Report

India | March 31, 2025

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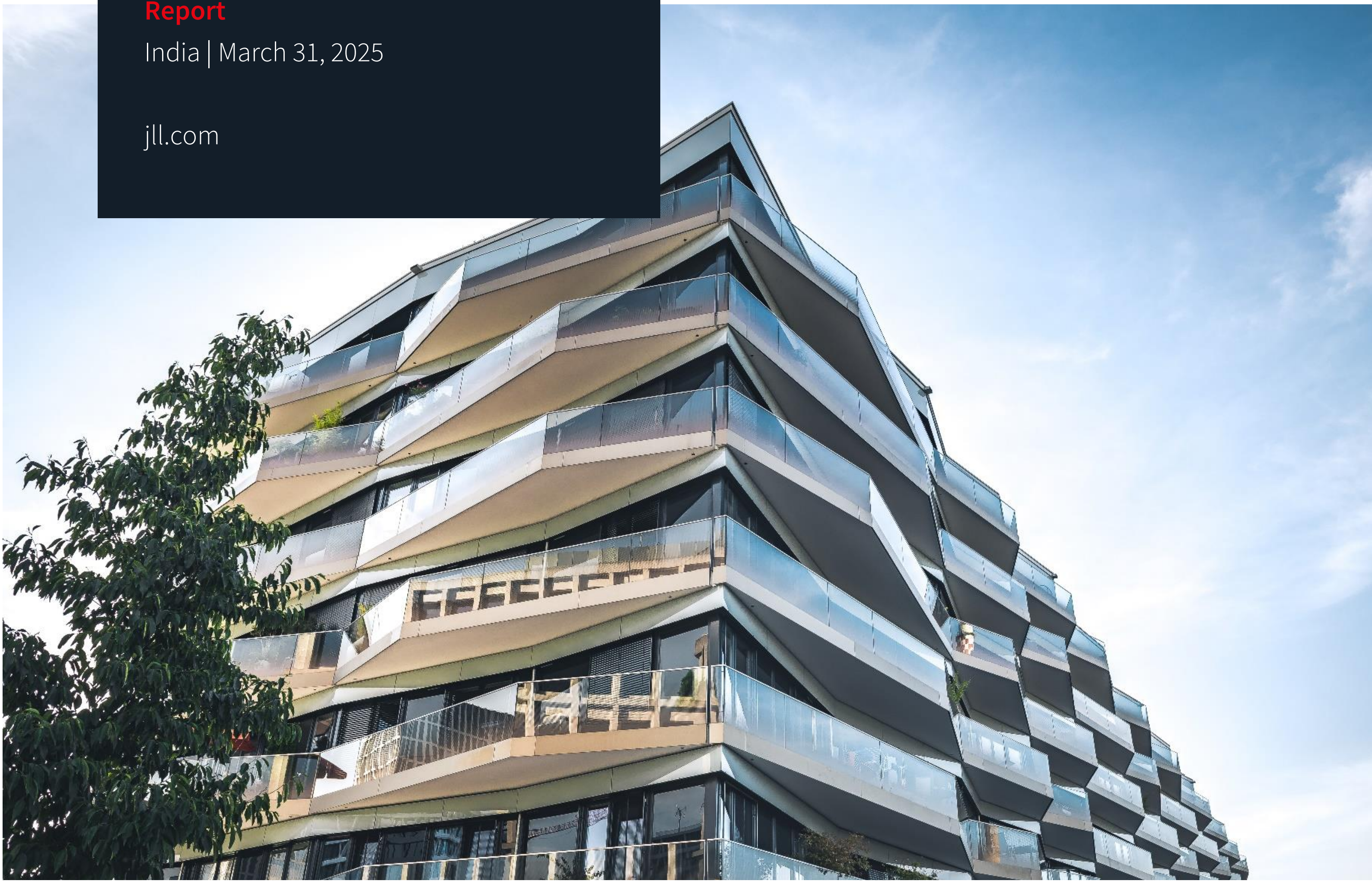


Overview of India's Real Estate Market

Prepared for Runwal Enterprises Limited

JLL SEE A BRIGHTER WAY

Contents

List of Abbreviations

9M	Nine Months (first nine months of the year)
APAC	Asia-Pacific
BFSI	Banking-Financial Services and Insurance
BPM	Business Process Management
BPO	Business Process Outsourcing
CAD	Current Account Deficit
CAGR	Compounded Annual Growth Rate
CBD	Central Business District
CCS	Consumer Confidence Survey
CLSS	Credit Linked Subsidy Scheme
CRE	Commercial Real Estate
CSI	Current Situation Index
CY	Calendar Year
DPIIT	Department for Promotion of Industry and Internal Trade
DM	Development Management
EMEA	Europe, Middle East, and Africa
EU	European Union
EWS	Economically Weaker Sections
FDI	Foreign Direct Investment
FEI	Future Expectations Index
FOP	Fractional Ownership Platform
FY	Financial Year/ Fiscal Year
GCC	Global Capability Centre
GDP	Gross Domestic Product
GIS	Geographic Information System
GREIT	Global Real Estate Transparency Index
GST	Goods & Services Tax
GVA	Gross Value Added
HDI	Human Development Index
HPAI	Home Purchase Affordability Index
IBC	Insolvency and Bankruptcy Code
ICT	Information and Communication Technology
IIP	Index of Industrial Production
IMF	International Monetary Fund
InvIT	Infrastructure Investment Trust
INR	Indian Rupees / Indian National Rupees
IT	Information Technology
ITeS	Information Technology enabled Services
JD	Joint Development
JLL	Jones Lang LaSalle Property Consultants (India) Private Limited
JV	Joint Venture
KIA	Kempegowda International Airport
KIADB	Karnataka Industrial Area Development Board
LIG	Low Income Group
MIG	Middle Income Group
MNC	Multi-National Corporation
MoSPI	Ministry of Statistics and Programme Implementation
MPC	Monetary Policy Committee

NIP	National Infrastructure Pipeline
NPA	Non-Processing Area
NSO	National Statistical Office
NZC	Net Zero Carbon
PBD	Peripheral Business Districts
PE	Private Equity
PMAY	Pradhan Mantri Awas Yojana
PPP	Public Private Partnership
PRR	Peripheral Ring Road
RBI	Reserve Bank of India
REIT	Real Estate Investment Trust
RERA	Real Estate Regulatory Authority
RTO	Return To Office
SBD	Secondary Business District
SEC	Socio-Economic Classification
SEZ	Special Economic Zones
SM REIT	Small and Medium Real Estate Investment Trust
STEM	Science, Technology, Engineering and Mathematics
ULBs	Urban Local Bodies
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNPD	United Nations Population Division
USA	United States of America
USD	United States Dollar
UTs	Union Territories
Y-o-Y	Year-over-Year

Units

1 hectare	2.4711 acres
1 acre	43559.66 sq. ft.
1 acre	4046.825 sq. m
1 sq. m.	1.196 sq. yards
1 sq. m.	10.76391 sq. ft.
1 metre	1.0936 yards
1 metre	3.28 ft.

Definitions

Stock	The square footage of Grade A commercial space that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation. It includes both occupied and vacant spaces in such buildings.
Net Absorption	Net absorption is calculated as the new floor space occupied less floor space vacated. Floor space that is pre-committed is not considered to be absorbed until it is physically occupied.

Gross Leasing	Gross leasing refers to all lease transactions recorded during the period, including confirmed pre-commitments, but does not include term renewals. Deals in the discussion stage are not included.
Vacancy Rate/ Percentage	A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing stock. Under construction space is not included in vacancy calculations. A vacancy rate is the opposite of the occupancy rate, which is the percentage of space in a commercial property that is occupied.
Grade A office	Grade A office refers to the highest quality and most sought-after category of office space in a commercial real estate market. These buildings typically feature modern design, excellent location, advanced technology infrastructure, and high-quality amenities. They are well-maintained, professionally managed, and offer a range of facilities.
Mumbai	For the purposes of this report, Mumbai includes Mumbai city, Mumbai suburbs, Thane city, Kalyan-Dombivli, and Navi Mumbai

Executive Summary

India's economic landscape is marked by robust growth and optimistic prospects, positioning the country as a significant player in the global economy. Currently ranked as the world's fifth-largest economy by nominal GDP, India is estimated to experience strong growth rates of 6.5% in FY 2024-25 as well as FY 2025-26, outpacing global economic expansion. This impressive trajectory is expected to propel India to become the world's third-largest economy within the next four years, surpassing both Germany and Japan. The country's economic resilience is underpinned by several key factors, including an expanding middle class, a growing working-age population, competitive labor costs, planned infrastructure enhancements, healthy savings and investment rates, and increasing integration into the global economy.

This positive economic outlook has created a fertile ground for the real estate sector, particularly in the residential market. From CY 2019 to the first nine months of CY 2024, India's top seven residential markets have demonstrated remarkable stability and growth, with average annual sales of ~196,171 units and average annual new launches of about 211,296 units. Within this national context, Mumbai has emerged as the frontrunner in market activity. The city accounts for ~26% of overall sales, 30% of new launches, and a substantial 34% of the total residential sales value in India. The city's residential market has thrived due to effective implementation of regulatory measures like MahaRERA. This has resulted in a strong sales recovery and an increase in new project launches. The market reached historic levels of activity in CY 2022 and CY 2023, with the positive momentum continuing into CY 2024. In the first nine months of CY 2024, sales have already reached 83% of the total sales achieved in the entirety of CY 2023.

Within Mumbai, key submarkets have shown distinct trends. Eastern Suburbs and Kalyan-Dombivli are emerging as major contributors to market activity, while South Mumbai maintains its status as a leader in the luxury segment. The Eastern Suburbs have benefited from significant infrastructural upgrades, including improved road networks, metro connectivity, and enhanced social and physical infrastructure. This submarket contributes 10-15% of Mumbai's total sales and new project launches. Post the COVID-19 pandemic, it has experienced a robust recovery, with CY 2023 residential sales reaching nearly twice the levels observed in CY 2019. The momentum continued in CY 2024, with sales in the first nine months already at 78% of CY 2023 levels. The Kalyan-Dombivli submarket has also emerged as a vibrant and sought-after area for residential real estate. This submarket is the leading contributor to residential market activity in Mumbai, accounting for 20-25% of total sales and new project launches. The area has shown remarkable resilience, with CY 2022 sales more than doubling the levels seen in CY 2019. The growth trend continued in CY 2023 with a 22% year-on-year increase in sales, and CY 2024 is on track to exceed these levels, with the first nine months of CY 2024 already achieving 77% of the sales recorded in CY 2023. A key player in these thriving submarkets is Runwal Enterprises Limited, which has established itself as a top-ranked developer in both the Eastern Suburbs and Kalyan-Dombivli. The group's impressive track record has significantly contributed to the market activity within these two submarkets.

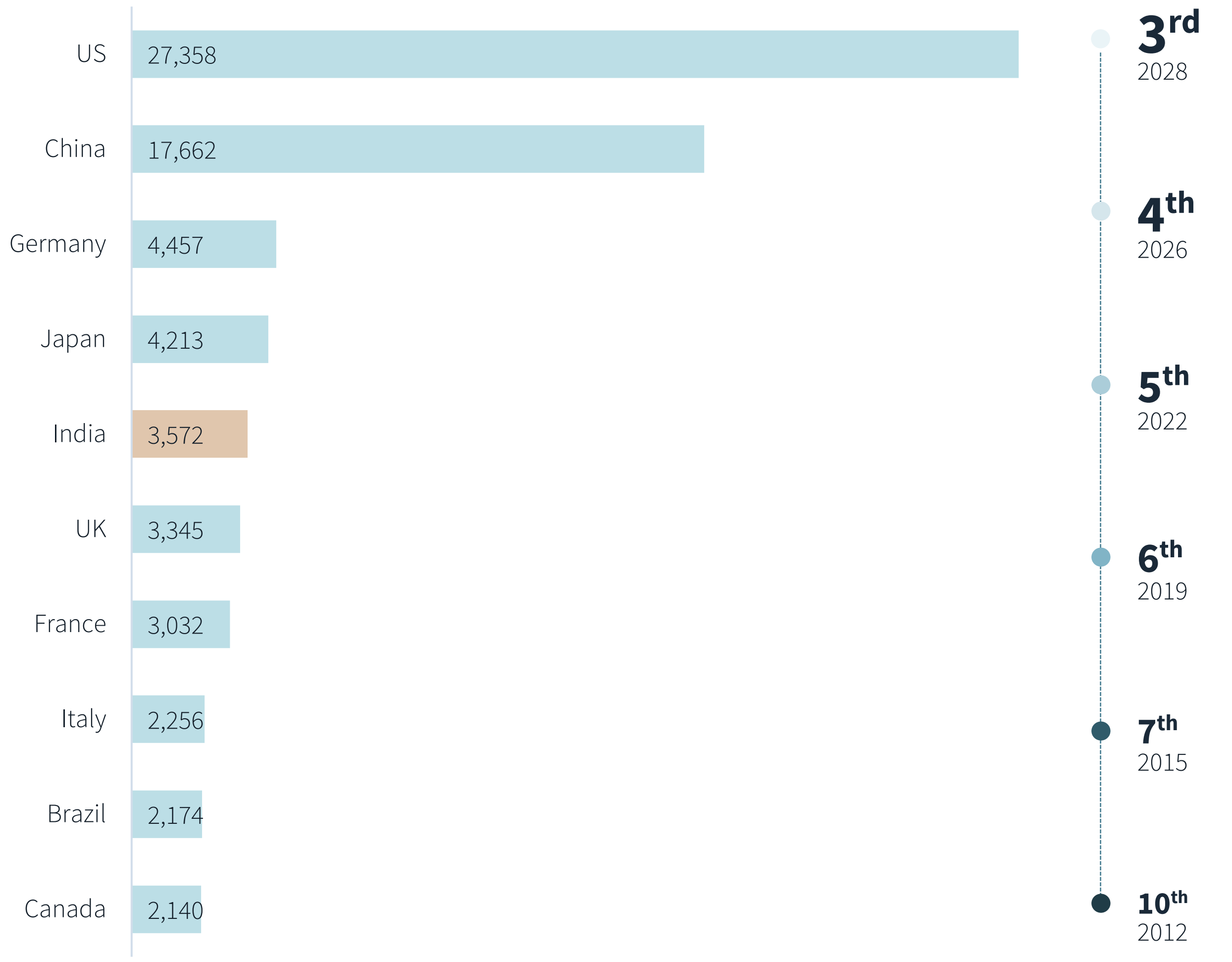
The future of Mumbai's residential market looks equally promising. Over the past 2-3 years, developers have acquired more than 260 acres of land for residential development. The monetization of these land banks is expected to yield a residential development potential of approximately 42-48 mn sq ft and a sales potential exceeding INR 700 billion. Looking ahead, the optimistic economic outlook for India, coupled with interest rate cuts, further supports the potential for demand growth in the residential real estate sector. With strong fundamentals in place, including regulatory reforms, infrastructure development, and robust demand, the market is well-positioned to surpass the sales volumes of CY 2023. This paints a promising picture for India's real estate sector, suggesting continued growth and opportunities in the coming years.

Chapter 1: Overview of the Indian Economy

Introduction

India is the world's fifth-largest economy in terms of nominal gross domestic product (GDP). Looking to the future, it is projected that within the next four years, India will surpass both Germany and Japan to become the world's third largest economy. This underscores the significant growth potential and undeniable momentum of India's economy.

Figure 1.1: GDP 2023, current prices (USD bn)



Source: IMF World Economic Outlook Database; RBI

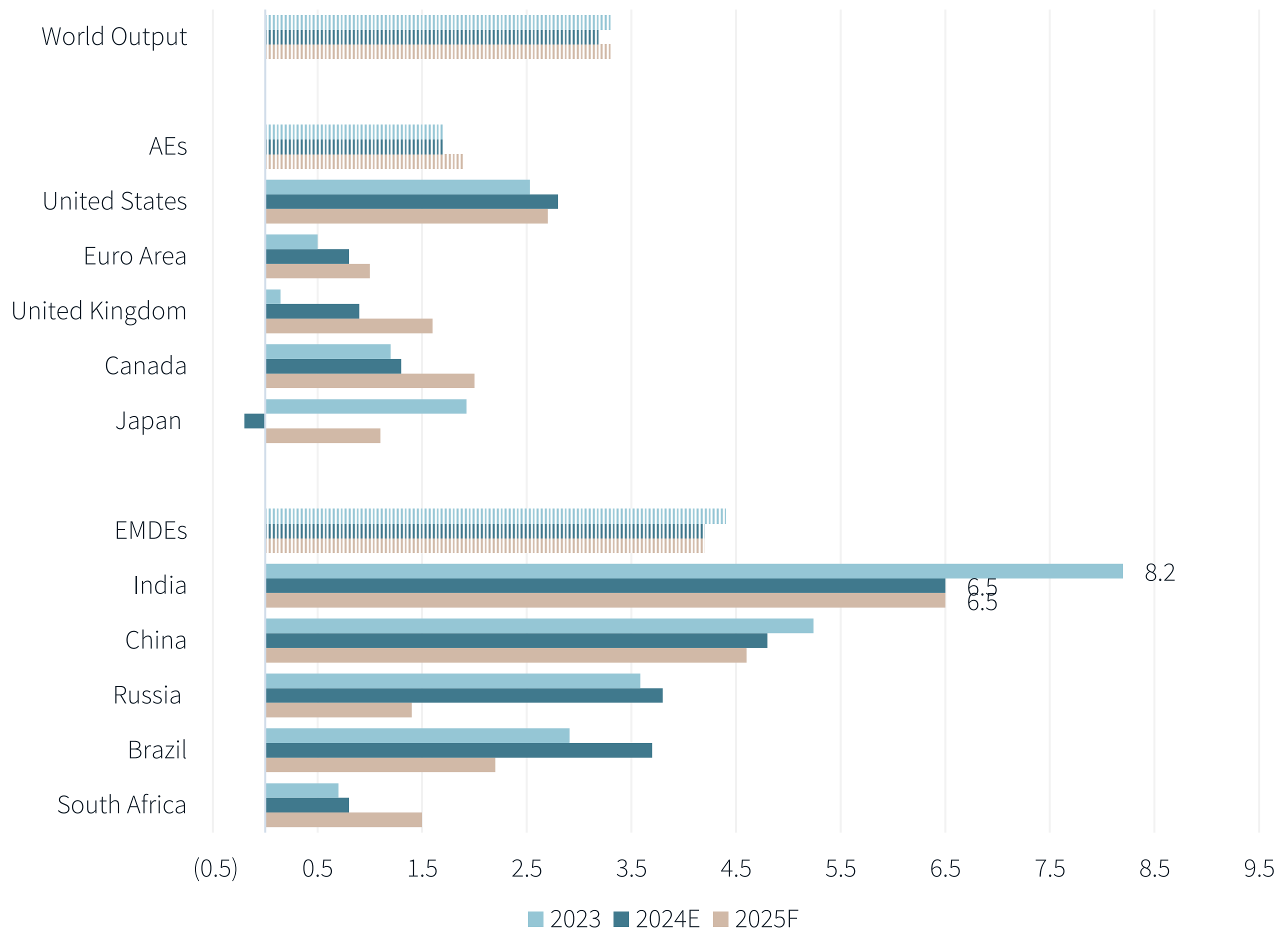
Moreover, as of 2024, India maintains investment-grade ratings from all three major agencies: Moody's (Baa3), S&P (BBB-), and Fitch (BBB-), reflecting its economic stability and growth potential. These credit ratings have shown resilience despite global economic challenges, supported by India's robust economic growth, improving fiscal metrics, and ongoing structural reforms. As India continues its economic trajectory, maintaining and potentially improving these ratings will be crucial for sustaining growth and attracting international capital.

India in a Global Context

Global growth is estimated at 3.2% in CY 2024 and is projected at 3.3% in CY 2025, which is still below the pre-COVID-19 pandemic (2017-19) annual average of 3.4%[1]. This reflects the impact of restrictive monetary policies and the withdrawal of fiscal support. Advanced economies are expected to see a slight increase in growth, driven primarily by a recovery in the euro area from low growth in CY 2023. In contrast, emerging market and developing economies are expected to experience stable growth, with some regional differences.

The Indian economy stands out among the major emerging market economies due to its continued robust momentum and accelerated pace of expansion in FY 2023-24. Real GDP grew by 8.2% year-on-year, driven by the government's focus on capital expenditure and strong private consumption. This impressive performance, despite global headwinds and tighter monetary policies, is a testament to the underlying strength of the Indian economy. In FY 2024-25, India is estimated to have grown at 6.5%. Looking ahead, while global growth is anticipated to remain subdued, India is projected to experience similar GDP growth of 6.5% in FY 2025-26. This resilience can be attributed to the strength in domestic demand and the increasing working-age population.

Figure 1.2: Gross Domestic Product, constant prices; percentage change

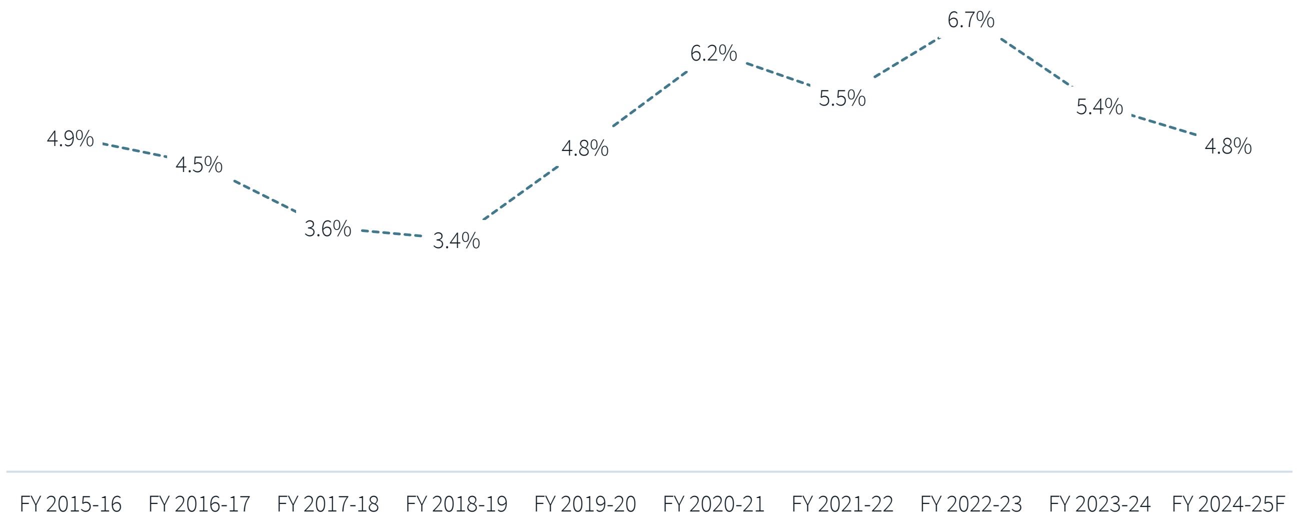


Source: IMF World Economic Outlook Database
Note: For India, data and forecasts are on a fiscal year basis, 2023 refers to FY 2023-24 and so on; for others, data and forecasts are on a calendar year basis
AEs – Advanced Economies; EMDEs – Emerging Market and Developing Economies

[1] Source: IMF World Economic Outlook Database

India's retail inflation, as measured by the Consumer Price Index (CPI), has exhibited a decline from an average of 5.5% in the first half of FY 2023-24 to 5.2% in the latter half. In the first half of FY 2024-25, retail inflation decreased further to ~4.6%. Nevertheless, the inflation trajectory has remained volatile due to sporadic food supply shocks. Projections for FY 2024-25 anticipate an average CPI inflation of 4.8%.

Figure 1.3: CPI inflation



Source: MoSPI, RBI

Conclusion

The Indian economy recovered swiftly from the COVID-19 pandemic, with its real GDP in FY 2023-24 exceeding the pre-pandemic FY 2019-20 levels by 20%. In FY 2023-24, domestic growth drivers have played a crucial role in supporting economic growth, even amid uncertain global economic conditions. Key structural reforms such as the Goods and Services Tax (GST) and the Insolvency and Bankruptcy Code (IBC) have matured and yielded positive outcomes. Taking these factors into account, the estimated real GDP growth for FY 2024-25 is 6.5%, with risks evenly balanced. India's retail inflation has also been decreasing, from an average of 5.5% in the first half of FY 2023-24 to 5.2% in H2 FY 2023-24. In the first nine months of FY 2024-25, average retail inflation further decreased to 4.9%. Also, consumer confidence has continued to improve from its all-time low registered in July 2021. The long-term outlook of the Indian economy remains optimistic, driven by factors such as its expanding middle class, expected growth in working age population, competitive unit labour costs, planned infrastructure augmentation, healthy savings and investment rates, and integration into the global economy. These promising indicators signal favourable conditions for the real estate sector to thrive and expand in the coming years.

Chapter 2: Overview of India's Real Estate Sector

India's real estate sector has been a cornerstone of the economy, consistently contributing over 7% to the overall Gross Value Added (GVA) in the past decade. The sector has undergone a significant transformation over the last two decades, driven by technological advancements, a maturing investment landscape, and regulatory reforms. As CY 2020 approached, the industry was poised for growth after navigating through disruptions such as demonetization, GST implementation, RERA, and the NBFC crisis. However, the COVID-19 pandemic and subsequent nationwide lockdown disrupted this momentum, causing turmoil in the markets and distress in the realty industry.

Despite these challenges, the real estate sector demonstrated remarkable resilience. The residential market began showing signs of recovery in Q3 CY 2021, driven by easing interest rates and improved affordability. Since then, it has achieved new milestones, with sales reaching unprecedented highs over the past 2-3 years. In CY 2022, sales surged to 231,347 units, representing a 75% year-on-year increase. The following year saw record-breaking sales of 291,038 units, surpassing the previous peak of CY 2010 by about 25%. New launches also hit a historic high of 308,033 units in CY 2023. The momentum continued into CY 2024, with the first nine months of the year achieving ~83% of CY 2023's annual sales and ~66% of new launches. Several factors have contributed to this growth, including rapid urbanization, rising income levels, the emergence of nuclear families, and enhanced financing options for developers and homebuyers. Moreover, the COVID-19 pandemic has further reinforced the desire for homeownership, acting as a catalyst for the residential sector.

The office market has shown similar vibrancy. After reaching a historic high in net absorption of about 48.2 mn sq ft in CY 2019, the market experienced a setback due to the pandemic. However, it made a full recovery in CY 2022, surpassing the four-year pre-pandemic average (2016-19). In CY 2023, net absorption in India's top seven markets breached the 40 mn sq ft mark, reaching ~42.0 mn sq ft, marking the second-highest annual absorption on record.

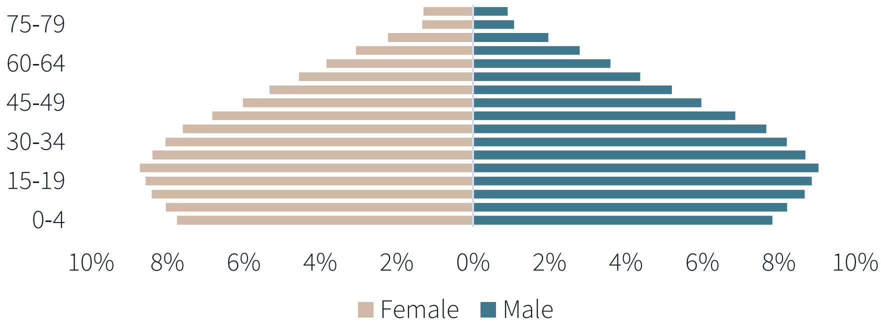
Looking ahead, the sector has entered a phase of 'accelerated growth'. The residential market is scaling new peaks in CY 2024, while the office market is expected to maintain robust absorption levels. These levels are anticipated to match and even surpass pre-pandemic peaks, with annual net absorption estimated to range between 50-55 mn sq ft from CY 2024 through CY 2026. This resilience and growth trajectory underscore the Indian real estate sector's vital role in the country's economic landscape and its ability to adapt and thrive in the face of challenges.

Chapter 3: Drivers of India's Real Estate Markets

Demographic Advantage

According to recent estimates from the United Nations, India has surpassed China to become the world's most populous country. Notably, India continues to maintain its status as one of the youngest nations globally, with a median age of 28.6 years and 42% of the population below the age of 25. The working-age population is expected to continue growing both in quantity and proportion to the total population until the middle of the century, ensuring a continuing positive contribution of demographic change to per capita economic growth.

Figure 3.1 Population distribution by age

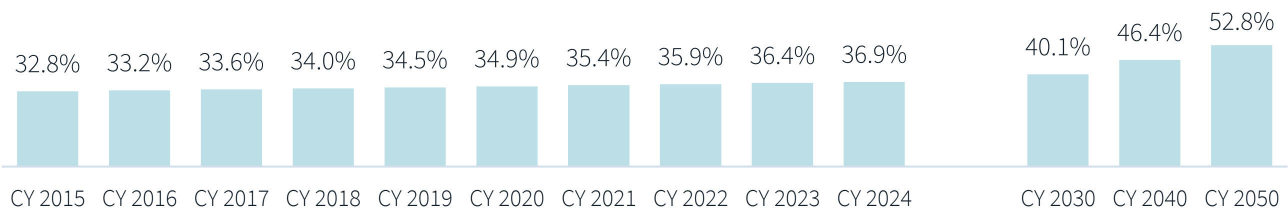


Source: UN World Population Prospects

Increasing Urbanization and Urban Housing Shortage

India has witnessed remarkable urban progress and is projected to have one of the largest urban populations in the world in 2024, at ~532 mn. According to the 2011 Census, the urban share of India's population stood at around 31%. UNDP (United Nations Development Programme) projections suggest that by CY 2050, more than 880 mn people will reside in urban areas. This rapid urbanization will consequently fuel the demand for real estate across all asset classes. Moreover, as urban development takes place, a growing concern is the massive urban housing shortage plaguing the country. The shortage, prominent within the EWS (economically weaker sections) and LIG (lower income groups), was estimated at 18.78 mn households in CY 2012[2].

Figure 3.2: Annual percentage of population at mid-year residing in urban areas



Source: UN World Urbanization Prospects

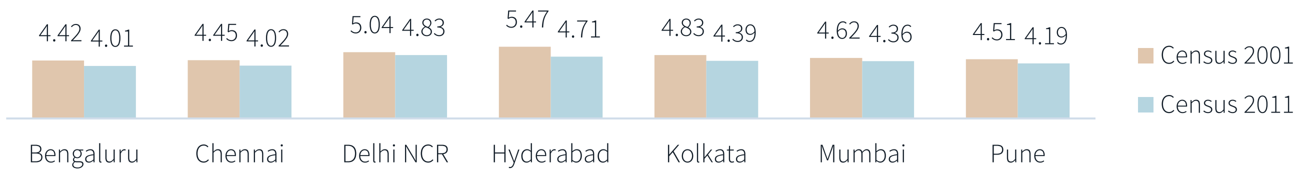
Nuclearization of Families

The Indian economy witnessed an average growth rate of 6.7% between 2001 and 2011 through the transformation from an agricultural-based economy to a services-based urban economy. At the same time, the average family size in India declined

[2] Report of the Technical Urban Group (TG-12) on Urban Housing Shortage 2012-17, Ministry of Housing and Urban Poverty Alleviation, September 2012

with the proliferation of nuclear households. This can be attributed to an increasing rate of higher education, increased migration to cities for better education and job opportunities and increasing urban economic pressure. The result is an increase in the demand and consumption of housing.

Figure 3.3: Household size across top seven cities

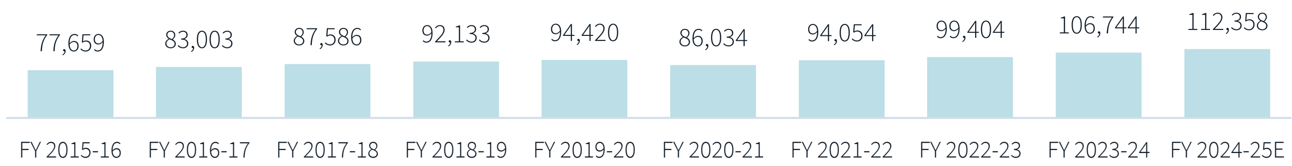


Source: Census

Increasing per Capita Income

India's per capita income (at constant prices) has increased at a CAGR of 4.2% from FY 2015-16 to FY 2024-25, despite an 8.9% decline in FY 2020-21 due to the COVID-19 pandemic. The growth in income is expected to transform India from a bottom of the pyramid economy to an economy driven by the middle class. More than 140 million households are expected to be added to the upper mid and lower mid income brackets between 2018 and 2030. Households belonging to these income brackets are expected to drive consumption and account for most of the housing demand in tier-1 and tier-2 cities.

Figure 3.4: Per Capita Income at Constant Prices, INR

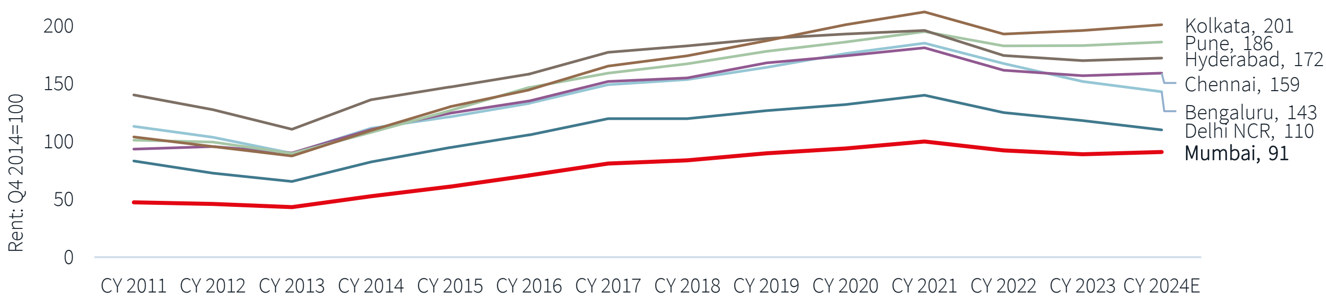


Source: NSO, MoSPI

Improving Home Purchase Affordability

In CY 2022, housing affordability deteriorated due to a combination of factors: the Reserve Bank of India's increase in repo rate in response to global recessionary and inflationary pressures, coupled with demand recovery driving price increases. Affordability levels in CY 2023 remained largely unchanged from the previous year. CY 2024 has seen improved affordability across markets, with notable exceptions being Delhi NCR and Bengaluru, where strong price growth has led to declining affordability. Looking ahead to CY 2025, it is projected that affordability will improve across all markets. This improvement is expected to be driven by a cumulative 50 bps reduction in the repo rate over the period as macroeconomic indicators support the RBI's call to action.

Figure 3.5: City-wise HPAI trends



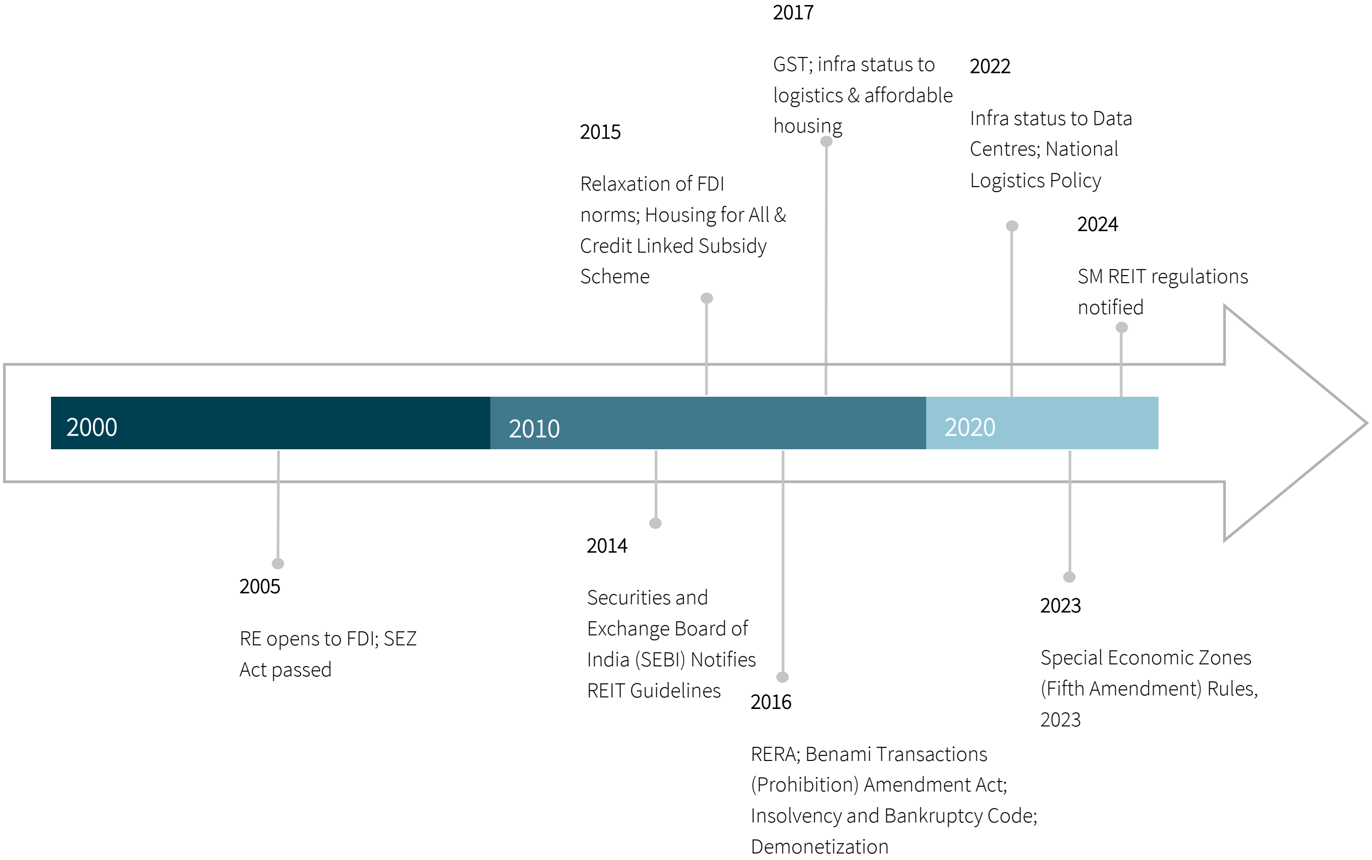
Note: (a) A value of 100 means that a household has exactly enough income to qualify for a home loan, (b) a value less than 100 implies that an average household does not have enough income to qualify for a home loan and (c) a value of more than 100 implies that an average household has more than enough income to qualify for a home loan

Source: JLL Research

Enabling Government Reforms

The last couple of decades have witnessed a measured march towards transparency, governance, and financial discipline in India's real estate market. The transformation of the sector has been driven by a confluence of factors, with technological advancements, a maturing investment landscape and regulatory reforms like RERA, GST and REITs playing a pivotal role.

Figure 3.6: Key reforms within the real estate sector



Listed below are a few noteworthy measures and government initiatives that have had or are expected to have a substantial impact on the real estate sector in India.

Real Estate (Regulation and Development) Act, 2016: The Act, introduced in 2016, is India's first comprehensive central statute for the real estate sector. It aims to promote growth, transparency, and accountability in the industry. RERA has led to industry consolidation, with smaller developers partnering with larger ones or exiting the market due to stricter regulations. Key features include establishment of Real Estate Regulatory Authority (RERA), consumer protection through online grievance redressal, mandatory registration for developers and brokers, escrow account requirement for project funds, penalties for construction delays and mandatory disclosures on the RERA website.

Goods and Services Tax: Introduced on July 1, 2017, GST unified multiple state and central taxes into a single system, simplifying taxation for the real estate sector. The "one nation, one tax, one market" principle replaced various state-specific taxes, reducing ambiguity and providing clarity for stakeholders and consumers in the real estate industry.

Table 1: GST rates on certain types on property transactions

Transaction type	*Pre-April 2019*	*Post- April 2019*
Ready to move in property	Exempt	Exempt
Land	Exempt	Exempt
Under construction affordable housing projects	8% with input tax credit ("ITC")	1% without ITC
Under construction other housing projects	12% with ITC	5% without ITC

Note: Affordable housing includes units with carpet area of up to 90 sq. m. in non-metropolitan cities, and 60 sq. m. in metropolitan cities, and having a value of up to ₹ 4.5 million, for both

Additionally, for under-construction housing projects which were incomplete as of March 31, 2019, developers could choose between the old and new GST structures.

Insolvency and Bankruptcy Code, 2016: The Indian real estate sector has faced significant challenges related to non-performing assets and incomplete projects. The implementation of the Insolvency and Bankruptcy Code (IBC) has brought about a time-bound and unified insolvency process, providing investors with the opportunity to resolve issues related to unpaid assets and outstanding dues.

FDI in real estate: The Government of India has implemented various initiatives to encourage foreign direct investments (FDI) in the real estate sector. Thes easing of FDI policy norms has also facilitated increased private equity (PE) inflows into the sector, generating significant momentum for its development.

Special Economic Zones (Fifth Amendment) Rules, 2023: This amendment is focused on converting existing vacancies in operational IT/ITeS SEZ office assets into 'relevant space' for IT/ITeS occupiers. The timely intervention is expected to infuse relevant supply in core IT markets and breathe new life into the fading attractiveness of IT/ITeS SEZs.

Small and Medium REITs (SM REITs): To formalize the nascent fractional ownership space, the Securities and Exchange Board of India (SEBI) notified Small and Medium Real Estate Investment Trusts (SM REITs) through amendments made to the already existing REIT regulations. Regulatory oversight is anticipated to inject greater market participation from retail investors, increasing liquidity in the real estate market.

Emphasis on Infrastructure Upgradation

As the country steadily progresses towards attaining the status of a global economic powerhouse, the significance of having a strong and well-developed infrastructure becomes increasingly evident. The government's dedication to this cause is evident through various initiatives and substantial funds allocated to bolster the infrastructure sector.

National Infrastructure Pipeline

In 2020, India introduced the National Infrastructure Pipeline (NIP) with a vision of investing INR 111 trillion from 2020 to 2025. Public-Private Partnerships (PPPs) have been identified as a valuable mechanism to accelerate infrastructure development and facilitate investments outlined in the NIP. Engaging the private sector promotes industry competitiveness, allowing access to a broader talent pool and optimized resource utilization. Initially launched with 6,835 projects, the NIP has expanded to encompass over 12,700 projects spanning 64 sub-sectors, with a capital outlay of ~USD 2,300 billion.

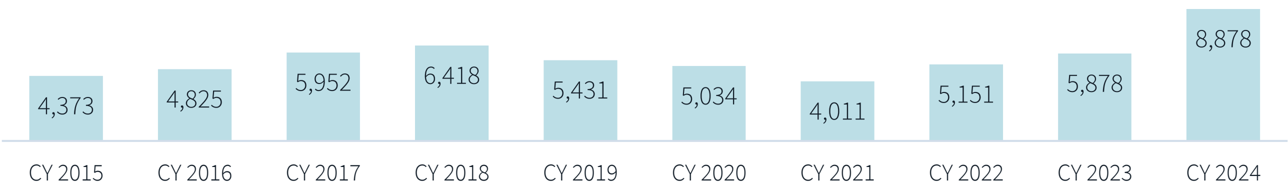
PM Gati Shakti

In 2021, the government introduced the PM Gati Shakti National Master Plan (NMP) to consolidate the various infrastructure schemes such as Bharatmala, Sagarmala, and UDAN under a unified digital platform. Integrated with the GIS-enabled PM Gati Shakti platform, it enables streamlined planning, design, and monitoring of next-generation infrastructure projects through a single portal. Consequently, there has been a significant expansion of roads, railways, and waterways, while ports and airports have undergone substantial upgrades.

Surge in Institutional Investments in Real Estate

In CY 2024, the real estate sector in India witnessed a significant surge in institutional investments[3], with a total value exceeding USD 8.8 billion spread across 78 deals. This figure stands as the highest on record and represents a significant 51% increase compared to the previous year, showcasing sustained investor confidence in India's growth story amidst global uncertainties. The bolstered confidence can be attributed to progressive government initiatives that aim to augment transparency and accountability within the real estate sector. Notably, these efforts have resulted in a prominent rise in the proportion of investments coming from foreign institutional investors in recent years, with their contributions accounting for an average share of ~74% over the past five years.

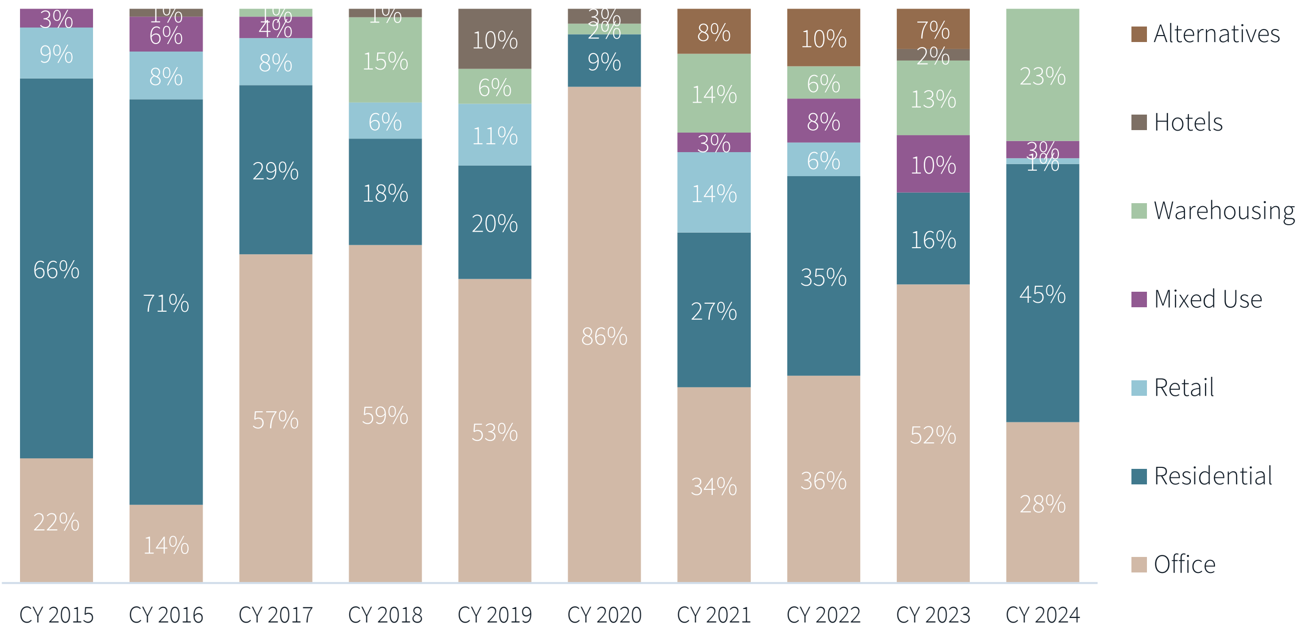
Figure 3.7: Institutional Investments in real estate, USD mn



Source: JLL Research

The office sector has been the preferred asset class for investors since CY 2017. But CY 2024 witnessed a reversal, with the residential sector emerging as the frontrunner. It was followed by the office and warehousing sectors, which secured 28% and 23% shares respectively. It is pertinent to note that investors are demonstrating a preference for development partnerships with select reputed developers, which is driving consolidation in the market.

Figure 3.8: Distribution of institutional investments across sectors



Source: JLL Research

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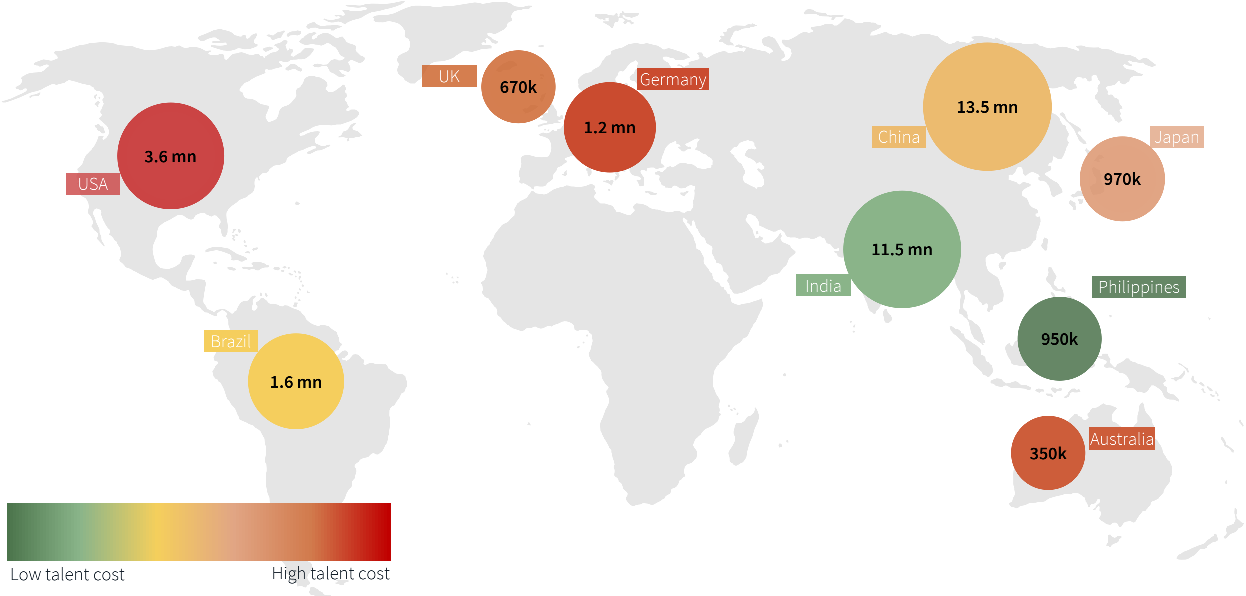
[3] Institutional flow of funds includes investments by family offices, foreign corporate groups, foreign banks, proprietary books, pension funds, private equity, real estate fund-cum-developers, foreign funded NBFCs, REIT anchor investors, sovereign wealth funds and does not include domestic NBFC funding, construction finance, developer investments as stock in trade, developer buy backs and any corporate RE purchase for self-use. The data has been compiled as per available information in the public domain

Availability of Skilled Labour at Competitive Costs

The rapid adoption of emerging technologies like cloud computing and AI/machine learning has led to an exponential increase in the demand for tech talent. India boasts one of the world's largest pools of STEM graduates, positioning it as a major global player in producing highly skilled professionals. Additionally, one of India's key strengths is its highly competitive cost structure. This cost advantage attracts global tech companies to outsource work to Indian tech companies. The increased demand for quality office space by these companies is a significant driver for the growth of the real estate sector in India.

Figure 3.9: Number of STEM graduates across countries



Source: UNESCO Institute of Statistics, PayScale, JLL Research
Notes: Figures are estimated based on STEM graduates across all levels of higher education

Growing Tech Sector

The tech industry in India has grown exponentially in the last two decades. Amid global geo-political tensions and headwinds, India's technology industry revenue (including hardware) is estimated to reach USD 254 billion in FY 2023-24, a 3.8% year-on-year growth. Tech export revenues are poised to reach nearly USD 200 billion while the domestic technology sector is expected to cross USD 54 billion. Despite the tough market conditions, the industry continues to be a net hirer, taking the total employee base to 5.43 mn, a year-on-year growth of ~1%.

Figure 3.10: IT-BPM industry revenue, USD billion

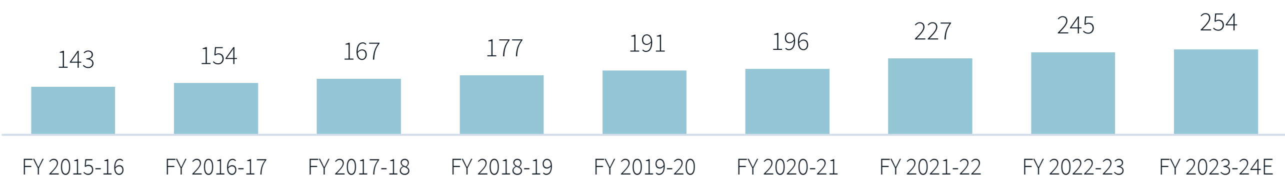
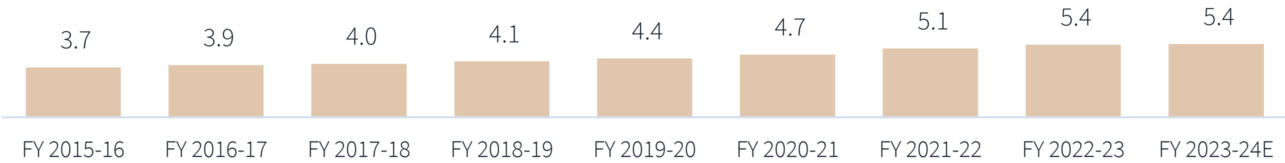


Figure 3.11: IT-BPM Industry Headcount, mn

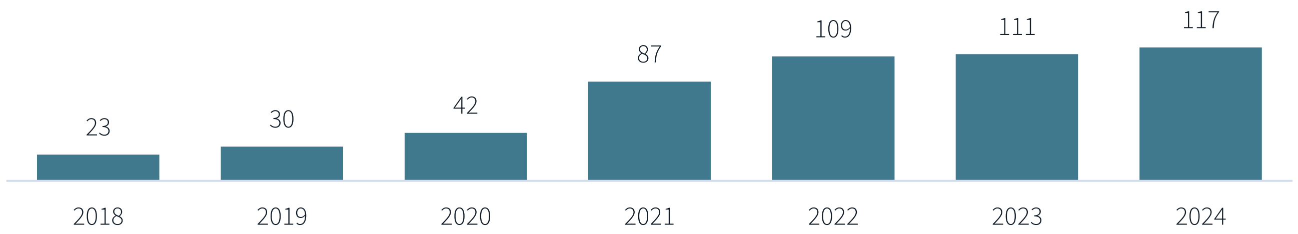


Source: NASSCOM, JLL Research

Expansion of Innovation Driven Businesses and Start-Ups

Over the past decade, the startup ecosystem in India has experienced exponential growth, driven by innovation, substantial venture capital investments, and government support. The number of startups recognized by the Department for Promotion of Industry and Internal Trade (DPIIT) increased from around 700 back in 2016 to over 150,000 as of December 2024. This remarkable growth has positioned India as the third-largest startup ecosystem in the world, which has yielded over 100 unicorn startups.

Figure 3.12: Number of unicorn start-ups in India



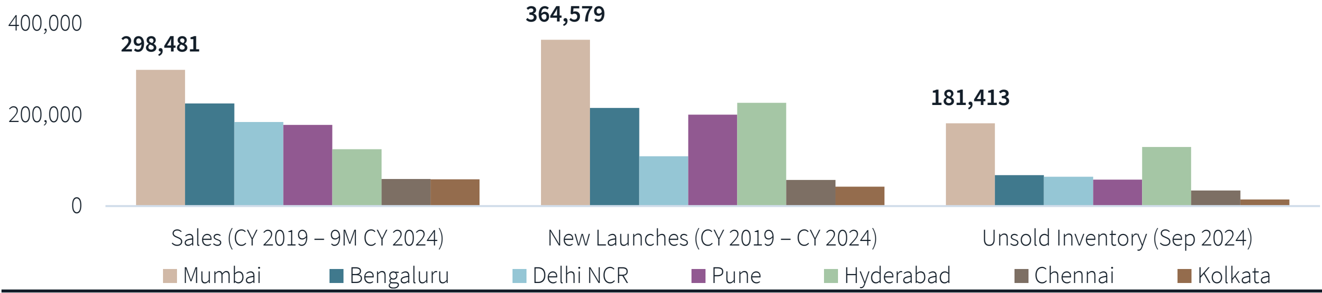
Source: Invest India, JLL Research

Chapter 4: India Residential Market Overview

Top Seven Residential Markets of India: Snapshot

The top seven residential markets of India have witnessed average annual sales of ~196,171 units and average annual new launches of ~211,296 units over CY 2019 to 9M (Jan – Sep) CY 2024. Notably, Mumbai has ranked at the top in terms of its contribution to market activity, accounting for ~26% of the overall sales and ~30% of the overall new launches during the period spanning from CY 2019 to 9M CY 2024.

Figure 4.1: Overview of India's top seven residential markets



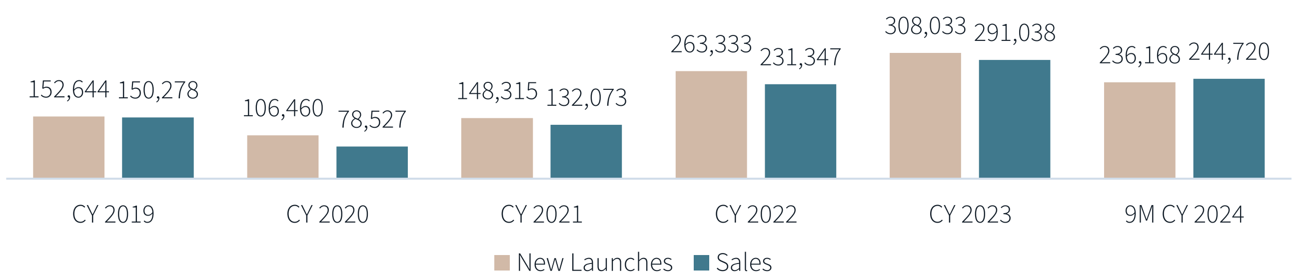
	Sales (CY 2019 – 9M CY 2024)	New Launches (CY 2019 – 9M CY 2024)	Unsold Inventory (Sep 2024)
Overall	**1,127,983**	**1,214,953**	**548,456**

Note: Mumbai includes Mumbai city, Mumbai suburbs, Thane city, Kalyan-Dombivli, and Navi Mumbai
Source: JLL Research

Demand Supply Dynamics

In CY 2020, the COVID-19 pandemic put brakes on the residential sector's growth momentum. Following the easing of interest rates which resulted in improved affordability and in tandem with the reopening of the economy, the residential market exhibited initial signs of recovery in Q3 CY 2021. Since then, the market has demonstrated remarkable resilience and achieved new milestones, reaching unprecedented highs over the past three years. In CY 2022, sales reached an impressive 231,347 units, representing a 75% year-on-year increase. The following year, the sector saw record-breaking sales of 291,038 units, surpassing the previous peak of CY 2010 by ~25%. New launches at 308,033 units were also the highest ever surpassing the previous high recorded in CY 2010. CY 2024 has also been remarkable with sales in the first nine months of the year already at ~84% of CY 2023 annual sales. New launches are also at ~77% of last year's annual new launches. With this sustained momentum in market activity, the residential market is set to scale new peaks in CY 2024.

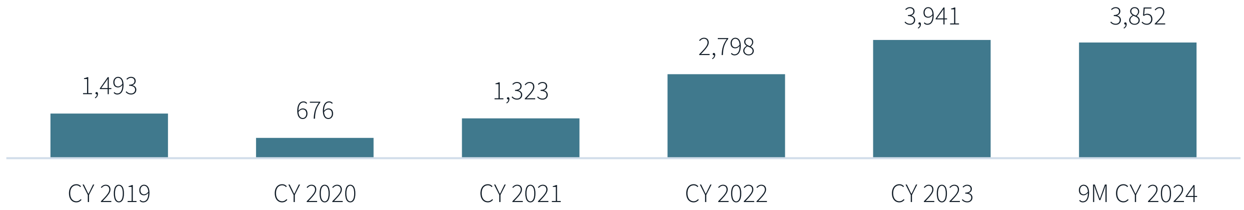
Figure 4.2: Residential sales and new launches (no. of units)



Note: Figures indicate aggregate residential units in the top 7 cities of Delhi NCR, Mumbai, Bengaluru, Chennai, Hyderabad, Pune, and Kolkata; Mumbai includes Mumbai city, Mumbai suburbs, Thane city, Kalyan-Dombivli, and Navi Mumbai
Source: JLL Research

In terms of residential sales value, the size of Indian market increased by ~2.6 times over a four-year period from CY 2019 to CY 2023. This impressive growth is expected to continue with the market estimated to exceed INR 5 trillion in CY 2024. Mumbai stands out as the largest contributor to residential sales value in India accounting for ~34% of the total residential sales value over CY 2019 to 9M CY 2024.

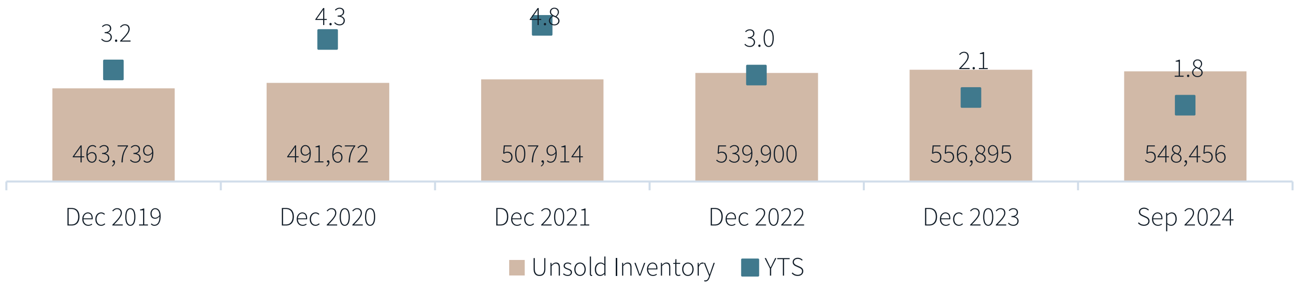
Figure 4.3: Trends in residential sales value (INR billion)



Note: Figures indicate aggregate residential sales value in the top 7 cities of Delhi NCR, Mumbai, Bengaluru, Chennai, Hyderabad, Pune, and Kolkata; Mumbai includes Mumbai city, Mumbai suburbs, Thane city, Kalyan-Dombivli, and Navi Mumbai
Source: JLL Research

Since CY 2020, there has been a consistent trend of new launches surpassing sales. Consequently, the unsold inventory at different stages of construction has increased from ~463,739 units at the end of CY 2019 to around 548,456 units at the end of September 2024. While the increasing inventory levels may seem concerning, it is crucial to analyze them alongside the sales velocity to gain a more accurate understanding of the market's health. The Years to Sell (YTS) level, which estimates the time required for the market to deplete existing inventory levels at the sales velocity of the preceding eight quarters is a valuable metric for this analysis. It is worth noting that the average Years to Sell (YTS) has been consistently decreasing since December 2021 and stands at ~1.8 years as of September 2024. This provides indications of a market that is exhibiting an improvement in its fundamentals.

Figure 4.4: Unsold Inventory (no. of units) and YTS



Note: Figures indicate aggregate unsold residential units in the top 7 cities of Delhi NCR, Mumbai, Bengaluru, Chennai, Hyderabad, Pune, and Kolkata; Mumbai includes Mumbai city, Mumbai suburbs, Thane city, Kalyan-Dombivli, and Navi Mumbai; YTS is the expected number of years to sell the unsold inventory considering the rolling eight-quarter average sales of the city
Source: JLL Research

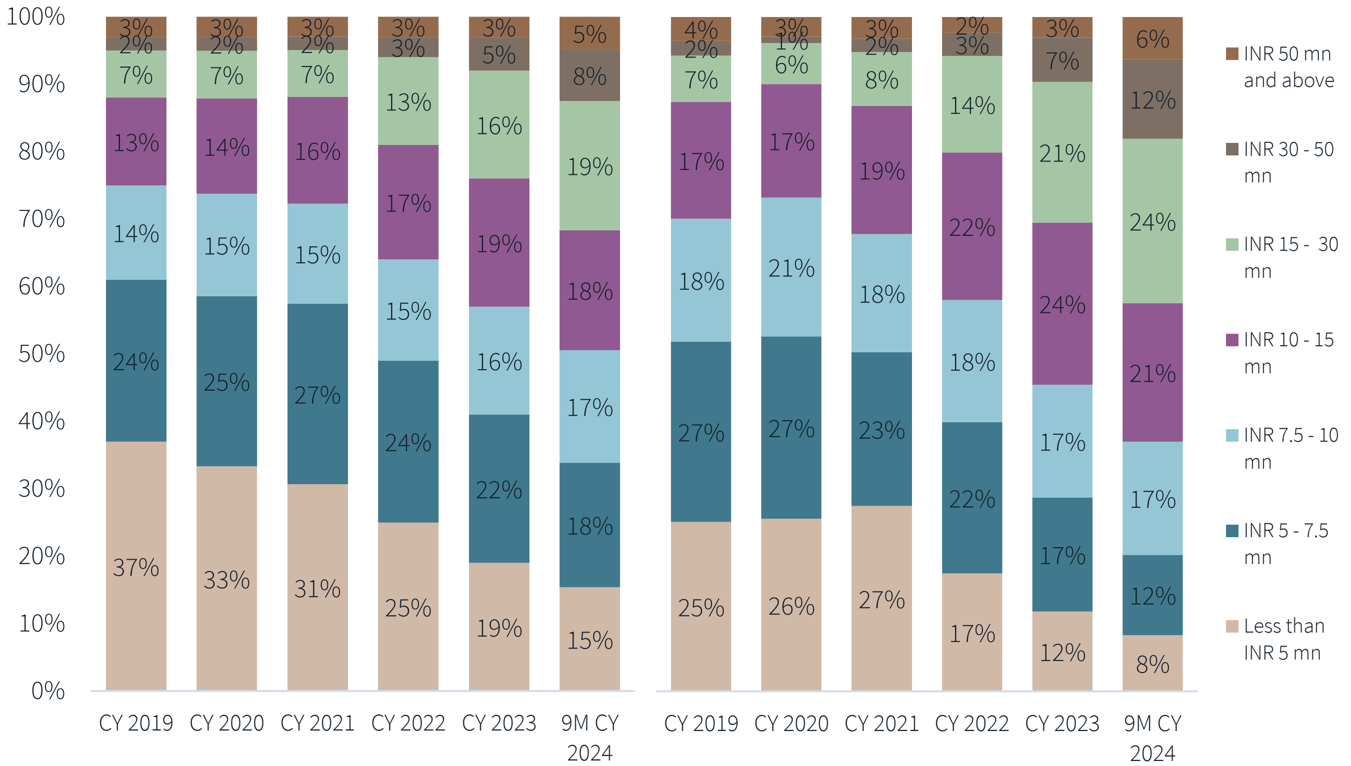
Segmentation Based on Ticket Size

India's economic expansion has reshaped its business landscape and consumer dynamics. As the middle and upper-income segments experience a surge in disposable income, their lifestyles have evolved significantly. This shift has fundamentally altered consumer preferences, with a growing emphasis on superior housing options and enhanced amenities in new residential projects. The market is witnessing a notable trend where homebuyers increasingly prioritize quality living spaces and modern conveniences in their property choices.

This changing landscape is further evidenced by the increasing proportion of mid and upper mid segments (ranging from INR 7.5 mn to INR 15 mn and INR 15 mn to INR 30 mn) in overall sales over the past two to three years. Moreover, high-net-worth individuals (HNIs) and non-resident Indians (NRIs) are also recognizing the attractive investment potential in this segment, especially as they seek to diversify their portfolios amid global uncertainties.

Leading developers have proactively taken note of this trend, launching lifestyle-oriented premium products that cater to the discerning requirements of buyers. They are offering a range of configurations, including independent floors, villas, and penthouses, all designed to meet the desire for top-notch quality and upgraded living spaces. This is evident in the increasing share of new launches within the INR 10 mn to INR 30 mn price segment.

Figure 4.5: Ticket-size wise segmentation of sales (left) and new launches (right)

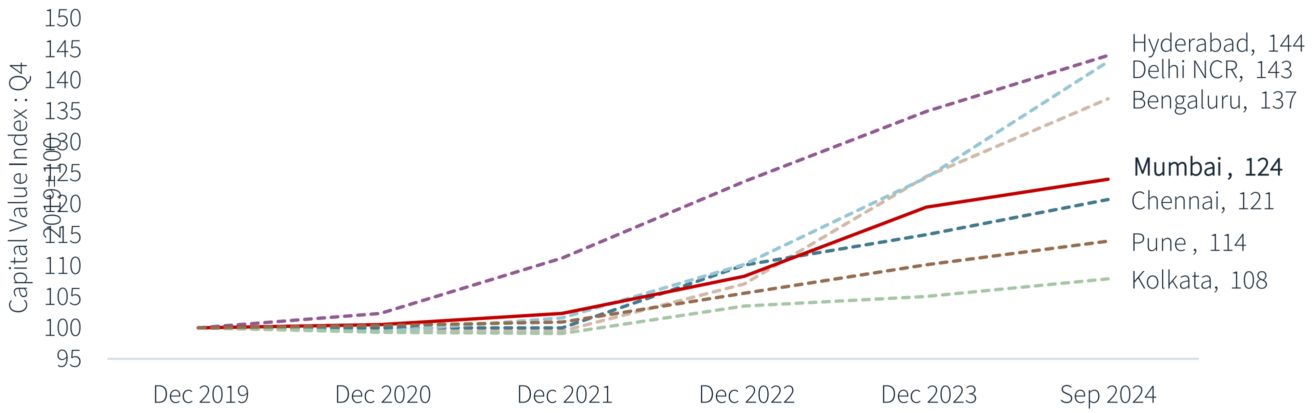


Source: JLL Research

Trends in Capital Values

The outbreak of the COVID-19 pandemic caused a temporary halt to the upward trajectory of the market. From CY 2020 to CY 2021, the market experienced a slowdown, leading developers to implement enticing discounts and flexible payment options to stimulate sales growth. This resulted in stable capital values with negligible to no recorded increases. However, starting in CY 2022, prices began to rise because of passing on of rising input costs to buyers and significant price appreciation in projects with superior performance.

Figure 4.6: Capital value index across top seven markets

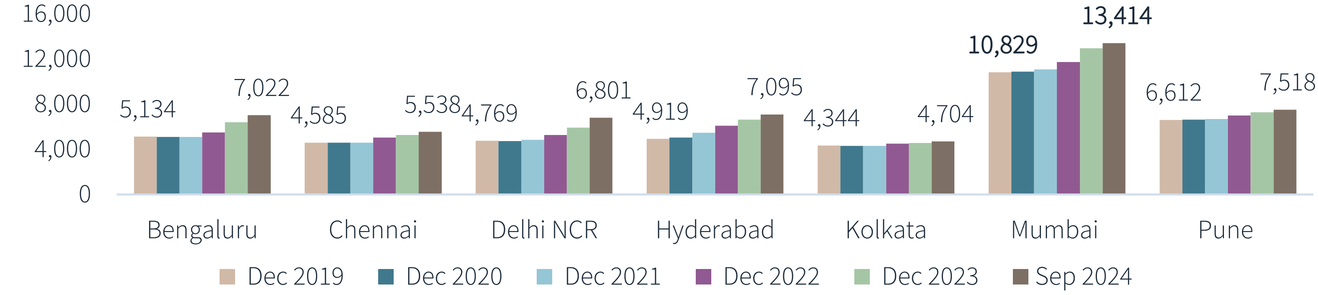


Note: Mumbai includes Mumbai city, Mumbai suburbs, Thane city, Kalyan-Dombivli, and Navi Mumbai
Source: JLL Research

In the first nine months of CY 2024, there was a rise in residential prices across the top seven cities of India. Maximum capital value appreciation was seen in cities such as Delhi NCR, Bengaluru, Hyderabad, and Mumbai. Delhi NCR witnessed maximum price appreciation at ~19% y-o-y. This was followed by Bengaluru at ~14%, Hyderabad at ~10% and Mumbai at ~5% on a year-over-year basis.

Mumbai clearly emerges as the market leader with the highest residential capital values on a per square feet basis. As of September 2024, the average capital values in Mumbai stands at INR 13,414 per sq ft on saleable area.

Figure 4.7: Trends in capital values across top seven markets, INR/sq ft

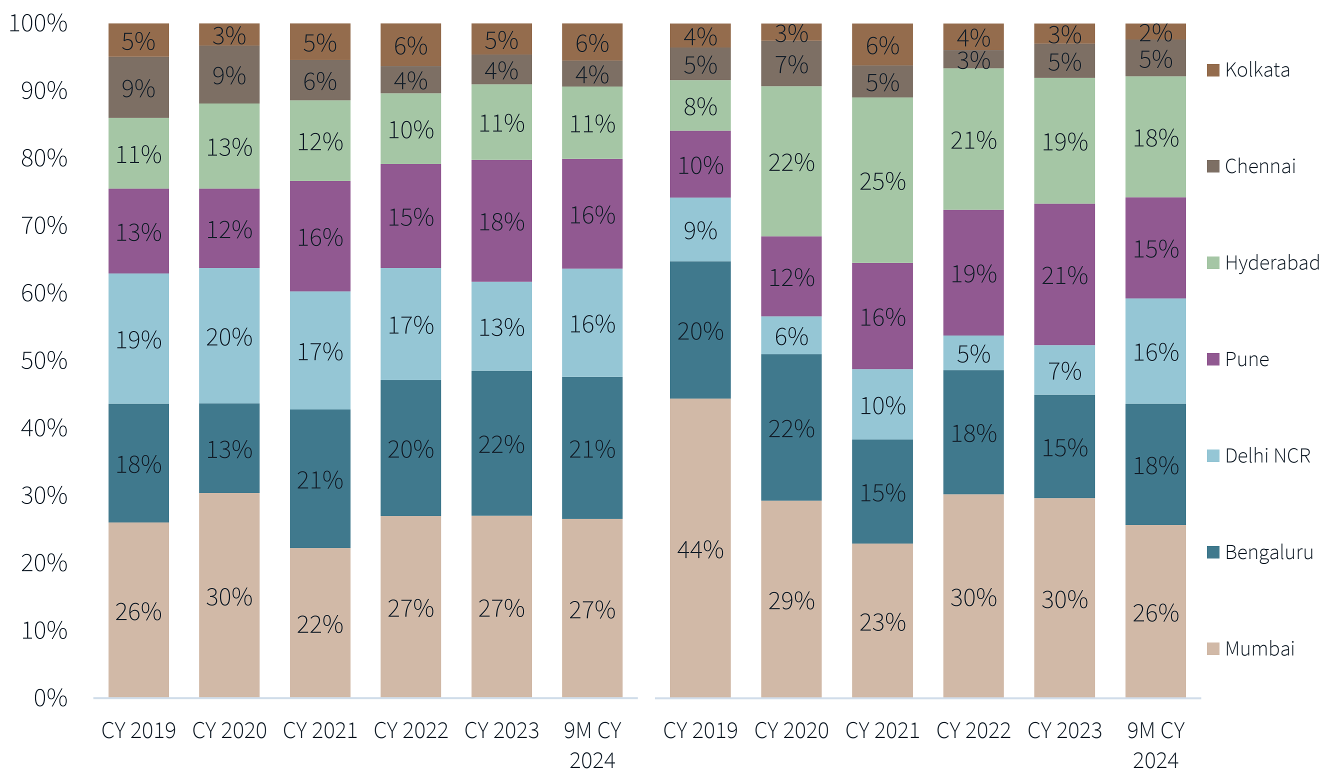


Note: Mumbai includes Mumbai city, Mumbai suburbs, Thane city, Kalyan-Dombivli, and Navi Mumbai; Capital values are on saleable area
Source: JLL Research

City-wise trends

Mumbai has consistently been the top contributor to market activity, accounting for ~26% of the overall sales and ~30% of the overall new launches during CY 2019 to 9M CY 2024. Hyderabad and Bengaluru follow in terms of their contribution to overall new launches. In terms of contribution to overall sales, Bengaluru emerges as the second highest contributor and Delhi NCR follows.

Figure 4.8: Market wise distribution of sales (left) and new launches (right)



Note: Mumbai includes Mumbai city, Mumbai suburbs, Thane city, Kalyan-Dombivli, and Navi Mumbai; Capital values are on saleable area
Source: JLL Research

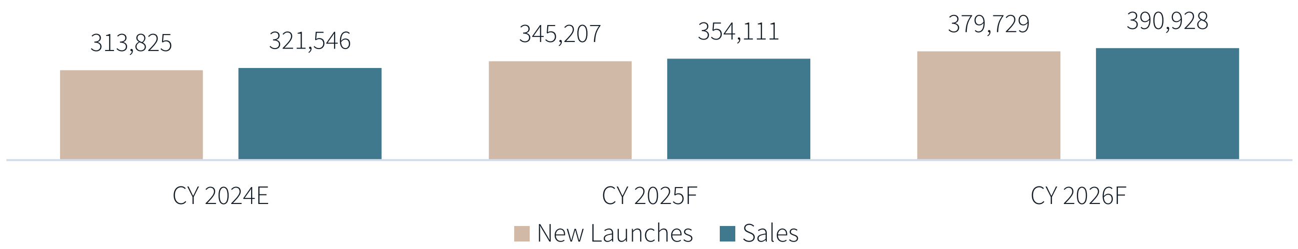
Outlook

Residential market poised for unprecedented growth

The current residential real estate cycle is characterized by a solidifying foundation, driven by a strong affinity for homeownership among prospective buyers. Despite the general elections taking place in Q2 CY 2024, the market demonstrated a strong undercurrent of demand, with impressive sales volumes achieved in the first nine months of the year. We anticipate that this positive sentiment will continue, resulting in sustained momentum in sales. With the fundamentals in place, the market is estimated to surpass the activity levels of CY 2023 and reach record highs in CY 2024. Post that, sales and new launches are projected to increase at a CAGR of ~10%.

Moreover, strategic land acquisition in prime locations and along growth corridors is expected to strengthen the supply of residential properties across cities. Established developers are anticipated to explore new markets to diversify their portfolio and broaden their market reach. Additionally, the launch of diverse product offerings such as plotted developments, low-rise apartments, row houses, and villaments is expected to gain momentum.

Figure 4.9: Residential new launches and sales, number of units



Note: Figures indicate aggregate residential units in the top 7 cities of Delhi NCR, Mumbai, Bengaluru, Chennai, Hyderabad, Pune, and Kolkata; Mumbai includes Mumbai city, Mumbai suburbs, Thane city, Kalyan-Dombivli, and Navi Mumbai
Source: JLL Research

Increasing demand for premium and luxury projects

Notably, luxury projects are garnering increased interest among buyers, reflecting a growing appetite for high-end, premium residential offerings. This trend is driven by a combination of factors, including rising disposable incomes, a desire for exclusive living experiences, and the perception of luxury real estate as a stable investment. Developers are responding to this demand by introducing innovative designs, world-class amenities, and bespoke services in their luxury projects, catering to the discerning tastes of affluent buyers. This segment's growth is particularly evident in prime locations across major cities, where luxury developments are not just homes but statements of lifestyle and prestige.

Capital value growth expected to stabilise

Supported by a strong sales momentum, capital values have witnessed double-digit growth rates in prominent markets such as Bengaluru, Delhi NCR, and Mumbai over the past one to two years. Nevertheless, we anticipate developers exercising greater prudence in their pricing decisions, leading to a moderation and stabilization of capital value appreciation in the coming years. However, projects of exceptional quality that offer convenient access to essential infrastructure will continue to outperform the market and sustain impressive growth rates.

Increased focus on sustainability and wellness aspects; expansion in tier 2 and tier 3 cities

Developers are actively prioritizing the launch of sustainable products that incorporate technology and prioritize the well-being of their consumers. As consumer preferences continue to evolve, well-established developers will persist in offering thoughtfully designed homes that provide an integrated self-sustaining ecosystem.

Furthermore, established developers are targeting tier 2 and tier 3 cities, capitalizing on the increasing demand, and purchasing power of consumers in these locations. In the Northern region, developers are expanding into cities such as

Panchkula, Lucknow, Jaipur, and Ludhiana. In the Western region, national-level players are venturing into cities like Nagpur, Khalapur, Surat, and Palghar, which have shown promising market potential.

Increased preference for branded developers

The implementation of RERA has accelerated the removal of unorganized players, including fly-by-night developers, from the real estate market. As a result, consolidation activities within the industry have intensified, with financially challenged developers collaborating with larger and reputable counterparts. The COVID-19 pandemic has further shifted the preference towards branded developers such as Runwal Enterprises Limited. This growing preference is evident in three distinct ways:

- On the demand side, homebuyers have become even more cautious in affecting their home purchase decisions, showing a stronger preference for investing in projects developed by branded developers with a proven track record. Given the polarization of demand, projects by such branded developers enjoy a higher sales velocity and can command premium prices when compared to the market average. Only credible developers, who possess the capability to execute projects with high quality and transparency, will thrive in the post-COVID era. This shift will ultimately lead to greater transparency, improved consumer sentiments, and a more sustainable market.
- Following the NBFC crisis, lenders have become more cautious when it comes to increasing their exposure to the real estate sector. This caution is reflected in the reduced growth of outstanding credit from banks, NBFCs, and HFCs. Lenders are now focusing on tier 1 developers with a well-established track record, aiming to minimize the risk of default.
- Landowners are increasingly opting to partner exclusively with Grade A developers. Additionally, there are numerous instances of cash-strapped developers monetizing their land parcels by selling them to prominent developers.

Chapter 5: Mumbai Residential Market Overview

Introduction

Mumbai is the financial capital, an economic powerhouse and one of the key industrial hubs of India. It hosts a number of large financial institutions. The city's financial sector benefits from a favourable ecosystem enabled by the presence of the Reserve Bank of India, the Bombay Stock Exchange, as well as India's the Securities and Exchange Board of India. The strength of the city lies in its diversified economic base, with sectors such as business services, trade and transport, manufacturing, BFSI and IT being the major job creators and economic drivers.

Mumbai experienced its highest decadal population growth rate between CY 2001 and CY 2011. Importantly, the dependency ratio is low at 34% and the population is relatively young with only 7% of individuals over 64 years in age. Also, the household disposable income in Mumbai is amongst the highest compared to all cities in India with more than 60% of the spending on necessities like housing, food, and transport.

Mumbai's real estate market is highly competitive and expensive, with various industrial areas and ports facilitating trade and exports. The city is also witnessing significant infrastructure development projects, encompassing business districts, residential complexes, and transportation networks. However, Mumbai faces challenges related to overcrowding, traffic congestion, and inadequate infrastructure. To address these issues and enhance the quality of life for its residents, the city is actively involved in urban development initiatives.

Table 2: Mumbai Demographic and Economic Profile, 2023

GDP (2023: current prices)	INR 11.7 trillion
Household disposable Income (2023: current prices)	INR 1.3 million
Population	19.4 million
Total employment	6.7 million
Median Age Group	25-29 years
No. of households	4.81 million
Average Household Size	4.03 persons

Source: Oxford Economics, JLL Research

Infrastructure Development

Mumbai boasts a diverse range of transportation options, catering to the needs of millions of residents and commuters. It has the largest suburban rail network in India, which helps thousands of commuters travel within the city and its suburbs daily. However, the rapid expansion of Mumbai has resulted in more and more people living away from central Mumbai. This has led to a mismatch between the location of jobs and the location of the working population. For such people, the Mumbai suburban rail network has been the primary mode of commuting. However, the suburban rail only provides north south connectivity whereas east-west connectivity remains a challenge, resulting in traffic congestion during peak hours. The upcoming infrastructure developments will improve east-west connectivity, connect areas not served by the suburban rail and reduce travel time between residential and commercial hubs. The realization of the infrastructure development plan can herald a new era for public transportation in Mumbai. It is expected to drive a modal shift away from motorized vehicles, while the share of metro transport and monorail is likely to increase significantly.

Figure 5.1: Infrastructure development in Mumbai

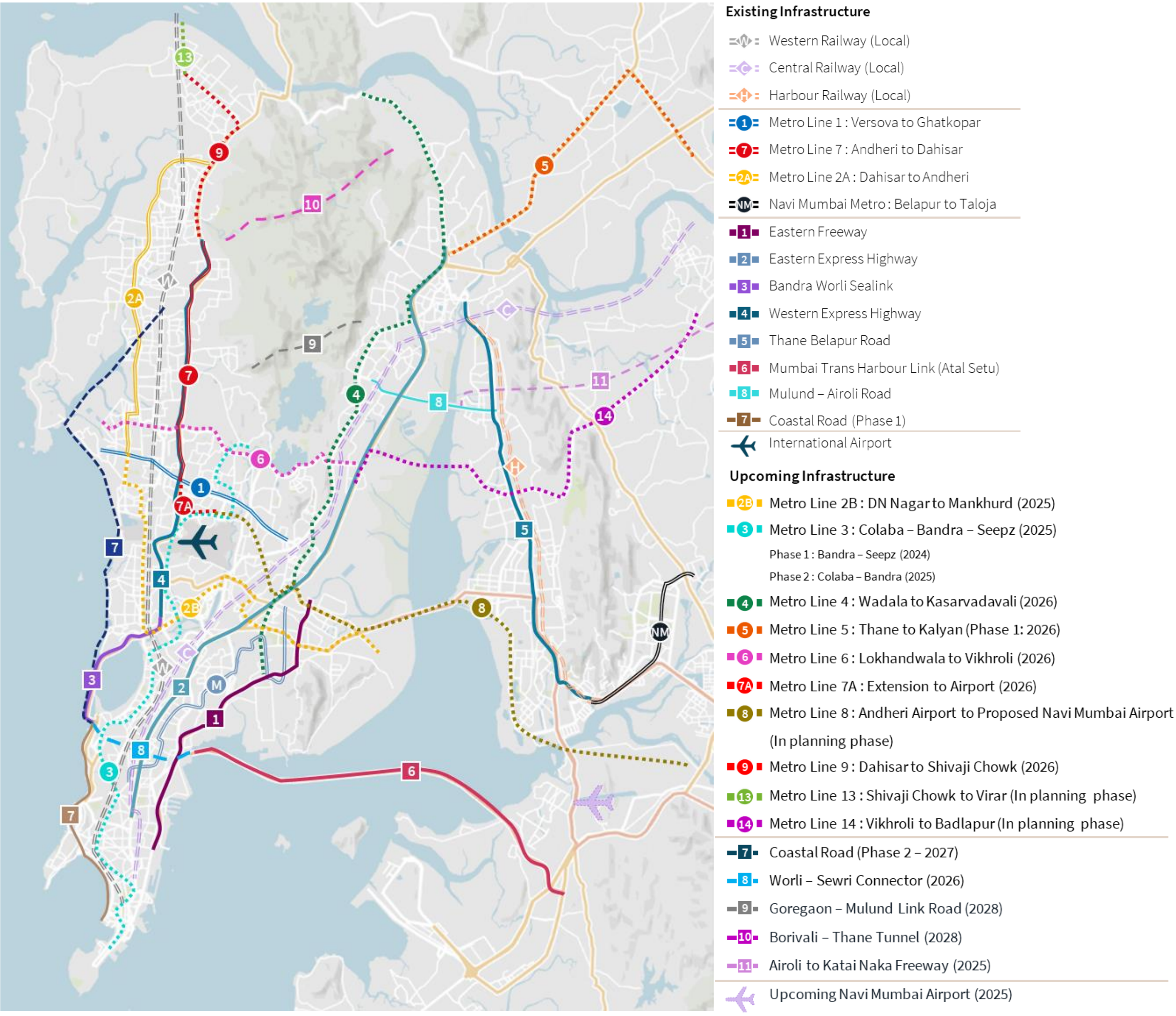


Table 3: Impact of key upcoming projects

	Details	Impact
Metro Lines	• Overall completion expected in 2027/28 • 14 high-capacity metro railway lines and one metrolite line, spanning a total of ~357 kms	1. Travel time in Mumbai expected to reduce by 50% on an average over the next 5 years 2. Reduction in price gradient across residential markets Key Impact Zones: Mulund, Bhandup, Kanjurmarg, Ghatkopar, Chembur, Mahalaxmi, Kolshet Road, Majiwada, Panvel, Kharghar, Dombivli
Coastal Road	• Overall completion expected in 2025	1. Expected reduction in travel time between Bandra and Kandivali will be reduced by around 70%.

	• 29.8 km stretch from Kandivali to Nariman Point	Key Impact Zones: Mahalaxmi, Worli, Bandra, Andheri, Goregaon, Kandivali
Navi Mumbai International Airport	• Completion expected in CY 2025 • Greenfield international airport with capacity to handle 90 million passengers per annum	1. Will ease the burden on Mumbai's Chhatrapati Shivaji International Airport (CSIA) and speed up growth in the farther regions of Navi Mumbai Key Impact Zones: Panvel, Ulwe, Karanjade, Dronagiri, Pushpak Nagar, NAINA

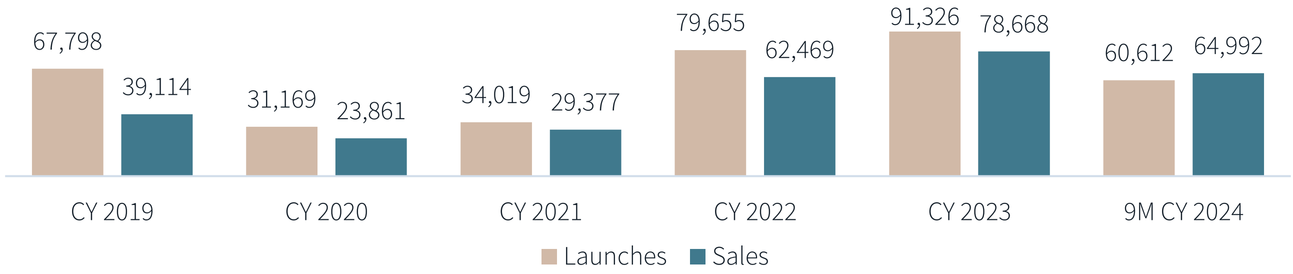
Source: JLL Research

Demand Supply Dynamics

The impact of the COVID-19 pandemic on the real estate market is evident in the substantial decline of new launches and sales in CY 2020 and CY 2021. However, the post-pandemic era has seen the positive effects of structural reforms like GST and RERA, leading to a more organized and transparent market.

Mumbai's residential market has significantly benefited from the effective implementation of MahaRERA, resulting in a strong sales recovery and an increase in new launches. In CY 2022, the market witnessed historic levels of sales and new launches, indicating a robust recovery. This positive momentum further continued in CY 2023, with activity levels reaching yet another historic milestone, reflecting the market's resilience and growth. In the first nine months of CY 2024, sales are already at 83% of the total sales achieved in the entirety of CY 2023.

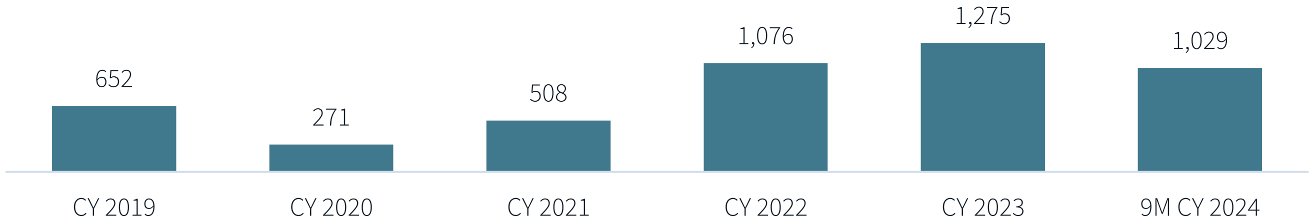
Figure 5.2: Trends in sales and new launches (no. of units)



Note: Mumbai includes Mumbai city, Mumbai suburbs, Thane city, Kalyan-Dombivli, and Navi Mumbai
Source: JLL Research

In terms of residential sales value, the size of the market has nearly doubled over a four-year period from CY 2019 to CY 2023. In CY 2024, the market is expected to surpass INR 1,300 billion in residential sales value.

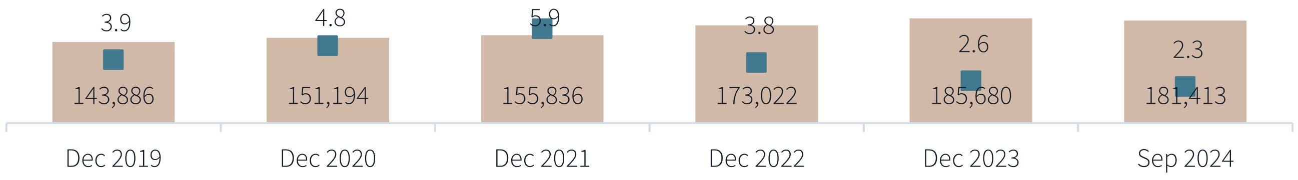
Figure 5.3: Trends in residential sales value (INR billion)



Note: Mumbai includes Mumbai city, Mumbai suburbs, Thane city, Kalyan-Dombivli, and Navi Mumbai
Source: JLL Research

While the unsold inventory levels have increased from ~143,886 units as of December 2019 to ~181,413 units as of September 2024, the YTS (Years to Sell) has decreased from 3.9 years to 2.3 years during the same time frame. This positive momentum in the residential sector indicates renewed confidence in the real estate market and a promising outlook for the city's overall economic growth.

Figure 5.4: Unsold Inventory (no. of units) and YTS



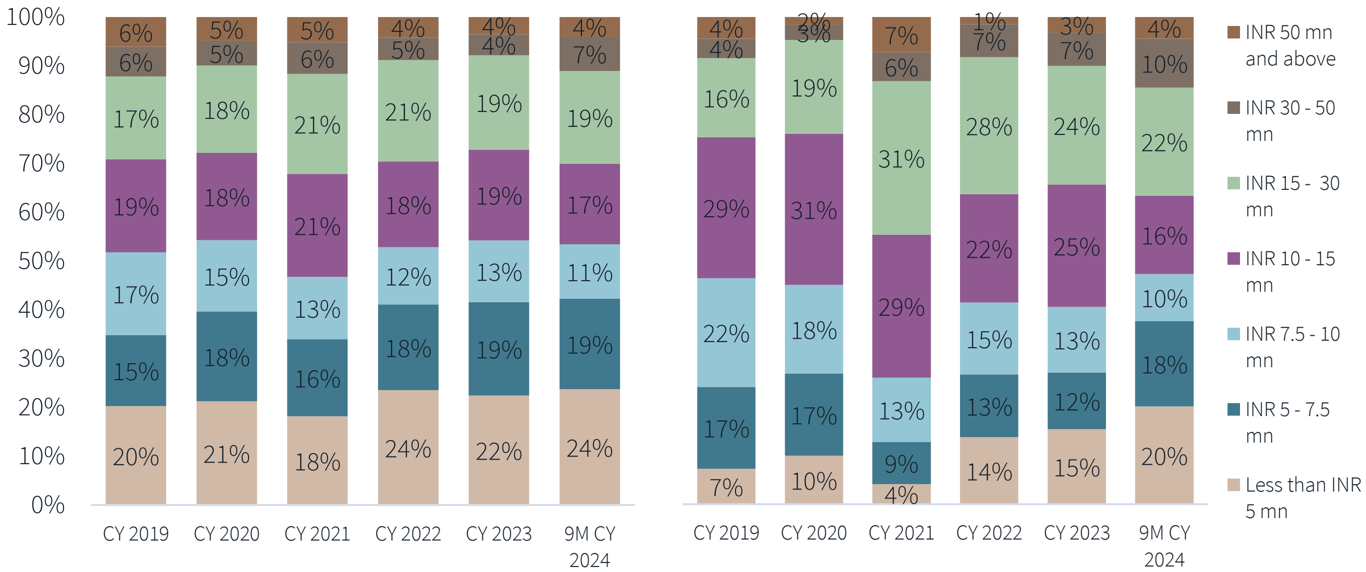
Note: Mumbai includes Mumbai city, Mumbai suburbs, Thane city, Kalyan-Dombivli, and Navi Mumbai; YTS is the expected number of years to sell the unsold inventory considering the rolling eight-quarter average sales of the city
Source: JLL Research

Segmentation Based on Ticket Size

In terms of price segments, the sales distribution in Mumbai has remained largely consistent over the years. The INR 10 – 30 million range continues to dominate the housing market in the suburban submarkets, while most of the activity in the peripheral markets is witnessed in the less than INR 10 million segment.

When it comes to new project launches, the distribution has remained relatively stable across different price segments. Any variations observed are typically due to seasonal fluctuations or larger launches in specific areas during certain periods.

Figure 5.5: Ticket-size wise segmentation of sales (left) and new launches (right)

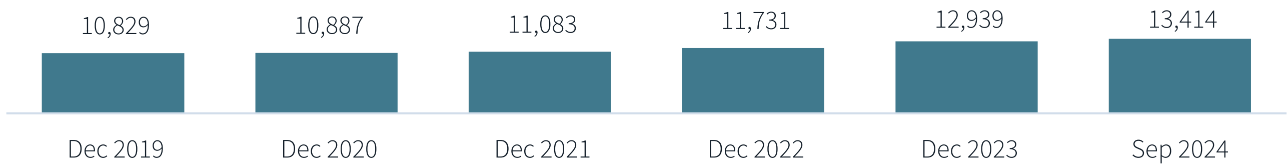


Note: Mumbai includes Mumbai city, Mumbai suburbs, Thane city, Kalyan-Dombivli, and Navi Mumbai
Source: JLL Research

Trends in Capital Values

Capital Values started inching up in CY 2019 with improved sales activity supporting price increases. The COVID-19 pandemic halted the increase with developers offering lucrative discounts and payment schemes to fuel sales growth. In CY 2022 and CY 2023, capital values have increased across submarkets driven by rising input costs being passed onto the buyers and notable price growth in better-performing projects.

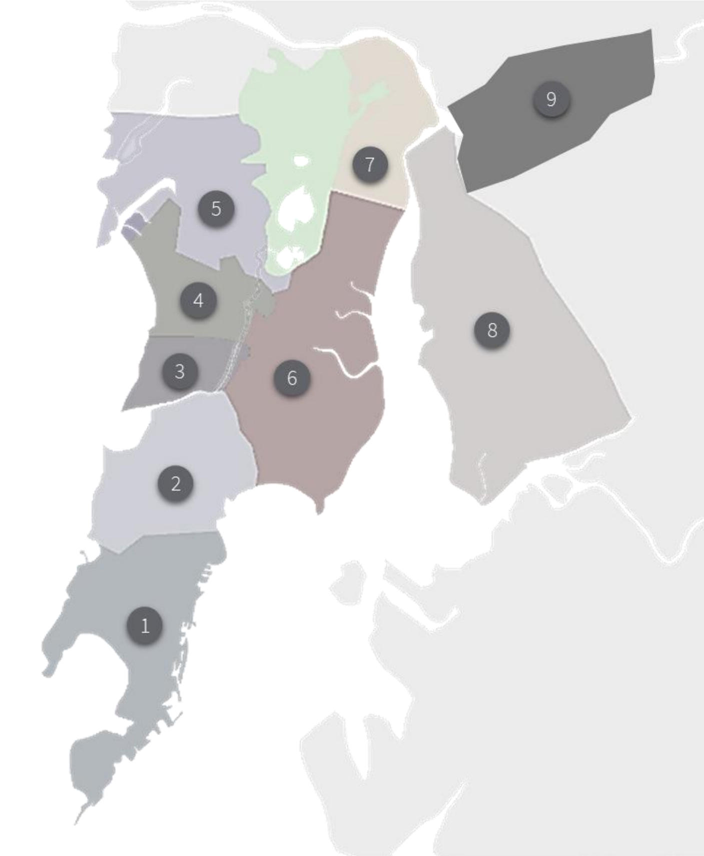
Figure 5.6: Trends in capital values, INR/sq ft



Note: Mumbai includes Mumbai city, Mumbai suburbs, Thane city, Kalyan-Dombivli, and Navi Mumbai
Source: JLL Research

Overview of Submarkets

Figure 5.7: Submarket Delineation



	Submarket	Key Locations
1	South Mumbai	Mahalaxmi, Worli, Prabhadevi
2	Central Mumbai	Byculla, Chembur, Matunga
3	North Mumbai	Bandra, Juhu, Santacruz
4	Western Suburbs I (WS I)	Andheri, Goregaon, Vile Parle
5	Western Suburbs II (WS II)	Malad, Kandivali, Borivali
6	Eastern Suburbs (ES)	Mulund, Vikhroli, Ghatkopar, Kanjurmarg, Powai
7	Thane	Ghodbunder Road, Kolshet Road
8	Navi Mumbai	Airoli, Vashi, Panvel, Ulwe
9	Kalyan-Dombivli	Kalyan, Dombivli

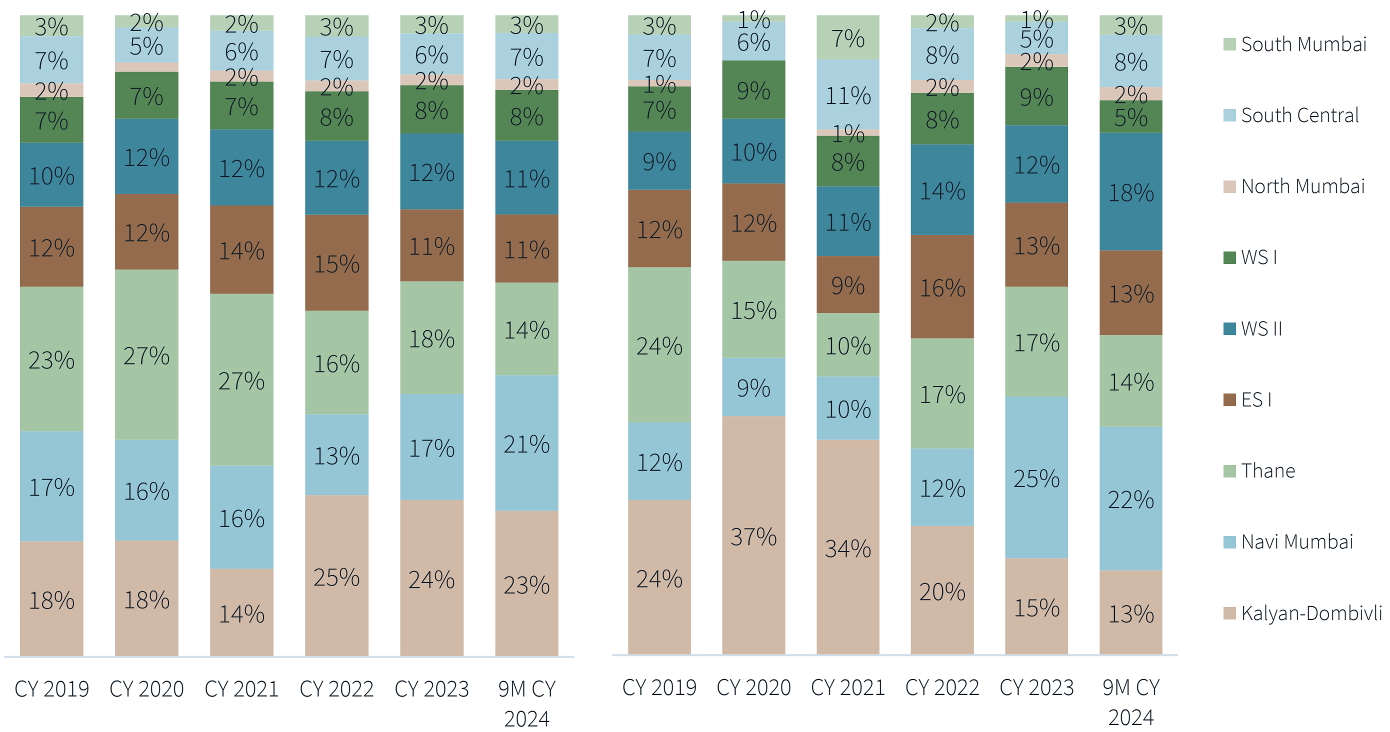
Table 4: Snapshot of Mumbai's residential submarkets

	New Launches (CY 2019 – 9M CY 2024)	Sales (CY 2019 – 9M CY 2024)	Unsold Inventory (Sep 2024)	% of Unsold Inventory in completed projects (Sep 2024)
South Mumbai	9,652	8,529	7,250	9.3%
Central Mumbai	26,727	19,910	14,738	6.7%
North Mumbai	6,297	5,257	4,417	3.1%
Western Suburbs I	28,514	22,611	13,920	3.4%
Western Suburbs II	46,917	34,141	24,807	7.0%
Eastern Suburbs I	47,659	36,813	27,343	3.0%
Thane	62,040	56,275	23,664	3.1%
Navi Mumbai	59,788	49,808	37,391	5.5%
Kalyan-Dombivli	76,985	65,137	27,883	7.9%
Overall	364,579	298,481	181,413	5.4%

Source: JLL Research

When comparing the market activity between CY 2019 and the post-COVID period, it is evident that the contribution of different submarkets to sales and new launches has remained largely consistent. The peripheral markets of Kalyan-Dombivli, Thane and Navi Mumbai continue to account for most of the activity in the market. However, there has been an increase in the combined contribution of the three suburban markets (Western Suburbs 1, Western Suburbs 2, and Eastern Suburbs) to new launches in the post-COVID period.

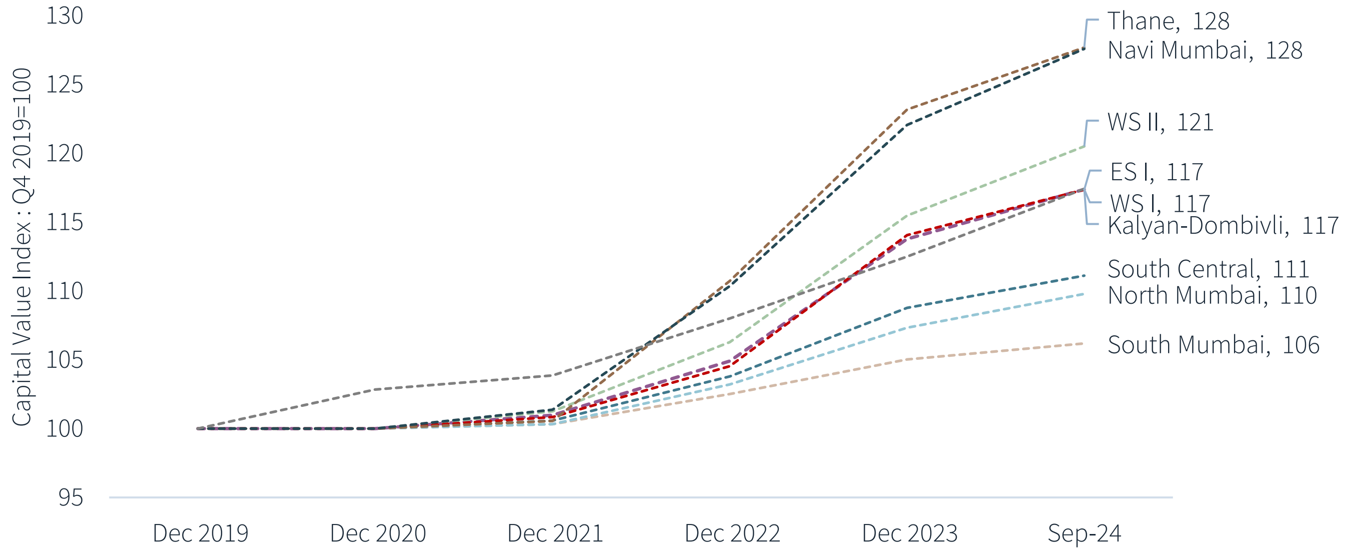
Figure 5.8: Market wise distribution of sales (left) and new launches (right)



Source: JLL Research

It is clearly evident that the price gradient across the submarkets of Mumbai is gradually reducing with maximum price appreciation being witnessed in the peripheral markets of Thane and Navi Mumbai followed by the three suburban markets and Kalyan-Dombivli.

Figure 5.9: Capital value index across top seven markets



Source: JLL Research

Government measures to support the residential sector

The Maharashtra Government has been proactive in implementing timely measures to support the housing sector. The section below looks at select important measures which have supported the post COVID revival of the housing sector.

Short-term measures

- Stamp Duty Reduction: Maharashtra was the first state to reduce stamp duty rates, offering a substantial reduction of 300 basis points until December 31, 2020, and 200 basis points until March 31, 2021. This move significantly boosted residential sales in both the primary and secondary markets.
- Reduction in Construction Premium: In January 2021, the Maharashtra Government implemented a 50% reduction in premiums charged on construction for a period of one year. Developers who benefited from this waiver had to pay the entire stamp duty amount on behalf of customers.

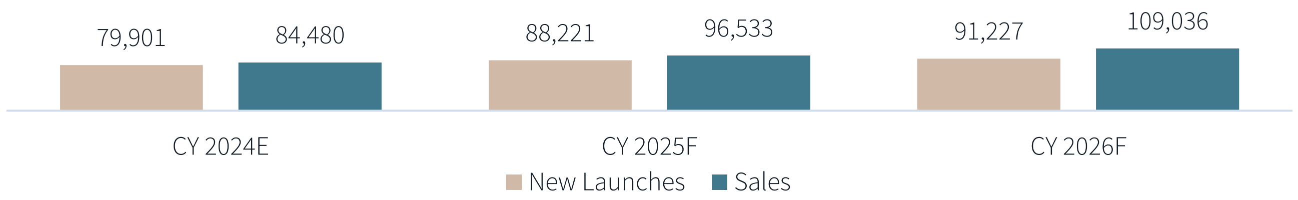
Structural Measures

- Unified Development Control and Promotion Regulations: The introduction of the Unified DCPR presents various benefits such as increased Floor Space Index (FSI), flexibility in FSI utilization, incentives for sustainable housing, and improved clarity in FSI regulations. These measures aim to streamline FSI utilization in the housing sector, promoting growth, affordability, and sustainable development.
- Fast track self–redevelopment projects: The State Government has taken steps to make self-redevelopment projects more viable by reducing stamp duty on project allotments to INR 1,000, as opposed to the previous 5%-7% rate based on the total agreement value. Additionally, a dedicated single window is being established to expedite approvals for self-redevelopment projects within a streamlined timeline of three months. The process of obtaining bank loans for such projects will also be simplified.
- Maharashtra Real Estate Regulatory Authority (MahaRERA): Maharashtra was the first state to implement the Real Estate Regulatory Authority (RERA). MahaRERA promotes transparency, accountability, and efficiency in the real estate industry. Its successful implementation in the state sets a benchmark for other states to follow.

Outlook

Over the last 2-3 years, developers have acquired 260+ acres of land in Mumbai for the purpose of residential development. The monetization of these land banks in the future will result in a residential development potential of ~42 – 48 mn sq ft and a sales potential of more than INR 700 billion. In terms of number of units, the Mumbai market is estimated to surpass 84,000 units of sales in CY 2024, and the momentum is expected to continue over the next few years.

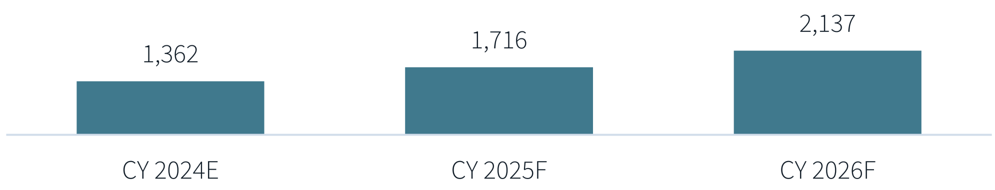
Figure 5.10: Residential new launches and sales, number of units



Note: Mumbai includes Mumbai city, Mumbai suburbs, Thane city, Kalyan-Dombivli, and Navi Mumbai
Source: JLL Research

In terms of residential sales value, the Mumbai market is projected to surpass INR 2,000 billion in CY 2026.

Figure 5.11: Trends in residential sales value (INR billion)



Note: Mumbai includes Mumbai city, Mumbai suburbs, Thane city, Kalyan-Dombivli, and Navi Mumbai
Source: JLL Research

Runwal Enterprises Limited*a prominent real estate developer in Mumbai

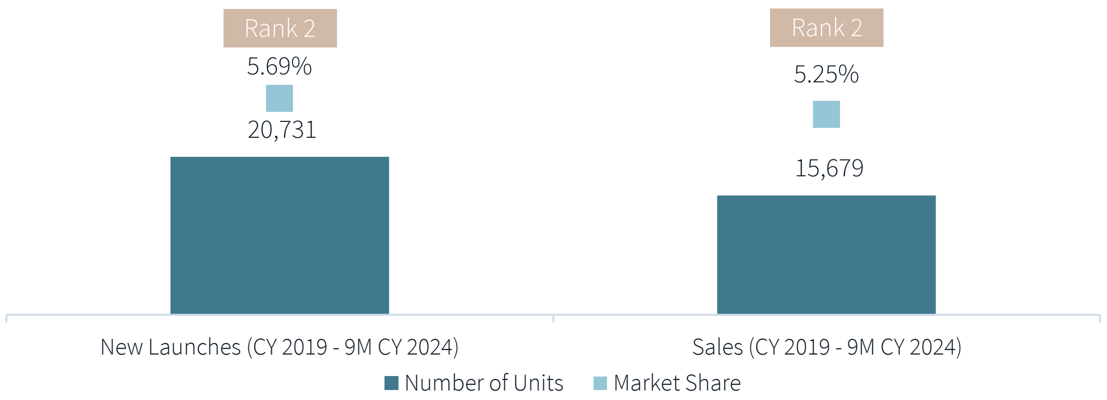
Runwal Enterprises Limited* has been a prominent name in the real estate industry. It has emerged as one of the well-established real estate developers in Mumbai, particularly known for their projects in the Eastern Suburbs and Kalyan Dombivli submarkets. Over the past decade, Runwal Enterprises Limited*, under the leadership of Mr. Subodh Runwal, has continued to build upon the reputation established by its predecessor "Runwal group" brand, which has been a prominent name in the real estate industry since its inception in 1978.

With vast experience, Runwal Enterprises Limited* has cemented its reputation as a real estate developer across the full spectrum of real estate development, specializing in residential projects that cater to affordable, mid-income, and luxury segments, as well as commercial spaces, retail malls and educational buildings. Their experience includes greenfield projects requiring land acquisition as well as flexible and asset light models like Joint Development Agreements ("JDA")/Development Agreements ("DA")/Joint Ventures ("JV").

Runwal is a recognized brand in the industry and has a strong presence in Mumbai. In addition to various projects in the Eastern Suburbs and integrated township projects in Kalyan-Dombivli, Runwal Enterprises Limited* is also venturing into South Mumbai, Central Mumbai, and the Western Suburbs, with upcoming and planned residential projects in Mahalaxmi, Chembur and Bandra. They are further diversifying their portfolio by incorporating slum redevelopment, cluster and society redevelopment, and plotted development projects into their offerings. This expansion showcases their commitment to bringing exceptional living experiences to different parts of the city.

Notably, the launch of ~20,731 residential units between CY 2019 and 9M CY 2024 demonstrates their ability to meet the housing needs of a wide range of buyers across various segments. Furthermore, with 15,679 units sold within this period, Runwal Enterprises Limited* solidifies its position as one most prominent residential real estate developers in Mumbai. Runwal Enterprises Limited* ranks 2nd in terms of both new launches and sales, accounting for ~5.69% of the new launches and ~5.25% of the sales in the market during this period.

Figure 5.12: Residential new launches and sales by Runwal Enterprises Limited



Note:
(1) Rank is calculated in terms of market share of units launched and units sold
(2) Runwal Enterprises Limited's residential new launches and sales data above includes the Runwal Avenue, Runwal Bliss, Runwal Forests, Runwal Greens, Runwal Gardens, Runwal Pinnacle, Runwal My City and Betawde projects.
Source: Company, JLL Research

Moreover, in the affordable housing segment (properties priced at INR 5 million and below), Runwal Enterprises Limited* holds a l 20.13% market share in new project launches and 17.35% share of sales volume from CY 2019 through the first nine months of CY 2024.

Note: * Including its subsidiaries, associate and Joint Venture, on a consolidated basis

Chapter 6: Eastern Suburbs Submarket Overview

Introduction

The Eastern Suburbs have emerged as a sought-after destination for homebuyers. The area is characterized by a blend of residential neighbourhoods, commercial hubs, educational institutions, and recreational facilities, catering to the diverse needs of its residents. Its strategic location provides easy access to both the central business district and key commercial hubs, making it a preferred choice for professionals looking for a convenient commute. In recent years, the Eastern Suburbs have witnessed significant infrastructural upgrades, with improved road networks, metro connectivity, and the development of social and physical infrastructure. This has further enhanced the liveability quotient of the region.

Table 5: Market Snapshot

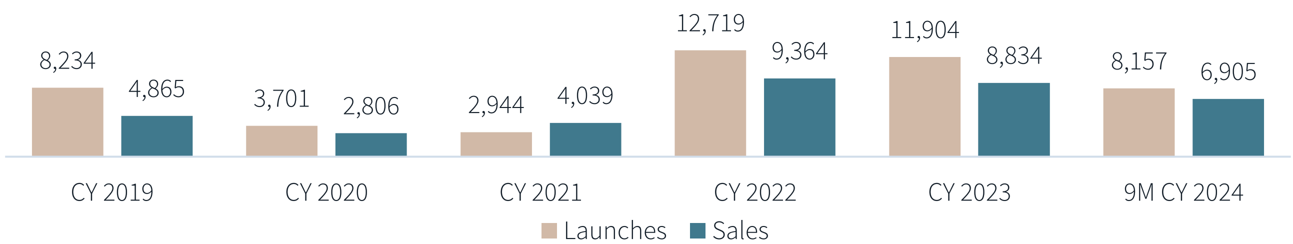
New Launches (CY 2019 – 9M CY 2024)	47,659 units (13% of Mumbai)
Sales (CY 2019 – 9M CY 2024)	36,813 units (12% of Mumbai)
Unsold Inventory (Sep 2024)	27,343 units (15% of Mumbai)
YTS (Sep 2024)	2.9 years
Capital Value growth (Sep 2024 vs Dec 2019)	17.4%
Key Locations	Mulund, Vikhroli, Ghatkopar, Kanjurmarg, Powai, Bhandup
Prominent real estate developers	Runwal Enterprises Limited*, Lodha Group, Hiranandani Group, Rustomjee Group, Godrej Properties, Kalpataru Group
Key demand drivers	Proximity to key office clusters like Powai, Andheri Kurla Road and Vikhroli; Strong connectivity to BKC via the Eastern Express Highway; Diverse mix of projects in the mid, upper mid and premium segments; Metro Line 1 provides connectivity to the Western Suburbs submarket; Upcoming Metro Line 4 will improve north-south connectivity and Metro Line 6 will further improve east-west connectivity

Note: YTS is the expected number of years to sell the unsold inventory considering the rolling eight-quarter average sales of the city
Source: JLL Research
Note: * Including its subsidiaries, associate and Joint Venture, on a consolidated basis

Demand Supply Dynamics

The Eastern Suburbs submarket holds a significant position as one of the key contributors to residential market activity in Mumbai. On average, it accounts for ~10-15% of the total sales and new project launches in the city. Post the COVID-19 pandemic, the market has experienced a robust recovery, characterized by strong sales performance. In CY 2023, residential sales reached nearly twice the levels observed in CY 2019, highlighting the remarkable rebound of the market. Sales in the first nine months of 2024 are already at 78% of CY 2023 levels.

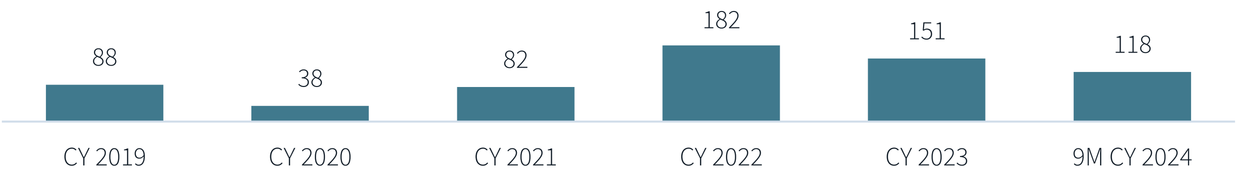
Figure 6.1: Trends in sales and new launches (no. of units)



Source: JLL Research

In terms of residential sales value, the market size more than doubled over a three-year period from CY 2019 to CY 2022. 9M CY 2024 witnessed sales of ~INR 118 billion and could potentially reach the levels witnessed in CY 2022.

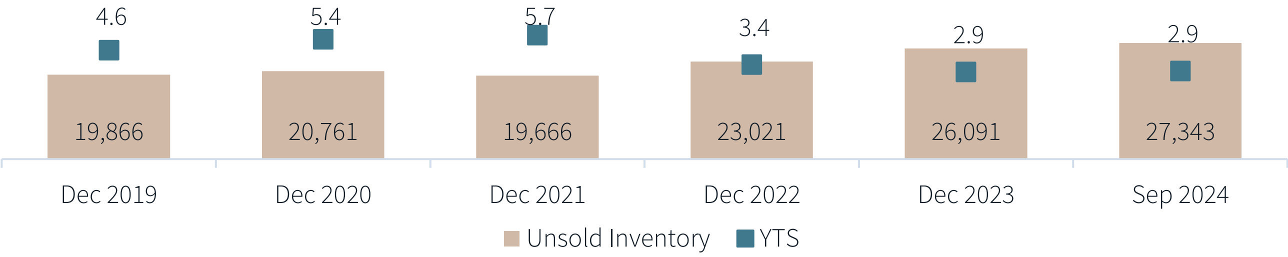
Figure 6.2: Trends in residential sales value (INR billion)



Source: JLL Research

While the unsold inventory levels have increased from ~19,866 units as of December 2019 to ~27,343 units as of September 2024, the YTS (Years to Sell) has decreased from 4.6 years to 2.9 years during the same time frame.

Figure 6.3: Unsold Inventory (no. of units) and YTS

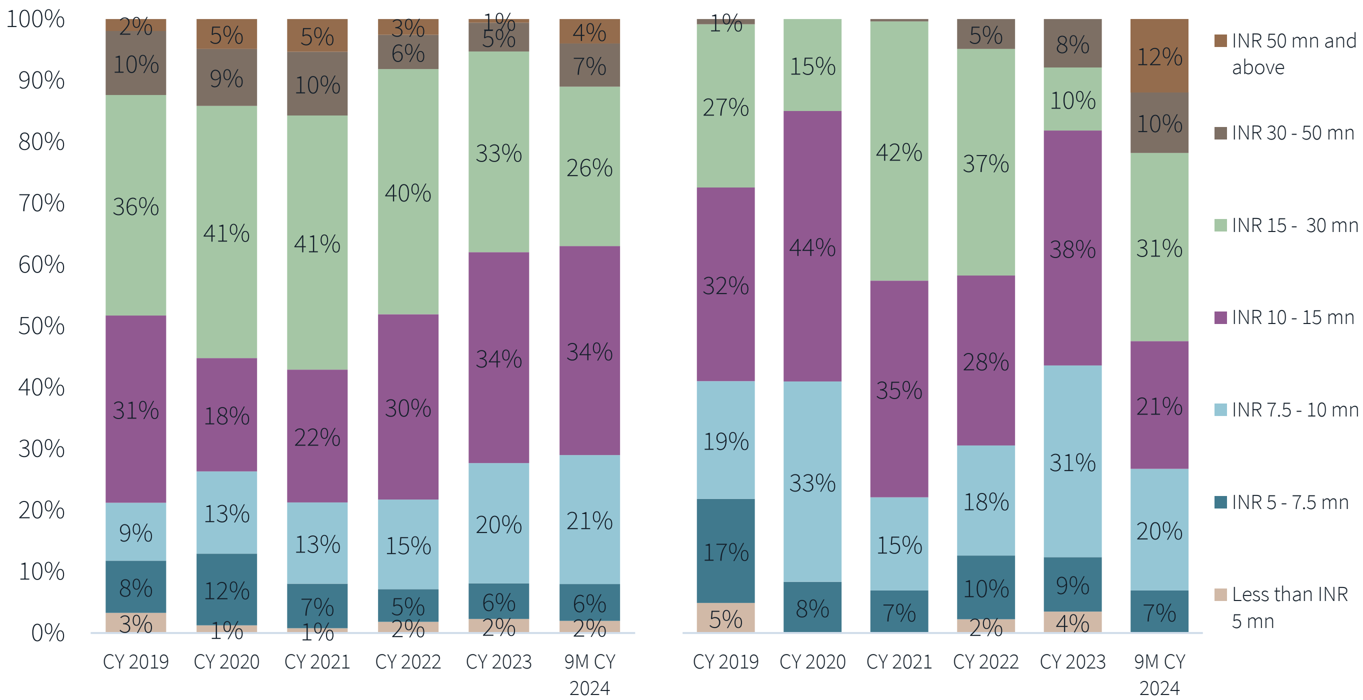


Note: YTS is the expected number of years to sell the unsold inventory considering the rolling eight-quarter average sales of the city
Source: JLL Research

Segmentation Based on Ticket Size

In terms of price segments, Eastern Suburbs is primarily a mid and premium segment market with market activity dominated by apartments in the INR 7.5 mn to INR 30 mn segments.

Figure 6.4: Ticket-size wise segmentation of sales (left) and new launches (right)

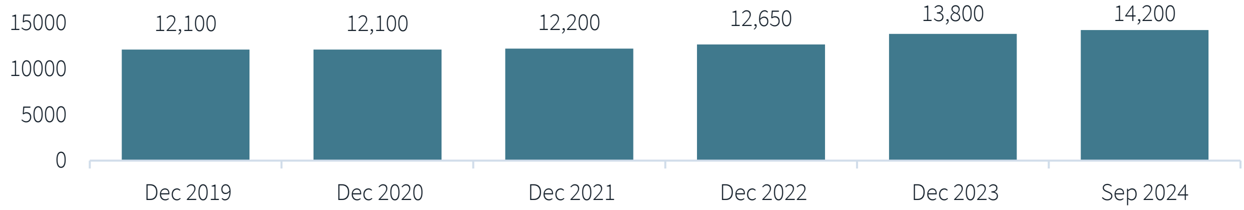


Source: JLL Research

Trends in Capital Values

Residential prices in the submarket remained stable from CY 2019 to CY 2021. Over the past 2.75 years, the Eastern Suburbs' residential capital values have witnessed a cumulative increase of 17.4%, with the average capital value standing at ~INR 14,200 per sq ft on saleable area, as of September 2024.

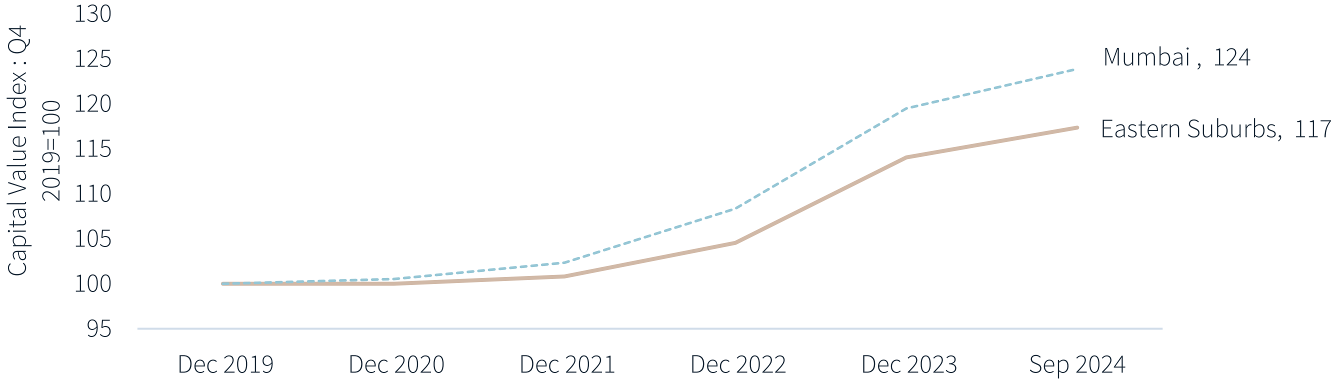
Figure 6.5: Trends in capital values, INR/sq ft



Source: JLL Research

While the pace of capital appreciation in the Eastern Suburbs has been comparatively slower compared to the average capital value increase in Mumbai, it is important to note that quality projects by branded developers have outperformed the market, commanding premium prices. These projects have demonstrated the ability to deliver superior value and have achieved higher price appreciation due to their desirable features, meticulous design, and superior execution.

Figure 6.6: Capital value index, Eastern Suburbs vs Mumbai



Source: JLL Research

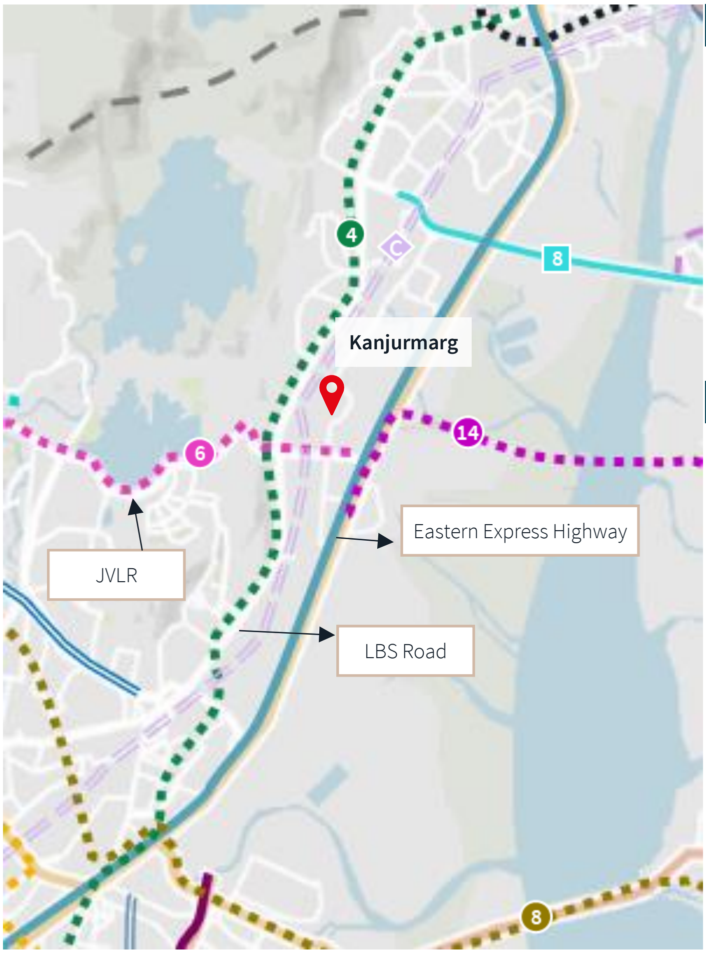
Outlook

Mumbai's real estate evolution traces a distinct pattern, originating in the southern parts of the city and progressively expanding towards the northwest and northeast. This development trajectory was significantly shaped by the construction of suburban railway lines and major arterial roads, notably the Western Express and Eastern Express Highways. These vital transportation arteries served as catalysts, accelerating residential development along their corridors, and effectively transforming the city's urban landscape.

The western and southern parts of Mumbai, hemmed in by the Arabian Sea and characterized by a saturated real estate market, now face inherent limitations in terms of further growth opportunities. In contrast, the eastern part of Mumbai has emerged as a frontier of immense potential, poised to drive the next phase of the city's real estate growth. This shift is primarily attributed to the ongoing and planned infrastructure developments enhancing east-west connectivity. Projects such as new metro lines and road linkages are set to dramatically improve accessibility between the eastern suburbs and other parts of the city. The eastern corridor's appeal is further amplified by the presence of former industrial areas ripe for redevelopment, and relatively more affordable property prices compared to the western suburbs.

As Mumbai continues to expand and evolve, the Eastern Suburbs of the city stands at the cusp of a transformative phase, offering significant opportunities for real estate development. Within the Eastern Suburbs, Kanjurmarg has emerged as a focal point for developers eyeing strategic growth opportunities. Kanjurmarg already has excellent road connectivity with the business districts of Thane, Powai, BKC as well as South Mumbai via the LBS road, JVLR and Eastern Express highway. It is also well-connected via the central line of Mumbai suburban railway network. The upcoming three-way metro connectivity through Lines 4, 6, and 14 is set to redefine the real estate dynamics of Kanjurmarg, opening opportunities for further appreciation in residential prices and growth in activity volumes.

Figure 6.7: Kanjurmarg – Linkages and Connectivity



Road Access

- JVLR provides east-west connectivity, providing access to Powai and further to the Goregaon business district through the Western Express Highway
- LBS road provides north-south connectivity connecting Kanjurmarg to the BKC commercial hub through the SCLR and to Thane
- Eastern Express Highway provides connectivity to the South Mumbai business districts as well as Thane

Mass Transit

- Central suburban rail provides north south connectivity
- Under construction Metro Line 4 will improve connectivity to Thane and provides access to the upcoming Navi Mumbai airport through the proposed Metro Line 8
- Upcoming Metro Line 6 provides east west connectivity improving access to markets in the Western Suburbs
- The proposed Metro Line 14 provides connectivity to Navi Mumbai and locations in the extended eastern suburbs of Mumbai

Source: JLL Research

Kanjurmarg's attractiveness as a residential hotspot is further bolstered by its robust social infrastructure. The area's proximity to major shopping and entertainment destinations, including R-City Mall, and Powai's vibrant high streets, offers residents a diverse array of leisure options. Educational needs are well-served by prestigious institutions such as Poddar International School, Hiranandani Foundation School, Bombay Scottish, St. Xavier's, and Kendriya Vidyalaya, all located within easy reach. Moreover, the presence of the Hiranandani Hospital in the vicinity ensures access to high-quality healthcare. This comprehensive ecosystem of amenities significantly enhances the quality of life in Kanjurmarg.

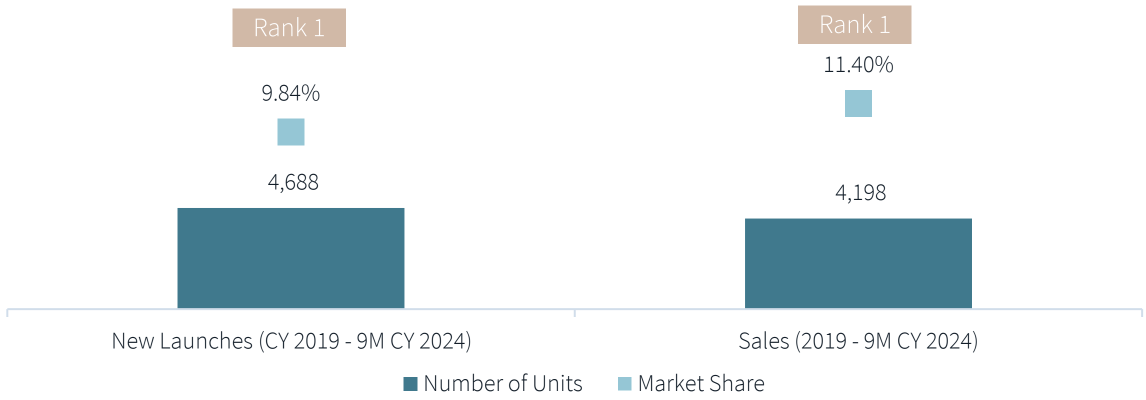
Market Share and Relative Positioning of Runwal Enterprises Limited*

Runwal Enterprises Limited* is widely recognized as one of the prominentdevelopers in the Eastern Suburbs submarkets of Mumbai. Within the Eastern Suburbs submarket, Kanjurmarg and Mulund are two of the most prominent and active micromarkets, accounting for ~40-45% of the sales and launch activity in the overall submarket. Runwal Enterprises Limited* has a dominant presence in both these micromarkets.

In the overall Eastern Suburbs submarket, Runwal Enterprises Limited* has made a significant impact, launching ~4,688 units and selling around 4,198 units between CY 2019 and 9M CY 2024. Notably, Runwal Enterprises Limited* ranks 1st in terms of both new launches and sales, accounting for ~9.84% of the new launches and ~11.40% of the sales in the submarket during this period.

Note: * Including its subsidiaries, associate and Joint Venture, on a consolidated basis

Figure 6.8: Residential new launches and sales by Runwal Enterprises Limited*



Notes:
(1) Rank is calculated in terms of market share of units launched and units sold
(2) Runwal Enterprises Limited's residential new launches and sales data above includes the Runwal Avenue, Runwal Bliss, Runwal Forests, Runwal Greens and Runwal Pinnacle.
Source: Company, JLL Research

Note: * Including its subsidiaries, associate and Joint Venture, on a consolidated basis

Chapter 7: Kalyan Dombivli Submarket Overview

Introduction

The Kalyan-Dombivli submarket has emerged as a vibrant and sought-after residential real estate market. With its rapidly developing infrastructure, affordable housing options, and strategic location, it has become an attractive destination for homebuyers and investors alike. One of the key factors driving demand in this market is the availability of affordable housing options. As property prices in Mumbai city as well as its sister cities of Thane and Navi Mumbai continue to rise, many middle-income homebuyers are turning their attention to Kalyan-Dombivli, where property prices are relatively more affordable. Furthermore, the area has witnessed commendable infrastructure development in recent years. Improved connectivity through road networks and railway lines, coupled with upcoming metro projects, has significantly enhanced accessibility. This connectivity advantage has made Kalyan-Dombivli an attractive residential choice for professionals working in Mumbai and neighbouring commercial hubs like Navi Mumbai and Thane. As a result, developers and investors are increasingly focusing on this market to capitalize on the growing demand.

Table 6: Market Snapshot

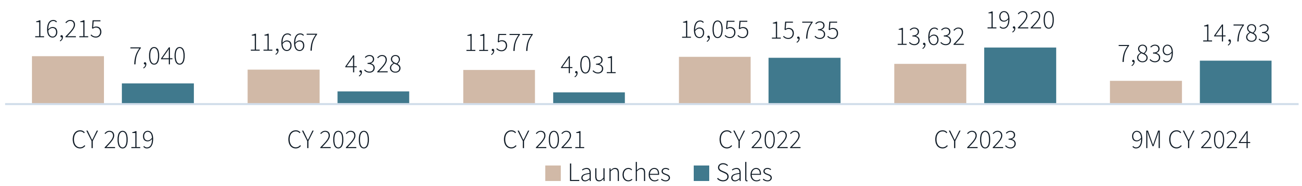
New Launches (CY 2019 – 9M CY 2024)	76,985 units (21% of Mumbai)
Sales (CY 2019 – 9M CY 2024)	65,137 units (22% of Mumbai)
Unsold Inventory (Sep 2024)	27,883 units (15% of Mumbai)
YTS (Sep 2024)	1.5 years
Capital Value growth (Sep 2024 vs Dec 2019)	17.4%
Key Locations	Kalyan, Dombivli
Prominent real estate developers	Runwal Enterprises Limited*, Lodha Group, Dosti Realty, Marathon Realty, Raunak Group
Key demand drivers	Affordable housing options making it attractive to a wider range of homebuyers, improved connectivity to Mumbai city, Thane and Navi Mumbai through road networks and railway lines, Metro Line 5 will improve connectivity to Thane

Note: YTS is the expected number of years to sell the unsold inventory considering the rolling eight-quarter average sales of the city
Source: JLL Research
Note: * Including its subsidiaries, associate and Joint Venture, on a consolidated basis

Demand Supply Dynamics

The Kalyan-Dombivli submarket is the leading contributor to residential market activity in Mumbai, accounting for ~20-25% of the total sales and new project launches on average. Following the COVID-19 pandemic, the market witnessed a strong recovery, with residential sales in CY 2022 at more than 2x of the levels observed in CY 2019. This remarkable rebound highlight the resilience of the market. In CY 2023, sales increased by ~22% y-o-y, and in 2024, sales are on track to exceed CY 2023 levels, with the first nine months of CY 2024 already achieving 77% of the sales recorded in CY 2023.

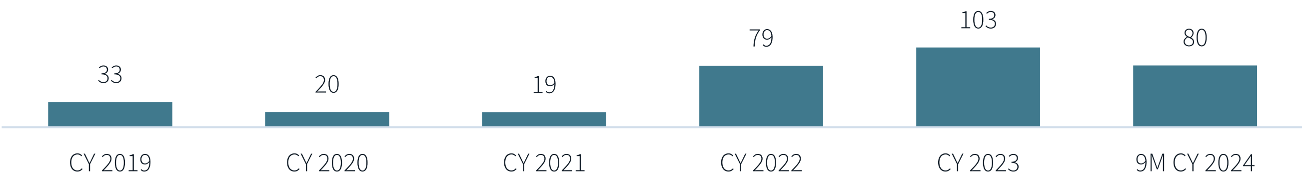
Figure 7.1: Trends in sales and new launches (no. of units)



Source: JLL Research

In terms of residential sales value, the market size more than tripled over a four-year period from CY 2019 to CY 2023.CY 2024 is expected to surpass the significant levels witnessed in CY 2023.

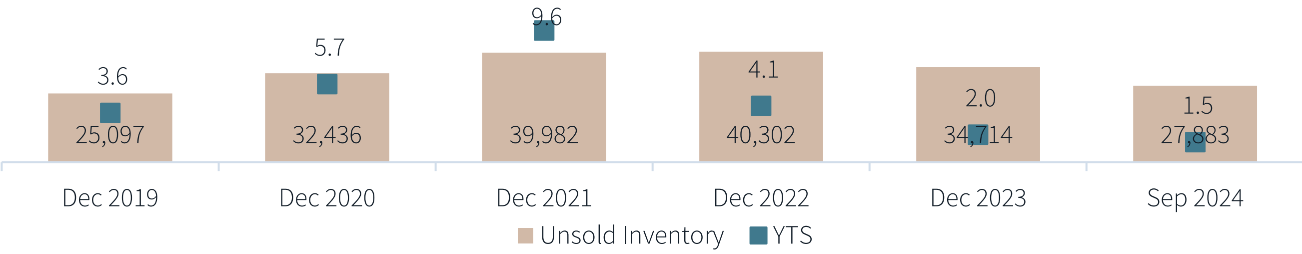
Figure 7.2: Trends in residential sales value (INR billion)



Source: JLL Research

The unsold inventory levels increased from ~25,097 units as of December 2019 to ~40,302 units as of December 2022. However, since December 2022, there has been a decrease in unsold inventory, and as of September 2024, it stands at 27,883 units. During the same time frame, the Years to Sell (YTS) metric has decreased from 4.1 years to 1.5 years.

Figure 7.3: Unsold Inventory (no. of units) and YTS

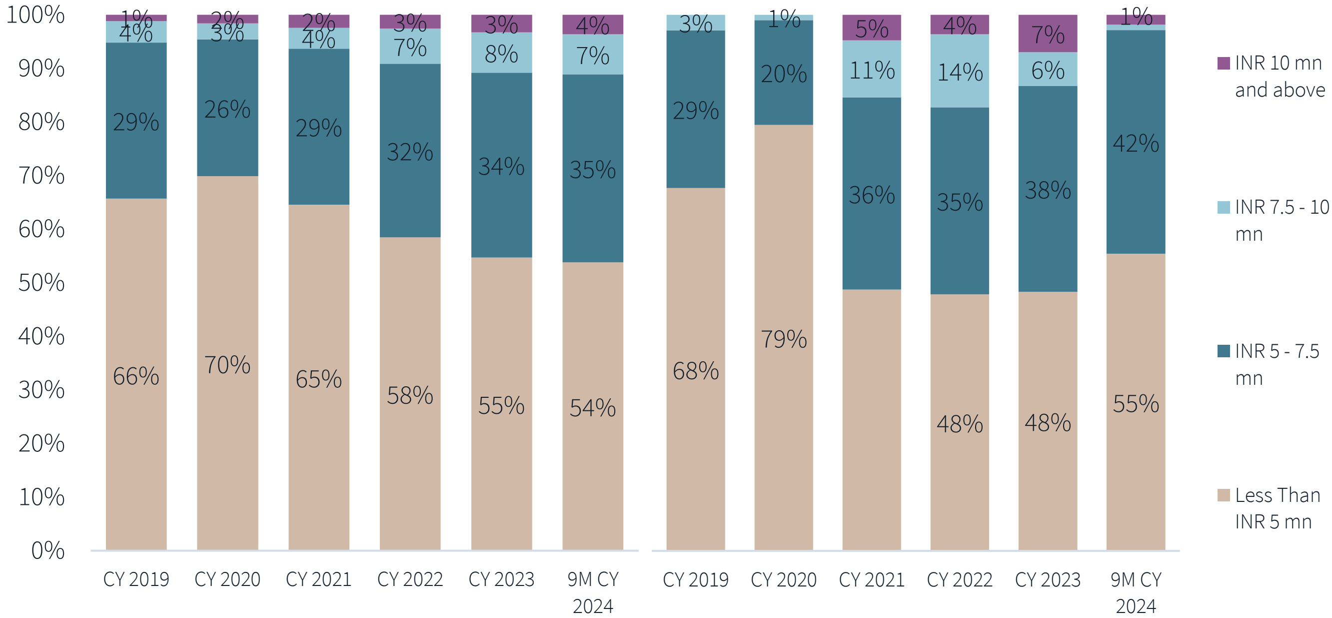


Note: YTS is the expected number of years to sell the unsold inventory considering the rolling eight-quarter average sales of the city
Source: JLL Research

Segmentation Based on Ticket Size

In terms of price segments, the Kalyan-Dombivli market is primarily focused on the affordable and lower-mid segments. The market activity is largely dominated by apartments in the price ranges of less than INR 5 mn and INR 5 – 7.5 mn.

Figure 7.4: Ticket-size wise segmentation of sales (left) and new launches (right)

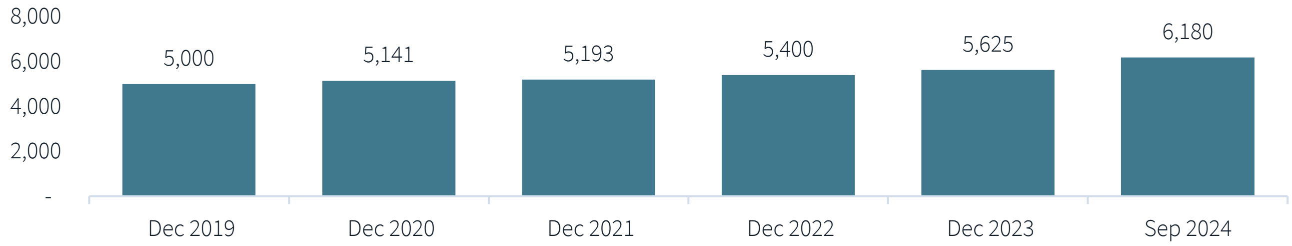


Source: JLL Research

Trends in Capital Values

Residential prices in the Kalyan-Dombivli submarket experienced marginal growth from CY 2019 to CY 2021. However, over the past 2.75 years, the capital values of residential properties in Kalyan-Dombivli have witnessed a cumulative increase of ~13.1%. As of September 2024, the average capital value in the submarket stands at around INR 6,180 per sq ft on saleable area.

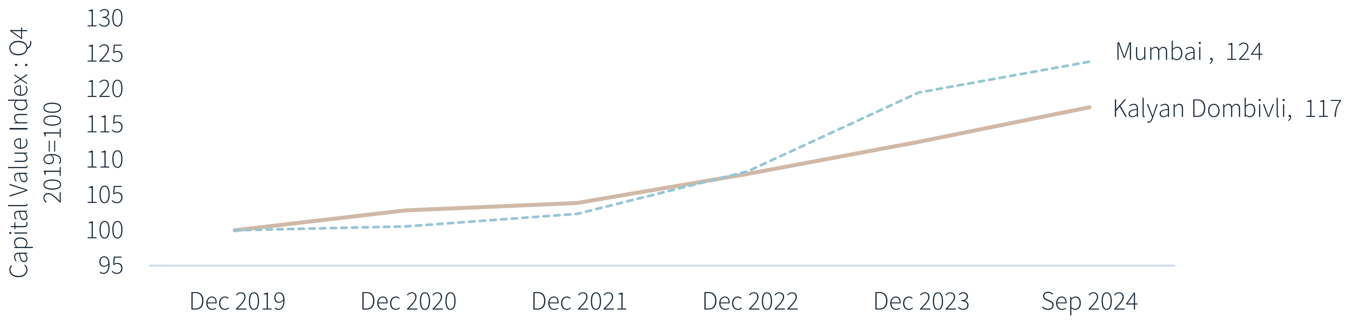
Figure 7.5: Trends in capital values, INR/sq ft



Source: JLL Research

While the pace of capital appreciation in Kalyan-Dombivli may have been slower compared to the average capital value increase in Mumbai, it is important to note that quality projects by branded developers have consistently outperformed the market, commanding premium prices.

Figure 7.6: Capital value index, Kalyan Dombivli vs Mumbai



Source: JLL Research

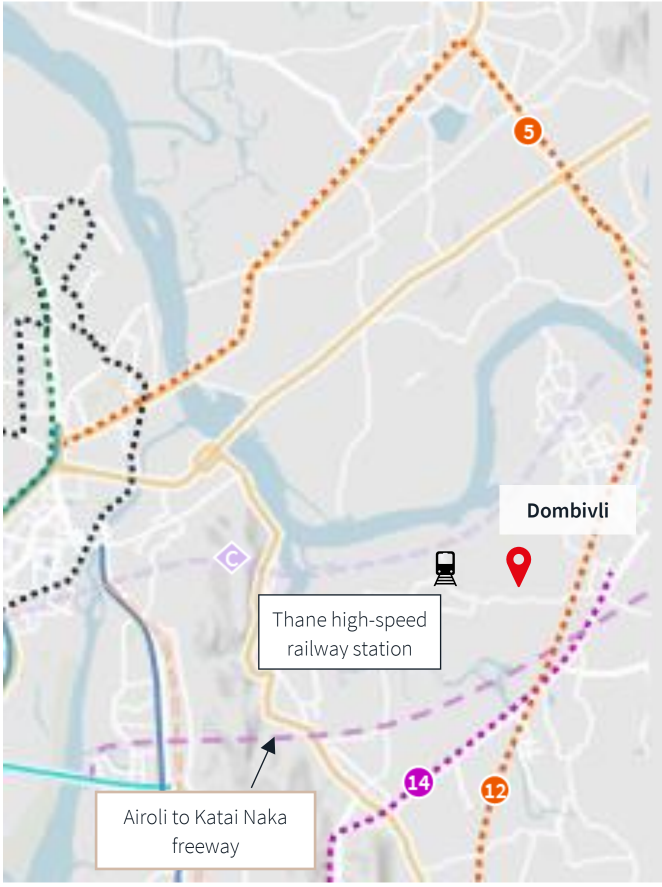
Outlook

As discussed previously, Mumbai's western and southern regions, constrained by the Arabian Sea and burdened with an oversaturated real estate market, now confront intrinsic limitations to further expansion. These areas, long considered the city's prime locations, have reached a point of near saturation. In stark contrast, Mumbai's eastern sector has emerged as a dynamic frontier, brimming with untapped potential. This region stands poised to spearhead the next wave of the city's real estate evolution.

Within the eastern sector, Dombivli with its vast swathes of developable land, coupled with ongoing and planned infrastructure improvements is set to emerge as the new epicentre of Mumbai's urban real estate growth. Strategically located along the Central Railway line, Dombivli benefits from its proximity to key business districts while maintaining a reasonable distance from the congested city centre. The area's appeal is further enhanced by significant infrastructure projects, including the upcoming Metro Line 5 connecting Thane to Kalyan, proposed Metro Line 12 connecting Dombivli to Navi Mumbai, the Airoli to Katai Naka freeway which improves access to Thane, and the Mumbai–Ahmedabad high-speed rail corridor which will drastically reduce the commute time to BKC.

Moreover, compared to Mumbai's prime areas, Dombivli offers more affordable housing options, attracting first-time homebuyers and young professionals. The availability of substantial land parcels for large-scale residential projects allows developers to create integrated townships and modern housing complexes, a rarity in Mumbai's saturated core. This development is complemented by rapidly improving social infrastructure, including established educational institutions, healthcare facilities, shopping centres, and entertainment venues. The area offers a better quality of life with less congestion, more open spaces, and planned development compared to many parts of Mumbai. With ongoing and planned developments, there is potential for property values in Dombivli to appreciate significantly in the coming years, making it an attractive investment destination.

Figure 7.7: Impact of upcoming infrastructure projects



Project name	Impact
Metro Line 5: Kalyan – Thane (2026)	Improved connectivity through MRTS and reduced commute to the business district of Thane
Metro Line 12: Extension of Line 5, Kalyan – Dombivli – Taloja (planning phase)	Connectivity to Navi Mumbai airport through linkages with the Navi Mumbai metro, commute time to be reduced by ~50%
Metro Line 14: Vikhroli – Badlapur (planning phase)	Provides access to the commercial hubs like Vikhroli and Powai through MRTS, thereby reducing travel time to a large extent. Currently, travel time can vary anywhere between 1-2 hours
Mumbai–Ahmedabad high-speed rail corridor (2027)	The proposed Thane station of the corridor is situated in Dombivli. With BKC being another station, travel time to the de-facto Central Business District of Mumbai will reduce from the current 75 – 150 minutes to ~20 minutes
Airoli to Katai Naka Freeway (2025)	Travel time to Airoli, the IT hub of Mumbai will reduce from the current 45 minutes – 90 minutes to ~20 minutes

Source: JLL Research

Table 7: Future Growth Potential of Dombivli

Location	Travel time to key commercial hubs	Average Residential Capital Value (INR/sq ft on saleable area)
Dombivli (Kalyan-Dombivli)	BKC: ~75 – 150 mins Airoli: ~45 – 90 mins (will reduce to ~20 mins post completion of proposed infrastructure developments)	5,000 – 6,000
Kandivali (Western Suburbs II)	BKC: ~60 – 120 mins Airoli: ~60 – 120 mins	18,000 – 20,000
Ghodbunder Road (Thane)	BKC: ~60 – 120 mins Airoli: ~30 – 60 mins	13,000 – 15,000
Kharghar (Navi Mumbai)	BKC: ~60 – 120 mins Airoli: ~30 – 60 mins	9,500 – 10,500

A significant pricing arbitrage exists between Dombivli and other mentioned peripheral locations. Upcoming infrastructure projects are set to reduce travel time from Dombivli to commercial hubs like BKC and Airoli to ~20 minutes. This improved connectivity is expected to substantially enhance Dombivli's attractiveness as a residential market, leading to increased demand and, consequently, higher sales volumes. As a result, the residential price gradient is likely to diminish, with property prices in Dombivli gradually approaching levels seen in these peripheral markets.

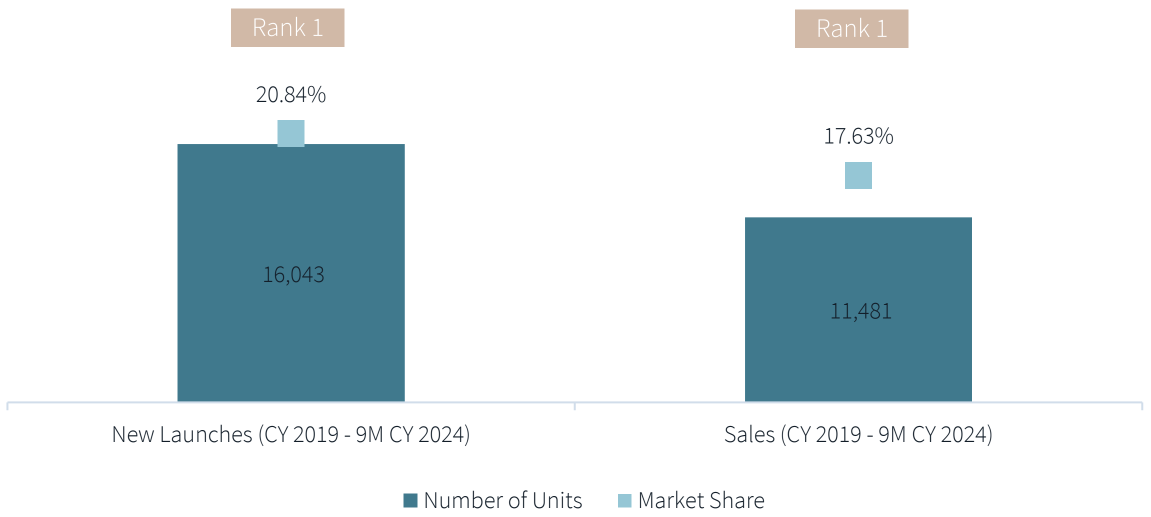
Source: JLL Research

Market Share and Relative Positioning of Runwal Enterprises Limited*

Runwal Enterprises Limited* is the top ranked developer in Kalyan-Dombivliin terms of new launches and sales between CY 2019 and 9M CY 2024. Runwal Enterprises Limited* has launched ~16,043 units and successfully sold around 11,481 units between CY 2019 and 9M CY 2024 within the submarket representing ~20.84% of the new launches and around 17.63% of the sales in the submarket during this period.

Within Kalyan-Dombivli, Dombivli accounts for ~65-70% of the sales and launch activity in the overall submarket. Runwal Enterprises Limited* has established a formidable presence in the micro-market of Dombivli through township projects.

Figure 7.8: Residential new launches and sales by Runwal Enterprises Limited*



Note:
(1) Rank is calculated in terms of market share of units launched and units sold
(2) Runwal Enterprises Limited's residential new launches and sales data above includes the Runwal Gardens, Runwal My City and Betawde projects.
Source: Company, JLL Research
Note: * Including its subsidiaries, associate and Joint Venture, on a consolidated basis

Chapter 8: South Mumbai Submarket Overview

Introduction

South Mumbai's residential market epitomizes luxury and prestige, with properties in areas like Malabar Hill and Worli commanding some of the world's highest values. Offering stunning sea views and skyline vistas, these upscale neighbourhoods feature opulent mansions and exclusive penthouses. The area boasts top-tier educational institutions, shopping, dining, and cultural landmarks. South Mumbai remains a coveted choice for affluent buyers and investors, blending heritage charm with modern luxury in India's financial capital.

Table 8: Market Snapshot

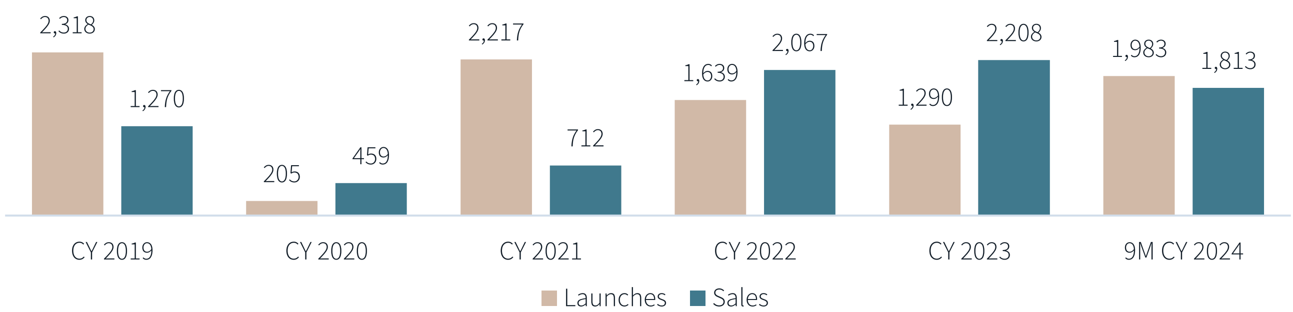
New Launches (CY 2019 – 9M CY 2024)	9,652 units (3% of Mumbai)
Sales (CY 2019 – 9M CY 2024)	8,529 units (3% of Mumbai)
Unsold Inventory (Sep 2024)	7,250 units (4% of Mumbai)
YTS (Sep 2024)	3.1 years
Capital Value growth (Sep 2024 vs Dec 2019)	6.2%
Prominent real estate developers	Lodha Group, Piramal Realty, Oberoi Realty, Kalpataru Group, K Raheja Corp, Sugee Group, Runwal Enterprises Limited*
Key demand drivers	Prime location with proximity to key office clusters like Lower Parel, Worli; proximity to iconic landmarks and entertainment hubs; high quality infrastructure and amenities with exclusive retail destinations, fine dining restaurants and luxury hotels; synonymous with prestige, luxury, and an unparalleled lifestyle; Coastal Road and upcoming Metro Line 3 will improve connectivity to suburban submarkets

Note: YTS is the expected number of years to sell the unsold inventory considering the rolling eight-quarter average sales of the city
Source: JLL Research

Demand Supply Dynamics

The South Mumbai submarket typically contributes ~3-5% of the total sales and new project launches in the city. The market is characterized by limited land availability, therefore limiting launch activity within the market. Post the COVID-19 pandemic, the submarket has experienced a robust recovery in sales. In CY 2023, residential sales reached nearly twice the levels observed in CY 2019 and 9M CY 2024 is already at 82% of CY 2023 full year figures.

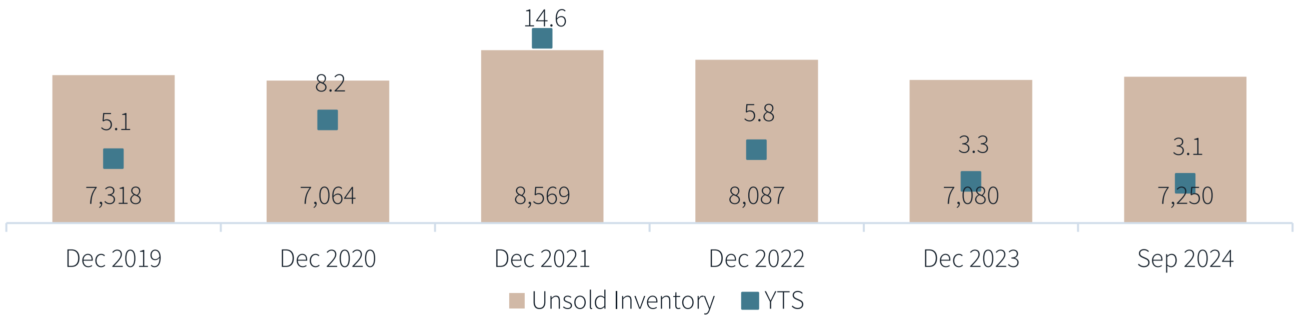
Figure 8.1: Trends in sales and new launches (no. of units)



Source: JLL Research

Unsold inventory levels have decreased from ~7,318 units as of December 2019 to ~7,250 units as of September 2024. The YTS (Years to Sell) metric has also decreased from 5.1 years to 3.1 years during the same time frame.

Figure 8.2: Unsold Inventory (no. of units) and YTS

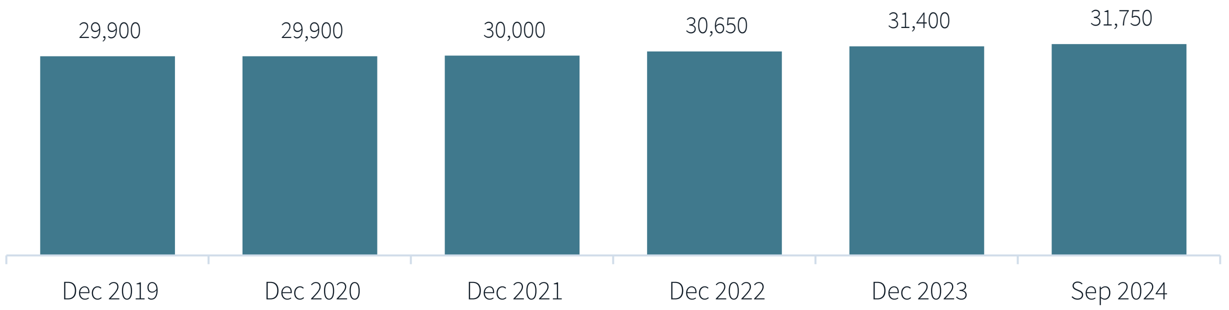


Note: YTS is the expected number of years to sell the unsold inventory considering the rolling eight-quarter average sales of the city
Source: JLL Research

Trends in Capital Values

South Mumbai stands as the epitome of luxury and exclusivity, commanding the highest property rates in Mumbai. As of September 2024, the average capital value in this submarket is ~INR 31,750 per sq ft on saleable area. Despite its premium status, residential prices in South Mumbai have shown remarkable stability over time. Over a period of 4.75 years, the capital values in the submarket have witnessed a cumulative increase of ~6.2%.

Figure 8.3: Trends in capital values, INR/sq ft



Source: JLL Research

Market Share and Relative Positioning of Runwal Enterprises Limited*

Runwal Enterprises Limited* extended its footprint into the esteemed submarket of South Mumbai with a recently launched luxury residential project in the prominent location of Mahalaxmi. This project encompasses a saleable area of ~2.84 mn sq ft. With this foray into South Mumbai, Runwal Enterprises Limited* aims to establish itself as a market leader within this prime submarket. In addition to the project in Mahalaxmi, the group has extensive plans for multiple projects over the next five years in distinguished locations, including Girgaon and Mazgaon. These planned developments signify Runwal Enterprises Limited's*commitment to elevating their position in the submarket and further establishing their reputation for delivering luxury residential offerings.

Note: * Including its subsidiaries, associate and Joint Venture, on a consolidated basis

Chapter 9: Central Mumbai Submarket Overview

Introduction

Central Mumbai's residential submarket has emerged as a prime urban destination, epitomizing the city's transformation from an industrial hub to a modern metropolis. Encompassing areas like Chembur, Byculla, Wadala and Matunga, this submarket has undergone a remarkable evolution over the past two decades. The submarket's strategic location between South Mumbai's traditional business district and the suburban commercial hubs provides unparalleled connectivity, further enhanced by ongoing infrastructure projects like metro lines and coastal roads. This prime positioning, coupled with proximity to top-tier educational institutions, healthcare facilities, and cultural landmarks, significantly boosts its appeal.

Table 9: Market Snapshot

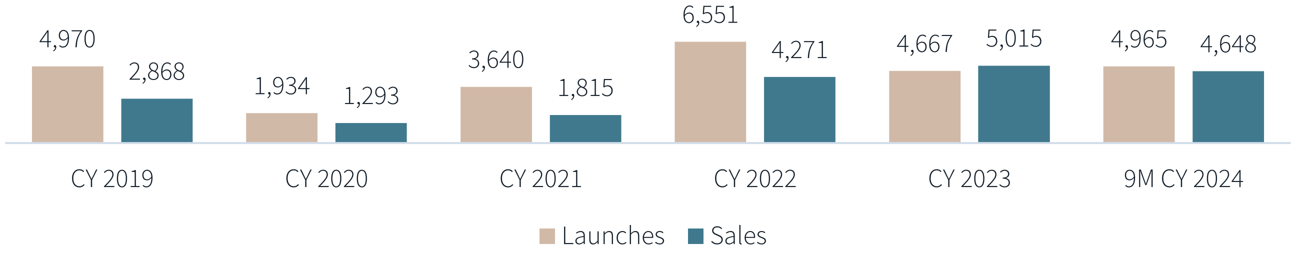
New Launches (CY 2019 – 9M CY 2024)	26,727 units (7% of Mumbai)
Sales (CY 2019 – 9M CY 2024)	19,910 units (7% of Mumbai)
Unsold Inventory (Sep 2024)	14,738 units (8% of Mumbai)
YTS (Sep 2024)	2.7 years
Capital Value growth (Sep 2024 vs Dec 2019)	11.1%
Prominent real estate developers	Lodha Group, Piramal Realty, Marathon Group, Ajmera Realty, Dosti Realty, Chandak Group, Godrej Properties, Prestige Group
Key demand drivers	Excellent connectivity to key business districts and entertainment hubs, - proximity to office clusters like BKC, Lower Parel, Worli, Nariman Point, Andheri, Vikhroli and Powai; quality social infrastructure and amenities; Coastal Road and upcoming metro lines will further improve connectivity to suburban and peripheral submarkets

Note: YTS is the expected number of years to sell the unsold inventory considering the rolling eight-quarter average sales of the city
Source: JLL Research

Demand Supply Dynamics

The Central Mumbai submarket typically contributes ~5-8% of the total sales and new project launches in the city. Post the COVID-19 pandemic, the submarket has experienced a robust recovery in sales. In CY 2023, residential sales surpassed 5,000 units, an increase of ~75% compared to the levels observed in CY 2019. Importantly, Jan - Sep 2024 is already at 93% of 2023 full year figures and is set to surpass the record sales witnessed in CY 2023.

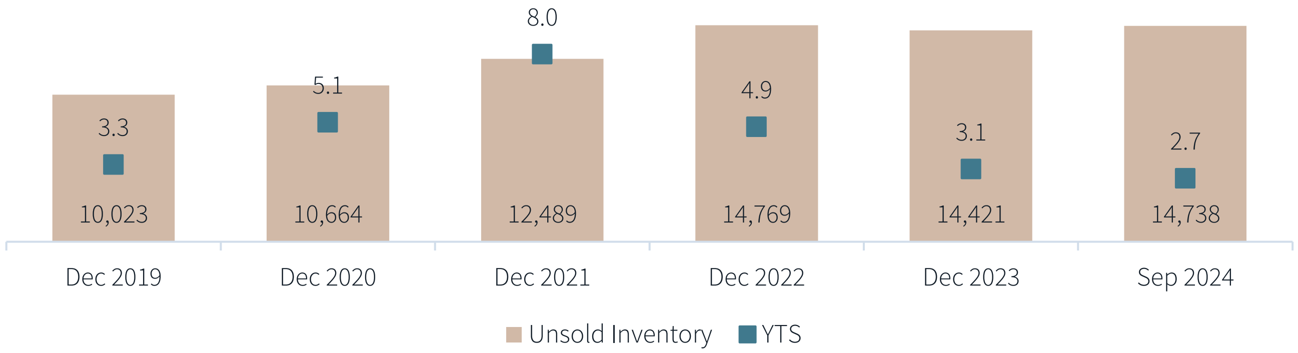
Figure 9.1: Trends in sales and new launches (no. of units)



Source: JLL Research

The unsold inventory levels increased from ~10,023 units as of December 2019 to ~14,738 units as of September 2024. However, during the same time frame, the Years to Sell (YTS) metric has decreased from 3.3 years to 2.7 years.

Figure 9.2: Unsold Inventory (no. of units) and YTS

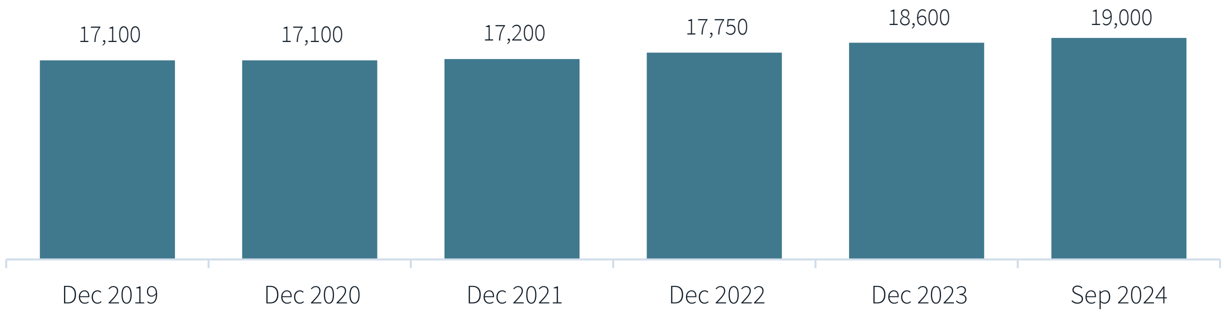


Note: YTS is the expected number of years to sell the unsold inventory considering the rolling eight-quarter average sales of the city
Source: JLL Research

Trends in Capital Values

Residential prices in the Central Mumbai submarket experienced marginal growth from 2019 to 2021. However, over the past 2.75 years, the capital values of residential properties in Central Mumbai have witnessed a cumulative increase of ~11.1%. As of September 2024, the average capital value in the submarket stands at around INR 19,000 per sq ft on saleable area.

Figure 9.3: Trends in capital values, INR/sq ft



Source: JLL Research

Market Share and Relative Positioning of Runwal Enterprises Limited*

Runwal Enterprises Limited* is strategically expanding its presence into the Central Mumbai submarket with a residential project in the sought-after neighbourhood of Chembur. This significant venture marks Runwal Enterprises Limited's* entry into Central Mumbai, positioning the company to become a dominant player in this highly competitive and lucrative submarket. Chembur's appeal has surged due to recently completed infrastructure initiatives that have dramatically enhanced its connectivity, coupled with growing real estate demand. These factors have transformed Chembur into one of the most sought-after destinations for residential developments in Central Mumbai. This strategic move not only diversifies Runwal Enterprises Limited's* portfolio but also aligns perfectly with its vision to lead Mumbai's evolving real estate landscape. By venturing into Chembur, Runwal Enterprises Limited* aims to meet the needs of urban homebuyers seeking prime locations, further cementing its reputation as a developer attuned to market trends and consumer preferences.

Note: * Including its subsidiaries, associate and Joint Venture, on a consolidated basis

Chapter 10: North Mumbai Submarket Overview

Introduction

North Mumbai is a prime residential submarket blending urban sophistication with cultural heritage. It offers diverse housing options from bungalows to luxury high-rises, attracting a wide range of residents. Strategically located with excellent connectivity, it's popular among professionals. The submarket boasts top-notch infrastructure, including schools, healthcare, retail, and entertainment venues, with iconic locations like Carter Road enhancing its appeal.

Table 10: Market Snapshot

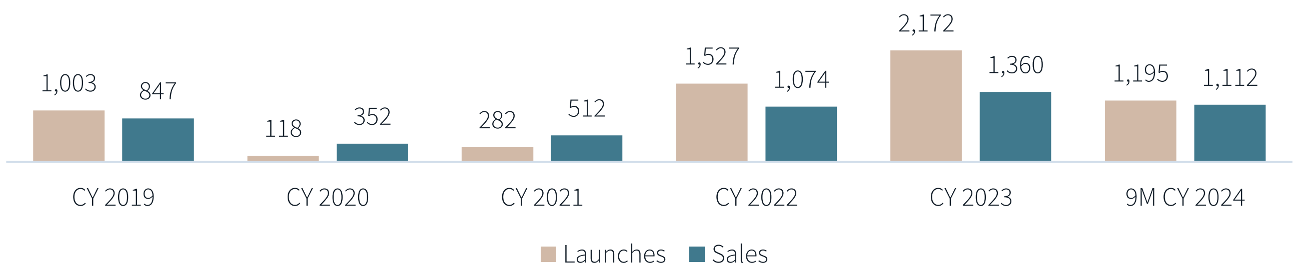
New Launches (CY 2019 – 9M CY 2024)	6,297 units (2% of Mumbai)
Sales (CY 2019 – 9M CY 2024)	5,257 units (2% of Mumbai)
Unsold Inventory (Sep 2024)	4,417 units (2% of Mumbai)
YTS (Sep 2024)	3.2 years
Capital Value growth (Sep 2024 vs Dec 2019)	9.8%
Prominent real estate developers	Ajmera Realty, Kolte Patil, Kalpataru Group, Raymond Realty, Rustomjee, Shapoorji Pallonji
Key demand drivers	Strategic position between South Mumbai and the Western Suburbs makes it highly desirable, offering a perfect balance of connectivity and exclusivity; high-profile submarket with proximity to key office clusters like BKC, Lower Parel and Worli; cosmopolitan atmosphere, vibrant nightlife, trendy restaurants, and shopping destinations, appealing to a diverse demographic; ongoing redevelopment of old buildings into modern, high-end residential complexes, attracting buyers looking for new inventory in a prime location

Note: YTS is the expected number of years to sell the unsold inventory considering the rolling eight-quarter average sales of the city
Source: JLL Research

Demand Supply Dynamics

The North Mumbai submarket typically contributes ~1-2% of the total sales and new project launches in the city. The market is characterized by limited land availability, therefore limiting launch activity within the market. Most of the new project launches are through the redevelopment route. Post the COVID-19 pandemic, the submarket has experienced a robust recovery in sales. In CY 2023, residential sales reached 1.6x the levels observed in CY 2019 and Jan - Sep 2024 is already at 82% of CY 2023 full year figures.

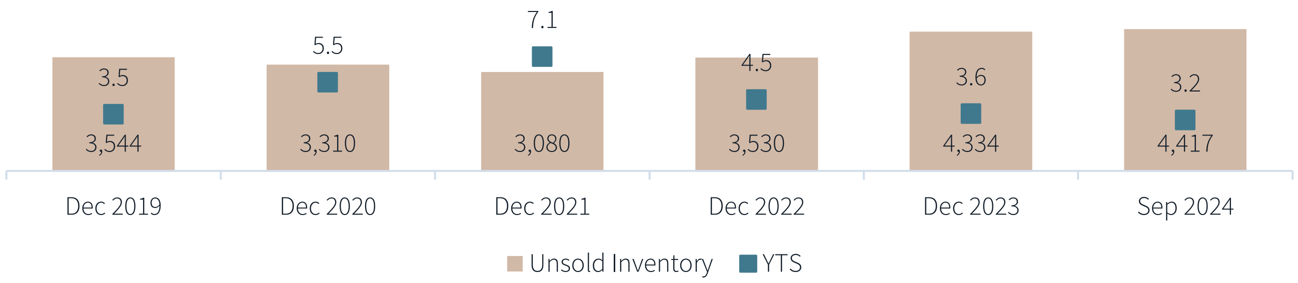
Figure 10.1: Trends in sales and new launches (no. of units)



Source: JLL Research

The unsold inventory levels increased from ~3,544 units as of December 2019 to ~4,417 units as of September 2024. However, during the same time frame, the Years to Sell (YTS) metric has decreased from 3.5 years to 3.2 years.

Figure 10.2: Unsold Inventory (no. of units) and YTS

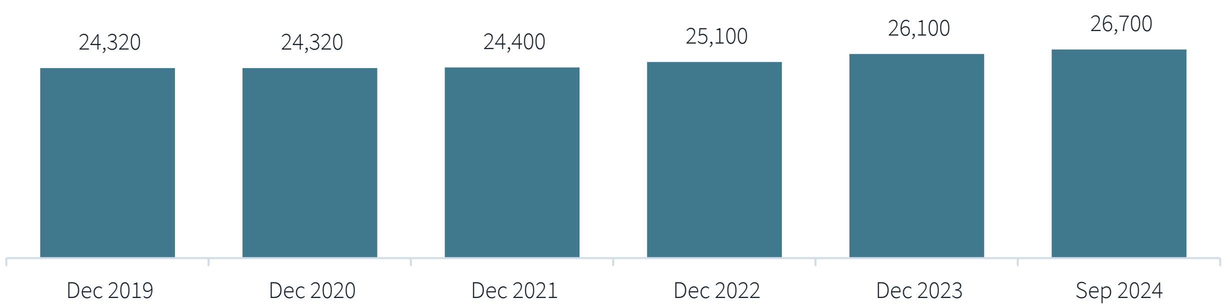


Note: YTS is the expected number of years to sell the unsold inventory considering the rolling eight-quarter average sales of the city
Source: JLL Research

Trends in Capital Values

North Mumbai has established itself as a premier destination for luxury real estate, boasting the second-highest property rates in the city. As of September 2024, it commands an impressive average capital value of ~INR 26,700 per sq ft on saleable area. This premium pricing reflects North Mumbai's desirability, its high-end amenities, and its status as a coveted address for discerning homebuyers and investors.

Figure 10.3: Trends in capital values, INR/sq ft



Source: JLL Research

Market Share and Relative Positioning of Runwal Enterprises Limited*

Runwal Enterprises Limited* is making a strategic foray into the prestigious North Mumbai submarket with an ambitious residential project in the highly coveted neighbourhood of Bandra. This landmark venture signifies Runwal Enterprises Limited's* entry into one of Mumbai's most competitive and lucrative real estate markets,. Bandra's unique blend of cosmopolitan charm, cultural heritage, and modern amenities continues to attract discerning homebuyers and investors alike. By venturing into Bandra, Runwal Enterprises Limited* is not merely expanding its geographical footprint; it is strategically aligning itself with Mumbai's evolving real estate landscape. This move diversifies the company's already impressive portfolio and demonstrates its acumen in identifying and capitalizing on high-potential markets.

Note: * Including its subsidiaries, associate and Joint Venture, on a consolidated basis

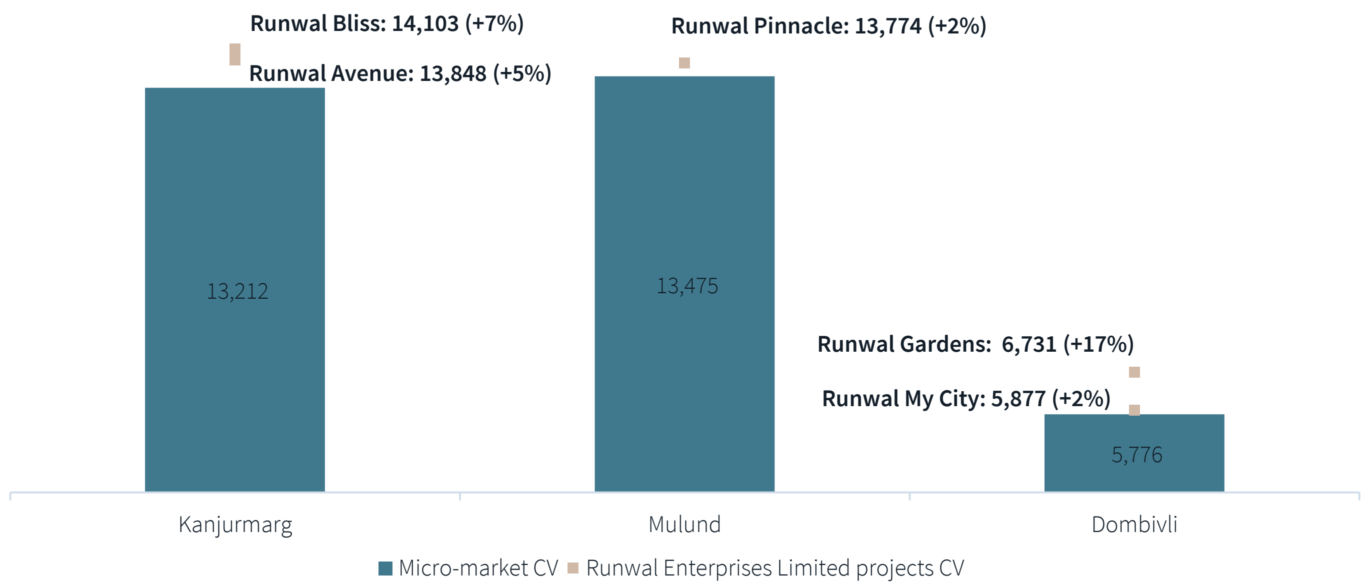
Chapter 11: Runwal Enterprises Limited's* Premium Pricing Potential

Residential properties in Kanjurmarg and Mulund exhibit average capital values (based on saleable area) of ~INR 13,211 and INR 13,475 per sq ft, respectively. Notable, however, is the ability of renowned developers such as Runwal Enterprises Limited* to command higher prices, attributable to their exceptional amenities, thoughtful designs, and superior construction quality.

In Kanjurmarg, Runwal Enterprises Limited's* developments - Runwal Bliss and Runwal Avenue - achieve a price premium of roughly 5-7% above the area's mean capital value. Likewise, in Mulund, the Runwal Pinnacle project secures a premium of about 2% over local averages.

Shifting focus to Dombivli, the typical capital value for residential units (based on saleable area) hovers around INR 5,776 per sq ft. Even in this more affordable market, Runwal Gardens manages to attain a price advantage of ~17% compared to the local average.

Figure 11.1: Pricing achieved by select Runwal Enterprises Limited*projects, September 2024



Source: Company, JLL Research

Note: * Including its subsidiaries, associate and Joint Venture, on a consolidated basis

Chapter 12: Overview of Township Projects

Introduction

Township residential projects in Mumbai have emerged as the perfect solution to cater to the growing demand for modern, comfortable, and sustainable living spaces. These projects offer a comprehensive lifestyle experience, combining residential units with an array of amenities and facilities, all within a self-sufficient and self-contained community.

A township project typically spans over a large area, incorporating beautifully landscaped gardens, lush green spaces, walking paths, and recreational areas. The architectural design of these projects aims to optimize space and enhance the overall living experience. A range of housing options, from luxurious high-rise apartments to spacious villas and townhouses, catering to various preferences and budget are available within township projects. These residential townships are meticulously planned with a focus on providing residents with all essential amenities within their vicinity. From schools, hospitals, and shopping complexes to sports facilities, clubhouse, and entertainment zones, townships ensure that residents have everything they need within easy reach. This not only enhances convenience but also fosters a strong sense of community and a holistic living experience.

One of the key advantages of township residential projects in Mumbai is the focus on sustainability and eco-friendly initiatives. These projects integrate energy-efficient systems, waste management techniques, and ample green spaces to harmonize with the environment and create a healthier living environment. Residents can enjoy cleaner air, reduced carbon footprint, and a sustainable lifestyle within the city. Furthermore, townships often feature high-end security systems and a well-maintained infrastructure, ensuring a safe and secure living environment for residents and their families. Gated entrances, CCTV surveillance, and professional security personnel provide peace of mind, allowing residents to embrace a worry-free lifestyle.

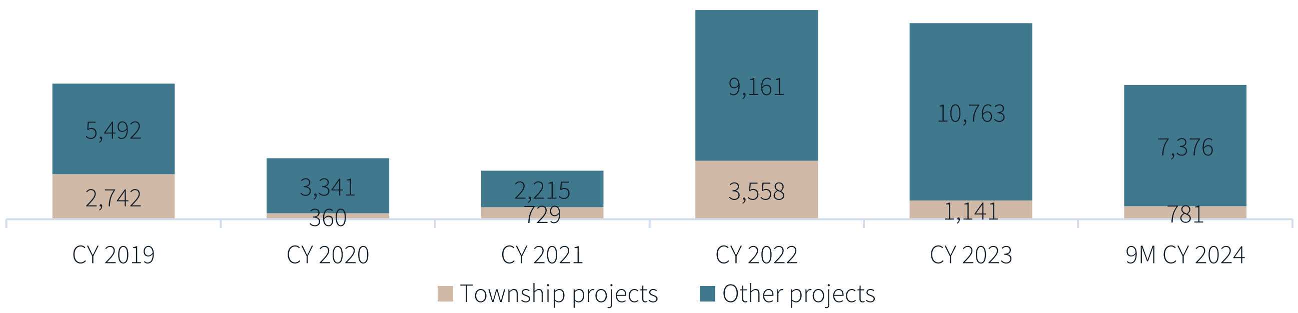
Due to the scarcity of land parcels in prime submarkets of Mumbai, most integrated townships are in peripheral submarkets such as Thane, Navi Mumbai, and Kalyan-Dombivli. These townships have flourished in terms of performance and popularity, offering residents an immersive and comprehensive living experience. Moreover, the COVID-19 pandemic has sparked renewed interest in township living, particularly among nuclear families and millennials who were previously inclined towards rental accommodations but are now actively considering residential properties within townships.

Performance in Relevant Submarkets

Eastern Suburbs

In this submarket, township projects are mostly concentrated in micro-markets like Vikhroli, Kanjurmarg and Mulund. Prominent developers with township projects in the submarket include Runwal, Godrej Properties, Prestige Group, Piramal Realty and L&T Realty. Between CY 2019 and 9M CY 2024, Eastern Suburbs has witnessed ~20% of the total residential new launches from township projects, with the highest share in CY 2019.

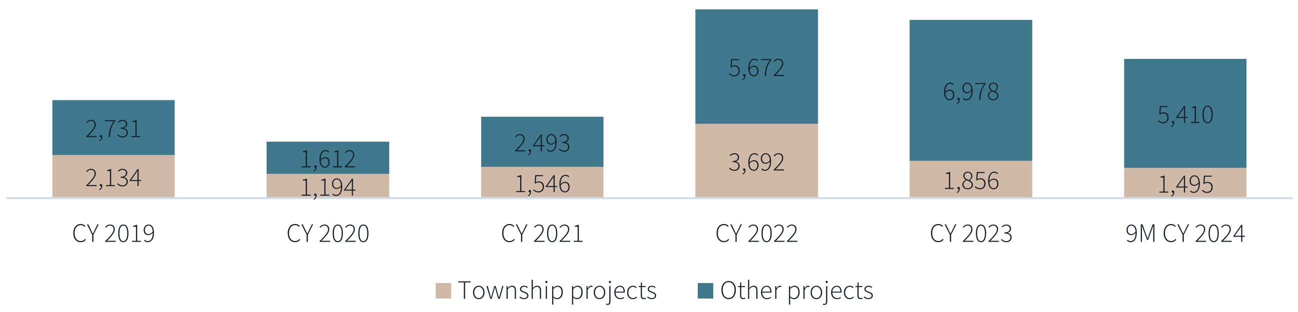
Figure 12.1: Trends in new launches (no. of units), Township projects vs others



Source: JLL Research

Between CY 2019 and 9M CY 2024, Eastern Suburbs has witnessed ~32% of the total residential sales from township projects, with the highest share in CY 2019.

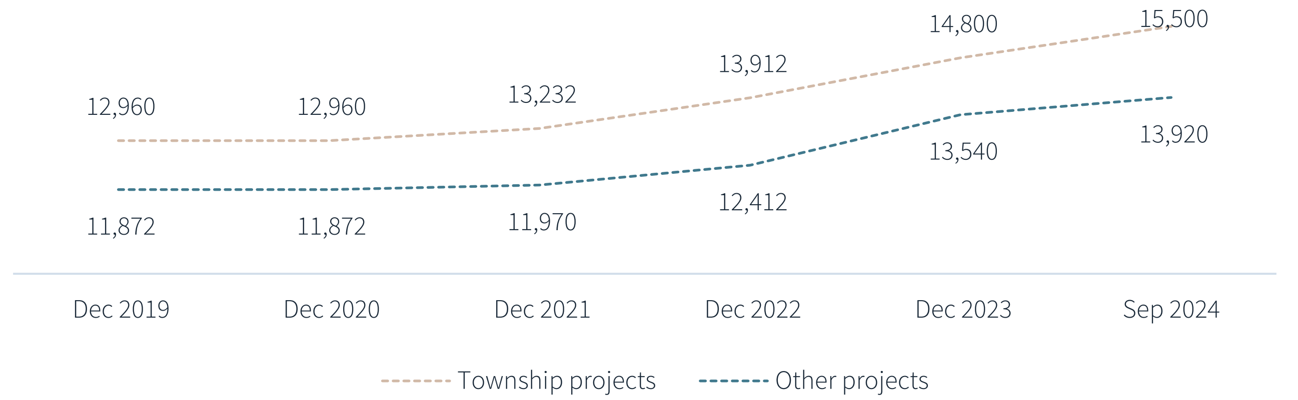
Figure 12.2: Trends in sales (no. of units), Township projects vs others



Source: JLL Research

Township projects in Eastern Suburbs have been able to command ~9 – 12% premium in pricing over other projects.

Figure 12.3: Trends in capital values (INR/sq ft on saleable area), Township projects vs others

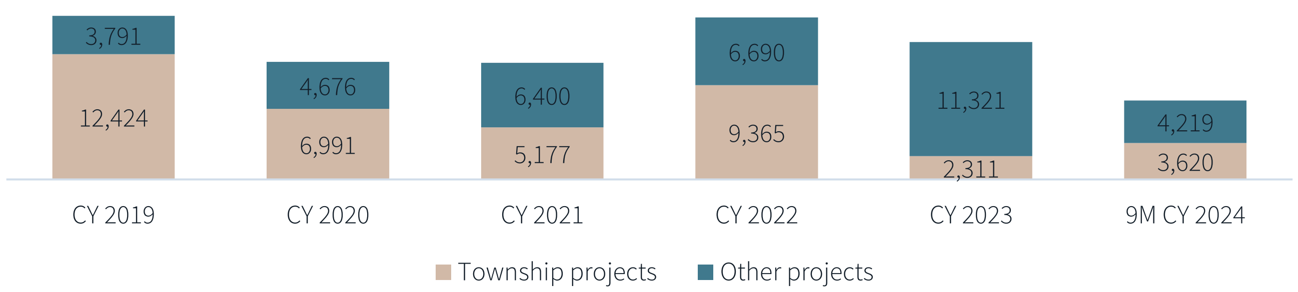


Source: JLL Research

Kalyan-Dombivli

In this submarket, township projects are mostly concentrated in Dombivli along the Kalyan-Shilphata Road. Prominent developers with township projects in the submarket include Runwal, Lodha Group and Raunak Group. Between CY 2019 and 9M CY 2024, Kalyan-Dombivli has witnessed ~52% of the total residential new launches from township projects, with the highest share in CY 2019.

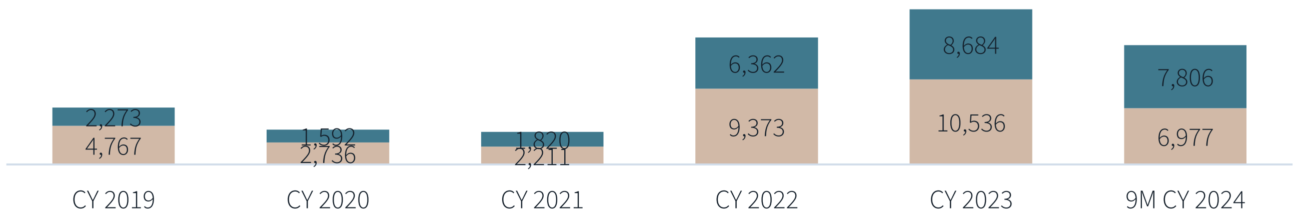
Figure 12.4: Trends in new launches (no. of units), Township projects vs others



Source: JLL Research

Between CY 2019 and 9M CY 2024, Kalyan-Dombivli has witnessed ~56% of the total residential sales from township projects, with the highest share in CY 2019.

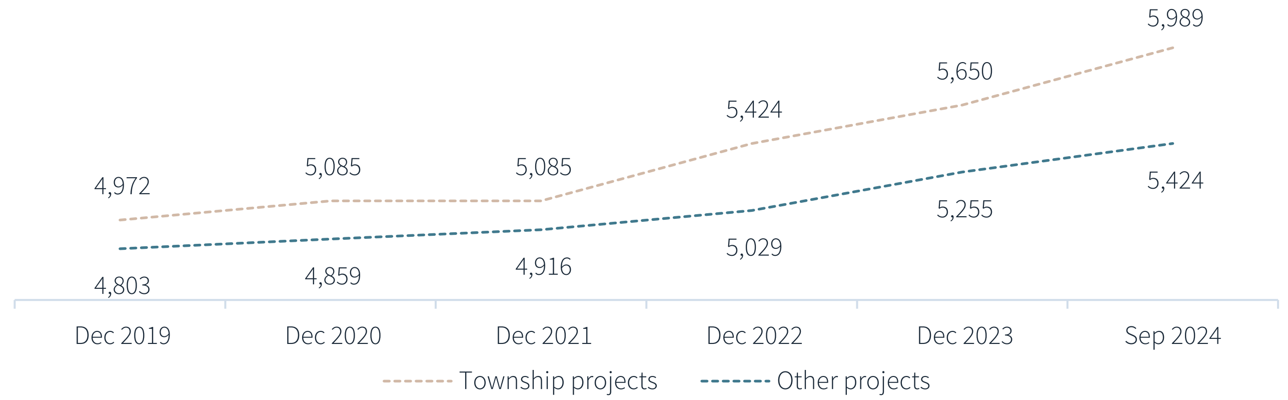
Figure 12.5: Trends in sales (no. of units), Township projects vs others



Source: JLL Research

Township projects in Kalyan-Dombivli have been able to command ~8 – 11% premium in pricing over other projects in the last 2.75 years. Moreover, the premium has increased over the years. From Dec 2019 – Dec 2021, the premium was in the range of ~3 – 5%, which increased to ~8 – 11% over Dec 2022 to September 2024.

Figure 12.6: Trends in capital values (INR/sq ft on saleable area), Township projects vs others



Source: JLL Research

Final Reflections

Across the analysed submarkets in Mumbai, township projects have consistently demonstrated a higher sales velocity compared to other residential developments. Township projects are able to command a price premium in their respective markets due to their unique value propositions. These integrated communities offer a comprehensive range of amenities, facilities, and conveniences, which create an enticing package for buyers. The self-sustaining nature of townships, with features such as educational institutes, healthcare facilities, retail centres, and recreational options, adds significant appeal to buyers. This indicates that potential customers show a strong preference for purchasing properties within township projects, even at a price premium.

Chapter 13: Mumbai Redevelopment Market

Introduction

Residential redevelopment presents a compelling opportunity for developers to meet the demand for housing in Mumbai's city core areas, offering modern and upgraded living options. The city's landscape is characterized by numerous old buildings, many of which are over 75 years old, creating a massive redevelopment opportunity. In the island city and suburban regions, the availability of sizable land for new greenfield development is limited, making redevelopment projects a crucial driver of new construction in these prime locations. Recognizing this need, the state government has undertaken various initiatives to unlock land parcels through the redevelopment of old residential properties, industrial establishments, conglomerate-owned land, and slums, among others. These redevelopment projects offer significant advantages, including the benefit of incremental Floor Space Index (FSI), which allows developers to construct buildings with more saleable area, thereby improving project viability and potentially offering better amenities to residents.

Table 11: Types of redevelopments in Mumbai

Self Redevelopment	In the concept of self-redevelopment, individual flat owners have the opportunity to gain additional space and financial resources. This means that each member can potentially enjoy an increase of 20% to 30% in their living area, and both the society as a whole or individual members can expect to receive a corpus (funds generated from the sale of some flats). This corpus can help offset the rise in maintenance costs and property taxes.
MHADA Redevelopment	MHADA redevelopment in Mumbai involves renovating or reconstructing MHADA (Maharashtra Housing and Area Development Authority) owned housing colonies to provide affordable housing for different segments of society. Residents of MHADA buildings are offered alternative accommodation during the redevelopment process. The aim is to provide residents with improved housing units that meet modern standards and offer better amenities
Co-operative Housing Society Redevelopment	Co-operative housing society redevelopment entails the demolition or extensive renovation of an existing building.This paves the way for a developer to construct a brand-new, contemporary structure in its location. Housing societies frequently opt for this approach as it offers several advantages, such as improved amenities, upgraded infrastructure, and a boost in property value. To initiate the process, the society enters into an agreement with the builder, who assumes full responsibility for the redevelopment project.
Slum Redevelopment	Slum redevelopment focuses on improving the living conditions of slum residents. It involves upgrading the infrastructure and providing secure and improved housing options. These initiatives are typically carried out through public-private partnerships or government-led programs. The aim is to create sustainable, planned communities with access to basic amenities. Existing slum structures may be demolished, and new buildings are constructed in their place.
Cessed Building Redevelopment	Cessed buildings are the older pre-1969 buildings in Mumbai where tenants pay a nominal cess to the Maharashtra Housing and Area Development Authority (MHADA). Redevelopment projects for cessed buildings involve replacing these structures with new buildings that comply with modern building norms and standards while accommodating the existing tenants. The society agrees with the developer for the redevelopment project, which includes securing necessary approvals, financing, and construction.
Cluster Redevelopment	Cluster development focuses on promoting economic growth in residential areas while preserving open spaces and environmental resources. It involves building houses closer together on specific plots of land rather than dispersing them uniformly across large areas. This approach may also include rehabilitating unsafe buildings and expediting the resolution of legal disputes related to such properties.. It aims to enhance the living conditions of residents, create vibrant communities, and improve the overall urban landscape.

Challenges in redevelopment projects

Some of the major issues faced during redevelopment process are as follows:

Consent of all society members: Obtaining consent from 51% of the society members for redevelopment can be challenging. Disagreements among members, varying interests, and concerns about the future of their homes can hinder the redevelopment process.

Delayed approvals and clearances: Redevelopment projects often face delays in obtaining necessary approvals and clearances from government authorities such as the BMC (Brihanmumbai Municipal Corporation) and MHADA (Maharashtra Housing and Area Development Authority). This can significantly prolong the redevelopment process.

Rehabilitation and relocation: Adequate rehabilitation and relocation of existing residents during the redevelopment process is a complex task. Providing temporary accommodation, ensuring fair compensation, and addressing concerns raised by residents can pose significant challenges.

Infrastructure and site constraints: Limited availability of open spaces, access roads, and infrastructure such as water supply and electricity can pose constraints on redevelopment projects. These challenges need to be addressed for successful implementation.

Funding and financial viability: Securing adequate funding for redevelopment projects can be a major hurdle. The financial viability and feasibility of the project, including raising funds for construction and meeting the costs of rehabilitation, need to be carefully assessed.

Litigation and legal disputes: Litigation involving ownership disputes, tenant rights, or disagreements between developers and society members can further delay the redevelopment process and add complexity to the project.

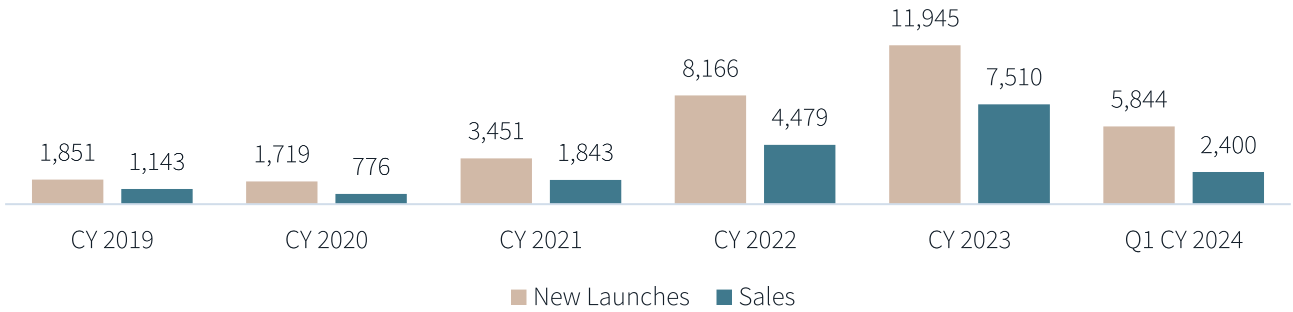
Quality of construction: Maintaining the quality of construction in tenement buildings is of utmost importance. There have been instances where developers prioritize cost savings over construction quality, leading to compromises in the final product.

These are some of the key issues faced during redevelopment projects in Mumbai, and addressing them requires coordination among stakeholders, adherence to regulations, and effective project management.

Redevelopment Demand Supply Dynamics

Redevelopment in Mumbai significantly slowed during the COVID-19 pandemic due to a lack of capital, construction manpower, and disrupted supply chains. The inconsistent functioning of government offices added to the challenges by delaying permissions and clearances required for projects. However, as the situation improved, the redevelopment momentum gained pace in CY 2022 and CY 2023 with robust new launches and sales of redevelopment projects during these years.

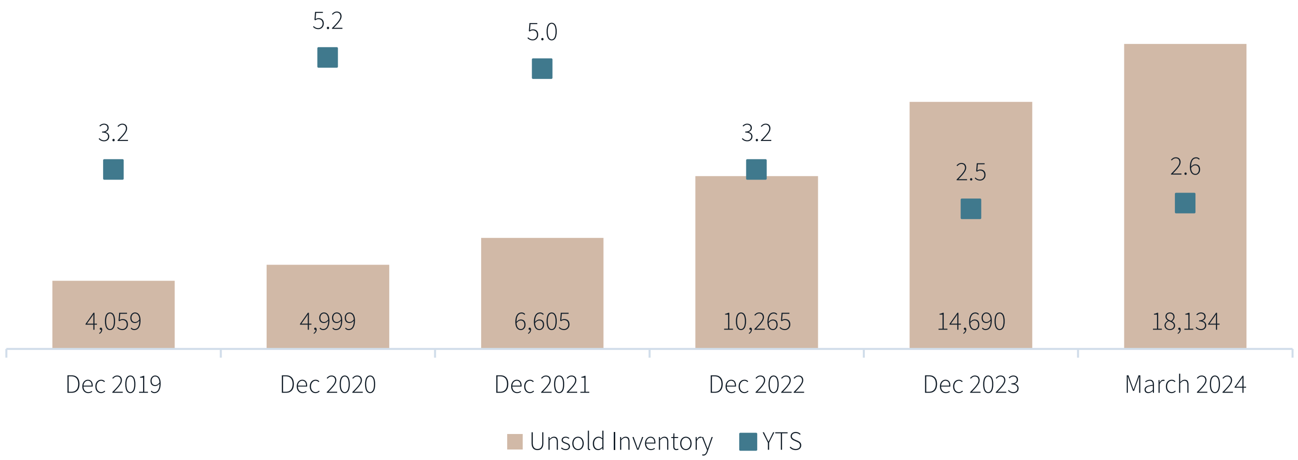
Figure 13.1: Trends in sales and new launches (no. of units)



Note: Mumbai includes Mumbai city, Mumbai suburbs, Thane city, Kalyan-Dombivli, and Navi Mumbai
Source: JLL Research

In the redevelopment market, the number of launches has surpassed sales, leading to an increase in unsold inventory. However, the Year to Sell (YTS) metric, which measures the expected time to liquidate this unsold stock, stands at 2.5 years. This suggests that despite the increase in absolute numbers of unsold inventory, it is being absorbed at a relatively faster pace.

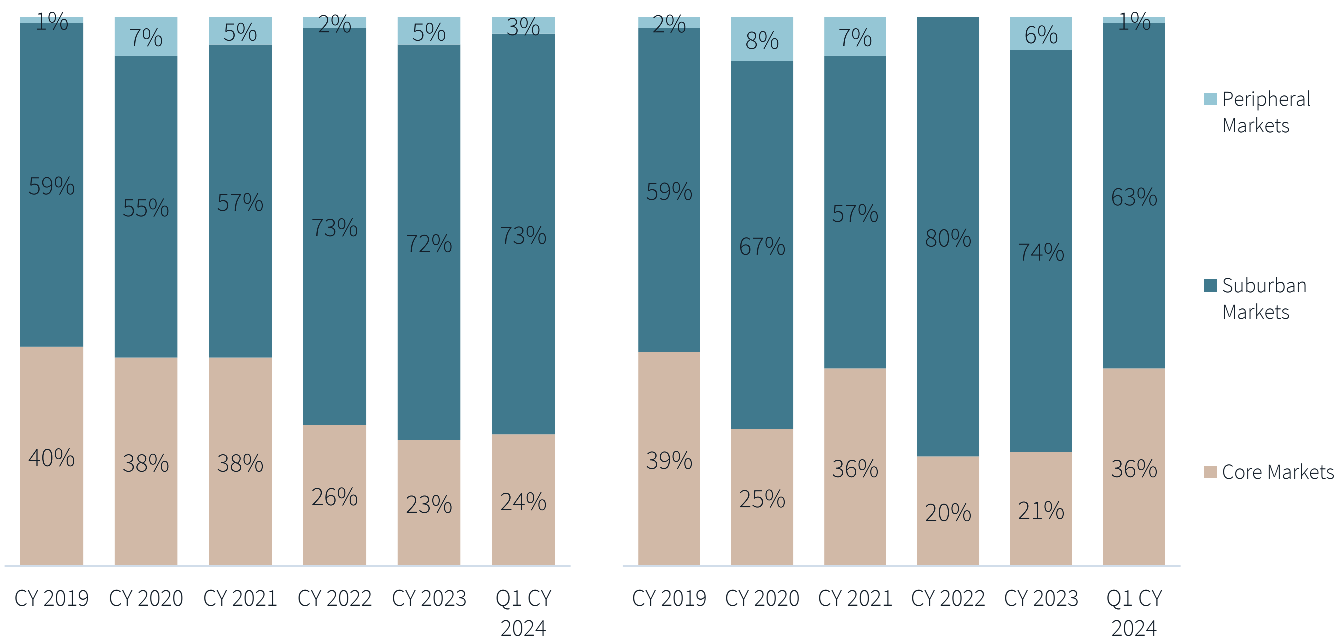
Figure 13.2: Unsold Inventory (no. of units) and YTS



Note: Mumbai includes Mumbai city, Mumbai suburbs, Thane city, Kalyan-Dombivli, and Navi Mumbai; YTS is the expected number of years to sell the unsold inventory considering the rolling eight-quarter average sales of the city
Source: JLL Research

While opportunities exist for redevelopment in core markets, suburbs offer potential for greater volume. In recent years, there has been a notable increase in activity for redevelopment projects in suburban markets, with nearly two-thirds of projects being launched in these areas. This can be attributed to the larger sizes of redevelopment projects in the suburbs, resulting in a higher average number of apartments per project compared to core city submarkets. Sales data reflects a similar trend, as redevelopment projects consistently demonstrate strong sales momentum regardless of their location in any of the key submarkets.

Figure 13.3: Market wise distribution of sales (left) and new launches (right)



Note: Mumbai includes Mumbai city, Mumbai suburbs, Thane city, Kalyan-Dombivli, and Navi Mumbai; Core Markets: South Mumbai, Central Mumbai & North Mumbai, Suburban Markets: Western Suburbs I, Western Suburbs II & Eastern Suburbs, Peripheral Markets: Thane, Kalyan-Dombivli & Navi Mumbai
Source: JLL Research

Chapter 14: Overview of Plotted Developments

The plotted development market near urban centres like Mumbai and Pune has experienced a significant resurgence, driven by a convergence of factors. The pandemic-induced shift towards hybrid working trends and a desire for spacious, customizable living environments in scenic locations has been a primary catalyst. This trend is bolstered by a growing preference for land ownership as a stable investment. The market's appeal is further enhanced by improved infrastructure, including better road connectivity and digital networks, making once-remote areas more accessible. This, coupled with the rebound in domestic tourism, has heightened interest in destinations such as Dombivli, Alibaug, Karjat, Lonavala and Murud-Janjira. The demand is also fuelled by changing lifestyle preferences, with an increased focus on health, wellness, and sustainable living. Regulatory improvements, including RERA implementation, have brought greater transparency and security to transactions, encouraging more organized development.

The market is attracting a diverse range of buyers, from multi-generational families seeking spacious retreats to young professionals looking for weekend getaways. Environmental consciousness and the desire for eco-friendly living options are shaping development trends. Technological advancements, including virtual property tours and smart home features, are simplifying the buying process and property management. Additionally, the cultural shift towards valuing work-life balance and the aspiration of owning multiple properties for different purposes continue to drive market growth. As a result, investors are strategically positioning themselves in key second home corridors, anticipating sustained demand and potential for appreciation in these evolving markets.

Dombivli

Dombivli's plotted development market has witnessed steady growth, establishing itself as an emerging destination for affordable land ownership within the Mumbai Metropolitan Region. Located about 48 km from Mumbai, its appeal has increased with improved connectivity, particularly the enhancement of suburban railway services and ongoing metro projects. The market offers various options, from small residential plots to larger parcels suitable for individual houses and small gated communities. Prices in Dombivli's plotted development market vary, with properties in well-developed areas commanding INR 3,000 to 6,000 per sq ft, while plots in developing localities typically fetch INR 1,500 to 3,000 per sq ft. This range attracts a mix of first-time land buyers, local residents looking to build custom homes, and small-scale investors. Demand is driven by the growing desire for land ownership, the flexibility to build customized homes, and the potential for long-term appreciation in a rapidly developing suburb. Local developers and some regional players have entered the market, introducing structured plot schemes with basic infrastructure and amenities. However, the market faces challenges including limited availability of large land parcels and the need for further infrastructure development to support growing populations.

Looking ahead, Dombivli's plotted development market is poised for continued growth, supported by ongoing and proposed infrastructure projects like the Mumbai Metro Line 5 and road widening initiatives. The trend towards suburban living post-pandemic has also expanded the potential buyer pool. The market's long-term sustainability depends on balanced development that addresses infrastructure needs while maintaining affordability. Dombivli remains an attractive option for those seeking land ownership opportunities near Mumbai, offering a more accessible entry point into real estate compared to the city's core areas. While it may not match the premium appeal of coastal destinations like Alibaug, Dombivli's plotted development market caters to a different segment, focusing on practical, affordable land ownership within a commutable distance to Mumbai.

Alibaug

Alibaug's plotted development market has experienced substantial growth, establishing itself as a sought-after destination for second homes and weekend retreats. Located about 100 km from Mumbai, its appeal has surged with improved accessibility, particularly the introduction of Ro-Ro ferry services. The market offers diverse options, from premium beachfront plots to inland parcels suitable for farmhouses and gated communities. Prices range widely, with beachfront properties in prime areas commanding INR 5,000 to 15,000 per sq ft, while inland plots typically fetch INR 2,000 to 5,000 per sq ft. This variety attracts both high-net-worth individuals and aspiring second-home owners.

Demand is driven by the post-pandemic preference for spacious, nature-proximate living, the allure of customizable homes, and the potential for long-term appreciation. Organized developers like Hiranandani Communities, Mahindra Group, HOABL and Emaar have entered the market, introducing structured developments with modern amenities. However, the market faces challenges including coastal regulation zone restrictions, occasional water scarcity, and the need for further infrastructure development.

Looking ahead, Alibaug's market is set for continued growth, bolstered by ongoing and proposed infrastructure projects like the Virar-Alibaug Multi-Modal Corridor. The trend towards hybrid work has also expanded the potential buyer pool. The market's long-term sustainability hinges on balanced development that preserves the region's natural beauty while addressing infrastructure needs. Alibaug remains an attractive option for those seeking coastal charm near Mumbai, offering diverse opportunities in its plotted development market.

Murud-Janjira

The plotted development market in Murud-Janjira, located approximately 165 km south of Mumbai in Maharashtra's Raigad district, is an emerging segment in the coastal real estate landscape. This area, known for its pristine beaches and the historic Janjira Fort, is gaining traction as a potential alternative to more established coastal destinations. Murud-Janjira's market is characterized by its nascent stage of development, offering a mix of beachfront plots, agricultural land suitable for farmhouses, and smaller residential plots in developing areas. Unlike more mature markets, Murud-Janjira presents a relatively unspoiled coastal environment, attracting buyers seeking serene, less commercialized locations.

Pricing in this market is generally more affordable compared to more established locations. Beachfront or sea-view plots typically range from INR 1,500 to 3,000 per sq ft, while inland plots are available from INR 500 to 1,500 per sq ft.

The market is primarily driven by Mumbai-based buyers looking for weekend retreats and long-term investment opportunities. The area's historical significance and potential for eco-tourism development add to its appeal. However, the market faces challenges including limited infrastructure, longer travel times from Mumbai, and fewer urban amenities compared to more developed coastal areas. Currently, the market is dominated by local landowners and smaller developers, with limited presence of organized real estate players. Looking ahead, Murud-Janjira's plotted development market shows potential for gradual growth. Its future appeal will largely depend on infrastructure improvements, especially in road connectivity and basic amenities. The area's development trajectory is likely to be more measured compared to rapidly growing coastal zones, potentially preserving its natural charm. For investors and buyers, Murud-Janjira offers an opportunity to enter a market at an early stage, with the potential for long-term appreciation. However, this comes with the caveat of a relatively illiquid market and the need for a long-term investment horizon. As the area develops, maintaining a balance between growth and environmental conservation will be crucial for sustaining its appeal as a serene coastal destination.

Chapter 15: India Office Market Overview

Top Seven Office Markets of India: Snapshot

Table 12: Overview of India's top seven office markets

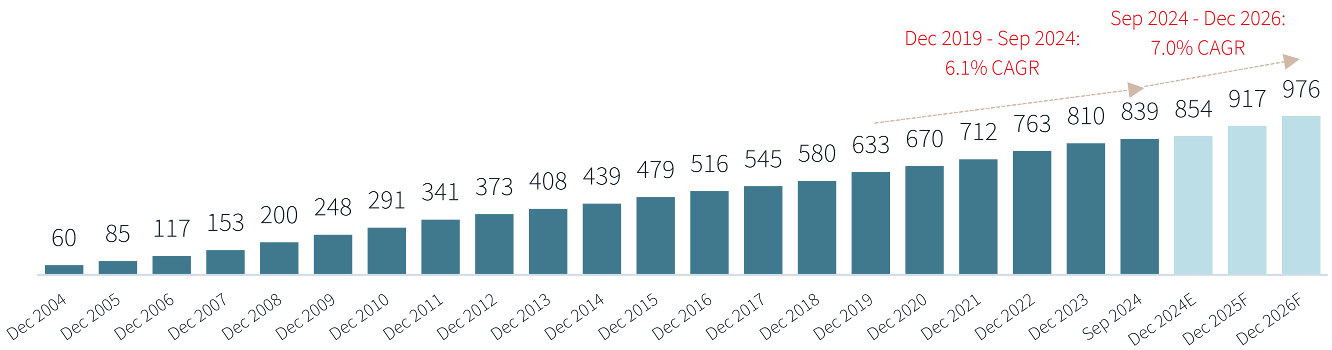
	Bengaluru	Chennai	Delhi NCR	Hyderabad	Kolkata	Mumbai	Pune	Overall
Stock, mn sq ft (Sep 2024)	212.2	77.3	153.1	131.2	29.3	155.2	80.4	838.8
Vacancy, % (Sep 2024)	13.3%	9.4%	23.2%	26.6%	16.8%	13.0%	13.4%	16.9%
Net Absorption, mn sq ft (CY 2019 – 9M CY 2024)	51.5	19.6	38.9	42.8	5.1	30.3	18.8	207.1
Average Rent, INR/sq ft/month (Sep 2024)	91.2	73.4	84.2	65.2	61.4	139.4	81.1	91.1

Source: JLL Research

Introduction

India's office market has witnessed significant growth over the past two and half decades, establishing itself as a prominent player in the global commercial real estate industry. The top seven markets in India have experienced a tremendous surge in Grade A office stock, growing from ~59.5 mn sq ft in December 2004 to around 838.8 mn sq ft, as of September 2024.

Figure 15.1: Total grade A office stock in India's top seven markets, mn sq ft



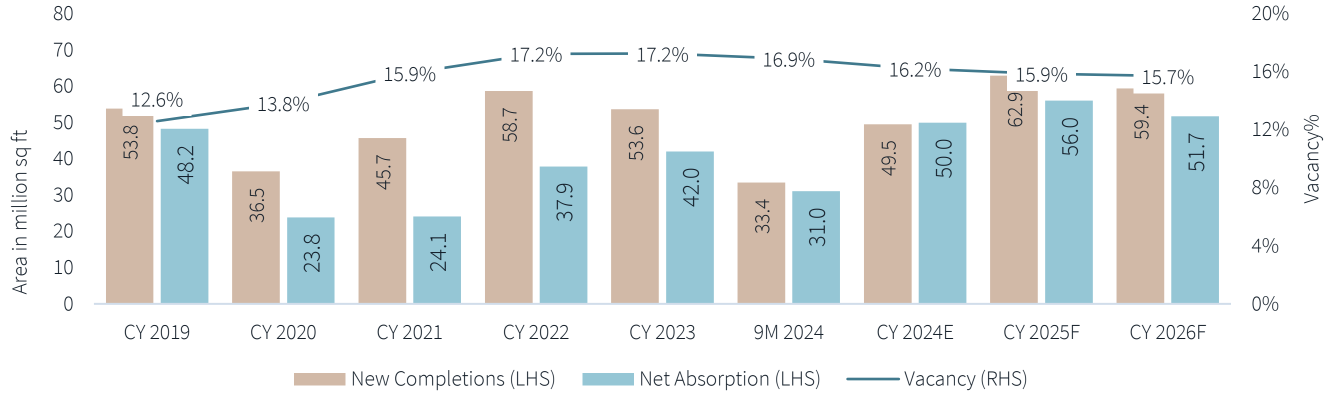
Source: JLL Research
*Note: Top seven markets include Bengaluru, Chennai, Delhi NCR, Hyderabad, Kolkata, Mumbai, and Pune

Trends in Supply, Net Absorption and Vacancy

The office market in India has shown considerable vibrancy over the past few years, setting new benchmarks in CY 2019. Net absorption across the top seven cities in India grew at a robust 52% year-on-year, reaching a historic high of ~48.3 mn sq ft. At the same time, new supply grew at 51% year-on-year, crossing the 50 mn sq ft mark.

CY 2023 was another historic year for India's office market as net absorption in India's top seven markets breached the 40 mn sq ft mark and stood at ~42.0 mn sq ft. This not only marked a new post-COVID milestone but also the second highest annual absorption, trailing only the levels recorded in CY 2019. The resilient expansion-driven occupier activity is a testament to the country's quality talent pool and competitive costs. The year has set the platform for India's office market to enter a phase of 'accelerated growth'. Over the next 2-3 years, we anticipate that net absorption will align more closely and potentially even surpass CY 2019 levels, hovering in the 50 – 55 mn sq ft range.

Figure 15.2: New completions, net absorption, and vacancy trends

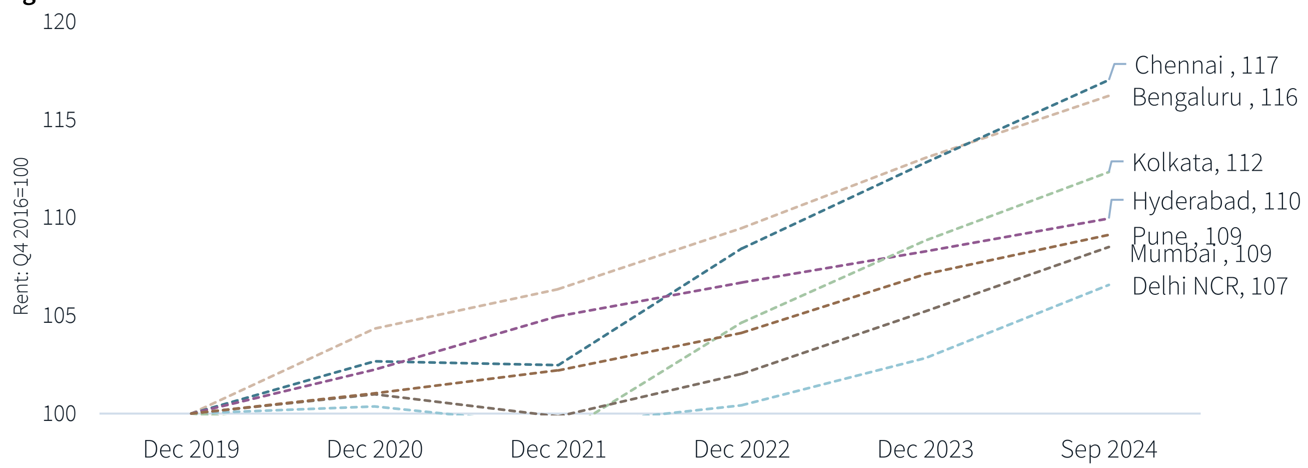


Source: JLL Research

Rental Trends

Rents have moved up post pandemic across most cities, with core micro-markets seeing healthy growth in rents driven by sustained demand and higher-grade, green-certified buildings being able to command a premium.

Figure 15.3: Market-wise rental index trend

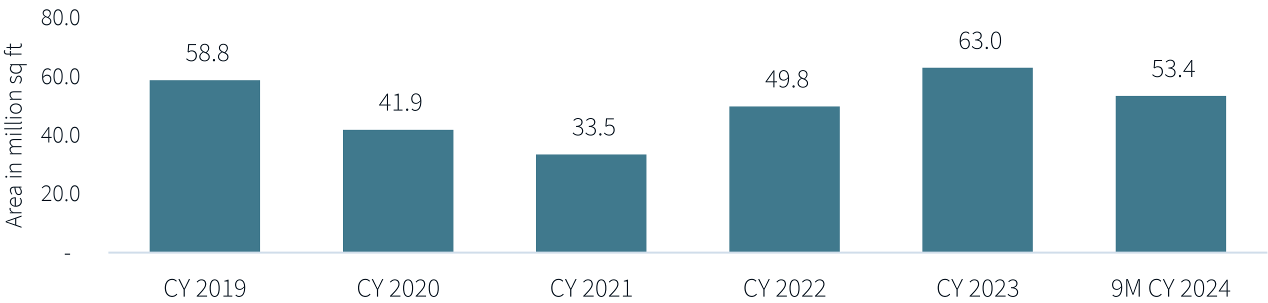


Source: JLL Research

Trends in Gross Leasing Activity

Gross leasing in India's top seven markets exceeded the 60 mn sq ft milestone for the very first time in CY 2023, reaching an impressive 62.98 mn sq ft, a significant 26.4% y-o-y increase. In a year marked by global headwinds, these achievements are a testament to the market's strong underlying fundamentals and growth prospects. In the first nine months of CY 2024, gross leasing activity in India's top seven office markets reached an impressive 53.4 mn sq ft. The first nine months of CY 2024 have set the platform for India's office market to reach and even surpass the peak activity levels witnessed in CY 2023.

Figure 15.4: Gross leasing trends



Source: JLL Research

Chapter 16: Mumbai Office Market Overview

Introduction

Mumbai, India's financial centre, hosts the headquarters of key public sector banks, insurance companies, and government organizations. With a diversified economy comprising BFSI, consulting, pharmaceuticals, IT, and manufacturing sectors, Mumbai represents rapid economic development. It is a global trade and investment hub, with major ports and stock exchanges, attracting foreign investments and institutional investors. Additionally, the city's vibrant creative industries contribute significantly to its GDP. Mumbai's office real estate market thrives on its status as an economic powerhouse, offering opportunities for businesses across sectors.

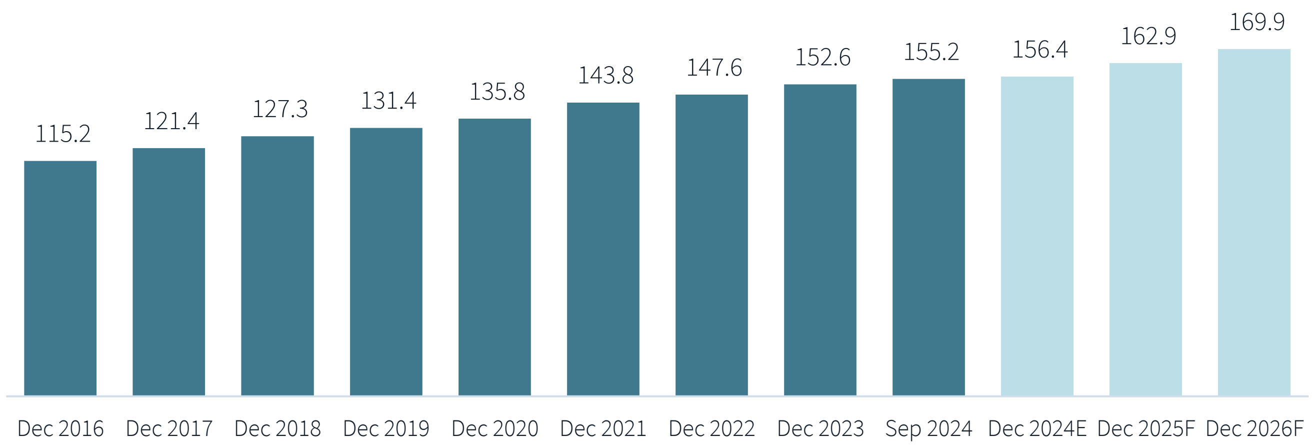
Table 13: Market Snapshot

Stock, mn sq ft (Sep 2024)	155.2 (18.5% of overall India stock)
Vacancy, % (Sep 2024)	13.0
Net Absorption, mn sq ft (CY 2019 – 9M CY 2024)	30.3 (14.7% of overall India absorption)
Gross Leasing, mn sq ft (CY 2019 – 9M CY 2024)	36.7 (12.2% of overall India leasing)
Average Rent, INR/sq ft/month (Sep 2024)	139.4

Note: India refers to the top 7 cities of Delhi NCR, Mumbai, Bengaluru, Chennai, Hyderabad, Pune, and Kolkata; Rent is on Gross Leasable Area
Source: JLL Research

Mumbai's Grade A office market spans an impressive 155.2 mn sq ft, reflecting the city's ongoing development and strong occupier demand. This growth has been possible with the strong occupier demand momentum propelling the city's development and ensuring that average vacancy levels remain range bound. The market presents a wide array of opportunities for companies seeking to expand their operations. With its robust economy, abundant cost-effective talent pool, and favourable business environment, Mumbai has become an attractive destination for both domestic and international companies looking to establish their presence in the country.

Figure 16.1: Grade A office stock, mn sq ft



Source: JLL Research

Overview of Submarkets

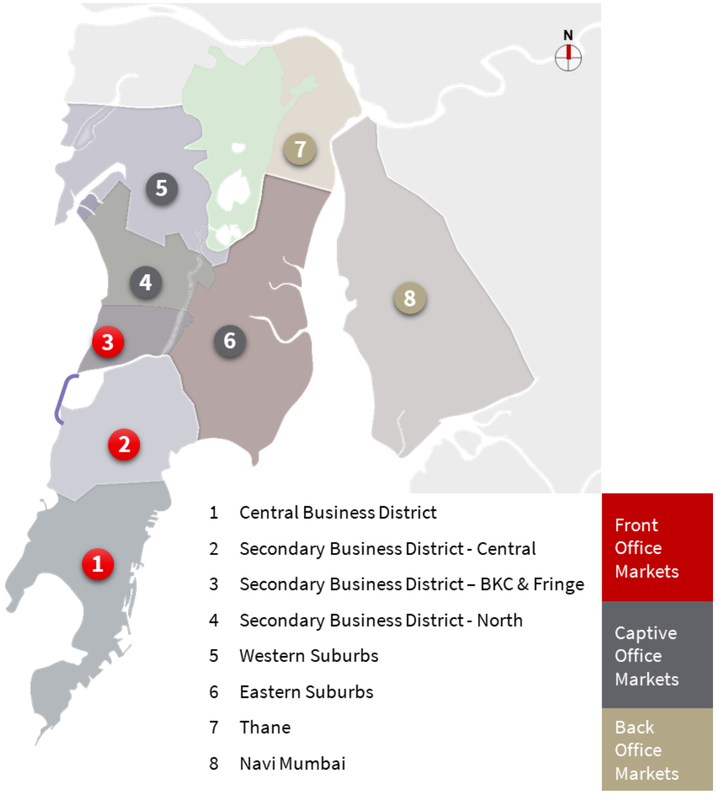


Table 14: Submarket Snapshot

	Grade A Stock, mn sq ft (Sep 2024)	Vacancy, % (Sep 2024)	Rental Range, INR/sq ft/m (Sep 2024)	Net Absorption, mn sq ft (CY 2019 – 9M CY 2024)
CBD	6.8	4.6	160 - 275	0.2
SBD Central	21.0	18.0	135 - 325	4.2
SBD BKC	18.6	6.0	165 - 550	3.4
SBD North	25.1	9.1	90 - 160	4.3
Western Suburbs	23.8	13.1	90 - 160	6.2
Eastern Suburbs	18.6	12.7	90 - 170	3.4
Thane	11.2	15.6	50 - 75	3.0
Navi Mumbai	30.2	18.0	45 - 95	5.7

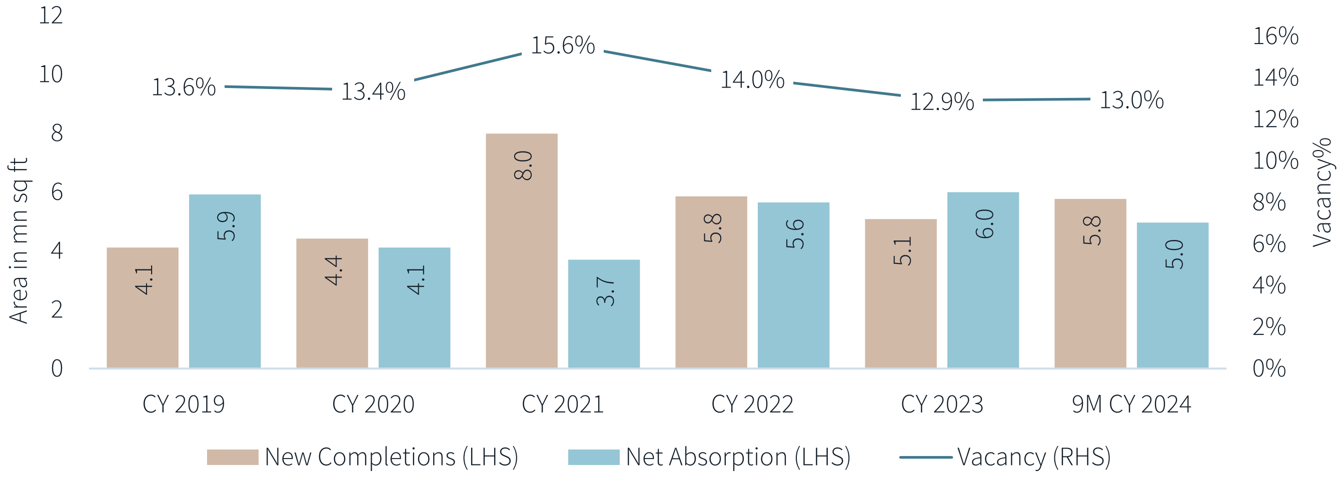
Source: JLL Research

Navi Mumbai, SBD North, Western Suburbs and SBD Central are the largest submarkets within Mumbai accounting for ~64% of the overall Grade A office stock and ~67% of the net absorption activity in the Mumbai market over the last 5.75 years.

Trends in Supply, Net Absorption and Vacancy

Following the challenging years of CY 2020 and CY 2021, the office market in Mumbai has experienced a significant resurgence. In CY 2023, the net absorption of office space surpassed the figures observed in CY 2019, indicating a strong recovery. Additionally, in the first nine months of CY 2024, net absorption reached 5.0 mn sq ft, representing an increase of 46% y-o-y. These numbers demonstrate the resilience and attractiveness of Mumbai's office market as it rebounds from the COVID-19 pandemic.

Figure 16.2: New completions, net absorption, and vacancy trends

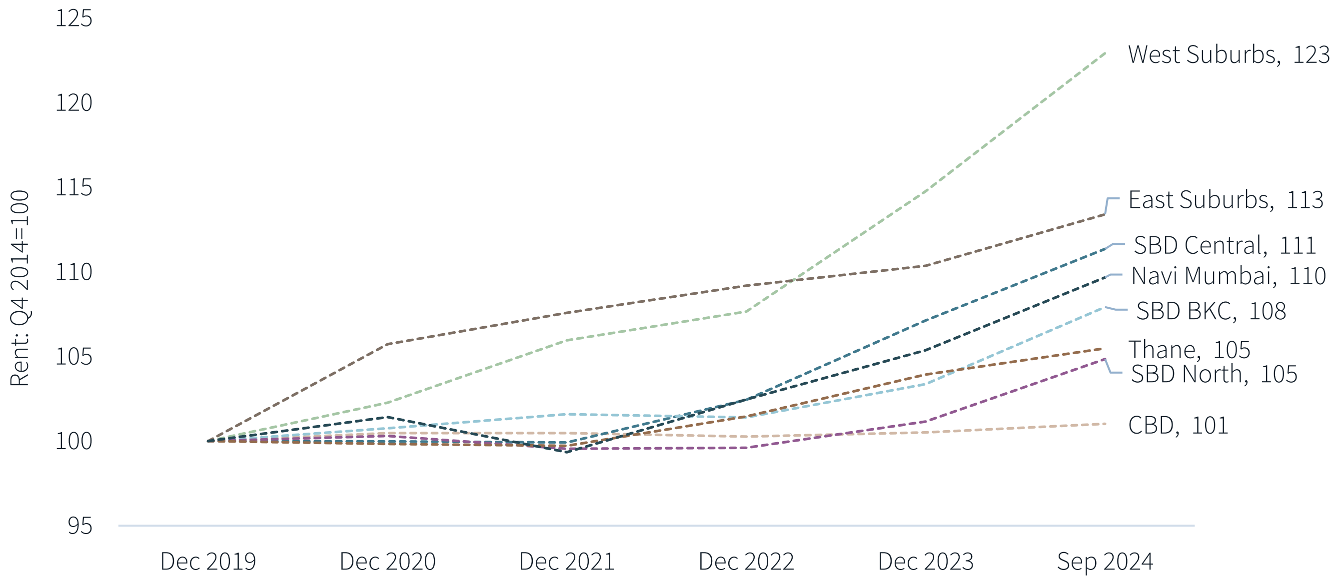


Source: JLL Research

Rental Trends

Rents increased across submarkets in Q3 CY 2024, mainly due to the increased rents in select quality buildings accompanied by few premium completions.

Figure 16.3: Submarket-wise rental index trend

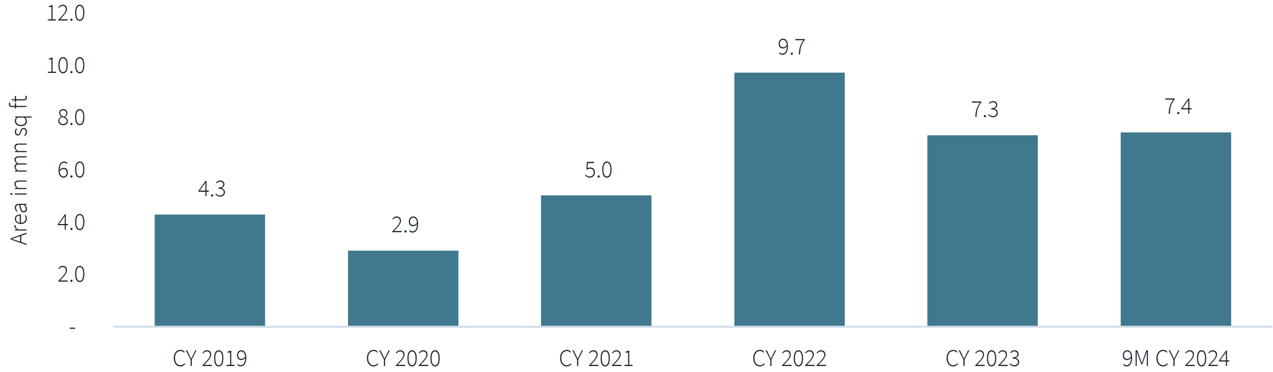


Source: JLL Research

Trends in Gross Leasing Activity

Gross leasing activity stood at 7.4 mn sq ft in the first three quarters of CY 2024, a historic high over all the previous first three-quarter performances. Domestic occupiers continued to dominate the leasing activity, driven primarily by the BFSI and manufacturing sectors.

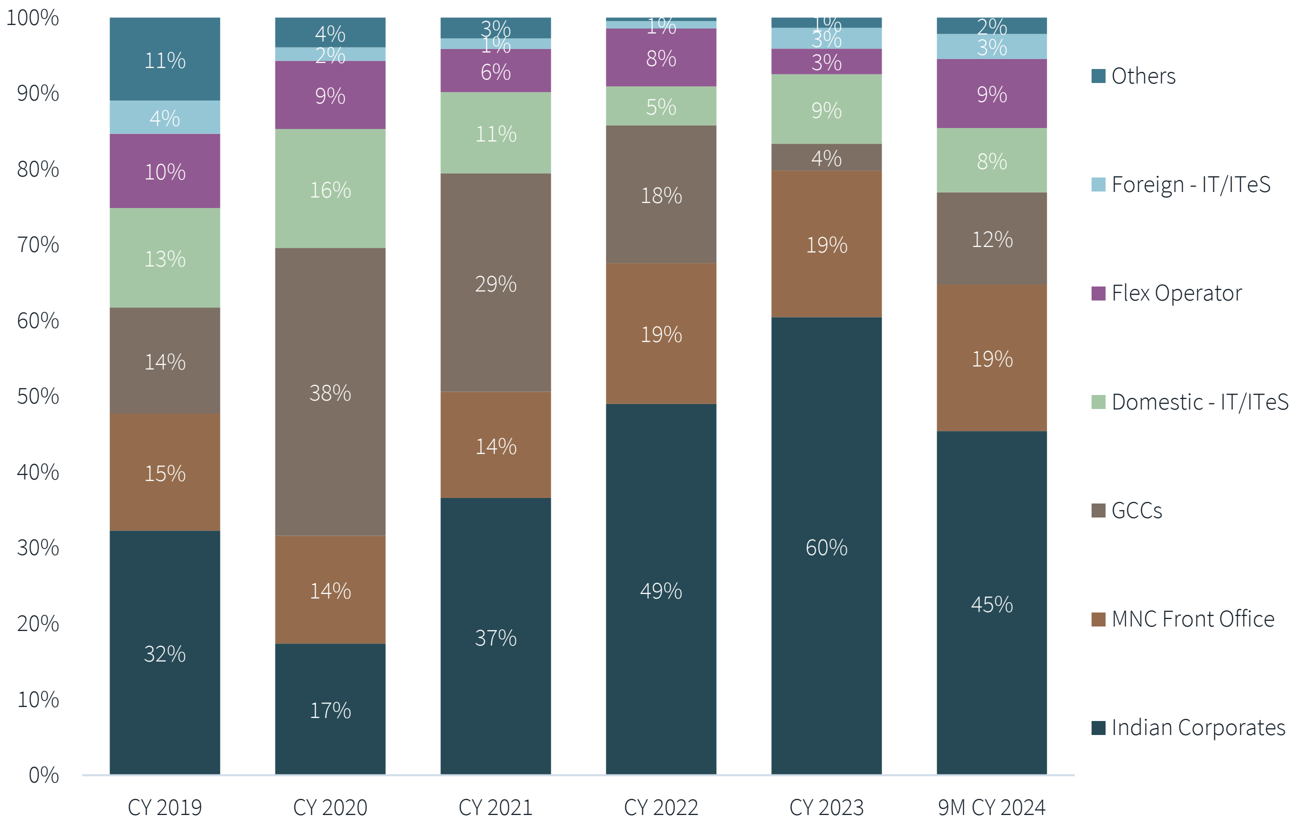
Figure 16.4: Gross leasing trends



Source: JLL Research

The leasing activity in Mumbai's office market remains largely driven by domestic occupiers. Indian corporates, including major conglomerates are the primary clients in the city's office space market. Mumbai's status as the hub for Indian conglomerates and the presence of domestic multinationals contribute to the strong demand for office space from these entities.

Figure 16.5: Sector-wise share of gross leasing

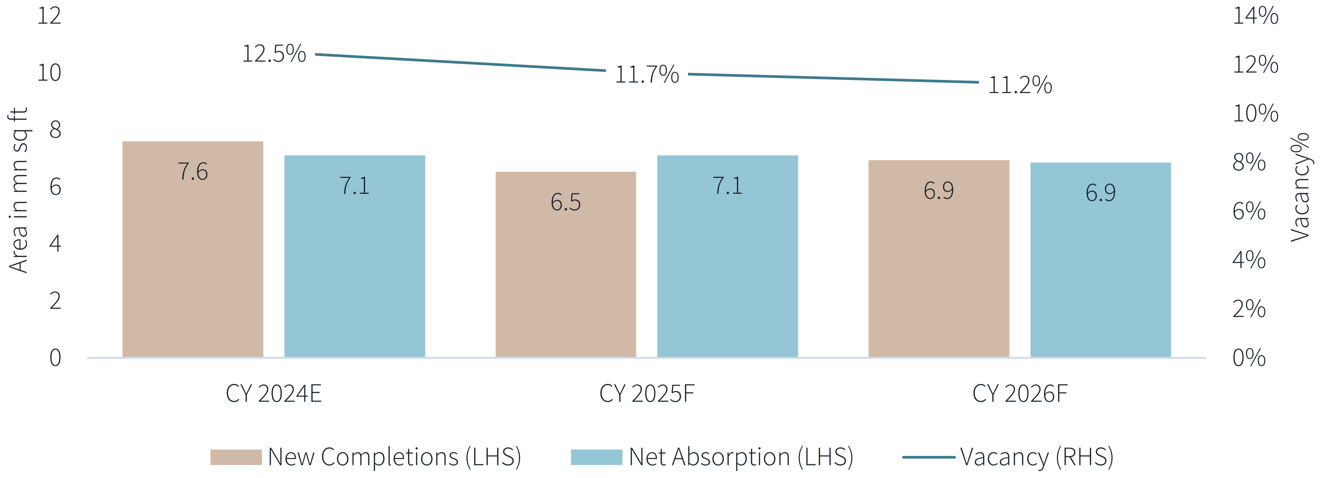


Source: JLL Research

The Road Ahead

In the next 2.25 years, a total of around 15.3 mn sq ft is expected to come on-stream with Eastern Suburbs likely to contribute the maximum followed by SBD North and Navi Mumbai. IT/ITeS, BFSI, fintech, consulting, healthcare and manufacturing sectors are the likely drivers of demand moving forward. Preference for the suburbs and peripheral sub-markets will remain strong for occupiers seeking consolidation, especially from IT/ITeS segment. There is rising demand for buildings with sustainability and wellness features with occupiers placing importance on high-quality buildings, business continuity planning and facility management moving ahead. Increased demand is expected from growth sectors, such as medical technology, health analytics, online education, data centres, gaming, pharma and FMCG.

Figure 16.6: Net absorption, new completions, and vacancy



Source: JLL Research

Market Share and Relative Positioning of Runwal Enterprises Limited*

Runwal Enterprises Limited*, known for its excellence in residential real estate, is expanding its presence in the commercial sector with plans for multiple office projects. These projects are strategically planned across the micro-markets of Kurla, Kanjurmarg, and Dombivli. With more than 4.0 mn sq ft of office development expected to be completed over the next 5 -10 years, the company is aiming to solidify its position within the commercial real estate space in Mumbai. This expansion reflects the group's commitment to diversifying its portfolio and capitalizing on the growing demand for modern and well-equipped office spaces. The planned office projects by Runwal Enterprises Limited* signify their dedication to elevating their position in the Mumbai market. These ventures demonstrate the group's determination to establish a reputable presence in the commercial real estate sector, further enhancing their standing as a reliable and trusted developer catering to a wide spectrum of real estate needs.

Note: * Including its subsidiaries, associate and Joint Venture, on a consolidated basis

Chapter 17: Pune Office Market Overview

Introduction

Pune underwent a complete makeover to become one of the top IT hubs in India, and a substantial part of this transformation can be attributed to the development of the Rajiv Gandhi Infotech Park in Hinjewadi. The Maharashtra government announced its first IT policy in 1998, and the foundation of the IT Park was laid down in the same year. The 2,800-acre IT Park, also known as the Hinjewadi IT Park, became operational in 2001. This was followed by the state government's IT and IT-Enabled Services (ITeS) Policy in 2003, which provided comprehensive support for further development of this sector in Pune. With the astonishing growth that followed, Hinjewadi and its surrounding locations became an investment hotbed. Gradually, the growth spread to other parts of the city with locations like Hadapsar (Magarpatta City), Yerawada, Baner-Balewadi, Viman Nagar and Kharadi witnessing an increased supply of IT spaces. In addition to establishing itself as one of the top IT hubs in India, Pune has also witnessed an increase in the supply of non-IT spaces to cater to the needs of diverse occupier segments.

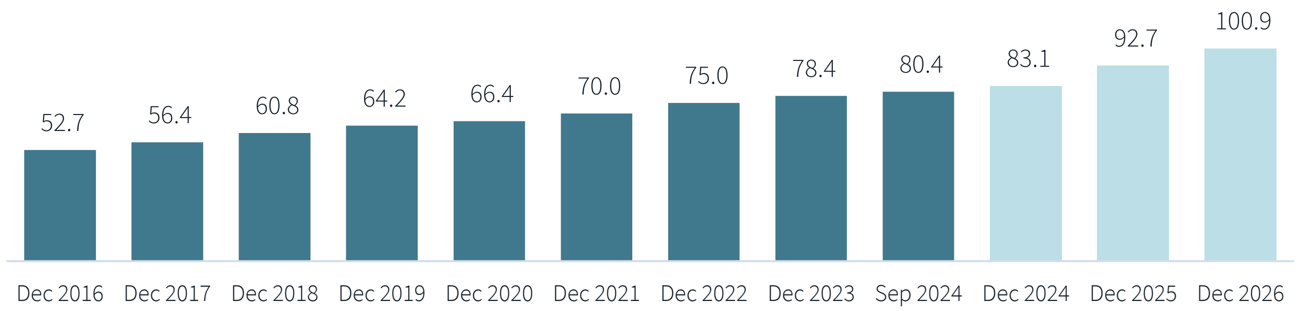
Table 15: Market Snapshot

Stock, mn sq ft (Sep 2024)	80.4 (9.6% of overall India stock)
Vacancy, % (Sep 2024)	13.4
Net Absorption, mn sq ft (CY 2019 – 9M CY 2024)	18.8 (9.1% of overall India absorption)
Gross Leasing, mn sq ft (CY 2019 – 9M CY 2024)	28.2 (9.4% of overall India leasing)
Average Rent, INR/sq ft/month (Sep 2024)	81.1

Note: India refers to the top 7 cities of Delhi NCR, Mumbai, Bengaluru, Chennai, Hyderabad, Pune, and Kolkata; Rent is on Gross Leasable Area
Source: JLL Research

Pune's Grade A office market is a testament to the city's dynamic development and thriving occupier demand. Spanning an impressive 80.4 mn sq ft, the market presents a plethora of opportunities for companies aiming to expand their operations or establish a presence in the region. Pune has emerged as an enticing destination for both domestic and international firms due to its robust economy, availability of a cost-effective talent pool, and a favourable business environment.

Figure 17.1: Grade A office stock, mn sq ft



Source: JLL Research

Overview of Submarkets

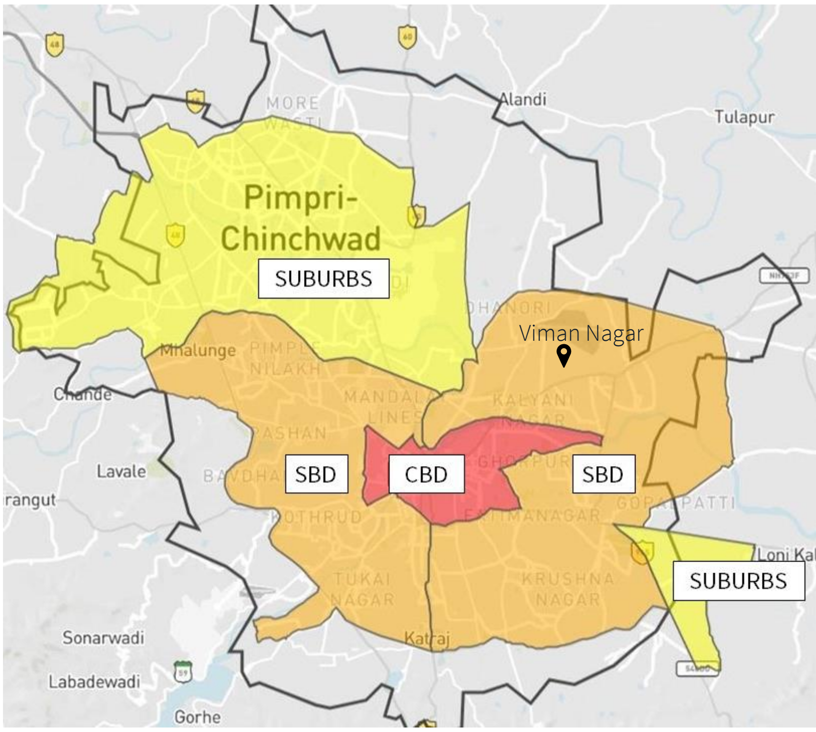


Table 16: Submarket Snapshot

	Grade A Stock, mn sq ft (Sep 2024)	Vacancy, % (Sep 2024)	Rental Range, INR/sq ft/m (Sep 2024)	Net Absorption, mn sq ft (CY 2019 – 9M CY 2024)
CBD	6.5	4.4	100 - 130	1.2
SBD	55.8	10.0	70 - 130	16.5
Suburbs	18.0	27.0	40 - 70	1.1

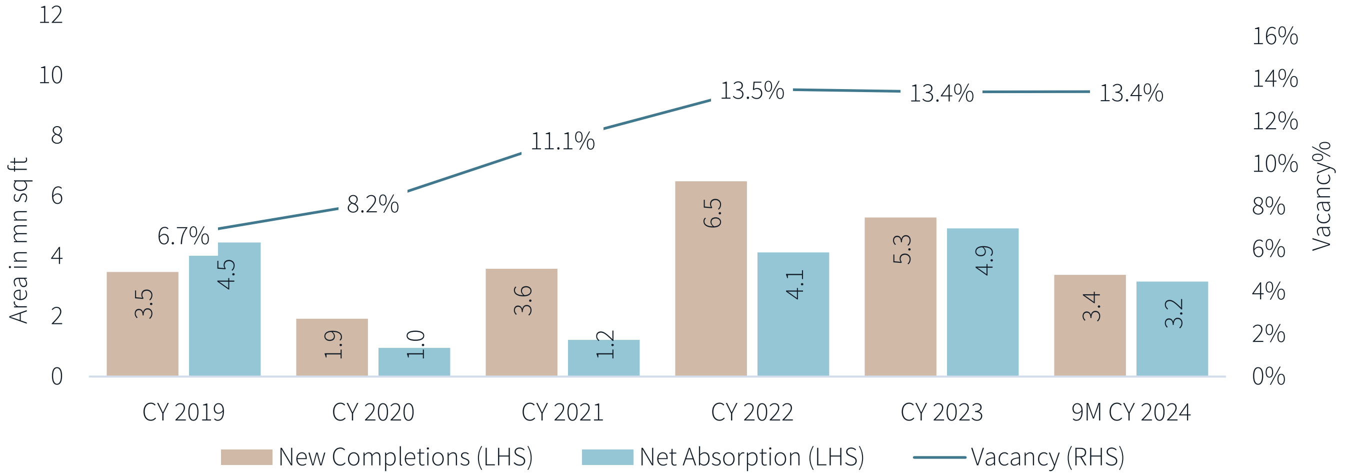
Source: JLL Research

SBD is the largest submarket within Pune accounting for ~69% of the overall Grade A office stock and ~88% of the net absorption activity in the Mumbai market over the last 5.75 years. Viman Nagar, which is a part of the SBD submarket has established itself as a key office market in Pune, largely due to its strategic location near the airport. The area hosts numerous IT parks and commercial complexes, attracting a diverse range of businesses, particularly from the IT/ITeS and financial services sectors. Its modern office spaces, equipped with cutting-edge amenities, cater to the needs of both multinational corporations and startups. The submarket's appeal is further enhanced by its excellent connectivity to other parts of Pune and the increasing development of mixed-use projects that integrate office, retail, and residential spaces. As a result, Viman Nagar continues to be a significant contributor to Pune's commercial real estate growth, solidifying its position as a prime destination for businesses seeking quality office space in a dynamic environment.

Trends in Supply, Net Absorption and Vacancy

After facing challenges in CY 2020 and CY 2021, the office market in Pune has witnessed a remarkable resurgence. In CY 2023, the net absorption of office space surpassed the figures recorded in CY 2019, signalling a strong recovery for the market. The first nine months of 2024 witnessed net absorption of 3.2 mn sq ft and it is anticipated that the full-year statistics will be on par with the levels seen in CY 2023.

Figure 17.2: New completions, net absorption, and vacancy trends

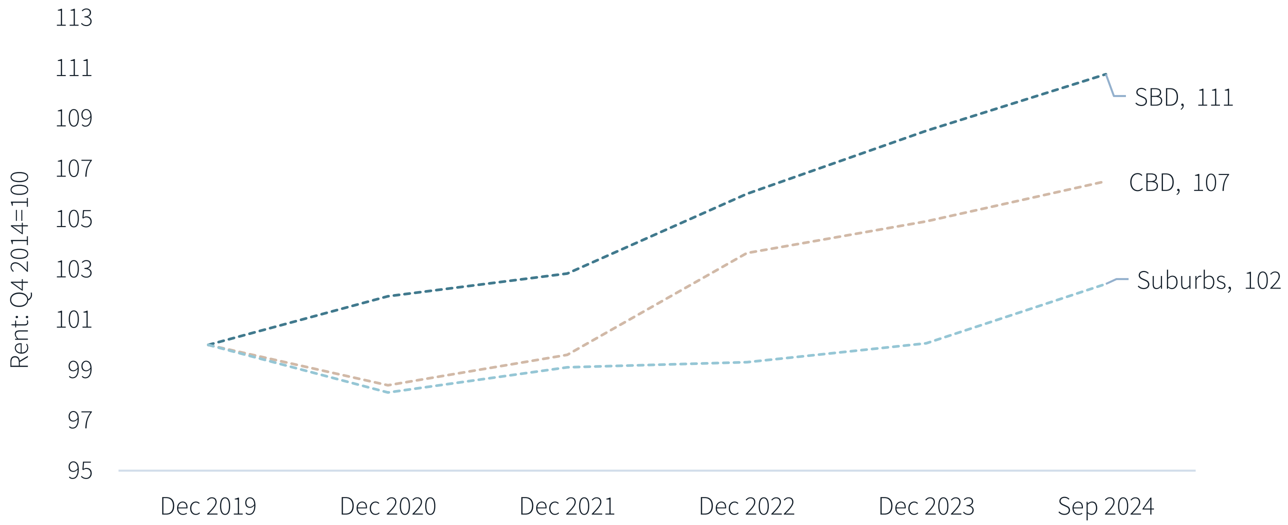


Source: JLL Research

Rental Trends

Rents have gradually increased across the submarkets of CBD and SBD mainly due to the increased rents in select quality buildings accompanied by few premium completions.

Figure 17.3: Submarket-wise rental index trend

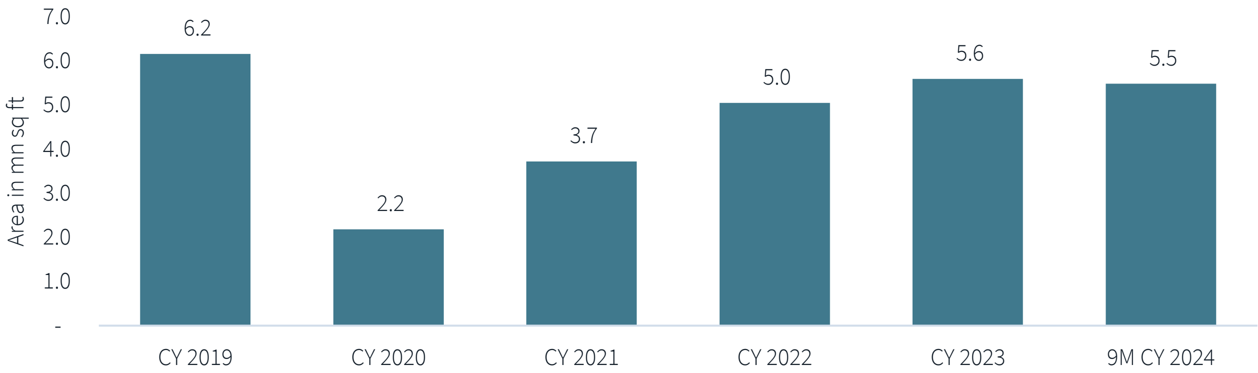


Source: JLL Research

Trends in Gross Leasing Activity

Gross leasing activity in Pune reached a historic high in the first nine months of 2024, totalling ~5.5 mn sq ft. This exceptional performance surpassed all previous Jan – Sep figures, indicating a robust and flourishing market. Furthermore, foreign occupiers maintained their dominant position, accounting for ~58% of the gross leasing activity from CY 2019 to 9M CY 2024. The remarkable surge in gross leasing activity demonstrates the attractiveness of Pune as a preferred destination for businesses and solidifies its position as a thriving commercial market. Companies, both domestic and foreign, continue to show strong interest in establishing their operations in the city, contributing to the unprecedented levels of leasing activity.

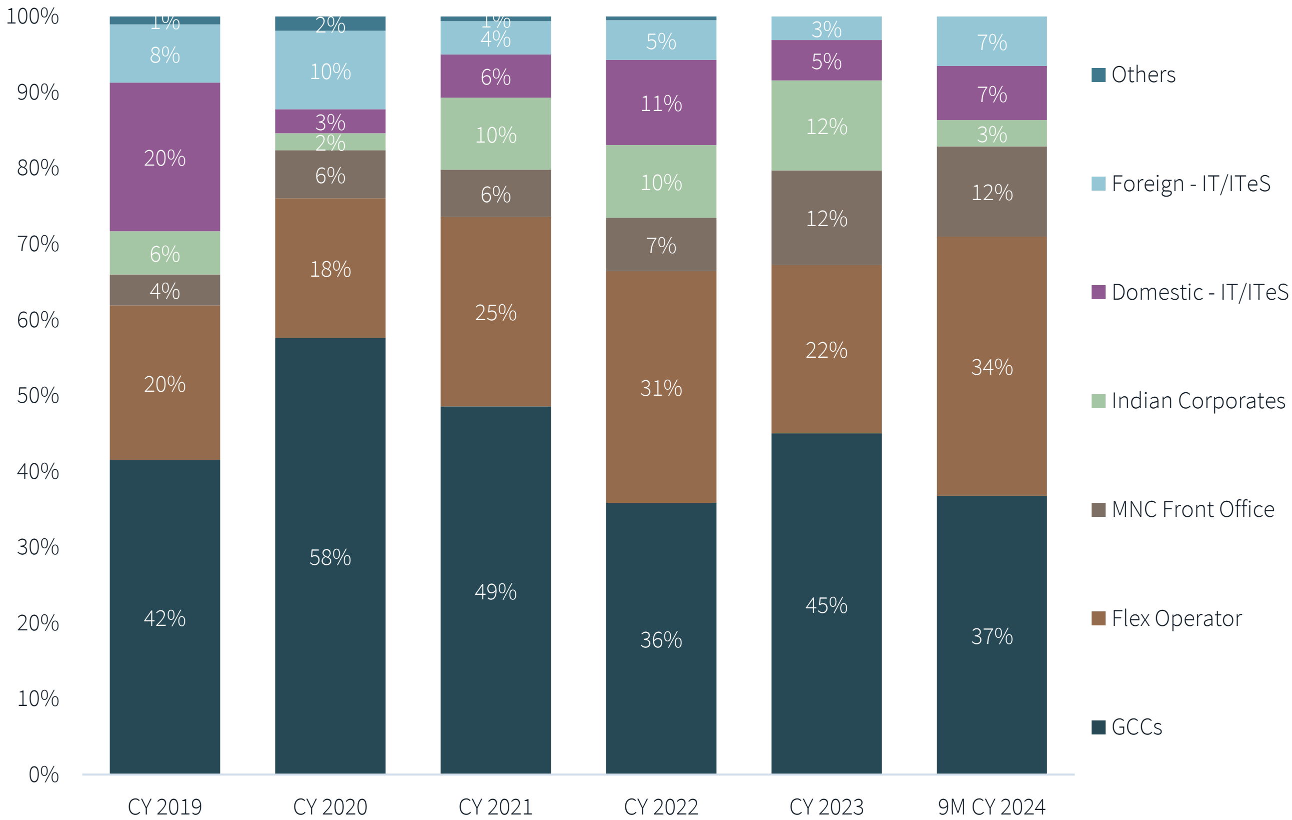
Figure 17.4: Gross leasing trends



Source: JLL Research

Foreign occupiers continue to be the driving force behind the leasing activity in Pune's office market. Global Capability Centres (GCCs) hold a prominent position as the primary clients, followed closely by flex space operators. From CY 2019 to 9M CY 2024, GCCs accounted for ~42% of the leasing activity in the market, while flex operators represented around 26%. The strong presence of GCCs in Pune's office market highlights the city's appeal as a preferred destination for global companies seeking to establish their operations. Pune's conducive business environment, skilled talent pool, and favourable infrastructure make it an attractive choice for GCCs, contributing to their significant share in the leasing activity.

Figure 17.5: Sector-wise share of gross leasing

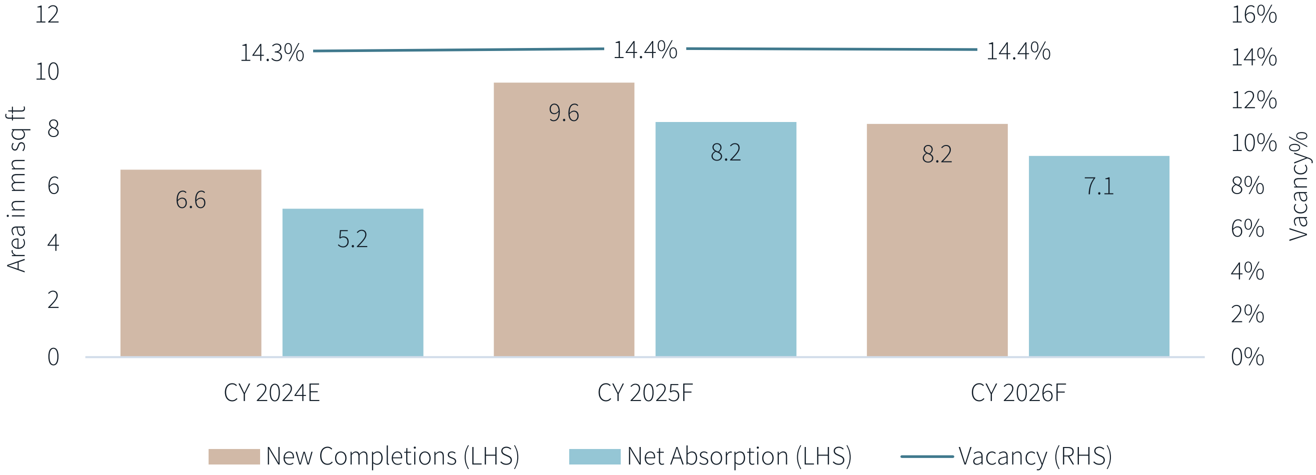


Source: JLL Research

The Road Ahead

Over the next 2.75 years, Pune's office market is anticipated to witness the addition of ~21.0 mn sq ft of office space. The Suburban Business District (SBD) is expected to contribute the most to this upcoming supply. The demand, driven by Global Capability Centres (GCCs) and flex space operators, is likely to continue shaping the market's growth trajectory. There is a growing emphasis on sustainability and wellness features in office buildings as occupiers increasingly prioritize high-quality spaces. This includes factors such as sustainable design, energy efficiency, wellness amenities, and spaces that promote employee well-being. As Pune's office market thrives, the presence of foreign occupiers, particularly GCCs, and the expanding influence of flex space operators contribute to the vibrancy and attractiveness of the city's commercial real estate sector. By catering to a wide range of occupier needs, Pune positions itself as a favourable destination for businesses seeking growth and success. The market's ability to offer diverse and sustainable office spaces, coupled with its appealing business environment, skilled workforce, and favourable infrastructure, further enhances Pune's reputation as a preferred choice for companies looking to establish or expand their operations in India.

Figure 17.6: Net absorption, new completions, and vacancy



Source: JLL Research

Chapter 18: India Retail Market Overview

Introduction

India's organized retail sector, particularly characterized by retail malls has undergone a period of intense change since the COVID-19 pandemic. While struggling with shutdowns, dwindling occupancies and low business volumes during the peak of the pandemic, India's retail sector manifested a strong comeback in CY 2022, and the growth momentum has continued since. The brick-and-mortar, organized retail sector demonstrated a remarkable performance bolstered by a buoyant consumer sentiment translating into increased footfalls and sales conversion. Stable economic conditions have fueled the growth in consumption parameters and propelled the strong leasing momentum and new store launches by regional, national and global retailers. Given the strong performance of physical retail, high occupancies in quality developments and demand polarization are driving the need for new mall space.

Table 17: Market Snapshot

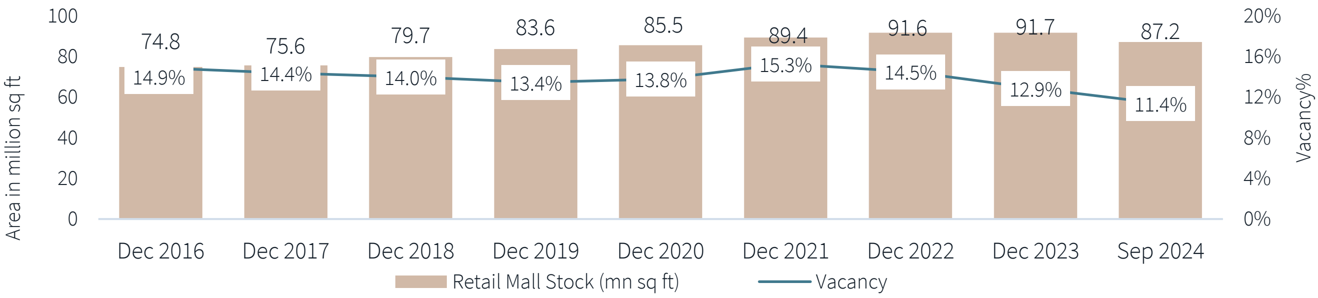
Stock, mn sq ft (Sep 2024)	87.2
Vacancy, % (Sep 2024)	11.4
Net Absorption (CY 2019 – 9M CY 2024)	16.8 mn sq ft

Source: JLL Research

Stock and Vacancy Trends

The organized retail stock in the top seven cities of India (Delhi, Mumbai, Pune, Bengaluru, Kolkata, Chennai, and Hyderabad) as of December 2023 stood at 91.7 mn sq ft. Over the course of 2024, many sub-par performing malls, characterized by strata ownership, poor management and increasing vacancies have either been shut, repurposed or no longer fit the definition of a retail mall. As a result, Grade A retail stock underwent a slight correction to be at 87.2 mn sq ft. Vacancy has been on a declining trend, as quality mall developments completed over the past 21 months or so have come on-stream at very healthy occupancy levels, further buttressing the strengths of India's physical retail market. At a pan-India level, vacancy as of September 2024 stands at 11.4% across the mall stock in the seven cities.

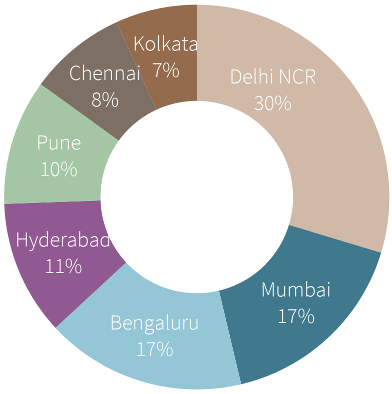
Figure 18.1: Grade-A retail stock and vacancy trends



Source: JLL Research

Around 64% of the current operational Grade A mall stock lies in the three large cities of Delhi NCR, Mumbai, and Bengaluru. In fact, with a strong completion pipeline in the past 21 months, Bengaluru has surpassed Mumbai in terms of operational mall stock. Hyderabad is also now a sizeable mall market with ~10 mn sq ft of operational retail mall footprint across the city.

Figure 18.2: Retail stock city-wise distribution

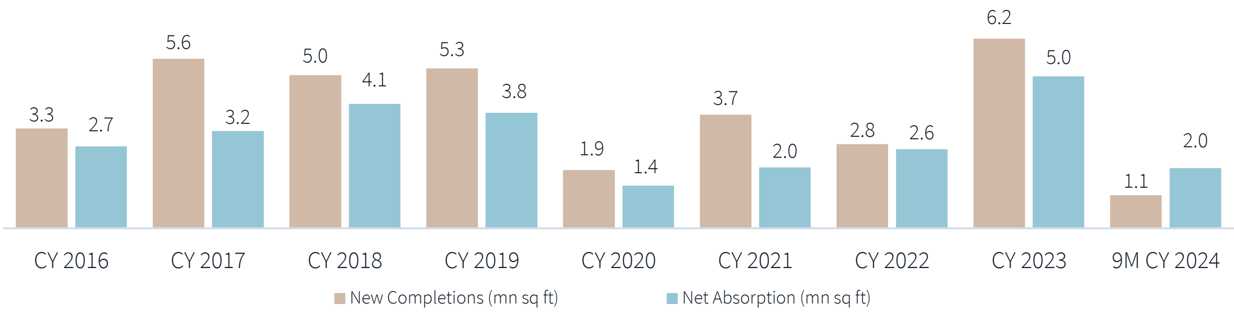


Source: JLL Research

Demand Supply Dynamics

Retail leasing activity across India has been driven by retailer traction in high quality malls and so net absorption has been healthy in years when quality supply has been added. Even during COVID, market activity during period of partial opening of the economy was strong and mall completions did see retailers taking up space. Post COVID, there has been greater intensity in retailer activity as consumers have flocked to malls and the inherent resilience of brick-and-mortar retail in terms of footfalls has seen leading developers add high quality mall supply to the market. In fact, net absorption in CY 2023 hit an all-time high with sizeable mall developments across Bengaluru, Pune and Hyderabad saw healthy space take-up by retailers across segments. Retailer actions now include right sizing their store formats, optimising store count, servicing under-served but potential growth catchment areas and choosing quality mall developments only.

Figure 18.3: Retail supply and net absorption trends



Source: JLL Research

Outlook

Given the positive demographics, stable economy, and the projected completion of high-quality retail developments within the next five years, the outlook for the retail segment is bright. India is likely to remain a key market for global brands looking to expand their store network. As the retail market in India continues to evolve, we can anticipate the growing popularity of new concepts and trends and development of more destination-oriented shopping malls which act as social meeting places and entertainment hubs. With numerous global funds partnering with prominent developers, the retail sector presents an opportune market for new REIT listings. Retailer preference for high quality malls is expected to result in tighter vacancies and quicker mall stabilisation for such assets. This will also aid rental growth as well as asset values for such high-grade malls.

Chapter 19: Mumbai Retail Market Overview

Introduction

Mumbai has seen remarkable growth across key parameters that drive retail development, including an increasing number of young people migrating to the city for education and employment, a growing office market, strong growth in per capita income, and the development of robust physical infrastructure. The retail real estate market benefits from the city's position as having one of the highest per capita retail expenditures in the country. This highlights the higher propensity for retail spending compared to its peer cities and reinforces the opportunity for retailers to tap into a market with strong consumer purchasing power. Given the high disposable incomes and retail expenditure, there is ample scope for good quality retail developments in Mumbai. Retailers across different sectors, from fashion to electronics, home furnishings to food and beverage, have recognized the potential of Mumbai's market and eagerly sought out prime retail spaces.

As Mumbai continues to evolve and grow, its retail real estate market remains a dynamic and evolving one. With a rich mix of traditional and modern retail offerings, the city presents a compelling landscape for both established brands and emerging retailers looking to tap into the ever-expanding consumer base in India's financial capital. With strong growth indicators and a conducive market environment, Mumbai's retail real estate market holds significant potential for future development and expansion.

Table 18: Market Snapshot

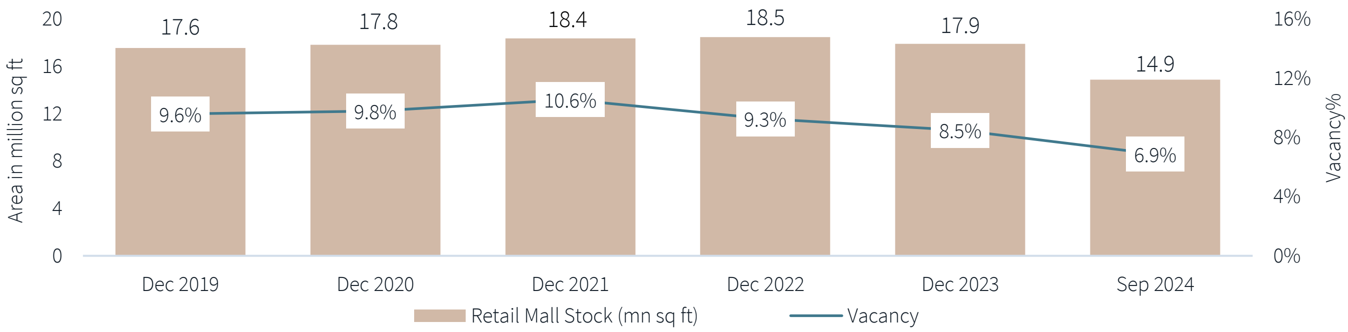
Stock, mn sq ft (Sep 2024)	14.9
Vacancy, % (Sep 2024)	6.9
Net Absorption (CY 2019 – 9M CY 2024)	1.5 mn sq ft

Source: JLL Research

Stock and Vacancy Trends

The retail real estate market in Mumbai has experienced limited new supply additions in the organized retail space over the past 5.75 years. However, two prominent malls, Jio World Drive and Jio World Plaza, became operational in CY 2021 and CY 2023, respectively. Additionally, the removal or withdrawal of underperforming or ghost malls from Mumbai's mall inventory has resulted in a decrease in the city's overall retail stock since December 2022. As a result, the city's mall vacancy levels have decreased from 9.3% in December 2022 to 6.9% in September 2024.

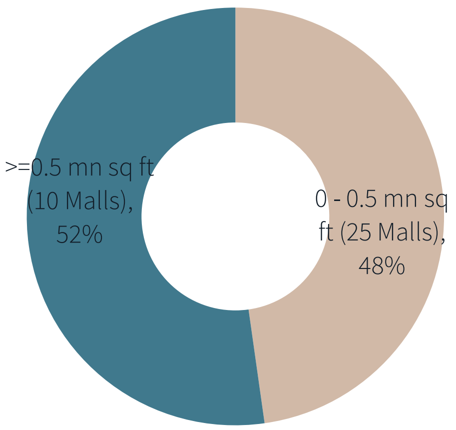
Figure 19.1: Retail stock and vacancy trends



Source: JLL Research

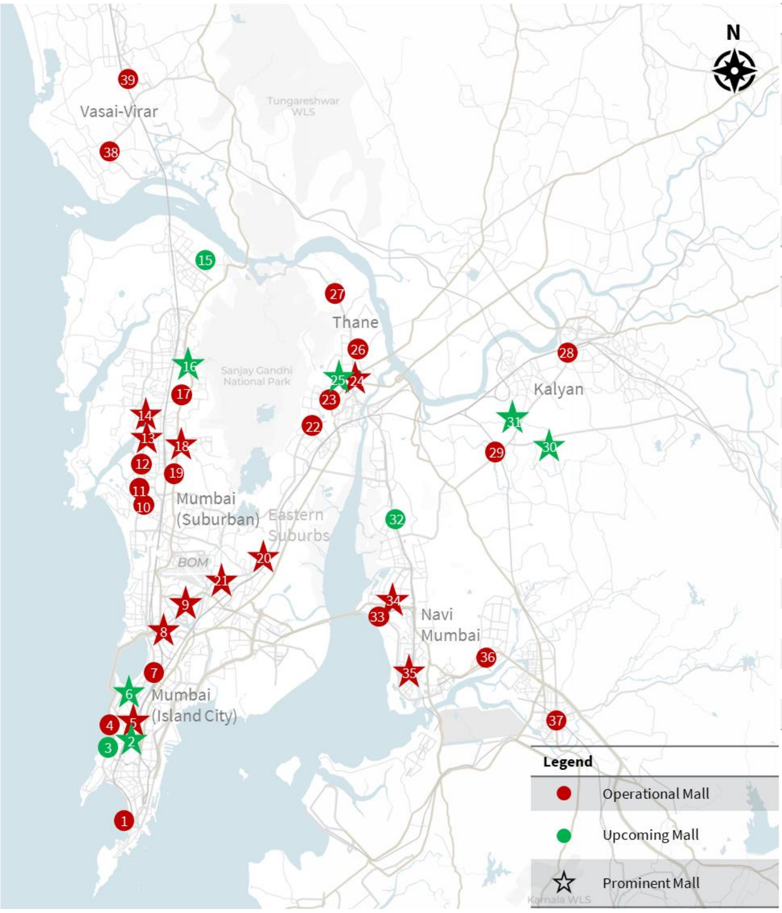
Currently, Mumbai's mall stock is nearly evenly split between malls that are 0.5 mn sq ft or larger and those that are smaller. Interestingly, only 10 malls fall into the larger-sized category, accounting for 52% of the total retail footprint. On the other hand, there are 25 malls smaller than 0.5 mn sq ft, which collectively make up the remaining 48% of the retail space.

Figure 19.2: Retail stock size-wise distribution



Source: JLL Research

Figure 19.3: Retail spatial landscape



Mumbai (Island City)	
1	CR2
2	The Rise
3	Forum Turf Estate
4	Atria
5	High Street Phoenix & Palladium
6	I-Ven Mall
7	Kohinoor Square
Mumbai (Suburban)	
8	Jio World Plaza
9	Jio World Drive
10	Fun Republic
11	Citi Mall
12	Infiniti Mall, Andheri
13	Inorbit Mall, Malad
14	Infiniti Mall, Malad
15	JP North
16	Skycity Mall
17	Growel 101
18	Oberoi Mall
19	The Hub
20	R City
21	Phoenix Marketcity
22	R Mall, Mulund

Thane	
26	Eternity Mall
23	Korum Mall
24	Viviana Mall
25	Raymond VR
26	R Mall, Thane
27	BIG Shopping Centre
Kalyan-Dombivli	
28	Metro Junction
29	Xperia
30	Lodha Palava Phase II
31	Runwal Gardens R Mall
Navi Mumbai	
32	Aurum Square
33	Raghuleela Mall
34	Inorbit Mall, Vashi
35	Seawoods Grand Central
36	Little World
37	Orion Mall
Vasai –Virar	
38	Dattani Square
39	The Capital Mall

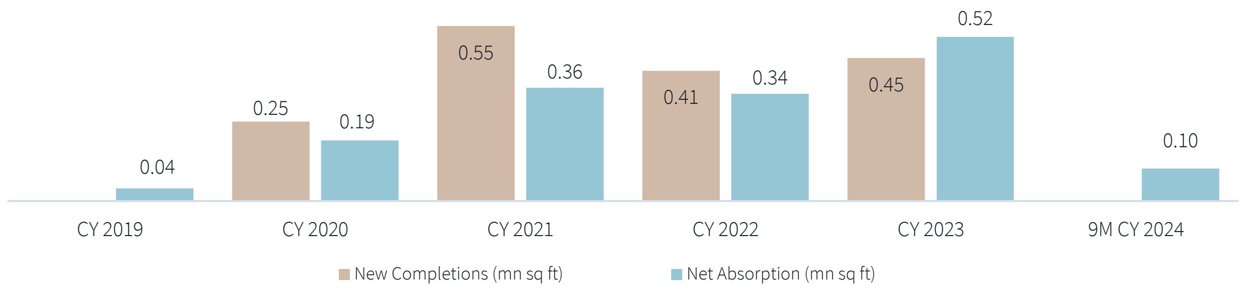
Source: JLL Research

Demand Supply Dynamics

Retail leasing activity in Mumbai has been primarily driven by strong retailer interest in prominent malls, leading to healthy net absorption in years when high-quality supply has been added. In the wake of the COVID-19 pandemic, there has been an increased intensity in retailer activity as consumers have returned to malls, highlighting the inherent resilience of brick-and-mortar retail and its ability to attract footfalls. Recognizing this, leading developers have responded by introducing high-quality mall developments to the market.

Retailers have adjusted their strategies to adapt to the changing landscape by optimizing store formats, rationalizing store counts, expanding into under-served but potential growth areas, and prioritizing quality mall developments. This shift has resulted in higher leasing traction and increased space take-ups by retailers in newly operational malls like Jio World Drive, Jio World Plaza, and Seawoods Grand Central Phase 2, contributing to higher net absorption volumes in Mumbai's retail market. Both existing superior grade malls and newly operational malls are currently experiencing negligible available space and tight vacancy levels, indicating sustained demand for churn leasing in the city's organized retail sector. This trend reflects the continued appeal of Mumbai's retail market and the strong demand for quality retail spaces.

Figure 19.4: Trends in new completions and net absorption



Source: JLL Research

Outlook

The retail real estate market in Mumbai is expected to experience a significant supply influx of over 6 mn square feet of retail mall space within the next 5 years. This anticipated growth is poised to further enhance the overall retail inventory in the city and attract retailers seeking to expand their presence in Mumbai. Notably, a substantial portion of this supply is concentrated in peripheral markets such as Dombivli, Borivali, and Thane, with renowned developers like Runwal, Lodha, and Oberoi introducing high-quality retail developments.

The demand for retail space is expected to remain robust, with upcoming locations hosting superior malls that are attracting significant retailer interest. Simultaneously, existing malls will likely continue to witness intense competition as retailers from all categories vie for prime space. The steady demand for space in superior malls with high footfall is anticipated to drive up both rental rates and capital values in the market.

Chapter 20: Pune Retail Market Overview

Introduction

The retail sector in Pune has transformed significantly over the last decade. The city has seen remarkable growth across all key parameters that drive retail development—an increasing number of youth migrating to the city for education as well as employment, a growing office market, strong growth in per capita income and development of physical infrastructure. Furthermore, the city acts as a regional urban centre for feeder cities like Ahmad Nagar and Satara. Pune has the sixth highest per capita retail expenditure in the country, thus highlighting the higher propensity for retail spending as compared to its peer cities. Given the concentration of young consumers, apparel, fashion accessories, jewellery, and F&B account for the highest share (after food and grocery) of retail expenditure among all retail categories.

Table 19: Market Snapshot

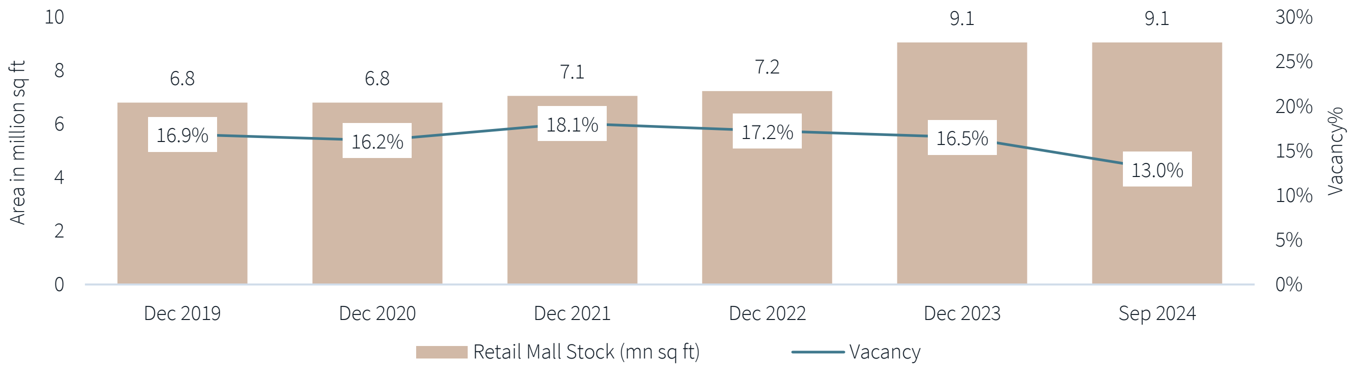
Stock, mn sq ft (Sep 2024)	9.1
Vacancy, % (Sep 2024)	13.0
Net Absorption (CY 2019 – 9M CY 2024)	2.3 mn sq ft

Source: JLL Research

Stock and Vacancy Trends

The retail real estate market in Pune has seen the completion of several prominent malls over the past 4.75 years, resulting in the city's overall retail stock increasing by ~33%, from 6.8 mn sq ft in December 2019 to 9.1 mn sq ft in September 2024. Concurrently, the city's mall vacancy levels have decreased from 16.9% in December 2019 to 13.0% in September 2024, indicating that the pace of demand has kept up with supply additions.

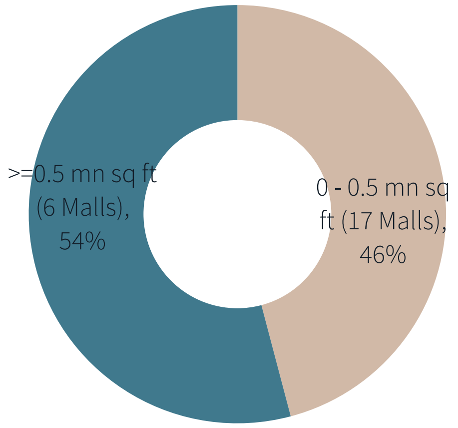
Figure 20.1: Retail stock and vacancy trends



Source: JLL Research

Pune's mall stock is nearly evenly split between malls that are 0.5 mn sq ft or larger and those that are smaller. Interestingly, only 6 malls fall into the larger-sized category, accounting for 54% of the total retail footprint. On the other hand, there are 17 malls smaller than 0.5 mn sq ft, which collectively make up the remaining 46% of the retail space.

Figure 20.2: Retail stock size-wise distribution

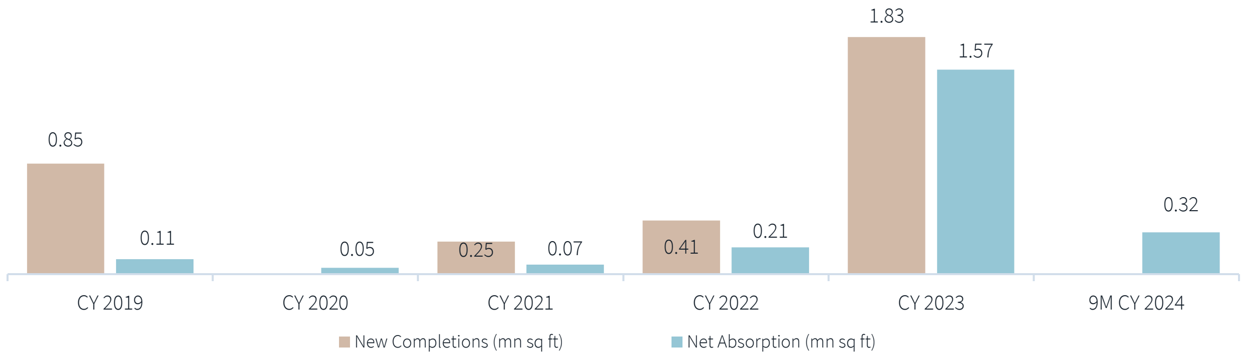


Source: JLL Research

Demand Supply Dynamics

The COVID-19 pandemic hit the retail sector the hardest. However, since CY 2022, malls and multiplexes have started operating at 100% capacity in the city. People have started returning to the malls, thus increasing footfall and, in turn the retail demand. In CY 2023, the net absorption was driven by new completions of 1.83 mn sq ft. The year witnessed completion of two prominent malls – Phoenix Mall of the Millenium, which is currently the largest mall in Pune and Kopa Mall, which became the city's luxury lifestyle destination with never-seen-before brands. Retail demand in the city is primarily concentrating in premium-grade malls. Average-grade malls, having experienced a significant decrease in occupancy during the COVID-19 pandemic, continue to struggle in achieving healthy occupancy levels.

Figure 20.3: Trends in new completions and net absorption



Source: JLL Research

Outlook

The retail real estate market Pune is expected to experience a supply influx of over 2.5 mn sq ft of retail mall space within the next 5 years. This anticipated growth is poised to further enhance the overall retail inventory in the city and attract retailers seeking to expand their presence in the city. Premium and good-grade malls are expected to maintain their appeal, while average-grade properties may face challenges. The sector is likely to see a trend towards experiential retail, increased technology integration, and a focus on sustainability. Overall, well-located, high-quality retail assets that can adapt to market trends are poised for growth, supporting the continued expansion and transformation of Pune's retail landscape.

Chapter 21: Challenges for the Real Estate Industry

The real estate industry in India is a vital sector contributing to the country's economy and offering housing to a growing population. While it presents opportunities for developers and investors, it also faces several challenges and risks. Here are some key challenges and risks in the Indian real estate market:

1. Economic Uncertainty: The Indian real estate market is susceptible to economic fluctuations, both domestically and globally. Economic uncertainties, such as GDP growth slowdown and increased inflation can impact the overall demand for real estate and affect investment decisions. During economic downturns or periods of low business activity, tenant demand for office and retail spaces can reduce and potential homebuyers can delay decision making which can impact the income of developers/landlords.
2. Affordability: Affordability remains a significant challenge in the Indian residential real estate market, particularly in major cities. Rising property prices, coupled with stagnant income growth, make it difficult for a large section of the population to purchase or rent homes. Moreover, high interest rates on home loans can make borrowing more expensive, further impacting affordability levels. Lack of access to affordable housing options can lead to low demand and a slowdown in the market.
3. Market Dynamics: Like any sector, the India real estate sector in India is subject to cyclical trends and market volatility. Factors such as geopolitical events, interest rate changes, and shifts in investor sentiment can impact demand, prices, and transaction volumes. Matching supply with fluctuating demand can be challenging and requires effective market analysis and forecasting. Also, certain markets are approaching saturation, potentially leading to intensified competition among developers and the risk of price wars.
4. Infrastructure Constraints: The real estate market is directly impacted by the availability and quality of infrastructure. Efficient transportation networks, and connectivity play crucial roles in determining the attractiveness of residential locations. The existing infrastructure in larger markets is overloaded and delays in completing planned projects impact the attractiveness and viability of real estate projects
5. Financing Challenges: Limited access to financing options, high interest rates, and strict eligibility criteria for home loans are significant challenges in the Indian residential real estate market. The cost of borrowing and lack of financial assistance can hinder homebuyers' ability to afford properties and developers' capacity to complete projects.
6. Evolving Consumer Preferences: Rapid urbanization, demographic shifts, and evolving consumer preferences pose challenges for developers to understand and meet buyer demand effectively. Preferences for modern amenities, sustainable features, and smart homes require developers to adapt their offerings.
7. Regulatory Environment: The real estate sector in India is heavily governed by complex regulations at the national, state, and local levels. Delays in obtaining necessary approvals and permits, and compliance with various regulations, can increase project timelines and costs. Inconsistent implementation of regulations can also create uncertainty for developers and buyers.
8. Land Acquisition: The acquisition of land for real estate development can be a complex and time-consuming process in India. Issues related to land titles, fragmented ownership, and disputes may delay projects and increase costs. The scarcity of prime land in desirable locations further exacerbates this challenge.
9. Construction Quality and Delays: Construction quality, adherence to safety standards, and project delivery delays are persistent challenges in the residential real estate market. Buyers face concerns regarding the structural integrity of buildings and timely completion, and developers face reputational risks and cost overruns due to construction delays.

To navigate these challenges, industry stakeholders need to streamline regulatory processes, invest in infrastructure development, improve financial access, ensure construction quality, and adapt to changing buyer preferences. Taking proactive steps to address these risks can contribute to the long-term growth and stability of the residential real estate market in India.

Annexure

Company and Peer KPIs

Table 20: Operational KPIs (1/2)

		Sales Value (INR million)	Sales Area (mn sq ft)	Sales (no of units)	Gross Collections (INR million)
Runwal Enterprises Limited	FY 2021-22	16,034.53	2.23	2,690.00	10,753.38
	FY 2022-23	14,050.03	1.71	1,975.00	13,034.30
	FY 2023-24	13,118.06	1.52	1,623.00	14,540.79
	H1 FY 2024-25	6,305.73	0.76	887.00	6,705.63
Runwal Enterprises Limited (Proforma)	FY 2021-22	22,867.17	3.06	3,555.00	16,491.24
	FY 2022-23	19,063.17	2.27	2,570.00	22,143.01
	FY 2023-24	18,132.64	2.01	2,131.00	21,745.38
	H1 FY 2024-25	8,755.44	1.06	1,212.00	8,566.93
Godrej Properties Limited	FY 2021-22	78,610.00	10.84	9,121.00	63,590.00
	FY 2022-23	122,320.00	15.21	12,631.00	89,910.00
	FY 2023-24	225,270.00	20.00	14,310.00	114,360.00
	H1 FY 2024-25	138,350.00	14.14	NA	70,170.00
Macrotech Developers Limited	FY 2021-22	90,240.00	8.00	7,237.00	85,970.00
	FY 2022-23	120,643.00	9.40	8,303.00	106,060.00
	FY 2023-24	145,200.00	11.10	NA	112,600.00
	H1 FY 2024-25	83,200.00	NA	NA	57,600.00
Prestige Estates Projects Limited	FY 2021-22	103,822.00	15.07	8,883.00	74,664.00
	FY 2022-23	129,309.00	15.09	9,644.00	98,055.00
	FY 2023-24	210,403.00	20.25	10,068.00	119,544.00
	H1 FY 2024-25	70,522.00	5.87	2,730.00	56,534.00
Keystone Realtors Limited	FY 2021-22	26,392.60	1.49	1,241.00	20,384.30
	FY 2022-23	16,044.00	1.03	1,026.00	18,620.90
	FY 2023-24	22,660.00	1.20	1,031.00	22,033.40
	H1 FY 2024-25	13,110.00	0.70	382.00	10,370.00
Oberoi Realty Limited	FY 2021-22	38,890.00	2.10	844.00	NA
	FY 2022-23	85,720.00	2.54	684.00	NA
	FY 2023-24	40,070.00	1.07	705.00	NA
	H1 FY 2024-25	25,094.50	0.49	297.00	NA
Sunteck Realty Limited	FY 2021-22	13,030.00	NA	NA	10,530.00
	FY 2022-23	16,020.00	NA	NA	12,500.00
	FY 2023-24	19,150.00	NA	NA	12,360.00
	H1 FY 2024-25	10,260.00	NA	NA	6,090.00

Table 21: Operational KPIs (2/2)

		Launches (mn sq ft)	Deliveries (mn sq ft)	Average Sale Price (INR/sq ft)
Runwal Enterprises Limited	FY 2021-22	3.59	-	7,190.85
	FY 2022-23	1.33	1.38	8,218.51
	FY 2023-24	1.48	1.18	8,610.09
	H1 FY 2024-25	0.01	0.51	8,291.34
Runwal Enterprises Limited (Proforma)	FY 2021-22	4.58	-	7,472.87
	FY 2022-23	1.81	3.04	8,384.10
	FY 2023-24	2.95	2.23	9,027.84
	H1 FY 2024-25	0.56	0.51	8,256.74
Godrej Properties Limited	FY 2021-22	10.07	6.40	7,251.85
	FY 2022-23	14.84	10.50	8,042.08
	FY 2023-24	22.07	12.50	11,263.50
	H1 FY 2024-25	15.40	9.30	9,784.30
Macrotech Developers Limited	FY 2021-22	5.80	5.30	11,280.00
	FY 2022-23	10.30	9.30	12,834.04
	FY 2023-24	11.70	NA	13,081.08
	H1 FY 2024-25	3.60	NA	NA
Prestige Estates Projects Limited	FY 2021-22	16.77	14.26	6,889.32
	FY 2022-23	26.38	15.68	8,569.18
	FY 2023-24	40.19	25.55	10,390.27
	H1 FY 2024-25	10.05	3.03	12,013.97
Keystone Realtors Limited	FY 2021-22	NA	0.31	17,713.15
	FY 2022-23	0.61	0.34	15,576.70
	FY 2023-24	1.68	4.65	18,883.33
	H1 FY 2024-25	3.12	NA	18,728.57
Oberoi Realty Limited	FY 2021-22	NA	NA	18,519.05
	FY 2022-23	NA	NA	33,748.03
	FY 2023-24	NA	NA	37,448.60
	H1 FY 2024-25	NA	NA	51,575.03
Sunteck Realty Limited	FY 2021-22	NA	NA	NA
	FY 2022-23	NA	NA	NA
	FY 2023-24	NA	NA	NA
	H1 FY 2024-25	NA	NA	NA

Source: Public documents such as annual report, investor presentations and offer documents, data for Runwal Enterprises Limited provided by the company

Note:

- Sales value is calculated as the sum of the agreement value of units sold in residential, retail and commercial projects (net of cancellations) during such period for which agreements have been entered into and the booking amount has been received, but does not include taxes, other charges, stamp duty and registration charges
- Gross Collections are calculated as the sum of collections against agreement value from sale of units (net of cancellations) but do not include taxes and other charges
- Launches refers to mn sq ft of area of inventory launched in market by the Company to start taking bookings from customers
- Deliveries refers to Completed Area where occupation certificate has been received
- Average Sale Price is calculated as Sales Value (INR mn) divided by the Sales Area in mn sq ft

Table 22: Financial KPIs (1/2)

		Revenue from operations (INR million)	Gross Margin (INR million)	Gross Margin (%)	EBIDTA (INR million)	EBIDTA Margin (%)
Runwal Enterprises Limited	FY 2021-22	613.60	0.00	-	(637.83)	(103.95)
	FY 2022-23	2,294.86	1,150.21	50.12	8.59	0.37
	FY 2023-24	6,621.93	3,765.75	56.87	1,870.62	28.25
	H1 FY 2024-25	2,705.17	1,278.08	47.25	639.88	23.65
Runwal Enterprises Limited (Proforma)	FY 2021-22	844.16	48.04	5.69	(753.71)	(89.29)
	FY 2022-23	6,866.42	1,503.03	21.89	286.65	4.17
	FY 2023-24	26,181.25	4,915.33	18.77	1,975.26	7.54
	H1 FY 2024-25	4,051.94	1,439.21	35.52	495.78	12.24
Godrej Properties Limited	FY 2021-22	18,248.80	6,310.10	34.58	8,939.70	48.99
	FY 2022-23	22,522.60	10,103.80	44.86	10,343.70	45.93
	FY 2023-24	30,356.20	12,275.90	40.44	11,689.20	38.51
	H1 FY 2024-25	18,322.30	7,392.76	40.35	11,206.40	61.16
Macrotech Developers Limited	FY 2021-22	92,332.00	31,705.90	34.34	24,707.00	26.76
	FY 2022-23	94,703.60	34,063.30	35.97	22,070.00	23.30
	FY 2023-24	103,161.00	41,133.00	39.87	28,291.00	27.42
	H1 FY 2024-25	54,722.00	21,893.00	40.01	15,921.00	29.09
Prestige Estates Projects Limited	FY 2021-22	63,895.00	31,361.00	49.08	17,442.00	27.30
	FY 2022-23	83,150.00	42,391.00	50.98	25,433.00	30.59
	FY 2023-24	78,771.00	51,848.00	65.82	40,466.00	51.37
	H1 FY 2024-25	41,665.00	30,029.00	72.07	17,094.00	41.03
Keystone Realtors Limited	FY 2021-22	12,693.70	2,806.40	22.11	2,129.50	16.78
	FY 2022-23	6,856.60	2,479.50	36.16	1,430.80	20.87
	FY 2023-24	22,222.50	3,592.50	16.17	1,629.20	7.33
	H1 FY 2024-25	9,552.30	2,884.40	30.20	1,619.10	16.95
Oberoi Realty Limited	FY 2021-22	26,939.70	13,486.60	50.06	12,397.90	46.02
	FY 2022-23	41,925.80	23,257.00	55.47	22,122.70	52.77
	FY 2023-24	44,957.90	27,021.50	60.10	27,328.43	60.79
	H1 FY 2024-25	27,250.50	17,621.80	64.67	17,043.50	62.54
Sunteck Realty Limited	FY 2021-22	5,130.76	2,557.77	49.85	1,162.60	22.66
	FY 2022-23	3,624.47	2,348.45	64.79	925.97	25.55
	FY 2023-24	5,648.47	3,295.92	58.35	1,727.50	30.58
	H1 FY 2024-25	4,853.28	1,707.86	35.19	935.04	19.27

Table 23: Financial KPIs (2/2)

		Adjusted EBIDTA (INR million)	Adjusted EBIDTA Margin (%)	Total Equity (INR million)	Net Debt (INR million)	Net Debt/ Equity Ratio
Runwal Enterprises Limited	FY 2021-22	555.54	90.54	3,934.56	11,320.17	2.88
	FY 2022-23	1,485.44	64.73	5,404.88	11,268.03	2.08
	FY 2023-24	3,050.89	46.07	6,469.70	10,887.59	1.68
	H1 FY 2024-25	1,308.83	48.38	6,725.42	14,356.23	2.13
Runwal Enterprises Limited (Proforma)	FY 2021-22	1,346.82	159.55	4,185.15	28,607.09	6.84
	FY 2022-23	2,591.93	37.75	5,693.42	22,205.69	3.90
	FY 2023-24	4,242.25	16.20	6,821.77	22,184.19	3.25
	H1 FY 2024-25	1,524.19	37.62	6,894.47	25,935.95	3.76
Godrej Properties Limited	FY 2021-22	7,500.00	41.10	86,735.70	4,630.00	0.05
	FY 2022-23	11,180.00	49.64	92,871.50	36,490.00	0.39
	FY 2023-24	13,790.00	45.43	103,014.40	61,980.00	0.60
	H1 FY 2024-25	11,810.00	64.46	111,184.80	75,720.00	0.68
Macrotech Developers Limited	FY 2021-22	32,418.00	35.11	121,618.30	93,000.00	0.76
	FY 2022-23	29,720.00	31.38	127,222.40	70,710.00	0.56
	FY 2023-24	34,300.00	33.25	175,340.00	30,100.00	0.17
	H1 FY 2024-25	19,200.00	35.09	182,501.00	49,200.00	0.27
Prestige Estates Projects Limited	FY 2021-22	NA	NA	95,469.00	33,644.00	0.35
	FY 2022-23	NA	NA	102,585.00	55,657.00	0.54
	FY 2023-24	NA	NA	118,010.00	77,880.00	0.66
	H1 FY 2024-25	NA	NA	171,811.00	35,921.00	0.21
Keystone Realtors Limited	FY 2021-22	4,297.40	33.85	9,631.50	5,210.10	0.54
	FY 2022-23	2,203.10	32.13	16,867.30	188.00	0.01
	FY 2023-24	4,064.70	18.29	17,941.80	3,591.60	0.20
	H1 FY 2024-25	2,196.00	22.99	26,739.50	(4,986.00)	-
Oberoi Realty Limited	FY 2021-22	NA	NA	104,161.40	16,665.82	0.16
	FY 2022-23	NA	NA	122,101.20	30,525.30	0.25
	FY 2023-24	NA	NA	138,444.10	12,459.97	0.09
	H1 FY 2024-25	NA	NA	147,999.80	2,960.00	0.02
Sunteck Realty Limited	FY 2021-22	NA	NA	27,904.04	5,390.00	0.19
	FY 2022-23	NA	NA	27,878.56	2,800.00	0.10
	FY 2023-24	NA	NA	31,241.97	(80.00)	-
	H1 FY 2024-25	NA	NA	31,604.55	(980.00)	-

Source: Public documents such as annual report, investor presentations and offer documents, data for Runwal Enterprises Limited provided by the company

Note:

- Gross Margin is calculated as revenue from operations reduced by (i) cost of construction and development and (ii) changes in inventories of finished goods (including stock-in-trade) and work-in-progress
- Gross Margin percentage (%) is calculated by dividing Gross Margin by Revenue from operations
- EBITDA is calculated as profit/ (loss) before exceptional items, tax, share of profit in associates and joint ventures plus depreciation & amortisation plus finance costs
- EBITDA Margin is calculated as EBITDA divided by Revenue from operations
- Adjusted EBITDA is calculated as EBITDA plus finance cost component included in the cost of operations plus the depreciation and amortisation component included in the cost of operations. Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by Revenue from operations
- Net Debt refers to the sum of non-current borrowings, current borrowings, interest payable reduced by cash and cash equivalents
- Net Debt / Equity Ratio is calculated as Net Debt divided by Total Equity for the relevant period

Classification of Office Submarkets

City	Submarkets	Locations
Mumbai	CBD	Nariman Point, Cuff Parade, Fort, Ballard Estate
	SBD Central	Worli, Parel, Prabhadevi, Lower Parel, Dadar
	SBD BKC	Bandra Kurla Complex, Kurla, Kalina
	SBD North	Juhu, Andheri-Kurla Complex, Andheri East, Andheri West, Santa Cruz, Vile Parle, Jogeshwari
	Western Suburbs	Malad, Goregaon
	Eastern Suburbs	Ghatkopar, Vikhroli, Kanjurmarg, Powai, Mulund
	Navi Mumbai	Vashi, Belapur, Mahape, Airoli
	Thane	Thane

City	Submarkets	Locations
Pune	CBD	Pune Cantt, Bund Garden Road, Shivaji Nagar, Deccan, Station Road, Koregaon Park, Shankar Seth Road, Wakdewadi, Senapati Bapat Road
	SBD	Karve Road, Baner, Satara Road, Kalyani Nagar, Airport Road, Nagar Road, Yerwada, Hadapsar, Viman Nagar, Aundh, Kharadi, Kothrud, Mundhwa
	Suburbs	Hinjewadi, Lohegaon, Pimpri, Chinchwad, Bhosari, Balewadi, Wakad, Pashan, Fursungi, NIBM

Classification of Residential Submarkets

City	Submarkets	Locations

Mumbai	South Mumbai	Altamount Road, Babulnath, Charni Road, Chowpatty, Cuffe Parade, Dadar West, Elphinstone, Gamdevi, Charni Road, Grant Road, Hughes Road, Jacob Circle, Lower Parel, Mahalaxmi, Mazgaon, Mumbai Central, Nana Chowk, Napeansea Road, Peddar Road, Prabhadevi, Tardeo, Worli, Worli Naka, Worli Seaface
	South Central	Byculla, Chembur, Dadar East, Deonar, Govandi, Mahim, Matunga, Parel, Parel-Sewri, Sewri, Sion, Tilak Nagar, Upper Parel, Wadala
	North Mumbai	Bandra, BKC, Juhu, JVPD, Kalina, Khar, Santacruz, Upper Juhu
	Western Suburbs I	Andheri, Goregaon, Jogeshwari, Versova, Vile Parle
	Western Suburbs II	Malad, Kandivali, Borivali, Madh Island, Dahisar
	Eastern Suburbs	Bhandup, Chandivali, Ghatkopar, Kanjurmarg, Kurla, Mulund, Nahur, Powai, Vidyavihar, Vikhroli
	Navi Mumbai	Airoli, Rabale, Ghansoli, Koparkhairne, Mahape, Turbhe, Vashi, Sanpada, Juinagar, Nerul, Seawoods, CBD Belapur, Kharghar, Kamothe, Kalamboli, New Kalamboli, Roadpali, Taloja, Panvel, Chiple, Adai, Karanjade, Navade, New Panvel, Ulwe, Dronagiri, JNPT, Nhava Sheva, Uran
	Thane	Pokhran Road, Ghodbunder Road, Glady Alwares Road, Kolshet Road, Eastern Express Highway, Wagle Estate, Naupada, Panchpakhadi, Khopat