Knight Frank

Mumbai Residential Property Update – June 2022

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“The Mumbai real estate market continues to witness robust demand with strong consumer sentiment towards home ownership, anchoring growth. Even with an increase in the home loan interest rate and property price rise, these numbers have been achieved because of amenable affordability levels and a strong domestic economy. The continued momentum of demand has ensured that state government revenues have also witnessed unabated growth. Revenues from stamp duty collection has increased significantly over the same period last year. We expect the sales velocity to maintain pace in the next few months as economic growth continues.”

Mumbai property registrations record 26% YoY growth with over 9900 properties registered in June 2022.

June 2022 records best registrations from all the corresponding months in 10 years

State government revenue collection reaches INR 734 cr, up by 75% YoY

Property sales registration momentum maintained, daily registration rate at 331 compared to 317 in May 2022

State government revenue collection in H1 2022 (Jan-Jun 2022) grows by 63% YoY

Mumbai City (BMC area) saw property sale registrations of 9,919 units in June 2022, contributing over INR 734 crores (cr) to the state revenues. The number of units registered in June 2022 was the highest in a decade for the month of June. 52% registrations were in the price band of INR 1 cr and over, while in terms of apartment size, homes ranging between 500-1000 sq ft was the most preferred category of property registered in June 2022.

The strong property registration momentum continued in June 2022 despite implementation of a metro cess that effectively increased the stamp duty by 1% since April 2022, and the cumulative repo rate hike of 90 basis points stretching home buyer affordability. Consumer sentiment remained unrestricted, with the average daily registration rate for June 2022 remaining above 300.

Mumbai city property sale registrations for the month of June

Month	Property sale registrations (Units)	YoY change
Jun-13	4,846	
Jun-14	4,812	-1%
Jun-15	5,147	7%
Jun-16	5,334	4%
Jun-17	8,431	58%
Jun-18	6,183	-27%
Jun-19	5,640	-9%
Jun-20	1,839	-67%
Jun-21	7,856	327%
Jun-22	9,919	26%

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

Mumbai city property sale registrations

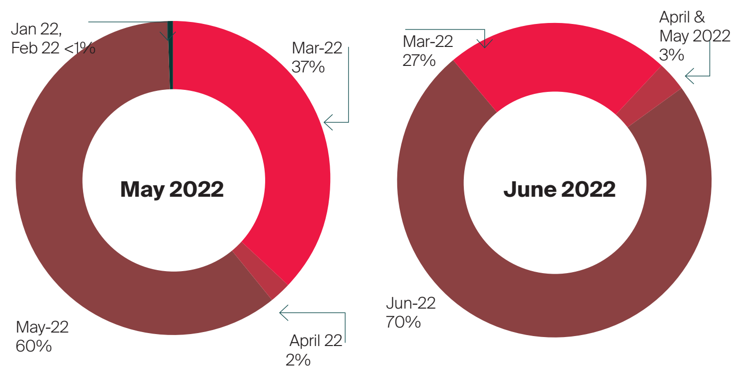
Month	Property sale registrations (Units)	YoY change
Jan-21	10,412	69%
Feb-21	10,172	72%
Mar-21	17,728	367%
Apr-21	10,136	*
May-21	5,360	2489%
Jun-21	7,856	327%
Jul-21	9,822	269%
Aug-21	6,784	157%
Sep-21	7,804	39%
Oct-21	8,576	8%
Nov-21	7,582	-18%
Dec -21	9,681	-51%
Jan- 22	8,155	-22%
Feb-22	10,379	2%
Mar -22	16,726	-6%
April-22	11,743	16%
May - 22	9,839	84%
Jun - 22	9,919	26%

Source: Maharashtra Govt- Dept. of Registrations and Stamps (IGR); Knight Frank India Research
* Month Impacted by Covid induced lockdown

70% of properties registered in June were those bought in the same month, though buyers planning advance purchase continued to register in June 2022.

70% of all property sale registrations were for properties transacted in the same month. Although 27% of properties registered in June 2022 were filed in March 2022 and around 3% of these deals were filed in April and May 2022, the buyer sentiment seemed unabated by the rise in stamp duty and home loan rates.

Month of property filing that are registered in June 2022



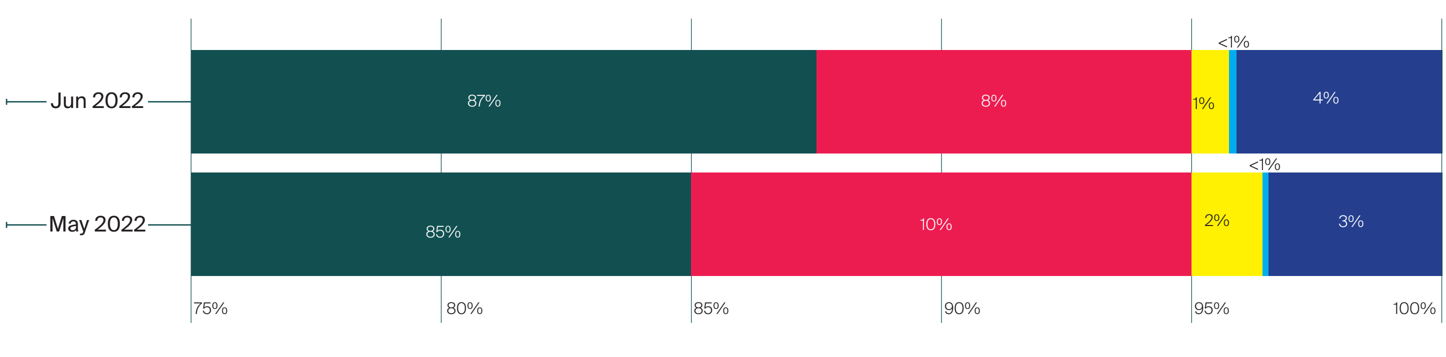
Source: Maharashtra Govt. Dept. of Registrations and Stamps (IGR); Knight Frank India Research
*Note: Basis data up to 26th May 2022 & 24th June 2022

Property deal type

87% of the properties registered in June 2022 are residential

Of all the properties registered in June 2022, 87% were residential deals compared to 85% in the previous month. The contribution of commercial property deals, on the other hand, has come down from 10% last month to 8% of the total deals registered in June 2022. Industrial property deals contributed to 1% while land deals registered stayed under 1%. Other forms of property deals contributed to 4% of the total deals registered in June 2022.

Typology of property deals in May & June 2022



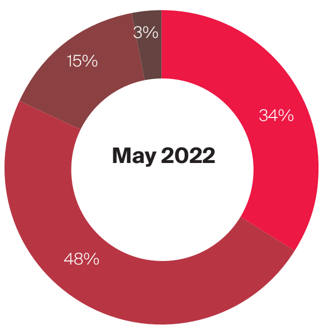
Source: Maharashtra Govt- Dept. of Registrations and Stamps (IGR); Knight Frank India Research

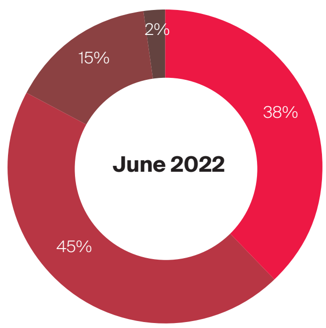
Apartment size

Focus remains on 500-1,000 sq ft area segment

Compact homes of up to 500 sq ft contributed to 38% of all properties registered in June 2022 as compared to 34% in May 2022. Homes of 500-1,000 sq ft continued to be the preference, accounting for 45% of the total registrations in June 2022 as compared to 48% in May 2022. The share of homes of 1,000-2,000 sq ft remained unchanged and accounted for 15% of total registrations in June 2022. The share of over 2,000 sq ft have dropped from 3% in May 2022 to 2% in June 2022.

Area wise breakup of apartment sales





	Unit-size	May-21	Jun-22
	0-500	34%	38%
	500-1000	48%	45%
	1000-2000	15%	15%
	Over - 2000	3%	2%

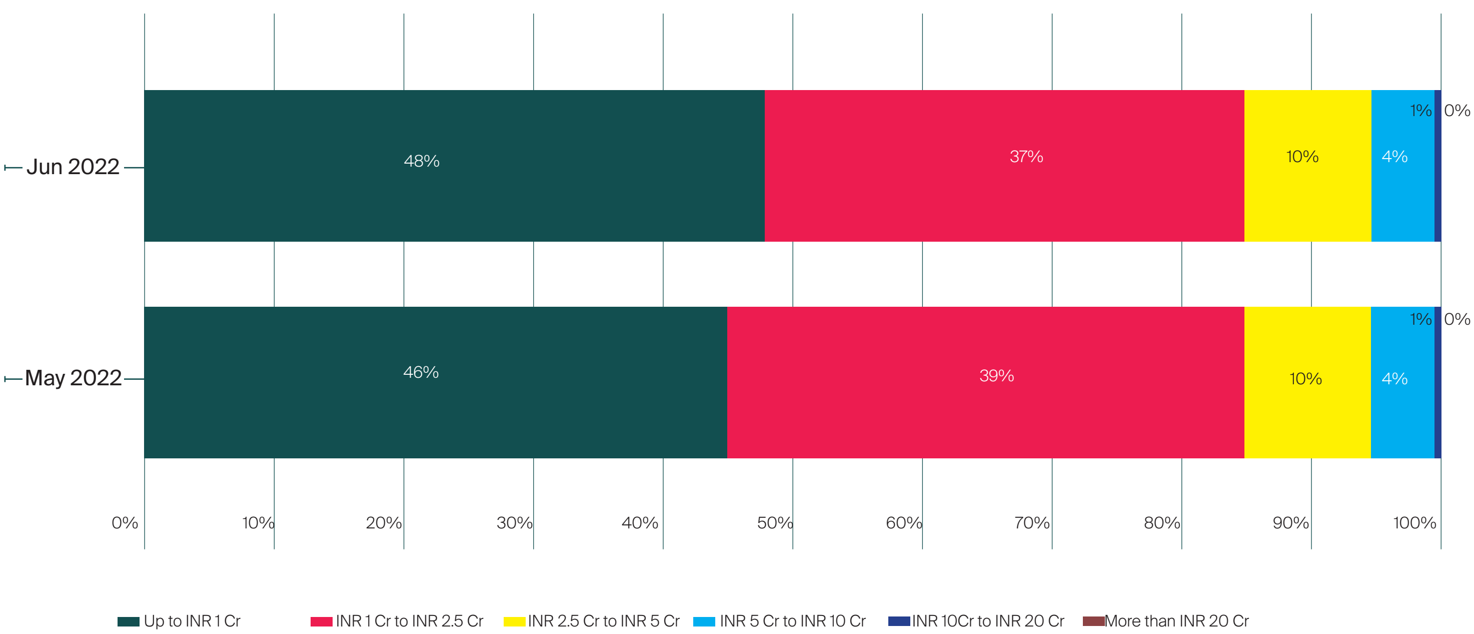
Source: Maharashtra Govt- Dept. of Registrations and Stamps (IGR); Knight Frank India Research

Ticket size

FOCUS ON 1 CR AND BELOW DEALS WITH THE SEGMENT BAGGING A SHARE OF 48%

The focus remained on residential properties with a ticket size of INR 1 cr and below which made up 48% of residential registrations in June 2022 as compared to 46% in May 2022. INR 1 to 2.5 cr had a contribution of 37% while INR 2.5-5 cr had a contribution of 10%. Residential properties above 5 cr has contributed to 5% of the total residential deals in June 2022.

Ticket size wise split of property sale registrations



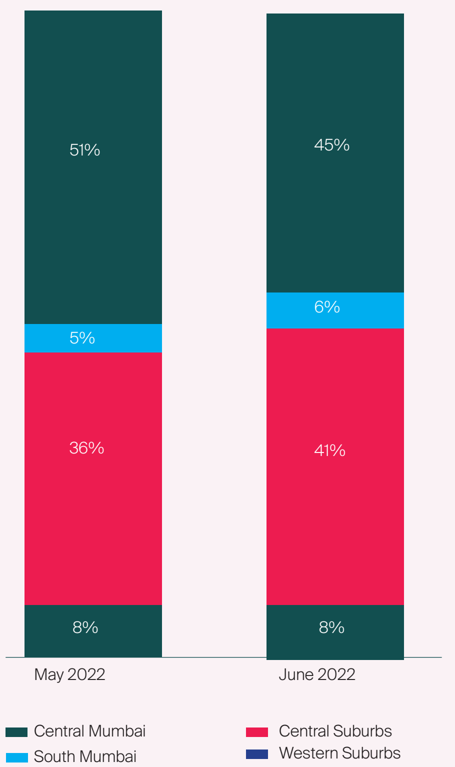
Source: Maharashtra Govt. Dept. of Registrations and Stamps (IGR); Knight Frank India Research

Micro market

Western suburbs & central suburbs account for 86% of the total market share

The share of Western Suburbs has fallen from 51% in May 2022 to 45% in June 2022, while Central Suburbs has recorded a jump in the share of contribution compared to May 2022, and gone up from 36% in May 2022 to 41% in June 2022. Central Mumbai saw a contribution of 8% while South Mumbai recorded a 100 bps rise to 6%.

Micro-Market wise breakup of apartment sales

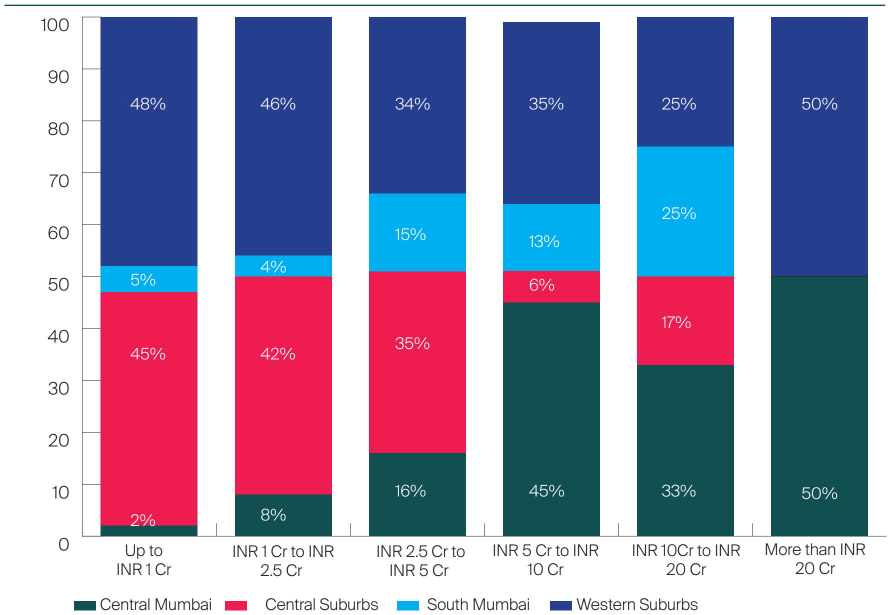


Source: Maharashtra Govt- Dept. of Registrations and Stamps (IGR); Knight Frank India Research

The maximum share of property registrations having ticket sizes of INR 5 cr and below has been recorded in the Western & Central Suburb micro markets. For high value ticket sizes of INR 5 cr to INR 20 cr, Central Mumbai recorded the largest share contribution.

The major share of Western and Central Suburbs remains concentrated in the under 2.5 cr category, and these are also the largest contributors to their respective ticket size categories.

Micro-Market and Ticket size wise breakup of apartment sales



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

Consumer sentiment

Majority buyers do not prefer relocation outside their micro markets

In June 2022, consumers continued to demonstrate low inclination towards relocation to a different micro market. Out of City buyers have shown interest in purchasing residential properties primarily in the Central Suburbs followed by Western Suburbs for the month of June.

Central and Western Suburbs being relatively affordable markets, buyers in these micro markets have shown a tendency to upgrade to properties within their own micro market. 95% of homebuyers from the Central Suburbs and 89% of homebuyers from the Western Suburbs preferred their current location while purchasing property. About 8% of home buyers from the Western Suburbs have relocated to Central Suburbs.

Homebuyers from prime micro markets like Central and South Mumbai have a lower inclination towards property purchase within the micro market. 61% of home buyers from Central Mumbai and 56% of home buyers from South Mumbai have purchased a home in the same micro market. Central Suburbs have emerged as the second preferred market for homebuyers of Central and South Mumbai having a share contribution of 26% and 20%. The inclination for homebuyers in Central and South Mumbai to relocate to Western Suburbs remains low with under 10% customers purchasing property in the micro market.

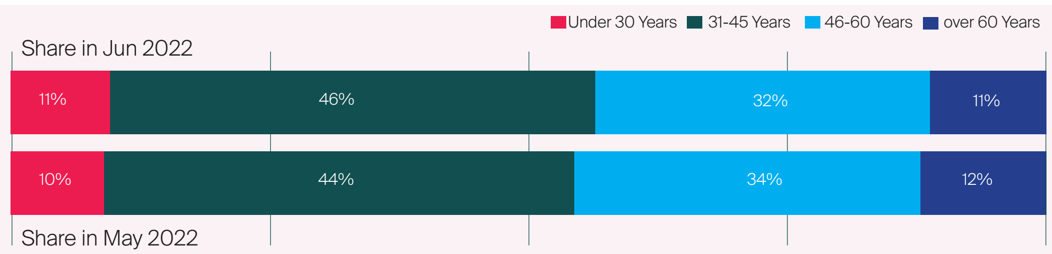
Preferred location of Property purchase

Preferred Micro Market	Buyers' Location: Central Mumbai	Central Suburbs	South Mumbai	Western Suburbs	Out of City
Central Mumbai	61%	1%	14%	2%	8%
Central Suburbs	26%	95%	20%	8%	57%
South Mumbai	4%	0%	56%	1%	7%
Western Suburbs	9%	4%	9%	89%	27%
	100%	**100%**	**100%**	**100%**	**100%**

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

High — Low

Consumer age



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

46%

of home buyers in June 2022 are in the 31-45 year age bracket

The largest number of home buyers in June 2022 are in the 31- 45 year category having contribution of 46%, while the 46-60 year category has a share of 32%. 11% home buyers are under 30 while 11% are over 60 years of age.

Government revenue collection saw a 75% YoY rise

Government revenue collection in June 2022 was recorded at INR 734 cr, surpassing the June 2021 collection of INR 420 cr on account of both improvement in registration volume and the 1% higher stamp duty rate.

The government revenue collection in H1 2022 (January to June 2022) jumped by 63% YoY on account of stamp duty collection from buoyant property sales registrations and other construction related transactions.

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.

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