The year 2017 was about dramatic changes for the real estate market of the country, with Pune being no exception. The currency ban move arrested real estate enquiries, sales and new project launches, as a result of which transactions slumped by 13 percent in the first two quarters of 2017 over the previous two quarters. The gridlock led to humble price corrections in the inventory-heavy locales of Hinjewadi, Pimple Saudagar and Wanowrie.

The implementation of the Real Estate (Regulation and Development) Act, 2016 (RERA) and Goods and Services Tax instilled a further slowdown in the market. Ambiguity over RERA norms led developers to defer new launches, bringing the figures to as low as 34,800 units between January and June 2017. Low supply proved therapeutic to Pune’s soaring inventory levels, which now stand approximately 14 months away from complete absorption.

Increased focused on compact homes and affordable housing also drew Pune closer to a real estate recovery. The city is expected to gain from a slew of planned and proposed infrastructure projects in 2018.

**GROWTH INDUCERS**

- Pune Municipal Corporation (PMC) hiked Floor Space Index (FSI) to four in high density areas. The move is expected to benefit the Bus Rapid Transit System (BRTS) and metro corridors in the city. This was complemented with the proposal to adopt Transit Oriented Development (TOD), which would promote the use of public transport and help the city decongest.
- The government eased redevelopment of homes by bringing down the required consent limit from 70 percent residents to 51 percent. The move is expected to aid enhanced development of old properties and augment the supply of quality residential units in the city.
- Although delayed, the development of the planned Purandar International Airport progressed with the allotment of 18 acres of land. The project is already pushing investments in the region on account of the ancillary development that would come along.
- The efficient implementation of Maharashtra RERA tightened noose on realty developers to follow fair trade practices. The resulting downfall in new project launches drew the city closer to demand-supply equilibrium. It boosted consumer confidence owing to increased focus on transparency in real estate deals.

**GROWTH IMPEDIMENTS**

- With multitude of government initiatives towards development of affordable homes, Pune witnessed a shift from luxury to budget housing inventory. Reports indicate a higher consumption for competitively priced compact homes in the city.
- The demolition drive carried against illegal structures by Pune Metropolitan Regional Development Authority (PMRDA) created panic amongst homeowners. The authorities reported approximately 1,650 illegal houses in the city.
- The Smart City project landed in trouble with questions being raised on its tendering process. The misappropriation scrutiny delayed the project progress and dampened confidence of homebuyers who were pinning hopes of a market revival on this project.
- The Maharashtra Pollution Control Board (MPCB) filed complaints against 80 mega projects for flouting green norms. With majority of the projects situated in the peripheries of Pune, the protest meant delayed completion, hurting investor sentiment.

**MARKET INDICATORS**

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<td>Capital Values</td>
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<td>Rental Values**</td>
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* Projected price movement and inventory status
**Rental values depict annual change in average asks for respective quarters

**IN FOCUS**

**Maharashtra Real Estate (Regulation and Development) Act**

- Regulatory Authority Established in May 2017
- Website: [https://maharera.mahaonline.gov.in/](https://maharera.mahaonline.gov.in/)
- Registered Projects: 13,300
- Project Applications Received: 13,400

- Complaints Filed: 232

*Data shows approximate registrations till December 27, 2017
** Source: State’s RERA website
THE YEAR GONE BY...

IN NEWS

JANUARY
- Pune hikes FSI in high density areas to four
- City gets 18 acres of land for airport expansion
- Government plans extension of transit oriented development to Pune

FEBRUARY
- PMRDA acquires 70 acres of land for metro development; PCMC offers 75% concession on property tax

MARCH
- CREDAI announces 45,000 affordable homes in Pune
- PCMC plans BRTS in Pimpri Chinchwad; Real Estate (Regulation and Development) Act (RERA) implemented

APRIL
- Property tax payment goes digital in Pune Cantonment Area

MAY
- PMC seeks 4 FSI within 500 metres of Pune Metro

JUNE
- PCMC sanctions Rs 377 crore to construct 3,664 affordable homes

JULY
- Aundh, Baner and Balewadi become a part of Pune Smart City plan

AUGUST
- Government eases housing redevelopment norms

SEPTEMBER
- Government proposes to extend Pimpri-Swargate metro line up till Nigdi; Goods and Services Tax (GST) implemented

OCTOBER
- Government plans extension of transit oriented development to Pune

NOVEMBER
- PMC seeks 4 FSI within 500 metres of Pune Metro

DECEMBER
- PCMC sanctions Rs 377 crore to construct 3,664 affordable homes

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