


**MARKET WATCH**

Q2 2016 - 17



## Key Residential Trends - MMR

### Sentiments, New launches and Enquiries

- The monsoon season, coupled with steep prices, led to a lacklustre real estate market in Mumbai. Overall, enquiries and site visits decreased as compared to the previous quarter on account of heavy rainfall. However, site visits saw a marginal uptick during September on account of festivals and receding monsoon.
- Enquiries remained higher for properties in localities like Thane, Vasai and Navi Mumbai which has good supply of affordable homes. Localities in the outskirts like Karjat, Ambarnath and Kalyan also managed to get good inflow of enquires.
- Most of the enquires were centred around smaller 1 and 2-BHK units. The expected price for a 2-BHK apartment in western suburbs such as Andheri, Jogeshwari and Goregoan ranged between Rs. 1.55-1.75 crore. Price expectation for a 2 BHK unit in Thane ranged between Rs 90 lakh and Rs 1.1 crore per unit. In Navi Mumbai it ranged between Rs 50 to 80 lakh per unit.
- As a result of a slow market, the city witnessed fewer new launches during the quarter. Developers concentrated on off-loading their existing inventory. Localities like Thane, Taloja, Kalyan-Dombivli, and Ulwe witnessed relatively consistent new supply addition owing to better demand for affordable housing.

### Sales Volumes, Inventory and Price Trends

- Majority of the buyers were expecting prices to be much lower than the actual prices. As a result, the conversion rates remained low as compared to the previous quarter. Many of the buyers who were already waiting for the prices to fall have now decided to wait even further till the Real Estate bill gets implemented.
- Many areas in Navi Mumbai and Thane saw higher demand for local, non-branded builders due to their affordable offerings.
- Prices, however, remained at stable levels. Rather than dropping their prices, developers choose to offer concessions and easy payment schemes. Genuine buyers were offered concessions in the range of 5 to 15 per cent on the base price. .

### Expected likely trends during the Q3 2016-17

- The market is expected to see a revival during the upcoming quarter. Site visits as well as enquires are expected to increase as the weather clears up. However, a marginal dip in enquires is expected during Diwali holidays as most of the families travel during this period.
- Projects offering affordable housing are likely to witness better growth in sales volume.
- The proposed Navi Mumbai airport, which is a key demand driver for real estate in Navi Mumbai is still under construction. The authorities are expected to select the project developer by January 2017. Operation is expected to begin by the mid of 2020.
- Another crucial transport infrastructure project-the Metro Line II (Dahisar-Charkop-Bandra-Mandala corridor) has received clearance from the Maharashtra Coastal Zone



Management Authority (MCZMA). The work is expected to begin soon. The development is expected to give a significant boost to property prices in localities like Dahisar and Mira Bhyander during the next quarter.

### Key new launches during the quarter

Developer	Project	Location	Additional Details
Sheth Creators	Lilium Tower	Andheri, Mumbai.	The project consists of 3 and 4 BHK apartments in a 19-storey tower. The base price for the apartment is `15,500 per sq ft and the project is expected to be completed by March 2019.
Godrej Properties	Godrej Emerald	Thane, Mumbai.	Premium residential project at Thane near Mumbai. Spread over 6.25 acre, the total saleable area of the project will be 1.25 million sq ft. The 1st phase of the project will consist of 1.5, 2 and 3 BHK apartments across 3 towers. The area of the apartments will range between 500 sq ft and 1,000 sq ft.
Kalpataru Group	Immensa	Thane, MMR	The project will offer 1,200 apartments across 8 towers. The apartments 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 will range between `8,000 per sq ft and `8,150 per sq ft.
Runwal Group	'Runwal Bliss'	Kanjurmarg	Spread over 10 acre, the project will consist of 1,500 apartments across 6 high-rise towers. The 2 BHK will range between 513 sq ft and 770 sq ft; 3 BHK will range between 983 sq ft and 1,193 sq ft and 4 BHK will be available in 1,904 sq ft. The base price for the apartments will be `20,310 per sq ft and the project is expected to be completed by October 2020.
Shristi Infrastructure	'Shristi Sea View'	Shivaji Park, Dadar	The project will consist of 49 apartments in a single 42-storey tower. Each apartment will be spread over 2,500 sq ft; while there will be limited number of penthouses spread over 10,000 sq ft.
Rustomjee Group	'Aurelia'	Thane	The 30-storey tower will consist of 228 apartments in 2 BHK format. The area of the apartments will range between 599 sq ft and 612 sq ft and the base price will be `9,500 per sq ft. It is expected to be completed by Jun-2019.



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