



PROPERTY ONE ASIA RESEARCH

MUMBAI RESIDENTIAL REAL ESTATE MAY 2009 UPDATE

ASIA RESIDENTIAL

ANALYST : MADHUR MAWANDIA

PHONE : +91-22-65262307

FAX : +91-22-66756249

EMAIL : madhur.mawandia@propertyoneasia.com

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MARKET OUTLOOK



South Mumbai	Capital Value (In Rs.'000 PSF)	Lease Rental (In Rs. '000)
Cuffe Parade	48.5	300
Churchgate	26	112.5
Nepeansea Road	52.5	175
Worli	37.5	122.5
Prabhadevi	22	112.5
Western Suburbs	Capital Value (In Rs.'000 PSF)	Lease Rental (In Rs. '000)
Bandra west	24	115
Khar West	16	92.5
Santacruz West	16.5	92.5
Vile Parle West	15.5	82.5
Juhu	16	127.5
Andheri West	13.25	37.5
Jogeshwari	7.5	20
Goregaon West	6.25	27.5
Malad West	5.75	32.5
Kandivali	6.25	30
Borivali	5.25	30
Mira Road	2.35	12
Central Suburbs	Capital Value (In Rs.'000 PSF)	Lease Rental (In Rs. '000)
Wadala	7	40
Chembur	6.25	30
Ghatkopar	6.55	25
Bhandup	5.25	18.5
Mulund	6	27.5

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- Mumbai residential market has already seen a 15-20% price correction in first quarter of 2009 & almost 50% price correction since the slowdown. It is expected that the prices will remain stable or may correct further by around 5-10 % in next six months time.
- Currently Mumbai market is not witnessing any over supply and currently the demand & supply is balanced so far. The month of March & first fifteen days of April has been good compared to earlier months as the sale has been good comparatively.
- The city developers expect market to go up from May onwards & they don't expect prices to soften further. According to them, it was a temporary slowdown & market is bound to pick up.
- It is estimated that around six to seven lakh million sq ft of residential space will be added in the Mumbai market in next few months which may lead to over supply in the market because of which rentals are expected to come down further. Currently a 3BHK apartment in prime areas is available for Rs. 1.10 lakh which was earlier available for nothing less than Rs. 2 lakh.
- The buyers sentiments are low & a majority of them has adopted a wait & watch policy. They further expect the prices to lower though the developers are already selling properties at squeezed margins.
- Currently in Mumbai, the developers are offering 25% to 30% discount on the market rate. Sales in secondary markets have also come down as fewer transactions are taking place at level lower than the market expectation. Currently there are not many buyers at the prices that are being quoted both in primary & secondary market as well as in the lease rentals.

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CAPITAL VALUES

Residential Areas in South Mumbai	Grade A (In Rs. PSF)	Grade B (In Rs. PSF)
Cuffe Parade	35000 - 62000	20000-30000
Marine Lines	22000 - 30000	18000-20000
Churchgate	14000 -22000	9000-14000
Nepeansea Road	40000 - 65000	20000-40000
Malabr Hills	35000 - 65000	20000-35000
Worli	30000 - 45000	18000-30000
Prabhadevi	20000 - 24000	13000-18000

The active high end residential real estate markets in South Mumbai includes Cuffe Parade, Malabar Hill, Nepeansea Road, Worli, Churchgate & Prabhadevi. These areas are highly saturated & no land is available for new constructions. These areas include old residential buildings, while the newer ones are around 2 to 3 years old. The average capital value in these areas is around Rs. 45000 per sq. ft & it may even increase further if the apartment has a sea view.

Currently RNA Corporate is coming up with RNA Mirage in Worli, while D B Realty has announced Orchid Turf View in the Mahalaxmi in the south Mumbai region.

Residential Areas in Western Suburbs	Grade A (In Rs. PSF)	Grade B (In Rs. PSF)
Bandra East	9000 -11000	7000-9000
Bandra West	20000 - 28000	16000-20000
Khar West	14000 - 18000	10500-13000
Santacruz East	9000-12000	7000-9000
Santacruz East	15000-18000	12000-15000
Vile Parle East	9000-11500	7500-9500

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Vile Parle West	14000-17000	8000-13000
Residential Areas in Western Suburbs	Grade A (In Rs. PSF)	Grade B (In Rs. PSF)
Juhu	14000-18000	12000-15000
Andheri East	6500-9500	5500-7000
Andheri West	12500-14000	6000-12000
Jogeshwari	7000-8000	4800-6500
Goregaon East	6500-7000	4500-6000
Goregaon West	5500-7000	4800-5200
Malad West	5000-6500	4200-4800
Malad East	4600-5500	4000-4500
Kandivali East	6000-6500	4000-5500
Kandivali West	5500-6500	4500-5700
Borivali West	4500-6000	3800-4500
Borivali East	4000-5500	3500-4000
Mira Road	2200-2500	1750-2200
Vasai	1500-1800	1300-1550
Virar	1750-2000	1250-1700

In the western suburbs of Mumbai the property prices are comparatively lesser than that of South Mumbai. Bandra, Juhu & Khar are the most expensive residential areas in Western suburbs. In Bandra the average capital value is around Rs.25000 per sq. ft while in Khar & Juhu its' around Rs. 20000 per sq. ft in a Grade A building. Goregaon, Malad, Kandivali & Borivali in western suburbs is currently having abundant supply and the prices in these areas are on the lower hand side and it ranges between Rs 4000-7000 per sq ft.

All the reputed builders in the city such as Kalpataru, RNA Corporate, Raheja's Rustomjee, Evershine Builders are coming up with their projects in the western suburbs.

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Residential Areas in Central Suburbs	Grade A (In Rs. PSF)	Grade B (In Rs. PSF)
Wadala	6000-8000	5000-6000
Sion	5000-6500	3500-4500
Chembur	5500-7000	4500-5500
Ghatkopar	5600-7500	4500-5600
Bhandup	4500-6000	3750-4500
Mulund	5000-7000	3750-7000
Powai	9000-14500	4500-8000

Central Suburbs comprises of Wadala, Sion, Chembur, Ghatkopar, Bhandup. New residential projects are coming up in these areas by Ajmera Group, Nirmal Lifestyle, Runwal Group, Kalpataru & Akruti City. The average capital value in these areas is around Rs. 6000 per sq. ft in a Grade A building. While in the Powai area the average capital value is around Rs. 10000 per sq. ft.

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LEASE RENTALS

South Mumbai	1 BHK	2 BHK	3 BHK
Colaba	45000-65000	100000-200000	200000-350000
Cuffe Parade	50000-65000	100000-200000	200000-350000
Churchgate	50000-75000	75000-150000	150000-300000
Nepeansea Road	60000-100000	100000-250000	200000-400000
Mahalaxmi	35000-60000	75000-150000	175000-450000
Worli	35000-75000	65000-180000	200000-450000
Lower Parel	40000-75000	60000- 120000	125000-300000
Prabhadevi	50000-75000	75000-150000	150000-300000
Western Suburbs	1 BHK	2 BHK	3 BHK
Bandra East	30000-50000	50000-75000	75000-150000
Bandra West	40000-100000	60000-150000	125000-500000
Khar West	40000-60000	60000-125000	100000-300000
Santacruz East	40000-60000	60000-125000	100000-300000
Santacruz West	40000-60000	60000-125000	100000-300000
Vile Parle East	30000-45000	40000-90000	80000-150000
Vile Parle West	35000-50000	40000-125000	125000-250000
Juhu	40000-100000	55000-200000	150000-400000
Andheri East	15000-20000	25000-35000	35000-50000
Andheri West	15000-25000	25000-50000	50000-150000
Jogeshwari	10000-15000	15000-25000	35000-50000
Goregaon East	12000-18000	20000-35000	50000-100000
Goregaon West	12000-18000	20000-35000	50000-65000
Malad West	12000-20000	20000-45000	40000-60000
Malad East	12000-15000	20000-40000	40000-60000
Kandivali East	12000-15000	20000-40000	40000-60000
Kandivali West	12000-15000	20000-40000	40000-60000

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Borivali East	12000-15000	20000-40000	40000-60000
Borivali West	12000-15000	20000-40000	40000-60000
Mira Road	5000-10000	10000-14000	15000-25000
Vasai	5000-10000	10000-14000	15000-25000
Virar	3500-8000	5000-10000	10000-15000
Central Mumbai	1 BHK	2 BHK	3 BHK
Wadala	20000-30000	30000-50000	50000-75000
Chembur	10000-20000	20000-40000	60000-100000
Ghatkopar	10000-15000	20000-30000	35000-55000
Mulund West	10000-15000	20000-35000	45000-60000
Powai	20000-25000	25000-90000	60000-375000
Bhandup	10000-15000	15000-22000	30000-40000

South Mumbai is the most expensive residential area in the city. There is hardly any transactions taking place in the area because no new constructions is coming up and almost all the buildings has a 100% occupancy rate. The average lease rental in the area is around Rs. 150000 for a 2BHK flat per month. The flats in the area are bigger in size compared to the other residential area in Mumbai.

In the western suburbs Bandra (W), Khar, Santacruz (W) & Juhu are expensive and the average lease rental for a 2BHK flat for a Grade A building is around Rs. 125000 per month. While in a grade B building it will be around Rs. 80000 per month. Rentals in a 2BHK apartment in a Grade A building in Andheri, Goregaon, Malad, Kandivali & Borivali is around Rs. 40,000 per month while in a Grade B building will be around Rs. 20000 to 22000 per month.

As per the real estate consultants in the area Andheri, Goregaon & Borivali are the most preferred residential areas among the working bachelors & families. The rental in the area has come down by around 10 to 15% only as compared to the capital value which has almost corrected by around 30 to 40%. The number of transaction has come down and even the enquiries are less said a real estate consultant in the western suburbs.

In the central suburbs the average lease rental for a 2BHK apartment in a Grade A building is around Rs. 30000 per month while in the Grade B building will be anything around Rs. 18000 to 20000 per month.

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YIELD

The average yield that the city developers are expecting has come down to 6% in the city while the yield for the older building is ranging between 3 to 4%.

UPCOMING PROJECTS

The demand supply gap in the Mumbai residential market has narrowed down. New developments are taking place in the western as well as central suburbs by all the reputed builders in the city. The supply of around six to seven million sq. ft. residential space is likely to cause the demand supply gap in the coming months. The vacancy rate in some of newly developed buildings is as high as 30 to 40%.

Name of Developer	Name of Project	Location	Date of Completion
Ajmera Group	Bhakti Park	Wadala	Ready Possession
	Ivy & Iris	Kalyan	Oct-10
	Pristine	Borivali	Oct-10
Nirmal Lifestyle	Citi of Joy	Mulund (W)	3 Years
	Zircon	Mulund (W)	3 Years
Oberoi Group	Woods	Goregaon (E)	
	Skyheights	Andheri (W)	
	Splendor	Andheri (E)	
Evershine Builders	Classique	Vasai (E)	Ready Possession
	Cosmic	Andheri (W)	3 Years
	Crown	Kandivali (E)	On Hold
	Embassy	Andheri (W)	Jun-10
	Sapphire	Chandivali	Ready Possession
	Solitaire	Vasai (E)	Ready Possession
Rustomjee	Woods	Mira Road	Ready Possession
	Elanza	Malad (W)	Dec-10
	Athena	Thane	Sep-10
	Rustomjee Estates	Virar (W)	Apr-10

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	Acura	Thane	Jun-11
RNA Corporate	Courtyard	Mira Road (E)	Ready Possession
	Royale Park	Kandivali (W)	Jun-09
	Auroville	Santacruz (W)	Ready Possession
	Jolly Bhawan	Khar (W)	Jun-09
	Mirage	Worli	Aug-09

Name of Developer	Name of Project	Location	Date of Completion
Mayfair Housing	Silver	Juhu	Aug-10
	Sweet Haven	Vile Parle (W)	Aug-09
	Bliss	Khar (W)	Ready Possession
	Melody	Santacruz (W)	Ready Possession
	Maaya	Khar (W)	Jun-09
D B Realty	JVPD One	Vile Parle	Aug-10
	Orchid Turf View	Mahalaxmi	2 & 1/2 Years
	Orchid Breeze	Khar	Dec-09
	Orchid Enclave	Mumbai Central	Dec-09
Akruti City	Orchid Tower	Mumbai Central	Ready Possession
	Gardenia	Mira Road	Jul-11
	Vendanta	Sion	To be Launched
	Greenwoods	Thane	Dec-11
	Creations	Vile Parle	Dec-09
	Regent	Andheri (E)	To be Launched



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CONTACT INFORMATION:

Franchise Information:

Real Estate Investment Practice:

Institutional Sales & Leasing:

Hari Vishwanath –

Yesha Mehta -

Purnima Oswal -

hari@propertyoneasia.com

yesha@propertyoneasia.com

purnima@propertyoneasia.com



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India Office
R-501, Remi Bizcourt
Shah Industrial Area
Off Veera Desai Road
Andheri (West), Mumbai 400 053
India

Tel: +91-22-6675-6612

Fax: +91-22-6675-6249

Website: www.propertyoneasia.com

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