

**34%** Q-o-Q DECLINE IN NEW LAUNCHES IN Q1 2020

**65%** SHARE OF MID-SEGMENT IN Q1 LAUNCHES

**56%** SHARE OF NH4 BYPASS SUBMARKET IN Q1 LAUNCHES

**MARKET INDICATORS OVERALL Q1 2020**

	Y-O-Y Change	12-Months Forecast
New Launches	▲	▼
Units Sold	▼	▼
Average Capital Values (INR/sf)	■	■

New Launches



Units Sold



Average Capital Values (INR/sf)


**Significant decline in quarterly launches**

New launches in Q1 were recorded at 7,428 units, a sharp 34% q-o-q decline, largely driven by the COVID-19 and subsequent lockdown stifling launch activity over the last month of Q1. Majority of the Q1 launches (56%) were concentrated in the NH4 Bypass submarket in locations like Hinjewadi, Balewadi, Bavdhan, Mahalunge and Marunji. The east submarket also held a significant share of 20%, with a major proportion of the launches concentrated in emerging locations like Manjari and Keshav Nagar. Among the projects launched this quarter, the mid segment accounted for 65% of the launched units, while the affordable segment accounted for 30%. Over the last few quarters, locations such as Mahalunge, Manjari, Mamurdi and Keshav Nagar have witnessed increased traction in launches, on account of the strong demand arising from their proximity to major commercial district and attractive prices. The overall capital values in Pune remained stable during the quarter on account of the inventory overhang as sales remained at moderate levels.

**Launches from established developers on the rise**

The process of consolidation in Pune's residential real estate market continued its momentum in 2020, which was also evident in the Q1 launches. Nearly 55% of the quarterly launches were from established developers like Godrej Properties, Purvankara, Goel Ganga Developments, Kumar Properties, Pride Purple Group etc. Majority of these launches were in emerging residential locations like Mahalunge, Manjari and Marunji, catering primarily to the mid segment category. Financial distress, challenges in project execution and now getting buyers in an uncertain environment along with inventory overhang are the major challenges that small developers are likely to face. Big developer brands may be able to withstand these challenges in a slightly better manner. Going ahead, we expect further consolidation in Pune's residential market over the short to medium term. However, supply is likely to be constrained and sales environment looks to be impacted by the prevailing uncertainty, though the reduction in home loan rates and good bargains may push some buyers who have better liquidity flow to make purchase decisions.

**Residential sales and new launches to be impacted in the short-term**

Due to the Covid-19 outbreak, we expect residential sales to be adversely impacted in the near-term, as buyers may choose to stay away from site visits and postpone their purchase decisions. We expect buyer sentiment to remain weak until the lockdown is lifted or partially eased, construction activity resumes and stalled projects gradually move towards completion. Complete recovery in economic activity is possibly two to three quarters away, depending on the success of the government's containment measures. This is likely to have a bearing on how fast the residential market can recover and move to the pre Covid-19 level of activity. Developers are also likely to remain cautious with new project launches, while focusing more on the completion of under-construction projects to push sales. Going forward, we expect demand to be driven by affordable and mid-segment units, mainly concentrated in the NH4 Bypass & North east submarkets – which is linked to commercial growth in these corridors. Capital values and rentals are expected to remain stable in the near-term, driven by the unsold inventory levels and weak buyer sentiment.

**SIGNIFICANT PROJECTS LAUNCHED IN Q1 2020**

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	RATE*(INR/SF)
Godrej Rivergreens - Phase 1	Manjari	Godrej Properties	754	7,500 - 8,500
Park Astra	Marunji	Pride Purple Group	408	7,500 - 8,500
Godrej Hillside 2	Mahalunge	Godrej Properties	540	8,500 - 9,500
Purva Aspire	Bavdhan	Purvankara	236	9,500 - 10,500
Ganga Altus - Tower D & E	Kharadi	Goel Ganga Group	384	9,500 - 10,500

## RENTAL VALUES AS OF Q1 2020\*

SUBMARKET	AVERAGE QUOTED RENT (INR/MONTH)	QoQ CHANGE (%)	YoY (%)	SHORT TERM OUTLOOK
<b>High-end segment</b>				
Aundh – Baner	75,000 – 130,000	0%	0%	■
East	55,000 - 140,000	0%	0%	■
Nagar Road	70,000 – 140,000	0%	0%	■
Koregaon Park – Boat Club Road	100,000 – 220,000	0%	0%	■
<b>Mid segment</b>				
Aundh – Baner	17,000 – 32,000	0%	0%	■
NH4 Bypass (North)	11,000 – 18,500	0%	0%	■
North – East	12,000 – 20,500	0%	0%	■

## CAPITAL VALUES AS OF Q1 2020\*

SUBMARKET	AVERAGE QUOTED CAPITAL VALUE (INR/sf)	QoQ CHANGE (%)	YoY (%)	SHORT TERM OUTLOOK
<b>High-end segment</b>				
Koregaon Park - Boat Club Road	14,000 – 19,000	0%	0%	■
Aundh-Baner	8,500 – 13,000	0%	0%	■
Nagar Road	9,500 – 14,500	0%	0%	■
East	8,500 – 13,000	0%	0%	■
<b>Mid segment</b>				
North-East	3,500 – 6,400	0%	0%	■
South-East – II	3,750 – 5,500	0%	0%	■
NH4 Bypass (North)	4,000 – 6,300	0%	0%	■

## SIGNIFICANT PROJECT COMPLETED IN Q1 2020

BUILDING	LOCATION	DEVELOPER	NO. OF UNITS	UNIT SIZE (SF)
Eco City 2	Talegaon	Namrata Group	550	513-804

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION – TO BE COMPLETED IN NEXT 12 MONTHS

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	EXPECTED COMPLETION
Tinsel County	Hinjewadi	Kohinoor Group	470	Q4 2020
VTP Celesta	Mohammadwadi	VTP Group	76	Q1 2021

Data collated from primary and secondary resources. Estimations are subject to change

\* Rental and capital values have been depicted only for key submarkets

\*\* Quoted base capital value is on carpet area and also includes other charges like external Development Charges, internal Development Charges, etc.

Affordable housing has been defined as units with a carpet area of 60 sq.mt in metros / 90 sq.mt in non-metros and value up to INR 45 lakhs

Mid segment is defined as units having ticket size between INR 4.5 million to INR 10 million

High end segment is defined as units having ticket size above INR 10 million

## KEY TO SUBMARKETS

## High-end Segment

**Koregaon Park-Boat Club:** Koregaon Park, Bund Garden Rd, Boat Club Rd, Mangaldas Rd

**Aundh-Baner:** Aundh, Baner

**Nagar Road:** Kalyani Nagar, Viman Nagar

**East:** Sopan Baug, Uday Baug, Hadapsar

**West:** Deccan Gymkhana, Model Colony, Prabhat Road, Erandwane, Bhosale Nagar

## Mid Segment

**Aundh-Baner:** Baner, Baner Road

**Kothrud:** Kothrud

**Nagar Road:** Kalyani Nagar, Yerwada, Shashtri Nagar, Viman Nagar, Old Airport Rd, Vishrantwadi

**North-East:** Kharadi, Wagholi, Wadgaon Sheri

**East:** Hadapsar, Manjri, Mundhwa, Keshavnagar

**South-East - I:** Wanowrie, NIBM Road, Lulla Nagar

**South-East - II:** Undri, Kondhwa, Pisoli

**NH4 Bypass (North):** Balewadi, Mahalunge, Wakad, Hinjewadi, Punawale, Kiwale, Ravet, Tathawade, Bhugaon, Bavdhan, Pashan, Sus

## Rohan Sharma

Director, Research Services

+91 124 4695555 / [rohan.sharma1@cushwake.com](mailto:rohan.sharma1@cushwake.com)

## Kapil Kanala

Associate Director, Research Services

+91 40 40405555 / [kapil.kanala@ap.cushwake.com](mailto:kapil.kanala@ap.cushwake.com)

[cushmanwakefield.com](http://cushmanwakefield.com)

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