

Mumbai Residential Real Estate Witnessing record sales across sub-markets and categories

Being a multi-functional city, Mumbai remains the preferred city for realty investments in India

Record year:

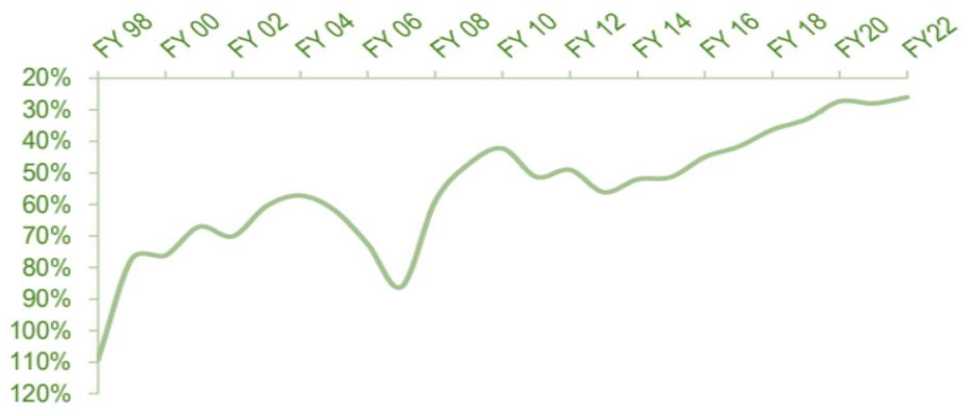
India's largest and the most expensive residential real estate market, Mumbai is in the midst of a record year –

- **Property registrations cross the 1 lakh units for the first time in a decade** during the first 10 months of this year (Jan-Oct 2022)
- **Affordability (income to EMI ratio) is at the best it has ever been in the last 25 years**
- **Government revenue collection grew by 53% YoY** to INR 7,300 crores, again the highest in the last 10 years
- **Unsold inventory down to a healthy 20 months from peak of 40+ months** in 2017
- **Capital and rental values witnessing an uptrend** after a long flat / down period

Affordability ratio at its best since 1998:

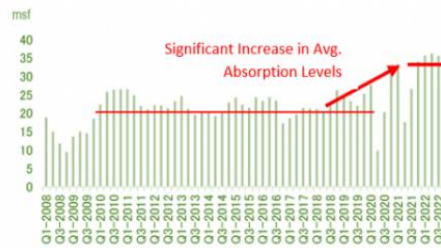
Rising income levels along with flat property prices and reasonable home loan rates (even after the recent increases, the rates continue to remain significantly below previous cycle peak) have led to the best affordability since 1998. This improvement in affordability and the structural nature of residential demand has helped fuel home sales.

Affordability: Monthly Income to EMI Ratio (Lower is better)



Consistent High Absorption | Inventory levels down to a healthy 20 months

MMR: Quarterly Sales Absorption



MMR: Unsold Inventory



Consistent high absorption over the last 12 -18 months has led to a significant reduction in inventory levels. **Capital values and rental values have gone up in select micro-markets eg. South Central Mumbai.** The recent increases in home loan rates by ~190 bps have not impacted volumes / sentiment so far as absolute levels (~8.5%) remain reasonable, though this remains a headwind and will likely moderate volumes going forward.

South Central Mumbai | Prime & Plush

South Central Mumbai is emerging as one of the most sought after locations in MMR. Availability of large tracts of land (erstwhile mill lands), has led to transformation of this region in to a new office district, entertainment hub and highly sought after residential destination with availability of high quality residential developments across segments (from mid / upper mid-market to luxury). Last 12 months have seen very good sales across these market segments

South Central Mumbai: Last 12 month sales across select projects

Project Name	Last 12 month sales		
	# units	Sales Value (INR Crs)	Value per unit (INR Crs)
Mid/Upper Mid-market			
Birla Niyaara	256	1704	6.7
Lodha The Park	221	1416	6.4
The Palette	35	199	5.7
Luxury			
Rustomjee Crown	152	1319	8.7
Wadhwa 25 South	56	714	12.7
Indiabulls Blu	36	537	14.9

Expert Speak

“We continue to see that our market share in South Central Mumbai continues to remain very strong. Demand is more focused on projects which are high quality..... We continue to see very good walk-ins as well as conversion levels in the projects. As we move forward, we continue to see the South-Central Mumbai as a good market when it comes to sales momentum.”

Abhishek Lodha, MD & CEO, Macrotech (Lodha) Developers
1QFY23 Earnings call transcript



“Over the last one and a half or two years, business in Mumbai, Delhi and Bangalore has been growing at a much more brisker and faster rate.... While the growth is broad-based, the Tier-2, Tier-3 towns which were a larger contributor to growth two years ago, their contribution to growth has come down slightly, not because they have slowed down, but simply because the metros have grown at an even faster pace.”

Keki Mistry, Vice Chairman & CEO, HDFC Ltd
2QFY23 Earnings call transcript



MMR Outlook: Notwithstanding the rising interest rates (as a result of RBI's successive hikes in repo rates) & the soaring input costs, MMR's residential sales & launches remained unabated in Q3 2022. MMR is expected to witness strong residential sales in the upcoming festive quarter as well, since homeownership sentiment has improved significantly since the pandemic.

Residential Market Viewpoints, MMR 3QCY2022
Anarock



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