



South Mumbai
A Renaissance



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Foreword



Shishir Baijal

Chairman and Managing Director

South Mumbai, once the pinnacle of India's business landscape, continues to evolve. South Mumbai, home to the country's leading business conglomerates and iconic institutions like the Bombay Stock Exchange and the Reserve Bank of India, once reigned as India's most prestigious office market. However, as demand for more modern office spaces grew, the area's limited land and aging infrastructure led to a decline in interest.

Yet, South Mumbai remains a coveted destination. Its legendary status, iconic seaside location, and excellent connectivity to the suburbs keep it desirable. Recent infrastructure developments, such as the Metro rail and Coastal Road projects, are fuelling renewed interest in the area. With more than 4 mn sq ft of developable space opening up, and older residential buildings being redeveloped into modern homes, the area is on the verge of a renaissance.

Office rents in South Mumbai have already risen by over 50% in top buildings over the last five years, reflecting increasing demand. This trend mirrors the revival seen in global cities like New York's Lower Manhattan and London's Battersea Power Plant, where iconic old business districts have regained prominence through infrastructure improvements and modern real estate development.

This report explores the imminent renaissance of South Mumbai, analysing the factors that are driving this resurgence, the expected real estate growth, and the opportunities this area holds for investors and end-users alike. We hope you find this report insightful and informative as we delve into the future potential of South Mumbai's real estate market.



Navigating the Office Landscape of Mumbai

In the global commercial real estate market, Mumbai stands out as a symbol of India's economic strength. As the financial capital of the country, it has been at the forefront of commercial activity, drawing both domestic and international investors. Its strategic location, resilient economy, and vibrant business environment have made it a top choice for premium office spaces.

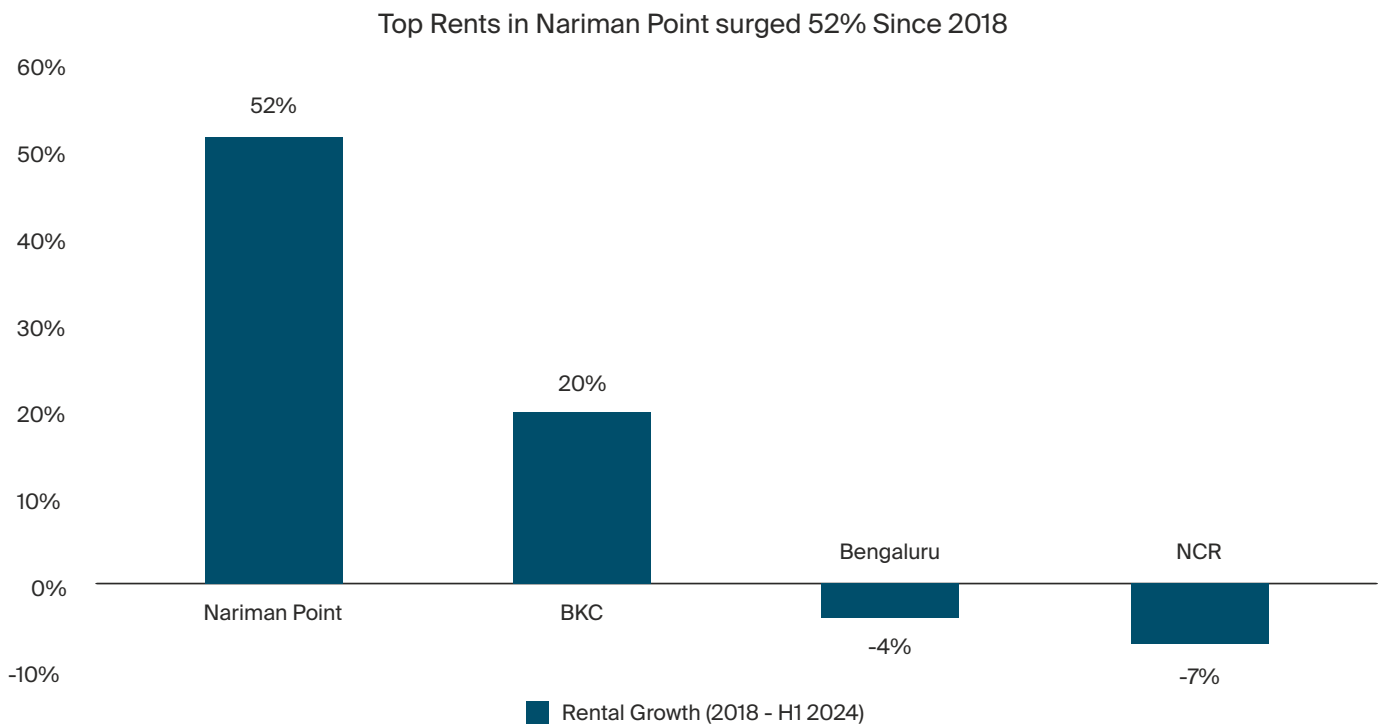
Despite evolving trends over the past decade, Mumbai has maintained its prominence in the commercial real estate landscape of the country. The city's role as a financial hub has kept demand for high-quality office spaces strong, ensuring its rental rates remain notably higher than those of other major Indian cities. This consistent premium highlight Mumbai's leadership in the nation's commercial property market.

Evolving Dynamics of Mumbai's CBDs: Nariman Point and BKC in Comparison with Leading Markets in Bengaluru and NCR

Diving deeper into the micro-market performance of Mumbai's key commercial districts, this analysis compares the maximum rental commanded in Nariman Point and Bandra-Kurla Complex (BKC) with the maximum rents commanded by those of prominent buildings in the Central Business Districts (CBDs) of Bengaluru and the National Capital Region (NCR).

The Bengaluru market includes office spaces from MG Road, Residency Road, Cunningham Road, Lavelle Road, Richmond Road, and Infantry Road, while the NCR market covers Delhi's Connaught Place, Barakhamba Road, Kasturba Gandhi Marg, and Minto Road, as well as Gurugram's DLF CyberCity, Sohna Road, Udyog Vihar, Gwal Pahari, and Noida's Sectors 16 and 18. This comparison provides critical insights into the evolution of these markets, focusing on rental growth and market resilience over the past several years.

Top Rental Growth in last five years: Nariman Point and BKC, compared to Bengaluru and NCR



Source: Knight Frank Research

Note: Highest rentals from top-tier buildings for the respective year have been considered.

Rent (INR sq ft)	Nariman Point	BKC	Bengaluru	NCR
2018	375	833	367	460
H1 2024	569	1000	353	429

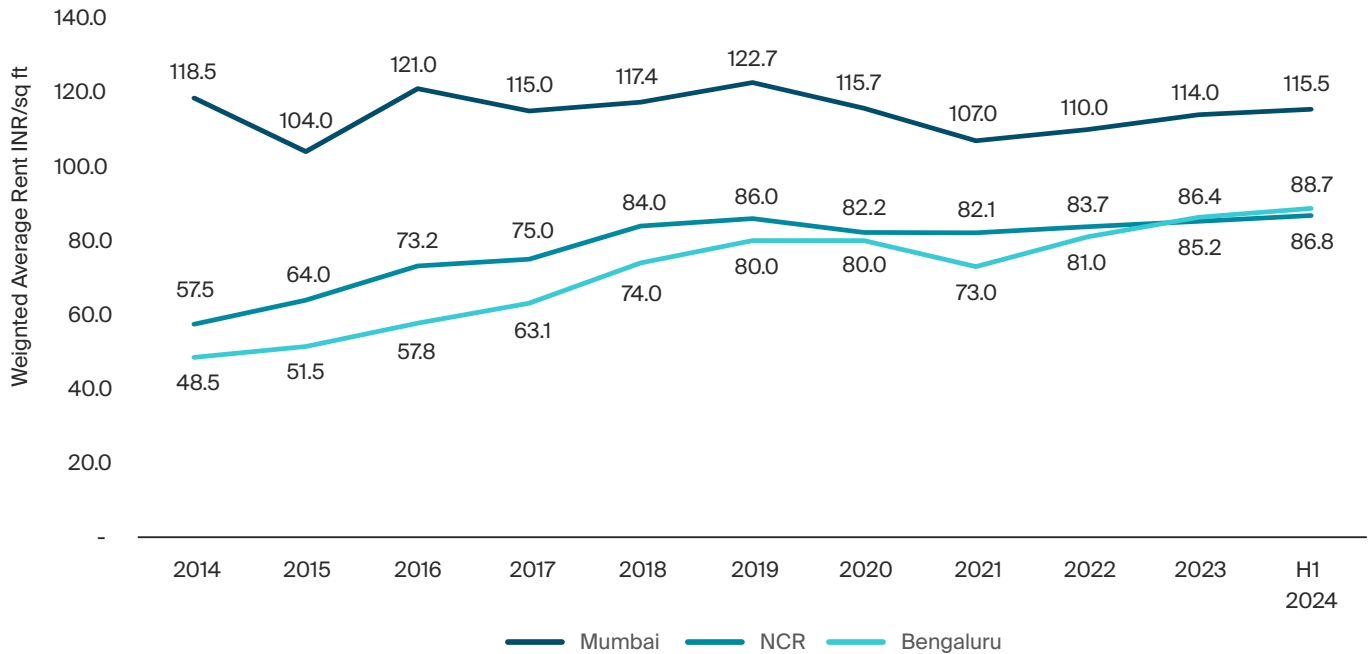
Source: Knight Frank

Note: Highest rentals from top-tier buildings for the respective year have been considered.

Nariman Point has demonstrated impressive growth, solidifying its position as a key player in Mumbai's commercial real estate market. Since 2018, rental rates in Nariman Point have surged by 52%, significantly outpacing BKC, where rents have grown by only 20%. In contrast, Bengaluru and NCR have experienced a decline in rents, dropping by 4% and 7%, respectively, during the same period. This surge in rental growth reaffirms Nariman Point's dominance in Mumbai's commercial landscape, distinguishing itself as a premium business destination.

Comparative Analysis of Weighted Average Office Rentals in Mumbai, NCR, and Bengaluru

Mumbai's premium status has remained largely unchallenged over the years



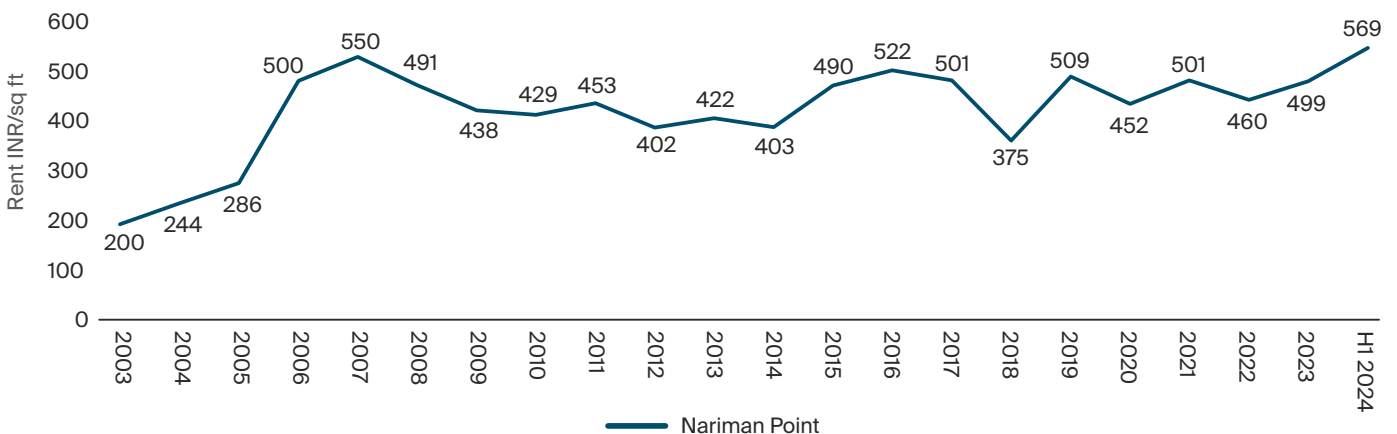
Source: Knight Frank Research

The chart above compares weighted average office rentals in Mumbai, NCR, and Bengaluru from 2014 to the first half of 2024. Throughout this period, Mumbai has consistently commanded higher rental rates, reaffirming its leading position in India's commercial real estate.

While NCR and Bengaluru have experienced steady rental growth, Mumbai's premium status remains unrivalled. Factors such as its strategic location, advanced economic infrastructure, and strong corporate presence contribute to its sustained appeal. Mumbai's reputation as a financial hub continues to attract high-profile tenants, supporting demand for premium office spaces and higher rental rates.

Nariman Point Office Rental Trends (2003 - H1 2024): Shifts and Resurgence

Nariman Point: Rental Rates Over Time



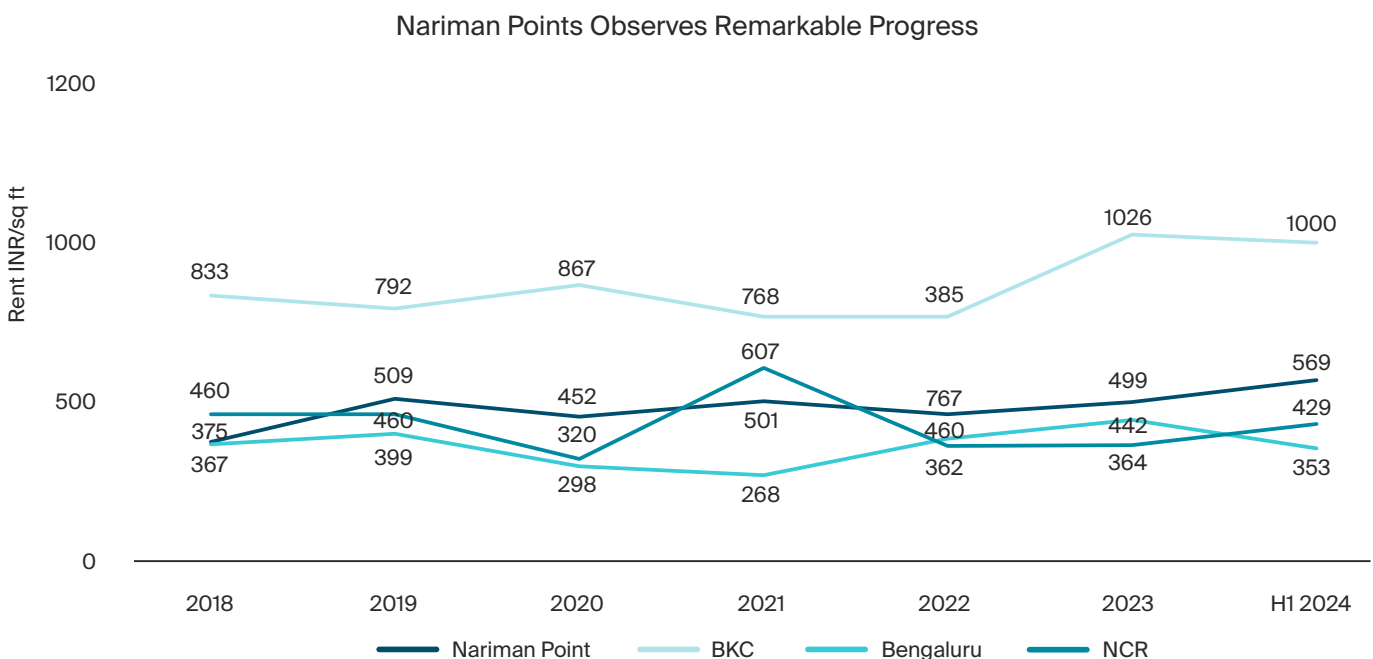
Source: Knight Frank Research

Note: Highest rentals from top-tier buildings for the respective year have been considered.

Nariman Point's rental dynamics have undergone notable shifts over the past two decades. In the early 2000s, Nariman Point was Mumbai's premier business hub, with rentals rising steadily from INR 200 per sq ft in 2003 to INR 550 per sq ft in 2007. However, the global financial crisis and the increasing appeal of BKC, with its modern infrastructure and larger office spaces, led to a significant shift in demand. As a result, Nariman Point saw rentals decline to INR 402 per sq ft in 2012.

The mid-2010s continued to be challenging for Nariman Point, as companies favoured newer business districts. By 2018, rentals had dropped to INR 375 per sq ft, reflecting this competitive pressure. However, in recent years, there has been a notable recovery in Nariman Point's rental market, with rates reaching INR 569 per sq ft in H1 2024. This rebound is driven by both an increase in demand for premium office spaces in traditional business districts and upcoming infrastructure projects that are enhancing Nariman Point's connectivity and appeal.

Top Rental Comparison: Nariman Point and BKC, Mumbai compared to Bengaluru and NCR



Source: Knight Frank Research

Note: Highest rentals from top-tier buildings for the respective year have been considered.

In 2018, Nariman Point's highest rental stood at INR 375 per sq ft, significantly lower than BKC's INR 833 per sq ft and NCR's INR 460 per sq ft; however, by the first half of 2024, Nariman Point's rental rates surged to INR 569 per sq ft, surpassing leading CBDs of both Bengaluru (INR 353 per sq ft) and NCR (INR 429 per sq ft). This consistent rise demonstrates Nariman Point's growing appeal as a premium office destination, driven by renewed demand and its strategic location.

While BKC continues to lead, receiving highest rentals across CBDs in India, Nariman Point's recovery from 2020–2021 and its subsequent growth highlight its resilience and ability to attract premium office tenants.

The comparative analysis of Nariman Point and BKC underscores the evolving dynamics of Mumbai's commercial real estate market. Nariman Point's steady growth positions it as a formidable player in the CBD landscape, complementing BKC's status as a prime office hub. This upward trend in rental rates signifies increasing demand for premium office spaces in Nariman Point, reinforcing Mumbai's stature as a global business destination.

As Mumbai continues to enhance its infrastructure and business ecosystem, both Nariman Point and BKC are well-positioned to maintain their prominence in India's commercial real estate sector, ensuring sustained growth and attracting new investment in the years to come.

Moving forward, we will examine the dynamics of Nariman Point, discussing its past challenges and the potential for it to overcome these obstacles and become a prime commercial location.





Deepak Parekh
Chairman
HDFC AMC & HDFC Capital



South Mumbai's commercial landscape is rapidly transforming, driven by infrastructure projects that have boosted connectivity and reduced travel times. With premium office spaces attracting global interest, the area is set to reclaim its glory as a premier business hub. Renowned for its ultra-luxury residences and lifestyle, this revitalization further cements South Mumbai's position as a vibrant center for work and upscale living, ready to rival the world's top financial hubs.



Nariman Point: From Reclamation to Revitalization – A Brief History

Nariman Point, once part of the Arabian Sea, began its transformation in the 1940s as part of a larger plan to expand Mumbai's financial district. Spearheaded in 1946 by the then municipal commissioner Sir Cowasji Jehangir, the reclamation project was named after Khursheed Framji Nariman, the municipal corporator who championed the initiative. By the 1950s, Nariman Point was emerging as a planned commercial district, attracting businesses and government offices.

The 1960s marked a period of rapid development, with significant construction activity and the rise of several high-rise buildings. This established Nariman Point as a symbol of corporate power and wealth in Mumbai. By the 1970s, it had solidified its status as the city's premier business district, home to major banks, financial institutions, and multinational corporations. Real estate prices soared, making it one of the most expensive commercial areas globally.

Nariman Point reached its zenith in the 1980s, with a high demand for office space. Iconic buildings like the Air India Building, Express Towers, and Oberoi Towers shaped the skyline, and companies vied for a presence in the area.

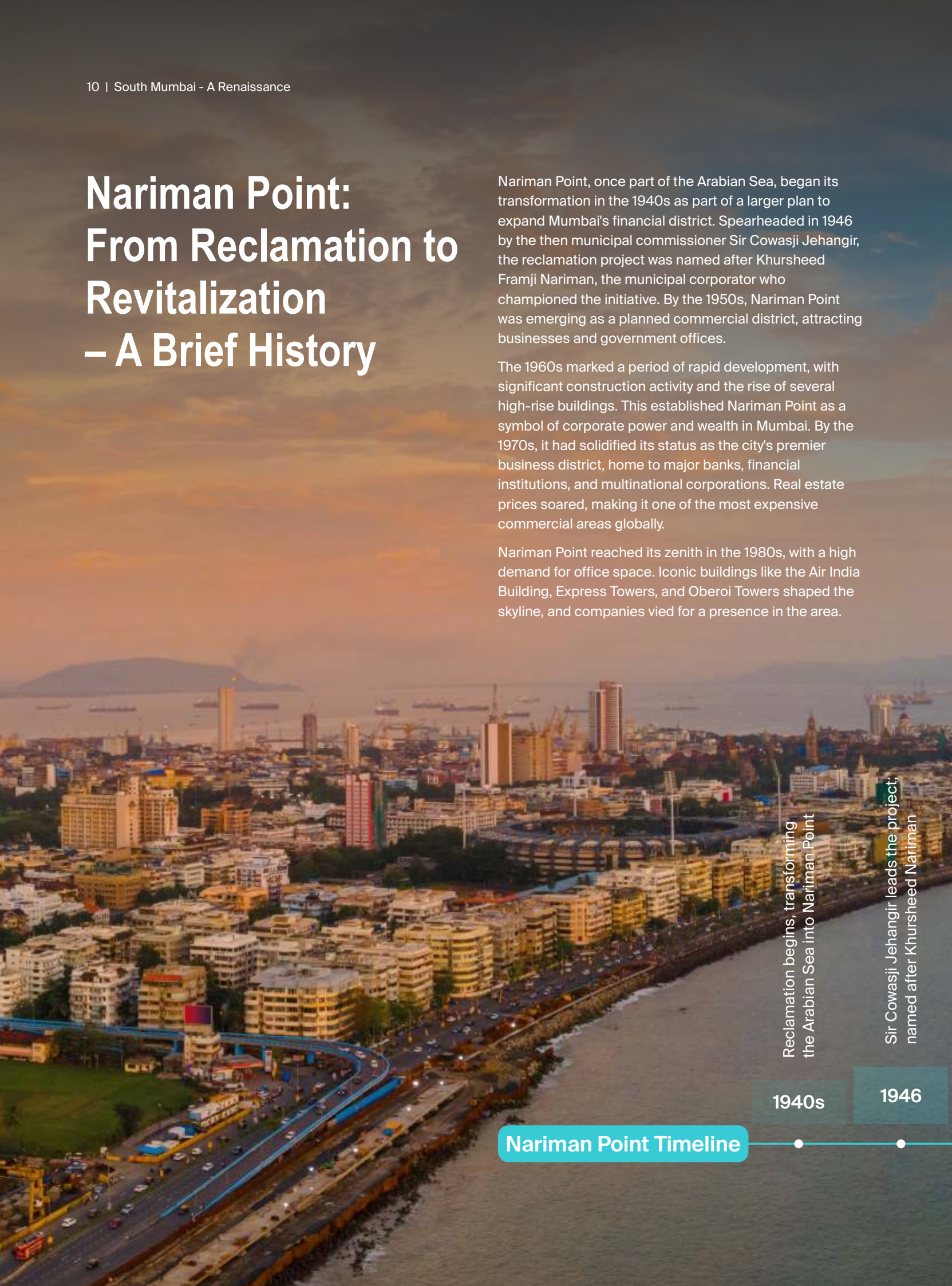
Reclamation begins, transforming the Arabian Sea into Nariman Point

Sir Cowasji Jehangir leads the project; named after Khursheed Nariman

1940s

1946

Nariman Point Timeline



However, by the 1990s, while Nariman Point maintained its position as Mumbai's prime commercial hub, its infrastructure, developed decades earlier, began showing signs of strain. Issues such as a lack of parking, congested roads, and aging buildings became more apparent.

The early 2000s saw the beginning of Nariman Point's decline, as the Bandra-Kurla Complex emerged as a new commercial hub offering modern infrastructure, better connectivity, and larger office spaces at more competitive rates. The Maharashtra government's incentives for BKC, including tax rebates and infrastructure support, accelerated the shift of businesses from Nariman Point to this new location. By 2005–2006, major corporations had relocated to BKC, attracted by its modern amenities and easier access for suburban employees.

By the 2010s, Nariman Point had lost its status as Mumbai's commercial capital, overtaken by BKC in terms of office space absorption and rentals. The aging buildings, many over 30 years old, required costly renovations, which posed logistical challenges. Commercial vacancy rates rose as businesses moved to

newer business districts like Lower Parel and Andheri. The 2016 fire in the Indian Express building further highlighted the area's aging infrastructure and the need for modern safety measures.

From 2020 to 2022, Nariman Point remained a significant location, though no longer the epicentre of Mumbai's commercial activity. Redevelopment efforts were limited, with the focus shifting to preserving its historical significance. It now serves as a niche commercial district, hosting law firms, consulates, and a few financial institutions.

Looking ahead, infrastructure projects such as the Mumbai Coastal Road, Sea Link, and the expansion of the Mumbai Metro network, along with the development of the Navi Mumbai Airport, are set to significantly boost Nariman Point's connectivity and accessibility. These developments are expected to reduce travel time, ease congestion, and enhance the area's attractiveness to both businesses and residents. Consequently, property values and office rentals in Nariman Point are likely to benefit, further solidifying its role as a prime commercial hub in Mumbai's evolving landscape.



Key Factors that Impacted South Mumbai

Infrastructure and Connectivity Limitations

South Mumbai has faced challenges related to its infrastructure, with road and public transport links that have not kept pace with the demands of a growing business district. This has affected the area's accessibility and appeal as a business hub.

Shortage of High-Quality Office and Residential Spaces

With constrained land availability, South Mumbai observed fewer new developments in terms of premium office and residential spaces. This restricted the area's ability to fully cater to the demand for modern commercial and living environments.

Aging Buildings with Outdated Facilities

Many of South Mumbai's older commercial structures have seen limited upgrades, resulting in facilities that may not meet the expectations of modern businesses. The lack of contemporary amenities has also reduced its attractiveness.

South Mumbai is now witnessing a transformation, as efforts are underway to revamp its infrastructure, improve connectivity, and develop new, high-quality office and residential assets. These changes are positioning it for a strong revival as a business destination.





Upcoming Infrastructure in South Mumbai: Enhancing Connectivity and Accessibility

South Mumbai, located at the southernmost tip of Mumbai, suffered a decline as a business district primarily due to inadequate connectivity. The area's accessibility was constrained to limited public transport options. Long commutes by car, exacerbated by severe traffic congestion and scarce parking availability, further contributed to its diminishing appeal. For many professionals commuting from the northern and central parts of Mumbai, these logistical hurdles became significant deterrents, steering businesses, and talent toward more accessible locations.

In an effort to tackle these challenges, several upcoming infrastructure projects are poised to reverse this trend, enhancing South Mumbai's connectivity and making it a more viable office hub once again. With a renewed focus on urban development and transportation improvements, South Mumbai is set to reclaim its stature as a premium commercial destination. The introduction of efficient transport networks, along with other strategic urban initiatives, promises to address the long-standing accessibility issues.

Following are some of the key infrastructure developments that are expected to drive this revival:

1. Navi Mumbai International Airport
2. Mumbai Coastal Road Project (MCRP)
3. Mumbai Metro Line 3 (Colaba-Bandra-SEEPZ)
4. Mumbai Metro Line 11 (Wadala – Eastern Waterfront)
5. Eastern Freeway Extension
6. Mumbai Trans Harbour Link (MTHL)
7. Mumbai-Panvel Rail Corridor Upgradation
8. Worli-Sewri Elevated Connector
9. Nariman Point-Cuffe Parade Sea-Link
10. Orange Gate-Marine Drive Tunnel
11. Backbay Reclamation Plan
12. Other projects



1

Navi Mumbai International Airport

The new Navi Mumbai International Airport will provide another major access point to South Mumbai. Its connectivity via new infrastructure projects like the MTHL and upgraded rail corridors will indirectly boost office space demand by making the area more accessible to international businesses.

Project Details

Start Year	2018
End Year	2026
Cost (₹ crores)	19,600

Impact

The increased international connectivity through this airport will make South Mumbai more appealing to multinational corporations and businesses requiring quick airport access. This could drive further investment in office spaces and related amenities.



2

Mumbai Coastal Road Project (MCRP)

The Mumbai Coastal Road Project is an ambitious plan to enhance Mumbai's western coastal connectivity, stretching across 29.2 km from Marine Drive to Kandivali. It is divided into two segments: a 9.98 km southern section and a 19.22 km northern section. Once completed, this eight-lane, grade-separated expressway will significantly cut down travel times, slashing it from over two hours to just 40 minutes. The project also includes features like a Bus Rapid Transit System (BRTS), green public spaces, and a coastal wall to mitigate erosion. The project promises to relieve congestion on existing roads and make commuting from the suburbs to South Mumbai far more efficient.

Currently, the 10-kilometre stretch connecting the Princess Street Flyover at Marine Lines to the Worli terminus of the Bandra-Worli Sea Link (BWSL) is operational.

Project Details

Start Year	2018
End Year	2025
Cost (₹ crores)	13,950
Current Travel Time	2 Hrs
Expected Time	40 Mins

Impact

This project is expected to reinvigorate access to South Mumbai, providing quicker routes from the northern suburbs. The dedicated lanes for buses and emergency services will also improve public transport and safety measures, making South Mumbai a more attractive commercial hub.

3

Mumbai Metro Line 3 (Colaba-Bandra-SEEPZ)

The Mumbai Metro Line 3 is a 33.5 km underground metro line that will link the Colaba, Bandra, and SEEPZ regions. This project aims to provide seamless north-south connectivity, making it easier for officegoers in areas like Nariman Point to commute. With 27 stations along the route, this metro line will not only reduce road traffic but also provide a faster alternative to Mumbai's overburdened local trains.

Project Details

Start Year	2017
End Year	2024
Cost (₹ crores)	37,275
Current Travel Time	1.5 Hrs
Expected Time	35 Mins

Impact

Metro Line 3 will drastically reduce reliance on road transport for workers commuting to Nariman Point. Its underground design will also limit disruption during operations, and the stations at Colaba and other key locations will provide excellent last-mile connectivity.

4

Mumbai Metro Line 11 (Wadala – Eastern Waterfront)

Mumbai Metro 11 is an underground corridor that connects Wadala to the Eastern waterfront in Mumbai. The route will pass through Byculla, Bhendi Bazar, and Crawford Market, and end at S P Mukherjee Chowk (Regal Cinema Circle). The metro will cross major railway lines, including the Harbour and Central Railway lines.

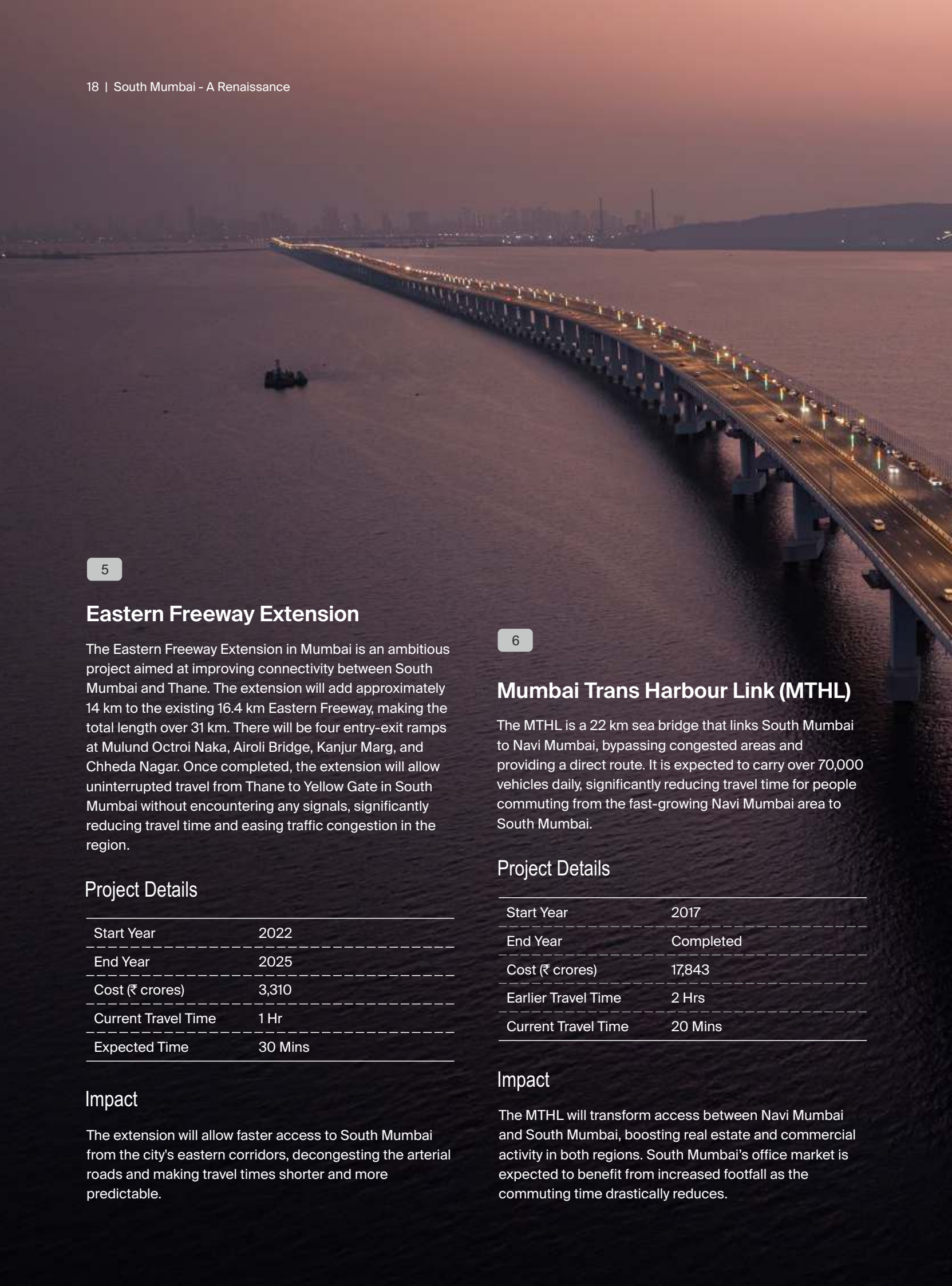
Project Details

Start Year	2024
End Year	2030
Cost (₹ crores)	16,000
Current Travel Time	30 Mins
Expected Time	15 Mins

Impact

Mumbai Metro Line 11 will facilitate smoother travel. The metro line's elevated design minimizes the impact on ground-level traffic and construction activities, making it a more efficient travel option. Moreover, its strategic placement of stations will enhance last-mile connectivity, allowing easier access to key business locations in South Mumbai. This line will also contribute to reducing the overall carbon footprint by promoting the use of public transport over personal vehicles.





5

Eastern Freeway Extension

The Eastern Freeway Extension in Mumbai is an ambitious project aimed at improving connectivity between South Mumbai and Thane. The extension will add approximately 14 km to the existing 16.4 km Eastern Freeway, making the total length over 31 km. There will be four entry-exit ramps at Mulund Octroi Naka, Airoli Bridge, Kanjur Marg, and Chheda Nagar. Once completed, the extension will allow uninterrupted travel from Thane to Yellow Gate in South Mumbai without encountering any signals, significantly reducing travel time and easing traffic congestion in the region.

Project Details

Start Year	2022
End Year	2025
Cost (₹ crores)	3,310
Current Travel Time	1 Hr
Expected Time	30 Mins

Impact

The extension will allow faster access to South Mumbai from the city's eastern corridors, decongesting the arterial roads and making travel times shorter and more predictable.

6

Mumbai Trans Harbour Link (MTHL)

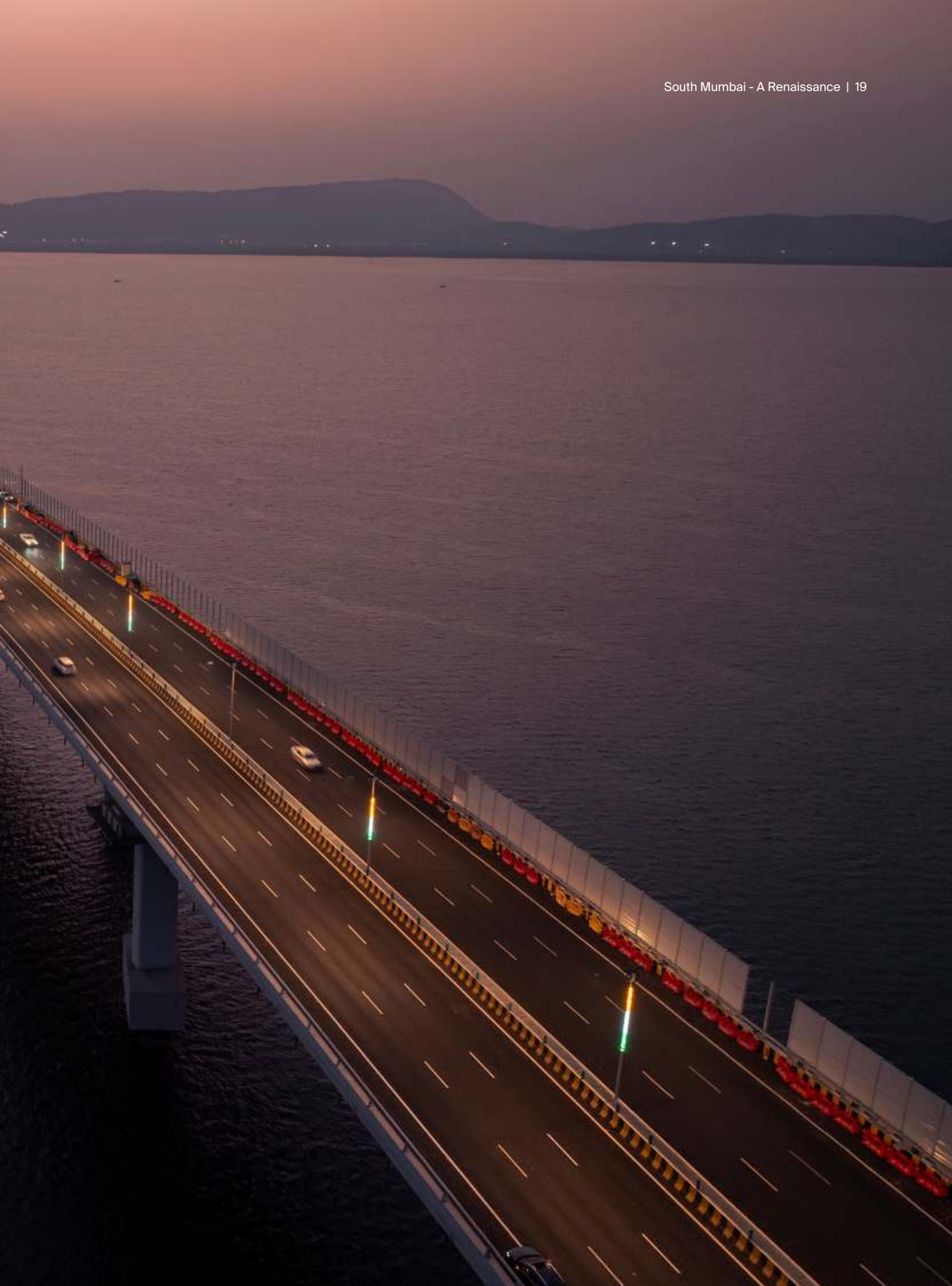
The MTHL is a 22 km sea bridge that links South Mumbai to Navi Mumbai, bypassing congested areas and providing a direct route. It is expected to carry over 70,000 vehicles daily, significantly reducing travel time for people commuting from the fast-growing Navi Mumbai area to South Mumbai.

Project Details

Start Year	2017
End Year	Completed
Cost (₹ crores)	17,843
Earlier Travel Time	2 Hrs
Current Travel Time	20 Mins

Impact

The MTHL will transform access between Navi Mumbai and South Mumbai, boosting real estate and commercial activity in both regions. South Mumbai's office market is expected to benefit from increased footfall as the commuting time drastically reduces.



7

Mumbai-Panvel Rail Corridor Upgradation

The Mumbai–Panvel Rail Corridor is a critical project under the Mumbai Urban Transport Project (MUTP-3). The upgrade aims to enhance connectivity between Mumbai and the satellite town of Panvel, eventually extending towards Karjat. The new 30 km double-line corridor will drastically improve commuting efficiency for daily passengers, especially for those residing in the Navi Mumbai region. It includes the construction of five new stations—Panvel, Mahape, Chikle, Chowk, and Karjat—and several tunnels, including Waverley Tunnel, which will be the longest on Mumbai’s suburban network. This corridor is designed to reduce congestion on the existing Thane–Kalyan section and provide an alternate route for long-distance trains. Upon completion, this rail corridor will play a significant role in reducing travel time and congestion while improving regional connectivity.

Project Details

Start Year	2016
End Year	2025 (Est)
Cost (₹ crores)	2,800
Current Travel Time	1.5-2 Hrs
Expected Time	30-40 Mins

Impact

The upgradation of this corridor will not only reduce travel time but also ease the pressure on existing railway networks, making Mumbai’s suburban transport more efficient. It will facilitate growth in rapidly developing areas like Panvel and Karjat, stimulating further economic development.



8

Worli-Sewri Elevated Connector

This project is part of the larger Mumbai Eastern Waterfront development plan. The Worli–Sewri Elevated Connector will link key areas in South and Central Mumbai. Stretching over 4.5 km, this connector will directly link the Mumbai Trans Harbour Link (MTHL) to the Worli Sea Link, creating a seamless traffic flow between the two. This elevated road is expected to substantially cut down travel time, particularly for those commuting between Mumbai’s eastern suburbs and the business districts of Worli and Lower Parel.

Project Details

Start Year	2020
End Year	2025 (Est)
Cost (₹ crores)	1,052
Current Travel Time	30 Mins
Expected Time	10 Mins

Impact

The project will serve as a crucial link in Mumbai’s overall road network, streamlining the connection between the eastern and western parts of the city. By diverting traffic from heavily congested routes, it will contribute to a significant reduction in travel times for commercial traffic and improve road safety.



9

Nariman Point-Cuffe Parade Sea-Link

The Nariman Point–Cuffe Parade Sea-Link is envisioned as an extension of the Coastal Road project, designed to ease traffic flow in Mumbai’s southernmost business hubs. The sea link will provide a direct connection between two of Mumbai’s busiest areas, reducing travel time and offering a scenic route along the coastline. This 2 km stretch will play an instrumental role in alleviating the traffic congestion that currently plagues Nariman Point, ensuring smoother travel to other parts of the city.

Project Details

Start Year	2024 (Est)
End Year	2028 (Est)
Cost (₹ crores)	315
Current Travel Time	30 Mins
Expected Time	10 Mins

Impact

Once completed, this sea link will help in reducing traffic congestion at Nariman Point, making it a more accessible commercial hub. It will also improve the overall quality of life for daily commuters by providing faster, more reliable routes between southern Mumbai and the rest of the city.

10

Orange Gate-Marine Drive Tunnel

The Orange Gate–Marine Drive Tunnel is part of the broader effort to decongest Mumbai’s roadways. This tunnel will connect the Eastern Freeway to Marine Drive, bypassing several traffic bottlenecks in South Mumbai. Stretching 3 km, the tunnel will cut through the heart of Mumbai’s old business district, significantly improving access to Nariman Point and nearby areas. By diverting heavy vehicular traffic underground, it will make the roads in these areas more pedestrian-friendly while also reducing noise and air pollution.

Project Details

Start Year	2024 (Est)
End Year	2027 (Est)
Cost (₹ crores)	7,765
Current Travel Time	1-1.5 Hrs
Expected Time	10 Mins

Impact

This project is expected to drastically reduce travel time for commuters between South Mumbai and the eastern suburbs. It will also enhance the aesthetic appeal of Marine Drive by minimizing road congestion and pollution.

SUPPORTING INFRASTRUCTURE PROJECTS

11

Backbay Reclamation Plan

The Backbay Reclamation Plan is a significant urban development initiative aimed at creating additional land in South Mumbai, extending from Marine Drive to Cuffe Parade. While primarily designed to increase residential and commercial land availability, its proximity to Nariman Point is expected to enhance the area's commercial prospects by expanding the city's CBD and improving infrastructure.

Project Details

Start Year	1970*
End Year	Ongoing
Cost (₹ crores)	NA

* Reclamation efforts began in the 1970s, with multiple phases continuing to shape the region's development.

Impact

The expansion of land through the Backbay Reclamation will create new opportunities for office development near Nariman Point, reinforcing its position as a key business hub in Mumbai. By extending the available commercial space, this project is likely to attract new corporate tenants and further boost investment in the area's office market. It will also allow for enhanced infrastructure development, contributing to Nariman Point's appeal to both domestic and international businesses.

12

Other projects

These include upgrades to the Marine Drive promenade, road infrastructure, and underground parking facilities. While not as high-profile as the above mega-projects, these developments will significantly enhance the quality of life and accessibility in South Mumbai. For example, underground parking facilities will ease the persistent issue of parking scarcity in the area, while the Marine Drive Promenade upgrade will create an enhanced urban environment that attracts both businesses and visitors.

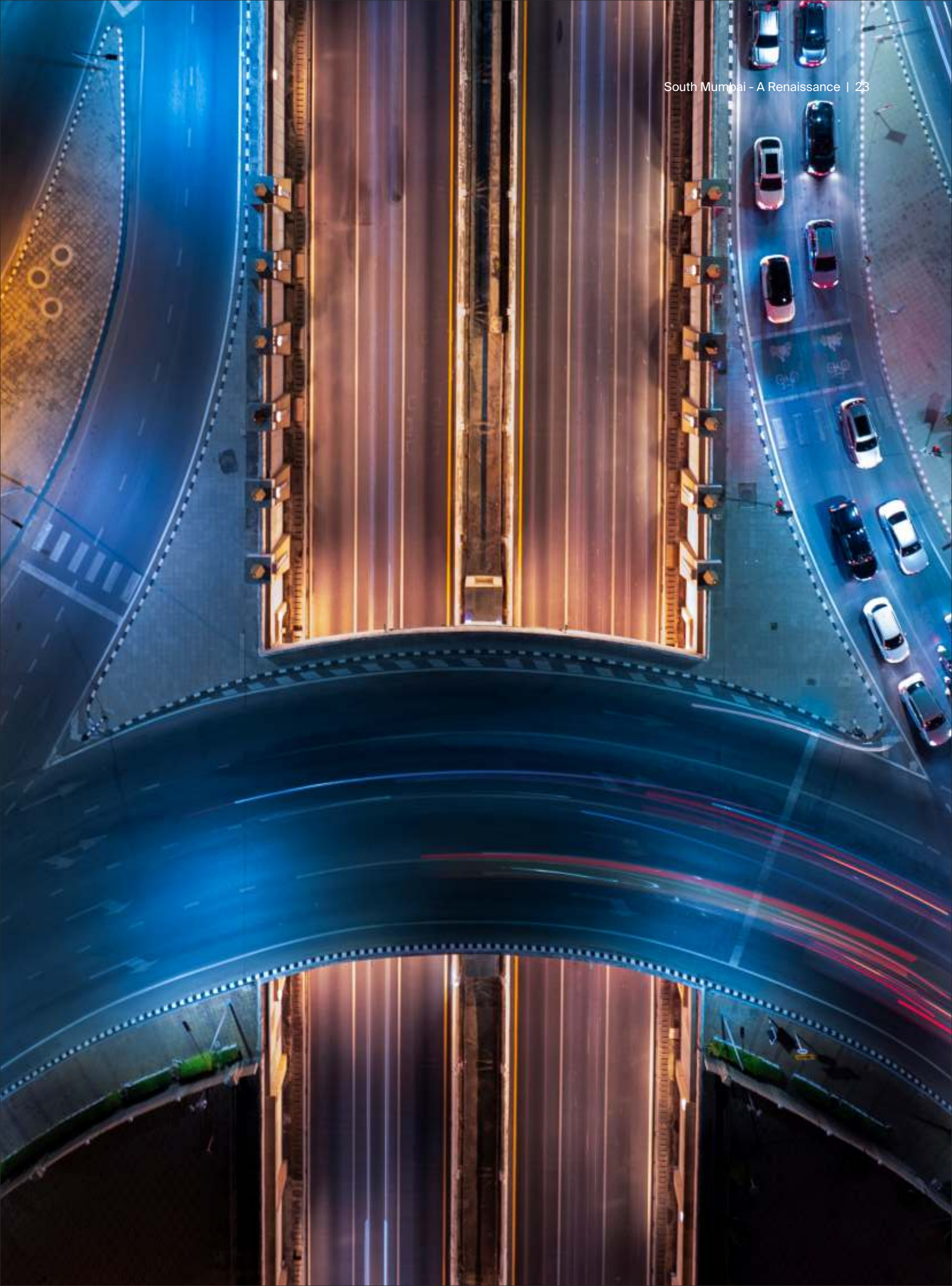
Project Details

Start Year	2021
End Year	2025
Cost (₹ crores)	450

Impact

These smaller-scale projects collectively ensure that South Mumbai becomes not just well-connected but also more pleasant and functional as an office destination.

South Mumbai, once hampered by limited connectivity and long travel times, is now poised to become one of the prime beneficiaries of Mumbai's extensive infrastructure development. Numerous projects, including the Mumbai Coastal Road, Metro Line 3, and the Mumbai Trans Harbour Link, are set to dramatically enhance the area's accessibility. The addition of new transport routes, tunnels, and parking facilities will address long-standing issues such as traffic congestion and inadequate public transport, making Nariman Point a more attractive and competitive business hub. Positioned at the epicentre of these developments, Nariman Point is well-placed to reclaim its former status as Mumbai's premier commercial destination.





Ashwini Bhide
Managing Director
Mumbai Metro Rail Corporation
(MMRCL)



The recent launch of Metro Line 3 is set to transform connectivity across Mumbai. This new line links the city's expansive suburban areas directly to Nariman Point, the heart of Mumbai's Central Business District (CBD). Most notably, it creates a seamless connection between the International Airport and the CBD, significantly reducing transit times and offering unprecedented convenience for commuters, businesses, and residents.

This reduced travel time and enhanced accessibility to key commercial hubs, including the CBD, is poised to be a gamechanger for Mumbai. It will not only inject fresh vitality into the city's economic landscape but also breathe new life into the currently dormant Nariman Point area. With improved connectivity and the ease of Metro travel, Nariman Point will reclaim its stature as a premier destination for businesses and commercial activity, driving significant market growth and stimulating investment.

For the Mumbai Metro Rail Corporation Limited (MMRCL) the CBD holds paramount importance as it houses the state's legislative and judicial powers. Recognising this, we are committed to further elevating Nariman Point's strategic significance by providing prime commercial spaces that will enhance its allure as Mumbai's financial nucleus. MMRCL has strategically earmarked 4.2 acres of land with 1.6 mn sq ft of development potential for state-of-the-art

commercial development. This new development will not only catalyse further growth but also solidify Nariman Point's position as the city's pre-eminent business hub.

The launch of Metro Line 3 marks the dawn of a new era for Mumbai. It is not merely a transport upgrade; it is a powerful catalyst for the city's future economic expansion and revitalization. We are confident that this visionary infrastructure project will fuel the resurgence of South Mumbai, securing its place at the forefront of global business and commerce.





Rising Residential Market of South Mumbai: Complementing Nariman Point's Commercial Revival

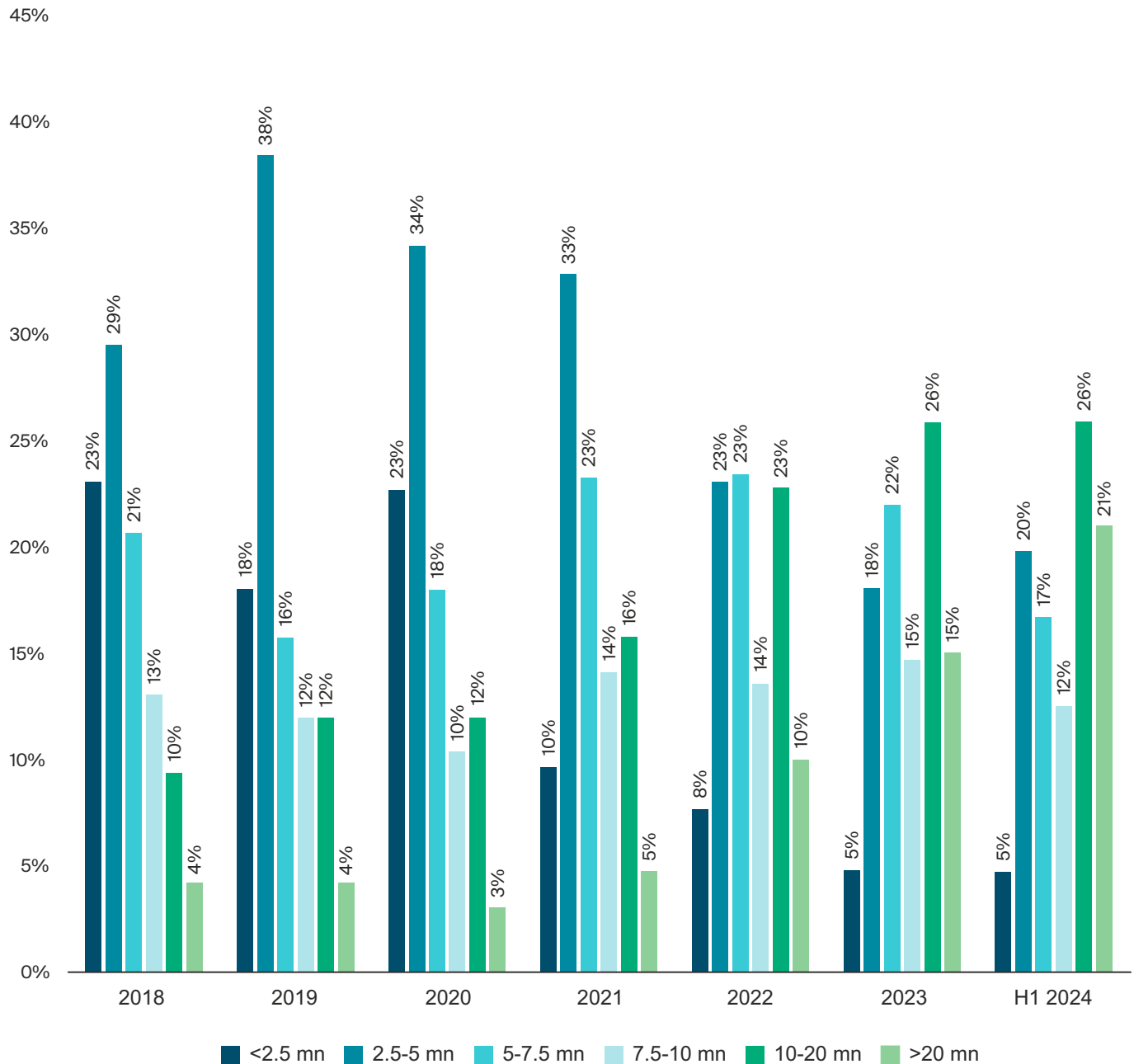
Rising Demand for Premium Properties in India Post-COVID

In the aftermath of the COVID-19 pandemic, India's real estate market experienced a noticeable surge in demand for premium residential properties. This trend was fuelled by a combination of lifestyle changes and a growing preference for homeownership. Buyers sought larger

homes with superior amenities, while investors viewed real estate as a reliable and appreciating asset. This shift was especially evident in metropolitan areas, offering proximity to business hubs and luxurious amenities.

Shift in Demand: Share of Properties worth INR 10 Mn and Above rise

Share of Premium Properties in India



Source: Knight Frank Research

In the years following 2018, India's real estate market has seen a noticeable shift toward higher-value residential properties, with a growing preference for homes priced above INR 10 million. Between 2018 and 2023, the share of homes priced above INR 20 million increased from 4% to 21%, while those in the INR 10–20 million range rose from 10% to 26%. This reflects the rising demand for

premium and luxury homes, especially after the pandemic, as homebuyers have prioritized space, amenities, and long-term investments. Meanwhile, the share of properties priced below INR 2.5 million has steadily declined, signalling a shift toward more affluent segments across major cities.

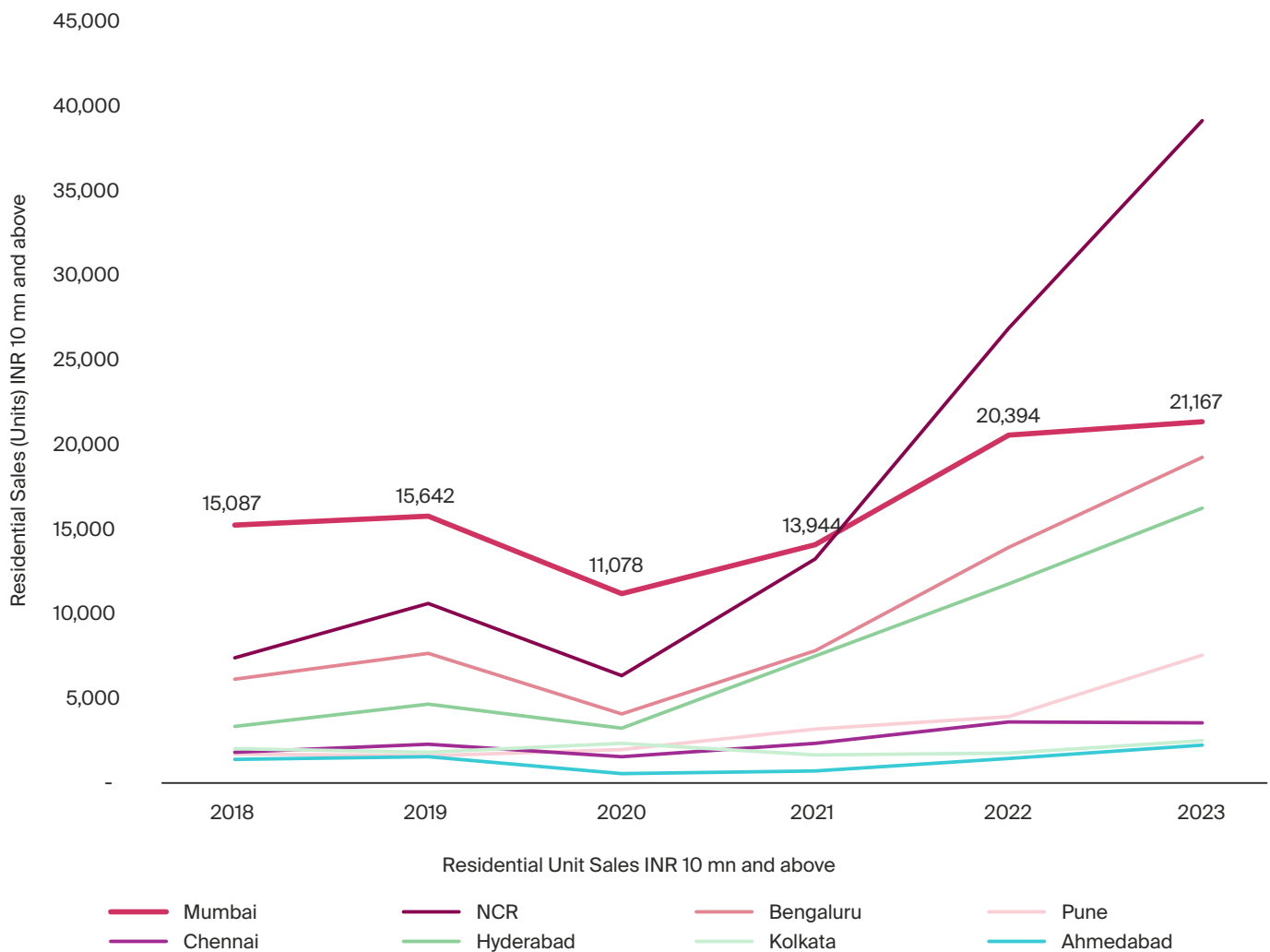
Mumbai's Position in India's Residential Market

Among India's cities, Mumbai stands among the leaders in terms of premium property sale. The city's residential market is unique, as demand for premium properties remains consistently high due to Mumbai's financial

importance and its limited land supply. Moreover, the premium market segment caters to a growing class of high-net-worth individuals and investors seeking real estate assets in prime locations.

Shift in Demand: Share of Properties worth INR 10 Mn and Above rise

Mumbai's Position in India's Premium Residential Market (INR 10 mn and above)

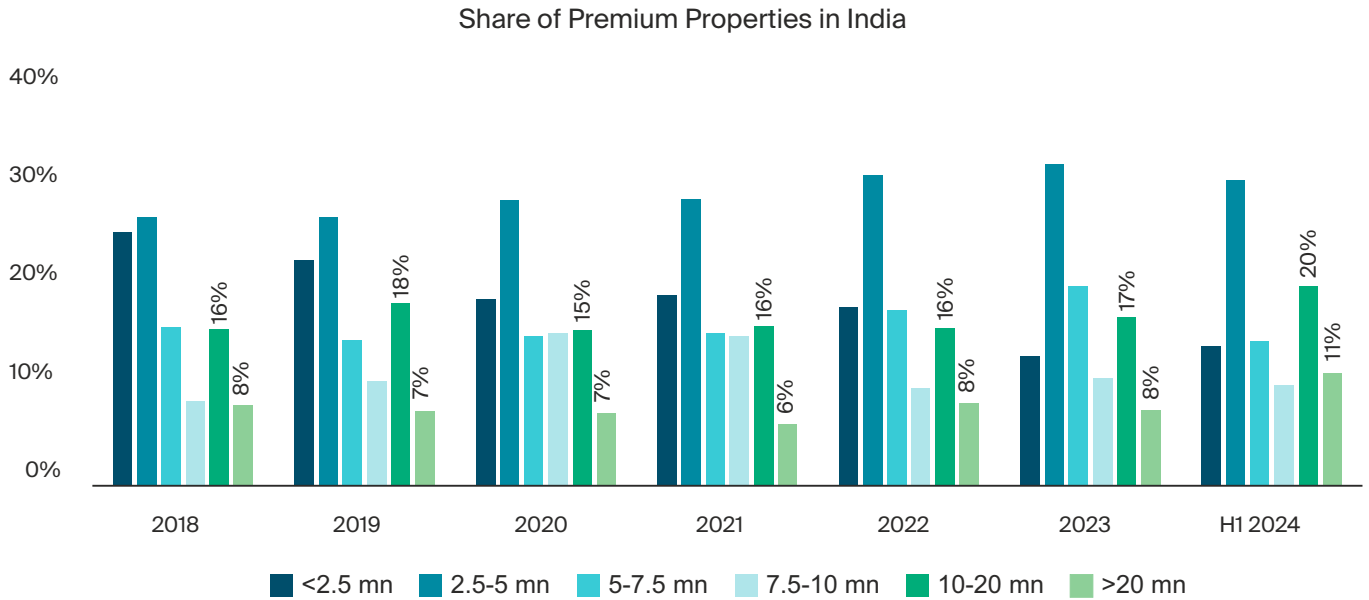


Source: Knight Frank Research

While NCR has witnessed a significant rise in sale of premium properties post-COVID, Mumbai has witnessed a consistent rise over the years and now holds second spot in terms of most properties sold in the INR 10 mn and above category. While other metropolitan areas such as Bengaluru, and Hyderabad have also witnessed

improvement, Mumbai's premium pricing in this segment remains unmatched. The city's high demand for luxury properties and its limited land supply contribute significantly to its top position in India's residential real estate landscape.

Mumbai Share of Properties worth INR 10 Mn and Above rise

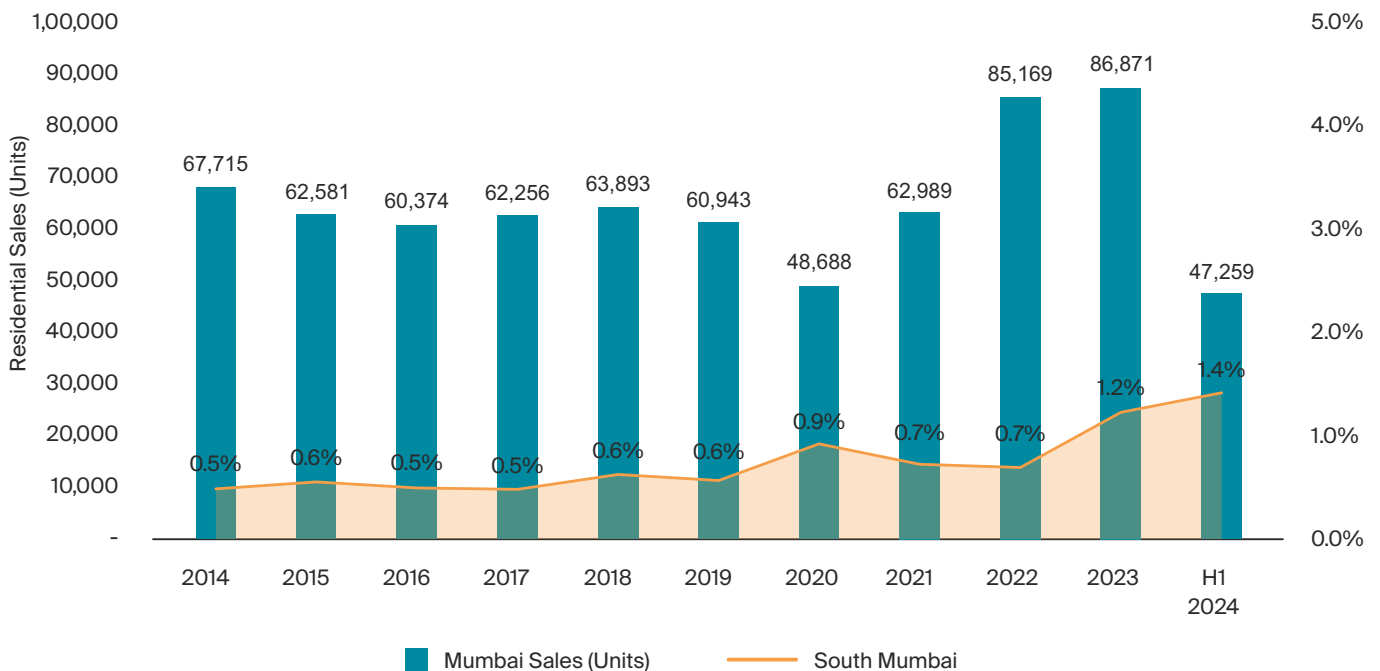


Source: Knight Frank Research

While Mumbai has historically catered to a diverse range of buyers, a significant shift has occurred in its residential market. Previously, affordable housing dominated the scene, accounting for over 50% of sales. However, in recent years, there's been a notable increase in demand for premium properties, priced at INR 10 million and

above. This trend indicates a growing preference for high-end living spaces, as the share of affordable housing has gradually declined. Despite this shift, Mumbai's ability to accommodate both ends of the market demonstrates its adaptability and resilience.

Rising Share of South Mumbai in Mumbai's Total Sales



South Mumbai's residential market has witnessed a steady uptick in absorption rates, reflecting its growing appeal as a premium residential destination. Despite its relatively small share of the overall Mumbai market, South Mumbai's real estate is characterized by high-end developments and luxury properties.

Since 2016, residential absorption in South Mumbai has increased significantly, reaching over 1,000 units by 2023. This growth is particularly notable considering the challenging macroeconomic environment. The region's share of the total residential market has steadily risen, reaching approximately 1.4% in the first half of 2024.

While other micro-markets like the Central Suburbs and Navi Mumbai dominate in terms of volume, South Mumbai's market stands out for its high-value sales transactions. Despite accounting for a smaller percentage of the total market share, South Mumbai's residential properties command premium prices due to their heritage, connectivity, and lifestyle appeal.

The surge in South Mumbai's residential market is not just about growing demand for luxury homes; it's also indicative of a broader transformation that complements Nariman Point's commercial revival. As businesses re-establish or expand their presence in Nariman Point, the availability of nearby luxury residential options adds significant value for both employers and employees. This interplay between residential and commercial growth is crucial for sustaining Nariman Point's resurgence as one of Mumbai's premier business districts.







Sanjay Dutt

MD & CEO

Tata Realty & Infrastructure Ltd.
Mumbai



South Mumbai has long been the cradle of the Tata Group's legacy, with Bombay House serving as the global headquarters. This area has been the epicenter of the Group's global endeavors, shaping both the location and its future. It is no wonder that South Mumbai holds a special place in the hearts of our network.

Today, South Mumbai presents tremendous potential, driven by two key factors. First, its unrivaled heritage as the center of India's social, economic,

political, and judicial power. Second, its unique scenic value, owing to its proximity to the Arabian Sea. Global corporations, including those in India, are increasingly seeking office spaces that go beyond functionality—places that foster a sense of belonging, pride, and convenience for their teams.

Nariman Point, in particular, embodies these qualities. It offers corporations the opportunity to establish iconic addresses while ensuring unparalleled accessibility through suburban rail, the upcoming Metro Line 3, the Western Sea-Link, and the Atal Setu and Eastern Freeway on the east—connecting all the way to the new international airport.

The only limitation currently is the constrained supply of new office spaces. However, with the steady rise of residential developments along the coastline, we anticipate the release of prime land in South Mumbai, paving the way for state-of-the-art office spaces. This will undoubtedly attract more global corporations to anchor their presence in the city.







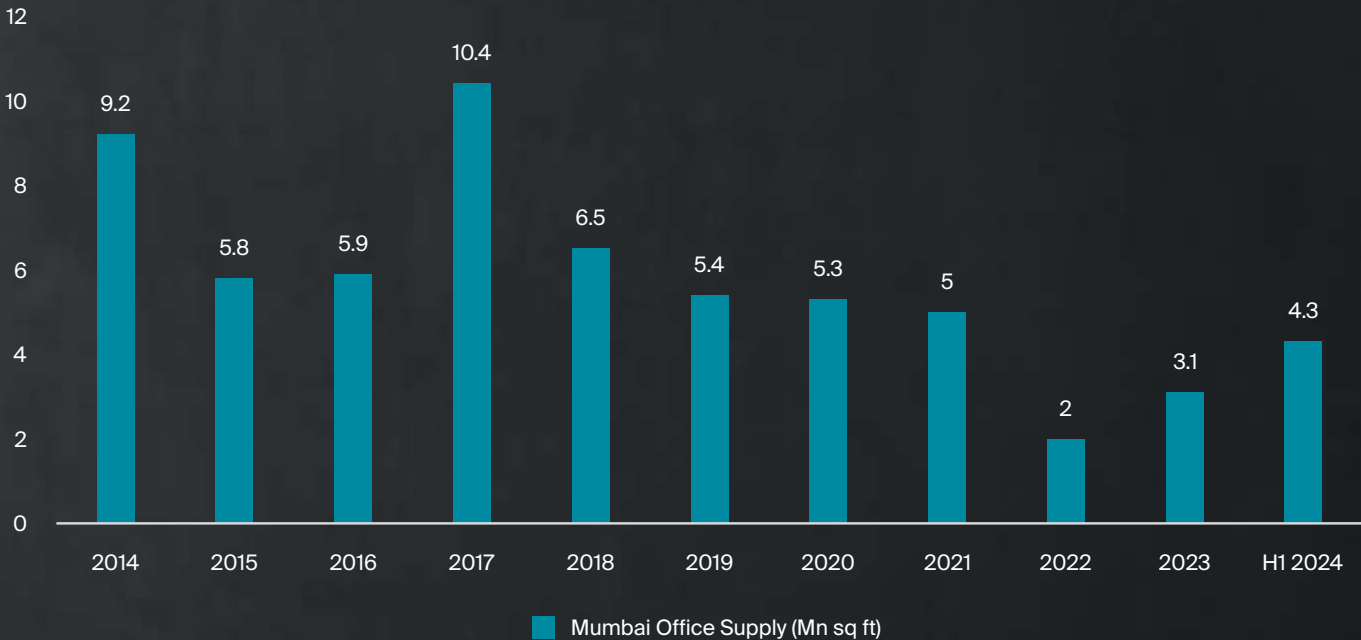
South Mumbai Anticipating Fresh Supply: From Stagnation to Revival

Office Supply

Over the past decade, Mumbai's office market has evolved, witnessing fluctuations in supply across the years. The overall supply of office space in Mumbai has remained consistent, with some years experiencing peaks, such as 2014 and 2017, when over 9.2 and 10.4 mn sq ft of office space was added, respectively. However, the

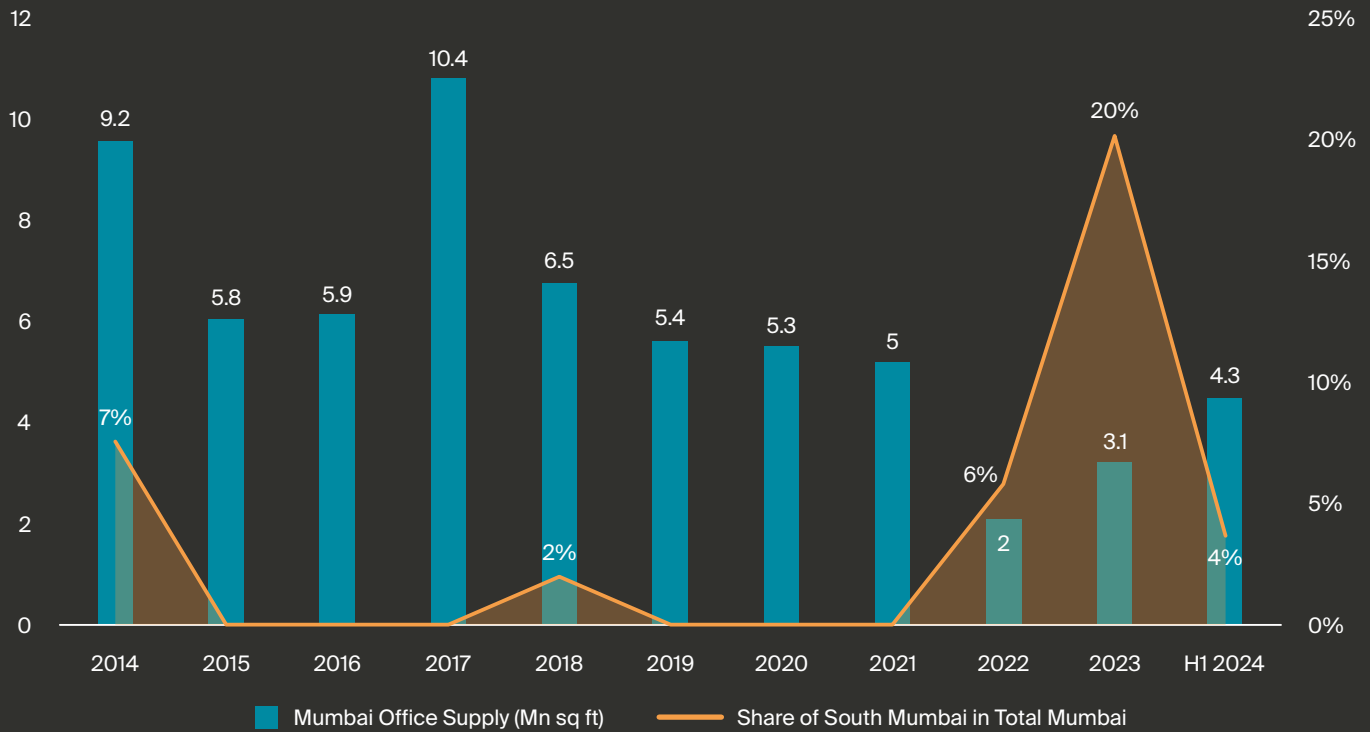
market saw lower supply from 2020 to 2022, which was likely influenced by the global pandemic. As we progressed into 2023 and H1 2024, there was a resurgence, with over 4 mn sq feet being delivered in the first half of 2024 alone. The cumulative supply over this period (2014–H1 2024) stands at approximately 62.9 mn sq ft.

Mumbai Office Supply in the Past Decade



Source: Knight Frank Research

South Mumbai: Lagging in Supply



Source: Knight Frank Research

While Mumbai has continued to solidify its position as a key office market, South Mumbai has faced challenges in expanding its office space supply. From 2014 to the first half of 2024, South Mumbai added 1.6 million square feet of office space, accounting for 3% of the total office supply in Mumbai during this period.

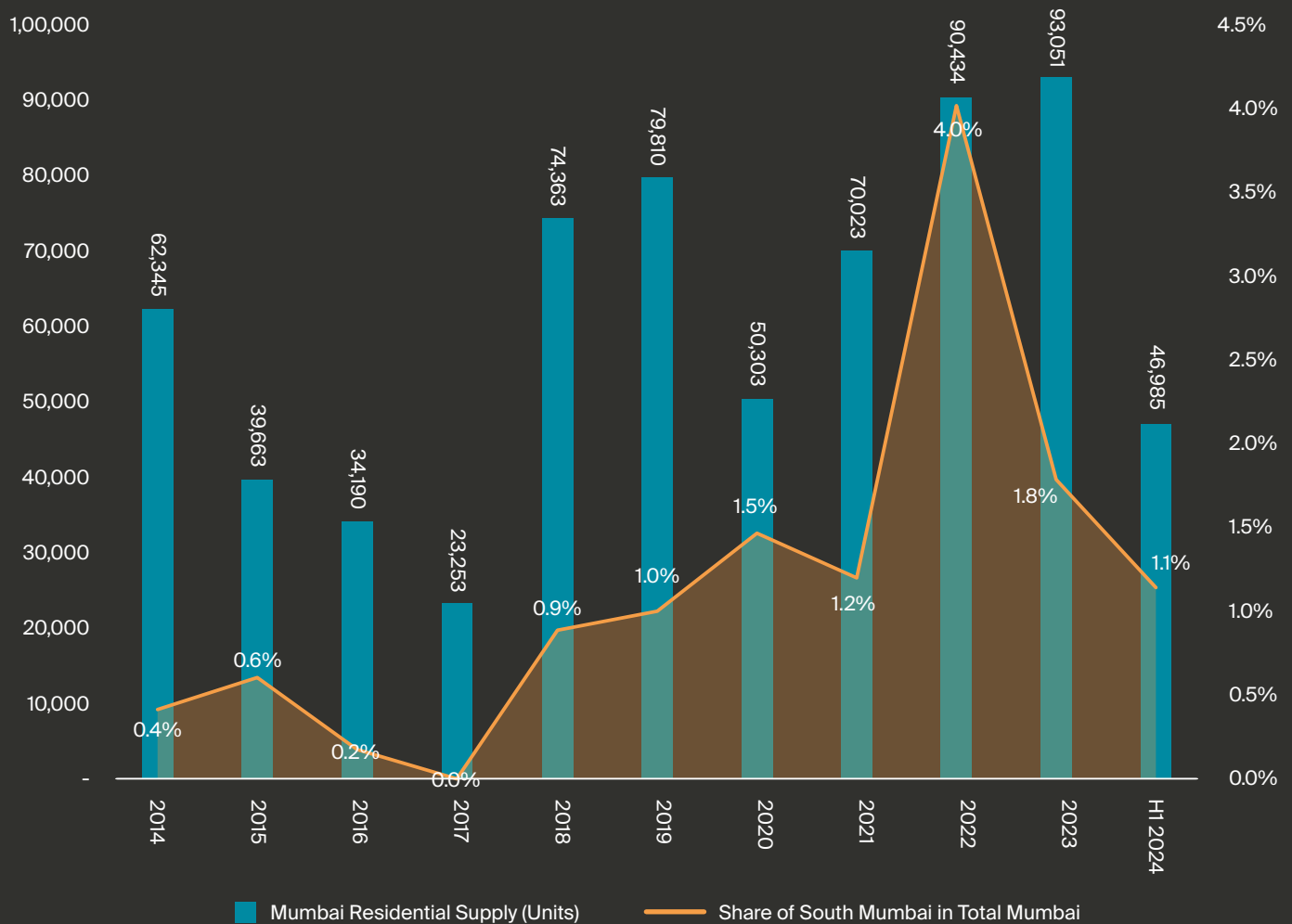
This modest supply can be attributed to several factors. The high cost of land, coupled with limited availability in this prime area, has made large-scale commercial developments more complex. At the same time, the existing office stock, supported by renovations and refurbishments, has been able to meet the demand for office space over the past decade.

However, recent infrastructure improvements, particularly in transportation and connectivity, along with increased interest from developers, have revitalized the South Mumbai office market. Since 2021, the area has seen a total addition of 0.9 million square feet of office space, surpassing the supply seen between 2014 and 2020. The region's contribution to Mumbai's overall office supply also saw a significant rise, with 2023 being a standout year, accounting for 20% of the city's total new office supply. This shift highlights South Mumbai's evolving potential as a growing office destination.

Residential

Over the past decade, the Mumbai residential market experienced significant fluctuations in supply from 2014 to H1 2024. The initial decline from 62,345 units in 2014 to 23,253 units in 2017 can be attributed to regulatory changes and market corrections. However, a sharp rise to 74,363 units in 2018 and 79,810 units in 2019 was driven by increased developer confidence and new project launches. The dip to 50,303 units in 2020 reflects the impact of the COVID-19 pandemic. Recovery began in 2021 with 70,023 units, peaking at 93,051 units in 2023 due to pent-up demand and economic recovery. The supply in H1 2024 stood at 46,985 units, indicating a potential market stabilization.

Share of South Mumbai in Total Supply Rise Post Covid



The share of residential supply in South Mumbai has shown a notable rise in recent years. From a low of 0.2% in 2016, South Mumbai's share grew steadily, reaching 1.5% in 2020. The peak was observed in 2022, with a significant 4.0% share, largely driven by increased demand for premium housing post-COVID, infrastructure developments, and the revival of the city's commercial core. The share continued to remain high in as it remained higher compared to its decadal average of 1.2%.

Tripling Supply in the Next Decade

Looking ahead, South Mumbai's residential and commercial supply is set for substantial growth. Apart from the tremendous redevelopment potential, over the next six to eight years, the area is projected to see the addition of 4–6 mn sq ft of fresh space. This upcoming expansion will be driven by the redevelopment of vacant land, including land available with the Mumbai Metro Rail Corporation Ltd (MMRCL), Rail Land Development Authority (RLDA), old mills, and unused industrial properties, which are now eligible for conversion into state-of-the-art office spaces.

This anticipated growth in South Mumbai's office market, combined with major infrastructure enhancements, could help restore the area's stature as a prime office destination. The availability of underutilized land in prime locations presents a unique opportunity for the development of premium office space, which could attract high-profile corporate clients to the region. This office market revival is expected to align with the ongoing trends in residential growth, reinforcing South Mumbai's appeal as a key commercial and residential hub.

CASE STUDIES: INFRASTRUCTURE AS A CATALYST FOR CBD SUCCESS

REINVENTING LONDON'S RETAIL SPACE - BATTERSEA POWER STATION

Battersea Power Station (BPS) presented a fresh approach to retail development by blending arts, culture, and commerce into a cohesive space. Throughout its long history, BPS faced numerous unfeasible proposals, primarily due to challenges like access and urban isolation. However, the final masterplan, developed by the Battersea Power Station Development Company (BPSDC), introduced an innovative strategy that emphasized not only physical design but also the softer aspects of identity and user experience. This made BPS a highly desirable destination for visitors.

Key elements

- **Blended Shopping:** BPS integrated neighbourhood convenience with destination retail, catering to residents, tourists, and workers. This combination helped keep the space vibrant throughout the day and into the night.
- **Unique Retail Offerings:** Instead of relying on generic high street stores, BPS attracted a mix of well-known and niche brands. Retailers like Nike tailored their stores to reflect local preferences, while newer, innovative brands like Petit Pli added an element of curiosity and originality.
- **Diverse Store Configurations:** BPS offered varied retail spaces, from flagship stores to smaller kiosks, allowing retailers to experiment with new concepts or showcase their products in distinctive ways.
- **Retail Theatre:** To meet the growing demand for in-person shopping experiences, BPS incorporated retail theatre into its design, creating immersive environments. For example, Sweaty Betty's concept store, 'The Powerhouse,' used industrial design and music to enhance the overall shopping experience.
- **Events and Engagement:** BPS continually attracted visitors by hosting a year-round programme of events, capitalizing on the 'fear of missing out' (FOMO) with limited-time experiences.

By reimagining the retail experience, Battersea Power Station successfully transformed itself from an industrial site into a unique, engaging destination that blended history, culture, and commerce.







LOWER MANHATTAN, NEW YORK

Lower Manhattan, once dominated by financial institutions, reimagined itself after the 9/11 attacks. The area's redevelopment focused on diversifying its use, blending residential, cultural, and retail spaces with its historical financial roots. The rebuilding efforts emphasized community integration, making it not only a financial centre but also a lively urban neighbourhood.

Key elements

- **Rebuilt Skyline:** The redevelopment of the World Trade Centre site created iconic buildings such as 'One World Trade Centre'.
- **Cultural Integration:** Incorporating memorials, museums, and cultural institutions to honour the past while embracing the future.
- **Residential Growth:** Conversion of office buildings into luxury residential units transformed Lower Manhattan into a 24/7 neighbourhood.
- **Connectivity:** Significant investment in transport infrastructure, including the Fulton Street Transit Centre and the PATH station, ensured ease of access.

Lower Manhattan successfully transitioned from being a pure financial hub to a vibrant, mixed-use neighbourhood, integrating history, culture, and modern development.

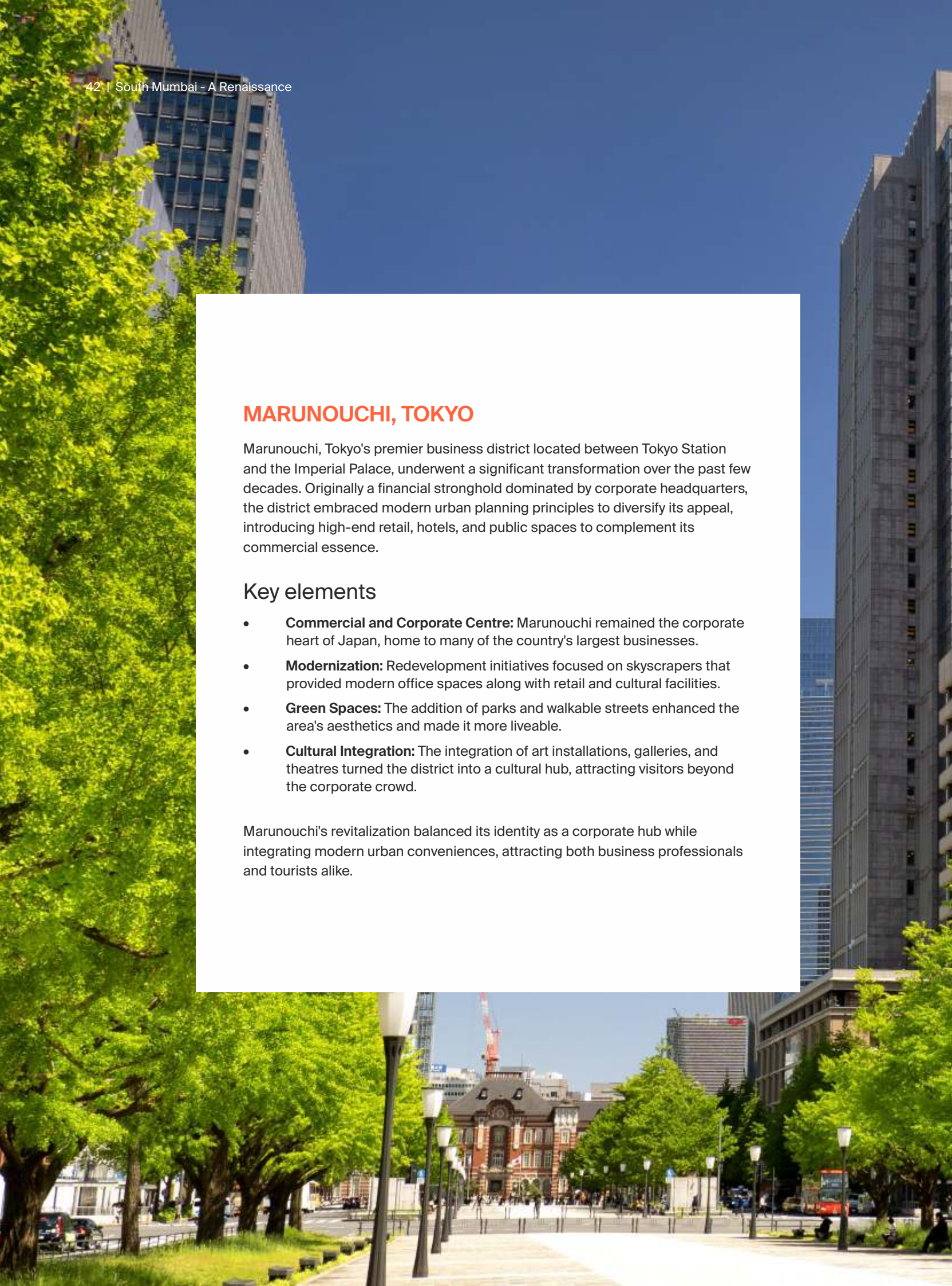
MARUNOUCHI, TOKYO

Marunouchi, Tokyo's premier business district located between Tokyo Station and the Imperial Palace, underwent a significant transformation over the past few decades. Originally a financial stronghold dominated by corporate headquarters, the district embraced modern urban planning principles to diversify its appeal, introducing high-end retail, hotels, and public spaces to complement its commercial essence.

Key elements

- **Commercial and Corporate Centre:** Marunouchi remained the corporate heart of Japan, home to many of the country's largest businesses.
- **Modernization:** Redevelopment initiatives focused on skyscrapers that provided modern office spaces along with retail and cultural facilities.
- **Green Spaces:** The addition of parks and walkable streets enhanced the area's aesthetics and made it more liveable.
- **Cultural Integration:** The integration of art installations, galleries, and theatres turned the district into a cultural hub, attracting visitors beyond the corporate crowd.

Marunouchi's revitalization balanced its identity as a corporate hub while integrating modern urban conveniences, attracting both business professionals and tourists alike.





LA DÉFENSE, PARIS

La Défense, located just outside of central Paris, became Europe's largest purpose-built business district. Originally developed in the 1960s to ease the overcrowding of Paris's central business district, La Défense saw several waves of development that integrated office towers with cultural, residential, and retail spaces. It was designed as a futuristic, high-rise district and now serves as the headquarters for many French and multinational companies.

Key elements

- **Architectural Innovation:** Featuring iconic modernist and postmodernist towers, La Défense's skyline became a symbol of France's economic power.
- **Public Art and Open Spaces:** Large public squares and promenades dotted with sculptures and art installations enhanced the district's appeal.
- **Transport Connectivity:** Well-served by the Paris Metro, RER, and tram networks, La Défense ensured seamless connectivity to the rest of the city.
- **Retail and Leisure:** La Défense incorporated major shopping centres and entertainment spaces, ensuring that it was active beyond working hours.

La Défense successfully combined business, art, and leisure, evolving into a global business hub while maintaining an accessible and vibrant atmosphere.





Sathyajit Radhakrishnan

Chief Executive Officer International
Brands

Aditya Birla Fashion & Retail Ltd.



South Mumbai is on the brink of a remarkable transformation. As the home of Indian couture and iconic luxury brands like Hermes and Christian Louboutin, this area is already rich in heritage and culture. With the upcoming opening of Galeries Lafayette, we are confident this precinct will be revitalised as the luxury high street of India, rivalling global hubs like Champs-Élysées and Bond Street. Fort, with its blend of heritage, art, and modernity, perfectly aligns with our brand's DNA and caters to a discerning clientele. The new infrastructure projects have drastically improved connectivity, making it easier than ever for luxury consumers across the city to reach this vibrant destination. However, to truly make South Mumbai a global destination, we must also focus on enhancing local conveniences, preserving the area's historic charm, and creating pedestrian-friendly spaces to elevate the overall experience.





Visualizing Mumbai's Travel Time Zones: Current and Future Infrastructure

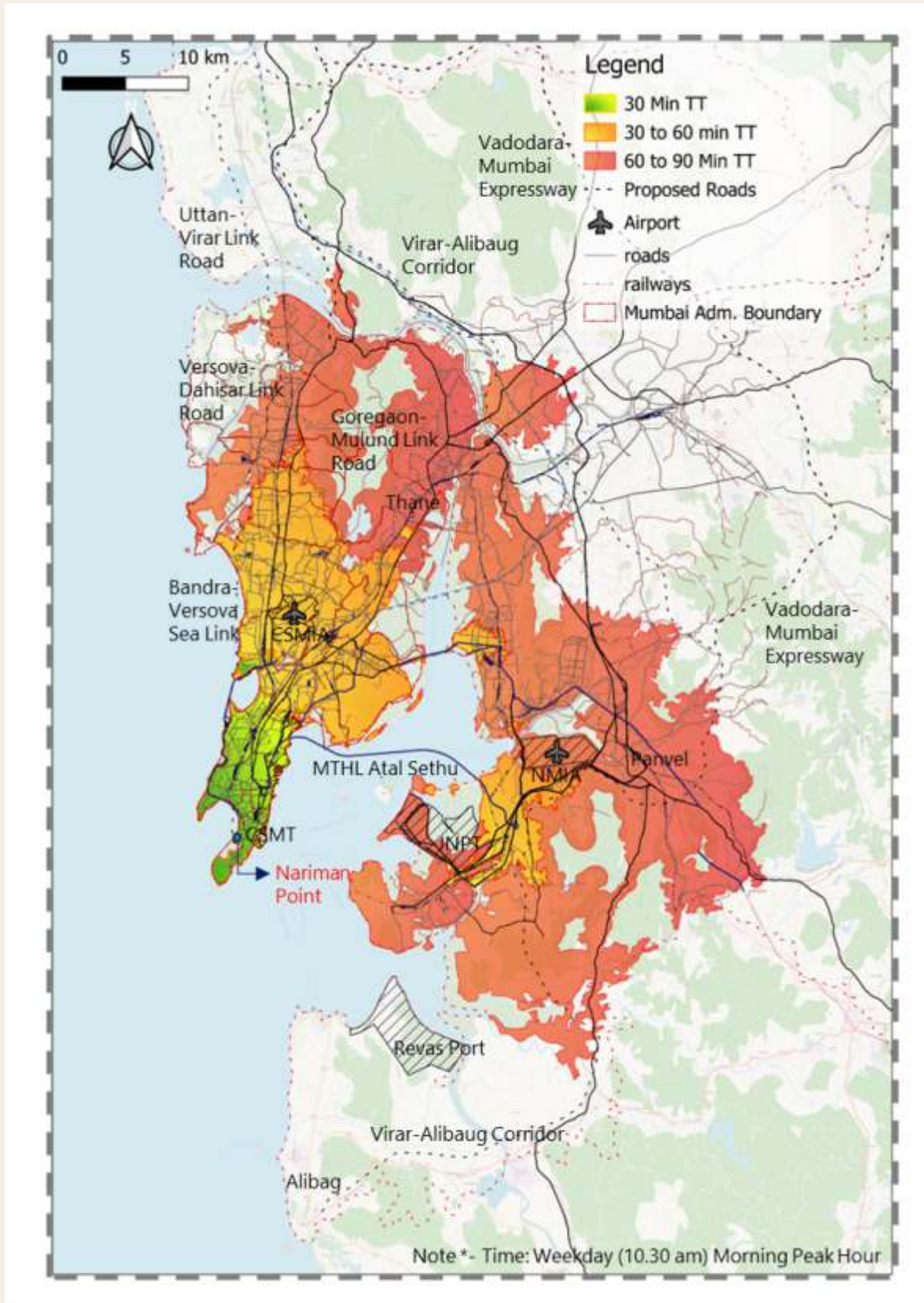
In order to better understand the impact of upcoming infrastructure projects on travel times in Mumbai, we have utilized isochrone maps. An isochrone map visually represents areas that can be reached from a specific point within a certain time frame, given the current transportation network. These maps are commonly used in urban planning to analyse travel accessibility and how it evolves with changes in infrastructure. By comparing the present and future travel time zones, the isochrone maps in this study offer insights into how the proposed developments could reshape mobility, reduce travel times, and enhance connectivity across Mumbai.

The maps visually represent travel time zones in Mumbai, India. The first map focuses on the current infrastructure, highlighting major roads, railways, and existing travel time zones. In contrast, the second and third illustrates proposed infrastructure projects, while also depicting the anticipated impact of these projects on travel times in 2030 and 2035 respectively.

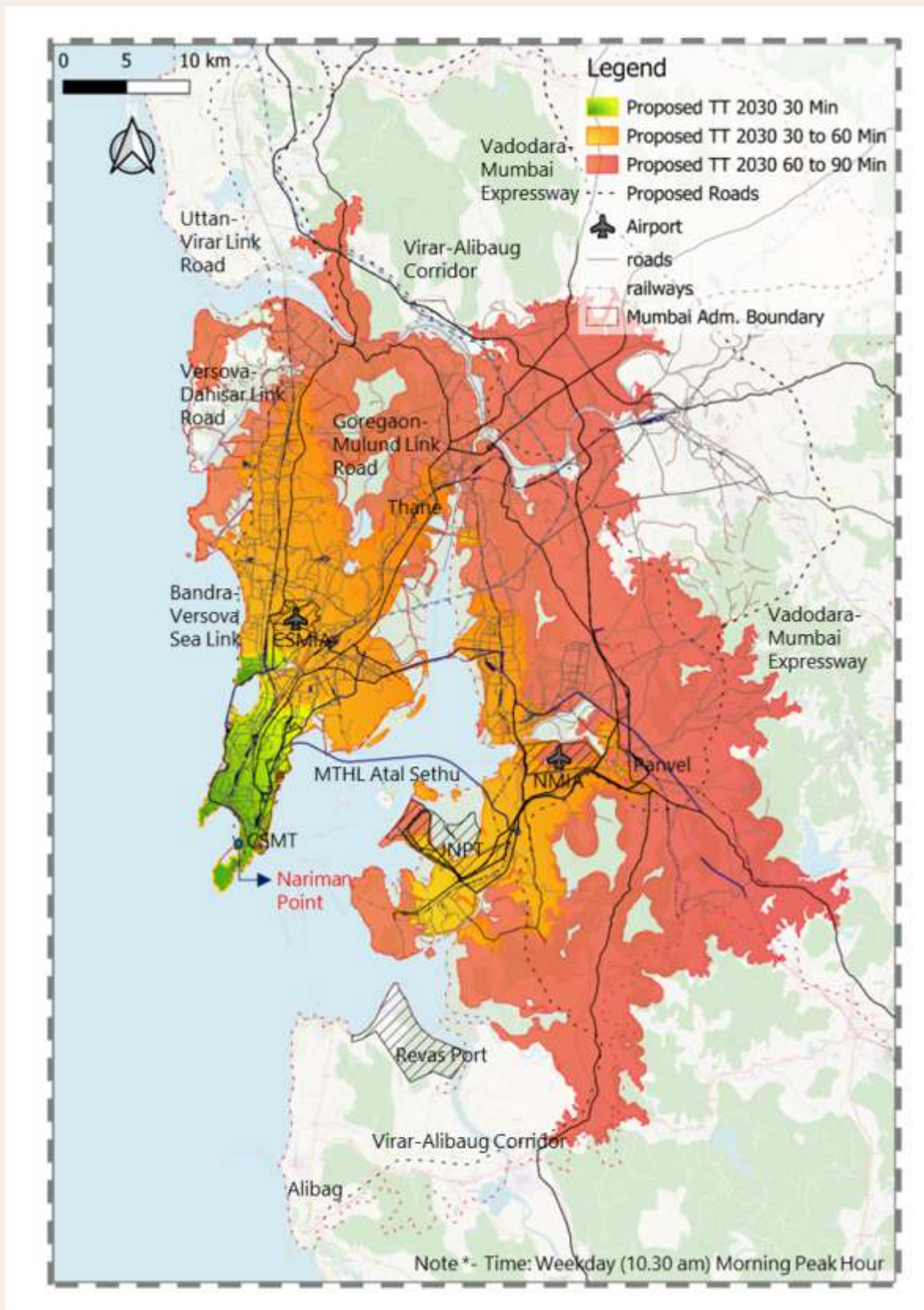
This comparison emphasizes the potential effects of these upcoming developments on accessibility and travel times throughout the city. The second map suggests that these planned infrastructure improvements could significantly reduce travel times and enhance connectivity across various regions of Mumbai.



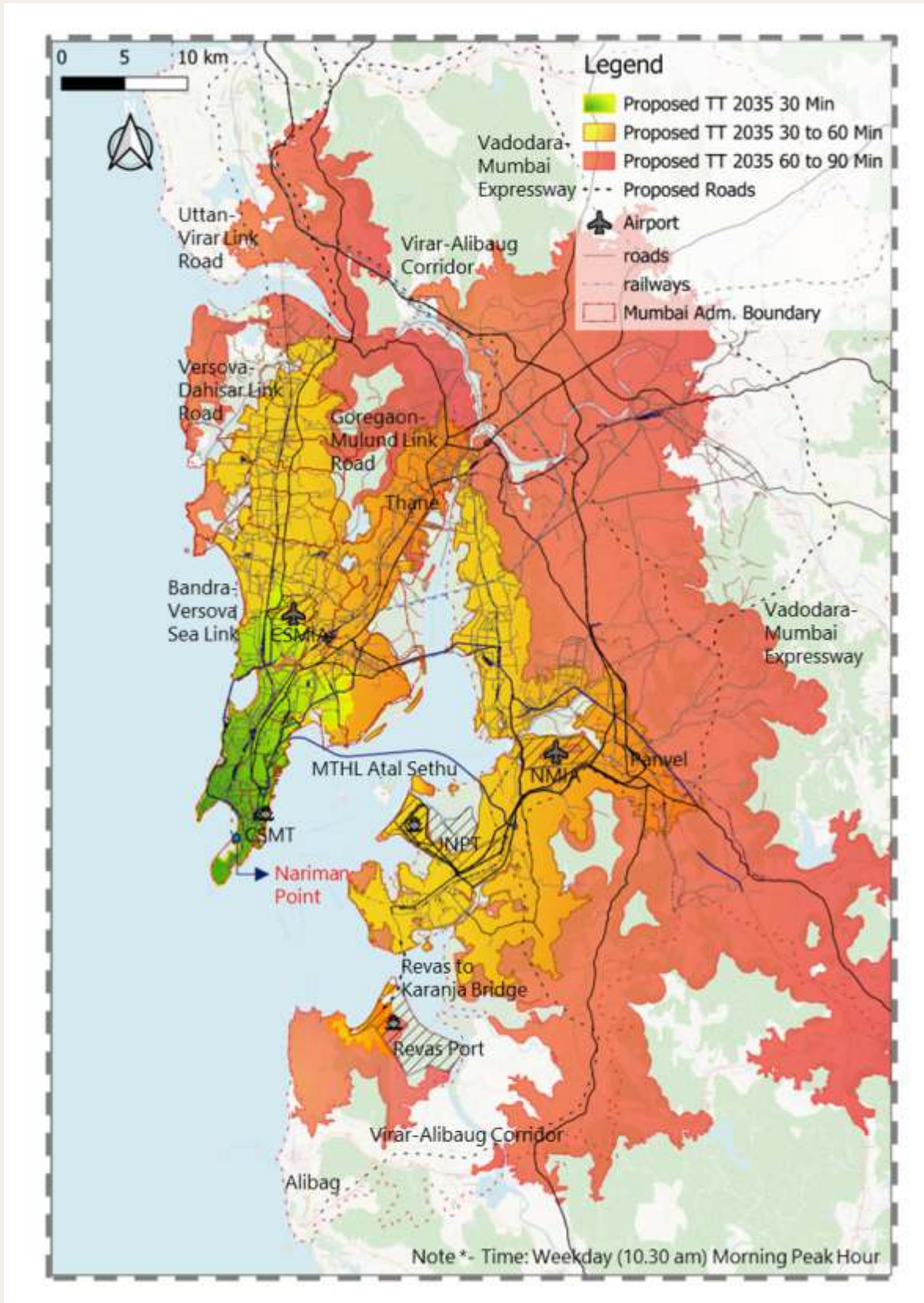
Current Travel Time (TT) Zones and Infrastructure in Mumbai Proposed Projects and Travel Time in 2024



Proposed Road Projects and Projected Travel Time (TT) Improvements in 2030

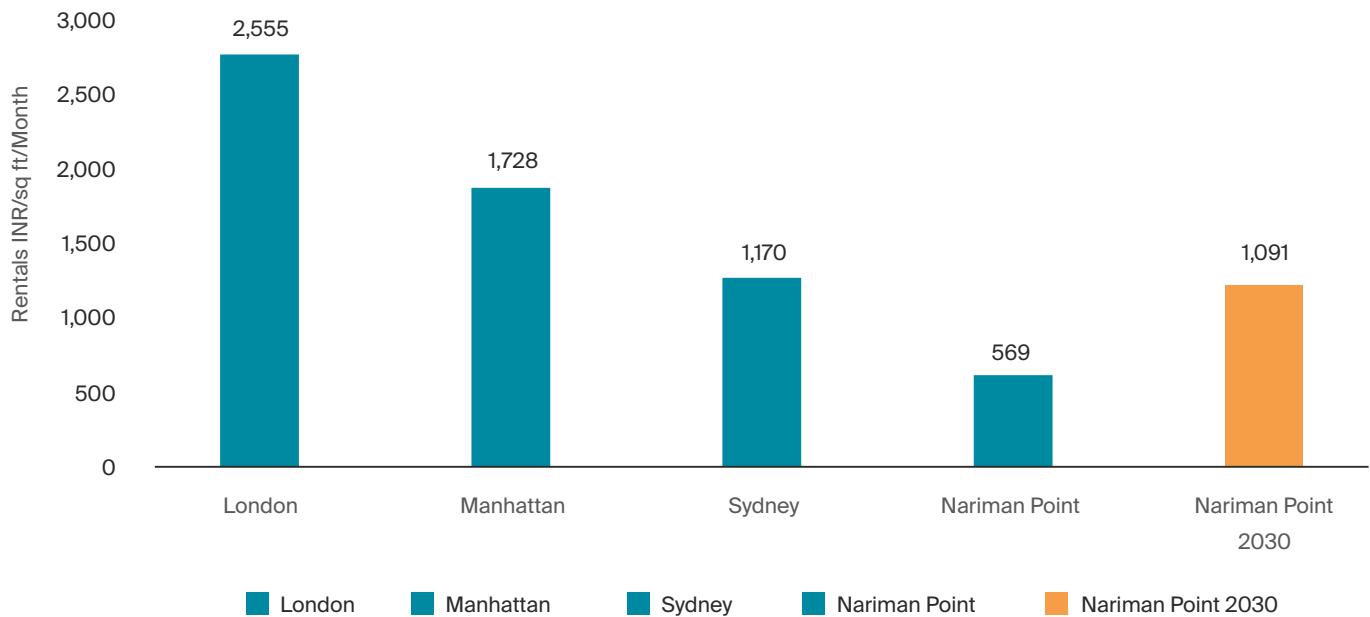


Proposed Road Projects and Projected Travel Time (TT) Improvements in 2035



Performance of Nariman Point Compared to Global Office Markets

Nariman Point Rent Forecast



Source: Knight Frank

Note: Highest rentals from top-tier buildings for the respective year have been considered.

When examining rental rates across global office markets, we can observe significant variations in pricing. Cities like London, Manhattan, and Sydney command some of the highest office rental rates globally, reflecting their status as premier financial and business hubs. Nariman Point, once the heart of Mumbai's commercial district, pales in comparison, but there is significant potential for growth as the market revives.

London: With rental rates soaring at INR 2,555 per sq ft per month, London is at the pinnacle of global office markets. Its status as a leading financial centre, coupled with high demand for premium office space, drives these prices. London's highly developed infrastructure, skilled workforce, and global connectivity further cement its position at the top.

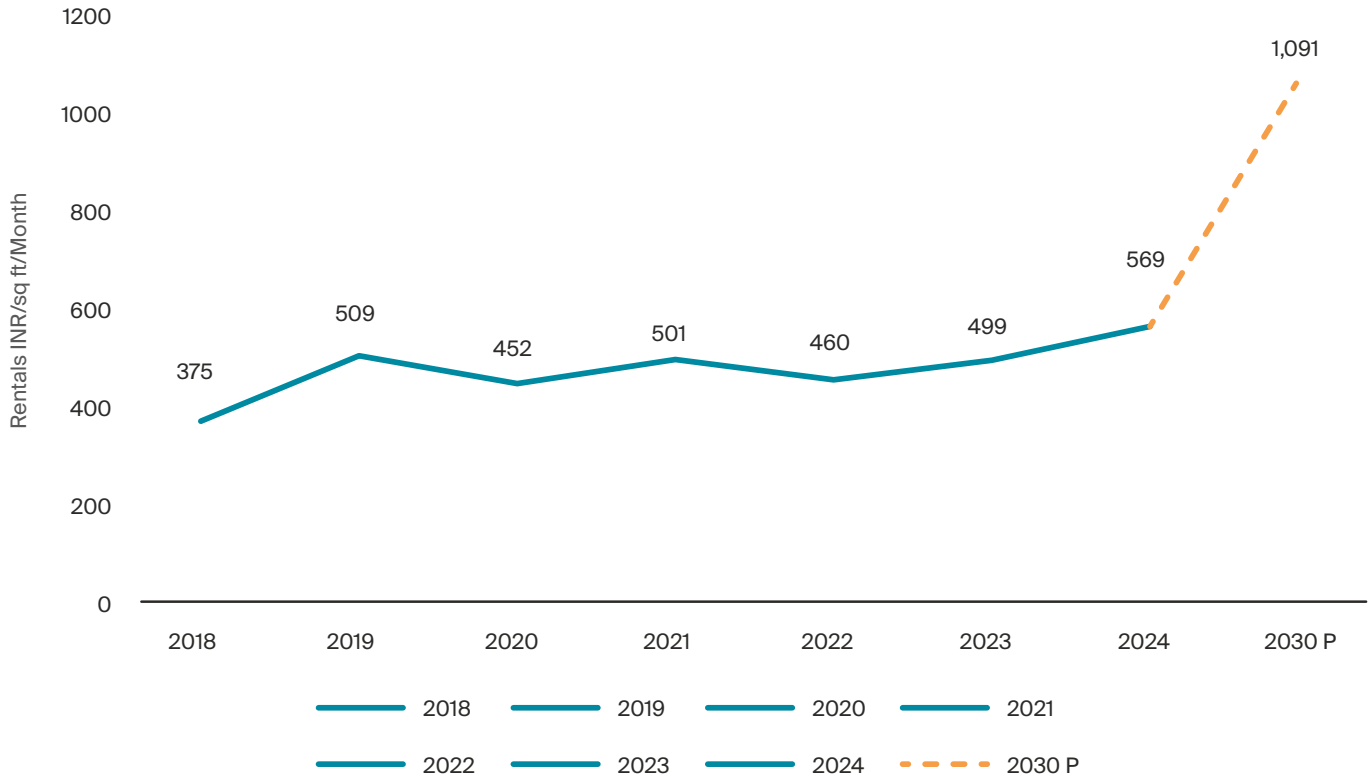
Manhattan: Manhattan's office market stands at INR 1,728 per sq ft per month, solidifying its place as one of the most expensive office markets in the world. The area benefits from being the financial and corporate centre of the United States, hosting global institutions, multinational corporations, and investment banks.

Sydney: Sydney's rental rates are also significant, at INR 1,170 per sq ft per month. As Australia's leading business hub, it has a thriving financial sector and a strong presence of multinational companies, driving demand for premium office space.

Nariman Point: In comparison, Nariman Point currently has rental rates of INR 569 per sq ft per month. While considerably lower than its global counterparts, Nariman Point is in the midst of a revival. Nariman Point's location within South Mumbai and the upcoming infrastructure developments, including the Mumbai Coastal Road Project and Metro Line 3, are expected to increase connectivity and accessibility. With these factors contributing to the area's resurgence, there is considerable optimism about Nariman Point's potential to attract new business demand and drive-up rental rates.

Nariman Point's Potential Growth

Rentals in Nariman Point to Surge Above 1,000/sq ft by 2030



Source: Knight Frank

Note: Highest rentals from top-tier buildings for the respective year have been considered.

In the coming years, as global rents continue to rise, Nariman Point is expected to experience a more rapid increase, driven by substantial infrastructure improvements and strong demand for premium properties. By 2030, while cities like London, Manhattan, and Sydney are projected to see further rental growth, even if Nariman Point achieves just 60% of the average rental rates in these cities, its rents could surpass INR 1,000 per sq ft per month, potentially reaching INR 1,091 per sq ft by 2030. This projection highlights the significant growth potential for Nariman Point as Mumbai's office market evolves and revitalizes.

With sustained demand, improved infrastructure, and potential new office supply, Nariman Point could regain its stature as a premier business destination. Given the rising demand for premium properties and businesses looking to expand their presence in South Mumbai, it seems likely that Nariman Point's rental growth will align with global trends, helping the market to reach new heights in the coming years.

Conclusion

South Mumbai is poised for a remarkable transformation. With improving infrastructure, an influx of new supply, and support from the strengthening residential market, Nariman Point is navigating various catalysts effectively, solidifying its status as one of the best commercial office markets in India. Looking ahead, we anticipate that with the continued development of infrastructure, Nariman Point will surpass INR 1,000 per square foot in office rental rates by 2030.

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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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