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MARKET WATCH

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Key Residential Trends - MMR

Sentiments, New Launches and Enquiries

- Residential real estate market of Mumbai did not experience any noteworthy movement in number of enquiries. Steep prices coupled with the start of monsoon kept potential buyers away from the market. Enquiries were relatively higher for properties in suburban micro-markets like Thane, Vasai and Navi Mumbai, offer homes at affordable prices, saw a marginal growth in number of enquiries.
- A major proportion of potential buyers were interested in homes at much lower rates than average prices prevailing at a particular location.
- 2-BHK was the most enquired configuration. Budget of potential buyers for a 2-BHK in western suburbs such as Andheri, Jogeshwari and Goregoan range between Rs. 1.55-1.75 crores per unit. On the other hand, budget for same configuration in Thane fluctuated between Rs. 90 lakh-1.1 crores per unit. While, in Navi Mumbai it was between Rs. 50 to 80 Lakhs per unit.
- Considering the track record of huge construction delays, averaging between 1 to 1.5 years, the demand is in favour ready-to-move-in properties.
- Demand from investors however continued to fall as they feel that the prices are already at peak and will not grow any further.
- Micro Markets like Thane, Vasai, Navi Mumbai along with second home destinations such as Karjat and Neral witnessed constant new supply addition.
- Fast developing localities in Navi Mumbai such as Ulwe, Taloja and New Panvel and Balkum and Anandnagar experienced relatively higher number of new launches.

Sales Volumes, Inventory and Price Trends

The graph of sales volume registered a straight lined trend. Enquiries to sales conversion remained particularly low throughout MMR as even the most promising customers took too long to finalize their buying decisions.

- Absorption was stronger for ready-to-move-in properties. Many areas in Navi Mumbai and Thane saw higher demand for C- Category builders due to their affordable offerings.
- Buyers are finding the prices excessively steep and hence are waiting patiently for the prices to fall at desirable levels.
- Despite of inventory overhang and low sales volumes, builders have not decreased their prices. Builders are offering discreet discounts in the range of 5 to 15 per cent on the final price to determined buyers. Apart from upfront discounts, builders are offering customized payment schemes which are designed according to the buyer's financial capacity. Some builders are resorting to innovative marketing strategies. For example, a builder in Thane had organized wheel of fortune event to finalize discount rates for his buyers.

Expected Likely trends during July 2016

- Going forward, the enquiries are expected to remain constant in the coming months. Sales is not likely to see any traction as the buyers are expected to keep postponing their buying decisions until occurrence of major changes in capital values or policy such as the implementation of the Real Estate Bill.
- The affordable markets in Thane are Navi Mumbai are expected to see good traction. However the market will remain slow until the end of monsoon season.
- Key residential projects likely to be launched in the next one or two months include Ashray Jaswanti Woods in Mulund, Shree Naman Twisting Towers in Worli, Bhumi Celestia in Malad, Mote Grande in Kalyan and Kalpataru Sunrise Grande in Thane.
- Mumbai Trans Harbour Link Project, Kasarvadavali Metro, Navi Mumbai International Airport and Mumbai Coastal Road projects are some of the key upcoming transport infrastructure projects in Mumbai. Despite of being at least a decade away from commencement, these projects have already started creating enough positive speculations in the adjoining micro markets. One the best known beneficiary of this phenomenon is Ulwe where prices have increased two folds in past 4 to 5 years.

Key New Launches across MMR

Developer	Project	Location	Additional Details
Raheja Universal	Raheja Exotica Sorento	Madh Island	Ultra-luxury residential-consist of 376 apartments across 36-storey tower with two wings-available in 3 formats – 2 BHK (843 sq ft), 3 BHK (1,119 sq ft) and 4 BHK (1,828 sq ft)-base rate will be Rs 11,500 per sq ft
Geopreneur Group	Casa Rare	Borivali	19 apartments measuring 1,380 sq ft carpet area- apartments will be priced between Rs 26,000 per sq ft and Rs 27,000 per sq ft



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