**The 14th Year of the Gera Pune Residential Realty Report Captures Pune’s Shifting Market Dynamics in the second half of 2024**

**KEY HIGHLIGHTS:**

* **Growth in luxury segment**: New launches in the luxury segment surged by 50%, accounting for ~22% of total launches in 2024
* **Price Growth**: Average home prices rose by 10.98% in 2024 to Rs 6,590 per sq ft, marking the most significant annual increase in recent years
* **Sales decline**: Annual sales dropped by 5% to 90,127 units in 2024, with the inventory overhang increasing to 9.94 months
* **Inventory trends**: Inventory available for sale rose by 1.7% to 74,656 units compared to December 2023
* **Affordability index**: The affordability index increased to 4.04x in 2024, reflecting the market's ongoing evolution in response to rising prices
* **Home configurations**: Average home size of new projects launched increased by 43% over five years, reaching 1,261 sq ft in 2024
* **Market value surge**: Total sales value grew by 13% year-on-year to Rs 75,019 Cr, driven by larger homes and higher prices

**Pune, January 09, 2025:**

Gera Developments Private Limited (GDPL), pioneers in premium residential and commercial real estate in Pune, Goa, Bengaluru, and California, today released the January 2025 edition of their bi-annual report, *The Gera Pune Residential Realty Report*. Pune's first and only census-based report, it spans over 3 Lakh under-construction units and covers 2,300+ projects. With 14 years and 28 issues of circulation, this report provides in-depth insights into Pune’s residential real estate market, focusing on the sector’s performance from January–December 2024.

**Market performance:**

The rise in home prices continued for a 5th consecutive year. On an already increased base, the average rates across the city increased by 10.98% to an all time high of Rs. 6590 per sf.

There has been a slow down in sales as well as a reduction in the inventory brought to market by developers. The overall sales have dropped from 1.03 lakh homes sold in 2022 to approx 94,500 homes in 2023 and further down to approx 90,000 homes in 2024. While the absolute number of homes sold continues to be high, the reduction in the total sales volume is something to be cautious about.   
Developers have responded by bringing in less homes into the market over the last 2 years. A total of 1.03 lakh new homes were added in 2022. This dropped to approx 96,350 homes in 2023 and a further drop to approx 91,400 homes in 2024.

The year saw an increase in the inventory in the luxury segment. 5 years ago, (in 2019), 3 & 4 bedroom apartments constituted 6.2% of the market. In 2024, the 3 & 4 bedroom apartments constituted 34.15% of the market. Clearly, there has been a shift towards the larger homes. During this time, 1 bedroom homes went from a share of 49.10% down to 11.58%.

This was also evidenced in the average size of newly launched homes reaching 1,261 sq ft, offering a carpet area of 934 sq ft. This represents a 43% growth over five years, reflecting a clear preference for larger and more spacious homes, catering to modern lifestyle aspirations.

Commenting on the findings, **Mr Rohit Gera, Managing Director, Gera Developments Private Limited,** said, “Pune’s real estate market reflects the dynamics of a classic boom cycle that began in 2020, with prices steadily climbing by 40% over the past five years. While the sector remains robust, the tapering of sales in 2023 & 2024 signals the need for cautious optimism. Normally, the steep increase in prices of homes (as we have seen) should also see strong home sales, however, a drop in home sales seems to indicate a resistance at current price levels. The reduction in the new inventory added to the market by developers seems to have kept the market in a stable state.

Developers must prioritise a balanced approach to supply and pricing to ensure market stability. With stable interest rates and potential RBI interventions, affordability could see marginal improvements, but aligning price increases with inflation is crucial to sustaining steady demand. For homebuyers, investing in projects by reputable developers with a proven track record and strong execution is the best approach in today’s evolving market” he concluded.

The market’s replacement ratio remained stable at approximately 1 over the past three years, highlighting a balanced approach to new supply and sales. In 2024, the ratio stood at 0.97, showcasing that sales closely matched the introduction of new inventory, ensuring a healthy equilibrium.

The affordability index reached 4.04x, signifying ongoing demand despite evolving price dynamics. With robust growth in luxury sales, increasing home sizes, and a steady replacement ratio, Pune’s real estate market continues to present exciting opportunities for buyers and developers alike.

**The report also highlighted significant trends:**

1. **Luxury segment growth:**

* Units launched in the Luxury segment grew by 50%, from 5,753 in 2023 to 8,645 in 2024, now accounting for ~10% of all units launched.
* Of the 644 new projects launched in 2024, ~22% were in the Luxury segment, a significant rise from 4% in 2019.
* Sales volume in the Luxury segment increased by 14% to 6,807 units in 2024 compared to 5,971 units in 2023, highlighting the growing preference for premium homes.

1. **Price surge:**

* Average home prices increased by 10.98% in 2024, reaching Rs 6,590 per sq ft, the highest annual rise in the past decade.
* Luxury segment prices averaged Rs 13,027 per sq ft, while PremiumPlus and Value segments saw annual price increases of 10.9% and 11.8%, respectively.

1. **Sales Decline and Inventory Overhang:**

* Sales volume declined by 5% in 2024, with 90,127 units sold compared to 2023.
* Inventory overhang increased to 9.94 months, up from 9.31 months the previous year, marking the third consecutive year of rise.

1. **Sales and inventory dynamics:**

* Annual sales declined by 5% to 90,127 units in 2024 compared to 2023.
* Inventory available for sale rose by 1.7% to 74,656 units compared to 73,379 units in December 2023.
* Inventory overhang increased to 9.94 months, with the Budget segment facing the highest overhang at 11.39 months.

1. **Affordability index:**

* The affordability index rose to 4.04x in 2024 compared to 3.81x in 2023, highlighting affordability pressures.
* The average ticket size for new homes doubled from Rs 41.37 Lakhs in 2020 to Rs 83.09 Lakhs in 2024.

1. **Larger homes in demand:**

* The average home size of new projects launched grew by 43% over five years, reaching 1,261 sq ft in 2024.
* Homes larger than 1,201 sq ft accounted for 35% of total sales in 2024, reflecting a preference for spacious homes.
* The share of 3BHK units in new launches increased to 30%, further highlighting this trend.

1. **Sales value growth:**

* Total sales value reached ₹75,019 Cr in 2024, a 13% increase compared to ₹66,680 Cr in 2023. The growth was driven by larger-sized homes and higher price points.
* Over the last five years, sales value has grown at a CAGR of 18%.
* The total sales value increased by 13% year-on-year to Rs 75,019 Cr in 2024, driven by rising prices and larger unit sizes.

In the 14th edition, The Gera Pune Residential Realty Report provides an exhaustive analysis of the city’s real estate market, emphasising the need for developers to adopt prudent pricing strategies, and optimise inventory management to maintain stability. With rising prices and evolving buyer preferences for larger homes and premium living, Pune’s real estate market is at a pivotal juncture, requiring careful navigation to sustain its growth trajectory.

**About Gera Developments Private Limited:**

Gera Developments Private Limited, a reputed brand for over 50 years, is one of the pioneers of the Real Estate business in Pune. Recognised as the creators of premium residential and commercial projects in Pune, Goa and Bengaluru, the brand has established a global presence through developments in California, USA. Gera prides itself on providing long-term enjoyment to customers, by having a distinct customer-first approach. The philosophy at Gera of “Let’s Outdo” rests on the trinity of Innovation, Transparency, and Enhanced Customer Experience. It is at the heart of Gera’s effort to infuse innovation and transparency in Real Estate and home building, with an unwavering focus on meeting the shifting lifestyle dynamics of their customers, while upholding the premium living experience. Accordingly, there are many ‘firsts’ that stand to Gera’s credit.

The company introduced a 5-Year Warranty on Real Estate, consisting of Preventive Maintenance & Repairs and provision of insurance on buildings way back in 2004 for the first time in India. RERA mandated the same only in 2017. Gera also introduced India’s first and only 7-year warranty in Real Estate. We have designed and launched a pathbreaking concept, the award-winning ChildCentric® Homes, which revolutionised the Real Estate sector for both, the developer and the home buyer. Other revolutionary and highly successful product lines have been IntelliplexesTM, SkyVillasTM, and The Imperium series. In their 50th year, the company launched yet another first-of-its-kind industry initiative—Gera’s Home Equity Power—by providing financial flexibility to customers to withdraw funds from their prior payments to meet financial emergencies.

These products are matched by the services of the GeraWorld® Mobile App, which brings speed, convenience, and transparency to the buyer, enhancing customer experience. Gera Developments has also launched the Club Outdo initiative, a tech-driven loyalty and referral program that provides multiple benefits, offers, and community engagement opportunities to existing and new customers.

The company emphasises delivering value-added experiences to customers, with projects designed around the evolving needs of their customers. Driven by trust, quality, a customer-first mindset, and innovation, the brand has won several national and international awards on both, the product and service fronts.

Gera continues to be ranked amongst the Top 50 Great Mid-Size WorkplacesTM 2024 in India by the Great Place to Work® (GPTW) Institute for seven years in a row. This year, we have also been proudly recognised as one of India’s Best WorkplacesTM in Real Estate Industry and India’s Best WorkplacesTM in Building a Culture of Innovation for All.

Gera envisions raising the standards of Real Estate in India. As we redefine new standards of service orientation, product innovation, real estate marketing, and brand building, we are consistently generating fresh value for its stakeholders, while setting new benchmarks for the industry.