ANAROCK

VALUES OVER VALUE

National Capital Region

An Affordable Housing Goldmine

December 2017

in association with

THE ECONOMIC TIMES presents

ace

ARCHITECTURE CONSTRUCTION ENGINEERING

TECH 2017

THE FUTURE OF BUILDING

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A Note from the Chairman

Anuj Puri
Chairman
ANAROCK Property Consultants

Dear All,

Its emerging cities and urban agglomerations are the growth engines of any country. In the recent decades, India has been experiencing unprecedented population growth and urbanization. The country's landscape is undergoing a dramatic transition from rural to urban living, propelling it to become second-largest urban community globally. According to United Nations' estimates, nearly 40% of India's population is expected to reside in the urban areas by 2030.

With a population of more than 46 million and spread over 53,000 square kilometres, the urban agglomeration of Delhi: National Capital Region (NCR) has witnessed phenomenal urbanization level of around 62%. This urban agglomeration is also the country's largest planned region and contributes about 7-8% of India's total Gross Domestic Product (GDP).

That said, there are growing concerns about the provision of urban infrastructure and basic amenities, with NCR's urbanization rate being double of the national level. Various national initiatives such as Pradhan Mantri Awas Yojana (PMAY), Housing for All by 2022, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Smart Cities Mission and Infrastructure status to Affordable Housing have been taken to tackle the pressing urban housing shortage. Regional authorities such as DDA, HUDA and GDA have also actively participated in ensuring that affordable housing is provided to the target segment of the population.

Affordable housing development is clearly the way forward for filling the housing gap in NCR. This report titled 'National Capital Region: An Affordable Housing Goldmine' by ANAROCK Property Consultants examines the dynamics of this vital housing segment in NCR. To achieve this, it takes a deep-dive into the rising urbanization levels in the region, the existing policies and regulations focused on the urban housing sector, supply-absorption trends, the major challenges that impede the effective implementation of affordable housing in NCR, key hotspots, and the way ahead.

We hope you find it an insightful read.

Yours sincerely,
Anuj Puri

National Capital Region [NCR]

A Snapshot

Evolution of NCR

Delhi's Population Growth

Decadal growth of 50% from 1951 to 2001 in Delhi. It declined to 20% during the last decade, reaching 17 million as of 2011 census.

Decentralize Delhi

Rampant population growth in Delhi led to inefficiency of basic infrastructure including transportation, housing, water, etc.

Sources:
Census 2011 & Regional Plan 2021-NCR
National Capital Region Planning Board
Department of Industrial Policy & Promotion

Development Timeline

- **1956** — Interim General Plan recommended planned decentralisation of Delhi
- **1961** — Incorporation of High Powered Board under Union Minister for Home Affairs
- **1962** — Delhi Metropolitan Area (DMA) defined in Master Plan; includes NCT-Delhi and 6 ring towns
- **1985** — NCR constituted under National Capital Region Planning Board (NCRPB) Act
- **1989** — Notification of 1st Regional Plan - 2001
- **2005** — Regional Plan - 2021 notified
- **2013** — Bhiwani & Mahendragarh (Haryana) and Bharatpur (Rajasthan) included in NCR
- **2015** — Districts of Jind and Karnal (Haryana), Muzaffarnagar (Uttar Pradesh) included in NCR

Quick Facts

Constitutes 3.27% of total workers of India

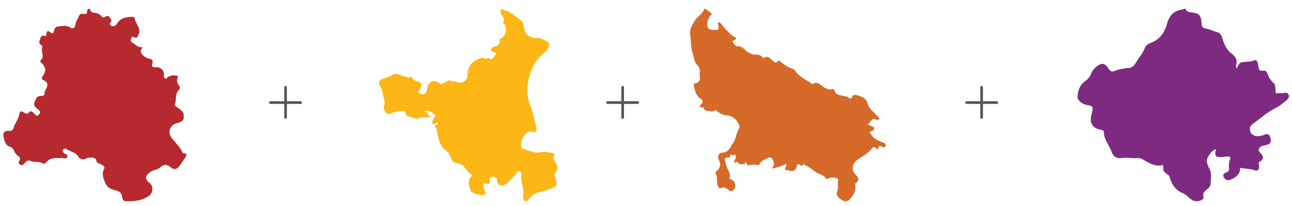
8% of India's operational SEZs are located in NCR

In 2015-16, NCR accounted for 25% of India's FDI

Well-connected through various modes of transport

Key Statistics

National Capital Region



Delhi NCT

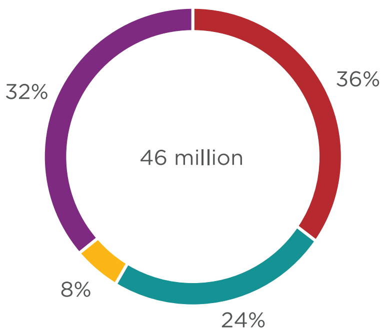
Haryana
13 districts

Uttar Pradesh
7 districts

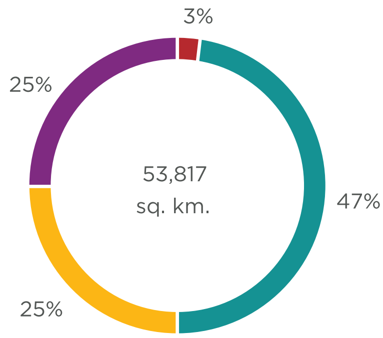
Rajasthan
2 districts

Major disparity of dwelling population and area spread in Delhi NCT. Massive focus required on development of other sub-regions (SRs).

Population Spread



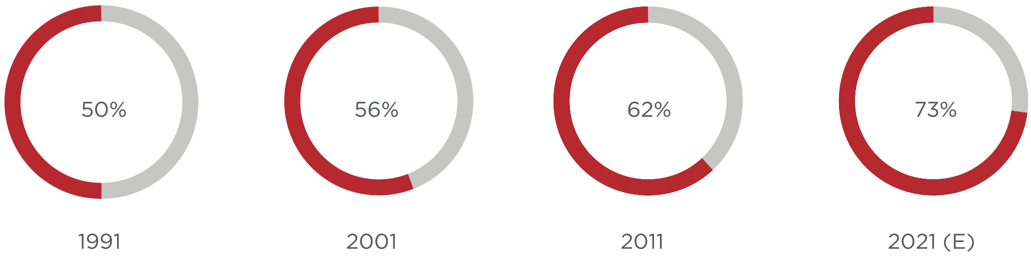
Area Spread



■ Delhi NCT ■ Haryana SR ■ Rajasthan SR ■ Uttar Pradesh SR

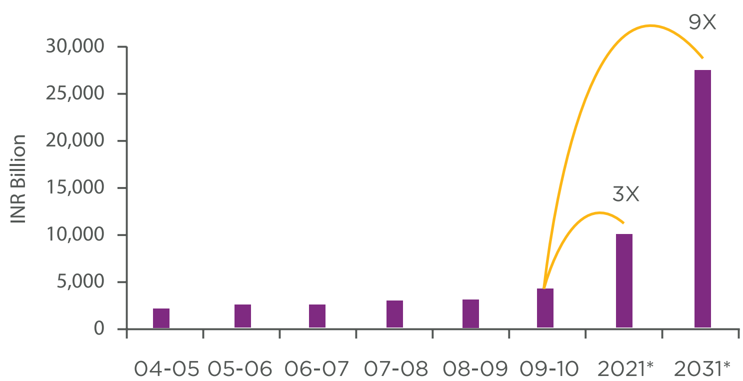
Rapid urbanization has led to erratic growth of NCR across various cities including Gurgaon, Noida, Greater Noida, Ghaziabad and Faridabad. Large-scale urbanization likely to continue in the future periods as well.

Urbanization Levels



GDP Growth

NCR's share in India's GDP was around 7.1% in 2009-10, growing from 6.4% in 2004-05. With massive anticipated growth in the region, it's share in India GDP may rise in the future periods.



* Estimated Figure

New Delhi Airport- Gateway to the world

Residential Real Estate

Summary

8,00,000
Units

Total Units Launched – 2010 Onwards

Greater Noida
(2,90,000 units)

Top City As Per Supply

4,80,000
Units

Total Under Construction Units

62
Months

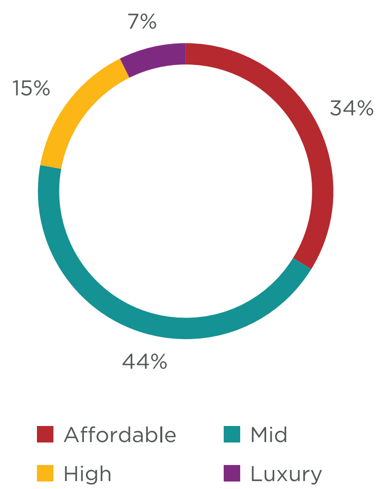
Inventory Overhang

Greater
Noida

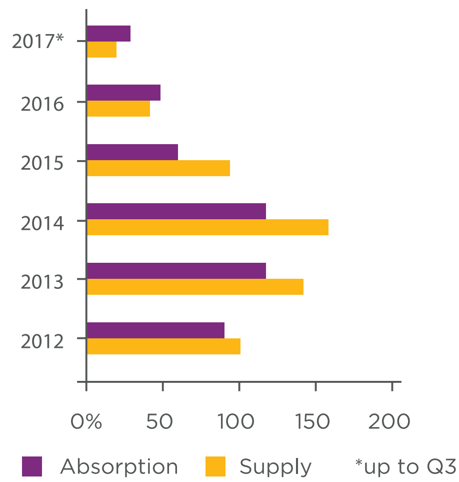
Top City As Per Under Construction Units *Constitutes 35% of total under construction units

79%

% Change In New Launch Supply – Q3 2015 Vs Q3 2017



Supply Budget Segmentation - 2010 onwards



Supply-Absorption Trends ('000 units)

Note - Affordable: < INR 40 lakh, Mid: INR 40 Lakh - INR 80 Lakh, High: INR 80 Lakh - INR 1.5 cr, Luxury: > INR 1.5 cr

Source: ANAROCK Research

Affordable housing

Definition & Classification

"Affordable" as a concept is relative and dependent on an individual's financial capability, city of consideration, demand-supply dynamics and real estate prices, which makes the definition of "affordable housing" very subjective.

Various socio-economic factors such as household income, location, price, size of dwelling units, employment opportunities, government incentives, etc. play a key role in defining affordable housing. Generally, affordable housing is targeted towards a particular section of society which has an income equivalent or lower than the median income. Ideally, for any individual, the monthly EMI should not exceed more than 30%-40% of gross monthly income and ratio of house price to annual income should be between 2 to 4.

To implement the "Housing for all by 2022" mission, the Ministry of Housing and Urban Poverty Alleviation (MHUPA) has defined affordable housing based on income groups as detailed below.

Category	Size	Income
EWS	9 sqm to 30 sqm	Upto INR 3 lakh
LIG	Upto 60 sqm	INR 3 lakh to INR 6 lakh
MIG-I	Upto 120 sqm	From INR 6 lakh to INR 12 lakh
MIG-II	Upto 150 sqm	From INR 12 lakh to INR 18 lakh

For the current study, we have defined affordable housing as units priced less than INR 40 lakh. Further, we have attempted to drill down affordable housing into two segments - units priced less than INR 20 lakh and units priced between INR 20 lakh to INR 40 lakh. We believe that this segmentation should throw light on EWS, LIG as well as MIG housing dynamics in NCR.

National Policies & Regulations

To boost affordable housing and achieve the vision of 'Housing for all by 2022', the government (Central & State) have undertaken several initiatives, such as:

Pradhan Mantri Awas Yojana (PMAY)

PMAY aims to build 50 million homes in urban and rural India by 2022

In-situ rehabilitation
of existing slum dwellers

3% - 6.5%
credit linked subsidy

INR 1.5 lakh central assistance
Subsidy for beneficiary-led individual house construction/ enhancement

Affordable Housing
in Partnership

Atal Mission for Rejuvenation and Urban Transformation (AMRUT)

AMRUT aims to provide basic facilities such as water supply, sewerage, urban transport, etc. to households and build amenities in cities which will improve the quality of life for all, especially for the EWS and LIG segments. 500 towns and cities are targeted to be transformed under AMRUT.

INR 39.2 lakh crore
Urban Infrastructure

INR 17.3 lakh crore
Urban Roads

INR 19.9 lakh crore
Operation and Maintenance

INR 8 lakh crore
Services

Smart Cities Mission

Smart City
MISSION TRANSFORM-NATION

The core objective of this mission is to accelerate economic growth and improve the quality of life of people by enabling local area development and harnessing technology that leads to Smart outcomes.

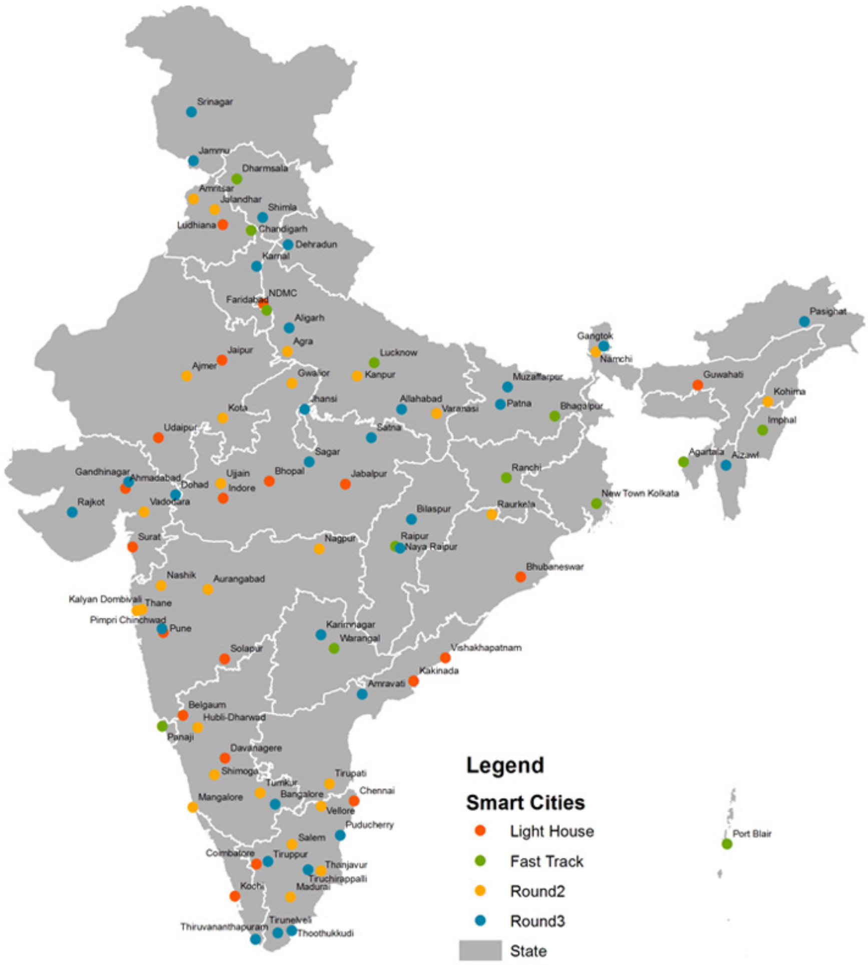
The identified cities would be developed as per the following...

Area-based development (ABD; 81% of total) - City improvement (retrofitting), city renewal (redevelopment) and city extension (greenfield development).

Pan-city development (PCD; 19% of total) - Pan-city development envisages application of selected smart solutions to the existing city-wide infrastructure, mainly covering larger parts of the city.

A Snapshot

- 90 Total Winning Proposals
- 96 million Total Urban Population Impacted
- INR 1.9 lakh cr Total Cost of Projects
- INR 152,499 cr Total Area-Based Development Cost
- INR 36,656 cr Total Pan-City Solution Cost



Sources:
1. Ministry of Housing and Urban Affairs
2. Smart Cities Mission

Infrastructure Status to Affordable Housing

In the Union Budget 2017-18, the finance minister accorded infrastructure status to affordable housing.

- Increased private participation
- Focused institutional financing to attract private players
- Opening of the External Commercial Borrowing (ECB) route
- Increase in size of carpet area. (from 30 and 60 sqm built-up area to 30 and 60 sqm carpet area)
- Relaxed period of project completion from 3 to 5 years.
- Access to more funds at lower costs

Under construction residential buildings in Gurgaon

Regional Policies & Regulations

Haryana Urban Development Authority

HUDA's 2013 affordable housing policy is intended to encourage the planning and completion of group housing projects to increase the affordable housing supply for the deserving beneficiaries.

Pre-defined size

Pre-defined rate

Targeted time-frame

19 sectors in Gurugram and 8 sectors in Sohna have been earmarked under this policy. **Around 800 acres of HUDA land is lying unplanned and unused across different sectors of Gurugram** and there is a dire need to expedite affordable housing development to meet the requirements of "Housing for all by 2022".

To boost private participation, the state government has taken the following measures:

- Providing additional FAR - Increased from 1.75 to 2.25 for group housing projects
- Exemption of service tax, EDC and IDC charges
- Area earmarked for affordable housing projects increased from 10 acres to 15 acres in every sector

Delhi Development Authority

For almost half-a-century, Delhi Development Authority (DDA) has played a pivotal role in providing houses to citizens of Delhi. The authority has been constructing houses in Delhi as per the purchasing power of different strata of society. DDA regularly announces new schemes through newspapers and advertisements for various categories of flats.

10.65 lakh dwelling units constructed

44 housing schemes as of Jan 2013

EWS
LIG

Around 50% allotment to EWS/LIG

DDA Housing Scheme 2017 - A Snapshot

The flats are spread across Rohini, Narela, Vasant Kunj, Jasola, Pitampura, Dwarka, Paschim Vihar and Siraspur

Source:
Haryana Government Town and Country Planning Department – Affordable Housing Policy – 2013.
Delhi Development Authority.

Category	Number Of Flats	% Share	Total Price
HIG	87	1%	INR 53 lakh - INR 1.26 cr
MIG	404	3%	INR 31 lakh - INR 94 lakh
LIG	11,197	93%	INR 14.5 lakh - INR 30 lakh
Janta Flats	384	3%	INR 7 lakh - INR 12.75 lakh

12,000
flats Approx.

90,000
forms sold

41,000
applications received

Ghaziabad Development Authority

The primary objectives of the authority includes;

- Preparation of master plan for planned urban development
- Development & control as per master plan
- Acquisition of land and management for housing and urban development
- Housing construction and development
- Provision of physical and social infrastructure

GDA Housing Scheme 2017 - A Snapshot

Area/Scheme Name	Number of Flats
Madhuban Bapudham Yojana	700
Indraprastha Yojana	375
Koyal Enclave Scheme	300
Kaushambi Yojana	158
Chandrashila Apartments	70
Vaishali Scheme	59
Modinagar	50

1,712
Flats

50% each
completed & under construction

INR 5 - 70 lakh
Price Range

INR 250 crore
Revenue estimates

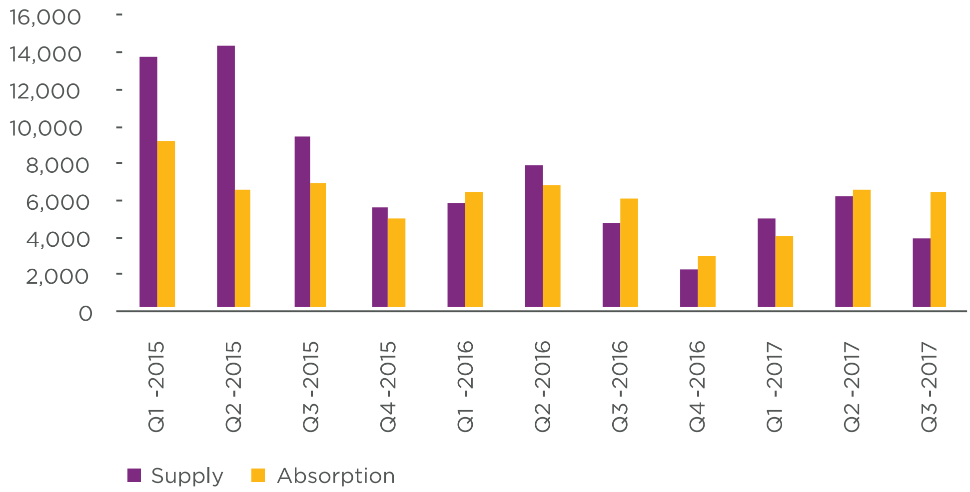
Source: Ghaziabad Development Authority.

Affordable Housing Dynamics

Supply-Absorption Trends

Around 244,000 units were launched in the affordable segment of NCR between 2012 and Q3 2017, of which 76,000 (around 30%) were added between Q1-2015 and Q3-2017.

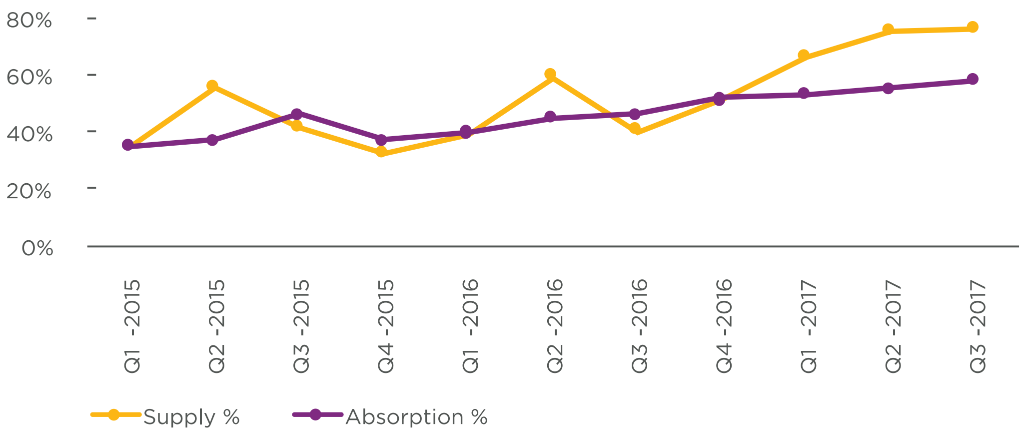
- Gurugram, Greater Noida and Ghaziabad were the key contributors and accounted for 82% of the overall affordable supply in NCR between Q1-2015 and Q3-2017.



Overall, 47% of units were launched in the affordable segment of NCR between Q1-2015 and Q3-2017, whilst the absorption was 44% of total during the same period.

- The affordable segment's share of supply and absorption has constantly risen during the past few quarters.
- With the Government's push on 'Housing for All by 2022' and sops offered to the affordable housing segment, the share is likely to rise in the future periods as well.

Affordable segment's share in NCR

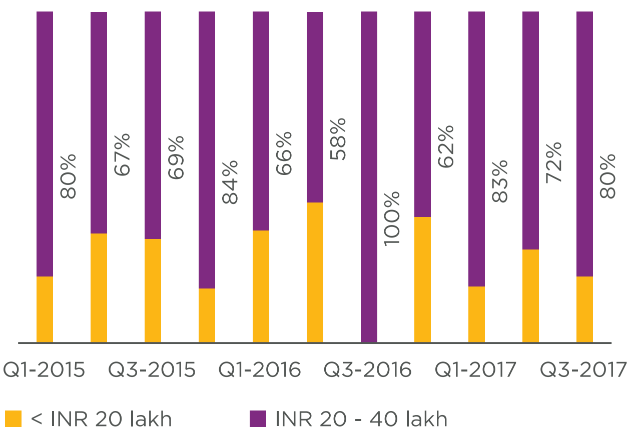


Source: ANAROCK Research

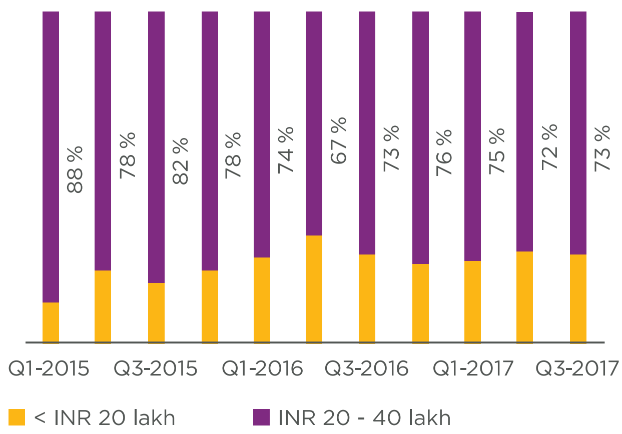
Supply-Absorption trends deep dive

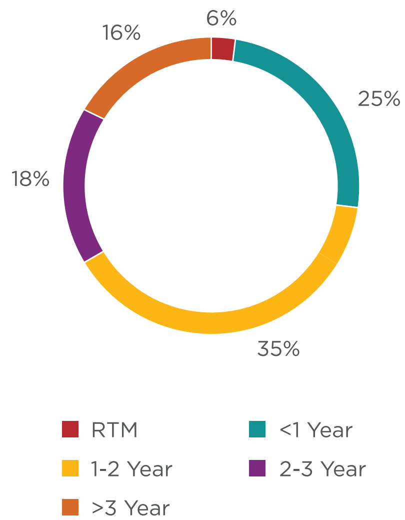
- Within the affordable segment, 73% of supply between Q1 2015 and Q3 2017, came in INR 20 - 40 lakh segment.
- Gurugram, Greater Noida and Ghaziabad were the key contributors and accounted for 80% of this supply.
- Due to the sheer unfavorable economics in < INR 20 lakh segment, private players seem to have less focus on this sub-segment.
- In terms of absorption too, 76% of absorbed units were in the INR 20 - 40 lakh segment.
- Lack of supply from private players led to lesser absorption in < INR 20 lakh segment.
- With higher incentives, the Government can expect an increased participation in < INR 20 lakh segment as well.

Supply Deep Dive



Absorption Deep Dive





Note: Break-up of launches between Q1-2015 and Q3-2017 only

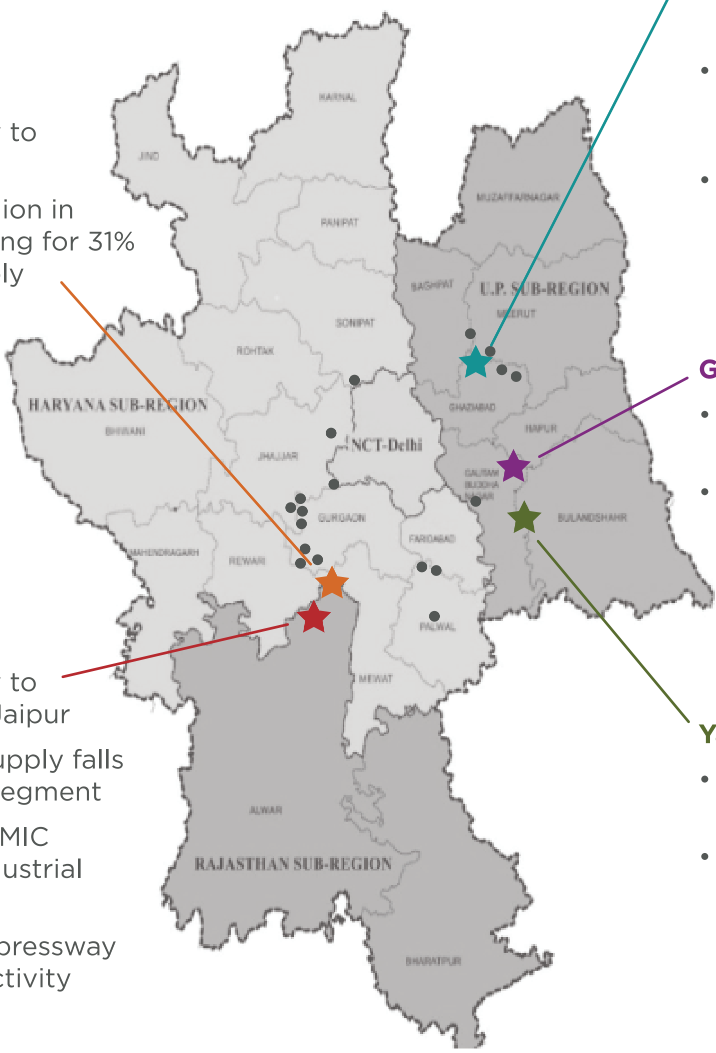
- With the implementation of RERA, developers are now focusing on completing existing projects.
- The biopsy of NCR's affordable segment reveals that there's a minimal RTM inventory, which is a good indicator of the health of the market.
- Around 60% of under-construction inventory is likely to be completed in the next two years. This supply is likely to get a good response due to the Government's emphasis on affordable housing and improving market conditions.

Source: ANAROCK Research

Key hotspots

NCR is a large territory and encapsulates Delhi NCT along with districts of Rajasthan, Haryana and Uttar Pradesh. Due to the vast region under coverage, there are numerous pockets in the entire NCR where affordable houses (priced less than INR 40 lakh) mushroom. These include a mix of established and upcoming locations and offer significant options to the affordable housing home buyers.

While there are many locations in the NCR that can be identified as affordable housing destinations, we have identified top 5 regions, as depicted below. These regions are not only the top affordable housing destinations in the respective city but also collectively account for 48% of the affordable supply of NCR. Further, the identification was also based on the availability of large land parcels for future developments, existing connectivity to various parts of NCR along with significant planned infrastructural developments, proximity to industrial clusters and presence of basic social infrastructure and apt affordable housing supply.



Sohna
- Good connectivity to Gurgaon & Delhi
- Top affordable region in Gurgaon, accounting for 31% of affordable supply

Bhiwadi
- Good connectivity to Gurgaon, Delhi & Jaipur
- 81% of the city's supply falls under affordable segment
- Development of DMIC (Delhi-Mumbai Industrial Corridor)
- Proposed KMP Expressway to improve connectivity

Rajnagar Extension
- Good connectivity to Noida Sector-62 & Delhi
- Accounts for 34% of Ghaziabad's affordable housing supply
- Developed region with 63% RTM affordable supply

Greater Noida West
- Seamless connectivity to Noida, Ghaziabad and Delhi
- Second largest affordable market of Greater Noida, accounting for 27% of affordable supply

Yamuna Expressway
- Excellent connectivity to Noida, Delhi & Agra
- Top affordable market of Greater Noida, accounting for 43% of affordable supply

Source: ANAROCK Research

Sohna

Sohna Region

An Overview

- One of the fastest growing locality in Gurugram
- Popularly known as South Gurugram
- Population: 36,000 as per 2011 Census
- Population density: 3700 p/sq.km
- Notified as Gurugram Extension as per the new Gurugram-Sohna Master Plan, 2031

Key Growth Drivers

- Good connectivity to Gurugram
- Established education hub
- Upcoming commercial, retail and residential developments
- Development of 6,000+ hectares sanctioned under the Sohna Master Plan

Existing Connectivity

- Served by NH-8 (Delhi-Jaipur Highway)
- Excellent connectivity to Golf Course Road, Delhi, Faridabad and other regions of NCR
- Nearest metro stations include Huda City Centre (29 km) and Sikanderpur Metro Station (32 km)
- Nearest railway station is the Gurugram railway station (28 km away)
- IGI Airport is located 40 km away

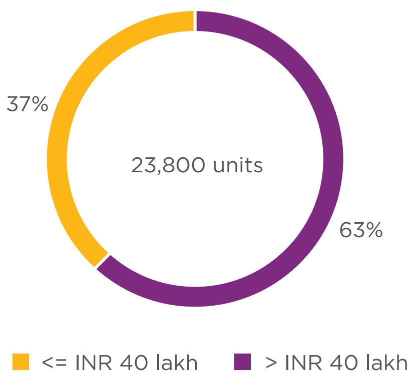
Proposed Infrastructure Upgrades

- Development of Industrial Model Township (IMT) on 1,600 acres
- 1,483 km Delhi-Mumbai Industrial Corridor (DMIC)
- 150 meter-wide Gurugram Extension Road
- Soon to be linked to New Gurugram through proposed Northern and Southern Peripheral Roads
- Theme hubs such as Leisure Hub, Sports Hub and Leather Hub
- Kundli-Manesar–Palwal (KMP) Bypass

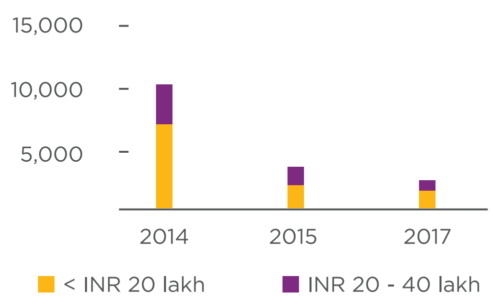
Residential Real Estate Dynamics

- Sohna accounts for 4% of launches of NCR while it contributes 6% to the affordable segment across the region
- 81% of affordable segment's launches were priced under INR 20 lakh
- 5,900 units unsold in the affordable segment; primarily due to supply infusion in the recent periods
- Prices largely remained range-bound between Q1 2015 and Q3 2017; current avg. price - INR 3,900/Sqft.

Launches - 2012 onwards



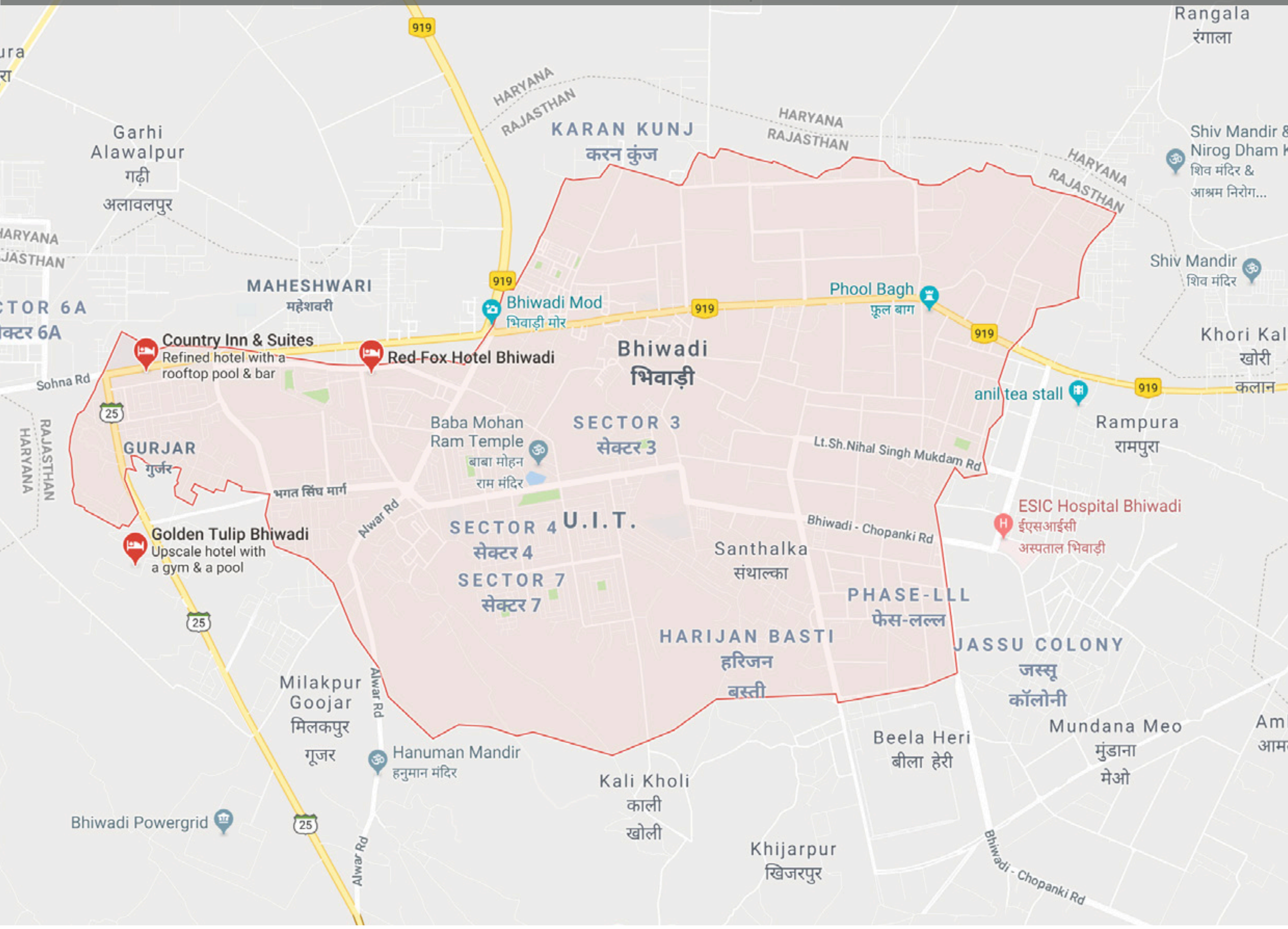
Affordable Housing Break-up



Source:
1. ANAROCK Research
2. Google Map

Bhiwadi

Bhiwadi Region



An Overview

- Located at the eastern part of Rajasthan and in the north eastern part of Alwar district
- One of the flourishing property market due to affordable prices

Key Growth Drivers

- Seamless connectivity to Delhi and Gurugram
- Located close to NH-8: Delhi-Jaipur highway
- One of country's largest industrial hubs

- Rapid infrastructural developments planned under Master Plan 2031
- Hub for affordable housing units

Existing Connectivity

- Easily accessible from Gurugram (22 km)
- Nearest railway station: Rewari Junction (25 km)
- Nearest airport: Indira Gandhi International Airport (55 km)

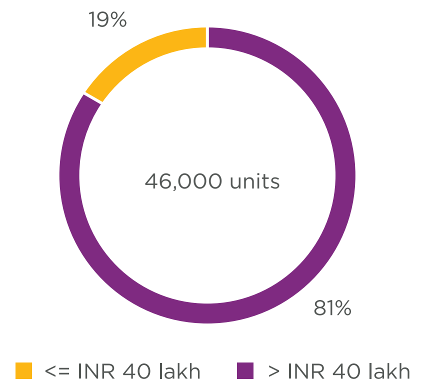
Proposed Infrastructure Upgrades

- Regional rapid transit system from Delhi to Alwar
- Greater Bhiwadi Complex spreading across both sides of the Bhiwadi Alwar road
- Part of the 1,483km-long Delhi-Mumbai Industrial Corridor (DMIC)
- Greenfield integrated township in Khushkhera-Bhiwadi-Neemrana region

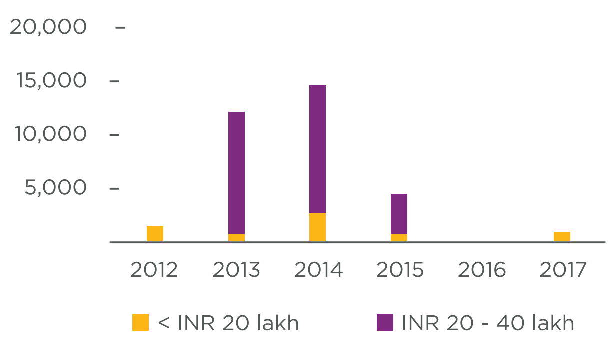
Residential Real Estate Dynamics

- Bhiwadi accounts for 8% of launches of NCR while it contributes 15% to the affordable segment across the region
- 88% of affordable segment's launches were priced between INR 20 lakh and INR 40 lakh
- 8,400 units unsold in the affordable segment
- Prices largely remained range-bound between Q1 2015 and Q3 2017; current avg. price - INR 2,800/Sqft.

Launches - 2012 onwards



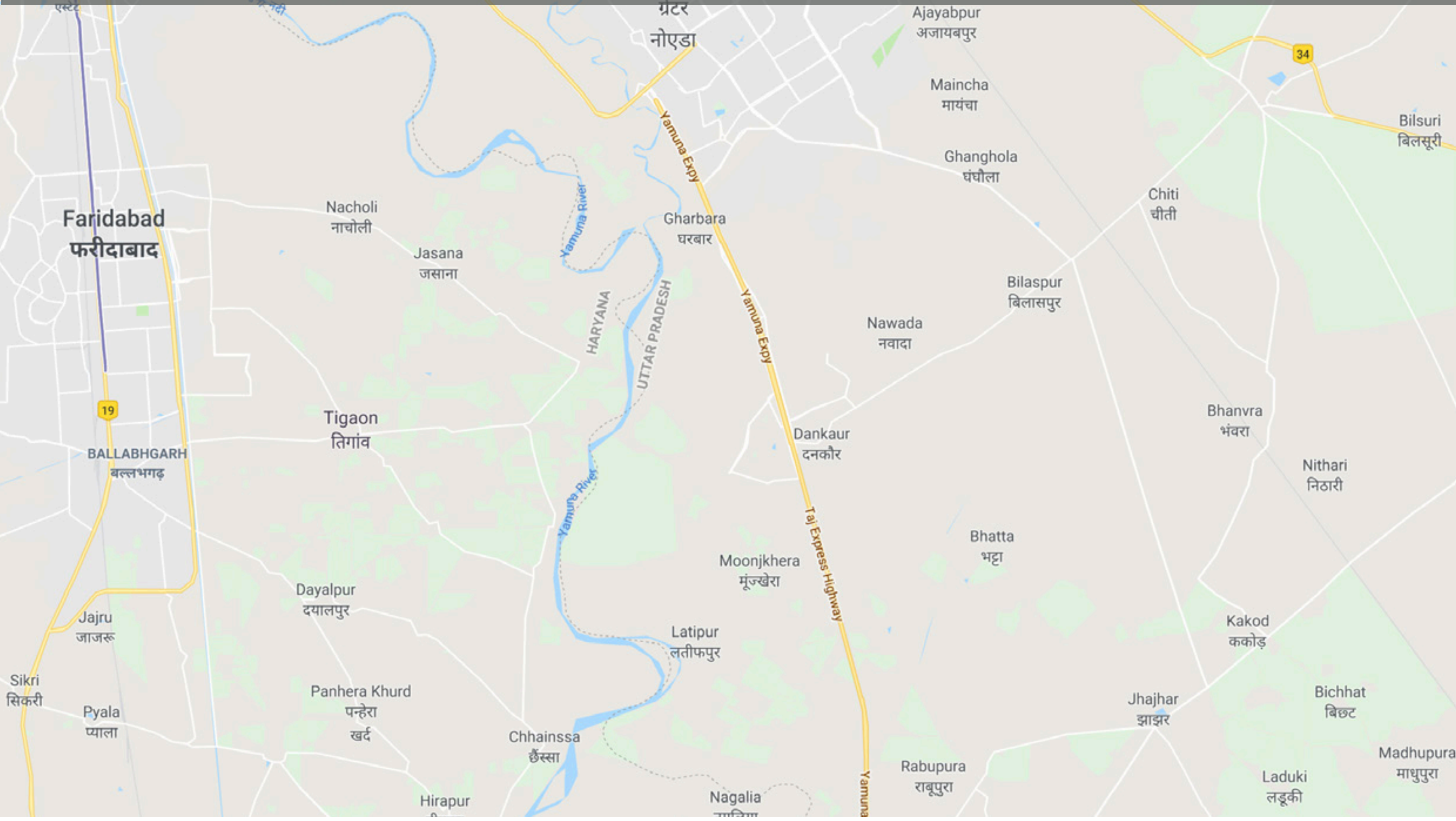
Affordable Housing Break-up



Source:
1. ANAROCK Research
2. Google Map

Yamuna Expressway

Yamuna Expressway Region



An Overview

- Six-lane, 165 km long controlled-access expressway connecting Greater Noida with Agra
- Operational since 2012
- Comprises of three phases :
  - Phase I: Greater Noida -Proposed Taj International Aviation Hub
  - Phase II: Taj International Aviation Hub -Intermediate destination between Taj International Aviation Hub and Agra.
  - Phase III: Intermediate destination & Agra

Key Growth Drivers

- Well-established industrial and residential destination with proximity to various commercial complexes
- Signal free rapid transit corridor
- Excellent connectivity to Delhi, Greater Noida and other NCR regions

- Buddha International Circuit (Formula 1 Grand Prix) located along the expressway
- Yamuna Expressway Industrial Development Authority (YEIDA) offers lucrative affordable housing projects

Existing Connectivity

- Close proximity to the eastern and western parts of DMIC
- Nearest railway stations: Hazrat Nizamuddin (33 km)
- Nearest metro station: Noida City Centre (28 km)
- Nearest airport: Indira Gandhi International Airport (54 km)

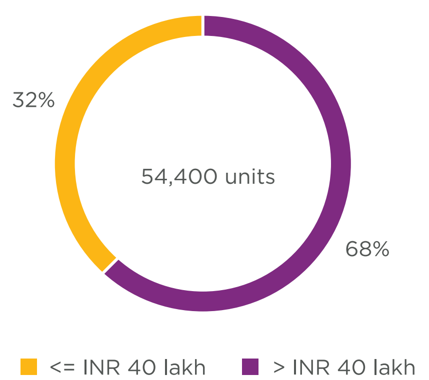
Proposed Infrastructure Upgrades

- Extension of 285 km long Agra-Lucknow Expressway
- Night Safari project
- Jewar international airport
- High-speed metro corridor from Greater Noida to the proposed international airport at Jewar

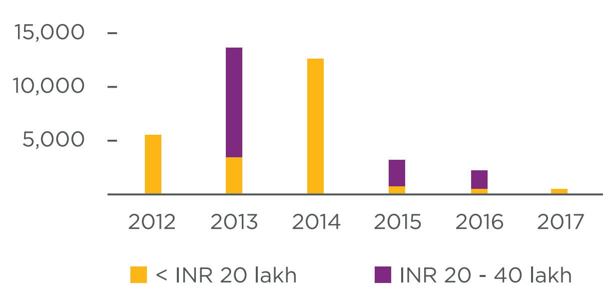
Residential Real Estate Dynamics

- Yamuna Expressway accounts for 9% of launches of NCR while it contributes 15% to the affordable segment across the region
- 88% of affordable segment's launches were priced between INR 20 lakh and INR 40 lakh
- 9,700 units unsold in the affordable segment
- Prices largely remained range-bound between Q1 2015 and Q3 2017; current avg. price - INR 3,300/Sqft.

Launches - 2012 onwards



Affordable Housing Break-up



Source:
1. ANAROCK Research
2. Google Map

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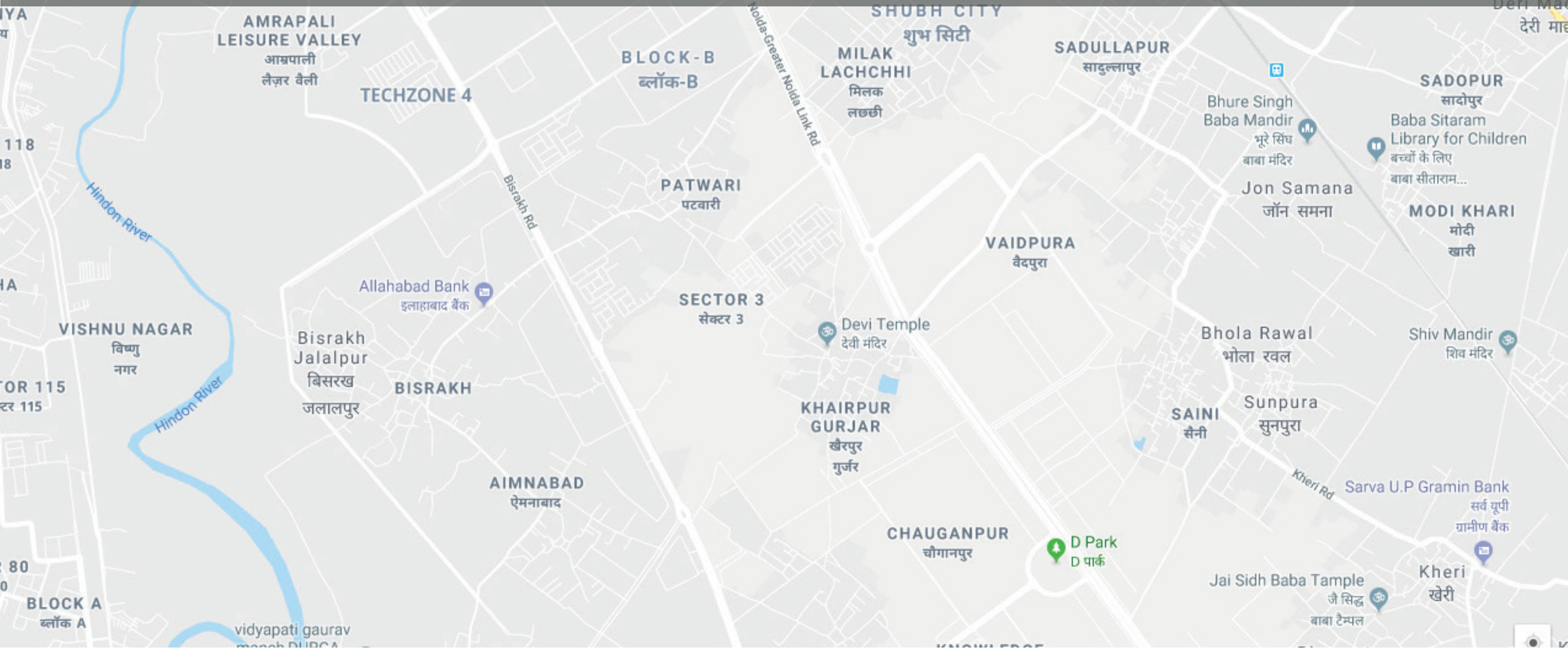
Greater Noida West

Greater Noida West Region



An Overview

- One of the promising region in Greater Noida
- Also known as Noida Extension
- Area: 36.35 sq.km
- Population density: 2000/sq.km
- Administered by Greater Noida Industrial Development Authority (GNIDA)

Key Growth Drivers

- Yamuna and Noida expressways are located nearby
- Nestled adjacent to Ghaziabad and Noida
- World class infrastructure with well-zoned out commercial, industrial and residential regions
- Close to IT-ITeS hubs in sector 62, 63, 65 and nearby sectors
- Considered to be one of the best planned regions of NCR
- One of the prime location for affordable housing units

Existing Connectivity

- Well connected to NH 24
- Proximity to Noida city center: Sector 18 (13 km)

- Nearest railway station: Hazrat Nizamuddin railway station (22 km)
- Nearest metro station: Sector 32 (8 km)
- Nearest airport: Indira Gandhi International Airport (50 km)

Existing Connectivity

- Well connected to NH 24
- Proximity to Noida city center: Sector 18 (13 km)
- Nearest railway station: Hazrat Nizamuddin railway station (22 km)
- Nearest metro station: Sector 32 (8 km)
- Nearest airport: Indira Gandhi International Airport (50 km)

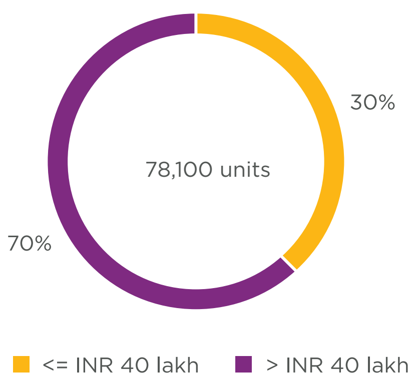
Proposed Infrastructure Upgrades

- Metro corridor between Noida-Greater Noida
- FNG expressway to improve connectivity
- 102 hectare Night Safari project near Gautam Budh University (GBU)

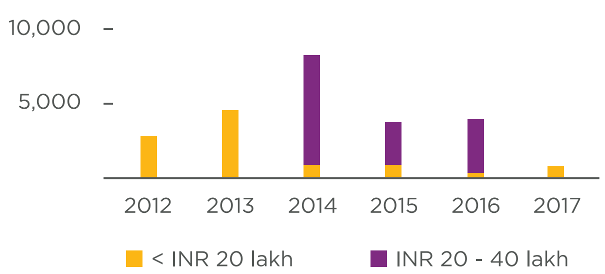
Residential Real Estate Dynamics

- Greater Noida West accounts for 13% of launches of NCR while it contributes 9% to the affordable segment across the region
- 93% of affordable segment's launches were priced between INR 20 lakh and INR 40 lakh
- 8,600 units unsold in the affordable segment
- Prices largely remained range-bound between Q1 2015 and Q3 2017; current avg. price - INR 3,350/Sqft.

Launches - 2012 onwards



Affordable Housing Break-up



Source:
1. ANAROCK Research
2. Google Map

Raj Nagar Extension

Raj Nagar Extension Region

An Overview

- One of the most sought after real estate destination in Ghaziabad
- Situated on the new Meerut bypass and well-connected to NH-58
- Development started post 2008-09

Key Growth Drivers

- Presence of robust physical and social infrastructure
- One of the perennially green and unpolluted belts in NCR
- IMT Ghaziabad is in close proximity
- Excellent accessibility to New Delhi's Central Business District - Connaught Place
- Ideal destination for affordable houses

Existing Connectivity

- Excellent accessibility to neighboring cities of Delhi, Noida, Greater Noida and Meerut
- Close to the Inter-State Bus terminal (24 km)
- Nearest railway station: Ghaziabad (10 km)
- Nearest metro stations: Vaishali and Dilshan Garden (15 km)
- Nearest airport: Indira Gandhi International Airport (48 km)

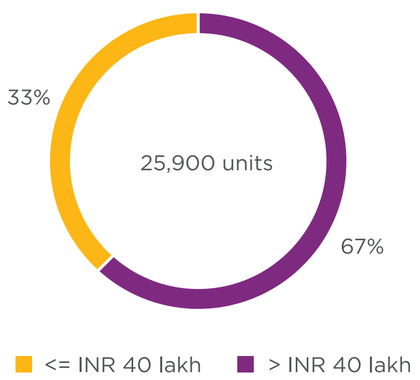
Proposed Infrastructure Upgrades

- Six-lane expressway connecting GT Road with NH-58
- Metro line connecting Dilshad Garden metro station in East Delhi
- Delhi-Haridwar highway to enhance connectivity
- 3-lane bridge over the Hindon River at GT Road
- Widening of the 6-lane road to 8-lane from Dabur T-junction to Meerut T-junction
- Proposal of Wi-Fi corridor

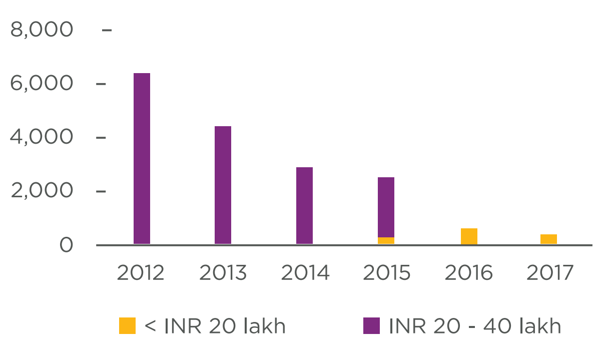
Residential Real Estate Dynamics

- Raj Nagar Extension accounts for 4% of launches of NCR while it contributes 7% to the affordable segment across the region
- 91% of affordable segment's launches were priced between INR 20 lakh and INR 40 lakh
- 4,300 units unsold in the affordable segment
- Prices largely remained range-bound between Q1 2015 and Q3 2017; current avg. price - INR 3,100/Sqft.

Launches - 2012 onwards



Affordable Housing Break-up



Source:
1. ANAROCK Research
2. Google Map

Opportunities

India

India's affordable housing segment is likely to grow at more than 30% over the medium term.

12 Million
Annual addition in urban population

$100 Billion
Annual market for next 5 to 6 years

10 Million
Housing shortage in urban India

$2 Trillion
Expected investment to meet requirement

National Capital Region (NCR)

NCR, which an affordable housing goldmine, also possesses massive opportunities for future growth

1.37 Million
NCR urban housing shortage as per 2011 estimates

64.14 Million
2021 population estimates for NCR

1.52 Lakh Industry Units
More than 1 millon employed in 53 industrial clusters

73%
Urbanization level estimates for NCR by 2021

67%
Contribution of tertiary sector in NCR's GDP

Sources:
1. National council of applied economic research study- 2014
2. Industry News & Reports
3. NCR Regional Plan-2021

Drivers

Increasing economic activity

New PPP policy for affordable housing

Infrastructure status to affordable housing

Large area coverage

Infrastructure status to logistics sector

Urbanization

Government policies and incentives

Increase in household income

Challenges

Clearance and approval delays

Execution delay of key infrastructure projects

Inadequate social infrastructure in the peripheral areas

High cost of land for affordable housing projects

Rising costs of construction

Lack of land availability in urban areas

Developer’s credibility

Limited access of finance for LIG/EWS

Weak buyer sentiments

Outlook

Affordable housing has once again taken centre-stage in all real estate forum discussion, and deservedly has the undivided attention of all industry stakeholders including developers, investors, customers and the Government. With the Prime Minister Shri Narendra Modi's laser-focus on achieving Housing for All by 2022, many development programmes such as PMAY, AMRUT, Smart Cities Mission, etc. have picked up the pace. In its role as key facilitator, the Government has undertaken many structural reforms such as granting infrastructure status to the affordable housing and logistics sectors, and increasing the area of houses considered under the middle-income group (MIG). These reforms will boost the development of affordable housing significantly in the future.

NCR has always been a front-runner in the India's burgeoning real estate sector, and the sheer spread of the region (more than 50,000 sq. km. across four states) and its massive population (around 46 million) has pertinently supported the growth. As NCR evolved, many peripheral regions evolved as new affordable housing destinations. In fact, NCR takes the pole position across the top 7 cities of India with a 33% share across the affordable housing launches since 2012.

NCR's real estate market has appropriately re-oriented to the changing market conditions. As per our research, the share of affordable segment launches has risen from 21% in 2012 to 71% in 2017 (as of Q3). This massive rise heralds a positive future for affordable housing in NCR. Not only from a real estate supply perspective but also from the demand side, NCR seems well-poised to cater to the increasing affordable housing requirements.

With the vast area under coverage, presence of well-established services, manufacturing and automobile sectors, there is no dearth of employment opportunities in and around NCR. Also, NCR's physical infrastructure is improving by leaps and bounds, and peripheral areas are rapidly being connected to the major employment hubs. In fact, it would not be an exaggeration to say that NCR is India's affordable housing's goldmine.

Cityscape View of one of projects in Noida

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The ANAROCK Group is one of India's leading real estate services company, having diversified interest across real estate value chain. The Group's key strategic business units comprise of the Residential business: broking and advisory services to clients; Investment business: debt, equity and mezzanine funding, and Research and Consulting business. ANAROCK's Investment arm has built a revolutionary business model of bulk-purchasing residential apartment inventory through a proprietary investment fund.

With a growing team of over 1000 professionals, ANAROCK operates in all key property markets across India - Mumbai, Chennai, Bangalore, Gurgaon, Noida, Hyderabad, Kolkata and Pune, and has international presence in Dubai. With in-depth market information, quality advice and developer tie-ups for optimal deals, we have been serving the industry since 2011.

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