

Delhi-Gurgaon Expressway

Opening new areas for development

January 2008 marked the completion of the much-awaited Delhi Gurgaon Expressway, which added to the already booming development in the city. Improved connectivity and a sharp reduction in travel time, both within the city as well as to and from the national capital, were only some of the factors that made National Highway 8 (NH-8) the preferred route for residents of Delhi and Gurgaon.

Local realtors cite this as the driving force behind rising real estate values witnessed by Gurgaon post-2008, while other cities in National Capital Region were witnessing stable or a decrease in values. Brix Research tracks the changes in real estate values and subsequent development of localities in Gurgaon, which are directly linked to the expressway by being situated near one of its many entry or exit points.

Upon entering Gurgaon via NH-8, one will encounter Exit 5, opposite Exit 18. Prime commercial areas of Gurgaon close to these exits are Udyog Vihar, DLF Cyber Greens and Ambience Island. Ambience, DLF City Phase II and III are prime residential localities. Local realtors observe that much of the value appreciation experienced in these localities had begun prior to completion of the expressway, in anticipation of advantages that it would offer. Hence, there was no immediate impact on real estate values on completion of Delhi-Gurgaon Expressway. However, if we compare residential values for multistorey apartments in 2004 to those in 2008, there appears to be a 100% increase, from Rs 3,500 per sq ft to Rs 7,000 per sq ft.

In commercial segment, establishment of Cyber Greens and Udyog Vihar as commercial hubs of the city was possible only because of their easy access from NH-8 and a reduction in travel time from New Delhi. Commercial capital values were approximately Rs 10,000 to Rs 12,000 per sq ft before the expressway was operational, and have risen to Rs 12,000 to Rs 15,000 per sq ft currently.

This development is not without its drawbacks - traffic congestion is a serious issue, especially at the toll plaza. During peak hours, it can easily take up to an hour to cross the toll plaza. However, S K Mehta, a local realtor, says, "The benefits that construction of this express-

way offered in terms of employment and connectivity far outweigh drawbacks due to traffic congestion. The real estate values have also not been adversely affected by these drawbacks."

Exit 6/Exit 17 are situated near localities like MG Road, IFFCO Chowk and Sukhrali. Residential values of these areas witnessed significant appreciation, almost 100%, as they rose from Rs 4,000 per sq ft in 2005-06 to Rs 5,500-5,600 per sq ft post completion of the expressway, and currently quote at Rs 7,000 per sq ft. Commercial values, however, witnessed a 50% rise across both office and retail spaces post-2008. While traffic congestion at IFFCO Chowk has been cited as an issue, it has had no significant impact on real estate values in these localities.

Situated near Exit 7/Exit 16 are localities like South City I, Sushant Lok and Sector 14. In these areas, too, residential values have witnessed an appreciation of approximately 100% with current values at Rs 6,000 per sq ft, up from Rs 3,000 per sq ft before the completion of the expressway.

Commercial values too, have witnessed significant appreciation, from Rs 5,000 to Rs 6,000 per sq ft before completion of the expressway, to their current value of Rs 12,000 per sq ft.

According to local realtors, the significant appreciation of values could be due to better connectivity, which led to relocation of many Delhi-based companies to prime commercial destinations like Signature Towers, Cyber Park, etc. "Demand for retail space in these localities is very high as compared to supply. This is due to better connectivity, facilitated by the completion of Metro rail link as well as the expressway," says Mehta. Exit 8/Exit 15 lead to localities like Jal Vayu Vihar and Sector 30-31. Residential values witnessed 10-15% appreciation in these areas. Some projects like Uniworld City and Uniworld Spa launched by Unitech have witnessed significant appreciation since 2004. Bookings started from Rs 2,400-2,500 per sq ft and are currently quoting at Rs 6,000 per sq ft.

Exit 9/Exit 14 take one to localities like Jharsa Road, Sector 15 and Sector 32. Of these, Sector 32 is an institutional area, which was fully developed and comprises plots allotted by HUDA to end users/developers for specific purposes. Most development in this locality occurred after construction of the expressway with very little development



prior to 2008.

The current commercial projects are BPTP Park Central, DLF Star Mall and Bestech's commercial projects. DLF's IT-SEZ is also under construction. Rabeja Atlantis is one of the residential projects with ready-to-move-in apartments and has witnessed 20-25% appreciation in values since completion of the expressway. Availability of retail space is less, compared to demand, which justifies its high value at Rs 16,000 to Rs 18,000 per sq ft, up from Rs 5,000 to Rs 6,000 per sq ft prior to 2008.

Local realtors say the maximum development after completion of the expressway was seen at localities situated at Exit 10/13 viz. Sohna Road, Rajiv Chowk and Secretariat. Residential values have risen from Rs 2,000 to Rs 2,200 per sq ft prior to 2008, to the current Rs 4,500 to Rs 5,000 per sq ft. New residential projects include Unitech's Uniworld Garden, whose values have risen from

Rs 1,575 per sq ft when bookings started in 2005 to their current rate of Rs 4,200 to Rs 4,300 per sq ft. Vipul Greens is another project which witnessed similar trends post-2008, as also Vatika City.

The commercial values in these areas have risen from Rs 3,500 to Rs 4,000 per sq ft to Rs 5,000 to Rs 6,000 per sq ft. A number of new projects like Vatika Technology Park, Vipul Technology Park, etc, have come up in the commercial segment. Retail has also developed post-2008, with a number of malls coming up, like Omaxe Wedding Mall, Rabeja R Mall and JMD Galleria. The retail values are approximately Rs 9000 to Rs 10,000 per sq ft.

Exit 11/12 covers Hero Honda Chowk, Sectors 9, 10 and Pataudi Road. Apart from a cooperative group housing society, which was operational since 2000 in Sector 9, there was hardly any residential development in this area. Still, the current residential values are nearly Rs

3,000 per sq ft.

To conclude, not only made development in Gurgaon more accessible but also facilitated development along Pataudi Road. According to MD of Asia Pacific, Plan 2021 has opened development with waiting approval. This in supply, appreciation as high as was expected development and by completion of the ready-to-move-in prices (10-15% under construction).

Most of the new projects are being developed in the Master Plan stretch, currently under construction in Gurgaon, a locality accessible only to the Delhi-Gurgaon

The main advantage of NH-8 development was enhanced and high-speed connectivity between Delhi and the commercial hub, Gurgaon. But Brix Research finds that its impact has been even more in areas that earlier remained unconnected