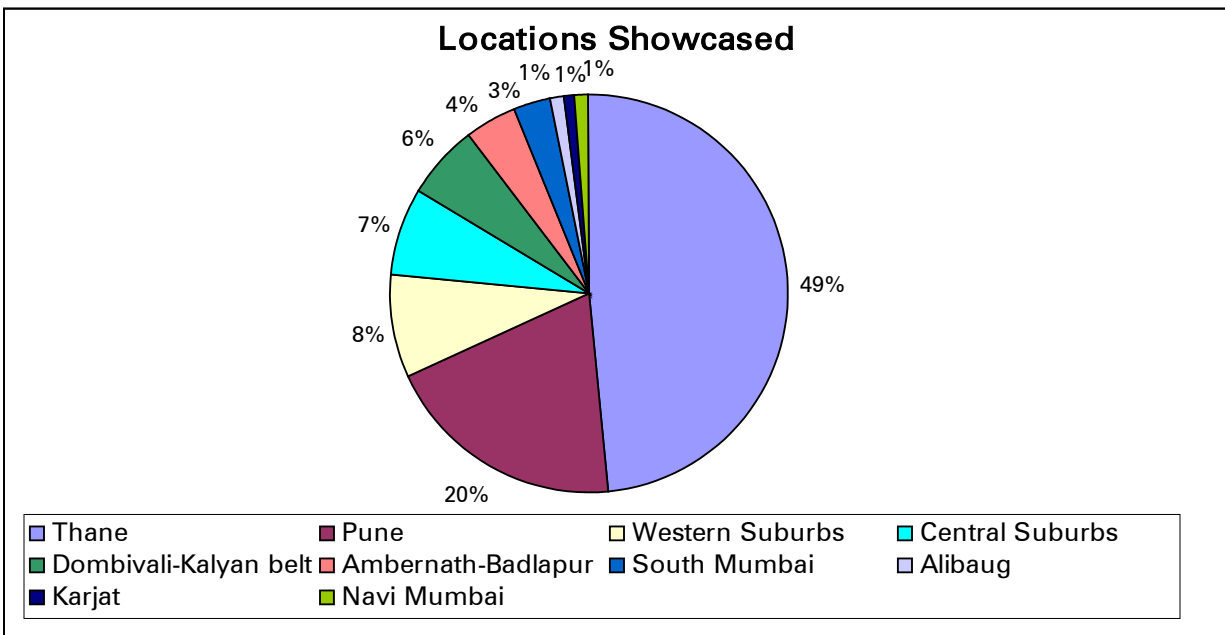


MCHI (Thane Unit) Property 2009
Venue: Dosti Mall, Thane
Period: May 1, 2009 – May 4, 2009

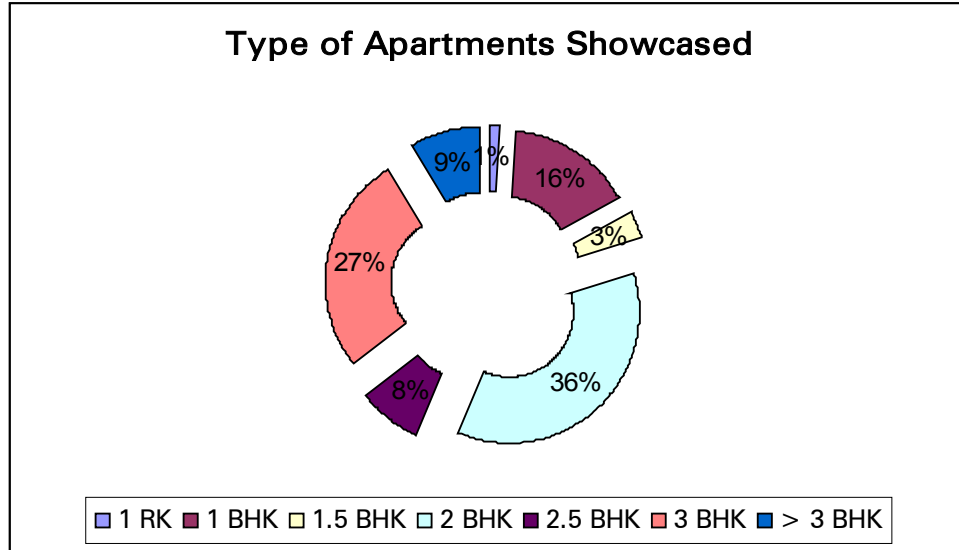
We visited the 9th Housing & Real Estate exhibition organised by Thane unit of MCHI (Maharashtra Chamber of Housing Industry) which was held from May 1, 2009 to May 4, 2009 at Dosti Mall, Thane. The exhibition received an overwhelming response as the number of registrations were over 12000 which given the economic scenario is a good indicator for the housing & real estate sector.

Projects Showcased: Out of the total projects exhibited, almost half of the projects were from Thane. Developers from Pune also had participated in good numbers in the exhibition as Pune based projects constituted 20% of the total projects showcased.



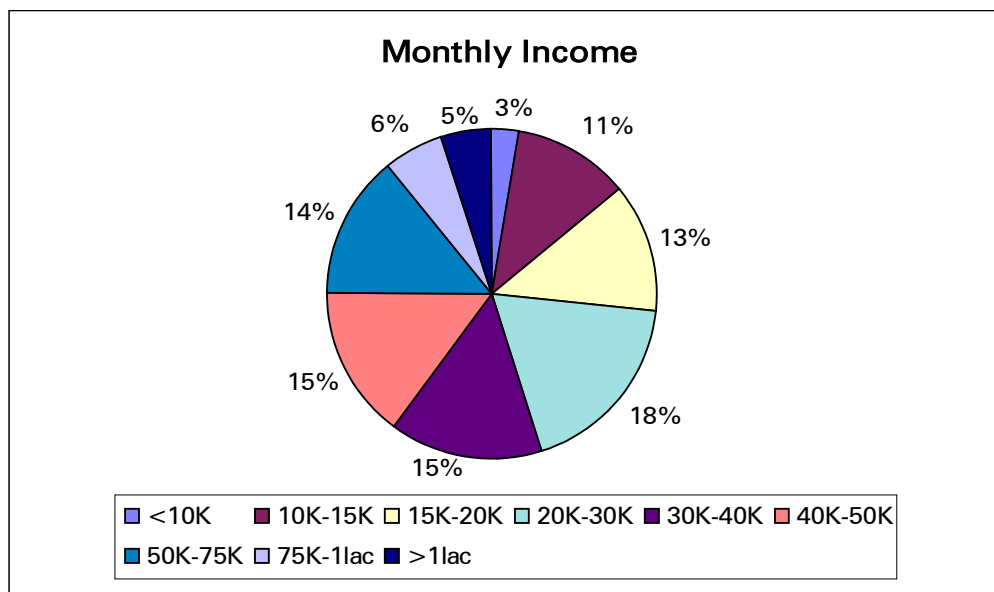
The trend from the previous exhibition seems to continue on as most of the properties showcased were 2 BHK and above; 1 BHK constituted 17%, 2 BHK 39%, 3 BHK 27% and 5% of the showcased properties were above 3 BHK.

Type of Apartments Showcased

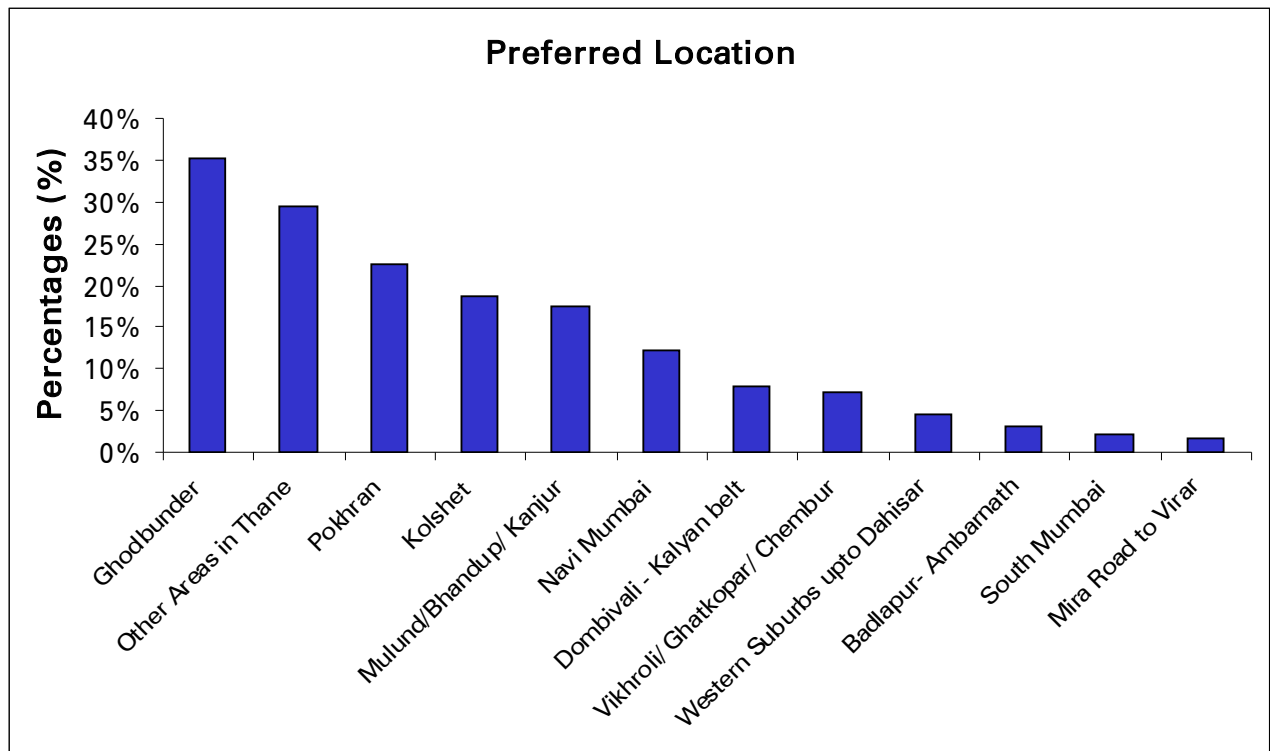


Our observations based on fifteen hundred responses received from visitors are as below.

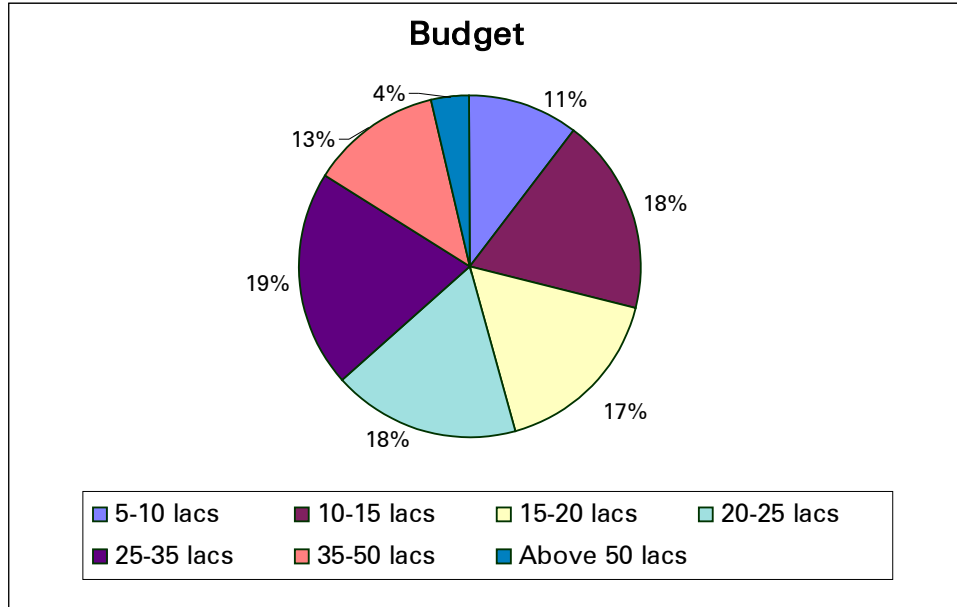
- Age Profile:** 47% of the respondents were in the age bracket of 26-35 and 28% were in the age bracket of 36-45 which indicates that over the years the average age of home buyers has been on a decline. While another 14% belonged to the 46-55 years age group, 5% were above the age of 55 and 6% were in the age group of 18-25 years.
- Occupation:** The salaried class represented 79% of the total visitors; another 20% were self employed.
- Monthly Income:** 27% of the respondents reported a monthly income level of upto Rs. 20000 which can be categorized as Lower Income Group or the LIG segment. The highest footfalls (48%) at the exhibition came from the income bracket of Rs. 20,000-50,000 which may be construed as the Middle Income Group (MIG). The rest (25%) represented the Higher Income Group (HIG).



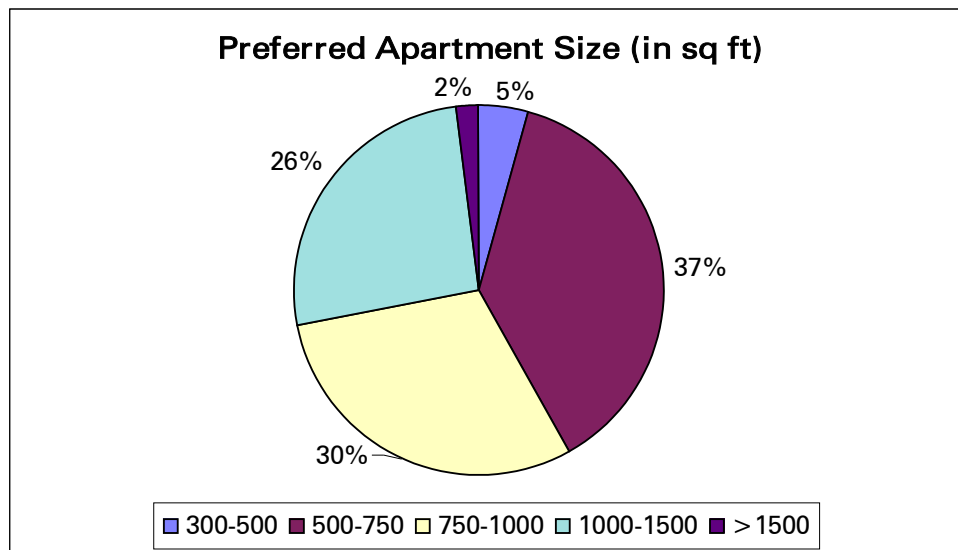
- **Preferred Location:** Ghodbunder, Pokhran and Kolshet along-with other areas in Thane were the most preferred locations amongst the respondents. Apart from Thane, Mulund-Kanjur belt was also favored by many visitors.



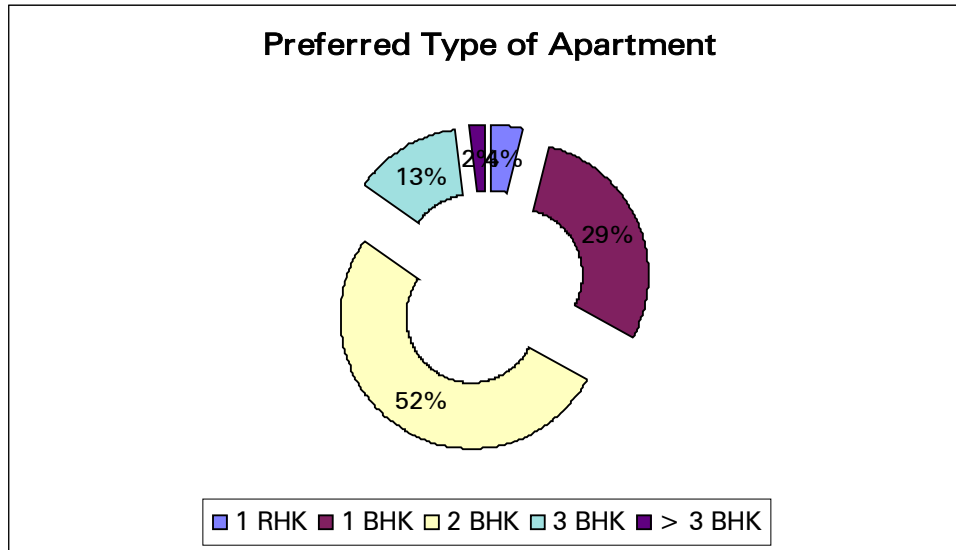
- **Budget:** Out of the total respondents, 11% are seeking homes upto a budget of Rs. 10 lacs; 18% had a budget of Rs. 10-15 lacs, another 17% fell in the Rs. 15-20 lacs bracket, while additional 18% had a budget in the range of Rs. 20 – 25 lacs. 19% of the respondents have reported a budget of 25-35 lacs. Only 4% of the respondents had a budget over 50 lacs. The below chart clearly brings out the fact that almost half of the housing demand in Thane is for properties below the range of Rs.20 lacs.



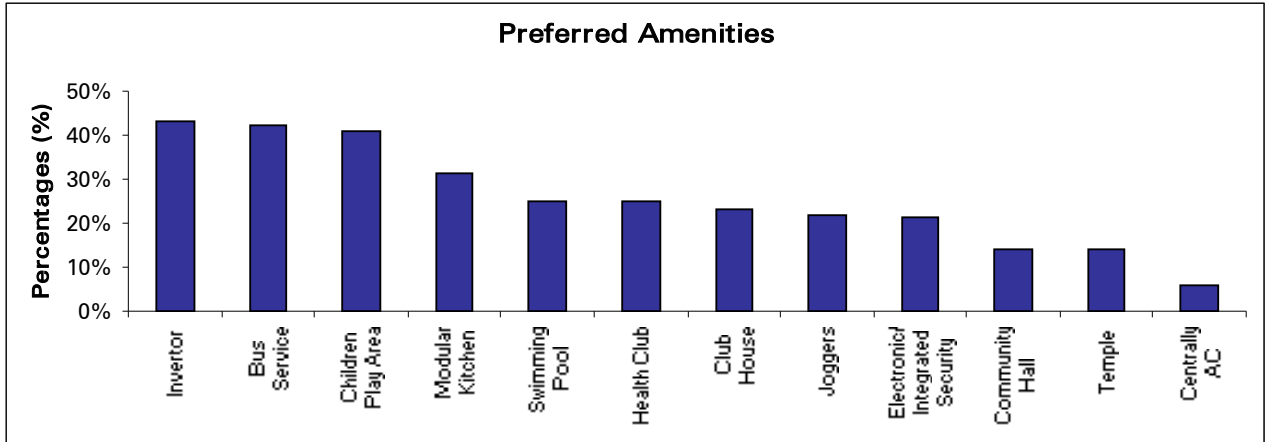
- Unit Size:** As is depicted by below pie chart 37% preferred an apartment size of 500-750 sq ft, 30% preferred 750-1000 sq ft range and 26% were aspiring for a unit size of 1000-1500 sq. ft.



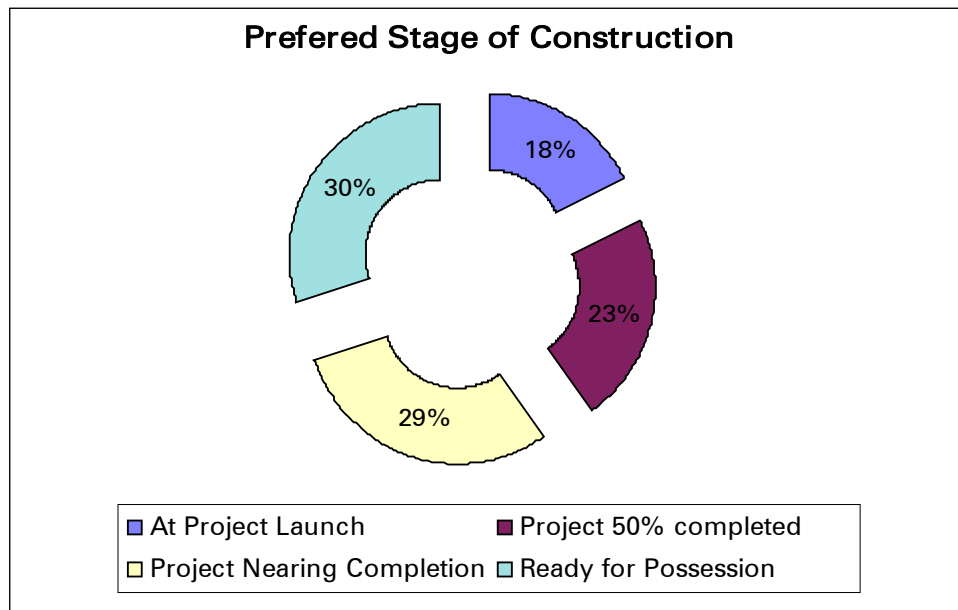
Contrary to conventional wisdom, there are apparently more takers for a 2BHK (52%); while only 29% wish to go in for a 1BHK unit. The anomaly can be explained by aspirational demand phenomenon; those who could afford only a 1BHK till about a couple of months back, now have started aspiring to fit in a 2BHK in a slightly stretched budget, taking advantage of both the softening of the interest rates as well as property prices.



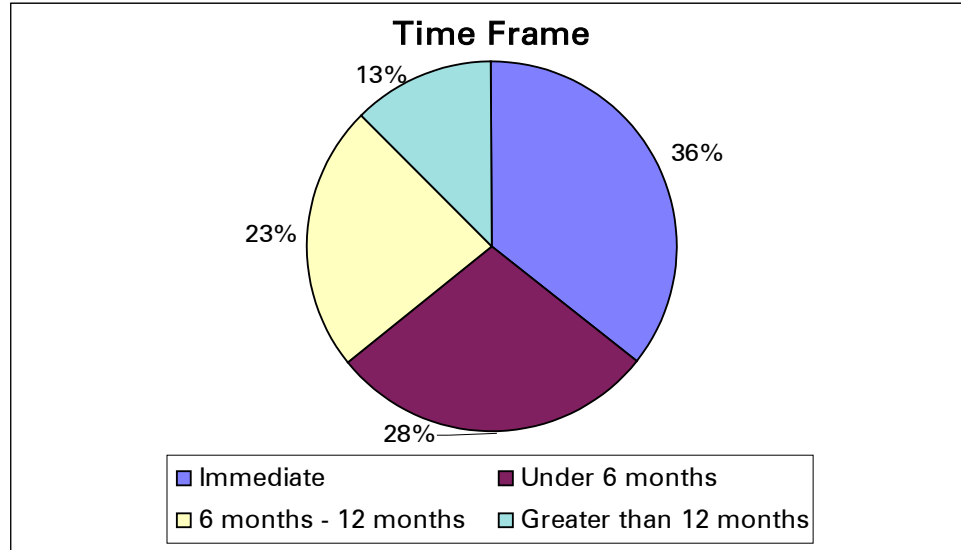
- Source of Funds:** Majority of the respondents (92%) have stated that they would opt for a loan to procure the new property. As regards the source of finance, nationalized banks were the preferred source with a preference of 68%. Out of the total respondents, majority of them indicated the Loan to value ratio (LTV) of around 80-85%.
- End Use of New property:** 81% of the visitors intended to purchase the new property for self-occupation purposes and 9% of them were scouting for a second home. It suggests that the investors are virtually in a shell as only 8% were inclined towards investing in residential real estate, up from 3% in the Bhandup MCHI exhibition held in Feb 2009. The above indicators are possibly suggestive of some improved market sentiments, driven primarily by whatever price corrections that have been effected in the Mumbai-Thane Residential Property Space.
- Amenities:** The consumers are still expecting primarily the basic utilities from their prospective residential complexes, unlike a year back, when there was a clear indulgence in opulence. In the current Thane MCHI exhibition, given the load shedding background in the region, Inverter (43%) was the most preferred amenity amongst the respondents followed by basic amenities such as children’s play area (41%) and bus service (42%). Amenities like club house, air-conditioned apartments which are generally associated with premium projects, didn’t find much popularity amongst the respondents.



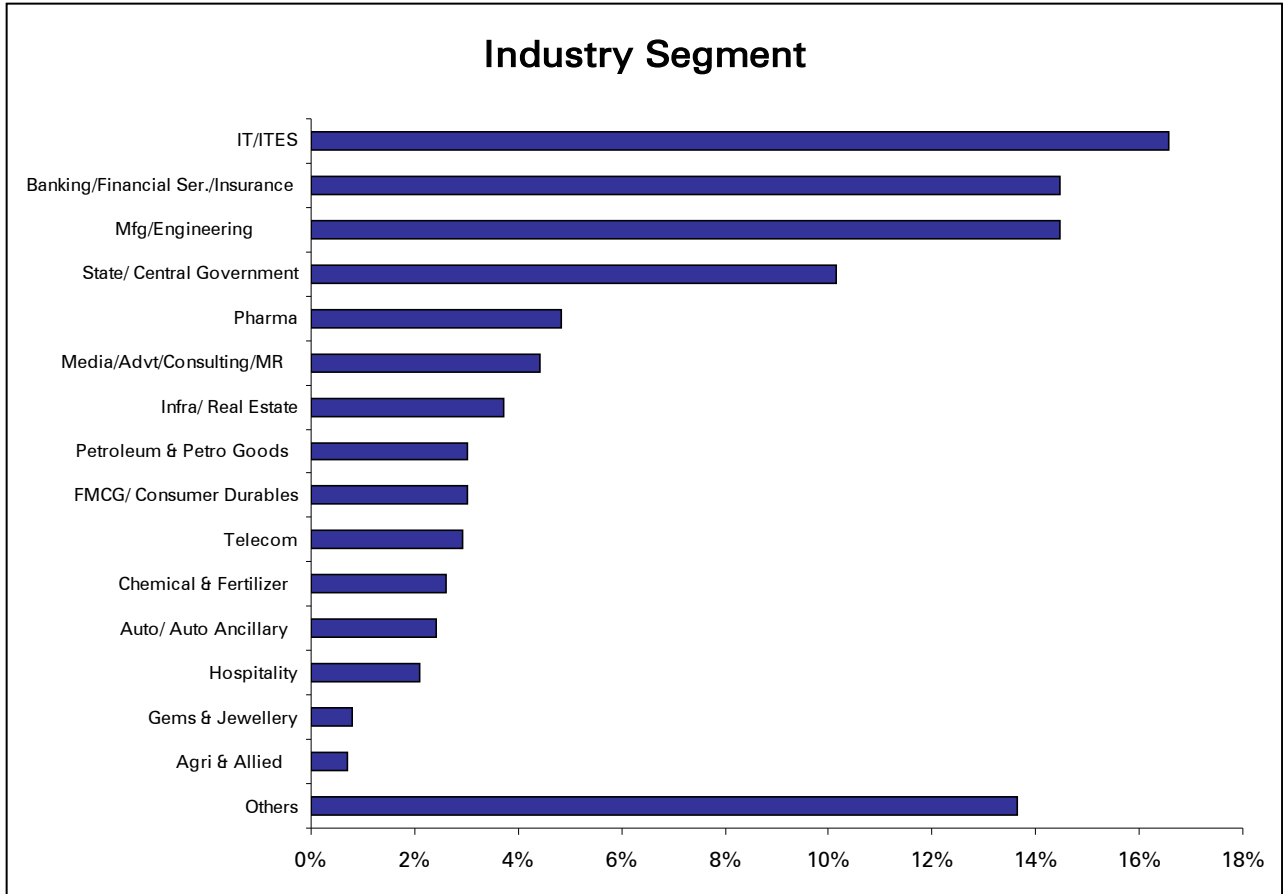
- Stage of Construction:** The uncertainty & the fear factor still weighing heavily on a buyers mind gets manifested in the fact that 59% of the respondents would like to buy only a ready possession property or a property nearing completion. Only about 18% were keen to invest in properties at their launch stage.



- Time Frame:** 36% of the home seekers had an immediate requirement for a home, up from 17% as recorded in the Bhandup MCHI exhibition held in February 2009 which only indicates the willingness of the consumers towards purchase of the new property given the property price corrections and interest rate softening. Another 28% were keen to the new property within next 6 months time frame.



Industry Segment: It was observed that the most of the footfalls were of those home seekers who were associated with the IT/ITES industry (17%), followed by BFSI and Manufacturing/ Engineering industry (both at 14%). The least represented industry sectors were the Agri, Gems & Jewelry, Auto, Chemical & Telecom. The State/Central Government employees accounted for over 10% of the home seekers, a segment boosted by the Sixth Pay Commission, which makes it apparent that this segment appears unscathed by the current economic slowdown and is gung-ho about investing in property.



- Affordability Factor:** As per the data collated from the consumers who visited the Thane exhibition, the reported average monthly income was determined as Rs.15000/- for the LIG, Rs. 35,000 for the MIG and Rs. 90,000 for the HIG. The median size of the flat required by an LIG segment has been reported to be 570 sq ft., 800 sq ft for MIG and 1000 sq ft for HIG.

Income Class (based on monthly income)	LIG (< 20 K)	MIG (20 – 50 K)	HIG (> 50 K)
Average Monthly Income (Rs.) : As per consumer data	15000	35000	90000
Median Preferred Apartment Size (in Sq ft)	570	800	1000

Keeping the above in mind, basis the average property rates of the various projects showcased at the exhibition, we arrived at the average per square feet prices for the projects targeting LIG / MIG / HIG consumers. This helped arrive at the estimated cost of the property if an individual were to buy one at the exhibition. The following table throws up the disparity between the affordability of the various income groups and what was on offer for them.

Income Class (based on monthly income)	LIG	MIG	HIG	
Median Preferred Apartment Size (in Sq ft)	570	800	1000	
Average Property Rate Exhibited (Rs. per Sq ft)	2750	3500	5000	
Estimated Cost of the Exhibited Properties (Rs. In Lacs) :				
Basis the quoted avg. preferred apartment size	(A)	15.675	28.00	50.00
Average Monthly Income (Rs.) : As per consumer data		15000	35000	90000
Estimated Loan Eligibility (Rs. In Lacs) *		6.33	14.76	33.76
Estimated Cost of Property (Rs. In Lacs) *	(B)	7.45	17.36	39.72
Stretch Budget (Rs. In Lacs) :	(A-B)	8.23	10.64	10.28

- Assuming 40% of the gross income goes towards paying the EMI over a 20 yr loan tenor and assuming 15% is the home seeker's own equity.

Our Viewpoint:

We have observed that overall there is a positive sentiment amongst home buyers due to softening of property rates coupled with lowered home loan rates.

As was showcased in the previous section, there is an apparent gap between demand & supply. The affordability table also seems to have suggested the disparity that exists in the unit selling price on offer from the various builders & developers and what the individual could afford to buy. Taking into account an individual's loan eligibility, the table below showcases the derived rates at which properties need to be made available to the respective consumer segments.

Income Class (based on monthly income)		Aspirers	Pragmatic	Affluent
Average Monthly Income (Rs.) : As per consumer data		15000	35000	90000
Estimated Loan Eligibility (Rs. In Lacs) *		6.33	14.76	33.76
Estimated Cost of Property (Rs. In Lacs) *	(A)	7.45	17.36	39.72
Median Preferred Apartment Size (in Sq ft)	(B)	570	800	1000
Estimated Property Rate (In Rs.psf)	(A/B)	1307	2171	3972

- Assuming 40% of the gross income goes towards paying the EMI over a 20 yr loan tenor and assuming 15% is the home seeker's own equity.

We at ICICI HFC believe that there is a stronger demand for residential real estate in Thane region if the property is targeted with specific focus on –

- Salaried Class
- Age group of 26-35 years
- Monthly Income less than Rs. 20000
- Unit Cost ranging from Rs. 7 lacs to 10 lacs
- Unit size of 400 - 600 sq ft
- Basic amenities like Children Play Area, inverter and Bus Service to Station

It was also observed that majority of the projects showcased as affordable housing projects had not taken off on the ground and were still projects on paper primarily without approvals. Going by the past history, consumers are advised to exercise caution while committing to such projects.

Details of the projects on display have been tabulated as below:-

Sr. No.	Developer	Project Name	Location	Type-BHK	Rate Per Sq Ft (Rs.)	Completion Date
1	Acme Group	Acme Ozone	Thane	1/1.5/2/2.5/3 BHK	3300	Jul-2011
2	Akruti City	Akruti Greenwoods	Thane	1/2/3 BHK	3725	2011
		Akruti Gardenia	Mira Road	1/2/3 BHK	2750	2011
		Akruti Creations	Vile Parle (E)	2.5/3 BHK	9500	Dec-2009
		Akruti Vedant	Sion	1/2 BHK	7500	Jul-2010
		Akruti Regent	Andheri (E)	1/2/3 BHK	7650	2011
3	Amit Enterprises	Astonia	Pune	2 BHK	2500	Jun-2010
		Sapphire Park	Pune	2/3 BHK	3600	N.A.
4	Ashar Group	Monarch	Thane	3/4/5 BHK	4221	Dec-2009
		Ashar Estate	Thane	2/3 BHK	4000	Ready
5	B U Bhandari	Promenade	Pune	1 BHK	2400	N.A.
		Acolade	Pune	2/3 BHK	2700	N.A.
		KASSP County	Pune	2/3 BHK	2400	N.A.
		Edenn	Pune	3 BHK	2600	N.A.
		Unity Park	Pune	2/3 BHK	2300	N.A.
6	Bhalerao Constructions Pvt. Ltd.	Prity Park	Thane	1/2 BHK	2500	2011
7	Bharat Fertiliser and Realty Ind. Ltd	Shiv-Sai Paradise	Thane	1/2/3 BHK	4000	N.A.
8	D B Realty	Parkwoods	Thane	1/2 BHK	3200	Mar-2011
9	Dedhia Group	Platinum Lawns	Thane	1/2 BHK	2900	2010
10	Dosti	Dosti Vihar	Thane	1/1.5/2/2.5 BHK	3791-4341	2011
		Dosti Flamingos	Parel-Sewree	2/3 BHK	11750-15000	Ready
		Dosti Acres	New Wadala	2/2.5/3 BHK	8291-9491	Ready
		Dosti Residency	Thane	2/3 BHK	1899-2199	Ready
		Dosti Pinnacle	Thane	Commercial	NA	Ready
11	Fairworth Properties Pvt. Ltd.	Atlanta Residency	Thane	1/2 BHK	N.A.	Oct-2011
12	Harmony Lifestyle	Harmony Horizons	Thane	2 BHK	2851	Ready
13	Haware	Haware City	Thane	1 RK/1/2 /3 BHK	2500	N.A.
		Haware Estate	Thane	1/2 BHK	N.A.	N.A.
14	Hiranandani Estates	Brookhill	Thane	4 BHK	7000	Mar-2012
		Canary	Thane	2.5/3 BHK	6100	Mar-2012
		Paloma	Thane	2/2.5 BHK	5100	Jun-2011
		Tribeca (1st to 24th Floor)	Thane	3 BHK	5100	Jun-2010
		Tribeca (25th & 26th Floor Duplex)	Thane	4 BHK	7000	Jun-2010
		Villa Grand	Thane	2 BHK	5100	Oct-2009
		Villa Rica	Thane	2 BHK	5100	Jun-2010
15	Hiranandani Meadows	Orchid	Thane	4 BHK	6100	Jun-2009
		Amanda	Thane	3 BHK	5100-5600	Dec-2009
		Amanda-B	Thane	3 BHK	5100-5600	Dec-2010
		Meridian	Thane	3 BHK	5100	Ready
		Gemini A & B	Thane	2.5 BHK	5100	Dec-2010
16	Kalpataru	Kalpataru Gardens Phase	Kandivali (E)	2 BHK	6500	Sep-2010
		Srishti	Mira Road	2 BHK	3800	Dec-2009
		Kalpataru Estate	Andheri (E)	2 BHK	8630	Ready
		Kamdhenu	Mulund	2 BHK	4750	Ready
		Siddhachal	Thane	2/3.5	4221	Jan-2010
		Kalpataru Hills	Thane	1/2 BHK	3242	Jan-2011
		Kalpataru Aura	Ghatkopar	2 BHK	6600	Oct-2009
		Kalpataru Towers	Kandivali (E)	2 BHK	6600	Oct-2009
		Kalpataru Riverside	Panvel	2 BHK	3800	Oct-2010
		Kalpataru Estate	Pune	2/2.5/3 BHK	2250	Jan-2009
		Sudha Kalash	Pune	2/2.5/3 BHK	2500	Jan-2010
		Kalpataru Serenity	Manjari	2/3 BHK	1950	2011

Sr. No.	Developer	Project Name	Location	Type-BHK	Rate Per Sq Ft (Rs.)	Completion Date
17	Kings Empire Heights Pvt Ltd	Anand Dham	Nahur	1/1.5/2 BHK	N.A.	N.A.
18	Kunal Infrastructures	Vintage Point Residency	Thane	1 BHK	3499	May-2010
19	Lodha	Lodha Luxuria	Thane	2/3/4 BHK	4338-4590	2009-10
		Casa Royale	Thane	1/2 BHK	3537-3627	May-2011
		Casa Bella	Dombivali	1/2/3 BHK	NA	N.A.
20	Manav Realty	Silver Twin Decks	Pune	2/3 BHK	3000	Ready
21	Mehta Group	Amrut Aangan	Kalwa, Thane	1/2/3 BHK	3100-3500	Dec-2009
22	Mukul Construction Corporation	Rutu Towers	Thane	2/2.5 BHK	3500	Sep-2009
23	Naiknavare Developers	Mystique Moods	Pune	2/3 BHK	N.A.	N.A.
			Chakan-			
		Dwarka	Talegaon Road	1/2/3 BHK 3/4 BHK	N.A.	Ready
		Swar Vihar	Pune	Rowhouses	N.A.	Ready
		Victoria Garden	Pune	3 BHK	N.A.	Ready
24	Natu - Paranjpe	Ozone Valley	Kalwa	2 / 2.5 BHK	3500	May-2009
25	Neelkanth	Neelkanth Greens	Thane	2/3 BHK	4041	Dec-2009
26	Neptune	Swarajya	Ambivali	1/2 BHK	1499 - 1599	Jun-2010
27	Nirmal Lifestyle	City of Joy	Mulund	2/3 BHK	4851 - 5049	2011
		Lifestyle City	Kalyan	1/1.5/2/3 BHK	1935 - 2025	2011
28	Panvelkar Group	Panvelkar Green City	Ambernath (E)	1/2/3 BHK	1599	2010
		Panvelkar Park Phase II	Badlapur	1/2/3 BHK	1599-1899	N.A.
29	Pradicon	Bay Vista	Alibaug	2BHK	2799	N.A.
30	Pranjee Group	Garden City	Badlapur	1/2 BHK	1795	N.A.
31	Pride Purple Group	Park Street	Pune	2/3 BHK	3300	N.A.
32	Puraniks	Puranik City	Thane	1/2 BHK	2895	2009-10
33	Raj Group	Mohan Tulsi Vihar	Badlapur	1/2/3 BHK	1441	Mar-2010
34	Regency Group	Regency Towers	Thane	2/3 BHK	3800-4100	Ready
		Regency Estate	Dombivali	2/3 BHK	2500-2800	Ready
35	Runwal Group	Runwal Pride	Mulund	2/3/4 BHK	6500	Ready
		Runwal Pearl	Thane	2/2.5/3 BHK	3499	2011
		Runwal Anthurium	Mulund	2.5/3/3.5/4 BHK	5999-6999	2011
		Runwal Garden City				
		Phase I	Balkum Naka	2/2.5/3 BHK	3700	Ready
		Runwal Garden City				
		Phase II	Balkum Naka	1/1.5/2 BHK	3300	2011
		Runwal Estate	Thane	1/1.5/2/3 BHK	3300-3700	2011
		Runwal Symphony	Vakola	2/2.5/3 BHK	6999	2011
		Runwal Hills	Deonar	2/3 BHK	6500	2011
36	Rustomjee	Urbania	Thane	2/3 BHK	3659-5130	2011
37	S R Properties	S R Meadows	Karjat	N.A. Plots	3 lacs onwards	N.A.
38	Sanghvi Goup	Sanghvi Hills	Thane	1/2 BHK	74 lacs-26.43 l	Ready
		Sanghvi Valley	Kalwa	2/3 BHK	35 lacs -39.88	N.A.
		Shankheshwar Nagar	Dombivali	2 BHK	17.74 lacs	N.A.
39	Shivalik Developers	Flori Hills	Murbad	Bungalow	.50 lacs onwar	N.A.
40	Siddhi Real Estate Developers	Highland Gardens	Thane	1/2 BHK	3501	Jun-2010
41	The Construction Group	Shree Dutta Niwas	Pune	2 BHK	2800	Ready
		Akash Darshan	Pune	2/3 BHK	5100	Ready
		Verve	Pune	2/3 BHK	2800	Oct-2010
42	Yogi Developers Corporation	Yogi Dham Phase III	Thane	1/2 BHK	2151	2011

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