

India Residential Real Estate Market By Type (New Construction, Resale), By Category (Flats & Apartments, Individual Houses or Private Dwellings, Condominium, Townhouses, Others), By Mode (Online, Offline), By Region, Competition Forecast & Opportunities, 2020-2030F

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Abstracts

India Residential Real Estate market was valued at USD 36.02 Trillion in 2024 and is expected to reach USD 44.37 Trillion by 2030 with a CAGR of 3.38% during the forecast period.

The residential real estate market refers to the sector of the economy that involves the buying, selling, leasing, and renting of properties intended for personal living purposes. This market includes various types of dwellings, such as single-family homes, apartments, condominiums, townhouses, and multi-family units. It caters to individuals, families, and investors seeking properties for occupancy or as income-generating assets. The residential real estate market is influenced by several factors, including economic conditions, interest rates, population growth, urbanization, and government policies. Housing demand and supply play a pivotal role, as they directly affect property prices, rental rates, and market dynamics. The market is typically divided into primary and secondary sectors: the former involves newly constructed properties, while the latter pertains to previously owned homes. Participants in the residential real estate market include buyers, sellers, real estate agents, developers, financiers, and legal professionals. Trends such as technological advancements, sustainable construction practices, and shifting consumer preferences significantly impact its evolution. The residential real estate market is crucial not only as a cornerstone of personal wealth and stability but also as a significant contributor to economic growth and community

development. It remains a dynamic field, constantly adapting to changes in societal and economic landscapes.

For Instance, By 2040, the real estate market will grow to USD 9.30 billion from USD 1.72 billion in 2019. Real estate sector in India is expected to reach USD 1 trillion in market size by 2030, up from USD 200 billion in 2021 and contribute 13% to the country's GDP by 2025. Retail, hospitality, and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

Key Market Drivers

Economic Growth and Rising Incomes

India's economic growth and the corresponding rise in disposable incomes have significantly bolstered the residential real estate market. As one of the world's fastest-growing economies, India has witnessed consistent improvements in living standards, especially among the middle class. This economic progress translates into greater affordability and aspirations for homeownership. Rising income levels are accompanied by increased access to financing options, such as home loans at competitive interest rates, making it easier for individuals and families to invest in property. Government initiatives like the Pradhan Mantri Awas Yojana (PMAY) provide financial support to first-time homebuyers, particularly in the affordable housing segment, further stimulating the market.

The real estate sector has also benefited from the growth of the IT/ITES and manufacturing industries, which create high-paying jobs and drive housing demand in specific regions. For instance, cities like Bengaluru, Pune, and Hyderabad have seen a surge in residential developments catering to professionals in these sectors. Additionally, wealth accumulation among India's high-net-worth individuals (HNWIs) has spurred demand for luxury housing and second homes, adding another layer of growth. This economic momentum ensures a robust and resilient residential real estate market.

Government Policies and Regulatory Reforms

Supportive government policies and regulatory reforms play a crucial role in shaping the Indian residential real estate market. Initiatives such as the Real Estate (Regulation and Development) Act, 2016 (RERA), have enhanced transparency and accountability, restoring buyer confidence and driving demand. RERA mandates the timely delivery of

projects and standardized practices, creating a more investor-friendly environment. The introduction of the Goods and Services Tax (GST) simplified the taxation process, reducing ambiguities and costs for buyers and developers alike. These reforms ensure smoother transactions and higher compliance, fostering trust in the sector.

Affordable housing has been a key focus of government efforts, with policies offering incentives such as tax benefits, subsidies, and reduced stamp duties. Schemes like PMAY aim to achieve 'Housing for All,' targeting low-income groups and first-time buyers. Additionally, the liberalization of Foreign Direct Investment (FDI) norms has attracted global investors to the sector, boosting development and innovation. State-level initiatives, such as lowering registration fees and implementing urban planning schemes, further stimulate growth.

These policy-driven reforms have significantly contributed to making the residential real estate market more structured, sustainable, and attractive to both domestic and international stakeholders.

Technological Advancements and Digital Transformation

The adoption of technology and digital tools has revolutionized the Indian residential real estate market. From property search to project management, technology has streamlined processes, enhanced customer experiences, and improved market efficiency. Online property platforms and real estate marketplaces enable buyers and sellers to access comprehensive information, compare prices, and make informed decisions. Virtual tours, augmented reality (AR), and artificial intelligence (AI)-driven recommendations have made property exploration convenient and engaging, especially during the COVID-19 pandemic.

Developers are leveraging Building Information Modeling (BIM), drone technology, and advanced project management software to optimize construction timelines and ensure quality control. Smart home technology, offering features like energy-efficient systems, voice-controlled devices, and enhanced security, has become a sought-after aspect of modern housing. Blockchain technology is gradually transforming property transactions by enhancing transparency, reducing fraud, and streamlining documentation processes. Furthermore, data analytics tools enable developers and agents to identify emerging trends and cater to market demands effectively.

The rise of PropTech (property technology) companies and startups in India has further accelerated innovation in the sector. By adopting these advancements, the residential

real estate market is evolving to meet the needs of a tech-savvy generation, ensuring sustainable growth and competitiveness.

Key Market Challenges

Regulatory and Compliance Issues

The Indian residential real estate market has long struggled with regulatory and compliance challenges, creating hurdles for developers, investors, and buyers alike. Historically, the market has been marred by opaque practices, delays in project approvals, and disputes over land acquisition. Although the Real Estate (Regulation and Development) Act (RERA) of 2016 aimed to introduce greater transparency and accountability, compliance remains a significant challenge. For developers, adhering to RERA mandates and other regulations often involves navigating complex bureaucratic processes. Obtaining multiple clearances, such as environmental permissions, zoning approvals, and building permits, can delay projects substantially. These delays not only inflate costs but also erode buyer trust. Developers sometimes fail to register projects with RERA or provide accurate disclosures, leading to legal consequences and tarnishing their reputation.

From the buyer's perspective, navigating the legalities of property purchases remains a challenge. Many consumers are unaware of their rights under RERA, which can leave them vulnerable to fraudulent practices. Additionally, delays in project delivery, non-issuance of occupancy certificates, and discrepancies in promised versus delivered amenities continue to be widespread complaints. Investors also face hurdles due to inconsistent enforcement of regulations. Land titling issues, unclear ownership records, and disputes over property boundaries are common problems. These uncertainties discourage foreign and institutional investors, limiting the market's growth potential.

Despite efforts to streamline regulatory processes, inefficiencies in the system persist, impacting both affordability and accessibility in the residential real estate market. Addressing these challenges requires stricter enforcement of RERA provisions, digitization of land records, and continuous education for buyers and developers about compliance requirements. Without such measures, the regulatory landscape will continue to hamper the sector's growth and credibility.

High Property Costs and Affordability Crisis

Affordability remains a significant challenge for India's residential real estate market.

While the sector has witnessed impressive growth, skyrocketing property prices in urban areas have placed homeownership out of reach for many middle-class and low-income families. Rapid urbanization has concentrated demand in metropolitan cities such as Mumbai, Delhi, and Bengaluru, causing a steep rise in land and construction costs. Developers, seeking higher profit margins, often focus on premium housing projects, leaving a gap in affordable housing supply. As a result, many urban workers are forced to live in rented accommodations or in peri-urban areas far from their workplaces, adding to daily commuting challenges.

The affordability crisis is further compounded by rising interest rates on home loans, making financing options less accessible. Even government schemes such as the Pradhan Mantri Awas Yojana (PMAY), aimed at promoting affordable housing, face execution challenges. These include delays in fund disbursement, lack of coordination between stakeholders, and limited awareness among target beneficiaries. Additionally, income disparity in India exacerbates the problem. While high-income groups can afford luxury properties, a significant portion of the population struggles with stagnant wages and inflation, reducing their purchasing power. This disparity creates an imbalance in the market, with unsold inventory piling up in the premium housing segment while demand for affordable housing remains unmet.

To address these challenges, government intervention is essential. Policies that incentivize developers to build affordable housing, streamline approvals, and offer subsidies for homebuyers can help bridge the affordability gap. Furthermore, innovative construction techniques such as prefabricated housing and public-private partnerships can reduce costs and expand access. Without targeted efforts, the affordability crisis will continue to limit homeownership and stifle the growth of India's residential real estate market.

Key Market Trends

Growth in Affordable Housing Segment

Affordable housing continues to be a key driver of growth in India's residential real estate market. Government initiatives such as the Pradhan Mantri Awas Yojana (PMAY) aim to make homeownership accessible to economically weaker sections and middle-income groups. This initiative has been complemented by tax benefits, subsidies on housing loans, and incentives for developers constructing affordable housing units. Urbanization and migration to tier-2 and tier-3 cities have also boosted the demand for affordable housing in these areas. Cities like Ahmedabad, Pune, Lucknow, and

Coimbatore have witnessed significant development of low-cost housing projects catering to first-time homebuyers and middle-income families. Developers are increasingly adopting innovative construction techniques, such as pre-fabricated materials, to reduce costs and delivery timelines, ensuring affordability without compromising quality.

The COVID-19 pandemic further underscored the importance of owning a home, leading to a surge in demand in this segment. Flexible loan terms and historically low interest rates have made buying homes more accessible. The focus on affordability is likely to persist, driven by the aspiration of homeownership and government initiatives targeting 'Housing for All.' Challenges remain, including land acquisition costs and regulatory hurdles. However, with continued policy support and technological advancements, the affordable housing segment is poised to remain a cornerstone of India's residential real estate market growth.

Increased Adoption of Technology in Real Estate Transactions

Technology is revolutionizing the Indian residential real estate market, transforming the way properties are marketed, sold, and managed. The adoption of virtual reality (VR), augmented reality (AR), artificial intelligence (AI), and blockchain technologies has streamlined property searches, site visits, and even the purchase process.

Digital platforms and real estate marketplaces now offer comprehensive property listings with high-resolution images, virtual tours, and detailed specifications, enabling buyers to explore properties from the comfort of their homes. Developers are leveraging AI to analyze buyer preferences, offering personalized recommendations and enhancing customer engagement. Blockchain technology is gaining traction, offering transparency and security in transactions. Smart contracts and digital payment systems are reducing paperwork and speeding up transactions. Furthermore, property management apps are improving communication between landlords and tenants while simplifying rent collection and maintenance requests.

The pandemic accelerated the adoption of tech-driven solutions, making digital tools indispensable for real estate stakeholders. With advancements in 5G and Internet of Things (IoT) technology, smart homes and connected communities are becoming increasingly common, catering to tech-savvy buyers. As technology continues to evolve, it will play a pivotal role in enhancing the efficiency, transparency, and convenience of the residential real estate market in India.

Segmental Insights

Type Insights

The New Construction segment dominated the India Residential Real Estate market. In the Indian residential real estate market, the new construction segment holds a dominant position, fueled by urbanization, demographic shifts, and evolving consumer preferences. With rapid urban migration and population growth, there is a constant demand for new housing developments across urban centers and emerging suburban areas. Developers are actively catering to this demand by focusing on new construction projects that range from affordable housing initiatives to luxury developments.

Government initiatives like the Pradhan Mantri Awas Yojana (PMAY) have further stimulated growth in the new construction segment, particularly in the affordable housing category. These initiatives provide incentives and subsidies for developers, encouraging them to undertake large-scale housing projects aimed at addressing the housing shortage in urban areas. As a result, affordable housing projects under PMAY have seen significant traction, attracting both developers and homebuyers looking for cost-effective housing solutions.

Technological advancements and innovation play a crucial role in the new construction segment, with developers adopting modern construction techniques, sustainable building materials, and smart home technologies to enhance project efficiency and appeal to tech-savvy buyers. Integrated townships and mixed-use developments are also gaining popularity within the new construction segment, offering comprehensive living environments with amenities such as retail spaces, recreational facilities, and green spaces—all within a single development.

Moreover, the new construction segment is pivotal in driving economic growth, creating employment opportunities across various sectors including construction, manufacturing, and services. It also contributes significantly to the country's GDP and infrastructure development, supporting overall urbanization efforts and improving living standards in urban areas.

Despite challenges such as regulatory complexities, funding constraints, and market fluctuations, the new construction segment continues to expand, driven by robust demand and strategic initiatives aimed at promoting sustainable and inclusive urban development. As developers innovate and adapt to changing market dynamics and consumer preferences, the new construction segment is expected to remain a

cornerstone of growth and investment in the Indian residential real estate market for years to come.

Regional Insights

North India emerged as the dominating region in 2024, North India has emerged as a dominant region in the Indian residential real estate market, characterized by robust demand, diverse offerings, and strategic developments across key cities and suburban areas. Cities such as Delhi NCR (National Capital Region), Gurugram, Noida, Chandigarh, and Jaipur are prominent contributors to the region's real estate landscape.

One of the primary drivers of North India's dominance is rapid urbanization and population growth. Delhi NCR, in particular, has witnessed significant expansion fueled by migration from neighboring states and rural areas, leading to a continuous demand for housing across various segments. The region's proximity to major employment hubs, educational institutions, and healthcare facilities further enhances its attractiveness to homebuyers and investors alike.

Infrastructure development has also played a crucial role in shaping North India's residential real estate market. Improved connectivity through highways, metro networks, and other transport infrastructure has opened up previously underserved areas for residential development. Planned urban developments and smart city initiatives in cities like Gurugram and Noida have attracted investments and facilitated the growth of integrated townships and mixed-use developments.

Government policies and initiatives have provided further impetus to the residential real estate market in North India. Schemes such as PMAY have incentivized developers to focus on affordable housing projects, catering to the needs of middle-income and economically weaker sections of society. Regulatory reforms aimed at enhancing transparency and easing approval processes have also contributed to a more favorable investment climate in the region. Additionally, North India's real estate market benefits from a diverse range of residential offerings, from affordable housing projects to high-end luxury developments catering to affluent buyers. The presence of reputed developers and real estate firms, along with innovative financing options, has supported market growth and stability despite occasional fluctuations in demand and economic conditions.

Looking ahead, North India is poised to maintain its dominance in the Indian residential real estate market, driven by continued urbanization, infrastructure enhancements,

supportive government policies, and evolving consumer preferences. Strategic investments in sustainable development practices and technological innovations are expected to further bolster the region's position as a key hub for residential real estate investment and development in the country.

Key Market Players

Godrej Properties Limited

DLF Limited

Unitech Limited

Tata Housing Development Company Limited

INCOR Infrastructure Pvt. Ltd.

Prestige Estates Projects Limited

Puravankara Limited

Sobha Limited

Report Scope:

In this report, the India Residential Real Estate Market has been segmented into the following categories, in addition to the industry trends which have also been detailed below:

India Residential Real Estate Market, By Type:

o New Construction

o Resale

India Residential Real Estate Market, By Category:

- o Flats & Apartments
- o Individual Houses or Private Dwellings
- o Condominium
- o Townhouses
- o Others

India Residential Real Estate Market, By Mode:

- o Online
- o Offline

India Residential Real Estate Market, By Region:

- o South India
- o West India
- o North India
- o East India

Competitive Landscape

Company Profiles: Detailed analysis of the major companies present in the India Residential Real Estate Market.

Available Customizations:

India Residential Real Estate Market report with the given market data, TechSci Research offers customizations according to a company's specific needs. The following customization options are available for the report:

Company Information

Detailed analysis and profiling of additional market players (up to five).

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