



# **Assessment of Residential Construction Sector - With focus on Kerala**

**VEEGALAND DEVELOPERS LIMITED**

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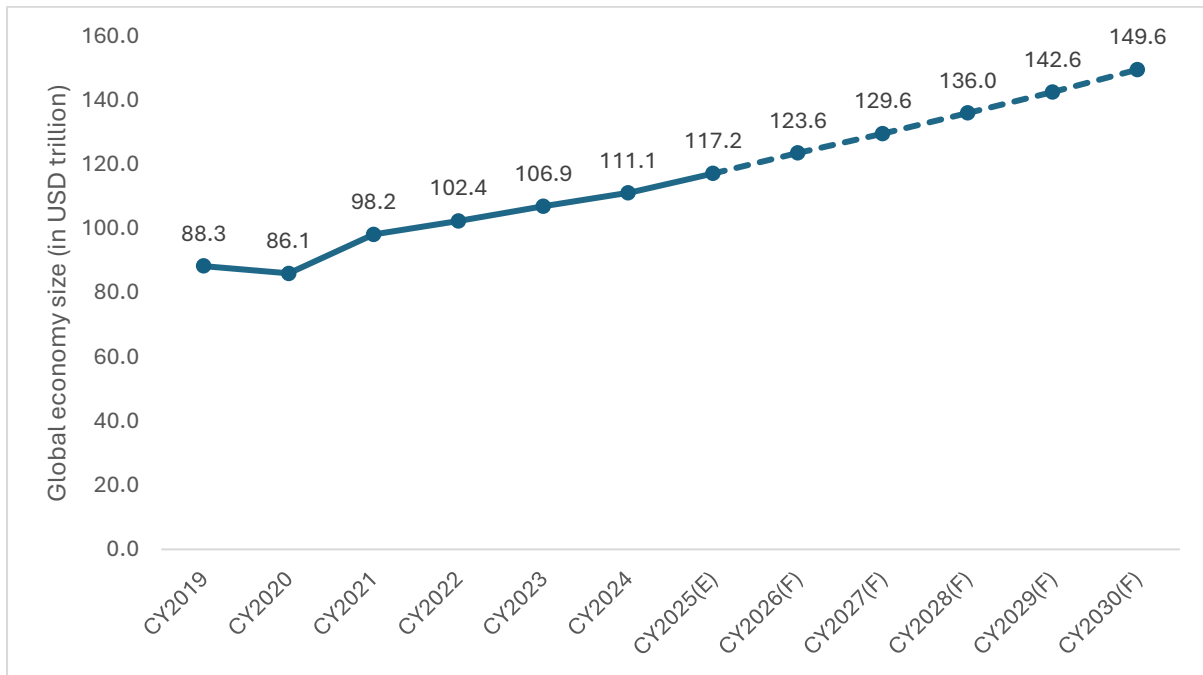
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## 1. Global macroeconomic overview

According to the International Monetary Fund (IMF), the global economy is expected to reach a nominal size of USD 117.9 trillion in CY2025 (in nominal terms) and grow further to USD 149.6 trillion in CY2030 (in nominal terms), reflecting a compound annual growth rate (CAGR) of approximately 5%. Despite facing multiple global challenges, economic activity has shown notable resilience. Key drivers include rising employment, stable income levels, favourable shifts in demand and supply, and the strategic use of savings accumulated during the pandemic. Robust household consumption has also played a vital role in sustaining growth across major economies. Sectors such as healthcare, technology, logistics, and services have been instrumental in supporting job creation and wage expansion. With inflation in major advanced economies nearing targeted levels, central banks are beginning to shift towards monetary policy easing, signalling a more accommodative stance ahead. Amid this global momentum, India stands out with a projected nominal GDP of USD 4.6 trillion in 2025, positioning it as the world's fourth-largest economy. This underscores India's growing macroeconomic significance and its expanding role in shaping global growth dynamics.

**Chart 1: Global economy growth and prediction till CY2030 (in USD trillion- nominal terms)**



Source: IMF (WEO October 2025), ICRA Analytics

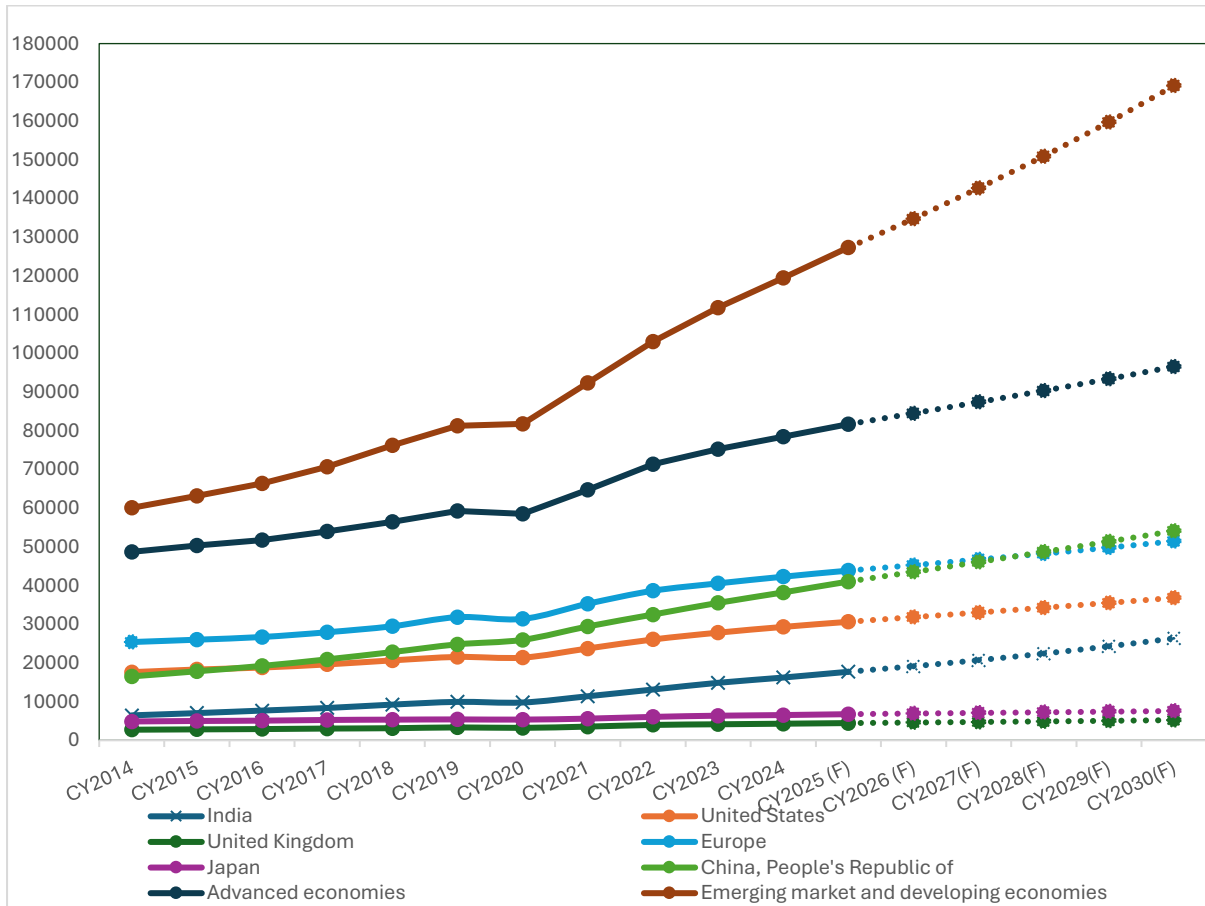
Note: F-Forecasted; data from CY2026-2030 are forecasted

As per the IMF, World Economic Outlook published in October 2025, the Global growth is anticipated to decrease from an estimated 3.3% in CY2024 to 3.2% in CY2025, subsequently rebounding to 3.1% in CY2026. This figure is above the forecasts presented in World Economic Outlook Update in April 2025, reflecting an increase of 0.4% for CY2025 and 0.1% for CY2026, with upward adjustments noted for almost all countries. The upward revisions are modest but widespread across nations, following partial easing of recent trade policies and supportive fiscal measures. While trade tensions earlier in the year weighed heavily on sentiment and disrupted linkages, the October projections indicate some recovery as uncertainty recedes and confidence stabilizes. Tariffs' short-term effects on economic growth continue to vary by country, shaped by

trade relationships, industry structures, policies, and diversification potential. Fiscal support in some cases (for example, China, euro area) offsets some negative growth impacts. The global inflation rate is predicted to decrease from an annual average of 6.7% in CY2023, 5.8% in CY2024 to 4.2% in CY2025 and further to 3.7% in CY2026.

### 1.1 Global Economies and Growth Trend:

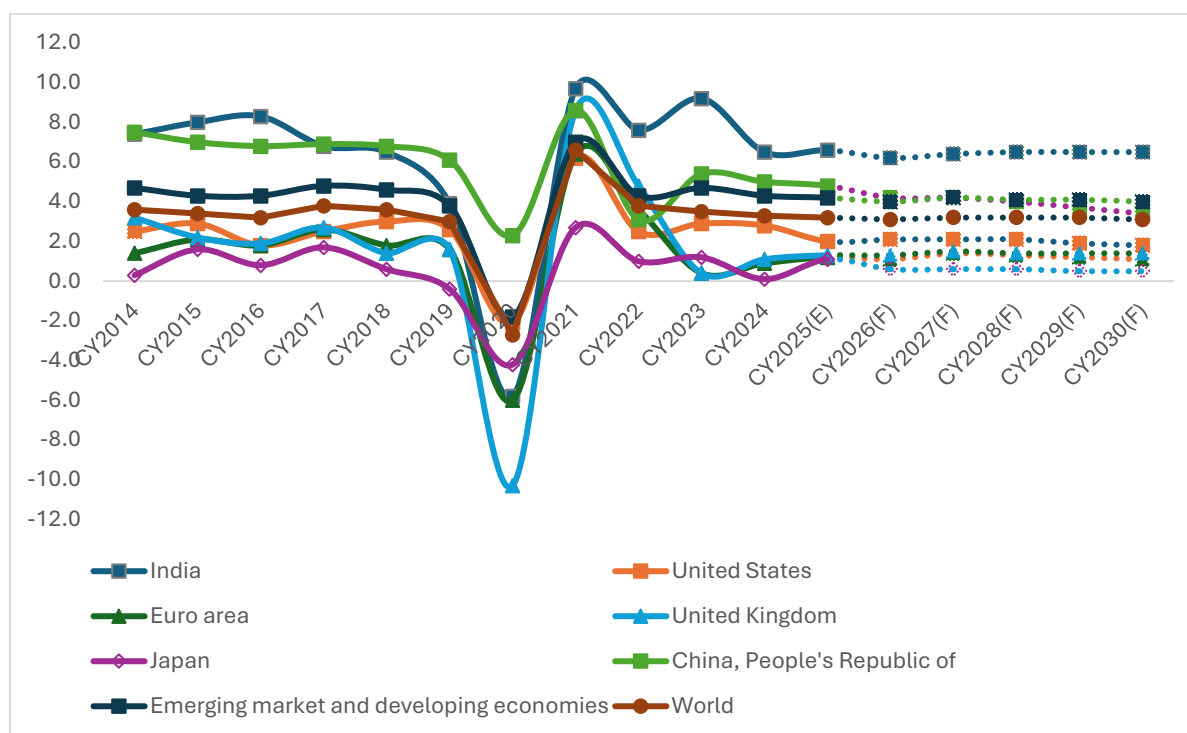
**Chart 2: GDP per capita, current prices (Purchasing power parity; international dollars per capita) of India and other countries**



Source: IMF, ICRA Analytics

Note: F-Forecasted; data from CY2025-2030 are forecasted, emerging market and developing economies includes India, China, Saudia Arabia, Mexico, Vietnam and other developing economies.

**Chart 3: Real GDP growth rate (annual % change) of India and other economies**



Source: IMF, ICRA Analytics

Note: F-Forecasted; data from CY2025-2030 are forecasted, emerging market and developing economies includes India, China, Saudi Arabia, Mexico, Vietnam and other developing economies.

**Table 1: India v/s Other Economies (Real GDP, Y-o-Y % change)**

Real GDP growth (Annual % change)	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025(E)	CY 2026(F)	CY 2027(F)	CY 2028(F)	CY 2029(F)	CY 2030(F)
<b>India</b>	6.5	3.9	-5.8	9.7	7.6	9.2	6.5	6.6	6.2	6.4	6.5	6.5	6.5
<b>Advanced economies</b>	2.3	1.9	-3.9	6.0	3.0	1.7	1.8	1.6	1.6	1.7	1.7	1.6	1.5
United States	3.0	2.6	-2.1	6.2	2.5	2.9	2.8	2.0	2.1	2.1	2.1	1.9	1.8
Euro Area	1.8	1.6	-6.0	6.4	3.6	0.4	0.9	1.2	1.1	1.4	1.3	1.2	1.1
United Kingdom	1.4	1.6	-10.3	8.6	4.8	0.4	1.1	1.3	1.3	1.5	1.4	1.4	1.4
Japan	0.6	-0.4	-4.2	2.7	1.0	1.2	0.1	1.1	0.6	0.6	0.6	0.5	0.5
<b>Emerging market and developing economies</b>	4.7	3.7	-1.8	7	4.1	4.7	4.3	3.7	3.9	4.2	4.1	4.1	4.0
China, People's Republic of	6.8	6.1	2.3	8.6	3.1	5.4	5.0	4.8	4.2	4.2	4.0	3.7	3.4
<b>World</b>	3.6	3.0	-2.7	6.6	3.8	3.5	3.3	3.2	3.1	3.2	3.2	3.2	3.1

Source: IMF, ICRA Analytics

Note: F- Forecasted; data from CY2025-2030 are forecasted, Advanced Economies includes United States, Germany, France, Japan, United Kingdom, Canada and other developed countries. Emerging market and developing economies includes India, China, Saudi Arabia, Mexico, Vietnam and other developing economies.

In 2025, global growth is being driven by strong domestic demand, resilient labour markets, and sectoral expansion across major economies. India is propelled by infrastructure investment and rising consumption, while the U.S. benefits from innovation and easing monetary policy. The UK and Japan are seeing modest recoveries through trade and capital investment. Emerging markets are gaining momentum through commodity exports, improving supply chains, and neutral fiscal policies, despite facing structural and geopolitical challenges

The global real GDP growth was 3.3% in CY2024 and is anticipated to decrease to 3.2% in CY2025 and 3.1% in CY2026. The rapid increase in trade tensions and exceptionally high levels of policy uncertainty is anticipated to considerably affect global economic activity. The growth is projected to remain steady at around 3.1% from thereon till CY2030, wherein growth would be driven mainly by easing of monetary policy and strong private consumption.

### **Growth trend in Advanced Economies**

Meanwhile, the real GDP growth rate for advanced economies was 1.8% in CY2024 and is expected to slow to 1.6% in CY2025, then gradually to remain around 1.6% in CY2026, and reach around 1.5% by CY2030, maintaining a steady pace. United States of America's (USA) real GDP grew by 2.8% in CY2024 and is expected to drop to 2.0% in CY2025 due to unclear policies, trade tensions, and weaker demand. It may rise slightly to 2.1% in CY2026 and stay around 1.8% through CY2030.

The European region recovered from a low of 0.4% growth in CY2023 to 0.9% in CY2024, growth is forecasted to grow to 1.2% in CY2025, then remain around 1.1% in CY2026. Amongst the Euro region France grew 1.1% in CY2024, expected to grow 0.7% in CY2025, Italy grew 0.7% in CY2024, expected to grow 0.5% in CY2025, Spain grew around 3.5% in CY2024, expected to slow down to 2.9% in CY2025 and Germany growth shrunk by -0.5% in CY2024, expected to stay flat around 0.2% in CY2025.

Japan's economic growth has remained modest, largely due to structural issues such as an aging population and low productivity, despite continued support from government spending and monetary policies. Compared to other countries, Japan's recovery after the pandemic has been relatively weak. GDP was 1.0% in CY2022, rose to 1.2% in CY2023, but dropped to 0.1% in CY2024 due to weak global demand and internal challenges. GDP is expected to grow 1.1% in CY2025, then slowdown to 0.5% annually through CY2030.

In comparison with other advanced countries, the United Kingdom grew 0.4% in CY2023, improved to 1.1% in CY2024, and is expected to maintain 1.3% growth in CY2025. Long-term growth may stay around 1.4% by CY2030.

### **Growth trend in emerging market and developing economies**

In CY2024, real GDP growth across emerging and developing economies stood at 4.3% but is expected to slow to 4.2% in CY2025 and 4.0% in CY2026. This decline is largely due to the impact of recent trade policies and tariff pressures, which have weakened export competitiveness in many Asian countries. Although domestic demand offers some support, export-driven growth models especially in ASEAN nations that are deeply integrated into global supply chains—are facing challenges. As a result, overall growth in emerging and developing Asia is projected to fall from around 4.6% in CY2024 to 4.2% in CY2025.

China's economic growth has eased from its previous high-growth trajectory, challenged by structural factors such as declining productivity, stress in the property sector, and demographic

shifts. Although public investment and policy support have provided some stability, the post-pandemic recovery has been uneven. Real GDP expanded by 3.1% in 2022, picked up to 5.4% in 2023, and is expected to slow to 5.0% in 2024, driven by consumer spending but weighed down by weak property investment. Growth is forecast at 4.8% in 2025, with a gradual deceleration to about 3.4% annually through 2030 if significant reforms are not implemented.

Middle Eastern countries like the UAE, Saudi Arabia, and Qatar have implemented bold policy reforms that have significantly boosted their real estate markets. The UAE's Golden Visa, 100% foreign ownership, and expanded freehold zones have attracted global investors, while Saudi Arabia's Vision 2030 and giga projects like NEOM are reshaping urban landscapes. Qatar, post-FIFA World Cup, is leveraging global visibility to draw investment into its property sector. These reforms, backed by transparent legal frameworks and sustainable financing models, have made the region a competitive force for India.

In Sub-Saharan Africa, GDP grew at a solid 3.7% in CY2024 and is expected to reach 4.1% in CY2025. The region's youthful population and rising consumer demand provide a strong base for future growth. Within the region, South Africa and Nigeria, the two largest economies, recorded growth rates of 0.5% and 4.1% respectively in CY2024, with projections of around 1.1% and 3.9% for CY2025.

Meanwhile, emerging and developing European economies saw growth of approximately 3.5% in CY2024, which is expected to decline to 1.8% in CY2025. In Latin America and the Caribbean, GDP growth is forecasted to drop from about 2.4% in CY2024 to remain flat at 2.4% in CY2025.

### **Growth trend in India**

India remains the fastest-growing major economy globally, with real GDP growth rising from approximately 7.6% in CY2022 to 9.2% in CY2023. In CY2024, growth moderated to 6.5% as the surge in demand following the pandemic began to normalize, allowing the economy to align more closely with its long-term potential. According to the IMF, India is projected to grow by 6.6% in CY2025 and 6.2% in CY2026, driven by strong private consumption—particularly in rural areas—and sustained investment activity. However, these projections are slightly lower (by 0.3%) due to rising global trade tensions and economic uncertainty. Looking ahead to CY2030, India's growth is expected to remain steady at around 6.5%, supported by ongoing structural reforms, infrastructure development, and favourable demographics.

### **1.2 Key factors impacting global macroeconomic landscape**

The Trump-era tariffs on global commodities like steel, aluminium and lumber raised U.S. construction costs by 5%, triggering inflation and disrupting real estate markets worldwide. Emerging markets faced delays and budget overruns, while inflation led to cautious expansion and reduced leasing activity.. Currency volatility and diverging monetary policies further impacted financing costs and cross-border investments. Countries hit hardest by tariffs are China, Mexico, and Canada which saw reduced property investment, while India, Vietnam, and South Korea gained traction.

India is expected to benefit from the disruptions caused by the global trade war, particularly in the real estate sector, provided it takes strategic advantage of the shifting global landscape. As

investors reduce exposure to markets heavily impacted by tariffs, such as China and Mexico, India emerges as one of the attractive destinations due to its relatively stable trade environment and large domestic market. This shift could lead to increased foreign investment in Indian real estate.

India's ongoing infrastructure development and urbanization efforts further enhance its appeal. Investments in smart cities, metro systems, and highways, combined with global capital seeking stable returns, can accelerate urban real estate growth in cities mainly in the southern and western regions. The expansion of the technology and services sectors also supports demand for office spaces, co-working hubs, and IT parks, contributing to long-term growth in commercial real estate.

Moreover, India's demographic advantage and growing middle class make it an attractive market for residential real estate. Global developers and investment funds are expected to increasingly target affordable and mid-income housing segments, where demand remains strong.

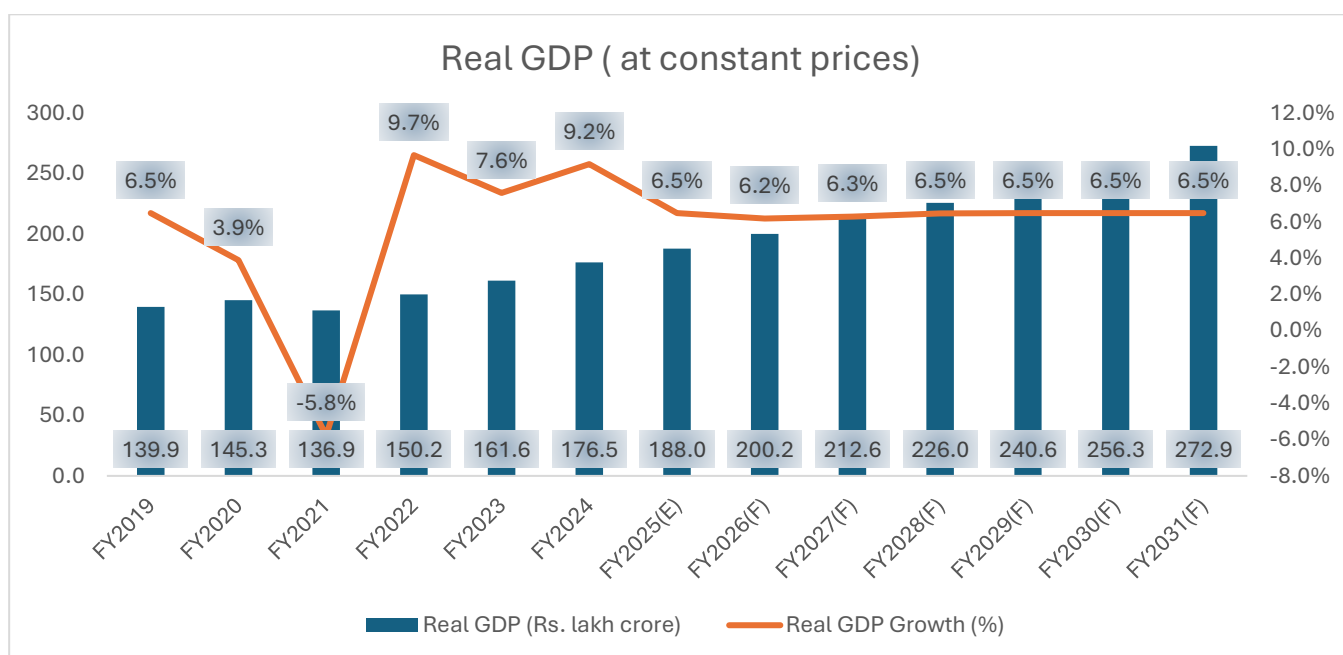
Over the long term, global real estate markets are expected to experience slower growth, particularly in regions that rely heavily on foreign capital and international trade. Continued supply chain disruptions and policy uncertainty to lead to regional imbalances in property development and pricing. As a result, strategic investors are expected to favour more stable markets and manage risk through diversified portfolios and currency strategies.

## 2. Domestic Economic overview

### 2.1 Trend in GDP growth in India and its Outlook

India's real Gross Domestic Product (GDP) for FY2025 is estimated to have grown by 6.5%, as per the Provisional Estimates (PE) released by the National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI) in May 2025. This marks a slight upward revision from the earlier estimate of 6.4% announced in January 2025. The GDP is now projected to reach Rs 188 trillion (lakh crore). In FY2024, India's real GDP recorded a growth of 9.2%, compared to 7.6% in FY2023, making FY2024 the third consecutive year of real GDP growth exceeding 7.0%. This growth has been largely fuelled by strong domestic demand, a dynamic demographic profile, ongoing economic reforms, and India's expanding role in global trade, investment, and innovation. The Government's emphasis on infrastructure and economic development has further reinforced this positive growth trend. Additionally, the International Monetary Fund (IMF) forecasts India to remain the world's fastest-growing major economy, projecting a 6.5% annual output growth between FY2028 and FY2031.

**Chart 4: Historical trend and projection of Real GDP of India (Rs lakh crore)**



Source: RBI, IMF, ICRA Analytics

Note: F-Forecasted; E- Estimated

Data from FY2026-2031F are forecasted from IMF

FY2025(E) is the provisional Estimates released by the National Statistical Office (NSO)

The Reserve Bank of India has projected real GDP growth at 6.5% for FY2026 retaining the fastest-growing major economy in the world, maintaining the same rate as estimated for FY2025, following a strong expansion of 9.2% in the preceding year.

The quarterly projections stand at 6.6% in Q3, and 6.3% in Q4. Agriculture remains on a positive footing, supported by healthy reservoir levels and robust crop production, which is expected to sustain rural demand. Manufacturing is showing early signs of revival amid improved business sentiment, and the services sector continues to demonstrate resilience.

On the investment side, activity is gaining pace on the back of higher capacity utilization, continued government focus on infrastructure, and strong balance sheets of banks and

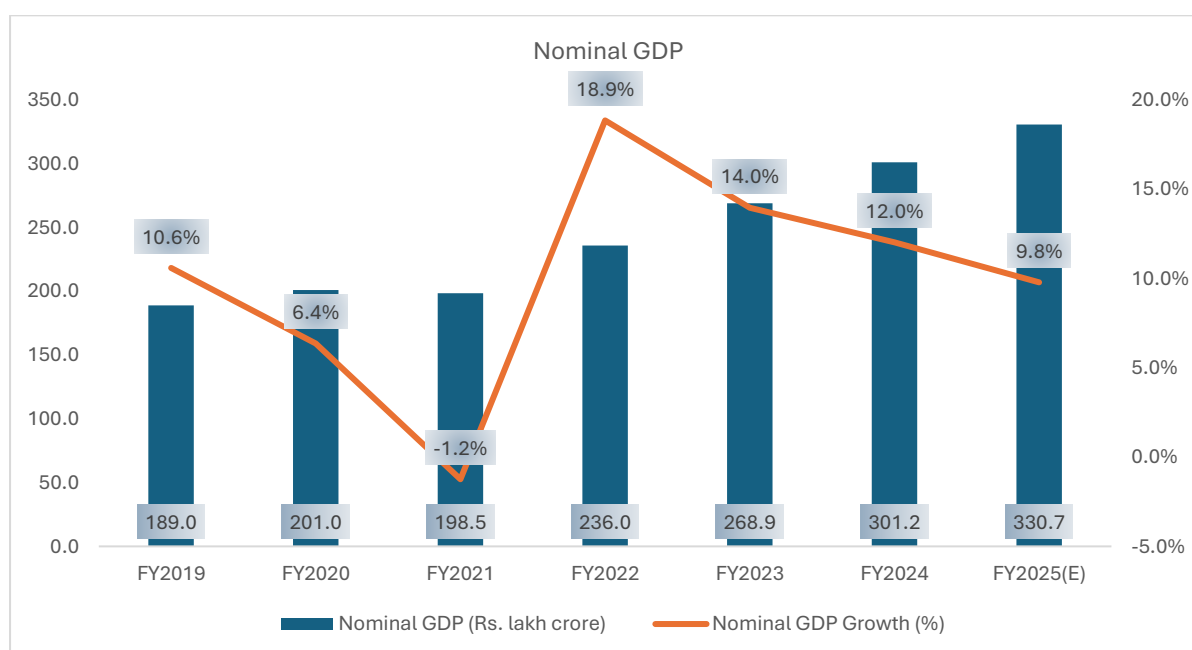
corporates. Easing financial conditions have also aided this recovery. While services exports are likely to remain steady, merchandise exports could face headwinds from global uncertainties and trade disruptions. Looking ahead, the RBI has projected real GDP growth at 6.5% for FY2027, suggesting continued recovery momentum.

**Table 2: Real GDP growth forecasted by Reserve Bank of India**

Real GDP Growth (at constant 2011-12 prices)	FY2025				FY2025 E	FY2026 F				FY2026 F	FY2027 F
	Q1	Q2	Q3	Q4	(E)	Q1	Q2 (E)	Q3 (F)	Q4 (F)	(F)	(F)
% change	6.5	5.6	6.4	7.4	6.5*	7.8	8.2	6.6	6.3	6.7	6.5

F- Forecasted; E- Estimated  
Source: RBI, ICRA Analytics

**Chart 5: Historical trend of Nominal GDP of India (Rs lakh crore)**



Source: RBI, ICRA Analytics

Note: E- Estimated

FY2025(E) is the provisional Estimates released by the National Statistical Office (NSO)

India's nominal GDP has shown an upward trend from FY2020 to FY2025(E), with significant growth in some years, particularly after the initial dip due to the pandemic. Estimates suggest a nominal GDP of Rs 330.7 trillion (lakh crore) by the end of March 2025, with a growth of 9.8% over the previous year, reflecting sustained economic momentum. This step growth reflects the country's expanding economic base and rising income levels.

## 2.2 Gross Value Added growth in India

**Table 3: Real Growth in Gross Value Added in the past 5 years**

Real GVA Growth	FY 2021	FY 2022	FY 2023	FY 2024 (FRE)	FY 2025 (PE)
<b>Agriculture, Forestry and Fishing</b>	<b>4</b>	<b>4.6</b>	<b>6.3</b>	<b>2.7</b>	<b>4.6</b>
<b>Industry</b>	<b>1.1</b>	<b>9.6</b>	<b>-0.0</b>	<b>11.0</b>	<b>4.5</b>
Mining and Quarrying	-8.2	6.3	3.4	3.2	2.7
Manufacturing	3.1	10.0	-1.7	12.3	4.5
Electricity, Gas, Water Supply and Other Utility Services	-4.2	10.3	10.8	8.6	5.9
<b>Services</b>	<b>-7.9</b>	<b>10.6</b>	<b>10.2</b>	<b>9.2</b>	<b>7.9</b>
Construction	-4.6	19.9	9.1	10.4	9.4
Trade, Hotels, Transport, Communication and Services Related to Broadcasting	-19.9	15.2	12.3	7.5	6.1
Financial, Real Estate and Professional Services	1.9	5.7	10.8	10.3	7.2
Public Administration, Defence and Other Services	-7.6	7.5	6.6	8.8	8.9
<b>GVA at Basic Prices</b>	<b>-4.1</b>	<b>9.4</b>	<b>7.2</b>	<b>8.6</b>	<b>6.4</b>

Source: RBI, ICRA Analytics  
 FRE: First Revised Estimates  
 PE: Provisional Estimates

India's real Gross Value Added (GVA) growth for the fiscal year 2024–25 (FY2025) is estimated at 6.4%, according to provisional estimates released by the National Statistical Office (NSO) on 30<sup>th</sup> May 2025. This marks a moderation from the 8.6% growth recorded in FY2024.

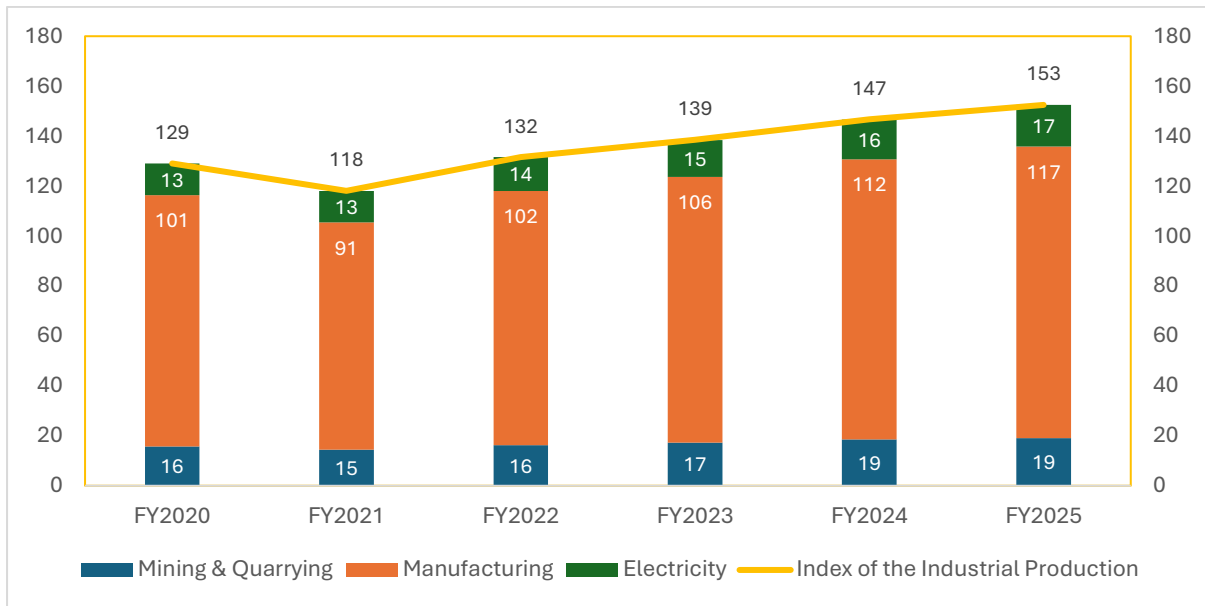
The agriculture and allied sector have become a key contributor to economic growth, with real Gross Value Added (GVA) projected to increase by 4.6% in FY2025, up from 2.7% in FY2024. At the same time, the construction sector is expected to register a robust 9.4% growth, driven by accelerated infrastructure development. Likewise, the financial, real estate, and professional services sector is projected to grow by 7.9%, reflecting strong momentum in business and real estate activities. These sectoral trends suggest that while overall GVA growth has moderated, agriculture showed strong growth momentum while construction and services continue to exhibit strong performance, contributing positively to the economy's resilience.

## 2.3 Performance of key macroeconomic indicators

### 2.3.1 Trends in Industrial growth

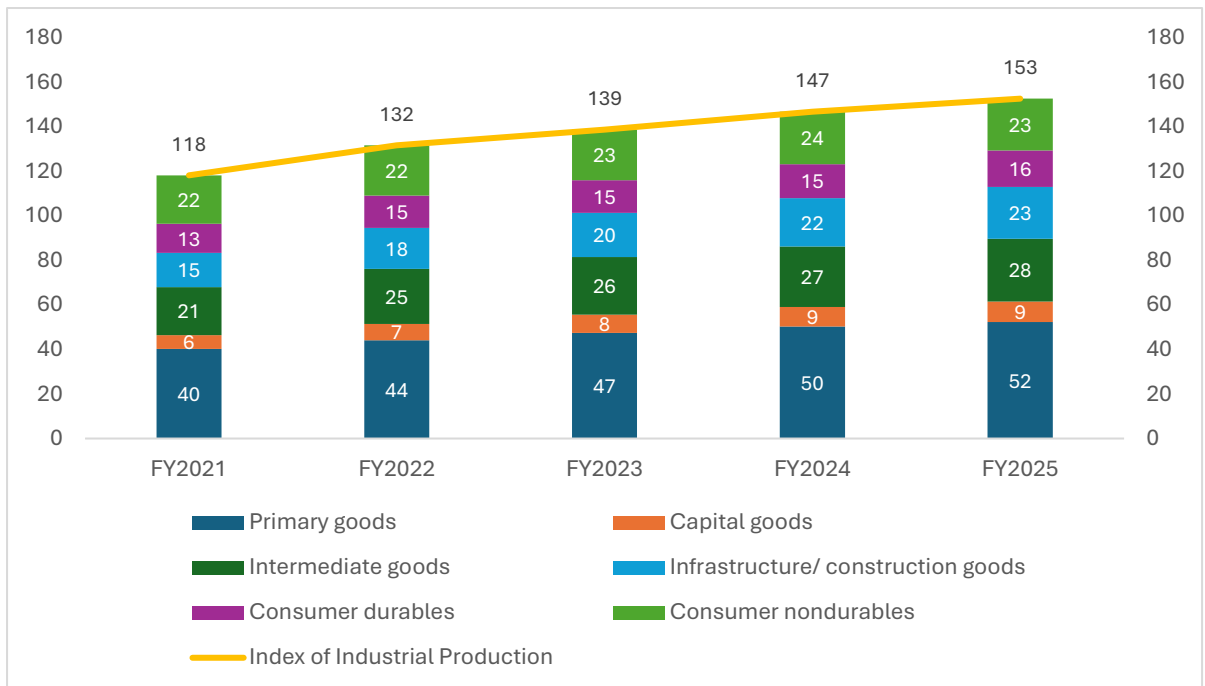
Aided by strong corporate profits on the back of reduced input cost pressures and government support in promotion of manufacturing in India through various schemes such as Make in India, Startup India, Digital India, etc, led to healthy growth in Index of Industrial Production (IIP). Industrial output reported expansion of 4.0% in FY2025 as compared to 5.9% in the preceding year (i.e. FY2024). Led by electrical equipment, transport equipment, furniture and basic metals, 17 of 23 industry groups recorded y-o-y expansion in the manufacturing space. Moreover, while considering user-based classification all categories reported year over year growth. Going forward, India's manufacturing sector is expected to reach US\$ 1 trillion by FY2025-26, mainly led by investments in automobile, textiles and electronics industries.

**Chart 6: Movement in Index of Industrial Production and its Components**



Source: PIB, RBI, ICRA Analytics

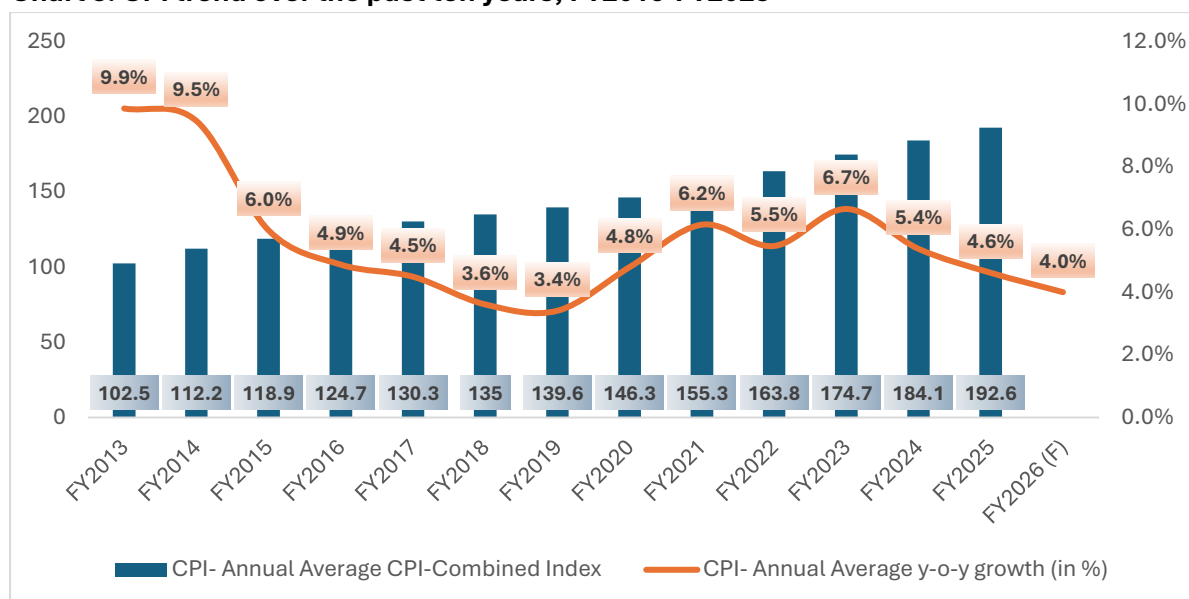
**Chart 7: Index of Industrial Production - Use-Based Classification**



Source: RBI, ICRA Analytics

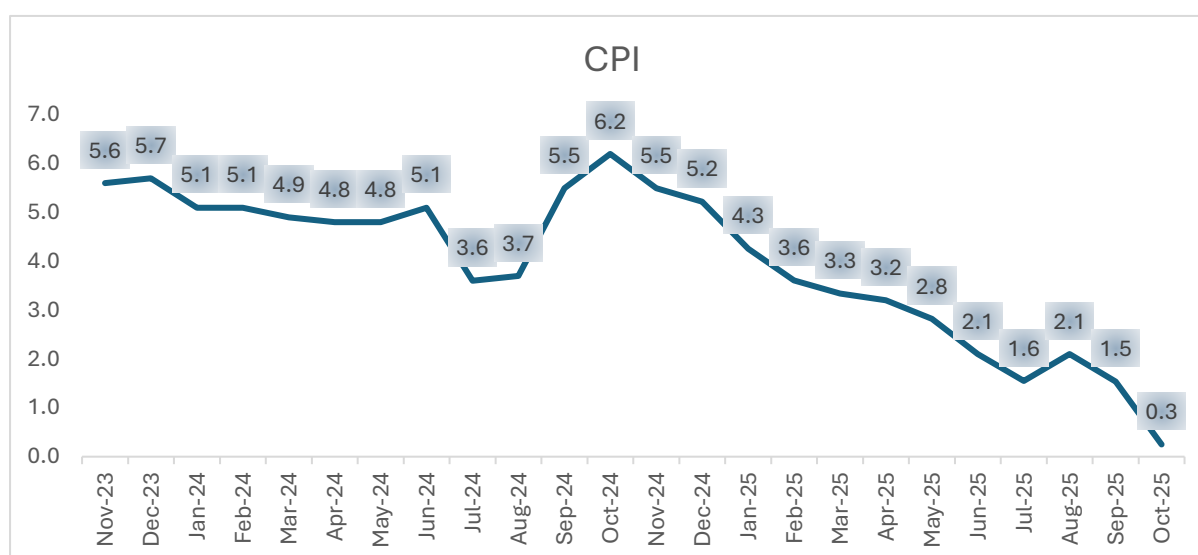
### 2.3.2 Review of inflation in India

**Chart 8: CPI trend over the past ten years, FY2016-FY2025**



Source: RBI, MOSPI, ICRA Analytics

**Chart 9: Monthly CPI trend over the past two years (in %)**



Source: RBI, MOSPI, ICRA Analytics

Retail inflation in India, as indicated by the Consumer Price Index (CPI), which represents the cost of daily goods and services, retail inflation in India has followed a steady downward path over the past three financial years, falling from 6.7% FY2023 to 5.4% during FY2024, and further to 4.6% during FY2025. This consistent moderation highlights the combined impact of the Reserve Bank of India’s calibrated monetary policy and the Government of India’s focused interventions to ease supply-side constraints and stabilise prices of essential commodities. The declining trend has helped ease cost-of-living pressures and fostered a more stable environment for economic growth.

The year-on-year inflation rate for October 2025, compared to October 2024, stood at 0.25%. This marks a sharp decline of 129 basis points in headline inflation from September 2025 to October 2025, representing the lowest inflation recorded in the current CPI series. The significant drop in headline and food inflation during October 2025 is mainly due to a favorable base effect and a reduction in inflation rates of Vegetables, Pulses, Cereals, Sugar, Milk, and Spices. Food inflation was -5.02%, indicating a steep fall in food prices.

The year-on-year inflation rate for September 2025, compared to September 2024, stood at 1.54%. This represents a decline of 53 basis points in headline inflation from August 2025 to September 2025, marking one of the lowest inflation levels since December 2018. The notable drop in both headline and food inflation during September 2025 is primarily due to a favorable base effect and a reduction in inflation rates of Vegetables, Oil and Fats, and Fruits. Food inflation was -2.28%, the lowest since December 2018.

The year-on-year inflation rate for August 2025, compared to August 2024, stood at 2.07%. This marks an increase of 46 basis points in headline inflation from July 2025 to August 2025. The rise in both headline and food inflation during August 2025 is mainly attributed to higher inflation in Vegetables, Meat and Fish, Oil and Fats, Personal Care, and Eggs. Food inflation was -0.69%, indicating continued negative growth in food prices for the third consecutive month.

**Table 4: CPI inflation forecasted by Reserve Bank of India**

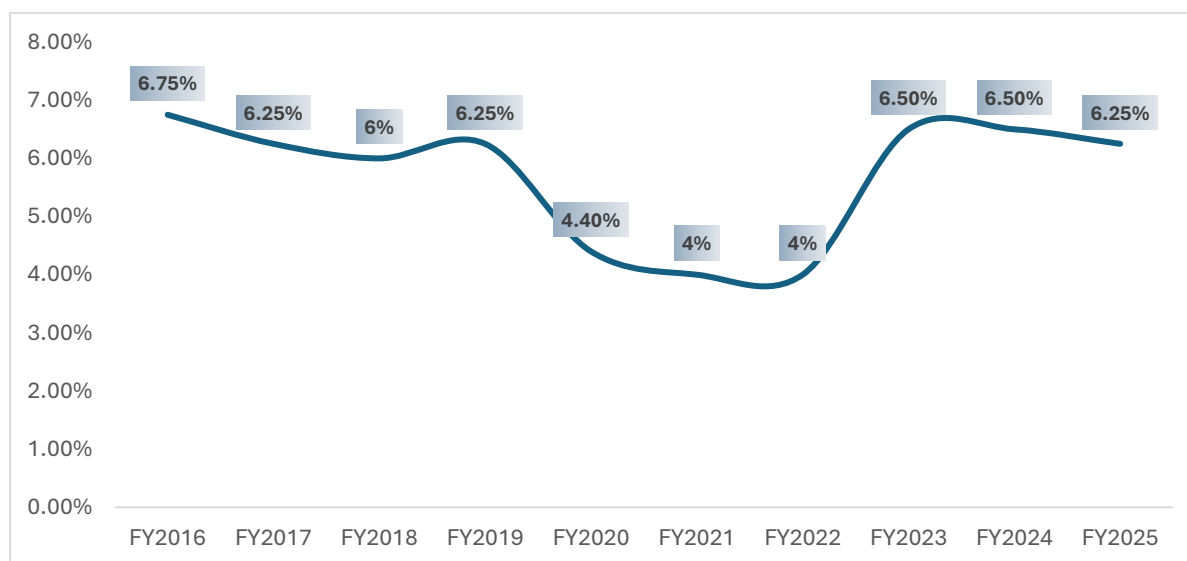
CPI Inflation	FY2026			FY2027	
	Q3	Q4	FY2026	Q1	Q2
% change	0.6	2.9	2.0	3.9	4.0

Source: MPC, ICRA Analytics

As of December 2025, the Reserve Bank of India (RBI) has revised its Consumer Price Index (CPI) inflation forecast for the fiscal year 2025–26 (FY2026) downward to 2.0%, from an earlier projection of 3.1% in August and 3.7% before that. This adjustment reflects continued weakness in food inflation, strong agricultural output, favorable monsoon conditions, and subdued core price pressures.

### 2.3.3 Interest rate movement in India

**Chart 10: Repo rate movement in India (on year, in percentage)**



Source: CMIE, ICRA Analytics

**Table 5: Recent Repo Rate Maintained by the Reserve Bank of India**

Date	Repo Rate
RBI Repo Rate on 5-Dec-2025	5.25%
RBI Repo Rate on 1-Oct-2025	5.50%
RBI Repo Rate on 6-August-2025	5.50%
RBI Repo Rate on 6-Jun-2025	5.50%
RBI Repo Rate on 9-Apr-2025	6.00%
RBI Repo Rate on 7-Feb-2025	6.25%
RBI Repo Rate on 6-Dec-2024	6.50%
RBI Repo Rate on 9-Oct-2024	6.50%
RBI Repo Rate on 8-Aug-2024	6.50%
RBI Repo Rate on 7-Jun-2024	6.50%
RBI Repo Rate on 5-Apr-2024	6.50%
RBI Repo Rate on 7-Feb-2024	6.25%
RBI Repo Rate on 9-April-2023	6.00%

Source: RBI, ICRA Analytics

On December 5, 2025, the RBI’s Monetary Policy Committee, chaired by Governor Sanjay Malhotra, decided to cut the repo rate by 25 basis points to 5.25%, while maintaining a “neutral” stance. This marked the fourth-rate action in 2025 and reflected a dovish tone amid historically low inflation and strong growth momentum. The committee revised the FY2026 CPI inflation forecast sharply downward to 2.0% (from 2.6% in October) and raised the GDP growth projection to 7.3%. Quarterly inflation estimates were also lowered significantly: Q3 FY2026 to +0.6% (from +1.8%) and Q4 FY2026 to +2.9% (from +4.0%). The MPC emphasized that the rate cut cycle is likely complete, with future moves remaining data-dependent given global uncertainties and domestic liquidity conditions.

On October 1, 2025, the RBI’s Monetary Policy Committee, chaired by Governor Sanjay Malhotra, again kept the repo rate unchanged at 5.50% and maintained a “neutral” stance. The decision reflected continued disinflationary trends (inflation forecast lowered to 2.6%) and improved growth prospects (6.8%). The committee emphasized a data-dependent approach, noting global uncertainties and the need to monitor the transmission of earlier policy actions.

On August 6, 2025, the RBI’s Monetary Policy Committee, chaired by Governor Sanjay Malhotra, decided to keep the repo rate unchanged at 5.50%, following earlier cuts totalling 100 basis points in 2025. The policy stance remained “neutral,” signalling a pause to assess the impact of previous rate reductions. The committee cited easing inflation (forecast revised to 3.1%) and stable growth outlook (6.5%) as reasons for holding rates steady.

On June 6, 2025, the RBI’s Monetary Policy Committee, chaired by Governor Sanjay Malhotra, announced a further 50 basis point cut in the repo rate, reducing it from 6.0% to 5.5%. Along with this, the policy stance shifted from “accommodative” to “neutral,” indicating this may be the final cut in the current cycle of monetary easing.

The Monetary Policy Report for April 2025, released alongside the 54th session of the Monetary Policy Committee, outlines a balanced approach adopted by the Reserve Bank of India (RBI) to support economic growth while maintaining price stability. The decision to lower the policy repo rate by 25 basis points to 6% is based on easing inflation particularly in food prices and a gradual recovery in economic activity. With GDP growth expected at 6.5% for FY2026 and inflation

projected to remain within the 4% target range, the report reflects cautious optimism amid global uncertainty.

On the external front, robust services exports and strong remittance inflows have cushioned the merchandise trade deficit, helping keep the current account deficit at sustainable levels. In addition, improved system liquidity, reduced short-term borrowing costs, and stable foreign exchange reserves underscore the resilience of India's financial system. The RBI reaffirmed its commitment to closely monitoring evolving conditions and taking timely and calibrated measures to ensure macroeconomic and financial stability.

- India's monetary policy over the past decade has been marked by gradual rate reductions prior to the pandemic, aimed at spurring growth while controlling inflation. The RBI then implemented significant rate cuts during the COVID-19 pandemic to support the economy.
- Subsequently, the RBI raised rates in 2022 to address rising inflation and stabilize the rupee. Rates remained largely unchanged during 2023 and 2024.
- The RBI's repo rate ended 2024 at 6.25%, down from 6.50% at the end of 2023 and from 7.50% a decade ago. The average repo rate over the past ten years stood at 5.85%.

As of October 1, 2025, the RBI kept the repo rate unchanged at 5.50%, while the reverse repo rate remained at 3.35%. This decision came after three earlier rate cuts in February, April, and June 2025 totalling 100 basis points, bringing the repo rate down from 6.50% to 5.50%. The policy stance continued to be neutral, with the MPC unanimously voting to maintain rates.

In response to rising global economic uncertainty, particularly due to the impact of new US tariffs on global trade flows, the members of the Monetary Policy Committee unanimously voted to cut the repo rate to 6%, with the goal of encouraging lending and investment, stimulating demand, and boosting overall economic activity.

**Conclusion:** Despite the improving inflation outlook, the RBI remains cautious. It flags downside risks to growth from uncertainty about global trade post-protectionist measures, protracted geopolitical tensions and global financial market volatility. These very factors also pose upside risks to inflation, reinforcing the need for a balanced, watchful approach.

As per RBI, Reserve Bank will undertake liquidity management operations in sync with the monetary policy stance and keep system liquidity adequate to meet the needs of the productive sectors of the economy.

### **2.3.3.1 Impact of Recent Repo Rate Cuts on Housing Demand**

**Lower Borrowing Costs & Improved Affordability:** The RBI's cumulative repo rate cuts in 2025 (up to 100 basis points, bringing the rate to 5.5%) have significantly reduced home loan interest rates and lowering EMLs. This makes homeownership more affordable and boosts loan eligibility for buyers.

**Boost in Housing Demand Across Segments:** Affordable & Mid-Income Housing: These rate-sensitive segments have seen the strongest surge in demand, especially in Tier-2 and Tier-3 cities. Metro Markets: Cities such as Mumbai, Bengaluru, and Pune are witnessing steady growth

in sales and new launches. Luxury Housing: Gains are more sentiment-driven than rate-driven, but positive, nonetheless.

**Developer Optimism & New Project Launches:** With the RBI’s recent 25 bps repo rate cut to **5.25% in December 2025**, borrowing costs have eased significantly. This move is expected to breathe new life into stalled developments and fast-track fresh project launches. Industry experts describe the cut as a pivotal moment, reinforcing liquidity in the market and boosting both developer momentum and buyer confidence.

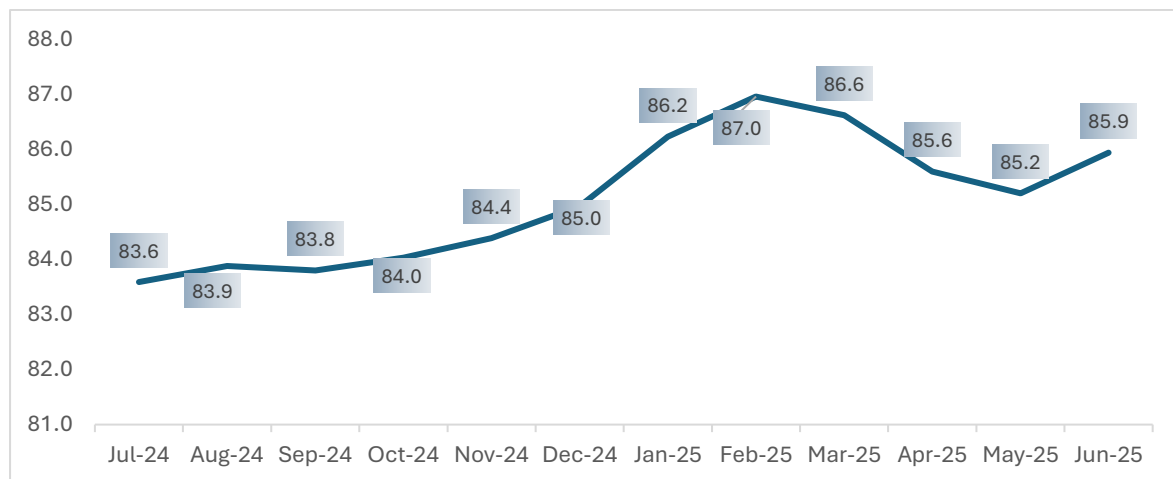
**Positive Sentiment & Faster Sales Conversions:** Reduced EMIs and improved affordability have triggered higher enquiries and faster sales conversions. First-time homebuyers who were hesitant are now entering the market, aided by tax incentives announced in the Union Budget.

**Expected Price Trends:** While demand is rising immediately, property prices are expected to appreciate gradually at 6-8% annually in 2025, with sharper gains in high-demand pockets like NCR, Bengaluru and Pune

**Challenges & Caveats:** Full benefit depends on banks passing on rate cuts promptly. Rising property prices and inflation could offset affordability gains.

### 2.3.4 Exchange rate movement in India

**Chart 11: Exchange rate movement in India**



Source: X-rates, ICRA Analytics

Over the past year (July 2024 to June 2025), the USD/INR exchange rate has experienced moderate fluctuations, influenced by global and domestic economic factors, geopolitical events, war scenarios and foreign investments flows. On February 7, 2025, the USD/INR exchange rate reached its peak at ₹87.8/US\$ while the lowest rate was recorded on May 5, 2025, at Rs 84.22/USD.

### 2.3.5 Key growth/demographic drivers for economic growth affecting real estate sector

India’s economic and real estate landscape is increasingly influenced by demographic trends that vary by region. Urbanisation, age distribution, income growth, migration, and changing family structures are driving distinct real estate demands across the country.

**Urbanisation & Migration:** Rapid urban growth in North and West India)is attracting rural migrants, creating strong demand for affordable and mid-segment housing. In South India (, tech-

driven migration fuels demand for premium housing, co-living spaces, and tech parks, supported by start-up ecosystems and favourable living conditions.

**Young Population Influence:** With a median age of ~29 years, India's youth is driving demand for rentals, co-living models, and compact smart homes, especially in cities like Bengaluru, Pune, and Gurugram. Walk-to-work and mixed-use developments are becoming popular among young professionals.

**Nuclear Families & Smaller Households:** Shrinking household sizes due to higher incomes and urbanisation are increasing demand for compact apartments, especially in Tier 1 and emerging Tier 2 cities like Lucknow, Indore, and Coimbatore. Developers are responding with 2BHK units and township projects.

**Income Growth & Aspirational Buying:** Rising middle-class incomes and improved housing affordability are pushing a shift from renting to ownership. Cities like Jaipur, Chandigarh, and Kochi are witnessing increased demand for mid-income and affordable housing post-pandemic. As per RBI norms aligned with Pradhan Mantri Awas Yojana, affordable housing is defined as homes priced up to Rs 65 lakh in metro cities (with a carpet area of up to 60 m<sup>2</sup>) and up to Rs 40 lakh in non-metro areas (with a carpet area of up to 90 m<sup>2</sup>).

**Industrial Growth & Job Creation:** Real estate demand is rising around industrial zones and IT parks. West India (Gujarat, Maharashtra) sees growth in residential and logistics parks; South India benefits from tech manufacturing hubs; East India lags, except for stable demand in Kolkata.

**Government Policies & Infrastructure:** Initiatives like PMAY, Smart Cities, and metro expansions are lifting regional sentiments. Pro-business policies in states like Telangana and Tamil Nadu are attracting FDI and boosting housing near industrial hubs.

**Ageing Population:** With ~8% of the population over 60, senior living communities are slowly emerging in cities like Pune and Coimbatore, especially with rising NRI interest in retirement housing.

**Technology growth in Tier-2 & Tier-3 cities is driving rental demand:** Tier-2 and Tier-3 cities are emerging as technology hubs due to abundant talent, lower operational costs, strong government support, and better quality of life all of which are attracting Professionals, Startups and Small & Medium Enterprises. This influx is directly fuelling the rental market, as growing economic activity and migration increase demand for residential and commercial spaces, further supported by rising internet access and digital adoption in these regions.

### 3. Market Overview of the Residential real estate Sector in India

#### 3.1 Overview of the Residential real estate Sector in India

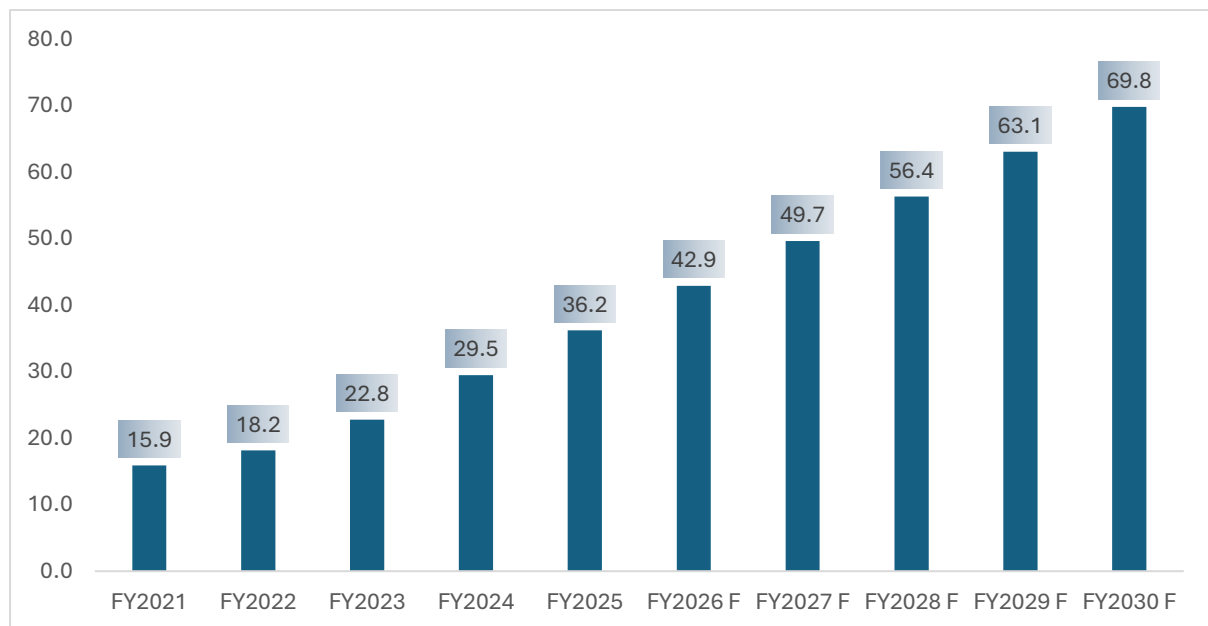
The global real estate industry was valued at Rs 1,158 trillion in FY2024 and grew to Rs 1,313 trillion in FY2025. In comparison, the Indian real estate market stood at Rs 29.50 trillion in FY2024 and is projected to reach Rs 69.81 trillion by FY2030.

In terms of revenue, India accounted for 2.7% of the global real estate market in FY2025. Within India, the residential segment dominated, comprising 58.7% of the total real estate sector.

In FY2024, the Indian real estate market is expected to see the delivery of over 5.3 lakh housing units, the highest annual delivery volume in a decade. This surge is attributed to the clearance of COVID-19-induced backlogs and the revival of stalled projects supported by the government-backed SWAMIH fund.

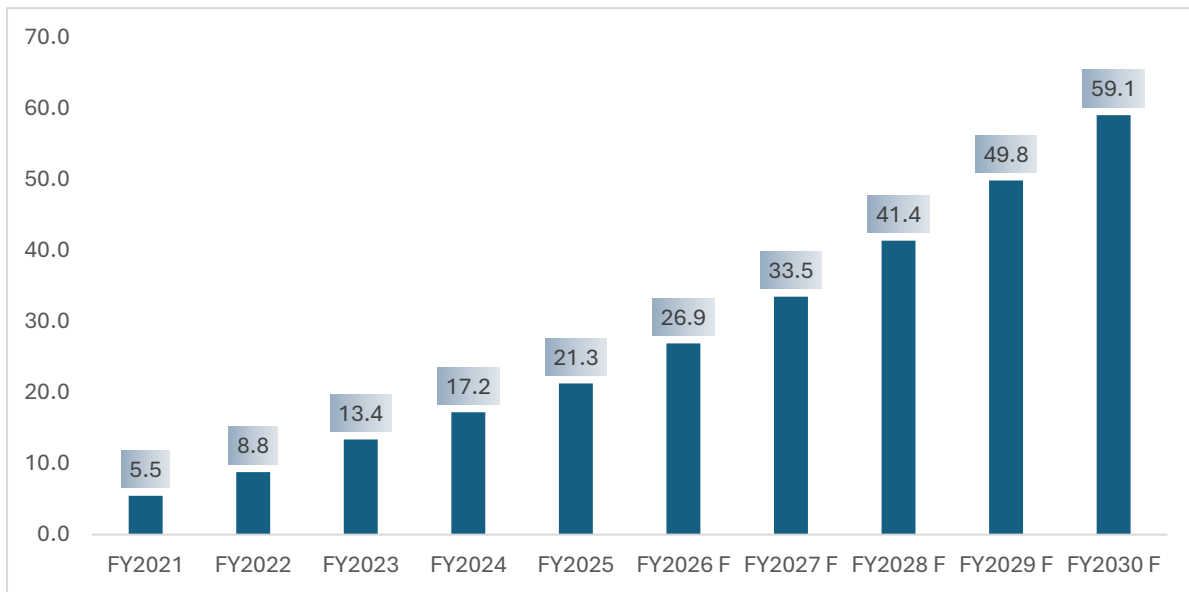
Changing consumer preferences, fueled by rising aspirations for an improved lifestyle and growing confidence in India's economic outlook, continue to drive strong residential sector sales. Additionally, sustained government support through affordable housing schemes, infrastructure investment, and pro-business policies is reinforcing growth momentum across various real estate asset classes.

**Chart 12: India's Real Estate Market (in Rs Trillion), FY2021-FY2030 F**



Source: IMARC, ICRA Analytics

**Chart 13: India's Residential Real Estate Market (in Rs Trillion), FY2021-FY2030F**



Source: IMARC, ICRA Analytics

The real estate sector is among the most globally recognized industries. Its growth is fuelled by the expansion of the corporate sector and increasing demand for urban and semi-urban housing.

Construction ranks as the third-largest sector in terms of FDI inflows into India. Between April 2000 and March 2024, FDI in construction development and related activities reached US\$ 60.53 billion.

According to Knight Frank India's 'Trends in Private Equity Investment in India 2024' report, the Indian real estate sector attracted Rs 35,300 crore (US\$ 4.15 billion) in private equity (PE) investments in calendar year 2024—reflecting a 32% annual growth.

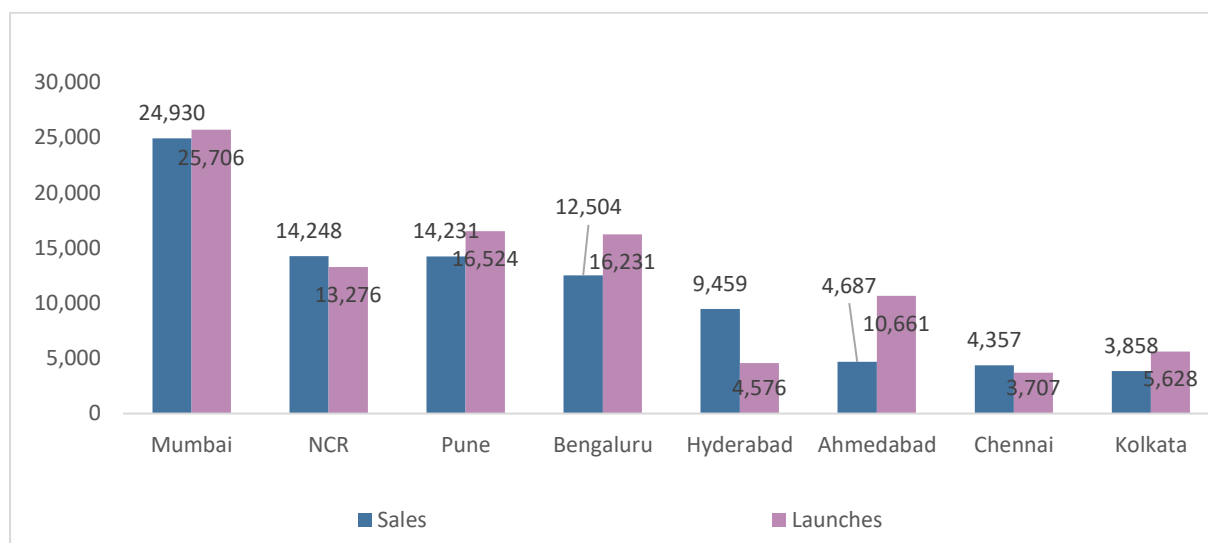
The sector is also expected to see continued investment from Non-Resident Indians (NRIs), both in the short and long term. Bengaluru is projected to be the most preferred destination for property investment among NRIs, followed by Ahmedabad, Pune, Chennai, Goa, Delhi, and Dehradun.

In CY 2024, NRIs contributed to approximately 15%–25% of the investment in newly launched residential projects across India's top seven cities—Delhi-NCR, Mumbai Metropolitan Region, Bengaluru, Pune, Hyderabad, Chennai, and Kolkata.

In FY2025, the residential real estate market saw a 23.6% growth over FY2024, driven by rising incomes and growing demand in the premium and luxury housing segments, despite challenges such as high mortgage rates and elevated property prices.

## Sales and Launches

**Chart 14: Housing Units Sales and Launches in CY-Q1 2025 (Jan-March 2025) across Top 8 Cities**



Source: Knight and Frank, India Real Estate, Office and Residential Market - January - March 2025, IMARC, ICRA Analytics

**Table 6: Sales Trend in Top 8 Cities (in Units)**

Cities	CY- Q1 2024	CY- Q2 2024	CY- Q3 2024	CY- Q4 2024	CY- Q1 2025	CY Q1 2024-25 YoY Change
<b>Mumbai</b>	23,743	23,516	24,222	24,706	24,930	5%
<b>NCR</b>	15,527	13,471	12,976	15,680	14,248	-8%
<b>Pune</b>	13,133	12,693	13,200	14,621	14,231	20%
<b>Bengaluru</b>	11,832	14,271	14,604	13,354	12,504	-5%
<b>Hyderabad</b>	9,550	9,023	9,114	9,287	9,459	-1%
<b>Ahmedabad</b>	4,673	4,704	4,578	4,507	4,687	0%
<b>Chennai</b>	3,950	4,025	4,105	4,158	4,357	10%
<b>Kolkata</b>	3,937	5,193	4,309	3,950	3,858	-2%

Source: Knight and Frank, India Real Estate, Office and Residential Market - January - March 2025, IMARC, ICRA Analytics

As per available data, housing unit sales volumes remained steady during Q1 of CY 2025. A total of 88,274 units were sold during the January–March 2025 period, reflecting a 2% year-on-year (YoY) increase.

The highest sales volumes were recorded in Mumbai, with 24,930 units sold, marking a 5% YoY growth in Q1 2025. The surge in residential sales in Mumbai is being driven by a growing aspiration for homeownership, increased traction in premium housing, favorable economic conditions, robust infrastructure development, and rising buyer confidence in the real estate market.

Pune and Chennai also witnessed notable YoY growth in residential sales—20% and 10%, respectively, in Q1 2025. In Pune, the growth was supported by a combination of factors including the rapid expansion of the IT sector, enhanced infrastructure, and a strong influx of working professionals.

Conversely, housing sales declined in NCR and Bengaluru, with YoY drops of 8% and 5%, respectively. Although these cities benefit from strong employment generation across sectors,

uncertainty in job markets has led to some disruption. Additionally, while property prices rose, sales volumes declined in these regions.

In terms of new launches, 96,309 units were introduced in Q1 CY 2025, reflecting a 3% growth over the previous period.

The Bengaluru market registered the highest YoY growth in new launches at 26% during Q1 2025.

Mumbai and Bengaluru accounted for the largest share of newly launched units, together contributing 44% of total launches during this period.

### Pricing Trends

Housing prices in India have strengthened over the last few quarters with all the eight major cities experienced a notable increase in housing prices owing to several factors including robust demand from homebuyers, resilient domestic economic growth, stable interest rate cycle and a rise in the cost of construction materials.

Price levels in Bengaluru and NCR witnessed an exceptional growth at 16% and 12% YoY as the focus sharpened toward development of premium, high-rise properties. This is driven by wealth creation among startup entrepreneurs and senior and mid-level employees who have benefited from rising opportunities. Establishing several ‘Global Capability Centres’ GCCs in Bengaluru, particularly in the BFSI sector, has further fueled demand.

Also, cities like Kolkata, Hyderabad each witnessed growth of 9% YoY .

India led in terms of economic growth prospects in CY- Q1 2025. The RBI’s growth estimate for FY 2026 revised lower to 6.7%. Also, the Central Bank reduced policy rates for the first time since 2020 by 25 bps and consumer inflation dropped to 3.61% in CY - Q1 2025. RBI’s recent initiatives to increase liquidity in the banking system are anticipated to increase credit availability at reduced interest rates for homebuyers which will benefit the market growth in the coming time.

**Table 7: Average price change across Top 8 Cities during CY- Q1 2025**

Market	YoY Change	CY (Q1 2024- Q1 2025)	QoQ Change	CY- (Q4 2024- Q1 2025)
<b>Bengaluru</b>	16%		<b>7%</b>	
<b>NCR</b>	12%		<b>6%</b>	
<b>Kolkata</b>	9%		<b>3%</b>	
<b>Hyderabad</b>	9%		<b>3%</b>	
<b>Chennai</b>	7%		<b>1%</b>	
<b>Pune</b>	6%		<b>1%</b>	
<b>Mumbai</b>	6%		<b>1%</b>	
<b>Ahmedabad</b>	2%		<b>0%</b>	

Source: Knight and Frank, India Real Estate, Office and Residential Market - January - March 2025, IMARC, ICRA Analytics

### 3.2 Demand Drivers:

**Strong Economic Growth:** India’s economy continues to expand steadily and confidently, maintaining its position as the fastest-growing major economy globally. Gross Domestic Product (GDP) measures the size and health of the economy. In 2024–25, real GDP growth was estimated at 6.5%. The Reserve Bank of India projects the same growth rate to persist in 2025–26. This economic momentum, along with a rising number of high net worth individuals, is boosting disposable incomes among homebuyers. Consequently, demand for luxury housing is rising, offering spacious residences equipped with modern amenities for a refined lifestyle and elevated living experience. For example, Delhi-NCR recorded sales of 3,960 luxury homes priced at Rs 6

crore and above during January–June 2025 — over three times higher than the previous year, as per a CBRE and Assocham report.

**Urbanization:** As per the World Bank, India’s urban population is projected to reach 600 million by 2036, fuelling robust housing demand, particularly in cities with better infrastructure and employment opportunities. However, a gap in supply persists — only 3 homes are built per 1,000 people compared to a requirement of 5 — resulting in an urban housing shortfall of approximately 10 million units. In South India, Tier 2 cities like Coimbatore, Visakhapatnam, Mysuru, Madurai, and Vijayawada are seeing rising demand from first-time homebuyers, NRIs, and remote workers who prefer affordable yet well-connected residential options. Enhanced infrastructure, expanding IT and manufacturing hubs, and rising interest from NRIs and remote employees are positioning these cities as appealing residential destinations.

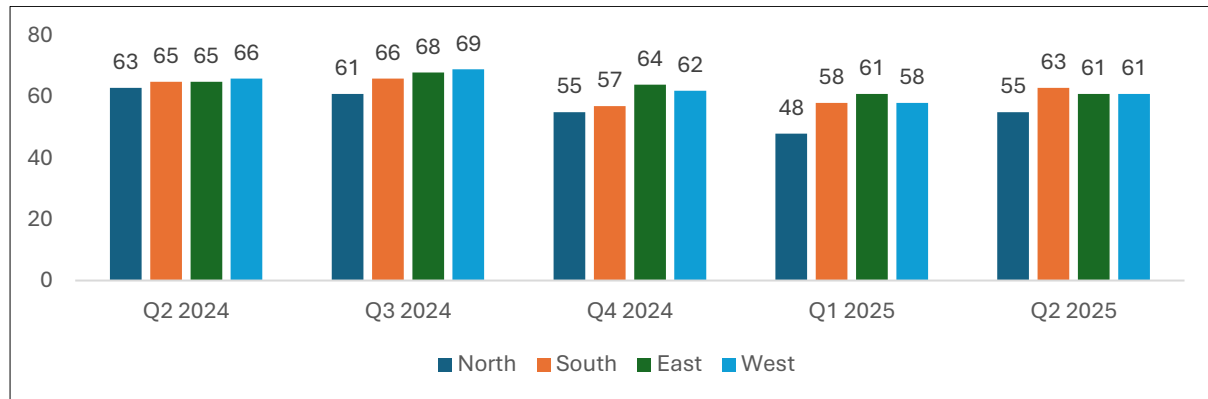
**Government Support:** The government has intensified investments through the Pradhan Mantri Awas Yojana (PMAY), introducing PMAY-U 2.0 with a goal to support one crore urban poor and middle-income families, backed by a budget exceeding Rs 10 lakh crore. This initiative aims to fast-track affordable housing development, particularly in underserved areas. Tier 2 and Tier 3 cities in South India are among the main beneficiaries. Furthermore, dedicated funds like SWAMIH are helping restart stalled mid-income housing projects, restoring supply pipelines and consumer trust. Cities such as Trichy, Salem, Warangal, and Nellore are experiencing renewed construction momentum owing to these government efforts.

**Investment Flows:** Rising domestic and international investments, increasing interest in REITs, and growing retail participation are propelling sector growth and supporting new project launches. Government reforms like RERA and GST rationalization have made the real estate market more transparent, regulated, and streamlined — significantly enhancing investor confidence. This has drawn both domestic and foreign direct investment (FDI), directing greater capital into ongoing and future developments. Moreover, the government’s allowance of up to 100% FDI for township and settlement development projects has notably opened India’s real estate sector to substantial foreign funding.

**Green Residential Projects:** Real estate developers are increasingly prioritizing eco-friendly buildings and sustainable living spaces that align with LEED Green Building standards. Many are now launching residential projects with green certifications. To further promote green housing, in 2023, the Confederation of Real Estate Developers Association of India (CREDAI) partnered with the Indian Green Building Council (IGBC). As part of this collaboration, CREDAI committed to developing over 1,000 Certified Green Projects across India within two years, and 4,000 projects by 2030, through the adoption of IGBC Green and Net Zero building rating systems. This initiative is expected to add over 4,00,000 green housing units nationwide.

### 3.3 Zonal Future Sentiment Score

Chart 15 : Zonal Future Sentiment Score (April 2024-June 2025)



Source: NAREDCO, IMARC, ICRA Analytics

In Q2 2025, sentiment scores across zones showed a synchronized rebound, with all regions remaining in the optimistic territory.

The North Zone notably recovered from its post-COVID low of 48 in CY-Q1 2025 to 55 in CY-Q2 2025, signaling stabilization in stakeholder confidence. While Delhi-NCR witnessed continued price escalation, developers' shift towards premium inventory and ongoing infrastructure projects have supported a more balanced outlook.

The South Zone sentiment score rose from 58 in CY-Q1 2025 to 63 in CY-Q2 2025, supported by robust commercial leasing in Bengaluru and Hyderabad, and sustained premium housing demand.

The East Zone held steady at 61 in CY-Q2 2025, reflecting confidence in affordable housing and consistent activity in Kolkata's mid-segment market, despite overall moderation in launches.

The West Zone increased from 58 IN CY-Q1 2025 to 61 in CY-Q2 2025, underscoring stability in markets like Mumbai and Pune where office absorption remains strong. The shift in developer strategy toward fewer, higher-end launches has helped maintain market equilibrium.

Overall, the rebound across regions suggests renewed confidence, driven by supportive macro indicators and focused supply strategies that align with current demand dynamics.

### 3.4 Key Threats and Challenges

**Overpopulation:** India is projected to become the world's most populous country by 2050. As highlighted at the Economic Times Housing Finance Summit, approximately three houses are constructed per 1,000 individuals annually, whereas the demand stands at five houses per 1,000 people. The current urban housing shortfall is estimated at around 10 million units. To accommodate the growing urban population, an additional 25 million affordable housing units will be required by 2030.

**Economic and Financial Pressures:** Global economic uncertainty and persistently high domestic interest rates have strained homebuyer affordability and raised the cost of capital for real estate developers. With housing prices increasing faster than income levels, affordability challenges have intensified, especially in the mid-income and affordable housing segments. While private equity activity remains, access to capital for early-stage developments has tightened.

**Regulatory and Approvals Hurdles:** Complex land acquisition procedures, prolonged environmental clearances, and sluggish municipal approval systems continue to delay project timelines and heighten execution risks. Although regulatory frameworks like RERA have enhanced transparency in the sector, administrative bottlenecks persist particularly impacting new projects and smaller developers.

**Evolving Consumer Preferences:** Changing demographics, a rising middle class, and lifestyle shifts following the pandemic have led to increased demand for adaptable living spaces, wellness-focused communities, and integrated live-work-play environments. Developers must swiftly tailor their project designs and marketing approaches to align with these evolving buyer needs.

### 3.5 Government Housing Initiatives

The Government of India, in collaboration with respective State governments, has introduced multiple initiatives to promote growth within the sector. The Smart City Mission, which aims to develop 100 smart cities, presents a significant opportunity for real estate developers.

**Below are some of the key government initiatives:**

- The Government has permitted up to 100% Foreign Direct Investment (FDI) in township and settlement development projects.
- The Union Budget FY2025–26 provided several incentives to homeowners, including tax exemption on two self-occupied properties (previously only one) and an increase in the TDS threshold on rental income from Rs. 2.4 lakh (US\$ 2,769) to Rs. 6 lakh (US\$ 6,924), encouraging property ownership.
- **The Pradhan Mantri Awas Yojana – Urban (PMAY-U)** was launched on June 25, 2015, by the Hon’ble Prime Minister to provide all-weather pucca houses to all eligible urban households under the vision of ‘Housing for All’. In the Union Budget 2024, the Hon’ble Finance Minister announced that PMAY-U 2.0 will address the housing needs of 1 crore urban poor and middle-class families over the next five years. Accordingly, Pradhan Mantri Awas Yojana – Urban 2.0 (PMAY-U 2.0) has been introduced to support 1 crore eligible urban households, ensuring improved living conditions for urban citizens. Additionally, the Union Budget 2024–25 earmarks Rs. 10 lakh crore (US\$ 120.16 billion) in total funding under PMAY-U 2.0, including Rs. 2.2 lakh crore (US\$ 26.44 billion) as central assistance over five years.

**Table 8: States/UTs wise Progress under PMAY-U & PMAY-U 2.0 as of July 2025 (Houses Sanctioned)**

NAME OF STATE/UT			
	Sanctioned	Grounded	Construction Completed
Andhra Pradesh	19,47,297	18,26,698	10,78,686
Bihar	4,45,212	2,96,469	1,89,863
Chhattisgarh	2,99,922	2,85,392	2,57,171
Goa	3,146	3,146	3,145
Gujarat	9,93,877	9,72,208	9,41,419
Haryana	1,30,290	90,636	70,522
Himachal Pradesh	12,640	12,640	11,381
Jharkhand	2,43,421	2,10,640	1,59,751
Karnataka	5,84,086	5,08,586	3,94,054
Kerala	1,61,957	1,55,162	1,34,127
Madhya Pradesh	9,66,133	9,45,487	8,68,097
Maharashtra	12,49,047	11,49,437	9,93,361
Odisha	2,15,339	1,85,963	1,64,880
Punjab	1,33,270	1,18,475	97,920
Rajasthan	3,33,815	2,94,639	2,34,698
Tamil Nadu	6,70,425	6,69,514	6,07,051
Telangana	3,61,755	2,35,023	2,23,627
Uttar Pradesh	19,75,035	17,59,770	17,02,317
Uttarakhand	63,605	62,793	42,966
West Bengal	6,15,105	6,05,971	4,65,561
Arunachal Pradesh	13,379	8,739	8,068
Assam	1,84,991	1,69,101	1,30,425
Manipur	52,519	49,593	18,397
Meghalaya	4,758	4,083	1,995
Mizoram	39,150	39,101	26,596
Nagaland	31,067	31,060	29,029
Sikkim	299	299	219
Tripura	90,989	88,416	78,061
Andaman & Nicobar Island	376	376	80
Chandigarh	1,256	1,256	1,256
Dadra and Nagar Haveli and Daman and Diu	9,947	9,947	9,450
Delhi	29,976	29,976	29,976
J&K	43,856	42,159	32,091
Ladakh	1,283	991	882
Puducherry	16,442	16,050	11,377

Source: PMAY-U Dashboard, IMARC, ICRA Analytics

- Pradhan Mantri Awas Yojana – Grameen (PMAY – G):** Launched in 2016, the Pradhan Mantri Awas Yojana – Rural (PMAY – Rural) aims to provide housing to the most economically disadvantaged segments of society. The selection of beneficiaries follows a thorough three-stage validation process involving the Socio-Economic Caste Census 2011, approval by Gram Sabhas, and geo-tagging to ensure that assistance reaches the most eligible individuals. The scheme also emphasizes the use of IT and Direct Benefit Transfer (DBT) for streamlined fund transfers, promotes region-specific housing designs, and ensures accountability through geo-tagged photographic evidence at various construction phases.

Under PMAY-G, the Government set a target of constructing 2.95 crore homes. As of June 12, 2024, 2.94 crore houses have been sanctioned, and 2.62 crore completed, thereby enhancing the living standards of millions of rural households.

- In October 2021, the Reserve Bank of India maintained the benchmark interest rate at 4%, which significantly benefited the real estate sector. The resulting low-interest rate environment was expected to fuel housing demand and lead to a 35–40% increase in sales during the 2021 festive season.
- The Union Budget FY2021–22 extended the tax deduction of up to Rs. 1.5 lakh (US\$ 2,069.89) on interest for home loans and the tax holiday for affordable housing projects until the end of FY2021–22.
- As part of the Atmanirbhar Bharat 3.0 package, Finance Minister Ms. Nirmala Sitharaman announced income tax relief for both developers and homebuyers on the primary sale/purchase of residential properties valued up to Rs. 2 crore (US\$ 271,450.60), applicable from November 12, 2020, to June 30, 2021.
- The Government established an Affordable Housing Fund (AHF) in the National Housing Bank (NHB), starting with an initial corpus of Rs. 10,000 crore (US\$ 1.43 billion), sourced from banks and financial institutions priority sector lending shortfalls, aimed at providing microfinancing to Housing Finance Companies (HFCs).

### 3.6 Regulatory Framework for Residential Sector in India

#### 3.6.1 Real Estate Regulatory Authority (RERA)

The Real Estate Regulatory Authority (RERA) is a key regulatory institution that governs India’s real estate sector. It was established under the Real Estate (Regulation and Development) Act, 2016, with the objective of improving transparency, accountability, and operational efficiency within the industry. RERA regulates the promotion, sale, and execution of real estate projects to ensure that developers fulfill their promises and protect the interests of homebuyers.

#### Key Provisions of RERA

**Mandates project registration before launch:** All real estate projects (with more than 8 units or plot size exceeding 500 sq.m) must be registered with the respective state RERA authority before any kind of marketing or sales activity.

**Escrow accounts to curb fund diversion:** Developers are required to deposit at least 70% of the funds received from buyers into a dedicated escrow account. This limits the misuse of funds and ensures timely completion of projects.

**Promotes timely delivery of projects:** RERA enforces strict completion timelines; in case of delays, developers are liable to compensate buyers. This has led to a significant reduction in project delays and increased buyer confidence.

**Consumer protection and accountability:** RERA limits advance payments to 10%, mandates post-possession repairs for five years, and facilitates quick and effective dispute resolution mechanisms.

**Promotes transparency:** Developers must provide full details of project layouts, plans, regulatory approvals, possession timelines, and construction progress—empowering consumers and minimizing information gaps.

#### Impact on Investors

- Boosts investor confidence in the real estate sector.

- Protects against fraud and project delays.
- Stimulates foreign direct investment into Indian real estate.

**Challenges for Developers:** Smaller developers often face funding challenges due to the 70% escrow requirement, which has led to a dip in new project launches in certain areas. However, this has also promoted market consolidation and greater financial discipline among larger players.

### 3.6.2 Foreign Direct Investment (FDI)

Policies related to Foreign Direct Investment (FDI) have a substantial influence on India's real estate sector, especially for Non-Resident Indians (NRIs) aiming to invest in premium properties. The government has relaxed FDI norms to attract overseas investors.

#### Key reforms include:

**100% FDI (Automatic Route):** India allows up to 100% FDI under the automatic route in construction-development projects, excluding agriculture/plantation and activities categorized under "real estate business".

**Minimum Lock-in & Project Size/Completion Norms:** Foreign investors are permitted to exit and repatriate their investment before project completion, or once core infrastructure—such as roads, water supply, street lighting, drainage, and sewerage—is developed, provided the mandatory three-year lock-in period has lapsed. This lock-in condition is waived for specific categories such as hotels, tourist resorts, hospitals, SEZs, educational institutions, old-age homes, and investments by NRIs.

**NRI/Foreign Investor Participation:** Liberalised FDI norms and the introduction of REITs (Real Estate Investment Trusts) have encouraged substantial foreign institutional investment, especially in luxury housing, premium developments, and urban real estate.

#### Impact on Investors

- Greater global capital inflows have bolstered the real estate industry.
- Developers now have better access to funds for executing large-scale developments.
- Increased foreign interest has driven growth in luxury and commercial real estate segments.

However, issues like regulatory complexity, currency risks, and approval delays may discourage foreign investments. NRIs must also account for Double Taxation Avoidance Agreements (DTAA) and ensure compliance with RERA to manage potential risks.

### 3.6.3 Goods and Services Tax (GST)

Implemented on July 1, 2017, the Goods and Services Tax (GST) replaced numerous indirect taxes with a unified tax system, simplifying taxation in the real estate industry. Under the previous regime, buyers were liable to pay VAT, Service Tax, registration charges, and stamp duty when purchasing under-construction properties. As VAT, registration charges, and stamp duty were state-imposed, property prices varied across states. Additionally, developers incurred various duties like Central Sales Tax (CST), customs duty, and OCTROI, with no credit benefit. With GST, a uniform tax rate now applies to under-construction properties.

**Affordable Housing:** 1% without Input Tax Credit (ITC)

**Non-Affordable Housing: 5% without ITC**

I

According to previous tax regulations, various contractors charged VAT and Service tax, excise duty, and entry tax were paid on procurements. The implementation of GST eased the working of developers by getting rid of these taxes. Apart from developers, customers also benefitted from the GST, since developers generally have a team of accountants to help them, customers were left confused about the previous tax regime. Now, customers also must focus on one tax only, i.e., GST, thereby making the decision extremely easy for them.

## 4. Market Overview of Boutique Flats in India

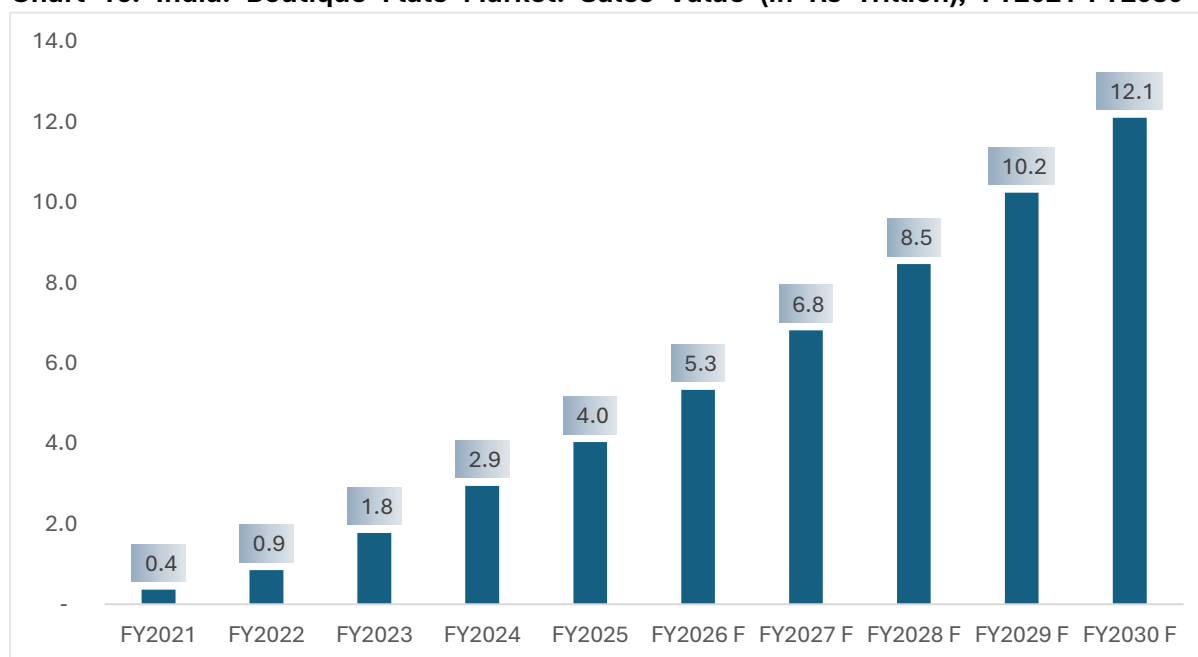
### 4.1 Market trends and forecast (FY2021-FY2030)

The Indian boutique flats market experienced a remarkable CAGR of 82.5% between FY2021, with a market size of Rs 0.4 trillion and FY2025 reaching Rs 4.0 trillion. Looking ahead, the market is projected to grow at a CAGR of 22.7% from FY2026F (Rs 5.3 trillion) to FY2030F reaching a valuation of Rs 12.1 trillion.

India's economic performance has been strong in recent years, with GDP growth of 8.2% in FY2023-24, following 7.2% in FY2022-23 and 8.7% in FY2021-22. The country's per capita income stands at Rs 2.12 lakh in FY2023-24 and is expected to rise to Rs 14.9 lakh by 2047. This reflects more than a twofold increase over the past decade, underscoring India's rapid economic expansion.

As urban consumers per capita income continues to rise, there is a noticeable shift in preference toward premium real estate offerings. This trend is increasingly evident not only in metro cities but also in Tier-2 and Tier-3 cities. For example, several high-end residential developments often referred to as 'boutique real estate' are currently underway in prime areas such as Saheed Nagar, Kalinga Nagar, and Patia in Bhubaneswar, Odisha.

**Chart 16: India: Boutique Flats Market: Sales Value (in Rs Trillion), FY2021-FY2030 F**



Source: IMARC, ICRA Analytics

#### 4.1.1 Key features from other modes Residential Real Estate Sector

Boutique homes, a favoured residential format among high-net-worth individuals (HNIs), have rapidly gained traction despite limited availability. The distinctive business model has drawn interest from numerous developers looking to tap into this niche segment. However, the concept of boutique homes in India is still in its early stages, with strong potential for future expansion.

These boutique flats represent a notable shift in the real estate sector, with developers offering tailor made, ready to move in luxury apartments. These residences are outfitted with premium features such as modular kitchens, built in wardrobes, high quality marble flooring, and elegant

wall panelling. Beyond individual units, developers are curating holistic lifestyle experiences by integrating world-class amenities. These include multi-purpose sports courts, landscaped gardens, yoga and meditation zones, indoor fitness centers, wellness areas, libraries, music rooms, and dedicated play areas for children.

#### 4.1.2 Differentiation from other modes Residential Real Estate Sector

Boutique flats are generally part of smaller residential buildings, that starts from around 70 units and can go up to 130-140 units. This contrasts with larger apartment complexes or high-rise towers that house significantly more units.

Due to their limited scale, boutique flats offer enhanced privacy and exclusivity compared to conventional apartment blocks or gated communities. Additionally, the interiors of these flats are often customizable and feature superior finishes, expert craftsmanship, and smart space utilization that ensures ample natural light.

#### 4.2 Pricing Trends and Market Segmentation:

##### Pricing trends

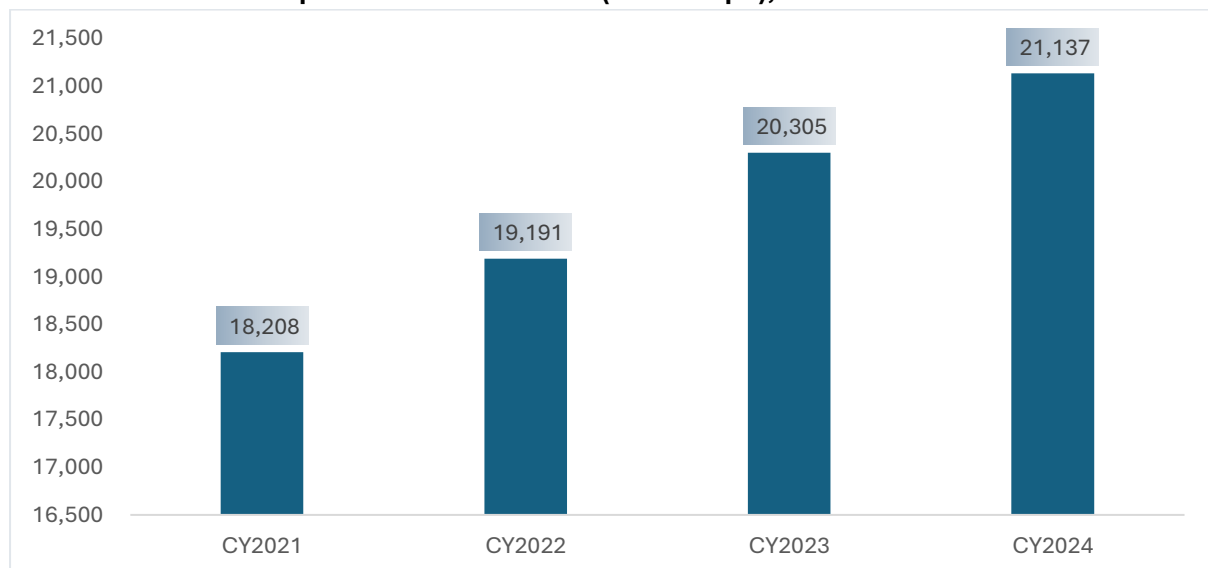
In CY2021, the average price of boutique flats in India stood at Rs 18,208 per sq. ft., rising to Rs 21,137 per sq. ft. by CY2024.

According to the *India Real Estate Office and Residential Market H1 2025* report by Knight Frank, price growth remained robust in H1 2025. Bengaluru and the National Capital Region (NCR) saw notable increases, each registering a 14% year-on-year rise, largely driven by a growing emphasis on premium, high-rise developments.

In H1 2025, Bengaluru’s residential property prices reached Rs 7,052 per sq. ft., fuelled by strong demand and a shift in supply toward upscale offerings. Key areas such as Bannerghatta Road, Whitefield, Sarjapur Road, and Tumkur Road recorded some of the highest price appreciations.

Chennai also saw residential prices reach Rs 7,052 per sq. ft. in H1 2025, reflecting a 9% year-on-year increase. Meanwhile, Hyderabad experienced an 11% rise, with prices climbing to Rs 6,326 per sq. ft. during the same period.

**Chart 17: India: Boutique Flats Market: Price (in Rs / Sq ft), CY2021-CY2024**



Source: IMARC, ICRA Analytics

## Market Segmentation

In CY2024, the luxury and ultra-luxury segments dominated the market, accounting for 69.2% and 21.5% respectively.

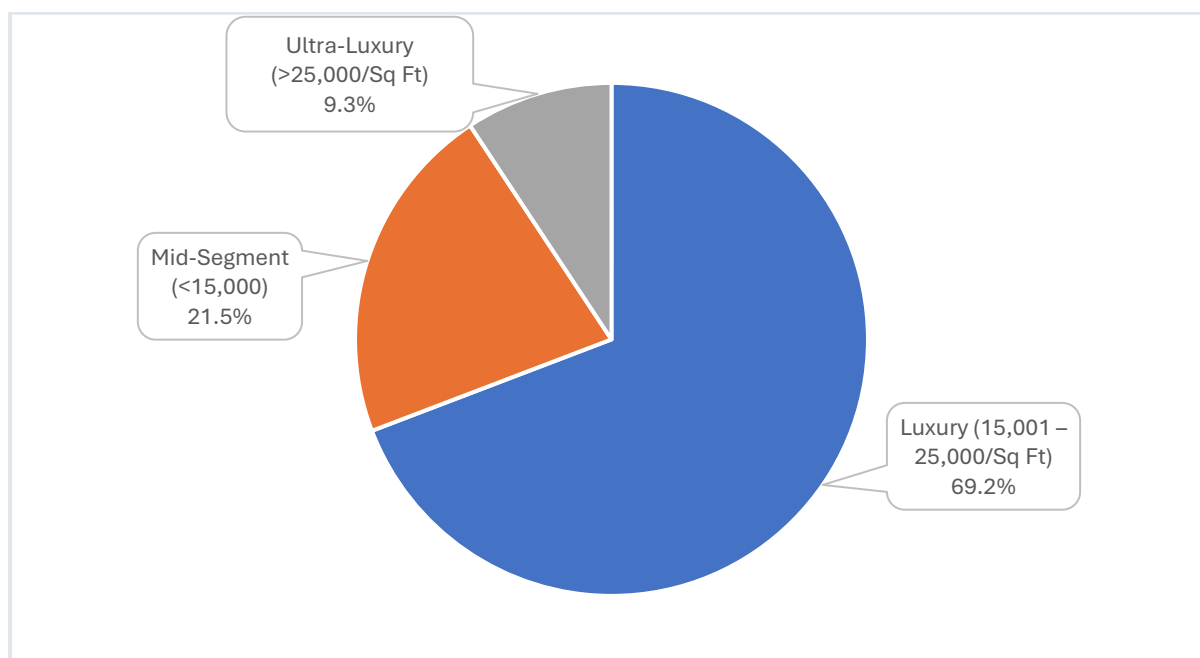
The growth in India's luxury and ultra-luxury real estate sector is being fuelled by increasing wealth among high-net-worth individuals (HNIs) and ultra-high-net-worth individuals (UHNIs), greater global exposure, and a rising emphasis on quality living standards among homebuyers.

Surveys conducted by India Sotheby's reveal that lifestyle enhancement and capital appreciation are the primary drivers for HNIs investing in real estate assets.

Tier 1 cities such as Mumbai, Pune, Bengaluru, Delhi-NCR, Chennai, Hyderabad, and Kolkata are emerging as key hubs for luxury housing in India.

According to ANAROCK, Bengaluru recorded sales of 3,455 units in the luxury housing segment during Q1 2024. Additionally, Savills India reports that the city saw the launch of 5,632 luxury residential units in the first half of 2024.

**Chart 18: India: Boutique Flats Market: Breakup by Price Range, CY 2024**



Source: IMARC, ICRA Analytics

### 4.3 Growth Forecast in Indian Boutique Flats:

- **Rising Affluence and HNI/UHNI Population:** As per Knight Frank's *Wealth Report 2024*, India witnessed an 11% growth in the number of ultra-high-net-worth individuals (UHNIs) during 2024, with projections indicating a further 39% increase by 2025.
- **Shift in Buyer Preferences:** There is an increasing inclination toward spacious, technology-integrated, and environmentally sustainable homes. Boutique flats, with their generous layouts, smart home automation features, and eco-conscious designs, are well-aligned with these evolving preferences.

- **Growing NRI Investments:** Non-Resident Indians (NRIs) are showing a growing interest in investing in premium housing. According to ANAROCK, NRI investments in Indian real estate are projected to reach USD 14.9 billion by 2025, with a substantial share directed toward the luxury housing segment.
- **Urbanization and Infrastructure Development:** Accelerated urbanization and ongoing infrastructure developments are boosting connectivity and property values in prime locations, making boutique flats in these areas increasingly appealing to buyers.

#### 4.4 Demand Drivers and Challenges:

##### Rise in Number of High-Net-Worth Individuals:

- According to Knight Frank’s *Global Wealth Report 2025*, India’s population of high-net-worth individuals (HNWIs) was estimated at 85,698 in CY2024 and is projected to grow to 93,753 by CY2028. This upward trend reflects the country’s robust long-term economic growth, expanding investment opportunities, and a maturing luxury market—positioning India as a significant contributor to global wealth creation.
- In 2024, the number of Indian HNWIs rose by 6% year-on-year (YoY), increasing from 80,686 in 2023 to 85,698. India currently accounts for 3.7% of the global HNWI population and ranks fourth worldwide, following the United States (905,413 HNWIs), China (471,634 HNWIs), and Japan (122,119 HNWIs).
- Knight Frank also reported a 12% YoY increase in India’s billionaire count in CY2024 compared to CY2023. The country now has 191 billionaires, with 26 individuals joining the ranks in just the past year. The combined wealth of Indian billionaires is estimated at USD 950 billion, placing India third globally—behind the U.S. (USD 5.7 trillion) and Mainland China (USD 1.34 trillion).
- A growing number of new wealth creators, including entrepreneurs, CXOs, and startup founders, are driving demand for luxury homes that reflect their achievements and lifestyle aspirations.

% of HNWI’s increased by YoY	CY2024	CY2028
World	4%	7%
India	6%	9%

Source: IMARC, Knight Frank Report, ICRA Analytics

##### Demand for Exclusive and Personalized Living Spaces:

- Boutique developments typically consist of a limited number of apartments (the range starts from 70-75 units and can go up to 130-140 units ) unlike large-scale projects that may include hundreds or even thousands of residences. This smaller scale gives boutique homes an advantage in terms of maintenance and security, allowing for more efficient management.
- Demand for boutique homes is rising among business professionals, affluent entrepreneurs, CXOs, senior corporate executives, high-ranking government officials, and NRIs, who are increasingly choosing these residences.
- One of the key attractions of boutique flats is the high level of customization they offer. Many luxury boutique residences feature adaptable floor plans, innovative storage

solutions, and elegant finishes. The use of premium materials and a strong emphasis on sustainability are standout features of these exclusive developments.

- Additionally, location is a major benefit of boutique projects in India. These homes are often situated in prime neighbourhoods that offer excellent connectivity, green surroundings, and convenient access to essential amenities such as schools, shopping centers, and healthcare facilities.

#### Challenges:

- **High Costs and Limited Affordability:** Boutique flats are designed for a niche audience of high-net-worth individuals (HNIs) and ultra-high-net-worth individuals (UHNIs), as they are typically priced above Rs 3 crore. This premium pricing limits the potential buyer base, as even some affluent individuals may find such price points beyond their affordability.
- **Limited Supply and Inventory Challenges:** Boutique flats are typically located in prime urban areas where land is both scarce and expensive. Their exclusivity—often limited to just 10 to 50 units per project—poses a challenge for developers, who must sell a small number of high-priced units, making the sales process more demanding.
- **High Competition in Metro Cities:** In major metropolitan cities like Mumbai, Delhi, Bengaluru, and Pune, boutique projects face stiff competition from well-established large developers, making it challenging to stand out and attract buyers. To capture attention, boutique developers must invest in strategic marketing and offer a wide range of amenities that appeal to discerning homebuyers.
- **Regulatory and Approval Delays:** Securing approvals for boutique projects, particularly in metropolitan areas, involves navigating complex regulations and potential delays. The Real Estate (Regulation and Development) Act (RERA), while promoting transparency, adds to compliance requirements—resulting in increased costs and extended timelines. This poses a challenge for boutique developments, especially those operating with limited financial resources.

#### 4.5 Overview of the four regions in the market segment:

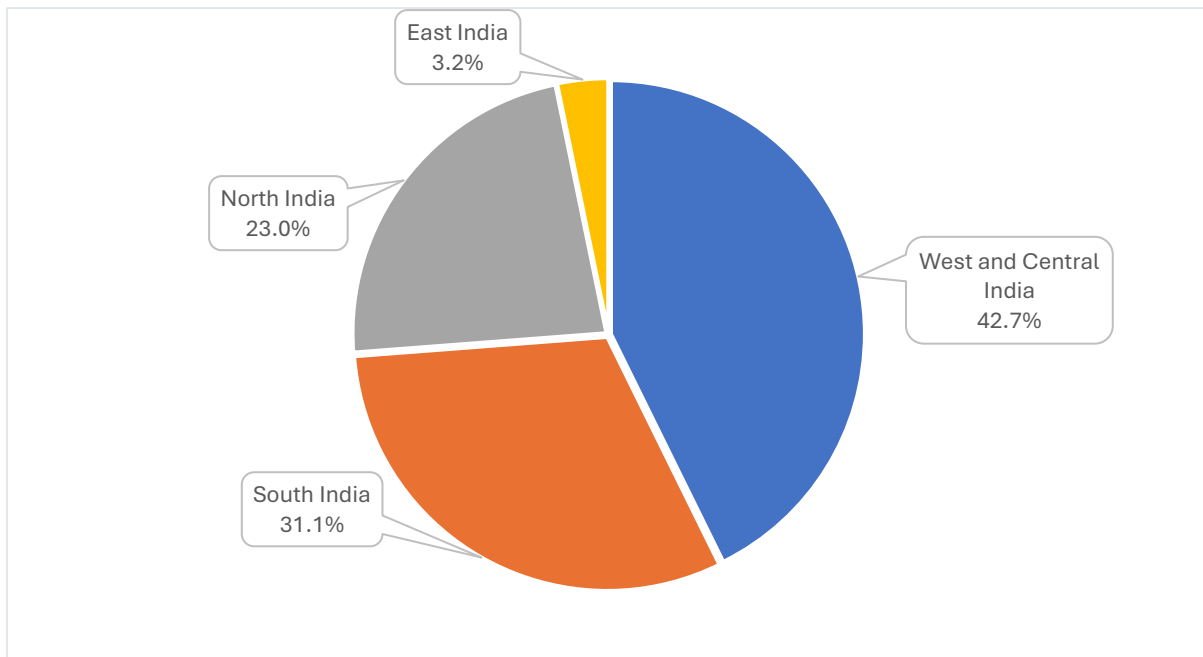
In FY2024, West and Central India held the largest share of India's boutique flats market at 42.7%, followed by South India with 30.5%, North India at 23.4%, and East India contributing 3.4%.

West and Central India's dominance is supported by strong economic centers such as Mumbai, Pune, Ahmedabad, and Indore, which host a significant population of HNWI, professionals, and startup entrepreneurs.

The South Indian market is being driven by increasing demand for boutique flats among the executive class and IT professionals in cities like Bengaluru, Hyderabad, and Chennai.

Meanwhile, North Indian cities such as Noida, Gurugram, and Chandigarh are witnessing a rise in boutique flat launches, fuelled by improved metro connectivity, new luxury developments, and investor migration from the Delhi NCR region.

**Chart 19: India: Boutique Flats Market: Breakup by Region, FY 2025**



Source: IMARC, ICRA Analytics

#### **4.5.1 Boutique Flats in West India:**

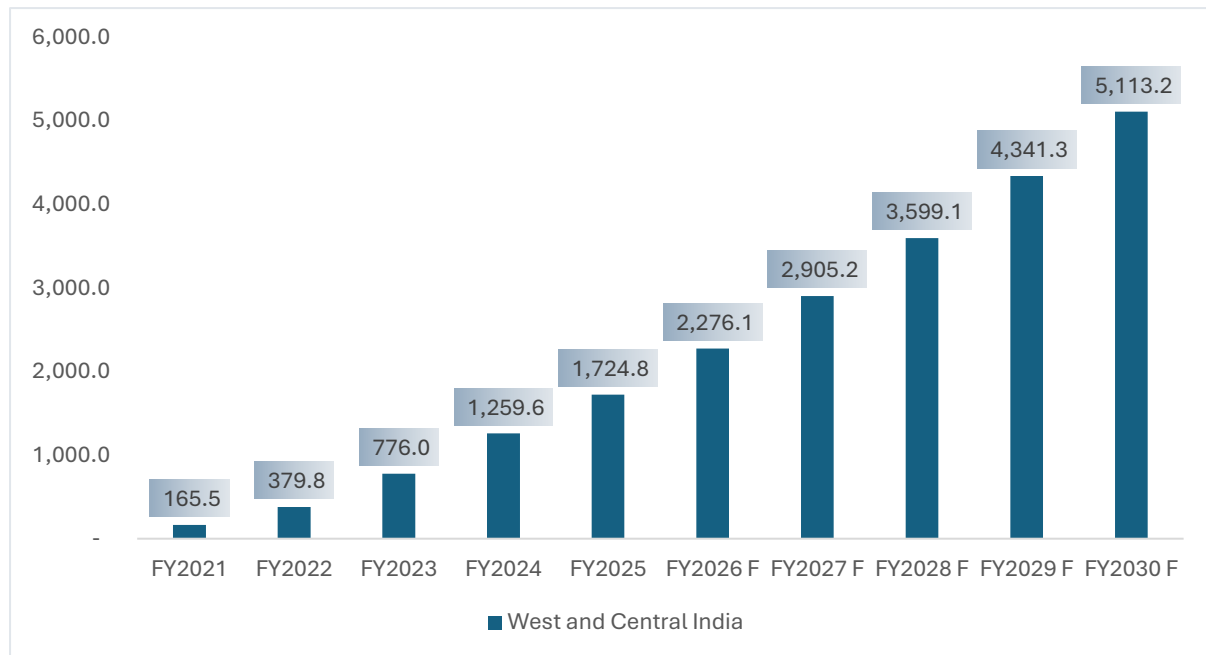
The boutique flats market in West India recorded a remarkable CAGR of 118.4% between FY2021 with a market size of Rs 165.5 billion and FY2025 reaching Rs 1,724.8 billion. Looking ahead, the market is expected to maintain its growth momentum with a more moderate yet strong CAGR of 22.4% from FY2026F (Rs 2,276.1 billion) to FY2030 (Rs 5,113.2 billion).

According to an article in Hindustan Times, high-net-worth individuals (HNIs) such as industrialists, CEOs, and CXOs are increasingly opting for luxury boutique developments in Mumbai due to the superior amenities and privacy they offer. Between 2020 and 2024, Mumbai's billionaire population rose significantly from 217 to 386, reflecting a surge in demand for boutique flats across West India driven by the growing number of HNIs and UHNIs.

Infrastructure improvements, particularly metro connectivity, have played a key role in boosting real estate values. In Pune, for example, areas near upcoming metro lines have seen a more than 300% increase in premium home sales—including boutique flats—since 2021, with property prices appreciating by 25% to 80% over three years.

In Goa, prime locations such as Siolim have experienced approximately 200% value growth over the past two years. Villas and luxury units, including boutique flats, are offering rental returns of 30–40%. Forecasts indicate a price appreciation of 10–20% in prime markets and 5–10% in emerging areas during 2025.

**Chart 20: West India: Boutique Flats Market: Sales Value (in Rs Billion), FY2021-FY2030 F**



Source: IMARC, ICRA Analytics

#### **4.5.2 Boutique Flats in South India:**

The boutique flats market in South India recorded a remarkable CAGR of 128.9% between FY2021 with a market size of Rs 104.6 billion and FY2025 reaching Rs 1,225.0 billion. Looking ahead, the market is expected to maintain its growth momentum with a more moderate yet strong CAGR of 25.2% from FY2026F (Rs 1,691.1 billion) to FY2030 (Rs 4,155.7 billion).

Hyderabad added 17 new billionaires, bringing its total to 104, followed by Bengaluru with 100 and Chennai with 82, reflecting the region's growing wealth base.

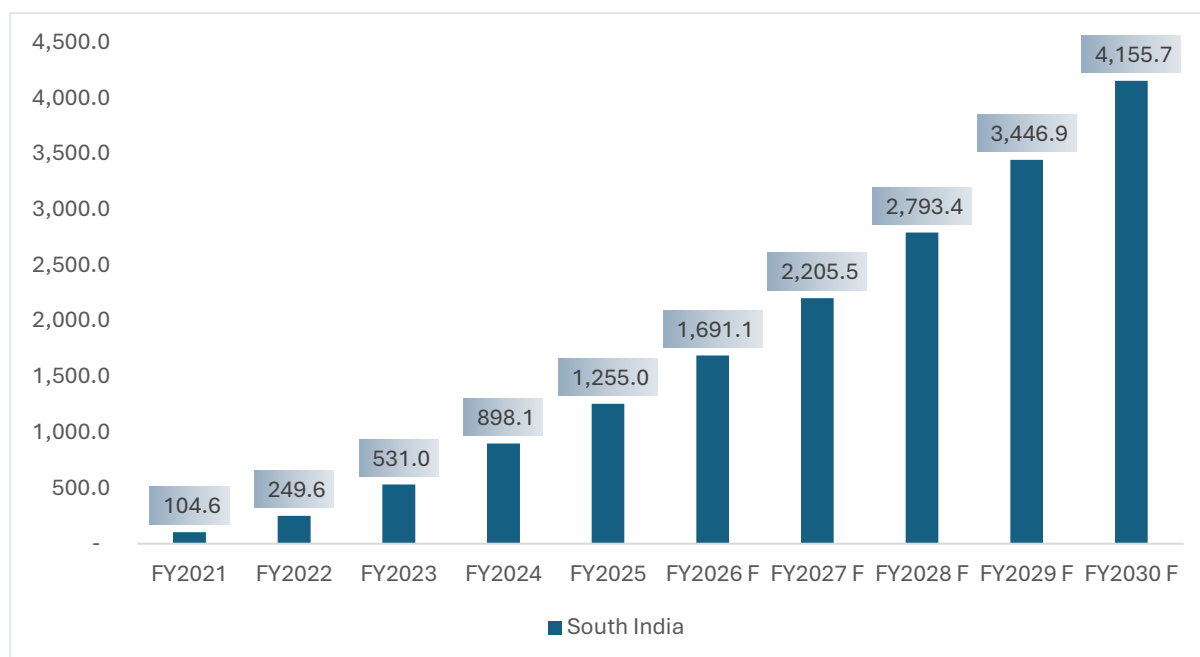
In cities like Mangalore, demand is rising among high-net-worth individuals (HNIs) for apartments that incorporate wellness and technology enabled features such as Gyms, Jacuzzis, EV charging stations, and biophilic design elements.

Additionally, the increasing presence of NRIs and their growing investments in luxury residential properties are further driving demand for boutique flats across South India.

Developers in Chennai are also observing a rising preference for boutique, high-end apartments in premium localities like Anna Nagar and Alwarpet, where spacious 3,500 sq. ft. units with upscale finishes are gaining popularity.

Notable players include Bhadra group, Olympia Group, TVS Emerald Limited, Sehsas India Pvt. Ltd. and many others.

**Chart 21: South India: Boutique Flats Market: Sales Value (in Rs Billion), FY2021-FY2030 F**



Source: IMARC, ICRA Analytics

#### 4.5.3 Boutique Flats in North India:

The boutique flats market in North India recorded a strong CAGR of 125.9% between FY2021 with a market size of Rs 80.5 billion and FY2025 reaching Rs 928.2 billion. Looking ahead, the market is expected to maintain its growth momentum with a more moderate yet strong CAGR of 20.3% from FY2026F (Rs 1,202.2 billion) to FY2030 (Rs 2,521.4 billion).

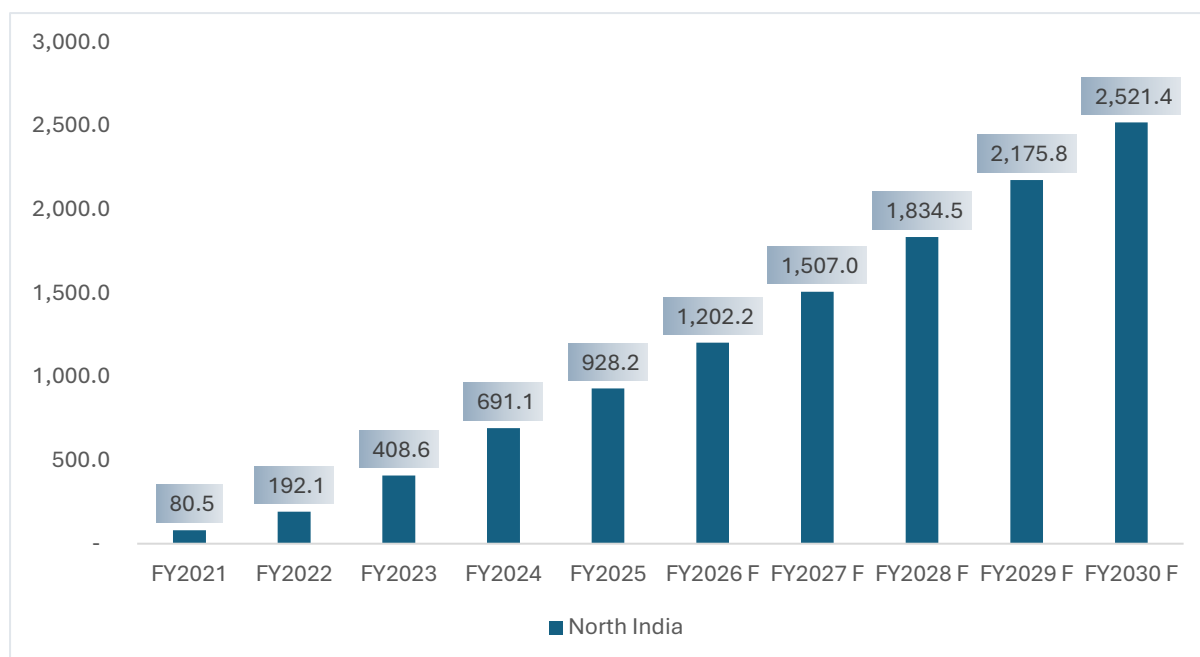
Premium apartments continue to lead India’s top real estate markets, with Delhi-NCR witnessing a 56% increase in the launch of such projects in 2024 the highest in the country according to Cushman & Wakefield.

Gurugram has emerged as the key driver of this trend, accounting for 87% of the region’s high-end and luxury project launches. The rising demand for luxury housing across Delhi-NCR, Noida, and Gurugram is significantly boosting the appeal of boutique flats in the region.

The Chandigarh Tricity area comprising Chandigarh, Mohali, and Panchkula is also experiencing a notable shift toward luxury housing. Its proximity to the national capital and a growing base of high-net-worth individuals (HNWIs) have positioned the region as a prime destination for upscale residences.

In response to increasing demand, developers are incorporating sustainable features into their projects, including eco-friendly materials, energy-efficient technologies, and expansive green spaces reflecting a strong move toward environmentally conscious luxury living.

**Chart 22: North India: Boutique Flats Market: Sales Value (in Rs Billion), FY2021-FY2030 F**



Source: IMARC, ICRA Analytics

#### 4.5.4 Boutique Flats in East India:

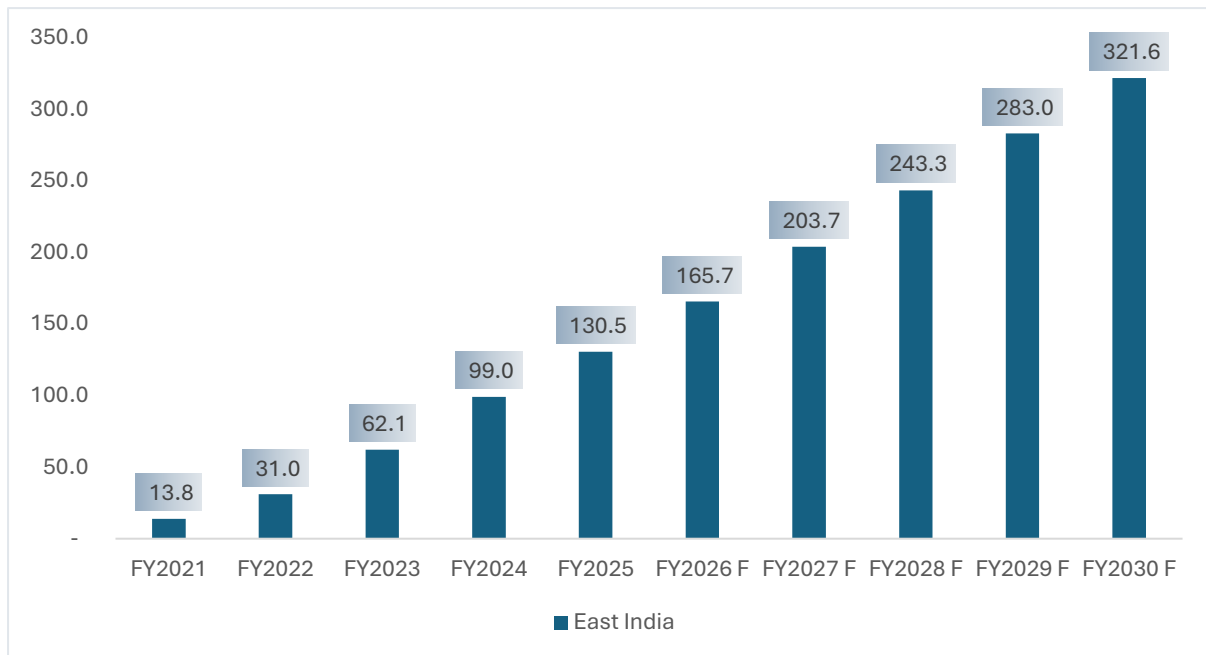
The boutique flats market in North India recorded a strong CAGR of 111.6% between FY2021 with a market size of Rs 13.8 billion and FY2025 reaching Rs 130.5 billion. Looking ahead, the market is expected to maintain its growth momentum with a more moderate yet strong CAGR of 18.0% from FY2026F (Rs 165.7 billion) to FY2030 (Rs 321.6 billion).

In Kolkata, the supply of unsold affordable housing declined by 20%, while luxury inventory surged by 96% during 2024–25, according to a report by real estate consultancy Anarock. This sharp increase highlights the rising demand for luxury residences, including boutique flats, which is driving overall market momentum.

As reported by *The Times of India*, several premium residential projects often referred to as ‘boutique real estate’—are currently under development in key areas of Bhubaneswar, Odisha, such as Saheed Nagar, Kalinga Nagar, and Patia.

There is particularly strong demand for 4.5-BHK boutique residences and larger apartments. As Bhubaneswar continues to expand and attract professionals from diverse sectors, the boutique real estate trend in East India is poised to set new standards in luxury living.

**Chart 23: East India: Boutique Flats Market: Sales Value (in Rs Billion), FY2021-FY2030 F**



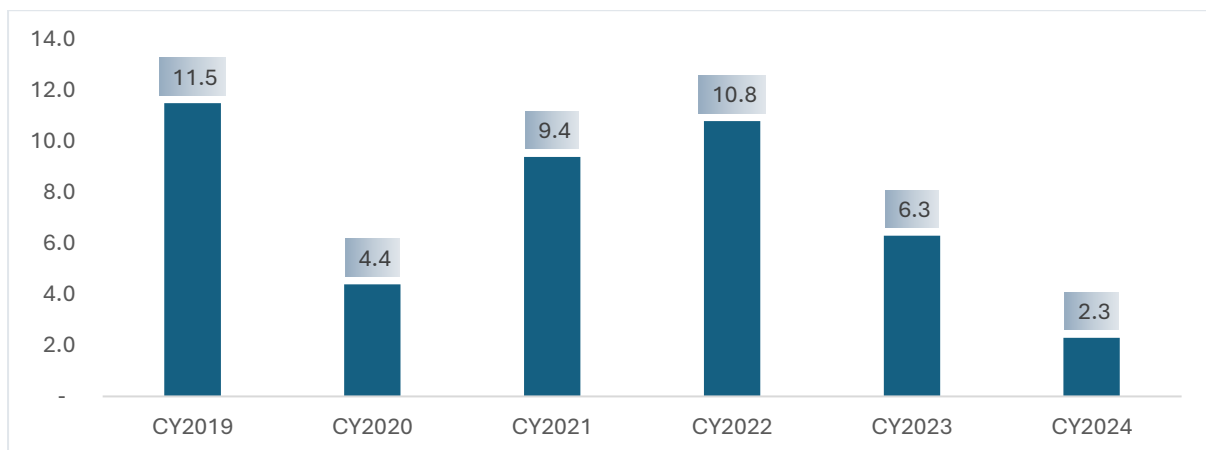
Source: IMARC, ICRA Analytics

#### 4.6 South India - Market Study:

South India is known for its higher average project values and the presence of large-scale mixed-use developments. Significant investments in infrastructure such as roads, highways and public transportation have provided a strong boost to the construction sector. Cities like Bengaluru, Chennai, and Hyderabad serve as major hubs for IT and commercial real estate, driving demand for high-quality residential and commercial projects. As a result, the Housing Price Index (HPI) in the region is on the rise:

**Hyderabad:** After recovering from a decline between CY2019 and CY2021, Hyderabad’s housing market has shown strong growth. The HPI rose by 2.3% in CY2024, reflecting renewed demand, economic stability, and growing investor confidence—positioning the city as one of India’s fastest-growing real estate markets.

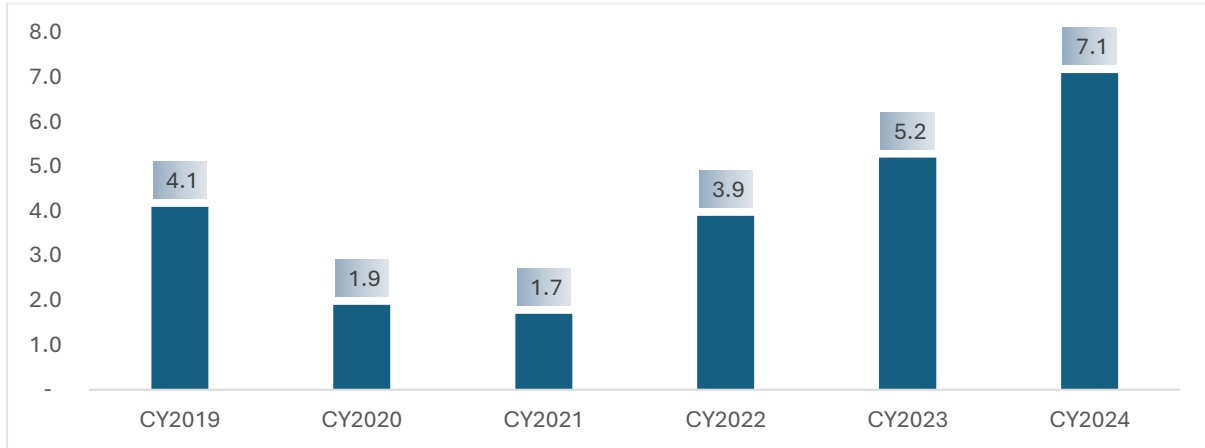
**Chart 24: Hyderabad: Housing Price Index (in %), CY2019-CY2024**



Source: IMARC, CREDAI, ICRA Analytics

**Bengaluru:** The city’s HPI increased by 7.1% in CY2024, supported by robust job creation, strong real estate demand, and expanding infrastructure. This steady growth signals high investor confidence and market resilience.

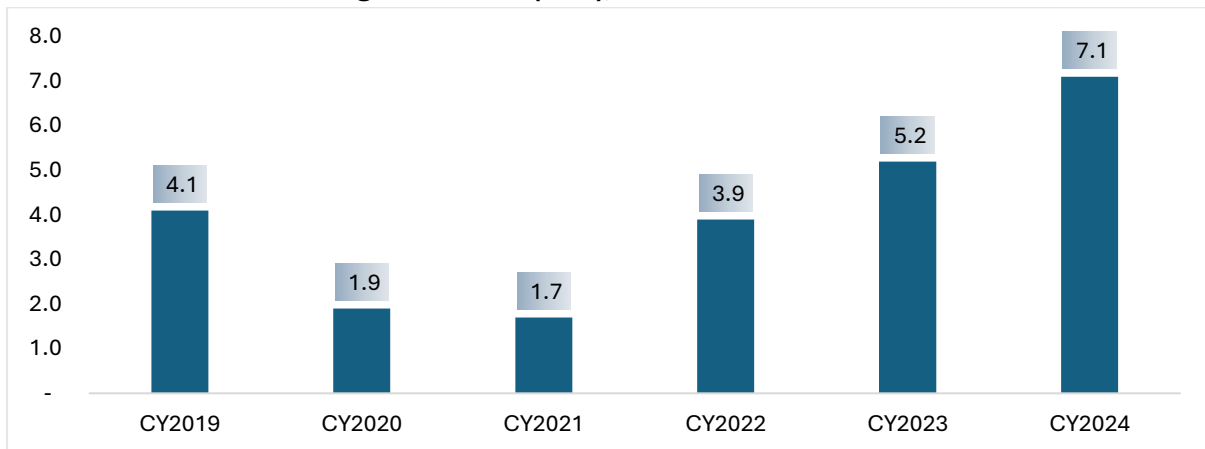
**Chart 25: Bangalore: Housing Price Index (in %), CY2019-CY2024**



Source: IMARC, CREDAI, ICRA Analytics

**Chennai:** With an HPI growth of 2.1% in CY2024, Chennai’s market reflects stable appreciation, affordability, and rising buyer interest.

**Chart 26: Chennai: Housing Price Index (in %), CY2019-CY2024**



Source: IMARC, CREDAI, ICRA Analytics

**Coimbatore:** The HPI reached 3.2% in CY2024, driven by industrial expansion and increasing housing demand. The city’s affordability and improving infrastructure continue to attract investors.

**Vizag:** The HPI rose by 2.6% in CY2024, indicating consistent appreciation fuelled by industrial development and port-driven real estate growth.

#### 4.7 Kerala - Market Study:

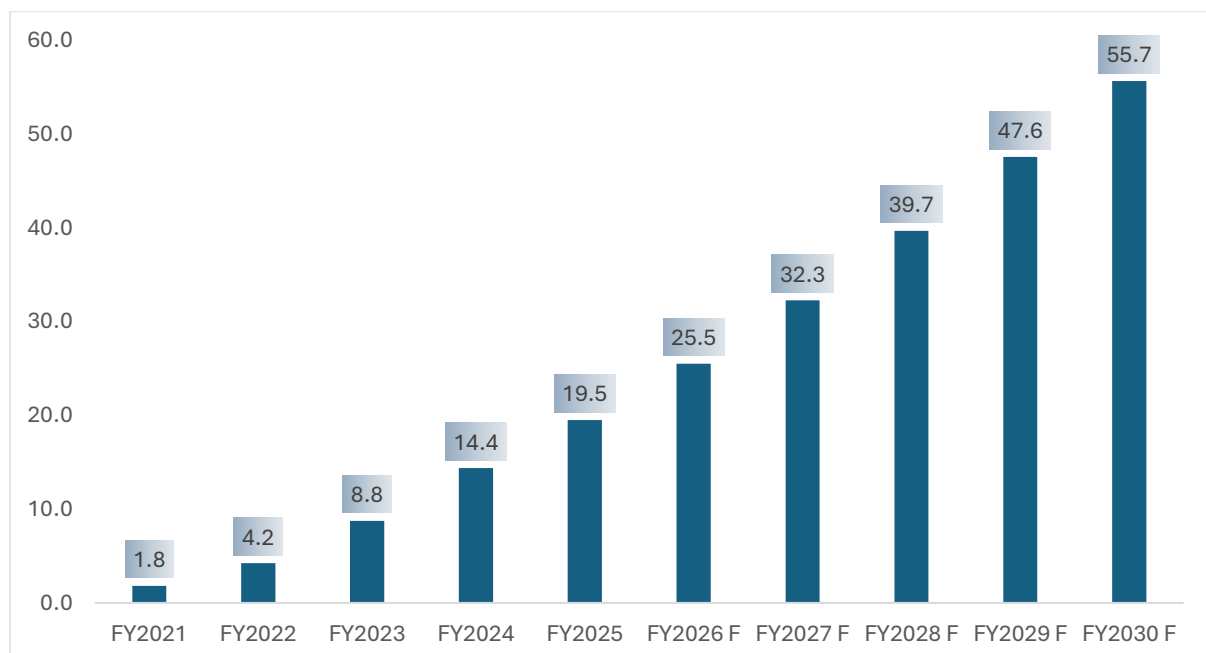
A growing number of NRIs are investing in Kerala’s real estate sector for retirement, frequent visits, or as a long-term investment. Their decisions are often driven by emotional ties, promising rental yields, and increasing property values in emerging locations. Kochi, recognized as Kerala’s financial hub, stands out as a prime destination for NRI real estate investments. Its Smart City designation, presence of IT hubs like Infopark, and major waterfront developments along Marine Drive make it particularly attractive.

According to data from the Kerala Real Estate Regulatory Authority (KRERA), demand for luxury 3 & 4 bedroom apartments is rising more rapidly than for villas or smaller units. In 2024, Ernakulam saw the registration of 86 new real estate projects, with 42 of them being residential apartment developments. The number of 3 BHK apartments registered rose from 858 in 2023 to 960 in 2024, while 4 BHK registrations increased from 285 to 314 highlighting the sustained interest in premium apartment living.

Young professionals, especially entrepreneurs, high-income IT workers, and doctors, are increasingly opting for flexible living spaces and are willing to invest in upscale residences, including boutique apartments.

As India strengthens its position as a preferred location for Global Capability Centres (GCCs), Kerala’s Technopark is emerging as a key strategic base for international companies. A Nasscom report notes that tier-2 cities in Kerala are becoming attractive for setting up GCCs. Thiruvananthapuram and Kochi have each established over 20 GCCs, employing more than 15,000 and 8,000 individuals respectively.

**Chart 27: Kerala: Boutique Flats Market: Sales Value (in Rs Billion), FY2021-FY2030 F**



Source: IMARC, RERA, ICRA Analytics

#### 4.7.1 Kochi - Market Study:

The boutique flats segment in Kochi has witnessed remarkable growth, recording a staggering CAGR of 142.7% between FY2021, with a market size of Rs 0.4 billion and FY2025 reaching Rs 5.1 billion. Looking ahead, the market is projected to maintain its upward momentum, albeit at a more moderate yet strong CAGR of 21.7% from FY2026F (Rs 6.7 billion) to FY2030F (Rs 14.7 billion).

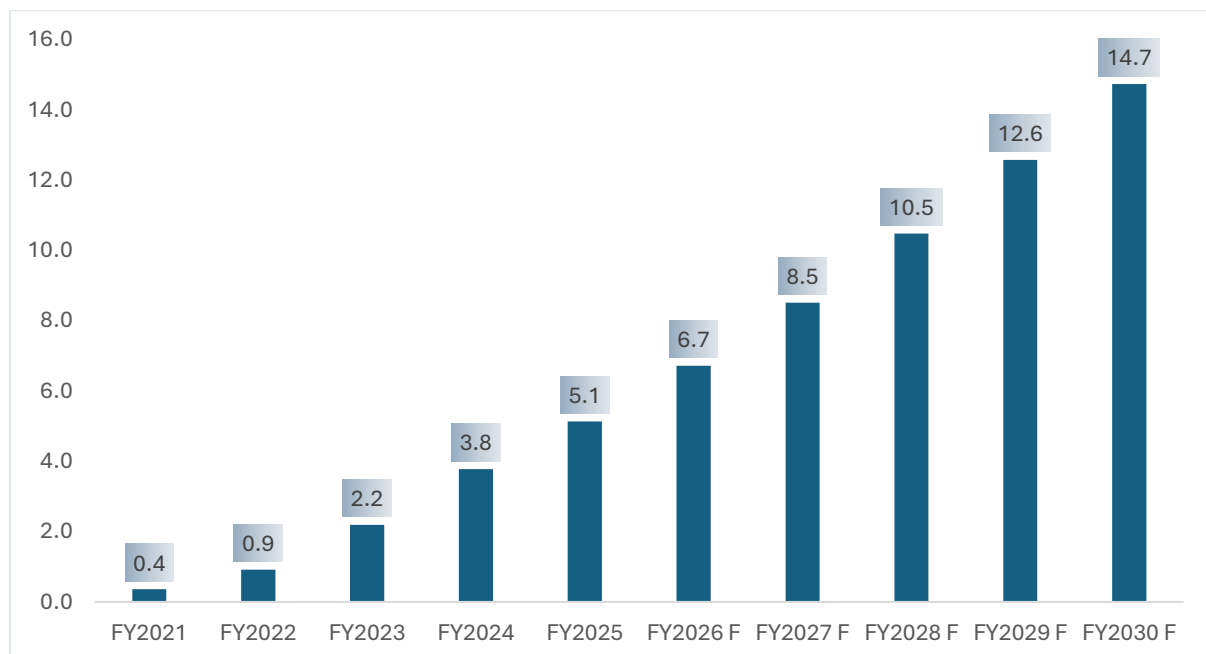
Data from the Kerala Real Estate Regulatory Authority (KRERA) indicates that demand for three-BHK residential apartments in the Ernakulam district (Kochi) is growing from 156 in CY2023 to 166 in CY2024.

Specifically, the number of 3 BHK apartments registered rose from 858 in 2023 to 960 in 2024, while 4 BHK registrations increased from 285 to 314. This trend underscores a clear shift toward larger, high-end apartments, reflecting the growing preference for premium urban living. The rising demand for 3 BHK and 4 BHK units is playing a key role in driving the boutique flat market in Kochi.

According to the KRERA chairman, Kochi is witnessing several large-scale real estate developments, each involving investments worth hundreds of crores. Prime locations such as Marine Drive, Panampilly Nagar, Jawahar Nagar, Kaloor, and Kakkanad are among the most sought-after.

Additionally, PropEquity data reveals that Kochi experienced a 17% year-on-year growth in premium housing including boutique flats between January and May 2025.

**Chart 28: Kochi: Boutique Flats Market: Sales Value (in Rs Billion), FY2021-FY2030 F**



Source: IMARC, KRERA, ICRA Analytics

**Table 9: Ernakulam (Kochi): New Residential Units by Apartment Type, CY2021-CY2024**

Project Type	CY 2021	CY 2022	CY 2023	CY 2024
Type	Units in Numbers			
3BHK	277	113	156	166
2BHK	156	94	109	92
Bangalow / Villas	233	196	330	293
Others	129	183	139	61

Source: IMARC, KRERA, ICRA Analytics

#### 4.7.2 Trivandam - Market Study:

Trivandrum’s boutique flats market has shown remarkable growth, registering CAGR of 136.4% between FY2021 with a market size of Rs 0.4 billion and FY2025 reaching Rs 5.9 billion. Looking forward, the market is projected to maintain strong momentum with a robust CAGR of 21.7% from FY2026F (Rs 8.0 billion) to FY2030F (Rs 20.5 billion).

The city is quickly becoming a hotspot for boutique housing, offering premium 2–3 BHK apartments at significantly lower prices compared to Ernakulam. This affordability makes Trivandrum an attractive option for professionals and investors seeking luxury living at accessible rates. The demand for 3 BHK flats has risen from 534 in CY2022 to 548 in CY2024.

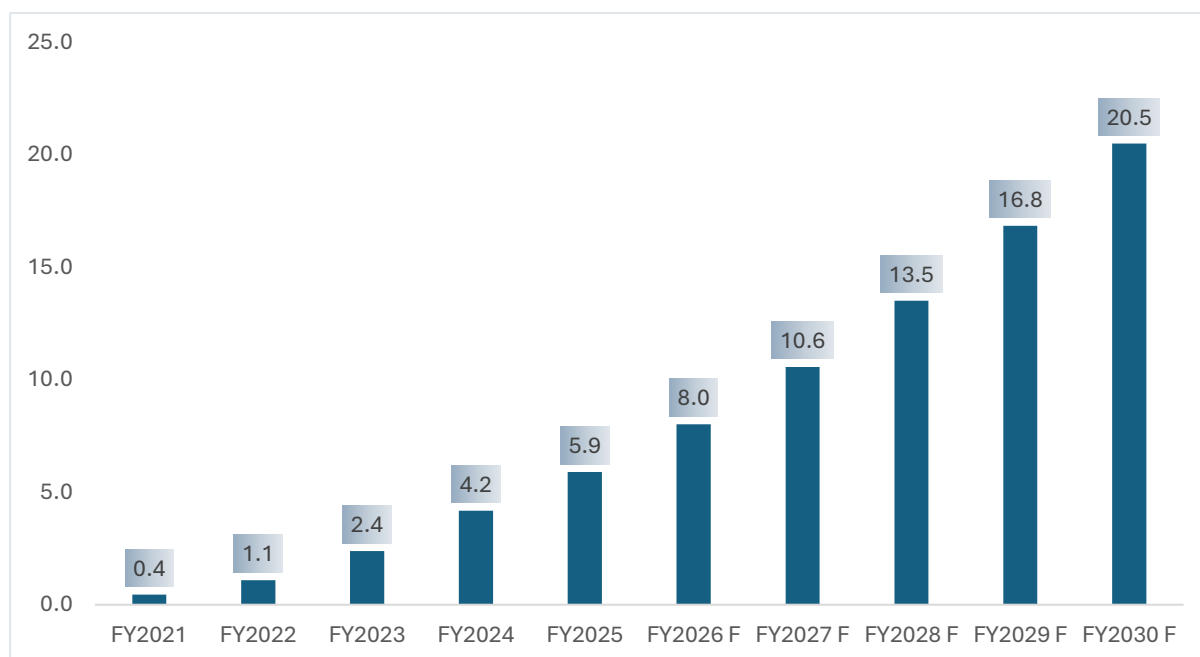
In the first half of CY2025, Thiruvananthapuram led Kerala in residential project registrations under K-RERA, reflecting strong interest from developers and consistent demand from end-users.

A recent Cushman and Wakefield India Research report, which assessed 17 Tier-2 cities across the country, ranked Trivandrum among the top 10 emerging markets.

The city is experiencing a steady influx of executives and IT professionals from Tamil Nadu and nearby regions, drawn by better salary-to-EMI ratios compared to Kochi’s more saturated market. This growing preference for high-quality yet affordable housing is fuelling the surge in demand for boutique flats in Trivandrum.

The Housing Price Index rose by 2.0% in 2024, indicating moderate but consistent growth, supported by the expansion of the IT sector and ongoing urban development.

**Chart 29: Trivandam: Boutique Flats Market: Sales Value (in Rs Billion), FY2021-FY2030 F**



Source: IMARC, KRERA, ICRA Analytics

**Table 10: Thiruvananthapuram (Trivandam): New Residential Units by Apartment Type, CY2021-CY2024**

Project Type	CY 2021	CY 2022	CY 2023	CY 2024
Type	Units in Numbers			
3BHK	271	243	287	206
2BHK	147	168	140	179
Bangalow / Villas	456	279	131	206
4BHK	16	22	-	-
Others	28	32	89	138

Source: IMARC, KRERA, ICRA Analytics

#### 4.7.3 Calicut - Market Study:

Calicut's boutique flats market has shown exceptional growth, registering a CAGR of 159.8% between FY2021 with a market size of Rs 0.05 billion and FY2025 reaching Rs 0.8 billion. Looking ahead, the market is projected to expand at a healthy CAGR of 22.8% from FY2026F (Rs 1.1 billion) to FY2030F (Rs 2.5 billion).

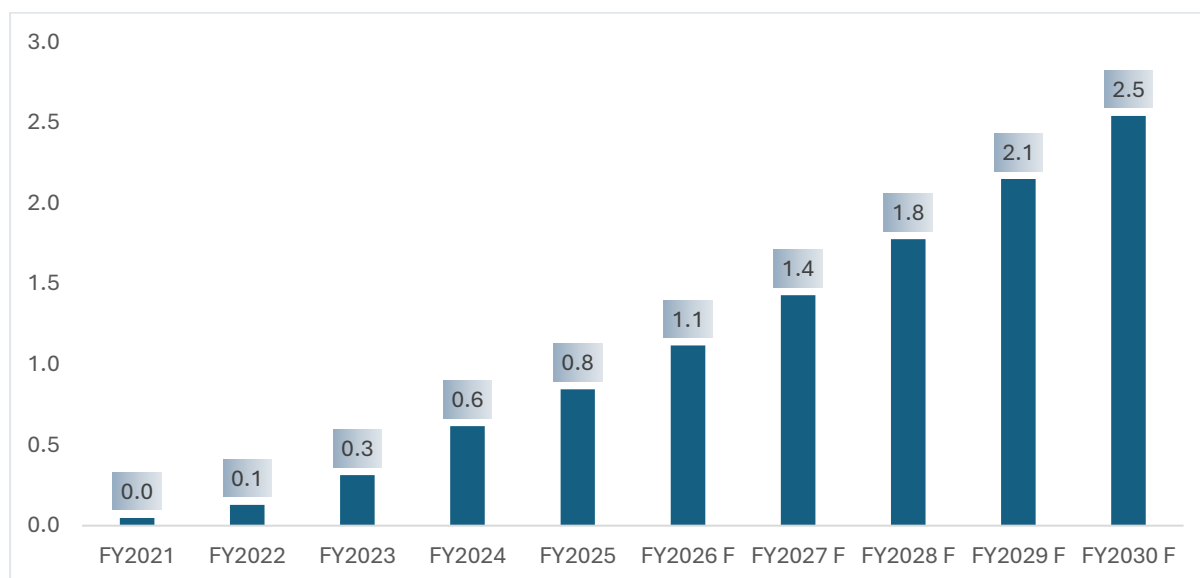
Premium localities such as Mavoor Road and West Hill are witnessing consistent annual appreciation of 6–8%, with luxury apartment prices—including boutique flats ranging between Rs 5,500 and Rs 6,000 per sq. ft, while villas start at approximately Rs 85 lakh.

Meanwhile, emerging areas like Chevayur, Pantheerankavu, Kalanthode, and Methottuthazham offer more affordable entry points, with prices between Rs 3,000 and Rs 8,000 + per sq. ft. These neighbourhoods hold strong future potential, especially as connectivity infrastructure continues to improve.

Kozhikode's real estate sector posted a robust 12% year-on-year growth in Q1 2025, outperforming national averages. This surge is driven by an influx of IT professionals, strategic

infrastructure upgrades, and increasing interest from NRIs seeking better value and quality of life in tier-II cities.

**Chart 30: Calicut: Boutique Flats Market: Sales Value (in Rs Billion), FY2021-2030 F**



Source: IMARC, KRERA, ICRA Analytics

**Table 11: Kozhikode (Calicut): New Residential Units by Apartment Type, CY2021-CY2024**

Project Type	CY 2021	CY 2022	CY 2023	CY 2024
Type	Units in Numbers			
3BHK	44	68	46	44
2BHK	46	52	56	49
4BHK	42	-	23	-
Bangalow / Villas	23	61	36	74
Others	30	92	19	15

Source: IMARC, KRERA, ICRA Analytics

#### 4.8 Bangalore - Market Study:

Bengaluru’s luxury apartment segment—priced at Rs 10 crore and above—has surpassed Rs 1,000 crore in annual sales for the first time, with 42% of these sales occurring in FY25 alone.

Hebbal emerged as the frontrunner in the city’s high-end apartment market, accounting for 22% of the total sales value. Other growing luxury hotspots include Domlur, Sudhamnagar, and Bomanhalli.

According to a report by India Sotheby’s International Realty and CRE Matrix, there has been a notable rise in demand for ultra-premium apartments sized between 5,000 and 7,000 square feet, reflecting a growing preference for spacious, high-end living.

Bengaluru’s tech boom has solidified its position as a major employment center, especially in areas like Whitefield, Electronic City, and Hebbal. The continuous expansion of tech companies is fuelling housing demand, driven by a steady influx of professionals.

The city is home to over 4,000 startups and major brands such as Flipkart, Swiggy, and Ola. In 2024 alone, Bengaluru’s startup ecosystem attracted USD 66.3 billion in venture capital funding over the past decade, underscoring its strong appeal to investors.

Also, presence of top IT leaders like Google, Amazon, SAP Labs, Cisco, IBM, Oracle, TCS, Infosys, Wipro, Accenture, and consulting firms KPMG, Deloitte, EY, Capgemini, and Cognizant. In addition to this, companies have GCC in Bengaluru including, Microsoft India Development Center, Google India, Amazon, Goldman Sachs, SAP, among others in Bangalore.

Buyers particularly CXOs, startup founders, and global Indians are investing not just in homes, but in a lifestyle. The demand is driven equally by aspiration and strategic asset allocation.

<b>Residential Sector</b>	
<b>Sales in Q2 2025</b>	9,000
<b>Unit Launches in Q2 2025</b>	10,500
<b>Sales in Q1 2025</b>	9,300
<b>Unit Launches in Q1 2025</b>	11,400
<b>Sales in Q4 2024</b>	8,900
<b>Unit Launches in Q4 2024</b>	10,200
<b>Sales in Q3 2024</b>	10,100
<b>Unit Launches in Q3 2024</b>	9,300
<b>Sales in Q2 2024</b>	9,200
<b>Unit Launches in Q2 2024</b>	7,800
<b>Sales in Q1 2024</b>	12,100
<b>Unit Launches in Q1 2024</b>	10,300

Source: IMARC, IBEF, ICRA Analytics

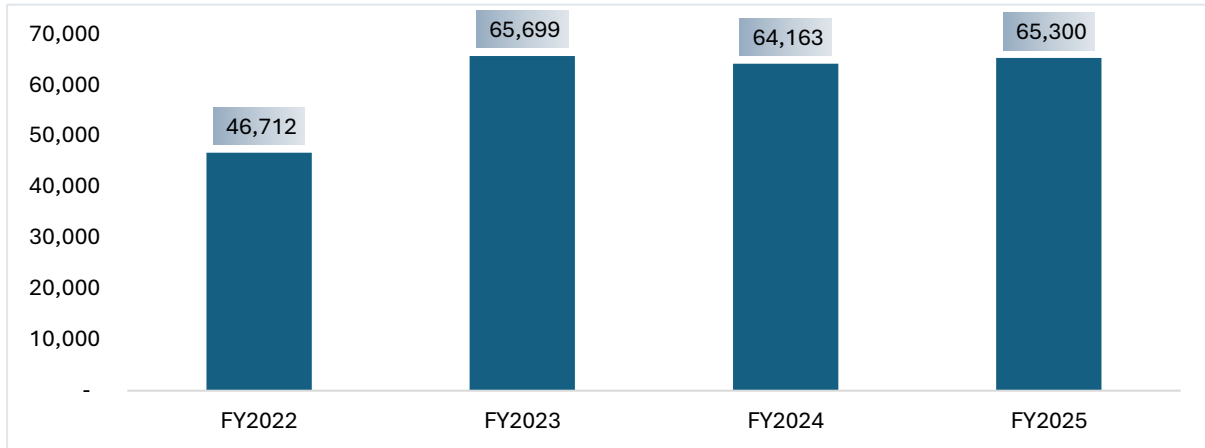
Bengaluru’s residential real estate market saw a 132% surge in the value of primary units sold in FY2025 compared to FY2022. Approximately 65,000 primary units were sold across the city in FY2025, marking a 40% increase over FY2022 figures.

The average ticket size has consistently risen over the past few years, with an additional 15% increase in FY2025 compared to FY2024. However, the market share of units priced between Rs 70 lakh and Rs 1.5 crore declined by 6%, dropping from 40% in FY2022 to 34% in FY2025. Notably, the revenue share of apartments priced above Rs 3 crore more than doubled in FY2025.

According to JLL, demand for luxury housing in Bengaluru is expected to remain strong throughout 2025. This is driven by the city’s booming IT sector, the growing presence of multinational corporations, and a rising population of high-income buyers and investors.

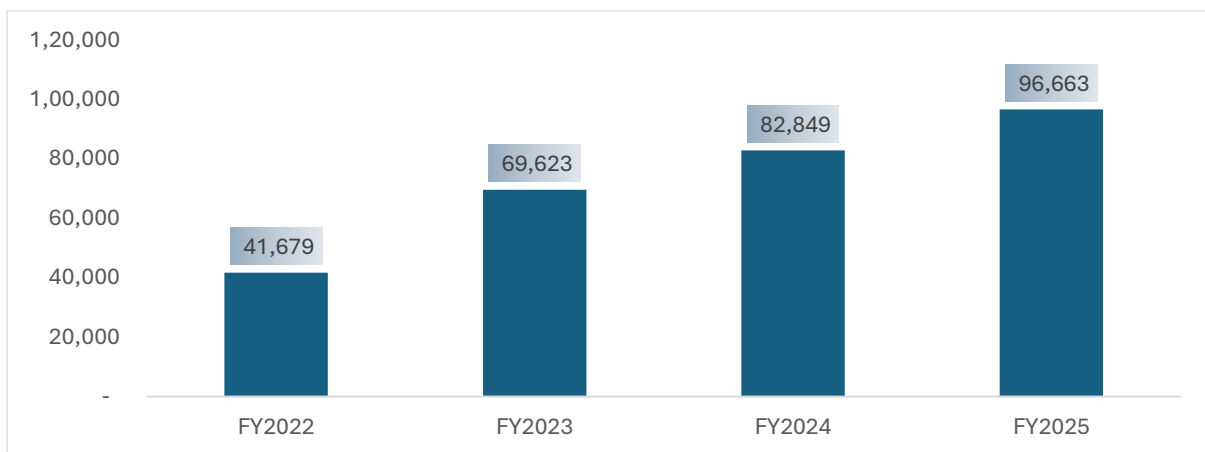
Several micro-markets across the Central, East, Southeast, North, and South peripheral zones are emerging as luxury residential hotspots. This growth is supported by enhanced connectivity to the Bengaluru Business Corridor and IT hubs via the Outer Ring Road and both existing and upcoming metro lines.

**Chart 31: Bangalore: Housing Sales (Primary Only) in Units, FY2022-FY2025**



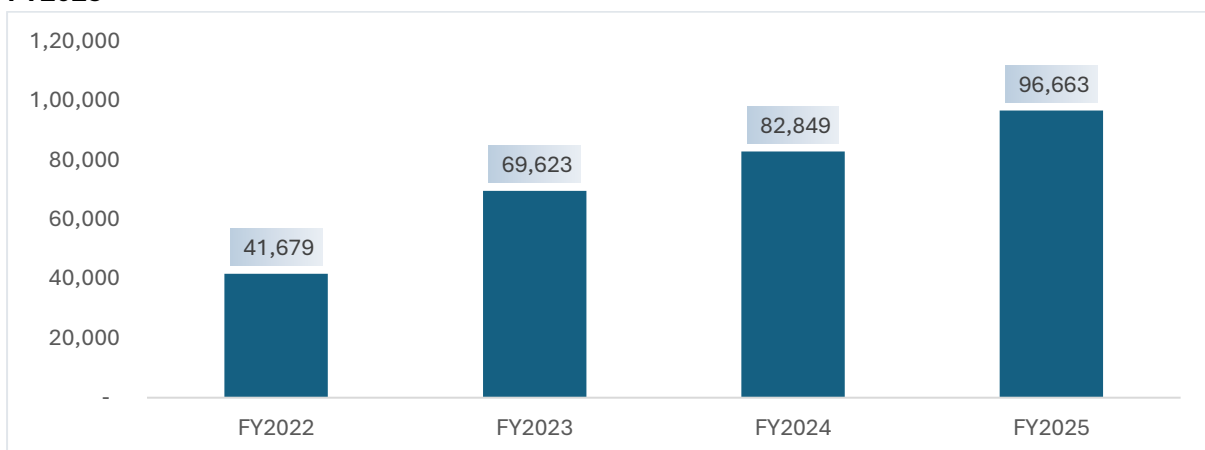
Source: IMARC, CREDAI, ICRA Analytics

**Chart 32: Bangalore: Housing Sales (Primary Only) in Value of Units Sold (Cr.), FY2022-FY2025**



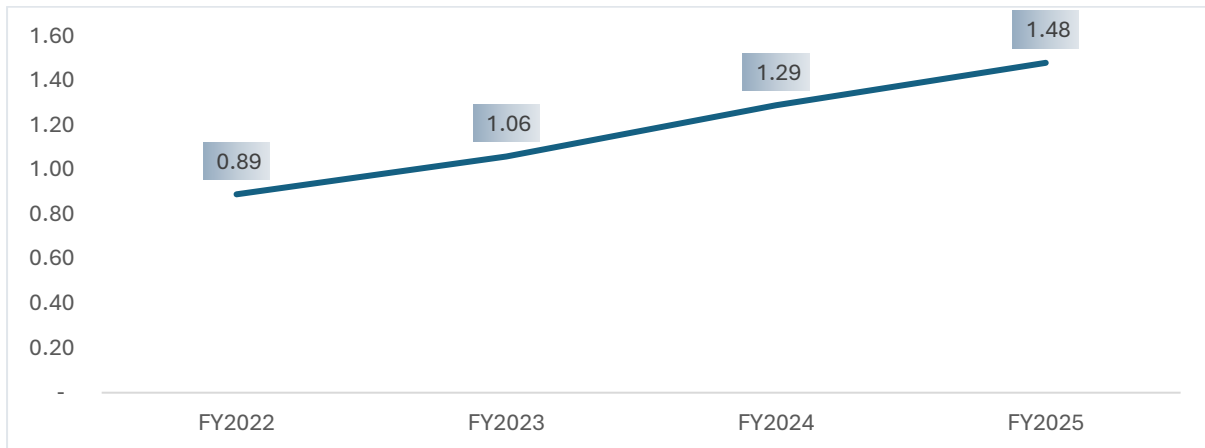
Source: IMARC, CREDAI, ICRA Analytics

**Chart 33: Bangalore: Housing Sales (Primary Only) in Value of Units Sold (Cr.), FY2022-FY2025**



Source: IMARC, CREDAI, ICRA Analytics

**Chart 34: Bangalore: Avg- Ticket Size for Housing Sales (Primary Only) (in Cr.), FY2022-FY2025**



Source: IMARC, CREDAI, ICRA Analytics

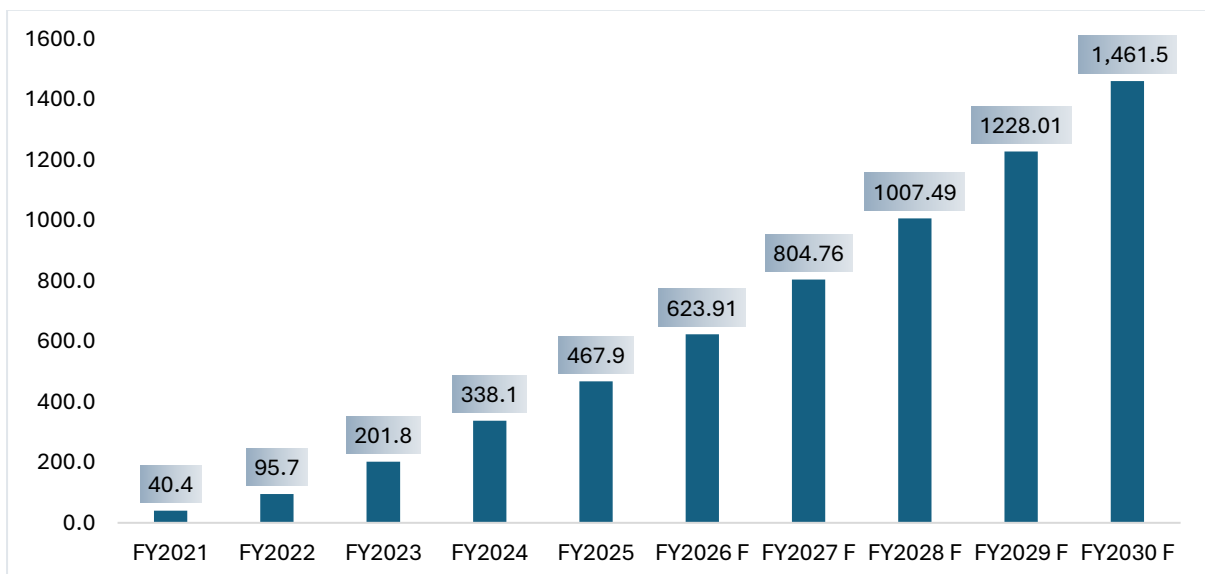
With the market on an upward trajectory, Bengaluru’s high-end residential segment is increasingly attracting both NRIs and domestic high-net-worth individuals (HNIs). The city’s dynamic economy, consistent price appreciation, and rising demand for premium living spaces are positioning it as a top destination for affluent buyers.

In Q1 2025, sales of premium homes priced above Rs 4 crore surged significantly—from just 20 units in Q1 2024 to nearly 190 units. Additionally, around 42% of homes priced above Rs 10 crore were sold in FY2025, underscoring strong interest from ultra-high-net-worth buyers.

Bengaluru’s luxury housing market recorded a notable 4.1% year-on-year price increase in 2024, earning it a spot among the top global performers in the Prime International Residential Index (PIRI 100).

There is a growing demand for exclusivity and privacy among buyers. Limited-edition residences, custom-designed villas, and boutique flats are increasingly sought after, offering not only seclusion but also a sense of belonging to a lifestyle beyond the mainstream.

**Chart 35: Bangalore: Boutique Flats Market: Sales Value (in Rs Billion), FY2021-FY2030**



Source: IMARC, ICRA Analytics

#### 4.9 Hyderabad - Market Study:

In FY2025, Hyderabad’s residential real estate market witnessed a 66% surge in the total value of primary units sold compared to FY2022.

However, the number of units sold slightly declined by 3%, totalling around 56,000 units.

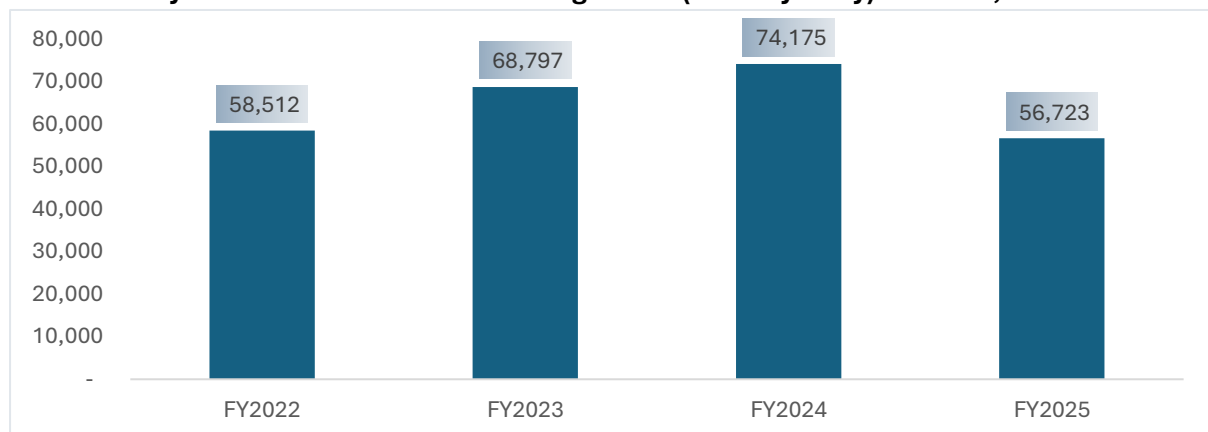
The average ticket size has consistently increased over the past few years, with an additional 8% rise in FY2025 over FY2024.

Meanwhile, the market share of units priced between Rs 70 lakhs and Rs 1.5 crore dropped from 36% in FY2022 to 29% in FY2025—a decline of 8%. Interestingly, properties priced above Rs 3 crore led in terms of revenue contribution during FY2025.

Hyderabad’s thriving IT sector anchored by areas like HITEC City, Gachibowli, and the Financial District continues to attract affluent professionals, including IT workers and expatriates.

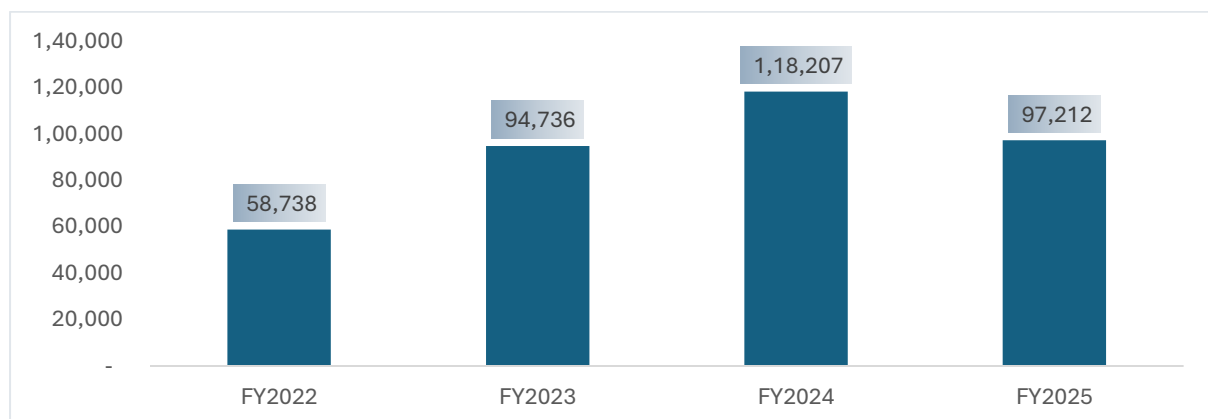
West Hyderabad remained the most sought-after region in H1 2025, accounting for 64% of total residential sales. Its enduring appeal is driven by its close proximity to major employment hubs and its well-developed social and physical infrastructure.

**Chart 36: Hyderabad: Residential Housing Sales (Primary Only) in Units, FY2022-FY2025**



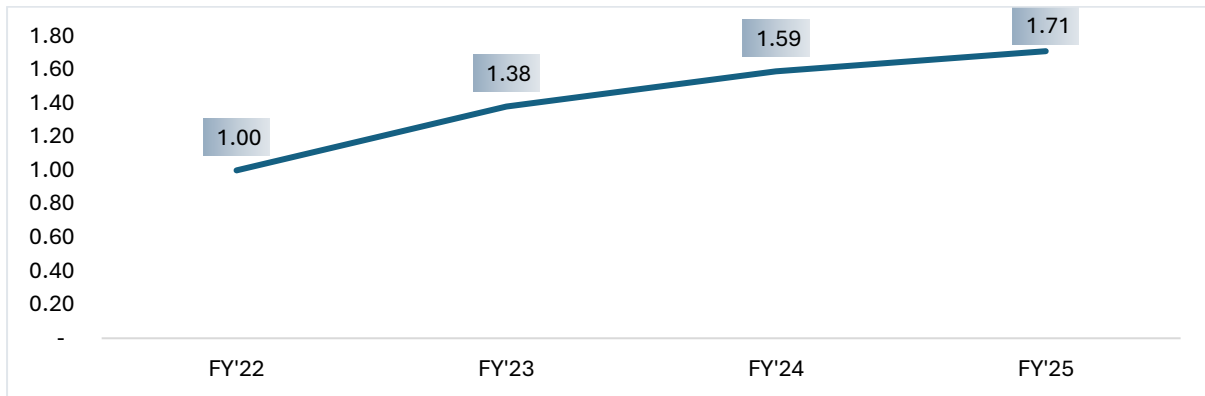
Source: IMARC, CREDAI, ICRA Analytics

**Chart 37: Hyderabad: Residential Housing Sales (Primary Only) in Value of Units Sold (Cr.), FY2022-FY2025**



Source: IMARC, CREDAI, ICRA Analytics

**Chart 38: Hyderabad: Avg- Ticket Size for Residential Housing Sales (Primary Only) (in Cr.), FY2022-FY2025**



Source: IMARC, CREDAI, ICRA Analytics

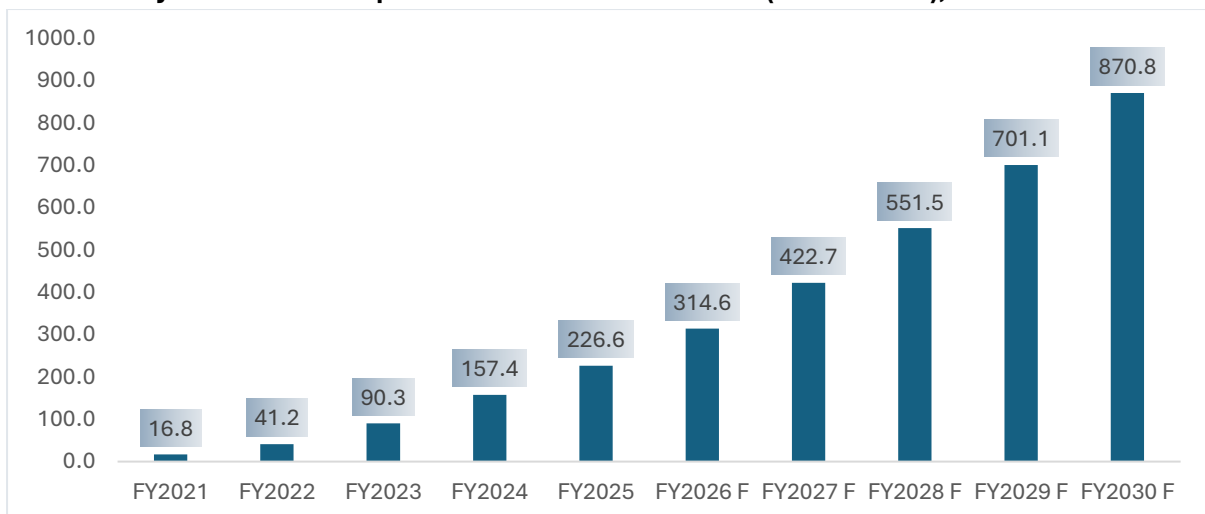
Hyderabad’s property market is experiencing a notable rise in demand for luxury homes featuring spacious designs and modern amenities. As per a report by Knight Frank, the city’s residential market in H1 2025 has firmly transitioned toward premiumization, with high-value homes gaining stronger interest from buyers.

Homes priced above Rs 1 crore now represent 67% of total sales, up from 62% in H1 2024, indicating a continued preference for expansive, well-appointed residences. Within the premium segment, properties in the Rs 1–2 crore range remain dominant, contributing 45% of total sales and showing an 8% year-on-year increase.

The Rs 2–5 crore category also demonstrated strong momentum, with its share rising from 15% to 18%, reflecting a robust 23% YoY growth. Meanwhile, the ultra-premium segments Rs 5–10 crore and Rs 10–20 crore—though still comprising a smaller portion of overall sales, recorded healthy YoY growth of 16% and 2%, respectively.

This growing demand is being driven by ultra-high-net-worth individuals seeking homes that offer exclusivity, privacy, and a luxurious lifestyle fuelling interest in boutique residences.

**Chart 39: Hyderabad: Boutique Flats Market: Sales Value (in Rs Billion), FY2021-FY2030 F**



Source: IMARC, ICRA Analytics

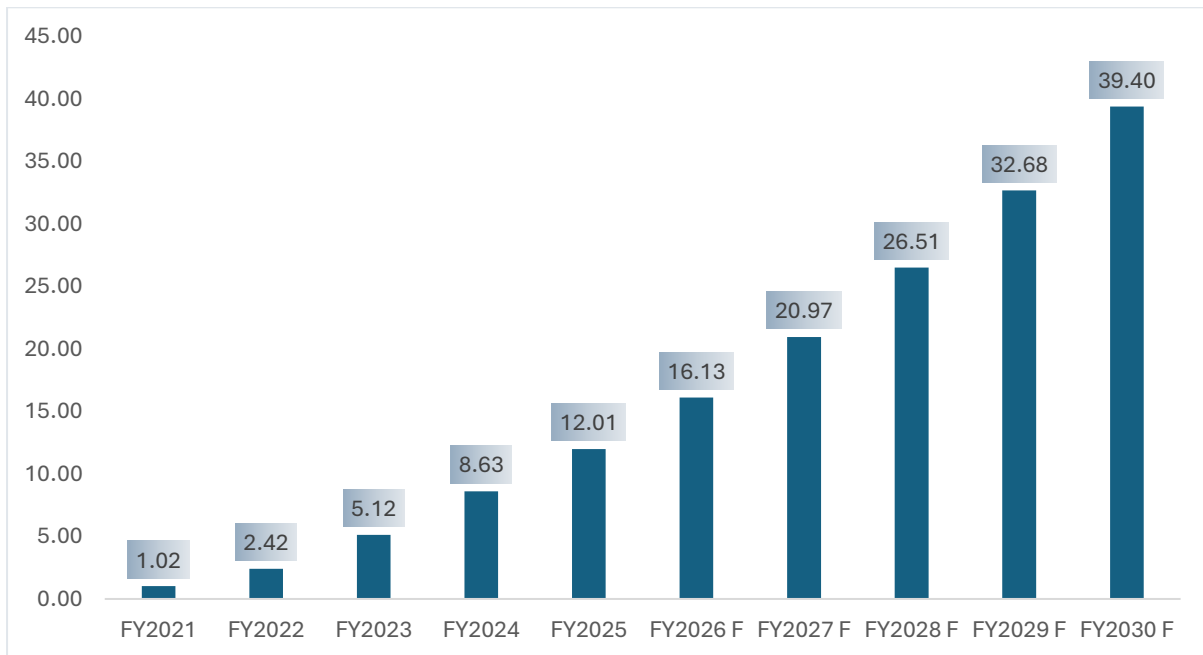
#### 4.10 Coimbatore - Market Study:

Coimbatore, a prominent city in South India, is experiencing a significant upswing in its residential real estate market. According to data analytics firm PropEquity, the city recorded a 52% rise in housing sales value in Q1 2025, reaching Rs 1,120 crore. This sharp increase points to a growing preference for premium properties, including boutique residences.

A joint report by CBRE South Asia Pvt. Ltd and the Confederation of Indian Industry (CII), titled “Coimbatore: The Next Frontier for GCCs”, highlights the city’s emergence as a strategic hub for core industrial operations and product engineering R&D. Coimbatore is also expanding its footprint in advanced software development and digital technologies, with over 60 GCC firms and more than 75,000 professionals currently operating in the region.

As Tamil Nadu’s second-largest software producer after Chennai, Coimbatore hosts major companies such as Aditi Technologies, Cognizant, Wipro, FORD, Robert Bosch GmbH, IBM, TCS, Tata Elxsi, Dell, CSS Corp, and KGISL. The city’s growing IT infrastructure and Industries are drawing professionals who seek upscale, boutique-style living spaces close to their workplaces.

**Chart 40: Coimbatore: Boutique Flats Market: Sales Value (in INR Billion), FY2021-FY2030 F**



Source: IMARC, ICRA Analytics

#### 4.11 Notable projects and developers in India :

S.No	Developer	Project	States/UT
1.	MNB Buildfab	Ananth Vilasa	Haryana
2.	Nagarsheth Group	Nagarsheth Heritage	Dadra and Nagar Haveli and Daman and Diu union
3.	Ashiana Housing	Ashiana Aravali	Rajasthan
4.	Sea Breeze Group	La Wisteria	Goa
5.	Orbit Corp	Orbit Heaven & Orbit Sky Chateau	Maharashtra
6.	BCD Group	Uber luxury boutique residences	Karnataka
7.	Casagrand	Ultra-Luxury GS Infinity Project	Karnataka
8.	Aradhyam Builders	Aradhyam Boutique Residences	Uttar Pradesh
9.	Renaissance Holdings & Developers (P) Ltd	Renaissance Mangalam	Karnataka
10.	Skyline Foundations and Structures Private Limited (SFSPL)	SFS Haveli	Kerala

## 5. Root Map for the Next 5 Years of Real Estate Industry

### 5.1 India Real Estate Market

According to CREDAI, India's real estate sector is entering a pivotal phase, with CY2025 poised to reshape its growth trajectory.

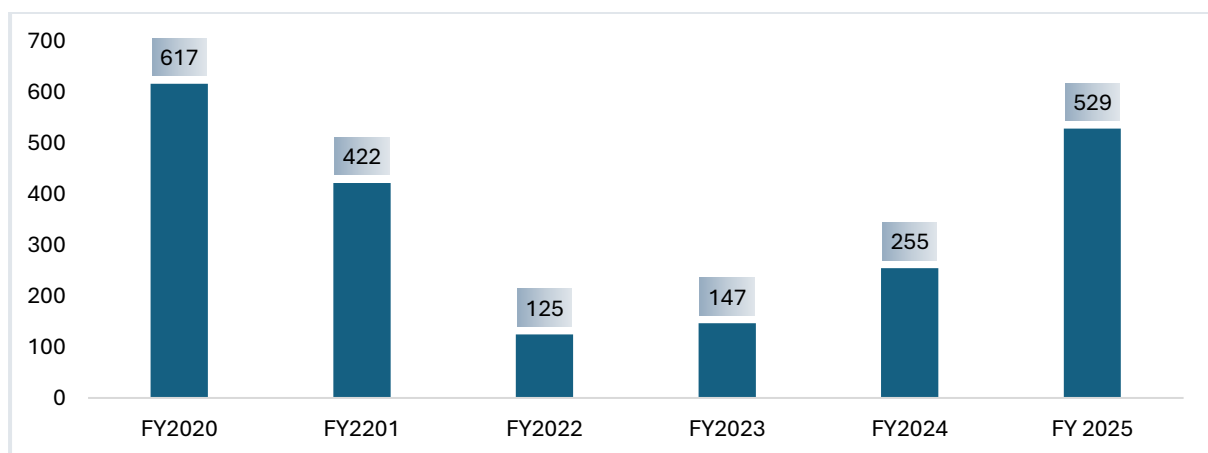
Contributing approximately 7% to the national GDP in 2024, the sector is expected to expand substantially reaching 13% of GDP by CY2025 and 18% by CY2047, aligning with India's projected USD 26 trillion economy by its 100th year of independence.

The overall market size is anticipated to grow to USD 4.8 trillion (Rs 419.83 trillion) by CY2047.

By CY2030, nearly 38% of India's population is projected to reside in urban areas, fuelling strong demand for both residential and commercial real estate.

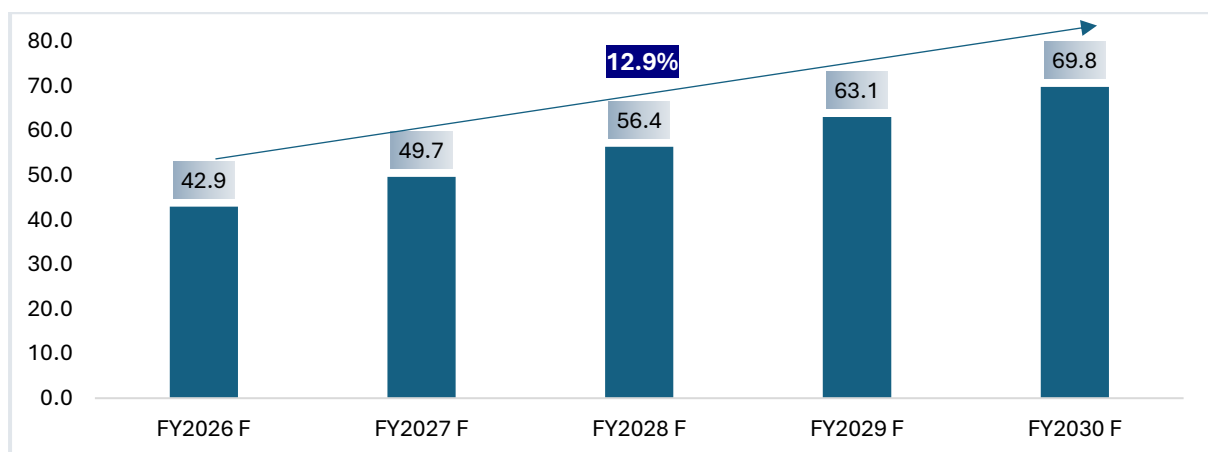
Additionally, increasing Foreign Direct Investment (FDI) is accelerating the growth of the organized real estate sector. Over the past decade, FDI inflows into real estate have grown by 12%, a trend expected to continue. Continued investment in construction and infrastructure is set to support long-term expansion across the sector.

**Chart 41: India's FDI Inflow for Construction Infrastructure Activities (in USD Million), FY2020 -FY2025**



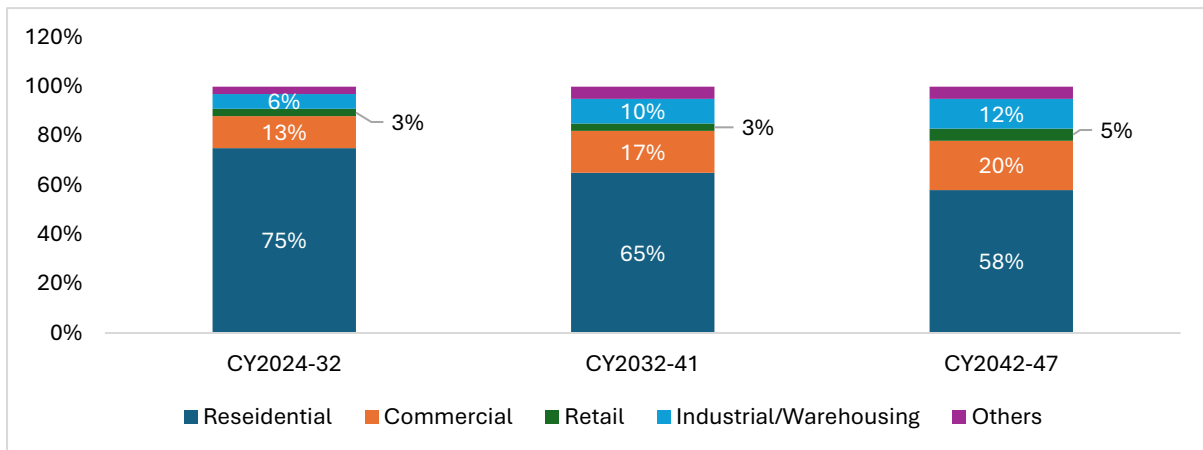
Source: IMARC, CREDAI, Sansad Report, ICRA Analytics

**Chart 42: India's Real Estate Market (in Rs Trillion), FY2026-FY2030**



Source: IMARC, CREDAI, ICRA Analytics

**Chart 43: India’s Real Estate: Market Breakup by Type, Share in %**



Source: IMARC, CREDAI, ICRA Analytics

## 5.2 India Residential Real Estate Market

According to a report by Cushman & Wakefield, the total built-up residential real estate supply across India’s top eight cities is projected to reach 6,198 million square feet by CY2030 a 39% increase over CY2024. This growth is being driven by government-led urbanization initiatives and rising investments.

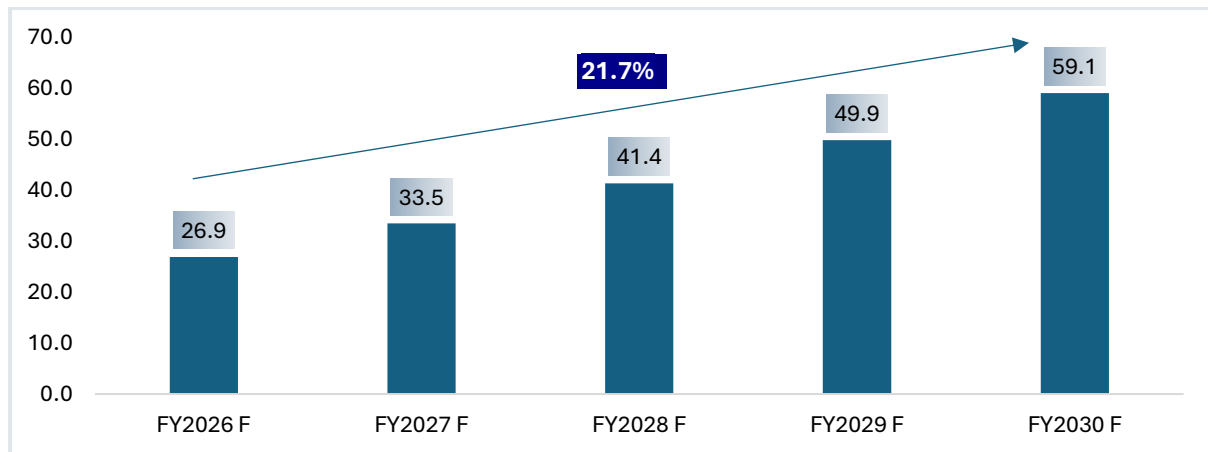
As reported by *The Economic Times*, India’s residential real estate sector is expected to maintain steady growth over the next two fiscal years. The overall sales value is forecasted to grow annually by 10–12%, supported by increasing demand for premium and luxury housing.

Sales volumes are anticipated to rise by 5–7%, while average property prices may see a moderate appreciation of 4–6%. This momentum is being fuelled by strong end-user demand, improved affordability due to lower interest rates, and smoother project launches in key urban centers such as the Mumbai Metropolitan Region (MMR), National Capital Region (NCR), Pune, Hyderabad, Chennai, Kolkata, and Bengaluru.

The share of new launches in the premium and luxury segments has grown significantly—from just 9% in 2020 to 37% in 2024 and is expected to further increase to 38–40% in 2025 and 2026. In contrast, the affordable and mid-segment housing market is likely to contract, as rising land and construction costs make these segments less feasible for developers.

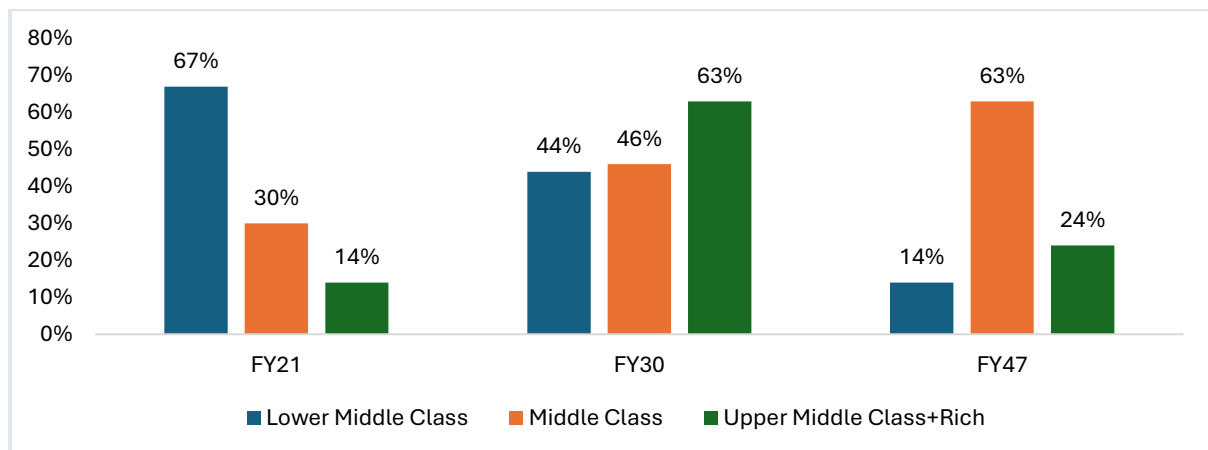
India’s expanding upper-middle-class and affluent population is also contributing to the rising demand for high-end residential spaces. Combined with rapid urbanization and increasing incomes, this trend is driving interest in larger, more luxurious homes. The ongoing shift toward premiumization is expected to support moderate price growth in the medium term.

**Chart 44: India’s Residential Real Estate Market (in Rs Trillion), FY2026-FY2030**



Source: IMARC, CREDAI, Cushman & Wakefield Report, ICRA Analytics

**Chart 45: India’s Division of Income over FY21, FY30 and FY47**



Source: IMARC, CREDAI, Cushman & Wakefield Report, ICRA Analytics

### 5.3 South India Residential Real Estate Market

According to the Knight Frank–NAREDCO report, South India featuring high-growth residential hubs like Bengaluru, Hyderabad, and Chennai—has emerged as the most optimistic region. This confidence is fuelled by strong office space absorption and active developer participation across both plotted and apartment segments. The region’s Future Sentiment Score climbed from 53 in Q1 to 63 in Q2 2025, with 70% of developers anticipating residential launches to either remain steady or increase.

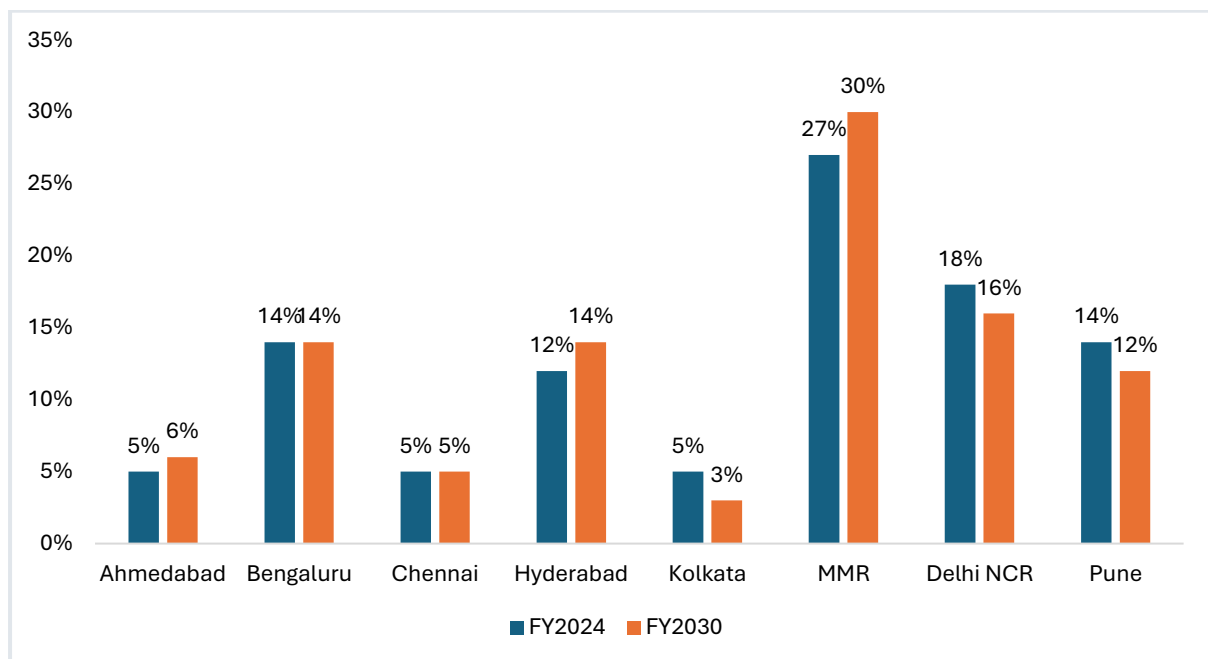
Tier-2 and Tier-3 cities in the southern states are also on a growth trajectory, driven by rapid urbanization and improved affordability. Credai Chennai’s Q1 2025 report indicates that North Chennai is poised for substantial residential expansion. Areas such as Minjur, Madhavaram, Moolakadai, Avadi, Red Hills, and Puzhal are set to benefit from enhanced metro connectivity, the upcoming TIDEL Park, upgraded social infrastructure, and integrated government-led development. Additionally, emerging zones like Parandur, Chengalpet, and Sriperumbudur are expected to fuel the next wave of housing demand.

In Andhra Pradesh, the Visakhapatnam Metropolitan Region Development Authority (VMRDA) has invited proposals for the development of four themed townships near IT and industrial hubs

in Madhurawada, Anandapuram, and Bheemili—an initiative likely to boost the state’s residential real estate sector.

Prominent developers such as Godrej Properties, Prestige Estates, Brigade, Sobha, and Puravankara are actively launching projects in Tier-2 South Indian cities including Kochi, Calicut, Mangalore, and Ooty, further reinforcing the region’s residential real estate momentum.

**Chart 46: India’s Total Organized Residential Built-up Supply - Share of Key Markets CY2024 and CY 2030**



Source: IMARC, Cushman & Wakefield Report, ICRA Analytics

Note: Among the top 8 cities, three are from South India—Chennai, Hyderabad, and Bengaluru.

#### 5.4 Kerala Residential Real Estate Market

Kerala’s residential real estate market is experiencing strong momentum, especially in Tier 2 and Tier 3 cities such as Thrissur, Palakkad, and Kollam, where developers anticipate double-digit growth in the coming years.

While Kochi and Trivandrum continue to grow steadily, several micro-markets are emerging with high potential. In Kochi, areas like Edappally, Pallikkara, Kalamassery, Vazhakkala, and Vyttila are gaining traction. In Trivandrum, Kowdiar and Kazhakoottam are showing promise, while Thrissur sees rising interest in Kuriachira and Punnamm.

Key infrastructure initiatives including the upgrade of National Highway 66, the Vizhinjam International Seaport, expansion of IT parks and enhancements in tourism infrastructure are expected to significantly drive housing demand across the state.

These are further supported by the digitalization of approval processes via platforms like K-Smart and K-Swift, along with increased transparency under K-RERA. Together, these reforms are streamlining workflows, boosting investor confidence, and accelerating project execution.

NRI investments continue to be a major catalyst for growth, particularly in premium and rental-yielding segments across Kochi, Trivandrum, Wayanad, and Alappuzha. This consistent capital inflow has reinforced demand for luxury homes and investment-grade properties.

Property prices in Kerala have been steadily rising. Kochi has seen annual residential price growth of 10–12%, while the Calicut Cyberpark has pushed housing demand up by 8–10% annually. In Trivandrum, localities like Kazhakkootam and Vellayambalam have recorded price increases of 7–10% per year. With ongoing infrastructure upgrades, regulatory improvements, and robust domestic and NRI demand, Kerala’s residential real estate market is poised for continued expansion throughout the forecast period.

Kochi’s real estate market is experiencing steady growth, with emerging micro-markets such as Edappally, Pallikkara, Kalamassery, Vazhakkala and Vyttila positioning themselves as high-potential residential hubs.

According to insights from Skyline Builders, premium localities like Panampilly Nagar and Marine Drive continue to attract NRIs and HNIs, thanks to their upscale lifestyle amenities, waterfront views, and central location. These areas benefit from strong social infrastructure and high-end retail, sustaining a robust CAGR of 8–10%.

Residential clusters near Infopark, including Edappally, Palarivattom and Kakkanad, are witnessing strong end-user demand driven by affordability, excellent connectivity, proximity to malls and hospitals, and IT-driven employment opportunities. These zones remain popular among young couples and first-time buyers, with projected growth rates of 6–8% CAGR.

Suburban pockets like Thrippunithura and Aluva are gaining momentum due to metro extensions and improved transport integration. While appreciation here is moderate at 5–7% CAGR, these areas offer attractive rental prospects, affordability, and enhanced liveability supported by ongoing infrastructure upgrades.

Kochi’s real estate momentum has accelerated over the past five years, with property prices rising by more than 10.4% YoY in early 2025, signalling strong investor confidence. Rental yields have reached 6% in key hubs such as Kakkanad, driven by high leasing demand, while buyer preferences have shifted toward larger 3–4 BHK luxury units.

Further, Metro Phase II development and Infopark’s expansion have amplified the appeal of nearby micro-markets. A Times of India report also noted a significant shift in buyer composition from 30:70 to 60:40 in favour of domestic buyers with occupancy in new projects nearing 90%.

## 6. Technology and Innovation in Housing in India Real Estate

### 6.1 Home Automation and Building Automation & Contech

Home automation has evolved into a specialized yet rapidly expanding segment within residential developments. Over the past decade, the average cost of installation has risen from Rs 0.2 million to between Rs 0.5 million and Rs 5 million per apartment.

Modern residential projects now routinely incorporate technologies such as CCTV systems, boom barriers, air quality monitors, traffic management solutions, and centralized command centers making them integral to both planning and operations.

With the growing use of data mining and machine learning, residential complexes are increasingly leveraging data to improve operational efficiency, enhance security, and streamline daily activities.

Over the last ten years, advanced technological tools have played a key role in reducing building management expenses, resulting in more cost-effective property operations.

PropTech continues to revolutionize the real estate sector by enhancing the speed, efficiency, and affordability of processes such as construction, leasing, investment, financing, and marketing.

Technology	Home Automation	Building Automation & Contech
<b>Security</b>	Visitor Authentication, VDP with Smart app, Remote Yale Locks, Panic Buttons, Intrusion Detectors, Biometric Authorization	Visitor Management, CCTV Surveillance, Boom Barrier, RFID based Access, Laser Perimeter Security, Community app for Emergencies
<b>Safety</b>	Gas Leak Sensors, Smoke Detectors, Sprinklers, Voice Assisted Help, App Based utilities and complain management	Air Quality Management, Traffic Management, Storm Warning Alarms, Multi-Stage Water Filtration, Community App for Emergencies
<b>Comfort &amp; Convenience</b>	Voice Command Automation, Touch enabled automation, Smart Mood Lighting, Smart glass in Kitchen	Central Command Control, Electric Vehicle Charging Points, Centralized Parking Management
<b>Energy Saving &amp; Sustainability</b>	Motion Sensors, Intuitive Lights in Washrooms	Sensor Based Street Lights, Smart Metering, Energy Monitoring, Piped Gas

Source: CREDAI Report, ICRA Analytics

### 6.2 Future Demand Segment

Innovative solutions such as CO<sub>2</sub>-based ventilation systems, sensor-enabled lighting in shared spaces, and Z-Wave technologies are emerging as key enablers of tech-driven transformation in real estate development.

PropTech is transitioning from a supportive role to becoming a core driver of growth in the sector. It is enhancing operational efficiency, automating routine tasks, lowering costs, and boosting profit margins.

This rise in PropTech aligns closely with the Government of India’s Digital India initiative, which aims to digitally empower the economy and promote innovation across industries.

Since the onset of the pandemic in 2020, the number of PropTech startups in India has surged by 48%, reflecting growing acceptance and underscoring the pivotal role of technology in shaping the future of real estate.

Technology	Future Demand Segment
Security	CO Based Basement Ventilation, Sensor Based Lightning in Common Areas
Safety	Sensor Based Lightning in Basement, Z-Wave Technology
Comfort & Convenience	Central Command Control, Electric Vehicle Charging Points

Source: CREDAI Report, ICRA Analytics

### 6.3 New sustainable technologies which are being adopted

**3D-printed Homes:** It significantly cut down construction time and reduces costs, with estimates suggesting they are at least 20% more affordable than conventional homes. For example, in Georgetown, Texas, the world’s largest 3D-printed housing community is underway, where 100 such homes are being constructed as part of the larger Wolf Ranch development.

**Low-Cost Construction Materials:** The Indian Government is actively promoting the construction of homes using Glass Fibre Reinforced Gypsum (GFRG). This method can reduce construction costs by 20–30% compared to traditional brick-and-mortar buildings, owing to the lower cost of gypsum, minimal use of cement and steel, and reduced labor requirements.

### 6.4 South India

Southern metros such as Bengaluru, Chennai, and Hyderabad are leading the adoption of home automation, particularly in areas like climate control, energy-efficient systems, and smart entertainment. Over 60% of new premium residential projects in these cities now incorporate smart technologies.

The “Naksha” initiative in Andhra Pradesh utilizes advanced tools like LiDAR, GIS, and GIS imaging to accurately map over 9.5 lakh properties, including residential units. This initiative aims to enhance urban planning, regulatory oversight, and property tax systems.

The Chennai Metropolitan Development Authority (CMDA) is set to transform Chengalpet using GIS-based flood mapping, data analytics, and infrastructure-first strategies to develop climate-resilient and smart residential zones.

In Tamil Nadu, Kerala, and Karnataka, construction speed is being significantly improved with Glass Fibre Reinforced Gypsum (GFRG) panels and precast modular techniques for residential buildings.

Additionally, Monolithic Reinforced Concrete Systems are enabling rapid, cost-effective, and large-scale housing development with minimal manual labour already implemented in Economically Weaker Section (EWS) housing projects in Karnataka and Andhra Pradesh.

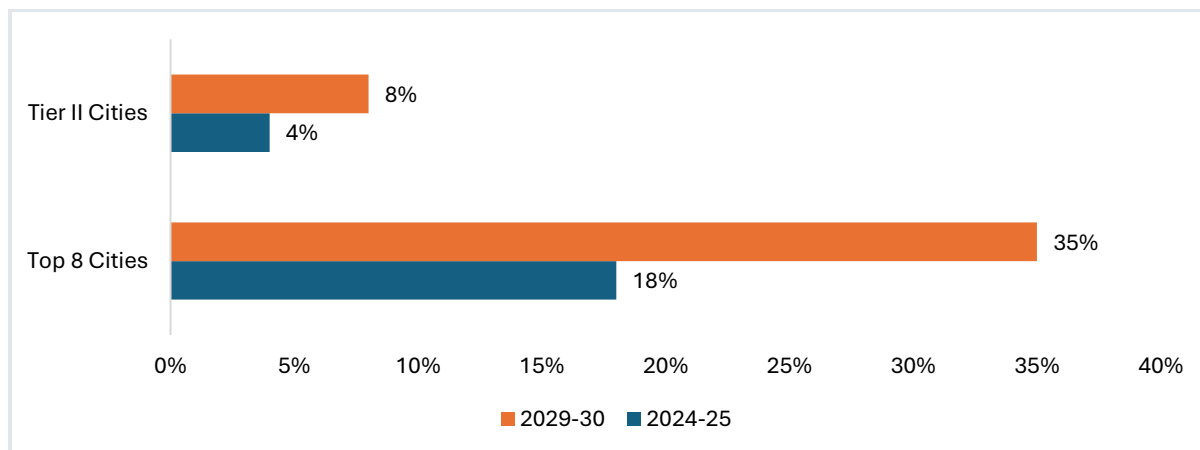
Backed by initiatives from both the Telangana state and central government, housing developments are increasingly integrating solar energy systems, adhering to green building standards, and implementing township-wide automation features such as EV charging stations and water recycling systems.

**Table 12: Adoption of IoT enabled Automation Solutions in India in Residential Sector**

Product adoption as a percentage of total built-up supply (sq.ft.) (2024-25)	Product adoption as a percentage of total built-up supply (sq.ft.) (2029-30)	Growth in product adoption over the Forecasted Period	Trigger for Automation
3%	6%	100%	Convenience and Comfort

Source: CREDAI Report, Cushman & Wakefield Report, ICRA Analytics

**Chart 47: Penetration of IoT enabled Automation Solutions in India Real Estate**



Source: IMARC, CREDAI Report, Cushman & Wakefield Report, ICRA Analytics

## 6.5 Kerala

Kerala is witnessing a rapid surge in demand for home technology integration, fuelled by growing awareness, improved affordability, and a strong preference for convenience in managing modern households.




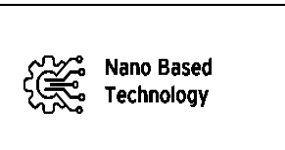
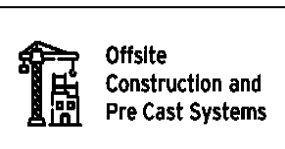
Over the last five years, the state’s smart home market has achieved an impressive annual growth rate exceeding 20%, with automation systems increasingly being adopted in both new constructions and existing homes. This upward momentum is expected to continue, with projected annual growth rates ranging from 15% to 20% in the coming years.

While the national average adoption rate for smart homes stands at 18%, Kerala leads significantly with a 25% adoption rate. Similarly, Kerala’s annual smart home market growth rate is 18%, surpassing the national average of 15%.

In 2019, the Kerala Government began advocating for eco-friendly precast construction technologies to address environmental concerns. Around the same time, PropTech startups like BuildNext emerged, offering branded home-building solutions across Kerala and Hyderabad.

Kerala is also embracing cutting-edge construction innovations, such as 3D concrete printing introduced by Tvasta Manufacturing Solutions in partnership with Kerala State Nirmithi Kendra (KESNIK). This method enables faster, more sustainable, and cost-effective building practices. A notable example is “AMAZE-28,” a one-room summer house constructed in Thiruvananthapuram for just INR 11 lakh.

Further demonstrating Kerala’s commitment to sustainable living, projects like Green Valley Eco Homes (Kochi), Eco Nest Villas (Trivandrum), Sundargram (Kozhikode), Horizon Eco Apartments (Thrissur), and Nila Eco Village (Alappuzha) incorporate features such as rainwater harvesting, green roofs, natural ventilation, recycled materials, biogas systems, and community gardens.

PropTech/ ConTech Interventions	Benefits
	25 ~ 30% Energy Savings
	60~70% Energy Savings
	25% to 30% increase in productivity and 10% savings of energy over the lifetime of the asset
	Lower the operating and maintenance time and cost
	Residential projects through pre-cast complete 15% faster

Source: CREDAI, ICRA Analytics

## 7. SWOT Analysis

### Overview: India: Residential Real-Estate Industry: SWOT Analysis



### 7.1 Strength

**Strong and Sustained Housing Demand Driven by Urbanization:** India's rapidly urbanizing population remains the foundation of residential real estate demand. Every year, millions migrate to Tier I and Tier II cities for employment and education, creating a structural requirement for new housing units. This demographic trend ensures a long-term, stable demand cycle, particularly in the mid-income and affordable housing segments. The scale of urban growth also fuels cumulative demand for supporting infrastructure transport, utilities and civic amenities further reinforcing residential real estate expansion.

**Government Policy Support and Incentives:** The residential sector has gained significantly from initiatives such as PMAY-Urban, Credit-Linked Subsidy Scheme (CLSS), Affordable Rental Housing Complexes (ARHCs), and reduced GST rates for affordable housing. Additionally, RERA has strengthened buyer confidence by enforcing accountability, standardizing sales practices and enhancing transparency. Collectively, these measures mitigate risks for buyers and developers, attract new investments and make home ownership more financially accessible to a broad segment of the population.

**Rising Middle-Class Income and Aspirational Home Ownership:** India's growing middle class, increasing disposable incomes and aspirational lifestyle upgrades have amplified demand for higher-quality housing. Home ownership is culturally regarded as both essential and a long-term wealth-building asset, making it a priority purchase. This trend has driven uptake not only in affordable housing but also in premium and luxury segments across fast-growing cities such as Bengaluru, Hyderabad, Pune, Mumbai and Gurgaon. Developers are increasingly incorporating lifestyle-oriented features into projects, further stimulating demand.

**Increasing Formalization and Institutional Participation:** The entry of institutional investors, global private equity funds and large corporate developers has introduced scale,

professionalism and organized practices into the sector. Improved corporate governance, digital sales platforms and structured financing have enhanced industry credibility. This transformation is eliminating smaller non-compliant players, improving construction quality and accelerating the adoption of advanced technologies like precast, MIVAN and green building solutions.

## 7.2 Weaknesses

**Volatility in Raw Material Prices and Resulting Margin Pressure:** While cement and steel prices have recently remained relatively stable or even softened, the core challenge for the residential real estate sector is not just high prices, but the volatility and unpredictability of these input costs. The sector is highly sensitive to fluctuations in raw material prices because construction timelines stretch over multiple years, making developers vulnerable to price swings within the project cycle. Sudden spikes – even if temporary – in cement, steel, sand, bricks, or labor costs can significantly affect project profitability, especially for developers operating on thin margins or in the affordable housing segment where pricing flexibility is limited. This volatility increases the financial risk for developers, disrupts budgeting, and may lead to cash flow mismatches or construction delays. Therefore, the key weakness is the uncertainty and volatility in key construction inputs rather than consistently high prices, which continues to exert margin pressure on the industry.

**Complex Regulatory Approvals and Lengthy Timelines:** The sector remains burdened by intricate, multi-agency approval processes involving land-use permissions, environmental clearances, fire NOCs, utility provisioning and municipal sanctions. Prolonged timelines inflate capital costs, delay project launches and introduce uncertainty into construction planning. The absence of uniform regulatory frameworks across states further creates inconsistent execution schedules, disproportionately impacting smaller developers with limited administrative capacity.

**Dependence on Debt Financing and High Leverage:** Indian developers have traditionally relied on high-cost debt, exposing them to liquidity stress during market downturns. Many face mismatches between cash inflows from sales and outflows for construction, resulting in stalled or delayed projects. The NBFC crisis and stricter bank lending norms have compounded liquidity challenges, making financing a persistent vulnerability for the sector.

**Demand-Supply Imbalance and Elevated Inventory in Select Markets:** Despite overall market growth, certain micro-markets particularly in NCR and the Mumbai Metropolitan Region continue to grapple with oversupply in specific price segments. Large volumes of unsold inventory lock up capital, suppress price appreciation and weaken developer's financial health. This imbalance often stems from earlier prioritization of luxury or high-margin projects that failed to align with prevailing affordability trends.

## 7.3 Opportunities

**Rapid Growth in Affordable and Mid-Income Housing:** Affordable and mid-income segments supported by government incentives and strong first-time homebuyer demand represent the most significant growth opportunity in India's residential market. Rising nuclear families and increasing urban workforce mobility are expected to sustain structural demand in this category. Developers offering compact, efficiently designed units with appealing amenities stand to gain the most.

**Technology Adoption and Digital Transformation:** There is considerable scope for integrating PropTech solutions across sales, construction, and post-sales services. Tools such as BIM, AI-

driven project management, online sales platforms, VR-enabled site visits, and IoT-powered smart homes can enhance efficiency, shorten construction timelines and improve customer experience. Digital transformation also expands market reach, lowers marketing costs and promotes transparency attributes increasingly valued by modern homebuyers.

**Tier II and Tier III City Expansion:** Cities like Ahmedabad, Kochi, Indore, Jaipur, Coimbatore, Lucknow and Visakhapatnam are experiencing rising demand driven by IT parks, industrial corridors, improved connectivity and decentralization of corporate offices. These markets offer lower land costs, greater availability of large parcels, and a growing aspirational population. Developers entering these emerging cities can leverage first-mover advantage, reduce project risks and tap into higher capital appreciation potential.

**Rising Demand for Green Housing and Sustainable Projects:** Increasing environmental awareness among consumers and the push for low-carbon construction are creating opportunities for green-certified buildings, energy-efficient designs and sustainable materials. Government incentives for green projects, combined with lower lifecycle costs for residents, make sustainability-focused developments more competitive. This trend aligns with global ESG priorities and opens access to new financing channels.

#### 7.4 Threats

**Macroeconomic Volatility and Interest Rate Sensitivity:** Residential real estate remains highly vulnerable to fluctuations in interest rates, inflation, and employment cycles. An increase in home loan rates can dampen buyer sentiment and reduce affordability, particularly in the middle-income segment. Broader economic slowdowns, job uncertainty in IT/ITES sectors, or global disruptions can directly weaken demand and postpone purchase decisions.

**Intensifying Competition and Market Consolidation:** The competitive landscape is becoming more aggressive as large, well-capitalized developers expand across multiple states. Consolidation pressures threaten smaller regional players, who risk losing market share or financial viability. Heightened competition often drives pricing pressures, forcing developers to reduce margins or compromise on product differentiation.

**Delays from Litigation and Land Disputes:** Land acquisition continues to be plagued by legal complexities, title ambiguities, and disputes. Litigation can significantly delay or halt projects, resulting in financial losses, customer dissatisfaction, and reputational damage. Despite RERA's safeguards, unresolved legacy cases and ownership uncertainties remain systemic risks for the sector.

**Environmental Regulations and Construction Bans:** Periodic construction bans due to pollution control measures especially in Delhi-NCR or evolving environmental regulations can slow project timelines and escalate costs. Climate-related risks such as floods, heatwaves, and cyclone-prone geographies further increase operational challenges. Compliance with stricter environmental norms demands continuous investment and can disrupt construction schedules.

## 8. Competitive Landscape

### 8.1 Company profiling and benchmarking

**1. Veegaland Developers Limited (VDL):** VDL, incorporated on August 10, 2007, is engaged in real estate development and construction of residential projects, with operations primarily based in Kerala. Veegaland Developers Limited is part of broader V-Guard Group (V-Guard, Wonderla, Veegaland & V-star), known for its commitment to quality, sustainable construction practices, and timely project delivery. Veegaland Developers is a premier real estate developer based in Kerala. Company focuses on building premium Biophilic Urban Homes under the brand name 'Veegaland Homes' to bring the homeowners closer to nature through eco-friendly designs and techniques. As of December 8, 2025, Veegaland Developers Limited ranks as Kerala's fastest-selling real estate developer (Source: Basis 'List of Registered Projects' from the K-RERA website considering residential apartment projects with status marked as 'Construction In Progress' across three or more districts in Kerala, further ranking is determined by computing the average residential apartment sold % per annum, data is also backed by company's auditor certificate) . Over the past 14 years, company has successfully completed 10 projects aggregating to 1.10 million square feet of super built-up area. Additionally, 10 projects are now ongoing with an aggregate area of 1.37 million square feet of super built-up area .

The company has successfully completed several landmark projects such as Green Clouds, Petunia & Begonia, Kingstown, Bluebell, and Kingsfort in Kochi and has ongoing projects in Thrissur, Kozhikode, Ernakulam.

**2. Puravankara Limited (Puravankara):** Puravankara was founded in 1975 and headquartered in Bengaluru, Puravankara is one of India's leading real estate developers. The company has successfully delivered 87 residential and commercial projects with a completed developable area of 50.76 million sq. ft., and currently has over 23,800 homes under development, covering more than 33.90 million sq. ft. of developable area. Puravankara is a listed company and has a strong presence across Bengaluru, Chennai, Hyderabad, Kochi, Pune, Mumbai, Goa, Coimbatore and Mangaluru, along with international operations in Dubai and Colombo.

The group focuses on luxury housing, premium affordable homes, and integrated townships, complemented by green-certified and sustainable projects. It operates through three major brands: Puravankara – luxury and theme-based project, Provident Housing – mid-income housing and Purva Land – plotted developments

Notable projects include Purva Atmosphere (Thanisandra Main Road, Bengaluru), Purva Meraki (HSR Layout, Bengaluru) and Purva Aerocity (Chikkajala, North Bengaluru).

**3. Shriram Properties Limited:** Shriram Properties Limited, founded in 2000 and headquartered in Bengaluru, is one of South India's leading residential real estate developers. The company focuses on mid-market and affordable housing, along with premium, luxury, plotted developments, and select commercial spaces. It has successfully delivered 48 projects covering 29.2 million sq. ft. of saleable area, with completed projects largely concentrated in Bengaluru and Chennai. Currently, Shriram Properties has a strong pipeline of 42 ongoing and upcoming projects spanning 40.2 million sq. ft. and a total portfolio of 54 projects aggregating to 53.83 million sq. ft. Over 31,000 families have been served so far.

The company has a significant presence in Bengaluru, Chennai, Coimbatore, Visakhapatnam, and Kolkata. Its portfolio comprises mid-market housing (56%), affordable housing (33%), along with plotted developments and select luxury projects. Notable projects include Shriram

Codename The One near Chandapura, Shriram Esquire in Koramangala, Shriram Divine City in Mangadu and Shriram Blue in KR Puram, Bengaluru.

**4. Skyline Foundations and Structures Private Limited (SFSP):** SFSP, incorporated on May 20, 2004, is a real estate developer headquartered in Bengaluru, Karnataka, with a presence in Kerala. The company operates under the brand SFS Homes and is a residential developer in Kerala. Over the past two decades, SFSP has developed 75+ real estate projects covering approximately 6.9 million square feet, and currently has nine ongoing projects totaling around 1 million square feet.

SFSP specializes in residential apartments and also offers property rentals and real estate services.

**5. Asset Homes Pvt. Ltd (AHPL):** AHPL, incorporated on September 19, 2006, is a real estate developer headquartered in Kochi, Kerala. The company delivers residential projects across Kerala, with a focus on blending luxury with nature. Over the years, Asset Homes has completed over 64 projects across 10 cities in Kerala, including Kochi, Thiruvananthapuram, Thrissur, Kozhikode, and Kannur.

Some projects include Asset Signature, Asset Versatile, Asset Luminaire, and Asset Silicon Heights.

## 8.2 Financial benchmarking of key peers in the sector

**Table 13: Financial benchmarking of key peer companies for the Half Year 2026**

### Comparison with industry peers

For the period ending September 30, 2025 (Consolidated financials)					
Particulars	Veegaland Developers Limited	Puravankara Limited	Shriram Properties	Skyline Foundations and Structures Private Limited	Asset Homes Pvt Ltd.
Revenue from Operations <sup>(1)</sup> (₹ in Lakhs)	12,415.85	1,16,860.00	44,763.00	NA	NA
Growth in Revenue from Operations <sup>(2)</sup> (%)	NA	NA	NA	NA	NA
Gross Profit <sup>(3)</sup> (₹ in Lakhs)	3,404.51	57,069.00	14,299.00	NA	NA
Gross Profit Margin <sup>(4)</sup> (%)	27.42%	48.84%	31.94%	NA	NA
EBITDA <sup>(5)</sup> (₹ in Lakhs)	1,891.56	20,342.00	6,984.00	NA	NA
EBITDA Margin <sup>(6)</sup> (%)	15.12%	16.93%	14.24%	NA	NA
Profit After Tax <sup>(7)</sup> (₹ in Lakhs)	1,152.54	-11,154.00	2,916.00	NA	NA
PAT Margin <sup>(8)</sup> (%)	9.21%	-9.28%	5.94%	NA	NA
RoE <sup>(9)</sup> (%)	7.27%	-6.66%	2.13%	NA	NA
RoCE <sup>(10)</sup> (%)	6.21%	3.18%	3.22%	NA	NA
Debt to Equity <sup>(11)</sup> (%)	0.19	2.76	0.50	NA	NA

Source: Company Financial Statements, ICRA Analytics

NA: Not Available

\*Company does not make consolidated financial statements separately

**Table 14: Financial benchmarking of key peer companies for the Financial Year 2025**

**Comparison with industry peers**

For the period ending March 31, 2025 (Consolidated financials)					
Particulars	Veegaland Developers Limited	Puravankara Limited	Shriram Properties	Skyline Foundations and Structures Private Limited	Asset Homes Pvt Ltd.
Revenue from Operations <sup>(1)</sup> (₹ in Lakhs)	19,237.53	2,01,361.00	82,344.00	NA	NA
Growth in Revenue from Operations <sup>(2)</sup> (%)	73.67%	-7.85%	-4.75%	NA	NA
Gross Profit <sup>(3)</sup> (₹ in Lakhs)	5,302.33	1,11,370.00	24,850.00	NA	NA
Gross Profit Margin <sup>(4)</sup> (%)	27.56%	55.31%	30.18%	NA	NA
EBITDA <sup>(5)</sup> (₹ in Lakhs)	3,377.35	37,741.00	20,283.00	NA	NA
EBITDA Margin <sup>(6)</sup> (%)	17.21%	18.03%	20.84%	NA	NA
Profit After Tax <sup>(7)</sup> (₹ in Lakhs)	2,042.59	-18,292.00	7,730.00	NA	NA
PAT Margin <sup>(8)</sup> (%)	10.41%	-8.74%	7.94%	NA	NA
RoE <sup>(9)</sup> (%)	36.96%	-10.12%	5.87%	NA	NA
RoCE <sup>(10)</sup> (%)	13.75%	5.97%	9.86%	NA	NA
Debt to Equity <sup>(11)</sup> (%)	2.70	2.48	0.48	NA	NA

Source: Company Financial Statements, ICRA Analytics

NA: Not Available

\*Company does not make consolidated financial statements separately

**Table 15: Financial benchmarking of key peer companies for the Financial Year 2024**

**Comparison with industry peers**

For the period ending March 31, 2024 (Consolidated financials)					
Particulars	Veegaland Developers Limited	Puravankara Limited	Shriram Properties	Skyline Foundations and Structures Private Limited	Asset Homes Pvt Ltd.#
Revenue from Operations <sup>(1)</sup> (₹ in Lakhs)	11,076.76	2,18,526.00	86,453.00	23,662.22	25,882.55
Growth in Revenue from Operations <sup>(2)</sup> (%)	1.7%	76.83%	28.19%	16.77%	-2.10%
Gross Profit <sup>(3)</sup> (₹ in Lakhs)	3,193.59	1,14,967.00	29,100.00	9,450.22	5,980.14
Gross Profit Margin <sup>(4)</sup> (%)	28.83%	52.61%	33.66%	39.94%	23.10%
EBITDA <sup>(5)</sup> (₹ in Lakhs)	1,672.23	53,050.00	20,326.00	6,826.02	3,084.26
EBITDA Margin <sup>(6)</sup> (%)	14.59%	23.47%	20.59%	26.95%	11.75%
Profit After Tax <sup>(7)</sup> (₹ in Lakhs)	786.88	4,200.00	7,542.00	6,508.69	1,364.50
PAT Margin <sup>(8)</sup> (%)	6.87%	1.86%	7.64%	25.70%	5.20%
RoE <sup>(9)</sup> (%)	19.12%	2.17%	6.09%	23.59%	17.86%
RoCE <sup>(10)</sup> (%)	9.85%	10.27%	10.34%	22.03%	20.32%
Debt to Equity <sup>(11)</sup> (%)	2.67	1.74	0.51	0.00	0.75

Source: Company Financial Statements, ICRA Analytics

NA: Not Available

\*Company does not make consolidated financial statements separately

#Considered standalone financial statements since the consolidated financial statements couldn't be found.

**Table 16: Financial benchmarking of key peer companies for the Financial Year 2023**

**Comparison with industry peers**

For the period ending March 31, 2023 (Consolidated financials)					
Particulars	Veegaland Developers Limited	Puravankara Limited	Shriram Properties	Skyline Foundations and Structures Private Limited	Asset Homes Pvt Ltd. #
Revenue from Operations <sup>(1)</sup> (₹ in Lakhs)	10,891.16	1,23,577.00	67,440.00	20,263.27	26,436.44
Growth in Revenue from Operations <sup>(2)</sup> (%)	NA	NA	NA	NA	NA
Gross Profit <sup>(3)</sup> (₹ in Lakhs)	3,322.47	77,532.00	22,118.00	8,102.40	4,317.79
Gross Profit Margin <sup>(4)</sup> (%)	30.51%	62.74%	32.80%	39.99%	16.33%
EBITDA <sup>(5)</sup> (₹ in Lakhs)	2,421.98	43,226.00	18,574.00	5,775.55	2,446.78
EBITDA Margin <sup>(6)</sup> (%)	22.00%	30.72%	22.82%	26.72%	8.86%
Profit After Tax <sup>(7)</sup> (₹ in Lakhs)	1,453.06	6,652.00	6,825.00	5,514.71	994.06
PAT Margin <sup>(8)</sup> (%)	13.20%	4.73%	8.39%	25.51%	3.60%
RoE <sup>(9)</sup> (%)	48.44%	3.30%	5.85%	23.80%	14.55%
RoCE <sup>(10)</sup> (%)	14.88%	8.87%	9.88%	21.62%	17.33%
Debt to Equity <sup>(11)</sup> (%)	3.28	1.47	0.53	0.02	0.81

Source: Company Financial Statements, ICRA Analytics

NA: Not Available

\*Company does not make consolidated financial statements separately

#Considered standalone financial statements since the consolidated financial statements couldn't be found.

**Table 17: List of Formulas used for the key peer comparison**

SR. No.	Formula	
1	Revenue from Operations <sup>(1)</sup> (₹ in Lakhs)	Revenue from operations as per Restated Financial Statements/Financial Statements.
2	Growth in Revenue from Operations <sup>(2)</sup> (%)	Growth in revenue from operations is current period value less previous period value divided by previous period value.
3	Gross Profit <sup>(3)</sup> (₹ in Lakhs)	Revenue from operations as per Restated Financial Statements/Financial Statements less cost of goods sold which is sum of cost of material consumed and changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade as per Restated Financial Statements/Financial Statements.
4	Gross Profit Margin <sup>(4)</sup> (%)	Gross Profit Margin refers to gross profit during a given period as a percentage of revenue from operations during that period.
5	EBITDA <sup>(5)</sup> (₹ in Lakhs)	EBITDA refers to earnings before interest, taxes, depreciation, amortisation including other income.
6	EBITDA Margin <sup>(6)</sup> (%)	EBITDA Margin refers to EBITDA during a given period as a percentage of Total Income during that period.
7	Profit After Tax <sup>(7)</sup> (₹ in Lakhs)	Profit After Tax as per Restated Financial Statements/Financial Statements.
8	PAT Margin <sup>(8)</sup> (%)	PAT Margin refers to PAT during a given period as a percentage of Total Income during that period.
9	RoE <sup>(9)</sup> (%)	Return on equity (RoE) is equal to Net profit after taxes divided by average shareholder's equity including other equity but excluding non-controlling interest
10	RoCE <sup>(10)</sup> (%)	Return on Capital Employed (RoCE) (%) is calculated as profit before tax plus finance costs divided by sum of total equity, non-current borrowings, current borrowings and deferred tax liabilities (net) excluding deferred tax assets (net) and total intangible assets during that period.
11	Debt/Equity <sup>(11)</sup> (%)	Debt-to-Equity ratio is calculated as total Debt divided by total equity.

Source: Company Financial Statements, ICRA Analytics

## 9. Definitions and Abbreviations

**Table 18: Definitions**

S.no	Term	Definition
1	<b>Real Estate</b>	Real estate refers to land and everything permanently attached to it, including buildings, houses, structures, and natural resources such as water, minerals, and crops. It also includes the rights of ownership, such as the ability to buy, sell, lease, or develop the property. Real estate is mainly used for residential, commercial, industrial, and agricultural purposes.
2	<b>Residential Real Estate</b>	Residential real estate refers to properties that are designed and used for people to live in. This includes homes, apartments, villas, townhouses, condominiums, and other types of housing units. These properties are meant for personal living, not for business or industrial activities.
3	<b>Villas</b>	A villa is a standalone luxury residential property built on private land, typically within gated communities or plotted developments. Key features include spacious layouts (2+ floors), high-end finishes, private gardens or pools, and exclusivity due to low-density surroundings.
4	<b>Boutique Flats</b>	A boutique flat is a premium, limited-supply residential unit designed to offer customized, ready-to-move-in luxury living for discerning homebuyers. These flats typically feature high-end interiors such as modular kitchens, built-in wardrobes, premium marble flooring and refined wall finishes. Boutique flats also provide select lifestyle amenities including landscaped gardens, yoga and meditation areas, indoor gyms, game zones, libraries, music rooms and dedicated children's play spaces.
5	<b>SWAMIH</b>	SWAMIH is an acronym for the Special Window for Affordable and Mid-Income Housing, a government-backed fund launched in November 2019 to provide priority debt financing for stalled and stressed residential real estate projects. The fund's objective is to complete these projects and deliver homes to buyers by providing "last-mile" funding.
6	<b>GCC</b>	A Global Capability Center (GCC) is an offshore or nearshore subsidiary of a multinational corporation that performs specialized business functions like IT, R&D, finance, and HR
7	<b>RERA</b>	A Real Estate Regulatory Authority (RERA) is a government body that regulates and promotes the real estate sector to protect consumers' interests and increase transparency. Established under a specific act, such as India's Real Estate (Regulation and Development) Act, 2016, its purpose is to ensure that the sale of property is done efficiently and transparently
8	<b>PMAY</b>	PMAY stands for Pradhan Mantri Awas Yojana, an Indian government scheme launched to provide "Housing for All" by ensuring affordable housing for low and middle-income groups. It has two main components: PMAY-U (Urban) for urban areas and PMAY-G (Gramin) for rural areas, which can be accessed through various means such as credit-linked subsidies, beneficiary-led construction, and in-situ slum redevelopment.
9	<b>REITs</b>	A Real Estate Investment Trust (REIT) is a company that owns, operates, or finances income-producing real estate, allowing individuals to invest in large-scale, income-generating properties without buying or managing them directly.
10	<b>IGBC</b>	The Indian Green Building Council is an organization that promotes sustainable building practices in India through its various rating systems and certification programs.
11	<b>CREDAI</b>	CREDAI, or the Confederation of Real Estate Developers' Associations of India, is the apex body for private real estate developers in India. Its primary goal is to organize and modernize the real estate industry by promoting transparency, ethical practices, and professional standards among its members
12	<b>DBT</b>	Direct Benefit Transfer (DBT) is a government initiative to transfer subsidies and benefits directly into the bank accounts of beneficiaries, improving efficiency, transparency, and accountability.
13	<b>AHF</b>	An Affordable Housing Fund is a financial resource dedicated to supporting the development of housing options that are affordable for people with low to modest incomes. These funds can be generated through various sources, such as bank penalties for not meeting lending targets to the sector, government-authorized bonds, or direct appropriations
14	<b>NHB</b>	The National Housing Bank is an all-India financial institution established under the National Housing Bank Act of 1987. It was created to operate as the primary agency to promote housing finance institutions and provide financial support for the housing sector.
15	<b>DTAA</b>	A Double Taxation Avoidance Agreement (DTAA) is a bilateral treaty between two countries to prevent the same income from being taxed twice. DTAA's establish a framework that allocates taxing rights and sets specific tax rates for various income categories, thereby providing relief to individuals and companies that earn income across international borders.
16	<b>ITC</b>	Input Tax Credit (ITC) is a mechanism under the Goods and Services Tax (GST) framework that allows registered businesses to claim a credit for taxes paid on business-related purchases. This credit is then used to offset the tax a business must pay on its sales, which prevents the "cascading effect" of taxes (tax on tax).
17	<b>NSDP</b>	NSDP (Net State Domestic Product) is a measure of the economic output of a specific state or union territory within a country. It represents the total monetary value of all goods and services produced within the state's borders over a given period, after accounting for depreciation.
18	<b>SRS</b>	The Sample Registration System (SRS) is a large-scale demographic survey in India that provides reliable annual estimates of birth rates, death rates, and other fertility and mortality indicators.
19	<b>GDV</b>	Gross Development Value (GDV) is the estimated total market value of a real estate project upon its completion. It is calculated by multiplying the number of units by their expected selling or rental price and is used by developers, investors, and lenders to assess a project's financial viability and potential profitability.

S.no	Term	Definition
20	<b>HNIs</b>	Individuals who possess significant investable wealth, typically above a defined threshold (often ₹5 crore or more in India). They are major investors in luxury real estate, equities, and alternative assets.
21	<b>UHNIs</b>	Individuals with exceptionally high investable wealth, generally above ₹50 crore or USD 30 million. They form the top tier of wealthy investors and prefer exclusive, luxury, and bespoke assets including boutique homes.
22	<b>MOUHA</b>	MoHUA is the central government ministry responsible for formulating and implementing policies, programs, and regulations related to urban development, housing, urban infrastructure, smart cities, metro rail systems, sanitation, and sustainable urban planning in India.
23	<b>FICCI</b>	India's largest and oldest business organizations, representing industries and working with government bodies to promote economic development, business policies, and market research.
24	<b>VC</b>	A form of private equity financing provided by investors to startups or growing businesses with high potential. VCs offer funding, strategy, and mentorship in exchange for equity ownership.
25	<b>CII</b>	A leading industry association in India that works with the government and businesses to shape policies, promote competitiveness, support industrial growth, and conduct research and seminars.
26	<b>PIRI</b>	PIRI is a global benchmark published by Knight Frank that tracks the annual price movement of luxury residential properties across major international cities. It measures how prime housing markets perform, helping investors understand which global destinations are gaining or losing value in the high-end real estate segment.
27	<b>NAREDCO</b>	NAREDCO is an apex body under the Ministry of Housing and Urban Affairs that represents the real estate sector in India. It works to promote transparency, fair practices, policy reforms, and growth in the real estate industry. The council brings together developers, financial institutions, and government bodies to address industry challenges and enhance sector efficiency.
28	<b>KESNIK</b>	KESNIK is a government-supported organization in Kerala that promotes cost-effective, sustainable, and eco-friendly construction technologies. It provides technical guidance, training, building materials, and consultancy services to encourage affordable housing and environmentally responsible construction practices across the state.
29	<b>ASSOCHAM</b>	ASSOCHAM is one of India's leading industry associations that represents businesses across sectors. It works with the government to influence policy, promote trade and investment, support industry growth, and conduct research on economic and market trends.

**Table 19: Abbreviations**

S.no	Abbreviation	Full Form
1	<b>COVID</b>	Corona Virus Diseases
2	<b>SWAMIH</b>	Special Window for Affordable and Mid-Income Housing
3	<b>FY</b>	Financial Year
4	<b>FDI</b>	Foreign Direct Investment
5	<b>PE</b>	Private Equity
6	<b>NRI</b>	Non-Resident Indian
7	<b>CY</b>	Calendar Year
8	<b>BHK</b>	Bedroom, Hall, and Kitchen
9	<b>GCC</b>	Global Capability Centers
10	<b>BFSI</b>	Banking, Financial Services, and Insurance
11	<b>YoY</b>	Year on Year
12	<b>RBI</b>	Reserve Bank of India
13	<b>GDP</b>	Gross Domestic Product
14	<b>RERA</b>	Real Estate Regulatory Authority
15	<b>PMAY</b>	Pradhan Mantri Awas Yojana
16	<b>IT</b>	Information Technology
17	<b>REITs</b>	Real Estate Investment Trusts
18	<b>CBRE</b>	Coldwell Banker Richard Ellis
19	<b>IGBC</b>	Indian Green Building Council
20	<b>CREDAI</b>	Confederation of Real Estate Developers Association of India
21	<b>LEED</b>	Leadership in Energy and Environmental Design
22	<b>GST</b>	Goods and Service Tax
23	<b>PMAY-U</b>	Pradhan Mantri Awas Yojana - Urban
24	<b>PMAY-G</b>	Pradhan Mantri Awas Yojana - Grameen
25	<b>DBT</b>	Direct Benefit Transfer
26	<b>AHF</b>	Affordable Housing Fund
27	<b>NHB</b>	National Housing Bank
28	<b>SEZ</b>	Special Economic Zone
29	<b>DTAA</b>	Double Taxation Avoidance Agreements
30	<b>CST</b>	Central Sales Tax
31	<b>VAT</b>	Value Added Tax
32	<b>ITC</b>	Input Tax Credit

S.no	Abbreviation	Full Form
33	IIT	Indian Institute of Technology
34	IIFT	Indian Institute of Foreign Trade
35	FMS	Faculty of Management Studies (University of Delhi)
36	AIIMS	All India Institute of Medical Sciences
37	CREDAI	Confederation of Real Estate Developers' Associations of India
38	NSDP	Net State Domestic Product
39	SRS	Sample Registration System
40	MMR	Mumbai Metropolitan Region
41	GDV	Gross Development Value
42	HNIIs	High Net-Worth Individuals
43	JLL	Jones Lang LaSalle
44	EMI	Equated Monthly Instalment
45	UHNIs	Ultra High Net Worth Individuals
46	ECR	East Coast Road
47	MOUHA	Ministry of Housing and Urban Affairs
48	NRK	Non-Resident Keralites
49	KRERA	Kerala Real Estate Regulatory Authority
50	ITeS	Information Technology Enabled Services
51	FICCI	Federation of Indian Chambers of Commerce and Industry
52	HITEC	Hyderabad Information Technology and Engineering Consultancy
53	NCR	National Capital Region
54	CXOs	Chief Experience Officer
55	CEOs	Chief Executive Officer
56	CRE	Commercial Real Estate
57	VC	Venture Capital
58	MNCs	Multinational Companies
59	PIRI	Prime International Residential Index
60	CII	Confederation of Indian Industry
61	R&D	Research and Development
62	VMRDA	Visakhapatnam Metropolitan Region Development Authority
63	NAREDCO	National Real Estate Development Council
64	VDP	Video Door Phone
65	CCTV	Closed-Circuit Television
66	RFID	Radio Frequency Identification
67	GFRG	Glass Fibre Reinforced Gypsum
68	CMDA	Chennai Metropolitan Development Authority
69	LIDAR	Light Detection and Ranging
70	GIS	Geographic Information System
71	KESNIK	Kerala State Nirmithi Kendra
72	ASSOCHAM	The Associated Chambers of Commerce and Industry of India.

**Disclaimer:**

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