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NAR-India Realty News

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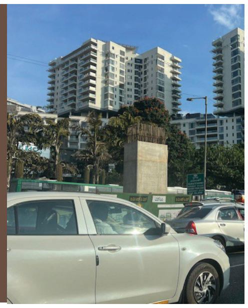
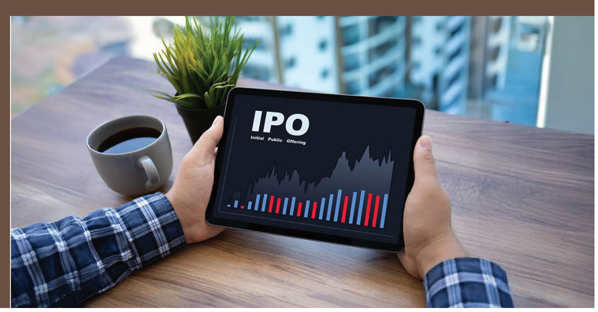


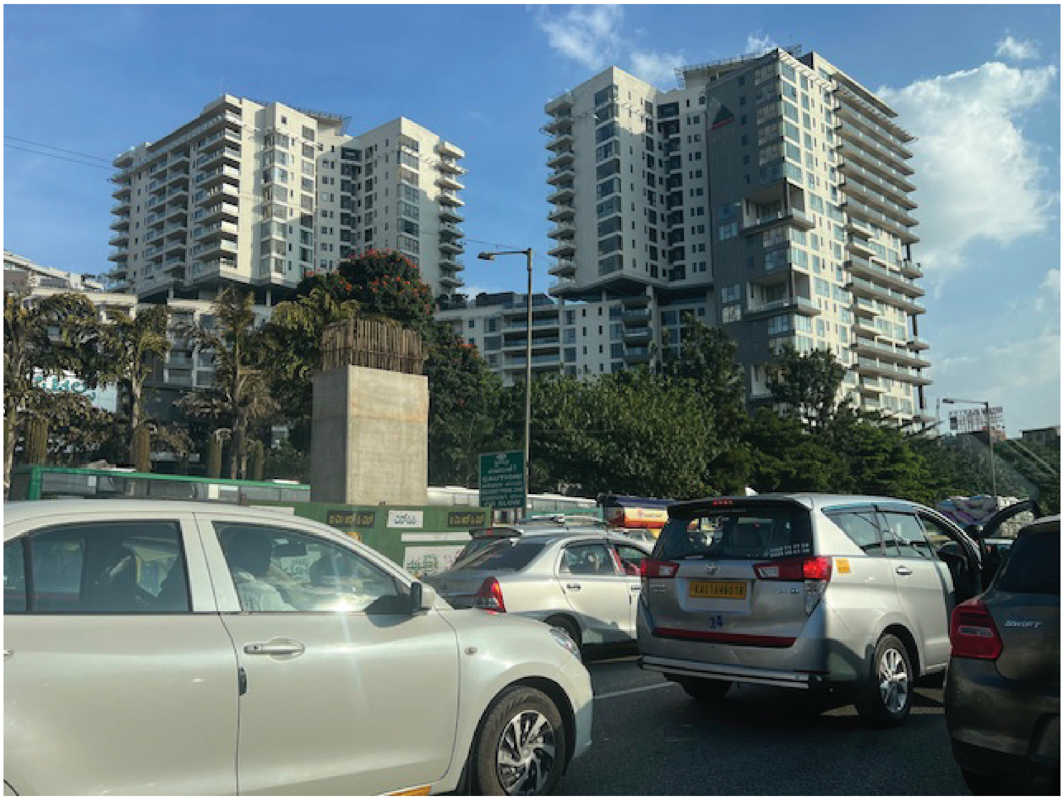


Housing Prices surged 11% YoY

Average housing in top eight Indian cities continue to rise, at 11% YoY, says CREDAI-COLLIERS-LIASES FORAS SURVEY.

Average housing prices across the top eight markets in India rose 11% YoY at INR 11,000 per sq ft during Q3 2024, led by sturdy demand and positive market sentiments. Interestingly, average housing prices have increased for the 15th consecutive quarter since 2021. All the eight major cities saw an annual increase in housing prices with Delhi NCR witnessing the highest rise at 32% YoY, followed by Bengaluru at 24% YoY rise during the quarter. After registering record high sales over the last two years, the demand momentum across the top cities is stabilizing. Nevertheless, with anticipation of healthy residential activity in the last quarter, 2024 is likely to end on a strong note.

Overall unsold inventory continued to witness a quarterly drop for the third consecutive quarter, led by healthy uptake in housing units. At the end of September 2024, unsold inventory stood at over 10 lakh housing units across the eight major cities, with MMR accounting for a majority at about 40% share. Notably, unsold units in Hyderabad saw a modest dip on a sequential basis despite a yearly increase of about 28%.



The luxury segment is still dominant, although we have been seeing a gradual reduction in new launches.

Mr. Boman Irani, President of CREDAI National stated, "The ongoing rise in housing prices is another validation of positive homebuyer sentiments and the highly conducive nature of the real estate market. We are seeing more and more aspirational homebuyers come to the fore – resulting in bigger homes that are also being reflected in the rise in prices as homes continue to get more expansive, truly reflecting the current market dynamics and consumer preferences. We expect this robust momentum to continue going into the new year and are hopeful of rate cuts in the impending future."

"While the housing market is gradually stabilizing, the outlook for the residential segment remains positive supported by strong underlying market fundamentals. Developers are recalibrating their strategies, particularly in the price-sensitive segments, by offering compact size units. Although average housing prices have continued to increase steadily, witnessing a 11% YoY growth during Q3 2024, the likely easing of monetary policy and anticipated repo rate cuts can potentially bring financial relief to homebuyers in the near term. Moreover, flexible payment plans and freebies to attract homebuyers will continue to aid in residential sales momentum.", added, Badal Yagnik, Chief Executive Officer, Colliers, India.

"Sales and prices continue to grow, suggesting affordability and demand are intact. The luxury segment is still dominant, although we have been seeing a gradual reduction in new launches. While MMR, Pune, and Hyderabad are reaching a plateau in sales and supply, NCR, Chennai, and Tier 2 cities have a deficient supply level; they may see a surge in new launches", said Pankaj Kapoor, Managing Director, Liases Foras.

Within the top cities, Delhi NCR saw the highest surge in housing prices at 32% YoY

Led by launches of select marquee projects within the luxury & ultra-luxury segment, housing prices in Delhi NCR increased 32% YoY, highest annual rise across the major cities. Within Delhi NCR, Dwarka Expressway and Golf Course Extension/Sohna Road witnessed a significant price appreciation of over 50% YoY, leading to a sharp rise in average housing prices at an overall level. Interestingly, compared to early years of the pandemic in 2020, average housing prices in the region have grown by about 75%, led by healthy traction in the luxury segment and continued demand for larger & spacious dwelling units.

Unsold inventory levels continued to drop for the third consecutive quarter

Although unsold inventory levels remained high, it continued to witness a quarterly drop for the third consecutive quarter. At 13%, Pune saw the highest decline in unsold inventory levels annually. Interestingly, it was the fifth consecutive of drop in inventory levels for the city. Annual decline in unsold inventory levels have been significant in Chennai and Kolkata too with 7-9% drop. Interestingly, 7 out of 8 cities saw a dip in unsold inventory levels, every quarter.

"With existing high unsold inventory levels to the tune of 10 lakh units across the eight major cities, developers are being cautious with new launches. They are realigning their strategies by assessing and identifying the appropriate target audience in high demand pockets. Although new launches have moderated in the affordable housing segment, developers have stepped up their offerings in luxury and ultra-luxury segments. Average housing prices for spacious dwelling units, particularly 3-4BHK configurations in cities like Bengaluru and Delhi NCR increased by up-to 26% YoY during Q3 2024," said Vimal Nadar, Senior Director and Head of Research, Colliers India.

Pan India residential price trends (in INR/sq ft)

City	Average Price Q3 2023	Average Price Q4 2024	Average Price Q1 2024	Average Price Q2 2024	Average Price Q3 2024	QoQ Price change (Q3 2024 vs Q2 2024)	YoY Price change (Q3 2024 vs Q3 2023)
Ahmedabad	6,613	6,737	7,176	7,335	7,640	4%	16%
Bengaluru	9,471	9,976	10,377	11,161	11,743	5%	24%
Chennai	7,712	7,701	7,710	7,690	7,889	3%	2%
Delhi-NCR*	8,655	9,170	9,757	11,279	11,438	1%	32%
Hyderabad	11,040	11,083	11,323	11,290	11,351	1%	3%
Kolkata	7,406	7,912	7,727	7,745	7,616	-2%	3%
MMR*	19,585	20,047	20,361	20,275	20,438	1%	4%
Pune	9,014	9,185	9,448	9,656	9,890	2%	10%

Source: SOURCE: LIASES FORAS, COLLIERS **Note:** ALL THE PRICES ARE BASED ON CARPET AREA.

Affordable Housing Demand Set to Soar by 2030

With growing urbanisation, India has an existing shortage of 10.1 million affordable housing units, surveys KNIGHT FRANK INDIA.

Currently, India is witnessing one of the fastest paces of urbanisation. Between 2013-23, urban population in India grew by 14% compared to 8.4% globally (Source: World Bank). India is also one of the fastest growing economies, gaining traction across industries. In the coming years, as India strives to achieve its ambitious economic growth targets, there will be a surge in the growth of cities, leading to a rapid pace of urbanization. Currently, 36% of India's population resides in urban areas, and this is expected to increase to 40% by 2030 . Urbanisation is expected to drive significant migration from rural and semi-rural areas to cities in search of economic opportunities.

A growing population will increase the demand for housing in cities across the income groups. The accelerating pace of urbanization is clearly reflected in the increasing number of cities in India with a population exceeding one million. According to various estimates, India had 23 cities in 1991 with a population of one mn or more. Over the last few years, although there have been policy measures to support demand and infusion of affordable housing in India, the shortage in this category continues to persist. As per our assessment, there is an

A growing population will increase the demand for housing in cities across the income groups.

Assessing Existing Affordable Housing Shortage

	Shortage as per Units	(in million)
i)	11th 5-year plan (2007-12)	24.7
ii)	Technical group on Urban Housing, TG-12 (2012-17)	18.8
iii)	PMAY U-completed (until 7th October 2024)	8.7
(iii)-(ii)	Deficit	-10.1

Cities in India with 1 million plus population

Year	No. of cities
1951	5
1971	9
1991	23
2001	35
2011	53
2021P	63
2030P	71

Source: Census India, UN.org

Assessment on financing opportunity for banks and HFCs for affordable housing consumer loans

	Total housing shortage	Housing shortage (Ex HIG)	Area	Cost of dwelling	Average cost	Market Size loan market	Potential home	Financing opportunity
	Unit in million	Units in million	Sqft	₹ million	Rs million million	₹ trillion	₹ trillion*	₹ trillion**
EWS	15.0	15.0	150-300	<1.5	1.2	17.4	13.4	11.8
LIG	10.9	10.9	300-600	1.5-3.0	2.3	25.2	19.4	17.2
MIG	5.3	5.3	600-1200	3.0-5.5	4.6	24.6	18.9	14.9
HIG	1.1							
Total	**32.3**	**31.2**						

Source: KNIGHT FRANK RESEARCH ESTIMATES, NOTE: ASSUMPTION 1. *77% LOAN DEPENDENCY AND **90 AND 80% LTVS.

Housing Demand in India by 2030

Type	Demand (%)
EWS	46%
LIG	33%
MIG	16%
HIG	5%

Source: Knight Frank Research

existing shortage of ~10.1 mn affordable housing units in India.

As cities continue to expand and grow, the demand for affordable housing will only widen in the coming years. By 2030, about 71 cities are estimated to have a population of 1 mn and above, of which 8 cities will be mega cities with a population above 10 mn. This underscores the speedy urbanisation in India which will necessitate the infusion of adequate infrastructure, primarily of housing. A lack of adequate housing may lead to the formation of informal housing in the cities.

As per our analysis, led by factors such as urbanisation and employment opportunities, 22.2 mn units of housing will be required in urban centres in India. 95.2% of this demand, which is equivalent to 21.1 mn units, will be concentrated in the affordable housing segment. A predominant share of 45.8% of the demand will be concentrated amongst the EWS households. There is already an existing shortage of 10.1 mn units. Cumulatively, the existing shortage plus upcoming demand for affordable housing segment in India is estimated to be 31.2 mn units by 2030.

Financing Opportunity in the Affordable Housing Segment

The current portfolio of the affordable housing loan market in India is estimated to be INR 13 tn, with Housing Finance Companies (HFCs) constituting INR 6.9 tn and Scheduled Commercial Banks (SCBs) holding a share of INR 6.2 tn.

Looking ahead, given the escalating potential demand for affordable housing, the consumer loan market in this category is anticipated to experience significant expansion. Among all three housing categories – affordable, mid, and premium – the reliance on loans is notably high in the affordable housing segment.

As per Knight Frank Survey, 77% of the households whose annual income us under Rs 1 mn depend on loans for home purchases.

According to our analysis, the cumulative affordable housing shortage in India is projected to reach 31.2 mn by 2030, with the market size estimated at INR 67 tn. Based on an assumption of a 77% loan dependency and Loan-to-Value (LTV) ratios applied at various loan thresholds, the potential financing opportunity for banks and Housing Finance Companies (HFCs) in the affordable housing segment is estimated to be INR 45tn. This represents a substantial increase, being three times more than the existing loan volume in this segment. ●

Construction Material Prices across Cities

Description		UoM	Ahmedabad	Bengaluru/ Hyderabad	Chennai	Delhi -NCR	Kolkata	Mumbai	Pune
GCement	Grade 43	₹/50 kg bag	380 to 410	380 to 410	380 to 410	380 to 410	380 to 410	380 to 410	380 to 410
Steel	Reinfor-cement	₹/mt	69,000 to 71,000	69,000 to 71,000	69,000 to 71,000	69,000 to 71,000	69,000 to 71,000	69,000 to 71,000	69,000 to 71,000
	Structu-ral steel	Rs/mt	81,000 to 84,000	81,000 to 84,000	81,000 to 84,000	81,000 to 84,000	81,000 to 84,000	81,000 to 84,000	81,000 to 84,000
CP Coils		Rs/mt	95,000	95,000	95,000	95,000	95,000	95,000	95,000
Rockwool Insulation (50 kg density) – 50mm thick (for double skin roof		Rs/sqm	160	160	160	160	160	160	160
Electrical –	4Cx 4 sqmm	Rs/mtr	145 to 165	145 to 165	145 to 165	145 to 165	145 to 165	145 to 165	145 to 165
Al cables Electrical – CU Cables	Al.Ar. Cable 4Cx 2.5 sqmm Cu.Ar. Cable	Rs/mtr	215 to 225	215 to 225	215 to 225	215 to 225	215 to 225	215 to 225	215 to 225
	4Cx 4 sqmm Cu.Ar. Cable	Rs/mtr	255 to 280	255 to 280	255 to 280	255 to 280	255 to 280	255 to 280	255 to 280

Source: SAVILLS INDIA COST BENCHMARKING DATA **Note:** COST DATA IS AS OF H1 2024.

Bengaluru Residential Rental Values as of Q3

Cost of construction (Rs/sqft)	Residential	Commercial	Industrial
October 2020	2,000	1,850	1,875
October 2021	2,200	2,100	2,000
October 2022	2,300	2,450	2,100
October 2023	2,500	2,700	2,300
October 2024	2,780	2,850	2,380
YoY change (Oct 2024 vs October 2023)	11%	6%	3%

Source: CUSHMAN & WAKEFIELD

Real Estate Roundup

- Brookfield India REIT raises INR 3,500 cr. through QIP
- Iconic Property Developers acquires 1,464 sq. mtr. land parcel situated at Senapati Bapat Marg, Mahim (West) for INR 101 cr.
- HDFC Bank leases over 37,161 sq. mtr. office space in Mindspace Airoli West, Navi Mumbai
- Microsoft India buys land parcel for INR 181.25 cr. from Natco Pharma Ltd in Nandigama village, Hyderabad
- Bank of America leases 14,864 sq. mtr. office space in Powai, Mumbai
- RMZ and CPPIB to develop RMZ Nexusa commercial project on JVLR, Mumbai with an investment of USD 750 mn
- Migsun Group invests INR 160 cr. in a mixed-use project in Alpha II, Greater NOIDA
- WeWork India leases 10,870 sq. mtr. and 11,706 sq. mtr. office space in DLF Cybercity, Gurugram and DLF Cybercity, Chennai, respectively
- Shubham housing development finance raises INR 1,000 cr. in a funding round led by Multiples Private Equity
- K Raheja Corp buys two properties, Bayside Mall and the Popular Press Building for INR 355 cr. in Tardeo, Mumbai
- Bharat Agri Fert & Realty to invest INR 85 cr. for expansion of a resort in Palghar, Mumbai
- The Union cabinet approves 26.5 km Rithala-Kundli metro corridor; to be constructed over 4 years

Source: ***Savills***

NAR-India Delegation's Visit to US reinforces Global Partnership

The recent visit to US gave NAR-India delegation immense opportunities to network with US realtors on varied aspects of realty sector, says TARUN BHATIA.

As a continuation of our detailed coverage of the NAR India delegation's remarkable experience at the NAR NXT 2024 Convention in Boston, this essay delves into the other crucial segments of the delegation's journey: Sam Chopra's visit to Miami (November 3-6) and the delegation's visit to Chicago (November 11-14). These two legs of the trip were equally significant in strengthening NAR India's global presence and fostering partnerships with international real estate stakeholders.

Representing NAR India, Sam Chopra set the stage for impactful collaborations during his visit to Miami.

Sam Chopra's Visit to Miami (November 3-6)

Representing NAR India, Sam Chopra set the stage for impactful collaborations during his visit to Miami. His presence underscored India's growing influence in the global real estate community. Miami, often referred to as the gateway to the Americas, provided a strategic platform to connect with international realtors, developers, and investors.

Key Highlights of Miami Visit:

1 Meetings with Local Real Estate Boards:
Sam Chopra engaged in discussions with key representatives of Miami's real estate boards, highlighting NAR India's initiatives and exploring opportunities for bilateral partnerships. These meetings aimed to facilitate knowledge sharing and strengthen ties between India and Miami's real estate communities.

2 Promoting Indian Real Estate to International Buyers:
With a focus on targeting the NRI market, Sam Chopra shared insights into India's burgeoning real estate sector.

He emphasised the country's potential as a lucrative investment destination and explored avenues for Miami-based Realtors to collaborate with their Indian counterparts.

3 Forging Connections:
The visit paved the way for stronger relationships with local stakeholders, reinforcing NAR India's commitment to positioning Indian Realtors on the global stage.

Sam's representation in Miami not only amplified NAR India's voice but also laid the groundwork for future collaborations between Miami and India, aligning with NAR India's broader vision of fostering global partnerships.

Delegation Visit to Chicago (November 11-14)

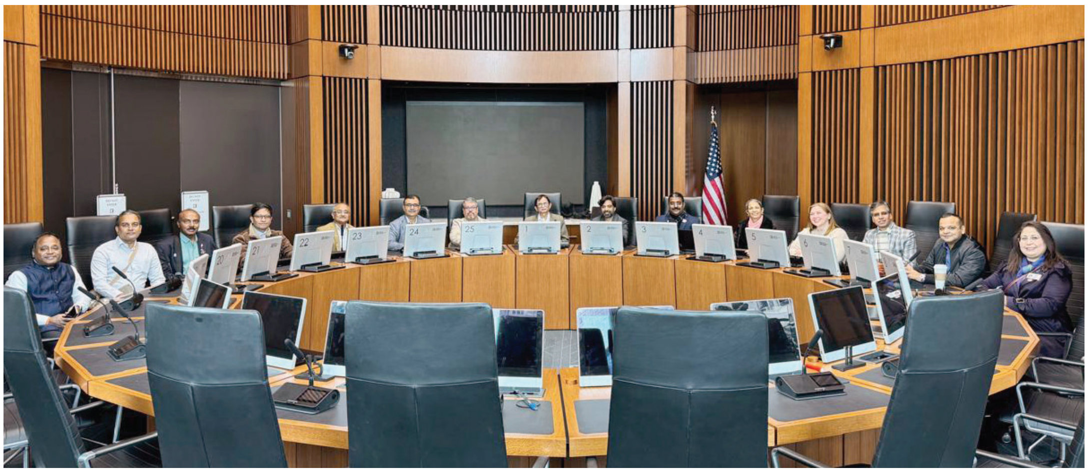
Following the highly successful NAR NXT 2024 convention in Boston, a segment of the NAR India delegation travelled to Chicago, marking the final leg of their US journey. Chicago, known as the home of the National Association of Realtors® (NAR), served as the perfect backdrop for advancing discussions on MLS (Multiple Listing Service) adoption in India and further strengthening global ties.

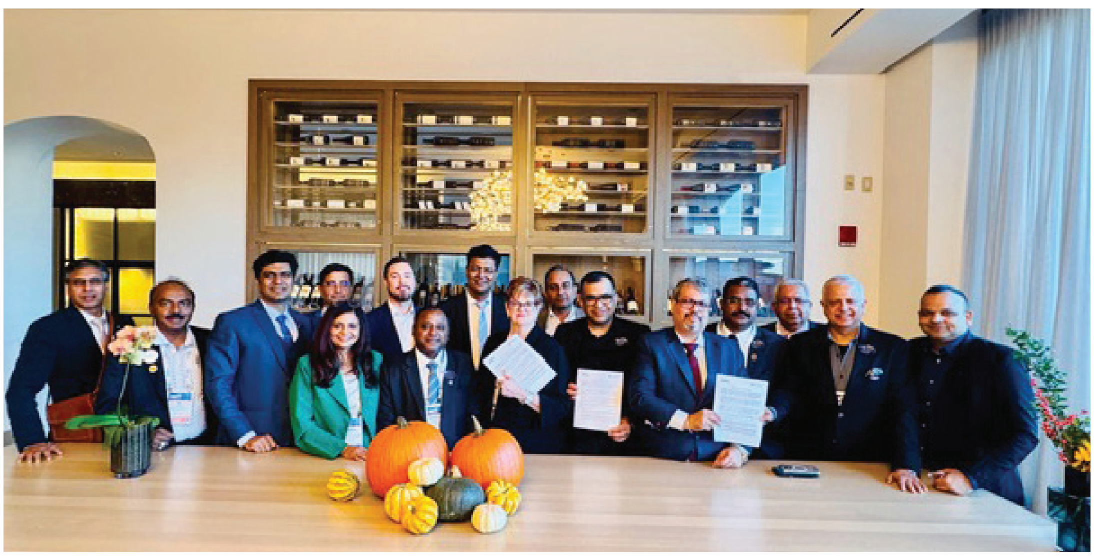
Key Highlights of Chicago Visit:

1 Meetings with MRED (Midwest Real Estate Data) MLS:
The delegation engaged in discussions with MRED MLS regarding the introduction of MLS technology in India. These conversations were instrumental in laying the foundation for transparency and trust in the Indian real estate market.

2 Exclusive Visit to MRED Headquarters:
A notable highlight was the delegation's visit to the headquarters of MRED MLS (Midwest Real Estate Data). The session provided insights into their operational excellence and innovative technology. Discussions revolved around adapting the MLS model to suit India's diverse market needs.

3 Warm Hospitality from Local Associations:
The NAR India delegation thoroughly enjoyed the hospitality extended by the Mainstreet Organization of REALTORS® and The Association of South Asian Real Estate Professionals (ASARP). In a heartwarming gesture, some members of these associations went the extra mile by inviting





the delegates to their homes and treating them to delicious Indian food. This unique cultural exchange added a personal and memorable touch to the visit.

4 Global Alliances and Networking:

The delegation continued to forge connections with realtors from across the globe. Chicago's vibrant real estate ecosystem offered ample opportunities to exchange ideas, experiences, and best practices.

5 Showcasing Indian Real Estate Opportunities:

The delegation took the opportunity to promote India's real estate sector, emphasising the ease of doing business, regulatory reforms like RERA and the immense opportunities available for foreign investors.

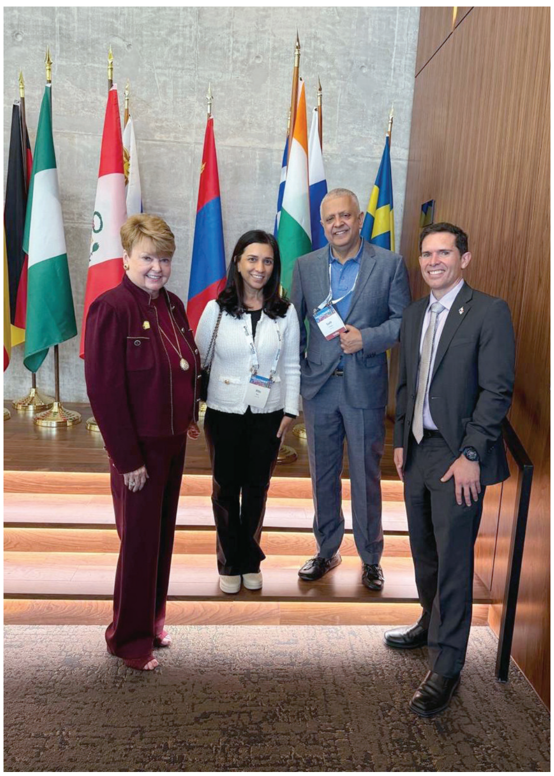
6 Strengthening NAR India's Presence:

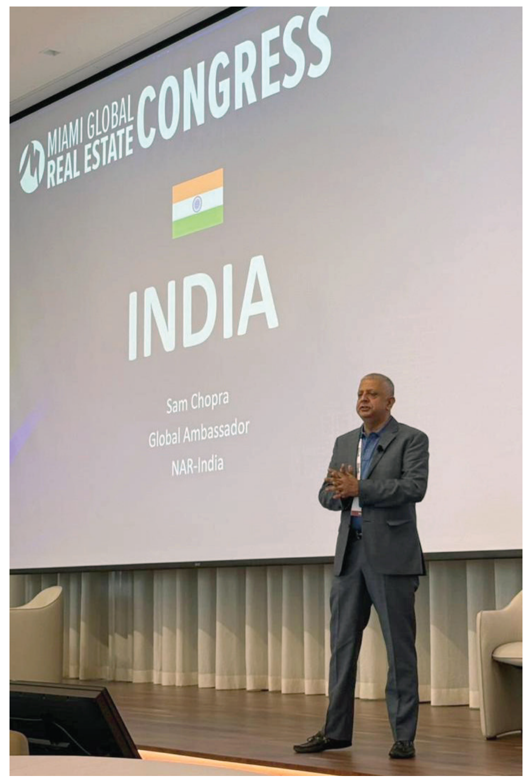
The delegation's engagements further solidified NAR India's reputation as a key player in the international real estate community. The warm reception from global stakeholders highlighted India's growing importance in global real estate networks.

Reflections and Impact

The NAR India delegation's visit to Miami and Chicago was marked by impactful discussions, strategic collaborations, and meaningful exchanges of ideas. From Sam Chopra's leadership in Miami to the delegation's fruitful engagements in Chicago, every moment underscored NAR India's dedication to elevating the Indian real estate sector on the global stage.

By building strong relationships with MLS vendors, global realtor associations, and real estate stakeholders, these visits have paved the way for transformative changes in the Indian market. The potential introduction of MLS technology in India, coupled with the ability to list Indian properties internationally, will be a game changer for Indian realtors.





The NAR India delegation's visit to Miami and Chicago was marked by impactful discussions, strategic collaborations, and meaningful exchanges of ideas.

Looking Ahead

While the US trip has officially concluded, its impact is bound to resonate for years to come. The relationships fostered, the knowledge shared, and the partnerships initiated during this journey will undoubtedly contribute to NAR India's vision of transforming the Indian real estate sector.

This trade mission was not only super successful and productive but also a memorable experience for every delegate who participated. As we continue to build on these achievements, NAR India remains committed to setting new benchmarks in global real estate collaboration.

Innovative GCC Policy - Karnataka Shows the Way

- By V S SRIDHAR.

The Karnataka government has made waves in the Indian economic landscape by launching a groundbreaking GCC policy. This initiative is a first-of-its-kind in the country, setting a benchmark for other states to follow while tailoring GCC strategies to fit the state's ecosystem.

Beyond Bengaluru: Inclusive Economy

At the heart of this transformative policy lies the "Beyond Bengaluru" vision. While Bengaluru remains a bustling tech hub, the initiative tactfully cultivates an investor-friendly environment in tier II and III cities like Mangaluru, Mysuru, Hubballi-Dharwad-Belagavi, Kalaburagi, Tumakuru, and Shivamogga. There are additional incentives given to quantify the early mover advantage MNCs get for expanding to these clusters.

A standout element of the policy is the Beyond Bengaluru Cluster Seed Fund, designed to offer essential financial backing for early-stage startups in strategic locations. Plus, an impressive ₹100 crore innovation fund has been allocated to promote collaboration between GCCs and academic institutions, laying a strong foundation for various sectors such as IT, R&D, cybersecurity, and biotech.

Innovation Districts and Centres of Excellence

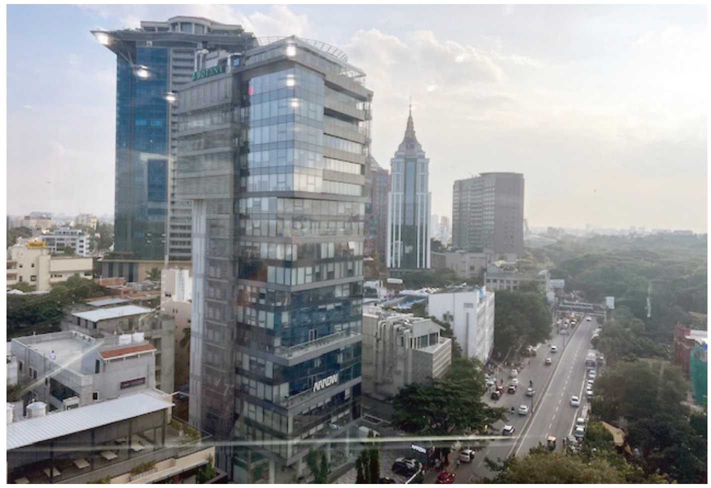
The initiative introduces Global Innovation Districts, a total of three new technology parks, 1 in Bengaluru and 2 in rest of the state. There are detailed incentives laid out for investor to setup in these districts.

The resource component is taken care by 21 Centres of Excellence (CoEs), with 14 already operational and seven more in the works. These CoEs, in partnership with esteemed institutions like NASSCOM, IIIT, and IISc, are set to spearhead advancements in technology, a vital component of the GCC ecosystem.

Sweetening the Deal: Incentives for GCCs

Karnataka is rolling out the red carpet for GCCs with a variety of incentives aimed at Anchor Investors, including:

- Internship Support: 50% reimbursement of internship stipends
- Skilling Reimbursement: 20% back on skilling expenses for graduates and diploma holders
- Global Leadership Development: Financial help for leadership training.
- Collaboration Platform: A matchmaking service for industry-academia partnerships.
- GCC Facilities: 100% reimbursement for startups that use GCC labs, capped at ₹40 lakh.
- Innovation Labs Funding: Up to 40% funding for establishing innovation labs.
- Innovation Challenges: Up to ₹1.5 crore in government funding for GCCs tackling public service issues.
- Event Hosting Support: One-third reimbursement of event hosting costs (up to ₹25 lakh).
- Intellectual Property Incentives: 50% reimbursement of patent filing fees, depending on location.
- Quality Certification Assistance: Up to 50% reimbursement for certification fees.
- Fast-Tracked Connectivity Approvals: Swift approvals for communication infrastructure.
- GCC Incentive Clinic: A dedicated helpdesk for GCCs.



The Karnataka government has made waves in the Indian economic landscape by launching a groundbreaking GCC policy.

Additional Support for GCCs Beyond Bengaluru

For those venturing outside the capital, the incentives become even more generous:

- Rental Assistance: 50% reimbursement of rent, capped at ₹2 crore.
- R&D Infrastructure Grants: Up to 40% or ₹50 crore for larger setups.
- EPF Contribution Reimbursement: Reimbursement of EPF contributions for new hires, capped at ₹3,000 per employee per month for two years.
- Telecom Infrastructure Support: 25% reimbursement of internet expenses for three years.

Support for other entities

- Academic Institutes that develop industry-oriented courses get INR 10,000 per student funded
- Joint Research - Funding 50% of approved research budgets, up to INR 75 lakh and up to INR 1crore for projects with two institutions.
- Real Estate entities that establish co-working space in beyond Bengaluru clusters can reimburse operational costs on vacant seats
- Industry associations get support for setting up 'GCC Immersive Hubs' to demonstrate innovation and R&D being undertaken in the State, on Public-Private Partnership (PPP) mode.

Mr Sridhar is Managing Director - Tamil Nadu & Kerala and Head GCC Advisory – Operations, **Cushman & Wakefield**, India.

Hyderabad's Skyline Soars, but at what Cost?

- By SUMANTH REDDY ARANI.

Hyderabad, once known for its timeless charm and sprawling Nawabi estates, is now synonymous with glittering high-rises and a booming IT sector. The city's skyline has become a canvas for architectural ambition, fuelled by an unrestricted Floor Space Index (FSI) policy that allows developers to build vertically, almost anywhere. But as the towers rise, so do questions about infrastructure, sustainability, and the very livability of this rapidly urbanizing metropolis.

Unlike cities like Mumbai, Singapore, or New York—where limited land drives vertical development—Hyderabad enjoys an enviable geographic advantage with abundant land reserves and a 169-km Outer Ring Road (ORR) encircling the city. Yet, instead of leveraging these resources for planned horizontal growth, the city has opted for unrestricted FSI across its expanse. The result has been a rapid and often chaotic urban sprawl that is pushing Hyderabad's infrastructure to its limits and creating a fragmented urban experience.

The appeal of unrestricted FSI is obvious: it allows for taller buildings, greater land utilization, and the promise of economic prosperity. Developers have flocked to areas like HITEC City, Financial District, Gachibowli and Kokapet, where glittering skyscrapers symbolize the city's booming IT economy. These developments have attracted multinational corporations, a growing workforce, and a significant influx of wealth. But the cost of this vertical ambition is becoming hard to ignore.

FSI serves as a vital urban planning tool globally, regulating density to align with infrastructure capabilities. Cities such as Mumbai and Singapore apply FSI selectively, promoting high density in areas with robust public transit and utilities. In Mumbai, high FSI is concentrated in zones like Bandra-Kurla Complex (BKC), supported by strong transport links and utilities. Similarly, Singapore aligns high-density areas with MRT (Mass Rapid Transit) corridors, ensuring vertical growth is matched by efficient connectivity. However, Hyderabad lacks such a strategic approach, permitting developers to build indiscriminately without considering infrastructure readiness.

This lack of planning has led to significant challenges. HITEC City and Gachibowli, once suburban hubs, now face severe traffic congestion as roads designed for lower populations struggle to cope with rapid urbanization. Commute times have dramatically increased, with peak-hour travel often exceeding an hour. The city's vehicle population, growing at an annual rate of 10%, now exceeds 7.8 million, while road infrastructure expands at less than 4% annually. Unlike cities like Tokyo and Singapore, which synchronize high-density zones with extensive metro networks, Hyderabad's metro covers only 69 km, leaving most residents reliant on private vehicles.

The strain extends to essential resources. Hyderabad's water demand has surged by 60% forcing residents of high-rise developments to depend on private water tankers. The sewage systems, designed for much lower densities, frequently overflow, creating environmental and sanitation issues.

Unregulated FSI has also deepened socio-economic divides. Luxury high-rises dominate new developments, with 70% of projects catering to high-income groups. Affordable housing is pushed to the outskirts, sidelining middle- and low-income families. Public spaces and green areas are often sacrificed for maximized construction, leaving residents with limited access to community infrastructure and green amenities.

Unlike land-constrained cities like Mumbai or Singapore, Hyderabad spans over 650 sq. km, with vast underutilized areas along the ORR (Outer Ring Road). These areas could be transformed into planned suburban zones featuring affordable housing, green spaces, and efficient transport links. Instead, the focus on unregulated vertical growth has resulted in an imbalanced skyline, marked by inequality and strained infrastructure.

In comparison, Mumbai

restricts high FSI to commercial hubs like BKC, maintaining lower FSI in suburban zones for better livability. Singapore's high-density projects integrate mandatory green spaces and public amenities, while New York's skyscrapers are concentrated in well-connected zones like Midtown and Lower Manhattan. In contrast, Hyderabad's lack of zoning discipline has allowed unchecked vertical sprawl, exacerbating its urban challenges.

The cracks in Hyderabad's unplanned growth model are becoming harder to ignore. Feeder roads are choking with traffic, public utilities are buckling under demand, and the city's residents are facing longer commutes, higher costs, and dwindling access to green spaces. While the city's skyline continues to rise, its streets, services, and livability are under immense strain.

Hyderabad's unrestricted FSI policy has driven undeniable economic growth and investment, but at what cost? With its abundant land, the city has a rare opportunity to rethink its approach and develop a more balanced urban model. The question is, will Hyderabad's planners and policymakers act in time—or will the city's ambition overshadow its need for sustainability and livability?

Mr Sumanth Reddy is chairman – NAR-India.

Indians' commitment to Office-based Work

- By ARUNDHATI BAKSHI DIGHE.

India stands out among the top 'office advocates' globally, as an overwhelming 90% of Indian organisations require employees to be present in the office for at least three days per week, surpassing the global average of 85%. This trend is expected to strengthen, with 54% of organizations in India (43% globally) anticipating an increase in office days by 2030, according to the findings of the Future of Work Survey 2024 – India Insights which offers a comprehensive look at the evolving workplace landscape in India.

The survey, part of a global study encompassing over 2,300 corporate real estate (CRE) and business decision-makers, highlights India's strong commitment to office-based work, even as global trends shift towards hybrid models.

"Our Future of Work 2024 survey reveals India's leadership in office advocacy, highlighting a strategic shift in workplace design and management. Seventy-seven percent of the respondents project increased sustainability spending with 1 in 2 willing to pay a premium for occupying only green-certified spaces and choosing climate-resilient buildings. As 94% of businesses anticipate AI reshaping operations, CRE's role becomes pivotal in balancing flexibility, productivity, and growth. India's approach to the future of work will keep offices central while accommodating individual preferences, creating an inclusive environment that fosters innovation and efficiency. Corporate Real Estate must adapt to changing dynamics while aligning with corporate objectives to shape the workplace of tomorrow," said Radha Dhir, CEO and Country Head, India, JLL.

The survey also sheds light on the rapid adoption of artificial intelligence (AI) in Indian workplaces. A staggering 94% of businesses foresee AI changing their workforce operations, with 95% planning to accelerate AI investments over the next five years. This technological shift is reshaping not only how work is done but also how workspaces are designed and managed.

"As India's workplace continues to evolve, there is always a need for a strategic, flexible approach to workplace planning, one that balances the enduring importance of physical office spaces with the growing demand for technology-enabled, sustainable, and employee-centric work environments. While embracing some aspects of hybrid work, Indian businesses clearly value the benefits of in person collaboration and physical presence in the office. The role of CRE is evolving rapidly in this changing landscape. As we navigate the future of work, CRE will need to keep pace with corporate News release – continued – objectives while adapting to changing workplace dynamics.

By 2030, 86% of CRE leaders in India anticipate increased spending on CRE technology, significantly above the global (68%) and APAC (66%) averages. This investment is seen as crucial for enhancing workplace experiences, improving efficiency, and supporting overall business growth," said Dr Samantak Das, Chief Economist and Head of Research and REIS, India, JLL.

Sustainability remains a key focus for Indian corporations.

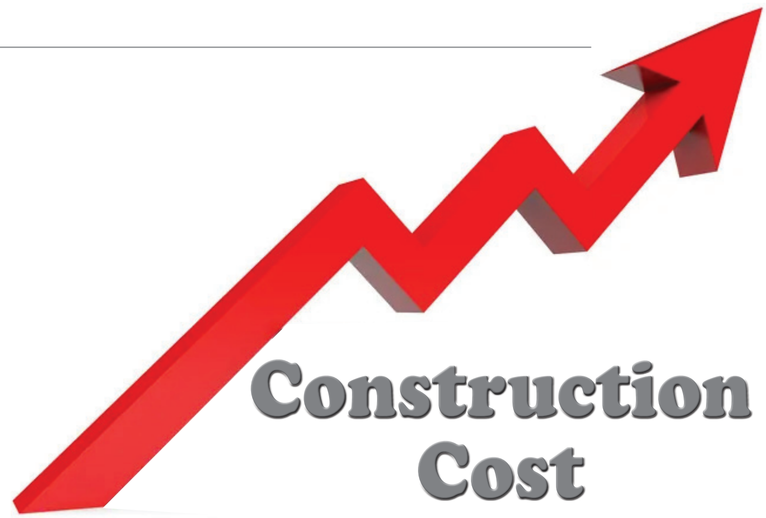
The report indicates that 77% of respondents project increased spending on sustainability initiatives, with 70% having well-defined programs to reduce their environmental footprint. This commitment extends to real estate decisions, with half of the organisations willing to pay a premium for buildings with leading green credentials by 2030.However, the path forward is not without challenges. The survey reveals that 44% of CRE leaders find it difficult to plan for the long term given the rapidly changing organisational landscape. Additionally, 46% identify limited integration with other business units as a major factor limiting their ability to deliver maximum value. CRE decision-makers have the unenviable task of working in a shifting, complex environment to evolve an office programme that supports their organisation's chosen workplace strategy.

A partnership approach towards achieving corporate goals and aligning them to CRE goals of overall portfolio efficiency and utilisation will go a long way in making a future ready CRE function.

Ms Arundhati Bakshi Dighe is director - PR and Communication, JLL India.

Upsurge in Construction Cost by 11%

Overall construction costs rose up to 11% annually across residential, commercial and industrial segments in 2024, says COLLIER'S SURVEY.



After a period of sharp rise in prices of key construction materials over the last few years, prices have relatively stabilised in 2024. According to Colliers, the pace of rise in prices of key materials including cement, steel, copper and aluminium have slowed down on an annual basis during 2024, across major real estate markets. In fact, average cement prices have seen the maximum decline by 15% on an annual basis. At the same time, average steel prices, have seen a marginal 1% decrease over the last 12 months. Despite the decrease in average prices of cement and steel, overall construction cost has increased by up to 11% YoY due to significant increase in labour costs.

Marginal to moderate increase in fuel costs and in the average prices of aluminium, copper, sand, brick, glass, wood etc. have also contributed to the overall increase in construction cost. This rise is more significant in the residential segment.

Amongst the key construction materials, the average price of steel and aluminium has remained relatively stable since 2022. In contrast, average cement prices have declined significantly and currently stand at INR 253/50 kg bag - the lowest level since 2020. Conversely, copper prices have been fluctuating more as compared to other key construction materials. Average copper prices reached an all-time high of INR 783/kg in October 2024.

The cost of construction for the industrial segment largely remained stable in the last year.

Rising labour rates affecting construction cost

Rising cost of construction in India is significantly influenced by increasing labour costs in the private sector, driven by high demand for construction workers, especially in the major cities. Given the heightened demand for homes, offices, shopping malls, retail outlets, industrial warehouses etc., labour retention and accommodation expenditure have attained criticality during the construction phase. Moreover, spiralling labour costs can be attributed to the high cost of living in urban areas and regulatory changes aimed at improving worker welfare. Overall, escalating labour costs are stretching construction budgets, impacting operational expenses and leading to higher overall project costs.

Impact Analysis:

Residential

As of October 2024, cost of construction for residential segment witnessed an 11% increase YoY. With rising cost of construction, developers are relooking at their strategies, especially while catering to the price-sensitive consumer base.

Additionally, higher borrowing costs have prompted developers to opt for cost optimisation in their procurement strategies. Construction cost increase can potentially reduce profitability margins of developers, especially in the affordable housing segment.

Commercial

As of October 2024, cost of construction for commercial segment was at around INR 2,850/sq ft.

Although, construction cost in the segment grew by 6% annually, new supply in the office market continued to remain upbeat, led by healthy demand. 2024 has already witnessed 37 million sq ft of new completions in the first nine months of the year.

Driven by long-term financial benefits and heightened occupier demand for quality office spaces, developers are increasingly using energy-efficient and sustainable materials in their commercial space offerings.

Industrial

The cost of construction for the industrial segment largely remained stable in the last year. However, as compared to the initial years of the pandemic in 2020, construction cost in 2024 has increased by 27%.

With relative stability in construction cost in the industrial segment and steady uptick in warehousing demand, new industrial supply has largely been as per scheduled timelines. The top five cities of the country are likely to witness new supply to the tune of 25-30 million sq ft in 2024.

Moreover, in tandem with evolving demand requirements, developers are increasingly focusing on automation and sustainable elements in their under-construction projects. Additionally, developers are continuously reassessing their cost-revenue structures, anticipating potential volatilities in future construction.

The Booming Real Estate Sector in India: Growth Prospects by 2050

- By **AMIT CHOPRA** .

India's real estate sector has shown remarkable growth in recent years and is poised for unprecedented expansion by 2050. With the nation's economy expected to grow to an astonishing $40 trillion GDP by 2047, the real estate sector will play a pivotal role in shaping India's future economic landscape.

Real Estate's Share in the Economy

Currently, real estate contributes approximately $350 billion, or about 10% of India's GDP. This percentage is expected to increase significantly in the coming years. According to a recent report by CREDAI (Confederation of Real Estate Developers' Associations of India), real estate's share is set to exceed 13% of GDP soon and is also projected to become the highest employment provider in the country. Government reports suggest that the sector's share could soar to around 20% by the time India becomes a $5 trillion economy by the end of 2025.

Growth Projections by 2050

By 2050, India's GDP is projected to reach $40 trillion. Given real estate's expected share of 15-20% of the GDP, the sector could account for between $6 and $8 trillion. This staggering growth indicates a 20-fold increase, or 2000%, in the sector's size over the next quarter of a century, compared to its current size.

Impact on Allied Industries

Real estate growth has a multiplier effect on over 400 allied industries, including tiles, wires, electronics, cement, steel, and furniture. When real estate flourishes, it drives growth across a significant portion of the economy—about 56% of the GDP is influenced by the real estate sector. The robust health of this industry is crucial for the overall growth and prosperity of the country.

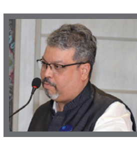
Real Estate: An Asset Class with Strong ROI

Real estate is unique in that it serves as a basic need while also being a valuable asset class. It is one of the safest investments available, offering steady returns in the form of capital appreciation. Rental returns can also be lucrative, providing a consistent source of income for investors.

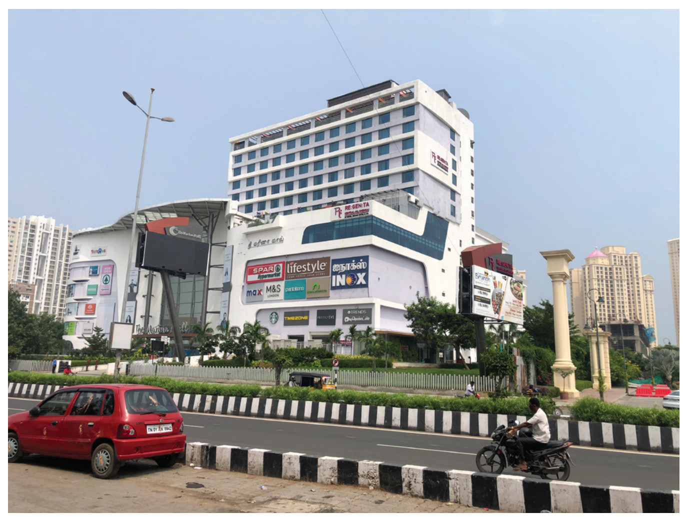
Seizing Opportunities

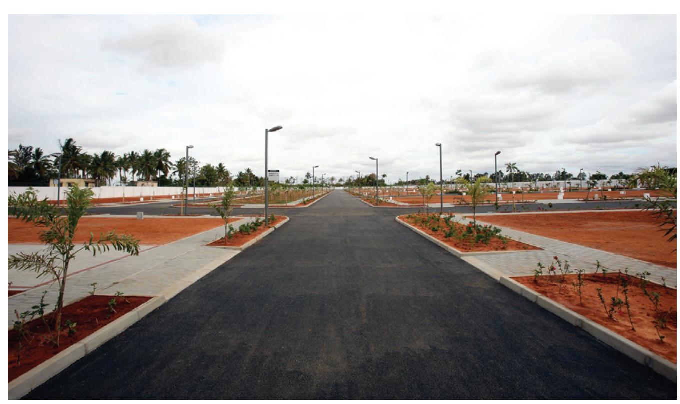
As the real estate sector prepares for this exponential growth, it presents golden opportunities for those willing to invest. Creating significant wealth over the next 25 years, the industry offers potential for both individuals and businesses to benefit from this economic boom.

In summary, the Indian real estate sector's growth trajectory is set to transform the country's economic landscape by 2050. By contributing significantly to the GDP and boosting employment considering the Real Estate sector employs close to 70 Million people, the sector will be a cornerstone of India's journey towards becoming a global economic powerhouse. Investors and Entrepreneurs who seize the opportunities presented by this sector will have the chance to participate in the creation of enormous wealth and contribute to India's bright future.



Mr Amit Chopra is President, NAR-India.





EV investments set to unfold Multiple Real Estate Opportunities

Increasing need for charging infrastructure can potentially translate into real estate demand of more than 45 million sq ft by 2030, says COLLIERS SURVEY.

Around USD 40 billion of investments are envisaged over the next 5-6 years for the development of Electric Vehicles (EV) & ancillary industries in India. Electric Vehicles (EV) & ancillary industries present development opportunities in 13,000 acres of land by 2030. However, the deployment of these funds will rely upon successful implementation of government policies, charging infrastructure ramp-up and domestic manufacturing capacity scale-up. As per Colliers' latest report "EVs in India: Renewed Vigour in Electric Mobility", about two-thirds of the planned investments, can potentially materialise in the lithium-ion battery segment alone. Interestingly, despite slower than anticipated EV adoption, investment commitments in the EV industry rose over 3X times in the last 3 years. This in itself is a testament to the immense potential, which electric mobility holds in the country.

The planned investments can potentially open up multiple real estate opportunities. It would accelerate land acquisition for setting up of EV and Original Equipment (OE) manufacturing units including lithium-ion batteries. At the same time, with an uptick in EV adoption, increasing need for charging infrastructure would potentially translate into real estate demand for more than 45 million sq ft by 2030.

Share of planned investments for EV over the next 5-6 years

Type of Plants	Planned Investments (USD billion)	Percentage Share
Lithium-ion battery manufacturing	27.0	67%
OE and EV manufacturing	9.0	23%
Others	4.0	10%
Total	40.0	100%

Note: Others include investments associated with battery recycling and ancillaries
Investments are based on announcements made by individual companies across the EV landscape **Source:** COLLIERS

India REIT thumbnail

Vehicle category	Current penetration levels (2024)	Targeted penetration levels (2030)	Estimated annual sales in 2024 (million)	Required average annual sales during 2025-30 (million)	Required growth in average annual sales
2-Wheelers	~6%	80%	1.2	7.3	6X
3-Wheelers	~55%	80%	0.7	4.3	6X
4-Wheelers	~3%	30%	0.1	0.9	9X
Heavy Vehicles	~3%	40%	0.01	0.04	4X
Total	~8%	30%	2.0	12.6	6X

Source: Ministry of Road Transport & Highways, Niti Aayog, Colliers, Industry

Note: Penetration refers to share of EV registrations in overall vehicle registrations | 2024 data is estimated on basis of data till Oct 2024

Amidst slower than anticipated adoption levels, quantum growth in EV sales highly unlikely

With an overall EV penetration rate of 8% in India, Colliers estimates sales of around 2 million EVs in 2024. Although the pace of EV adoption in the country has been commendable, it has not been as brisk as anticipated. Given the tardy progress, especially when compared with the ambitious desire of having 80 million EVs on road by 2030, attainment of set targets looks far-fetched. Although a 6x growth in average annual EV sales (2025-30) is highly optimistic, an eventual realization of EV goals necessitates concentrated efforts in overhauling the EV landscape of the country.

Factors such as significantly higher EV prices (compared to Internal Combustion Engine vehicles), import dependencies and inadequate public charging infrastructure have limited the EV adoption in the country. Thus, in addition to continued government impetus through subsidies and incentives, it becomes highly critical to significantly improve domestic EV manufacturing capabilities. Moreover, it is imperative to focus on lithium-ion battery & ancillary segments and public private partnerships in augmentation of charging infrastructure on highways, expressways and urban agglomerations across the country.

"Although the demand for EVs has picked up in recent years, the target of achieving 30% penetration by 2030 looks like an uphill task. While demand and supply incentives will continue to play a pivotal role in faster adoption of EVs, a multifold increase in EV sales can be fast-tracked by the reduction in production costs and improving affordability with respect to EV price points. Additionally, high-capacity original equipment manufacturing units and large-scale production of lithium-ion battery variants must be high on the EV priority list." said Badal Yagnik, Chief Executive Officer, Colliers India.

Potential development of ~13,000 acres of land can materialise by 2030

With the rise in domestic production of EVs, about 13,000 acres of land acquisition and development plans can potentially materialize by 2030. Of the potential land development opportunities, more than 80% is likely to come from lithium-ion battery manufacturers. This will provide a significant boost to the EV industry in the country and open multiple real estate opportunities. With growing demand, the industrial and warehousing segment is likely to benefit the most. The segment is likely to witness surge in built-to-suit developments curated for both global and domestic EV manufacturing firms. Technology adept warehouses and automation is likely to become more pervasive and accentuate integration across the EV value chain in India.

"Accelerated growth in the EV industry is bound to positively impact the Indian real estate sector. Supported by supply-side incentives from the government, leading developers are likely to increase their focus on state-of-the-art warehouses. Additionally, over 45 mn sq ft of real estate will be required for building extensive network of public charging stations over the next 5-6 years. Residential and commercial developers too are likely to increasingly integrate dedicated charging stations and parking spots for EVs within their projects. Such practices will provide a competitive edge, aligning with the requirements of corporate occupiers and homebuyers." says Vimal Nadar, Senior Director and Head of Research, Colliers India.

The Co-Living Revolution: A New Way of Urban Living

India's 70% of the workforce in IT sector, between the ages of 18 and 40, underscores the demand for co-living spaces, says a report by GRI CLUB AND TRILEGAL.

The co-living sector is emerging as a transformative force within India's residential market,

mirroring the impact that coworking spaces had on the office sector. As part of the shared

economy, co-living aligns with modern preferences, drawing parallels to platforms like Uber

and Airbnb. It has gained strong appeal among millennials and Generation Z, driving its growth in India.

With over 500 million potential users between the ages of 18 and late 30s, this demographic is propelling the co-living trend, particularly as migration from tier three to tier one and two cities increases. For many young professionals, traditional housing is seen as either unaffordable or inflexible. Co-living offers a more attractive alternative, providing flexibility, affordability, and a sense of community.

India's IT sector, where approximately 70% of the workforce falls between the ages of 18 and

40, underscores the demand for co-living spaces. As young professionals move to cities like

Bangalore, Delhi, and Mumbai for better opportunities, the need for rental housing that meets

their needs is rising. Co-living developments in these urban hubs are catering to this demand,

offering convenience, community, and amenities suited to the modern professional.

In the post-COVID era, there is an increasing shift towards valuing quality service over cost, even in price-sensitive markets like India. This trend is reshaping the co-living sector, as residents seek more than just a place to live, they expect premium services and well-managed, community-oriented environments that enhance their living experience.

Despite robust demand, the co-living sector continues to be undersupplied. Operators often

favour an asset-light approach, depending on investors or leasing properties from developers,

while developers typically prefer to sell residential properties outright.

This contrast poses a challenge, but it also opens the door to growth and innovation within the sector. With strong demand and the potential for higher rental yields, co-living assets present a compelling opportunity. These assets can offer rental yields of 7-9%, significantly higher than the 2-3% typically seen in traditional residential properties.

Co-living Market in Mumbai in 2024

280,000 demand by students and working professionals	+13,000 supply organised co-living beds	95% shortfall
+2.1 million sqft organised co-living area leased	6,500 sqft average area per centre	+50 organised co-living operators.
+320 organised co-living centres	165 sqft per bed average bed size in centres	89% occupancy of co-living spaces

2024: A Record-Breaking Year for Realty IPOs

- By **PALLAVI KUKDOLKAR AND LOPA RAVAL.**

Since 2010, India has seen 47 real estate IPOs, raising more than INR 300 billion, with a notable acceleration in recent years.

India's robust economic growth prospects are mirrored by the rising number of Initial Public Offerings (IPOs) in recent years. This surge in public issues underscores an environment of higher corporate earnings, increased participation from both retail and institutional investors, and ample market liquidity. With 123 fresh issues (As of 20th October 2024) across multiple sectors, 2024 has already surpassed the total number of IPOs witnessed in 2023.

India's robust economic growth prospects are mirrored by the rising number of Initial Public Offerings (IPOs) in recent years.

The year 2024 has been remarkable for India's real estate sector, with IPO activity reaching unprecedented levels. As of October 2024, real estate IPOs have raised approximately INR 135 billion, marking nearly a twofold increase over the previous year. This surge, amidst India's dynamic economic growth, reflects strong momentum in Indian real estate, driven by favourable investor sentiment and strong demand across residential, commercial, and retail segments.

Housing finance companies (HFCs) followed by REITs and real estate developers drive IPOs in the post-pandemic period

Since 2010, India has seen 47 real estate IPOs, raising more than INR 300 billion, with a notable acceleration in recent years. The post-pandemic period, from 2021 onwards, particularly has been a transformative time for real estate IPOs in India. During 2021-2024 period, India has witnessed 21 real estate IPOs, significantly higher than the 11 listings in the previous four years, during 2017-2020. In the post-pandemic era, 21 real estate companies have raised INR 319 billion through IPOs, more than double the funds raised in the preceding four-year period (2017-2020).

	2010-16		2017-2020		2021-24	
	Funds raised through IPOs (Rs crore)	Share (%)	Funds raised through IPOs (Rs crore)	Share (%)	Funds raised through IPOs (Rs crore)	Share (%)
HFCs	3,013	42%	2,958	19%	14,694	46%
REITs	-	0%	9,250	60%	7,000	22%
Real estate developers	4,005	56%	508	4%	5,551	17%
Flex space operators	-	-	-	-	599	2%
Hospitality companies	2	0%	2,680	17%	4,099	13%
Others	127	2%	-	-	-	-
Overall Real Estate	7,147		15,396		31,943	

Source: BSE, Colliers, Industry.

During 2021-24 period, Housing Finance Companies (HFCs) have led the way, raising 46% of the total capital raised from real estate IPOs, while REITs have accounted for a 22% share. The success of REITs in India is reflective of investors' strong appetite for operational and income-generating assets such as Grade A commercial developments and malls. Real estate developers, particularly those focused on residential assets, too attracted significant capital, raising over INR 55 billion in this period—a tenfold increase compared to the preceding four-year period.

In recent years, the volume surge in real estate listings on the stock exchanges has been accompanied by diversification of the real estate IPOs into new categories. Leading flex space operators are now entering the IPO arena, and in a way indicates the maturity of the real estate market in the country. Amidst the prevailing business optimism, numerous real estate enterprises, including flex operators and Small and Medium REITs (SM-REITs), along with notable real estate developers have already queued up for their IPOs with the Regulator.

The BSE Realty Index too has delivered impressive year-to-date gains of over 30%, significantly outperforming the Sensex. Notably, nearly one-fifth of real estate IPOs since 2010 have outperformed the realty index in 2024. Additionally, over 90% of the real estate IPOs listed this year have been oversubscribed, reflecting positive market sentiment and strong investor confidence in the sector.

Looking Ahead: An Optimistic Outlook

India's real estate sector is set for continued expansion in the coming years, underpinned by strong demand across multiple asset classes. The anticipated easing of lending rates could further stimulate market activity, particularly for HFCs and REITs, which play a key role in financing both residential and commercial real estate developments.

Moreover, the positive outlook for real estate IPO activity in India will continue to derive strength from significant investment in infrastructure, favourable demographics, and higher consumer spending supported by a conducive regulatory framework.

IPO trend: Heightened activity in recent years

Year	Number of IPO listings	Number of real estate IPOs	Funds raised by real estate IPOs (₹ crore)
2010	74	4	3,907
2011	42	-	
2012	26	3	189
2013	39	3	26
2014	46	1	6
2015	59	2	7
2016	70	2	3,011
2017	93	3	1,648
2018	88	4	2,852
2019	55	2	6,391
2020	36	2	4,505
2021	98	6	10,842
2022	99	3	648
2023	120	5	6,900
2024	123	7	13,353

Source: BSE, Colliers, Industry.
Note: IPOs indicate listings on BSE including both Mainboard IPOs and SME IPOs. Real estate IPOs include issues by developers, housing finance companies, flex space operators, REITS, public sector undertakings of the Ministry of Housing and Urban Affairs, and companies from the hospitality segment.

Immovable Property Transfer Requires Registered Deed, Not Just Possession

- By CA SANDEEP KANOI

The case of Sujauddian Kasimsab Sayyed Vs ITO (ITAT Mumbai) revolves around the tax implications of a property purchase and the applicability of Section 56(2)(vii)(b) of the Income Tax Act, 1961. The dispute primarily concerns the valuation of the property for stamp duty purposes and the interpretation of when the property was effectively transferred to the assessee.

The appeal was filed by Sujauddian Kasimsab Sayyed for the assessment year 2015-16, challenging the order of the Commissioner of Income Tax (Appeals)-3, Thane (CIT(A)). The primary contention was the addition of ₹1,00,14,951 to the assessee's income under the head "Income from Other Sources" as per Section 56(2)(vii)(b) of the Income Tax Act.

On 10th September 2014, Sujauddian purchased a flat in Mumbai for ₹88,30,008. However, the stamp duty valuation of the property was ₹1,88,44,959. The Assessing Officer (AO) issued a show-cause notice to the assessee, stating that the difference of ₹1,00,14,951 should be treated as income from other sources under Section 56(2)(vii)(b).

The assessee argued that the initial agreement with the builder was made on 27th April 2012, with an advance payment of ₹3,00,000, which falls in the assessment year 2013-14. The provision of Section 56(2)(vii)(b) was introduced effective 1st April 2014 and thus should not apply to the assessment year 2015-16.

The AO was not convinced by the assessee's argument, noting that the actual transaction was formalized on 10th September 2014, when the registered deed was executed. Consequently, the AO added the difference of ₹1,00,14,951 to the assessee's income for the assessment year 2015-16.

The assessee appealed to the CIT(A), reiterating that the initial agreement and advance payment occurred in 2012, outside the purview of the newly introduced Section 56(2)(vii)(b). However, the CIT(A) upheld the AO's decision, emphasizing that the transfer of the property was completed only upon registration of the deed in 2014, making the provisions of Section 56(2)(vii)(b) applicable.

The CIT(A) referred to the requirement under Section 53A of the Transfer of Property Act that the transaction needs to be a registered instrument to be enforceable. Without registration, the transaction could not be considered complete. The CIT(A) also cited several legal precedents, including Saamag Developers Pvt. Ltd. and Anil D. Lohana, supporting the need for registration to effectuate property transfer.

Before the ITAT Mumbai, the assessee's counsel presented various documents, including the initial agreement, receipt of the advance payment, and bank statements. The counsel argued that the property should be considered as acquired on the date of the allotment letter in 2012, making the provisions of Section 56(2)(vii)(b) inapplicable. The counsel also cited several case laws to support the argument that the date of the initial agreement should be the effective date of transfer. However, the ITAT Mumbai observed that the transaction was formalized only upon the execution of the registered deed in 2014, aligning with the CIT(A)'s reasoning. The ITAT noted that the assessee had agreed to the proposed addition during the assessment proceedings, undermining the argument that the property was acquired in 2012. The tribunal also emphasized the importance of the registered deed date over the date of the allotment letter. The ITAT Mumbai upheld the CIT(A)'s order, confirming the addition of ₹1,00,14,951 under Section 56(2)(vii)(b) for the assessment year 2015-16. The case underscores the significance of the registered deed date in determining the effective transfer of immovable property for tax purposes.

Courtesy: ***www.taxguru.in***

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