

PROPZINE

NOVEMBER 2025



**This is not the story of the few.
It's the story of the many.**

TRENDSCAPE

Pune's Four-Year
Registration High...!

Market
Fundamentals &
Volume Trends

INVESTMOTIVE

Who Is Investing?

The Middle-Income Revolution: How India's Underestimated Housing Segment Is Redefining Real Estate Dynamics

Beyond the billion-rupee penthouses of South Mumbai and the glass towers of Gurgaon lies a story of aspiration, arithmetic, and access: the rise of the middle-income homebuyer.



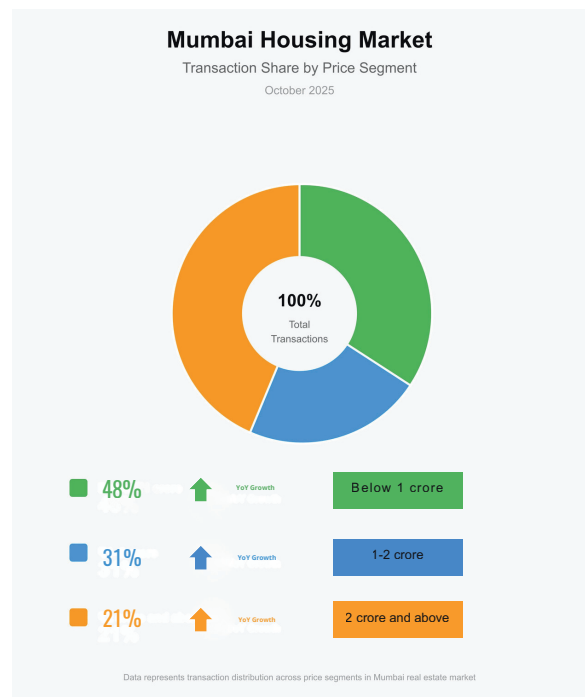


While India's luxury housing market has dominated headlines with its glitzy 85% year-on-year growth, a quieter, more profound revolution is underway one that could permanently alter the foundation of Indian real estate. This segment comprising dual-income professionals, tech employees, first-time homebuyers, and urban migrants is not just purchasing homes; it is reshaping market dynamics, revenue structures, and policy direction across the country.

In October 2025, properties priced below ₹1 crore accounted for 48% of all residential transactions in Mumbai, up from 45% last year. A modest two-percentage-point rise, perhaps—but one that signals a seismic structural shift.

Meanwhile, homes in the ₹1-2 crore range maintained a 31% market share. Together, these two brackets represent a 79% stranglehold on Mumbai's housing market a city long considered the playground of the affluent.

From January to October 2025, these mid-income buyers generated ₹11,151 crore in stamp duty revenues, marking an 11% YoY increase. This growth underscores a powerful reality: India's wealth creation story is no longer confined to luxury towers.



The Policy Amplifier: When Government Turns Aspiration into Arithmetic

If 2023–24 was the year of luxury launches, 2025 is the year of affordability becoming actionable.

Between September and October 2025, the Government of India launched Angikaar 2025, a nationwide initiative under PMAY-Urban 2.0, declaring them as the “Housing Months.” The results were immediate:

- 1.47 lakh pucca houses approved across 14 states and UTs
- Total cumulative approvals: 8.56 lakh homes
- Financial assistance of up to ₹2.5 lakh for eligible EWS, LIG, and MIG households

Additionally, Section 80EEA continued to empower first-time homebuyers, offering interest deductions up to ₹1.5 lakh on properties below ₹45 lakh effectively reducing homeownership costs by ₹15,000–₹20,000 per transaction.

These policy interventions don’t just nudge affordability they **mathematically engineer it.**

Tier-2 Cities: The New Goldmine

As metro markets mature, India’s Tier-2 cities are emerging as the new investment frontier—offering both affordability and appreciation.

Cities like Lucknow, Kanpur, Goa, Kochi, and Indore have posted year-over-year capital appreciation that often outpaces national averages:

- **Lucknow – 23.7%**
- **Kanpur – 24.53%**
- **Goa – a staggering 66.37%**

Yet, average prices in these cities range between ₹6,394 and ₹13,290 per sq. ft. a fraction of Delhi’s ₹18,618 or Mumbai’s ₹28,921.

Improved metro connectivity, IT parks, and hybrid work cultures are fueling this boom. In Q1 2025, Tier-2 residential sales values surged 6% to ₹40,443 crore, despite flat overall volumes proof that affordability is the new alpha.

The Demographic Undercurrent: A Nation of New Homebuyers

India’s middle class projected to hit 600 million by 2030 is the engine of this revolution.

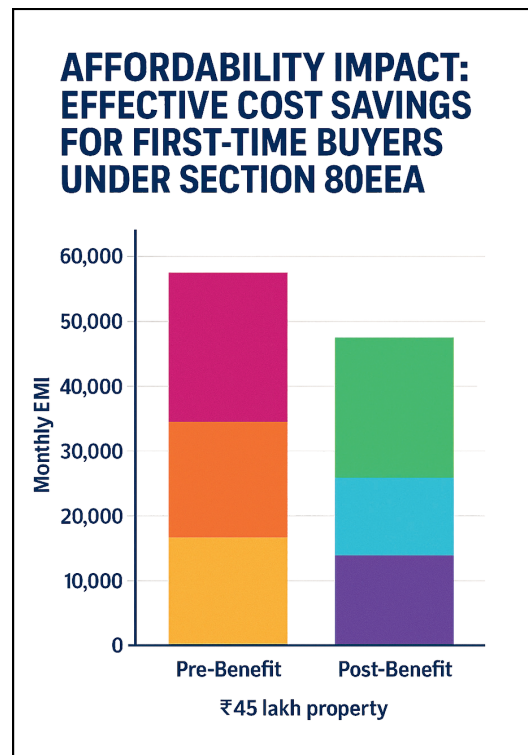
Over 70% of new homebuyers now prioritize flexible workspaces or home offices, reflecting a workforce where 38% of IT jobs offer hybrid or remote options. Families migrating from metros to suburban and Tier-2 locations are upgrading to 30–40% larger homes at comparable prices.

This silent migration isn’t a market correction it’s a market recalibration.

Luxury real estate may command headlines, but mid-income and affordable housing deliver institutional-grade, risk-adjusted returns.

By 2030, India faces a 31 million unit housing shortage and the gap will not be filled by ₹5 crore apartments. The solution lies in ₹40–90 lakh homes that now dominate 79% of Mumbai’s transactions and anchor similar trends across Pune, Hyderabad, and Bengaluru.

Developers focusing on this segment are already reporting sustainable EBITDA margins built not on flashy one-off sales, but on repetitive, policy-supported demand cycles that form the real estate industry’s long-term base load.



The Bottom Line

October 2025 will not be remembered for the record-breaking penthouses sold in Worli or Golf Course Road. It will be remembered as the month India’s middle-income segment officially took center stage.

**This is not the story of the few.
It’s the story of the many.**

A story of policy meeting population, aspiration meeting affordability, and India’s housing future meeting its real market.

Is Value, Not Volume, Now the Real Measure of India's Real Estate Boom?



India's housing market has always been measured by how much it sells — the units launched, booked, and delivered. But in 2025, a different metric is rewriting the rules: value, not volume.

For years, India's housing market has been judged by one metric: volume. More homes sold meant a healthier sector or so we believed.

But Q3 2025 challenged that narrative with the subtlety of a tectonic shift. Residential sales volume stayed nearly flat at 95,547 units, slipping just 1% year-over-year. Yet the market's total sales value surged a remarkable 14%. Fewer homes, more money a paradox only at first glance.

India is entering its era of premiumization.

Across major metros, buyers are no longer chasing the lowest ticket size. They are choosing better over more better locations, better amenities, better lifestyles. Premium and luxury housing, especially properties priced above ₹2 crore, have become the new engines of value creation, reshaping the definition of market strength.

And nowhere was this shift more dramatic than in Chennai, which delivered an astonishing 120.9% growth in total sales value. This wasn't a surge in unit sales. It was a decisive move up the value ladder. Hyderabad followed closely with 52.7% value growth, further confirming what industry insiders have sensed all year: India's mid-to-high income consumer base is bigger, more confident, and more aspirational than ever.

Developers, too, have recalibrated. After years of mass-market focus, the industry's new mantra is "curate, don't flood." High-quality construction, branded residences, community-first urban planning, and integrated amenities are commanding a premium and buyers are willing to pay for it.

The Rise of the ₹2 Crore Club

Just a few years ago, homes priced above ₹2 crore represented a niche luxury segment. In 2025, they've become the growth engine of India's housing market. Developers like DLF, Lodha, Godrej, and Prestige are strategically scaling premium inventory, not only in metros but in fast-evolving Tier-2 cities as well.

These homes are no longer ostentatious indulgences they're aspirational assets for upwardly mobile professionals and global Indians. Buyers want more than four walls; they want space, privacy, sustainability, and design that reflects identity. Larger floor plans, smart technology, green certifications, and high-end amenities are now part of what defines "value."

As one Mumbai developer put it: *"We don't have to sell 500 flats anymore to hit our quarterly numbers 300 premium ones do the same job."*

Macro Winds at Their Back

This wave of premiumization isn't occurring in isolation. It's being powered by powerful economic and social currents. India's GDP continues to grow at nearly 7%, creating new wealth among salaried professionals, entrepreneurs, and HNIs. At the same time, NRI investments are flowing back at record levels, drawn by favorable currency dynamics and confidence in India's urban expansion story. Meanwhile, infrastructure has redefined geography. The Mumbai Trans Harbour Link, Bengaluru Metro Phase 2,

and Hyderabad ORR expansion have transformed connectivity and with it, the definition of “prime location.” Areas once considered peripheral are now aspirational, thanks to faster commutes, improved social amenities, and the rise of integrated township living.

Post-pandemic life has rewritten what buyers value. With hybrid work here to stay, homes are now multifunctional spaces offices, classrooms, gyms, and sanctuaries. Families want more room, better ventilation, and integrated community features.

Across Bengaluru, Pune, and Hyderabad, the average apartment size in premium projects has increased by 18–22% since 2022. Buyers aren’t chasing the lowest price per square foot anymore they’re chasing the best square foot they can afford. This subtle yet profound shift in mindset explains why value growth continues to outpace the number of homes sold.

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At the heart of this story is a generational shift in how Indians perceive homeownership.

Institutional capital has noticed this transformation. Private equity inflows are now tilting decisively toward mid-to-premium residential platforms, which offer predictable returns and stable demand. Recent estimates suggest that nearly 60% of PE investments in 2025 have targeted this segment a remarkable departure from the speculative, volume-chasing models of the past.

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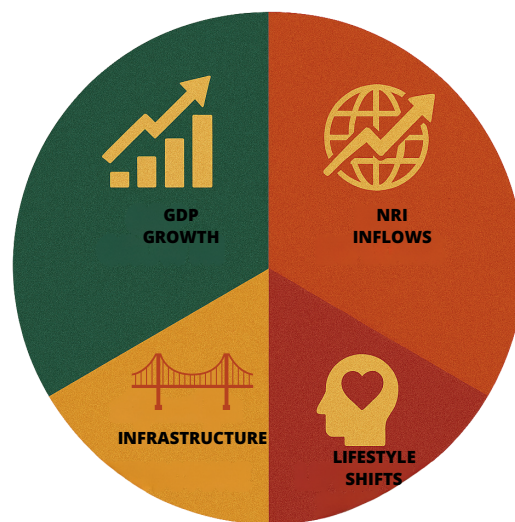
For investors, developers, and policymakers, this signals a structural evolution. Real estate is no longer the game of quantity; it’s the game of quality and credibility. Developers with strong brands, transparent governance, and delivery track records are the new blue chips of the housing sector.

The New Consumer Mindset

At the heart of this story is a generational shift in how Indians perceive homeownership. For millennials and Gen X professionals, a home is both a financial and emotional investment a statement of stability and success. They’re stretching budgets, taking advantage of flexible mortgage terms, and prioritizing lifestyle over location when the two are in conflict.

This is why the ₹2–5 crore range, once considered rarefied, is now thriving even beyond metros. Premium launches in Tier-2 cities like Kochi, Goa, Lucknow, and Jaipur are selling out quickly proof that premium living is no longer an urban privilege but a national aspiration.

MACRO DRIVERS OF PREMIUMIZATION



The Bottom Line: Value Is the New Volume

If 2023 was about recovery and 2024 about normalization, 2025 is the year of revaluation. The Indian housing market is no longer chasing units it’s curating experiences.

The Great Premiumization marks a decisive turning point: a market that once measured success in numbers now measures it in meaning. Fewer homes, higher prices, deeper satisfaction and a sign that India’s real estate story has finally grown up.

As value growth continues to outpace volume, one thing is certain: the future of Indian housing isn’t just about building more homes. It’s about building better ones.

Expert Quote Box:

“We’re witnessing a structural reset—developers are selling fewer units but earning more per square foot. That’s not a slowdown; it’s an evolution.”

— Real Estate Economist, Knight Frank India



MUMBAI METRO LINE - 3 (UGC 01)
TO EAST TOWARDS
KALYAN STATION
TO WEST TOWARDS
ANDHERI STATION
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How Did Mumbai's Property Revenue Soar Despite a 14% Drop in Registrations?

This isn't a market contradiction. It's a market evolution.

Mumbai has always had a flair for the dramatic, but October 2025 delivered a twist even seasoned analysts didn't see coming.

The city recorded 11,200 property registrations, a 14% year-on-year decline—a statistic that would normally trigger alarms across the industry. Yet, instead of slowing down, stamp duty revenues soared to multi-year highs, crossing ₹11,151 crore between January and October 2025, marking 11% annual growth.

The headline numbers may seem counterintuitive, but the underlying economics tell a far more coherent story. With 123,141 total registrations from January to October, Mumbai posted only 4% growth in transaction count. But revenue expanded nearly three times faster, underscoring a powerful truth:

Prices, not volumes, are steering the market.

The average transaction today is simply bigger—more premium, more aspirational, and undeniably more expensive. Even as fewer homes changed hands this festive season, each purchase carried significantly more fiscal weight.

This affluent cohort is chasing lifestyle upgrades, prime micro-market access, and branded developments, pulling Mumbai's market metrics upward even as mass-market consumption softens. After years characterized by speculation-driven spikes and pandemic-era distortions, Mumbai's real estate market is finally displaying signs of structural stability.

The city isn't booming — it's calibrating.

The coexistence of fewer registrations and higher revenue suggests a transition from volume-chasing cycles to value-led growth, anchored in genuine end-user and upgrade demand rather than speculative buying.



The Rise of the High-Ticket Buyer

While mid-income homebuyers continued to dominate in sheer volume—accounting for 48% of all registrations with homes priced below ₹1 crore—they were not the ones shaping the revenue charts. That influence rested firmly with affluent buyers, whose appetite for high-value real estate remained unshaken. Luxury and upper-mid segments drove the city's stamp duty surge, proving that demand at the top of the pyramid is not just resilient—it's accelerating.

What This Means for 2026 and Beyond

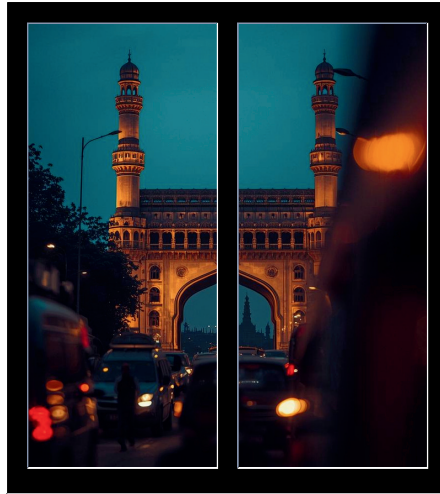
Mumbai's festive paradox is more than a statistical curiosity—it's a marker of where the market is headed. High-value transactions, steady end-user interest, and a maturing buyer psyche point toward a future where:

- premium assets shape market health,
- revenue metrics surpass raw registration numbers, and
- sustainable, long-term demand replaces hype-fueled surges.

In India's most expensive real estate arena, the rules of the game are changing. And for now, Mumbai is proving that you don't need more transactions to make more money—you just need the right ones.



Is Hyderabad Becoming India's New Capital of High-Value Real Estate?



Hyderabad is no longer the silent performer of Indian real estate it's the new premium powerhouse.

Hyderabad, long celebrated as India's most balanced and affordable housing market, has officially rewritten its identity

October 2025 marked a turning point a month where the city didn't just grow, it ascended. With 6,194 residential transactions worth ₹4,512 crore, Hyderabad posted a 5% rise in sales volume but an extraordinary 25% surge in transaction value year-over-year.

This trend reflects a nationwide pattern visible in metros like Delhi-NCR and Mumbai, where premium and luxury housing have increasingly become the dominant forces behind real estate growth. Hyderabad, however, is doing it without the speculative frenzy that defined other markets its surge is backed by end-user demand, rising incomes, and structural upgrades in city infrastructure.

Rangareddy: Hyderabad's New Gold Coast

If Hyderabad's premium surge has a ground zero, it is unquestionably the Rangareddy district, responsible for an impressive 47% of all registrations in October 2025. This district home to high-growth micro-markets such as Kokapet, Gachibowli, Tellapur, Narsingi, and Financial district

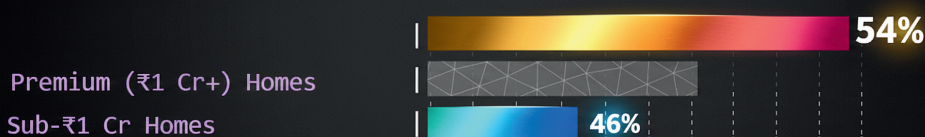
Prices in Rangareddy have surged 22% year-over-year, outpacing even the citywide average increase. This sharp rise can be attributed to multiple growth vectors converging at once:

- The maturity of Hyderabad's IT corridor,
- Massive investment inflows into new corporate campuses,
- The rise of branded residential towers,
- A tech-driven workforce with higher disposable incomes,
- Strong investor confidence fueled by Telangana's infrastructure push.

Developers have responded decisively to this appetite for premium living by launching gated skyscraper clusters, luxury high-rises with global-standard amenities, and integrated communities designed around lifestyle comfort. Everything from smart home features to concierge services to community lounges is now part of the new premium vocabulary of Hyderabad.

Hyderabad Residential Market: October 2025

Share of Transaction Value



Source: Market Data Analysis

From Affordable Flagship to Luxury Magnet: Hyderabad's Identity Shift

For most of the past decade, Hyderabad was the poster child of affordability and market stability – a city where prices moved slower, supply was abundant, and buyers could take their time before committing. That chapter is now closing. The city's real estate identity is undergoing a makeover, powered by macroeconomic stability, increased global mobility, and the rising aspirations of a booming workforce.

- **National capital** from high-net-worth individuals in Delhi, Bengaluru, and Mumbai,
- **NRI investments** from the Middle East, U.S., and Europe,
- **Institutional interest** from private equity funds,
- Corporate leadership relocating for Hyderabad's quality of life,
- **Tech professionals** upgrading from mid-income to premium housing.

Hyderabad's reputation as a value-for-money destination has now morphed into something more powerful: a balanced luxury market where premium is growing without chaotic overpricing or speculation-driven bubbles. This rare mix positions the city as India's next major luxury hub.

The Volume vs. Value Formula: Hyderabad's New Economic Logic

The most telling insight from October 2025 is how steady volumes can still drive explosive value growth. Even with only a 5% increase in units sold, the market's overall value jumped 25% – proof that premiumization is no longer a side trend but the central narrative of the city's evolution.

Buyers today are making decisions based on lifestyle completeness – proximity to IT parks, design-driven living environments, curated amenities, and long-term regional development plans. Affordability still matters, but it is no longer the dominant currency of Hyderabad's housing choices.

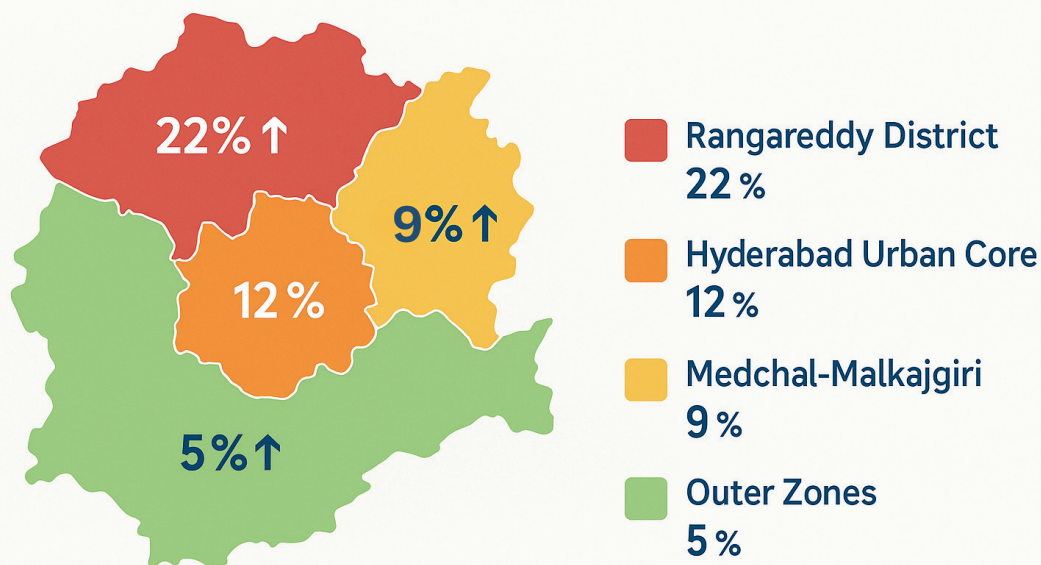
Conclusion: Hyderabad's Premium Era Has Officially Begun

With a 73% surge in ₹1 crore+ property sales, Hyderabad has taken a decisive step into India's luxury real estate league. The city's market is no longer driven by the hunt for affordable housing; it is powered by discerning buyers seeking premium experiences, branded residences, and long-term asset appreciation.

Rangareddy's dominance, rising price curves, and a strong value concentration all signal a maturing, sophisticated market ready for its next phase of expansion. Hyderabad has arrived at its premium moment – and if the current trajectory holds, the city is primed to become the luxury capital of South India.

The affordable era defined Hyderabad's past. **Premiumization will define its future.**

Hyderabad YoY Price Growth Map - 2025



TREND SCAPE



दादर



Pune's Four-Year Registration High: Festive Season Unleashes ₹5,583 Crore Momentum



As the rest of India ushered in Navratri on September 22, Pune’s real estate market was celebrating a festival of its own one measured not in lights and lamps, but in record-breaking property registrations.

In September 2025, the city recorded 13,557 property transactions, a stunning 23% year-over-year surge, marking the highest monthly registration figure in four years.

The timing couldn't have been more symbolic: festive optimism met financial readiness, propelling Pune into one of its strongest real estate quarters since the pandemic.

From January to September 2025, Pune logged 1.45 lakh property registrations, the highest year-to-date tally in four years, and generated ₹5,583 crore in stamp duty revenue — up 5% and 6% YoY, respectively.

These numbers are not just statistical highs; they reflect a city-wide confidence in real estate as a stable and appreciating asset. Developers across Pune report that pre-launch enquiries and site visits have surged through Q4 2025, pointing toward continued momentum well into the new year.

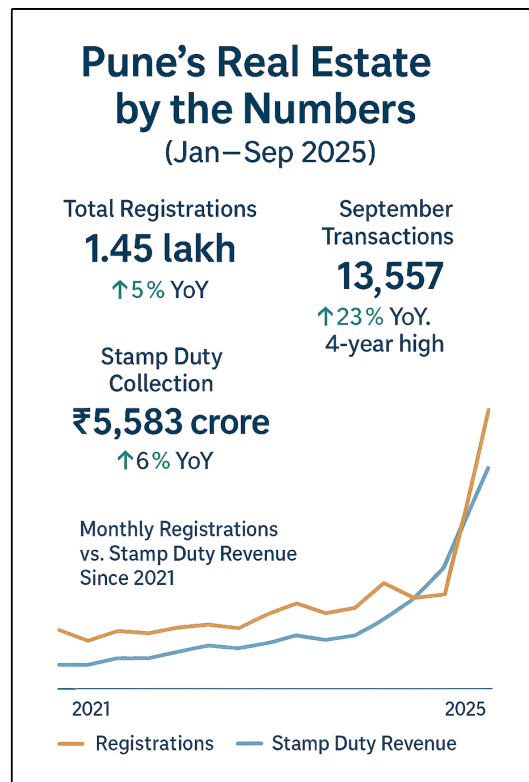
Middle India Drives the Market

Despite the surge, Pune’s housing boom is not being led by luxury buyers it’s powered by the middle and upper-middle-income segments, which have quietly become the backbone of the city’s real estate economy. In September, homes priced below ₹1 crore accounted for 85% of all registrations, highlighting Pune’s enduring affordability advantage and its alignment with middle-class aspirations. The ₹40–80 lakh range remains the sweet spot, driven by IT professionals, manufacturing executives, and first-time homeowners capitalizing on steady employment and moderate home loan rates.

This dynamic stands in contrast to Mumbai or Delhi-NCR, where high-value transactions skew the data. Pune’s growth, instead, is built on volume consistency and genuine end-user demand, not speculative turnover.

Why Pune Keeps Winning

Few cities in India have managed to balance affordability, quality of life, and growth the way Pune has. Over the past decade, the city has evolved from a satellite hub for Mumbai into India’s third-largest residential market by value, trailing only the MMR and Delhi-NCR regions.



What makes Pune exceptional is its economic diversity. It's not dependent on a single sector – it thrives on a trio of IT, manufacturing, and education, creating a steady base of mid-income homebuyers. With major employers in Hinjewadi, Kharadi, and Pimpri-Chinchwad continuing to expand, residential demand has become self-sustaining.

The city's infrastructure upgrades – from the Pune Metro expansion and ring road development to improved arterial connections – have also opened new corridors of growth in Wagholi, Moshi, Baner, and Wakad. Each new connectivity node translates directly into fresh residential micro-markets, adding both accessibility and appreciation potential.

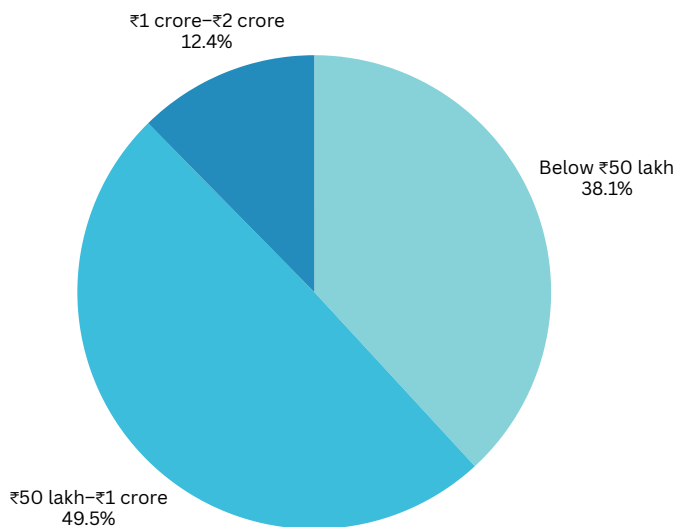
Historically, India's property market thrives during the festive calendar but this year, sentiment turned into measurable momentum. Developers launched targeted campaigns offering stamp duty reimbursements, gold vouchers, and EMI waivers, while banks reduced processing fees and pre-approved festive home loans.

The result was not just a spike in enquiries but genuine conversions, as buyers who had postponed decisions earlier in the year used the festive period to finalize purchases. "We saw a clear bump in bookings during Navratri," said a leading Pune-based developer. "It's not about discounts anymore – it's about timing. Families want to begin auspicious periods with ownership."

A Market of Enduring Fundamentals

What separates Pune from many Tier-1 markets is its rational price-to-income ratio. While average property prices in Mumbai hover near ₹28,000 per sq. ft and Delhi-NCR around ₹18,600, Pune remains far more accessible at ₹8,500–₹10,200 per sq. ft, depending on the micro-market.

This affordability, coupled with strong job creation and educational migration, ensures that Pune's housing demand isn't a short-lived spike – it's structurally grounded. That's why developers see not just sales today, but pipeline confidence for 2026 and beyond.



The Road Ahead: Sustainable Momentum

As 2025 heads into its final quarter, Pune's housing market is poised to extend its winning streak. Developers expect the Diwali quarter to further lift registrations, with the Maharashtra government unlikely to revise current stamp duty rates – a factor that continues to support healthy transaction flow.

If 2024 was the year of normalization, 2025 has been the year of acceleration – and Pune's numbers prove it. With 1.45 lakh registrations, ₹5,583 crore in stamp duty, and a growing mid-income base, the city isn't just catching up with India's biggest real estate markets – it's setting a new benchmark for sustainable urban growth.

Pune's four-year registration high isn't just a seasonal story – it's a structural statement about the direction of India's housing market. As speculative luxury segments in metros begin to mature, Pune's performance underscores where the real, sustainable growth lies: in the mid-income, end-user-driven housing economy.



Conclusion: Pune's Blueprint for India's Housing Future

Developers, too, are adapting to this new paradigm. The focus is shifting from rapid launches to community-centric projects, improved design quality, and long-term liveability elements that define modern urban living. In many ways, Pune has become India's housing laboratory, testing the equilibrium between aspiration and affordability, speed and sustainability.

As India's urban map evolves, Pune stands as the model city where real estate growth is not a speculative boom, but a reflection of balanced urban economics and middle-class empowerment. The city's story reminds policymakers and investors alike that the true pulse of Indian real estate beats not in the skyscrapers of Mumbai or Gurugram, but in the well-planned neighborhoods of Pune where the festival of homeownership never truly ends.



What's Driving India's Record 21 Million Sq. Ft Office Leasing in Q2?

This stark divergence cooling residential versus accelerating commercial marks a defining moment in India's post-pandemic real estate evolution.

A At a time when India's residential property market began to show signs of fatigue after a two-year bull run,

the commercial real estate sector delivered a blockbuster performance that few anticipated.

In Q2 2025, gross office leasing volumes surged past 21 million square feet, marking the highest quarterly absorption in India's history. Even as homebuyers grew cautious amid rising valuations and interest normalization, corporate occupiers doubled down — betting on India's long-term economic fundamentals, workforce depth, and digital infrastructure readiness.

The Google Moment: Symbolism in Scale

If one lease captured the sentiment of this commercial rebound, it was Google's 551,000 sq. ft lease in Gurugram, finalised in mid-Q2. The transaction — among the largest single-occupier commitments of the year — signaled that multinational corporations are not just returning to office; they are expanding with conviction.

Industry insiders interpret this as a vote of confidence in India's operational ecosystem, especially for GCCs, which now account for over 34% of all leasing activity, according to CBRE.



Bengaluru Leads, NCR Follows, Mumbai Holds Steady

The national numbers tell a story of strategic concentration. Bengaluru once again dominated, commanding a 23% market share in total leasing activity, translating to nearly 4.8 million sq. ft of fresh space commitments.

Close behind, Noida and Gurugram collectively captured 21%, signaling NCR's rise as a hub for both Global Capability Centers (GCCs) and co-working expansions. Mumbai followed closely, buoyed by financial services and emerging media-tech demand.

According to JLL India's Q2 data, Hyderabad and Pune rounded out the top six, benefiting from IT/ITES spillovers and flexible workspace penetration.

Warehousing: The Unsung Growth Engine

While gleaming office towers grabbed headlines, India's industrial and warehousing real estate quietly outperformed all forecasts.

The sector witnessed a staggering 86% year-over-year surge in space absorption, driven primarily by e-commerce, third-party logistics (3PL), and manufacturing expansions. Tier-2 logistics corridors such as Bhiwandi, Hosur, and Chakan saw record leasing, supported by improved multimodal connectivity and the National Logistics Policy 2025.

“This isn’t just a rebound — it’s a recalibration,” says a senior executive from Knight Frank India. ***“Global occupiers are consolidating their Asia-Pacific operations in India, where cost efficiency meets talent scalability.”***

With warehousing rental yields now averaging 7.4%, institutional capital including REITs and sovereign funds has started shifting focus from pure office portfolios to integrated industrial and logistics assets.



IT-BPM Still Rules the Roost

Despite the global tech slowdown headlines, India’s IT-BPM sector remains the single largest occupier category accounting for 34% of Q2 2025 leasing activity.

Hybrid work models have evolved into “hub-and-spoke” strategies, where firms maintain core offices in major metros while opening smaller satellite offices in Tier-2 cities like Coimbatore, Jaipur, and Kochi.

This model has pushed up flexible workspace demand by 29% YoY, led by coworking giants such as WeWork, Awfis, and Smartworks now increasingly catering to enterprise clients rather than startups. The IIMB-CRE Index reported a 3.8% year-over-year increase in office rentals, led by micro-markets such as Outer Ring Road (Bengaluru), Cyber City (Gurugram), and BKC (Mumbai).

These micro-markets also saw single-digit vacancy compression, a healthy sign of balance between supply and demand. New completions totaled 17 million sq. ft in Q2, but were quickly absorbed — an indicator of latent demand for Grade-A office spaces.

Residential Cools — But the Market Isn’t Broken

While commercial surged, residential real estate showed signs of moderation after its record-breaking 2024 rally. All-India home sales in Q2 2025 stood at 95,547 units, marginally down 1% YoY, while total sales value still rose 14%, largely driven by premium housing. Developers report that buyer sentiment remains intact but affordability thresholds — especially in metros — are slowing down fresh absorption.

This creates a fascinating market segmentation: commercial real estate is now the institutional favorite, offering stable rental yields and long-term leasing contracts, while residential investors are adopting a wait-and-watch approach amid price escalations.



India’s commercial property landscape continues to attract deep-pocketed institutional investors. REITs — led by Embassy REIT, Brookfield India REIT, and Mindspace REIT — reported average portfolio occupancies above 86% and steady 6–8% distribution yields.

In H1 2025 alone, foreign direct investment (FDI) inflows into commercial real estate exceeded \$3.7 billion, up 22% YoY, as global funds rebalanced exposure from volatile equity markets to stable income-generating assets.

“Institutional investors see India’s office market as a safe harbor,” notes a Colliers India analyst. ***“With GDP growth holding at 6.8%, India’s demand visibility is unmatched in the Asia-Pacific region.”***

Conclusion: A Tale of Two Markets

India’s real estate narrative in 2025 is not one of slowdown it’s one of divergence. While residential cools under affordability pressures, commercial real estate is scripting its own growth story, powered by global capital, corporate expansion, and infrastructure readiness.

This is not a bubble it’s a maturity cycle. The Indian real estate market is no longer one-dimensional. It’s evolving into a two-speed engine, where corporate real estate drives institutional wealth while the housing market readjusts for sustainability.



Why Does Delhi-NCR Dominate 65% of India's Ultra-Luxury Home Market?

How NCR's luxury boom is redefining India's real estate hierarchy in 2025

Delhi-NCR's ascent as the country's ultra-luxury real estate capital has been years in the making, but 2025 marks a turning point that cements its dominance.

In the first half of this year, the region accounted for a remarkable 65% of all homes priced above ₹5 crore sold across India's top seven cities. What makes this statistic even more significant is that it reflects not just a momentary surge but a structural transition in the aspirations and purchasing power of India's wealthy class.

Gurugram: Why 9 Out of Every 10 Luxury Homes in NCR Sell Here

Gurugram's position at the heart of this transformation is unmistakable. Accounting for 90% of NCR's ultra-luxury home sales, the city has emerged as a gravitational center for wealth, influence, and lifestyle. Its rise is deeply intertwined with infrastructure evolution. The now-functional sections of the Dwarka Expressway have drastically cut travel time to Delhi, opening new investment corridors and elevating micro-markets around Sectors 110-115 into premium destinations.



Economic dynamism in sectors like technology, consulting, finance, and global corporate services has dramatically reshaped disposable incomes in the region. Combined with increasing expatriate inflows and a maturing NRI investment base, the NCR luxury housing landscape has transformed into a sophisticated, global-grade marketplace. The shift is not merely quantitative; it's cultural. Buyers today demand exclusivity, privacy, high-end architecture, and integrated smart living attributes once limited to South Mumbai or central Delhi.

Similarly, the Southern Peripheral Road (SPR) has evolved into a luxury arc lined with skyscrapers, gated communities, and mixed-use developments that rival global metropolitan standards.

Yet infrastructure is only one part of the story. Gurugram has become home to some of India's most ambitious corporate campuses, drawing in CXOs, senior executives, and founders who prefer to live close to world-class office spaces. As the city's economic stature grows, a new lifestyle expectation has emerged — one characterised by concierge services, global dining, immersive entertainment, and integrated wellness. Developers have capitalised on this demand, introducing projects that blend hospitality and residential living, turning Gurugram into a playground for luxury-seeking households.

Ultra-Luxury Sales Surge: 9% YOY Growth in ₹5 Crore+ Homes

India's appetite for ultra-luxury housing has broadened and deepened. In H1 2025 alone, the country saw 5,168 units priced above ₹5 crore sold, marking a 9% year-on-year growth. This rise reflects broader economic shifts: wealth creation is happening at a faster pace, especially among startup founders, corporate leaders, and professionals in finance and technology. More importantly, the perception of luxury real estate has evolved. It is no longer viewed merely as a status symbol; it is increasingly considered a resilient investment class that offers both stability and long-term appreciation. NRI participation has been another defining force. Investment activity from the US, UK, UAE, Singapore, and Australia has surged as NRIs increasingly view NCR as a safer and more stable bet compared to volatile foreign markets. Their preference for large-format homes with modern amenities has helped push the ultra-luxury segment into a new era. Meanwhile, limited land availability in zones like Golf Course Road has amplified scarcity value, pushing both demand and prices upward.

Developer Strategy: Luxury-First Launches

Developers in NCR have read this shift with precision. Since 2024, launch pipelines have dramatically tilted toward premium and ultra-luxury segments. Today, more than 70% of new launches fall into the ₹1.5 crore+ category, especially across Gurugram's emerging corridors. Even entry-level luxury offerings now begin at ₹2-3 crore, reaffirming that the region has moved past its earlier price benchmarks.

The nature of luxury itself has also evolved. Projects now offer experiences, not just amenities from wellness sanctuaries, rooftop viewing decks, and high-end clubhouses to smart-home systems and personalised concierge services. Residences are being designed with global sensibilities, incorporating biophilic architecture, landscaped terraces, private lifts, and boutique retail zones. What used to be considered "premium" five years ago is now simply the baseline.



Luxury Homes Now Make Up 27% of NCR's Residential Market

Perhaps the most revealing statistic of all is the shift in NCR's overall residential market composition. In 2023, luxury homes contributed just 12% of total sales. Two years later, that figure has soared to 27%, marking a profound transformation in buyer psychology. The region's demographics are changing. Dual-income households, globally exposed young professionals, and upwardly mobile families are prioritising larger spaces, integrated amenities, and community living.

What was once a market heavily weighted toward affordable and mid-segment housing is now balanced by a strong premium and luxury segment. This shift also indicates a maturity in NCR's socio-economic fabric. Buyers are no longer simply seeking shelter; they are seeking a lifestyle that reflects their professional status, aspirations, and evolving needs. As a result, older categories like sub-₹60 lakh homes are shrinking while mid and premium categories stabilise and luxury expands.

Conclusion: NCR Isn't Just Leading It's Redefining Luxury

Delhi-NCR's transformation is more than just numbers it's a narrative of ambition, globalisation, and evolving lifestyles. With a staggering 65% national share in ultra-luxury home sales, a surging high-end buyer base, and Gurugram's unprecedented 90% domination within the region, NCR has emerged as the country's undisputed luxury capital. The convergence of infrastructure, corporate influence, and aspirational living has created a real estate ecosystem that rivals the world's top urban markets.

The region is no longer competing with other Indian metros; it is setting the benchmark for them. As developers continue to push the boundaries of design, scale, and experience, Delhi-NCR's luxury trajectory appears destined only to rise further shaping the next generation of urban living in India.



INVESTMOTIVE

India's \$3.8 Billion Q3 Equity Surge: Real Estate Investment Explodes 48% as Institutional Capital Flows Accelerate

India's real estate sector delivered one of its most defining financial performances in Q3 2025, attracting equity investments worth ₹33,710 crore (\$3.8 billion) in a single quarter.

The figure represents a staggering 48% year-over-year surge, making it one of the strongest quarters for equity inflows in India's property market history. While global real estate markets continue to experience volatility marked by recession fears, high interest rates, and declining asset values in the US, Europe, and parts of Asia India has emerged as an outlier. With stable macroeconomic conditions, rising urbanisation, and an unmatched demographic pipeline, the country is now positioning itself as the next major frontier for global real estate capital.

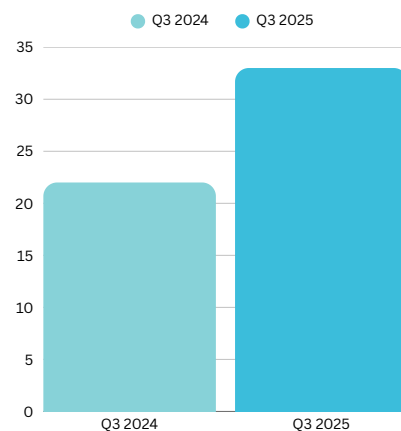
By the end of September 2025, year-to-date (YTD) equity inflows had reached ₹90,484 crore (\$10.2 billion), registering a healthy 14% growth over 2024, despite global liquidity tightening. Investors are not just returning; they're doubling down.

Capital Is Flowing Into the Foundations Land, Development, and Commercial Assets

A defining feature of the Q3 2025 surge is the quality of capital deployment. More than 90% of inflows were directed toward:

- Land banks (strategic land acquisitions for future projects)
- Greenfield developments (ground-up construction)
- Income-generating commercial assets such as office parks, logistics centres, and mixed-use districts

This demonstrates a clear institutional appetite for both development-stage assets and operational portfolios.



Rather than chasing distress deals or speculative bets, investors are putting long-term capital behind India's urban expansion story.

Institutional behaviour is shifting too. With India now requiring an additional 250 million urban residents over the next 15 years, the opportunity is not just cyclical it is structural. Investors are now positioning themselves early in the value chain, buying into land and development platforms before they scale.

Who Is Investing? A Look at the Capital Contributors

The composition of capital in Q3 2025 shows a broad-based, diversified investor pool – a hallmark of confidence in a maturing market.

Developer contributions made up 45% of all inflows, signalling that large Indian developers are aggressively capitalising their balance sheets, consolidating land, and securing long-term growth pipelines.

Institutional investors, private equity, real estate funds, pension funds accounted for 33%, underscoring the revival of foreign and domestic institutional appetite.

The remaining capital arrived from sovereign wealth funds, ultra-HNI family offices, and strategic global investors, many of whom see India as the only large-scale growth market with sustained returns.

This balanced contribution map reveals a market where both domestic conviction and global confidence are moving in parallel a rare alignment in emerging market real estate cycles.

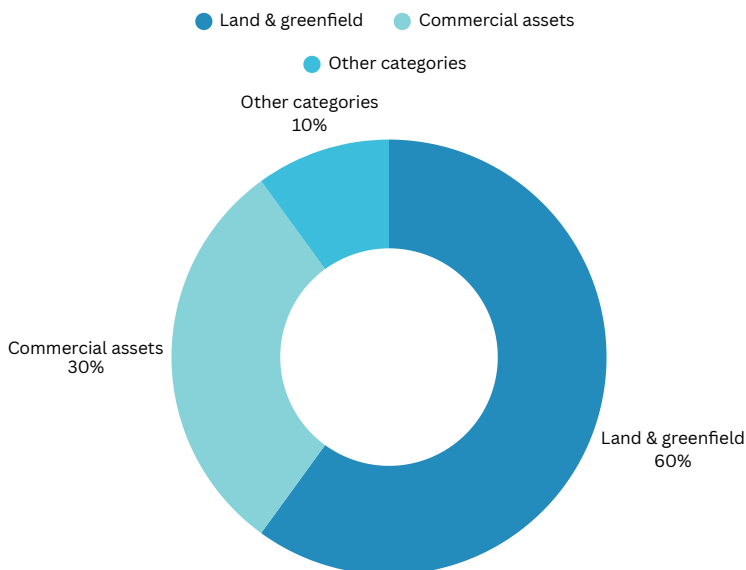
Why Global Capital Is Rushing Toward India Again

The post-pandemic cycle has reshaped global real estate in profound ways. High inflation, rising borrowing costs, and declining office absorption have compressed returns across major world markets. In contrast, India offers the exact opposite trajectory:

- Strong GDP growth
- Urbanisation-led demand
- Favourable demographics
- High commercial occupancy rates
- Stable rental yields
- Large pipeline of Grade A office and logistics assets

For global institutional capital, the comparative advantage is clear. India offers better valuations than most international gateway cities, higher growth visibility, and substantially lower risk of value erosion.

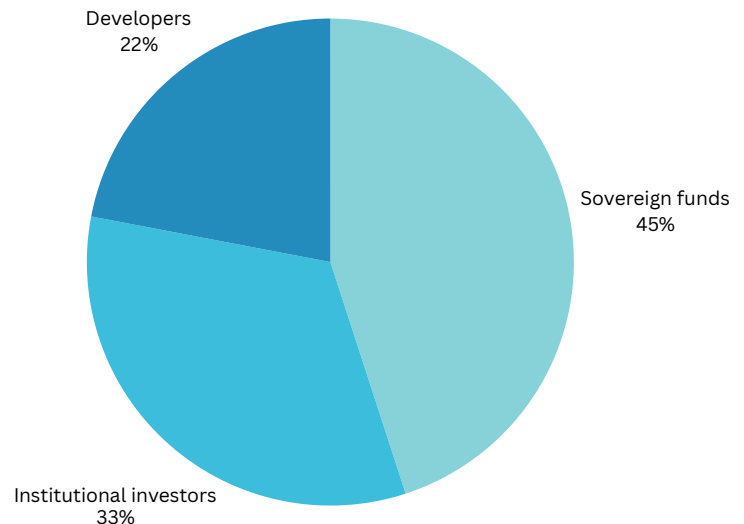
Moreover, India's real estate is becoming more institutionalised, with cleaner titles, stronger regulatory tracking under RERA, and improved developer governance. The sector's transformation from opacity to transparency has become one of its strongest investment catalysts.



The \$10.2 Billion Momentum: What YTD Numbers Reveal

Year-to-date equity inflows of ₹90,484 crore (\$10.2 billion) underline a critical trend: investors are not viewing India through short-term market cycles. Instead, capital inflows are aligned with India's long-term urbanisation thesis, which predicts that by 2040 the country will need massive expansion in homes, offices, industrial parks, retail systems, and hospitality infrastructure.

Despite global recessions and capital tightening, India remains one of the few economies where construction activity is accelerating rather than contracting. Developers are not only raising capital at scale but also deploying it aggressively into high-growth micro-markets across NCR, Mumbai Metropolitan Region, Bengaluru, Hyderabad, and Pune. The confidence reflected in these flows also speaks to India's ongoing transformation from a fragmented, developer-driven market to a structured, institutionally led real estate economy on par with developed nations.



Conclusion: A Market Entering Its Most Defining Decade

Q3 2025 will likely be remembered as the quarter India's real estate sector signalled its arrival on the global investment map. The 48% surge in equity inflows, the strong institutional participation, and the \$10.2 billion YTD capital momentum reinforce that India is no longer viewed as a speculative market it is a strategic one.

With stable macroeconomic performance, maturing regulations, and one of the largest urbanisation waves in modern history, India is entering a 15-year window of unprecedented opportunity. Developers, institutions, and sovereign funds are already positioning themselves for this cycle.

The real story is simple:

India is building the future and global capital wants in.



MANTRA LUKURIA

Is India Becoming the World's Most Attractive Market for NRI Investors in 2025?



How policy reforms and currency dynamics triggered the largest wave of NRI capital inflows in India's real estate market.

The Union Budget 2025 may well be remembered as a turning point in India's engagement with its global diaspora.

In an environment of rising global uncertainty, policymakers crafted one of the most NRI-friendly real estate frameworks in over a decade. The reforms introduced this year directly addressed long-standing hurdles related to taxation, compliance, and asset utilisation giving NRIs not just clarity, but enhanced financial advantage.

Among the standout changes were an increase in tax-free limits on rental income, the expansion of eligibility to declare two residential properties as self-occupied without the burden of notional rent taxation, and a substantial allocation of ₹15,000 crore to SWAMIH Fund 2 a dedicated corpus aimed at completing nearly 100,000 stalled housing units across major metros. Collectively, these reforms signal the government's commitment to investor protection, asset security, and market stability parameters NRIs consistently prioritise.

But the Budget did more than ease the system it reshaped the economics of cross-border real estate investment.

The Currency Advantage: USD at ₹84 Ignites Capital Repatriation

While policy changes provided structural incentives, the macroeconomic backdrop supplied an equally powerful push. The USD-INR exchange rate, steady at ₹84 per US dollar, strengthened the purchasing power of NRIs across North America, Europe, and the Middle East.

For an investor earning in dollars or dirhams, this exchange rate translated into a direct 7–9% effective discount compared to pre-2023 levels. At a time when property prices in global cities like London, Dubai, and Singapore have moved beyond affordability thresholds or faced stagnation in rental yields, Indian markets suddenly appeared not only attractive but undervalued.

Simultaneously, domestic mortgage rates stabilised at 8.5–9.5%, significantly lower than pandemic-era peaks, providing financing comfort for NRIs who prefer leveraging Indian credit while deploying foreign income.

Together, these macroeconomic and monetary conditions created a perfect convergence: more purchasing power per dollar, greater tax advantages per property, and reduced holding stress across rental assets.

\$13 Billion NRI Inflows: A Record-Breaking Year for Indian Real Estate

Industry reports estimate that NRI contributions to India's property market exceeded \$13 billion in FY 2024–25, marking one of the strongest inflow periods in recent memory. This surge is not an anomaly; it is a reflection of a deep structural shift in NRI behaviour, moving from sporadic emotional purchases to a systematic asset-allocation strategy.

For the first time, NRIs are building diversified real estate portfolios combining primary residences, rental-yield properties, and long-term land or pre-launch investments. Their motivations have also evolved:

- Dollar or dirham incomes seeking high-yield markets
- Desire for future India re-settlement
- Portfolio hedging against Western recessionary conditions
- Confidence in Indian urbanisation and governance reforms

These drivers make NRI capital currently one of the most stable external funding streams for the housing sector.

Cities Leading the Charge: Bengaluru, Mumbai, and Pune Dominate NRI Wallets

While NRIs are investing across India’s top seven cities, three urban markets—Bengaluru, Mumbai, and Pune—have emerged as the largest beneficiaries of the 2025 surge.

Bengaluru:

Favoured for its tech-driven employment ecosystem, stable rental demand, and globalised culture, Bengaluru attracts NRIs seeking both personal use homes and rental-yield plays. Its villa markets, north-Bengaluru prime zones, and high-end apartments near employment clusters remain top choices.

Mumbai:

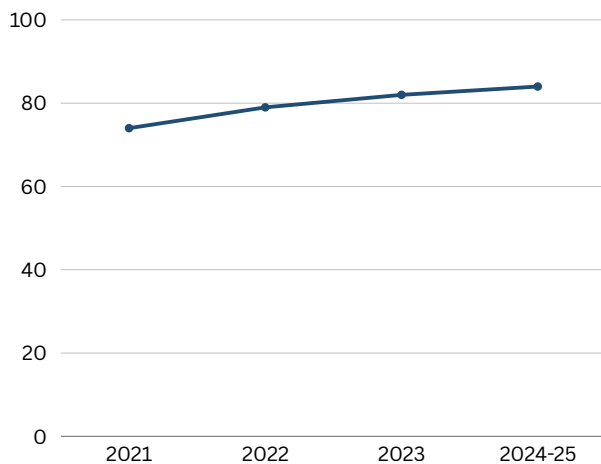
The city’s resilient demand curve and Grade A appreciation potential continue to attract diaspora investors. NRIs are particularly inclined toward Bandra-Khar, Andheri East, Worli, and Powai—micro-markets offering premium lifestyle and robust leasing potential.

Pune:

Known for its education ecosystem, IT corridors, and comparatively affordable luxury inventory, Pune appeals to NRIs looking for homes priced between ₹1–3 crore with strong occupancy prospects and stable yields.

Together, these markets account for a significant majority of NRI-driven bookings, explaining a substantive portion of India’s luxury segment boom in 2024–25.

Dollar Strength vs Purchasing Power in Indian Real Estate (2021–2025)



How NRI Funds Fueled the Luxury Upswing Across Indian Metros

The sudden surge in NRI repatriation has significantly influenced the trajectory of India’s luxury and premium housing segments. With higher disposable global incomes and favourable exchange conditions, NRIs have disproportionately favored properties priced above ₹1.5 crore, pushing absorption rates to multi-year highs in metros.

Bengaluru’s luxury apartment market, Mumbai’s sea-facing premium inventory, Hyderabad’s gated villas, and Gurugram’s branded residences all saw accelerated traction during FY 2024–25. Developers, responding to this surge, have increased the share of luxury launches, often tailoring amenities such as remote-access home management, global concierge tie-ups, investment dashboards, and rental management services specifically for NRI buyers.

This influx also contributed meaningfully to the premium price appreciation observed across metros—validating why developer sales, pricing power, and luxury inventory turnover remain exceptionally strong even amid global economic uncertainty.

A Long-Term Structural Shift: The Future of NRI Investment in India

The 2025 Budget reforms are not isolated policy tweaks—they are catalysts of a broader transformation. With India on track to witness its largest urban expansion cycle in modern history and global economic volatility encouraging asset diversification, NRI investment is expected to remain a dominant force in shaping premium and luxury real estate.

Developers are increasingly tailoring offerings to this segment, financial institutions are rolling out bespoke NRI mortgage products, and state governments are simplifying compliance workflows for foreign investors. All of this reinforces a simple truth: NRIs are no longer passive participants in India’s property market—they are central to its growth engine.

With favourable macroeconomics, currency advantage, progressive tax frameworks, and strong emotional ties to India, the NRI investment wave that began in 2025 is set to define the next decade of Indian real estate.



Why Are Investors Prioritizing Green Assets Over Conventional Buildings in 2025?



India’s real estate market enters a new era where sustainability is no longer optional it is the ultimate value driver.

In October 2025, India’s real estate sector crossed an unmistakable inflection point: **green-certified buildings began commanding rental premiums of nearly 25%**

compared to their conventional counterparts. What was once a niche differentiator for trophy projects has evolved into a defining driver of asset valuation and long-term performance.

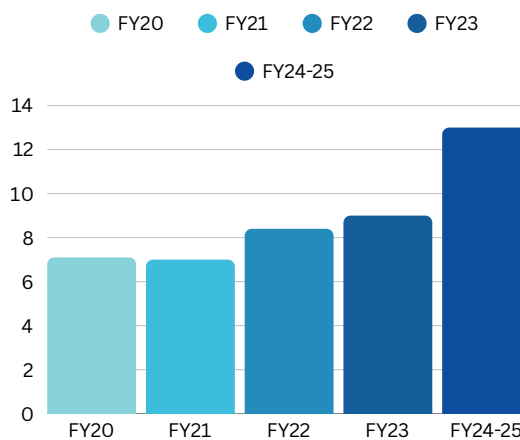
Developers, corporates, global investors, and even young professionals now speak a common language of sustainability not as an aspirational ideal, but as a tangible economic force. As climate awareness sharpens and ESG governance tightens worldwide, India’s urban fabric is being remodelled one certified building at a time

This shift did not happen in isolation. It reflects years of policy alignment, investor preference, tenant evolution, and technological progress converging into a single market outcome: green buildings are now more valuable and far more in demand than non-certified alternatives.

11,000 Green-Certified Projects: The Maturation of India’s Sustainable Real Estate

India now has more than 11,000 green-certified buildings, collectively spanning 10.27 billion sq. ft. one of the largest sustainability portfolios in the world. Certifications including IGBC, GRIHA, EDGE, and LEED have moved from rare badges of honour to baseline expectations for Grade A commercial spaces. This volume signals a profound transformation in developer behaviour. Where early green projects were driven by marketing positioning, today’s certifications represent deliberate design decisions: biophilic layouts, solar integration, low-flow water systems,

efficient HVAC, recycled materials, and advanced building-management systems. More importantly, state governments and regulators have accelerated adoption through fast-track approvals, premium FAR incentives, and property tax rebates. Such policies have drawn a clear economic line green construction isn’t just environmentally responsible, it’s financially superior.



Investors Shift: 76% Now Treat Sustainability as Non-Negotiable

A 2025 JLL sustainability survey revealed that 76% of institutional investors including sovereign wealth funds, pension funds, and private equity platforms now evaluate sustainability as a non-negotiable component in their real estate allocation. This marks one of the fastest behavioral shifts in global investment norms.

The reasoning is pragmatic: non-certified buildings carry a new category of risk known as the “brown discount”. These assets are penalised due to anticipated future retrofitting costs, higher operating expenses, carbon liabilities, and potential obsolescence as global ESG reporting mandates intensify.

Institutions are no longer simply rewarding sustainability they’re avoiding non-compliance.

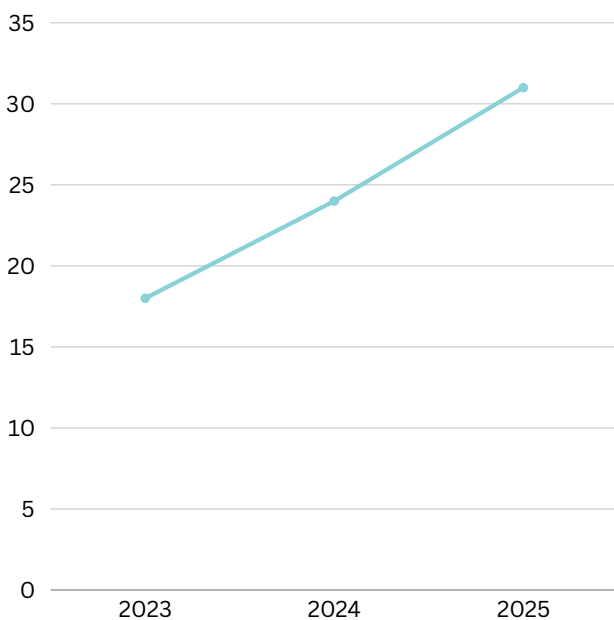
20–30% Operational Cost Savings: The Economics Behind Adoption

Commercial landlords consistently report 20–30% savings in operating costs for green buildings due to optimised design and renewable integration. As energy markets become more volatile, these savings significantly improve the net operating income (NOI) over the lifecycle of an asset.

More importantly, the integration of rooftop solar, waste heat recovery systems, rainwater harvesting, recycled greywater loops, and smart sensors reduces long-term maintenance strain. Buildings designed with sustainability embedded in their core often witness lower equipment failure rates, reduced downtime, and improved safety compliance.

The economic delta is large enough that tenants particularly multinational corporations overwhelmingly prefer certified spaces. Green buildings become easier to lease, easier to maintain, and harder to replace.

“Luxury Segment Contribution from NRI Buyers (2023–2025)”



Gen Z & Millennials Redefine Tenant Priorities

A powerful social shift is reinforcing the economic one. Younger professionals **Gen Z** and **millennials** increasingly prioritise eco-conscious workplaces. For them, green buildings are not merely functional spaces but reflections of personal and corporate values.

Workplace surveys consistently show that employees prefer offices that:

- Reduce carbon footprints
- Provide natural light, ventilation, and biophilic elements
- Promote healthier indoor environments
- Offer EV charging, cycling zones, and energy-efficient design

This demographic shift has pushed corporates especially IT, finance, consulting, and global capability centres (GCCs) to consider sustainability as a core factor in workspace leasing strategies. Over time, this has created demand pressure that developers can no longer afford to ignore.

Green Premium as the New Value Benchmark

The rise of the 25% green premium isn’t just a market anomaly it’s the clearest sign that sustainability has become inseparable from valuation logic. Where earlier developers viewed green features as marketing add-ons, the market now sees them as essential investment-grade characteristics.

Across India’s key commercial hubs Mumbai, Bengaluru, Hyderabad, Gurugram, Noida, and Pune green buildings now deliver better occupancy, longer leases, and stronger rental escalations. Conversely, non-certified spaces must either retrofit aggressively or risk becoming stranded assets.

This dual market structure **green premiums vs brown discounts** indicates that sustainability has moved from an optional differentiator to a fundamental pillar of long-term asset performance.

The next wave will see not just green-certified buildings, but net-zero campuses, carbon-neutral districts, water-positive projects, and circular construction ecosystems all driven by investors, tenants, and regulatory alignment.

Conclusion: Sustainability Isn’t a Feature It Is the Future

The transformation of green buildings from a niche amenity to an institutional necessity signals a powerful shift in India’s real estate narrative. With 11,000+ certified projects, 25% rental premiums, 20–30% cost savings, and 76% of investors demanding sustainability, the message is unmistakable: green is not a trend it is the foundation of a future-proof real estate ecosystem.

As climate pressures intensify and global investors demand low-carbon portfolios, India’s real estate will increasingly reward assets that embrace sustainability at their core. The transition is already underway, and the winners of the next decade will be those who adapt today.

