



Conventional wisdom of the property market suggests that the locations which are witness to fast appreciation, also reach saturation point fast. However, Thane which has registered more sales

and more appreciation than many of the property markets across the country, in general, and the Greater Mumbai region, in particular, defies this property market dynamic. In the last cou-

ple of years, the projects in and around Thane, have recorded appreciation which has been double the average of Mumbai property market.

What makes Thane different

Gone are the days when Thane was looked at, as an affordable alternate to the costly Mumbai property market. With better connectivity and improved infrastructure, the area has emerged as a preferred realty destination, writes **Ravi Sinha**

## THANE REALTY REDEFINES PROPERTY MARKET DYNAMICS

from other property markets registering fast appreciation, is the fact that it is still an end-user driven market and not investors' paradise. It is also scaling up from being just another affordable destination in Mumbai, to a preferred choice in terms of location, due to better connectivity and improved infrastructure. Thane is, no more, the choice of the working-class buyers with budget constraints.

A joint survey conducted by Jones Lang Lasalle India and the Confederation of Indian Industries also confirms that Thane is both, an emerging and growing sub-market which is likely to see a lot of high-quality infrastructural development. Placing the area in the top seven investment-worthy areas in India, the report explains that cost-conscious buyers are seen as the driving force behind Thane's emergence as a prime business district where rental and capital values are expected to increase by almost 50 per cent in the next five years.

Recent launches in the region suggest the developers across Mumbai have found a location that is slowdown proof. Thane property is not only bridging the demand and supply gap but also beating the slowdown blues successfully. The ticket size is also more reasonable than any other location across Mumbai and with the range of Rs 6,500 to 12,000 per sq ft, the buyers have enough choice in Thane, unlike the overheated property market of Mumbai where this price band has hardly got any worthy project to offer. Hence, there is no inventory pile up in this part of the market.

The rising demand for homes in Mumbai and the limited land for expansion, are the prime reasons for growth in the real estate development in Thane. Growth has further been boosted by infrastructure development in Thane in the form of roads, flyovers, plans for metro and others.

**A Kalpataru spokesperson**

maintains that Thane's proximity to Mumbai city has also played an important role in boosting the real estate market here. Infrastructure growth has also connected Thane city with other major cities such as Pune, Nasik and the state of Gujarat, leading to further appreciation in the valuations in Thane and the cities beyond Thane. The ever-rising demand for housing and the radical change in Thane city, will result in the continuous escalation of property rates in the near future.

"Thane has definitely performed better than the rest of Mumbai in the last couple of years. This has been due to an all-round development that has taken place in this city. Apart from basic infrastructure, the social infrastructure also has significantly improved in the city. Hospitals providing healthcare facilities that are at par with global standards, good educational institutes, large shopping and entertainment zones have upgraded the social infrastructure in Thane city. This attracted the attention of home buyers who believed Thane was a better choice for buying a residential property than Mumbai, which has limited land and high property rates," says the **Kalpataru spokesperson**.

Manju Yagnik, vice-chairperson, Nahar Group, explains how Thane has grown exponentially in recent years, with many new localities coming up and making their presence felt in the city. "Due to its infrastructure development, Thane is experiencing rapid growth in the real estate sector. The property market in Thane has huge potential as compared to other areas of Mumbai. Crores of rupees are being pumped in to develop property in Thane for both, residential and IT sectors to meet the growing demand for property. Property in Thane is, undoubtedly, witnessing exponential growth and is still growing at a faster pace," says Yagnik.

This brings to the table the moot point as whether Thane can sustain the momentum of appreciation in future.

Analysts believe that not just by Mumbai standards but Thane will continue to be one of the most attractive locations across the country, due to its locational advantage and price point. Facts speak for themselves. Thane has already witnessed geographical stretching of its roads from Kolshet Road to Kopri to Ghodbhunder, all of which are witness to a lot of development. Ghodbhunder road which was once a dense, secluded forest patch, is now home to the most number of upcoming residential projects.

What makes Thane different from other micro-markets of Mumbai is the fact that the location, though well-developed now, is still a haven for the affordable segment of housing. Obviously, the buyers' profile is rapidly changing here and the high-end working class preference has helped develop Thane into a happening property market. Very few property markets across Mumbai, or for that matter across India, can match such demand drivers of the genuine working class forcing the big ticket developers to a relatively new suburb. That itself speaks about the appreciation potential of Thane which, as per rough estimates holds the potential of no less than 100 per cent appreciation in the next few years.

Even among the markets across India that have been witness to the appreciation in the last couple of years, Thane stands out as the jewel of the appreciation crown. It is not just defying the slowdown trend that makes Thane a unique property market. Economics of sustainability and equal opportunity is one of the strongest driving forces of the appreciation index of Thane.

**(The writer is CEO, Track2Realty)**

