



India | Year-End 2022

Delhi-NCR Residential Market Watch



In this report, we focus on the premium residential segments in select Indian cities.

ECONOMY ROUND-UP

- 2022 can be understood as the year of protracted war in Europe, the resultant global economic uncertainties and elevated inflation across countries. While the world was working to steady its response to this geopolitical crisis, another reason for caution emerged in the closing weeks of 2022, as new virus variants and a possible fresh wave of infections began to loom on the horizon. Collectively, these factors necessitate further recalibration of growth prospects worldwide.

- In India too, inflation remained beyond RBI's outermost tolerance of 6% ($4\% \pm 2\%$) for 10 straight months, only to ease slightly in November and December. A cumulative repo rate increase of 225 bps also affected the affordability of home ownership to some extent.
- All the same, it must be emphasised that the rate increases have neither been too sudden nor steep to have a quantifiable impact on the resurgence of the residential segment in 2022.

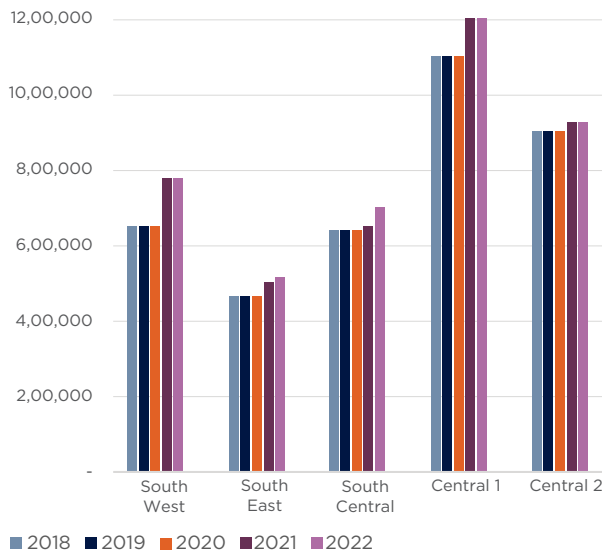
DELHI-NCR REGULATORY ANNOUNCEMENTS

- The circle rate breather, which was granted in H1 2021 and extended up to June 2022, resulted in reviving sales volumes in some micromarkets of Delhi.
- The Real Estate Regulatory Authority (RERA) of Delhi, in April 2022, mandated the registration of projects of more than 500 sq. m of land parcel irrespective of the number of apartments built on it. This is expected to enhance buyers' and sellers' confidence in compliance and transparency.

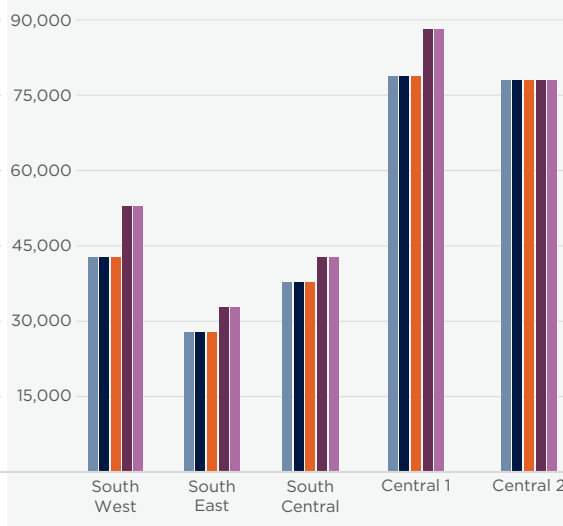
Delhi

PRICE TREND

Average Capital Values for Plots (INR per sq. yard)



Average Capital Values for Floors (INR per sq. ft.)



■ 2018 ■ 2019 ■ 2020 ■ 2021 ■ 2022

Source: Savills India Research

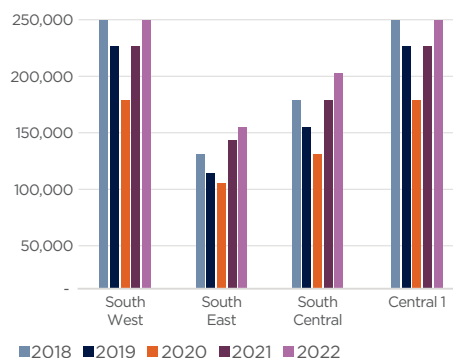
- Delhi micromarkets witnessed a significant increase in the capital value of residential plots in 2021. The year 2022 maintained these elevated prices with only a few micromarkets witnessing a further increase in the values.
- The South Central micromarket with 8% YOY and South East micromarket with 2% YOY growth witnessed the highest and second highest increase in land prices, respectively.
- The decision of Ministry of Urban Affairs to put on hold the registration of properties in

Lutyen's, South and West Delhi for mandatory NOC from Land and Development Office impacted the momentum of high-value transactions that was built-up post pandemic.

- The Delhi government withdrew 20% circle rate rebate in July 2022. Interestingly, the move had no impact on the sales velocity. In fact, the sales took to a new high establishing new price benchmarks across South Delhi.
- The city witnessed the launch of approximately 1,540 units in the luxury segment in 2022.

RENTAL TREND

(INR per month)



Source: Savills India Research

- Delhi witnessed a healthy increase in rental values across most micromarkets in 2022.
- South Central micromarket with 14% YOY growth witnessed the highest increase in rentals. This was followed by the micromarkets of South West and Central 1 which observed 11% YOY increase.

DELHI MICROMARKETS

South West - Shanti Niketan, Anand Niketan, Westend, Vasant Vihar

South East - Friends Colony East, Friends Colony West, Maharani Bagh, Greater Kailash - I, Greater Kailash - II

South Central - Defence Colony, Anand Lok, Niti Bagh, Gulmohar Park, Hauz Khas Enclave, Safdarjung Development Area, Mayfair Gardens, Panchsheel Park

Central 1 - Jorbagh, Golf Links, Malcha Marg

Central 2 - Amrita Shergil Marg, Aurangzeb Road, Prithviraj Road, Sikandara Road, Tilak Marg, Ferozshah Road, Mann Singh Road, Tees January Marg, Sunder Nagar, Chanakyaपुरi

KEY TRANSACTIONS

Transaction: Sale
Location: Jor Bagh
Asset Type: Apartment
Area: 2,772 sq. ft.
Asset Description: Park-facing apartment on 575 sq. yard plot
Price: INR 31 Crore

Transaction: Sale
Location: Jor bagh
Asset Type: Apartment
Area: 2,772 sq. ft.
Asset Description: Park-facing apartment on 575 sq. yard plot
Price: INR 27 Crore

Transaction: Sale
Location: Jor bagh
Asset Type: Apartment
Area: 2,000 sq. ft.
Asset Description: Park-facing apartment on 375 sq. yard plot
Price: INR 17.75 Crore

Source: Savills India Research

Notes:

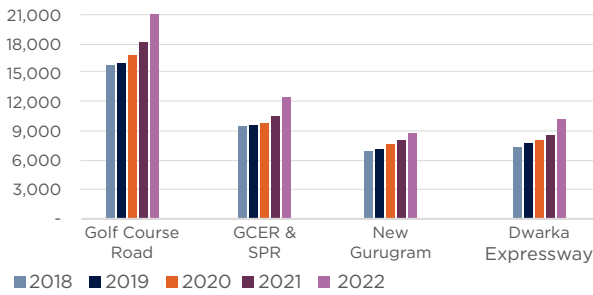
- Average capital value for projects is the quoted base price on saleable area.
- Average rentals are for apartments/floors with average size of 2,000-2,500 sq. ft. with stilt car parking.
- The quoted capital and rental values are as of December 2022.

Gurugram

Stupendous growth witnessed in the capital values of under-construction properties with 22% YOY increase

PRICE TREND

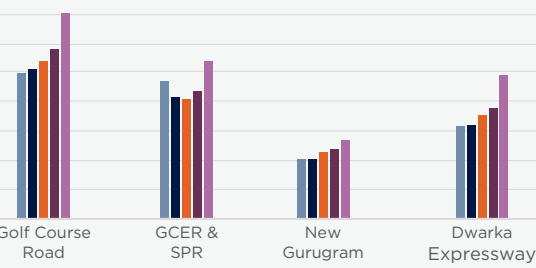
Average Capital Values for Completed Properties (INR per sq. ft.)



Source: Savills India Research

- Gurugram witnessed an impressive growth in the capital values ranging from 8% to 30% on an annual basis across micromarkets.
- Interestingly, with 22% YOY increase, under-construction properties saw higher appreciation in capital values as compared to ready-to-move properties with 15% YOY increase. This highlights the affinity of buyers for new properties offering better amenities and a product mix that suits their requirements in post-pandemic times.
- Dwarka Expressway became one of the most sought-after locations in 2022. This is evident

Average Capital Values for Under-Construction Properties (INR per sq. ft.)

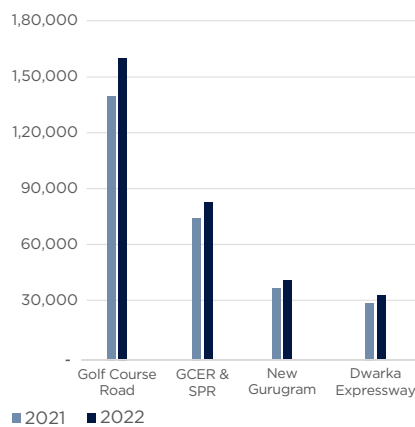


from the fact that the micromarket witnessed the highest growth in capital values with 19% and 30% YOY increase respectively for ready-to-move and under-construction properties. This can be attributed to the spur in demand due to ongoing and proposed infrastructure developments that are expected to enhance the connectivity and livability quotient of the area.

- GCER & SPR micromarket, which has become a prominent location having a mix of commercial and residential properties, witnessed the second highest price hike with capital values being up 24% YOY for under-construction properties.

RENTAL TREND

(INR per month)

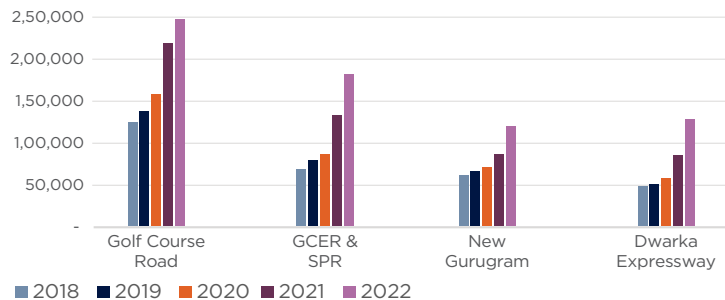


Source: Savills India Research

- The city witnessed an increase of 12% YOY in average rentals.
- Golf Course Road and Dwarka Expressway saw the highest rise in rentals with 14% and 12% YOY growth, respectively.

PRICE TREND FOR PLOTS

Average Capital Values (INR per sq. yard)



Source: Savills India Research

- Capital values of residential plots in the city registered an average increase of 32% over the last year.
- Dwarka Expressway and New Gurugram micromarkets with 50% and 39% YOY growth witnessed the highest increase in land prices.
- The price hike in plotted developments is a cumulative effect of marginal increase in circle rates, approval being given for an additional floor in 2019 and the quest of buyers for independent living in post-pandemic times.

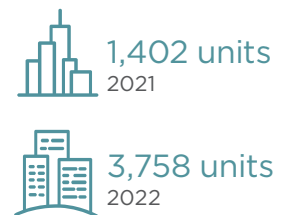
KEY TRANSACTIONS

Transaction: Sale
Location: DLF Phase IV
Asset Type: Independent Floor
Area: 411 sq. yard
Asset Description: 4-BHK + servant room with ultra luxe facilities
Price: INR 5.8 Crore

Transaction: Sale
Location: Golf Course Extension Road
Asset Type: Apartment
Area: 2,590 sq. ft.
Asset Description: 3-BHK + servant room apartment in a premium society
Price: INR 4.15 Crore

Transaction: Sale
Location: DLF Phase IV
Asset Type: Independent Floor
Area: 360 sq. yard
Asset Description: 4-BHK + servant room with modern facilities
Price: INR 3.65 Crore
Source: Savills India Research

YOY Comparison



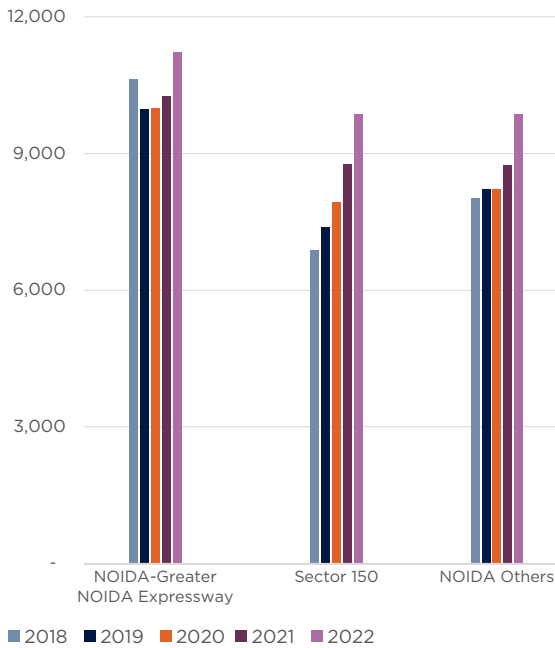
Gurugram witnessed significant increase in new launches of premium luxury units in 2022

- Notes:
- Average capital value for projects is the quoted base price on saleable area.
 - Capital values are reflective of properties priced INR 2 crores and above.
 - Average quoted rentals are for 3 & 4-BHK apartments on Golf Course Road and 3-BHK apartments in other micromarkets.
 - The quoted capital and rental values are as of December 2022.
 - GCER - Golf Course Extension Road.
 - SPR - Southern Peripheral Road.

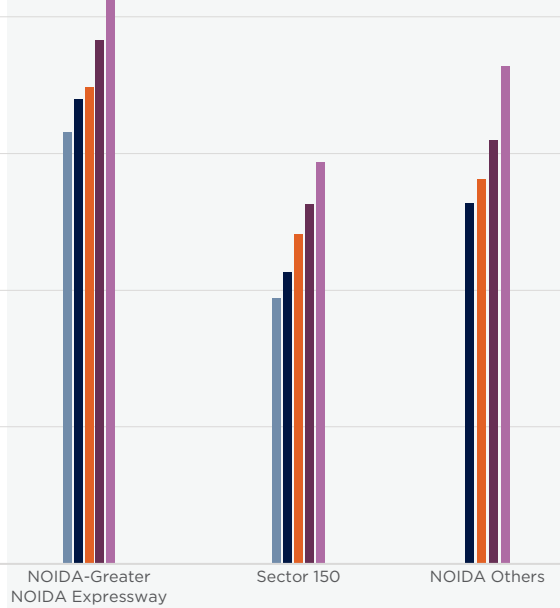
“Micromarkets witness highest appreciation in capital values in the last four years

PRICE TREND

Average Capital Values for Completed Properties (INR per sq. ft.)



Average Capital Values for Under-Construction Properties (INR per sq. ft.)

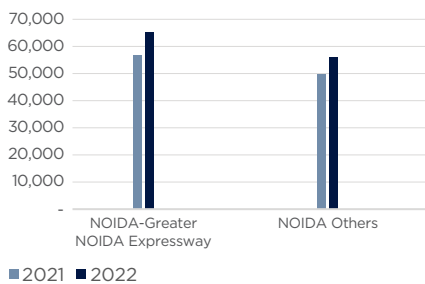


Source: Savills India Research

- With 12% and 14% YOY growth, completed and under-construction properties in NOIDA witnessed a significant increase in the capital values.
- A closer look reveals that the highest growth in the capital values for both, ready-to-move and under-construction properties, were noted in the micromarket of NOIDA Others with 13% and 17% YOY increase, respectively.
- The micromarket of Sector 150 saw an equivalent rise in the capital values as NOIDA Others for completed properties with 13% YOY growth. However, for under-construction properties, the annual increase in capital values in this micromarket was 14%, second highest after NOIDA Others.

RENTAL TREND

(INR per month)



Source: Savills India Research

- Average rentals of premium properties in NOIDA city increased by 13% in 2022.
- NOIDA-Greater Noida Expressway micromarket saw the highest growth with 15% annual increase in rentals.
- The rise in rentals can be mainly attributed to intensified demand as professionals return to their work locations post pandemic

KEY TO MICROMARKETS

NOIDA Others - Sectors 50, 75, 78, 79 & 107

YOY COMPARISON

1,450 units
2021

921 units
2022

NOIDA witnessed decline in new launches of premium luxury units in 2022.

Notes:

- Average capital value for projects is the quoted base price on saleable area.
- Capital values are reflective of properties priced INR 2 crores and above.
- Average quoted rentals are for 3-BHK apartments.
- The quoted capital and rental values are as of December 2022.



OUTLOOK FOR DELHI-NCR 2023

- Delhi-NCR had been witnessing an increase in demand for premium homes even before COVID struck. The pandemic has made 'Wellness and safety', a key purchase consideration. This has further increased the traction in premium housing which is likely to continue in 2023.
- Increasing land prices in NCR is expected to further shoot the capital values for plotted developments and luxury apartments. However, any such price hike is not expected to cast a

negative impact on demand as the target segment's buying capacity has improved considerably. People have become more quality-conscious post pandemic as well.

- Delhi may witness a slight increase in the capital values of premium housing as demand is expected to outstrip supply.
- Infrastructure developments in Gurugram like Dwarka Expressway, proposed metro extension between Palam Vihar and Dwarka Sector 21 and NOIDA and Greater NOIDA will further boost connectivity and propel the growth of the premium housing segment in the region.

Savills Property Services (India) Private Limited

3-A, Second Floor,
Building 9B
DLF Cyber City, Phase 3
Sector 24,
Gurugram 122 002
Haryana, India

Please contact
us for further information

Shveta Jain

Managing Director
Residential Services
shveta.jain@savills.in

Rajat Johar

Managing Director
Delhi-NCR
rajat.johar@savills.in

AUTHORS

Shashwat Srivastava

Assistant Manager
Research & Consulting
shashwat.srivastava@savills.in

Megha Maan

Director
Research & Consulting
megha.maan@savills.in

Arvind Nandan

Managing Director
Research & Consulting
arvind.nandan@savills.in

Savills

Savills PLC is a global real estate services provider listed on the London Stock Exchange. We have an international network of more than 700 offices and 40,000 associates throughout the Americas, the UK, continental Europe, Asia Pacific, Africa and the Middle East, offering a broad range of specialist advisory, management and transactional services to clients all over the world.

Savills India

Savills India is a group company of Savills PLC and is a premier professional international property consulting firm. With full-service offices in Bengaluru, Mumbai, Delhi NCR, Chennai, Pune, Ahmedabad and Hyderabad, the firm serves occupiers, investors and developers of Real Estate. The company provides services across office leasing, project management, capital markets, valuations, research, consulting, industrial and logistics and residential services. Started in India in 2016, the company employs over 600 professionals.



[savills.in](https://www.savills.in)

Savills, the international real estate advisor established in the UK since 1855 with a network of over 700 offices and associates globally.

This document is prepared by Savills for information only. Whilst the information shared above has been shared in good faith and with due care with an endeavour to keep the information up to date and correct, no representations or warranties are made (express or implied) as to the accuracy, completeness, suitability or otherwise of the whole or any part of the deliverables. It does not constitute any offer or part of any contract for sale.

This publication may not be reproduced in any form or in any manner, in part or as a whole without written permission of the publisher, Savills.

© Savills India 2023.