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**Business**

## What is prompting southern developers to enter northern markets?

*Regulatory clarity has encouraged southern developers—known for financial discipline, process orientation and timely delivery—to explore markets in North, West and East India*



Until nearly a decade ago, real estate developers—particularly residential players—rarely ventured beyond their home markets. The lack of clarity in land and property development laws, absence of reliable land ownership records and opaque approval processes discouraged large-scale, cross-regional expansion. This environment largely favoured small, local players who owned land but often lacked execution capabilities.

The introduction of the Real Estate (Regulation and Development) Act (RERA) and the Union government’s land-record digitisation drive marked a turning point for the sector. Greater regulatory scrutiny, escrow norms and disclosure requirements led to consolidation, with several smaller developers exiting the business due to inadequate financial strength or fraudulent practices such as diversion of customer funds.

This regulatory clarity has encouraged southern developers—known for financial discipline, process orientation and timely delivery—to explore markets in North, West and East India. Over the past few years, several have expanded their portfolios nationally, transitioning into pan-India developers. Niranjana Hiranandani, founder and chairman of the Hiranandani Group, said southern developers have built a strong reputation for quality construction and delivery discipline, which has resonated with homebuyers in northern markets. “Their entry coincides with a phase of structural consolidation, where customers increasingly prefer branded developers. RERA-driven transparency, improving infrastructure in NCR, and rising demand for mid- and premium housing have created a conducive environment for expansion,” he said.

He added that northern markets offer larger scale and faster sales velocity, enabling quicker growth supported by institutional capital.

Mallanna Sasalu, CEO of South India operations at Puravankara Group, said southern developers tend to be more customer-centric. “There are fewer intermediaries. Customers interact directly with developers, which improves trust and accountability,” he said.

According to Praveer Shrivastava, senior executive vice-president (residential) at Prestige Group, listed developers see significant scope to expand into newer cities to drive growth and boost topline performance.

## Challenges in new markets

Despite the opportunities, entering new geographies presents its own set of challenges. Murali Malayappan, chairman and managing director of Shriram Properties Ltd, said developers must overcome issues related to market understanding, customer behaviour, regulatory navigation, local partnerships and adapting to regional construction ecosystems. “These challenges are common to any geographical expansion and not unique to North India,” he said.

Labour availability and skill quality also vary across regions. Hiranandani pointed to regional disparities, noting that southern markets benefit from proximity to technical institutions and a relatively stable workforce. “Northern markets rely more on interstate migrant labour, which can lead to periodic supply inconsistencies,” he said.

However, he added that the construction sector is gradually formalising, with skilling initiatives by the National Skill Development Corporation (NSDC), NAREDCO, CREDAI and private training platforms aimed at creating a steady pipeline of skilled workers. NAREDCO estimates a national shortage of nearly two million skilled construction workers in 2024–25.

Arun Bharathi, managing director of GTB Urban Developers, said competition from Gulf countries has driven construction wages in the South up by 8–10% annually, making labour both scarce and expensive. “Northern markets have easier access to manpower but face a quality deficit. Ministry of External Affairs data for 2024 shows Uttar Pradesh and Bihar remain the top labour-exporting states to GCC countries,” he said.

### **Impact of RERA**

Implemented in 2016, RERA and land digitisation norms have significantly altered the sector’s operating framework. Provisions such as mandating developers to park 70% of customer collections in escrow accounts have reduced defaults and curtailed fund diversion. RERA also standardised carpet-area definitions and strengthened disclosure norms.

Bala Ramajayam, founder and managing director of G Square, said RERA has fundamentally reshaped the industry by introducing transparency, accountability and consumer protection. “Mandatory project registration, strict escrow management, clear disclosure of approvals and timelines, and penalties for delays have created a more disciplined operating environment,” he said, adding that these measures have restored buyer confidence and reduced malpractice.

He also highlighted the role of complementary reforms, citing Tamil Nadu's recently notified single-window approval system as a major boost to project speed and transparency.

Mallanna of Puravankara said RERA protects both buyers and developers. "If a group of buyers defaults on payments, they lose the right to question developers on delivery delays or other violations," he said.

### **Collaborations and consolidation**

Several southern developers are also partnering with established players in western and northern India to scale operations. One example is Chennai-based GTB Urban Developers' collaboration with the Hiranandani Group to develop a senior citizens' township in Oragadam, Kancheepuram district.

Bharathi said smaller and mid-sized developers must focus on complementary strengths to scale effectively. "Large developers bring legacy and infrastructure expertise, while specialised players like us offer agility and innovation," he said.

Shrivastava of Prestige Group noted that many landowners now recognise their inability to comply with RERA and regulatory norms independently. "They increasingly enter joint development agreements with reputed developers. This has led to consolidation on both the supply and demand sides, as homebuyers prefer developers with a proven delivery track record," he said.

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## Indian Real Estate: Luxury Housing Boom Expected in 2026



Bengaluru: The real estate industry is set to witness a strong end-user demand in 2026. The sector is shifting from opportunistic growth to institutional discipline, with data integrity, design innovation, and capital-market maturity emerging as the new competitive edge. Premium and luxury housing segments will continue to outpace affordable housing, now contributing over 50 per cent of sales value in top metros. “Higher-income buyers are prioritising lifestyle upgrades and remain less sensitive to cycles. Supply-constrained micro-markets like Whitefield and ORR in Bengaluru, Gurgaon Golf Course Road, and West Hyderabad are expected to hold pricing power,” said Sunil Pareek, Executive Director, Assetz. He said the GCC ecosystem—now ~540 centres in Bengaluru—is becoming a meaningful home-buying force. Salary growth of 12–18 per cent among mid-senior professionals is driving upgrades, second homes, and investment-led purchases. This creates a steady, resilient demand base. Also Read:DH Interview | Real estate sees growth in premium, but affordable housing needs push: CREDAI president-elect Listed residential players have delivered 25–40 per cent CAGR in pre-sales since FY21, signalling sustained investor confidence. 2026–27 is likely to see residential IPOs as platforms institutionalise governance, build scale and systems. The residential sector is slowly building a distinct capital-market identity, independent of commercial REIT structures. Less than 20 per cent of developers today have active tech architectures. In 2026, AI-led planning, digital twins, automated MIS, and CRM/cashflow engines will start moving towards enterprise core systems. PropTech investment has grown 5x since 2020; hence, 2026 will see its consolidation into credible enterprise platforms, Pareek said. “Virtual tours, e-contracts, and AI-led assistance will now be standard expectations rather than differentiators. Post-handover digital platforms improve resident satisfaction and reduce service bottlenecks. End-to-end digitisation is becoming a key lever for trust and transparency,” he said. The year 2026 is expected to be a year of consolidation and calibrated growth. Residential demand should remain resilient, supported by premiumisation, larger homes, and infrastructure-led urban expansion, said Shekhar Patel, President, CREDAI. “The priorities are clear: smoother transmission of repo rate cuts, further simplification of GST,

faster approvals, and improved access to long-term capital. With a clearer policy framework and continued government–industry collaboration, Indian real estate is well positioned to attract both domestic and foreign capital and reinforce its role in economic growth, employment creation, and long-term urban development,” he said. Ashish Puravankara, MD, Puravankara Limited, said, “As we look ahead to 2026, three signals stand out clearly. First, growth will be led by discerning customers who prioritise product quality, readiness, and trust in the developer. Second, capital deployment - both domestic and global - will become sharper and more selective, favouring developers with strong governance and disciplined balance sheets. And third, technology and sustainability will increasingly shape how we plan, build, and deliver. ESG adoption, modular construction, and digital tools are no longer optional; they are central to future-proofing the industry.” According to Murali Malayappan, Chairman & Managing Director, Shriram Properties Limited, the year 2025 marked a decisive shift in homebuyer preference towards large, trusted developers, further accelerating consolidation in the real estate sector. The mid-market and mid-premium segments witnessed strong momentum fuelled by aspirational younger buyers seeking ‘premiumisation’ superior amenities, curated community experiences, and enhanced lifestyle value. “Looking ahead, 2026 is poised for accelerated growth, driven by operational efficiency, digital integration, and strengthening demand, especially in the Southern markets. Sustainability will become a mandatory market standard, with wider adoption of green building practices,” he said. Added Pavitra Shankar, MD, Brigade Enterprises Limited, “In 2025, the real estate sector in our country demonstrated remarkable stability and depth, strengthened by institutional investments of around \$5–7 billion. All segments (residential / commercial / hospitality) anchored this growth, reflecting sustained investor confidence and the ability of the sector to adapt to changing market dynamics, regulatory reforms, and improving infrastructure landscapes”. Urban renewal, high-quality residential developments, and more technology-driven construction models will shape the next leg of progress in 2026. The demand for residential properties will also remain strong with customers prioritizing delivery, transparency, and trust thereby giving organised developers a clear advantage. Furthermore, demand for Grade-A office spaces will continue to be resilient, whether in the traditional leasing or flex space model, reaffirming India’s position as a global business hub despite uncertainty on tariffs, she said. “We will also see an increase in demand for premium residences and grade A office spaces in Tier-2 cities like Mysuru, Coimbatore, Kochi, Vijayawada, etc,” she said. Ramani Sastri - Chairman & MD, Sterling Developers, said the recent rate cut has also aided in strengthening market confidence and serves as a strong signal of policy support for the real estate sector and the broader economy and will play a crucial role in sustaining homebuyer confidence in the coming year. “As India's economy continues to grow, there is an increasing interest among the homebuyers to continue to invest in residential real estate for long-term returns. While the residential real estate sector continues to show robust performance in 2025, we definitely hope to see lower interest rates next year which will help drive growth. The Indian real estate market is on an upward trajectory and the sustained demand will solidify the sector's position well into 2026,” he said. Aparna Reddy, Executive Director, Aparna Enterprises Ltd, said, “In 2025, India’s construction and building materials sector operated with steady confidence, supported by stabilising demand and a clear shift toward higher-performance and sustainability-focused material choices. Over the course of the year, this confidence has translated into consistent expansion across housing, commercial development and infrastructure, moving the industry firmly beyond recovery. Market indicators reflect this momentum, with the construction sector on track to

grow at over 11 per cent annually and reach a value of nearly Rs 25 lakh crore by FY26, reinforcing its role as a long-term economic contributor.” Ramji Subramaniam, Managing Director, Sowparnika Projects, said the year 2025 has been a defining one for the real estate sector, especially in Bengaluru’s aspirational and mid-segment housing. “We have witnessed sustained demand in micro-markets such as Hoskote, Sarjapur Road, and Whitefield, driven by strong infrastructure developments, new employment hubs and tech parks, healthy rental yields, and improved mobility. First-time homebuyers and young families continue to dominate this segment, choosing projects that combine affordability with modern, lifestyle amenities,” he said. He said the preference has shifted toward homes that offer an aspirational upgrade, without compromising on accessibility or affordability. The prices of 2 and 3 BHK apartments have increased by nearly 40 per cent, rising from Rs 65 lakh in 2022 to Rs 95 lakh in 2025. “As we look ahead to 2026, we anticipate the mid-segment to remain the backbone of residential demand,” he said. Kishan Govindaraju, Executive Director, Vaishnavi Group, said: “The year-end is traditionally an opportune time for homebuyers to invest in property, benefiting both buyers and developers. While homebuyers gain from attractive deals, flexible payment plans, and tax advantages before the financial year closes, developers are able to accelerate sales and clear inventory to meet annual targets. The momentum that begins during the festive season continues through year-end, supported by improved buyer sentiment, bonus payouts, and rising disposable incomes. This period creates a win-win scenario — empowering buyers to make strategic investments and enabling developers to strengthen cash flows.” The future of real estate lies in long-term value creation rather than short-term volumes. Developers who combine disciplined execution with professionally managed communities will define the next phase of growth, said D Kishore Reddy, Chairman and Managing Director, Mana Projects. The outlook for 2026 points toward differentiated, broad-based, and increasingly sustainable growth across the real estate value chain. India’s journey toward a \$1 trillion real estate economy is transitioning from aspiration to reality, visible in both market data and consumer behaviour, said Rakesh Reddy, Director, Aparna Constructions. “Rapid job creation across industries, the rise of Tier-2 and Tier-3 demand centers, evolving lifestyle aspirations, and a powerful millennial homebuyer base are reshaping residential, commercial, and retail growth trajectories. Supported by large-scale infrastructure investments and a resilient economic foundation, the real estate sector is poised to become one of India’s most influential growth engines in the decade ahead,” he said.

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## Indian Real Estate in 2025: What Changed and What Lies Ahead in 2026

Indian real estate stayed strong in 2025, driven by better infrastructure, rising demand for premium homes with steady, institutional-led, long-term growth expected in 2026.



BY REALTY+

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As 2025 draws to a close, India's real estate sector tells a story not of frenzy, but of maturity. This was a year marked by resilience, recalibration, and quiet confidence, shaped by infrastructure push, digital transformation, premiumisation, and steady end-user demand. The road ahead, most industry leaders agree, points toward more disciplined, technology-led, and institutionally aligned growth in 2026.

One of the clearest shifts in 2025 was the way technology embedded itself into construction and infrastructure. Pete Nicholson, Senior Vice President at Nemetschek Group, describes the year as a turning point where digital engineering moved decisively from experimentation to execution. He said, “In 2025, India’s construction and infrastructure sector crossed a defining threshold as digital engineering moved from experimentation to execution. AI, BIM, and digital twins became integral to how projects are designed, delivered, and managed.”

Across metros, logistics corridors, industrial parks, and smart cities, cloud-based BIM platforms improved coordination and reduced risk, while digital twins enabled data-led planning and lifecycle cost optimisation. Nicholson also pointed to the role of public initiatives like the National Infrastructure Pipeline and PM Gati Shakti in reinforcing integrated planning, transparency, and sustainability. Importantly, digital maturity is now influencing investor confidence and partner selection, not just project execution.

On the ground, infrastructure continued to reshape real estate demand patterns. Akshay Taneja, CEO of TDI Infrastructure, noted that while interest rate volatility and construction costs remain risks, real estate linked to infrastructure-led corridors has emerged as a safer bet. He said, “As 2025 comes to an end, real estate remains a good investment, especially in infrastructure-led corridors, where you can see public capital expenditure being placed into real demand for real, in real time.”

Taneja highlighted a clear movement away from saturated metro cores towards emerging zones such as Kundli and Sonipat, driven by projects like the KMP Expressway, UER II, the Delhi–Panipat RRTS corridor, and proposed metro extensions. Backed by employment anchors like large manufacturing plants and industrial belts, these micro-markets offer what he describes as a more prudent risk-return balance, with the focus firmly on long-term capital appreciation and rental stability rather than speculation.

Housing, particularly in the mid-income and premium segments, remained a strong pillar through 2025. Pradeep Aggarwal, Founder and Chairman of Signature Global, said, “India’s housing sector continued to display strong momentum through 2025, supported by healthy economic fundamentals, rising consumer confidence, and steady demand across mid-income and premium segment homes.”

Aggarwal pointed to the RBI's cumulative 125 basis points rate cut, income tax relief in the Union Budget 2025, and GST rationalisation as key factors easing borrowing costs and improving sentiment. Premium housing stood out, with nearly 42 percent of new supply in Delhi NCR falling in the luxury and ultra-luxury category, according to an ANAROCK report. Among key micro-markets across Delhi NCR, Dwarka Expressway, Southern Peripheral Road, and South of Gurugram (Sohna) remained at the top of homebuyers' preference lists, supported by rapid infrastructure development, improved connectivity, availability of larger plotted and high-rise formats, and strong potential for long-term capital appreciation. With inflation stabilising, continued policy support, and developers increasingly focusing on quality, sustainability, and timely execution, the sector is firmly positioned for sustained growth. Going ahead, real estate is expected to remain a preferred long-term investment avenue while playing a pivotal role in employment generation, urban infrastructure development, and India's broader 'Viksit Bharat' vision."

Echoing this confidence, Ashok Kapur, Chairman of Krishna Group and Krisumi Corporation, highlighted Delhi-NCR's standout performance in 2025. He said the region recorded the highest housing price growth among India's top cities, rising around 24 percent year-on-year. Kapur also cited CBRE data showing that home sales and new launches crossed 200,000 units between January and September 2025, with luxury apartment sales surging 97 percent year-on-year. Improved connectivity through projects like the Dwarka Expressway and Urban Extension Road II has played a crucial role in boosting absorption and buyer confidence.

Looking ahead, industry leaders see 2026 as a year of consolidation and institutionalisation. Avneesh Sood, Director at Eros Group, said, "India's real estate sector enters 2026 on a more mature footing, driven by premiumisation, institutional capital, and alignment with global demand." He noted that while residential volumes are stabilising, value growth remains strong, with homes priced above Rs. 1 crore contributing over 60 percent of total sales value.

Sood also highlighted the rise of new growth engines such as data centres, senior living, student housing, flexible workspaces, and tier-2 cities, some of which have seen value appreciation of 20 to 50 percent. Strong office demand, led by Global Capability Centres, is expected to push leasing beyond 70 million sq. ft in 2026.

Talking about the outlook for 2026, Pyush Lohia, Director Lohia Worldspace said that the outlook is positive. He adds, "Stable home-loan rates and continued public investment in housing infrastructure should sustain demand, while decentralising urbanisation is expected to lift the share of new launches from Tier-2 and Tier-3 regions to nearly 45%. Lohia Worldspace will pursue disciplined regional expansion through mixed-use residential clusters that integrate retail, green corridors and community amenities, delivering neighbourhoods that support everyday life. We are also evaluating modular construction techniques and low-carbon concrete innovations to enhance resource efficiency, while digital project tracking and AI-driven supply-chain management will sharpen delivery timelines and cost control. With increasing institutional capital flowing into the mid-segment and stronger customer preference for climate-smart homes, 2026 will be a year of measured, sustainability-led growth and deeper regional diversification for the company."

Developers, too, see a more structured future. Robin Mangla, President of M3M India, described 2025 as an inflection point driven by homeownership demand, rapid infrastructure delivery, and a shift toward experiential living. He pointed to the growing acceptance of branded residences as the next leap in luxury and said the sector is now more transparent, confident, and innovation-led.

Murali Malayappan, Chairman and Managing Director of Shriram Properties, summed up the sector's evolving character by noting increased consolidation and buyer preference for large, trusted developers. He said sustainability, digital integration, and proptech adoption will move from differentiation to necessity in 2026, with green building practices becoming a market standard.

Taken together, 2025 was not about explosive growth but about building foundations. As 2026 approaches, Indian real estate appears ready to reward disciplined capital, technology-driven execution, and developments aligned with long-term urban aspirations.

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## Real Estate Review 2025: Sustained investor confidence, Infra powered growth in MMR

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The Indian real estate sector concluded 2025 on a strong and confident note, backed by sustained end-user demand, regulatory maturity, and infrastructure-led transformation. The year marked a decisive shift toward consolidation, experience-driven development, and long-term value creation, setting a robust foundation for 2026.

**Pavitra Shankar, MD, Brigade Enterprises Limited**, said in 2025, the real estate sector in our country demonstrated remarkable stability and depth. All segments (residential / commercial / hospitality) anchored this growth, reflecting sustained investor confidence and the ability of the sector to adapt to changing market dynamics, regulatory reforms, and improving infrastructure landscapes.

**Murali Malayappan, Chairman & Managing Director, Shriram Properties Limited**, said 2025 marked a decisive shift in homebuyer preference towards large, trusted developers, further accelerating consolidation in the real estate sector. The mid-market and mid-premium segments witnessed strong momentum fuelled by aspirational younger buyers seeking 'premiumization' superior amenities, curated community experiences, and enhanced lifestyle value.

**Prashant Sharma, President, NAREDCO Maharashtra**, said, "The year 2025 has been a landmark period for India's real estate sector, marked by significant policy reforms, robust demand across asset classes, and a renewed focus on sustainable urbanization. The sector has not only demonstrated resilience but has accelerated its transformation into a more transparent, tech-enabled, and consumer-centric industry."

Infrastructure emerged as the most powerful growth catalyst in 2025, fundamentally altering how value is created across cities—particularly in the Mumbai Metropolitan Region.

**Vijay Choraria, Managing Director, Crest Ventures Limited**, observed, "Connectivity is no longer an enabler; it is the primary driver of real estate value. Over the next five years, Mumbai will evolve into a multi-nodal metropolitan region, enabled by a once-in-a-generation infrastructure build-out that collapses distance and reshapes the hierarchy of urban value." He further highlighted that emerging, well-connected nodes will increasingly outperform legacy pin codes as commuting friction reduces.

Echoing this shift, **Kamlesh Thakur, Co-Founder & Managing Director, Srishti Group**, noted, “The year 2025 marked a clear shift from connectivity to accessibility. Homebuyers are no longer evaluating locations solely on distance but on ease of daily movement, time savings, and seamless access to workplaces, social infrastructure, and lifestyle hubs.”

Residential real estate in 2025 continued to be led by end users, with steady traction across mid-income, premium, and luxury segments. Buyers showed a strong preference for branded developers, well-planned projects, and future-ready neighborhoods.

**Kaushal Agarwal, Chairman, The Guardians Real Estate Advisory**, stated, “2025 reaffirmed that India’s real estate sector is no longer cyclical but structurally strong. Luxury and ultra-luxury housing witnessed record absorption, fuelled by HNIs and NRIs seeking stability and long-term value in Indian assets.”

Redevelopment emerged as one of the most defining themes of the year, particularly in land-constrained markets. **Dhruman Shah, Promoter, Ariha Group**, said, “Redevelopment has undoubtedly been the standout story of 2025. With land scarcity intensifying, societies and tenants are increasingly choosing redevelopment as the most viable route to modern infrastructure and enhanced living standards.”

Beyond volumes and infrastructure, 2025 marked a deeper structural shift in how real estate is designed, evaluated, and consumed.

**Shilpin Tater, Managing Director, Superb Realty**, explained, “Real estate is no longer just about constructing spaces. It is about shaping intelligent, human-centric ecosystems. Buyers and occupiers today are choosing fewer but better-designed spaces that deliver measurable everyday value.” He added that design, technology, and well-being are no longer optional differentiators but core performance drivers shaping long-term relevance.

Commercial real estate remained stable through 2025, supported by Grade-A offices, flexible workspaces, and GCC demand. Warehousing, plotted developments, and gated communities also saw rising traction.

**Gaurav Varma, Director, ORA Group**, said, “Plotted developments saw 25–30% year-on-year demand growth in 2025, as buyers increasingly preferred land ownership, flexibility, and long-term appreciation. This aspirational shift is expected to strengthen further in 2026.”

**Nihar Jayesh Thakkar, Founder, The Mandate House Pvt. Ltd.**, noted, “2025 marked a phase of stability and consolidation, with developers focusing on faster execution, reduced leverage, and stronger governance. The sector today is more transparent, financially disciplined, and aligned with long-term fundamentals.”

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| Cover Feature - Real Estate

## Exhibiting resilience

*The domestic real estate sector is poised for stable and broad-based growth*

Arbind Gupta

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Year 2025 has been a defining year that marked a decisive shift from recovery to structural transformation. The sector demonstrated strong fundamentals across all verticals – residential, commercial, retail, logistics, warehousing, and data centres – driven by policy stability, end-user demand, and India’s sustained economic momentum.

“The progress made in 2025 has reaffirmed our belief in the underlying strength of India’s real estate sector. What we are witnessing is not just a cyclical upswing, but a structural realignment built on genuine demand, better governance, maturing capital, and a deepening trust in India’s long-term economic trajectory. As India moves confidently towards becoming a \$1 trillion real estate economy by the end of the decade, the opportunities ahead are both exciting and transformative,” says Shishir Bajjal, International Partner, Chairman and Managing Director, Knight Frank India.

India’s residential real estate market sustained its upward momentum, with premium and luxury housing emerging as the dominant demand segment. Homes priced above Rs1 crore accounted for more than half of all sales across major cities, underscoring the shift in affordability, aspiration, and buyer profile. Financially stable end-users replaced speculative investors as the primary market drivers, contributing to sustained demand even as prices rose across key metros. Markets such as Bengaluru, Hyderabad, Chennai, and Delhi NCR recorded double-digit price appreciation, reflecting both scarcity of quality supply and deep buyer conviction.

Developers increasingly focused on premium offerings that prioritise brand assurance, sustainability, privacy, and advanced digital integration. Meanwhile, the affordable housing segment remained constrained by rising input costs and limited financing, signalling the need for targeted policy interventions to restore balance across the income spectrum. Tier-2 and Tier-3 cities continued to expand their share of residential activity, supported by infrastructure upgrades, rising household incomes, and proactive state-level reforms. Their growing influence marks one of the most important structural shifts of the decade, says the Knight Frank India report.

Looking ahead into 2026, Knight Frank India anticipates a continued strengthening of demand across premium and luxury residential segments, fuelled by rising incomes and greater global integration. A marginal reduction in interest rates in upcoming monetary policies could unlock a new cycle of first-time homebuyers.

“Over the past year, Indian real estate has demonstrated resilience and increasing structural maturity. Despite global economic uncertainty, elevated interest rate cycles, and geopolitical challenges, the sector remained fundamentally strong, driven by sustained end-user demand, regulatory transparency under RERA, and improved balance sheets across developers. A defining trend has been the acceleration of redevelopment in land-constrained cities such as Mumbai, alongside continued momentum in integrated townships and plotted developments across emerging growth corridors,” states Niranjan Hiranandani, Chairman, NAREDCO.

“The outlook for Indian real estate remains cautiously optimistic. As inflation moderates and monetary conditions gradually ease, affordability is expected to improve, supporting housing demand across segments. Importantly, there is no dearth of capital for the sector. Institutional and global investors, including FIIs, continue to demonstrate strong confidence in India’s real estate growth story, supported by a rising consumption-led economy and long-term structural fundamentals. The coming phase will also see greater diversification of real estate portfolios, with stronger integration across hospitality, services, and tourism-led developments, alongside growing relevance of asset classes such as senior living, student housing, serviced residences, co-working, and mixed-use formats,” avers the NAREDCO chief.

He views that India's urbanisation journey, backed by sustained infrastructure investment, policy reforms, and favourable demographics, will continue to anchor long-term growth. The sector is moving decisively from volume-driven expansion towards quality, sustainability, and community-centric development, marking a more stable, transparent, and future-ready phase for Indian real estate.

Shekhar Patel, President, CREDAI, is of the view that despite global volatility, housing demand has remained resilient, anchored in genuine end-user participation rather than speculative activity. The ongoing shift in the repo rate cycle is beginning to ease lending costs, improving purchase confidence across mid-income and premium housing segments, where demand visibility remains strong.

Beyond demand, 2025 has also seen meaningful progress through sustained discussions between the government and industry bodies aimed at enhancing ease of doing business and improving regulatory clarity. Reform initiatives are reducing transaction frictions, improving execution timelines, and raising governance standards. These efforts are strengthening transparency across property markets and creating a more predictable operating environment, with a positive impact on both domestic and foreign investors considering investment in India.

### **Year of consolidation**

“Looking ahead, 2026 is expected to be a year of consolidation and calibrated growth. Residential demand should remain resilient, supported by premiumisation, larger homes, and infrastructure-led urban expansion. The priorities are clear: smoother transmission of repo rate cuts, further simplification of GST, faster approvals, and improved access to long-term capital. With a clearer policy framework and continued government-industry collaboration, Indian real estate is well positioned to attract both domestic and foreign capital and reinforce its role in economic growth, employment creation, and long-term urban development,” says Patel.



Gaurav Pandey, MD & CEO, Godrej Properties, is of the view that 2025 was a year of sustained growth for Indian real estate, driven by strong housing absorption, firm pricing, and the delivery of major infrastructure projects across key metros. Demand remained fundamentally end-user focused, supported by rising incomes and formal job creation, while consolidation accelerated as customers increasingly chose branded developers for transparency and execution certainty.

“As we step into 2026, the sector is poised for stable, broad-based growth, underpinned by disciplined supply and a healthier demand-inventory balance. With multiple infrastructure projects nearing completion and urban employment drivers remaining robust, we expect momentum to continue anchored in genuine homeownership aspirations rather than speculative activity,” adds Pandey.

Anuj Puri, Chairman, ANAROCK Group, says that in 2025, residential demand stabilised amid high prices and geopolitical tensions, leading to what may, when the year-end data is collated, turn out to be a drop of as much as 15 per cent in housing sales across the top seven cities compared to 2024. Despite declining sales volumes, sales values have grown by 5-10 per cent. High sales values were mainly driven by luxury homes, which constitute over 40 per cent of new supply. New launches are expected to decrease by 5-8 per cent due to cautious developer strategies despite ongoing land acquisitions. “At the final year-end tally, it is likely that we will see average residential price growth slow to 8-9 per cent, while cities like Delhi-NCR and Bengaluru experience double-digit increases due to their generous supply of premium projects,” adds Puri.

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Looking ahead to 2026, he anticipates that performance will largely depend on a reduction in the RBI's repo rates, Union Budget announcements, and, hopefully, rational pricing strategies by developers. If these conditions are met, combined with a positive economic outlook, demand can certainly rebound very convincingly. Bengaluru, MMR, and Pune will remain key markets, with a potential boost in Delhi-NCR if developers meet demand for homes priced under R2 crore. Chennai is also expected to remain active. Overall, Indian real estate remains a stable investment, propelled by domestic growth factors, urbanisation, and improving regulations. This makes it an attractive asset class amid global volatility.

Anshuman Magazine, Chairman & CEO – India, South-East Asia, Middle East & Africa, CBRE, believes that India's real estate market is now anchored by structural fundamentals rather than market cycles. A period of sustained investments, rapid digitisation, and larger capital pools has created the conditions for a healthy balance between quality and quantity across asset classes.

“2025 marked a decisive shift in homebuyer preference towards large, trusted developers, further accelerating consolidation in the real estate sector. This was reinforced by a stable macroeconomic environment and favourable policy. The mid-market and mid-premium segments witnessed strong momentum, fuelled by aspirational younger buyers seeking ‘premiumisation’, superior amenities, curated community experiences, and enhanced lifestyle value,” avers Murali Malayappan, Chairman & Managing Director, Shriram Properties.

“Looking ahead, 2026 is poised for accelerated growth, driven by operational efficiency, digital integration, and strengthening demand, especially in the southern markets. Sustainability will become a mandatory market standard, with wider adoption of green building practices. Developers will increasingly leverage PropTech, AI-based customer insights, and automation in construction, improving margins, reducing timelines, and enhancing overall predictability. Continued government focus on infrastructure, combined with the potential rationalisation of GST on under-construction properties, stands as a significant policy catalyst to unlock the sector's full economic potential,” adds the Shriram Properties CMD.

“In 2025, the Indian real estate sector demonstrated exceptional resilience and momentum, driven by robust demand, rising aspirations, and supportive government-led initiatives, positioning it as one of the most dynamic and fastest-growing markets globally. The recent rate cut has also aided in strengthening market confidence and serves as a strong signal of policy support for the real estate sector and the broader economy, and will play a crucial role in sustaining homebuyer confidence in the coming year. We definitely hope to see lower interest rates next year, which will help drive growth. The Indian real estate market is on an upward trajectory, and sustained demand will solidify the sector’s position well into 2026,” says Ramani Sastri, Chairman & MD of Bengaluru-based Sterling Developers.

“Indian real estate is entering 2026 with stronger growth prospects and greater depth across asset classes. Elevated domestic consumption, sustained occupier activity, and rising investor confidence will continue to anchor demand. Commercial and residential growth is set to remain robust, driven by evolving workplace strategies, rising homeownership, and infrastructure-led connectivity enhancements. Industrial and warehousing demand will accelerate further as domestic manufacturing scales up and supply chains modernise. At the same time, alternative asset classes, including data centres, co-living, and senior living, will attract greater institutional interest amid demographic and digital shifts. Additionally, with the expansion of REITs, SM-REITs and InvITs, and a growing focus on quality, sustainability, and technology-led development, 2026 is set to reinforce India’s position as a future-ready and globally competitive real estate market,” says Badal Yagnik, Chief Executive Officer & Managing Director, Colliers India.

#### Watershed year

“This year’s performance, including strong pre-sales momentum in Q2 FY26 and significant business development ahead of plan, confirms that real demand continues to outpace supply in the right segments. Across the Rs3.5-5 crore range, where interest remains consistently robust, we have seen genuine homebuyers engage with conviction, reflecting confidence in our product and the strength of underlying market fundamentals,” states Boman Rustom Irani, Chairman and Managing Director, Rustomjee Group.

Calling 2025 the watershed year for Indian real estate, Dhaval Ajmera, Director, Ajmera Group, says that while global markets struggled due to uncertainties such as geopolitical tensions and trade-related pressures, India's real estate sector remained resilient. If there was one factor that underpinned this resilience, it was the strong domestic consumption story. The confidence and resilience of homebuyers, and their intent to invest, have hinted that the sector has moved beyond short-term cycles into structural sustainability.

“Overall, 2026 is expected to be a year of consolidation, premiumisation, and execution, positioning real estate as a robust and enduring investment class for future India, supported by continued price appreciation, strong rental yields, and fundamentals-led growth,” adds Ajmera.

“2025 has been transformative for Indian real estate and has been marked by decisive industry consolidation, the rise of premium and luxury housing as mainstream choices, and unprecedented momentum in urban redevelopment. The market witnessed sustained end-user demand, accelerated redevelopment activity, and strong momentum in the premium and luxury housing segments. Redevelopment emerged as a key growth engine in land-constrained cities, while homebuyers increasingly prioritised quality, brand trust, and long-term value over speculative buying,” says Rajat Rastogi, CEO – West and Commercial Assets (Pan India), Puravankara Ltd.

“As a long-duration asset class, real estate benefits from stable economic signals and broad-based confidence. With affordability gradually improving, institutional participation deepening, and redevelopment gaining momentum as a policy-enabled growth lever, 2026 is expected to be a year of consolidation, disciplined growth, and strengthening customer trust,” avers Navin Makhija, Managing Director, The Wadhwa Group.

“As we look towards 2026 and beyond, fundamentals remain robust. We anticipate sustained momentum across urban and metro cities, driven by demographic demand and growing investor interest in green-certified assets. The industry must now focus on operational excellence, innovative financing, and ESG-driven design to create resilient, future-ready communities that balance aspiration with accessibility. Thank you to our customers, partners, and teams for making this journey possible: we look forward to shaping the future together,” states Sanjay Dutt, MD & CEO, Tata Realty & Infrastructure Ltd.

Meanwhile, the office real estate market delivered one of the most confident performances of the decade. Despite global economic headwinds, demand from multinational corporations, global capability centres (GCCs), technology firms, consulting companies, and innovation-led enterprises remained robust.

Gross office absorption is expected to cross 80 million sq ft in 2025, reaffirming India's position as a global talent and enterprise hub. GCC expansion, in particular, emerged as a powerful driver, consolidating India's role in the global value chain.

Flexible workspaces recorded record expansion, driven by hybrid work stabilisation and enterprises' preference for agile, specialised formats. With India now among the world's fastest-growing flex markets, operators broadened their portfolios to include enterprise solutions, managed offices, and sector-specific innovation hubs.

Retail real estate saw a resurgence in 2025, with high streets and malls pivoting to experiential formats that enhanced footfalls and conversion. Simultaneously, logistics, warehousing, and data centres cemented their place as core investment categories. E-commerce expansion, manufacturing reforms, and India's accelerating digital infrastructure pushed institutional capital deeper into these asset classes.

“Building on the strong momentum seen in the past few years, demand is expected to scale up amid evolving occupier preferences in 2026. GCCs will drive leasing, expanding their footprint across major business centres and geographies while prioritising flight-to-quality, technology adoption, and sustainability. Flexible workspaces will gain further prominence as occupiers embrace agile and ‘Core + Flex’ portfolios. Overall demand will continue to diversify beyond technology, with BFSI, engineering and manufacturing, healthcare, and consulting firms gaining further traction. Moreover, decentralised work models will accentuate real estate requirements in Tier-II and Tier-III cities, supported by cost arbitrage, availability of skilled talent, and ongoing infrastructure development. Overall, we anticipate annual office space demand to stabilise at around 70-75 million sq ft in 2026 and beyond,” says a Colliers India report.

“India’s real estate market in 2025 clearly marked its transition towards greater maturity, particularly across commercial and industrial segments. Office demand remained resilient as occupiers increasingly adopted a ‘Core + Flex’ approach, prioritising quality, agility, and employee experience over pure scale. Industrial and logistics real estate continued to attract long-term institutional capital, with a growing shift towards build-to-core strategies supported by predictable cash flows, stronger governance frameworks, and rising demand for compliant, future-ready infrastructure. Another notable trend through the year was the increasing preference for integrated, mixed-use developments that combine workspaces, logistics, retail, and experiential elements within a single ecosystem,” says Anshul Singhal, Managing Director, Welspun One.

Looking ahead to 2026, Singhal is of the view that momentum is expected to strengthen further. Investment in Grade-A assets is likely to accelerate, underpinned by sustained occupier demand, greater emphasis on sustainability-led design, and deeper integration of technology across asset lifecycles. Continued government focus on infrastructure creation, multimodal connectivity, and logistics efficiency is also pushing new micro-markets into focus beyond traditional hubs. As these structural drivers converge, real estate is set to play an increasingly strategic role, not just as an asset class, but as a critical enabler of India's economic growth and competitiveness in the years ahead.

### Coworking space reshapes India

“Coworking spaces are becoming a major force in reshaping India's commercial office real estate landscape. As organisations seek to create dynamic, future-ready workplaces, investing in high-quality, well-designed office spaces has emerged as a strategic imperative. As these industries scale operations, attract global mandates, and drive innovation, they are increasingly opting for agile, future-ready work environments. Flexible space is no longer a cutting-edge trend in this sense; it is now the core of business strategy,” says Manas Mehrotra, Founder, 315Work Avenue, a leading co-working player.

“As we look back at the year gone by, Indian real estate has clearly entered a new phase of maturity and confidence. The biggest shift has been the mainstreaming of flexible workspaces. What was once seen as a stopgap or a start-up-led solution has today become a core component of enterprise real estate strategy. Large corporates and GCCs are increasingly prioritising agility, capital efficiency, and experience-led offices over traditional, long-term commitments. Flexible workspaces will continue to evolve into a strategic lever for productivity, collaboration, and employee well-being,” states Amit Ramani, Chairman and MD, Awfis Space Solutions Ltd.

Looking ahead, there is anticipation of a continued strengthening of demand across premium and luxury residential segments, fuelled by rising incomes and greater global integration. A marginal reduction in interest rates in upcoming monetary policies could unlock a new cycle of first-time homebuyers.

The commercial office sector is expected to maintain its momentum, with GCCs, technology firms, and global enterprises solidifying India’s status as a strategic operations hub. Flexible workspaces will continue evolving into more specialised and sector-driven formats. Tier-2 and Tier-3 markets will play an expanding role in both residential and commercial growth, supported by infrastructure delivery and economic decentralisation.

However, the affordable and mid-income housing categories will require focused policy support to bridge the growing gap between consumer aspiration and affordability. Across segments, trust – rooted in governance, developer credibility, infrastructure execution, and institutional capital – will remain the defining theme of the next phase.