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MUMBAI

PROPERTY CAPSULE

2019



MUMBAI

Mumbai's real estate market displayed stability and resilience in 2019.

Resultantly, average property 'asks', residential enquiries, site visits and new supplies recorded an uptrend. A series of reformatory policy initiatives were at play here. Recording a 22 percent annual growth in H1 2019, new launches stood at 96,000 units. Western suburbs such as Andheri, Jogeshwari, Dahisar, Kandivali, and Borivali saw the maximum influx of new projects. Capturing nearly half of the market share, compact homes priced within Rs 50 lakh were the most favoured by both builders and buyers. Ulwe, Dronagiri, Kharghar, Sanpada, Vasind, Panvel, Powai, Pokharan Road and Godhbunder Road saw the launch of maximum low-cost units in the year.

Housing sales also recorded a four percent improvement in H1 2019 with the number averaging at around 33,370 units. Nonetheless, as the supply outstripped demand, the unsold inventory levels in Mumbai surged by 14 percent to reach 1.36 lakh units in the first six months. The year ended with 2.20 lakh unsold housing units across Mumbai Metropolitan Region (MMR).

Completion of infrastructure projects such as BKC-Chunabhatti Corridor, CBD Belapur flyover and Wadala-Sant Gadge Maharaj Chowk Monorail coupled with the increased commercial expansion and the hike in the MahaRERA registered projects to 22,455 corroborated Mumbai's route to a real estate recovery.

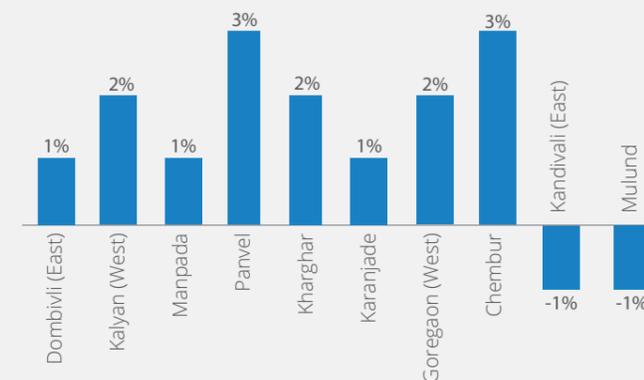
GROWTH INDUCERS

- Approval of three lakh low-cost housing units in Thane, Raigad and Palghar districts, relaxation in the registration norms of projects spreading over 500 sq m, unchanged circle rates and the elimination of general tax for homes up to 500 sq ft spoke of the State's efforts to uplift realty sentiment in the city. Besides, the development authority also unlocked 1,700 acres of salt pans for residential expansion.
- A 0.5 percent hike in the Floor Space Index (FSI) from 1.33 to 1.83 remained a crucial game-changer for the city's vertically growing realty landscape.
- A free of cost fungible FSI of 0.35 percent for Dharavi Redevelopment Project, allotment of bigger dwellings of 500 sq ft under the Slum Rehabilitation Authority (SRA) scheme, and an amendment in the Maharashtra Housing and Area Development Act, 1976, to accelerate the restoration of dilapidated housing projects were a few other crucial steps taken this year.
- The proposal of the third commercial district at Wadala in conjunction with the Transit-Oriented Development (TOD) along the planned monorail augured well for the real estate expansion in the southern peripheral pockets.
- Infrastructure developments such as the new Metro Lines 10, 11 and 12, Navi Mumbai International Airport, renovation of 508 roads in crucial areas of the city and the Bandra-Versova Sea Link boded well for the city's real estate market. Moreover, the three cabled bridges in the Western suburbs, CSMT-Panvel fast corridor, and Panvel-Virar new suburban corridor, are also some of the critical infrastructure projects in the pipeline.

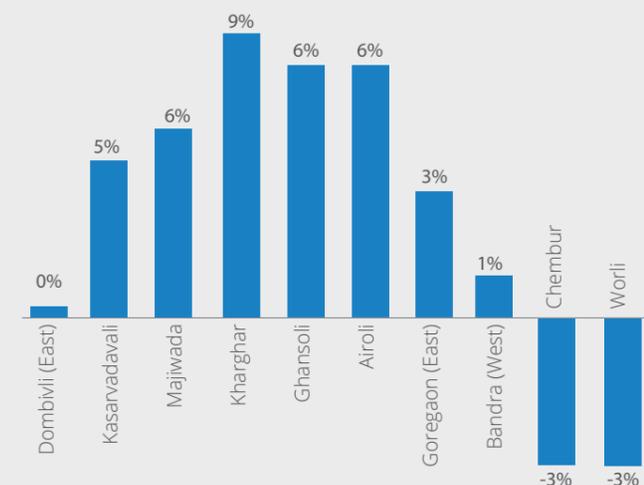
GROWTH IMPEDIMENTS

- A hike in the stamp duty rate from five percent to six percent did not go down well with the potential homebuyers in the city. The new charge came into effect from February 8, 2019, onwards.
- The pervasive financial crisis continued to bother the city realtors in 2019. While many abandoned the projects, several shifted their focus to the commercial segment. Overall, MMR accounted for 38,000 stalled residential units at the end of Jul-Sep 2019.
- Elimination of ongoing projects from cess relief under Section 154 of the Maharashtra Regional Town Planning Act (MRTPA) failed to impress the developer community. If imposed, the relaxation would have exempted the cash-strapped developers from high premiums and helped them to complete their unfinished projects.
- The delay in the Mumbai-Ahmedabad Bullet Train project due to land acquisition issues may impede the realty growth in the areas alongside micro-markets such as Bandra-Kurla Complex, Thane, Virar and Boisar.

YOY CAPITAL PRICE MOVEMENT IN POPULAR LOCALITIES OF MUMBAI



YOY RENTAL PRICE MOVEMENT IN POPULAR LOCALITIES OF MUMBAI



MARKET INDICATORS

	Jan-Mar 2019	Apr-Jun 2019	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar 2020*
Capital Values	^	<>	^	<>	^
Rental Values	^	^	^	^	^
Supply	^	v	^	^	^

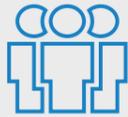
* Projected price movement and inventory status

**Rental values depict annual change in average asks for respective quarters

RERA IN FOCUS



Registered Projects
23,557



Registered Agents
22,436



Complaints Resolved
9,910

*Data shows approximate registrations till December 27, 2019
** Source: State's RERA website

DEC

Supreme Court approves
Mumbai Coastal Road Project

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IN NEWS

JAN

Ministry issues a land
acquisition notice for Raigad
Integrated Township

FEB

Stamp duty goes up by
one percent in Mumbai

MAR

State keeps ready reckoner
rates unchanged for 2019-20

New areas added to MMR's
boundaries

APR

MahaRERA empowers
homebuyers to revive
stalled projects

MAY

CBD Belapur Flyover opens
for public use

JUN

CIDCO launches 90,000
affordable homes in
Navi Mumbai

JUL

State waives off property
tax for flats measuring up
to 500 sq ft

Maharashtra approves
lease renewal policy for
government plots

AUG

State amends MHADA Act
to expedite redevelopment
projects

Government sanctions over
5 lakh homes under PMAY

NOV

BKC-Chunabhatti flyover
opens for public use

OCT

MahaRERA allows
projects with OC and CC
to skip registration

SEP

BMC approves
infrastructure projects
worth Rs 514 crore