CHENNAI PROPERTY

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OVERSEAS MART

DUBAI REALTY LURES INDIAN DEVELOPERS

There has been a sudden upsurge in the number of Indian developers exploring UAE market in search of real estate development opportunities, reports ***V Nagarajan***

From tax efficiency and high-speed connectivity to lifestyle, safety and ease of doing business, the UAE continues to deliver what today's mobile professionals are looking for, says Andrew Cummings, Head of Residential Agency, Middle East, Savills. Add to that year-round sunshine, world-class hospitality and access to top-tier schools and healthcare, and it's clear why the region continues to lead the way for executive nomads driving housing demand. When there is increasing opportunity for real estate developers in UAE, can Indian developers be left far behind in the race to seize the multiple options available for development.

Indian property developers are increasingly being lured by Dubai's growing opportunity in residential and commercial development. What made the options so attractive in the recent past is the number of joint development options being offered in varied areas. This has not only eased the burden of initial capital outgo but encouraged them to explore medium to long-term opportunity made available in the UAE, particularly in the emirate of Dubai.

With Dubai's population touching 4 million, out of which 92 per cent are expatriates, housing demand is picking up with the influx of HNIs and UHNIs from various regions of the world to make Dubai their home. NRI population in UAE alone is said to be 2 million and 9 million across six AGCC countries. A few Indian developers are already operating in Dubai. Among them specific mention should be made about Hiranandani, DSKDL, Puravanchal, Skyline, Supertech and Casagrand. A leading Hyderabad based developer is due to enter UAE market for development and awaiting appropriate approval from the authorities. Dubai is already home to several Indian realtors and developers representative offices besides HFCs to extend home loans to Gulf NRIs. Some of them have been operating since decades in Dubai.

According to leading property consultants privy to the ongoing developments in Dubai, villas are more in demand. The construction cost for villas is said to be Rs 10,000 per sqft and for apartments at Rs 8,500 per sqft. The cost of land varies depending on the location having sea, city view, near community development, golf view, and canal view. Local government approvals take anywhere between 2 and 3 months. Realising the growing potential for development opportunity for Indian developers entering UAE, a number of consultants are doing the brisk rounds to offer professional consultancy services ranging from design to cost management, procurement and construction management. The consultancy fee ranges from 3 to 5 per cent depending on the gamut of services, according to market sources privy to the transaction deals in UAE.

Property consultants say that any incumbent should have a minimum capital of AED50 million (Rs 122.5 crore) to start with development on a freehold land for a ground plus 5-7 storey building. Local institutional support can be tapped to fund the project. Land rates vary from Dh500 per sqft to Dh10,000 per sqft depending on

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GCC leasing in India is estimated to be around 120- 246 million sq. ft. during 2025-2030, depending on the global business environment, says Savills survey

RESIDENTIAL SCENARIO

Chennai Residential Real Estate Overview : NEW LAUNCHES UP 15% YOY, SALES 5%

Chennai has witnessed an average quarterly sale of nearly 5,250 units during the 9 months of 2025, says *Anarock survey*

Chennai, positioned at the heart of Tamil Nadu's real estate activity, continues to evolve into one of the state's most dynamic and resilient housing markets, says Anarock survey.

Its growth is strongly anchored in a diverse economic base that spans manufacturing, automobiles, engineering, logistics and a rapidly expanding IT and ITeS sector. This broad spectrum of industries has helped create a steady flow of employment opportunities, drawing professionals from across the country and supporting a deep and consistent demand for housing.

Between 2021 and 9M 2025, the city witnessed more than 83,100 new residential units launched, while sales reached close to 85,200 units. This near alignment of supply and absorption highlights a balanced market where new inventory is being comfortably absorbed, reflecting both developer confidence and strong end-user participation.

The residential market in the first nine months of 2025 demonstrated not just stability but an ability to respond effectively to shifting consumer preferences. New launches grew by 15% year-on-year, rising to 19,675 units from 17,090 units in 9M 2024. Much of this activity was concentrated in Southern Chennai, where rapid urbanisation, improving connectivity and demand for modern, amenity-rich homes have encouraged developers to bring forward new projects in emerging suburban pockets.

Sales momentum also remained healthy, increasing by about 5% compared to the same period last year, with total absorption during 9M 2025 standing at 15,720 units. Price trends continued on an upward trajectory, supported by consistent end-user demand as well as interest from investors looking for long-term value in a stable market.

Chennai also benefits from efficient inventory management. With around 32,380 unsold units at the end of 9M 2025, the city holds the second-lowest inventory share (6%) among the top seven Indian cities. This, along with a strong economic foundation and expanding infrastructure, positions Chennai as a compelling destination for future residential investment and development.

Demand-Supply Dynamics

Demand is moving in sync with supply, set to surpass the previous year's level

• In the first nine months of 2025, the market added close to 19,700 new units, while about 15,700 units were sold.

• Overall, the residential market activity remained upbeat with launches crossing 94% and sales reaching around 82% of the total launches and sales of 2024.

• From 2021 to 9M 2025, the city saw more than 83,800 units launched and nearly 85,200 units absorbed. The market has achieved equilibrium as the absorption-to-supply ratio is greater than one.

• The strong activity seen in 9M 2025 also hints that the full-year numbers may surpass the previous year. We expect the demand momentum to continue in the next couple of quarters on the back of the upcoming supply.

• Q2 2025 recorded the highest quarterly supply in a decade, with over 8,500 units launched.

• Launch volumes dipped slightly in Q3 2025, settling at around 6,400 units as the market adjusted after the sharp spike seen in the previous quarter.

• With Q3 2025 clocking over 6,000 units sold, the highest quarterly sales since Q3 2015, demand remained firm, albeit growing at a gentler pace.

• On average, the city has witnessed an average quarterly sale of nearly 5,250 units during the 9 months of 2025, outpacing the average quarterly sale of 2024 and more than double the sales seen before the pandemic.

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Price Trends

Better demand and overall market stability have kept property prices on an upward trajectory.

• Average property prices in the city appreciated by nearly 38% over the past five years, highlighting the steady strength and resilience of Chennai's housing market.

• In the first nine months of 2025, prices inched up by around 3%, rising from INR 6,790 per sq ft at the end of 2024 to INR 7,010 per sq ft.

• With demand strengthening and the state government actively attracting new businesses and job opportunities, Chennai's residential prices are likely to see further upward movement in the coming years.

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Dubai Realty Lures Indian Developers

the location, neighbourhood and proximity to landmark areas. A minimum ROI yield of 30 per cent can be expected in the development exercise, say local realtors in Dubai.

The real estate development opportunity is not only available in the emirate of Dubai and Abu Dhabi but in other emirates as well like Ajman, Umm Al Quwain and Ras Al Khaimah.

Regarding Dubai's residential property market, H1 2025 saw 91,900 sales transactions (up 22.9% YoY) worth AED 262 billion (up 36.4% YoY), with apartments at 78% volume but villas at higher value share amid family demand. Off-plan sales dominate (70%), fuelled by investors, end-users, and incentives like Golden Visas; population influx from visas and jobs sustains pressure, especially for scarce villas/townhouses. Rents rose 9.9% YoY but cooled 0.6% in H1 vs H2 2024 due to new supply.

Dubai's housing market in 2025 shows strong demand outpacing supply, driven by 4.47-5.5% population growth to around 4 million residents, requiring nearly 150 new homes daily, while completions lag significantly. Dubai provides institutional support for foreign developers entering the real estate market, primarily through government-backed incentives, partnerships, regulatory frameworks, and promotional alliances rather than direct financial subsidies.

Regulatory compliances

For Indian developers, there are advantages while incorporating an entity and establishing in free zones will be eligible for tax free income. The UAE offers various options to form a business entity. The different types of licences include representative office license, trade license, industry license, service license, professional license etc. There are no exchange controls.

While corporate tax is 9% imposed on corporations and business profits in the UAE, there are no restrictions on foreign ownership, remittance of interest earned by non-residents having accounts with the banks operating in UAE and no capital gains tax, turnover tax, gifts, wealth etc. The emirate has double taxation treaties with over 140 countries.

A foreign company can establish a branch in the UAE with a local sponsor (i.e. UAE citizen) and it is not a separate legal entity. The entity must be registered with the UAE federal ministry of economy and commerce and with the appropriate authority in the emirate in which its office will be located.

The entity models increasingly sought after by foreign investors are limited liability company (LLC), branch offices of foreign companies, free trade zone companies and offshore companies. Corporate tax at the rate of 9% is applicable on incomes earned above AED375,000 if income is so computed as per financial statement.

As more emirates in the UAE ease the rules further in the coming months and emerging multiple land options for joint development option, there will be increase in the migration of Indian property developers in search of greener pastures due to ease of business and hassle free operation.

REALTY UPATE

Emerging Tier II Real Estate Destinations in Tamil Nadu

Tamil Nadu's growth story is gradually widening across the cities and sectors. With growth dispersing beyond Chennai, key tier-2 cities are stepping into a more prominent role in the state's real estate landscape drawing attention to cities of Coimbatore, Tiruchirappalli, Madurai and Salem. The rise of IT/ITeS and strengthening industrial ecosystems along with improved connectivity, skilled manpower and government-led infrastructure initiatives are accelerating their development. As demand rises across residential and commercial segments, these cities are emerging as credible alternatives to the metros and are poised to play a larger role in the state's next phase of real estate growth.

I. Coimbatore

Coimbatore, the second-largest city in Tamil Nadu, continues to strengthen its role as a key hub for industry, education and healthcare. It is also among the fastest-growing Tier-II cities in India. The boom in the industrial sector and employment in the last few years has led to the demand for commercial real estate investment in Coimbatore to increase exponentially.

II. Tiruchirappalli

Tiruchirappalli (Trichy) City is the fourth largest City of Tamil Nadu. The city's economic landscape is characterised by a robust engineering and fabrication sector, with notable contributions from Bharat Heavy Electricals Limited (BHEL) and other key industries, establishing it as an industrial nucleus within Tamil Nadu. Additionally, its designation as a node in the Tamil Nadu Defence Industrial Corridor (TNDIC) underscores its strategic importance in the national defence and aerospace sectors.

III. Madurai

Madurai, known for its rich heritage and tourism appeal, is guided by the Master Plan 2021–2041, which expands the Local Planning Area to 1,254.93 sq km. The plan focuses on sustainable growth while strengthening the city's role in tourism and education. The district is highly urbanized with strong textile, food and rubber processing industries.

IV. Salem

Salem, the fourth-largest city in Tamil Nadu, has an economy anchored in textiles, mining and trade, with prominent steel, textile and agro-based industries. Housing is dominated by individual homes and small apartment clusters, while gated communities and high-rises are still emerging, with demand largely driven by end users.

Excerpts from Real Estate & Infrastructure – Driving Growth in Tamil Nadu report by Anarock and FICCI released during the REIS summit held at Hotel Hilton, Guindy on December 11.

<< SNAPSHOTS >>

Reclassification of REITs

Effective January 1, 2026, investments by mutual funds and specialised investment funds (SIFs) in Real Estate Investment Trusts (REITs) will be treated as investments in equity-related instruments, while Infrastructure Investment Trusts (InvITs) will continue as hybrid instruments. Existing REIT holdings in debt schemes and SIF strategies as of December 31, 2025 are grandfathered, though asset managers are encouraged to divest them considering market and investor interests. The industry association must classify REITs by market capitalization in its scrip list. Asset management companies must update scheme documents via addendum, without it being a fundamental attribute change. REITs may enter equity indices only from July 1, 2026.

Apex Court held unregistered deed assigning specific performance to sell property valid

The Supreme Court held that an unregistered deed assigning a decree for specific performance of an agreement to sell immovable property is valid and does not attract mandatory registration under S.17(1)(e) of the Registration Act, 1908. The Court reiterated that neither an agreement of sale nor a decree for specific performance, by itself, creates or transfers right, title or interest in immovable property; such rights arise only upon execution and registration of a conveyance deed. As the underlying decree does not itself create proprietary rights, its assignment does not fall within the ambit of S.17(1)(e). Consequently, the assignment deed executed by X in favour of Y was held enforceable. The Executing Ct's refusal to execute was set aside, the HC's judgment was affirmed, and the appeal was dismissed.

Japanese make deep inroads in Indian Realty

Japanese property developers are significantly increasing their investments in India's real estate sector, Reuters reports. This is motivated by the country's economic growth and rising rental prices. Mitsui Fudosan plans to invest up to $225 million in collaboration with RMZ Real Estate, while Sumitomo Realty has committed $6.5 billion to projects in Mumbai. Improved regulatory conditions and infrastructure developments are enhancing the market's appeal, fostering trust between local and foreign investors for future opportunities.

The Supreme Court held that an unregistered deed assigning a decree for specific performance of an agreement to sell immovable property is valid and does not attract mandatory registration under S.17(1)(e) of the Registration Act, 1908

REALTY UPDATE

FICCI and Anarock present Real Estate Infrastructure Summit: BUILDING TAMIL NADU 2030

V NAGARAJAN

Tamil Nadu poised to boost Realty Sector, says Anuj Puri

The FICCI has organised the real estate infrastructure summit (REIS) at Hotel Hilton in Guindy on December 11. The summit revolved around the theme of building Tamil Nadu 2030. It brought together thought leaders, policy makers, investors and others who are shaping the future of Tamil Nadu real estate ecosystem.

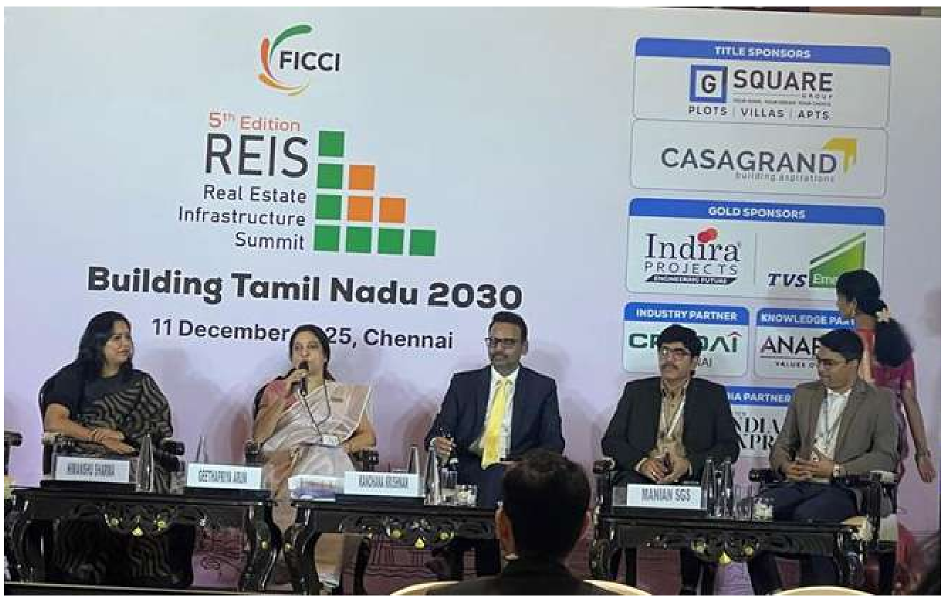
Welcoming the delegates and other dignitaries, Bhupesh Nagarajan, co-chairman, FICCI Tamil Nadu State Counsil and CMD Indira group of companies, said Tamil Nadu is the second largest economy in the country with a vision to achieve $1 trillion by the year 2030. On the residential front, Bhupesh said that demand has been very selective. “Last year witnessed more end users driven to the market than investors. There has been a perceptible shift in change and returns are low in real estate. We need to hear from the industry leaders on how we drive ourselves for a successful year. Development of 0.5 million sqft involves 5-6 years,” said Bhupesh.

Delivering the key note address, Anuj Puri, co-founder and Chairman of Anarock, said Indian economy will be a $7 trillion by 2030 from the existing $4.5 trillion. “The growth we are seeing at 6.5% in India is the highest in any larger economy. The contribution of real estate sector is 15%. 65% of the population identify as working class. When I met global investors, they said that India today is very predictable and became outperformer in real estate,” said Anuj.

How the residential and commercial sector and some of the other sectors are performing? Anuj said that 85 per cent of the Indian real estate sector comprises residential sector. “Prior to Covid in 2019, an estimated 1,95,000 units were sold and today sales touched 5,50,000 units. Though there was a drop of 4% in the number of units sold during January-September this year, there was 19% increase in the sales value. Three factors are attributed to this trend. One, per sqft price went up; second, people are buying larger units because that is where the demand lies; third, unfortunately, affordable segment has suffered. Affordable housing stock dipped from 34% to 12%. Sales dropped in the first nine months but the value of the inventory sold has gone up by 19%. The debt-to-equity ratio has dropped. The land that has been sold in the first nine months of this year has been estimated at 3,318 acres which is more than the quantum sold in the entire year in 2024. The developers are not increasing the debt but bringing down the debt. Sales has been going well. Unsold inventory level has been the lowest in 17 months.

A report on Real Estate & Infrastructure – Driving Growth in Tamil Nadu was released during the FICCI REIS summit in Chennai. Picture shows dignitaries getting a copy of the report (from left) Dr C Velan, Sriram Iyer, Anuj Puri, P Kruthivas, Bhupesh Nagarajan and Sanjay Chugh.

Anarock Chairman Anuj Puri presenting a memento to A Mohamed Ali, President, Credai Chennai.



Panel discussion on Workplaces of the future: Sustainable, Scalable and Secure. Picture shows panelists (from left) Geethapriya Arun, Senior VP, Sales, AWFIS Space Solutions Pvt Ltd., moderator Kanchana Krishnan, City Head, Commercial Leasing and Advisory, Anarock, Himanshu Sharma, Head, Office Business (South and East), DLF Offices, Sabareeswaran M, Senior VP & Head, Leasing, Casagrand, and SGS Manian, Director and Head of Administration, enGen Global.

Panel discussion on Warehousing & Logistics – India’s Logistics Revolution: Paving the way for Economic Growth. Panelists (from left) Amit Damodar Chugh, founder, One ADC industrial park developers and All Warehouses, moderator Sanjay Chugh, Ankur Parwani, Director – Leasing & Acquisition (Southern India), ESR Advisors India Pvt Ltd., and Julian Francies, Senior VP, Asset Management, Chennai and India Head – RMZ NXT.

Anuj Puri moderating a session on Vision 2030 – What will India’s residential real estate look like? Picture (from left) shows panelists Sriram Iyer, Director & CEO, TVS Emerald Ltd., Anuj Puri, Chairman & Founder, Anarock group, Bhupesh Nagarajan, Co-chairman, FICCI TN State Council and CMD, Indira group of companies and Sanjay Chugh, City Head & Director, Anarock Property Consultants Pvt Ltd.

What is also selling is plots and second homes, in particular the demand for the latter has been raising in major cities across India,” said Anuj.

On the commercial front, there is a consolidation happening in the sector. Brands started consolidating smaller spaces and the buyer is going to deal with branded players. As a result of this, the number of developers is shrinking. This is so even after Grade A developers are selling at 10-15 per cent premium. The buyer is only going to Grade A developers in the current scenario. PE players have started buying the entire stake holding. For instance, Kolte-Patil has been bought by Blackstone as a residential development company, a clear indication of the growing confidence of investors in this sector.

With the GCCs coming in dozens, for Chennai this will be the best year for office absorption. The cost of manpower is much lower in India than in US and Europe.

As regards retailing, 6 million sqft of retail space gets leased and with good quality premises, vacancy level is 6 per cent. Just visualise that in Phoenix, for every shop exiting, there are 3 tenants waiting to get into it. There continues to be an apprehension that online has taken over the retail space but online retailers need physical presence.

On the whole, real estate sector is becoming a structural business. It is the aspirational investors and end users and not speculators and short-term investors backed by lot of confidence that is giving confidence to developers. “The way developers are focusing on completing the project, it seems there was an ability to increase the prices. If you look at the demand, they have focused on making sales to happen and cash flow to flow in, the sector is becoming structural with lot of confidence as we move to a $1 trillion economy. The credit goes to developers and other sectors as well,” said Anuj.

As regards warehousing and industrial sector, Anuj said that with China+1 policy gaining momentum, manufacturers are eyeing India. “There has been a growth of 35% over last year in the absorption. The industrial sector has notched up 5-7 per cent growth and demand continues both for industrial and warehousing sectors.

With the existence of sea cable facility, Chennai has inherent advantages besides Mumbai and driving demand for data centres, said Anuj. “Chennai will continue to do well and this industry is going to get up 750-800 MW in Chennai by 2026, growth of 60% over last year. It is not an exaggeration to say that this is a great time to be in this sector and in Tamil Nadu. The state is poised to support and contribute to the growth of real estate,” said Anuj.

There were panel discussions on varied topics such as, what will India’s residential real estate look like? Workplaces of the future, Sustainable, Scalable and secure, Snart and sustainable development : Balancing urban expansion and land usage and warehousing and logistics revolution, paving the way for economic growth.

The valedictory session covered address by chief guest Shiv Das Meena, IAS (Retd), Chairman, TNRERA, and with a special address by A Mohamed Ali, President, Credai Chennai chapter.

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REIT SCENARIO

A TRILLION-RUPEE MILESTONE SIGNALS ROBUST FUTURE FOR INDIA'S REIT MARKET

Office market is projected to accounts for 65.3% of the total INR 10.8 trillion gross asset value (GAV) estimate

- REITs have expanded from managing 33 million sq ft in 2019 to 174 million sq ft across 5 listed REITs as of 2025
- REIT share in Grade A office stock jumped from 4.2% in 2019 to 15% by June 2025 with 91% combined occupancy rates
- Five REITs possess INR 230 billion in untapped debt capacity at conservative 35% GAV ratio for strategic acquisitions

India REITs can eye an additional ~ INR 10.8 trillion market growth opportunity over the next 4 years across office and retail sectors, says *JLL survey*

India's Real Estate Investment Trust (REIT) market has achieved a landmark milestone in FY 2025, crossing the INR 1 trillion market capitalization threshold. According to JLL's "Emerging Horizons - Analysing REIT Performance in India's Evolving Real Estate Market" report, this milestone achievement in just six years signals the start of an exceptional period of growth ahead, with the REIT sector positioned for an additional INR 10.8 trillion (USD 122-125 billion) expansion opportunity across office and retail sectors in just India's top seven cities by 2029.

Indian REIT market has achieved remarkable expansion over six years, with market capitalization growing from INR 264 billion (USD 3.1 billion) in FY 2020 to INR 1.6 trillion (USD 19 billion) as of 30th September 2025. The sector has evolved from a single REIT managing 33 million sq ft in 2019 to five listed REITs collectively controlling 174 million sq ft of leasable office and retail space, highlighting its robust growth trajectory.

From newcomer to a rising force – 40% CAGR in market cap in 6 years span

"India's REIT sector has evolved from an emerging concept to a compelling investment vehicle, with market capitalization surging 6-fold from INR 264 billion to INR 1.6 trillion in H1 FY2026. This remarkable 40% CAGR trajectory across 6 years reflects increasing investor confidence in commercial real estate as an institutional asset class. Also, the unit holding pattern reveals substantial increase in institutional holdings by mutual funds, insurance companies, pension funds, sovereign wealth fund, NBFCs etc. reflecting the market's increasing maturity and that these major financial institutions view REITs as a reliable investment option. India's five REITs have approximately INR 230 billion in available borrowing capacity considering a conservative 35% of the market value. This gives them significant firepower to acquire premium properties and expand their portfolios. As we see continued expansion with strategic acquisitions and steady Net Operating Income (NOI) growth across the sector, Indian REITs are proving their value as stable, income-generating instruments that provide investors with direct access to India's thriving commercial real estate market." said Lata Pillai, Senior Managing Director & Head of Capital Markets, India, JLL.

The REIT market has demonstrated remarkable resilience and growth despite global economic uncertainties, with uniform positive NOI trajectories across all the listed REITs underscoring the robustness of the country's commercial sector. Embassy REIT maintains the highest absolute NOI throughout the analysis period, reflecting its larger portfolio and established market presence. With respect to growth rate Brookfield has seen a significant 31% CAGR in NOI. Brookfield has grown from a foundation of four assets on listing to a portfolio of eleven properties as of 30th September 2025, within just four years. This strategic growth, driven by acquisitions in coveted urban markets, has delivered substantial improvements across all key financial performance indicators. In contrast, Embassy and Mindspace began operations with larger initial asset portfolios and have since then exhibited steady growth.

The consistent NOI improvements across all three office REITs validate that Indian office real estate remains an attractive investment category with strong underlying performance metrics, successfully weathering post-pandemic workplace disruptions and remote work challenges that have affected markets globally. Nexus Select Trust REIT too has witnessed a 6% CAGR in NOI since its listing in May 2023. It has strategically positioned itself to capitalize on the broader retail real estate recovery following the pandemic disruption. The REIT is effectively capturing the surge in pent-up consumer demand as shoppers return to physical retail spaces, resulting in increased footfall and higher revenue generation across their portfolio.

Distribution yields across these REITs have ranged between 6% to 7% during FY2025. The overall steady distributions trend continues in H1 FY2026 across all three REITs suggesting that high-quality office buildings in the key cities continue to deliver stable and predictable cash flow for investors. Gross Asset Value (GAV) performance has been equally impressive, with total GAV across the four office REITs increasing by 40 % CAGR from INR 330 billion to INR 2.1 trillion, demonstrating significant expansion of institutionally owned office real estate. Strong leasing fundamentals were evident with combined occupancy rates of office REITs reaching 91 % as of September 2025 of all four office REITs. Since its public listing in FY 2024, Nexus too has delivered value creation, achieving 10 % CAGR in GAV growth as of H1 FY 2026.

Growing institutional investment and market confidence

The office sector has been the mainstay of Indian REITs so far with the REITs' share in the total Grade A office stock across India's top seven cities showing a dramatic growth from just 4.2% in 2019 to approximately 15% as of June 2025.The sector has witnessed remarkable institutional adoption, with Embassy REIT demonstrating the most dramatic shift from 70% sponsor holdings to just 8%, while institutional ownership surged to 75%. This transformation reflects institutional investors' increasing comfort with Indian REITs as an asset class. Also, Nexus Select Trust shows rapid institutional uptake from 17% to 36% within just one year, while retail participation remained robust at 42%. This institutional migration typically enhances market stability, liquidity and professional management oversight.

The sector received a significant boost in September 2025 when the Securities and Exchange Board of India (SEBI) reclassified REITs as equity instruments, aligning with global practices. This strategic move enables REIT inclusion in equity market indices while facilitating increased mutual fund allocations and expanding institutional investor access.

"India's REIT market has flourished on the foundation of robust office sector performance and strong consumption dynamics driving the physical retail landscape. The recent SEBI regulatory reforms introducing Small and Medium REITs (SM REITs) and granting equity status to REITs are poised to catalyze future listings while broadening investor participation and enhancing access to capital markets. The market opportunity ahead is substantial, with investment-grade office assets presenting a USD 66-68 billion runway and retail markets offering an additional USD 32-33 billion potential—creating significant headroom for both existing REIT acquisitions and new market entrants. The pipeline of upcoming institutional-grade supply across office and retail segments provides ready-to-deploy brownfield assets for accretive portfolio expansion. Looking forward, we anticipate a potential 5-fold market expansion in the next 4 years from the current GAV of INR 2.1 trillion, with emerging asset classes also likely to create an increasingly diversified and accessible REIT ecosystem that appeals to a broader spectrum of investors," said Dr Samantak Das, Chief Economist and Head of Research and REIS, India, JLL.

Massive growth runway ahead

The REIT market presents exceptional sector-wise expansion opportunities across multiple real estate segments. The office sector alone leads with high-quality assets representing an additional market opportunity valued at INR 5.9 trillion (USD 66.6-68.7 billion), offering potential 4X growth for office REITs. Additionally, the retail segment provides substantial diversification potential with opportunities across India's top seven cities valued at INR 2.8 trillion (USD 32-33 billion). Future development pipeline adds another growth dimension through 70 million sq ft of under-construction and planned supply with institutional participation, valued at INR 2.1 trillion (USD 23 billion).

Only the office and retail sector put together presents an opportunity of approximately INR 10.8 trillion (USD 122-125 billion), representing potential 5-fold expansion from current market value (GAV).

Taking a conservative debt cap at 35 % of GAV, the five REITs collectively possess approximately INR 230 billion (USD 2.6 billion) in untapped debt capacity as of 30th September 2025. This provides a substantial financial power to pursue high-value marquee properties and execute transformational portfolio acquisitions that can significantly scale their market presence. The Indian REIT market is positioned for exponential growth, with the current market capitalization of INR 1.6 trillion representing just the beginning of a much larger opportunity. The Indian REIT market is positioned for exponential growth, with the current market capitalization of INR 1.6 trillion representing just the beginning of a multi-year, growth opportunity cycle. The convergence of institutional capital, regulatory support and substantial asset pipeline positions India's REIT market for exponential growth over the next 5-7 years, making strategic positioning critical for market leadership.

In many cases, the new rate of 12.5% without indexation is attractive when someone is ready to pay the capital gains tax without availing any exemptions towards reinvestment. If you, however, prefer to reinvest, the rate of 20% with indexation remains the best. This strategy, however, may vary on a case-to-case basis, say Dr Abhishek Murali and Divya Abhishek

WAREHOUSING SECTOR

LUXURY HOMES UP 40% IN TOP 7 CITIES WHILE AFFORDABLE HOUSING NUDGED 26%

- Homes priced >INR 1.5 Cr saw highest average price appreciation in top 7 cities b/w 2022 & 2025 among all 3 budget categories – from INR 14,530/ sq. ft in 2022 to approx. INR 20,300/sq. ft. today
- At 72%, NCR records the highest avg. luxury homes appreciation - from INR 13,450 per sq. ft. in 2022 to INR 23,100 per sq. ft. today
- MMR & Bengaluru see 43% & 42% avg. price rise respectively for homes priced >INR 1.5 Cr in this period
- Affordable homes (priced <INR 40 lakh) saw just 26% avg. price appreciation - again, NCR saw highest price growth of 48% in the period
- Avg. price of mid & premium segment homes (INR 40 lakh to INR 1.5 Cr) saw 39% appreciation, with Bengaluru notching up the highest 62% price appreciation

While luxury homes' prices jumped 72% across top seven cities, affordable homes saw just 26% average price appreciation, says *Anarock survey*

AVG. PRICE APPRECIATION IN TOP 7 CITIES (INR/SQ. FT.) - 2022 VS 2025

Year	Affordable (<INR 40 Lakh)	Mid & Premium (INR 40 lakh - INR 1.5 Cr)	Luxury (> INR 1.5 Cr)
2022	4,220	6,880	14,530
2025 (YTD)	5,299	9,537	20,300

Source: ANAROCK Research

AVG. PRICE APPRECIATION (%) ACROSS BUDGET CATEGORIES - 2022 VS 2025 (YTD)

City	Affordable (<INR 40 Lakh)	Mid & Premium (INR 40 lakh - INR 1.5 Cr)	Luxury (> INR 1.5 Cr)
NCR	48%	54%	72%
Kolkata	25%	22%	20%
MMR	17%	43%	43%
Pune	22%	21%	29%
Hyderabad	35%	49%	41%
Chennai	12%	20%	25%
Bangalore	30%	62%	42%
PAN INDIA	26%	39%	40%

Source: ANAROCK Research

The luxury housing segment continues to rule the residential market in India's top 7 cities - not only in new supply and absorption but also in price appreciation. Demand continues to drive price growth. An ANAROCK Research analysis of the average price trends in these cities across different budget segments reveals that at 40%, luxury homes saw the highest average price appreciation in the last three years.

"Prices of these homes in the top 7 cities in 2022 averaged out at approx. INR 14,530 per sq. ft.," says Anuj Puri, Chairman - ANAROCK Group. "At this point in 2025, they have risen to approx. INR 20,300 per sq. ft. In these cities, Delhi-NCR's luxury segment saw the highest jump of 72% in three years – from approx. INR 13,450/sq. ft. in 2022 to approx. INR 23,100/sq. ft as on date in 2025. At 43%, MMR came in second highest in this budget segment, followed closely by Bengaluru with a 42% increase."

• In MMR, the avg. price in the INR 1.5 Cr category back in 2022 was INR 28,044/sq. ft. - currently, it is INR 40,200/sq. ft.

• In Bengaluru, the avg. price of luxury homes in 2022 stood at INR 11,760/sq. ft. – as on date, it has risen to INR 16,700/sq. ft.

Affordable homes - units priced under INR 40 lakh - saw a far more modest average price appreciation of 26% in this period. The average price in this category across the top 7 cities was INR 4,220/sq. ft. in 2022. Currently, it averages out at INR 5,299/sq. ft.

At 48%, NCR saw the highest average price jump in the luxury segment – from INR 3,520/sq. ft. in 2022 to INR 5,200 per sq. ft. in 2025. Budget homes in Hyderabad saw the second-best price appreciation of 35% in this period – from INR 3,880/sq. ft. in 2022 to INR 5,235/sq. ft. currently. Notably, the current average affordable prices in Delhi-NCR are slightly lower than in Hyderabad.

"Demand for luxury homes continues to outpace that in other segments because of the consistent appetite for bigger homes by branded developers in superior locations," says Anuj Puri. "Our data finds that of the total sales of approx. 2.87 lakh units in the top 7 cities in 9M 2025, nearly 30% was in the luxury segment. This is particularly remarkable as home prices have surged nationwide due to increased input costs and strong demand in the last few years."

The current trends indicate that the luxury segment's growth trajectory is eminently sustainable, since it is driven by India's ever-increasing number of HNIs and ultra-HNISs. The steady appreciation in luxury property values, combined with India's growing wealth creation and economic stability, also creates a strong foundation for protracted growth in this segment.

The affordable housing segment continues to lag amid lacklustre demand and sales, which eventually also reflect in its modest 26% average price growth. Mid-range and premium segment homes, priced between INR 40 lakh and 1.5 Cr together saw their average price rise 39% across the top 7 cities in this period – from INR 6,880 per sq. ft. in 2022 to INR 9,537 per sq. ft. in 2025.

"NCR is a standout performer in almost all real estate segments in terms of price appreciation, and the appetite for luxury housing here has been remarkable," adds Puri. "The fact that it notched up the highest price appreciation of a whopping 72% in the luxury category, 54% in mid-range and premium, and 48% in the affordable segment aligns with the all-round overperforming market dynamics in the region."

Current City-wise Price Trends Across Budget Segments

• Unsurprisingly, MMR currently has the highest average price in all housing categories across the top 7 cities. The avg. price for homes priced > INR 1.5 Cr currently stands at INR 40,200/sq. ft.; in the affordable segment, it is INR 6,450/sq. ft., and the mid and premium segment, at INR 16,400/sq. ft.

• NCR has the second-highest avg. luxury housing price, currently at INR 23,100/sq. ft; mid and affordable housing clock in at INR 9,750/sq. ft. and INR 5,200/sq. ft., respectively.

• In Chennai, the avg. price in the luxury category is currently at INR 18,500/sq. ft. while in the mid and affordable segment it is INR 7,450/sq. ft. and INR 4,865/sq. ft., respectively.

• In Bengaluru, the avg. price for luxury homes stands at INR 16,700/sq. ft. in 2025 till date; in the mid segment it is INR 9,140/ sq. ft. and in the affordable category, it is INR 5,450/sq. ft.

• In Pune, the avg. price of luxury homes is currently INR 15,200/sq. ft. while in the mid and affordable segments, it is INR 8,850/sq. ft. and INR 5,850/sq. ft., respectively.

• In Kolkata, the avg. price for luxury properties is INR 14,200/sq. ft. in 2025; in the mid and affordable segments, it is the lowest of the top 7 cities at INR 6,750/sq. ft. and INR 4,040/sq. ft., respectively

• In Hyderabad, despite it witnessing a 41% average price increase for luxury properties, the city's current avg. price in this category joins Kolkata's to be among the lowest in the top 7 cities at INR 14,200/sq. ft. in 2025; in the mid segment, it is INR 8,420/ sq. ft. and in the affordable segment, INR 5,235/sq. ft.

Average income in India has grown at a CAGR of around 10%, while average housing prices have increased by 5-7%. Consequently, average affordability levels, measured by the Price-to-Income (P/I) ratio, have steadily improved from 88.5 in 2010 to 45.3 in 2025, according to Colliers

TRENDS

ECO LUXURY: THE NEW-AGE DESIGN LANGUAGE OF CONSCIOUS OPULENCE

AR. SHASHI

I am immensely proud of my small-town upbringing—a world where simplicity, heritage, and nature quietly shaped every choice. Eco-friendly living was not a curated lifestyle; it was simply life. A tall brass lamp passed down generations, a handmade idol sculpted by a local artisan, or a palm-leaf basket woven with meticulous artistry—these were not "luxury items," yet they brought an unmistakable richness to our homes. A handwoven bag was chosen over leather not because it was fashionable, but because it felt right. My childhood toys were the iconic Tanjore Marapachi dolls—wooden figurines nestled one inside the other, creating a mesmerizing two-foot narrative when displayed. Even those toys carried the philosophy of conscious consumption: durability, craftsmanship, and beauty created from nature with reverence.

Eco luxury, therefore, is both what is good and what looks good. It is the rare confluence of ethics and aesthetics, where soulful authenticity meets contemporary refinement. Today, eco luxury is chic, stylish, and undeniably sophisticated—a new-age design language rooted in consciousness. It is an ever-evolving paradigm of luxury living in which environmental responsibility, cultural sensibility, and sensory well-being collectively shape the way we design our living environments. It replaces excess with elegance, waste with wisdom, and trend-driven consumption with timeless beauty.

Artisanal Craftsmanship G Cultural Luxury

India is a treasure chest of artisanal brilliance. Every region carries centuries of cultural heritage expressed through brass sculptures, terracotta murals, carved woodwork, hand-beaten metal décor, stone inlay, and handwoven textiles. In a world drifting toward the generic, these handcrafted creations anchor our homes in meaning, memory, and identity.

The contemporary eco-luxury home embraces this craftsmanship wholeheartedly. It prefers handmade, ethically crafted décor and furniture over mass-manufactured alternatives. These pieces are not merely objects; they are storytellers. They elevate the visual narrative of the home, evoke a sense of cultural continuity, and support resilient craft ecosystems that deserve preservation. They reflect the refined taste, sophisticated individuality, and conscious consumption values of the homeowner—luxury that is deeply personal, emotionally resonant, and culturally rooted.

Sustainable Materiality G Ethical Sourcing

At the heart of eco-luxury lies an uncompromising commitment to sustainable materiality. Choices are guided by traceability and responsibility: FSC-certified woods, recycled metals, natural stones, organic linens, wool, and cotton. These materials not only reduce ecological impact but also bring unmatched tactile richness and visual authenticity.

Today's eco-luxury homes embrace fabric wallpapers, linen drapery, coconut-shell accents, earthen ceramics, and zero-plastic décor. These choices soften the living environment, create soothing sensory experiences, and infuse the home with a gentle, healing energy. Sustainable luxury is not about sacrifice—it is about elevating the aesthetic while honouring the planet.

Energy Intelligence G Smart Home Efficiency

Modern luxury is defined by comfort, convenience, and seamless user experience—and technology is its silent architect. Energy intelligence forms the backbone of the eco-luxury home. High-efficiency HVAC systems ensure perfect climatic balance. Smart thermostats learn behavioural patterns to optimise energy use. Superior insulation preserves indoor comfort. Solar- integrated rooftops power the home with clean energy. Water-saving fixtures blend sophistication with responsibility.

This is where luxury aligns with longevity. The home becomes a self-sustaining organism—smooth, silent, effortless—offering not just opulence but future-readiness. For the discerning homeowner, sustainability is no longer an add- on; it is a defining marker of intelligent high-end living.

Biophilic Wellness G Indoor Environmental Quality

There is no luxury as restorative as nature. Real plants, indoor courtyards, water

features, and softscaped sections breathe life into a home. Biophilic design enhances natural light, maximises ventilation, and strengthens the emotional bond between the resident and the environment.

Science repeatedly shows that biophilic spaces elevate circadian rhythm, reduce stress, enhance cognitive clarity, and nurture emotional well-being. A home with sunlight streaming in, leaves gently rustling, and air flowing freely feels like a sanctuary—a place where the soul expands.

Minimalist Abundance G Timeless Aesthetic Strategy

In the modern world, space itself is luxury. Eco-luxury embraces minimalist abundance—a design philosophy where every item has intention, every object has purpose, and emptiness itself becomes elegant. It champions fewer, higher- quality pieces, multifunctional planning, and timeless silhouettes that outlast trends. Instead of clutter, it gifts breathing room. Instead of noise, it cultivates serenity.

Eco-luxury is not about denial; it is about curated richness—spaces that feel grounded, restorative, emotionally warm, and unmistakably personal.

Eco Luxury: A Philosophy, Not a Style

Ultimately, eco luxury transcends décor. It is a worldview—a deliberate celebration of mindful living. It redefines opulence as responsibility, beauty as integrity, and luxury as harmony with the planet. It is an investment in healthier homes, deeper cultural connection, a more meaningful, soulful life and homes of the future.

Ar. Shashi leads Shashi Architects and Planners. At Vedic Homes by Ar. Shashi, she brings ancient wisdom and modern sensibilities together — crafting eco-luxury homes that celebrate balance, beauty, and belonging. She can be reached on Shashi.27177@gmail.com. @architectshashi

Indian REIT market has achieved remarkable expansion over six years, with market capitalisation growing from INR 264 billion (USD 3.1 billion) in FY 2020 to INR 1.6 trillion (USD 19 billion) as of September 30, 2025, according to JLL survey

TAX PLANNING

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How to Choose Capital Gains Tax Rate

New Rate (12.5%) Vs Old Rate (20%)

What are the New Capital Gains Tax Rates:

At the first glance it may appear that the 12.50% tax rate is significantly lower than 20% rate, however, the change takes away the benefit of indexation which factors the appreciation in the value of the asset due to inflation or fall in the rupee value.

Particulars	Rate of Tax (%)
Short Term Capital Gain - Land & Building	Slab rate
Long Term Capital Gain - Land & Building	12.50% (without indexation) OR 20% with indexation

Rule of Thumb to Choose the Beneficial Rate

Appreciation over Purchase Price	Better Option of Tax Regime
>200% appreciation	New Rate of 12.5% without indexation
upto 100% appreciation	Old Rate of 20% with indexation (If Inflation is significant)
100-200% appreciation	Depends on Inflation index - Calculate both to see which is better

There is also no benefit from indexation on cost of improvement in the new 12.5% tax rate. It is critical to note that the inflation cost of the raw materials used in construction have significantly gone up over the period of time. A simple calculation of actual spend (without the benefit of indexation) may not reflect the true current value of the investment incurred on improvements.

Why You May End Up Spending More after Choosing 12.5% Rate:

Let us Take the Example of an Immovable Property purchased in Financial Year 2012-13 for Rs.1.3 crores and is being sold in Financial Year 2024-25 for Rs.4.4 crores.

The Calculation in both regimes will be as below:

	Calculation @12.5%	Calculation @20%
Particulars	Amt (Rs.)	Amt (Rs.)
Sale Consideration	4,40,00,000	4,40,00,000
Less: Cost of Acquisition	-1,30,00,000	NA
Less: Indexed Cost of Acquisition (1.3 cr x 363/200)	NA	-2,35,95,000
Taxable capital Gains	**3,10,00,000**	**2,04,05,000**
Capital Gains Tax at respective rates	38,75,000	40,81,000

From the plain reading of the above, the new rate of 12.5% without indexation has a lower Tax amount of Rs.38,75,000/-. However, computation of Capital Gains is unique in the sense that exemptions and tax benefits can be utilized to fully reduce your tax to NIL. If exemption u/s 54 or 54F is utilized then the amount that needs to be reinvested under the New Tax Rate structure (of 12.5% without indexation) is Rs.3.10 crores compared to Rs.2.04 crores under the old tax structure with indexation.

Choosing the New Tax Rate for Capital Gains will result in an additional reinvestment outflow of more than Rs.1 crore for saving capital gains through reinvestment.

Conclusion:

Therefore, in many cases, the new rate of 12.5% without indexation is attractive when someone is ready to pay the Capital Gains Tax without availing any exemptions towards reinvestment.
If you however, prefer to reinvest, the rate of 20% with indexation remains the best. This strategy, however, may vary on a case to case basis.

DISCLAIMER : *Where opinion is expressed it is that of the authors and does not necessarily coincide with the editorial views of the publisher or Chennai Property.*

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