
THE INDIAN REAL ESTATE SECTOR

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About India

- India officially the Republic of India is a country in [South Asia](#). It is the [second-most populous](#) country and the most populous [democracy](#) in the world;
- [It is the seventh-largest country, with a total area of 3.28 million square kilometres \(1.26 million sq miles\);](#)
- India is a [secular federal republic](#) governed in a democratic [parliamentary system](#). It is a multilingual and multi-ethnic society. We got our independence in August 1947 from the British. [India's population grew from 361 million in 1951 to nearly 1.44 billion in 2024;](#)

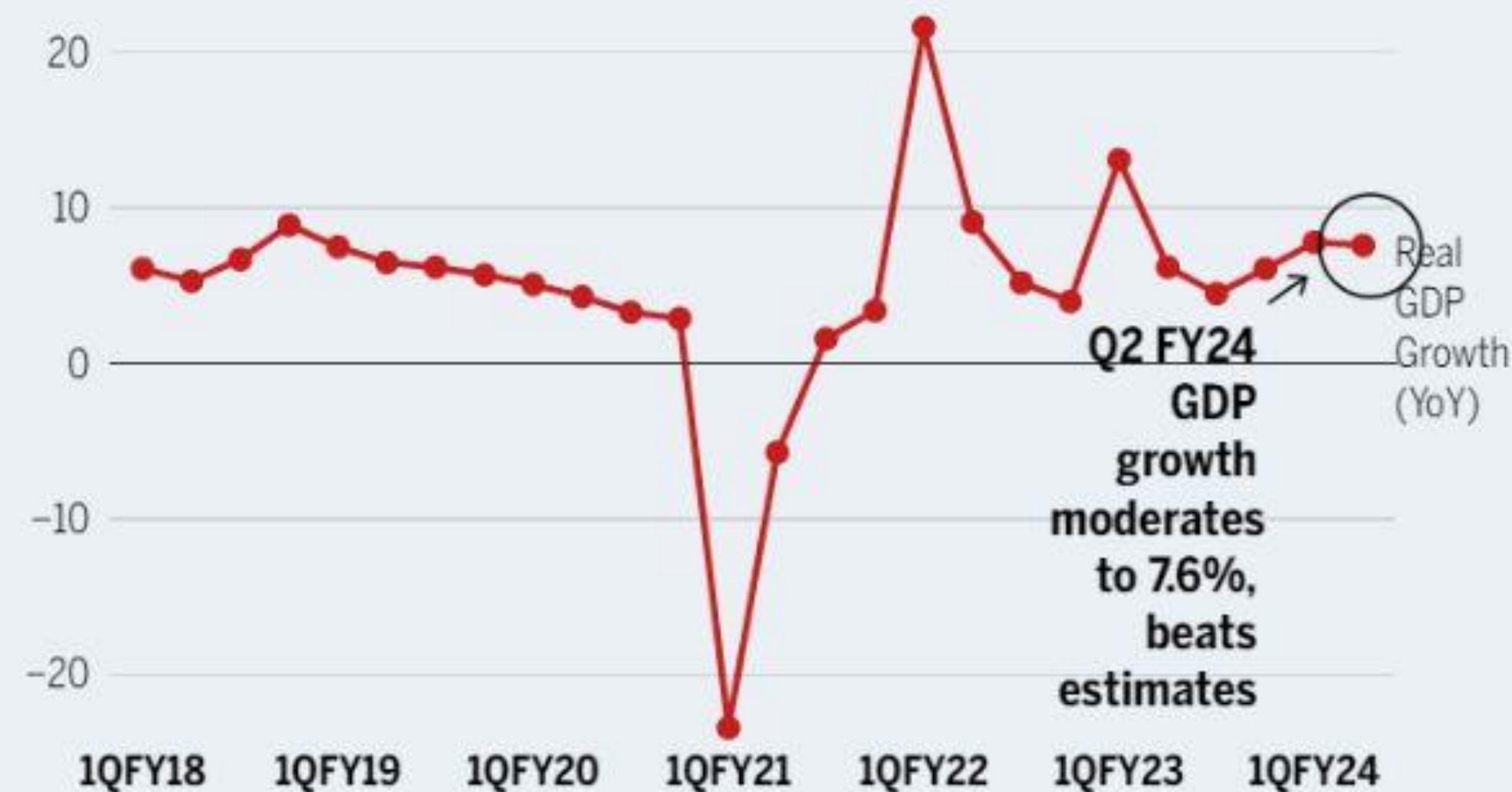
About India

- India comprises 28 states and 9 union territories and a National Capital Territory (NCT). The states and union territories are further subdivided into districts and smaller administrative divisions.
- The economy of India is characterised as a developing market economy. It is the world's fifth-largest economy by nominal GDP with a GDP of USD 3,809 Billion and the third-largest by purchasing power parity
- Over the past decade, the country's integration into the global economy has been accompanied by economic growth. India has now emerged as a global player.



India Real GDP Growth Trend For Last Few Years

India's GDP growth, which took a hit during the pandemic, is now more consistent over the last few quarters



Economic Growth Rate

In FY23/24, India's real GDP expanded at an estimated 8.20 percent, one of the best in the world. Growth was underpinned by robust domestic demand, strong investment activity bolstered by the government's push for investment in infrastructure, and buoyant private consumption, particularly among higher income earners.



Why Invest in India?

REASON 01

- **One of the world's fastest-growing economies;**

Source: *International Monetary Fund*

- **FDI inflows increased by 37% since the launch of Make in India initiative; Total FDI inflows in the country in the FY 23-24 is \$70.95 Bn and total FDI equity inflows stands at \$44.42 Bn.**

Source: *Department of Promotion of Industry and Internal Trade, Govt. of India*

- **Leading investors ranked India as the most attractive market;**

Source: *EY Emerging Markets Centre*



Why Invest in India?

REASON 02

- One of the largest youth population in the world;
Source: *United Nations Population Fund*
- India to be one of the largest supplier of university graduates in the world;
Source: *British Council*
- India has the third largest group of scientists and technicians in the world;
Source: *All India Management Association & The Boston Consulting Group*



Why Invest in India?

REASON 03

- Indian infrastructure story;
 - Over the next three decades, more than 400 mn Indians will move into cities;
Source: *McKinsey Global Institute*
 - Over the next two decades, more than \$2 trn investments have been planned for infrastructure;
Source: *Press Information Bureau, Government of India*
 - Investments planned across the key government initiatives in various sectors:
 - o Highways - \$106.5 bn
 - o Railways - \$131.7 bn
 - o Ports - \$61.5 bn (Port development) + \$123 bn (Port-led Industrialisation)
 - o Airports - \$58 bn
 - o Industrial Corridors - \$100 bn (DMIC - phase I)
 - o Smart Cities - \$14.6 bn
- Source: *Government of India*



Why Invest in India?

REASON 04

- Huge domestic market;
- Rising affluence is the biggest driver of increasing consumption in India;
Source: *Boston Consulting Group*
- India's consumer story will be led by its 129 mn urban mass consumers;
Source: *Goldman Sachs Group*
- Private consumption to be four times by 2028;
Source: *McKinsey Global Institute*



Why Invest in India?

REASON 05

- Rising global competitiveness;
- India now stands at 10th rank in terms of business environment for the period 2023-27;
- India ranks 39th on the Global Competitiveness Index 2024;
- 98% of 1.44 billion Indians are covered under Aadhaar Scheme, one of the world's largest social security program;



Indian Real Estate Market - Overview

- India's real estate sector is officially worth nearly USD 477 Billion (Close to 12.78% of the Indian GDP), and is estimated to reach one trillion dollars by 2030;
- The real estate sector provides employment to nearly 71 Million people (that's about 18% of the total employment in the country, the second highest after agriculture), out of which the Brokerage Sector is about 2.5 Million people. The sector also supports nearly 250+ related industries. So it plays a role of a catalyst in the growth rate of the Indian economy.
- Factors like strong demand, supportive government policies, and increased investor confidence are expected to further propel growth in this dynamic sector.;
- The real estate sector contributes nearly USD 20 Billion In Taxes & Duties to the Indian Exchequer.



Indian Real Estate Market - Overview

- The size of the Indian real estate sector is estimated to jump more than 12-fold to USD 5.8 trillion by 2047 from USD 477 billion last year and will contribute over 15 per cent to the total economic output of the country
- All verticals - Residential, Retail, Hospitality and Commercial real estate are growing significantly, providing the much-needed infrastructure for India's growing needs;
- Sectors such as IT and ITeS, Retail, Consulting and e-commerce have registered high demand for office space in recent times. New office space supply across top seven cities to exceed 165 million sq ft between 2023-2025.
- In India, the real estate industry is undergoing a technological transformation. Throughout the industry, several cutting-edge strategies and solutions are being implemented. The market's growth trajectory has accelerated due to these new developments.



Residential Real Estate in India

- The India Residential Real Estate Market size is expected to grow from USD 182.14 billion in 2023 to USD 550.83 billion by 2028, at a CAGR of 24.77% during the forecast period (2023-2028).
- There is a massive demand for affordable housing in many parts of the country, propelled by rapid urbanisation. Apart from it, there is a significant increase in demand for luxury and big housing spaces due to the need for better lifestyles.
- Ready-to-move-in apartments have been in high demand among buyers in the residential category.



Residential Real Estate Update

- The Indian Residential Real Estate Market is highly fragmented, with a huge number of local and regional players and a few global players. Some major players are DLF, Godrej Properties, Tata Housing, Prestige Estate, Emaar India, Hiranandani, Raheja's, Puravankara, Sobha, Lodha, Phoenix Mills, L&T Realty Ltd, Mahindra Lifespaces, Omaxe Ltd, and many others.
- The top listed developers' share of the Indian residential market is predicted to rise to 31% in FY24 from 25% in FY21, owing to a robust pipeline of residential project launches.
- Large firms have financial resources to their advantage, whereas small businesses can compete effectively by building expertise in local markets.



Commercial Real Estate Update

- The India Commercial Real Estate Market size is estimated at USD 33.62 billion. It is expected to reach USD 87.57 billion by 2028, growing at a CAGR of 21.1% during the forecast period.
- India's commercial real estate sector is projected to be accelerated by large-scale investments by institutional investors in the coming years. The country's economic growth is driving demand for commercial property. Government initiatives and urban development policies and programs (Smart City, AMRUT) are expected to contribute to the need for real estate infrastructure.
- India's strong domestic demand, availability of quality real estate at lower occupancy costs, established credentials as a global tech and R&D hub, and strong start-up culture are supporting the growth of the commercial sector.



Commercial Real Estate Update

- Major asset owners are increasingly focusing on sustainability, and India is committed to achieving net-zero emissions through several ESG disclosures. As a result, CRE is expected to align itself with global green building standards to meet the evolving needs of corporations in the future.
- India's commercial markets remain attractively priced with demand activity keeping institutional interest high in the office sector. Core asset yields are still healthy at 8.0-8.5% compared to other Asian economies.
- Global capital is anticipated to continue to invest across various asset classes, either through joint ventures or platforms, as they hold a long-term perspective.
- India has recently witnessed the launch of the first retail REIT, following the successful listing of three office REITs. With institutional players and local partners collaborating to aggregate more portfolios, the REIT market is expected to witness additional public listings in the future, potentially including sectors such as warehousing and hotels.



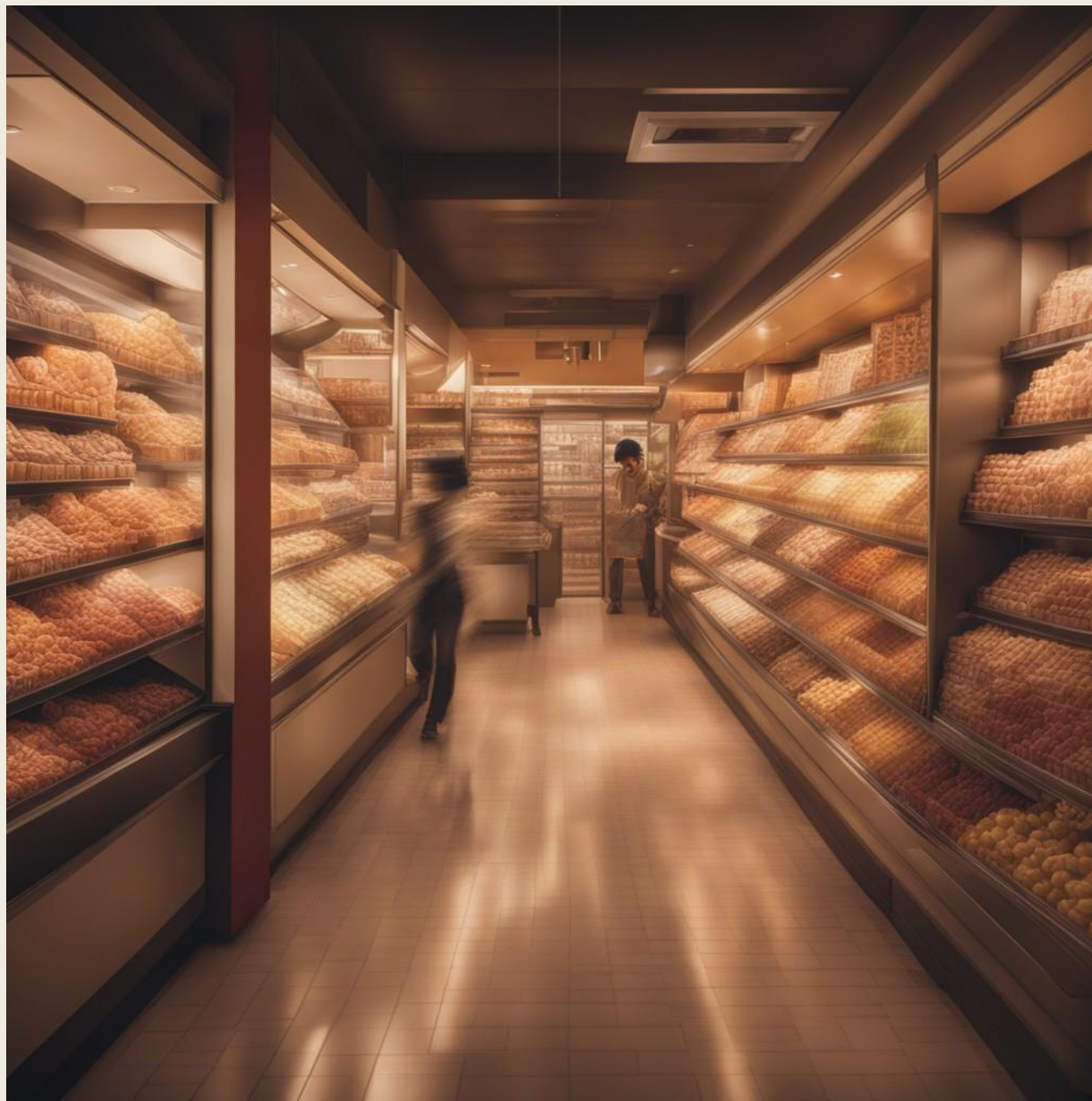
Commercial Real Estate - Office

- The COVID-19 pandemic resulted in the work-from-home (WFH) culture, which had a short-term impact on new space obligations. The segment performed very well in 2023, with record office leasing as total leasing surpassed 61.60 million sq ft. The leasing was driven by pent-up demand from the previous two (pandemic) years and a general recovery in demand.
- The demand for office space in the nation is driven by reasons such as flexibility, comfort, and convenience. Most businesses in various industries, including IT, manufacturing, BFSI, startups, and even boutique businesses, are looking for office space to accommodate their employees. Additionally, many companies intend to expand to new areas, open remote or satellite offices, or both, adding to the demand for these spaces.
- Notably, in 2023, tech firms saw a slight decline in space take-up while healthcare, manufacturing, healthcare, and flex were major drivers of office demand.



Commercial Real Estate - Retail

- Retail and hospitality are also growing significantly in the commercial real estate market, providing the much-needed infrastructure for India's growing needs.
- During 2023, retail leasing rose by 31% Y-o-Y touching 7.10 million sq. ft., supported by a spurt in footfall, sales, and the discontinuation of rent concessions. These conditions reinforced retail expansion plans and the significance of brick-and-mortar retail formats nationwide.
- The retail real estate sector in the country has been dramatically boosted by government initiatives, such as Make in India, and other reforms in the realty sector, such as the introduction of the Real Estate Regulatory Authority (RERA) and GST.



Commercial Real Estate - Retail

- A large percentage of India's population of 1.44 billion is under the age of 30, serving as potential consumers and a skilled workforce. Their requirements have redefined consumption fundamentals too, giving ample scope for both brick-and-mortar retail and e-commerce to co-exist. Even as e-commerce continues to increase its wallet share, retail shopping destinations are reinventing themselves and curating the shopper experience through a robust tenant management strategy.
- Bangalore and Delhi-NCR jointly accounted for more than 60% of the annual and half-yearly leasing.
- Bangalore and Pune were the main contributors to supply addition.
- Fashion & apparel, homeware & department stores, hypermarkets, and F&B players dominated leasing.



Commercial Real Estate - Data Centres

- The data center industry has already grown 4 times in size in the past three years to 1318 MW with occupancy levels at a robust 91%. This market is likely to double in size over the next three years, requiring an additional investment of ~ USD 10.09 billion by itself.



Commercial Real Estate - Warehousing

- **The Indian warehousing market valued at \$14.4 billion in 2023.**
- **Projected to reach \$34.99 billion by 2027 (CAGR of 15.64% from 2022).**
- **Growth driven by e-commerce, manufacturing, and retail industries.**
- **Estimated total warehousing space in India at 330 million sq.ft. in 2023.**
- **High absorption in cities like Mumbai, Delhi-NCR, Bangalore.**
- **Tier-II and Tier-III cities gaining traction due to retail and e-commerce expansion.**



Commercial Real Estate - Warehousing

- **E-commerce and Manufacturing Boost:**
- **In India, the growth of e-commerce and the government's focus on boosting domestic manufacturing (through initiatives like 'Make in India') are key drivers for the industrial and logistics sector, leading to increased demand for modern warehousing.**
- **Infrastructure Development:** Significant investments are being made in infrastructure development across India, including highways, ports, and dedicated freight corridors, which are enhancing the efficiency and connectivity of logistics operations.
- **Tier II and III Cities as New Hubs:**



Commercial Real Estate - Warehousing

- **With rising land costs and congestion in Tier I cities, there is a notable shift towards Tier II and III cities as emerging industrial and logistics hubs. This**
- **trend is supported by improvements in transportation networks and lower operating costs.**
- **Supply Chain Optimization: Indian companies are increasingly focusing on optimizing their supply chains through the adoption of technology and better logistics practices, leading to a surge in demand for modern, tech-enabled warehousing spaces.**
- **Sustainability and Compliance: There is a growing focus on sustainability in Indian logistics, with companies seeking LEED-certified warehouses and adopting energy-efficient practices.**
- **This trend is driven by both corporate social responsibility and regulatory compliance pressures.**



Commercial Real Estate - Warehousing

In the first half of 2024, India's warehousing sector continued to show robust growth, driven by strong demand and significant investments from both domestic and foreign players. Here are some key highlights

- **Space Demand and Supply:** The sector saw an absorption of 27.3 million square feet in H1 2024, marking a 21.9% year-over-year increase. The supply also increased, with 28.2 million square feet added during this period. Grade A spaces accounted for a significant portion of this, reflecting the ongoing preference for high-quality infrastructure.
- **Investment Surge:** Institutional investments in the industrial and warehousing segments surged dramatically, particularly in Q2 2024. The sector attracted \$2.5 billion in Q2 alone, with foreign investors leading the charge. This represents an 11-fold increase compared to Q2 2023, highlighting the growing confidence in India's warehousing market.



INDIA & THE UNITED STATES



India & THE UNITED STATES

- The U.S. - India partnership has its foundation in common values, including the rule of law and democratic principles. The United States and India have shared interests in promoting global security, stability, and economic prosperity through trade, investment, and connectivity;
- Almost 200,000 Indian students had enrolled in the universities of the US for the academic session 2021-22 which marks

an increase of 19% over the previous year. A record number of 82,000 student visas had been issued to Indian students that year beginning from May to August.

India & THE UNITED STATES

- India and the United States cooperate closely at multilateral organizations, including the United Nations, G-20, Association of Southeast Asian Nations (ASEAN) Regional Forum, International Monetary Fund, World Bank, and World Trade Organization. The United States supports a reformed UN Security Council that includes India as a permanent member;
- Indians invested \$7.8 billion in prime residential real estate in the US IN 2017, up from under \$6 billion in 2016;
- In Financial Year 2023, a total of \$15.1 billion of NRI capital is expected to enter the Indian housing industry, growing by 7% on a YoY basis.



FOREIGN NATIONALS

FOREIGN NATIONALS

- A foreign company which has established a Branch Office or other place of business in India, in accordance with FERA / FEMA regulations, can also acquire immovable property in India. However it must be necessary for or incidental to carrying on their business and it seems increasingly that the whip is being cracked on those using this as a loophole to acquired residential property to live in or rent.
- Non-Resident Indians (NRI), whether Indian citizens or foreign citizens of Indian origin, do not need permission from the Reserve Bank of India to acquire property if the seller is an Indian citizen.



NRI & PIO

NON RESIDENT INDIAN (NRI)

- A Non Resident Indian (NRI) is an Indian Citizen who resides in India for less than one hundred & eighty two days during the course of the preceding financial year, or;
- who has gone out of India or who stays outside India for the purpose of employment, or;
- who has gone out of India or who stays outside India for carrying on business or vocation outside India, or;
- who has gone out of India or who stays outside India for any other purpose indicating his intention to stay outside India for an uncertain period.

PERSON OF INDIAN ORIGIN (PIO)

A citizen of a foreign country (other than a citizen of Bangladesh or Pakistan) is a PIO if

- he/ she at any time held an Indian passport; or;
- he/ she or either of his/her parents or either any of his/ her grandparents was a citizen of India; or;
- he/ she is a spouse (not being a citizen of Bangladesh or Pakistan) of an Indian citizen or (a) or (b) above.



NRI INVESTMENTS IN India

- With dollar gaining strength against rupee, a competitive marketplace with negotiations tougher than ever, and a sense of moving back to homeland, being a few among many reasons, developers have experienced a sudden spike in enquires from international buyers, even while the industry faces the toughest quarter in the past two decades;
- With thousands of international brands now looking at India over China as their preferred destination for production and business going forward, India is gearing up for some major influx of global investments, that will have an impact across various industries, directly or indirectly. The NRI investors have always been the first to forecast such trends and enjoy the first moved advantage, disregarding the general sentiment;
- In the current scenario, while many are considering to move their bases back to India to be a part of this growth story, some purely want to invest in their home cities, to feel a sense of security in a known territory;
- As per one of the leading real estate advisory firms, NRI investments in India will hit an all-time high of \$15.1 billion in FY 23.



NRI INVESTMENTS IN India

- Especially since the establishment of RERA, international buyers have gained confidence to invest in India, more than over, through a more transparent format of engagement, with reliable developers and properties that are registered under RERA, which secures their investment, even while settled abroad;
- There has been a steep rise in demand for ready-to-move-in inventory in projects that offer safety and protection in addition to ensuring availability of lifestyle essentials. Rise in demand for ready to move in houses or near-completion projects has largely surfaced from the deferred deliveries related to under-construction units. Also, with no Goods and Services Tax (GST) payable on resale flats, the demand for ready-to-move-in houses has soared;
- An NRI customer is not just looking for great property, but also a reliable brand name. Credible developers with a proven legacy to deliver on commitments will have an advantage in today's marketplace.



National Association of Realtors - India (NAR-INDIA)

- **Founded in 2008, The National Realtors Association – India (NAR-INDIA) is the apex organisation of realtors in India which aims to enlighten Indian realtors and train them to imbibe and adhere to international best practices which in turn inspires confidence in investors and consumers;**
- **The core focus of NAR-India is to elevate the standards of practice of the real estate brokerage business to a global level by promoting ethics, transparency, accountability and respect for rule of law and good governance;**
- **The Organisation provides support and education for over 50,000+ members all over the country through its 43 Member Associations in around 35 cities in 16 states in India. However we represent the interest of more than 2.5 million Indian realtors;**
- **NAR-INDIA has signed bilateral agreements with leading Developer associations in India like CREDAI National and NAREDCO and with Educational Institutions like RICS and NICMAR;**

National Association of Realtors - India (NAR-INDIA)

- **NAR-INDIA is introducing real estate courses and certifications for members to upgrade their skills through learning and development. All these courses will be developed by India Institute of Real Estate (IIRE) which is NAR-INDIA's own educational wing;**
- **NAR-INDIA in collaboration with RICS has also introduced an online real estate certification course which will up-skill & upgrade its realtor members. RICS is the world's leading professional body for qualifications and standards in land, property, infrastructure and construction;**
- **NAR-INDIA has also signed an MOU with NAR US and both the associations work closely together. Many Indian Realtors have taken the International Realtor Membership of NAR US. We have also signed a number of MOUs with NAR US member state and city associations. Similarly NAR India is opening up memberships for International Realtors;**
- **The MOU has been signed to promote a high standard of practice and the enforcement of professionalism in the real estate industry in both countries and to seek business opportunities for members of both associations.**

NAR-India's International Membership Benefits



- In addition to the powerful nationwide broker/realtor network, NAR-INDIA international members receive a number of valuable business tools, including:
 - Business & Networking
 - Profile on the NAR-INDIA Directory.
 - Access to over 50,000 Indian Brokers/Real Estate Agents/Realtors.
 - Login Credentials to the NAR-INDIA portal to access nationwide listings and explore business opportunities.
 - Nationwide Broker/Realtor Referral Form (with NAR-INDIA members), thereby protecting brokerage.
 - Dispute Resolution Mechanism, if the dispute is with an NAR-INDIA member.
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International Membership Charges



Membership Charges:

- **New Members pay US \$50 inclusive of GST @ 18% for the first year of membership.**
 - **Continuing Members pay US \$40 inclusive of GST @ 18% to renew their membership.**
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*Thank You,
MIAMI!*

