

Observations as a keen student of real estate



ATUL GOEL

Let's get Real!

In spite of all my decades as a developer, and partly, perhaps because of all the time that I have spent on the frontlines I remain devoted to learning more and more about my industry. And one of the things that I have learnt is the language of the industry. For example, various recent research reports have all shown that the real estate industry witnessed a huge growth in sales in the year '23-'24. At the same time, there are reports that in the same time period there is also an unprecedented rise in demand for homes. So, what do these two factors put together mean for the prospective real estate buyer in Pune?

- When sales are high and demand is also high, it is time to start looking closely at supply.
- There is data to demonstrate that supply is not keeping up with the massive increase in demand.

- The migration trends and figures, the new investments that generate massive employment opportunities, the continuous increase in students coming to the city – all of these factors are sufficient to predicate a consistent increase in demand for homes.
- This means that the buyer should look at the demand-supply dynamic. Today the demand for ready stock already outstrips the supply. And whenever that happens, prices rise. Who ends up paying more? The buyer, the end user.
- If we allow this demand-supply ratio to remain skewed, then the likelihood of customers having to feel the impact on their own pockets increases.
So, how is this demand-supply situation to be handled?
The answer, according to me is unequivocal – encourage more and more good builders to enter the market and do this by creating a healthy ecosystem for the builder. More and

REAL RICH

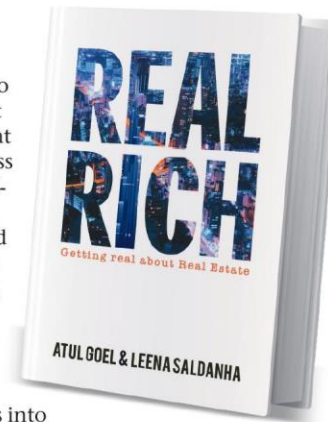
GETTING REAL ABOUT REAL ESTATE

more people WANT homes in Pune. But the sad truth is that more and more builders WANT to simply drop out of the game; not because they are not good at what they do, but because the relentless persecutory stance towards builders and their work is exhausting. When good people leave the field because of persecution, then it is the field that suffers. In this case, the city will suffer, the residents of the city will suffer.

Pune is today poised at that inflection point in the demand-supply ratio that should propel us into

taking action. Because if the demand-supply gap widens any further then the buyer could be looking at some serious price repercussions. The time to act is now. It is my earnest request for all those who are well-wish-

ers of Pune to come together and chalk the future plan of action – government agencies, legislature, local representatives, judiciary, policy-makers, real estate developers, vendors, suppliers, the labour force – we all need to unite for the common cause of building a Real Rich Pune. And building is not a bad



thing, is it? In fact, we would all agree that it is a wonderful human endeavour – building communities, societies, cities, a nation... Then why vilify those who build? I exhort all of you to relook at the way we talk about builders. Let's encourage more and more good local, national as well as international builders to enter the Pune market. Let's place our confidence in our builders, they are going to build Pune into a future-ready city.

I am sure that we all want our city, our families, our children to become Real Rich. So, let's start by giving respect, encouragement and a healthy ecosystem to the real estate industry as a whole and to the builders of the city. It's the least that can be done for an industry that generates the second highest employment, and the highest of the three basic necessities of life – roti, kapda, **MAKAAN!**

(The columnist is a leading real estate developer and the author of the seminal work on Real Estate, Real Rich – Getting Real About Real Estate)

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