

EXPANDING BOUNDARIES

THANE AND BEYOND

A CONSUMER CONNECT INITIATIVE

When Tarun Vijeykar bought an apartment in Thane, four years back, his friends and well-wishers poked fun at his financial status or rather lack of it. However, this marketing professional was conscious of the fact that tomorrow, even if he had to leave Mumbai for professional reasons, he did not want to leave behind a costly apartment in capital value which could not fetch him the rental yield in proportion. Interestingly, while many other glorified property markets

across the city are not giving a rental yield of even two per cent, his Thane apartment is giving him a rental yield of around four per cent which is quite decent from Mumbai's property standpoint. Real estate analysts maintain that even in today's subdued market when there are few takers of property across Mumbai, most of the new launches have sold well in Thane and the demand-supply gap has been the least in this region.

A joint survey conducted by Jones Lang La Salle and the Confederation of Indian Industries,

confirms that Thane is both, emerging and a growing sub-market which is likely to see a lot of high quality infrastructural development. Placing it in the top seven investment-worthy areas in India, the report says 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 from the last trough in 2009.

One of the fundamental reasons why Thane is a realistic and mature property market, is the

fact that the region offers housing primarily for high-income and middle-income groups but not the speculative super luxury launches meant for the investors. The good infrastructure and connectivity makes it a location to bet for the home buyers and the tenants alike. Though the residential property prices have surged in the last few years, the market analysts expect it to continue its northward movement on the back of healthy demand. Thane is expected to witness strong residential demand due to the increasing workforce in the

sub-market.

Ram Makhecha, director, Vakratunda Group, says that Thane still has not become overloaded with infrastructure and other logistic bottlenecks like most of the other locations in Mumbai. Moreover, it is equally attractive for both, the end-users as well as the investors, since price appreciation is on the cards and rental income is also quite decent in proportion. "The developers from Mumbai are finding a unique opportunity in Thane and it is one of those micro-markets which is not just a sellers' market or fuelled by the speculation. Even from the buyers' standpoint, there is not a huge gap between the EMI and the rental yield. So, it is a market which is a win-win for both, the buyers as well as the sellers," says Makhecha.

Diipesh Bhagatani, director, Jaycee Homes, maintains that the

uniqueness of Thane's positioning as an equal opportunity market lies not just in the price point but also in the fact that the crucial growth of the social infrastructure has kept pace with the developments and today, there is an increasing number of educational institutions, multi-specialty hospitals, malls and entertainment zones that have come up in the city in the last few years and the numbers are expected to grow.

Recent launches in the region suggest that Thane property is not only bridging the demand and supply gap but also beating the slowdown blues successfully. The ticket size is also reasonable than any other location across Mumbai and with the range of Rs 6,500 to 12,000 sq ft, the buyers have enough choice in the overheated property market in the city.

(The writer is CEO, Track2Realty)

Will Thane be able to sustain itself as a profitable investment destination in the long run? **Ravi Sinha** gets some answers

THANE A REALISTIC MARKET FOR LONG TERM BET



PIC: SOHAM PISAT

