



Delhi-NCR Residential Market Watch



In this report, we focus on the premium residential segment.

ECONOMY ROUND-UP

- India has continued to demonstrate strong resilience to global uncertainties in the first half of 2023 aided by supportive domestic demand conditions. This is evident by the impressive GDP growth of 7.2% in FY23 and the growth projection for FY24 at 6.5%.
- The central bank has played a commendable role in walking the tightrope between inflation and growth. Although there has been a 250 bps increase in benchmark lending rates since early 2022, the hikes have been gradual and well-spaced out ensuring minimal impact on

consumption, demand, and overall liquidity in the market.

- Domestic inflation dropped to the lowest in 25 months, with May 2023 registering a 4.25% growth. The RBI's inflation projection for FY24 currently stands at 5.1%, well within the tolerance zone of 2-6%.
- The limits on capital gains through reinvestment in residential property were announced in the Union Budget FY24 which contributed to increased registrations of high-end properties, with investors trying to maximise gains from the erstwhile unlimited deduction benefit.

DELHI-NCR REGULATORY ANNOUNCEMENTS

- The Haryana Government increased the circle rates for a few sectors and commercial areas in the Gurugram district. The sectors falling on the Golf Course Road, SPR & Dwarka Expressway have seen circle rates increased up to 30%, whereas the circle rates of commercial areas have been increased by about 10%.

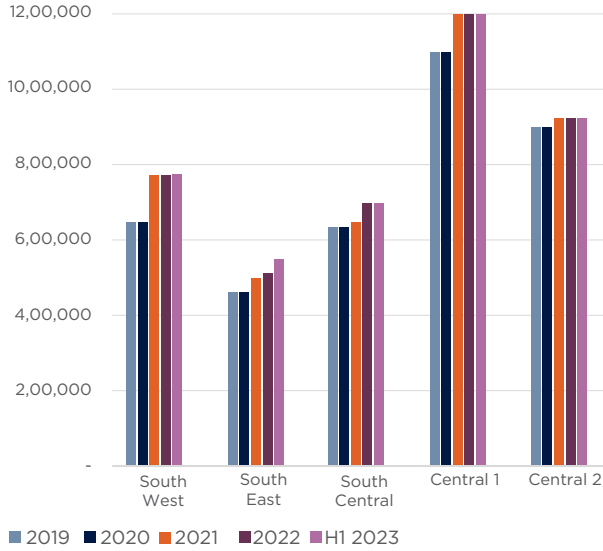


Capital values of floors appreciate across micromarkets

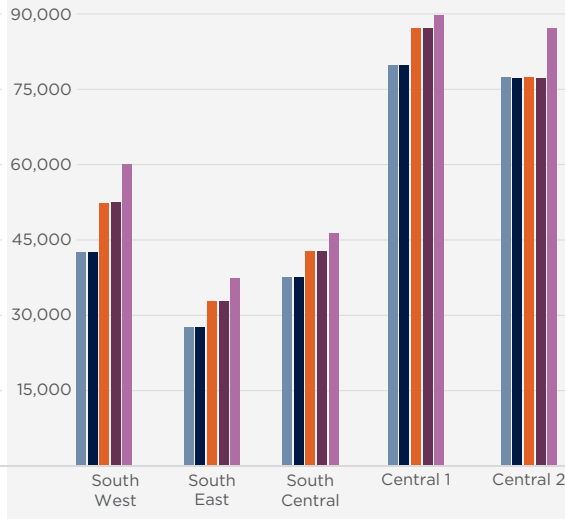
Delhi

PRICE TREND

Average Capital Values for Plots (INR per sq. yard)



Average Capital Values for Floors (INR per sq. ft.)



Source: Savills India Research

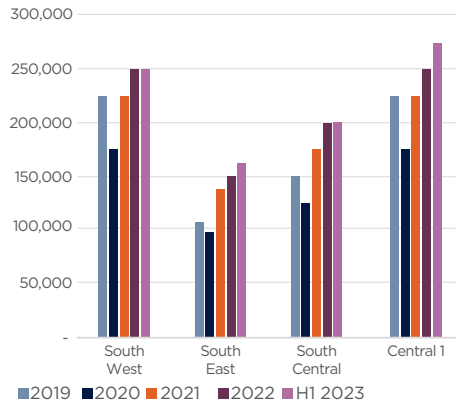
- The capital values of residential plots plateaued in H1 2023 for most of the micromarkets, except South East Delhi which witnessed a YOY growth of 10%.
- The city witnessed an average increase of 11% YOY in the capital values of luxury floors. South East Delhi stands out with the highest price appreciation of 15% on an annual basis, followed by the South West and Central 2 micromarkets which registered a YOY growth of 14% and 13% respectively.
- The demand for luxury residential units has continued to grow in the first half of the year. This

is attributed to the stable macro economic environment and millennials aspiring for a better lifestyle.

- The pent-up demand and limited fresh supply have been the fundamental factors for pushing up the floor prices. Moreover, the new price benchmarks established due to land acquisition at higher price in select pockets, extraordinary demand for top floors with a terrace and increased input costs have also contributed to rise of floor prices.
- Delhi witnessed the launch of approximately 300 units in the luxury segment in H1 2023.

RENTAL TREND

(INR per month)



Source: Savills India Research

- Rental values have stabilised with 5% YOY increase in H1 2023 in comparison to 50% annual increase reported in H1 2022 at a city level.
- Central 1 micromarket witnessed the highest annual growth in rentals at 10% followed by the South East micromarket which observed 8% YOY increase.

DELHI MICROMARKETS

South West - Shanti Niketan, Anand Niketan, Westend, Vasant Vihar

South East - Friends Colony East, Friends Colony West, Maharani Bagh, Greater Kailash - I, Greater Kailash - II

South Central - Defence Colony, Anand Lok, Niti Bagh, Gulmohar Park, Hauz Khas Enclave, Safdarjung Development Area, Mayfair Gardens, Panchsheel Park

Central 1 - Jorbagh, Golf Links, Malcha Marg

Central 2 - Amrita Shergil Marg, Aurangzeb Road, Prithviraj Road, Sikandara Road, Tilak Marg, Ferozshah Road, Mann Singh Road, Tees January Marg, Sunder Nagar, Chanakyapuri

KEY TRANSACTIONS

Transaction: Sale
Location: Anand Lok
Asset Type: Apartment
Area: 4,200 sq. ft.
Asset Description: Park-facing corner plot
Price: INR 22.0 Crore

Transaction: Sale
Location: Westend
Asset Type: Apartment
Area: 4,000 sq. ft.
Asset Description: Apartment with ultra-luxe facilities
Price: INR 22.0 Crore

Transaction: Sale
Location: New Friends Colony
Asset Type: Apartment
Area: 2,500 sq. ft.
Asset Description: Brand new property, wide road in front
Price: INR 8.0 Crore

Transaction: Sale
Location: Jorbagh
Asset Type: Apartment
Area: 2,800 sq. ft.
Asset Description: Top floor with terrace
Price: INR 25.0 Crore

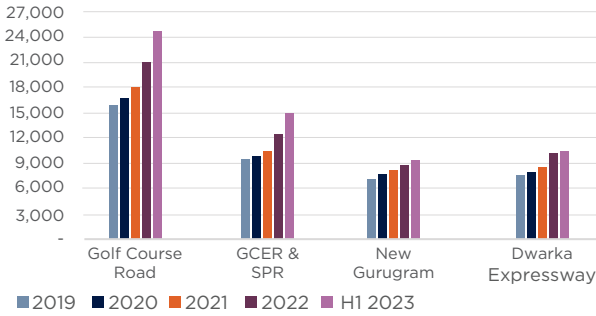
Source: Savills India Research

Notes:

- Average capital value for projects is the quoted base price on saleable area
- Average rentals are for apartments/floors with average size of 2,000-2,500 sq. ft. with still car parking
- The quoted capital and rental values for the current year are as of June 2023

PRICE TREND

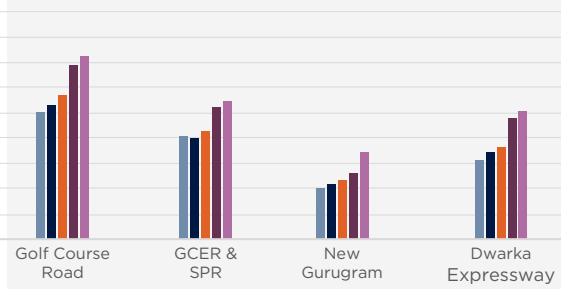
Average Capital Values for Completed Properties (INR per sq. ft.)



Source: Savills India Research

- The capital values for completed and under-construction properties have significantly escalated in the range of 11% to 40% YOY across all micromarkets.
- Both, under-construction as well as completed properties saw notable increase in capital values. However, with 27% YOY appreciation averaging at a city level, the rise in capital values of under-construction properties beats the price hike in completed properties which witnessed an overall appreciation of 23% on an annual basis.
- New Gurugram and Dwarka Expressway, with a YOY increase of 40% and 29% respectively, are the two micromarkets to have witnessed the highest

Average Capital Values for Under-Construction Properties (INR per sq. ft.)



- rise in capital values of under-construction properties during H1 2023. This can be mainly attributed to the new price benchmarks set by the launch of premium projects by reputed developers and higher demand for new properties offering ultra-luxe facilities.
- Interestingly, GCER & SPR with a YOY increase of 35%, becomes the top micromarket to register the highest capital value appreciation for ready-to-move properties. Improved connectivity, continuous infrastructure development in the area and relatively affordable prices are the few compelling factors among others that continue to drive the residential demand in this micromarket.

KEY TRANSACTIONS

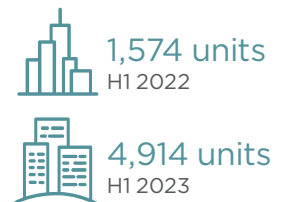
Transaction: Sale
Location: Golf Course Extension Road
Asset Type: Independent Floor
Area: 2,800 sq. ft.
Asset Description: 3-BHK with domestic help quarters
Price: INR 4.0 Crore

Transaction: Sale
Location: Golf Course Road
Asset Type: Apartment
Area: 6,400 sq. ft.
Asset Description: 4-BHK apartment in a premium residential property
Price: INR 25.0 Crore

Transaction: Sale
Location: Golf Course Road
Asset Type: plot
Area: 502 sq. yard
Asset Description: Residential plot located in a premium locality
Price: INR 12.3 Crore

Source: Savills India Research

YOY Comparison

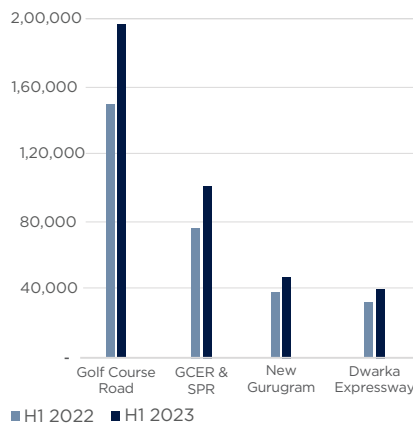


New Launches of luxury units in Gurugram increased more than 3X in H1 2023

- Notes:
- Average capital value for projects is the quoted base price on saleable area
 - Capital values are reflective of properties priced INR 2 crores and above.
 - Average quoted rentals are for 3 & 4-BHK apartments on Golf Course Road and 3-BHK apartments in other micro markets
 - The quoted capital and rental values for the current year are as of June 2023
 - GCER - Golf Course Extension Road
 - SPR - Southern Peripheral Road

RENTAL TREND

(INR per month)

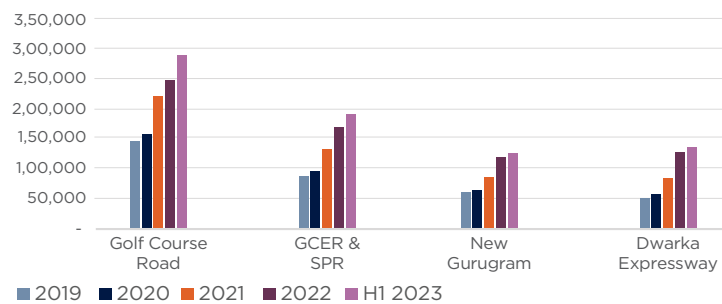


Source: Savills India Research

- Average rentals witnessed an increase of 28% YOY across all markets.
- GCER & SPR and Golf Course Road saw the highest rise in rentals with 33% and 31% YOY growth, respectively.

PRICE TREND FOR PLOTS

Average Capital Values (INR per sq. yard)



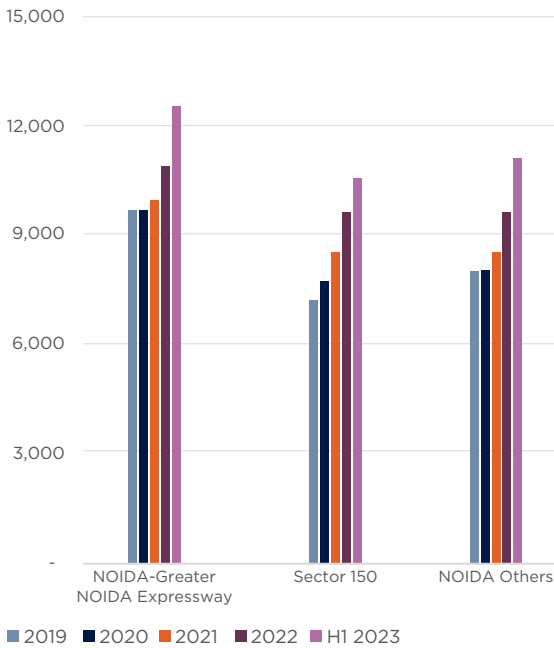
Source: Savills India Research

- The capital values of residential plots in the city registered an average increase of 17% YOY in H1 2023.
- The year 2021 and 2022 marked a watershed for price hike in plotted developments when the capital values rose by a whopping 40% and 32% on a YOY basis respectively, on ground of unique factors. The last one year was the period of moderation with only select pockets registering phenomenal growth in land prices denoting the residential cyclical movement.
- Dwarka Expressway and New Gurugram, with 29% and 21% YOY growth retain the tag of top performing markets in terms of price appreciation for residential plots, whereas Golf Course Road witnessed marginal increase of 4% YOY.

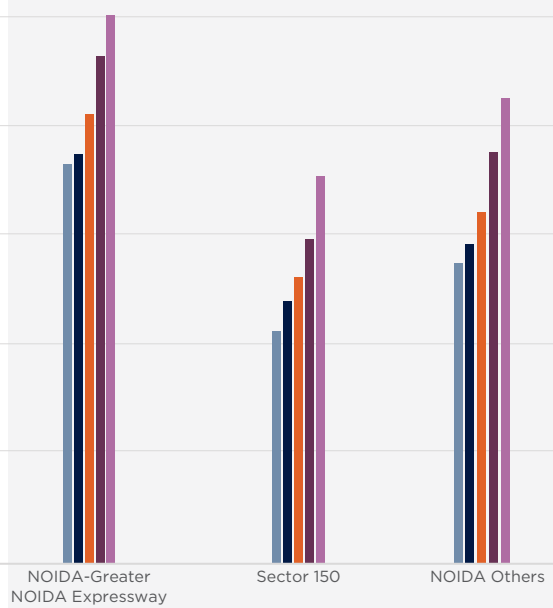
“ Remarkable growth witnessed in capital values of ready-to-move and under-construction properties

PRICE TREND

Average Capital Values for Completed Properties (INR per sq. ft.)



Average Capital Values for Under-Construction Properties (INR per sq. ft.)

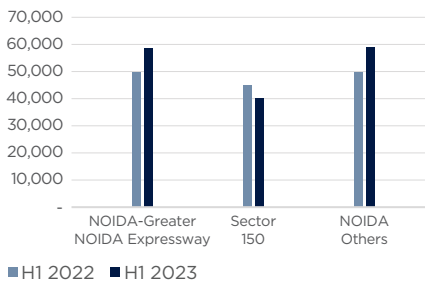


Source: Savills India Research

- Capital values of completed and under-construction properties in NOIDA witnessed substantial growth in H1 2023. Sector 150 micromarket with 28% YOY growth witnessed the highest growth in capital values for under-construction properties.
- NOIDA Others with 24% YOY increase, bags the top position with highest appreciation in capital values for completed properties.
- The upcoming international airport in NOIDA, proximity to corporate hubs, planned infrastructural developments and quest for quality lifestyle have been the few important factors which pushed demand and consequently prices up in the micromarkets of NOIDA.

RENTAL TREND

(INR per month)



Source: Savills India Research

- NOIDA Others micromarket with 19% YOY saw the maximum hike in rentals in H1 2023. This is followed by the NOIDA-Greater NOIDA Expressway with 18% YOY increase in rentals in H1 2023.
- There has been newer availability of luxury residential apartments in Sector 150 which has resulted in softening of average rental values in this micromarket.

KEY TO MICROMARKETS

NOIDA Others - Sectors 50, 75, 78, 79 & 107

YOY COMPARISON

269 units
H1 2022

NA
H1 2023

No new launches in the luxury segment in H1 2023

Notes:

- Average capital value for projects is the quoted base price on saleable area
- Capital values are reflective of properties priced INR 2 crores and above.
- Average quoted rentals are for 3-BHK apartments
- The quoted capital and rental values for the current year are as of June 2023



OUTLOOK FOR DELHI-NCR H2 2023

- The overall performance of the luxury residential market of Delhi-NCR has been witnessing an all-time high in recent times. The quest for spacious homes offering state-of-the-art amenities has been at the core of this thriving market. Rising aspirations have been able to create an impact on sales which is anticipated to continue in forthcoming quarters.
- Supply-demand mismatch has undeniably been a crucial factor to have pushed up the prices of luxurious residential properties in select

pockets of the region. Limited supply by reputed developers and significant demand created by the changing dynamics of life are expected to create new price benchmarks for luxurious floors and apartments.

- Under-construction infrastructure projects that are nearing their completion like the Delhi-Mumbai Expressway, Delhi-Meerut Regional Rapid Transit System (Delhi-Meerut RRTS) and Dwarka Expressway etc. will improve overall connectivity of the region with other parts of the country. This will further attract end-users and investors alike who are looking to invest in uber luxury residential properties.

Savills Property Services (India) Private Limited

3-A&B, 2nd Floor,
Building 9B
DLF Cyber City, Phase 3
Sector 24,
Gurugram 122 002

Please contact us for further information

Shveta Jain

Managing Director
Residential Services
shveta.jain@savills.in

Rajat Johar

Managing Director
Delhi-NCR
rajat.johar@savills.in

AUTHORS

Shashwat Srivastava

Assistant Manager
Research & Consulting
shashwat.srivastava@savills.in

Megha Maan

Director
Research & Consulting
megha.maans@savills.in

Arvind Nandan

Managing Director
Research & Consulting
arvind.nandan@savills.in

MEDIA

Chinmoyee Kalita

Corporate
Communications Lead
chinmoyee.kalita@savills.in

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