Upgrading Mumbai

The Redevelopment Story

2025	Knight Frank's handbook on Mumbai redevelopment, covering market trends, leading locations, and the policies shaping the sector.	knightfrank.co.in/research

Contents

Foreword

Mumbai's real estate market is entering a pivotal phase, marked not by outward expansion, but by inward reinvention. The city, long defined by its vertical ambition and space constraints, is now being reshaped from within. At the heart of this transformation lies redevelopment: a structural response to Mumbai's dual crisis of land scarcity and ageing housing stock.

Over the last five years, more than 910 societies have initiated redevelopment, unlocking over 326.8 acres of potential buildable area. This isn't merely a trend in construction, it is a reset of the city's planning logic. In a geography where more than 70% of land is already built-up and population density crosses 30,600 persons per sq km, redevelopment is not a strategy, it is a necessity.

What makes this moment distinct is the convergence of policy, market readiness, and stakeholder alignment. Just as importantly, the societal lens has evolved and residents now seek not just payouts, but credible execution, amenities, and long-term value. Developers, too, are adapting. The shift toward asset-light, capital-efficient models is being reinforced by institutional platforms, agile aggregation strategies, and a sharper focus on delivery over land banking.

The Mumbai Redevelopment Report 2025 captures this inflection point. It provides a clear, data-backed lens on what's driving the shift, where the activity is concentrated, how the legal and regulatory frameworks are evolving, and what timelines and risks must the stakeholders prepare for. This is more than a study of a market; it is a window into how India's most land-constrained city is finding renewal from within.

We hope this report offers meaningful insights to developers, investors, housing societies, and public bodies alike, as they collectively shape the next decade of Mumbai's urban evolution.

Shishir Baijal
Chairman and Managing Director

Mumbai's urban priority

Land Scarcity & Ageing Buildings

India's financial capital, Mumbai, spans 603.4 sq km, but only 437.71 sq km comprising the Island City and the Suburban District, fall under the development purview of the Municipal Corporation of Greater Mumbai (MCGM). The remainder is occupied by defence zones, the Mumbai Port Trust, and the ecologically protected Sanjay Gandhi National Park, areas beyond the city's planning and construction framework.

More than 70% of MCGM-administered land is already built-up. What little remains is fragmented across informal settlements, industrial belts, roads, and reserved plots. The city is now functionally landlocked, with outward expansion no longer a viable solution.

At the same time, Mumbai continues to face extreme demographic pressure. As of 2024, the city's population stands at 13.4 mn, pushing its population density to ~30,600 persons per sq km. This translates to just 32.7 sq m of land per resident within the MCGM limits.

Rising population density in Mumbai

Year	Population (mn)	Developed Area (sq km)	Population Density (per sq km)
1981	8.1	437.71	~18,500
2001	12.4	437.71	~28,300
2024	13.4	437.71	~30,600

Note: The population and developed area figures reflect the MCGM jurisdiction only

Land Availability and Population Density in Mumbai in 2024

Metric	Value
Total Area of Greater Mumbai	603.4 sq km
MCGM Jurisdiction Area	437.71 sq km
Island City	68.71 sq km
Suburban District	369.00 sq km
Developable Land (approx.)	~70% of MCGM area = ~306 sq km
Estimated Population (2024)	13.4 mn
Population Density (MCGM area)	~30,600 persons/sq km
Average Land per Resident	~32.7 sq m

Source: BMC, Knight Frank Research

Despite these numbers, high density is not necessarily unsustainable. The challenge lies in whether urban infrastructure and planning can keep pace with rising population. A comparative view underscores this gap.

Land Availability and Population Density in Mumbai in 2024

City	Population (Mn)	Land Area (sq km)	Density (per sq km)
Mumbai (MCGM)	13.4	437.7	~30,600
Bengaluru	~14	741	~18,900
Gurugram (City)	2.5	232	~10,800
Global examples			
Tokyo (23 wards)	9.7	627.6	~15,500
Hong Kong	7.5	1,106	~7,100 (avg)
Singapore	6.0	728.6	~8,100

Note: Some districts in Hong Kong like Kwun Tong and Sham Shui Po exceed 120,000 persons/sq km.
Tokyo's inner wards are highly dense, but planned and well-serviced

While some dense districts in Tokyo or Hong Kong surpass Mumbai's averages, they remain far more liveable due to coordinated land recycling, high-spec vertical development, and infrastructure investments.

The mismatch between Mumbai's population and usable land is not just a real estate concern, it is a constraint on economic productivity, infrastructure viability, and urban resilience. In this context, redevelopment emerges as a structural necessity, not just a market trend. It is the only lever through which Mumbai can recalibrate density, renew its ageing-built stock, and transition from horizontal congestion to vertical efficiency.

Ageing Building Stock: A Structural Time Bomb

Compounding Mumbai's land scarcity is the mounting risk posed by its ageing buildings. As per a 2017 BMC audit, 1.6 lakh buildings across the city were over 30 years old, necessitating structural assessment. These include tenanted cessed buildings in the Island City, older cooperative societies in the suburbs, and pre-FSI layouts.

Buildings Over 30 Years Old Identified for Structural Audit (2017)

Region / Ward	No. of Buildings	Share of Total (%)
Island City (total)	44,830	28.00%
Western Suburbs (total)	73,820	46.20%
Eastern Suburbs (total)	41,184	25.80%
Total	**1,59,834**	**100%**

Source: BMC Audit 2017

Many of these structures lack basic modern amenities and worse, pose serious safety risks. Tragic collapses in Ghatkopar and Bhendi Bazaar in 2017 spurred amendments to Section 353(B) of the BMC Act. Today, buildings over 30 years old require a structural audit every five years, and those over 50 years old, every three years.

Redevelopment: A Planning Necessity

In this context, redevelopment is not simply a market response, it is a public safety and planning imperative. It offers a multi-fold solution that will:

- rehouse existing tenants in safer, larger, and better-equipped units
- unlock under-utilised land in high-value zones
- recalibrate population density in alignment with infrastructure upgrades
- attract institutional capital to urban renewal.

The shift is now backed by regulation. DCPR 2034, MHADA's cessed building framework, and incentive levers like additional FSI and TDR are designed to balance project viability with tenant protection.

In summary, redevelopment is no longer optional, it is foundational to Mumbai's next urban chapter.

How the State is Enabling Redevelopment

Policy Response: From Regulation to Redevelopment Engine

Mumbai's redevelopment surge is not a spontaneous market outcome, it is the outcome of a purpose-built policy ecosystem shaped to address the city's dual crisis of land scarcity and ageing stock. Over the last decade, the regulatory architecture has evolved from fragmented controls to an integrated framework centred around FSI incentives, financial instruments, and zone-specific levers.

DCPR 2034: The Foundation of Mumbai's Redevelopment Strategy

The Development Control and Promotion Regulations (DCPR) 2034 has replaced DCR 1991 and fundamentally redefined how land, density, and incentives are structured in Mumbai.

Key Enablers within DCPR 2034

- **Incentive FSI** for projects with tenant rehousing obligations or public benefit.
- **Cluster and composite redevelopment** get higher buildability through amalgamation bonuses and relaxed design norms.
- **Targeted FSI norms**
  - Cessed buildings under 33(7): Covers cessed buildings (pre-1969) in the Island City. Offers FSI linked to Table 30(A) with 50% incentive over rehab requirement.
  - Cluster redevelopment under 33(9): Designed for cluster redevelopment on larger land tracts (typically over 4,000-6,000 sq m). Allows up to 4.0 FSI or higher in special incentive zones.
  - Independent societies under 33(7B): Enables redevelopment of standalone societies. Especially relevant in suburban areas, with FSI adjusted based on road width and land parcel conditions.
  - MHADA buildings under 33(5): Applies to MHADA layouts, often with low-income or rental housing. Allows up to 4.0 FSI plus additional incentive depending on tenant count and amenity provision.

Note: These four categories cover the bulk of active redevelopment cases across Mumbai. For other typologies such as slum rehabilitation, transit corridor schemes, and commercial zone overlays, a detailed FSI matrix is provided in Annexure.

MHADA:
Rehabilitating Mumbai's Cessed Building Stock

MHADA is central to the renewal of pre-1969 cessed buildings in the Island City, many of which are rent-controlled and structurally unsound.

Its redevelopment mechanism includes:

- eligibility-based tenant rehousing
- developer approval and oversight by MHADA
- access to higher FSI vs. regular private projects
- direct coordination in sensitive areas like Girgaon and Kalbadevi.

The progress is slow due to legacy tenancy issues, but this is the most safety-critical stock in the city.

Micro-Zonal Incentives:
TOD, Metro and Coastal Road Corridors

The DCPR 2034 also incorporates Transit-Oriented Development (TOD) overlays along mass transit corridors like the Metro, the Coastal Road, and upcoming suburban rail expansions. These zones:

- allow higher FSI (up to 5.0) for plots within 500 m of metro stations
- encourage mixed-use vertical development
- provide relaxed parking norms and setback guidelines.

Such zone-specific incentives allow planners to align density with upcoming infrastructure, reduce commute times, and improve economic productivity.

Mumbai's redevelopment story is now being shaped less by regulatory friction and more by policy enablement. DCPR 2034, MHADA frameworks, and market-linked tools like TDR and premium FSI form a cohesive scaffold for urban renewal. The policy bottleneck has been replaced by a viable blueprint one that can reshape the city's urban core with both speed and scale.

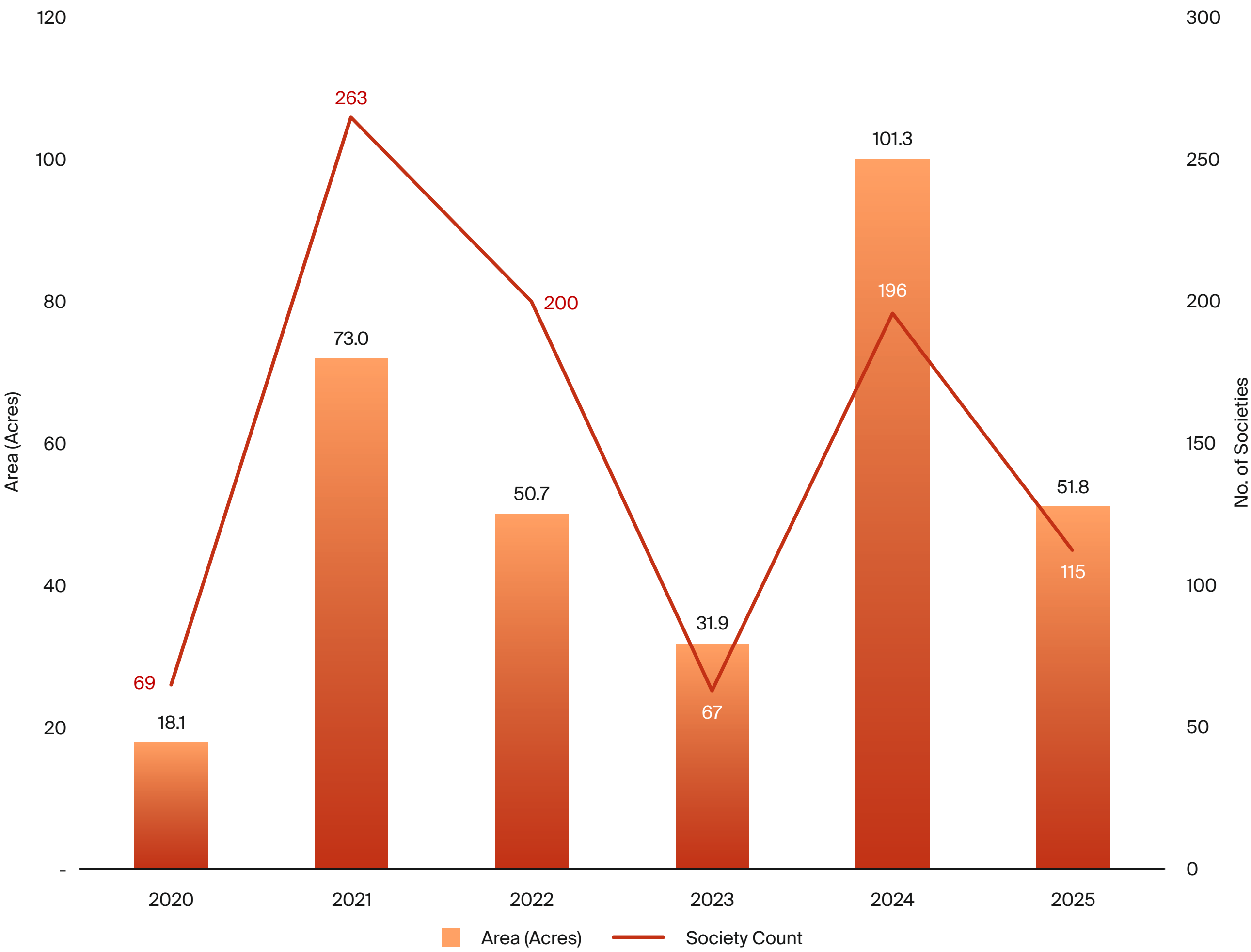
Ground realty: Society activity landscape and micro trend

Deal Landscape and Market Activity

Mumbai's redevelopment momentum has evolved considerably in recent years. From a nascent phase of limited deal activity in 2020, the market has transitioned into a significantly more structured and scalable ecosystem.

Between 2020 and H1 2025, a total of 910 society-level redevelopment agreements were recorded, cumulatively unlocking over 326.8 Acres (1.3 mn sq m) of potential land for renewal. This represents one of the largest land recycling waves seen in the city's post-DCPR 2034 era.

Year-wise Redevelopment Activity



Source: IGR, Knight Frank Research
Note: Data till 30th May 2025

Inspector General of Registration (IGR): The state authority where DAs must be registered, creating an official record of redevelopment activity.

Development Agreements (DAs): Legal contracts between a housing society and a developer that define obligations for rehabilitation, free-sale area, timelines, and financial commitments.

Application: For our analysis, only DAs registered with the IGR are considered to calculate the scale and supply of redevelopment.

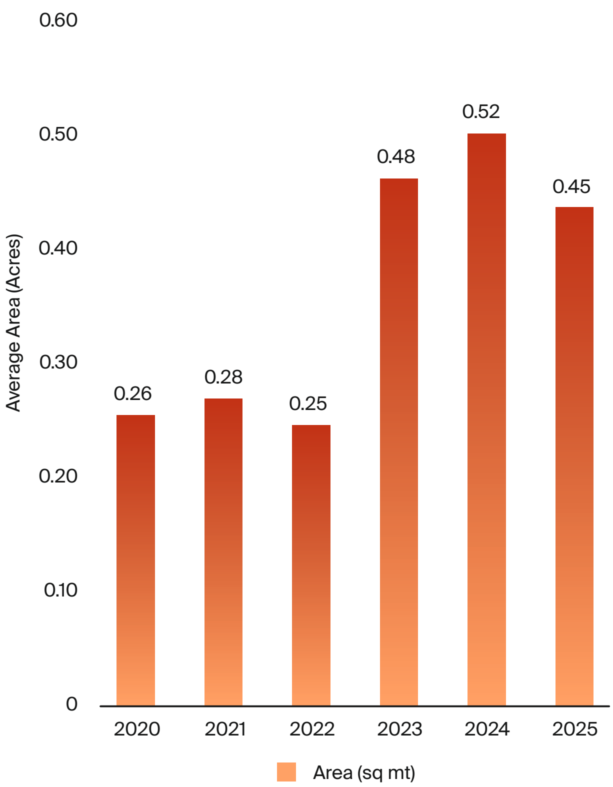
The redevelopment growth has not been linear. While the pandemic slowed down progress in 2020, the deal momentum picked up sharply by 2021. The year 2024 marked a peak, with 196 societies entering redevelopment, contributing over 101.3 acres (0.4 mn sq m) of area, nearly 31% of the five-year total. Interestingly, in just the first five months of 2025, 115 deals have already been signed. If this pace holds, 2025 could notch the highest number of Development Agreements since 2020.

Year-wise Redevelopment Activity by Society Plot Size

Area Range (Acres)	2020	2021	2022	2023	2024	2025
0 – 0.25	49	166	134	36	86	59
0.25 – 0.49	12	69	47	17	51	28
0.49 – 0.74	5	19	14	8	25	10
0.74 – 0.99	2	4	3	0	12	8
0.99 – 1.24	1	2	0	2	5	2
1.24 – 1.48	0	2	2	0	4	2
1.48 – 2.47	0	1	0	2	8	4
More than 2.47	0	0	0	2	5	2
Grand Total	**69**	**263**	**200**	**67**	**196**	**115**

The distribution of redevelopment agreements by society plot size shows a clear skew towards smaller societies. Between 2020 and 2025, over 80% of all registered deals involved plots below 0.49 acres, with the 0-0.25 acres range accounting for the largest share during this period each year. Mid-sized societies in the 0.49-1.24 acres range made up a smaller but steady portion of the activity, while large land parcels above 1.24 acres remained rare, with only a handful of deals finalized each year. This underscores the fragmented nature of Mumbai's redevelopment market which is dominated by compact plots, dense membership structures, and the operational challenges that come with aggregating larger contiguous land parcels in built-up urban precincts.

Average Deals Size

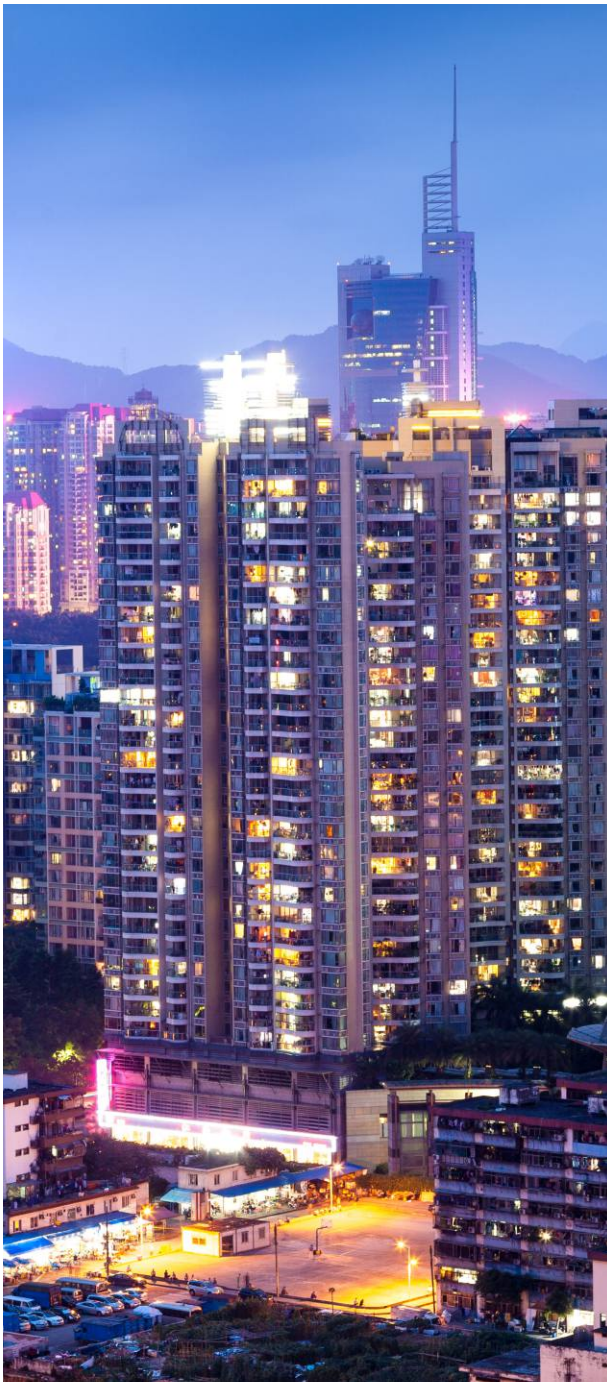


Source: IGR, Knight Frank Research
Note: Data till 30th May 2025.

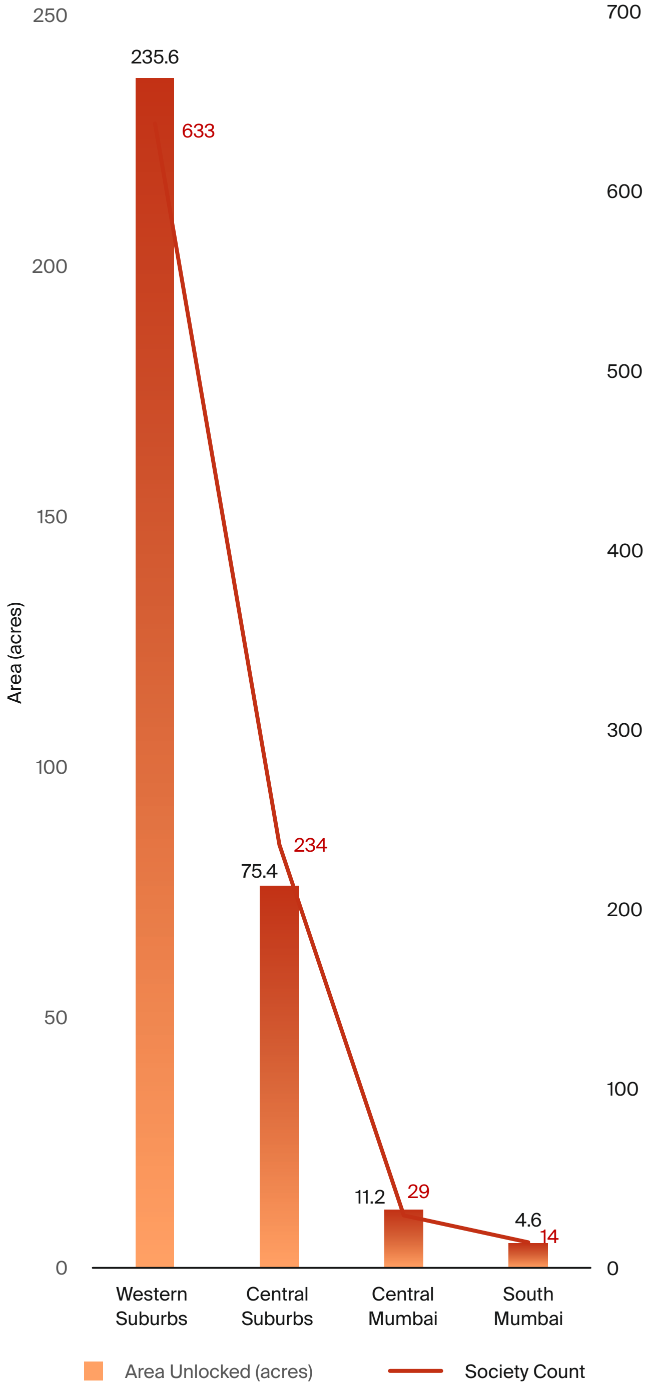
Over the years, the average deal size has also increased. The average built-up area unlocked per deal almost doubled from 0.26 acres (1,063 sq m) in 2020 to 0.52 acres (2,092 sq m) in 2024. This shift signals the emergence of larger society clusters, better aggregation efforts, and more efficient land utilisation, thus, hallmarking a maturing redevelopment ecosystem.

Micro-Market Trends

Redevelopment in Mumbai remains firmly anchored in the suburbs. Between 2020 and H1 2025, the Western Suburbs alone accounted for 633 out of 910 society deals, recording nearly 70% of total activity. The Central Suburbs added another 234 societies, pushing the suburban share to almost 96%. By contrast, Central and South Mumbai together saw 43 societies opting for redevelopment, underscoring the stark geographic divide.



Geographic Spread: Suburban Corridors Lead Mumbai's Renewal



In terms of volume, the Western Suburbs unlocked around 235.6 acres of built-up area, more than 70% of the total, driven by wider roads, favourable FSI norms, and relatively structured societies that were quicker to organise and execute deals.

Top localities by deal count and area unlocked

Why redevelopment is accelerating now

Market Momentum

Once slow-moving and fragmented, Mumbai's redevelopment landscape is undergoing a structural transformation. A confluence of policy incentives, asset-light developer strategies, and capital market alignment has made redevelopment not just viable, but strategically compelling.

FSI Incentives Have Tipped the Scale

The turning point came with DCPR 2034, which provided a quantum boost in Floor Space Index (FSI) across redevelopment categories. Cessed buildings, society clusters, and amalgamated plots now enjoy significantly higher buildable potential.

Since societies contribute land in exchange for rehab flats, upfront acquisition costs are eliminated. With improved project viability even in dense, well-located areas, redevelopment now competes with greenfield development – often with superior address value and lower entry cost.

Developers Prefer Asset-Light Entry Models

In today's capital-conscious environment, developers increasingly prefer asset-light models over traditional land buys. Redevelopment enables:

- minimal upfront equity
- participation in core city locations
- lower balance sheet stress.

Large players have adapted building dedicated platforms focused on aggregation, legal facilitation, and fast approvals, prioritising IRR over land banking. These models align well with institutional capital seeking lower land risk and quicker cash rotation.

Societies Seek Brand Names, Better Amenities

- There's been a behavioural shift noted among societies. Selection is now based not so much on upfront payout but more on developer credibility, execution history, and amenity delivery.

The rise of Project Management Consultants (PMCs) and greater legal literacy in societies have made them more structured in their decision-making. Expectations now include:

- faster process timelines
- enhanced safety norms
- amenities like parking, elevators, security, and recreational spaces which are now standard expectations.

Capital Markets Are Supportive

While interest rates have moved up post-COVID, they remain within a historically moderate band, supporting end-user affordability. Simultaneously, private equity investors remain bullish on:

- low land risk
- strong pre-sales visibility
- brand-led execution.

Redevelopment fits in with this thesis well, especially in supply-constrained, centrally located micro-markets with clear titles or pre-vacated societies.

Challenges Persist: Consensus Bottlenecks and Legal Risks

Despite improved feasibility, redevelopment carries with it executional complexity. Achieving society consensus remains the primary bottleneck. Even though current laws require only 51% consensus, disputes over flat sizes, rent duration, or developer selection often delay progress.

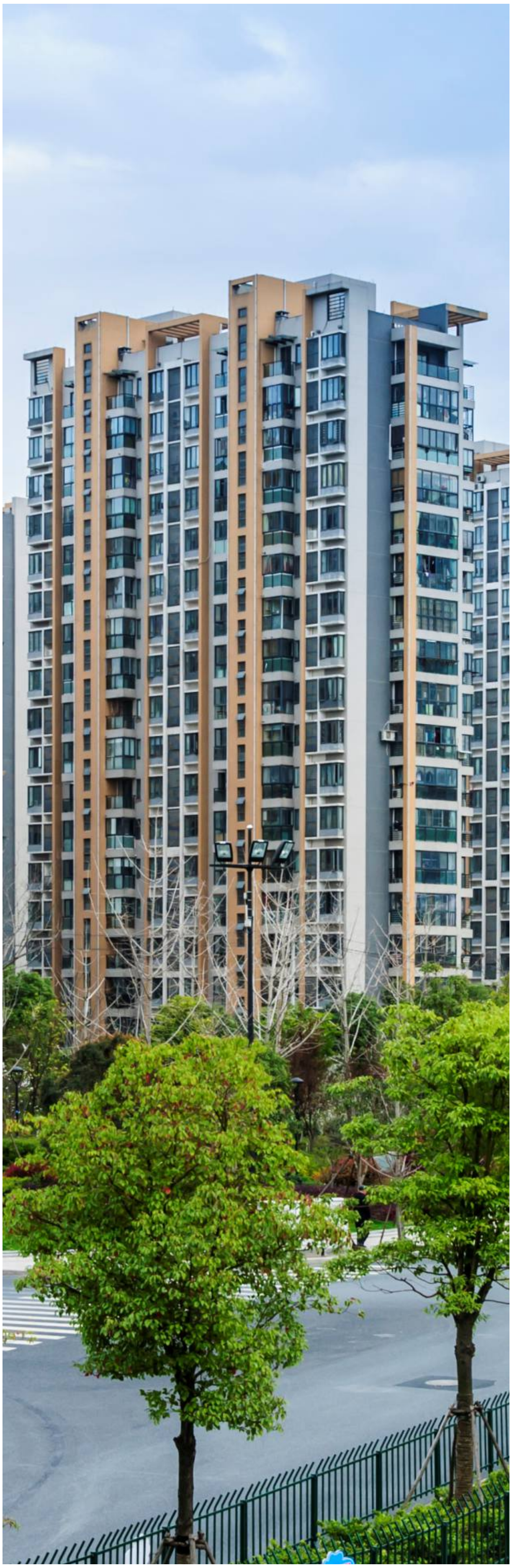
Other hurdles include:

- title clarity and legacy encumbrances
- delays in IOD/CC and other civic permissions
- legal disputes or litigations
- costing friction arising from GST and Stamp Duty.

Navigating these require developers with legal depth, transparent communication, and community engagement frameworks.

Beyond developers: The self-redevelopment push

While Mumbai's redevelopment wave is largely driven by private developers, a growing share of cooperative housing societies are choosing to go it alone. Self-redevelopment, where the society itself acts as the developer is emerging as a parallel model, backed by favourable policy and financial incentives. But while the model offers greater control and upside to residents, it comes with its own unique set of challenges.



Expanding Policy Support

In July 2025, the Maharashtra government issued fresh guidelines aimed at simplifying and accelerating the self-redevelopment process. Key highlights include:

- Streamlined approvals through a dedicated single-window system
- Preference in MHADA and MCGM approval queues
- Facilitation of loans through state-backed co-operative banks
- Waiver or deferral of certain premiums for eligible societies

These guidelines build on the 2018 Housing Manual, which first laid the legal foundation for self-redevelopment, and mark a clear intent to scale this model across aging cooperative housing stock.

Why Societies Choose This Path

Societies are increasingly opting for self-redevelopment to:

- Retain full FSI gains, instead of sharing with a private developer
- Avoid delays or disputes with third-party builders
- Maintain control over design, delivery timelines, and commercial terms

In many cases, the financial upside for members is significantly higher—especially in well-located suburban plots with high FSI potential..

But Execution Is Notoriously Difficult

Despite the upside, successful self-redevelopment remains an exception, not the norm. Societies often struggle with:

- **Bridge financing gaps**: Funding land-related premiums, consultants, and early-stage costs before the construction loan is disbursed
- **Raising project finance**: Banks and housing finance institutions require clear titles, strong PMC partners, and financial discipline criteria many societies fail to meet
- **Lack of bandwidth**: Unlike professional developers, societies rarely have the time, expertise, or managerial continuity to handle the end-to-end process

As a result, even with policy backing, the model works best for well-organised, mid-sized societies (typically 1,000–3,000 sq m) that can afford to hire credible PMCs and maintain long-term cohesion among members.

Case Study 1

From 418 sq ft to 705 sq ft – A Self-Redevelopment Success Story

In 2014, a 28-member cooperative housing society in Kandivali West, originally built under a MHADA HIG scheme, decided to bypass private developers and pursue self-redevelopment. Their five-storey building, nearly 30 years old, offered limited living space, just 418 sq ft per flat.

The society appointed a professional Project Management Consultant (PMC) and architect, internally raised funds, and secured the necessary MHADA and BMC approvals. Instead of waiting for a developer's share to finance the project, members contributed towards bridge financing and agreed to sell a small number of new flats to cover construction costs.

By 2019, the society successfully completed a 14-storey tower, delivering 705 sq ft 3BHK apartments to each member. They retained the entire FSI gain, maintained full control over specifications and timelines, and avoided the long negotiations that often accompany private developers.

Key Observations

- Small, cohesive societies with clear internal alignment can achieve faster execution under the self-redevelopment model.
- Engaging a credible PMC and ensuring early-stage funding are critical to avoiding mid-project cash flow disruptions.
- While risk and responsibility are higher, the upside, larger flats and retained developer margin is substantial.

Case Study 2

Ambition Meets Reality – When Self-Redevelopment Stalls

In 2018, a mid-sized society in Mulund with around 40 flats decided to launch self-redevelopment, motivated by the promise of retaining the full FSI benefit. A resolution was passed, members pooled initial contributions, and a PMC was appointed to prepare plans and secure approvals.

However, early enthusiasm gave way to financial and operational challenges. The society struggled to arrange bridge financing for premiums and consultant fees while waiting for the construction loan to disburse. Internal disagreements arose as some members were unwilling to commit additional funds, and critical decisions were delayed.

By 2021, the project got stalled. Faced with mounting costs and risk of further delay, the society eventually invited a private developer to step in under a revenue-sharing arrangement. Members received their redeveloped flats, but the financial upside was diluted, and the project timeline stretched nearly three years beyond the original plan.

Key Observations

- Access to upfront capital and member alignment are make-or-break factors in self-redevelopment.
- Without a structured financing plan, societies are exposed to significant cash flow risk.
- Mid-sized and larger societies often face greater complexity, making hybrid or developer-supported models more viable.

Outlook

A large share of Mumbai's ageing housing stock is eligible for redevelopment, even a small percentage opting for the self-redevelopment route could represent thousands of units annually. But unlocking that potential will require:

- Institutionalisation of PMC and financing ecosystems
- More government-backed financial instruments (e.g., first-loss guarantees)
- Stronger awareness and capacity-building among societies

Self-redevelopment has promise, but it's not a plug-and-play model. The bottom line: If societies want to retain the developer's margin, they must take on the developer's role with all the responsibility that comes with it. Self-redevelopment isn't just about cutting out the middleman. It's a full-time project that demands professional-grade execution, financial discipline, and long-term commitment. Without that, even well-intentioned attempts risk stalling mid-way.

Structuring and process within redevelopment timelines

Redevelopment is a legally intensive, multi-party transaction that differs sharply from typical greenfield development. From society consent and feasibility planning to legal clearance and phased execution, each stage carries with it its own risk variables. Proper structuring is essential not only for feasibility, but also for derisking delays and ensuring enforceability of rights across stakeholders.

Process of Redevelopment

A typical society-led redevelopment follows a 12-step path from intent to handover. Each step has its own administrative, legal, or community coordination challenges. While timelines may vary, the broad roadmap is:

Pictorial Depiction of the Process of Redevelopment

Documents Required for Redevelopment

Redevelopment hinges on clear title, plan approval, and regulatory compliance. Core documents required from the society and PMC include:

Society Registration Certificate	Search Report
Building Approved Plan	NA Order
Deed of Conveyance / Lease / Ownership	City Survey Plan
Title related documents / Records	Existing OC Plan
Property card / 712 extract	Building and Layout Plans
DP Remarks and Plans	Existing CC certificate

Incomplete or outdated documentation is a key source of approval delays.

Legal Timeline and Risk Points

Each phase of the transaction has a typical timeline.
However, legal, civic, or stakeholder risks can lead to considerable deviation.

The chart and table below outline standard durations and dependencies:

Transaction Phase

1. Tender Preparation
2. Creation of Market Collateral
3. Inviting Developers to participate in Bids
4. Submission of the initial bid
5. Query Resolution
6. Submission of final bids
7. Selection of developer
8. Due diligence
9. Finalisation & signing of DA
10. Assisting in Unit Allocation
11. Finalization of PAAA
12. Vacation and Handover of possession

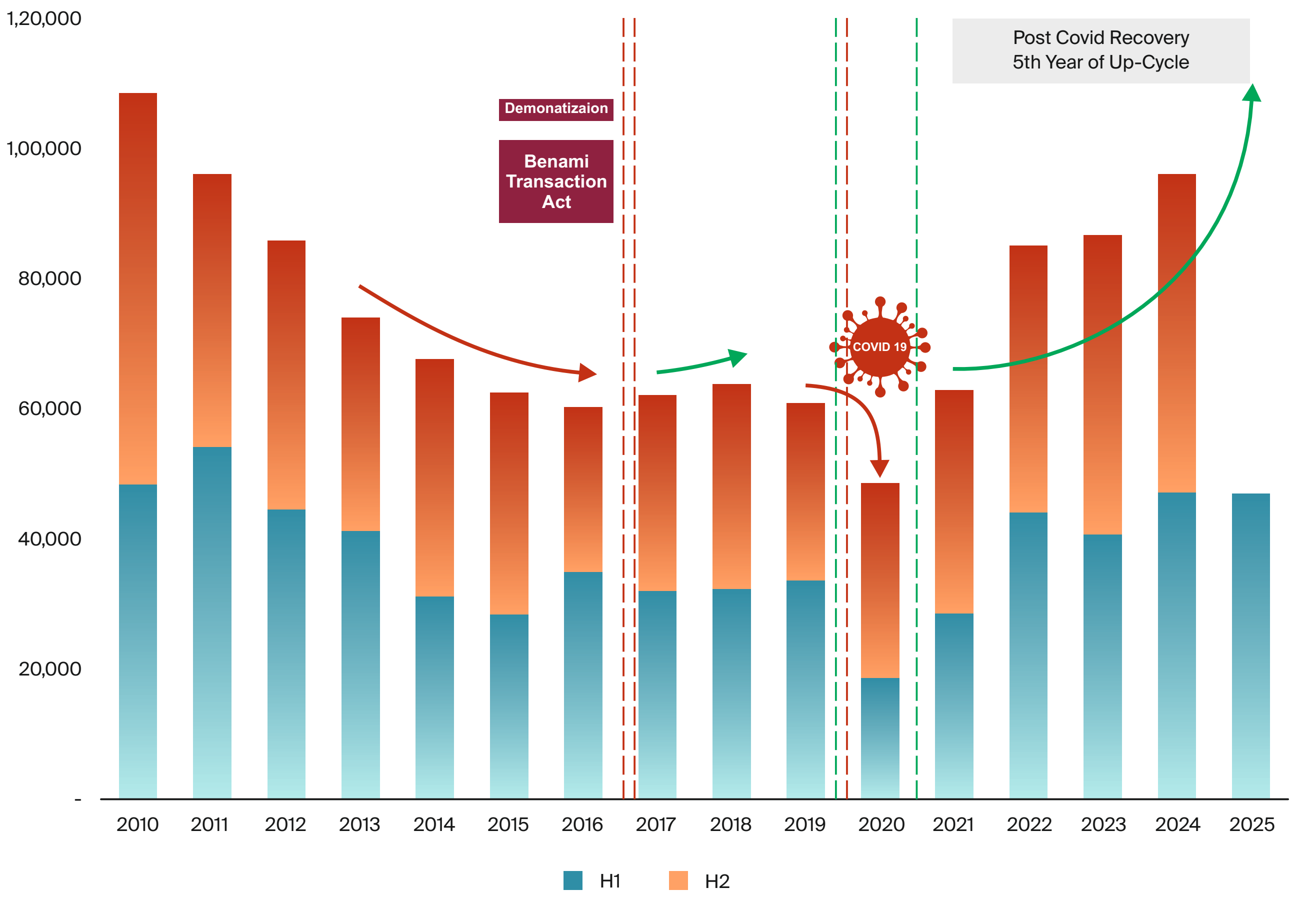
Legal Process Timeline

Broader Process	Detailed Process	Typical Duration
Redevelopment Thought Process and Consent of Members (6 months - 2 years)	Initiation of Redevelopment Thought Process Consent for Redevelopment	6 months - 2 years
Selection of Developer and Signing of Development Agreement (2 Years)	PMC Appointment	6 months – 1 year
	Feasibility Report	2 months
	Tender Preparation	1 month
	RFP from Developers and Bids Received	3 months
	Selection of Developer and & 79A Process	3 months
	Development Agreement	6 months
Pre Construction Phase (1 Year – 1.5 Years)	IOD Receipt	6 months – 1 year
	PAA	1 month
	Vacation by Members	3 months
	Demolition	2 months
Construction and Handover (3-5 Years)	Construction Period	3 -5 years
	Handover	2 months

Many redevelopment projects in Mumbai get delayed not because of technical or financial unviability, but due to poorly drafted contracts, unclear title records, or missing approvals. The path to successful execution lies in clear documentation, robust compliance planning, and proactive society awareness of legal responsibilities. As the ecosystem matures, digitisation of records, model templates, and third-party legal audits can play a defining role in institutionalising redevelopment.

Forecasting redevelopment supply in a cyclical market

Mumbai's Housing Market: A Cyclical Landscape



Over the last 15 years, Mumbai's residential market has gone through multiple regulatory and demand cycles. Annual sales registrations which are a reliable proxy for market sentiment, reflect clear patterns:

Decline Phase (2010–2016)

Registrations fell nearly 45% from the 2010 peak. Multiple policy disruptions such as Demonetisation, the Benami Transactions Act, and broader macro uncertainties created a sustained downcycle.

Interrupted Recovery (2017–2019)

Brief optimism was visible, but it failed to gain long-term traction due to financing bottlenecks and developer distress.

Pandemic Disruption (2020)

COVID-19 triggered the historic low in registrations, particularly in H1 2020.

Post-COVID Boom (2021–2024)

Stimulus measures, reduced stamp duty, and lower interest rates led to five successive years of growth. By H2 2024, sales had recovered to near-peak levels, signalling the fifth year of a strong upcycle.

These cycles matter because redevelopment projects span multiple years, making market timing a key variable in eventual value realization.

Forecasting Units from Redevelopment Activity: Methodology & Assumptions

To estimate the number of units that will enter the market from ongoing redevelopment deals, we used a simple and transparent forecasting model.

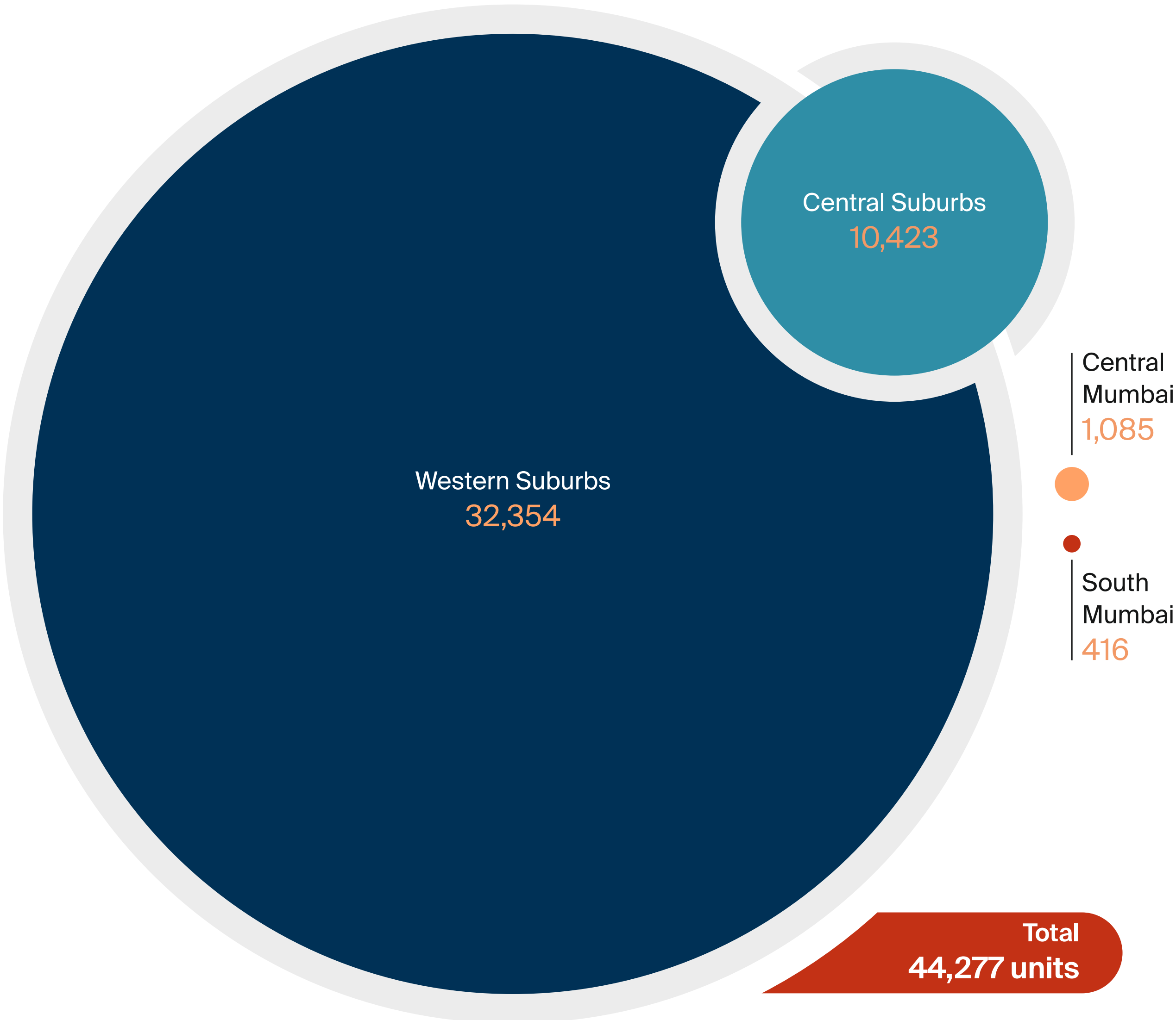
Base Inputs
(2020-H1 2025 Redevelopment Data)

- **Total Sale FSI Unlocked**: ~724 acres (2.93 mn sq m)
- **Total Area Redeveloped**: ~326.8 acres (1.32 mn sq m)
- **Total Society Deals**: 910 across Mumbai

Forecasting Assumptions:

- **Average FSI Utilisation**: 3.0 (based on citywide norms for redevelopment)
- **Average Unit Sizes (Saleable Area)**
  - **South Mumbai**: 1,200 sq ft
  - **Central Mumbai**: 1,000 sq ft
  - **Western & Central Suburbs**: 700 sq ft

Using this model, we estimate a potential **future supply of ~44,277 residential units**, broken down as follows



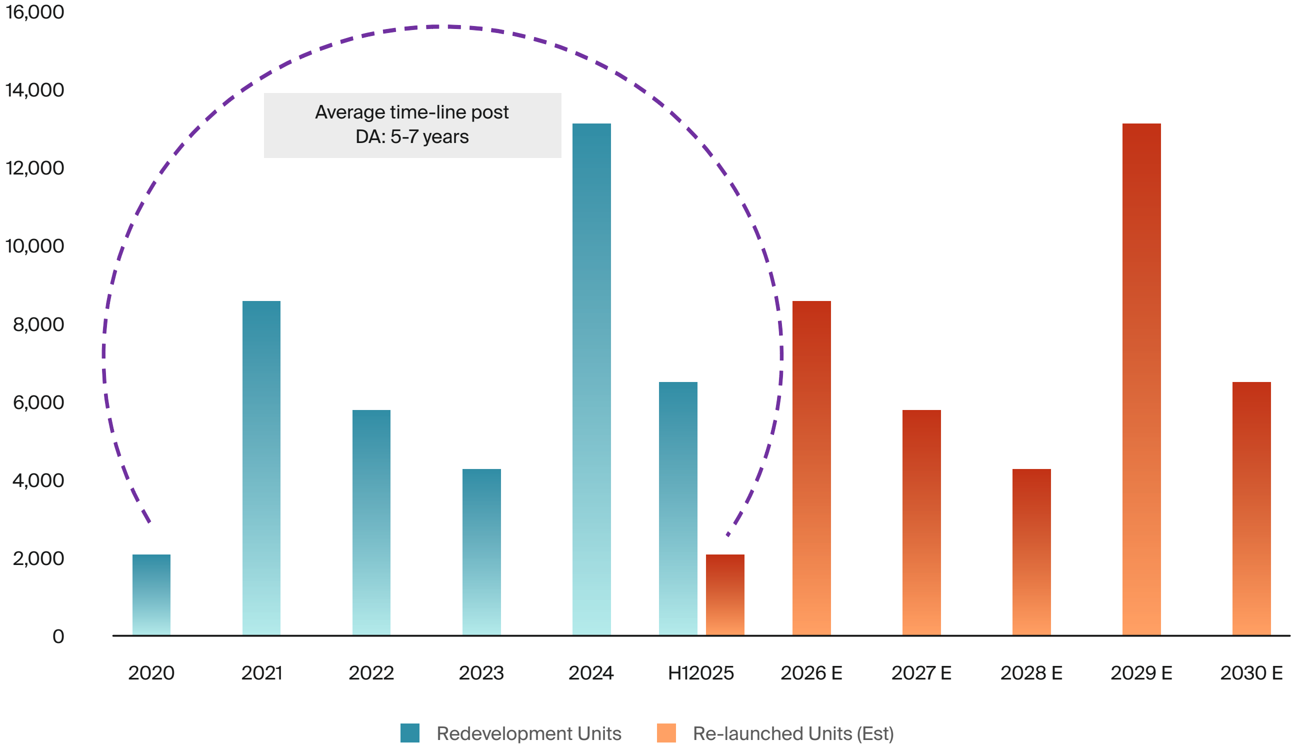
Note: This is purely a supply-side estimate and does not factor in launch velocity, financing, or phasing constraints.

Timelines and Market Exposure

Redevelopment is a long-haul process. From society consent to final handover, typical timelines span anywhere between 5 to 7 years. This implies that

- societies that entered redevelopment in 2020 are only now (2025-2026) beginning to see construction or completions of units into the market; and
- deals signed in 2024 will likely materialize as completed homes only by 2029-2031.

Each Redevelopment deal passes through at least one RE Cycle



Note: As these deals were considered at DA signing levels, average timeline stands at 5-7 years.

Given this lag, participants are effectively committing to a different market cycle than the one they entered in.

Estimated Market Value of Upcoming Redevelopment Projects

Based on the same pipeline of 44,277 units projected across BMC limits by 2030, the cumulative market value of these projects is estimated at INR 1,305 bn. This estimate reflects total potential sales value and is broken down by region as follows

Region	Estimated Units	Estimated Market Value (INR bn)
Western Suburbs	32,354	941
Central Suburbs	10,423	243
Central Mumbai	1,085	91
South Mumbai	416	30
Total	**44,277**	**1,305**

Source: Knight Frank Research

This translates to an average sale value of INR 29.4 mn per unit, varying significantly by location. While volumes are concentrated in the suburbs, per-unit values skew higher in Central and South Mumbai, where redevelopment typically caters to premium and luxury demand segments.

Key Steps and Responsibilities

For Societies: Key Steps

- Hire a Project Management Consultant (PMC): Appoint a qualified, neutral PMC for guidance with regard to feasibility, developer selection, and compliance.
- Maintain clear, verified documentation: Digitise share certificates, title deeds, and structural audit reports. Missing documents cause major delays.
- Understand the full timeline: Align expectations with the reality of an 8-11 years lifecycle from intent to possession.
- Run a transparent selection process: Use open tenders and legal counsel during the 79A developer appointment process.
- Track developer performance post agreement: Regularly monitor timelines, site progress, and legal compliance with help from the PMC.

For Developers: Best Practices

- Derisk project timeline: Account for civic, legal, and consent delays. Lock financing early and build in buffer timelines.
- Conduct thorough legal due diligence: Verify land title, conveyance status, society approvals, and zoning. Avoid assumptions.
- Engage with stakeholders with regularity: Keep society members, PMC, and consultants informed at each milestone to reduce friction.
- Plan capital deployment in phases: Avoid overcommitting upfront. Structure cash flows with construction-linked equity drawdowns.
- Institutionalise documentation and templates: Use model agreements, standardised templates, and legal audits to avoid future disputes.

Case Study 3

A Decade Lost: When Redevelopment Gets Stuck

This case highlights what can unfold when a society embarks on redevelopment without adequate groundwork and structured decision-making.

Timeline: A Decade of Missed Starts

Year	Key Event
1971	Conveyance completed
2010	Society decides to redevelop
2013	**First developer selected; negotiations begin**
2021	Negotiations continue; later terminated
2022	Tender floated again
Apr-23	**Second developer selected**
May-23	Contract terminated
Jun-23	**Third developer appointed**
May-24	Development Agreement registered
Nov-24	Permanent Alternate Accommodation Agreement (PAAA) signed

Source: Society Development Agreement

Originally conveyed in 1971, a cooperative housing society in suburban Mumbai turned 39 years old in 2010 and decided to redevelop its ageing buildings. The intent was clear: upgrade structures, unlock additional floor area, and provide members with larger, modern apartments.

A resolution to redevelop was passed that year. By 2013, a well-known city developer, now a listed company, was selected. Negotiations continued for several years but failed to translate into a registered agreement. In 2021, the arrangement was formally terminated after it became clear that title issues and member disagreements could not be resolved within the existing framework.

In 2022, the society floated a fresh tender hoping for a reset. By April 2023, a new developer was shortlisted but was terminated within weeks due to commercial disagreements.

In June 2023, a third developer was appointed. By May 2024, a Development Agreement was finally registered, and in November 2024, the PAAA was signed, marking significant progress after more than a decade of stops and starts.

Today, the project is technically underway, but the delays so far underline how easily societies can lose time, market opportunity, and collective confidence if foundational aspects like clear title, member alignment, and robust tender terms are not addressed upfront.

Many societies across Mumbai face similar setbacks and are stuck at the intent stage for years, missing the market cycles that make redevelopment financially viable.

Key Observations

- Redevelopment is inherently complex, spanning legal, financial, technical, and community dimensions.
- Delays increase costs for residents in the form of higher repairs, lost rental income, and diminishing asset value.
- The lack of clear planning and phased milestones often lead to multiple failed negotiations.
- Societies that manage governance, documentation, and communication well tend to attract stronger developer interest and achieve timely closures.

At its core, redevelopment is not just a transaction between a society and a builder. It is a shared investment of time, capital, and trust. When both sides align with clarity on rights, obligations, and deliverables, redevelopment can unlock value that goes far beyond bigger flats and new amenities.

Case Study 4

From Formation to Completion: Timely Redevelopment in Central Suburbs

1986	2016	2019	2020	2021	2021	2024
Society in Central Suburbs Formed and Conveyance Received	Society decides to redevelop	Appointment of Developer	Development Agreement Signed	Approvals Received for the project	Vacation by Members	Construction Complete and Possession Given to members

This society's journey reflects how redevelopment can align with policy intent. Formed in 1986, the society became eligible for redevelopment after completing 30 years. Members acted promptly in 2016, appointing a developer in 2019 and signing a Development Agreement by 2020. With approvals cleared in 2021 and members vacating the same year, the project progressed smoothly, culminating in timely possession in 2024. The case underscores how societies that initiate redevelopment at the right stage of their lifecycle can secure modern housing with minimal delay once the process is underway.

The Math of Redevelopment

Redevelopment in Mumbai is often associated with the promise of larger flats, new amenities, and improved neighbourhoods. Yet the defining test for every project is viability. Put simply, the arithmetic of redevelopment must balance and must reconcile capacity, costs, and revenues. With limited land and high input costs, the margin for error is narrow. Projects move forward only when the numbers work and when they do not, even well-intentioned agreements can get stalled.

Plot Capacity: The FSI Envelope

The first step in assessing any redevelopment project is to understand its capacity. Under DCPR 2034, the buildable potential of a plot is linked to the width of the road it fronts (though other planning conditions such as scheme type, height restrictions, and open space norms also apply). Plots on roads above 18 metres can achieve up to 5.4 FSI, while those on 12–18 metre roads are capped at 4.05. On roads below 12 metres, the permissible FSI is substantially lower, and design restrictions on access and height make such projects rarely viable once member obligations are factored in.

Most society redevelopment today is being undertaken under Regulation 33(9), 33(11) and 33(20b), which provide the maximum FSI permissible for redevelopment projects. Development under Regulation 33(9) can, in certain cases, offer FSI in excess of 5.4, and the redevelopment of cess properties may also provide allowances above the norms mentioned above. These are the highest thresholds available under current policy.

However, the actual utilisable FSI on a plot still depends on physical and regulatory constraints, particularly height restrictions, open space requirements, and other planning controls.

In practice, what is available on paper as headline FSI is seldom equal to what can actually be built and monetised.

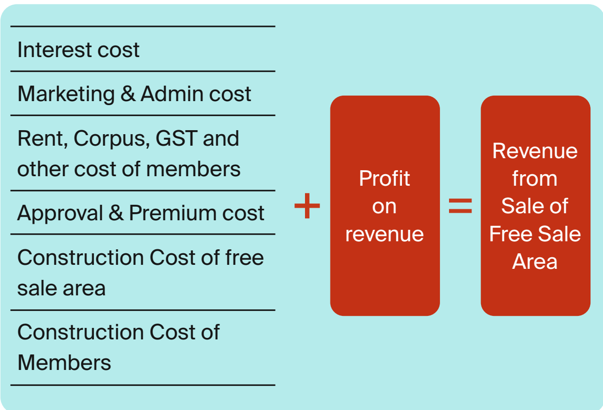
Permissible FSI by Road Width

The Burden on Free-Sale

The free-sale portion of FSI carries the entire financial load of the project. This includes construction of rehabilitation flats, rent and corpus payouts to members, premiums and approval fees, construction of free-sale units, marketing and administrative expenses, and financing over a multi-year cycle. Developers also build in a profit margin as compensation for risk. If revenues from free sale cannot cover this stack, the project is unviable. This is why developers remain cautious even in competitive bidding situations: without sufficient free-sale support, commitments made to societies cannot be honoured.

Example:

Assuming a developer seeking to maintain a normal profit of around 20% on revenues can allocate only about 37% (average of 35–38%) of total permissible FSI to members. Offers that go well beyond this threshold are considered aggressive and often fail to remain viable once the market turns downward. Higher allocations are possible only in premium locations where current sale prices exceed INR 65,000 per sq ft, which provides the additional cushion required to absorb costs and profit.



Member Share and the Limits of Viability

The feasibility of any redevelopment project hinges on how much FSI can be passed back to members without eroding developer margins.

For locations where sale prices are below INR 40,000 per sq ft, developers ideally cannot share more than 30–35% of the total area with the society. This ratio moves up to 35–40% in markets priced between INR 40,000 and INR 60,000 per sq ft. However, even in locations premium as high as INR 75,000 per sq ft, the share to society members cannot practically exceed 50% of the total built-up area

To illustrate, consider example of a society where price lies between INR 40,000-INR 60,000:-

Societies consuming 1.0 FSI on a plot with 5.4 potential FSI can expect a sizeable ~79% increase in carpet area, translating to roughly 69% once balconies are included.

- On a 4.05 FSI plot, the same 1.0 FSI consumption yields a lower ~37% carpet gain (32% with balconies), since the headroom for sharing is tighter.
- For societies already at 1.33 FSI on a 4.05 FSI plot, the incremental benefit falls sharply to just ~6% on carpet.

This shows that the math of capacity and consumption dictates outcomes more than any intent to be generous. Once member share rises much above 40–45% in this price band, viability breaks down. Only in premium markets, where pricing exceeds INR 60,000 per sq ft and faster execution curbs finance costs, can developers stretch to higher allocations without undermining returns.

Member Outcomes Under Different Scenarios

Price Less than INR 40K

Current FSI Consumed by Society	**1**		**1.33**	
FSI Available on Plot	5.4	4.05	5.4	4.05
FSI Shared by Developer @ 30%	1.62	1.215	1.62	1.215
Additional FSI to Members*	62%	22%	22%	NA
Expected Offer on Carpet Area for Members	55%	19%	19%	NA
Expected Offer inclusive of Balcony	48%	17%	17%	NA

Price Less than INR 40-INR 60K

Current FSI Consumed by Society	**1**		**1.33**	
FSI Available on Plot	5.4	4.05	5.4	4.05
FSI Shared by Developer @ 35%	1.89	1.42	1.89	1.42
Additional FSI to Members*	89%	42%	42%	7%
Expected Offer on Carpet Area for Members	79%	37%	37%	6%
Expected Offer inclusive of Balcony	69%	32%	33%	5%

More than INR 75K

Current FSI Consumed by Society	**1**		**1.33**	
FSI Available on Plot	5.4	4.05	5.4	4.05
FSI Shared by Developer @ 45%	2.43	1.82	2.43	1.82
Additional FSI to Members*	143%	82%	83%	37%
Expected Offer on Carpet Area for Members	127%	73%	74%	33%
Expected Offer inclusive of Balcony	111%	64%	64%	29%

*Developer may offer Fungible area to members in case they are able to manage their cost.

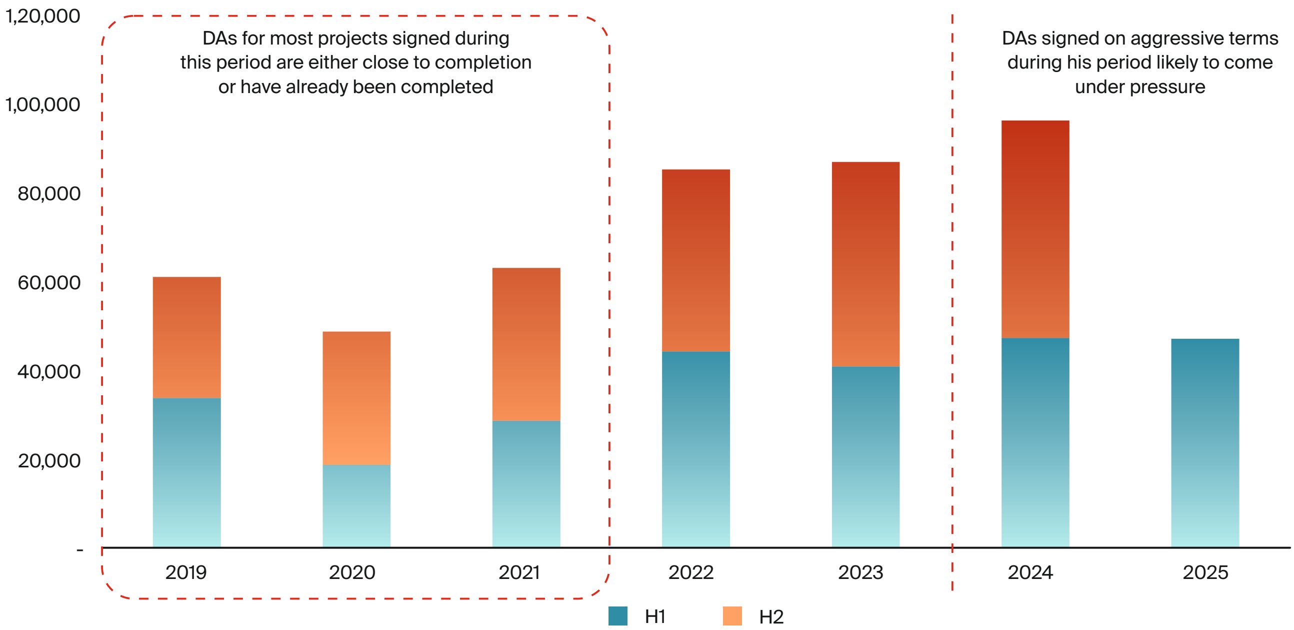
Why Aggressive Offers Break

When markets are buoyant, developers sometimes offer higher shares or larger payouts to win mandates. On paper, these look attractive. But in practice, they often prove fragile.

Take a project where loaded costs amount to ~INR 32,000 per sq ft and achievable sale price is ~INR 40,000. The margin here is slim but workable, around 20%. Increase member allocations by 10–15 percentage points without any rise in achievable sale prices, and the free-sale burden grows beyond recovery. Financing costs climb, margins turn negative, and the project either stalls or requires renegotiation.

This is why agreements signed during bullish periods often face difficulties later. The arithmetic could not sustain the aspiration once market conditions changed.

ROC Curves – Efficient vs Aggressive Offers



*Developer may offer Fungible area to members in case they are able to manage their cost.

Market Cycles and Timing

Redevelopment spans five to seven years from agreement to handover. This timeline inevitably runs across market cycles. Projects signed conservatively in downcycles tend to complete. Those signed during upcycles, with inflated offers and stretched assumptions, often run into viability challenges as costs rise or absorption slows.

For societies, the lesson is straightforward. Attractive offers must be tested against capacity, costs, and realistic market prices. If the numbers fail under conservative assumptions, the project carries a high risk of delay or failure, regardless of the promises made at the start.

Redevelopment: A long-cycle bet demanding patience and precision

Mumbai's redevelopment activity is entering a scalable phase, but it remains a long-cycle endeavour. The typical project, from initial society consensus to final handover, spans 8 to 11 years. This means that every redevelopment decision is effectively a commitment across at least one full real estate cycle, often involving shifting market conditions, interest rates, regulatory norms, and buyer sentiment.

For societies, this necessitates clarity on documentation, realistic timelines, and a clear understanding of the legal and procedural obligations. For developers, it requires robust due diligence, phased capital planning, and the ability to manage delays in civic approvals, title verification, or member relocation.

The gap between deal signing and revenue realisation can be wide and exposed to macroeconomic volatility. Societies initiating redevelopment during a market high may only complete during a downturn, or vice versa. Navigating this timeline calls for measured execution, not opportunistic intent.

As Mumbai intensifies its shift from horizontal expansion to vertical renewal, redevelopment will remain central to its housing and planning strategy. However, unlocking its full potential will depend not just on policy incentives or land availability but on the ability of all stakeholders to manage time, risk, and expectations over the long term.

Visual appendix

FSI Table for Mumbai

	Road Width	Table 30A	33(7)B	33(11)	33(12)B	33(19)	33(20)
Island City	less than 9 mtrs	1.33	As per Table 30(A)	NA	NA	As per Table 30A	NA
Island City	between 9 to 12 mtrs	2.00	As per Table 30(A)	NA	NA	As per Table 30A	NA
Island City	between 12 to 18 mtrs	2.40	As per Table 30(A)	Table 30(A) + FSI upto 3.0 max	Table 30(A) + FSI upto 3.0 max	Table 30(A) + FSI upto 3.0 max	Table 30(A) + FSI upto 3.0 max
Island City	between 18 to 27 mtrs	2.70	As per Table 30(A)	Table 30(A) + FSI upto 4.0 max	Table 30(A) + FSI upto 4.0 max	Table 30(A) + FSI upto 4.0 max	Table 30(A) + FSI upto 4.0 max
Island City	27 mtrs and above	3.00	As per Table 30(A)	Table 30(A) + FSI upto 4.0 max	Table 30(A) + FSI upto 4.0 max	Table 30(A) + FSI upto 5.0 max	Table 30(A) + FSI upto 4.0 max
Suburbs	less than 9 mtrs	1.00	As per Table 30(A)	NA	NA	As per Table 30A	NA
Suburbs	between 9 to 12 mtrs	2.00	As per Table 30(A)	NA	NA	As per Table 30A	NA
Suburbs	between 12 to 18 mtrs	2.20	As per Table 30(A) + FSI upto 3.0 max	Table 30(A) + FSI upto 3.0 max	Table 30(A) + FSI upto 3.0 max	Table 30(A) + FSI upto 3.0 max	Table 30(A) + FSI upto 3.0 max
Suburbs	between 18 to 27 mtrs	2.40	As per Table 30(A) + FSI upto 4.0 max	Table 30(A) + FSI upto 4.0 max	Table 30(A) + FSI upto 4.0 max	Table 30(A) + FSI upto 4.0 max	Table 30(A) + FSI upto 4.0 max
Suburbs	27 mtrs and above	2.50	As per Table 30(A)	Table 30(A) + FSI upto 4.0 max	Table 30(A) + FSI upto 4.0 max	Table 30(A) + FSI upto 5.0 max	Table 30(A) + FSI upto 4.0 max
Suburbs	Additional incentive		15% of existing BUA or 10 sq mtrs per tenant				

	Road Width	Plot size	33(5)
Island City	less than 9 mtrs	any size	NA
Island City	between 9 to 12 mtrs	any size	upto 3.0 + additional incentive
Island City	between 12 to 18 mtrs	any size	upto 3.0 + additional incentive
Island City	between 18 to 27 mtrs	4000 sqmtrs and above	upto 4.0 + additional incentive
Island City	27 mtrs and above	4000 sqmtrs and above	upto 4.0 + additional incentive
Suburbs	less than 9 mtrs	any size	NA
Suburbs	between 9 to 12 mtrs	any size	upto 3.0 + additional incentive
Suburbs	between 12 to 18 mtrs	any size	upto 3.0 + additional incentive
Suburbs	between 18 to 27 mtrs	4000 sqmtrs and above	upto 4.0 + additional incentive
Suburbs	27 mtrs and above	4000 sqmtrs and above	upto 4.0 + additional incentive
Suburbs	Additional incentive		Tit-Bit + Pro-rate (sq mtrs) per tenant + VP (sq mtrs)

	Road Width	Plot size	33(9)
Island City	less than 9 mtrs	any size	NA
Island City	between 9 to 12 mtrs	any size	As per Table30A
Island City	between 12 to 18 mtrs	any size	As per Table30A
Island City	between 18 to 27 mtrs	4000 sqmtrs and above	upto 4.0 or Incentive (whichever is higher)
Island City	27 mtrs and above	4000 sqmtrs and above	upto 4.0 or Incentive (whichever is higher)
Suburbs	less than 9 mtrs	any size	NA
Suburbs	between 9 to 12 mtrs	any size	As per Table30A
Suburbs	between 12 to 18 mtrs	any size	As per Table30A
Suburbs	between 18 to 27 mtrs	6000 sqmtrs and above	upto 4.0 or Incentive (whichever is higher)
Suburbs	27 mtrs and above	6000 sqmtrs and above	upto 4.0 or Incentive (whichever is higher)
Suburbs	Incentive		Incentive as per Table A + Eligible Incentive per Tenant

Ongoing Redevelopment Hotspots

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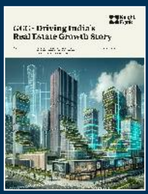

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