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## THE INDIAN REAL ESTATE MARKET IN 2024: EMERGING TRENDS AND GROWTH OPPORTUNITIES

As 2024 unfolds, the Indian Real Estate Market is experiencing a remarkable transformation. There is a positive trend towards homeownership, driven by an increasing number of individuals eager to move from renting to owning, seeking more space and comfort in their living arrangements and standards.

Despite the potential ebb and flow of property prices, the appeal of owning a home continues to stand strong. Recent data from the National Real Estate Development Council (NAREDCO) highlights a rise in inquiries for larger apartments, compared to the previous year. This trend indicates a perception of real estate as a stable and preferred asset class, attracting a diverse range of buyers looking for both security and long-term investment opportunities.

The luxury as well as high end housing sector, in particular, is witnessing a significant uptick, driven largely by High Net-Worth Individuals (HNIs) and Non-Resident Indians (NRIs). These groups are increasingly seeking homes that are not just spacious but also embody luxury, equipped with modern technology and high-end amenities.

In 2023, India's luxury real estate sector experienced a remarkable draw for high-net-worth individuals and investors. Data from CBRE (Coldwell Banker Richard Ellis), South Asia show a substantial rise in the sales of premium luxury homes, with an impressive 130% increase in this category during the first half of the year.

The heart of this residential demand is strongest in metropolitan areas such as Mumbai, Pune, Delhi, Noida, Bangalore, Hyderabad, Gurgaon, and Chennai. These cities, as per a JLL India report, have collectively seen a 25% increase in residential property sales.

The burgeoning IT and business sectors play a crucial role in this growth, making these cities magnets for professionals in pursuit of quality living spaces close to their workplaces. Interestingly, the real estate buzz is not confined to these well-known urban centers. Cities like Ahmedabad, Chandigarh, Indore, Sonipat, Varanasi, and Lucknow are emerging as new real estate hotspots. A Knight Frank India report points to a 30% rise in real estate investments in these cities, propelled by significant infrastructural developments and their appeal as less congested, more sustainable living alternatives to the traditional metropolitan areas.

Furthermore, demographic shifts and evolving consumer preferences play a significant role in shaping the real estate market. A growing segment of young professionals and millennial homebuyers are entering the market, bringing with them a set of priorities and expectations that differ markedly from previous generations. These tech-savvy, environmentally conscious individuals are not just looking for a place to live; they seek homes that resonate with their lifestyle and values.

A study by CII and Anarock shows that 52% of millennials choose real estate as the best asset class, a number that is only expected to grow. This demographic is more inclined towards properties that offer convenience, connectivity, and modern amenities. They are also more open to exploring properties in upcoming areas, contributing to the growth of real estate in non-metropolitan cities.

The evolving landscape of the Indian real estate market is also seeing a shift towards more integrated living spaces. Townships and residential complexes that offer a blend of residential, commercial, and recreational facilities are becoming increasingly popular. These self-contained ecosystems cater to the growing desire for convenience and a better quality of life, particularly among the urban population.

The integration of technology in real estate is revolutionizing the sector. From virtual property tours to AI-driven management systems, technological advancements are not just enhancing the buying experience but also improving operational efficiency.



NASSCOM survey reveals that a whopping 70% of real estate companies are investing in technology, aiming to boost customer engagement and streamline business processes.

Sustainability is another critical factor shaping the real estate industry. Developers are increasingly focusing on green building practices and sustainable designs to cater to the rising demand for eco-friendly living spaces. The Indian Green Building Council (IGBC) reports a significant increase in green building registrations over the past two years, signaling a shift towards more environmentally responsible construction practices.

The Indian real estate market is also experiencing a significant impact from global economic trends and market dynamics. With the world economy gradually recovering from the effects of the pandemic, there is a renewed interest in real estate as a safe and lucrative investment avenue.

The Indian real estate market is also attracting significant attention from international investors. Colliers' analysis showed that the total investment inflows for 2023 were \$5.4 billion, marking a 10% increase from the previous year.

Indian real estate will also be a more attractive option to foreign investors in 2024. This influx of foreign capital is not only bolstering the luxury segment but is also providing a much-needed boost to the commercial real estate sector, particularly in cities with a strong industrial and IT presence.

Moreover, the rise of new funding mechanisms, including Real Estate Investment Trusts (REITs), has opened up additional avenues for investment, democratizing access to high-value real estate assets. REITs, in particular, are gaining popularity among both retail and institutional investors, offering a less risky and more liquid form of real estate investment. The Securities and Exchange Board of India (SEBI) reports a significant increase in REIT listings, indicating a growing confidence in this investment model.

The evolving global scenario, coupled with India's robust economic growth, is creating a fertile ground for real estate development. The market is witnessing a diversification of investment sources, with an increasing number of private equity firms and international investors looking towards Indian real estate as a promising opportunity. This diversification not only brings in fresh capital but also introduces global best practices and innovative development models to the Indian market.

As the Indian real estate sector integrates more deeply with the global economy, it is poised to benefit from these international trends and investments. The synergy between domestic growth and global economic patterns is likely to further fuel the expansion and diversification of the market, offering a wealth of opportunities for both developers and investors.

While the market is poised for impressive growth, it is not without its challenges. Regulatory changes, market volatility, and economic fluctuations pose potential hurdles. However, these challenges also present opportunities for innovation and adaptation, encouraging stakeholders to develop resilient and customer-centric strategies.

The Indian Real Estate market in 2024 is a vibrant and dynamic landscape, driven by changing consumer preferences, technological advancements, and a growing focus on sustainability. With both traditional and emerging cities contributing to its growth, the market is evolving into a diverse and expansive arena, offering promising prospects for investors and homebuyers alike

