

**MUMBAI RESIDENTIAL REAL ESTATE OVERVIEW  
AUGUST 2014**



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- In the short run, Mumbai residential real estate market is witnessing cautious optimism amidst the strong election results, which is expected to unlock the pent up demand over the next six months, around the festive season of Deepawali and Ganesh Chaturthi.
- In the longer term, we expect prices to maintain an up trend owing to the rising input cost coupled with the adaptive expectation of buyers.
- The recent Union Budget, which has increased the housing loan tax deduction on self occupied property from INR 150,000 to INR 200,000 is expected to promote home ownership and give further boost to the housing sector.
- Buyers who were till now hesitating to invest their money in property, waiting for the economy to revive, are now indicating a turn around in sentiment.
- Mumbai has recently witnessed a string of executed surface transport infrastructure projects i.e. the Santacruz Chembur Link Road (SCLR), the Wadala-Chembur Monorail and the Versova-Andheri-Ghatkopar metro corridor. Each of these transportation infrastructure initiatives has had a significant effect on the adjoining realty micro markets.
- Chembur has emerged as one of the most promising micro markets, not only in Mumbai but also in India. It has gained prominence due to its proximity to Eastern Express Highway and also to Western Express Highway (due to the completion of SCLR). In terms of infrastructure, the Chembur-Wadala monorail will also improve connectivity to key business districts. Chembur is also in close proximity to BKC, which makes it an attractive destination. One more important reason for Chembur to be considered a serious market for real estate is the interest shown by major developers. Key players having presence in the area include Godrej Properties, Omkar Group, Ekta Group, Hiranandani, Tridhaatu Developers, Wadhwa Group, among others.
- One of the reasons for the residential real estate transactions to have witnessed a slowdown over the past one year is the supply demand mismatch existing in the market. The slowdown has been mostly marked in the South Mumbai and Navi Mumbai markets.
- Market is also witnessing discounted launches to evince buyer interests amidst the slow market.

### Overview

Mumbai, which was previously known as Bombay is a major metropolitan city of India. It is the state capital of Maharashtra and is known as the business capital of India.

### Location

Mumbai lies on the western coast of India, spread across 437.77 sq kms. The population of Mumbai as per census 2011 is 20.4mn. It is a group of seven islands in the Arabian Sea, which lies off the northern Konkan coast to the west of Maharashtra. These seven islands, which were once separated by creeks and channels, were filled and bridged over the years by the inhabitants.

### History of Mumbai

In 1661, King Charles II of England was given Bombay as dowry on his marriage to Princess Catherine de Braganza of Portugal. Later in 1668 it was handed over to the East India Company.

### Administrative Framework

Mumbai consists of two distinct regions: the city (South Mumbai) and the suburbs. The city is usually referred to as an Island City while the suburbs could be divided into Central and Western. Mumbai region is administered by the Brihanmumbai Municipal Corporation (BMC) (formerly the Bombay Municipal Corporation).

Navi Mumbai (stretching from Airoli to Uran) and Thane City, which have been covered as separate retail districts in this report, are otherwise a part of the Thane district.

Pockets beyond CBD Belapur are a part of the Raigad District and fall under the Panvel Municipal Council. The remaining parts of Navi Mumbai are under the jurisdiction of the NMMC, Navi Mumbai Municipal Corporation.

Thane City is under the administration of the Thane Municipal Corporation.

### Western Express Highway

Western Express Highway in Mumbai (~ 25 kms in length) begins from near the Mahim creek and extends to the Mira-Dahisar toll booth, connecting Bandra, Andheri, Goregaon, Kandivali, Borivali up to Dahisar. Beyond the city limits, it continues as the Mumbai-Delhi National Highway 8.

### Eastern Express Highway

Eastern Express Highway in Mumbai (~23 kms in length) The expressway also serves as a link to the National Highway 3. The expressway has a total of 6 lanes and it connects to all the suburbs of North Mumbai with the South Mumbai. Chhatrapati Shivaji Terminus is the starting point of the expressway and continues upto Thane. The Sion Panvel Highway cuts the Eastern Expressway at the RCF junction and connects it to the outer areas of the city where it is popular by the name of Dr. Ambedkar Road.

### Santacruz – Chembur Link Road (SCLR)

#### Introduction

The SCLR is a 6.45 km road, which links Western Highway at Santa Cruz to Easter Highway at Chembur. The six-lane road is a part of the World Bank-funded Mumbai Urban Transport Project (MUTP) and the project has been executed by the Mumbai Metropolitan Region Development Authority (MMRDA).

#### Importance

Commuters from the Western Suburbs towards Navi Mumbai either have to take the Jogeshwari - Vikhroli Link Road (JVLR), Andheri-Kurla Road or a detour from Sion to reach Chembur. During peak hours, this may take 90 minutes to 2 hours.

After the SCLR has been opened, the travel time has reduced to ~20 minutes.

#### Connectivity – Key Effects

SCLR will improve east-west connectivity. One arm will connect Lokamanya Tilak Nagar Terminus, another will link Nehru Nagar in Kurla (E) and the third will connect LBS Marg in Kurla (W).

### Mumbai Metro

#### Master Plan

In 2003, MMRDA aimed to find long-term solution to traffic for easy transportation in the MMR. Therefore, MMDR with the help of M/s. Delhi Metro Rail Corporation (DMRC), TATA Consultancy Services and Indian Institute of Technology – Mumbai formulated the Master Plan, along with Detailed Project Report, for the Mumbai Metro. The Master Plan was approved by the Authority in May 28, 2004. The proposal covers 140+ kilometers of which 32.5 kilometers will be underground while the rest is elevated.

	Name of the Corridor	Length (km)
1*	Versova-Andheri-Ghatkopar	11.4
2**	Charkop-Bandra-Mankhurd	32
3***	Colaba-Bandra-SEEPZ	33.5
4	Charkop-Dahisar	7.8
5	Wadala-Ghatkopar-Teen Hath Naka (Thane)-Kasarvadavali	30.7
6"	Wadala-Carnac Bunder	13.5
7	SEEPZ-Kanjurmarg	10.5
8	Andheri (E) – Dahisar (E)	18
9	Sewri-Prabhadevi	3.5
	<b>Total</b>	<b>160.9</b>

\* Already Operational

\*\*Project under implementation / awarded under Public Private Partnership (PPP)

\*\*\* Project proposed to be implemented with Japanese Loan Assistance (JICA)

" deferred due to, less ridership & parallel to harbour line

Source: [mmrdamumbai.org](http://mmrdamumbai.org)

### **Mumbai Eastern Freeway**

Seven years after laying the foundation and incurring a cost of INR ~1,463 crore, the Eastern Freeway, connecting South Mumbai with Eastern suburbs is now fully operational.

The ~3 km Panjarpol-Ghatkopar link has been inaugurated, which is the third and the final section of the ~16km elevated Freeway.

Constructing the Eastern Freeway was complex as it involved construction of tunnel road through a small hill and creating elevated road of 23 meters at the Panjarpol junction.

The Eastern Freeway was commissioned in a staggered manner with the first section being commissioned in June 2013.

With all the sections of the Eastern Freeway opened for traffic, motorist from South Mumbai bound for Ghatkopar would be able to save more than 45 minutes of driving time.

### **Sahar elevated road**

The Sahar Elevated Road, connecting Western Express Highway with Chhatrapati Shivaji International Airport's (CSIA) new Terminal 2, implemented jointly by the Mumbai Metropolitan Region Development Authority (MMRDA) and Mumbai International Airport Private Limited, stretches ~3 km between WEH and CSIA — two lanes on either side. The signal-free elevated road starts from Hanuman Road junction, Vile Parle (East), and stretches upto Terminal 2.

### **Navi Mumbai**

#### **Sion-Panvel Highway**

Sion Panvel Highway is a ~25 km stretch from the BARC junction to Kalamboli. The proposal is to convert the highway from a 3+3 lane network to a 5+5 lane network. The project is estimated to cost INR 12.2 billion to refurbish the existing carriageway. Each of the five lanes are expected to be 3.5 meters wide and a toll plaza is expected to be setup at Kamothe at the end of the flyover near Talaja junction and the toll is expected to be collected for a period of 17 years and 3 months, including the period of 3 years for the construction of the main carriageway. The project includes the construction of two lane new service roads with parallel drainage system and footpaths. The highway divider will be two meters wide; three flyovers will be constructed at Sanpada junction, Uran phata and Kamothe. Two flyovers are proposed to be made at Talaja junction and Chembur Mankhurd Link Road, which will be one way towards Mumbai.

#### **Mumbai Trans Harbour Link**

It will improve connectivity between Island city and main land (Navi Mumbai). The project includes a 22.5 km long 6-lane bridge connecting Sewri on the island city to Nhava-Sheva. This includes A 16.5 km long sea link and 5.5 km long viaducts on land. This link will consist of 6 lane (3+3) carriageway.

#### **Navi Mumbai International Airport**

Navi Mumbai International Airport is positioned as a Greenfield international airport offering world-class facilities to passengers, cargo, aircrafts and airlines. The site is located in an area measuring 1,100+ hectares. The airfield will be designed to accommodate new large aircrafts, compatible to aerodrome code 4F, conforming to the specifications of the International Civil Aviation Organisation (ICAO).

**Metro Rail Project (Navi Mumbai)**

Anticipating the future demand of public transport, the following plan for the Metro has been proposed:

Sr. No.	Corridor	Length	Priority
1	Belapur-Taloje-Pendhar-Khandeshwar-NMIA	23.40 km	I
2	Mankhurd-NMIA-Parvel	32.00 km	II
3	Sewree-Kharkopar-NMIA (MTHL)	22.00 km	II
4	Dighe-Turbhe-Belapur	20.00 km	III
5	Vashi-Ghansoli-Mahape	9.00 km	III
	Total	106.40 km	

Source: CIDCO

Short Term	10-12 months	Stable in capital value
Long Term	50-60 months	CAGR 10-12% appreciation in capital value with an upward bias on a conservative note

In the short run, Mumbai residential real estate market is witnessing cautious optimism amidst the strong election results, which is expected to unlock the pent up demand over the next six months, around the festive season of Deepawali and Ganesh Chaturthi. We expect the property prices to remain stable. However, the high ticket sizes continue to put pressure on the upward momentum.

In the longer term, we expect prices to maintain an up trend owing to the rising input cost coupled with the adaptive expectation of buyers.

The key observations during our survey are as follows,

- **Optimism brewing among home buyers and developers**

Post a long gap, India has witnessed a decisive mandate leading to the formation of a stable government at the centre. Buyers who were till now hesitating to invest their money in property, waiting for the economy to revive, are now indicating a turn around in sentiment.

The development agenda of the new government seems to have created resonance among the Indian home buyers with them counting on the new government to keep its promises.

The recent Union Budget, which has increased the housing loan tax deduction on self occupied property from INR 150,000 to INR 200,000 is expected to promote home ownership and give further boost to the housing sector.

- **Mumbai metro's impact on the residential real estate prices**

The newly inaugurated Versova-Andheri-Ghatkopar stretch of the Mumbai metro, which has reduced the travel time from Versova to Ghatkopar from 90 minutes to 21 minutes along with improving the east-west connectivity, is expected to positively impact the Mumbai real estate market. However, the impact in this stretch is not expected to be significant, as it had been internalized during the execution of the project over the past years.

The inauguration of this stretch is expected to further push the prices of locations where the metro is expected to touch in the forthcoming years.

- **Newly executed infrastructure projects building momentum in the Mumbai residential market**

Mumbai has recently witnessed a string of executed surface transport infrastructure projects i.e. the Santacruz Chembur Link Road (SCLR), the Wadala-Chembur Monorail and the Versova-Andheri-Ghatkopar metro corridor. Each of these transportation infrastructure initiatives have had a significant effect on the adjoining realty micro markets

- **Supply – Demand mismatch appearing in the Mumbai residential real estate market**

One of the reasons for the residential real estate transactions to have witnessed a slowdown over the past one year is the supply demand mismatch existing in the market. The slowdown has been mostly marked in the South Mumbai and Navi Mumbai markets.

- **Mumbai real estate market largely end user driven relative to Navi Mumbai which has witnessed heavy investor interest**

Mumbai residential real estate market is predominantly end user driven with 70% market share. End users prefer ready to move in apartments tracking the delay in delivery time lines of under construction projects.

However, Navi Mumbai has witnessed high investor concentration up to 50% of the market share tracking the new international airport proposed to come up in Panvel and the proposed Nhava Sheva link. Investors are majorly concentrating on the areas of Ulwe, Uran, Panvel and Kharghar.



**Major Locations: Ghatkopar , Vikhroli , Powai, Kanjurmarg , Bhandup, Mulund, Chembur**

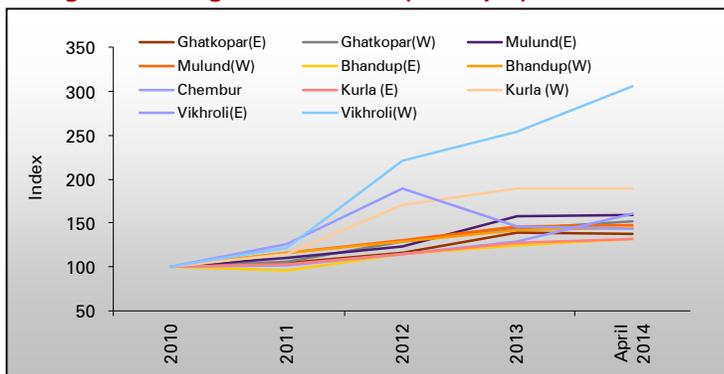
**Key Highlights:**

- Strategically located in the MMR's central zone, Wadala is at a comfortable distance from the MMR's main employment centres. The Eastern Expressway connects it with other regions of the central zone as well as business hubs in the island city. It is also connected through the suburban train network.
- Ghatkopar is one of the most developed locations in Mumbai
- Amidst many retail developments like the Dreams Mall, Magnet Mall, and Metro, Bhandup and Mulund are witnessing the launch of several premium projects.
- Chembur has emerged as one the promising micro markets, not only in Mumbai but also in India. It has gained prominence due to its proximity to Eastern Express Highway and also to Western Express Highway (due to the completion of Santacruz Chembur Link Road). In terms of infrastructure, the Chembur-Wadala monorail will also improve connectivity to key business districts. Chembur is also in close proximity to the BKC which makes it an attractive destination. Lower Parel will also be better connected due to the mono-rail. One more important reason for Chembur to be considered a serious market for real estate is the interest shown by major developers. Key players having presence in the area include Godrej Properties, Omkar Group, Ekta Group, Hiranandani, among others. Chembur has been the beneficiary of key new infrastructure projects such as monorail, Santacruz Chembur Link Road, among others which is leading to a pent-up demand for housing in the area.
- Chembur's proximity to the Bandra-Kurla Complex and other office destinations will fuel demand for residential properties.
- Major developers in the central suburbs include Runwal, Kalpataru, Wadhwa, Godrej Realty, Lodha, among others.

**Growth Stimulators:**

- Eastern Freeway, the Santacruz Chembur Link Road and the Chembur-Wadala-Jacob monorail will boost connectivity to the area.
- Good connectivity and well developed infrastructure in terms of highways, for eg the Eastern Express highway, which connects Dadar to Thane.
- Ghatkopar–Andheri-Versova corridor of the Mumbai Metro, which has reduced the travel time from ~ 90 mins to ~ 21 mins.

**Weighted Average Price Trends (INR/sq.ft.) of available units in Central Suburbs**



\* Source: PropEquity

## Property rates of `ready-to-move-in' units in prime residential markets of Central suburbs\*\*

Location	Capital Values (INR/sq.ft.)	Rental Values for 2 BHK (INR /month)
Chembur	15,000-20,000	25,000-35,000
Ghatkopar	14,000-20,000	25,000-40,000
Vikhroli	13,000-17,000	25,000-35,000
Powai	13,000-25,000	30,000-70,000
Kanjurmarg	12,000-16,000	25,000-30,000
Bhandup	11,000-15,000	20,000-28,000
Mulund	12,000-16,000	25,000-30,000

Source: ICICI Property Services Group

\*\*indicative mid market segment

## Major Locations: Bandra, Andheri, Goregaon, Kandivli, Borivali, Dahisar - Virar

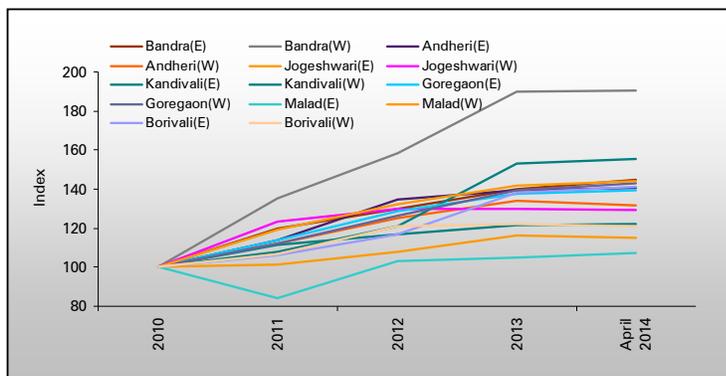
### Key Highlights:

- The western suburbs have been the commercial hub of Mumbai.
- Bandra boasts one of the most popular high street shopping destinations, ie Linking Road
- Major developers include K Raheja Group, Oberoi Constructions, Rustomjee, Kalpataru, Kanakia, Omkar, Sunteck, Oberoi, Rajesh Lifespaces, Hubtown, among others

### Growth Stimulators:

- Double income of families coupled with home loans, has made it possible for the end-user to afford this area.
- The connectivity to western express highway is a big attraction to the buyers and residents of western suburbs, with the added benefit of flyovers over most major junctions
- The Bandra - Worli sea link has added value to the Bandra realty market which is one of the most sought after CBD of Mumbai
- With the diamond market shifting to BKC, property rates have seen an upward movement.
- Andheri is well connected to the airport.
- The property market in Goregaon is witnessing an upward momentum tracking the easy accessibility to the Western Express highway and the link roads like the proposed Goregaon–Mulund Link Road and the MUIP's (Mumbai Urban Infrastructure Project) plan to start a Metro link from Charkop to Colaba
- Borivali, being the train terminal for most of the long distance trains, makes it one of the popular upcoming properties.
- Virar is well connected by railway lines, hubs etc.

### Weighted Average Price Trends (INR/sq.ft.) of available units in Western suburbs



\*Source: PropEquity

## Property rates of `ready-to-move-in' units in prime residential markets of Western Suburbs

Location	Capital Values (INR/sq.ft.)	Rental Values for 2 BHK (INR/month)
Bandra	40,000 - 60,000	60,000 – 100,000
Santacruz	20,000 - 50,000	30,000 - 70,000
Andheri	15,000 – 30,000	30,000 – 50,000
Goregaon	14,000 - 22,000	25,000 - 50,000
Kandivali	10,500 - 16,000	20,000 - 30,000
Borivali	11,000 - 15,000	20,000 – 30,000
Dahisar	8,750 – 11,000	18,000 – 20,000
Bhayandar	6,500 - 10,000	12,000 – 15,000
Mira Road	6,000 - 9,000	10,000 – 14,000

*\*\*Indicative mid market segment  
Source: ICICI Property Services Group*

**Major Locations: Dadar, Prabhadevi, Worli, Lower Parel, Mahalaxmi, Mumbai Central, Wadala, Sewri, Sion**  
 South Mumbai hosts the Reserve Bank of India and Bombay Stock Exchange. Its primary business districts are Fort, Worli, Nariman Point, Ballard Estate and Lower Parel. Chhatrapati Shivaji Terminus (CST) and Churchgate serve as headquarters and starting point for the Central and Western Railway lines respectively.

The area houses a significant proportion of prime up market residential neighbourhoods of Mumbai which includes Peddar Road, Nepean Sea Road, Breach Candy, Walkeshwar Road, Altamont Road and Cuffe Parade to name a few. There has been a surge of landmark real estate projects which have come in and around Lower Parel, Mahalaxshmi, Prabhadevi, Lalbaug, Parel, Curry Road, Dadar, Matunga and Worli, hence, consolidating South Mumbai as one of the most prestigious and costliest places to live in India.

Many distinctive sporting clubs have been an integral part of South Mumbai landscape like the Willingdon Sports Club, the Turf Club at Mahalaxmi Racecourse, the Bombay Gymkhana, the Breach Candy Club, the N.S.C.I and the Malabar Hill Club (Formerly W.I.A.A Club).

Byculla as a destination is showing a lot of developer interest. It is one of the upcoming locations in Mumbai. The attractiveness of Byculla as a destination is underlined by the fact that major developers of repute have their projects in pipeline at that location. Those names include Peninsula Land, Godrej Properties, Marathon, among others.

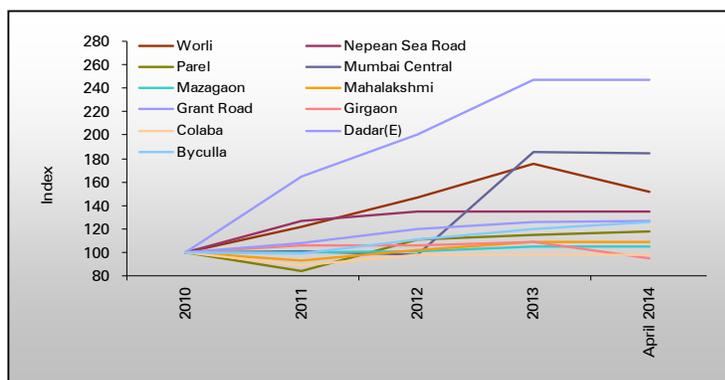
### Key Highlights:

- South Mumbai is the premium residential market in the city
- End-users are largely driving the South Mumbai realty market
- Amphitheatre, 24-hour coffee shops, modular kitchen, jacuzzi are average facilities that are being provided in all the upcoming properties in this micro market
- Apartments in the range of 3 - 5 crores have shown good acceptance
- Apartments with good views of the city and the sea are also in good demand and command a premium
- Major developers include Lodha, Indiabulls, Peninsula Land, Marathon, Ahuja, DB Group L&T, Bombay Realty, among others

### Growth Stimulators:

- Bandra – Worli Sea link
- The proposed Colaba-Bandra-Seepz Metro
- Significant commercial presence in Lower Parel and Worli is fueling the residential property prices in South Mumbai.
- Presence of large mill land parcels that offer excellent open space with high end amenities.

### Weighted Average Price Trends (INR/sq.ft.) of available units in South Mumbai\*



\* Source: PropEquity

## Property rates of 'ready-to-move-in' units in prime residential markets of South Mumbai

Location	Capital Values (INR/sq.ft.)	Rental Values for 2 BHK (INR/ month)
Dadar	24,000 - 30,000	50,000 - 80,000
Prabhadevi	30,000 - 80,000	75,000 - 125,000
Parel	25,000 - 40,000	70,000 - 110,000
Worli	35,000 - 60,000	75,000 - 150,000
Lower Parel	30,000 - 60,000	80,000 - 150,000
Mahalaxmi	28,000 - 45,000	70,000 - 170,000
Wadala	18,000 - 25,000	30,000 - 65,000
Sewri	20,000 - 35,000	35,000 - 75,000
Sion	18,000 - 35,000	30,000 - 50,000
Byculla	20,000-25,000	80,000-1,00,000

*\*\*Indicative mid market segment  
Source: ICICI Property Services Group*

Thane is situated to the north-east of Mumbai and is well connected to the prime business hubs of Mumbai and Navi Mumbai via rail and road. Erstwhile an industrial town with affordable residential housing options, Thane has now become a relatively upmarket residential destination, owing to the various infrastructural initiatives by the Government executed under the Thane Municipal Corporation (TMC). Most of the residential properties in Thane were low rise developments, however, with a gradual infrastructure development; prominent developers have come up with major projects in this region.

Kolshet connects Eastern Express Highway to Western Express Highway and acts as a bypass to Ghodbunder Road. The locality is in a developing stage when compared to Ghodbunder Road. Developers with projects at Kolshet include Runwal, Lodha, Wadhwa, among others.

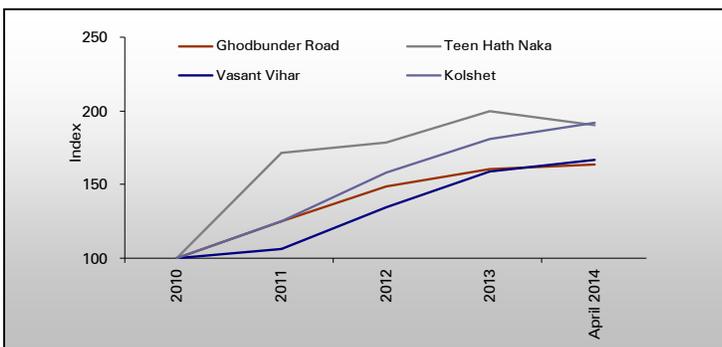
**Key Highlights:**

- Thane, which was initially an industrial zone, witnessed IT related developments with the conversion of Wagle Industrial Estate into an IT Zone.
- Ghodbunder Road is a well established office location and has a massive scope for residential development owing to the availability of land. Further, it is very well connected to Eastern and Western Express Highway in Mumbai.
- Currently, Thane boasts of key developers such as Dosti Group, Soham, DB Group, Rustomjee, Hiranandani, Vijay Group, Puranik, T Bhimjiyani Realty, Raunak Group and Kalpataru.

**Growth Stimulators:**

- Projects across this area offer community living with good amenities at reasonable rates
- Ghodbunder road provides easy accessibility to Thane railway station, Mira Road and the Western Express Highway after the influx of new flyovers.
- Currently work is in progress for several flyovers connecting Thane with Dahisar, Ghodbunder and Bhiwandi.
- MMRDA has proposed a monorail along Thane- Bhiwandi-Kalyan route
- MMRDA has also proposed the alignment of the metro rail corridor including stations at Teen Haath Naka, Wagle Estate, Cadbury Junction, Golden Dyes, Kapurbawdi, Manpada, Tikujini Wadi, Patlipada, Waghbil, Kasarvadavli
- Thane has good leisure and entertainment options with operational malls such as Korum Mall, Viva City Mall and R Mall.
- Thane boasts of a good social infrastructure as it has some of the key hospitals, educational institutes and hotels.
- Jupiter Hospital, Bethany Hospital and Hiranandani Hospital are the key prominent hospitals here.
- Further, Thane has star hotels such as The Fortune Park and United 21. and reputed eat-out places.

**Weighted Average Price Trends (INR/sq.ft.) of available units in Thane\***



\* Source: PropEquity

**Property rates of `ready-to-move-in' units in prime residential markets in Thane**

Location	Capital Values (INR/sq.ft.)	Rental Values for 2 BHK (INR/month)
Ghodbunder Road	5,500 – 10,000	15,000 – 25,000
Panchpakhadi	9,000 – 14,000	18,000 – 30,000
Teen Haath Naka	10,000 – 16,000	20,000 – 30,000
Vasant Vihar	9,000 – 17,000	15,000 – 30,000
Kolshet	8,000-8,500	15,000-17,000

*\*\*Indicative mid market segment; Source: ICICI Property Services Group*

### Major Locations: Vashi, Palm Beach Road, Sea Woods, Nerul, Kharghar, Ulwe, Panvel

Navi Mumbai is one of the largest planned townships in the world. With a view to decongest Mumbai, development planning of Navi Mumbai started in 1971. The region started getting recognised as a destination for the middle class population, who were unable to afford houses within prime Mumbai or were not keen to move in the extended western suburbs of Mumbai such as Dahisar to Virar. Availability of developable land and improving connectivity with the prime city is expected to drive investment potential of Navi Mumbai. In due course on account of its good connectivity with Mumbai via road and rail, coupled with relatively affordable price points, it started attracting various classes of buyers. Navi Mumbai offers options to all types of buyers across all asset classes.

Due to its strong connectivity with Mumbai, Pune and Thane, less congested living environment and availability of space at better price points, Navi Mumbai is fast developing as an all-round destination. As this submarket has large land parcels available, it is offering housing options for middle income groups at reasonable prices. This is expected to develop Navi Mumbai as an important residential destination in Mumbai along with being a key suburban business district.

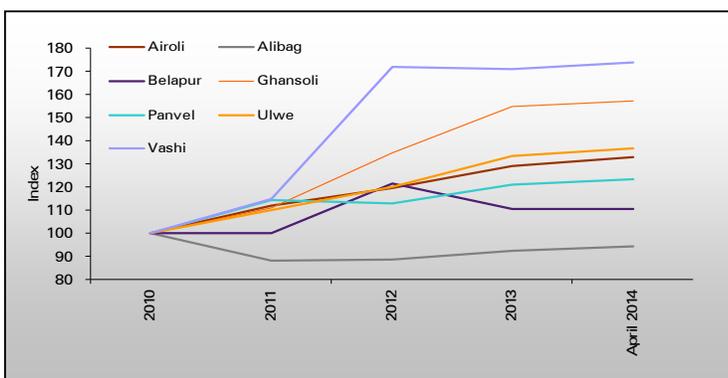
### Key Highlights:

- Navi Mumbai can be divided into two segments –
  - The old and populated segments (Vashi, Nerul and Belapur)
  - The new upcoming segment (Ulwe, Kharghar, Dronagiri and Panvel)
- Navi Mumbai is being marketed as India's 'no slum city'
- Navi Mumbai is well connected to Mumbai and Thane via road and rail network and with Pune via the Mumbai Pune Expressway.
- Apart from few prime developers like Hiranandanis, Wadhwa Group, Kalpataru, Indiabulls, Marathon, Adhiraj, who are present in Navi Mumbai, other local developers with a good track record such as Akshar Group, Kesar Group, Swaraj Builders, Arihant Universal and Progressive Group are also developing their projects here.
- Navi Mumbai is home to a population that sprawls different income categories. While the mid and the upper-mid income reside at well-established precincts like Vashi, Belapur and Nerul, the lower mid-income population opt for farther emerging locations such as Ulwe, Kamothe and Turbhe.
- Investment activity is higher the emerging locations as they serve as affordable residential options.
- The precincts close to the upcoming international airport are witnessing active development of sales and new launches.
- While, commercial office development is majorly restricted to the IT/ITES industry, we believe that with the current focus on fast development of infrastructure projects, this submarket has the potential to become an even more preferred commercial destination.
- A striking difference in the quality of development can be witnessed between standalone properties without major amenities and new large-scale and high rise developments that is taking place in this micro market.
- With an effective transport system and well-built connectivity to Mumbai, Ghansoli and Sanpada are highly demanded residential localities in Navi Mumbai.

**Growth Stimulators:**

- The connectivity in Navi Mumbai region is slated to get a boost with various proposed infrastructure projects such as Nerul-Uran rail line, International Airport, Mumbai Trans Harbour Link, Monorail, Expansion of Sion-Panvel highway, Mansarovar-Taloja and Panvel-Uran rail lines.
- Social infrastructure is also well placed with the presence of educational institutions, hospitals, playground and parks.
- The traditional shopping plazas of Navi Mumbai co-exist with quality malls like Inorbit, Raghuleela and Centre One. In addition to anchor tenants like HyperCity, Shoppers Stop, Central, Food Bazaar and Globus, these malls are also host to various national and international brands.
- Navi Mumbai houses reputed hospitals such as Dr. D Y Patil Hospital and Research Centre, Sterling Wockhardt Hospital and Dr. Mahajan’s Hospital. It also boasts of some leading names in hospitality such as The Park, Fortune Select, Four Points and Royal Orchid.
- Vashi is host to IT parks and shopping centers.
- Kharghar has good educational institutions like NIFT, ITM, Yerala Medical College, DAV, Ryan International School and due to their presence it is also a liquor-free zone. Excellent infrastructure, a central park (240 acres), a golf course and a proposed international airport in the vicinity has given Kharghar an edge over the other nodes of Navi Mumbai.
- A proposed six-lane road cum rail bridge between Sewri – Nhava Sheva link of about 22kms will reduce the travel time between Navi Mumbai & Mumbai to about 30mins.
- Commuter railway systems at Navi Mumbai include Mankhurd–Belapur–Panvel, Thane–Vashi–Juinagar–Uran, Thane–Juinagar–Nerul and the proposed Seawood–Ulwe–Uran metro rail.
- Palm Beach Road, known as the Queen’s necklace of Navi Mumbai, has contributed to the significant rise in the property price in this micro-market. Most of the buildings on this road are demanding high rates owing to the creek view.

**Weighted Average Price Trends (INR/sq.ft.) of available units in Navi Mumbai\***



\* Source: PropEquity

**Property rates of `ready-to-move-in' units in prime residential markets of Navi Mumbai**

Location	Capital Values (INR/sq.ft.)	Rental Values for 2 BHK (INR/month)
Palm Beach	14,000 - 18,000	25,000 - 30,000
Seawoods	9,000 - 14,000	25,000 - 30,000
Belapur	9,000 - 10,000	20,000 - 25,000
Khargar	5,500 - 8,500	18,000 - 20,000
Panvel	4,800 - 6,800	10,000 - 12,000
Ulwe	4,000 - 6,000	-
Airoli and Ghansoli	7,000 - 9,000	15,000 - 20,000

*\*\*Indicative mid market segment*

*Source: ICICI Property Services Group*

### **Kalyan – Dombivali**

Kalyan – Dombivali is a twin city with its Municipal Head Quarters at Kalyan. Kalyan is one of the important station on the Central Line as it is a junction from where two lines namely Mumbai – Nashik & Mumbai Pune emerge. Apart from this all the major trains going to Pune & beyond & Nashik & beyond halt at Kalyan. It is also one of the most important stations on Local Central Line as all trains on CST – Kasara & CST – Karjat/Khopoli line halt at Kalyan. Some of the major industries lie on the Kalyan – Badlapur stretch, which includes Ulhasnagar as well. One of the major river of Kalyan is Ulhas River. Ambivali, Shahad are some of the extended areas of Kalyan with many new developments of residential projects. They offer better living than Kalyan at slightly less rate.

### **Ambarnath - Badlapur**

Badlapur is a very important station on the Central line with many trains terminating at Badlapur. Both Badlapur East & West have considerably developed and all the required amenities are available. Ambarnath a station before Badlapur while coming from CST is also well developed and many trains also terminate at Ambarnath. Badlapur is also well known for the MIDC, Badlapur.

### **Ulhasnagar**

Ulhasnagar is one of the station on the CST – Karjat line. It is known for its denim manufacturing units, which manufacture large amount of denim at an affordable cost.

### **Bhiwandi**

The city of Bhiwandi, known for its textile industry, has the largest number of power looms in the. A major portion of the population is employed by the power loom sector. The Mumbai-Agra highway (NH-3) passing through Bhiwandi ensures the smooth connectivity of the city with Mumbai, Thane, Nashik and the rest of India. Bhiwandi is the next development region for MMRDA, which has developed other regions such as Bandra - Kurla Complex, Mumbai Metro & Monorail Project, Eastern freeway and many more. Close proximity to Mumbai, Thane and proposed development of region by MMRDA makes Bhiwandi an ideal place for businesses to locate. Availability of 24hrs power supply coupled with the availability of workers due to the close proximity to industrial city of Bhiwandi facilitates the setting up of industrial units. Availability of transporters having country wide presence in close proximity makes it an ideal location for warehousing.

### **Shilphata**

Shilphata, has derived its name from a village called Shil. The place is approx 9 kms from Ghansoli (Navi Mumbai) and 4.5 kms from Mumbra station on the Central Line. This place holds potential because of its proximity to Navi Mumbai and connectivity to major work places of MAHAPE – Millennium Business Park which has a lot of IT and industrial set ups.

There is a Metro line planned, that shall connect this location with Kharghar in Navi Mumbai. The place is governed by Thane Municipal Corporation (TMC) and has approved high rise development in this area.

Prominent projects in this location are from Bharat Infra, Atlanta,Dosti group, among others. This place overall is a cheaper substitute of Navi Mumbai for housing.

### **The following are the key highlights aiding property prices:**

There is good availability of land parcels in outskirts of Kalyan & Badlapur as compared to other parts of the city. This helps developers to create projects with all amenities and hence gives a better quality of life to residents. The availability of affordable flats with better amenities is a reality made possible in the area.

It also helps that the area has seen an influx of reputed builders like Neptune, Nirmal, Sheth Creators, Tata Group, Lodha, among others.

The mono rail project that will connect Thane to Kalyan will improve transportation facilities in a big way. Once a robust public transport system is in place the long term benefits of the infrastructure accrues to the areas that are connected by it.

The proposed plan to develop Kalyan as the next Terminus will make Kalyan an even bigger hub than it already is and this can only support realty prices in the area.

The Four lane Kalyan – Karjat Highway is also expected to boost the local economy and deliver comfortable and safe connectivity. The same goes for Virar – Vasai – Kalyan – Alibaug proposed four lane route.

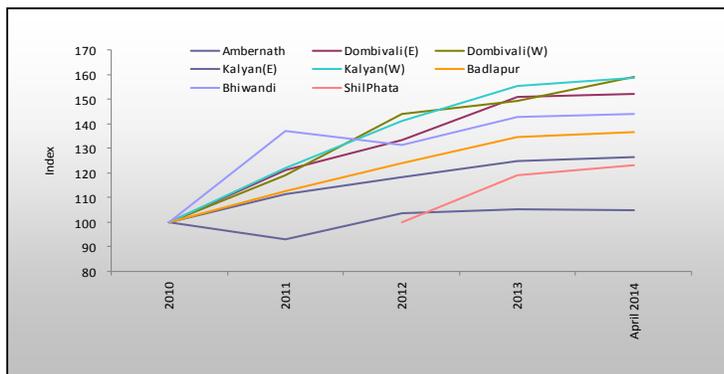
The proposed Navi Mumbai Airport is in the nearby vicinity of Badlapur. Although the Airport operation is quite some time away, it is only very reassuring for the regions gradual rise towards being the mainstream area in the not-to-distant future.

In recent years the chronic problem of water and power shortage in the area has receded to a great extent due to increase in water supply & improvement in power connection. This bodes well for the area and as more and more people make this belt their home.

**Other important factors going for this region include:**

- Increase in number of trains to Kalyan and beyond
- Access to educational institutes

**Weighted Average Price Trends (INR/sq.ft.) of available units**



\* Source: PropEquity

**Property rates of `ready-to-move-in' units in residential markets**

Location	Capital Values (INR/sq.ft.)	Rental Values for 2 BHK (INR/ month)
Shill-Phata	4500-6300	-
Dombivali	5000 – 8500	10000 – 11000
Kalyan	3000 – 7500	8000 – 10000
Ambarnath	3000 – 3600	4500 – 5000
Badlapur	2700 – 3700	4000 – 4500
Bhiwandi	6500-7500	10000-12000

\*\*Indicative mid market segment

Source: ICICI Property Services Group

# LOCATION ATTRACTIVENESS INDEX - MUMBAI

	Worli	Ghodbunder Road (Thane)	KHARGHAR	PANVEL	BANDRA (E)	Chembur	Goregaon/ Malad	POWAI	WADALA
Infrastructure(connectivity, roads, markets, schools)	Bad / High Cost	Good / Low cost	Good / Low cost	Average / Medium Cost	Good / Low cost	Above Average	Above Average	Average / Medium Cost	Good / Low cost
Residential Cost	Bad / High Cost	Average / Medium Cost	Below Average	Average / Medium Cost	Bad / High Cost	Below Average	Average / Medium Cost	Bad / High Cost	Average / Medium Cost
Proximity to Organised Retail	Good / Low cost	Good / Low cost	Below Average	Bad / High Cost	Bad / High Cost	Average / Medium Cost	Good / Low cost	Average / Medium Cost	Bad / High Cost
Proximity to Commercial Development	Good / Low cost	Average / Medium Cost	Above Average	Bad / High Cost	Good / Low cost	Good / Low cost	Average / Medium Cost	Average / Medium Cost	Above Average
Future Infrastructure Development	Above Average	Above Average	Above Average	Above Average	Good / Low cost	Good / Low cost	Good / Low cost	Above Average	Good / Low cost
Future Employment Generation	Good / Low cost	Above Average	Average / Medium Cost	Above Average	Good / Low cost	Good / Low cost	Average / Medium Cost	Above Average	Above Average



Source: ICICI Property Services Group

Sectors	Proposal	Implications
Real Estate	Tax pass-through status for Real Estate investment Trusts (REITs) to avoid double taxation.	<b>Positive</b> This can potentially pave the way for establishment of REITS in India and help cash starved real estate as new source of funding.
	Norms for Smart Cities: requirement of the built up area and capital conditions for FDI reduced from 50,000 sq. m to 20,000 sq. m and from \$10mn to \$5mn respectively with a 3 year post completion lock in.	This move will boost the FDI flow in the housing segment as capitalization rates for these assets will decline (valuations will increase)
	Furthermore, projects which commit at least 30% of the total project cost for low cost affordable housing to be exempted from minimum built up area and capitalisation requirements	This move would provide opportunity for lower restrictions within for real estate developers
	To provide INR 70.6 bn towards development of 100 smart cities by modernizing the existing mid-sized cities.	More capital could be made available for development of such projects
	Slum development to be included in Corporate Social Responsibility (CSR)	Demand booster for real estate developers
	Modified REIT structure available for Infrastructure investments as well	More capital could be made available for development of infrastructure projects
	Housing loan interest exemption has been increased by INR 50,000	Enhance demand

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