

Integrated Townships is new mantra for Pune's real estate players

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After budget homes, premium homes, luxury housing, Pune real estate majors are now eyeing integrated township projects. In recent years, the city has witnessed several such townships in surrounding areas.

The few names are Paranjape Schemes Construction's 138-acre Rs 3,200 crore, City Development Corporation's Amanora Park Town 400-acre Amanora Park Town - The 400-acre Magarpatta City, Kolte-Patil's recently launched 450-acre Life Republic near Hinjewadi, Kumar Builders' recently launched 102-acre Kul Nation at Manjri, Kumar Properties and Avinash Bhosale Industries Ltd (ABIL) 150-acre Megapolis at Hinjewadi, D S Kulkarni Developers' DSK Dream City 300 acre Rs 8000 crore township project and Nanded City, a 700-acre township situated on the Pune-Sinhagad Road by Nanded City Development and Construction Company.

The real estate biggies like Godrej has now entered in Pune market to develop a township. Godrej Properties will develop a new township project at Pune in partnership with two other companies. It has launched its township project, Godrej Infinity, in Pune. The township is spread across 43 acres, with a total saleable area of about 3.2 million sq ft. Godrej Infinity is a joint development project, being developed by Godrej Properties in partnership with Oxford Group and Ekta World.

The collective estimated investments in these integrated townships in Pune is more than Rs 30,000 crore.

The Pride Group has launched Pride World City, a mega township at Charholi, near Pune. Spread over 400 acres, the development of the city and infrastructure involves a total investment of Rs. 6,500 crore.

The simple reason is such township projects are affordable to middle class, they are modern, self sufficient and fully equipped. No longer are such properties available only to moneyed HNIs and NRIs.

According to real estate experts, in a city like Pune, townships make more sense than smaller projects because they are the most modern and sustainable model of urban growth — and to a better way of living.

In June, last year, city based real estate major D S Kulkarni Developers has launched DSK Dream City, a township project under the Maharashtra Special Township Act at Loni on the Pune-Solapur highway. The Rs. 8,000-crore project involves building 12,000 residential units in seven phases with a target to complete it in eight years. It will be spread over 300 acres, of which 256 acres have already been acquired. The first phase of 1,044 homes has just been announced, and is expected to be ready for handing over by the end of 2017.

"Developers across the nation have re-discovered that the township model is going all out to develop little towns on the outskirts of cities due to land parcel availability. Under the special township acts, with support from government, now lands gets converted to NA by default, there is additional FSI and fast clearance of various approvals. Most integrated townships are coming up at a distance from the city core and this gives the developer an advantage of lower land cost," says Mahesh Saluja, vice president, sales & marketing, Kolte-Patil Developers who is developing its flagship gated township project Life Republic at Hinjewadi Pune.

On profitability factor, Saluja added, "You don't need to do projects at 10 different locations in bits & pieces. Through economies of scale, it saves our lot of cost, labor & time which ultimately becomes a part of profitability. But creating such a development is more than just a business intention; it is a chance to contribute to the prospect of the city's real estate market."

Commenting on these developments, Sanjay Bajaj, Managing Director, Pune, JLL India said, "Townships are a concept whose time has definitely come. In Pune, buyers are now open to residential property solutions that allow them to circumvent or reduce the impact of the city's challenged infrastructure. The Advantages integrated townships are, by nature, self-sufficient and self-supporting in most civic and social infrastructure aspects, and are patronized by an up-market segment of property buyers."

However, selling of these kind of project is not an easy task. The development of integrated townships is a highly capital-intensive undertaking. They are launched in phases so that the development remains viable to the developers. Capital generated from sales of preceding phases funds the next phases. According to Bajaj, as a result, many newer townships tend to have a work-in-progress aura about them. On-going construction can be an inconvenience in some cases. Townships take a long time to reach completion; residential property buyers and investors need to track progress closely. Only the overall absorption of finished units can give a reliable indicator of likely completion time lines for buildings still at the planning stage.