

4 Kundli offers
several
residential options,
including plots and
independent floors

Kamal Taneja

MD, TDI

Kundli is the next destination for the mid segment residential market. We have delivered 1800 apartments so far and 800 people have already moved into our city. We have recently launched the Lake Grove City that is part of the Kundli township. The USP of the project is an artificial lake spread across four acres. The third phase of this project has already been launched. As far as apartment prices go, those in high rises are priced at ₹3650 per sq ft plus developmental charges and those in low rises cost ₹3750 per sq ft plus developmental charges





INVESTMENT GUIDE

A LONG-TERM INVESTMENT BET



People should maintain an investment horizon of at least three to five years for getting decent returns

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The real estate market in Kundli in the Sonapat district of Haryana holds great potential owing to several current and proposed developments such as the Kundli-Manesar-Palwal or KMP Expressway, the ₹5000 crore Rajiv Gandhi Education City at Sonapat, the 100-metre-wide road from the IGI Airport to Narela, improved rail connectivity (Kundli will have a metro stop as part of rapid rail

transport system), a proposed logistics park and a textile park, etc.

This city also enjoys advantageous proximity to the upper-middle-class residential catchment of north Delhi. Against the backdrop of a landscape that is being increasingly defined by mega education, institutional and industrial projects as well as rapidly enhancing infrastructure, the prospects for the realty market within the Kundli-Sonapat belt remain upbeat.

While the TDI Group with its land bank of over 1250



DEVELOPERS IN THE REGION

Parsvnath Developers ■ Ansal API ■ Omaxe ■ Parker Group
■ Raheja Malls ■ Eldeco ■ Anant Raj ■ Tulip Infrastructure ■
Eros Group ■ AJS Builders ■ Divine Group ■ Shree Vardhman ■
Jindal Realty Pvt Ltd

acres, remains the premier developer in the region, others like Parsvnath Developers, Ansal API, Omaxe, Parker Group, Raheja Malls, Eldeco, Anant Raj, Tulip Infrastructure, Eros Group, AJS Builders, Divine Group, Shree Vardhman and Jindal Realty Pvt Ltd are all present with projects of varying magnitudes in this belt.

Investment potential

So far, the Kundli-Sonapat belt has offered moderate-to-good returns on investment (ROI) in absolute terms. However, the ROI on real estate is some-

what lower when compared to the appreciation witnessed in other regions of NCR such as Noida and Gurgaon. The average plot price today is in excess of ₹25,000 per sq yard, a huge jump from ₹5000 per sq yard a few years back when projects were being launched.

On an average, there has been 30% to 40% appreciation in apartment rates since 2007-2008, implying that the annual property appreciation rate in the Kundli region has been in the range of 6-10%. Property rates in other NCR regions such as Noida and Gurgaon have more than

doubled in the same period. Commercial properties, on the other hand, have jumped 50% in the last three to four years on the expectation of a boom in the residential market and increased scope for commercial activities in the area. The current rates for commercial property in the area are above ₹8,000 per sq ft and are likely to maintain growth, albeit at a slow pace.

Coming down from the high

All said and done, it is evident that the initial euphoria over the Kundli-Sonapat region is

waning. This can essentially be attributed to the extremely slow pace of progress on the many proposed infrastructure projects there. Due to the delay in the growth of the KMP Expressway, the property market in the region has not taken off with the initially anticipated speed. Overall, the region lacks critical mass in terms of population, and it has yet to emerge as a preferred office destination for IT/ITeS organisations. The occupancy level in the existing projects is just around 25% and could even be lower.

Apart from this, basic infrastructure like schools and hospitals are yet to make a convincing appearance in the region. The affordability tag - which used to be a prominent driver for investors who were discouraged by the much higher ticket sizes in other NCR areas - is gradually losing

relevance. That said, the price points at Kundli are still lower than other areas of NCR.

To summarise...

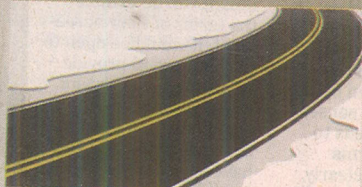
From a future investment perspective, this region has potential to develop due to its proximity to north Delhi. Property investors with constrained budgets can still explore Kundli for its affordable options. If the government shows renewed commitment towards the proposed infrastructure and development initiatives, the Kundli real estate market can certainly get into higher gear.

Investors should maintain an investment horizon of at least three to five years in order to realise decent ROI - as it will take that much time to develop fully.

The author is a CEO - Operations, Jones Lang LaSalle India

GROWTH DRIVERS

EASTERN PERIPHERAL EXPRESSWAY



- The eastern expressway will connect NH2 (Palwal, Haryana), NH24 (Ghaziabad, Uttar Pradesh) and NH1 (Kundli, Haryana) and is aimed at decongesting the road traffic coming into Delhi
- The highways ministry has prepared a detailed project reports (DPR) for the eastern peripheral and Vadodara-Mumbai expressways, worth about ₹30,000 crore together, and expects to complete the bidding for these by October
- According to the DPRs prepared by the ministry, the total cost of the 400km-long Mumbai-Vadodara expressway is estimated at ₹25,000 crore.
- Delays have pushed up costs in the case of the eastern peripheral expressway (EPE) to about ₹5,000 crore from ₹2,699 crore earlier on account of a delay-it has been stuck since 2007-and an increase in length to 192km from 135km
- Requests for qualification for the projects are expected by September

THE EDUCATION CITY



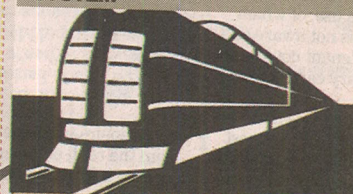
- The Rajiv Gandhi Education City (RGE) at Kundli in Sonapat is envisaged as a hub for higher learning and a centre for research in cutting edge technologies such as nanotechnology, biotechnology, genetics engineering and medicine
- Land measuring 2,007.60 acres has already been acquired for the city
- The total investment in land and development of campuses is estimated to be to the tune of ₹1500 crore
- Around 12 institutes including National Law University and IIT Delhi for its extension campus, have been allotted educational plots in the city
- These include Bharti Vidyapeeth University, Pune, Ashoka University, Asian Education Society Skyline Business School, Foundation for Organisation Research and Education (FORE) School of Management, Manav Rachna International University, NC College of Engineering and Research, RIMT Technical Campus among others

KMP EXPRESSWAY



- The 135 km Kundli-Manesar-Palwal (KMP) Expressway (also known as the Western Peripheral Expressway) will inter-connect four national highways: 1, 2, 8 and 10 in Haryana
- It will pass through Kundli-Rai (NH1), Bahadurgarh-Rohtak (NH10), Gurgaon-Manesar (NH8) and Faridabad Palwal (NH2)
- Various hubs such as leisure hub, sports hub, media hub, fashion hub, bioscience hub, entertainment hub, world trade hub and leather hub are planned to be developed along the KMP Expressway
- It will act as a Delhi bypass for the traffic coming from north Delhi on NH1 and moving towards south Delhi on NH2 or west Delhi on NH8
- The expressway has been divided into three sections of 45 km each. Flyovers are being constructed at places where the expressway crosses national highways

RAPID RAIL TRANSPORT SYSTEM



- Apart from road connectivity, the Haryana government is also focused on improving the rail network
- It is planned that Kundli will have a metro stop as part of the Rapid Rail Transport System
- The feasibility study for three corridors - Delhi-Panipat (111 km), Delhi-Alwar corridor (180 km) and Delhi-Meerut (90 km) - has been completed
- The ministries of urban development and railway and the state governments of Delhi, Uttar Pradesh, Haryana and Rajasthan have also agreed to form a company that will facilitate the construction of a high-speed rail network to connect various cities in the expanding national capital region (NCR) of Delhi
- The new company, called the National Capital Region Transport Corp (NCRTC) will have an initial capital of ₹100 crore, of which the urban development ministry and the railway ministry will contribute ₹22.5 crore each; the NCR Planning Board ₹5 crore, and each of the four states, ₹12.5 crore each. The company will be responsible for designing, developing, implementing and financing