

## FAST FACT

Distance from Metro stations - current or proposed - is a major factor that influences the success of any residential project

■ THE MOMENTUM IS MAINTAINED BECAUSE OF A VARIETY OF REASONS. THE OPENING OF DELHI METRO'S SERVICES WAS THE FIRST DEVELOPMENT THAT LINKED A FORMERLY INACCESSIBLE CITY TO THE MOTHER CITY

## RESIDENTIAL DEMAND SOARS IN GURGAON

All Pics: Dinesh Sharma



According to **MAGICBRICKS** Propindex, the Gurgaon residential market has surged by 7% in the quarter of Oct-Dec 2011, across categories

## QUICK BITES

■ ANOTHER IMPORTANT FACTOR IS THAT ROAD CONNECTIVITY ACROSS THE CITY HAS SIGNIFICANTLY IMPROVED

■ THE UPGRADE OF THE KEY ACCESS POINT TO GURGAON - THE MG ROAD - HAS ALSO CONTRIBUTED TO THE RISE IN VALUES ACROSS THE CITY

Augmented Reality  
This issue is augmented. Please see front page for details

Gurgaon has been the most active real estate investment hub in the NCR. The momentum is maintained because of a variety of reasons. The opening of Delhi Metro's services was the first development that linked a formerly inaccessible city to the mother city.

The reduced commute time as well as the linkages with all parts of the NCR

makes it an attractive destination. The reinforcement of the Metro with the Gurgaon Metro, which is under construction, is expected to give a fillip to price movement.

Locations across the Metro route have already recorded price rises of 10-25%. This will cover more locations as the city's Metro march continues. In fact, currently, distance from Metro stations - current or

proposed - is a major factor that influences the success of any residential project.

The second important factor is that road connectivity across the city has significantly improved. The quality of the roads may still be an issue but connectivity has been ensured. As a result, new areas like Golf Course Extension have been opened up for development. Even the Golf Course Road has benefited from the widening and

upgrade of the Gurgaon Faridabad Road. The upgrade of the key access point to Gurgaon - the MG Road - has also contributed to the rise in values across the city.

The residential segment has seen a huge growth with significant increase in rental and capital values.

This is happening due to the setting up of a wide spectrum of industries in Gurgaon, which in turn have attracted a huge work

force into the city.

These people are major contributors of the demand and reputed builders are capitalizing by launching more and more residential projects. On the price front, the market at Gurgaon has been fairly stable and is likely to firm up in the near future. Investors are still major players in the market; there is an immense diversity of residential projects with pricing ranging between Rs 5,500 per sq ft and 11,000 per sq ft.

In last few months, many new projects have been announced in various locations of Gurgaon like Ansal API's Esencia Floors (Sector 67), IREO's Skyon (Sector 60), Anant Raj's Madelia (Manesar), Emaar MGF's Palm Gardens and Vatika India Next's independent floors (Sector 83), Millennium Spire's Spire Wood (Sector 103), Unitech's Nirvana Country phase 3 (Sector 70), M3M's Merlin (Sector 67), etc. Most of these projects are offering 3- and 4BHK apartments with world-class amenities and have been launched at a starting rate of Rs 65 lakh and above.

Sandeep Hatria of Gurgaon Housing says: "There is a great demand for 3BHKs in Gurgaon in the primary market from investors and end users. In fact, after the land acquisition issues in Noida Extension and Noida, 20-30% of investors have shifted to the Gurgaon market. Moreover, it's the transparency, infrastructure development and expectation of future returns, which are driving even NRI/HNI investor towards Gurgaon reality."

The new developing corridors of Dwarka Expressway and Manesar offer a new hope for buyers, who had earlier been outpriced from the market. Property here is available in the range of Rs 3200-3800 per sq ft. Make sure your investment is with a developer who has a track record of delivering on time and also check on the location. Those nearest the main transport corridors will fare better in the short term. Others may take longer, but all are expected to perform fairly well in the long term.

In the wake of these fast developments, many reputed developers with secured land banks are constructing state-of-the-art residential projects in Gurgaon. Now, the race is on for the tallest, the highest, and the biggest project! So, the array of choices coming up is large and the offering is varied.

## LOW-RISE LIVING STILL IN VOGUE

Despite the fact that multistorey living has been the mainstay of New Gurgaon, there is enormous scope for those who have a fear or aversion to heights, to live in low-rise units in Gurgaon. **MAGICBRICKS** reports

Gurgaon probably has the maximum number of highrises in the NCR. But the demand for low-rise living, too, continues unabated. The scope for growth in this segment, too, is high as the Haryana Urban Development Authority (HUDA) has been releasing plotted developments in various sectors over the years.

Despite the fact that multistorey living has been the mainstay of New Gurgaon, for those who have a fear or aversion to heights, the concept of single floors has been attractive. There are many positives to plotted or single floor living. Firstly, the purchase cost is about 30% less than in multistorey apartments. Secondly, plotted developments require lower monthly maintenance costs. In a multistorey apartment, you are paying for lift maintenance costs, power back-ups, for instance.

The cost of construction and maintenance comes down drastically in case of independent floors, as many of the infrastructure needs like lifts and security to be provided in case of highrise are not mandatory in the case of low-rise projects. In addition, apart from the lower cost of construction, these houses have lower charges on account of government licence fee, compared to multistorey apartments.

However, if you thought low-rise living is in vogue with those who are looking at less than premium options, you can think again. Nirvana Country by

Unitech Ltd was the first plotted development of row houses that offered power back-up. Today, it is among the premium residential developments in Gurgaon.

There is a word of caution, though, for buyers in this category. The success of your lifestyle in plotted development depends on the profile of the neighbourhood. It is a good idea to pick either villas or single floors in gated developments by premium developers, so that the profile of the neighbourhood matches your lifestyle.

Shorya Agarwal of REMAX Pro Vantage says that the biggest reason low-rise apartments are preferred over multistorey units is that the buyers can incorporate changes like modernizing their kitchen, or redo the woodwork according to their choice.

"Someone who prefers a less social and peaceful life would prefer to live in a plotted development or low-rise apartment. Another reason to prefer these types of developments is that one doesn't have to wait for three years for possession; you can get it within a year," Agarwal says.

Agarwal added that the profile of the customers who want to invest in single floors in Gurgaon is mixed - upper-middle and high-income group.

Some of the developers who have such constructions in the NCR include BPTP Ltd, Emaar MGF and Ansal API. There are several op-

tions of single floors and villas coming up in newly developing sectors along the Dwarka Expressway. The Vatika floors are a good option and have been having brisk sales.

There are also options along the Golf Course Extension. These have been developed after the Haryana government lifted a ban on registration of builder floors and single floors in May 2009. It is estimated that there are over 40,000 units of single floors in Gurgaon.

With registration being open and possible, these projects are being funded by the finance institutions as well.

## YOUNG BUYERS DRIVE LUXURY MARKET

Developers and realtors say that a shift in lifestyle of young professionals and availability of premium facilities in one township are the major factors driving Gurgaon's luxury residential realty. **MAGICBRICKS** reports

There is serious end user and investor interest in Gurgaon's luxury properties. Timely possession and quality construction are the key factors in this growing demand. Developers and realtors believe that a shift in lifestyle of young professionals and availability of premium facilities in one township are the major factors backing this trend.

The economic slowdown of 2008 had doomsday predictions that sounded a death knell for the premium luxury apartment and bungalow market, where the housing units were priced between Rs 1.5 crore and Rs 3.5 crore. But, today, that market has transformed itself into a super-luxury segment with housing units priced at Rs 10-15 crore each on the higher side and the lower end going for Rs 1.5-6 crore.

Kunal Banerji, the president of M3M Ltd, says: "Both these categories are active, with serious end-users and investors putting in their money. Super luxury properties in Gurgaon include penthouses from premium developers like M3M, villas by Emaar MGF, Belvedere of Central Park, Aralias and Magnolia by the DLF group."

There is also the luxury category comprising Nirvana Country villas, Pioneer Profin Ltd, Tata Primanti, IREO and M3M etc. Even properties like those on the Dwarka Expressway, in the Rs 60 lakh to Rs 1.5 crore category, as well as villas by BPTP, are in the luxury category.

The buyer profile is either the long-term investor with a healthy risk appetite, who can sniff out the locations that are expected to do well in the long term, or the end users who see a particu-

lar project as a good buy and are looking to stay in it.

The main criteria for investment are a reputed builder, good location and attractive layout. There are also several cases where those staying in plotted developments in Delhi are selling them off and moving into luxury apartments near their place of work in Gurgaon. NRIs form an important part of this category.

In many cases, they stay in rented property but are very unhappy with the delay by developers in giving them possession of their property. This base of consumers is actually annoyed with many developers in Gurgaon who have been delaying premium projects. Banerji says, "The buyer base in this category in Gurgaon is very large and developers have to deliver on time."

Shorya Agarwal of REMAX Pro Vantage says that not only do buyers want to invest in integrated townships, they also wish to go after brand names like Raheja Builders, IREO Group, M3M Ltd, DLF Ltd, Jaypee Group, and 3C, among others.

"The biggest change is in the mentality of buyers today. They don't want to live in a DDA complex or regular homes. They want to live in projects that have clubs with facilities like gyms, restaurant, swimming pool, etc." Agarwal says. The bottom line is that today's buyer is inclined towards projects that can be a 'status symbol', he says.

Many buyers from Delhi are selling their apartments in GK and Vasant Vihar and reinvesting in Gurgaon in properties worth Rs 6-7 crore each. The dilemma of these buyers is that they have a period of wait between selling their apartment and getting possession of their new property.

There is also a flip side to those who are selling in Delhi to buy in Gurgaon. The point is whether it is worth their while to stay in a rented accommodation till the unit is ready. When long delays extend their rental tenure, this category tends to get upset. The profile of this buyer is corporate executives, 35-40 years old, working in Gurgaon, currently staying in ancestral property in plotted areas in Delhi.



## QUICK BITES

■ THE SCOPE FOR GROWTH IN THIS SEGMENT, TOO, IS HIGH AS THE HARYANA URBAN DEVELOPMENT AUTHORITY HAS BEEN RELEASING PLOTTED DEVELOPMENTS IN VARIOUS SECTORS OVER THE YEARS

■ THERE ARE MANY POSITIVES TO PLOTTED OR SINGLE-FLOOR LIVING. FIRSTLY, THE PURCHASE COST IS ABOUT 30% LESS THAN IN MULTISTOREY APARTMENTS. SECONDLY, PLOTTED DEVELOPMENTS REQUIRE LOWER MONTHLY MAINTENANCE COSTS