

Real estate projects bounce back in Delhi-NCR

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HAVING witnessed a steep decline in the first half of 2010-11, the property market of the Delhi-NCR region is looking up again and is expected to be on the fast lane in the months to come.

"The first half of 2010-11 witnessed a steep decline in the sale of flats and apartments. However, the second half of the financial year 2010-11 is expected to be positive for the real estate sector due to revival in the real estate activities driven by infrastructure growth, which in turn can accelerate both the residential as well as commercial spaces," says a recent Assocham survey.

Ankur Gupta, joint managing director, Ashiana Housing Ltd, agrees. "The real estate market has recovered well from the slowdown in 2008 and 2009 and the upcoming NCR destinations at the stretch of Delhi are growing rapidly due to industrial and economic developments. This growth will definitely have a positive effect on the NCR region, resulting in a faster pick up of units currently available in the market place," he says.

The faster developments are also likely to play a crucial role in the development of industries at the outer stretch of the NCR region. For example, places like Bhiwadi have already started emerging as a key industrial hub.

However, so far as the growth prospects and future outlook for the NCR region is concerned, that may vary from region to region because the NCR region is a huge area comprising different pockets from different ground cities such as Ghaziabad, Noida and Gurgaon to upcoming destinations like Bhiwadi, Kundali and Manesar. Still, places like Gurgaon and Bhiwari are expected to see better growth in recent years.

Says Sahel Pramendra, managing director - transaction services, Jones Lang LaSalle India, "NH8, which hosts Gurgaon, Manesar and Bhiwadi, is already witnessing spurt due to better connectivity and proximity to airport apart from being a key IT hub of India with educational institutes and MNCs." In fact, he says, there is actual demand for residential and commercial property there, making it the maximum growth-oriented region.

Besides, few areas like MG road (owing to metro connectivity) and Sohna road are also likely to re-



main hot destinations. "The Cyber city will see a lot of churn with DLF focusing on leasing recently-completed projects. And the Expressway in Noida will be another growth corridor for future," says Sahel.

Overall, "we anticipate 10-15% appreciation in the property prices this year. The demand for right-priced homes continues to be strong and we expect the residential market to remain robust. Besides, the industrialization and infrastructural growth along with better connectivity will boost the commercial property as well," says Gupta.

However, while all is looking well, the only thing which may spoil the party for now may be the rising property prices. According to global property consultant Jones Lang LaSalle, housing prices in Delhi-NCR have already reached the peak level of 2008 and any further rise in the rates will adversely affect the demand.

"I don't think there is any scope left to increase housing prices in Delhi and Mumbai. If it happens, demand will be severely affected in these two cities," warns JLL India chairman Anuj Puri. However, till that happens, it seems to be party time for realtors.