

MUMBAI REAL ESTATE OVERVIEW

September 2015



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- MUMBAI OFFICE MARKET OVERVIEW
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Mumbai – An Introduction



MUMBAI – AN INTRODUCTION

THE FINANCIAL AND BUSINESS CAPITAL OF INDIA

DESPITE COMPARITIVELY HIGH REAL ESTATE COSTS IN ESTABLISHED LOCATIONS, THE BUSINESS ECOSYSTEM ENCOURAGES GROWTH RESULTING IN SUSTAINED DEMAND FOR QUALITY SPACE

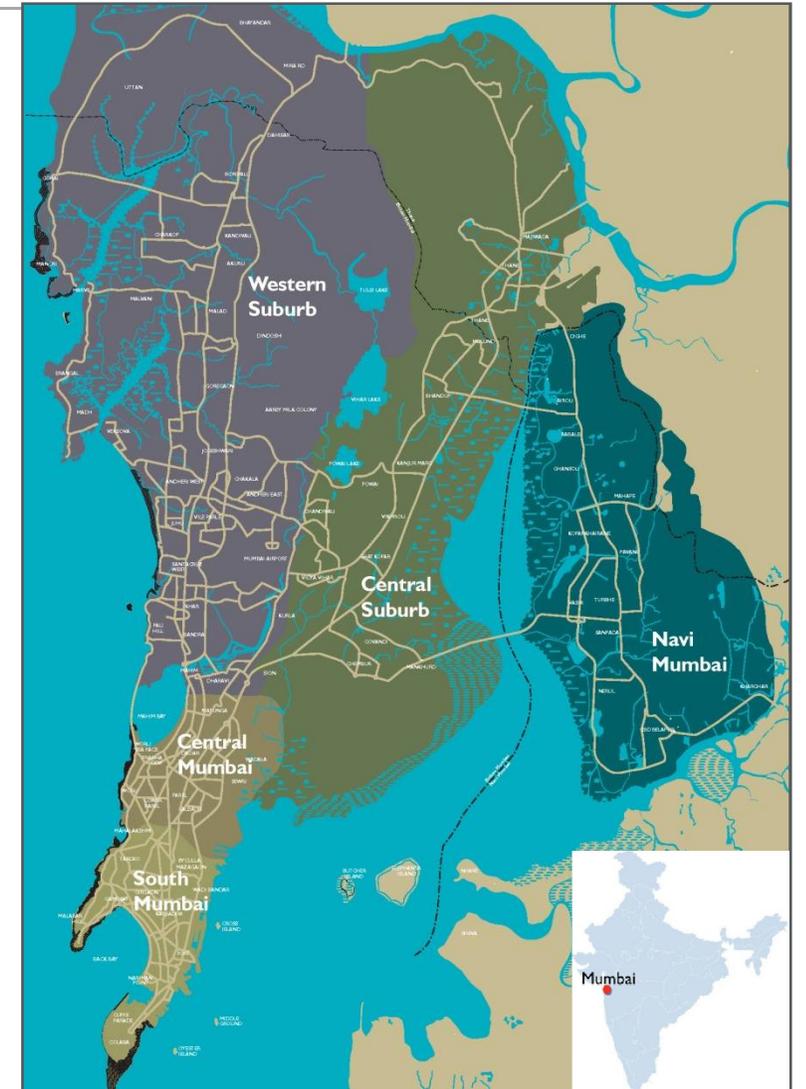
COMMERCIAL REAL ESTATE ACTIVITY DRIVEN BY DEMAND FROM IT/ITES, BFSI, MEDIA, PHARMACETICALS SECTORS AMONGST OTHERS

WITH A POPULATION OF OVER 2.1 CRORE , CITY CONTINUES TO ATTRACT BOTH COMPANIES LOOKING TO SET UP OPERATIONS AS WELLAS PEOPLE SEEKING EMPLOYMENT

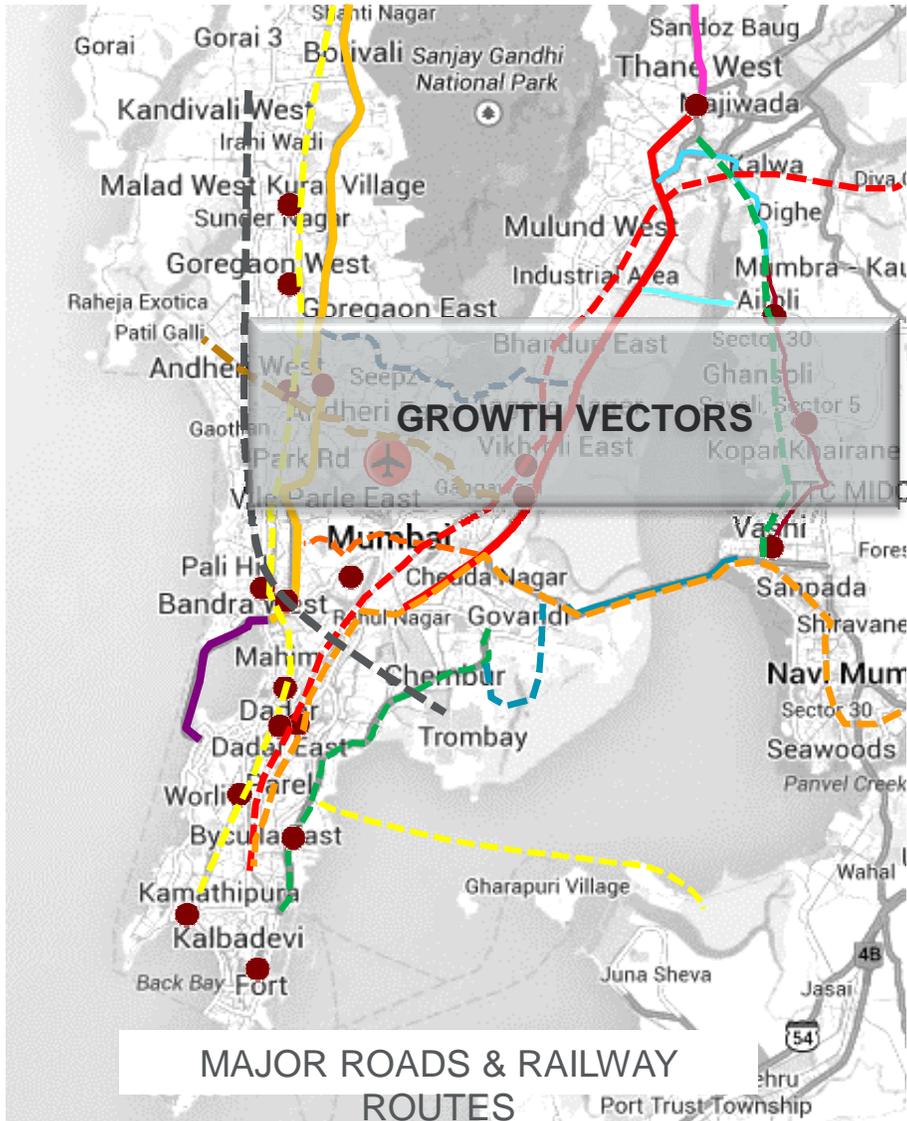
LIMITED LAND RESOURCES IN ESTABLISHED AREAS CONTINUES TO DRIVE ACTIVITY TO SUBURBAN AND PERIPHERAL LOCATIONS

MUMBAI OVERVIEW

- Capital of Maharashtra
 - ✓ Maharashtra is India's leading industrial estate
 - ✓ Accounts for 15% of national industrial output & 40% of India's national revenue
- Mumbai is the financial capital of India
 - ✓ Population: 20.7 Million (2011 Census)
 - ✓ Circumference Area: 619 km²
 - ✓ Literacy Level: 89.21%
 - ✓ GDP per capita: USD 7050 as of fiscal year 2009-10
- One of the top 10 centers of commerce in terms of global financial flow
- Major financial institutions
 - ✓ Bombay Stock Exchange (BSE), National Stock Exchange (NSE)
 - ✓ Reserve Bank of India (RBI)
 - ✓ Corporate headquarters of major public and private sector banks
 - State Bank of India (SBI), Bank of India (BOI), EXIM Bank, HDFC Bank, Citibank, Standard Chartered Bank etc.

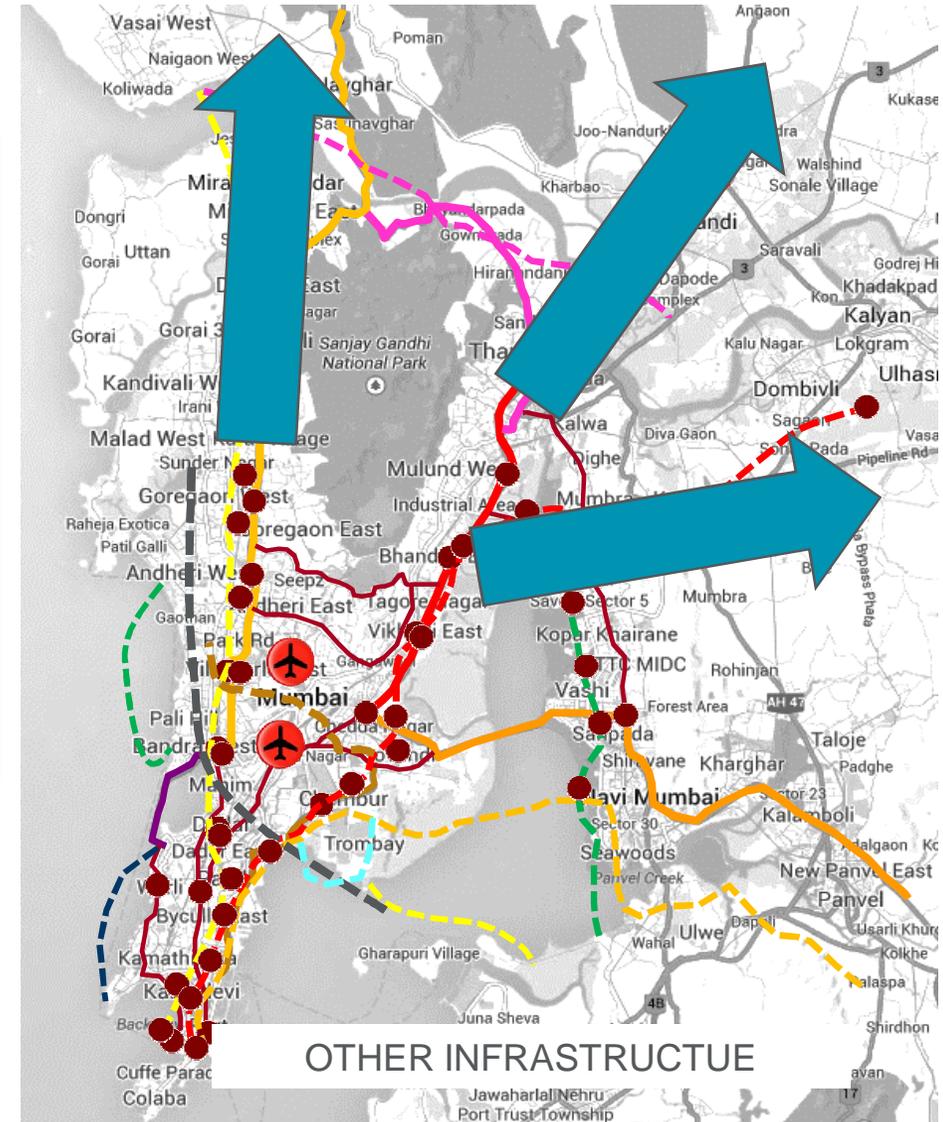


INFRASTRUCTURE



METRO & INFRASTRUCTURE

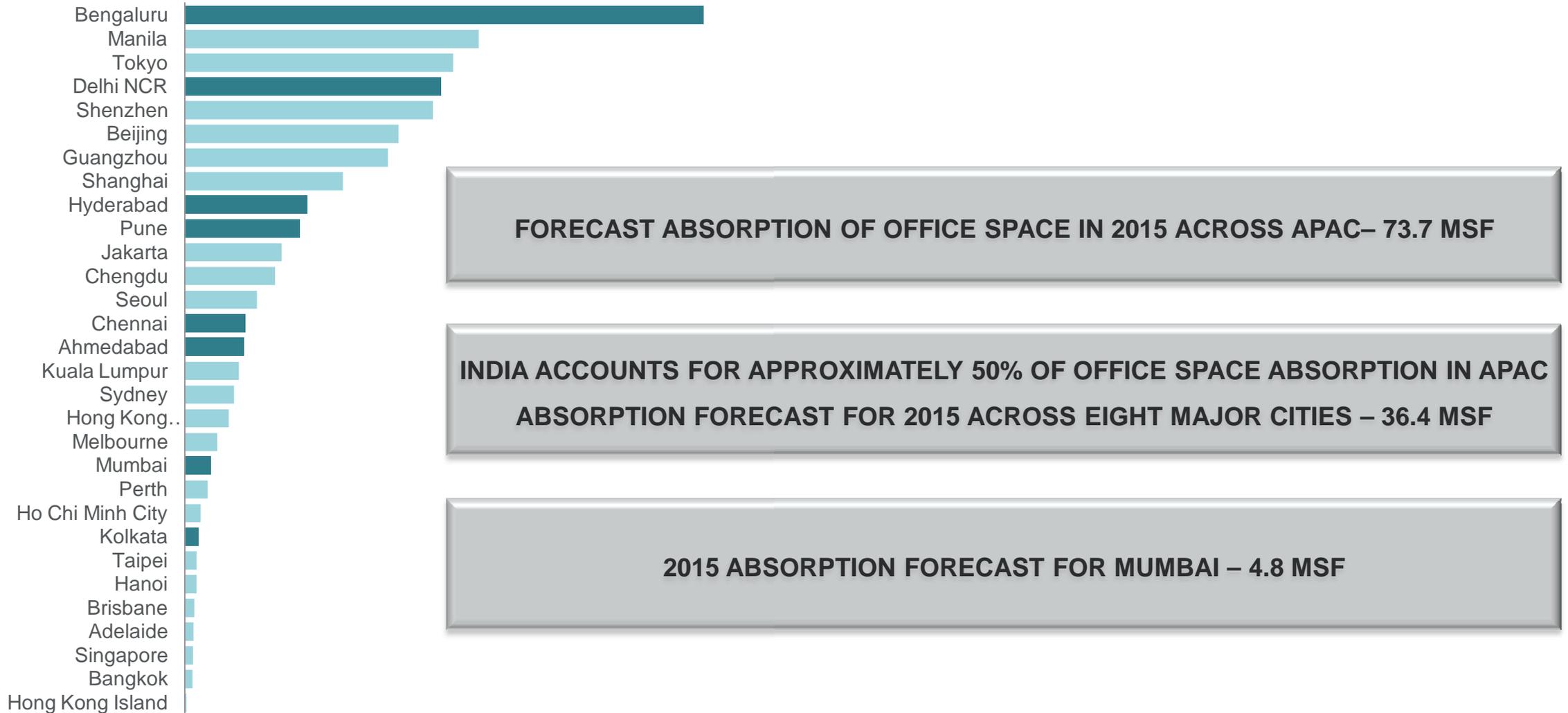
	Western Express Highway
	Central Express Highway
	Highway
	Harbor Route
	Pune - Mumbai Highway
	Thane - Navi Mumbai
	Route - Ghodbunder Road
	Route - Bhiwandi
	Route - Worli Sea Link
	Chhatkopar - Versova
	Mankhurd - Andheri Sea Link
	Mankhurd - Chhatkopar
	Metro (Proposed)
	Chembur (Proposed)
	Sanjay Nava Sheva
	Sea Link (Proposed)
	Arterial Routes
	Airports
	Micro Markets
	Airports



Mumbai Office Market Overview



INDIA LEADS OFFICE SECTOR ABSORPTION ACROSS APAC



MUMBAI OFFICE SECTOR ANALYSIS

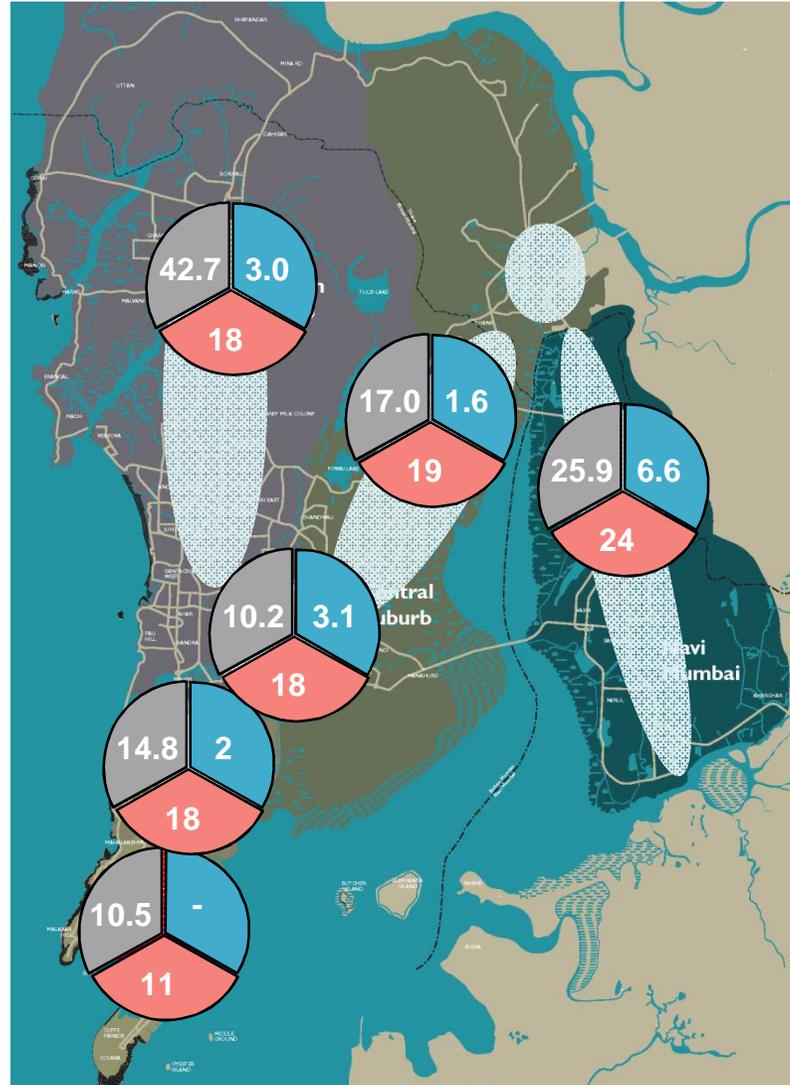
KEY MARKETS

SUBURBAN BUSINESS DISTRICT-WEST
Andheri, Goregaon, Malad, Kandivali, Borivali

SECONDARY BUSINESS DISTRICT Bandra-
Kurla Complex

EXTENDED BUSINESS DISTRICT
Worli, Prabhadevi, Lower Parel, Dadar

CBD
Nariman Point, Churchgate, Fort, Colaba, Cuffe
Parade

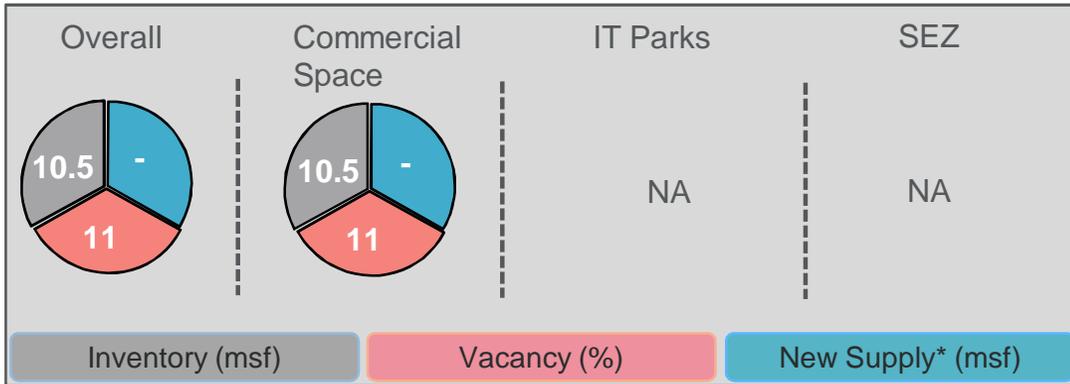


SUBURBAN BUSINESS DISTRICT-EAST
Powai, Kurla, Ghatkopar, Vikhroli, Kanjurmarg,
Mulund

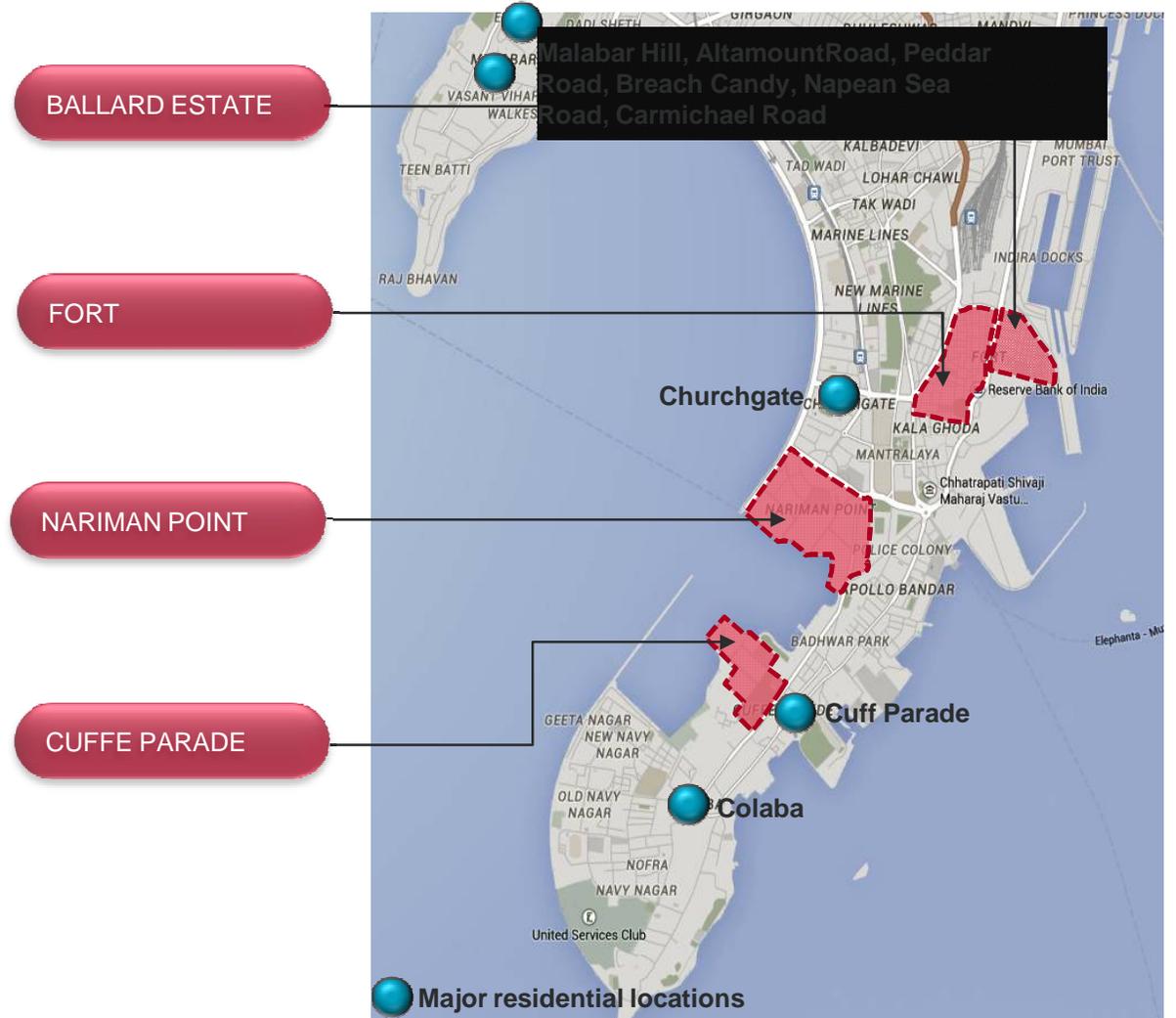
PERIPHERAL BUSINESS DISTRICT
Thane, Navi Mumbai

Inventory (msf) Vacancy (%) New Supply (msf)

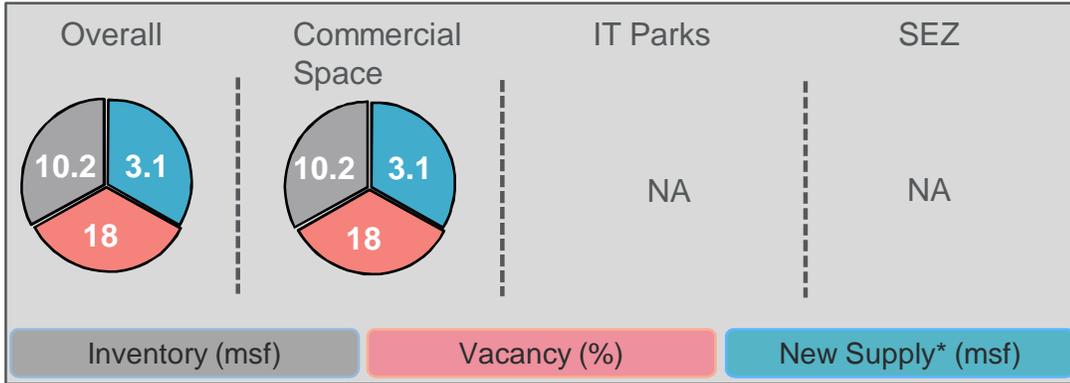
CENTRAL BUSINESS DISTRICT



- **Residential real estate** characterized by old residential developments and redevelopment activity
- Luxury/ prestige status associated with location
- Limited availability and high demand leading to record breaking property deals
- Opportune time for those occupiers particular about being located in CBD – softening rentals may present good deals
- Redevelopment opportunities to bring in fresh supply can be explored – likely to attract occupiers as well as investors

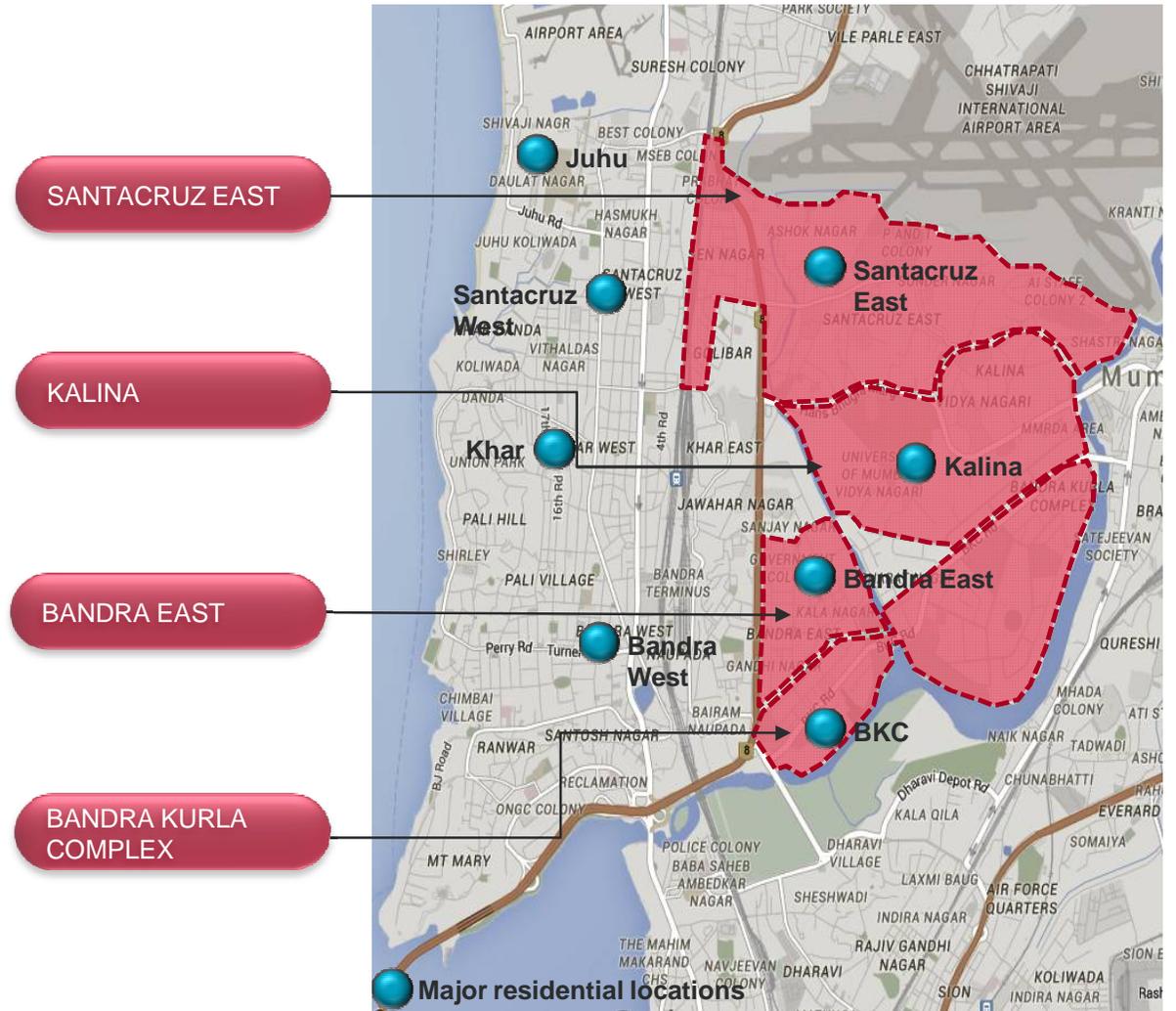


SECONDARY BUSINESS DISTRICT

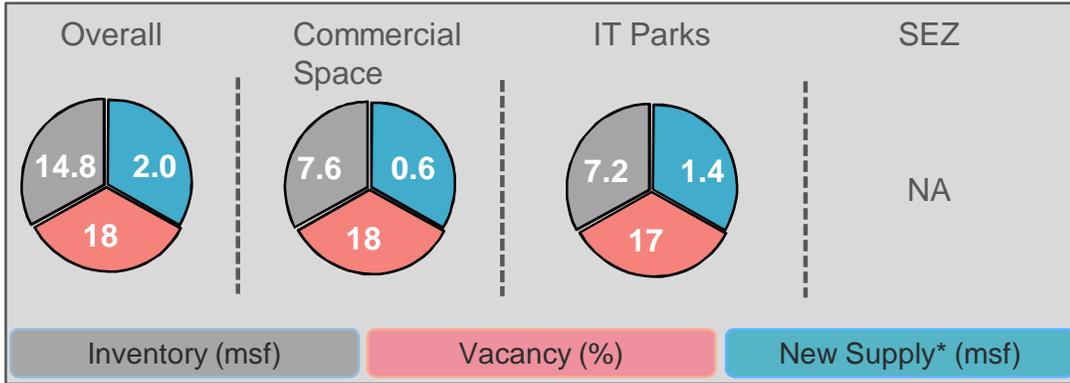


- **High end/ luxury residential destinations** characterized by redevelopment activity
- Preferred residential locality of movie actors and celebrities as well as expatriates
- Well developed social infrastructure
Bank, etc.

Potential residential demand on account of new commercial space supply – **13,700 units** (3 BHK with average BUA of 2,000 sf)



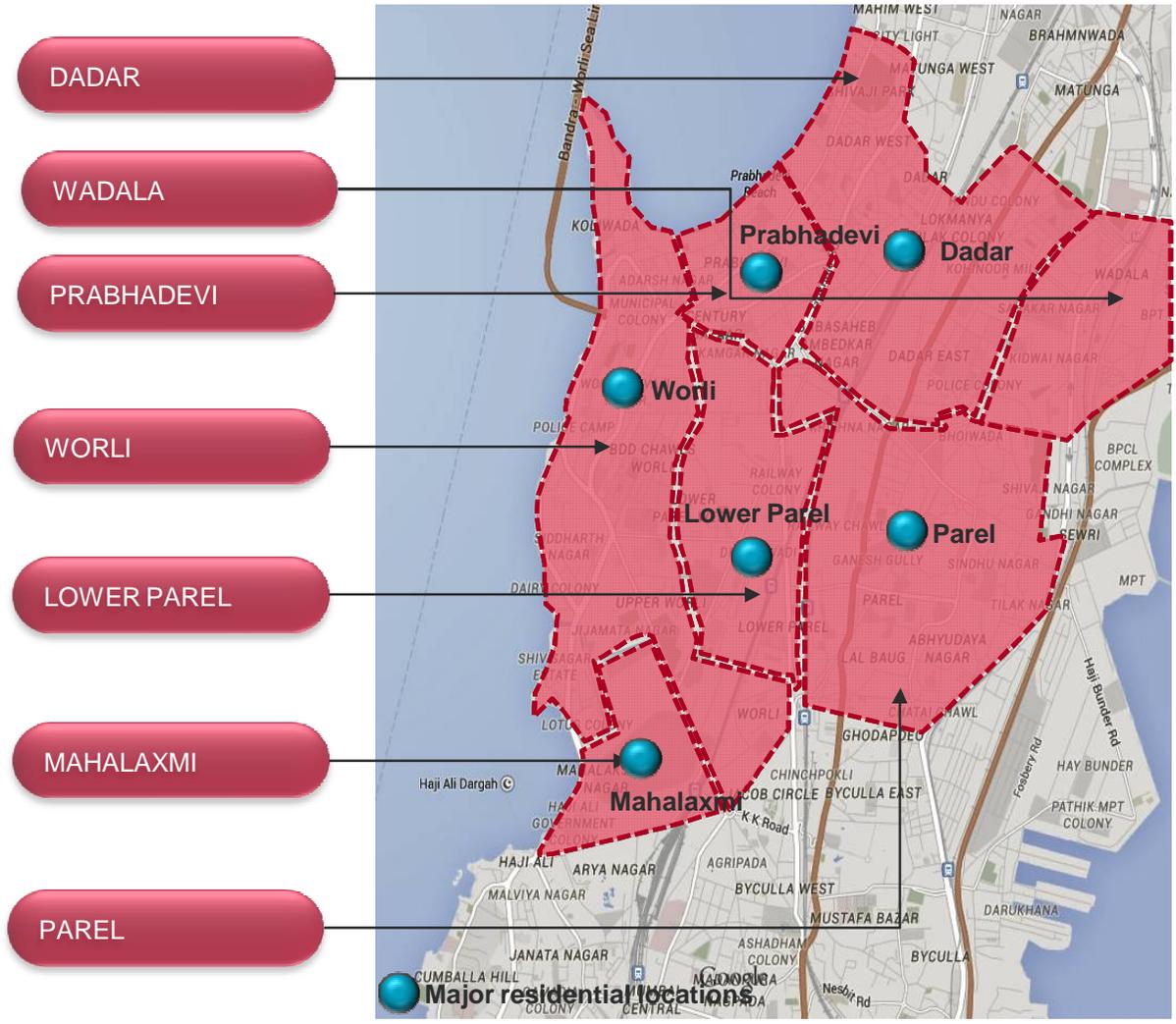
EXTENDED BUSINESS DISTRICT



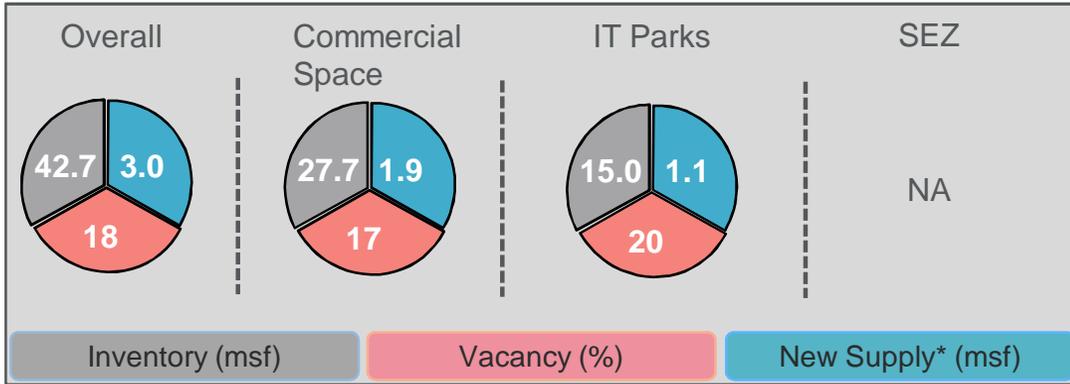
- Residential real estate driven by redevelopment of erstwhile mill lands
- Social juxtaposition of luxury/high end residential projects alongside slums

(MUMKDA) proposed new business district spread across

Potential residential demand on account of new commercial space supply – **9,850 units** (3 BHK with average BUA of 1,800 sf)



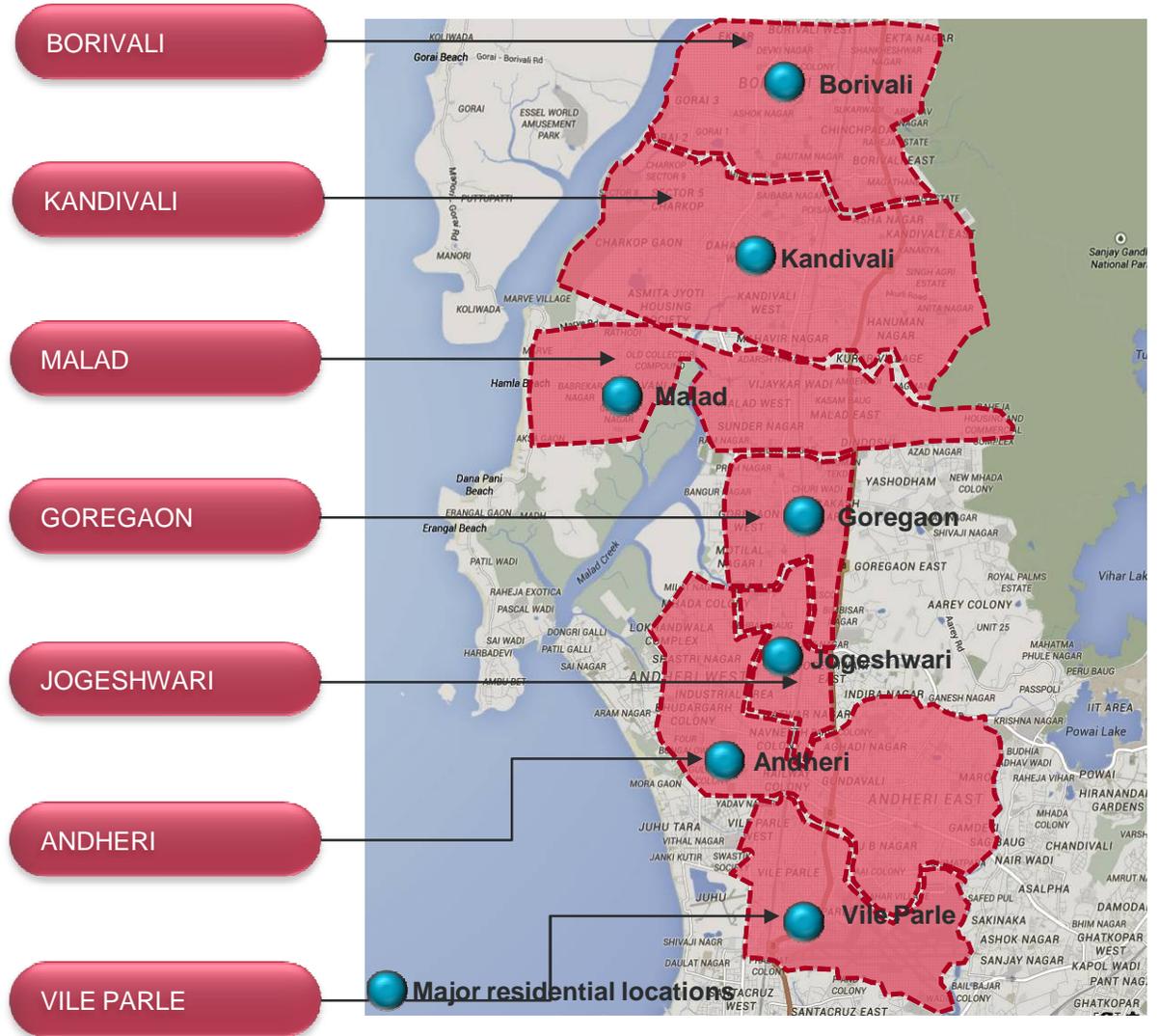
SUBURBAN BUSINESS DISTRICT - WEST



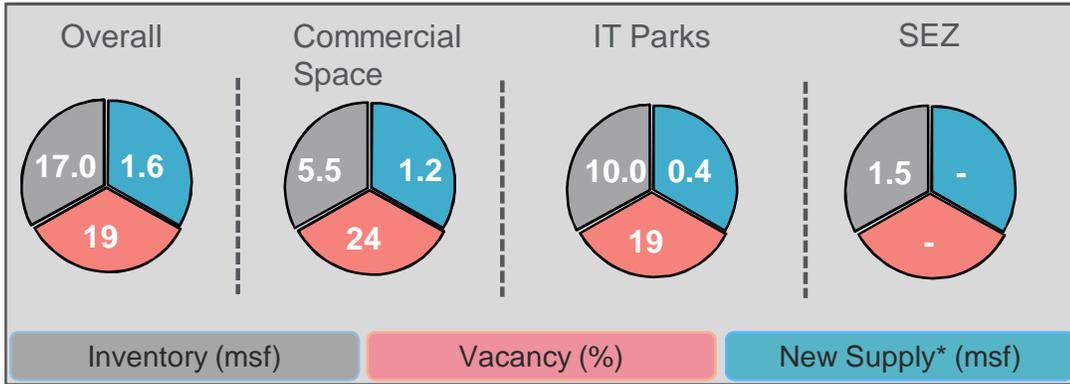
- Established suburban residential markets
- Redevelopment activity on account of limited availability of land and sustained demand driving residential developments
- Good connectivity to other parts of the city continue to drive demand for residential options newer quality developments

Potential residential demand on account of new commercial space supply – **16,100 units** (3 BHK with average BUA of 1,650 sf)

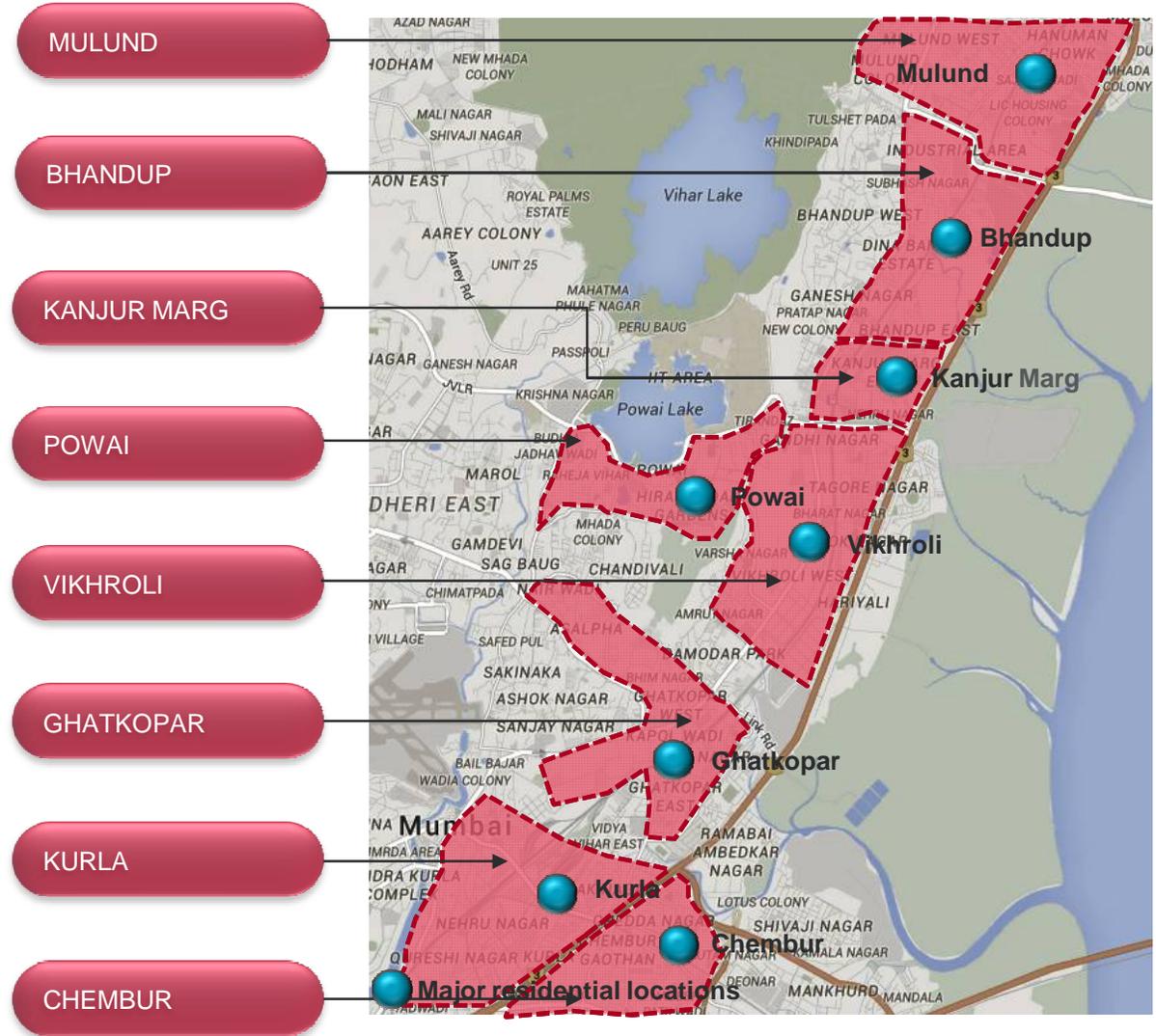
may go up leading to rent correction in certain pockets



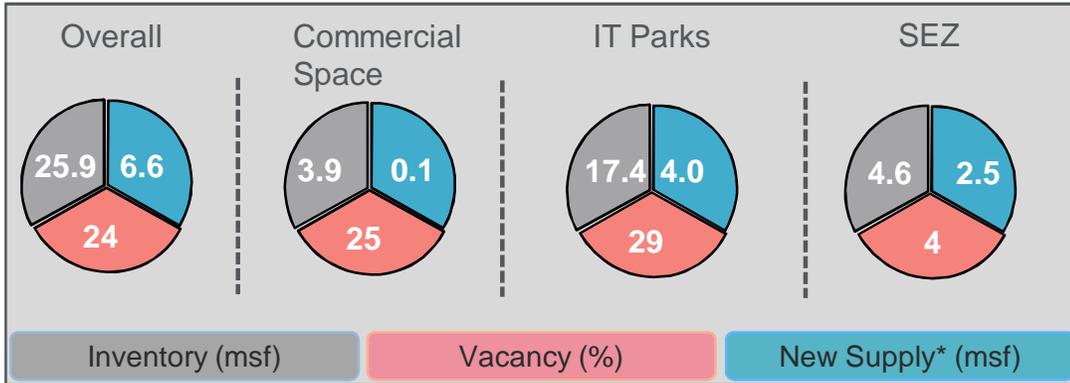
SUBURBAN BUSINESS DISTRICT - EAST



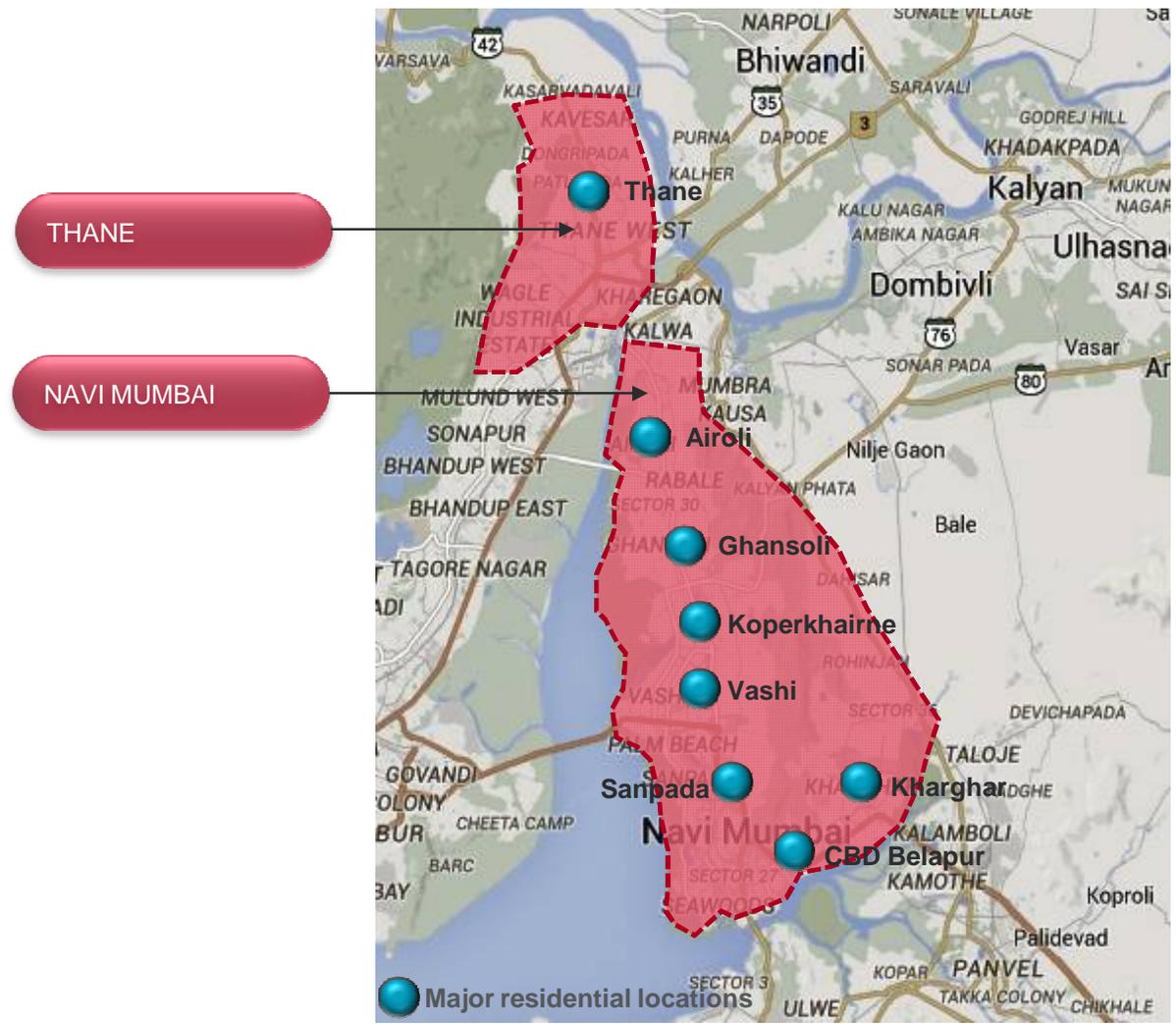
- Office real estate dominated by Grade A developments
 - Established residential markets offering mid to high end options
 - Erstwhile industrial hub now transformed into residential and commercial hub with ample social infrastructure
 - Well connected to other parts of the city
- Potential residential demand on account of new commercial space supply – **8,600 units** (3 BHK with average BUA of 1,650 sf)



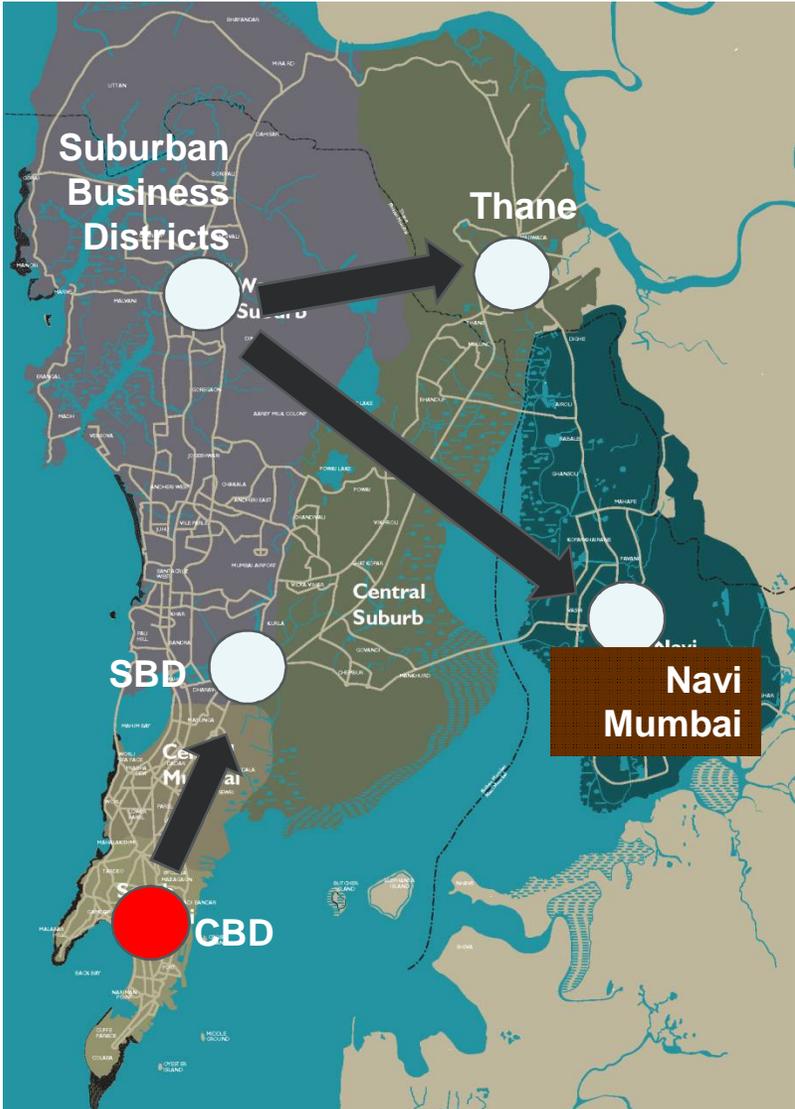
PERIPHERAL BUSINESS DISTRICT



- Peripheral office destination offering Grade A developments
 - Developed residential markets offering mid to high end options
 - Well developed physical and social infrastructure
 - Other initiatives such as proposed Navi Mumbai International Airport attracting investors and end users alike
- Potential residential demand on account of new commercial space supply – **38,950 units** (3 BHK with average BUA of 1,500 sf)



MOVEMENT OF KEY CORPORATES BETWEEN 2010 TO Q2 2015



Source: Cushman & Wakefield Research

MOVEMENT OF KEY CORPORATES BETWEEN 2010 TO Q2 2015

COMPANIES	PREVIOUS LOCATION	PRESENT RELOCATION/ EXPANSION	SPACE TAKE UP (sf)	SEZ / NON SEZ
BANK OF AMERICA	CBD	BKC	1,40,000	NON SEZ
ACCENTURE SERVICES PVT. LTD.	MULTIPLE	NAVI MUMBAI	4,00,000	SEZ
SYNTEL	MULTIPLE	NAVI MUMBAI	3,50,000	SEZ
EDELWIESS	MULTIPLE	KALINA	2,00,000	NON SEZ
FEDEX	MULTIPLE	ANDHERI EAST	1,200,00	NON SEZ
SAHARA GROUP	MULTIPLE	BKC	4,50,000	NON SEZ
TCS	THANE	THANE	3,50,000	NON SEZ
WIPRO	NAVI MUMBAI / MULTIPLE	NAVI MUMBAI	3,50,000	SEZ
AMERICAN SCHOOL OF MUMBAI	BKC	KURLA	1,50,000	NON SEZ
PFIZER	JOGESHWARI	BKC	1,30,000	NON SEZ
SUTHERLAND GLOBAL	THANE	NAVI MUMBAI	1,40,000	NON SEZ
WILLIS	POWAI	THANE	1,20,000	NON SEZ
BNP Paribas	Multiple	BKC	120,000	NON SEZ

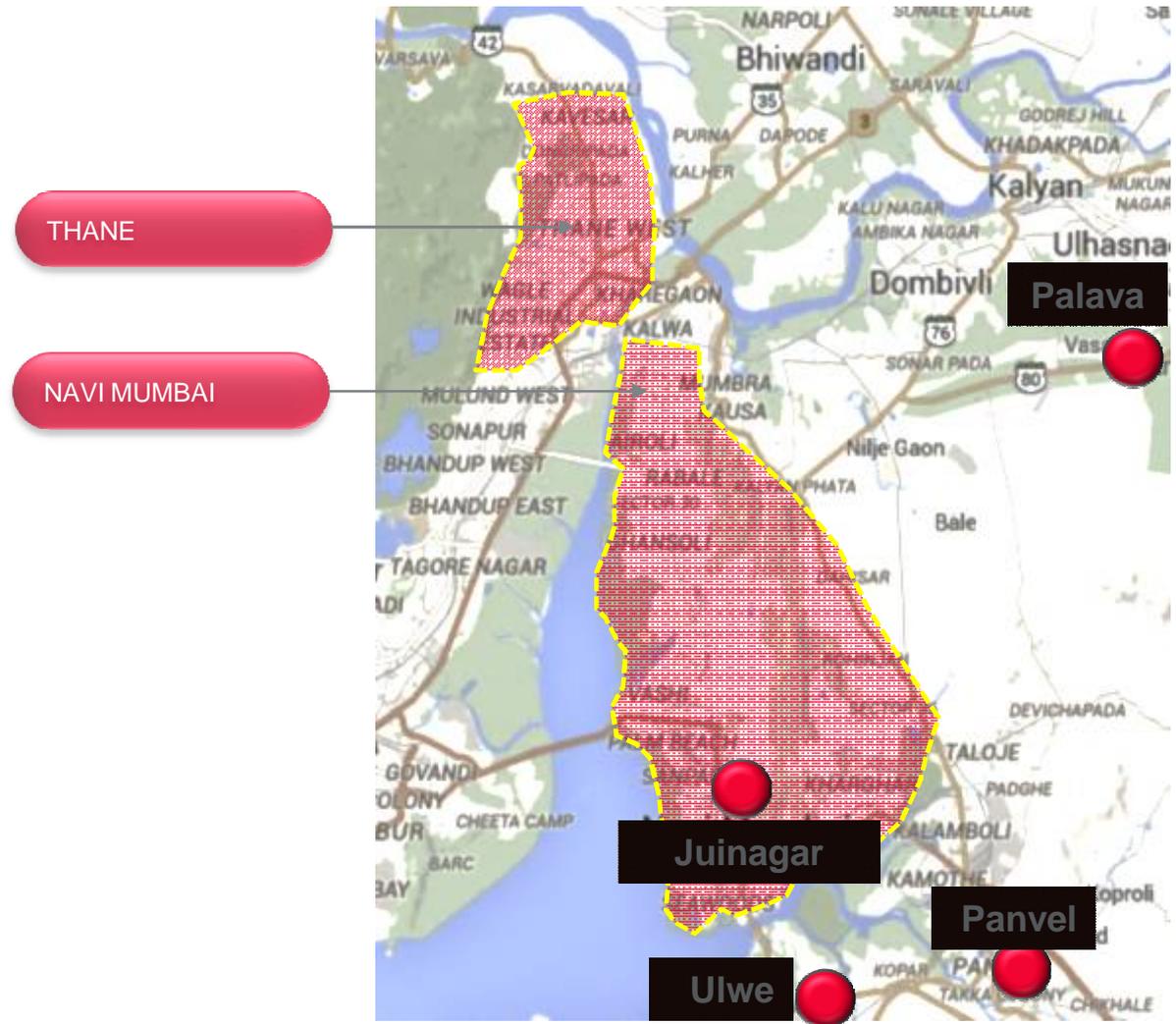
EMERGING LOCATIONS

Infrastructure initiatives such as Navi Mumbai International Airport encouraging development activity beyond established peripheral locations

- Ulwe
- Panvel
- Palava

Emerging locations benefit from

- Connectivity to established markets via road and suburban railway network
- Accessibility to manpower hubs
- Availability of support infrastructure
- Availability of land



OUTLOOK

RECENT STATE IT/ITES POLICY RENDERS MUMBAI AN ATTRACTIVE MARKET FOR REAL ESTATE ACTIVITY – LED BY IT/ITeS, AVGC* SECTORS AND DATA CENTRES

APART FROM BKC, ACTIVITY CONCENTRATED IN SUBURBAN AND PERIPHERAL LOCATIONS – INFRASTRUCTURE INITIATIVES TO FURTHER DRIVE ACTIVITY TO FAR OFF LOCATIONS

SUPPORTED BY STRENGTHENING RENTALS OUTLOOK FOR INVESTOR INTEREST IN GRADE A OFFICE DEVELOPMENTS
POSITIVE

MUMBAI WILL CONTINUE TO BE A MAJOR CENTRE OF EMPLOYMENT GENERATION AND WOULD CONTINUE TO ATTRACT TALENT THUS TRANSLATING INTO DEMAND FOR RESIDENTIAL UNITS

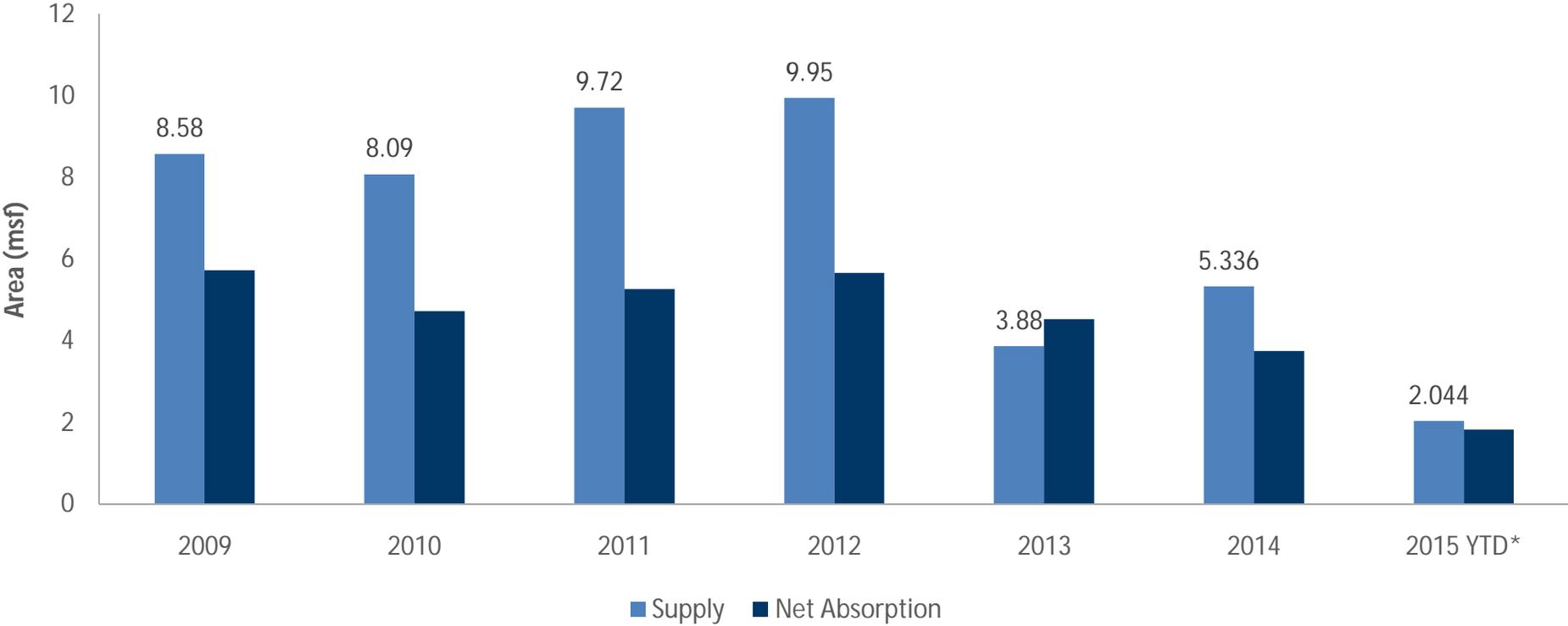
CITY OFFERS SUITABLE INVESTMENT OPPORTUNITIES ACROSS UNDER CONSTRUCTION AND LEASED ASSETS

Annexure



MUMBAI - SUPPLY & ABSORPTION

GRADE A

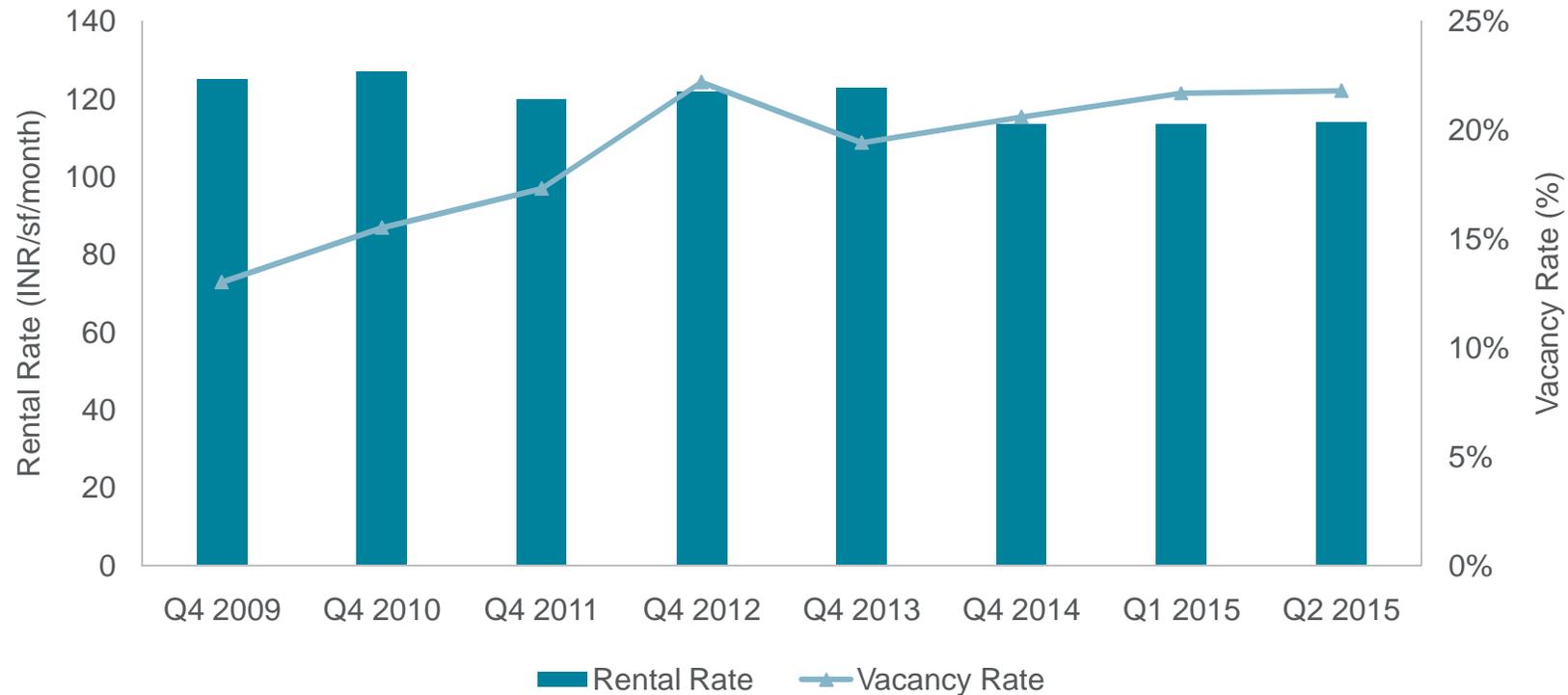


Sustained demand leading to healthy absorption activity

Source: Cushman & Wakefield Research * Indicates H1 2015

MUMBAI - RENTAL & VACANCY RATES

GRADE A

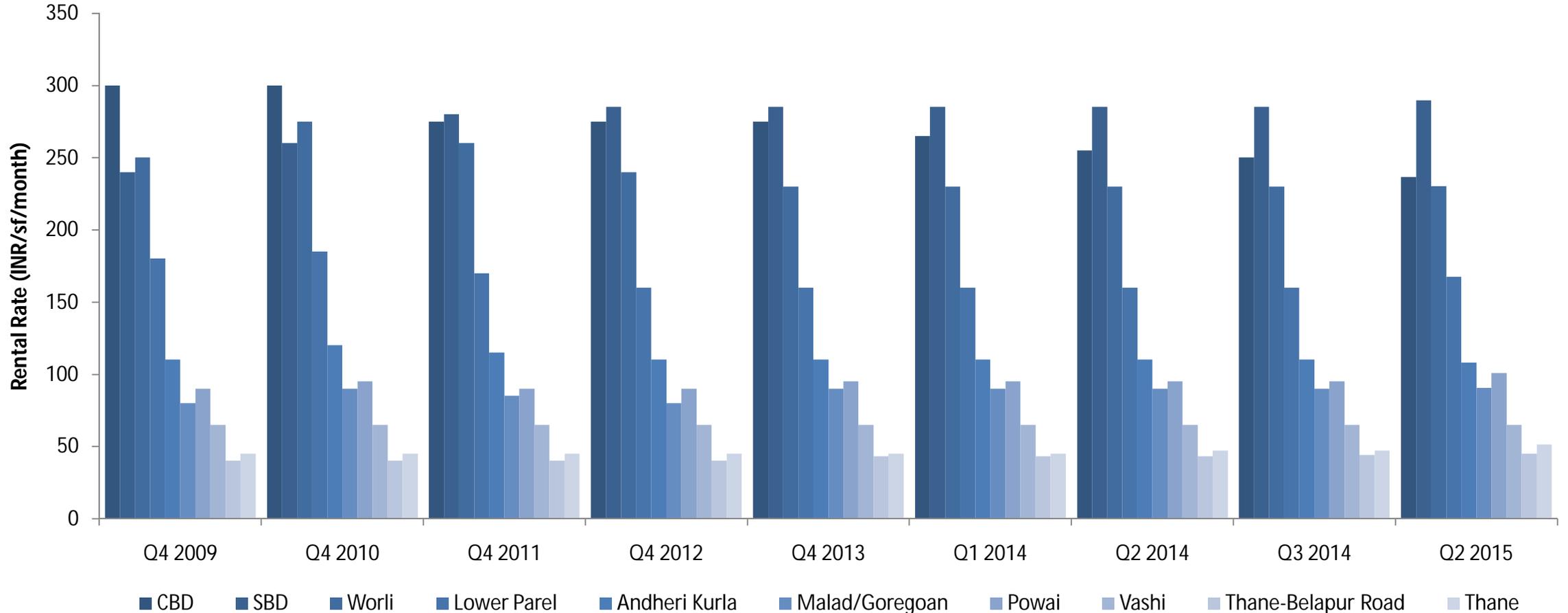


Marginal uptick in rentals
Over 0.9 msf of new Grade A supply made available in Q2 2015

Vacancy levels stagnant at 22%
Healthy absorption commensurate with supply volumes

MUMBAI - RENTAL & VACANCY RATES

GRADE A



Key to Locations:

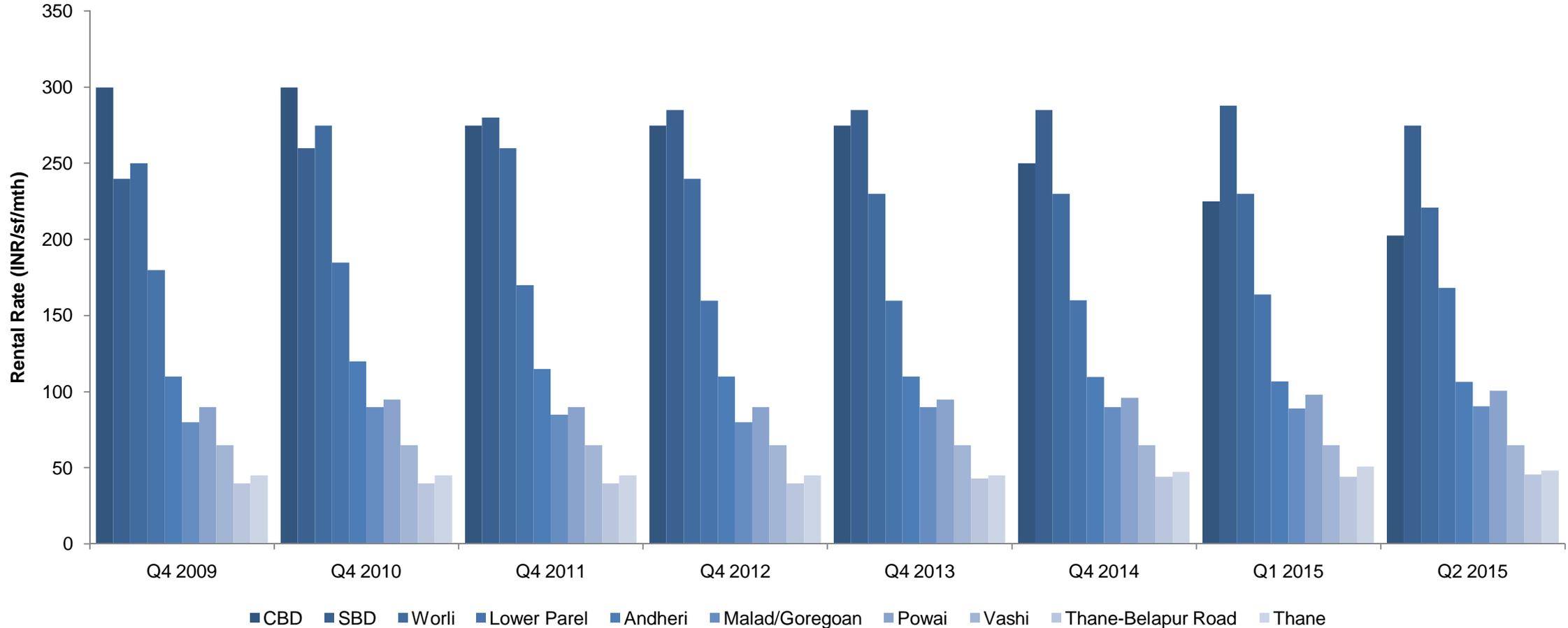
CBD - Nariman Point, Fort, Colaba, Cuffe Parade

SBD - Bandra-Kurla Complex, Bandra East, Kalina

Rest of Mumbai - Worli, Lower Parel, Dadar, Andheri- Kurla, Malad-Goregaon, Powai, Vashi, Thane, Thane-Belapur Road etc

RENTAL & VACANCY RATES

ALL GRADES



Key to Locations:

CBD - Nariman Point, Fort, Colaba, Cuffe Parade

SBD - Bandra-Kurla Complex, Bandra East, Kalina

Rest of Mumbai - Worli, Lower Parel, Dadar, Andheri- Kurla, Malad-Goregaon, Powai, Vashi, Thane, Thane-Belapur Road etc

KEY MARKETS WHERE RENTS ARE STRENGTHENING

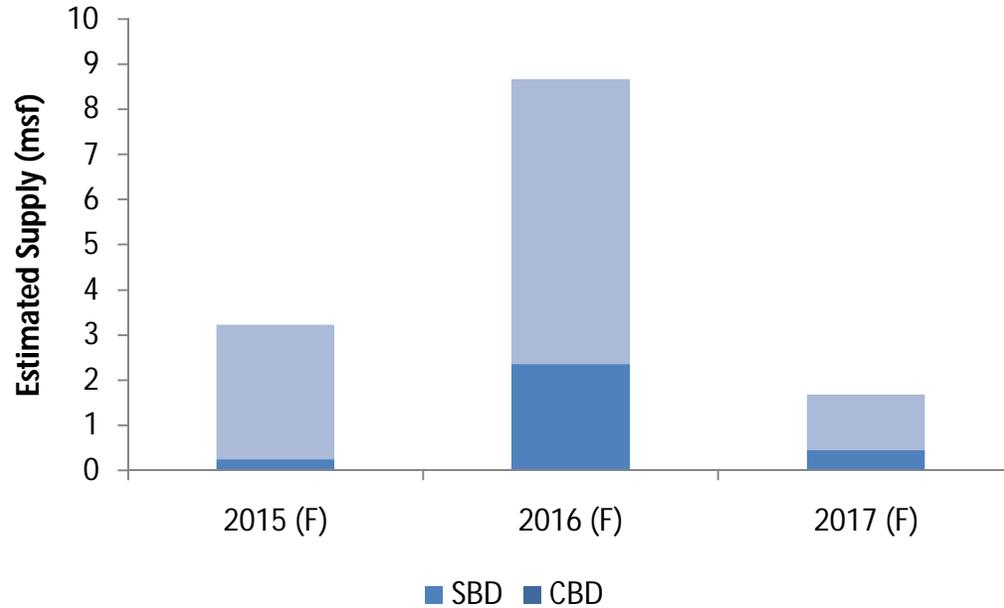
ALL GRADES

S.No	MICROMARKET	WEIGHTED AVERAGE RENT (INR per sf) Q1 2015	WEIGHTED AVERAGE RENT (INR per sf) Q2 2015	% INCREASE
1	SBD	273.14	274.98	1%
2	WORLI	215.4	221.07	3%
3	LOWER PAREL	163.87	168.28	3%
4	THANE BELAPUR ROAD	43.38	45.74	5%

NEW SUPPLY

GRADE A

ESTIMATED NEW SUPPLY BY YEAR



Substantial supply in the pipeline – over 13 msf

YTD construction completions – 2.05 msf

Key to Locations:

CBD - Nariman Point, Fort, Colaba, Cuffe Parade

SBD - Bandra-Kurla Complex, Bandra East, Kalina

Rest of Mumbai - Worli, Lower Parel, Dadar, Andheri- Kurla, Malad-Goregaon, Powai, Vashi, Thane, Thane-Belapur Road etc

PROMINENT PROJECTS UNDER



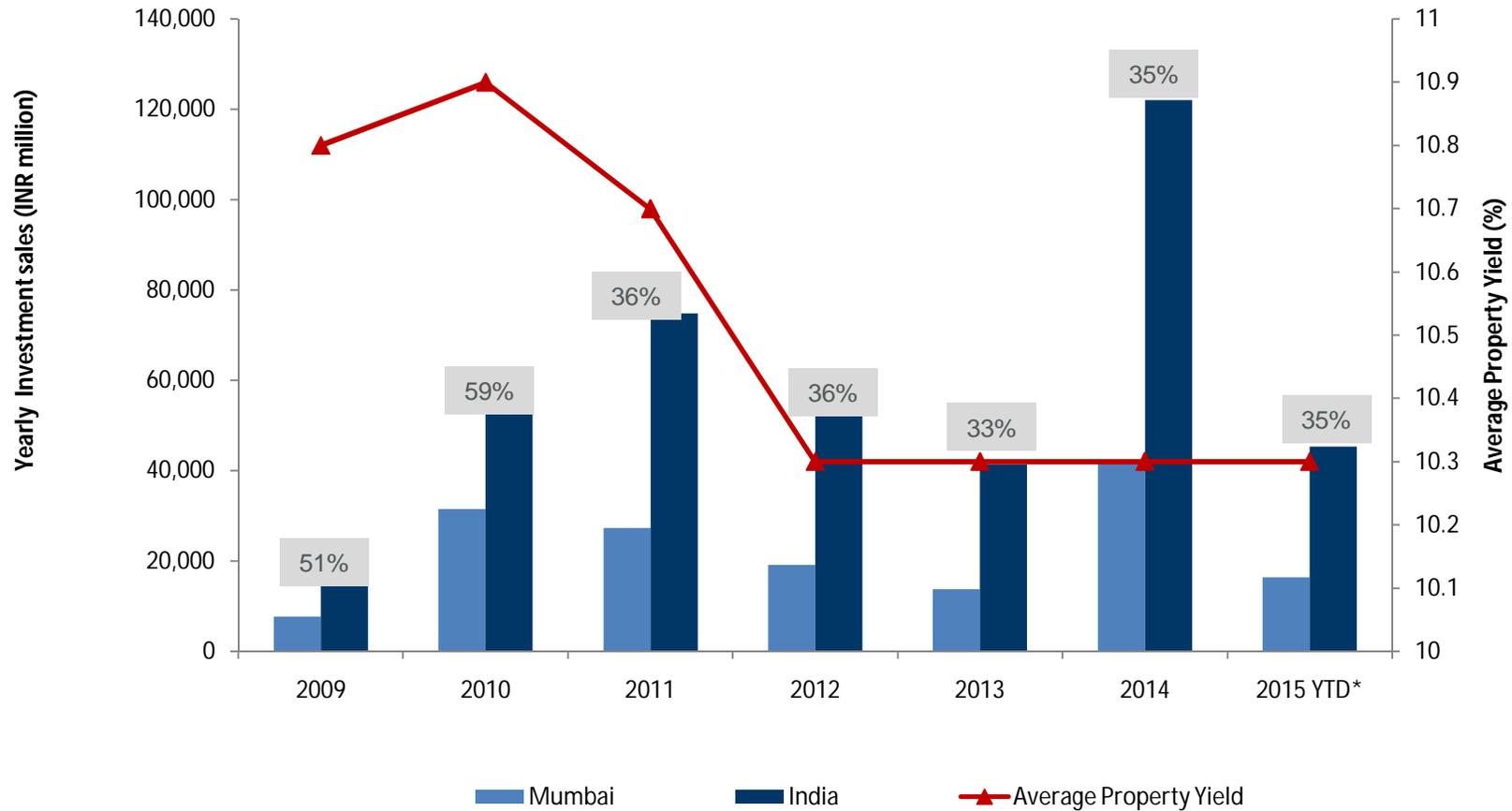
Godrej BKC
1,150,000 sf, BKC, Q2 2016



Thane One
200,000 sf, Thane, Q3
2015

INVESTMENT VOLUME

GRADE A



Investment volume refers to Private Equity investment and Corporate transaction

Indicates annual investment sales in **Mumbai** as a % of India-level investment sales

Note: Average property yield for comparable Grade A properties in Mumbai

UPCOMING PROJECTS

MUMBAI

S.No	Dev. Type	Status	Building / Tenant Name	Location	Grade	Gross Leasable Area (GLA)	Qtr of Completion	Est. Year of completion
1	CS	UC	Chromium	JVLR	A	250,000	Q4	2015
2	CS	UC	Trade Capital	Santacruz - E	A	235,000	Q4	2015
3	IT	UC	The Gateway	Andheri - E	B	70,000	Q3	2015
4	CS	UC	The Continnum	Vile parle - E	B	40,000	Q3	2015
5	CS	UC	Manhas tower	santacruz - e	B	80,000	Q4	2015
6	IT	UC	Lodha lthink Techno Campus - Delta	Kanjur Marg	A	200,000	Q3	2015
7	IT	UC	Kohinoor Square	Dadar	A	798,000	Q3	2015
8	SEZ -IT	UC	Gigaplex Tower 6	Airoli	A	277,000	Q3	2015
9	SEZ -IT	UC	Synergy Mindspace 11	Airoli	A	350,000	Q3	2015
10	SEZ -IT	UC	Synergy Mindspace 12	Airoli	A	350,000	Q3	2015
11	IT	UC	Century Greenspan	Worli	A	372,000	Q4	2015
12	IT	UC	Business Bay	Andheri - E	B	100,000	Q4	2015
13	IT	UC	Lodha Supremus Chandivali	Chandivali	A	200,000	Q4	2015
14	CS	UC	Runwal R square	Mulund - W	B		Q4	2015
15	IT	UC	Thane One	Kapurbawdi	A	200,000	Q4	2015
16	CS	UC	Zillion Phase 2	Kurla - W	A	270,000	Q4	2016
17	CS	UC	Trade World - E wing	Lower Parel	A	352,000	Q3	2016
18	SEZ -IT	UC	Gigaplex TOWER 2	Airoli	A	410,000	Q2	2016
19	IT	UC	Empire Tower	Airoli	A	1,500,000	Q2	2016
20	IT	UC	Raj Embassy	Bhandup - W	A	200,000	Q1	2016
21	CS	UC	Art Guild House	Kurla - W	A	366,000	Q2	2016
22	CS	UC	Phoenix Bazar	Kurla - W	A	140,000	Q2	2016
23	CS	UC	Palladium	Andheri - E	B	385,000	Q2	2016
24	CS	UC	INS Tower	BKC	A	150,000	Q1	2016
25	IT	UC	Omkar - The Summit Business Bay	Andheri - E	A	252,000	Q1	2016
26	IT	UC	Marathon Future x - Phase 3 (22 to 30 floors)	Lower Parel	A	270,000	Q2	2016

UPCOMING PROJECTS

MUMBAI

S.No	Dev. Type	Status	Building / Tenant Name	Location	Grade	Gross Leasable Area (GLA)	Qtr of Completion	Est. Year of completion
27	CS	UC	Godrej BKC	BKC	A	1,138,540	Q2	2016
28	SEZ -IT	UC	Gigaplex Tower 7	Airoli	A	277,000	Q2	2016
29	CS	UC	Gala Optimum	Andheri - E	B	60,000	Q1	2016
30	CS	UC	Everest Infotech Park - III	Thane	B	130,000	Q2	2016
31	IT	UC	Dosti Business Park	Wagle Estate	A	550,000	Q2	2016
32	CS	UC	Corporate Scape	Goregaon - E	B	40,675	Q1	2016
33	CS	UC	Corporate Pride	Andheri - E	C	153,000	Q1	2016
34	CS	UC	One BKC B-wing	BKC	A	500,000	Q2	2016
35	CS	UC	One BKC C-wing	BKC	A	500,000	Q2	2016
36	IT	UC	August House	Andheri - E	A	130,000	Q2	2016
37	IT	UC	Arihant Aura	turbhe	B	200,000	Q4	2016
38	IT	UC	Edinbruh	Panvel	A	565,620	Q2	2016
39	IT	UC	New Castle	Panvel	A	754,160	Q2	2016
40	CS	UC	78 W Expressway	Andheri - E	A	705000	Q4	2016
41	IT	UC	Lighthall Netmagic BTS	Chandivali	A	280,000	Q4	2016
42	CS	UC	KRC - Tower	BKC	A	68,000	Q1	2016
43	SEZ -IT	UC	Gigaplex Tower 3 & 4	Airoli	A	830,000	Q2	2017
44	CS	UC	Skyline Icon - Wing 2	Andheri - E	B	600,000	Q1	2017
45	CS	UC	Nrimal Discovery	Mulund - W	A	400,000	Q1	2017
46	CS	UC	Shapoorji Pallonji - Bandra East	Bandra East	A	444,000	Q3	2017
47	CS	UC	Omkar - Business Bay	Worli	B	200,000	Q1	2017
48	CS	UC	Dattani Plaza	Andheri - E	B	40,000	Q4	2018
49	CS	UC	Parinee I	Andheri West	A	250,000	Q4	2018
50	IT	UC	Man IT Park	Nerul	A	150,000	Q4	2018
53	IT	P	East Inn	Kanjur Marg	B	400,000	Q4	2015

UPCOMING PROJECTS

MUMBAI

S.No	Dev. Type	Status	Building / Tenant Name	Location	Grade	Gross Leasable Area (GLA)	Qtr of Completion	Est. Year of completion
54	IT	P	Dosti Presidio	Sion Panvel Expressway	A	1,000,000	Q4	2015
55	IT	P	Jalan Mills - Commercial & IT (Mixed use)	Lower Parel	A	980,000	Q4	2015
56	IT	P	Hiranandani (BTS)	Powai	A	350,000	Q4	2015
57	IT	P	247 Park - II	Vikhroli - W	A	800,000	Q2	2016
58	CS	P	ee zone	Thane - w	B	219,800	Q4	2016
59	IT	P	Raj Metropolitan	Thane	C	300,000	Q1	2016
60	IT	P	Raheja Axum	Jui Nagar	A	500,000	Q4	2017
61	IT	P	Raheja Luxor	Jui Nagar	A	1,000,000	Q4	2017
62	IT	P	Nesco Phase 2	Goregaon - E	A	816,000	Q4	2017
63	IT	P	Lighthall Buildings No c- h	Chandivali	A	1,000,000	Q2	2017
64	CS	P	Premier	Kurla - W	A	1,617,000	Q4	2017