

MPD - 2021 Updates

4th May 2017

WOULD DELHI MASTER PLAN 2021 EMERGE AS THE POLE DESTINATION FOR INVESTORS?

CHRONOLOGY

- Delhi master plan 2021 notified vide S.O 141 dt 07. Feb' 2007
- Land pooling notified in Q4 2013
- Draft guidelines for 'Operationalization of Land pooling' released in 2015
- Mid term Review of MPD presented in 2016
- Delhi Building Byelaws notified in April' 2016

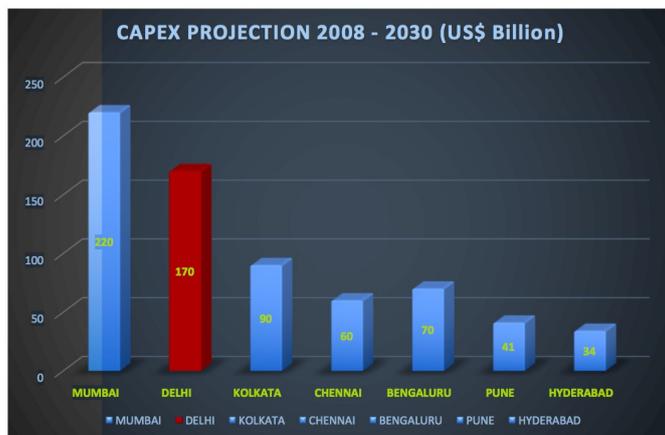
Just before the MCD elections, the Chief Minister of Delhi announced that he would facilitate the pending notifications for the operationalization of the Land Pooling policy, under the Delhi master plan.

However, the surrounding cities of the National capital territory of Delhi, namely Gurgaon & Noida are forecasted to experience a slowdown, largely due to the supply overhang. It is also established that a lion's share of investments was from Delhi. Yeah, Delhi NCT didn't throw up any fresh opportunities.

This exciting news has reinvigorated the HNI investor interest into notified developable land, wherein the arbitrage between purchase & exit could be in multiple 'X'. Post the elections, we have seen a surge of enquiries on the subject.

This note seeks to briefly highlight some of the salient points & timelines.

Traditionally, speculators & long term investors have considered Land as an investment product, and organized capital wasn't a precursor to such investments. However, with the Delhi master plan 2021 already have attracted leading developers, institutional investors & HNI wealth, the government also recognizes the need to develop the capital of the country as a modern & smart State / City. Strategic discussions with sovereign partners like Singapore, Barcelona etc. have already been concluded.



However, that's bound to change, that too in the short term. The current prices of Delhi are almost 2X of the peak point of NCR prices, and that would remain, if not grow..

Although the MPD 2021 has notified 05 sub

cities to be developed in Delhi, there are Two large unencumbered land zones in Delhi, which would be developed under the notified Land Pooling policy as modern cities, with a balanced blend of Residential, commercial, institutional & social infrastructure.

This is where the yield on the investments would be highest.

DELHI HIGHLIGHTS

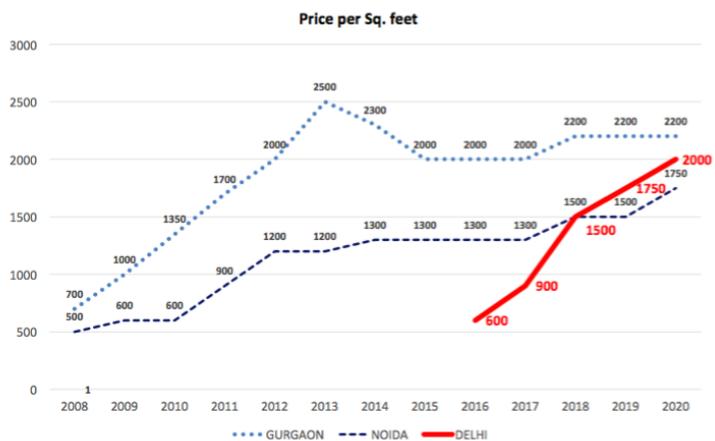
- Population forecasted to be 2.3 crores by 2021
- First state with 100% urban areas
- Delhi to be developed as Knowledge based industrial hub
- 4 tier investment by Govt.

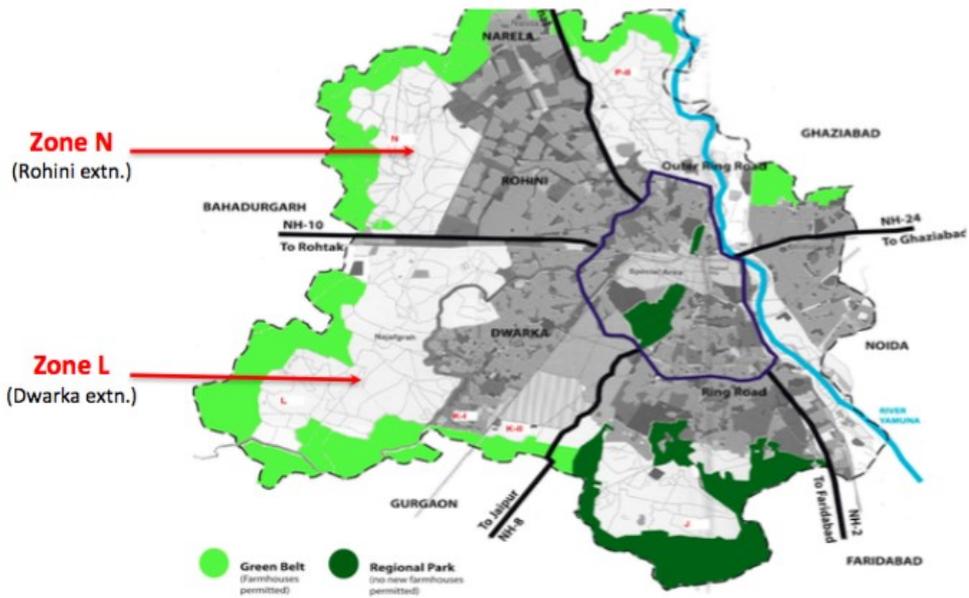
Historical evidence suggests that most modern cities are built by 4 levels of Institutional investments, and **Delhi is poised to attract the most from the Sovereign kitty.**

Estimates by researchers predict that almost 40% of real estate investments into Top 10 cities of India would be channeled towards Delhi, owing largely to the stated intent of Delhi master plan 2021 to "build Delhi as a modern megapolis." Recent trends of investments into metros other than Bangalore almost confirm this forecasted trend.



FAR price movement in NCR





Mark Twain had famously remarked ~ “Buy Land, they don’t make it anymore.”

The Delhi master plan 2021 takes it one step further ~ **“Don’t just buy land, buy into Land Pooling to maximize your yields”**

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