

A Comparative Study on Real Estate Market in Pune

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ABSTRACT:

The paper undertaken by the author at **Capital First Pvt. Ltd.** as part of a research got an opportunity to understand the various aspects of the financial service industry, its function and to get an overview of such an eminent company in the field of financial service industry. Working from the premises of **Capital First Pvt ltd** in PUNE

The research paper aims to study and understand their purpose of investment. To study customer awareness about financial product of capital first To know the product status in market To study and understand the different technique of investments To study and understand market status of capital first To get an inside knowledge about its function and its operations

The author believes that after reading the paper the reader will be able to understand and gather knowledge about consumer behavior, brand awareness, price consciousness in the real estate industry and also the market demand in Pune.

LITERATURE REVIEW:

India's real estate market is expected to reach US\$ 180 billion by 2020 from US\$ 93.8 billion in 2014.

Emergence of nuclear families, rapid urbanisation and rising household income are likely to remain the key drivers for growth in all spheres of real estate, including residential, commercial and retail.

Real estate is currently the fourth-largest sector in the country in terms of Foreign Direct Investment (FDI) inflows. Total FDI in the construction development sector during April 2000–May 2015 stood at around US\$ 24.07 billion.

The Government of India has been supportive to the real estate sector. In August 2015, the Union Cabinet approved 100 Smart City Projects in India. The Government has also raised FDI limits for townships and settlements development projects to 100 per cent. Real estate projects within the Special Economic Zone (SEZ) are also permitted 100 per cent FDI. In Union Budget 2015-16, the government allocated US\$ 3.72 billion for housing and urban development. The government has also released draft guidelines for investments by Real Estate Investment Trusts (REITs) in non-residential segment.

COMPANY PROFILE:

Capital first is a provider of financial service across consumer and wholesale businesses, with aspirations to grow into a significant financial conglomerate.

Capital First Ltd. is a systemically important NBFC with record of consistent growth & profitability. Capital first has a comprehensive product suite to meet multiple financial needs of customers including Consumer Lending, Corporate Lending and Wealth Management services.

VISION:

To be a leading financial service provider, admired for high level of customer service, and respected for our ethics, values and corporate governance.

To provide Micro, Small and Medium Enterprises in India with debt capital and services to support the growth of the MSME sector

To finance the growing consumption needs of the Indian consumers, this is driven by increased affluence, growing aspirations and favourable demographics

RESPONSIBILITY:

We respect the fact that our investors have entrusted us with their capital, our partners with their faith, our customers with their confidence and our employees with their aspirations. We will measure our success by the success of our stakeholders and will work diligently to ensure that we fulfil our fiduciary responsibility.

INTEGRITY:

We firmly believe that the difference between a good business and a great organisation is the integrity of its people. We will conduct ourselves ethically and transparently in all our dealings, both internal and external.

LEADERSHIP:

We will maintain an environment which fosters creativity and encourages innovation. We believe that this will enable us to attract, retain and nurture the best talent and develop the business and thought leaders of tomorrow.

MUTUAL RESPECT:

We will build an organization which has a positive mind-set. By conducting every interaction with respect and consideration, we will create a self-reinforcing culture of success.

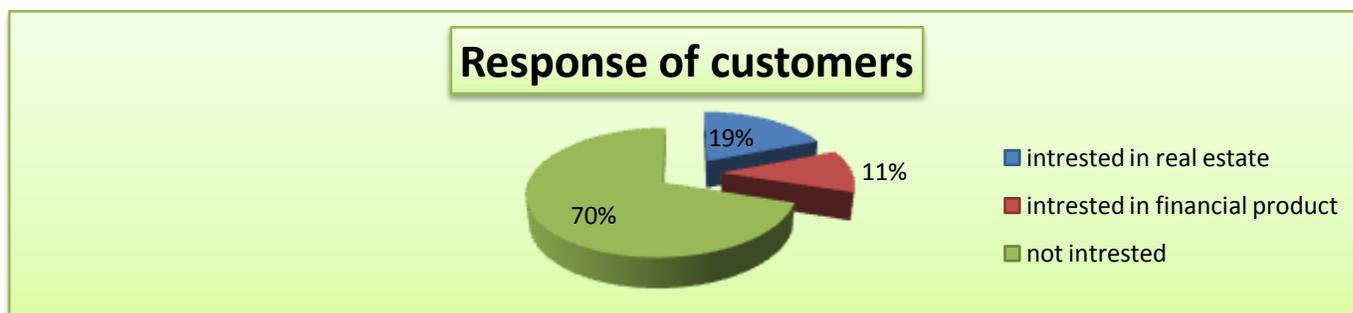
COMMUNITY:

We believe that it is our responsibility to contribute to the environment in which we operate. By investing in our community, we will not only improve our surroundings today, but also provide better opportunities for future generations.

DATA ANALYSIS:

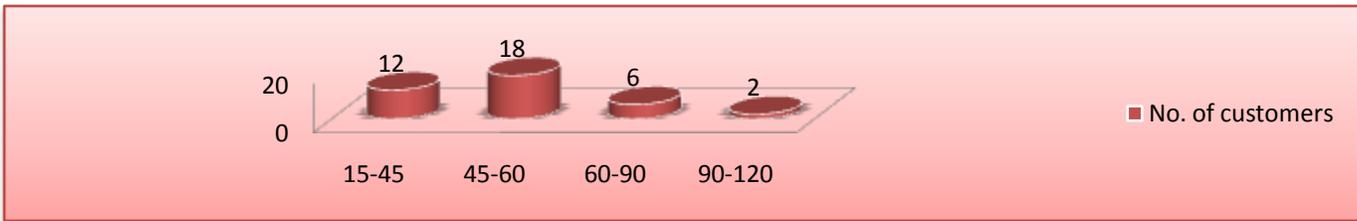
Total customer survey was done with 200 customers of which

No. of customers	Interested in Real Estate	Interested in Financial Product	Not Interested
200	38	22	140



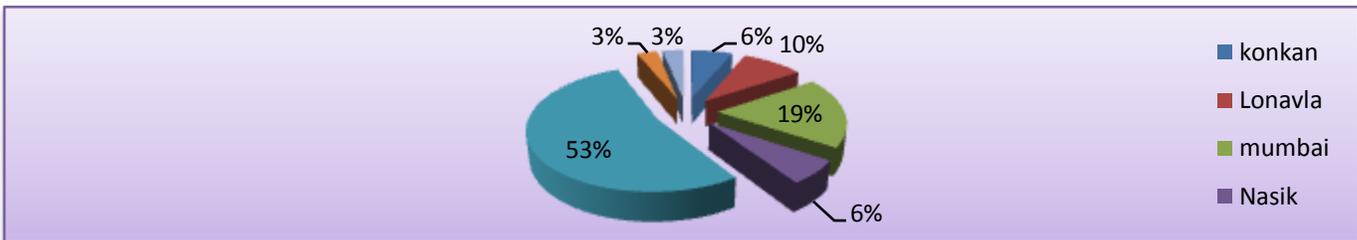
Investment budget of customers those are interested in Real Estate

Budget (in lacs)	15-45	45-60	60-90	90-120
No. of customers	12	18	6	2



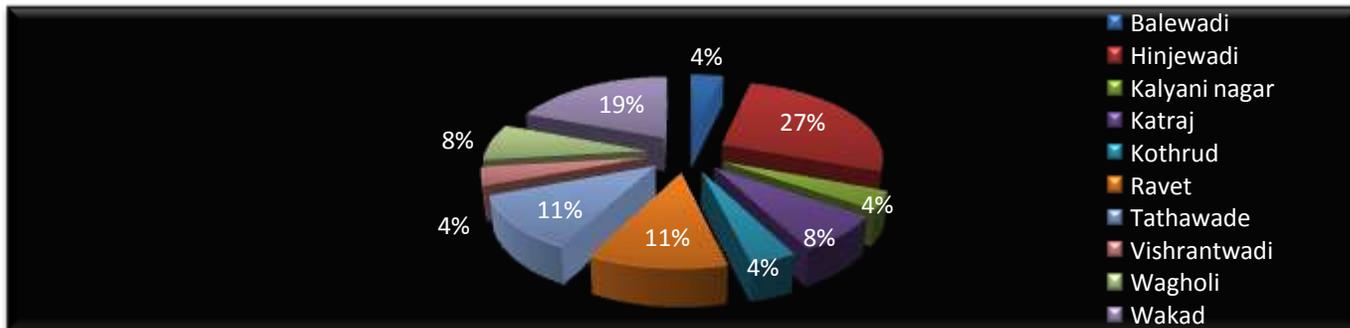
Preferred location of customers those are interested in Real Estate

Location	Konkan	Lonavla	Mumbai	Nasik	Pune	Solapur	Talegaon
No. of customers	2	3	6	2	17	1	1



Interested area of customers in Pune region

Interested area of customers	No. of customers
Balewadi	1
Hinjewadi	7
Kalyani nagar	1
Katraj	2
Kothrud	1
Ravet	3
Tathawade	3
Vishrantwadi	1
Wagholi	2
Wakad	5



OBSERVATIONS AND FINDINGS:

CONSUMER BEHAVIOR:

Observed that customers were more interested towards real estate than financial products Customer interest lies more in the area where the cost of properties were average and I had also observed that the location preferred by the customer were mostly nearby their native place.

BRAND AWARENESS:

As capital first co. is U S based known by the name of Warburg in U S and capital first in India which were earlier known by the name of future capital as capital first is the new name of the co. So the customer were not aware about the co. due to which they do not have much faith for investment.

PRICE CONSCIOUS:

Customer were attracted towards the investment with less price and by seeing their residential area nearby and also there were different types of customer. Some customer who has large income they want their property in pose area and customer with low income invest in the area which were affordable for them.

MARKET DEMAND:

Observed that following area due to some region were demanded more:

- **HINJEWADI:**

Eighty per cent of offices in the west are concentrated in Hinjewadi and prices in Hinjewadi may increase by 100% from 2012 to 2017. Over the next five years, Hinjewadi is set to become one of the largest office space hubs in India. The presence of various integrated township projects within Hinjewadi takes care of all the necessary requirements of the residents such as education, organized retail and entertainment. The investment ticket size in Hinjewadi is 1, 2, 3 BHK.

- **WAKAD:**

The availability of vast tracts of vacant land attracted the attention of many developers and led to the launch of more than 100 projects in Wakad since 2007. The drop in new launches in 2012 will help in reducing the unsold inventory of previous years. A total of 15,570 units have been launched from 2007 till Q3 2012 in Wakad of which 12,864 units have been absorbed. The ticket size in Wakad is 1, 2, 3, 4 BHK.

- **TATHAWADE:**

In the next five years, the price trend in Tathawade will be a mirror image of Wakad as these two markets are closely linked together. The minimum ticket size for investment in Tathawade starts from Rs 25 Lakh. Prices are forecasted to move up from Rs 4,300/sq. ft. to Rs 8,500/sq. ft. By 2017 and the range is available in 1, 2, 3 BHK.

- **RAVET:**

Residential activities in Ravet started post 2010 and a total of 1,744 units has been launched since. Incremental employment in Hinjewadi and lower prices compared to nearby locations will lead to higher absorption rate in Ravet. Prices are forecasted to increase from Rs 3,950/sq. to Rs 7,800/sq. ft. By 2017. The ticket size in Ravet is 1, 2, 3 BHK.

CONCLUSION:

Capital First Pvt Ltd. is well managed financial company earning profits. The overall study shows that the company is maintaining a good goodwill and their financial product (e.g. - Mutual Fund, Insurance etc.) Capital first is also diversifying their company by providing good services and products with profitable

schemes. It also deals with real estate service in pose area located at Pune which are growing rapidly. I came to know by analyzing different types of customers, market demand, price conscious, different locality etc. and I also gained the knowledge about the financial products about which earlier I was an aware of it. The companies were earning more profit in wealth management and real estate.

Thus the study indicates that the Capital First Pvt Ltd is doing well at the present stage and will grow in future rapidly by introducing more new schemes and idea with reasonable budget which will help low income people to invest in market and fulfill their dreams. Due to which the company will more & more customers and earn more profits in future.

BIBLIOGRAPHY:

WEBSITES:

- www.capitafirst.com
- www.realestate.com
- www.punemarket.com