

Delhi / NCR: An ever-expanding Metropolis

In this report we will be analyzing the real estate market in the National Capital region of Delhi. The review period is from October to December 2008. The borders around Delhi have been disappearing over the last few years. Delhi/NCR now comprises of Gurgaon, Noida, Greater Noida, Faridabad, Kundli, Ghaziabad as well, and with the advent of the Delhi Metro, NCR has emerged as amongst the hottest property destinations in the country. We will now take a look at the real estate trends in this market and take stock of the impact of global meltdown on the demand and supply of properties in Delhi and its major suburbs.



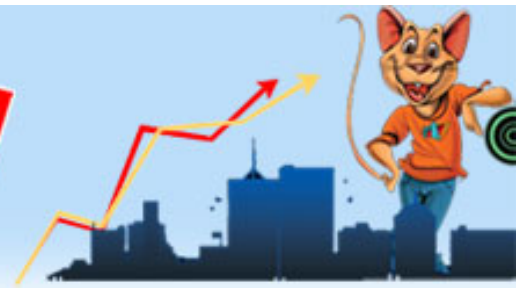
Executive Summary

Makaan.com pioneered the concept of "Affordable Housing", way back in 2007. We have been advising our clients to focus on Affordable Housing, as the demand from end users will continue to grow in this price bracket. When you read this edition of Makaan IQ, the following 6 important points will come out:

1. 78% of property seekers from Delhi / NCR are searching for projects costing < Rs. 40 Lacs, while 16% are looking for properties costing between 40-75 Lacs
2. Demand has increased in Dwarka, Ghaziabad, Greater Noida and Noida between 2-7%, but it has declined in rest of NCR between 1-25%, during the review period.
3. Affordable Housing budget (<40 Lacs) suffers from a huge supply-demand gap. While end users are willing to buy properties costing less than 40 Lacs, there are not enough properties in preferred locations, in this price range
4. With a 16% share of property seekers, Gurgaon is the sub-city most in demand
5. Kaushambi (Ghaziabad) and Punjabi Bagh are the localities where maximum appreciation of prices has occurred in the review period while maximum decline has been observed in Sector 55 (Gurgaon) and Sector 70-79 (Faridabad). A more detailed list of Movers and Shakers is available inside this report
6. The most popular, the most expensive and the least expensive localities of Delhi / NCR can also be found in this report

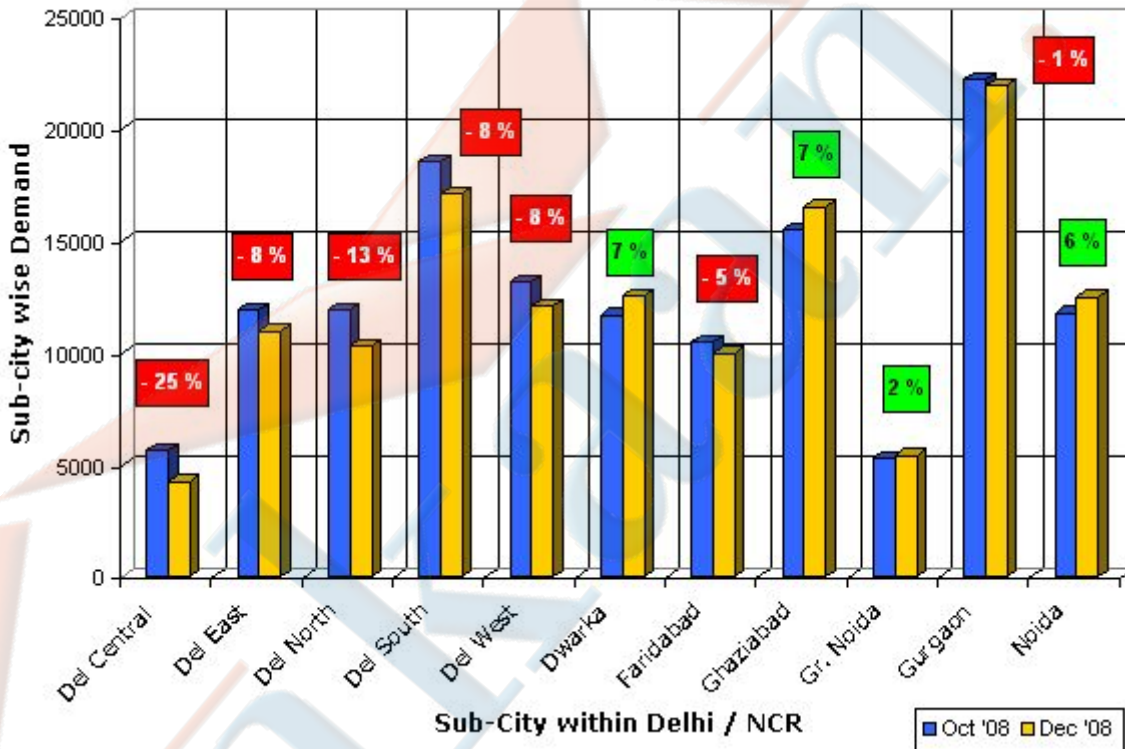
Commenting on the report, Aditya Verma, Business Head Makaan.com says "Delhi/NCR is a very important market for us, and the detailed analysis of the real estate demand and supply trends reveals what we have been advocating for a long time, i.e. Affordable Housing. Developers who start focusing on this price bracket stand to gain the most, especially during the current times."





The Demand Side Equation: Where's the action happening?

Real estate sector has witnessed slowdown in the last few months, globally. The Indian market has not been immune to the global meltdown. We will now look at the Delhi/NCR property market, and determine the trends in demand for properties to buy, during the review period. 23% of the property seekers from Delhi/NCR were not looking for a property in any specific area and were willing to purchase a property anywhere in NCR, as long as their essential property requirements were being met. This means that if a property seeker wanted to buy a 3 BHK apartment for 42 Lacs, he/she was willing to buy anywhere in NCR. The other 77% seekers were more specific in their location preference. We will now focus the remaining analysis on these 77% of property seekers. For the purpose of this analysis the city of Delhi/NCR has been broadly divided into eleven sub-cities. The following trends come out, looking at the plots below:



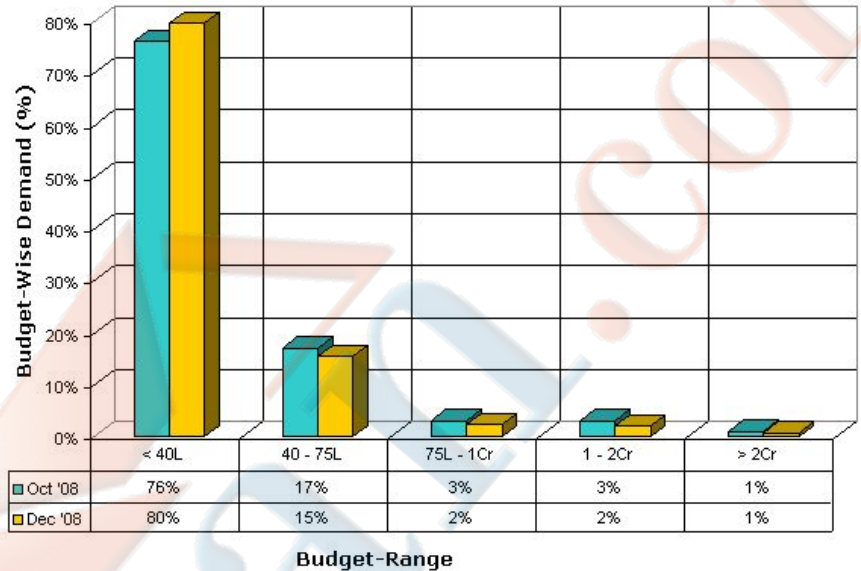
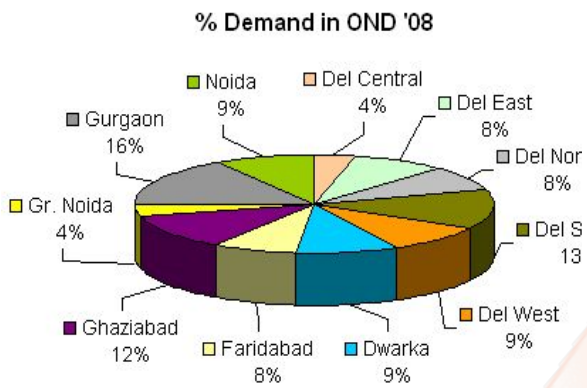
Plot 1: Demand for Residential properties to Buy

- Demand for properties has shown a mixed trend during the review period. While demand has increased in Dwarka, Ghaziabad, Greater Noida and Noida, it has declined in rest of NCR.



Delhi / NCR. Oct – Dec. 2008

- Demand in Central Delhi has declined the most (by 25%) while demand in Dwarka & Ghaziabad has appreciated the most (by 7%)
- Demand in Gurgaon is the maximum, followed closely by South Delhi and Ghaziabad



Plot 2: % demand in different sub-cities

Plot 3: Budget-wise demand for Residential properties to Buy

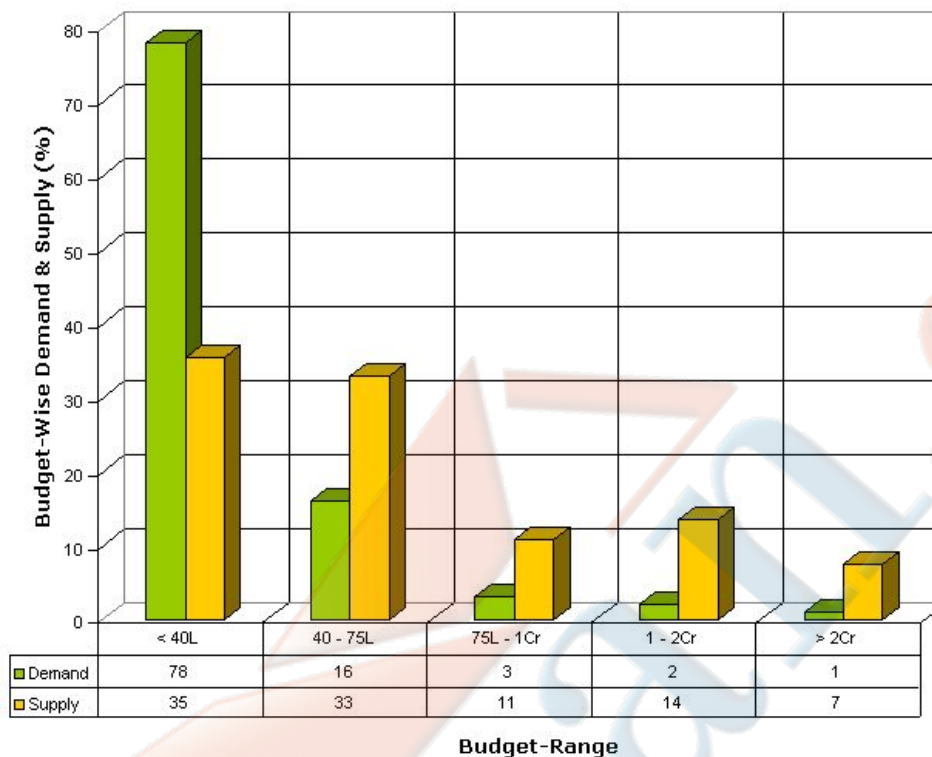
- 49% of the demand in NCR comes from the suburbs of Noida, Greater Noida, Gurgaon, Ghaziabad and Faridabad
- The demand for Affordable Homes (< 40 Lacs) in NCR has increased during the review period. While 76% of seekers were looking to buy properties < 40 Lacs in Oct '08, this number increased to 80% in Dec '08.
- The demand has come down during the review period for all other price ranges, the beneficiary being affordable housing budget.

The Demand - Supply Equation: Residential properties to Buy

In the last section, we looked at the demand situation within NCR for residential properties to buy. Another demand side equation we need to look at is what exactly are property seekers looking for? We have done a budget-wise demand and supply comparison, which essentially gives us insights into what is the price range where maximum demand exists. We have some very interesting trends, if we look at the plot below.



Delhi / NCR. Oct – Dec. 2008



Plot 4: Budget-wise demand & supply for properties to buy

- On an average, 78% of property seekers from NCR searched for residential properties costing less than Rs. 40 Lacs during the review period. Affordable Housing is definitely in high demand in NCR, much in line with the current trend across major Indian cities
- 16% of property seekers are comfortable with the budget range of Rs. 40-75 Lacs.
- Only 6% property seekers look for properties that cost above Rs. 75 Lacs.
- The supply of properties costing above Rs. 40 Lacs is more than the demand, signifying that seekers have enough options to choose from, in this range, but there are not too many seekers looking at this price segment.
- There is a huge demand-supply gap in the Affordable Housing segment (< 40 Lacs). There are not enough properties in the preferred localities which satisfy the seekers' requirements

Delhi/NCR reinforces our view that like 2008, 2009 is also shaping up as the Year of Affordable Housing. Over the past few years all major developers have been focusing on higher end of the price band, which now has fewer takers. The strategy over the next few years for developers must be to marry their projects specification with the actual demand, to creating sustainable businesses.



↑ Movers

We define Movers as the localities that appreciate the most during the review period. Below is the list of "Movers" from Delhi / NCR.

#	Locality	Avg. Rates*		% Appreciation
		Oct '08	Dec '08	
1	Kaushambi, Ghaziabad	3493	4306	23
2	Punjabi Bagh	13349	16445	23
3	Pitampura	8583	10450	22
4	Vasant Kunj	7541	9153	21
5	Dharuweda, Gurgaon	1446	1726	19
6	Kalkaji	6805	7985	17
7	DLF Phase 1, Gurgaon	8505	9924	17
8	Janakpuri	6435	7497	16
9	Shalimar Garden, Ghaziabad	2187	2514	15
10	Sector 61, Noida	4247	4875	15

↓ Shakers

We define Shakers as the localities that depreciate the most during the review period. Below is the list of "Shakers" from Delhi / NCR.

#	Locality	Avg. Rates*		% Depreciation
		Oct '08	Dec '08	
1	Sector 55, Gurgaon	4204	3250	23
2	Sector 70-79, Faridabad	2305	1800	22
3	Sector 10-20, Faridabad	5665	4487	21
4	Golf Course Road, Gurgaon	6646	5358	19
5	Vasant Vihar	47260	38808	18
6	Sector 49, Noida	5039	4215	16
7	Sector 52, Gurgaon	3698	3095	16
8	NH-58 Highway	1490	1250	16
9	Sohna Road	3963	3364	15
10	DLF Phase 5, Gurgaon	6267	5454	13

* Avg. Rates are in Per Sq. Feet





Most Popular Localities

The most popular localities, in terms of sellers marketing their projects more in these localities, as compared to other areas, is as follows:

#	Locality	Avg. Rates* in OND
1	Indirapuram, Ghaziabad	3033
2	Sohna Road, Gurgaon	3664
3	Dwarka	4947
4	Golf Course Road, Gurgaon	6002
5	NH-24 Highway	1555
6	Sushant Lok, Gurgaon	6177
7	Rohini	7696
8	Vaishali, Ghaziabad	3124
9	NH-58 Highway	1370
10	Nahar Par, Faridabad	1974



Most & Least expensive localities

The most and least expensive localities from Delhi / NCR have been listed below.

#	Most Expensive	Avg. Rate*
1	Vasant Vihar	43035
2	Safdurjung	22037
3	Shanti Niketan	21131
4	Hauz Khas	21042
5	Ashok Vihar	20478
6	New Friends Colony	20222
7	Green Park	18681
8	Sarvodaya Enclave	17650
9	Civil Lines	17646
10	Greater Kailash – 2	17494

#	Least Expensive	Avg. Rate*
1	Palwal, Faridabad	1287
2	NH-58 Highway	1370
3	Najafgarh	1425
4	NH-24 Highway	1555
5	Dharuweda	1587
6	Sector 80-89, Faridabad	1974
7	Kundli	1985
8	Eta-01, Greater Noida	2014
9	Sector 60-69, Faridabad	2040
10	Bhopura, Ghaziabad	2139

* Avg. Rates are in Per Sq. Feet





Delhi / NCR. Oct – Dec. 2008

About Makaan.com

Makaan.com is an online real-estate service promoted by People Interactive; the consumer Internet division of the Anupam Mittal led People Group. This site was conceived to explore and invent opportunities in the online real-estate space, and within an year of its launch managed to attract more than 11.3 Lac unique visitors per month and 4.25 Lac listed properties, making Makaan.com India's fastest growing real estate portal. Makaan.com is committed to helping users make wise and profitable decisions related to buying, selling, renting and leasing of properties, in India and key global geographies. The site aims to be user friendly, and has recently launched 'Makaan Mobile'- India's 1st and only SMS based mobile application for property sellers, in addition to introducing services such as ClickPay – an offering that enables a property seller to list multiple properties in one ad and Smart Broker, which allows real estate agents to create their own online banner advertisement. Makaan.com has Pan India presence, with physical offices in top 10 cities of India, including Delhi, Mumbai, Kolkata, Bangalore, Chennai, Hyderabad, Ahmedabad, Pune, Chandigarh and Kochi.

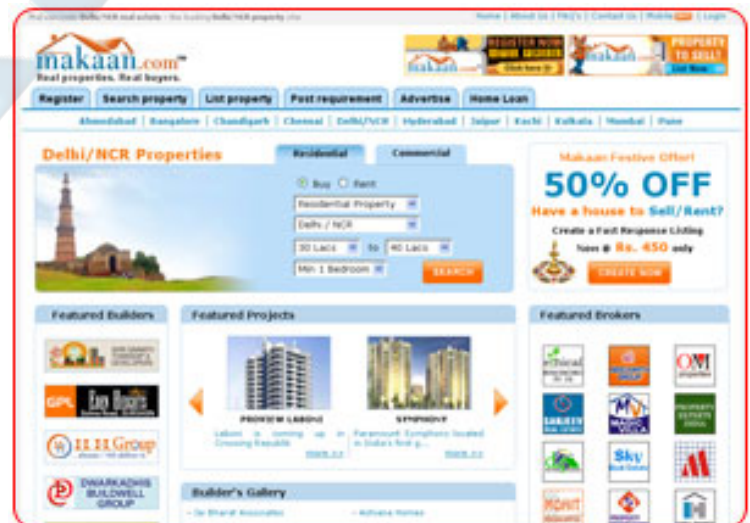
About People Interactive

People Interactive was founded in 1997 to help architect India's Internet landscape. Today it is one of India's leading Internet companies and boasts brands such as Shaadi.com, Shaadi.com Centres, Fropper.com, Makaan.com and Astrolife.com. The company is focussed on discovering and developing scalable Internet business models around communities and classifieds. It prides itself in being a pioneer of Indo-centric Internet business models and believes in innovation led growth.

The company won the IT People Award 2007 for Excellence in Information Technology, and was also awarded the Red Herring Asia Top 100 Awards in 2006. In September 2007 Business Today recognized the company's flagship brand – Shaadi.com as one of the Top 10 Marketers in the country. Shaadi.com was also felicitated at the WEB18 'Genius of the Web' Awards 2007, as the best E-Commerce site (Matrimony), and Shaadi.com Centres won the 'Franchisor of the Year Award' for the third consecutive year in 2007. People Interactive was also named as one of the Top 500 companies in Deloitte Technology Fast 500 – Asia Pacific Awards 2007. People Interactive is a Sequoia Capital backed company and is part of the Anupam Mittal led People Group.

Contact Details:

- Delhi / NCR city page: www.makaan.com/delhi
- Advertising Options can be accessed at: www.makaan.com/advertise
- For more info on this report and media queries, please contact iq@makaan.com [IQ at Makaan.com]



This report has been based on the data gathered from www.makaan.com, which has been generated by property sellers and buyers, and assumed to be accurate and complete. Makaan.com had 248,600 property seekers from Delhi/NCR in Dec 08 and 259,600 seekers in Oct 08. Makaan.com accepts no responsibility if the data is not found to be accurate and complete. No warranty or representations express or implied, is made to the accuracy or completeness of the information contained herein. © Makaan.com. All rights reserved.