

JANUARY TO JUNE 2015

MUMBAI REAL ESTATE



ECONOMY ROBUST

Indian economy grew at 7.3% during FY 2014-15, higher than the forecasted GDP rate of 6.8%

- **INFLATION TAMED**
- **WPI NEGATIVE**
- **CPI DOWN**
- **CAD LOWER**
- **RETAIL INFLATION TO
BE WITHIN TARGET**

INVESTMENTS MOVING UP

Capital goods output stays positive despite some tapering down in May 2015.

INDUSTRIAL ACTIVITY RECOVERING

IIP has recently shown a fluctuating trend but expected to recover due to strong core sector growth of 4.4% in May 2015 and support from the Government's focus on 'Make In India', infrastructure development and ease of doing business

GLOBAL CONCERNS

- EU-GREECE CRISIS
- SLOWDOWN IN CHINA GROWTH
- LIKELY INTEREST RATE HIKE IN THE USA

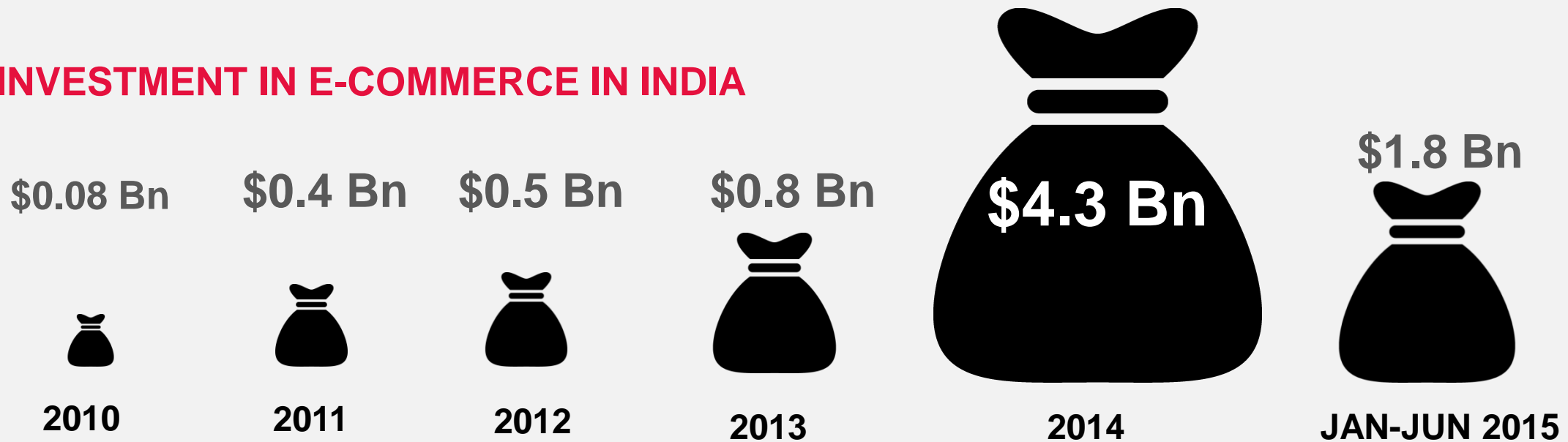
However, they are not likely to have any severe implications on India as the economy is currently backed by robust forex reserves of \$360 bn and strong macroeconomic fundamentals

**HOW DOES THIS RELATE
TO INDIAN REAL
ESTATE?**

**OFFICE MARKET HAS
TURNED AROUND -
DRIVEN BY IT/ ITeS,
BANKING & FINANCIAL
SERVICES**

GROWING TECH START-UPS & E-COMMERCE

INVESTMENT IN E-COMMERCE IN INDIA



E-COMMERCE SUSTAINABLE

India is 'e-ready' today with growing internet and smart phone penetration, IPOs (initial public offers), stock market IT index and the government's focus on the 'Digital India' initiative

OFFICE SPACE UPTAKE

Leading e-commerce players such as Flipkart, Amazon and Snapdeal have inked office space deals upwards of a million sq ft each in the recent months, resulting in an unprecedented upsurge in transaction activity in the office market

AVIATION, ENERGY EMERGING SECTORS

Growth in other sectors as a result of favourable central policies already showing traction in markets such as NCR, thereby having a substantial impact on office market

**POSITIVE IMPACT ON
RESIDENTIAL MARKET
NOT VISIBLE IN THE
NEXT 6 MONTHS**

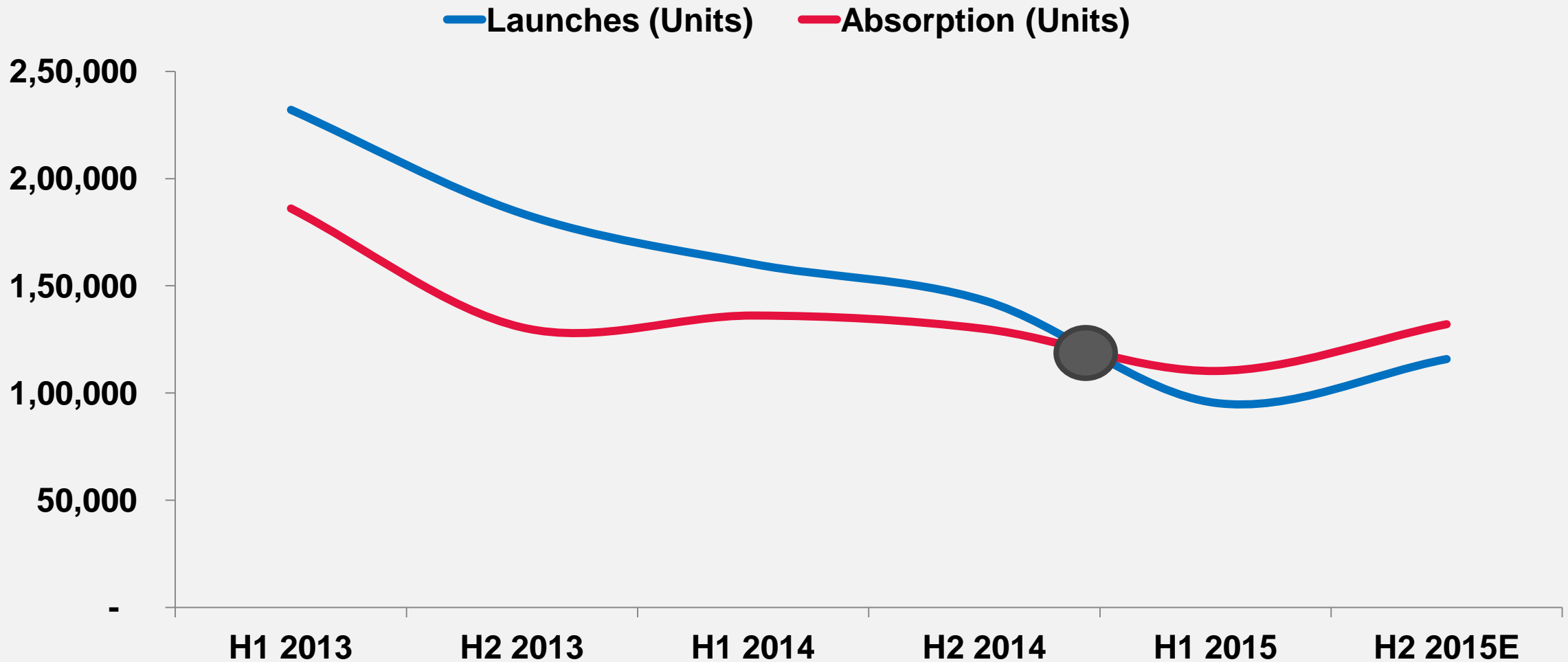
JANUARY TO JUNE 2015

INDIA RESIDENTIAL

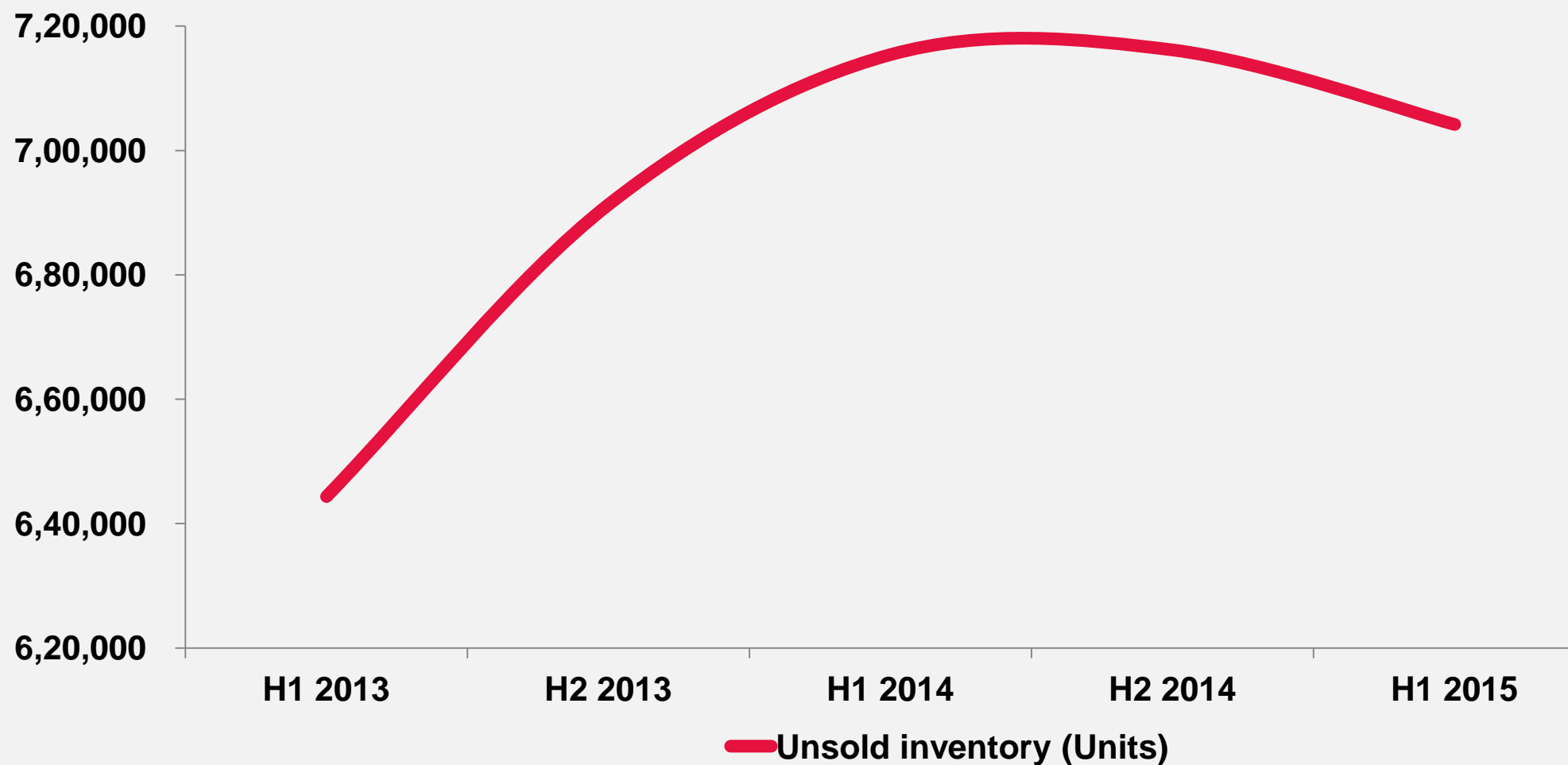


**LAST 30 MONTHS –
A CONTINUOUS
FALL IN LAUNCHES
& SALES**

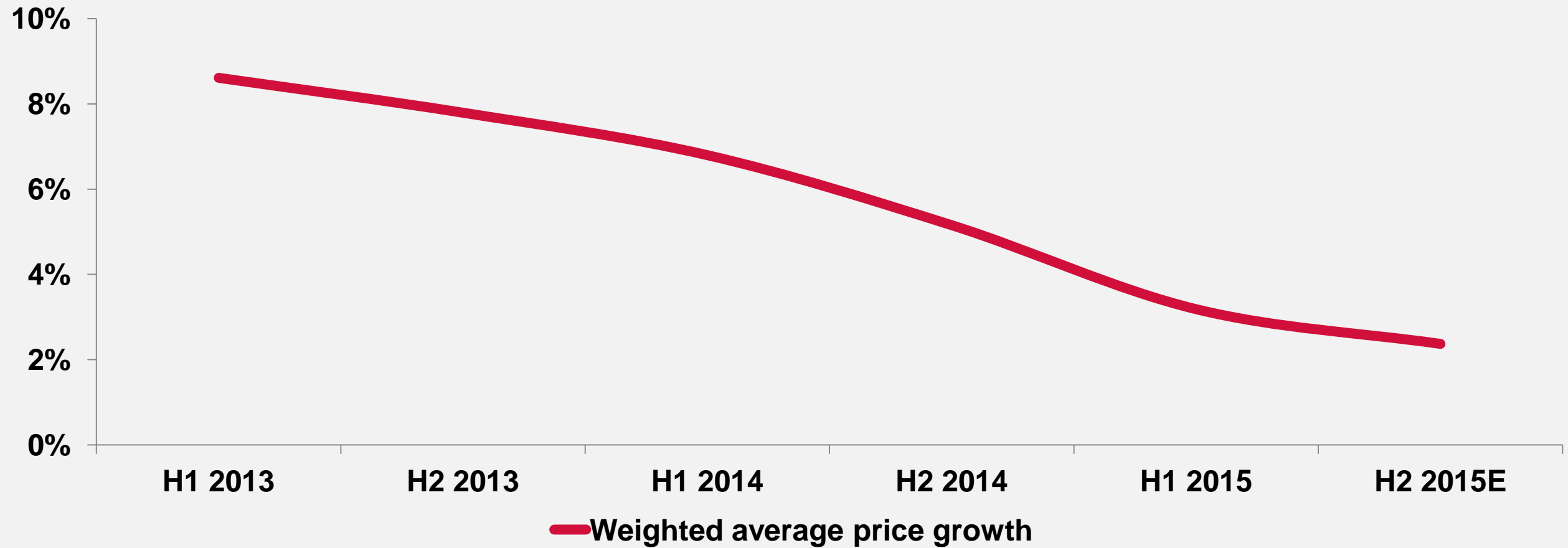
INDIA RESIDENTIAL MARKET AT AN INFLEXION POINT FIRST TIME IN LAST 5 YEARS



MARKET SEES **SOME CORRECTION** IN UNSOLD INVENTORY LEVELS



SHARP DROP IN PRICE GROWTH



A SNAPSHOT

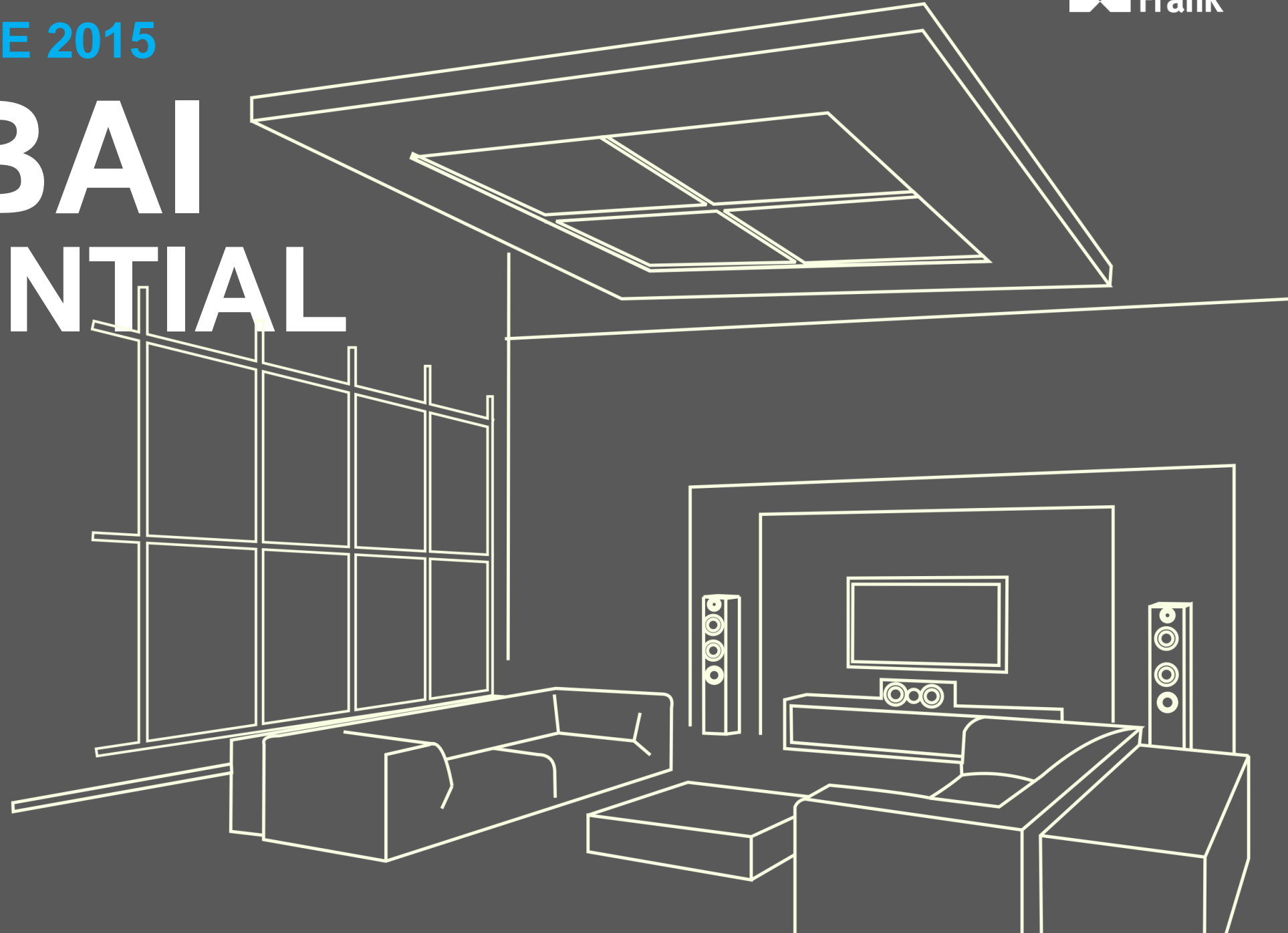


	LAUNCHES (UNITS)	SALES (UNITS)	UNSOLD INVENTORY (UNITS)
H1 2014	160,200	138,100	715,400
H2 2014	143,120	129,900	716,170
H1 2015	95,000	110,300	706,900
Growth Y-o-Y	(40%)	(20%)	(1%)

Across Mumbai, NCR, Pune, Bengaluru, Chennai, Hyderabad, Kolkata, Ahmedabad

JANUARY TO JUNE 2015

MUMBAI RESIDENTIAL



RESIDENTIAL MARKET IN DOLDRUMS

Did freebies and easy financing schemes prop up demand?

Will developers cope up?

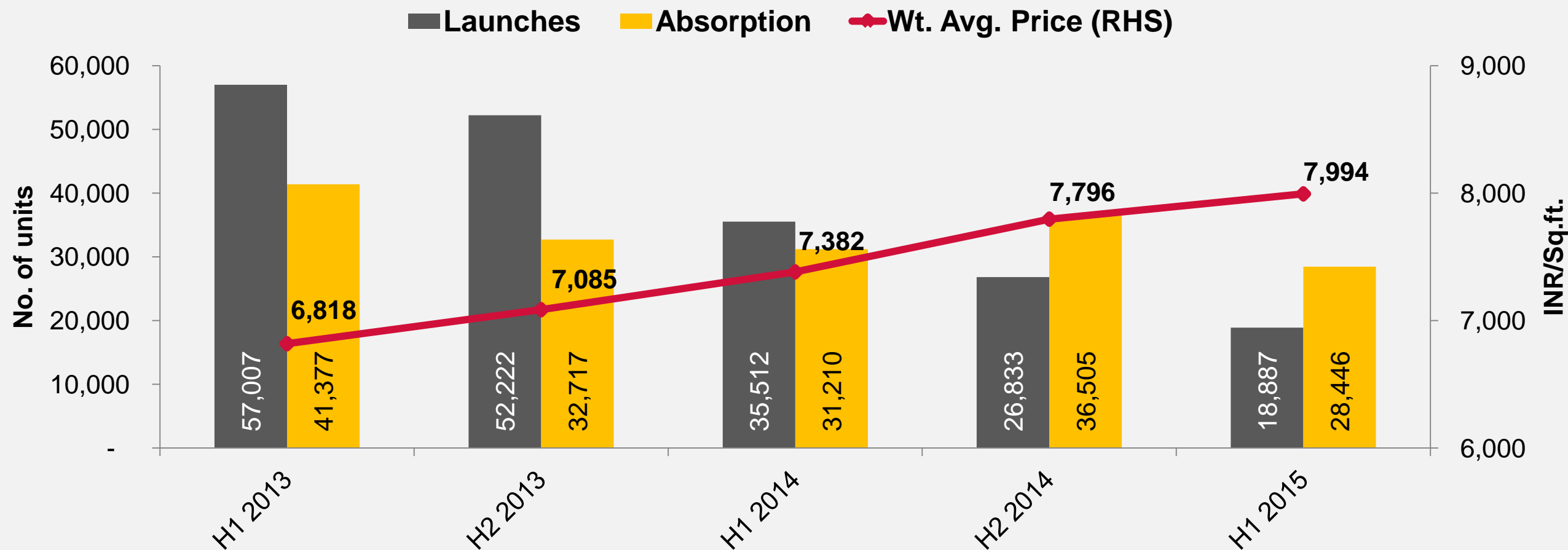
Is property price correction in Mumbai imminent?

INVESTORS AND END
USERS CONCERNED;
DEVELOPERS
RESPOND, PRICE
GROWTH SLOWS

NEW LAUNCHES DROP BY 47% Y-O-Y; DEMAND BY 9%

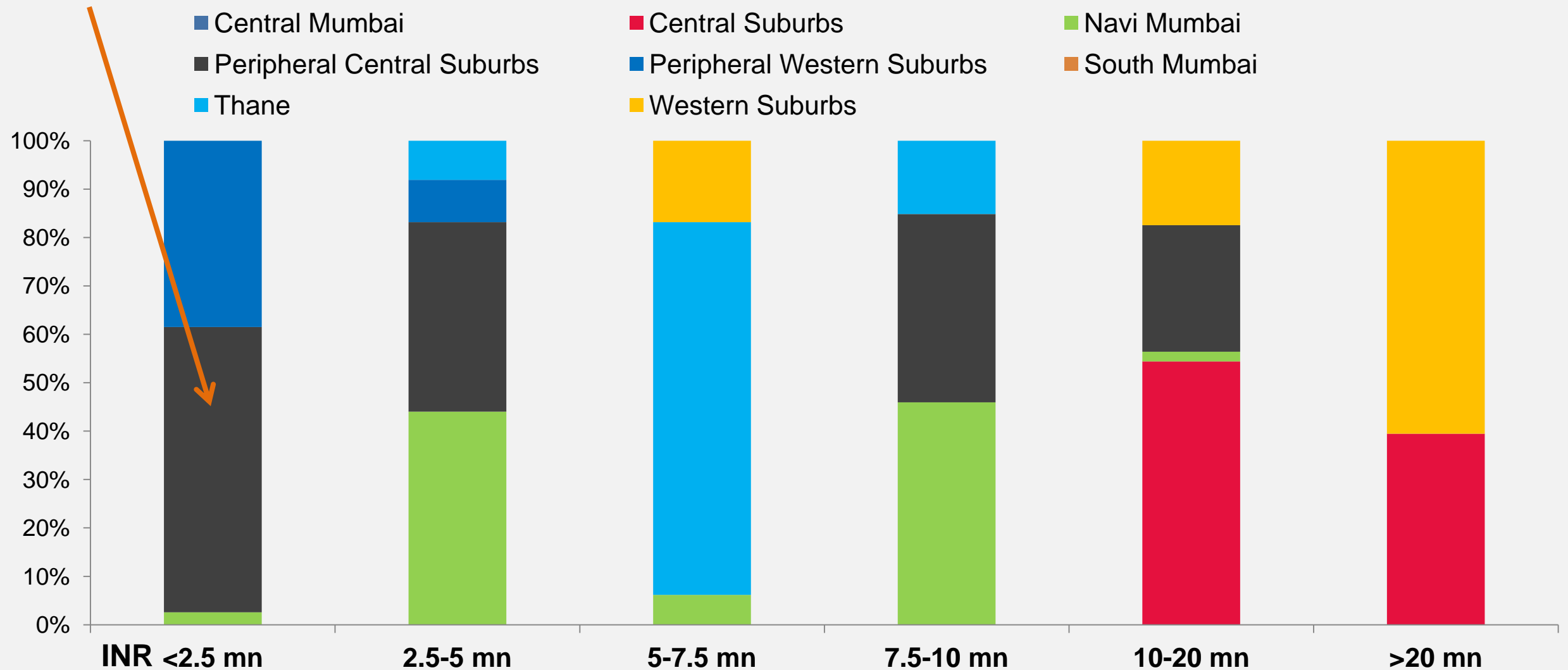


H1 2015 - THE WORST HALF YEARLY PERIOD POST GLOBAL FINANCIAL CRISIS



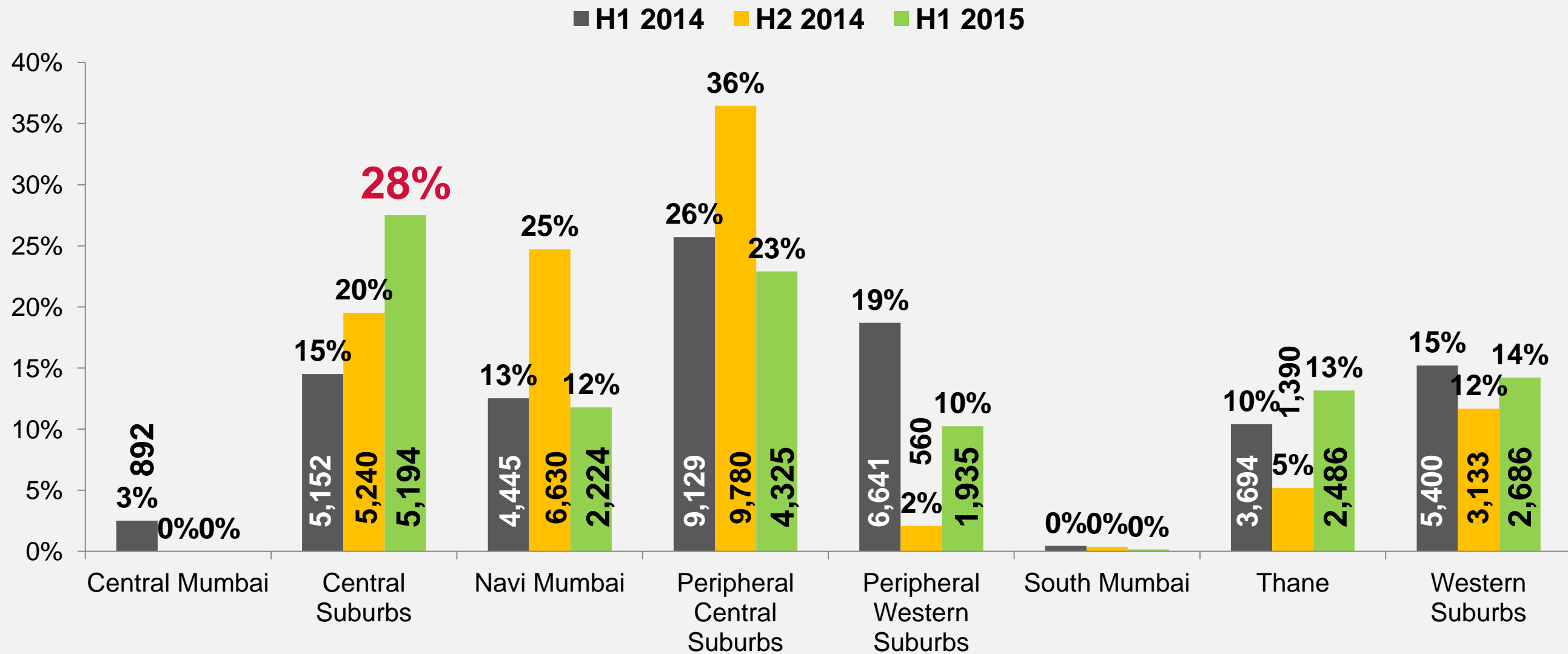
DEVELOPERS
FORAYING INTO
LOCATIONS BEYOND
THANE FOR
AFFORDABLE HOUSING

59% OF NEW LAUNCHES BELOW INR 2.5 MN IN KALWA, KALYAN, DOMBIVALI, AMBARNATH



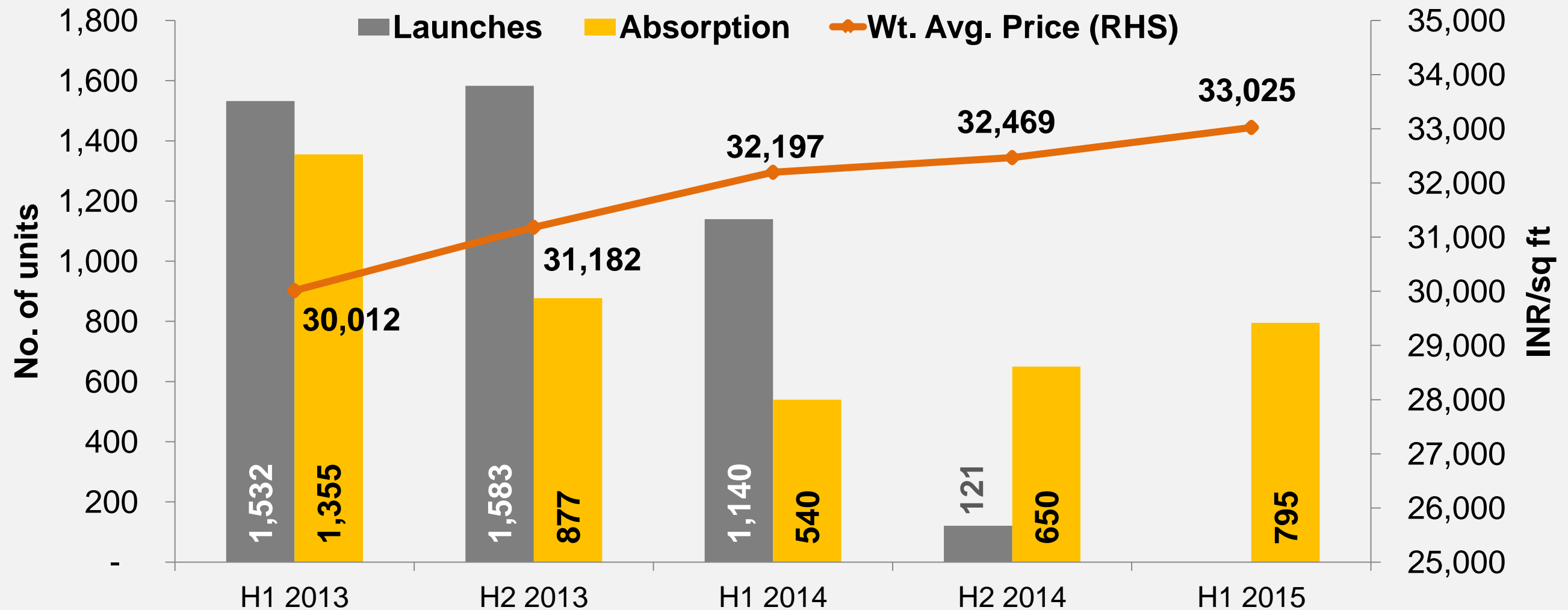
**CENTRAL SUBURBS
TAKES A LEAD IN
LAUNCHES IN THE
LAST 6 MONTHS**

MULUND, KANJURMARG, CHEMBUR SEE BIG LAUNCHES; CONTRIBUTES 28% OF NEW LAUNCHES IN JAN – JUN 2015



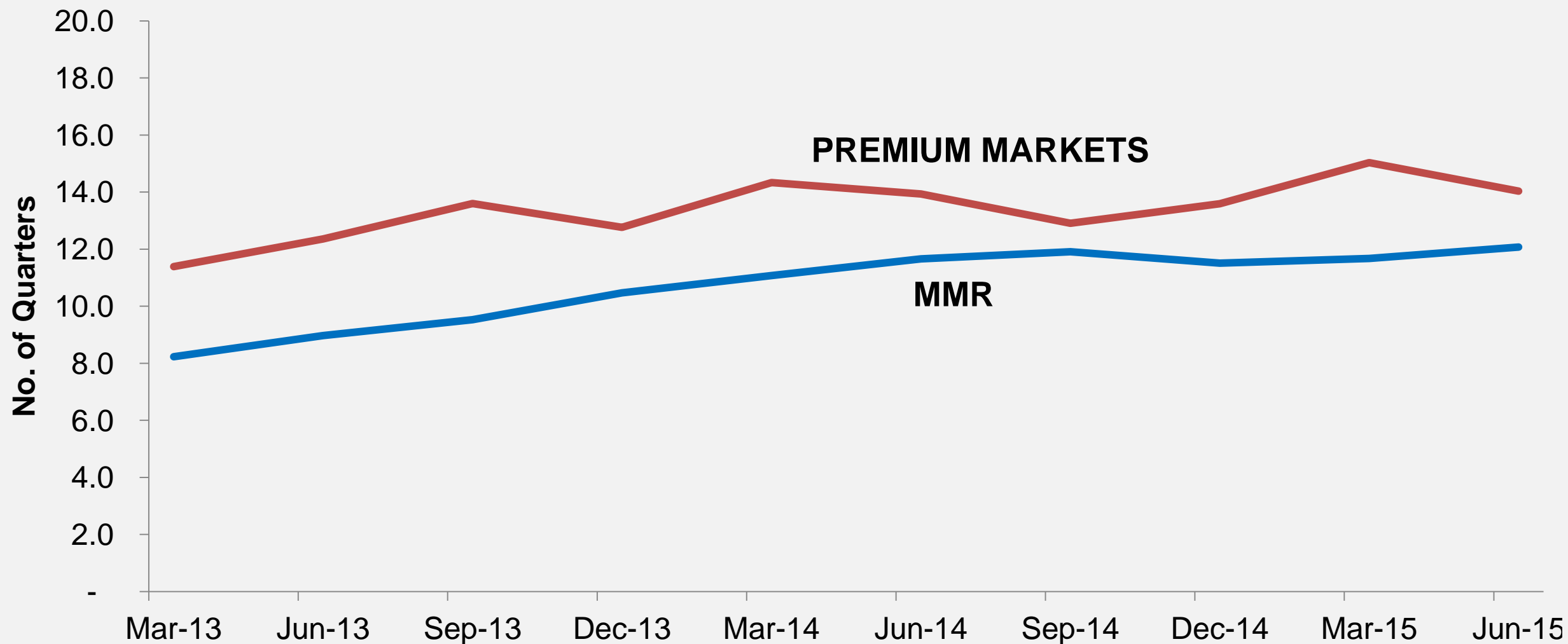
**PREMIUM MARKET
WITH HOMES MORE
THAN INR 5 CRORE
NOT SO BAD**

SUPPLY IN PREMIUM MARKET CONTRACTS FASTER THAN DEMAND – NO NEW LAUNCH IN JAN-JUN 2015 PERIOD

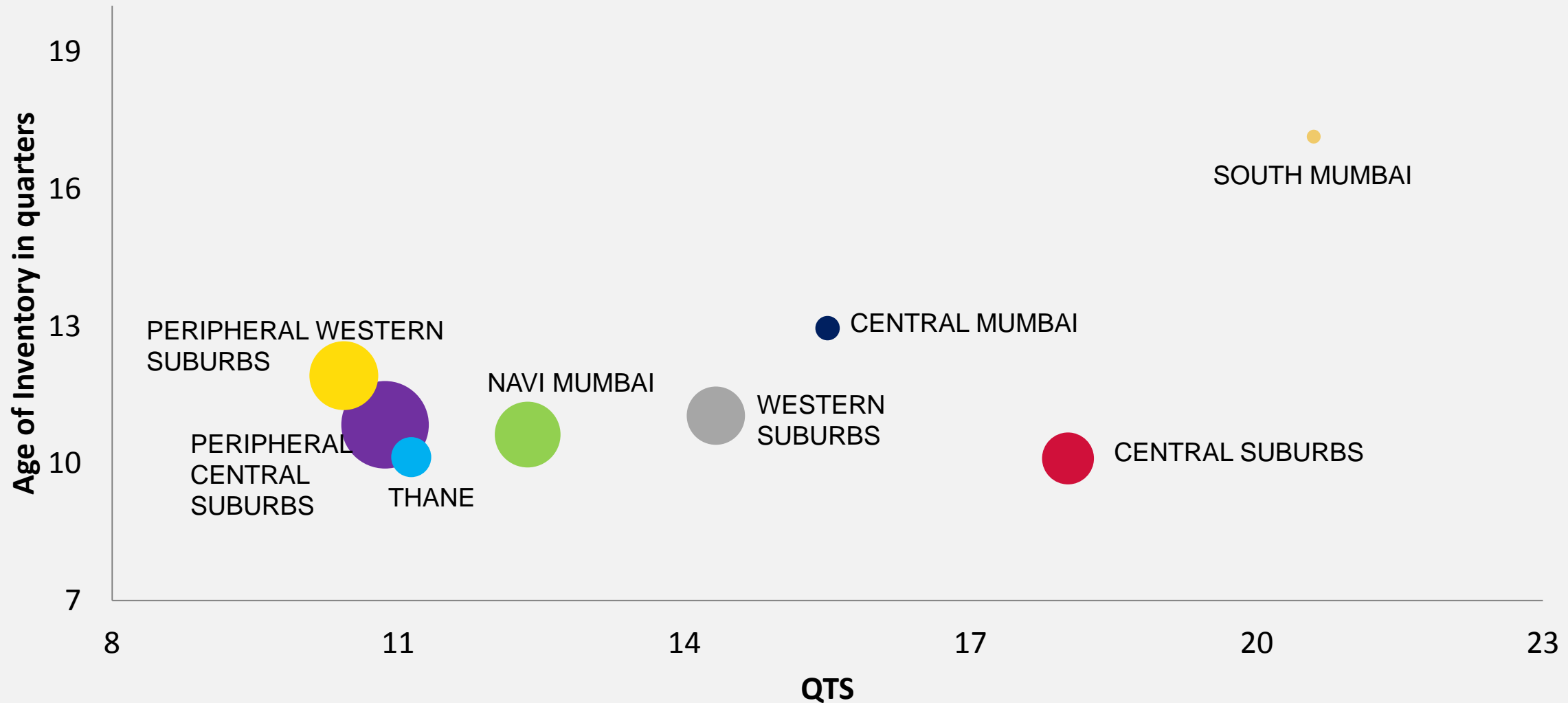


**IT WILL TAKE AROUND
3.5 YEARS TO OFFLOAD
UNSOLD INVENTORY IN
PREMIUM MARKETS;
MMR TO TAKE 3 YEARS**

SALES IN PREMIUM MARKETS IN TANDEM WITH CITY SALES



SOUTH MUMBAI CONTINUES TO SUFFER; 5 YEARS TO OFFLOAD CURRENT INVENTORY



CONSUMER INTEREST TO REMAIN TEPID IN H2 2015

OUTLOOK FOR THE NEXT 6 MONTHS



LAUNCHES
(UNITS)

SALES
(UNITS)

**WEIGHTED
AVERAGE PRICE**
(INR/SQ FT)

H2 2014

26,833

36,505

7,796

H2 2015 E

20,776

34,135

4,870

GROWTH

(23%)

(6%)

3%

HOW DOES MUMBAI STAND COMPARED TO OTHER CITIES

LAUNCHES- MUMBAI MAINTAINS ITS 2ND POSITION



H1 2014

BENGALURU

35,545

MUMBAI

35,512

NCR

35,500

PUNE

16,883

CHENNAI

11,377

AHMEDABAD

9,021

KOLKATA

8,444

HYDERABAD

7,899

H1 2015

BENGALURU

21,400

MUMBAI

18,887

PUNE

12,762

NCR

11,360

CHENNAI

9,102

KOLKATA

8,372

AHMEDABAD

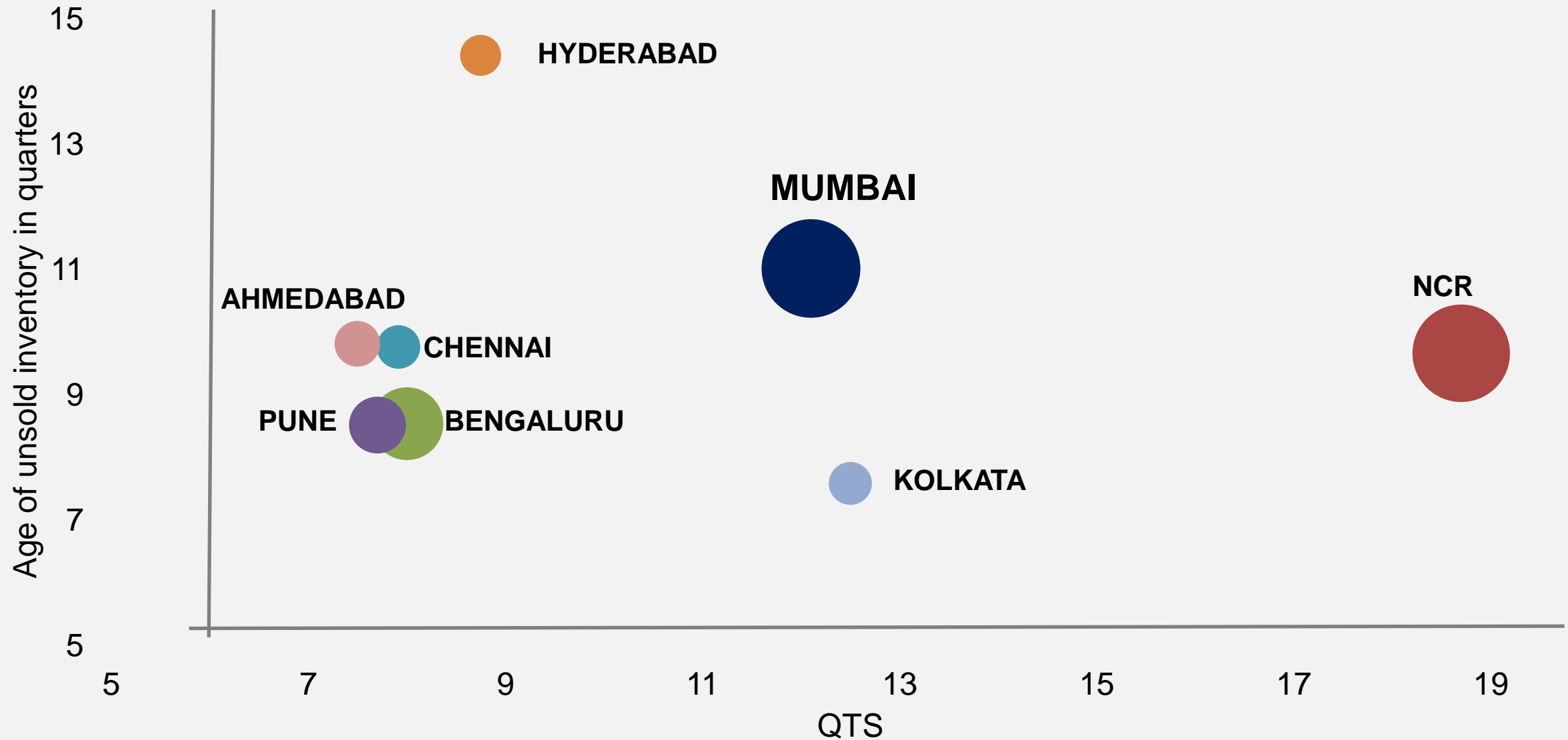
8,062

HYDERABAD

5,457

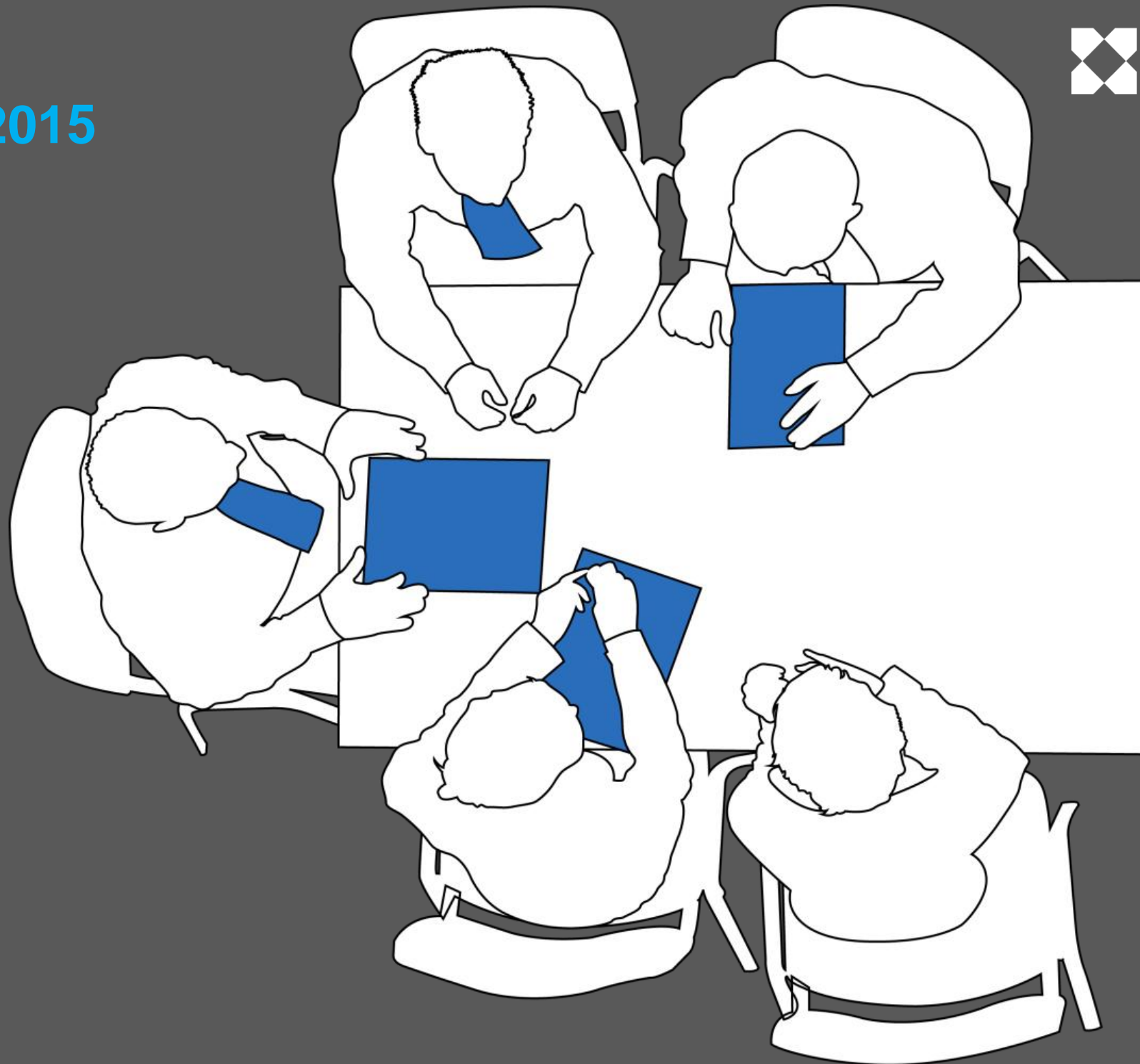
HEALTH OF MUMBAI RESIDENTIAL MARKET

A BIG CHALLENGE



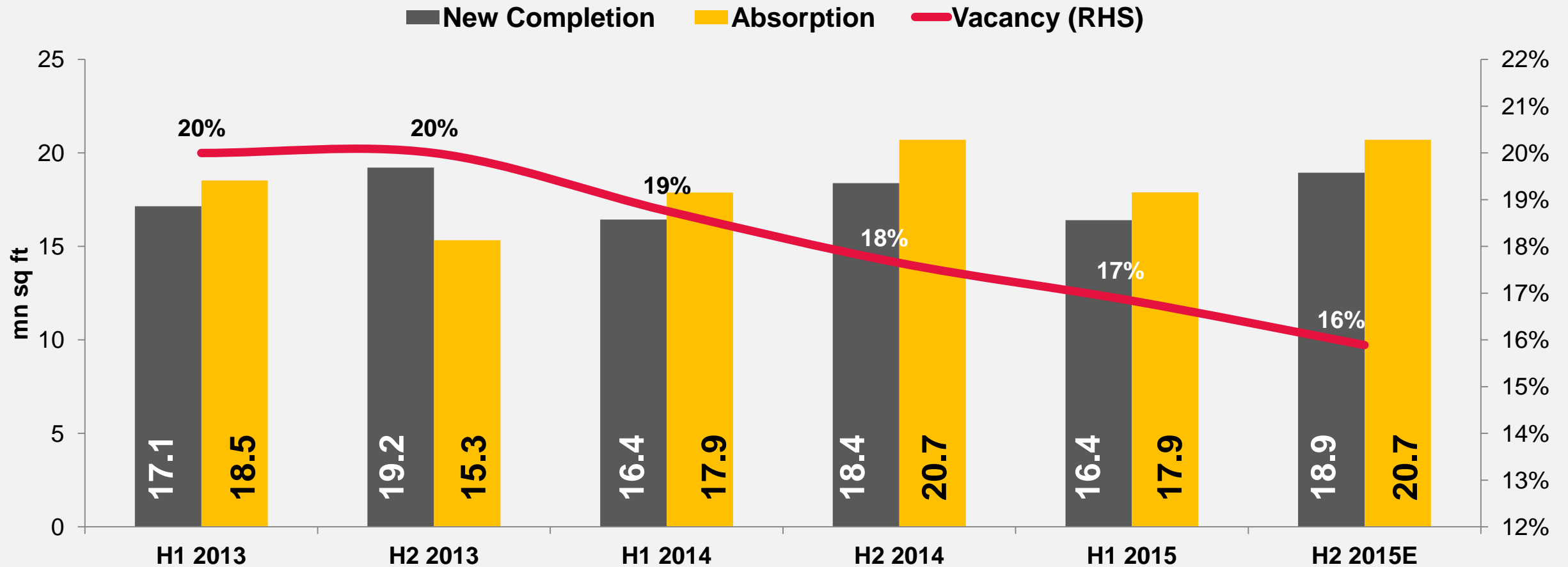
JANUARY TO JUNE 2015

INDIA OFFICE

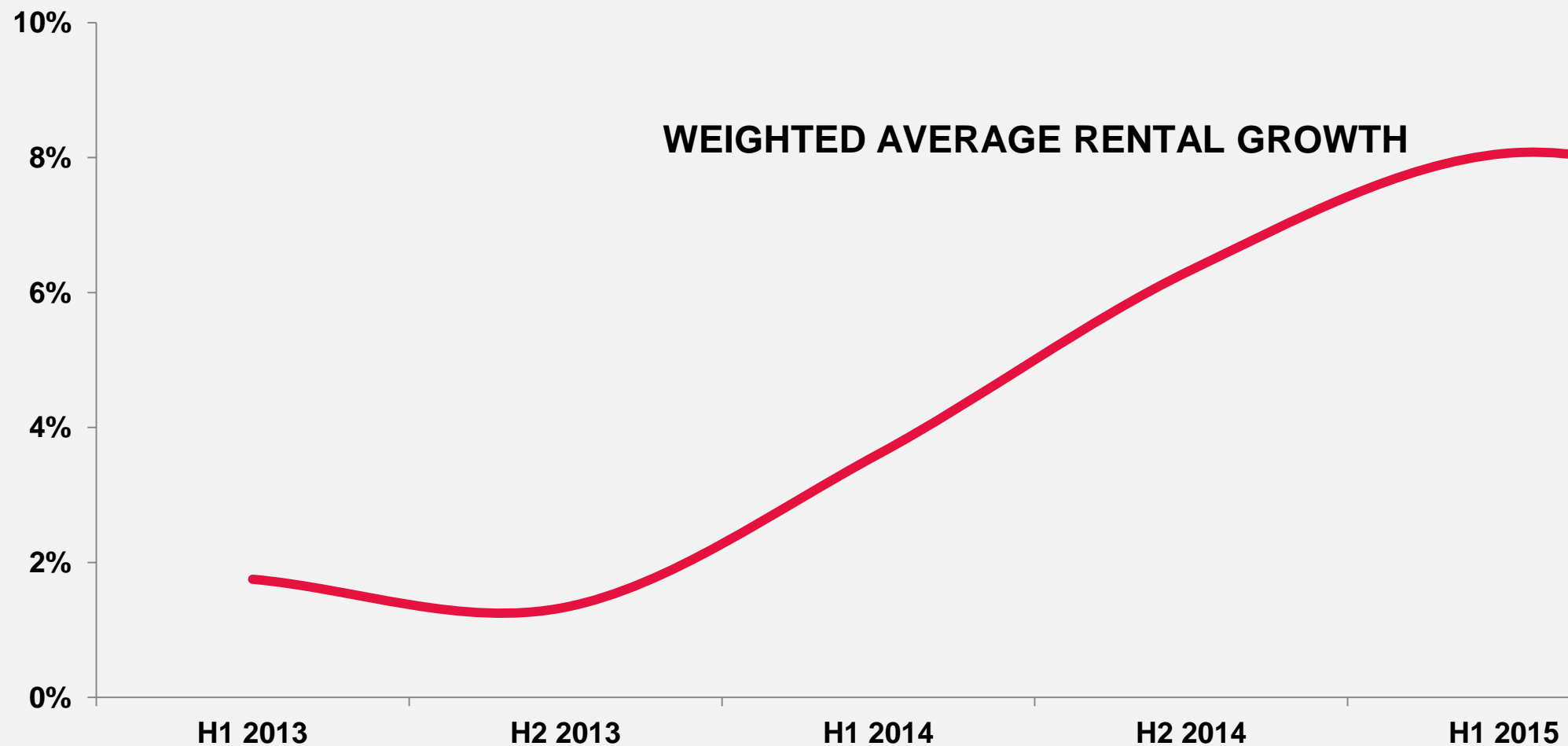


SEVERE
SHORTAGE OF
GOOD QUALITY
OFFICE SPACE

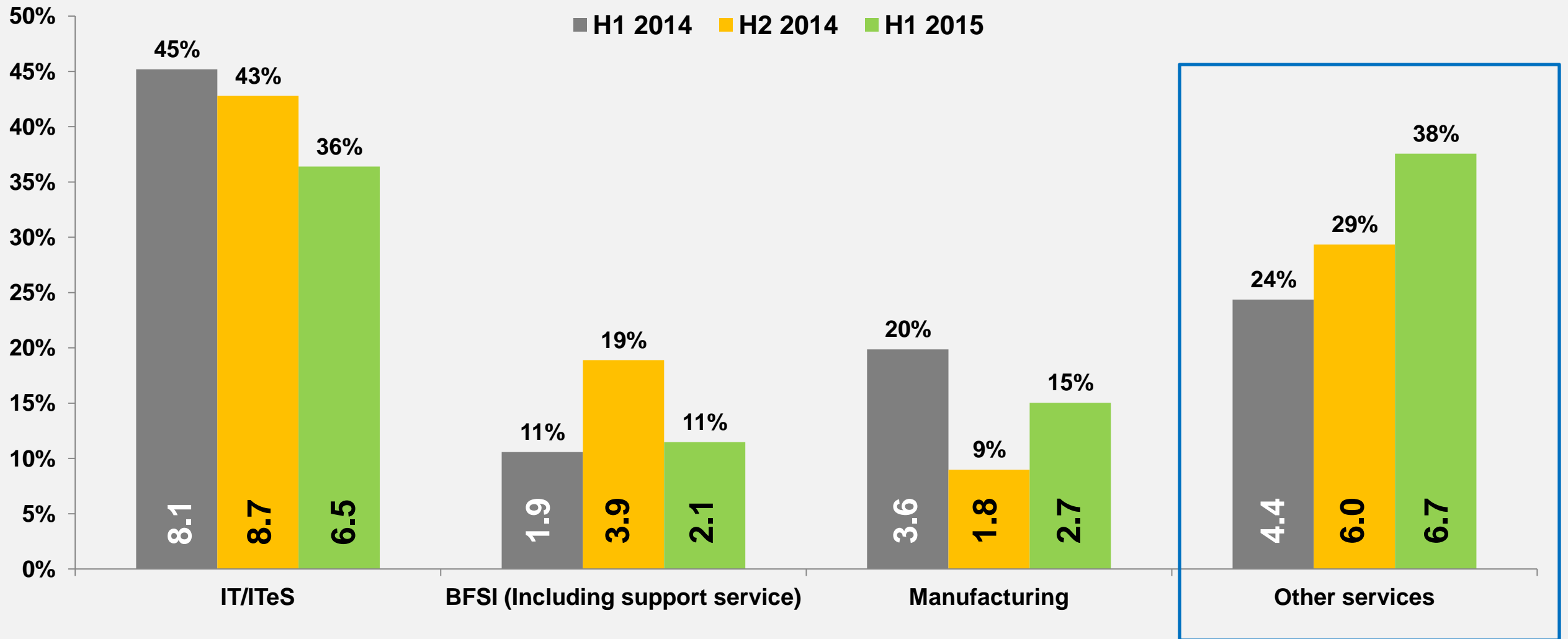
DEMAND **HIGHER THAN** SUPPLY SINCE 2014; **SHARP DECLINE** IN VACANCY



MARKET FAVOURABLE FOR LANDLORDS



IT / ITeS LOSES DOMINANCE; MAKES WAY FOR OTHER SERVICES SECTORS



A SNAPSHOT



NEW COMPLETIONS (MN SQ FT)

ABSORPTION (MN SQ FT)

VACANCY

H1 2014

16.4

17.9

19%

H2 2014

18.4

20.7

18%

H1 2015

16.4

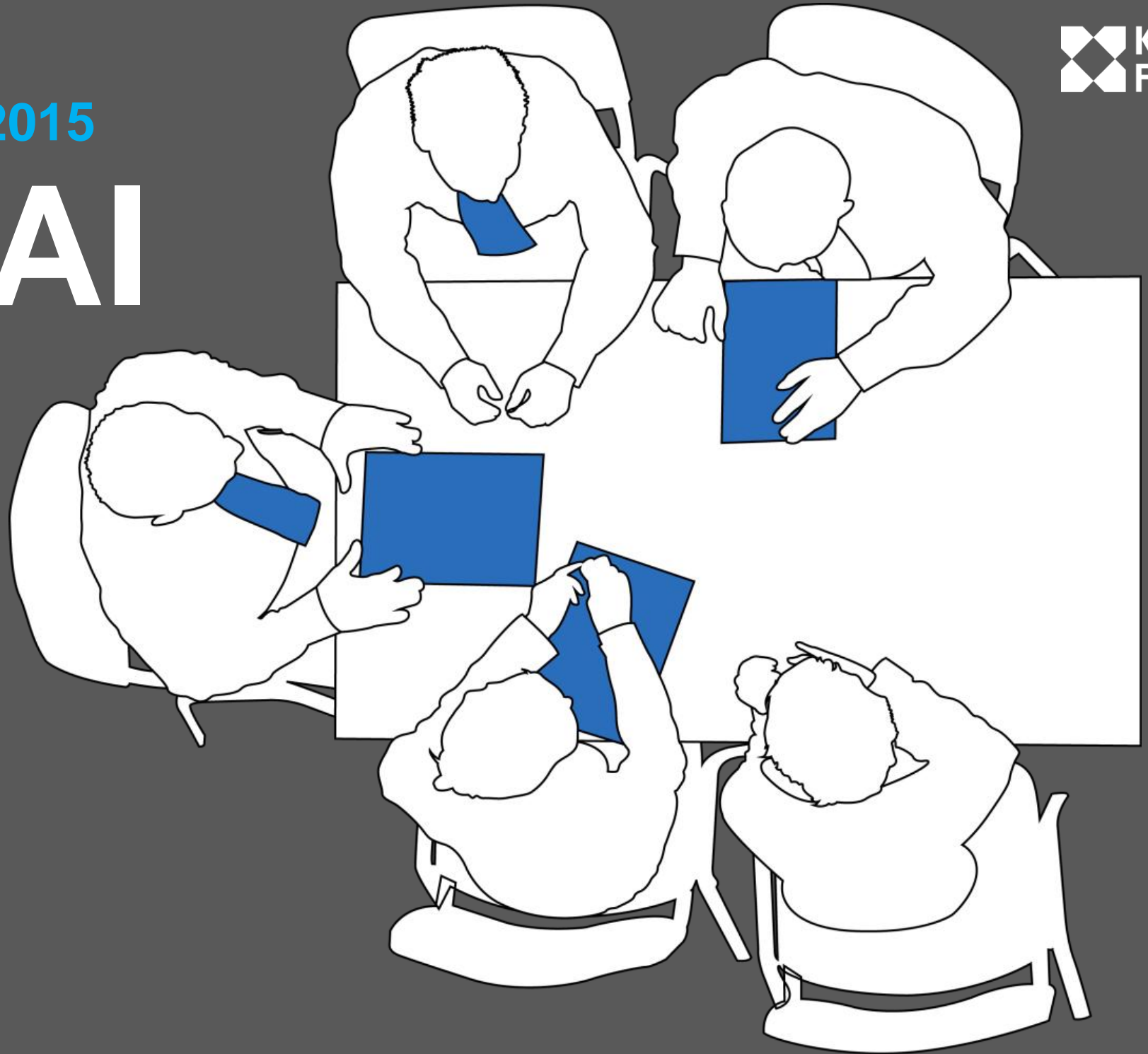
17.8

17%

Across Mumbai, NCR, Pune, Bengaluru, Chennai, Hyderabad

JANUARY TO JUNE 2015

MUMBAI OFFICE MARKET



OFFICE MARKET

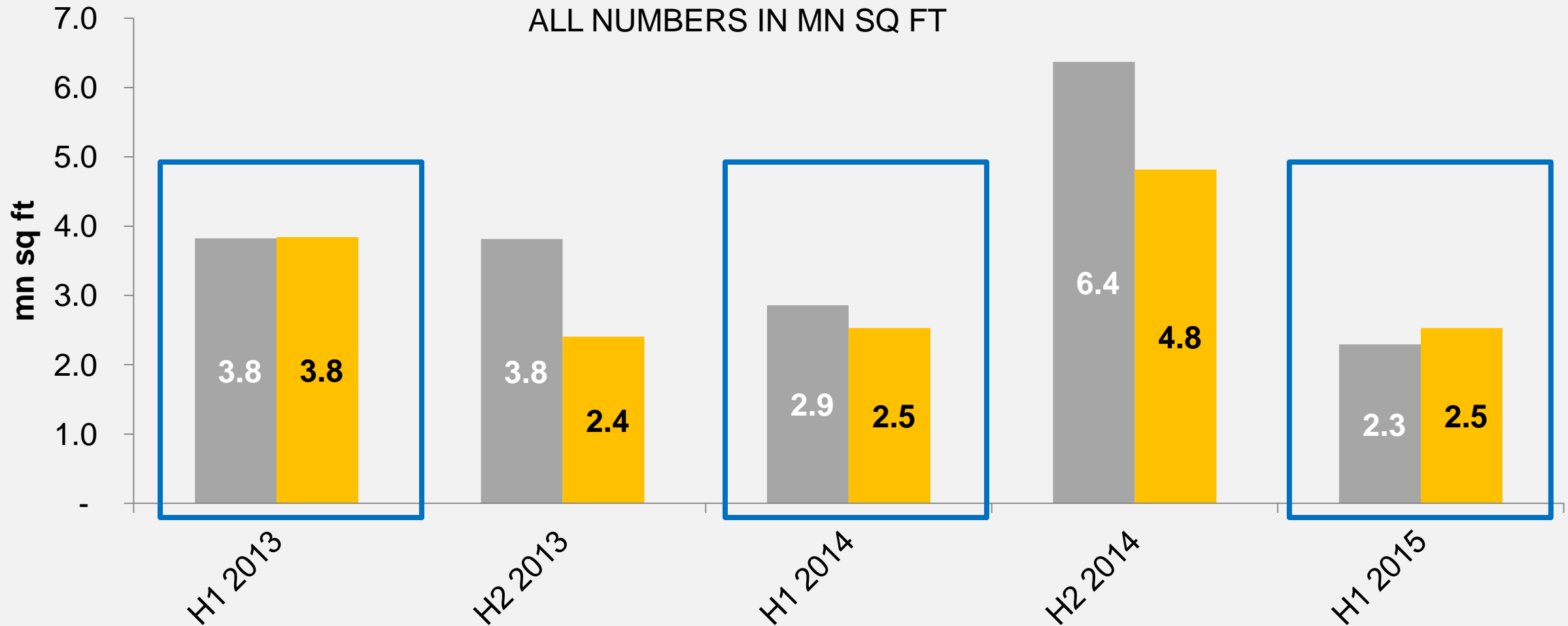
SLOW AND

STEADY

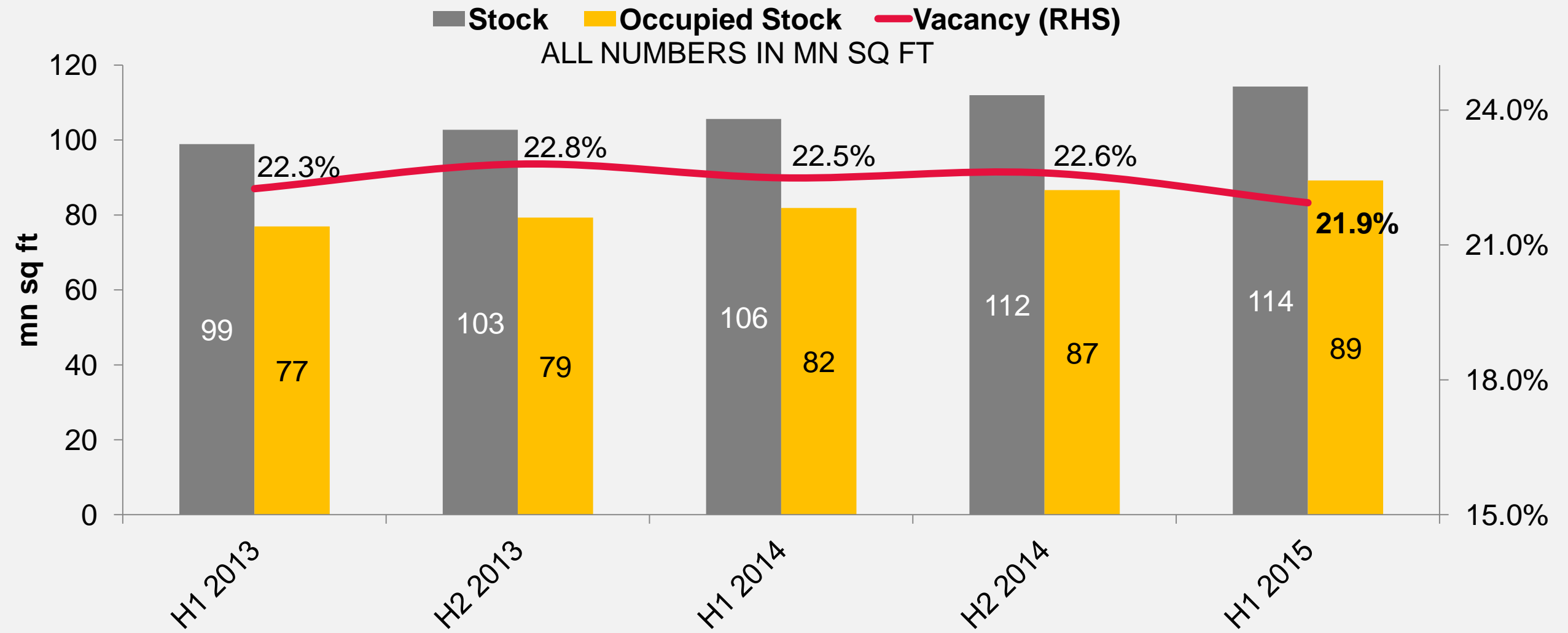
DEMAND HOLDS, PROJECT COMPLETIONS DELAYED

■ New completions ■ Absorption

ALL NUMBERS IN MN SQ FT

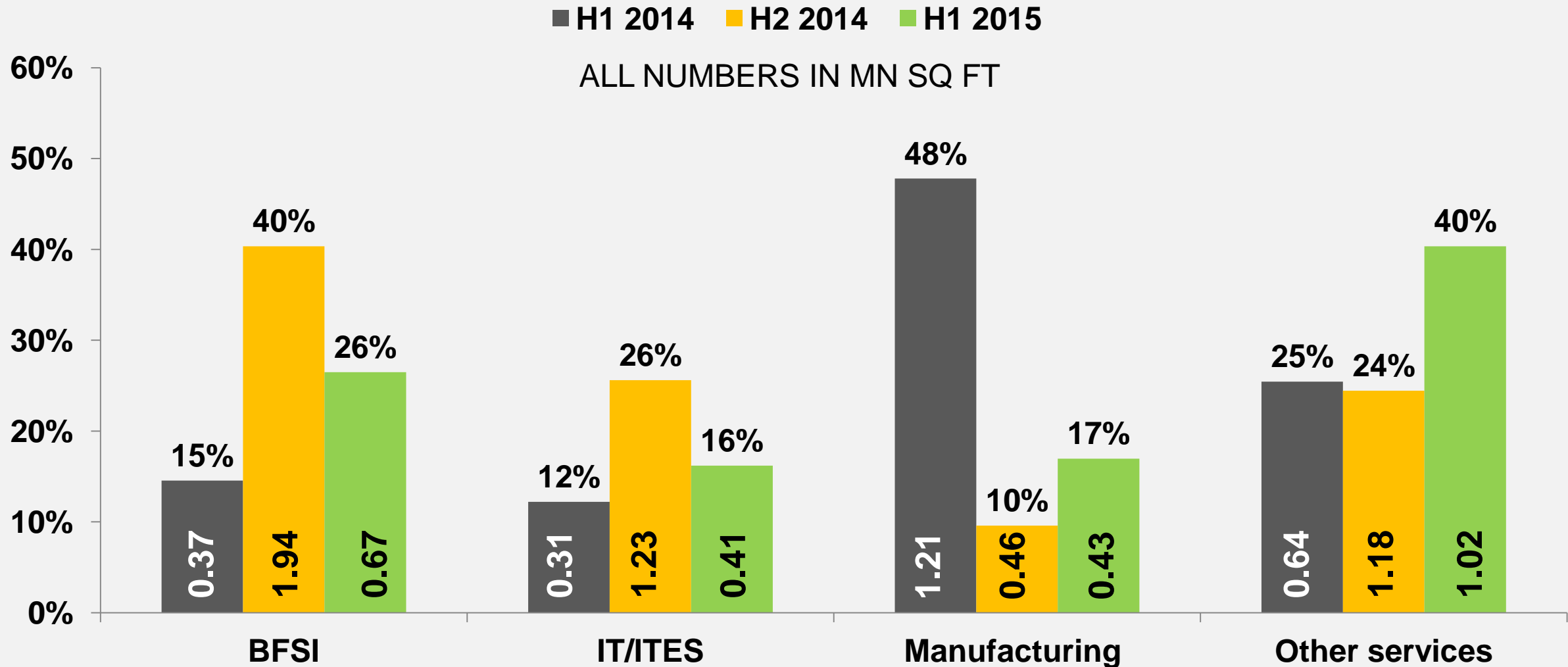


MARGINAL DECREASE IN VACANCY; DEARTH OF LARGE SIZED QUALITY OFFICE SPACE



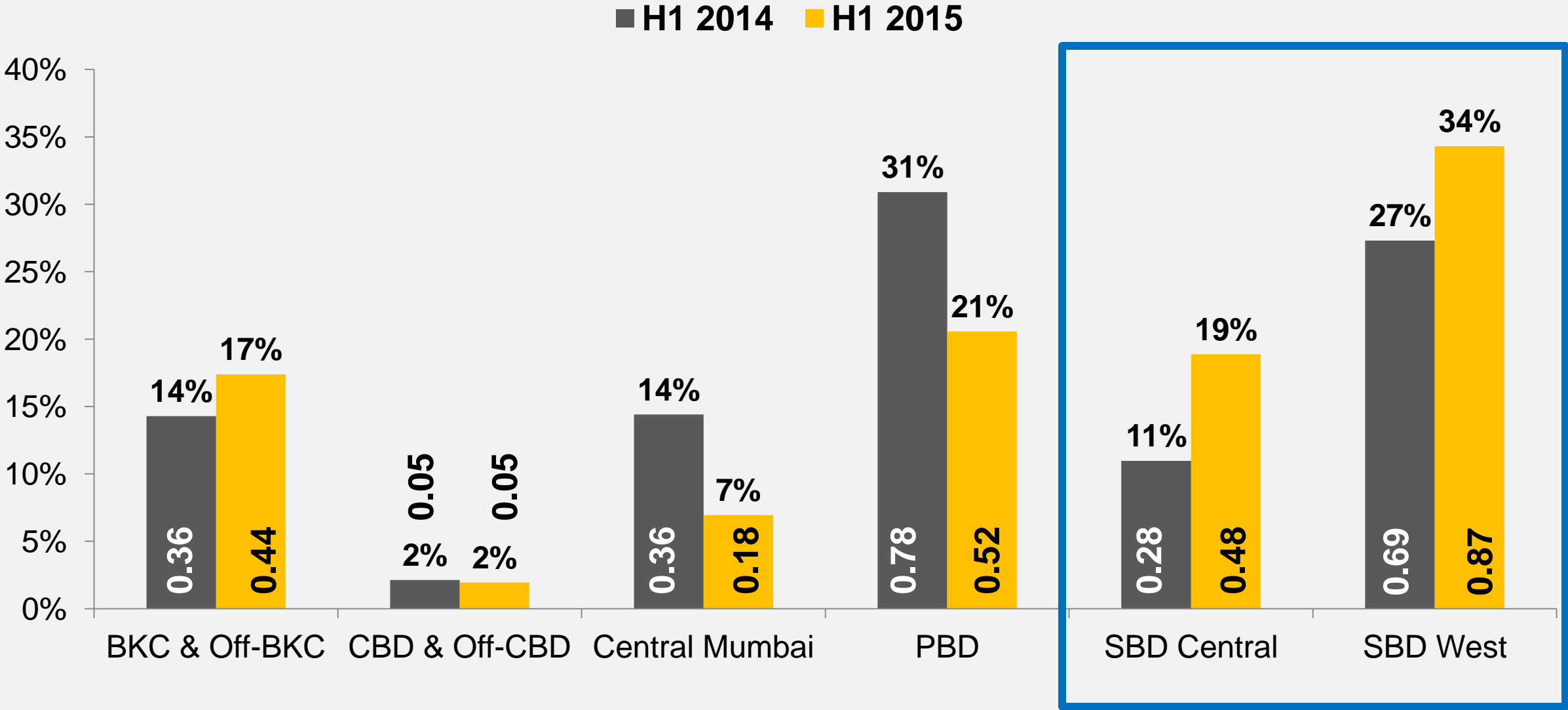
**DIVERSIFIED
OCCUPIER BASE;
BANKING &
FINANCIAL SERVICES
AN ANCHOR**

MEDIA, CONSULTING, E-COMMERCE INCREASED THEIR TALLY



COMPETITIVE RENTS,
IMPROVED EAST-WEST
CONNECTIVITY GIVE AN
EDGE TO POWAI,
VIKHHROLI, ANDHERI,
GOREGAON

SBD CENTRAL AND SBD WEST TOGETHER CONTROL HALF THE MARKET



MUMBAI TO RETAIN ITS
DIVERSIFIED OCCUPIER
BASE;
NEW 'IT' POLICY
UNLIKELY TO BE A
GAME CHANGER

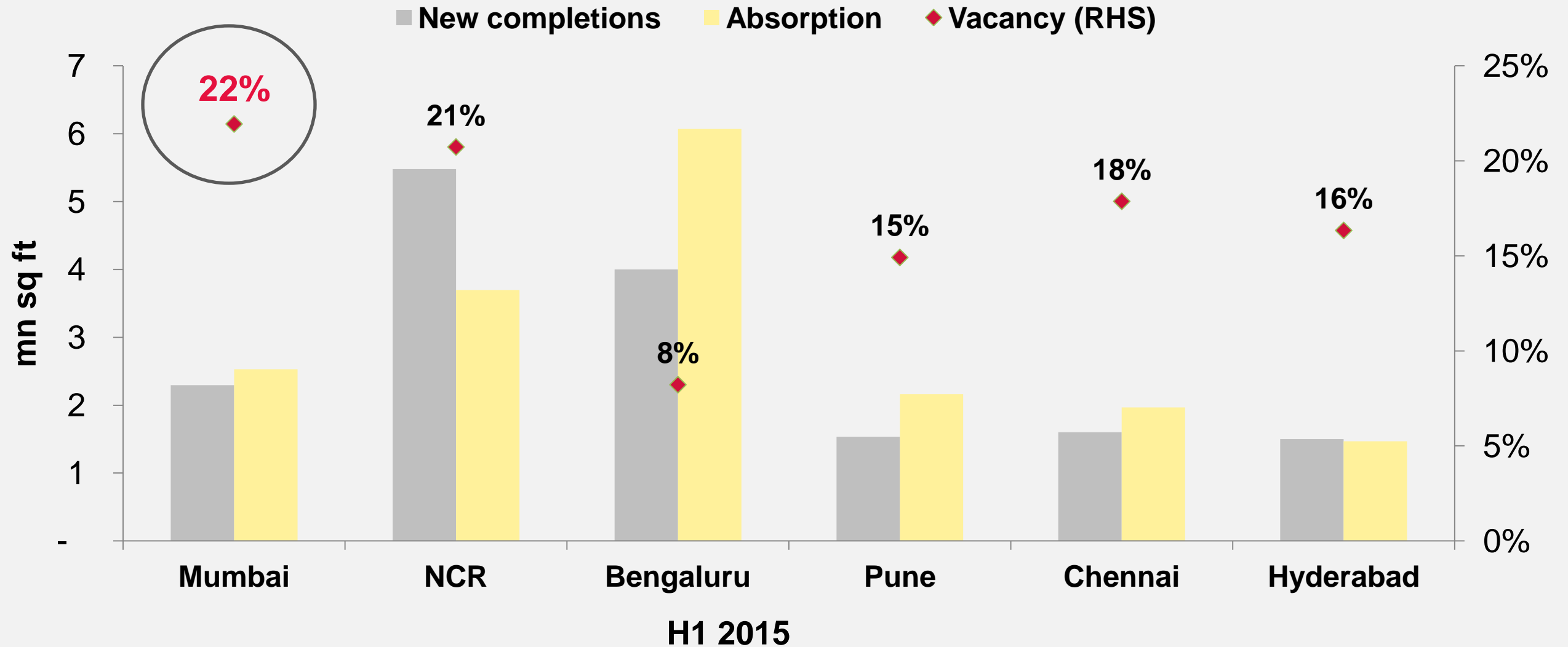
OUTLOOK FOR THE NEXT 6 MONTHS



	NEW COMPLETIONS (MN SQ FT)	ABSORPTION (MN SQ FT)	VACANCY	WEIGHTED AVERAGE RENT (INR/SQ FT/MONTH)
H2 2014	6.4	4.8	22.6%	118
H2 2015E	4.3	5.2	20.4%	123
GROWTH	(32%)	8%		4%

HOW DOES MUMBAI STAND COMPARED TO OTHER CITIES

VACANCY LEVELS **HIGHEST** IN THE COUNTRY



KEY TAKEAWAYS

RESIDENTIAL

ALL INDIA

STILL REELING UNDER TREMENDOUS PRESSURE, NO VISIBLE RECOVERY IN THE COMING 6 MONTHS

MUMBAI

RECORDS THE WORST HALF YEARLY PERIOD POST THE GLOBAL FINANCIAL CRISIS

OFFICE

ALL INDIA

SEVERE SHORTAGE OF GOOD QUALITY SPACE SUPPLY IS MAKING THE MARKET A LANDLORD FAVOURING ONE

MUMBAI

VACANCY HIGHEST IN INDIA ALTHOUGH OCCUPIERS UNABLE TO FIND THEIR PREFERRED SPACES DUE TO LIMITED SUPPLY

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MUMBAI REAL ESTATE

