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DELHI NCR PROPERTY CAPSULE 2017

DELHI NCR

The year 2017 opened with the aftermath of demonetisation and was marked by radical policy reforms such as Real Estate (Regulation and Development) Act (RERA) and Goods and Services Tax (GST). While the secondary market in Delhi NCR came to a standstill in Jan-Mar 2017, the primary market, too, suffered as cash-starved homebuyers remained distracted and wary of investing in property. Reduced home loan rates and infrastructure overhauls in the subsequent quarters did little to uplift buyer sentiment. Developers put new launches and ongoing projects at bay. The severity of the situation was highlighted when a few developers in Noida and Greater Noida declared insolvency.

Amidst the chaos, the implementation of RERA and GST emerged as a ray of hope. Delayed execution of RERA in Delhi, Uttar Pradesh and Haryana coupled with ambiguous GST norms, however, resulted in a further slack in buyer activity.

While sales have remained meek across Delhi NCR zones in 2017, the year 2018 is expected to witness improved demand and conversions on the back of enhanced clarity on RERA and GST; and progress towards affordable housing.

GROWTH INDUCERS

- Progress towards connectivity projects such as land allocation for Gurgaon MRTS, approval of Manesar-Gurgaon metro and completion of Hero-Honda Chowk flyover is anticipated to boost buyer sentiment.
- The revival of Jewar International Airport project and the metro link between Greater Noida and Jewar is seen as a major growth driver for the housing markets of Noida, Greater Noida and Yamuna Expressway regions. The latter is also expected to benefit from adoption of the Project Settlement Policy.
- Affordable housing scheme by Delhi Development Authority (DDA) and other initiatives such as Land Pooling Policy to encourage Public-Private Participation in affordable projects would be instrumental in addressing the housing needs of Delhi NCR.
- Setting up of a special committee for speedy grievance redressal in Gurgaon is seen as a growth stimulator for the region.
- Tightened noose on Noida, Greater Noida and Gurgaon developers under RERA to submit accurate details about ongoing and new projects will usher transparency in the realty landscape.
- Increased focus on faster project clearances in Delhi, Gurgaon and Noida may boost developer's

confidence and new project launches in the city. This could also trigger a price correction in the long term.

- Government cracks a whip on illegal structures in Delhi, Gurgaon and Ghaziabad. While Delhi contemplates authorising unregularised buildings, Gurgaon ordered demolition of illegal properties. Ghaziabad adopted Geographic Information System (GIS) technology to curb illegal constructions.

GROWTH IMPEDIMENTS

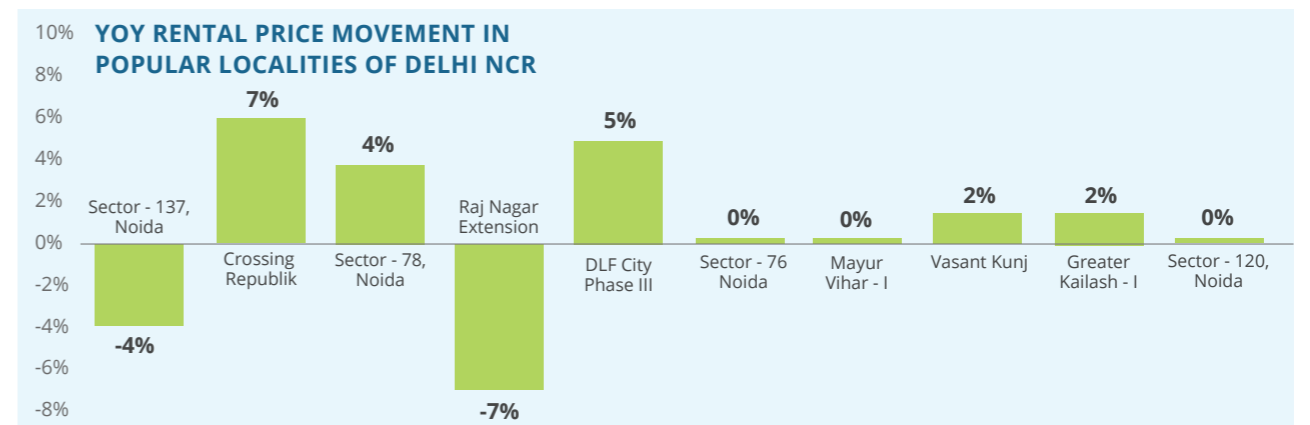
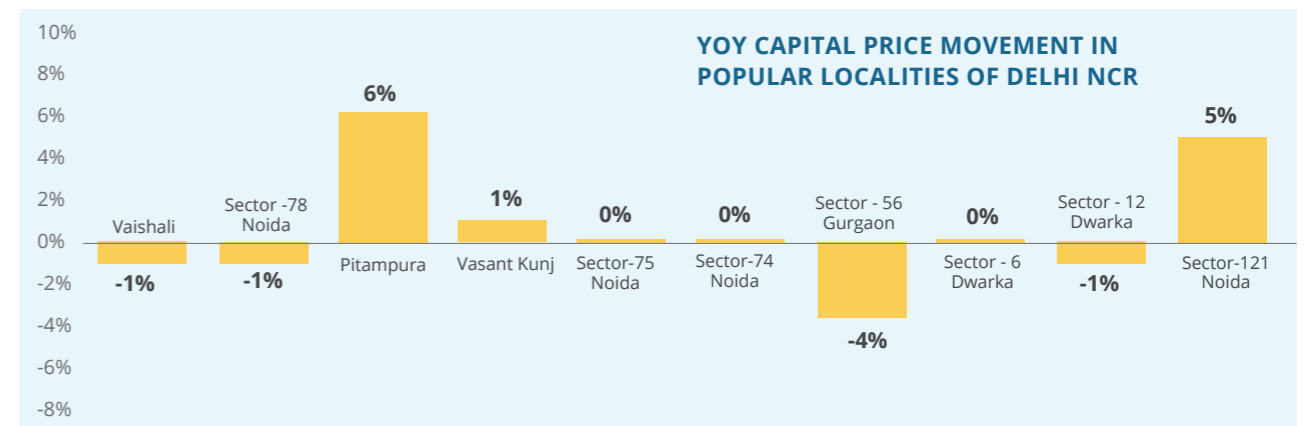
- Dilution of UP and Haryana RERA rules disappointed buyers looking for enhanced transparency.
- No progress on Delhi RERA remained a sentiment dampener for the buyers in the capital city.
- Lack of clarity on provisions for homebuyers in the Insolvency and Bankruptcy Code and shelving of the metro project in Noida Extension hurt buyer sentiment in Noida and Greater Noida.
- Land acquisition woes continued to defer the progress of long-pending Dwarka Expressway.
- A cumulative inventory overhang nearing 2 lakh residential units in Delhi NCR played a prime factor behind muted price movement. The New Year is expected to reel under the pressure of piling inventory amidst subdued sales.

MARKET INDICATORS

	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018*
Capital Values	↓	↓	↓	↔	↔
Rental Values**	↑	↔	↔	↑	↔
Residential Inventory	↓	↑	↑	↓	↑

* Projected price movement and inventory status

**Rental values depict annual change in average asks for respective quarters



IN FOCUS

DELHI NCR REAL ESTATE (REGULATION AND DEVELOPMENT) ACT

<p>Regulatory Authority Delhi- Interim Haryana- Interim Uttar Pradesh- Interim</p>	<p>Website Delhi- NA Haryana- NA Uttar Pradesh- http://www.up-rera.in/</p>	<p>Registered Developers Delhi- NA Haryana- NA Uttar Pradesh- 1213</p>	<p>Registered Realtors Delhi- NA Haryana- 540 Uttar Pradesh- 818</p>
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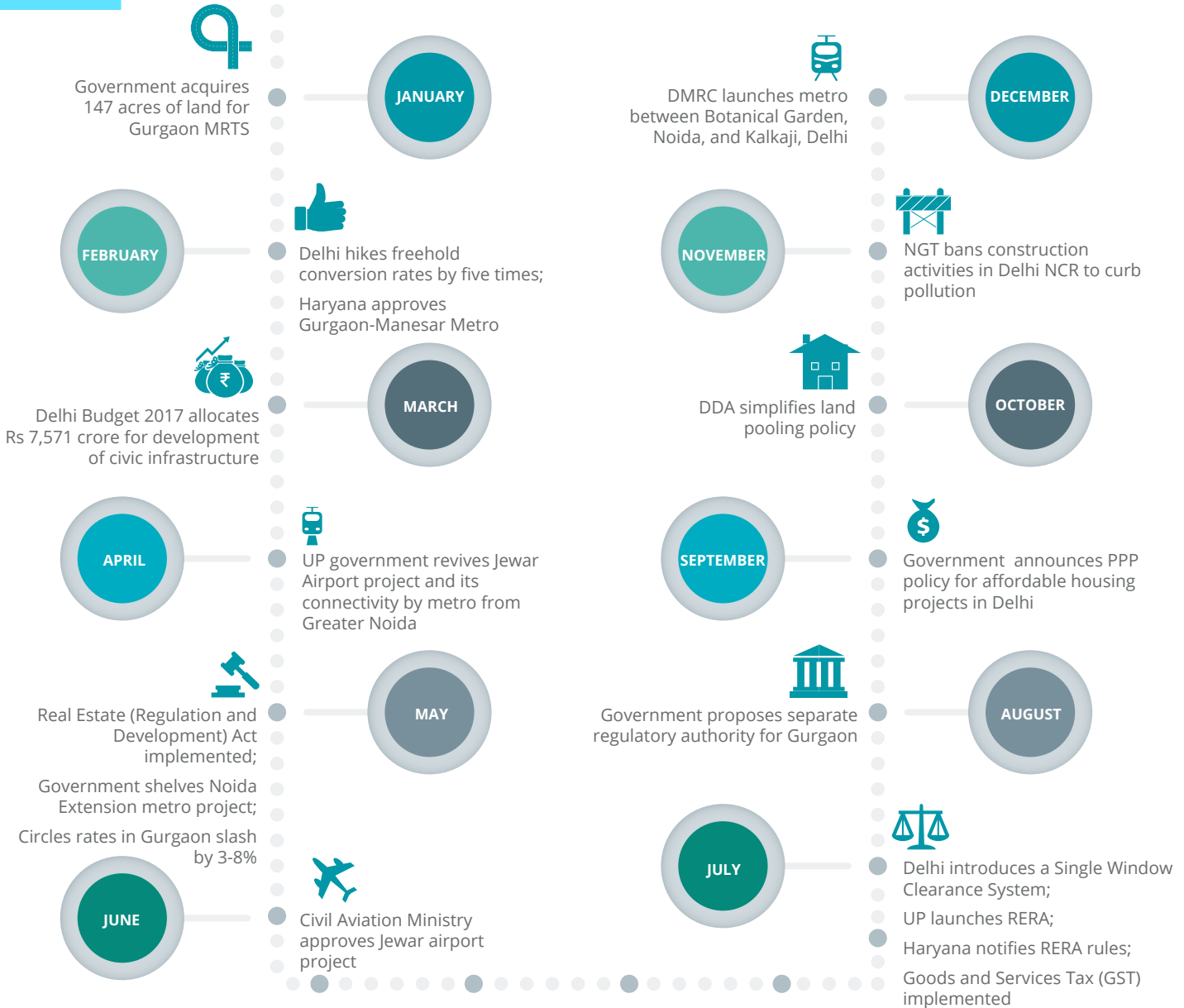
<p>Registered Projects Delhi- NA Haryana- 340 Uttar Pradesh- 3000</p>	<p>Project Applications Received Delhi- NA Haryana- 540 Uttar Pradesh- NA</p>	<p>Complaints Filed Delhi- NA Haryana- 300 Uttar Pradesh- 965</p>
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*Data shows approximate registrations till December 27, 2017

** Source: State's RERA website

THE YEAR GONE BY...

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