

**MCHI Budget Property Exhibition**  
**Venue: Raghuleela Mall, Kandivali, Mumbai**  
**Period: July 31, 2009 – August 2, 2009**

MCHI had organised a budget property exhibition at Raghuleela Mall, Kandivali from July 31 to August 2, 2009, catering to properties primarily in the Western suburbs. The exhibition received a very good response with the visitor registrations of around 5039 and an overall footfall of over 17000.

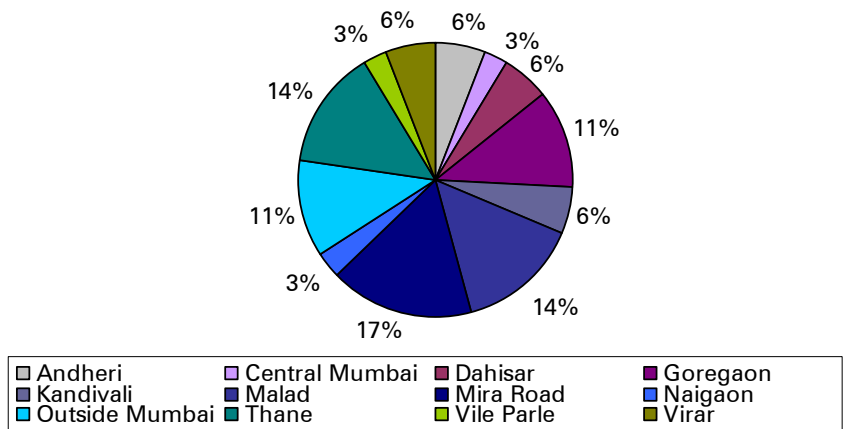
Our observations based on the responses received from visitors are as below-

- Location:**

Since the property exhibition was focused on budget properties, most of the projects showcased were from Mira Road (17%), Malad (14%) and Goregaon (11%).

Despite the exhibition being focused on Western suburbs, 14% of the projects were located in Thane due to its proximity to western suburbs vide the Ghodbunder road.

**Projects Showcased**



Well-known developers such as Ackruti, Lodha, Mayfair and Rustomjee had participated in the exhibition; others included Royal Palms, Chauhan Group, Gemstar Constructions, Shivalik Developers, Mittal Builders, Orbit Enterprises, etc.

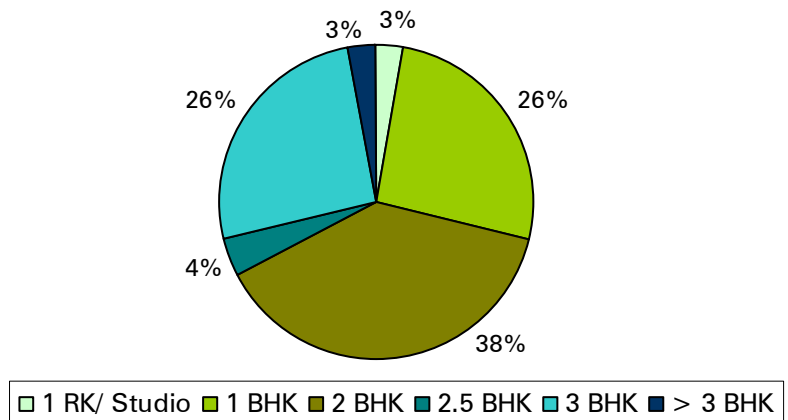
- Type of Apartments on Offer:**

1 BHK units were offered in 26% of the projects, which is a rise by over 60% as compared with the earlier exhibitions, primarily an outcome of increased focus on affordability.

2 BHK configuration was offered in 38% of the projects exhibited, which brings out the popularity of this apartment type between the developers, primarily to cater the Middle Income Group.

3 BHK apartment types were also offered in 26% of projects, thus offering a good mix of configurations.

**Type of Apartment Showcased**



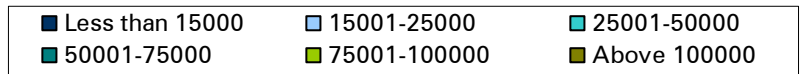
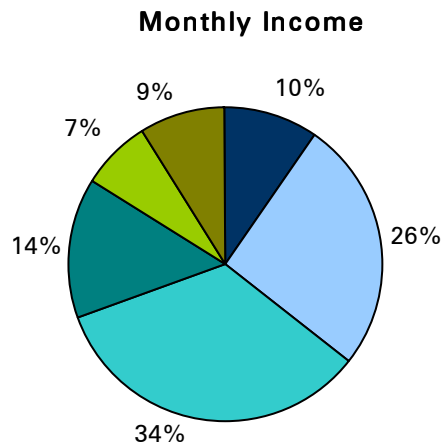
- **Age Profile:** Majority of the visitors were from the age bracket of 26-35 years, followed by 28% in 36-45 years, 16% in 46-55 years. 10% of the visitors were of the age above 55 years while 6% were in the age bracket of 18-25 years.

- **Occupation:** The salaried class represented 69% of the total visitors; another 27% 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)

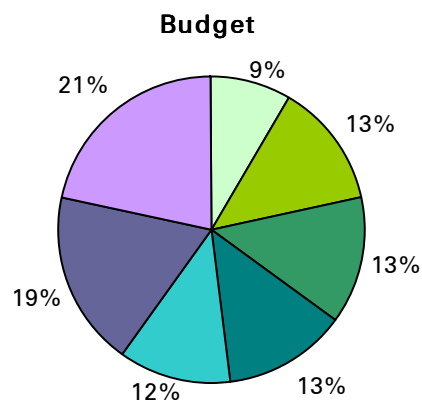
Footfalls from the Middle Income Group (MIG) constituting income bracket of Rs. 25,001-50,000, were 34% and 30% of the footfalls were from the Higher Income Group (HIG). Thus the exhibition attracted even footfalls from all the segments.



- **Budget:**

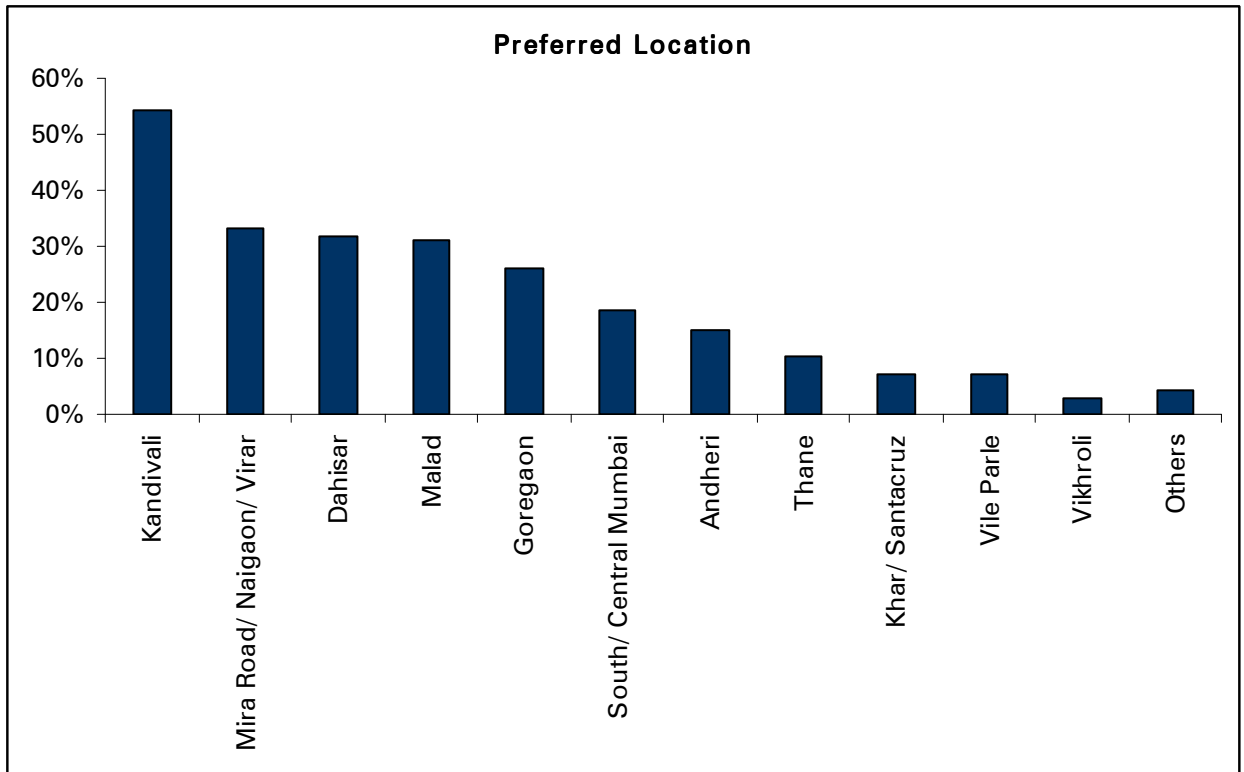
More than one-third of the total respondents had a budget upto Rs. 20 lacs, indicating the demand for affordable housing. This segment has been active since the recent government initiative of 1% interest subsidy for property value upto Rs. 20 lacs.

Another 25% had their budget from 20 – 30 lacs, 19% preferred budget of 30-40 lacs and 21% had a budget of 40-50 lacs.



The average budget works out to 19 lacs for the LIG, 28.25 lacs for MIG and 44 lacs for the HIG.

- Preferred Location:** Since the exhibition was in Western suburbs, it was expected that the preferred location of most of the visitors would also be in similar locality. Borivali & Kandivali were the top two preferred locations amongst the respondents as is apparent from the graph below.

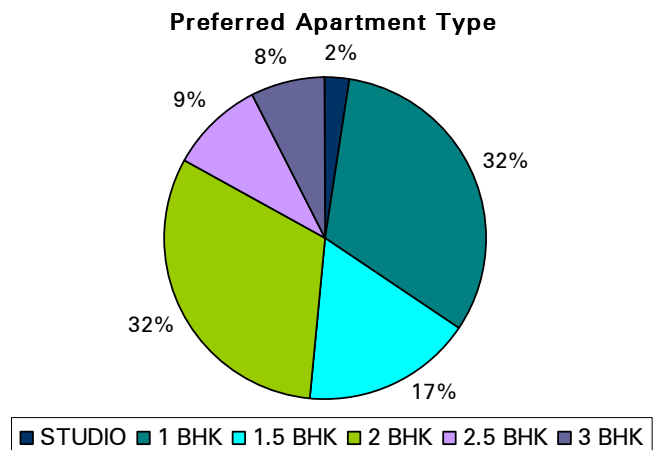


Mira Road – Naigaon – Virar were preferred by 33% of the respondents, clearly affordability being the driving factor behind the preference. Dahisar has been preferred by 32% as a destination for their new property as it is covered under the Mumbai Municipal limits. Malad & Goregaon have also come up as popular locations amongst the respondents. It is clear that affordability is one of the prime factors driving locational preference.

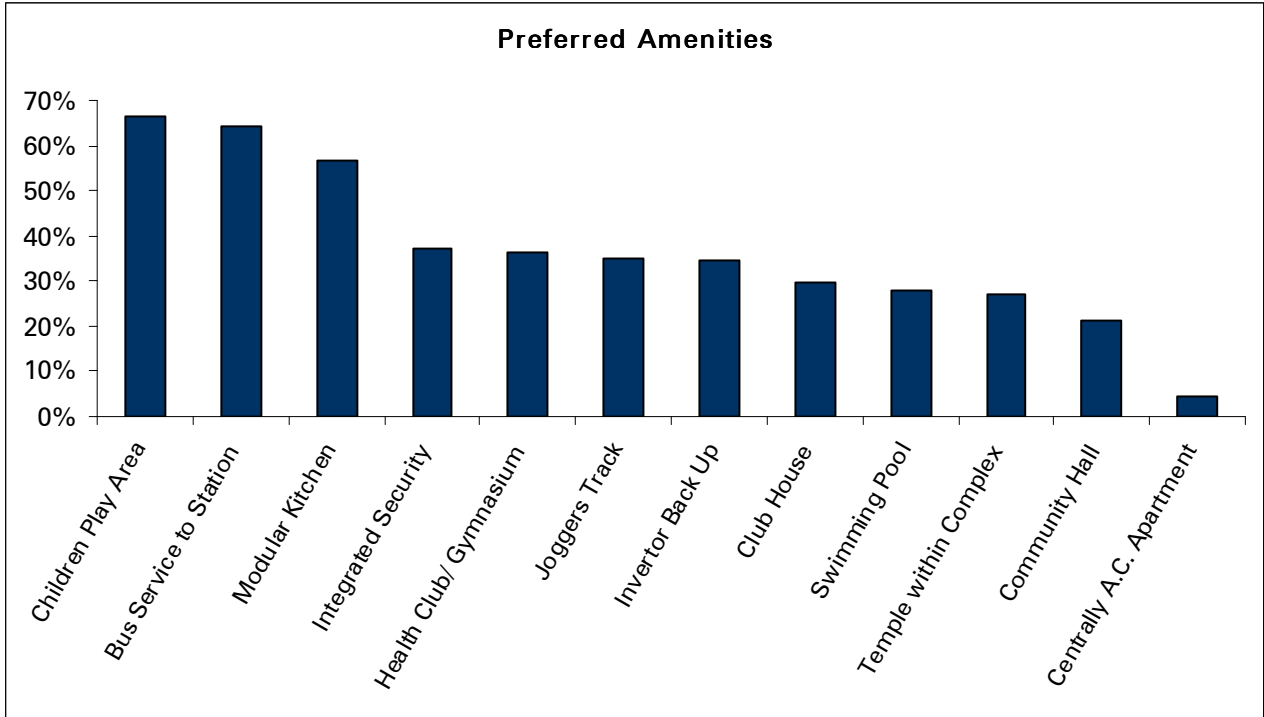
3% have preferred Vikhroli as their ideal destination for new property, which could be well due to the Jogeshwari Vikhroli Link Road (JVLR) that acts as a conduit between the Central suburbs and Western suburbs, thereby giving rise to potential affordable housing locations like Vikhroli. Enhanced road and rail network would help create more such affordable options.

- Unit Size:**

It was observed that 1 BHK and 2 BHK have equal preference (32%) amongst the home seekers. Another 17% prefer 1.5 BHK; those who are unable to afford a 2 BHK appear to be content with a 1.5! Another 17% of the respondents prefer an apartment size bigger than a 2 BHK. The median apartment size reported was 560 sq ft by LIG, 700 sq ft by MIG and 900 sq ft by HIG.



- **Amenities:** As was the case in the exhibitions in the recent past, children play area and bus service to station are the top two preferred amenities by the respondents. This only reaffirms that today's property buyer is looking out for amenities which are high on functionality.



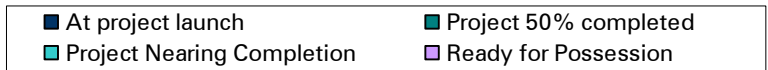
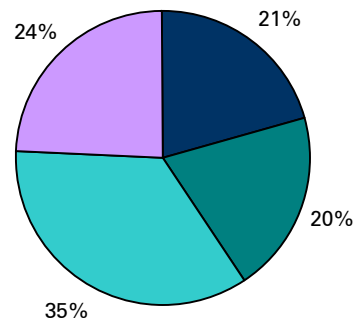
- **End Use of New property:** 83% of the respondents intended to purchase the new property for self-occupation, and another 7% had plans of purchasing a second home. Not much activity has been noticed from the investor community as they were represented only just over 6% of the total respondents.

- **Stage of Construction:**

Since quite a few affordable housing projects are at their launch stage, nearly one-fourth of the respondents prefer a project at launch.

35% have plans to purchase property in a project nearing its completion and another 24% prefer a ready possession property.

**Stage of Construction**

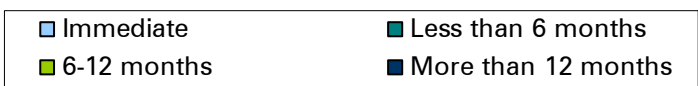
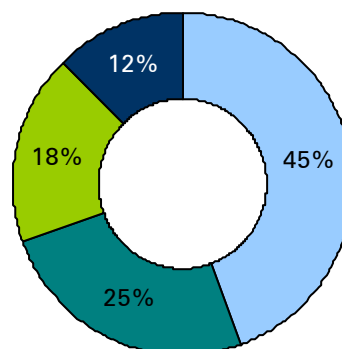


- **Time Frame:**

45% of the total respondents had an immediate requirement to purchase a property, 25% were ready to wait till next 6 months while another 18% had plans of purchasing property in 6-12 months. 12% preferred to purchase property only after one year's time from now.

While 21% of the home seekers were willing to look at projects at launch stage, only 12% were willing to wait beyond a year, thereby showing some concern on the delivery.

**Preferred Time Frame**



- **Source of Funds:** 89% 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:** 78% of the respondents intended to avail housing loan from nationalized banks which could be due to recent reduction of interest rates by some of the major public sector banks.

**Our Viewpoint:**

In the past, we had observed that the home seeker irrespective of the income class, had always experienced a stretch budget. However based on the data collated from the current exhibition, it appears that supply is emulating the demand and as such there is no stretch budget for any of the target segments, as is apparent from below table.

	LIG MHI upto 25000	MIG MHI 25000-50000	HIG MHI > 50000
Average Budget (Rs. in lacs) (A)	19.00	28.25	44.00
Median Unit Size (in sq ft) (B)	560	700	900
Average Property (Rate Rs. per sq ft) - (C)	2750	3850	4850
Capital Value (Rs. in lacs) - (B x C) = D	15.40	26.95	43.65

We observed serious buyers along-with their families, visiting the exhibition which in itself is a clear indicator of revival of residential real estate industry. Most of the visitors opine that the residential property prices have now more or less stabilised, thus this is the appropriate time to strike a deal for those waiting on the fence till recent past. Softening of housing loan interest rates has further assisted improving the buyer sentiments.

If the property prices sustain these levels till the upcoming festival season, it would augur well for the industry, as this would translate into higher number of deals!

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	Ackruti City	Ackruti Green woods	Thane	1 / 2 / 3	3900	Jul-2011
		Ackruti Gardenia	Mira Road	1 / 2 / 3	2800	Jul-2011
		Ackruti Countrywoods	Pune	1 / 2	2350	Dec-2010
		Ackruti Creations	Vile Parle	2.5 / 3	9500	Dec-2009
		Ackruti Garnet	Andheri (E)	2 / 3 / 4	14000	upcoming
		Ackruti Regent	Andheri (E)	1 / 2 / 3	9000	upcoming
		Ackruti Vedant	Sion (E)	1 / 2	7500	upcoming
		Ackruti Lakewoods	Thane (W)	2 / 3	7000	upcoming
2	Arrow Engineering Ltd	Arrow city Manhattan	Outside Mumbai	1 / 2 / 3 / 4	Rs. 3.99 lacs onwards	NA
3	Chauhan Group	Chamunda Classic	Mira Road (E)	1 / 2 / 3	3599-4100	NA
		Chamunda Apartment	Dahisar (E)	1/2	5000	Ready
4	Gemstar Constructions	Grotto Heritage	Malad (W)	3	9000	Ready
		Nazarene Apartments	Malad (W)	2 / 3	6500	Ready
		Blueberry	Malad (W)	2	6000	Dec-2010
		Symphony	Kandivali (W)	1 / 2 / 3	7800 onwards	Ready
		Sonata	Malad (W)	1 / 2	6100	Dec-2010
5	Lodha	Casa Univis	Thane	1 / 2 / 3	3132	Apr-2011
6	Mayfair Housing Pvt. Ltd.	Virar Gardens	Virar (W)	1 / 2	3500	May -2010
	Mayfair Housing Pvt. Ltd.	Mayfair Mira Darshan	Mira Road (E)	1 / 2	3249	Ready
7	Mittal Builders	Mittal Enclave – Ajanta	Naigaon (E), Vasai	1 / 2	2000	Dec-2010
8	Om Sai Charan Builders	Sai Charan Residency	Mira Road (E)	2	2751	Ready
		Khodiyar Pooja	Mira Road (E)	2	2751	Ready
9	Orbit Enterprises	Jewel Residency	Mira Road (E)	2 / 3	3000	May-2010
10	Our Town	New Villa Township	Khardi	Villas	450 for Plot and 1500 for construction	2010
11	Pooja Developers	Pooja Apartments	Thane	1 / 2 / 3	2100	May-2010
12	Royal Palms	Moroccan Apartments	Goregaon	3	3999 onwards	NA
		Piccadilly III	Goregaon	Condo	3999 onwards	NA
		Garden View Apartments	Goregaon	1 / 2 / 3 / condo	3999 onwards	NA
		Lake View III Apartments	Goregaon	3	3999 onwards	NA
		Urbania	Thane (W)	2 / 2.5 / 3	3960-4430	Jun-2010
13	Rustomjee	Elanza	Malad (W)	2 / 2.5	9000	Dec-2010
		Rustomjee & Evershine Builders	Global City	Virar (W)	1 / 2 / 3	2600 on carpet 235 onwards for Plot & 1300 onwards for construction
15	Shivalik Developers	Flori Hills	Murbad-Karjat Road	Plot	construction	NA
16	Shree Mangal Associates	Serene Lifestyle	Kandivali (W)	1 / 2	6021	Dec-2010
17	Timber Green Homes	Timber Green Park	Dahisar (E)	1 / 2	4500	2 BHK: Ready and 1 BHK: May-2010

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