



Noida Expressway

Catalyst behind the swift rise of affluent residential developments

Micro Market Overview Report

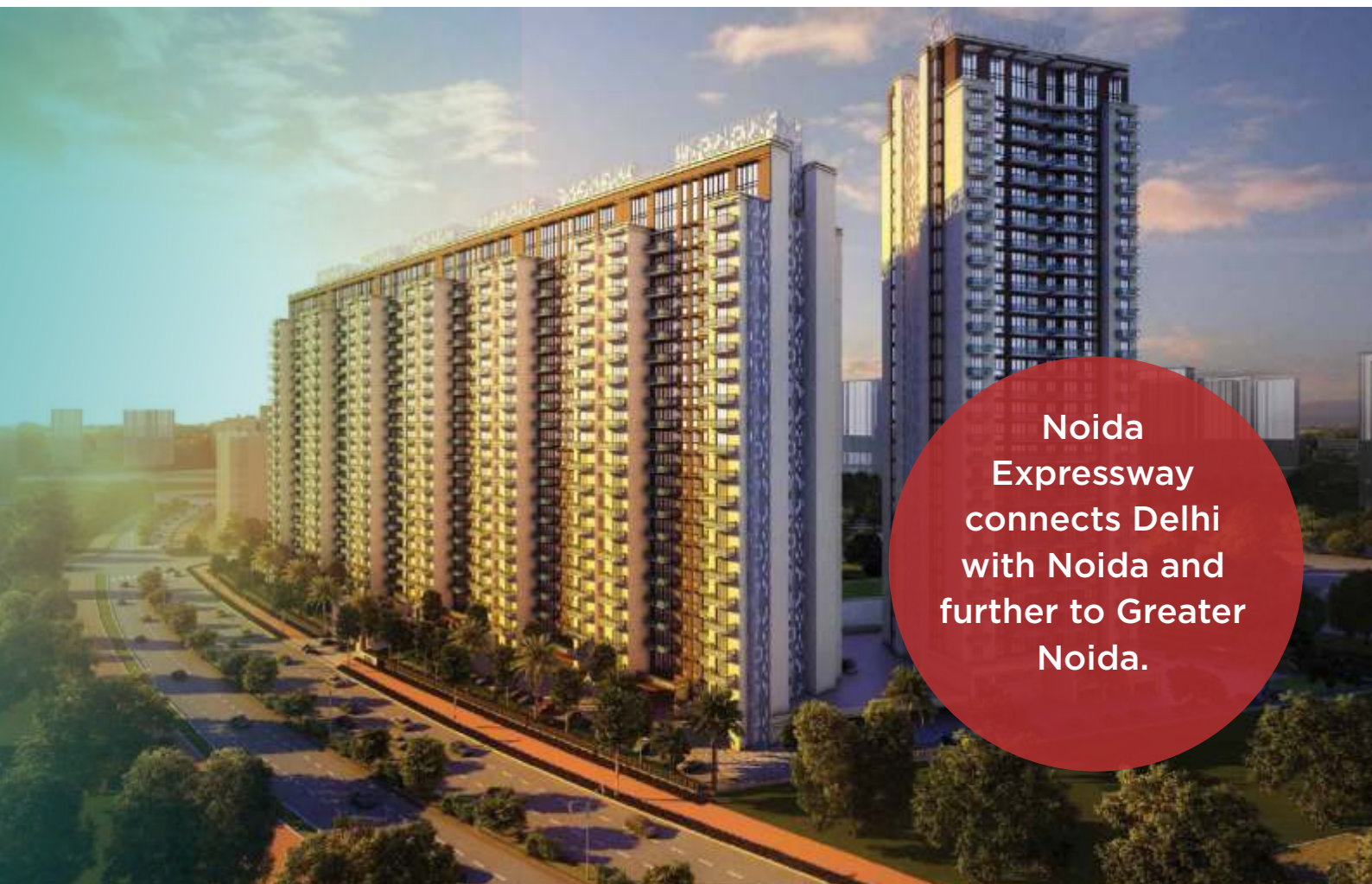
April 2018





About Micro Market

- ▶ A 25 km-long high-speed link, Noida Expressway connects Delhi with Noida and further to Greater Noida. The expressway was primarily built to reduce congestion on NH 2 that passes through cities of NCR including Faridabad, Ballabhgarh and Palwal.
- ▶ Sectors such as 44, 93B, 94 to 96, 98, 100, 104 and many more fall along the Noida Expressway. Few decades ago, most of these sectors along the expressway comprised of huge tracts of agricultural land that were acquired by the civic authorities over the years and auctioned to major realty firms. The land has been allotted on leasehold basis for a period of 90 years.
- ▶ Over the years, several multi-national companies including BPOs and IT-ITeS firms have established their offices along the high speed link. As per estimates, more than 50,000 people commute to their workplace via the Noida Expressway on a daily basis. The rise in commercial spaces coupled with excellent connectivity and continuous infrastructure upgrades have led to rapid residential developments in the region.



Noida Expressway connects Delhi with Noida and further to Greater Noida.



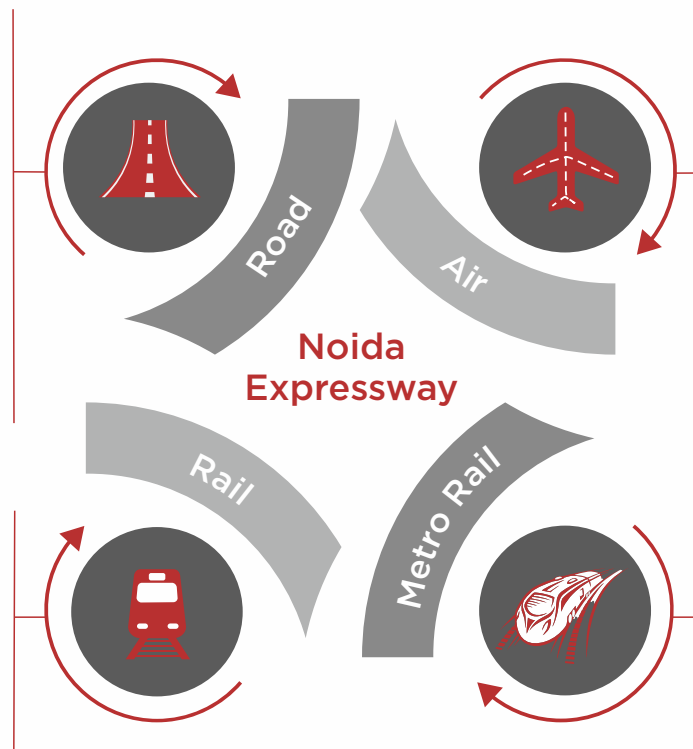
Connectivity

One of the major connectivity lifeline for the residents along Noida Expressway

Noida Expressway provides excellent connectivity not just to the different sectors of Noida and Greater Noida but also with Delhi, parts of Haryana and Uttar Pradesh.

Noida Expressway is a 6-lane route. Further, it connects to Yamuna Expressway (connecting Greater Noida to Agra) and the Delhi Noida Direct (DND) Flyway (to Delhi). The Faridabad-Noida-Ghaziabad (FNG) Expressway (expected to be completed by 2020) being constructed across Sector 143 of Noida Expressway is an added advantage to the existing road network.

The nearest railway station to Noida Expressway is Nizamuddin (located less than 20 km away) and New Delhi Railway station at a distance of 25 km.




Noida Expressway is well-connected to the Indira Gandhi International airport (located 38 km away) via DND Flyway and Mahatma Gandhi Road/Ring Road.

A metro corridor runs between Noida and Greater Noida. The construction of metro line is complete and is expected to be open to public in April 2018.



Major Growth Drivers

- ▶ Easy accessibility to central parts of Delhi.
- ▶ Proposed Jewar International Airport is likely to have an immediate positive impact on the residential real estate market along Noida Expressway.
- ▶ The 2.2 lakh sq.m. state-of-the-art interstate bus terminal proposed in Sector 144 along the expressway will improve connectivity and contribute to the economic growth of the region.
- ▶ Upcoming FNG Expressway will further enhance road connectivity of the sectors along this Expressway.
- ▶ Noida-Greater Noida metro, once operational, will improve the quality of life of the residents by reducing the commute time.



Proposed Jewar International Airport is likely to boost the construction activity along Noida Expressway

Location



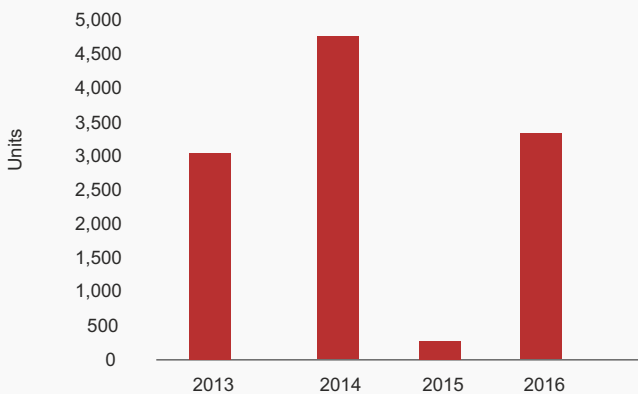
	Shopping Mall
	Prominent location
	Yamuna River
	Metro
	Proposed Metro
	Metro Station
	Main Road
	School
	Hospital



Residential Market Assessment

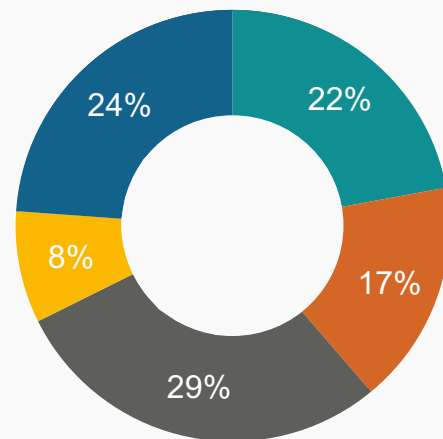


New Launch Supply



- ▶ Sectors adjoining the Noida Expressway have seen the launch of nearly 11,400 units between 2013 and 2017. Year 2014 saw maximum new supply (about 42%).
- ▶ Significant drop of new launches in 2015 can be attributed to the prevailing confusion over the National Green Tribunal case that banned construction within 10 km radius of the Okhla Bird Sanctuary. Post lifting of the ban, the consecutive year 2016 recorded 30% of the overall supply.
- ▶ Interestingly, there were no new launches in 2017 as builders were either busy completing their previously launched projects or trying to clear their unsold stock of nearly 5,300 units. Moreover, consumer sentiment has been significantly low in NCR due to multiple litigation issues and project delays.
- ▶ Additionally, maximum launches in 2016 (approx. 1,850 units) were in the ultra-luxury category (units priced > Rs 1.5 cr), followed by almost equal mix of affordable and mid segments.

Age of Inventory (Launches between 2013 to 2017)



■ Ready to Move-in ■ < 1 year ■ 1-2 year ■ 2-3 year ■ > 3 year

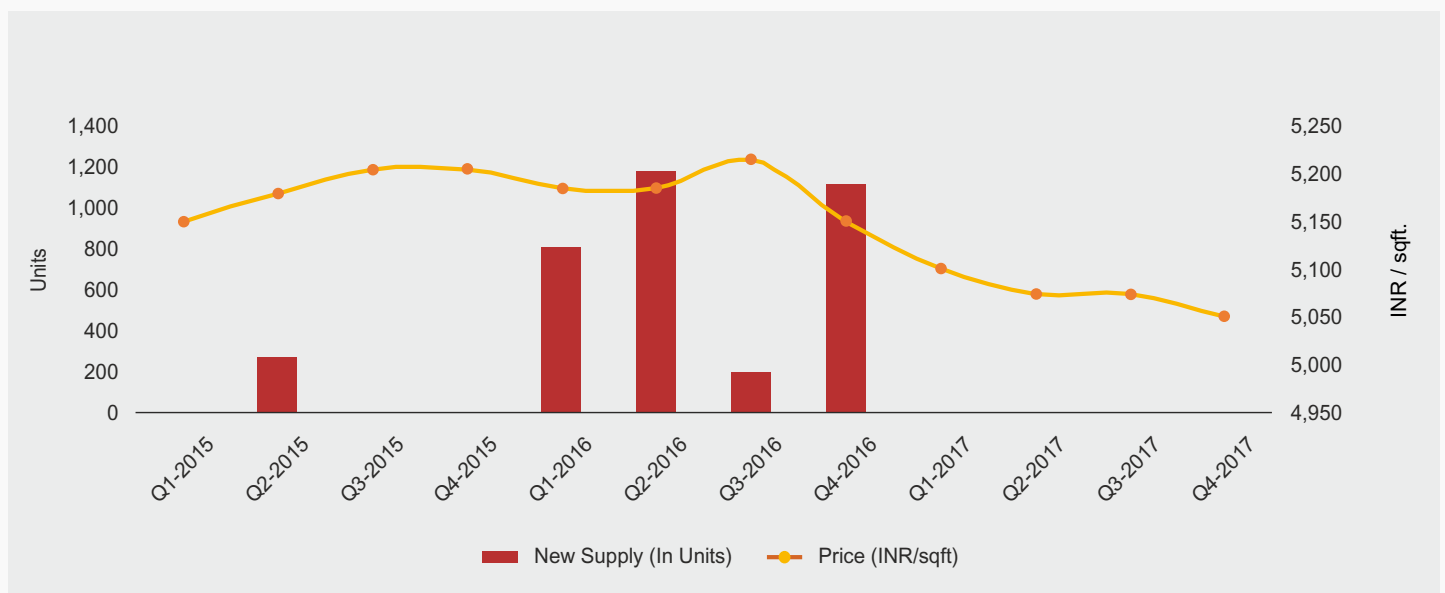
- ▶ While 22% (2,500 units) of the overall supply is ready-to-move-in, another 17% (2,000 units) is expected to hit the market in less than a year.
- ▶ Around 7,000 units are expected to take more than a year for completion, indicating that the execution focus has previously been limited. Amidst strict RERA regime, developers are most likely to focus on completion rather than launching newer projects.



Residential Market Assessment



Micro Market Price Movement wrt Supply



► Property prices along Noida Expressway have risen constantly till Q3 2016, post which prices have marginally dropped due to poor buyer sentiments. In fact, post DeMo in November 2016, NCR realty market has been largely docile with developers focusing on project completion and clearing of unsold stock. Additionally, a slew of

reforms including RERA and GST have also had a major impact on NCR residential market.

► The prices have depreciated by around 2% during the past two years with the average price in Q4-2017 being INR 5,050/sqft.



Outlook

With ambiguity regarding the eco-sensitive zone cleared, the demand for residential properties along Noida Expressway was seen to be gradually picking up in 2016. However, post DeMo in late 2016, followed by RERA and GST in 2017, the residential activity along the Expressway has been relatively slow. But with the dust of all these policies finally settling in, the residential development along the expressway is likely

to pick up in the near future. Moreover, with improving connectivity, constant infrastructure upgrades and rising commercial developments, most sectors are likely to see further growth. The region, emerging as a self-sustained residential hub, is displaying bright future realty prospects to both home buyers and investors alike.



Bright future realty prospects to both home buyers and investors as the region emerges as a self-sustained residential hub

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