

MW MARKET WATCH

Q4 2016 - 17



Key Residential Trends - MMR

Sentiments, New launches and Enquiries

- Overall, real estate in MMR witnessed a significant surge in enquires. Buyers who had kept their decisions on hold during the previous quarter were returning back to the market.
- The demand was relatively higher for properties located in affordable micro markets such as Ambernath, Badlapur, Panvel, Ulwe, Taloja and Virar. These micro markets also have sufficient supply of affordable housing with good presence of A-grade developers. Price expectations for these localities ranged between Rs 25-60 lakh. Shahad, located beyond Kalyan, is also emerging as a prominent housing destination in MMR.
- Thane, which offers an optimum combination of better connectivity and affordability continued to remain popular among upper middle class buyers who were ready to spend between Rs 80 lakh to 2 crores for a 2 BHK.
- Buyers with even better budget were looking for properties closer to the cities. In western suburbs properties located between Goregaon to Dahisar saw higher demand. Chembur, Ghatkopar and Mulund were the most enquired localities among the central suburbs. Enquiries for these localities were mostly concentrated around 1 BHK units sized between 600-700 sq.ft. and costing between Rs 90 lakh to 3 crore. Most of the projects in these belts fall under Slum Rehabilitation (SRA) or Redevelopment categories.
- There was not much growth in number of new launches. Affordable micro-markets such as Navi Mumbai, Badlapur and Thane witnessed relatively higher number of new launches because of sufficient demand land availability.

Sales Volumes, Inventory and Price Trends

- In line with growth in enquires, the city witnessed noteworthy improvement in terms of absorption over the previous quarter. During initial months of January and February the sales were not that encouraging as buyer were expecting huge price corrections post budget. However, the market started witnessing uptick in March when people started to realise that the price may not fall any further. Most of the absorption can be attributed to end users working in the corporate sector.
- Prices on the other hand remained unchanged over the previous quarter. Developers already struggling with rising input costs were not in the position to reduce their prices.
- Buyers were offered discounts in the range of 8 to 10 per cent during the final stages of negotiation. Subvention payment and stamp duty waiver were some of the popular schemes offered by the developers.

Expected likely trends during the Q1 2017-18

- As per CM's announcement, the Real Estate (Regulation and Development) Act (RERA) will be implemented in the state by May 2017. The announcement is expected to have great impact on the market.



- Developers are expected to aggressively market their projects and clear out as much inventory as possible before the implementation of RERA. This might bring marginal correction in prices. However, the prices are expected to increase again during May.
- Post May, the city is expected to see a drop in new supply as RERA implementation will keep the developers busy during the initial period. Hence, developers will try to launch their pre-launched projects before May.
- MMRDA has begun work on Metro 2A (Dahisar to D.N. Nagar). The project is expected to get completed by 2019. Authorities have also begun work on the 33.5 km long Colaba-Bandra-SEEPZ underground metro corridor which is expected to commence by 2020.
- Other important infrastructure planned in the city include the Coastal Road and the Navi Mumbai airport which are awaiting key approvals before the work can be started.

Key new launches during the quarter:

Developer	Project	Location	Additional Details
JVM Spaces Group	JVM Spaces Pearl	Thane	Project has 42 units. 1 BHK apartments vary between 347 -347 sq ft. Starting price of apartment at this project is Rs 40 lakhs.
Paradigm Group	Paradigm Casa Palazzo	Borivali East	Project has 40 units. It has 2 and 3 BHK apartments which vary between 693 – 987 sq ft. Starting price of an apartment at this project is Rs 76.2 lakhs.
Sugee Group	Sugee Group Mahalaxmi	Dadar East	Project has 22 units. 2 BHK apartments vary between 1,075 - 1,373 sq ft. Starting price of an apartment at this project is Rs 3.44cr.
Platinum Corp Group	Platinum Corp Platinum 31	Andheri West	The project has 128 units. It has 1 and 2 BHK apartments which vary between 486 – 900 sq ft. Starting price of an apartment at this project is Rs 1.02cr.

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