

# ANAROCK

VALUES OVER VALUE

## Chembur, Mumbai

June 2019





## About Micro Market

The realty landscape of Chembur in Mumbai has witnessed a paradigm shift over the past few years. Primarily known as an industrial destination with the presence of reputed companies such as RCF and BARC, Chembur is rapidly transforming into a premium residential destination of the Central Suburbs. Industrial units, dilapidated slums and old buildings are being redeveloped into modern residential complexes.

Chembur altered rapidly due to its proximity to major workplace hubs such as Bandra Kurla Complex (BKC), Powai, Wadala and Ghatkopar. Availability of large industrial land parcels for residential developments ably supported this transformation.

While most of the residential developments shifted towards suburbs and peripheral areas of Mumbai due to land shortage in the core city precincts, Chembur unlocked large industrial land parcels and attracted several developers to participate in the city's vertical growth. In addition, the Santacruz Chembur Link Road (SCLR) and Eastern Freeway enabled seamless connectivity to the western suburbs and South Mumbai.



## Connectivity

Chembur is well-connected to various parts of Mumbai through a grid of roads and an established rail network.

### Road

**Eastern Express Highway** – Chembur lies in proximity to Eastern Express Highway, which provides excellent connectivity to South Mumbai, central suburbs as well as Thane.

**Eastern Freeway** – Chembur enjoys hassle-free connectivity to South Mumbai via Eastern Freeway, which links RK Studio in Chembur to P D'Mello Road in South Mumbai.

**SCLR** – Chembur is well-connected to BKC (the defacto CBD of Mumbai) and commercial establishments of the western suburbs via the SCLR. **Sion-Panvel Highway** – Chembur is well-connected to Navi Mumbai via Sion-Panvel Highway. Easy accessibility to the commercial establishments along Thane-Belapur Road is also an added advantage of Chembur.



## Rail

**Suburban rail** - The harbor line of Mumbai suburban railway has a station at Chembur which provides connectivity to CST in South Mumbai and Panvel in Navi Mumbai.

**Monorail** - Chembur is well-connected to Wadala via monorail (line 1). This line of the monorail is being extended until Jacob Circle in South Mumbai and it got opened to public in March 2019.

**Metro rail** - The metro station of the operational Ghatkopar-Versova-Andheri line is in proximity to Chembur, which provides excellent connectivity to the central and western suburbs.



## Major Growth Drivers



Availability of industrial land parcels for large-scale residential and commercial buildings would further attract developers for organized development in the micro market.



Chembur possesses easy accessibility to the commercial establishments of BKC, Central Suburbs (Powai, Ghatkopar) and Thane. Moreover, improved connectivity to the western suburbs via SCLR is an added advantage.



The micro market is one of the fastest growing suburbs in Mumbai, due to its strategic location advantage and improving social and physical infrastructure. This has positively stimulated residential housing demand and the region is likely to be in focus in the future periods as well.

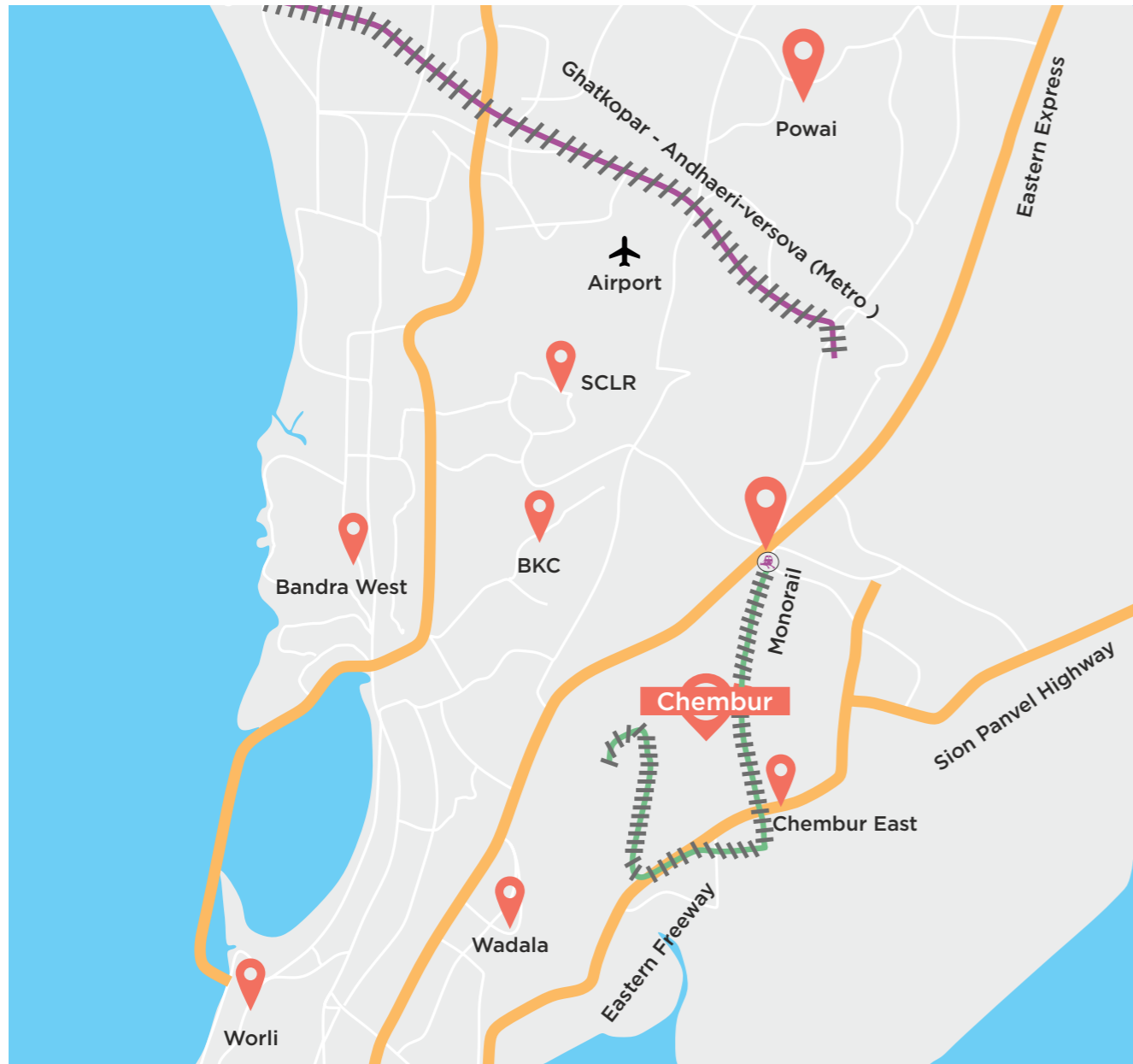


The Bandra Kurla Complex-Chunabhatti Connector (four-lane, 1.7 km flyover connecting BKC to the Eastern Express Highway) is likely to be completed in 2019. This will provide hassle-free connectivity (by reducing the travel time from 45 min to 15 min) to the BKC and further boost residential demand in the region.





# Location Mapping



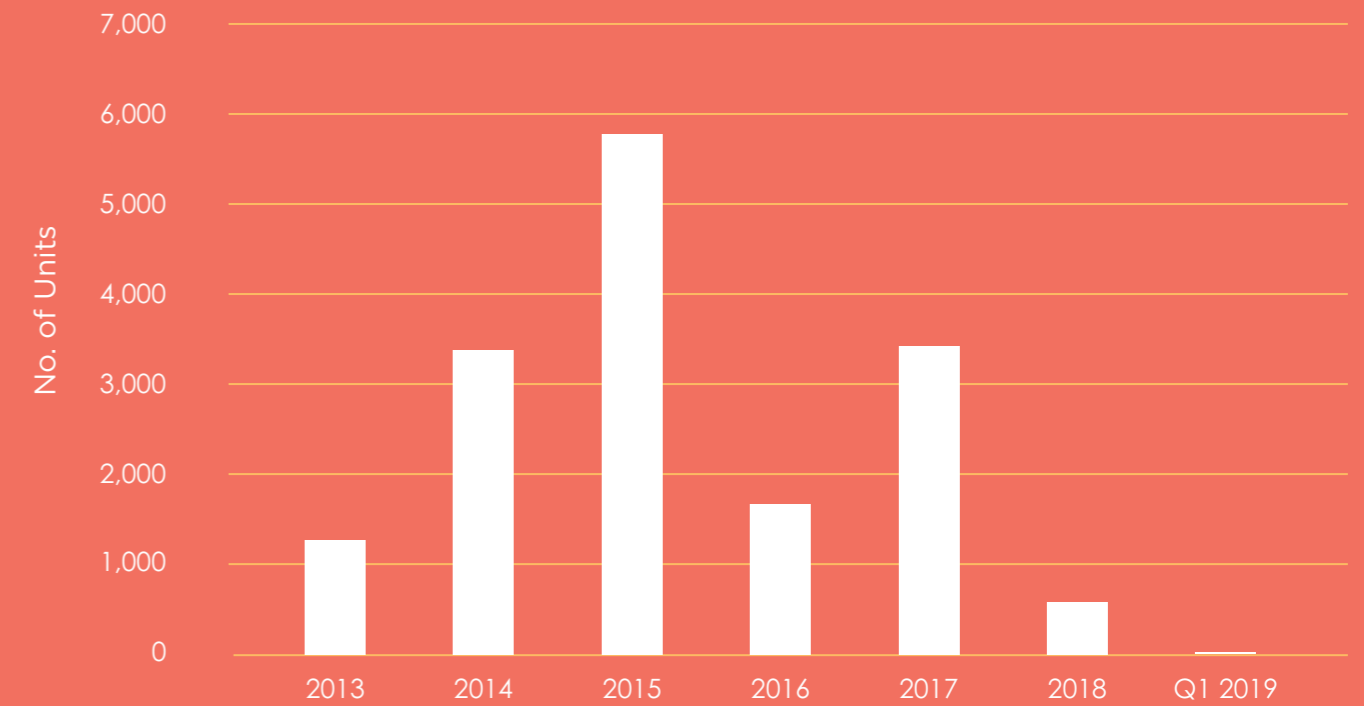
## LEGEND

- Highway
- Major Road
- Chembur Monorail
- Metro Line
- Water bodies
- Railway Station
- Airport
- Prominent Location



# Residential Market Assessment

## New Launch Supply ( 2013 - Q1 2019 )



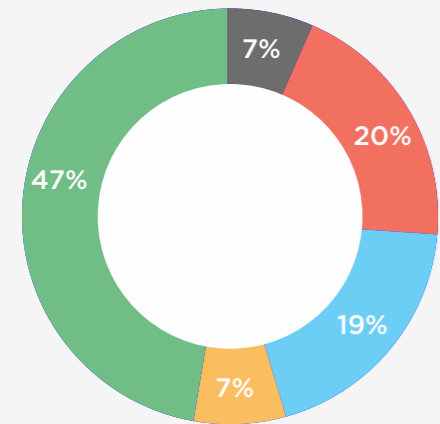
With continuous infrastructure upgrades and rapid growth of commercial developments in the precinct, the residential market of Chembur added more than 16,120 units from Q1 2013 to Q1 2019.

The operationalization of the Eastern freeway in 2013 and the monorail in 2014 were the key triggers for development of residential houses in Chembur.

Of the overall supply, nearly 50% has been absorbed in the primary market.



## Age of Inventory ( 2013 to Q1 2019 )

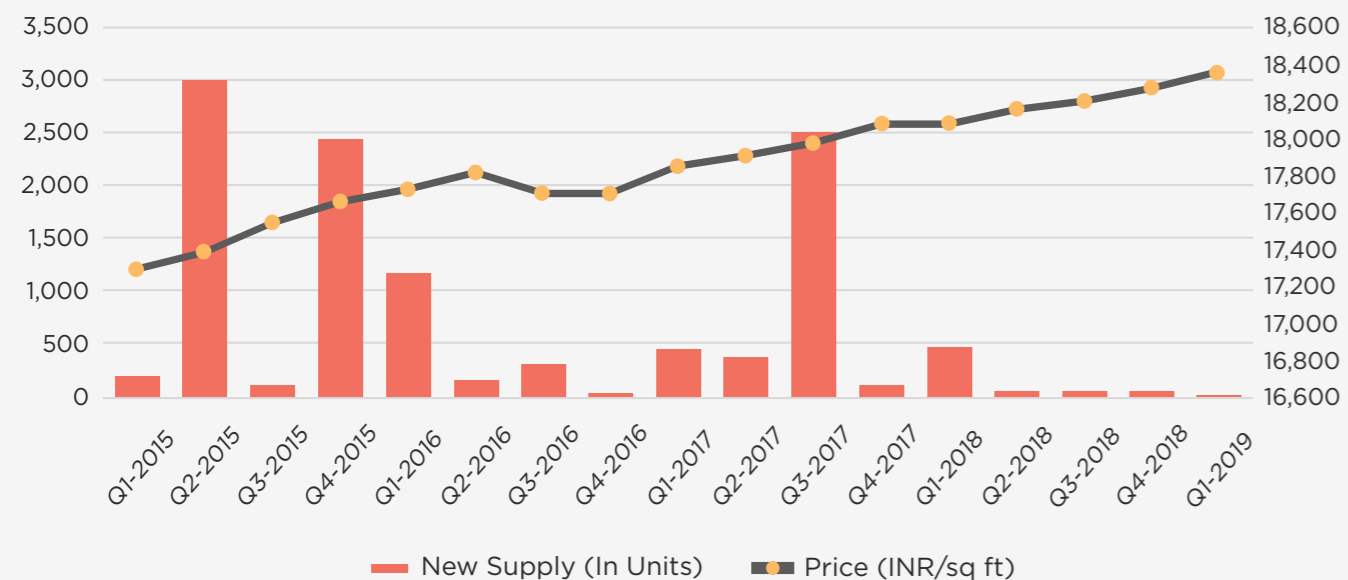


■ Ready to Move-In ■ < 1 Year  
■ 1-2 Year ■ 2-3 Years ■ >3 Years

**01** Of the overall supply in Chembur, nearly 7% is complete. Notably, 20% of inventory is likely to complete in the next 1 year, which connotes a further rise in absorption, as projects nearing completion are generally witnessing better traction in the market.

**02** Around 47% of the overall supply in Chembur is likely to complete post 3 years or so. Developers with under construction projects are now focusing on speeding the construction, to avoid RERA penalties on execution delays.

## Micro Market Price Movement wrt Supply



**01** Chembur's average prices as of Q1 2019 is around INR 18,350 per sq ft, which is relatively lesser than other prominent micro markets of central suburbs.

**02** From last 2 years there has been only a nominal increase in average price from INR 17,900 per sq ft to INR 18,350 per sq ft, primarily on account of low offtake due to the impact of RERA and GST and a rise in the buyer's preference towards ready-to-move-in properties.





## Outlook



Chembur has attracted several real estate developers for their portfolio expansion. Constantly improving social and physical infrastructure facilities and availability of a wide range of property options suiting the requirements of varied buyers has been an advantage of this micro market.

Due to its seamless connectivity to BKC and other commercial destinations of Mumbai, the residential housing demand in Chembur is likely to improve in the future periods. End-users as well as investors are likely to purchase property in Chembur due to increasing commercial developments in the precinct and seamless connectivity to South and North of Mumbai.

Being the cynosure of real estate developments due to its strategic location advantage, the micro market is likely to witness significant new launches in the future. Considering that the real estate sector is currently re-orienting to the new reforms under RERA and GST, prices may remain muted for some time. In addition, Chembur's price appreciation also depends significantly on revamping the location's perspective as a destination of rehabilitated slums and redeveloped projects.



**Strategic location advantage, the micro market is likely to witness significant new launches**

## About ANAROCK

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 and Technology, Retail, Investment Banking, Hospitality (via HVS ANAROCK), Land Services, Warehousing and Logistics, Investment Management, Research and Strategic Consulting.

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 1800 certified and experienced real estate professionals who operate across all major Indian and GCC markets, and within a period of two years, has successfully completed over 300 exclusive project mandates. ANAROCK also manages over 80,000 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](http://www.anarock.com)

For research services, please contact:

**Prashant Kumar Thakur**  
Director & Head - Research  
[prashant.thakur@anarock.com](mailto:prashant.thakur@anarock.com)

### **ANAROCK Property Consultants Private Limited**

1002, 10<sup>th</sup> Floor, B Wing  
ONE BKC, Plot No. C-66, G Block  
Bandra Kurla Complex  
Bandra East, Mumbai 400 051  
[www.anarock.com](http://www.anarock.com)

MahaRERA Registration No. A51900000108 available at <http://maharera.mahaonline.gov.in>

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