



Wagholi, Pune

Transformation from an industrial hub
to a hot residential destination

Micro Market Overview Report

May 2018





About Micro Market

Located in the north eastern periphery of Pune, Wagholi was initially a small village that incorporated several industrial developments. Following the growth and flourishing of the IT-ITeS sector, automobile industry and the education facilities along the eastern corridors of the city post 2007, Wagholi saw an uptick in real estate activity. Today, it has metamorphosed into being one of the most sought-after residential destinations in the city.

Situated along the Pune-Ahmednagar highway, multiple factors have contributed to the overall growth and development of this region.

Spillover demand from major IT-ITeS hubs such as Kharadi, Hadapsar, Magarpatta city, Koregaon Park and nearby industrial zones of Ranjangaon and Shikrapur, well-developed social infrastructure and availability of large tracts of land at affordable rates are the key factors driving real estate growth in Wagholi. Several IT professionals and industrial workers employed in these areas prefer to reside here. Thus, developers are offering a plethora of residential options ranging from affordable to mid to luxury.

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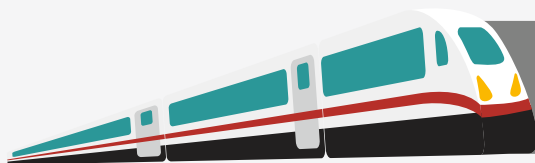


Connectivity

Wagholi enjoys easy connectivity and accessibility to major IT-ITeS and industrial hubs.

Pune international airport is located at a distance of 11 km from Wagholi and well-connected via Lohegaon Road.

Air



Rail

Pune Railway Station, the main railway hub of the city, is located around 14 km away from Wagholi.

Key arterial road passing through the micro market is the Pune-Ahmednagar Highway which connects Wagholi to the key IT hubs of Kharadi and Hadapsar. The road further connects to Solapur-Pune Highway via Kharadi Bypass Road. Other major Roads are Awhalwadi Road, Lohegaon-Wagholi Road and Wagholi-Kesnand-Wadegaon Road.

Road



Major Growth Drivers

- Proximity to IT-ITeS hubs such as Kharadi, Hadapsar and Koregaon Park is driving realty growth here.

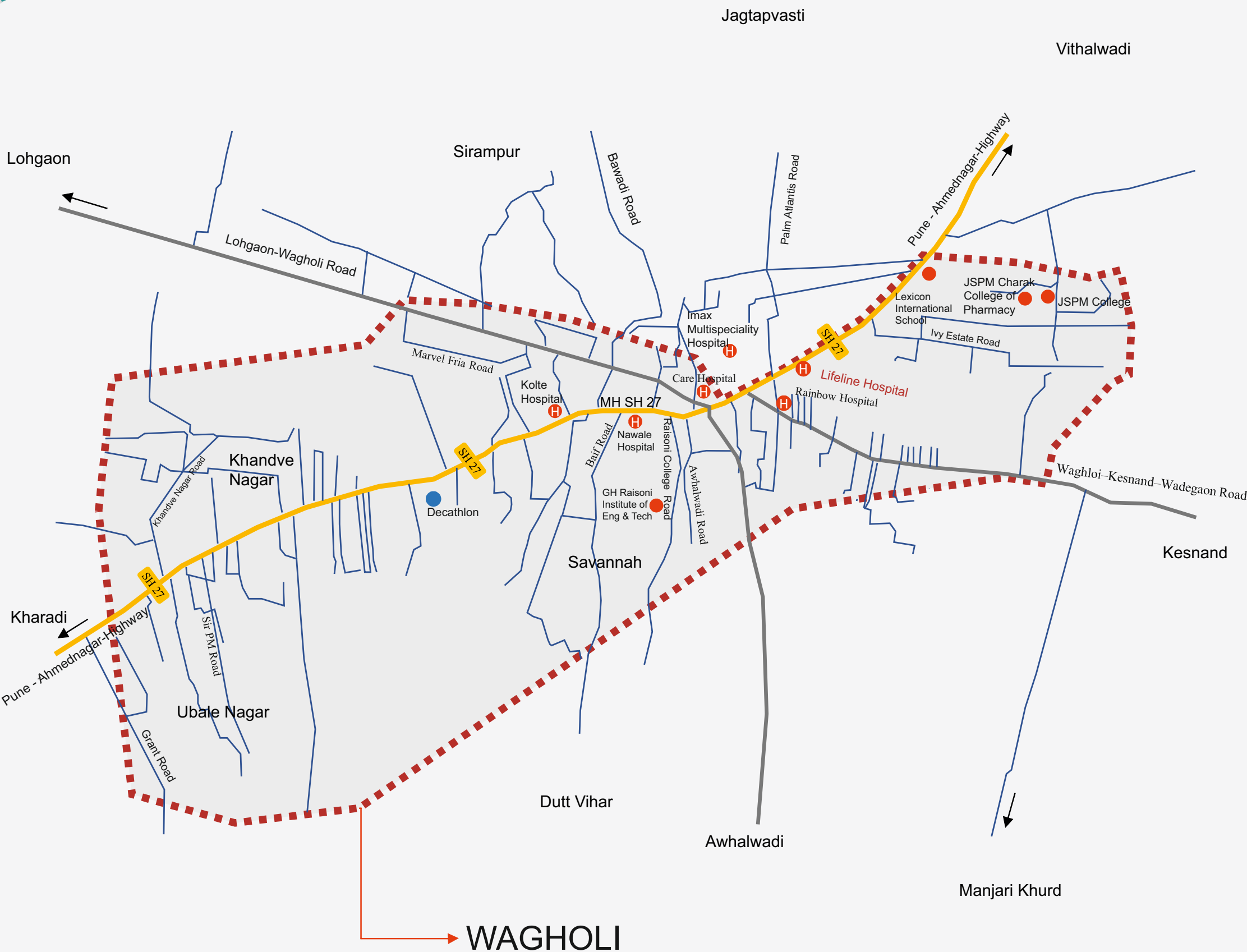
- Well-developed healthcare and educational facilities in and around the micro market.

- Good connectivity to other parts of Pune and constant upgradation of physical and social infrastructure facilities in the micro market including flyover construction, extension of metro rail up to Wagholi, sewage and garbage disposal facilities, rainwater harvesting to improve ground water level, water supply and development of malls, shopping centres, hotels and multiplexes in and around its vicinity.

- Industrial zones such as Ranjangaon and Shikrapur located close to Wagholi have also spiked up residential demand.

- Availability of large land parcels at affordable prices and ease in legal clearances as the area falls under Gram Panchayat area have led to the enhancement of real estate growth in the micro market.



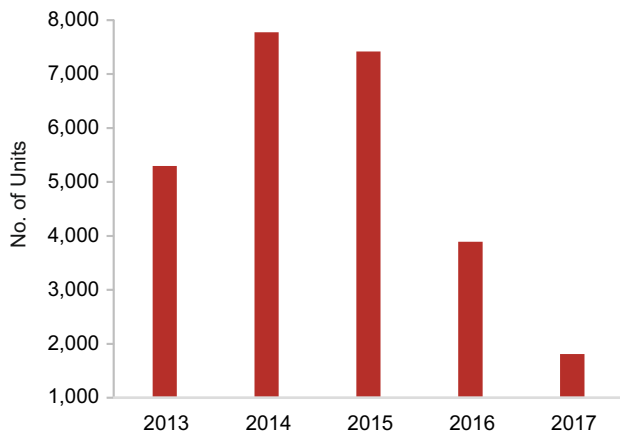


Legend

- Wagholi Micro Market
- State Highway
- Major Road
- Road
- Commercial
- College
- Hospital

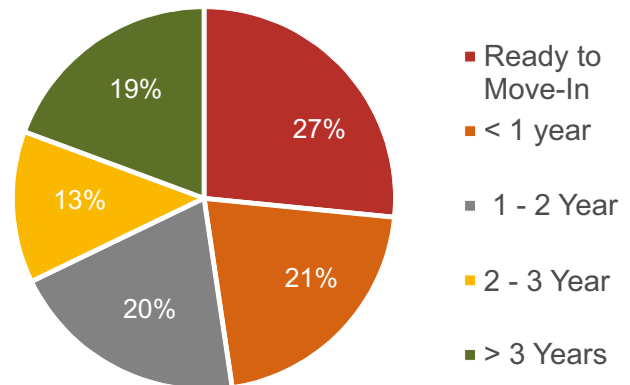
Residential Market Assessment

New Launch Supply



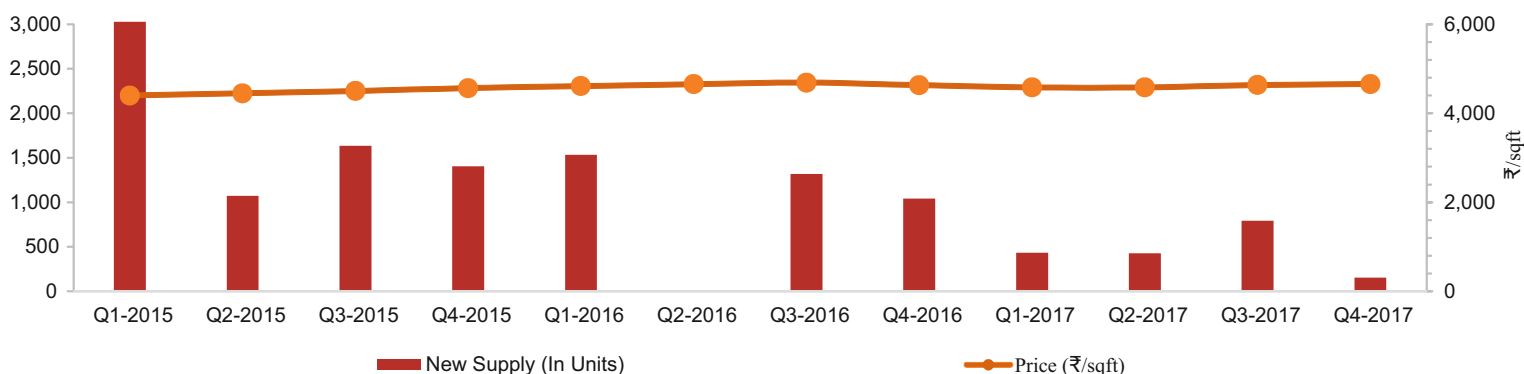
- Nearly 26,200 units have been launched in Wagholi during the past five years. This phenomenal growth is led by the rising housing demand from employees working in the nearby IT-ITeS companies and the industrial workers of the eastern corridors.
- Despite meek performance of the realty sector in early 2014 owing to the general elections, the micro market saw highest launches of about 30% and 28% in 2014 and 2015, respectively. With the government announcing a plethora of policies post elections, developers continued to launch new projects.
- However, the launches dropped drastically in 2017 due to the impact of triple economic reforms – DeMo, GST and RERA and also due to presence of unsold inventory (9,400 units as of Q4 2017).

Age of Inventory (2013 onwards)



- Wagholi has a mix of ready-to-move-in and under construction properties (at various stages of development). The locality essentially saw a blend of mid (200-500 units per project) and large size projects (>500 units per project) over the years.
- With RERA implementation in full swing, buyers can now be assured of on-time delivery of their properties. Moreover, nearly 14,100 units are likely to enter the market within the next 3 years.

Micro Market Price Movement wrt Supply



- The micro market has 48% and 46% of launches (out of total launches from 2015) in the budget segment of ₹40 lakh-₹80 lakh and <₹40 lakh, respectively. With majority of the home buyers being junior-to-mid IT professionals and industrial workers, developers are focussing primarily on the affordable and mid-segment.
- Property prices in Wagholi have hovered in the range of ₹ 4,400-4,600 from 2015-17.
- Though number of launches were less post DeMo, property prices remained stable due to significant end-user demand from working professionals in the nearby areas.
- Around 9,400 units were unsold as of Q4 2017, of which only 1,000 were complete and 8,400 were under construction, indicating a limited execution track record in the micro market.



Outlook

- Located in the north eastern periphery of Pune, Wagholi is rapidly transforming into a major residential hub. The 'affordability factor' of this micro market has attracted professionals from the IT-ITeS sector and the industrial workers to reside here. Moreover, the city's eastern periphery is booming with IT-ITeS developments and Wagholi is one of the key beneficiaries of this phenomenal growth.
- Presence of healthcare and educational facilities and availability of large land parcels at affordable prices has been a boon for residential developments in the locality. Improving physical and social infrastructure will be an added advantage.
- With Wagholi catering mainly to the affordable and mid segment home buyers, developers are mostly focusing on these segments. While the economic reforms impacted the micro market to a certain extent, the future certainly looks promising due to the multiple growth drivers for this region.



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