

Mumbai Residential Property Update



MUMBAI 2023

- Mumbai registers over 317 properties per day in May 2023
- Revenue collection of INR 269 mn per day recorded from property registrations in May 2023
- Share of homes larger than 1,000 sq ft at 24% in May 2023

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Mumbai registers over 9,800 properties in May 2023; the state exchequer collects over INR 8,328 mn from property registrations in the same period

Mumbai city (area under BMC jurisdiction) saw property sales registration of 9,823 units in May 2023, resulting in INR 8,328 mn of revenue for the state exchequer, an increase of 15% YoY. Of the total properties registered, 84% were residential while 16% were non-residential properties. The growth in revenue was on account of the increased stamp duty rate and a surge in higher-value property transactions.

Table: Mumbai property sale registrations and government revenue collection

Period	Registration (Units)	YoY	MoM	Revenue (INR mn)	YoY	MoM
May-22	9,839	84%	-16%	7,268	171%	-2%
Jun-22	9,919	26%	1%	7,336	75%	1%
Jul-22	11,340	15%	14%	8,286	46%	13%
Aug-22	8,552	26%	-25%	6,436	53%	-22%
Sep-22	8,628	11%	1%	7,342	39%	14%
Oct-22	8,422	-2%	-2%	7,236	32%	-1%
Nov-22	8,965	18%	6%	6,838	24%	-6%
Dec-22	9,367	-3%	4%	8,354	10%	22%
Jan-23	9,001	10%	-4%	6,919	45%	-17%
Feb-23	9,684	-7%	8%	11,120	81%	61%
Mar-23	13,151	-21%	36%	12,259	6%	10%
April-23	10,514	-10%	-20%	9,000	22%	-27%
May-23	9,823	-0.2%	-7%	8,328	15%	-7%

The daily average property registration in May 2023 was 317 units, making it the second-best month of May in the last ten years after May 2022. Total registrations remained stable, observing a marginal 0.2% decline in May 2023 with a total of 9,823 property registrations in the month. The strength of daily sales rate with over 317 units registered per day and rising revenues clearly reiterated the robustness of the Mumbai property market.

Table: May month sales registration and MoM change for 2013-2023

Month-wise	Sales registration	MoM change	YoY change
May-13	6,068	-6%	-
May-14	5,392	7%	-11%
May-15	5,240	-18%	-3%
May-16	5,815	2%	11%
May-17	4,997	-12%	-14%
May-18	6,672	-5%	34%
May-19	6,270	6%	-6%
May-20	-	NA	NA
May-21	5,360	-47%	NA
May-22	9,839	-16%	84%
May-23	9,823	-7%	-0.2%

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

Shishir Baijal, Chairman & Managing Director, Knight Frank India, “The Mumbai residential market maintains its growth momentum with more than 317 properties being registered daily indicating that the demand, especially for residential, continues despite the change in stamp duty, rise in interest rates and other impediments. Further, if we analyse this demand, buyers are willing to pay a significantly higher price for homes in the last one year despite these changes as compared to September 2020, when stamp duty rebates were introduced, which can be dubbed as a turning point for residential markets in Mumbai. Since then, we have seen the demand remain steady with spikes due to interventions like withdrawal of stamp duty rebate in March 2021 or introduction of 1% cess on stamp duty. We expect the demand to remain robust. Factors influencing buying decisions, especially home loan rates, are expected to remain steady as consumer inflation is fast coming down.”

Share take-up for properties larger than 1,000 sq ft increased from 18% in May 2022 to 24% in May 2023

In May 2023, apartments measuring 500 to 1,000 sq ft continued to be purchasers’ preference, accounting for 41% of all apartments. The share of sale of apartments with less than 500 sq ft remained stable at 35% in May 2023. The share take-up for areas larger than 1,000 sq ft increased from 18% in May 2022 to 24% in May 2023.

Table: Area wise breakup of apartment sales

Area (sq ft)	Share in May 2022	Share in Apr 2023	Share in May 2023
Up to 500	34%	35%	35%
500-1,000	48%	43%	41%
1,000-2,000	15%	12%	13%
over 2,000	3%	10%	11%

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

Up to INR 10 mn remains the sweet spot for home buyers with 48% registrations recorded in this price category

In May 2023, the share of registration of properties worth INR 25 mn and below stood at 85%, in line with the same period last year, while the share of properties worth INR 25 mn and above accounted for 14% of all registered houses compared to 15% in May 2022.

Figure 1: Micro-market share by Percentage

Ticket size	Share in May 2022	Share in Apr 2023	Share in May 2023
Up to INR 10 mn	46%	49%	48%
INR 10 to 25 mn	39%	38%	37%
INR 25 to 50 mn	10%	9%	11%
INR 50 to 100 mn	4%	3%	2%
INR 100-200 mn	1%	1%	1%
More than INR 200 mn	<1%	<1%	<1%

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

Sales in South Mumbai registers an uptick with 10% registrations in May 2023

A majority of the properties registered in the month of May 2023 were located in the Western Suburbs constituting 58% of the market share, while 26% of registrations were for properties in Central Suburbs. In May 2023, 6% of registrations were for Central Mumbai, while South Mumbai's share of the total property registrations stood at 10%.

The two markets of Central and Westerns Suburbs have in recent months seen a large volume of launches as a response to the robust demand. These locations provide great value as most of the new developments here provide for modern living amenities. Further, these locations are either already connected or soon to be connected via the metro network which is further boosting the profiles of these properties.

Table: Micro market wise breakup

Micro-market	Share in May 2022	Share in Apr 2023	Share in May 2023
Central Mumbai	8%	6%	6%
Central Suburbs	36%	30%	26%
South Mumbai	5%	10%	10%
Western Suburbs	51%	54%	58%

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

The Central Suburbs and Western Suburbs have the highest percentage of property registrations under INR 50 mn. However, most transactions exceeding INR 50 mn were registered in Central and South Mumbai with three big transactions of over INR 200 mn recorded in Central Mumbai and South Mumbai.

Table: Micro-market and ticket size wise breakup of apartment sales – May 2023

	Central Mumbai	Central Suburbs	South Mumbai	Western Suburbs
Up to INR 10 mn	3%	33%	6%	59%
INR 10 to 25 mn	6%	37%	7%	51%
INR 25 to 50 mn	11%	29%	16%	44%
INR 50 to 100 mn	31%	0%	6%	63%
INR 100-200 mn	44%	0%	33%	22%
More than INR 200 mn	67%	0%	33%	0%

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

Most buyers prefer relocation within their micro markets

Consumers continued to favor buying in their local micro market in May 2023. The Central and Western Suburbs have demonstrated a significant propensity for buyers to upgrade to homes in their own micro market. 91% of buyers from the Western and 94% of purchasers from the Central Suburbs chose to buy in their existing micro market as familiarity of the location is a key consideration for end users along with availability of products suited to their price and product requirements.

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Approximately 5% of all Western Suburbs house purchasers have moved to the Central Suburbs, while 4% of the Central Suburbs home buyers have moved to the Western Suburbs. Homebuyers from the most desirable micro markets, including Central and South Mumbai, have a relatively lower inclination to buy in the same market. A home was bought in the same micro market by 55% of home buyers from Central Mumbai and 64% of home buyers from South Mumbai.

Residential properties in the Western and Central Suburbs have drawn the most interest from purchasers outside of the city.

Table: Preferred location of property purchase – May 2023

Preferred Micro market	Buyers' location					
		Central Mumbai	Central Suburbs	South Mumbai	Western Suburbs	Out of City
	Central Mumbai	55%	2%	12%	3%	1%
	Central Suburbs	24%	94%	15%	5%	42%
	South Mumbai	14%	1%	64%	1%	7%
	Western Suburbs	7%	4%	9%	91%	50%

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

Home buyers in 31-45 years age category remain largest group of buyers

In May 2023, the age group of 31 to 45 made up the biggest percentage of home buyers, accounting for 44% of all residential property registrations. 10% of house purchasers were under 30 years of age, while 33% of buyers were in the 46 to 60 age range.

In May 2023, the share of home buyers who were over 60 years old was 13%.

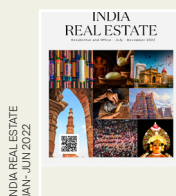
Table: Age of Home buyers

Age of Home buyers	Share in May 2022	Share in Apr 2023	Share in May 2023
Under 30 years	10%	12%	10%
31-45 years	44%	44%	44%
46-60 years	34%	30%	33%
Over 60 years	12%	14%	13%

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

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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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