

# MW MARKET WATCH

## Q1 2017-18



## Key Residential Trends - Pune

### Sentiments, New launches and Enquiries

- In line with the national sentiment, implementation of RERA and GST has resulted in a transient lull period in the Pune residential market.
- Developers have held back new launches as they concentrated on off-loading existing inventory and completing RERA compliance.
- Enquiries had seen a slight increase after RERA got implemented. However, the immediate introduction of GST thereafter ensured the surge was limited for a few weeks only.
- This meant that multiple deals have been stalled mid-way as implementation of GST led to a difference of at least Rs 2-3 lakh in the final cost of the project.

### Sales Volumes, Inventory and Price Trends

- The capital values have largely remained stagnant as developers have restrained from slashing prices in spite of a slow market. Developers claim to be helpless as the GST has only increased the burden on them.
- Genuine buyers are, however, being given a discount of around Rs 2-3 lakh if the deal is finalised. Otherwise developers have not yet marketed any discounts or offers.
- Secondary market outperformed the primary market as GST does not imply to ready units. Demand was largely skewed towards affordable properties in the range of Rs 25-30 lakh.
- Peripheral areas that offer inventory in the affordable bracket were most sought after locations. These included areas like Wagholi and Chinchwad.
- The IT belt in the city witnessed sluggishness due to high prices. Price tags hover around anything between Rs 80-95 lakh even in a slow market.
- 

### Expected Likely trends during the Q2 2017-18

- The market is expected to revive only towards the Diwali time. Developers will take time to get them registered under RERA and in the meanwhile marketing and sales activity would be at a standstill.
- Developers are expected to come up with discounts and offers around this time of the year.
- Several infrastructure measures such as Swargate-Pimpri Metro and the proposed Pune international airport are expected to bring in positive sentiments among buyers.



- Affordable housing is expected to get a boost as CREDAI has announced construction of 45,000 units priced up to Rs 18 lakh.
- New launches are expected to remain restricted in the coming months as developers will remain busy in switching to new norms and standards under RERA.

**Disclaimer:** The information set out in this document has been prepared by HDFC Realty Limited ('HDFC Realty') based upon projections which have been determined in good faith. The contents of this document are for informational purposes of the readers. This document does not take into account the specific investment objectives, financial situation or needs of an individual/s or a Corporate/s or any entity/s. This document is not an offer, invitation or solicitation of any kind to buy or sell any property or intended to create any rights or obligation. It reflects conditions and views prevailing as on date, all of which may be subject to change. However, no representation or warranties of any nature are given, intended or implied. Readers are requested to rely on their own investigation, including - the merits and risks involved, the legality and consequences; without reliance on HDFC Realty or its respective employees, agents and affiliates. A qualified professional should be consulted before making a decision or acting on any information contained in this document. Nothing in this document is intended to constitute legal, tax, securities or investment advice or opinion regarding the appropriateness of any investment or solicitation of any product or service. The use of any information set out in this document is entirely at the addressee's own risk. The information contained herein is intended solely for the addressee(s).

