

**DELHI-NCR COMMERCIAL REAL ESTATE  
JUNE-2009**

**ASIA COMMERCIAL**

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## Market Summary

### Demand Supply

- Delhi – Noida and Gurgaon region has witnessed a supply of around 8.5 million sq.ft areas with the majority of supply concentrated in Gurgaon and Noida region.
- Out of the total 8.5 million Gurgaon has a supply of around 5 million, followed by Noida around 2 million and remaining in the Delhi region.
- In Delhi the major commercial areas like Connaught Place, Nehru Place, Jasola and Saket didn't see much of a commercial projects coming up.
- The demand has relatively come down because of the economic downturn and liquidity crunch in the market. The fear of Rentals and Values falling down further is leading to even less demand.
- However there were demands from the SME market for area ranging from 1000 – 2500 sq.ft area which were earlier not considered important and which are now emerging as a new market.

### Locations

#### ➤ Central Business District

The Central Business District (**CBD**) of Connaught Place didn't see any fresh supply coming up; moreover the project which was expected also got delayed by few months.

The vacancy is around 6 % and is expected to go down even further as better and cheaper alternatives are available in SBD Delhi, Noida and Gurgaon.

The average Rental going in the area is around Rs. 250 for Grade A and around Rs. 150 for Grade B.

#### ➤ Secondary Business District

The secondary Business District (**SBD**) of Jasola, Nehru Place and Saket also didn't see much of a transaction happening. The Lease Rental is between Rs. 125 – 200 for SBD.

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- The KLJ Tower North project in New Delhi is complete and is a mix development project. The Commercial area is around 100,000 sq.ft with the floor plate of 8000 sq.ft area. The project has around 10 % vacancy.

The Lease Rental going in the area is around Rs.100 – 105 and Outright is between Rs. 12000 – 14000

- Omaxe group is coming up with a project in Jasola. The area is around 1.7 lakh sq.ft.

➤ Gurgaon

Gurgaon saw major supply with various projects coming up. Also the transaction happening here were more than Delhi and Noida. The projects here have larger floor plate and offer more space availability which drives many corporates to have offices here. Moreover the Rentals here are comparatively cheaper which makes it as a preferred destination.

The Lease Rentals here vary from Rs. 70 – 100 and Outright value around Rs. 8000 – 10000.

- KLJ Park Centra, a project of around 7.5 lakh sq.ft area is complete and operational. The vacancy is around 30 %. It is on Sale and Lease basis both .The Lease Rental is between Rs. 60 – 80 for the first floor and for the ground floor it is between Rs. 9000 – 12000.
- Building 5 project is around 2 million sq.ft area and will be ready by August 2009. The vacancy is around 300,000 sq.ft area. The Lease Rental prevailing is around Rs. 65 – 70.
- Building 10 has 3 towers namely A, B and C.  
Tower A is around 380,000 sq.ft area and is completely leased  
Tower B is around 700,000 sq.ft area and is also completely leased  
Tower C is around 1100,000 sq.ft area and has a vacancy.
- Building 9 a project of 1.25 million is complete and has no vacancy.

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- Amarpali Corporate House at Manesar is around 300,000 sq.ft area and has a vacancy of 200,000 sq.ft area. The Lease Rental prevailing there is around Rs. 50.
- Signature Tower 2 is coming up with approximately 1 million sq.ft area. It is under construction and is expected by the end of 2010. The outright value prevailing is around Rs. 8000 – 8500.
- Unitech Commercial Centre at Sector 71 of around 500,000 sq.ft area is proposed.
- Eros Corporate Park at Manesar is under construction and is expected by next year. The project is of 400,000 sq.ft area and has a vacancy of around 40,000 sq.ft area. The Outright prevailing there is around Rs. 11,500 – 12,000.
- Vipul Trade Centre at Sohna Road is approx 319,000 sq.ft area. It is under construction and is expected by year end. It is on Sale and Lease both. The vacancy for Lease is 100 % and on Outright is 10 %. The Lease Rental is around Rs.60 and Outright is Rs.7000.
- The ACE project is under construction and is expected by August 2009. The project has an area of 270,000 sq.ft and has ample of vacancy. the Lease Rental is around Rs.55 – 60
- Vipul World Commercial a project of 315,000 sq.ft area is under construction and is expected to be completed in next 2 years.
- Vatika Business Park at Sohna Road is around 870,000 sq.ft area and has a vacancy of 500,000 sq.ft area. It is on Sale and Lease both .The Outright value prevailing is Rs. 8000 per sq.ft.
- Vatika City Point at M.G Road, a project of around 170,000 sq.ft area is completed and has a vacancy of 30,000 – 40,000 sq.ft area. It is Sale and Lease both. The Outright value prevailing is around Rs. 15,000.
- Trade Centre at Sector 82, a project of around 1 million sq.ft area is under construction and is expected by 2012. It is on Sale and Lease both. The Outright value is around Rs. 8000.
- Professional point at Golf Course Extension road is a project of 150,000 sq.ft area. The project is under construction and is expected by beginning of 2011. It is on Sale and Lease both. The Outright value is around Rs. 8500

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- Centra One is under construction and is expected by 2011. The project is of 300,000 sq.ft area. It is on Sale and Lease both. The Lease Rental is around Rs. 100 and the Outright value is between Rs.10500 – 12500.

The project has a vacancy of

- 40,000 sq.ft at ground floor
- 30,000 sq.ft at first floor
- 40,000 sq.ft at second floor
- BPTP I.T Park is under construction and is expected by Q 2 2009. The project is of 6.25 lac sq.ft area .It is on Sale and Lease both. The Lease Rental is around Rs. 100 and Outright is Rs.10,000
- Park Centra project is completed and operational and has an area of 1.1 million sq.ft. The project has a vacancy of approx 18,000 sq.ft. It is on Sale and Lease both. The Lease Rental is around Rs. 80 – 100 and Outright value is between Rs.10, 000 – 14,000.

➤ Noida

Noida also witnessed supply of around 2 million sq.ft and there has not been much of transaction. The Vacancy level is as high as 20 %.

- KLJ is coming up with Park Centre project at sector 62 of around 6 lac sq.ft area. The project is yet to be constructed.
- The Galaxy project is completed and has vacancy. The Lease Rental existing there is between Rs. 35 – 40.
- Assotech 1 Park, a project of 125,000 sq.ft area is complete and has a vacancy of 70,000 sq.ft area. It is on Lease basis and Lease Rental is around Rs. 50.
- Amarpali Tech Park project of approximately 800,000 sq.ft area is under construction and is expected by December 2010.

The Lease Rental going in that area is around Rs 33 – 38 and Outright value is around Rs. 3800.

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**Rental market Indicators**

The Lease Rentals has taken a shift this quarter where rentals have come down by 10 % to 30 % in some locations. The abundant supply and lack of demand can put pressure on Rentals to go down even further.

Sub Market	Avg Rent (per sq ft per month)		
	Mar 09	Apr 09	May 09
Connaught Place	150-260	150 – 245	150-240
Jasola	130-140	130-140	130-140
Nehru Place	125-225	110-180	120-180
Saket	175	150-175	150-170
Gurgaon	50-80	45-75	45-70
Noida	40-45	35-40	33-40

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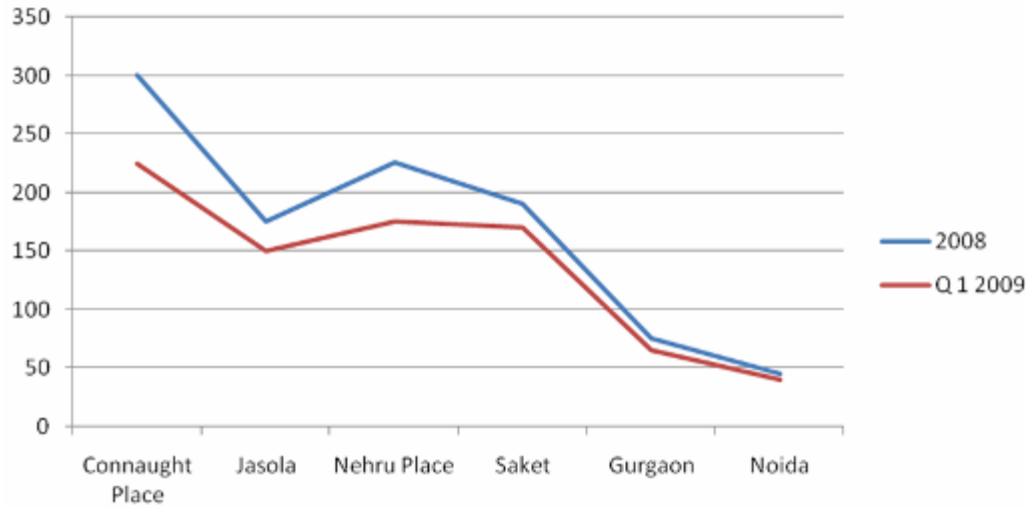
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Rental Value Trend

**Comparison of Lease Rentals**



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**Capital Value Trends**

As compared to previous year the capital value has fallen by around 20 %.The abundant supply and lack of demand is expected to bring downward pressure on values.

- Amarpali Tech Park in Noida has a capital value of Rs. 3800
- Centra One in Gurgaon has a capital value between Rs. 11000 – 12500
- Eros Corporate at Manesar has a capital value of Rs. 11500.
- Vipul Trade Centre at Sohna Road has a capital value of Rs. 7000
- Vatika City Point at M.G Road has a capital value of Rs. 15,000
- Professional Point at Golf Course Road has a capital value of Rs. 8500.
- KLJ Tower North at Pitampura has a capital value of Rs. 12500.

Location	Capital Value (Rs. Per sq.ft)
Connaught Place	30,000
Jasola	15,000
Nehru Place	20,000
Saket	17,000
Gurgaon	9000
Noida	4500

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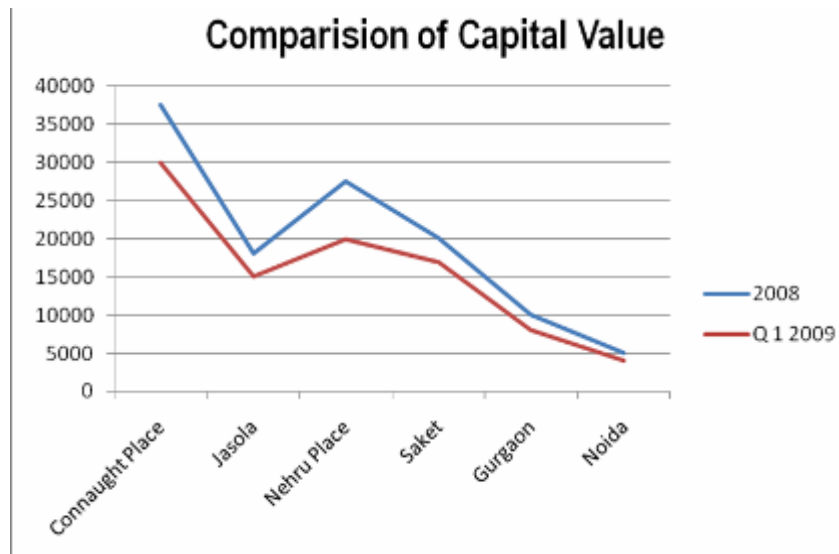
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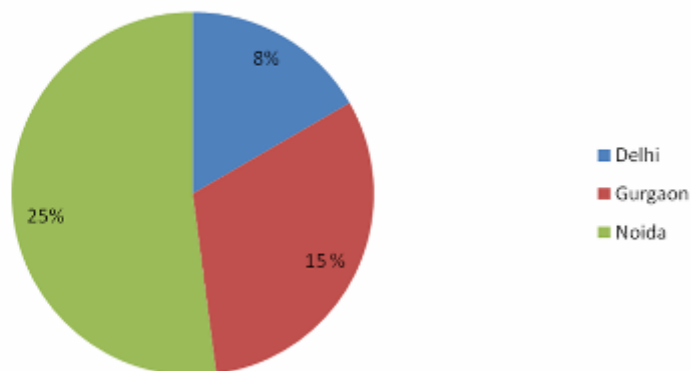
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**Vacancy Rate**

The average vacancy rate has increased as compared to last year. In Delhi the vacancy is to the extent of 8 %, in Gurgaon around 15 % and in Noida around 25 %.

- Park Centra at Gurgaon has approximately 2.25 lac sq.ft area vacant.
- Centra One has a vacancy of around 110,000 sq.ft area.
- Eros Corporate Park at Manesar has a vacancy of 40,000 sq.ft area.
- Business Park at Sohna Road has vacancy of around 500,000 sq.ft area.
- Vatika City at M.G Road has a vacancy of 30,000 - 40,000 sq.ft area.
- Building 10 is a 1.1 million sq.ft area project and has ample of vacancy
- Assotech 1 Park in Noida has vacancy of around 70,000 sq.ft area.

**Vacancy**



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**Significant Completed Project**

Project	Location	Area (sq.ft )
Assotech 1 Park	Noida	125,000
Amarpali Corporate House	Gurgaon	300,000
Park Centra	Gurgaon	1.1 million
First India Place	Gurgaon	171,000
Vatika City Point	Gurgaon	170,000
Building 5	Gurgaon	2 million
Building 9	Gurgaon	1.25 million
Building 10	Gurgaon	2 million
Galaxy	Noida	-
Tower North	Pitampura	100,000

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Significant Upcoming project

Project	Location	Area	Status
Vatika Trade Centre	Gurgaon	1 million	2012
Professional Point	Gurgaon	150,000	2011
Vipul Trade Centre	Gurgaon	319,000	2009
The ACE	Gurgaon	270,000	August 2009
Vipul World Commercial	Gurgaon	315,000	2011
Eros Corporate Park	Gurgaon	400,000	2010
Network City	Noida	-	2012
Signature Tower 2	Gurgaon	1 million	2011
Centra One	Gurgaon	300,000	2011
BPTP I Park	Gurgaon	625,000	August 2009
Amarpali Tech Park	Noida	800,000	December 2010

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**Market Outlook**

The slowdown in the market has led many projects to be delayed by a year or two; on some of the projects whether to begin with the construction or not is also being considered. Delhi didn't see much of a project coming up; all the projects are concentrated in Gurgaon and Noida region

The developers initially were reluctant to SME market but now since the demand has dried up for the larger space requirement the developers are now considering this SME market for requirement of 1000 sq.ft to around 2500 sq.ft area as they see much of a demand coming up from this market.

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