



Article published on July 10th 2012 | [Real Estate](#)

The Mumbai property market for high-end homes has stagnated throughout FY 2012 as consumers have largely kept off from the market expecting an imminent drop in costs within the close to future. Analysed that residential market comprising property with a sales potential of higher than rupees thirty crore in Mumbai Metropolitan Region.

Absorption numbers for high-end homes in 2011-12 are estimated to possess dropped by over sixty per cent from 2007 heydays and thirty five per cent from 2010-11 to an estimated 45000 residential units. Overall, there are 80000 vacant residential property in Mumbai market.

The absorption rate is that the variety of residences sold in an exceedingly month from the on the market inventory in an exceedingly market. It's an indicator of the demand state of affairs in an exceedingly specific property market.

Here are some facts on the foremost expensive property market in India:

Southern and Central Mumbai, that solely supply merchandise at the premium end of the residential value band are experiencing highest vacancy levels.

If one analyses the vacancy levels across price tag sizes within the Mumbai market, it's observed that vacancy levels are as high as forty eight per cent for units launched within the rupees two crore and higher than value bracket against thirty seven per cent for the Mumbai market.

As costs in premium micro markets tend to be rather more volatile compared to the peripheral suburban micro markets, costs in some South and Central Mumbai locations like Mahalaxmi, Lower Parel and Parel have declined near ten per cent over the previous 3 quarters whereas costs in Navi Mumbai, Thane and also the peripheral suburbs of Central and Western Mumbai have either been stable or have trended marginally upward.

Developers in an exceedingly bid to liquidate their higher priced inventory are additional open to negotiation within the premium section, reducing costs up to a most of twenty five per cent in favour of a large upfront payment. It's observed that the amount of cancellations rose over the past few quarters. This is often symptomatic of a cautious investors' section that is quickly losing religion within the current situation where developers are onerous pressed to even service their debt obligations.

Developers are wanting to faucet into the biggest chunk of consumers longing for residences priced up to rupees seventy five lakh. Thus, an estimated fifty five per cent of units below construction presently belong to the current value bracket.

The market of Mumbai property currently has an unsold account of 80000 residential property in Mumbai that forms concerning thirty seven per cent of the overall residential offer below construction.

The investors' section that produces up approximately twenty per cent of the market demand. Investors are offloading property holdings, thereby adding vital shadow offer into these micro-markets.

The Navi Mumbai, peripheral western suburbs and Thane micro-markets have seen comparatively

higher variety of project launched within the previous 2 quarters inflicting vacancy levels to spike there additionally. Approximately forty five percent of the planned launches in FY 2013 are going to be in these micro-markets that is probably going to place any pressure on vacancy levels and costs prevailing there.

Article Source:

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Article Keywords:

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