

REALTY INSIGHTS

MOVING TOWARDS AN END USER MARKET

A look at the aspects that drive real estate trends in India's financial capital as well as how infrastructure will impact growth



New supply of developable land is limited in Mumbai. So, developers in Mumbai have to pursue more redevelopment and SRA projects. With the above as background, the Mumbai market has traditionally witnessed incremental growth in property prices.

The Mumbai Metropolitan Region (MMR) spread over 4,355 sq. km. consists of 8 Municipal Corporations - Greater Mumbai, Vasai-Virar, Mira-Bhayandar, Navi Mumbai, Thane, Bhiwandi-Nizampur, Kalyan-Dombivalli and Ulhasnagar; and 9 Municipal Councils - Ambarnath, Ali-BAUG Kulgaon-Badalapur, Karjat, Khopoli, Matheran, Panvel, Pen and Uran; along with more than 1,000 villages in Thane and Raigad Districts.

The Mumbai market is moving from an investor driven market to more of an end-user market, with increased demand for affordable housing within the city.

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- There has been an inventory overhang, so in the short run, there will be realignment of demand and supply. While new launches will be limited, one does see a surge in demand for ready-to-move in properties. In the long term though, prices should remain stable at current levels, as the scope for further correction remains limited due to an increase in approval costs, finance cost, labour costs, etc.
- Extended suburbs and peripheral areas like Ambernath, Badlapur, Boisar, Karjat, Kalyan, Palghar, Vasai and Virar are expected to grow further on account of better infrastructure connectivity and affordable pricing.