STUDY OF EMERGING TRENDS IN INDIAN RESIDENTIAL REAL ESTATE MARKET WITH REFERENCE TO PUNE

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ABSTRACT

The focus of this paper is to study the scenario of the residential segment of the real estate market in India with focus on Pune city. This paper begins with presenting the global economic outlook and then studies its impact on key housing markets world-wide. It then gives an overview of Indian residential real estate market and identifies the various growth phases and highlights the housing shortage. Various economic factors are considered which influence this sector, including inflation, the Union Budget (2013-14) and the latest RBI monetary policy.

Based on the analysis of top Indian cities for their growth potential in future residential capital values, it identifies Pune which will yield the maximum growth. After profiling the city, key facts which contribute to its housing growth are studied in detail. The Pune housing market is divided into segments & each market segment is analyzed. A comparative analysis is done to identify the top locations across all segments which will provide the best returns on investments in future. The study ends with identifying the emerging Pune housing trends which indicate that the quality of life that its citizens will experience in future will match the global standards.

Keywords: Residential Real Estate; Transaction Level; Capital Value; Housing Shortage; Segment; Growth Drivers; Ready Possession; Integrated Township; Green Home; Economic Outlook

INTRODUCTION

Among the most basic human needs of food, clothing & shelter, the requirement for housing comes under the need for providing shelter. This paper addresses this fundamental human need by providing a brief overview at the global level, then detailed overview at the national level and finally, provides insights into Pune city’s housing scenario.

OBJECTIVES

1. To study the trends in major global housing markets
2. To study the growth phases of housing in India
3. To understand the national housing shortage
4. To study the various housing market segments of Pune city.

RESEARCH METHODOLOGY

The methodology used for this study is secondary research. Secondary data from various sources like research reports, websites of government, corporations, industry associations, newspapers, etc. have been referred.
Global Economy Outlook

Globally, the year 2014 is being viewed with cautious optimism after the crisis mood in the last two years. The recent news has not all been positive, but there is a sense of steady economic improvement and reducing risk as the developed world emerges from its long slump.

**Exhibit 1:** 2014 GDP Projections in Major Economies

![Graph showing GDP projections](image)

**Source:** IHS Global Insight, January 2014

In the West, the focus of the past five years has been simple: healing the damage from the financial crisis and restarting growth. With that largely achieved, the choices become more complex. The list of challenges ahead will include resetting interest rates back to ‘normal’ levels, cutting still-bloated fiscal deficits, unwinding the QE stimulus and dealing with early signs of overheating in financial markets. In the emerging world, the emphasis will be on reforms to sustain growth and dealing with greater competition from the developed world for investment capital.

Exhibit 1, which shows the GDP projections of nations, representing the major economies, in 2014 reiterates a similar global outlook.

**Trends In Global Housing Market**

The global residential real estate market began the year 2014 on a more confident note. The countries & cities, which form the major global housing markets, are influenced by both global and local factors. Exhibit 2 shows their market trends.

**Exhibit 2:** Housing Trends in Major Global Markets

<table>
<thead>
<tr>
<th>Market</th>
<th>Segment</th>
<th>Performance</th>
<th>Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>Multifamily</td>
<td>Occupancy rates at 10 year high (96%)</td>
<td>Trend of recovering secondary sunbelt markets</td>
</tr>
<tr>
<td>China</td>
<td>High end</td>
<td>Stable</td>
<td>Imposed new measures to slow price increases</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>New &amp; secondary transaction</td>
<td>Very high drop</td>
<td>Tightening measures</td>
</tr>
<tr>
<td>Singapore</td>
<td>Launches</td>
<td>Slightly fewer</td>
<td>Higher stamp duty &amp; low interest rates</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Residential</td>
<td>Capital value growth</td>
<td>Low interest rates</td>
</tr>
<tr>
<td>Philippines</td>
<td>Residential</td>
<td>Capital value growth</td>
<td>Low interest rates</td>
</tr>
</tbody>
</table>
Exhibit 2: Housing Trends in Major Global Markets (Contd….)

<table>
<thead>
<tr>
<th>Market</th>
<th>Segment</th>
<th>Performance</th>
<th>Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dubai</td>
<td>Villa &amp; apartment</td>
<td>High (24%) &amp; Moderate (12%)</td>
<td>Fears of bubble developing</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>Transaction level &amp; housing price growth</td>
<td>Increase</td>
<td>New mortgage law yet to be signed; V. High increase in finance</td>
</tr>
<tr>
<td>UK</td>
<td>House</td>
<td>Moderate (6%)</td>
<td>Government stimulus programs &amp; significant improvement in consumer sentiment</td>
</tr>
<tr>
<td>Spain</td>
<td>Housing Price</td>
<td>-11%</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>Housing Price</td>
<td>-12%</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>Housing Price</td>
<td>Stable (0%)</td>
<td></td>
</tr>
<tr>
<td>Switzerland</td>
<td>Housing Price</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>Housing Price</td>
<td>0 to 5%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Jones Lang Lasalle Global Market Perspective, First Quarter 2014)

Overview of Indian Residential Real Estate Market

Growth phases

The growth of Indian housing can be divided into 4 phases, as shown in exhibit 3.

Exhibit 3: Housing growth trajectory in India

Source: CRISIL Research

Phase I (2001-2005) was an initial growth phase with stabilizing residential real estate prices following the global recovery post the ‘.com’ bust and 9/11 event. There was steady growth in Indian economic activity and growing urbanization.

Phase II (2006-2008) was a high growth phase where high demand for residential real estate led to doubling of housing prices. Demand rapidly increased due to India’s growing population, accentuated urbanization and low interest rates.

Phase III (2009-2010) witnessed substantial slowdown and part recovery in demand because of the global economic downturn, which led to a decline in affordability and tight liquidity. The retreat of various real estate investors, accompanied by slowdown in the capital markets, has resulted in oversupply and falling prices.

Phase IV (2011-2014) is expected to remain a consolidation phase after slowdown. Demand is expected to remain strong with capital values witnessing modest rise. This period is expected to witness substantial supply of housing especially in urban areas.

Real Estate (Regulation & Development) Bill
The Bill, which has been approved by the Union Cabinet on 4 June, 2013, is yet to be approved by the Parliament. It can have significant impact on phase IV. It has the following key features:

- Developers to keep 70% of buyers' funds in separate bank account (escrow account) to ensure that money is used for that project itself and is not diverted for execution of older projects or debt reduction.
- Launch of new projects can be announced only after getting all relevant clearances
- Pre-sale launch without regulatory approvals is restricted
- Developers will have to sell property based on the carpet area
- According to Cushman and Wakefield, the impact of this bill will be:
  - In the short-to-medium term, there could be slowdown in new project launches.
  - An upward pressure on prices may be created as there will also be some cost implications as developers wait to launch their projects with due approvals in place.
  - Retaining amounts realized from allottees and placing them in banks would affect the financial cash flows for projects, particularly, in metropolitan cities.

**National housing shortage**

CRISIL Research expects housing shortage (Refer exhibit 4) to decrease due to the governments thrust on improving rural housing by providing houses to the homeless under various development schemes and by enabling slum redevelopment programs in urban areas under Jawaharlal Nehru National Urban Renewal Mission (JNNURM).

**Exhibit 4: Housing shortage in India (Phase-wise)**

![Exhibit 4: Housing shortage in India (Phase-wise)](image)

**Source: CRISIL Research**

In spite of the stupendous growth witnessed in the past 10 years, substantial housing shortage is still prevalent in India. According to CRISIL Research, housing shortage in India is estimated at 78.7 million units at the end of Phase II. The overall housing shortage in India is likely to decline to 75.5 million units by the end of Phase IV.

According to a report submitted by a technical committee to the Ministry of Housing and Urban Poverty Alleviation (MHUPA), India’s urban housing shortage is estimated at nearly 18.78 million households in 2012. Exhibit 5 shows that besides those living in obsolescent houses, 80% of these households are living in congested houses and are in requirement of new houses. The report also highlights that nearly one million households are living in non-serviceable ‘katcha’ houses, while over half a million households are in homeless conditions.

Of the total urban housing shortage, nearly 62 % houses are self-owned, while 38 % families live in rented homes. Urban housing shortage is prominent across the economically weaker sections (EWS) and low income groups (LIG) which together contribute over 95% of the total shortage. The shortage among middle income groups (MIG) and above is estimated at less than 5 %.
Macro-economic factors

The year 2012 saw macro-economic factors weighing down the growth of residential capital values across the 10 major cities of India (namely Mumbai, NCR, Bengaluru, Kolkata, Chennai, Hyderabad, Pune, Ahmedabad, Chandigarh and Kochi).

Consistent low GDP growth rates since 2010-11 and sticky CPI inflation coupled with high interest rates continued to exert pressure on demand as potential buyers chose to remain in wait and watch mode.

Exhibit 5: Union Budget (2013-14) impact on Residential Real Estate

<table>
<thead>
<tr>
<th>Highlights</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Housing Bank (NHB) to set up Rs 20 bn &amp; Rs 60 bn to Urban &amp; Rural Housing Fund</td>
<td>Mitigate acute housing shortage by providing low cost affordable houses</td>
</tr>
<tr>
<td>1st home loan upto Rs 2.5 mn will get extra deduction of interest upto Rs 0.1 mn taking total deduction to Rs 0.25 mn</td>
<td>Promote home ownership in tier-II &amp; III cities and towns; Encourage growth in other sectors like steel, cement, etc.</td>
</tr>
<tr>
<td>Increased fund allocation for construction of urban &amp; rural housing units</td>
<td>Multiplier effect on economy by growth in downstream sectors and increase in employment</td>
</tr>
<tr>
<td>Excise duty on marble slabs increased from Rs 30 per sq.mtr to Rs 60 per sq.mtr.</td>
<td>Increase the development cost of the developer which may be passed to the end customer</td>
</tr>
<tr>
<td>Reduce abatement rate on flat with carpet area of more than 2,000 sq. ft. or cost more than Rs 10 mn from 75% to 70%.</td>
<td>Luxury house will be more expensive</td>
</tr>
<tr>
<td>TDS at the rate of 1% to be charged on the transfer of immovable property where the consideration exceeds Rs 5 mn.</td>
<td>Adverse impact on distress property sales or with minimal gain</td>
</tr>
</tbody>
</table>

Source: Union Budget 2013-14: Impact Analysis, Dun & Bradstreet

The budget was marginally positive for the Real Estate sector (Refer Exhibit 5 for Budget impact on Residential Real Estate).

Keeping in view these factors, the RBI raised repo rate by marginal 25 bps and kept the CRR unchanged at 4% on 28 Jan, 2014

Exhibit 6: Capital value index (for 10 major cities):

Source: CRISIL Research
As a result, the no. of transactions across these cities was stable or less than 2011 levels. Average capital values in the 10 cities (Refer exhibit 6) grew at 3-5% in 2012 on a y-o-y basis. The growth, however, was seen primarily in the latter half of 2012.

Exhibit 7: Planned v/s Estimated Supply (2013-15)

Source: CRISIL Research

Exhibit 7 shows that Mumbai and NCR are expected to account for nearly 55% of the estimated supply. As far as residential supply in the 10 major cities is concerned, nearly 2.1 billion sq ft is planned of which nearly 67% or 1.4 billion sq ft to come up by 2015.

According to CRISIL Research, Pune, Hyderabad and NCR are expected to see the maximum growth in capital values in 2013 and 2014. Of these, Pune will be one city to watch out for over the next couple of years. It expects average residential capital values in Pune to grow at a CAGR of 10% till 2014, vis-à-vis the 2012 levels. The rest of this study examines this city, Pune, in detail and tries to understand the reasons for the projected rapid growth in its housing market.

PUNE CITY PROFILE

Pune has become one of the most sought after cities in the realty market. It has the advantages of being a stable market with consistent demand coming from a number of strong and dependable business sectors.

The primary demand drivers for residential property in Pune are the following:

- Proximity to Mumbai, the commercial capital of India
- Relatively affordable rates
- Upcoming infrastructure (Metro rail, international airport, etc)
- Preferred IT/ITes hub
- Significant presence of both manufacturing & service sectors
- Reputed educational institutes

Among the secondary drivers, the major ones are:

- World class medical & healthcare facilities at economical rates
- One of the greenest urban areas in India
Due to multiple growth drivers, Pune has been witnessing large scale migration. Exhibit 8 presents this trend in Pune, which is fuelling its housing demand.

Exhibit 8: Census 2011 Key Highlights

Source: Census 2011

**Housing Price Trends in Pune:** Pune residential real estate market corrected during the slowdown period of 2008-10. However, post the slowdown period, the segment has bounced back on a stronger and healthier tone. Residential real estate prices in Pune are expected to continue on their upward momentum owing to increasing input costs to the builders, coupled with increased investor demand from the peripheral cities of Pune and from the NRIs. However, the prices have gone past the affordability levels of the Pune end-users. This will have a softening impact on the upward momentum in prices. In the long run, the Pune real estate price trends are ‘positive’ as it continues to be an IT and manufacturing hub, which will offer huge employment opportunities and keep the end user demand ticking in this city.

**Demand Demographics in Pune Housing Market:** The Pune real estate market witnesses an end user to investor ratio of 80:20. This market has a huge retail investor presence and lacks the presence of underwriters, as is the case in Noida. Moreover, an interesting observation, which emerged, was that in the buyer space, 60% of the participants were from Pune, 20-25% from Mumbai and 15-20% comprised of the demand emerging from NRIs and from cities within the radius of approximately 300-350 kms from Pune. The reason for such significant presence of investors from Mumbai is that Pune is in close vicinity to this region, seems to be promising in the long term and demands lower capital requirements relative to Mumbai.

**Demand Supply mis-match in Pune Residential Real Estate Market:** Exhibit 9 shows that while maximum demand was witnessed in the 35-40 lakhs category homes, its supply was the least (rated 4). The maximum inventory supply was in the 40-60 lakhs category and the 2nd highest inventory supply was in the 60-80 lakhs category.

Exhibit 9: Pune housing demand supply mis-match

Source: ICICI Property Services
Short term speculation discouraged in the real estate projects: Builders heavily discourage any short-term speculation in real estate projects. Buyers are requested to register their units within 15-60 days of making a payment towards the token amount. Investors are allowed to exit their units, only after the builder has transferred the possession. However, a transfer fee is levied till the society formation stage.

Segmenting the Pune Housing Market

The housing market of Pune can be sub-divided into 5 segments. Each market segment has its own set of growth drivers. These will be studied next.

North Pune

Major Locations: Pimpri-Chinchwad, Pradhikaran, Ravet

Key Highlights

- The main localities in Pimpri Chinchwad are Chinchwad, Pimpri, Nigdi, Akurdi,
- Kalewadi and Bhosari. It lies on the Pune-Mumbai highway (NH 4). Pimpri Chinchwad is a major industrial hub and one of the biggest industrial zones in Asia.
- P.C.N.T.D.A. (Pimpri Chinchwad New Township Development Area), which is also known as Pradhikaran is a planned township. This total area is divided into several sectors.
- Akurdi Railway Station of Pune Suburban Railway is in Nigdi Pradhikaran. Nigdi is well connected to Pune City by road and rail. Nigdi is about 18 km from Pune Station on the old Mumbai-Pune highway.
- Ravet is considered as gateway to Pune since the Mumbai Pune expressway ends there.
- Kohinoor, Rama Group and Pharande Spaces are some of the prominent developers in North Pune.

Growth Drivers

- Accessibility to the Technology Park
- Ravet also witnessed major developments due to its affordability and project launches. (Talawade), IT sector (Hinjewadi) and other
- Industrial areas (Talegaon, PCMC) will propel the real estate growth in Pimpri-Chinchwad.
- Excellent infrastructure and connectivity to Central Pune are the key positives of this area.

West Pune

Major Locations: Aundh, Balewadi, Baner, Bavdhan, Hinjewadi, Kothrud, Pashan, Pimple-Saudagar, Wakad

Key Highlights

- Aundh can be divided into the old Aundhgaon and the newly constructed suburban areas. Famous areas are Sindh Society, National Society, Parihar Chowk, Anand Park, Ashiyana Park, Gaikwad Nagar amongst many. All areas along the University road, after Governor house, up to Rajiv Gandhi Bridge on river Mula, across which is Sangvi (and the Aundh Chest Hospital).
- Aundh is a bustling location and has emerged as one of Pune's up-market areas. An improved road network has enhanced its connectivity with the central parts of Pune.
- Paud Road and Kothrud are traditional Maharashtrian localities and draw a similar clientele.
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Commerce & Management

- Kothrud has expanded till Warje on Karve Road and till Chandani Chowk in Paud Road.
- Baner is an extension of Aundh and has very good proximity to Pune-Bangalore Highway. Baner has become a popular destination amongst those who desire to be near the Aundh area but prefer a more affordable option and also emerged as an IT hub of Pune.
- Hinjewadi, started in 1998, has ushered the IT growth in Pune. Prominent IT players like TCS, Cognizant, Infosys, Wipro, etc. have set up their centres at Hinjewadi. It is one of the growth corridors of the west region of Pune.
- Kolte Patil, Kumar Properties and Paranjape are some of the prominent developers in West Pune.

Growth Drivers

- Proximity to Rajiv Gandhi Infotech Park, Hinjewadi and the Mumbai-Bangalore by-pass has boosted real estate activity in this area, seen as one of Pune’s future key growth areas.
- Aundh has witnessed a lot of development in the past years. The locality is well serviced by public transport and has all necessary amenities. The residential rates have been driven up by the huge demand coming from IT professionals, its close proximity to the Mumbai-Pune express way and superb connectivity to Shivaji nagar, make it more preferable to reside.
- Pashan and Baner are situated in the vicinity of the IT Park at Hinjewadi and the Mumbai Bangalore Highway.
- Good transaction of residential houses are witnessed in Kothrud for its good infrastructure and cultural heritage. Though there are only standalone buildings with minimum scope of development, it has huge demand due to good infrastructure and proximity to Deccan.
- Residential demand in the region to witness strong growth in areas like Baner, Wakad and Hinjewadi due to the proximity to the IT belt and Mumbai-Bangalore Highway.

Central Pune

Major Locations: Bhosale Nagar, Deccan, Model Colony, Prabhat Road, Shivaji Nagar

Key Highlights

- Prabhat Road connects the Law College Road to the Karve Road. The area is primarily residential; however the Deccan Gymkhana area is fast developing into a business district.
- Land availability in the central city is limited and traditional residential areas like Prabhat Road and Bhandarkar Road have very few locations suitable for development.
- As compared to other regions in Pune, there are no major housing developments other than standalone buildings in this part of Pune. Though there are maximum hospitals, Government Offices and Courts in the vicinity
- Pinnacle Group, Alliance Group, Rachana developers, Javadekar developers and Oxford Properties are some of the prominent developers in Central Pune.

Growth Drivers

- Shivaji Nagar is close to Pune Railway Station and houses corporates like L & T Infotech and institutes like Indian Institute of Planning and Management.
- Deccan is a cultural district and houses many art galleries, theaters and cinema halls. Deccan is also an educational hub of Pune. It comprises the areas of J. M. Road, F. C. Road, University Road, Law College Road and Senapati Bapat Road.
J. M. Road and F. C. Road are the most prominent high streets of Pune

The prominent retail players are vying for this micromarket. Some of these are Pune Central and Shoppers Stop.

**East Pune**

**Major Locations:** Hadapsar, Kalyani Nagar, Kharadi, Koregaon Park, Wagholi, Viman Nagar

**Key Highlights**

- Koregaon Park along with Boat Club Road and Bund Garden, are considered to be the most up-market residential areas of Pune.
- Over the last few years Viman Nagar has become one of the finest locations in Pune with many exclusive and luxurious residential projects, IT parks, hotels and educational institutes. It is well connected to the central area of Pune. It is also the most preferred locations due to its proximity to the airport and good connectivity.
- Koregaon Park was also on the global world map in the 80's because of the presence of Rajneesh Osho Ashram. It is one of the famous tourist spots of Pune.
- Major retail development is witnessed in East Pune. Phoenix Market city, Amanora, Inorbit Mall, Koregaon Park Plaza and G Corp Pulse Mall to name a few are located here. Magarpatta Mall, to be operational by the fourth quarter, will have all the prominent international brands.
- Lohegaon is well connected to Viman Nagar and Kalyani Nagar via a newly constructed VIP road. It is also well connected to almost all the other parts of the city.
- Hadapsar and Kharadi have emerged as preferred locations for the IT/ITES sector.
- These locations serve not only as hubs for IT activities but are also preferred residential destinations promoting the 'walk to work' culture which is fast becoming popular.
- This part of Pune houses top hotels like Vivanta by Taj Blue Diamond, 'O' Hotel, Westin in Koregaon Park, The Hyatt, Regency in Viman Nagar, Four Points by Sheraton on Nagar Road, St. Lawns and IBIS.
- Prominent developers in this region include Marvel, Kumar Builders, Panchshil, Nyati, Vascon and Brahma.

**Growth Drivers**

- Viman Nagar is preferred location due to its proximity to airport and improved connectivity to the city.
- Kalyani Nagar, located in the vicinity of upscale neighborhoods like Koregaon Park, Boat Club Road and Mangaldas Road, is the next prime location though has limited scope for future residential development.
- Mundhwa offers a good mix of cosmopolitan crowd and is also close to Koregaon park and M G Road in Camp.
- Camp with close proximity to railway station, public bus stand, good infrastructure and commercial offices, is also the most sought after location of East Pune.
- Widening of Nagar Road improved the connectivity and led to higher office space demand in the Eastern Corridor.
- Kharadi and Hadapsar, are strategically located towards the east of the city close to the airport and railway station, also a gateway to Pune via the Nagar Road and Solapur Road respectively.
South Pune

Major Locations: Ambegaon, Katraj, Kondhwa, Parvati, Salisbury Park, Sinhagad Road, Mohammadwadi Road, NIBM, Wanowrie

Key Highlights
- Sinhagad Road houses the Institute of Armament Technology (IAT) and the Sinhagad Institute. The road further leads to the base of the famous Sinhagad Fort.
- Mohammadwadi, surrounded by hills with scenic beauty, has beautiful bungalows.
- Kondhwa has evolved as an important residential area in the recent past. While the area towards Katraj is developing as a low cost housing destination, the area towards Wanowrie and NIBM is becoming a preferred location for premium housing.
- D.S.K, Amit Enterprises and Mittal Group are some of the prominent developers in South Pune.

Growth Drivers
- With the Bangalore Bypass and the Expressway running alongside, Ambegaon has acquired a new facet. Ambegaon is strategically located and has excellent accessibility from Katraj, Sinhagad Road and Kothrud.
- As Kothrud in West Pune has become a premium location, customers have started moving towards Sinhagad Road and Ambegaon area.
- Property price of Sinhagad Road has been witnessing an upward trend due to the demand spilling from Kothrud which has a scarcity of land parcels.
- Katraj has some good educational institutes like the Bharti Vidyapeeth Dental College and Rajiv Gandhi Institute of IT and Biotechnology.
- Undri, Pisoli has been witnessing major real estate activity owing to availability of land parcel, best schools and international institutions (DPS, Vibgyor) and hospitals (Inamdar Hospital, Ruby Hall).
- Apartment buyers are showing a greater preference for NIBM, Kondhwa and Lullanagar where development is planned, open land exists, and water supply is better. Moreover, it offers excellent connectivity to M G Road and Magarpatta.

Comparative analysis of different segments of Pune housing market: A comparative study of different locations within Pune shows Hinjewadi as having an edge over other locations (Refer Exhibit 10). This is due to its potential for infrastructure development along with commercial development, which in turn would lead to new employment opportunities.
Emerging Housing Trends in Pune

In a growing residential market like Pune, builders strive to maximize their market share by introducing innovative trends. These become the key differentiator in new housing projects. Some major trends, which are redefining the Pune realty landscape, are discussed next.

**Integrated Townships:** Pune's boundaries are growing in all directions. Adding another totally new dimension to the city is the rush of integrated townships into Pune. Magarpatta City is India’s first private integrated township project and its success boost township projects in Pune.

Maharashtra’s special township policy, 2006, defines a "township" as follows:

- Continuous land parcel of minimum 100 acres
- Abundant clean water supply, 24 by 7
- Ensure reliable power infrastructure
- 60% area reserved for residential and min. 20% for parks, gardens and playgrounds
- Well-knit by roads ranging from 30 ft to 80 ft
- Ensures care of the existing ecological systems, rainwater harvesting systems, etc
- Have schools, college, hospital, fire station on the premises
- Needs clearances from a multitude of Government bodies

Based on this policy, Amanora Park Town and Blue Ridge were the 1st townships to be launched. Nanded city and Life Republic have been launched recently.

Every township project offers a self-sustaining environment for its residents. Besides the usual amenities like swimming pool, gymnasium, etc, they provide unique amenities.
According to state government officials, there are 34 projects that have applied for township status and are under consideration. Almost all these project are being designed by overseas architects, have high rises and well-designed and well-defined spaces for living, commercial space and promise of a much better standard of living.

**Green Housing:** The Pune realty market is waking to the concept of green housing as sustainable features are of prime importance to developers. The need for conserving resources has become important considering its usage in future.

There are national (IGBC & GRIHA) and global (LEED) standards to rate green housing, which are monitored by independent bodies to ensure that the highest environmental safety and conservation standards are maintained.

As a boost for eco-friendly construction, the Pune Municipal Corporation (PMC) has introduced Eco Housing Assessment criteria for all residential buildings and single family residences, where they give incentives to developers and home buyers.

The Pimpri Chinchwad Municipal Corporation (PCMC) became the first municipal corporation in the country to introduce a green housing initiative in 2011. It has created a green model in collaboration with GRIHA. PCMC is making a conscious effort towards its responsibility towards natural resources and the impact on society by incentivizing GRIHA Rating System in their jurisdiction.

The steady increase in demand for green housing has brought down the cost of products, services and materials, thus making green housing available and affordable. People are realizing the necessity of green housing and moving towards a greener future.

**CONCLUSION**

Though the global recovery in residential real estate market will be gradual, the Indian situation is unique. Due to convergence of multiple factors, there will be acute housing shortage in urban areas. Pune’s example highlights how fast a city can grow due to several growth drivers. While at one end, it presents good opportunities for many like developers, investors and end users; there are challenges like infrastructure development keeping pace with growth, providing affordable housing, maintaining a fine balance between housing and environment, etc. at the other end. It remains to be seen how Pune city’s development pans out.

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