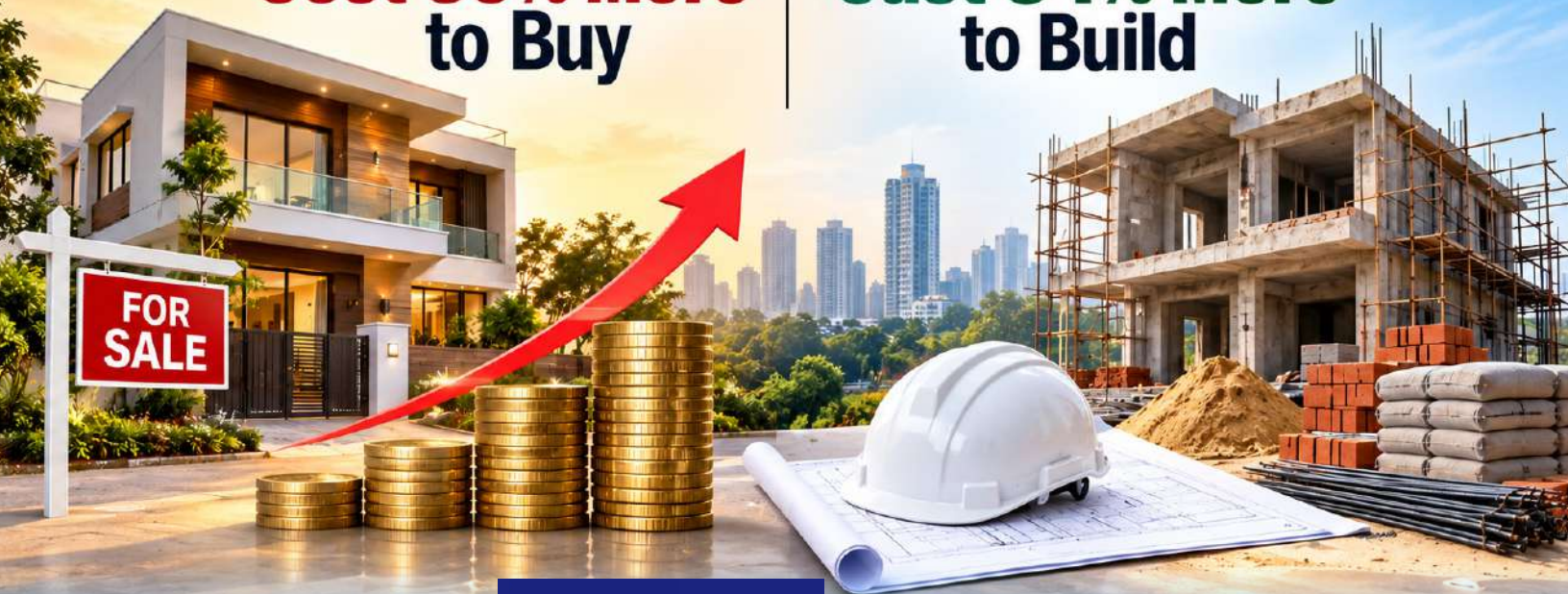


India's Homes

**Cost 59% More
to Buy**

**Just 34% More
to Build**



Around NAR-India

IREC 2026
GLOBAL CONFERENCE.

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The gross manufacturing leasing posted 49% CAGR since 2021 and market share is second only to 3PL, says **JLL survey**.

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India Data Centre Footprint to Hit 101 Million Sft by 2030

India's data centre footprint to touch over 101 Million sq ft by 2030 as the sector scales

up to meet the country's accelerating digital requirements, says **Anarock survey**.

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Realty data

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City Scenario:

➡ **Mumbai Redevelopment Scales new highs with 1,000+ projects since 2020**

Approximately 1000 redevelopment projects launched since 2020, comprising 13% of Mumbai's overall residential supply, says **JLL-Naredco survey**.

➡ **Bengaluru: Premium Housing Market Stays Resilient**

Capital value increase remained driven by underlying market drivers, infrastructure accessibility, and high end-user demand, says **Savills survey**.



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Directions are extremely important when it comes to Feng Shui design and layout, says **S BS Surendran**.

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GST on Real Estate Sector

by **K Balasubramanian**



India's Homes Cost 59% More to Buy, Just 34% More to Build

Land, margins and market pricing — not bricks and cement — are driving India's housing costs, as a survey by ANAROCK DATA shows.



Image Courtesy: Chatgpt

Land, margins and market pricing — not bricks and cement — are driving India's housing costs, as a survey by Anarock data shows. Building a home in India's top seven cities got a lot more expensive over the last five years — but buying one got expensive nearly twice as fast.

Between 2021 and 2025, the average cost of constructing a standard-plus residential project rose 34%, from ₹2,681 to ₹3,604 per sq ft — a compound annual growth rate of about 6.9%. Average

residential capital values jumped 59%, from ₹5,826 to ₹9,260 per sq ft, growing at roughly 12% a year.

That 25-percentage-point gap is the real story: only

Steel has been the standout mover — TMT bar prices are up roughly 20%, to about ₹72,000 a tonne — while fuel and site logistics, though a small slice of overall cost, have jumped 15–20%.

about two-thirds of the rise in home prices traces back to construction costs.

The rest comes from land, developer margins and shifting demand.

"Land prices in the major cities have risen sharply in the last five years," said Santhosh Kumar, Vice-Chairman, Anarock Group. "Factors like infrastructure-led appreciation, demand-supply dynamics, location premiums and developer pricing have all contributed to the increase in residential capital values."

Land Is the Missing Line Item

Unlike cement, steel and labour, land isn't counted in construction-cost figures — yet



logistics, though a small slice of overall cost, have jumped 15–20%. Finishing materials and MEP work aren't far behind, both up 8–13% on higher import and metal costs.

Technical Systems Take a Bigger Bite

Even setting aside the recent shock, buildings are simply getting more complex. Core construction costs across the top seven cities rose 13% between 2023 and 2025, from ₹1,956 to ₹2,212 per sq ft — but mechanical, electrical and plumbing (MEP) costs rose faster still, up more than 17%, from ₹672 to ₹788 per sq ft. MEP now accounts for nearly 22% of total construction cost in 2025, with Mumbai seeing the sharpest rise at 19.6%.

Developers Caught in the Middle

The 8–10% cost spike lands unevenly across the industry.

Projects already launched and sold have little room to pass on higher costs, squeezing margins directly. Developers starting new projects have more room to reprice — if buyers in that segment can absorb it.

Premium and luxury housing, catering to less price-sensitive buyers, can largely absorb the hit. Affordable and mid-income housing is more exposed: expect calibrated price hikes, leaner specifications, product-mix shifts, slower launches, and a tilt toward locations with stronger pricing power.

"The Middle East tensions have caused steel, fuel-linked logistics, imported finishing materials and MEP costs to rise sharply, adding another estimated 8–10% to overall construction costs," Kumar said. "Developers are now challenged on passing this on to homebuyers without affecting affordability and sales momentum." ●

it's now doing much of the work in pushing prices up. Anarock data shows land values across the top seven cities rose 50–120% between 2021 and the first half of 2026 (an 8–15% CAGR), with NCR (70–130%) and Bengaluru (60–120%) seeing the sharpest jumps.

"Higher land acquisition costs complicate both project feasibility and home pricing," Kumar said, "especially in established corridors, where infrastructure improvements cause land values to rise steeply even before a project's launch."

A Fresh Cost Shock from Overseas

On top of that, geopolitical turmoil is now squeezing builders from another direction. Middle East tensions between March and July drove an estimated 8–10% rise in construction costs, with steel and fuel-linked logistics moving the sharpest — even though labour remains the single largest cost component by weight.

Steel has been the standout mover — TMT bar prices are up roughly 20%, to about ₹72,000 a tonne — while fuel and site

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Manufacturing Leasing Surges at 49% CAGR Since 2021

The gross manufacturing leasing posted 49% CAGR since 2021 and market share is second only to 3PL, says JLL SURVEY.

India's manufacturing sector is witnessing an unprecedented transformation, with leasing demand for industrial spaces projected to capture 40% of the market by 2030, according to JLL's latest research report, "Great Places of Manufacturing in India (GPMI) 2.0: Advanced Manufacturing Clusters."

Gross manufacturing leasing has reached a cumulative 69 million sq. ft., registering an impressive 49% CAGR since 2021. Manufacturing has now emerged as the second-largest occupier segment after third-party logistics (3PL), signaling a fundamental restructuring of India's industrial real estate hierarchy. In 2025 alone, gross absorption touched 19.2 million sq. ft., with H1 2026 recording 10.2 million sq. ft.—a 19% year-over-year increase for the first half.

"The growth in manufacturing real estate asset class reflects two distinct yet complementary strategies shaping India's industrial landscape. Tier-I cities are witnessing aggressive leasing of Grade-A facilities as manufacturers prioritise speed-to-market and be capex-light due to paucity of affordable land. Simultaneously, Tier-II markets are seeing manufacturers opt for land acquisition, seeking greater customisation and long-term operational control. Both approaches signal robust manufacturing commitment; whether through leasing or ownership, India is becoming

the factory floor of choice," said Yogesh Shevade, Managing Director, Industrial & Logistics, India, JLL.

Grade-A properties captured 90% of manufacturing leasing in 2025. This shift toward high-specification facilities reflects stringent adherence to enhanced building standards, hygiene protocols, and safety norms. This trend continues into 2026.

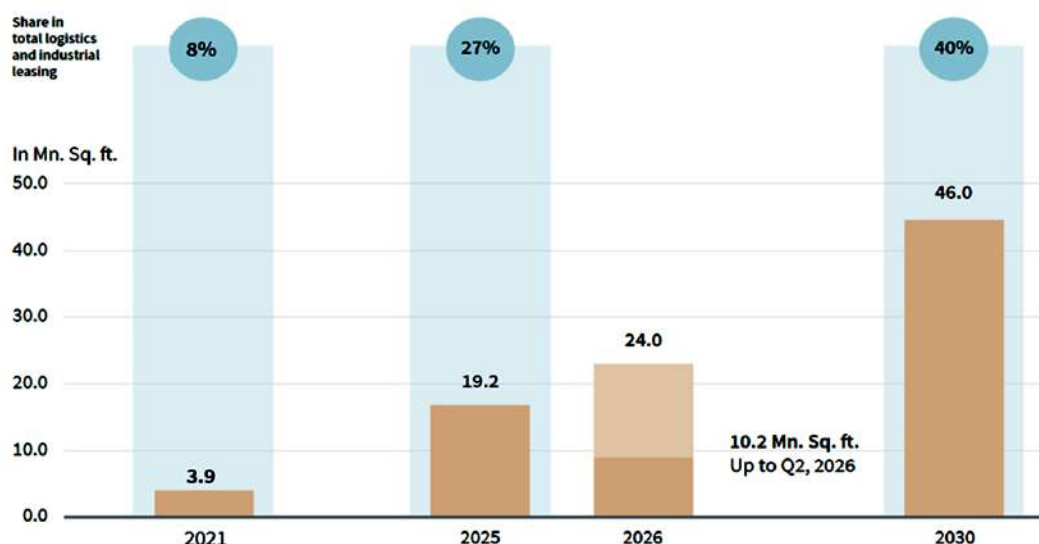
GPMI 2.0, as sequel to GPMI report released by JLL in 2020 highlights Top advanced manufacturing sectoral destination in India. Emphasizes how Pune and

- Gross manufacturing leasing records a cumulative 69 million sq. ft since 2021.
- Pune and Chennai command leading market share followed by NCR-Delhi, Bengaluru, Mumbai, Ahmedabad, Hyderabad.
- In Emerging markets / Tier-II markets such as Bhuvanewar, Nashik, Surat, Lucknow, Sambhajinagar, Coimbatore, Hosur, Bhopal etc. manufacturers focus on land transaction over leasing.
- Manufacturing leasing absorption, estimated to record 24 million sq ft. (in 2026), is forecast to reach 46 million sq. ft. by 2030.
- Grade A properties dominate with 90% market share as manufacturers priorities premium infrastructure.
- PLI and FTA, the twin engines propelling India's manufacturing surge.
- Infrastructure/ecosystem and Sustainability as competitive differentiators in manufacturing space.

The growth in manufacturing real estate asset class reflects two distinct yet complementary strategies shaping India's industrial landscape.

Chennai have established themselves as manufacturing leasing epicenters among India's eight Tier-I cities. These hubs are followed by NCR-Delhi, Bengaluru, Mumbai, Ahmedabad, and Hyderabad, which together form the

Gross manufacturing leasing absorption (2021–2030) (Mn. Sq. ft.)



backbone of India's Grade-A manufacturing infrastructure.

Meanwhile, 14 emerging markets including Lucknow, Jaipur, Chandigarh tri-city, Bhubaneswar, Guwahati, Surat, Nagpur, Nashik, Goa, Indore, Sambhajinagar, Tuticorin, Coimbatore & Vizag are witnessing manufacturers over leasing, reflecting diverse regional strategies aligned with specific operational

requirements.

Driving this unprecedented leasing momentum is a convergence of strategic policy initiatives and expanding global trade partnerships that have positioned India as a preferred manufacturing destination. As the world's 6th largest economy, India is executing one of the most ambitious industrial transformations the 21st century has witnessed. India's

Production Linked Incentive (PLI) scheme has emerged as a transformative force, attracting 836 applications across 14 sectors and generating cumulative investments exceeding INR 2.16 trillion and 14.39 lakh direct and indirect jobs since its launch in 2020. Complementing this, India's expanded network of Free Trade Agreements has dramatically enhanced market access.

Looking Ahead

With manufacturing leasing absorption forecast to reach approximately 46 million sq. ft. by 2030, representing 40% of India's total industrial and warehousing absorption, the sector's trajectory underscores India's evolution toward becoming a global manufacturing powerhouse aligned with its Vision 2047 aspirations. ●

India Data Centre Footprint to Hit 101 Million Sft by 2030

India's data centre footprint to touch over 101 Million sq ft by 2030 as the sector scales up to meet the country's accelerating digital requirements, says ANAROCK SURVEY.



Image Courtesy: Chatgpt

India Data Centre Footprint to Hit 101 Million Sft by 2030

➤ Data centre footprint in India reached 27 Mn sq

ft across 164 DCs in H1 2026, from 0.6 Mn sq ft in 2007

➤ DC capacity touches 1.8+ GW as of H1 2026, development pipeline can

exceed 6.7 GW in next 4 years - a 3X increase

➤ Overall global DC capacity at 92+ GW in H1 2026, capacity expected to touch 210+ GW by 2030

➤ USD 300 Bn in investment commitments underpin India's next DC growth phase, placing it among the fastest growing DC markets; global investment

commitment at USD 3,000 Bn

- MMR remains dominant DC sub-market in India with ~50% share; Chennai next with 25 DCs of 298 MW capacity
- With DCs the factories of the AI age, 70% demand is to be driven by AI workloads (2030F)
- A global digital superpower, India has 950+ Mn Internet users in H1 2026

India's data centre industry has evolved rapidly beyond the 'niche technology segment' tag and is now a major real estate and infrastructure play. As the country generates and consumes gargantuan volumes of data, these factories are expanding proportionately.

Anarock Capital's latest

Over 120 acres transacted for data centre development, mainly in Mumbai, Chennai, and Hyderabad.

report "Data Centre: The Blueprint of The Digital Fortress in India" projects India's data centre footprint to touch over 101 Million sq ft by 2030 as the sector scales up to meet the country's accelerating digital requirements. From a modest 0.6 Mn sq ft in 2007, it has reached nearly 27 Million sq ft by H1 2026. USD 300+ Bn in investment commitments will drive the upcoming supply.

Shobhit Agarwal, CEO - Anarock Capital, says, "The projected 101 Mn sq ft data centre footprint highlights the sheer physical scale of

the real estate opportunity. Unlike conventional office or industrial developments, data centres are highly infrastructure-intensive assets, requiring large land parcels, substantial power capacity, advanced cooling systems, robust connectivity, and high levels of operational resilience."

"This projected footprint doesn't represent just additional built-up space requirements - this is a specialised asset class at the intersection of real estate, technology and infrastructure" he adds. "As operators expand

their portfolios, demand for strategically located land, power infrastructure, renewable energy, engineering and construction services, fibre connectivity and specialised cooling solutions will rise in tandem."

Accelerating Capacity Growth

The report highlights that DC capacity is following a similar growth trajectory.

From less than 1 GW only a few years ago, India has crossed 1.8+ GW as of H1 2026. The development pipeline is expected to boost capacity to over 6.7 GW by the end of the decade - a more than threefold increase in the next four years.

Supporting this rapid build-out are over USD 300 Bn in investment commitments.





India's dominant data centre hub thanks to its outsized financial and commercial ecosystem, strong enterprise demand, and connectivity advantages. However, the DC market is increasingly expanding across other major digital and business centres, including Chennai, Bengaluru, Delhi-NCR and Hyderabad. These cities are also attracting significant investments.

- Mumbai-MMR has 54 operational data centres with IT capacity of 812 MW, followed by Chennai with 25 DCs of 298 MW capacity.
- Delhi-NCR and Bengaluru have 18 centres each with IT capacities of 179 MW and 137 MW, respectively.
- Hyderabad has 12 DCs with IT capacity of 178 MW.

The emergence of these clusters is based squarely on land and power availability, network connectivity, renewable energy access, and proximity to major demand centres. This geographical diversification also opens new opportunities for real estate development beyond established data centre hubs.

AI to Reshape Data Centre Requirements

The rapid adoption of AI is one of the most important drivers of current and future data centre demand. AI will directly impact the design and engineering requirements of the next generation of facilities.

"AI's explosive growth adds another powerful dimension to this opportunity," says Agarwal. "AI models require far more computing power, storage capacity and energy than conventional digital applications.

As businesses, governments and consumers adopt AI at scale, data centres

are evolving from digital activity support to critical infrastructure driving economic growth and technological competitiveness."

Policy and Financing

The Digital Personal Data Protection Act, 2023 further emphasises the importance of secure domestic data infrastructure, supporting the broader requirement for robust and compliant data management capabilities.

The infrastructure status accorded to data centres has also helped improve access to long tenure financing at interest rates of around 9.5-10.5%, for tenures extending up to 12 years. The proposed tax holiday through 2047 for eligible global cloud service providers further enhances India's competitiveness.

India's DC Growth Provisos

The report highlights that the next phase will be defined by power, land, and connectivity. With the projected footprint and capacity growth, and the investment commitments supporting the broader ecosystem, India's data centre market must scale up at an extraordinary rate.

The challenge of ensuring that supporting infrastructure keeps pace with this expansion cannot be under-estimated. Reliable power, suitable land, high-speed connectivity and access to renewable energy will determine where the next generation of data centre capacity can be developed.

India's data centre opportunity is not just about significant real estate and investment potential – it will eventually reshape land-use patterns, infrastructure investments and the entire commercial real estate landscape across India's leading digital markets. ●

This positions India among the fastest-growing data centre markets globally, with growth estimated at 2-3x the global average.

"The massive scale of investment commitments demonstrates the long-term confidence surrounding the sector, and its strategic importance to the digital economy," says Agarwal. "It also reflects the convergence of multiple structural demand drivers – including cloud adoption,

rising data consumption, artificial intelligence (AI), digital payments, enterprise digitalisation and the growing need for secure and resilient digital infrastructure."

In comparison, global DC capacity crossed 92+ GW in H1 2026 and is projected to touch 210+ GW by 2030-end - with overall investment commitments of USD 3,000 Bn by the first half that year.

Data Centres - City Ranking

Mumbai-MMR remains

Hyderabad Rolls Out the Red Carpet: HRA to Host IREC 2026 Luxury Property Show

India's manufacturing sector is witnessing an unprecedented transformation, with leasing demand for industrial spaces projected to capture 40% of the market by 2030, according to JLL's latest research report, "Great Places of Manufacturing in India (GPMI) 2.0: Advanced Manufacturing Clusters."

The Hyderabad Realtors Association (HRA), a leading body representing real estate professionals in the city, is committed to promoting professionalism, ethical practices, knowledge-sharing, and excellence across the real estate industry.

With a vision to build a stronger, more organised

real estate ecosystem, HRA continues to provide a platform for collaboration, networking, and growth among real estate professionals, channel partners, developers, and industry stakeholders.

HRA is proud to host the IREC 2026 Luxury Property Show, one of the most prestigious real estate platforms in the country, bringing together leading developers, luxury property brands, real estate professionals, and global stakeholders under one roof.

Organised by the National Association of REALTORS® India (NAR-INDIA), IREC 2026 reflects the strength of India's real estate community and offers a global stage for showcasing premium

properties, investment opportunities, and industry collaborations.

Under the leadership of Sumanth Reddy, Chairman, NAR-INDIA, IREC 2026 underscores Hyderabad's growing stature as a leading destination for luxury real estate and international real estate engagement.

The event will feature premium residential developments, exclusive lifestyle properties, and innovative real estate opportunities — creating meaningful connections between developers, realtors, investors, and industry leaders. The Luxury Property Show will be inaugurated by Kevin Brown, 2026 President

of the National Association of REALTORS®, alongside distinguished guests from government bodies, industry associations, and the real estate fraternity.

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APPCC's Decade of Growth

The Association of Professional Property Consultants Chennai (APPCC) celebrated a decade of existence at its 10th Annual General Meeting, held on August 10, at the Grand GRT Hotel, T Nagar, marking the occasion with a review of the year gone by, the announcement of a new leadership team, and a record achievement in member subscription collection.

A Decade of Growth

Reflecting on APPCC's journey, Chairman K Ramkumar noted that the association had grown from a small group of committed professionals into a respected body promoting ethics, professionalism, networking and continuous learning within Chennai's real estate industry. He thanked members for their sustained participation over the year, which saw the organisation conduct multiple knowledge sessions, networking meets and training programmes.

President M.R. Nazeer echoed the sentiment, singling out the growing turnout at APPCC's breakfast meetings as a sign of members' commitment to business networking. "the growing participation is a very positive sign of the members' keen interest, active involvement, and strong commitment towards business networking and the activities of the Association. He was pleased to see such enthusiasm and expressed confidence that participation would continue to grow in the coming years," said Nazeer.

He also flagged strong member interest in the upcoming IREC 2026 conference in Hyderabad, for



which APPCC has arranged complimentary accommodation in service apartments to make participation easier for attendees. He expressed confidence that the members would immensely benefit not only in enriching their industry knowledge but also in contributing to the overall growth of both the members and the association.

Year in Review

Presenting the secretary's report, N. Sivaramakrishnan detailed a packed calendar of activity through the year: five Business Exchange Meetings (BxM), three Quarterly Meetings, the AGM itself, and the association's Annual Day



Trip to Yelagiri in December, which brought members together outside a strictly professional setting.

On the national stage, 26 APPCC members represented the association at the NAR

National Convention in Mumbai in March 2026. Interest in this year's IREC 2026 Conference in Hyderabad has been especially strong, with 41 members already registered — a turnout the Secretary described

as reflecting members' commitment to continuous learning and professional excellence. The association also ran a joint educational programme with REAP in October 2025, which drew an encouraging response from members.

Sivaramakrishnan also expressed his sincere appreciation to the sponsors, committee members and all

those who have enormously contributed in making the AGM a grand event. He called upon all the members to continue to work together with unity, integrity and sheer professionalism for the continued growth and success of APPCC.

New Leadership Team for 2026-27

President M.R. Nazeer

announced APPCC's new office-bearers for the coming year:

- **K. Ramkumar** — Chairman
- **M.R. Nazeer** — President
- **T. Murugeshkumar** — Vice-President
- **N. Sivaramakrishnan** — Secretary
- **S. Shivaraman** — Joint Secretary
- **T. Venkataramani** — Treasurer
- **V. Venkatraman,**

**S. Ramakrishnan,
V. Krishnan,
O.P.J. Sugumar,
G. Senthilrajan** —
Committee Members

The meeting closed with a vote of thanks from secretary N. Sivaramakrishnan, who thanked the leadership, committee members and attendees on behalf of the association. ●

RECA Kolkata Organises Blood Donation and Health Checkup Camp in Howrah



RECA Kolkata organised a blood donation and free health checkup camp at Howrah on September 13, reaching out to the weaker sections of society as part of its commitment to community welfare. The camp was attended by 180 people.

Care for those who need it

most

The camp offered a range of health services, including eye, dental and orthopaedic checkups and ECG screening, alongside a blood donation drive. Many people in underserved communities have limited access to routine health screenings, and the camp aimed to bring these

services directly to them.

Led by RECA Kolkata's team

The event was coordinated by CSR Coordinator Surrendra Mantry and Joint Secretary Raaj Jain, whose efforts ensured smooth organisation and strong participation on the day.

Looking ahead

RECA Kolkata plans to [continue organising similar health and social outreach programmes in the coming months]. The association thanks the [doctors, medical partners, blood bank, volunteers and members] who supported the camp.

Hyderabad Realtors Association Adopts a Rhinoceros at Nehru Zoological Park



HRA has chosen "Rhinoceros" as its theme for the month, underscoring the importance of protecting and

preserving the species for future generations.

The association is honoured to have the support and guidance of Mrs. Vasanth, IFS,

Curator, Nehru Zoological Park, on this initiative.

"There is a paramount need to come together to create awareness and contribute

to the conservation of our precious wildlife," said Rahul Kopurwar, [designation], Hyderabad Realtors Association ●



CREA (I) Q2 Roundup: Learning, Compliance & Community in Action

Land to Wealth Creation – Powered by Uniterm

On 3rd September 2026, CREA (I) hosted "Land to Wealth Creation," a specially curated event by Uniterm, designed exclusively for land realtors. The event drew an overwhelming response and played to a full house, reflecting members' strong interest in specialised knowledge and emerging opportunities in land real estate.

Training Event – CREA (I) x Uniterm

On 17th September 2026, CREA (I), in association with Uniterm, hosted an engaging



On 3rd September 2026, CREA (I) hosted "Land to Wealth Creation," a specially curated event by Uniterm, designed exclusively for land realtors.

and insightful training session that was very well received by members. The programme covered key areas including Brand Management by Ms. Raksha Karpoor, Selling Skills by Rafique Ahmed, and a specialised presentation by Ankit Maharishi, Head – Sales, Marketing & CRM, Uniterm.

The session was expertly facilitated by Jagdish Nagbushan, Senior Vice President, CREA (I), ensuring an engaging and enriching experience for all participants. The enthusiastic member turnout reflected the value and relevance of such focused learning initiatives.

PMLA Outreach Programme

CREA (I) members were invited to an Outreach Programme

on "PMLA Guidelines for Real Estate Agents (REA) as Reporting Entities," organised





by the Bengaluru Zonal Unit of the Directorate General of Audit, in coordination with KRERA, on 5th August 2026.

The virtual session offered valuable insights into the provisions of the Prevention of Money Laundering Act (PMLA), 2002, and the compliance obligations applicable to real estate agents as reporting entities. The initiative aimed to strengthen regulatory awareness, promote compliance, and build the capacity of real estate professionals to help combat money laundering and uphold the integrity of the sector.

Q2 Newsletter Launch – CREA (I) Connect

The Q2 edition of CREA (I) Connect was launched on September 1 at the CREA (I) office. This edition was another successful and thoughtfully curated issue, built around the theme "Mind vs Machine," exploring the evolving interplay between human intelligence and technology.

The newsletter was meticulously curated by CREA (I) Newsletter Editor Shyam Bathija, whose efforts and creative direction continue to add value to the association's communication and knowledge-sharing initiatives. ●



Investment Update (Investment volume Q2 2026): US\$2.9 billion

Institutional investments in Indian real estate (US\$ billion)

Year	Investment (US\$ billion)
2019	6.3
2020	4.8
2021	4.0
2022	4.9
2023	5.4
2024	6.5
2025	8.5
2026	4.5 (H1 2026)

- Indian real estate witnessed strong participation from domestic and foreign investors alike in Q2 2026, with quarterly investments rising 70% Year-on-Year (YoY) to US\$2.9 billion
- During Q2 2026, office assets accounted for US\$1.1 billion of capital inflows, accounting for 37% of the overall investments, followed by mixed-use and alternative segments. The quarterly inflows across each of the three segments saw close to or over 4X rise annually
- Multi-city deals constituted about 55% of the investment inflows in Q2 2026. Amongst the top seven cities, Chennai & Bengaluru together accounted for US\$0.9 billion inflows in the quarter

Key trends

Upcoming renewable projects to unlock 7 lakh acres of land opportunity by 2030

India's renewable energy landscape is poised for significant expansion in the coming years supported by increasing investments in solar and wind energy. Around 270-300 GW of solar and wind capacity is estimated to be added by 2030 across India, requiring nearly 7 lakh acres of land and unlocking US\$10-15 billion of opportunity in land aggregation & acquisition. Moreover, renewable energy OEMs are likely to lease 4-7 million sq ft of industrial & warehousing space annually driving 10-15% of the demand.

Key office markets in Bengaluru to see 5-7 million sqft of office leasing led by metro expansion

The recent operationalization of the Yellow Line has firmed up office space demand, supply, and rentals of Electronic City micro-market. Moreover, the upcoming Pink Line is expected to fuel demand for office spaces within CBD (MG Road, Richmond Road, Vittal Mallaya Road etc.) and SBD 2 localities (Bannerghatta Road, JP Nagar etc.). These markets are anticipated to see 5-7 million sq ft of cumulative demand and new supply in the catchment

Trends for institutional investments Q2 2026 (US\$ billion)

Sector	Investment	Trend	Assetwise share of investments – Q2 2026
Office	US\$ 1.1 billion	100% YoY	37%
Residential	US\$ 0.2 billion	72% YoY	5%
Industrial & Warehousing	US\$ 0.1 billion	NA	3%
Retail	US\$ 0.04 billion	90% YoY	1%
Hospitality	US\$ 0.1 billion	23% YoY	4%
Alternatives	US\$ 0.6 billion	NA	22%
Mixed use	US\$ 0.8 billion	84% YoY	28%

The institutional flow of funds includes investments by Alternative Investment Funds (AIFs), family offices, foreign corporate groups, foreign banks, pension funds, private equity, real estate funds & platforms, foreign-funded NBFCs, listed REITs and sovereign wealth funds. The data has been compiled as per available information in the public domain | Alternative assets include data centres, life sciences, senior housing, holiday homes, student housing, schools, real estate services etc. | *NA- Not applicable: Investment inflows were limited for Alternative and Industrial & Warehousing assets in Q2 2025; 1- Includes investments in mixed-use projects as well as deals involving investments across multiple assets in various locations | Source: Colliers

areas of these two metro lines over the next two years.

Office REIT penetration to reach 30% and industrial & warehousing InvIT to 10% by 2030

The REITs/InvIT ecosystem has expanded steadily over the past 5-6 years, with five office-focused REITs alongside a retail REIT and an industrial & warehousing focused

InvIT currently present in the market. Operational portfolio of listed REITs/InvIT surpassed 195 million sq ft at the end of March 2026.

By 2030, office REIT penetration is projected to rise from around 19% currently to 25-30%. Similarly, InvIT penetration in industrial & warehousing segment is likely to rise from 4-5% currently to

7-10%.

High-activity clusters drove ~75% of India's industrial & warehousing demand & supply

India's industrial & warehousing stock reached ~300 million sq ft – almost twice the inventory levels of 2021. This growth has been driven by 13 high-activity clusters, which are spread

across major consumption centres with three in Chennai, two each in Delhi NCR, Bengaluru & Pune and one each in Mumbai, Kolkata, Ahmedabad, & Hyderabad. These clusters collectively account for ~75% of the cumulative demand & new supply each since 2021 and boast ~215 million sq ft of stock as on date. ●

Source: **Colliers**

Mumbai Redevelopment Scales new highs with 1,000+ projects since 2020

Approximately 1000 redevelopment projects launched since 2020, comprising 13% of Mumbai's overall residential supply, says JLL-NAREDCO SURVEY.



Mumbai's housing redevelopment market has crossed a critical threshold, with sales now consistently exceeding new project launches for the first time, signaling the segment's evolution from

policy experiment to market-driven necessity, according to JLL-NAREDCO report titled "Redevelopment in Mumbai: The Inflection Point, from land scarcity to systematic urban renewal" released today at the NAREDCO Maharashtra's

flagship Real Estate & Infrastructure Investors' Summit 2026 (REIIS 2026) held at Mumbai.

According to the report, more than 1,000 redevelopment projects have been launched since 2020, comprising 13%

of Mumbai's overall residential supply. More importantly, redevelopment's share of total housing sales surged to 15% in 2025-H1 2026, up from 6% recorded over 2016-2021, confirming that homebuyers are now actively choosing

redevelopment over greenfield alternatives.

“Mumbai faces a fundamental constraint that no regulatory framework can resolve: an absolute scarcity of developable land. Redevelopment has transitioned from a commercial opportunity into an urban survival imperative. The market has graduated from fragmented, single-plot reconstructions to a systemic transformation, with 850 projects launched since 2020 comprising 15% of market share, 2,156 acres in the slum pipeline representing four times all activity over the previous 30 years, and sales now outpacing launches for the first time.

This is not a real estate cycle; it is the operationalization of urban survival strategy. With virtually no vacant land left and 13,500 cessed buildings requiring urgent replacement, the question is not whether redevelopment will dominate Mumbai’s supply, but how quickly we can safely execute this essential transformation,” said Karan Singh Sodi, Senior Managing Director - Mumbai MMR & Gujarat and Alternatives, India, JLL.

Kamlesh Thakur, President, NAREDCO Maharashtra, said: “The findings of our joint report with JLL underscore a watershed moment for Mumbai’s real estate landscape. Redevelopment has evolved from a policy initiative into the primary engine of the city’s housing supply, evidenced by sales now outpacing launches and securing a 15% market share. This structural shift marked by active slum rehabilitation acreage reaching nearly four times the total achieved in the prior 30 years—demonstrates how progressive policy interventions like DCPR 2034, reduced consent thresholds,



and cluster-focused reforms are streamlining execution and restoring market momentum.”

“As we navigate the urgent need to replace thousands of aging cessed structures and unlock land potential, NAREDCO Maharashtra remains committed to driving

transparent, sustainable urban renewal. Supported by transformative transit infrastructure like new metro lines and connectivity tunnels, we will continue collaborating with government bodies, institutional partners, and resident societies to accelerate

project execution and build a resilient, modern infrastructure for Mumbai,” he added.

The numbers behind the transformation

With approximately 13,500 cessed buildings requiring urgent replacement across the

city, the scale of opportunity is huge. The Western Suburbs hold 22.4% of aging stock, South Mumbai 14.2%, with concentrations in premium corridors from Colaba to Borivali. Capital value appreciation reflects intense demand: Worli commands INR 1,00,000–INR 1,15,000 per square foot (25–28% three-year growth), Bandra-Khar reaches INR 90,000–INR 95,000 (25–30% growth), while even mid-market Kandivali-Borivali shows robust 20–25% appreciation at INR 32,000–INR 37,000 per sq. ft. Five locations—Borivali, Malad, Andheri, Vikhroli, and Goregaon, account for around 36% of all projects since 2020, with the Western Suburbs dominating at 35–45% of both launches and sales (2025–H1 2026).

Slum reaches scale **Redevelopment unprecedented**

The major shift occurred within slum rehabilitation. Currently, 1,202 active projects covering 321,858 hutments spanning across 2,156 acres under redevelopment, nearly four times the total acreage completed in the 30 years

since the Slum Redevelopment Authority's (SRA) 1995 formation. Major institutional players including have entered with mega-projects: The 101-acre Juhu Lane-Gilbert Hill cluster, Dharavi redevelopment, and the 420-acre Goregaon scheme at Motilal Nagar. A November 2025 policy reform removed individual consent requirements for large slum clusters, prioritizing execution over unanimity.

Infrastructure investment redefines geography

Massive transit upgrades are proving the primary catalyst. Metro Lines 4, 6, and 11, the Coastal Road (Phase 2 expected completion by 2027), and the Borivali-Thane Twin Tunnel (2028, cutting travel time to 15 minutes) are re-rating land values before construction begins. The Goregaon-Mulund Link Road is breaking the east-west infrastructure divide, while the Airoli-Katai Naka Freeway and Metro Line 8 are unlocking the Navi Mumbai-Airport corridor. With virtually no vacant land remaining, every new housing unit must now emerge from redeveloping existing structures.

More power to residents

The regulatory landscape has fundamentally altered decision-making dynamics. Under DCPR 2034, consent threshold dropped to 51%, and eight distinct regulatory pathways now exist. Self-redevelopment, where societies execute projects without third-party developers—has reached institutional scale with over 1,600 active proposals, fundamentally shifting decision-making power from developers to residents. DCPR 2034 provides up to 4.0 FSI for cluster and slum projects. November 2025 reforms removed individual consent requirements for large slum clusters exceeding 50 acres, prioritizing execution. The impact has been dramatic: the SRA pipeline has quadrupled to 1,202 active projects covering 2,156 acres—four times the total completed in the 30 years since 1995.

Infrastructure investment Re-rates land values

Metro Lines 4, 6, and 11, the Coastal Road, and the Borivali-Thane Twin Tunnel slated for 2028 are unlocking five Infrastructure-led Hotspots.

The East-West Belt along JVLR and Mulund benefits as Metro Line 6 breaks the connectivity divide. The Wadala-Chembur Hub gains from the Metro 4/11 intersection plus the Worli-Sewri Connector. Greater Thane-Kalyan will achieve 15-minute Borivali connection via the tunnel. The Navi Mumbai-Airport Corridor sees industrial conversion accelerated by Metro Line 8. And the South Mumbai Core benefits as Metro 11 and the Coastal Road unlock cessed stock.

Market Implications

The transition from launch surge to absorption confirms redevelopment as a sustainable supply mechanism, not a policy-driven bubble. For developers, it validates long-term capital deployment. For buyers, it means accessing new constructions in established locations without the 5–7-year infrastructure lag of peripheral developments. For the city, it's the only path to replace aging stock at the required pace while generating meaningful public amenity space through cluster schemes. ●

Bengaluru - Premium Housing Market Stays Resilient

Capital value increase remained driven by underlying market drivers, infrastructure accessibility, and high end-user demand, says SAVILLS SURVEY.

Bengaluru's premium residential market witnessed sustained resilience during H1 2026, with under construction properties recording average capital value appreciation of approximately 3–11% YoY despite ongoing geopolitical uncertainty.

Growth was supported by improving infrastructure connectivity, and sustained and resilient end-user buyer confidence by NRIs, HNIs and corporates in well-established and emerging residential corridors.

Growth was supported by improving infrastructure connectivity, and sustained and resilient end-user buyer confidence by NRIs, HNIs and corporates in well-established and emerging residential corridors.

Among under-construction properties, East Bengaluru

witnessed annual average capital value appreciation of approximately 10-11% YoY, driven by infrastructure upgrades and sustained buyer demand across established corridor.

The momentum was followed by North Bengaluru, driven by airport-led infrastructure development and improving connectivity across the Hebbal Devanahalli corridor.

Further, completed premium residential properties recorded stable capital value appreciation of around 8-10% YoY, underpinned by limited ready inventory and robust demand for immediate occupancy.

Central Bengaluru continued to command the highest capital values at 9-10% YoY increase, while North, East and South Bengaluru recorded moderate increase.

Overall, capital value increase remained driven by underlying market drivers, infrastructure accessibility, and high end-user demand for amenity rich, spacious premium apartments, underscoring the maturity and resilience of the city's premium residential market.

Recent Trends

The city recorded 5-14% YoY rental increase across completed premium properties during H1 2026. The rental surge was led by Central Bengaluru at approximately 14% YoY rise and East Bengaluru at 10-12% YoY increase.

Rental appreciation was driven by sustained demand for high-quality housing and limited availability of well-located premium inventory.

North and South Bengaluru recorded relatively moderate annual average rental growth of around 5-7% YoY, reflecting availability of completed premium rental properties and a more distributed residential



base.

Overall, rental growth remained concentrated in established premium corridors, underpinned by constrained high-end supply, sustained demand from high-income households and corporate professionals, and a preference for well-located, quality-led housing, and the enduring attractiveness of mature

residential neighbourhoods.

Outlook for H2 2026

North and East Bengaluru are expected to emerge as leading premium corridors in H2 2026, driven by metro expansion and ring-road upgrades, with luxury properties increasingly offering smart, EV-ready and wellness-led living.

Ultra-luxury housing demand

is expected to remain strong, led by NRIs, founders and CXOs seeking bespoke, high-value homes with premium specifications and future-ready amenities.

The luxury housing market demand in 2026 will be shaped by strong end-user demand for low-density living and plotted format developments. ●



PE Investments in Real Estate



Private equity (PE) investments in Indian real estate declined by 23% year-on-year in H1 2026, dropping to USD 1,126 million from USD 1,471 million in H1 2025.

1. Sector-Specific Performance

- **Office Assets:** Rose 33% YoY to USD 998 million, driven heavily by Global Capability Centres (GCCs). Ready assets claimed 75% of this capital.
- **Residential Real Estate:** Declined 57% YoY to USD 128 million due to investor selectivity. Debt instruments dominated at 92% of the residential mix.
- **Warehousing and Retail:**

Rose 33% YoY to USD 998 million, driven heavily by Global Capability Centres (GCCs). Ready assets claimed 75% of this capital.

2. Regional & Macro Drivers

- **NCR Leadership:** The National Capital Region (NCR) led all Indian markets by attracting USD 411.1 million in investments. Pune followed in second place at USD 355.9 million.

- **Global Capital Reset:** Rising interest rates from developed market central banks and geopolitical tensions in the Middle East raised global hurdle rates.
- **Narrowing Premium:** The yield spread between Indian and US 10-year bonds narrowed to 240 basis points, roughly half of what it was in 2020–21.

3. Policy & Taxation Levers

- **Tax as a Tool:** With a 10%

rupee depreciation over the past year, targeted tax policy remains the primary lever for the government to boost post-tax returns.

- **Sovereign Exemption:** In June 2026, the government exempted foreign institutional investors from taxes on interest and capital gains from government securities.
- **The REIT Gap:** Unlike mature markets like Singapore, India still lacks a fully tax-transparent, pass-through framework for foreign investors in listed Real Estate Investment Trusts (REITs). ●

Courtesy: **Knight Frank India research**

Feng Shui - Balancing the Design Architecture

Directions are extremely important when it comes to Feng Shui design and layout, says **S BS SURENDRAN**.



Image Courtesy: Chatgpt

Feng Shui is largely a matter of arranging the flow of a space not for aesthetics alone, but more importantly, so that the space serves a particular function or set of functions that are critical to your success and well-being.

Whether you are building a new home, office, and factory or remodeling it, the consultant can identify the lucky and unlucky areas as they relate to the specific individual and fine-tune your space to be in synchronicity.

One of the primary concepts of Feng Shui interior design is energy often referred to as

— • —
One of the primary concepts of Feng Shui interior design is energy often referred to as 'CHI'.
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'CHI'. Feng Shui interior design attempts to direct, retain, and channel this energy in a way that is most beneficial to those using the room.

This can be done by the placement of objects at different compass locations or by using furniture made of specific types of material.

Directions are extremely

important when it comes to Feng Shui design and layout. Feng Shui has eight basic directions, four that are considered primary and four that are secondary further subdivided into three parts.

This actually gives 24 directions as per the special Feng Shui compass that facilitates a perfect alignment,

positioning and analysis of the property. This in turn helps in deciding the layout, room positioning and décor including placement of fixtures, furnishings, furniture and adapting the right colours pertain to the specific sectors.

Apart from this, the five element analysis in Feng Shui known as 'Wu Xing' is another important factor which enhances good energy and controls bad energy by placing objects made of these materials in a specific room or by painting certain areas with an elemental colour.

General precautions

one should take care of include:

- Plan a home that's square or rectangular. Odd-shaped or angular buildings have Feng Shui challenges that are difficult to undo.
- Make the building generally symmetrical in shape, and avoid angular protrusions.
- Include a foyer in the floor plan. Don't have the front door open directly into a room (where 'chi' would be permitted to escape).
- Avoid floor-to-ceiling windows in bedrooms these let too much 'chi' to escape.
- Choose smooth surfaces for interior walls as curved walls and surfaces also encourage positive flow of 'chi'.

Arranging furniture is merely a part of the interior design, while actually creating flow and energy is a greater task that demands accuracy, expertise and insight. Whether your home is a century old or still in the initial stages of planning, Feng Shui can help positive transformation take place and one can experience the changes over a period of time.

Troubleshooting the afflictions in the property for external disturbances like electric pylon, trees, designing of garden, placement of plants, water features, ill effect of neighbourhood buildings can ensure that the property is charged with good energy flow, vibrant and in harmony with the occupants.

Lastly, always remember to keep a balance. The fundamental theory of Feng Shui is the concept of Yin and Yang which is about balance. Hence the design and remedy should pay attention to the fact that too much of anything is not healthy. ●

Mr **Surendran** is an accredited master Fengshui consultant, bioenergetician and traditional Vaastu practitioner.



GST on Real Estate Sector

By K BALASUBRAMANIAN.

Clause (d) of sub section 5 of Section 17 of the CGST Act, 2017 gives more pains to the taxpayer and only a little gain to the Government. The legislature on careful thought has drafted this clause by broadly bifurcating the construction activities in to two categories as for OWN account and NOT FOR OWN account. This distinction is the crux of the issue in the case of Safari Retreats before the Supreme Court and the Government is of the view that this distinction is removed by way of amendment made on 01/10/2025 whereas in reality, it is not so. To make this analysis interesting as well as to establish this fact, it requires through examination of Section 17 (5) (d) and para 32 of the order of the Supreme Court in the case of Safari

The intentions of the legislature during the enactment of GST law are crystal clear. Section 17 (5) (d) categorically state that credit is inadmissible only when the construction is for one's own account.

Retreats one by one.

ITC NOT AVAILABLE ON:

Section 17 (5) (d) reads as "(d) goods or services or both received by a taxable person for construction of an immovable property other than plant and machinery on his own account including when such goods or services or both are used in the course or furtherance of business.

Explanation — For the purposes of clauses (c) and (d),

the expression "construction" includes re-construction, renovation, additions or alterations or repairs, to the extent of capitalisation, to the said immovable property;

[Explanation 2.— For the purposes of clause (d), it is hereby clarified that notwithstanding anything to the contrary contained in any judgment, decree or order of any court, tribunal, or other authority, any reference to "plant or machinery" shall be

construed and shall always be deemed to have been construed as a reference to "plant and machinery".

Para 32 of Safari Retreats case reads as "Clause (d) of Section 17(5) is different from clause (c) in various aspects. Clause(d) seeks to exclude from the purview of sub-section (1) of Sections 16 and 18, goods or services or both received by a taxable person to construct an immovable property on his own account. There are two exceptions in clause (d) to the exclusion from ITC provided in the first part of Clause (d). The first exception is where goods or services or both are received by a taxable person to construct an immovable property consisting of a "plant or machinery". The second exception is where goods and services or both are received



by a taxable person for the construction of an immovable property made not on his own account. Construction is said to be on a taxable person's "own account" when (i) it is made for his personal use and not for service or (ii) it is to be used by the person constructing as a setting in which business is carried out. However, construction cannot said to be on a taxable person's "own account" if it is intended to be sold or given on lease or license".

The intentions of the legislature during the enactment of GST law are crystal clear. Section 17 (5) (d) categorically state that credit is inadmissible only when the construction is for one's own account. What is for own account is explained unambiguously in para 32 of Safari Retreats case. Thus what is to be seen is whether the constructed property is used as own office or godown or factory etc. and if so, ITC is ineligible. The logic behind this provision is on completion of construction and commencement of use of the building by the owner, there is no more further supplies attracting GST and accordingly ITC is purported to be denied under section 17 (5) (d). However, when the construction is not for own account in situations like sale of constructed property or letting out of the constructed building, there is outward supply as per GST law which are subject to GST and GST is not attracted on sale of such building only when no advance is received from the buyer till completion of construction or first occupation as the case

No	Any further supply after completion	Whether for own account	Eligibility of ITC
1	Yes	No	YES
2	No	Yes	No

may be. Hence, the eligibility or otherwise of the ITC as per originally enacted section 17 (5) (d) on 01/07/2017 as well as clarified by the Supreme Court in Safari Retreats case results in as table. (See above table).

In my view, this is how the eligibility of ITC is to be viewed. However, the Government intended consequent to the division bench judgement in Safari Retreats case on 03/10/2024 that ITC must be denied in total for construction activities under section 17 (5) (d) and accordingly, section 124 of the Finance Act 2025 dated 29/03/2025 amended the terms "plant or machinery" as "plant and machinery" with retrospective effect from 01/07/2017 itself. However, there is no amendment in the sentence in section 17 (5) (d) on the four words "on his own account". Since the distinction between for own account as well as not for own account is still available as on date, irrespective of the wordings "including when such goods or services or both are used in the course or furtherance of business" does not help the Government to deny ITC when the construction is not for own account.

There is a danger. Consequent to the judgement of the Supreme Court on 03/10/2024, the Government amended the word appearing between plant & Machinery as or by replacing it with and

with retrospective effect from 01/07/2017 itself to ensure denial of ITC in all cases where construction is for own account. However, as the words for his own account are not deleted through the amendment made on 29/03/2025, ITC is available as on date when the constructed property is either let out or sold. In case such view is endorsed by Supreme Court in future, we need not be surprised that the above four words may be deleted with retrospective effect from 01/07/2017 itself by way of another amendment to section 17 (5) (d).

The members of CREDAI, Builders Associations as well as all connected with real estate projects must be aware that this sector in particular is taxed at several occasions such as at the time of entering in to JDA, during construction, and also on completion of construction as the case may be. This results in payment of higher GST on real estate projects as compared with any other activities other than in real estate sector. The worst part is continuing section 17 (5) (d) even during the tenth year of GST law. Hence suitable representation is a must by trade associations to Finance Ministry as well as GST Council for deletion of section 17 (5) (d) with immediate effect as the losses the Government may suffer on account of removal of denial of ITC shall be compensated

by way of increased volume of activities due to removal of cascading effect which results in suitable price reduction. While all other sub sections other than sub section 5 are common for all industries and within 17(5) all clauses other than d are common, clause d is applicable only on construction activities. The Government may have huge data base which prove that the denial of ITC on account of 17 (5) (d) as above results in insignificant amount when compared with the monthly GST Collections which stood at 1,99,853 crores during August 2026 as against 1,74,116 one year ago. It is appealed to the GST Council to consider the recommendation on deletion of clause d of sub section 5 of section 17 of the CGST Act 2017, at least with effect from 01/04/2027 in their 58th GST Council meeting. ●

