



Sohna, Delhi NCR

Evolution from a tourist destination to real estate hotspot

Micro Market Overview Report

February 2018



About Micro Market



Nestled in the foothills of Aravalli - one of the oldest range of folded mountains - Sohna has been a major tourist attraction due to the presence of lakes, hot springs, temples and numerous places of historical importance. Sohna being located in the southern part of Gurugram is also popularly known as South Gurugram. In the last few decades, Gurugram's unprecedented economic growth has led to an accelerated urbanization and rapid growth of migrant population flocking the city for employment.

During the past few years, the fast-paced growth in key areas such as MG Road, Udyog Vihar & Cyber City has created a ripple effect and pushed developments towards the western and southern parts of the city.

This led to the emergence of new areas such as Golf Course Road, Golf Course Extension Road, Southern Peripheral Road (SPR) and Sohna road - leading right up to Sohna town.

With proximity to various business centers (such as DLF Cyber City, Udyog Vihar, MG Road, Golf Course Road and Sohna Road), good accessibility, affordable prices, the presence of industrial clusters in nearby areas and planned infrastructure upgrades, Sohna is evolving as a key residential real estate destination of Gurugram. Envisaging the micro market's growth potential, Sohna Master Plan 2031 was introduced in 2012. The plan divides Sohna into 38 sectors and covers various aspects required for future growth including physical as well as social infrastructural developments.

Connectivity



Road

- Sohna is easily accessible from various parts of NCR through an existing grid of roads.
- **NH-248A:** It is a four-lane road that connects Sohna to Gurugram via Sohna Road in the north and stretches up to Alwar in the south. It also intersects the Kundli-Manesar-Palwal (KMP) Expressway and NH-8 (now known as NH-48).
- **KMP Expressway:** Sohna is located close (around 6-8 km) to the 135 km-long KMP Expressway that starts from Kundli (Sonipat) and connects Palwal (Faridabad) via Manesar (Gurugram). However, this expressway is still under development and only partially operational between Manesar and Palwal.
- **Southern Peripheral Road (SPR):** Soon to be completed, this 16 km-long road provides seamless connectivity between Golf Course Road, Golf Course Extension Road and NH-8. This enhanced connectivity will surely benefit Sohna by interlinking NH-248A to these roads.

- **Northern Peripheral Road (NPR):** Also known as Dwarka Expressway, this is an 8-lane highway, connecting Dwarka in Delhi to Kherki Daula in Gurugram. Due to land acquisition issues and other litigations, the development of this road has been delayed and has missed several deadlines. Now, this road is renamed as NH 248-BB.



Rail

- Gurugram railway station is the nearest to Sohna, located at a distance of approx. 28 km.
- **Metro rail:** HUDA city center is the nearest existing metro station, located 26 km from Sohna. In Gurgaon Manesar Urban Complex Master Plan 2031, there is a proposed new metro route that will pass through Golf Course Extension and SPR until Manesar.



Air

- Indira Gandhi International Airport (IGI) is approx. 40 km from Sohna.

Major Growth Drivers



- With strategic location advantage, Sohna has easy accessibility to multiple and well-established employment nodes in the region including pre-established commercial & office hubs in Gurugram, emerging business centres along the Sohna road and pre-established industrial clusters in and around Bhiwadi & Manesar. In addition, the upcoming IMT- Sohna, will create additional employment opportunities in the region.
- The availability of land parcels for residential, commercial and industrial development has given a huge fillip to the region and led the growth of this micro-market. Spurring footprints of many tier I & II developers' foraying into many new projects has been noticed during last 3-4 years.
- Sohna is gradually becoming an educational hub and encompasses prominent schools and institutes such as GD Goenka World School, Ryan International School, SCJ World School, DPS, St. Xavier's High School and many more.
- Presence of a serene climate flanked amidst nature imparts a better livability quotient to Sohna.

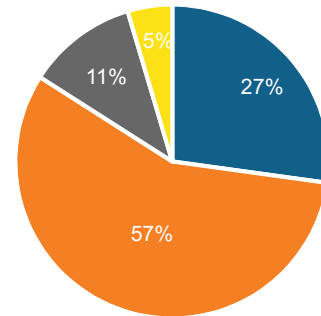
Location Mapping



Residential Market Assessment



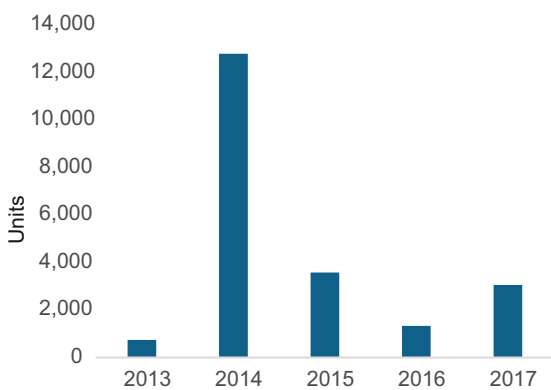
Age of Inventory (2013 - 2017)



■ < 1 year ■ 1 - 2 Year ■ 2 - 3 Year ■ > 3 Years

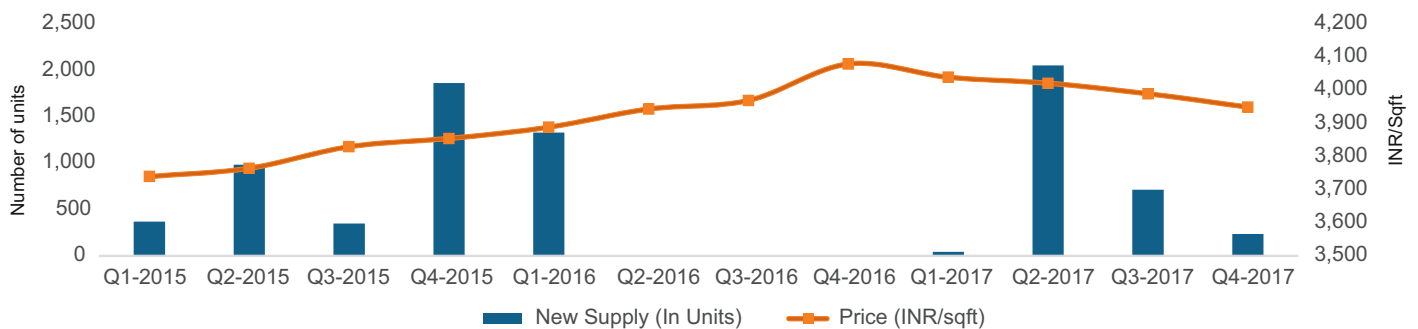
- As Sohna is at a nascent stage of development, most of the projects were under-construction as of Q4-2017.
- Of the overall supply in Sohna, nearly 27% is expected to complete within a year. A significant portion of inventory (57%) is likely to complete in the next 1-2 years, which may lead to a rise in absorption, as projects nearing completion generally witness better traction.
- Nearly 95% of overall supply is expected to complete within 3 years and a mere 5% is likely to take more than 3 years. Under the current RERA regime, the developers are likely to focus more on executing previously launched projects.

New Launch Supply



- Led by several infrastructure and commercial upgrades, Sohna micro market has witnessed a new launch supply of around 21,500 units during the past 5 years.
- Driven by massive demand from the low and mid-income segments, Sohna has attracted several developers such as Ashiana housing, Raheja, ILD, Ireo, Supertech, Tata Housing and Signature Global to develop affordable housing projects.
- Of the total supply, nearly 52% has been already absorbed in the primary market.

Micro Market Price Movement wrt Supply



- Sohna's average price as of Q4-2017, is around INR 3,900/sqft, which is considerably low from the immediate neighbouring micro market of Sohna Road. As a result, it provides great options for working population of low and middle-income groups.
- In 2017, the micro market recorded a nominal decline in average price, which may correspond to low sales velocity due to the impact of RERA and GST and a rise in the buyer's preference towards ready-to-move-in properties.



Outlook

DLF Plaza Tower Gurgaon

With location advantages such as proximity to the millennium city (Gurugram), easy accessibility to other parts of NCR, well-knitted network of existing roads and planned upgrades, presence of industrial and commercial hubs and most importantly affordable real estate prices, Sohna possesses a massive potential to emerge as a prominent satellite town in the future periods.

Establishment of 1,700 acres IMT-Sohna and emerging commercial and business nodes along the Sohna road are expected to shove the influx of working population, and as a result, real estate developments may rise in the precinct.

Sohna's social infrastructure is in-place with the presence of several educational institutes, healthcare units and hotels, and is likely to improve significantly over the next 3-4 years. The increasing emphasis on the development of affordable housing under 'Housing for all by 2022' is likely to give a further impetus to the development of this region. The micro market is already on a growth trajectory and is likely to emerge as a self-sustainable town.

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