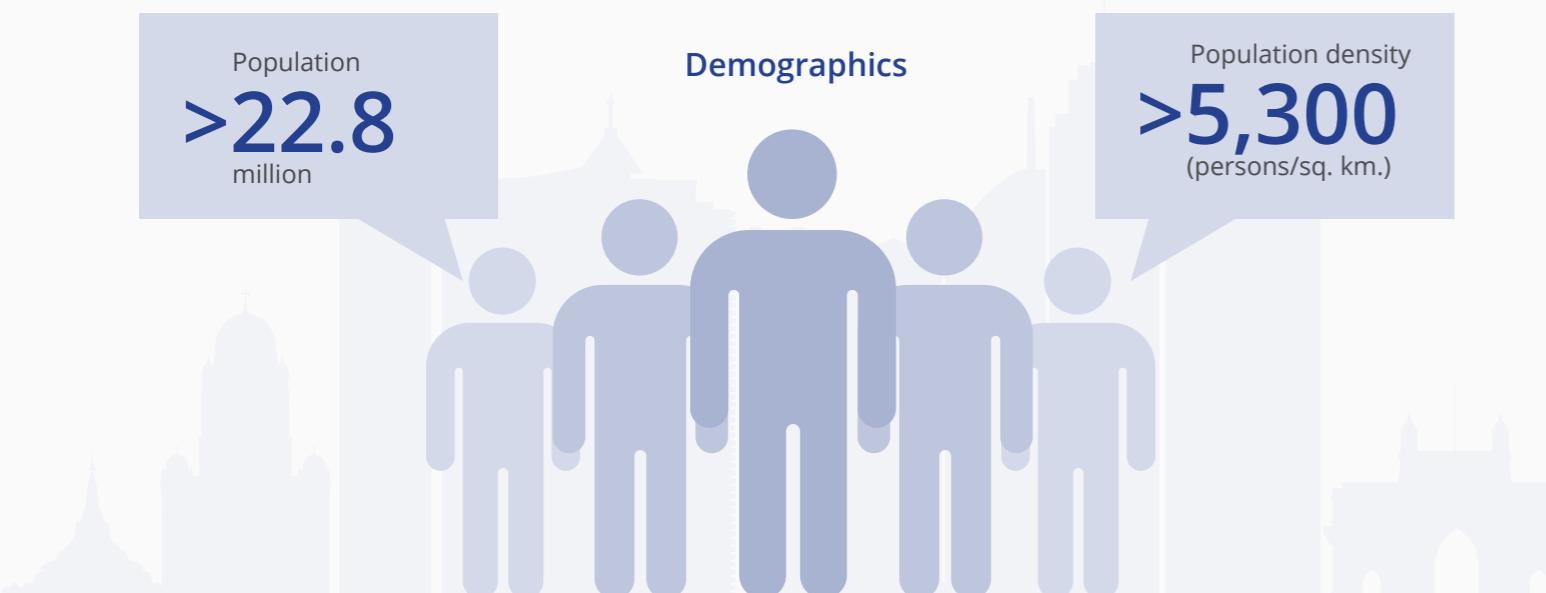


MMR Infrastructure

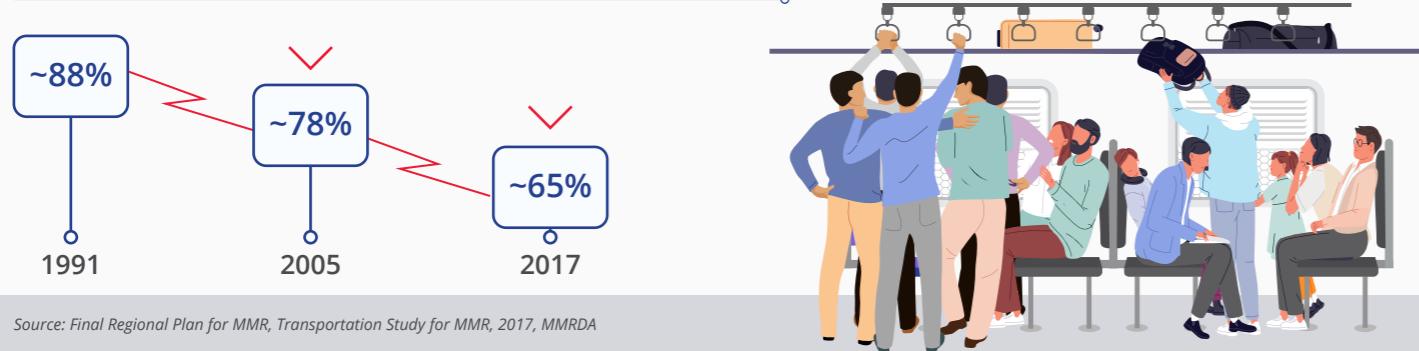
Upgrading Real Estate



MMR at a glance



Dip in use of public transport signalling pressure



Infra under distress



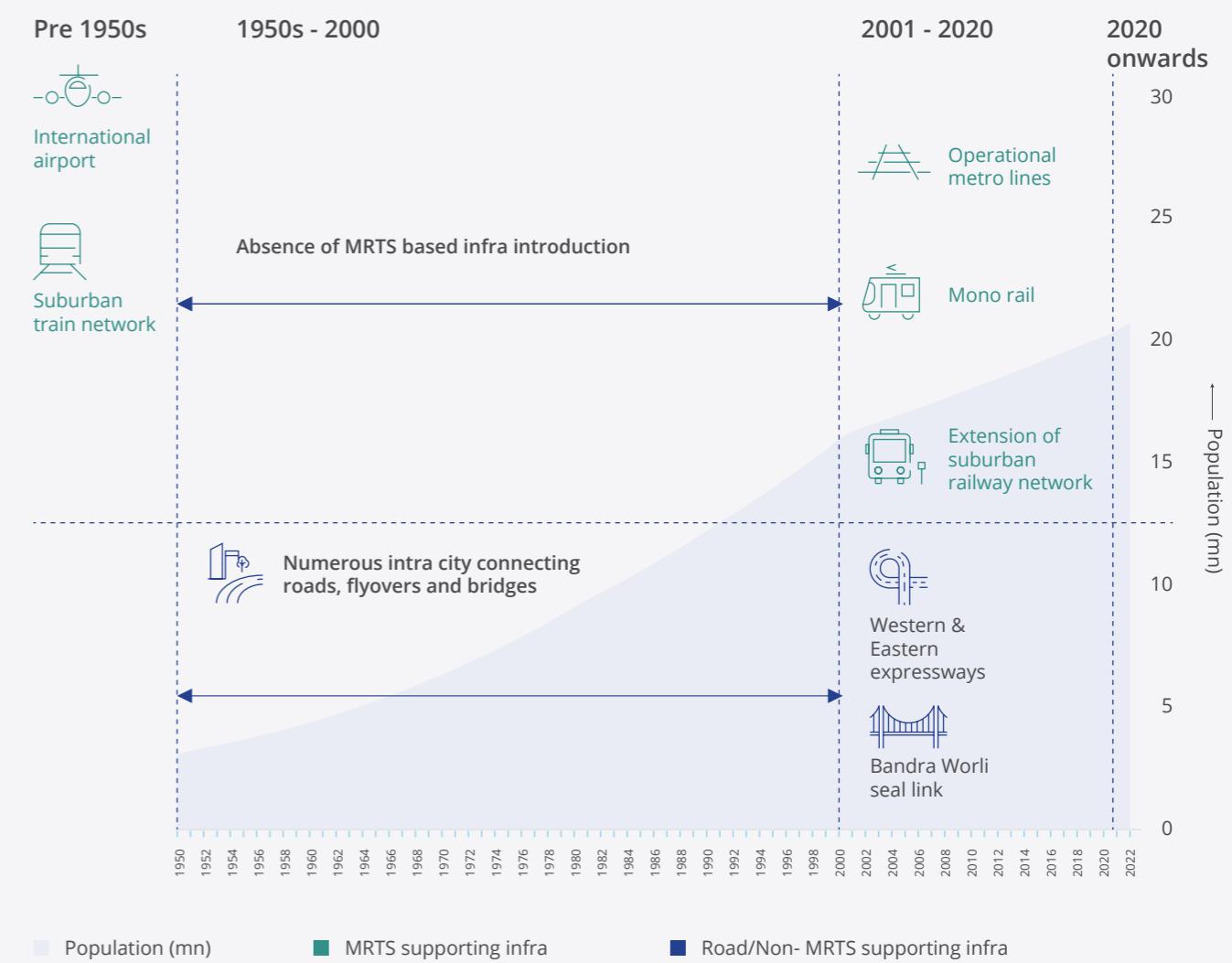
Note: 0-50, 51-100, 101-200, 201-300, 301-400, 401 and above score represent good, moderate, poor, unhealthy, severe and hazardous air quality respectively
Source: Industry

The much needed infrastructure push

The Mumbai Metropolitan Region (MMR) has witnessed doubling up of population in a span of 30 years; the region currently has a population of over 22 million and is expected to reach 25 million by 2030. When the rapid urbanization is looked at tandem with the citizen issues of traffic congestion, intra-city mobility, pollution, pocket specific drainage bottlenecks and slum rehabilitation, one tends to champion in favour of a massive yet sensible infrastructure upgrade of MMR.

Existing infrastructure such as the suburban train network, eastern and western expressways, Bandra Worli sea link and Chhatrapati Shivaji Maharaj International Airport have been the backbone of city for connectivity. In the last few years, the region witnessed infrastructure upgrade with three operational metro lines and monorail. However, the recent upgradation had minimal impact in capacity augmentation and burden reduction on existing infrastructure. The government has taken cognizance of infrastructure worries and has announced numerous projects with the overall aim of providing a much needed facelift and improving the quality of life for residents in the financial capital of the country. The upcoming infrastructure projects are in various stages of completion and once completed will elevate the entire real estate spectrum of MMR, making it more attractive for investors, occupiers, developers, homebuyers, industrialists, retailers, logistic players, flex and data centre operators alike.

MMR: Falling behind in mass transport infra creation



Source: Industry, Colliers

MMR: Upcoming infra glance



Metro

Completed Metro Lines	
Line (L1)	Versova- Ghatkopar
Line (L2A)	Dahisar East- DN Nagar
Line (L7)	Andheri East- Dahisar East
Under Construction and Proposed	
Cluster 1 (To be operational by 2024)	
Line (L2B)	DN Nagar- Mandale
Line (L3)	Colaba- SEEPZ
Line (L12)	Kalyan- Taloja
Line (L6)	Swami Samarth Nagar- Vikhroli
Line (L9)	Dahisar East- Mira Bhayander
Cluster 2 (To be operational by 2026)	
Line (L4)	Wadala- Kasarvadavali
Line (L4A)	Kasarvadavali- Gaimukh
Line (L7A)	Andheri East- CSIA
Line (L5)	Balkum Naka (Thane)- Kalyan
Proposed Lines (Construction yet to begin)	
Line (L8)	CSIA- Navi Mumbai Airport
Line (L10)	Gaimukh- Shivaji Chowk
Line (L11)	Wadala- CSMT
Line (L13)	Shivaji Chowk- Virar
Line (L14)	Vikhroli- Badlapur

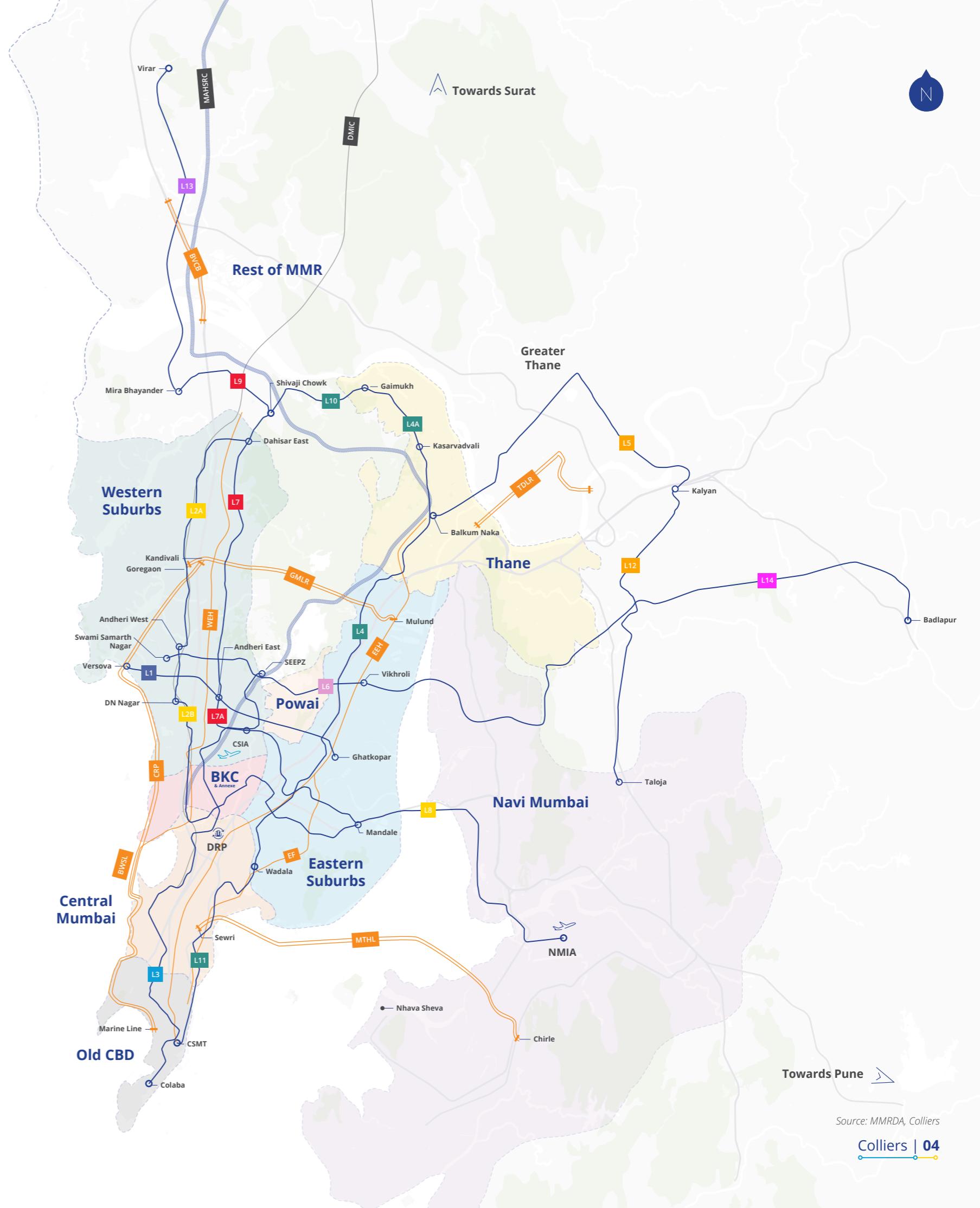
Major Roads

Existing Expressways	
Eastern Express Highway (EEH)	CSMT- Thane
Western Express Highway (WEH)	Mira Road- Bandra
Bandra- Worli Sea Link (BWSL)	Bandra- Worli
Eastern Freeway (EF)	Chembur- P D'Mello Road (Old CBD)
Upcoming Link Roads and bridges	
Mumbai Trans Harbour Link (MTHL)	Sewri- Chirle
Coastal Road Project (CRP)	Marine Lines- Kandivali
Goregaon-Mulund Link Road (GMLR)	Goregaon- Mulund
Thane-Dombivali Link Road (TDLR)	Thane- Dombivali
Bhayander-Vasai Creek Bridge (BVCB)	Bhayander- Vasai

Others

Chhatrapati Shivaji Maharaj International Airport (CSIA)	
Navi Mumbai International Airport (NMIA)	
Delhi-Mumbai Industrial Corridor (DMIC)	
Mumbai-Ahmedabad High Speed Rail Corridor (MAHSRC)	

Source: MMRDA, BMC, MMOCL, Mumbai Metro Times and Colliers.
Note: DRP- Dharavi Redevelopment Project



MMR upcoming infra: 5C Analysis

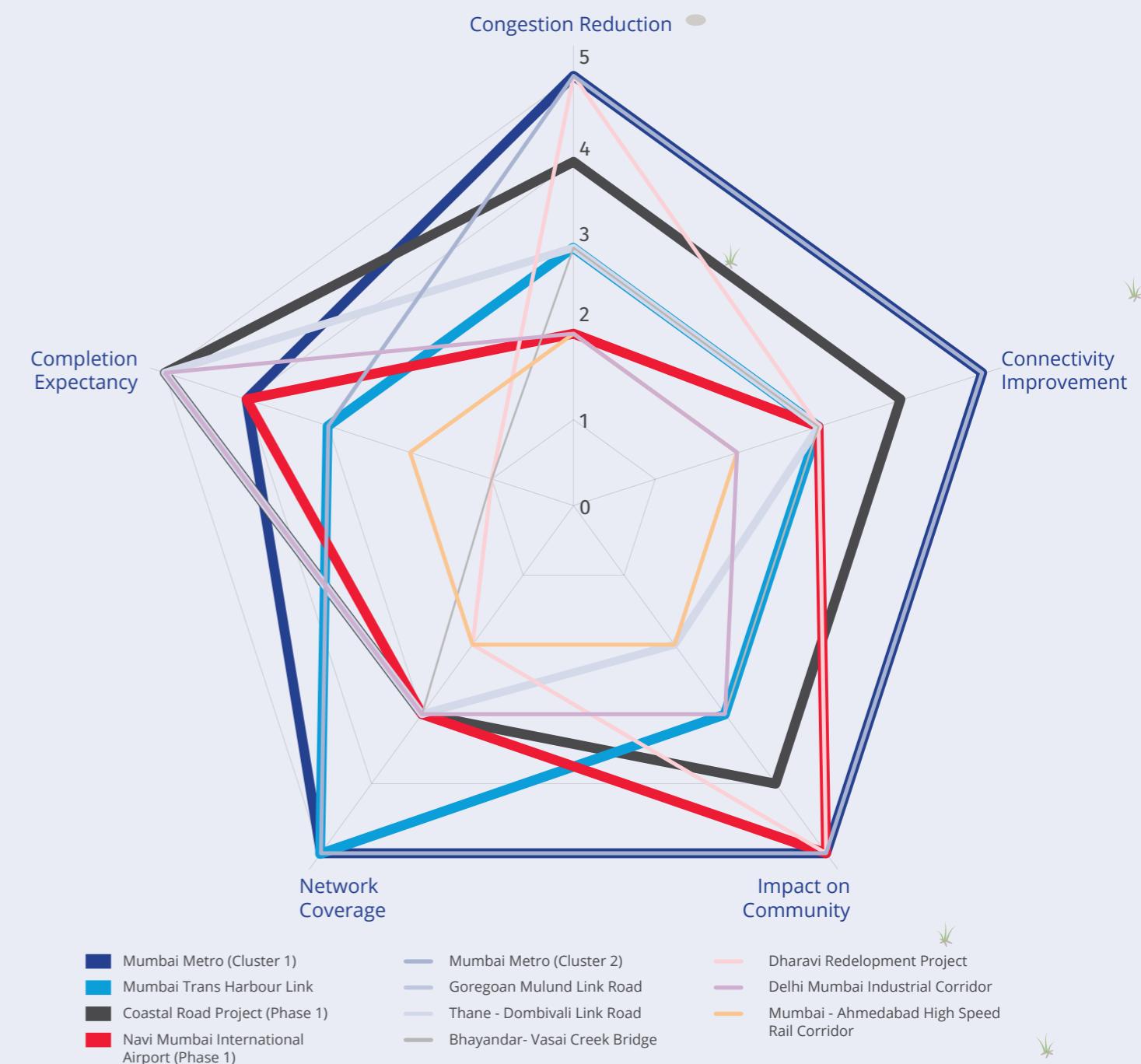
In the next few years, MMR is likely to see completion of numerous infrastructure projects, most of which are aimed at improving intra-city connectivity. However, Colliers has identified and rigorously examined prominent projects of the MMR real estate growth story. A close scrutiny of the projects from a real estate angle involved an in-depth investigation on a **Five C Framework**. The Five C framework consists of 5 cardinal parameters – **Congestion reduction**, **Connectivity improvement**, impact on **Community**, network **Coverage** and **Completion Expectancy**.

Although each of the parameters contribute significantly to ease public concerns, improve the quality of life and uplift the real estate quotient of MMR, completion expectancy is central to identify projects which are expected to have utmost impact in the near-mid term.

While the 5C framework identifies the pivotal infrastructure projects that may have a greater impact on the real estate spectrum of MMR, holistically all of these projects are likely to complement each other and substantially improve the liveability quotient for the residents of the city.



5C analysis of prominent upcoming projects in MMR



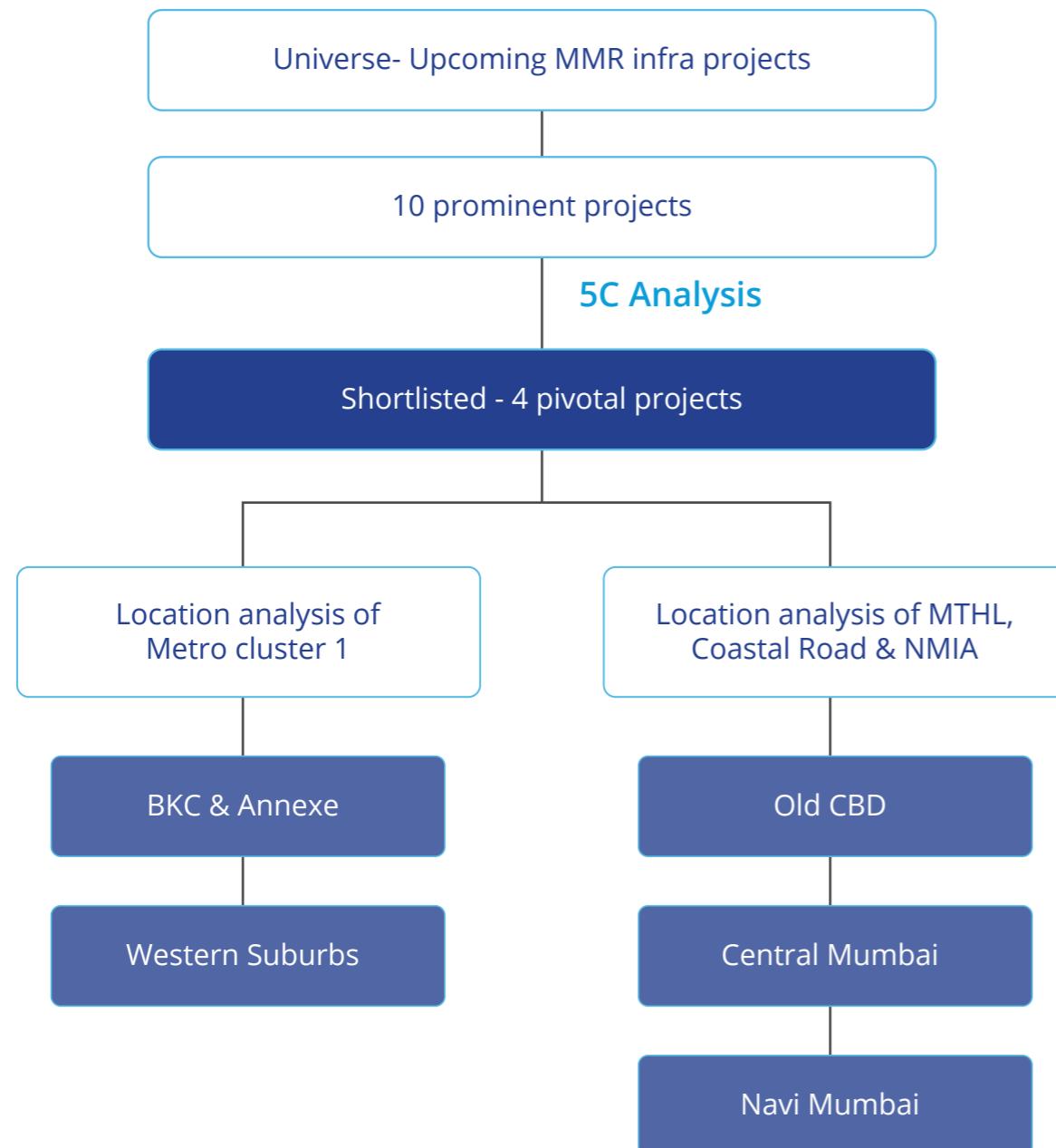
Based on the 5C analysis, the key infrastructure projects, which will have pronounced impact on the real estate landscape of MMR, in the next few years are likely to be

- Mumbai Metro (Cluster 1- Lines 2B, 3, 6, 9, 12)
- Mumbai Trans Harbour Link (MTHL)
- Coastal Road Project (Phase 1)
- Navi Mumbai International Airport (NMIA) (Phase 1)

Note: Metro Cluster 1 and 2 indicates lines expected to be completed by 2023-24 and 2025-26 respectively
Phase 1 includes the section which is expected to be completed by 2023-24
Impact for DMIC and Mumbai- Ahmedabad high speed rail corridor has been provided at a city level
Congestion reduction, connectivity improvement, impact on community and network coverage parameters are based on a five point scale from Low to High. The projects were also analysed on basis of expected completion timelines to arrive at the final shortlist of projects highlighted in the report.
Source: Colliers

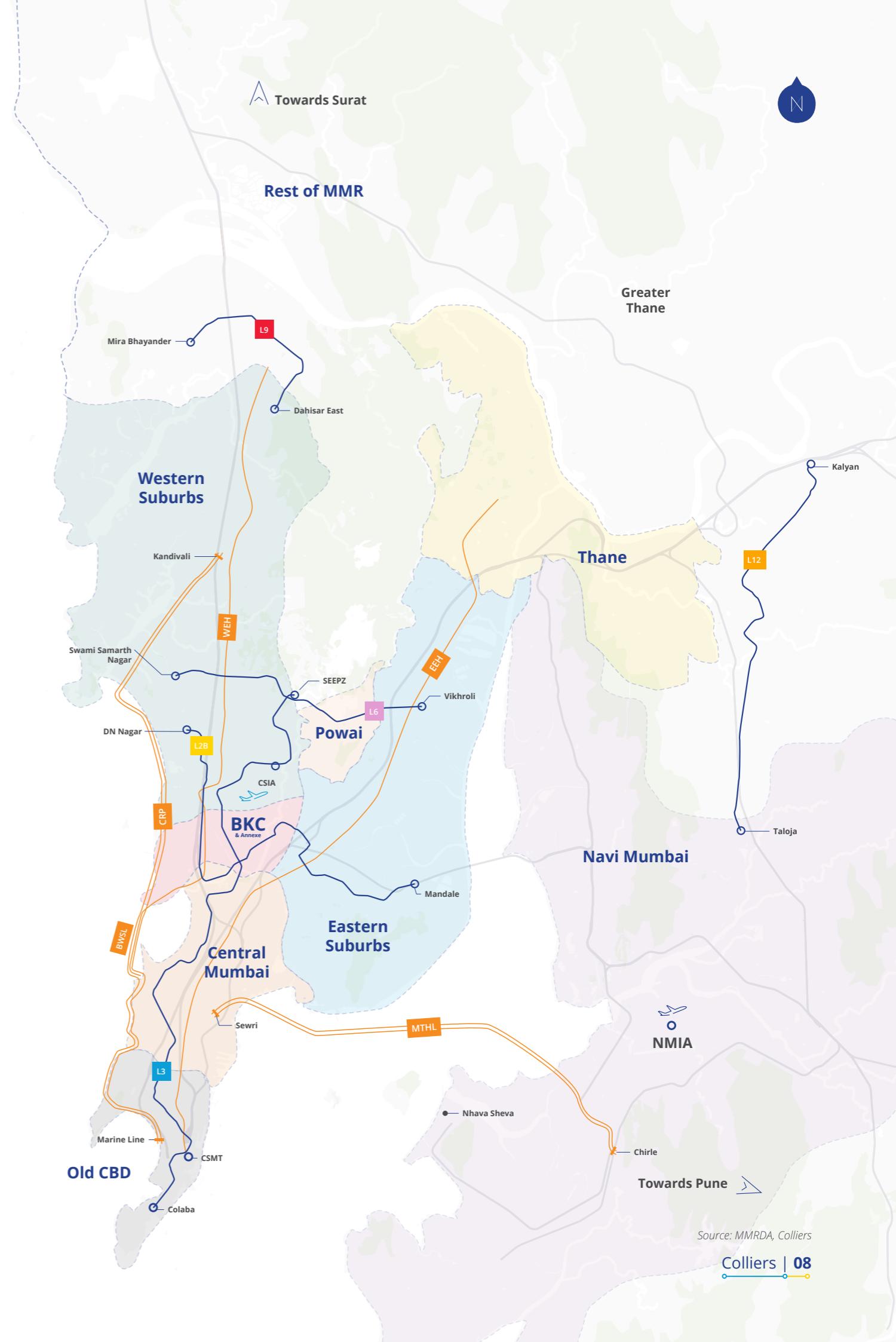
Real estate approach based analysis of MMR infra

N



MMR: Market definition

- | | |
|-----------------|--|
| Old CBD | - Nariman Point, Ballard Estate, Churchgate, Cuffe Parade, Fort |
| Western suburbs | - Andheri, Andheri-Kurla Road, Vile Parle, Chandivali, Malad, Kandivali, Borivali, Goregaon, Jogeshwari, Santacruz West, Dahisar |
| Eastern suburbs | - LBS, Sewri, Sion, Wadala, Ghatkopar, KanjurMarg, Nahur, Vidya Vihar, Vikhroli, Chembur, Bhandup, Govandi East, Mulund, Kurla, Khar West |
| BKC and annexe | - BKC, Bandra, Kalina, Santacruz East |
| Central Mumbai | - Lower Parel, Parel, Dadar, Matunga, Mahalaxmi, Byculla, Chinchpokli, Mazgaon, Kalachowki, Worli, Prabhadevi, Elphinstone, Haji Ali, Mahim |
| Navi Mumbai | - Airoli, CBD Belapur, Ghansoli, Juinagar, Kalmaboli, Kharghar, Mahape, Nerul, Pawne, Rabale, Sanpada, Seawoods, Taloja, Turbhe, Ulwe, Vashi |
| Powai | - Powai |
| Thane | - Thane, Dombivli, Kalyan West, Ulhasnagar |
| Rest of MMR | - Virar, Vasai, Mira- Bhayandar, Bhiwandi, Kalyan East |



Mumbai Metro (Cluster 1): Location impact analysis

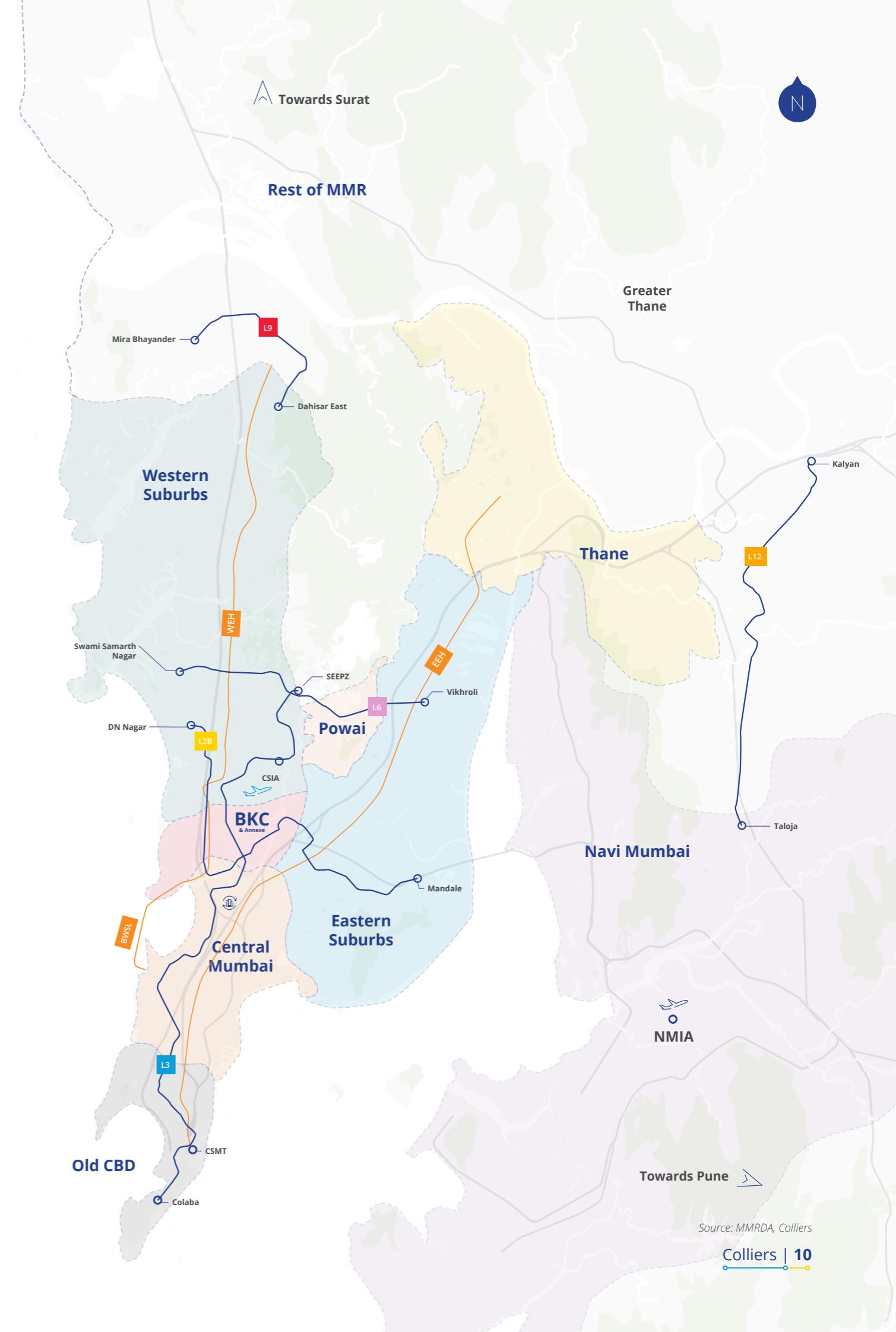
Routes that will act as catalysts for growth-
Mumbai Metro (Cluster 1)

Location	Expected Completion: 2023 End		Expected Completion: 2024		
	Line 2B	Line 3	Line 12	Line 6	Line 9
Old CBD		✓			
BKC & Annexe	✓	✓			
Western Suburbs	✓			✓	✓
Eastern Suburbs			✓		
Powai					
Central Mumbai		✓			
Navi Mumbai			✓		
Thane			✓		
Rest of MMR			✓		✓

Source: Colliers

Impact of upcoming metro on real estate

In the next two years, five more lines which include line 2B, 3, 6, 9 and 12 are likely to be operational for public use. Lines 2B and 3 will provide the much needed Mass Rapid Transportation Services (MRTS) in BKC and surroundings, boosting connectivity in the area and ultimately result in a positive impact on real estate in catchment areas. At the same time, lines 2B, 6 and 9 together will improve connectivity in the Western Suburbs. The micro market has already seen enhanced real estate activity, driven by the operational line 1. The upcoming three routes will further strengthen connectivity in the area and benefit all real estate stakeholders.



Reimagining BKC & Annexe with infra advantage

Market overview of BKC & Annexe

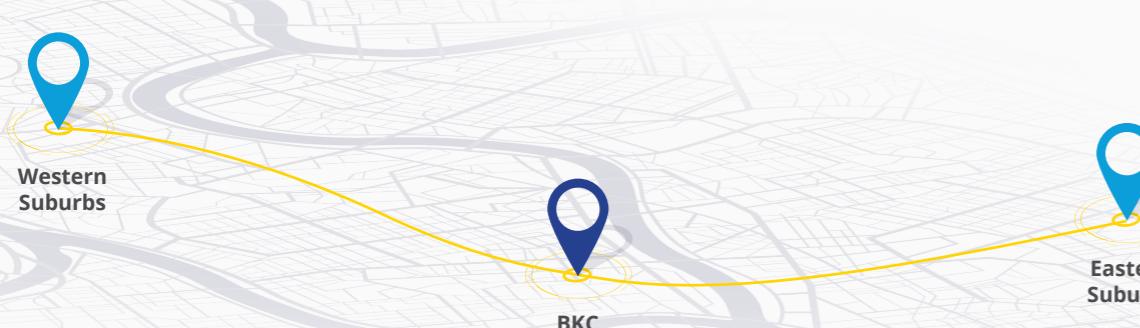
- BKC is an established commercial hub with presence of high quality office developments. In fact, it has become the de facto Central Business District (CBD) of MMR office market, replacing former CBD areas in South Mumbai
- BKC houses some of the most prominent buildings like National Stock Exchange, Bank of Baroda, Indian Oil, Reserve Bank of India, etc; and It will also have a terminal for the upcoming Mumbai-Ahmedabad bullet train
- With high occupancy levels, some of the prominent buildings in BKC command highest rentals in the country

Commute impact on BKC



Eastern suburbs to BKC

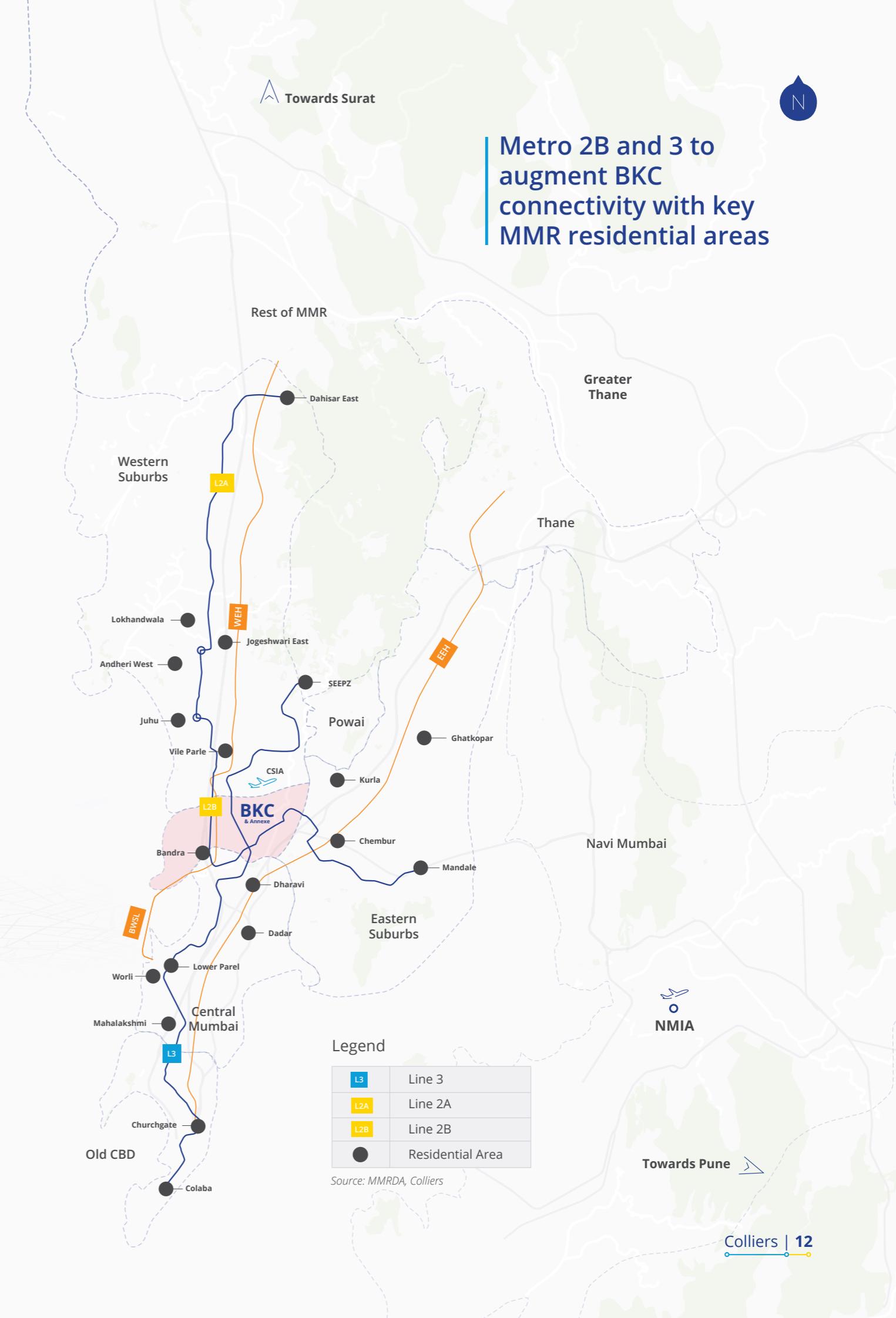
Area	Current travel time	After infra upgrade
Chembur	~35 mins	~50% reduction
Ghatkopar East	~30 mins	
Kurla East	~20 mins	



Western suburbs to BKC

Area	Current travel time	After infra upgrade
Borivali	~80 mins	~40% reduction
Malad / Goregaon	~65 mins	
Juhu	~50 mins	

Note: Current travel time is indicative of commute during morning peak hours in a standard 4-wheeler
Source: Google Maps, Colliers



Impact of infrastructure upgrade on real estate (BKC & Annexe)

Maximum impact on BKC & Annexe office market



Office

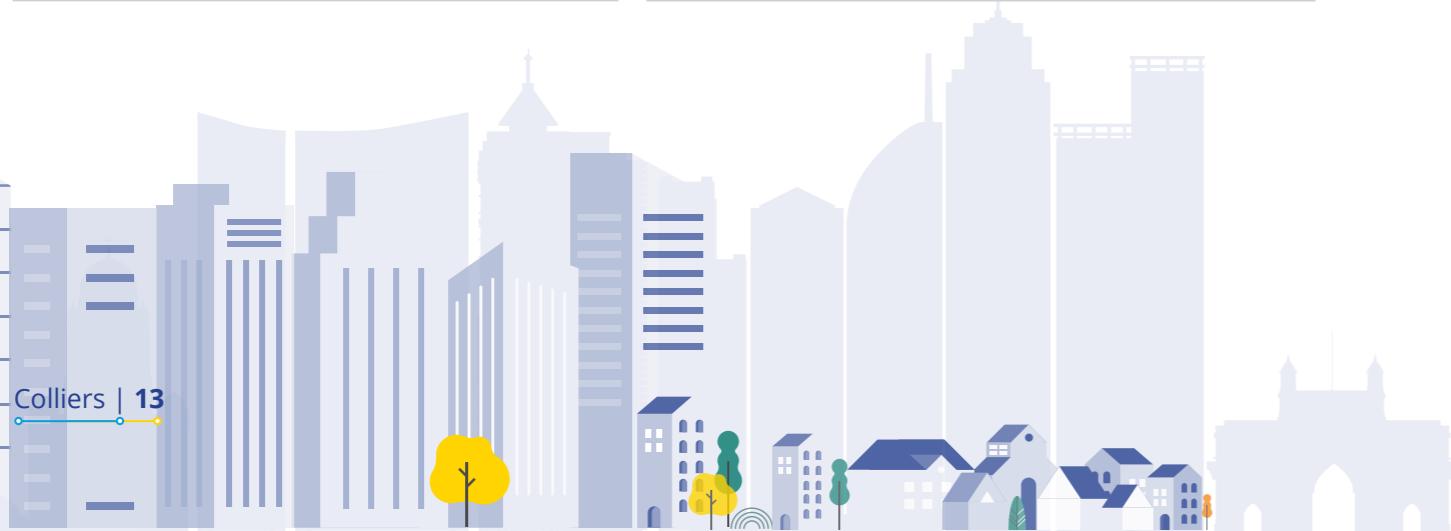
BKC to cement its positioning as a world-class commercial hub

As far as the Mumbai metro – line 2B and 3 is concerned, one of the most promising aspect for BKC would be the reduction in travel time from the eastern and western suburbs. With commute becoming easy for employees and introduction of MRTS in the CBD area, developers in anticipation of increased space uptake, are likely to pump in significant additional high quality office supply with prominent Grade A projects like Prestige and Sunteck.

Residential

Housing development is likely to see an uptick

Further, infrastructure upgrade in BKC will result in holistic improvement of social amenities in adjoining areas. Residential market in the surroundings are also likely to witness increased traction. Residential areas in the vicinity of BKC, like Kurla and Chembur are likely to see surge in housing developments especially in areas closer to new metro stations.



Outlook: Office Market

~7 mn sq.ft. of office supply infusion post completion of metro lines

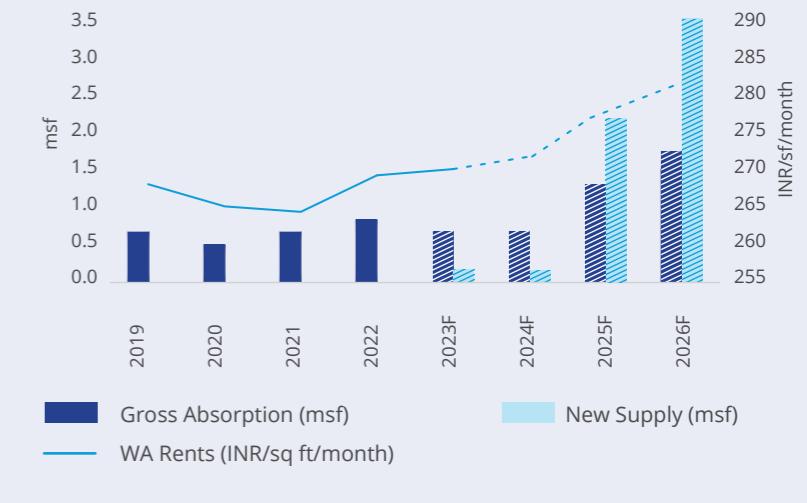
- Interestingly, developers aware of the criticality of metro lines, have planned their developments in such a way that most of the upcoming supply in BKC will be delivered once the metro lines become operational. With the upcoming supply set to increase the current stock by about 50%, occupancy levels might be in the range of 75-85% for the next few years.
- With enhanced connectivity, BKC is likely to see an uptick in Grade A leasing in the next 2-3 years. While BKC already commands the highest rentals in MMR, elevated demand levels drive average monthly rentals higher by 5-10% in the next 1-2 years. Although, for occupiers and developers of commercial real estate, BKC is already the most sought-after micro market in the city, the metro is likely to further amplify demand of the locality across all demand segments.

Key demand drivers

- 1 BFSI
- 2 Consulting
- 3 Technology



BKC & Annexe- Office market activity trend



BKC & Annexe office snapshot



Crystal-gazing for the next 3 years



Source: Colliers
Note- Data pertains to Grade A buildings



Colliers | 14

Reimagining **Western Suburbs** with infra advantage

Market overview of Western Suburbs

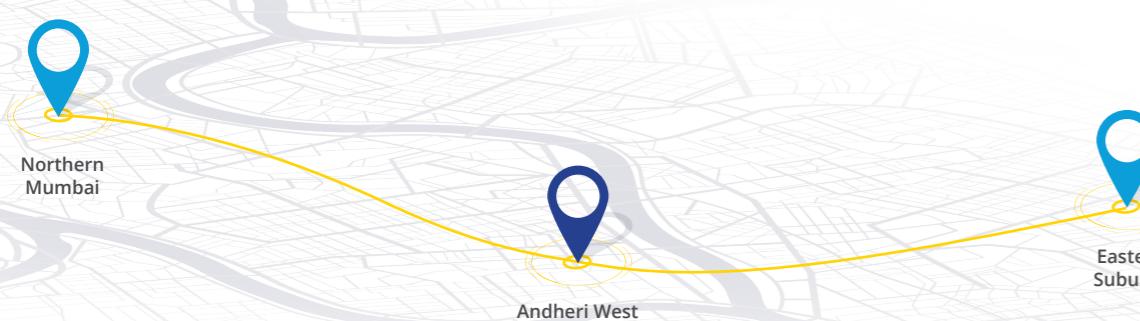
- Preferred location for homebuyers driven by good connectivity, and holistic social infrastructure including retail outlets, entertainment avenues, hospitals and educational institutions
- While western suburbs was earlier a cost-effective option for office space occupiers, it has now emerged as a potential front office location
- The market is gaining prominence for flexible workspace operators owing to residential catchments and proximity to airport

Commute impact on Western Suburbs



Eastern suburbs to Andheri West

Area	Current travel time	After infra upgrade
Ghatkopar East	~65 mins	
Chembur	~60 mins	
Kurla East	~55 mins	~50% reduction



Northern Mumbai to Andheri West

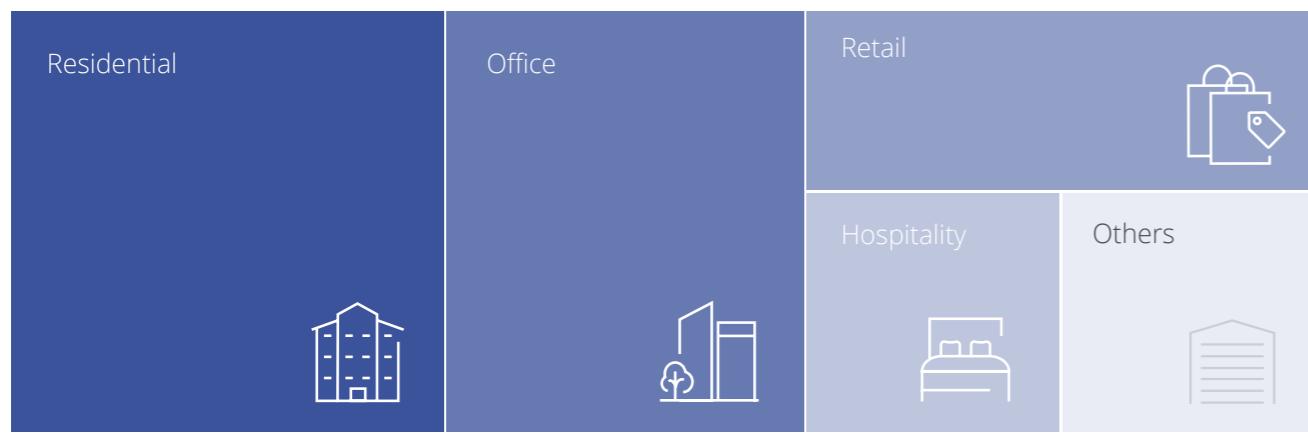
Area	Current travel time	After infra upgrade
Bhayandar	~70 mins	
Mira Road	~60 mins	
Dahisar East	~50 mins	~50% reduction

Note: Current travel time is indicative of commute during morning peak hours in a standard 4-wheeler
Source: Google Maps, Colliers

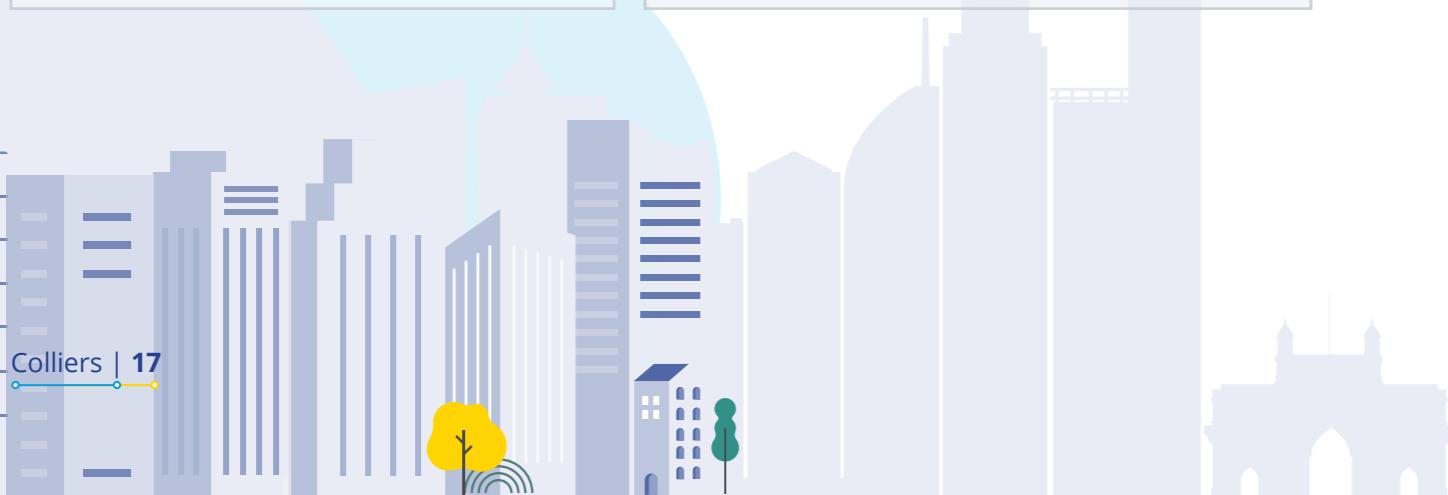
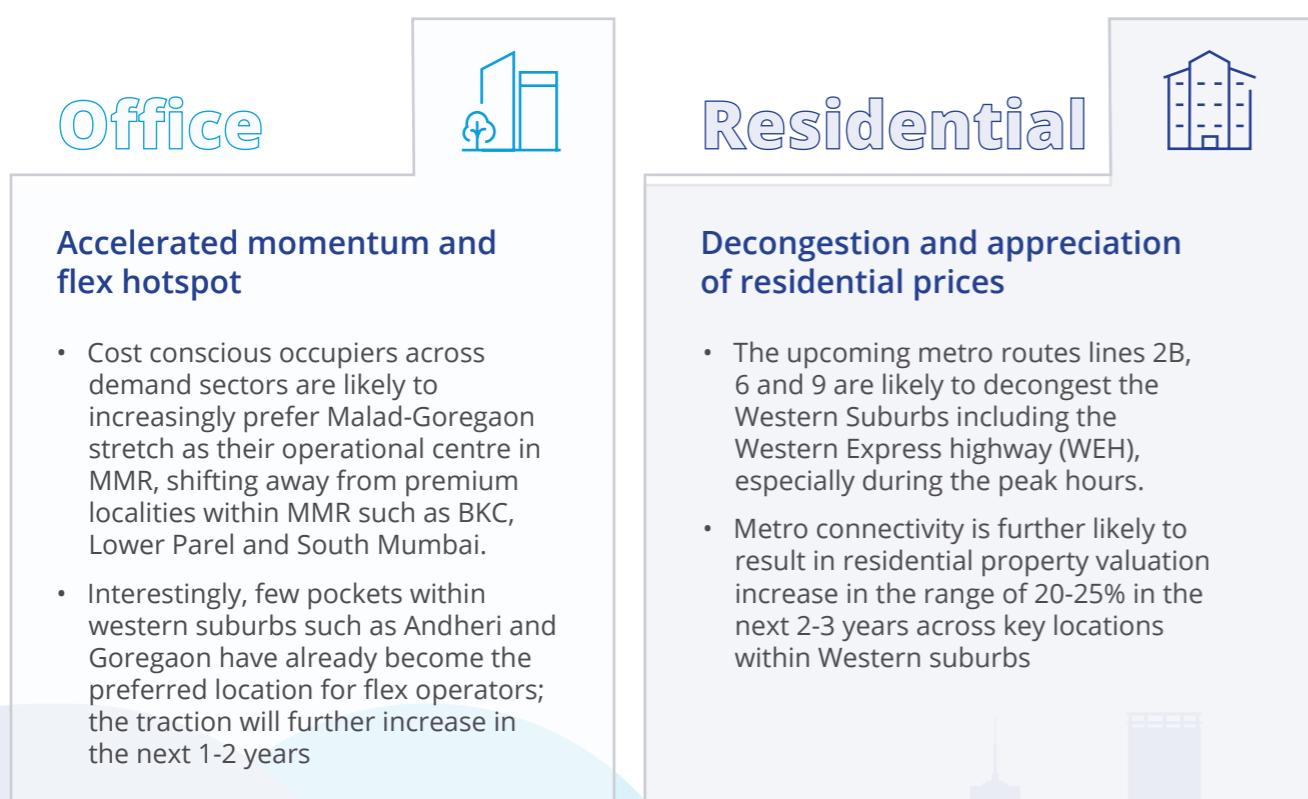


Impact of infrastructure upgrade on real estate (Western Suburbs)

Maximum impact of Western Suburbs residential and office market



Source: Colliers



Colliers | 17

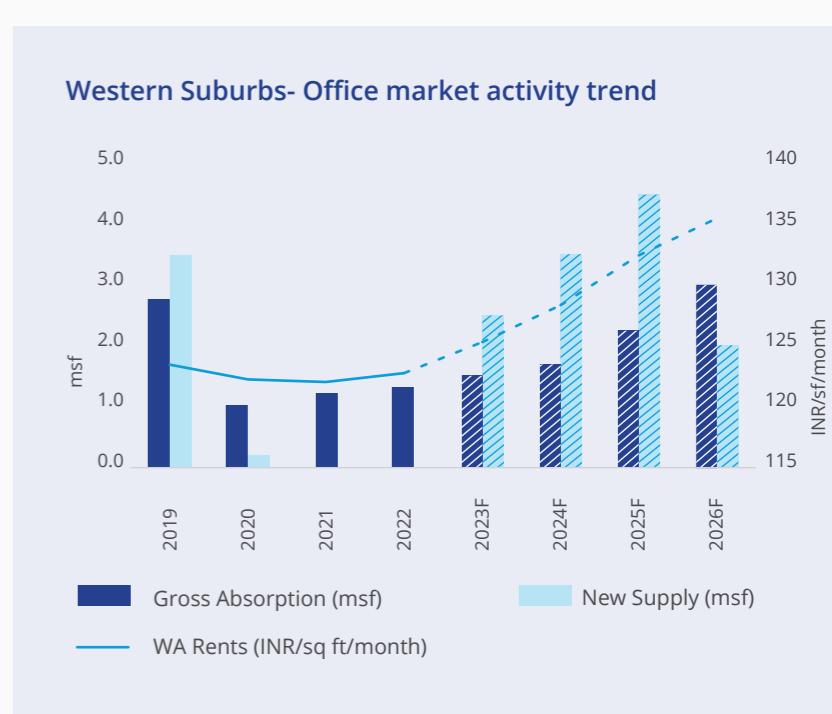
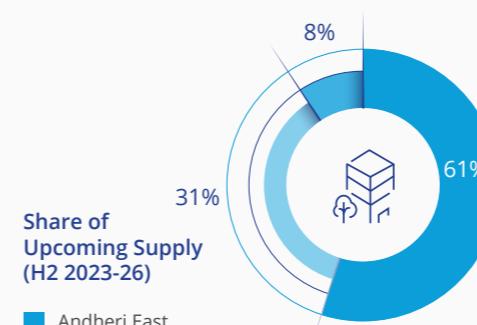
Outlook: Office Market

Solidification of Western Suburbs as the key business district of MMR

The Western suburbs micro market accounts for about 25% of Grade A office stock of MMR. The upcoming supply in the micro market will further augment the prominence of Western Suburbs as a key business district in the region, which also accounts for a significant share of office leasing. In the next few years, prime office assets are likely to come up even in the northern parts of the micro market, led by enhanced connectivity. Rentals across western suburbs are likely to surge about 5-10%.

Key demand drivers

- 1 BFSI
- 2 Flex Spaces
- 3 Technology



Western Suburbs office snapshot



Crystal-gazing for the next 3 years



Source: Colliers
Note- Data pertains to Grade A buildings



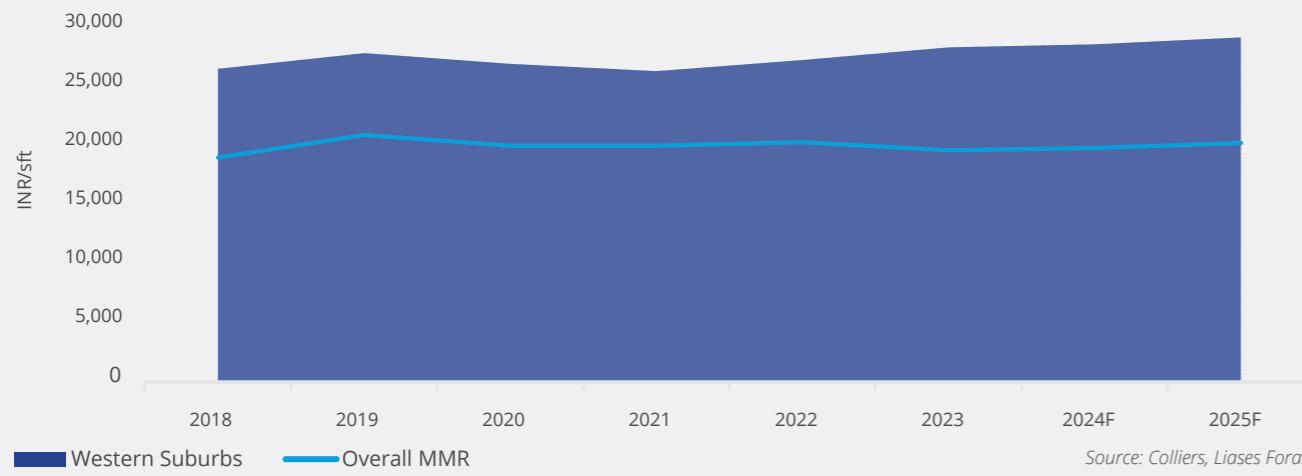
Colliers | 18

Outlook: Residential Market

Maturity of residential catchment areas within Western Suburbs

- Since last 2-3 years, almost half of the MMR residential activity (sales and launches) is concentrated in the area. The strong housing demand is captured in average housing prices which is about 44% higher than overall MMR prices. Moreover, with the metro lines set to further enhance the overall connectivity of western suburbs, residential hotspots like Andheri, Jogeshwari, Malad, Goregaon, Lokhandwala, Kandivali and Borivali have seen about 8% rise in housing prices from June 2021 to June 2023, and commands a premium compared to other localities in MMR.
- Moreover, with clear visibility in forthcoming launches and scheduled deliveries of high-end upcoming residential projects, the prices of under-construction projects in western suburbs are in an early upswing phase.

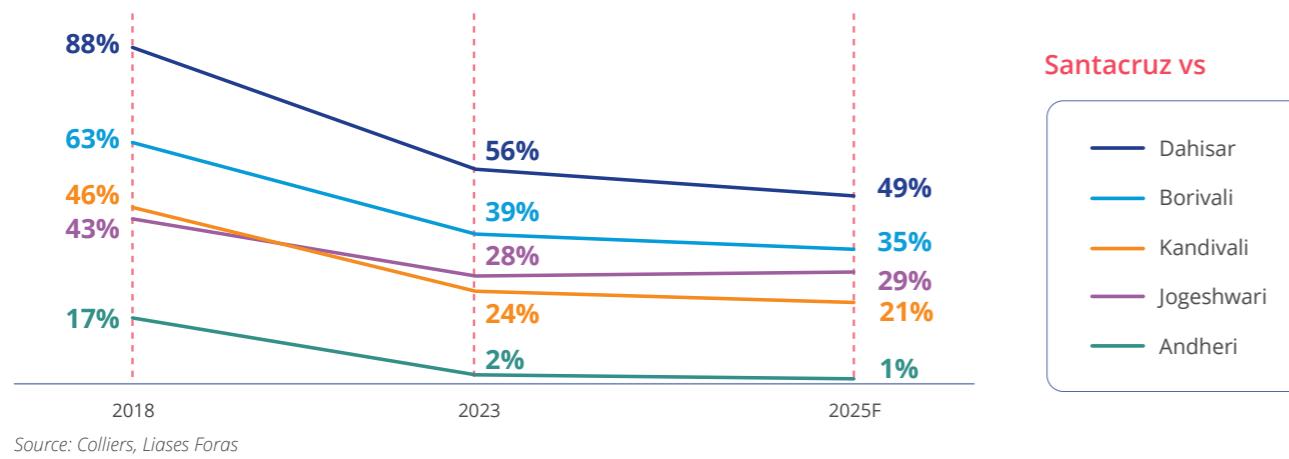
Average residential price trend



Increasing homogenization of Western Suburbs residential market

- Typical of the MMR residential market, average housing prices declines as one moves northwards in western suburbs as well. However, with the upcoming infrastructural development, a sense of homogeneity in housing prices is expected in the next few years. Despite the increasing homogeneity, neighbourhoods in the vicinity of airport will continue to command a premium positioning in the market. Location within Western Suburbs will increasingly be immaterial for homebuyers, since connectivity parameter consideration will be same across the micro market.

Price difference between Santacruz and key Western Suburbs localities



Impact of increasing homogenization

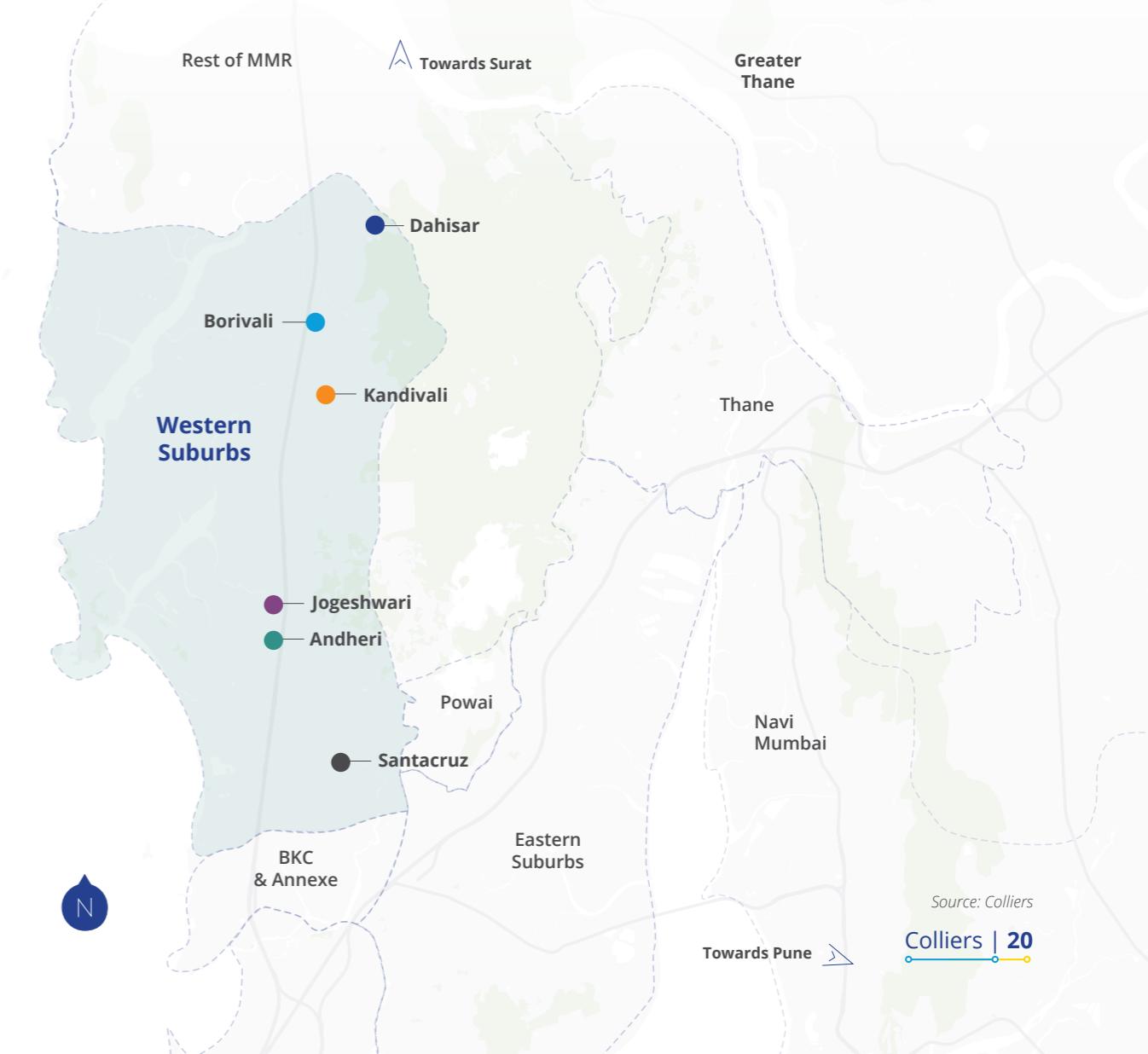
For developers and homebuyers

The price difference in residential capital values between Andheri, Jogeshwari and Santacruz is likely to narrow down significantly in the next 1-2 years. Although prices will still vary within Western Suburbs, we expect the overall micro market to show some level of uniformity in the next 5 years.



For Investors

Residential properties in the northern part of western suburbs are likely to fetch lucrative returns. The housing price differential which was >80% in Dahisar few years ago, has already moderated as the metro work has reached an advanced stage. With the upcoming infrastructural growth and corresponding new real estate developments, residential prices in the area are likely to further head north in the next 2-3 years.



MTHL, Coastal Road, NMIA: Location impact analysis



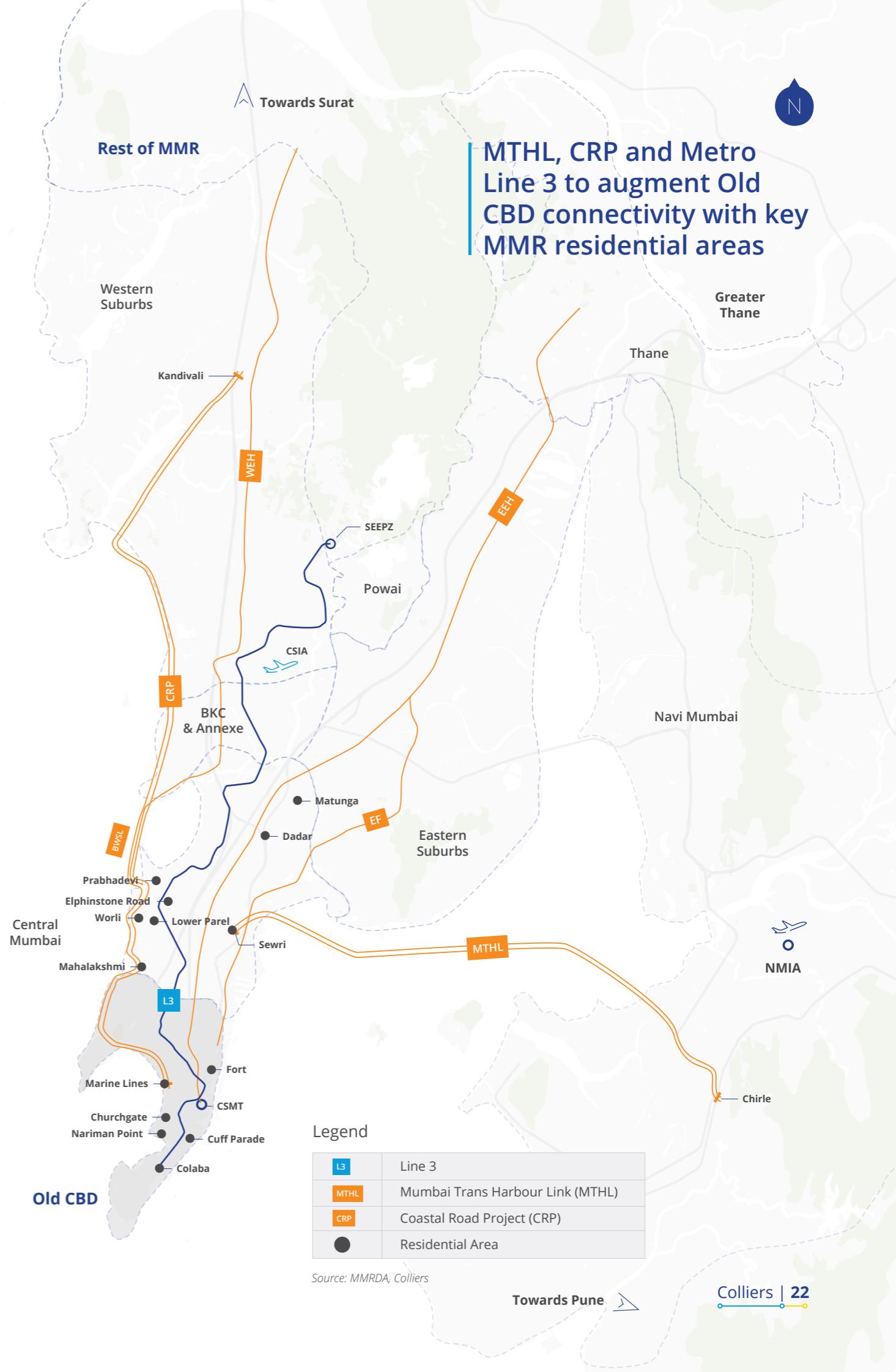
Location	MTHL	Coastal Road	NMIA
Old CBD	✓	✓	
BKC & Annexe		✓	
Western Suburbs		✓	
Eastern Suburbs	✓		
Powai			
Central Mumbai	✓	✓	
Navi Mumbai	✓		✓
Thane			✓
Rest of MMR			

MTHL, Coastal Road and Navi Mumbai International airport (NMIA) are likely to have the most impact on Old CBD, Central Mumbai and Navi Mumbai. Once fully operational, the three projects will drive real estate demand along its influence zone. While it will boost the presently saturated market of Old CBD and lead to revival in demand, it will open newer avenues for key micro markets like Central Mumbai and Navi Mumbai.

Will the upcoming projects revive demand in Old CBD?

Market overview of Old CBD

- Old Central Business District is the oldest financial as well as commercial hub of Mumbai. The area is dotted with strata owned buildings located in key office market localities such as Nariman point, Churchgate, Cuff Parade and Marine Drive.
- However, Old CBD office stock largely consists of old buildings with smaller floor plates, which require upgradation. And hence, lies a huge opportunity for retrofitting and redevelopment.
- Old CBD has witnessed negligible supply addition in the last few years. Also, there are no new major upcoming office developments, resulting in paltry visibility of ready-to-occupy Grade A office spaces in near future. In fact, demand slackening in Old CBD area is attributed to low quality inventory rather than intent of taking up incremental space.



Impact of infrastructure upgrade on real estate (Old CBD)

Maximum impact on Old CBD office market



Source: Colliers

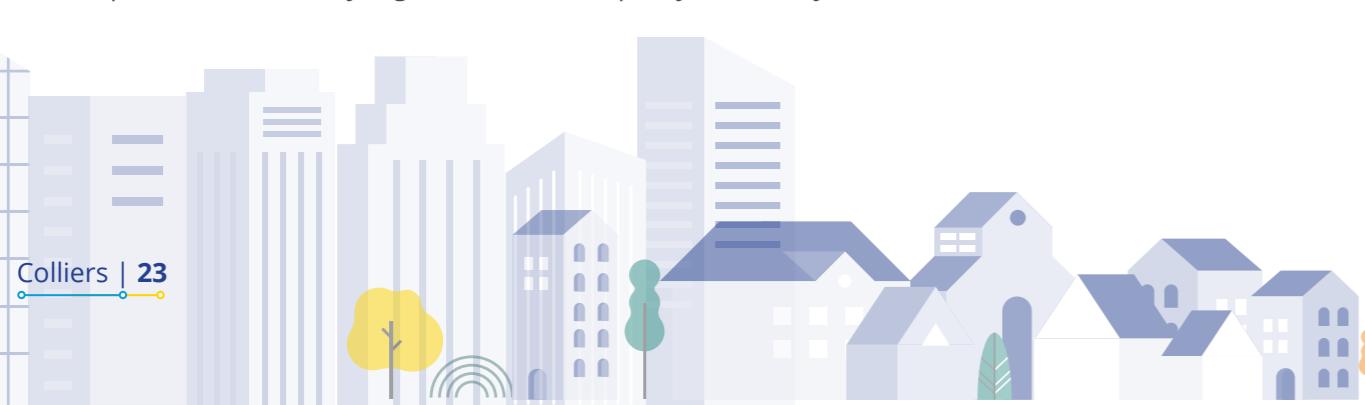
Immense connectivity improvement with rest of the city

- With the first phase of Coastal Road, likely to connect Princess Street Flyover to Worli by the end of 2023 and second phase (Bandra-Versova sea link), connecting Bandra with western suburbs in 2027, the entire Old CBD area will witness improved connectivity with Western Suburbs and Central Mumbai.
- At the same time, MTHL will improve connectivity between Navi Mumbai and Old CBD, significantly reducing the travel time between the two micro markets. At present, the connectivity between these two major micro markets is only via Sion-Panvel Expressway.

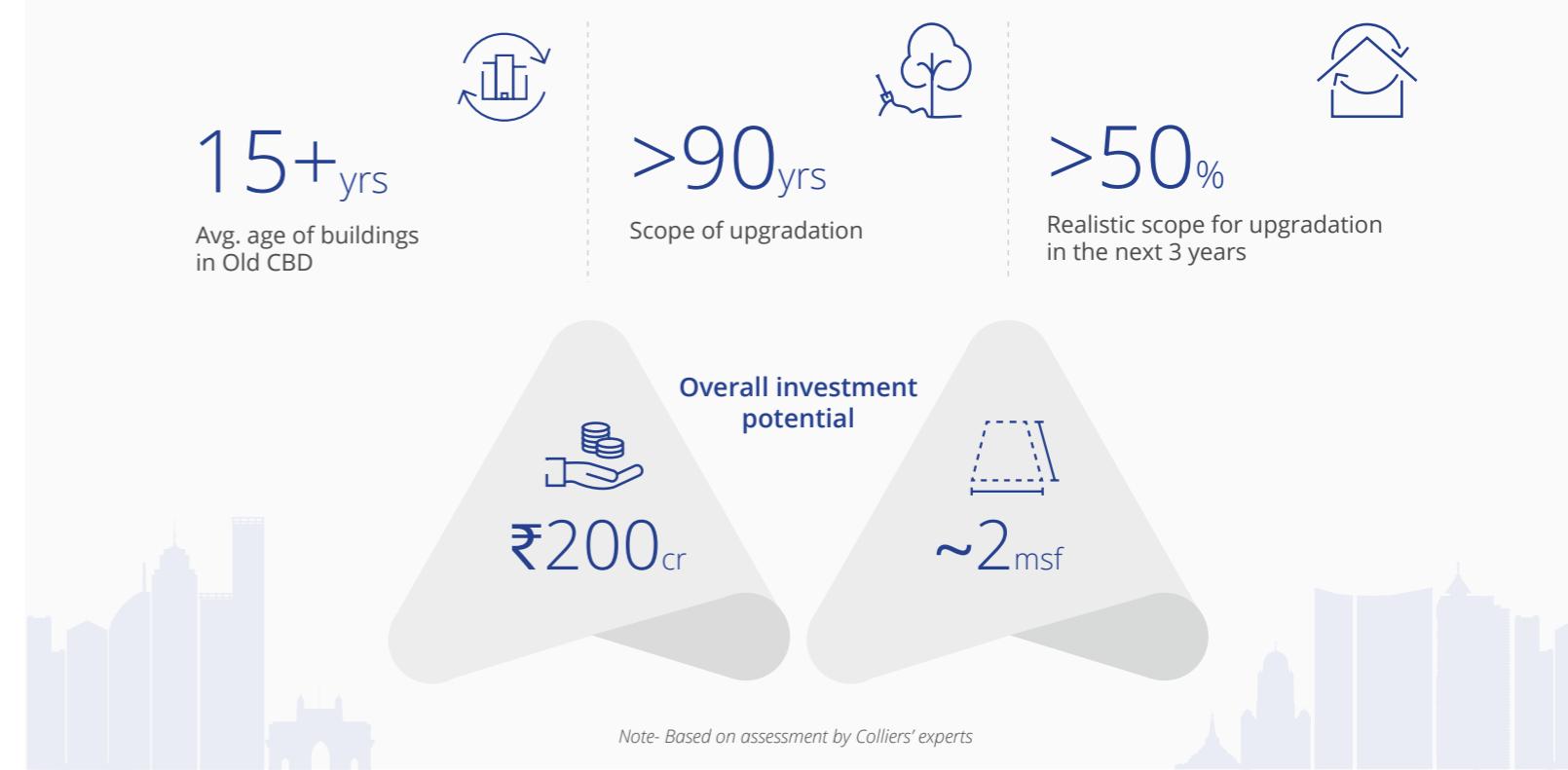
Outlook: Office Market

Retrofitting to breathe a new lease of life in Old CBD

- Most of the grade A office buildings in Old CBD, accounting for >95%, hold potential for redevelopment. Since there is limited scope for new supply in the micro market due to scarcity of land, developers can leverage the existing stock and consider retrofitting, as an opportunity for lucrative returns.
- In the last few years, especially in the post-pandemic era, there has been an increasing preference for green certified buildings. Currently, very few office buildings in Old CBD are green certified.
- Infrastructure upgrade for the Old CBD area along with building specific retrofitting and green certification could present a clear case for 5-10% appreciation in existing rentals.
- Furthermore, with developers of repute in constant pursuit of commercial developments for acquisition, a refurbished office market of Old CBD, could present alternate REITable opportunities within Mumbai for prospective investors.
- With supply bottlenecks easing in future, the micro market can once again be on the radar for occupiers and eventually regain its lost allure partly, if not fully.



Case for retrofitting in Old CBD



Likely impact on Old CBD Office market in next 2-3 years

Key demand drivers



Old CBD office snapshot



Crystal-gazing for the next 3 years



Source: Colliers
Note- Data pertains to Grade A buildings

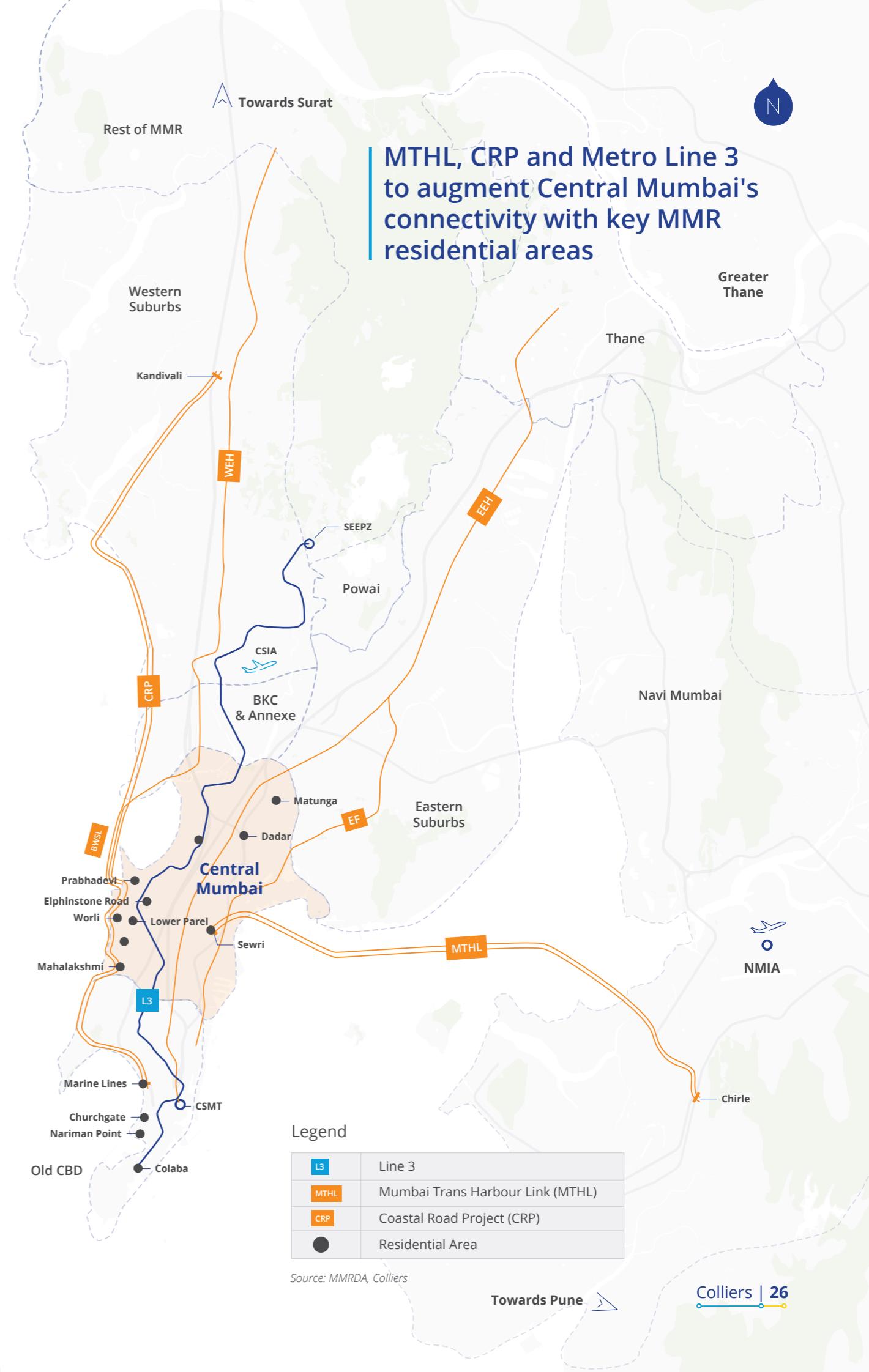
Reimagining **Central Mumbai** with infra advantage

Market overview of Central Mumbai

- Central Mumbai is an upscale residential-cum-commercial market of MMR, with close proximity to Mumbai Central railway station
- Presence of ample social infrastructure elements add to the liveability quotient of the area
- Central Mumbai roughly contributes around 15% to the overall Grade A stock of Mumbai. The office stock of Central Mumbai, however is largely Non-IT Grade.
- Presence of defunct mill lands in Lower Parel hold huge potential for development of office spaces and residential projects as well. The micro market also holds potential for slum redevelopment projects
- Also, upon infrastructure upgrade in the micro market, area in the vicinity of Sewri is likely to open up for residential activity

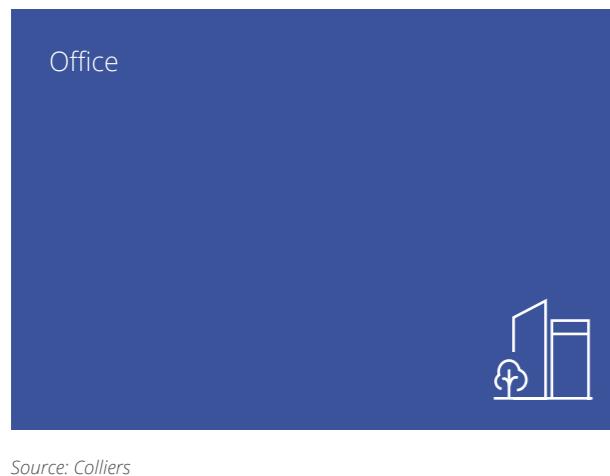
Comprehensive integration with Navi Mumbai and other key business districts

- Metro route 3:** Although Central Mumbai is well connected with the suburban railway system, the upcoming metro route 3 will bolster the connectivity with key business districts like Old CBD and BKC & Annexe.
- MTHL:** Concurrently, the MTHL bridge will boost the connectivity of Central Mumbai with Navi Mumbai; travel time between two locations is likely to be reduced from 2.5 hours to 30 minutes only. The effectiveness of MTHL crucially hinges on the Sewri-Worli elevated connector, which will provide signal-free connectivity between the two sea links (MTHL and Coastal Road)
- Coastal Road:** The first phase of coastal road, connecting Marine Drive and Worli would reduce the travel time between the prominent locations by about 50-70%. This in turn has the potential to amplify residential activity in Central Mumbai.



Impact of infrastructure upgrade on real estate (Central Mumbai)

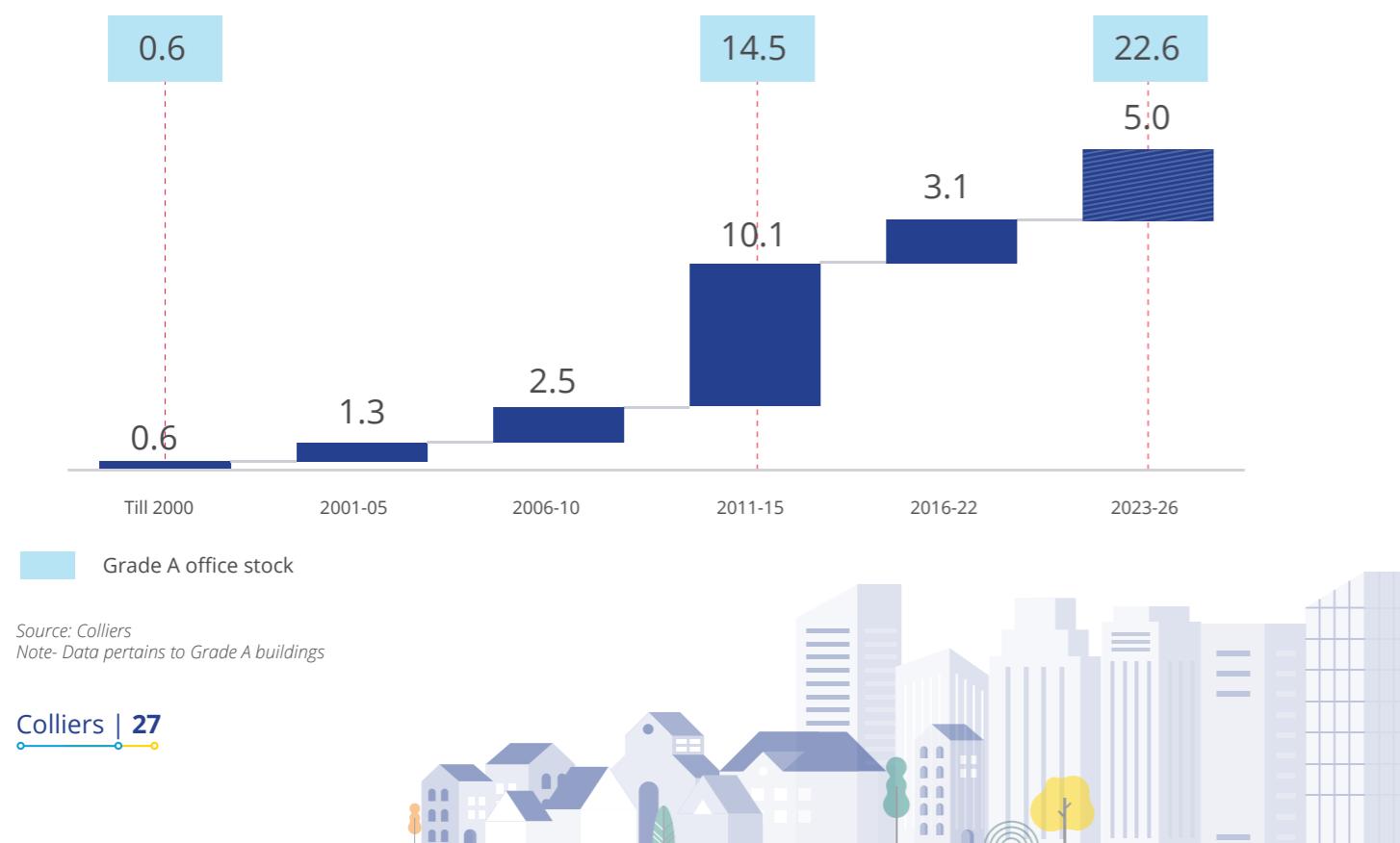
Maximum impact on Central Mumbai office market



Central Mumbai back on the radar of developers and occupiers

The micro market witnessed bulk of its office supply during 2011-2015, with limited new supply in the following 5-year period. However, developers and occupiers, in anticipation of the upcoming infrastructure upgradation, see massive potential in the micro market. The market has already shown signs of uptick in office market activity - Around 2 mn msf of new supply came in during 2021 and 2022. Demand, meanwhile rose 2X YoY during 2022.

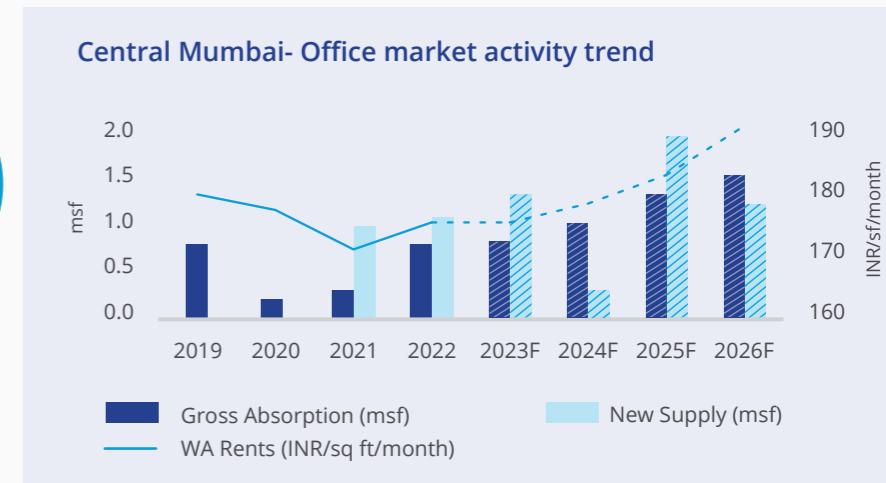
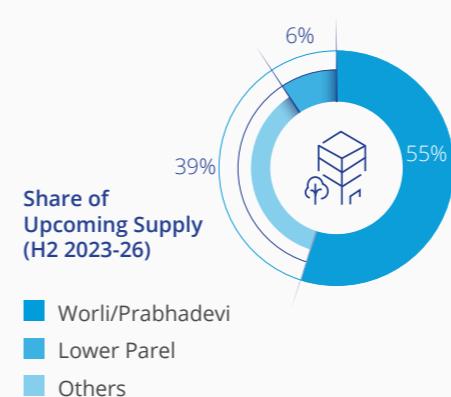
Grade A office supply infusion in Central Mumbai (msf)



Outlook: Office Market

Central Mumbai: Breaking new ground with quality office spaces

- The area is likely to see about 5 msf of new supply in the next 3 years, increasing the Grade A stock by about 25-30%. Even with limited availability of land, the area holds huge scope for vertical growth through redevelopment. Lower Parel, for instance, with presence of defunct mill land parcels holds huge redevelopment potential.
- The ongoing construction of landmark office projects through redevelopment might act as catalyst for heightened demand in the micro market. Occupiers in search of new developments are likely to prefer the upcoming projects with better amenities. Such redevelopment projects are likely to drive the demand up by about 1.5x, resulting in a rental upside of about 5-10% in the next 2-3 years.
- Notably, infrastructure projects getting completed in the near future, will ensure that Central Mumbai is able to support the rising urban density through vertical growth and redevelopment plans of the locality.



Key demand drivers



Central Mumbai office snapshot



Crystal-gazing for the next 3 years



Source: Colliers
Note- Data pertains to Grade A buildings

Navi Mumbai A hub of opportunities

Market overview of Navi Mumbai

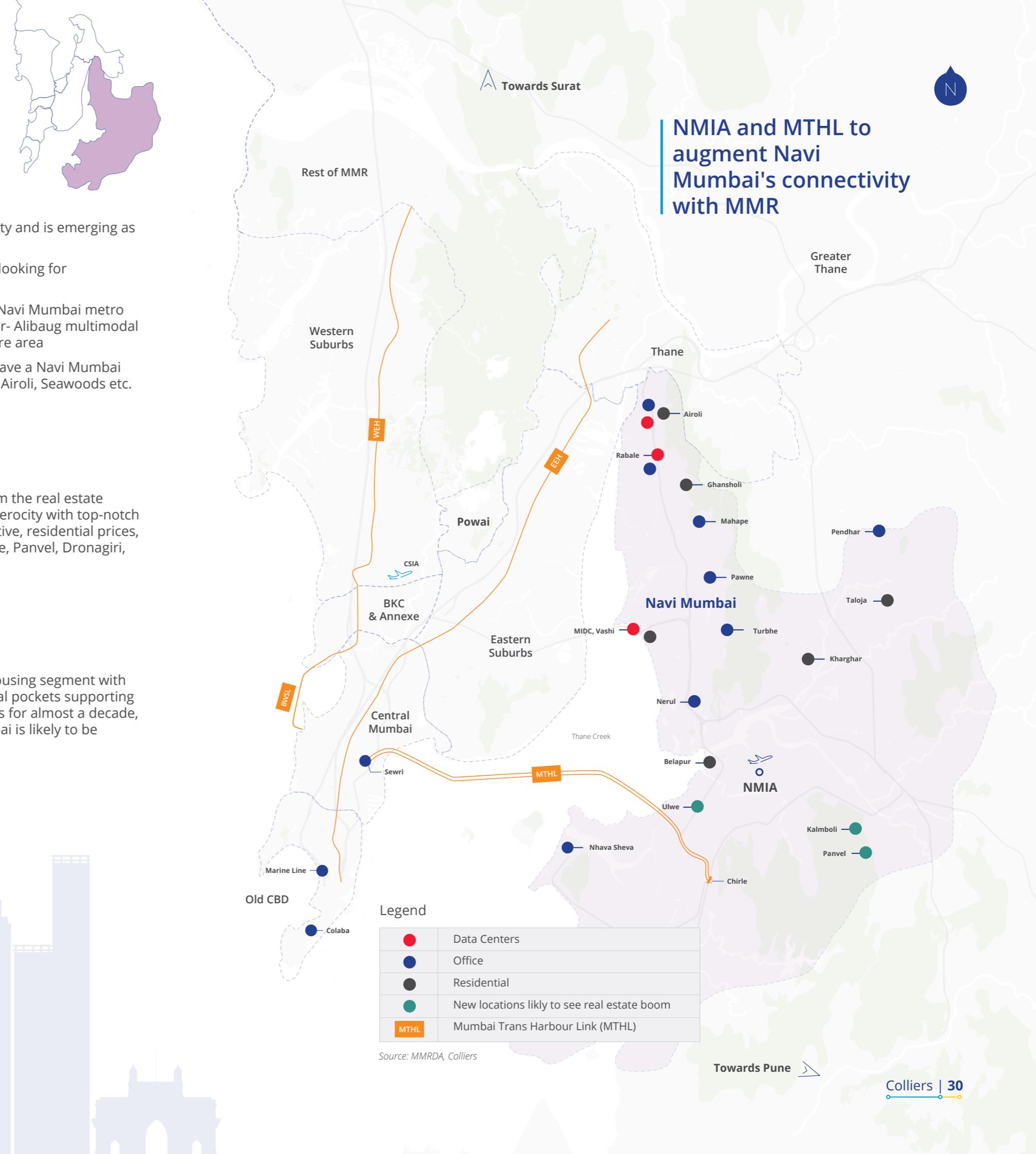
- Navi Mumbai, a planned micro market in MMR, is being developed as a smart city and is emerging as one of the most active real estate markets in the region
- Owing to the sub-dollar rentals, the location is a preferred choice for occupiers looking for cost-effective option especially technology firms
- Along with MTHL and Navi Mumbai international airport (NMIA), the upcoming Navi Mumbai metro line 1, the proposed metro line 8, CIDCO's international corporate park and Virar- Alibaug multimodal corridor will ensure robust connectivity and real estate development in the entire area
- Interestingly, Navi Mumbai is a preferred destination for REITs. All three REITs have a Navi Mumbai presence, in the form of office portfolio spread across quality developments in Airoli, Seawoods etc.

MTHL & NMIA development to boost real estate activity

Completion of MTHL and development around the upcoming airport will transform the real estate landscape of Navi Mumbai. The surrounding area is likely to be developed as an Aerocity with top-notch commercial spaces, hotels, retail spaces and amenities. From an investor perspective, residential prices, especially are likely to accelerate in Navi Mumbai especially in areas like Uran-Ulwe, Panvel, Dronagiri, Kharghar and Taloja

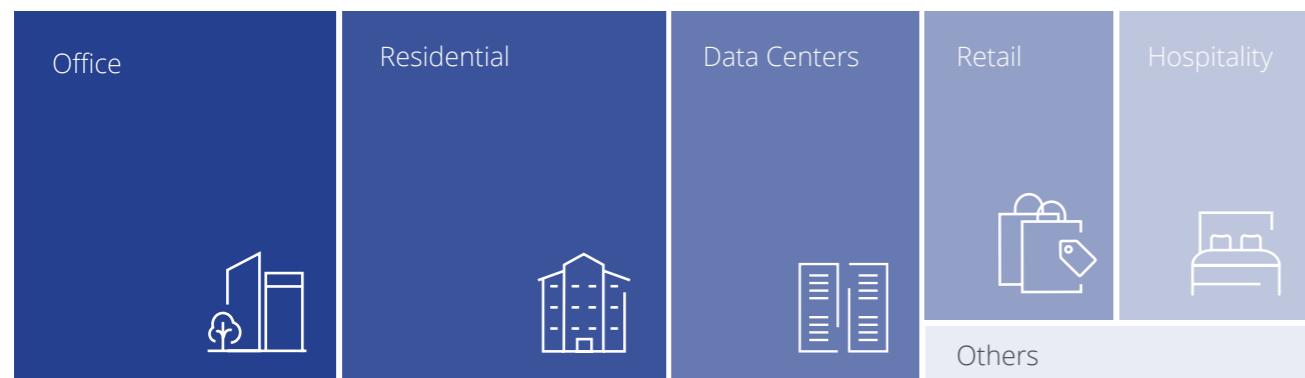
Infrastructure push critical in the effective transformation of Navi Mumbai Airport Notified Area (NAINA)

Real estate growth in NAINA has been envisaged to be driven by the affordable housing segment with elements of data centres, commercial office spaces, retail complexes and industrial pockets supporting the entire ecosystem. Although the development plan has been a work in progress for almost a decade, with all infrastructure developments in the area closer to completion, Navi Mumbai is likely to be transformed into one of the most promising growth corridors in the MMR Region.



Impact of infrastructure upgrade on real estate (Navi Mumbai)

Maximum impact on Navi Mumbai office , residential and data centre market



Source: Colliers

Fortification of Navi Mumbai's pole positioning in DC segment

MMR accounts for around 50% of India's existing DC stock and Navi Mumbai alone accounts for roughly a 50% share within MMR. Factors that make Navi Mumbai an attractive location for data centres:

- Presence of submarine cable connectivity
- Ease in building landing stations and internet exchanges
- Power subsidies from government
- Availability of land



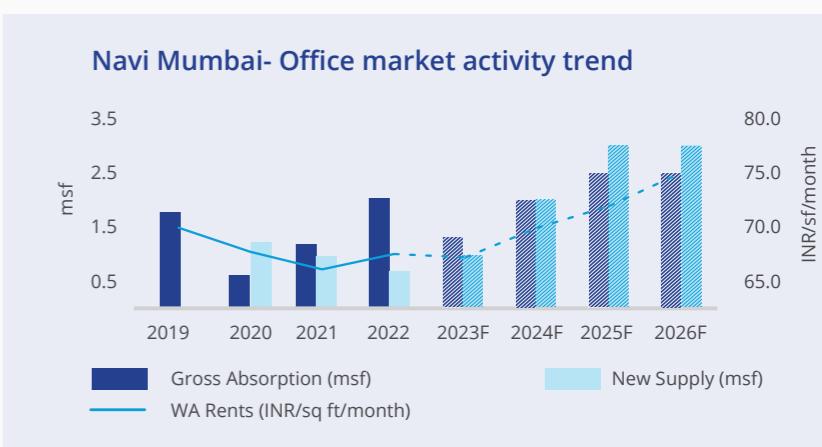
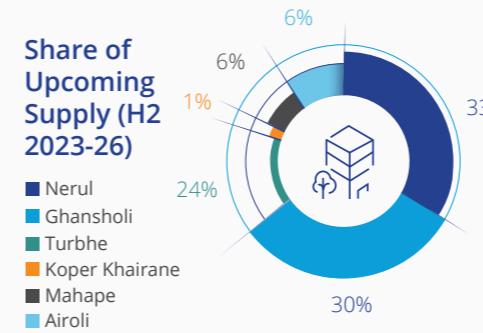
Apart from reduction in travel time for employees commuting from mainland Mumbai, MTHL will be pivotal in connecting the data centre hotspots within Navi Mumbai to rest of the metropolitan region. In fact, the MTHL project will play a critical role in terms of infrastructure strengthening including power lines, which in turn will further establish Navi Mumbai's favourable positioning within MMR for DC operators.

Source: Colliers
Note- Data pertains to Grade A buildings

Outlook: Office Market

Infra push and sub dollar rentals to drive office market dynamics

- Driven by strong prospective infra upgrade, Navi Mumbai is likely to see about 9 msf of new supply in the next 3 years. More than three quarters of the upcoming supply pertains to IT stock.
- Underpinned by demand from occupiers from BFSI and Technology sector as well as GCCs, Navi Mumbai contributes almost one-fifth of the demand for office space uptake in MMR. With demand for prospective quality developments set to continue, Navi Mumbai is likely to witness heightened leasing activity in the next 2-3 years.
- Navi Mumbai's unique positioning as a sub-dollar office micro market within MMR has been a significant factor in the constant occupier interest in the micro-market. With supply envisaged to outpace demand in the next 3 years, the micro market will continue to enjoy the rental arbitrage advantage. Although newer office buildings are likely to command rentals 10-15% higher than current levels, the overall micro market will continue to be favourably placed in terms of Dollar denominated rental expense



Key demand drivers



Navi Mumbai office snapshot



Crystal-gazing for the next 3 years



Source: Colliers
Note- Data pertains to Grade A buildings

Annexure

Overview of Mumbai Metro

- Upon complete operations, the 337 Km-rapid metro transit system, will play a major role in enhancing connectivity within MMR, by reducing congestion and supporting the overburdened primary mode of city-commute.
- Currently, three metro routes, line 1 (11.4km), 2A (18.6km) and 7 (16.5km) are operational in the city. The three lines were prioritized by the local bodies, considering the high flow traffic and congestion in the Western and Eastern Suburbs. At present the metro coverage in MMR is relatively low, with the three operational lines covering a cumulative distance of about 47 km only.

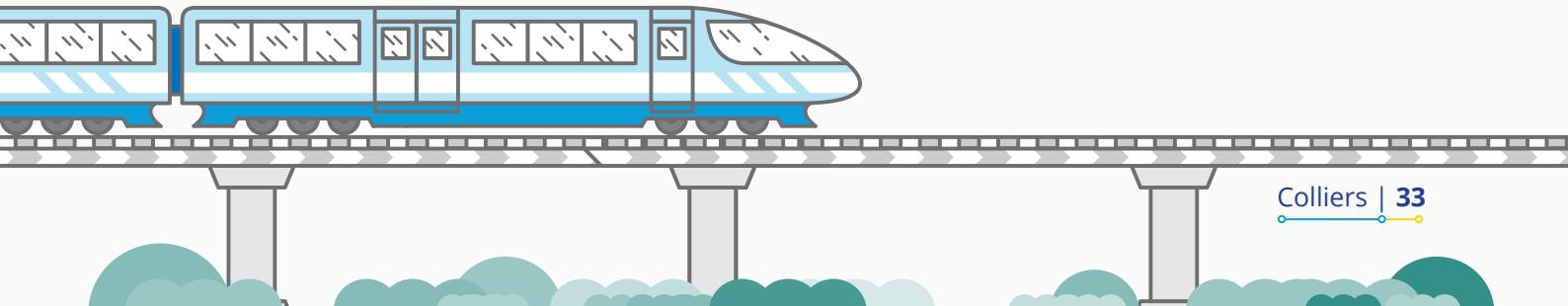
Proposed metro coverage for MMR



Source: MMRDA

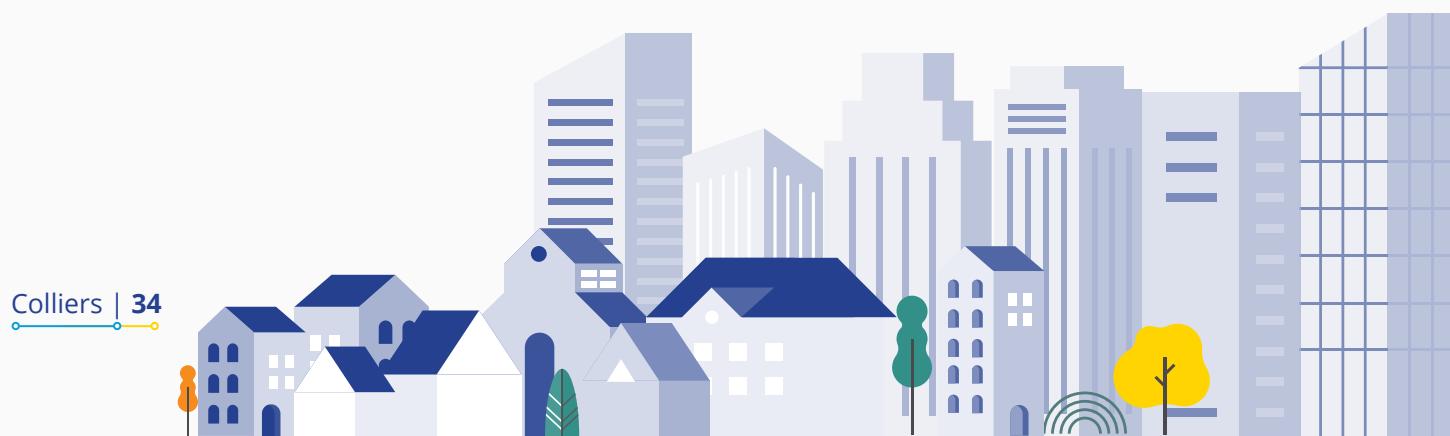
Overview of Mumbai Metro

- Mumbai Metro line 1 connecting Versova-Andheri-Ghatkopar (VAG) corridor is an 11.40 km elevated corridor connecting the Eastern and Western suburbs. According to MMRDA, the metro route has reduced the travel between the Versova and Ghatkopar from 71 minutes to 21 minutes.
- The route which became operational in June 2014, currently witnesses an average ridership of the route is about 6 lakhs per day. The route not only improved the east west connectivity, but provided a boost to the office market in Andheri. At the same time, the housing market in Andheri, Jogeshwari and Ghatkopar saw a surge in demand.
- On the other hand, Line 2 A and 7, have been operational since Feb 2023. The routes will significantly reduce the burden on the Western suburban railway line. Led by enhanced connectivity, several Grade A developers have planned their office projects in Western suburbs. Andheri East accounts for 55% of the upcoming office supply in Western suburbs. Rentals in micro market has remained healthy in the last few years and is likely to head northwards going ahead.



	Metro Line	Completion	Route Length (Km)	Connecting Stations
Operational Lines				
	Line 1	Jun-14	11.4	Versova- Ghatkopar
	Line 2A	Feb-23	18.6	Dahisar East- DN Nagar
	Line 7	Feb-23	16.5	Andheri East- Dahisar East
Lines Under Construction				
Cluster 1 (To be operational by 2024)	Line 2B	Dec-23	23.6	DN Nagar- Mandale
	Line 3	Dec-23	33.5	Colaba- SEEPZ
	Line 12	Oct-24	20.7	Kalyan- Taloja
	Line 6	Dec-24	15.1	Swami Samarth Nagar- Vikhroli
	Line 9	Dec-24	11.3	Dahisar East- Mira Bhayander
Cluster 2 (To be operational by 2026)	Line 4	Dec-25	32.3	Wadala- Kasarvadavali
	Line 4A	Dec-25	2.9	Kasarvadavali- Gaimukh
	Line 7A	Dec-25	3.1	Andheri East- CSIA
	Line 5	2025	23.5	Balkum Naka (Thane)- Kalyan
Proposed Lines				
	Line 8	TBD	35	CSIA- Navi Mumbai Airport
	Line 10	2025	9	Gaimukh- Shivaji Chowk
	Line 11	Oct-26	12.7	Wadala- CSMT
	Line 13	TBD	23	Shivaji Chowk- Virar
	Line 14	Oct-24	45	Vikhroli- Badlapur

Source: MMRDA



Overview of upcoming infrastructure* in MMR

Dharavi Redevelopment Plan

Maharashtra government aims to redevelop Dharavi as an integrated planned township, resettling its 1 million residents and reimagining the 2.8 sqm of slum area into a cluster of high-rises with improved urban infrastructure. The project received approval for redevelopment in July 2023, with the proposed timeline for completion being 7 years for the first phase.

Bhayander-Vasai Creek Bridge

A 4.9 km long and 30.6 m wide bridge will be constructed parallel to the railway bridge for connecting Bhayander West and Vasai West, cutting down the distance between the areas by 30 km and the commute time by 90 mins. The project is however still in proposal stage and yet to receive approvals.

Delhi Mumbai Industrial Corridor

Government of India is developing the first industrial freight corridor covering 1,504 km and passing through six states with end terminals at Dadri in Delhi NCR and Jawaharlal Nehru Port in Mumbai. The project is part of 11 industrial corridors being developed as per the National Industrial Corridor Programme across the country till 2024-25.

Goregaon-Mulund Link Road

The 12.2 km Goregaon-Mulund Link Road is a twin tunnel project, which will connect Goregaon to Khindipada in Mulund, cutting down the travel time from more than an hour to ~20 mins between these two areas. Its construction is divided into four phases, starting from Oct 2023 and expected to take around 5 years to complete.

Thane-Dombivli Link Road

Thane-Dombivli Link Road will be connecting the two suburbs of Thane and Dombivli, separated by the Ulhas river, through a 6-lane, 960 m bridge. With 84% of the project already completed it is likely to be operational by the year end. The bridge will reduce the commute time between the two places by about 50%.

Mumbai – Ahmedabad High Speed Rail

Mumbai – Ahmedabad High-Speed Rail is a 508.1 km under construction bullet train line that will connect Mumbai with Ahmedabad through 12 stations. While its end station will be in BKC, the train will also pass through Thane, Virar and Boisar in MMR region. The first section of the project is expected to be operational by 2026.

*Note: This section includes the upcoming infrastructure projects other than the four key projects being analysed in the report

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