

# NRI Buyers Find Their Place In Pune's Housing Industry

Compiled by

**360** REALTORS  
Commitment | Honesty | Reliability

## Investments Continue To Gain Momentum



### Introduction

Once known to be a pensioner's paradise, Pune has consolidated its position as one of the most sought after real estate destinations in the country. Proximity to the financial capital of India, a prolific IT/ ITeS industry, an upbeat auto-mobile sector in conjunction with young and vibrant demographics have been feeding into increased housing demand in Pune. Property prices in Pune are priced moderately, when compared to other major metropolitan cities such as Delhi NCR and Mumbai Met-

ropolitan Region (MMR). As a result, house prices in the city fall under the sweet spot for the large IT/ITeS and other middle income workforce, resulting into faster absorptions. Even during 2015-2016, when demand for housing had softened in some of the major mar-

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kets in the country, sentiments in Pune remained resilient. The healthy sentiments in the property demand were backed by the growing IT/ITeS, manufacturing, automobile and education sectors. Later on in 2017, the market practically felt the heat

for the first time. Due to rolling out of GST and RERA, new launches in the city started to dry up. However, as ambiguities around RERA and GST started to settle down, housing industry in Pune began to bounce back. Prices in property have corrected to the tune to 3-4% in 2017, which is further encouraging wider participation from buyers and investor class. End users hold dominant position in the current situation, though. The equation is expected to remain unchanged in the near future.

## NRI Buyers Eye Pune Market



Over the years, there has been a gradual increase in NRI involvement in the Pune real estate. From 2013 to 2018, NRI investment in the Pune market has climbed significantly. With a host of world class malls, retail outlets, food joints, clubs and other leisure options, Pune has reinforced itself as a cosmopolitan city that can ensure high living standards for the incoming NRI buyers.

As market sentiments are strengthening, NRIs will continue to bet big on Pune. The city also capitalizes on the fact that there is a huge Maharashtrian expat community living all around the globe, including North America, Europe, Singapore and the Gulf region. As prices in Mumbai have skyrocketed in the recent years, Pune's positioning as Mumbai's affordable cousin works further in its favor.

The implementation of RERA is also restoring NRI confi-

dence on the Pune's housing sector. As RERA stipulates to make every real estate transac-

tion regulated and transparent, NRI buyers are feeling more secured in terms of their investment choices. They realize that post the implementation of RERA, there are laws that can safeguard their investment into India despite their apparent lack of local knowledge.

NRIs continue to make notable investments across the Western and Eastern peripheries of the city apart from popular locations such as Koregaon Park, an area known to be one of the most affluent localities in Pune. Due to its better civic amenities and world class lifestyle, Koregaon Park is one of the first choices for the elite NRI clientele base. The location is also linked to numerous IT parks and the existing Pune airport. However, as prices are mostly north of INR 10,000 per Sq. Ft, not everyone can afford Koregaon Park.

Other middle income NRI cli-

ent bases are aggressively pivoting on the Eastern and Western peripheries of the city. On the Eastern part, buyers are making strong placements on Viman Nagar, Kharadi and Wagholi markets. Once under-developed, these places have undergone major makeover after the advent of IT parks. As the residential market is evolving rapidly, the social infrastructure is also developing fast in the form of good quality schools, retail outlets and healthcare facilities.

Likewise, housing industry in Western peripheries including the Pimpri Chinchwad Municipal Corporation (PCMC) continues to gain momentum on the backdrop of evolving social facilities, rise in demand emanating from IT/ ITeS hubs and proximity to Mumbai via the Mumbai-Pune highway. PCMC is also home to a prolific automobile industry and is also termed as the Detroit of India. Due to demand emanating from the IT/ITeS and automobile sectors, gated communities are prospering in Western parts of the city. This trend is further stimulating NRI investments. Major localities in the region including Wakad, Bhavdan and Chakan have demonstrated significant NRI inflow in the recent times. Many major developers such as Godrej, ATS, Kalpataru etc. have moved into these markets, offering modern housing complexes catering to the demands of NRI and other affluent buyers.

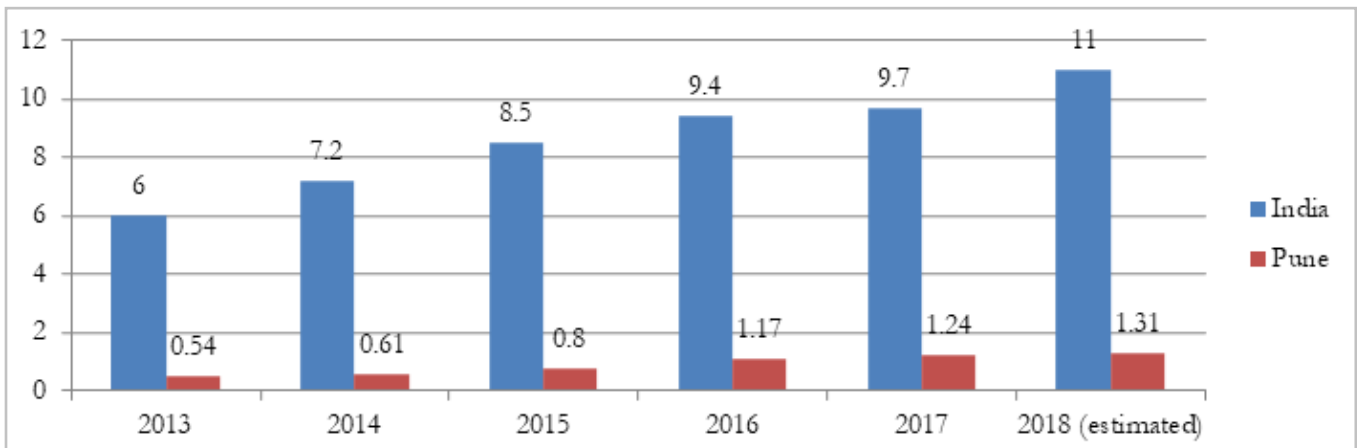




## NRI Investment Dynamics

### Investments by NRI in India and Pune Housing Industry (In USD Billion)

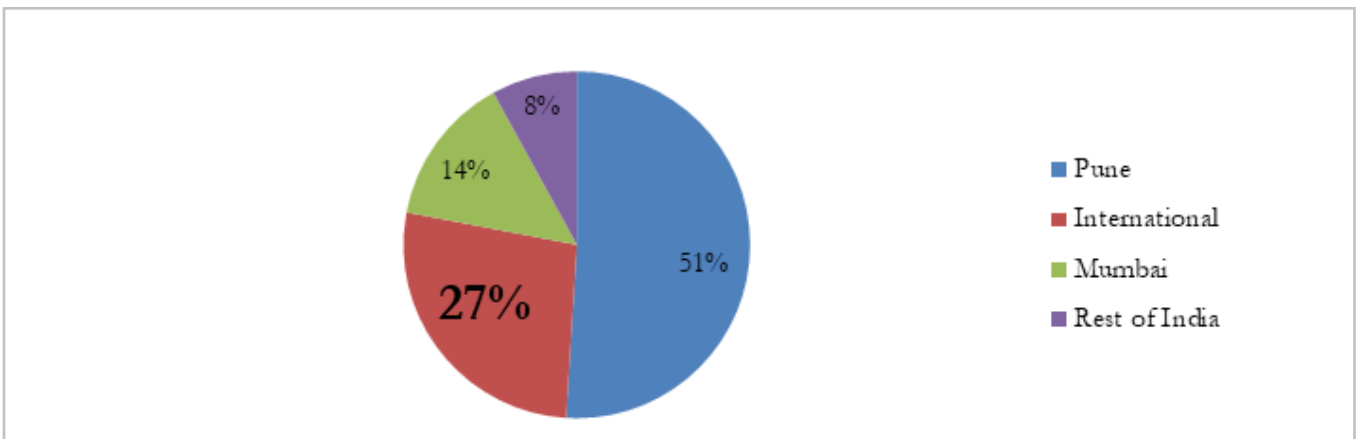
The total NRI investment into Indian real estate is estimated at USD 11 billion in 2018, out of which Pune would roughly account for near around 12% of the inflow. In 2018, total investment inflow into Pune is estimated at USD 1.3 billion, rising from USD 540 million in 2013 and demonstrating a CAGR of over 19%.



Source: 360 Realtors' Business Intelligence

### Breakup of Investment in 3 BHK Units in Pune (H1 2018)

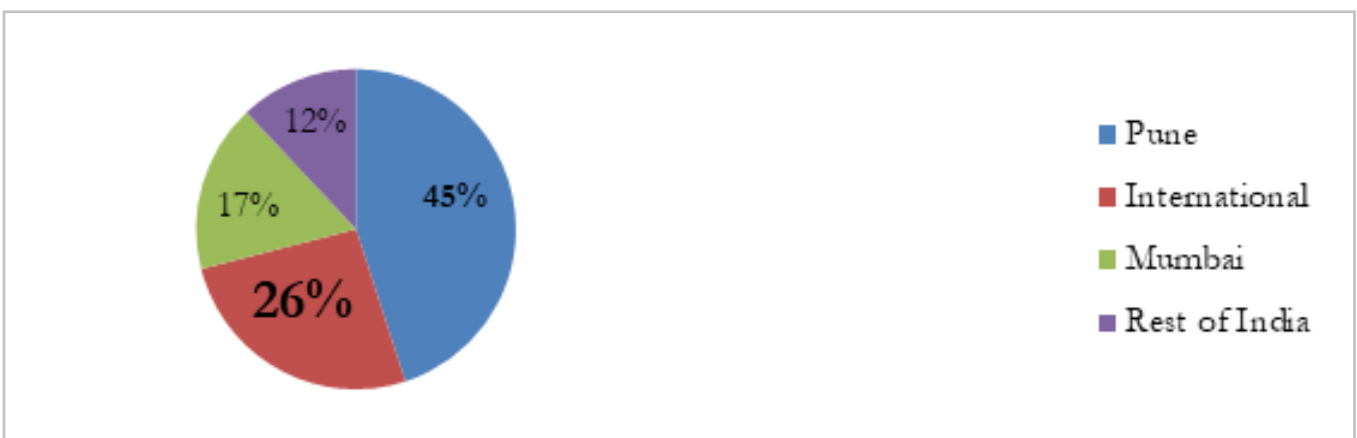
NRIs account for around 27% of the total purchases of 3 BHK units in Pune by volume. More than half of the buyers come from Pune itself. Buyers from Mumbai are also contributing significantly towards the purchase of 3 BHK units, as the financial capital comprises of 14% of the purchase.



Source: 360 Realtors' Business Intelligence

### Breakup of Investment in 2 BHK Units in Pune (H1 2018)

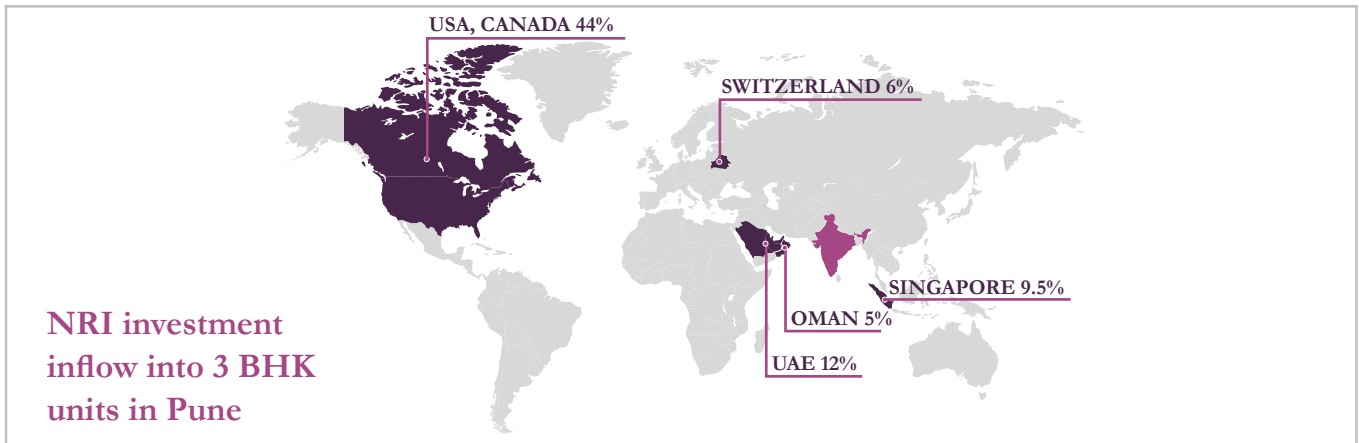
Likewise, in the 2 BHK segment, NRI buyers account for roughly 26% of the total purchase by volume. Slightly less than half of the buyers (45%) are from Pune and over one sixth of the buyers come from Mumbai.



Source: 360 Realtors' Business Intelligence

### 3 BHK - Country Wise Break-Up

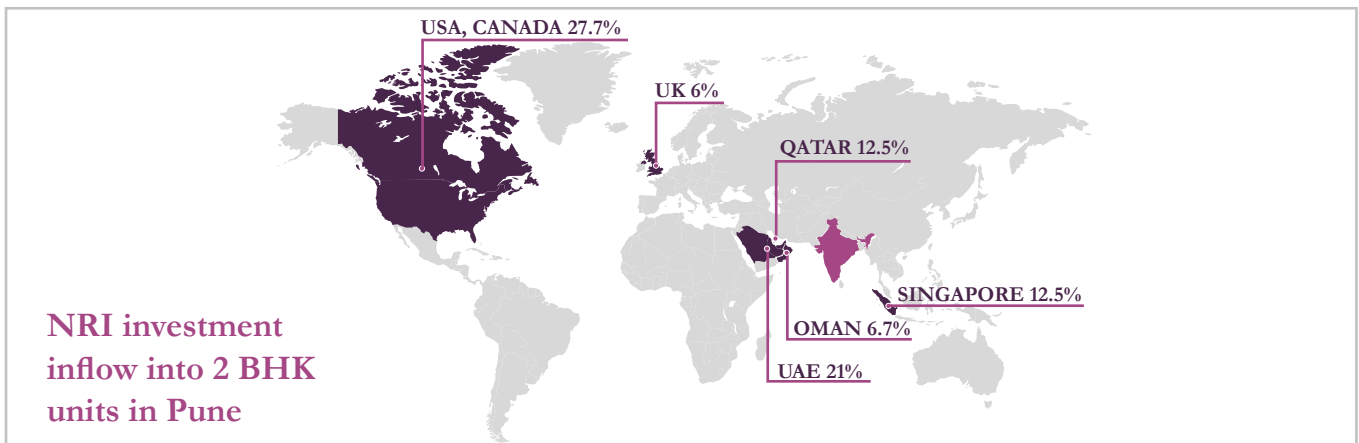
In the 3 BHK segment, amongst the NRI buyers, around 40% hail from USA. This is a gradual shift from the recent trends, wherein a majority of NRI buyers have come from the GCC nations. Once combined, North America (Canada and USA) accounts for 44% of the total purchase by NRIs in the Pune housing market. Other major sources of NRI investments in Pune include UAE, Singapore and Switzerland.



Source: 360 Realtors' Business Intelligence

### 2 BHK - Country Wise Break-Up

Purchase dynamics of the NRI clientele base are slightly different in the 2 BHK segment. Both USA (22.7%) and UAE (21%) play a major role. Other source markets such as Qatar and Singapore also contribute significantly in the Pune 2 BHK housing market.



Source: 360 Realtors' Business Intelligence

## NRI Investments Will Move Further Northwards

Housing industry in Pune will



continue to be an attractive proposition for the NRI buyers in the times ahead. RERA in conjunction with attractive

exchange rates and convenient real estate investment policies under the Foreign Exchange Management Act (FEMA) will boost NRI involvement in the Pune market.

There has been a gradual dip in the new launches in the city as the focus is more towards turning around the existing inventories first. Previous year, there has been a decline in new launches in tune

to 15-20%. Consequently, the volume of sales will continue to stay strong and there is a likelihood of a modest price rise in the next 12-15 months, once the market enters an under-supply phase. A potential rebound in terms of price rise will have magnetic effect on the NRI sentiments towards the city. The ongoing Smart City project in Pune will also be a shot in the arm of the realty market in the city. It will facilitate more funds towards infrastructure development in the city, thereby encouraging developers to create world class residential and commercial projects.

## About 360 Realtors

Growing at a breakneck yet sustainable momentum, 360 Realtors has emerged as the largest player in primary Indian residential sales in just a short span of time. Having sold over 10,000 individual units, its accomplishments are yet to be matched in the organized primary residential space. The company was founded in March 2014 by a visionary entrepreneur with vast experience in a host of business areas – Mr. Ankit Kansal (also the current Managing Director of the company).

Apart from its relentless drive

and unrivalled dominance, 360 Realtors is also known for its stellar reputation in Ethics, Honesty and Reliability. It is greatly credited for bringing in transparency and client centric practices to the Indian real estate, which has otherwise been known for being much unstructured, poorly organized and led by unprofessional middlemen. Till recently, property purchase in the country has been a cumbersome task due to information misrepresentation alongside uncountable documentations that are required with each house purchase. Synonymous to its name, 360

Realtors has been bridging the gap by offering unbiased advisory and handholding the client through every step to ensure a hassle free and memorable home buying experience. Our team of seasoned property experts has successfully been catering to both the customer segments: end users looking for the best-fit solutions that can take care of all their housing needs, as well as pure play investors scouting for risk adjusted greater returns.

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Ankit Kansal, CEO and MD, 360 Realtors

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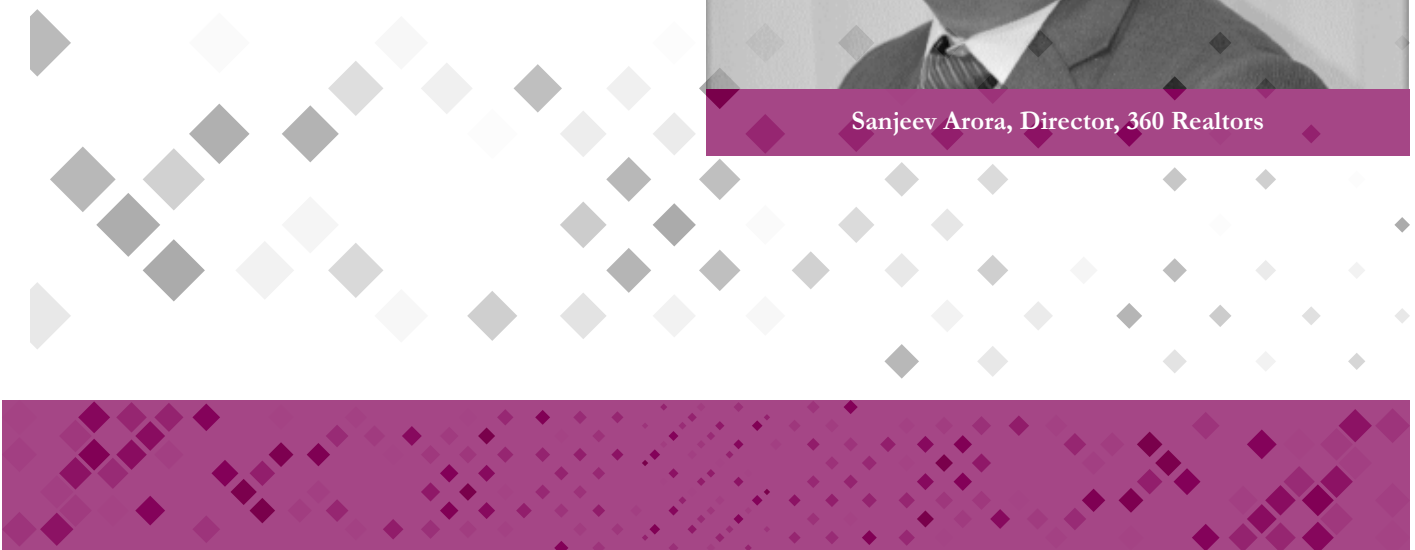


Shew Singh, AVP and Head Pune, 360 Realtors

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Sanjeev Arora, Director, 360 Realtors





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