



NATIONAL
ASSOCIATION OF
REALTORS - INDIA

NAR INDIA - CITY FOCUS

INDORE



White paper on Indore's Real
Estate market



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NAR - INDIA

NAR-INDIA is the top representative body and advocacy group for those in the Real Estate Transaction Advisory. We are the India body of National Association Realtors of the United States of America. NAR-INDIA was formed in the year 2008 to establish the highest standards and accreditation in the real estate industry and facilitate professional development for its members. NAR-INDIA is a Non-Profit Organisation created to be the collective voice of the Realtors in India.

NAR-INDIA encourages members to follow the highest professional and ethical standards in the industry. Organisation provides support and education for over 30000 Realtors all over the country through its Member Associations. It also offers comprehensive resources to Realtors to provide world class services & create value for all the stake holders in the Industry.

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SUMMARY

The purpose of this report is to provide a comprehensive overview of the Real Estate market in Indore. The report analyzes key factors such as market trends, property values, supply & demand and the overall economic climate impacting the Real Estate sector in the city.

Indore is a vibrant and dynamic city known for its diverse economic sectors, cultural attractions and high quality of life. The Real Estate market in Indore has experienced significant growth and transformation over the past few years, attracting both domestic and international investors seeking lucrative opportunities in the industry.

All the real estate data used in this report are based on the on-site investigation with realtors of Indore and the values are estimates and projections based on discussions with people. The information and content contained in this document is for general informational purposes only. The author has made efforts to ensure the accuracy and reliability of the information at the time of writing. However, the author does not guarantee the completeness, accuracy, or timeliness of the information, and readers are advised to verify any information independently.

Indore Realtors Welfare Association (IRWA), the NAR - India affiliated real estate association of Indore has provided significant inputs for this report to promote real estate and growth of the city.

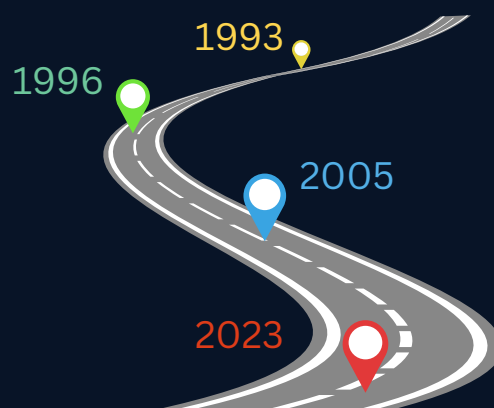
- Rajwada palace, Indore



ABOUT **INDORE**

Indore is the largest and most populous city in the Indian state of Madhya Pradesh. It has consistently been ranked as the **"cleanest city of India"**. It serves as the headquarters of both Indore District and Indore Division. It is also considered as the state's education hub. **The city has served and continues to be a significant commercial and financial hub in central India since ages.** The city has a thriving business environment with industries ranging from textiles, pharmaceuticals, automobile manufacturing, information technology, and Real Estate.

The growth phase of Indore started between 1993 and 1996 with the government's initiative to develop the infrastructure and motivate companies to set up industries in the region. 2005 is the base year for the real estate in Indore as the Amrapali group came into the city.





GEOGRAPHY

Indore is located in the western region of Madhya Pradesh (76° E, 23° N), on the southern edge of the Malwa plateau. The topography of Indore is characterized by rolling hills and plateaus. The city is divided into two main parts: the old city and the new city. The old city is located on the banks of the Shipra River and it is home to many historical monuments. The new city is located to the south of the old city and it is home to many modern buildings and infrastructure.



HEIGHT - 553M
(FROM SEA LEVEL)



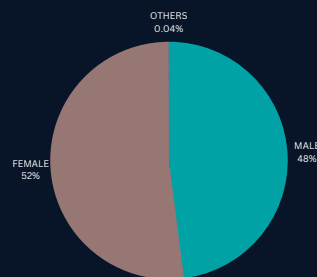
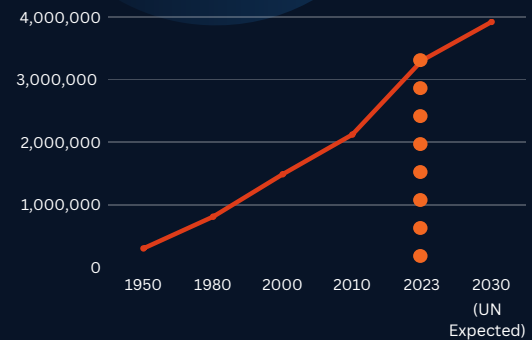
AREA - 550KM²



DEMOGRAPHY

Population:

- As of 2023, the population of Indore is 3,209,000. The majority of the population is Hindu, followed by Muslims and Jains. The official language of Indore is Hindi, but Marathi, Gujarati and English are also spoken.



- Indore has a very low sex ratio imbalance with a Sex ratio of 925 females per 1000 males and a Child sex ratio of 895 girls per 1000 boys



85.87% Total Literacy rate



3800 People/sq.km



27.2 Average age

(2 years less than average Indian population)

ECONOMIC SIGNIFICANCE

Since its inception, Indore has been a prosperous trading hub catering to the need of travelers traveling from Deccan to Delhi. The place was also a natural resting place for those who traveled from the East to the West. Although the city's convenient location has helped it to achieve its position, patronage by the local Zamindars too has made a major impact. To this date, most of the residents of Indore make their living through trade and commerce. Because of their entrepreneurship, economy of Indore is expanding in all directions and the city has become the financial capital of the whole of Madhya Pradesh.



Indeed, the financial importance of Indore can be gauged from the fact that the Madhya Pradesh Stock Exchange, the third oldest in the whole of India, is located not in Bhopal, but in this very city. In fact, **Indore has the largest economy in the whole of Central India.** It is also the financial center of the Delhi-Mumbai-Industrial-Corridor; consequently, any change in its status has an indirect impact on the economy of rest of the country.

GDP OF INDORE
₹ 2.5 Lakh Crore

GDP PER CAPITA
₹ 1,55,648

Industry Diversification

The economy of Indore is vibrant and as clear as daylight. Although trading still occupies the central position of the economy, different types of industries have made entry into the market. Indeed, from traditional agro-industry to modern Information Technology, everything has its own place in Indore. What is more, it is not only the large industries, which has made a mark in the economy of Indore, even small to medium-scale establishments too have made equal contribution. Because of its industrial significance, Indore is called the **Detroit of Madhya Pradesh**.





Transportation

Indore is located at the crossroads of major national highways and railways, which makes it an ideal location for businesses and industries. The city is also well-connected to the international market through the Indore International Airport.

The city has a well-developed transportation system, which includes roads, railways and airways. The city is also well-connected to other parts of India through a network of national highways.

Devi Ahilya Bai Holkar International Airport, Indore



96 flights / day



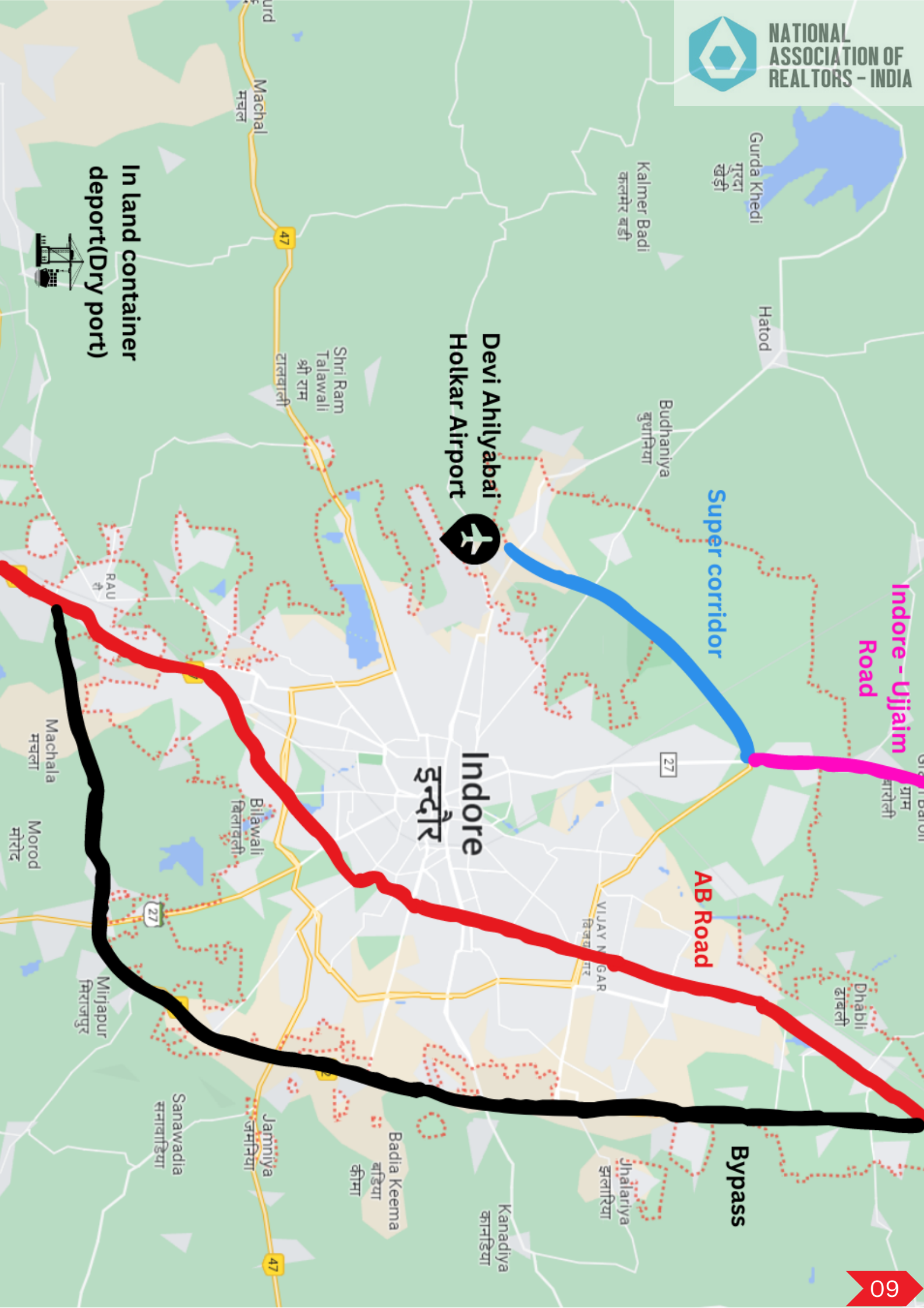
8,000 - 10,000
passengers / day

Major Roads

- AB Road (Agra - Mumbai)
- NH 59, 59A
- Super corridor
- Industrial corridor
- Indore - Ujjain road



**Direct connection to
Mumbai Harbour via
road and rail / IDC**



INDORE

REAL

ESTATE



RESIDENTIAL

Indore's residential real estate market offers a range of housing options, attractive neighborhoods and opportunities for both homebuyers and investors. With its growth trajectory and expanding infrastructure, Indore continues to be a promising destination for those seeking a vibrant and comfortable lifestyle.

The interest of people in Indore is inclined towards **residential plots** where people are pumping up a huge sum of money, whereas apartments are the least sought out residential property.

With already Existing residential areas along the route of AICTSL (Atal Indore City Transport Service Limited), the people of Indore are seeking residential properties particularly in the region of AB road, Indore - Ujjain road, Indore by-pass which is known as the by-pass. A significant portion of residential demand is from the student community for affordable housing, budget rentals and PG's.

AICTSL ROUTE



Educational Institutions

Indore has emerged as an educational hub in Central India. The city hosts numerous colleges and universities offering a wide range of courses in various disciplines such as Engineering, Medicine, Management, Arts and Science.



Universities = 7



Colleges = 227



Medical Colleges = 5



Engineering Colleges = 59

- This educational ecosystem provides ample opportunities for students to pursue higher education and research. Indore is known for many prestigious universities and colleges for technical as well as management studies. IIM Indore is a well-known entity throughout India for management studies
- Also, Indore is the prime destination in Central India for preparing for exams like UPSE, JEE and NEET.
- Because of this, the demand for residential properties is near the region of educational institutions.

Key outcomes



Affordable housing:

The areas of demand for Affordable housing are:

- Kalibillod
- Mhow(Dr. Ambedkar Nagar)
- South-West region of Indore

Reason:

Because of the growth of Industries, blue collar employees are high in these areas. So affordable houses are the preferred type of residence in this region

	Average salary
 Blue collar	₹ 1,50,000
 White collar	₹ 6,50,000

Premium housing:

The areas of demand for premium housing are:

- Vijay Nagar
- Rau
- LIG colony

Reason:

The following areas are located in a well established location and are very close to the commercial zone of Indore. These region are populated with people in white collar job and Higher income group.

Residential plots:

These plots are primarily bought for investment purpose

The areas of demand for residential plots are:

- Bypass
- Indore - Ujjain road

Reason:

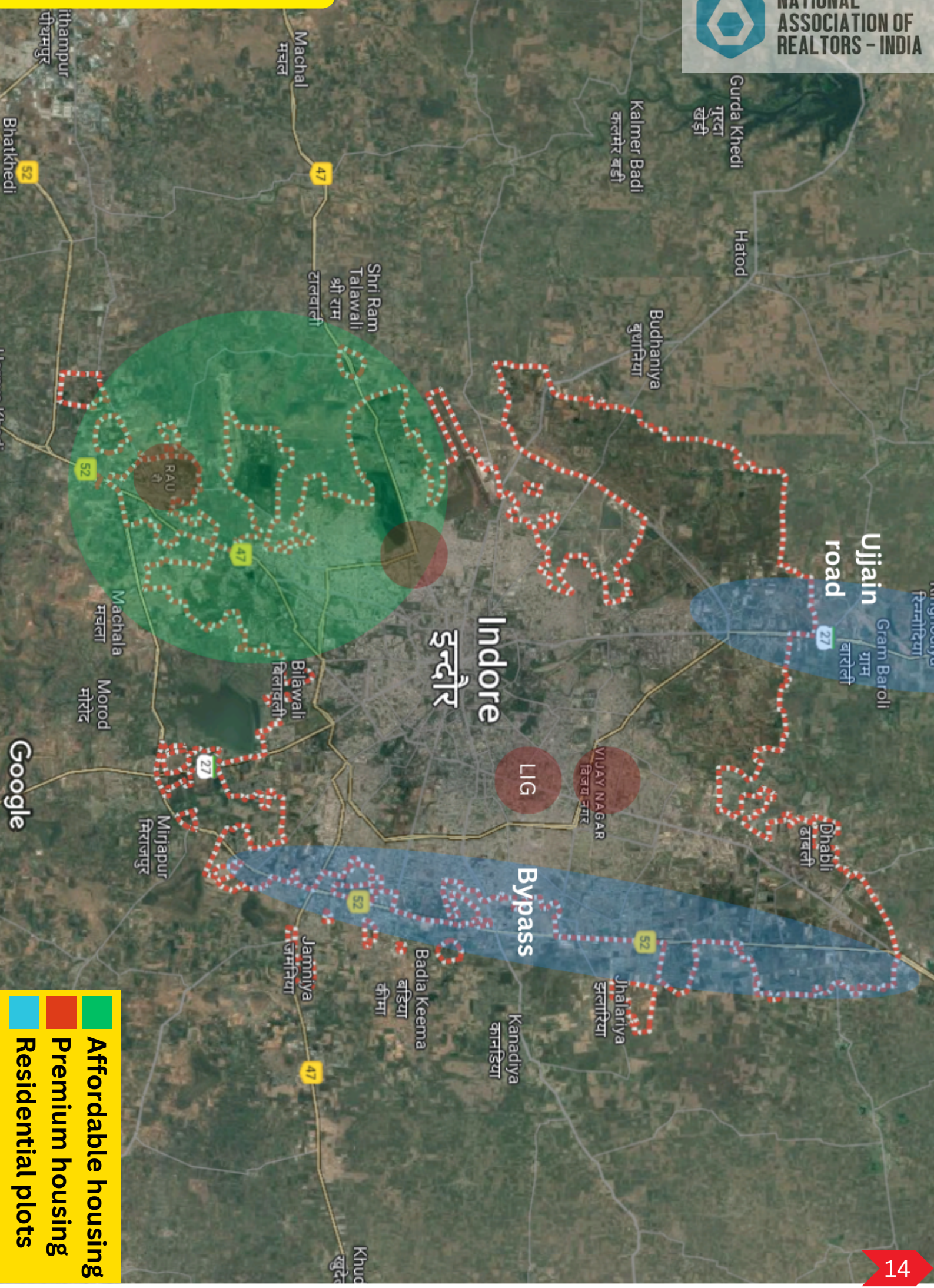
The cost of land in these region are relatively lower than the land in the city. People of higher income group are buying plots here to develop villas/bungalows for a peaceful residence.

Key regions of Residential demand are shown in map (1)

(1) Residential Demand



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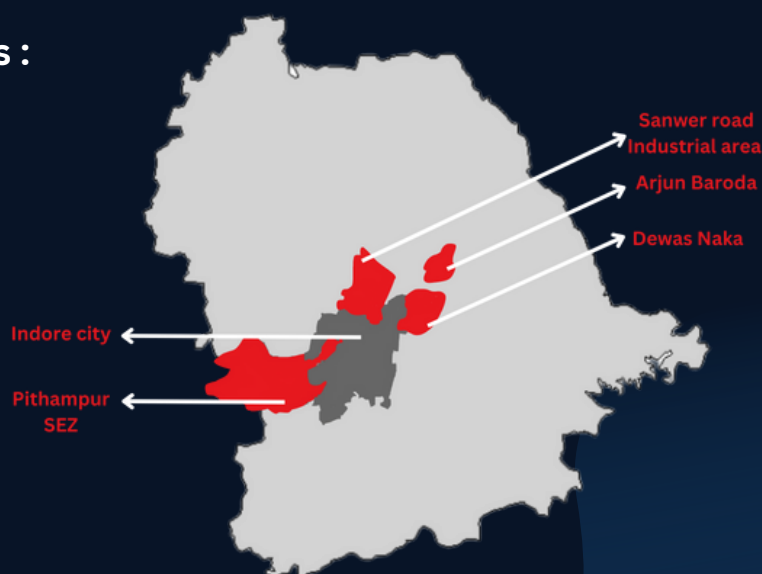
INDUSTRIAL

Indore has emerged as a major manufacturing hub, particularly in sectors like Textiles, Garments, Pharmaceuticals, Automobiles, Machinery and Food Processing. The city houses numerous industrial clusters and industrial estates that foster the growth of various manufacturing industries.

Important Industrial includes :

- Sanwer Road Industrial area
- Pithampur
- Arjun Baroda
- Dewas Naka

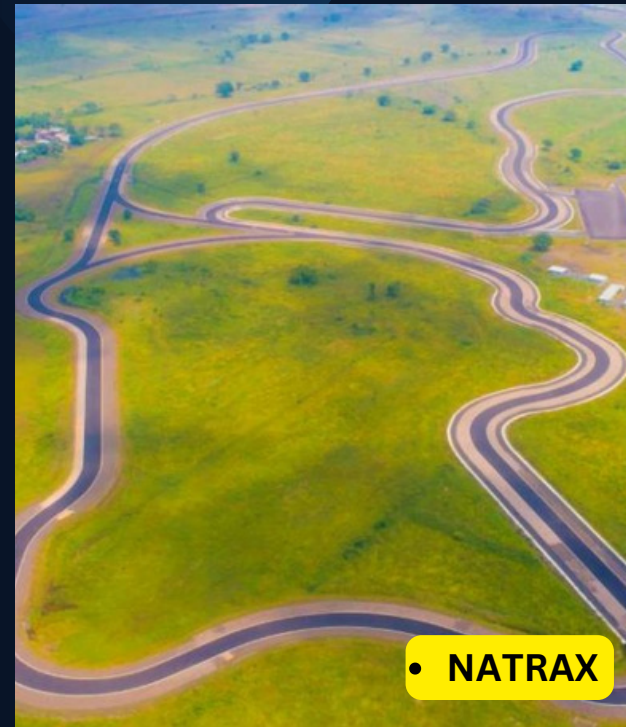
Out of these major industrial regions, Pithampur is the most significant and most happening area with an enormous amount of amenities for the Industries and transportation facilities.



Pithampur

Pithampur which is called the **Detroit of Madhya Pradesh** is a **Special Economic Zone** renowned as one of the largest industrial hubs in the region and holds great significance in terms of manufacturing and economic development. The region has the following significance:

- Pithampur to ICD (Inland Container Depot), Dhannad = 7.4 km
- ICD has the facility of Direct custom clearance.
- ICD is directly connected to Mumbai harbor via road and rail.
- It has the **NATRAX, Asia's largest automobile testing track**, which encourages the auto giants like TATA to setup their factory here.



• NATRAX



Below are the few prominent pharma and automobile majors which have set up their manufacturing bases in Pithampur

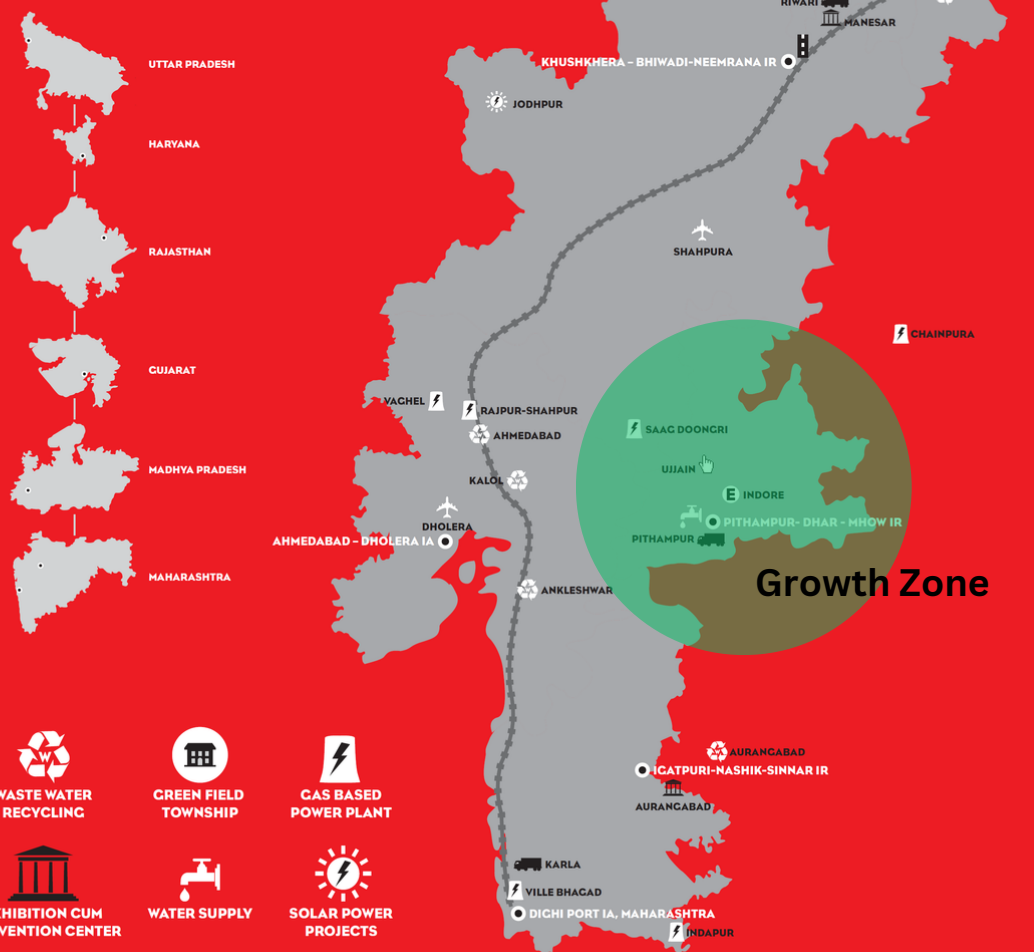


Because of the rapid industrial growth, the region around Pithampur like Kalibillod, Dr.Ambedkarnagar (Mhow) are experiencing a huge demand residential property.

DMIC

ESTIMATED INVESTMENT
USD \$90 Billion

EMPLOYMENT **x2**
INDUSTRIAL OUTPUT **x3**
EXPORTS **x4**
PROJECTION FOR 9 YEARS **x9**



Delhi - Mumbai Industrial Corridor

The Delhi-Mumbai Industrial Corridor (DMIC) holds significant importance for Indore due to its potential to drive economic growth and development in the region. Here are some key points highlighting the significance of the DMIC in Indore:

1. **Enhanced Connectivity:** The DMIC aims to improve transportation infrastructure, including road, rail, and air connectivity. This improved connectivity will facilitate the movement of goods, services, and people, making Indore a more accessible and well-connected city.
2. **Industrial Development:** The DMIC promotes the establishment of industrial zones and investment regions along its corridor. Indore, being part of the DMIC influence area, stands to benefit from the development of industrial clusters, including manufacturing hubs, logistics parks, and special economic zones. This can attract investments, create job opportunities, and contribute to the overall economic growth of Indore.
3. **Employment Generation:** The industrial development spurred by the DMIC has the potential to generate employment opportunities in Indore. New industries, manufacturing facilities, and supporting infrastructure can lead to the creation of jobs across various sectors, providing livelihood options for the local population.
4. **Attracting Investments:** The DMIC initiative aims to attract domestic and foreign investments in various sectors, including manufacturing, logistics, and infrastructure. Indore, being part of the DMIC, can benefit from this investment inflow, leading to economic growth, technological advancements, and increased business opportunities.



COMMERCIAL

- Post-pandemic, Commercial real estate in Indore has outshined more than any other business.
- Companies like TATA, BIRLA, and others are opening multiple outlets throughout Indore.

Leasing:

- Leasing has a very positive trajectory in the city with companies looking for spaces between 4000 sq. ft to 10,000 sq. ft.
- Co working spaces are attracting huge demand amongst the commercial spaces
- Crystal, Atulya and A & D Silicon Valley are the major IT parks of the city.

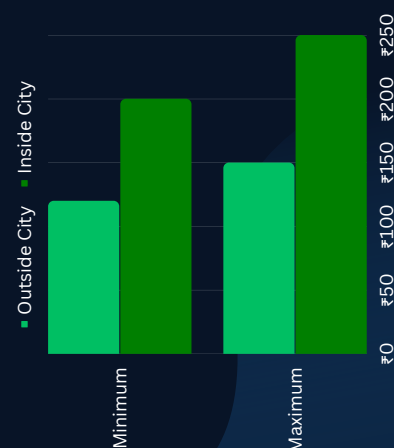
Key regions of Commercial demand are shown in map (2)

Retail regions:

1. AB Road
2. MG Road
3. Sapna Sangeetha Road

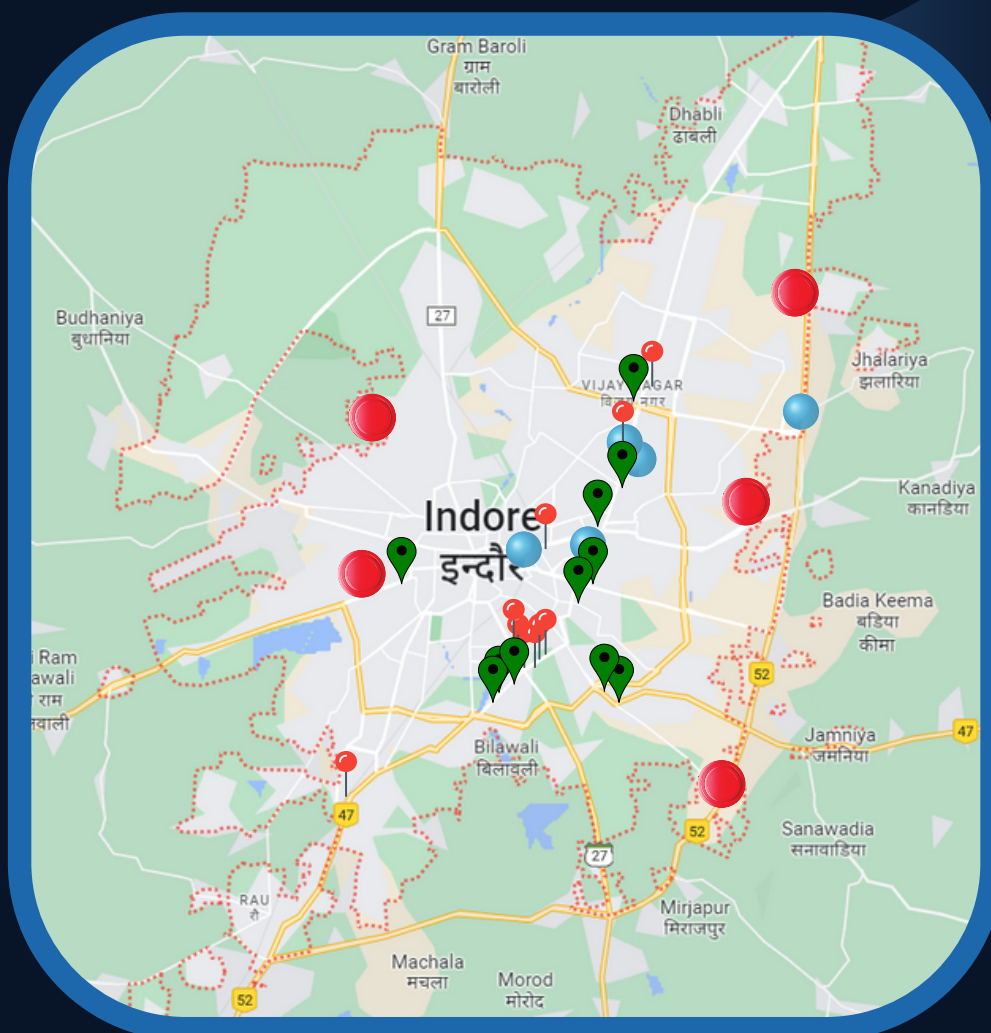
Warehousing regions :

1. Dakachya
2. DM corridor
3. Industrial corridor



Shopping

- Dmart
- Major malls
- Clothing
- Automobile



Indore is home to several modern and well-equipped shopping malls. Popular malls such as Treasure Island Mall, C21 Mall, Malhar Mega Mall and Central Mall provide a one-stop shopping experience with a wide range of national and international brands, multiplex cinemas, food courts and entertainment options. Along with this Auto brands like Audi, Maruti, Hyundai and Tata are opening multiple showrooms throughout the city. The leasing of retail spaces in around the regions have seen a tremendous growth in past 2 years and expected to face demand in upcoming days.

Hospitality

Areas favorable for Premium hotels :

- Vijay Nagar
- Near Airport
- MG Road
- South Tukoganj

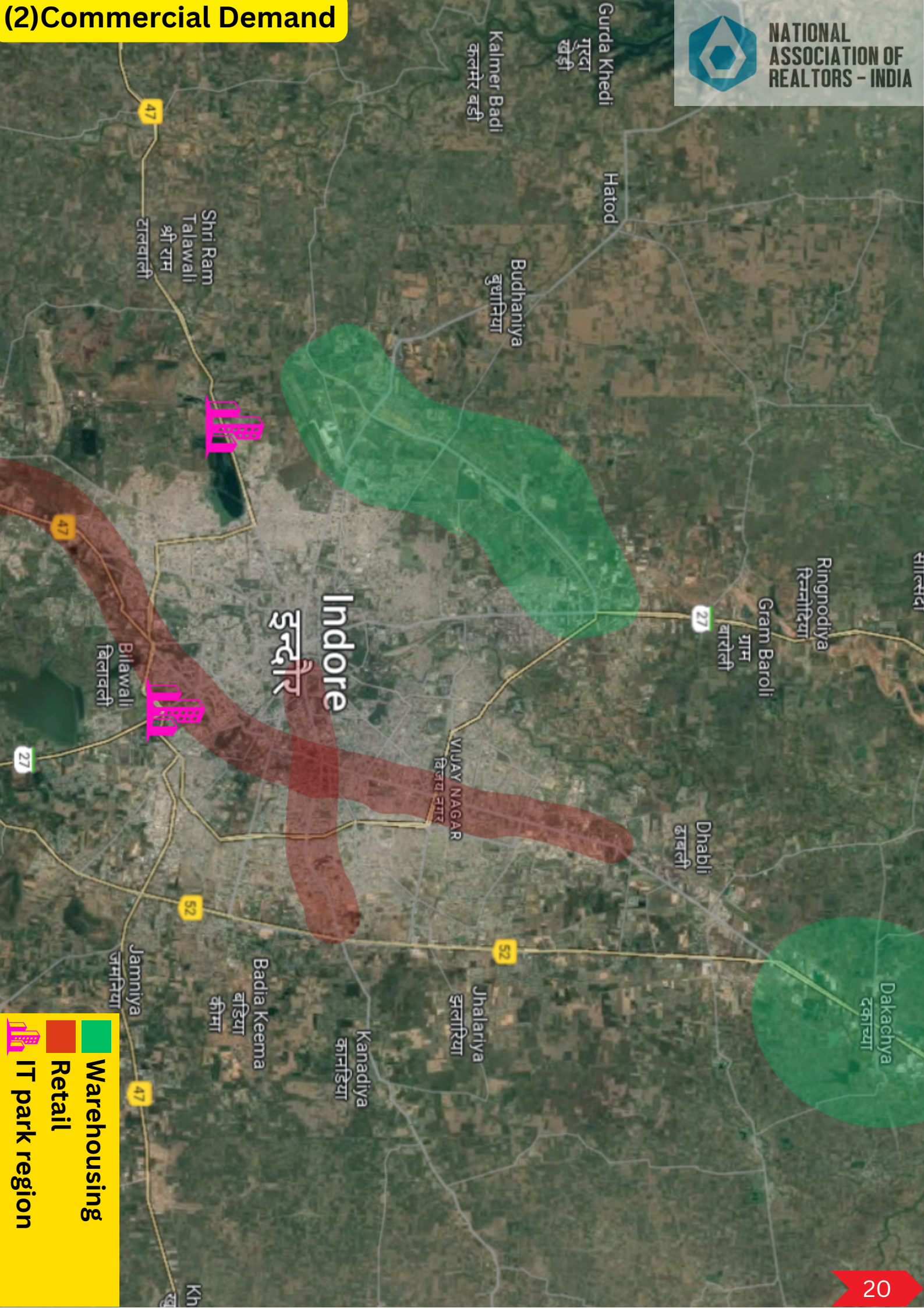
Areas favorable for Budget hotels / PG's :

- Central Indore
- Chhoti Gwaltoli
- Sarafa Bazaar
- Rajwada
- Navlakha

(2) Commercial Demand



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 Warehousing

 Retail

 IT park region



GOVERNMENT POLICIES

The government of Madhya Pradesh has implemented a number of policies to promote the real estate sector in Indore. These policies include,

The Real Estate
(Regulation and
Development)
Act

The Madhya
Pradesh Stamp
Duty Act

The Madhya
Pradesh Value
Added Tax
(VAT) Act

The Madhya
Pradesh Urban
Development
Act

Registration fee :



The registration fee for all types of land, including agricultural land, residential land and commercial land is,

Within Municipality limit: **12.5 %**

Outside Municipality limit: **8.5%**

Upon the guideline value*

The government of Madhya Pradesh offers a 2% flat discount on the registration fee upon registration if the land is **registered in the name of a female**. This provision of 2 % discount not only promote the business activity but also support social justice.



This policy is often aimed at addressing historical gender disparities and promoting women's empowerment. The discount on registration fees can be seen as a measure to reduce financial barriers and encourage women's involvement in activities that require registration, such as land ownership, business registration, and property transactions.

Construction/sale approval process:



Upcoming important projects

- Metro Rail (which is expected to be functional in one year)



- Interstate bus terminal - 7.5 km from city center (To be opened by end of this year)



- 27 story startup park at super corridor.





CONCLUSION

This research identifies prospective growth areas so that readers may utilise them to guide their decisions about the Indore real estate market. Post covid people from tier 1 cities like Mumbai are moving towards tier 2 cities like Indore. Low cost of living, work-life balance, better climate, cheaper workforce and cleanest city makes Indore a better destination for businesses & lucrative residential city for the migrating workforce.

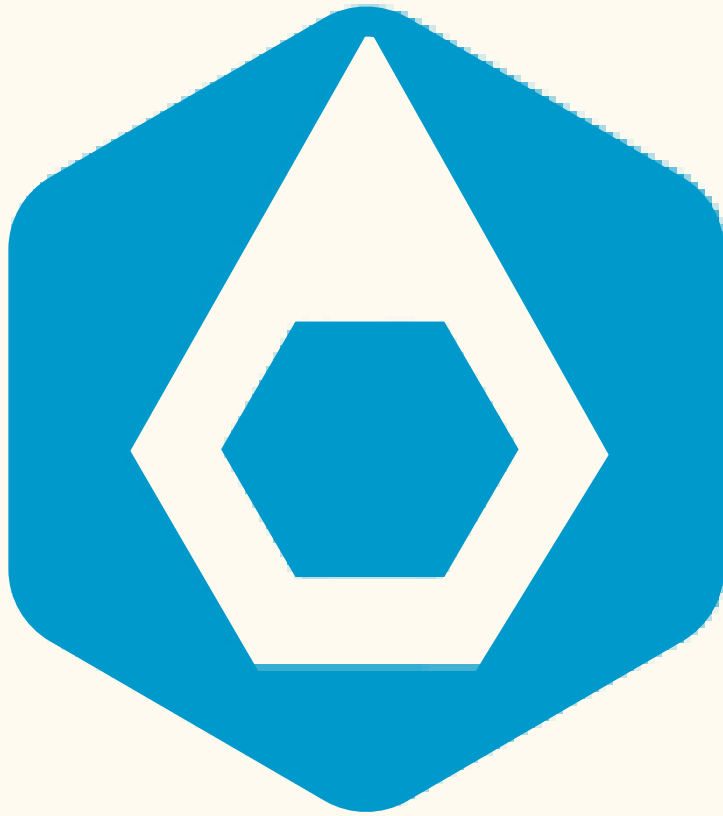
Indore's real estate market has a lot of room to grow because of the city's robust economy, expanding infrastructure, and government backing. The city draws both companies and homeowners with its variety of residential and commercial investment options. The real estate sector in Indore is primed for continuous growth and offers exciting opportunities for investors and stakeholders thanks to a favourable investment climate and ongoing development activities.

MEMBER ASSOCIATIONS



IRWA
Indore Realtors
Welfare Association





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