

takefive

aiming for the top

- High-rises versus plots:** In the next five years, several prime areas in Delhi such as Hauz Khas, GK and Model Town will have high-rise apartments next to plots
- Customer profile:** Demand for these premium units will come from corporates and from joint families splitting up to go nuclear
- Impact on pricing:** These developments will have a positive impact on land prices at the localities they are coming up in (in Delhi)
- Demand and supply:** These constructions might hardly bring in about 10-15 per cent supply into the Delhi residential market
- Expected appreciation:** These developments in urban Delhi will see appreciation over the mid-term but pricing will be a challenge for new areas

RENT AND CAPITAL RATES

WEST DELHI (RESIDENTIAL)

Location	Rental (per sq ft*)	Capital (per sq ft*)
Jail Road	9-11	7,000-7,500
Janakpuri	10-13	10,000-12,000
Mansarovar Garden	12-15	10,000-11,000
Mahavir Enclave	8-10	3,200-4,000
Patel Nagar	17-19	10,000-11,000
Paschim Vihar	14-16	12,000-14,000
Punjabi Bagh	19-21	20,000-22,000
Rajouri Garden	11-13	12,000-14,000
Ramesh Nagar	10-14	7,000-7,500
Tilak Nagar	13-15	7,000-8,000
Uttam Nagar	10-12	4,500-5,000
Vikas Puri	12-14	8,000-10,000
Vishnu Garden	11-12	5,000-6,200

* THE RATES, IN RUPEES, ARE INDICATIVE ONLY

SOURCE: MAKAN.COM

A high-rise address

Multistoried buildings with about 1500 units or 3.41 million sq ft of supply are expected to come up in Delhi by end-2011, impacting their respective localities favourably. **Vandana Ramnani** finds out more

Sangeeta Kumar's extended family lives in a three-floor house in the Patel Nagar area, which of late seemed to be having trouble accommodating all the 14 members. That's why, when Capital Greens

was launched in the Shivaji Marg area last year, her husband decided to invest in a 2BHK apartment there. He wanted a separate set-up, but needed to stay close to the family home.

That's how it's going to be for Delhi in the next five years. Instead of the bungalows we see now, several prime areas in Delhi such as Hauz Khas, Greater Kailash and Model Town will have a number of high-rise apartments standing tall next to 'plotted' homes. In recent times, apartments by private developers have also been launched in the Commonwealth Games Village located near Mayur Vihar, and at Khyber Pass, Shivaji Marg and Greater Kailash.

These high-rise condominiums built by private developers will not only offer discerning buyers the most prestigious addresses in town but will be a class apart from plotted or DDA developments existing in the neighbourhood because of their gated character, superior architecture and modern amenities.

"Private developments in Delhi will have a positive impact on their respective localities in terms of setting

the benchmark for premium living, architecture, amenities etc. These developments will also have a positive impact on the land prices in these localities," points out Vineet K Singh of *99acres.com*, a realty portal.

According to a report by Knight Frank, approximately 1500 units equating to 3.41 million sq ft of supply are expected to come up in Delhi by the end of 2011. Two-thirds of this supply will come under the 3-BHK category, indicating that developers in the region are optimistic about the premium segment demand.

Projects galore

These new private developments include projects such as Victoria Gardens by the M2K group in the Model Town area, Le Tropicana by the Parsvnath Group in the Khyber Pass area and Queen's Court premium apartments in Greater Kailash-II by DLF. Anant Raj Industries, famous for its commercial complexes and SEZs, has launched a premium project called DEL37 in Vasant Vihar Extension "that will have 26 plots of four floors each," says Amar Sarin, executive director of the group.

In October, the group will launch 38 designer apartments in the Hauz Khas area on a two-and-a-half acre plot. These will be 5000 sq ft size apartments and cost in the range of Rs 15 crore to Rs 25 crore. The group also has

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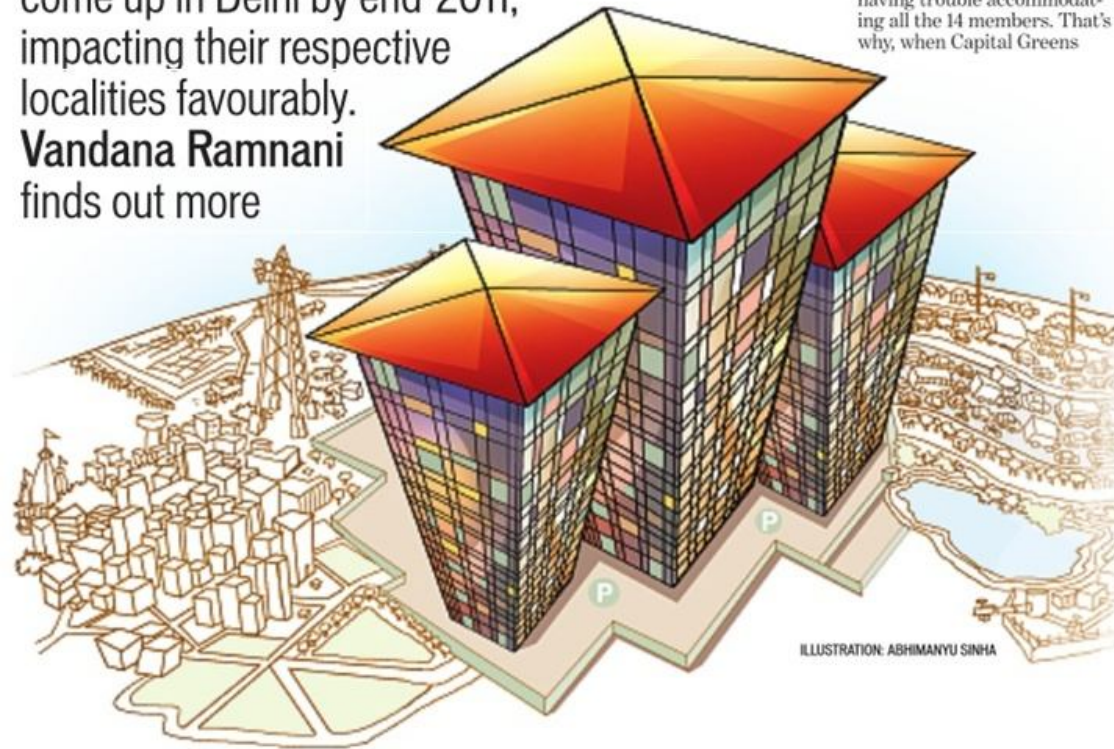


ILLUSTRATION: ABHIMANYU SINHA

Name of the Project	Developer	Location	Development status	Year of launch / Commencement	Year of completion	Total supply	Launch price (Rs per sq ft)	Capital value (Rs per sq ft)
Le Tropicana	Parsvnath Group	Khyber Pass	Under Construction	2007	2012	398	8,500	12,000
Victoria Gardens	M2K developers	Model town	Under Construction	2007	2011	280	6,500	8,690
C'wealth Games Village	Emaar MGF	Akshardham Temple	Under Construction	2008	2010	1168	12,750	13,250
Capital Greens III	DLF Group,	Shivaji Marg	Under Construction	2010	2014	152	11,000	11,000
Queen's Court	DLF Group	Greater Kailash-II	Under Construction	2009	2011	47	17,500	18,500

SOURCE: DTZ RESEARCH

A high-rise address

plans for 'By invitation only' bungalows on a three-acre plot in Central Delhi. They expect these to be priced over Rs 125 crore each.

As per the Master Plan 2021 norms, there is a provision for constructing townships in Delhi, details of which will be out by the next fortnight. The new guidelines will look at the emergence of new formats in Delhi such as townships spread over 50 to 52 acres, mix of plotted and group housing in plots of 25 odd acres, group housing of 10-17 acres etc. These will all have gated communities, similar to what one sees in Noida and Gurgaon. A lot of mixed-use development — hitherto a rarity in Delhi — is expected to come up in the next five years.

"The MPD 2021 visualises a paradigm shift in not just creation of supply, but also in improving the quality of life through better products and physical and social infrastructure," says Ruchika Bhardwaj, an analyst with the portal *Delhi-masterplan.com*.

However, the supply created by these projects will not be excessive, nor will it have a significant impact on the demand-supply situation. "What may seem valuable supply may not even make a dent in the latent demand that exists in Delhi. These constructions might hardly bring in about 10-15 per cent supply," points out Anckur Srivastava, chairman, GenReal Property Advisers Private Limited.

The buyers

Demand for these premium units is going to come from corporates as money is not a constraint for them. Significant absorption may happen from joint families splitting up to go nuclear. There is an existing local captive demand on account of expansion of families and urbanisation. So, these properties will always find takers.

"The proposed pricing and delivery timelines of these new products would be extremely critical in deter-

mining their offtake, since these are end user-driven sales, not investment products. Else, they would continue facing the challenge from emerging inventory of products from the redeveloped plots," points out Bhardwaj.

Besides, these will be 'value for money' residential apartments as one will end up paying for a good location and amenities that one may not have access to if one is living in plotted housing. People would be willing to pay for these facilities as units offering them are currently limited in number.

According to Srivastava, these are not "me too" products. Just as in Noida and Gurgaon, there is an attempt to create unique residential offerings, these apartments in Delhi offer a great location payoff and give the consumer "the best of both worlds." Also, compared to a plot in Delhi that has been redeveloped, these new housing products move "fast" and are easy to liquidate. Though buyers are spending more than Rs 4 crore to purchase redeveloped units, they are still facing problems relating to parking and security. The new developments are designed as organised units offering a neighbourhood environment and a lifestyle, points out Anoj Tewatia of Design Forum International architects.

Also, it may be difficult to get a completion certificate for a traditional floor but for a new development of this nature by a builder of repute, property is cent per cent legal.

The price benefit

There is also the additional benefit of price. These properties will certainly see a premium compared to plots that have been redeveloped as floors, the buyers of which have to apply for separate club membership, provide for their own security and power. They also don't have access to common areas.

Such housing products will go a long way in changing the character of a particular area

where they come up. Once offered in public domain, these offerings will find ready takers because these are done up aesthetically and provide for modern amenities. However, once more supply is available in Delhi following implementation of the new Master Plan guidelines, the novelty factor may wear off.

Going forward, Delhi as an investment destination is a very exciting city. But a word of caution though — appreciation will only be 5-10 per cent for better quality products in new areas released under the

Master Plan.

"While some private developments in Delhi, which are central and where land supply is scarce will continue to see appreciation over the mid-term, private developments in the existing urban areas of Delhi will face serious competition from areas which have been brought under the urban fold as per the Master Plan. Thus, for people creating products close to the fringes of the capital, pricing will be a big challenge," adds Srivastava.

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