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# MW MARKET WATCH

May 2016

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## Key Residential Trends - Pune

### Sentiments, New Launches and Enquiries

- Moderate to low inflow of enquiries indicate that the demand for real estate in Pune is far from taking a growth path. Dull market and overall economic slowdown has kept both the end users as well as the investors away.
- Demand is mainly for 2-BHK properties costing between Rs. 60-70 Lacs per unit and 3-BHK units priced from Rs. 70 Lacs to Rs. 1 Crore per unit.
- Areas in and around commercial driven sections of Pune such as Magarpatta, Hadapsar, Kharadi and Viman Nagar garnered highest number enquiries. Among these, Kharadi appears to be the most promising location due to the presence of commercially important EON Free Zone.
- Pune witnessed a few new launches during the month that includes a new premium tower at Godrej Infinity Township, and Pride 115 Hilltown at Bhugaon.

### Sales Volumes, Price Trends and Inventory

- Sales continue to remain weak as potential buyers persisted with their wait and watch attitude, hoping to see an attractive downward movement in prices. The enquiry to sales conversion rate for the city stood at a maximum of 5 per cent.
- Sales movement is heathiest in East and West parts of Pune which has highest commercial activity. 2-BHK apartments costing in the range of Rs. 60-85 Lacs per unit and 3-BHK units priced between Rs. 85-100 Lacs per unit stood out to be the best sellers in Pune.
- On the price front, the trend has remained almost straight lined with no significant upward or downward movement. Builders are in no position willing to reduce their prices despite of the low sales.
- A few developers are offering upfront discounts on the final prices in the range of 5-10 per cent to allure buyers.

### Expected Likely trends during June 2016

- Despite of the pressure exerted by inventory overhang, the developers are expected to maintain their prices at current level for at least next two to three months.
- The developers are expected to boost their marketing efforts during the upcoming monsoon season which is usually characterised by a slack market. This is likely to result in a marginal improvement in the sales.
- Some of the projects expected to get launched in the upcoming months include Kasturi Nexus at Wakad, Soul Space Atlantis at Wagholi and Kolte Life Republic Lake Front in Hinjewadi



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