

# REAL ESTATE MARKET & BENCHMARKING STUDY – SECTOR 36A, GURUGRAM



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The background of the slide is a photograph of a modern, multi-story glass skyscraper. The building has a complex, angular design with many windows reflecting the sky. In the foreground, there is a wide, multi-lane road with several cars driving on it. The sky is clear and blue.

## City Assessment

- Delhi NCR Overview
- Gurugram City Overview
- Gurugram City - Demographics
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# Delhi NCR Overview

## NCR – OVERVIEW



**National Capital Region (NCR) encompasses entire National Capital Territory (NCT) of Delhi and portion of urban & rural areas in the states of Haryana, Uttar Pradesh & Rajasthan**

## THE MOST INFLUENTIAL URBAN NODES OF NCR - DELHI, GURUGRAM AND NOIDA

- National Capital Territory of India - spread over approx. 1,483 sq. km.
- Population as per Census 2011 – 16.79 million
- Prime destination for commercial and retail developments
- Central Business District – Connaught Place
- Prominent residential locations viz. South & Central Delhi
- Prominent retail locations viz. Saket & Vasant Kunj

- Noida came into existence on 19 April 1976 with the primary goal of accommodating the industrial growth congesting the National Capital Delhi.
- Population as per Census 2011 – 0.64 million
- A major Commercial & IT/ITeS destination
- Central Business District – Sector 18, Noida
- Residential developments primarily Group Housing Format & plotted developments

- Gurgaon city Population as per Census 2011 – 0.88 million, Estimated Population for 2022 – 1.85 million
- Strong presence of Commercial & IT/ITeS developments
- Presence of large multi-national Fortune 500 corporations (MNCs)
- Central Business District – DLF Cyber City
- Residential developments primarily Group Housing & Plotted Format

**The subject micro-market i.e. Dwarka Expressway and New Gurgaon is one of the fast emerging and promising micro markets of NCR ecosystem**

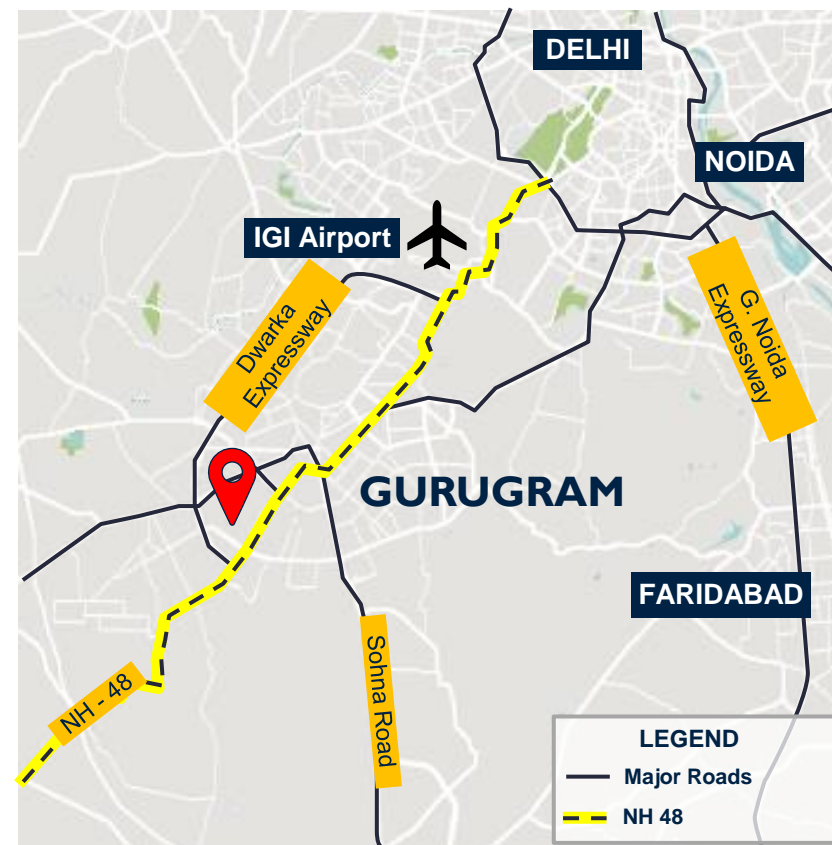
Delhi, Gurugram & Noida are most influential urban nodes of NCR

By late 1990s, a wave of Multi-National Companies chose to locate their base of operations in Gurugram. Today, the city houses the offices of more than half of Fortune 500 companies and is renowned for its modern retail malls, swanky cyber parks and marquee high rise residential developments.

Accounting for ~60% of total Grade A office stock in Delhi NCR, some of the corporate houses having presence in Gurugram are American Express, Accenture, Deloitte, KPMG, TCS, EY etc.



# Gurugram - City Overview



Central Business District: DLF Cyber City

Secondary Business Districts: Golf Course Road, Sohna Road, Golf Course Extension Road etc.

Occupier Profile: Google, Genpact, KPMG, IBM, Accenture, Ericsson, Standard Chartered Bank, etc.

Retail Destinations: Ambience Mall (NH48) & multiple malls on Mehrauli Gurugram (MG) Road

## CITY OVERVIEW

- Gurugram is the second largest city (after state capital of Chandigarh) in the Indian state of Haryana & accounts for over 40% of GSDP (Gross State Domestic Product)
- Strategically located towards south-west of the National Capital Territory of Delhi, within proximity to the IGI (Indira Gandhi International) Airport
- Gurugram has become a global destination by offering state of the art real estate developments that house renowned tenants and occupiers from across the globe. Gurugram has emerged as preferred office /residential destination for working professionals in North India
- Areas around Cyber City, MG Road, Golf Course, Golf Course Extension Roads houses marquee commercial and residential developments by renowned developers. These developments offer ultra-modern and futuristic facilities and amenities.

## GURUGRAM EVOLUTION



In the initial years, Gurgaon remained a small farming village until 1970s. People started settling in old colonies of Jacompura and Bhimnagar, followed by development of sector 4-7.

Gurugram's location on NH-8 and proximity to the domestic and international airport led to emergence of Gurugram as a residential suburb to Delhi

In 1981, Maruti established its first plant, which accelerated Gurgaon's growth story. Prominent IT/ITeS companies moved to Gurugram for grade A developments and lower rentals than Delhi.

Later on, corporate tenants and multinational companies also decided to move base or commence operations from Gurugram

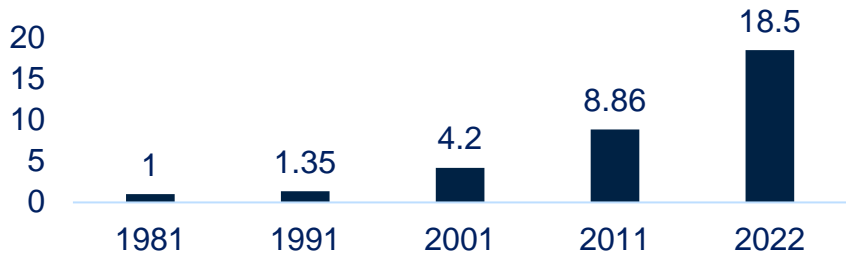
Commencement of Delhi – Gurugram Expressway further catalyzed real estate activity in Gurugram. Emergence of organized large-scale townships and group housing projects led to further relocation of working population from other part of NCR.

**New Gurugram and Dwarka Expressway are the upcoming growth vectors in the city.**

# Gurugram City - Demographics



Population in Gurgaon Manesar Urban Complex



Population of Gurgaon City has almost doubled over the past decade (2011 to 2022), with increased employment opportunities in the city which has boosted demand for real estate developments.

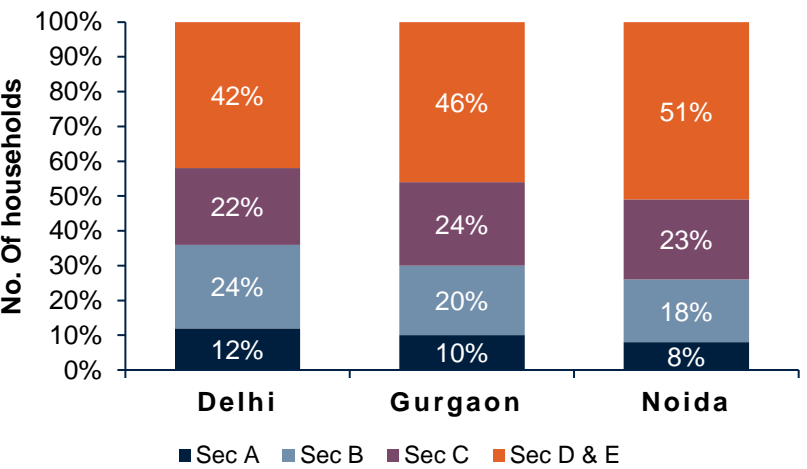


**Literacy Rate**  
**87%**



**Sex Ratio**  
**849**

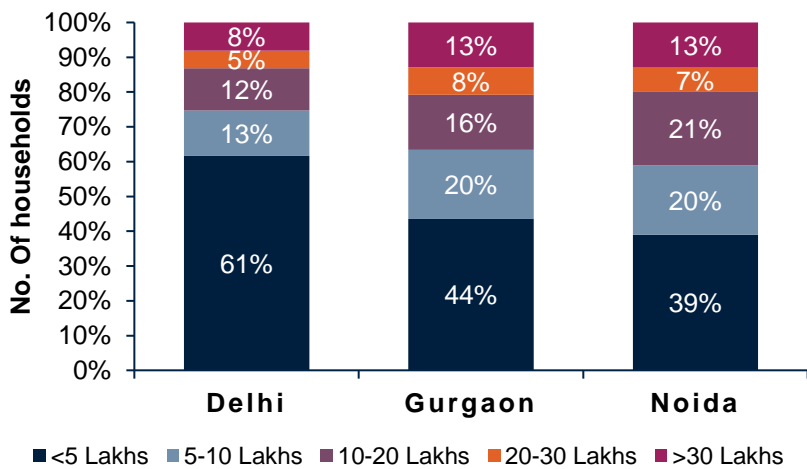
Socio- economic classification- NCR



% share of Sec- A, B and C population of Gurgaon suggests diverse population across various income groups indicating that there is potential demand for a range of real estate developments catering to different segments of the market..

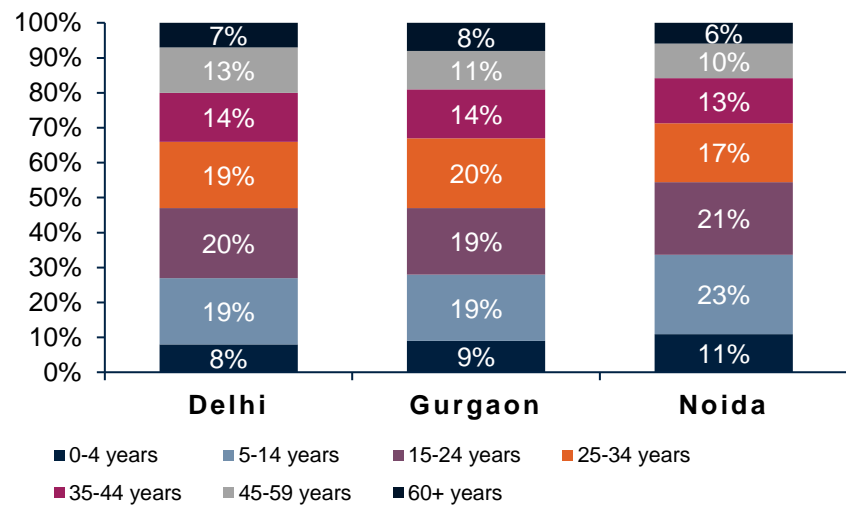
\* Sec- A - Highest propensity to purchase high value consumer goods; Sec C : Skilled workers and petty traders ;Sec D &E: Unskilled workers

Household Income- NCR



About 37% share of population in Gurgaon is earning more than 10 lakhs indicating a healthy mix of potential consumers which is comparable with other cities of NCR viz. Delhi and Noida having 26% and 40% respectively.

Age Distribution- NCR



About 8% of the population in Gurgaon falls under 60 yrs.+ age group. Further, currently there are major projects in the city catering to the senior citizens, hence creating a sizable market for senior living developments in the city.

# Physical Infrastructure Assessment

## ROAD

- Prominent national highways:**
- National Highway 48 (NH 48)
- Prominent expressways:**
- Dwarka Expressway
  - Central Periphery Expressway
- Prominent city roads:**
- Golf Course Road, MG road, Golf Course Extension Road, Southern Peripheral Road

## PROPOSED METRO

- The Haryana government has approved the 31 km long route connecting HUDA City Centre to Cyber City via Gurugram Railway Station and will have 25 stations.
- Proposed extension of Rapid Metro from Sector 56, Gurugram to Vatika Chowk via Southern Peripheral Road.
- Proposed “Mass Rapid Transit System Corridor” along the 150 m wide northern link road to Delhi extending from Dwarka in Delhi has been proposed upto Inter State Bus Terminal proposed near village Kherki Duala.



## AIR

**Indira Gandhi International Airport** is the nearest airport located about 8 kms. from CBD of Gurugram

## METRO

Gurugram is well connected by Delhi metro via ‘Yellow’ line.

**Phase I & II of Rapid metro** are operational with an interchange station at Sikanderpur. **Phase 1** connects DLF Cyber City to Delhi metro

**Phase II** of Rapid metro connects sectors located on Golf Course Road such as Sector 53, 54, 55, 56, etc. to Delhi Metro and Cyber City.

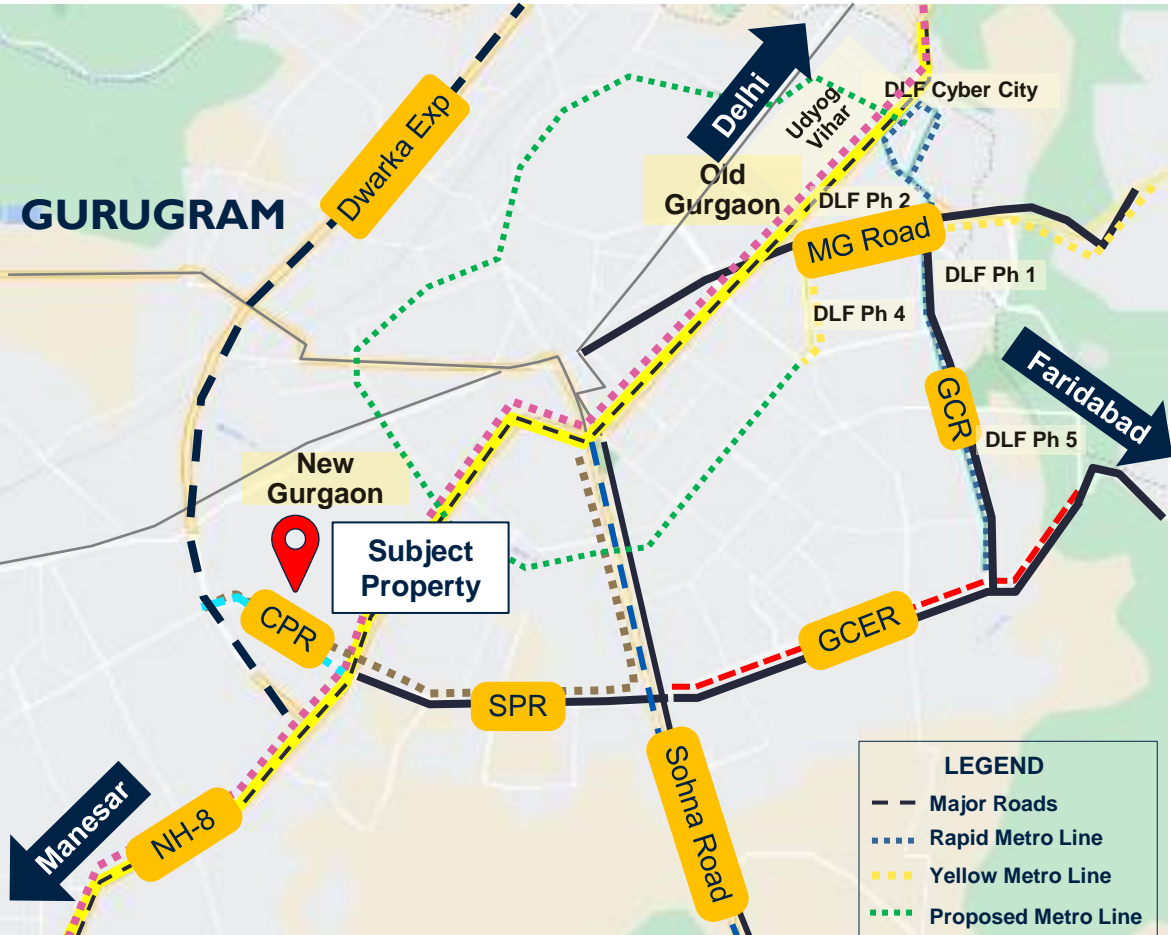
## RAIL

**Gurugram Railway station** located at a distance of approx. 12 kms from CBD of Gurugram. Further, the upcoming regional rapid rail corridor will connect Delhi – Gurugram – SNB – Alwar Corridor with proposed station at Kherki Daula (New Gurugram)

- Gurugram is well connected to NCR by road and a decent metro network. The city is well connected to Delhi and Noida by metro route which is further planned to be enhanced with proposed metro routes.
- Strategic routes like NH-48, KMP Expressway and Dwarka Expressway (under construction) passes through the city, boosting commerce and real estate development.
- Upcoming /under construction infrastructure initiatives such as new metro lines, redevelopment of arterial roads, Dwarka Expressway, RRTS, etc., are expected to resolve the traffic congestion problem being faced by the city and will have a positive impact on real estate developments in Gurugram.



# Key Infrastructure Initiatives



Upcoming infrastructure initiatives such as proposed metro lines and redevelopment of key arterial roads will enhance the connectivity within various micro markets of Gurgaon and with Delhi. Further, new metro lines are expected to improve the usage of public transport by providing connectivity to economics hubs of Delhi & Gurgaon.

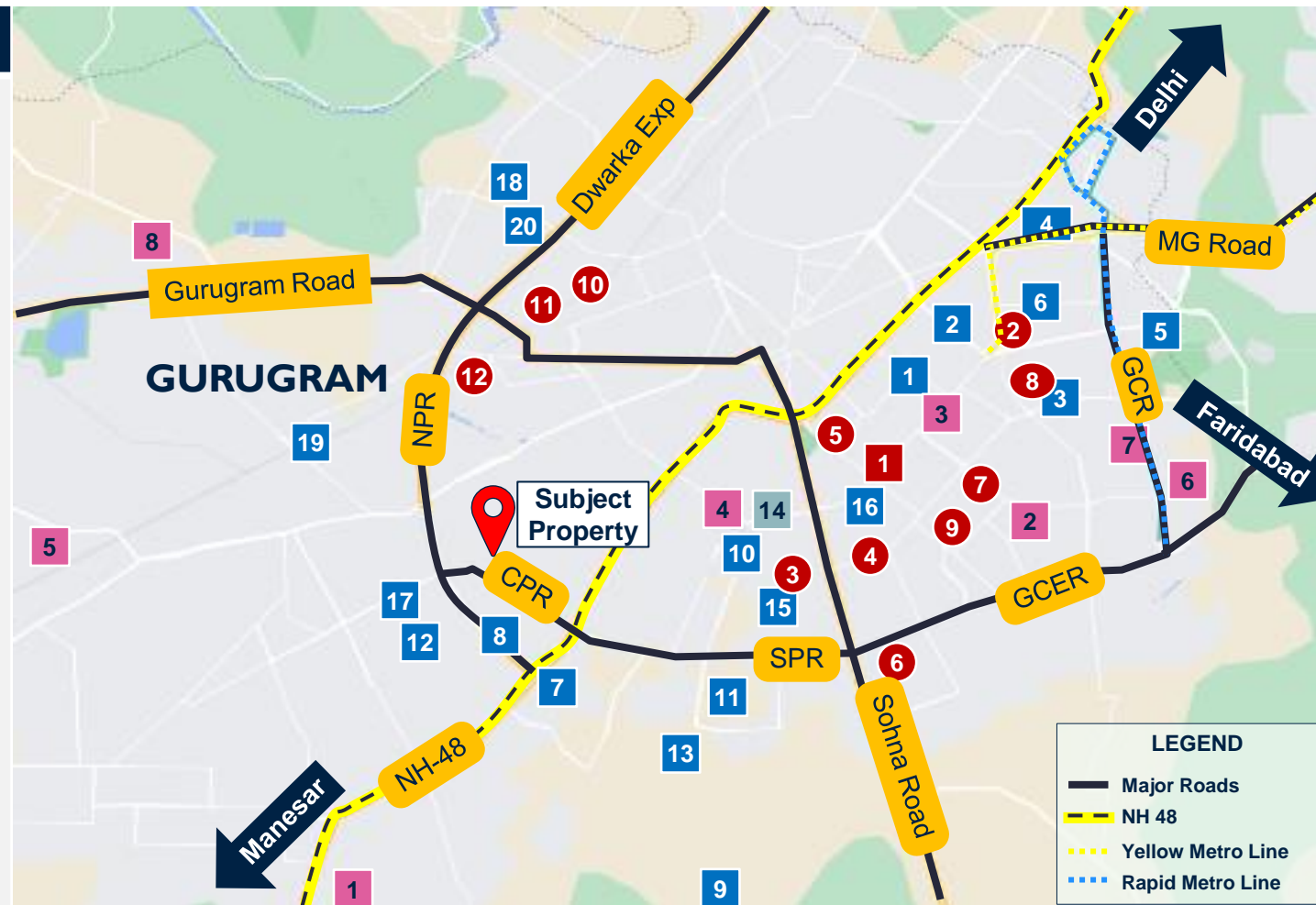
	Upcoming Infrastructure	Details	Current Status
	Proposed Metro Line	A new metro line has been proposed between HUDA City Centre and Cyber City with 27 stations. It will greatly improve the connectivity of Old Gurgaon with Cyber City & Delhi Metro.	Bids for detailed design works has been invited. Construction is proposed to be completed by 2027.
	Redevelopment of Golf Course Extension Road & SPR	The GMDA has approved the construction of 8 flyovers along a 12 km stretch of GCER, SPR. It is aimed to provide a signal - free traffic movement from GCR to NH-8. It is expected to significantly improve the connectivity of the region (including subject micro market) by resolving the traffic congestion.	NHAI has started work on flyovers. The underpass at Vatika Chowk was inaugurated recently. Redevelopment of entire road is expected to be completed by 2025.
	Central Peripheral Road	CPR is a 4km road providing seamless connectivity between SPR & Dwarka Expressway.	Construction of CPR is completed and is operational now.
	Delhi Alwar RRTS	164 km long, under construction RRTS corridor connecting Delhi, Gurgaon, Rewari & Alwar. It will have a total of 18 stations, with the initial 35 km section having 5 underground stations and the subsequent 71 km section having 11 elevated stations.	The construction of the first phase is progressing well and is on track to be completed by December 2024. In August 2023, the NCRTC invited tenders for the construction of the remaining 13 elevated stations on the Delhi-Alwar RRTS corridor.



# Social Infrastructure Assessment

## SCHOOLS

1. Ryan International School
2. K.R. Mangalam World School
3. Shalom Hills International School
4. American Montessori School
5. Shiv Nadar School
6. The Shri Ram Public School
7. Broadways International School
8. Modern Public School
9. Pathways World School
10. Lady Florence Public School
11. The Vivekananda School
12. MatriKiran High School
13. Kunskapsskolan School
14. GD Goenka Public School
15. Vega Schools
16. S.D Adarsh Vidyalaya
17. Delhi Public School, Sector 83
18. Delhi Public School, Sector 102A
19. Basant Valley School
20. Gurugram Global Heights School



## HOSPITALS

1. Fortis Hospital
2. Max Hospital
3. Polaris Hospital
4. Park Hospital
5. Medanta Medicity Hospital
6. Santosh Hospital
7. Artemis Hospital
8. Paras Hospital
9. C.K Birla Hospital
10. Sri Balaji Multispeciality Hospital
11. Aditya Hospital
12. Signature Hospital

## UNIVERSITIES

1. Amity University
2. Gurugram University
3. National Law College
4. DPG Polytechnic
5. Dronacharya College of Engineering
6. Sushant University
7. ILM University
8. SGT University

- Gurugram city is dotted with world class social infrastructure comprising of schools, universities & hospitals spread across all major vectors.
- Prominent institutional developments such as Shri Ram School and Shiv Nadar School are located near Golf Course Road and MG Road, in proximity to established micro markets of Gurgaon. However, a number schools & institutional developments are planned / under construction in subject micro market.

# City Assessment – Key Inferences

## GROWTH DRIVERS

**Strong Economic Base:** Established commercial destination with total Grade A office stock of 85 million sf. and expected future supply of 10 - 12 million sf. in next three years. It has offices of over 500 multinational companies with majority domiciled out of USA.

**Better Perception:** Stronger positioning w.r.t. to alternate locations like Noida in terms of location perception, development profile & corporate image etc.

**Improved Connectivity:** Significant improvement in connectivity via Metro; Key infrastructure projects like Southern & Northern Peripheral Road / Dwarka Expressway providing thrust to overall growth in the region.

**Proximity to Airport:** Proximity to International and Domestic Airports (8-10 Km radius from Delhi-Gurugram Border).

**Social Infrastructure:** Availability of organized social infrastructure; Demographic profile skewed towards mid high to high income segment.

**Investment Grade Real Estate:** Presence of established international developers; Investment Grade commercial spaces available at approx. 50-60% discount in rental and capital values to Delhi.

## INHIBITORS

**Infrastructure Pressure:** Burden on physical infrastructure, both transportation & utilities owing to rapid economic growth. The pace of infrastructure development is not in line with population growth & real estate development. However, with the incorporation of Gurugram Metropolitan Development Authority (GMDA), infrastructure development is expected to be more planned and paced as per the growth of the city

**Inadequate Public Transport:** Inadequate public transport facilities within the city (slight relief with inception of Delhi and Rapid Metro Phase I and Phase II). Further, recently GMDA has commenced bus services on 18 crucial routes to improve last mile connectivity. However, further initiatives are required to improve the public transport system in Gurgaon

**Limited Supply of Affordable Housing:** Limited choice in affordable & mid-segment housing to address sizable workforce employed in Gurugram, despite significant supply pipeline in residential space.

**Stalled Inventory & Sluggish Infrastructure Development :** Significant number of projects by Grade B developers are delayed or stuck owing to multiple issues, leading to skewed developments of some regions. Lack of infrastructure development works like internal roads etc. especially in the developing vectors of SPR and Dwarka Expressway, damaging the overall profile of the city.



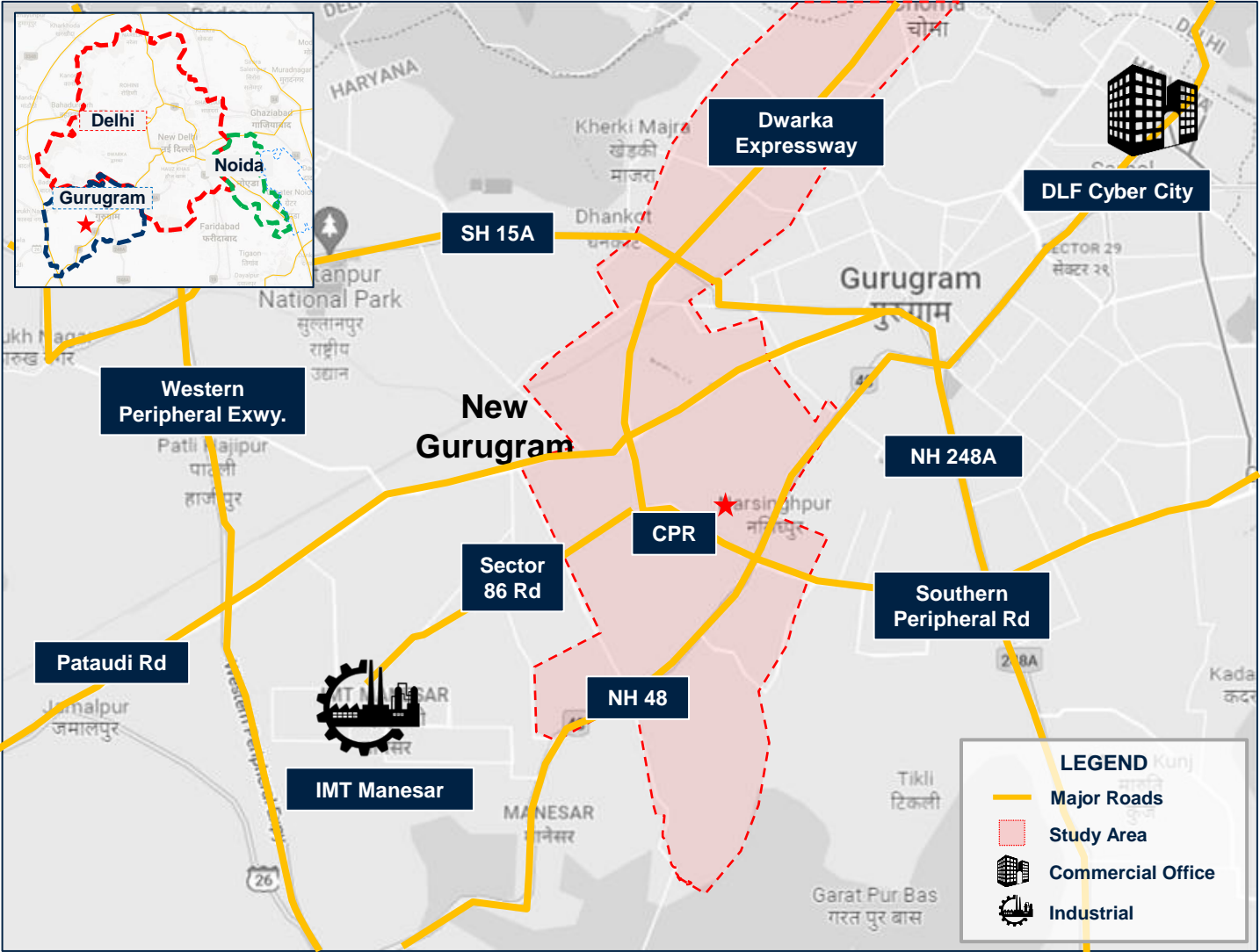
The background of the slide is a photograph of a modern, multi-story residential building at dusk. The building has a light-colored facade and many windows, some of which are illuminated from within. In the foreground, there are palm trees and a lower-level building with large glass windows. The sky is a mix of blue and orange from the setting or rising sun.

## Micro Market Overview

- Micro Market Overview
- Social and Physical Infrastructure Assessment
- Benchmark Assessment - Residential Apartments
- Benchmark Assessment – Senior Living Projects
- Key Inferences

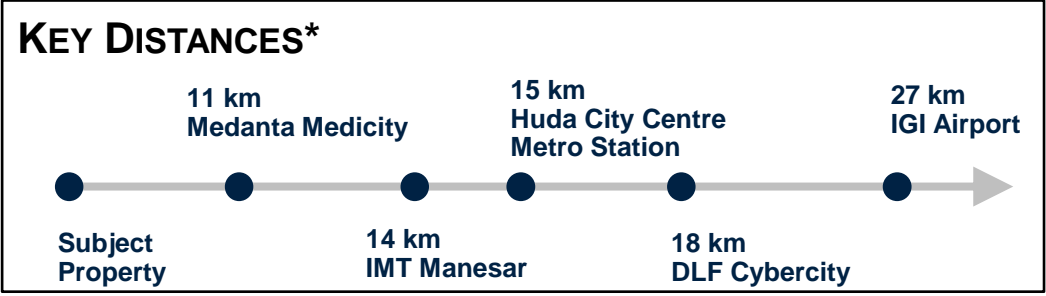
# Micro- Market Overview

## MICRO MARKET – NEW GURGAON + DWARKA EXPRESSWAY



## MICRO MARKET OVERVIEW

- A predominantly residential use area comprising of sectors 36, 37, 74-79, 82-85, 88, 89, 99-115. As per Gurgaon-Manesar Urban Complex masterplan 2031, sector 36, 36B, 37, 37A & 37B have been defined as an industrial sectors and sector 74A, 75A, 88, 89B, 114, 115 have been defined as a commercial sectors. A commercial belt has also been defined along Dwarka Expressway.
- Primarily accessible via Dwarka Expressway and NH 48
- Resident profile includes Middle & Upper Class
- **Major Growth Drivers** : The region is strategically located and caters to both commercial office hubs of Gurgaon as well as IMT Manesar. It has excellent connectivity to Delhi via Dwarka Expressway. Comparatively economic rates from rest of Gurugram incentivize real estate offtake in the region.

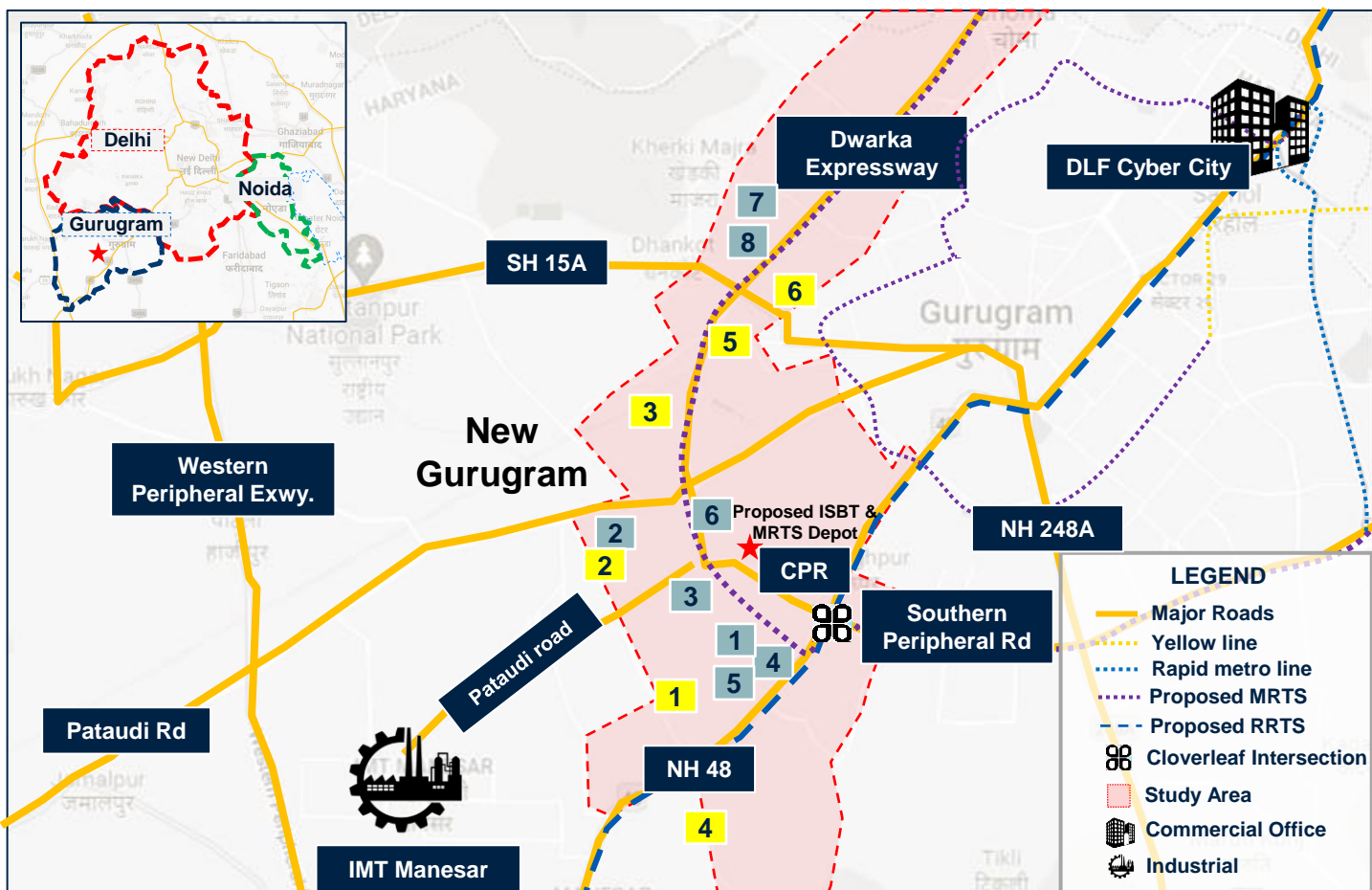


\* Please note that we have considered Sector 36A ( subject property) as a centre of reference for key distances



# Social and Physical Infrastructure Assessment – Micro Market

## MICRO MARKET



Subject vector is an established residential hub of Gurgaon. Growth of social & physical infrastructure has not been in tandem with increasing population of the region. However, development of both physical and social infrastructure has picked up pace recently to complement the residential developments therein.

SCHOOLS	HOSPITALS
1 Maitrikan High School	1 Miracles Apollo Cradle Hospital
2 RPS International School	2 Aarvy Healthcare Super Speciality Hospital
3 Delhi Public School	3 PHC Garhi Harsaru
4 Sri Chaitanya School	4 Yashlok Medical Centre
5 Knowledge Tree World School	5 Signature Hospital
6 Saint Paul's School	6 Sri Balaji Multispeciality Hospital
7 Delhi Public School, Sector 102A	
8 Gurugram Global Heights School	

## PHYSICAL INFRASTRUCTURE

- Dwarka Expressway** - The corridor will provide connectivity from Gurgaon to Delhi, International and Domestic airport, providing a much-needed boost to the real estate in this area.
- Southern Peripheral Road** - SPR has eased the access to Faridabad and has also improved connectivity between Golf Course Road, Faridabad Road, Sohna Road and NH-48.
- The **upcoming RRTS** connecting Delhi – Gurugram – SNB – Alwar Corridor with proposed station at Kherki Daula (New Gurugram) shall increase its connectivity with other prominent micro markets/ cities of NCR region.
- Proposed MRTS Corridor** along Dwarka Expressway from Dwarka to proposed ISBT at Kherki Daula shall improve the connectivity to Delhi.
- Cloverleaf Intersection**- It shall provide seamless movement between key routes such as Dwarka Expressway, NH-48, CPR and SPR.

# Micro Market Assessment – Key Inferences

## GROWTH DRIVERS

**Strong Developer Presence:** The development of New Gurgaon and Dwarka Expressway real estate market has been influenced by well planned mega-townships such as Vatika India Next 1 (550 acres), 2 (184 acres), DLF Garden City (180 acres), Ramprastha City (~128 acres), among others. Further, reputed developers such as DLF, Vatika, Signature Global, M3M, Bestech Group, SS Group, Godrej, Elan, have projects in the region at various stages of construction (delivered / under construction / registered). A strong interest in the region by national as well as regional developers is indicative of a positive market outlook

**Location and connectivity:** New Gurgaon market is strategically located to service employment centres at DLF Cyber City (18\* km) as well as IMT Manesar (11\* km). Further, excellent connectivity via NH 48, SPR and Dwarka Expressway help reduce commute time to employment centers.

**Masterplanning:** The subject region is well planned keeping in mind the vast catchment of residential developments. Reservations have been made for commercial developments (Sector 74A , 75A, 88 & 89B, 114 & 115), public utilities (sectors 100 and 101) and industrial developments (sector 36, 36B, 37, 37A & 37B). Further, all internal sector roads are classified as “V2” roads with a minimum ROW of 60 mtrs.

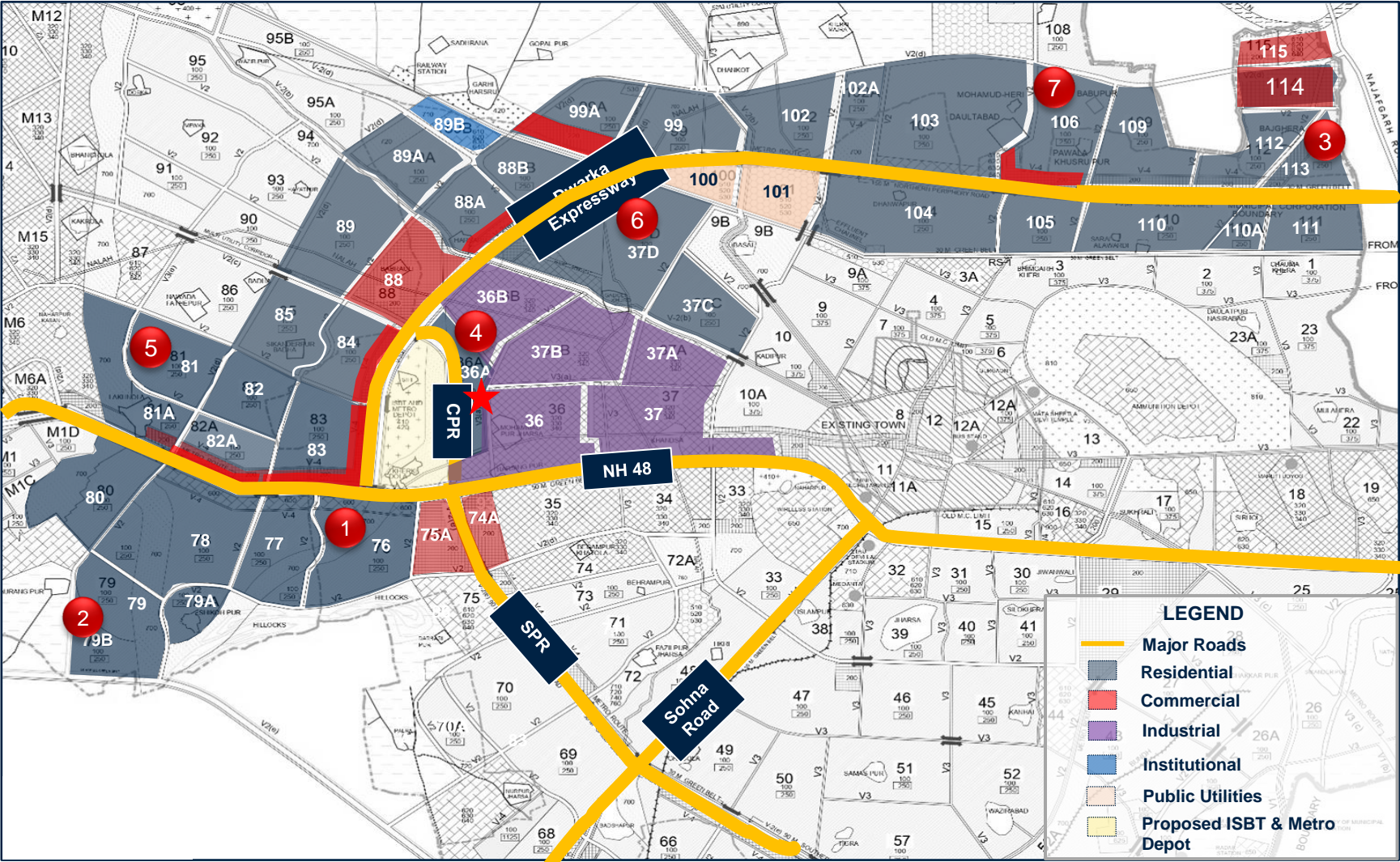
**Investment Grade Real Estate:** Presence of established developers; quality residential / commercial developments are available at comparatively economic rates as compared to more established vectors of Gurgaon and Delhi.

Summarily, owing to its excellent connectivity, strategic location, strong activity by real estate developers as well as a wide range of products in terms of pricing and specifications, subject micro market market has emerged as a major residential destination in the Gurgaon ecosystem.



# Benchmark Assessment – Overview ( Residential Apartments)





## COMPARABLE BENCHMARK MAP



## RESIDENTIAL APARTMENTS




S.No	Project Name	Location	Developer
1	Whiteland Aspen	Sector 76	Whiteland
2	M3M Golf Hills	Sector 79	M3M
3	M3M Capital	Sector 113	M3M
4	Waterfall Residences	Sector 36A	Krisumi City
5	The Ultima	Sector 81	DLF
6	The Antalyas	Sector 37D	Navraj
7	The Presidential	Sector 106	Elan

# Subject Micro Market – Residential Apartments Benchmarking Analysis (1/2)

Parameters	Whiteland Aspen	M3M Golf Hills	M3M Capital	Waterfall Residences
Actual/Indicative Image				
Location	Sector 76	Sector 79	Sector 113	Sector 36A
Developer	Whiteland Corporation	M3M	M3M	Krisumi City
Project Area (acres)	13	55	25	5.4
Project Timelines	Q4 22 – Q1 26	Q1 23 – Q1 27	Q2 22 – Q2 26	Q2 2019 – Q3 2024
Total Units	619	4,500	1,460	439
Configuration Mix (No. of units)	<ul style="list-style-type: none"> <li>3 BHK : 319   <b>52%</b></li> <li>4 BHK : 300   <b>48%</b></li> </ul>	<ul style="list-style-type: none"> <li>2 BHK : 1,300   <b>28%</b></li> <li>3 BHK : 2,500   <b>55%</b></li> <li>4 BHK : 700   <b>17%</b></li> </ul>	<ul style="list-style-type: none"> <li>3 BHK : 485   <b>33%</b></li> <li>4 BHK : 635   <b>44%</b></li> <li>5 BHK : 340   <b>23%</b></li> </ul>	<ul style="list-style-type: none"> <li>2 BHK : 204   <b>46%</b></li> <li>3 BHK : 235   <b>54%</b></li> </ul>
Average Sizes (sq. ft.)	<ul style="list-style-type: none"> <li>3 BHK : 2,600 – 2,900 sf</li> <li>4 BHK : 4,000 – 4,600 sf</li> </ul>	<ul style="list-style-type: none"> <li>2 BHK: 1,420 sf</li> <li>3 BHK : 1,570 - 2,150 sf</li> <li>4 BHK : 2,650 sf</li> </ul>	<ul style="list-style-type: none"> <li>3 BHK : 2,000 - 2,500 sf</li> <li>4 BHK : 2,600 - 2,900 sf</li> <li>5 BHK : 3,000 - 3,500 sf</li> </ul>	<ul style="list-style-type: none"> <li>2 BHK : 1,480 sf</li> <li>3 BHK : 1,970 – 2,520 sf</li> </ul>
Selling Price* (INR per sq. ft.)	<ul style="list-style-type: none"> <li>INR 12,000-13,000</li> <li>CAGR: <b>8-9%</b></li> </ul>	<ul style="list-style-type: none"> <li>INR 9,500 - 10,000</li> <li>CAGR: <b>NA</b></li> </ul>	<ul style="list-style-type: none"> <li>INR 13,500 - 14,500</li> <li>CAGR: <b>8-9%</b></li> </ul>	<ul style="list-style-type: none"> <li>Phase 1: INR 12,500 – 13,000</li> <li>Phase 2: INR 16,000 - 17,000</li> <li>CAGR: <b>12-13%</b></li> </ul>
Absorption	85 - 90%	45-50%	95-100%	100%
Average Sales Velocity	180 – 190 units per qtr.	1,000 – 1,100 units per qtr.	200-220 units per qtr.	NA
Amenities	<ul style="list-style-type: none"> <li>24x7 Security</li> <li>Kids Play Area</li> <li>Clubhouse</li> <li>Swimming Pool</li> <li>Gymnasium</li> </ul>	<ul style="list-style-type: none"> <li>24x7 Security</li> <li>Golf Course</li> <li>Clubhouse</li> <li>Gymnasium</li> <li>Multipurpose Court</li> </ul>	<ul style="list-style-type: none"> <li>24x7 Security</li> <li>Kids Play Area</li> <li>Clubhouse</li> <li>Multi-purpose court</li> <li>Swimming Pool</li> </ul>	<ul style="list-style-type: none"> <li>24x7 Security</li> <li>Clubhouse</li> <li>Spa &amp; Salon</li> <li>Restaurant &amp; Bar lounge</li> <li>Outdoor Games</li> </ul>



# Subject Micro Market – Residential Apartments Benchmarking Analysis (2/2)

Parameters	DLF Ultima	Navraj Antalyas**	Elan The Presidential
Actual/Indicative Image			
Location	Sector 81	Sector 37D	Sector 106
Developer	DLF	Navraj	Elan Group
Project Area (acres)	22.2	10	40
Project Timelines	Q1 13 – Q4 19	Q3 23 – Q3 27	Q3 2022 – Q3 2027
Total Units	420	530	728
Configuration Mix (No. of units)	<ul style="list-style-type: none"> <li>3 BHK : 232   <b>55%</b></li> <li>4 BHK : 188   <b>45%</b></li> </ul>	<ul style="list-style-type: none"> <li>3 BHK : 318   <b>60%</b></li> <li>4 BHK : 200   <b>37%</b></li> <li>Penthouse : 18   <b>3%</b></li> </ul>	<ul style="list-style-type: none"> <li>3 BHK : 373   <b>51%</b></li> <li>4 BHK : 231   <b>32%</b></li> <li>5 BHK : 124   <b>17%</b></li> </ul>
Average Sizes (sq. ft.)	<ul style="list-style-type: none"> <li>3 BHK : 2,040 sf</li> <li>4 BHK : 2,720 sf</li> </ul>	<ul style="list-style-type: none"> <li>3 BHK : 2,400 sf</li> <li>4 BHK : 3,300 sf</li> <li>Penthouse : 4,000 sf</li> </ul>	<ul style="list-style-type: none"> <li>3 BHK : 1,347 – 2,600 sf</li> <li>4 BHK : 1,692 – 3,100sf</li> <li>5 BHK : 2,275 – 4,100 sf</li> </ul>
Selling Price* (INR per sq. ft.)	<ul style="list-style-type: none"> <li>INR 12,000 - 13,000</li> <li>CAGR: <b>7-8%</b></li> </ul>	<ul style="list-style-type: none"> <li>INR 13,500 - 14,000</li> <li>CAGR: <b>NA</b></li> </ul>	<ul style="list-style-type: none"> <li>INR 15,000 - 16,000</li> <li>CAGR: <b>12-13%</b></li> </ul>
Absorption	100%	5-10%	100%
Average Sales Velocity	NA	NA	120-125 units per qtr.
Amenities	<ul style="list-style-type: none"> <li>24x7 Security</li> <li>Shopping Centre</li> <li>Swimming Pool</li> <li>Gymnasium</li> <li>Outdoor Games</li> </ul>	<ul style="list-style-type: none"> <li>Clubhouse</li> <li>Gymnasium</li> <li>Restaurant</li> <li>Sports and Community facilities</li> <li>Amphitheatre</li> </ul>	<ul style="list-style-type: none"> <li>Swimming Pool</li> <li>Aerobics Centre</li> <li>Yoga/Meditation Lawn</li> <li>Shopping Centre</li> <li>Amphitheatre</li> </ul>

# Senior Living vs Group Housing ~ Key Takeaways



## SENIOR LIVING MARKET

- In India, the senior living sector is witnessing growth as an emerging asset class. There is a notable trend where an increasing number of elderly individuals, who were previously residing in traditional housing, are opting to transition to senior living facilities. This shift is driven by a heightened need for improved care and increased social support.
- At present, the senior living segment in India is characterized by a limited number of operators. The major players in the market include :

NORTH INDIA



## GROUP HOUSING VS SENIOR LIVING

- Basis our assessment, most of the residential apartment developments offer amenities and facilities such 24 / 7 security, swimming pools, outdoor sports activities and gymnasiums. However, **senior living projects offer additional facilities** like age friendly features & design, provision of meal coupons, 24 x 7 monitoring and emergency response systems, etc. **catering to the distinct needs, preferences, and lifestyle of senior citizens.**
- The following table breaks down amenities into the two categories (i.e., essential & additional).

CATEGORY OF AMENITIES	DETAILS
Essential in residential apartments & senior living projects	<ul style="list-style-type: none"><li>• 24hr Security</li><li>• Clubhouse</li><li>• Swimming Pool</li><li>• Gym</li><li>• Private Parking</li><li>• Sports facilities</li><li>• Landscaped Garden</li></ul>
Additional for Senior Living projects	<ul style="list-style-type: none"><li>• Antiskid Tiles</li><li>• Arthritis Friendly Fittings</li><li>• Age friendly designs - grab rails in toilets, wheelchair friendly complex, wider hallways</li><li>• Emergency response system in each unit</li><li>• Provision of meals coupons</li></ul>

*In conclusion, development and execution of a senior living project demands a specialized expertise as compared to a conventional group housing projects in order to effectively address the unique needs, preferences, and requirements.*



## Development/Project Management Overview

# Development/Project Management Overview

## DEVELOPMENT/PROJECT MANAGEMENT MODEL

- The Development / Project Management Model is a collaborative approach where prominent developers with better expertise collaborate with regional players, using Development Management Agreements (DMAs) to minimize financial risks, streamline development cycles, and share expertise for optimal project outcomes.
- Though it is a well adopted model in certain markets of India, however its penetration is limited. With increasing acceptance, favorable laws, and broader opportunities, the model has the potential to gain a stronger foothold in the country, offering better product and security to investors.
- Further, typically under the DM/PM model, realty firms step in as development/project managers for developers and landowners, in return for a share of the revenue, share of profit or a management fee.

## ROLES AND RESPONSIBILITIES OF A DEVELOPMENT/PROJECT MANAGER\*



### 1. DESIGN, ARCHITECTURE

- Facilitate the development of the design through principal architect, other design consultants based on experience and subject expertise. Coordinate the design consultants for subsequent design changes.



### 2. PROJECT MANAGEMENT & APPROVALS

- To review/audit the quality, safety, compliances and timelines (i.e., Project Schedule) during construction of project throughout the lifecycle of project. Actively engage in project planning with architects and master planners.
- Oversee and monitor construction activities, tracking progress through a bar chart.
- Collaborate closely with project lenders, meeting their MIS requirements.



### 3. SALES & MARKETING

- Manage the entire sales and marketing of the project.
- Prepare the marketing plan and coordinating the preparation of marketing collaterals including the 3-D models, sample flat, project brochure. Coordinate printing of marketing collateral including brochures.
- Preparation of business plans and ensure its adherence. Provide regular booking and sales reports to the client.



### 4. FINANCE MANAGEMENT

- Raise funds internally or from other financial institutions. Develop an investment memorandum for lenders.
- Coordinate due diligence and documentation.
- Periodically assess debt and capital structure at the project level.
- Continuously monitor project progress and financial health, regularly reviewing budgets, cash flow forecasts, and expenses, and taking prompt corrective actions for any deviations.



### 5. CRM & SALES ACCOUNTING MANAGEMENT

- Manage CRM, coordinating with banks, housing finance companies, and DSAs.

***"Please note that these roles and responsibilities are only indicative, and the scope of a manager will be unique and project specific. Further, it shall vary according to various factors such as scale of the project, location, nature, and requirement of the developer"***

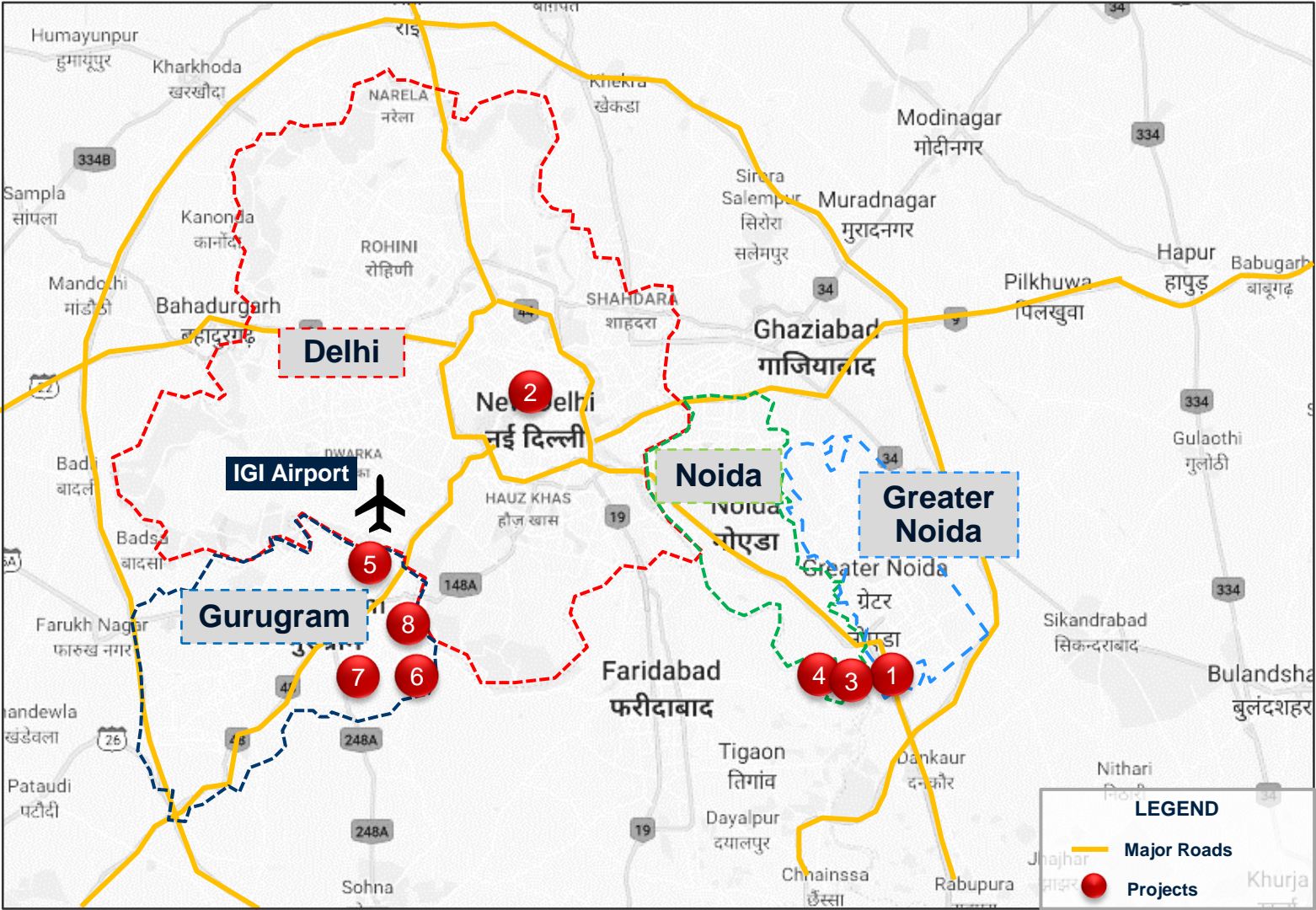


The background image shows a close-up of two people shaking hands over a table. On the table are architectural blueprints and a small decorative object. The person on the left is wearing a grey suit jacket, and the person on the right is wearing a light blue sweater. A black rectangular box is overlaid on the center of the image, containing the text "Development Management Instances".

## **Development Management Instances**

# Development Management Instances – Delhi / NCR

LOCATION MAP – RECENT TRANSACTIONS



RECENT TRANSACTIONS

S.No	Project Name	Location
1	Migsun Jorbagh and Galleria	Sector 27, Greater Noida
2	Godrej Connaught One	Connaught Place, Delhi
3	Godrej Nest	Sector 150, Noida
4	Godrej Palm Retreat	Sector 150, Noida
5	Atrium Place	Udyog Vihar Ph-V, Gurugram
6	Hines Elevate	Gurugram
7	M3M Golf Estate	Gurugram
8	HQ 27	Gurugram
9	Elevate Homes Platform	Gurugram



# Development Management Instances – Delhi / NCR ~ Key Terms

DEVELOPMENT/PROJECT MANAGEMENT PROJECTS– BENCHMARKS						
S.No.	Project Name	Location	Asset Class	DM/PM Partner	Fee charged by Development/Project Manager	Roles and Responsibilities
1	Migsun Jorbagh and Galleria	Sector 27, Greater Noida	Residential + Commercial	SJP Hotels and Resorts Private Limited	7.5% of Gross Revenue, 2% retained as security and paid on project completion	<ul style="list-style-type: none"> <li>Design, development, construction, appointment of vendors, Sales, Marketing &amp; Cash Flow Management, Fund management, Approvals, and CRM of the Project</li> </ul>
2	Godrej Connaught One	Connaught Place, Delhi	Residential	Godrej	Godrej : 10% of Gross Sales + Admin expenses for Construction & Profit Share-50%	<ul style="list-style-type: none"> <li>Project monitoring, Marketing</li> </ul>
3	Godrej Nest*	Sector 150, Noida	Residential	Godrej	11% of Gross Revenue generated from the Saleable Area	<ul style="list-style-type: none"> <li>General Management Services, Project Management, Marketing, Customer Relationship Management, Monitoring And Reporting</li> </ul>
4	Godrej Palm Retreat*	Sector 150, Noida	Residential	Godrej	12.5% (less TDS plus applicable indirect taxes) of the Gross Revenue generated from the saleable Area	<ul style="list-style-type: none"> <li>Financial and General Management Services , Construction and Project Management, Marketing Customer Relationship Management, Monitoring And Reporting</li> </ul>
5	Atrium Place	Udyog Vihar Ph-V, Gurugram	Commercial	Hines	8% of Development Cost ( 6% Hines and 2% DLF)	<ul style="list-style-type: none"> <li>Design, Project Management &amp;, Approvals</li> </ul>
6	Hines Elevate	Gurugram	Residential	NA	JV between Hines and Conscient   7.5 to 8.5% of Net Revenue ( Hines: 5.5-6.5%   Conscient- 2-3%)	<ul style="list-style-type: none"> <li>Hines : Development Risk Management, Marketing</li> <li>Conscient : Project Management &amp; CRM</li> </ul>
7	M3M Golf Estate	Sector 65, Gurugram	Residential	Tribeca Creators LLP	4.5% of Net Sales Price in respect of each flat at the property provided that the net sales price of all the flats sold in aggregate equals or exceeds INR 20 Billion, 1% of the amount of Aggregate Net Sales Price.	<ul style="list-style-type: none"> <li>Design and Construction, Sales strategies, Marketing, Day to day control and management of project</li> </ul>
8	HQ 27	Gurugram	Residential	Bharti Realty	Higher of - 110 Cr or 1 <sup>st</sup> year Contractual Rental	<ul style="list-style-type: none"> <li>Design, Construction, Sales, &amp; Marketing</li> </ul>
9	Elevate Homes Platform	Gurugram	Residential	Hines	8 to 11 % of Net Revenues, depending on scope of Hines (DM/PM Partner)	<ul style="list-style-type: none"> <li>Design, Construction, Sales, &amp; Marketing and CRM of the project</li> </ul>

**Summarily, the DM fee varies in the range of 8 – 12% of the net revenues. Also, it has been observed that DM's with reputable brand name and expertise command a premium in their DM fee, for the value addition they bring in terms of experience and brand perception.**

## Recommendations & Conclusions



# Subject Development – Project Management Agreement Terms

## PROJECT DETAILS

- **Developer** : Max Estates Gurgaon Limited “Client”)
- **Project Manager** : Antara Senior Living Limited (“Antara”)
- **Senior Living Project Area** : Out of the total group housing project proposed to be developed on the Project Land (“**Group Housing Project**”), it is proposed that **33%** (thirty three percent) of the **available FAR** on the Project Land translating to **6,06,658 sf** shall be allocated by the Developer **for development of senior living** and associated facilities.

*Based on the term sheet shared by the client, we understand that the Development/Project Manager has agreed to the below terms:-*

- **PM Fees of 9.5% of the Net Sales Revenue plus taxes**
- **Further, the PM shall pay an amount of INR 33,00,00,000/- (“Refundable Performance Deposit”) to the Developer, as a deposit/ for the Project Management Services which shall be refunded.**
- **Additionally, the PM shall also be entitled to an additional fee based on the net profit arising out of the Developer's entitlement in the Senior Living Project. In the event, the net profit is in surplus, the additional fee shall be paid to the PM, and in the event, the Developer incurs any loss, the same shall be deducted proportionately from the Refundable Performance Deposit.**

## ROLES AND RESPONSIBILITIES OF A DEVELOPMENT/PROJECT MANAGER ( ANTARA SENIOR LIVING LIMITED)

1

### DESIGN

To give expert advice in designing of the Senior Living Project; suggestions on the plan, design concept and specification provided by the Developer/ its architects for development of the Senior Living Project.

2

### CONSTRUCTION AND DEVELOPMENT

The Project Manager shall also help frame the construction schedule of the Senior Living Project.

3

### PROMOTION (INCLUDING BRANDING)

- The Manager shall prepare plans and strategies for promotion and branding of the Senior Living Project; provide monitoring services for promotion and sales of the Senior Living Project.
- Project Manager shall recommend the consultants as may be necessary for execution of various parts/ sale of the Senior Living Project;
- Project Manager shall carry out all administrative work and maintain MIS as may be required for the promotion of the Senior Living Project;
- Project Manager shall advise on the Customer Documents that the same are in a form agreeable and satisfactory to the Developer

4

### ASSET MANAGEMENT ( POST COMPLETION OF PROJECT)

- Project Manager shall operate and maintain the Senior Living Project directly or through any other specialized agencies and personnel that Project Manager may deem fit
- Project Manager shall recruit, screen, appoint, hire, pay, train, supervise, instruct and direct all personnel necessary or advisable for the operations and management of the Senior Living Project, and shall be responsible for discipline, transfer, relocation, replacement, termination and dismissal of such personnel.

# Recommendations/Conclusions for Subject Development

## RECOMMENDATION FOR PROJECT MANAGEMENT FEES

*Based on development agreements studied and considering the roles and responsibilities under the proposed arrangement at the subject property , the Project Management (PM) fee should range between 8– 12% of the net revenues. However, these arrangements do not include any provision of security deposits payment.*

*For the subject development, the PM partner has agreed to pay a security performance deposit of INR 330 Mn at the commencement of the project, which shall be refunded back to PM partner towards completion of the project. Thus, considering a base scenario, we have calculated the net impact in terms of present value of the security deposit cashflows by computing the NPV using differential discount rates (12%, 14% and 16%, sensitivity shown in the next slide), as below:-*

BASE SCENRIO : CASHFLOWS	Period	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
		-	330	-	-	-	(330)
NPV @ 14% discount rate	INR Million	118					

*Further, the net impact of NPV has been expressed as percentage of the total sales consideration from the subject development .*

NPV @ 14% discount rate (base scenario)	INR Million	118
Total Sales Proceeds @ INR 14,000 / sq. ft.	INR Million	10,214
NPV as % of total sales proceeds	%	1.16%



# Recommendations/Conclusions for Subject Development

## RECOMMENDATION FOR PROJECT MANAGEMENT FEES

*Additionally, we have formulated a sensitivity analysis ( sale prices vs discount rate ) for the % net impact as below.*

		Sales Price (INR per sq. ft.)		
Discount Rate	1.16%	13,000	14,000	15,000
	12%	1.13%	1.05%	0.98%
	14%	1.24%	1.16%	1.08%
	16%	1.34%	1.25%	1.16%

**Summarily, the net impact of the security deposit varies from 0.9 – 1.3% (~ 1%) of the net revenues. Hence, the resultant PM Fee for the subject property will be 8.5 % after offsetting the impact of the refundable performance deposit.**

*Further, based on the terms of the Project Management Agreement, the PM will also be entitled to a percentage of the net surplus arising from the subject development after accounting for all the capital and operating expenditure and landowner share payments. In the event, the net profit is in surplus, the additional fee shall be paid to PM; and in the event, the Developer incurs any loss, the same shall be deducted proportionately from the Refundable Performance Deposit. The calculations of the share of the net surplus to the PM has been presented in the below slides.*

# Recommendations/Conclusions for Subject Development

## RECOMMENDATION FOR PROJECT MANAGEMENT FEES

*To calculate the impact of the profit share being paid to Antara, we have computed gross revenue under different scenarios with sales price ranging from INR 13,000 – 15,000 per sq. ft, basis the saleable area provided by the client. The construction cost (including construction, statutory approvals, sales, base DM fee and landowner's share) ranging from ~ INR 900 – 1,000 Cr (as provided by the client), has been deducted from the gross revenue to arrive at the net surplus. Further, as per the PM arrangement, 50% of the surplus will be given to Antara. Based on the same the PM's profit share of the net surplus varies from -0.7% to 2.1% of the net revenues.*

**Accordingly, the resultant PM fee for the subject development will be in the range of ~ 8% - 10.5% of the net revenues, depending on the performance of the project.**



# Recommendations/Conclusions for Subject Development

The proposed arrangement between Client and Antara for development of a mixed-use group housing project with a senior living component, is reinforced by the following drivers:-

1



## RISING DEMAND FOR SENIOR LIVING

- Increase in nuclear families, greater mobility due to career/employment opportunities, increased requirement of senior care services and growing senior demographic in the population are some of the key factors behind the rise of senior living as an emerging asset class.
- The absence of senior living options in Gurgaon presents a market opportunity for Client to venture in the senior living segment.

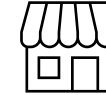
2



## RISK MITIGATION

- Incorporating a senior living component in the conventional group housing will help in product diversification. Further, it may also help for the project to command a premium in the market.
- Additionally, collaborating with Antara as a Project Manager, will also enable the client to mitigate the execution and sales risk associated with a greenfield development.

3



## ESTABLISHED MARKET PRESENCE & EXPERTISE

- Being an established player in the market, Antara's existing experience, resources and established reputation will significantly enhance the development and success of a senior living project.
- Furthermore, its expertise in the field will contribute to addressing the distinct needs, preferences, and lifestyle of senior citizens, ensuring a tailored and comprehensive approach to project's development.

***Considering the roles and responsibilities, Antara's expertise in development of senior living projects, Antara's share in net surplus (both positive and negative), the resultant PM fee (~8 - 10.5% of net revenues) is in line with other market benchmarks and arms length transactions.***

# Declaration

savills

Yours faithfully,  
For and on behalf of Savills Property Services (India) Pvt. Ltd.



**Archit Kumar Sood, MRICS, MITPI**

**Managing Director**

**Gaurav Sachdeva**

**Director**



**Deeksha Kharbanda**

**Executive**

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# Thank you

From the team here at Savills

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