

FINAL REPORT - REAL ESTATE INDUSTRY REPORT
For
SURAJ ESTATE DEVELOPERS LIMITED
By
ANAROCK PROPERTY CONSULTANTS PRIVATE LIMITED

24th November 2023

TABLE OF CONTENTS

1.	PROJECT APPRECIATION	1
1.1	ASSIGNMENT BACKGROUND	1
1.2	OBJECTIVE AND SCOPE OF STUDY	1
1.3	DISCLAIMER.....	1
2.	OVERVIEW OF INDIAN ECONOMY	3
2.1	GDP GROWTH.....	3
2.2	DRIVERS OF INDIAN REAL ESTATE SECTOR	6
2.3	KEY TRENDS IN INDIAN REAL ESTATE SECTOR.....	13
2.4	OTHER OBSERVATIONS IN INDIAN REAL ESTATE AND HOUSING FINANCE SECTOR .	17
3.	OVERVIEW OF INDIA RESIDENTIAL MARKET.....	23
3.1	INDIA RESIDENTIAL REAL ESTATE TRENDS 2016 TO H1 2023.....	23
3.2	TOP SEVEN CITIES – SUPPLY, ABSORPTION AND UNSOLD INVENTORY TRENDS – 2016 TO H1 2023	24
3.3	SUPPLY AND ABSORPTION IN THE TOP SEVEN INDIAN MARKETS IN 2021 AND 2022	26
3.4	CAPITAL PRICING TRENDS IN TOP SEVEN INDIAN MARKETS – 2016 TO H1 2023	28
4.	TRENDS IN MUMBAI RESIDENTIAL REAL ESTATE (MMR LEVEL).....	29
4.1	MUMBAI METROPOLITAN REGION (MMR) - INTRODUCTION	29
4.2	DEMAND DRIVERS FOR HOUSING IN MMR	29
4.3	SUPPLY, ABSORPTION, UNSOLD INVENTORY AND PRICING TRENDS IN MMR – 2017 TO 2023 (Q1)	35
4.4	SUPPLY, ABSORPTION AND PRICING OUTLOOK FOR MMR – 2023 TO 2026.....	37
5.	TRENDS IN MUMBAI RESIDENTIAL REAL ESTATE (MICROMARKET LEVEL AND SUB-MARKET LEVEL) 40	
5.1	SNAPSHOT OF SURAJ ESTATE DEVELOPERS LIMITED PORTFOLIO	41
5.2	SUPPLY, ABSORPTION, UNSOLD INVENTORY AND PRICING TRENDS IN SELECTED SUBMARKETS OF SOUTH CENTRAL MUMBAI – 2016 TO H1 2023.....	44
5.3	TYOLOGY WISE SUPPLY, ABSORPTION DYNAMICS IN SELECTED SUBMARKETS OF SOUTH-CENTRAL MUMBAI – CUMULATIVE FROM 2016-2023 (Q1).....	58



- 5.4 CATEGORY WISE SALES AS PER CAPITAL VALUE IN SELECTED SUBMARKETS OF SOUTH CENTRAL MUMBAI – CUMULATIVE FROM 2016-2023 (Q1) 68
- 5.5 MARKET SHARE OF TOP TEN DEVELOPERS ON THE BASIS OF VARIOUS PARAMETERS 73
- 5.6 DATA TRENDS OF PROMINENT LISTED PLAYERS IN SOUTH CENTRAL MICRO MARKET (2017 – 2023 Q1) 76
- 5.7 REDEVELOPMENT PROPORTION IN OVERALL DEVELOPMENT IN COMBINED MARKETS AND ITS COMPARISON WITH SURAJ ESTATE DEVELOPERS LIMITED 77

- 6. TRENDS IN COMMERCIAL REAL ESTATE IN MUMBAI 79**
- 6.1 OVERVIEW 79



LIST OF ABBREVIATIONS

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

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.	10.7639 Sq. ft.
1 meter	1.0936 yds.



1. PROJECT APPRECIATION

1.1 ASSIGNMENT BACKGROUND

SURAJ ESTATE DEVELOPERS LIMITED is desirous of obtaining 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 focus locations of Byculla, Parel, Lower Parel, Prabhadevi, Dadar, Mahim, Matunga (part of the South-Central Mumbai region) and Bandra within Mumbai City in particular.

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 focus locations of Byculla, Parel, Lower Parel, Prabhadevi, Dadar, Mahim, Matunga and Bandra within Mumbai City in particular. Detailed Scope of Work has been provided in the agreement 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. 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 (except updating the report during the time of filing the Updated Draft Red Herring Prospectus and Red Herring Prospectus).

- Consultant's analysis, interpretation, projections, scenarios and conclusions from the Market Research shall not be treated as an advice 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.
- The Consultant has not verified the portfolio and performance related information of Suraj Estate Developers Limited and has represented the data as provided by Suraj Estate Developers Limited. During preparation of the Industry Report, neither the Consultant had access to the balance sheet of Suraj Estate Developers Limited nor the Consultant has the expertise to review and validate the balance sheet of Suraj Estate Developers Limited.
- Additionally, the Real estate sector in India faces opacity of a certain degree in availability of accurate data. The data available in public domain may be outdated and/ or inaccurate and thus not reflecting the market conditions correctly at time of research and analysis of this Market Research. While we have taken every possible care to obtain the current and updated data from both public domain and private sources and apply our professional methodology and efforts in verifying the same, there could be a possibility of variance in our data and analysis at the time of our submission of our Market Research.
- We have also relied on data from reliable sources viz. RERA, news agencies and articles published in media and reports published by industry associations viz. CII, FICCI, CREDAI, NAREDCO etc., market sources such as sales teams at project sites and developers' offices, property brokers etc.



2. OVERVIEW OF INDIAN ECONOMY

India is one of the fastest growing economies in the world and is expected to be one of the top economic powers in the world in coming decade. Real estate sector along with its ancillary industries is a significant growth driver of Indian economy. India's residential real estate market has not had it easy in the recent years. The pandemic has affected all the asset classes. However, owing to various government incentives, both at central and state levels, coupled with pent up demand, the sector has witnessed significant revival since October 2020.

2.1 GDP GROWTH

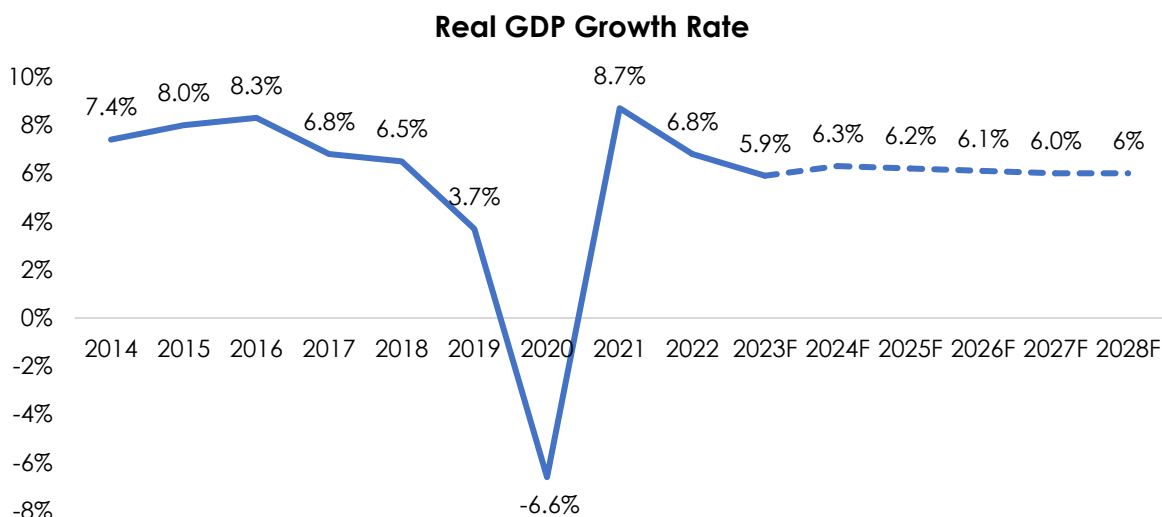
India has been one of the fastest-growing economies in the world over the last few years. In 2022, India overtook the UK to become the world's fifth biggest economy, after the US, China, Japan, and Germany. India showed robust growth in FY2023 amidst prevailing global headwinds and rising inflation and recorded a growth of 6.8%, the highest among major economies worldwide. Sound domestic macro-fundamentals, fiscal policy thrust on capex, healthy balance sheets of the corporate sector and the financial sector, and structural reforms announced and implemented over the recent years by the government have strengthened the resilience of the economy, besides stepping up the growth momentum. COVID-19 was largely on the ebb for most of the year, and the universal vaccination programme of the government helped improve consumer and business confidence. Recovering from the COVID-19 induced restrictions over the previous two years, private consumption rebounded strongly in FY2023 above the pre-pandemic level. Labour market conditions normalised, and unorganised sector activity returned to expansion zone.

Pent-up demand and robust consumer sentiment for home ownership in the aftermath of the pandemic underlay a strong recovery in the residential housing sector in FY2023. In FY2023, housing launches improved consistently in terms of completed projects after two years of intermittent shutdowns. Housing sales increased, and as launches surpassed sales, unsold inventory increased.

To control inflation and bring it within the tolerance band, the Reserve Bank raised the policy repo rate cumulatively by 210 bps between May 2022 and September 2023.

The real GDP is expected to grow 6.3% in FY2024 and 6.2% in FY2025, the highest among major global economies. The following graph sets forth real GDP growth rate of India from FY2014 to FY2028 (forecasted):

Figure 2.1



Source: IMF August/ 2023

Note: All the figures in the above graph are as per Financial Year (FY) as on August/ 2023.

After the outbreak of the COVID-19 pandemic in India in March 2020, it remained uncertain for businesses to plan their way forward as they were not able to gauge as to how much impact would be there. As per the key economic indicators published by the RBI in December 2020, Goods and Services Tax (“GST”) collections had reduced from INR 98,000 crores in March 2020 to INR 32,000 crores in April 2020. However, it improved significantly to INR 105,000 crores till December 2020 with gradual lockdown relaxation being implemented. GST collections increased to INR 133,026 crores in February 2022 and further improved to INR 147,686 crores in September 2022. The GST collections reached the highest ever collected at INR 187,035 crores in April 2023.

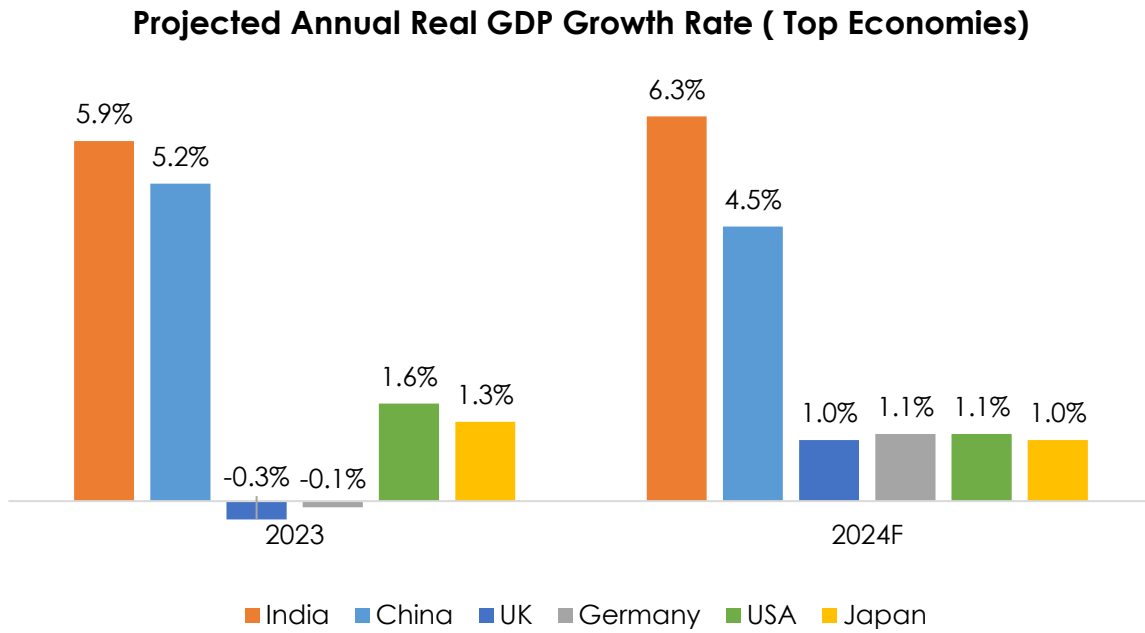
In response to the COVID-19 pandemic after the 1st wave (Mid-March 2020 to May 2020) and 2nd wave (April 2021 to June 2021), the Government has taken several initiatives, including financial packages, tax reliefs and relaxation in interest payments, to drive recovery of the Indian economy. Despite the global slowdown in 2020, the Indian economy bounced back in 2021 with a growth rate of 8.7% and in 2022 with a growth rate of 6.8%. Further, the IMF estimate for Indian economy as of Q3CY 23 is at a growth rate of 5.9% and regain its position as one of the fastest growing emerging economies in 2023.

Electricity demand which had dropped down by 18% from February 2020 to April 2020 have registered an increase of 26% till October 2020. This indicated improvements in the coming quarters, which helped to strengthen the economy further. During August-September 2021, electricity demand also increased by 20% as compared to October 2020. Power consumption grew 9.5% year-on-year in 2022-23, mainly due to higher demand amid a rise in economic activities, showed government data.



The following graph sets forth projected annual real GDP growth rate of the top world economies in 2023 and 2024:

Figure 2.2



Source: IMF

Note: All the figures in the above graph are as on July 2023.

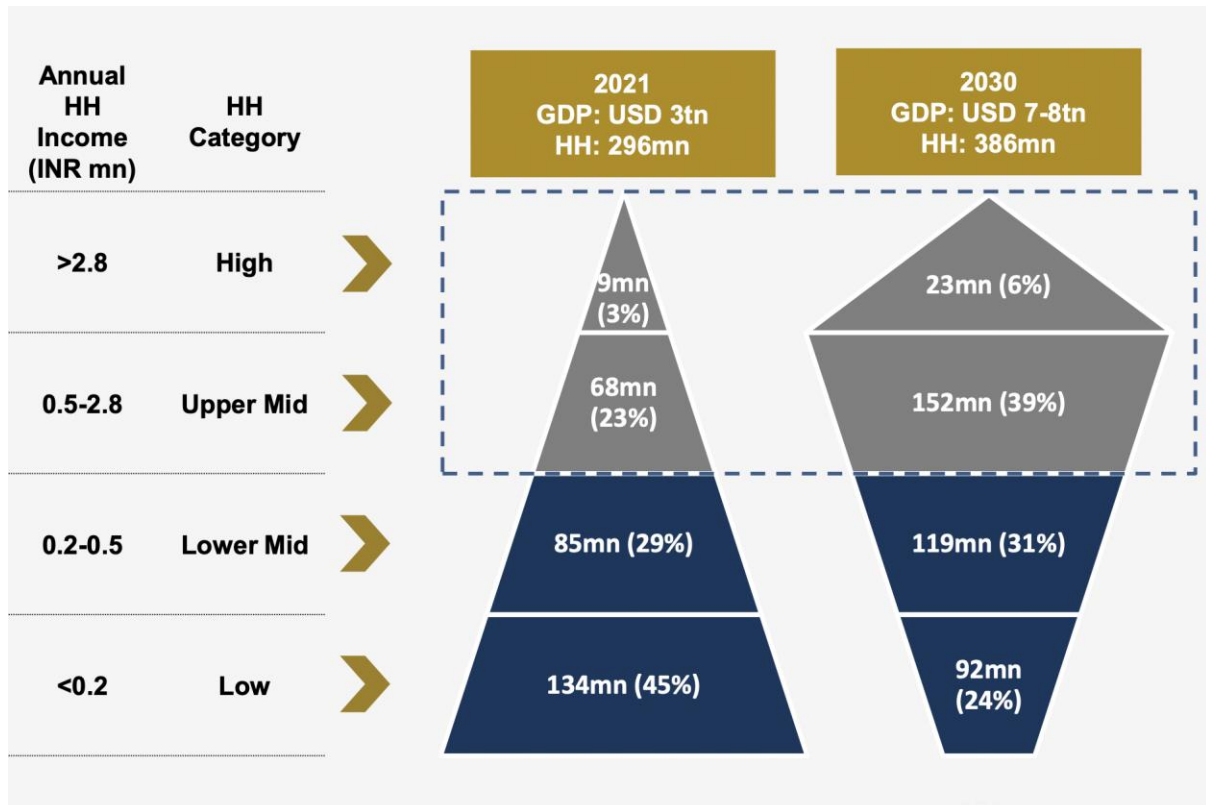
Figure for India is for Financial Year (FY). Figures for Other countries is Calendar Year (CY)



2.2 DRIVERS OF INDIAN REAL ESTATE SECTOR

Rising Indian household income: 100 million households to be added to mid-income category by 2030

According to a report by World Economic Forum, growth in income will transform India from a bottom-of-the-pyramid economy to a middle-class economy. Post-economic normalcy (which got disrupted due to COVID-19), household income growth is expected in the upper-middle class and lower-middle-class bracket. It is estimated that over 100 million households will be added to the Upper Mid Income and Lower Mid Income bracket combined by 2030. Households from this income bracket are expected to drive the demand for the housing aimed at the Mid income category in tier I and II cities.



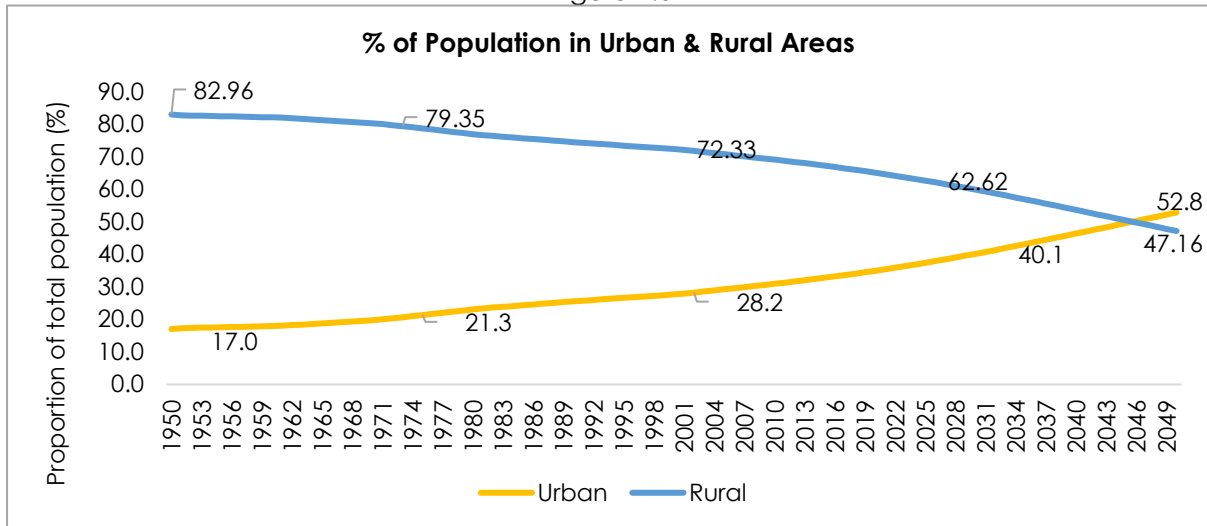
Source: WEF Future of Consumption

Increasing urbanization to drive demand for housing

It is a globally established fact that demographic shifts fundamentally affect the demand for real estate. India's large population base of over 1.37 bn provides a huge domestic demand base which attracts businesses from across the world to setup their operations here. Along with rising population, India's urbanization rate is also increasing at a fast pace. As per UNDP projections, by 2046 approximately 50% of India's population will be urban. However, rapid urbanization is expected to drive the demand for housing, offices and other real estate asset classes in the medium – long term. UNDP has projected that there will be 8 cities with a population of 10 mn & above by the year 2035 in India, highlighting the unmet housing demand.

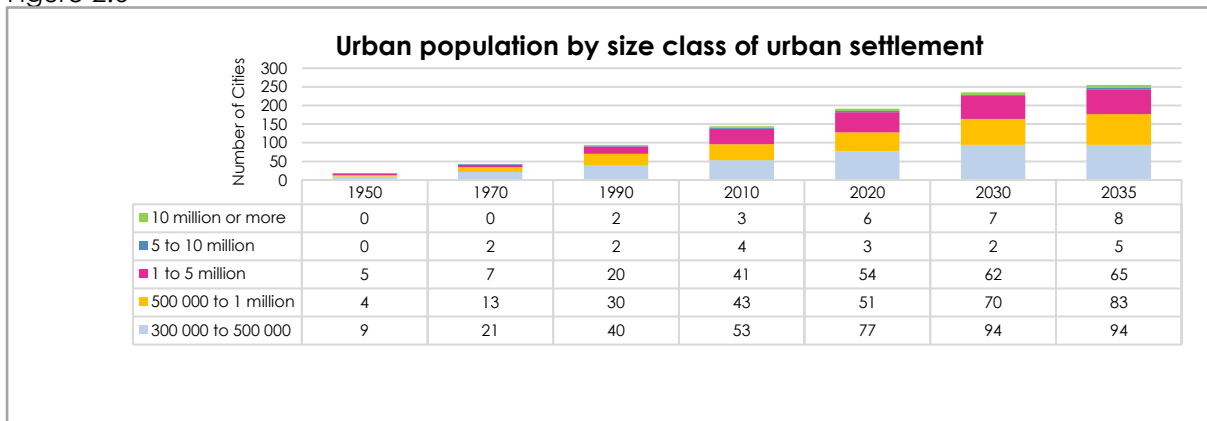


Figure 2.5



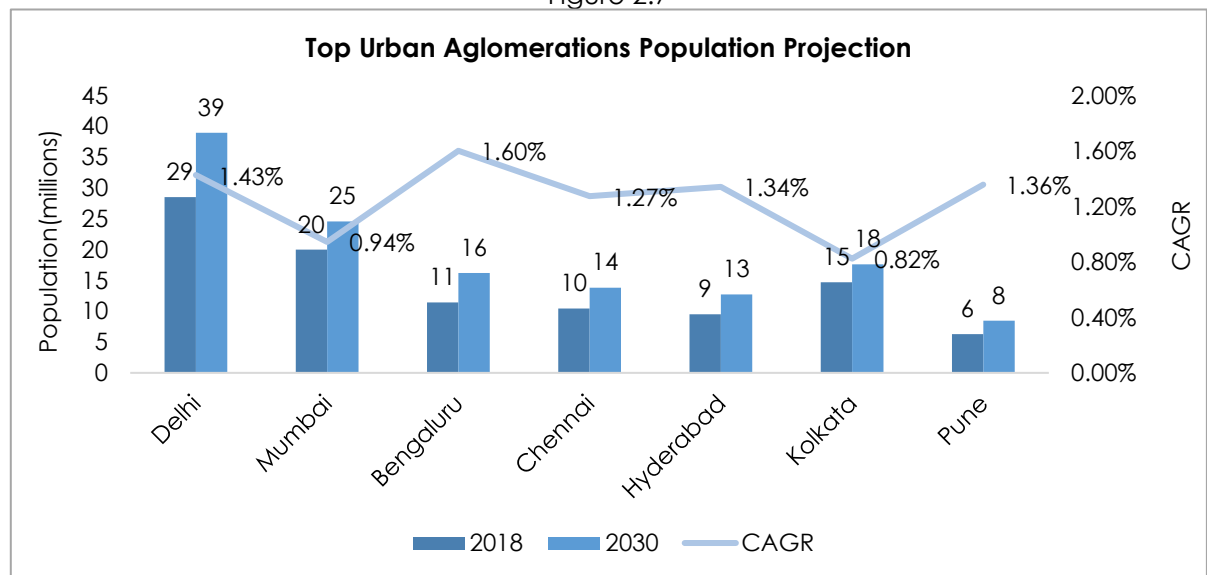
Source: UNDP World Urbanization Prospects 2018

Figure 2.6



Source: UNDP World Urbanization Prospects 2018

Figure 2.7



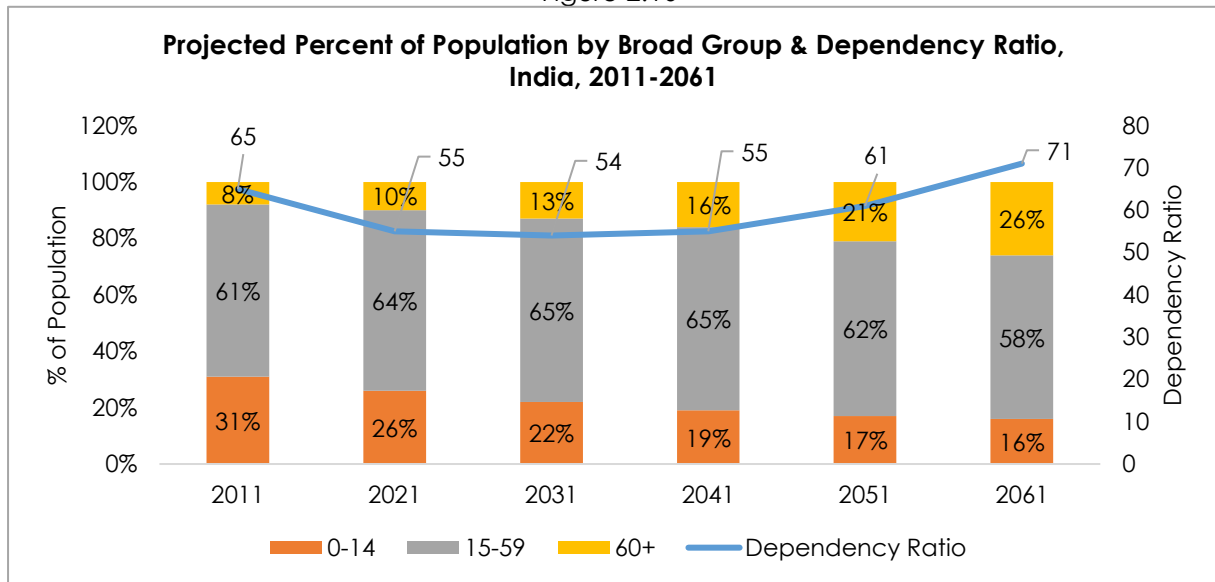
Source: UNDP World Urbanization Prospects 2018



Demographic Dividend

As per a report by UNFPA, in 2011 India had 61% of its population in the age group of 15-59 years which is increasing and will peak around 2036 when it will reach approximately 65%. With increase in young population, the dependency ratio has also been declining and India has entered in the period of demographic dividend. As per UNFPA definition, demographic dividend is the economic growth potential that can result from shifts in a population's age structure, mainly when the share of the working-age population, 15 to 64, is larger than the non-working-age share of the population, 14 and younger or 65 and older.

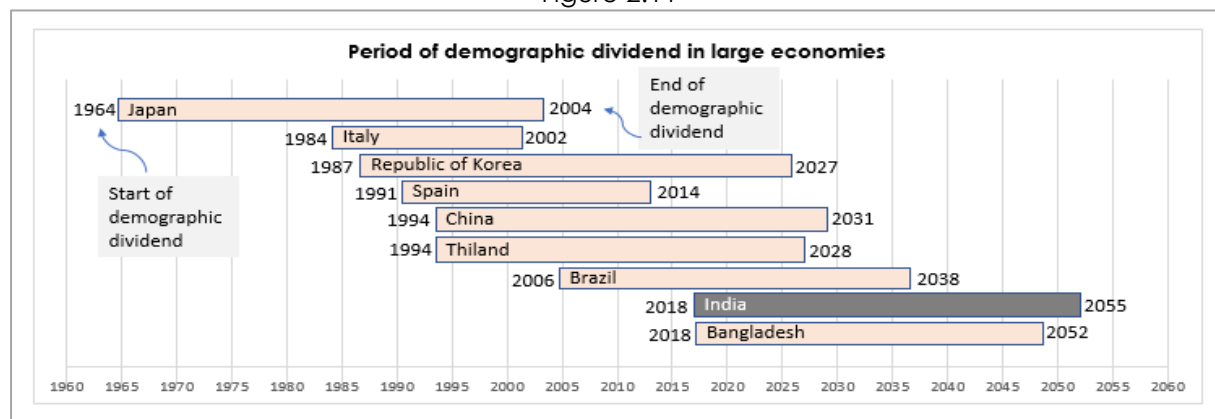
Figure 2.10



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

Once a country enters demographic dividend phase, there opens a window of opportunity for economic development. Many Asian countries like Japan, China and South Korea were able to use this demographic dividend as the growth potential for their respective economies.

Figure 2.11



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



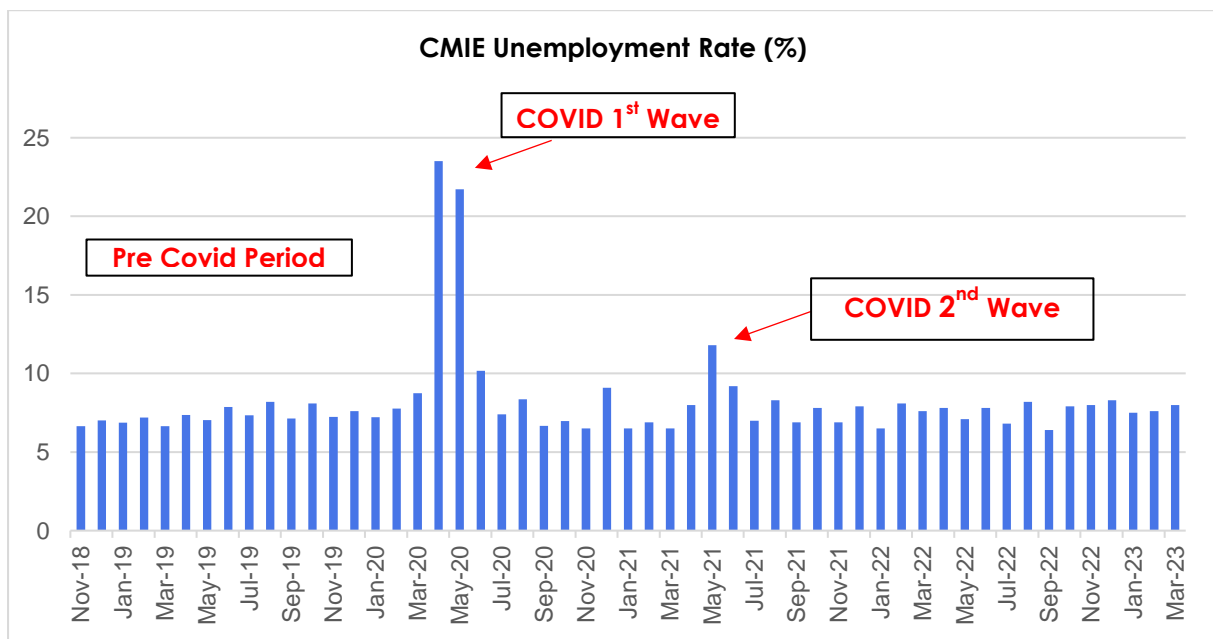
Share of urban population and age distribution profile are one of the key demand drivers for real estate in a country. India along with an increasing urban population is relatively a younger nation as compared to developed economies of the world and is likely to retain its position for future as well.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

Employment rate recovering to Pre-covid levels

Major labour market indicators - all-India unemployment rate, worker population ratio and labour force participation rate have surpassed pre-COVID levels. The unemployment rate has been declining amid the rising labour force participation rate. The labour market conditions in urban areas have shown consistent improvement during 2022-23, surpassing the pre-pandemic January-March 2020 level.

Organised sector employment, as measured by payroll data, indicated a recovery in job creation in FY2023. The average net subscribers added to Employees' Provident Fund Organisation (EPFO) per month increased to 11.5 lakh in 2022-23 from 10.2 lakh in 2021-22, signaling an improvement in formal employment opportunities. The various alternate employment indicators also showed steady improvement in employment conditions during FY2023. The purchasing managers' index for employment showed continued uptick in payroll hiring in both manufacturing and services sector.

Figure 2.4



Source: CMIE Unemployment Data

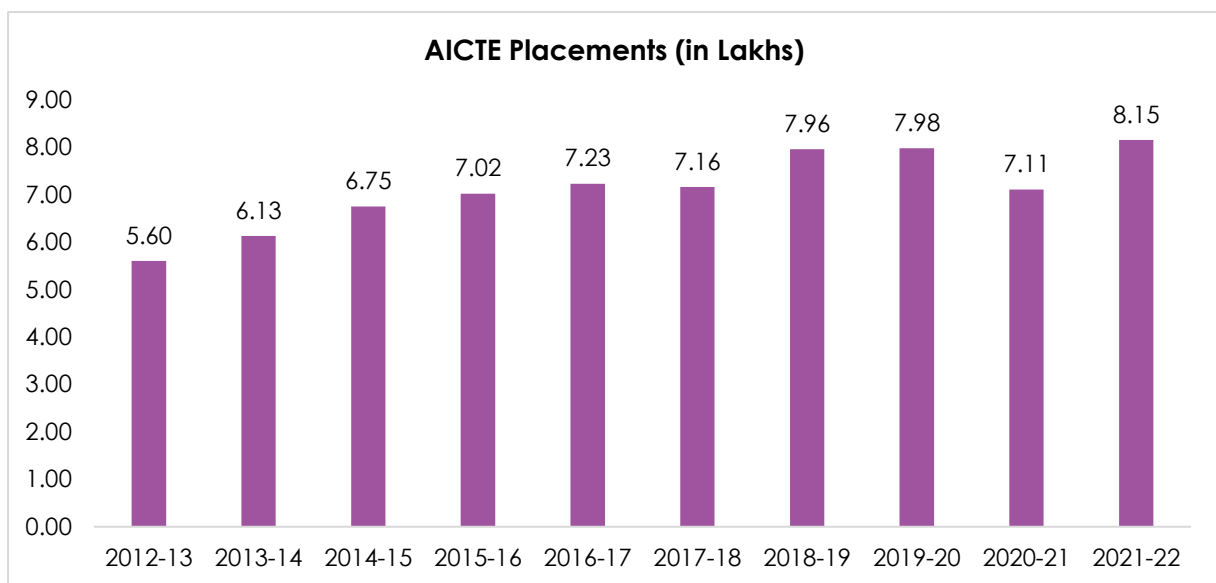
The figure above shows that unemployment rate was at peak levels during the 1st nationwide lockdown (Mid-March 2020 to May 2020) due to COVID-19 pandemic. However, with Unlock 1, the unemployment rate has significantly reduced till September 2022, with slight increase during Covid 2nd wave (April 2021 to June 2021), therefore showing a recovery in the employment scenario in India.



Improving Education Levels and Increasing Per Capita Income

India has witnessed substantial improvement in education levels both, in higher education as well as school education. India's education index, which is an indicator of school education, exhibited a growth of 46% in the last two decades. In addition, there has been considerable improvement in the quality of higher education in India. As of 31st March 2022, there are close to 9,000 institutes across various disciplines, including engineering, management, hotel management and applied arts, which are affiliated with All India Council for Technical Education ("**AICTE**"). On an average, close to a 1.5 million students graduate from these institutes every year and approximately 0.7 to 0.8 million students are directly placed from these institutes every year in white-collar jobs, which create wide demand base for mid-end housing.

The following graph sets forth total number of placements (in lakhs) from AICTE affiliated institutes from FY 2012-13 to FY 2021-22:

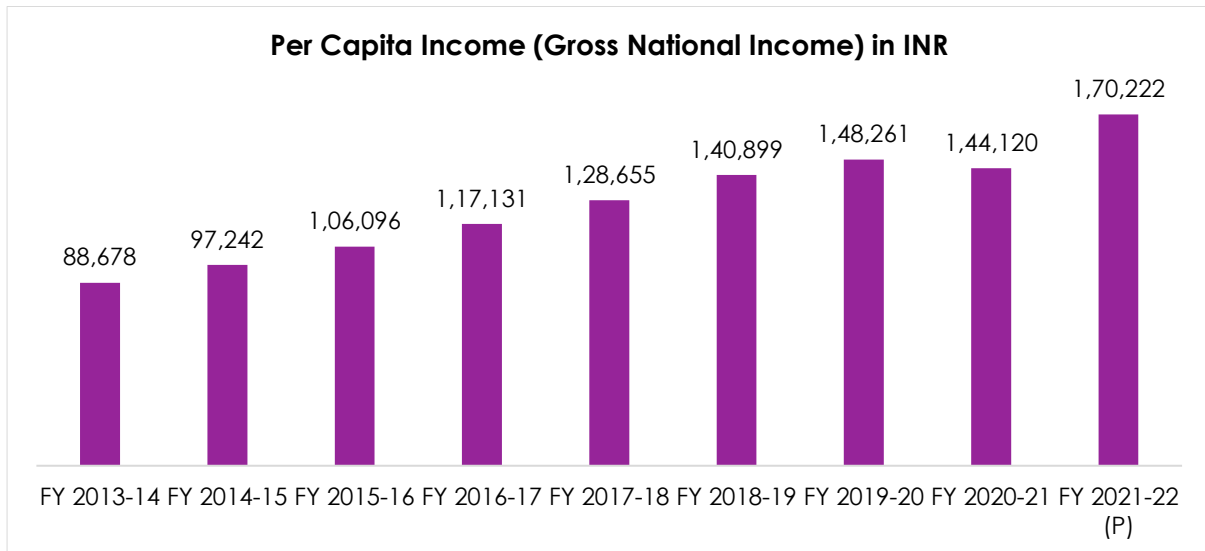


Source: AICTE

Improvement in overall education level leads to better job prospects and enhancement in standard of living. With improvements in socio-economic parameters, India's per capita gross national income ("**GNI**") has also increased at a CAGR of over 8% over FY 2013-14 to 2020-22, which in turn is expected to drive demand for real estate development.



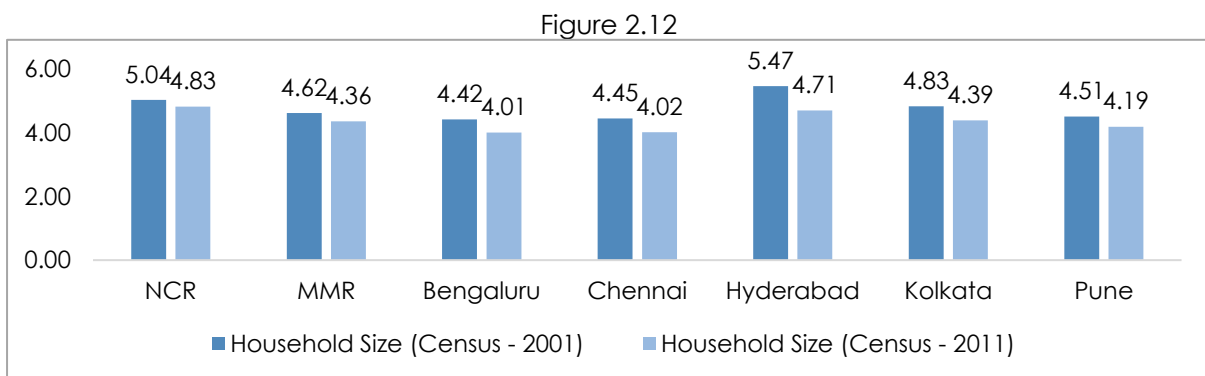
The following graph sets forth year-on-year trend for per capita GNI in India:



Nuclearization of families creating need for housing

India has been witnessing a reduction in overall household size in the past few decades. The trend is likely to continue further. This is primarily because of the increase in the nuclearization of the families. With the change in family dynamics towards a nuclear set-up more households are being added and hence consumption is increasing, which in turn fuels the demand for housing.

The following graph sets forth the 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)

Note: For NCR, Delhi, Gurugram, and Gautam Buddha Nagar have been considered; For the MMR, Mumbai and Thane District have been considered.

The figure above shows the trends in the average household size of Tier 1 cities in India. It can be observed that there is a reduction in the average household sizes in almost all the cities. Bangalore 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.

Government reforms leading to higher transparency and stakeholder interest

In order to address the challenges confronted by residential real estate and improve transparency in the sector, the government introduced slew of measures at regular intervals. This has formalised and consolidated the sector to a large extent. Some of the key measures undertaken are outlined below:

A. Real Estate (Regulation and Development) Act, 2016 (RERA)

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

Although RERA came into force to favor the buyers, it was state governments' responsibility to implement it in true spirit.

B. Reduction in GST rates

Goods & Services Tax is one of the biggest tax reforms of India that came into force from 1st July 2017 to remove multiple taxations which seek to transform India with its 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 ITC. Post 1st April 2019, the GST rates on under-construction properties have been lowered. As per the new rates, under-construction properties attract 5% GST without a provision to receive an input tax credit (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 31 March 2019, GST may be charged at the old rates with the provision to receive ITC. Cost of ownership came down due to the reduction in GST rates which is likely to boost the absorption in the affordable segment.

C. 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.

D. Demonetization

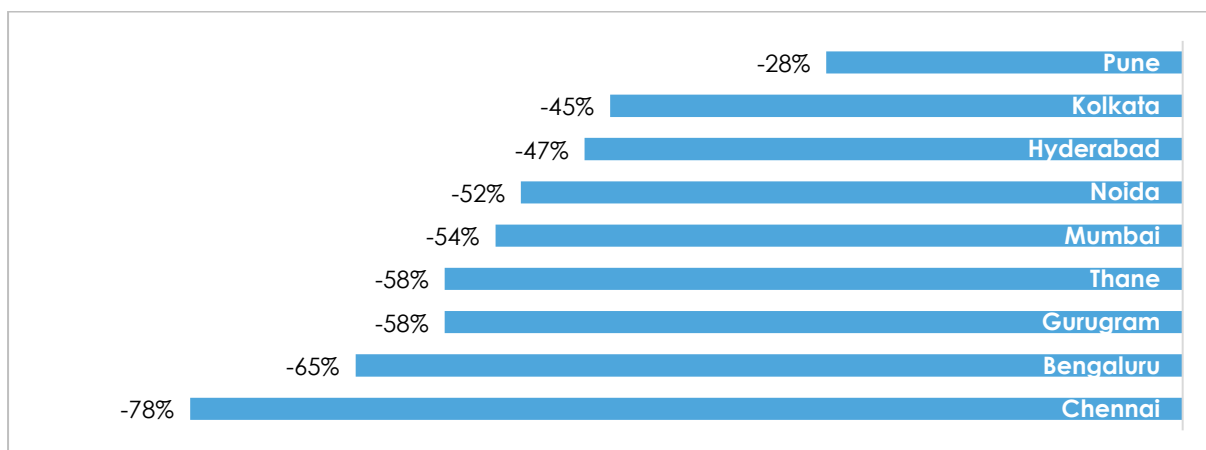
The Government of India banned all INR 500 and INR 1,000 currency notes in November 2016, to curb black money and check the circulation of fake currency. In the long term, this reform along with RERA has helped in organising the real estate sector, resulting in more institutional inflows in the sector.

2.3 KEY TRENDS IN INDIAN REAL ESTATE SECTOR

Consolidation leading to higher share of branded players

The Indian real estate sector has witnessed consolidation 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 liquidity crisis following the ILFS crises further worsened the situation for such developers, which resulted in an increase in the share of new launches by branded developers. According to Anarock, the share of new launches by tier-1 developers increased from approximately 41% in 2015 to approximately 56% in 2018, which further increased in 2019 on account of the liquidity crisis.

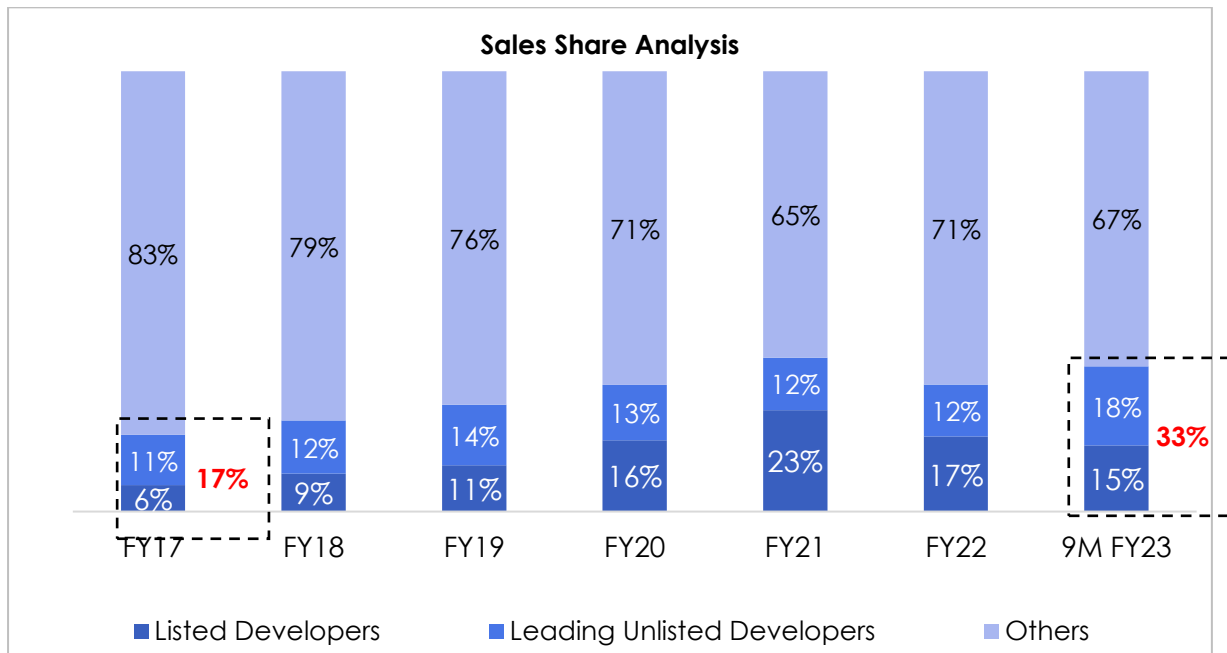
The following graph sets forth percentage decline in the number of developers in select Indian cities between 2012 and 2019:



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.



Source: Companies, ANAROCK Research

Note: Sales share based on no. of units sold

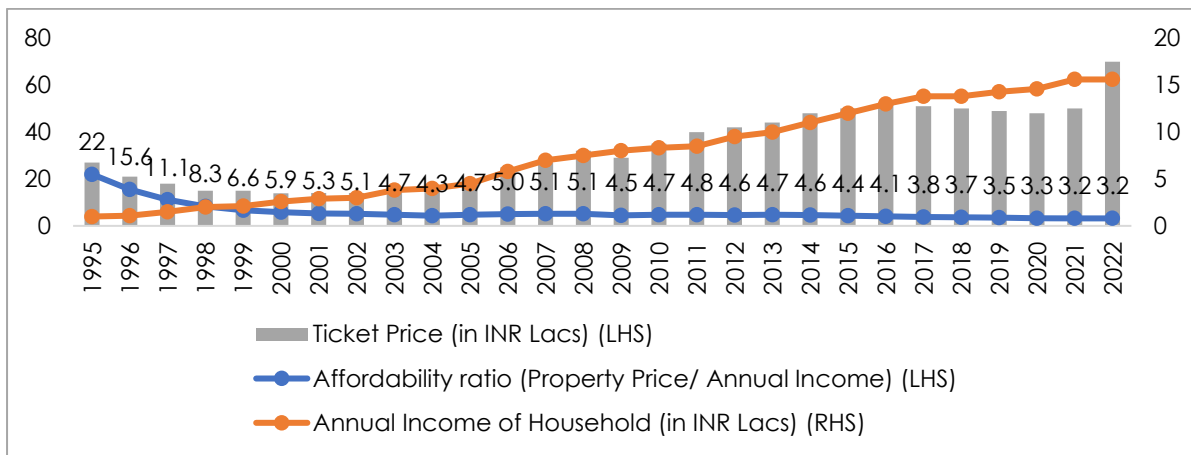
Branded tier-1 developers are witnessing strong double-digit growth. It is likely that in the near to medium term consolidation will further accelerate and listed players will see disproportionate growth vis-a-vis the industry.

Changing Affordability Index

As per a report by HDFC, dated 2nd August 2021, government's support at policy level and increase in household income have improved the overall affordability levels to best in last two and a half decades. The increase in household income with almost steady levels of the ticket prices have resulted in increasing the affordability of housing units. The affordability ratio has improved from 22 in 1995 to 3.2 in 2022. A lower affordability ratio implies that there is higher affordability. The following graph sets forth housing affordability trend:

Figure 2.13





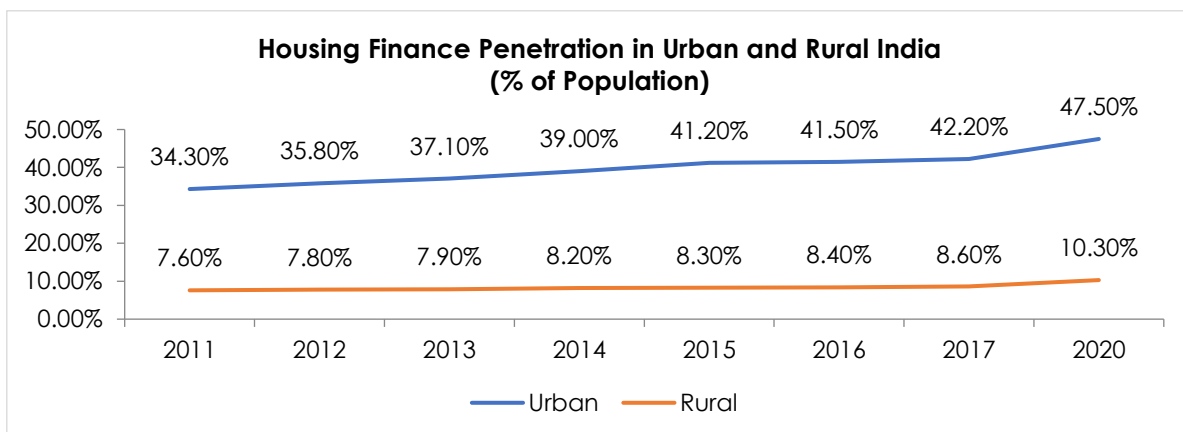
Source: HDFC Snapshot 2022

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

Increasing Home Loan Penetration

Housing finance penetration witnessed improvement in 2020. The trend of housing finance penetration in urban areas suggests that urban areas will likely have a relatively greater share of future growth in housing finance almost reaching 50% of the total population.

The following graph shows the housing finance penetration in India from 2011 – 2020:



Source: RBI

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

Positive impact of COVID-19 on housing and workplace demand

Revival in the real estate in the backdrop of economic recovery and demand

The residential segment was quick to pick momentum in the last two quarters of 2020 in the backdrop of growing homeownership sentiment, which was accentuated by the exigencies of the COVID-19 pandemic. This pent-up demand was further accelerated by ongoing discounts and offers, low home loan interest rates, and limited period of stamp duty cuts in states such as Maharashtra. On account of rising sales, developers released new supply into the market leading. As compared to 2020, new supply in Top 7 cities has increased by 84% in 2021 and has almost tripled in 2022 showing that there is an overall recovery in the Indian Real Estate market.



Preference towards large, branded players with a proven track record

The COVID-19 pandemic has changed buyer preferences towards risk free/low risk investments. Developers with the ability to complete projects on time and with the least execution risk are preferred even if the property is relatively high priced. On account of the liquidity crunch being faced by smaller developers as well as a shift in buyers' preference towards large, branded developers, consolidation is likely to take place further in the real estate sector. Financially strong and organised players are expected to have a majority of the market share in the coming years.

Housing demand at an inflection point

Apart from the structural longer-term drivers, housing demand is likely at the cusp of a cyclical inflection point which could potentially see a sustained volume as well and pricing growth in the near to medium term. This is on account of:

- Sentiment changes due to forced lockdown and continued WFH and online schooling towards functional and flexible homes that can accommodate working spaces.
- Increase in affordability as the ratio of the home loan payment to income has been reducing over the years.

Narrowing of the gap between rental yield to home loan rates increases the preference for purchasing a home over renting

Office Real Estate Market Impact

- During the initial months of the COVID-19 pandemic (i.e., April and May 2020), occupiers were adapting to the work-from-home culture. During the period from July to August 2020, select financial institutions and manufacturing occupiers reconsidered working from office for better employee output. While work-from-home has certain positives such as saving travel time, occupiers have experienced some negatives as well such as connectivity issues. Accordingly, Anarock expects work-from-home and work-from-office to co-exist.
- Grade-A developers have witnessed stable rent recovery rates from Q3 2020 up to H1 FY 23. Although the work-from-home culture tends to consolidate demand for office space, the COVID-19 pandemic has resulted in demand for larger office space per employee.
- Commercial buildings are required to comply with strict health and safety guidelines, which is expected to result in a shift towards more tech-enabled buildings to counter any safety and security issues in future. Grade-A developers are in a better position to comply with such strict health and safety guidelines.
- For a large metropolitan city such as Mumbai, decentralization of work-centres is inevitable. The COVID-19 pandemic has further accentuated this requirement. New townships in the suburban areas of large cities have seen eventual development of office spaces within such townships. Hiranandani Gardens in Mumbai, Lodha Palava in the MMR, Magarpatta City in Pune, Mahindra World City in Chennai and New Town in Kolkata are few such examples.

- Recently, office occupiers in the MMR have been exploring to set-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.

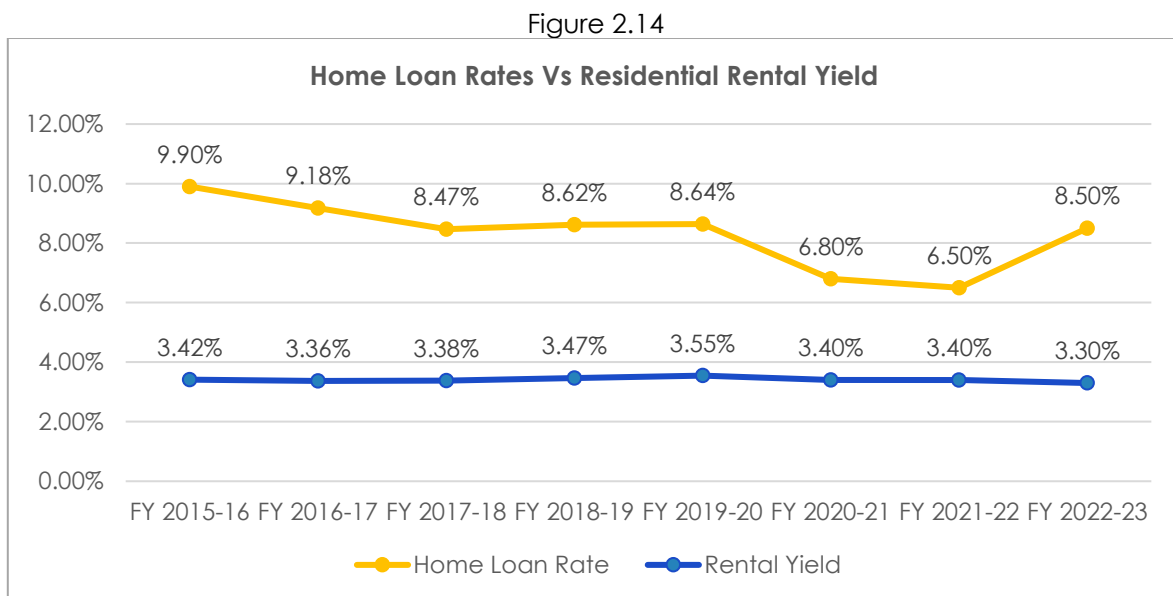
2.4 OTHER OBSERVATIONS IN INDIAN REAL ESTATE AND HOUSING FINANCE SECTOR

Home loan rates rising post COVID-19 pandemic

The RBI reduced the repo rate by 115 basis points from February 2020 to May 2020 from 5.15% to 4%, which resulted in a reduction in the home loan interest rates. This, along with an increase in household income coupled with steady ticket prices increased the affordability of residential units. However, RBI has been increasing the repo rates since then and the repo rate has been increased to 6.5%, which has adversely impacted the home loan rates. In June 2023, the RBI kept the repo rate unchanged at 6.5% on account of the easing of retail inflation and the potential for further decline, indicating the effectiveness of previous policy rate actions.

With increasing property prices in last 4 quarters coupled with increasing home loan rates, rental yield has marginally reduced. The net cost of home ownership over rental yield, adjusted for tax incentives on home loans, has increased in FY 2023 as compared to FY 2022.

The following graph sets forth home loan interest rates versus rental yield from residential properties:



Source: Information published by various Nationalised Banks

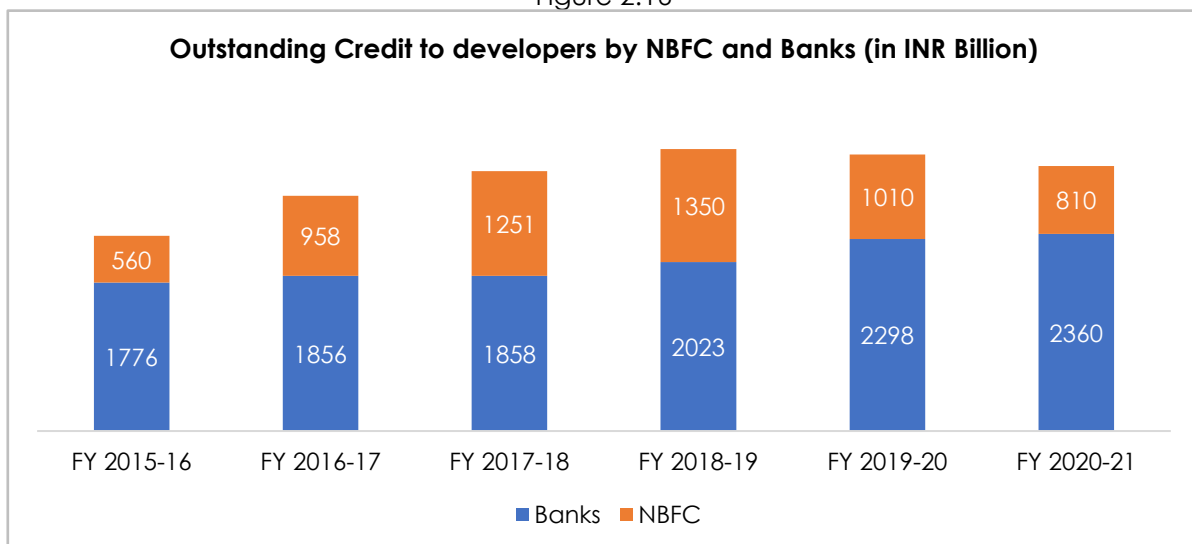
Note: All the figures in the above graph are as per Financial Year (FY)

Wholesale Lending Market for Residential Sector

Since 2012 NBFCs emerged as the largest lenders for real estate projects. Indiscriminate lending by these institutions to tier-2 unbranded developers with flawed business model meant a significant increase in under-construction supply. Given, the lack of experience of executing and completing the projects tier-2 developers delayed their projects significantly and thus eroding the trust of customers. Further, to compete with tier-1 branded developers with quality product, tier-2 developers often resorted price-cuts to move inventory. This further eroded their profitability as well as put pressure on pricing in general. However, they were able to continue with this business model due to ample liquidity present in the system prior to 2018. While project delays jeopardised the cashflow for these projects, NBFCs continued to refinance and provide incremental capital for project completions. NBFCs had golden run until 2018 Sept, when IL&FS crisis and the resultant reflux caused severe liquidity crunch. NBFCs significantly reduced real estate funding during the under-construction phase due to non-availability of funds with them. No construction activity has led to low sales and poor cash flow management at such developers' end specially the smaller developers which have limited access to bank loans. Stressed Funds and PE Funds have started the merit-based last-mile funding at the high-interest rate leaving no value for such developers and even led to a haircut for lenders on such lending.

Tier-1 developers with good brand, have the ability to sell substantially during the launch period and throughout the construction period. This obviates the need for financing for completion of under-construction projects. Such developers with investment grade credit rating had lower dependency on higher cost loans from NBFCs in any case. Hence, large and branded players with investment grade credit rating were able to avert the crisis due to minimal reliance on NBFC funding. Most of the big developers having rental income had access to bank loans and were able to deliver the under-construction projects on time.

Figure 2.16



Source: RBI

Note: All the figures in the above graph are as per Financial Year (FY)

Credit given to developers by banks have increased from INR 2.3 Lakh Crores in FY 2019-20 to INR 2.36 Lakh Crores in FY 2020 – 21 noting an overall approximate increase of INR 0.6 lakh crores i.e., ~3% increase. However, Credit given to developers by NBFC's have witnessed a



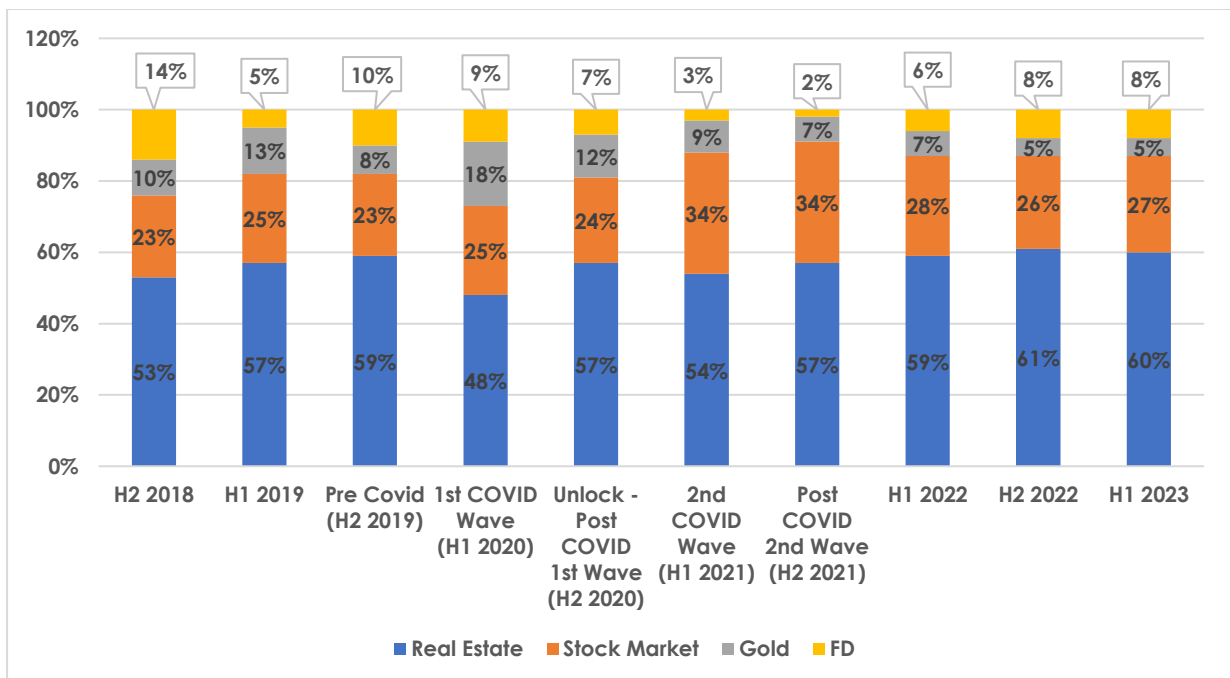
reduction from INR 1.01 Lakh Crores in FY 2019-20 to INR 0.81 Lakh Crores in FY 2020-21 i.e., ~20% reduction.

Clearly the dramatic fall in incremental credit flowing from banks & NBFCs to the developers meant that most of the tier-2 unbranded developers unable to continue the existing projects as well as launching new projects. These tier-2 developers along with the financial institutions who supported them earlier are now looking at the branded and stronger tier-1 developers to rescue those projects by taking over the existing projects and/or tie-up for their new land parcels.

2.4.1 Other Fixed Income Products – Non-generation of enough Savings Avenues

As per consumer surveys conducted by Anarock in 2018, 2019, 2020, 2021 and 2022, real estate was the most preferred asset class among other investments. From H2 2018 to H2 2022, there has been a gradual increase in preference of buyers towards real estate as an investment option.

Figure 2.17



Source: Anarock Consumer Sentiment Survey from 2018 to 2022

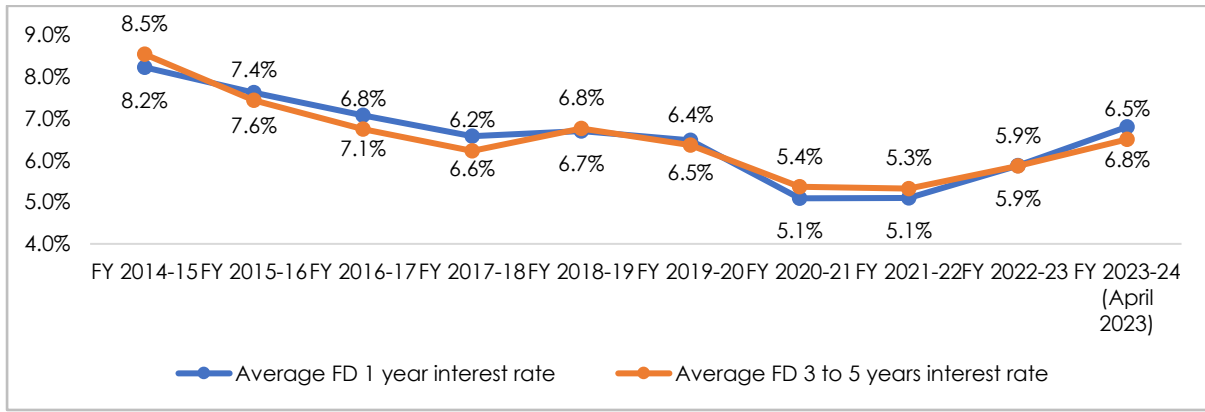
Note: All the figures in the above graph are as per Calendar Year (CY)

Real Estate has grown as preferred Asset Class for investment from 53% in 2018 to 61% in 2022. While on the back of increased interest rates, Fixed Deposit has also seen a growth in preference in last couple of years from 2% in H2 2021 to 8% in H2 2022.

The following graph sets forth SBI's average fixed deposit interest rates:

Figure 2.18





Source: SBI

Note: All the figures in the above graph are as per Financial Year (FY)



Maharashtra Government Initiatives and Regulatory Changes with its impact on Residential Real Estate (For the period 2020 – 2022)

Reduction in stamp duty

In order to revive demand in the real estate sector, the Government of Maharashtra reduced the stamp duty of properties from 5% to 2% from September 1, 2020, to December 31, 2020, and from 5% to 3% from January 1, 2021, to March 31, 2021. The stamp duty cut boosted sales in Mumbai with property registrations increasing threefold in December 2020 as compared to December 2019.

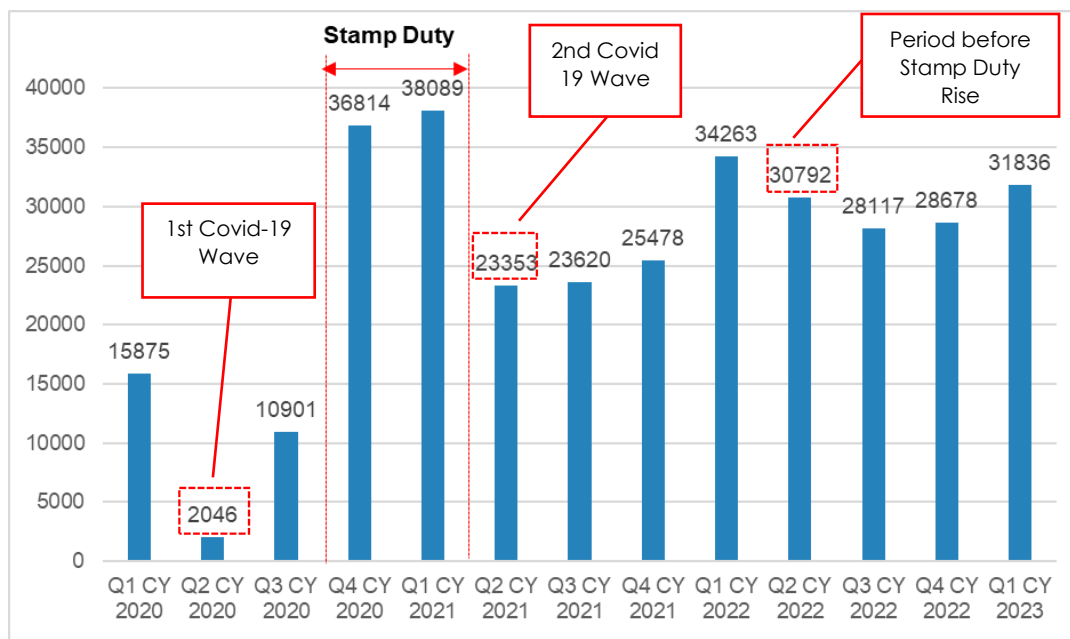
Though the stamp duty increased from 2% to 3% from January to March 2021, property registrations in Mumbai witnessed healthy sales during the period as well with March 2021 property registrations almost matching the registrations of December 2020.

With the increase in stamp duty to its original value of 5% from April 2021, the registrations witnessed a drop; however, the number of registrations were still healthy showing an overall recovery in the residential market of Mumbai.

Covid's 2nd wave impacted the registrations in April and May 2021. However, subsequent to increasing relaxations on mobility, sales started recovering from June 2021 onwards and witnessed a strong rebound in July-September 2021 despite being a seasonally weak quarter on account of monsoons. The onset of festive period led to a further increase in registrations for the period October 2021 to December 2021. Further, Q1 CY 2022 witnessed healthy registrations especially in March 2022 as stamp duty was to rise from by 1% due to introduction of 1% metro cess from April 2022. As a result of this, Q2 CY 2022 and Q4 CY 2022 witnessed a slight reduction in registrations. In Q1 CY 23 the registration number has increased to 31,836.

The following graph sets forth sale registrations in Mumbai over periods indicated:

Figure 2.21



Source: Registration office (IGR) and data from various published news articles

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



50% discount in premiums for Builders by Maharashtra Government

The state government in January 2021 issued a Government Resolution (GR) by slashing real estate premiums paid by builders by 50%. According to the GR, builders need to pay premiums based on 2019 ready reckoner (RR) rates or the 2020 rates whichever is higher. All real estate premiums and charges are calculated on the basis of RR rates.

Developers who opted for the 50% reduction in premiums need to pay the entire stamp duty when they sell flats to buyers. Builders need to give an undertaking to the local bodies that they will pay the entire stamp duty from home buyers. The scheme was valid till December 2021 and was extended till March 2022.

Complete waiver of Property Tax for Mumbai homes measuring up to 500 sq. ft.

The state cabinet approved the proposal to waive off property tax for 1.61 million flats of up to 500 square feet in Mumbai and suburbs. It will be applicable for the flats in BMC jurisdiction. Chief Minister Uddhav Thackeray had on January 1, 2022, announced waiver of entire property tax for the smaller houses below the size of 45.45 sq. mt. or 500 sq. ft.



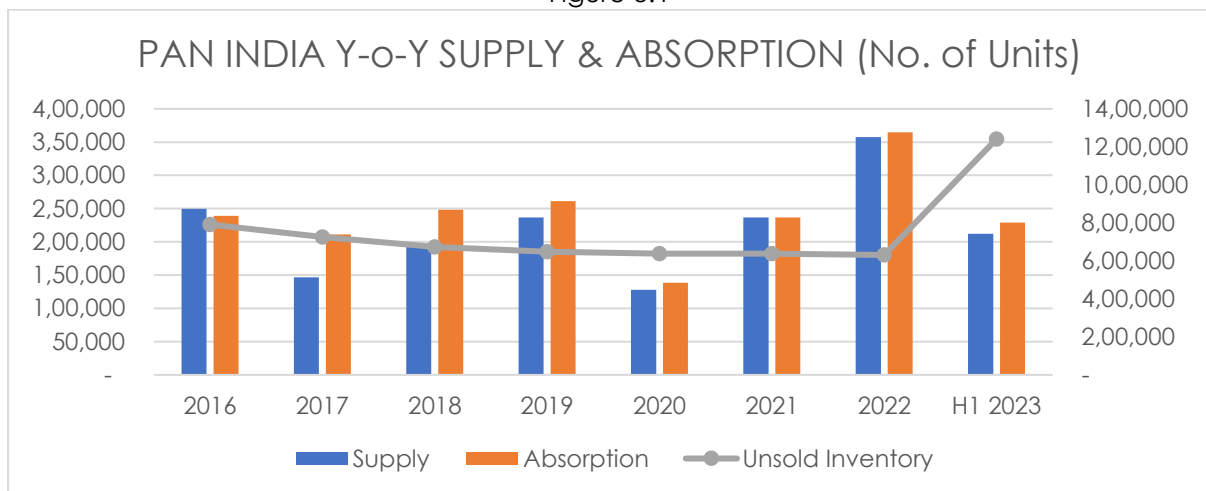
3. OVERVIEW OF INDIA RESIDENTIAL MARKET

3.1 INDIA RESIDENTIAL REAL ESTATE TRENDS 2016 TO H1 2023

- In last six to seven years, the real estate sector in India has witnessed several changes because of demonetization, the liquidity crisis and the implementation of RERA and GST.
- Despite the spiraling COVID-19 pressure across the country, the Indian residential sector made a significant comeback in 2021 with absorption rebounding to 171% of the corresponding period in 2020. In 2019, the absorption was recorded at 2.61 lakhs units which depicts that 2021 absorption has attained ~90% of the absorption recorded in 2019. This clearly demonstrated a steady recovery as compared to 2020. The Mumbai Metropolitan Region (“MMR”), Pune, Bengaluru, Hyderabad, the National Capital Region (“NCR”), Chennai and Kolkata (“**Top Seven Indian Markets**”) recorded absorption of approximately 2.37 lakh units in 2021 as compared to 1.38 lakh units in 2020. Further, the absorption numbers in 2022 have improved to 3.65 Lakh units. In Q1 2023 the absorption already is about 1.13 Lakh units and at same rate it stands to beat 2022 Absorption Levels.
- New launches have jumped by 185% - from 127,959 units in 2020 to 236,693 units in 2021. The same is almost in line with the launches recorded in 2019. There has also been an improvement in the 2022 numbers where the total launches are 3.58 Lakhs units. In H1 2023 there are 2.12 Lakhs launched units.
- The unsold inventory across the top 7 cities in India has remained stable on a yearly basis i.e., for 2021 (638,192 units) as compared to unsold inventory in 2020 (638,015 units). This has witnessed a slight reduction in 2022 with 630,954 units on account of higher absorption levels as compared to the launches.

The following graph sets forth supply, absorption, and unsold inventory trends in the Top Seven Indian Markets from 2016 to H1 2023 (in units):

Figure 3.1



Source: Anarock Research

Note:

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

Unsold inventory is the net unsold inventory and does not include stalled projects.

Units absorbed include primary transactions only i.e., excluding resale transactions.



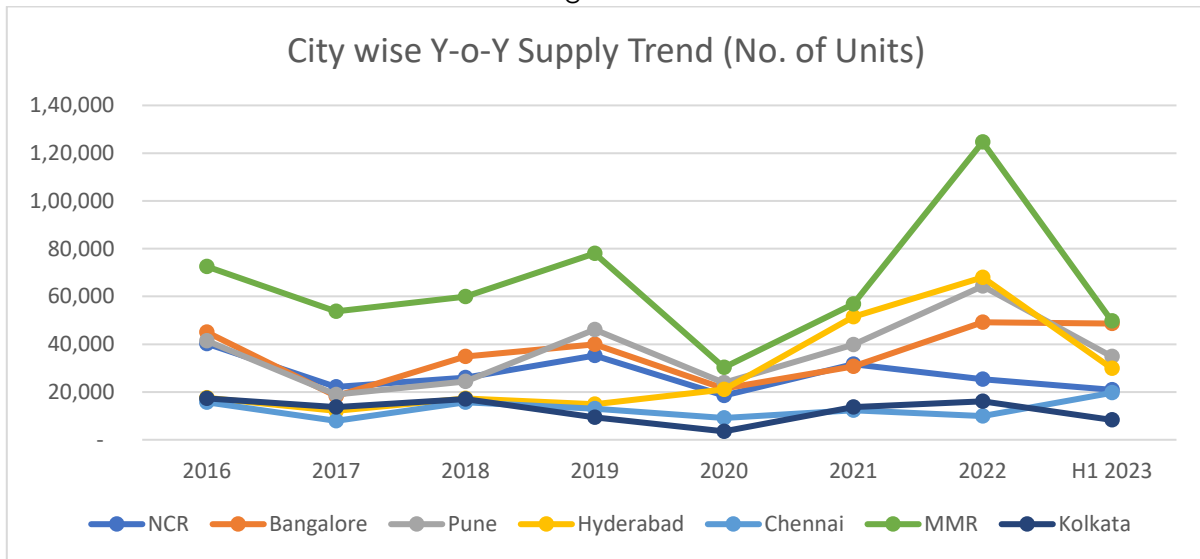
3.2 TOP SEVEN CITIES – SUPPLY, ABSORPTION AND UNSOLD INVENTORY TRENDS – 2016 TO H1 2023

City-wise Y-o-Y Supply Trend (no of units) – 2016 to H1 2023

From 2016 to H1 2023, MMR has the maximum share among all cities in the range of 24% - 37% across years with an average of 30% in terms of supply. This shows that there is an overall growth in the supply and that there is potential for further developments.

The following graph sets forth year-on-year supply trend in the Top Seven Indian Markets (in units):

Figure 3.2



Source: Anarock Research

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

Table: Share of launches among top 7 cities

Year	NCR	Bangalore	Pune	Hyderabad	Chennai	MMR	Kolkata
2016	16%	18%	17%	7%	6%	29%	7%
2017	15%	12%	13%	8%	5%	37%	9%
2018	13%	18%	13%	9%	8%	31%	9%
2019	15%	17%	19%	6%	5%	33%	4%
2020	14%	17%	19%	16%	7%	24%	3%
2021	13%	13%	17%	22%	5%	24%	6%
2022	7%	14%	18%	19%	3%	35%	4%
H1 2023	10%	23%	16%	14%	9%	23%	4%

Table: Share of launches among top 7 cities

Source: Anarock Research

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

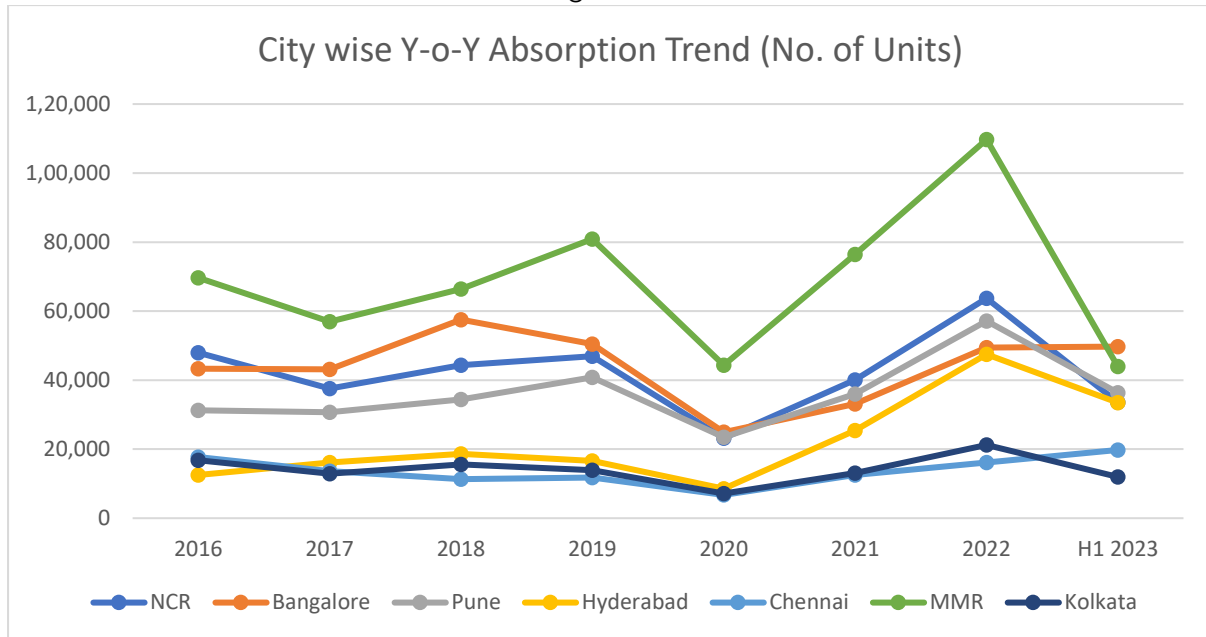


City-wise Y-o-Y Absorption Trend (no of units) – 2016 to H1 2023

Since 2016, on an average MMR has been contributing approximately 30% of the total absorption, followed by Bangalore and NCR which are approximately 18% of the total absorption levels from 2016 to 2022. This shows that MMR market is witnessing an overall growth with potential for further development.

The following graph sets forth year-on-year absorption trend in the Top Seven Indian Markets (in units):

Figure 3.3



Source: Anarock Research

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

Table: Share of Absorption among top 7 cities

Year	NCR	Bangalore	Pune	Hyderabad	Chennai	MMR	Kolkata
2016	20%	18%	13%	5%	7%	29%	7%
2017	18%	20%	15%	8%	6%	27%	6%
2018	18%	23%	14%	8%	5%	27%	6%
2019	18%	19%	16%	6%	5%	31%	5%
2020	17%	18%	17%	6%	5%	32%	5%
2021	17%	14%	15%	11%	5%	32%	6%
2022	17%	14%	16%	13%	4%	30%	6%
H1 2023	15%	22%	16%	15%	9%	19%	5%

Source: Anarock Research

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

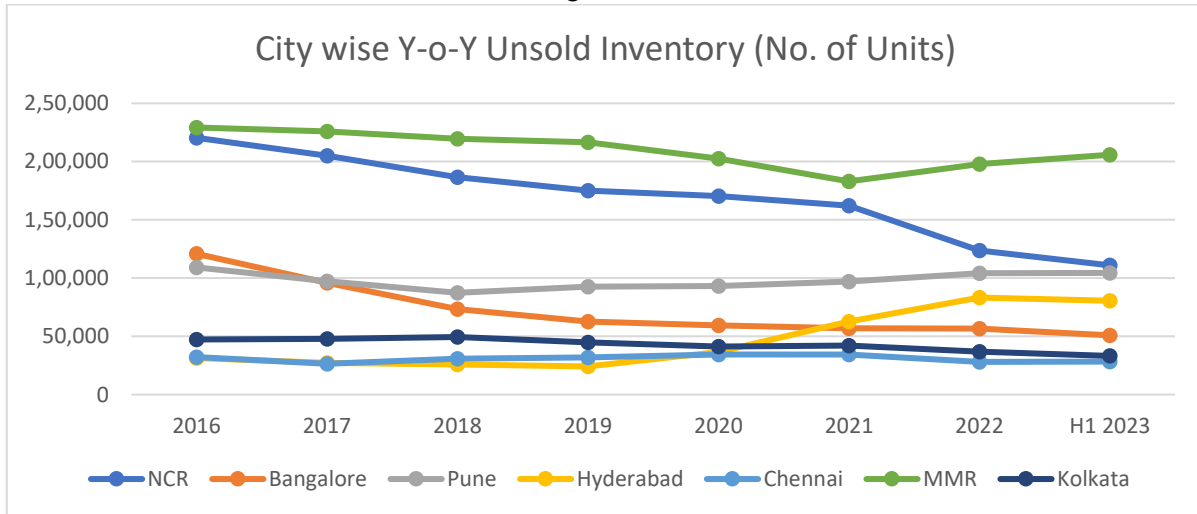


City-wise Y-o-Y Unsold Inventory Trend (no of units) – 2016 to H1 2023

All the cities have witnessed slight to gradual decrease in unsold inventory, except for Hyderabad, where count of unsold inventory has slightly increased in last one year primarily owing to increased supply during 2020 and 2021. MMR has witnessed healthy demand – supply dynamics from 2016 till H1 2023, which has resulted into gradual decrease in the count of unsold inventory during this period.

The following graph sets forth year-on-year unsold inventory trend in the Top Seven Indian Markets (in units):

Figure 3.4



Source: Anarock Research

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

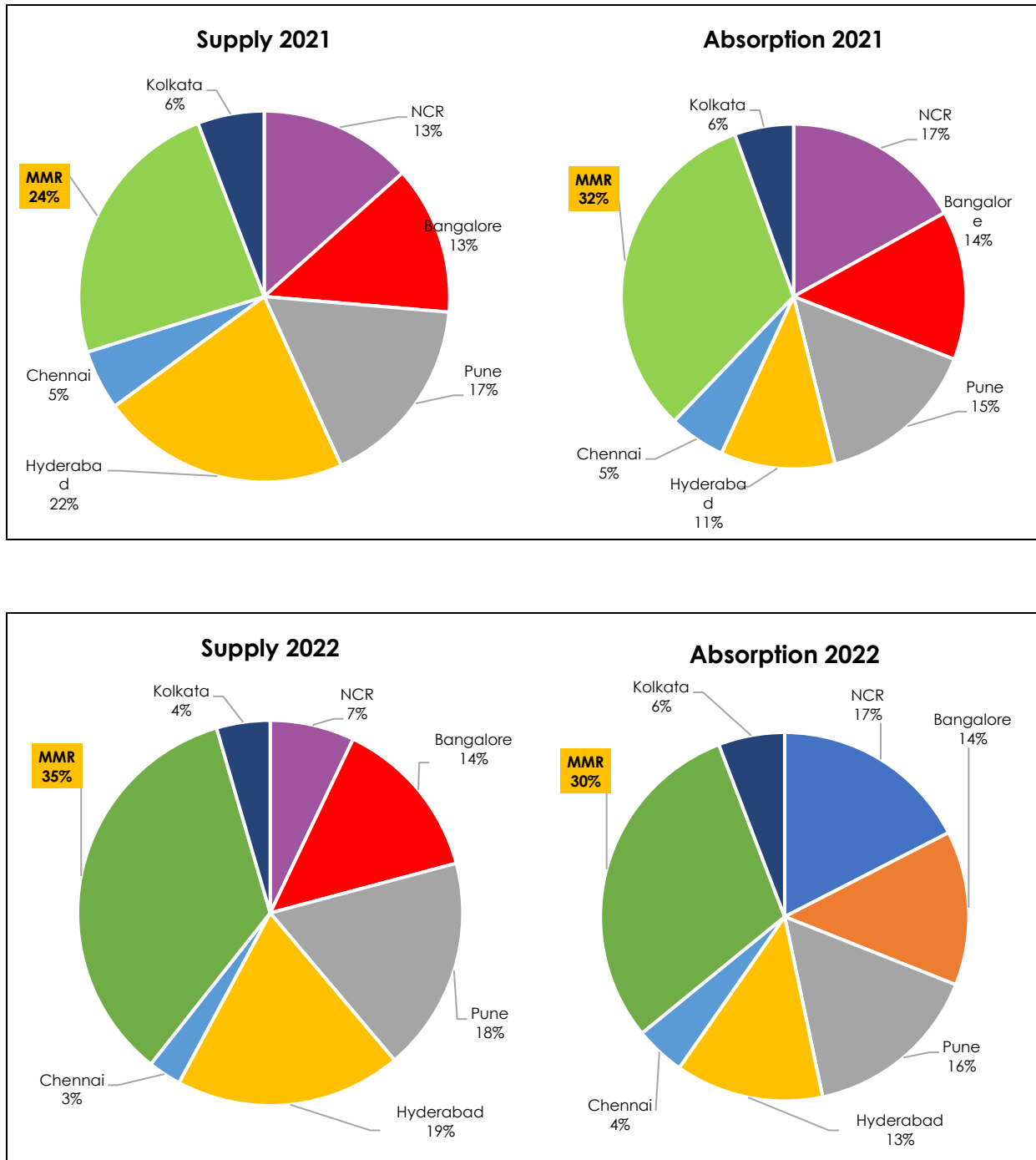
3.3 SUPPLY AND ABSORPTION IN THE TOP SEVEN INDIAN MARKETS IN 2021 AND 2022

- MMR has been the top performer in overall residential real estate activity in 2021 with a share of 24% of total supply (56,883 units) and 32% of total absorption (76,396 units) in the Top Seven Indian Markets,
- Further in 2022, there has been an improvement in the overall supply of MMR with a share of 35% of the total supply (124,652 units) and slight reduction in overall absorption levels of MMR with a share of 30% of the total absorption (109,733 units) in the Top Seven Indian Markets.
- As a result, MMR has evolved as the top performer in overall residential real estate activity in 2021 and 2022.



The following graph sets forth supply (by units) and absorption (by units) as annual comparison in the Top Seven Indian Markets in 2021 and 2022:

Figure 3.5



Source: Anarock Research

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

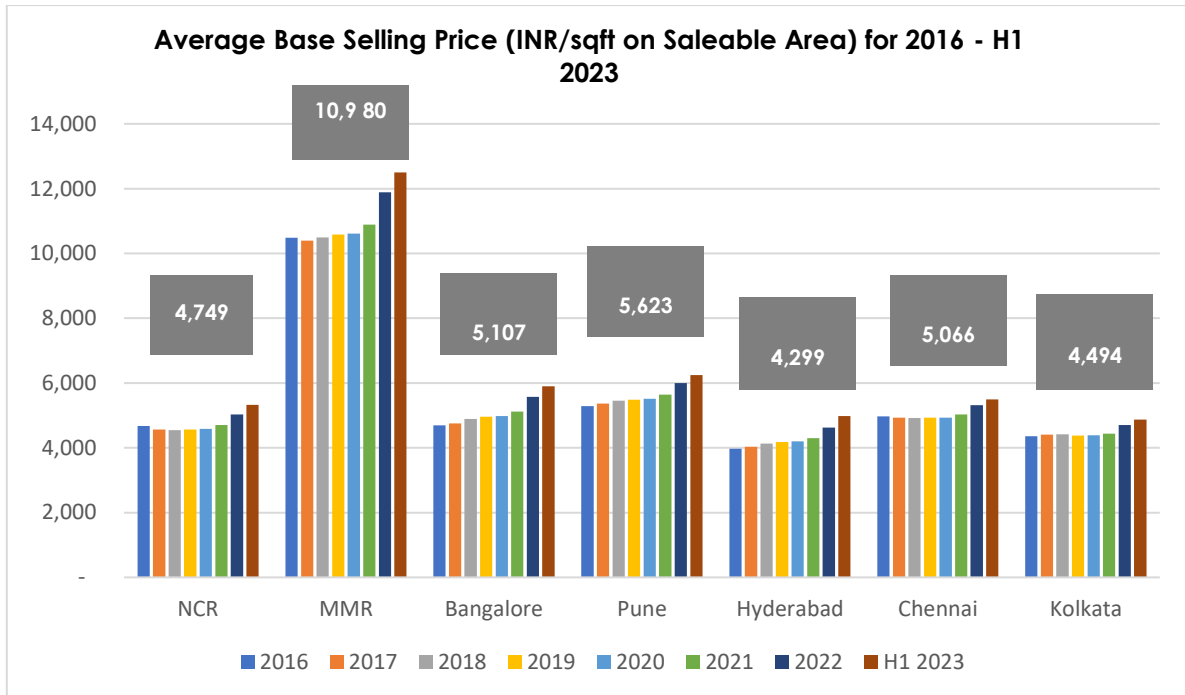


3.4 CAPITAL PRICING TRENDS IN TOP SEVEN INDIAN MARKETS – 2016 TO H1 2023

From 2016 to H1 2023, the average base selling price in MMR has been approximately INR 10,980 per square feet, which is the highest across Top Seven Indian Markets. MMR has witnessed a significant rise in the capital prices in last 2 years. Hyderabad reflected the lowest average base selling price of INR 4,299 per square feet among the Top Seven Indian Markets in the same period. The capital pricing trend in the H1 of 2023 is on similar lines as in 2022.

The following graph sets forth average base selling price trend across the Top Seven Indian Markets (INR per square feet):

Figure 3.6



Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY) The above-mentioned prices are with respect to the saleable area.

The above rate is average price for period 2016 to H1 2023. For e.g: The average rate for MMR during 2016 to H1 2023 is INR 10,980 per sq.ft., while for H1 2023 it is INR 12,500 per sq.ft.



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

4.1 MUMBAI METROPOLITAN REGION (MMR) - INTRODUCTION

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

4.2 DEMAND DRIVERS FOR HOUSING IN MMR

Mumbai has a diverse base of industries and small and medium businesses. Mumbai creates employment opportunities across the value chain for both front and back offices. On a qualitative basis, the announcement of addition of office space (employment generation) in the city-centric and the suburban areas affect the select residential pockets of suburban areas (e.g., Ghodbunder Road) with a lag of 2 – 3 years.

Extended nodes of Mumbai such as Panvel, Bhiwandi, Kalyan have seen growth in logistics, e-commerce and warehousing activities. The workforce working there has contributed to the housing demand for mid and affordable category at the projects in Extended Eastern Suburbs, Thane & Navi Mumbai

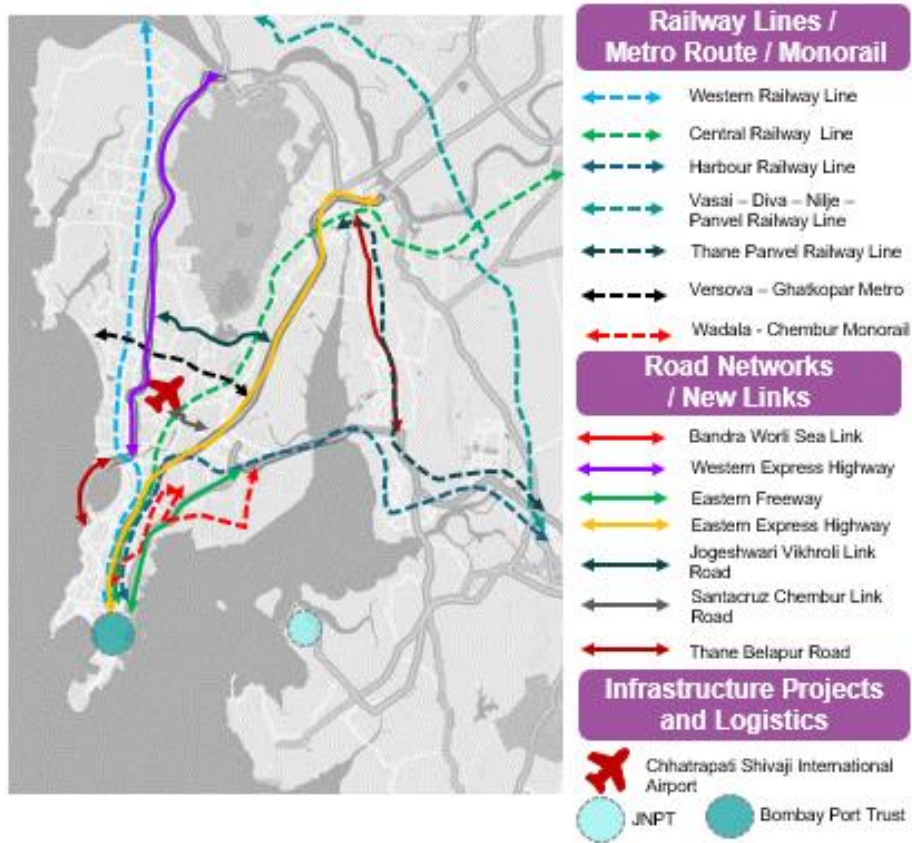
Employment Generation

MMR is an employment engine for the country, both in the organized and unorganized industries. Employment from the existing grade-A office spaces in Mumbai has a direct impact on demand for housing in MMR and it is largely contributed to the organized sector. Employment generated from unorganized sectors does have an impact on the housing demand, especially in the suburban areas.

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).

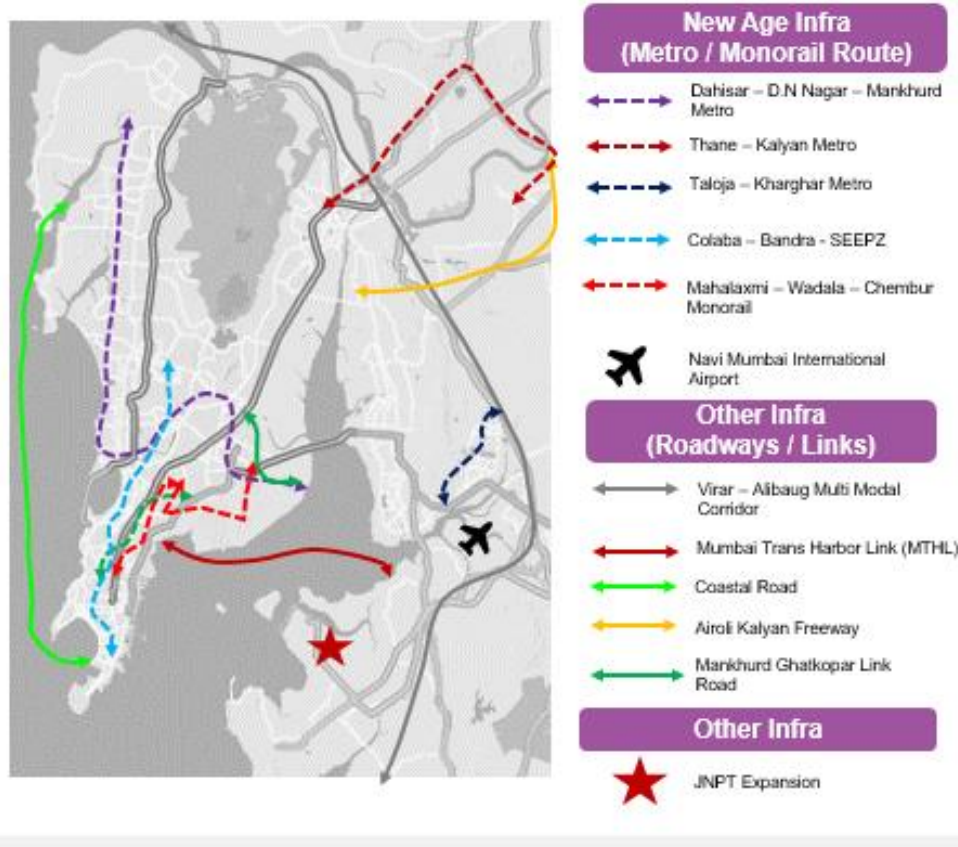
Figure 4.1: Existing Infrastructure



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.

Figure 4.2: Proposed & Upcoming 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	42.2	39	Under Construction
2A	Dahisar-DN Nagar	18.6	17	Phase 1 operational from 02.04.2022 from Dahisar to Dahanukarwadi. Phase 2 operational too since 20.01.2023 from Dahanukarwadi to D N



Metro Line	Name of Corridor	Length (km)	Stations	Status
				Nagar as a result of which entire line has become operational.
2B	DN Nagar-Mankhurd	23.6	20	Under Construction
3	Colaba - Bandra - SEEPZ (Nearest to the projects of Suraj Estate Developers Limited)	33.5	27	Under Construction
4	Wadala-Ghatkopar-Mulund-Teen Hath Naka-Kasarvadavali	32.32	32	Under Construction
4A	Kasarwadavali-Gaimukh	2.8	2	Approved
5	Thane-Bhiwandi-Kalyan	24.90	17	Planned
6	Lokhandwala-Jogeshwari-Kanjurmarg	15.18	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	Under-Construction
10	Gaimukh-Shivaji Chowk (Mira Road)	9	9	Approved
11	Wadala-CSMT	12.7	10	Approved
12	Kalyan-Dombivali-Taloja	20.7	17	Approved
13	Mira Bhayander-Virar	23	TBA	Planned

Source: www.mmrcl.com, mmmocl.co.in, mmrda

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 Metro 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 with 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 and operational 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 still comes under the under construction projects in Mumbai 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.

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.

Improved Disposable Income

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

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.

Investment Activity

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

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.

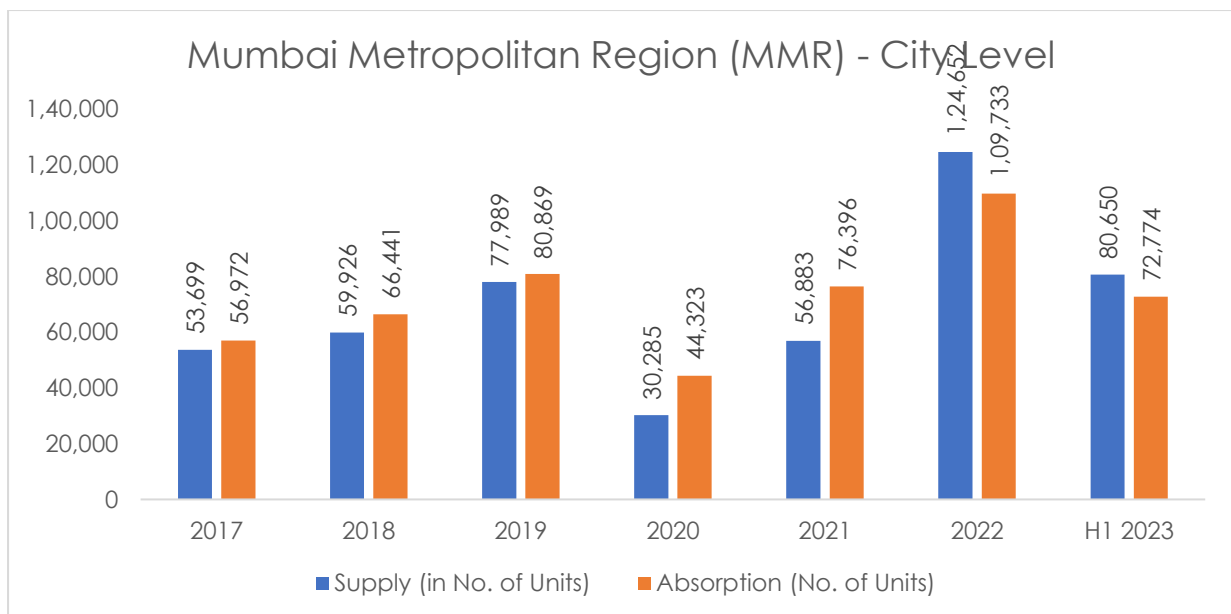
4.3 SUPPLY, ABSORPTION, UNSOLD INVENTORY AND PRICING TRENDS IN MMR – 2017 TO 2023 (Q1)

Supply & Absorption Trends

- Post 2017, absorption of units grew steadily and outpaced supply of units. In 2020, the units launched were lower than the units sold.
- Until Q3 2020, only select developers were launching projects with high inventory size in MMR and the buyers who visited sites before the lockdown were going ahead with their buying decision.
- Q4 2020 was better than earlier quarters, on the back of the festive season, low interest rates and an improving employment scenario.
- With the announcement of reduction in the stamp duty by the Government of Maharashtra with effect from September 1, 2020, housing sales increased continuously month-on-month.
- There has been a steady increase in launches as well as absorption in 2021 as compared to 2020 which shows a further improvement in the residential market dynamics of MMR.
- Further, in 2022, MMR has witnessed 124,652 launched units which is almost 2.2 times the yearly launches of 2021 and MMR has achieved 1.5 times of the total absorption in 2022 as compared to the yearly absorption of 2021.
- In H1 of 2023, the Supply stands at 80,650 units, while absorption is about 72,774 units.

The following graph sets forth supply and absorption trends (in units) in MMR from 2017 to H1 2023:

Figure 4.3



Source: Anarock Research

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

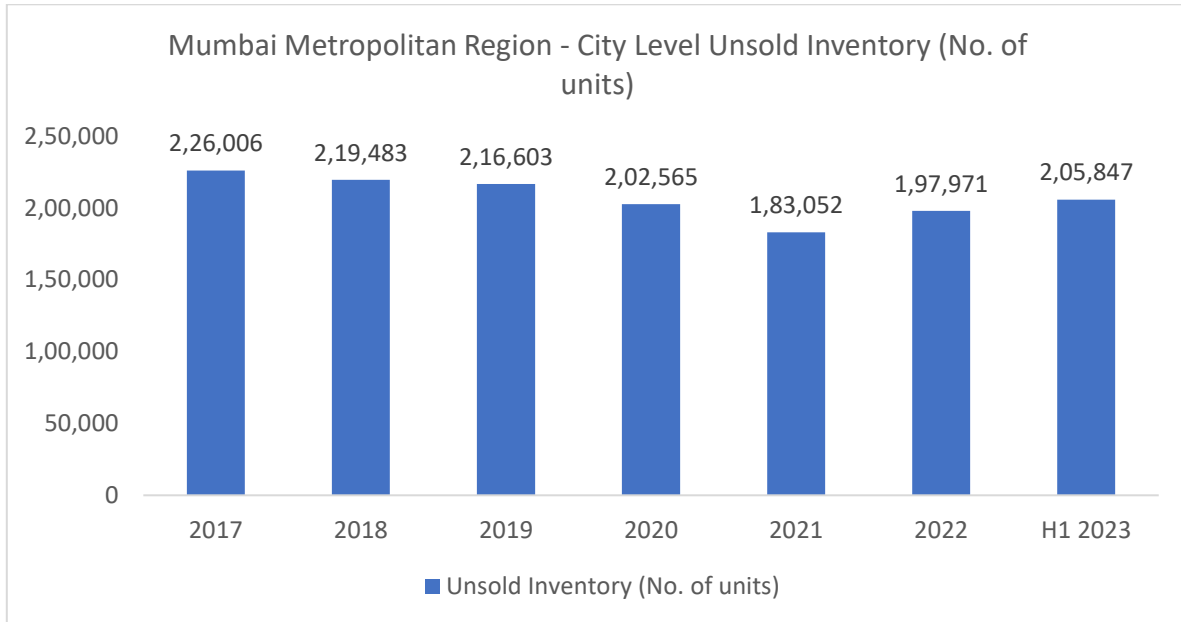


Unsold Inventory Trends

The overall unsold inventory gradually decreased from 2017 till 2021 with slight increase in 2022). As of H1 2023 the unsold inventory stands at 2,05,847 units.

The following graph sets forth unsold inventory trends in MMR from 2017 to H1 2023

Figure 4.4



Source: Anarock Research

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

Capital Value Trends

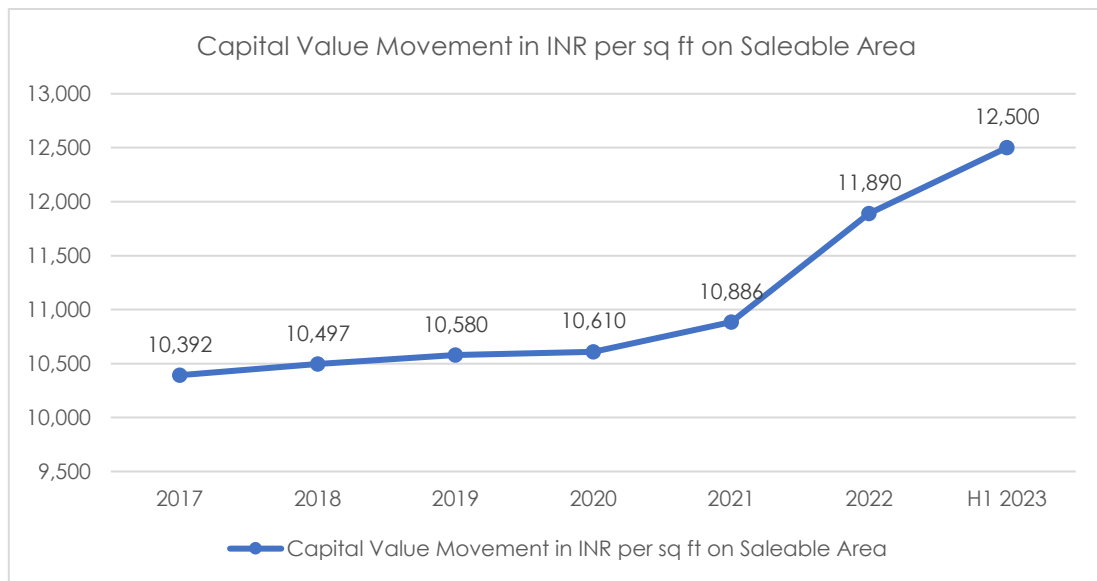
There was a stagnancy in the capital values of overall market of MMR from 2017 to 2020, with a minimal appreciation from 2017 to 2020 at the rate of ~1% on a yearly basis.

In 2020, the overall base prices have remained stagnated in comparison with 2019, as developers did not increase the pricing because of 1st lockdown of COVID Pandemic. However, there has been slight appreciation of ~3% in capital pricing in 2021 as compared to 2020 as residential real estate market in MMR witnessed an overall improvement. Further, 2022 has witnessed continued price appreciation of ~9% over 2021 levels, While H1 2023 shows an appreciation of about 5% over the 2022 Capital Value trends



The following graph sets forth capital value trends (on saleable area) in MMR from 2017 to H1 2023:

Figure 4.5



Source: Anarock Research

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

Capital values in MMR has been relatively on a higher side among the top seven cities of India. However, within MMR, significant variation in capital values have been observed across various micro markets.

4.4 SUPPLY, ABSORPTION AND PRICING OUTLOOK FOR MMR – 2023 TO 2026

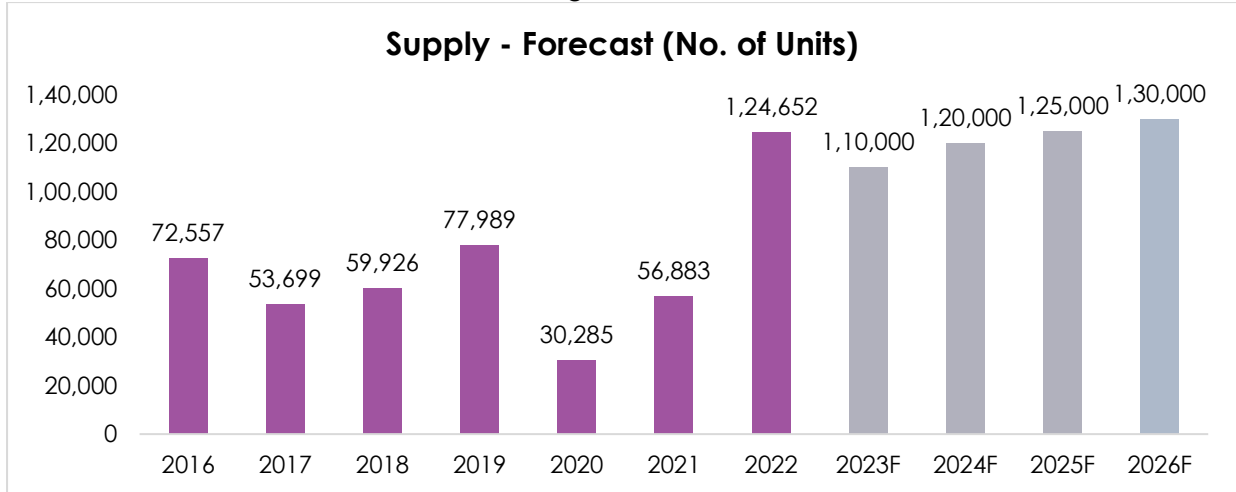
Supply & Absorption Outlook

The annual absorption in MMR in 2022 has been 50% more as compared to 2021 levels. While it is estimated that the sector may not repeat its strong performance of 2022 in the near term, over a longer term in this decade the absorption growth in volume terms in the sector is likely to largely mirror the real GDP growth with pricing growth slightly above the inflation level. This will likely result in over 10% CAGR in value terms for the sector over a longer term in the MMR. Supply is likely to be disciplined due to consolidation and keep pace with absorption over the longer term. Post 2023, Anarock expects that there will be a gradual increase in absorption until 2026. New launches in 2024 are likely to be almost 2 times as compared to 2021 levels and are expected to gradually increase year-on-year post 2023. On account of disciplined supply and healthy absorption levels, unsold units overhang is expected to be less than 2 years from 2023 to 2026.



The following graph sets forth supply outlook for MMR from 2023 to 2026:

Figure 4.6



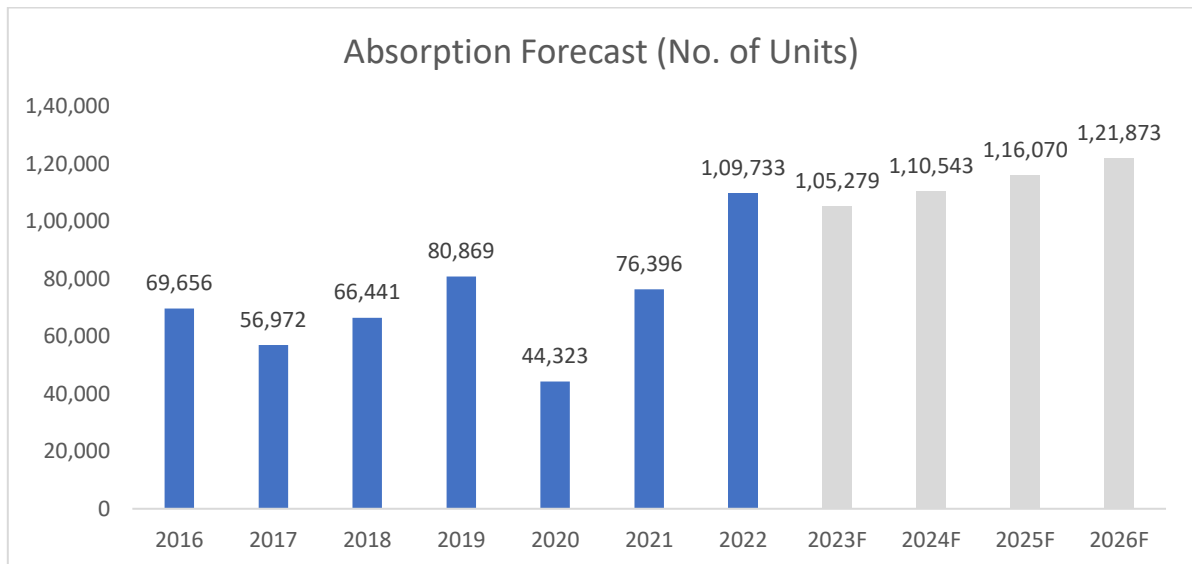
Source: Anarock Research

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

Note: Accuracy of forecast is subjected to unforeseen situations and circumstances, especially unpredictable nature of Covid-19 pandemic waves, which will have impact on market performance.

The following graph sets forth absorption outlook for MMR from 2023 to 2026:

Figure 4.7



Source: Anarock Research

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



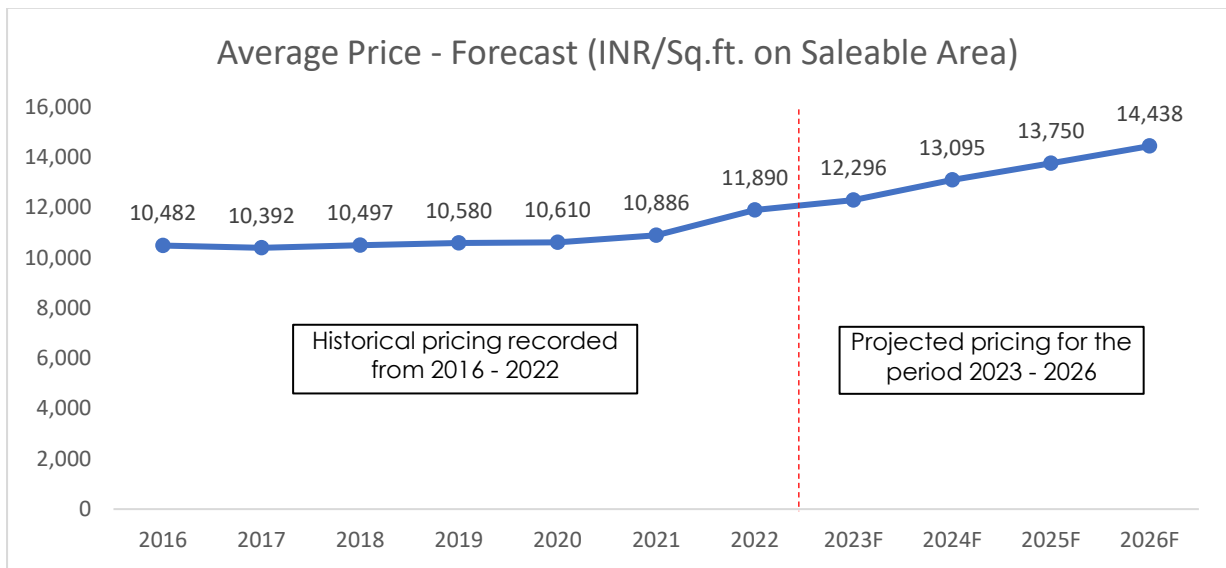
Note: Accuracy of forecast is subjected to unforeseen situations and circumstances, especially unpredictable nature of Covid-19 pandemic waves, which will have impact on market performance.

Pricing Outlook

There has been a ~9% rise in pricing in MMR in 2022 as compared to 2021 levels. Further, there will be a gradually increase in MMR from 2023 till 2026 with an average price appreciation of around ~5% per year which would showcase an improvement in the overall residential real estate scenario in the MMR.

The following graph sets forth pricing outlook for MMR from 2023 to 2026:

Figure 4.8



Source: Anarock Research

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

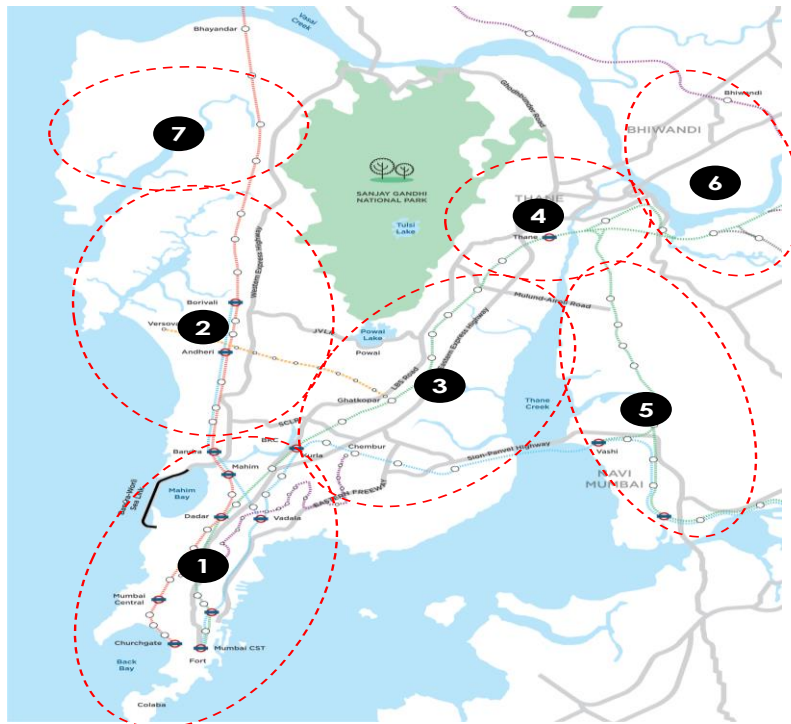
Note: Accuracy of forecast is subjected to unforeseen situations and circumstances, especially unpredictable nature of Covid-19 pandemic waves, which will have impact on market performance.



5. TRENDS IN MUMBAI RESIDENTIAL REAL ESTATE (MICROMARKET LEVEL AND SUB-MARKET LEVEL)

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

Figure 5.1



S. No.	Residential micro-markets in the MMR	Key locations	Residential category served ⁽¹⁾
1.	South Central Mumbai	Cuffe Parade, Colaba, Lower Parel, Prabhadevi, Dadar , Worli, Parel, Mahim, Matunga , Mahalaxmi, Byculla, Sewri and Wadala	Luxury and ultra-luxury
2.	Western Suburbs	Bandra, Khar, Andheri, Jogeshwari, Vile Parle, Goregaon, Malad, Kandivali and Borivali	High-end, luxury and ultra-luxury
3.	Eastern Suburbs	Kurla, Powai, LBS Marg, Ghatkopar, Vikhroli, Mulund, Sion and Bhandup	Mid-end, high-end and luxury
4.	Thane	Thane, Ghodbunder Road and Wagle Estate	Mid-end, high-end and luxury
5.	Navi Mumbai	Vashi, Airoli, Panvel, Belapur, Rabale, Mahape, Turbhe, Ghansoli, Sanpada and Kharghar	Mid-end, high-end and luxury
6.	Extended Eastern Suburbs	Shil Phata, Palava City, Dombivali, Kalyan, Asangaon, Badlapur, Titwala and Karjat	Affordable and mid-end

7.	Extended Western Suburbs	Vasai, Virar, Mira Road, Bhayander and Naigaon	Affordable and mid-end
----	--------------------------	--	------------------------

Note:

(1) The residential market can be broadly categorized based on ticket size as follows: the affordable category: having a ticket size of less than INR 4.0 million; the mid-end category: having a ticket size that ranges between INR 4.0 million to INR 8.0 million; the high-end category: having a ticket size that ranges between INR 8.0 million to INR 15.0 million; the luxury category: having a ticket size that ranges between INR 15.0 million to INR 25.0 million; and the ultra-luxury category: having a ticket size that is over INR 25.0 million.

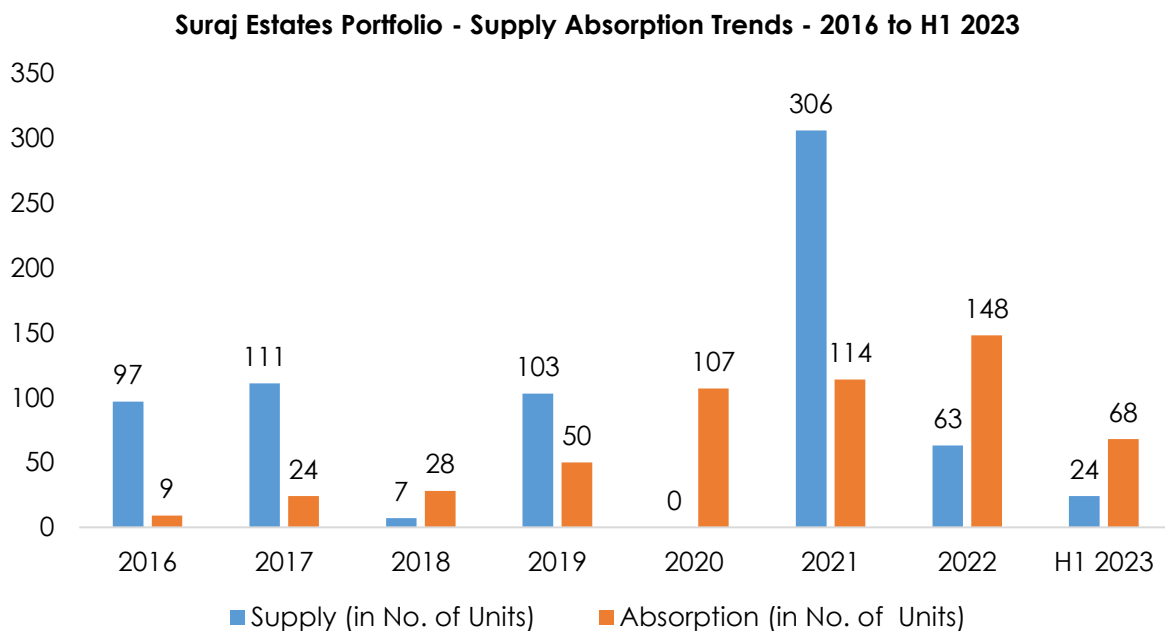
Suraj Estate Developers Limited has its major residential portfolio located in the markets of Mahim, Dadar, Prabhadevi and Parel, which are sub-markets of the South Central Mumbai micro market where it has established its presence and is one of the market leaders in these locations.

5.1 SNAPSHOT OF SURAJ ESTATE DEVELOPERS LIMITED PORTFOLIO

Year wise Supply and Absorption Trends of Suraj Estate Developers Limited from 2016 to H1 2023

The following graph sets forth supply and absorption trends (in units) year wise of Suraj Estate Developers Limited portfolio located in Mahim, Dadar, Prabhadevi and Parel markets from 2016 to H1 2023

Figure 5.2



Note: In above graph, Project Lumina with supply of 35 units has not been considered as the project has not yet obtained RERA registration certificate. However, since the same project has obtained Commencement Certificate (CC) and IOD, it has been shown in the portfolio as new launches of developer as Under-construction.

Source: As provided by Suraj Estate Developers Limited

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

2021 witnessed higher launches as three of the projects of Suraj Estate Developers Limited namely, Emmanuel in Dadar and Vitalis and Eterna in Mahim were launched. In spite of COVID lockdown, Suraj Estate Developers Limited witnessed healthy absorption levels in 2020 and 2021 as compared to 2016 to 2019. Further, Suraj Estate launched its project Suraj Park View 2 in 2022. 2022 has also witnessed healthy absorption levels with almost 30% more units sold in 2022 as compared to the 2021 levels. H1 2023 has already witnessed the healthy absorption of 45.94 % of that in 2022.

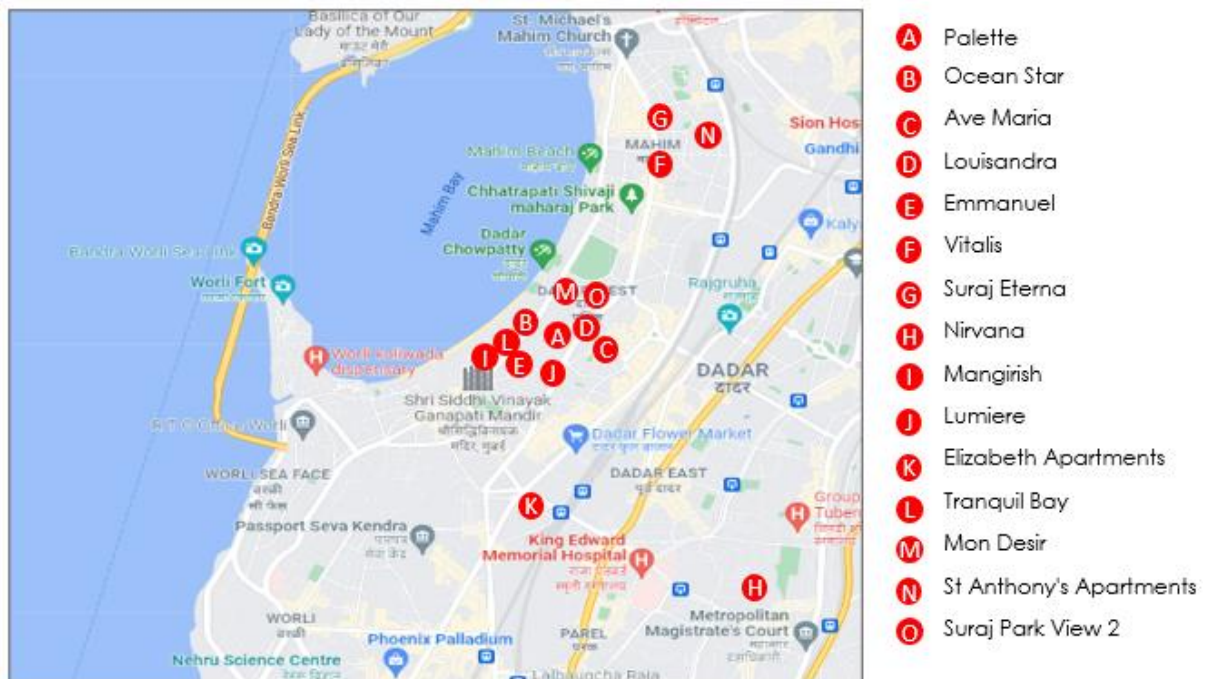
The table below shows the sales value of units sold by Suraj Estate Developers Limited year wise from 2016 to H1 2023

Calendar Year	Sales Value of Units Sold (IN INR Cr) – Agreement Value
2016	41.81
2017	78.39
2018	73.44
2019	110.76
2020	297.77
2021	307.62
2022	444.18
H12023	255.94
TOTAL	1,609.91

Source: Anarock has not verified the sales value of units sold year wise from 2016 to H1 2023 and represented the data as provided by Suraj Estate Developers Limited. During the preparation of the Industry report, neither Anarock has access to the balance sheet of Suraj Estate Developers Limited nor Anarock has the expertise to review and validate the balance sheet of Suraj Estate Developers Limited

Mapping of Residential Projects of Suraj Estate Developers Limited launched from 2016 to H1 2023

Figure 5.3



Snapshot of Residential Projects of Suraj Estate Developers Limited launched from 2016 to H1 2023

Sr. No.	Project Name	Location	Launch Year	Construction Status	Total Units Launched (nos.)	Total Sold Units (nos.)
1	Palette	S K Bole Road, Dadar(W)	2017	Under Construction	109	99
2	Ocean Star	Kirti College, Dadar (W)	2017	Under Construction	48	37
3	Ave Maria	S K Bole Road, Dadar(W)	2019	Under Construction	42	41
4	Louisandra	Gokhale Road, Dadar(W)	2019	Under Construction	60	60
5	Emmanuel	Cadell Road, Dadar (W)	2021	Under Construction	59	56
6	Vitalis	L J Road, Mahim (W)	2021	Under Construction	142	80
7	Suraj Eterna	L J 2nd Cross Road, Mahim (W)	2021	Under Construction	66	40
8	Nirvana	G.D Ambedkar Road, Parel (E)	2016	Under Construction	84	54
9	Suraj Parkview 2	Anant Patil Marg, Dadar (W)	2022	Under Construction	46	26
10	Mangirish	Kirti College, Dadar (W)	2016	Completed	5	5
11	Lumiere	Gokhale Road, Dadar (W)	2016	Completed	19	19
12	Elizabeth Apartments	Gokhale Road, Dadar (W)	2016	Completed	5	5
13	Tranquil Bay	Kirti College, Dadar (W)	2016	Completed	8	8
14	Mon Desir	Shivaji Park, Dadar (W)	2016	Completed	2	2
15	St Anthony's Apartments	MMC Road, Mahim (W)	2016	Completed	16	16
16	Suraj Lumina	Off. S.V.S. Road, Mahim (W)	2023	Under Construction	35	0
				TOTAL	746	548

Source: As provided by Suraj Estate Developers Limited

Note: In above table, Project Lumina has obtained Commencement Certificate (CC) and IOD, hence has been shown as Under-construction with 35 Units. However, since the same project has not yet obtained RERA registration certificate, it is has been excluded from Supply analysis in the following section of sub-market of Mahim and developer ranking has been derived accordingly.

Snapshot of land reserves with Suraj Estate Developers Limited, as of 30th June 2023

Location	Leased/ Owned/Development Rights	Plot Area (in acres)
C.T.S.No.918 Mount Mary, Hill Road, Bandra (W)	Leased	0.29
C.T.S.No.930 Mount Mary, Hill Road, Bandra (W)	Owned	0.09
C.T.S. No 917 Mount Mary, Hill Road, Bandra (W)	Development Rights	0.96
C.T.S. No 929 Mount Mary, Hill Road, Bandra (W)	Development Rights	0.43
C.T.S. No 931 Mount Mary, Hill Road, Bandra (W)	Development Rights	0.22
C.T.S. No 916 Mount Mary, Hill Road, Bandra (W)	Development Rights	0.39

CS No 3429, 3430 and 3262 - Kole Kalyan Property, Santacruz (E)	Development Rights	0.18
Total		2.56

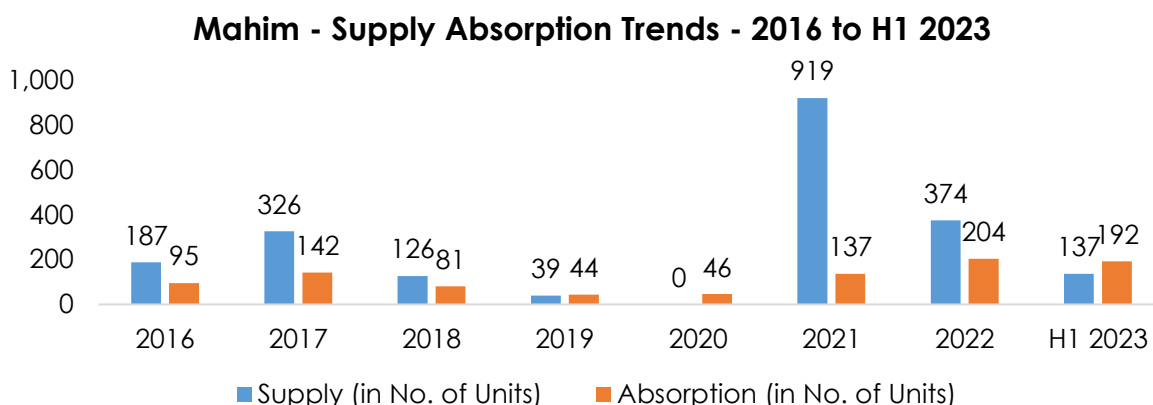
Source: As provided by Suraj Estate Developers Limited

5.2 SUPPLY, ABSORPTION, UNSOLD INVENTORY AND PRICING TRENDS IN SELECTED SUBMARKETS OF SOUTH CENTRAL MUMBAI – 2016 TO H1 2023

Mahim Sub-Market

The following graph sets forth supply and absorption trends (in units) in Mahim market from 2016 to H1 2023. There have been limited launches in Mahim from 2016 to -H1 2023 with majority of projects being redevelopment projects. The launches witnessed a reduction from 2017 to 2019 with no launches in 2020 with developers delaying their projects to counter the effects of COVID pandemic. 2021 and 2022 have witnessed higher launches in the Mahim market with almost 66% contribution from last 6 years. Mahim market has witnessed reduction in absorption levels post 2017 until 2019 with slight increase in absorption levels in 2020 inspite of the COVID pandemic, primarily owing to reduction in stamp duty by Government of Maharashtra. Further, 2021 and 2022 has seen good absorption levels in Mahim thus showing an overall improvement in the real estate scenario in Mahim. The trend remains strong during H1 of 2023, with as much as 36% Supply and 94% Absorption levels as that observed in 2022.

Figure 5.4



Note: Does not include Project Lumina with 35 units as its not RERA Registered yet.

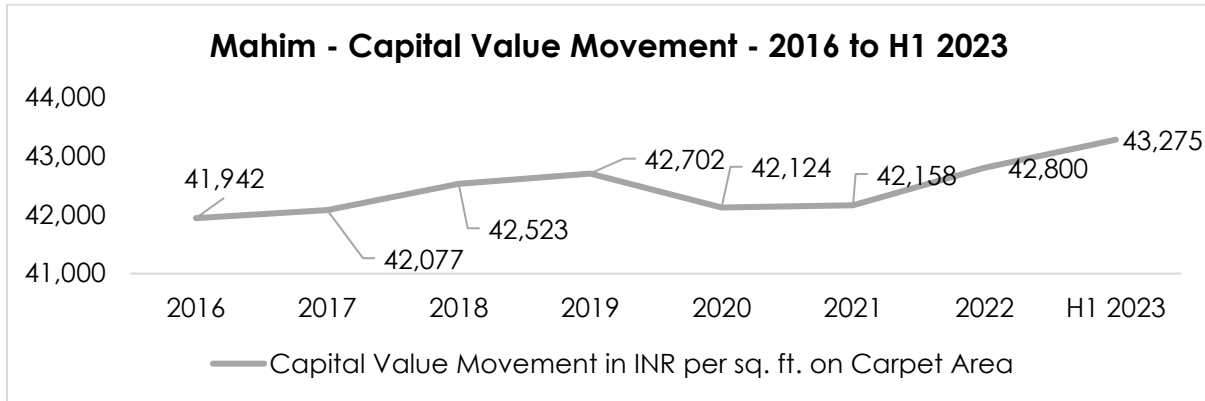
Source: Anarock Research

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

The following graph sets forth the pricing trends of Mahim market from 2016 to H1 2023. There has been an overall stagnancy in prices in the market from 2016 to 2021 with a reduction in pricing post 2019 which was mainly on account of developers lowering offered prices to counter the effect of COVID-19 pandemic to increase their sales velocity in the project. We have also witnessed new launches being made at a relative competitive price which contributed towards decline in market average price. There has been a slight appreciation seen in 2022 and Q1 of 2023 as compared to previous levels.



Figure 5.5

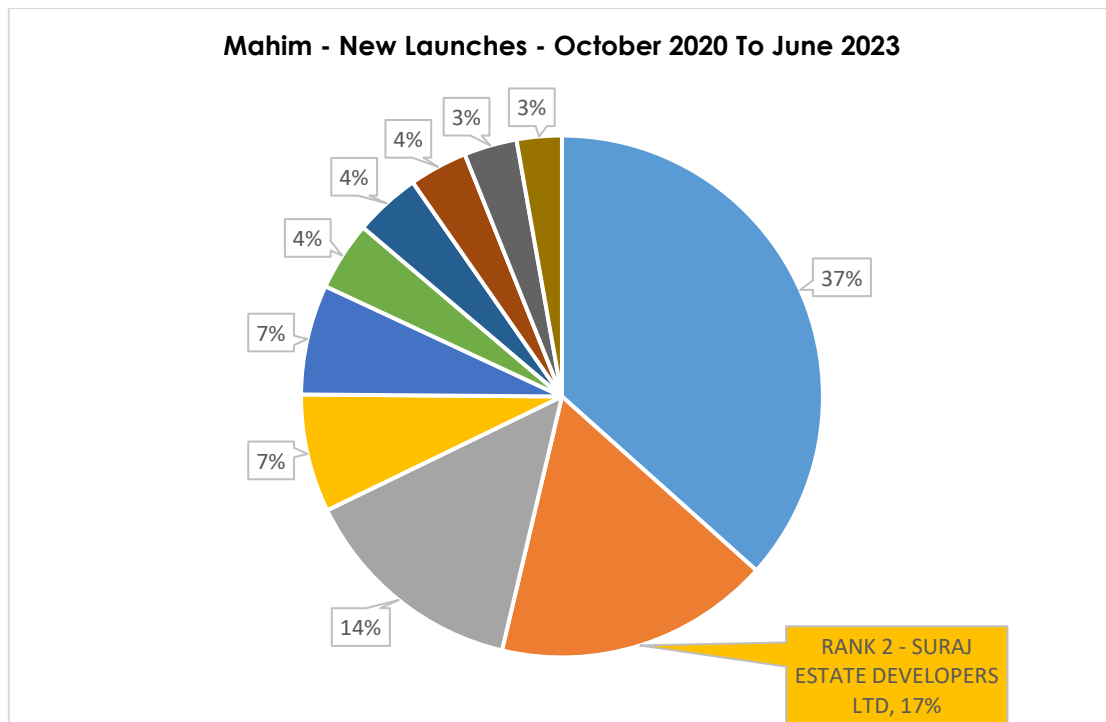


Source: Anarock Research

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

Suraj Estate Developers Limited has an established presence in the Mahim market with two of its projects Vitalis and Eterna launched in 2021 with 142 units and 66 units respectively which has helped it to be ranked 2nd in the Mahim market in terms of supply and helped to strengthen its presence. It is to be noted that the Suraj Estate Developers Limited has Launched Project Lumina with 35 units under one of its Subsidiary company and has obtained Commencement Certificate (CC) and IOD. However, since its not RERA registered yet, its not consider in its supply and its ranking is derived accordingly. Further, Suraj Estate Developers Limited has future plans of developing residential projects in various locations of Mahim (West) area with an estimated RERA Carpet area of 0.29 million sq. ft., which will help Suraj Estate Developers Limited in further strengthening its position in Mahim market.

Figure 5.6



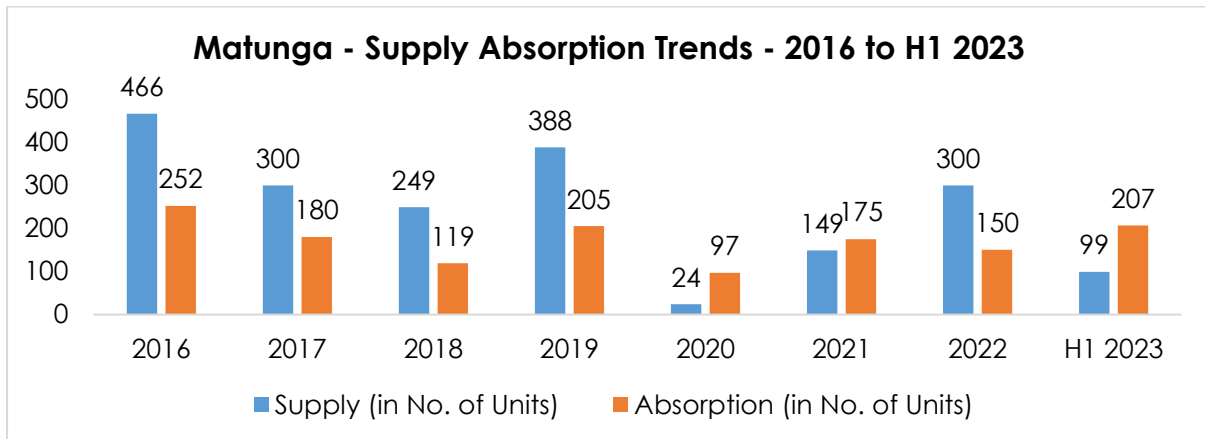
Source: Anarock Research



Matunga Sub-Market

The following graph sets forth supply and absorption trends (in units) in Matunga market from 2016 to H1 2023. Matunga has witnessed high number of launches from 2016 to 2019 with a reduction in launches in 2020 as developers were seen delaying their launches due to COVID pandemic. 2021 and 2022 witnessed a slight increase in launches. Matunga market has witnessed healthy absorption levels from 2016 with an exception in the year 2020. The absorption levels have improved in 2021 and 2022 as compared to 2020. The Absorption level remains strong even in H1 of 2023.

Figure 5.7

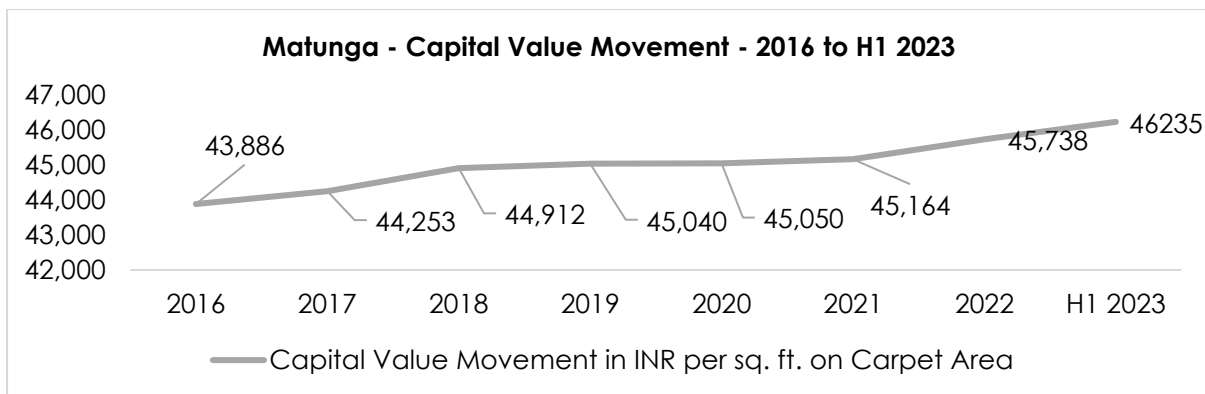


Source: Anarock Research

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

The following graph sets forth the pricing trends of Matunga market from 2016 to H1 2023. There has been a minimal appreciation in capital values from 2016 to H1 2023.

Figure 5.8



Source: Anarock Research

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

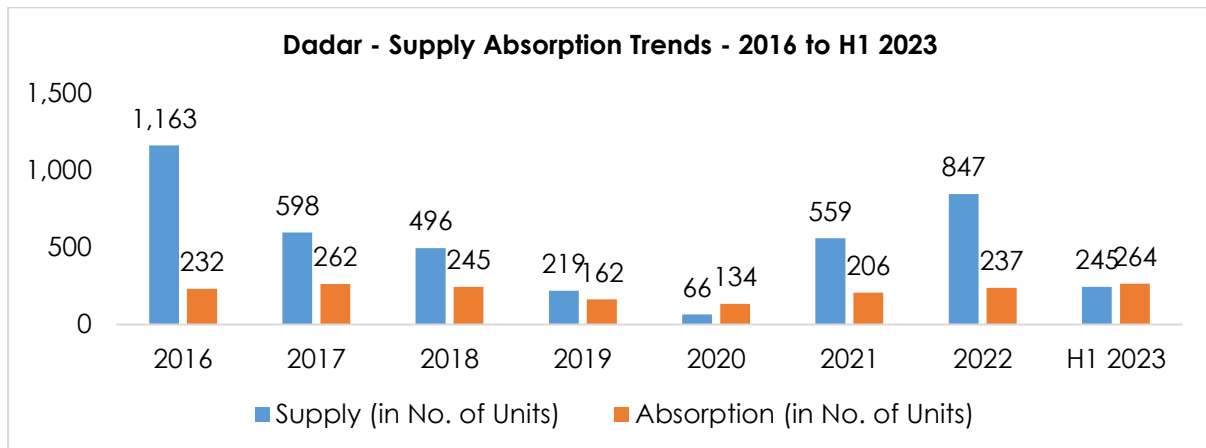
Dadar Sub-Market

The following graph sets forth supply and absorption trends (in units) in Dadar market from 2016 to H1 2023. New launches have witnessed an overall reduction from 2016 with minimal launches in 2020. However, the developers were seen delaying their projects to counter the effects of COVID pandemic. Hence, 2021 and 2022 has witnessed many new launches. Dadar has witnessed healthy absorption levels in 2020 and 2021 inspite of COVID pandemic thus suggesting that there was a minimal impact on the Dadar market. Further, absorption levels



have been healthy in Dadar in 2022 as well with 15% more absorption levels as compared to 2021 levels. While the absorption levels in H1 of 2023 is more than that in 2022.

Figure 5.9

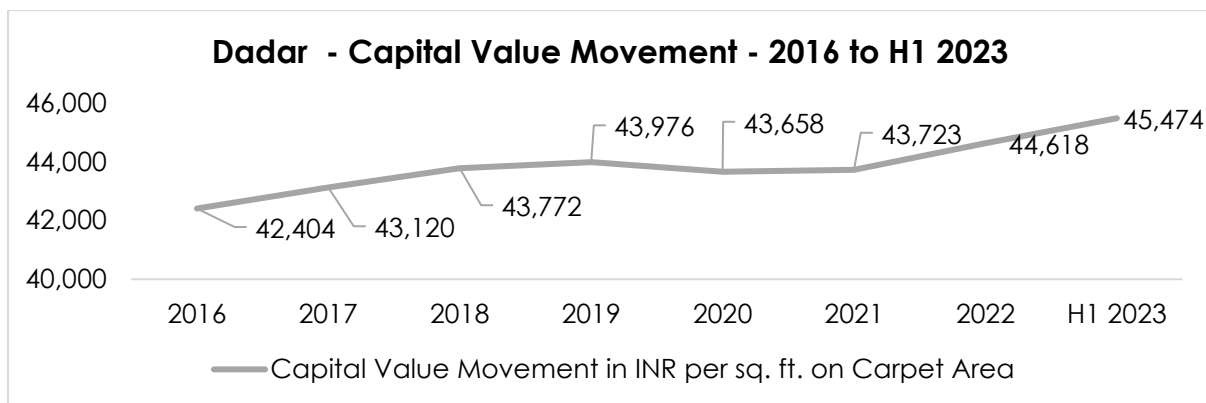


Source: Anarock Research

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

The following graph sets forth the pricing trends of Dadar market from 2016 to H1 2023. There has been an overall appreciation of 3-4% in the prices in Dadar from 2016 to 2019 with a nominal reduction in prices from 2019 to 2021. However, there has been a slight appreciation of ~2% from 2021 to 2022 and ~1.9% from 2022 to H1 2023

Figure 5.10



Source: Anarock Research

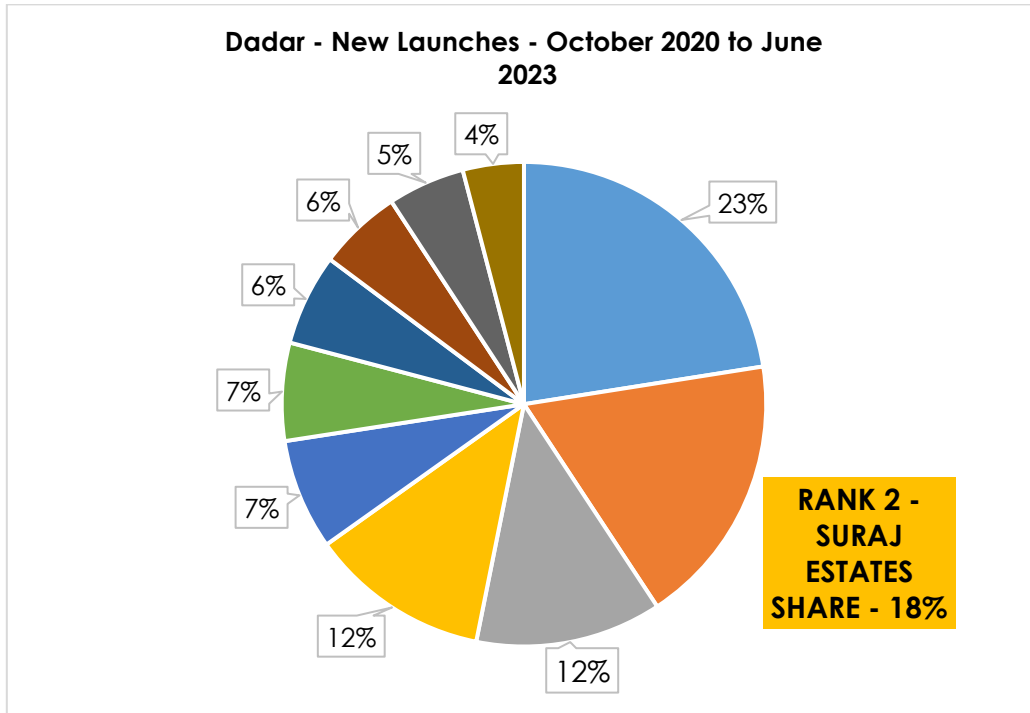
Note: All the figures in the above graph are as per Calendar Year (CY)

Suraj Estate Developers Limited has an established presence in Dadar market with many projects launched and active in the market namely Emmanuel, Palette, Ave Maria and Louisandra. Suraj Estate Developers Limited has launched its project Suraj Parkview 2 in Dadar market with 46 units and additional 24 units launched in Ocean Star project. In the period October 2020 to June 2023, Suraj Estates is ranked 2nd in terms of launches (in units). Further, Suraj Estate Developers Limited has plans of developing residential projects in Dadar (West)



area with an estimated RERA Carpet area of 0.15 million sq ft, which will help Suraj Estate Developers Limited in further strengthening its position in Dadar market.

Figure 5.11

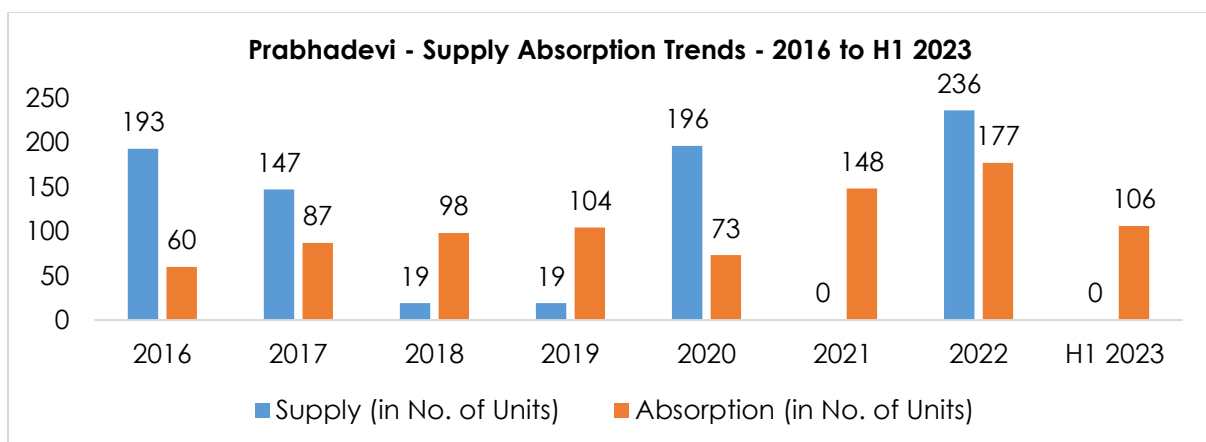


Source: Anarock Research

Prabhadevi Sub-Market

The following graph sets forth supply and absorption trends (in units) in Prabhadevi market from 2016 to H1 2023. There have been limited launches in Prabhadevi from 2016 to H1 2023 with majority of projects being redevelopment projects. Prabhadevi market has witnessed average absorption levels of 80 – 100 units per year from 2016.

Figure 5.12

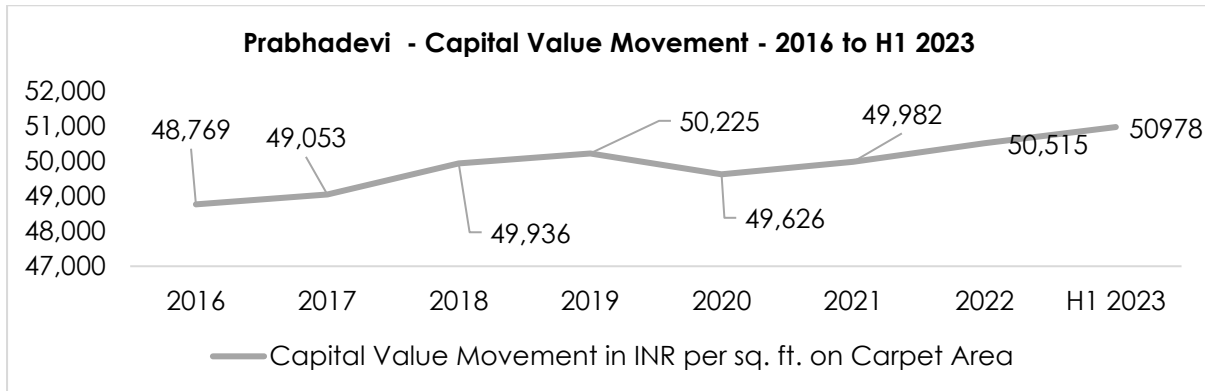


Source: Anarock Research

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

The following graph sets forth the pricing trends of Prabhadevi market from 2016 to H1 2023 showing that there has been a stagnancy in the prices in the market during the period.

Figure 5.13



Source: Anarock Research

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

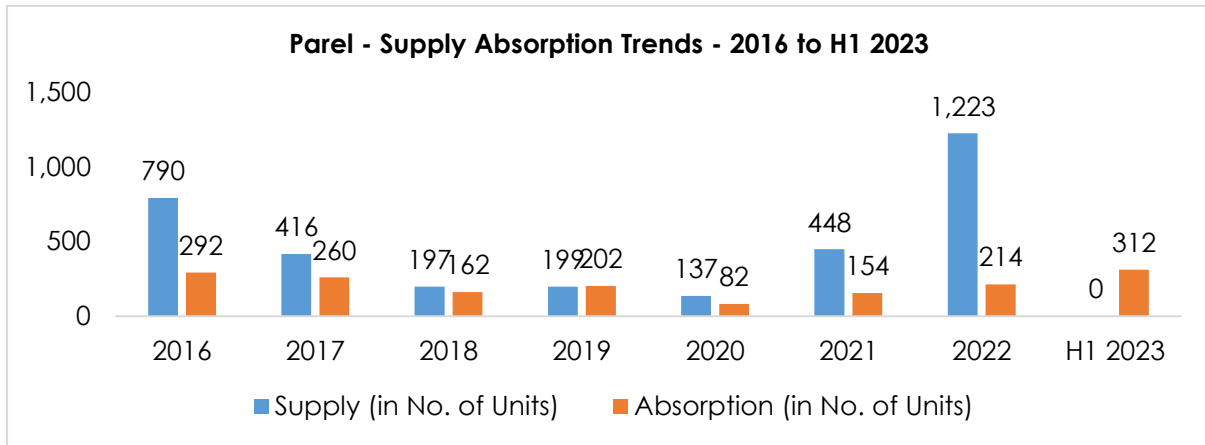
Suraj Estate Developers Limited is an established name in Prabhadevi market and has quite a few projects located in Prabhadevi. Further, Suraj Estate Developers Limited has future plans of developing residential project in Prabhadevi with an estimated RERA Carpet area of 0.02 million sq. ft., which will help Suraj Estate Developers Limited in further strengthening its position in Prabhadevi market.

Parel Sub-Market

The following graph sets forth supply and absorption trends (in units) in Parel market from 2016 to H1 2023. New launches have witnessed a reduction from 2016 with minimal launches in Parel from 2018 to 2020. Since developers delayed their projects during COVID-19 pandemic, Parel market has witnessed major launches in 2021 and 2022. Parel market has witnessed average absorption levels of 150 - 200 units per year from 2016 with an exception in 2020 majorly on account of COVID-19 pandemic induced lockdown.

Figure 5.14



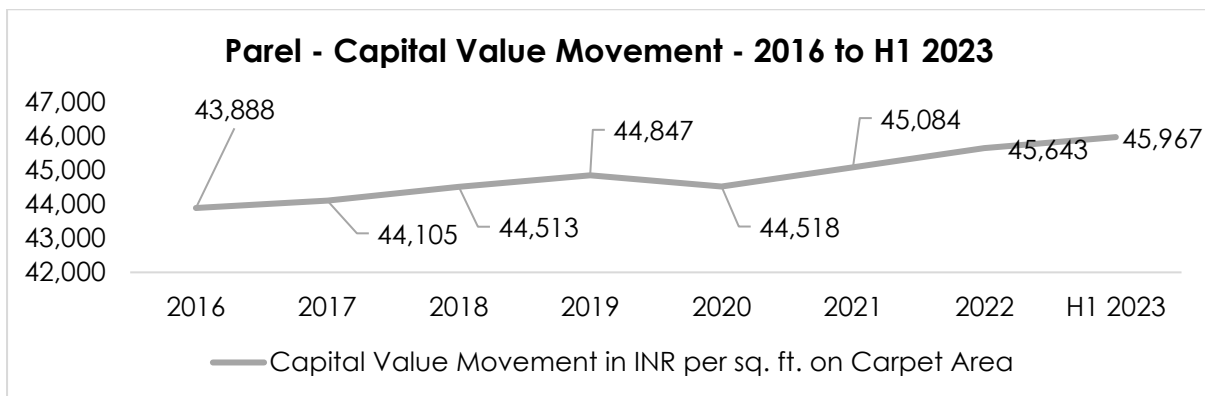


Source: Anarock Research

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

The following graph sets forth the pricing trends of Parel market from 2016 to H1 2023. There has been a minimal price appreciation with an overall increase in prices of 2-3% from 2016 till H1 2023 in the market.

Figure 5.15



Source: Anarock Research

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

Suraj Estate Developers Limited aims to strengthen its presence in the Parel market with its Project Nirvana in Parel East.

Trends in combined markets of Mahim, Matunga, Dadar, Prabhadevi and Parel

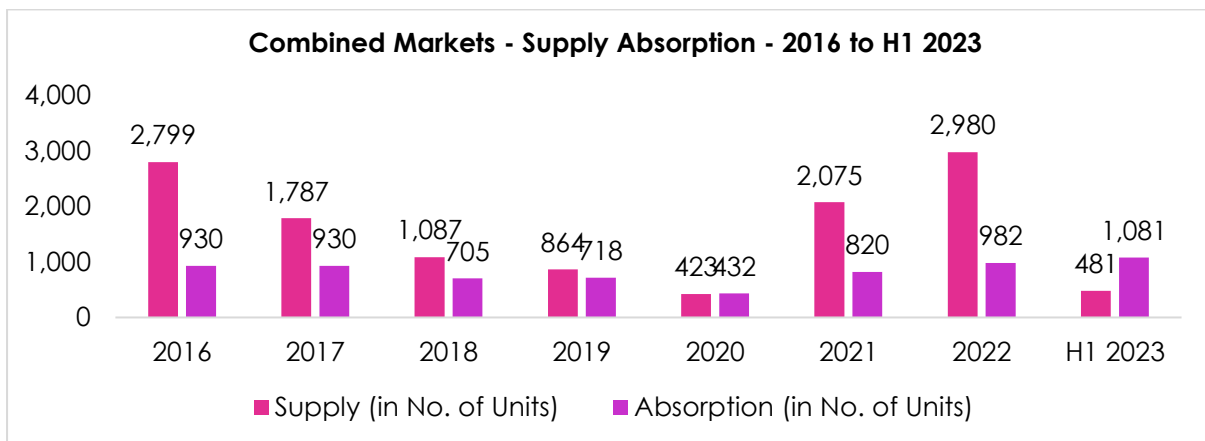
Locations of Mahim, Matunga, Dadar, Prabhadevi and Parel are located within close proximity (within 10 kms driving distance from the major projects of Suraj) of office markets and retail locations of Worli, Lower Parel and BKC. Further, surrounding areas provide good social infrastructures i.e., hospitals (Hinduja Hospital, Mahim), Education (Kirti College, Ruia College, Poddar College), and recreational areas (Shivaji Park, Dadar Chowpatty). These aspects increase the quality of life & contribute to Housing demand in these locations.



Suraj Estate Developers Limited has the maximum presence in the localities in Mahim, Matunga, Dadar, Prabhadevi and Parel markets. Hence, to have a comparison with the Suraj Estate Developers Limited projects, combined markets of Mahim, Matunga, Dadar, Prabhadevi, and Parel (hereinafter referred to as **Combined Markets**) have been considered for the analysis purpose.

The following graph sets forth supply and absorption trends (in units) in combined markets from 2016 to H1 2023. New launches have witnessed a reduction from 2016 to 2020. Since developers delayed their projects during COVID-19 pandemic, the combined markets have witnessed major launches in 2021 and H1 2023. The market has witnessed healthy absorption levels from 2016 to 2019 with reduction in absorption levels in 2020 due to COVID – 19 restrictions. The absorption levels have improved in 2021, 2022 and H1 2023.

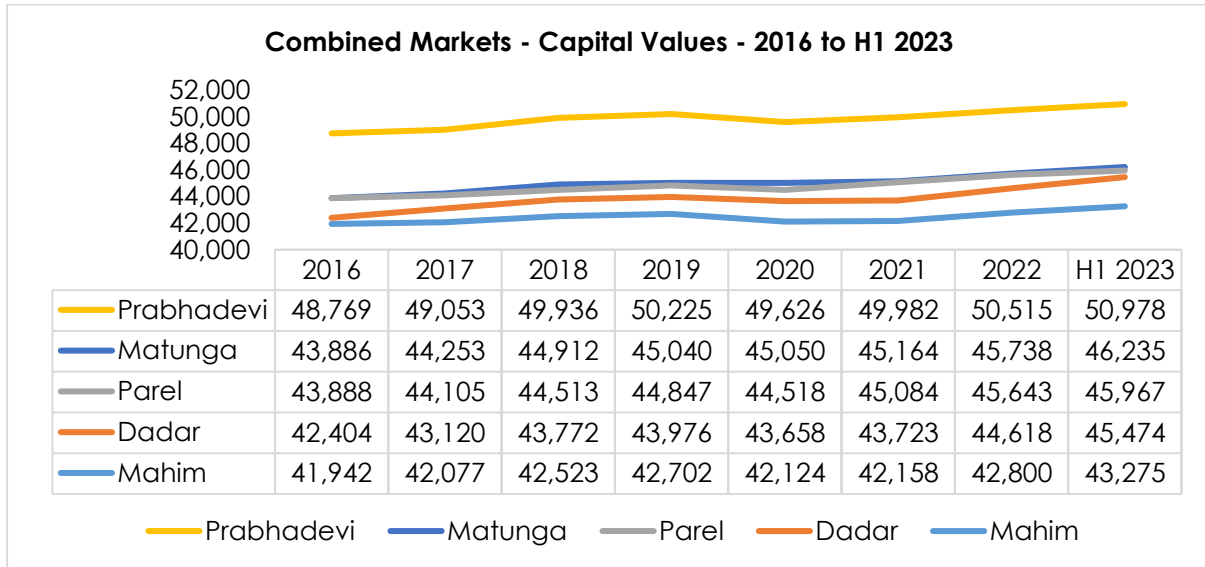
Figure 5.16



Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY). The following graph sets forth the pricing trends of combined markets from 2016 to H1 2023.

Figure 5.17



Source: Anarock Research

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

Impact of COVID on the market dynamics of Combined Markets of Mahim, Matunga, Dadar, Prabhadevi and Parel for the period January – 2020 to June - 2023

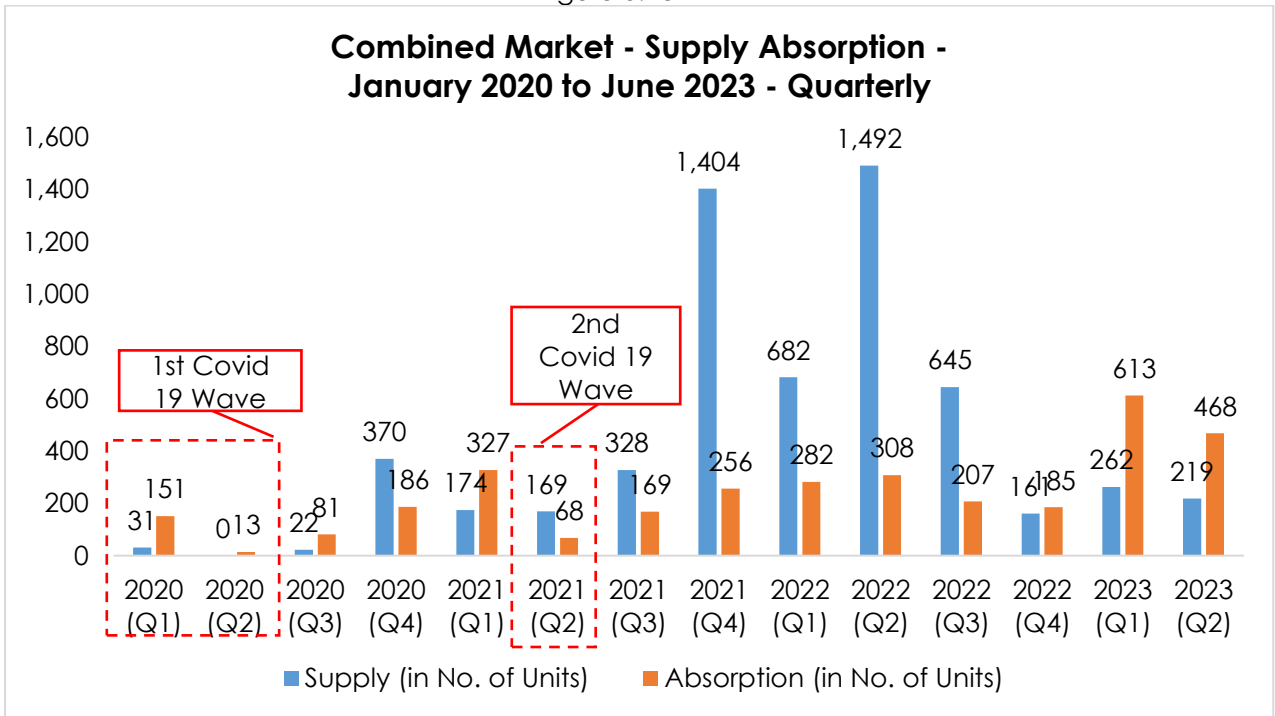
During the 1st wave of COVID lockdown in Q2 2020, there was an impact on the economic activity in India as there was restriction on labour movements, constructions at developer site were stopped and the employment rate reduced to an all-time low as a result of which there was minimal activity in the real estate market.

During the 2nd wave of COVID in Q2 2021, there was an impact on the physical and mental health of people. There was a minimal economic impact, as there was no restriction on labour movement, construction at developer site was allowed due to which there was no impact on demand. Potential buyers in the various projects were also allowed to do site visits.

The following graph sets forth quarterly supply and absorption trends (in units) in combined markets from 2020 to Q2 2023. The first 3 quarters of 2020 witnessed minimal launches as developers delayed the launches of their projects to counter the effects of 1st wave of COVID pandemic. As the situation improved post 1st wave of lockdown, Q4 2020 and Q1 2021 witnessed higher launches with healthy absorption levels due to stamp duty cut by Government of Maharashtra. Though the 2nd wave of COVID pandemic struck in Q2 2021 in India, the developers were launching projects in the considered markets with increased number of new launches in Q4 2021, Q1 2022, Q2 2022 and Q3 2022. There was a reduction in absorption levels during Q2 2021; however, the absorption levels gradually improved in Q3 2021, Q4 2021, Q1 2022, Q2 2022 and Q3 2022. The absorption levels decreased for the Q3 and Q4 of 2022, while there have been substantial increase in Q1 and Q2 of 2023.



Figure 5.18



Source: Anarock Research

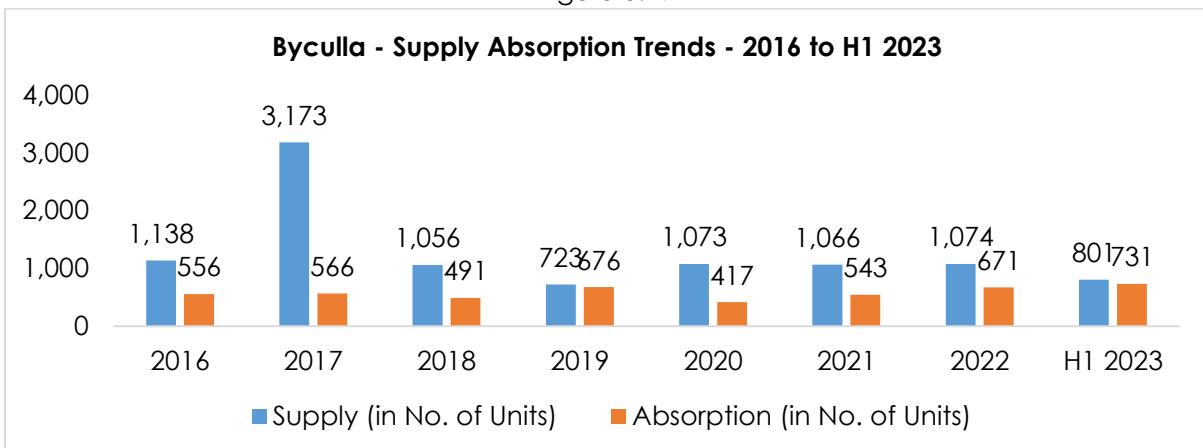
Note: All the figures in the above graph are as per Calendar Year (CY)

Other Markets in South Central Mumbai where Suraj Estate Developers Limited has future plans of developing Residential Projects

Byculla Sub-Market

The following graph sets forth supply and absorption trends (in units) in Byculla market from 2016 to H1 2023. New launches have witnessed an increase in 2017 due to new project launches by Grade A developers in the market. Byculla market has witnessed average absorption levels of 500 – 550 units per year from 2016 to 2022, while in H1 2023 the absorption is about 731 units

Figure 5.19



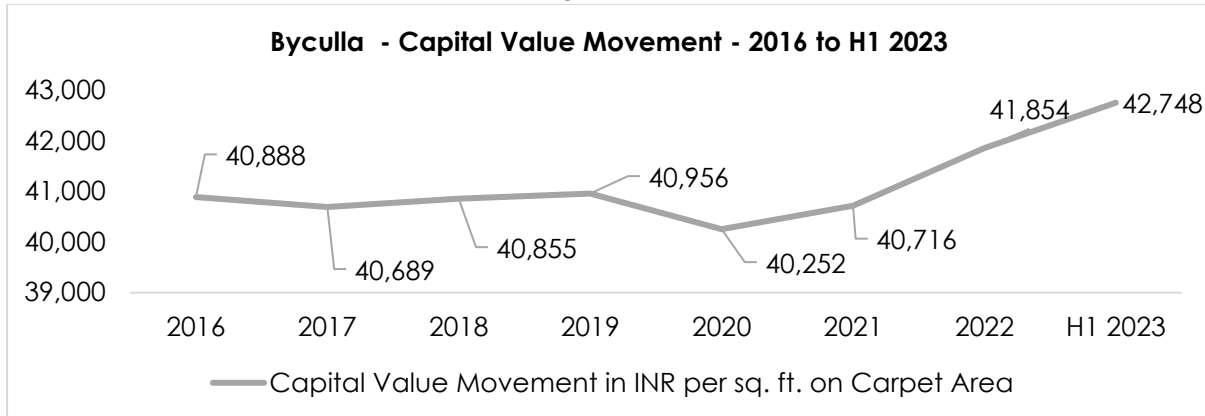
Source: Anarock Research

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



The following graph sets forth the pricing trends of the Byculla market from 2016 to H1 2023. There has been a stagnancy in prices in the market with a reduction in pricing in 2020 with 2021 levels as similar as 2016. However, there has been a slight appreciation of ~3% in 2022 and H1 2023 as compared to 2021 levels.

Figure 5.20



Source: Anarock Research

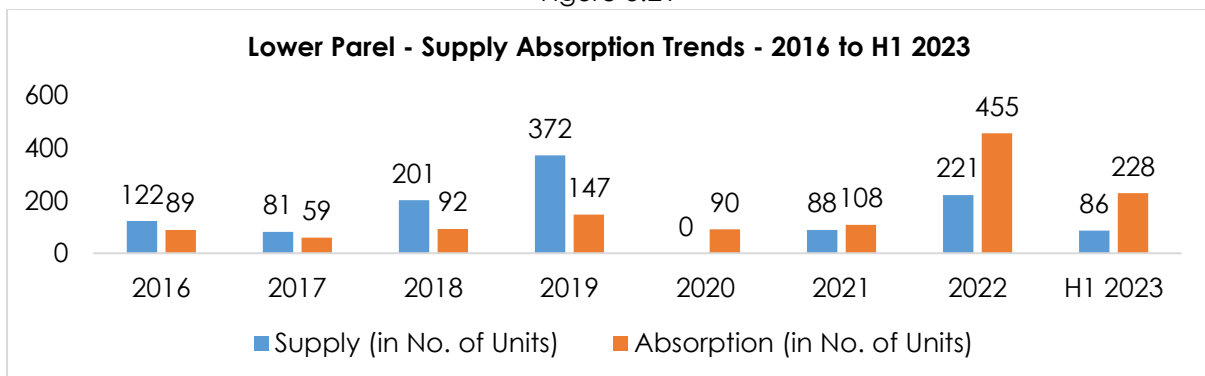
Note: All the figures in the above graph are as per Calendar Year (CY)

Suraj Estate Developers Limited has future plans of developing residential project in Byculla (East) area with an estimated potential RERA Carpet area of 0.02 million sq. ft. It will help Suraj Estate Developers Limited in venturing into the Byculla market as it will be its first project in Byculla.

Lower Parel Sub-Market

The following graph sets forth supply and absorption trends (in units) in Lower Parel market from 2016 to H1 2023. There have been limited number of launches in the Lower Parel market with no launches during 2020 with launches improving in 2021 and 2022. Lower Parel market has witnessed average absorption levels of 80 – 100 units per year from 2016. 2022 absorption levels in Parel have been good with almost 4 times absorbed as compared to 2021 levels. In H1 2023 absorption have shown strong numbers.

Figure 5.21



Source: Anarock Research

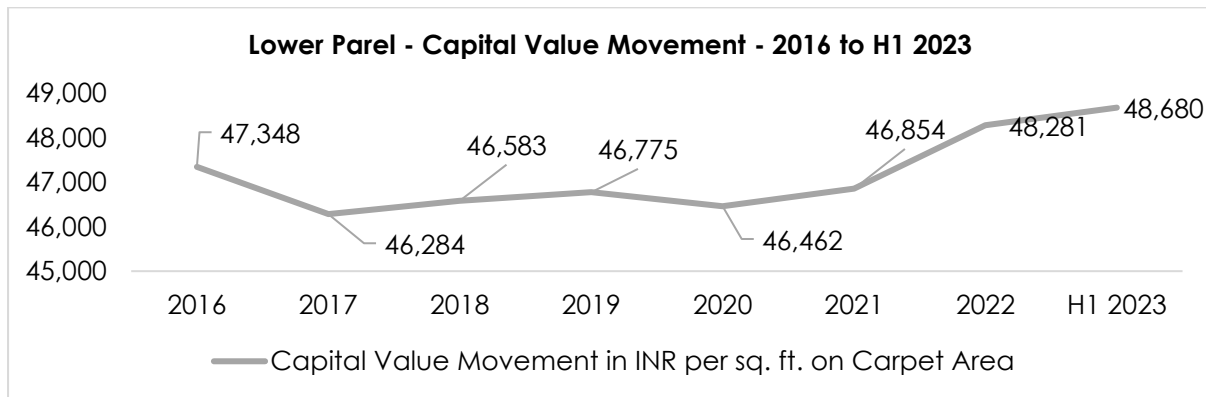
Note: All the figures in the above graph are as per Calendar Year (CY)

The following graph sets forth the pricing trends of Lower Parel market from 2016 to H1 2023. There has been a reduction in prices from 2016 to 2017 which could be attributed primarily on account of Demonetization, GST and RERA. Post that, there has been a minimal price



appreciation from 2017 till 2022. However, 2022 and H1 2023 has witnessed a price appreciation of ~3% as compared to 2021.

Figure 5.22



Source: Anarock Research

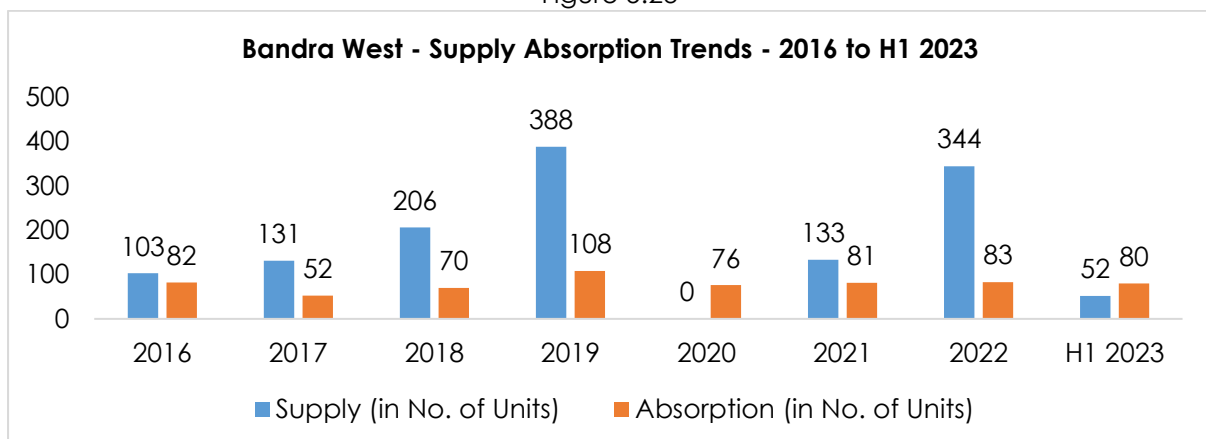
Note: All the figures in the above graph are as per Calendar Year (CY)

Suraj Estate Developers Limited has future plans of developing residential project in Lower Parel (East) area with an estimated RERA Carpet area of 0.02 million sq. ft. which will help the developer in establishing its presence in Lower Parel.

Bandra West Sub-Market

The following graph sets forth supply and absorption trends (in units) in Bandra West market from 2016 to H1 2023. There have been limited launches in Bandra West from 2016 to 2022 with no launches recorded in 2020. Bandra West market has witnessed average absorption levels of 70 – 80 units per year from 2016.

Figure 5.23



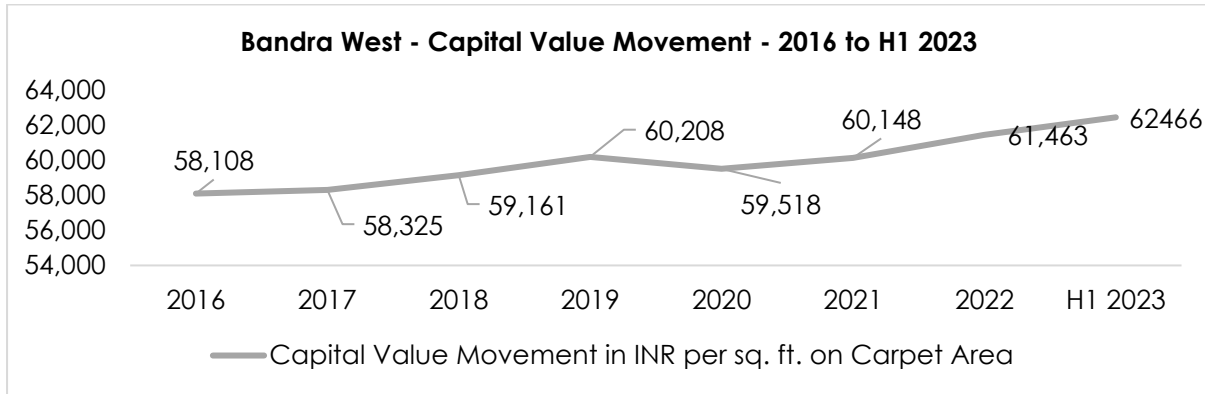
Source: Anarock Research

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

The following graph sets forth the pricing trends of Bandra West market from 2016 to H1 2023. There has been an overall price appreciation of 7.5% from 2016 till H1 2023 with a reduction in pricing from 2019 to 2020.



Figure 5.24



Source: Anarock Research

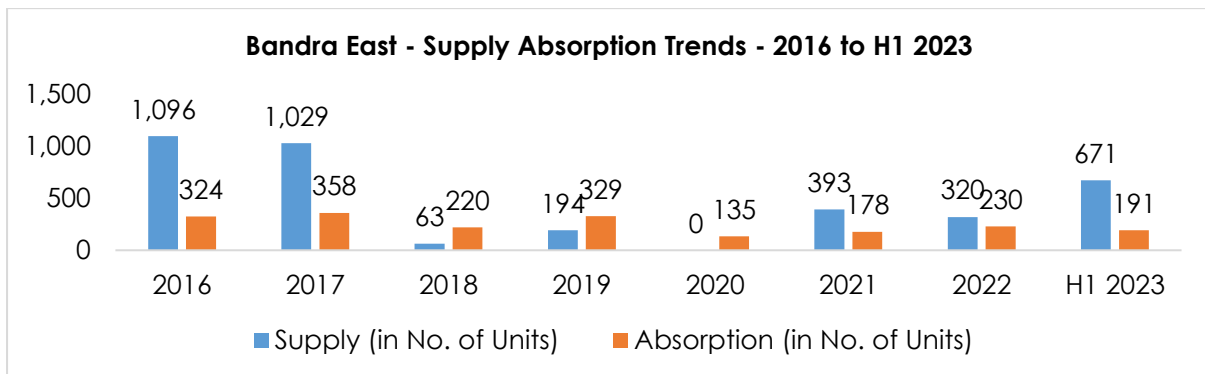
Note: All the figures in the above graph are as per Calendar Year (CY)

Suraj Estate Developers Limited has future plans of developing residential project in Bandra West area with an estimated RERA Carpet area of 0.26 million sq. ft. It will help Suraj Estate Developers Limited in venturing into the Bandra West market as it will be its first project in Bandra.

Bandra East Sub-Market

The following graph sets forth supply and absorption trends (in units) in Bandra East market from 2016 to H1 2023. New launches have witnessed an increase in 2016 and 2017 due to new project launches by Grade A developers in the market. However, post 2017 there have been minimal launches in the market. Bandra East market has witnessed healthy absorption levels from 2016 to 2019 with reduction in absorption levels post 2019. In H1 2023, the supply and absorption has shown steady activity.

Figure 5.25



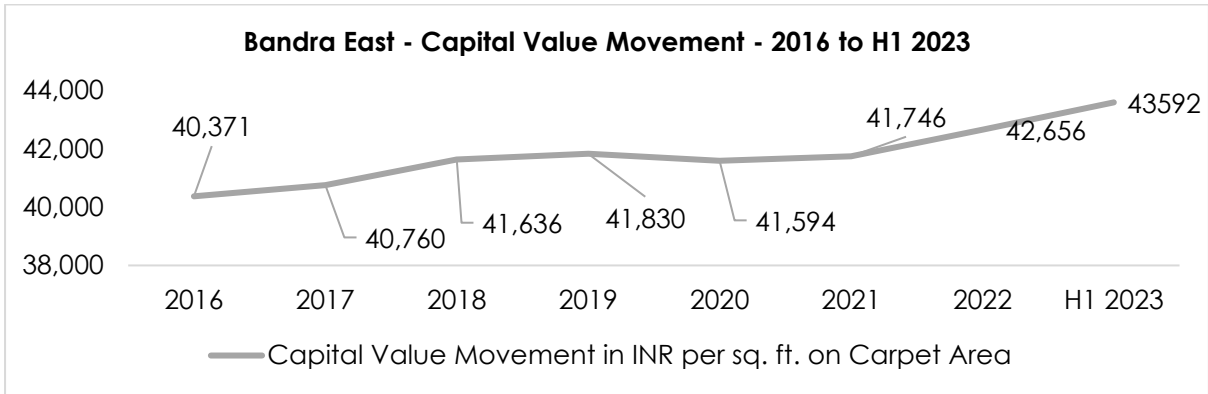
Source: Anarock Research

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

The following graph sets forth the pricing trends of Bandra East market from 2016 to H1 2023. There has been an overall price appreciation of ~7.8% from 2016 till H1 2023 with a reduction in pricing from 2019 to 2020. 2021, 2022 and H1 2023 have again witnessed an increase in prices.



Figure 5.26



Source: Anarock Research

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

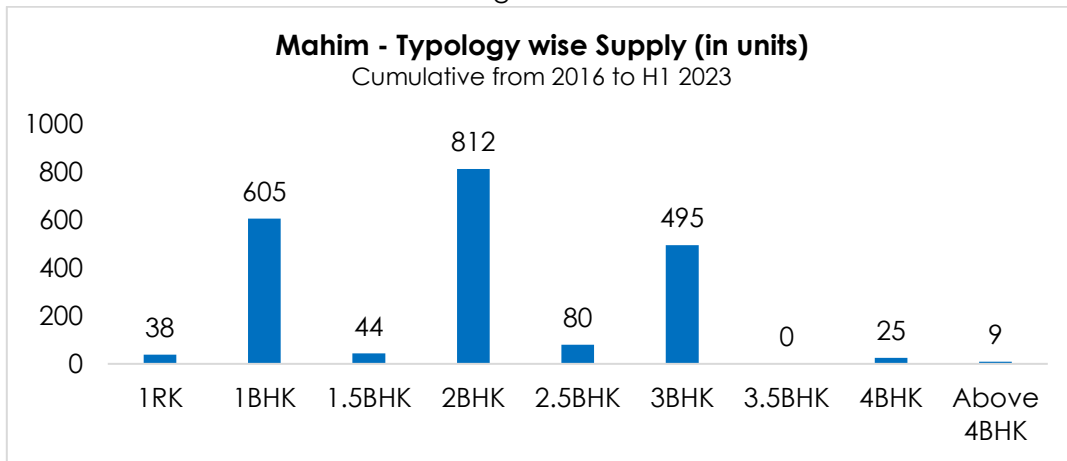


5.3 TYPOLOGY WISE SUPPLY, ABSORPTION DYNAMICS IN SELECTED SUBMARKETS OF SOUTH-CENTRAL MUMBAI – CUMULATIVE FROM 2016-2023 (Q1)

Mahim Sub-Market

The following graph sets forth typology wise supply (in units) in Mahim market for the cumulative period of 2016 to H1 2023. The market has a mix of 1BHK, 2BHK, and 3BHK as a part of its supply from 2016 with a small share of 4BHK units.

Figure 5.27

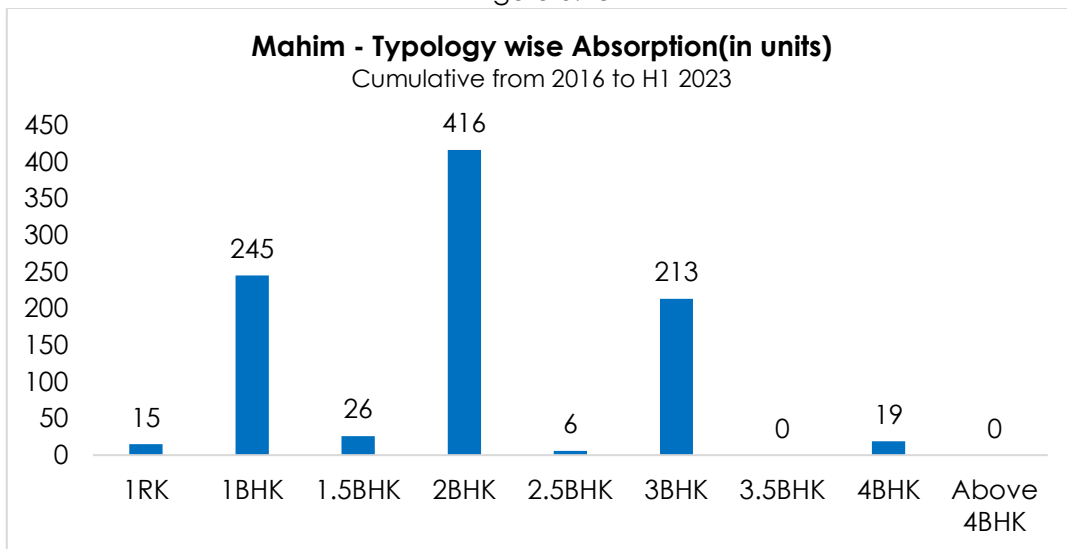


Source: Anarock Research

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

The following graph sets forth typology wise absorption (in units) in Mahim market for the cumulative period of 2016 to H1 2023. Out of the total absorption levels in the market, 1BHK and 2BHK have a predominant share with ~70% inventory sold out of the total absorption levels in the market.

Figure 5.28



Source: Anarock Research

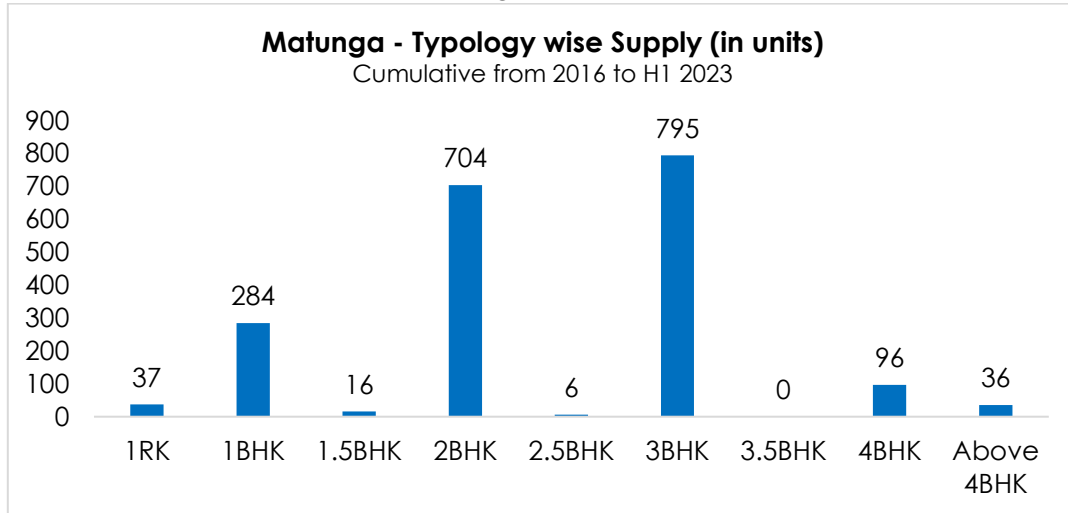
Note: All the figures in the above graph are as per Calendar Year (CY)



Matunga Sub-Market

The following graph sets forth typology wise supply (in units) in Matunga market for the cumulative period of 2016 to H1 2023. 1BHK, 2BHK and 3BHK are the predominant typologies in the market with a share of 90% of the total supply in the market. There is a small share of the luxury apartments as well in the Matunga market with small share of units of 4BHK, 5BHK and 6BHK.

Figure 5.29

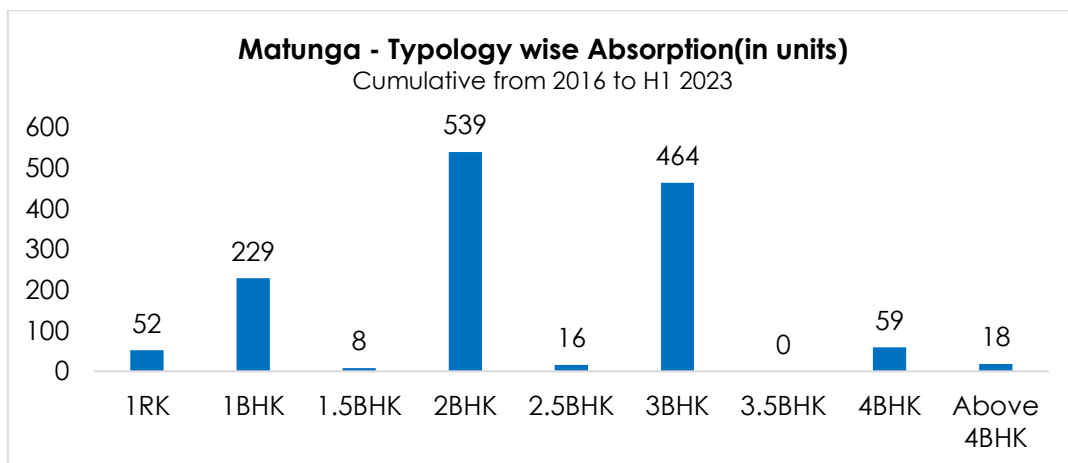


Source: Anarock Research

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

The following graph sets forth typology wise absorption (in units) in Matunga market for the cumulative period of 2016 to H1 2023. Out of the total absorption levels in the market, 2BHK and 3BHK have predominant share with ~72% inventory sold out of the total absorption levels in the market.

Figure 5.30



Source: Anarock Research

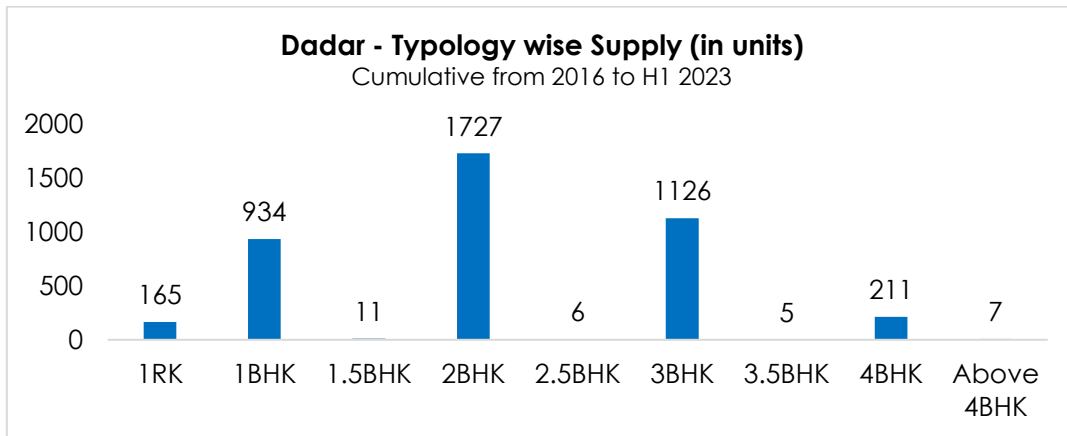
Note: All the figures in the above graph are as per Calendar Year (CY)

Dadar Sub-Market



The following graph sets forth typology wise supply (in units) in Dadar market for the cumulative period of 2016 to H1 2023. 1BHK, 2BHK and 3BHK are the predominant typologies in the market with a share of ~90% of the total supply in the market.

Figure 5.31

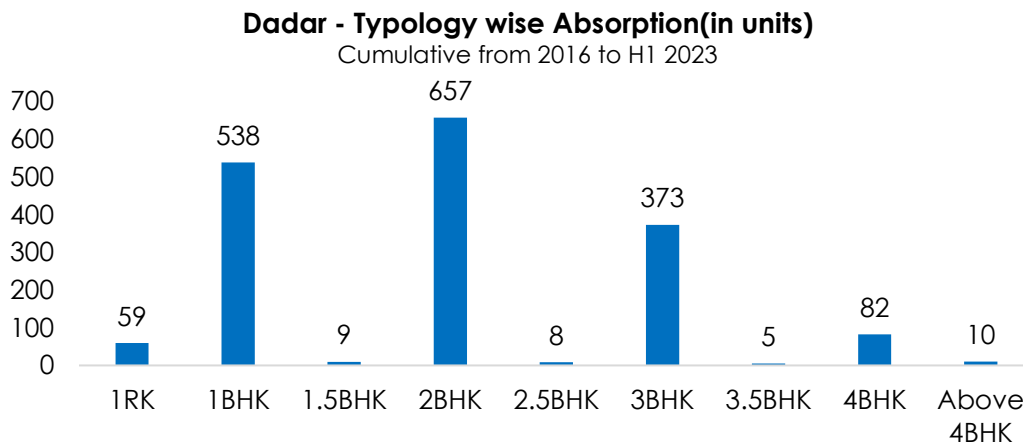


Source: Anarock Research

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

The following graph sets forth typology wise absorption (in units) in Dadar market for the cumulative period of 2016 to H1 2023. Out of the total absorption levels in the market, 1BHK and 2BHK consist of ~68% market share out of the total inventory sold in the market.

Figure 5.32



Source: Anarock Research

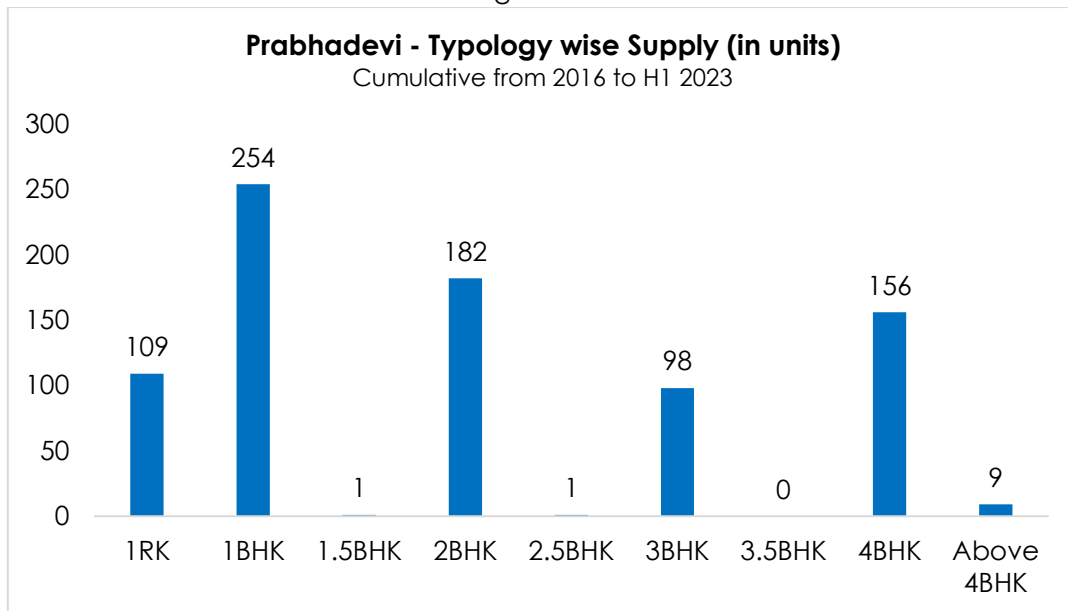
Note: All the figures in the above graph are as per Calendar Year (CY)



Prabhadevi Sub-Market

The following graph sets forth typology wise supply (in units) in Prabhadevi market for the cumulative period of 2016 to H1 2023. The market has a mix of major typologies viz. 1RK, 1BHK, 2BHK, 3BHK and 4BHK as a part of its supply from 2016.

Figure 5.33

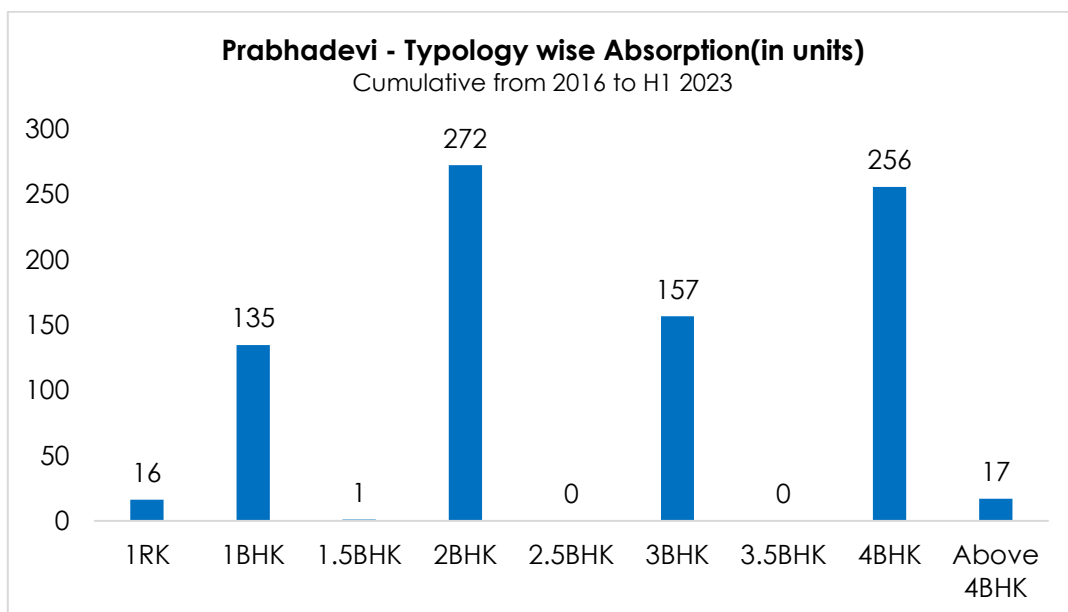


Source: Anarock Research

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

The following graph sets forth typology wise absorption (in units) in Prabhadevi market for the cumulative period of 2016 to H1 2023. Out of the total absorption levels in the market, 2BHK and 4BHK are predominant typologies with ~62% inventory sold out of the total absorption levels in the market.

Figure 5.34



Source: Anarock Research

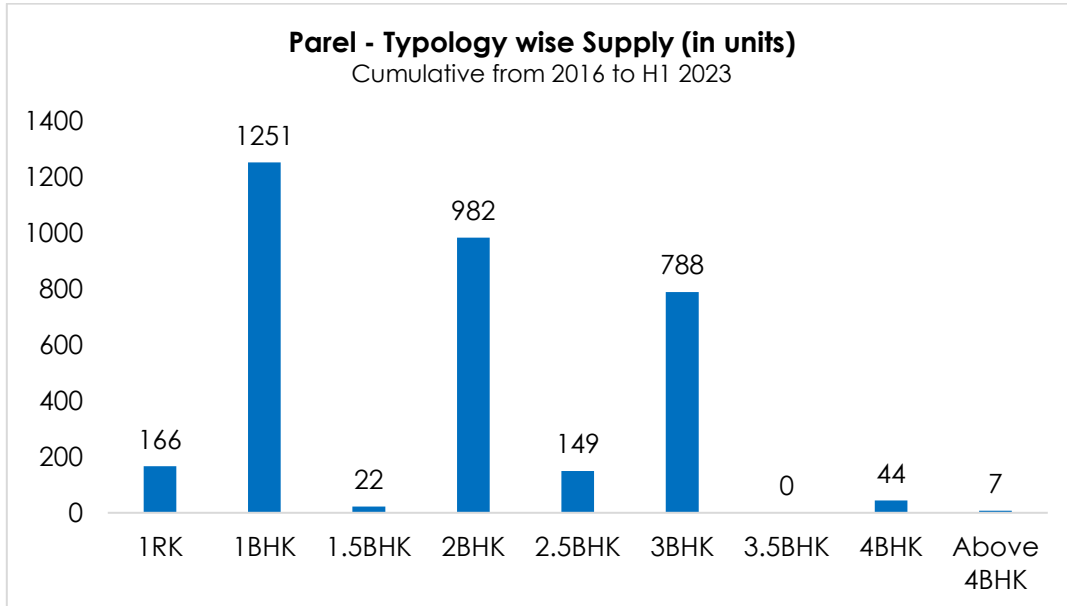
Note: All the figures in the above graph are as per Calendar Year (CY)



Parel Sub-Market

The following graph sets forth typology wise supply (in units) in Parel market for the cumulative period of 2016 to H1 2023. 1BHK, 2BHK and 3BHK are the predominant typologies in the market with a share of ~89% of the total supply in the market with a small share of 1RK units as well.

Figure 5.35

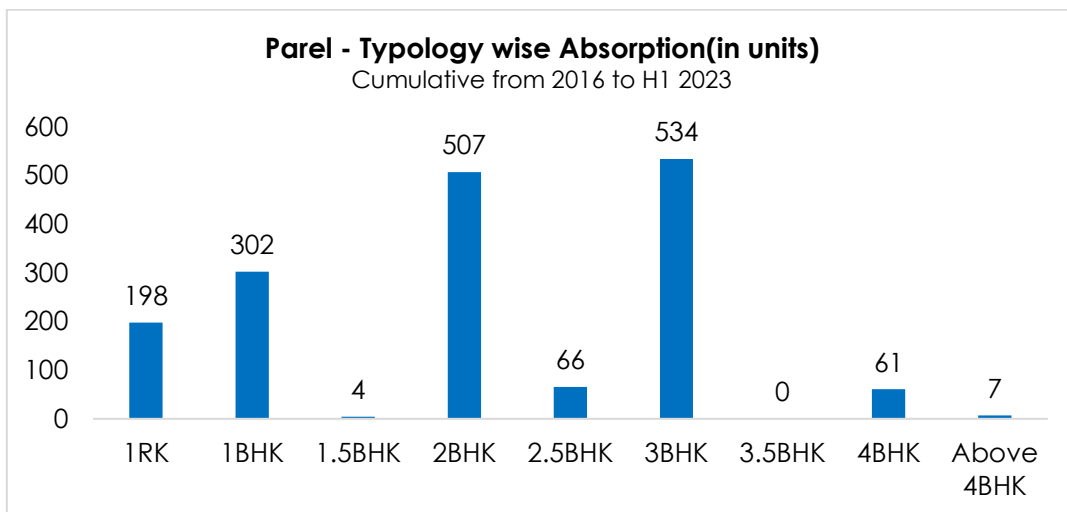


Source: Anarock Research

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

The following graph sets forth typology wise absorption (in units) in Parel market for the cumulative period of 2016 to H1 2023. Out of the total absorption levels in the market, 2BHK and 3BHK has a predominant share with ~62% inventory sold out of the total absorption levels in the market. Further, 1RK and 1BHK typologies have also seen good absorption levels in the market.

Figure 5.36



Source: Anarock Research

Note: All the figures in the above graph are as per Calendar Year (CY)
5.3.6 Comparison of Combined Markets (Mahim, Matunga, Dadar, Prabhadevi, and Parel) with Suraj Estate Developers Limited Portfolio

The following graph sets forth typology wise supply (in units) in combined markets of Mahim, Matunga, Dadar, Prabhadevi, and Parel in comparison to the project of Suraj Estate Developers Limited for the cumulative period of 2016 to H1 2023. **Suraj Estate Developers Limited has 1BHK, 2BHK and 3BHK as its predominant typologies as part of its launches in the various markets in Mumbai. Out of the total supply available from 2016, Suraj Estate Developers Limited has a market share of ~8% of 1BHK, ~5.45% for 2BHK and ~5.94% for 3BHK out of the total typology wise supply of the combined markets. This signifies that Suraj Estate Developers Limited has been one of the market leaders in terms of Supply of 1BHK, 2BHK and 3BHK units in the market.**

Combined Markets - Typology wise Supply (in units)

Cumulative from 2016 to H1 2023

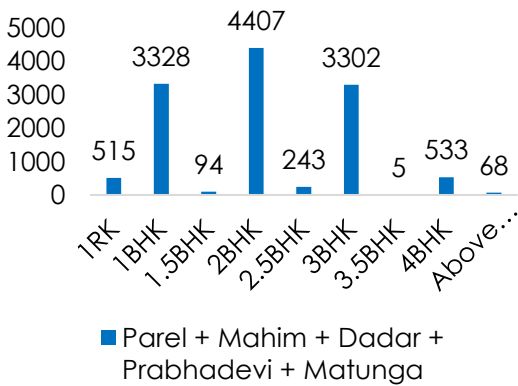
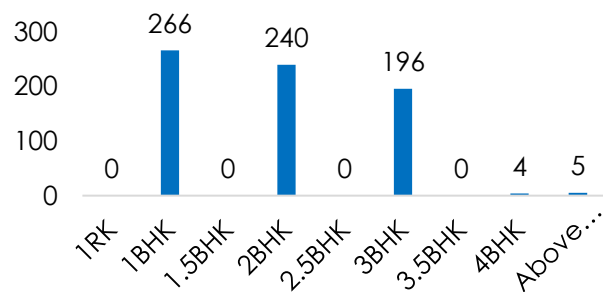


Figure 5.37

Suraj Estates Portfolio - Typology wise Supply (in units)

Cumulative from 2016 to H1 2023

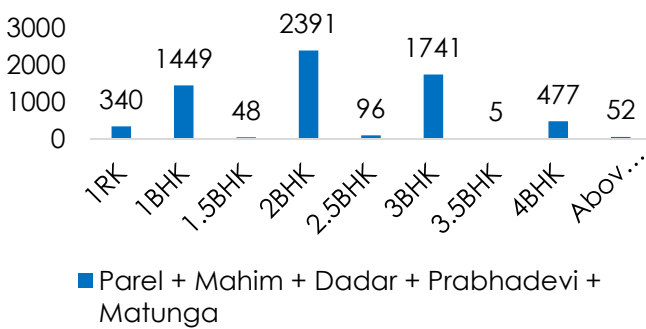


Source: Anarock Research, Suraj Estate Developers Limited

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

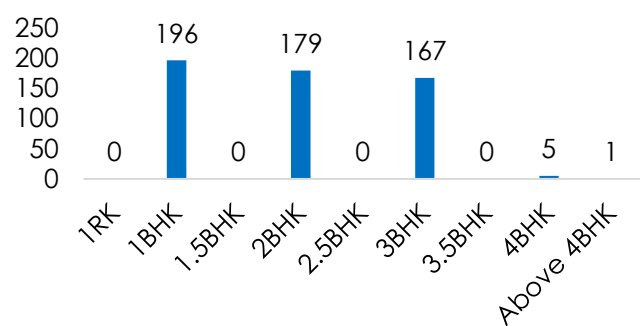
Combined Markets - Typology wise Absorption(in units)

Cumulative from 2016 to H1 2023



Suraj Estates Portfolio - Typology wise Absorption(in units)

Cumulative from 2016 to H1 2023



The following graph sets forth typology wise absorption (in units) in combined markets in comparison to the project of Suraj Estate Developers Limited for the cumulative period of 2016 to H1 2023. Out of the total absorption levels since 2016 in the combined markets, **Suraj Estate Developers Limited has a market share of ~14.5% of 1BHK, ~7.5% for 2BHK and ~9.6% for 3BHK out of the total typology wise inventory sold of the combined markets. This signifies that Suraj Estate Developers Limited has been one of the market leaders in terms of selling the typologies of 1BHK, 2BHK and 3BHK units in the market.**

Figure 5.38



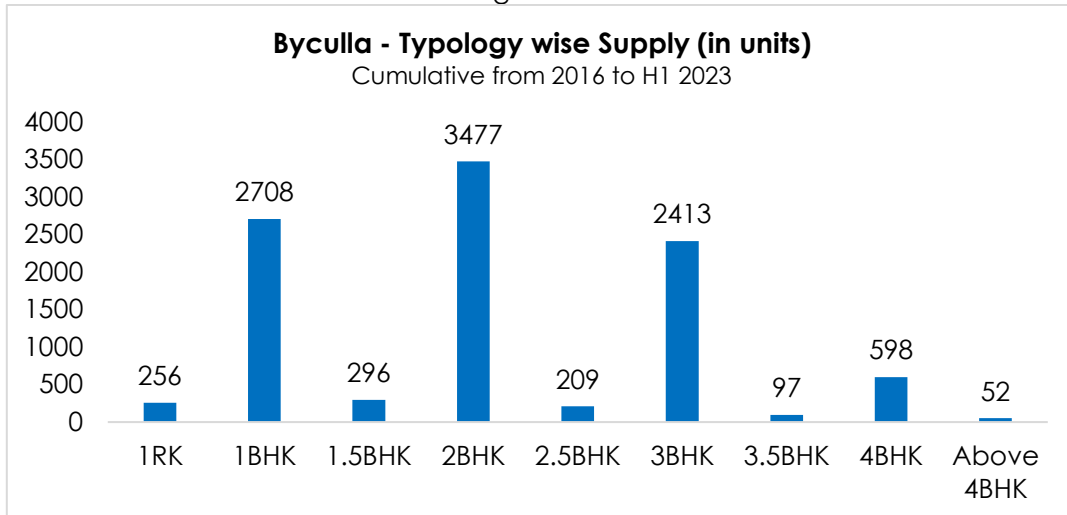
Source: Anarock Research, Suraj Estate Developers Limited

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

Byculla Sub-Market

The following graph sets forth typology wise supply (in units) in Byculla market for the cumulative period of 2016 to H1 2023. 1BHK, 2BHK and 3BHK are the predominant typologies in the market with a share of ~85% of the total supply in the market.

Figure 5.39

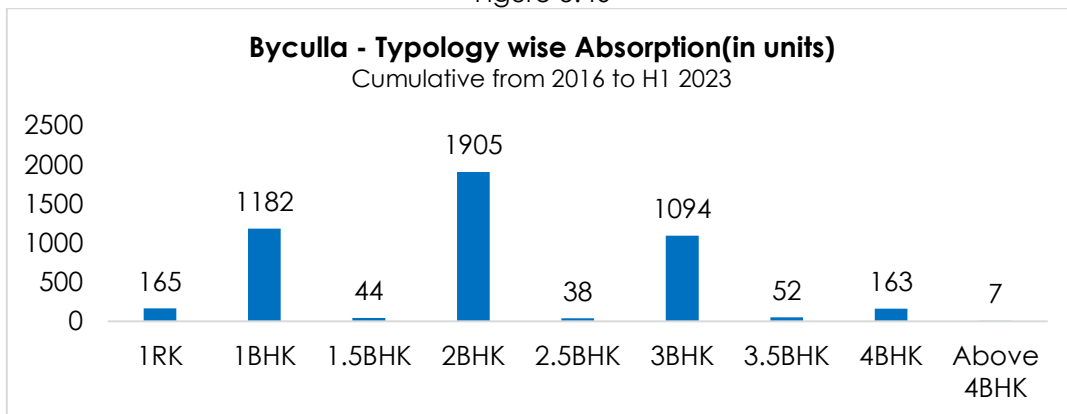


Source: Anarock Research

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

The following graph sets forth typology wise absorption (in units) in Byculla market for the cumulative period of 2016 to H1 2023. Out of the total absorption levels in the market, 1BHK, 2BHK and 3BHK have a predominant share with ~92% inventory sold out of the total absorption levels in the market.

Figure 5.40



Source: Anarock Research

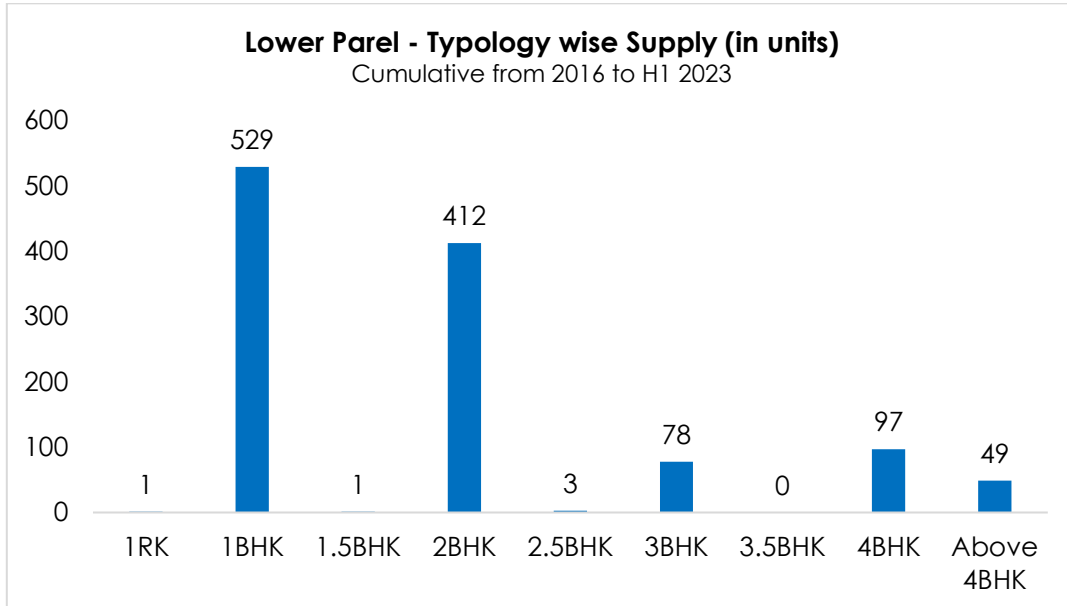
Note: All the figures in the above graph are as per Calendar Year (CY)



Lower Parel Sub-Market

The following graph sets forth typology wise supply (in units) in Lower Parel market for the cumulative period of 2016 to H1 2023. Only 1BHK and 2BHK typologies are predominant in the market with a small share of 3BHK, 4BHK and above 4BHK units.

Figure 5.41

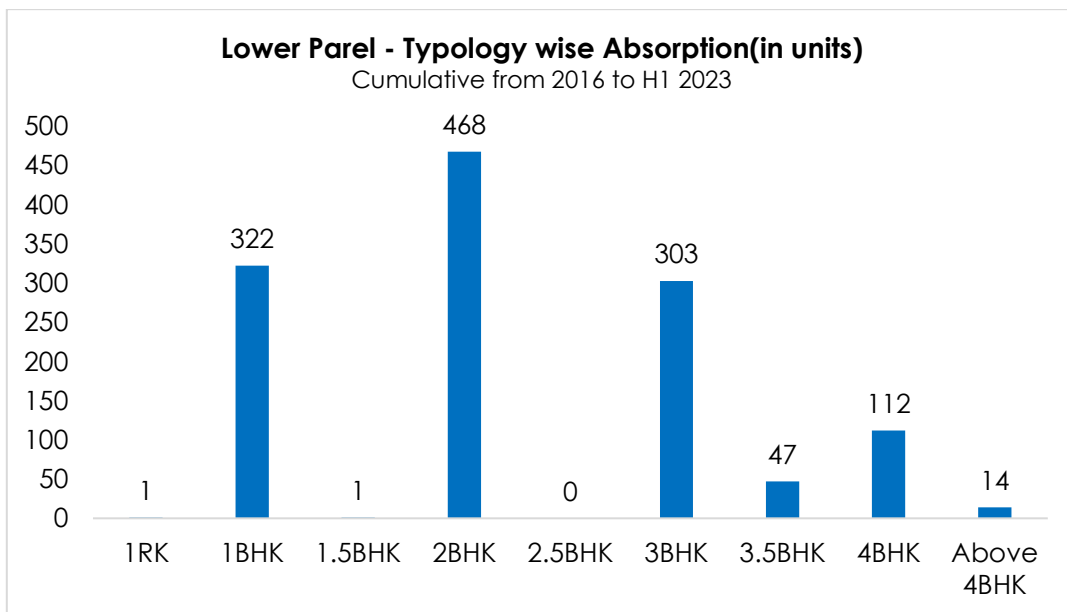


Source: Anarock Research

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

The following graph sets forth typology wise absorption (in units) in Lower Parel market for the cumulative period of 2016 to H1 2023. Out of the total absorption levels in the market, 1BHK, 2BHK and 3BHK have a predominant share with 86% inventory sold out of the total absorption levels in the market.

Figure 5.42



Source: Anarock Research

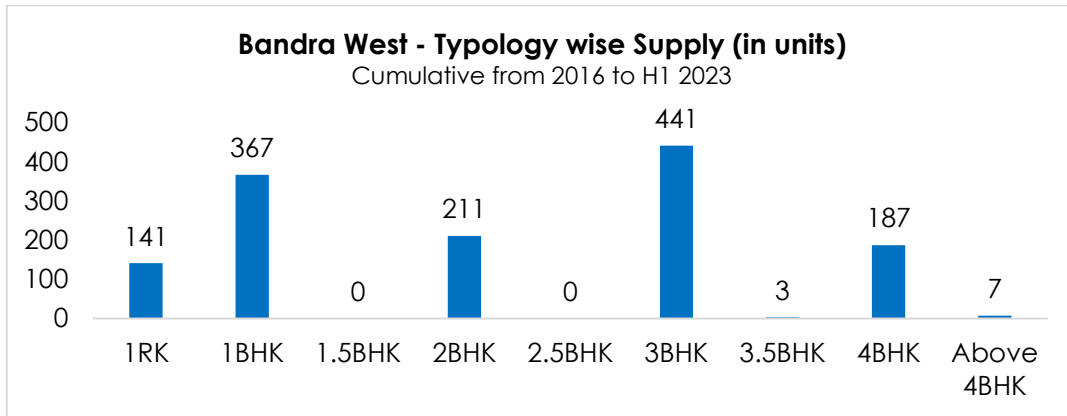


Note: All the figures in the above graph are as per Calendar Year (CY)

Bandra West Sub-Market

The following graph sets forth typology wise supply (in units) in Bandra West market for the cumulative period of 2016 to H1 2023. The market has a mix of major typologies viz. 1RK, 1BHK, 2BHK, 3BHK and 4BHK as a part of its supply from 2016.

Figure 5.43

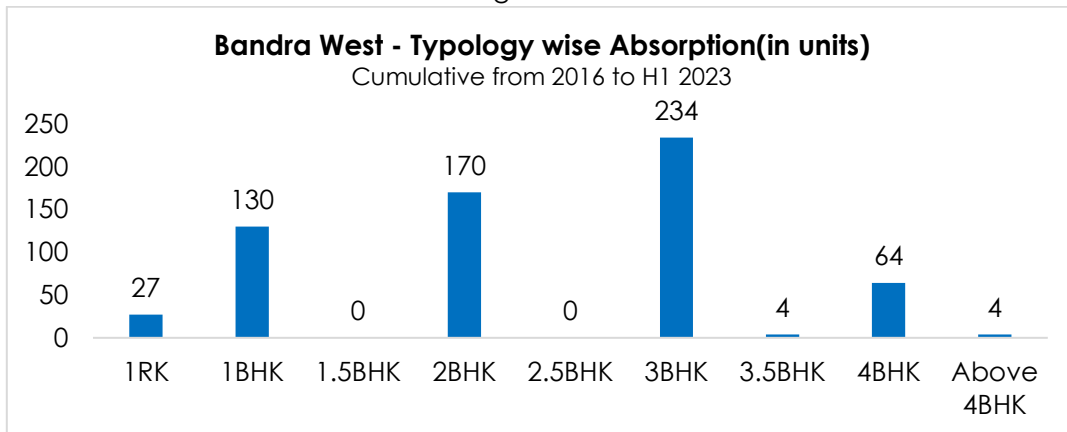


Source: Anarock Research

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

The following graph sets forth typology wise absorption (in units) in Bandra West market for the cumulative period of 2016 to H1 2023. 1BHK, 2BHK and 3BHK have witnessed healthy absorption levels in the market with majority share of these typologies.

Figure 5.44



Source: Anarock Research

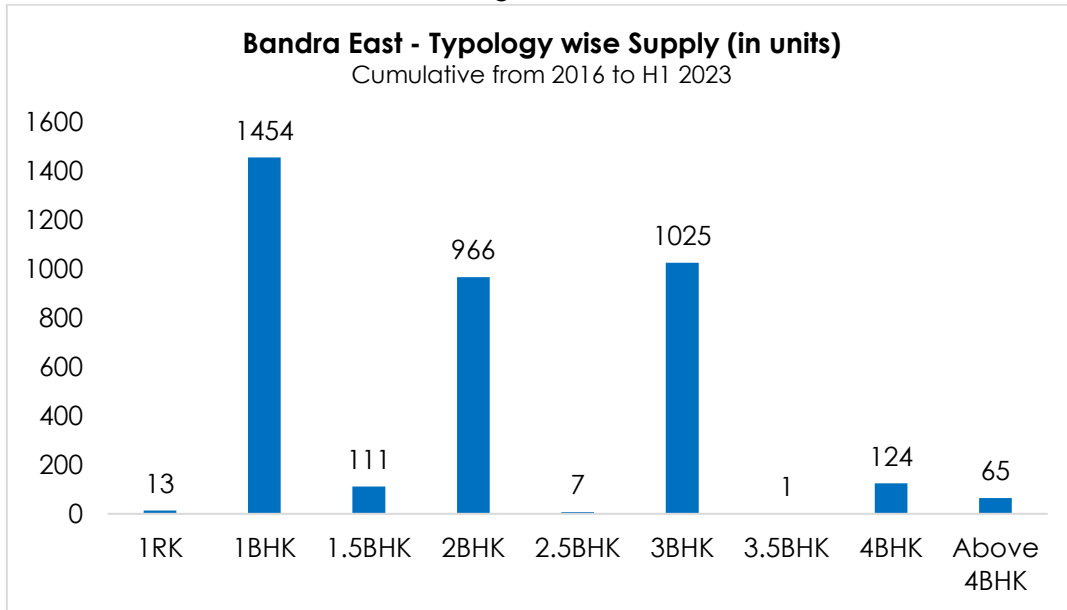
Note: All the figures in the above graph are as per Calendar Year (CY)

Bandra East Sub-Market



The following graph sets forth typology wise supply (in units) in Byculla market for the cumulative period of 2016 to H1 2023. Bandra East market has a mix of all typologies with a predominant share of 1BHK, 2BHK and 3BHK covering almost 92% of the total inventory in the market.

Figure 5.45

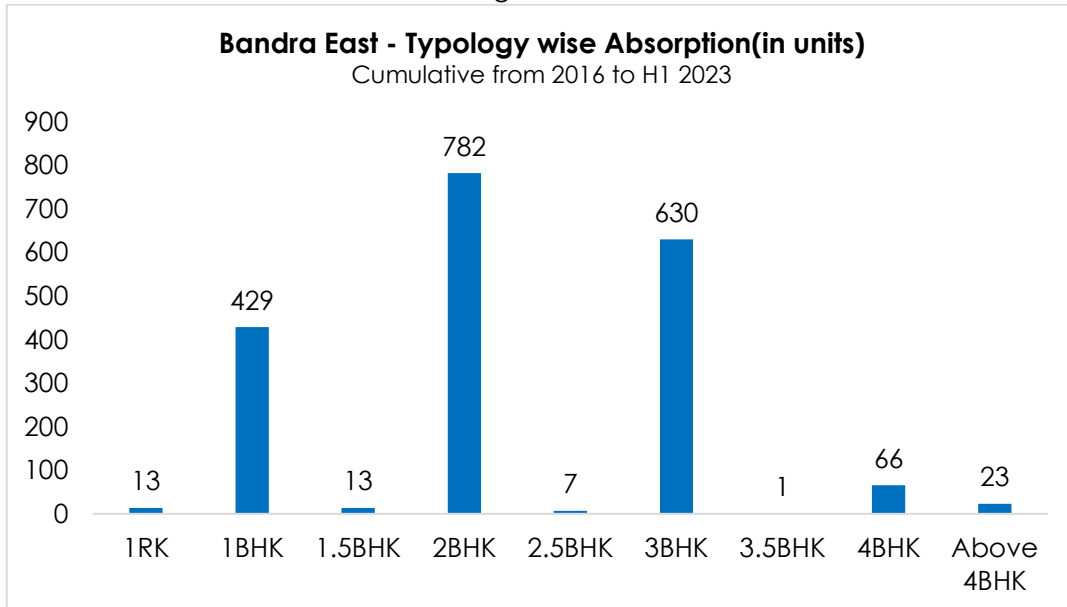


Source: Anarock Research

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

The following graph sets forth typology wise absorption (in units) in Bandra East market for the cumulative period of 2016 to H1 2023. Out of the total absorption levels in the market, 1BHK, 2BHK and 3BHK have a share of ~94% of the total share in the market.

Figure 5.46



Source: Anarock Research

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

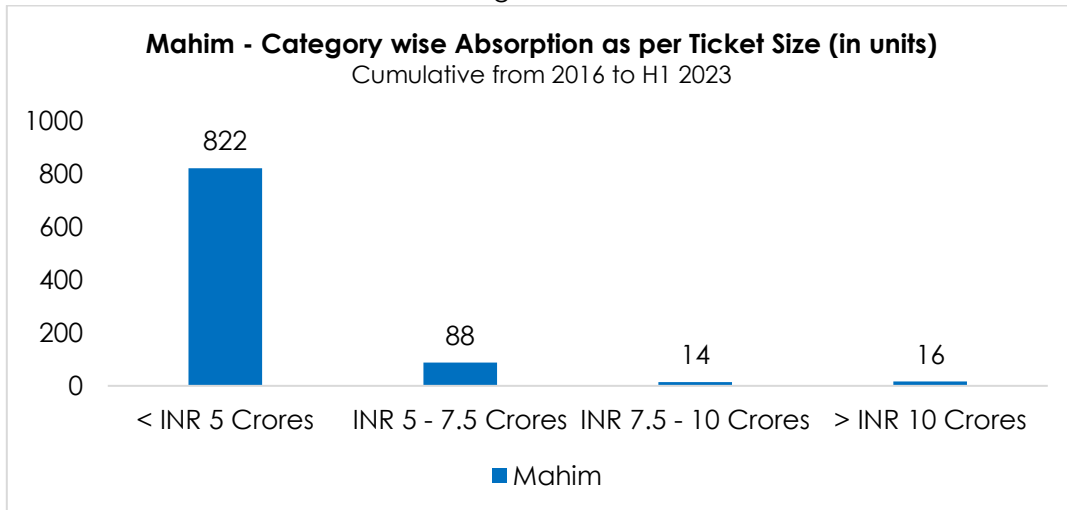


5.4 CATEGORY WISE SALES AS PER CAPITAL VALUE IN SELECTED SUBMARKETS OF SOUTH CENTRAL MUMBAI – CUMULATIVE FROM 2016-2023 (Q1)

Mahim Sub-Market

The following graph sets forth category wise sales as per Ticket Size (in units) in Mahim market for the cumulative period of 2016 to H1 2023. Ticket size < INR 5 Crores has a predominant share in the market of ~85% of the total inventory sold.

Figure 5.47



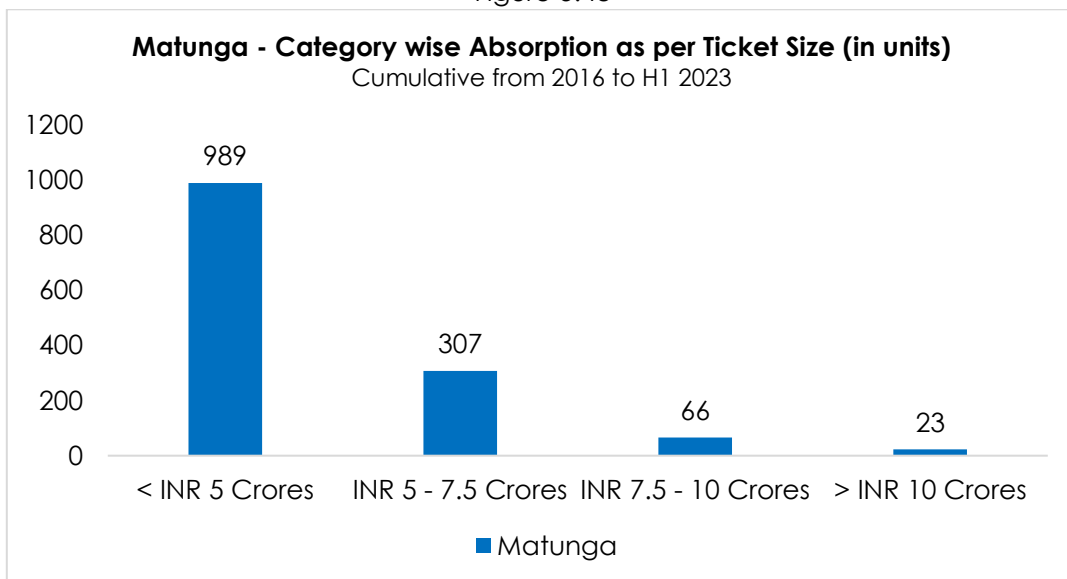
Source: Anarock Research

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

Matunga Sub-Market

The following graph sets forth category wise sales as per Ticket Size (in units) in Matunga market for the cumulative period of 2016 to H1 2023. Ticket size < INR 5 Crores has a market share of ~71.5% with INR 5 – 7.5 Crores also being a comparatively large share of ~22% in the market.

Figure 5.48



Source: Anarock Research

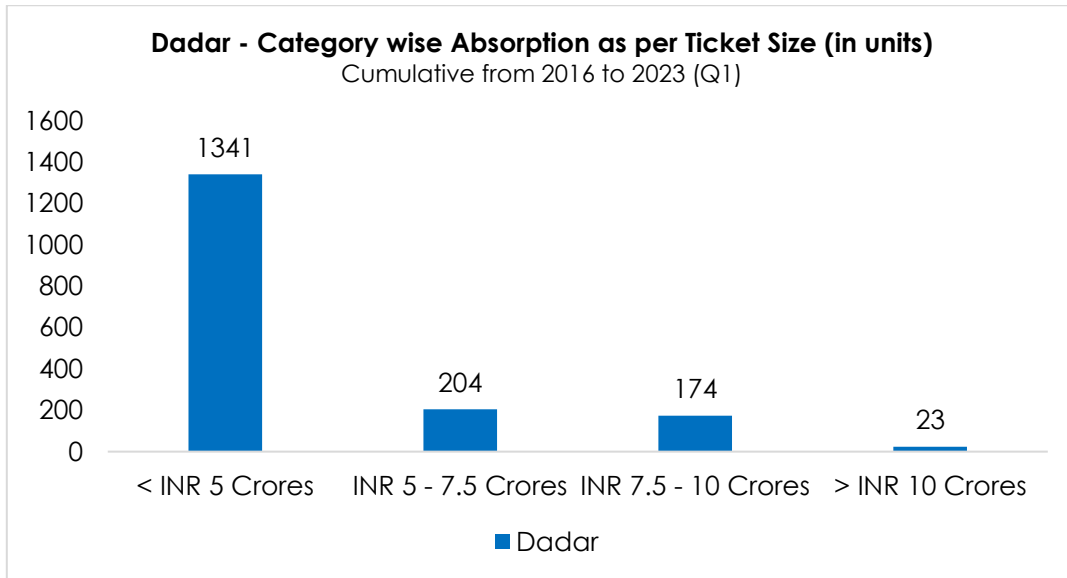
Note: All the figures in the above graph are as per Calendar Year (CY)



Dadar Sub-Market

The following graph sets forth category wise sales as per Ticket Size (in units) in Dadar market for the cumulative period of 2016 to H1 2023. Ticket size < INR 5 Crores has a predominant share in the market of ~77% of the total inventory sold.

Figure 5.49



Source: Anarock Research

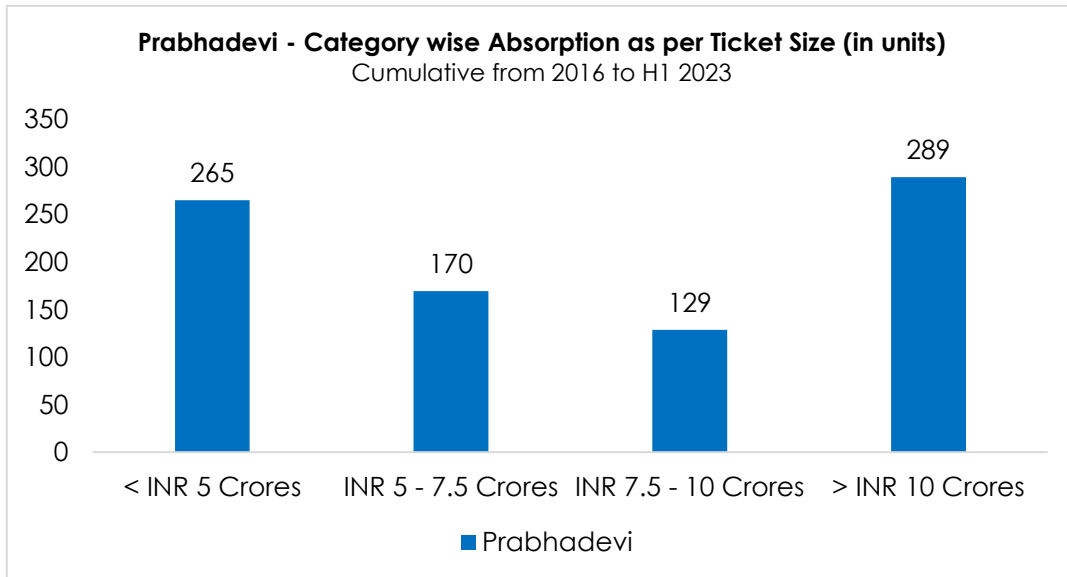
Note: All the figures in the above graph are as per Calendar Year (CY)

Prabhadevi Sub-Market

The following graph sets forth category wise sales as per Ticket Size (in units) in Prabhadevi market for the cumulative period of 2016 to H1 2023. Prabhadevi has a mix of all the ticket sizes sold from 2016 thus highlighting that the market has an optimum mix of active mid end as well as high end premium projects.

Figure 5.50





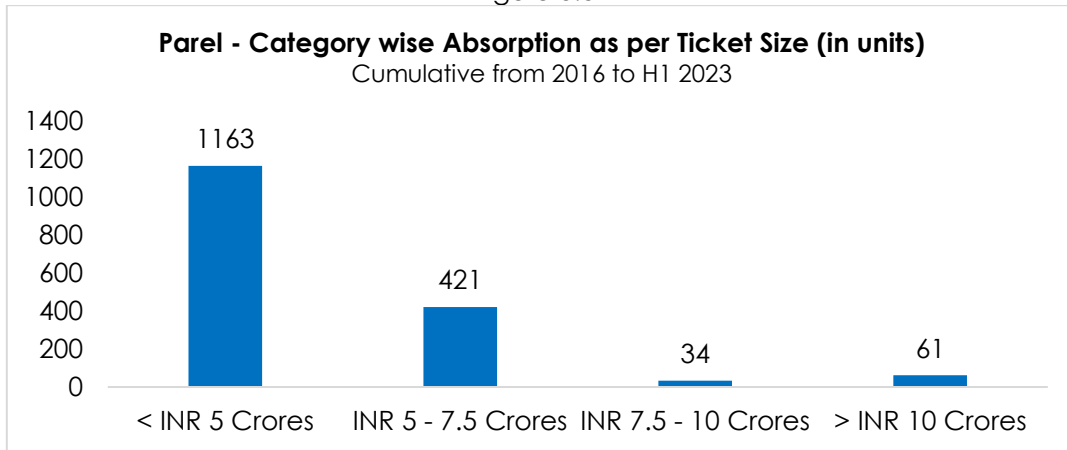
Source: Anarock Research

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

Parel Sub-Market

The following graph sets forth category wise sales as per Ticket Size (in units) in Parel market for the cumulative period of 2016 to H1 2023. Ticket size < INR 5 Crores has a market share of ~ 69% with INR 5 – 7.5 Crores also being a comparatively large share of ~25% in the market. Parel market also has a share of small inventory of the ticket size > INR 10 Crores of high-end premium products.

Figure 5.51



Source: Anarock Research

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

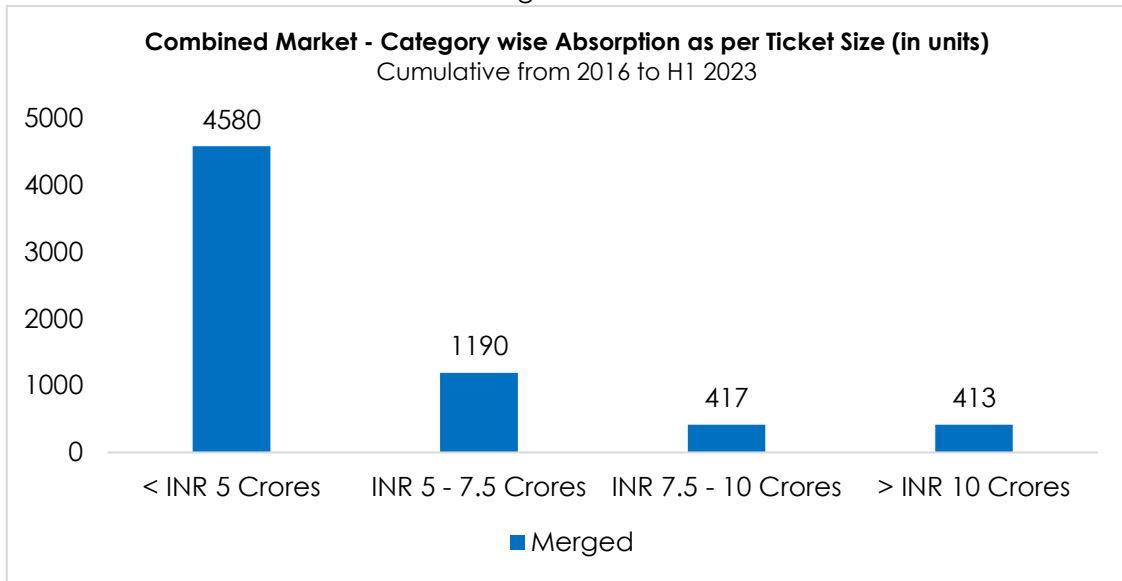
Category Wise Sales of Combined Markets (Mahim, Matunga, Dadar, Prabhadevi, and Parel)

The following graph sets forth category wise sales as per Ticket Size (in units) in combined markets of Mahim, Matunga, Dadar, Prabhadevi, and Parel for the cumulative period of 2016 to H1 2023. Ticket size < INR 5 Crores has a market share of ~69% with INR 5 – 7.5 Crores also being a comparatively large share of ~18% in the market Further, INR 7.5 – 10 Crores and > INR



10 Crores also have a market share of ~6% each thus highlighting that there is a demand for premium projects as well in the market.

Figure 5.52



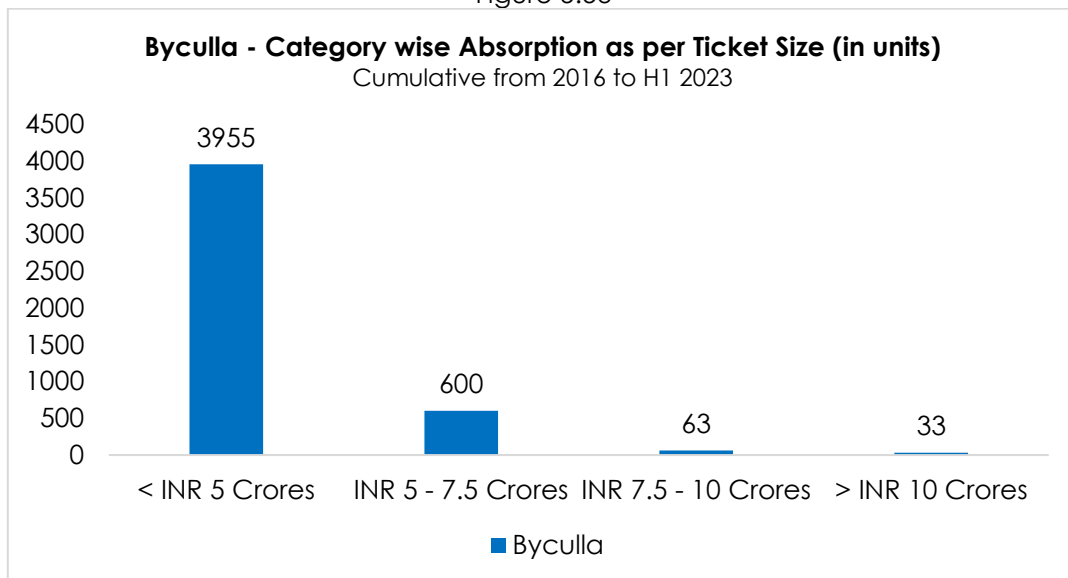
Source: Anarock Research

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

Byculla Sub-Market

The following graph sets forth category wise sales as per Ticket Size (in units) in Byculla market for the cumulative period of 2016 to H1 2023. Ticket size < INR 5 Crores has a predominant share in the market of ~85% of the total inventory sold.

Figure 5.53



Source: Anarock Research

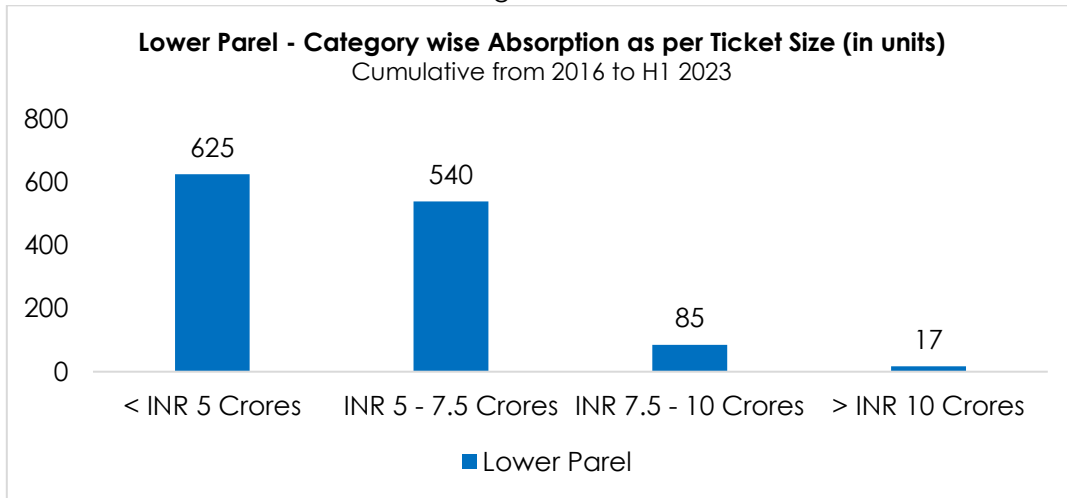
Note: All the figures in the above graph are as per Calendar Year (CY)

Lower Parel Sub-Market



Following graph sets forth category wise sales as per Ticket Size (in units) in Lower Parel market for the cumulative period of 2016 to H1 2023. Ticket size < INR 5 Crores and INR 5 – 7.5 Crores has a combined market share of ~92% in the market.

Figure 5.54



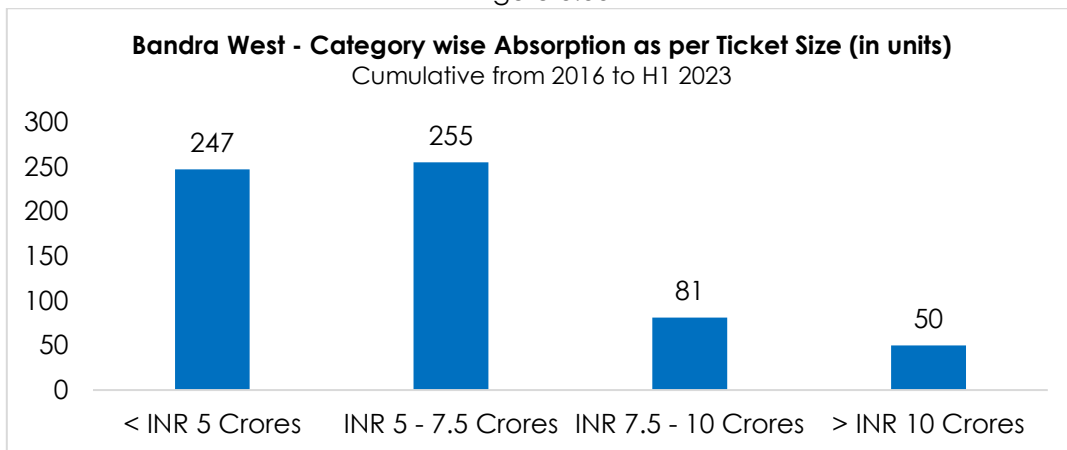
Source: Anarock Research

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

Bandra West Sub-Market

The following graph sets forth category wise sales as per Ticket Size (in units) in Bandra West market for the cumulative period of 2016 to H1 2023. Bandra West market has a mix of projects with predominant inventory sold for a ticket size < INR 10 Crores. Ticket Size < INR 5 Crores and INR 5 – 7.5 Crores have a market share of 79% combined out of the total inventory sold.

Figure 5.55



Source: Anarock Research

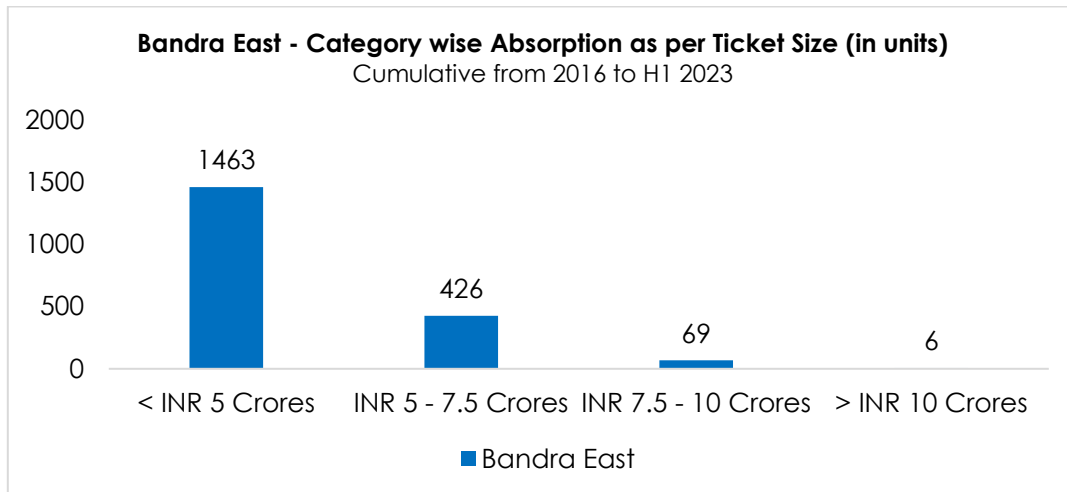
Note: All the figures in the above graph are as per Calendar Year (CY)

Bandra East Sub-Market

The following graph sets forth category wise sales as per Ticket Size (in units) in Bandra East market for the cumulative period of 2016 to H1 2023 Ticket size < INR 5 Crores has a market share of ~75% with INR 5 – 7.5 Crores also being a comparatively large share of ~21% in the market.



Figure 5.56



Source: Anarock Research

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

5.5 MARKET SHARE OF TOP TEN DEVELOPERS ON THE BASIS OF VARIOUS PARAMETERS

Supply (in units), Absorption (in units) and Absorption (in INR Crores)

There are select developers in the MMR residential space who have remained active throughout the real estate life cycle. During the past decade, the real estate sector has witnessed several reforms including demonetization and the implementation of GST and RERA. While these reforms have resulted in increased transparency, it has significantly increased the compliance costs, resulting in smaller developers exiting the business and providing an opportunity to branded developers to increase their market share.

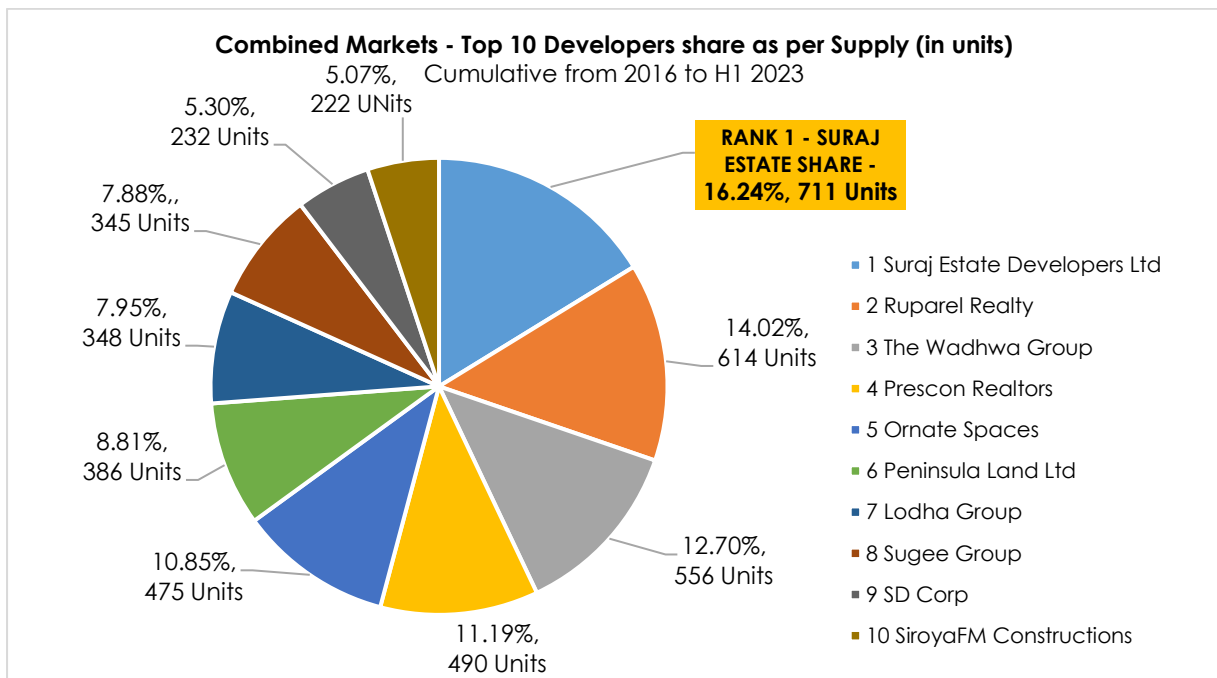
Suraj Estate Developers Limited is one of the market leaders in combined markets of Mahim, Matunga, Dadar, Prabhadevi, and Parel markets. The share of top ten developers in the selected residential sub-markets in terms of supply (in units), absorption (in units) and absorption (in INR Crores) from 2016 to H1 2023 has been provided below:

Share of Suraj Estate Developers Limited among the top ten developers as per supply (in number of units)

Total supply in the combined sub-markets is 12,496 units. Out of this, the total share of top ten developers is 35.04% i.e., 4,379 units.

Out of the top ten developers, **Suraj Estate Developers Limited ranks first with 16.24% market share.**

Figure 5.57



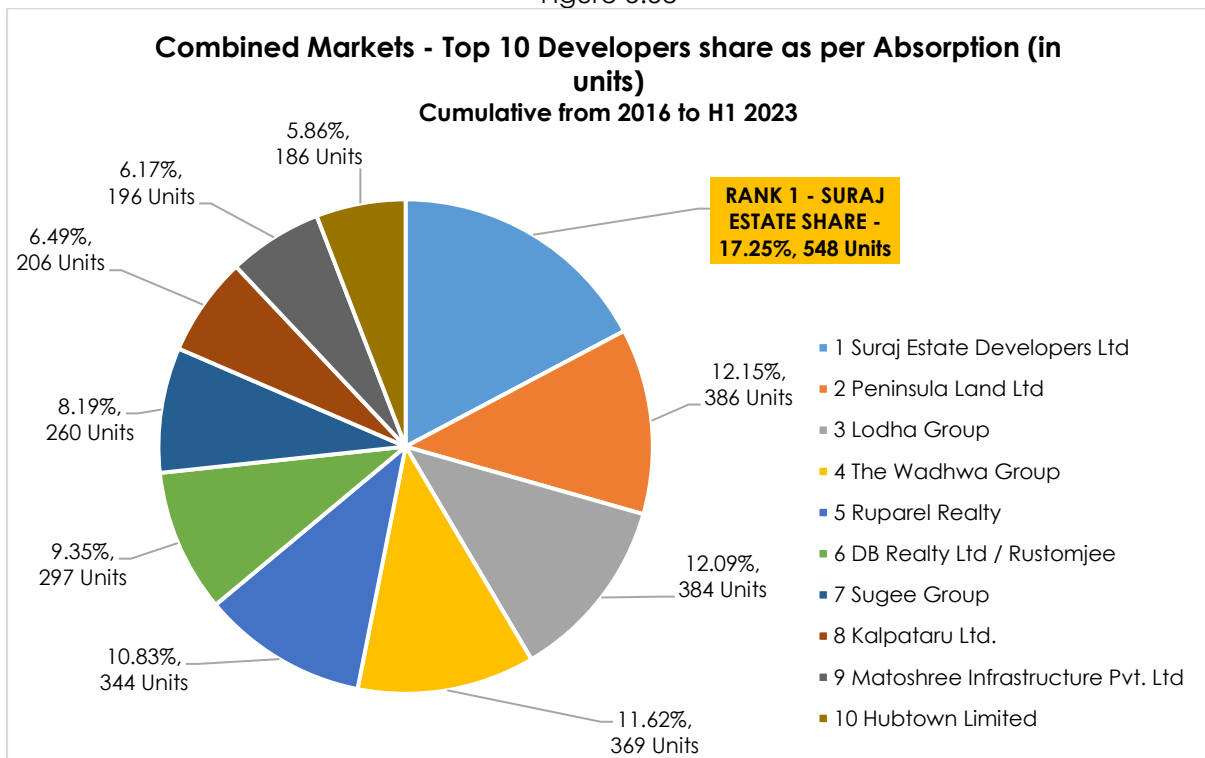
Source: Anarock Research

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

Share of Suraj Estate Developers Limited among the top ten developers as per absorption (in number of units)

Total absorption (in units) in the combined sub-markets is 6,599 units. Out of this, the total share of top ten developers is 48.13% i.e., 3,176 units. Out of the top ten developers, **Suraj Estate Developers Limited ranks first with 17.25% market share**

Figure 5.58



Source: Anarock Research

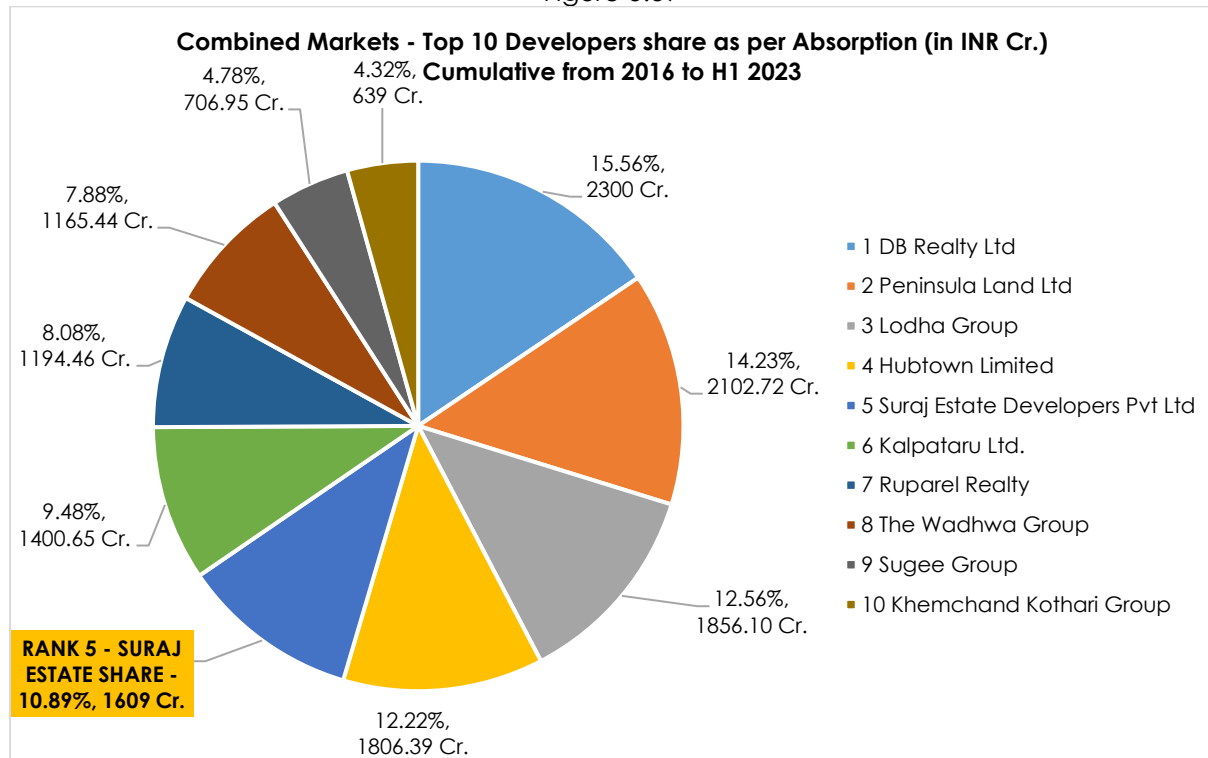
Note: All the figures in the above graph are as per Calendar Year (CY)

Share of Suraj Estate Developers Limited among the top ten developers as per absorption (in INR Crores)

Total absorption (in INR Crores) in the selected sub-markets – INR 25,064Crores. Out of this, total share of top ten developers –57.73% (14,470 Crores)

Out of the top ten developers, **Suraj Estate Developers Limited ranks fifth with 10.17% market share.**

Figure 5.59



Source: Anarock Research, Suraj Estate Developers Limited

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

Note: The developer share on the basis of absorption parameters has been calculated, on a best effort basis, considering its real estate activities from 2016 to2023 (Q1). The top ten active developers have been considered while providing this share; few developers who have declared bankruptcy in recent times and are part of proceedings before the National Company Law Tribunal have not been considered.



5.6 DATA TRENDS OF PROMINENT LISTED PLAYERS IN SOUTH CENTRAL MICRO MARKET (2017 – 2023 Q1)

Listed players that are present in the South-Central Mumbai include some of the prominent developers like Macrotech Developers (Lodha Group), Oberoi Realty, Hubtown Developers and D B Realty. Data trends of those listed players has been provided below:

Sr. No.	Developer Name	Average Unit size (in sq. ft.)	Average Selling Price (INR per sq. ft.)	Inventory available	Absorption (units)	Total Absorption (in sq. ft.)	Supply (units)	Total Supply (in sq. ft.)
1	Macrotech Developers (Lodha Group)	1545	59,512	1305	3349	51,74,205	4654	71,90,430
2	Oberoi Realty	5526	92,061	152	132	7,29,485	284	15,69,520
3	Hubtown Developers	3178	63,570	0	113	3,59,128	113	3,59,128
4	D B Realty	287	33,508	308	78	22,356	386	1,10,604
			TOTAL	1,765	3,672	62,85,174	5,437	92,29,682

Source: ANAROCK Research

Notes:

- Total supply (in Sq. ft.) is the sum of multiplication of no. of units launched and corresponding size of those units by the concerned developers in the concerned location during the mentioned period, these sizes and units are as per RERA.
- Total absorption (in Sq. ft.) is the sum of multiplication of no. of units sold and corresponding size of those units by the concerned developers in the concerned location during the mentioned period, sizes and units are as per RERA.
- Fluctuation in data points after report submission is possible as developers keep updating/changing RERA data from time to time.

5.7 REDEVELOPMENT PROPORTION IN OVERALL DEVELOPMENT IN COMBINED MARKETS AND ITS COMPARISON WITH SURAJ ESTATE DEVELOPERS LIMITED

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.

Redevelopment projects in selected Sub-markets

Selected Residential sub-markets of Mahim, Matunga, Dadar, Prabhadevi, and Parel has been considered as combined market.

From 2017 to H1 2023, there are a total of 270 projects that have been launched in the selected residential sub-markets out of which 161 (~59.6%) projects are redevelopment projects. In the same period, Suraj Estate Developers Limited launched 15 residential projects out of which 13 projects (~87%) are redevelopment projects. Hence, the proportion of redevelopment projects launched by Suraj is approximately 8% of the total projects launched in the selected residential market cumulatively from 2016 to H1 2023 which shows that Suraj Estate Developers Limited is one of the market leaders in the redevelopment projects in those markets.

The table below shows the breakup of cumulative Supply and Absorption in New and Redevelopment projects for combined markets as well as of Suraj Estate Developers Limited:

MAHIM + MATUNGA + DADAR + PRABHADEVI + PAREL - 2016 to H1 2023			
Combined Markets	Total	New (in Units)	Redevelopment (in units)
Supply	12,496	4078	8418
Absorption	6,600	2258	4342

Source: Anarock Research

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

SURAJ ESTATE DEVELOPERS LIMITED - 2016 to H1 2023			
Suraj Estate Developers Limited Portfolio	Total	New (in Units)	Redevelopment (in units)
Supply	711	125	586
Absorption	548	96	452

Source: Suraj Estate Developers Limited

Note:

1) All the figures in the above table are as per Calendar Year (CY)

The Suraj Estate Developers Supply Total is excluding 35 units of Project Lumina as it is not RERA registered yet. On analysing the above data, we derive that **Suraj Estate Developers Limited has a share of 6.7% in Supply and 10.4% in Absorption of the total redevelopment Supply and Absorption in the selected residential sub-markets, which signifies that Suraj Estate Developers Limited is one of the prominent developers of the redevelopment projects in the locations of Dadar, Mahim, Prabhadevi, Parel and Matunga.**

Apart from Suraj Estate Developers Limited, other players contributing to the supply of redevelopment units in these markets include Macrotech Developers (2.6%), Ornate Spaces (5.7%), Prescon Realtors (~5.8%), Ruparel Realty (~7.1%), SD Corp (~2.8%), Wadhwa Group (~3.3%), Gundecha Constructions (~2.0%), Siroya FM Constructions (2.6%) and Patthatu Brothers (~1.8%).

As per the data available with us on date, apart from Suraj Estate Developers Limited, the approximate contribution of other players contributing to the absorption of redevelopment units in these markets include Ruparel Realty (~8.3%), Prescon Realtors (~5.8%), Shree Sukhakarta Developers (~2.9%), and Prarthana Griha Nirman (~2.9%), Hubtown Developers (2.6%), Macrotech Developers (5.0%), Reliable Construction (4.3%), Sugee Group (5.1%), and Wadhwa Realty (4.9%).

6. TRENDS IN COMMERCIAL REAL ESTATE IN MUMBAI

6.1 OVERVIEW

Mumbai is one of India's largest metropolitan cities and one of the world's most densely populated cities. With its robust contribution to India's GDP, the tax revenues it generates for the country, it is indeed the city is the financial capital of India. The city houses a diverse base of industries such as BFSI, manufacturing, IT/ITeS, Media & entertainment, etc. The commercial real estate sector has played a significant role in facilitating the required office infrastructure. As of Q1 CY 2023 , the MMR office market has a stock of 136.88 mn. square feet of Grade-A office space, which is amongst the largest in India, and an overall vacancy rate of 15.5%. In addition to Grade- A office parks, the city has substantial office space stock in form of 'non Grade- A' office buildings, mix use buildings, and are recently in form of Grade- A strata office buildings.

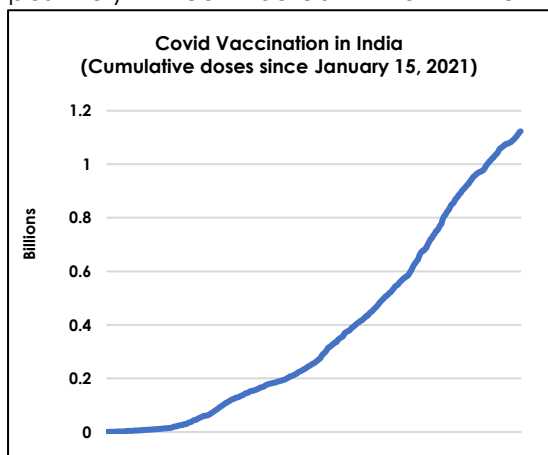
Market cycles impact office markets as they do other asset classes Covid 19 pandemic impacted Mumbai's office market, which is evident in form of churn of tenants, consolidation of office space by occupiers, renewals of leases at re-rated lower leases, increase in vacancy and deferred completion of new office parks, however, at the same time,

Mumbai's office market has also witnessed de-centralization of office neighbourhoods and emergence of office buildings on 'strata sale' (wherein buildings are sold to end users or investors in floor wise manner, either in part or in full) model.

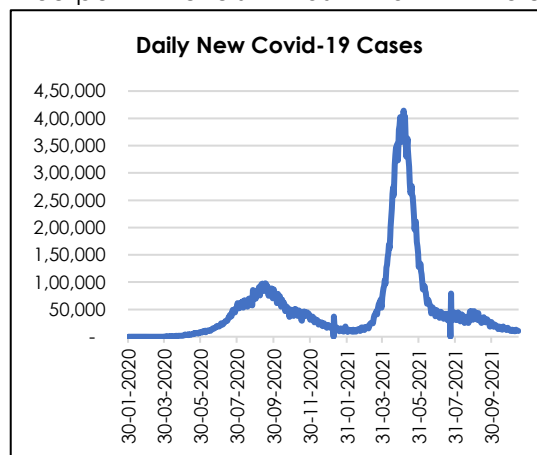
During initial months of Covid- 19 pandemic, 'work from home' replaced 'work from office'. Certainly, in the short term, the office demand and the rents were impacted. However, on the back of a diverse occupier category base that Mumbai office market serves, the impact was a little lower in comparison to the IT demand-driven cities in India, which largely followed work from home model.

With the rapid vaccination drive by the Government of India and the continued tapering of the new cases, the partial opening of offices and other recreational areas were allowed post June 2020 after first wave of Covid-19 and then post-June 2021 after the second wave.

The commencement of the mass transport modes the people's movements gathered the pace. The re-opening of the economy reduced the unemployment scenario and has positively contributed to the rising output levels as a whole.

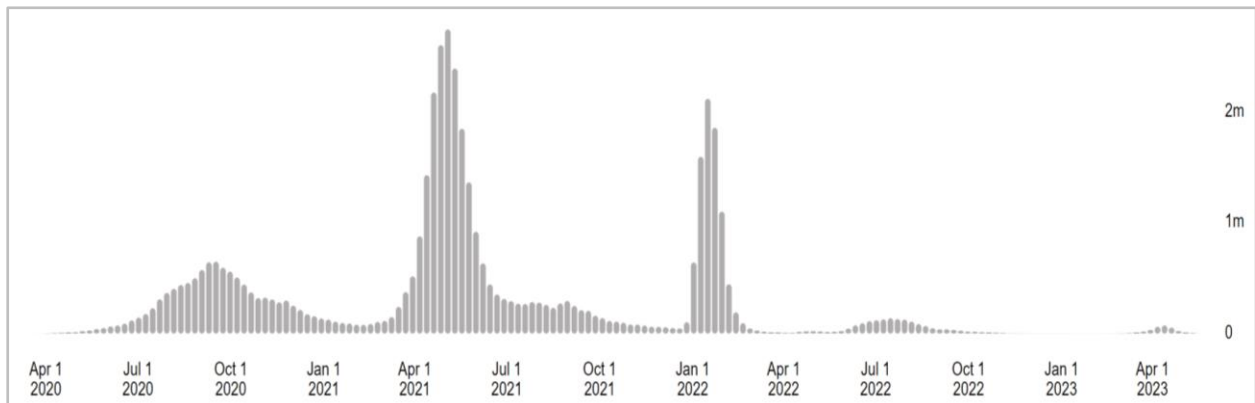


Source: Government of India Statistics



On 5th May 2023 the WHO Director-General announced that **'COVID-19 is no longer a public health emergency of international concern.'** India has administered 220 million Covid-19 vaccine doses as of May 2023.

Daily New Covid-19 Cases (till April 2023)



Source: World Health Organisation

Despite the near-term market uncertainty, albeit the consensus is that the occupiers will follow a hybrid or blended model of 'work from home' and 'work from office', the Mumbai office market's medium to long-term outlook remains bright on the back of the sector's robust fundamentals and investment attractiveness. The strata sale market in Mumbai is amongst the most active office markets in India.

During the last 2 to 3 years, two prominent trends have been recorded in Mumbai Office Market include:

a) Increased demand for flexible office spaces near home

Select large occupiers, companies from the software/technology sector, start-ups have seen renting flexible office desks nearer to the residential hubs. This will help employees to work efficiently yet reduce the commute time. The flexible office spaces are expected to provide cost-effective solutions.

b) Increased demand for the strata offices on strata format

While office leasing impacted by the second wave, demand for the strata sale demand is growing. During the past 2 to 3 years, various categories like professional services, consultants, financial advisors, SME manufacturers, logistics were seen taking up the small offices on a purchase basis. The typical office sizes ranging between 500 – 2,000 sq. ft. of the leasable area that can house 4 to 20 employees have gained momentum. The central theme is to work near home in an environment conducive to the business.

For the investors, small office spaces are generating a rental yield potential at about 7% with the upside capital appreciation potential.

The Central Business District (CBD), Secondary Business District (SBD) Central (Lower Parel - Prabhadevi), BKC, Andheri in Mumbai have an active market for the offices on strata sale model. Commercial real estate witnessed a growing demand for boutique office spaces- another term popularly used for strata sale office buildings.

Prominent Developers in Mumbai who offer Grade- A office projects on strata sale model:

- 1) Macrotech (Lodha) Developers
- 2) Kanakia Spaces
- 3) Peninsula Land
- 4) Marathon Group
- 5) Wadhwa Group etc.

There is consistent demand for the office spaces offered on sale if the projects are by reputed developers, have modern amenities, and are well located in terms of access points to residential neighbourhoods.

Below mentioned are a few examples in various submarkets of Mumbai that have seen consistent traction.

Name	Naman Midtown	Lodha Excelus	The Capital	Boomerang
Property Type	Grade A (IT)	Grade A (IT)	Grade A (Non-IT)	Grade A (Non-IT)
Location	Lower Parel	Mahalaxmi	BKC	Andheri East
Development Type	Redevelopment (Under SRA Scheme)	Redevelopment (Under Mill Land Development Scheme)	Development (Under MMRDA Scheme)	Information Not Available
Project Status	Completed	Completed	Completed	Completed
Developer	Naman Group	Lodha Developers	Wadhwa Group	Kanakia Spaces
Building Area in Sq Ft	4,86,300	4,00,000	11,00,000	12,60,000
Floor Plate in Sq Ft	18,000	35,000	65,000	1,75,000
Amenities	Double Height Lobby, High-Speed Elevators, High-Tech Security	Double Height Lobby, Café, High-Speed Elevators, High - Tech Security	High -Tech Security, Saloon, Double Height Lobby, ATM, F&B outlets, High-Speed Elevators	Double Height Lobby, Resting Pods, Café, High-Speed Elevators, High - Tech Security
Occupier Categories in the Project	Financial Services, Professional Services, SME Manufacturing, Commodity Traders, Investors	Financial Services, Consulting, Real Estate, Manufacturing, Investors	Financial Services, Pharmaceuticals, Gems & Jewellery, Investors, etc.	Manufacturing, Infrastructure, Logistics Companies, Investors, etc.

In upcoming quarters, more projects offering small offices on a strata sale model are expected to be launched to cater to the growing demand for this category within the commercial office asset class.