

MW MARKET WATCH

Q3 2016 - 17



Key Residential Trends - Pune

Sentiments, New launches and Enquiries

- Realty market remained largely stagnant as a result of lack of clarity regarding multiple policies such as RERA, GST Bill and the currency ban. Property owners and sellers stayed away from hiking the 'ask' rates due to low buyer sentiments.
- Enquiries saw a downhill trend post the demonetisation drive. Both under-construction and ready to move properties witnessed sluggish movement post the currency ban.
- Speculations were ripe that developers were willing to offer significant incentives to genuine buyers. However, a steady price correction is not expected.
- As per market experts, buyer enquiries saw a drop of almost 30-40% in the Oct-Dec 2016 quarter owing to the currency ban.

Sales Volumes, Inventory and Price Trends

- Construction activities had also taken a hit during the same period. Thus, new launches are expected to be subdued, at least till mid-2017.
- The resale market, which is largely driven by cash transactions, also took a beating as a result of the demonetization drive.
- Capital values did not witness any stark change across residential pockets in the city. However, certain pockets close to the commercial hubs such as Charholi, Nigdi and Kalyani Nagar reported some positive price movement.
- Locations with good availability of affordable housing also managed to garner higher interest from the buyers, especially the salaried end users. Residential pockets in the vicinity of proposed road and rail projects also benefitted in term of capital values.

Expected Likely trends during the Q4 2016-17

- The much delayed Pune metro project finally got the nod from the Union cabinet. It brought much needed respite and cheer among the real estate fraternity. Other proposed infrastructure projects included bus corridors from Bopoti to Sancheti Junction and from Aundh to Shivaji Nagar.



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