

Residential prices lower by 7% in 2018; smaller ticket sizes make Mumbai more affordable

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Commercial office space continues its forward march, leasing records 14% growth YoY in 2018: Knight Frank India Office space leasing across India at historic high, records 46.8 mn sq ft in 2018 INVC NEWS Mumbai, Knight Frank India today launched the 10th edition of its flagship half-yearly report - India Real Estate. The report presents a comprehensive analysis of the residential (across eight cities) and office (across seven cities) market performance for the period July - December 2018 (H2 2018). The report has established 2018 to be historically best performing year for the commercial office with leasing at 46.8 million square feet (mn sq ft). The residential market saw upward movement in sales with total sales of residential units recorded at 182,207 units registering a 6% increase over full year 2017. Mumbai saw total new unit launches of 74,363 units in full year 2018, registering a growth of 220% YoY over a low base of 2017. The majority share of the new launches took place in H2 2018 which was recorded at 38,389 units. The residential sales for the full year of 2018 was at 63,893 units depicting a growth of 3% YoY over 2017. At the end of H1 2018, there were signs of revival in sales, but the same was punctuated around Q4 2018 (Oct - Dec 2018) due to the impact of NBFC crisis. Residential market highlights for Mumbai · Total sales in H2 2018 was 31,481 units implying a rise of 4% YoY against same period last year · Full year 2018 witnessed annual sales of 63,893 units recording a marginal growth of 3% YoY over 2017 · Total units launched in Mumbai in H2 2018 was 38,389 units - a growth of 413% YoY over a very low base H2 2017 · Total launches in full year 2018 was 74,363 units denoting 220% YoY · The significant increase in new launches is attributed to release of supply, that was previously held back due to series of regulatory aspects. The temporary reprieve from the construction ban due to dumping ground issue in Mumbai effective from March 2018 was a significant catalyst for growth. · Demonetisation hangover coupled with structural changes like GST and RERA had led to a decadal low in new launches in MMR in 2017. As dust settled on most of these issues, supply volumes were released through 2018. · Policy incentives like PMAY and CLSS have helped steer

