

MCHI Budget Property Exhibition
Venue: R City Mall, Ghatkopar, Mumbai
Period: July 31, 2009 – August 2, 2009

MCHI had organised a budget property exhibition at R City Mall, Ghatkopar from July 31 to August 2, 2009, catering to properties primarily in the Central suburbs. The exhibition received a good response with the visitor registrations of around 3272 and an overall footfall of over 9000.

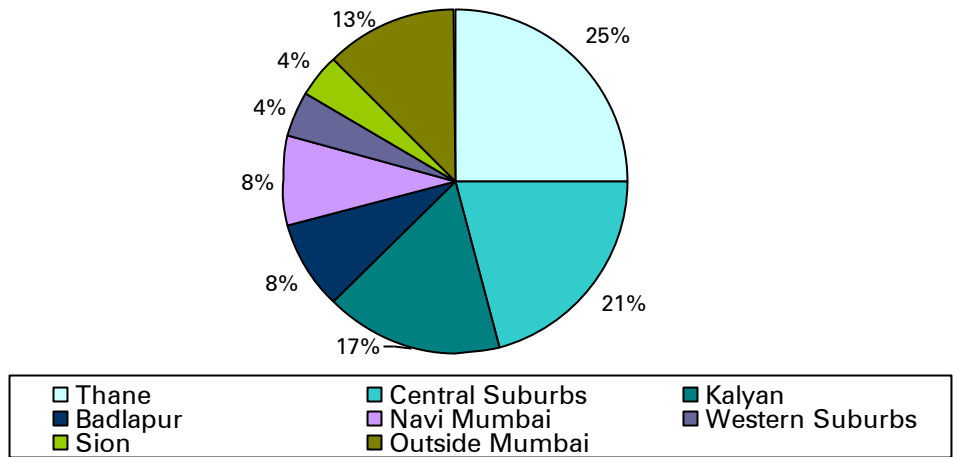
Our observations based on the responses received from visitors are as below-

- Project Locations:**

Out of the total projects exhibited, one fourth of the projects were located in Thane. There were also quite a few options from Kalyan (17%) as well.

Eminent developers such as Lodha, Godrej, Everest, Dosti, Rustomjee, etc. had participated in the exhibition mainly showcasing their projects in Thane & Kalyan belt.

Project Showcased

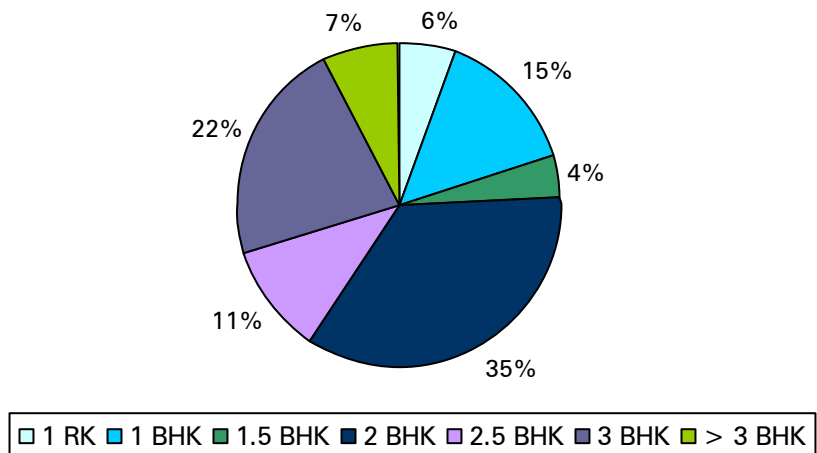


- Type of Apartments on Offer:**

1 BHK units were offered in 15% of the projects, 2 BHK configurations were offered in 35% of the projects while 3 BHK apartment types were offered in 22% of projects.

Even though we observe a slight increase in the 1 BHK apartment type, 2 BHK still remain the popular configuration.

Distribution of Apartment Type



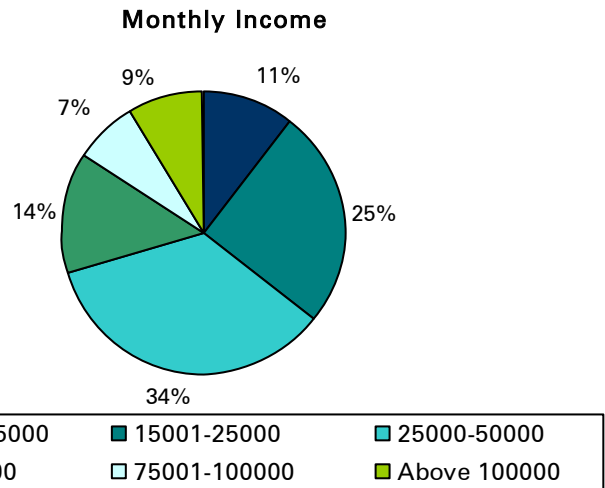
- **Age Profile:** Majority of the visitors (46%) were from the age bracket of 26-35 years, followed by 25% in 36-45 years, 14% in 46-55 years. 7% of the visitors were of the age above 55 years while 8% were in the age bracket of 18-25 years.

- **Occupation:** The salaried class represented 76% of the total visitors; another 20% were self employed and the remainder (4%) constituted retired individuals.

- **Monthly Income:**

36% of the respondents reported a monthly household income upto Rs. 25,000 which can be categorized as Lower Income Group (LIG)

Footfalls from the Middle Income Group (MIG) constituting income bracket of Rs. 25,001-50,000, were 34% and around 30% of the footfalls were from the Higher Income Group (HIG). Thus the exhibition attracted even footfalls from all the segments.

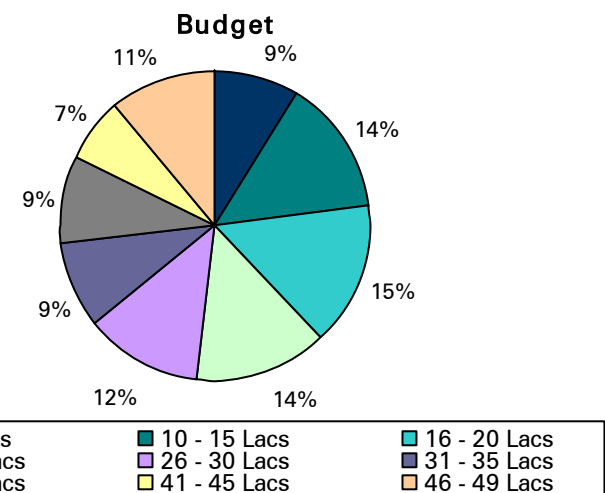


- **Budget:**

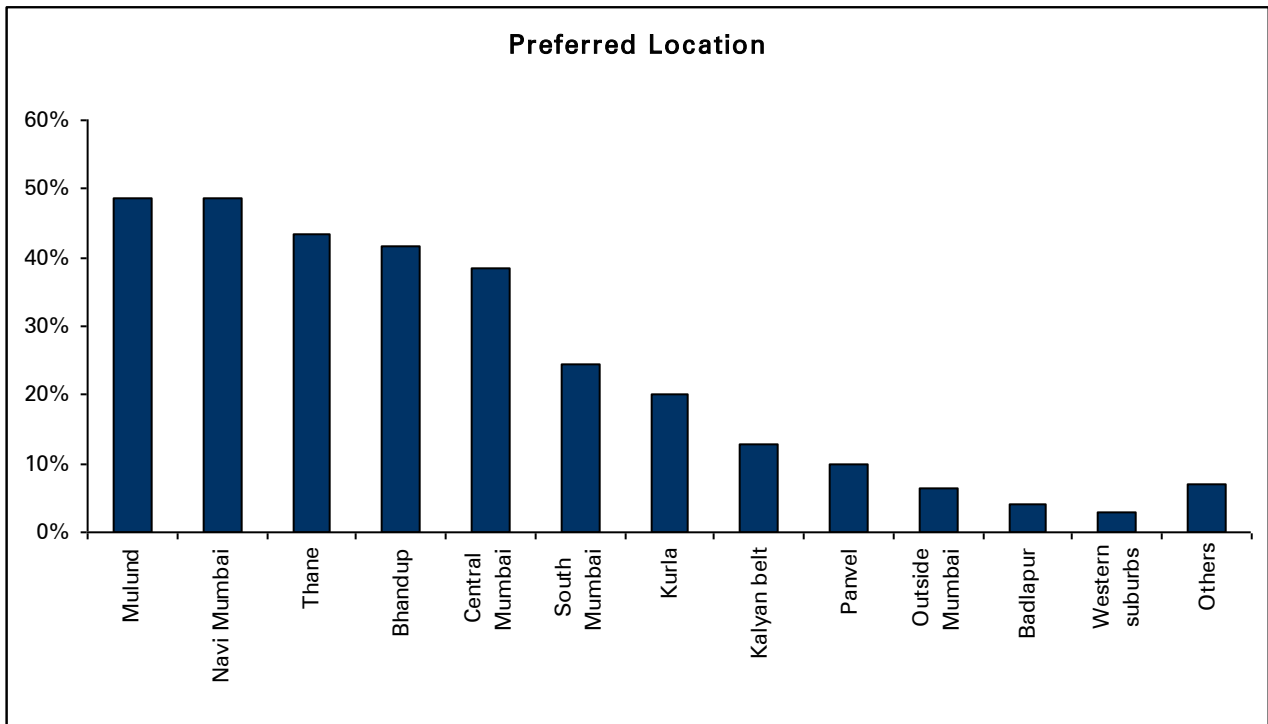
More than one-third (38%) of the total respondents had a budget upto Rs. 20 lacs, indicating the demand for affordable housing.

Another 26% had their budget from 20 - 30 lacs while there were 36% who preferred budget of over 30 lacs.

The average budget works out to 15 lacs for the LIG, 26 lacs for MIG and 39 lacs for the HIG.

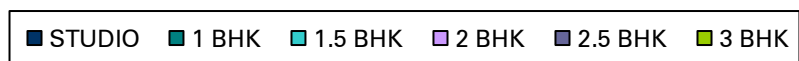
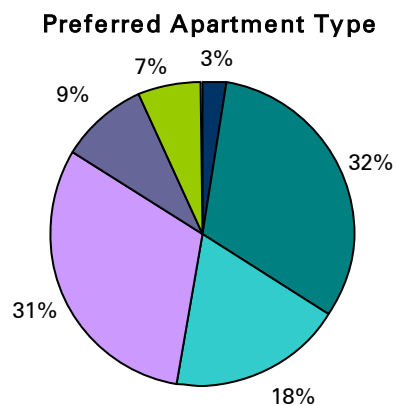


- Preferred Location:** Since the exhibition was focused on projects in Central suburbs, it was observed that the most of the respondents preferred their new property to be in Mulund, Thane & Bhandup region. Navi Mumbai emerged as the second most preferred destination revealing its popularity amongst the residents of Central suburbs. This could be mainly due to the activation of rail network between Thane & Navi Mumbai which has immensely improved the connectivity between these two regions.



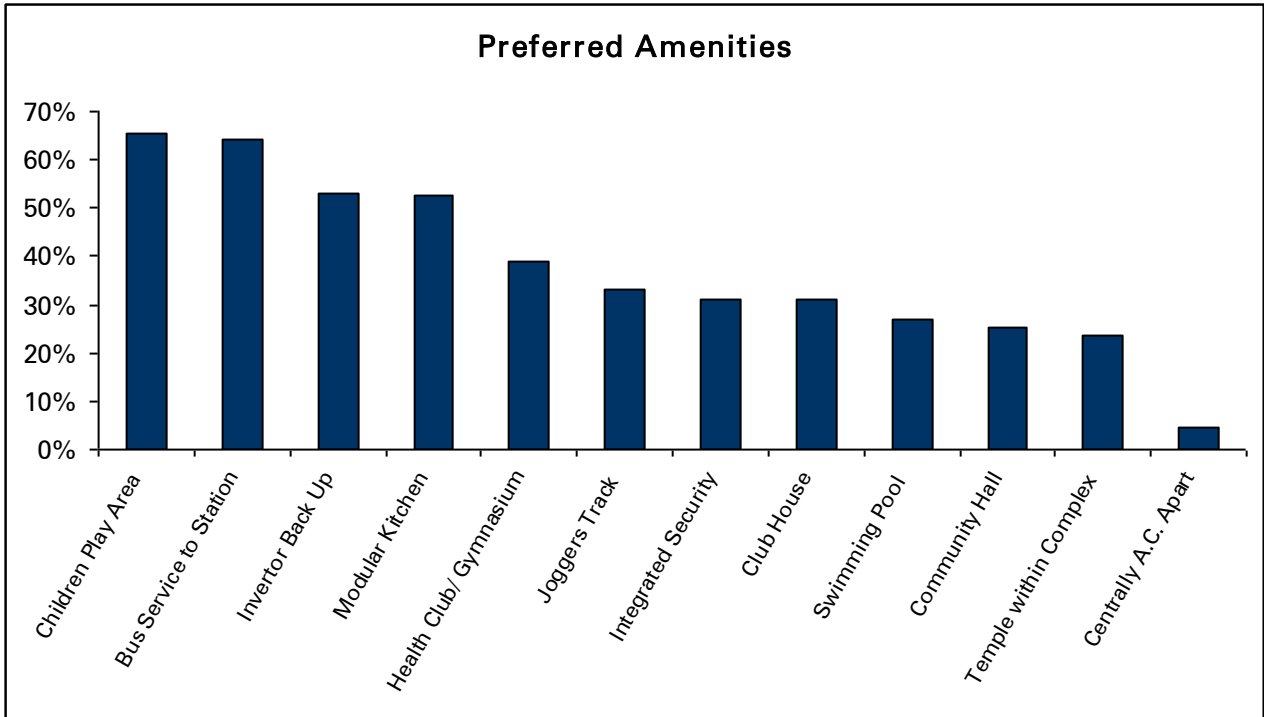
- Unit Size:** It was observed that 1 BHK and 2 BHK have almost equal preference (32% & 31% respectively) amongst the home seekers.

18% preferred a 1.5 BHK configuration which is a considerable rise as compared to the previous exhibitions. This could be due to the fact that the segment which desired a 2 BHK may have opted for a lesser size in 1.5 BHK to make the transaction value within their reach.



The median apartment size reported was 550 sq ft by LIG, 650 sq ft by MIG and 937.5 sq ft by HIG.

- **Amenities:** Children play area and bus service to station remain the top two preferred amenities by the respondents as was the case in earlier exhibitions. Below chart depicts the amenities preferences of the respondents.

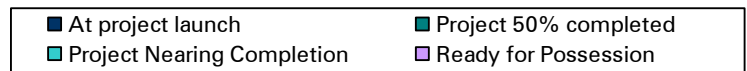
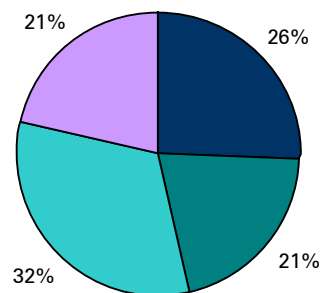


- **End Use of New property:** 89% of the respondents intended to purchase the new property for self-occupation, and another 4% had plans of purchasing a second home. Investors were represented only by 6% of the total respondents.

- **Stage of Construction:**

As far as the stage of construction goes, we observed a mix response from the visitors, as around 53% were ready to buy a property ready for possession or nearing completion while 26% preferring to opt for a project at its launch stage.

Stage of Construction

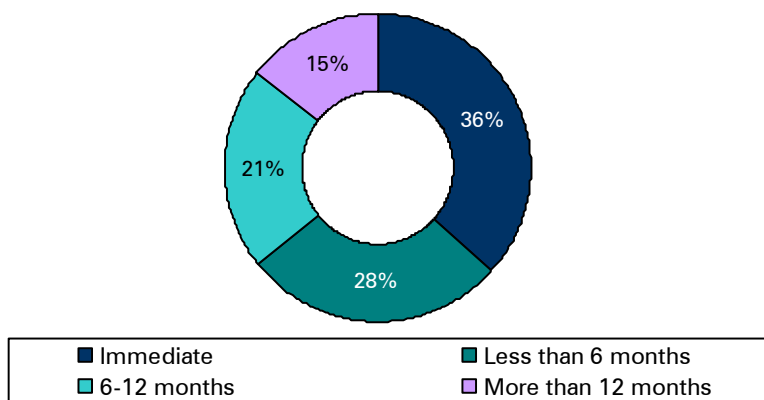


- **Time Frame:**

36% of the total respondents had an immediate requirement to purchase a property, which is double the rate as compared to the earlier budget exhibition in central suburbs in Feb '09.

28% were ready to wait till next 6 months while another 21% had plans of purchasing property in next 6-12 months.

Preferred Time Frame



- **Source of Funds:** 93% of the respondents prefer to opt for a loan for funding their new property, majority of them seeking a Loan to Value ratio (LTV) of 80-85%.
- **Preferred Bank:** 81% of the respondents intended to avail housing loan from nationalized banks, which is a considerable increase from earlier exhibition surveys; this could be due to recent reduction of home loan interest rates by some of the major public sector banks.

Our Viewpoint:

Based on the data collated from the current exhibition, it appears that an appropriate product offering is being dolled out to the home buyers thus leaving no room for any stretch budget for any of the income groups, as is apparent from the below table.

	LIG MHI upto 25000	MIG MHI 25000-50000	HIG MHI > 50000
Average Budget (Rs. in lacs) (A)	15.20	26.34	39.16
Median Unit Size (in sq ft) (B)	550	650	935
Average Property Rate (Rs. per sq ft) - (C)	1950	2600	4025
Capital Value (Rs. in lacs) - (B x C) = D	10.73	16.90	37.63

Property rates and home loan interest rates are the two key factors influencing a home buyer's decision. In present times, stabilizing residential property prices as well as the softening of home loan interest rates have collectively presented an ideal opportunity for the home buyer to plan for his dream house! Thus if the present property price levels are retained, it promises to be a great festive season ahead!

Details of the projects on display have been tabulated as below:-

Sr. No.	Developer	Project Name	Location	Type-BHK	Rate Per Sq Ft (Rs.)	Completion Date
1	Arihant Universal	Arihant Arham	Panvel	2	1975	2010
		Arihant Konnark	Karjat	Studios/ Villas	11.25 lacs /31 lacs onwards	2011
		Arihant Aksh	Badlapur (W)	1/2	1725	2010
		Arihant Ansh	Vashi	2	4300	Mar-2010
2	Arrow Engineering Ltd	Arrow Manhattan City	Outside Mumbai	Studio/1/2/3/4	N.A.	N.A.
3	Dosti	Dosti Vihar	Thane	1/1.5/2/2.5	4341 + 15/- flr rise	2011
		Dosti Coral 3	Vasai (W)	2/3	1961-2199	N.A.
		Dosti Elite	Sion	3	16000	Ready
4	Everest Developers	Everest World	Thane	2	3091-3211	N.A.
5	Godrej Properties	Godrej Riverside	Kalyan	2	2350-2500	N.A.
		Godrej Hill	Kalyan	1 RK/ 1 BHK	1900-2025	Ready
6	Lodha	Casa Univis	Thane	1/2/2.5/3	3132	Jan-2011
		Lodha Luxuria	Thane	2/3	4800	Aug-2010
7	Neelkanth	Neelkanth Business Park	Vidyavihar, Ghatkopar	Commercial	8250-8750	Sep-Dec 2010
		Neelkanth Greens	Thane	2/2.5/3	4441	Sep-2009
8	Neptune	Olive	Mulund	2/2.5	5991-6191 + 50/- flr rise	Feb-2010
		Flying Kite Towers	Bhandup	2/3	5091-5391 + 30/- flr rise	Dec-2011
		Swarajya	Ambivali - Kalyan	1/2	1590-1685	2010
9	Nirmal Lifestyle	City of Joy	Mulund	2/2.5/3/4/5	5400	2011
		Lifestyle City	Shahad, Kalyan	1/1.5/2/3	2000	2011
10	Our Town	New Villa Township	Khardi	Villas	450 for Plot and 1500 for construction	N.A.
11	Pranjee	Garden City	Badlapur (E)	1/2	1894	Dec-2010
12	Runwal - Capitaland	The Orchard Residency	Ghatkopar (W)	2/2.5/3	7500-7850 + 25/- flr rise	N.A.
13	Rustomjee	Urbania	Thane	2/2.5/3	3960-4430	2011-12

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