# Pune has become one of the leading real estate destinations in India

- **Pune has established into an educational, industrial, auto and IT/ITES hub**
- **Pune has become one of the leading real estate destinations in India- a) 3rd largest city in terms of residential unit sales in CY23; b) Only major city in India with Grade A office vacancy levels in the single digits and c) highest penetration levels of flexible workspaces[1] in India (as on Jun-23)**

## Pune City

Pune has steadily transformed from a leading education hub to a thriving IT and established industrial and auto hub:

- ✓ Second most populous city in Maharashtra after Mumbai.
- ✓ Referred to as the “Oxford of the East” with the presence of several educational institutes like Fergusson College, Symbiosis, Sinhgad College, etc.
- ✓ Leading educational hub with over 150[2] colleges and institutes. High literacy rate of more than 85.0%[3] in the city.
- ✓ Pune is home to companies like Tata Motors, Serum Institute, Bajaj Auto, Infosys, TCS, Capgemini, Cognizant, IBM, Kirloskar Group, Bharat Forge.

## Pune Real Estate

Driven by demographic profile (cosmopolitan crowd, young population) and rising income trends, Pune has become one of the leading real estate destinations in India. Coupled with the government’s focus on infrastructure development (especially expansion of the metro rail), it is expected to bolster real estate growth further:

- ✓ Pune is the 3rd largest city in terms of residential unit sales after Mumbai MMR and Bangalore in CY23.
- ✓ In CY23, Pune recorded its highest-ever residential sales in the last eleven years.
- ✓ Pune is the only major city in India with Grade A office vacancy levels in the single digits.
- ✓ Pune is one of the few major cities in India where net absorption for office has surpassed CY19 (pre-covid) net absorption levels.
- ✓ One of the largest markets for flexible workspaces in India and the highest penetration levels of flexible workspaces in India (as on Jun-23).

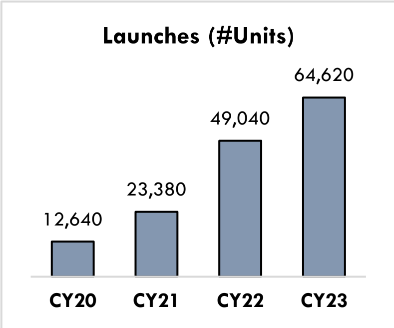
## Pune residential sector

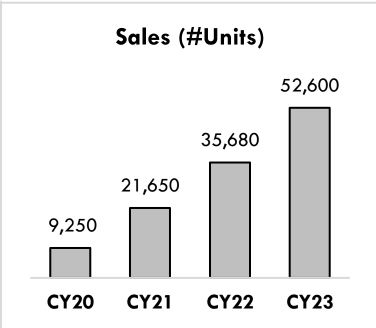
- ✓ As per JLL, sales and launches in Pune were the highest in more than a decade:
  - Sales in CY23 grew by ~47% (y-o-y) signalling continued momentum in the residential market.
  - With robust sales, developers are actively launching projects with launches growing by 32% y-o-y in CY23.
  - Despite new launches, YTS[4] (expected time to liquidate the unsold inventory) has reduced to 1.4 years in CY23 from 2.5 years in CY20.

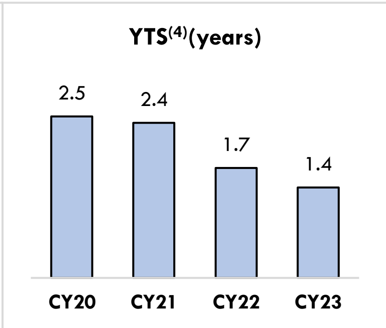
- Residential prices in Pune grew by 5% YoY in 2HCY23, aligning with robust demand and allowing developers to adjust prices accordingly.

✓ As per Knight Frank, despite higher demand for larger homes in Pune, share of units priced less than INR 10MM was 86% in CY23.

✓ As per JLL, in the short term, both supply and demand are expected to maintain a steady momentum. Growth is expected to be driven by land availability at a cheaper rate, new infrastructure upgrades, and the presence of IT hubs in Hinjewadi, Kharadi and Industrial hub in Chakan-Talegaon.



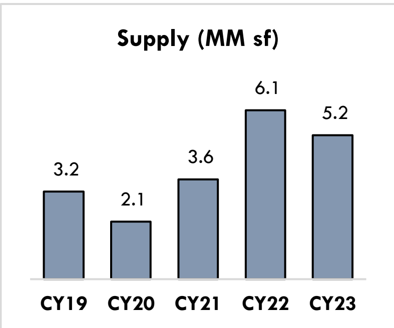



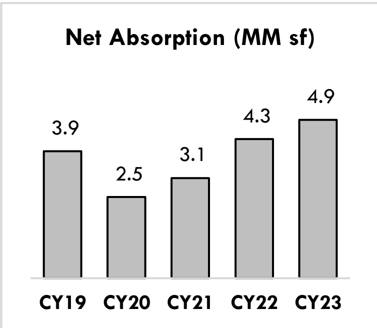



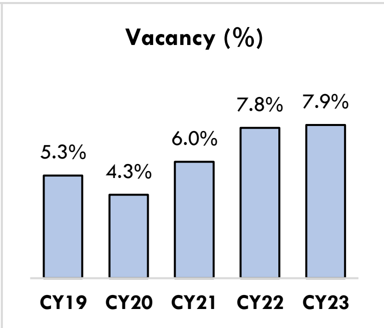

## Pune office sector

✓ Apart from Chennai, Pune was the only other city to surpass CY19 (pre-covid) net absorption levels in CY22 and in CY23, net absorption grew by 14% (y-oy) indicating robust leasing activity.

✓ Since CY19, while vacancy levels in Pune have increased by 2.6%, it compares favourably with other largest markets like Bangalore and Hyderabad where vacancy levels have increased by 8.4% and 17.3% respectively.

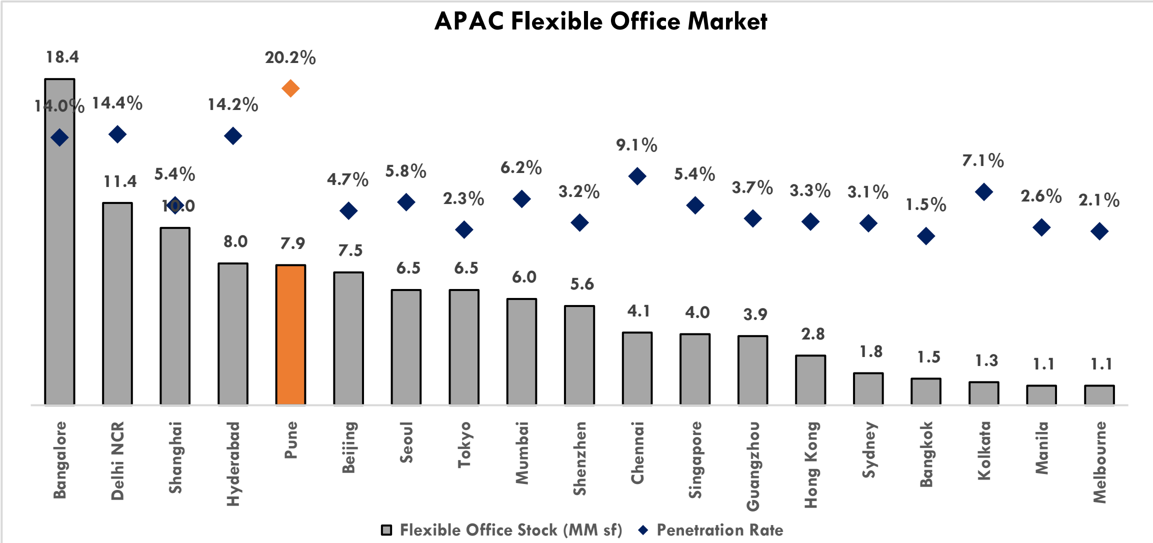



✓ CY23 saw enhanced leasing activity from Global Capability Centers (GCCs) and flexible workspaces (total flex seats leased in CY23 were ~24,000 to 25,000).

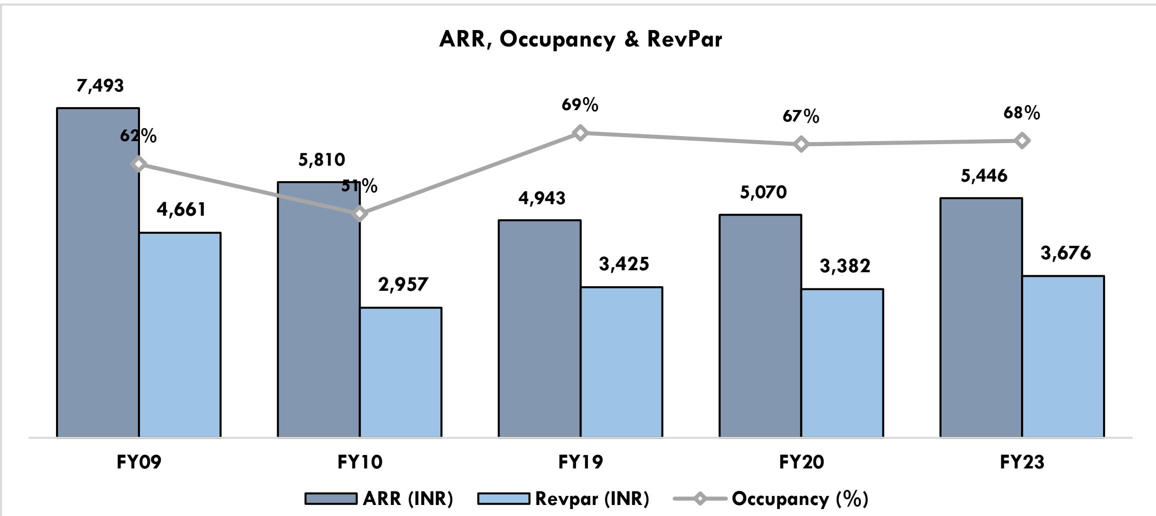
✓ Pune has emerged as one of the largest markets for flexible workspaces in India with around ~8MM sf area as on Jun-23 and the highest penetration levels in India (Awfis DRHP, Dec 2023).



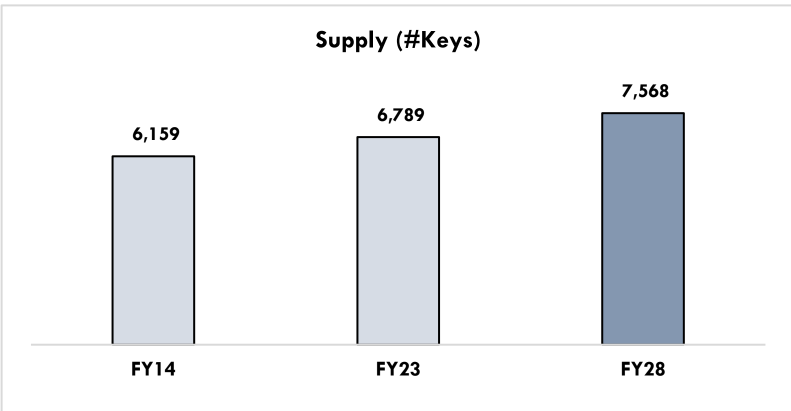

Note: 1) Penetration levels for Indian cities is calculated as stock of flexible workspaces as a % of total occupied non-SEZ stock of office as of June30, 2023
2) Penetration levels for other APAC cities is calculated as stock of flexible workspaces as a % of total Grade A office stock

## Pune hospitality sector

✓ FY23 was a phenomenal year for Pune's hospitality sector
- Pune recorded its highest ARR over the last 12 years
- Pune recorded its highest Revpar over the last 13 years




✓ As per Hotelviate, Pune saw a marginal increase in supply over the last 9 years (supply increased by 630 keys) and over the next 5 years supply is expected to increase at a CAGR of 2.2% (proposed active supply is 779 keys) which augers well for Pune's hotel sector



1. Calculated as stock of flexible workspaces as a % of total occupied non-SEZ stock of office as of June 30, 2023
2. Directorate of Technical Education
3. Census 2011
4. Years to Sell (YTS)

Source: JLL, KnighFrank, Awfis DRHP (Dec 23)

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