

REAL ESTATE INDUSTRY REPORT

Client:

ARKADE DEVELOPERS LIMITED

Consultant:

ANAROCK PROPERTY CONSULTANTS PRIVATE LIMITED

Aug 2023

TABLE OF CONTENTS	1
LIST OF ABBREVIATIONS	8
CONVERSION OF UNITS	8
1. PROJECT APPRECIATION	9
1.1 Assignment Background	9
1.2 Objective and Scope of Study	9
1.3 Disclaimer	9
2. OVERVIEW OF THE ECONOMY	10
2.1 Global Macro-Economic Overview	10
2.2 Overview of the Indian Economy	12
3. OVERVIEW OF INDIAN RESIDENTIAL MARKET	31
3.1 Indian Residential Real Estate Demand-Supply Dynamics – CY 2017 to 2023 (Till Q1)	31
3.2 Top Seven Cities – Supply, Absorption and Unsold Inventory Trends – 2017 to 2023 (Till Q1)	34
3.3 Capital Pricing Trends in Top Seven Cities – 2017 to 2023 (Till Q1)	36
3.4 Key Reforms in the Indian Real Estate Sector	37
4. TRENDS IN MUMBAI RESIDENTIAL REAL ESTATE (MMR LEVEL)	40
4.1 Overview of MMR	42
4.2 Key Growth Drivers for Mumbai Metropolitan Region (MMR)	42
4.3 Challenges and Constraints Faced By Real Estate Market in MMR	48
4.4 Redevelopment in MMR Region	49
4.5 Supply, Absorption, Unsold Inventory and Pricing Trends in MMR – 2017 to 2023 (Till Q1)	50
4.6 Supply, Absorption and Pricing Outlook for MMR from 2023 to 2026	53

5	TRENDS IN WESTERN SUBURBS – MUMBAI RESIDENTIAL REAL ESTATE (ZONE LEVEL & MICRO-MARKET LEVEL)	55
5.1	Overview of Western Suburbs	55
5.2	Key Growth Drivers for Mumbai Western Suburbs	61
5.3	Challenges and Constraints	62
5.4	Snapshot of Developer’s Portfolio	62
5.5	Supply, Absorption, Unsold Inventory and Pricing Trends in Western Suburbs – 2017 to 2023 (Till Q1)	66
5.6	Budget Segmentation in terms of Supply in Western Suburbs	69
5.7	Supply, Absorption, Unsold Inventory and Pricing Trends in Selected Micro Markets of Western Suburbs – 2017 to 2023 (Till Q1)	70
5.8	Typology wise Supply, Absorption Dynamics in Selected Micro Markets – Cumulative from 2017 to 2023 (Till Q1)	84
5.9	Market Share of Arkade Developers Limited in Combined Markets (Andheri East, Borivali West, Goregaon East & Santacruz West) on the basis of Supply & Absorption	90
6.	TRENDS IN EASTERN SUBURBS – MUMBAI RESIDENTIAL REAL ESTATE (ZONE LEVEL & MICRO-MARKET LEVEL)	92
6.1	Overview of Eastern Suburbs	92
6.2	Key Growth Drivers for Mumbai Eastern Suburbs	98
6.3	Challenges and Constraints	99
6.4	Supply, Absorption, Unsold Inventory and Pricing Trends in Eastern Suburbs – 2017 to 2023 (Till Q1)	99
6.5	Budget Segmentation in terms of Supply in Eastern Suburbs	102
6.6	Micro-Markets Demand-Supply Dynamics where Developer has Future Plans of Developing Projects and completed projects.	102
6.7	Details of Other Major Developers (Including Listed Peers) – Product Offering, Number of Years of Operations, Major Geographic Presence, Performance covering Select Parameters	108

TABLE OF FIGURES

Figure 1: World Economic Outlook 10

Figure 2: World Economic Outlook 10

Figure 3: Headline Inflation 11

Figure 4: Real GDP Growth Rate (%) 12

Figure 5: Projected GDP Growth Rate (%) 13

Figure 6: GST Collections (INR Lakh Cr) 14

Figure 7: FDI Inflows (USD Million)..... 15

Figure 8: FDI in Construction Development 15

Figure 9: Private Equity Investments in Real Estate (PERE) 16

Figure 10: Home Ownership Pattern – 2011 17

Figure 11: Home Ownership Pattern - 2001 17

Figure 12: Salaried Employment..... 18

Figure 13: Projected Percent of Population by Broad Group & Dependency Ratio- India, 2011-2061 19

Figure 14: Period of Demographic Dividend in Large Economies..... 19

Figure 15: Category of Housing Shortage in India (in Mn.) in 2012 20

Figure 16:% of Population in Urban & Rural Areas..... 21

Figure 17: Urban Population by size class of urban settlement 21

Figure 18: Average household size for select Indian cities 22

Figure 19: Per Capita Net National Income 22

Figure 20: Affordability Index 25

Figure 21: Housing Finance Industry..... 26

Figure 22: Share of Banks and Large HFCs..... 26

Figure 23: Home Loan by Value 26

Figure 24: Home Loan by Volume 27

Figure 25: Preference of Asset classes..... 28

Figure 26: Repo Rate Movement 29

Figure 27: Pan India supply-absorption trends (in units) from 2017 to 2023 (till Q1) 33

Figure 28: the Pan India unsold inventory trends (in units) from 2017 to 2023 (till Q1) 33

Figure 29: Year-on-Year supply trends (in units) of top 7 Indian cities from 2017 to 2023 (till Q1) 34

Figure 30: Year-on-Year Absorption trends (in units) of top 7 Indian cities from 2017 to 2023 (till Q1) 35

Figure 31: Year-on-Year Unsold Inventory trends (in units) of top 7 Indian cities from 2017 to 2023 (till Q1) 36

Figure 32: Capital value movement (in units) of top 7 Indian cities from 2017 to 2023 (till Q1) 37

Figure 33: Percentage decline in the number of developers in select Indian cities between 2012 and 2019 39

Figure 34: Sales Share Analysis..... 40

Figure 35: Supply and Absorption dynamics (in units) of MMR housing market from 2017 to 2023 (till Q1) 51

Figure 36: Unsold Inventory trends (in units) of MMR housing market from 2017 to 2023 (till Q1) 51

Figure 37: Capital value movement (on saleable area) of MMR housing market from 2017 to 2023 (till Q1) 52

Figure 38: MMR Supply Contribution in different Price Segment (2017 to 1Q23) 53

Figure 39: Supply and Absorption outlook (in units) of MMR housing market from 2017 to 2026 54

Figure 40: Capital value movement outlook (on saleable area) of MMR housing market from 2017 to 2026..... 55

Figure 41: Annual supply and absorption dynamics (in units) of Arkade Developers Limited portfolio 63

Figure 42: Supply and Absorption dynamics (in units) of MMR'S Western Suburbs housing market from 2017 to 2023 (till Q1) 67

Figure 43: Unsold Inventory trends (in units) of MMR's Western Suburbs housing market from 2017 to 2023 (till Q1)..... 68

Figure 44: Capital value movement (on saleable area) of MMR's Western Suburbs housing market from 2017 to 2023 (till Q1) 69

Figure 45: Western Suburbs Contribution in different Price Segment (2017 to 1Q23) 70

Figure 46: Andheri (East) - Supply & Absorption Trends - 2017 to 1Q23..... 71

Figure 47: Andheri (East) - Capital Value Movement - 2017 to 1Q23 72

Figure 48: Market Share of Arkade Developers as per Supply (in Units) 72

Figure 49: Market Share of Arkade Developers as per Absorption (in Units) 72

Figure 50: Market Share of Arkade Developers as per Supply (in units)..... 73

Figure 51: Market Share of Arkade Developers as per Absorption (in units) 73

Figure 52: Andheri East - Top 10 Developers share as per supply (in Units): Cumulative from 2017 to 2023 (till 1Q23) 73

Figure 53: Andheri East - Top 10 Developers share as per supply (in Units): Cumulative from 2022 to 2023 (till 1Q23) 74

Figure 54: Supply and Absorption trends (in Units) in Borivali (West) market from 2017 to 1Q23 74

Figure 55: Capital value movement in Borivali West micro-market from 2017 to 1Q23..... 75

Figure 56: Market Share of Arkade Developers as per Supply (in units)..... 75

Figure 57: Market Share of Arkade Developers as per Absorption (in units) 75

Figure 58: Market Share of Arkade Developers as per Supply (in units)..... 76

Figure 59: Market Share of Arkade Developers as per Absorption (in units) 76

Figure 60: Borivali West - Top 10 Developers share as per supply (in Units): Cumulative from 2017 to 2023 (till 1Q23) 76

Figure 61: Borivali West - Top 10 Developers share as per supply (in Units): Cumulative from 2022 to 2023 (till 1Q23) 77

Figure 62: Goregaon East Supply & Absorption Trends - 2017 to 1Q23..... 78

Figure 63: Goregaon East - Capital Value Movement in INR per sq. ft. on Carpet Area..... 78

Figure 64: Market Share of Arkade Developers as per Supply (in units)..... 79

Figure 65: Market Share of Arkade Developers as per Absorption (in units) 79

Figure 66: Market Share of Arkade Developers as per Supply (in units)..... 79

Figure 67: Market Share of Arkade Developers as per Absorption (in units) 79

Figure 68: Goregaon East- Top 10 Developers share as per supply (in Units): Cumulative from 2017 to 2023 (till 1Q23) 80

Figure 69: Goregaon East- Top 10 Developers share as per supply (in Units): Cumulative from 2022 to 2023 (till 1Q23) 80

Figure 70: Santacruz West Supply & Absorption Trends - 2017 to 1Q23 81

Figure 71: Santacruz West Capital Value Movement - 2017 to 1Q23 82

Figure 72: Market Share of Arkade Developers as per Supply (in units)..... 82

Figure 73: Market Share of Arkade Developers as per Absorption (in units) 82

Figure 74: Market Share of Arkade Developers as per Supply (in units)..... 83

Figure 75: Market Share of Arkade Developers as per Absorption (in units) 83

Figure 76: Santacruz West - Top 10 Developers share as per supply (in Units): Cumulative from 2017 to 2023 (till 1Q23) 83

Figure 77: Santacruz West- Top 10 Developers share as per supply (in Units): Cumulative from 2022 to 2023 (till 1Q23) 84

Figure 78: Andheri East- Typology wise supply: Cumulative from 2017 to 2023 (till 1Q23) 84

Figure 79: Andheri East- Typology wise absorption: Cumulative from 2017 to 2023 (till 1Q23) .85

Figure 80: Borivali West- Typology wise supply: Cumulative from 2017 to 2023 (till 1Q23) 85

Figure 81: Borivali West- Typology wise absorption: Cumulative from 2017 to 2023 (till 1Q23)..86

Figure 82: Borivali West- Typology wise supply: Cumulative from 2017 to 2023 (till 1Q23) 86

Figure 83: Goregaon East- Typology wise absorption: Cumulative from 2017 to 2023 (till 1Q23) 87

Figure 84: Santacruz West- Typology wise supply: Cumulative from 2017 to 2023 (till 1Q23) 88

Figure 85: Santacruz West- Typology wise absorption: Cumulative from 2017 to 2023 (till 1Q23) 88

Figure 86: Arkade Developers Portfolio- Typology wise Supply (in units) Cumulative from 2017 to 2023 (1Q23) 89

Figure 87: Combined Markets - Typology wise Supply (in units): Cumulative from 2017 to 2023 (1Q23)..... 89

Figure 88: Combined Markets - Typology wise Absorption (in units): Cumulative from 2017 to 2023 (1Q23)..... 90

Figure 89: Arkade Developers Portfolio- Typology wise Absorption (in units): Cumulative from 2017 to 2023 (1Q23) 90

Figure 90: Market Share of Arkade Developers as per Supply (in No of Units) CY 2017 to 2023 (1Q23)..... 90

Figure 91: Top 10 developers share as per Supply (in Units) Selected Markets (Consolidated): Cumulative 2017 to 2023 (1Q23)..... 91

Figure 92: Market share of Arkade Developers as per Supply (In INR Crore) 91

Figure 93: Market share of Arkade Developers as per Absorption (In units): 2017 to 2023 (till 1Q23) 92

Figure 94: Supply and Absorption dynamics (in units) of MMR'S Eastern Suburbs housing market from 2017 to 2023 (till Q1) 100

Figure 95: Unsold Inventory trends (in units) of MMR's Eastern Suburbs housing market from 2017 to 2023 (till Q1)..... 101

Figure 96: Capital value movement (on saleable area) of MMR's Eastern Suburbs housing market from 2017 to 2023 (till Q1) 101

Figure 97: Budget Segmentation - % Supply in Eastern Suburbs 102

Figure 98: Supply and Absorption trends (in Units) in Mulund (West) market from 2017 to 1Q23 103

Figure 99: Mulund West Capital Value Movement - 2017 to 1Q23..... 103

Figure 100: Supply and Absorption trends (in Units) in Kanjurmarg (East) market from 2017 to 1Q23 104

Figure 101: Kanjurmarg East Capital Value Movement - 2017 to 1Q23..... 105

Figure 102: Market Share of Arkade Developers in Kanjurmarg East as per Supply (in units) . 106

Figure 103: Market Share of Arkade Developers in Kanjurmarg East as per Absorption (in units) 106

Figure 104: Kanjurmarg East – Top Developers share as per supply (in Units): Cumulative from 2017 to 2023 (till 1Q23) 106

Figure 105: In Kanjurmarg East Arkade Developers Portfolio- Typology wise Supply (in units) Cumulative from 2017 to 2023 (1Q23)..... 107

Figure 106: Kanjurmarg East Market - Typology wise Supply (in units): Cumulative from 2017 to 2023 (1Q23)..... 107

Figure107: Kanjurmarg East Market - Typology wise Absorption (in units): Cumulative from 2017 to 2023 (1Q23) 108

Figure108 : In Kanjurmarg East Arkade Developers Portfolio- Typology wise Absorption (in units) Cumulative from 2017 to 2023 (1Q23)..... 108

LIST OF ABBREVIATIONS

UN	United Nations
AICTE	All India Council of Technical Education
FY	Financial Year
GDP	Gross Domestic Product
RERA	Real Estate Regulatory Authority
PMAY	Pradhan Mantri Awas Yojna
FDI	Foreign Direct Investment
UNFPA	United Nations Population Fund
RBI	Reserve Bank of India
IMF	International Monetary Fund
CMIE	Centre for Monitoring Indian Economy Pvt. Ltd
DIPP	Department of Promotion of Industry and Internal Trade
UNDP	United Nations Development Program
GST	Goods and Services Tax
IBC	Insolvency and Bankruptcy Code
NCR	National Capital Region
MMR	Mumbai Metropolitan Region
IT	Information technology
ITeS	Information Technology Enabled Services
BPO	Business Process Outsourcing
TDR	Transfer of Development Rights
INR	Indian National Rupee
CAGR	Compound Annual Growth Rate

CONVERSION OF UNITS

1 Hectare	2.4711 acres
1 Acre	43,560 Sq. ft.
1 Acre	4,046.9 sq. m.
1 sq. m.	1.196 sq. yds.
1 sq. m.	10.764 Sq. ft.
1 meter	1.0936 yds.

1. PROJECT APPRECIATION

1.1 Assignment Background

Arkade Developers Limited ('Arkade' or 'Arkade developers' or 'the Client') wants to obtain an independent opinion on residential real estate market trends in India in general (at a high level), in Mumbai Metropolitan Region (MMR) at a regional level and select level and focus locations of Andheri East, Borivali West, Goregaon East & Santacruz West (part of the Western suburbs Mumbai region) and Mulund within Mumbai City in particular for the purpose of IPO.

1.2 Objective and Scope of Study

As part of the engagement, Anarock Property Consultants Private Limited shall provide residential real estate market trends in India in general, in Mumbai Metropolitan Region (MMR) at a regional level and select level and focus locations of Borivali West, Goregaon East, Andheri East, Santacruz West (part of the Western suburbs Mumbai region) and Mulund within Mumbai City in particular. Detailed Scope of Work has been provided in the Service Agreement dated 6 June 2023 in Exhibit-A.

1.3 Disclaimer

This assignment of Market Research has been done on a best effort and knowledge basis of the Consultant. The Consultant has relied on the information provided to them, whether from public and private sources. However, property markets in cities continue to be plagued by misinformation, non-disclosure, and fragmentation, wherein almost inevitably some information is withheld in every case. The data, documentation, and assumptions used to prepare any analysis or reports hereunder will be derived from basic information / data points supplied by Client, published information, information prepared by the Consultant in the regular course of its business, and other industry sources.

The Client acknowledges and agrees that there may be differences between projected and actual scenarios because events and circumstances frequently do not occur as predicted, and those differences may be material and hereby releases Consultant from any claims or liability arising from these differences. Whilst every effort has been taken to provide authentic data and analysis, Anarock Property Consultants Private Limited, and/or any of their associated companies and/or their employees are not responsible for any loss, major or minor incurred based on the information and analyses provided, nor are liable to any damages in any form or shape. Our liability for this exercise (whether arising from negligence or whatsoever) is as mentioned in the Consulting Services Agreement. The Consultant does not accept any liability to any third party in relation to the issue of this Market Research.

This assignment of Market Research and its result are specific to the purpose of 'Market Research' as per agreed terms of Scope of Work. It may not be valid for any other purpose or as at any other date. Also,

it may not be valid if done on behalf of any other entity. The Market Research is substantively based only on information contained in this memo and are governed by concept of materiality.

Result of the Market Research are specific to the date of this assessment. Market research of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. As such, our assessment, and projections of scenarios of the market Research are, to a significant extent, subject to continuance of current trends beyond the date of the assessment. It is usually the case that some events and circumstances may not occur as expected or are not anticipated. Therefore, actual scenarios during the forecast period may differ from the forecast and such differences may be material. The Consultant, however, have no obligation to update this assessment for events, trends or transactions relating to the company or the market/economy in general and occurring subsequent to the date of this assessment.

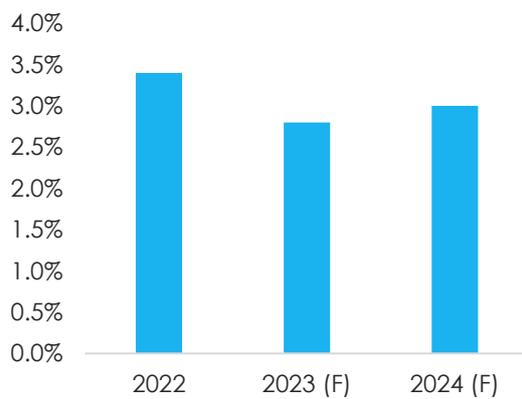
Consultant's analysis, interpretation, projections, scenarios and conclusions from the Market Research shall not be treated as an advise to anybody to take buy or sell decision.

The client has further agreed that any reports and deliverables under this assignment will not be submitted in any court of law anywhere in the world, neither submitted nor presented in any legal platform, including any government agency or arbitration proceedings.

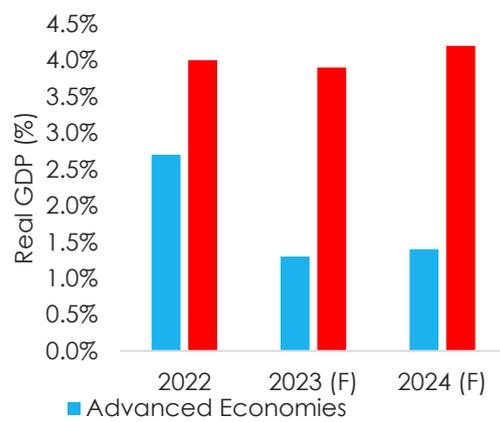
2. OVERVIEW OF THE ECONOMY

2.1 Global Macro-Economic Overview

The global economy has been exhibiting encouraging signs of a gradual recovery from the turmoil of the pandemic and the Ukraine-Russia war. The Chinese economy has re-opened and is likely to return to its growth trajectory. The challenges faced by the supply chain disruptions together with the dislocations in the energy and food markets are seen to be receding.



■ Real GDP (%)
Figure 1: World Economic Outlook



■ Emerging Markets & Developing Economies
Figure 2: World Economic Outlook

Source: IMF

As per IMF, the global economic growth rate is likely to be 3.0% in calendar year 2023, and then remaining stable in 2024 as well. Global growth is majorly being powered by emerging and developing economies where the growth is likely to be more pronounced at over 4% in the coming year, according to the IMF. However, there is going to be a slowdown that will be concentrated in the advanced economies in the Euro Zone and the UK.

The systematic and timely tightening of monetary policies by central banks across the world has enabled a scenario that is anticipated to be fruitful in the coming years as global inflation is showing signs of easing. As per IMF, the global headline inflation is likely to fall from 8.7% in 2022 to 6.8% in 2023 primarily due to the softening of commodity prices. Going forward we may see headline inflation soften further, however, the difference in the levels between advanced economies and emerging markets and developing economies is likely to persist.

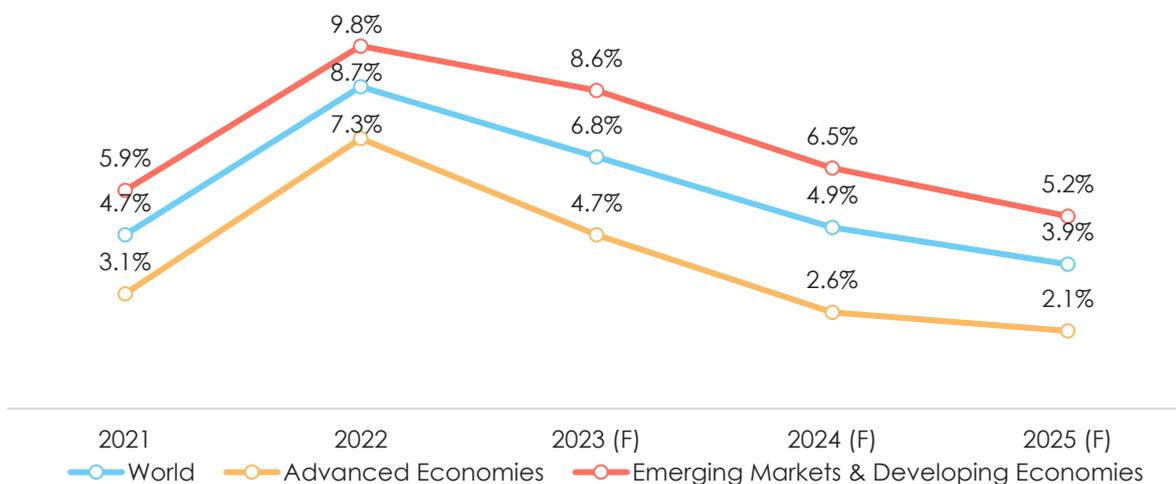


Figure 3: Headline Inflation

Source: IMF

The prevailing debt crisis has been triggered majorly by the rising policy rates resulting in the rise in the cost of funds. Once the inflation is tamed to the target levels post a protracted period of high-interest rates, the rates are likely to soften and reclaim the levels that prevailed before the disruptions.

The hardening of the interest rates due to the policy adjustments to combat the rising inflation housing prices appreciation turned negative. The decline in housing prices was more pronounced in advanced economies particularly those that were overvalued before or during the pandemic. If mortgage rates continue to rise, it will lead to further weakening of the demand. Countries that have witnessed significant increases in housing prices during the pandemic, leading to overvaluation, will remain sensitive to the changing policy rates. The Indian housing markets had remained stable resulting in a pent-up demand despite the gradual rise of interest rates and appreciating prices in the post-pandemic regime.

Policymakers have fewer options to improve prospects and minimise risks. Central banks may be needed to remain steady with their fighter anti-inflation stance and be agile to adjust and use their full set of policy instruments to address financial stability concerns when the economic climate warrants.

2.2 Overview of the Indian Economy

India recently achieved the coveted position of being the 5th largest global economy, by dislodging the United Kingdom. This has been significant progress from being in the 11th position a decade ago. Despite the IMF's downward GDP revision for India, from 6.1% to 5.9% for FY24, India continues to be the fastest-growing economy across the world and is considered as 'very strong'.

The ambitious investment plans, infrastructure development, and continued government spending on national progress have driven India's economic growth. With rapid progress, it is anticipated that India can become the 4th largest economy by 2027, by replacing Germany. Further, by the end of this decade India is expected to surpass Japan as the 3rd largest economy in the world only behind China and the United States of America.

2.2.1 Gross Domestic Product Growth & Future Projections (FY24, FY25, FY26) & In-Bound Investment into India

The Indian economy has yet again emerged as a performer by maintaining its growth trajectory as the highest compared to the other nations. The final quarter of the last fiscal - Q4 FY23 - recorded economic growth of 6.1% which pushed the entire fiscal year's growth to 7.2%. This was mainly driven by the manufacturing sector's output in the fourth quarter, which grew by 4.5% year on year compared to a 1.1% contraction in the previous quarter. The farm sector output also rose to 5.5% compared to 3.7% during the above period. India's economic expansion validates the nation's growth optimism despite the global headwinds.

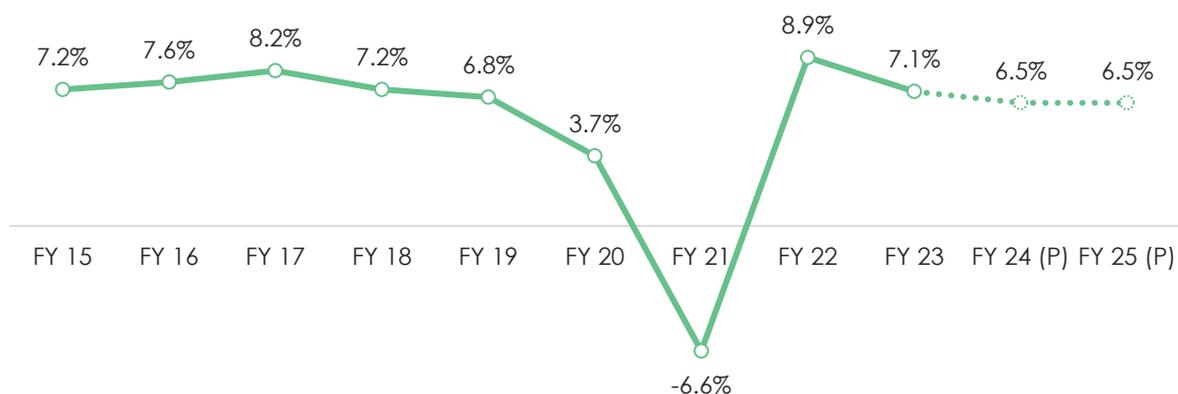


Figure 4: Real GDP Growth Rate (%)

Source: Reserve Bank of India

The quarterly growth rates for the current fiscal (FY24), as forecasted by the Reserve Bank of India (RBI) are expected to be between 5% - 8% with a strong first quarter. The optimistic projections are based on

the better Rabi crop output, moderating commodity prices, the monsoon trajectory, and the government's plan for higher capital expenditure.

In the year gone by, the gross fixed capital formation also rose by 11.4% in FY23 accounting for nearly 34% of the GDP, which is also the highest since FY15. The higher the capital formation, the faster an economy can grow its aggregate income.

Though the RBI has revised the forecast and is optimistic because of the above-mentioned factors, the IMF and other global agencies appear to continue with a conservative stance for India. However, the growth momentum of the Indian economy continues and is going to be much better than the major economies. As per the IMF estimates, India is expected to lead economic growth and contribute significantly to the global GDP.

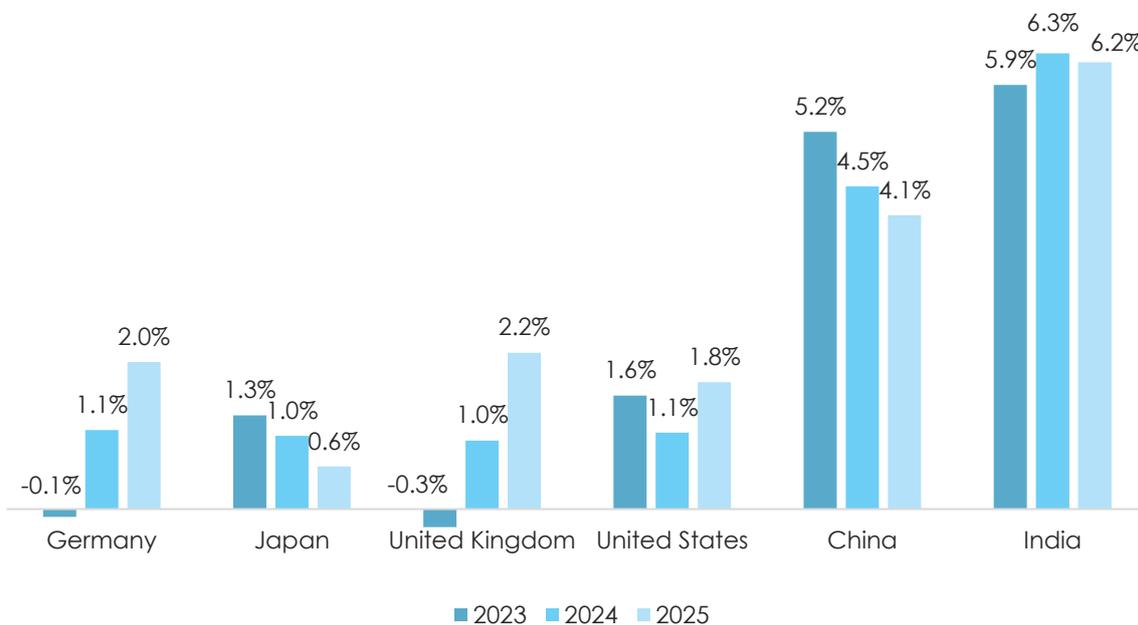


Figure 5: Projected GDP Growth Rate (%)

Source: IMF

The IMF's World Economic Outlook states that the size of the Indian economy is slated to grow from USD 3.5 trillion in 2021-22 to over USD 5.0 trillion in 2026-27. To achieve this milestone, the union government has already made concentrated efforts. Some of the initiatives such as the National infrastructure pipeline of projects, push to capital expenditure, implementation of the production-linked incentive scheme and the national monetisation pipeline of public sector assets are focussed steps to achieve the same.

Goods and Services Tax (GST)

The progressive growth in the collection of GST indicates the maturity of the tax system introduced in 2017 that overrides the complex structure of the cascading effects of multiple taxes. The sustained increase in collections despite the global headwinds re-affirms the Indian economy's resilience. This is a tax on

consumption, which makes it an important indicator of economic health. The fiscal year 2022-23 recorded the collection of over INR 18 lakh crore which is 22% higher than the previous year.

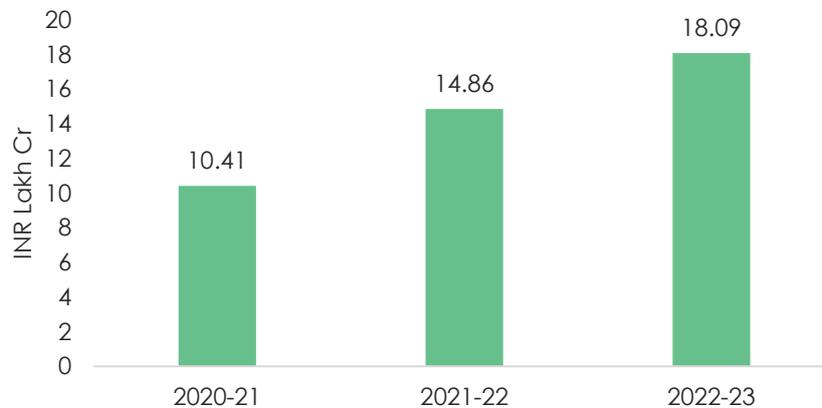


Figure 6: GST Collections (INR Lakh Cr)

Source: PIB; Compiled by ANAROCK

Investment Scenario in India

India continues to be a strategic market for global firms in many ways owing to its multitude of offerings and intrinsic strengths that creates tremendous opportunities for greenfield and brownfield developments. An enabling policy framework with a large, competitive, and skilled labour market is a major advantage. Steadily rising income levels and the increase in non-metropolitan cities that offer large-scale employment and growth opportunities across the country offer ample prospects for investors to participate in the growth cycle.

The last decade has witnessed rising investments from many investors which led to a peak in 2021-22. However, the prevailing geopolitical turmoil and global uncertainties have cautioned many investors resulting in a slowdown in investments.

Foreign Direct Investment (FDI) For the first time in a decade, the FDI declined by 16% to USD 71 billion in FY23. This may be attributed to the high inflation and uncertain macroeconomic situation in the U.S. and the Eurozone.

The services sector comprises mainly the financial, banking, insurance, non-financial/business, outsourcing, R&D, courier, and tech. testing and analysis among others together with the computer hardware & software received the highest quantum of investments during the year. Together they accounted for USD 18,101 million, 26% of the total FDI in FY23.

FDI inflows in the construction development sector comprising Townships, housing, built-up infrastructure, and construction-development projects were USD 146 million in FY23, 17% higher than the previous year. The cumulative inflow in this sector since April 2000 has been USD 26, 356 billion and accounts for 4% of the total FDI inflows during the period.

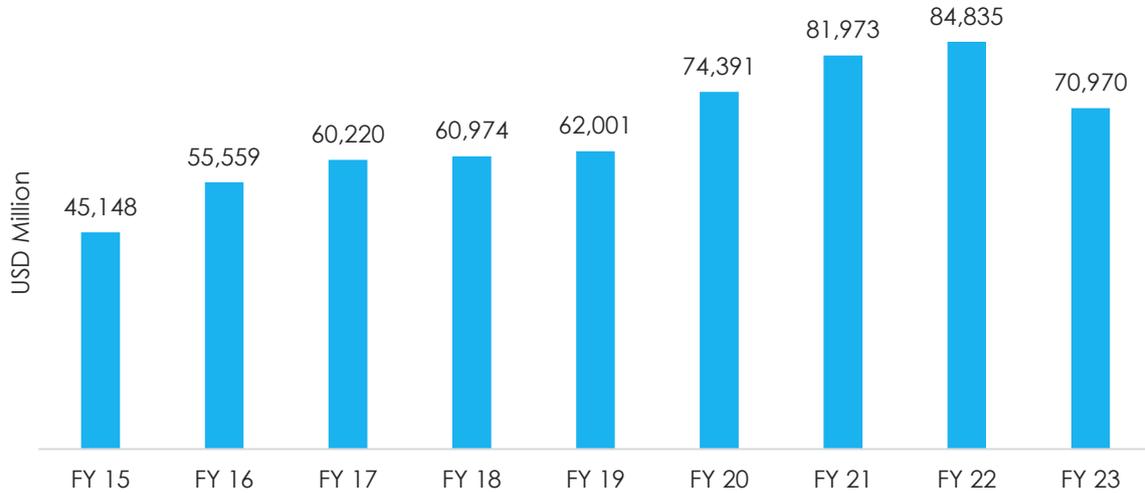


Figure 7: FDI Inflows (USD Million)

Source: DIPP; Compiled by ANAROCK Research

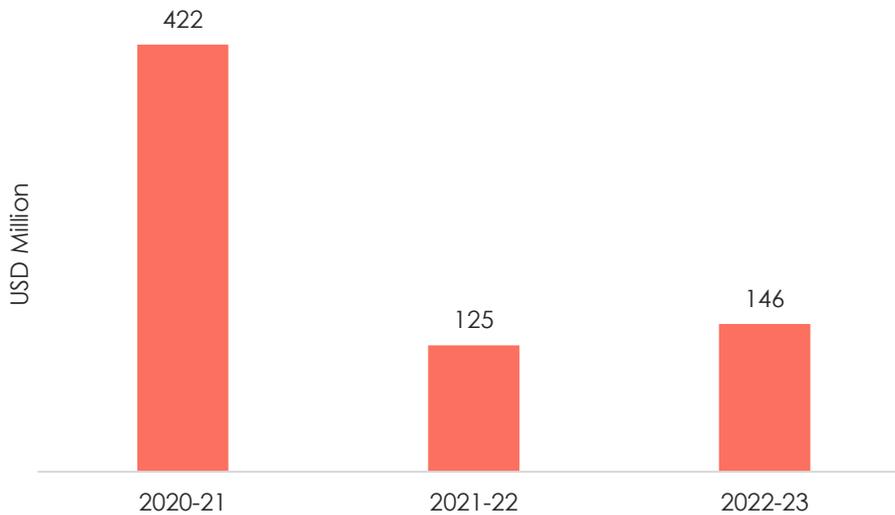


Figure 8: FDI in Construction Development

Source: DIPP; Compiled by ANAROCK Research

According to data from the DPIIT, Maharashtra, and Karnataka were the frontrunners in attracting FDI inflows in FY23. Maharashtra emerged as the top recipient of FDI with a total of US\$14.80 billion, followed by Karnataka (US\$10.42 billion).

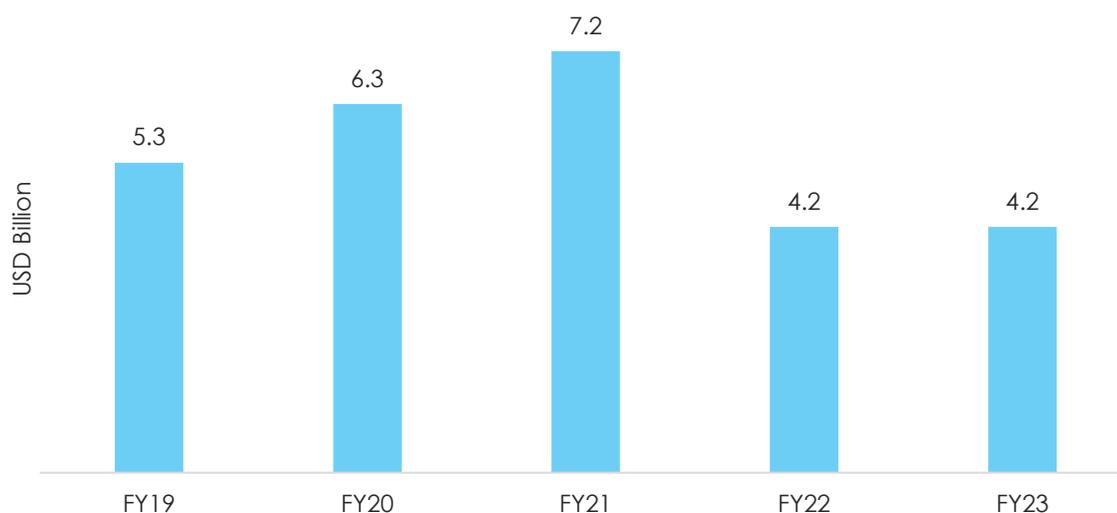


Figure 9: Private Equity Investments in Real Estate (PERE)

Source: ANAROCK Research

Private Equity (PE) Investments in Indian Real Estate

Though the private equity investments in Indian real estate remained stable in FY23, compared to the previous year, domestic funds were seen to be more aggressive. The total investments during the fiscal were estimated to be USD 4.2 billion which is like the last year. Equity investments continued to dominate and accounted for 67% of the total investments during the year. The 33% accounting for debt is mainly dominated by the investments in the residential real estate segment, which is significantly higher than 20% in the previous fiscal.

The commercial office real estate segment continued to dominate the investment markets with a 40% share of the total in FY23 compared to 38% in the previous year. The residential segment received the second highest investments accounting for 29% of the share which has nearly doubled from 15% in the previous year. The industrial and logistics segment witnessed muted investments accounting for only a share of 6% from 10% in the previous fiscal. Data centres also received significant PE investments during the year as it forms an integral part of the expansion strategy of many companies operating hyper-scalers. This is mainly due to the exponential rise in data consumption expected in the coming years as the government furthers its programs in digital India.

As India's economic size continues to grow and investors continue to increase their allocations for emerging markets, the Indian PERE market is likely to receive a fair share of attention and consideration. However, the immediate term may be contingent on several headwinds like the re-surfacing of inflation and any further aggravation of the geo-political conflict.

2.2.2 Penetration of Housing and Home Ownership

The 2011 census shows a 28.51% rise in the number of households to 246.69 million from 191.96 million in 2001. Homeownership, during the said period, increased from 166.35 million to 213.53 million, a rise of 28.36%.

Homeownership in rural areas stands at 95% indicating the rising prosperity in the area. It is also interesting to note that there has been a significant rise in rental housing in urban areas. The rented households in urban areas increased from 15.32 million in 2001 to 21.72 million in 2011, indicating the rapid urbanisation driven by the migration of the population to the cities in search of livelihood and better employment prospects.

The following graph shows the penetration of Housing and Homeownership in the years 2001 and 2011:

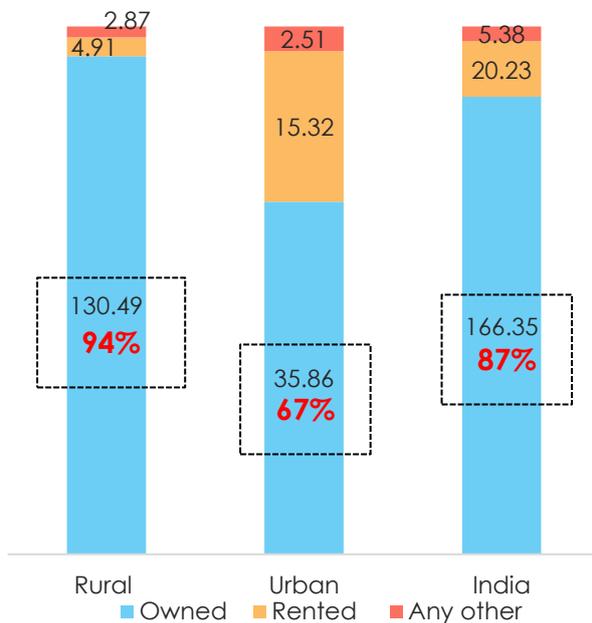


Figure 11: Home Ownership Pattern - 2001

(In Million)

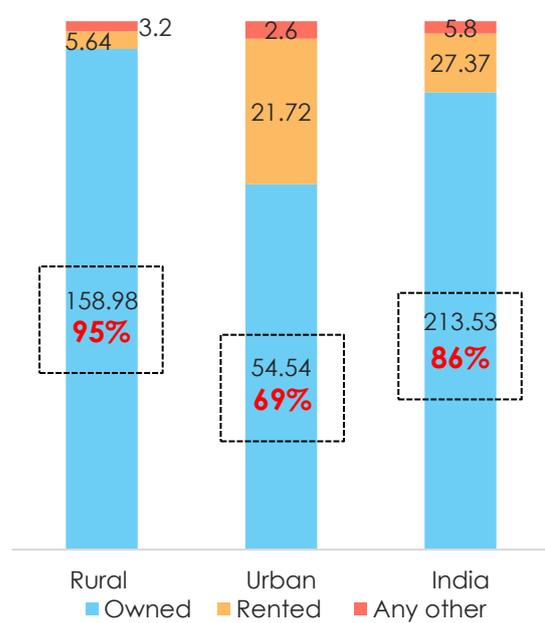


Figure 10: Home Ownership Pattern – 2011

(In Million)

Source: ANAROCK Research

Note: All the figures in the above graph are as per Calendar Year (CY)

2.2.3 Employment Generation

According to the CMIE's latest release, there are 408 million people employed in India, as of May 2023. Salaried employees in May 2023 are estimated to be 91.9 million. This is an impressive increase of 9% since

May 2022. Of the 7.2 million salaried employees that were added between May 2022 and May 2023, round 5.5 million were employed in rural India. The remaining 1.7 million salaried jobs were added in urban India resulting in an increase in the number of salaried employees in the urban workforce from 50.3 million in May 2022 to close to 52 million in May 2023. Rural India too recorded an increase in salaried employment, from 34.4 million to almost 40 million in the same period.

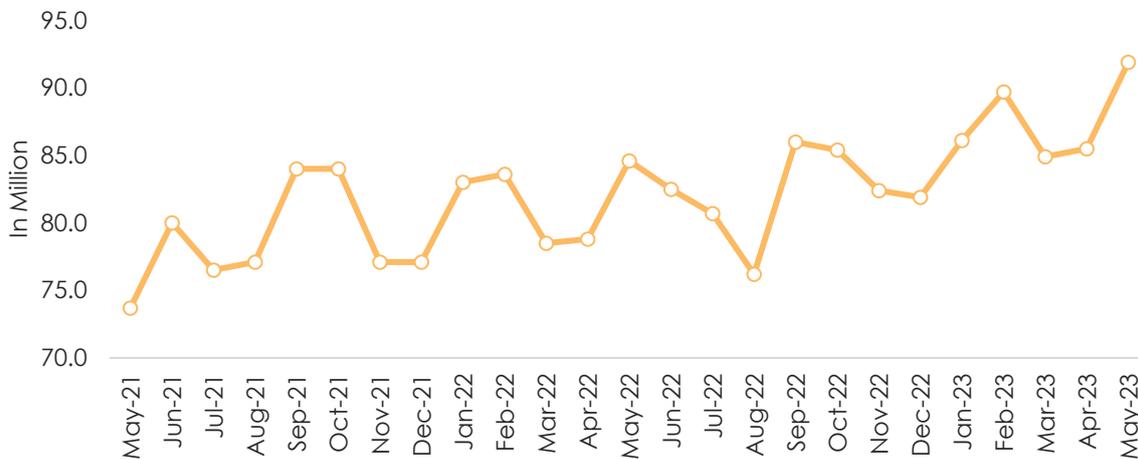


Figure 12: Salaried Employment

Source: CMIE; Compiled by ANAROCK Research

The workforce churn across occupation groups displays a favourable shift towards salaried employment. The rise in salaried jobs in recent times implies an increase in gainful employment and more well-paying jobs.

2.2.4 Demographic Dividend

India is an ancient civilisation but a young country. Nearly 61% of the population are of workable age within the bracket of 15 years to 59 years. This is as per the census of 2011, and it is expected to be 65% by 2031.

As the young population rises, the dependency ratio declines, making the demography most favourable for economic growth. It has been observed that many Asian countries, such as Japan, China, and South Korea were able to leverage their young and industrious population to complement the economic growth in their respective countries.

Share of urban population and a favourable age distribution profile is one of the key demand drivers for real estate. India along with an increasing urban population is relatively a younger nation as compared to developed economies of the world and is likely to retain its position in the future as well. This indicates that India with one of the largest workforces will be a huge market for residential and other asset classes.

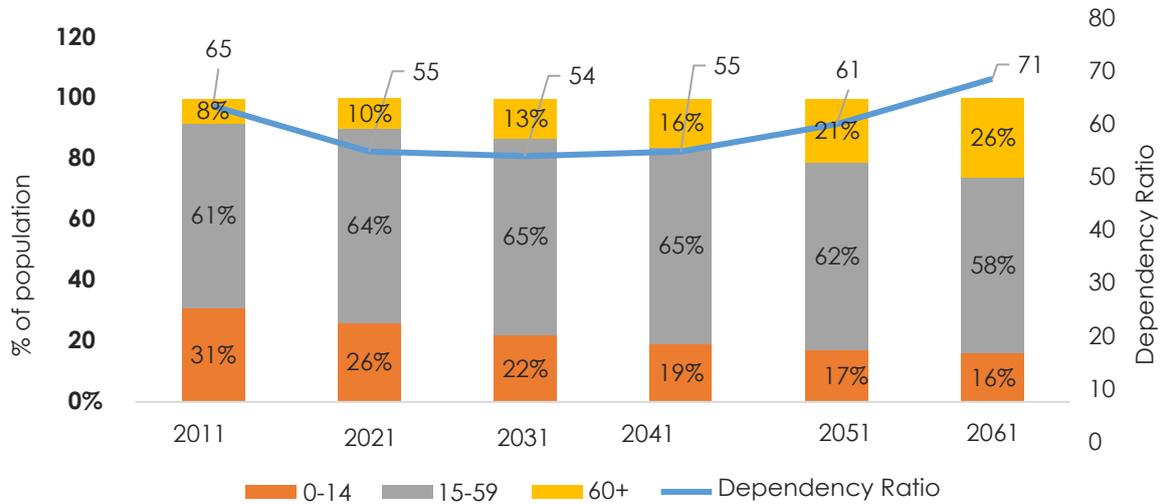


Figure 13: Projected Percent of Population by Broad Group & Dependency Ratio- India, 2011-2061

Source: 'An Assessment of Demographic Dividend in India and its Large States' by P. M. Kulkarni, 2017'. A study commissioned by UNFPA.

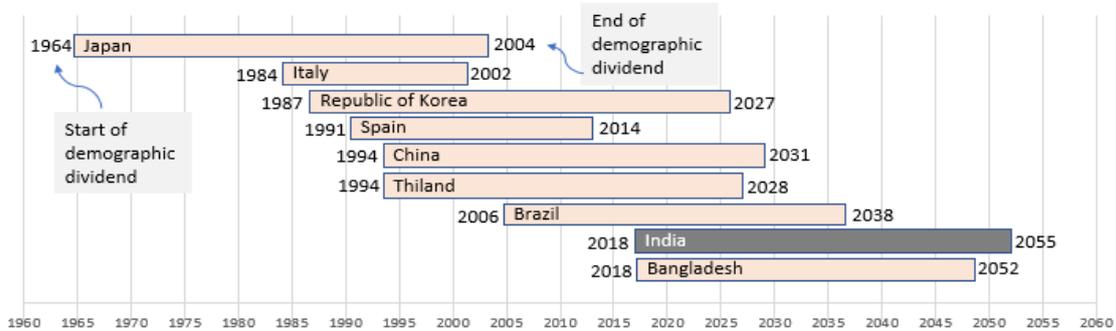


Figure 14: Period of Demographic Dividend in Large Economies

Source: 'An Assessment of Demographic Dividend in India and its Large States' by P. M. Kulkarni, 2017'. A study commissioned by UNFPA.

2.2.5 Urbanization and Urban Housing Shortage

Urbanisation is seen to lead the demand for real estate in new and emerging micro markets which develop to accommodate the influx of migrants. The large consumer base in India has been instrumental in attracting many foreign entities to set up operations here to reap the benefits of a growing and aspirational market. Along with the rising population, India's urbanization rate is also increasing at a fast pace. As per UNDP projections, approximately 50% of India's population will be urban by 2046. Rapid

urbanization is expected to drive the demand for housing, offices, and other real estate asset classes in the medium to long term. UNDP has projected that there will be 8 cities with a population of 10 million and above by the year 2035 in India, highlighting the unmet housing demand.

The Ministry of Housing & Urban Poverty Alleviation estimated a housing shortage of 18.78 Mn houses during the 12th-period plan with 99% in the economically weaker section (EWS) and lower income group (LIG). The following figure provides the details of the Urban Housing shortage in India.

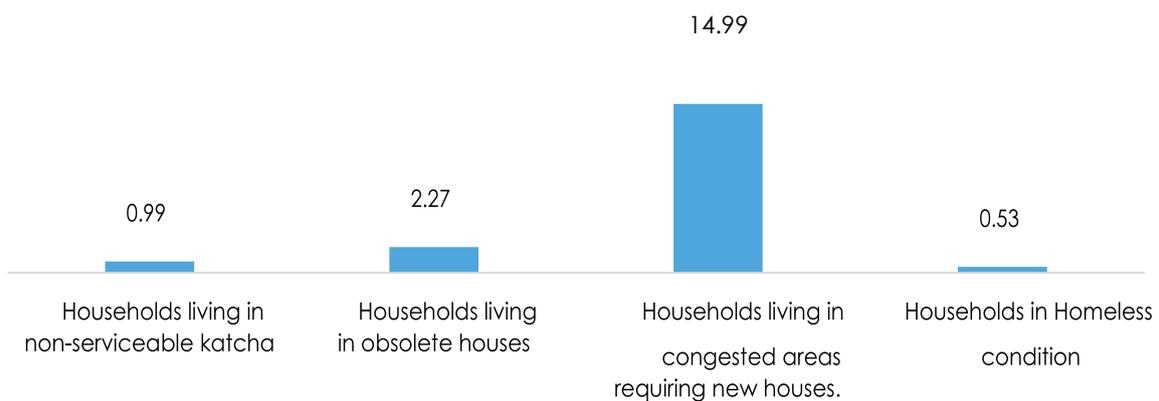


Figure 15: Category of Housing Shortage in India (in Mn.) in 2012

Source: Report of the technical group on Urban Housing Shortage (TG-12) (2012-17) by Ministry of Housing & Urban Poverty Alleviation

To address the housing shortage in the country, the Government of India has launched Pradhan Mantri Awas Yojana (PMAY). The objective of the mission is to promote housing for all, being implemented during 2015-2022, which provides central assistance to Urban Local Bodies (ULBs) and other implementing agencies through States/UTs. The scheme provides bi-fold incentives to developers as well as buyers/owners.

The aggressive stance by the Government has displayed a favourable performance as can be seen from the chart below, which shows the status of the scheme so far.

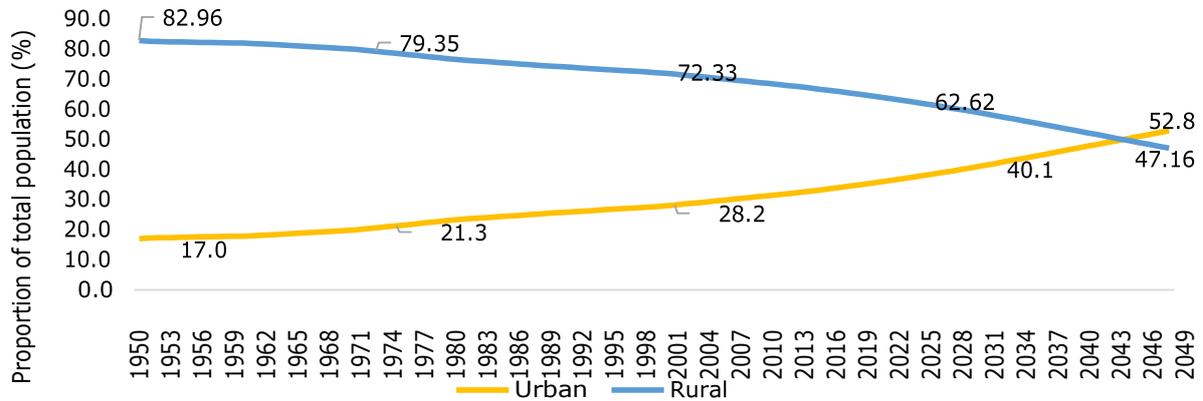


Figure 16: % of Population in Urban & Rural Areas

Source: UNDP World Urbanization Prospects 2018

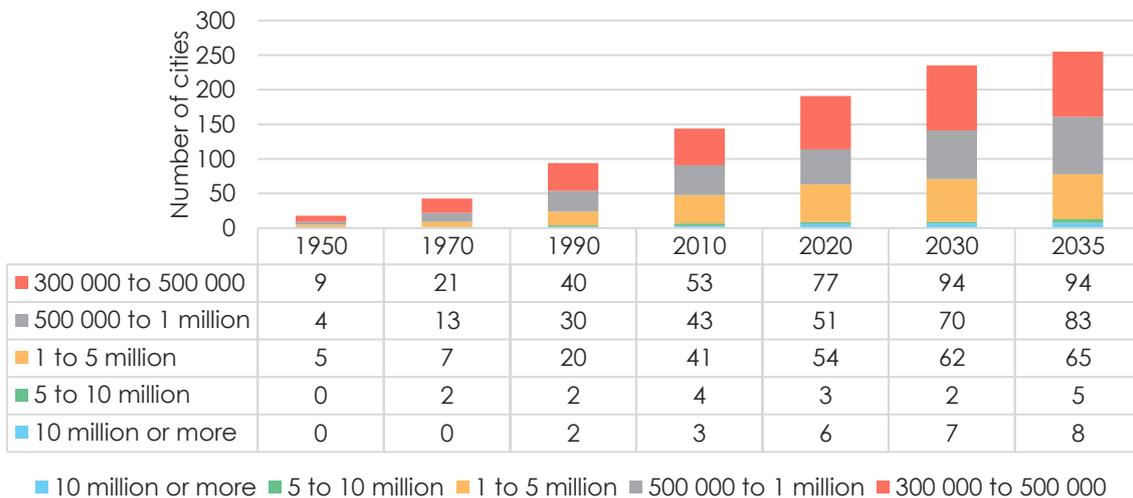


Figure 17: Urban Population by size class of urban settlement

Source: UNDP World Urbanization Prospects 2018

As urbanisation rises and families migrate to urban centres in pursuit of livelihood, aspirational living, or better employment prospects, family sizes are seen to disintegrate leading to their nuclearization. According to the last census in 2011, all the major cities and their urban agglomerations are witnessing a reduction in family sizes.

It can be observed that there is a reduction in the average household sizes in almost all the cities. Bengaluru has the least average household size followed by Chennai. The average household size in many of the Tier I cities is now close to 4. Reduction in average household size further leads to an increase in demand for housing.

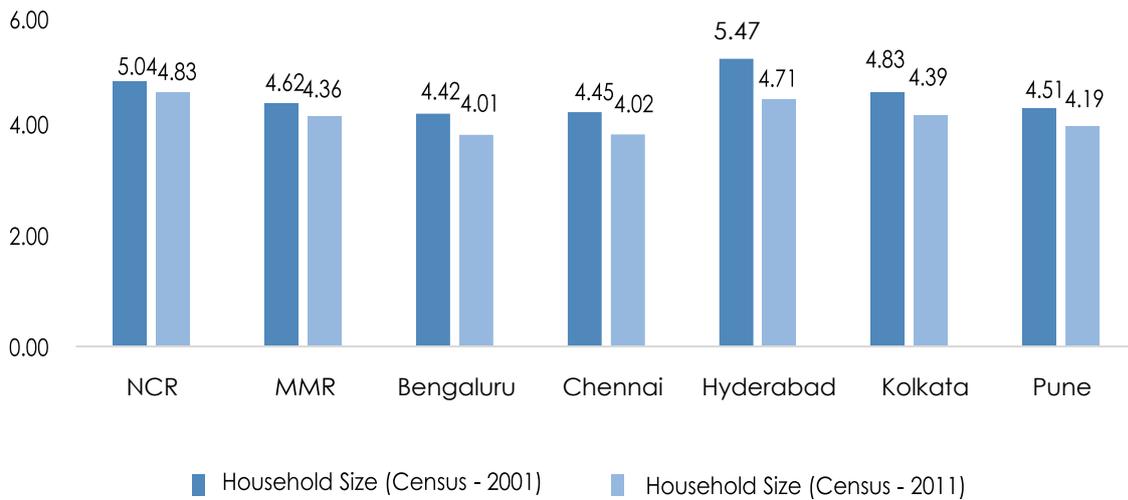


Figure 18: Average household size for select Indian cities

Source: Census 2001, 2011

Note: All the figures in the above graph are as per Calendar Year (CY)

2.2.7 Income Level of Households in India

The Per Capita Net National Income of India in 2022-23 was over INR 1,72,000. While the per capita has declined during the period of the pandemic it has continuously risen ever since. Interestingly it has nearly doubled in less than a decade despite being affected by the pandemic.

Though the income levels have grown by 16% on year, the distribution of wealth is uneven across the landscape of the country with a population of over 1.4 billion. A report titled “Survival of the Richest”

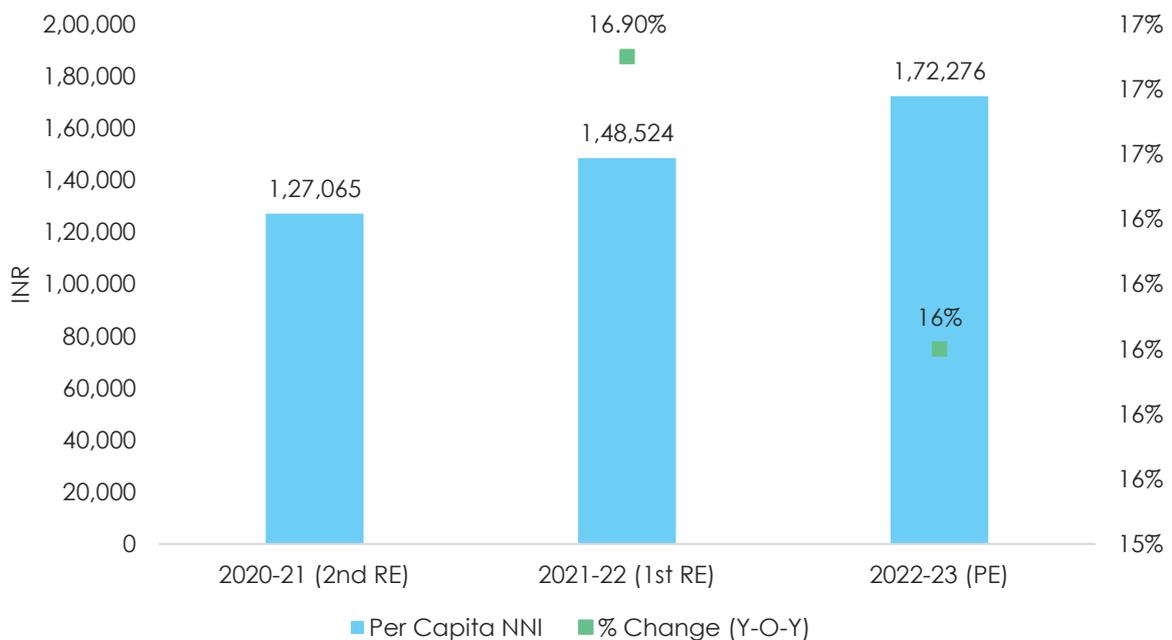


Figure 19: Per Capita Net National Income

Source: MOSPI; Compiled by ANAROCK Research

published at the World Economic Forum 2023 states that 40.5% of the total wealth of India in 2021 was concentrated in the top 1% while the bottom 50% had only 3% of the total wealth.

India continues to be a rural-agrarian economy. According to the 2011 Census, close to 70% of the country's population live in rural areas and around 54% of the population still depend on agriculture as their primary income source.

Additionally, the concerted efforts towards improving education levels in India have paved the way for a significant enhancement in employment opportunities. As the quality of education has risen, individuals are now better equipped with relevant skills, knowledge and critical thinking abilities demanded by a dynamic job market. This has not only enabled job seekers to match the evolving needs of industries but has also attracted a wider range of domestic and international companies seeking a skilled workforce. Moreover, the emphasis on education has nurtured a culture of innovation and entrepreneurship, resulting in the creation of startups and novel business ventures that contribute to economic growth and job generation. The synergy between education and employment underscores how India's commitment to education reform is driving its workforce towards greater employability, competitiveness, and prosperity on both the national and global stages.

The rising inflation has also been a cause of worry for Indian households. The CPI had risen to 6.5% in January 2023 mainly due to the global uncertainties which compelled many companies across industries and sectors to revise their costs to preserve their margins.

Being an emerging economy, the consumption basket is driven by food, transport, housing and utilities, clothing, education, and healthcare. This leaves very little for luxuries and comfort.

However, as we see a rise in urbanisation and the economy march towards the USD 5 trillion mark the consumption patterns are likely to change. We have already witnessed changes in the needs and demands for improved and additional lifestyle amenities and features in urban housing among the buyers.

2.2.8 Housing Scenario in India

The housing demand in India has always been high as homeownership is an emotional decision and this asset assures safety and financial stability along with a social standing. The rapid urbanisation the country has undergone during the past few decades has also risen the housing demand.

The housing demand has also transitioned, predominantly in the urban landscape, from investors and speculators to end users. The reforms in the last decade, such as RERA, GST, IBC, and Demonetisation have been instrumental in altering the growth course of the housing market across the country.

Post the reforms, the supply-demand trend across the major markets has altered significantly. Supply exceeding sales, which was a more pronounced phenomenon in the pre-reforms regime led to high unsold inventory. This has changed to sales leading the supply in the past few years, which indicates a healthy market condition and is mostly driven by end users.

Earlier, to contain the cost, the developers were resorting to reducing the unit sizes. The pandemic challenged this and now we see bigger and more functional homes are emerging as the need. Buyers today are more discerning and are looking for homes that come with rich and diverse amenities and features for a complete living and well-being.

These trends are not only limited to tier I or the larger metropolitan centres but have spread to tier II & III cities as well. The rising income levels and increased aspirations for comfortable living in a healthy and self-sustained environment are gradually gaining momentum.

Buyers today are also seen to be patronising environment-friendly green developments. They are no longer hesitant to pay a premium for sustainable initiatives and features that can reduce the carbon footprint and reversing the ecological damage inflicted on the environment.

The residential real estate market is also witnessing the entry of large, listed, and established corporate houses. In a post reforms regime, the housing segment is now regaining the confidence of the buyers, investors, and stakeholders. It is now more transparent and accountable than before with most of the players exhibiting strong corporate governance. The rise in the market share of the large and listed players from 17% in 2016-17 to nearly one-third currently depicts the same.

The government has also taken up initiatives through the PMAY and is committed to providing housing for all. Rapid progress has been made by the government with nearly 120 lakh houses being sanctioned and over 75 lakh houses completed. The total approval by the central government for the scheme is estimated to be INR 8.19 lakh crore.

The mass migration of labourers during the pandemic and the government's resolve to ensure a constant supply of workers at all the development sites, the Affordable Rental Housing Complexes have also been announced under the PMAY. This is aimed to provide ease of living to urban migrants, Industrial workers in the non-formal urban economy to get access to dignified affordable rental housing close to their workplace.

The smart cities mission is also a major step to provide services and improved living standards to the residents. The focus is to provide data-centric solutions to improve municipal services and related infrastructure such as the development of a multi-modal transport hub, multi-level car parking, ridesharing, and renting among others. As part of the mission, 1,104 smart mobility projects worth INR 22,785 crore have been completed so far while 526 projects are at advanced stages of development. Similarly, 984 public spaces have been developed in cities for INR 5,861 crore.

The housing sector currently is on a strong foundation and the market is being run by large and listed players who are capable of creating new benchmarks. The launch pipeline appears to be healthy and the anticipated price appreciation in the coming years will continue to motivate the developers. As the end-users are driving demand and the supply has also rationalised, the market conditions are most conducive for all stakeholders.

2.2.9 Other Policy Level Initiatives and Observations in Housing Finance Sector

Changing Affordability Index

The rising mortgage rates and appreciating prices have been driving the affordability index in recent times. Housing affordability is measured as the ratio of the home loan payment to the income of a household.

A steady rise in incomes and range-bound prices of residential assets in the past has been the reason for the best affordability in FY22. Since May 2022, the rise in repo rates from 4.4% to 6.5% in May 2023 has caused affordability to be impacted. However, affordability is still the best in two decades even after a series of interest rate hikes.

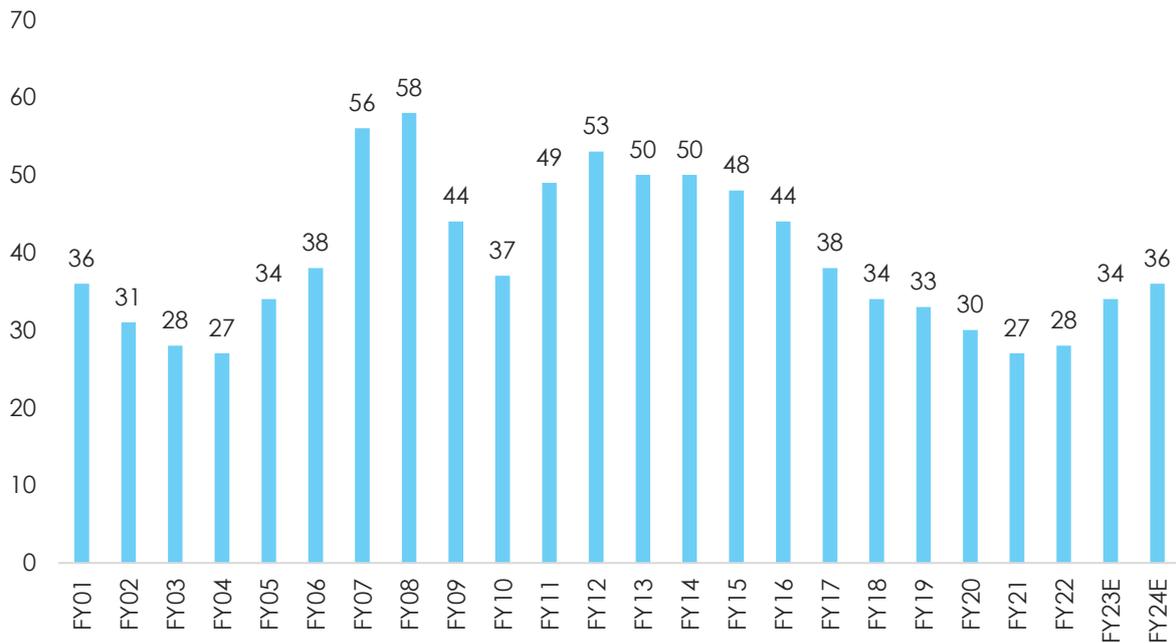


Figure 20: Affordability Index

Source: Jefferies, ANAROCK Research

Housing Finance in India



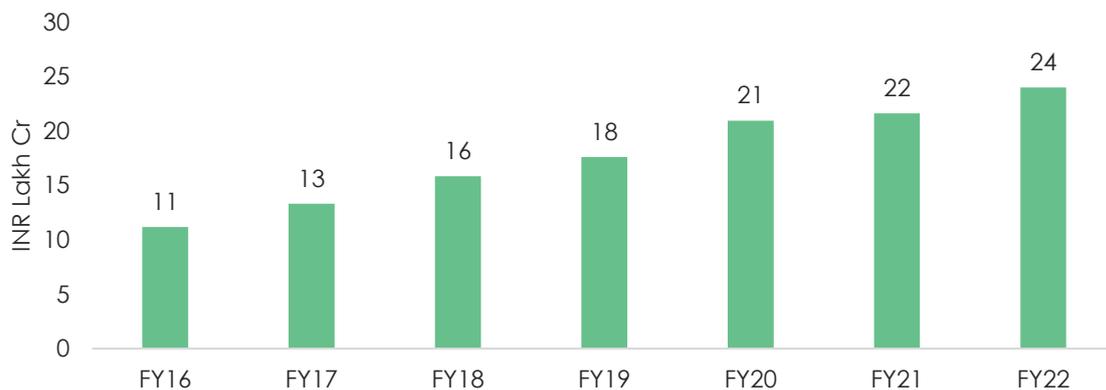
Figure 21: Housing Finance Industry

Source: AMBIT Capital; RBI, NHB; Compiled by ANAROCK Research

The mortgage industry in India is valued at INR 24 lakh c has been on a continued growth trajectory and the compounded annual growth rate in the last 15 years has been 17%.

Note: Large HFCs include HDFC and LICHF

Compared to the advanced economies, the mortgage to GDP ratio in India is reasonably low (at around 10.3%) while China is at 18%, the US at 52%, and Singapore at 45%. This offers significant upside potential in the future as the economy grows and housing demand gains momentum.



The overall housing finance sector is mainly dominated by the sub-INR 35 lakh budget segment, but it is

Figure 22: Share of Banks and Large HFCs

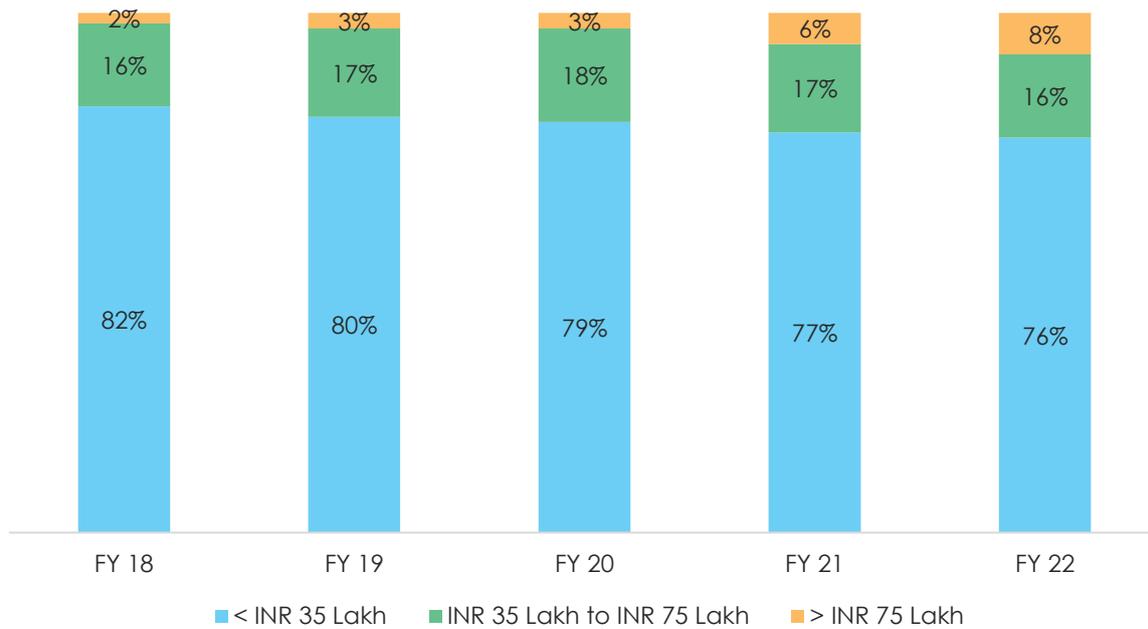
Source: AMBIT Capital; RBI, NHB; Compiled by ANAROCK Research

Note: Large HFCs include HDFC and LICHF

also losing share because of the rise in

Figure 23: Home Loan by Value

Source: Ambit Capital; CRIF; Compiled by ANAROCK Research



prices and the sizes of residential assets that are launched across tier I, II & III cities. This segment accounts for nearly 44% of the market by value and 76% of the market by volume.

As the nation progresses, aspirational demand for houses in urban and rural areas coupled with the desire for an additional residential asset will drive the housing finance industry in the future. The growth that has been recorded in the past may gain further momentum and sustain the same in the next few years. This may lead to the industry size doubling in FY25 from the base of FY19 to INR 38 lakh crore.

Other Fixed Income Products

According to consumer surveys conducted by ANAROCK from 2018 to 2022, real estate emerged as the most preferred asset class compared to other investment options. Over the period there has been a gradual rise in buyers' inclination towards choosing real estate as an investment avenue.

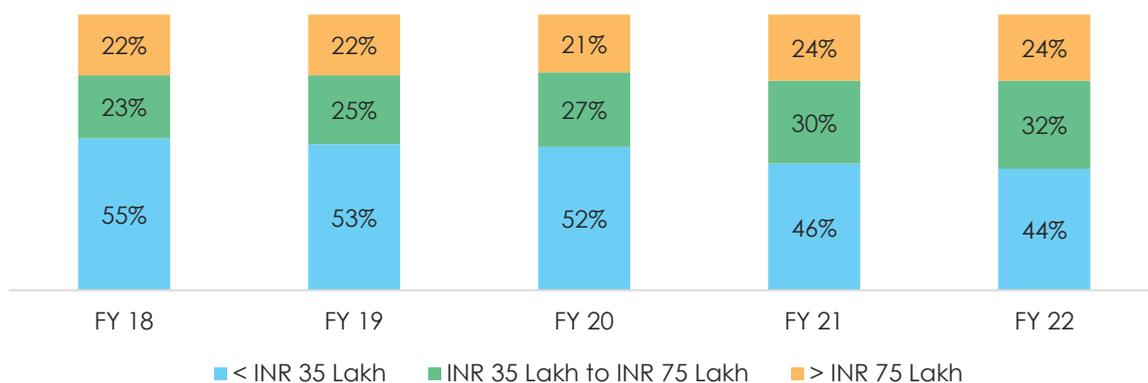


Figure 24: Home Loan by Volume

Source: Ambit Capital; CRIF; Compiled by ANAROCK Research

The surveys indicate a significant growth in the preference for real estate as an asset class for investment, increasing from 53% in 2018 to 61% in 2022. Additionally, due to the impact of rising interest rates, Fixed Deposits have also experienced an upswing in preference over the past couple of years, climbing from 2% in the second half of 2021 to 8% in the second half of 2022.

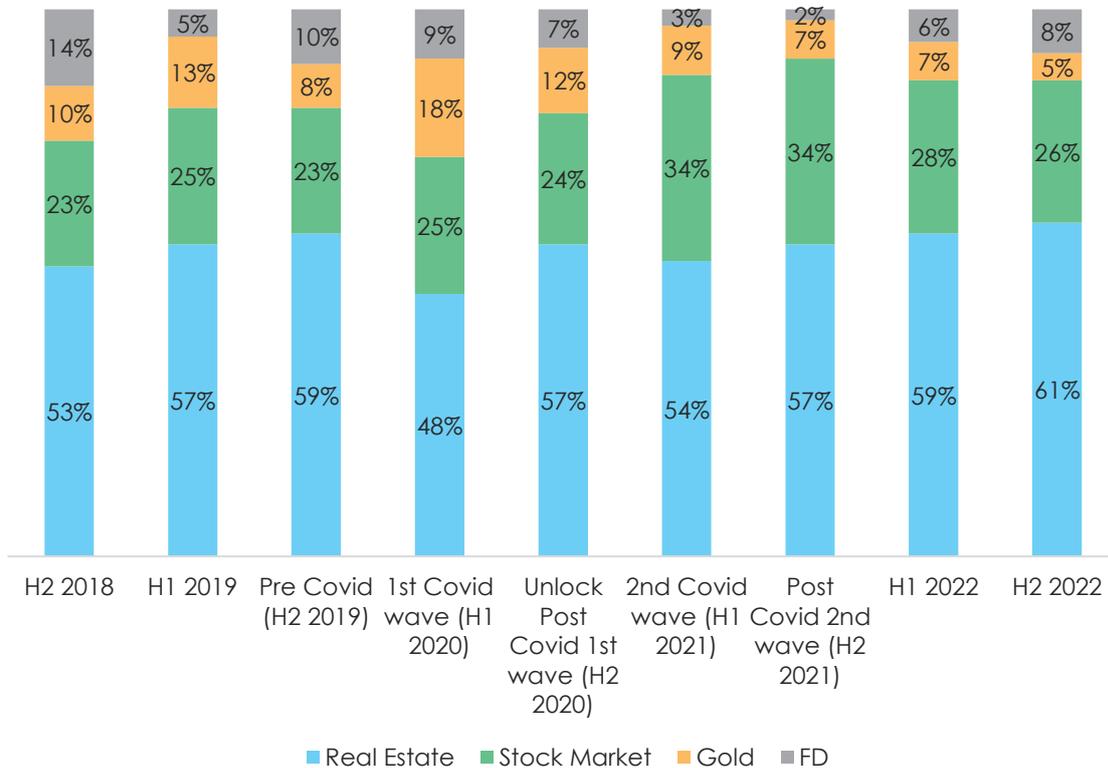


Figure 25: Preference of Asset classes

Source: Anarock Consumer Sentiment Survey from 2018 to 2022

Note: All the figures in the above graph are as per Calendar Year (CY)

Repo Rate Movement

To enhance liquidity in the market, the Reserve Bank of India (RBI) implemented a series of measures, including a reduction of 115 basis points in the repo rate between February 2020 and December 2021. This was primarily to infuse liquidity into the system during the pandemic so that consumption could remain afloat. This reduction led to a decrease in home loan interest rates. Additionally, the combination of rising household income and stable ticket prices has contributed to an improvement in the affordability of residential units.

However, as the threat of the pandemic receded, the central bank revised the repo rates upwards and cause it to rise by 150 basis points in regular intervals from May 2022 to February 2023. Despite the rise in rates leading to the firming up of the home loan rates, the demand for housing had remained buoyant.

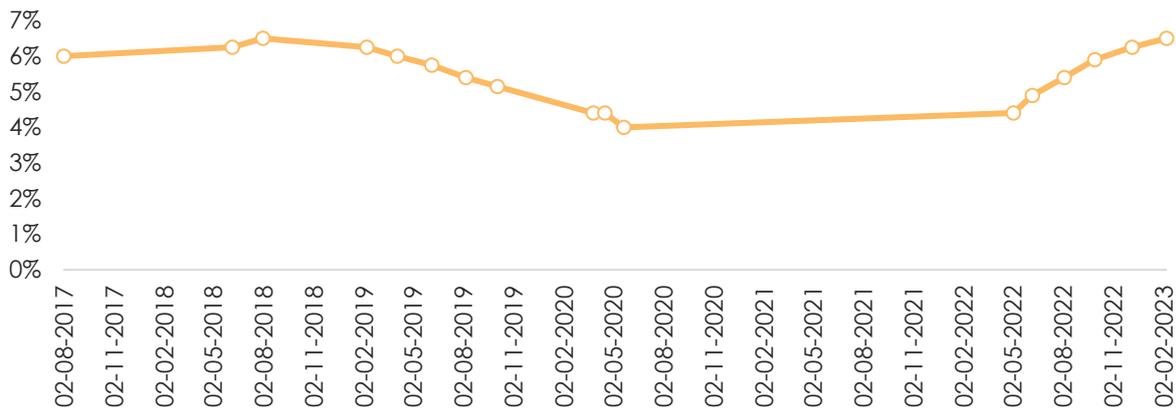


Figure 26: Repo Rate Movement

Source: RBI

2.2.10 Impact of Covid-19 on Housing and Workplace Demand

Signs of revival in the backdrop of Economic Recovery and Demand

Like various other sectors, the real estate industry experienced signs of recovery in the fourth quarter of 2020 across key asset classes such as residential properties, warehousing facilities, and office spaces. The residential segment swiftly gained momentum in the last two quarters of 2020, primarily due to the increasing desire for homeownership, which was amplified by the impacts of the COVID-19 pandemic. This surge in demand was bolstered by attractive discounts and offers, low-interest rates on home loans, and temporary reductions in stamp duty in states like Maharashtra. With increasing sales, developers added new projects, leading to a 2% year-on-year increase in supply during Q4 2020 compared to the same period in 2019. Additionally, when compared to 2020, the new supply in the top seven cities of India has risen by 84% in 2021 and nearly tripled in 2022, indicating a significant overall recovery in the Indian residential real estate market.

Demand Re-Configuration

Regarding office spaces, it was expected that social distancing and hygiene regulations would lead to an increase in per capita office allocations, even though a portion of employees will continue to work from home. Over the past decade, the average allocation of office space per person has decreased from 100-125 square feet to 75-100 square feet as of January 2020.

Furthermore, there was a growing demand for township projects in the residential sector. The COVID-19 pandemic has emphasized the importance of larger and better homes for many families. As remote work has become the new norm for certain sectors, homebuyers were seeking spacious and adaptable homes within self-sufficient environments, offered at affordable prices. These homes were particularly sought after in the peripheral areas of tier-I cities and well-developed locations in tier-II cities.

Preference towards large, branded players with a proven track record

The preferences of buyers have undergone a significant shift due to the COVID-19 pandemic, with a greater emphasis on risk-free investments. Developers who demonstrate the capability to complete projects as per the schedule and with minimal execution risk are now preferred, even if their properties are relatively higher priced. This change in buyer behaviour, coupled with the liquidity challenges faced by smaller developers, is likely to drive further consolidation within the real estate sector. In the coming years, financially robust and well-organized players are expected to dominate the market, securing most of the market share.

Housing Demand Impact

In addition to the long-term structural drivers, the demand for housing is poised at a crucial turning point that may lead to sustained growth in both volume and pricing in the near to medium term. This can be attributed to the following factors:

- **Changing Requirements:** The enforced lockdowns and the ongoing trend of remote work and online schooling have shifted sentiment towards homes that can accommodate functional and flexible spaces for work and study.
- **Increased Affordability:** Over the years, the ratio of home loan payments to income has been decreasing, making housing more affordable for potential buyers.
- **Lower Home Loan Rates:** The reduction in home loan interest rates had further enhanced the purchasing capacity of prospective homeowners. The momentum is seen to be continuing even after the rising of the interest rates.
- **Rental Yield vs Home Loan Rates:** As the gap between rental yields and home loan rates narrows, there is a growing preference for purchasing a home rather than renting, as it becomes a more financially viable option.
- **Limited Safe Savings Avenues:** With significantly reduced rates on fixed deposits and other safe savings options, the attractiveness of real estate as an investment asset class has increased.

Collectively, these factors contribute to the potential for sustained growth in housing demand and pricing in the near to medium term.

Office Real Estate Market Impact

In the early stages of the COVID-19 pandemic (specifically, April and May 2020), occupiers across various sectors were adjusting to the work-from-home culture. However, from July to August 2020, certain financial institutions and manufacturing occupiers began reevaluating the concept of working from the office to enhance employee productivity. While working from home has its advantages, such as saving travel time, occupiers have also encountered drawbacks like connectivity issues. As a result, ANAROCK predicts that the coexistence of work-from-home and work-from-office arrangements is likely to be the future trend.

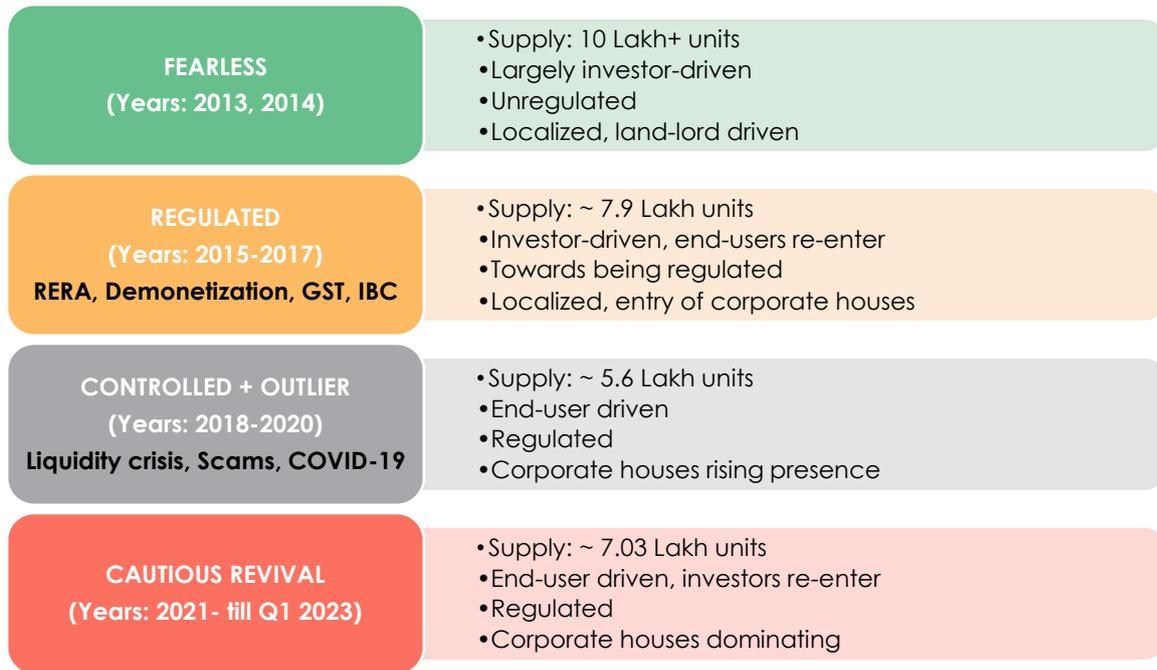
- Grade-A developers have observed consistent rent recovery rates from the third quarter of 2020 until the first half of the fiscal year 2023. Despite the work-from-home culture leading to a consolidation in office space demand, the COVID-19 pandemic has also generated a need for larger office spaces per employee.
- To adhere to stringent health and safety regulations, commercial buildings are anticipated to undergo a transition towards incorporating more technology-enabled features. This shift aims to address potential safety and security concerns in the future. Grade-A developers, with their resources and capabilities, are better positioned to meet these stringent health and safety guidelines.
- Office occupiers in the MMR have been exploring setting up offices in proximity to the residential hotspots. The occupiers are benefitting on three fronts:
 - i. Rents in the suburban micro-markets are low as compared to central and secondary business districts.
 - ii. Large developers have quality developments with modern amenities.
 - iii. Employees can increase productivity by saving travel time.

3. OVERVIEW OF INDIAN RESIDENTIAL MARKET

3.1 Indian Residential Real Estate Demand-Supply Dynamics – CY 2017 to 2023 (Till Q1)

The Indian real estate sector faced challenges of adapting to various reforms and changes brought about by demonetization, RERA, GST & IBC. These measures initially posed difficulties for the sector in aligning with the new regulations. However, they ultimately proved beneficial by strengthening the industry and promoting transparency, accountability, and financial discipline over the past few years. The structural changes introduced by RERA and GST played a crucial role in enhancing the maturity and credibility of the sector, and gaining trust of various stakeholders. Despite the hurdles, the real estate sector had been on a growth trajectory, showing promising signs of emerging stronger than before. Unfortunately, the COVID-19 pandemic disrupted this growth momentum, stalling progress temporarily. Nevertheless, the sector demonstrated resilience and managed to rebound in 2022 and the top cities it surpassed the previous peak levels seen in 2014. This bounce back indicates the industry's ability to recover and adapt, showcasing its potential for future growth and stability.

The following illustration showcases the transformation journey of Indian Residential Real Estate over the past decade:



The number of new launches has witnessed a remarkable surge over the past few years, despite facing various headwinds, reflecting a robust growth in the industry. In 2020, due to COVID-19 pandemic, only 127,959 new units were added across the top seven cities of India. However, in 2021, the new launches increased by an impressive 185% to reach 236,693 units. This surge brought the number of launches in line with the records of 2019, indicating a recovery and an upward trajectory for the sector. The positive trend continued into 2022 as well, with a substantial improvement as the total number of new launches reached an impressive 358,000 units and witnessed record-breaking housing sales of approximately 3,64,000 units. These statistics depict a thriving market characterized by a significant increase in new launches, showcasing the sector vitality and potential for future growth.

Below is the graph showcasing the Pan India (top-seven cities) supply-absorption trends (in units) from 2017 to 2023 (till Q1).

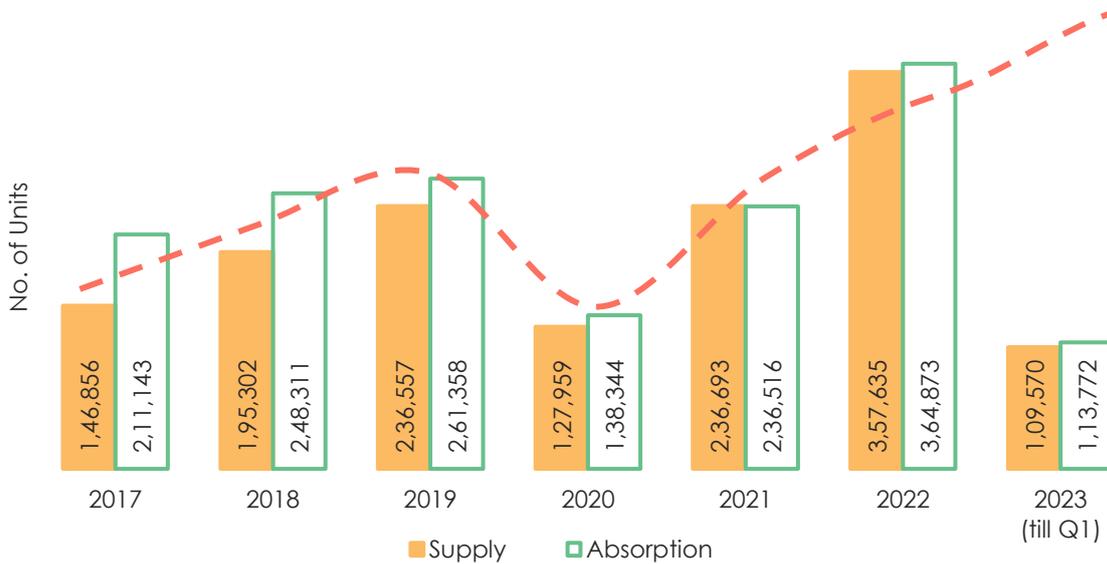


Figure 27: Pan India supply-absorption trends (in units) from 2017 to 2023 (till Q1)

Source: ANAROCK Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

Pan India – Unsold Inventory Trends – 2017 to 2023 (till Q1)

By the end of Q1 2023, the unsold inventory at the Pan India level stood at approximately 6.26 lakh units, reflecting a 14% decrease compared to the unsold inventory as of 2017.

Below is the graph showcasing the Pan India unsold inventory trends (in units) from 2017 to 2023 (till Q1).

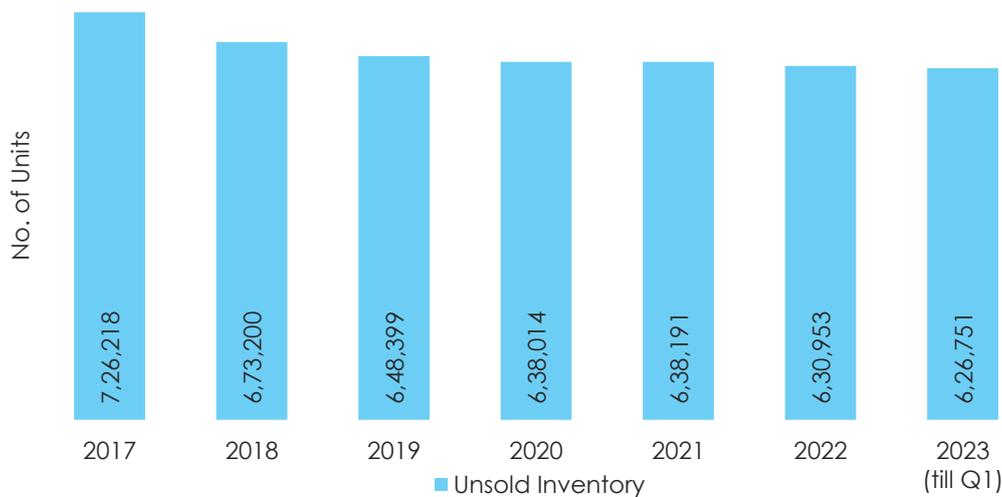


Figure 28: the Pan India unsold inventory trends (in units) from 2017 to 2023 (till Q1)

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

Note: Unsold inventory is the net unsold inventory and does not include stalled projects. Units absorbed includes primary transactions only i.e., excluding resale transactions.

3.2 Top Seven Cities – Supply, Absorption and Unsold Inventory Trends – 2017 to 2023 (Till Q1)

Top 7 Cities – Supply Trends – 2017 to 2023 (till Q1)

Between 2017 and Q1 2023, MMR has contributed the highest share in new residential supply compared to the remaining top 6 cities, with a range between 24% and 37%. The average residential supply during this period in MMR is 31%.

Below is the graph showcasing the year-on-year supply share (in units) of top 7 Indian cities from 2017 to 2023 (till Q1).

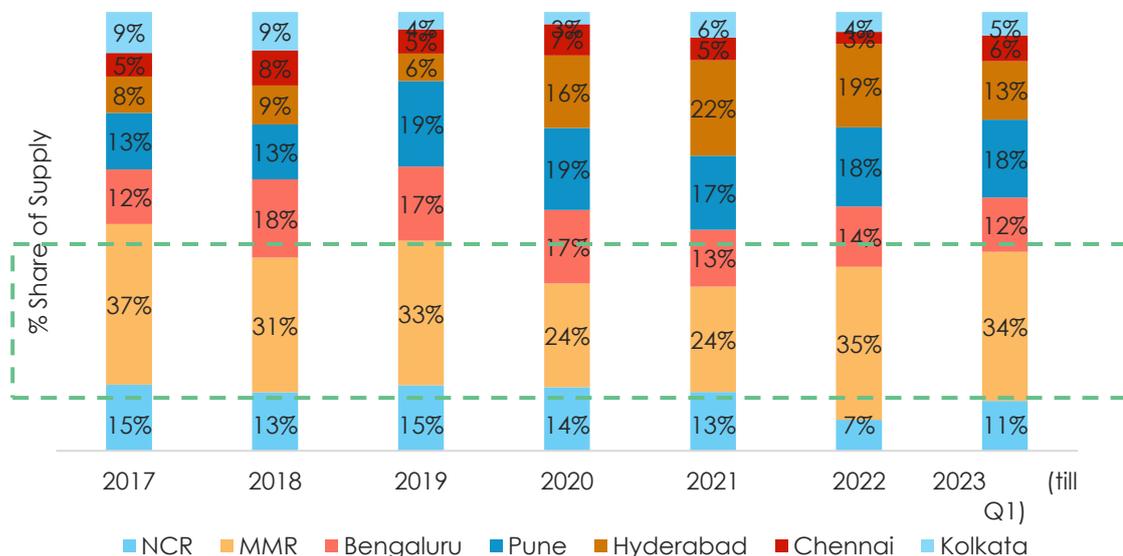


Figure 29: Year-on-Year supply trends (in units) of top 7 Indian cities from 2017 to 2023 (till Q1)

Source: ANAROCK Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

Top 7 Cities – Absorption Trends – 2017 to 2023 (till Q1)

During the period from 2017 to Q1 2023, MMR achieved the highest annual sales share of residential units across the top seven cities of India, ranging from 27% to 32%. On average, the sales in MMR accounted for 30% of the total residential unit absorption during this time frame.

Below is the graph showcasing the year-on-year absorption trends (in units) of top 7 Indian cities from 2017 to 2023 (till Q1).

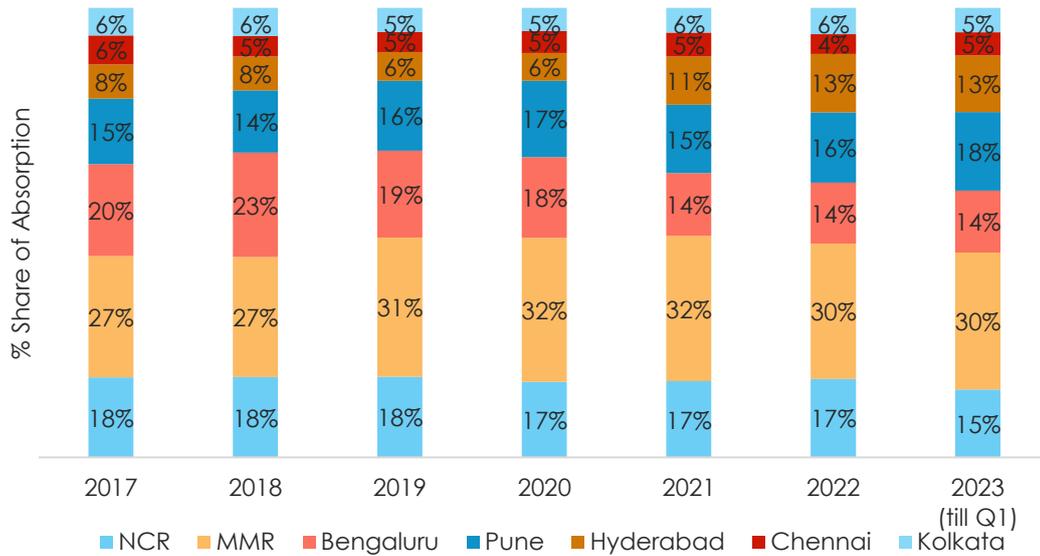


Figure 30: Year-on-Year Absorption trends (in units) of top 7 Indian cities from 2017 to 2023 (till Q1)

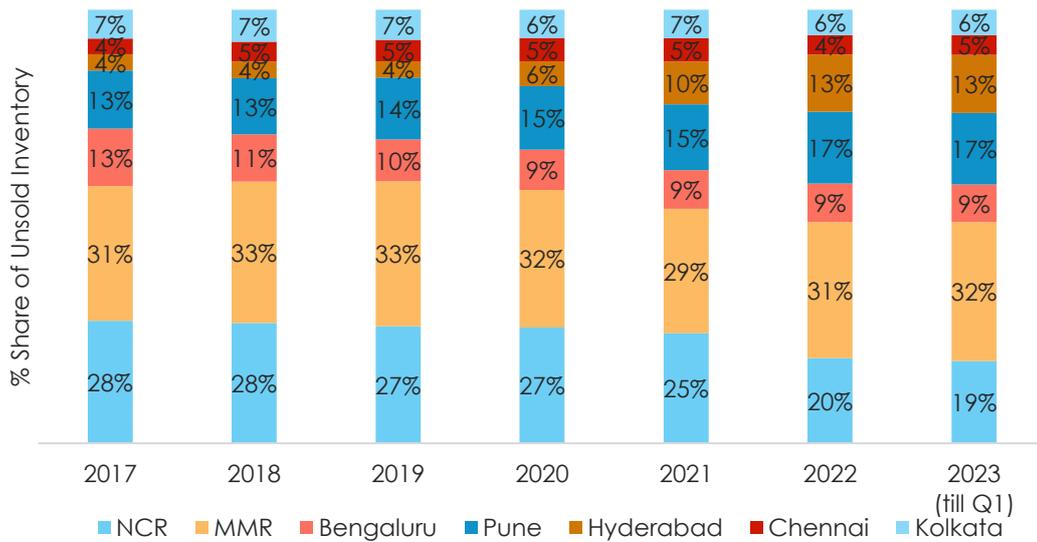
Source: ANAROCK Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

Top 7 Cities – Unsold Inventory Trends – 2017 to 2023 (till Q1)

As of Q1 2023, MMR accounts for 32% of the unsold inventory among the top 7 cities in India. Over the period since 2017, MMR has experienced an 11% reduction in the unsold residential units.

Below is the graph showcasing the year-on-year unsold inventory trends (in units) of top 7 Indian cities from 2017 to 2023 (till Q1).



Source: ANAROCK Research

Figure 31: Year-on-Year Unsold Inventory trends (in units) of top 7 Indian cities from 2017 to 2023 (till Q1)

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

3.3 Capital Pricing Trends in Top Seven Cities – 2017 to 2023 (Till Q1)

From 2017 until the first quarter of 2023, the capital values of the top seven cities in India have experienced varying levels of appreciation, ranging from 9% to 21%. Among these cities, the residential market in MMR stands out as the most expensive, with a capital value of INR 12,200/Sqft as of Q1 2023.

Below is the graph showcasing capital value movement (in units) of top 7 Indian cities from 2017 to 2023 (till Q1).

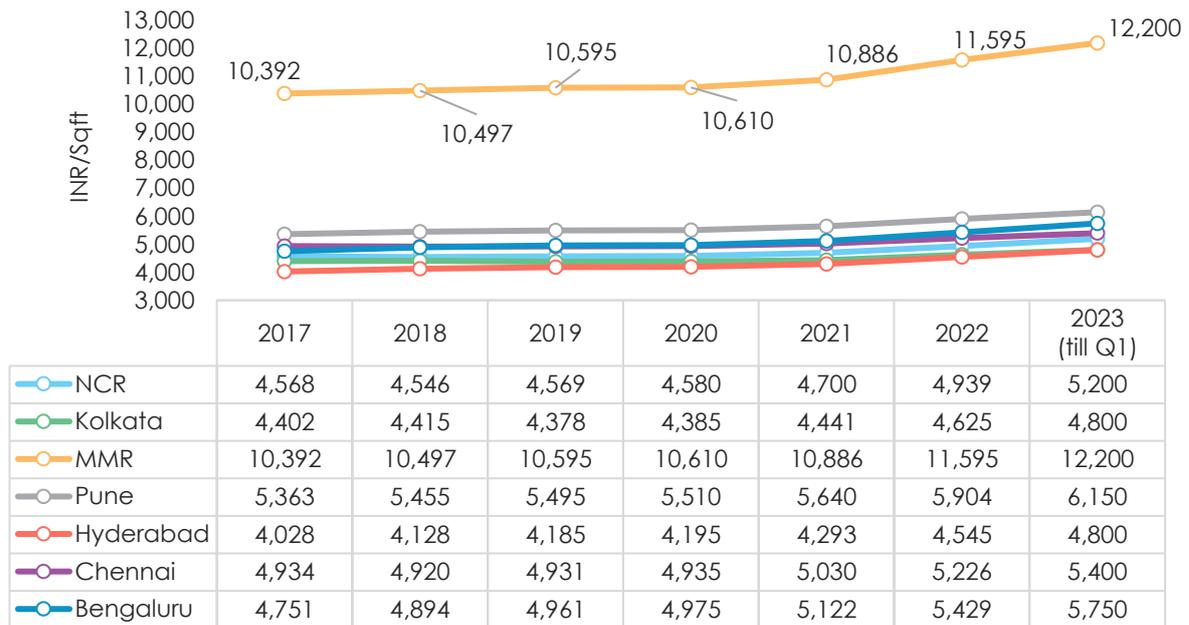


Figure 32: Capital value movement (in units) of top 7 Indian cities from 2017 to 2023 (till Q1)

Source: ANAROCK Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

Note: The above-mentioned values are with respect to Basic Selling Price (BSP) on Built-Up Area (BUA).

3.4 Key Reforms in the Indian Real Estate Sector

In order to address the challenges confronted by residential real estate and improve transparency in the sector, the government introduced a slew of measures at regular intervals. Following some of the key measures/policy interventions done in the last few years, transparency and regulation in the sector has improved considerably. Some of the key measures undertaken are outlined below:

Real Estate (Regulation and Development) Act, 2016

Real Estate Regulation and Development Act came into effect from May 2016. The Act was aimed to usher transparency, financial discipline, and accountability in the real estate sector. This was done to increase the confidence level of the buyers and prevent the developers from willful misuse of funds that lead to a delay in project execution. The reform came with key tenets that struck a chord with buyers as well as other stakeholders of the real estate sector. Some of the key features of the act are as follows:

- Project to be registered only after receiving all clearances
- Projects with sizes less than 500 square meters and below 8 units are exempted from RERA
- Developers can advertise a project only post RERA registration
- An escrow account for a project to avoid diversion of funds: The act stipulates “70% of the amount realized for the real estate project from the allottees, from time to time, shall be deposited into an

escrow account and will be maintained in a scheduled bank to cover the cost of construction and the land cost and shall be used only for that purpose

- Timeline to be provided for project completion
- Consent of 2/3rd of the allottees to modify the layout

GST Implementation

Goods & Services Tax is one of the biggest tax reforms of India that came into force from 1st July 2017 to remove multiple taxations and transform India into one nation, one market and one tax principle. In the real estate sector, ready-to-move-in properties and land are exempt from GST. Initially, for ongoing projects, GST charged at the rate of 8% for affordable housing (under 60 sq m in non-metropolitan cities/towns and 30 sq m in metropolitan cities) and 12% for projects other than affordable with the provision to receive Input-Tax Credit (ITC).

Post the announcement on 1st April 2019, the GST rates on under-construction properties are lowered

As per the new rates, under-construction properties attract 5% GST without a provision to receive an ITC. Homebuyers of affordable housing (Under construction properties priced up to INR 45 Lakhs qualified as affordable housing projects for the purpose of GST relief both in metro as well as non-metro cities), are levied with only 1% GST without an ITC benefit.

Alternatively, for ongoing projects, where construction and actual booking both have started before 1st April 2019 and which have not been completed by 31st March 2019, GST may be charged at the old rates with the provision to receive ITC. Cost of ownership came down due to recent reduction in GST rates which is likely to boost the absorption in the affordable segment.

Benami Transactions (Prohibition) Amended Act 2016

The objective of the Benami Transactions (Prohibition) Amended Act 2016 (“**Benami Act**”) was to curb the use of unaccounted cash transactions associated with properties and bring transparency in the real estate sector. While the Benami Act is still in nascent stage of implementation to estimate the impact on the overall real estate sector, it is likely to improve transparency and increase institutional investments in future.

Demonetization

The Government of India banned all INR 500 and INR 1,000 currency notes in November 2016, to curb black money and check the circulation of fake currency. In the long term, this reform along with RERA has helped in organizing the real estate sector to a certain extent, resulting in more institutional inflows in the sector.

Consolidation of Developers

The Indian real estate sector has consolidated in the past few years. With the implementation of RERA, the financially weak developers were not able to adhere to compliance norms and were, therefore, either going out of business or consolidating with larger players.

The following graph sets forth percentage decline in the number of developers in select Indian cities between 2012 and 2019:

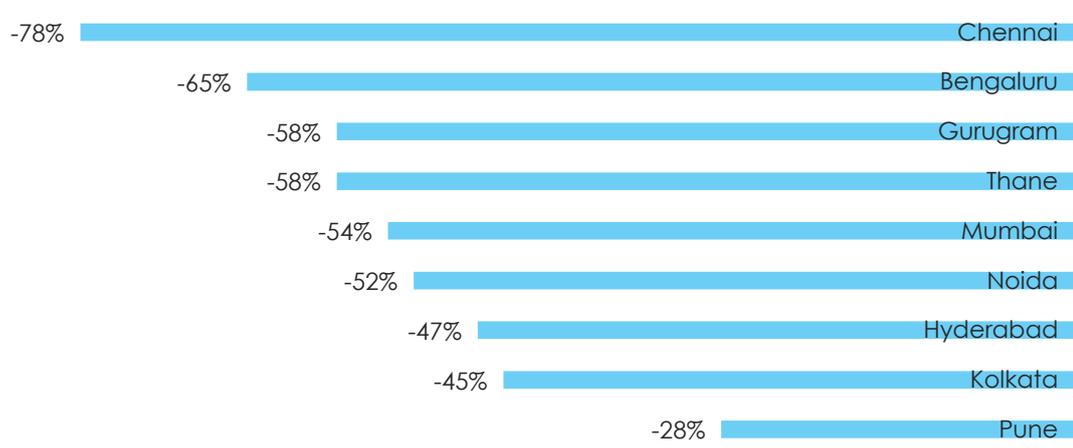


Figure 33: Percentage decline in the number of developers in select Indian cities between 2012 and 2019

Source: ANAROCK Research

According to Anarock, the consolidation of developers is likely to continue post the COVID-19 pandemic, with many weak players ceasing to exist as the country emerges from this pandemic.

Post structural changes, consolidation is on the rise and the share of organized and branded players is rising.

The graph below shows the sales share analysis of various types of developers from FY'17 to 9MFY'23. Listed (in NSE/BSE) and leading unlisted developers are showing an increase from 17% in FY'17 to 29% in FY'20. However, in FY'21, owing to the effect of pandemic, resultant financial turmoil faced by the real estate players and slowdown of construction activities, customers shifted their buying preference towards listed and leading unlisted developers. This resulted in a significant increase in sales share of these developers to 35% in FY'21. FY'22 has witnessed improvement in this situation with availability of finance to Tier 2 / non-branded developers as well which further improved the customer sentiments towards these developers. Hence, sales share of the

Tier 2 / non-branded developers improved marginally therefore bringing back the share of listed and leading unlisted developers to the levels of 9M FY'23, i.e., 33%.

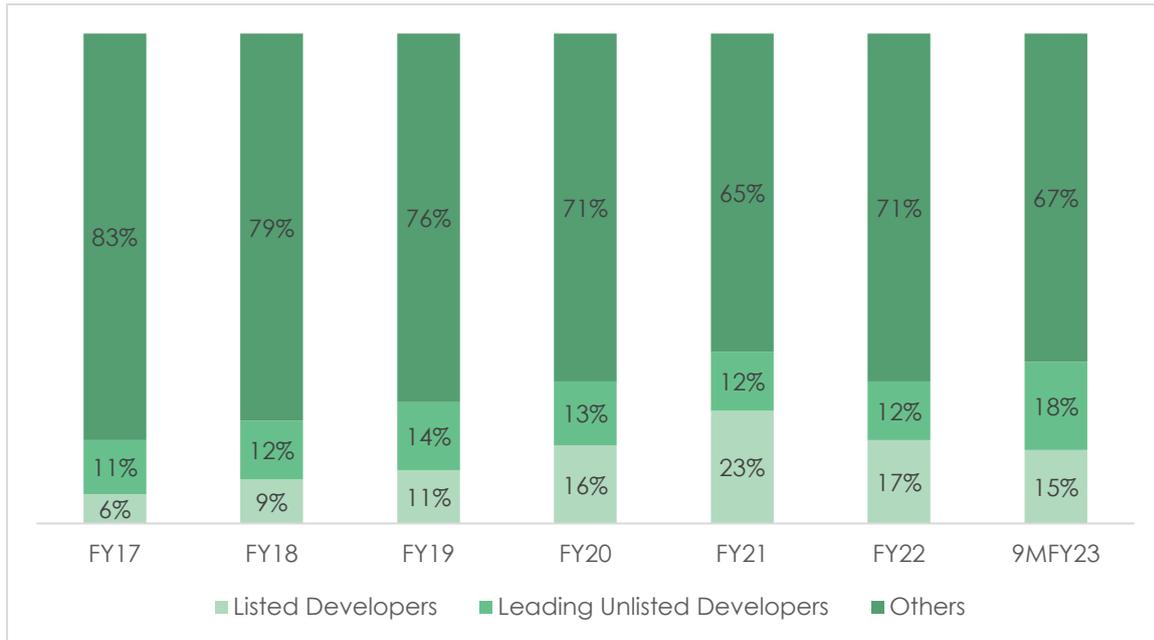


Figure 34: Sales Share Analysis

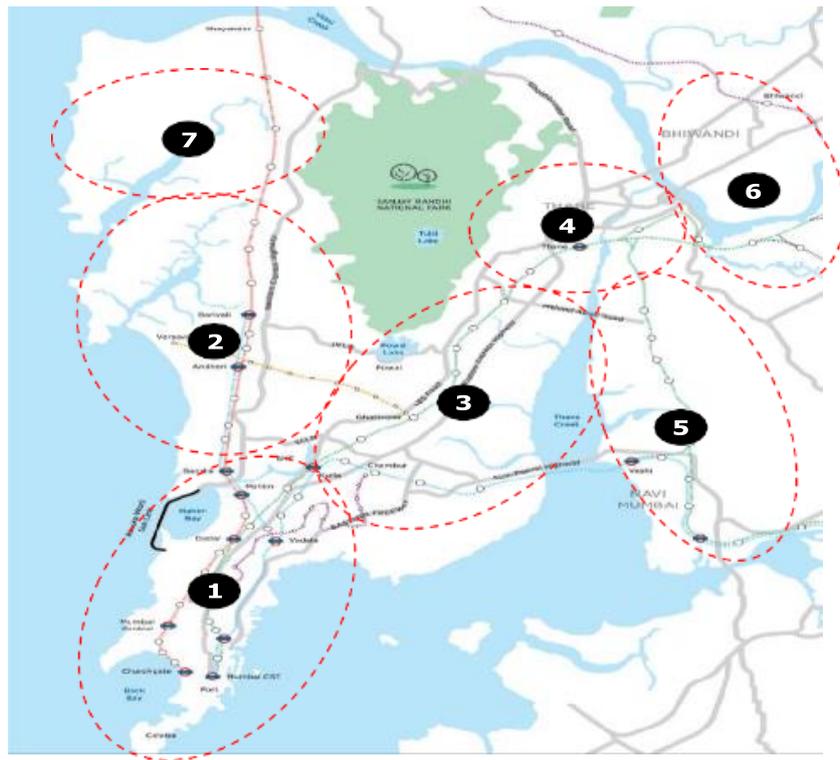
Source: Companies, ANAROCK Research

Note: Sales share based on overall area sold

Branded tier-1 developers are witnessing strong double-digit growth. It is likely that in the near to medium term consolidation will further accelerate and listed players will see disproportionate growth compared to the industry.

4. TRENDS IN MUMBAI RESIDENTIAL REAL ESTATE (MMR LEVEL)

From a residential real estate perspective, MMR can be broadly divided into seven different zones based on geography, and type of real estate development, as illustrated in the map below:



S.No.	Residential Zones in MMR	Key Locations
1.	South Central Mumbai	Cuffe Parade, Colaba, Lower Parel, Prabhadevi, Dadar, Worli, Parel, Mahim, Matunga, Mahalaxmi and Byculla
2.	Western Suburbs	Bandra, Khar, Andheri, Jogeshwari, Vile Parle, Goregaon, Malad, Kandivali and Borivali
3.	Eastern Suburbs	Kurla, Powai, LBS Marg, Ghatkopar, Vikhroli, Mulund, Sion and Bhandup
4.	Thane	Thane, Ghodbunder Road and Wagle Estate
5.	Navi Mumbai	Vashi, Airoli, Panvel, Belapur, Rabale, Mahape, Turbhe, Ghansoli, Sanpada and Kharghar
6.	Extended Eastern Suburbs	Shil Phata, Palava City, Dombivali, Kalyan, Asangaon, Badlapur, Titwala and Karjat
7.	Extended Western Suburbs	Vasai, Virar, Mira Road, Bhayander and Naigaon

4.1 Overview of MMR

Mumbai is the commercial and financial capital of India and houses the two stock exchanges which account for most of the securities traded in the country. With the busiest single-runway airport in India and two large seaports, Mumbai accounts for over half of India's foreign trade, generates 6% of India's GDP and one-third of the country's tax revenues. Home to a flourishing media and film industry, the city also serves as the entertainment capital of the country. Its economic base is well diversified with a large presence of Banking and Financial Services Industry (BFSI), engineering, services, and IT/ITeS sectors, and logistic companies.

Mumbai is one of the biggest and most expensive real estate markets in India. It has various micro-markets along with Mumbai City, suburbs, extended suburbs and neighbouring areas such as Thane and Navi Mumbai. With the recent infrastructure projects completing such as Monorail and Metro (Line 1), Mumbai witnessed significant physical infrastructure improvements. Upcoming infrastructure projects (coastal roads, metros, etc.) in the medium term will improve connectivity further.

4.2 Key Growth Drivers for Mumbai Metropolitan Region (MMR)

Mumbai boasts a wide range of industries and small to medium businesses, resulting in a diverse economic landscape. This vibrant city generates employment opportunities throughout the entire value chain, encompassing both front and back-office operations. It's worth noting that the introduction of additional office spaces in Mumbai's central and suburban areas has a consequential impact on specific residential pockets within the suburban regions, such as Ghodbunder Road, albeit with a delay of approximately 2-3 years.

Furthermore, the peripheral regions of Mumbai, including Panvel, Bhiwandi, and Kalyan, have witnessed notable growth in logistics, e-commerce, and warehousing activities. The workforce employed in these areas has significantly contributed to the demand for mid-end and affordable housing options in Extended Eastern Suburbs, Thane, and Navi Mumbai.

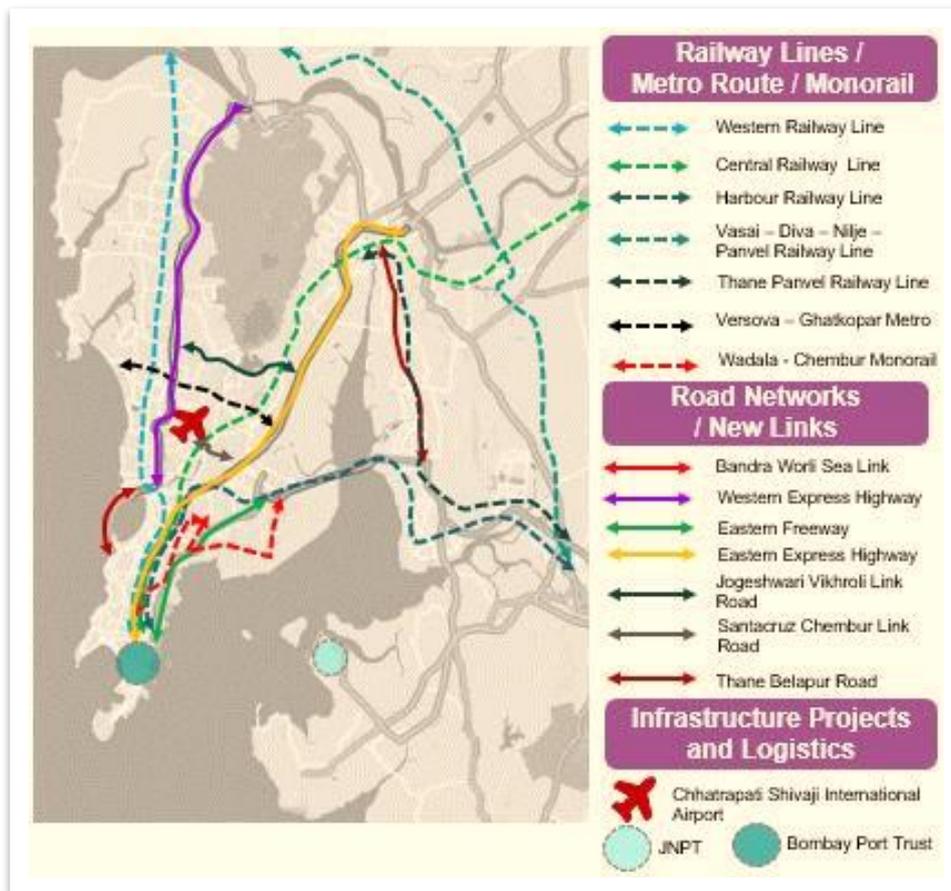
4.2.1 Employment Generation

MMR serves as a significant employment hub for both organized and unorganized industries in the country. The presence of grade-A office spaces in Mumbai directly influences the demand for housing in MMR, particularly in the organized sector. The employment opportunities generated by these organized industries significantly contribute to the housing demand in the region. Additionally, the employment generated from the unorganized sectors also impacts the housing demand, particularly in the suburban areas of MMR.

4.2.2 Existing, Proposed & Upcoming Key Infrastructure Projects in MMR

Mumbai being the financial hub of India is well connected with all the tier II & III cities in the country by air, road, and rail networks. Road communications with hinterlands comprise of four National Highways converging at Mumbai. These provide access to Pune (NH4), Goa (NH17), Gujarat (NH8), Nashik, Indore and Delhi (NH48).

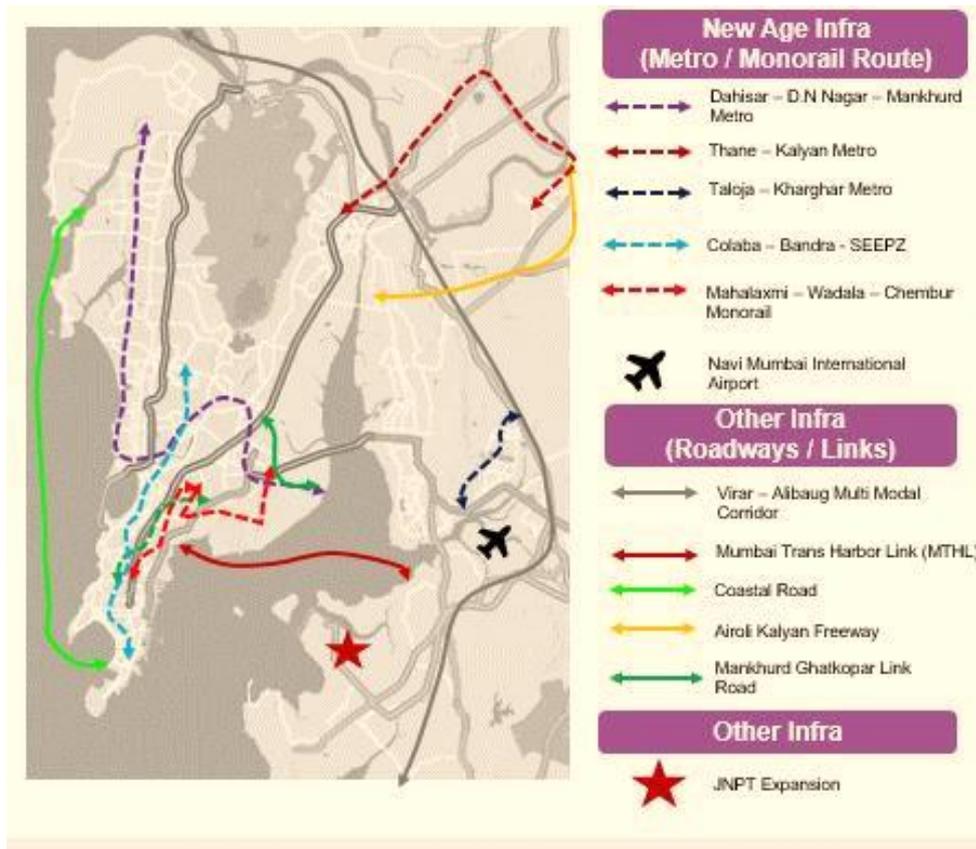
Existing Infrastructure



Base Map: Google Maps

Several infrastructure projects are underway in Greater Mumbai and MMR so as to achieve long-term sustainability and increase the carrying capacity of the city's transportation networks and thus improve traffic and transportation capacity in Mumbai Metropolitan Region both capacity wise and quality wise. Some of the major projects are listed below.

Proposed, Upcoming & Completed Key Infrastructure Projects in Mumbai



Base Map: Google Maps

Mumbai Metro Network (Underground + Elevated)

Mumbai is popular for its traffic snarls. To decongest Mumbai's roads, the Mumbai Metro Railway Corporation Limited (MMRCL) has already started the construction of Colaba-Bandra-SEEPZ corridor of Metro-3 project. This underground metro will prove to be a comfortable mode of transport. It will also lessen the crowd on the roads as well as in the local trains of Mumbai. This system of the metro will connect the major financial hubs in Mumbai such as Nariman Point, Fort, Worli, Lower Parel, BKC, Goregaon, etc. and also provide connectivity to the CSIA, SEEPZ, and MIDC. Many new real estate projects in Mumbai are now coming up in the vicinity of these localities where the metro line will provide connectivity. The underground metro will reduce travel time considerably and also provide comfort and security while traveling. Upon completion of all metro lines, the core system will comprise 13 high-capacity metro railway lines stated below.

Details of Mumbai Metro Network

Metro Line	Name of Corridor	Length (km)	Stations	Status
1	Versova–Andheri–Ghatkopar	11.4	12	Opened
2	Dahisar–Mankhurd	42.1	39	Under Construction

2A	Dahisar-DN Nagar	18.5	7	Phase 1 operational from 02.04.2022 from Dahisar to Dahanukarwadi. Phase 2 operational too since 20.01.2023 from Dahanukarwadi to D N Nagar as a result of which entire line has become operational.
2B	DN Nagar-Mankhurd	23.6	2	Under Construction
3	Colaba - Bandra – SEEPZ	33.5	27	Under Construction
4	Wadala–Ghatkopar-Mulund–Teen Hath Naka–Kasarwadavali	32.32	32	Under Construction
4A	Kasarwadavali-Gaimukh	2.7	2	Approved
5	Thane-Bhiwandi-Kalyan	24	17	Planned
6	Lokhandwala-Jogeshwari-Kanjurmarg	14.5	13	Under Construction
7	Dahisar (East)-Andheri (East)	16.5	13	Phase 1 operational from 02.04.2022 from Dahisar to Aarey. Phase 2 operational too since 20.01.2023 from Aarey to Andheri East as a result of which entire line has become operational.
7A	Andheri-CSIA	3.17	2	Tendering
8	CSIA T2-NMIA	35	TBA	Approved
9	Dahisar (East)-Mira-Bhayander	10.41	11	Tendering
10	Gaimukh-Shivaji Chowk (Mira Road)	9	9	Approved
11	Wadala-CSMT	11.4	10	Approved
12	Kalyan-Dombivali-Taloja	25	17	Approved
13	Mira Bhayander-Virar	TBA	TBA	Planned

 Source: www.mmrcl.com.

As of December 2022, Mumbai metro consisted of 1 operational line (Line 1) , 2 partial operational lines (Line 2A and 7) and 4 lines under various stages of construction. The entire stretch of Metrol Line 2A and 7 have become operational from 20.01.2023.

Mumbai Monorail Project

Mumbai Monorail is a monorail system built as part of a major expansion of public transport in the city. The first phase of Line 1 that connects Chembur to Wadala Depot is already operational since February 2014 and consists of 7 stations in the neighborhood of the Harbour railway line locations. The second phase of Line 1 consists of 11 stations from Wadala Depot to Jacob Circle and the work for this phase was completed in February 2019 end.

Mumbai Trans Harbour Link

The project consists of the construction of an 8-lane bridge across the deep sea through the Mumbai Harbour and connects to local road networks through approaches/interchanges at both ends, i.e. at the Sewri end and the Nhava end. Mumbai Trans Harbour link, also called as the Sewri Nava-Sheva Trans Harbour Link is a 21.8 km freeway bridge which will connect Mumbai will Navi Mumbai. The eastern suburbs of Mumbai will connect with the mainland Mumbai through a 16.5 km sea bridge. The freeway will also be connected to the Mumbai Pune Expressway and Western Freeway. This has had a positive boost to the real estate in Mumbai. This trans Harbour Link will reduce the commuting time from Churchgate to Navi Mumbai from 40 minutes to 20 minutes. This also means that there will be super-fast connectivity to Navi Mumbai and Konkan region. With so many upcoming projects in Navi Mumbai, the demand for real estate in pockets like Panvel has seen a huge rise. The project construction started in April 2018 and estimated to be completed by November 2023.

Western Freeway Sea Link Project

The proposed Western Freeway is a north-south sea link connecting the Mumbai Western Suburbs and the island city.

- Bandra-Worli Sea Link: The Phase-I of the project, known as the Bandra-Worli Sea Link, was completed in June 2009, and links Bandra in the north and Worli in the south.
- Worli to Haji Ali Sea Link: The Phase-II of the project is at the proposal stage designed to link Worli to Haji Ali and shall cover 6.5 Km.
- Versova–Bandra Sea Link: The Phase-III of the project consist of is a 17.17 km under- construction bridge which the suburb of Andheri to the Bandra-Worli Sea Link in Bandra, as part of the West Island Freeway.

Navi Mumbai International Airport

A new airport is also proposed to be developed in the Kopra – Panvel area through PPP mode. The proposed project has been continually delayed due to serious environmental issues related to mangroves and diversion of the river channel. The project has now received some key (particularly environmental clearance) permissions. This airport will make Mumbai the first city in India to house more than one airport. This airport is still under construction with construction already in process for Phase I and is expected to

complete by December 2024. After the completion of Phase I the airport is expected to handle 10 million passengers per annum. Recently, the project is taken over by Adani Group. As soon as the foundation stones of the project were laid, the demand for property in Navi Mumbai surrounding the airport saw an increase. The construction for the airport is expected to generate more than 0.4 million direct and indirect jobs in Navi Mumbai. As the development prospects are high, many real estate builders in Mumbai are planning to come up with real estate projects in Navi Mumbai.

Coastal Road, Mumbai

The Coastal Road is an under construction 8-lane, 29.2-km long freeway that would run along Mumbai's western coastline connecting Marine Lines in the south to Kandivali in the north which is divided into 2 phases. Phase I - 9.98 km section from Princess Street Flyover at Marine Lines to the Worli end of the Bandra-Worli Sea Link (BWSL) which is under construction. Phase II - 19.22 km road between the Bandra end of the BWSL and Kandivali, will be constructed by MSRDC which is proposed. The phase includes the 9.5 km Versova-Bandra Sea Link.

4.2.3 Excellent Social Infrastructure

Locations in Mumbai and surrounding areas provide one of the best healthcare in the country, best education opportunity, retail, recreational infrastructure. These aspects increase the quality of life & contribute to Housing demand.

Some of the prominent social infrastructures in Mumbai:

Healthcare: Breach Candy Hospital (South Central Mumbai), Dr. L. H Hiranandani Hospital (Eastern Suburbs), Jaslok Hospital (South Central Mumbai), Asian Heart Institute (Western Suburbs), Kokilaben Dhirubhai Ambani Hospital (Western Suburbs), Nanavati Hospital (Western Suburbs), Jupiter Hospital (Thane), Apollo Hospital (Navi Mumbai), Reliance Hospital (Navi Mumbai) etc.

Education: IIT Bombay (Eastern Suburbs), J. J. College of Architecture (South Central Mumbai), Mumbai University (Western Suburbs), NITIE (Powai), Mithibai College (Western Suburbs), etc.

Grade-A Malls: High Street Phoenix (South Central Mumbai), R – City Ghatkopar (Eastern Suburbs), Inorbit Mall, Malad (Western Suburbs), Infiniti Mall, Malad (Western Suburbs), Phoenix Market City, Kurla (Eastern Suburbs), Oberoi Mall, Goregaon (Western Suburbs), Inorbit, Vashi (Navi Mumbai), Viviana Mall (Thane), Lodha Experia, Dombivali (Extended Eastern Suburbs), etc.

4.2.4 Improved Disposable Income

Higher disposable income of the working professionals in MMR with steady residential prices has contributed to the residential demand in MMR.

4.2.5 Family Expansion

Family expansion/nuclear family trends have generated the demand for housing in the same or neighbouring submarkets from the current place of residence.

4.2.6 Investment Activity

Some demand from the investor community to invest into residential real estate has helped in improving the overall housing demand in MMR.

4.2.7 Reduced Rates on Home Loans & Various Schemes by the Developers

During the year 2020 there was a reduction in interest rates for home loans. Following the last rate cut by the RBI in May 2020, all major banks in India reduced their home loan rates to sub- 7% level i.e., lowest interest levels. Record low interest rates and several other measures taken by the RBI in the past, to support the real estate sector, will continue to boost demand in the residential housing segment.

Further, there are various schemes launched by Developers which include a range of freebies, cash discounts, stamp duty and GST waivers, 10:90 schemes, 5:95 schemes etc. which has further boosted the demand of housing in MMR.

4.3 Challenges and Constraints Faced By Real Estate Market in MMR

Mumbai, a bustling megacity, faces a multitude of challenges in its real estate landscape. High property prices have become a significant barrier for middle-income and lower-income groups, making it increasingly difficult for them to afford housing within the city. The limited availability of land exacerbates this problem, leading to a prevalence of high-rise constructions and fierce competition for available plots.

The city's ever-increasing population density has resulted in overcrowding and congestion in many areas, putting strain on people's quality of life and placing additional pressure on existing infrastructure. Speaking of infrastructure, Mumbai's development is often hampered by bottlenecks such as traffic congestion, limited public transport options, and a lack of essential amenities.

Efforts to rehabilitate slums also face various challenges, including land acquisition, rehabilitation, and funding hurdles. Additionally, development initiatives can impact the environment, leading to pollution, resource strain, and the loss of green spaces.

Legal disputes, such as land ownership conflicts and title concerns, further complicate real estate development and create uncertainties. Moreover, stark socioeconomic gaps are evident, with affluent neighborhoods existing alongside slum regions, making it difficult to address inclusion and provide suitable housing options for people of all income levels.

Ensuring affordable housing alternatives for the city's workforce remains a pressing concern, considering the high land costs and the scarcity of inexpensive housing options. Furthermore, many older buildings in Mumbai require reconstruction or refurbishment, posing complex and expensive challenges.

Lastly, land encroachments in certain areas add to the complexities, requiring actions to reclaim land for development. In sum, Mumbai's real estate market faces a host of obstacles that call for innovative solutions and thoughtful planning to cater to the needs of its diverse population.

4.4 Redevelopment in MMR Region

"In MMR, a section of the supply of residential units originates from re-development projects. These projects may originate from slum rehabilitation, MHADA layouts redevelopment, cessed buildings redevelopment or housing societies redevelopment. In our estimation (note 1), the supply for the period of 2017 to Q12023 is approximately 52,000 units. The assumptions being; a. on relative terms proportion of redevelopment projects will be more in island city of Mumbai, and less in Mumbai suburbs, and even lesser in other parts of MMR excluding the administrative jurisdiction of MCGM (Municipal Corporation of Greater Mumbai). This assumption is based on the observation that the island city of Mumbai has more older buildings than other parts of MMR and has fewer vacant land parcels to do development, b) Between western suburbs and eastern (central railway) suburbs proportion of redevelopment projects will be lower in eastern suburbs owing to availability of industrial lands getting converted into residential development, c) Rest of MMR has the least proportion owing to the age of buildings being relatively lower and more availability of vacant land."

As per Municipal Corporation of Greater Mumbai (MCGM) data for year 2022-23, there are 387 buildings falling under C1 category of dangerous and dilapidated buildings, out of which 321 buildings are private buildings and the rest owned by MCGM. These buildings are potential market for redevelopment."

"In Mumbai Metropolitan Region, and in jurisdiction of Municipal Corporation of Greater Mumbai (MCGM) Mumbai in particular, there are several old buildings which need redevelopment. Many of these old buildings fall under "cessed buildings" as defined by MHADA. In island city of Mumbai alone (South Central Mumbai) as per MHADA data there are 19,642 cessed buildings. By definition all of these buildings are constructed up to 30 Sept. 1969, which means as of June 2023, these buildings are more than 50 years old. Out of these, there are 16,502 buildings that are constructed up to 1 Sept 1940 meaning that they are more than 80 years old as of year 2023. These buildings need redevelopment and thus are potential market for real estate developers.

Note 1: A high level estimation of supply of residential units originating from redevelopment projects in MMR over last few years could be done with certain assumptions. This estimation is not representation or documentation of actual data but is only an estimation based on certain sample research and extrapolation of sample data with certain assumptions. For this estimation we have excluded supply of units from SRA projects and from MHADA layouts redevelopment.

4.5 Supply, Absorption, Unsold Inventory and Pricing Trends in MMR – 2017 to 2023 (Till Q1)

4.5.1 Supply & Absorption Analysis (Units: 2017 - 2022 Annual and Q1 2023)

Between 2017 and 2019, the housing market in MMR witnessed a gradual growth in both supply and absorption of housing units, with absorption numbers surpassing the new residential supply. During this period, MMR's housing supply and absorption recorded respective increases of 45% and 42%.

However, the COVID-19 pandemic brought about an unprecedented decline in new residential supply and absorption. The MMR residential market faced significant challenges due to the pandemic, as well as subsequent disruptions due to the global economic headwinds, and rising interest rates.

Nevertheless, the MMR residential market showcased a remarkable recovery post COVID, bouncing back from the impacts of the pandemic and other disruptions. Announcement of reduction in the stamp duty by the Maharashtra Government with effect from September-2020, boosted housing sales in the region during pandemic. The year 2022 turned out to be exceptional for MMR residential market since 2017, with the highest-ever recorded housing supply of 1.24 lakh units and absorption of 1.09 lakh units. This resurgence in supply and absorption indicates a positive trend in the MMR housing market, reflecting its ability to overcome adversity and regain momentum after a challenging period.

The housing supply and absorption in MMR experienced significant growth compared to 2017, with a remarkable increase of 132% in housing supply and an impressive 93% growth in absorption.

Below is the graph showcasing the supply and absorption dynamics (in units) of MMR housing market from 2017 to 2023 (till Q1).

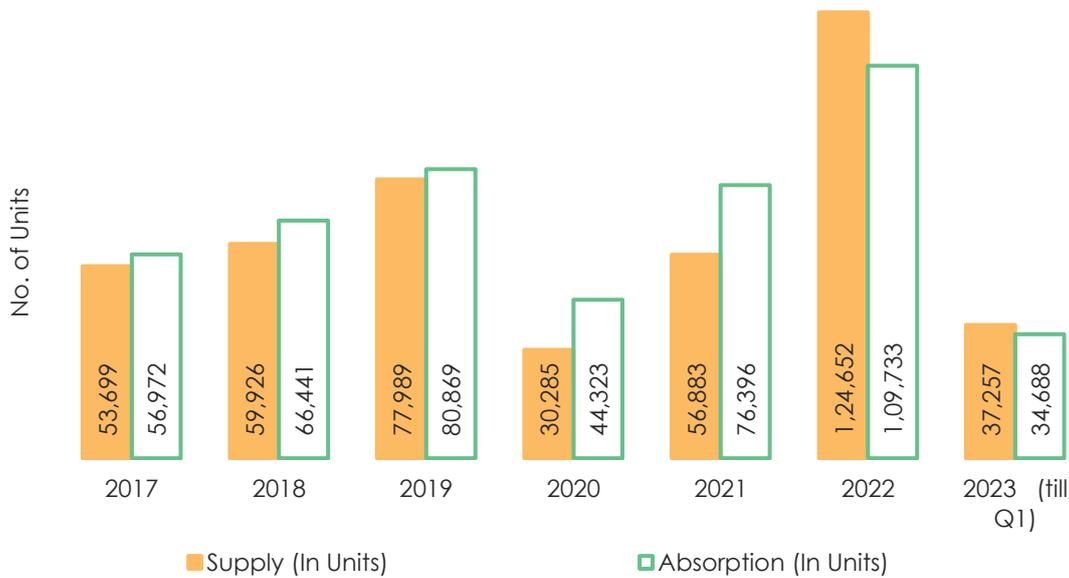


Figure 35: Supply and Absorption dynamics (in units) of MMR housing market from 2017 to 2023 (till Q1)

Source: ANAROCK Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

4.5.2 Unsold Inventory (Units: 2017 - 2022 Annual and Q1 2023)

From 2017 to 2021, the housing market in MMR experienced a steady decline in unsold inventory, reaching its lowest point of 1.83 lakh units in 2021. This was primarily due to robust housing sales momentum.

As of Q1 2023, the unsold inventory of MMR stood at 2 lakh units – representing an 11% decline compared to 2017.

Below is the graph showcasing the unsold inventory trends (in units) of MMR housing market from 2017 to 2023 (till Q1).

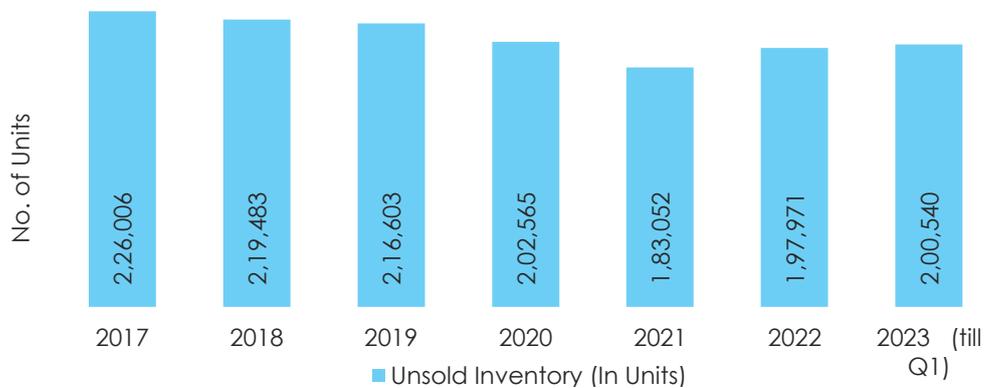


Figure 36: Unsold Inventory trends (in units) of MMR housing market from 2017 to 2023 (till Q1)

Source: ANAROCK Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

4.5.3 Price Movements (Units: 2017 - 2022 Annual and Q1 2023)

MMR stands out as one of the most expensive housing markets among the top 7 cities in India, primarily due to the continued strong sentiment among home buyers and investors. Between 2017 and Q1 2023, the capital values in the MMR housing market experienced an increase of 17%. Between 2017 and 2020, property prices remained relatively stable, experiencing an average annual price appreciation of 1%. However, after the pandemic, they have begun to witness an upward trajectory from 2021 due to factors such as inflation, the escalation in construction raw material prices, and the overall surge in housing demand. During the time frame from 2021 to Q1 2023, the capital values of MMR grew by 12% approximately.

As of Q1 2023, the average basic selling price of residential properties in the MMR market stands at INR 12,200 /Sqft – an uptick by 5% as compared to 2022.

Below is the graph showcasing the capital value movement (on saleable area) of MMR housing market from 2017 to 2023 (till Q1).

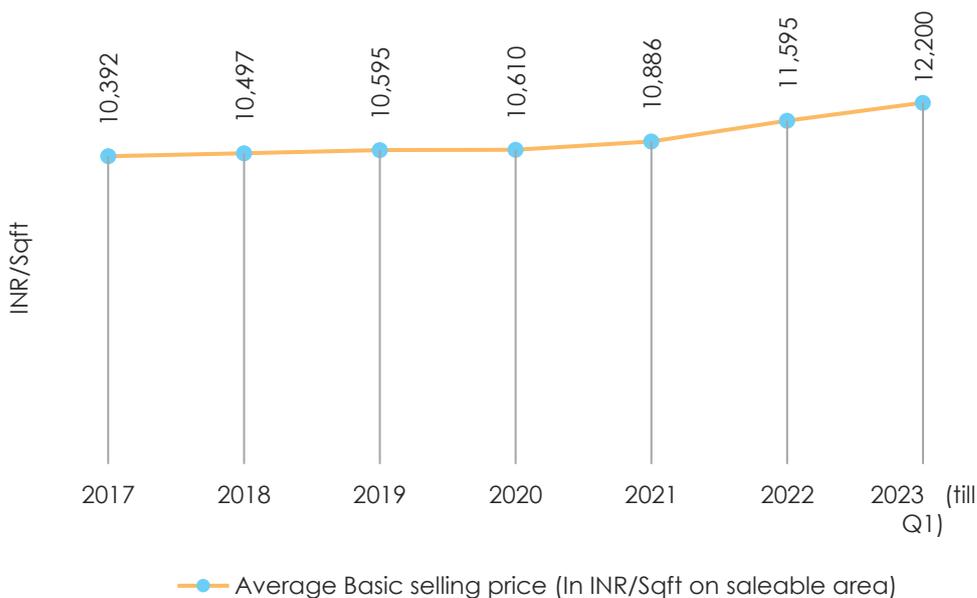


Figure 37: Capital value movement (on saleable area) of MMR housing market from 2017 to 2023 (till Q1)

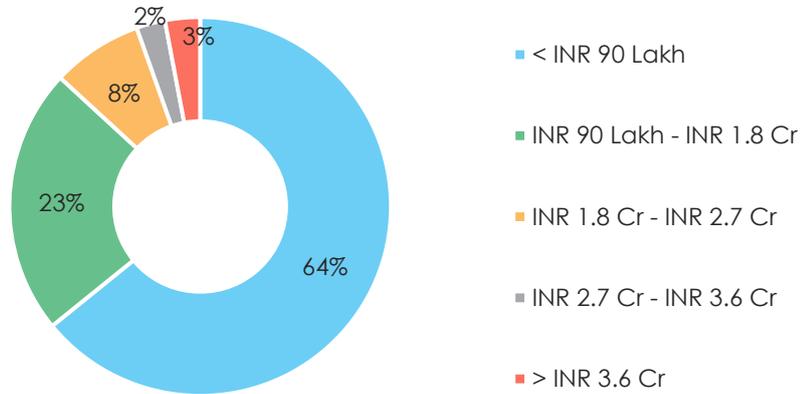
Source: ANAROCK Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

4.5.4 BUDGET SEGMENTATION OF SUPPLY IN MMR

The following graph depicts budget-segmentation of supply in MMR market from 2017 to 1Q23. Majorly the supply in MMR is in "< INR 90 Lakh" which is predominantly contributed by the peripheral areas of the city. "INR 90 to INR 1.8 cr." budget-range is the second most predominant segment in MMR, this segment

contributes 23% in the total supply of MMR and majorly this segment supply is from suburban areas, Thane & Navi-Mumbai area, followed by “1.8 cr. to INR 2.7 cr.” budget-segment which contributes 3rd highest (8%) in the total supply of the market and this segment supply is also majorly limited to suburban areas only. The rest of the supply, which is in “INR2.7 cr. to INR 3.6 cr.” and “>INR 3.6 cr.” budget-range contributes 2% & 3% respectively in the total supply of MMR.



Budget Segmentation

Budget Friendly = < INR90 Lakh

High End = INR 90 Lakh to INR 1.8 Cr.

Premium = INR 1.8 Cr. to INR 2.7 Cr.

Luxury = INR 2.7 Cr. to INR 3.6 Cr.

Ultra Luxury = > 3.6 Cr.

Figure 38: MMR Supply Contribution in different Price Segment (2017 to 1Q23)

Source: ANAROCK Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

4.6 Supply, Absorption and Pricing Outlook for MMR from 2023 to 2026

4.6.1 Supply & Absorption Outlook - MMR (Units: 2023 to 2026)

In the current year 2023, the annual supply and absorption of residential units in MMR are likely to maintain a level similar to that of 2022. However, looking ahead, a gradual year-on-year increase in both new residential supply and absorption is anticipated until 2026. It is projected that new launches will surpass absorption until 2025, reflecting a higher supply of housing units entering the market. However, an interesting shift is expected in 2026, where the absorption of housing units is likely to outpace the new residential supply.

Below is the graph showcasing the supply and absorption outlook (in units) of MMR housing market from 2017 to 2026.

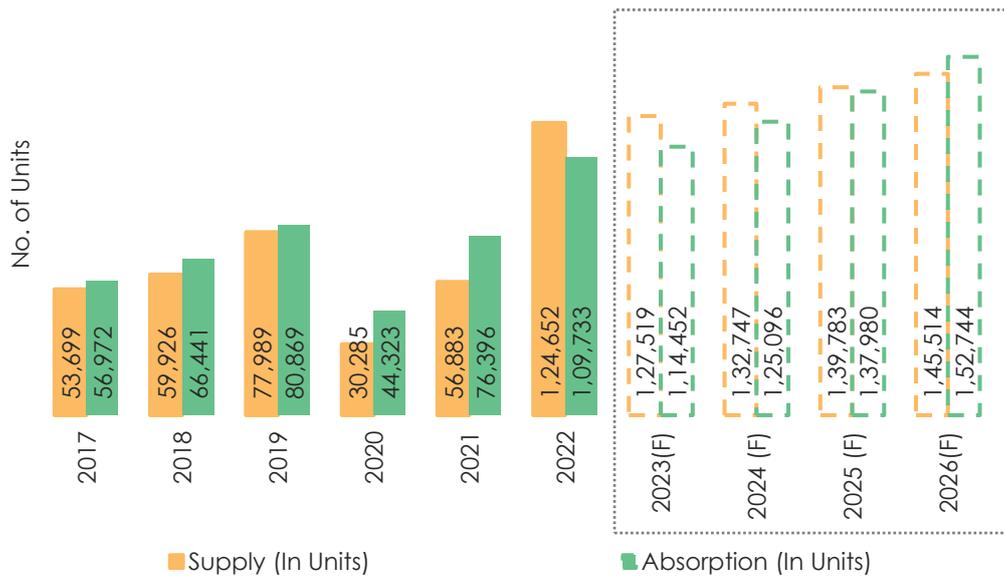


Figure 39: Supply and Absorption outlook (in units) of MMR housing market from 2017 to 2026

Source: ANAROCK Research

Note: All the figures in the above graph are as per Calendar Year (CY)

Note: Accuracy of forecast is subject to unforeseen situations and circumstances, real estate trends can be influenced by economic factors, government policies, infrastructure developments, and other variables that may impact the supply and demand dynamics in the residential market.

4.6.2 Pricing Outlook - MMR (Units: 2023 to 2026)

Property prices in MMR are likely to increase in the current year 2023. As we progress towards 2026, these prices are expected to gain momentum and rise steadily. This positive trend can be attributed to various factors such as improved infrastructure development, growing demand from homebuyers, and favourable market conditions.

Below is the graph showcasing the capital value movement outlook (on saleable area) of MMR housing market from 2017 to 2026.

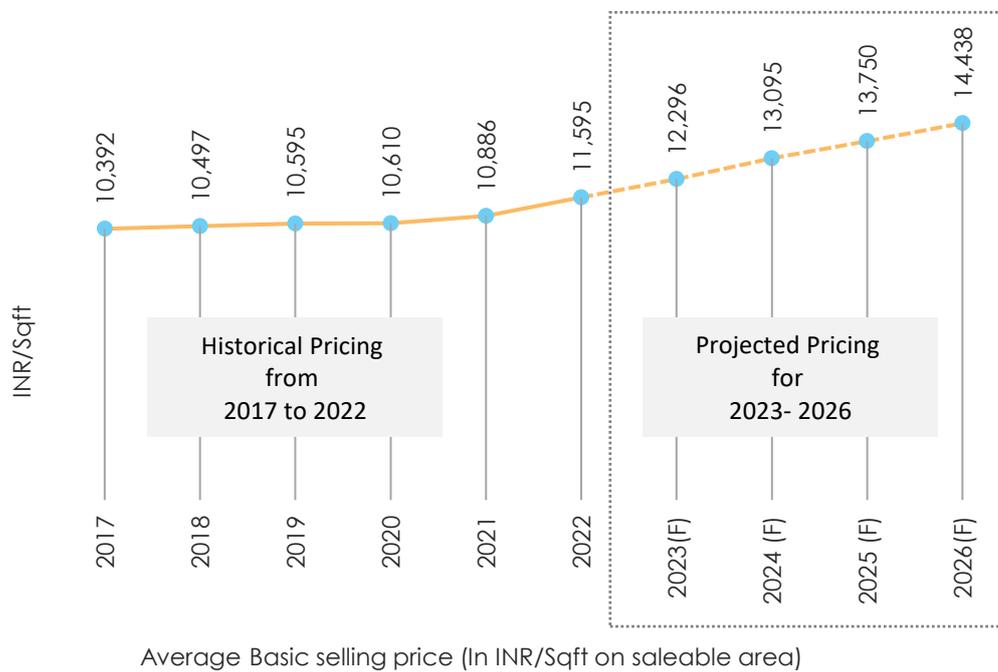


Figure 40: Capital value movement outlook (on saleable area) of MMR housing market from 2017 to 2026

Source: ANAROCK Research

Note: All the figures in the above graph are as per Calendar Year (CY)

Note: Accuracy of forecast is subject to unforeseen situations and circumstances, real estate trends can be influenced by economic factors, government policies, infrastructure developments, and other variables that may impact the capital values in the residential market.

5. TRENDS IN WESTERN SUBURBS – MUMBAI RESIDENTIAL REAL ESTATE (ZONE LEVEL & MICRO-MARKET LEVEL)

5.1 Overview of Western Suburbs

Mumbai’s Western Suburbs, also known as the Western Suburban District, is a significant part of the metropolitan city of Mumbai, India. The Western Suburbs stretch from Bandra to Dahisar and comprise several neighborhoods, each with its own unique characteristics and offerings.

Majority of them are vibrant and trendy neighbourhood known for its mix of upscale residential areas, commercial districts, and a lively nightlife. It is home to a large expatriate population and has numerous shopping destinations, restaurants, cafes, and pubs.

The Western Suburbs of Mumbai are well-connected to other parts of the city through an extensive network of local trains, buses, and major roadways. The area offers a blend of residential, commercial, and recreational options, making it a popular choice for residents and visitors alike.



Present Connectivity and Infrastructure

The Western Suburbs are well connected through roads and railways to most of the prime office submarkets and residential catchment areas. The three arterial roads – S.V. Road, Link Road and Western Express Highway have a parallel alignment and connect the western suburbs to the island city. Western Express highway is the most important feature of western suburbs as it connects both the domestic and international airport terminals to other micro markets of the city. The commercial areas of Lower Parel and Bandra Kurla Complex are also well connected, while Jogeshwari Vikhroli Link Road and Metro Line 1 have increased connectivity. It is now considerably easier to travel to and from the western suburbs with the addition of lines 2A and 7. There will be 11 additional lines in the city, totaling more than 300 km, that will connect the Western Suburbs to the rest of the city even more effectively.

Existing Project	Completion timeline	Details	Key impact zones
Western Line (Suburban Railway)	1853	Consists of 37 stations from Dahanu Road to Churchgate railway station.	Churchgate, Nariman Point, Dadar, BKC, Bandra, Lower Parel, Andheri, Goregaon, Malad, Kandivali and Borivali
Harbour Line (Suburban Railway)	1910	The Harbour line is a branch line of the Mumbai Suburban Railway	Kurla, Wadala, Bandra, Andheri, Goregaon, Malad, Kandivali and Borivali
Chhatrapati Shivaji Maharaj International Airport	1942 – Domestic Operations	It has two operating terminals spread over 750 hectares handling 950 aircraft per day.	Santacruz East
JVLR (Jogeshwari Vikhroli Link Road)	1994	10.6 km long 6 lane road connecting the WEH and EEH	Eastern and Western Suburbs
Western Express Highway (WEH)	2002	North-south 8-10 lane arterial road of 25.33 km	Bandra, BKC, Andheri, Goregaon, Malad, Kandivali and Borivali
Bandra Worli Sealink	2009	5.6 km long, 8-lane wide bridge that links Bandra with South Mumbai.	Lower parel, Bandra, BKC and Kurla-Kalina
SCLR (Santacruz Chembur Link Road)	2014	6.45-kilometre-long (4.01 mi) arterial road connecting WEH and EEH	Santacruz, Kurla-Kalina, and Eastern suburbs
BKC – Eastern Express Highway Connector	2019	1.6 km connector from G Block of BKC to the EEH	BKC, Kurla-Kalina and Eastern Suburbs
Sea link to Bandra Kurla Complex (BKC) Connector	2021	604 meter long, two-lane flyover	Bandra, BKC and Kurla-Kalina

Existing Metro Rail Lines

Existing Project	Completion timeline	Details	Key impact zones
Metro Blue Line 1 (Versova – Ghatkopar)	2014	11.40 km line is fully elevated and consists of 12 stations	Andheri west, Andheri east, Ghatkopar.
Metro Red Line 7	2022	(16.5 kms) Dahisar – Andheri – CSMIA T1	Entire Western Suburbs east side of western railway
Metro Yellow line 2A	2022	(18.6 kms) Dahisar – Andheri West	Entire Western Suburbs west side of western railway.

Upcoming Infrastructure

The proposed large-scale infrastructure projects are likely to significantly alter the Western Suburbs' potential and connectivity to the rest of the city. The ambitious 22-kilometer coastal route will link Marine Lines to Kandivali and reduce the travel time from two to three hours to under an hour. This is expected to help decongest the already overburdened Link Road, SV road and Western Express Highway. Further, it is likely to create easy access to the commercial hubs of South Mumbai. Most importantly, it will decongest the suburban railways. This may lead to an uptick in the housing demand in the nearby suburbs resulting in appreciation of property prices.

The Goregaon Mulund Link Road (GMLR), the 12-km road is expected to significantly reduce travel time between the Western and Eastern areas and relieve congestion on the JVL and Western Express Highway.

Upcoming Project	Completion timeline	Details	Key impact zones
Mumbai Coastal Road Project (South)	Nearing completion	8 lane project of 10.58 km from Princess Street flyover to Worli end of Bandra Worli Sea Link Comprises of twin tunnel each 3.45 km long equipped with latest technology.	Churchgate, Nariman Point, Worli, Bandra, BKC, Versova, Andheri,

			Goregaon and Malad.
Mumbai Trans Harbour Link	Nearing completion	Construction of bridge across the sea from Sewri to Nhava (22 km)	Sewri, Wadala, East Suburbs, Lower Parel and Navi Mumbai
Goregaon Mulund Link Road	2028	12-km long road infrastructure project that will connect Mulund directly to Goregaon. Construction in 4 phases	Western Suburbs and Eastern Suburbs
Expansion of railway tracks from Virar – Dahanu road on Western Railways	2025	8 new stations and several new structures, like station buildings at Virar, Vaitarna, Saphale, Kelve Road, Palghar, Umroli, Boisar and Wangaon-Dahanu road	Extended Western Suburbs
Extension of Harbour Line between Goregaon-Borivali	2026	3-km elevated stretch over Malad to extend the existing harbour line	Goregaon, Malad, Kandivali and Borivali
Western Express highway Elevated Corridor	2028	15.3-km elevated road over Western Express highway between Mahim and Malad	Mahim – Dahisar

Upcoming Metro lines

Upcoming Project	Metro line name	Completion timeline	Details	Key impact zones
------------------	-----------------	---------------------	---------	------------------

Metro Yellow line 2B	MY 2	Nearing Completion	Dahisar – Andheri West – Mankhurd	Western suburbs and Eastern suburbs
Metro Aqua line 3	MA 3	Nearing Completion	Colaba-Bandra-SEEPZ	Colaba, Nariman point and Lower Parel, BKC and Andheri
Metro Pink Line 6	MP 6	2024	Lokhandwala – Jogeshwari – Kanjurmarg	Western and Eastern Suburbs, SBD North
Metro Gold Line 8	MG 8	2026	CSMIA T2 – NMIA (indicative)	Western Suburbs, Thane-Belapur Road, Navi Mumbai Others and Andheri
Metro Red Line 9	MR 7 & 9	2024	Dahisar – Mira Bhayandar	Extended Western Suburbs

Social Infrastructure

The Western Suburbs' real estate boom and the quick expansion of the social infrastructure have occurred simultaneously. The Western Suburbs have some of the best alternatives in the city for multispecialty hospitals, educational institutions, shopping and entertainment hubs, sports and recreation clubs, five-star hotels, and fine dining restaurants. Micro markets like Lokhandwala and Malad west have become city's prime shopping and retail destinations in terms of Malls and High streets.

The Sanjay Gandhi National Park at one end and the Aarey Milk Colony in the center give Mumbai's Western Suburbs some of the greenest areas, giving the busy city some much-needed breathing room.

Residential Catchments

Western suburbs are home to some of the biggest residential catchments in the city. The western suburbs account for almost 60% of the market size of the total western coast of Mumbai and is one of the densely populated areas of the city. The submarket includes some of the most luxury and upmarket residential areas like Bandra, Khar, Santacruz, Juhu Tara Road, JVPD and Versova, Previously these areas were dominated by homes of Bollywood stars, however now these micro markets have become the preference of corporates and HNIs also as BKC has become the pseudo-CBD of Mumbai.

Micro markets like Andheri, Jogeshwari, Goregaon, Malad, Kandivali and Borivali are some of the prominent residential areas in Mumbai. A large chunk of Mumbai's talent pool resides here and consequently these areas have received the maximum supply of residential units and almost all major

real estate developers have their presence in these areas. These factors have led to western suburbs becoming the most active real estate markets in the city.

Commercial Hubs and Centers

The suburbs are by themselves established commercial areas despite being well connected to the corporate offices / headquarters dominant business districts of BKC and Lower Parel. IT occupiers require good quality buildings, large floor plates, world class amenities like HVAC, high speed elevators and ample car parking, lower per capita space with lower rents and proximity to talent pool. All these prerequisites are offered by the buildings in both western as well as eastern suburbs. Hence, these submarkets are dominated by IT-ITeS occupiers. Recently, suburbs have emerged as major Global Capability Centre (GCC) and offshoring back-office destination for the city. Moreover, extremely low vacancies in submarkets like BKC, numerous top Indian corporates and MNCs have bases in these suburbs, whether it is the entire stretch of Andheri-Kurla Road, SEEPZ, the expansive back-office hubs in Malad West, or the string of office complexes lining the Western Express Highway from Jogeshwari to Malad. Other commercial centers in Western Suburbs include the Andheri west and film city for Bollywood and entertainment industry.

5.2 Key Growth Drivers for Mumbai Western Suburbs

- **Growth of the Information Technology Enabled Services (ITeS) and Business Process Outsourcing (BPO) Industries:** The Malad-Goregaon stretch has been synonymous with the IT-ITeS and BPO growth in Mumbai which led to the development of dense residential catchments. Increased employment opportunities in the area have successfully enabled the housing demand and the establishment of required social infrastructure.
- **Social Infrastructure:** The Malad-Goregaon stretch, due to presence of city's few of the biggest mall have led to growth of Food & Beverage, Textile, Imitation Jewelry and real estate and allied industries.
- **Proximity to business districts:** The Andheri Kurla stretch has been a hub for manufacturing, professional services and logistics firms due to the corridor's central location and proximity to the airport. High demand from companies from industries like Logistics and Airlines, Non-BFSI professional services have created employment opportunities and led to the development of the submarket.
- **The Santacruz Electronic Export Processing Zone (SEEPZ)** offers excellent facilities for IT-ITeS firms. The major driver at SEEPZ is the accessibility to both the eastern and western line. In fact, the stretch is a mix of clients from various profiles leading to a broad-based growth in the city economy.
- **Proximity to the airport:** The airport has been one of the major drivers for the growth of Hotels, Retail, office, residential development, and employment generation in west suburbs.
- **Warehousing hub & Industrial zones:** Andheri-Kurla Road and MIDC areas have emerged as centers of in-city warehousing and industrial zones for medium and small-scale industries. These activities have contributed immensely to the city economy and led to increased real estate activity and growth.
- **The film and entertainment sectors** have been one of the leaders in generating healthy revenue and contributing noticeably to the city's economy.

- **Infrastructure Development:** Completion of the coastal road and the proposed metros will give a big boost to residential developments in micro markets of Western and Eastern Suburbs, due to improved connectivity with the prime commercial hubs in the adjacent submarkets.

Western Suburbs, being a residential catchment area as well as an established commercial hub, will be the preferred choice of both the companies to set-up offices and their employees to buy homes leading to the economic development of the submarket.

5.3 Challenges and Constraints

The real estate market in Mumbai's western suburbs faces several challenges. Firstly, exorbitant property prices make it difficult for middle-income households to afford homes due to high land costs and demand outstripping supply. Secondly, the limited availability of land in the densely populated area poses a hurdle for new developments. Additionally, the existing infrastructure struggles to keep up with urbanization, leading to traffic congestion, inadequate public transport, and insufficient parking facilities.

Furthermore, environmental concerns arise as sensitive areas like mangroves, salt pans, and green spaces are impacted by development projects. Redevelopment of older buildings faces difficulties due to opposition from tenants and lack of stakeholder cooperation. Socioeconomic disparities persist in the western suburbs, creating challenges in achieving inclusive and sustainable development.

Moreover, slum rehabilitation efforts encounter obstacles, such as acquiring land in prime areas with high land values and negotiating with residents for consent. Land ownership disputes and unclear titles add to delays and uncertainties in real estate projects. Addressing these issues requires careful planning and cooperation among stakeholders to ensure balanced and sustainable development in the western suburbs.

5.4 Snapshot of Developer's Portfolio

Annual Supply and Absorption Trends of Arkade Developers Limited (2017-Q1 2023)

Arkade Developers Limited achieved a significant milestone in 2022 by recording the highest number of units launched and absorbed. The year witnessed an impressive supply of 439 units, marking an 82% increase compared to the supply in 2017. Furthermore, the housing absorption soared to 175 units, reflecting an 84% rise compared to the absorption figures in 2017. Arkade Developers Limited is a fast-growing real estate development company with a significant presence in Mumbai, Maharashtra. In total Arkade Developers Limited has launched 1040 residential units & sold 792 units in different markets of MMR from 2017 to 1Q23.

A closer look at the 2022 figures reveals that approximately three-fourths of the newly launched housing units were concentrated in two residential projects. The Arkade Aspire project in Goregaon accounted for 47% of the total units launched in 2022, while the Arkade Crown project in Borivali contributed 28% in 2022 total launches by Arkade Developers Limited.

Regarding housing absorption, a similar pattern was observed in 2022. Nearly 64% of the units were sold in two key projects: Arkade Prime in Andheri (accounting for 37% of the total units sold) and Arkade Aspire in Goregaon (representing 28% of the total units sold).

Below is the graph showcasing the annual supply and absorption dynamics (in units) of Arkade Developers Limited portfolio situated in Andheri, Borivali, Goregaon, Kanjurmarg, Santacruz, Malad (West), Vile Parle (East) and Carmichael Road from 2017 to 2023 (till Q1).

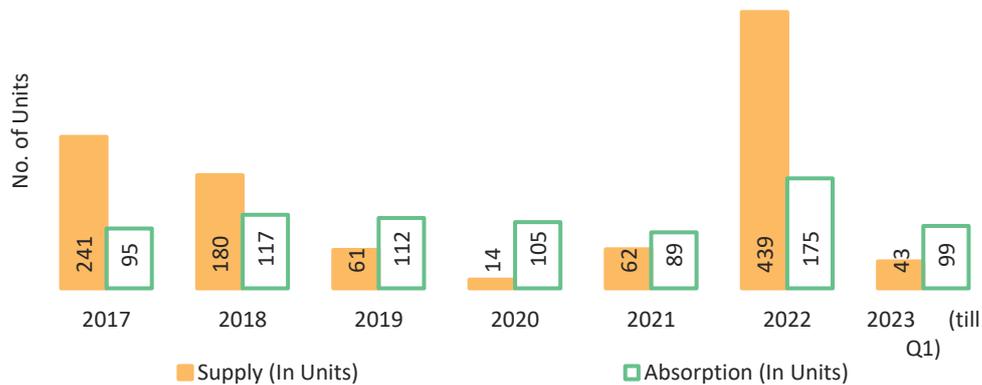


Figure 41: Annual supply and absorption dynamics (in units) of Arkade Developers Limited portfolio

Source: As provided by Arkade Developers Limited

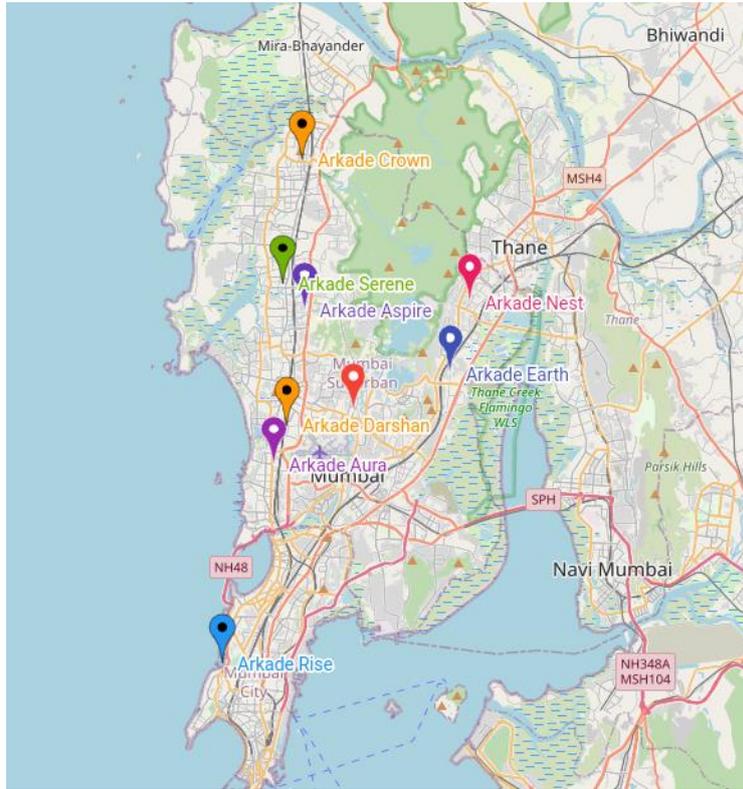
Note: All the figures in the above graph are as per Calendar Year (CY)

The following table presents the yearly sales value of units sold by Arkade Developers Limited, spanning from 2017 to the first quarter of 2023:

Calendar Year	Sales Value of Units Sold (In INR Cr) – Agreement Value
2017	130
2018	169
2019	148
2020	163
2021	135
2022	355
Q1 2023	232
Total	1332

Source: ANAROCK has not verified the sales value of units sold year wise from 2017 to Q1 2023 and represented the data as provided by Arkade Developers Limited. During the preparation of the industry report, neither ANAROCK does not has access to the balance sheet of Arkade Developers Limited nor ANAROCK has the expertise to review and validate the balance sheet of Arkade Developers Limited.

Mapping of Residential Projects of Arkade Developers Limited launched (2017-Q1 2023)



Snapshot of Residential Projects of Arkade Developers Limited launched (2017-Q1 2023)

S.No	Project Name	Location	Launch Year	Construction Status	Total Units Launched (No. of Units)	Total Units Sold (No. of Units)
1	Arkade Prime	Andheri	2022	Under-Construction	110	77
2	Arkade Crown	Borivali	2022	Under-Construction	123	41
3	Arkade Aspire	Goregaon	2022	Under-Construction	206	108
4	Arkade Earth	Kanjurmarg	2017	Completed	482	482
5	Arkade Aura	Santacruz	2023	Under-Construction	43	9
6	Arkade Serene	Malad (West)	2021	Completed	62	62
7	Arkade Darshan	Vile Parle (East)	2020	Completed	10	9

8	Arkade Rise	Carmichael Road	2020	Completed	4	4
9	Arkade Nest	Mulund (West)	2023	Up-coming	351	0

Source: As provided by Arkade Developers Limited (As on 31 March 2023)

Arakde Developers Limited has been actively involved in redeveloping housing societies within the MCGM area. From the total projects initiated since 2017, an equal proportion of 50% comprises society redevelopment endeavors, while the remaining 50% are focused on new development. Below is a table presenting the project distribution launched by Arkade Developers, categorized into redevelopment and new development ventures spanning from 2017 to 1Q23.

Tye of Development	Total no. of Projects Launched by Arkade Developers Limited	% Share
Redevelopment	4	50%
New Development	4	50%

Source: As provided by Arkade Developers Limited (As on 31 March 2023)

In total, the Arkade Group **has successfully undertaken 10 redevelopment projects (from 2003 to March 2023) within the Mumbai city: 9 in the Mumbai western-suburbs and 1 in the South-central Mumbai. These projects, amounting to a combined constructed area of 6.48 lakh square feet, were effectively completed, and delivered on time.** This track record establishes the developer as a significant contributor to the city's redevelopment landscape and has one of major player of redevelopment in the Mumbai western suburbs.

Following is the list of recently completed projects by Akrade Group in MMR. **As per the below-mentioned data table, the 100% of projects which were launched are completed well before on time (Difference between the dates mentioned in RERA by the developer and occupancy certificate received date).** Arkade Earth project (8,90,000 sq.ft. constructed area) completed & delivered 20 months before the declared date in RERA for completion, Arkade Rise projects (50,000 sq.ft. constructed area) completed & delivered 22 months before the declared date in RERA for completion. Similarly, the Arkade Serene (1,30,000 sqft constructed area) & Arkade Darshan (36,074 Sq.ft. constructed area) projects are also completed & delivered by 16 months & 7 months respectively before the declared date in RERA for completion.

Recently Completed Projects								
Project Name	Location	RERA Registration Number	No of Floors	Constructed Area in Sq.ft.	Date of C.C.	Date of OC	RERA Completion date	Completed Before Time (No. of Months)
Arkade Earth	Kanjurmarg (E)	P51800006579, P51800011586, P51800014422, P51800004440, P51800008953, P51800004750, P51800010074, P51800022666	3B + Stilt +22 Floors with 8 Wings	8,90,000	Nov-15	Phase 1 - DEFG Wing - Feb 20, Phase 2 - ABC Wing- Apr 21 H Wing - April 22	Phase 1 - DEFG Wing - Dec 22, Phase 2 - ABC Wing- Dec 23, H Wing - Dec 22	20
Arkade Darshan	Vile Parle (E)	P5220002124	4B + G +11 Floor	36,074	Oct-20	Nov-22	Jun-23	7
Arkade Rise	Carmichael Road	P51900015795	1B+ St + 6P +1 Amenity +12	50,000	Jun-17	Feb-20	Dec-21	22
Arkade Serene	Malad (W)	P51800029961	St +21 Floors	1,30,000	Jul-21	Feb-23	Jun-24	16

Source: RERA, As provided by Arkade Developers Limited (As on 31 March 2023), Anarock Research

5.5 Supply, Absorption, Unsold Inventory and Pricing Trends in Western Suburbs – 2017 to 2023 (Till Q1)

Supply & Absorption Dynamics - MMR Western Suburbs (2017-Q1 2023)

Taking 2017 as the reference year, the Western Suburbs of MMR have witnessed significant growth in both new residential supply and absorption. In 2018, new residential supply slightly increased by 8% compared to the reference year, while absorption witnessed a substantial growth of 41%.

The subsequent years exhibited varying trends due to the impact of COVID 19 on the real estate market. In 2019, there was a decline of 31% in new launch activity, but the absorption rate saw an impressive surge of 73%. The year 2020, however, witnessed a significant drop in both new launch activity and absorption, with declines of 72% and 14% respectively.

Following the challenging pandemic period, the years 2021 and 2022 brought renewed growth to the Western Suburbs. New housing unit supply increased by 20% in 2021 and experienced a remarkable surge of 170% in 2022. Simultaneously, absorption numbers also showed strong growth, with a 67% increase in 2021 and an impressive 178% increase in 2022.

In Q1 2023, the Western Suburbs of MMR witnessed a supply of approximately 7,800 units, with an absorption of around 5,400 units.

Below is the graph showcasing the supply and absorption dynamics (in units) of MMR'S Western Suburbs housing market from 2017 to 2023 (till Q1).

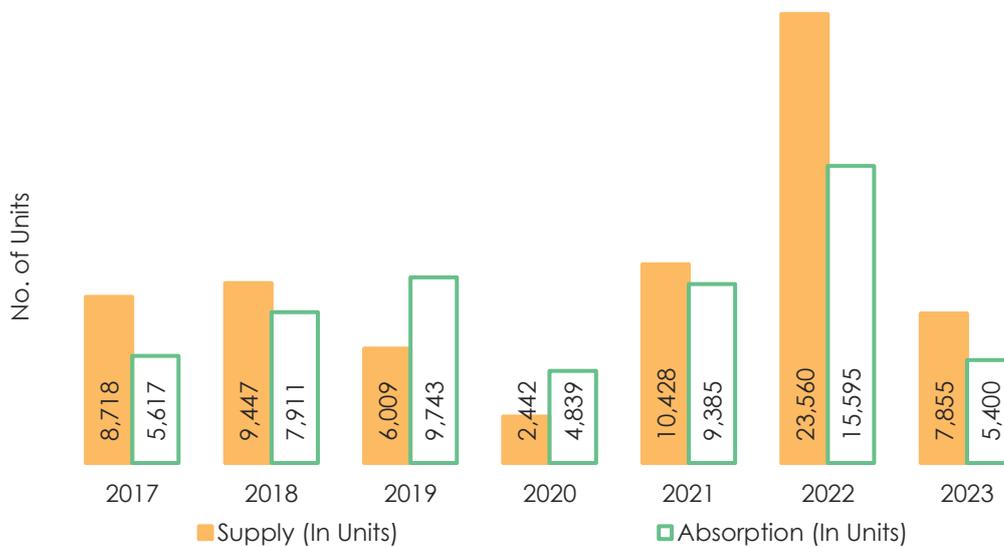


Figure 42: Supply and Absorption dynamics (in units) of MMR'S Western Suburbs housing market from 2017 to 2023 (till Q1)

Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

Trends in Unsold Inventory - MMR Western Suburbs (2017-Q1 2023)

Taking 2017 as the reference year, the unsold inventory of the Western Suburbs in MMR experienced a 5% growth in 2018. However, the subsequent three years, from 2019 to 2021, saw a decline in unsold stock by 7%, 16% and 12% respectively due to the repercussions of the COVID-19 pandemic, which led to a reduced supply of new housing units. In 2022 and Q1 2023, there was a resurgence in the unsold inventory of Western Suburbs, with a rise of 15% and 23% respectively compared to the unsold stock in 2017.

As of Q1 2023, the unsold inventory in MMR's Western Suburbs stands at approximately 36,200 units.

Below is the graph showcasing the unsold inventory trends (in units) of MMR's Western Suburbs housing market from 2017 to 2023 (till Q1).

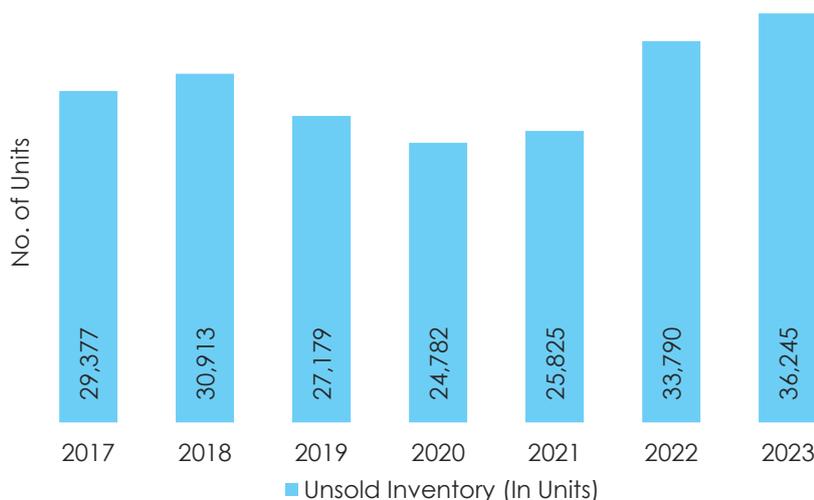


Figure 43: Unsold Inventory trends (in units) of MMR's Western Suburbs housing market from 2017 to 2023 (till Q1)

Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

Capital Value Movement - MMR Western Suburbs (2017-Q1 2023)

Between 2017 and 2020, the capital values of Western Suburbs remained relatively stable, experiencing a modest annual price appreciation of 3%. However, starting from 2021, there has been a gradual and consistent growth in average property prices within the Western Suburbs. In 2021, prices grew by 6%, followed by a further increase of 12% in 2022. By Q1 2023, the growth continued, reaching a substantial 16% compared to the base year of 2017.

As of Q1 2023, the average basic selling price of properties in MMR's Western Suburbs stands at INR 21,733/Sqft.

Below is the graph showcasing the capital value movement (on saleable area) of MMR's Western Suburbs housing market from 2017 to 2023 (till Q1).

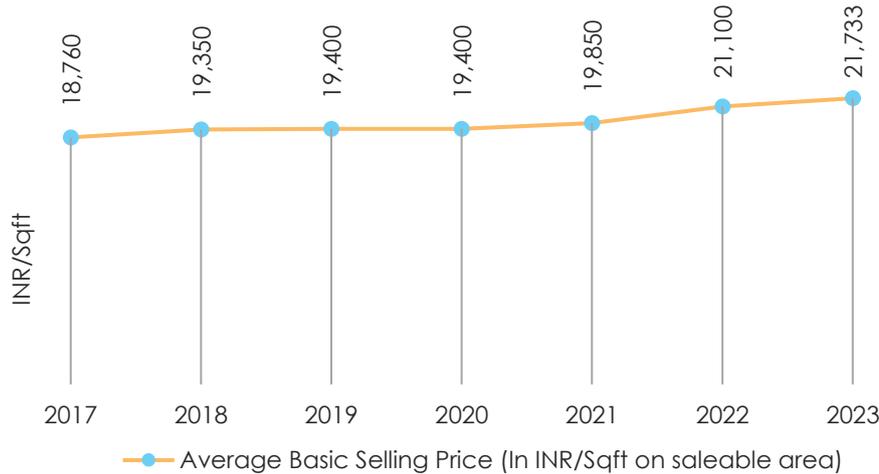


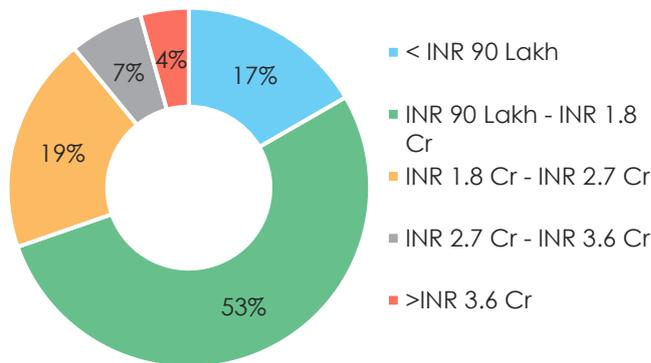
Figure 44: Capital value movement (on saleable area) of MMR's Western Suburbs housing market from 2017 to 2023 (till Q1)

Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

5.6 Budget Segmentation in terms of Supply in Western Suburbs

Western suburbs have witnessed the majority of the housing supply in the “INR 90 Lakh to INR 1.8 Cr.” budget range which contributes 53% in the total supply of this zone. Followed by the second largest supply with 19% contribution in INR “1.8 Cr. to INR 2.7 Cr” Premium budget range in this zone. Interestingly, “<INR 90 Lakh” budget range also has a good share in this zone (17% share) and is the third largest, followed by “INR 2.7 Cr. to INR 3.6 Cr.” and “>INR 3.6 Cr.” with 7% and 4% supply share respectively. Due to the scarcity of affordable land and high cost of construction the supply is majorly concentrated in the high-end and premium budget segments in western suburbs, which is leading to the high sales in these budget-segments only. Most likely the share of sales in the premium budget-segment will increase in western suburbs due to high launch activities in the concerned budget segment.



Budget Segmentation

- Budget Friendly = < INR90 Lakh
- High End = INR 90 Lakh to INR 1.8 Cr.
- Premium = INR 1.8 Cr. to INR 2.7 Cr.
- Luxury = INR 2.7 Cr. to INR 3.6 Cr.
- Ultra Luxury = > 3.6 Cr.

Figure 45: Western Suburbs Contribution in different Price Segment (2017 to 1Q23)

Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

Similar to the western suburbs dominating budget category in supply, **Arkade Developers Limited have also the majority of its total launched units in Premium + Hig-End budget segment (INR 90 Lakh – INR 2.7 cr.) ~ combined 70% of Arkade developers supply launched in the selected micro-markets (Andheri East, Borivali West, Goregaon East & Santacruz West) which are part of western suburbs, during 2017 to 2023 (1Q). Additionally, a good share of units launched by Arkade developers in these micro-markets are also in Luxury Budget-segment (INR 2.7 cr. – INR 3.6 cr.) & Ultra Luxury (>INR 3.6 cr.) budget range with 17% & 12% share respectively.**

Arkade Developers total supply budget-segmentation combined. (Andheri East, Borivali West, Goregaon East & Santacruz West) – 2017 to 2023 (1Q)	
Budget Category	Number of Apartment
< INR 90 Lakh	0%
INR 90 Lakh - INR 1.8 Cr	34%
INR 1.8 Cr - INR 2.7 Cr	36%
INR 2.7 Cr - INR 3.6 Cr	17%
> INR 3.6 Cr	12%

Source: ANAROCK Research, MahaRERA & Company

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

Budget Segmentation

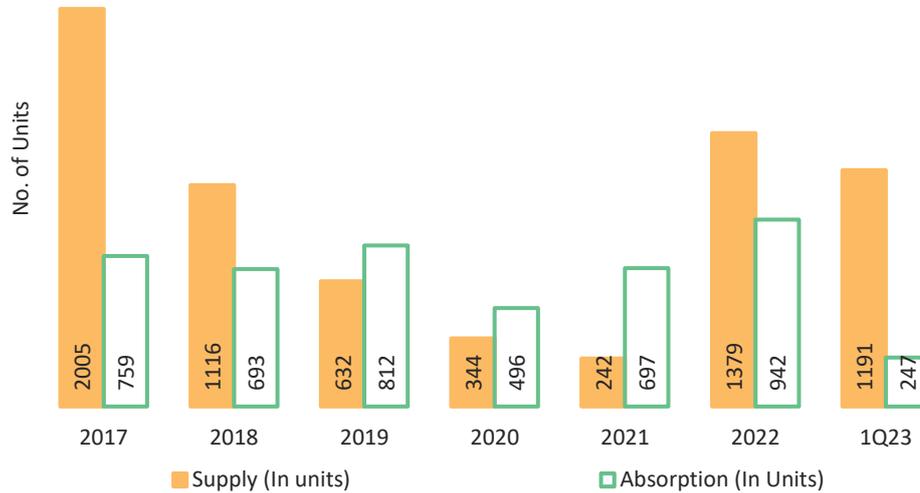
- Budget Friendly = < INR90 Lakh
- High End = INR 90 Lakh to INR 1.8 Cr.
- Premium = INR 1.8 Cr. to INR 2.7 Cr.
- Luxury = INR 2.7 Cr. to INR 3.6 Cr.
- Ultra Luxury = > 3.6 Cr.

5.7 Supply, Absorption, Unsold Inventory and Pricing Trends in Selected Micro Markets of Western Suburbs – 2017 to 2023 (Till Q1)

5.7.1 Andheri (East) Micro-market

The following graph sets forth supply and absorption trends (in Units) in Andheri (East) market from 2017 to 1Q23. New supply in Andheri (East) altogether was 6,909 units, with the year 2017 contributing during the above period. Due to COVID-19, the supply in 2020 & 2021 decreased to below 400 units. Post COVID-19, from 2022 onwards - the micro-market has witnessed a healthy supply. Sales have been healthy

absorption witnessed in subject micro-market throughout the above period except during the COVID-19 (2020-2021). Interestingly, in 2022 the absorption improved compared to previous years and was the highest in the last six years.



Source: Anarock Research

Figure 46: Andheri (East) - Supply & Absorption Trends - 2017 to 1Q23

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

The below graph depicts the capital value movement in Andheri (East) micro-market from 2017 to 1Q23. There has been 16% price appreciation in Andheri (East) during the last six years. The chart clearly illustrates a consistent increase in capital values from the year 2020 onwards, with a sharp spike in the year 2022 followed by gradual but steady climb in 1Q2023. Currently the average capital value in Andheri East is INR 27,917 per Sqft on carpet.

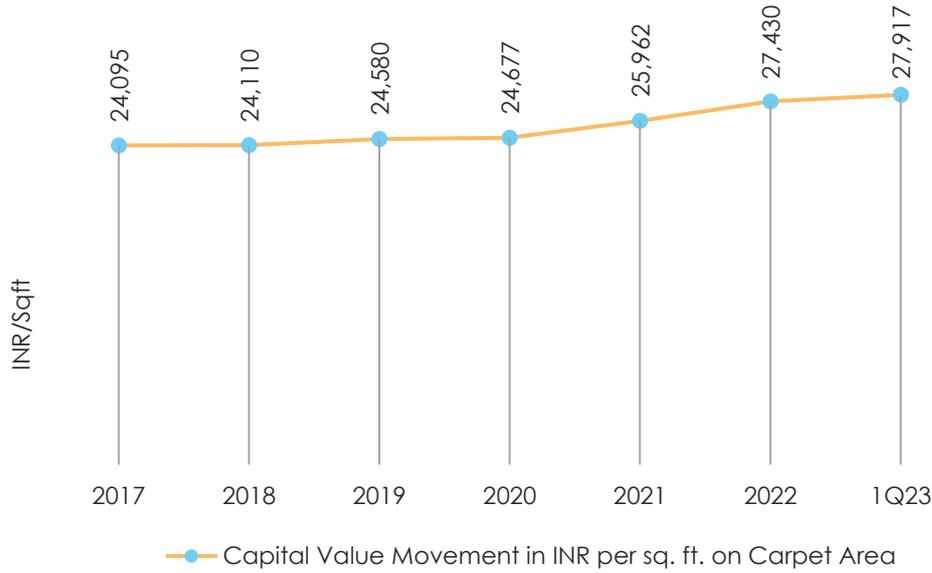


Figure 47: Andheri (East) - Capital Value Movement - 2017 to 1Q23

Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

Market Share and Relative positioning of Arkade Developers Limited in Andheri East on the basis of Supply (In Units) & Absorption (In Units)

Last 5 quarters relative positioning of Arkade Developers in Andheri East:

In Andheri East, Arkade Developers has 4% share in the total supply and 6% share in the total absorption cumulatively for 2022 to Q1 2023.

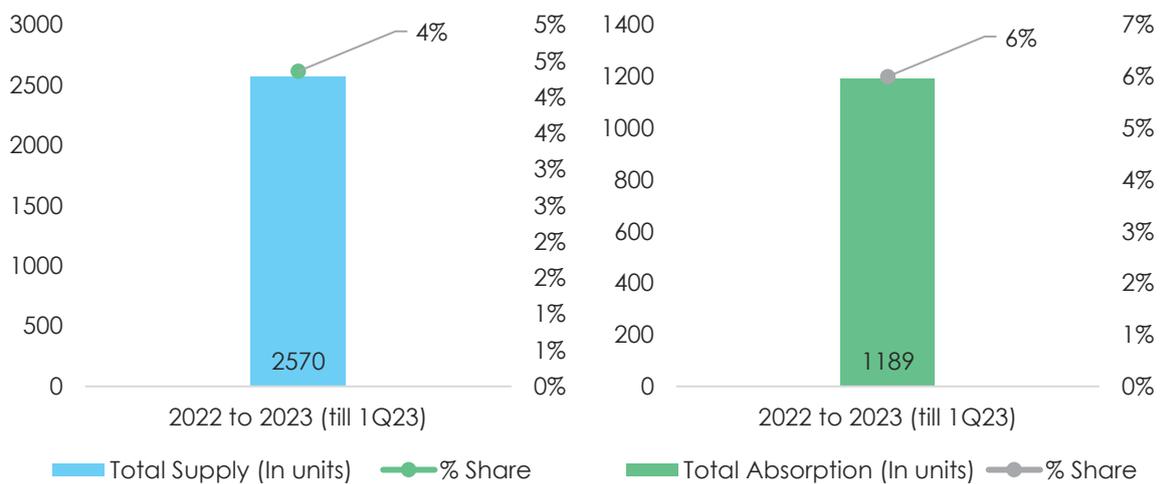


Figure 48: Market Share of Arkade Developers as per Supply (in Units)

Source: MahaRERA, Anarock Research & Company

Figure 49: Market Share of Arkade Developers as per Absorption (in Units)

Last six years relative positioning of Arkade Developers in Andheri East:

In Andheri East, Arkade Developers has 2% share in the total supply and 2% share in the total absorption of Andheri east cumulatively for 2017 to Q1 2023.

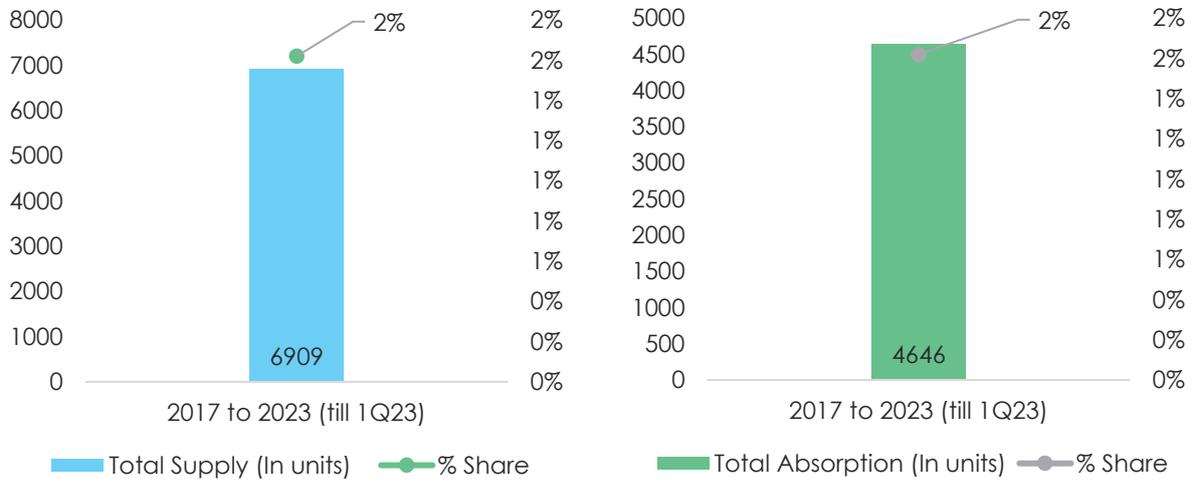


Figure 50: Market Share of Arkade Developers as per Supply (in units)

Source: MahaRERA, Anarock Research & Company

Figure 51: Market Share of Arkade Developers as per Absorption (in units)

Top-10 Developers in Andheri East on the basis of Supply (In Units)

In the Andheri East region, Arkade Developers did not secure a position in the top-10 developers list. Nevertheless, they have managed to achieve a respectable 21st rank in the list of top developers based on the supply of units since 2017. Moreover, their ranking has improved significantly, as they have climbed to the 12th position in terms of consolidated supply between the period of 2022 and Q1 2023. This rise in ranking is due to the recent project "Arkade Prime" launched by Arkade Developers in Andheri East.

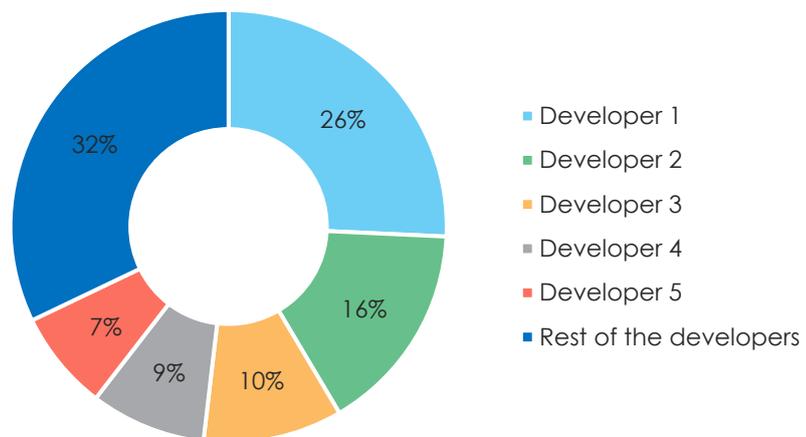


Figure 52: Andheri East - Top 10 Developers share as per supply (in Units): Cumulative from 2017 to 2023 (till 1Q23)

Source: MahaRERA, Anarock Research

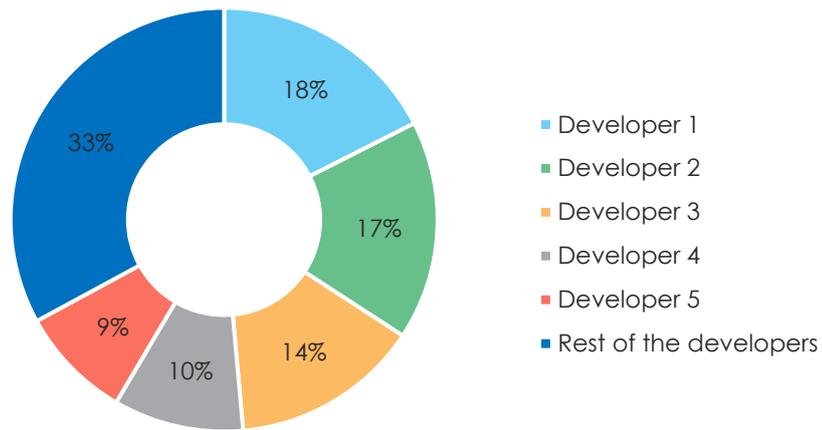


Figure 53: Andheri East - Top 10 Developers share as per supply (in Units): Cumulative from 2022 to 2023 (till 1Q23)

Source: MahaRERA, Anarock Research

5.7.2 Borivali (West) Micro-market

The following graph depicts supply and absorption trends (in Units) in Borivali (West) micro-market from 2017 to 1Q23. There have been limited launches in Borivali (West) from 2017 to 1Q23 with the majority of launches in the year-2022. The supply gradually decreased in the year-2020 due to COVID-19 pandemic. The year 2021 and 2022 have witnessed the majority of supply in the Borivali West micro-market with 73% contribution in the total supply (last six years) of this market. Absorption in Borivali West micro-market has been healthy year-on-year from 2017 onwards with an exception in the year 2020 (due to COVID-19). However, the absorption level did not decrease much and quickly recovered with the help of reduction in stamp-duty by Government of Maharashtra which boosted the sales.

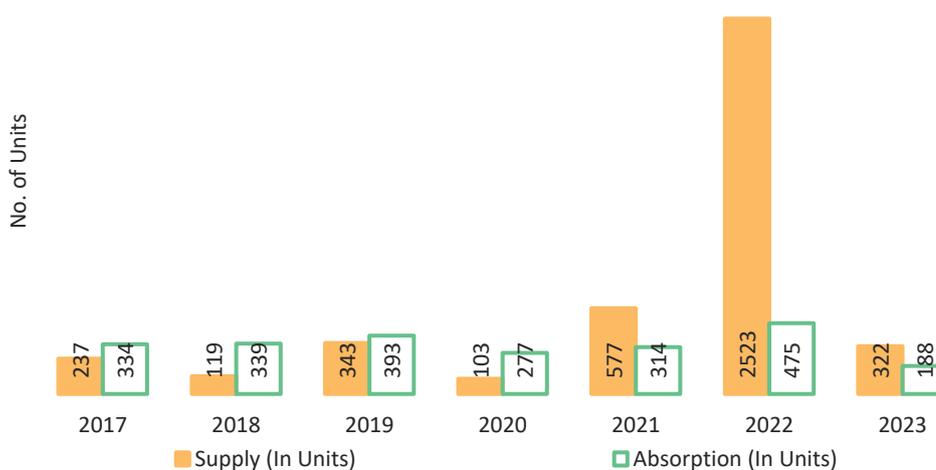


Figure 54: Supply and Absorption trends (in Units) in Borivali (West) market from 2017 to 1Q23

Note: All the figures in the above graph are as per Calendar Year (CY)

Source: Anarock Research

The following graph depicts the capital value movement in Borivali West micro-market from 2017 to 1Q23. There has been consistent increase in capital values in the micro-market from 2017 to 1Q23. Borivali West micro-market has witnessed a minor price increase in the last six years. From 2017 till 2019 only 3% prices have risen, majority (9%) of prices increased from 2020 to 1Q23. The price hike can be attributed to the disrupted supply chain which has escalated the construction cost.

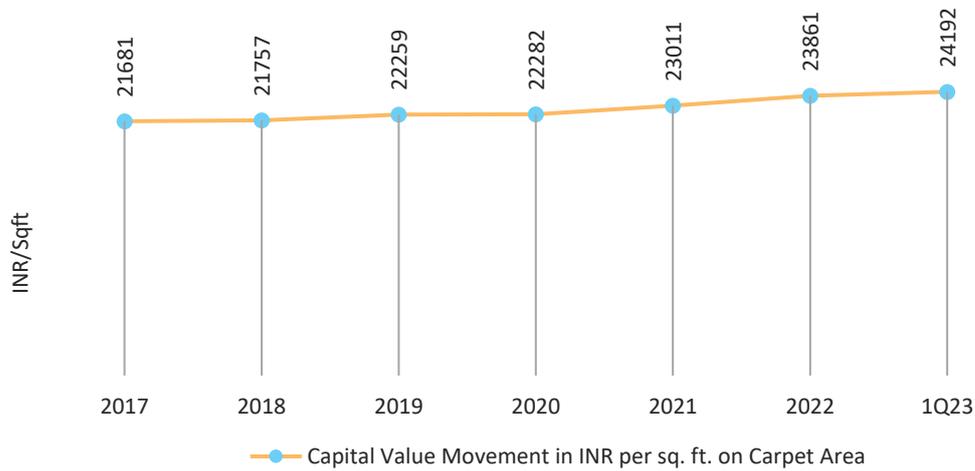


Figure 55: Capital value movement in Borivali West micro-market from 2017 to 1Q23

Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

Market Share and Relative positioning of Arkade Developers Limited in Borivali West based on Supply (In Units) & Absorption (In Units)

Last 5 quarters relative positioning & Market Share of Arkade Developers in Borivali West

In Borivali West, Arkade Developers has 4% share in the total supply and 6% share in the total absorption of cumulatively from 2022 to Q1 2023.

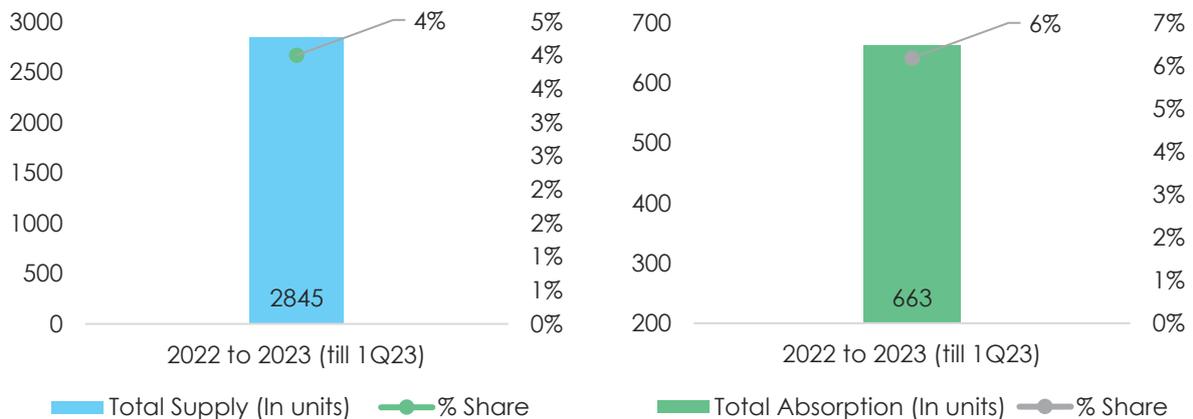


Figure 56: Market Share of Arkade Developers as per Supply (in units)

Source: MahaRERA, Anarock Research & Company

Figure 57: Market Share of Arkade Developers as per Absorption (in units)

Last six years relative positioning & Market Share of Arkade Developers in Borivali West

In Borivali West, Arkade Developers has 3% share in the total supply and 2% share in the total absorption of Borivali West cumulatively for 2017 to Q1 2023.

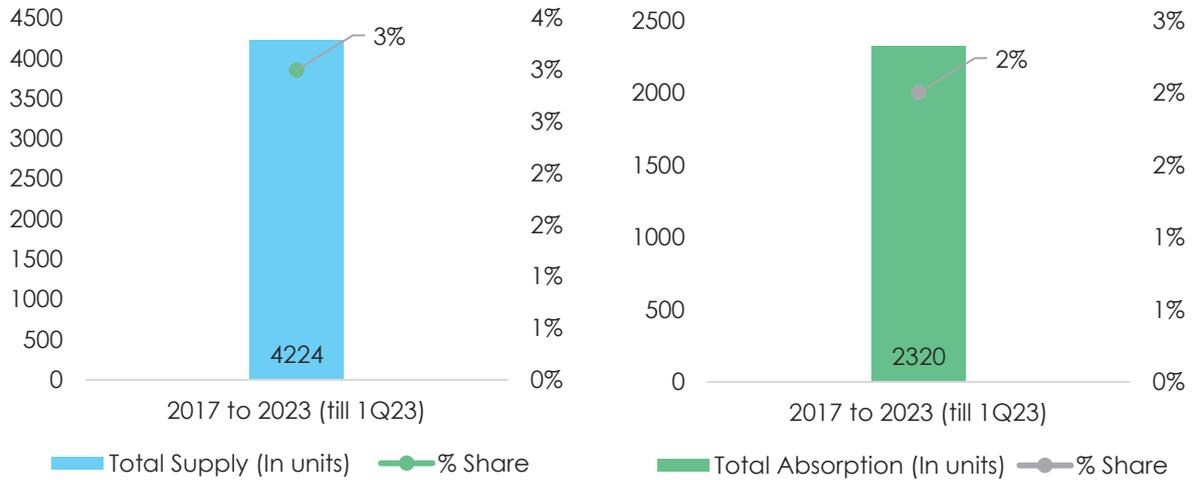


Figure 58: Market Share of Arkade Developers as per Supply (in units)

Source: MahaRERA, Anarock Research & Company

Figure 59: Market Share of Arkade Developers as per Absorption (in units)

Top-10 developers in Borivali West on the basis of Supply (In Units)

In Borivali West, the top-10 developers contribute 42% in the total supply from 2017 onwards and in this Arkade Developers accounts for a 13% share in top-10 developers' supply. Similarly, top-10 developers contribute 55% in the total supply from 2022 onwards and out of this Arkade Developers contributes 15% share in the top-10 developers' supply.

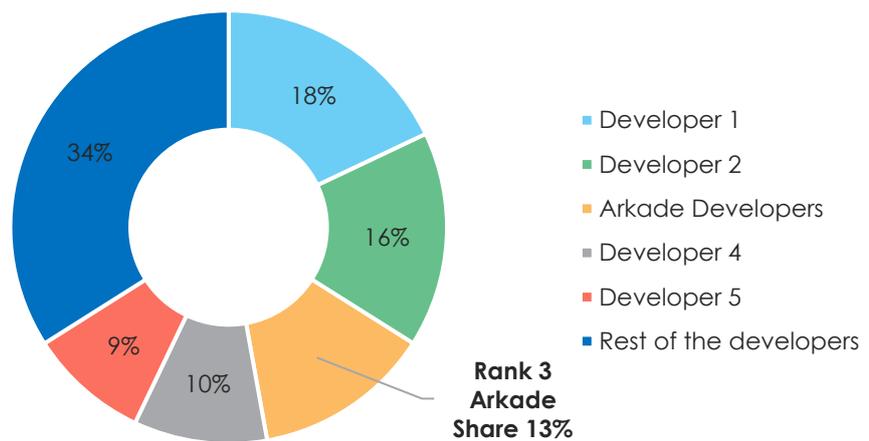


Figure 60: Borivali West - Top 10 Developers share as per supply (in Units): Cumulative from 2017 to 2023 (till 1Q23)

Source: MahaRERA, Anarock Research

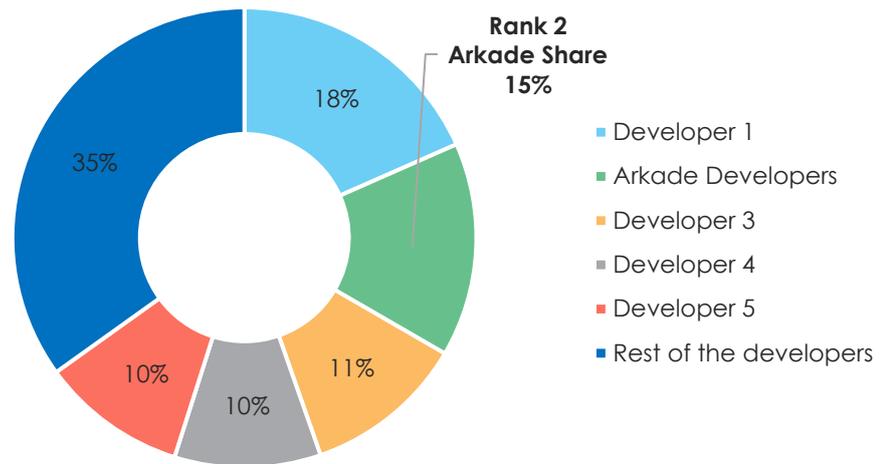


Figure 61: Borivali West - Top 10 Developers share as per supply (in Units): Cumulative from 2022 to 2023 (till 1Q23)

Source: MahaRERA, Anarock Research

5.7.3 Goregaon East Micro-market

The following graph depicts supply and absorption trends (in Units) in Goregaon East market from 2017 to 1Q23. A total of 2,250 units have been launched in the last six years in this market. The majority (47%) of supply infused in this market is in the year 2017 and the remaining 53% came in between 2018 to 1Q2023. During 2018 to 2020, very limited new launches have been added in Goregaon East micro-market, in 2022 the second highest number of new supply during the last six years was added. Housing sales also have been constant in Goregaon east from 2017 with an exception in 2020 majorly on account of COVID-19 pandemic induced lockdown. Approx. 200 to 220 average yearly units have been sold between 2017 to 1Q23 in Goregaon East.

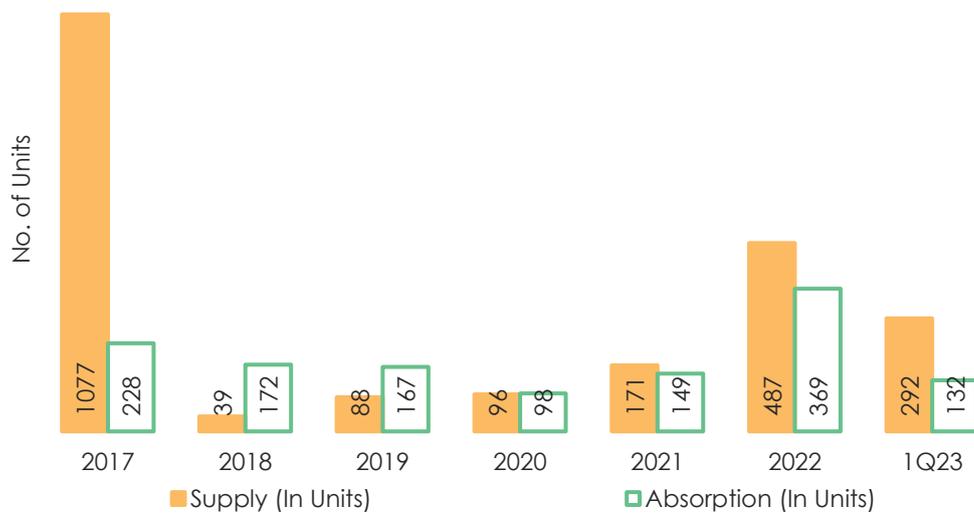


Figure 62: Goregaon East Supply & Absorption Trends - 2017 to 1Q23

Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

The following graph sets forth the pricing trends of Goregaon East market from 2017 to 1Q23. There has been a minimal price appreciation between 2017 till 2020 in the market. Major price increase was noted between 2020 to 1Q23 (10% -11%) in last 3 Years. Overall Goregaon East has witnessed 11% price appreciation from 2017 onwards.

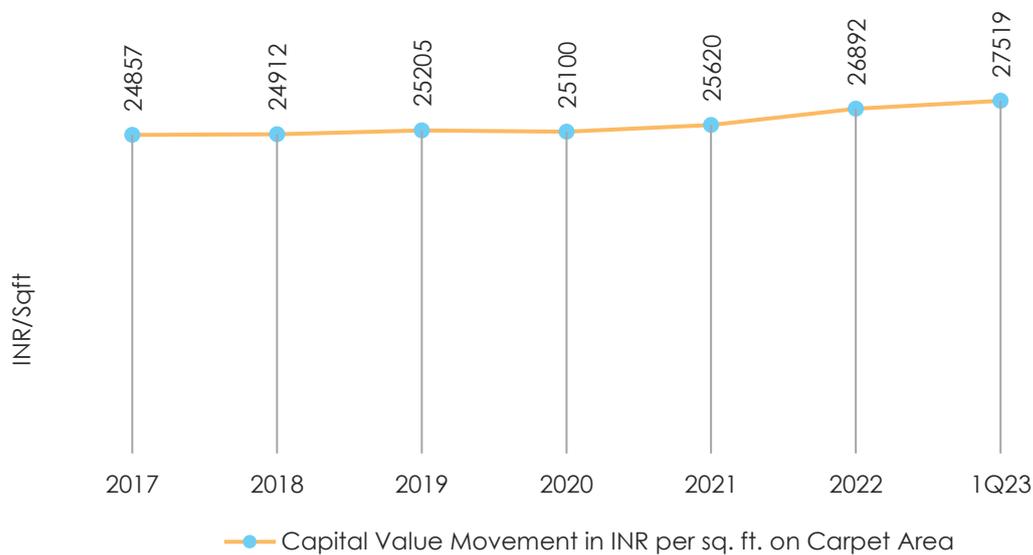


Figure 63: Goregaon East - Capital Value Movement in INR per sq. ft. on Carpet Area

Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

Market Share and Relative positioning of Arkade Developers Limited in Goregaon East on the basis of Supply (In Units) & Absorption (In Units)

Last 5 quarters relative positioning & Market Share of Arkade Developers in Goregaon East.

In Goregaon East, Arkade Developers has 26% share in the total supply and 22% share in the total absorption cumulatively from 2022 to Q1 2023.

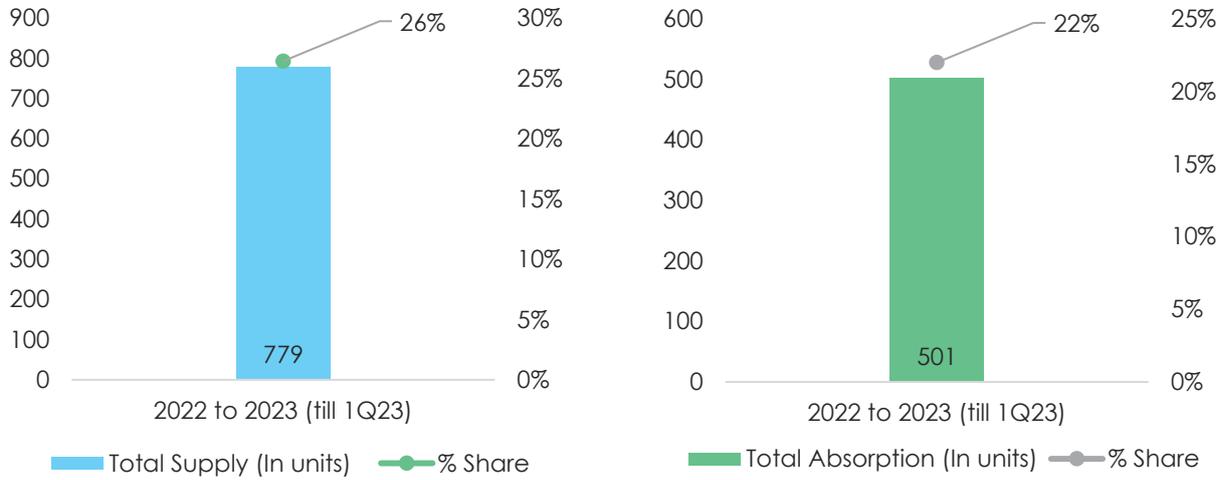


Figure 64: Market Share of Arkade Developers as per Supply (in units)

Source: MahaRERA, Anarock Research & Company

Figure 65: Market Share of Arkade Developers as per Absorption (in units)

Last six years relative positioning & Market Share of Arkade developers in Goregaon East

In Goregaon East, Arkade Developers has 8% share each in the total supply & absorption of Goregaon East cumulatively from 2017 to 2023 (1Q23).

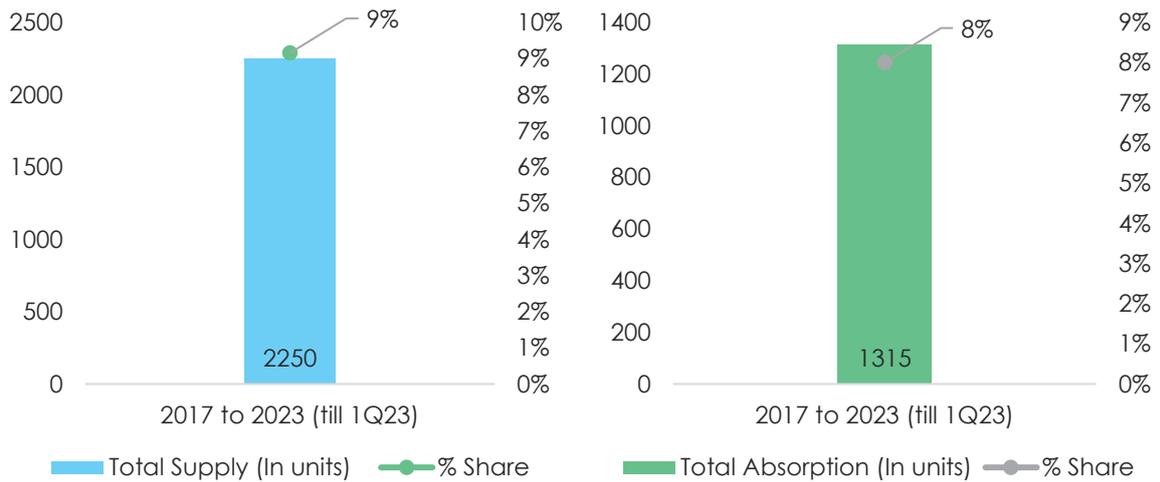


Figure 66: Market Share of Arkade Developers as per Supply (in units)

Source: MahaRERA, Anarock Research & Company

Figure 67: Market Share of Arkade Developers as per Absorption (in units)

Top-10 developers in Goregaon East on the basis of Supply (In Units)

In Goregaon East, the top-10 developers contribute 86% in the total supply from 2017 onwards and out of this Arkade Developers account for a 11% share. Similarly top-10 developers contribute 95% in the total supply from 2022 onwards and of this Arkade Developers share is 28%.

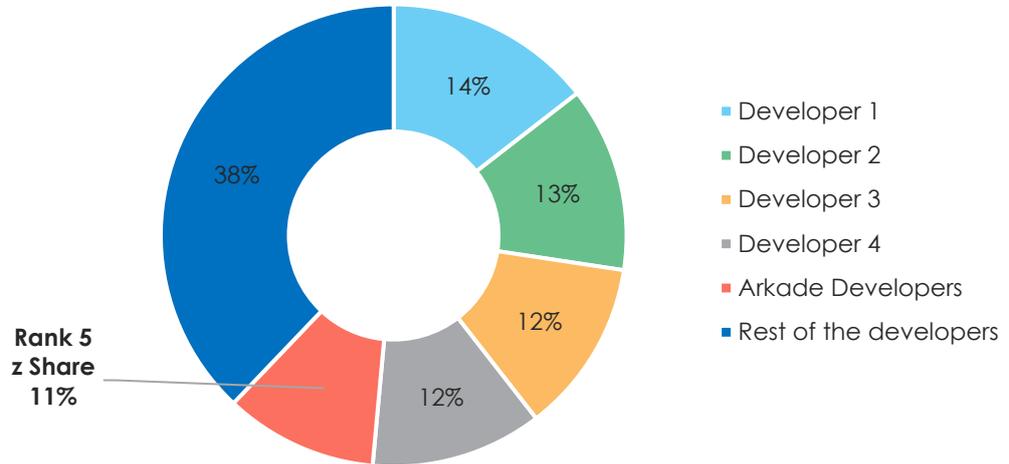


Figure 68: Goregaon East- Top 10 Developers share as per supply (in Units): Cumulative from 2017 to 2023 (till 1Q23)

Source: MahaRERA, Anarock Research

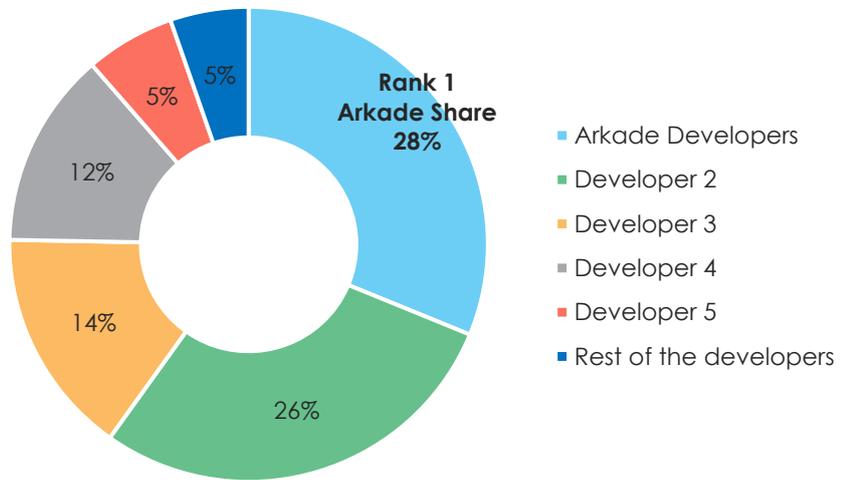


Figure 69: Goregaon East- Top 10 Developers share as per supply (in Units): Cumulative from 2022 to 2023 (till 1Q23)

Source: MahaRERA, Anarock Research

5.7.4 Santacruz West Micro-market

The following graph depicts supply and absorption trends (in Units) in Santacruz West micro-market from 2017 to 1Q23. In the last six years, 780 new units have been added in the micro-market. During 2017 to 2020, very limited new launches added in Santacruz West. The majority of supply added in the year 2021 and 2022 and these two years accounts for 60% of the total supply of Santacruz West in last six years. On average 88 units are sold annually in this market as per the data of the last six years. Sales of housing units in this market have decreased during the 2017 to 2020 period due to the limited supply and low availability of inventory in the market. COVID-19 also affected the sales in 2020 and the Santacruz West micro-market also witnessed the lowest sales during the pandemic period. However, the sales have improved in year 2021 and 2022 with 65% rise in the average yearly sales for these two years reaching 145 units annually compared to 88 units average annual units sales in last six years.

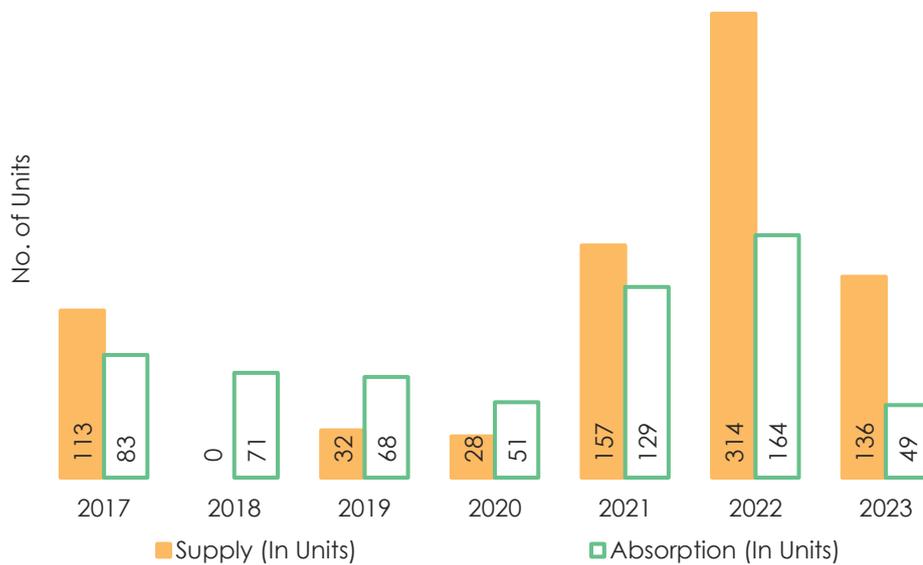


Figure 70: Santacruz West Supply & Absorption Trends - 2017 to 1Q23

Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

The following graph sets forth the pricing trends of Santacruz West micro-market from 2017 to 1Q23. Currently the average capital value in Santacruz West is INR 49,087 per Sqft on carpet. There has been a 9% price appreciation in Santacruz West during the last six years. From 2017 to 2019 prices increased only 3%, and as depicted below it increased from the year 2020 onwards, with a sharp spike in the year 2022 followed by gradual but steady rise in 1Q2023.

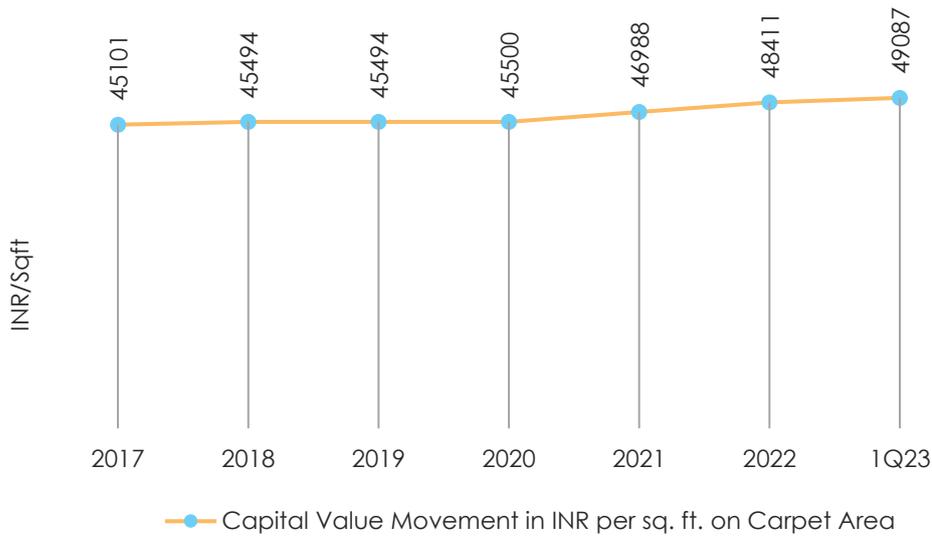


Figure 71: Santacruz West Capital Value Movement - 2017 to 1Q23

Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

Market Share and Relative positioning of Arkade Developers in Santacruz West on the basis of Supply (In Units) & Absorption (In Units)

Last 5 quarters relative positioning & Market Share of Arkade Developers in Santacruz West

In Santacruz West, Arkade Developers has 10% share in the total supply and 4% share in the total absorption of Santacruz West cumulatively from 2022 to Q1 2023. The share in sales is low because Arkade Developers has recently launched a project here in 2023.

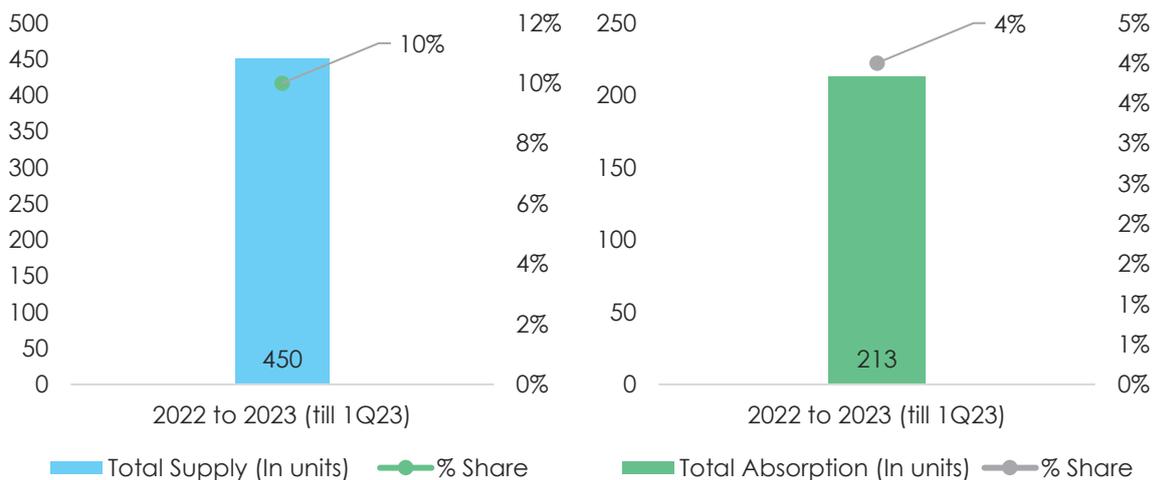


Figure 72: Market Share of Arkade Developers as per Supply (in units)

Source: MahaRERA, Anarock Research & Company

Figure 73: Market Share of Arkade Developers as per Absorption (in units)

Last six years relative positioning & Market Share of Arkade developers in Santacruz West

In Santacruz West, Arkade Developers has a 6% share in the total supply and 1% in the total absorption of Santacruz West cumulatively from 2017 to Q1 2023. The share in sales is low because Arkade developers has recently launched a project here in 2023.

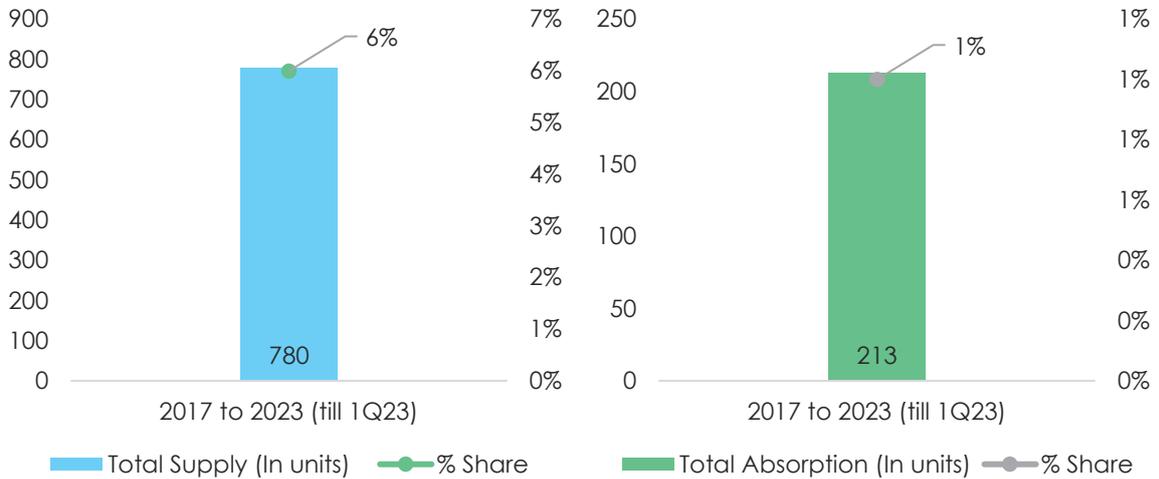


Figure 74: Market Share of Arkade Developers as per Supply (in units)

Source: MahaRERA, Anarock Research & Company

Figure 75: Market Share of Arkade Developers as per Absorption (in units)

Top-10 developers in Santacruz West on the basis of Supply (In Units)

In Santacruz West, the top-10 developers contribute 80% in the total supply from 2017 onwards and out of this Arkade Developers contributes 7% share in top-10 developers' supply. Similarly top-10 developers contribute 95% in the total supply from 2022 onwards and out of this Arkade Developers contributes 10% share in the top-10 developers' supply

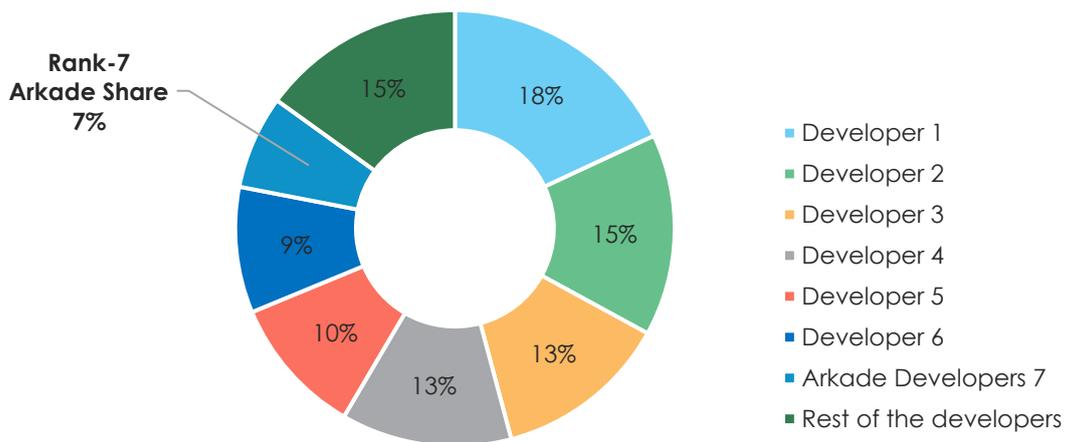


Figure 76: Santacruz West - Top 10 Developers share as per supply (in Units): Cumulative from 2017 to 2023 (till 1Q23)

Source: MahaRERA, Anarock Research

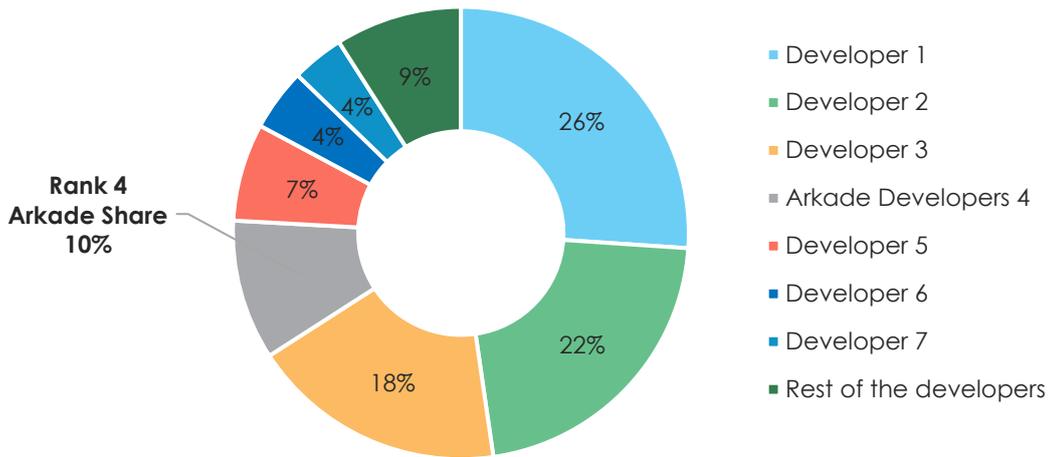


Figure 77: Santacruz West- Top 10 Developers share as per supply (in Units): Cumulative from 2022 to 2023 (till 1Q23)
Source: MahaRERA, Anarock Research

5.8 Typology wise Supply, Absorption Dynamics in Selected Micro Markets – Cumulative from 2017 to 2023 (Till Q1)

5.8.1 Andheri East

The following graph depicts typology wise supply (in units) in Andheri East micro-market for the cumulative period of 2017 to 2023 (till 1Q23). Half of the supply (47%) in this market is 2BHK, followed by 1BHK (36%) and 3BHK (15%). Interestingly, 4BHK and above supply in this area is also decent with 117 units contribution in this market total supply from 2017 onwards.

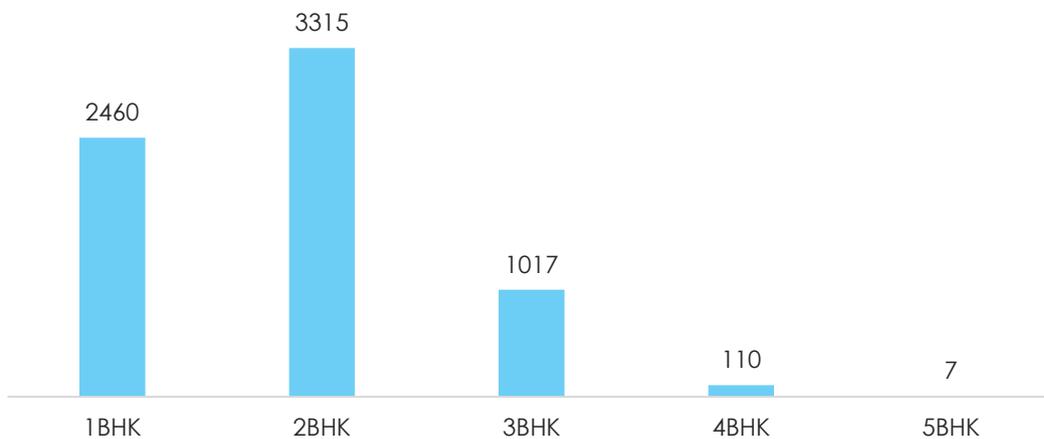


Figure 78: Andheri East- Typology wise supply: Cumulative from 2017 to 2023 (till 1Q23)
Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023. For the above analysis we have considered 1RK as 1BHK, 1.5 BHK as 2BHK and 3.5BHK as 4BHK.

The following graph depicts typology wise absorption (in units) in Andheri East market for the cumulative period of 2017 to 2023 (till 1Q23). Among all typologies, 1BHK and 2BHK have the maximum absorption in this market with 79% share.

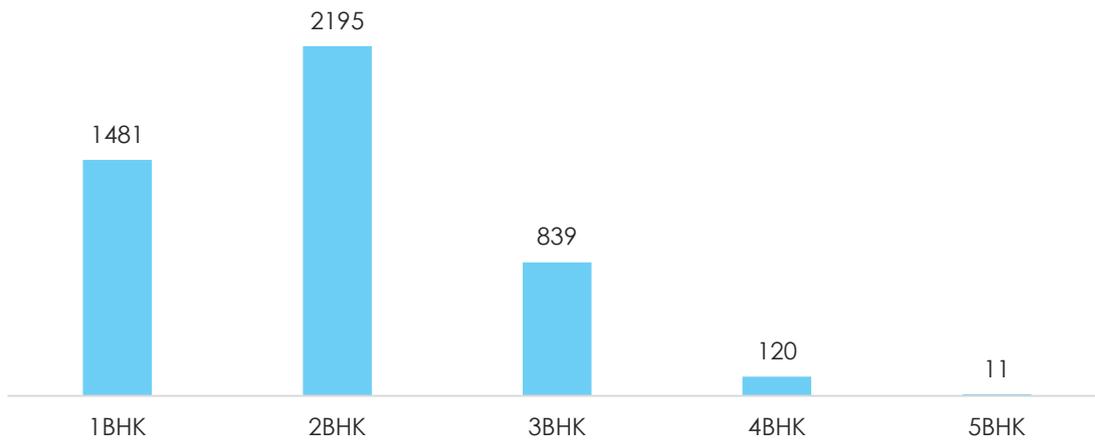


Figure 79: Andheri East- Typology wise absorption: Cumulative from 2017 to 2023 (till 1Q23)

Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023, For the above analysis we have considered 1RK as 1BHK, 1.5 BHK as 2BHK and 3.5BHK as 4BHK.

5.8.2 Borivali West

The following graph depicts typology wise supply (in units) in Borivali West micro-market for the cumulative period of 2017 to 2023 (till 1Q23). Most of the supply in this market is 1BHK and 2BHK with altogether accounting for 80% of the total. 3BHK contributes 18% in Borivali West supply, followed by “4BHK and above” contributing 2% in this micro-market.

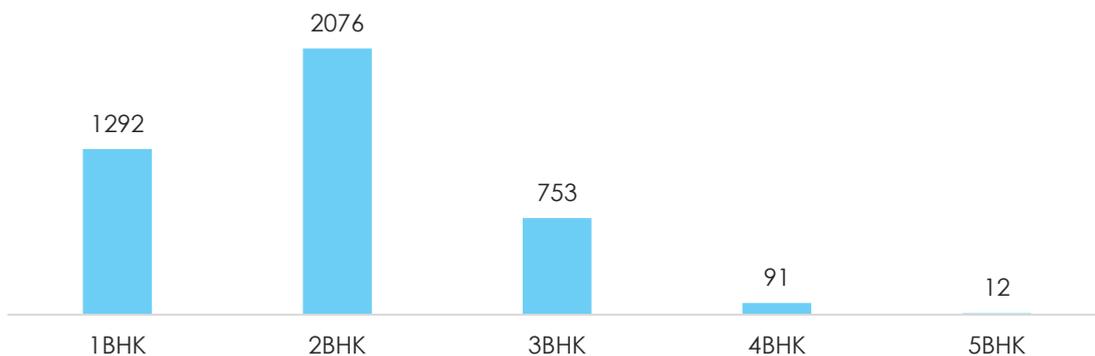


Figure 80: Borivali West- Typology wise supply: Cumulative from 2017 to 2023 (till 1Q23)

Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023, For the above analysis we have considered 1RK as 1BHK, 1.5 BHK as 2BHK and 3.5BHK as 4BHK.

The following graph depicts typology wise absorption (in units) in Borivali West micro-market for the cumulative period of 2017 to 2023 (till 1Q23). 2BHK absorption in this market is the maximum with 46% of

units absorbed out of total absorption, followed by 1BHK with 34% units absorbed out of the total absorption and 19% in 3BHK category.

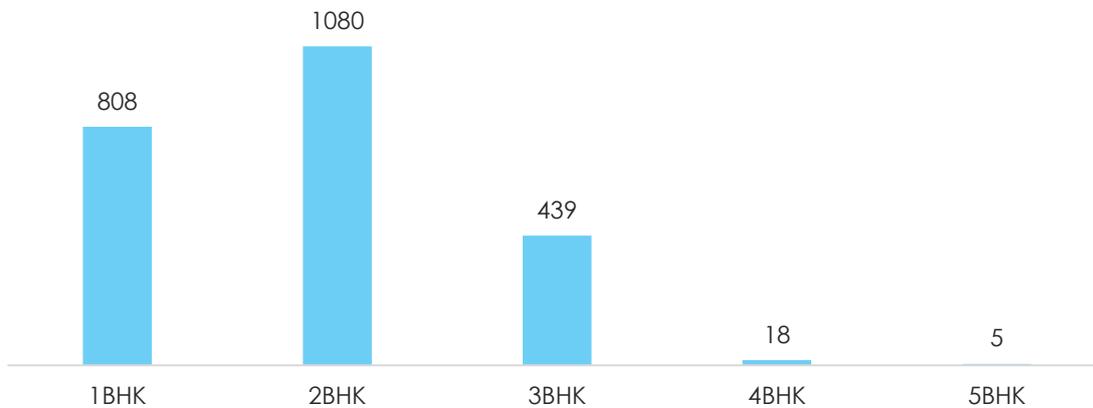


Figure 81: Borivali West- Typology wise absorption: Cumulative from 2017 to 2023 (till 1Q23)

Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023, For the above analysis we have considered 1RK as 1BHK, 1.5 BHK as 2BHK and 3.5BHK as 4BHK.

5.8.3 Goregaon East

The following graph depicts typology wise supply (in units) in Goregaon East micro-market for the cumulative period of 2017 to 2023 (till 1Q23). Interestingly, in Goregaon East the 1BHK units supply is the maximum which contributes 52% in total supply of market in the given period, followed by 2BHK ~ 43% contribution in Goregaon East and 3BHK & above typology new supply in this market is limited during 2017 to 2023 (till 1Q23).

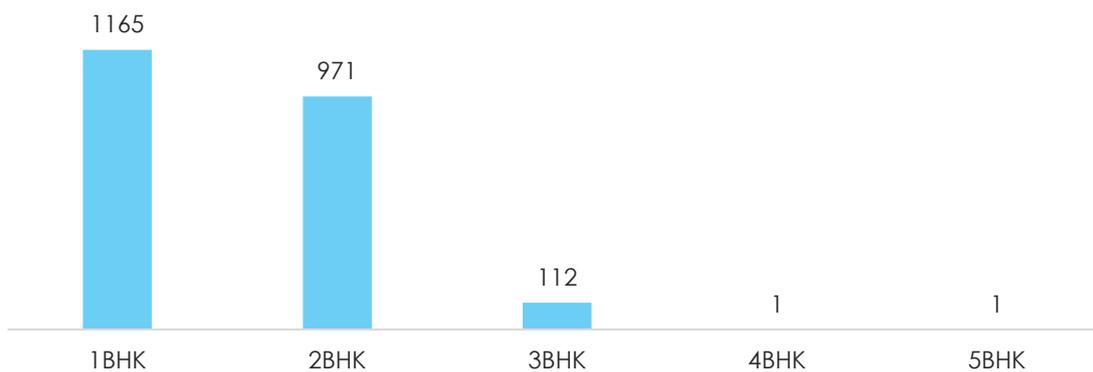


Figure 82: Borivali West- Typology wise supply: Cumulative from 2017 to 2023 (till 1Q23)

Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023, For the above analysis we have considered 1RK as 1BHK, 1.5 BHK as 2BHK and 3.5BHK as 4BHK.

The following graph depicts typology wise absorption (in units) in Goregaon East micro-market for the cumulative period of 2017 to 2023 (till 1Q23). 1BHK and 2BHK witnessed the maximum absorption ~ altogether 94% contribution witnessed by these two typologies in Goregaon East during the mentioned period. Interestingly, despite of low supply in 3BHK category the absorption in this typology witnessed the high traction ~ 74% of inventory launched during this period is already absorbed, this shows the high demand of 3BHK in Goregaon East.

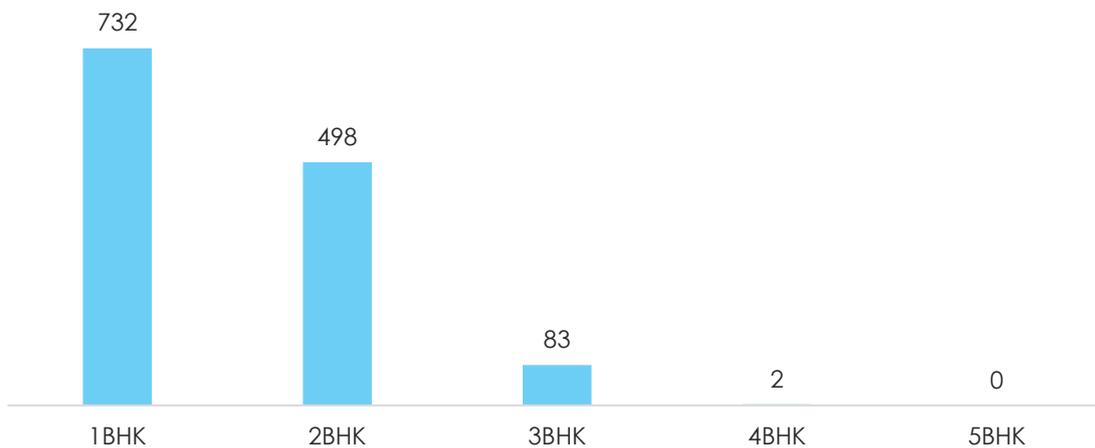


Figure 83: Goregaon East- Typology wise absorption: Cumulative from 2017 to 2023 (till 1Q23)

Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023, For the above analysis we have considered 1RK as 1BHK, 1.5 BHK as 2BHK and 3.5BHK as 4BHK.

5.8.4 Santacruz West

The following graph depicts typology wise supply (in units) in Santacruz West micro-market for the cumulative period of 2017 to 2023 (till 1Q23). In Santacruz West the 2BHK & 3BHK category witnessed almost similar levels of new supply ~ contributed 34% & 39% respectively in total supply during this period. In 1BHK category also a decent level of supply witnessed ~ contributed 15% in total supply of Santacruz west. 4BHK & above typologies also contributed 11% in the total supply of this market during 2017 to 2023 (1Q23).

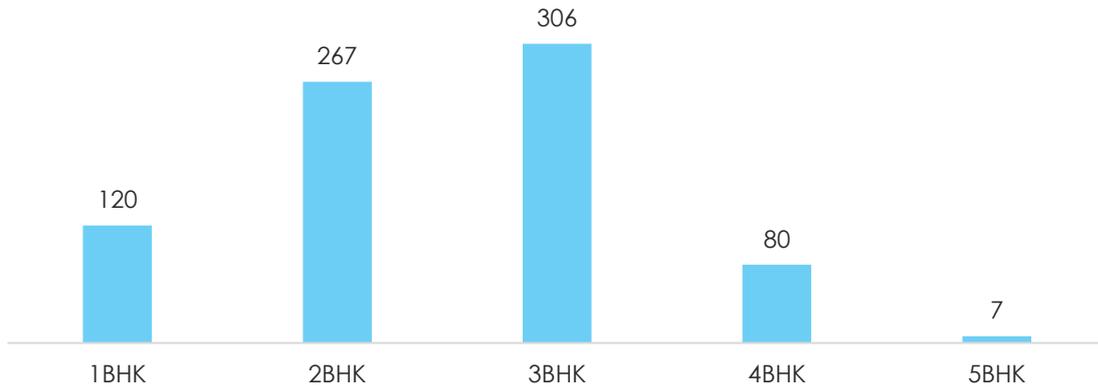


Figure 84: Santacruz West- Typology wise supply: Cumulative from 2017 to 2023 (till 1Q23)

Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023, For the above analysis we have considered 1RK as 1BHK, 1.5 BHK as 2BHK and 3.5BHK as 4BHK.

The following graph depicts typology wise absorption (in units) in Santacruz West micro-market for the cumulative period of 2017 to 2023 (till 1Q23). 3BHK most sold units during the period ~ accounting 35% of the total. 2BHK & 1BHK altogether contributed 60% to the total absorption of this market. 4BHK & above contributed 5% in total absorption.

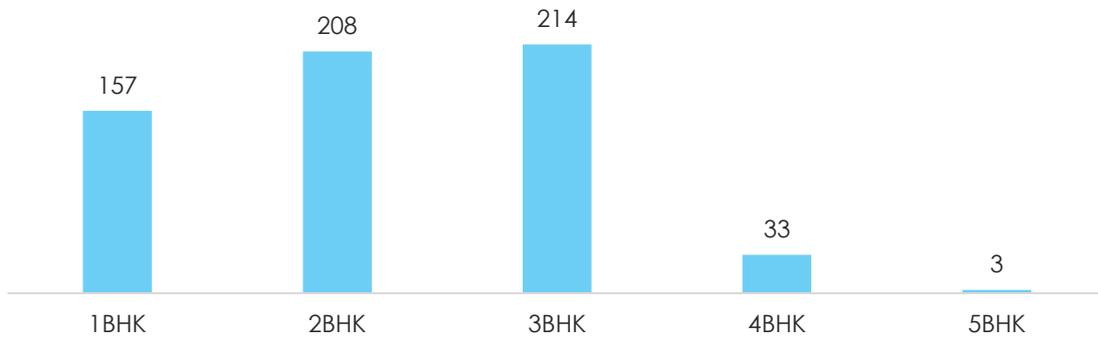


Figure 85: Santacruz West- Typology wise absorption: Cumulative from 2017 to 2023 (till 1Q23)

Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023, For the above analysis we have considered 1RK as 1BHK, 1.5 BHK as 2BHK and 3.5BHK as 4BHK.

5.8.5 Comparison of Combined Markets (Andheri East, Borivali West, Goregaon East & Santacruz West) with Arkade Developers Limited Portfolio in these markets

The following graph depicts typology wise supply (in units) in combined markets of Andheri East, Borivali West, Goregaon East & Santacruz West in comparison to the project of Arkade Developers Limited for the cumulative period of 2017 to 2023 (till 1Q23). **Arkade Developers Limited has 2BHK & 3BHK as its predominant typologies as part of its supply in the these market in Mumbai. Out of total supply in the mentioned combined markets from 2017, Arkade Developers Limited has a market share of ~ 6% in 3BHK, ~ 5% in 4BHK, ~ 3% in 2BHK and ~1% in 1BHK out of the total typology wise supply of the combined markets. The presence in all typologies signifies that Arkade Developers Limited has been one of the market major player in terms of 2BHK, 3BHK & 4BHK units supply in combined markets.**

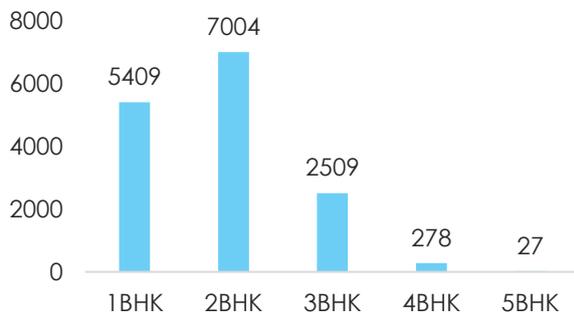


Figure 87: Combined Markets - Typology wise Supply (in units): Cumulative from 2017 to 2023 (1Q23)

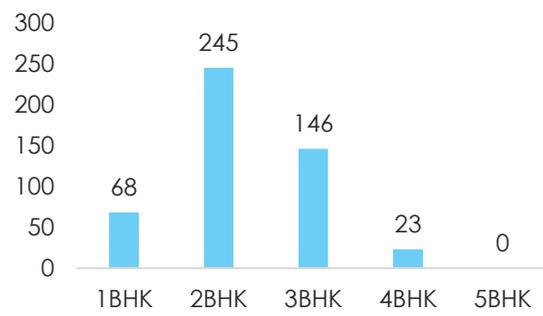


Figure 86: Arkade Developers Portfolio- Typology wise Supply (in units) Cumulative from 2017 to 2023 (1Q23)

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023, For the above analysis we have considered 1RK as 1BHK, 1.5 BHK as 2BHK and 3.5BHK as 4BHK.

Source: Anarock Research

The following graph depicts typology wise absorption (in units) in combined markets of Andheri East, Borivali West, Goregaon East & Santacruz West in comparison to the project of Arkade Developers Limited for the cumulative period of 2017 to 2023 (till 1Q23). **Arkade Developers Limited has a market share of ~ 4% in 3BHK, ~ 3% in 2BHK, 2% in 4BHK & 1% in 1BHK out of the total typology wise absorption of the combined market. This signifies that Arkade Developers Limited have selling units across almost all segments and has been one of the market major player in terms of selling the typology of 2BHK & 3BHK units in the concerned markets.**

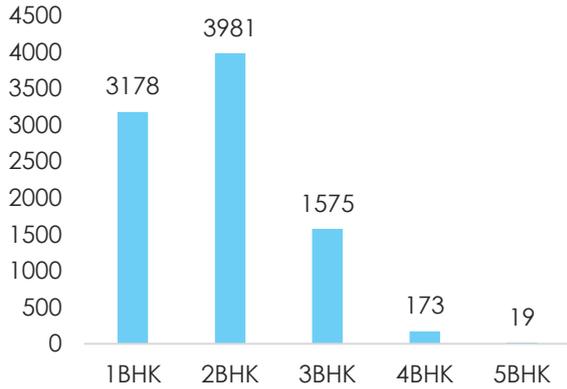


Figure 88: Combined Markets - Typology wise Absorption (in units): Cumulative from 2017 to 2023 (1Q23)

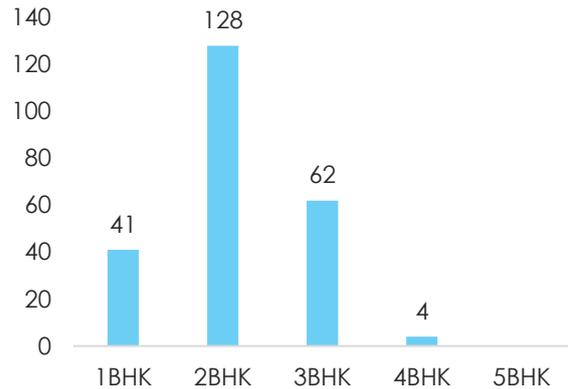


Figure 89: Arkade Developers Portfolio- Typology wise Absorption (in units): Cumulative from 2017 to 2023 (1Q23)

Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023, from 2017 till Q1-2023, For the above analysis we have considered 1RK as 1BHK, 1.5 BHK as 2BHK and 3.5BHK as 4BHK.

5.9 Market Share of Arkade Developers Limited in Combined Markets (Andheri East, Borivali West, Goregaon East & Santacruz West) on the basis of Supply & Absorption

Market share and relative positioning of Arkade Developers Limited on the basis of Supply (In Units) & Absorption (In Units) in combined markets (consolidated) within the Western Suburbs – Consolidated From 2017 to 2023 (1Q23)

Market share and Relative Positioning of Arkade Developers as per Supply (in Units)

The total supply (in Units) in the consolidated market is 14,163 units. Out of this, **the total market share of Arkade Developers cumulative from 2017 to 2023 (1Q23) stands at 4%**



Figure 90: Market Share of Arkade Developers as per Supply (in No of Units) CY 2017 to 2023 (1Q23)

Source: MahaRERA

Out of the total supply of 14,163 units in selected micro-markets (consolidated) from 2017 to 2023 (till 1Q23), The top-10 developers contribute 33% in the total supply from 2017 onwards and out of this **Arkade Developers contributes 13% share in top-10 developers' supply.**

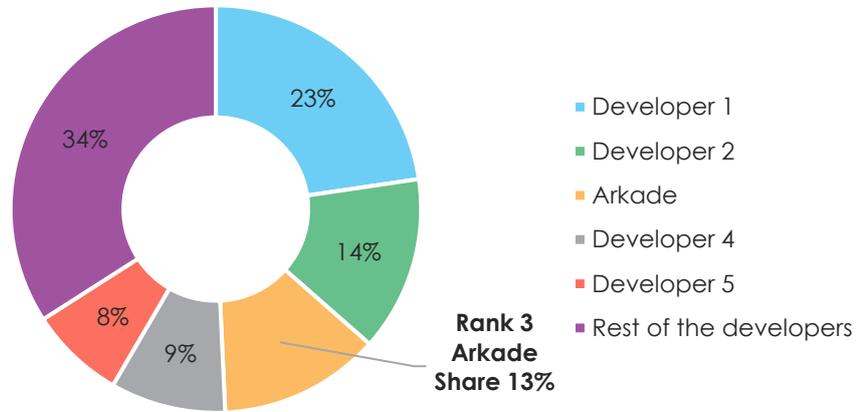


Figure 91: Top 10 developers share as per Supply (in Units) Selected Markets (Consolidated): Cumulative 2017 to 2023 (1Q23)

Source: MahaRERA

Market share and Relative Positioning of Arkade Developers as per Supply (in INR crore)

Out of the total supply of INR 27,498 crores in consolidated market from 2017 to 2023 (1Q23), Out of this, **the total market share of Arkade Developers cumulative from 2017 to 2023 (1Q23) stands at 4%.**

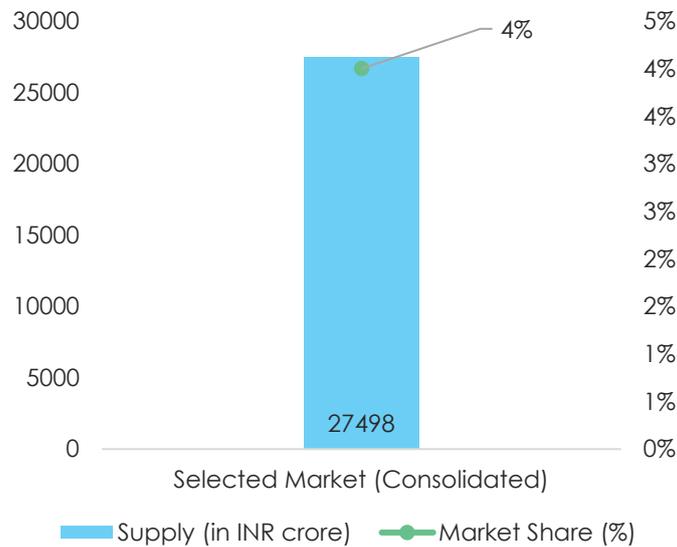


Figure 92: Market share of Arkade Developers as per Supply (In INR Crore)

Source: Anarock Research & Company

Market Share of Arkade Developers as per Absorption (in Units)

The total absorption (in Units) in consolidated markets is 8,896 units. Out of this, **the market share of Arkade Developers from 2017 to 2023(1Q23) stands at 3%.**

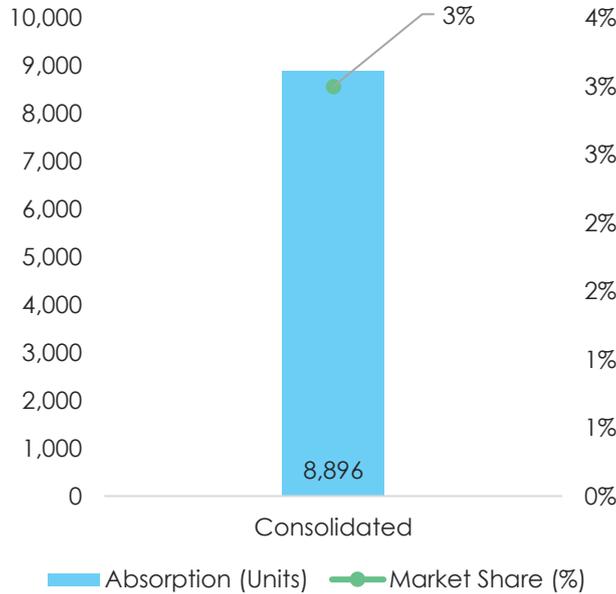


Figure 93: Market share of Arkade Developers as per Absorption (In units): 2017 to 2023 (till 1Q23)

Source: Anarock Research & Company

6. TRENDS IN EASTERN SUBURBS – MUMBAI RESIDENTIAL REAL ESTATE (ZONE LEVEL & MICRO-MARKET LEVEL)

6.1 Overview of Eastern Suburbs

Mumbai’s eastern suburbs have experienced substantial expansion and development over a long period of time. The busy business and residential complexes of the region which include prominent localities such as Ghatkopar, Mulund, Chembur, Powai and Vikhroli have replaced the once-old residential and industrial regions. These neighborhoods were predominately known for their green spaces & open lands. However, Mumbai’s increasing urbanisation and population growth increased housing demand, which prompted the development of new residential complexes in the eastern suburbs. The development of the Eastern Express Highway in the recent years and the existing Mumbai Suburban Railway, as well as other forms of public transit, played a significant role in connecting the eastern suburbs to the rest of the city and improving their accessibility.

Present connectivity and Infrastructure

The eastern suburbs have excellent transport connections to the rest of Mumbai. The Central Line of the Mumbai Suburban Railway offers access to numerous locations within the city. A strong presence of local transport options also makes it easy to commute both within and beyond the suburbs.

Most of the key office submarkets and residential catchments are easily accessible by road and rail (Central Railways and Harbour Line). The Eastern Express Highway (EEH) and Lal Bahadur Shastri Marg (LBS Marg) are the two parallelly aligned arterial roads that connect the eastern suburbs to the island city. The recently operational Eastern Freeway (P D'Mello Road to Chembur) and the Eastern Express Highway have emerged as the most crucial elements of the eastern suburbs as they link the crucial commercial micromarkets of BKC, Lower Parel, Nariman Point, Churchgate, Kurla, and Wadala to the eastern suburbs. Thane and Navi Mumbai's two significant peripheral residential and commercial micromarkets are well connected by the Eastern Express Highway and Airoli-Mulund Road respectively, while Jogeshwari Vikhroli Link Road and Metro Line 1 have improved connectivity with the Western Suburbs.

Existing Infrastructure

Existing Project	Completion timeline	Details	Key impact zones
Central Line (Suburban Railway)	1853	Consists of 24 stations from Chhatrapati Shivaji Maharaj Terminus to Kalyan	CSTM, Dadar, Kurla, Eastern Suburbs – Ghatkopar to Mulund, Thane
Harbour Line (Suburban Railway)	1910	The Harbour line is a branch line of the Mumbai Suburban Railway	CBD, Wadala, Kurla, Thane-Belapur Road and Navi Mumbai Others
JVLR (Jogeshwari Vikhroli Link Road)	1994	10.6 km long 6 lane road connecting the Western Express highway (WEH) and Eastern Express Highway (EEH)	Andheri east and Eastern Suburbs

Eastern Express Highway (EEH)	2013	23.55 km city express highway	BKC, Bandra Kurla-Kalina, Ghatkopar to Mulund
Eastern Freeway	2013	16.8 km long controlled-access highway	Fort to Chembur
SCLR (Santacruz Chembur Link Road)	2014	6.45 km arterial road connecting WEH and EEH	Kurla-Kalina, and Eastern suburbs
Monorail Line 1 (Jacob Circle – Wadala)	2014	20.21 km line and is fully elevated	Mahalaxmi, Wadala
BKC – Eastern Express Highway Connector	2019	1.6 km connector from G Block of BKC to the EEH	BKC, Kurla-Kalina, Chunnabhati and Sion

Existing Metro Rail Lines

Existing Project	Completion timeline	Details	Key impact zones
Metro Blue Line 1 (Versova – Ghatkopar)	2014	11.40 km line is fully elevated and consists of 12 stations	Andheri west, Andheri east, Ghatkopar.

Upcoming Infrastructure

The East Suburbs' connectivity to the rest of the city is expected to change dramatically as a result of the large-scale infrastructure projects that are being proposed. Sewri and Jawaharlal Nehru Port Trust (JNPT) will be connected by the ambitious Mumbai Trans Harbour Link (MTHL), which will reduce the travel time from the current two to three hours to under one hour. Airoli-Mulund Road, the eastern Express Highway, and the already congested Thane-Belapur Road will all benefit from this. Additionally, it will facilitate access to Navi Mumbai's commercial hubs and the upcoming Navi Mumbai International Airport, thereby lowering passenger volume at the Chatrapati Shivaji Maharaj International Airport. Most importantly, it will relieve congestion on the local trains. This is likely to increase the demand for dwellings

in the adjacent suburbs and increase property values. The 12-km Goregaon Mulund Link Road (GMLR) is planned to ease traffic on the JVLR and Western Express Highway and reduce the travel time between the Western and Eastern suburbs.

Upcoming Project	Completion timeline	Details	Key impact zones
Navi Mumbai International Airport	2024	It will be connected with Navi Mumbai Metro's Line 1 and with the proposed Mumbai Metro's Line 8 (Gold Line).	Thane-Belapur Road and Navi Mumbai Others
Mumbai Trans Harbour Link	Nearing completion	Construction of bridge across the sea from Sewri to Nhava (22 km)	Thane-Belapur Road, Navi Mumbai Others and SBD Central
Goregaon Mulund Link Road	Nearing completion	12-km long road infrastructure project that will connect Mulund directly to Goregaon. Construction in 4 phases	Western Suburbs and Eastern Suburbs

Upcoming Metro Lines

Upcoming Project	Metro Line Name	Completion timeline	Details	Key impact zones
Metro Yellow line 2B	MY 2	Nearing completion	Dahisar – Andheri West – Mankhurd	Western suburbs and Eastern suburbs
Metro Green Line 4	MG 4,10,11	2024	Wadala – Kasarvadavali – Gaimukh	Eastern Suburbs and Thane

Metro Orange Line 5	MO 5	2024	Thane – Bhiwandi – Kalyan	Thane
Metro Pink Line 6	MP 6	2024	Lokhandwala – Jogeshwari – Kanjurmarg	Western and Eastern Suburbs, SBD North
Metro Green Line 11	MG 4,10,11	2025	Wadala – CSMT	East Suburbs and Fort
Metro Orange Line 12	MO 12	2025	Kalyan – Dombivali – Taloja	Navi Mumbai Others
Metro Magenta Line 14	MM 14	2026	Vikhroli – Badlapur (indicative)	Eastern Suburbs and Thane

Social Infrastructure

The eastern suburbs of Mumbai have gained popularity in recent years for their well-established shopping centres and malls, residential complexes, and a sizeable chunk of the city's social infrastructure. The following are some significant facets of the social infrastructure of Mumbai's eastern suburbs:

Education: From basic schools to colleges and universities, the eastern suburbs of Mumbai are home to several reputed educational institutions across multiple disciplines of undergraduate and post graduate curriculum.

Healthcare: There are many hospitals, clinics, and medical facilities in the eastern suburbs, which offer a respectable healthcare infrastructure. The presence of several multi-specialty hospitals along with allied healthcare systems and specialist clinics are present which makes the region self-sufficient.

Recreation and Entertainment: The eastern suburbs provide a wide range of leisure and entertainment options. Shopping centers in Ghatkopar, Kurla and Mulund are some of major destinations that have successfully altered the retail landscape of the neighborhood. They offer a one-stop location for leisure activities with multiplex theatres, food courts, shops, and entertainment areas.

Parks and Open Spaces: Despite the densely populated nature of Mumbai, the eastern suburbs have a few parks and open spaces that offer residents a place to relax and enjoy greenery. Red Carpet Wax Museum, Kidzania, Chembur Gymkhana, Diamond Garden, the Powai Lake and the high street at Powai are popular choices for outdoor activities and recreational purposes.

These are a few of the most important components of the social infrastructure of Mumbai's eastern suburbs. As new facilities and amenities are added to the region to meet the requirements of its citizens, it is expected to grow further and evolve.

Residential Catchments

Like the western suburbs, the east suburbs also harbors some of the biggest residential catchments in the city. Hence, the submarket has emerged as one of the biggest real estate markets in the city across the asset classes. Some of the prominent residential areas are Powai, Ghatkopar, Mulund, Chembur and Kurla.

Powai is known for its scenic beauty and modern infrastructure. Powai is home to a mix of residential complexes, IT parks, and educational institutions. It is a lively neighbourhood and offers a range of housing options, from high-end luxurious apartments to gated communities. Ghatkopar and Mulund are well-established residential areas with a mix of old and new developments. They have good connectivity to both Eastern and Western suburbs, making it convenient for the residents. These micromarkets have witnessed rapid development in recent years, with the development of social infrastructure. They offer a mix of affordable and upscale housing options. Chembur is a well-connected residential area known for its cosmopolitan nature and accessibility. Chembur is favored by many due to its proximity to business districts and good connectivity to other parts of Mumbai. Kurla is centrally located and offers a blend of residential and commercial spaces. It has good connectivity through rail and road networks, making it a convenient place to live. Kurla offers a mix of affordable and mid-range housing options.

Commercial hubs and centers

Eastern suburbs of Mumbai are well connected to most of the important business districts as it is centrally located in terms of the entire Mumbai Metropolitan Region (MMR).

Despite having excellent connectivity to the commercial offices of BKC and Lower Parel, the suburbs are thriving commercial centers in and of themselves. This is mostly a result of the concentration of IT-ITeS companies in the suburbs. IT-ITeS occupiers need access to a talent pool, supply of Grade A office spaces, large floor plates, high end amenities, and rents that are competitive. Eastern suburbs provide a healthy combination of all the prerequisites. Additionally, since the office space vacancy is extremely low in submarkets like BKC, many large Indian and multinational corporations have chosen to set up offices in East Suburbs

Key commercial areas in the East Suburbs include Powai, Ghatkopar, Vikhroli, Kanjurmarg and Mulund. These areas are home to quality office projects both along the LBS Marg and Eastern Express Highway. The sub-market also houses built-to-suit developments, business parks and an IT SEZ. Occupiers from the tech, telecom and BFSI sectors such as Nokia Siemens, JP Morgan, Accenture, Wipro, Capgemini and Link Intime have taken up space in East Suburbs.

6.2 Key Growth Drivers for Mumbai Eastern Suburbs

Several important reasons have contributed significantly to the rise of Mumbai's Eastern suburbs. The following are some of the main causes of the expansion of the Eastern suburbs:

- **Infrastructure Development:** There has been significant infrastructure development in the eastern suburbs, including the growth of roads, Eastern freeway and transportation networks. By improving access both inside and beyond the eastern suburbs, projects like the Eastern Express Highway, Eastern freeway, and Metro links have attracted residents and businesses.
- **Proximity to established business locations:** The Bandra-Kurla Complex (BKC), Andheri, Powai, Thane and Goregaon are important business districts are strategically close to the eastern suburbs. Corporate offices, IT parks, and commercial organisations have been drawn to this handy location, creating employment possibilities and boosting housing demand.
- **Affordable Housing alternatives:** A variety of housing alternatives, including affordable and mid-range segments, are available in the eastern suburbs to accommodate different income levels. Investors and homebuyers, particularly those looking for affordable homes in a city with high property costs, have been drawn to accessible affordable flats and housing complexes.
- **Social Infrastructure:** The eastern suburbs have seen the growth of a strong social infrastructure, which includes educational institutions, healthcare facilities, retail outlets, and recreation centers. The Eastern suburbs have become more livable and appealing because of the inclusion of these amenities, making them ideal places to live.
- **Urban Renewal and Redevelopment Projects:** Urban renewal and redevelopment of projects have been actively changing older industrial regions in the eastern suburbs into contemporary living and working environments. These initiatives have transformed the areas by enhancing the living standards leading to attracting new residents.
- **Growth of the Information Technology Enabled Services (IT) and Business Process Outsourcing (BPO) Industries:** The eastern suburbs, especially Powai and Vikhroli, have seen a rise in the number of IT and BPO businesses opening up offices. The expansion of these industries has increased the employment possibilities and the demand for housing in these suburbs.
- **Emerging Entertainment and Lifestyle Hubs:** In the eastern suburbs, new shopping malls, multiplexes, dining options and recreation facilities have been established. These changes have enhanced the eastern suburbs' general appeal and vibrancy, drawing both residents and tourists.

These growth-promoting factors have worked together to reshape and develop Mumbai's eastern suburbs, making them more in-demand places for residential and commercial development.

6.3 Challenges and Constraints

The eastern suburbs of Mumbai face a range of challenges in their real estate landscape. One of the primary concerns is the limited availability of open spaces due to high population density, resulting in a lack of green areas and recreational opportunities for residents. The rapid urbanization in the area also puts strain on the existing infrastructure, potentially leading to issues with transportation and other essential services. Finding suitable land for new real estate projects is another significant constraint, driving up property prices and limiting the scope for large-scale developments. Moreover, the presence of a significant slum population poses challenges for slum redevelopment initiatives, including land acquisition, relocation, and funding difficulties.

Environmental concerns arise from development projects putting pressure on the ecosystem, leading to pollution, waste management challenges, and the depletion of natural resources. Additionally, the eastern suburbs exhibit socio-economic disparities, with affluent areas coexisting alongside slum regions, making inclusive development a complex task.

Furthermore, encroachments on public and private land can be a problem in certain areas, necessitating efforts to resolve these issues and reclaim land for development. Addressing these challenges in a holistic and sustainable manner requires careful planning and collaboration among various stakeholders to enhance the living standards of residents in the eastern suburbs.

6.4 Supply, Absorption, Unsold Inventory and Pricing Trends in Eastern Suburbs – 2017 to 2023 (Till Q1)

From 2018 to 2021, the Eastern Suburbs of MMR experienced a decline in the number of new residential launches, compared to 2017. However, an exception to this trend emerged in 2022, when the housing supply witnessed a substantial upswing, registering a noteworthy increase of 63% compared to the new housing supply in 2017.

In terms of absorption of housing units, the Eastern Suburbs displayed a rise in the number of units sold during the period from 2018 to 2022, excluding the years 2020 and 2021, which were significantly impacted by the Covid-19 pandemic. Among these years, 2022 marked the highest absorption rate, demonstrating a remarkable surge of 36% in comparison to the figures recorded in 2017.

In Q1 2023, the Eastern Suburbs of MMR witnessed a supply of approximately 3,300 units, with an absorption of around 4,450 housing units.

Below is the graph showcasing the supply and absorption dynamics (in units) of MMR'S Eastern Suburbs housing market from 2017 to 2023 (till Q1).

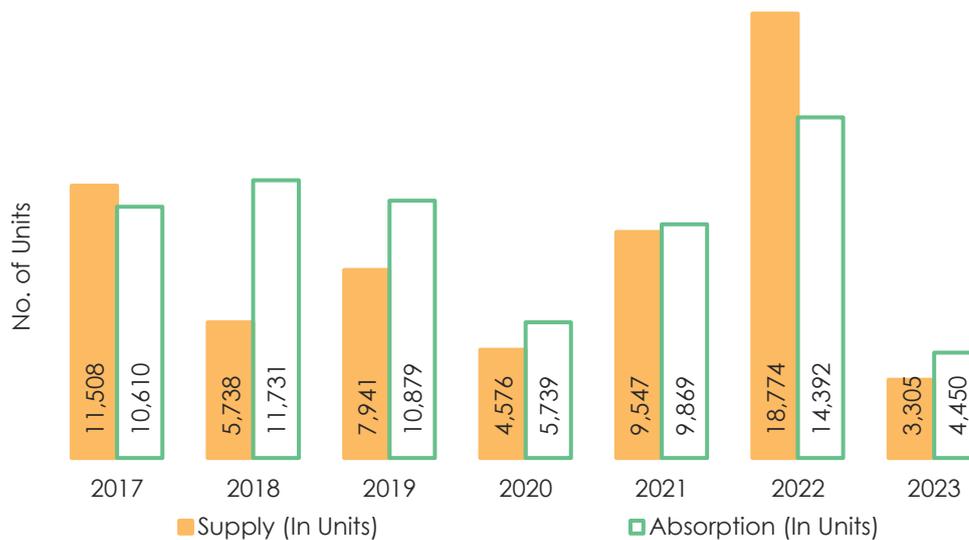


Figure 94: Supply and Absorption dynamics (in units) of MMR'S Eastern Suburbs housing market from 2017 to 2023 (till Q1)

Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

Trends in Unsold Inventory - MMR Eastern Suburbs (2017-Q1 2023)

Taking 2017 as the base, the unsold inventory within the Eastern Suburbs of MMR underwent a notable decrease from 2018 to the first quarter of 2023. Throughout the entire period from 2017 to Q1 2023, the year 2021 emerged with the lowest unsold inventory, marking a substantial decline of 26% when compared to the unsold stock in 2017.

Moving to the present scenario in Q1 2023, the unsold inventory within MMR's Eastern Suburbs is currently estimated to be around 32,955 units, reflecting a noteworthy reduction of 18% in comparison to the unsold inventory level recorded in 2017.

Below is the graph showcasing the unsold inventory trends (in units) of MMR's Eastern Suburbs housing market from 2017 to 2023 (till Q1).

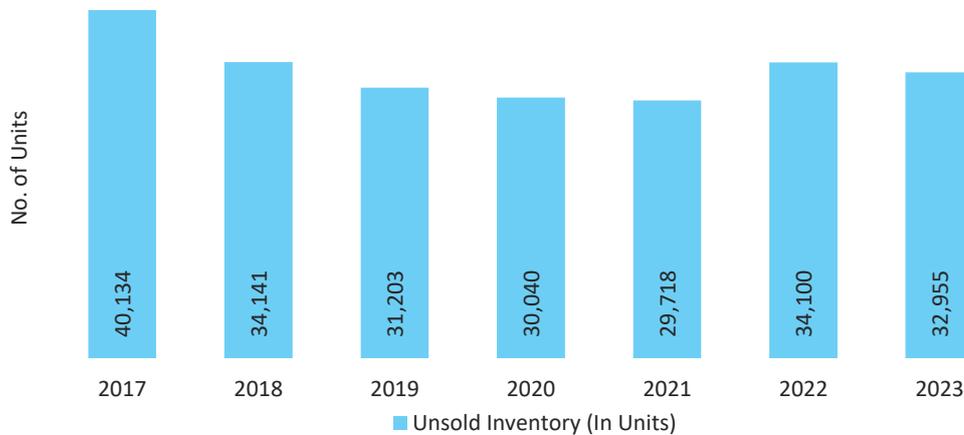


Figure 95: Unsold Inventory trends (in units) of MMR's Eastern Suburbs housing market from 2017 to 2023 (till Q1)

Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

Capital Value Movement - MMR Eastern Suburbs (2017-Q1 2023)

Between the years 2017 and 2020, the capital values of the Eastern Suburbs in MMR demonstrated a noteworthy stability, exhibiting a modest price appreciation of 1% every year when compared to the capital value of 2017. However, a notable shift occurred post pandemic – in 2021, initiating a gradual and consistent upward trajectory in the average property prices within the Eastern Suburbs. This ascent continued in 2021 with a growth rate of 6%, followed by a significant increase of 15% in 2022. This upward trend persisted into the first quarter of 2023, registering a substantial growth rate of 18% when compared to the base year of 2017.

As of Q1 2023, the average basic selling price of properties in MMR's Eastern Suburbs stands at INR 19,467/Sqft. Below is the graph showcasing the capital value movement (on saleable area) of MMR's Eastern Suburbs housing market from 2017 to 2023 (till Q1).

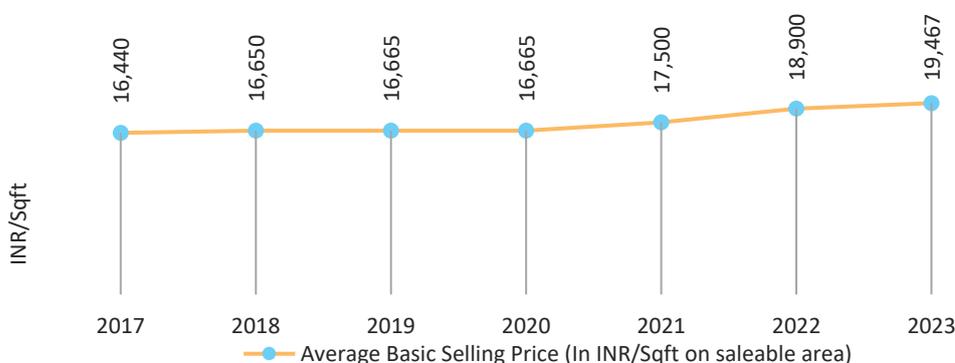


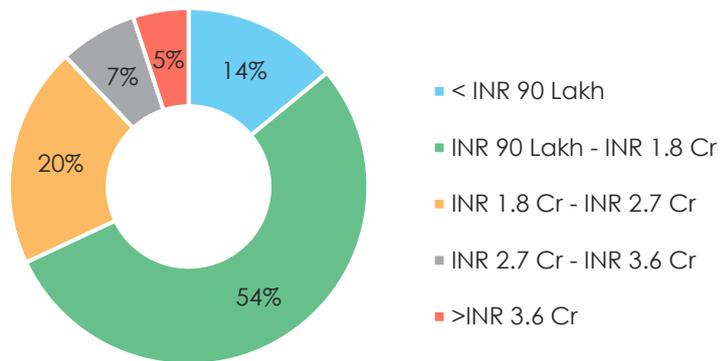
Figure 96: Capital value movement (on saleable area) of MMR's Eastern Suburbs housing market from 2017 to 2023 (till Q1)

Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

6.5 Budget Segmentation in terms of Supply in Eastern Suburbs

Eastern suburbs have witnessed the majority of the housing supply in the “INR 90 Lakh to INR 1.8 Cr.” budget range which contributes 54% in the total supply of this zone. Followed by the second largest supply with 20% contribution in INR “1.8 Cr. to INR 2.7 Cr” budget range. Interestingly, “<INR 90 Lakh” budget range have also a decent share in this zone (14% share) and have the third largest share, followed by “INR 2.7 Cr. to INR 3.6 Cr.” and “>INR 3.6 Cr.” with 7% and 5% supply share respectively in eastern suburbs.



Budget Segmentation

Budget Friendly = < INR90 Lakh

High End = INR 90 Lakh to INR 1.8 Cr.

Premium = INR 1.8 Cr. to INR 2.7 Cr.

Luxury = INR 2.7 Cr. to INR 3.6 Cr.

Ultra Luxury = > 3.6 Cr.

Source: Anarock Research

Figure 97: Budget Segmentation - % Supply in Eastern Suburbs

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

6.6 Micro-Markets Demand-Supply Dynamics where Developer has Future Plans of Developing Projects and completed projects.

Mulund (West) Micro-market

The following graph depicts supply and absorption trends (in Units) in Mulund (West) micro-market from 2017 to 1Q23. Mulund (West) has experienced a consistent and significant number of property launches from 2017 to 1Q23. The majority of these launches, approximately 32%, occurred in 2017. However, the supply gradually decreased in the year 2020 due to the impact of the COVID-19 pandemic. Nevertheless, in 2022, Mulund (West) witnessed the second-highest number of property launches in the market, accounting for 25% of the total supply over the past six years.

In terms of absorption, Mulund (West) has shown healthy trends since 2017, with the exception of the year 2020, which was heavily affected by the pandemic. Despite this setback, the absorption level did not

decrease significantly and quickly recovered, thanks to the reduction in stamp duty implemented by the Government of Maharashtra. This reduction played a crucial role in boosting sales in the region.

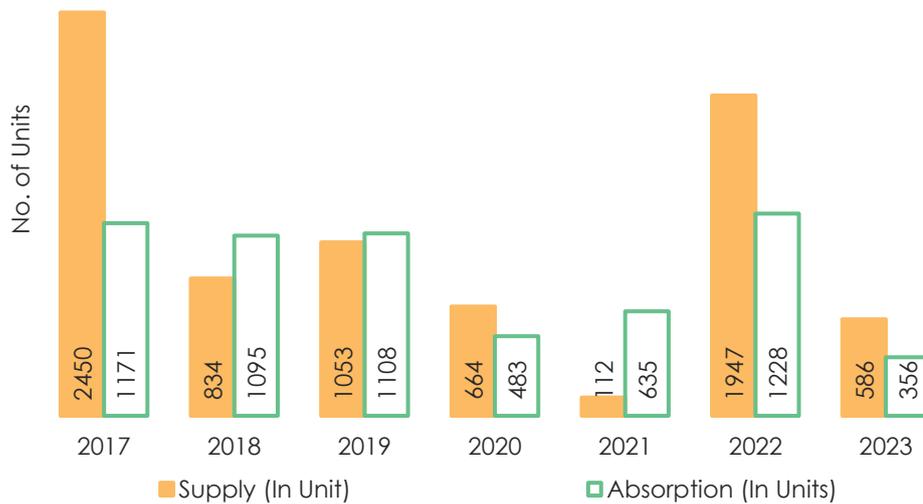


Figure 98: Supply and Absorption trends (in Units) in Mulund (West) market from 2017 to 1Q23

Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

The following graph sets forth the pricing trends of Mulund West market from 2017 to 1Q23. Currently the average capital value in Mulund West is INR 23,883 per Sqft on carpet. There has been a 22% price appreciation witnessed in Mulund West during the last six years. From 2017 till 2019 only 4% prices escalated, the chart clearly illustrates a small dip in pricing due to the COVID-19 pandemic and a consistent increase in capital values from the year 2020 onwards, with a sharp spike in the year 2022 followed by gradual but steady climb in 1Q2023.

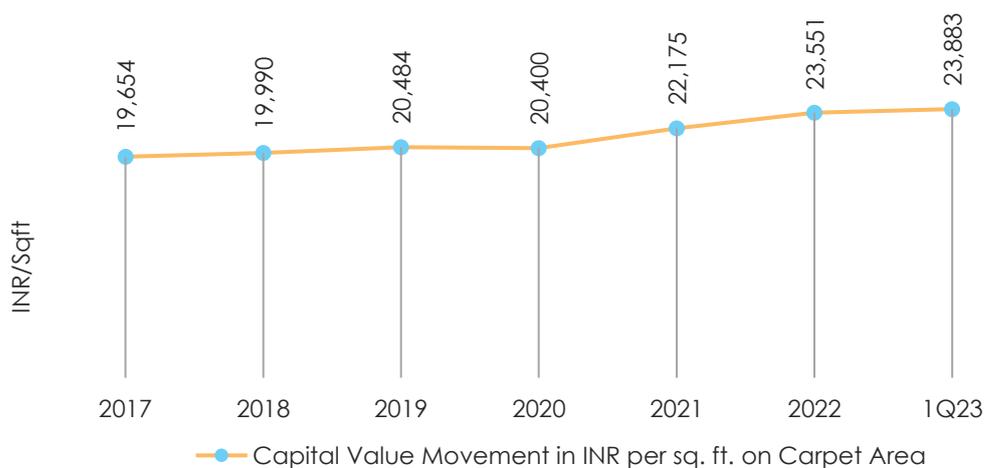


Figure 99: Mulund West Capital Value Movement - 2017 to 1Q23

Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

Arkade Developers limited aims to strengthen its presence in the Mulund-West market with its upcoming Project Arkade Nest. This project of Arkade Developers Limited has an estimated potential constructed area of approx. 6.8 lakh sq ft. with approx. 2.5 lakh sqft of RERA carpet. It will help Arkade Developers Limited in venturing into the Mulund market as it will be its first project in Mulund.

Kanjurmarg (East) Micro-market

The following graph depicts supply and absorption trends (in Units) in Kanjurmarg (East) market from 2017 to 1Q23. Over this period, Kanjurmarg (East) has witnessed a substantial number of property launches. Notably, around 35% of these launches took place in 2022, following the COVID pandemic when there was a surge in demand but limited inventory availability. In 2017 also, there was a decent amount of new supply, indicating a positive trend. However, from 2018 to 2020, the supply dwindled significantly, resulting in lower availability of new properties in the market.

In regard to absorption, the Kanjurmarg (East) has demonstrated robust trends since 2017, showcasing a positive uptake of properties by buyers. The only exception was the year 2020, which faced considerable challenges due to the pandemic's impact on the real estate market. Despite this adverse situation, the absorption levels did not experience a significant decline and managed to rebound swiftly. One contributing factor to this quick recovery was the proactive measure taken by the Government of Maharashtra, which implemented a reduction in stamp duty.

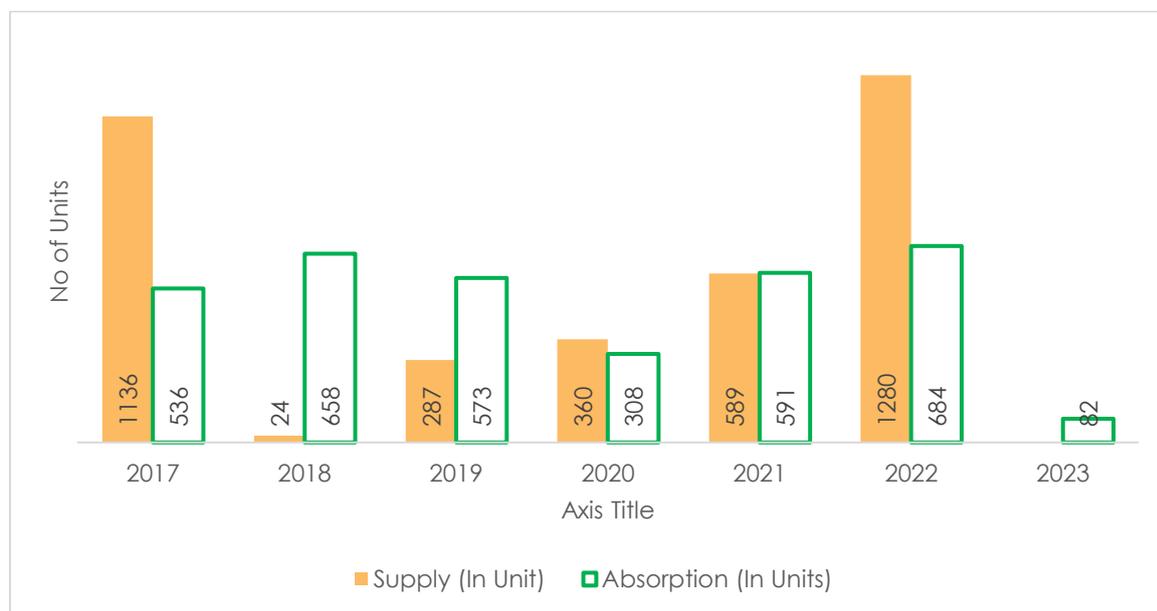


Figure 100: Supply and Absorption trends (in Units) in Kanjurmarg (East) market from 2017 to 1Q23

Source: ANAROCK Research

The graph illustrates the pricing trends in the Kanjurmarg (East) market from 2017 to 1Q23. The average capital value in Kanjurmarg (East) stands at INR 27,050 per sq.ft. on carpet. Over the last six years, there has been a notable price appreciation of 16% in Kanjurmarg (East). However, from 2017 to 2020, the price escalation was relatively modest, amounting to only 2%. During this period, the market experienced stable growth.

The chart clearly shows a slight dip in pricing attributed to the COVID-19 pandemic, which affected the real estate sector. However, the market displayed resilience and quickly rebounded. Starting from the year 2020, there was a consistent increase in capital values, with a sharp spike observed in the year 2022. Following this surge, the prices continued to climb gradually but steadily in 1Q2023.

Overall, the pricing trends in Kanjurmarg (East) have been positive, with the market showcasing resilience and growth even during challenging times like the COVID-19 pandemic.

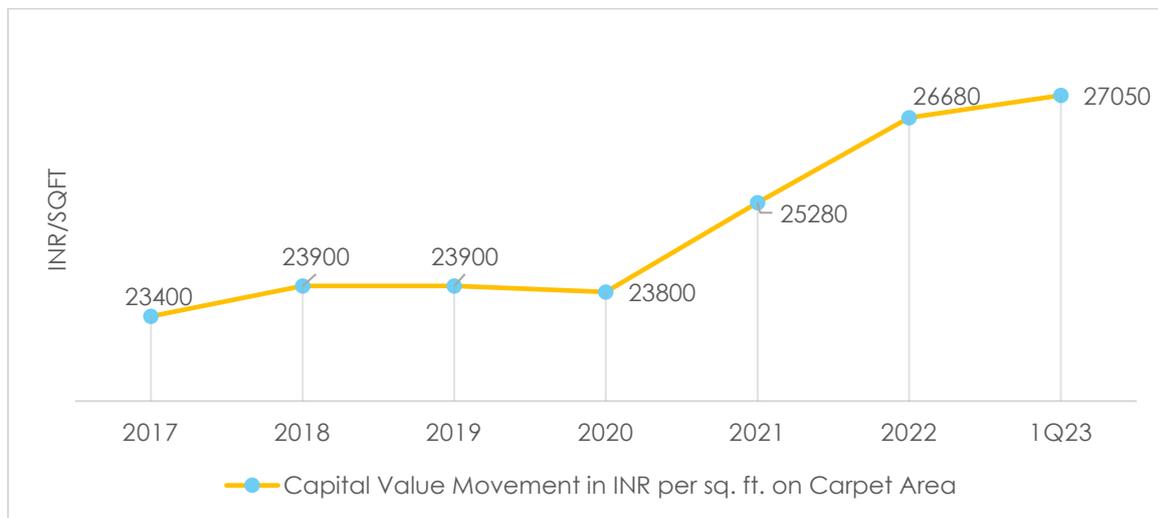


Figure 101: Kanjurmarg East Capital Value Movement - 2017 to 1Q23

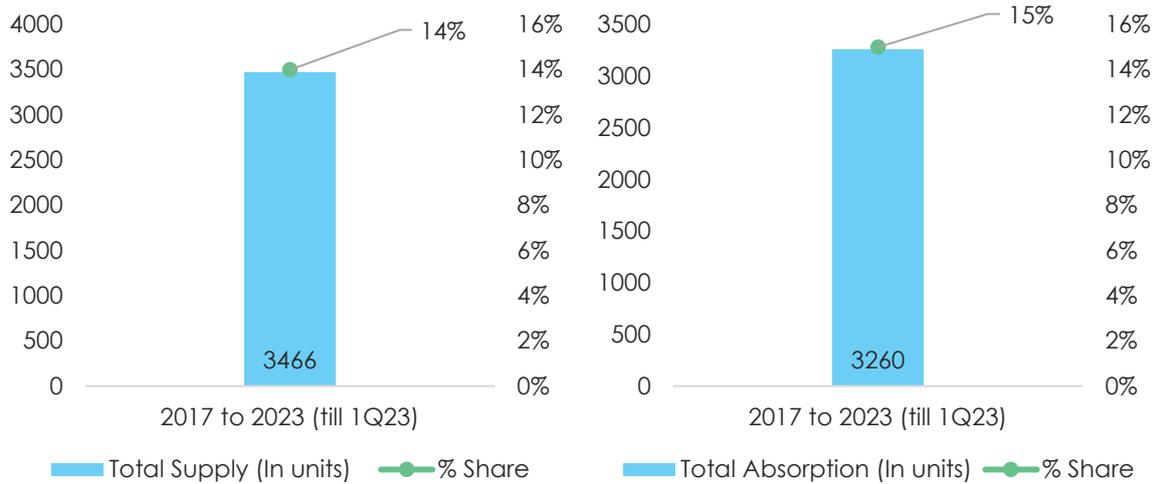
Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

Market Share and Relative positioning of Arkade Developers in Kanjurmarg East on the basis of Supply (In Units) & Absorption (In Units)

Last six years relative positioning & Market Share of Arkade Developers in Kanjurmarg East

In Kanjurmarg East, Arkade Developers have 14% share in the total supply and 15% share in the total absorption of Kanjurmarg East consolidated from 2027 to 2023 (1Q23).



Source: MahaRERA, Anarock Research & Company

Figure 102: Market Share of Arkade Developers in Kanjurmarg East as per Supply (in units)

Figure 103: Market Share of Arkade Developers in Kanjurmarg East as per Absorption (in units)

Note: All the figures in the above graph are as per Calendar Year (CY), from 2017 till Q1-2023

Top developers in Kanjurmarg East on the basis of Supply (In Units)

In Kanjurmarg East, Arkade Developers have 2nd position in the top-5 developers list. These top-5 developers contribute 100% in the total supply of Kanjurmarg East from 2017 onwards and out of this Arkade Developers contributes 14% share in top-5 developers' supply.

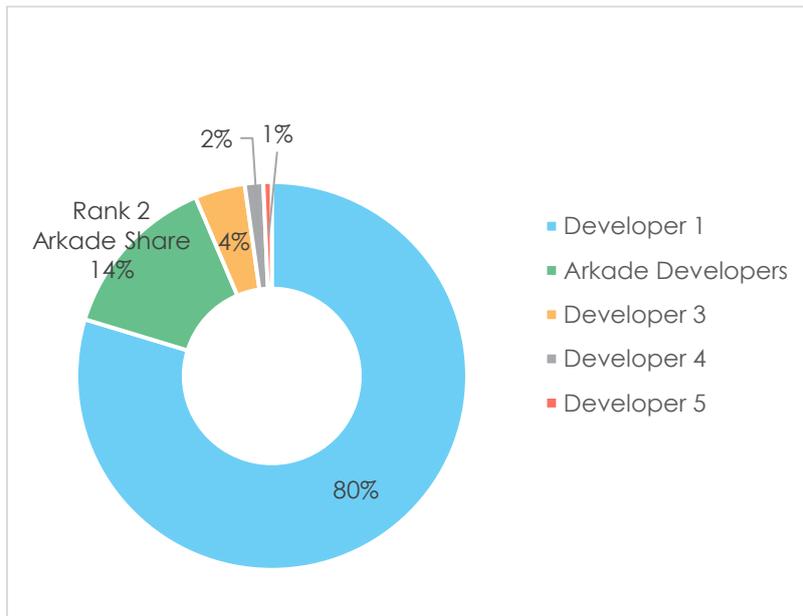


Figure 104: Kanjurmarg East – Top Developers share as per supply (in Units): Cumulative from 2017 to 2023 (till 1Q23)

Source: MahaRERA, Anarock Research

Kanjurmarg East- Typology

The following graph (Figure:105) depicts typology wise supply (in units) in Kanjurmarg East market for the cumulative period of 2017 to 2023 (till 1Q23). About 47% of the total supply in this market comprises 2BHK units, making 2BHK the most prominent residential offering from 2017 onwards. Following closely behind are 1BHK units, contributing approximately 23% to the market supply. Notably, 1.5BHK units hold a respectable share of about 12%. Additionally, 2.5BHK and 3BHK units also make a decent contribution to the market, accounting for 10% and 6% of the total supply, respectively, since 2017.

The following graphs (Figure: 105 & 106) depicts typology wise Supply (in units) in Kanjurmarg east market in comparison to the project of Arkade Developers Limited in the same location for the cumulative period of 2017 to 2023 (till 1Q23).

Arkade Developers Limited has 1BHK, 2BHK & 3BHK as its predominant typologies as part of its supply in the Kanjurmarg east market in Mumbai. Out of total supply in the mentioned markets from 2017, Arkade Developers Limited has a market share of ~ 26% of 3BHK, ~ 18% of 2BHK and ~ 17% of 1BHK out of the total typology wise supply of the Kanjurmarg East markets. The presence in all typologies signifies that Arkade Developers Limited has been one of the market leader in terms of 1BHK, 2BHK & 3BHK units supply in Kanjurmarg east markets.

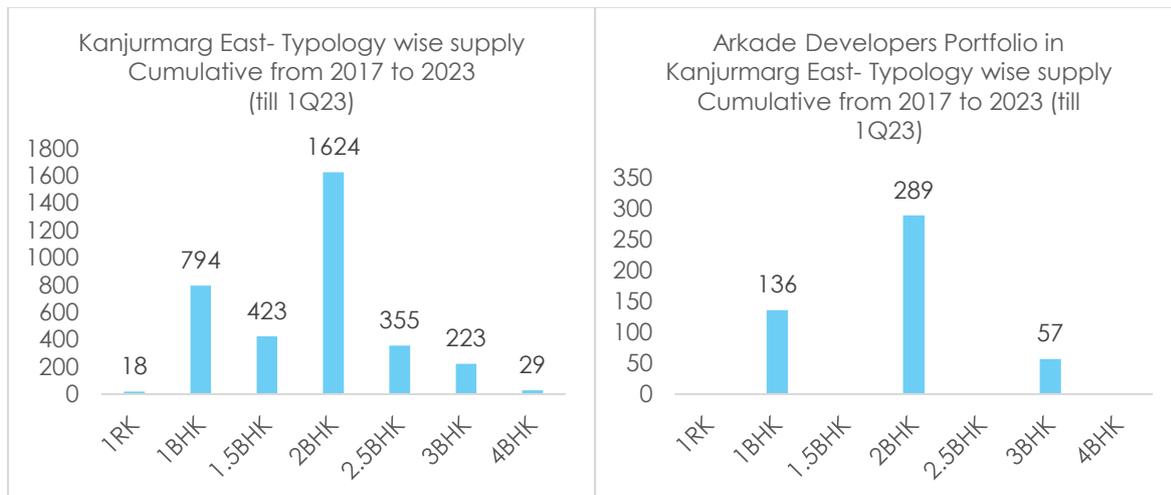


Figure 106: Kanjurmarg East Market - Typology wise Supply (in units): Cumulative from 2017 to 2023 (1Q23)

Figure105: In Kanjurmarg East Arkade Developers Portfolio- Typology wise Supply (in units) Cumulative from 2017 to 2023 (1Q23)

Source: ANAROCK Research, MahaRERA

Note: All the figures in the above graph are as per Calendar Year (CY), For the above analysis we have considered 1RK as 1BHK, 1.5 BHK as 2BHK and 3.5BHK as 4BHK.

The following graph (Figure:107) depicts typology wise absorption (in units) in Kanjurmarg East market for the cumulative period of 2017 to 2023 (till 1Q23). Among all typology the 2BHK, 1BHK & 1.5BHK have the maximum absorption in this market with 90% contribution in the total absorption of Kanjurmarg-East.

The following graphs (Figure: 107 & 108) depicts typology wise absorption (in units) in Kanjurmarg east market in comparison to the project of Arkade Developers Limited in the same location for the cumulative period of 2017 to 2023 (till 1Q23).

Arkade Developers Limited has a market share of ~ 26% of 3BHK, ~ 17% of 2BHK & 20% of 1BHK out of the total typology wise absorption of the Kanjurmarg East market. This signifies that Arkade Developers Limited have selling units across almost all segments and has been one of the market leader in terms of selling the typology of 2BHK & 3BHK units in this market.

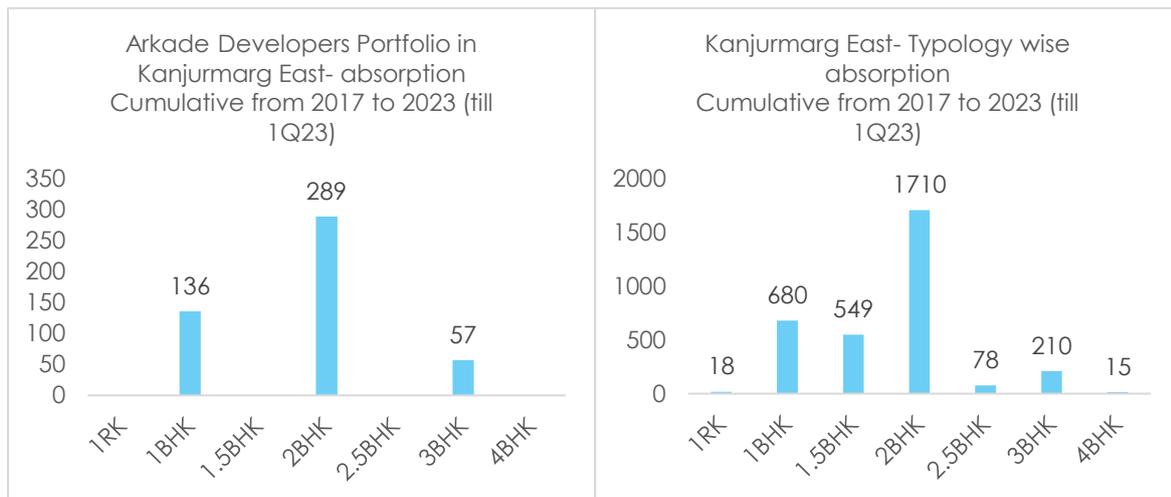


Figure 107: Kanjurmarg East Market - Typology wise Absorption (in units): Cumulative from 2017 to 2023 (1Q23)

Figure 108 : In Kanjurmarg East Arkade Developers Portfolio- Typology wise Absorption (in units) Cumulative from 2017 to 2023 (1Q23)

Source: ANAROCK Research, MahaRERA

Note: All the figures in the above graph are as per Calendar Year (CY), For the above analysis we have considered 1RK as 1BHK, 1.5 BHK as 2BHK and 3.5BHK as 4BHK.

6.7 Details of Other Major Developers (Including Listed Peers) – Product Offering, Number of Years of Operations, Major Geographic Presence, Performance covering Select Parameters

Developers Name	Product Offerings (Residential/Commercial/ etc.)	No. of Years of Operations	No. of city presence	No. of Housing Units Launched
Chandak Group	Residential and Commercial	37	Mumbai	2703

Kalpataru Ltd.	Residential and Commercial	54	Mumbai, Thane, Pune, Hyderabad, Bangalore, Indore, Noida, and Dubai	9462
MacroTech	Residential and Commercial	43	Mumbai, Thane, Pune, Hyderabad, Bangalore and London	47690
Oberoi Realty Limited	Residential, Commercial, Retail, Social Infrastructure and Hospitality	30	Mumbai, Thane, Pune, Bangalore and Gurugram	1930
Prestige Group	Residential, Commercial, Retail, and Hospitality	37	Bangalore, Mysore, Mumbai, Chennai Hyderabad, Cochi, Mangalore, Calicut and Goa	25732
Sheth Creators	Residential and Commercial	30	Mumbai and Dubai	4233

Source: Developers website, Anarock Research, RERA

ANAROCK is India's leading independent real estate services company with a presence across India and the Middle East. The Chairman, Mr. Anuj Puri, is a highly respected industry veteran and India's most prominent real estate thought leader.

The Company has diversified interests across the real estate lifecycle and deploys its proprietary technology platform to accelerate marketing and sales. ANAROCK's services include Residential Broking & Technology, Retail (in partnership with Vindico), Commercial, Investment Banking, Hospitality (via HVS ANAROCK), Land Services, Industrial and Logistics (in partnership with Binswanger), Investment Management, Research, Strategic Advisory & Valuations, Project Management Services (in partnership with Mace) and Society Management Services (acquisition of ApnaComplex).

The Company has a unique business model, which is an amalgamation of traditional product sales supported by a modern technology platform with automated analytical and reporting tools. This offers timely solutions to its clients, while delivering financially favourable and efficient results.

ANAROCK has a team of over 2,200 certified and experienced real estate professionals who operate across all major Indian (Mumbai, Navi Mumbai, Pune, Ahmedabad, NCR – Delhi, Gurugram, Noida, Chennai, Bangalore, Hyderabad, Kolkata, Lucknow) and Middle East markets. ANAROCK has successfully completed over 500 exclusive residential project mandates. ANAROCK also manages over 35,000 established channel partners to ensure global business coverage.

Our assurance of consistent ethical dealing with clients and partners reflects our motto - Values Over Value.

Please visit www.anarock.com

Corporate Office

ANAROCK Property Consultants Pvt. Ltd.

1002, 10th Floor, B Wing

ONE BKC, Plot No. C-66, G Block

Bandra Kurla Complex

Bandra East, Mumbai 400 051

For bespoke research requirements,

please connect with

Prashant Thakur

Regional Director & Head of Research
prashant.thakur@anarock.com