



Noida Extension

An affordable housing hub in NCR

Micro Market Overview Report

May 2018





About Micro Market

- ▶ Alternately known as Greater Noida West, Noida Extension is one of the fastest emerging micro markets of National Capital Region (NCR). Bordered by Noida and Greater Noida, this region comprises of sectors 1, 2, 3, 4, 10, 12, 16, 16B, 16C along with Tech Zone IV, Knowledge Park 5.
- ▶ The real estate development in Noida Extension was initiated during the early 2000s when the Greater Noida Industrial Development Authority (GNIDA) acquired around 3,600 hectares of land from the farmers for industrial use and later converted it into residential land-use. Around 2,500 hectares has been already sold to the private real estate players. In the consecutive years, the real estate sector of the region, especially residential construction activity, witnessed a pullback as the farmers moved to the court seeking quashing of land acquisition. In May 2015, the petition filed by the farmers was dismissed and the region began to re-flourish with launch of newer residential developments. Over the years, the region has rightly earned the tag of being an 'affordable hub' in NCR.
- ▶ Noida Extension, today, boasts of having good social infrastructure facilities including schools, hospitals, etc. The area is dotted with reputed educational institutions such as Ryan International School, Delhi Public School, St. Thomas College, etc., healthcare facilities including Sharda Hospital, Kailash Hospital, etc. and entertainment options such as Habi Tech Qube Crystal Mall, Ansal Plaza, etc.



One of the fastest emerging micro markets of National Capital Region (NCR)



Connectivity

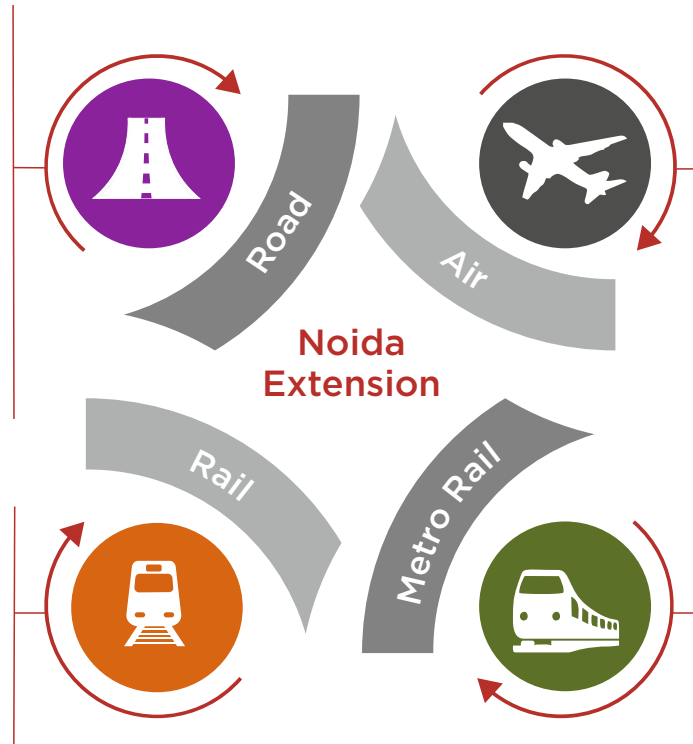


Noida Extension runs parallel to the sectors of Noida

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

Noida Extension runs parallel to the sectors of Noida and provides easy accessibility to Noida City Centre. The major arterial roads providing connectivity to the micro market are NH 24, Noida-Greater Noida Expressway, Delhi Noida Direct (DND) Flyway and Yamuna Expressway.

The nearest railway station to Noida Extension is Nizamuddin at a distance of 30 km via Noida-Greater Noida Expressway



Noida Extension is well-connected to the Indira Gandhi International airport (located 47 km away) via Noida-Greater Noida Expressway.

A metro corridor runs between Noida and Greater Noida via Noida Extension. The construction of metro line is complete and is expected to be open to public very soon.



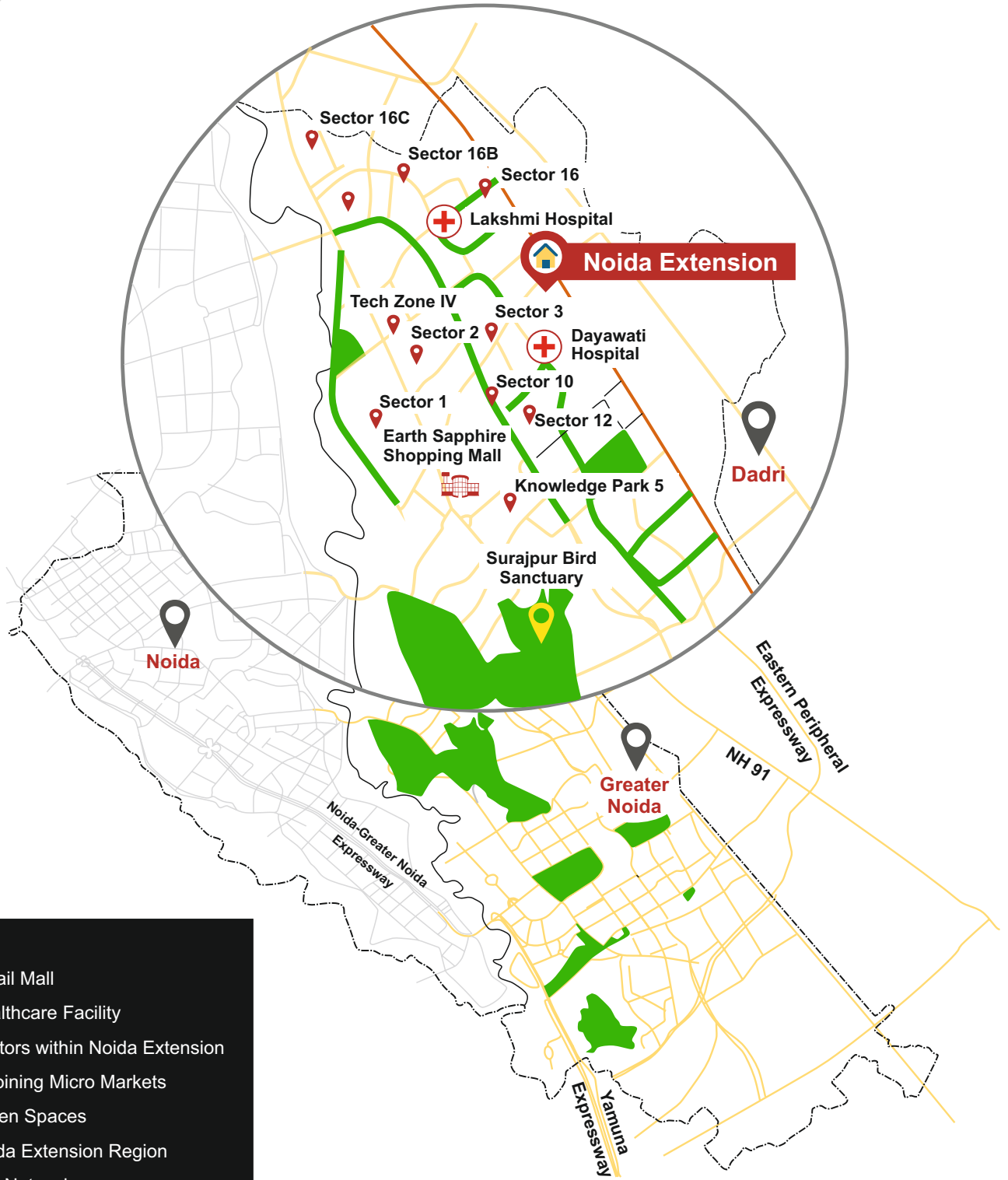
Major Growth Drivers










- ▶ Easy accessibility to central parts of Delhi through Noida-Greater Noida Expressway.
- ▶ Proposed Taj International Airport at Jewar is likely to have an immediate positive impact on the residential real estate market of Noida Extension.
- ▶ Upcoming Faridabad-Noida-Ghaziabad (FNG) Expressway, a part of the Eastern Peripheral Expressway will further enhance road connectivity to the micro market.
- ▶ Noida-Greater Noida metro, once operational, will improve the quality of life of the residents by reducing the commute time.
- ▶ Proposed 210-acre greenfield electronic manufacturing cluster in Greater Noida is likely to create employment opportunities for more than one lakh population which is likely to impact the realty market here.
- ▶ It is one of the planned micro markets of NCR with a comprehensive Master Plan for Urban Agglomeration.
- ▶ More than 20% of the land-use is covered with lush greenery.



One of the planned micro markets of NCR with a comprehensive Master Plan for Urban Agglomeration

Location

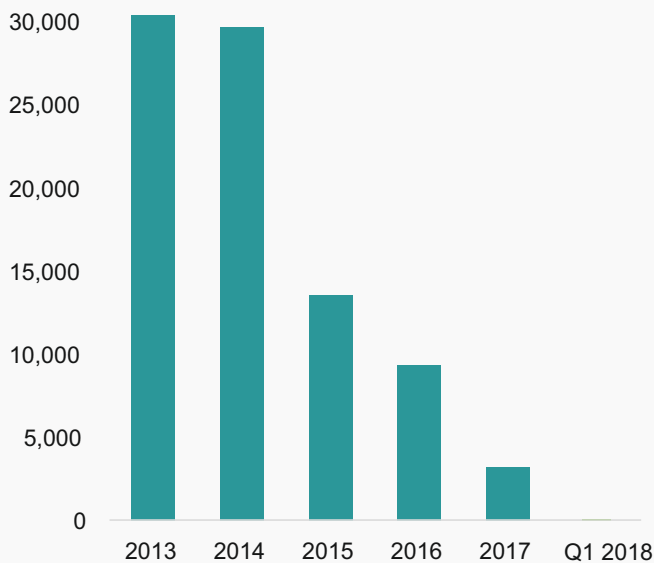


-  Retail Mall
-  Healthcare Facility
-  Sectors within Noida Extension
-  Adjoining Micro Markets
-  Green Spaces
-  Noida Extension Region
-  Rail Network
-  Arterial Roads
-  Planning Boundary



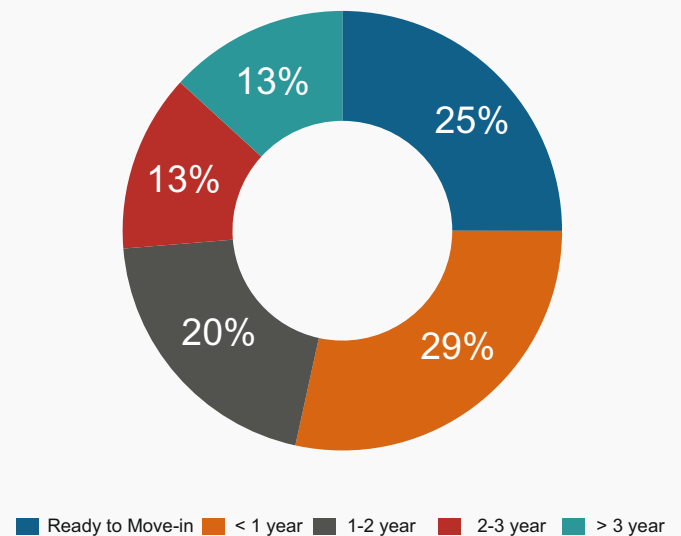
Residential Market Assessment

New Launch Supply



- ▶ Noida Extension witnessed the launch of nearly 86,200 units between 2013 and Q1 2018. The new launches have been sinking significantly from 35% of the overall supply in 2013 to less than 1% of the total in Q1 2018.
- ▶ Land litigation issues between the farmers and the developers has led to the decline in the new launches.
- ▶ Due to overall negative sentiments prevailing in the entire NCR market coupled with land litigation issues over the last few years, nearly 40% (approx. 34,100 units) of the overall inventory remains unsold till date. Out of this total unsold stock, over 89% is still under construction.
- ▶ Talking about the predominant budget segment, there is abundant supply in the affordable and mid segment categories. Around 13,700 units were launched in the affordable segment (< ₹40 Lakh), followed by 10,500 units in the mid segment (₹40 Lakh to ₹80 Lakh) over the last 2 years.

Age of Inventory (Launches between 2013 to Q1 2018)



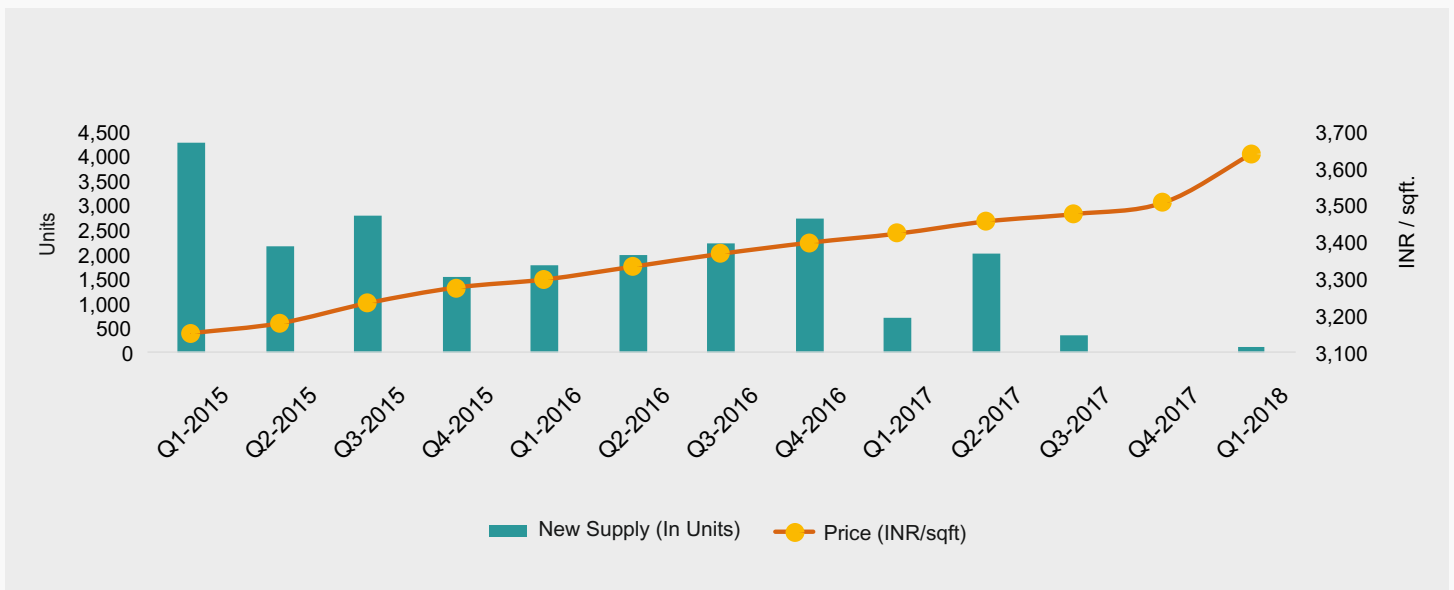
- ▶ While 25% (21,500 units) of the overall supply is ready-to-move-in, another 29% (24,500 units) is expected to hit the market in less than a year.
- ▶ Around 40,000 units are expected to take more than a year for completion, indicating that the project execution has been limited with projects being stalled due to land litigation issues.
- ▶ Amidst strict RERA regime along with dismissal of the land acquisition case, developers are most likely to focus on completion rather than launching newer projects in the coming quarters.



Residential Market Assessment

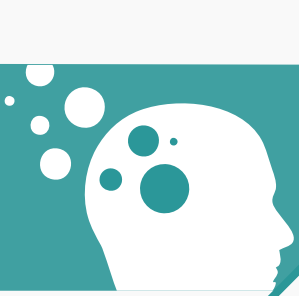


Micro Market Price Movement wrt Supply



▶ Despite the decline in the new launches and the land row trial, property prices in Noida Extension have risen constantly till Q1 2018. Notably, the slew of reforms - DeMo, GST and RERA - have had negligible impact on the price trends in Noida Extension. Moreover, since prices had not speculated here in the previous years, there was further scope for appreciation.

▶ The prices have appreciated by around 15% during the past two years with the average price in Q1-2018 being ₹3,650/sqft.



Outlook

With more than 50 per cent of the supply (since 2015) under ₹40 lakh price segment, Noida Extension has been rightly tagged as the 'affordable hotspot' in entire NCR. And, the increasing focus given to affordable housing by the central government and the developers alike has upped the ante in Noida Extension in recent times. Backed by sound infrastructure facilities, the region is set to be one of the most promising affordable real

estate investment destinations in NCR.

Furthermore, the commercial developments in and around Noida Extension are also giving a significant boost to the realty market here. With the proposed infrastructure upgrades such as Taj International Airport at Jewar and the FNG Expressway taking shape, property prices in the region are expected to grow even further.



One of the most promising affordable real estate investment destinations in NCR

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