

Publication	rprealtyplus.com
Date	01 January 2025
Link	https://www.rprealtyplus.com/news-views/fantastic-close-to-2024-for-indian-real-estate-say-sector-player-118167.html

Fantastic Close To 2024 For Indian Real Estate: Say Sector Players



As 2024 concludes, India's real estate sector has shown resilience, adapting to evolving consumer needs, economic shifts, and policy changes. Luxury housing saw strong growth, while residential real estate maintained steady demand, driven by a growing middle class and urbanization.

The home loan sector faced moderate growth due to higher interest rates and inflation, but remains hopeful for relief with potential rate cuts and government support.

Experts across residential, commercial, and materials segments highlight key trends for 2025, including sustainability, infrastructure-driven growth, and the shift towards both premium and affordable housing, setting the stage for long-term sector evolution.

Pradeep Aggarwal, Founder & Chairman, Signature Global (India) Ltd shared, "The Indian real estate sector surged in 2024, supported by rising urbanization, shifting lifestyles, and increasing demand across affordable, mid-income, and luxury segments. Residential demand has been particularly strong, while the luxury market saw a boost from high-net-worth individuals and NRIs keen on high-end amenities in cities like Gurugram, Mumbai, and Bengaluru. Sustainability is a driving trend, with eco-friendly, energy-efficient properties gaining popularity. Valued at approximately \$493 billion, the sector contributes 7.3% to India's GDP and is the second-largest job creator after agriculture."

Murali Malayappan, Chairman & Managing Director, Shriram Properties Limited expressed, "The year 2024 has been a pivotal period for the Indian real estate sector, characterized by strong economic fundamentals and political stability following parliamentary and state elections.

Investor confidence remained robust, bolstered by improved global relations, particularly between India and the US, and sustained demand across residential and commercial segments. However, challenges in urban infrastructure, particularly in cities like Bengaluru

and Pune, underscore the urgent need for focused interventions. As we look forward to 2025, the real estate sector is poised for a transformative year, with demand projected to rise by at least 30%.

The mid-market and mid-premium segments are expected to lead this growth, fueled by shifting buyer preferences toward quality homes offering modern amenities at affordable price points.

To further accelerate this growth, we look forward to proactive government policies addressing key areas such as reducing GST on under-construction homes, rationalizing stamp duty rates, and incentivizing infrastructure development. These measures will enhance affordability, boost buyer sentiment, and unlock the sector's full potential as a major contributor to India's economy."

Anupama Reddy, Vice President & Co-Group Head – Corporate Ratings, ICRA Limited said, "The leasing activity remained resilient with net absorption of 29 million square feet (msf) in H1 FY 2025 (54 msf in FY2024) for the top six office markets in India, supported by healthy demand from GCCs and domestic corporates, and an increase in physical occupancy.

The net absorption is projected to witness a growth of 5-6% to 57 msf in FY2025 and further growth by around 4% in FY2026 on a high base.

Despite an influx of a huge supply of 62-63 msf each in FY2025 and FY2026, the vacancy levels are expected to remain range bound at 15.0-15.5% by March 2025 and 14.5-15% by March 2026.

Favourable demographics, a highly skilled and cost-effective talent pool, a growing India economy, availability of high-quality office spaces at competitive rentals, would continue to drive India office portfolio expansion in the medium to long term."

According to Samir Jasuja, Founder & CEO, PropEquity, "The residential real estate market saw some decline in demand and supply in 2024 as compared to record high of 2023 but the supply to absorption ratio remains the same, implying that the growth is strong and healthy.

Home prices have also appreciated substantially over the past three years. Luxury housing continued its dominance which is reflected in the fact that the market size of apartments, priced over Rs 5 cr., has gone up from \$4 billion to \$16 billion in the last 4 years witnessing 4x growth."

Manju Yagnik Vice Chairperson, Nahar Group Senior Vice President of NAREDCO-Maharashtra stated her outlook, "In 2024, India's housing market demonstrated strong resilience, with the first three quarters seeing sales exceed Rs 110,000 crore with 115 million sq ft sold.

The ultra-luxury segment, particularly properties priced between ₹10 crore and ₹80 crore, experienced notable growth. While the premium homes segment was fueled by accessibility led urbanization and evolving consumer preferences.

Further, the RBI's decision to maintain the repo rate at 6.5% boosted the market confidence, sustaining residential demand across major cities.

This positive momentum is set to continue, with rising consumer confidence and increased investments from both institutional and foreign investors.”

As per Badal Yagnik, CEO, Colliers India, “The integration of technology and sustainability will play a pivotal role in shaping the sector.

2025 could be another year where multiple real estate classes ride high on investor and end-user optimism.

While residential and office markets may stabilize, industrial and warehousing demand will likely gain traction. Alternative asset classes such as data centers, co-living, and senior housing will also witness accelerated growth.”