



# Hinjewadi, Pune

Metamorphosis from small villages to posh real estate developments

Micro Market Overview Report

February 2018



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# About Micro Market



Image used for illustrative purpose only

Situated close to the National Highway 4 (NH-4) in the western suburbs of Pune, Hinjewadi is one of the rapidly developing micro markets. Once a rural locality in the outskirts of the city, Hinjewadi has metamorphosed into a buzzing commercial-cum-residential destination.

The development began in the early 2000s with the Government offering liberal incentives in IT-ITeS Policy, 2003. Waiving of stamp duties for owned and leased properties built on MIDC land to attract hi-tech industries also aided the development of this region. The establishment of Rajiv Gandhi Infotech Park, also known as Hinjewadi IT Park, initiated the growth of Hinjewadi real estate market.

The micro market is now one of the major IT-ITeS hubs of Pune with more than four lakh employees working in various companies such as Infosys, Wipro, Satyam, TCS, Cognizant, IBM, Capgemini, etc.

The gradual rise of IT-ITeS companies in Hinjewadi has resulted in a surge of housing demand, and this location has emerged as one of the top real estate destinations of Pune. Hinjewadi is flanked by Talegaon Dabhade to the north, Pimpri Chinchwad to the east, Rihe to the west and Lavale village in the south.

# Connectivity



Pune city view

Hinjewadi, being the focal point of IT-ITeS revolution in Pune, has a well-developed physical infrastructure and excellent connectivity to other parts of the city as well as the neighboring city of Mumbai.



## Road

- **Mumbai-Bengaluru Highway:** Located very close to Hinjewadi is the NH-4, linking Pune and Mumbai to Bengaluru. This highway ensures excellent connectivity to Mumbai.
- **Rajiv Gandhi MIDC Road:** The Rajiv Gandhi MIDC Road runs parallel to the Pune-Mumbai highway provides an alternative route to Hinjewadi Phase I and II by avoiding traffic congestion.



## Rail

- The nearest railway station to Hinjewadi is Pimpri, which is at a distance of 11 km and Pune Junction railway station at a distance of 21 km.
- **Metro rail:** The 23 km Hinjewadi-Shivaji Nagar metro corridor, which is expected to be operational by 2020 will improve connectivity and reduce travel time to the central areas of Pune.



## Air

- Hinjewadi is well-connected and easily accessible from the Pune airport (located 20 km away).

# Major Growth Drivers



Pune city view

- The saturation of core areas of Pune and the rising presence of IT-ITeS companies in Hinjewadi is pushing demand for residential properties, triggering a buzz in the real estate sector.
- The influx of key companies to the Hinjewadi Tech Park and the rapid infrastructure upgrades such as proposed metro corridor between Hinjewadi and Shivaji Nagar, along with the proposed ring road are likely to provide an impetus to the real estate market in this region.
- Availability of large land parcels coupled with Hinjewadi's proximity to the Mumbai-Pune expressway adds to the growth of this region.
- Residential properties continue to rise in Hinjewadi through large township projects, that are being launched by various reputed developers.

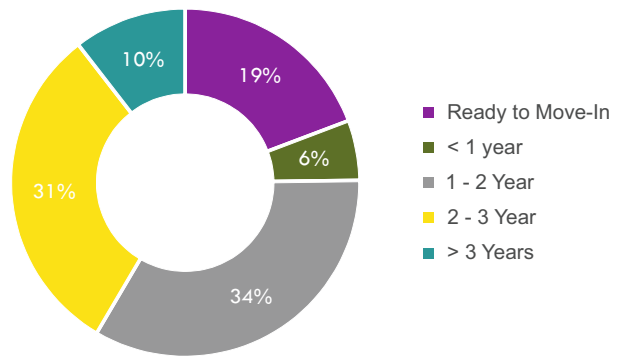
# Location Mapping



# Residential Market Assessment

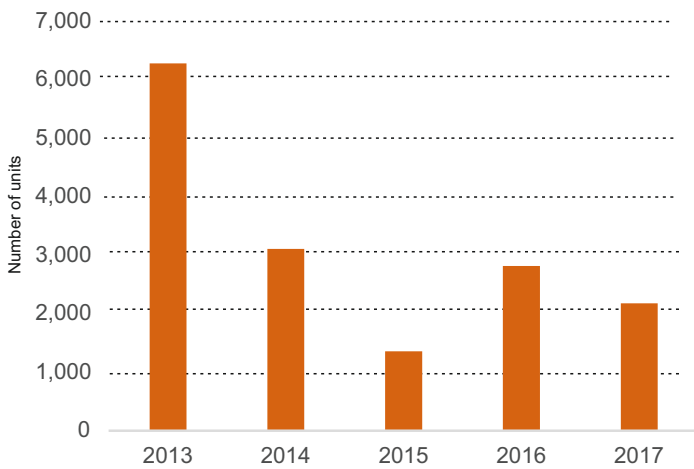


## Age of Inventory (Launches between 2013 to 2017)



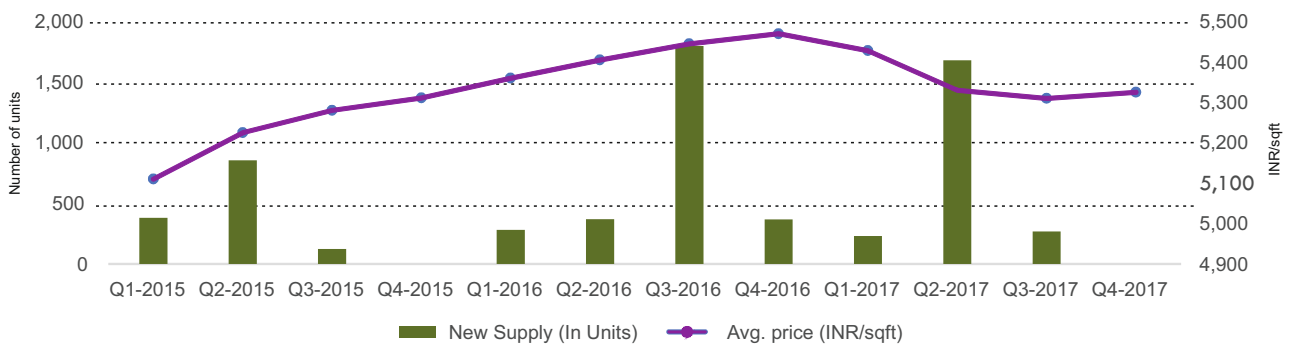
- Approximately 19% of the total units fall in the ready-to-move-in category and around 40% are likely to complete in the next 24 months or so, indicating that a significant inventory will be added to the market.
- Only 10% of the dwelling units are likely to take more than 3 years for completion. The quantity of the units under this category is low as the developers are currently focusing on finishing existing projects before launching new ones, so as to ensure compliance with RERA norms.

## New Launch Supply



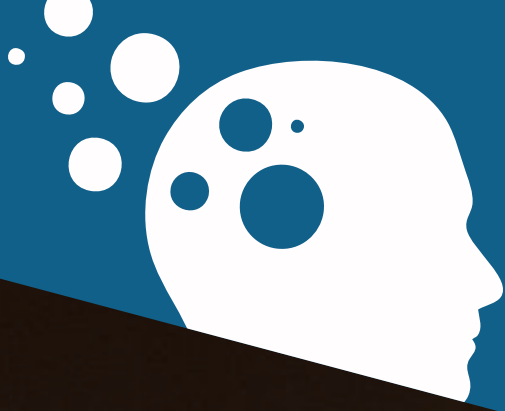
- Over the last five years, Hinjewadi has registered around 15,700 unit launches, of which around 40% were added in 2013.
- The year 2013 recorded the highest new launch supply and inherent demand was also noted in the same period. Post-2013, overall economic slowdown, inflation and other macro factors resulted in the decline of new launches.
- Though the new launch supply in 2016 improved (accounting for 18% of total launches), it declined in the consecutive year i.e. 2017 due to the high stock of unsold inventory.
- The unsold inventory as of Q4-2017 was around 6,700 units (around 43% of launches during the past 5 years).

## Micro Market Price Movement wrt Supply



- While the new launch supply has been erratic since Q1 2015, the property prices in Hinjewadi continued to grow until Q4 2016, post which the prices dipped marginally due to declining demand amidst the impact of the triple tsunami - DeMo, RERA and GST.
- The average price per sqft. by the end of 2017 was INR 5,300/sqft. However, there has been a meager 4% rise in the average price per sqft. since Q1 2015, due to low demand under prevailing market conditions and piling up unsold inventory.





# Outlook



Pune city view

With Hinjewadi Tech Park’s phase I, II and III developed and functional, Phase IV will be constructed as planned. The existing road network is being widened to 120 feet and is proposed to pass through neighboring localities such as Marunji, Nere and Kasarsai.

The construction activity in these localities is going at full swing and other infrastructure upgrades might enhance the property prices in Hinjewadi.

Hinjewadi’s strategic location, umpteen connectivity, significant employment opportunities and robust physical infrastructure surely makes it an attractive real estate destination.

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### **For research services, please contact:**

Prashant Kumar Thakur  
Head of Research  
prashant.thakur@anarock.com

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### **ANAROCK Property Consultants Private Limited**

1002, 10th Floor, B Wing, One BKC, Plot No. C-66  
G Block, Bandra Kurla Complex, Bandra East,  
Mumbai - 400051



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