressway and rapid metro. This, in turn, will boost the real estate sector within GCR and its extended areas. GCR's excellent connectivity to Delhi and proximity to major malls, schools and hospitals, make it the most promising real estate hub in NCR. Moreover, GCR enjoys excellent connectivity to the international airport, less than a half hour drive, and is also well connected to NH 48, Sohna Road and Gurugram-Faridabad Expressway. The growth of luxury and ultra-luxury residential real estate in GCR and its periphery is due to high demand from professionals with high disposable income, global exposure and preference of key corporates coupled with influx of Fortune 500 companies. Its proximity to the Delhi Mumbai Industrial Corridor (DMIC) will definitely pave the way for future realty growth.



Connectivity

Located on the south west region of Delhi, Golf Course Road of Gurugram enjoys excellent connectivity to South Delhi, Faridabad, Rajiv Chowk and IGI Airport.



ROAD

- GCR is well connected to South Delhi and Rajiv Chowk via NH 48.
- Excellent connectivity to Faridabad via Southern Peripheral Road (SPR), along Sector 55 and Pali road.
- The 6-lane Golf Course Extension road connects Gurugram with Sohna Road.
- The 8.3 km, 16-lane signal free expressway connects Shankar Chowk with Sectors 55-56 via NH 48.



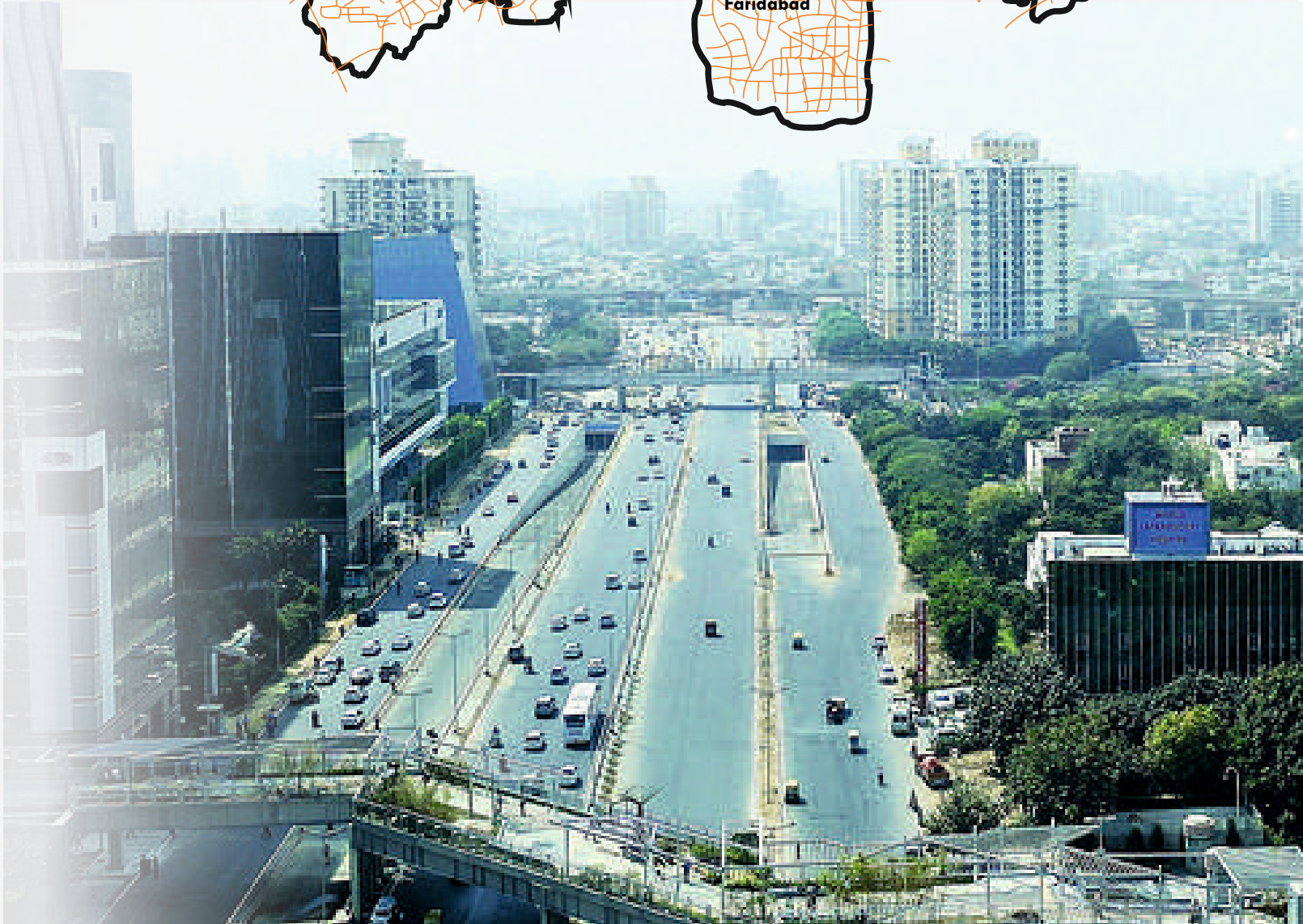
AIR

- GCR is well-connected to the IGI airport (located 16 km away) via NH 48



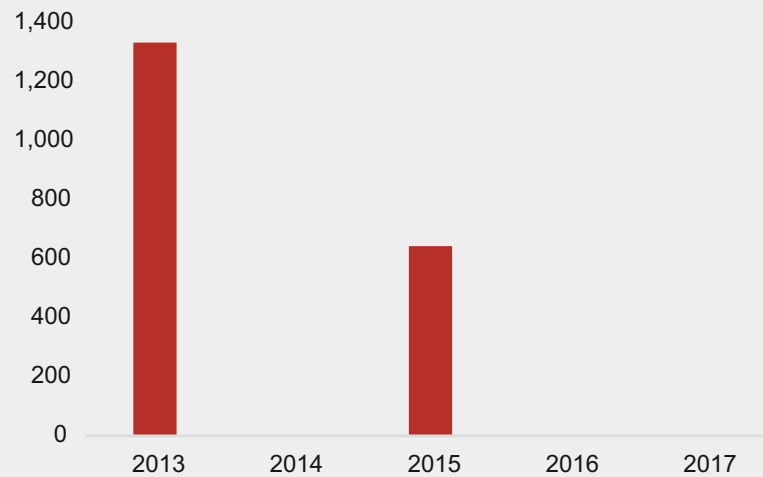
RAIL

- Recently operational phase 2 of rapid metro, spanning 6.6 km from Mousari station to GCR Extension, has been a boon for daily commuters.
- To solve the last-mile problem, metro line is laid till the Golf Course Extension T-junction from DLF phase I via Sushant Lok, Sector- 53-54, AIT Chowk and Sector 55-56



Residential Market Assessment

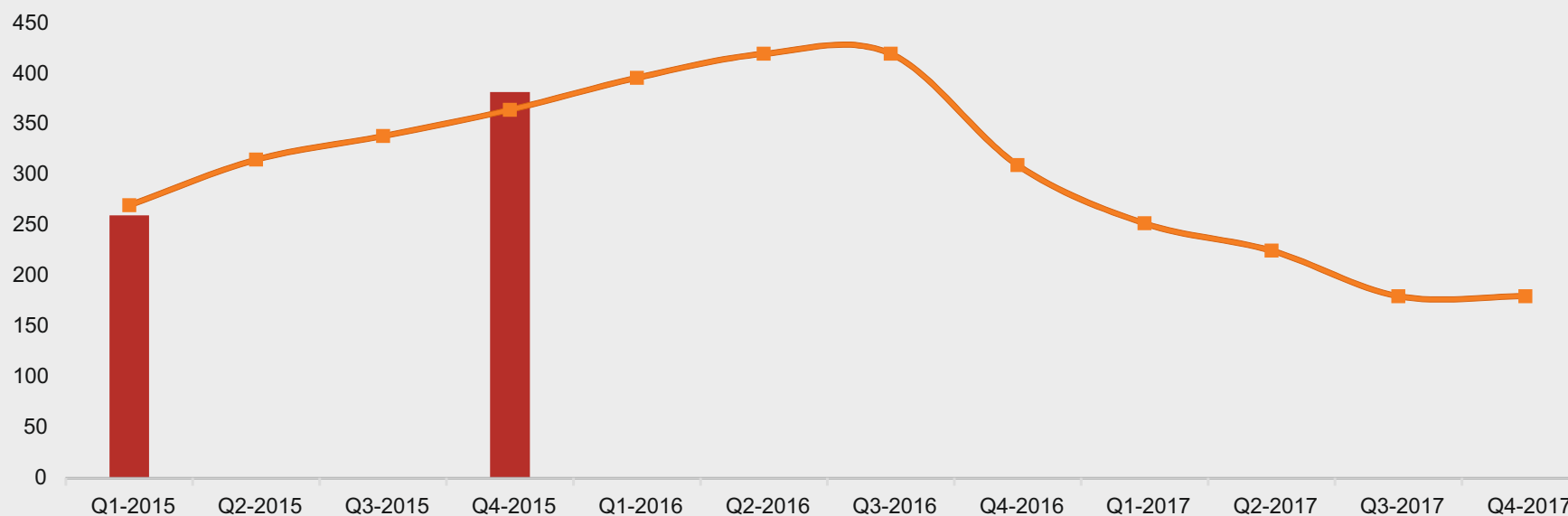
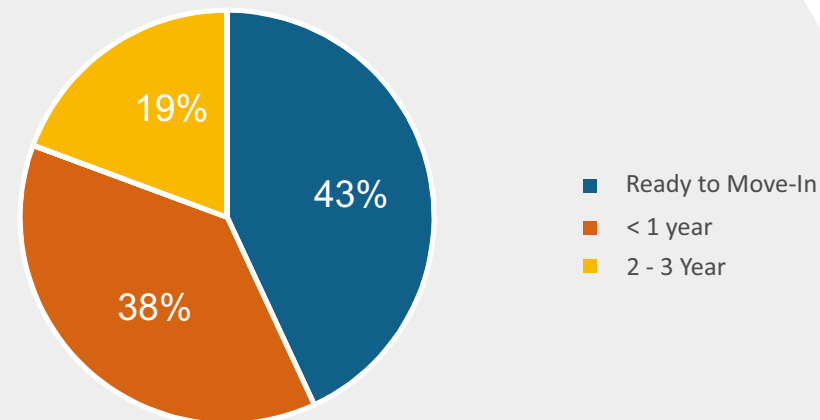
New Launch Supply



- Gurugram's Golf Course Road has seen launch of only 2,000 units in the last five years since 2013.
- Besides the slowdown in Gurugram's residential real estate due to overall changes in the government policies and real estate reforms, GCR really saw restricted launches due to the prevalent skyrocketing property prices.
- Moreover, with investors taking a backseat, developers too have refrained from launching new projects since the last two to three years as they are concentrating on completing their previously launched projects.
- Interestingly, the unsold inventory is merely 30% of the entire stock, of which 75% is under construction and 25% is completed and ready-to-move-in.

Age of Inventory (Launches between 2013 to 2017)

- The region has a significant presence of ready-to-move-in and nearing completion properties. With 43% supply of the ready-to-move-in properties and 38% to complete within one year, GCR has ample property options for homebuyers.
- Almost 20% of the new supply (comprising of around 400 units) will be completed within the next 2-3 years or sooner. With stringent RERA policies, developers will definitely try to keep up with their respective project deadlines. This will ultimately be a boon for buyers.



Micro Market Price Movement wrt Supply

- GCR's average price as of Q4 2017 is around 12,500/sqft, which is less when compared to Q4 2016.
- From Q3 2016, GCR has recorded a decline in prices on account of demonetization, RERA, GST, minimal supply and low investor confidence in residential real estate in Delhi NCR micro markets.



Gurugram's Golf Course Road is today the most sought-after ultra luxury residential destination in NCR and, considering the current trends, it is likely to retain its exclusivity for the next few years as well. The region has emerged as the top residential destination for the high net worth individuals and investors alike. Presence of high-end residential properties, Grade A office spaces and well-defined social and physical infrastructure facilities give GCR a major advantage. Moreover, excellent connectivity via rapid metro, 16-lane expressway connecting Gurugram to Delhi via sectors 55-56, easy accessibility to international airport and proximity to South Delhi make it a preferred location to live. The social infrastructure facilities include numerous restaurants, reputed schools and hospitals while several corporate offices in the vicinity are DLF Cyber City, Suncity and Corporate Park.

Despite the overall slowdown in Gurugram realty market, GCR is all set to witness a revival in its residential activity due to increasing road and metro connectivity, removal of traffic bottle necks at GCR, falling interest rates and reviving consumer sentiments backed by policies such as RERA and GST. However, going forward, property buyers must be realistic and not expect exponential price appreciation, similar to that in the years 2010 and 2011. What will keep the momentum going in GCR real estate is the prevalence of quality office spaces, which is otherwise lacking in several areas in NCR.

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ANAROCK Property Consultants Private Limited

Level 7 Tower B, Building No. 9,
DLF Cyber City Phase III,
Gurgaon - 122002
Tel: 0124-4885550

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For research services, please contact:

Prashant Kumar Thakur
Head of Research
prashant.thakur@anarock.com

ANAROCK Property Consultants Private Limited

1002, 10th Floor, B Wing, One BKC, Plot No. C-66
G Block, Bandra Kurla Complex, Bandra East,
Mumbai - 400051
T- +91 22 4293 4293



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