

CHAPTER 94

Location Choice for Real Estate

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ABSTRACT

This study examines the factors influencing location choice in real estate development from the developers' perspective. The primary objective is to identify and evaluate the key determinants that guide developers in selecting sites for residential and commercial projects. The research employs a mixed-methods approach, combining a survey of few real estate developers with in-depth interviews with industry experts. The findings reveal that proximity to infrastructure, accessibility to transportation, and socio-economic demographics of the area are the most significant factors considered by developers. Additionally, market demand, land acquisition costs, and regulatory policies also play critical roles in location selection. The analysis indicates that developers prioritize locations that offer growth potential and low-risk investment opportunities, while also balancing economic viability with community needs. This research contributes to a deeper understanding of decision-making processes in the real estate sector and provides insights for policymakers and urban planners. By aligning development strategies with developers' location preferences, more sustainable and strategically planned urban growth can be achieved.

Keywords: Real estate development; Location choice; Developers' perspective; Urban planning; Market demand.

1.0 Introduction

1.1 Background

The selection of an optimal location is critical for successful real estate development, especially amid rapid urbanization and sector growth, which drive demand for residential, commercial, and mixed-use projects while presenting challenges like land scarcity and congestion. Key factors influencing location decisions include connectivity, infrastructure, market demand, investment potential, and future development opportunities, as well as proximity to social amenities like schools, healthcare, and commercial hubs (Zhang *et al.*, 2023; Bai *et al.*, 2024). spaces play a vital role in attracting buyers and investors (Raza *et al.*, 2022; Rahmati *et al.*,).

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Additionally, environmental considerations, government regulations, pricing trends, and cultural and lifestyle preferences such as vibrant communities and recreational 2024; Kauko, 2006). Understanding these factors help developers, investors, and policymakers make informed decisions that align with market trends and urban development goals.

1.2 Aim and objective

The aim of this research is to develop a comprehensive location assessment framework for real estate development. The study's objectives include identifying key location assessment parameters from literature, evaluating selected sites based on physical parameters through observation and expert opinion, and ultimately recommending critical aspects that influence location decisions along with a structured assessment process. This framework will assist developers, planners, and investors in making informed site selection choices aligned with market and urban development needs.

1.3 Study area and market analysis

This study examines four strategic real estate markets across Pune and Mumbai, each with distinct characteristics and investment potential. Koregaon Park in Pune represents a premium, established market for luxury residential and commercial projects, benefiting from its vibrant urban lifestyle and IT sector proximity. Mahalunge, also in Pune, emerges as an attractive mid-market option with affordable pricing and promising infrastructure development near key IT corridors. In Mumbai's metropolitan region, Ghansoli stands out as a rapidly developing mixed-use hub with strong corporate demand, while Palghar offers budget-friendly residential opportunities supported by upcoming port infrastructure. The analysis highlights how Pune's market is primarily driven by IT sector growth, whereas Mumbai's development is more influenced by large-scale infrastructure projects. Both cities demonstrate the critical importance of connectivity, local amenities, and future development potential in shaping real estate values and investment decisions, with each location catering to specific market segments ranging from luxury buyers to value-conscious investors.

2.0 Literature Review

2.1 General

The literature review highlights the critical role of location choice in real estate development, emphasizing economic, social, and environmental factors. Classical theories by Von Thünen & Alonso (1964) provide foundational insights into spatial dynamics, while modern research underscores the influence of urbanization, infrastructure, and market demand (Zhang *et al.*, 2023; Bai *et al.*, 2024). Key parameters include accessibility (proximity to transport hubs), neighborhood characteristics (safety, amenities), and future development potential (Raza *et al.*, 2022). Micro-market trends, such as localized demand for schools or

commercial hubs, further refine site selection (Kauko, 2006). Case studies, like Mumbai's Bandra-Worli Sea Link, demonstrate how infrastructure projects can transform real estate markets by improving connectivity and boosting property values. The literature collectively stresses a balanced assessment of physical, economic, and regulatory factors to optimize location decisions.

2.2 Literature parameters

Neighborhood, Accessibility, Traffic Dynamics, Comparable Homes (If Residential), Public Transportation, Amenities, Hospital/Schools, Safety and Security/Police Station, Natural Environment, Local job market, Cost and Availability, Buyers/User preference, Future Development Plans (Developers Perspective)

3.0 Methodology

This study employed a six-step methodology to evaluate four strategic real estate locations across Pune and Mumbai, representing diverse market segments from premium to affordable developments. Key parameters including neighborhood quality, accessibility, amenities, and future potential were identified through literature review and tailored to different project types.

Figure 1: Site Images



Source: Google Earth

On-site surveys assessed physical conditions and infrastructure, supplemented by digital traffic analysis. Expert opinions from real estate professionals were collected using a standardized 1-3 scoring system, with results aggregated into suitability matrices for comparative analysis. Koregaon Park emerged as the top residential location (27/30), while Ghansoli scored highest for mixed-use development (30/30). The findings provided tailored recommendations, prioritizing accessibility, neighborhood characteristics, and growth potential, with specific proposals like residential projects in Mahalunge and mixed-use developments in Ghansoli. This comprehensive approach combined field research, expert insights, and data analysis to create a practical framework for location assessment, ensuring alignment with each area's unique market strengths and investment potential while addressing diverse real estate needs across the premium, emerging, and affordable segments.

4.0 Site Analysis

4.1 Site Observations

Parameters	Site 1	Site 2	Site 3	Site 4
Neighborhood	Mixed residential and commercial, vibrant area.	Primarily residential, emerging area	Mixed residential and commercial.	Small residential houses, semi-rural.
Accessibility	Excellent connectivity to main roads and amenities.	Well-connected to IT hubs and expressway.	Strong road links and highway access.	Proximity to Mumbai-Ahmedabad highway.
Traffic Dynamics	Heavy traffic due to narrow roads.	Minimal congestion.	Low congestion with broad roads.	Minimal issues.
Public Transportation	Metro access and good e-transport options.	Limited metro access; relies on buses.	Local trains and buses; no metro.	Limited; relies on e-transport.
Amenities	Abundant (hotels, cafes, shopping centers, green spaces).	Shopping malls, resorts, and food courts.	Hotels, restaurants, shopping centers, sea views.	Resorts and recreational facilities; lack malls.
Hospital/Schools	Multiple prestigious institutions nearby.	Schools are available, but hospitals are farther.	Multiple reputed institutions nearby.	Schools available, hospitals scarce.
Safety and Security / Police station	High, with nearby police and fire stations.	Concerns due to recent incidents; police station far.	High, with nearby emergency services.	Adequate, with nearby police and fire stations.
Natural Environment	Tree-lined streets, parks.	Scenic hills and lakes, pleasant climate.	Mangrove forests, sea views, parks. And natural parks are nearby.	Hills, lakes, and serene climate.
Local job market	Strong local employment opportunities.	Proximity to IT hubs (Hinjawadi).	Thriving, with corporate parks nearby.	Industrial (power plants, Tata Steel); upcoming port.
Cost and Availability	Expensive.	Competitive pricing with varied options.	More affordable than central Mumbai.	Affordable housing potential.

Buyers/User preference	Buyer preference is good.	Buyer preference is good as majorly less traffic and near to city.	Buyer preference is good.	Buyer preference is okay as majorly less traffic.
Future Development (Developers Perspective)	Established but with scope for new projects.	Growing due to successful past projects.	Ongoing infrastructure developments.	High, driven by Asia's biggest upcoming port.

4.1 Site Details

Site 1- Koregaon Park, Pune: Koregaon Park, Pune's premium neighborhood, offers luxury residences, high-end retail, and vibrant commercial spaces with excellent connectivity to the airport (5.8 km) and railway (3.8 km). Despite moderate traffic (17.9 km/hr avg), it boasts upscale amenities (parks, museums, Osho Ashram), top schools/hospitals, and lush greenery along the Mula-Mutha River. Property prices average ₹16,000/sq ft (₹60L–₹13.1Cr range), supported by metro/bus networks. The diverse job market and upcoming projects (Godrej, Basil Group) reinforce its status as a prime high-end investment hub.

Site 2- Mahalunge, Pune: Mahalunge, Pune is an emerging residential hub with excellent connectivity to IT centers (Hinjewadi, Baner) via Mumbai-Pune Expressway, offering affordable housing (₹8,544/sq ft avg; 2BHK: ₹67-71L) in projects like Kul Ecoloch. With planned metro expansion, amenities (Ecoville Farm, High Street), schools/hospitals, and scenic greenery, it attracts mid-income buyers. Thriving job market (construction, IT) and future developments (Godrej Hill Retreat, infrastructure upgrades) enhance its investment potential.

Site 3- Ghansoli, Navi Mumbai: Ghansoli, Navi Mumbai is a thriving mixed-use hub with excellent connectivity (1km to railway, 15km to Navi Mumbai Airport) and premium properties (₹25K/sq ft avg). Features include corporate hubs (Reliance Jio), lush mangroves, top schools, and amenities like Aurum Mall. Future projects (Satyam Alliance Icon, Greenscape Cyber Works) reinforce its status as a prime residential-commercial investment destination.

Site 4- Palghar, Mumbai: Palghar's Panchali offers affordable housing (₹4K/sq ft) with industrial potential, featuring good highway/rail connectivity (10-12km to Boisar Station) and natural assets (Vandri Lake, coconut groves). Key amenities include resorts, schools (Rahul International), and hospitals (TIMA). Future-ready with Mahindra's 800-unit project, Tata's industrial plans, and infrastructure upgrades, it's a budget-friendly growth corridor near Mumbai.

5.0 Expert Opinion for Site 1- Koregaon Park, Pune

Parameters	Real Estate Expert	Broker	Construction Developer
Premium Lifestyle	Ideal for high-end developments, attracting NRIs, expatriates, and affluent buyers.	Thriving social scene (cafes, fine dining) appeals to lifestyle-focused buyers.	Affluent demographic seeks luxury apartments and retail spaces.

Commercial Hubs	Proximity to Mundhwa/Kalyani Nagar boosts demand for co-working spaces and retail.	Strong demand from IT professionals and corporate executives.	Proximity to IT parks ensures office space demand.
Sustainability and Cost	High land prices necessitate premium, eco-conscious projects.	Steady price appreciation favors luxury condos with eco-features.	High property rates justify innovative, high-value designs.
Traffic Dynamics	Narrow roads and congestion may impact project viability.	High foot traffic benefits commercial ventures.	Bustling area suits commercial projects but may deter residential buyers.
Regulations	Stricter rules on building height, parking, and environment.	Limited land availability pushes redevelopment/vertical expansion.	Complex approvals for height, parking, and eco-compliance.
Amenities	Hotels, museums, and green spaces enhance value.	Prime plots scarce; focus on redevelopment.	Noise/traffic may require soundproofing for residential projects.
Safety	Secure with nearby police and fire stations.	Safe environment with emergency services nearby.	Competition demands unique amenities (e.g., smart homes).

6.0 Results and Discussions

Selecting optimal real estate locations requires evaluating multiple factors that influence property value and usability. Thriving neighborhoods with amenities and safety suit mixed-use/residential projects, while accessible highway-adjacent areas favor commercial developments.

Site 1: KOREGAON PARK						
Parameters	Residential	Industrial	Commercial	Institutional	Hospitality	Mixed Use
Neighborhood	3	-	3	3	3	3
Accessibility	3	1	2	2	2	2
Traffic Dynamics	2	1	1	1	1	2
Transportation	3	3	3	3	3	3
Amenities	3	-	3	3	3	3
Hospital/Schools	3	-	3	-	-	3
Safety	2	2	2	2	2	2
Environment	2	1	2	2	2	2
Future Developments	3	1	3	3	3	3
Regulations	3	1	2	2	2	2
Site 2: MAHALUNGE						
Parameters	Residential	Industrial	Commercial	Institutional	Hospitality	Mixed Use
Neighborhood	3	1	3	2	3	3

Accessibility	3	3	3	3	3	3
Traffic Dynamics	3	3	3	3	3	-
Transportation	2	1	2	1	2	2
Amenities	3	3	3	3	3	3
Hospital/Schools	2	-	2	-	-	2
Safety	1	1	1	1	1	1
Environment	2	1	2	2	2	2
Future Developments	3	3	3	3	3	3
Regulations	3	1	2	1	2	3
Site 3: GHANSOLI						
Parameters	Residential	Industrial	Commercial	Institutional	Hospitality	Mixed Use
Neighborhood	3	-	3	3	1	3
Accessibility	3	1	2	2	2	3
Traffic Dynamics	3	1	1	1	1	3
Transportation	3	3	3	3	3	3
Amenities	3	-	3	3	3	3
Hospital/Schools	3	-	3	-	-	3
Safety	3	2	2	2	2	3
Environment	2	1	2	2	2	3
Future Developments	2	1	3	3	3	3
Regulations	2	1	2	2	2	3
Site 4: PALGHAR						
Parameters	Residential	Industrial	Commercial	Institutional	Hospitality	Mixed Use
Neighborhood	3	2	1	1	1	1
Accessibility	3	2	1	1	1	3
Traffic Dynamics	3	2	1	2	1	2
Transportation	3	3	1	1	1	3
Amenities	3	2	1	2	2	2
Hospital/Schools	3	3	-	-	-	3
Safety	2	2	2	2	1	2
Environment	3	1	1	2	1	2
Future Developments	3	3	2	3	3	3
Regulations	3	2	1	1	1	2

High-traffic zones benefit retail, and public transit proximity enables multi-family housing. Nearby hospitals/schools attract families, and secure areas appeal to gated/senior communities. Scenic natural environments support eco-friendly projects, and strong job markets enable commercial/industrial parks. Affordable areas allow budget housing, while buyer preferences dictate urban/smart home designs. Future-ready locations with planned infrastructure offer high appreciation potential, making them ideal for high-density or mixed-use

developments. Each parameter - from accessibility to local economics - provides critical insights for aligning projects with location-specific advantages and market demands.

7.0 Conclusion

The analysis identifies four prime real estate locations with unique advantages: Koregaon Park (Pune) excels for luxury residential projects; Mahalunge (Pune) suits residential/commercial growth; Palghar offers affordable housing potential; and Ghansoli (Navi Mumbai) is ideal for mixed-use development. Key factors like connectivity, amenities, safety, and future prospects drive their viability, emphasizing the need for location-specific strategies to maximize returns.

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