



**NATIONAL  
ASSOCIATION OF  
REALTORS - INDIA**

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# **NAR-India Realty News**

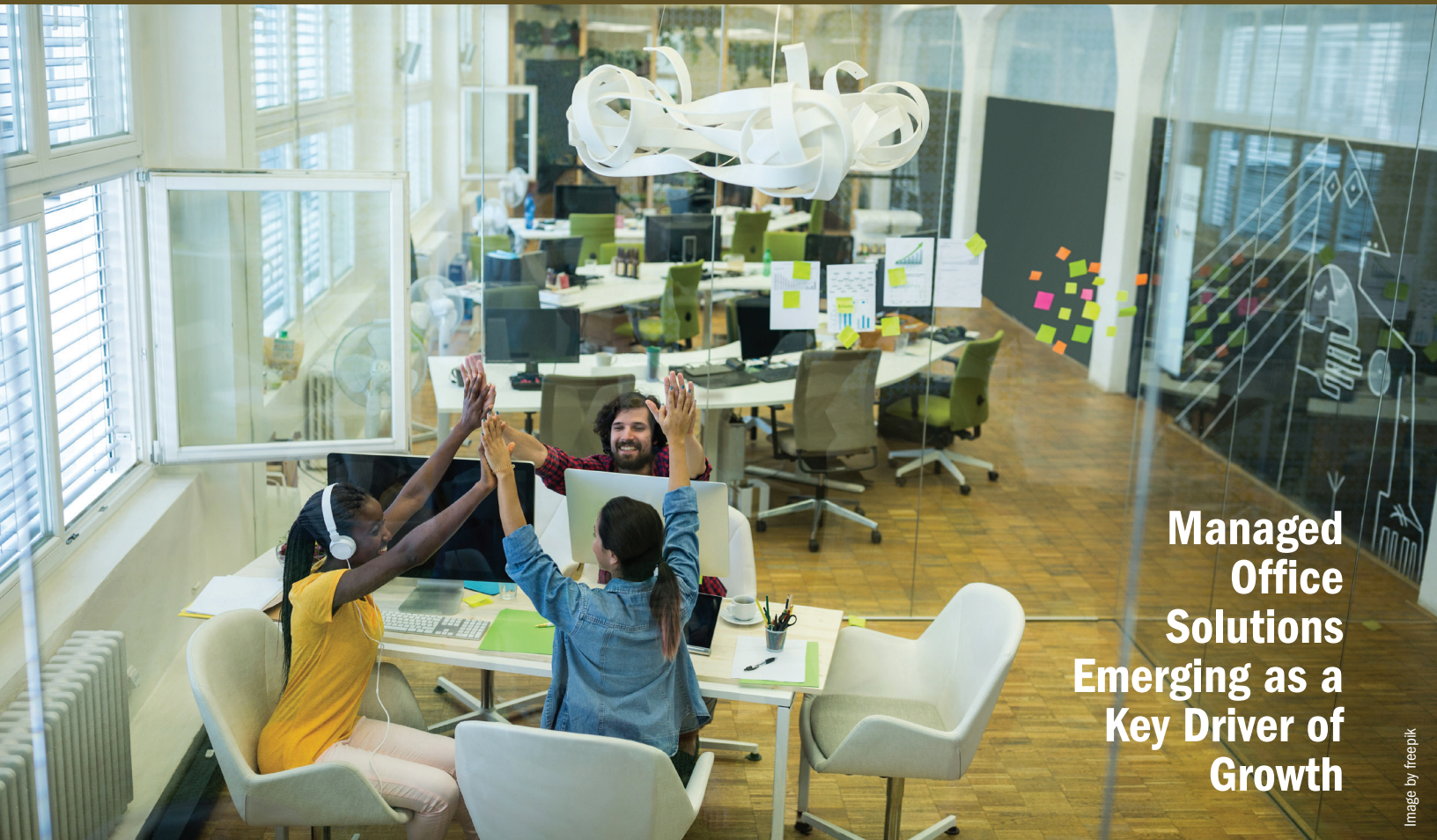
A Monthly Edition from The National Association of Realtors - India

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# Managed Office Solutions Emerging as a Key Driver of Growth

With an impressive 35-37% annual average growth rate in the last 3.5 years, the trend has marked flex space's stellar contribution to overall office space, says a joint survey by **CUSHMAN & WAKEFIELD** and **TABLE SPACE**.



Image by freepik.com

**A**s India heads towards its centenary year of independence, real estate will play a pivotal role in economic growth trajectory of the country. This long-term growth in real estate is underpinned by six salient growth levers which includes, rapid urbanization, infrastructure development, digitalisation, demographic shifts, sustainability and investment diversification; all of which will form the bedrock for a quantum leap in Indian

real estate by 2047. These long-term growth ingredients will be pivotal in the expansion of Indian real estate – from under a trillion currently, to potentially a USD 10 trillion market by 2047, accounting

**There has been a significant transformation in the flexible workspace segment in India over the past decade.**

for a 14-20% share in the country's GDP, according to a survey by Colliers-CREDAI.

There has been a significant transformation in the flexible workspace segment in India over the past decade. A report

by Cushman & Wakefield, in collaboration with Table space, titled From Flex to Managed – Evolution of the Flex Space Industry, offers a detailed analysis. The move has been driven primarily by the growing adoption of hybrid work models and Managed Office Solutions (MOS). These solutions, characterised by optimised capital expenditure, flexible leasing terms, and value-added services offered by flex space operators, have been pivotal in

shaping this segment.

According to the report, the flexible workspace footprint across the top 8 cities reached 58 Million Square Feet (MSF), as of H1 2024 - constituting over 7-8% of India's total Grade A office supply. The first 6 months of 2024 added over 5 MSF of flex supply, continuing the momentum of the last 2 years, where capacities grew by 8-9 MSF each, growing at 23% in 2022 and 18% in 2023 respectively.

The remarkable expansion of the flexible workspace sector between 2021 and H1 2024, with 450,000 seats leased, underscores its position as the fastest-growing segment within commercial office real estate. The segment has witnessed a remarkable 35-37% annual average growth rate in the last 3.5 years, and with 2024 having already reached nearly 70% of 2023's leasing numbers - this year is likely to record a new high, highlighting the robust absorption trend.

The report further highlights the flex space inventory across the top 8 cities - with Bengaluru leading the way with 31% of the total stock, followed by Delhi NCR (16%), Pune (14%), Hyderabad (14%), and Mumbai (11%).

The demand for flexible workspaces is also rising in Tier II and III cities, driven by workforce decentralisation and the increasing emphasis on work-life balance. Flexible spaces now account for 11-13% of the total office space demand nationwide.

### Managed Office Solutions as Key Growth Driver

According to the report, both operators and occupiers have been transitioning towards the **Managed Office Solutions (MOS) model**. The MOS model offers enterprises a suite of end-to-end customised service offerings based on their



## The demand for flexible workspaces is also rising in Tier II and III cities, driven by workforce decentralisation and the increasing emphasis on work-life balance.

requirements and enterprises benefit from a 100% custom-built office which gives them the ability to control all sections of their workplace. Lease tenures are shorter as it provides flexibility to tenants and technological advancements at such offices helps in developing an office that greatly enhances productivity at work.

According to a survey of occupiers conducted by Cushman & Wakefield India, who have chosen flex office solution in recent past, one of the main USPs of MOS service providers is the value-added services that they offer to enterprises. There is a strong urge amongst occupiers to adopt digitisation of the workplace alongside other aspects such as superior facility management, employee well-being initiatives, and meeting their sustainability

targets. MOS has been particularly appealing to global corporations with India being seen as an emerging GCC hotspot, with such customised spaces providing the ideal local real estate solutions.

In terms of the sectoral demand, the IT sector remains a dominant force, accounting for anywhere between 40-50% of seat absorption during the last 18 months (2023 and H1 2024). Other sectors such as engineering and manufacturing (14-18%), BFSI (9-12%), and professional services (11-12%) have also contributed significantly to the demand for curated offices in H1 2024.

Between 2021 and H1 2024, the flex segment has also witnessed a sharp growth in the number of active flex space operators, with the number growing to 300 as of today - characterised by

the resurgence of small and mid-operators who captured a higher share of the market. However, out of the 300+ operators, the top 5% command more than 50% share in Grade A flex stock, and most of them have Managed Office Solutions (MOS) as their core solution offering.

“With the first half of 2024 already accounting for 70% of last year's total flex-space demand, we anticipate a potential record-breaking year for flex seat leasing, said Ramita Arora, Managing Director, Bengaluru and Head-Flex, India, Cushman & Wakefield.

“This report highlights the significant shift towards MOS as the key growth driver in the flexible workspace sector, reaffirming our enterprise-first approach. As the largest GCC enablement partner in India, we're proud to be at the forefront of this evolution, providing tailored, scalable, and high-quality workspace solutions that empower businesses to thrive in today's dynamic and rapidly changing environment, said Nitish Bhasin, Chief Sales Officer, Table Space. ●



# Upsurge in Construction Cost by 11%

Labour costs have been driving the construction cost higher, says **COLLIER'S SURVEY**.

Over the last one-year, average cost of construction is estimated to have risen up to 11%, mainly due to a significant surge in labour costs coupled with a moderate price increase in construction materials like sand, brick, glass, wood etc. Notably, the cumulative effect of rise in the prices of four key construction materials including cement, steel, copper and aluminum have been relatively low. In fact, average cement prices have seen a steep decline of 15%, while average steel prices have witnessed a marginal 1% decrease over the last 12 months.

“While rise in prices of key construction materials was relatively modest over the last year, labour costs have been driving the overall cost of construction upward. With labour accounting for more than one-fourth of overall construction cost, a 25% annual rise in labour costs has stretched construction budgets and impacted operational expenses. Moreover, the need for skilled labour and

the associated costs for training, safety and regulatory compliance further adds to spiraling labour costs.” said Badal Yagnik, Chief Executive Officer, Colliers India.

### Cost of construction surges highest in the residential segment

As of October 2024, cost of construction in the residential segment saw an estimated 11% increase YoY. Amongst various real estate segments, construction cost escalation has been relatively sharper in the residential segment. Interestingly, increasing built quality consciousness and the growing demand for amenity rich gated communities have persuaded residential developers to upscale their real estate offerings in general and thus led to higher cost of construction cost in the residential segment.

“Despite rising construction cost across real estate segments, the commercial and industrial & warehousing segments have witnessed robust new supply during 2024. For instance, the Indian

Price/cost change of key construction cost components (October 2024)			
Construction cost component	YoY change (vs Oct 2023)	2 year change (vs Oct 2022)	5 year change (vs Oct 2019)
Steel	-1%	-9%	57%
Cement	-15%	-25%	30%
Copper	19%	26%	91%
Aluminum	5%	7%	57%
Labour	25%	80%	150%

**Note:** Prices for steel, cement, copper and aluminum are based on dealer-level cost as per Colliers' internal costing framework; Overall values are exclusive of GST. Change in labour costs are as per market rates in private sector for Grade A developments in tier I cities. **Source:** Colliers

office market saw 37 million square feet of new completions in the first nine months of 2024, while the industrial & warehousing segment saw about 22 million square feet of new supply. Amidst healthy demand especially for Grade A developments, project completions are expected to be largely on schedule across major cities. Real estate developers, meanwhile, are likely to step-up technology and sustainability adoption across asset classes.” says Vimal Nadar, Senior Director and Head of Research, Colliers India. To navigate the steady rise in overall construction cost and associated challenges,

developers are optimising cost by reassessing budgets. They are also looking at improving supply chain management by diversifying suppliers and opting for localised sourcing of key construction materials. Additionally, real estate developers are increasingly making investments in training and automation to address challenges related to volatilities in the availability of skilled manpower, which in turn can potentially facilitate better project scheduling. Going ahead, a greater adoption of circular economy will not only optimise construction cost but also improve efficiency and support sustainability. ●

## Construction cost increased by up to 11% YoY

Cost of Construction (INR/sq ft)	Residential	YoY change	Commercial	YoY change	Industrial	YoY change
MOct 2020	2,000	-	1,850	-	1,875	-
Oct 2021	2,200	10%	2,100	14%	2,000	7%
Oct 2022	2,300	5%	2,450	17%	2,100	5%
Oct 2023	2,500	9%	2,700	10%	2,300	10%
Oct 2024	2,780	11%	2,850	6%	2,380	3%

**Note:** THESE ARE AVERAGE COSTS IN INR PER SF FOR GRADE A RESIDENTIAL BUILDING OF 15 FLOORS, FOR GRADE A COMMERCIAL BUILDING OF 10 FLOORS AND FOR GRADE A INDUSTRIAL BUILDING WITH BASEMENT. DATA PERTAINS TO TIER I CITIES OF THE COUNTRY. **Source:** COLLIER'S

# Investment Inflow at US\$1.1 billion in Q3, up 45% YoY

At about USD 1.4 billion, domestic investments surged 35% YoY in Jan-Sep 2024 driven by office and residential segments, says COLLIER'S SURVEY.

## Asset classwise investments (US\$ billion)

	Q3 2024	YTD 2024
Office	0.6	1.5
Residential	0.4	1.1
Industrial	0.1	1.8
Mixed use	0.05	0.3
Alternatives		0.02

Source: COLLIER'S

## Gross Yields

Sector	Yield (%)
Residential	2.0 - 2.5
Co-living, student housing	6.0 - 7.0
Warehouses*	7.0 - 8.5
Office*	8.0 - 9.0
Retail**	8.0 - 10.0

Source: COLLIER'S Note: \*fully leased. \*\*minimum guaranteed retail revenue.

## Select Investment Deals in Q3

Investor	Investee	Asset Class	Amount Rs million (US\$ million)
Keppel Land	RMZ Corporation & CPPIB	Office	22,000 (264)
Mahindra Lifespace, Actis - Ample Parks	Office	Industrial & Warehousing	8,000 (95)
CapitaLand	Aurum Ventures	Office	7,070 (84)

Source: COLLIER'S

## India REIT thumbnail

Key Metric		Embassy Office Parks REIT Ltd.	Mindspace Business Parks REIT	Brookfield India Real Estate Trust	Nexus Select Trust REIT
Portfolio*	Primary asset	Office (51.0 msf)	Office (33.6 msf)	Office (28.8 msf)	UCC1
	Other assets	Hotel (1,614 keys) Solar Park (100 MW)			Office (1.3 msf) Hotels (354 keys) Solar Park (15 MW)
WALE (years) <sup>2</sup>		7.6	6.9	7.1	5.0
Occupancy <sup>3</sup>		85.0%	89.1%	88.0%	97.4%
YTD Index performance <sup>4</sup>		19.3%	10.7%	19.1%	7.2%

Source: SAVILLS, REIT QUARTERLY FILINGS, BSE.

Note: In-place rents for Nexus Select Trust is reflective of average rent for retail portfolio.

## India Investment Inflows - Q3

City	Top Sector	Quantum %
Bengaluru	Residential	5%
Chennai	Office	33%
Delhi-NCR	Residential	7%
Hyderabad	-	-
Mumbai	Office	24%
Pune	Residential	1%
Multi city / Rest of India		30%

Source: COLLIER'S

Capital inflows in Q3 saw a 45% YoY rise at US\$1.1 billion, indicating sustained investor confidence. Inflows in office segment surged by 6.8x times YoY and accounted for

54% of the total inflows in Q3. Domestic investments accounted for 44% of the total investments in Q3.

## Trends shaping investments

At about USD 1.4 billion, domestic investments surged 35% YoY in Jan-Sep 2024 driven by office and residential segments. Sustained investor confidence and resilience in India's real estate is expected to keep domestic inflows strong as 2024 nears its completion.

Fuelled by home-ownership trends and growing interest from domestic as well as foreign institutional investors, investments in the residential segment surged 46% YoY at USD 1.1 billion, during Jan-Sep 2024.

Of the total USD 4.7 billion institutional inflows during the first nine months of 2024, over 60% were directed towards industrial & warehousing and residential assets. While the industrial & warehousing segment witnessed subdued activity in Q3 2024, inflows in the segment rose 2.6X times on an annual basis, at USD 1.8 billion during Jan-Sep 2024. ●



# Key Investment Activity

Property Type	Investor	Investee	City	Investment (Rs billion)
Office	Keppel Land	One Paramount - Chennai	Chennai	22
Office	IFC	Ramanujan Intellion Park	Chennai	8.28
Residential	Kotak	Supertech's stalled project in Noida	Noida	7.61
Industrial	Blackstone & Hiranandani group (JV)	211-acre land acquisition	Chennai	7.03

Source: CUSHMAN & WAKEFIELD RESEARCH

## Significant Corporate Transactions

Buyer	Buyer's Sector	Investment (Rs million)	Type	City
OE Business Park Pvt Ltd.	Real estate	4112	Office	Pune
ClearBridge	BFSI	3550	Office	Mumbai
ICICI Prudential AMC	BFSI	3150	Office	Mumbai

Source: CUSHMAN & WAKEFIELD RESEARCH

## Platforms formed

Investors	Type	Investment (US\$ million)
Arka Hreem Real Estate	Residential	59.7
Opportunities Fund		
360 One	Mixed	120

Source: CUSHMAN & WAKEFIELD RESEARCH

## Sectorwise Absorption (%) – Q3 2024 vs Q3 2023

	Q3 2024	Q3 2023
3PL	38%	32%
E-commerce	8%	3%
Manufacturing	16%	33%
Retail	12%	16%
FMCG/FMCD	17%	5%
Others	9%	11%

Source: CUSHMAN & WAKEFIELD RESEARCH

## Industrial and Logistics – Key Statistics – Absorption across tiers

	Q3 2024 absorption (million sqft)	Q3 2023 absorption (million sqft)	YoY change (%)	YTD Q3 2024 absorption (million sqft)	YTD Q3 2023 absorption (million sqft)	YTD Y-o-Y change (%)
Overall	17.5	11.4	53.5%	44.8	34.0	31.8%
Tier I	14.0	8.9	57.3%	35.4	26.6	33.1%
Tier II & III	3.5	2.5	40.0%	9.4	7.4	27.0%

Source: SAVILLS INDIA RESEARCH

## Industrial and Logistics – Key Statistics – Supply across tiers

	Q3 2024 absorption (million sqft)	Q3 2023 absorption (million sqft)	YoY change (%)	YTD Q3 2024 absorption (million sqft)	YTD Q3 2023 absorption (million sqft)	YTD Y-o-Y change (%)
Overall	19.3	17.7	9.0%	47.5	45.5	4.4%
Tier I	16.4	14.1	16.3%	38.0	35.1	8.3%
Tier II & III	2.9	3.7	-21.6	9.5	10.4	-8.7%

Source: SAVILLS INDIA RESEARCH

## Significant Corporate Transactions

City	Absorption		Supply	
	Q3 2024	Q3 2023	Q3 2024	Q3 2023
Ahmedabad	1%	3%	2%	1%
Bengaluru	17%	11%	18%	7%
Chennai	9%	11%	8%	
Delhi NCR	17%	14%	22%	31%
Hyderabad	7%	4%	2%	6%
Kolkata	13%	8%	6%	
Mumbai	8%	13%	12%	
Pune	8%	14%	8%	
Tier II & III cities		20%	22%	15%

Source: SAVILLS INDIA RESEARCH

## IPO trend: Heightened activity in recent years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Number of IPO listings	74	42	26	39	46	58	70	93	88	55	36	98	99	120	123
Number of real estate IPOs	4	-	3	3	1	2	2	3	4	2	2	6	3	5	7
Funds raised by real estate IPOs (INR Bn)	39.1	-	1.9	0.3	0.1	0.1	30.1	16.5	28.5	63.9	45.0	108.4	6.5	69.0	135.5

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.



# The Vital Role of Realtors while complying with RERA Norms

What are the RERA norms applicable to realtors and how they immensely benefit the home seekers or sellers as well? **AMIT CHOPRA** provides an insight into the norms and compliances.

The Real Estate (Regulation and Development) Act, 2016, commonly known as RERA, was introduced by the Indian government to bring much-needed transparency, accountability, and order to the real estate sector. Before RERA, buying a home in India could be a bit of a gamble. The industry was mostly unregulated, which often led to project delays, fraud, and a lot of stress for homebuyers. RERA was created to protect people's interests and encourage more investments by laying down clear rules for developers, agents, and everyone else involved in the business.

## A Quick Heads-Up:

RERA only applies to new developments that are bought directly from builders or developers, meaning it doesn't cover resale transactions in the secondary market. Also, smaller projects, like those with fewer than 8 units or on plots smaller than 500 square meters, are exempt from RERA regulations.

## What RERA Means for Realtors (Agents/Brokers/Consultants)

RERA isn't just for developers; it also sets out specific rules that real estate agents, brokers, and consultants need to follow. These rules are all about making sure agents do what's best for their clients and keep things transparent.



**RERA isn't just for developers; it also sets out specific rules that real estate agents, brokers, and consultants need to follow.**

### 1. Registration of Real Estate Agents (Section 9)

**What This Means:** If you're a real estate agent, you have to be registered with your State's RERA authority. This is non-negotiable if you want to be involved in selling or buying property that falls under RERA's scope.

### Why This Matters:

This registration process ensures that only qualified and trustworthy agents can operate. It also helps the RERA authority keep track of who's doing what, making agents more accountable. Plus, if an agent isn't registered, they can't legally handle any property transactions, which

helps cut down on fraud.

### 2. Keeping Detailed Records (Section 10)

**What This Means:** Agents are required to keep thorough records of every transaction they're involved in, including the properties they've dealt with, who was involved, and all the financial details. These records need to be available for review by the RERA authority if needed.

**Why This Matters:** By keeping detailed records, there's a clear trail of everything an agent does, which can be a lifesaver if any disputes arise. It also discourages any



shady practices, knowing that everything is documented.

### 3. Following a Code of Ethics (Section 10)

**What This Means:** Agents must stick to a code of conduct set by RERA, which includes being honest in their dealings, giving clients accurate information, and steering clear of any fraudulent activities.

**Why This Matters:** This code of conduct ensures that agents act with integrity and professionalism, which helps build trust with clients and keeps the real estate market healthy.

### 4. No Dealing with Unregistered Projects (Sections 9 & 10)

**What This Means:** Agents aren't allowed to facilitate deals for projects that aren't registered under RERA. They have to make sure that the properties they're handling meet all RERA regulations.

**Why This Matters:** This rule helps protect homebuyers from ending up with properties that aren't legally sound. It also ensures that buyers are investing in properties that meet the required standards. However, agents need to be aware of the exemptions under RERA, such as smaller projects, which don't require registration.

### 5. Penalties for Breaking the Rules (Section 62)

**What This Means:** If an agent doesn't follow RERA's rules, they could face penalties, including fines and even imprisonment, depending on how serious the violation is.

**Why This Matters:** These penalties act as a strong deterrent, making agents think twice before cutting corners. It encourages them to stick

to the rules, knowing that breaking them could lead to serious consequences.

### How RERA Norms Make Life Easier for Home Seekers and Sellers

RERA isn't just about rules for agents; it's about making

the whole process of buying or selling a home more transparent, trustworthy, and secure for everyone involved.

#### More Transparency

With RERA, you get access to accurate and reliable information. Agents are required to disclose all the important details about properties, like legal status, approvals, and timelines, so you're less likely to be misled by false promises.

#### Building Trust

Since agents must be registered and meet certain standards, you can feel more confident that you're dealing with professionals who are accountable to a regulatory authority.

#### Protection from Fraud

RERA's focus on documentation and ethical conduct reduces the risk of fraud significantly. You can trust that the property you're investing in is legally sound and that the agent is acting in your best interest.

#### Fair Dispute Resolution

If something does go wrong,

RERA provides a clear legal framework for resolving disputes. Agents must maintain records, which can be used as evidence, ensuring that you have a fair shot at getting justice.

#### Restoring Confidence in the Market

By regulating agents, RERA

sellers, who can expect fair and transparent dealings.

#### Wrapping Up

RERA has been a game-changer for India's real estate sector, bringing much-needed transparency, accountability, and professionalism. By regulating real estate agents, the act helps protect home seekers and sellers from fraudulent practices, making the whole process of buying or selling a home much more secure. However, keep in mind that RERA only applies to the primary market and excludes smaller projects with fewer than 8 units or those on plots smaller than 500 square meters. The regulations for agents are designed to ensure they operate ethically, stay transparent, and remain accountable, ultimately making the real estate market a better place for everyone. ●

**Keep in mind that RERA only applies to the primary market and excludes smaller projects with fewer than 8 units or those on plots smaller than 500 square meters.**

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For more details

Contact :

**Mr. K RAMKUMAR**

Chairman - Newsletter  
 (NAR-India Realty News)  
 Mobile :- +91 9543 600 999  
 newsletter@narindia.com  
 manager@narindia.com





# NAR-India Going Global



**T**he official engagement of the NAR India delegation at NAR NXT Boston and Chicago was successfully concluded recently. The entire event was successful, productive and provided a rare opportunity for networking, said Tarun Bhatia, Team Global, NAR-India.

Among the key highlights of the trade mission include signing of MoUs, an agreement to collaborate on listing Indian real estate exploring the introduction of MLS technology in India and strengthening bilateral ties to foster professional development and business opportunities with West San Gabriel Valley REALTORS® (WSGVR), and Asociación Mexicana de Profesionales Inmobiliarios (AMPI), Mexico.

The NAR-India trade mission has also provided an opportunity to engage with key associations in US. Discussions

**The NAR-India trade mission has also provided an opportunity to engage with key associations in US.**

and networking sessions were held with Mainstreet Realtors and MRED MLS which focused on collaborative opportunities to enhance industry standards and expand global outreach. The visit also provided ample opportunity to get an insight into working model through visits to brokerage offices. The visit to some of the projects in Chicago and Cambridge, Boston, provided valuable learning experience about operational excellence and innovation in the US real estate market.

The visit also has enabled NAR-India to participate actively in the global networking centre and sessions at NAR NXT,

showcasing India's growing presence on the international stage. In fact, India is the only country given the privilege of showing the Indian real estate sector to a global audience.

The unprecedented response at receptions hosted by CREA Global (Canada), Florida Realtors Mainstreet and other key partners further strengthened global relationship.

A meeting was held with Realtors Property Resource (RPR) to get the tech to India. A visit to the NAR US HQ at Chicago and engagement with key vendors at the expo provided ample opportunity for NAR-India's visiting delegation

to interact with global realtors.

On the cultural and professional exchange front, the Realtors® Relief Run and the International Realtors Reception and the international night out and other activities provided additional opportunity for camaraderie and collaboration among delegates.

"We are thankful to Team NAR US and our bilateral partner associations at US and Canada for the excellent hospitality extended to NAR-India delegates and the latter's participation has truly made the visit an indomitable experience," said Tarun Bhatia, Team Global, NAR-India.

The NAR-India team that participated during the US trade mission include Sumanth Reddy, Amit Chopra, Sam Chopra, Nishit Shah, Ashwin Rasane, Ramkumar, Chandru, Kritish, Amit Chugh, Shailesh Bahety, Shyam Bathija, TT Reddy and Nishit Patel. ●





# Universal Consulting Opportunities (UCO) signs Agreement with NAR-India as Advisor to develop a National MLS

The Stellar MLS has officially announced its partnership with NAR-India. This collaboration aims to bring the MLS (Multiple Listing Service) technology to India, which will be a groundbreaking advancement for the Indian real estate community.

The press release highlights the signing of the agreement between Universal Consulting Opportunities (UCO), a subsidiary of Stellar MLS, and NAR India during the recently concluded NAR NXT 2024 in Boston. This partnership not only signifies a significant step towards building a National MLS System in India but also opens doors for Indian realtors to showcase their listings on global platforms, targeting NRIs and international buyers.

"This is yet another indication

of the exciting development of NAR-India's global presence on the global arena and to foster innovation in the real estate sector in India," said Tarun Bhatia.

The press release said that "UCO, a subsidiary of Stellar MLS, a leading multiple listing service (MLS) in the U.S. and the fastest-growing in the world, has entered into a landmark agreement with the National Association of

REALTORS® (NAR) India as an advisor to successfully launch an MLS across India. This milestone signifies Stellar MLS's commitment to enhance the real estate industry on a global scale, expanding UCO's presence worldwide, and furthers NAR India's journey to modernize and elevate the Indian real estate industry.

Founded in 2008, NAR India is a nonprofit organization that facilitates the professional

development of its members and promotes the highest standards and accreditation in the national real estate industry. It is one of only two countries to hold the NAR designation; Canada is the other. UCO will consult with NAR India's team to guide in areas including the establishment of an MLS, technology, business strategy, organizational setup, and vendor management.

"We are delighted to align with NAR India, a highly respected organization that shares our values of quality customer service, trust and data integrity to benefit the burgeoning real estate market in India," said Merri Jo Cowen, CEO of UCO and Stellar MLS. "This is a significant nationwide initiative, and we are proud to share our expertise in establishing the MLS concept

**Founded in 2008, NAR India is a nonprofit organization that facilitates the professional development of its members and promotes the highest standards and accreditation in the national real estate industry.**







across India and be a part of NAR India's mission to utilize the power of collaboration, transparency and an efficient marketplace."

Cowen also noted the alignment's potential benefits to Stellar MLS's Florida customers, such as through referral opportunities: Florida is home to many Non-Resident Indians (NRIs). Current trends highlight the increasing influence of NRIs in shaping India's real estate landscape, driven by both emotional connections to their homeland and the pursuit of investment opportunities. On the flipside, India is one of the largest foreign investors in Florida real estate, with \$5.4 billion in investments in 2020.

"The partnership between UCO and NAR India marks a pivotal moment for the Indian real estate industry," said Amit Chopra, President, NAR India. "It brings cutting-edge MLS

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**"The partnership between UCO and NAR India marks a pivotal moment for the Indian real estate industry," said Amit Chopra, President, NAR India.**

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expertise to India, fostering transparency, trust, and professionalism in our market."

Tarun Bhatia, Vice Chairman and Chair-Global, NAR India, added: "It also creates exciting opportunities for Indian REALTORS® to showcase properties to a global audience, particularly NRIs, fostering stronger international connections."

Sumanth Reddy, Chairman, NAR India, concluded: "We are proud to embark on this journey with UCO and look forward to the transformative impact it will have on our members and the industry as a whole, opening

up new avenues for growth and collaboration."

Dr. Mathew Kallumadil, UCO Vice President of Global Markets and Stellar MLS Vice President of Technology and Innovation noted the shared synergies between UCO and NAR India.

"India is a complex, diverse market with different languages and cultures within the country, and UCO's experience in accommodating regional differences and helping build scalable MLS systems will be invaluable in developing a sustainable MLS framework," Dr. Kallumadil

said. "Indian society is very highly digitized, and that is critical to a successful MLS and the ecosystem around it."

The partnership with NAR-India expands UCO's presence to South Asia, in addition to Europe and the Middle East. UCO recently entered into other strategic global consulting opportunities, including with MLS Leader (Romania) and Arab MLS (Middle East) to optimize real estate practices across their respective regions, and with Igluu, a Prague-based digital technology firm, to expand the MLS concept in Europe. Furthermore, UCO has been actively engaged in global forums to support a forward-thinking approach to transforming the industry and its presence is supported through its partnerships with CEPI, the European Association of Real Estate Professions, and FIABCI, the International Real Estate Federation. ●



# Building Global Partnership for NAR-India

The recent US visit and interaction at NAR NXT 2024 in Boston and Chicago gave immense opportunity to explore global markets, says **TARUN BHATIA**.

The Stellar MLS has officially announced its partnership with NAR-India. This collaboration aims to bring the MLS (Multiple Listing Service) technology to India, which will be a groundbreaking advancement for the Indian real estate community.

The trip of NAR India delegates to Boston for the NAR NXT 2024 convention and onward to Chicago was an extraordinary journey that strengthened global collaborations and positioned India as a significant player in the global real estate arena.

The delegation, comprising esteemed leaders and members of NAR India, embarked on this trade mission to represent India, foster relationships, and explore avenues for innovation and growth in the real estate sector. The trade mission was packed with impactful engagements, strategic discussions, and meaningful collaborations that positioned India and NAR India prominently on the global stage.

## Boston: Strengthening Global Ties

The NAR NXT 2024 convention in Boston was a dynamic platform where knowledge sharing and networking flourished. The NAR India delegation played a pivotal role in showcasing the country's potential and fostering global partnerships.

### Key highlights included:

**1 Signing of MOUs:**  
Stellar MLS: A landmark agreement was signed with



**The NAR NXT 2024 convention in Boston was a dynamic platform where knowledge sharing and networking flourished.**

Stellar MLS to collaborate on introducing MLS technology in India and enabling Indian realtors to list properties targeting NRIs and global markets. This partnership promises to bring business opportunities to Realtors, and greater transparency and professionalism to the Indian real estate sector.

West San Gabriel Valley REALTORS® (WSGVR), California and Asociación Mexicana de Profesionales Inmobiliarios (AMPI), Mexico: These agreements

aim to strengthen bilateral ties, fostering professional development and business opportunities for members of NAR India and their counterparts.

### 2 Engagements with Key Associations:

Discussions with Mainstreet Realtors and MRED MLS centred on collaborative opportunities to elevate industry standards and expand global outreach. These engagements provided valuable insights into

technological advancements and operational best practices. NAR India leaders were lauded for their vision and commitment to elevating the real estate profession in India.

Visits to brokerage office of Sotheby's in Cambridge, Boston, and property tours around highlighted the innovative systems and professional approaches used in the U.S. real estate market.

### High Visibility for NAR India:

Throughout the convention, India was the centre of attraction, with global associations showing keen interest in collaborating with NAR India. The vibrant presence of the Indian delegation, coupled with their active participation, left an indelible mark on the global audience.



### 3 Networking and Events:

**Global Networking Centre Participation:** NAR India's active presence on the international stage was evident through meaningful exchanges and interactions at the Global Networking Centre.

**Showcasing Indian Real Estate:** NAR India was the only country given the privilege to present the Indian real estate sector to a global audience, emphasizing its potential and opportunities. Vice Chairman and Chair-Global, NAR India Tarun Bhatia gave a presentation on the Indian Real Estate Sector at the Global Alliances Advisory Board (GAAB) meeting at NAR NXT.

Attendance at receptions hosted by key partners,

opportunities for camaraderie, cultural exchange, and collaboration.

### Chicago: Expanding the Momentum

Following the successes in Boston, the delegation proceeded to Chicago for further engagements and collaborations. The visit to Chicago was marked by important meetings and networking opportunities:

#### 1 Discussions with MRED MLS:

The delegation had productive discussions with MRED MLS representatives, focusing on introducing MLS technology in India and targeting NRIs in the U.S., creating new opportunities for

a key player in the global real estate ecosystem.

### A Unified Effort

Throughout the trip, the delegation embodied the spirit of collaboration and professionalism. NAR India stood out as the centre of attraction at the NAR NXT 2024 convention, with numerous associations and vendors expressing interest in hosting and collaborating with NAR India. However, as NAR US maintains relationships with 163 bilateral partner countries, such opportunities must be strategically planned and leveraged.

The trip also showcased the excellent networking and camaraderie among NAR India members. Delegates worked together seamlessly, elevating the Indian and NAR India flag to great heights on a global platform.

absorbed valuable insights from global leaders. These learnings will play a crucial role in shaping the future of Indian real estate.

### A Note of Gratitude

The success of this trade mission would not have been possible without the dedication and efforts of the NAR India leadership and delegates. Special thanks to Chairman Sumanth Reddy, Vice Chairman and Chair-Global Tarun Bhatia, President Amit Chopra, and NAR India Global Team Members Sam Chopra, K. Chandrasekar, Chetan Chopra and Ashish Mehta for their exemplary leadership.

A heartfelt thank you to everyone who made the trip and contributed to its success. Thank you Vice President Nishit Shah, Organising Secretary Ashwin Rasane, Chairman Newsletter K. Ramkumar, Members - Kritish Korivi, Amit Damodar Chugh, Shailesh Bahety, Shyam Bathija, TT Reddy, and Nishit Patel. The camaraderie, collaboration, and shared vision of the delegation made this trip both productive and memorable.

As we return with new learnings, collaborations, and memories, the journey of NAR India on the global stage continues to grow stronger. The Boston and Chicago engagements have set the stage for greater achievements in the years to come. The delegation's efforts have truly elevated NAR India's presence, ensuring that the Indian real estate sector is recognised and respected worldwide.

**Until next time, let's keep the momentum alive and continue making strides toward excellence! ●**

## A heartfelt thank you to everyone who made the trip and contributed to its success.

including CREA Global (Canada), Florida Realtors, Mainstreet, and others, further strengthened global connections.

A meeting with Realtors Property Resource (RPR) explored bringing advanced real estate technology to India.

Engagement with key vendors at the NXT Expo enabled the delegation to understand innovative tools and services shaping the real estate sector.

Indian realtors.

#### 2 Visit to RE/MAX Legends:

The delegation visited RE/MAX Legends in Oakbrook Terrace, gaining insights into managing a large brokerage and exploring operational innovations that could be adapted to the Indian context. The visit provided a deeper understanding of how innovative systems and professional practices can be implemented to elevate the real estate experience in India.

#### 3 Visit to NAR US HQ:

A visit to the NAR US headquarters in Chicago offered a deeper understanding of the systems, leadership, and operational frameworks that make NAR a global leader in real estate.

The visit to Chicago reinforced the relationships built during the Boston convention, further cementing India's position as

### Key Takeaways and Looking Ahead

The trip to Boston and Chicago was more than just an official engagement; it was a defining moment for NAR India in its journey towards global integration. The successful signing of MOUs, high visibility, and meaningful discussions have laid a strong foundation for future growth.

**MLS Technology in India:** The agreements with Stellar MLS and UCO herald a new era for Indian real estate, where transparency, efficiency, and professionalism will be the cornerstones of the industry.

**Global Collaborations:** The keen interest shown by international associations to partner with NAR India underscores the potential of Indian realtors in the global market.

**Networking and Knowledge Sharing:** The delegation not only represented India but also

### 4 Cultural and Professional Exchange:

The delegation participated in the Realtors Relief Run, showcasing their support for philanthropic initiatives. The scenic run by the water in Boston symbolised the unity and collective efforts of the global realtor community.

Attending the International Realtors Reception and International Night Out created



**Mr Tarun Bhatia** is  
 Vice-Chairman and  
 Chair-Global,  
 NAR India.



# Bengaluru - High-end and Luxury Unit Launches Up

There has been a sudden spurt in high-end and luxury unit launches in Q3, up 38% over previous quarter, says CUSHMAN & WAKEFIELD SURVEY.

In Q3, Hyderabad recorded 10,348-unit launches, 1% rise QoQ but a 38% YoY decline. YTD launches reached 31,695 units, reflecting a 32% drop compared to the same period last year, largely due to the high baseline set in 2023. Launch activity has stabilised following the recent elections, moderating the pace of new launches.

Bengaluru recorded launch of around 9,000 units in Q3, a 9% growth on a yoy basis through a 10% decline as compared to the strong previous quarter. Eastern and northern submarkets continued to dominate launches, in continuation of a trend witnessed over the past several quarters. Around half of the total quarterly launches was in the east, primarily Whitefield, which maintained its position as the most active location in terms of new launches. A quarter of launches in Q3 was in north Bengaluru, across Thanisandra, Hennur, Hebbal and Bagalur. South Bengaluru contributed 16% to total quarterly launch with launches spread across Koramangala, Hosur road and Bommasandra. South-east Bengaluru accounted for 8% of launches in the quarter.

## Sustained growth in high-end and luxury segment

High-end and luxury unit launches contributed around half of quarterly launches, up from a 38% share in the previous quarter. In absolute terms, the number of high-end and luxury units posted a 21% growth on a quarter basis. The other half of quarterly launches was accounted for by the mid segment. The number of mid-segment unit launches posted a 10% decline in comparison to the previous quarter. No affordable units were launched during the quarter.

## Capital and Rental Values rise across Major Submarkets

Capital values increased by an average 8-9% on an annual basis across the active eastern and northern submarkets, which continued to witness healthy residential demand as reflected in the strong launch activity. Rentals posted a growth of 4-5% on a quarterly basis across the IT corridors in the east and southeast on the back of strong demand from IT professionals. ●



### Bengaluru Residential Mart - Capital Values as of Q3

Submarket	Averaged quoted capital value (Rs/sqft)	QoQ change	YoY change
<b>High-end segment</b>			
Central	18,000 - 30,000	0%	0%
South	10,550 - 15,000	1%	10%
East	9,500 - 14,000	2%	13%
North	9,000 - 13,500	1%	12%
<b>Mid-segment</b>			
Central	9,500 - 15,000	0%	5%
East	6,500 - 8,500	2%	9%
South-east	6,800 - 8,000	1%	8%
North	6,300 - 7,800	2%	8%

Source: CUSHMAN & WAKEFIELD

### Bengaluru Residential Rental Values as of Q3

Submarket	Averaged quoted capital value (Rs/sqft)	QoQ change	YoY change
<b>High-end segment</b>			
Central	1,55,000 - 360,000	1%	5%
South	62,000 - 125,000	2%	10%
East	86,000 - 310,000	3%	15%
North	72,000 - 210,000	2%	13%
<b>Mid-segment</b>			
Central	80,000 - 120,000	2%	10%
South-east	35,000 - 52,000	4%	11%
North-west	28,000 - 39,000	0%	8%
West	24,000 - 31,000	0%	6%
East	35,000 - 48,000	5%	13%

Source: CUSHMAN & WAKEFIELD

# Chennai set to become a Dynamic Hub for Realty Investment

**Chennai has amply demonstrated resilience and adaptation to evolving consumer preferences and consumer conditions, positioning the city as a dynamic hub for real estate investment and development, says ANAROCK and FICCI JOINT SURVEY.**

**B**eing the focal point of real estate activity in Tamil Nadu, Chennai distinguished itself by substantial progress and a thriving property market post pandemic.

The residential real estate market in Chennai during the first six months of 2024 demonstrated resilience and adaptation to evolving consumer references and market conditions, positioning the city as a dynamic hub for real estate investment and development. The Chennai residential market has exhibited a 9% YoY increase in new supply, reaching 12,470 units in H1 2024 as compared to 11,450 units in H1 2023. Developers focused on launching new projects, particularly in emerging suburban areas of southern Chennai, catering to the increasing urbanisation and demand for modern housing solutions.

However, with the continued momentum, sales during the first half of current year remained 7% less than the sales recorded in the same period of previous year. During H1 2024, total sales stood at 10,530 units.

Throughout the year, there was a steady increase in property values across diverse segments, indicating ongoing demand from both end-users and investors. Also, the city has the lowest share of available inventory among the top 7 cities, with 28,650 units at the end of H1 2024.

## Demand-Supply Dynamics

Around 77,145 units were launched, and 79,330 units were sold between 2019 and H1 2024.

The market has achieved equilibrium as the absorption-to-supply ratio is greater than one.

After the pandemic, absorption outpaced supply in 2022 and 2023, with both launches and sales at their highest level in the last 5 years.

We expect the demand momentum to continue in the next couple of quarters on the back of the upcoming supply (Source: ANAROCK Research)

## Annual Demand-Supply Dynamics Supply Absorption

Q1 2024 recorded the highest quarterly supply in the last 10 years with over 7,280 units launched.

A total of approximately 12,500 units launched in H1 2024, up by 9% over the launches in H1 2023

However, with 10,500 units sold in H1 2024, sales declined by 7% over the same period in the previous year.

On average, the city has witnessed an average monthly sale of over 5,300 units during the last 6 quarters which is more than double of the sales in pre-pandemic era.

## Zonal Break-up of Supply and Absorption

South Chennai, the knowledge hub of Chennai, continues to be the most active market; West Chennai is also

gaining traction due to its emerging IT and educational hubs.

South Chennai accounted for 62% of the total supply since 2015. However, the share has reduced from 84% in 2015 to 52% in H1 2024.

The share for west Chennai and north Chennai improved over time with 36% and 12% respectively from 13% and 2% in 2015

West Chennai is transforming into an emerging IT and education hub from being a predominantly

manufacturing zone. South Chennai dominated the absorption with a 69% share since 2019. The share also remained largely stable over the years, with 60% during H1 2024.

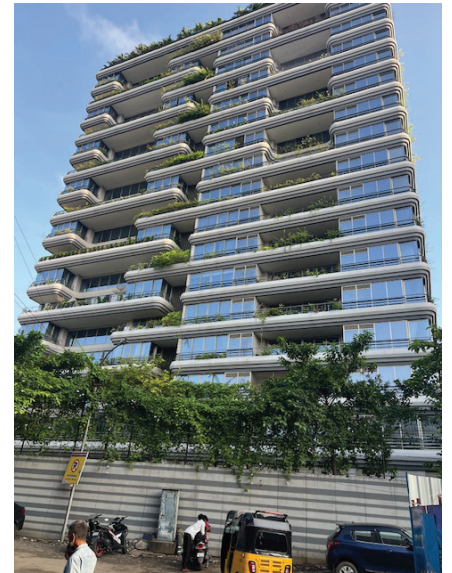
West Chennai accounted for 28% of the total absorption of the city during H1 2024. The share remained almost similar to the 2019 levels

## Budgetwise supply

Increasing input costs coupled with the improved demand resulted in higher ticket prices across the segments Mid-end projects priced in INR 40 Lakh –

INR 80 Lakh bracket, dominated the new supply in last few quarters, accounting for 69% share in H1 2024 as compared to 39% in 2019.

On the other hand, the share of affordable housing reduced sharply from 39% in



2019 to just 1% in H1 2024.

The share of properties priced between INR 1.5 Cr to INR 2.5 Cr also increased to 9% from 5% during the same period stated above.

Developers remained wary of launching Ultra luxury projects Price trends

With improved market dynamics property prices continued to appreciate over the last 5 years.

Property prices have increased significantly by 32% in the past 5 years.

Average property prices rose by 9% during the last 6 months, from INR 5,950/sq. ft at the end of 2023 to INR 6,500/sq. ft by H1 2024.

Chennai's real estate prices are expected to rise on the back of increasing demand generated from the state government's aggressive efforts to draw in companies and employment opportunities. ●



# Mumbai's Residential Sales on a High Growth Trajectory

**Mumbai breached residential value of Rs 1 lakh crore mark in 2023 and in 2024, the sales value may surpass Rs 1.35 lakh crore, says JLL-NAREDCO SURVEY.**

**M**umbai's residential market has immensely benefited from the exemplary enforcement of MahaRERA. The market witnessed a strong recovery in sales as well as new launches with 2022 numbers reaching historic high levels

The momentum continued in 2023 with activity levels reaching another milestone. Furthermore, H1 2024 recorded highest ever half-yearly sales with the sales value already at ~57% of the total in 2023. Resultantly, Mumbai's contribution to India's residential market activity has increased and stands at ~25% of new launches and 22% of overall sales during 2022 to H1 2024

In terms of residential sales value, Mumbai breached the Rs 1 lakh crore mark in 2023 and in 2024, we expect the sales value to surpass Rs 1.35 lakh crore.

Navi Mumbai experienced significant price appreciation due to increased market activity and sales. Proposed developments such as the Navi Mumbai Metro, Navi Mumbai airport, and Mumbai trans harbour link contributed to the surge in prices

The operational launch of Metro Line 1, Eastern Freeway, and SCLR in 2014 resulted in significant capital value growth between 2014 and 2016 in the influence zones of these projects. The western suburbs I, central Mumbai, and eastern suburbs submarkets experienced the maximum benefits from these

## Mumbai's contribution to India's Residential Market

	Time period	India	Mumbai	Mumbai's % share of India
Launches (number of units)	2014 - 2016	546,646	94,263	17%
	2022 - H 1 2024	701,134	177,771	25%
Sales (number of units)	2014 - 2016	470,437	84,759	18%
	2022 - H1 2024	642,351	139,926	22%

**Source:** JLL RESEARCH developments.

Developers have acquired over 260 acres of land in Mumbai through outright purchase or joint development agreements specifically for residential development. This translates to a development potential of ~42-48 mn sq ft with a sales potential of around INR 70,000 crore

Notably, Mumbai has witnessed the entry of prominent national and regional developers who have acquired land for their inaugural residential projects in the city. Looking ahead, we anticipate sustained healthy momentum in residential sales, although a moderation in capital value appreciation is expected. In terms of residential sales value, it is projected that the Mumbai market will surpass the INR 2 lakh crore mark in 2030.

### The city's growth curve, creating opportunities for future expansion

Real estate development in Mumbai had its origins in the southern parts of the city. By 2016, the centres of activity had already shifted to the suburban markets in the north and east of Mumbai. The availability of land, improved connectivity and the increasing

demand for housing in these areas drove this shift.

Though the suburban rail network provided north-south connectivity, east-west connectivity remained a challenge. To support Mumbai's fast-paced growth, several transit infrastructure networks connecting the suburbs to the main city areas were initiated, resulting in perceptible northward and eastward growth of the city during 2016-2024

Navi Mumbai which had started emerging as a leading residential market during 2014-2016, received a major boost during 2016-2024 with MTHL and Navi Mumbai metro line 1 starting operations and with the commencement of work for Navi Mumbai airport. Thane too emerged as a popular residential destination backed by its improved infrastructure and ease of connectivity with Mumbai core city areas. These two sister cities of Mumbai experienced robust residential launches and sales and emerged as one of the front runners in property price appreciation

The residential submarkets in the city provide opportunities across a wide price segment given the apartment sizes/configurations they offer. While average sizes may be slightly

smaller in core city areas, Gross Development value due to higher per sq ft realisation is quite high, offering attractive scale and returns.

While lack of greenfield development opportunities in core city areas has resulted in the city's east and northward expansion, redevelopment is a key entry strategy for developers in core city residential markets. The existing and upcoming infrastructure initiatives in these city locations also play a key role in redevelopment opportunities arising in these densely populated residential submarkets.

Given the current velocity in infrastructure development comprising coastal road and metro network expansions, the island city and suburbs both offer good opportunities across the value-volume spectrum. As of June 2024, Mumbai stands as one of the leading contributors to pan India launches and sales. It is also the largest residential market in terms of sales value which is expected to surpass Rs 1.35 lakh crore in 2024 - a record high for the city. We expect this momentum to continue with Mumbai's residential sales value projected to surpass Rs 2.0 lakh crore in 2030 at a CAGR of ~6.8%. ●



# Realtors are Leveraging Technology to Connect Buyers and Sellers

Today, technology is not just a facilitator but a game-changer in connecting buyers with sellers across distances, says **TARUN BHATIA**.

The Indian real estate market, like its global counterparts, has undergone significant transformation over the last decade, with technology playing a pivotal role in changing how properties are bought and sold. This digital evolution has been further accelerated by the global pandemic, which forced businesses to innovate and adapt to new ways of working remotely. For realtors, one of the most critical challenges was bridging the geographical gap between buyers and sellers, especially when they are in different cities. Today, technology is not just a facilitator but a game-changer in connecting buyers with sellers across distances, enabling seamless transactions and creating numerous benefits for end users.

## The Role of Technology in Real Estate

Gone are the days when buyers had to physically visit numerous properties and navigate through endless paperwork to complete a deal. Thanks to technological advancements, the real estate sector in India has seen the emergence of various tools and platforms that make property transactions efficient and hassle-free.

### 1 Virtual Property Tours and 3D Visualisation:

One of the most innovative technologies transforming



**For realtors, one of the most critical challenges was bridging the geographical gap between buyers and sellers, especially when they are in different cities.**

real estate is virtual property tours. Realtors are increasingly using 3D visualisation tools and virtual reality (VR) to give potential buyers an immersive experience of a property without them needing to be physically present. For buyers located in different cities, this is particularly useful as they can take a complete tour of the property, explore its layout, and even get a sense of its ambiance—all

from the comfort of their homes. This eliminates the need for unnecessary travel, saving both time and money. Moreover, this technology allows for customised tours where buyers can see different design and layout options, enabling them to visualise the property's potential.

### 2 AI-Powered Platforms and Chatbots:

Artificial Intelligence (AI)

is being widely adopted in the real estate sector to personalise the experience for buyers. AI-powered platforms are designed to recommend properties based on a buyer's preferences, budget, and location. Realtors now have access to data-driven insights that help them understand market trends, buyer behaviour, and pricing patterns. AI-driven chatbots are also being employed by realtors to answer common queries instantly, offering 24/7 assistance to buyers across different cities. This enhances user engagement and ensures buyers get timely responses to their questions, further streamlining the buying process.

### 3 Zoom and Virtual Meetings:

Platforms like Zoom have become indispensable for virtual meetings in the real estate industry. For buyers and sellers in different cities, Zoom allows realtors to host virtual face-to-face meetings, where they can discuss details of the property, negotiate terms, and even share live virtual tours. Zoom meetings help bridge the communication gap between all parties, offering a more personal and interactive experience than emails or phone calls alone. This not only makes the process more transparent but also speeds up decision-making. Realtors can now maintain consistent contact with clients across various locations, creating a seamless experience for both buyers and sellers.

### 4 Blockchain and Secure Transactions:

One of the concerns for both buyers and sellers in different cities is the security and transparency of financial transactions. Blockchain technology is now slowly being leveraged to ensure that all property-related transactions are secure, transparent, and tamper-proof. Blockchain will simplify the paperwork process by automating the creation of smart contracts, which eliminates the need for third-party verification. Buyers and sellers will be able to finalise deals remotely without the fear of fraud or tampering, thanks to the decentralised nature of blockchain.

### 5 Cloud-Based Platforms for Document Management:

Realtors in India are increasingly adopting cloud-based platforms to manage and store documents securely. The property-buying process

## For realtors, one of the most critical challenges was bridging the geographical gap between buyers and sellers, especially when they are in different cities.

involves multiple documents like sale agreements, property deeds, and title transfers, which can be cumbersome when dealing across cities. Cloud technology like Google Drive enables realtors, buyers, and sellers to upload, access, and sign documents from any location. This not only speeds up the transaction process but also reduces the chances of errors and loss of critical paperwork.

### 6 Geolocation and Mapping Technologies:

Buyers often face difficulties understanding the location, neighbourhood, and surrounding infrastructure of a property they are interested in. Realtors are addressing this by using advanced geolocation tools that offer detailed maps, highlighting nearby amenities such as schools, hospitals, shopping centres, and public transport links. In addition to this, some platforms offer drone footage that provides aerial views of the property and its surroundings, allowing buyers to evaluate the area without physically being there.

### Benefits for End Users

For buyers and sellers in different cities, leveraging technology in real estate comes with a host of benefits.

#### 1 Time and Cost Efficiency:

Buyers no longer have to spend time and money traveling to view properties in person. Virtual tours, video calls, and

high-quality images allow them to shortlist properties without leaving their homes. Similarly, sellers can showcase their properties to a larger audience without the hassle of organising multiple physical visits.

#### 2 Enhanced Transparency:

One of the traditional pain points in real estate transactions has been the lack of transparency, especially for buyers who are unfamiliar with the local market. AI-driven platforms provide real-time data on property prices, market trends, and upcoming infrastructure developments, allowing buyers to make informed decisions. Blockchain technology will further ensure that transactions are transparent and secure.

#### 3 Personalisation:

Buyers can now enjoy a highly personalised experience, thanks to AI-powered algorithms that recommend properties based on their preferences. They can also customise their virtual property tours, seeing how different designs or layouts would look. This level of personalisation enhances the buying experience and helps buyers feel more confident in their choices.

#### 4 Improved Communication:

Technology has bridged the communication gap between buyers and sellers. Video conferencing tools like Zoom

allow real-time interaction, while AI-driven chatbots provide instant answers to queries. Realtors can stay connected with clients across different cities, ensuring that the buying process moves smoothly.

#### 5 Safety and Convenience:

In a post-pandemic world, many buyers prefer contactless transactions. Technology enables them to complete all necessary steps—viewing properties, signing documents, and transferring funds—safely and conveniently online. Cloud-based platforms and digital signatures make the entire process contact-free, adding a layer of safety that appeals to modern buyers.

### The Future of Real Estate in India

As technology continues to advance, the Indian real estate sector is poised for further innovation. Realtors who embrace these changes and adopt new tools will be better equipped to serve buyers and sellers, regardless of where they are located. For end users, the shift towards tech-enabled real estate transactions means greater convenience, transparency, and a more streamlined buying experience. As more buyers look to invest in properties outside their home cities, technology will play an even more critical role in shaping the future of real estate in India.

By staying ahead of the curve, realtors can not only cater to the demands of modern buyers but also redefine the landscape of property transactions in the country. ●



**Mr Tarun Bhatia** is Vice-Chairman and Chair-Global, NAR India.

# PE Transactions Drive Realty Mart

An estimated 20 deals amounting to USD 452 million, largely driven by significant private equity transactions, says **SHABALA SHINDE** of **GRANT THORNTON**.

In the third quarter of 2024, the Indian real estate market demonstrated solid activity, with 20 deals amounting to USD 452 million, largely driven by significant private equity transactions.

While there has been a noticeable increase in deal activity in 2024 compared to the previous year, Q3 saw a decline in deal value while volume remained stable compared to Q2, which was marked by a single high-value transaction. Nonetheless, Q3 outperformed both Q1 2024 and Q3 2023 in terms of deal momentum.

Despite the dip in deal value in Q3, the volume of deals suggests the market remains resilient, underpinned by strong fundamentals. A shift towards more strategic, mid-sized transactions has emerged, with many companies increasingly turning to capital markets for funding. QIPs contributed 65% of the overall deal value. While the pace of large-scale M&A deals has slowed, investor appetite remains strong, particularly in commercial and residential real estate, which continues to attract attention from institutional investors.

The commercial real estate sector has been a key driver this quarter, buoyed by rising demand for office spaces and warehousing facilities. Notably, M&A activity in the warehousing segment gained traction, while office spaces continued to draw interest from private equity players. An emerging trend worth noting is the evolution of small and mid-sized REITs (SM REITs). With two SMREITs already

registered, and few more under evaluation, this segment may likely become a vital part of the market, offering an attractive platform for smaller players to access capital.

Looking ahead, while there is expectation for stronger deal activity in Q4, recent volatility in the Sensex and broader capital markets could temper short-term investor enthusiasm. That said, sustainability and smart building technologies are likely to remain key focus areas, as investors continue to seek long-term value in energy-efficient and tech-enabled developments.

## Notable Trends

While the previous quarter saw strong growth, Q3 2024 experienced a sharp decline in overall deal value of 71%, with deal volume slightly up by 5%. Commercial development and real estate technology businesses were the largest contributors to overall deal activity in both M&A and PE spaces.

The sharp decline in overall deal value is primarily due to the lack of high-value transactions this quarter. In contrast, the previous quarter saw just four deals account for nearly 85% of total deal values, amounting to USD 1.3 billion. Compared to Q3 2023, the volume of deals increased by 54%, while the value declined by 41%. However, the latter part of Q3 witnessed renewed private equity (PE) and M&A activity, signalling the potential for increased momentum in Q4.

The number of M&A deals

## Highlights

### Overall deal activity including IPO and QIP | 25 deals at USD 1.4 billion

The quarter maintained strong deal volumes with 25 deals, marking an all-time high in terms of deal volumes and the second-highest values since Q2 2023. This quarter's values were primarily driven by the QIP activity, followed by private equity funding in the residential and commercial segments, with additional activity in real estate tech companies.

### M&A activity | Eight deals at USD 51 million

M&A volumes reached an all-time high, witnessing an increasing trend from the past two quarters while the values took a dip this quarter on the back of the dominance of smaller ticket deals, reflected in the average deal size reducing from USD 17 million to USD 6 million.

### PE/VC activity | 12 deals at USD 401 million

Private equity funding in Q3 2024 saw a sharp decline in deal values from USD 1.4 billion in Q2 to USD 0.4 billion this quarter. However, the volume of deals remained consistent, indicating sustained interest in smaller, more targeted investments.

### One IPO at USD 49 million and four QIPs at USD 940 million

This quarter witnessed increased capital market activity. While IPOs remained consistent, with one raising USD 49 million, the standout was the surge in QIP activity, with four deals totaling USD 940 million—nearly six times the value in Q2, owing to one high-value transaction - Prestige Estates raising USD 602 million. This shows growing confidence in real estate firms' ability to access public markets.

Commercial development and real-estate tech segments collectively accounted for a 70% share in M&A and PE volumes while a whopping 92% share in values, indicating significant investor interest.

increased by 14%, while the corresponding deal values experienced a significant drop of 58%, indicating a lack of higher-value transactions this quarter. Domestic consolidations continued to dominate M&A activity. Notably, there were three inbound deals in the property development space and two outbound deals in the student housing

and online rental platform sectors.

There has been a shift toward emerging trends such as investments in warehouses, logistics parks, and student rentals. Additionally, investment in real estate technology companies continues, albeit with smaller deal sizes. Notably, the Lodha Group has made five acquisitions



this quarter, collectively valued at USD 40 million.

Although there was a decline in overall PE funding values compared to Q2 2024, deal values continued to outperform those in both Q1 2024 and Q3 2023, despite stable volumes. This highlights the ongoing strength of private equity interest in the sector, even with a smaller pool of high-value transactions.

**Deal of the quarter:** Keppel acquiring a 100% stake in One Paramount, a freehold Grade A office complex in Chennai to create an investor interest in India's growing office market is the only high-value deal (> USD 100 million) that accounted for 59% of the overall deal values.

**Highlights**

Commercial development segment contributed to 60% of the top deals totaling to USD 386 million, accounting for 91% of top ten deal values this quarter.

M&A activity in Q3 2024

experienced sharp decline, with top five deals contributing just USD 41 million, down from USD 117 million in Q2 2024. The decline in value can be attributed to lack of high value deals in the quarter. Notably Macrotech contributed to the top four M&A deals together valued at USD 39 million in the real estate and commercial development space.

The third quarter of 2024 witnessed a notable decline in private equity (PE) investments, totaling USD 401 million across 12 deals. The top two deals alone accounted for USD 346 million, highlighting a concentration of value in fewer, larger transactions. This represents a significant drop from Q2 2024, where PE investments

**The commercial real estate sector has been a key driver this quarter, buoyed by rising demand for office spaces and warehousing facilities.**

reached USD 1,439 million. However, the real estate tech segment showed promise, with a total investment value of around USD 14 million, a substantial increase from the USD 8 million recorded in Q2 2024.

**Sector Trends**

Commercial development dominated Q3 2024, accounting for 35% of overall deal volumes and 86% of deal values. This was followed by real estate tech, which witnessed a 75% increase in deal volumes but only contributed 5% of the overall values, indicating smaller ticket deals in this space. In contrast, no deals were recorded for residential projects, marking a shift from

previous trends.

A key trend in the quarter was the continued investment in co-working spaces, driven by the growing demand for flexible work environments. The ongoing e-commerce boom also fueled significant investments in logistics and warehousing, especially near major urban hubs. As online shopping grows, so does the need for efficient supply chains, making this segment a hot spot for investors.

Additionally, the integration of proptech is becoming more prominent, with real estate developers incorporating smart building technologies to enhance operational efficiency and tenant satisfaction. This focus on sustainability and technology-driven solutions is likely to continue, particularly in high-demand sectors like logistics and commercial real estate.

**Ms Shabala Shinde** is partner and real estate leader, **Grant Thornton Bharat.**

# Decoding Debt Financing

**There is space for Rs 150,000 Crore in the debt market in realty sector which offers tremendous potential for expansion and growth, says JLL SURVEY.**

The total debt sanctions when analysed reveals that term loans constituted an average 60% of the total loans sanctioned during 2018-2023. These corresponded largely to construction finance provided to real estate developers.

India's construction debt market is dominated by the residential sector accounting for approximately 70% of the total market size, with the rest 30% led by the office segment, followed by retail,

warehousing, hospitality and alternative asset classes like data centres etc. Given the share of residential @ 70% of the term loan market, the total sanctions to this sector amounted to INR 407,887 crore over the same period (2018-2023).

When one compares this to the total construction debt requirement for the residential sector specifically, across the top seven cities, there was a significant gap to the tune of INR 150,000 crore, indicating

that around one-third of the total residential market that was seeking debt, remained unserved.

Expanding horizons of the

Indian real estate sector are driving demand for increased debt financing opportunities – INR 550,000-600,000 crores construction finance required

**Key Players in the Banking Sector – 2023**

Public Sector Banks	Private Sector Banks
SBI, PNB, BOB and Indian Bank	HDFC, ICICI and Axis
Account for 35% of total loans sanctioned by public banks	Account for 53% of the loans sanctioned by private banks.

till 2026 as per the analysis.

The Lease Rent Discounting (LRD) market also offers significant opportunities, particularly in the commercial office segment. The current market size of LRD for commercial offices alone is approximately INR 472,000 crores. With strong demand fundamentals and sustainability measures in place, the LRD potential in the commercial office segment is expected to grow by 30% in the next three years.

One of the challenges in the project lifecycle of real estate developments is the early pre-approval and land purchase phase which is typically the most capital-intensive but often lacks sufficient funding.

AIFs emerged as a strong participant in early-stage project funding, primarily in the residential sector as banks have continued to remain absent from this phase, largely on account of regulatory barriers.

It is essential for greater participation from various players in the AIF space to further strengthen early-stage project funding.

Increased involvement from more AIFs will not only enhance the availability of capital but also promote healthy competition, leading to more favourable terms and conditions for developers.

While banks have shown an appetite for direct participation in the Real estate sector, primarily through the construction finance and LRD route, they could potentially increase exposure while managing risks adequately.

Recently, the Reserve Bank of India (RBI) has proposed

new draft guidelines on project financing that could potentially impact stakeholders in the real estate and infrastructure sectors.

According to the draft norms, banks would be required to set aside provisions of up to 5% of the loan amount during the construction phase of projects, with adjustments made as the projects progress, compared to the previous standard asset provisioning rate of 0.4%. Consequently, banks may need to charge higher interest rates to cover these provisions, which could ultimately affect the end users of such projects.

Overall, the debt market in the Indian real estate sector offers tremendous potential for expansion and growth.

As the sector continues to evolve, innovative funding solutions, improved access to credit and a focus on catering to the needs of smaller developers will be crucial in



**Total Debt Market for the period 2018-2023**

**Term Loan:** 60% - Construction Finance

**LRD:** 17%

**Debentures:** 23%

**Early-stage:** funding for land, approvals, last-mile funding etc.

**Note:** The percentages in the figure above represent average share under each type in the total debt sanctioned during the 2018-2023 period.

driving the industry forward. It is essential to curate innovative funding solutions and improved access to credit for smaller developers to create a level playing field and promote healthy competition in the residential sector.

The lenders may evaluate such players who may be smaller in size but are backed by healthy project sales, which would help in mitigating the perceived risks and a relook at lending processes is imperative. ●

**Key Players in the Banking Sector – 2023**

HFCs	% share in 2018	HFCs	% share in 2023
HDFC Ltd	40%	Bajaj Housing Finance Ltd.	42%
Indiabulls Housing Finance Ltd.	18%	Tata Capital Housing Finance Ltd.	25%
PNB Housing Finance Ltd.	10%	HDFC Ltd.	16%

**Top 3 NBFCs alone accounted for 31% and 65% of the loans sanctioned by NBFCs in 2018 and 2023 respectively**

NBFCs 2018	NBFCs 2023
<b>Top 3 – Piramal, Standard Chartered, JM Financial</b>	<b>Top 3 – Piramal, JM Financial, Aditya Birla Finance Ltd</b>
<b>Account for 31% of total loans sanctioned by NBFCs</b>	<b>Account for 65% of the loans sanctioned by NBFCs.</b>