



OPTIMAL TIME TO BUY HOME IN MUMBAI?



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« REAL ESTATE

The concerns about soaring rentals and unaffordable housing in Mumbai notwithstanding, the surprising fact is that residential property prices across Mumbai city and its suburbs increased only by 7% in 2014, and by a negligible 0.3% in 2013.

Home prices in the financial capital are evidently not submitting to the inflation that is affecting the cost of living in most other respects. Of course, given the sluggish demand for homes owing to the already crippling prices, there is not much scope for appreciation.

In fact, the meagre increase in average property prices in the city stands in stark contrast to the general inflation rate of 6% in 2014 and 9% in 2013 (as per the CPI data). These figures definitely put paid to the popular perception that Mumbai's developers keep increasing prices despite the fact that inventory has been building up and housing demand slowing down over the last couple of years.

Even the average hike of 7% was primarily due to the new development control (DC) rules that came into effect from 2013. Developers had to start paying for additional (fungible) FSI towards construction of lifts, lobbies, flower beds, balconies, etc., which had been FSI-free areas earlier. Other reasons behind the mar-

ginal increase in per-square-foot prices include the rise in ready reckoner rates and escalations in the cost of labour and raw materials.

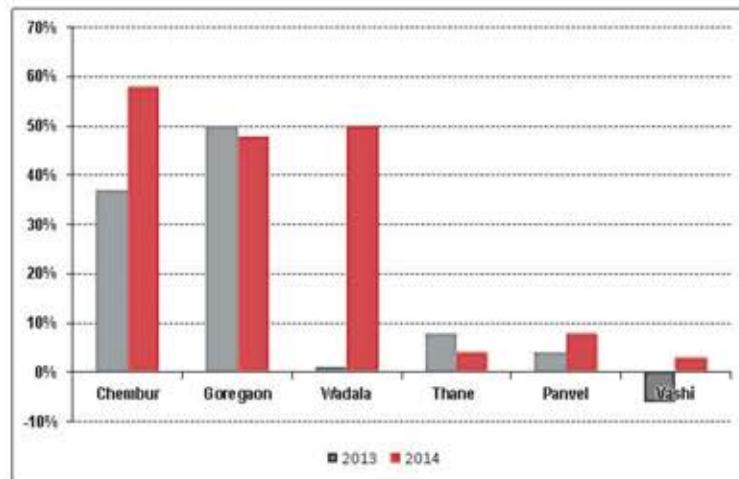
The eastern suburbs from Kurla to Mulund saw an increase of 6% in 2014 over 2013 and 5% in 2013 over 2012 prices, as land was still available to launch new projects there. South Mumbai and western suburbs between Malad and Borivali recorded a similar price increase as their eastern neighbours.

Bandra, Khar, Santacruz and Juhu also saw average growth in prices, as these areas lack a good supply of high-rises. Rates in areas like Thane and Navi Mumbai did not grow much either, and the uncertainty surrounding Navi Mumbai's new international airport did not work in favour of the satellite city.

That said, Chembur and Wadala stood apart from this lacklustre trend in residential price growth. The two suburbs saw a tremendous price increase of 58% and 50% respectively in 2014 over 2013, thanks to completion of infrastructure projects like Eastern Freeway, which connects Chembur to South Mumbai, and the monorail, which was in the news recently for all the wrong reasons.

Other highlights:

- It is an optimal time to buy residential property and negotiate a favourable deal
- In 2015, prices in Mumbai are expected to grow by 6%
- Residential sales in Mumbai during the year 2014 stood at 26,407 units, a drop of 4.6% from levels



Areas	2013	2014
Chembur	37%	58%
Goregaon	50%	48%
Wadala	1%	50%
Andheri	60%	18%
Ghatkopar	8%	21%
Borivali	15%	8%

seen in 2013. Areas like Panvel, Mulund, Ulwe and Andheri saw the highest demand for housing units in 2014.

- As against the sales, new launches increased by 8% in 2014 over 2013. Areas such as Panvel, Kharghar, Thane and Mulund saw the highest supply of housing units in 2014.

Perceptions Of Business Organizations Towards CSR Has Changed, Says Maha Guv

By A Business Reporter

Calling the CSR an important business strategy for creating and protecting goodwill and reputation in society and among their stakeholders, Maharashtra Governor, C. Vidyasagar Rao, said last week that the perception of business organizations towards CSR has changed. He was speaking at the inauguration of the 2nd Conference on 'Corporate Social Responsibility: Looking Beyond Compliance' so thoughtfully organized by the Indo-American Chamber of Commerce. The Governor added that "by holding this conference the Indo-American Chamber of Commerce deserves our compliments for serving as a catalyst in fostering business collaborations and people-to-people contacts.

The Governor further said that Last year, when Government of India mandated companies having a turnover of Rs. 1000 crore or

CSR policy promises to create many job opportunities for the youths in the social sector, thereby creating a win-win situation for all.

Rajyalakshmi Rao, President of the West India Council of the Indo-American Chamber of Commerce while welcoming the distinguished gathering, averred that there is strong evidence that the journey towards business transformation has begun for many of India's top companies. However Companies need to analyze whether their CSR activities are really impactful and are they genuinely changing the ground reality.

She further added that Companies need to build, innovate and transform on a regular basis and that there are plenty of opportunities for companies to get creative with their CSR initiatives and experiment with new types of engagement. She concluded by saying that "India has taken the right and forward-looking resolution. It is for



<<Sunder Advani (Vice-President, IACC-WIC), Rajyalakshmi Rao (President, IACC-WIC), Mukund Rajan (Member, Group EC, Tata Sons & Chairman Tata Global Sustainability Council) and Madhulika Gupta (Conference Chairperson) at the felicitation of Hon'ble Governor of Maharashtra C. Vidyasagar Rao

more, or net-worth of Rs. 500 crore or more to spend 2 per cent of their average net profit on CSR last year, there were apprehensions and whispers of dissents among business organizations and corporate. However, one year on, there has been a realization that CSR expenditure will not affect profit adversely; on the contrary, it will help business organizations to enhance their reputation further.

He added that "I understand that the Central Government has taken steps to address the valid concerns of multinational corporations and other business organizations in this regard. If implemented properly and willingly, the new CSR guidelines can generate Rs. 20000 - 25000 crore annually, which can be used for a set of socially oriented programmes identified by the Government such as eradication of hunger, malnutrition, environment sustainability, protection of heritage, the Clean Ganga River campaign and others". He added that the new

all of us - the corporate, government bodies and the NGOs to work sincerely with dedication to implement this even more effectively".

Madhulika Gupta, Conference Chairperson & Member of the IACC National as well as Western Region Committee is the Founder CEO of REPUTE, Public Affairs & CSR Solutions set the tone of the Conference by her remarks stating that "India can well be proud to be the first country in the world to bring about a CSR Act which makes it mandatory for specified companies to allocate funds for activities which benefit society". "We are fortunate that a new government that came into power since the passing of the Act, has given a big momentum to CSR by focusing rightly on inclusiveness as part of India's economic growth".

"If we act responsibly, which I am sure we will, a significant part of inclusivity will be well addressed" she added.