PUNE
PROPERTY CAPSULE
2018
Property prices in Pune failed to record any improvement in 2018 owing to a downward pressure created by plunging sales. Real Estate (Regulation and Development) Act (RERA) and Goods and Services Tax (GST) kept the market uncertain all through 2017 till the first half of 2018. The affordable and mid-income segments, however, showed some positive trends garnering the largest share of buyer interest in the city. As developers grappled with severe capital crunch, new launches remained low-key. Developers continued offering discounts to maximise their sales and dispose off the existing inventory, resulting in the unsold stock declining to 80,000 units. The city recorded a total of 33,000 property registrations in the third quarter alone.

Subdued sales amidst slow progress of infrastructure projects led to a correction in property prices in key micro-markets. While the year 2018 did not spell good news for Pune’s realty landscape, a correction in property prices is anticipated to drive sales in the coming year.

Peripheral areas such as Gahunje, Jambhul, Lonikand and Katvi Talegaon, which are the emerging corridors of affordable housing, are expected to register maximum buyer traction in 2019.

**GROWTH INDUCERS**

- State’s approval to develop over 6,000 affordable homes in Pune Municipal Corporation (PMC) limits and nearly 60,000 homes in Pimpri Chinchwad Municipal Corporation (PCMC) limits under PMAY helped boosting the affordable housing segment
- Fast tracking of two important metro routes – Hinjewadi to Shivajinagar in Pune and Pimpri to Swargate – spelled good news for the city. While the foundation stone of the former was laid recently, the work on the latter is almost 40 percent complete.
- The proposed extension of metro corridors - Ramwadi to Wagholi and Pune International Airport and Hinjewadi-Shivajinagar metro route to Hadapsar - is expected to augment real estate activities in nearby localities. The Ramwadi-Wagholi route will pass through Vadgaon Sheri, Chandan Nagar and Viman Nagar.
- The digitisation of the building plan approval system would induce transparency in the process apart from making it hassle-free.
- State’s decision to withdraw the reservation of 3.8 lakh sq ft of land in areas such as Baner and Balewadi for residential projects opened newer avenues for developing affordable housing in the city.
- PMC’s nod to IT zones in Aundh, Baner, Balewadi and Kharadi would create a plethora of new job opportunities. Along with nurturing the city’s economic and social growth, the move will elevate the housing demand in proximate localities.

**GROWTH IMPEDIMENTS**

- Pune Metropolitan Region Development Authority’s (PMRDA) unprecedented drive to raze illegal properties in its jurisdiction continued to mar market sentiment.
- The restriction put by Pimpri-Chinchwad Municipal Corporation (PCMC) to construct commercial units near Bus rapid transit and Metro rail corridors is anticipated to adversely affect commercial expansion along the corridors.
- The grant of four FSI along the Hinjewadi-Shivajinagar metro corridor raised serious environmental concerns, as it would put undue pressure on the existing infrastructure.
- Subdued property sales coupled with piling inventory resulted in price correction across micro-markets, dampening investor sentiment.

**MARKET INDICATORS**

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* Projected price movement and inventory status
**Rental values depict annual change in average asks for respective quarters
**RERA IN FOCUS**

Registered Projects: 18,996

Registered Agents: 17,899

Complaints Resolved: 3,247

*Data shows approximate registrations till December 28, 2018

** Source: Maharashtra’s RERA website

**IN NEWS**

**MAY**

State approves Rs 3,513 crore for Purandar Airport land acquisition

**JUN**

Pune-Mumbai hyperloop project inches ahead with Rs 3,000 crore investment

**JUL**

State keeps circle rates unchanged

**AUG**

PMRDA approves the extension of Shivajinagar-Hinjewadi Metro line to Hadapsar

**SEP**

Civic body forms a panel to ensure speedy redevelopment of old buildings

**OCT**

PMC grants FSI of four along Metro 3 corridor; environmentalists raise concerns

**NOV**

PMC permits development of 6,000 budgeted homes under PMAY

**DEC**

PM lays the foundation stone of Metro 3 corridor

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**FEB**

Centre allocates annual funding for Pune Metro in Union Budget 2018-19

**MAR**

With 2.5 FSI, 60,000 affordable homes planned in PCMC under PMAY

**APR**

State keeps circle rates unchanged