

Pune Residential Real Estate Overview December 2012



TABLE OF CONTENTS

1. Executive Summary	3
2. Pune Fact File	4
3. Pune Real Estate	6
4. Major Locations Within Pune	9
5. Central Pune	10
6. North Pune	11
7. South Pune	12
8. East Pune	14
9. West Pune	16
10. Location Attractiveness Index	18
11. Disclaimer	19

The Pune Real Estate Overview December 2012 takes a look at the key micromarkets and the growth stimulators from a residential perspective. The report highlights the key findings of a week long survey of the residential markets conducted by the ICICI PSG Team.

- Residential real estate prices in Pune are expected to continue on their upward momentum owing to increasing input costs to the builders, coupled with increased investor demand from the peripheral areas of Pune and from the NRIs.
- We remain positive with regards to the Pune real estate prices as it continues to be an IT and manufacturing hub, which will offer huge employment opportunities and keep the end user demand ticking in this city.
- During the current survey, the real estate prices emerging in the Pune residential markets showcase that the markets are at over-bought levels. The prices have gone past the affordability levels of the end-users in the city. The significant reasons are the increase in the land costs and construction cost for the builders.
- Builders have increasingly started tapping the investor demand from the NRI buyers and are running road shows and marketing campaigns in countries like Singapore, Australia, Hong Kong, Middle East and as far as the United States.
- Pune may witness a contraction in the configuration sizes, to match the budget of the end-user buyers.
- While maximum demand was witnessed in the INR 35-40 lakh category homes, the supply was least in this category. The maximum inventory supply was in the INR 40-60 lakhs category.
- Over the previous year, the difference between carpet and built-up area in Pune residential apartments has increased from approximately 25% to 30%.
- There is an increasing tendency among investors to draw a clear demarcation between East and West Pune while investing, with regards to where they can expect better returns.
- East Pune is being largely driven by the CBDs in Kharadi, Viman Nagar, Magarpatta Cyber City and Kalyani Nagar. A mix of BFSI, IT and BPO industries is present in this section of the city. West Pune is being largely driven by the demand emerging from the IT hub, which is concentrated in the Rajiv Gandhi InfoTech Park located in Hinjewadi.
- In Pune markets builders heavily discourage any short-term speculation in real estate projects. Buyers are requested to register their units within 15-60 days of making a payment towards the token amount. Investors are allowed to exit their units, only after the builder has transferred the possession. However, a transfer fee is levied till the society formation stage.

Pune has been known by a plethora of sobriquets. Popular among them: Queen of the Deccan, cultural capital of Maharashtra, pensioner's paradise and Oxford of the East. Pune is one of the historical cities of India with a glorious past, an innovative present and a promising future.

Human civilisations have prospered on the banks of rivers; Pune city too has flowered on the banks of the Mutha river originating from the Sahyadri range of mountains. Researchers have found evidence of human civilisations that existed 100,000 years ago along the Mutha river.

Down the centuries, Pune has been ruled by several dynasties. The earliest evidence found (copper plates of 758 A. D. and of 768 A. D.) reveals that the Rashtrakootas ruled this region then. At that time, Pune was referred to as Punaka Vishaya and Punya Vishaya. Copper plates of 960 A. D. and 963 A. D. refer to it as Punaka Wadi and Punaka Desha. Here Vishaya means region. Later on, the city has been mentioned as Kasabe Pune. The Pune Gazetteer explains the term Pune as Punya-a holy place. In Hindu tradition, a confluence two rivers is sacred. Hence, this city, where there is a confluence of two rivers (Mula & Mutha), is Punyanagari. After the Rashtrakootas, Pune was ruled by the Yadava dynasty. After the fall of this dynasty, it came under Muslim dominance till the middle of the seventeenth century. The great Maratha leader Shivaji later made Pune the capital of the Maratha Empire he established in the 17th century. After Shivaji's death, his heirs could not hold his empire together and so their dynasty declined and power passed to the Peshwa, the first of a long line of professional administrators. Under the Peshwas, Pune acquired great political importance and became well known as a centre of learning and culture. Pune remained the seat of the Maratha fiefdom till the British ousted them in 1817 after the historic third battle of Panipat.

Over the years, Pune developed into a major industrial centre with defence, automobile and engineering giants and other factories and corporations making it their base. Pune is also among the greenest urban areas in the country with more than 40 per cent of its area under green cover.

`Oxford of India' to `Detroit of India'

Known as the 'Oxford of India', Pune is home to a large number of well-known educational institutes, among them the prestigious Pune University with its affiliated colleges such as Fergusson College and College of Engineering. In recent years several deemed universities have also come up, and the number of colleges continues to grow. The SNDT University for Women was established in 1916. The Bhandarkar Oriental Research Institute, established in 1917, is now famous for its research on the Prakrit and Sanskrit languages; over 20,000 ancient manuscripts are housed at this institute. In the latter half of the 20th century, the National Defence Academy and the National Chemical Laboratory were established in the city.

Over the years, the automobile industry has gained prominence in Pune, giving it the title of the `Detroit of India'. Among the automobile companies that operate out of Pune are Bajaj Auto, Tata Motors, Daimler Chrysler (Mercedes Benz), Kinetic Engineering and Force Motors Ltd. In addition the city witnesses a dominant presence of IT and software companies, primarily operating out of Hinjewadi.

Administration:

The administration of Pune is divided into 14 "talukas" or territories. Except for the Pune city, the other 13 talukas are under 11 "Nagarpalikas" or Municipal Corporations and 13 "Panchayat Samitis".

Pune is divided into two "Mahanagarpalikas", viz Pimpri-Chinchwad Municipal Corporation, and Pune Municipal Corporation; and three cantonment boards, viz Pune Cantonment Board, Khadki Cantonment Board and the Dehu Road Cantonment Board.

Census 2011 Key Highlights

Description	2011	2001
Actual Population	9,426,959	7,232,555
Male	4,936,362	3,769,128
Female	4,490,597	3,463,427
Population Growth	30.34%	30.73%
Area Square Km	15,643	15,643
Density/Square Km	603	462
Proportion to Maharashtra Population	8.39%	7.47%
Sex Ratio (females per 1000 males)	910	919
Average Literacy Rate	87.19%	80.45%
Male Literacy Rate	92.72%	88.34%
Female Literacy Rate	81.13%	71.89%

Source: Census 2011

Ring Road:

Aimed at augmenting the connectivity across the major peripheral roads and ensuring the smooth flow of heavy vehicles.

- Implementing Agency: Public Works Department (PWD)
- Total Length: 117 km with a width of 90 m to facilitate movement of heavy vehicle traffic
- Project Status: Land acquisition under progress



Mumbai -Pune Express highway

Short Term	10-12 months	Upside in capital value 10-12% YoY appreciation in capital value with an upward bias on a conservative note
Long Term	50-60 months	

Pune residential real estate market corrected during the slowdown period of 2008-10. However, post the slowdown period, the segment has bounced back on a stronger and healthier tone.

Residential real estate prices in Pune are expected to continue on their upward momentum owing to increasing input costs to the builders, coupled with increased investor demand from the peripheral cities of Pune and from the NRIs. However, the prices have gone past the affordability levels of the Pune end-users. This will have a softening impact on the upward momentum in prices. In the long run, we remain positive with regards to the Pune real estate prices as it continues to be an IT and manufacturing hub, which will offer huge employment opportunities and keep the end user demand ticking in this city.

Pune builders trying to tap the demand from the peripheral cities and NRIs.

During the current survey, the real estate prices emerging in the Pune residential markets showcase that the markets are at over-bought levels. The prices have gone past the affordability levels of the end-users in the city. The significant reasons are the increase in the land costs and construction cost to the builders (cost push factor) coupled with the investor demand emerging from Mumbai and other peripheral cities within approximately 300-350 kms radius of Pune namely Ahmednagar, Nashik, Kolhapur, Solapur, Satara, Karad and Nagpur (demand push factor).

Maximum numbers of residential real estate transactions are happening in Hinjewadi and Wagholi. Builders have increasingly started tapping the investor demand from the NRI buyers and are running road shows and marketing campaigns in countries like Singapore, Australia, Hong Kong, Middle East and as far as the United States. Demand from the Pune end users has stagnated owing to the price expectation mis-match, which reflects in the inquiry-conversion ratio. It has dipped owing to an increase in inquiries coupled with a dip in conversions over the previous survey (November 2011).

Pune may witness a contraction in the configuration sizes, to match the budget of the end-user buyers.

Demand demographics in the Pune real estate market

The Pune real estate market witnesses an end user to investor ratio of 80:20. This market has a huge retail investor presence and lacks the presence of underwriters, as is the case in Noida. Moreover, an interesting observation, which emerged, was that in the buyer space, 60% of the participants were from Pune, 20-25% from Mumbai and 15-20% comprised of the demand emerging from NRIs and from cities within the radius of approximately 300-350 kms from Pune. The reason for such significant presence of investors from Mumbai is that Pune is in close vicinity to this region, seems to be promising in the long term and demands lower capital requirements relative to Mumbai.

Demand supply mis-match in the Pune residential real estate market

	INR 35-40 lakhs	INR 40-60 lakhs	INR 60-80 lakhs	> INR 80 lakhs
Demand [#]	1	2	3	4
Inventory Supply [#]	4	1	2	3

Note: [#]Rating-1 (maximum), 4 (minimum)

Source: ICICI PSG

The above table indicates that while maximum demand was witnessed in the INR 35-40 lakhs category homes, the supply was least in this category (rated 4). The maximum inventory supply was in the INR 40-60 lakhs category and the second highest inventory supply was in the INR 60-80 lakhs category.

Pune continues to appeal as a weekend getaway for Mumbaikars owing to the pleasant climate

Pune scores over Mumbai, as the climate in the former is more pleasant, as it is situated on the leeward side of the Western Ghats. The climate in Mumbai is humid throughout the year, as it rests in the tropical zone and is closer to the sea. Owing to the above two factors, Pune is increasingly becoming a 'weekend getaway' for Mumbaikars who want to retire over the weekend in spacious homes and enjoy a cool, pleasant climate. Moreover, Pune is just 3-4 hours drive away from Mumbai and is connected by the NH 4 highway.

Apartments in Pune continue to be more spacious relative to Mumbai in spite of an increase in the loading factor

Pune offers more spacious apartment configurations relative to Mumbai, at much cheaper prices. For example, an apartment in Ghatkopar, Mumbai shall have an average height of 9" and would be available at INR 12000 psf compared to the average height of 9.5"-10" in Baner, Pune costing INR 6000 psf. So, there is a lot more breathing space available in the apartments in Pune. Over the previous year, the difference between carpet and built-up area in Pune residential apartments has increased from approximately 25% to 30%, which is still lower than the figure of approximately 33-37% in Mumbai.

Chakan on the Pune-Nasik highway and Talegaon on the Pune-Mumbai highway contributing towards Pune emerging as the 'Detroit of India'

Chakan and Talegaon are quickly emerging as the new auto hubs in Pune with the presence of global automobile companies like General Motors, Mercedes Benz and Volkswagen. However, there is a lot of low-end development coming up in this micro-section, which is targeting blue collared workers who would be present in this industrial belt. Companies are looking to expand operations in Chakan and Talegaon and not so much in the Pimpri-Chinchwad belt, owing to the real estate prices being relatively cheaper in the former compared to the latter.

Investors continue to draw a comparison between east and west Pune

There is an increasing tendency among investors to draw a clear demarcation between East and West Pune while investing, with regards to where they can expect better returns.

East Pune is being largely driven by the CBDs in Kharadi, Viman Nagar, Magarpatta Cyber City and Kalyani Nagar. A mix of BFSI, IT and BPO industries is present in this section of the city. However, this area also sees some demand flowing in from the manufacturing hubs like Shikrapur and Ranjangaon, as they are located nearer to East Pune.

West Pune is being largely driven by the demand emerging from the IT hub, which is concentrated in the Rajiv Gandhi InfoTech Park located in Hinjewadi. Five townships have been launched in and around this area namely, Megapolis (150 acre township); KUL Ecoloch (110 acres township); Kolte Patil I Ven (421 acres township); Paranjape Blue Ridge (140 acres township) and Xrbia (110 acres township).

Central Pune locations like Apte Road, Bhosle Nagar, Deccan, Model Colony, Prabhat Nagar and Shivajinagar are witnessing a lot of redevelopment projects. Land is scarce in these areas. Moreover, builders are constructing stand-alone luxury units (above INR 1 crore) and this location commands an address premium.

Resilience in the Pune real estate market

In the period prior to the recession, the Pune real estate markets was delivering rapid appreciation largely driven by the IT crowd as the sector was booming. Major IT companies delivered increases in net profits during the March 2007-2009 period in the range of 38-66%. Increased profits converted into increased bonuses to the IT professionals and this led to a sudden increase in their purchasing power, thereby translating into increased demand for real estate.

Later, the market fundamentals went haywire. Builders became over confident and ventured into projects beyond their capacity by over leveraging themselves.

During the recession (January 2008-December 2009 period), equity markets were decimated. From trading at above 20000 levels (Sensex, January 1, 2008-20300.71 level), the Sensex dipped to the lows of 8000 levels (Sensex, March 9, 2009-8160.4 level). Overall, the Sensex registered a dip of 13.97% over this period. Moreover, going by the net profit growth numbers of IT companies over March 2009-March 2010 period, the numbers were in the range of 7% to 13%. Therefore, reduced bonuses along with the declining Sensex levels sucked up the demand from the market. Suddenly, the builders found themselves with huge inventory and reduced demand. This started to show up in prices with out of the 36 areas monitored by the ICICI HFC indices, 20 areas registering non-positive property price growth during this period, with the prices increasing by less than 10% in 26 areas.

However, the markets have matured post the slow down period. Real estate prices have recovered and of the 36 areas monitored, prices have increased by over 20% in 32 areas over a December 2009 to June 2011 period. During our survey in Q4 CY 2011, one of the key points observed was that the flaws committed amidst the over confidence in the market had given way to caution on both sides. Builders are now venturing into projects after factoring in their capacity to deliver and they are releasing the supply into the market after sensing the demand for units. Even the buyers are resorting to due diligence of the builder and the project before booking any property.

Overall, the scenario is dependent on the global economic picture in the long run. As of today, we remain positive with respect to the real estate price growth scenario over the long run as it is expected to be fuelled by the growth momentum in the IT industry. According to the NASSCOM Strategic Review 2011 report, India is expected to touch USD 130 billion in IT-BPO revenues by FY 2015, a CAGR of 14%. By the end of this period, the Indian IT-BPO industry is expected to contribute about 7% to annual GDP and create about 14.3 million employment opportunities (direct and indirect). Moreover, the growth momentum is expected to remain supported in the future by the Automobile industry also as they look to expand their manufacturing operations in Chakan, Pune and the city grows into an IT and automobile hub.

Short term speculation discouraged in the real estate projects

Builders heavily discourage any short-term speculation in real estate projects. Buyers are requested to register their units within 15-60 days of making a payment towards the token amount. Investors are allowed to exit their units, only after the builder has transferred the possession. However, a transfer fee is levied till the society formation stage. The pre-dominant reason is to avoid unwanted confusion in the real estate market with regards to prices.

Investors are increasingly preferring 2 BHKs over other configurations

As Pune is emerging as an IT hub, and most of the working crowd is predominantly between the age bracket of 25-35 years. This is a stage in life when working professionals start a family. The requirement is predominantly of a 2BHK, as the family comprises of a husband, wife and one or two kids. Moreover, double income families can be expected as a substantial part of the IT-BPO workforce comprises of women. This dual income makes this configuration affordable.

Major Locations within Pune

We have classified the real estate space in Pune into five distinct zones-Central Pune, North Pune, South Pune, East Pune, and West Pune.

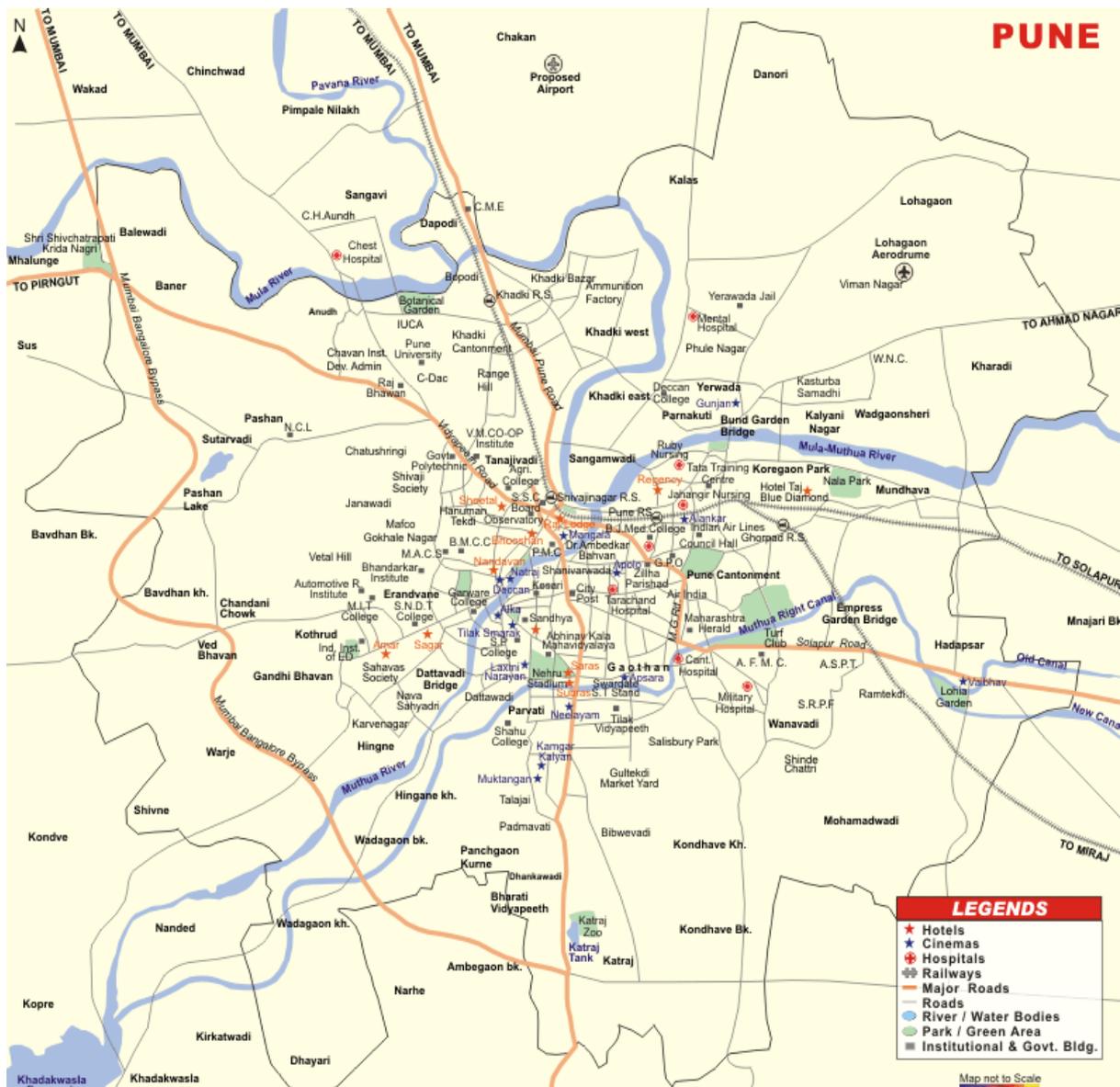
Central Pune: Bhosale Nagar, Deccan, Model Colony, Prabhat Road, Shivaji Nagar

North Pune: Chinchwad, Akurdi, Pimpri-Chinchwad Road, Pradhikaran

South Pune: Ambegaon, Katraj, Kondhwa, Parvati, Salisbury Park, Sinhagad Road, Mohammadwadi Road, NIBM, Wanowrie

East Pune: Hadapsar, Kalyani Nagar, Kharadi, Koregaon Park, Wagholi, Viman Nagar, Bund Garden, Camp

West Pune: Aundh, Balewadi, Baner, Bavdhan, Hinjewadi, Kothrud, Pashan, Pimple-Saudagar, Wakad



Central Pune: Bhosale Nagar, Deccan, Model Colony, Prabhat Road, Shivaji Nagar

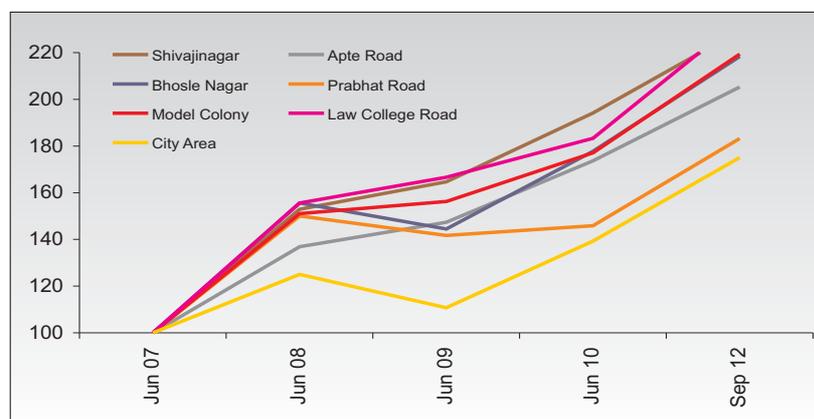
Key Highlights

- Prabhat Road is named after the Prabhat Studio which is located at the beginning of the road viz. is one of the primary arteries of the Deccan Gymkhana area. This road connects the Law College Road to the Karve Road. The area is primarily residential, however the Deccan Gymkhana area is fast developing into a business district and hence the presence of a number of offices too on this road.
- Land availability in the central city is limited and traditional residential areas like Prabhat Road and Bhandarkar Road have very few locations suitable for the development of residential real estate.
- As compared to other regions in Pune, there are no major residential developments other than standalone buildings in this part of Pune. Though there are maximum hospitals, Government Offices and Courts in the vicinity
- Pinnacle Group, Alliance Group, Rachana developers, Javadekar developers and Oxford Properties are some of the prominent developers in Central Pune.

Growth Stimulators

- Shivaji Nagar is close to Pune Railway Station and houses corporates like L & T Infotech and institutes like Indian Institute of Planning and Management.
- Deccan is a cultural district and houses many art galleries, theaters and cinema halls. Deccan also an educational hub of Pune, comprises of the areas of J. M. Road, F. C. Road, University Road, Law College Road and Senapati Bapat Road.
- J. M. Road and F. C. Road are the most prominent high streets of Pune
- The prominent retail players are vying for this micromarket. Some of these are Pune Central and Shoppers Stop.

Price Trends in Central Pune*



*Assuming 100 as a base for June 2007

Source: ICICI Mortgage Valuation Group

Property rates of ' ready-to-move in' in prime residential markets of Central Pune**

Location	Average Capital Values (INR/Sft.)	Rentals for 2 BHK (INR/month)
Apte Road, Model Colony	15,000-18,000	25,000
Prabhat Road, Deccan Area	15,000-18,000	25,000
Bhosale Nagar	10,000-12,000	20,000

**indicative mid market segment

Source: ICICI PSG

Major Locations: Chinchwad, Akurdi, Pimpri-Chinchwad Road, Pradhikaran

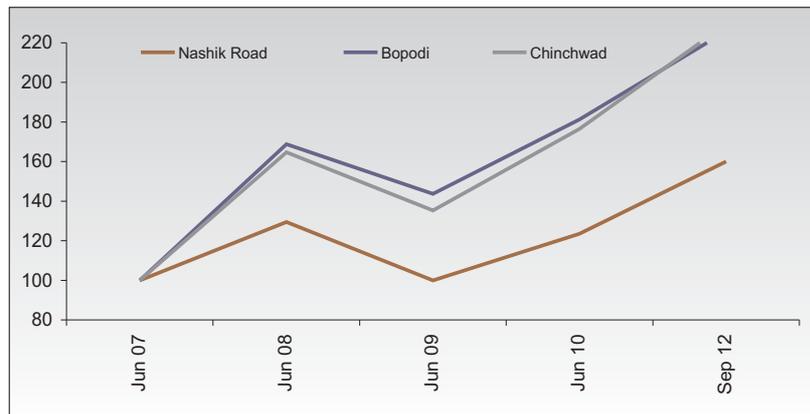
Key Highlights

- The main localities in Pimpri Chinchwad are Chinchwad, Pimpri, Nigdi, Akurdi, Kalewadi and Bhosari. It lies on the Pune-Mumbai highway (NH 4). Pimpri Chinchwad is a major industrial hub and one of the the biggest industrial zones in Asia.
- Nigdi is a suburb of Pune, India. It is about 18 km from Pune Station on the old Mumbai-Pune Highway. Nigdi is towards the northern tip of Pune.
- P.C.N.T.D.A. (Pimpri Chinchwad New Township Development Area), which is also known as Pradhikaran is a planned township. This total area is divided into several sectors.
- Akurdi Railway Station of Pune Suburban Railway is in Nigdi Pradhikaran. Nigdi is well connected to Pune City by buses leaving from Nigdi Bus terminal of Pune Mahanagar Parivahan Mahamandal Limited. There are PMPML buses available to Swargate, Kothrud, Hinjewadi, Katraj, Bhosari, Pune Station, Yerwada, Hadapsar, Wadgaon, Talegaon, Shirgaon etc. Mumbai Pune highway goes through Nigdi. Chinchwad Railway Station of Pune Suburban Railway is in Chinchwad near Nigdi.
- Mindspace Realty, Naiknavare, Namrata Dev and Goel Ganga are some of the prominent developers in North Pune.

Growth Stimulators

- Accessibility to the Technology Park (Talawade), IT sector (Hinjewadi) and other industrial areas (Talegaon, PCMC) will propel the real estate growth in Pimpri-Chinchwad.
- Excellent infrastructure and connectivity to Central Pune are the key positives of this area.
- Ravet also witnessed major developments due to its affordability and project launches.

Price Trends in North Pune



*Assuming 100 as a base for June 2007

Source: ICICI Mortgage Valuation Group

Property rates of ' ready-to-move-in' in prime residential markets of North Pune**

Location	Average Capital Values (INR/Sft.)	Rentals for 2 BHK (INR/month)
Chinchwad	4,000-4,500	8,000-10,000
Nashik Road	3,000-3,500	6,000-10,000
Ravet	3,000-3,500	5,000-10,000
Talegaon	2,700-3,500	6,000-10,000

**Indicative mid market segment

Source: ICICI PSG

Major Locations : Ambegaon, Katraj, Kondhwa, Parvati, Salisbury Park, Sinhadgad Road, Mohammadwadi Road, NIBM, Wanowrie

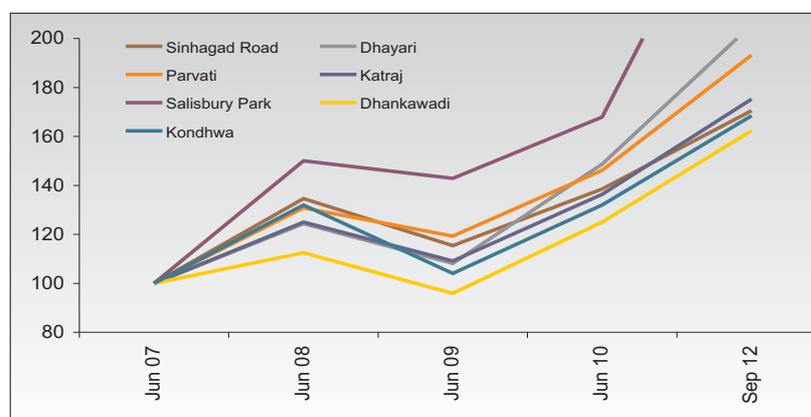
Key Highlights

- Sinhadgad Road houses the Institute of Armament Technology (IAT) and the Sinhadgad Institute. The road further leads to the base of the famous Sinhadgad Fort.
- Mohammadwadi, surrounded by hills with scenic beauty, has beautiful bungalows.
- Kondhwa has evolved as an important residential area in the recent past. While the area towards Katraj is developing as a low cost housing destination, with the budget factor weighing in more here, the area towards Wanowrie and NIBM is becoming a preferred location for premium housing.
- D.S.K, Nyati, Kumar Properties, Marvel, Kolte Patil, Amit Enterprises and Mittal Group are some of the prominent developers in South Pune.

Growth Stimulators

- With the Bangalore Bypass and the Expressway running alongside, Ambegaon has acquired a new facet. Ambegaon is strategically located and has excellent accessibility from Katraj, Sinhadgad Road and Kothrud.
- As Kothrud in West Pune has become a premium location, customers have started moving towards Sinhadgad Road and Ambegaon area.
- Property price of Sinhadgad Road has been witnessing an upward trend due to the demand spilling from Kothrud which has a scarcity of land parcels.
- Katraj has some good educational institutes like the Bharti Vidyapeeth Dental College and Rajiv Gandhi Institute of IT and Biotechnology.
- Undri, Pisoli has been witnessing major real estate activity owing to availability of land parcel, best schools and International Institutions (DPS, Vibgyor) and hospitals (Inamdar Hospital , Ruby Hall).
- Apartment buyers are showing a greater preference for NIBM, Kondhwa and Lullanagar where development is planned, open land exists, and water supply is better. Moreover, it offers excellent connectivity to M G Road and Magarpatta.

Price Trends in South Pune



*Assuming 100 as a base for June 2007

Source: ICICI Mortgage Valuation Group

Property rates of ' ready-to-move-in' in prime residential markets of South Pune**

Location	Average Capital Values (INR/Sft.)	Rentals for 2 BHK (INR/month)
Ambegaon	4,000-4,500	8,000-12,000
Katraj	4,000-4,500	10,000-12,000
Kondhwa NIBM	5,000-6,500	10,000-12,000
Kondhwa Khurd	4,000-4,200	8,000-10,000
Salisbury Park	13,000-15,000	20,000-25,000
Sinhagad Road	5,500-6,500	10,000-12,000
Undri	3,300-3,800	7,000-8,000
Wanowrie	6,500-8,000	14,000-16,000

**indicative mid market segment

Source: ICICI PSG



Aga Khan Palace

Major Locations: Hadapsar, Kalyani Nagar, Kharadi, Koregaon Park, Wagholi, Viman Nagar

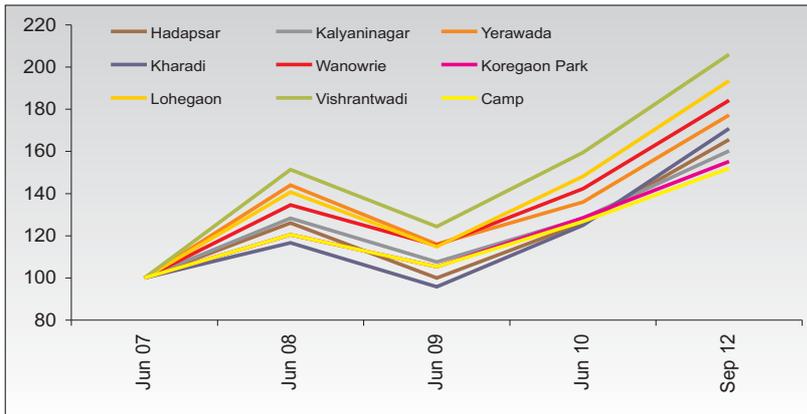
Key Highlights

- Koregaon Park along with Boat Club Road and Bund Garden, are considered to be the most up-market residential areas of Pune.
- Kalyani Nagar gets its name from Neelkanth Kalyani, one of the Pune's most affluent industrialists, based out in Pune.
- Over the last few years Viman Nagar has become one of the finest locations in Pune with many exclusive and luxurious residential projects, IT parks, hotels and educational institutes. It is well connected to the central area of Pune. It is also the most preferred locations due to its proximity to the airport and good connectivity.
- Koregaon Park was also on the global world map in the 80's because of the presence of Rajneesh Osho Ashram. It as became one of the famous tourist spots of Pune.
- Camp lies in the cantonment area. Most of the corporate houses and up-market shopping malls are located here.
- Major retail development is witnessed in East Pune. Phoenix Market city, Amanora, Inorbit Mall, Koregaon Park Plaza and G Corp Pulse Mall to name a few are located here. Magarpatta Mall, to be operational by the fourth quarter, will have all the prominent International brands.
- Lohegaon is well connected to Viman Nagar and Kalyani Nagar via a newly constructed VIP road. It is also well connected to almost all the other parts of the city.
- Hadapsar and Kharadi have emerged as preferred locations for the IT/ITES sector. These locations serve not only as hubs for IT activities but are also preferred residential destinations promoting the 'walk to work' culture which is fast becoming popular.
- Wagholi, being outside city limits, is a warehousing and Industrial hub of East Pune and has witnessed major real estate movement owing to affordability factor and land availability.
- Due to its proximity to Koregaon Park and Kalyani Nagar, Mundhwa has also experienced good development in the last few years and with expected conversion of large parcel into non-agricultural land, this area will witness major developments in real estate.
- This part of Pune houses top hotels like Vivanta by Taj Blue Diamond, 'O' Hotel, Westin in Koregaon Park, The Hyatt, Regency in Viman Nagar, Four Points by Sheraton on Nagar Road, St. Lawns and IBIS .
- Prominent developers in this region include Marvel, Kolte Patil, Goel Ganga, Kumar Builders, Panchshil, Nyati, Vascon and Brahma.

Growth Stimulators

- Viman Nagar is preferred location due to its proximity to airport and improved connectivity to the city.
- Kalyani Nagar, located in the vicinity of upscale neighborhoods like Koregaon Park, Boat Club Road and Mangaldas Road, is the next prime location though has limited scope for future residential development.
- Mundhwa offers a good mix of cosmopolitan crowd and is also close to Koregaon park and M G Road in Camp.
- Camp with close proximity to railway station, public bus stand, good infrastructure and commercial offices, is also the most sought after location of East Pune.
- Widening of Nagar Road improved the connectivity and led to higher office space demand in the Eastern Corridor.
- Kharadi and Hadapsar, are strategically located towards the east of the city close to the airport and railway station, also a gateway to Pune via the Nagar Road and Solapur Road respectively.

Price Trends in East Pune*



*Assuming 100 as a base for June 2007

Source: ICICI Mortgage Valuation Group

Property rates of ' ready-to-move-in' in prime residential markets of East Pune**

Location	Average Capital Values (INR/Sft.)	Rentals for 2 BHK (INR/month)
Koregaon Park	12,000-15,000	30,000-40,000
Kalyani Nagar	7,500-13,000	18,000-25,000
Boat Club	15,000-20,000	30,000-40,000
Wagholi	3,300-4,200	5,000-8,000
Kharadi	4,500-7,000	12,000-15,000
Hadapsar	4,000-6,000	10,000-12,000
Vishrantwadi	5,000-6,000	12,000
Viman Nagar	5,500-6,500	14,000-16,000

**indicative mid market segment

Source: ICICI PSG



Taj Blue Diamond

Major Locations : Aundh, Balewadi, Baner, Bavdhan, Hinjewadi, Kothrud, Pashan, Pimple-Saudagar, Wakad

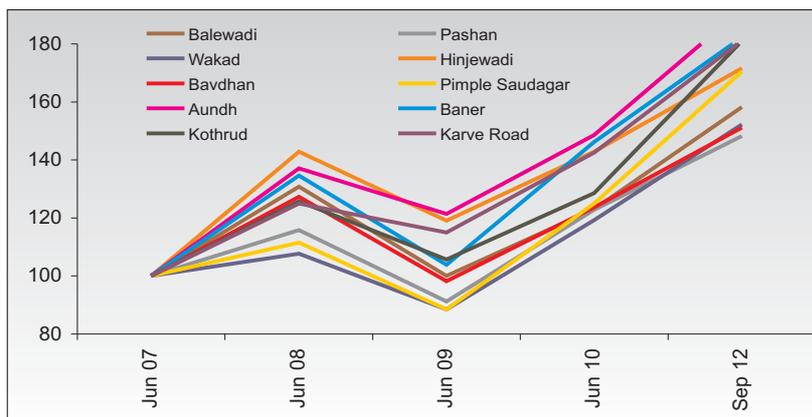
Key Highlights

- Aundh can be divided into the old Aundhgaon and the newly constructed suburban areas. Famous areas are Sindh Society, National Society, Parihar Chowk, Anand Park, Ashiyana Park, Gaikwad Nagar amongst many. All areas along the University road, after Governor house, up to Rajiv Gandhi Bridge on river Mula, across which is Sangvi (and the Aundh Chest Hospital).
- Aundh is a bustling location and has emerged as one of Pune's up-market areas. An improved road network has enhanced its connectivity with the central parts of Pune.
- Paud Road and Kothrud are traditional Maharashtrian localities and draw a similar clientele.
- Kothrud has expanded till Warje on Karve Road and till Chandani Chowk in Paud Road.
- Baner is an extension of Aundh and has very good proximity to Pune-Bangalore Highway. Baner has become a popular destination amongst those who desire to be near the Aundh area but prefer a more affordable option and also emerged as an IT hub of Pune.
- Hinjewadi, started in 1998, has ushered the IT growth in Pune. Prominent IT players like Infosys, TCS, Wipro, IBM have set up their centres at Hinjewadi. It is one of the growth corridors of the west region of Pune.
- Gera, Kumar Properties, Kolte Patil, Aditya Builders, GK Developers, Nyati, Paranjpe, Pride Purple, Vascon, and Wadhvani Constructions are some of the prominent developers in West Pune.

Growth Stimulators

- Proximity to Rajiv Gandhi Infotech Park, Hinjewadi and the Mumbai-Bangalore by-pass has boosted real estate activity in this area, seen by many as one of the future key growth areas in Pune.
- Aundh has witnessed a lot of development in the past one year, with a large number of shopping centers and supermarkets like Ozone Reliance Mart, Croma etc. The locality is well serviced by public transport and has all the necessary amenities such as banks, post offices, shopping centers and schools. The residential rates in this area have been driven up by the huge demand coming from IT professionals as well as migrants from various parts of the country, its close proximity to the Mumbai-Pune express way and superb connectivity to Shivaji nagar, make it more preferable to reside than other parts of the city.
- Pashan and Baner are situated in the vicinity of the IT Park at Hinjewadi and the Mumbai-Bangalore Highway.
- Good transaction of residential houses are witnessed in Kothrud for its good infrastructure and cultural heritage. Though there are only standalone buildings with less scope of development, it has huge demand due to good infrastructure and proximity to Deccan.
- Residential demand in the region to witness strong growth in areas like Baner, Wakad and Hinjewadi owing to the proximity to the IT belt and Mumbai-Bangalore Highway.
- Aundh is the more preferred of these localities because of its relative proximity to the city center.
- Investors from Mumbai are also interested in buying property in Hinjewadi on account of easy access from the Mumbai-Pune Expressway.

Price Trends in West Pune*



*Assuming 100 as a base for June 2007

Source: ICICI Mortgage Valuation Group

Property rates of 'ready-to-move-in' in prime residential markets of West Pune**

Location	Average Capital Values (INR/Sft.)	Rentals for 2 BHK (INR/month)
Aundh	9,000-12,000	20,000-22,000
Bavdhan	5,000-5,500	12,000
Hinjewadi	3,500-5,300	10,000
Pimple Saudagar	4,500-5,500	12,000-15,000
Wakad	4,000-5,000	12,000-15,000
Pashan	5,000-5,300	12,000
Pimple Nilakh	4,500-6,000	12,000
Baner	5,000-6,000	12,000-14,000
Balewadi	4,700-5,500	12,000

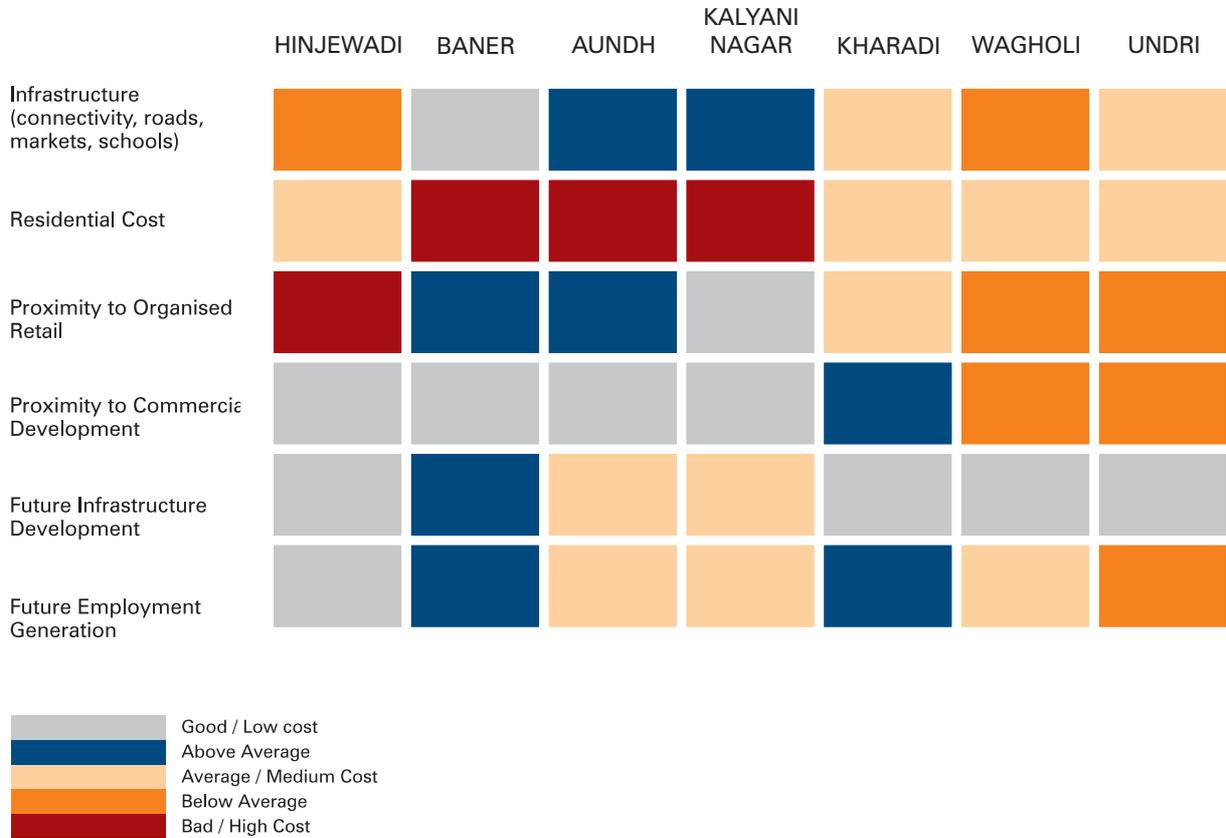
**Indicative mid market segment

Source: ICICI PSG



Pune Central Mall

A comparative study of different locations within Pune shows Hinjewadi as having an edge over other locations. This is due to its potential for future infrastructure development along with commercial development, which in turn would lead to new employment opportunities.



Source: ICICI PSG

ANALYSTS

NIHARIKA BISARIA

Head - Research & Consultancy
ICICI Property Services Group
niharika.bisaria@icicihfc.com

TRESA RAJIV

Manager – Research
ICICI Property Services Group
tres.rajiv@icicihfc.com

GAURAV MAHESHWARI

Economist, Private Clients Research Group
ICICI Bank Ltd.
gaurav.maheshwari@icicibank.com

For further enquiries please mail us at : psgresearch@icicihfc.com

or

For more on our research reports & periodicals please log on to www.icicihfc.com

ICICI HFC DISCLAIMERS & DISCLOSURES

The information set out in this document has been prepared by ICICI HFC Ltd. based upon projections which have been determined in good faith by ICICI HFC Ltd. There can be no assurance that such projections will prove to be accurate. Past performance cannot be a guide to future performance.

The information in this document reflects prevailing conditions and our views as of this date, all of which are subject to change. In preparing this document we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources or which was provided to us or which was otherwise reviewed by us. ICICI HFC Ltd. does not accept any responsibility for any errors whether caused by negligence or otherwise or for any loss or damage incurred by anyone in reliance on anything set out in this document. No reliance may be placed for any purpose whatsoever on the information contained in this document or on its completeness

The product(s)/service(s)/offer(s) as contained herein are provided /offered by third party and are subject to their respective terms and conditions and not intended to create any rights or obligations.

The information set out in this document may be subject to change and such information may change materially.

This document is being communicated to you solely for the purposes of providing our views on current market trends on a confidential basis and does not carry any right of publication or disclosure to any third party. By accepting delivery of this document each recipient undertakes not to reproduce or distribute this presentation in whole or in part, nor to disclose any of its contents (except to its professional advisers) without the prior written consent of ICICI HFC Ltd., who the recipient agrees has the benefit of this undertaking. The recipient and its professional advisers will keep permanently confidential information contained herein and not already in the public domain.

This document is not an offer, invitation or solicitation of any kind to buy or sell any product/ service and is not intended to create any rights or obligations. Nothing in this document is intended to constitute legal, tax, securities or investment advice, or opinion regarding the appropriateness of any investment, or a solicitation for any product or service. The use of any information set out in this document is entirely at the recipient's own risk. Recipients of this Information should exercise appropriate due diligence, including legal and tax diligence, prior to taking of any decision.

ICICI BANK DISCLAIMERS & DISCLOSURES

IMPORTANT INFORMATION, DISCLOSURES & CONDITIONS

This report and the information contained herein are strictly confidential and are meant solely for the selected recipient to whom it has been specifically made available by ICICI Bank Limited ("ICICI Bank"). If you are not the intended recipient of this report, please immediately destroy this report or hand it over to the nearest ICICI Bank office. This report is being communicated to you on a confidential basis and does not carry any right of publication or disclosure to any third party. By accepting delivery of this report you undertake not to reproduce or distribute this report in whole or in part, or to disclose any of its contents (except to your professional advisers) without the prior written consent of ICICI Bank. The recipient (and your professional advisers) will keep information contained herein that is not already in the public domain permanently confidential.

This report provides general information on global financial markets and trends and is intended for general circulation only. This document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person. Investors should seek advice from a financial adviser regarding the suitability of an investment, taking into account the specific investment objectives, financial situation or particular needs of each person before making a commitment to an investment.

This report is not an offer, invitation or solicitation of any kind to buy or sell any security and is not intended to create any rights or obligations in any jurisdiction. The information contained in this report is not intended to nor should it be construed to represent that ICICI Bank provides any products or services in any jurisdiction where it is not licensed or registered or authorised to do so.

Nothing in this report is intended to constitute legal, tax, securities or investment advice, or opinion regarding the appropriateness of any investment, or a solicitation for any product or service. The use of any information set out in this report is entirely at the recipient's own risk. No reliance may be placed for any purpose whatsoever on the information contained in this report or on its completeness. The information/ views set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially and we may not (and are not obliged to) notify you of any such change(s). ICICI Bank is not acting as your advisor or in a fiduciary capacity in respect of the products and services referred to in this report, and accepts no liability nor responsibility whatsoever with respect to the use of this report or its contents.

The information set out in this report has been prepared by ICICI Bank based upon projections which have been determined in good faith and sources considered reliable by ICICI Bank. There can be no assurance that such projections will prove to be accurate. Except for the historical information contained herein, statements in this report, which contain words or phrases such as 'will', 'would', etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. The forward looking statements contained in this report as regards financial markets and economies is not to be construed as a comment on or a prediction of the performance of any specific financial product. ICICI Bank does not accept any responsibility for any errors whether caused by negligence or otherwise or for any loss or damage incurred by anyone in reliance on anything set out in this report. The information in this report reflects prevailing conditions and our views as of this date, all of which are subject to change. In preparing this report we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources or which was provided to us or which was otherwise reviewed by us. Past performance cannot be a guide to future performance.

Please note that ICICI Bank, its affiliated companies and the individuals involved in the preparation of this report may have an interest in the investment opportunities mentioned in this report which may give rise to potential conflict of interest situations. Employees of ICICI Bank may communicate views and opinions to our clients that are contrary to the views expressed in this report. Internal groups of ICICI Bank may make investment decisions contrary to the views expressed herein.

If you intend to invest in investment opportunities, if any, mentioned here or act on any information contained herein, we strongly advise you verify all information through independent authorities and consult your financial, legal, tax and other advisors before investment.

DISCLOSURE FOR BAHRAIN RESIDENTS

ICICI Bank Limited's Bahrain Branch is licensed and regulated as an overseas conventional retail bank by the Central Bank of Bahrain ("CBB"), located at Manama Centre, Manama, P.O. Box-1494, Bahrain.

We are guided by the extant guidelines issued by CBB from time to time. The document is for the benefit of intended recipients only and is not being issued/passed on to, or being made available to the public generally. No public offer of investment product is being made in the Kingdom of Bahrain.

This offer is on a private placement basis and is not subject to or approved in terms of the regulations of the CBB that apply to public offerings of securities, and the extensive disclosure requirements and other protections that these regulations contain. This product offering is therefore intended only for Accredited Investors as per CBB rule book.

The investment products offered pursuant to this document may only be offered in minimum subscription of US\$100,000 (or equivalent in other currencies) to customers with financial assets more than USD 1 million only.

The CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this document and expressly disclaims any liability whatsoever for any loss arising from reliance upon the whole or any part of the contents of this document.

The Board of Directors and the Management of the issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Board of Directors and the Management, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit

anything likely to effect the reliability of such information.

In case of any doubt regarding the suitability of the products and any inherent risks involved for specific individual circumstances, please contact your own financial adviser. Investments in these products are not considered deposits and are therefore not covered by the Kingdom of Bahrain's deposit protection scheme

DISCLOSURE FOR DUBAI INTERNATIONAL FINANCIAL CENTRE ("DIFC") CLIENTS:

"This marketing material is distributed by ICICI Bank Ltd., Dubai International Financial Centre (DIFC) Branch and is intended only for 'professional clients' not retail clients. The financial products or financial services to which the marketing material relates to will only be made available to a 'professional client' as defined in the DFSA rule book via section COB 2.3.2. Professional clients as defined by DFSA need to have net assets of USD 500,000/-and have sufficient experience and understanding of relevant financial markets, products or transactions and any associated risks. The DIFC branch of ICICI Bank Ltd., is a duly licensed Category 1 Authorized Firm and regulated by the DFSA".

DISCLOSURE FOR OMAN RESIDENTS:

Investors are requested to read the offer document carefully before investing and note that the investment would be subject to their own risk. Capital Market Authority ("CMA") shall not be liable for the correctness or adequacy of information provided by the marketing company. CMA shall not be responsible for any damage or loss resulting from the reliance on that data or information. CMA shall not be liable for the appropriateness of the security to the financial position or investment requirements of any person. Investors may note that CMA does not undertake any financial liability for the risks related to the investment.

ICICI Securities Limited, Oman Branch ("I-Sec") has been granted license in the category "Marketing Non Omani Securities" activity by CMA in the Sultanate of Oman. I-Sec shall be marketing products and services that are offered through ICICI Group, including third party products. I-Sec / ICICI Bank are not licensed to carry on banking, investment management or brokerage business in the Sultanate of Oman. The services and products of I-Sec / ICICI Bank and their marketing have not been endorsed by the Central Bank of Oman or the CMA, neither of which accepts any responsibility thereof. I-Sec / ICICI Bank is offering such products and services exclusively to carefully selected persons who satisfy strict criteria relating to solvency & creditworthiness, having previous experience in securities market and who comply with applicable laws and consequently such offering shall not be deemed to be a public offer or marketing under applicable law. Persons receiving this documentation are instructed to discuss the same with their professional legal and financial advisers before they make any financial commitments and shall be deemed to have made a reasoned assessment of the potential risks and rewards of making such a commitment. I-Sec / ICICI Bank accepts no responsibility in respect of any financial losses in respect of investments in bonds, notes, funds, listed and unlisted stocks, other financial securities or real estate or arising from any restriction on disposing of any of the foregoing at any time.

DISCLOSURE FOR QATAR FINANCIAL CENTRE ("QFC") CLIENTS:

"This Financial Communication is issued by ICICI Bank Limited, QFC Branch, P.O. Box 24708, 403, QFC Tower, West Bay, Doha, Qatar and is directed at Clients other than Retail Customers. The specified products to which this financial communication relates to, will only be made available to customers who satisfy the criteria to be a "Business Customer" under QFC Regulatory Authority ("QFCRA") regulations, other than the retail customers. An individual needs to have a liquid net worth of USD 1 Million (or its equivalent in another currency), and a company/corporate needs to have a liquid net worth of USD 5 Million (or its equivalent in another currency) to qualify as a "Business Customer". The QFC Branch of ICICI Bank Limited is authorized by the QFCRA."

DISCLOSURE FOR QATARI RESIDENTS

For the avoidance of doubt, whilst we provide support advisory services to our Clients who are resident in Qatar, as we do not carry out business in Qatar as a bank, investment company or otherwise we do not have a licence to operate as a banking or financial institution or otherwise in the State of Qatar.

DISCLOSURE FOR RESIDENTS IN THE UNITED ARAB EMIRATES ("UAE"):

This document is for personal use only and shall in no way be construed as a general offer for the sale of Products to the public in the UAE, or as an attempt to conduct business, as a financial institution or otherwise, in the UAE. Investors should note that any products mentioned in this document, any offering material related thereto and any interests therein have not been approved or licensed by the UAE Central Bank or by any other relevant licensing authority in the UAE, and they do not constitute a public offer of products in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise.

DISCLOSURE FOR UNITED KINGDOM CLIENTS:

This document has been issued and approved for the purposes of section 21 of the Financial Services and Markets Act 2000. ICICI Bank UK PLC is authorized and regulated by the Financial Services Authority (registration number: 223268) having its registered office at One Thomas More Square, 5 Thomas More Street, London E1W 1YN. Because the investment described in this communication is being provided by ICICI Bank Limited, which is not authorized and regulated by the UK Financial Services Authority, the rules made under the Financial Services and Markets Act 2000 for the protection of private customers will not apply. In addition, no protection will be available in relation to the investment under the Financial Services Compensation Scheme. ICICI Bank UK PLC provides products and services on an "execution-only" basis, which is solely limited to transmission or execution of investment instructions and does not provide investment advisory services or act in a fiduciary capacity in this or any other transaction.

DISCLOSURE FOR SOUTH AFRICAN CLIENTS:

ICICI Bank is incorporated in India, registered office "Landmark" Race Course Circle, Vadodara 390 007, India and operates in South Africa as a Representative Office of a foreign bank in terms of the Banks Act 94 of 1990. The ICICI Bank South Africa Representative Office is located at the 3rd Floor, West Building, Sandown Mews, 88 Stella Street, Sandton, 2196. Tel: +27 (0) 11 676 7800 Fax: +27 (0) 11 783 9748. All Private Banking offerings, including ICICI Bank Limited Private Banking products and services are offered under the "ICICI Group Global Private Client" brand. ICICI Bank is registered as an external company in South Africa with the registration number 2005/015773/10. ICICI Bank is an Authorised Financial Services Provider (FSP 23193) in terms of the Financial Advisory and Intermediary Services Act 37 of 2002.

This report is not an offer, invitation, advice or solicitation of any kind to buy or sell any product and is not intended to create any rights or obligation in South Africa. The information contained in this report is not intended to nor should it be construed to represent that ICICI Bank provides any products or services in South Africa that it is not licensed, registered or authorised to do so. Contact the South African Representative Office or one of its relationship managers for clarification of products and services offered in South Africa.

DISCLOSURE FOR RESIDENTS IN SINGAPORE:

We ICICI Bank Limited, Singapore Branch ("Bank") located at 9, Raffles Place #50-01 Republic Plaza, Singapore 048619, are a licensed Bank by the Monetary Authority of Singapore. Our representative, who services your account, and who acts on the Bank's behalf, is authorized to deal in securities and securities financing activities.

Nothing in this report constitutes any advice or recommendation for any products or services. Nothing in this report shall constitute an offer or invitation for, or solicitation for the offer of, purchase or subscription of any products, services referred to you.

This research report is being made available to you without any regard to your specific financial situation, needs or investment objectives. The views mentioned in this report may not be suitable for all investors. The suitability of any particular products/ services will depend on a person's individual circumstances and objectives. It is strongly recommended that you should seek advice from a financial adviser regarding the suitability of any market trends/opportunities, taking into account your specific investment objectives, financial situation or particular needs, before making a commitment to purchase such products/ services.

DISCLOSURE FOR RESIDENTS IN INDIA

There is no direct or indirect linkage between the provision of the banking services offered by ICICI Bank to its customers and their usage of the information contained herein for investing in product / service of ICICI Bank or third party. Any investment in any fund/securities etc described in this document will be accepted solely on the basis of the fund's/ securities' Offering Memorandum and the relevant issuing entity's constitutional documents. Accordingly, this document will not form the basis of, and should not be relied upon in connection with, any subsequent investment in the fund/ security. To the extent that any statements are made in this document in relation to the fund/ security, they are qualified in their entirety by the terms of the Offering Memorandum and other related constitutive documents pertaining to the fund/ security, which must be reviewed prior to making any decision to invest in the fund/ security

THIRD PARTIES MARKETING ICICI BANK'S PRODUCTS:

In addition to the Information, disclosures & conditions above, this report is sent to you because we feel that the information contained herein may be of interest to you and may further assist you in understanding our products and the markets we operate in.

FOR ICICI BANK EMPLOYEES:

If you are an ICICI Bank employee, please note that you are not permitted to share this report with any person unless otherwise explicitly stated in the communication by which you received this report. Please note that the Information, disclosures & conditions apply to you.