



Prime Options: The Marking Genie!



FOCUS ON GURGAON – Future Growth Gurgaon City

FROM THE DESK OF THE PRINCIPAL CONSULTANT

A year of real governance and the reverberations, the resultant confusion the gap between the rhetoric and the evidence of change, Come March and a progressive Budget the direction looked clearer. Moodis rating upgrade, Government maneuvering through varied policy changes, the Insurance Regulatory bill, the land acquisition bill and the introduction of GST were distinct possibilities, offering flexibility in CLU norms and focus on affordable housing, removing bottle necks in context of long pending projects via KMP & the likelihood of removing the second Gurgaon toll in the next 6 Months and the development of Dwarka Expressway, the NPR & the SPR in the immediate horizon seem to portend well for the real estate market. With the removal of the seven year long stay the investors in NPR can breathe a sigh of relief and actually look at the promise being finally fulfilled!

An astute customer with a plethora of offerings with almost every wish fulfilled with regard to customized payment plans and a host of privileges needs to be discerning when identifying choices. In this News Letter Prime Options is unraveling the progress on various key factors which will drive growth in Gurgaon & unravel where the growth will happen to enable informed decision making.

The shift is from an investor driven to an end user driven market, the final frontier which will reward investors yet again is a key variable of development set to unfold in NCR Gurgaon with growing clarity on what is in store once new roads are completed and projects in their last lap near completion. This is assisted by infusion for the largest developers like Unitech through sales of assets to Brookfield will reverberate in giving much needed fillip to projects plagued by delays and uncertainty and will definitely revive investor confidence. The Government policies are friendly and there is an element of predictability an assurance of predictable governance and adherence to policy which gives confidence of steady growth.

Some key growth parameters indicate a positive outlook which will reverberate in securing investor confidence sooner than later.

Key growth in real estate is driven by a latent demand, where consumers perceive major advantage in choosing an urban lifestyle & and increased opportunities as well. With modernization of villages and contemporary living & improved connectivity the accent is growth of contemporary self sustained smart villages and cities which will to a extent stymie growth for housing but increase the need for commercial catchments to drive new business.

In absence of a regulatory body, & Real estate being a State subject there are a surfeit of regulations which a developer has to encounter to get licenses. This is time consuming & mired in Red Tape with delays leading to long gestation cycles & obvious difficulty in monetization. The licenses will need to be process driven and must have a time for clearance so as to predict cash flows for investment and return on investment to make the opaque Real Estate investment market a more investor friendly predictable investment destination. This should evolve into a more transparent pricing mechanism which is a summation of acquisition costs , licensing costs , marketing & development costs and a fair ROI to determine price points and give greater transparency and value to both investors and developers.

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REAL ESTATE AS AN ASSET CLASS:



What would you prefer to invest in post sustaining the hierarchy of needs which compel real estate investment the next step is to make comparable investments and choose an asset class which increases dividends and maximizes ROI It obviously pays to be careful with plethora of options in the market and concerted efforts to draw investors it is important to have an impartial perspective on variables which will drive growth and sometimes the market presents phenomenal opportunities. We believe NCR Gurgaon is sitting on one such!!

An investor gauges a property from a myriad of options to give him a desired ROI . With investment norms now eased and easier funding through REITS, PE Funds / Endowment Funds, as well as likely easing of interest for debt capital developers can actually ease their dependence on sales and assign value to timelines and delivery to revive investor confidence.

From an investment perspective , the likely the maximum advantage accrues at the beginning of a project or at its very end ! the pre launch gives an investor advantage at securing an asset at competitive price points and the occupation stage affords advantage through visibility and value from variables which drive development such as infrastructure,, road , amenities , proximity & design development .

The sentiments are moving from optimistic to positive , easing of PE norms. REITS will offer a potent tool to channelize pension funds & private investments in an acceptable & secure format to fund real estate & repose confidence in it being a viable instrument with a significant earning potential This with easing of land acquisition norms to speed up projects and a central regulatory body to oversee project development will bring transparency and confidence in Real Estate investment . Local factors such as demand and supply gaps , absorption of inventory , will effect investment in the micro perspective.

IF MONETISED; A TIME TO INVEST YES ! Where to invest ? The Dilemma ?

Rapid urbanization in Gurgaon led the government authorities to increase the geographical spread by adding 58 new sectors (58 to 115) in the year 2007



Soon to be operational, NPR shall serve as an alternate access between Delhi & Gurgaon and shall enjoy excellent connectivity with the Airport, NPR is a 150 meter wide link road between Dwarka (a residential complex of Delhi) to Kherki Daula Toll Plaza at NH-8 (in Gurgaon) , this catchment witnessed maximum amount of activity over the past 5 to 6 years The current sluggishness presents an opportunity to investors, with the developers presenting customers with sops such as convenience payment plan from possession linked , No-EMI till possession etc. NBFC's offering flexibility to book and assist in the entire project life cycle changing the established norms of 20 to 25 % prepayment for loan disbursal by scheduled banks. There is no asset which offers an upside on equity as an asset class beyond a well chosen real estate value proposition. Further developers are aligning themselves to offer discounts aligned to market sentiments and resale prices which are an accurate indicator of value.

3

NCR- Secondary market is indicative of the correction, however the developers are securing advantage & holding firm on prices unleashing the best inventory or inventory with appealing amenities & upgraded specification to justify the higher price tag ! This with alluring sops such as assured rent & rent free maintenance for 3 years and so on.

NCR FOCUS – NPR & SPR (BESPOKE OPPORTUNITY)

What's happening! The key variables influencing decision making



The seven year GLITCH is over! With the vacation of the stay order & settlement with residents of New Palam Vihar the long wait for investors in NPR seems over , this area will finally unlock value it promised to many years ago !

The facts:

1. Dwarka Expressway is a high-speed link road, also called Northern Peripheral Road

It is 18 kms long and 150 metres wide, and runs in a smooth parabola from near Kherki Daula on NH8 to Dwarka Sectors 81 to 115 have been developed along its length, with particular sectors earmarked for residential projects and commercial projects and public utilities.

2. The best builders of the country all have projects under development on Dwarka Expressway.

There are more than 100 residential projects under construction in the area, and the number of residences coming up is estimated to be over 42,000.

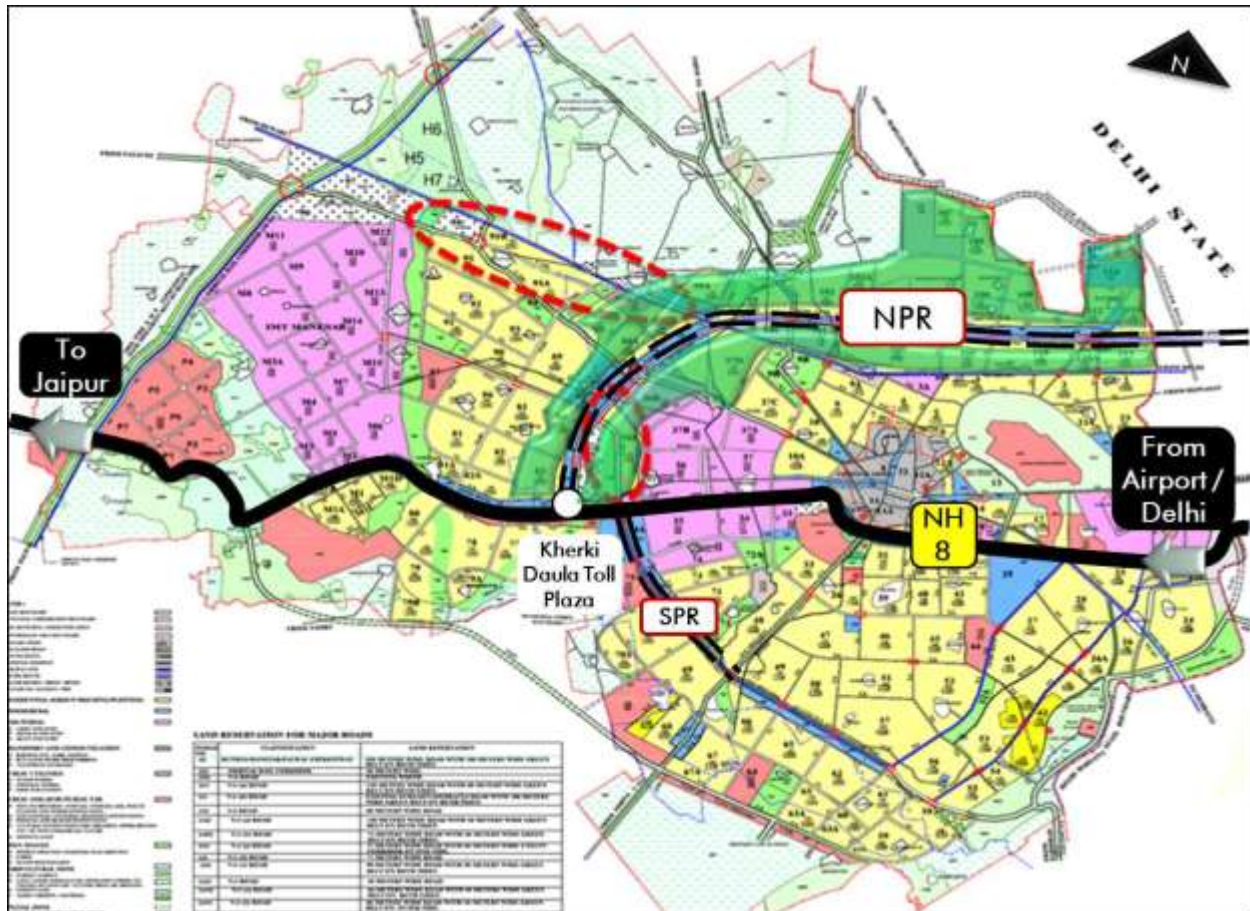
More than half of these (22,000 apartments) have already been purchased by investors and future residents. The balance 20,000 includes apartments available for sale as well as apartments in projects yet to be launched.

3. Proposed infrastructure initiatives coupled with limited land availability in other micro-markets of Gurgaon has played a major

role in transforming the region into an active real estate market comprises sectors such as 36A, 37C, 37D, 84, 88, 88A, 88B, 89A, 99-115, etc.

Prominent developers such as DLF ,Raheja, BPTP , Vatika , Experion , Puri , Sobha etc. were among the first few to launch residential projects along the NPR axis in the year 2007-2008

16



MASTER PLAN 2031 Road Alignment

Legend

New sectors added

- **De-notification of Reliance SEZ; creation of new sectors such as 95-A, 95-B & 36-A**
- **Increased land availability for residential and commercial development**
- **Allocation of area for development of roads to improve connectivity**

Aimed at better utilization of SEZ land

The removal of the New Gurgaon Toll in Six months a Singular factor The area around Dwarka Expressway is being developed with strict adherence to the Gurgaon-Manesar Masterplan 2031. This means the final number of apartments is already known, and so the eventual population and number of cars, etc. can easily be estimated. Wide sector roads have been planned accordingly and many of these roads have already been completed. You can drive on them today to get a feel of this well-planned area.

So it's not just a road – the entire area is coming up like a model modern city.

4. Like any model city, it's not just residences – some of the top names in education, healthcare and hospitality have taken up sites for schools, hospitals and hotels etc. Several of them have actually brought forward their construction plans because of the astonishing speed at which development is taking place in the area.

Delhi Public School is opening in Sector 84 and Sector 102A. Construction has begun in Sector 102A and Pre-Nursery to Grade 3 will be ready for the 2015-16 academic year. Modern School

Barakhamba Road is starting a school in Sector 91 with a 17-acre campus. MatriKiran Senior School is going to be operational in 2016 in Sector 83.

One of PVR's biggest multiplexes is coming up in Sector 84 in Vatika India Next. In fact, PVR will operate 14 screens in Vatika projects alone.

5. Dwarka Expressway provides the much-needed third link between Gurgaon and New Delhi. But that's not all – this road has a greater national significance. It is an integral part of the Mumbai-Delhi Industrial Link Corridor.

6. A Health Care Destination with at least 3 to 4 Super specialty hospitals as part of the New Gurgaon landscape and a green forest which will remain green forever!! The largest commercial belt of the Gurgaon-Manesar Masterplan 2031 is being built along Dwarka Expressway.

7. NCR's second diplomatic enclave (Chanakyapuri is the first) is coming up next to Sector 113 on Dwarka Expressway.

8.

As a part of its developmental plans for Gurgaon-Manesar Urban Complex, the Haryana Government has envisaged a Mass Rapid Transit System Corridor (or metro rail) along Dwarka Expressway. This will start at Dwarka and go on towards Manesar and Neemrana via a metro hub that is coming up in a 162-acre plot at Kherki Daula where the new Inter State Bus Terminal is also being built.

9.

Thus Northern Periphery Road (NPR) or Dwarka Expressway is much more than just a road with residential projects around it. The project is fully supported by the Haryana state government, and Dwarka Expressway is in fact a shining example of government and private sector co-operation.

HUDA is the State Co-ordinating Agency and a number of government departments are actively involved in clearing the way for its early completion. The Implementation Framework has been tendered and allotted to Indiabulls.

10.

A lot of the information available on the internet about Dwarka Expressway is dated in our reckoning you should see it operationalised by 2017

11.

Of its 18 km length, 14.5 km have been completed. Only 3.5 km remain, otherwise Dwarka Expressway is ready. You can drive on it today, and see first-hand the rapid rate at which development is taking place in this area.

12.

Of the 3.5 km of Dwarka Expressway that remains to be built, only 1.3 km is actually under litigation for compensation. This has held up another 1 km, however is being developed in parts. The construction of a 1.2 km Railway Over Bridge (ROB) is going on and is expected to be completed by the end of 2015.

13.

The dispute too is now mostly settled and all issues cleared, apart from some petitioners holding out for better compensation. The matter is sub-judice, so details cannot be revealed. However, it can be mentioned that a settlement is expected quite quickly. Rehabilitation and resettlement of the petitioners is what the courts are considering.

They will be rehabilitated in Sectors 110A and 37C – HUDA has over 145 acres of land in these sectors of which only 15 acres will be needed to resettle all the petitioners. This is expected to be completed within 2015.

Those interested can refer to the affidavit filed in the High Court at Chandigarh by the Secretary, Department of Town and Country Planning on January 13, 2015.

14.

HUDA has already disbursed Rs. 1233 crores to land owners as compensation. Similarly, the factory belonging to Padmavati VNA Mechatronics that was in the path of the carriageway has also been acquired from the company and demolished. Construction at the factory site is proceeding at speed.

15.

In a meeting chaired by the Hon'ble Lt. Governor of Delhi in April 2014, DDA gave its approval for the construction of a crucial overbridge across the Delhi-Karnal railway line.

Since then, construction of the rail overbridge has been nearly completed. This work is being carried out by Indian Railways.

16.

Construction of the Metro Rail on Northern Peripheral Road (Dwarka Expressway) and Southern Peripheral Road has been approved by the Government and it has been taken up as an early bird project by Delhi-Mumbai Industrial Corridor Development Corporation.

The Town And Country Planning Department has determined the Change of Land Use fee for constructing the Metro, and work can commence as soon as this fee is deposited. These funds will be allocated this year, so construction will begin this year as well.

17.

At the Delhi end, DDA has finalized the exact alignment of Dwarka Link Road, which will be a continuation of Dwarka Expressway up to Dwarka. The proposal for land acquisition and construction was also cleared on April 21, 2014.

18.

626 hectares of land has been kept aside for public utilities in Sector 37D, 99A, 100, 101 and 107. Electricity lines are being laid down, and all electric cables up to 66 KV will be underground.

19.

Infrastructural development is going on at speed all along the Expressway. In fact, work on sewer lines, electricity cabling and water supply is likely to be completed within 2015.

20.

The investor community is seeing the area around Dwarka Expressway as a serious investment opportunity. Early investments have shown excellent growth; and with the Expressway heading towards completion, investor interest is very positive.

Gurgaon's 5 micro-markets	Average rate per sq ft (approx.)
M G Road	Rs 14,000
Golf Course Road	Rs 15,000
Golf Course Extension Road	Rs 14,000
Sohna Road	Rs 10,000
Dwarka Expressway (Sectors 81 to 111)	Rs 7,000-8,000

Corresponding circle rates are as under:-

Northern Peripheral Road
Price
(INR / sq.ft.)
Mid End Positioning 6,500
High End Positioning 8,600
Premium Positioning 10,400

WHAT LIES IN STORE

- A Sluggish market till the oversupply is absorbed.
- More distinguished addresses and well differentiated offering in terms of design and conveniences.
- Price remaining firm with lesser bureaucratic interference .
- Development of affordable housing with improved connectivity on National Highways .
- Development of Tier 2 cities with advantage of community living
- Easing of loans to make ownership easier.
- FDI norms eased & REITS to give developers access to easy capital .
- On time delivery of offering predictable cash outflows & inflow.
- Impetus to commercial Real Estate with a focus on development of commercial ITSEZ/Commercial SEZ /Industrial SEZ .
- A deluge of FDI/NRI Capital infusion owing to investor friendly policies reduction in downtime and availability of trained and cheap manpower .

Market observation



NPR is also relatively more affordable than s such as Sohna Road, Golf Course Extension, etc. - the same is Expected to appeal to end-users planning a residential purchase over the next 5 years

OUR RECOMMENDATIONS

TRUMPS ON VATIKA [Click here](#)

OTHER OFFERINGS TO CONSIDER:

BPTP Visionnaire Villas - [Click here](#)

BPTP Affordable Homes - [Click here](#)

Anantraj Estate Villas - [Click here](#)

COMMERCIAL OFFERINGS DELHI & GURGAON - [Click here](#)

MUMBAI OFFERINGS:

Lodha Clariant - [Click here](#)

Indiabulls Golf City - [Click here](#)

Hill Options:

Hollyhocks Mashobra - [Click here](#)

Goa Options:

Scapes Siolim - [Click here](#)

Prime Options & Indian Real Estate

We are modeling ourselves to be a truly integrated INDIAN real estate marketing company with a Global outlook.

We have a comprehensive list of integrated services which make for informed decision making, mitigate risk and ensure a fair ROI, we maneuver through our relationships with clients and developers to ensure advantage!

About Us

Participative Assistance to ensure all decisions are well considered and when it's the largest ticket size, a key business decision a key catchment to serve you cannot afford to go wrong!! Prime Options has served the interest of its catchment and diligently so ensuring joy of ownership and created stuff family legacies are made of.

Our enduring services now encompass value added services integrating Home Automation, Interior Design solutions from empanelled designers who have designed shops to cities and assisted resale services

To avail of the benefit FREE all you need to do is to register your interest add post your requirement or just send your wish list to enable us to address us to find the best options money can buy!! We look forward to winning with you!!

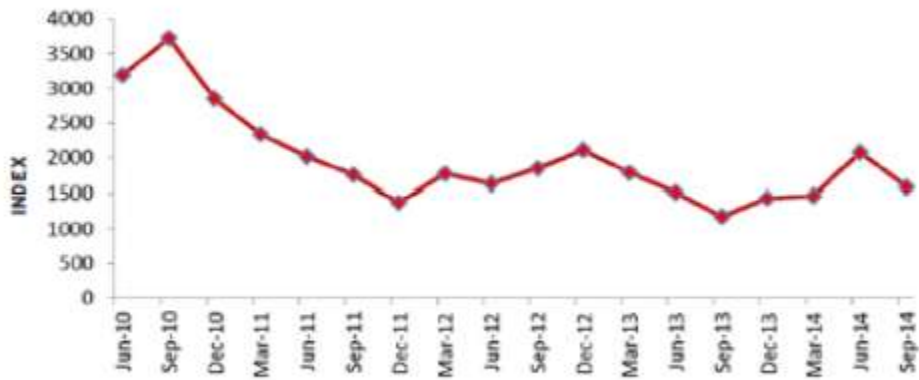
EXPERT SPEAK : PE vs Real Estate :-

Atul Marwaha:” The real estate market in Gurgaon NCR & High Value Market in Mumbai & Suburbs is drawing traction in context of identified value. Ready to move in options and end use formats with convenience payment plans are the flavor of the season.

There is an increased interest in Commercial real estate in context of it being only 15 % of the planned development, most developers have recognized that to be fruitful and lucrative it must conform to International design specifications , serve a catchment & be reflective of an opportunity. Zoning , area planning , serviced apartments , multiplexes , food courts & Flea markets as an integrated whole, to woo customers as also contemporary low cost designs low on maintenance & high on expectations nurture businesses.

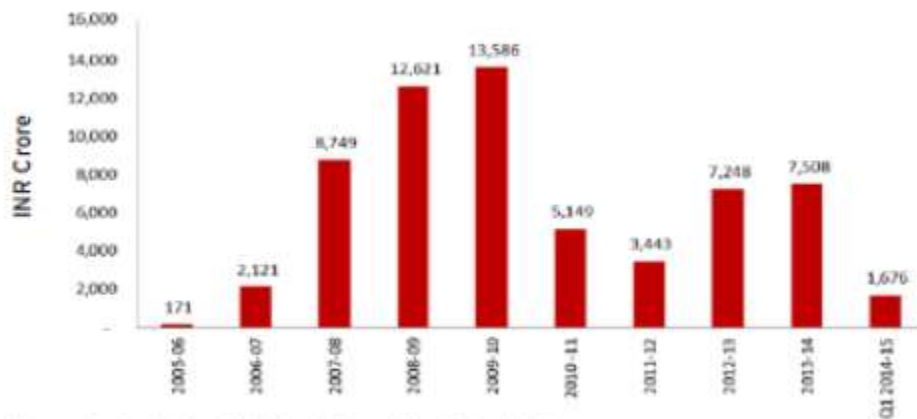
In my view the areas to invest will be catchments along NPR , new Gurgaon , Sohna & in Golf Course Extension road as well in sectors with amenities such as hospitals and commercial facilities. Clients are increasingly wary of false promises, delays .lack of clarity and treat developer’s assurances with disdain. The NCR market and indeed Real Estate will continue to reward investors if carefully chosen , there must be foresight and knowledge on what drives growth and where growth will unlock value , the investors are increasingly frustrated with endless delays owing to legal action stays and there is a sense of despondency ! More than ever before is there a need and an urgent need for Land acquisition to be rationalized to ensure group interests over individuals. In the current context we have on offer value propositions we feel merit consideration. Please have a look we also take this opportunity to recommend that we look at productive investment and instead of spends on marriages why not give your loved ones a gift and legacy of enduring value! We are following up with an investor series to assist you in this path! Please allow us the privilege to serve you! ”

BSE REALTY INDEX



Source: BSE

FDI INFLOW IN HOUSING AND REAL ESTATE SECTOR



Source: Dept. of Industrial Policy & Promotion, Govt. of India

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Central Statistical Organization

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