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MARKET WATCH

July 2016


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Key Residential Trends - MMR

Sentiments, New Launches and Enquiries

- Both buyers and investors maintained their cautious approach towards the residential market. Thus, even though there was a slight improvement in the number of enquiries, rate of conversion remained low.
- The slight revival in market, witnessed during first half of the year, was halted by the monsoons in the months of June and July. Buyers usually hold back purchases during this time of the year which explains the low rate of transactions.
- Demand in the market is largely inclined towards smaller units (1 and 2-BHK) and local and city-based developers offering these units are doing well. Also, most of the available residential stock in the city is under construction.
- Relatively affordable locations in Navi Mumbai and Thane saw improved enquiries from end users. In Navi Mumbai locations such as Ulwe, Taloja and Panvel reported some movement due to availability of stock in the mid-income segment (Rs. 45-65lakh).
- Both Ulwe and Taloja are garnering buyer interest on the back of upcoming infrastructure upgrades that is set to enhance connectivity to these locations.
- In Thane, most of the residential activity is concentrated along the Ghodbunder Road. The stretch offers an array of residential options to the buyers. While Majiwada offers a 2-BHK for Rs. 1.7 crore, the far end of the road-Gaymukh-has the same offering for Rs. 80 lakh.
- One of the most preferred locations by end-users on the Ghodbunder Road is Manpada, which lies just next to Majiwada and thus offers easy access to the city. The locality offers a 2-BHK for Rs. 1.4 crore and boasts of established social and physical infrastructure.
- Developers restrained from launching any new projects and concentrated on offloading the piled up inventory. Thus, there were no new launches in the city in the month of July
- However, Thane witnessed multiple pre-launches in the last month and few are scheduled for the coming months. For instance, Dosti Developer pre-launched a project at Brahmand at a starting price of Rs. 45 lakh. The project offers 1 and 2-BHK units with the maximum quoted price at Rs. 1.3 crore. It is expected to give possession in by 2020.

Sales Volumes, Inventory and Price Trends

- Sales volume remained stagnant with no significant growth in transactions in the last one month. This may be attributed to the monsoon season which dampened the already dwindling buyer sentiments.
- Prices remained unchanged in spite of weak buyer response. Developers restrained from slashing their prices despite of buyers unwillingness to end their wait. However, for under-construction projects, developers showed willingness to offer discounts to the tune of 5-8% to genuine buyers. Pre-launch projects did not offer any discounts.

Expected Likely trends during August 2016

- As per market experts, some activity is expected in the residential segment post the monsoons. At present, both developers as well as buyers seem to be in a wait and watch mode. Conclusion of the monsoon season will coincide with the beginning of the festive season and thus a slight revival is on the cards.
- The month of August is expected to see new launches by developers such as Rustoomjee (Majiwada), Hiranandani (Patlipada) and Godrej (Bhayanderpada). While Hiranandani is expected to offer a competitive pricing of Rs. 53 to 81 lakh approximately, the other two developers are targeting a budget range of Rs. 70 lakh to 1 crore approximately.
- Multiple infra-projects are in various stages of development across the city. Some of these include Mumbai Trans Harbour Link, Navi Mumbai Airport and the Mumbai Coastal Road which have already created a ripple across the realty market. These would continue to determine realty trends in MMR in the months to come.

Key new launches

Developer	Project	Location	Additional Details
Kalpataru Group	Immensa	Thane, MMR	The project will offer 1,200 apartments across 6 towers of 27 storeys each and 2 towers of 39 storeys each. The apartments will be available in different formats - 1 BHK with 425 sq ft carpet area, 2 BHK with 560-765 sq ft carpet area, 3 BHK with 896-1,048 sq ft carpet area and 3 BHK duplex with 1,270 sq ft carpet area. The base price for the apartments will range between `8,000 per sq ft and `8,150 per sq ft. The project is expected to be completed in phases between Mar-2020 and Sep-2020.



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