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MUMBAI

City Snapshot

Jan-Mar 2023



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RESIDENTIAL

The residential real estate market of Mumbai and its metropolitan region remained subdued during the first quarter of 2023, with both new launches and sales declining from the previous quarter. However, developers remain cognizant of consumer sentiment and affordability with the majority of new projects launching in the peripheral areas.

Mumbai, which holds the maximum unsold inventory across the top-8 cities, has seen a 20% hike year-on-year in the piled-up residential stock. Currently, the city has an available inventory of over 3 lakh units. Strong sales momentum in the past year has resulted in the reduced overhang of 33 months from 52 months in Q12022.

OFFICE

Mumbai's office market has mellowed slightly during the quarter, resulting in a reduction in net absorption and no new supply addition.

Gross leasing volumes, on the other hand, remained buoyed, with Navi Mumbai witnessing the highest traction by technology companies

During the quarter, majority of the demand for office space in the city has been driven by BFSI, flexible space operators, and technology corporates, followed by engineering & manufacturing firms and research, consulting, and analytics organisations.

Rental levels have continued to stabilize and improved marginally across all markets. Looking at the absorption and supply trend, rentals are expected to increase going forward.

RETAIL

Mumbai retail market has been devoid of new supply during the quarter, resulting in tight vacancy levels in the category A malls. Gross leasing remained active, driven by fresh leases that accounted for over 50% of the total leasing during the quarter.

Going forward, nearly 1.1 msf of Grade A supply is expected to be operational by end of this year, which will help inject much-needed supply into an otherwise constrained market. In the near term, this increase in supply is likely to see an improved vacancy level.

MUMBAI Synopsis Q1 2023

Source: Reliant Surveyors Research

RESIDENTIAL SNAPSHOT

~1,63,060 Units
New Supply in FY23

~1,13,770 units
Sales in FY23

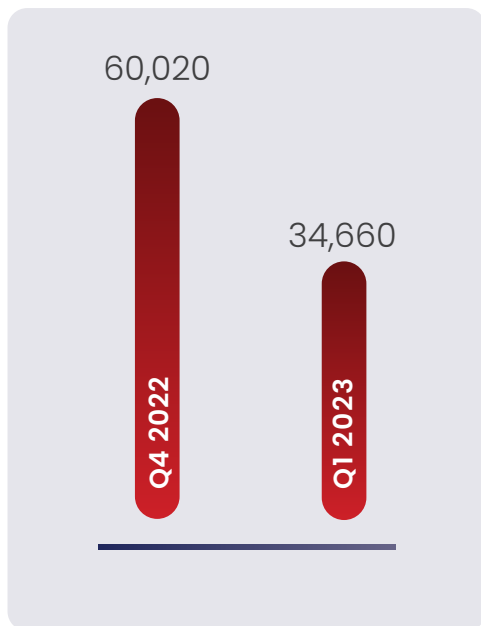
~3,13,110 units
Unsold Inventory
in FY23

~33 months
Inventory Overhang
in FY23

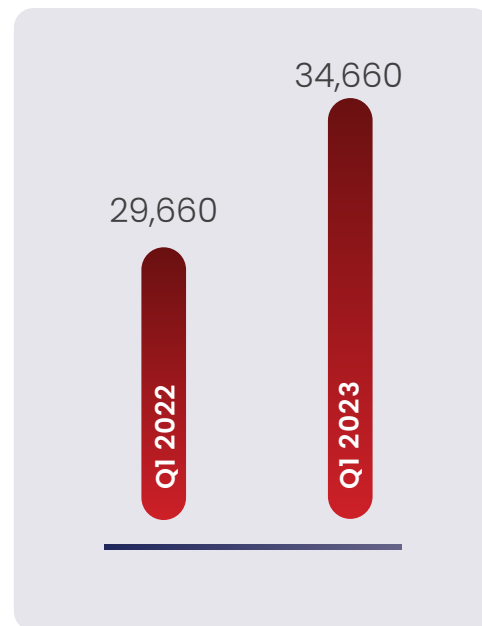


NEW SUPPLY Q1 2023

VS Q4 2022



VS Q1 2022



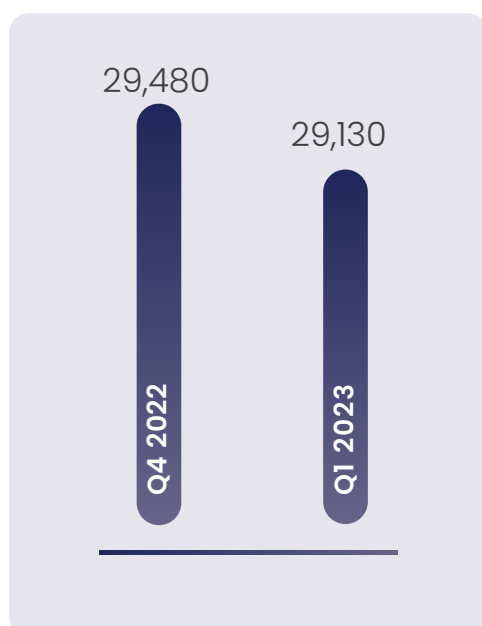
Mumbai's real estate market has been through a dull quarter when both supply and sales witnessed a decline from the previous quarter.

The city recorded a new supply of over 34,600 units, contributing nearly 1/3rd of the pan India launches during the quarter. However, it is 42% less than the units launched in the previous quarter.

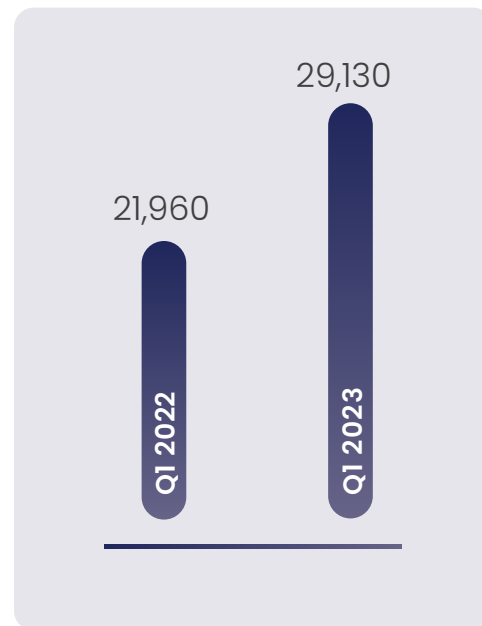


SALES Q1 2023

VS Q4 2022



VS Q1 2022



Residential sales, on the other hand, remained rangebound with a marginal decline of 1% from the previous quarter. Total sales stood at 29,130 units during the quarter, with the majority of sales witnessed in the micro markets of Thane, Dombivli, and Panvel.

Buyers' preference continued to be more inclined towards ready or near-ready projects to minimize completion risk

RESIDENTIAL SNAPSHOT



TOP LOCALITIES BY SALES

Thane

Dombivli

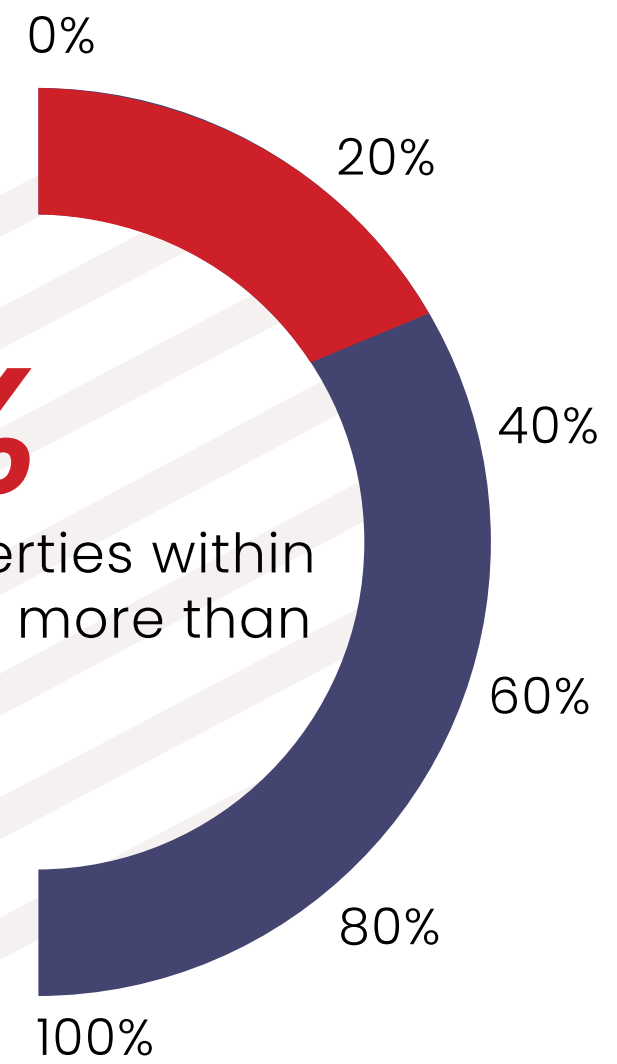
Panvel

Mira Road East

Virar

35%

Prefer Properties within
a Budget of more than
INR 80L



OFFICE SNAPSHOT



NEW SUPPLY Q1 2023

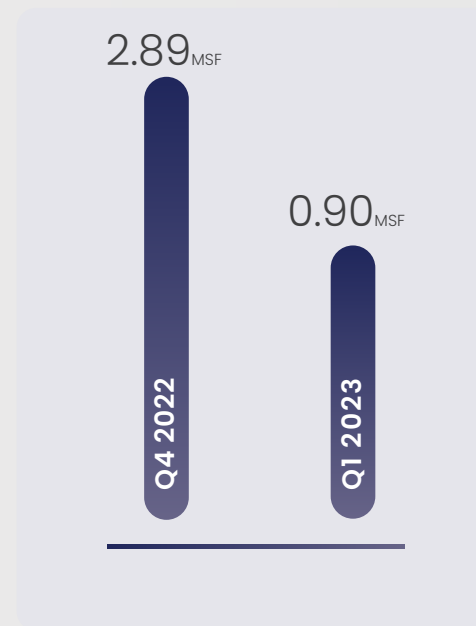
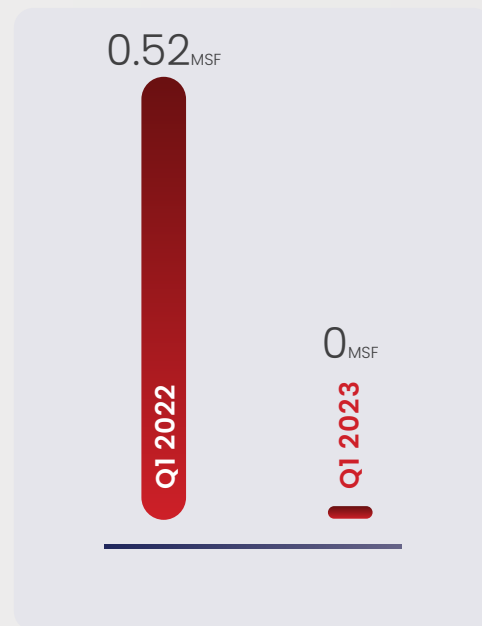
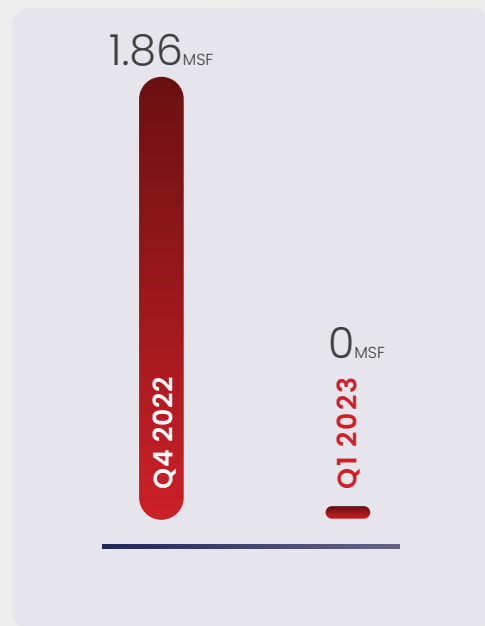
NET ABSORPTION Q1 2023

VS Q4 2022

VS Q1 2022

VS Q4 2022

VS Q1 2022



During the first quarter of 2023, Mumbai office market recorded net absorption of 0.9 MSF, much lesser than 2.89 MSF in the last quarter. Business hubs across Navi Mumbai and Central Mumbai remained the most active micro markets, together

accounting for nearly 1/3rd of the gross absorption during the quarter.

Developers remained cautious in adding new supply in the quarter. Nevertheless, looking at the strong pipeline of under-construction and planned commercial spaces, we foresee

a new supply of over 5 MSF by the end of this year.

In the absence of new supply and active leasing, the vacancy rates across key submarkets of the city remained rangebound and have witnessed a slight decline from the previous quarter.



OFFICE SNAPSHOT



GROSS LEASING

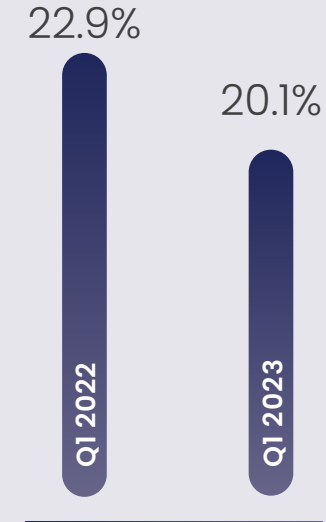
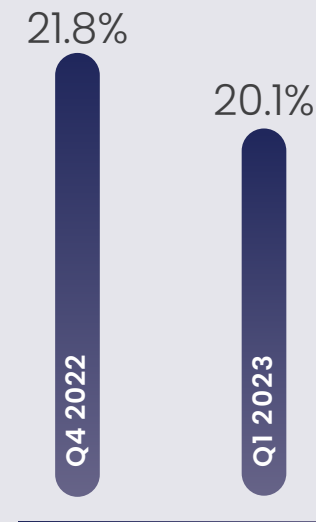
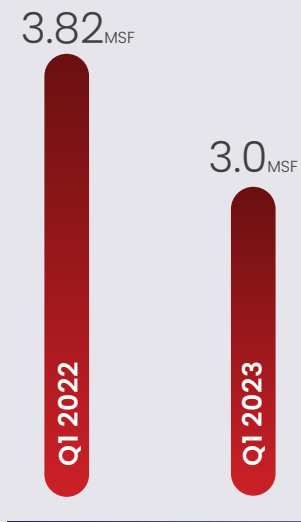
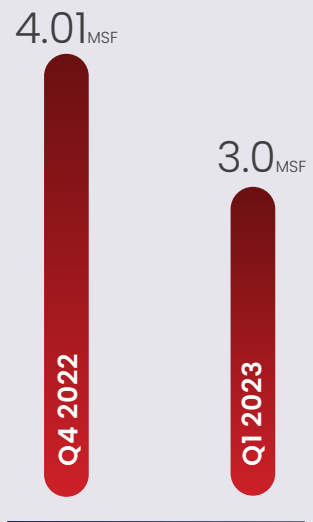
OVERALL VACANCY

VS Q4 2022

VS Q1 2022

VS Q4 2022

VS Q1 2022



RETAIL SNAPSHOT



GROSS LEASING

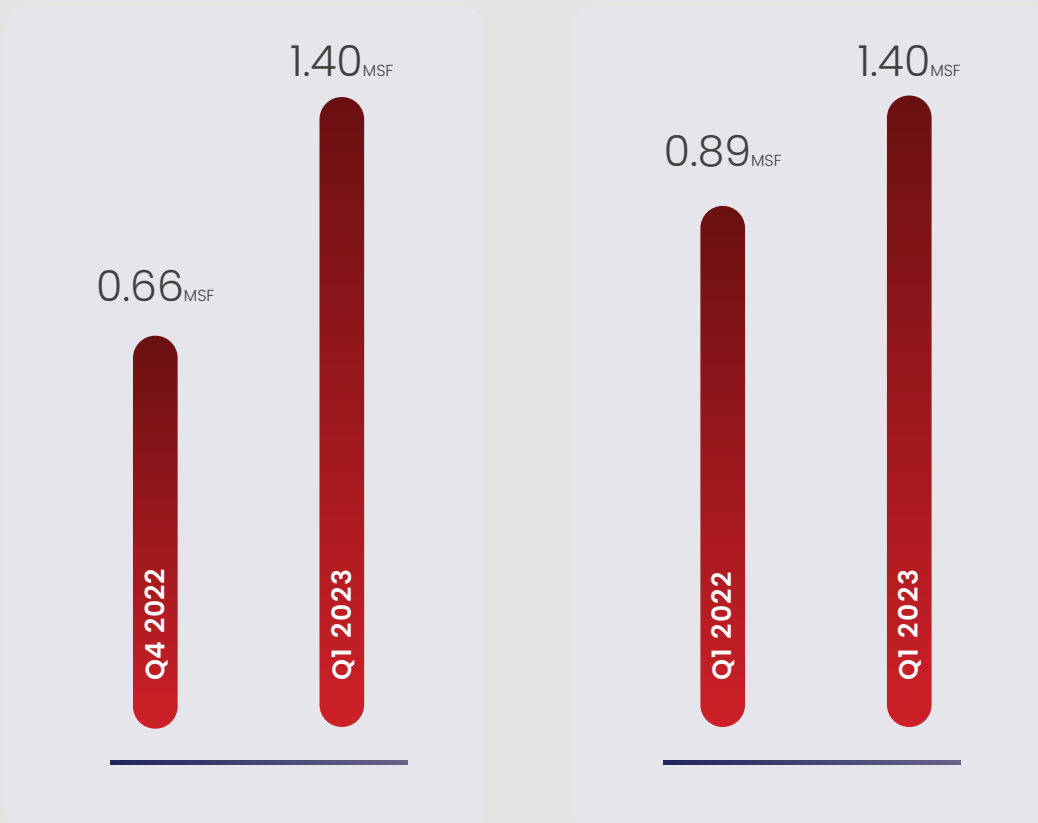
OVERALL VACANCY

VS Q4 2022

VS Q1 2022

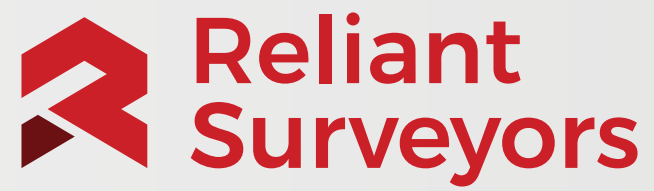
VS Q4 2022

VS Q1 2022



“*Fashion & apparel, followed by F&B players led space take-up during the quarter. Other prominent categories that dominated leasing were homegoods, hypermarkets and entertainment.*”





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