

Stamp Duty Impact Analysis

MMR Residential | **CY'22**

June 2022

MMR

CREDAI **MCHI**

**CRE
MATRIX**

Message From The President's Desk

Dear Readers,

Greetings from CREDAI-MCHI !

As you are aware, CREDAI-MCHI is in partnership with CRE Matrix had prepared one report in fact-based research affecting the entire real estate space in MMR. The report had covered research-based market analysis about the real estate market in MMR, which had given a clear picture about the pricing and category matrix of housing supply in MMR and about the dynamic sales data.

As a part of our constant efforts to benefit the real estate industry, CREDAI-MCHI along with CRE Matrix has come up with yet another research report on Stamp Duty Impact Analysis. Since the stamp duty charges plays important role in the Real Estate market, the report gives clear idea of impact of stamp duty on residential market in MMR. The report has given clear analysis of the ups and down in the real estate sector due to stamp duty relaxation extended to the sector during the pandemic period.



The report gives a thumbs up on following findings :-

- The city of Mumbai has touched the peak of ₹ 2,15,170 Cr. In terms of value of units sold in the MMR.
- Post slashing of S.D., Thane observed a sale of 1,69,748 units, which is an astonishing number.

I recommend studying this report for in depth understanding of efforts of Government of Maharashtra and its positive impact on the Real Estate of MMR.

Best,

Boman Irani
President
CREDAI-MCHI

Message From The CEO's Desk

Season's Greetings to Everyone!

I am pleased to release another report as part of our tie-up with CREDAI MCHI as their Knowledge and Research Partner. Through this Partnership, CRE Matrix aims to offer Thought Leadership Research & Analytics content strictly using authentic verified sources to CREDAI MCHI members. I am delighted to release the CREDAI MCHI – CRE Matrix research report that analyses the impact of the stamp duty in the MMR Housing Market.

Here are some of the Key take-aways:

- In MMR region, when stamp duty was slashed from 5% to 2% and then to 3%, the reduction acted as a catalyst and helped MMR to gain a spectacular momentum in sales with increase in monthly average value of total units sold from ₹ 5,149 Cr to ₹ 17,615 Cr to ₹ 23,183 Cr. However, the same reversed after continuous increase in stamp duty. Average value of monthly Housing units sold decreased to ₹ 14,018 Cr at when Stamp Duty rose to 5% and to ₹ 8,510 Cr at 6% stamp duty.
- Mumbai City witnessed the highest growth of 2.8x in the total value of Housing units sold after the first wave of covid, from ₹ 7,973 Cr to ₹ 22,173 Cr.
- Mumbai City has recorded the highest total value of units sold in MMR region, with ₹ 2,15,170 Cr of total value of units sold in last 18 months despite the Pandemic primarily driven by three reasons - Price cut by developers, Interest rate cuts by RBI and Stamp Duty cut by Government of Maharashtra. Followed by Thane, with ₹ 82,289 Cr of total value of units sold.
- From Sep'20 to March'21, total number of units booked in thane were 1,69,748 out of 4,00,360 in MMR. Whereas for the same period, the total value of units booked in Mumbai city was ₹ 1,98,722 Cr out of ₹ 3,08,222 Cr.
- In Thane, when the stamp duty was slashed from 6% to 3%, it recorded the highest number of units booked amongst other regions with an increase of 132% in the average number of monthly units booked. In continuation with the momentum, even with an increase from 3% to 4%, the average number of monthly units increased by 34%. However, with further increase in the stamp duty to 6%, the previous momentum started to falter and witnessed the downturn in both the sales and stamp duty collection.

CRE Matrix is one of the largest custodians of registered information in the real estate sector. Some of our services include Asset Comparison, Valuations, Demand/Supply Analysis, Property Benchmarking and Predictive Analytics for accurate Real Estate forecasting.

We, CRE Matrix are passionate about our work, our data, our analysis and look forward to a long inning with CREDAI MCHI. We invite all members of CREDAI MCHI to approach us for any queries they may have on this report or otherwise.

Regards,

Abhishek Kiran Gupta
CEO & Co-Founder
CRE Matrix



Abhishek Kiran Gupta
CEO, CRE Matrix

Key Takeaways

Stamp Duty fees levied by the government contributes about 5% to 7% of the property value. This joint report by CREDAI-MCHI & CRE Matrix is a detailed study to highlight the direct impact of stamp duty on Housing sales in Mumbai Metropolitan Region. The state government of Maharashtra did a master stroke by cutting Stamp duty from 5% to 2% in Mumbai city in 2H CY'20. As the stamp duty was reduced, all Real Estate stakeholders saw an excellent opportunity; Developers launched new projects, Brokers worked over-time to satiate the pent-up Housing demand. Significant rise in Housing sales helped garner handsome stamp duty collections for GOM despite the cut in Stamp duty Fees. Not to forget, interest rates and price rationalization by developers further augmented this rising sales trend.

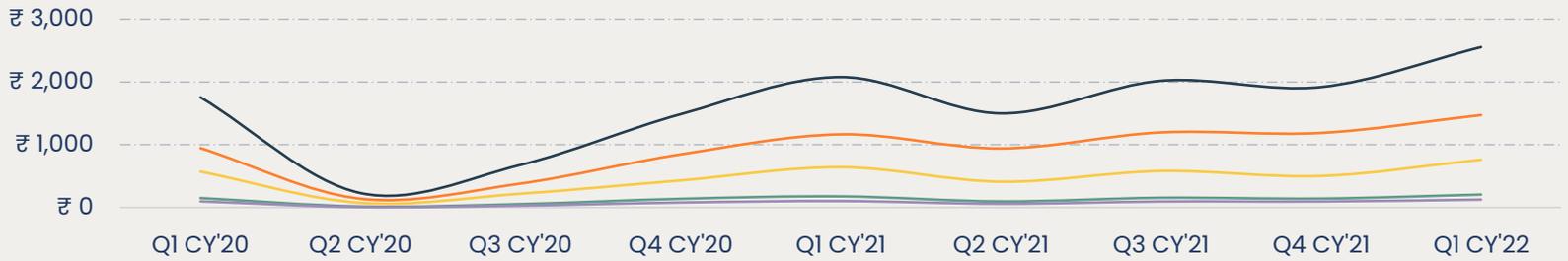
Post the sunset date (March 31, 2021) of stamp duty concession was behind us, there was a clear slowdown in sales in remainder of CY'21 (April 2021 to December 2021).

Once again, the government proactively announced rise in Stamp Duty starting Apr'22. Ukraine Crisis pushed raw material costs higher which triggered the narrative of possible rise in housing prices. Once again, we saw a rise in housing sales and stamp duty collections. However, this time, we strongly believe it was driven by "Fear of Missing Out" and that home buyers might have to pay high post March 31, 2022, deadline. Apr'22 was some spillover effect of sales that concluded in Jan -March 2022 period.

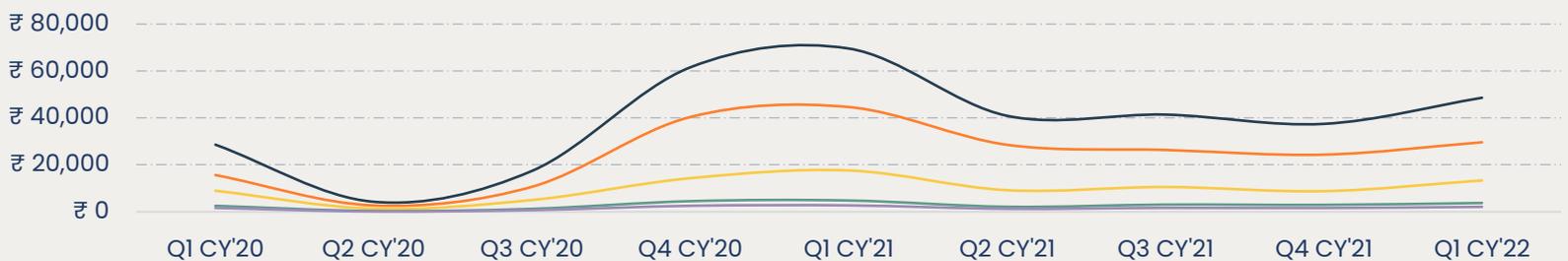
Starting May'22, we strongly believe that Housing sales will notably slowdown due to four factors 1) Rise in stamp duty rate by 1%, 2) Rise in Home loan rates by banks post RBI announcement, 3) Rise in prices by developers and 4) COVID'19 led bottled-up demand was satiated in year 2021.

Apr'22 witnessed Housing sales in value terms of ₹ 12,787 Cr, as compared to the previous Quarter's monthly average of ₹ 16,184 Cr. Consequently, Stamp duty collections wilted downwards as well. We foresee this trend will continue in the short-term.

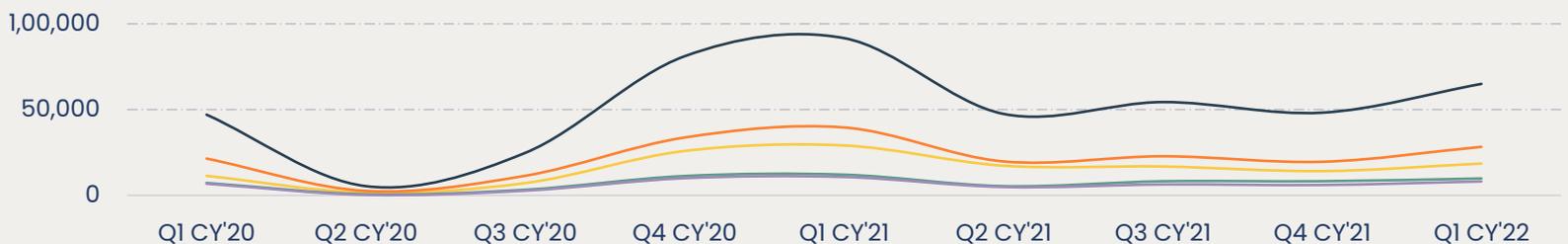
Total Stamp Duty Collection



Total Value of Units Sold



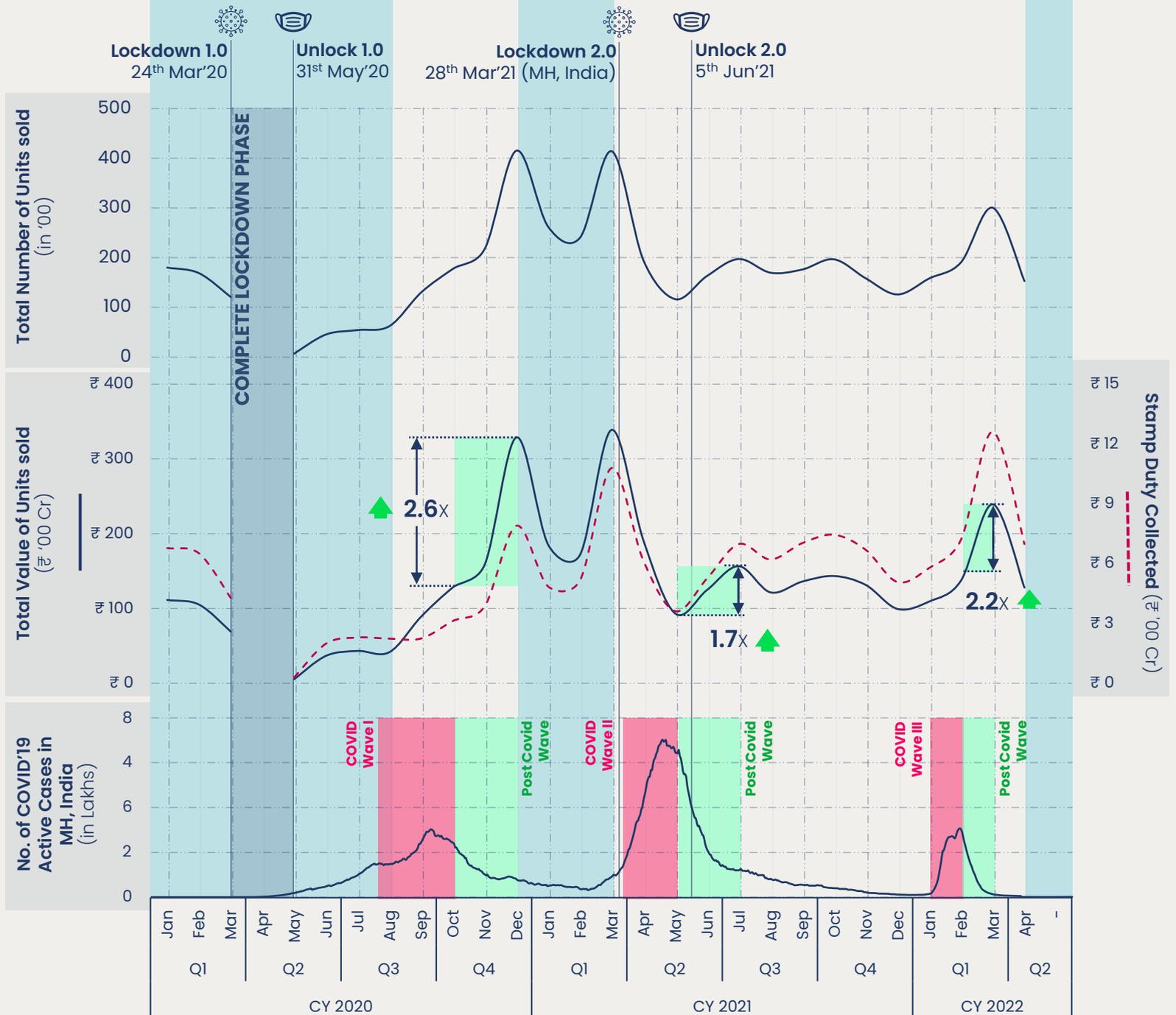
Total No. of Units Sold



MMR Mumbai Thane Raigad Palghar

Mumbai Metropolitan Region (MMR)

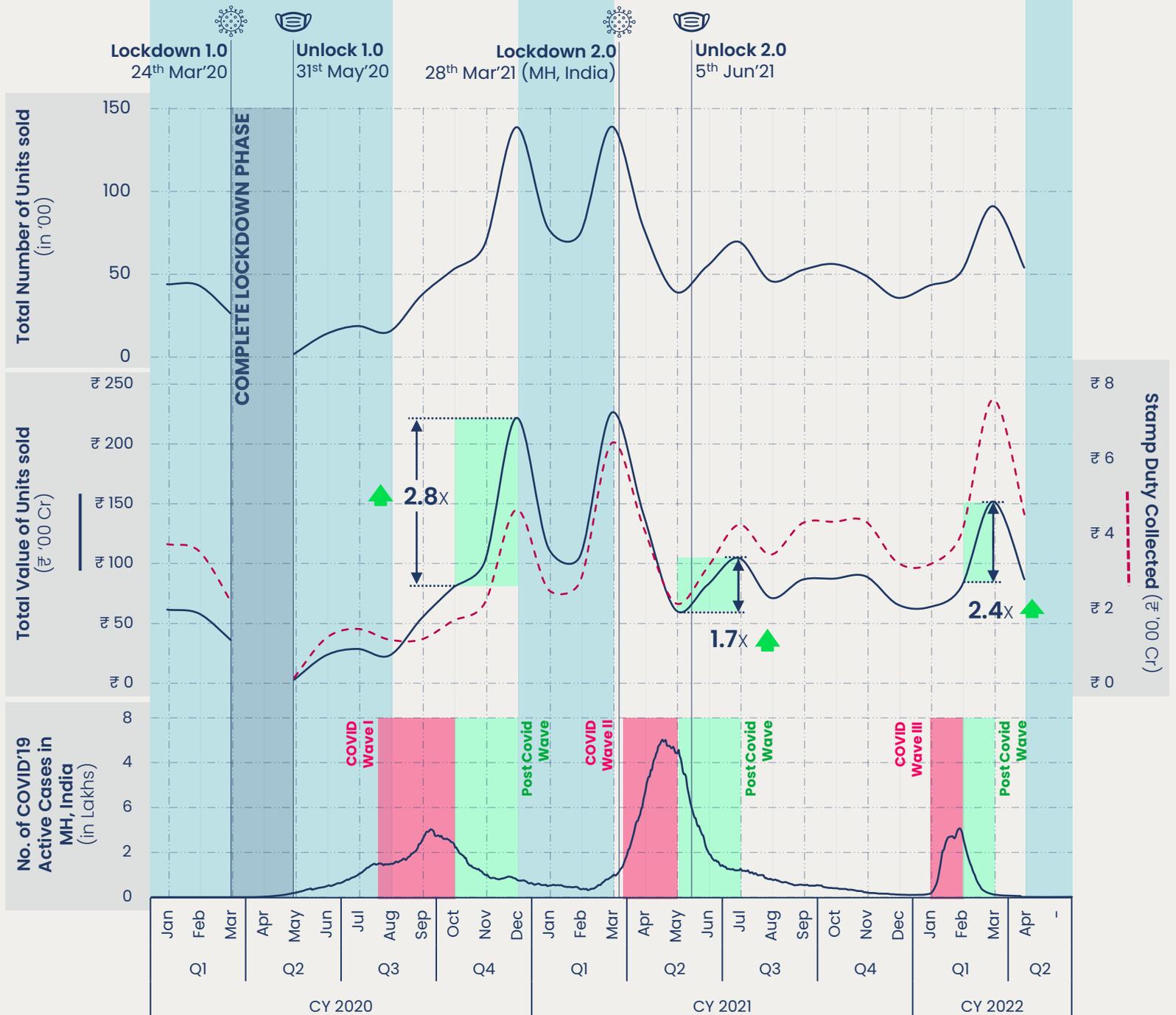
Stamp Duty Rate	5%	2%	3%	5%	6%
CMGR* for Stamp Duty Collection	↓ 17%	↑ 52%	↑ 49%	↑ 7%	
Avg. No. of Units Booked per Month	9,131	23,507	30,530	17,895	15,293



Note:
 *Compounded Monthly Growth Rate (CMGR): Mean monthly growth rate of a parameter which is enumerated month wise.
 $CMGR = (Latest\ Month / First\ Month)^{(1/\#\ of\ Months)} - 1$

Mumbai City

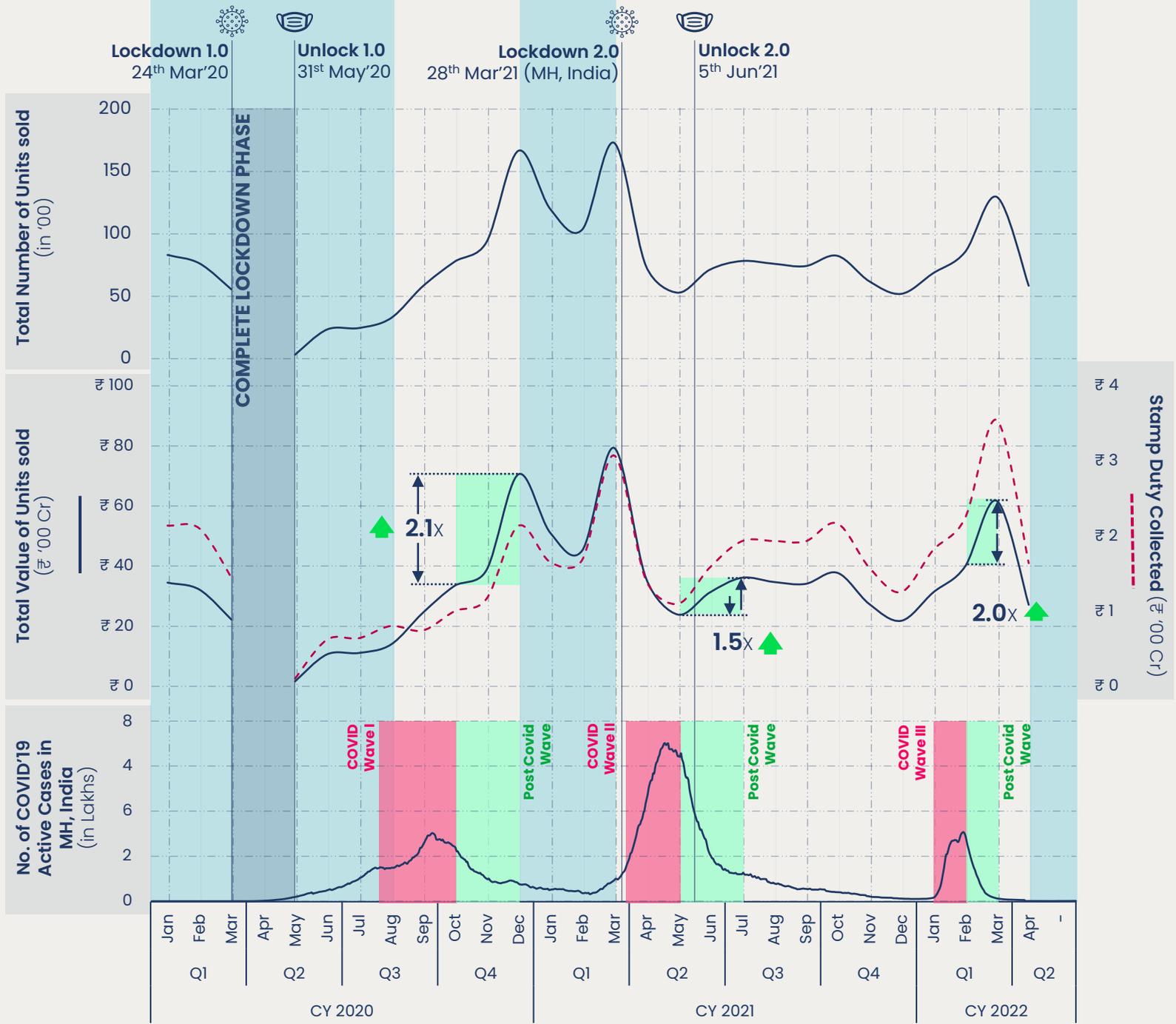
Stamp Duty Rate	5%	2%	3%	5%	6%
CMGR* for Stamp Duty Collection	↓ 18%	↑ 58%	↑ 60%	↑ 6%	
Avg. No. of Units Booked per Month	2,328	7,393	9,698	5,556	5,395



Note:
 *Compounded Monthly Growth Rate (CMGR): Mean monthly growth rate of a parameter which is enumerated month wise.
 $CMGR = (Latest\ Month / First\ Month)^{(1/\#\ of\ Months)} - 1$

Thane District

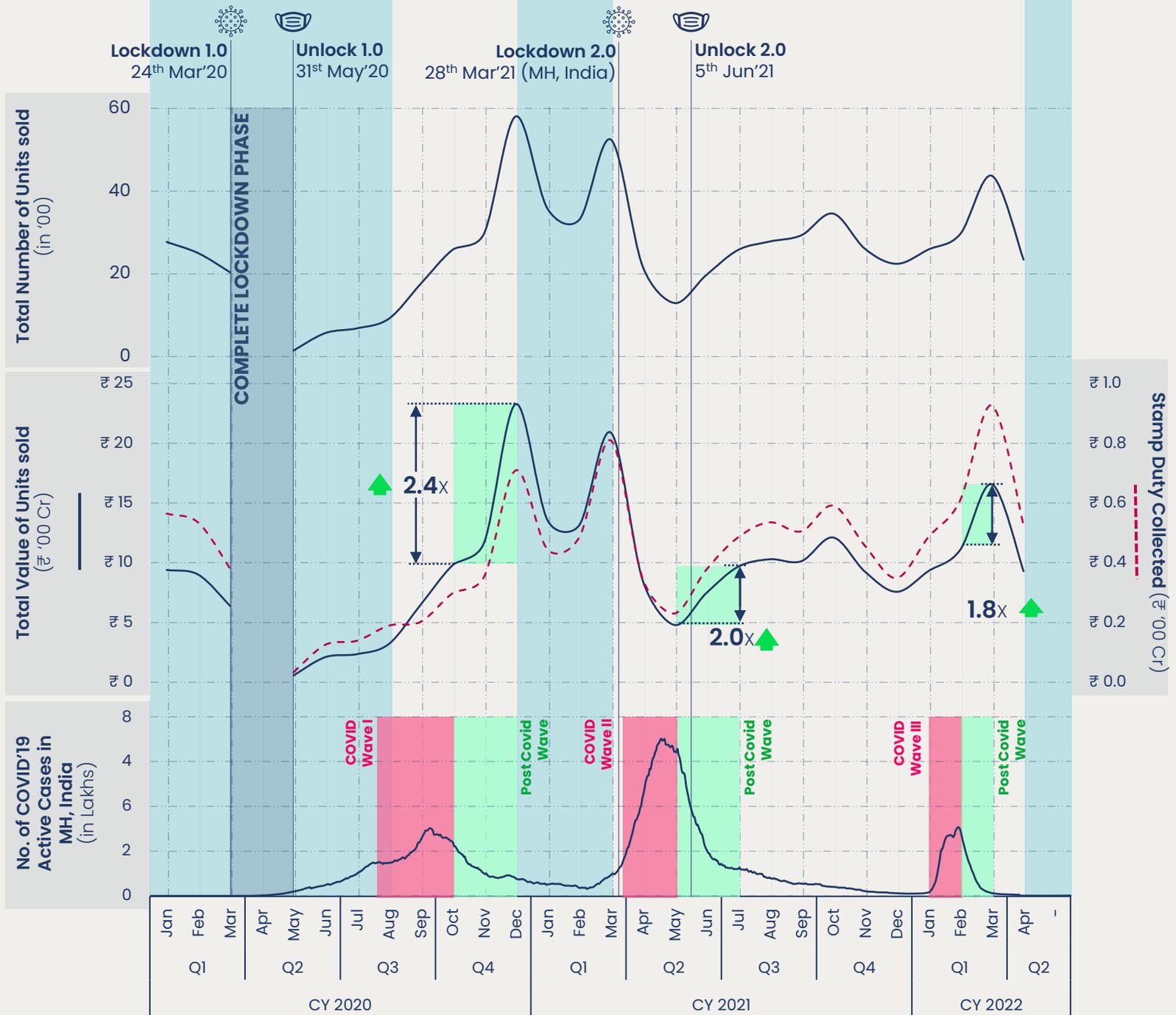
Stamp Duty Rate	6%	3%	4%	6%	7%
CMGR* for Stamp Duty Collection	↓ 15%	↑ 42%	↑ 36%	↑ 9%	
Avg. No. of Units Booked per Month	4,258	9,883	13,208	7,549	5,836



Note:
 *Compounded Monthly Growth Rate (CMGR): Mean monthly growth rate of a parameter which is enumerated month wise.
 $CMGR = (Latest\ Month / First\ Month)^{1/\#\ of\ Months} - 1$

Raigad District

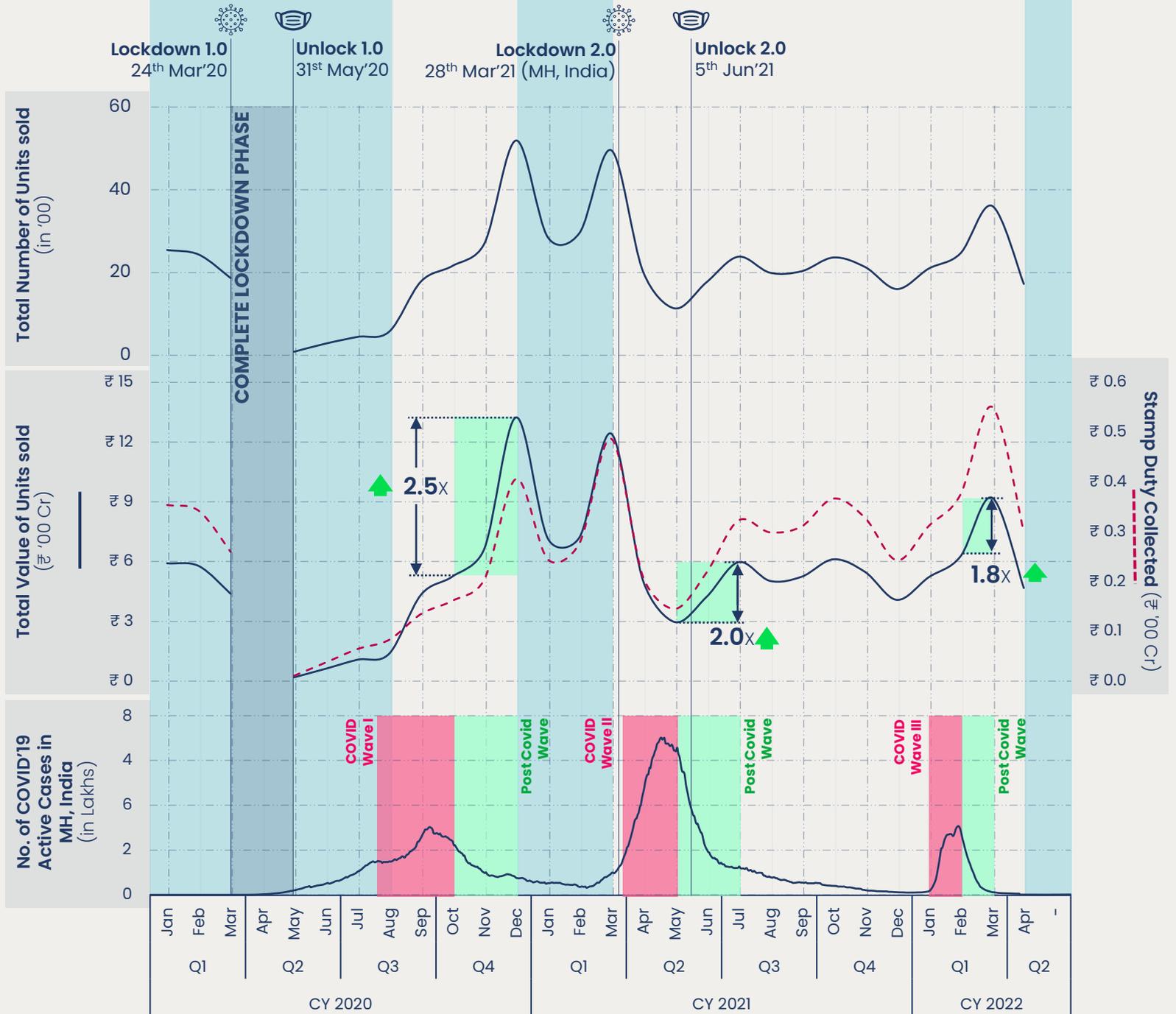
Stamp Duty Rate	5%	2%	3%	5%	6%
CMGR* for Stamp Duty Collection	↓ 17%	↑ 52%	↑ 35%	↑ 9%	
Avg. No. of Units Booked per Month	1,371	3,275	4,040	2,660	2,340



Note:
 *Compounded Monthly Growth Rate (CMGR): Mean monthly growth rate of a parameter which is enumerated month wise.
 $CMGR = (Latest\ Month / First\ Month)^{1/\#\ of\ Months} - 1$

Palghar District

Stamp Duty Rate	5%	2%	3%	5%	6%
CMGR* for Stamp Duty Collection	↓ 21%	↑ 44%	↑ 41%	↑ 9%	
Avg. No. of Units Booked per Month	1,174	2,956	3,584	2,130	1,722



Note:
 *Compounded Monthly Growth Rate (CMGR): Mean monthly growth rate of a parameter which is enumerated month wise.
 $CMGR = (Latest\ Month / First\ Month)^{(1/\#\ of\ Months)} - 1$

Macro | Micro Market Mapping

South Mumbai	Central Suburbs	Eastern Suburbs	
Malabar Hill	Kurla	Ghatkopar West	Vikhroli East
Colaba	Bandra West	Asalpha	Kanjurmarg East
Byculla	Sion	Ghatkopar East	Bhandup East
Tardeo	Bandra East	Bhandup West	Trombay
Marine Lines	Khar	Kanjurmarg West	Vikhroli West
Fort	Santacruz East	Mulund East	Mankhurd
Masjid Bandar	Dharavi	Powai	Govandi
Girgaon	Kalina	Chembur	Mulund West
Mumbai Central	Santacruz West	Wadala	
Bhuleshwar	Western Suburbs	Palghar	
Kalbadevi	Malad West	Jawhar	Umberpada
Mazgaon	Madh	Vadavali Tarf Poulbar	Haloli
	Andheri East	Varsale	Sarshi
	Andheri West	Wada	Kelwa
	Borivali West	Sakawar	Charoti
	Malad East	Dapchari	Dapchari
	Jogeshwari East	Charoti	Vangaon
	Borivali East	Khanivali	Dahanu
	Juhu	Vikramgad	Boisar
	Kandivali West	Manor	Manor
	Kandivali East	Gangodi	Sakawar
	Vile Parle East	Khodala	Haloli
	Dahisar East	Chendavali	Boisar
	Vile Parle West	Lakshminagar	Kelwa
	Goregaon West	Talasari	Vangaon
	Goregaon East	Kevanale	Palghar Town
	Jogeshwari West	Dahul	Manor
	Gorai		
	Dahisar West		

Macro | Micro Market Mapping

Vasai-Virar
Sakawar
Naigaon
Virar
Nalasopara
Waliv
Vasai
Navghar
Nalasopara East
Nalasopara West
Vasai West
Vasai East

Panvel
Shiravali
Panvel
Ulwe
Kharghar
Uran
Waje
Kamothe
Taloja
Dighode
Karanjade
Kalamboli

Raigad			
Patnus	Agardanda	Chirner	Morba
Murud	Revdanda	Ambeghar	Shrivardhan
Tala	Diksal	Takave	Mhasala
Nhave	Durshet	Khopoli	Mahad
Pachhapur	Dighode	Dasturi	Mangaon
Kolad	Sai	Kalote Mokashi	Umarath
Gomashi	Nagothane	Bhalgul	Lonere
Yerad	Amtem	Savroli	Tala
Kashid -Phansad	Poynad	Bhonang	Birwadi
Roha	Kihim	Nagaon	Nizampur
Korlai	Pirkon	Pen	Raigad Fort Natural Reserve
Bhonang	Waje	Salokh	Kumbhe
Bhagad	Ransai	Revoli	Harihareshwar
Nagothane	Rasayani	Falyan	Borli Panchatan
Indapur	Khandpe	Karjat	Chichonde
Sukeli	Gadab	Pachhapur	Telange
Nizampur	Neral	Karnala	Kudgaon
Pali	Tadgaon	Chafewadi	Shekhadi
Bharje	Pinglas	Khanavi	Koturde
Dhagadwadi	Panvel	Dhokshet	Salve
Vihour	Mangrul	Pali	Kakal
Bhalgul	Aghai	Matheran	Sangvi
Sanegaon	Nigade	Ulwe	Indapur
Potner	Alibag	Poladpur	Agardanda
Kanti	Vashi	Thakroli	
Kumbhe	Chouk	Kanghar	

Macro | Micro Market Mapping

Thane				
Ambarnath	Apate	Umbroli	Khed	Vashind
Badlapur	Pimpalghar	Singapur	Julawani	Asangaon
Vangani	Dahagaon	Koshimbi	Karav	Atgaon
Bhiwandi	Kelhe	Sontakka	Dhasai	Khutghar
Vaghivali	Malegaon	Nyahadi	Khambale	Pashane
Sawandhe	Savaroli	Lingayate	Sonavale	Shahapur
Vehele	Khardi	Davali	Dolkhamb	Kawadas
Saravali	Saralgaon	Dhargaon	Saralambe	Saralambe
Lonad	Potgaon	Ambadi	Vadape	Shirgaon
Dapode	Paygaon	Dugad Phata	Diwanpada	Balkum
Anjur	Vadghar	Dalepada	Sawandhe	Kasarvadavali
Mankoli	Sidhgaon	Jadai	Vaghivali	Uthalsar
Kalher	Shere	Kalambholi	Mangaon	Brahmand
Shirol	Bhadane	Shivale	Shirgaon	Kolshet
Ambegaon	Uchale	Jambhilghar	Devchole	Waghle Estate
Vashind	Lahe	Atgaon	Khandare	Mogharpada
Titwala-Ambivli	Aghai	Mahapoli	Shiroshi	Pokhran Road
Shendrun	Ambivali	Karavale	Ambeshiv Kh	Bhayandar - pada
Padgha	Gorad	Kasara	Kalbhonde	Kopri
Tembhe	Vashere	Pachchhapur	Vaveghar	Dhokali
Vashala Bk	Gadne	Talwade	Zadghar	Naupada
Goveli	Shedgaon	Dehene	Tanasa	Panchpakhadi
Mhasa	Badlapur	Kakadpada	Bandhanwadi	Kavesar
Vajreshwari	Tokawade	Chikhalgaon	Koshimbe	Majiwade
Lonad	Partoli	Kinhavali	Dugad	Kalwa
Chimbipada	Ganeshpur	Pilanze Kh.	Asnoli	Owala
Murbad	Sajivali	Nandkar	Sathgaon	Manpada
Gegaon	Adivare	Veluk	Bursunge	Yeoor Hills
Mangaon				

Navi-Mumbai
Sanpada
Seawoods
Rabale
Nerul
CBD Belapur
Juinagar
Vashi
Kopar Khairane
Mahape
Dighe
Turbhe

Mira-Bhayandar
Mira Road
Bhayandar West
Uttan
Bhayandar East

Kalyan-Dombivli
Usatane
Titwala-Ambivli
Narivali
Diva
Shilphata
Nilje
Khoni-Antarli
Ulhasnagar
Dombivli East
Umbharli
Mumbra
Dombivli West
Pisavli
Kalyan

About CREDAI MCHI



Dhaval Ajmera
Hon. Secretary



Dr. Adv. Harshul Savla
Research Convener



CREDAI - MCHI



CREDAI-MCHI is an apex body consisting of members from the Real Estate Industry among Mumbai Metropolitan Region (MMR). It is the most prominent and the only recognized body of Real Estate Developers in MMR.

We bring together members dealing in Real Estate Development on one common platform to address various issues facing the Industry. With a strong Membership of over 1400 leading Developers in Mumbai, CREDAI-MCHI has expanded across MMR, having its own units in the region of Thane, Kalyan-Dombivali, Mira-Virar, Raigad and Navi Mumbai. CREDAI-MCHI is recognized by Government of Maharashtra and the Central Government and helps in meeting their objectives of providing housing, which is a basic necessity. CREDAI-MCHI is responsible for a host of important activities which includes providing research, statistics and general information to the members

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CRE Matrix

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IndexTap

IndexTap, a product by CRE Matrix, is India's largest and most authentic platform that provides comparable transactions data across residential, commercial and loan transactions. IndexTap deploys sophisticated algorithms to empower brokers, buyers and sellers.

CRE Lease Matrix

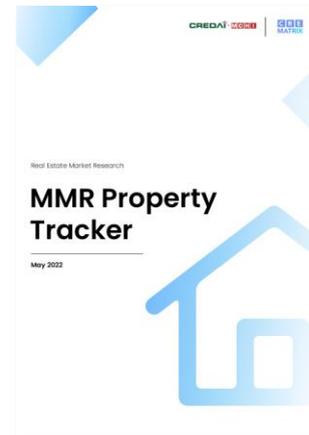
Developed by CRE Matrix, using the experience of comprehending around 1 Lakh lease documents, across all sectors and all major Indian cities, CRE Lease Matrix is the Gold Standard in lease management. The platform helps tenants and landlords reduce operating expenses and identify portfolio opportunities, allowing them to enhance PROFITS, and minimize the decision making cycle.



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