

MUMBAI RESIDENTIAL PROPERTY REGISTRATIONS UPDATE - JANUARY 2022

GOVERNMENT REVENUE RISES 56% YoY IN JANUARY 2022 WITH OVER 8,000 PROPERTY SALES REGISTERED

Highlights

8,155 property sale documents registered in January 2022 in MCGM Region

January 2022 witnesses 22% YoY dip compared to January 2021, when stamp duty relaxation was in place

Average daily sale rate of 263 achieved in January 2022

Government revenue increases by 56% YoY

Property sale registrations in MCGM region for January 2022 stood at 8,155 units with a dip of 16% MoM. This is owing to the challenges faced in the initial part of the month on account of the third wave of COVID, which reduced movement. The per day average for property registration was recorded at 263 in January 2022. Developers and consumers took a cautious stand in light of the Omicron variant. However, the government revenue from property registrations was recorded at INR 4.78 bn which is the highest collection for the month of January in the last 10 years.

"Cautiousness on account of the third wave influenced sentiments in January registrations, albeit in a limited way, mostly due to infection amongst purchasers. However, as previously experienced, we see this slowdown as a temporary blip and the market should gain momentum as the rate of infection declines."

Shishir Bajjal
Chairman and Managing Director

TABLE 1

Property Sale Deeds Registered		
Month	Property sale registrations (Units)	MOM change
Jan-21	10,412	-47%
Feb-21	10,172	-2%
Mar-21	17,728	74%
Apr-21	10,136	-43%
May-21	5,360	-47%
Jun-21	7,856	47%
Jul-21	9,822	25%
Aug-21	6,784	-31%
Sept-21	7,804	15%
Oct-21	8,576	10%
Nov-21	7,582	-12%
Dec-21	9,320	23%
Jan-22	8,155	-16%

Source: Maharashtra Govt- Dept. of Registrations and Stamps (IGR); Knight Frank India Research

TABLE 2

Mumbai City - January Month Property Sale Registrations			
Month	Property sale registrations (Units)	MOM change	YoY change
Jan-13	5,599	-14%	
Jan-14	5,497	-19%	-2%
Jan-15	6,214	-21%	13%
Jan-16	5,163	-32%	-17%
Jan-17	3,619	-25%	-30%
Jan-18	6,270	-10%	73%
Jan-19	4,605	-45%	-27%
Jan-20	6,150	-4%	34%
Jan-21	10,412	-47%	69%
Jan-22	8,155	-16%	-22%

Source: Maharashtra Govt- Dept. of Registrations and Stamps (IGR); Knight Frank India Research

While the registrations were lower by 22% over January 2021 on a year-on-year comparison, revenues increased by 56%. The drop in YoY sales with rise in the revenue, is an impact of the government relief provided last year in the same period, i.e. provision of lower stamp duty rate window (3%). The period was not severely inflicted by COVID. This had acted as a catalyst for registrations in January 2021, and the registration volume was higher than all the pre-COVID January months.

A trend of seasonal MoM drop in January since last 9 years continues in 2022 as well. More than 500 sq ft category continues to dominate in MCGM region with 60% sales, despite the government sop to abolish property taxes. 45% of all sales in January 2022 were in the category 500-1000 sq ft.

Apartment Size Analysis: 85% of the property registrations in January 2022 are concentrated in apartments of unit sizes up to 1,000 sq ft. With the COVID scare still present in the market and prolonged work and study from home experience continuing, home ownership remains pivotal with focus on affordable right-sized homes for upgrade. With improvement in affordability, spacious homes of unit sizes 500- 1,000 sq ft continued to be the preference, accounting for 45% of the total registrations in January 2022. However, compact apartments still hold a substantial share with up to 500 sq ft bagging a contribution of 40% in January 2022.

Large format apartments with unit sizes above 1000 sq ft contributed only 15% of the total registrations. Apartments with unit sizes 1,000-2,000 sq ft accounted for 13% of total registrations in January 2022.

While the overall share remains mostly unchanged from December 2021 to January 2022, the focus has been on 500-1000 sq ft apartment areas.



TABLE 3

Apartment Size Categories				
Period	0 – 46 sq m (0-500 sq ft)	47 – 92 sq m (501-1,000 sq ft)	93 – 186 sq m (1,001 – 2000 sq ft)	186 sq m and above (2000 sq ft and above)
Share in December 2021	42%	41%	13%	4%
Share in January 2022	40%	45%	13%	2%
Change in percentage points	-2%	4%	0%	-2%

Source: Maharashtra Govt- Dept. of Registrations and Stamps (IGR); Knight Frank India Research

Micro-market Analysis: The suburbs have garnered foremost share of registration sales i.e. 86% in January 2022 owing to its affordability along with good connectivity and infrastructure support.

Western Suburbs continue to be the most prominent market contributing to more than half the registrations in the month of January 2022 with 52% contribution. It is followed by Central Suburbs which bagged a share of 34% in terms of property registrations in January 2022.

Central Mumbai and South Mumbai together hold a share of 14%, which has dipped from its share of 19% in December 2021.

Share of Central Suburbs increased on MoM basis from 31% in December 2021 to 34% in January 2022.

TABLE 4

Micro-market Wise Breakup of Apartment Sales		
Micro-market	% Share in December 2021 residential sales deeds registered	%Share in January 2022 residential sales deeds registered
Central Mumbai	7%	6%
Central Suburbs	31%	34%
South Mumbai	9%	8%
Western Suburbs	53%	52%

Source: Knight Frank India Research



Ticket Size Analysis: Homebuyers continue to be vigilant for up to 1000 sq ft apartments at affordable rates. Properties below ticket size of INR 50 mn remain a preferred choice.

Specifically, properties with ticket size of INR 10 mn and below continue to be the

preferred choice for customers with a contribution of 51% of the total registrations in January 2022. INR 10 mn to INR 50 mn accounted for 45% of the total registrations in January 2022, which is a gradual improvement over the last three months.

TABLE 5

Ticket Size Wise Split of Property Sale Registrations							
Ticket size	July 2021	August 2021	September 2021	October 2021	November 2021	December 2021	January 2022
INR 10mn and below	53%	55%	51%	53%	58%	53%	51%
INR 10mn to 50 mn	43%	41%	43%	43%	36%	42%	45%
INR 50mn to 100 mn	3%	3%	4%	3%	5%	4%	3%
> INR 100mn	1%	1%	2%	1%	1%	2%	1%

Source: Maharashtra Govt- Dept. of Registrations and Stamps (IGR); Knight Frank India Research

Government Revenue Collection:

Government revenue collection in January 2022 recorded at INR 4.78 bn, crossed the revenue collection of 3.05 bn of January 2021, recording an increase of 56% YoY. It has come on the back of lower property sale registrations at a higher stamp duty rate of 5% now, compared to 3% last year.

TABLE 6

Government Revenue (INR Bn) Collection		
Month	Revenue collection (INR Bn)	YoY change
Dec-21	7.59	11%
Jan-21	3.05	-33%
Jan-22	4.78	56%

Source: Knight Frank India Research

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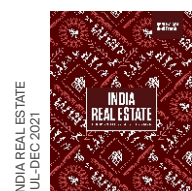
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