

An Overview on Market Assessment for the Feasibility of Commercial Complex Development on Finance, Built, Transfer (FBT) Basis in Panvel

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ABSTRACT: A feasibility study is an investigative tool that can be used to estimate investments from various perceptions, e.g. technical, financial, market, social, legal, and organizational. Performing a feasibility analysis is therefore one of the most critical steps in the decision-making process. Techno- financial feasibility is often a predominant factor in feasibility analysis, as most investments are not realized if they do not generate profit for the project owners.

Developers usually have some sense of the market when they first consider a site or development concept but also need more detailed information about the market before proceeding even to the preliminary design phase. To fulfil this purpose the market assessment needs to be evaluated that helps the developer to answer a series of questions to refine the project concept .The market assessment study searches for the intersection of demand and supply that will create a market for a product at a given price. This Paper involves an overview of Market assessment study carried out for Techno-financial feasibility in a particular case of Commercial Complex Development on Finance, Built, Transfer Basis in Panvel, Maharashtra.

KEYWORDS: Commercial Complex, Feasibility study, Market Assessment, FBT, Panvel

I. INTRODUCTION:

Background of the Project: Panvel City Municipal Corporation (PCMC) as part of its development strategy propose to develop various commercial / economic infrastructure through Public Private Partnership (PPP) Basis. PCMC after detailed assessment has identified numerous parcels of land that are amenable for commercial exploitation / leveraging through PPP basis. An open land admeasuring 1738 sq.mt. near "Shri Vilasrao Deshmukh Market" has been identified for the development as a Commercial Complex along with Parking facility in the Panvel City .

The site is strategically located in the heart of the city which can be easily accessed from other parts of the city. The site by its virtue has a frontage on 1 side facing towards 18 m wide road. It is located next to the Shivaji Chowk which is a prime location of the city.

II. DATA COLLECTION:

The market assessment for the project was undertaken in the city of Panvel and also in some developing regions in the vicinity. The current market dynamics of the Panvel Real Estate sector and the understanding of the key factors influencing them were the main focus of this study. The study also included conducting one to one interaction with the realty industry players operating in Panvel as well as outside.

Responses were sought from prominent national business houses about their inputs on the proposed development and their willingness to invest in the project. The interviewed participants provided accurate responses which were helpful in designing of the development model for the project. The current socio-economic factors currently affecting the Indian realty sector were also studied. After a careful analysis of the collected data, a clearer picture of the proposed development from the commercial and financial point of view emerged.

The following inputs were used to structure the market assessment:

- Primary data from Industry players operating in Panvel & elsewhere; Government officials, Private developers and other operators in the real estate industry has been assessed in order to gain first hand insights.
- Secondary data in form of government reports, private reports, website content etc., have been used to gather information.
- Current demand profile - Historical and current levels of activity in the real estate industry.
- Meetings with other govt. agencies that would form a part of the proposed development that were undertaken to study the laws, regulations regarding proposed development plans in the region in terms of core infrastructure
- The physical orientation of the subject site with respect to land characteristics, access, visibility and the supportive nature of current and planned land use in proximity to the site were undertaken.
- Current development of the nearby regions to Panvel.
- Attractiveness of investing in real estate sector of Panvel.

The Real Estate Sector of Panvel:

Real Estate scenario in Panvel continues to witness many changes in the wake of the developments taking place here. The city has become one of the most important growth centres of Navi Mumbai.

Primary Market Analysis:

- The Panvel realty market is getting increased attention from Mumbai – based Corporate Entities looking out for commercial and retail real estate having amenities and facilities of global standard. Infrastructure projects have resulted in growing positive sentiment when it comes to commercial real estate in the Navi Mumbai – Panvel region.
- The Trans-Harbour Sea link will bring the Navi Mumbai International Airport (NMIA) closer to South Mumbai, making the Panvel region an ideal location for work spaces, back-end offices as also spaces for BFSI, IT and ITeS sectors – not to mention corporate relocating and consolidating office spaces.
- NMIA is expected to impact real estate growth in locations in its vicinity, including Panvel. NMIA has a huge employment generation potential. It is estimated that the airport will generate 1.42 lakh new jobs directly, along with another 2 lakh jobs at an indirect level.
- From just being a sleepy town situated at the tri-junction of roads that connect Mumbai Goa and Pune, Panvel has fast converted into a 'central location' in the MMR, and with planned infrastructure, all is set to enhance transport linkages. It is well on its way to becoming the real estate hot-spot of Mumbai's peripheral areas.

Following market research survey questionnaire form have been distributed to collect the responses.

MARKET RESEARCH SURVEY QUESTIONNAIRE FORM

Please respond to the following points effectively.

Name:

Existing Business and Location:

Existing Establishment:

Contact Details:

Sr. No.	Category	Sub-Category
1	Offices	Bank
		Insurance
		Law / CA / Property Agents

		Designer / Architect
		Service Provider (Customer Care)
		Government Agency Offices
		Consultants
2	Showrooms	Automobile
		Jewellery
		Electronics
		Departmental Stores
		Furniture
3	Clinics	Dentist
		Optician
		Physiotherapist
		Pathology Lab
4	Retail	General Stores
		Dairy / Sweets / Farsan Mart
		Apparels and Accessories
		Beauty Parlours
		Medical Stores
5	Restaurants	Multi-cuisine
6	Co-working Spaces	Start-ups

III. CONCLUSION

After having view on above assessment, it can be stated that:

- Considering the allowable land use of commercial development, exponential growth of the Panvel City and improved socio economic status of the citizens, potential areas are find out having lack of quality commercial and parking space in the city.
- The location for the proposed commercial complex is of prime importance and is centrally located.
- The area has a huge potential to develop world class infrastructure facility in terms of Commercial Complex in order to enhance and upgrade the socio economic status of city with optimal utilization of resources.
- Responses shall be collected for shifting / expanding to the new complex, customer attractiveness for the region, parking facility requirement, also infrastructure facilities such as Water, HVAC, etc.

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