

LAUNCHING SOON
STAY TUNED

Advertise Now!

A GUIDE TO CHENNAI REAL ESTATE 2025 EDITION
The authoritative guide on Real Estate Scenario in CHENNAI

Material deadline : February 25, 2025
Publication : March 10, 2025

For more information and details, contact
Priya Publications on 9176627139 or email: priyapublications@gmail.com

CHENNAI PROPERTY

FOR SALE

Independent home at West Mambalam Chennai

Contact: +0 9176627139
raghavrealty@gmail.com

February 2025

A monthly edition

Volume 14 Issue 2 Rs. 15

BUDGET

BUDGET BONANZA FOR HOMEBUYERS

In a remarkable move to alleviate the hardship of middle class, finance minister Nirmala Sitharaman has deftly handled the budget and created history unlike her predecessors by raising the tax-free income threshold to Rs 12 lakh. She also raised the threshold limits for exemption from TDS on rental income from Rs 2,40,000 a year to Rs 6,00,000. It does mean that landlords need not deduct tax on rent up to Rs 50,000 a month. Further, rationalising the TDS for senior citizens and increasing the threshold limit from Rs 50,000 to Rs 1,00,000 are laudable moves and will put more money in the hands of people.

In a nutshell, the finance minister has unveiled a significant enhancement to the tax rebate under section 87A of the Income-Tax Act, 1961. A tax payer in the new regime with an income of Rs 12 lakh will get a benefit of Rs 80,000 in tax; a person having income of Rs 18 lakh will get a benefit of Rs 70,000 in tax; and a person with an income of Rs 25 lakh gets a benefit of Rs 1.1 lakh, said Nirmala Sitharaman. Besides, demand for affordable and middle-income housing will gain traction especially among salaried classes.

The budget has extended tax benefits for two self-occupied properties which will



encourage more people to invest in housing leading to a surge in demand in the residential sector. What is significant is that this will stimulate investment both in primary and secondary markets. The removal of tax on deemed rental income will enhance affordability for homebuyers and immensely support rental housing market. It is further expected to fuel the demand in tier 2 and 3 cities as well.

Yet another significant initiative is the proposal to develop foundational geospatial infrastructure and data. It will facilitate modernisation of land records, urban planning and design of infrastructure projects. Industry experts feel that this will transform the landscape for developers. In fact, access to accurate and up-to-date information on land ownership, boundaries and other factors



would contribute significantly to the reduction in ambiguity, legal hassles and save precious time.

Pragmatic approach in infrastructure development

On a project level, the special window for affordable and middle-income housing (SWAMIH) fund 2 will be created as a blended finance facility, with contributions from the government, banks, and private investors. This is expected to expedite the completion of 100,000 housing units by 2025. This will go a long way in unlocking stalled housing inventory and stabilising property prices.

Continued on Page 2

There is reason for all-round optimism among homebuyers as tax-free income and tax sops would encourage more people to buy homes besides stimulating economic activity, reports **V Nagarajan**

Prime Industrial Land in Andheri (E) Available for Development

1.7 acre of land ideal for mixed development in Saki Naka is for sale.

The site in a strategic location is in close proximity to the airport.

Interested parties can contact:

Raghav Realty Consultancy
email: raghavrealty@gmail.com

LAUNCHING SOON
STAY TUNED

Advertise Now!

A GUIDE TO CHENNAI REAL ESTATE 2025 EDITION
The authoritative guide on Real Estate Scenario in CHENNAI

Material deadline : February 25, 2025
Publication : March 10, 2025

For more information and details, contact
Priya Publications on 9176627139 or email: priyapublications@gmail.com

TRENDS

INDIA'S INDUSTRIAL AND LOGISTICS SPACE TAKE-UP SURPASSES 39 MILLION SQFT IN 2024

Robust leasing activity and continued expansion by institutional-backed developers resulted in a 7% Y-o-Y increase in total I&L development completions in 2024, reaching 38.6 million sqft. During the second half of 2024, supply expanded by 12% on an annualised basis, reaching 20.3 million sqft, according to CBRE's.

Mumbai, Chennai and Bengaluru emerged as key contributors to this growth, collectively accounting for over half of the total supply addition in both H2 2024 and the entire year.

Demand Dynamics

Despite a moderate slowdown in the first half of the year, overall leasing activity in the I&L sector surpassed the previous year's record, exceeding 39 million sqft in 2024.

Space absorption remained strong particularly in the second half of the year, experiencing a robust 17% Y-o-Y growth. This was driven by a revival in demand from leading e-commerce companies, the expansion by quick-commerce operators aimed at enhancing customer service and minimising lead times, and the aggressive growth initiatives by third-party logistics (3PL) and fast-moving consumer goods (FMCG) players.

Delhi-NCR, Bengaluru and Kolkata accounted for almost 60% of the leasing activity during the year and in H2 2024. Additionally, these three cities registered an expansion in space take-up during July-December 2024 compared to last year.

Key Sectoral Trends

Third-party logistics (3PL) providers continued to dominate the leasing activity, holding a share of ~41% in CY2024, a marginal decrease from 44% in CY2023. Occupiers across various sectors, including e-commerce, retail and manufacturing, are increasingly outsourcing their supply chain operations to 3PL companies to meet their storage requirements, gain greater flexibility, lower costs, and mitigate challenges in sourcing labour.

Engineering and manufacturing (E&M) firms remained active in 2024, registering a space take-up share of ~18% (as compared to 17% in CY2023). Various government-driven infrastructure initiatives, policy measures, such as the Production Linked Incentive (PLI)



scheme and Make in India 2.0, have further bolstered the country's manufacturing ecosystem. This has attracted investments across the sector, leading to an increased demand for warehousing space from these companies.

Driven by sustained growth in domestic consumer demand, both e-commerce and FMCG companies expanded their share of occupied space throughout 2024 and in the second half of the year compared to the corresponding period in 2-023. Notably, e-commerce's share doubled from 5% in H2 2023 to 10% in H2 2024, while FMCG's share more than doubled from 4% to 9% over the same period.

Consistent with the trend observed throughout 2024, 3PL providers led the space absorption in H2 2024, accounting for a ~42% share. E&M firms followed with ~18%, while retail and e-commerce companies each contributed ~10%.

Deal Sizes

Small-sized transactions (under 50,000 sqft) remained the predominant segment of leasing activity in 2024, representing ~43% of the total, consistent with the

previous year. Medium-sized transactions (50,000-100,000 sqft) and large-sized transactions (exceeding 100,000 sqft) each accounted for ~28% of the overall space absorption.

The share of small-sized deals (<50,000 sqft) decreased marginally to 40% in H2 2024 as compared to 42% in H2 2023. Additionally, the share of large-sized deals (more than 100,000 sqft) increased from 29% in H2 2023 to 32% in H2 2024.

3PL players, followed by E&M retail, and e-commerce companies (majorly quick commerce brands), drove the large-sized deal closures in H2 2024, accounting for a cumulative share of ~79%. Delhi-NCR, followed by Kolkata, Mumbai and Hyderabad, dominated the large-sized deal closures in H2 2024, together accounting for a ~67% share.

Key Trends and Outlook for 2025

CBRE estimates that strong I&L leasing activity in the upcoming quarters, supported by the introduction of high-quality supply, the finalisation of

CHENNAI PROPERTY

(A fortnightly publication)

ADVERTISING RATES

Display advertisements

Basic rate (B&W)	Rs 100 pcc
Basic rate (Colour)	Rs 150 pcc
Page 1 (Colour)	Rs 200 pcc
Back page (Colour)	Rs 200 pcc
Ear panel (Colour)	Rs 5,000 per insertion.
Sponsored column	Rs 10,000 per insertion
Advertorial/Special feature:	Rs 50,000 (double spread)
Classifieds	For the first 25 words - Rs 200, Rs 10 for every additional word.

Chennai Property is published on 1st of every month.

Layout and design : Fairy M. Tel: 9884833854

For enquiries, contact:

Priya Publications
26/10 South Mada Street, Sri Nagar Colony, Saidapet, Chennai 600015.

Tel. 42043857, 91766 27139

Email: priyapublications@gmail.com

Published by : N Bhanumathy
Editor : V Nagarajan

DISCLAIMER: The entire contents of this tabloid have been prepared based on information compiled from various sources that we believe are trustworthy and reliable. Although care has been taken to ensure the accuracy, completeness, and reliability of the information provided, the editor and/or publishers assume no responsibility. Users of this information are expected to refer to the relevant existing provisions of applicable laws and take appropriate advice before venturing into investment. The user of the information agrees that the information is not a piece of professional advice and is subject to change without notice. Further, the editor and/or publishers assume no responsibility for the consequences of the use of such information.

outstanding transactions and the resurgence of e-commerce demand.

Institutional investors backed developers are expected to continue capitalising on attractive opportunities in key markets. This would result in the development of state-of-the-art warehouses equipped with sustainable features. Chennai, Mumbai and Bengaluru are expected to be the primary contributors to the supply pipeline.

Limited availability of high-quality space and rising land and input costs, is projected to exert upward pressure on warehousing rentals across key micro-markets in major cities. Developers will likely continue prioritising green and sustainable facilities as occupiers actively seek to reduce their carbon footprint and commit to ambitious ESG objectives. Occupiers and investors are expected to remain active in India's leading tier-II cities, with Chandigarh, Hosur, Jaipur, Lucknow and Vizag projected to be the key focal points for warehousing expansion in these emerging regions.

Continued from Page 1

Budget Bonanza for Homebuyers

The allocation of Rs 10,000 crore AIF fund of funds for startups will drive demand for office space, mixed use developments and innovation hubs. The asset monetisation plan (2025-30) of Rs 10,000 crore and Rs 1,00,000 crore urban challenge fund will expedite urban transformation projects. This is expected to unlock land and drive real estate development.

In a major initiative, the government has formulated schemes for promoting global capability centres (GCC) in tier II cities besides metros. It has already contributed 35-40% of the overall office leasing activity last year. In 2023, it registered

20% growth. Companies from sectors including technology, E&M and BFSI would drive demand with sectors such as automobile, semiconductors and life sciences.

In a related development, with investment timeline extended till March 31, 2030, more foreign capital inflow would ensure enabling funding availability for real estate projects and infrastructure development.

The development of 50 tourist destinations to be carried out in partnership with state governments providing Mudra loans for homestays will trigger demand in hospitality sector.

On the flip side, the budget has not addressed the crucial factor of according infrastructure status to the real estate sector on which 265 ancillary industries are dependant thus necessitating developers to borrow at prohibitive funding cost. There has been no increase in home loan deduction nor reforms for single window clearance for project approvals or fiscal sops to REITs to encourage retail and institutional participation. However, the growth-oriented budget has enhanced the spending power of India's rising middle class amidst positioning the country as the fastest-growing major economy globally.

ADVERTISE IN CHENNAI PROPERTY

AN INFORMATIVE AND IN-DEPTH SURVEY ON REALTY TRENDS IN CHENNAI EVERY MONTH

PRIYA PUBLICATIONS

For more information, call:
044 22300597
+91 9176627139
+91 9384836698
or eMail:
priyapublications@gmail.com

■ Among the emerging cities assessment, Nagpur emerged as the top performer, followed by Jaipur and Lucknow, all three of which are anticipated to establish a strong presence in India's real estate and market in the coming years, says Collier's survey

◀◀ SNAPSHOT ▶▶

Credai's annual jamboree Fairpro to be held on February 14, 15 and 16



Credai Chennai's annual event Fairpro will be held on February 14, 15 and 16 at Chennai Trade Centre. This year's edition promises to be bigger and better, offering homebuyers a one-stop destination to explore 500+ projects spanning 32.5 million sq. ft. of residential space, 0.25 million sq. ft. of commercial space, and 325 acres of plotted developments. Chief Minister M K Stalin will inaugurate the event and actress Trisha Krishnan has been selected as the brand ambassador for FAIRPRO 2025.

Enjoying an 82.6% market share in the residential market, FAIRPRO 2025 will bring together 80+ leading CREDAI Chennai developers under one roof. Additionally, 5 major banks will be present, offering home loan options and special offers and deals. Thanks to 15 exceptional sponsors, FAIRPRO 2025 stands as a symbol of collaboration and growth.

Addressing the media, Mohamed Ali, President, Credai Chennai, said that the Credai committee members had put in more efforts to organise this year's event which will be one of the best Fairpro ever conducted so far. "The market is opening up and all the branded developers are assembling under one roof. With RERA regulations protecting homebuyers, people need not have any apprehensions. Homebuyers will get the best value for their money and bankers will extend home loans at competitive rates besides special offers during the event," said Mohamed Ali.

Fairpro 2025 convener P Kruthivas said that the event in its 17th edition offers the best options for homebuyers. "The apex body has 13,000 members spread across 230 cities in the country. The Chennai chapter started in 2008 has 190 members now. It has 13 expert committee handling varied assignments. Credai members hold 83 per cent of the market share. The real estate market is poised to touch US\$1.2 trillion by 2030. It is already contributing 15% of the country's GDP and in Tamil Nadu 25% of the state's GDP. As the second largest employer in the country, the sector provides employment to over 65 million people across the country," Kruthivas. While property prices rose by 6.5%, there are villa and land developments happening besides co-living and co-working spaces demanding developers involvement. A number of developers are getting into the sector and we are seeing growth happening in all forms of verticals which we never thought would be possible two years ago, he adds.

"An estimated 80 plus developers would showcase a wide range of 500+ projects in the price range of Rs 15 lakh to Rs 15 crore. This is apart from 325 acres of plots and 32.5 million sqft of residential areas to choose from by the homebuyers. It is expected that 75,000-90,000 people will visit the event. Credai's last year Fairpro event generated a sales value of Rs 260 crore," said Kruthivas.

"The residential market in Chennai remains strong, with unsold inventory at a seven-year low and property prices rising by 6.5% due to increased demand and higher input costs. Infrastructure development and metro expansion projects are further boosting property values, making this a prime time for investment," said S Sivagurunathan, Advisor – FAIRPRO 2025 & Immediate Past President – CREDAI Chennai.

Ranjeeth Rathod, MD of DRA Homes and Credai member, said that Super Chennai initiative is aimed at transforming the image of Chennai city at a time when it is facing competition from neighbouring cities. "It will feature beach carnivals, sports, shopping activities, music festivals, pub trails, job fairs, AI conferences and others. He said an investment of \$1.5 million has been made to transform this initiative into reality with a structured 12-month plan. "We are going to highlight across IT, Saas, fintech and we are also going to project start-up, eco system etc. so that this city will get its due share. We are going to showcase the city as a fine living city so that there will be blend of work and social life. We have the largest women workforce in the city. Super Chennai is a movement which starts from government, media, public and the entire ecosystem to make as the best city in the country," said Rathod. He said that chief minister M K Stalin would inaugurate Super Chennai initiative at Credai's Fairpro inauguration event.

Speaking on the occasion, M V R Murali Krishna, General Manager, Network 1, Chennai Circle, SBI, took pride in stating that they are successful in whatever programme they do with Credai Chennai. "Chennai is contributing 8% of the GDP to the country and is the second largest economy and manufacturing hub in the country. With industrialisation and urbanisation moving at a fast pace, first sector to be benefited is housing. Homebuyers can get onsite and in-principle sanction from SBI with concession in interest rates, processing fee, etc. SBI is the leader in home loans market. One can check CIBIL report free of charge during the event. We will have a separate team for home loan borrowers and ensure fast processing. There will be a legal representative to advise visitors on their queries. SBI has 8 processing centres in Chennai alone to process home loans," said Murali Krishna.

G Square's Strategic Foray into Alternative Real Estate Segment



G Square Realtors Junaith Babu, Chief Operating Officer and Sivakumar Pethaiyan, National Sales Head, launching the strategic venture into alternate real estate verticals in Chennai.

In a major shift from B2B to B2C operation, G Square Realtors, the largest player in plotted development projects and in its 13th year of operation, is diversifying into villa and apartment development. G Square will invest Rs 1,000 crore over a period of two years. "verticals coming in," said Babu.

Besides the new verticals, there is a programme titled 'build assist' which will assist homebuyers to make use of 60 brands under their fold including architects, building materials at competitive prices and funding till Grahapravesam.

According to Junaith Babu, COO, G Square, the order booking is Rs 3,000 crore in plotted developments. "With new verticals, we are planning to reach Rs 6,000 crore turnover. By and large, we will continue to remain as the largest player in real estate with two new

The first project involves construction of 18 villas and 112 apartments in Vandalur on two acres earmarked for villas and one acre earmarked for apartments. The size of the apartment ranges from 600 sqft to 1,500 sqft and priced at Rs 4,399 per sqft. The villa size is 1,500 – 2,000 sqft and priced at Rs 5,799 per sqft. G Square felt that there is a surge in demand for larger spaces post-Covid. It is said that the demand from existing customers is overwhelming, particularly for villas.

In a major initiative to assist smaller builders, G Square has come out with a scheme. They will assist the smaller developers with all the approvals and at the same time continue their business independently partnering with G Square for plots.

According to Sivakumar Pethaiyan, National Sales Head, G Square Realtors, the company has zero legal issues in all their land aggregations wherein the customers have invested so far. "We have developed 50 million sqft overall and 4,000 acres of land has been sold. We started as a land aggregator and delivered to large players like TVS, LG, Indiabulls, Murugappa group, Ceat, JK, Ascendas etc." said Sivakumar.

G Square has done CSR activities including wheels of hub, an initiative for the handicapped people which has transformed the livelihood of 1,000 physically challenged people. Besides, assistance has been provided to underprivileged school children, goshala, monitoring stray cattles and protecting them.

The company is currently operating in Chennai, Coimbatore, Hyderabad and Bengaluru. Plans are ahead to expand to Trichy, Madurai, Hosur and Pollachi. Tirunelveli and Tuticorin are in the pipeline.

The company is looking for 5 acre land parcels for development. In suburbs, the requirement is 10 acres. The annual price appreciation is said to be in the region of 20-40 per cent. Company sources pointed out that this was possible as their project cost is 20-30 per cent lesser in price and they operate on a larger scale to minimise the cost of operation. The brand is actively seeking partnerships with builders to facilitate the strategic expansion.

Commenting on the milestone, Bala Ramajeyam, Managing Director of G Square Realtors Pvt Ltd., said "This is a proud moment for G Square as we enter the next phase of our evolution. Having successfully conquered the plot market, we are now tailoring our business to meet the diverse residential preferences of our customers. Whether they prefer apartments, villas, or plots, our goal is to deliver every individual their dream home in their desired format. This expansion will span across all our operating zones, including Tier-I, II, and III cities, ensuring that people can build their dream homes without any limitations. G Square is planning to invest over Rs 1000 crores over the next two years in this expansion model."

"G Square is committed to maintaining consistent quality across all its projects, regardless of the city's tier. Every development will feature the same high standards of planning, construction, and amenities, ensuring that customers in every location enjoy a superior living experience," said Bala Ramajeyam.

REALTY UPDATE

KEY I&L LEASING TRANSACTIONS IN H2 2024

Property	Micromarket	Size (sqft)	Tenant
IndoSpace Industrial & Logistics Park	Western corridor – I	200,000	RIKUN
Ascendas – Firstspace Logistics Park	Northern corridor	200,000	Allcargo Logistics
Welspun One Logistics Park	Northern corridor	200,000	Swiggy

Source: CBRE Research

I&L KEY SECTORS DRIVING ABSORPTION

Sector	% Share
3PL	63%
E-commerce	16%
Engineering & manufacturing	16%

Source: CBRE Research

CHENNAI - CAPITAL VALUES FOR LAND IN INDUSTRIAL ESTATES AND INTEGRATED LOGISTICS PARKS

Micromarket	Location	Land value (Rs crore/acre)
Western corridor I	Sriperumbudur	3.5 - 4.0
Western corridor I	Oragadam	2.5 - 3.0
Western corridor II	Mannur	2.3 - 3.0
Northern corridor	Redhills	3.5 - 4.0
Northern corridor	North Chennai (Angadu, Koduvalli and Kannigaipair)	1.7 - 2.5
Western corridor	Mevalurkuppam	2.7 - 4.0
Northern corridor	Gummidipoondi and Ponneri	2.0 - 2.5
Southern corridor II	Plaiyanur	1.7 - 2.5
Southern corridor I	Maraimalai Nagar	4.0 - 5.0

Source: CBRE Research

Chennai leading the curve

ECONOMY

Size of the economy: 2nd largest economy in terms of GDP after Maharashtra.

FDI investments in Tamil Nadu: US\$1 billion (2019-2024)

Percentage of urbanisation: 48% ; most urbanised state in India.

INDUSTRY

Automobile Manufacturing: 1st largest automobile manufacturer in India; also known as 'Detroit of Asia'.

Number of factories: 1st highest number of factories in India.

Data centres: 2nd largest market for data centres in India.

IT AND STARTUP

GCCs: 300+ number of GCCs in Chennai.

Software Export: 3rd largest after Bengaluru and Hyderabad.

SaaS: SaaS capital of India.

INFRASTRUCTURE AND TOURISM

Port Capacity: 2nd largest in India in terms of capacity (combined).

Longest beach: 2nd largest beach in Asia.

Medical Tourist Arrival: 1st ~40% projected revenue is from Tamil Nadu.

Courtesy: JLL; Excerpts from A Transformational Journey – 25 years of Chennai

Data Centre Market Watch

INDIA DATA CENTRE HIGHLIGHTS IN 2024

- In 2024, around 191 MW IT capacity was added across cities
- The market witnessed absorption of around 407 MW IT capacity across cities, primarily driven by hyperscalers
- The total operational capacity reached 1,110 MW IT capacity as of end 2024
- Growing demand for Edge Data Centres
- Emerging Tier-II & III cities
- Key Statistics: Supply: 191; Stock: 1,110; Absorption: 407 (MW IT capacity)

City	Supply (MW IT & % contribution)	Absorption (MW IT % contribution)
Ahmedabad	1(1%)	10(2%)
Bengaluru	-	4(1%)
Chennai	105 (55%)	41 (10%)
Delhi-NCR	-	6 (2%)
Hyderabad	13 (7%)	55(14%)
Mumbai	54(28%)	216(53%)
Pune	18(9%)	41(10%)
Other tier II and III cities	-	34(8%)
Overall	191	407

Source: Savills India Research

KEY TRANSACTIONS IN 2024

City	City	MW IT Capacity
Hyperscalers	Mumbai	50
Hyperscalers	Hyderabad	48
Hyperscalers	Pune	33
Hyperscalers	Chennai	33
Hyperscalers	Mumbai	30
BFSI	Mumbai	10

Source: Savills India Research

KEY DATA CENTRE LAND ACQUISITIONS IN 2024

City	Location	Acres
Hyderabad	Chandanvelly	50
Mumbai	Bhiwandi	40
Pune	Pimpri Chinchwad	24
Mumbai	Mahape	23
Bengaluru	North Bengaluru	10
Chennai	Ponneri	10

CITYWISE STOCK AS OF 2024 AND GROWTH IN UPCOMING SUPPLY (2024-2030)

City	2024 stock MW IT & % share	2024-30 Annual Growth
Ahmedabad	4 (0.4%)	25%
Bengaluru	78 (7%)	19%
Chennai	200 (18%)	12%
Delhi-NCR	111 (10%)	17%
Hyderabad	48 (4%)	44%
Kolkata	3 (0.3%)	46%
Mumbai	568 (51%)	21%
Pune	94 (9%)	8%

Source: Savills India Research

Your favourite tabloid

CHENNAI PROPERTY

now reaches over 1.5 lakh decision makers including professionals, investors and NRIs directly.



REACH THE RIGHT AUDIENCE

ADVERTISE IN CHENNAI PROPERTY

Contact:

Priya Publications on 9176627139 / 9384836698

Email: priyapublications@gmail.com
www.priyapublications.in

TRENDS

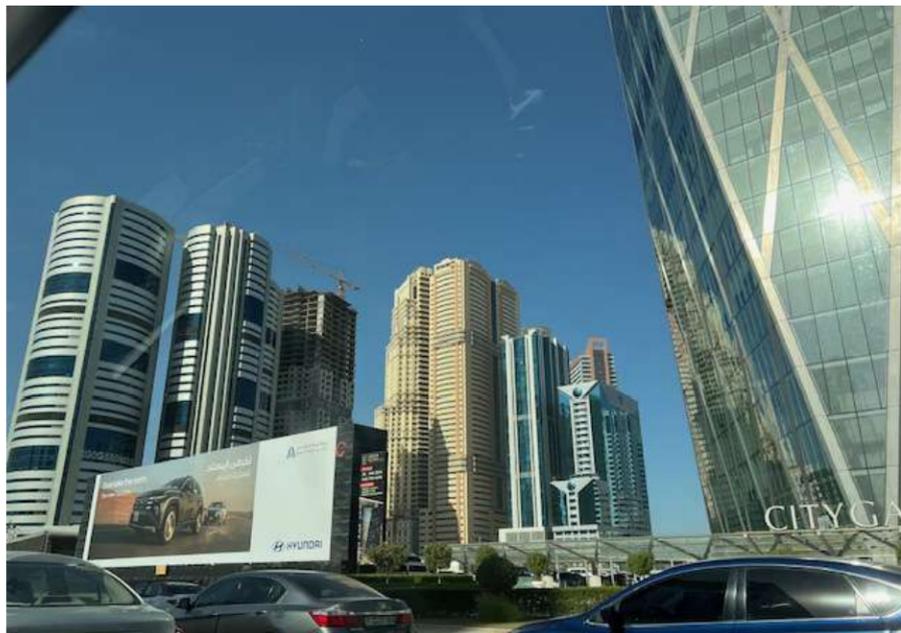
LUXURY REALTY TAKES CENTRE STAGE

The annual Luxury Residential Outlook Survey 2025 conducted by India Sotheby's International Realty (ISIR) revealed that confidence in India's economic growth remains strong, albeit slightly tempered. Optimism has declined from 79% in 2024 to 71% in 2025. Nevertheless, most High-Net-Worth Individuals (HNIs) and Ultra High-Net-Worth Individuals (UHNIs) believe India will continue to be the fastest-growing major economy, with GDP growth projected to hover between 6% and 6.5%.

In the real estate sector, the outlook among UHNIs and HNIs has moderated, with 62% planning to invest in the next 12-24 months compared to 71% in 2024. Despite this slight dip, the steady confidence underscores real estate's enduring appeal as a wealth-building asset.

The HNIs and UHNIs remain primarily motivated by capital appreciation, with 55% citing it as their main reason for investing in luxury residential real estate in 2025, up from 44% in 2024. Nearly half of respondents expect real estate investments to deliver returns between 12% and 18%, while 38% anticipate returns below 12%. Fewer than 15% foresee returns exceeding 18%, reflecting more realistic expectations after three years of strong gains.

Amit Goyal, MD of India Sotheby's International Realty, said "As we look ahead to 2025, India's luxury real estate market is primed for continued growth, though with a more cautious optimism. We believe demand for trophy and bespoke luxury assets, especially spacious farmhouses and gated community villas in hill and beach destinations will be a significant trend in the coming year. Our conviction is driven by the fact that India stands out as a frontrunner, with billionaires here experiencing a staggering 42% surge in collective wealth, now exceeding \$905 billion, according to the UBS "Billionaire Ambitions Report." Over the past decade, India's billionaire count has more than doubled to 185, with their total wealth



- **62% HNIs & UHNIs express desire to buy luxury properties in the next 12-24 months. finds India Sotheby's International Realty's annual survey, even though the mood on economic growth turns more measured.**
- **Capital appreciation continues to be an important driving factor for investment in real estate. Almost half of the respondents expect real estate investments to deliver returns between 12-18% going forward.**
- **Over 55% of HNIs prefer second or holiday homes within a 4-hour drive, prioritizing convenience and accessibility.**
- **Interest in international real estate among HNIs has grown from 10-11% historically to 22% in 2025, marking a notable surge.**

tripling. This solidifies India's position as the third-largest base for billionaires globally, just behind the US and China."

The survey also highlighted a rising interest in second and holiday homes, with 54% of respondents considering properties in hill or beach destinations. Convenience is a key factor, as 55% prefer homes within a four-hour drive, while only 20% opt for international locations. Among global markets, Dubai has overtaken London as the top choice, with US cities also gaining attention.

While financial assets like equities and commodities remain the most favoured,

with 54% of respondents prioritizing them, real estate continues to attract 36% of HNIs planning to allocate surplus funds over the next two years. This underscores the value of real estate as a stable, tangible asset amidst market volatility.

With interest rates expected to ease moderately, 71% of respondents anticipate gradual reductions, although 23% remain cautious, citing inflation concerns. As India's luxury real estate market evolves to meet the needs of affluent individuals and young wealth creators, the property landscape is

There has been a sustained appetite among affluent buyers for luxury real estate, says *India Sotheby international realty's* annual survey

evolving to offer a dynamic mix of lifestyle upgrades and wealth-generation opportunities.

Ashwin Chadha, CEO of India Sotheby's International Realty, said: "The evolution of luxury real estate in India over the past decade has been remarkable. A segment once dominated by self-built bungalows has now added high-rise luxury apartments and gated community villas by renowned developers offering world-class amenities and assured quality to the demand bouquet of the rich and famous. Today, luxury real estate is more than a status symbol; it's a robust investment avenue."



The number of Ultra-High-Net-Worth individuals (UHNIs) in India has reached 13,600 in 2024, with projections of a 50% increase by 2028. This rising affluence, coupled with the segment's resilience as an inflation hedge and its ability to deliver long-term capital appreciation, makes luxury real estate a preferred choice for lifestyle upgrades and wealth creation. Add to this the growing influence of young wealth creators under 40, and it's clear that luxury real estate is not just growing—it's defining India's property landscape."

LUXURY VILLAS FOR SALE

in Injambakkam, ECR, Opposite ISKCON temple



4BHK Villa for sale.
North Facing
Land area: UDS 3,000 sqft (100% UDS)
Built up area 3,300 sqft.
Price Rs. 4.65 crore.



East Facing 3 BHK villa.
Land area: UDS 2,365 sqft (100% UDS)
Built up Area 2,444 sqft.
Price Rs. 3.55 crore.

Raghav Realty Consultancy

Email : raghavrealty@gmail.com Mobile: 9384836698

FOR REALTY NEWS UPDATE :

WWW.PRIYAPUBLICATIONS.IN

OFFICE MARKET

KEY DEMAND DRIVERS IN OFFICE LEASING

- Office demand to solidify at 65-70 msf during 2025, driven by demand scale-up across the top 6 cities
- Bengaluru demand to cross 20 msf again in 2025, followed by Hyderabad and Delhi NCR at 10-15 msf each
- GCC leasing to reach 25-30 msf in 2025, 10-12% YoY growth
- 2025 new supply estimated at 60-65 msf, driven by Bengaluru and followed by Hyderabad & Delhi-NCR.

India's top six cities have witnessed significant scale-up in office leasing and supply, helping office market set new records in successive years. The scale-up, mainly driven by evolving occupier preferences is likely to gain further momentum, with gross leasing across the top six cities projected to reach 65-70 million sq ft in 2025, according to Colliers' latest report, 'India Office: Setting New Standards for 2025' released at the FICCI 18th Real Estate summit today. This forecast takes into account continuance of favorable business sentiments and excludes impact of external volatilities or disruptive events.

The surge in overall leasing volume is likely to be driven by diversification of occupier base, continued expansion of Global Capability Centers (GCCs) and business optimism amidst domestic occupiers. The office market will continue to evolve from a supply-led environment to an occupier-driven landscape, shaping the next growth phase of commercial real estate in India.

Engineering & Manufacturing, BFSI, and Flex spaces will emerge as key demand drivers, notching up 10-15% YoY growth in 2025, says Colliers survey



This transition has pushed developers to become more agile and tailor office spaces to match evolving occupier needs. Approximately 60-65 million sq ft of new supply is anticipated in 2025. Moreover, a growing emphasis on energy efficiency and sustainable material & energy usage is set to further redefine standards in Indian commercial estate throughout 2025.

"Bengaluru will account for an estimated one-third of the overall office space demand in 2025, led by space uptake from GCCs, engineering & manufacturing firms and flex space operators. While Bengaluru will continue to lead the other major markets by a considerable margin, Hyderabad and

Delhi NCR are likely to see heightened activity and register 10-15 million sq ft of leasing activity each, 5-10% higher compared to previous year. Mumbai, Chennai and Pune will meanwhile continue to be preferred by occupiers from BFSI and Engineering & manufacturing sectors and flex space operators respectively. The three cities are likely to witness 5-10 million sq ft of Grade A office space demand each in 2025." says Arpit Mehrotra, Managing Director, Office Services, Colliers India.

Demand from Engineering & Manufacturing, BFSI firms and flex space operators can surge by 10-15% in 2025

Engineering & manufacturing, BFSI firms and flex space operators are expected to drive office demand in 2025, with each segment poised for a 10-15% annual rise in space uptake. Cumulatively, these three sectors are likely to continue to account for half of the leasing activity in 2025. Engineering & manufacturing sector will see heightened activity across most major office markets, with Bengaluru likely to dominate leasing volumes. BFSI firms will continue to prefer having a presence in Mumbai, but increasing traction in Bengaluru, Hyderabad, and Pune highlights a growing trend of diversification beyond traditional hubs. Meanwhile, flex space operators are set to emerge as one of the leading demand drivers, accounting for nearly 20% of total leasing activity in 2025.

GCC demand to further gain ground in India

GCC leasing saw a 41% YoY increase in 2024, at 25.7 million sq ft across the top 6 cities. This demand is expected to further increase and be close to 30 million sq ft, accounting for around 40% of the total office space demand in 2025. Bengaluru and Hyderabad are likely to remain preferred knowledge and innovation-driven GCC hubs. In line with past trends, US-based companies are likely to drive GCC expansion across most markets and contribute around 70% of the GCC demand in 2025, led by Technology, BFSI & Engineering & manufacturing firms.

Asset quality to improve with increasing focus on sustainability and inclusion in REITs

With REITs in India gaining traction, driven by increasing retail investor participation and favorable regulatory environment, developers are focusing on curating high-quality real estate portfolios. Simultaneously, the growing occupier demand for sustainable, green-certified developments can fast-track the realization of national carbon emission and net-zero goals. Increasing adoption of sustainable elements and low-carbon construction materials in built environment especially commercial real estate can accelerate long-term green economy transition.

"India's commercial real estate is focused on creating high-quality assets and leading developers are prioritizing construction of high-quality, rent-yielding assets, to ultimately list them as REITs. At the same time, rising demand for green-certified workplaces is pushing developers to align with global sustainability standards, and increasingly focus on energy efficiency, carbon reduction, and environmental compliance. Over the past few years green leasing has been gaining traction and 80-85% of Grade A office space demand in 2025 is likely to be concentrated in green-certified developments." says Vimal Nadar, Senior Director & Head of Research, Colliers India.

INDIA OFFICE MARKET OUTLOOK 2025

	2024	2025F
Gross Leasing (mn sq ft)	66.4	65 - 70
New Supply (mn sq ft)	53.3	60 - 65
Vacancy (%)	16.6%	15-16%
WA Rentals (INR/sq ft/month)	101.8	100 - 110

Note: Data pertains to Grade A buildings only and top 6 cities include- Bengaluru, Chennai, Delhi-NCR, Hyderabad, Mumbai, and Pune | Gross absorption does not include lease renewals, pre-commitments and deals where only a Letter of Intent has been signed | Weighted Average Quoted (WAQ) Rents are in INR per square feet per month for warm shell o'ces and do not include Common Area Maintenance (CAM) or taxes.

CITY-WISE OFFICE MARKET 2024 & 2025 OUTLOOK (in mn sq ft)

Cities	Gross Leasing		New Supply	
	2024	2025F	2024	2025F
Bengaluru	21.7	20+	15.2	15 - 20
Chennai	6.8	5 - 10	2.1	5 - 10
Delhi NCR	9.7	10 - 15	8.7	10 - 15
Hyderabad	12.5	10 - 15	13.7	10 - 15
Mumbai	10.0	5 - 10	8.3	5 - 10
Pune	5.7	5 - 10	5.3	5 - 10
Pan India	66.4	65 - 70	53.3	60 - 65

Note: Data pertains to Grade A buildings only | Gross absorption does not include lease renewals, pre-commitments and deals where only a Letter of Intent has been signed

SECTORAL LEASING IN 2024 AND 2025F (in mn sq ft)

Sector	2024		2025F	
	Leasing	Share (%)	Leasing	Share (%)
Technology	16.3	25%	15.0 - 20.0	~25%
Flex Spaces	12.5	19%	~15.0	~20%
BFSI	11.0	17%	10.0 - 15.0	15% - 20%
Engg & Mfg	10.4	16%	10.0 - 15.0	15% - 20%
Healthcare	4.8	7%	3.0 - 8.0	5% - 10%
Consulting	4.3	6%	3.0 - 8.0	5% - 10%
Others	7.1	10%	2.0 - 5.0	2% - 5%

Note: Data pertains to Grade A buildings only and top 6 cities include- Bengaluru, Chennai, Delhi-NCR, Hyderabad, Mumbai, and Pune | Gross absorption does not include lease renewals, pre-commitments and deals where only a Letter of Intent has been signed

GCC LEASING IN 2024 AND 2025F

2024		2025F	
Leasing (mn sq ft)	Share (%)	Leasing (mn sq ft)	Share (%)
25.7	39%	25.0-30.0	~40%

Note: Data pertains to Grade A buildings only and top 6 cities include- Bengaluru, Chennai, Delhi-NCR, Hyderabad, Mumbai, and Pune | Gross absorption does not include lease renewals, pre-commitments and deals where only a Letter of Intent has been signed

Source: Colliers

REALTY UPDATE

SM REIT Value likely to Surpass USD 60 billion by 2026

Among the top seven cities, Mumbai leads the potential SM REIT-ready completed stock with 75 million sq. ft. as of June '24.

India's leading real estate consulting firm, CBRE South Asia Pvt. Ltd has recently released its report titled, 'Navigating the SM REIT Landscape - A Look at Regulations and Implications.' As per the report, the potential of Small and Medium Real Estate Investment Trusts (SM REITs) market size in India is expected to exceed USD 60 billion by 2026. As per CBRE estimates, the potential market for SM REITs in India is over 300 million sq. ft. of completed commercial office space, with an additional 50 million sq. ft. expected to be completed by 2026.

The forecast reflects a growing interest in SM REITs, which are expected to play a key role in shaping the future of India's commercial real estate landscape. The total completed office stock in India currently stands at over 800 million sq. ft., out of which REIT-listed office inventory is recorded at over 88 million sq. ft.

Furthermore, according to the report, Mumbai recorded the highest potential SM REIT-ready completed office stock of ~75 million sq. ft. as of June'24, with around 10+ million sq. ft. of upcoming supply by 2026. Delhi-NCR recorded a completed SM REIT-ready potential stock of 70+ million sq. ft., followed by Bengaluru with 50+ million sq. ft. and Hyderabad with 30+ million sq. ft.. It is estimated that cumulatively, Delhi-NCR, Bengaluru and Hyderabad could add an additional supply of potential SM REIT-worthy stock of ~36 million sq. ft. by 2026. Other cities such as Pune, Kolkata, and Chennai recorded 25+ million sq. ft. of completed supply as of June'24. It is estimated that Pune, Kolkata and Chennai would cumulatively record additional supply of potential SM REIT-worthy stock of ~14 million sq. ft. over the next two years.

A Market Estimation of Potential SM REITs in India

The introduction of the SM REITs framework represents a significant step forward for India's fractional ownership landscape. This framework is expected to institutionalise the real estate market by fostering greater transparency and attracting a new set of investors seeking

portfolio diversification through real estate exposure. The SM REIT regulations aim to enhance investor confidence through measures such as prohibiting investments in under-construction properties to eliminate project completion risks and mandatory quarterly distribution of net cash flow to unitholders to negate any potential fund diversion.

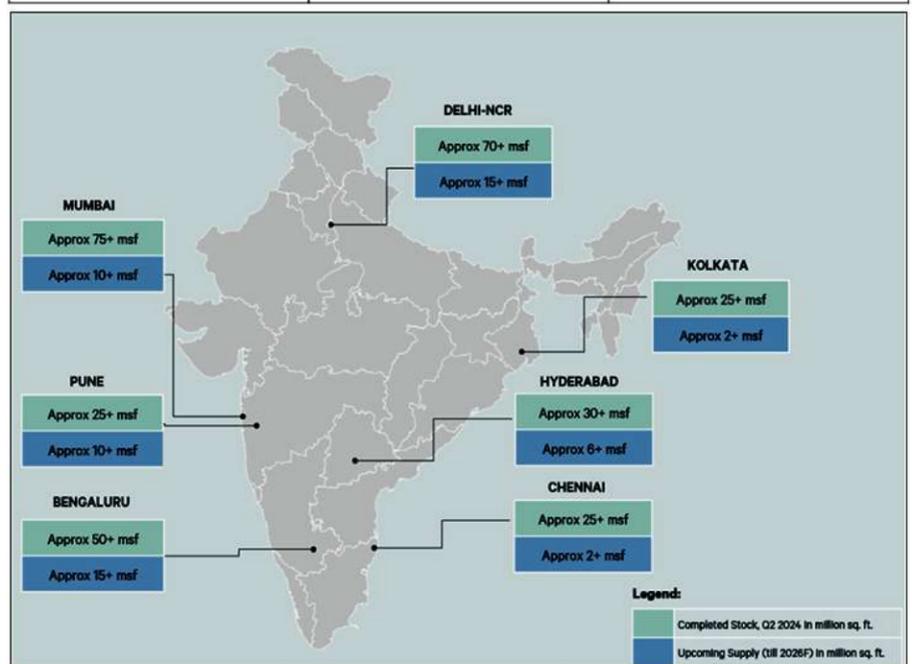
Building upon the success of traditional REITs and InvITs, which, according to the Reserve Bank of India, have cumulatively accumulated INR 1.3 trillion in asset value in the past four years, SM REITs hold immense promise. They offer the potential to unlock price discovery and exit opportunities for investors in smaller, high-occupancy assets. By pooling such assets, SM REITs can drive improved property upkeep, ESG compliance through potential retrofitting, and an enhanced tenant profile. This could ultimately contribute to a more organised and efficient real estate ecosystem with a stronger asset profile.

Moreover, the Union Budget, 2024-25's decision to reduce the holding period for determining long-term capital gains on listed business trusts — REITs and InvITs — from 36 to 12 months aligns these instruments with listed equity shares. This tax parity is expected to bolster the appeal of SM REITs as an investment vehicle. Securities and Exchange Board of India (SEBI) this year established a regulatory framework for small and medium real estate investment trusts (SM REITs) through amendments to the SEBI (Real Estate Investment Trusts) Regulations, 2014. This follows the May 2023 consultation paper on Micro, Small, and Medium REITs (MSM REITs).

The new SM REIT regulations provide a clear framework for Fractional Ownership Platforms (FOPs), which are investment vehicles pooling funds to invest in securities issued by special purpose vehicles (SPVs) that acquire real estate assets on a fractional or undivided ownership basis. Primarily targeting pre-leased, income-generating commercial properties, these platforms appeal to high-net-worth individuals (HNIs), non-resident Indians (NRIs), and overseas citizens of India (OCIs). Managed by individual entities, FOPs have been classified by SEBI as a form of collective pooled scheme, necessitating the



Total Office Stock in India (mn. sq. ft.)	Total office stock under listed REIT (mn. sq. ft.)	Potential SM REIT office stock by 2026 (mn. sq. ft.)
800+	88+	~350



implementation of the SM REIT regulations to ensure investor protection and market integrity.

Anshuman Magazine, Chairman & CEO, India, Southeast Asia, Middle East & Africa, CBRE, said, "The introduction of the SM REITs framework marks a pivotal moment for India's commercial real estate sector. By enhancing transparency and offering robust investor protections, SM REITs are set to redefine portfolio diversification. This framework will not only mitigate risks associated with under-construction projects but will also ensure steady returns through mandatory quarterly distributions, making real estate a more accessible and secure investment option for a broader range of investors."



Rami Kaushal, Managing Director, Consulting & Valuation Services, India, Middle East & Africa, CBRE, said, "The alignment of SM REITs with recent tax reforms under the Union Budget 2024-25 is a game-changer for the investment landscape. Reducing the holding period for long-term capital gains will make SM REITs more attractive and accessible, driving increased participation and further institutionalizing the market. This development positions SM REITs to play a pivotal role in reshaping India's real estate ecosystem, enhancing both asset quality and investor confidence."



Your favourite tabloid

CHENNAI PROPERTY

now reaches over 1.5 lakh decision makers including professionals, investors and NRIs directly.

REACH THE RIGHT AUDIENCE
ADVERTISE IN CHENNAI PROPERTY

Contact: Priya Publications on 9176627139 / 9384836698
priyapublications@gmail.com www.priyapublications.in

LEGAL

Judgements in a nutshell

Supreme Court cautions banks while sanctioning loans with inadequate title clearance report

The Supreme Court observed that the Banks must be very careful with inadequate title clearance reports particularly when the same are obtained cheaply and at times for external reasons. The Court observed thus in a batch of Civil Appeals in which the lead one arose from the Judgment of the Madhya Pradesh High Court by which it set aside the Additional District Judge's Order in a Civil Suit. The two-Judge Bench comprising Justice J.B. Pardiwala and Justice R. Mahadevan remarked, "Before we close this litigation, we deem it necessary to observe that Banks should remain very careful with inadequate title clearance reports, more particularly, when such reports are obtained cheaply and at times for external reasons. This concerns the protection of public money and is in the larger public interest. Therefore, it is essential for the Reserve Bank of India and other stakeholders to collaborate in developing a standardized and practical approach for preparing title search report before sanctioning loans and also for the purpose of determining liability (including potential criminal action) of the Officer who approves loan." (Source: <https://www.verdictum.in/court>).

Supreme Court rules developers cannot deduct more than 10% of BSP

In a landmark judgement on quashing the one-sided agreement in favour of the developer, the apex court ruled that developers cannot deduct unreasonable amounts if the buyer seeks cancellation and it should not be more than 10% of the basic sale price.

"The contractual terms which are ex facie one-sided, unfair and unreasonable would constitute unfair trade practice as per the aforesaid definition of unfair trade practice and turned down the plea of Godrej Projects Development Ltd.," said the apex court.

"If the forfeiture of earnest money under a contract is reasonable, then it does not fall within Section 74 of the Indian Contract Act, 1872, inasmuch as, such a forfeiture does not amount to imposing a penalty," held the supreme court. It has further been held that,

however, if 10 (1969) 2 SCC 554 27 the forfeiture is of the nature of penalty, then Section 74 would be applicable. This Court has further held that under the terms of the contract, if the party in breach undertook to pay a sum of money or to forfeit a sum of money which he had already paid to the party complaining of a breach of contract, the undertaking is of the nature of a penalty.

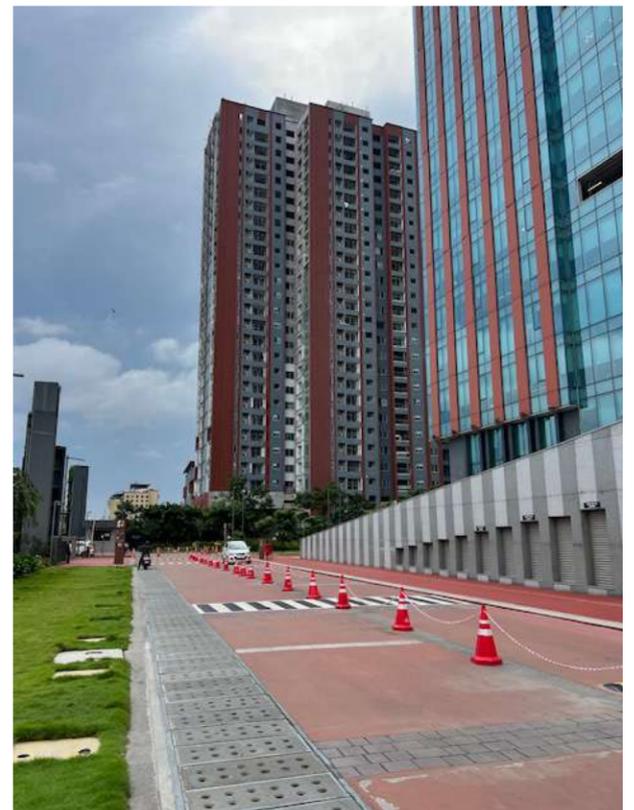
Relying on the aforesaid observations of this Court, the NCDRC, in a series of cases right from the year 2015, has held that 10% of the BSP is a reasonable amount which is liable to be forfeited as earnest money. The NCDRC has initially taken this view in the case of DLF Ltd. v. Bhagwanti Narula (supra).

The said view has been followed subsequently in various judgments of the NCDRC. We see no reason to upset the view consistently taken by the NCDRC based on the judgment of this Court in the case of Maula Bux (supra). Though the court is not inclined to interfere with the direction of the NCDRC for refund of the amount in excess of 10% of the BSP, it however found that the NCDRC was not justified in awarding interest on the amount to be refunded.

Apex Court rules that right to fair and timely compensation against land acquisition is a constitutional right

The present article discusses the recent Judgment of the Hon'ble Supreme Court, Bernard Francis Joseph Vaz v. State Karnataka, 2025 SCC OnLine SC 20, where the Apex court has once again held that though the Right to Property is no more a fundamental right, however, it continues to be a human right in a welfare state and it is a constitutional right under Article 300-A of the Constitution of India. Therefore, no person can be dispossessed of his property without being paid adequate compensation in accordance with law.

In this case Bernard Francis Joseph and Ors. (Appellants) filed a SLP before the Hon'ble SC against the Division Bench order of the Hon'ble High Court of Karnataka (HC) whereby the setting aside of Award dated 22.04.2019



(Award) passed by the Special Land Acquisition Officer (SLAO) for the Appellant's land acquisition, was upheld.

In the present case the apex court has noted that there was no delay attributable to the Appellants in not getting compensation, but it was on account of the lethargic attitude of the officers of the State/KIADB that the appellants were deprived of compensation. Therefore, if the compensation to be awarded at the market value as of the year 2003 is permitted, it would amount to permitting a travesty of justice and making the constitutional provisions under Article 300-A a mockery. The Apex Court, in exercise of power under Article 142 of the Constitution of India, held that the SLAO be directed to determine the compensation to be awarded to the Appellants herein on the basis of the market value prevailing as on 22.04.2019. It was further directed that the Appellants shall be entitled to all the statutory benefits as are available to them under the 1894 Act.

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.

Prime Industrial Land
in Andheri (E) Available
for Development

1.7 acre of land ideal for mixed development in Saki Naka is for sale.

The site in a strategic location is in close proximity to the airport.

Interested parties can contact:

Raghav Realty Consultancy
email: raghavrealty@gmail.com

UBER Luxury Sea facing Apartments
at Thiruvananthapuram

SPECIAL FEATURES

- Land Area - 7.90 grounds
- Stilt + 4 floors
- 3BHK - 1761 sft & 1957 sft
- 2 blocks
- 2 Apts per floor
- Full-height glass windows
- High - End Fixtures & Fittings
- 100% Power back up incl A/C
- Covered Car Park
- 100% Power back up
- Individual lifts
- Access Controlled Entry
- Multi - Level Security System
- Provision for VRV type A/C
- Glass Breaks Sensors
- Rainwater Harvesting
- Reticulated Gas Supply
- Barbeque Facility at the Terrace
- Electrical Vehicle Charging Point
- Club house with
- Gym & Pool Table

Home Loan arranged and Property management services available for NRIs including repatriation.

For additional information and details, contact:

RAGHAV REALTY CONSULTANCY

(RERA No. 0353/2022)

Mobile: 9176627139 / 9384836698

Email: raghavrealty@gmail.com