

India's Realty Pulse

As we look towards the remainder of 2024, the outlook for India's real estate sector remains optimistic, concur experts

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@timesofindia.com

As we stride past the half of 2024, the Indian real estate sector unfurls as a dynamic canvas of growth and transformation. With robust developments and shifting market dynamics, this pulsating sector continues to shape the nation's economic landscape.

"The real estate sector in India is set for significant growth with a projected 9.20 per cent CAGR from 2023 to 2028. Millennials, driven by rising incomes and stable interest rates, increasingly opt for property ownership. Technological advancements, such as fractional ownership through REITs and enhanced information accessibility, are attracting new investors," says Samujjwal Ghosh, CEO, The House of Abhinandan Lodha.

Rising housing demand

The residential segment remains a cornerstone of India's real estate story, driven by increasing urbanisation and a burgeoning middle class.

"The government's push for affordable housing continued to pay dividends, as affordable housing projects saw a 26 per cent increase in new launches. Foreign direct investment (FDI) in the sector remained robust throughout the last year, contributing to approximately USD 2.5 billion in the previous quarter of 2024 alone. This

dynamic growth trajectory underscores the sector's resilience and adaptability, making it a flagbearer of India's economic landscape," says Gurdeep Singh, founder and chairman, Juihar Group.

Luxury housing, particularly in Tier-I and emerging urban centres, has witnessed steady growth, supported by high-net-worth individuals and non-resident Indians (NRIs) seeking premium living spaces.

"With demand projected to reach 15-18 million square feet by 2025, and luxury home sales soaring by 13 per cent through mid-2023, the realty

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sector's growth narrative is compelling," says Amit Jain, chairman and managing director, Arkade Developers Ltd.

On similar lines, Ashish Sharma, AVP Operations, Brahma Group says, "The premium segment has risen by 22 per cent, while luxury segment sales have surged by 83 per cent. Developers are launching projects to meet the increasing demand driven by rising disposable incomes, with luxury housing sales in India's top

seven cities increasing five-fold from 2018 to 2023."

Moreover, the commercial real estate landscape in India is also experiencing a paradigm shift influenced by the rise of remote work and flexible office spaces. "The expansion has been driven by India's emergence as a global centre for offices and manufacturing. This has attracted multinational corporations and GCCs, driving demand for office spaces nationwide," says Varun Sharma, founder and MD, MVN Aero One.

Also, as businesses embrace hybrid work models, there is an increased demand for agile workspaces that prioritise collaboration, innovation, and employee well-being.

"According to Knight Frank, India's offshoring market has surged by 26 per cent year-on-year, underscoring the country's pivotal role as a global business hub. The latest trends in coworking including community-building, flexible memberships, corporate partnerships, and enhanced cybersecurity measures are reshaping workspace preferences," says Robin Chhabra, founder and CEO, Dextrus.

Digital disruption

The real estate sector is undergoing a significant transformation as digitisation continues to disrupt traditional processes. As technology advances, emerging trends like AI, IoT, and machine learning are ex-



pected to gain traction.

"Homebuyers can now access up-to-date information on market dynamics, investment opportunities, and property valuation through various online resources and databases, empowering buyers and sellers to make more informed decisions," avers Priyatham Kumar, founder, Homes247.

Despite the positive momentum, the Indian real estate sector faces several challenges, including regulatory complexities, liquidity constraints, and sustainability concerns.

"The realty sector has shown resilience by adapting to its challenges. Developers are exploring innovative construction

techniques and materials to optimise costs while leveraging technology to streamline operations and enhance efficiency," says Amit Porwal, director, Aranyak Farms.

So, by navigating challenges and embracing transformative trends, stakeholders can contribute to sustainable growth and economic prosperity in the years to come.

"As we look towards 2040, projections indicate a market expansion to ₹65,000 crores, cementing real estate's position as a cornerstone of India's economic future," concludes Bhavik Bhandari, chief sales and marketing officer, Ashwin Sheth Group.