MUMBAI
PROPERTY CAPSULE
2018
The realty market of Mumbai exhibited signs of revival in 2018 with property enquiries, sales volume and new launches reporting improvement over the last year. The first half of the year witnessed a jump in new project launches by over 45 percent, YoY, with over 91,000 units being added to the market. Priced within Rs 50 lakh, a majority of these units were located in the fringes of Thane and Navi Mumbai. Improved buying sentiment triggered by the efficient implementation of Real Estate (Regulation and Development) Act (RERA) and enhanced supply of affordable homes spiked sales. Mumbai closed H1 2018 with nearly 13,000 units being sold.

With myriads of measures to boost the affordable housing segment, the stake of new affordable housing inventory witnessed an upsurge with 60 percent share in total housing inventory in the quarter ending September 2018. Infrastructural development across the city along with fast-paced progress towards effective implementation of MahaRERA played a significant role in realigning the city’s realty market. With over 19,000 real estate projects already registered with MahaRERA, the city has already hit the road to recovery and is anticipated to continue on this path in 2019.

**GROWTH INDUCERS**

- Development of 2,400 homes in Panvel under Pradhan Mantri Awas Yojana (PMAY), allotment of 7,300 homes through lottery by Maharashtra Housing and Area Development Authority (MHADA) and the plan to construct over 1 lakh affordable homes in Mumbai by NBCC reflect on the continued efforts of the government to augment the supply of low-cost homes in the city. The opening of the salt pan lands for development of 10 lakh affordable homes, too, augured well for the price-sensitive homebuyer community in Mumbai.
- The upcoming metro rail projects in Mumbai - Dahisar to Mira Bhayander and Andheri to Chhatrapati Shivaji Maharaj International Airport, and the plan to extend the Wadala-Ghatkopar-Thane-Kasarvadavali Metro-4 corridor to Ghodbunder Road are anticipated to trigger realty growth in and around the regions.
- A few other projects, which are expected to be the game-changers for the city’s realty landscape include the expansion of the Mumbai-Pune Expressway, the 17 km-long Bandra-Versova Sea Link, Thane Creek Bridge-3 and Bhiwandi-Kalyan-Shilphata Road. The development of the coastal road, too, will lift residential demand in MMR.
- The relaxations made in the Mumbai Development Plan 2034 for carrying out construction activities near water bodies and regarding the usage of 3,700 hectares of No Development Zone (NDZ) land for residential and commercial development may give a thrust to real estate activities.
- The decision to keep the ready reckoner rates unchanged across the State was seen as a measure to trigger realty growth in Mumbai.
- Approval of the Maharashtra Apartment Ownership (Amendment) Bill, facilitating reconstruction of buildings by obtaining a majority consent, has paved the way for smooth reconstruction of dilapidated entities in Mumbai.
- The amendments made to the Industrial Policy, 2013 are expected to boost investment in both commercial and residential sectors.

**GROWTH IMPEDIMENTS**

- A ban on construction activities near the airbase in Thane can be seen as a growth deterrent.
- The hike in stamp duty to six percent from the erstwhile five percent left both the builders as well as the buyers down in the dumps.
- The Supreme Court’s ban on construction activities in Maharashtra owing to inefficient solid waste management system in residential projects deferred real estate activities in Mumbai, adversely affecting the builders and the buyers. The move also rendered thousands of labourers jobless for about a month.
- The delay in the implementation of the Excluded Part (EP) of Mumbai’s Development Control Regulations, 2034, continued to hamper the realty growth in Mumbai.