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THANE UNIT



THANE

An Emerging Megapolis

February 2018



Ajay Ashar
President
MCHI Management

Thane has become a promising city. It has been rightly observed how the city has developed an all-around connectivity within. The RTO office to the court, the passport office to other bureaucratic centres - everything is incorporated in this city of Thane. The availability of these administrative offices with close proximity, promises comfortable and stress-free procedures of every significant credentials.

The building infrastructural projects in Thane are making the city that does not compromise on ease. The Metro project, Kopri railway station, widening of Pokhran road 1 and 2, and the Mumbai-Nagpur Expressway are a few to be named. Thane is becoming a synonym with an upcoming major metropolitan with well framed wide roads, brightly lit up evenings, close proximity and quick accessibility to every important centre. I would like to thank Prashant for endorsing our viewpoints with the data that he has compiled through his research.



Sachin Mirani
Hon. Secretary
MCHI Management

The several cultural inclinations are spectacularly highlighting the vibrant culture in Thane. With its associations in organizing the Mega Dandiya Raas, MCHI has added credibility in the name of the city of Thane. This White Paper demonstrates of what the beautiful city of Thane is being turned into.

The city comprises a large number of educational institutes with a promise of close proximal distance. The high number of vibrant cultural hubs to expansive green cover of Yeoor hills, an affordable price point adds to a futuristic infra developed culturally aesthetic city.



Jitendra Mehta
Vice-President
MCHI Management

The city of Thane is becoming a commercial hub. Thane's list of amenities and approaching limits to the commercial hubs is making Thane an emerging name in the development of office-spaces. This is making Thane, the City of Lakes, to emerge into a City of Approach. Some big MNCs like TCS has recently built its prime workplace in the heart of Thane.

Thane already being a big host to a large number of offices at MIDC is not less known. With the several well-known corporation names attaching and associating themselves with the name of the city, is making Thane quickly move to a dignified work culture. I acknowledge the hard-work by Prashant and his team in presenting this White Paper which portrays Thane city's 'walk to work' culture.



Manthan Mehta
President - Youth Wing
MCHI Management

I have seen Thane, the City of Lakes, evolve from a cousin of Mumbai to a city that has developed a well profound name of its own. The cosmopolitan crowd develops any city to become an emotion. Thane, I very well appraise it as the City of Youth. The dynamicity and vibrant variety in the crowd in Thane, has established the brand it carries today. The growth has been remarkable and noteworthy.

The youthfulness and the energetic vibe that Thane brings on its own is due to the crowd that is not only growing in multitudes, but is accepting the multicultural setting which is making the city nurture in enthusiasm and zeal in the surrounding.

ANAROCK's research team, has successfully compiled a comprehensive data from a wide range of resources for this White Paper. It is a one-stop information repository not only for the buyers, but also for the developers, which is helping them to connect with each other on the same grounds.



A NOTE FROM THE CHAIRMAN



Anuj Puri, Chairman
ANAROCK Property Consultants

India's next level of growth depends heavily on decongesting existing metros, which tend to eventually begin falling apart due to the mounting pressure on their support infrastructure. With rising population and rapid urbanization, Indian metros are finding it difficult to offer their citizens a reasonably good quality of life. Road congestion, crowded core areas and deteriorating work-life balance has become the bane of modern city life.

The development of new satellite cities and towns can and does considerably reduce the pressure on the metros and developed cities. Creating self-sustaining cities is the key to reducing the burden of gruelling daily commutes to and from work that are otherwise inescapable fact of life for residents of a city like Mumbai.

Thane, known as the city of lakes, has rapidly emerged as a vibrant self-sufficient city and is no

longer considered just as a distant cousin of Mumbai. Thane's real estate market has a very wholesome mix of office complexes, residential developments, retail malls, hospitals and educational facilities. Simultaneously well-connected to Mumbai's main workplace hubs, the city also has many other amenities that make living there not only bearable but even invigorating. Thane features in the Government's ambitious Smart City mission, and is consequently gearing up for the next level of growth and evolution into a highly attractive residential destination in the Mumbai Metropolitan Region.

Reputed real estate developers, global corporates and many other businesses drive Thane's growth, and it is eminently clear that the city enjoys the confidence of both national and multi-national companies who are invested in its growth.

ANAROCK Property Consultants' white paper '**Thane - An Emerging Megapolis**' takes a data-driven deep-dive into this city's evolution story, current development status and the various Government initiatives that will significantly revamp it in the coming years. The report maps the real estate developments, physical infrastructure growth and social infrastructure availability that make Thane one of the most resilient markets in the MMR. It highlights the plethora of opportunities that Thane provides, and serves as a guide to businesses as well as home buyers who recognize Thane's unique value proposition.

You can look forward to an insightful read!



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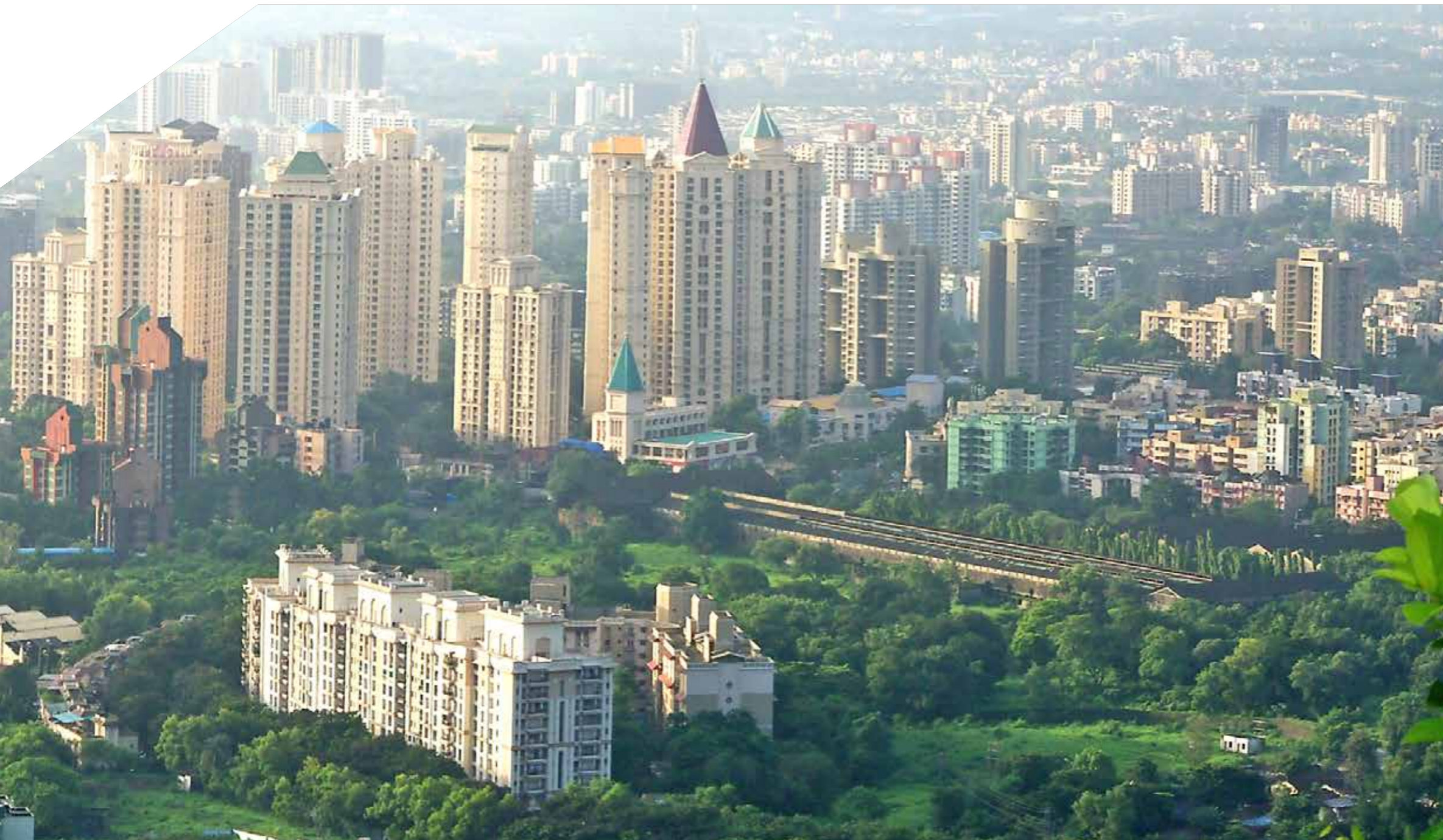


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THANE: AN OVERVIEW



Introduction

Thane, known as the city of lakes, is the district headquarter and one of the prominent city in the Mumbai Metropolitan Region (MMR). The city possesses an impressive background of enriched cultural heritage with chronicles of historical importance, dating long back to about 2,000 years. The city is strategically located at the head of Thane creek and surrounded by Parsik hills and Yeour hills. Flanked by Sanjay Gandhi National Park on one side, the city also boasts a presence of around 35 lakes encapsulating a total area of about 40 hectares. With a massive population of around 1.84 mn¹, Thane is spread over 128 sq.km. and is the 16th most populous city in India.

During the last few years, Thane has grown rapidly and emerged as a key hotspot for residential and commercial developments. There is a gradual shift in city's fabric as well - once an industrial hub has now become the city of high rise buildings - thanks to its strategic location, easy accessibility, excellent infrastructure, relatively lower real estate prices and continuous initiatives to upgrade the lifestyle of its residents. The city is gradually emerging as a self-sustaining key megapolis of Mumbai.

¹ Census 2011



EVOLUTION TIMELINE

200 BC to 1800

Pre-British Era

- » 200 BC to 1300 AD - Rule of Satavahanas, Shilahara and Bimb dynasties
- » 1300 AD to 1774 AD - Mohammedan, Portuguese and Maratha rule
- » 1774 AD - The British conquered Thane city



1950 to 2000

Post-Independence - Industrialisation Era

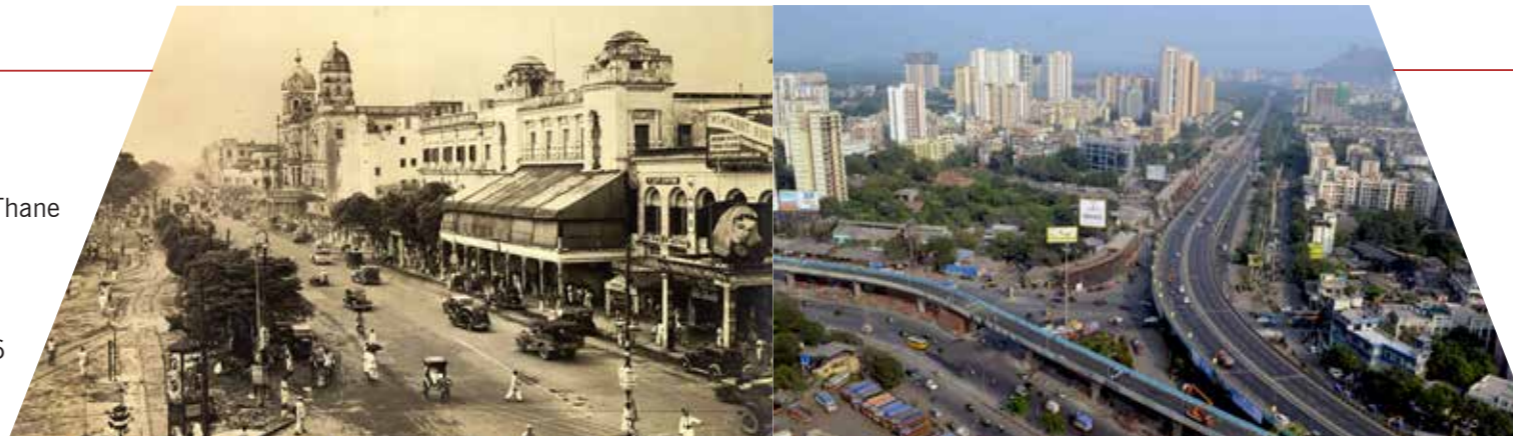
- » 1962 - Establishment of MIDC: the first industrial estate
- » 1962-65 - Setting up of Raymond, Modella, Voltas, Kores, Colourchem, Roche, Nocil, PIL and other companies
- » 1982 - Establishment of Thane Municipal Corporation
- » 2000 - Received 'Clean City Award'



1800 to 1950

British Era

- » 1803 AD - First district court was established
- » 1853 AD - First rail train, from Bori Bunder (now CST) to Thane
- » 1863 AD - Thane Municipal Council formed
- » 1881 AD - Pokhran lake built
- » 1881 AD - The first census took place, population: 14,456

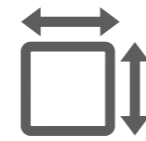


2000 to 2017

Post 2000 - Era of Real Estate influx

- » 2004 - Trans-harbour rail line connecting Vashi opened for public
- » 2008 - Work on several flyovers commenced
- » 2009 - Panvel & Nerul connected to Thane through rail route
- » 2007 - 2017 - Massive infusion of residential supply - more than 90,000 units
- » 2016 - Included into the Smart city mission
- » 2017 - TCS opens Olympus Centre - largest in MMR

 **CITY QUICK FACTS**



Area
128.23 sq. km



Administration - ULB
Thane Municipal Corporation



Prabhag Samities (Wards)
9



No. of Lakes
35 spread across 40 Hectares



Average Literacy
89.4%



Population
1.84 million
(Census 2011)



Density
14,360 persons / sq. km.



Decadal Population Growth
51.25%
(2001-2011)



Slum Population
0.98 million (Census 2011)



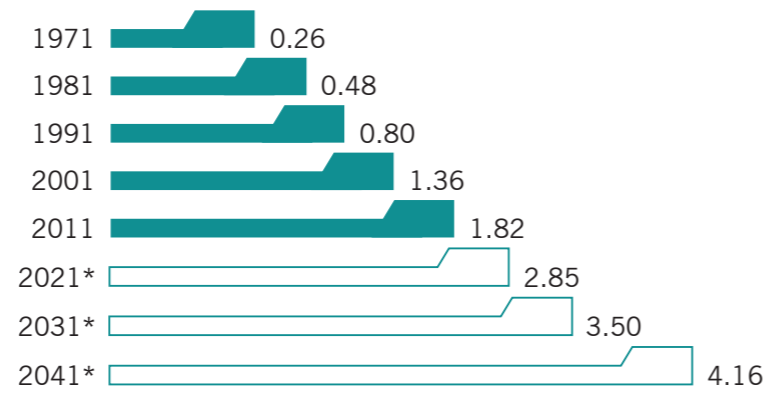
Green Cover
32.11 sq.km. (appx. 25%)



Population Growth

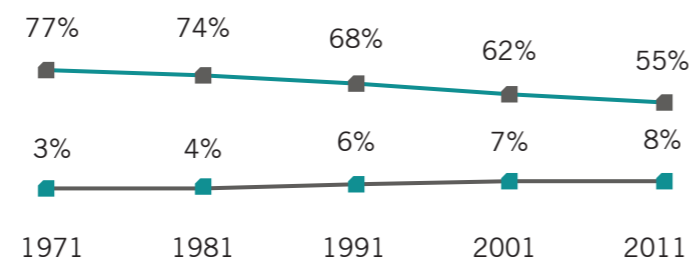
- » Between 1971 and 2011, Thane's population increased about 7 times.
- » The city's population is expected to be around 2.8 mn by 2021, 3.5 mn by 2031 and 4 mn by 2041².
- » The city's share of overall MMR's population is rapidly growing while the Greater Mumbai's share has steadily declined during the last 5 decades.

Decadal Population Growth (in mn)



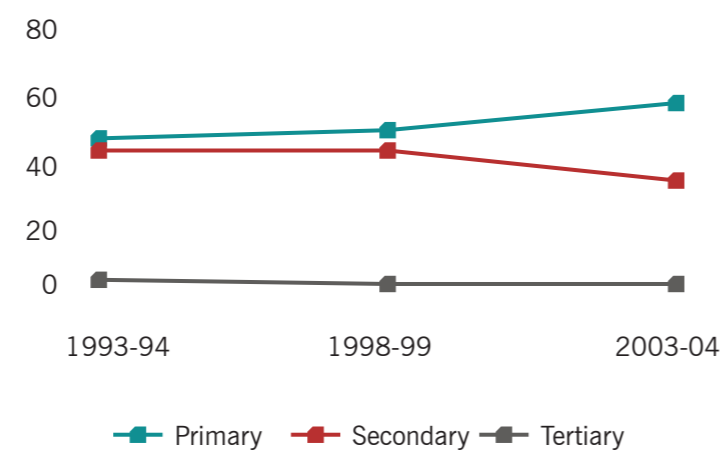
Note: * - estimates

% Share of Population in MMR - Greater Mumbai vs Thane City



■ Greater Mumbai ■ Thane

Sectoral contribution (%)



■ Primary ■ Secondary ■ Tertiary



Economic Factors

- » As per TMC, the city employs around 1.8 lakh people and constitutes approx. 25% of overall Thane district's urban employment.³
- » The city contributes around 20% of the overall district's GDP⁴
- » Tertiary sector has the maximum share and has grown from 49% to 59%, between 1993-94 to 2003-04.



Administration

- » Constituted in 1982, Thane Municipal Corporation is the governing Urban Local Body (ULB).
- » TMC is responsible for planning, regulation, control and coordination of urban growth in the city.
- » The city is divided into 9 administrative wards; Kopri, Naupada, Uthalsar, Kalwa, Mumbra, Vartak Nagar, Chitalsar, Manpada, Wagle estate and Railadevi.



City Land Use Development Plan

- » As per Thane Municipal Corporation Development Plan (2003), valid for 20 years since inception, the city was divided into 11 planning sectors.
- » As per the plan, an area of around 26.65 sq.km. is meant for residential developments.
- » Industrial zone constituted around 12.54 sq.km.
- » There are 804 reserved sites for various other public purposes, covering an area of 12.67 sq.km.

Land Use Development Plan



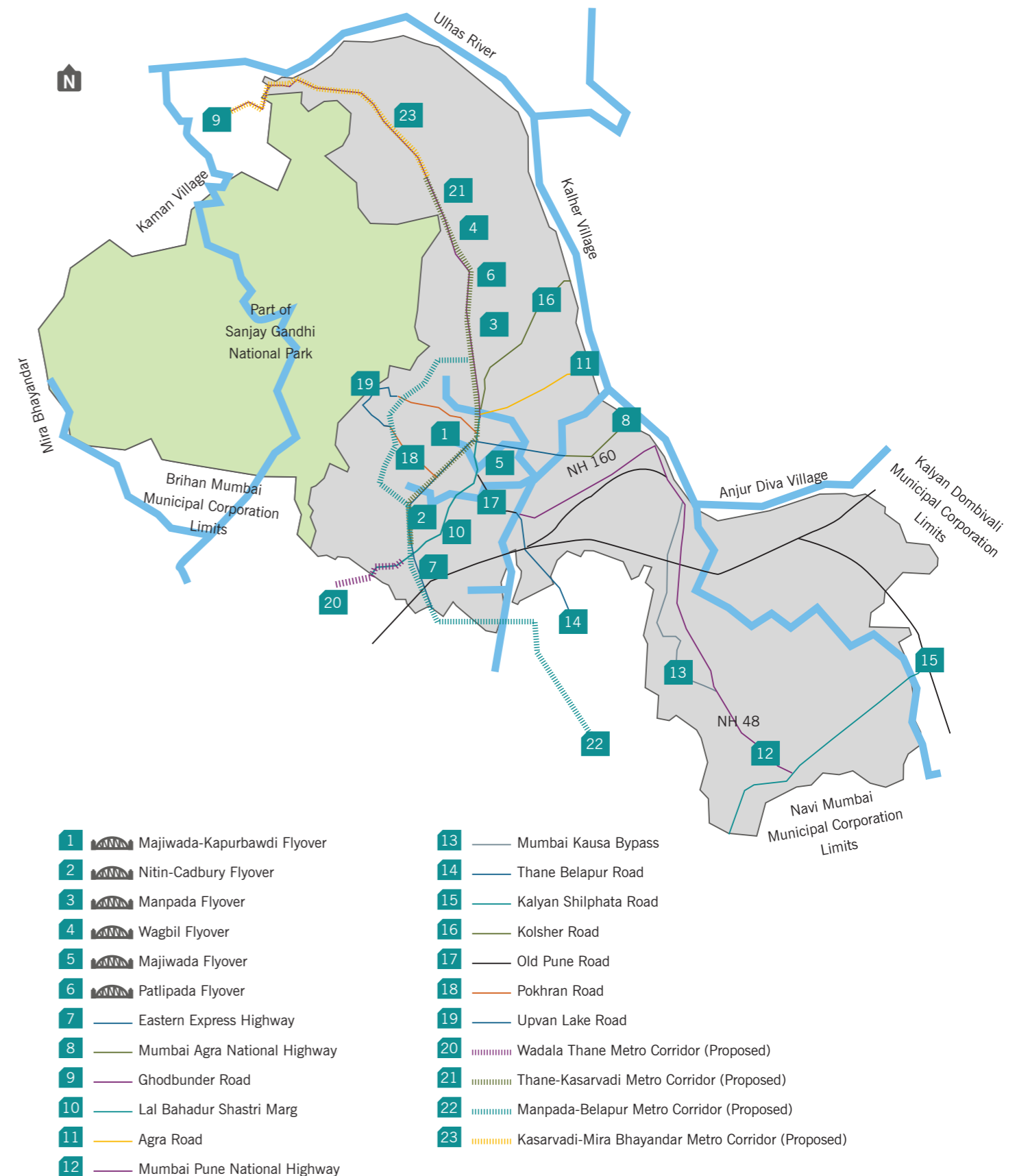
- 28% ● Forest Area
- 25% ● Green Zone Area
- 21% ● Residential Zone
- 10% ● Under Reservation
- 10% ● Industrial Zone
- 06% ● Road



² Thane Municipal Corporation - Smart City Mission
³ TMC - City Development plan
⁴ TMC - City Development plan

PHYSICAL INFRASTRUCTURE DEVELOPMENT

Thane possesses a well-developed physical infrastructure that connects the city to various parts of Mumbai. Numerous flyovers and arterial roads connect the internal areas of the city to other locations of Mumbai. Excellent connectivity via the central and harbour line of the suburban rail has also been an added advantage of the city.



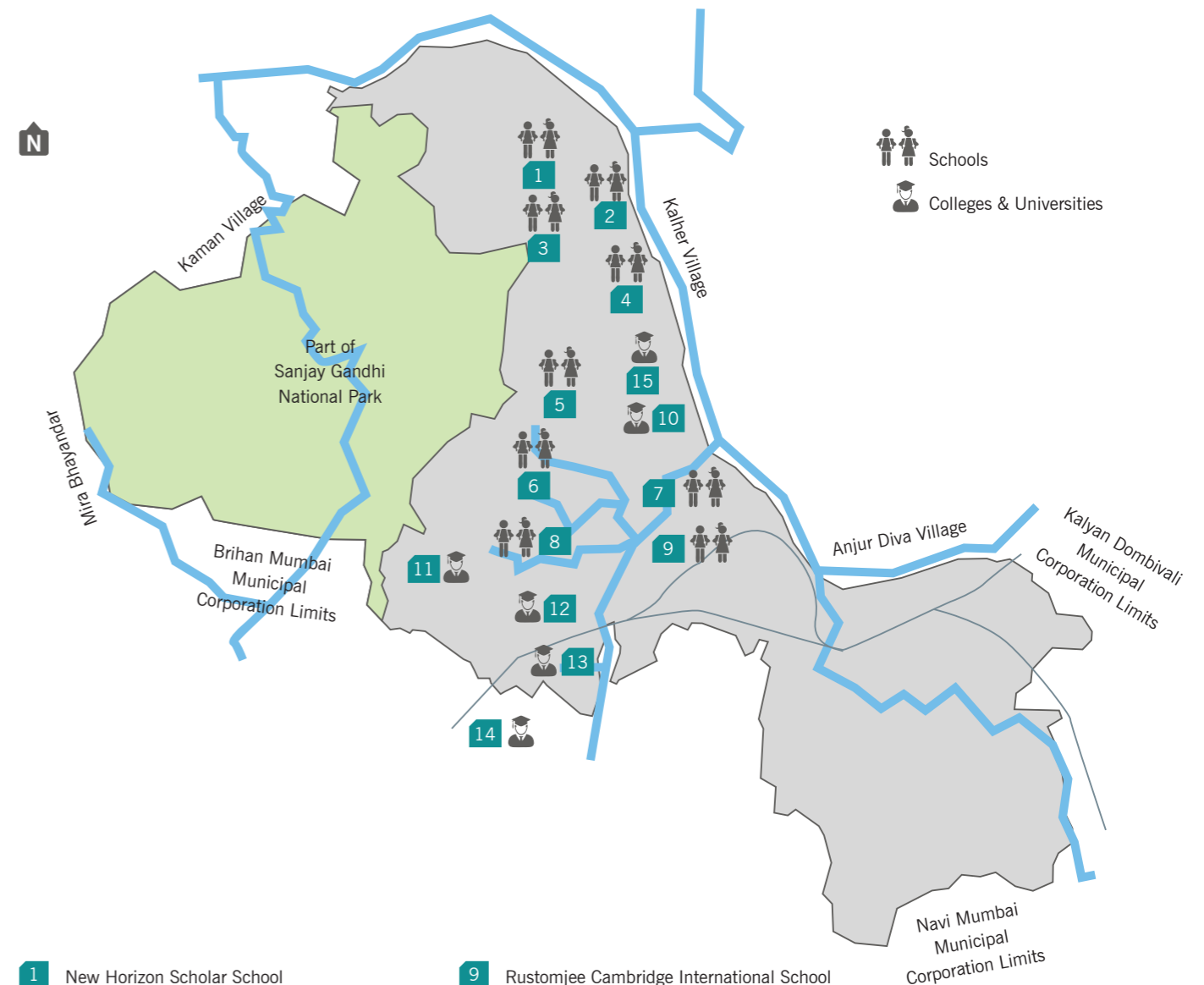
SOCIAL INFRASTRUCTURE SNAPSHOT



Thane possesses excellent social infrastructure with a presence of numerous educational institutions, malls, amusement parks and hospitals. The city has evolved rapidly as a self-sustaining destination and today's Thane does not feel the need to step out of the city and come to Mumbai for anything, barring commuting to workplaces, if need be.



Educational Institutions



- | | |
|---------------------------------------|---|
| 1 New Horizon Scholar School | 9 Rustomjee Cambridge International School |
| 2 Hiranandani Foundation School | 10 School of Law, University of Mumbai |
| 3 Podar International School | 11 R.J. Thakur College |
| 4 Universal High School | 12 ICFAI University |
| 5 D.A.V. Public New Generation School | 13 Sikkim Manipal University |
| 6 C.P. Goenka International School | 14 Swayam Siddhi College of Management and Research |
| 7 Lodha World School | 15 University of Mumbai Sub-campus |
| 8 Sulochanadevi Singhania School | |



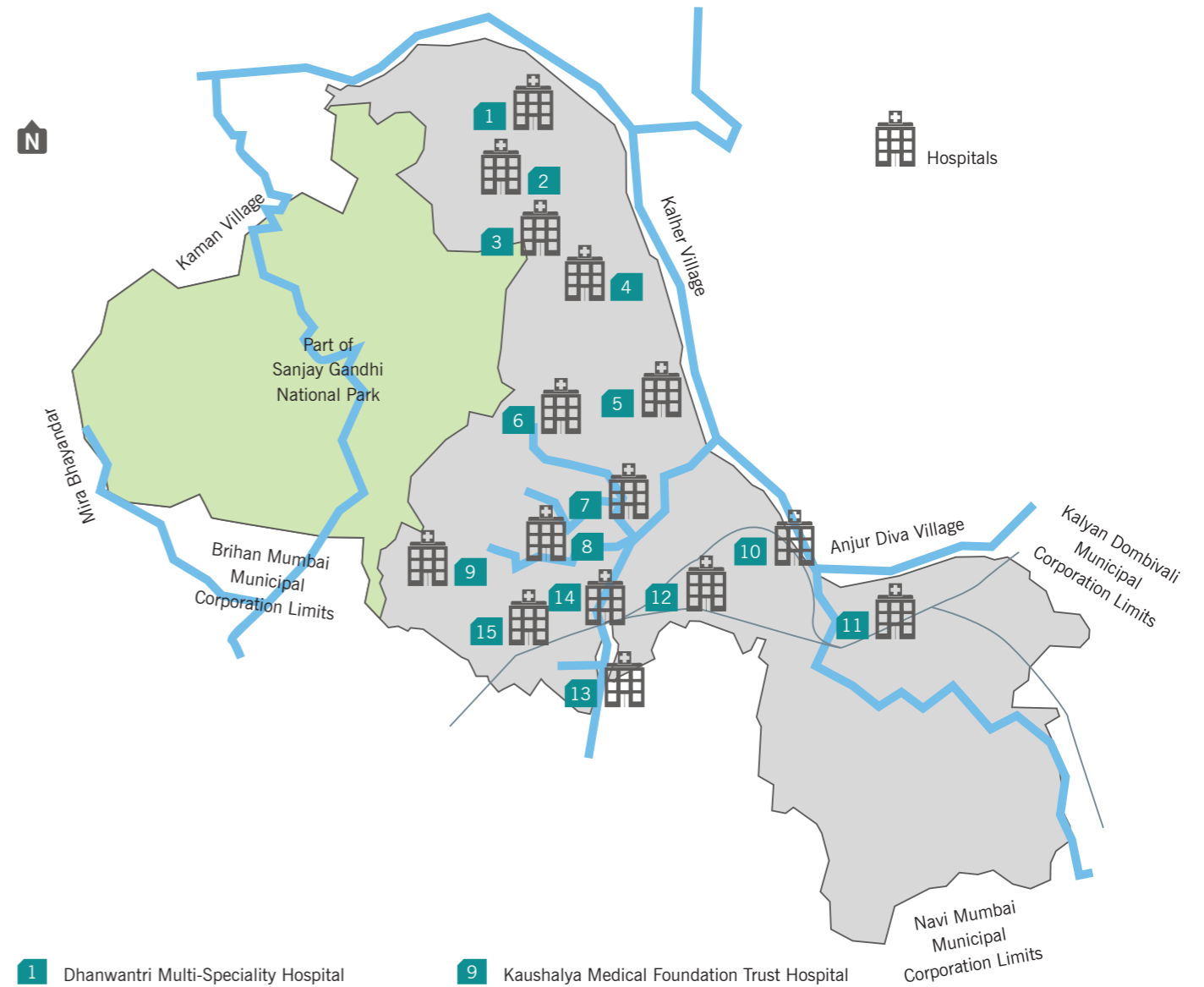
Retail Malls and Amusement Parks



- | | |
|--------------------------|---------------------|
| 1 Big Shopping Centre | 7 Viviana Mall |
| 2 R Mall-LBS Marg | 8 Korum Mall |
| 3 R Mall-Ghodbunder Road | 9 Eternity Mall |
| 4 Wonder Mall | 10 Suraj Water Park |
| 5 High Street Mall | 11 Tikuji-Ni-Wadi |
| 6 Lakecity Mall | |

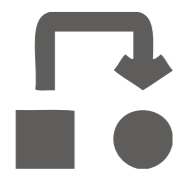


Major Hospitals



- | | |
|--|---|
| 1 Dhanwantri Multi-Speciality Hospital | 9 Kaushalya Medical Foundation Trust Hospital |
| 2 Vedant Hospital | 10 Sapphire Hospital |
| 3 Currae Hospital | 11 Mumbra Municipality Hospital |
| 4 Hiranandani Hospital | 12 Chhatrapati Shivaji Maharaj Hospital |
| 5 Highland Super Speciality Hospital | 13 Aarogyam Multi-Speciality Hospital |
| 6 Bethany Hospital | 14 Panandikar Hospital |
| 7 Jupiter Hospital | 15 Thane Health Care Hospital |
| 8 Lifeline Hospital | |

MAJOR INITIATIVES TO TRANSFORM THE CITY'S LANDSCAPE



Smart City Mission



The Smart City Mission was launched in 2015 by the Ministry of Urban Development (MoUD). A total of 100 cities have been shortlisted under this initiative. The selection of smart cities has been conducted in two stages. The first stage of the City Challenge Competition encompassed scoring of cities based on existing service levels (25 points), institutional systems and capacities (15 points), self-financing (30 points) and past track record (30 points). The second stage included evaluation of smart city plans on the credibility of implementation (improvement in operational efficiency over the last three years from 2015) along with city vision and strategy.

A Special Purpose Vehicle (SPV) established will plan, appraise, approve, release funds and implement, manage, operate, monitor and evaluate the project. Thane has been shortlisted out of the 63 cities that had participated in the ambitious "Smart City Mission" in the third batch - September 2016. In May 2017, Thane civic body partnered with Israel's Tel Aviv Municipality and Israeli private technology major to replicate the civic transformation that Israel's capital underwent using digital technologies.

PAN City Initiatives

Some of the iconic projects under the Thane's Smart City Mission include



Metro rail from Teen Haath Naka to Kasarvadavali sanctioned under phase II of Mumbai metro



TCS has set up its largest office in Thane with a capacity of 30,000 employees spanning an area of 3 million sq.ft (completed project)



Education hub - Proposed allotment of 113 Ha plot to reputed institutes for setting up campuses that impart higher education such as information and communication technology (ICT)



Tata Cancer Hospital & Shankar Netralaya - land being allotted to two medical institutions of repute



Elders' paradise & working women's hostel - state-of-the-art old age home and working women's hostel



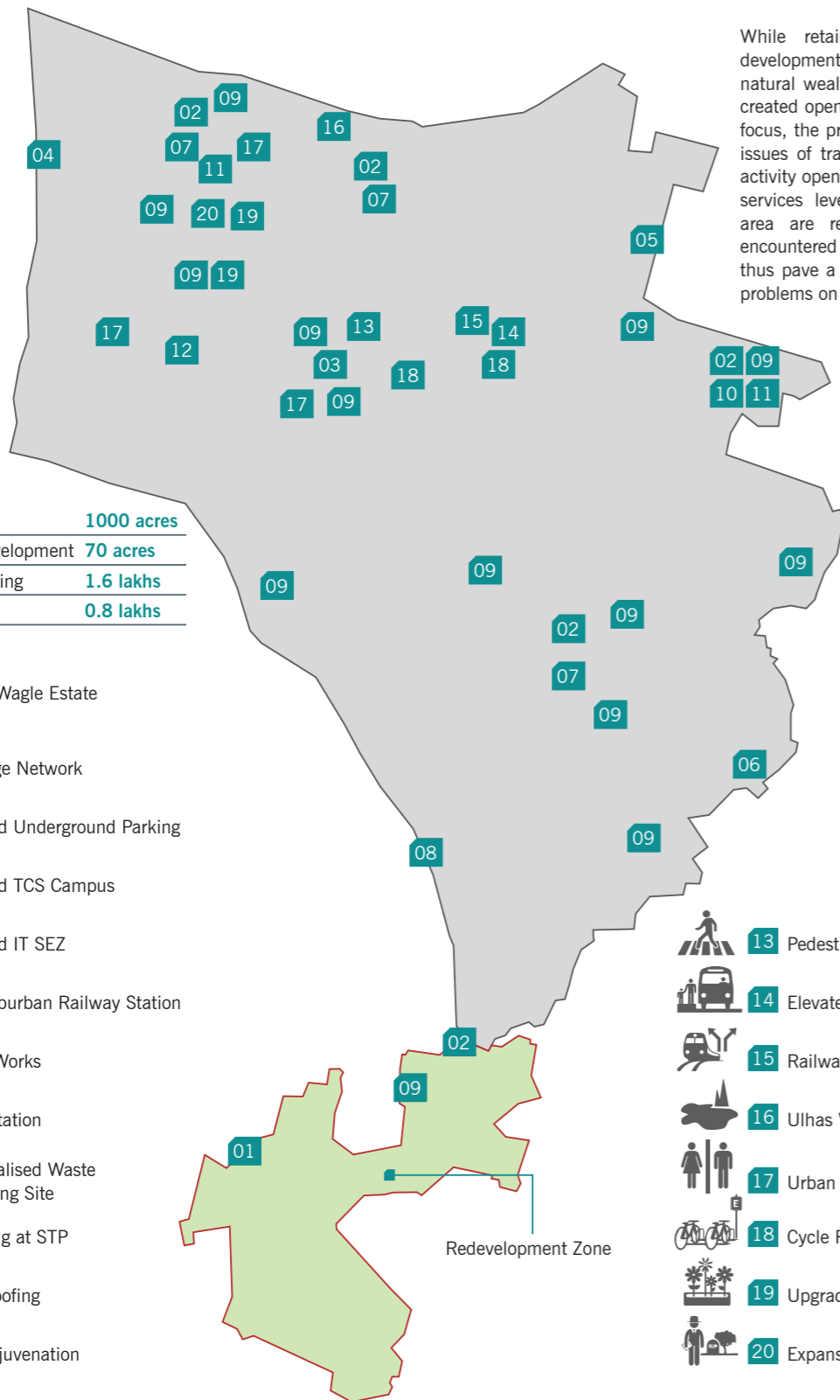
Central park (35 acres) & Northern park (22 acres)



Multi-level car parking - More than 4,000 parking spaces in a single facility



Projects under Thane City Centre Rejuvenation



While retaining the mixed use development and building on the natural wealth of the area, through created open spaces and pedestrian focus, the proposal aims at tackling issues of traffic congestion, lack of activity open spaces and inadequate services levels. The issues in the area are representative of those encountered throughout the city and thus pave a path for resolving such problems on a larger scale.

Area for retrofitting	1000 acres
Area for cluster redevelopment	70 acres
Population of retrofitting	1.6 lakhs
Population of cluster	0.8 lakhs

- 01 IT Hub Wagle Estate
- 02 Sewerage Network
- 03 Proposed Underground Parking
- 04 Proposed TCS Campus
- 05 Proposed IT SEZ
- 06 New Suburban Railway Station
- 07 Nallah Works
- 08 Metro Station
- 09 Decentralised Waste Processing Site
- 10 Recycling at STP
- 11 Solar Roofing
- 12 Lake Rejuvenation
- 13 Pedestrian Improvement
- 14 Elevated B.R.T.S. Line
- 15 Railway Station Interchange
- 16 Ulhas Waterfront
- 17 Urban Restrooms
- 18 Cycle Renting Stands
- 19 Upgradation of Garden
- 20 Expansion of Crematorium

Image source: Smart City Thane



Projects under Pan City Development



Improved service delivery of the water supply system by adopting smart solutions leading to 24x7 water supply



Ensuring safety, security and digital connectivity through enhanced CCTV surveillance and free public Wi-Fi



Digi Thane System - combination of latest technology with advanced operational procedures



Intelligent Transport System to have GPS enabled real time tracking mechanism



Projects under Area Based Development (ABD)



Implementation of Multimodal Transportation Facility and ITMS (Intelligence Transport Management System) to decongest the traffic



Waterfront development and lakefront development in city centre



Renovation of gardens and stadium; expansion of crematorium



Soft mobility: Rent-a-cycle concept, walkways & FOBs



Decentralised solid waste management and upgradation of sewerage and drainage networks



LED street lighting



Smart on-street and off-street multi-level parking



Urban restrooms



Cluster redevelopment



1 MW Solar rooftop at Kopri STP



New suburban railway station between Thane & Mulund



Budget Allocation

A budget of INR 6,630 crore has been proposed by Thane under the smart city project and Atal Mission for Rejuvenation and Urban Transformation (AMRUT) mission, of which INR 4,375 Crore is being funded by the civic body. In November 2017, around INR 700 Crore has been approved for the Thane Smart City Project for development of various infrastructure facilities, including a new railway station between Thane and Mulund.

Budget allocation for Pan City development projects is given below.

Sr. No.	Project	Funding	Cost (INR Crore)
1	Water audit and management of water supply system	Smart City Mission	25
2	Water kiosks	Private Financing	10
3	Laying new water supply network and capacity augmentation	AMRUT	445
4	Regularizing illegal connections, leak detection and reduction, reducing treatment losses, rehabilitation of damaged pipelines and service improvement management contract	AMRUT	245
5	Energy audit as per ESCO Model ⁵	TMC Funds	10
6	AMR (Automatic meter reading) Meters and AMR compatible magnetic class B meters	Private Financing	75
7	Implementation, billing and recovery contract (per year)	TMC Funds	45
8	Integration of SLB with E-Gov Suite and Application	Smart City Mission	5
9	Safety and Security - City-wide Wi-Fi and CCTV	Private Financing	40
Total			900

⁵ A model where an Energy Services Company (ESCO) achieves energy savings at a property or portfolio of properties as a service. This model guarantees savings for a set period of time in exchange for payment from the energy cost savings.



Budget allocation for area-based development projects is given below.

Sr. No.	Project	Funding	Cost (INR Crore)
1	Cluster Redevelopment	Private Financing	4,000
2	Waterfront	Smart City Mission	225
3	Masunda and Hariyali Lakefront Development	Smart City Mission	10
4	Multi-Modal Facility at Thane Railway Station and ITMS	Smart City Mission	305
5	Commercial Development on Multi-Modal Facility	Central Railways	100
6	Teen Haath Naka Junction Improvement	Smart City Mission	120
7	New Proposed Railway Station	Central Railways	500
8	Commercial Development on TOD basis at proposed station	Private Financing	200
9	Allied Infrastructure for New Proposed Railway Station	Smart City Mission	150
10	Decentralized Solid Waste Processing	Smart City Mission	20
11	Urban Restrooms and community toilets	Smart City Mission	5
12	Pedestrian Improvements (in area, near station and along market)	AMRUT	25
13	Solar roofing at Kopri STP and Stadium	Private Financing	15
14	Sewerage network	AMRUT	25
15	Nalla Projects	AMRUT	50
16	Water network	AMRUT	35
17	Smart On-street Parking	Smart City Mission	10
18	Smart Multi-level parking at Gaondevi	AMRUT	30
19	Basement parking	Private Financing	15
20	LED Street lighting	Private Financing	25
21	Garden Retrofitting	AMRUT	10
22	Stadium Expansion	AMRUT	50
23	Crematorium Expansion	Smart City Mission	5
Total			5,930



Progress

Given below are the details of a few ongoing projects/projects under planning stages:



The new railway station proposed to come up between Thane and Mulund, has been approved



A consultant has been appointed for the Teen Hath Naka traffic improvement programme



Funds have been released for creek area development and lake beautification programmes



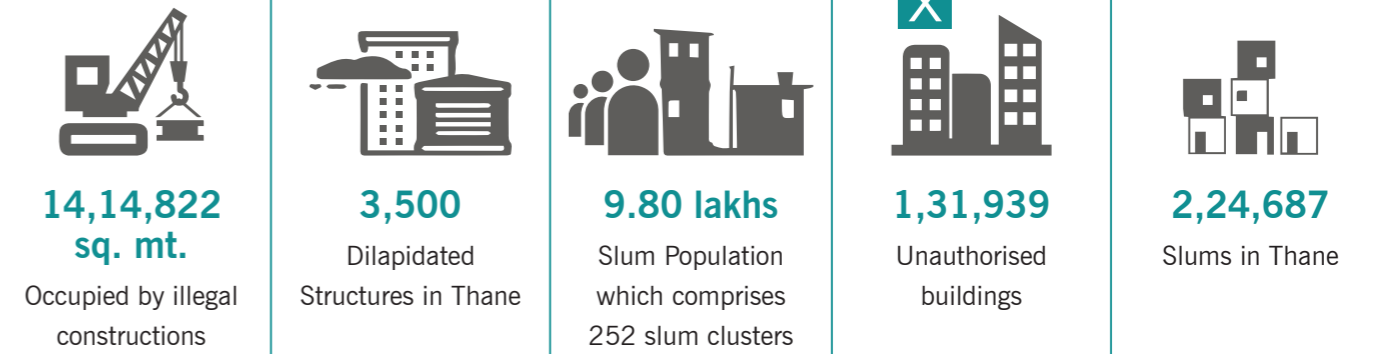
Detailed project report for waterfront development and design for multi-modal facility project is in progress

Cluster Redevelopment Plan

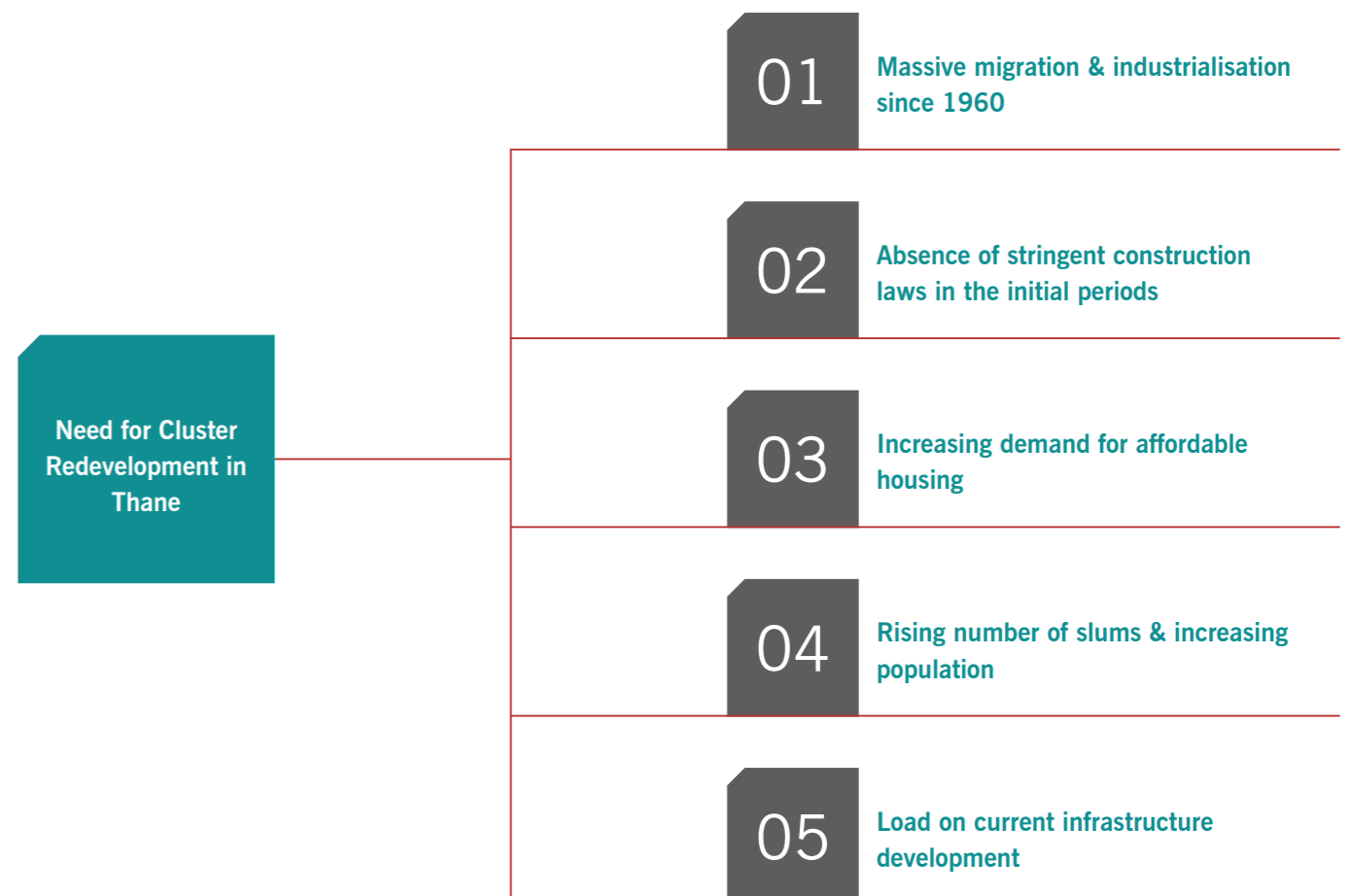
Thane cluster redevelopment is a plan proposed by TMC to transform the socio-economic fabric of the 'Thanekars' by completely redeveloping the old city and congested Kalwa and Mumbra townships. The structuring of the final plan is still in process. Post-execution, this plan will lead to a massive improvement of physical and social infrastructure in Thane. Under this plan, the redevelopment will be focussed on a group of buildings instead of redeveloping individual buildings.



Facts and Figures:



Need for Cluster Redevelopment in Thane



Features of Thane cluster redevelopment plan



Thane Municipal Corporation (TMC) will develop 8 test clusters



Minimum area for cluster development - 4,000 sq. mt.



The project will get 4 FSI, depending on the width of the road next to the project



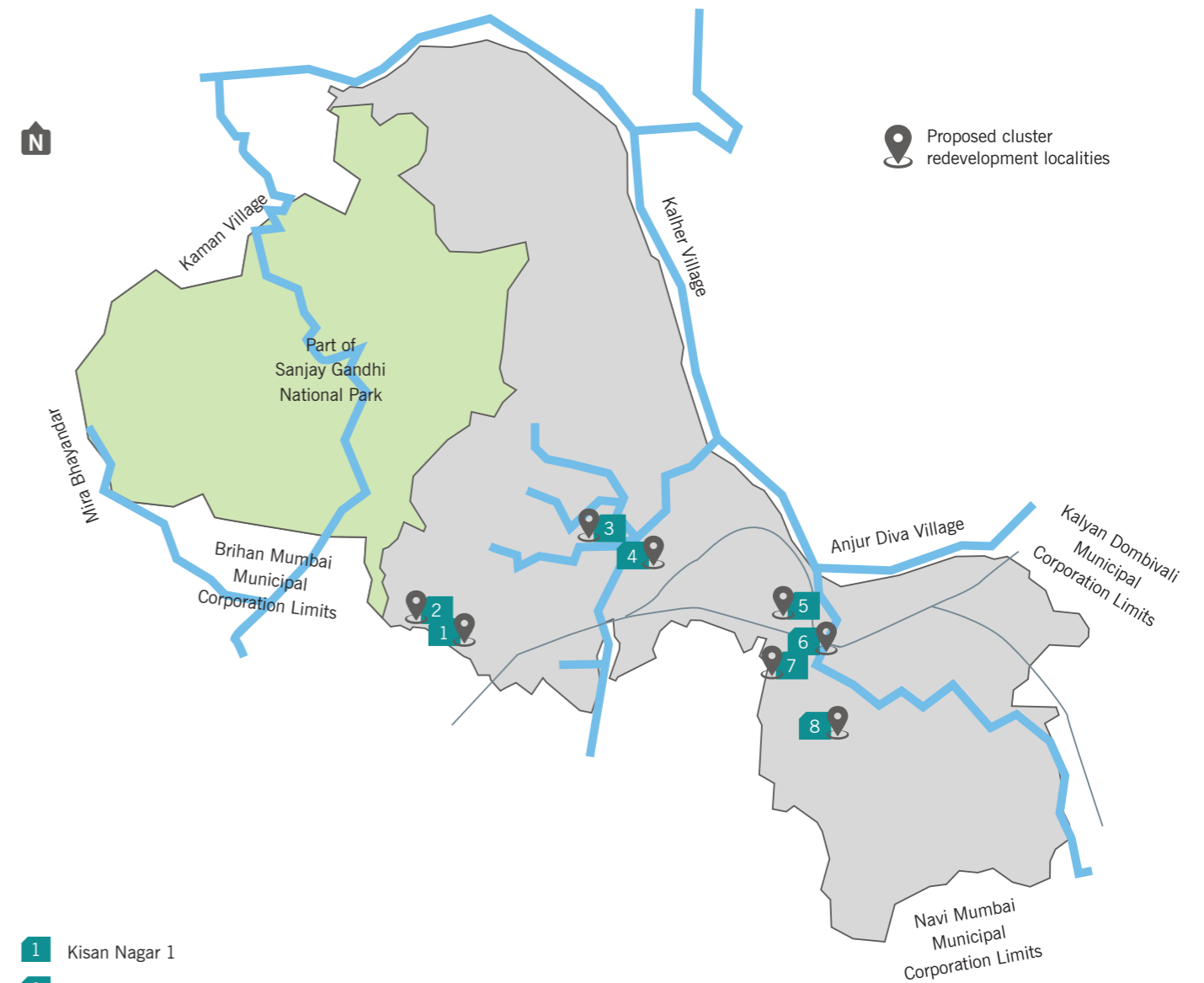
Slums dwellers will get homes of 269 sq.ft each



People residing in dilapidated buildings will get homes of 323 sq.ft each



Proposed clusters for Redevelopment



- 1 Kisan Nagar 1
- 2 Kisan Nagar 2
- 3 Rabodi
- 4 Manisha Nagar
- 5 Bombay Colony
- 6 Anand Koliwada
- 7 Shankar Mandir
- 8 Kausa Qabrastan



OFFICE MARKET OVERVIEW

Thane's decade-long transformation has led to the city's change from an industrial town to a buzzing real estate hotspot. Wagle estate, the first industrial estate of Maharashtra, has now paved way for several business parks and office complexes. Many industries relocated from Thane to other MIDCs primarily due to increasing land and labour cost amidst massive urbanization and rising demand for real estate developments. Industrial plants of reputed companies such as Raymond Ltd., Piramal Healthcare, Hindalco and many more shut down and paved way for real estate developments.



Wagle estate and Ghodbunder road currently have several business complexes with a presence of both domestic and global occupiers. While Mumbai houses offices of several multinational companies (MNCs), government bodies, banks and financial institutions, Thane hosts offices of small-scale industries, pharmaceutical companies, manufacturing units, IT-ITeS companies and BPOs.

Ghodbunder road, once known as a far-flung area of Thane, is now becoming the prime real estate hotspot in the entire MMR, due to the availability of large land bank for new developments and presence of excellent physical and social infrastructure. Wagle estate's growth can be termed as similar to old-fashioned mills of Mumbai such as Phoenix and Kamala Mills located in Lower Parel, which have now turned into prime retail and office destinations.

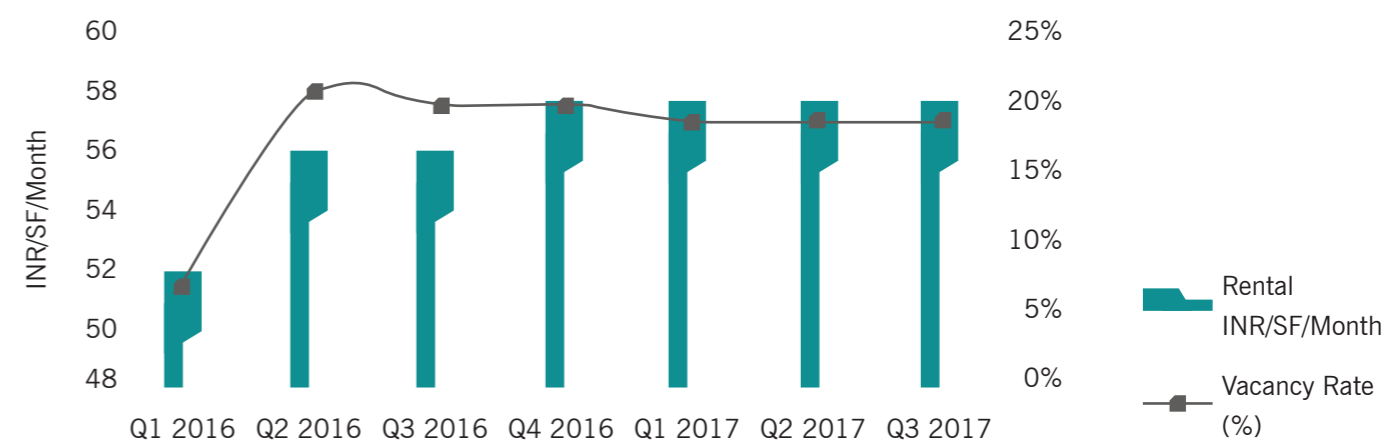
Rapid infrastructure development and excellent connectivity to Mumbai and Navi Mumbai have made Thane a key real estate hotspot of MMR.

Thane currently possesses Grade A office inventory of around 5 msf and an additional 7 lakh sq.ft is in the pipeline. Recently, TCS inaugurated its largest office space in Mumbai - TCS Olympus centre - in Hiranandani business park, that can house up to 30,000 employees. Thane has been attracting large occupiers and will continue to do so due to competitive rentals as compared to other business districts of MMR, amidst constantly improving infrastructure.

» In Q2 2016, the vacancy rate recorded a whopping jump to 21% from 7% in Q1 2016, mainly due to the completion of Lodha Supremus 2 in Wagle Estate which added 6 lakh sqft of Grade A supply. Post Q2 2016, vacancy rate remained largely range-bound due to sluggish leasing activity.

» Concurrently, in Q2 2016, the rental values recorded an 8% rise over Q1 2016, which was the highest surge across all business districts of Mumbai during the second quarter of 2016.

Grade A: Overall Rent and Vacancy Rate





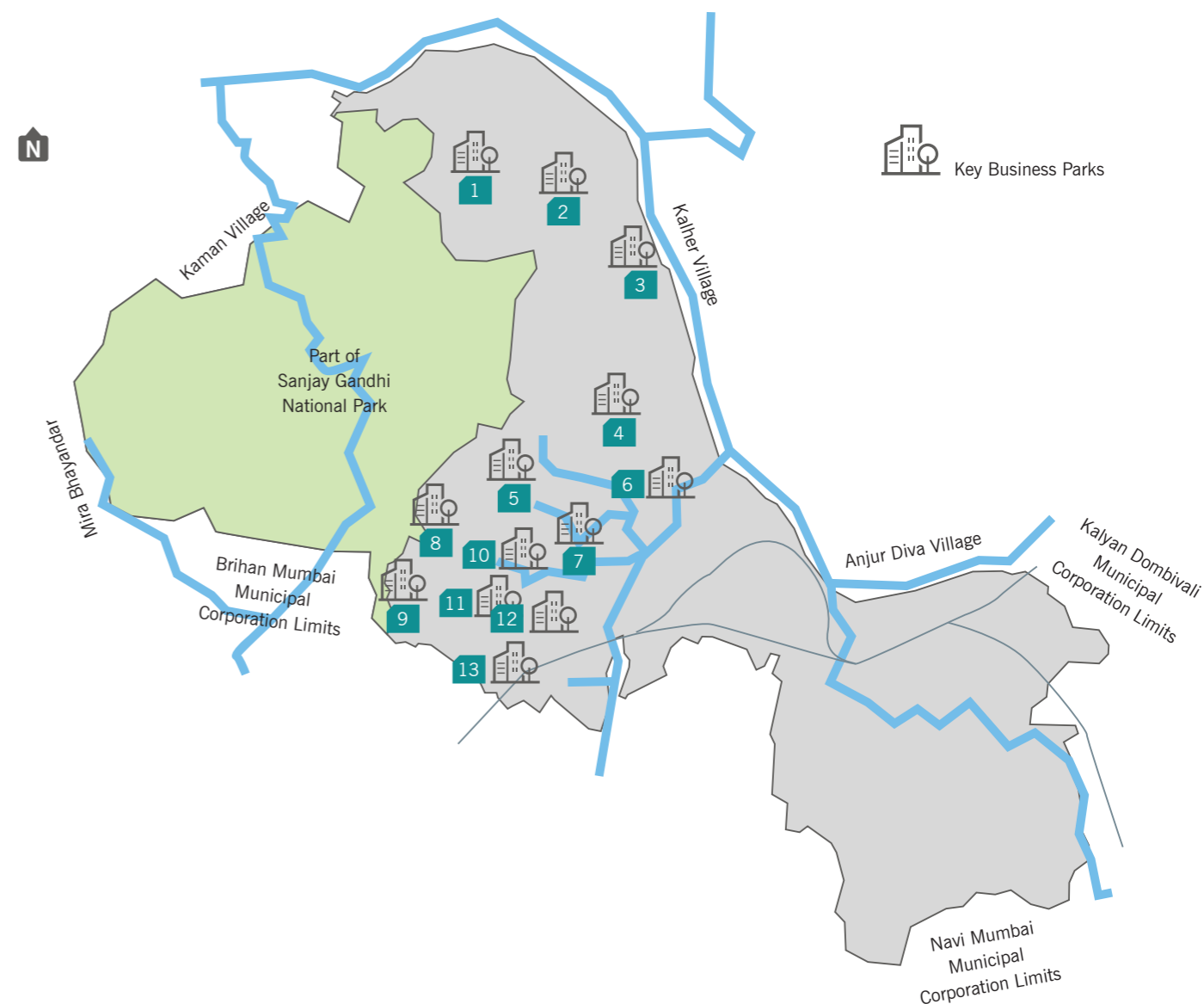
Thane commands the lowest rental across all commercial office destinations of Mumbai.

Rental Values' Comparison

Micro Market	Rental Value (INR/sqft/month) - Q4 2016	Rental Value (INR/sqft/month) - Q4 2017	Y-o-Y Change (in %)
Nariman Point	220	225	2%
Bandra-Kurla Complex	280	265	-5%
Lower Parel	175	177	1%
Powai	110	110	0%
Goregaon	102	105	3%
Thane	56	58	3%



Key Business Parks



- 1 G Corp Tech Park, Ghodbunder Road
- 2 MBC Infotech Park, Ghodbunder Road
- 3 Hiranandani Business Park, Hiranandani Estate
- 4 Orion Business Park, Ghodbunder Road
- 5 Tata Consultancy Service, Yantra Park
- 6 Pinak Galaxy, Ghodbunder Road
- 7 Dev Corpora, Eastern Expressway
- 8 Dosti Pinnacle, Wagle Industrial Estate
- 9 Lodha Supremus, Wagle Industrial Estate
- 10 Ashar IT Park, Wagle Industrial Estate
- 11 Kalpataru Prime, Wagle Industrial Estate
- 12 Nitco Biz Park, Wagle Industrial Estate
- 13 Sunrise Business Park, Wagle Industrial Estate

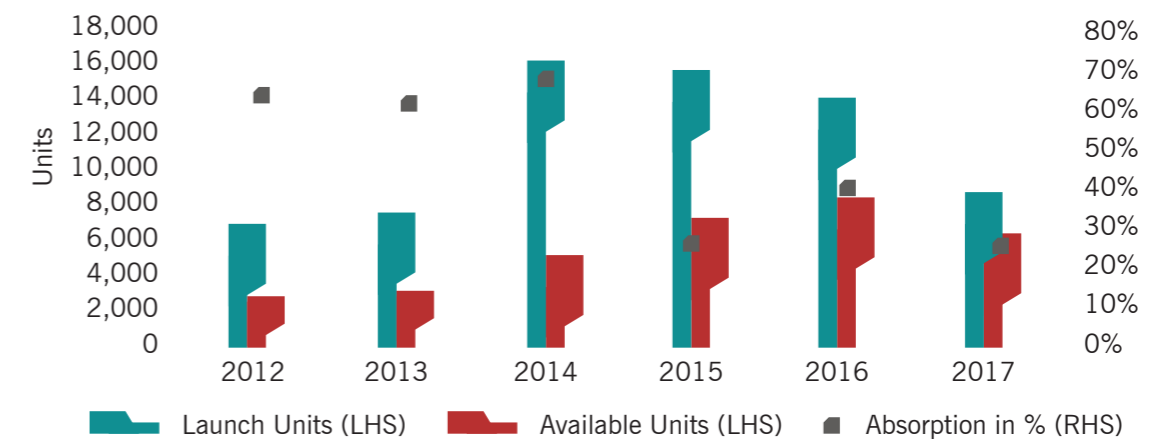


RESIDENTIAL MARKET OVERVIEW

» Nearly 70,000 units were added in Thane during the past 6 years, of which 53% is already absorbed. Notably, units launched in 2017 recorded an overall absorption of 26%, demonstrating an upbeat market sentiment even in the backdrop of structural changes and policy reforms.



Supply-Availability Dynamics



Note: Above analysis represents launches and absorption during the respective years.

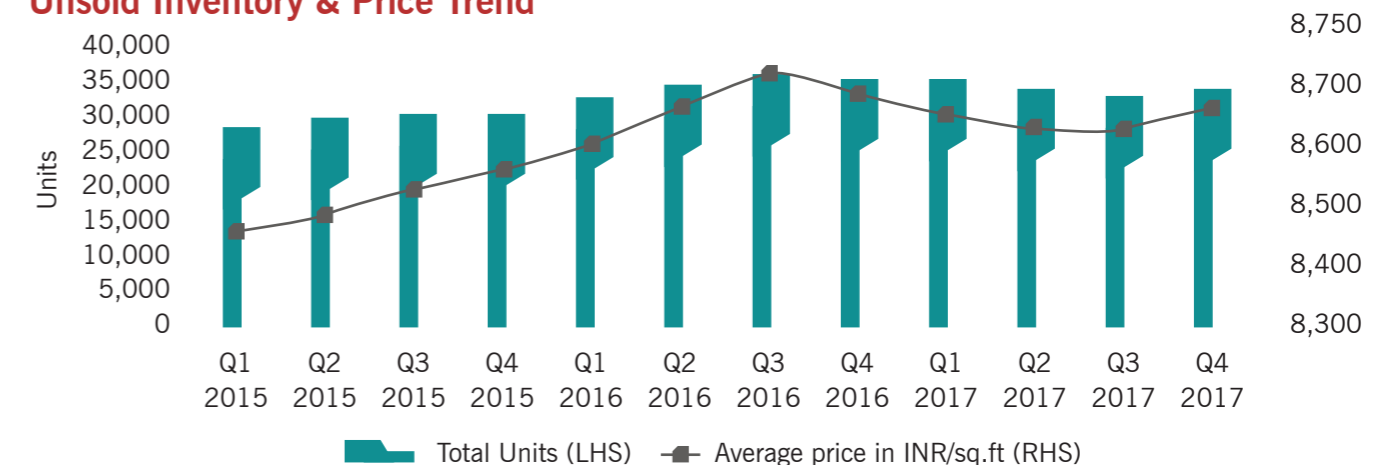
» In 2014, nearly 16,000 units were launched in Thane - a 2x rise over the previous year. The city has been in focus during the recent periods due to latent demand amidst improving infrastructure and presence of many reputed developers who have chosen the city for their portfolio expansion. Nearly 66% of overall supply added since 2012 came between 2014-16, which was the boom period for Thane's real estate market. Ghodbunder Road, Kolshet Road and Majiwada were the key destinations of residential real estate developments and accounted for around 74% of the overall supply added between 2012-2017.

» However, in 2017, the city recorded a drop of 38% in new launch supply, mainly due to the impact of the triple tsunami of demonetization, RERA and GST. With RERA becoming a law and timely completion being a necessary condition, the developers shifted their focus to executing under-construction projects, instead of infusing new supply in the market.

» During the past few years, buyers have been a little inclined to purchase ready-to-move-in or nearing completion units so as to override execution risks. However, with structural changes and policy reforms, the market dynamics have changed and the sector has become buyer-friendly and there are clear indications of revival in demand for new launches.

» However, in 2017, the city recorded a drop of 38% in new launch supply, mainly due to the impact of the triple tsunami of demonetization, RERA and GST. With RERA becoming a law and timely completion being a necessary condition, the developers shifted their focus to executing under-construction projects, instead of infusing new supply in the market.

Unsold Inventory & Price Trend



- » The surge in residential supply amidst lower demand during the past two years has increased unsold inventory in many cities of India. However, Thane has bucked this trend and as of Q4 2017, the city had around 33,000 unsold units at different stages of construction, declining from around 35,300 units as of Q4 2016. Demonetization clearly doesn't seem to have had any major impact on the unit sales in Thane, which is an excellent indicator of the inherent demand in the city.
- » With structural changes and policy reforms amidst restricted supply, the sales have picked up some

momentum in 2017 and unsold inventory is likely to decline further in the coming quarters.

- » In terms of price movement, Thane's residential market now seems to be on an upswing and average quoted prices on built-up have marginally risen from INR 8,450 / sq.ft in Q1 2015 to INR 8,650 / sq.ft as of Q4 2017. To lure home buyers and garner additional sales, many developers are offering freebies, discounts, stamp duty waiver and other schemes. As a result, a good project at the right location, by a reputed developer and at the right price will surely gain home buyers' interest.

Ticket Size Breakup

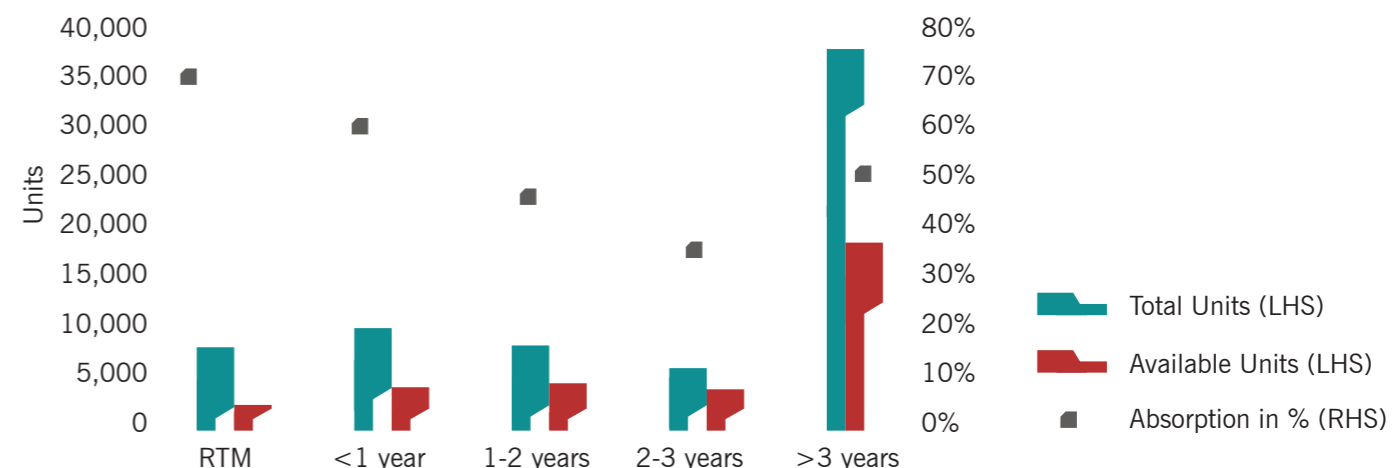


- » Thane is the hub of mid-segment properties and 46% of supply in the city came in the budget bracket of INR 60 Lakh - INR 1.2 crore, followed by INR 1.2 crore - INR 1.8 crore and properties below INR 60 Lakh, at 26% and 21% respectively. The chart above delineates the availability of a healthy mix of residential properties in Thane, suiting various buyer requirements.
- » Ghodbunder road and Majiwada are the biggest contributors to the mid-segment supply (units priced between INR 60 Lakh - INR 1.2 Crore), accounting for 58% of overall mid-segment supply. Notably, Ghodbunder road has a mix of property options that cater to the demand of all segments of home buyers. Kolshet road alone contributes 36% of supply in

INR 1.2 crore - INR 1.8 crore budget range, indicating a huge presence of big-ticket size properties.

- » In terms of absorption, the fastest selling ticket size is INR 1.2 crore - INR 1.8 crore followed by properties priced less than INR 60 Lakh and properties priced between INR 60 Lakh - INR 1.2 crore. This peculiar trend is primarily due to the type of supply added in the Thane residential market.
- » Luxury segment properties priced above INR 1.8 crore had a meagre share (7%) in Thane's supply.
- » Considering the latent demand for mid-segment properties, the city is likely to continue to witness the launch of properties that primarily cater to this requirement.

Supply-Availability as per Completion Timelines



Note: RTM - Ready to move in properties.

- » The analysis connotes that there is availability in completed projects as well.
- » Nearly, 20% of inventory is likely to complete in the next 1- 3 years, of which 42% is already absorbed in the primary market.
- » A major chunk of inventory, which is 54% of the total supply is likely to complete post 3 years or so, of

which 51% is already absorbed in the primary market. Majiwada, Ghodbunder road and Kolshet road together contributed 71% of this supply.

- » Developers with under-construction projects are now focusing on expediting construction, to avoid RERA penalties on execution delays.





2017 RESIDENTIAL REAL ESTATE RECAP

The year 2017, with a slew of reforms and structural changes, turned out to be a historic and eventful year for the Indian real estate sector. While the sector was already reeling under the pressure of demonetization, implementation of RERA and GST made the impact much severe. During the past one year, real estate markets across all major cities have been experiencing the rumble of these reforms. However, these reforms have put the sector on a trajectory of major long-term overhaul and will benefit all the stakeholders viz; buyers, domestic and foreign investors, developers, real estate consultants and other ancillary industries.



RERA has given an impetus to the buyer confidence and pushed the developers to ensure timely delivery. Affordable housing, given an infrastructure status early in 2017, saw a rise in interest from tier I developers as well as institutional investors. However, the underlying potential of this segment will be tested in 2018 and only time will tell if it lives up to the expectations.

Below is a short recap of 2017 residential real estate market performance in Thane.

Supply-Absorption Dynamics

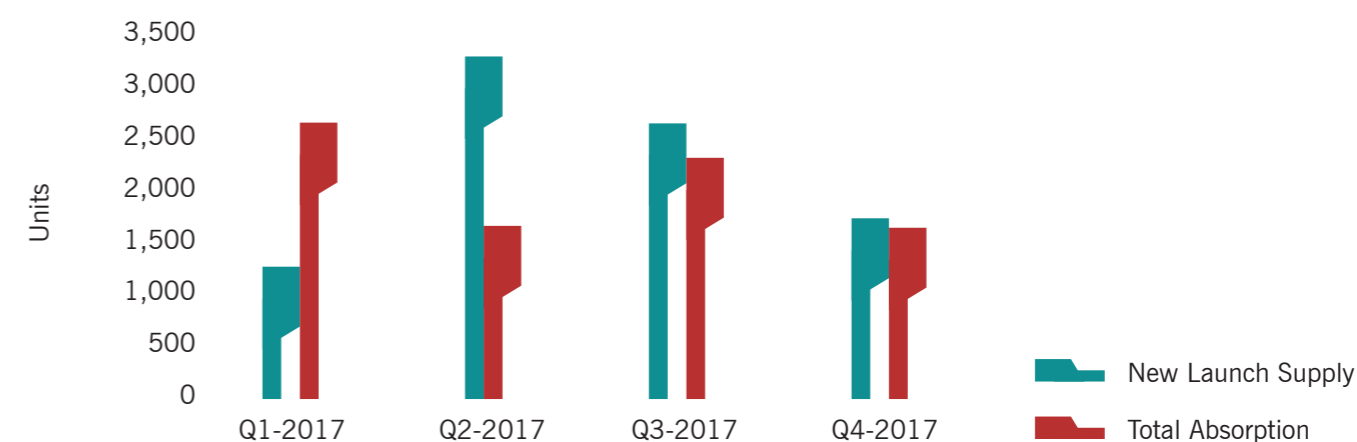
» In 2017, with 8,800 unit launches, Thane contributed around 18% to the overall new supply addition in

MMR. Majiwada and Ghodbunder road witnessed the maximum action and together attracted about 67% of total new supply.

» The city witnessed an erratic movement in new launches and absorption during the past one year. While Q1 recorded a significant drop (lowest during the year) post demonetization, Q2 received the maximum new supply during the year. However, it witnessed a southward trend post implementation of RERA.

» On the positive side, due to moderate new launches and a marginal uptick in sales, unsold inventory decreased by around 5-7% during the past year. This clearly indicates that the demand is on a rise and the future certainly looks promising for Thane.

Supply-Absorption Dynamics



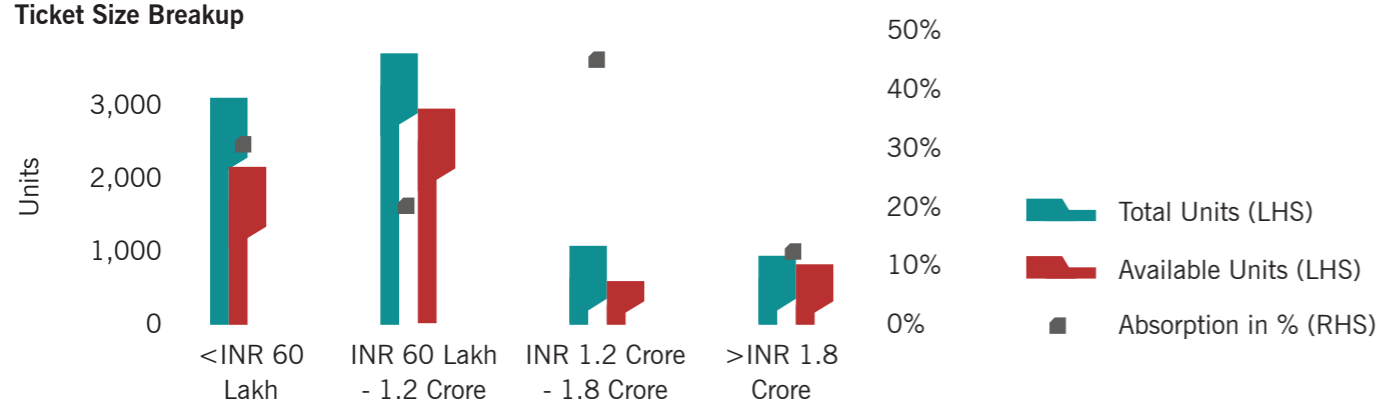


Ticket Size Breakup

- » In 2017, maximum new supply came in the INR 60 lakh - INR 1.2 crore segment and accounted for around 42% of new launches. It was followed by less than INR 60 lakh budget segment with a 35% share.
- » Notably, while a maximum number of units were sold

- in less than INR 60 lakh budget segment, however, the price bucket INR 1.2 crore - INR 1.8 crore, turned out to be the fastest selling, where around 45% of launched units were absorbed in the same year.
- » Luxury segment (units priced above INR 1.8 crore and above), recorded lowest supply and absorption in 2017.

Ticket Size Breakup

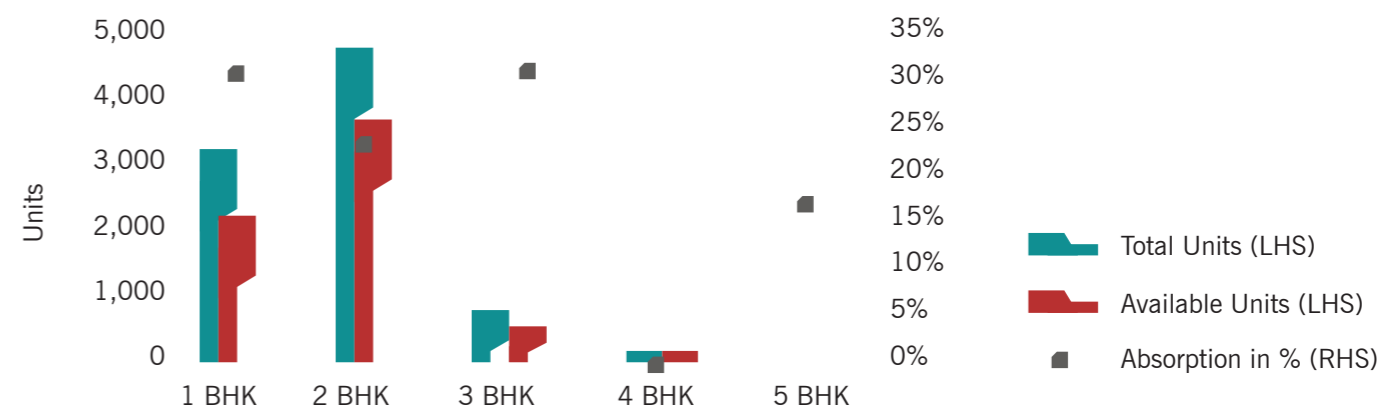


Configuration-Wise Breakup

- » 2 BHK units were the hot favourites in 2017 and recorded the maximum new supply and demand during the year. These units constituted nearly 53% of the overall supply, followed by 1 BHKs and 3 BHKs, accounting for 36% and 9% of the overall supply, respectively.

- » While in terms of overall volume, 2BHKs were most sold units, however, in terms of fast selling, it was led by 3 BHKs where 31% new launch units were absorbed in the same year, followed by 1BHK units with a 30% absorption.
- » 3, 4 & 5 BHKs together had a meagre share of 11% in overall new supply during the year.

Configuration-Wise Breakup





KEY RESIDENTIAL DESTINATIONS: TOP HOTSPOTS

Thane has emerged as a self-sustaining city and an alternate destination and is no longer viewed as a distant cousin of Mumbai. The city emerged primarily due to saturation of the core areas in Mumbai amidst massive population growth and urbanization. Furthermore, with rising land prices and limited availability in the core areas of the city, real estate development headed towards the suburbs and Thane has emerged as a Megapolis in the MMR.

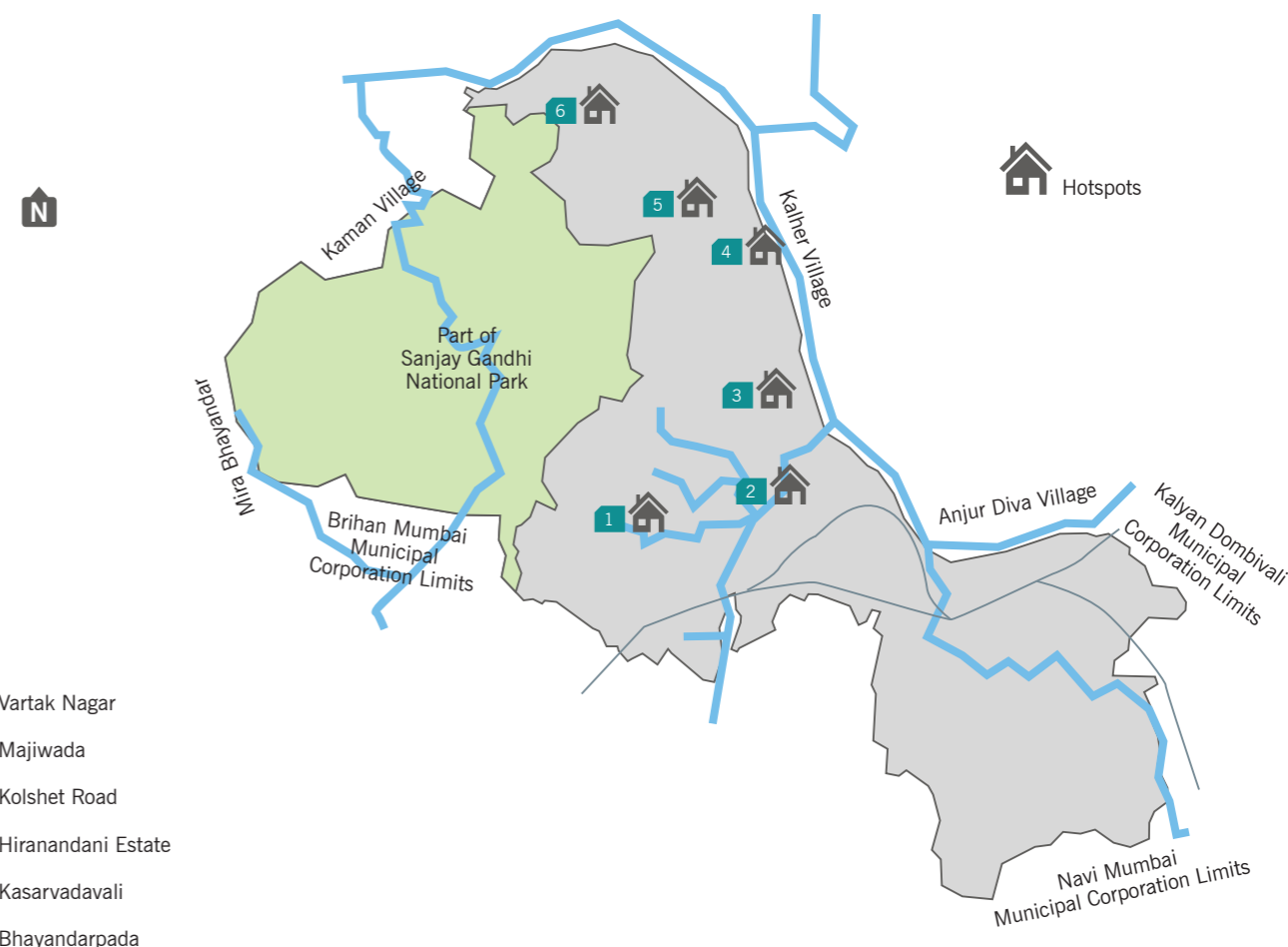


Thane was previously an industrial town with the presence of several factories which gave way to commercial and residential real estate developments and as of today, the city is a top real estate destination in MMR primarily due to its well-laidout infrastructure and seamless connectivity to Mumbai and Navi Mumbai. Also, reasonably priced property options compared to Mumbai has attracted numerous Mumbaikars to make this city their permanent address.

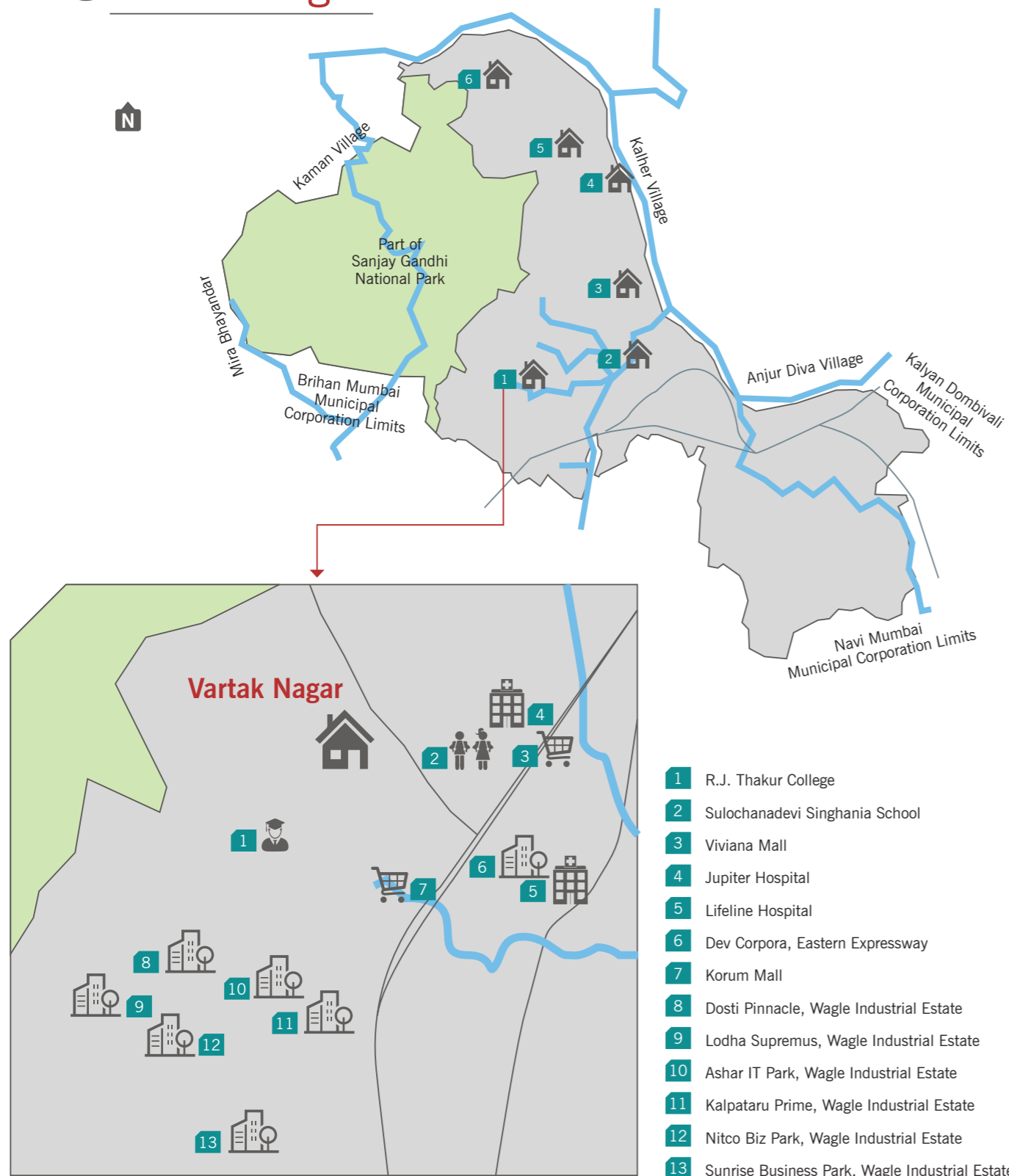
As the core areas near the Thane railway station such as Naupada, Panch Pakhadi, Louis Wadi and many more saturated, development flourished towards the highway and other areas. Soon these areas emerged as the most sought-after real estate destinations in the city as well as the whole of MMR. Ghodbunder road, also known as State Highway 42, grew as the prime real estate destination of Thane and has now turned to be one of the top residential hotspots, due to good physical and social infrastructure along with the presence of large townships

with modern facilities. Presence of properties catering to various segments of home buyers, as per their budget, is an added advantage of residential real estate market along the Ghodbunder road.

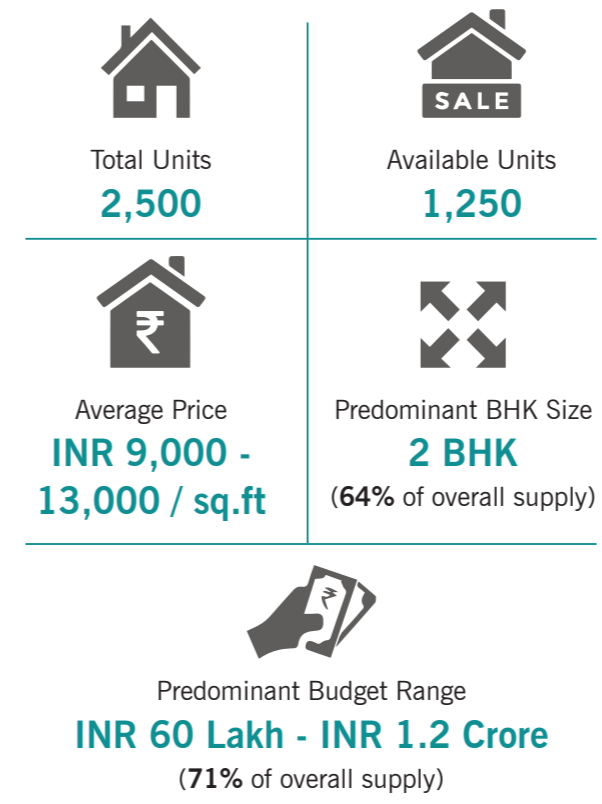
The city has added nearly 70,000 units in the last 6 years, of which 62% came along the Ghodbunder road and its nearby micro markets. In this study, we have identified a few hotspots in Thane, based on factors including but not limited to connectivity, good infrastructure, accessibility to commercial developments, the presence of residential developments, planned infrastructure upgrades and availability of land for future development. Altogether these hotspots account for 65% of the overall residential supply of Thane and offer significant residential property options to the home buyers. Each identified location has unique advantages due to which it nominates in the list of residential hotspots of Thane.



Vartak Nagar



Residential Real Estate Snapshot



Note:
Total Units: Supply since 2012
Available Units: As on Q4 2017
Average Price: BSP quoted is on built-up

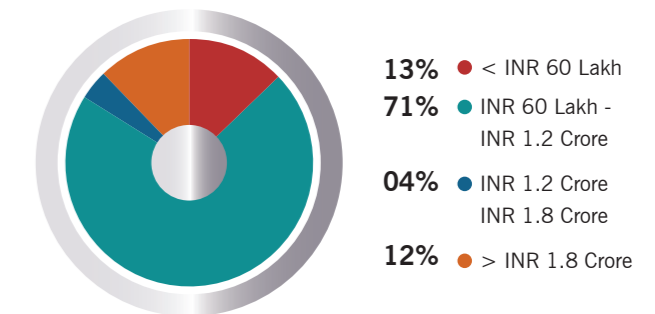
53% supply to be completed post 2020

Note: Supply data considered since 2012

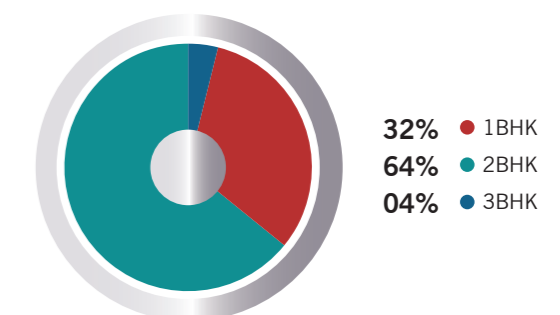
Key Growth Drivers

- » Well developed micro market, strategically located in the heart of Thane.
- » Direct access to Eastern Express Highway and Ghodbunder Road.
- » Shares proximity to commercial establishments of Wagle estate.
- » Excellent social infrastructure.
- » Proximity to Thane railway station.
- » Planned Metro Station (Line 4) at Cadbury Junction.

Ticket size breakup



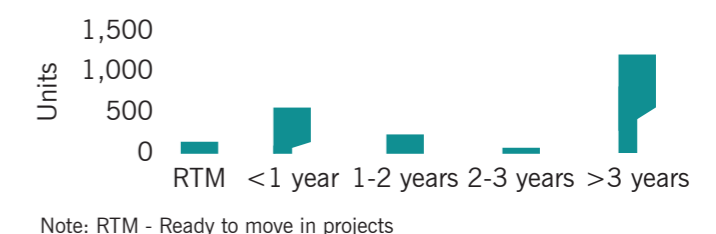
Configuration breakup



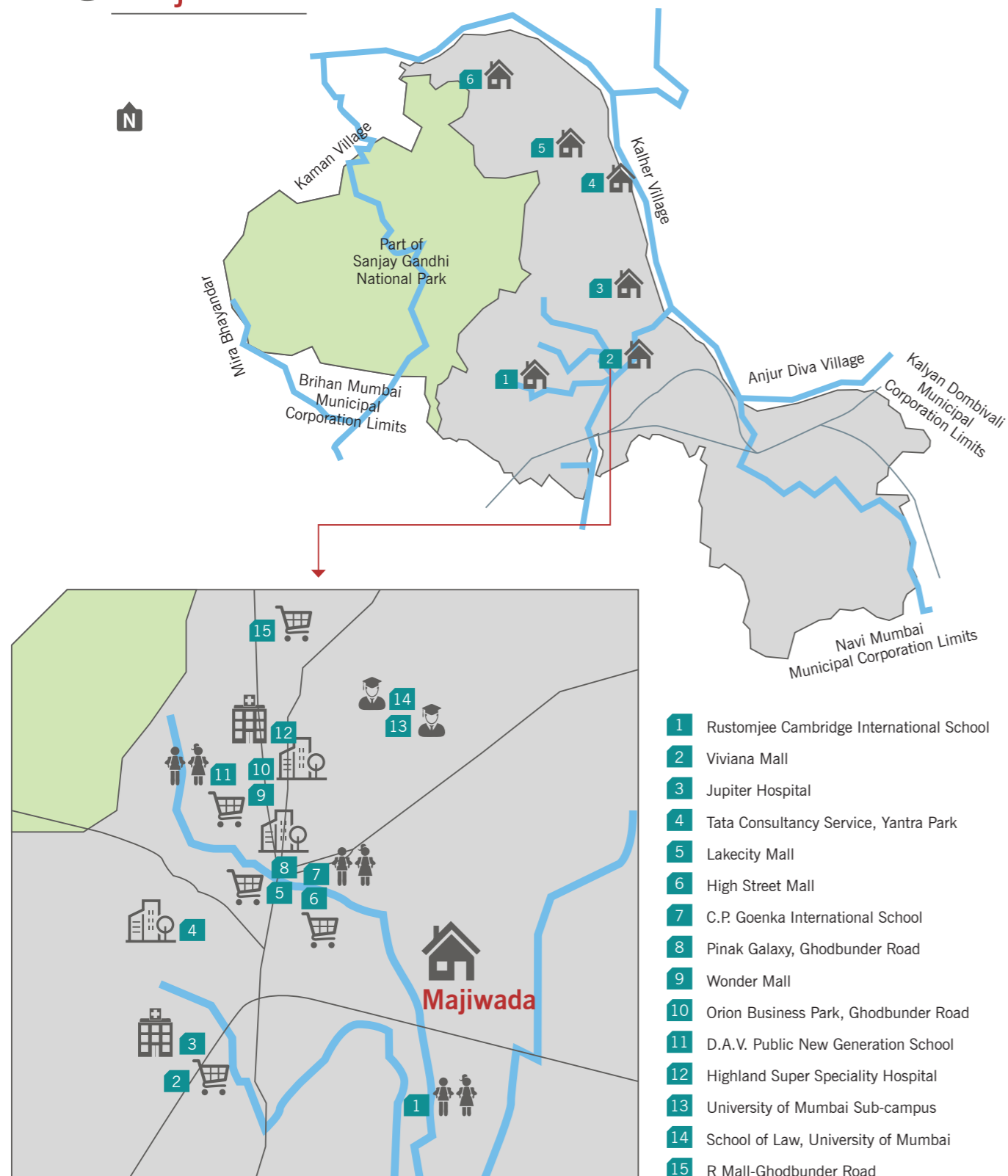
Supply Trend



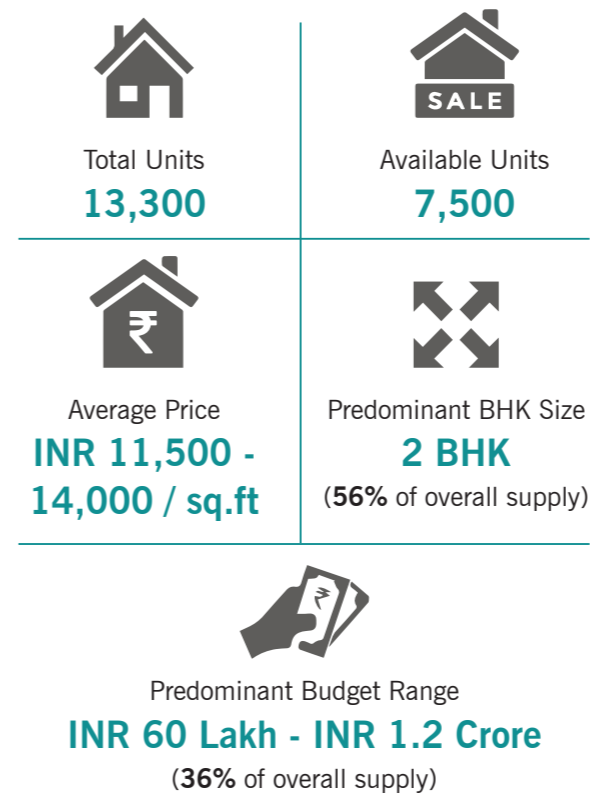
Supply as per completion timelines



Majiwada



Residential Real Estate Snapshot



Note:
Total Units: Supply since 2012
Available Units: As on Q4 2017
Average Price: BSP quoted is on built-up

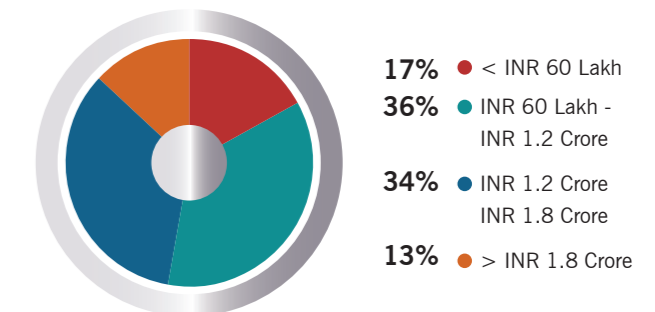
89% supply to be completed post 2020

Note: Supply data considered since 2012

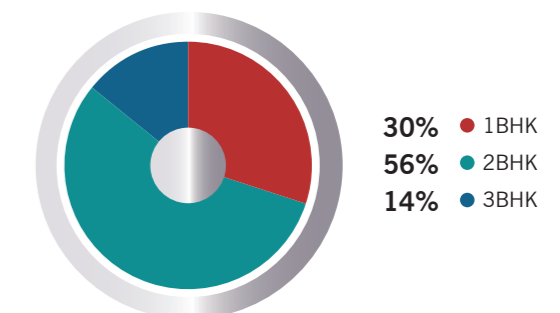
Key Growth Drivers

- » Located in proximity to the core areas.
- » Seamless connectivity to key micro markets of central suburbs via Eastern Express highway.
- » Excellent accessibility to commercial development of Thane-Belapur Road, Waghle estate and Ghodbunder Road.
- » Well improved physical and social infrastructures.
- » Proposed Metro Line 4 (Wadala-Kasarvadvali) has a station planned at Majiwada.

Ticket size breakup



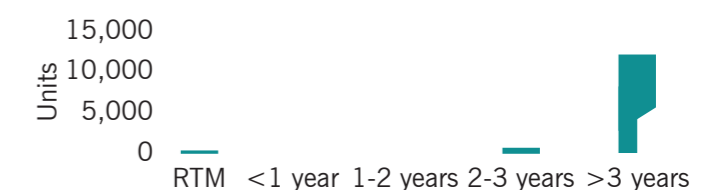
Configuration breakup



Supply Trend

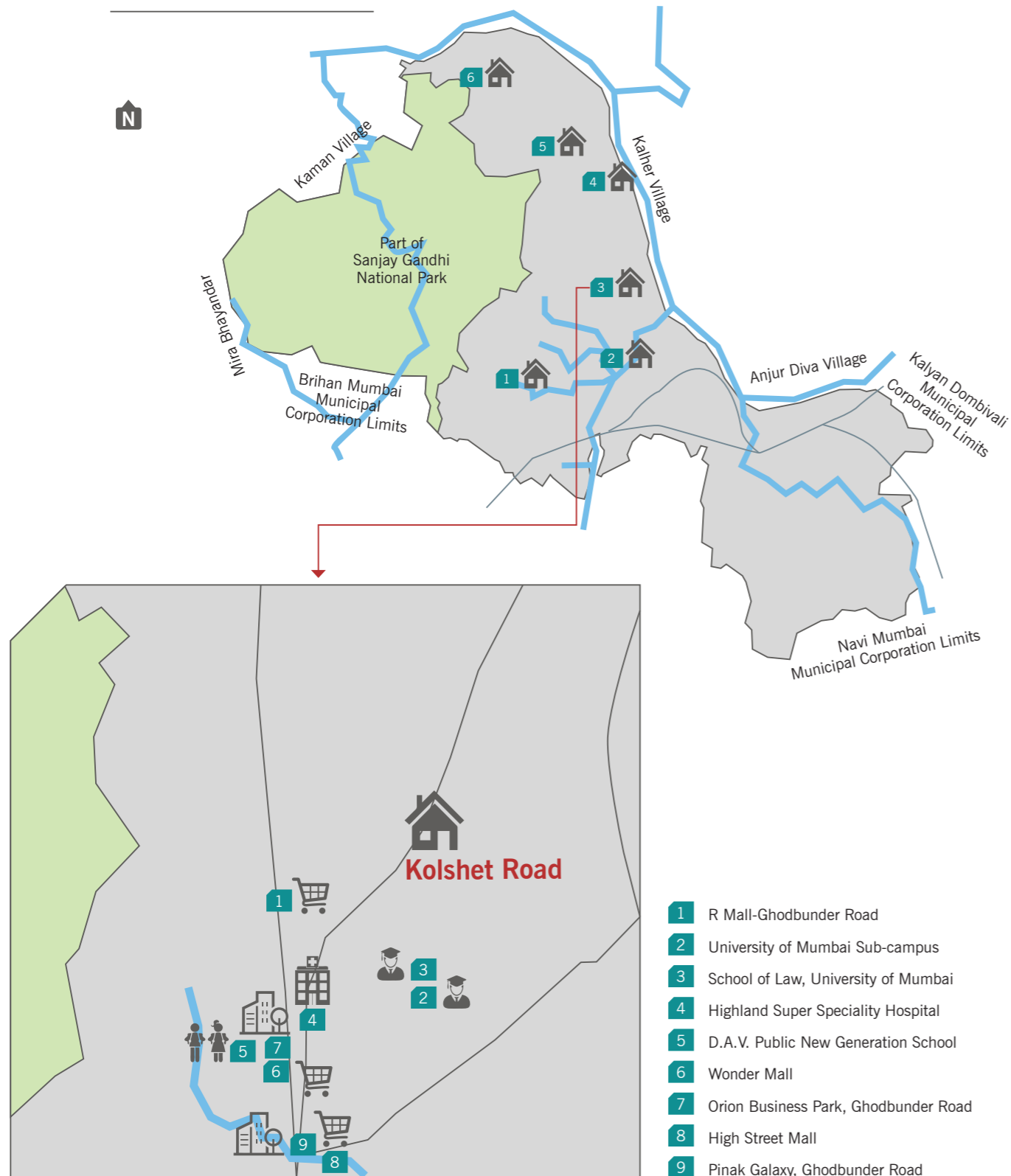


Supply as per completion timelines

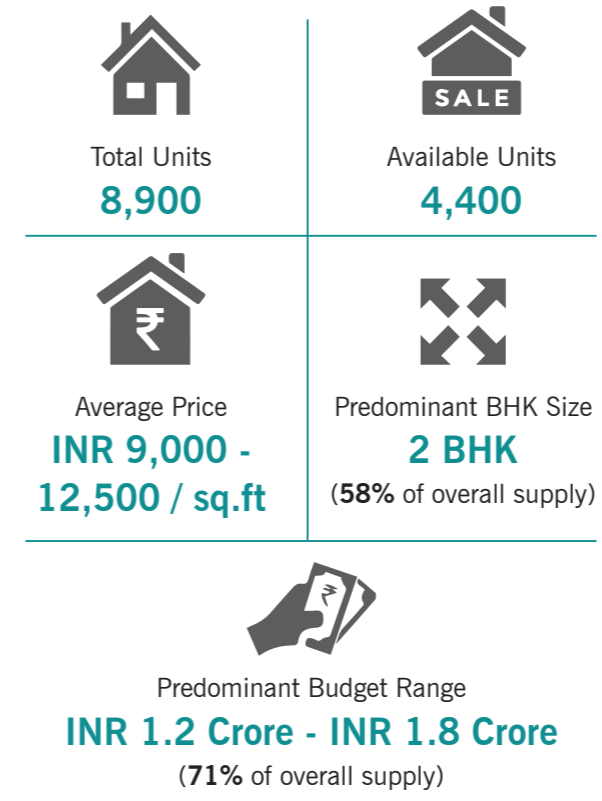


Note: RTM - Ready to move in projects

Kolshet Road



Residential Real Estate Snapshot



Note:
Total Units: Supply since 2012
Available Units: As on Q4 2017
Average Price: BSP quoted is on built-up

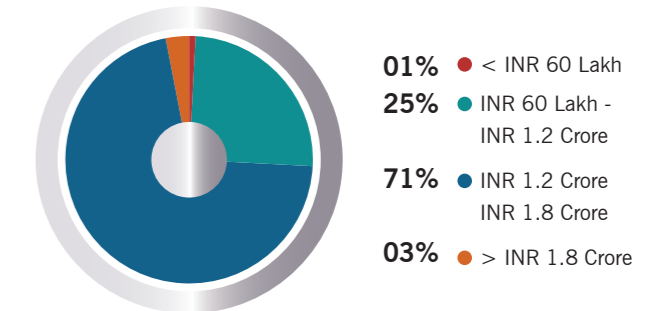
71% supply to be completed post 2020

Note: Supply data considered since 2012

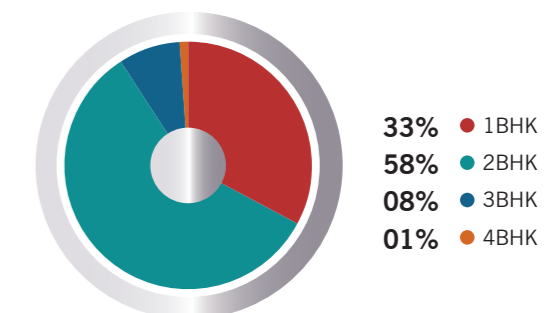
Key Growth Drivers

- » Located near Thane Creek, also shares proximity to Ghodbunder Road.
- » Excellent connectivity to the key commercial set ups via Ghodbunder Road, Eastern & Western Express Highways.
- » Availability of enriched social infrastructure in proximity.
- » Proximity to Thane station and Majiwada junction.
- » Upcoming Thane-Bhiwandi-Kalyan metro route to benefit the area.

Ticket size breakup



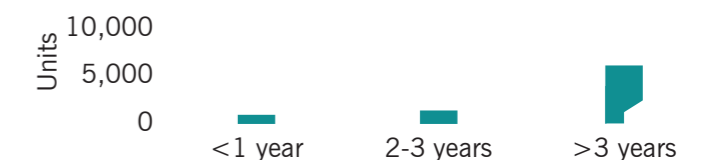
Configuration breakup



Supply Trend

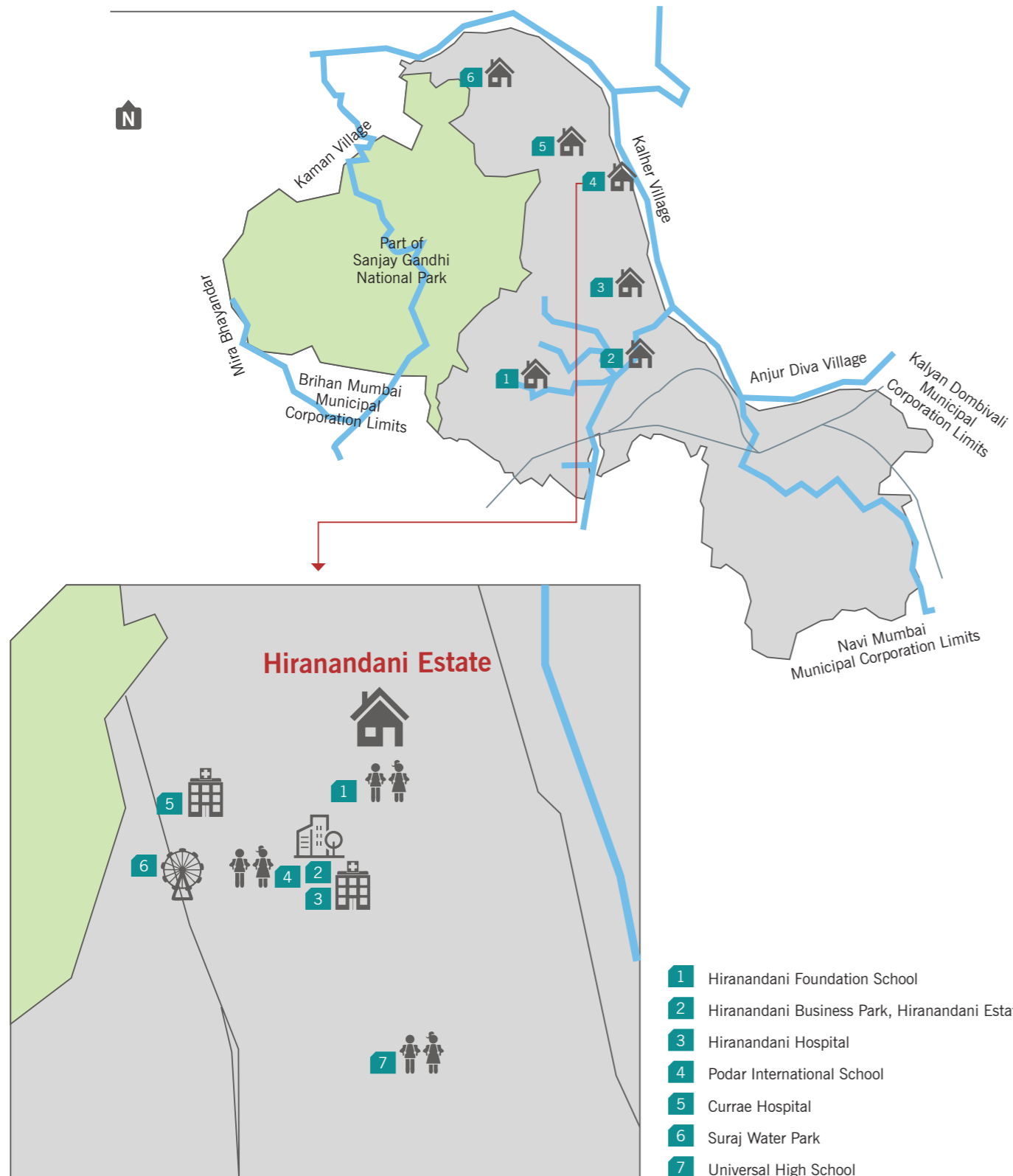


Supply as per completion timelines

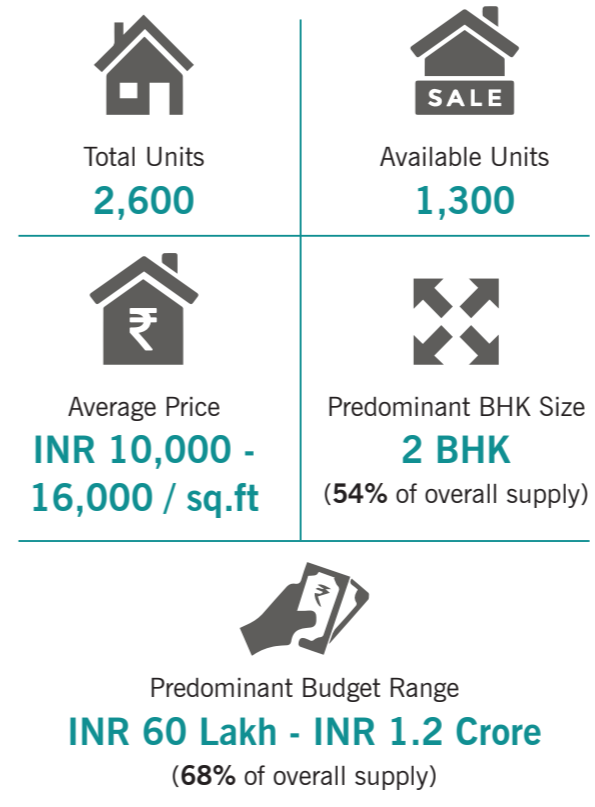


Note: RTM - Ready to move in projects

Hiranandani Estate



Residential Real Estate Snapshot



Note:
Total Units: Supply since 2012
Available Units: As on Q4 2017
Average Price: BSP quoted is on built-up
Above data includes project launched in Hiranandani Estate and Waghbil

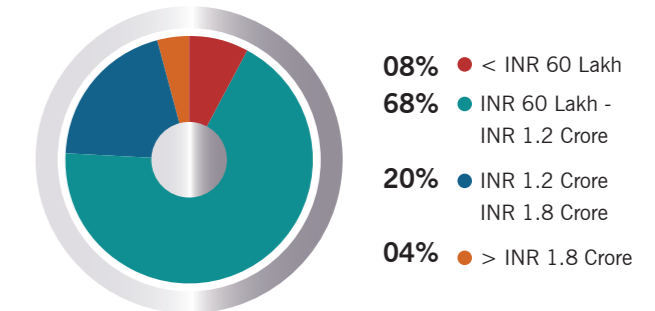
54% supply to be completed post 2020

Note: Supply data considered since 2012

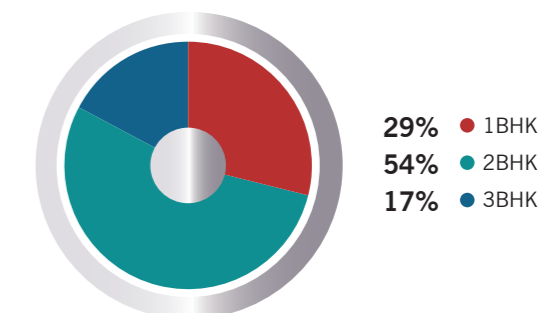
Key Growth Drivers

- » Strategically located close to Ghodbunder Road.
- » Excellent connectivity via Ghodbunder Road, Eastern & Western Highways.
- » Hiranandani business parks houses major corporates such as ICICI, TCS, Regus, Quintiles research and many more.
- » Excellent social and physical infrastructure.
- » Self-sustained township with huge residential supply.

Ticket size breakup



Configuration breakup



Supply Trend

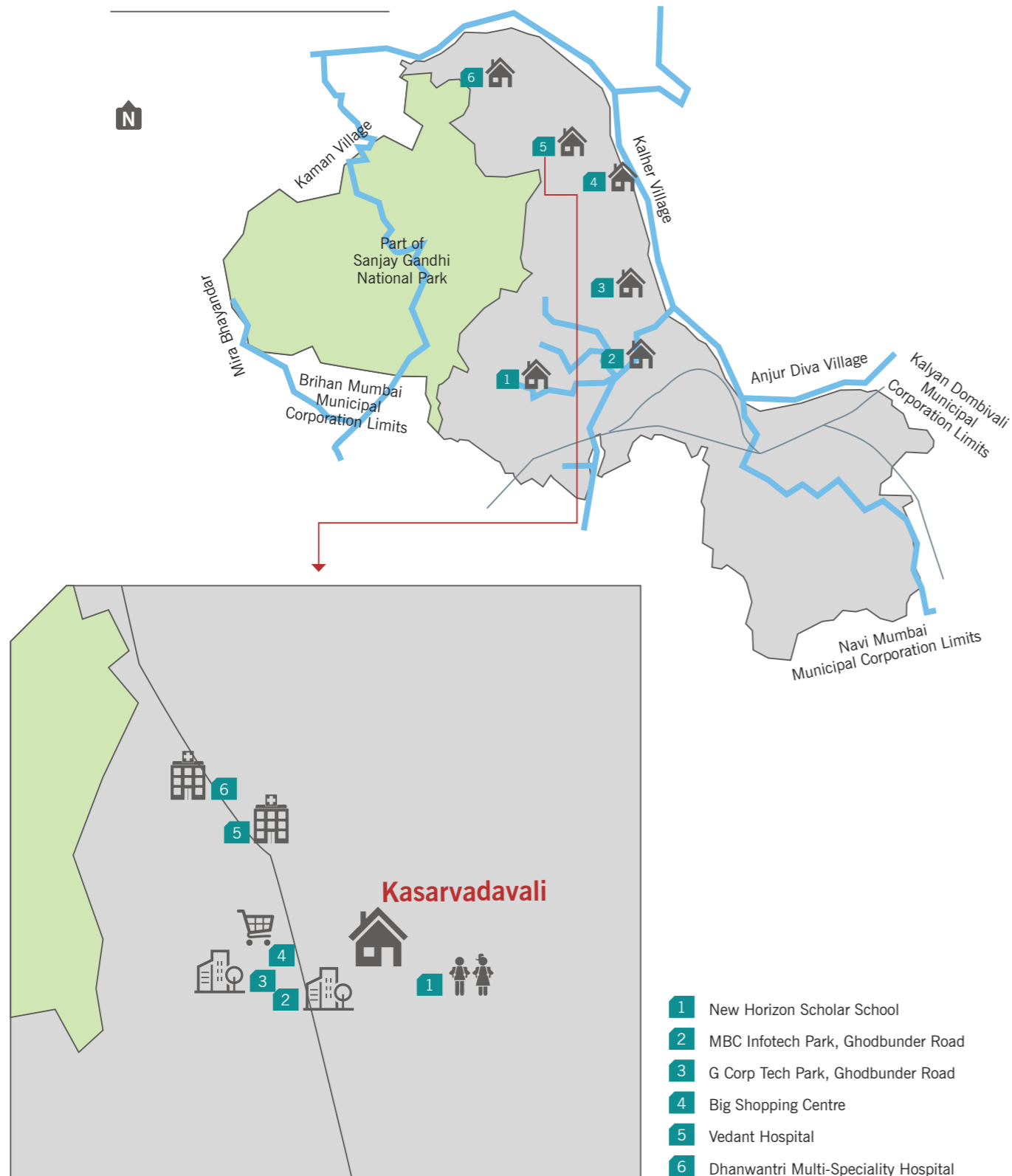


Supply as per completion timelines

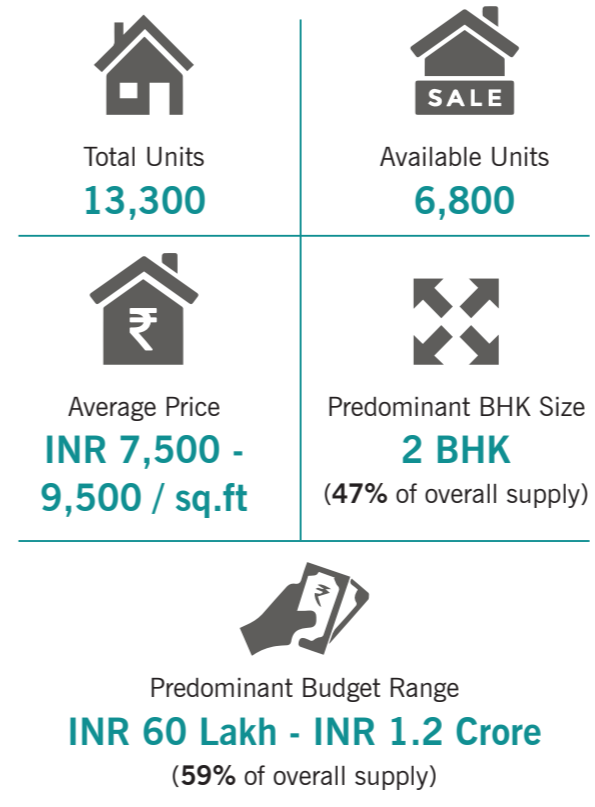


Note: RTM - Ready to move in projects

Kasarvadavali



Residential Real Estate Snapshot



Note:
Total Units: Supply since 2012
Available Units: As on Q4 2017
Average Price: BSP quoted is on built-up
Above data includes project launched in Kasarvadavali, Kavesar and Owale

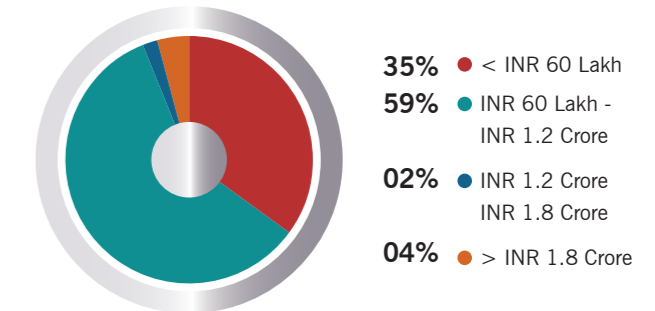
65% supply to be completed before 2020

Note: Supply data considered since 2012

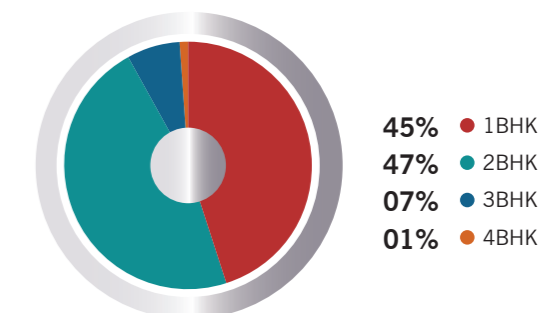
Key Growth Drivers

- » Located bang on the Ghodbunder Road.
- » Well connected to Eastern and Western Express Highway via Ghodbunder Road.
- » Proximity to various tech parks and offices viz. MBC Infotech Park, Polaris Financial Technology, Shree Group, Akumenities Healthcare, Maharashtra Vidyut Vitran Company, G. Corp. etc.
- » Improving social infrastructure.
- » Upcoming metro rail (Line 4) has a station planned at Kasarvadavali.

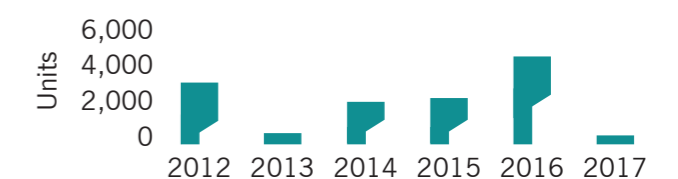
Ticket size breakup



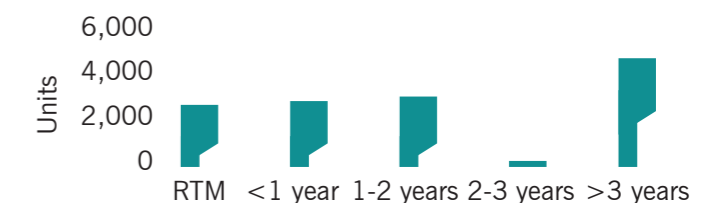
Configuration breakup



Supply Trend

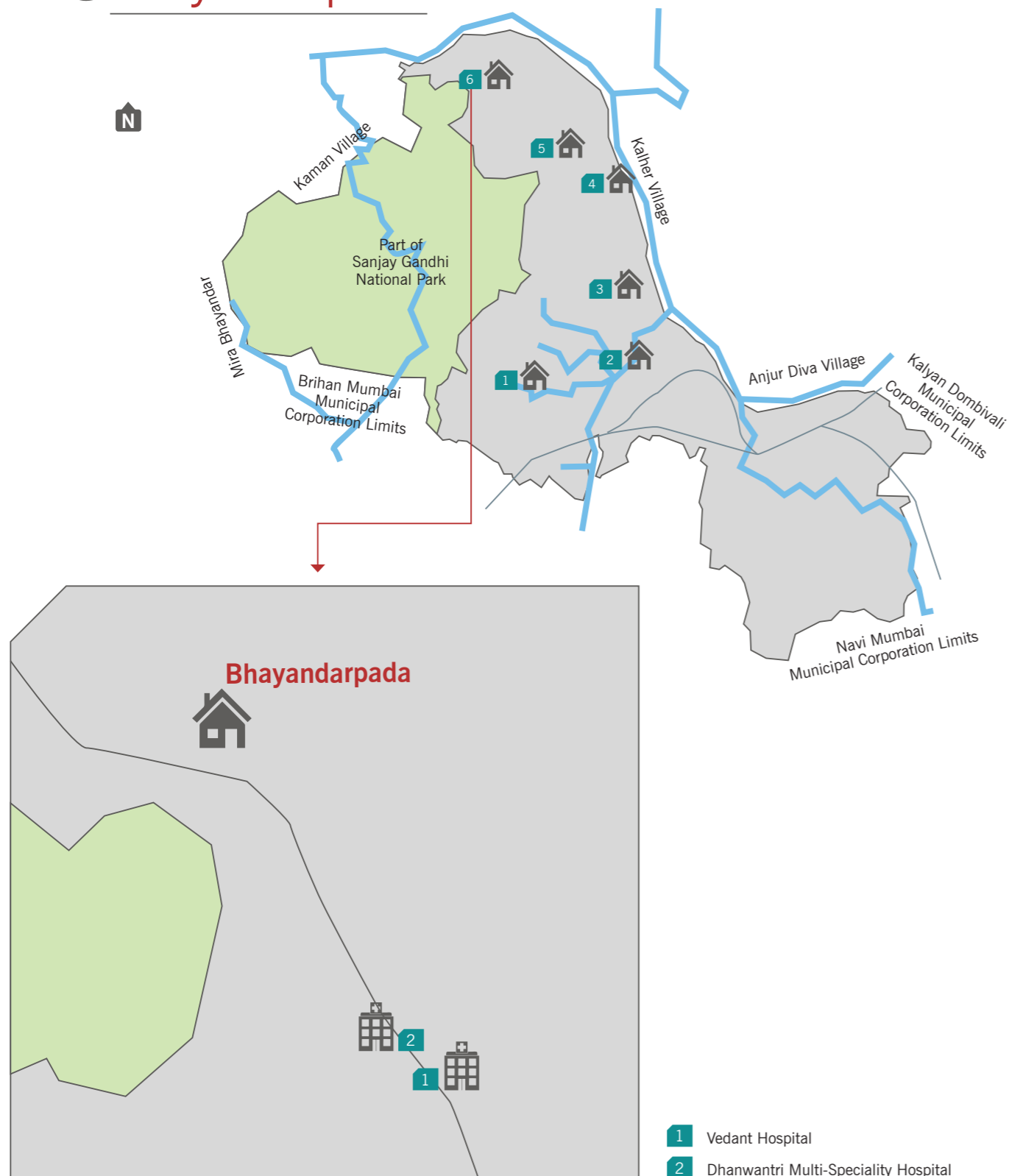


Supply as per completion timelines

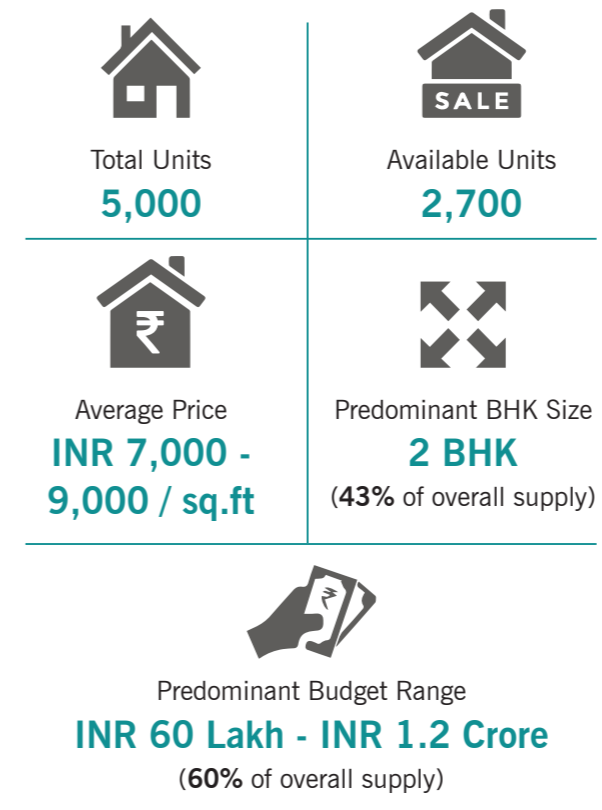


Note: RTM - Ready to move in projects

Bhayandarpada



Residential Real Estate Snapshot



Note:
Total Units: Supply since 2012
Available Units: As on Q4 2017
Average Price: BSP quoted is on built-up
Above data includes project launched in Bhayandarpada and Gaimukh Gaon

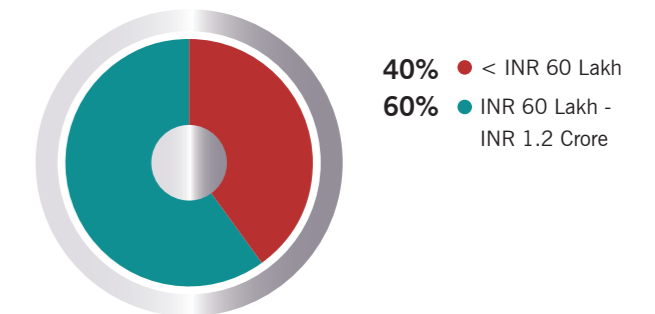
64% supply to be completed before 2020

Note: Supply data considered since 2012

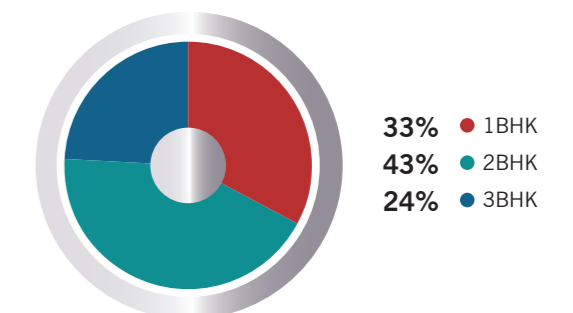
Key Growth Drivers

- » Located along the Ghodbunder Road.
- » Seamless connectivity to Western and Eastern Express highways.
- » Easy accessibility to workplaces in Thane, Mira Bhayandar and other parts of Mumbai.
- » Serene climate.
- » Upcoming Metro Line (Wadala to Kasarvadvali) to benefit the precinct.

Ticket size breakup



Configuration breakup



Supply Trend



Supply as per completion timelines



Note: RTM - Ready to move in projects

OUTLOOK

Thane has evolved rapidly from a distant industrial town known as 'Mumbai's cousin' to a buzzing real estate destination - and one of the top residential hotspots in Mumbai. Excellent connectivity to all parts of Mumbai, continuous infrastructure upgrades and availability of large land parcels for real estate development have led to phenomenal growth in this city. As of today, Thane has all the attributes of a vibrant city and can surely be termed as an emerging megapolis of Mumbai.



The Mumbai Metropolitan Region, as a whole, has been witnessing tremendously accelerated real estate development in the past two decades. The city of Thane has seized the opportunity and very effectively shed its previous industrial image to transform into an ideal destination for businesses to flourish and people to reside.

In the initial periods, real estate development in Thane was largely restricted to areas around its railway station. However, the limited expansion opportunities in the core areas caused businesses to expand and flourish in the city's peripheral precincts as well.

Eventually, the wheel of development spun towards Ghodbunder Road and as a result, residential developments evolved in standalone micro-markets such as Kasarvadavli, Bhayandarpada, Majiwada and Kolshet Road, to name a few.

These micro-markets are adequately geared for remaining in focus in the future, as well. Meanwhile, established micro-markets such as Vartak Nagar, Naupada and Pokhran road are also likely to witness redevelopment-led projects, albeit at a lower scale as compared to Ghodbunder Road.

Thane has witnessed a very wholesome rate and quality of real estate development in the recent past and is well-poised for the next level of growth. The city has well-defined physical infrastructure as well as vibrant social infrastructure with the presence of malls, educational institutes, hospitals, hotels, parks, lakes, etc.

Its existing suburban rail connectivity has always worked in favour of Thane's growth. Planned infrastructure upgrades such as metro rail linkage to other parts of Mumbai, improvements under the Smart City mission and availability of land parcels for future developments have encouraged many reputed real estate developers to make their mark in the city.

By all standards, Thane is going to be the next destination for holistic urban growth - and will continue to be on the radar of home buyers.

Authors

- » **Virendra Joshi** - AVP, Research
- » **Rahul Panwar** - Manager, Research
- » **Prashant Verma** - Manager, Research
- » **Meruga Pallavi** - Assistant Manager, Research

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For research services, please contact:



Prashant Kumar Thakur
Head of Research
prashant.thakur@anarock.com

ANAROCK Property Consultants Private Limited

1002, 10th Floor, B Wing, One BKC, Plot No. C-66
G Block, Bandra Kurla Complex, Bandra East,
Mumbai - 400051



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