

ANAROCK
VALUES OVER VALUE

WORLI | South Central

The Rise of Worli, the most sought-after Real Estate in Mumbai

December 2017





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Micro Market Overview

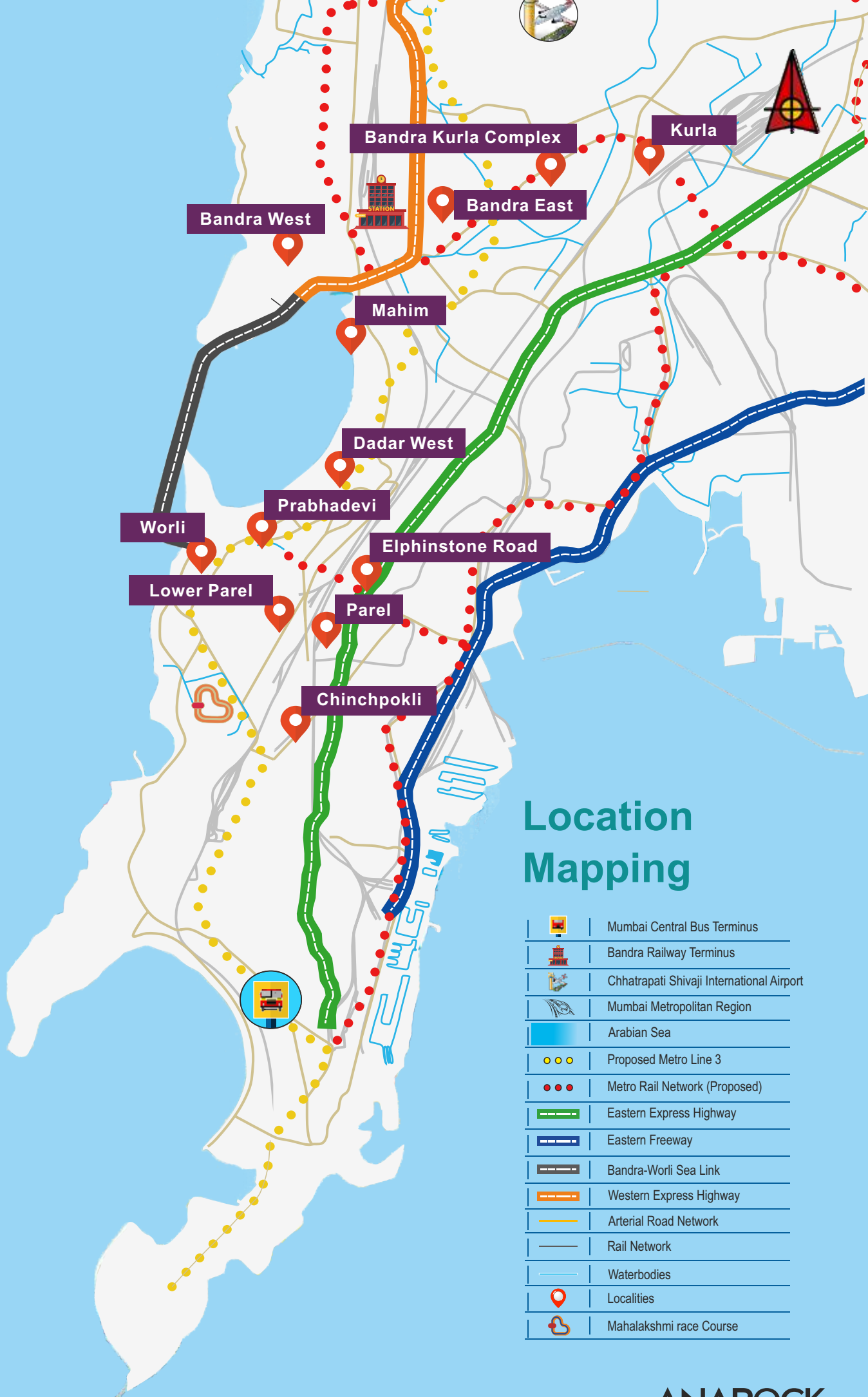
Evolution of the Micro Market

Worli, known as a destination of textile mills a few decades ago, has now completely transformed into a posh neighborhood of South Mumbai.

Located in the southern part of Mumbai, Worli has emerged as one of the prime residential areas in the last decade. The micro market is considered to be the new luxury housing destination for industrialists, business honchos, sports personalities and celebrities.

Proximity and easy access to the seashore has significantly transformed the realty landscape of Worli. Whilst premium residential micro markets in South Mumbai were struggling for large scale residential developments, due to unavailability of large land parcels, Worli emerged as a prime residential market for luxury developments overlooking the sea.

Due to its distinct “downtown” image and seamless connectivity to the Mumbai’s de-facto CBD (Bandra-Kurla Complex), Worli has become one of the most sought after residential destination in the city. Home buyers are also willing to pay a premium due to lifestyle amenities provided by developments in this micro market and the distinct “address” as celebrities reside in the nearby areas.



Worli is Well-Connected to various parts of Mumbai through a grid of roads and an established Rail Network.



Connectivity & Major Growth Drivers

Connectivity

Road

Well-connected to Western Suburbs – Bandra-Worli Sea Link, which originates from Khan Abdul Gaffar Khan Road in Worli, provides excellent connectivity to Bandra. Further, it merges into Western Express Highway and connects Worli to Chhatrapati Shivaji International airport and key micro markets of Western Suburbs such as Andheri, Goregaon, Malad and Borivali.

Proximity to Eastern Express Highway – Worli lies in proximity to the Eastern Express Highway, which provides excellent connectivity to the eastern suburbs as well as the metropolitan area of Thane.

Rail

Worli is well-connected to major railway stations such as Dadar and Chinchpokli on the Central line and Mahalakshmi and Elphinstone Road on the Western line.

Major Growth Drivers

The micro market enjoys easy accessibility to the commercial establishments of South Mumbai and the Western Suburbs. Moreover, improved connectivity via Bandra-Worli sea link to BKC, which is now Mumbai's de-facto CBD, is also an added advantage.

Apart from the improved physical and social infrastructure, Worli also benefits significantly from the presence of several Grade A office spaces and retail developments. Availability of land parcels near the seashore and its distinct 'downtown' image has attracted several developers to this micro market.

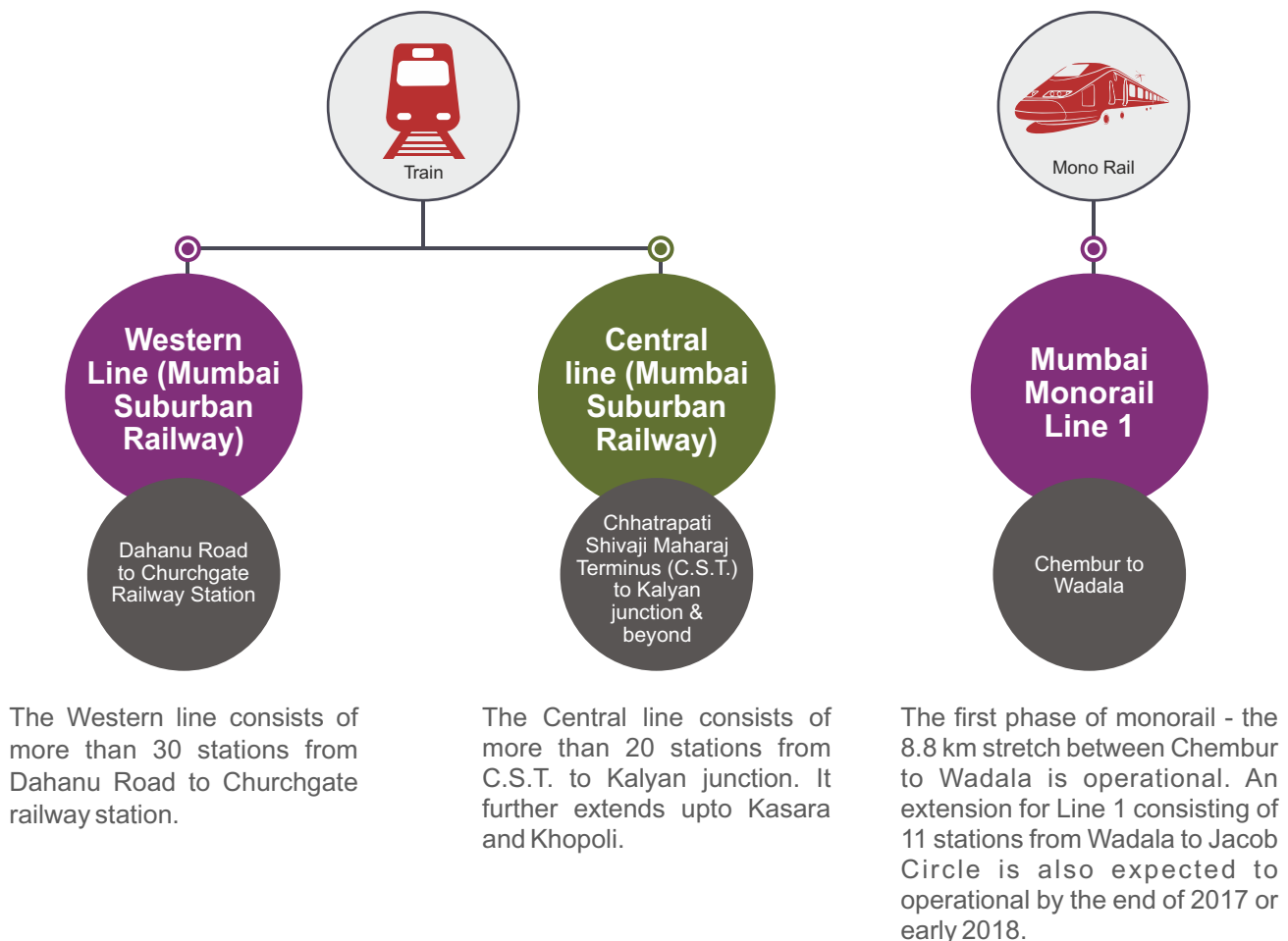
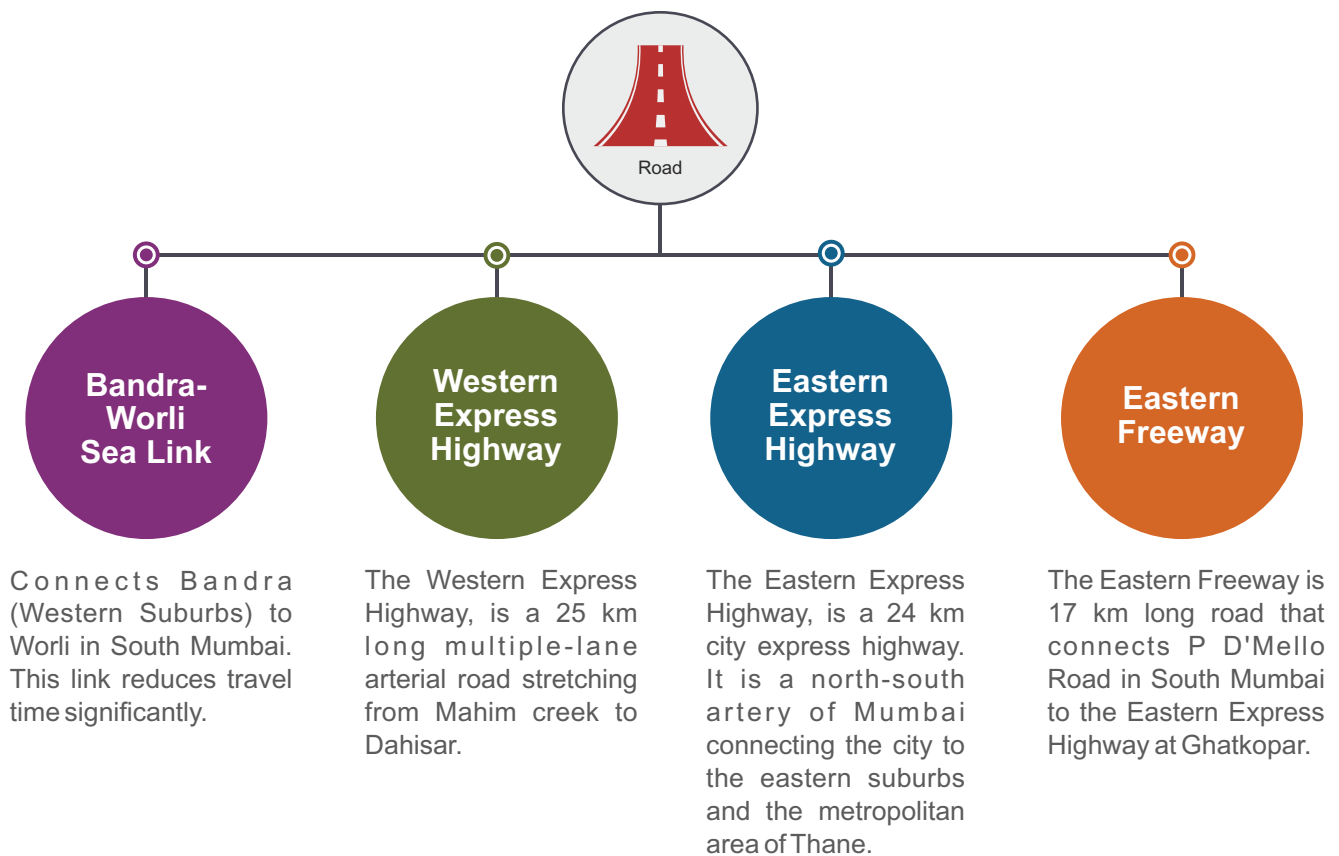
Considering the location advantages, Worli already has a vibrant real estate market, and the micro market may continue to command a premium over the long term. In addition, post operationalization of metro line 3 in the next 5 years or so, the micro market is likely to witness a further surge in capital values and rentals.



Social Infrastructure

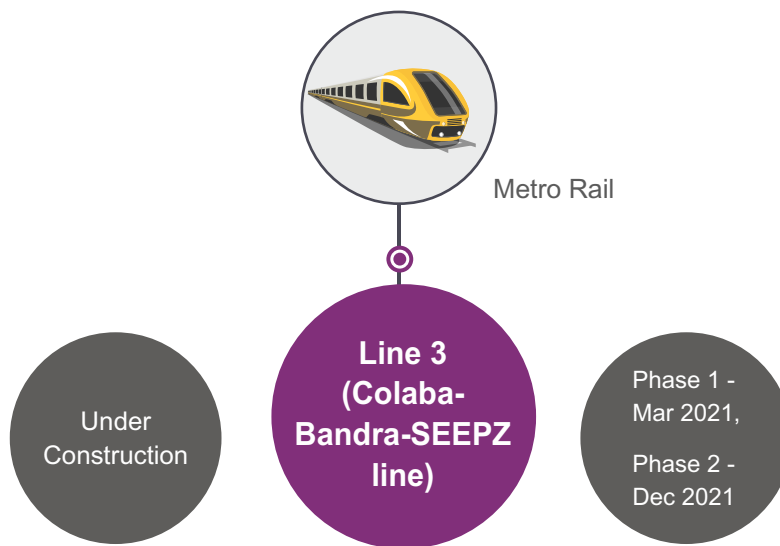
	Arterial Road Network
	Rail Network
	Waterbodies
	Localities
	Mahalakshmi race Course
	Hospital
	Hotel
	Retails
	School
	Mumbai Central Bus Terminus
	Mumbai Central Railway Junction
	Chhatrapati Shivaji International Airport
	Mumbai Metropolitan Region
	Arabian Sea
	Proposed Metro Line 3
	Metro Rail Network (Proposed)
	Eastern Express Highway
	Eastern Freeway
	Bandra-Worli Sea Link
	Western Express Highway

Physical Infrastructure - Existing



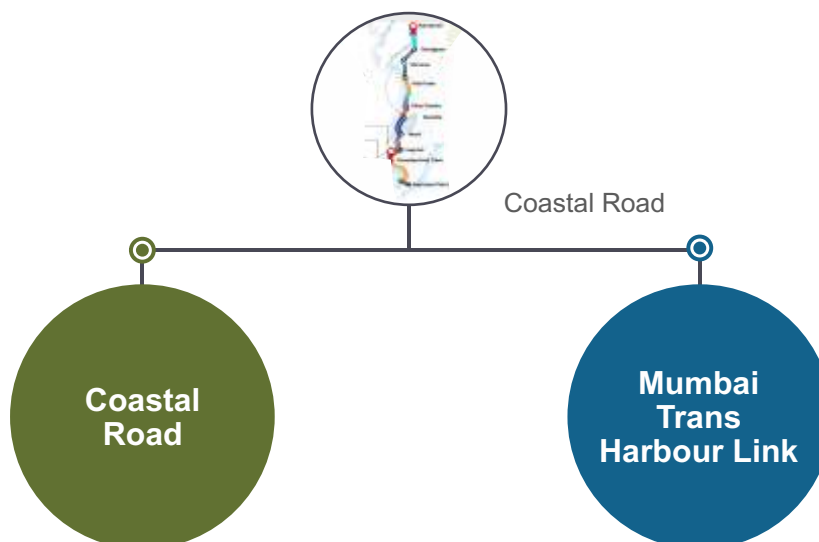
Physical Infrastructure- Ongoing & Proposed

Ongoing



The metro line will connect Cuffe Parade in south to SEEPZ in the north-central with 26 underground and one at-grade station. The cost of this corridor is estimated at INR 23,000 crore. Line 3 is expected to reduce road congestion, besides reducing the load on the Western rail line between Bandra and Churchgate

Proposed



The Coastal Road is a proposed 29 km freeway that would run along Mumbai's western coastline connecting Marine Lines in the South to Kandivli in the North. The construction work of Coastal Road may start by the end of 2017.

The Mumbai Trans Harbor Link (MTHL), also known as the Sewri-Nhava Sheva Trans Harbor Link, is a proposed 22 km, freeway grade road bridge connecting Mumbai with Navi Mumbai. Bidding for development of this link is still in progress.



Indiabulls Finance Center



Shiv Sagar Estate



Commercial Market Overview

Worli is one of the busiest commercial hub in Mumbai, with presence of commercial establishments such as Shiv Sagar Estate and occupiers such as GSK Pharma, TATA, Novartis, HDFC Bank, Yes Bank, Siemens, Deloitte, etc. The micro market has emerged as one of the premium residential-cum-commercial precinct of Mumbai.

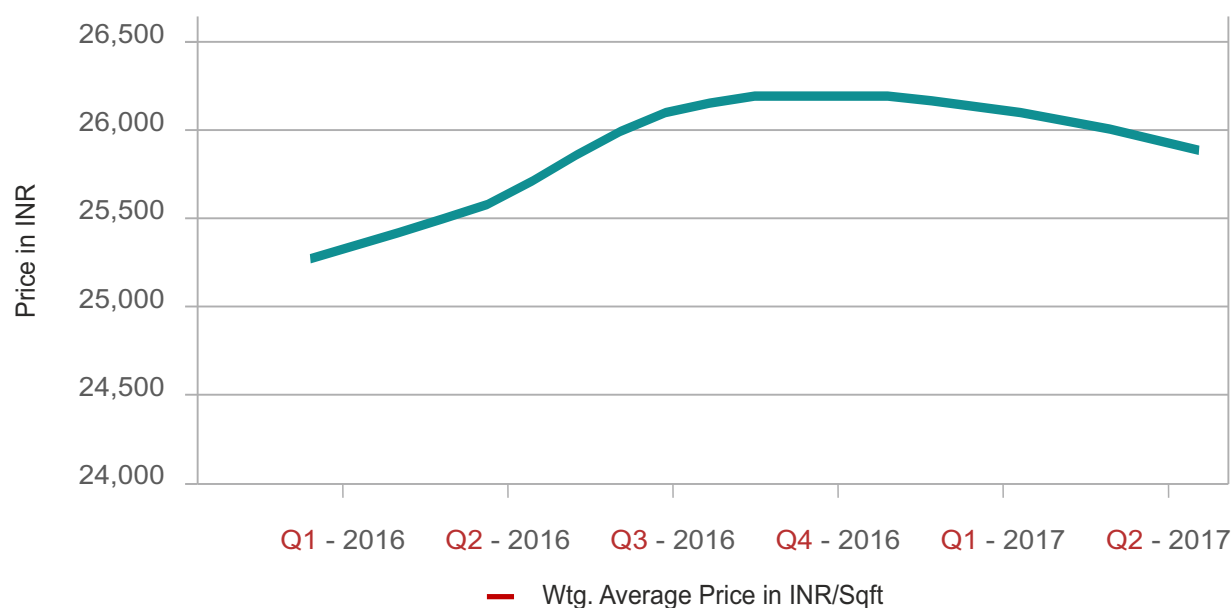
Dr. Annie Besant Road, the major interior road of Worli has become the cynosure of real estate developments. This locality has attracted several developers for large scale residential and commercial development, due to its strategic location advantage and proximity to sea shore and Bandra-Worli sea link.

Commercial activity in the precinct has driven the residential demand in Worli and has significantly boosted the real estate development in and around the micro market.

Rental Values – Mumbai Metropolis

Micro Markets	Rental values (INR/Sqft/month)	Y-o-Y Change (in %)
Bandra Kurla Complex (BKC)	230 - 320	1%
CBD	210 - 260	0%
Worli	180 - 220	-2%
Prabhadevi	170 - 210	-3%
Kalina	140 - 180	-4%
Lower parel	170 - 210	-2%
Powai	110 - 130	-4%
Goregaon	230 - 320	-4%
Andheri East	90 - 140	0%
Malad	80 - 110	1%
Navi Mumbai	70 - 110	0%
Thane	60 - 80	6%

Price Trends - Commercial Property (Capital Value)



Key Completed Commercial Projects in the Precinct

Project Name	Built up Area (In Sqft)	Rental values (INR/Sqft/month)	Capital Values (INR/Sqft)
Lodha Excelus	5,00,000	140 - 160	18,000 – 22,000
Shiv Sagar Estate	4,10,000	115 - 130	28,000 – 32,000
Peninsula Business Park	12,00,000	200 - 220	49,000 – 53,000
Indiabulls Finance Center	10,80,000 (Tower 1 & 3)	165 - 180	25,000 – 29,000

Residential Market Overview

Inventory Summary

Total Units	3,600
Available Units	1,500
Value of unsold stock INR(in crores)	14,000
Weightage Average Size (Sqft)	1,660
Weightage Average Price (BSP – INR/Sqft)	51,000

Data Source: Anarock Research Team, as on 31st Aug 2017.

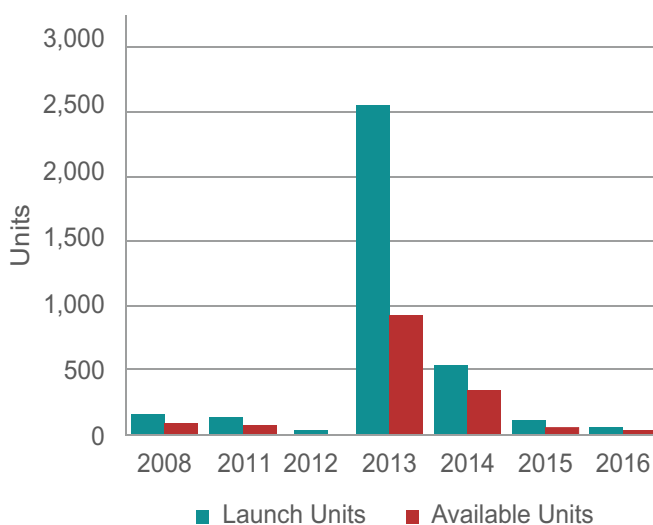
Note: Above data includes under construction projects in Worli – RERA registered projects only. Data has been verified with MAHA RERA Website. Above mentioned wt. avg. sizes and wt. avg. prices are on carpet area of under construction projects in the precinct.

The residential market of Worli has around 3,600 units at different stages of construction, providing buyers a fairly wide range of options.

The worth of unsold inventory in Worli is whopping INR 14,000 crore, highest among all the residential markets of South Central Mumbai, delineating the availability of big ticket units in the micro market.

The micro market offers a wide range of Luxury-Ultra Luxury high rise properties to home buyers, who are willing to invest in this premium location.

New Launch Supply - Unsold Inventory Dynamics – Under Construction Projects



Note: The above data includes breakup of unit launches and unsold inventory for respective years

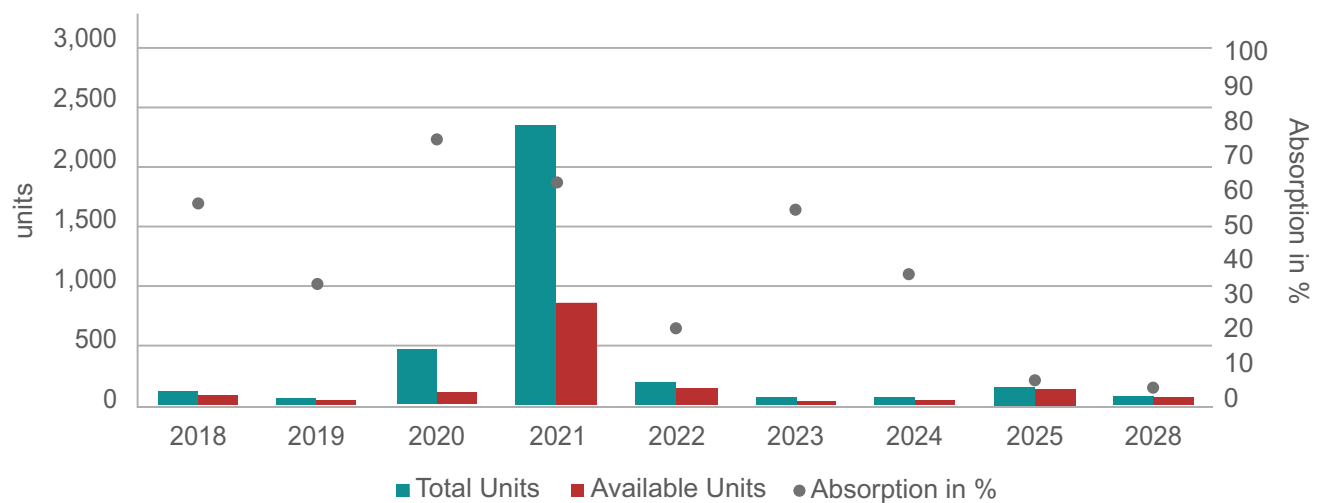
The residential market of Worli witnessed huge supply addition in 2013, which is an approximate 71% of the overall under construction units. In 2013, Lodha - The Park consisting of around 2,200 units was launched, and it made a significant difference in Worli's supply trend.

However, the plummeting supply trend connotes that developers are now focused on offloading existing inventory instead of infusing new supply. No new project was launched in 2017.

Out of overall under construction supply, nearly 58% is already absorbed in the primary market.



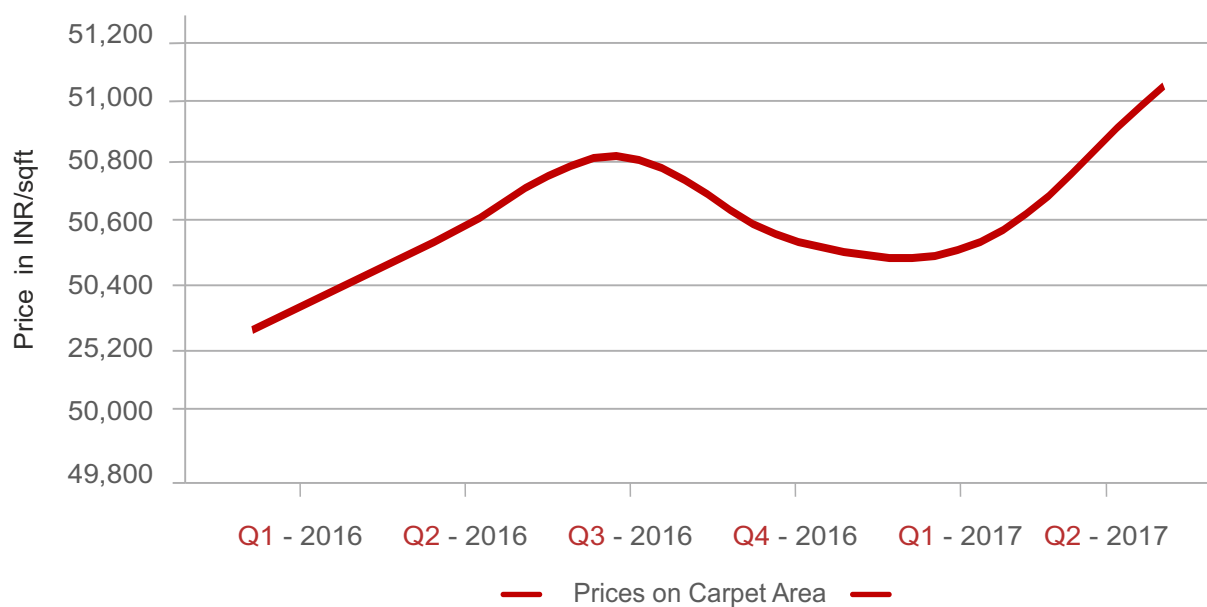
Unsold Inventory Breakup with Absorption



The Y-o-Y inventory break-up analysis depicts that the projects nearing completion also possess significant unsold inventory. As depicted in the above chart, there is a huge inventory available in projects due to complete in the year 2021, as the proposed completion timeline of two large projects falls in this year.

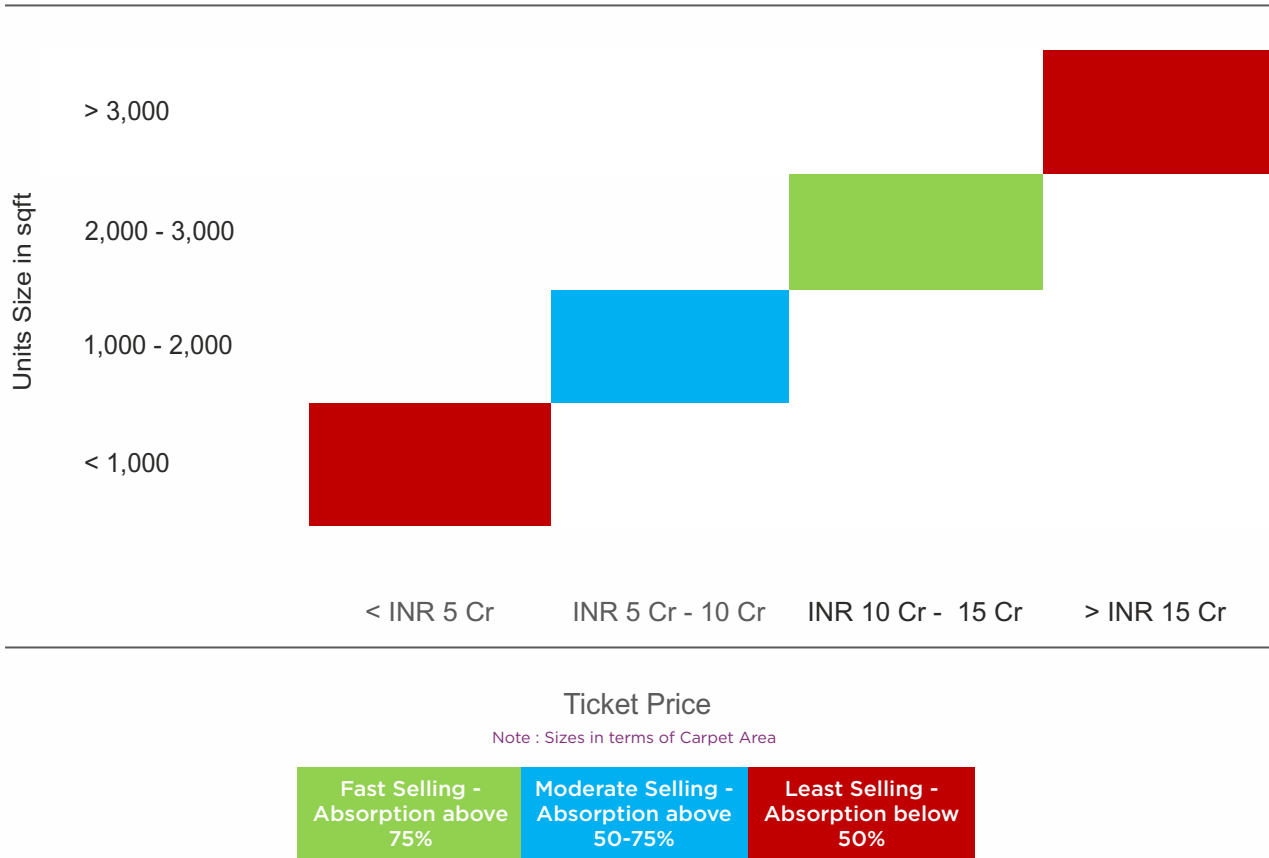


Micro Market Price Trend



There has been a marginal price appreciation during the past 2 years. Post demonetization the prices remained stagnant in Q1 2017, and have slightly picked up in Q2 2017, due to an uptick in demand.

Unit Size-Ticket Price Breakup with Absorption -



- Out of overall under construction supply in the residential market of Worli, nearly 76% of inventory falls under the size range of 1,000 – 2,000 sqft, followed by properties above 3,000 sqft and less than 1,000 sqft, at 14% and 5%, respectively. Nearly 61% of inventory in the size range of 1,000 – 2,000 sqft is already absorbed in the primary market, which is a second preferred range in Worli in terms of absorption, delineating the high demand-supply of mid-size properties in the residential market of Worli.
- On the contrary, the fastest selling size and budget range which has recorded an approximate 89% absorption has a meagre share of supply, an approximate 5%.



Key Projects in Worli

	Completed Projects
	Projects Under Construction
	Arterial Road Network
	Rail Network
	Waterbodies
	Localities
	Mahalakshmi race Course
	Hospital
	Hotel
	Retails
	School
	Mumbai Central Bus Terminus
	Mumbai Central Railway Junction
	Chhatrapati Shivaji International Airport
	Mumbai Metropolitan Region
	Arabian Sea
	Proposed Metro Line 3
	Metro Rail Network (Proposed)
	Eastern Express Highway
	Eastern Freeway
	Bandra-Worli Sea Link
	Western Express Highway

Livability Assessment

	HIGH/GOOD	MODERATE/AVERAGE	LOW/NOT SO GOOD
Proximity to Airport			
Proximity to BKC			
Social Infrastructure			
Physical Infrastructure			
Night Life			
Proximity to Hotel/Mall			
Connectivity			
Metro Connectivity			
Upcoming Metro Connectivity			
Proximity to Sea Shore			
Quality of Life			
Presence of Commercial Development			

Why Worli?

Grandiose skyscrapers, sea-facing properties, excellent connectivity to Mumbai's de-facto CBD Bandra-Kurla Complex (BKC) – Worli literally has it all in a city where transit infrastructure holds all the aces for real estate success. With so many plusses in its basket, the name Worli draws instant attention of luxury home buyers not only from the financial capital, but also from other parts of India and the world.

Worli's residential property market has attracted several developers keen to capitalize on its upmarket charm and location advantages amidst the high-profile southern part of the city. With its unique blend of plush office complexes and high-end housing, Worli has emerged as one of the hottest residential areas in recent years and is a premium destination of choice for industrialists, business honchos, sports personalities and celebrities.

Worli's generous share of prominent luxury skyscraper projects over the last couple of years, has completely transformed the micro-market's skyline. With constant real estate development and improving infrastructure, especially in terms of Metro connectivity via Line 3 (connecting Colaba-Bandra-Seepz) and the proposed Coastal Road which will provide enhanced connectivity to major micro-markets of Western Suburbs, Worli is all set to ramp up its allure as a highly popular luxury housing destination in South-Central Mumbai.

The residential real estate market of Worli offers a wide range of under construction high rise properties, nearly 1,500 in different stages of construction. In the recent years, new launch activity has been slow due to availability of huge unsold inventory. Moreover, under the strict RERA-regime, developers seem focused on offloading existing inventory by offering discounts and lucrative payment plans. Nonetheless, capital values in the micro market recorded a marginal upward trend due to a slight uptick in demand and constantly upgrading infrastructure.



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