



Raj Nagar Extension

Ghaziabad's affordable housing destination

Micro Market Overview Report

March 2018




About Micro Market

Situated alongside National Highway 58 (NH-58) in Ghaziabad, Raj Nagar Extension is a rapidly developing residential destination. The micro market has evolved into a good residential destination with a focus on mixed-use developments and open spaces. A group of prominent developers have jointly developed the entire region and revamped it in totality.

The micro market is away from the hustle-bustle of the city but still enjoys hassle-free connectivity to prominent destinations of Ghaziabad, Delhi and Noida. Affordable land prices coupled with excellent connectivity and improving infrastructure (physical and social)

have attracted several developers to build large townships in Raj Nagar Extension.

The major attraction of this area is the presence of a contiguous green and unpolluted land. This area is likely to remain undisturbed as Ghaziabad Development Authority (GDA) has confirmed that 500 acres beside the Hindon river is a green belt and expelled all construction activity in the area.



Raj Nagar Extension is away from the hustle and bustle of city life



Micro market provides fret-free travelling to Delhi, Noida, Greater Noida and Meerut

Connectivity

Raj Nagar Extension is well-connected to various parts of NCR through a grid of roads and an established rail network.

Road

NH-58 - Raj Nagar Extension lies in proximity to NH-58, which further connects to Grand Trunk Road (GT Road) and provides seamless connectivity to all parts of the city and is also well-connected to Delhi, Noida, Greater Noida and Meerut.

NH-58 By-pass - NH-58 By-pass intersects Raj Nagar Extension and provides excellent connectivity to prominent markets of North-East Delhi such as Dilshad Garden and Shahdara via Loni Road.

Elevated Road - The recently constructed 10 km elevated road, stretching from Raj Nagar Extension to NH-24, provides hassle-free connectivity to Vasundhara, Indrapuram and adjoining areas.

Rail

The nearest railway station from Raj Nagar Extension is Ghaziabad, located at a distance of 8 km away.

Metro Rail - Vaishali Metro Station is located at a distance of about 13 km from Raj Nagar Extension.

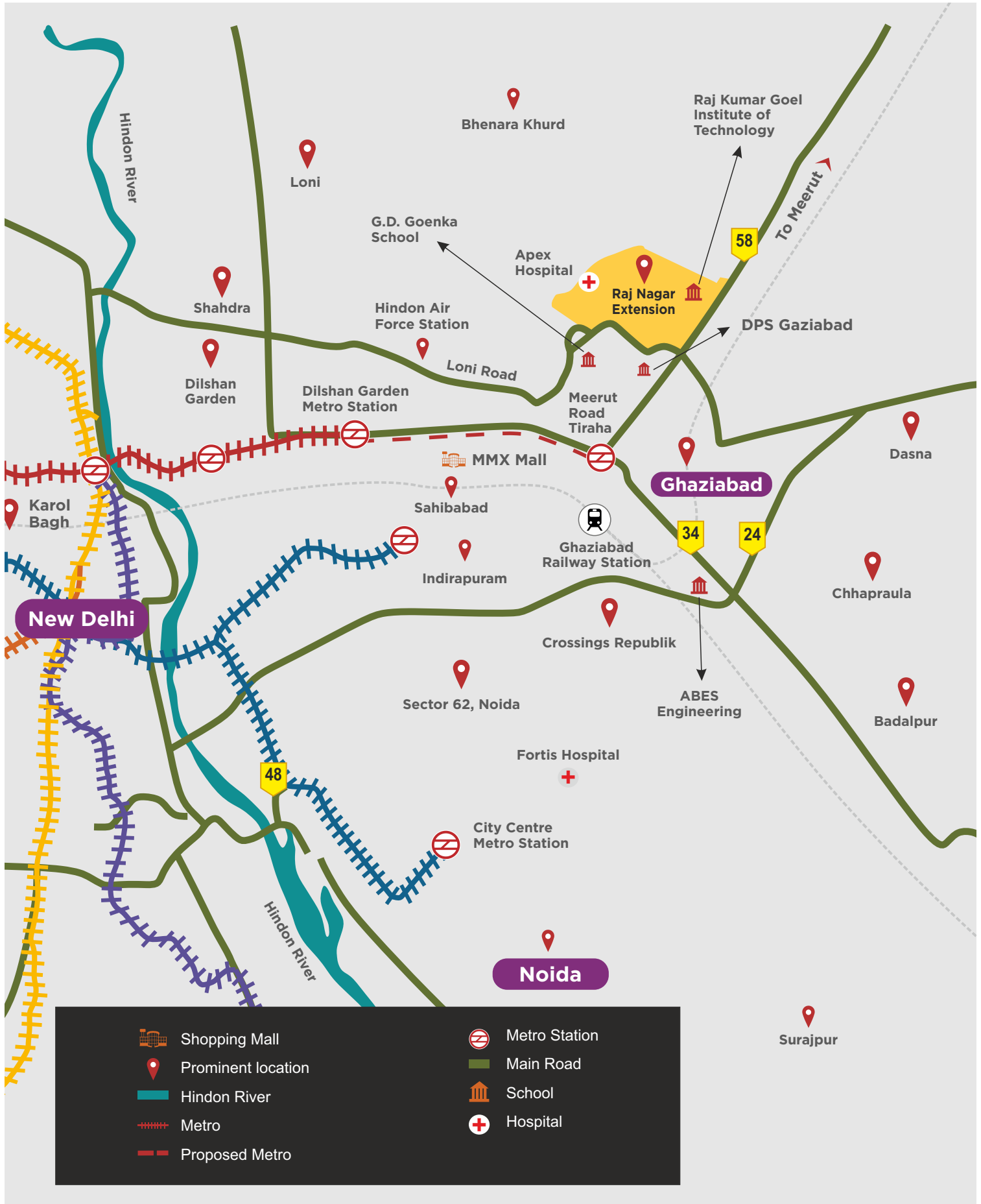
Major Growth Drivers

- Raj Nagar Extension possesses easy accessibility to developed micro markets of Ghaziabad such as Raj Nagar and Govindpuram. Besides, commercial establishments of Noida sector 62 are easily accessible from Raj Nagar Extension.
- Raj Nagar Extension also lies in proximity to Modinagar, which has a presence of several prominent educational institutions such as Center for Management Development, Institute of Advanced Management and Research and Trident Group of Institutions amongst others. In addition, IMT Ghaziabad is also located close to Raj Nagar Extension.
- To improve the livability quotient and proliferate Raj Nagar Extension's growth, GDA has approved plans such as golf course, SEZs, offices, multiple amusement parks and schools.
- The region holds tremendous future growth prospects, mainly due to constant infrastructure upgrades such as proposed metro station, elevated roads connecting directly to National Highways, development of Hindon air base as a domestic airport. Also, the Delhi Metro Rail Corporation (DMRC) has proposed to extend Delhi Metro from Dilshad Garden to the new bus station in Ghaziabad.



Continuous infrastructure upgrades improve the livability quotient of the region

Location



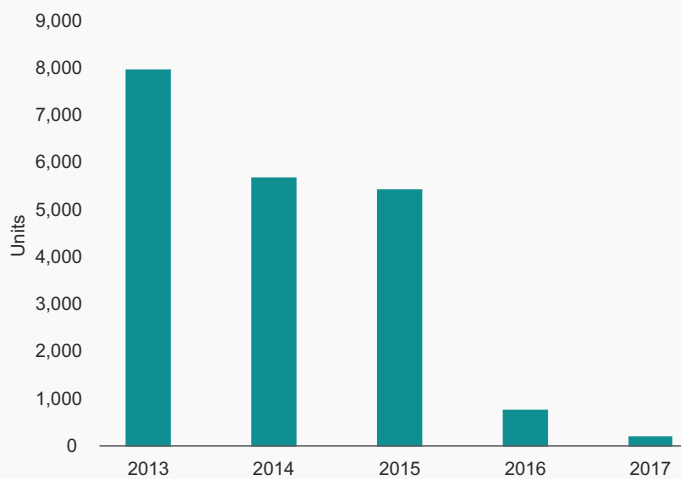
	Shopping Mall		Metro Station
	Prominent location		Main Road
	Hindon River		School
	Metro		Hospital
	Proposed Metro		



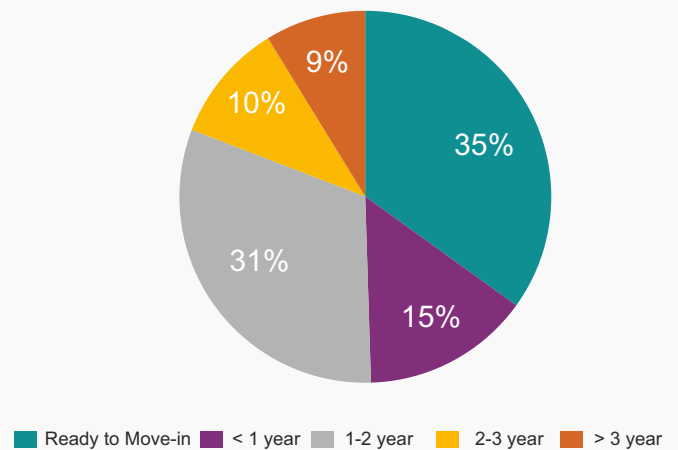
Huge demand for affordable housing in the region.

Residential Market Assessment

New Launch Supply



Age of Inventory (Launches between 2013 to 2017)



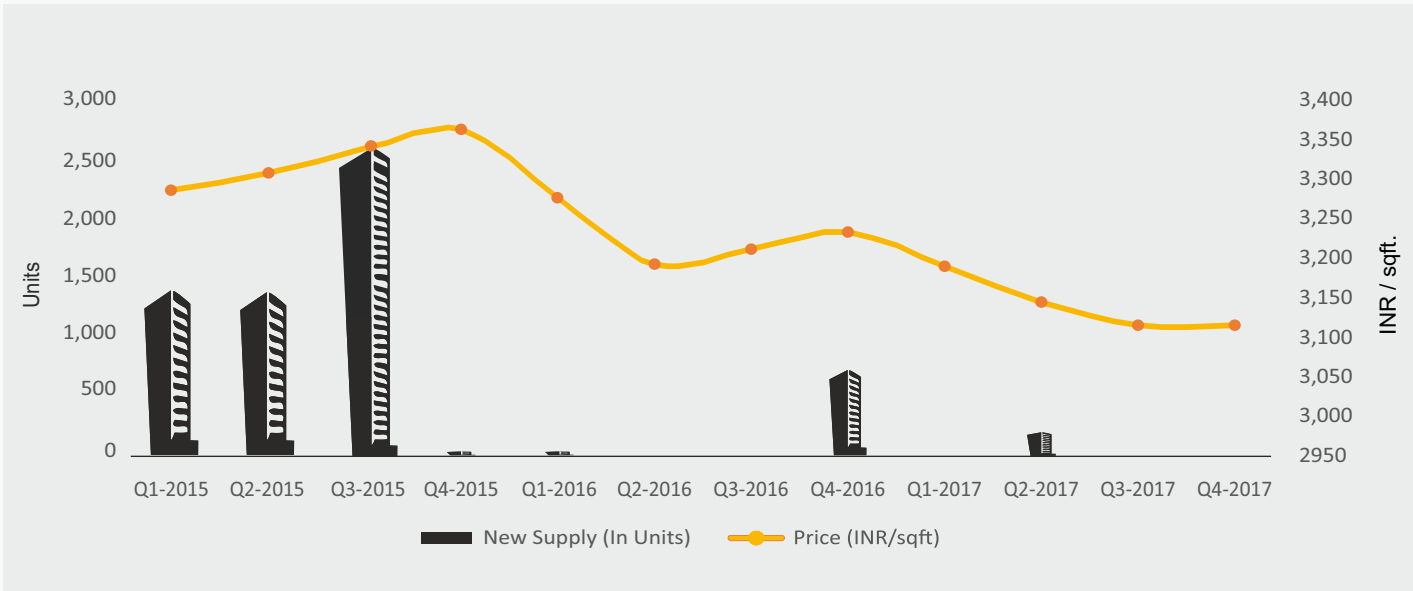
- With continuous infrastructure upgrades and increasing demand for affordable housing in the region, the residential market of Raj Nagar Extension added around 20,000 units during the last 5 years.
- However, the mounting unsold inventory amidst sluggish demand paused the new launch supply in Ghaziabad. Subsequently, the micro market recorded a whopping decline of around 85% in new launch supply in 2016, compared to the previous year. The new launch activity continued to remain low in 2017 as well.
- Of the overall supply, as of Q4-2017, nearly 34% is yet available in the primary market.
- Of the overall supply in Raj Nagar Extension, nearly 35% is complete. An additional 15% of inventory is likely to complete in the next 1 year, which connotes a further rise in absorption, as projects nearing completion generally witness better traction.
- Only 9% of the overall supply in Raj Nagar Extension is likely to complete post 3 years or so. Developers with under construction projects are now focusing on speeding up the construction activity so as to avoid RERA penalties on execution delays.



Average price of Raj Nagar Extension as of Q4 2017 is INR 3,000/sft.

Residential Market Assessment

Micro Market Price Movement wrt Supply



- Raj Nagar Extension’s average price as of Q4-2017 was around INR 3,000/sqft, which is relatively lower than other prominent markets of Ghaziabad. Although prior to 2015, more specifically during 2011 - 2014, the micro market recorded a price escalation of around 50%, the overall buzz seems to have currently receded.

- In 2017, the micro market recorded a nominal decline in average prices, primarily due to low sales velocity amidst the impact of RERA and GST and a change in the buyer preference towards ready-to-move-in properties.

Outlook

- Raj Nagar Extension has enticed several real estate developers for their portfolio expansion due to its strategic location. Excellent connectivity to Delhi, Noida and Greater Noida coupled with constantly improving social and physical infrastructure and affordable property prices has made Raj Nagar Extension one of the most sought-after residential destinations in Ghaziabad.
- The region surely holds a strong growth potential due to constant infrastructure upgrades and improving connectivity. Also, it offers relatively cheaper property options compared to other prominent micro markets of Ghaziabad such as Indirapuram, Vasundhara and Vaishali.
- In terms of new supply, the micro market is likely to remain stagnant for some time. Due to the stringent RERA norms necessitating developers to deliver projects as per promised timelines, the entire focus will remain on execution. Also, prices are likely to remain range-bound for some time and may eventually pick up when absorption upticks. However, ready-to-move-in projects and projects nearing completion may witness positive traction in the near term.



Ready-to-move-in projects and projects nearing completion to witness positive traction in the future time periods

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