

Realty in the slow lane

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Faridabad, one of the promising destinations of the NCR region, has had a bitter-sweet run as far as the realty scene is concerned over the past one year. The property market here has been slack with prices remaining stagnant, while there has been ample supply in the residential segment.

As a realty destination, Faridabad has had its set of positives and negatives and those planning to invest or settle here need to keep both these perspectives in mind before parking their hard-earned money here.

A fast-developing city of Haryana, Faridabad has huge potential for real estate growth on the lines of Gurgaon and Noida. It has locational advantage as it is just 25 km from the Connaught Place. This driving factor is working well for the city bringing a large number of big developers here. According to Devinder Gupta, Managing Director of realty advisory DGRS Century 21, "The Neharpur area or the Greater Faridabad is an ideal place to invest. Though infrastructure is still not very great here at present, once the proposed infrastructure comes up this is going to be one of the better locations in the NCR. Among the sectors that have greater potential, Sectors 88 and 89 are in demand as these will be close to two upcoming highways."

Infrastructure boost

The infrastructure projects that will help in development of Faridabad include the Taj Expressway, and a highway beginning from Kalindi Kunj and running parallel to Mathura Road that will bypass the city. According to an official of HUDA, "We are now focusing on the development of Faridabad. We are planning one new bypass for which we are acquiring land. People going towards Agra can now use this bypass to go through Surajkund and directly reach National Highway across Sectors 58, 59. We are also widening the existing bypass at Sector 97 at a cost of Rs 118 crore which will include the construction of one flyover."

Builders are upbeat about these development plans. Sameer Jasuja, MD of PropEquity, says that Sector 75 near Agra canal is going to be the next commercial hub for Faridabad.

According to an official of Ansal API, when Badarpur flyover will be complete, the access will be more comfortable and the plan of Metro reaching there in the future will bode well for the property market. The freight corridor in the vicinity and HSI-DC's planned commercial hub nearby are further going to add up to the value of property here.

"Infrastructure changes can be seen in terms of floating new sectors with a public and private sector partnership, setting up new institutional sectors, witnessing changes in the skyline by developing a new urban development policy, adding new high-tech electronic and communication units and IT Parks, and better road and transport facilities", says Amit Vaidya, MD of Golden Estate.

Prices and projects

Faridabad has always been underpriced in spite of the geographical advantages it offers, being equidistant from Delhi, Gurgaon, and Noida and having fairly good connectivity.

Big-time developers and builders like BPTP, Era,

Landmarks, Omnax, SRS, Puri Construction, MGH, Universal group, ORS Infrastructures, Iris Adobe Pvt Ltd, RPS, etc., have come up with mega projects here. But the king is BPTP. It possesses around 2,000 acres of land here.

According to market watchers, Sectors 43 and 86 are becoming the preferred locations here.

One can find various options from low-cost affordable flats to high-end luxury apartments and villas. According to Manish Ranjan of Suraj Realtors, "One can get two BHK flat in the city with various amenities like 24 hours security, power back-up, club facility, etc. There is also a demand for luxurious housing, and this demand has made many leading builders to provide luxurious housing options in Faridabad. Omnax, Parayanam flats, BPTP and many big builders are offering luxury apartments in Faridabad. Though these are expensive, they cost much less when compared to those in cities like Noida and Gurgaon. You can buy three or four BHK flat with built-up area 2,250 sq feet from Rs 1 crore onwards."

According to Samir Jasuja, "Faridabad offers affordable to costly ready-to-move-in flats. Since two and three bedroom flats are more in demand, so there is sufficient supply of these here, especially in Sectors 82, 21, 19, 39, 46, etc. Service apartments are also in demand here and several builders have these in their kitty in areas like Sectors 29, 30, 31, 46, 47, 28, 39, 14, etc.

Why it has lost to Noida and Gurgaon?

It is a well-known fact that Faridabad was among the most developed cities in the NCR till both Noida and Gurgaon overtook it in terms of infrastructure

AREA WATCH: FARIDABAD



PROPERTY TRACKER Current Residential Projects In Faridabad

Project Name	Locality	Developer	Project cat type	Start/Est. Price	Avg. Size (sqft)	Launch date	Completion
Luxury more than 1500 bakh							
Athens	Sector 1	MVN Infrastructures	Apartments	3,300	2,481	Jul-08	Jun-13
Park Arena	Sector 80	BPT	Apartments	3,500	2,202	Aug-10	Dec-14
Savana	Sector 88	RPS Group	Apartments	3,300	2,360	Jan-06	Dec-13
Residency	Sector 88	SRS Real Estate	Apartments	3,258-3,594	1,837	Feb-07	Dec-12
Mid Segment between 1300 bakh & 1500 bakh							
Omnax City, Heights	Palwal	Omnax	Apartments	2,100	1,550	Jul-10	Apr-13
Athens	Sector 1	MVN Infrastructures	Apartments	3,300	1,659-1,726	Jul-08	Jun-13
Park Arena	Sector 80	BPTP	Apartments	3,500	1,107-1,382	Aug-10	Dec-14
Savana	Sector 88	RPS Group	Apartments	3,300	1,250-1,590	Jan-06	Dec-13
Residency	Sector 88	SRS Real Estate	Apartments	3,258-3,594	1,304	Feb-07	Dec-12
Affordable less than 1300 bakh							
Omnax City, Heights	Palwal	Omnax	Apartments	2,100	1,175	Jul-10	Apr-13

Projects are updated till Dec 2012

Source: PropEquity Research team

development. Even though it lacks the required infrastructure, and good transportation facilities, Faridabad is fast emerging as a playground for some of the most distinguished and prominent real estate developers, against stiff competition from neighbouring realty hot spots like Gurgaon and Noida-Greater Noida. Developers like BPTP,

Puri Construction, KJL Town Planners, RPS, SRS, Omnax, etc., have launched housing projects here with some even in the process of delivering the units. Other realty majors like Assoch Ltd, Gardania Group, and TDI are also planning to come up with integrated township projects here.

The growth rate of population here has been very rapid

during the past three decades; the NCR Regional Plan estimates that the city is likely to have a population of 21.3 lakh by 2021. Keeping this in mind, the town and country planning department of Haryana has prepared a 20-year development plan for the entire city, and HUDA is acquiring land for the developing sectors in Faridabad. "All this translates into a great opportunity for developers and builders to bring modern residential projects with all the lifestyle amenities to this place, as the demand for such products is gaining ground here", says Pradeep Seth, CEO, RPS Group. The group already has commercial and residential projects in Faridabad and has recently launched a residential project in Sector 88, Greater Faridabad.

Devinder Gupta says, "The prices of realty in Faridabad are stable and it is most unlikely that it will touch the sky as buyers of Delhi and other NCR towns think twice before investing here due to poor connectivity. It will take years for metro rail to reach Faridabad."

Sujata Sharma, who teaches in local Modern Vidhya Niketan, says while poor infrastructure remains a hurdle for residents, power cuts, faulty drains and bad roads have made it difficult for industry to sustain growth. "Till it is not improved, realty scene to remain stagnant here, she adds.

Infrastructure issues have severely hit the growth of

realty and auto component industries.

Rakesh Sharma, a teacher in Manav Rachna Educational Institutions says, "Bad roads often lead to massive traffic jams and lack of adequate power means the campus has to run on generator facilities. This of course means additional costs."

He tells us how students from other cities avoid taking admission in institutes here. "The overall exhausted resources do not pay us well in terms of total number of students from outside Faridabad. It largely affects our business. Also, if the infrastructure problem continues to persist then this might be a hindrance to the other upcoming projects here", he says.

On an optimistic note, however, Sameer Jasuja says, "There is not much infrastructure here but we can look at the example of area like Indirapuram, which used to be a neglected area few years back. The industrial city with about 300 large and 10,000 small-scale industries under its belt has always been underpriced. But now the situation is changing. It not only has swanky residential areas but a lot of commercial projects have also developed or are in various stages of progress." Notwithstanding the fact that there are some doubts about the delivery time, there can't be two opinions that a property in Faridabad will be a prized possession after four-five years.