

**CUSHMAN &
WAKEFIELD**

LUXURY HOUSE TRANSFORMATION IN DELHI-NCR

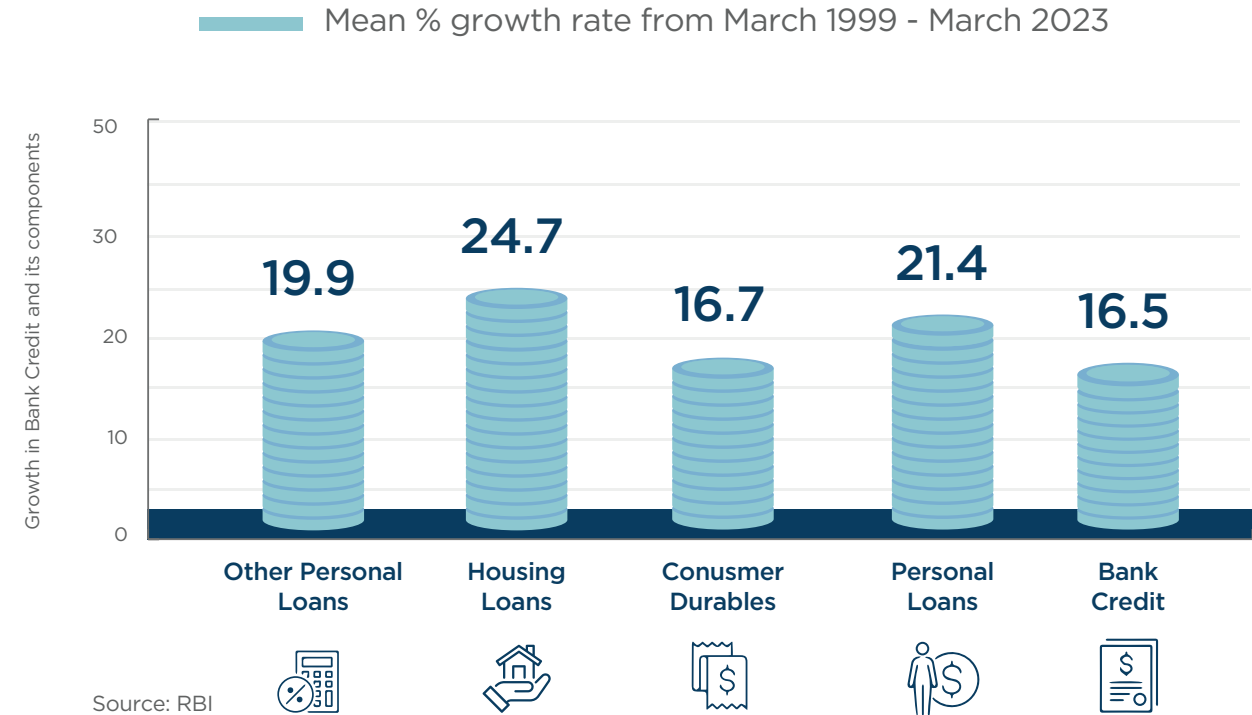
Better never settles

ECONOMIC RENAISSANCE: CHARTING THE COURSE OF INDIA'S DEVELOPMENT

India has secured its position as the world's fastest-growing major economy, exceeding the United Kingdom in scale to claim the fifth spot with a GDP of **\$3.94 trillion**. Forecasts indicate that India is poised to ascend to one of the top three economic powers globally within the next 10-15 years, supported by its robust democracy and strong partnerships.

Foreign Direct Investment (FDI) has played a pivotal role in propelling India's economic growth. Over the span from 2000-01 to 2023-24, India has witnessed a remarkable twenty-fold increase in FDI inflows. The nation continues to be highly favoured for FDI, with a total influx reaching **US\$ 647.96 billion** over the past decade (April 2014-December 2023), sourced from over 170 countries. According to the World Investment Report 2023, India emerges as a powerhouse for FDI, securing the third-highest foreign investment in the fiscal year 2021-22. Notably, the construction (infrastructure) development sector has emerged as one of the leading recipients of FDI in the country, with inflows totalling **\$32 billion** between April 2000 and September 2023.

According to the RBI Bulletin, bank credit loans, vital to the real estate sector, saw an average growth rate of **16.5%** from March 1999 to March 2023, while personal loans experienced a higher growth of **21.4%** during the same period. Over this timeframe, housing loans demonstrated the most rapid growth, at **24.7%**. Housing loans persist as the predominant sub-segment, comprising approximately 48 to 50% of retail credit.



UNVEILING THE ECONOMIC POTENTIAL: REAL ESTATE'S CONTRIBUTION TO INDIA'S ECONOMY NOW AND AHEAD

In India, the real estate sector serves as the second-largest source of employment, trailing only agriculture. Forecasts anticipate significant expansion, projecting the sector to grow to **US\$ 5.8 trillion by 2047**, thereby increasing its contribution to GDP from the current **7.3% to 15.5%**. Moreover, it is expected that by 2030, the real estate market will reach US\$ 1 trillion, with a market size of **US\$ 650 billion** by 2025, equivalent to **13%** of India's GDP.

Private equity investments in the Indian real estate sector have increased significantly, reaching **US\$ 5.5 billion** in 2023, up from **US\$ 5.2 billion** in 2022. Notably, the residential asset class contributed US\$ 2.9 billion to this total from 2022 through Q1 2024. Currently, Indian real estate developers are experiencing a phase of robust growth, with sales showing substantial improvement in 2024. The residential sector, in particular, has seen strong demand, with several prominent developers reporting the sale of entire projects within days or weeks, underscoring high buyer sentiment and demand. For instance, DLF, India's largest real estate firm, **sold 1,137 luxury apartments in Gurugram for over INR 8,000 crore** in just three days in March 2023, highlighting the intense demand for high-end properties.

The market is also witnessing a consolidation towards branded and trusted developers, who are aggressively expanding their land banks for future development. Leading developers, such as Godrej Properties, have reported sales bookings surpassing those of the previous fiscal year, reflecting their strong performance and market presence.

According to the annual results of Godrej Properties Limited (GPL), "GPL's highest ever annual sales - booking value stood at **INR 22,527 crore**, a YoY growth of **84%**, from the sale of **20 million sq. ft. (14,310 units)** of area. NCR was the largest contributor with **INR 10,016 crores** through sale of **3,932 units** with total sales of **7.50 million sq. ft.** in the financial year".

In the annual results of SOBHA, the company reported its strongest year in FY-24, achieving its best-ever annual sales value of **INR 66.44 billion**. Sales value registered growth of **27.8%** to **INR 66.44 bn** from **INR 51.98 bn**.

MARKET SIZE IN REAL ESTATE
IN (US\$ Billion)

120
2017

477
2022

650
2025F

1000
2030F

5800
2047F

Source: IBEF

LUXURY RESIDENTIAL LANDSCAPING IN NCR AND GURUGRAM: AN OVERVIEW

Luxury housing in Delhi is predominantly situated in upscale neighbourhoods, particularly in the Lutyens area, which includes coveted locations such as Amrita Shergill Marg, Golf Links, Prithviraj Road, and Chanakyapuri. These neighbourhoods boast some of the city's most exclusive and opulent properties. Additionally, areas like Vasant Vihar, Greater Kailash, Defence Colony, and Panchsheel Park are highly sought-after by high-net-worth individuals (HNIs), offering a diverse array of luxury residences ranging from villas and bungalows to high-rise apartments.

Technically outside Delhi's boundaries, Gurugram has emerged as a significant luxury real estate market within the National Capital Region (NCR). Notable areas in Gurugram, such as Golf Course Road, Golf Course Extension Road, and DLF Phase I/II, are renowned for their gated communities, upscale villas, and luxury condominiums, catering to affluent buyers seeking exclusive living environments. With enhanced infrastructure other areas within Gurugram are also drawing developer and customer attention alike. The newer projects, featuring contemporary amenities, have seen increased demand and have played a pivotal role in elevating the real estate stature and overall attractiveness of these micro markets.

While a prestigious address remains important, the homebuyers are now drawn to projects that offer tailored amenities designed to enhance their living experience.

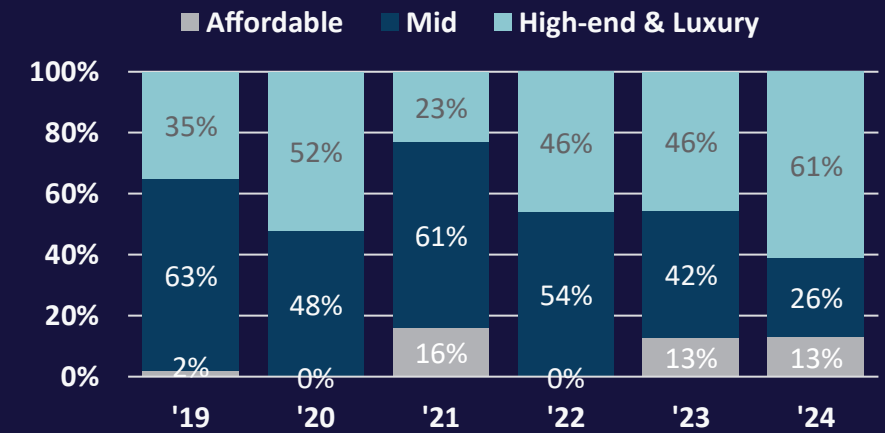
TOWARDS OPULENCE: THE GROWING PREFERENCE FOR LUXURY HOME OWNERSHIP

The COVID-19 pandemic has notably shaped the real estate scene, highlighting the importance of security and access to necessary facilities. The pandemic has had a significant impact on homeownership aspirations, and its influence cannot not be underestimated. Over the past decade, luxury real estate has undergone significant evolution. Initially, luxury properties were primarily characterized by expansive square footage, premium finishes, and exclusive amenities. However, in recent years, there has been a noticeable shift towards more experiential luxury, irrespective of home style, in well-equipped neighbourhoods. These contemporary choices not only fulfil the desire for luxurious living but also nurture a sense of community and security.

The beginning of the pandemic in 2020 marked a notable shift in market dynamics, with an increasing number of homebuyers seeking spacious and high-quality residences with convenient access to essential amenities. This emerging trend has injected new life into the luxury housing market,

sparking renewed enthusiasm among buyers striving for elevated living conditions.

The luxury residential market in Delhi-NCR has seen unprecedented growth, reaching new heights fuelled by the pursuit of spacious homes with state-of-the-art amenities. This trend mirrors the extraordinary growth trajectory of the luxury residential segment in Gurugram. Factors such as the rise in disposable income among the upper-middle class, the influx of HNIs due to burgeoning startups, improvements in physical infrastructure, and the desire for a high-quality lifestyle among millennials have collectively driven higher demand and escalating prices of luxury homes. Luxury real estate appeals to discerning investors, reflecting their evolving dreams and lifestyle preferences. Formerly confined to exclusive bungalows in elite neighbourhoods, luxury real estate now offers a wider variety of features, infrastructure, and technology tailored to residents' diverse lifestyles. The following graph demonstrate the growing prominence of the high-end luxury segment in Delhi NCR:



Source: C&WI Research
















With household incomes and disposable earnings on the rise, spurred by a growing economy and ongoing urbanization, homebuyers are reassessing their priorities. This trend is characterized by a growing preference for spacious, high-quality residences with tailored and personalized amenities, particularly among a new socio-economic group consisting of the upper and upper-middle class, who are seeking luxury housing options. Motivated by their desire for luxurious living experiences, these buyers are allocating larger budgets to acquire expansive and upscale apartments.



TOWARDS OPULENCE: THE GROWING PREFERENCE FOR LUXURY HOME OWNERSHIP

Luxury residential real estate and amenities have evolved significantly over the years, reflecting changing consumer preferences, lifestyle trends, and economic dynamics. Residences are now designed to offer more than just physical features; they provide a comprehensive lifestyle experience to the homebuyers. This includes amenities such as wellness centres with yoga studios and spa facilities, along with featuring low density, extensive club & community areas, dedicated entertainment & play areas, dedicated workspaces, onsite healthcare facilities, bigger balconies, private elevators, and lush horticulture, aiming to enhance overall quality of life of homebuyers. This trend aligns with the growing emphasis on achieving a healthy work-life balance and holistic well-being, further driving the demand for such residences.

High-end developments often incorporate cutting-edge technology, such as smart home systems, to enhance convenience and comfort and to cater to the desires of affluent buyers seeking a holistic living experience. Furthermore, there has been a growing focus on sustainability and eco-conscious design in luxury real estate. Buyers are increasingly interested in properties that prioritize energy efficiency, sustainable materials, and environmentally friendly features.

PRE - COVID		POST - COVID	
	Gated Community		Private Elevators
	Location		Larger Balcony
	Premium Finishes		Greenery and Sustainability
	Exclusive Amenities		Dedicated Work Areas
	Square Footage		Healthcare Facilities
			Gated Community
			Location
			Premium Finishes
			Personal Well Being
			Exclusive Amenities

The table below delineates the evolving focal points addressed by developers in their recent new launches:

Project/ Specs	No. of Apt. per acre	No. of Apt. per lift	Balcony Length x Depth (ft. in.)	Club Area Ratio (sq. ft.)	IGBC/GRIHA Rating
Anant Raj The Estate Residences	46	16	76'4" x 10'2"	N.A.	Gold
BPTP The Amaario	52	21	71'3" x 9'7"	144	Platinum
DLF Privana South	44	40	29'9" x 8'6"	N.A.	N.A.
DLF Privana West	63	40	29'9" x 8'6"	N.A.	N.A.
DLF The Arbour	45	25	29'0" x 9'8"	N.A.	Platinum
Elan The Presidential	57	30	81'3" x 8'0"	N.A.	Gold
Godrej Aristocrat	76	62	57'1" x 5'11"	61	Silver
Hines Elevate Reserve	50	38	53'1" x 5'11"	106	Platinum
M3M Mansion	110	41	67'6" x 5'11"	N.A.	N.A.
Puri Diplomatic Residences	128	31	47'5" x 8'0"	60	Gold
Pyramid The Alban	117	44	76'4" x 10'2"	N.A.	Gold
Signature Global De-Luxe DXP	73	41	37'1" x 6'11"	34	Gold
Smartworld The Edition	89	73	73'7" x 9'0"	N.A.	Gold
Sobha Aranya	35	28	31'6" x 7'5"	140	Gold

Best three in category in the above listed projects
Sequenced alphabetically

Source: C&WI Research

Additionally, developers are placing growing emphasis on attaining Platinum and Gold ratings from entities such as the Indian Green Building Council (IGBC). These ratings not only demonstrate dedication to sustainable and eco-conscious construction methods, thereby diminishing environmental impact and addressing climate change concerns, but also are viewed as promoting healthier, more comfortable, and economically advantageous buildings over time due to decreased operational expenses. Also, developers are giving significant attention to seismic resistance in building design and construction, extending their efforts to cover Zones IV & V. This emphasis is crucial for guaranteeing safety, complying with regulations, mitigating risks, promoting sustainability, and maintaining competitiveness in regions prone to earthquakes.

Another crucial element that enhances the living experience in luxury housing is modern property management. It guarantees careful management and upkeep of every aspect of the property, establishing a welcoming, safe, and dynamic community for residents. From regular maintenance and swift repairs to incorporating modern technologies like home automation and climate control, bolstering security systems, and simplifying financial management for budgeting and billing, property and facility management substantially improve the attractiveness and liveability of luxury residential projects in India, upholding the highest standards of luxurious living.

“ The growing demand for premium and luxury spaces in both Commercial & Residential Real Estate is driving a new era in Facility Management (FM). Companies are no longer offering just maintenance as part of their FM services. They are now focused on providing cutting-edge technology to create an enhanced living and working experience for residents and tenants in these projects. ”

MANOJ SHARAN

Managing Director, Property Management Services,
Cushman & Wakefield, India.



Overall, the evolution of luxury real estate over the last decade reflects changing consumer preferences, technological advancements, and a greater awareness of environmental concerns.

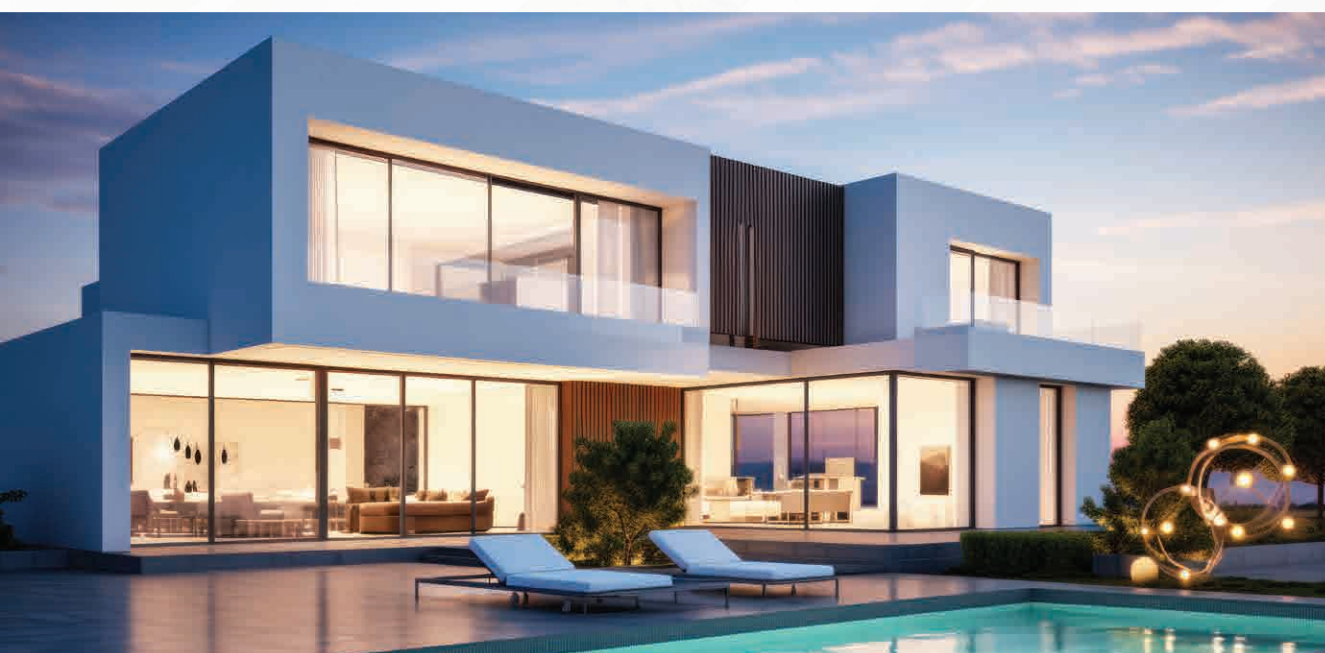
THE FUTURE OUTLOOK

In the luxury housing, a notable shift has occurred as discerning buyers are increasingly prioritizing specific amenities over traditional location-centric considerations. While a prestigious address was once the primary draw, today's luxury homebuyers are seeking a more comprehensive living experience that extends beyond geography.

This shift is not only transforming the luxury real estate landscape but also creating opportunities for new micro-markets to flourish. Developers are no longer solely reliant on prime locations to attract buyers; instead, they are leveraging innovative amenities to differentiate their projects and appeal to a broader range of clientele. By focusing on specific amenities, developers are empowering buyers to prioritize their lifestyle preferences over traditional location considerations. This trend is not only reshaping the luxury real estate market but also fostering the emergence of new micro-markets such as New Gurugram & Dwarka Expressway that are catering to the evolving needs and desires of the buyers.

Homebuyers' preferences are adapting to new realities, such as the widespread adoption of hybrid work models and a growing preference for larger and more spacious living environments both indoors and outdoors. A significant number of prospective property seekers now prioritize the inclusion of balconies in their homes to enhance the sense of openness. Balconies are becoming a primary consideration for many home seekers as they increasingly desire expanded living spaces both inside and outside their residences. Interestingly, a considerable portion of potential buyers still express a need for a dedicated office space or a separate study room, underscoring the rising importance of designated areas for remote work within residential properties.

With the continued economic growth and increasing affluence in the region, there is a growing demand for luxury properties among HNI & UHNIs along with new socio strata which seeks upscale residences with premium amenities and personalized services, driving the demand for luxury real estate. Despite escalating property prices, the demand for larger apartments remains resilient and continues to increase. Concurrently, the luxury segment of the real estate market is witnessing substantial growth, with both demand and supply reaching unprecedented levels.



“The Residential luxury housing market is on an upward trajectory, driven by a robust economy and sustained consumer demand for upscale properties. Evolving lifestyle changes like remote work and health consciousness have shifted consumer preferences to larger, amenity-rich residences. Equity market volatility has steered investors towards the stability of luxury real estate. Additionally, builders are now launching new projects to meet this demand, and speculative buying is further amplifying market activity. In this competitive market, transaction volumes continue to soar, underscoring the resilience and success of the luxury residential sector.”

SHALIN RAINA

Managing Director, Residential Services



KEY

New Launches with a price upward of INR 13,000 per sq. ft. of saleable area has been considered for the purpose of the assessment. The relevant details have been sourced approved building plans as available on HRERA portal and brochures & layout plans as marketed by developer.

No. of apartments per acre = Total no. of units/ Total land area

No. of apartments per lift = Total no. of units in tower/ Total no. of passenger lifts (service lift not included)

Balcony Length x Depth = Best of 4/4.5 BHK configuration in a project. However, Pyramid The Alban offers 3 BHK configuration. Club Area Ratio = Club FAR area / No. of dwelling units

High-end: > INR 13,000 per sq.ft.

Mid-end: INR 7,500 – 13,000 per sq.ft.

Affordable: < INR 7,500 per sq.ft.



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About Cushman & Wakefield

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