



MICRO MARKET

Spotlight- Hinjewadi

An Inviting Investment
Destination

A Research Report by
360 Realtors

Climbing the Curve

HINJEWADI



Amongst its peers, Pune is one of the fastest-growing residential markets in India. In Q1 FY 2019-20, residential uptake in Pune reached near 16,000 units, growing vigorously by around 40% in comparison to the previous quarter.

A sizable part of the demand is coming from Hinjewadi & its nearby catchments such as Aundh & Baner etc., which enjoy both massive demand as well as viable price options. As demand is continuously moving up the curve, major developers are also focusing on the micro-market & coming up with quality projects.

Once a suburb on the west of Pune, Hinjewadi has come a long way and become a thriving residential hub in Pune metropolitan region. Its meteoric rise has been rooted in Hinjewadi's ascent as one of the biggest IT hubs in India. Hinjewadi is home to a vast IT industry. It is also located close to automobile & manufacturing hubs, which is further fuelling demand.

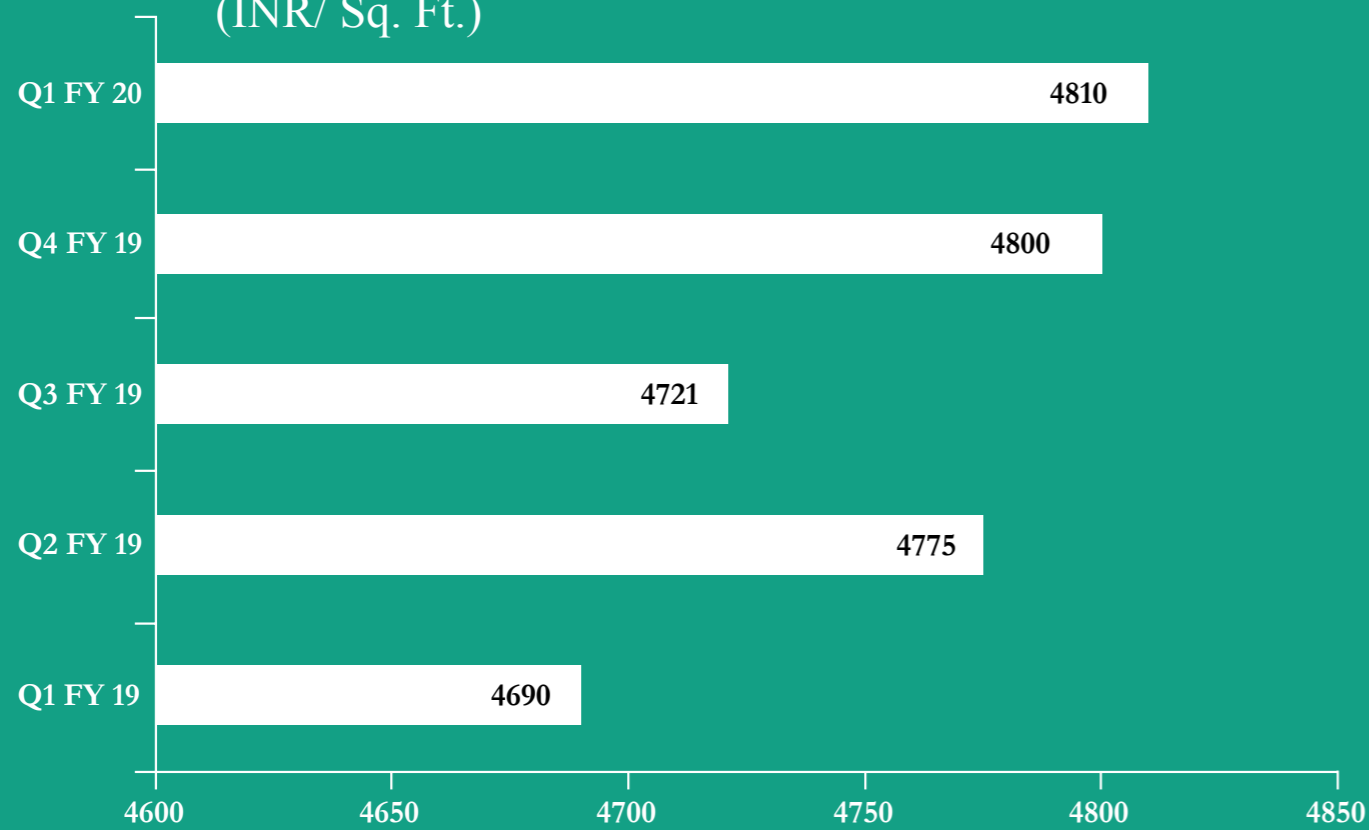
The biggest IT Park in Asia is located in Hinjewadi, namely Rajiv Gandhi IT Park. There are other prominent IT parks such as International Tech Park (ITP). It is estimated that Hinjewadi accounts for around 60% of the total IT exports of Maharashtra. The total revenue from Hinjewadi's bustling IT industry is to the tune of over INR 50,000 crores every year.

Hinjewadi is also the beneficiary of generous payouts from the Pune authority. Due to an ongoing drive for decongestion of Pune, new townships & urban corridors are developed across peripheral areas such as Hinjewadi. As a part of the decongestion drive, civic amenities (water supply, electricity supply, sewage system, etc.) are being improved in Hinjewadi. Likewise, new transit systems (metros), roadways, sporting complexes, etc. are being developed.

Market Analysis

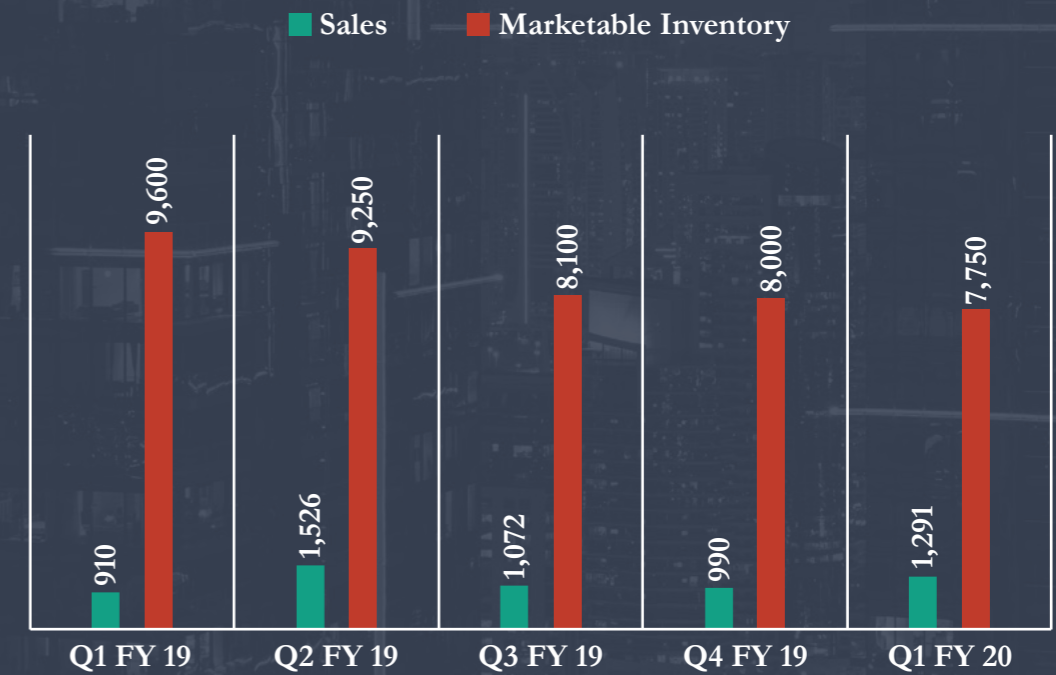
Despite stable price trends in Pune, property prices are rallying ahead in Hinjewadi on the back of robust & upbeat demand. In Q1 FY 20, the average property price in Hinjewadi has reached INR 4,810, growing by around 2.6% in the past 12 months. As price options are viable in Hinjewadi, end-users & investors are entering the market in big volumes.

Average Property Price Trends in Hinjewadi (INR/ Sq. Ft.)



Source: 360 Realtors Research

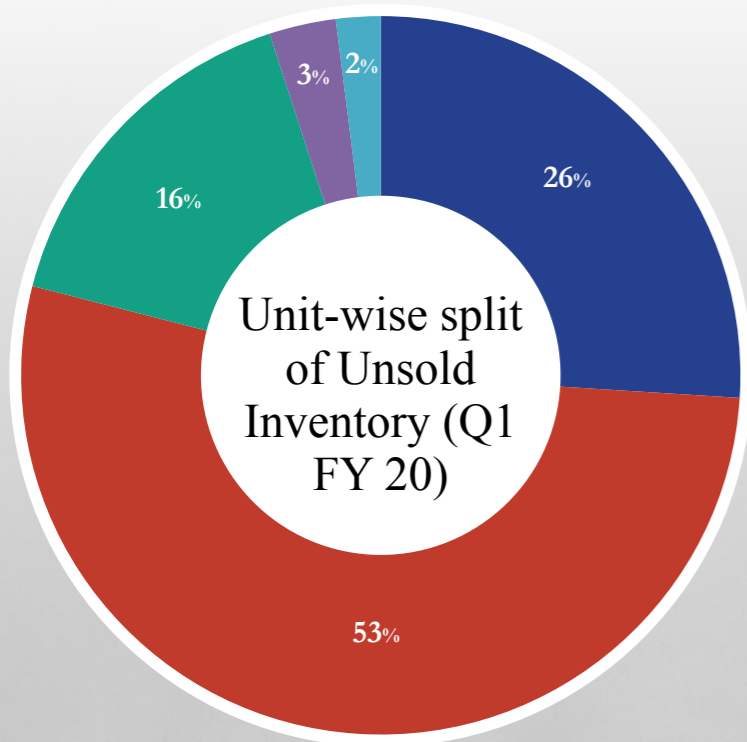
Quarterly Sales vs Marketable Inventory



Source: 360 Realtors Research

Currently, there are around ~ 100 big & small developers that are active in Hinjewadi & other nearby regions. In the previous quarter, total transactions have reached a little less than 1,300 units, jumping by over 30% on a quarterly basis. In an annual basis, the total transaction volume has been in tune to around 4,900 units in Hinjewadi.

The total inventory in the market is around 7,750 units. At the current rate of turnaround, it will take around 19 months for the inventory to be fully consumed. This is a commendable number.



■ 1 BHK ■ 2 BHK ■ 3 BHK ■ 4 BHK ■ Others

In terms of the type of supplies, the market is mostly run by smaller units such as 1 & 2 BHK units, which constitute around 80% of the supply. 3 BHK units comprise around 16% of the market supply.

Source: 360 Realtors Research



SWOT

Analysis of Hinjewadi Market



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Strength

- ▶ Hinjewadi has plenty of mid-ranged good quality project options available from reputed developers.
- ▶ It is one of the biggest IT hubs in the country. Major IT giants such as IBM, Cognizant, TCS, Infosys & Wipro have offices in Hinjewadi.
- ▶ It is well-connected to the manufacturing industries located in Pimpri-Chinchwad.
- ▶ It is accessible through the Mumbai-Pune expressway.

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Weakness

- ▶ The infrastructure in Hinjewadi is not devoid of loopholes. It suffers from poor road networks resulting in high traffic congestion.
- ▶ The traffic woes are further aggravated due to the large volume of IT professionals employed in Hinjewadi.
- ▶ As new launches are rising in Hinjewadi, inventory will proliferate in the times to come.
- ▶ After a steep rise in average property prices, trends are stabilizing in Hinjewadi.

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Opportunities

- ▶ Pune authority has pledged to develop Hinjewadi into a prolific integrated township. This will enable sustainable developments in Hinjewadi & nearby areas.
- ▶ As large parcels of lands are available, many major developers will continue to gravitate towards Hinjewadi.
- ▶ Due to its prospect as a major residential hub, popular schools, retail brands & healthcare services are moving to Hinjewadi.
- ▶ The Hinjewadi- Balewadi metro line is expected to be operational shortly.

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Threat

- ▶ Due to unprecedented developments in recent years, many environmentalists have raised their concerns.
- ▶ The market is perceived as an affordable market, which defers many buyers away.
- ▶ Due to inadequate infrastructure, some SMEs have moved out of Hinjewadi, choosing alternative options such as Chennai & Hyderabad.

Interview Q & A

The 360 Realtors Research Team had a chance to catch up with Mr. Shew Singh, who heads the Primary Sales in the Pune region. Here is the snapshot of our discussion with Mr. Shew.



Mr. Shew Kumar Singh
VP-Sales, Pune Region
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Q. Your Comments on the Market Outlook of Hinjewadi?

A. Hinjewadi over the years has consolidated its position as a promising Real Estate micro-market in Pune. It is one of the few markets in Pune where both transaction volumes as well as prices are moving northwards.

As there is a growing concentration of IT & related companies in & around Hinjewadi, housing demand is getting a huge thrust.

Q. How do you think the market forces will unfold in Hinjewadi in the times to come?

A. Market forces will continue to unravel in a positive fashion. The buoyant IT/ ITeS & manufacturing industry will continue to drive demand. Property prices are also viable & mostly falling under the range of INR 35- 60 Lacs.

Q. What are the major projects that you suggest?

A. Some of the popular projects which buyers can consider are Godrej 24, Godrej Elements, Blue Ridge, Shapoorji Joyville.

ABOUT

360 Realtors Market Spotlight

360 Realtors Market Spotlight is a market analysis conducted by 360 Realtors on a fortnightly basis. In this research, we identify an upcoming micro-market from India and conduct detailed analyses of the residential property market. The insights can be helpful for property buyers to get a thorough understanding of the market including both pros and cons and hence take the right buying decision.

If you are planning to buy a property in Hinjewadi and need more guidance and transparent advice, feel free to drop us a mail at info@360realtors.com and our team will get in touch with you.



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