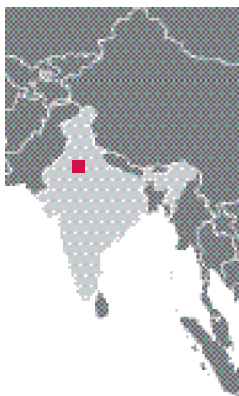


Delhi, Gurgaon, India



Contact

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Country Data

Area (KM ²)	3,287,590
GDP Growth (%)	9.1
GDP 2008 (US\$ B)	1,237.4
GDP/Capita (US\$)	1,043.2
Inflation Rate (%)	7.9
Unemployment Rate (%)	N/A
Population (Millions)	1,186.2

The economic fluctuation in 2008 proved that Indian's liberalized and booming economy, dynamic workforce and robust demand for real estate are few factors that would make the Indian market more reliable for investment and business opportunities. In 2008, GDP was 9.1%, making India the second fastest emerging economy. According to a survey conducted by Development Counselors International, India is the second best country for business investment, after China, in the world. Indian real estate is likely to total \$90 billion by 2015.

Due to the global economic crisis, many companies have been forced to either cut or postpone their expansion plan. This has affected the real estate prices across the country, in NCR, Pune and Bangalore. The rental rates in these areas are projected to decrease an additional 20–25% in the next year.

Despite the current slowdown in the real estate market, it is projected that in the next five years, demand for commercial office space would be approximately 45 million SF, and residential and retail sectors would an additional 110 million SF and 15 million SF respectively.

Due to the lack of new supply, office rental rates increased but at a slower rate than usual. The rental rates rose 4% in the CBD area (Connaught Place), whereas the rates in SBD area (Nehru Place, Jasola, Saket) are expected to remain stable due to completions of commercial buildings in Jasola, which will come in the market by early 2009. The peripheral markets consisting of Gurgaon, Noida, Faridabad and Gaziabad have also experienced changes in rental rates due to deferred development plans of proposed projects and excessive supply.

Major demand of commercial space in NCR is due to IT/ITES companies. United States companies outsource many services to India. 45% of the IT and backoffice services in India come from the US. This demand may slowdown due to the economic crisis in the US, leading to an oversupply in NCR area.

Research by the India Retail Forum estimated the number of malls doubled in 2008 to 179 operational malls. By 2010, that figure could increase by 412, and reach 715 malls by 2015, covering 350 million SF of retail space. Even the foreign investors are finding the real estate southward trend as an attractive opportunity wherein NRI's are considering NCR region as hot investment destinations. In the last six months the NRI investments have grown between 10 – 25%.

Notwithstanding the global uncertainties, the Indian real estate remains strong on investor confidence, strong corporate sector performance and increasing thrust on infrastructure initiatives.

Delhi At A Glance

(Rent/SF/Year)

DOWNTOWN OFFICE

	Low	High	Effective Avg.	Vacancy
New Construction (AAA)	\$ 67.00	\$ 146.00	\$ 93.33	2.0%
Class A (Prime)	\$ 48.00	\$ 80.00	\$ 67.00	2.0%
Class B (Secondary)	\$ 32.00	\$ 53.00	\$ 40.00	2.0%

SUBURBAN OFFICE

New Construction (AAA)	\$ 25.00	\$ 36.00	\$ 31.00	50.0%
Class A (Prime)	\$ 21.00	\$ 32.00	\$ 30.00	3.0%
Class B (Secondary)	\$ 12.00	\$ 19.00	\$ 18.00	3.0%

INDUSTRIAL

Bulk Warehouse	\$ 12.00	\$ 13.50	\$ 15.00	5.0%
Manufacturing	\$ 15.00	\$ 19.50	\$ 24.00	55.0%
High Tech/R&D	\$ 15.00	\$ 19.50	\$ 24.00	60.0%

RETAIL

Downtown	\$ 115.00	\$ 150.00	\$ 190.00	5.0%
Neighborhood Service Centers	N/A	N/A	N/A	N/A
Community Power Center	N/A	N/A	N/A	N/A
Regional Malls	\$ 65.00	\$ 75.00	\$ 90.00	13.0%

DEVELOPMENT LAND

	Low	High
Office in CBD (per buildable SF)	\$ 130.00	\$ 150.00
Land in Office Parks (per acre)	\$ 6,500,000.00	\$ 13,000,000.00
Land in Industrial Parks (per acre)	\$ 2,200,000.00	\$ 7,600,000.00
Office/Industrial Land - Non-park (per acre)	\$ 1,300,000.00	\$ 2,200,000.00
Retail/Commercial Land (per acre)	\$17,500,000.00	\$ 13,000,000.00
Residential (per acre)	\$10,000,000.00	\$ 40,000,000.00