

The logo for 99 acres, featuring the text "99 acres" in a bold, blue, sans-serif font. The background of the entire page is a low-angle photograph of several modern skyscrapers with glass facades, reaching towards a bright, hazy sky. The buildings are arranged in a way that creates a sense of depth and height. The lighting is warm, suggesting a sunrise or sunset, with a golden glow on the buildings and a soft purple and blue gradient in the sky. The overall aesthetic is professional and modern, reflecting the real estate industry.

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INSITE REPORT

Mumbai

—
October - December 2016

www.99acres.com



Methodology

The Insite Report by 99acres.com captures the quarterly capital trends and the annual rental analysis of residential apartments in key real estate markets – Delhi NCR, Mumbai Metropolitan Region (MMR), Bangalore, Pune, Chennai, Hyderabad, Kolkata and Ahmedabad. In order to assess the prevailing sentiment, the report delves deep into demand and supply of properties across varied budget segments and occupancy stages. While demand is a function of queries received, supply is based on property listings posted on 99acres.com in Oct-Dec 2016.



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FROM NARASIMHA'S DESK...

Counter-inflation initiatives such as tax sops and reduced home loan interest rates would accentuate home ownership appetite

The Indian real estate market has been struggling with snowballing inventory and demand-supply disequilibrium for 3-4 years now. Just when the industry was heading towards a revival around the festive season, demonetisation deferred growth prospects. Consequential impact in the form of market anxiety, liquidity deficit and pressure on property rates may prolong recovery.

The year 2017, however, is anticipated to be a landmark period for real estate due to the implementation of several reformatory announcements such as RERA, Benami Transactions Act and GST Bill. These radical steps clubbed with counter-inflation initiatives such as tax sops and reduced home loan interest rates would accentuate home ownership appetite and help the market recoup.

Southern metros such as Hyderabad, Chennai and Bangalore are projected to see brighter days due to their



end-user driven markets and massive budget allocations for infrastructure upgrades. Delhi NCR and Mumbai, however, could take longer owing to an inventory overhang and inflated property prices. Nevertheless, changing economic scenario and consumer-friendly policies would pave the way to a transparent and organised industry in the forthcoming quarters.

Narasimha Jayakumar
Chief Business Officer
99acres.com

Pan India Trends



HOME BUYING SENTIMENT

Apprehensions pertaining to several revolutionary policy reforms such as RERA, Land Acquisition Bill, GST Bill, *Benami* Transactions Act and demonetisation kept buyers in a state of dilemma. Fence-sitters continued to remain wary of investing and waited for price correction and market certainty.



PROPERTY PRICES

Limited number of new launches due to an inventory overhang kept property prices under pressure. The cautious stance of homebuyers restrained capital appreciation across cities. The currency pullback move led the average 'ask' prices to either stagnate or dip in Oct-Dec 2016.



RENTAL LANDSCAPE

The rental market across the top metros continued to remain buoyant as steady demand for properties kept vacancy levels in check. The prevailing market uncertainty due to multiple policy reforms compelled potential buyers to hold on to rented accommodations, augmenting demand and price points.



SUPPLY

Piling unsold inventory led developers across the country to shift their focus towards offloading existing housing stock. Homebuyers, too, preferred ready homes over under-construction units. With the formalisation of RERA rules, new launches are expected to remain subdued in 2017.

Market Indicators

	Capital Values	Rental Values	Supply
BANGALORE	↔	▲	▼
DELHI NCR	▼	▲	▼
MUMBAI	↔	▲	▼
CHENNAI	↔	▲	▼
PUNE	▼	▲	▼
HYDERABAD	↔	▲	▼
KOLKATA	↔	▲	▼
AHMEDABAD	▲	▲	▼

* Capital values represent quarterly change * Rental values represent yearly change * Supply is basis properties listed on 99acres.com



Market Movers

Metro network positioned as a game changer

The underground metro network take off at South Mumbai and approval of metro expansion to Thane and Kalyan are expected to redefine the city's demeanor.

Infrastructure projects given a thrust

Key infrastructure projects such as Mumbai Trans Harbour Link (MTHL) and Mumbai Urban Transport Project (MUTP) are hailed as major growth propellers of housing demand and prices across the planned route.

Demonetisation hits property registrations

There has been a 35 percent fall in property registrations in Mumbai, post demonetisation, which could lead to some price correction in resale-heavy markets.

Mumbai releases Draft Development Plan 2034

Mumbai's Draft Development Plan remained a subject of contention owing to clauses such as urbanisation in no-development zones, construction of multi-storey buildings around traditional *gaathan* villages and permission to construct structures with low heights in institutional zones.

Government notifies new TDR Policy

The State government altered the new Transfer of Development Rights and proposed to base it on the width of roads. Any redevelopment along the 30 m wide roads is likely to draw a new Floor Space Index (FSI) of 2.5. However, construction along internal areas and suburbs having 18 m wide roads would bear the brunt of reduced FSI.

Demonetisation Strikes Mumbai



READY TO MOVE

The luxury and ultra-luxury segments bore the maximum brunt of the demonetisation move, experiencing a sudden drop in enquiries, site visits and transactions.

Average weighted property prices in inventory-heavy housing pockets such as Vasai, Palm Beach, Vartak Nagar, Bhayander (West) and Deonar dipped by 4-5 percent in a month.



UNDER CONSTRUCTION

While there have been no special discounts or incentives announced by the developer community so far to expedite sales, buyers are expecting prices to smoothen in

the first half of 2017. Rising land rates and construction costs would limit chances of a price correction. Interest rebates for loans up to Rs 12 lakh could lead to a resurgence in demand.



LAND

The residential land segment, already suffering due to limited buyer base in Mumbai, slowed down further post the currency ban move. Enquiries hit a new low in November, recovering marginally in December. Speculations are rife that the gap between market rates and circle rates of plots might bridge in 2017, propelling NRI and HNI interest.



RESALE

Cash-starved and uncertain buyers withdrew from the secondary market due to the overt dependence on cash component in such transactions. Several deals which were on the verge of being materialised were put on hold.

The premium segment in the resale space took a beating with miniscule enquiries and trade post the demonetisation move.



RENTAL

The rental landscape benefitted from consumers' sudden withdrawal from primary and secondary purchase markets. The average weighted rentals, subsequently, rose

by two percent, YoY, across Mumbai, highlighting the shift in consumer preference towards renting an apartment as against buying. Rental enquiries also witnessed an upturn.

Mumbai at a Glance

Price movement in key micro-markets

Locality	Average 'Ask' Rate (Per sq ft)	QoQ Change	YoY Change
Andheri (West)	17,550 - 22,000	-1%	-1%
Badlapur	2,850 - 3,500	-1%	1%
Dombivli (East)	4,900 - 6,200	1%	2%
Kalyan (West)	4,950 - 6,000	1%	6%
Kandivali (West)	10,880 - 14,050	-1%	-6%
Kharghar	6,500 - 8,200	1%	3%
Mira Road	6,630 - 7,700	-1%	-2%
Panvel	4,900 - 6,100	1%	-1%
Ulwe	5,185 - 6,280	2%	6%
Virar	3,750 - 4,500	-1%	2%

* Average 'ask' rates have been calculated as per listings posted on 99acres.com in the current quarter

99ACRES OUTLOOK

While Mumbai's realty landscape was on the threshold of a transformation in the festive month of October, the quarter ended on a subdued note. Cash crunch and negative consumer sentiment that ensued in the wake of demonetisation impacted the real estate sector despite some promising regulatory reforms such as Real Estate (Regulation and Development) Act and Benami Transactions Act.

Nonetheless, massive infrastructure plans on the anvil are foreseen to alter the city's realty prospects in FY 2017-18. Emergence of new Central Business Districts

(CBDs), commercial expansion and metro connectivity would assist in bolstering the capital market. Other remedial measures such as multiple regulatory bodies, revision in Floor Area Ratio (FAR) and the Draft Development Plan 2034 would also play a pivotal role this year.

The market is anticipated to remain under pressure during Jan-Mar 2017. Realty prices, however, may undergo a correction starting April, paving way for a turnaround in consumer sentiment and a subsequent revival in investor interest.

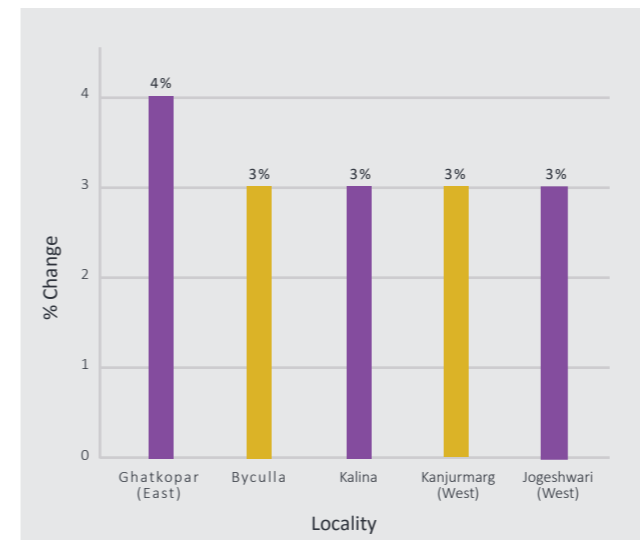
MUMBAI

Just when Mumbai's residential landscape was responding to the progressive government initiatives such as multiple supervisory authorities and no development in eco-sensitive zone, the demonetisation announcement in early November acted as a growth spoiler. Enquiries and transactions came to a temporary halt from both, end-users and investors. There has been no change in the average weighted property prices despite the policy reforms and intensive infrastructure plans in the city. During Oct-Dec 2016, the prime growth pockets were restricted to areas where metro expansion took place.

Key Highlights

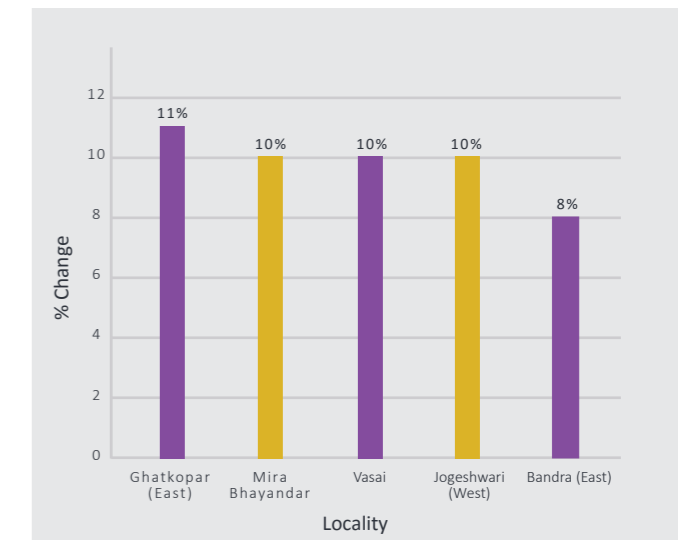
- Triggered by the large-scale infrastructure development, Ghatkopar (East) topped the capital graph in Oct-Dec 2016 with a four percent increment in average property values against the previous quarter. The housing pocket is the focal point of ambitious projects such as Mumbai Trans Harbour Link and Wadala-Ghatkopar-Mulund-Thane-Kasarvadavli Metro-4 corridor.
- Byculla in South Mumbai clocked a three percent rise in capital values, QoQ, on the back of several upcoming office towers, retail outlets and premium residential projects.
- Kalina, another South Mumbai suburb, is benefiting from its proximity to Bandra Kurla Complex (BKC), which is repositioning itself as an ultra-luxury residential address from a Central Business District (CBD). The spill-over demand from upper middle-class segment has led to a three percent QoQ rise in average weighted prices in Kalina.
- The approval of Lokhandwala-Kanjurmarg metro track helped Kanjurmarg score a quarterly capital appreciation of three percent. The locality also benefits from its comparative affordability to Powai, Vikhroli and Thane by 10-15 percent.
- The proposed metro line connecting Lokhandwala, Jogeshwari, Vikhroli and Kanjurmarg, has already begun to propel property rates in Jogeshwari (West). In Oct-Dec 2016, the locality registered a price rise of three percent.
- Mumbai's rental market remained upbeat due to improving connectivity over the last one year (Oct-Dec 2016 vs. Oct-Dec 2015). Ghatkopar (East) and Mira Bhayandar found the top spots in the rental graph, recording 11 and 10 percent annual rise in average weighted values, respectively. Rental markets of Vasai, Jogeshwari (West) and Bandra (East) grew on the back of improved connectivity links and advent of several premium residential projects.

Top Performers - Capital Market



* %change represents quarterly capital movement

Top Performers - Rental Market



* %change represents yearly rental movement

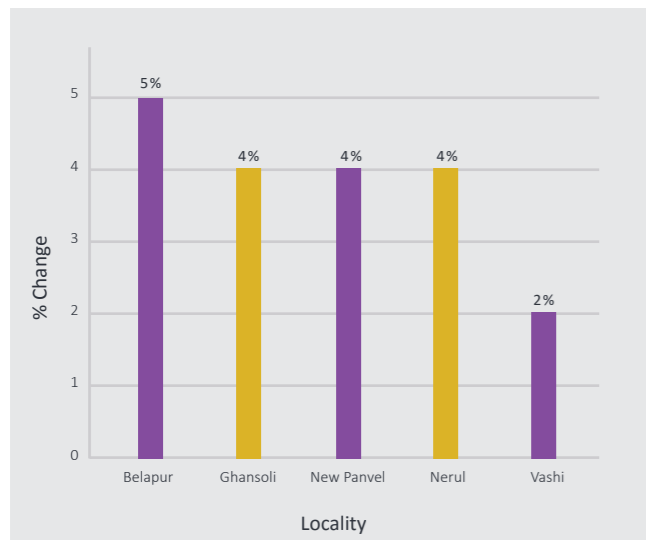
NAVI MUMBAI

The ambitious infrastructure plans acted as a counter blow to the effect of demonetisation in Navi Mumbai. To name a few, the international airport, CST-Uran Railway line, metro, Panvel-Khopoli passenger line, Mumbai-Pune elevated corridor and Alibaug-Virar Multimodal corridor are anticipated to overhaul the realty landscape, translating into an upward revision in prices.

Key Highlights

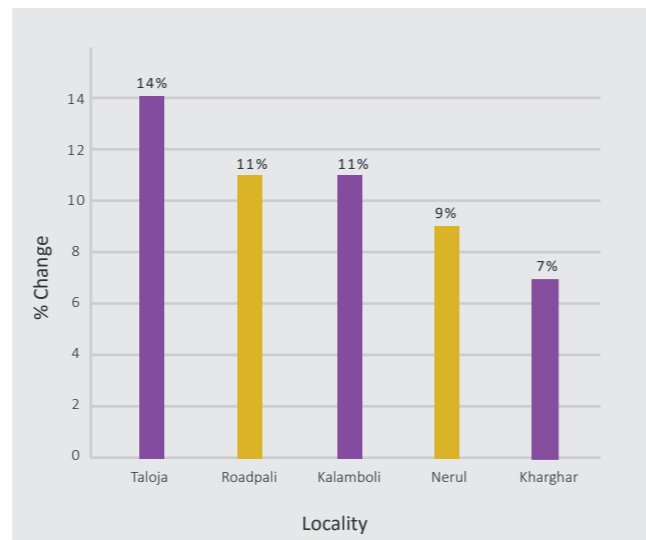
- Affordability and established civic infrastructure are acting as growth propellers for Navi Mumbai's popularity as a housing destination. Most of the localities that saw property prices going north in the current quarter are at the center of real estate activity, whether commercial, retail or residential.
- Price-competitive residential stock along with commercial and industrial expansion along the Thane-Belapur track assisted Belapur in recording a quarterly appreciation of five percent in average property prices. The pocket has a bright future with an information technology (IT) park and several other industrial parks on the anvil.
- Presence of office complexes, high-rise projects and premium residential developments boosted the popularity of Ghansoli, a popular node of Navi Mumbai. Its strategic location near Andheri and strong connectivity to Thane, Navi Mumbai's MIDC area and Santacruz Electronics Export Processing Zone (SEEPZ) and the recent Ghansoli Palm Beach Road have pushed the capital prices north by four percent, QoQ.
- New Panvel and Nerul clocked a four percent increase in average weighted property prices, QoQ, on the back of several infrastructure plans such as the proposed six-lane Trans Harbour Link connecting South Mumbai to Nhava Sheva, the upcoming new International Airport in Ulwe, under-construction Panvel railway junction and the expansion of Jawaharlal Nehru Port Trust (JNPT).
- Post the demonetisation announcement, there was a sudden shift in consumer preference towards the rental segment of Navi Mumbai owing to the chaos and confusion prevailing in the capital market.
- Since the region is positioned as a cost-friendly suburb, the buyer community who had stalled their purchase decision opted for localities such as Taloja, Roadpali and Kalamboli for leasing 2BHK and 3BHK apartments. The localities registered a hike in annual rental rates to the tune of 11-14 percent.

Top Performers - Capital Market



* %change represents quarterly capital movement

Top Performers - Rental Market



* %change represents yearly rental movement

THANE AND BEYOND

The air of despair rubbed off on the otherwise optimistic realty market of Thane in Oct-Dec 2016. Real estate activities in the prime residential pockets plummeted as investors chose to withhold buying decisions. Competitive pricing in comparison to its neighbouring housing clusters in Mumbai and Navi Mumbai, however, maintained sellers' confidence, who refrained from slashing property rates. Thane reported no alterations in the average weighted capital prices in the current quarter as against the previous.

Key Highlights

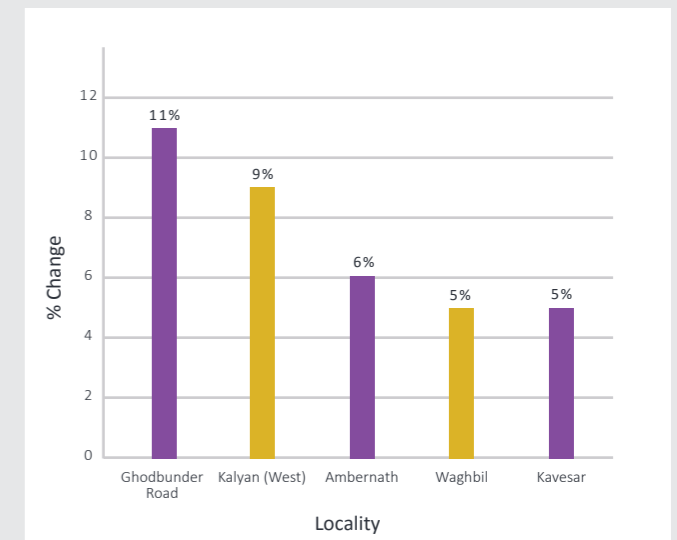
- Homebuyers and investors exited Thane's realty landscape, causing the market to stagnate. Although popular localities continued to garner interest, transaction volumes dipped considerably, post November 2016.
- The zone continued to be a hub for affordable homes in MMR. Out of all the projects launched in Q3 2016, maximum are reported to be priced within Rs 25-50 lakh and are invariably located in the fringes of Thane.
- The top-grossers in the zone, Mumbra and Teen Hath Naka, managed to post a three percent increment in capital values, each, QoQ. Being the focal points of the demolition drive against illegal buildings and embraced with infrastructure projects such as development of a transport hub and a three-tier flyover, the localities garnered positive buyer sentiment.
- Kolshet, too, witnessed a three percent hike in average property rates. The locality benefitted from Thane Municipal Corporations' (TMC) plan to develop a transport hub along Kolshet Road.
- Unlike the capital market, Thane's rental market remained cheerful in the current quarter and posted an annual hike of two percent in average weighted rentals. Residential pockets with sound connectivity to Mumbai and Navi Mumbai, in proximity to employment hubs and offering price-competitive rental inventory stayed popular amongst the tenants.
- Ghodbunder Road and Kalyan (West) clinched the top positions on the rental growth charts, recording 11 and nine percent increase in average 'asks', YoY, respectively. Post demonetisation, both these localities have seen an increasing number of working professionals choose renting over buying. Consumers, who were in the middle of purchase transactions withheld their purchase decisions and rented apartments here as an alternative.

Top Performers - Capital Market



* %change represents quarterly capital movement

Top Performers - Rental Market



* %change represents yearly rental movement

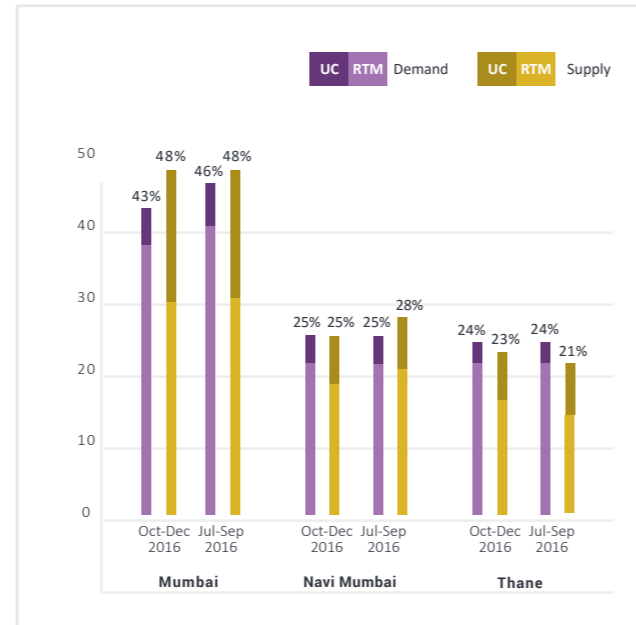
DEMAND-SUPPLY ANALYSIS

Mumbai's residential landscape, which has been afflicted by a demand-supply mismatch, saw a temporary halt in transactions post demonetisation. The gap between the popularity and availability of apartments was, thus, abridged as buyers deferred their purchase decisions while sellers, too, postponed sale of properties owing to arbitrary bargaining requests by prospective clients.

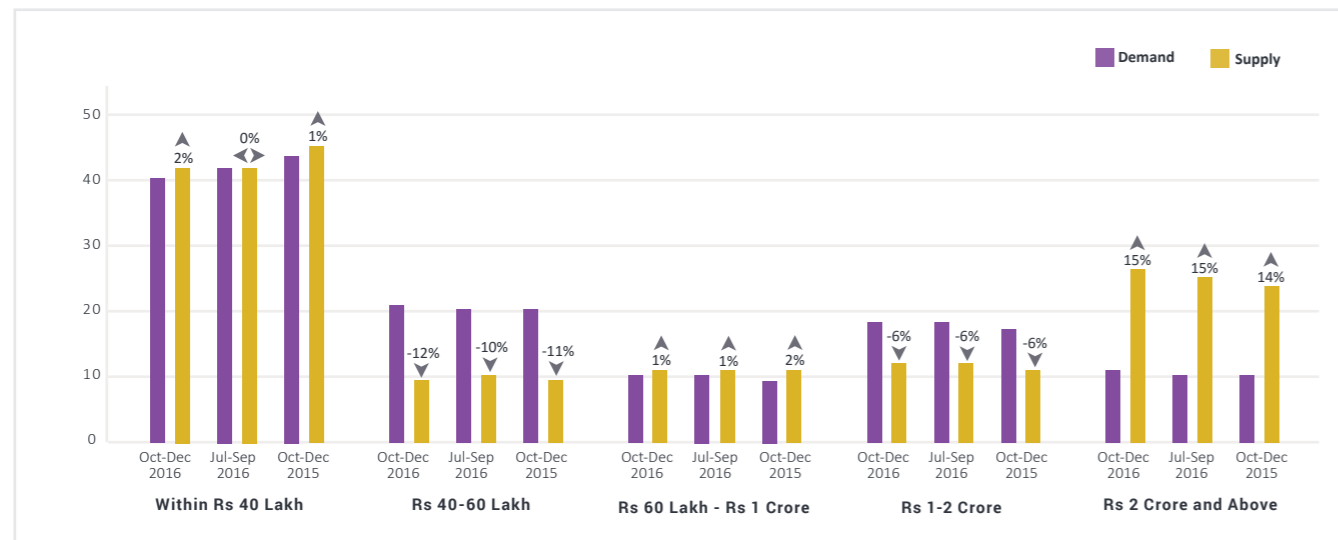
Key Trends

- Demand for the luxury housing segment exceeded its supply by six percent. A contrary trend was observed in the ultra-luxury segment (Rs 2 crore and above) as availability of this stock superseded demand by a margin of 15 percent in Oct-Dec 2016 vs. the previous quarter.
- The affordable housing category in MMR inched closer to a demand-supply equilibrium in Oct-Dec 2016, with a mere two percent excess inventory. The mid-income housing segment, however, displayed a 12 percent shortfall in supply due to unremitting project delays by developers across MMR.
- Restrained popularity for premium properties in Mumbai led to an increase in new project launches offering units priced within Rs 60 lakh. Thane, by the virtue of low land cost, hosted majority of such projects across MMR.
- While the overall supply of residential inventory in Thane grew by two percent, QoQ, the share of under-construction homes dropped marginally, highlighting fewer new launches.

Distribution of Residential Apartments



Graph depicts the availability of residential apartments wrt other property types, QoQ, along with the distribution of under-construction and ready stock



Graph depicts the fluctuation in supply wrt demand for residential apartments in various budget categories

Annexure

CAPITAL VALUES

MUMBAI - APARTMENTS

Locality	Oct-Dec 2016	% Change
Andheri (East)	17250	-3
Bandra (West)	43725	1
Bandra Kurla Complex	29240	3
Bhandup (West)	14483	2
Bhayander (East)	7533	2
Boisar	3250	2
Borivali (East)	14520	-1
Breach Candy	62400	0
Byculla	26700	3
Chembur	16917	-2
Colaba	43089	2
Cuffe Parade	65350	-1
Dadar	35700	1
Dahisar	10150	-3
Gamdevi	45440	0
Ghatkopar (East)	18200	4
Ghatkopar (West)	18700	0
Goregaon (East)	15900	-2
Goregaon (West)	15950	0
Jogeshwari (East)	19500	3
Jogeshwari (West)	16953	3
Juhu	35000	3
Kalina	21700	3
Kandivali (East)	15550	1
Kanjurmarg (East)	13200	3
Kanjurmarg (West)	14650	3
Khar	39150	0
Kurla (East)	13767	-1
Kurla (West)	14400	-1
LBS Marg	16300	2
Lower Parel	34600	0
Mahalaxmi	36613	-1
Mahim (West)	29800	-3
Malabar Hill	68400	-1
Malad (East)	14700	-2

CAPITAL VALUES

MUMBAI - APARTMENTS

Locality	Oct-Dec 2016	% Change
Malad (West)	14800	-1
Matunga	34267	2
Mira Road	7750	-1
Mulund	15975	1
Naigaon (East)	4260	1
Nallasopara	4290	2
Napean Sea Road	68000	1
Parel	25033	2
Powai	20950	0
Prabhadevi	41332	3
Santacruz (East)	21617	1
Santacruz (West)	38467	-2
Sewri	33133	-2
Sion (East)	17900	1
Vasai	5150	-4
Versova	24270	-3
Vikhroli (East)	18600	-1
Vikhroli (West)	17550	-1
Vile Parle (East)	28100	3
Vile Parle (West)	31250	1
Virar	4500	-1
Wadala	21600	-1
Worli	39683	0

RENTAL VALUES

MUMBAI - APARTMENTS

Locality	Oct-Dec 2016	% Change
Andheri (West)	51	1
Bandra (East)	64	8
Bhandup (West)	36	6
Borivali (East)	32	0
Chembur	43	6
Colaba	99	-1
Cuffe Parade	125	-3

Annexure

RENTAL VALUES

MUMBAI - APARTMENTS

Locality	Oct-Dec 2016	% Change
Dadar	75	6
Dahisar	26	2
Deonar	41	0
Ghatkopar (East)	42	11
Goregaon (East)	39	3
Jogeshwari (West)	46	10
Juhu	69	-4
Kandivali (East)	33	2
Kandivali (West)	31	3
Kanjurmarg (East)	38	7
Khar	76	-7
Kurla (East)	35	6
Lower Parel	82	2
Mahalaxmi	113	7
Mahim (West)	65	0
Malabar Hill	120	-12
Malad (East)	35	-3
Mira Bhayandar	17	10
Mira Road	17	6
Mulund	32	3
Parel	72	-1
Peddar Road	121	-10
Powai	48	3
Prabhadevi	88	-5
Santacruz (East)	50	1
Santacruz (West)	73	0
Sewri	86	6
Sion (East)	44	4
Vasai	11	10
Versova	49	-8
Vikhroli (East)	43	8
Vile Parle (East)	59	-3
Virar	8	0
Wadala	51	0
Worli	84	-1

CAPITAL VALUES

NAVI MUMBAI - APARTMENTS

Locality	Oct-Dec 2016	% Change
Airoli	10800	1
Belapur	10400	5
Dronagiri	4600	-2
Ghansoli	10067	4
Kalamboli	6450	-2
Kamothe	6900	1
Karanjade	5120	2
Khanda Colony	7300	0
Khandeshwar	7300	2
Kharghar	8167	1
Khopoli	3467	1
Koperkhairane	10727	0
Nerul	12975	4
New Panvel	5600	4
Palm Beach	16800	-4
Panvel	5817	1
Roadpali	6625	-2
Sanpada	13650	-1
Seawoods	12030	2
Shilphata	5550	-3
Taloja	4750	0
Ulwe	6250	2
Vashi	13600	2

RENTAL VALUES

NAVI MUMBAI - APARTMENTS

Locality	Oct-Dec 2016	% Change
Airoli	24	4
Belapur	23	2
Ghansoli	26	0
Kalamboli	10	11
Kamothe	12	5
Kharghar	15	7
Koperkhairane	23	0
Nerul	24	9

Annexure

RENTAL VALUES

NAVI MUMBAI - APARTMENTS

Locality	Oct-Dec 2016	% Change
New Panvel	12	-4
Palm Beach	28	0
Panvel	11	-5
Roadpali	10	11
Sanpada	27	4
Seawoods	24	7
Taloja	8	14
Ulwe	7	0
Vashi	28	6

CAPITAL VALUES

THANE AND BEYOND - APARTMENTS

Locality	Oct-Dec 2016	% Change
Ambarnath	3500	-1
Badlapur	3575	-1
Bhiwandi	3850	2
Dhokali	10950	-1
Dombivli (East)	6270	1
Dombivli (West)	6560	-1
Ghodbunder Road	9875	2
Kalwa	8800	-2
Kalyan (East)	5100	2
Kalyan (West)	6050	1
Kapurbawadi	10700	-3
Karjat	3133	1
Kasarvadavali	8495	1
Kolshet	9000	3
Kolshet Road	9400	1
Majiwada	11650	-1
Manpada	11570	0
Mumbra	3100	3
Neral	2900	-3
Panch Pakhadi	14300	0
Patlipada	11900	-1
Pokharan Road	12100	-2

CAPITAL VALUES

THANE AND BEYOND - APARTMENTS

Locality	Oct-Dec 2016	% Change
Pokhran-2	12470	-1
Teen Hath Naka	17200	3
Thakurli	6050	1
Titwala	3780	2
Ulhasnagar	4250	3
Vartak Nagar	10070	-4
Vasant Vihar	12630	1
Vasind	3450	2
Waghbil	9760	0

RENTAL VALUES

THANE AND BEYOND - APARTMENTS

Locality	Oct-Dec 2016	% Change
Ambarnath	9	6
Badlapur	7	0
Balkum	21	0
Dhokali	22	5
Dombivli (East)	12	5
Dombivli (West)	12	-8
Ghodbunder Road	21	11
Kalwa	19	-3
Kalyan (West)	12	9
Kasarvadavali	17	0
Kavesar	21	5
Kolshet Road	21	5
Majiwada	24	0
Manpada	23	5
Panch Pakhadi	28	-7
Patlipada	25	2
Pokharan Road	24	0
Pokhran-2	24	4
Teen Hath Naka	28	0
Vartak Nagar	26	2
Vasant Vihar	25	4
Waghbil	21	5

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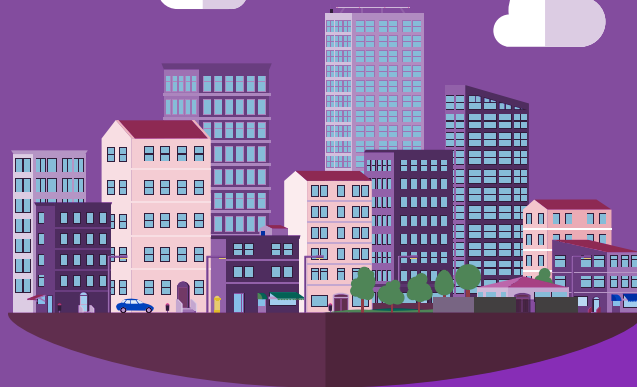
Over 8 lakh
property
listings



Genuine
listings with
photographs



More than
1.4 lakh
projects



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