

NEW OPPORTUNITIES



Indian real estate market is poised to grow further in the coming years to touch \$1.5 trillion mark by 2034. In this positive outlook, **Construction Times** explores the emerging opportunities for real estate players and how they are prepared to the future market opportunities.

The Indian real estate sector has seen a turnaround in 2023 with a strong overall performance. The recent spurt in land deals by various developers shows a possible upsurge in the real estate market in 2024-25. Residential, commercial, retail, industrial and logistics & warehousing are driving prime land deals in key locations across India. An ANAROCK data indicates that various developers and entities sealed approx. 101 separate land deals in fiscal year 2023-24, cumulatively accounting for nearly 2,989 acres across the country. In contrast, FY-2022-23 saw 88 land deals for approx. 1,886 acres closed across various cities.

TRENDS TO LOOK FOR

The real estate sector performed remarkably well last year, with residential, commercial, and retail segments



Jagadish Nangineni
Managing Director,
SOBHA Limited

experiencing significant growth, according to **Jagadish Nangineni, Managing Director, SOBHA Limited**. "The shift towards a hybrid work model in metros and a desire for larger living spaces have driven a notable rise in launches of new homes that can meet these demands," he adds.

The real estate sector, particularly the mid high, luxury and ultra-luxury residential segment, has been thriving in recent years, and demand is expected to remain strong. Factors such as a better economic scenario, improved income levels, the desire to upgrade, and modern designs and amenities offered by developers contribute to this trend. **Aman Sarin, Director & Chief Executive Officer, Anant Raj Limited**, adds, "We believe that in the current fiscal year, homebuyers will continue to prefer projects from reputable developers. Key



Aman Sarin
Director & Chief
Executive Officer,
Anant Raj Limited

considerations will include good location, design, layouts, and green spaces. Additionally, amenities like clubhouses and recreational areas significantly influence homebuyer decisions, driving demand for projects that meet these criteria."

Shivam Agarwal, VP - Strategic Development, Sattva Group, provides the trend in residential and commercial segments. "On the residential side, there is a clear shift towards suburban living, with increased interest in outlying areas offering affordability and larger living spaces."

OPPORTUNITIES & CHALLENGES

The Indian real estate market is brimming with exciting opportunities. "A growing economy fuels demand for quality housing across various segments. This allows us to create a diverse portfolio catering to a wide range of buyers. Additionally, the rise of sustainability awareness presents a chance for us to champion eco-friendly practices and create lasting value," says **Sarveshaa SB, Chairman & MD, BHADRA Group**.

The market is poised for growth and the real estate industry in India continues to look promising. According to Nangineni, India is currently witnessing a surge in confidence and optimism on what has been achieved in the recent past, particularly after COVID.

Along with the opportunities, challenges exist. Some of the challenges highlighted by the players include rising costs and a complex regulatory landscape that can strain project budgets and timelines. Furthermore, resource management is a persistent challenge, with the need to ensure the availability of high-quality construction materials and skilled labour to maintain project standards. "Effective project planning and management are imperative to address these issues, requiring meticulous coordination with stakeholders, proactive risk management, and the ability to swiftly resolve any issues that arise during the execution phase. These factors collectively underscore the complexity and multifaceted nature of successfully



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VP - Strategic
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Managing Director,
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executing real estate projects in today's dynamic market environment," highlights **Vikram Singh, President, Central Park**.

"Although real estate developers face a variety of challenges, including growing building prices, regulatory complications, and the need for sustainable practices, interest rate fluctuations and economic uncertainty are additional risk factors," adds **Ram Naik, Director, The Guardians Real Estate Advisory**.

LOOKING AHEAD

The market is poised for growth and the real estate industry in India continues to look promising. Developers and consumers are increasingly focusing on sustainable practices and green building infrastructure.

"With the current economic landscape and the supply dynamics of luxury and ultra-luxury housing, we foresee sustained growth in the housing sector, with robust demand expected in the future, especially for developers with strong track records," says Sarin.

Looking at the future market dynamics and opportunities, **Ranjeeth Rathod, Managing Director, DRA Homes**, elaborates, "We are exploring new markets such as Pune and Bangalore for diversification and higher sales. We are considering opportunities to acquire some real estate companies and their projects through NCLT. We are aggressively seeking plotting opportunities. We aim to build a corpus AIF for owning rent-yielding assets. Lastly, as pioneers of the build, sell, lease, and operate business model in co-living in Chennai, we plan to test this model in other cities like Pune, Hyderabad, and Bangalore."

Elaborating on the plans ahead, Singh says, "While we are constantly endeavouring to bring-in uber luxury serviced apartments, residences, high-rises, and unique living spaces, we're constantly innovating to elevate the resident experience even further."

Overall, the leading real estate players are bullish on the opportunities ahead. This positive outlook is expected to lead the market growth in the coming years. ■



A growing economy fuels demand for quality housing across various segments.

SARVESHAA SB

Chairman & MD, BHADRA Group

What are the key real estate market trends to look for in 2024-25?

The Indian residential real estate market is transitioning to a more measured pace of growth in 2024-25. After a robust year with sales growth exceeding 25%, analysts at India Ratings and Research (Ind-Ra) predict a moderation in price hikes. Property prices are expected to rise by around 5% annually, a significant slowdown compared to the 22% increase witnessed in the previous year. This moderation is attributed to two key factors: a 'high base effect' where the previous year's strong growth makes significant further increases less likely, and an anticipated surge in new housing projects entering the market, which will increase competition and potentially stabilize prices. Sales are also likely to see a similar trend, with pre-sales growth settling in the 8% to 10% year-on-year range.

Despite the moderation, the market is expected to remain stable and experience healthy demand. Continued government focus on affordable housing initiatives and infrastructure development in tier-II and tier-III cities is likely to bolster homebuyer interest, particularly in the mid-income and upper mid-income segments. This shift in focus towards affordability is expected to be a key driver of the market in the coming year. The premium and luxury segments will see a pick up amongst growing aspirational and HNIs homebuyers, the overall outlook for the Indian residential real estate sector in 2024-25 remains positive, characterized by stability and a focus on catering to the needs of homebuyers.

What are the emerging trends in the commercial real estate market? How do you view the buying trends among customers?

The Indian commercial real estate market is set for an exciting chapter in 2024-25. Rising demand from the IT sector, start-ups, and a robust economy will fuel growth. This demand, coupled with limited prime office space, is expected to create a seller's market with potentially higher rental prices. To navigate this, expect businesses to prioritize cost-effectiveness and seek flexible lease options or co-working spaces that offer scalability.

Innovation will be another key driver. Demand for modern office spaces that promote employee well-being and collaboration, alongside the rise of e-commerce, will fuel the growth of co-working spaces, warehousing, and data centres across the country. With a tech-driven approach gaining traction, virtual tours and online platforms will revolutionize property hunting and leasing processes.

What are your plans for the year 2024-25? Which are the key projects coming up?

At BHADRA Group, we've always believed in putting our customers at the heart of everything we do. It's this very principle that's driven our success and built the trust we share with our valued homeowners. And as we look towards the coming year, I'm thrilled to announce that we have some truly exciting plans in store for the residential sector.

We've been working tirelessly behind the scenes, listening to your needs, and understanding your aspirations for your dream home. Whether you're a young professional starting your journey or a growing family seeking more space, we're committed to providing you with exceptional living spaces that reflect your unique needs.

The Indian commercial real estate market is set for an exciting chapter in 2024-25.

Our upcoming project will showcase the best of BHADRA Group's philosophy – a blend of quality construction, innovative design, and an unwavering commitment to exceeding expectations.

We shall keep you updated for some truly special announcements in the coming months. We, at BHADRA Group, are confident that these upcoming launches will redefine customer-centric living in the Indian residential market, and we can't wait to welcome you home.

What are the key market challenges faced by real estate developers?

The Indian real estate market is brimming with exciting opportunities. A growing economy fuels demand for quality housing across various segments. This allows us to create a diverse portfolio catering to a wide range of buyers. Additionally, the rise of sustainability awareness presents a chance for us to champion eco-friendly practices and create lasting value. At BHADRA Group, we're embracing advancements in technology to enhance customer experience and streamline operations.

However, challenges exist. Rising costs and a complex regulatory landscape can strain project budgets and timelines. At BHADRA Group, we're constantly innovating and working with partners to mitigate these challenges and ensure affordability for our customers.

The key to success lies in understanding customer needs. Today's homebuyers seek integrated communities that promote wellness and a sense of belonging. We're actively incorporating smart technologies, green practices, and fostering a sense of community to meet these evolving preferences. By staying

agile, innovative, and deeply customer-centric, BHADRA Group is well-positioned to capitalize on these opportunities and deliver exceptional living spaces that redefine Indian real estate.

How do you look at the emerging opportunities in real estate market?

You see the growing economy fuels demand for quality housing across various segments. Young professionals, families, and even seniors seek well-designed living spaces. This allows us to create a diverse portfolio catering to this broad audience. Furthermore, the rise of sustainability awareness presents a chance for us to champion eco-friendly practices. We're looking to incorporate energy-efficient designs, and responsible waste management for future generations. Technology is also transforming the industry, with virtual tours, online tools, and data-driven marketing changing how we connect with buyers. At BHADRA Group, we're embracing these advancements to enhance the customer experience and streamline operations.

The key to success lies in understanding and exceeding customer expectations. Today's homebuyers seek integrated communities that promote wellness, sustainability, and a sense of belonging. This opens doors for us to design holistic living experiences with smart technologies, green practices, and ample community spaces. By actively listening to our customers' desires, we can build trust and long-term relationships. These are just some of the exciting opportunities I see. By staying agile, innovative, and deeply customer-centric, BHADRA Group is well-positioned to capitalize on these trends and deliver exceptional living spaces that redefine Indian real estate. ■

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