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DELHI-NCR RESIDENTIAL REAL ESTATE
MAY 2009 UPDATE

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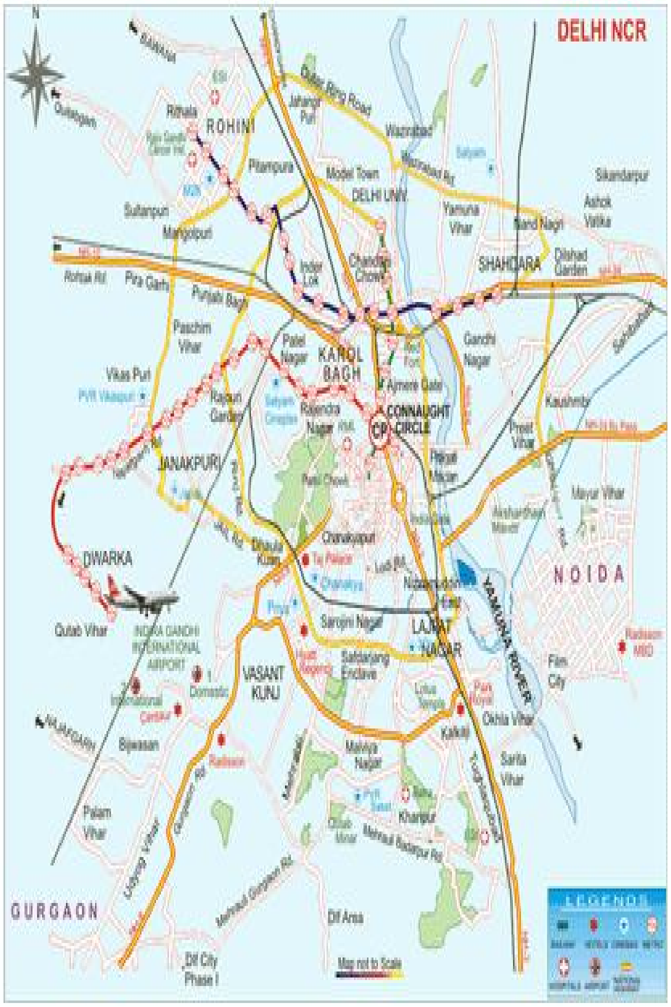
MARKET OUTLOOK



Residential Values

Location	Lease Values (In Rs. PSF)	Capital Value (In Rs.'000 PSF)
South		
North		
East		
West		
Central		
Gurgaon		
Noida		
Ghaziabad		
Faridabad		

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- The capital value in the Delhi NCR residential markets remained almost stable but some areas in the prime residential locations witnessed a price correction of around 20%. The rentals have not changed and it remained almost stable as earlier.
- The prices in the Gurgaon & Noida region remains the same & developers have not announced any price cuts.
- The developers have revamped their strategy & are introducing budgeted apartments of smaller ticket size in order to the capture. They are of the belief that the demand is still there and the buyers are looking for the right value proposition for there investment. Thus launch of affordable housing will help them to grasp it.
- The brokers in the city said that the market is sluggish but the rentals have not changed. The demand for prime properties has not come down because the sellers are not ready to compromise on the prices.
- No major projects were launched by any reputed developer in the city as they are currently focusing on completing the existing project.
- The maximum supply is coming from the Gurgaon and Noida region as quite a few integrated townships are coming up in the region. Gurgaon currently constitutes approximately 40% of the new supply coming up in the NCR.
- Though the market has started recovering still a downward market sentiments prevailed among the real estate consultants & developers in the Delhi residential market. The rentals of the prime properties have witnessed a significant drop in the range of 4-8% while in the other areas it remained more or less stable or showed a marginal decline.
- Capital values has also suffered in the range of 3-11 percent but in many areas in south & central Delhi it remained stable as no major transactions took place.
- The reason cited by many brokers for declining rentals was the decision of a number of MNCs/Embassies to reduce the number of officials on account of the present recession.

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Lease Rentals

LOCATION	GRADE A (In Rs. PSF)	GRADE B (In Rs. PSF)
North Delhi		
Civil Lines	11-13	13-15
Model Town	16-18	18-22
Pitampura	6 to 7	4 to 5
South Delhi		
Chanakyapuri	70-100	40-60
Greater Kailash	85-50	-
Lajpat Nagar	30 -40	20-30
Vasant Kunj	20-30	15-20
Defence Colony	75-100	35-60
East Delhi		
Mayur Vihar	10 to 14	7 to 10
Patparganj	11-14	8-10
Preet Vihar	14-15	11-13
Shahdara	-	6-8
Central Delhi		

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Connaught Place	100 to 150	-
Karol Bagh	14-17	11-14
Paharganj	-	12-14
West Delhi		
Janakpuri	8-10	10-12
Punjabi Bagh	8-12	12-15
Rohini	10	7 to 8
Pashchim Vihar	14 -16	12-15
NCR Region		
Faridabad	6-10	11-15
Ghaziabad	8-10	-
Gurgaon	15 to 20	8 to 12
Noida	8 to 12	10

- The prime residential areas in Delhi are in the South region and comprise Vasant Vihar, Westend, Shanti Niketan, Anand Niketan and Central Delhi locations. These areas enjoy proximity to embassies, the airport and central commercial area Connaught Place.
- These areas hardly have any small apartments and the area basically consists of bungalows, pent houses and apartments with an average size of 2000 sq. fts.
- The lease rentals in the south & central Delhi has come down by almost 6 to 9% while in central Delhi there has been hardly any change. The lease rentals in the Delhi North & East Delhi came down by around 8% while in the NCR region by 4 to 6%.

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- The minimum lease rental in Vasant Vihar area for an apartment of approximately 2500 sq ft will be around Rs. 1, 00,000 per month while in the Connaught Place a 3BHk pent house of around 2500 sq. ft. will cost Rs.90, 000 per month.
- The north & east Delhi consists of old Delhi area and the lease rentals are very lower in this area. The areas of Rohini, Pitampura, and Mayur Vihar etc. are highly crowded & saturated and these areas consist of very few apartments from the reputed city builders.

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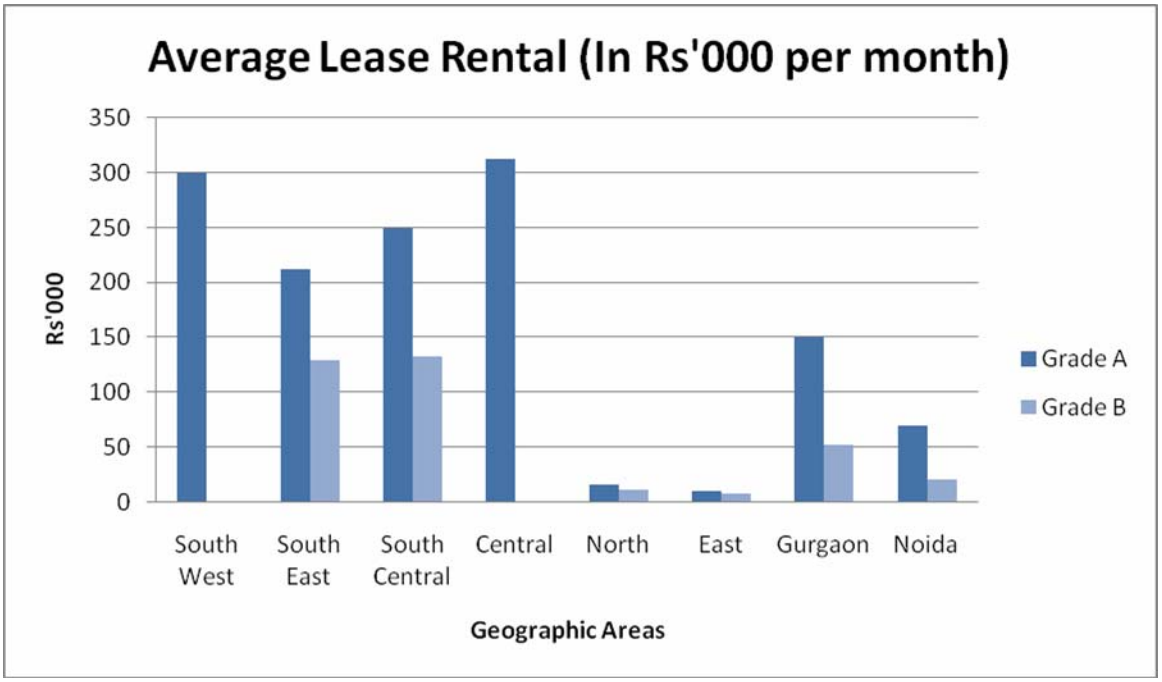

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CAPITAL VALUE

Location	GRADE A (In Rs.'000 PSF)	GRADE B (In Rs.'000 PSF)
North Delhi		
Civil Lines	6.5-8	6-6.5
Model Town	4.5-5.5	5.5-7
Pitampura	4 - 5	2.8 - 3.5
South Delhi		
Chanakyapuri	10 - 12	8 - 10
Greater Kailash	25 - 30	-
Lajpat Nagar	15-20	12-15
Vasant Kunj	18-22	14-17
Defence Colony	14-16	12-14
East Delhi		
Mayur Vihar	3.5 - 4.5	2.8 - 3
Patparganj	3 - 5	2.5 - 4.5
Preet Vihar	6-8	-
Shahdara	4.5-6	3.5-4.5

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Central Delhi		
Connaught Place	17-20	22-30
Karol Bagh	4-6	2.5-4
Paharganj	5-8	3-5
West Delhi		
Janakpuri	10-13	7-10
Punjabi Bagh	7-10	5-7
Rohini	5 - 7	3.5 - 5.5
Pashchim Vihar	7-8.5	6-7
NCR Region		
Faridabad	2.5-3	-
Ghaziabad	2.8-3.2	
Gurgaon	15 to 20	8 to 12
Noida	8 to 12	10

- The capital value in Delhi NCR region has come down by almost 10%. The developers in the city fail to acknowledge the same. A broker based in Delhi commented that the developers have not reduced the prices but they are offering massive discounts on the apartments.
- March was considered a good month in terms of enquiries & sales made as compared to earlier months like January & February.

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- In Noida & Greater Noida, the market has corrected by almost 18% because of abundance in supply and the average price in Noida region is Rs. 3000 per Sq. ft while for the Greater Noida its around Rs. 2500 per sq. ft.
- The price in Gurgaon has come down by around 13 to15% because of the existing credit crunch. The price of a newly launched apartment was more affected as compared to that of a ready to move in apartments because of the subdued demand. A developer in Gurgaon has launched a project at Rs. 3700 per sq ft but has brought down the prices to Rs. 2990 per sq. ft. They managed to do so because they had bought the land at throw away prices.
- The sale of villas & independent apartments has been highly affected & the demand for smaller homes has increased.
- The developers in the city have not announced any new projects & neither any major transaction has taken place. A lot of projects are still on the hold & for the existing ones the construction has been delayed to certain extent.
- No major new development is taking place within the city by any reputed city developer because of non availability of land and the area being highly saturated & crowded.
- Around 70% of ne w supply is coming up from the NCR region namely Gurgaon, Noida & Greater Noida & Faridabad.
- South & Central are the prime residential location were the property rates are as high as Rs. 25, 000 per sq. ft for a premium apartment while, North & East Delhi offers cheaper apartments were the average capital value is around Rs. 5000 per sq. ft.

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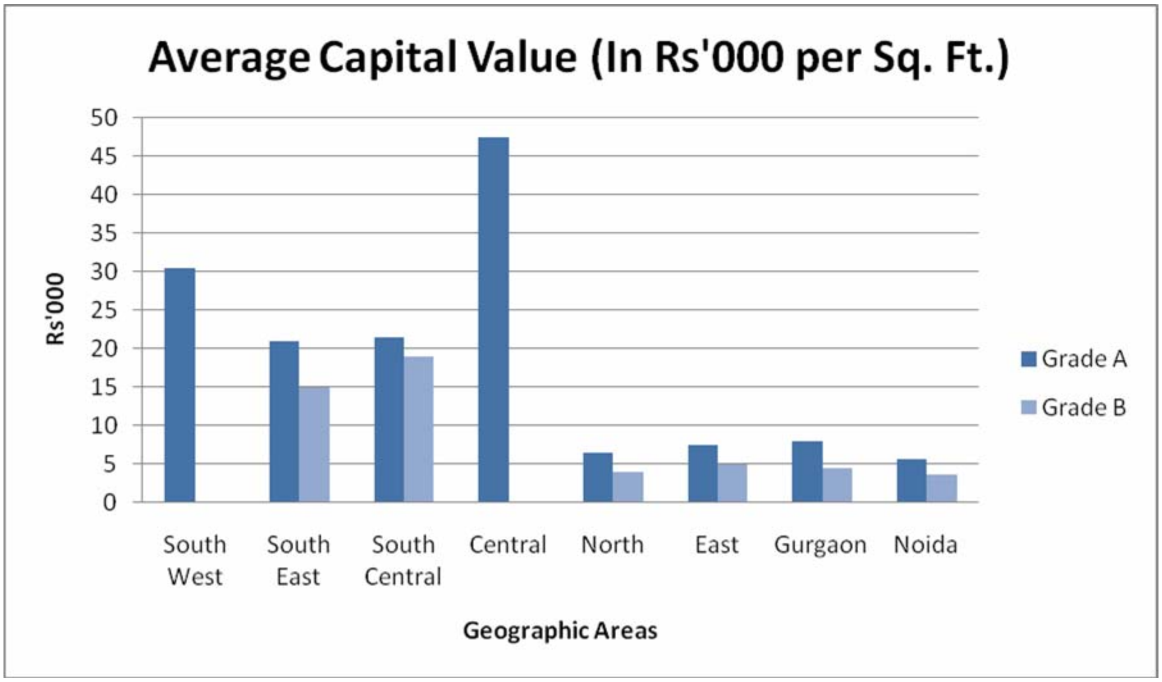

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YIELD

The average yield expected by the city developers in Delhi is currently in range of 4 to 6%. The yield is slightly higher for the NCR region and it ranges between 6 to 10%. The yield expectancy by the developers in the city has come down by around 10%.

UPCOMING PROJECTS

Developer's Name	Name of Project	Location	Possession
Omaxe Group	Omaxe Grandwoods	Sector-93B, Noida Expressway	2009 Oct
	The Forest Spa	Sector-93B, Noida Expressway	2010 Dec
	Twin Towers	Sector - 50, Noida	2010 Dec
	Omaxe PalmGreens	Sector MU Greater Noida	2010 Dec
	Omaxe Panache Homes	Sector MU Greater Noida	2010 Dec
	Omaxe Heights	Sector - 86 Faridabad	2009 Sept

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	Omaxe Spa Village	Sector - 78 Faridabad	2011 Feb
	Omaxe Panache Homes	Sector - 78 Faridabad	
	The Forest	Sec - 43 Faridabad	2011 Feb
	Omaxe Hills	Sec - 43 Faridabad	2011 Feb
BPTP	Parklands	Faridabad	
	Freedom Park	Gurgaon	Oct-09
	Park Serene	Gurgaon	To be Launched
	Park Prime	Gurgaon	18 Months
Vatika Group	Bellevue Residences	Gurgaon	3 years
	Vatika City	Gurgaon	6 Months
	The Soverign	Gurgaon	12 Months
Amrapali Group	Amrapali Eden Park	Noida	Dec-11
	Saffire	Noida	Dec-11
	Empire	Gaziabad	Dec-11

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DLF	Express Greens	DLF Gurgaon	3 Years
	New Town Heights	Sec 86, 90, 91 - Gurgaon	3 Years
	BeLaire	DLF City Gurgaon	1 Year
	Park Place	DLF City Gurgaon	1 & 1/2 Years

Unitech Group launched Garden's II in Gurgaon were the apartments started at a price range of Rs. 28 lacs as compared to Phase I for Rs. 75 lacs. They managed to sell almost 80% of the apartments in just one and half month's time. On the other hand DLF Homes has launched Capital Greens in West Delhi at Punjabi Bagh as affordable housing project and managed to sell the entire project in 3 days.

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