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Gradually witnessing a spurt in housing, Pune's residential market grew by leaps and bounds resulting in a rising number of new projects. Though the city has been known to have budget homes along with premium properties, escalating realty rates have made buyers look for other options or shift their focus to city outskirts. While Pune's property market has expanded its horizons to its peripheries, buying a budget home in the city still remains a distant dream for many Pune suburbs are fast growing offering township projects, gated-communities and villas along with improved civic amenities, schools and hospitals in the vicinity.

A recent analysis of Pune's realty market shows that the city developers are playing it cautiously with new launches to rationalise the demand-supply ratio. Notwithstanding price-rise speculations, they maintain that Pune has been the most competitive and demand-driven city. India Real Estate Outlook, for the July-December 2014, released by Knight Frank, shows that developers held back their new launches owing to decline in demand for homes. New launches in Pune during 2014 were lower by 26 per cent, thanks to unsold inventory and a weak demand due to lower customer confidence.

The year 2014 saw launches of 33,580 units as compared to 45,370 of them in 2013. Developers have launched and offered 67,557 units in the city's

residential real estate basket but customers are yet to sign up.

The QTS ratio for Pune has been inching upwards since September 2013, signifying weakness in the market. The large number of new launches during H2 2013, despite slowing sales volumes in H1 & H2 2013, pushed the QTS to a higher level. It is expected that the sales volume would recover from H2 2014 onwards, after a lull of over two years. It is forecast to increase by 35 per cent to 19,800 units in H2 2014, com-

Home in your budget - East

Upto 20 Lakh	Ranjangaon, Saswad Road, Shikrapur, Uruli Kanchan
Rs 20-40 Lakh	Wagholi, Dhanori, Chakan, Lohegaon, Pisoli, Handewadi
Rs 40-60 Lakh	Hadapsar, Kharadi, Dhanori, Kondhwa, Undri, Katraj
Rs 60-100 Lakh	Kharadi, Viman Nagar, Kalyani Nagar, Vishrantwadi
Rs 1 Crore & Above	Kalyani Nagar, Koregaon Park, Market Yard, Lulla Nagar

pared to H1 2014. Similarly, it is estimated to increase by 11 per cent from H2 2013. Pune is, in fact, a market

that displays a standard rate of supply and absorption which is normal and required in a growing city which is con-

stantly adding new areas for development into its borders, maintains Kishor Pate, CMD - Amit Enterprises Housing Ltd. "A good supply is one of the reasons why Pune's market has remained more competitive and rational than that of Mumbai. It has also been an integral factor in keeping property prices in this city rational. Demand for residential properties is healthy in Pune, and has been picking up more pace after the last general elections.

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QUICK BYTE

■ THE YEAR 2014 SAW LAUNCHES OF 33,580 UNITS AS COMPARED TO 45,370 OF THEM IN 2013

■ PUNE DISPLAYS A STANDARD RATE OF SUPPLY AND ABSORPTION

■ BUYERS SHOULD BE AWARE OF THE OPPORTUNISTIC SUPPLY OF HOUSING

■ NEW RESIDENTIAL SUPPLY WILL BE ABSORBED WITHIN THE NEXT TWO YEARS

A DRIVING DEMAND

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area focus

FAST FACT

THE PUNE REAL ESTATE MARKET HAS SEEN A TURNAROUND IN SENTIMENT OWING TO A STABLE GOVERNMENT AT THE CENTRE AND IN THE STATE

Many homebuyers are now opting for townships over smaller independent projects because of the superior lifestyle

A DRIVING DEMAND



The Pune Real estate market has seen a turnaround in sentiment owing to a stable government at the centre and in the state, asserts Vishwajeet Jhavar, founder and CEO, Marvel Realtors and Developers Ltd. "Thereafter, a series of incremental reforms and announcements augmented the feel-good factor across India, which benefits Indian industry as well as the real estate sector. The growing demand for luxury housing can be attributed to the rise in the number of high net-worth individuals (HNI), the rapid pace of urbanisation, the influx of global lifestyle trends and the fast growth of service industries such as technology and financial services, which are propelling many middle-income group individuals into the HNIs bracket. Also, continued interest from Non-Resident Indian (NRI) buyers' in investing in luxury housing has encouraged us to launch more ultra-luxurious projects with exceptional facilities."

Many areas in Pune have seen a rate of supply for which demand is lagging behind, opines Anil Pharan-

	2012-2014		Price Change (2012-2014)
	Dec-2014	Dec-2012	
	Rs./sq ft	Rs./sq ft	
Hinjewadi	5170 to 6330	3900 to 4750	33%
Pimple Saudagar	6060 to 7100	4650 to 5400	28%
Magarpatta City	6990 to 8550	5000 to 6900	25%
Kharadi	5700 to 6860	4650 to 5500	24%
Aundh	7780 to 9880	6450 to 7900	23%
Hadapsar	4890 to 6190	3950 to 4950	22%
Baner	6020 to 6150	5550 to 6550	22%
Wakad	5610 to 6680	4600 to 5500	22%
Bavdhan	6070 to 7320	5150 to 6000	20%

Locality	Preferred localities - Capital		Rank	
	Capital Value Rs./sq ft	Rank	Jan'15	Dec'14
Wakad	5610 to 6680	1	2	▲
Baner	6620 to 8160	2	1	▼
Kharadi	5700 to 6860	3	3	↔
Pimple Saudagar	6060 to 7100	4	4	↔
Viman Nagar	6500 to 8000	5	9	▲
Wagholi	4640 to 4950	6	8	▼
Kalyani Nagar	7890 to 10250	7	-	▲
Hadapsar	4890 to 6190	8	6	▼
Hinjewadi	5170 to 6330	9	7	▼
Wingri Chinchwad	4910 to 6190	10	-	▲

Top gainers: 2012-2014	
33%	25%
HINJEWADI	MAGARPATTA CITY
28%	24%
PIMPLE SAUDAGAR	KHARADI

Capital values are a key indicator of returns on investment in the property domain. A positive change in capital values over a period of time reflects on the vibrancy and future prospects of a locality. Whether you are a real estate investor or an end user, check out this section as it will give you an idea of localities which are able to register a considerable hike in capital values.

(Source: Magicbricks Bureau)

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Thanks to rational pricing and the good quality of homes being turned out by Pune's reputed developers, most of the new residential supply coming on the Pune real estate market will be absorbed within the next two years. However, this is not to say that there are absolutely no problems in sight for Pune's real estate market," Pate says.

With a good amount of quality supply on the market, property buyers in Pune have a good spread of

quality options from reputed developers who adhere to standardised construction parameters and offer superior amenities and location, he says. "Buyers should beware of the opportunistic supply of housing that is hitting the market on some of the city's peripheral areas. In these locations, many fly-by-night developers have been actively churning out sub-standard projects which do not comply with standard construction norms and often lack all the required legal approvals."

rande, CMD - Pharande Spaces. "When a lot of projects are being launched in certain areas, the market begins to behave differently. While there may be demand from end-users who are looking at homes in these locations, they will expect competitive pricing and willingness by developers to negotiate. If they are not able to make deals within their budgets, they will abstain from buying and wait for prices to come down. On the other hand, investors will be deterred by too much supply because they do not see sufficient potential for cap-

ital value growth and rental income. They will sit on the fence and wait for the situation to become more investor-favouring. In the current scenario, West Pune continues to see a lot of end-user and investor demand because it the real estate market is still developing and growing. Buyers and investors looking for good options around the Hinjewadi and MIDC belts should look for homes in these areas as they provide maximum value and protection of investments."

Arvind Jain, managing director, Pride Group opines that with a lot

of supply on the market, property buyers in Pune are indeed spoiled for choice. "However, the trend we have been observing is that more and more homebuyers are now opting for townships over smaller independent projects because of the superior lifestyle and conveniences that these projects offer."

Jain adds that Pune has become India's new "Township City", and the new trend of township properties is the hottest new concept for both the city's end users and property investors. Living in these projects has become not only a lifestyle

statement but a real necessity. Apart from first-time homebuyers, even existing home owners are now putting their old flats on the market so that they can move into large townships which provide their own infrastructure, green spaces, better access to places of work and freedom from water and electricity cuts. With townships becoming the residential option of choice for Puneans, it makes a lot of sense for first-time buyers to make township life their first choice rather than an option that they will consider at a later stage.