



**NATIONAL  
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# **NAR-India Realty News**

A Monthly Edition from The National Association of Realtors - India

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Prices Up  
10%**

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# NARVIGATE 2025: A Landmark Convention for India's Realty Sector

By **TARUN BHATIA.**



**T**he 17th NAR India Annual Convention – NARVIGATE 2025, hosted by APP Delhi NCR, is set to be the most impactful real estate event of the year. The prestigious convention due to take place on March 21-22, at the prestigious JW Marriott Aerocity, New Delhi, this highly anticipated convention will unite industry leaders, policymakers, and global real estate professionals to discuss, innovate, and

collaborate.

With the theme “Navigating Change, Empowering Growth”, NARVIGATE 2025 will explore emerging trends, digital

transformation, investment opportunities, and global partnerships, making it a must-attend event for real estate professionals.

**The convention promises insightful discussions, networking opportunities, and unparalleled learning experiences aimed at driving the industry forward.**

## A Power-Packed Two-Day Experience

The convention promises insightful discussions, networking opportunities, and unparalleled learning experiences aimed at driving the industry forward.

## Key Highlights:

➔ **Expert-Led Discussions**  
 – Featuring top industry leaders, developers, and global real estate





professionals.

➔ **Technology & Innovation** – Understanding how AI, digital platforms, and data-driven solutions are transforming real estate.

➔ **Global Real Estate Perspective** – Insights on cross-border investments, market strategies, and

**The convention promises insightful discussions, networking opportunities, and unparalleled learning experiences aimed at driving the industry forward.**

partnerships.

➔ **Women in Real Estate** –

Leadership discussions on the growing role of women in

shaping the industry.

➔ **High-Impact Knowledge Sessions** – Training on best practices, branding, and business growth strategies.

➔ **Entertainment & Engagement** – A mix of knowledge-sharing, networking, and entertainment to ensure a







entertainment, and meaningful collaborations.

### Final Thoughts

As we count down the days to NARVIGATE 2025, this convention is set to inspire, educate, and create opportunities for everyone involved in real estate.

With a diverse lineup of speakers, global stakeholders, and thought-provoking sessions, it promises to be an event that will leave a lasting impact.

I encourage all industry professionals to seize this opportunity to connect, collaborate, and grow. Let's shape the future of real estate together! ●



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

dynamic experience.

### Distinguished Speakers & Special Guests

➔ **NARVIGATE 2025** will feature a stellar lineup of renowned speakers, authors, industry leaders, and influencers, including:

➔ **Chetan Bhagat** – Bestselling author, columnist, and motivational speaker.

➔ **Divya Dutta** – National Award-winning actor, author, and poet.

➔ **Gaurav Kapoor** – Stand-up comedian known for his sharp wit and observational humour.

➔ **Gaurav Shorey** – Sustainability expert advocating green urban development.

➔ **Manisha Natarajan** – Senior journalist, moderating the panel on the future of real estate in India.

➔ **Shayne Fairley, Sam Debord, and Pradeep Shukla** – Experts in MLS, global markets, and international investments.

➔ **Ayres D'Cunha, Trisha Roy, Raj Rajpal & Priya Deshmukh** – International realtor leaders sharing insights on global real estate investments.

➔ **Dr. Mathew Kallumadil** – Technology & Innovation

expert, Vice President of Stellar MLS & UCO.

➔ **Marion Weiler** – Global business strategist and leadership consultant.

➔ **Vicky Silvano** – Global real estate leader and NAR ambassador.

➔ **Dr. Anupam Saxena, MRICS** – Expert in real estate valuation and market analysis.

➔ **Bharath Kumar** – ZeroCode Innovations – Thought leader in prop tech and smart real estate solutions.

➔ **Top CMOs & Branding Experts** – Discussing digital transformation in real estate marketing.

➔ **And many more...**

### Why You Should Attend?

The convention is designed to empower real estate professionals with the knowledge, connections, and tools needed to thrive in an evolving market.

➔ **Unparalleled Learning** – Gain first-hand insights from industry pioneers.

➔ **Expanded Business Networks** – Connect with 800+ realtors, and international partners.

➔ **Cutting-Edge Market Trends** – Stay ahead of the curve with updates on technology, investments, and policy

changes.

➔ **Exclusive Branding & Promotion** – A platform for developers, realtors, and industry partners to showcase their offerings.

➔ **Engaging Entertainment & Networking** – Enjoy high-energy sessions,

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# Average housing prices across the top 8 cities in India witnessed a 10% annual rise

Average housing prices across the top 8 cities in India witnessed a 10% annual rise at INR 11,266 per sq ft during Q4 2024 backed by steady demand momentum and positive market sentiments, according to **COLLIERS-CREDAI HOUSING PRICE TRACKER** report for Q4 last year.

Average housing prices across the top 8 cities in India witnessed a 10% annual rise at INR 11,266 per sq ft during Q4 2024 backed by steady demand momentum and positive market sentiments, according to Colliers-Credai Housing Price Tracker report for Q4 last year.

All the 8 cities under review saw an annual increase in housing prices with Delhi NCR witnessing the highest rise at 31% YoY, followed by Bengaluru at 23% YoY rise. Overall unsold inventory dropped 5% on an annual basis and continued to witness a sequential drop for the fourth consecutive quarter.

All the 8 cities under review witnessed a drop in unsold units on an annual basis amid healthy demand. Pune saw the highest annual drop in unsold inventory at 14%, closely followed by Hyderabad with 13% YoY drop.

In Ahmedabad, average prices surged 15% YoY, amid rise in demand for affordable and mid-segment housing.

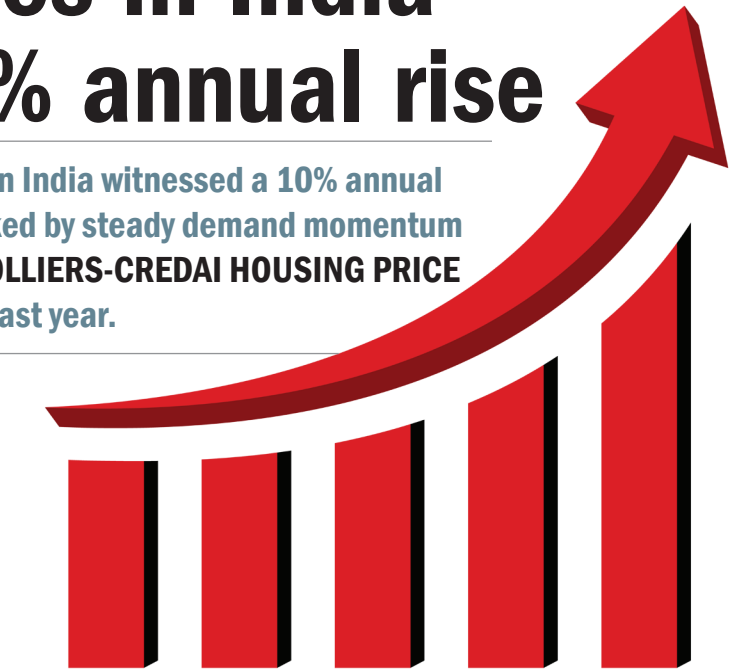
Bengaluru recorded 23% annual price rise during Q4 2024. Inner east and inner west micro markets, particularly witnessed high traction in luxury and ultra-luxury segments, and saw ~40% YoY rise in average prices. With about 34% annual

rise in housing prices, 4BHK configurations particularly witnessed strong demand amidst rise in preferences for spacious amenity rich dwellings.

In Chennai, Overall housing prices surged. 6% YoY in the city. Central Chennai witnessed the highest annual price rise at 11% followed by Coastal Chengalpattu with 8% YoY rise.

In Delhi NCR, housing prices increased annually by 31% during Q4 2024, the highest rise across major Indian cities, backed by a strong sales momentum particularly in luxury and ultra-luxury segments. About 96% of the unsold units in the region were in under-construction properties of which majority were in Noida Expressway and Noida Extension micro markets. While Dwarka expressway continued to see the highest annual price rise at 58%, Greater Noida too witnessed impressive growth of 52% YoY. The upcoming Jewar international airport, will continue to spur residential prices in catchment areas.

In Hyderabad, Housing prices in the city saw a slight rise on an annual basis at 2%. Ready properties in Southwest Hyderabad witnessed 13% annual rise in average housing prices led by



**All the 8 cities under review witnessed a drop in unsold units on an annual basis amid healthy demand.**

upcoming metro expansion plans towards Kokapet and Shamshabad. Ready units in 1BHK configuration witnessed a 22% YoY rise backed by rise in demand from IT professionals in western areas of the city.

Average housing prices in Kolkata increased marginally by 1% on an annual basis. Demand was strongest in Southwest Kolkata & Howrah (West Kolkata). These micro markets witnessed around 20% YoY growth in residential capital values. Unsold inventory dropped 10% YoY in the city.

In Mumbai, housing prices in MMR witnessed a 3% annual rise with notable surge in Panvel at 11% YoY rise followed by Thane and island city ~6% YoY rise each. After almost three years, unsold inventory

levels dropped for the first time to around 389,800 units as of Q4 2024. The upcoming Phase II of Metro Line 3 is likely to further boost residential activity in Island city and Western suburbs in the coming quarters.

In Pune, housing prices in Pune surged 9% annually amid rise in demand for mid and luxury segment housing. Camp micro market saw the highest annual price rise at 20%. Unsold inventory fell 14% YoY, the highest annual drop in major Indian cities. The upcoming Pune Ring Road and metro expansion projects are likely to enhance residential activity especially in Nagar Road, Hadapsar, Kothrud and other peripheral areas in the coming years. ●



# India's I&L Space take-up surpasses 39 million sqft in 2024

**Despite a moderate slowdown in the first half of the year, overall leasing activity in the I&L sector surpassed the previous year's record, exceeding 39 million sqft in 2024, says CBRE SURVEY.**

**R**obust leasing activity and continued expansion by institutional-backed developers resulted in a 7% Y-o-Y increase in total I&L development completions in 2024, reaching 38.6 million sqft. During the second half of 2024, supply expanded by 12% on an annualised basis, reaching 20.3 million sqft, according to CBRE's.

Mumbai, Chennai and Bengaluru emerged as key contributors to this growth, collectively accounting for over half of the total supply addition in both H2 2024 and the entire year.



## Demand Dynamics

Despite a moderate slowdown in the first half of the year, overall leasing activity in the I&L sector surpassed the previous year's record, exceeding 39 million sqft in 2024.

Space absorption remained strong particularly in the second half of the year, experiencing a robust 17% Y-o-Y growth.

This was driven by a revival in demand from leading e-commerce companies, the expansion by quick-commerce operators aimed at enhancing customer service and minimising lead times, and the aggressive growth initiatives by third-party logistics (3PL) and fast-moving consumer goods (FMCG) players.

Delhi-NCR, Bengaluru and Kolkata accounted for almost 60% of the leasing activity during the year and in H2 2024.

**Mumbai, Chennai and Bengaluru emerged as key contributors to this growth, collectively accounting for over half of the total supply addition in both H2 2024 and the entire year.**

Additionally, these three cities registered an expansion in space take-up during July-December 2024 compared to last year.

## Key Sectoral Trends

Third-party logistics (3PL) providers continued to dominate the leasing activity, holding a share of ~41% in CY2024, a marginal decrease from 44% in CY2023. Occupiers across various sectors, including e-commerce,

retail and manufacturing, are increasingly outsourcing their supply chain operations to 3PL companies to meet their storage requirements, gain greater flexibility, lower costs, and mitigate challenges in sourcing labour.

Engineering and manufacturing (E&M) firms remained active in 2024, registering a space take-up share of ~18% (as compared to 17% in CY2023). Various government-driven

infrastructure initiatives, policy measures, such as the Production Linked Incentive (PLI) scheme and Make in India 2.0, have further bolstered the country's manufacturing ecosystem. This has attracted investments across the sector, leading to an increased demand for warehousing space from these companies.

Driven by sustained growth in domestic consumer demand, both e-commerce and FMCG companies expanded their share of occupied space throughout 2024 and in the second half of the year compared to the corresponding period in 2023. Notably, e-commerce's share doubled from 5% in H2 2023 to 10% in H2 2024, while FMCG's share more than doubled from 4% to 9% over the same period.

Consistent with the trend



observed throughout 2024, 3PL providers led the space absorption in H2 2024, accounting for a ~42% share. E&M firms followed with ~18%, while retail and e-commerce companies each contributed ~10%.

### Deal Sizes

Small-sized transactions (under 50,000 sqft) remained the predominant segment of leasing activity in 2024, representing ~43% of the total, consistent with the previous year.

Medium-sized transactions (50,000-100,000 sqft) and large-sized transactions (exceeding 100,000 sqft) each accounted for ~28% of the

overall space absorption.

The share of small-sized deals (<50,000 sqft) decreased marginally to 40% in H2 2024 as compared to 42% in H2 2023. Additionally, the share of large-sized deals (more than 100,000 sqft) increased from 29% in H2 2023 to 32% in H2 2024.

3PL players, followed by E&M retail, and e-commerce companies (majorly quick commerce brands), drove the large-sized deal closures in H2 2024, accounting for a cumulative share of ~79%. Delhi-NCR, followed by Kolkata, Mumbai and Hyderabad, dominated the large-sized deal closures in H2 2024, together accounting for a ~67% share.

### Key Trends and Outlook for 2025

CBRE estimates that strong I&L leasing activity in the upcoming quarters, supported by the introduction of high-quality supply, the finalisation of outstanding transactions and the resurgence of e-commerce demand.

Institutional investors backed developers are expected to continue capitalising on attractive opportunities in key markets. This would result in the development of state-of-the-art warehouses equipped with sustainable features. Chennai, Mumbai and Bengaluru are expected to be the primary contributors to the supply pipeline.

Limited availability of high-quality space and rising land and input costs, is projected to exert upward pressure on warehousing rentals across key micro-markets in major cities. Developers will likely continue prioritising green and sustainable facilities as occupiers actively seek to reduce their carbon footprint and commit to ambitious ESG objectives.

Occupiers and investors are expected to remain active in India's leading tier-II cities, with Chandigarh, Hosur, Jaipur, Lucknow and Vizag projected to be the key focal points for warehousing expansion in these emerging regions. ●

# Office REITs to Expand in 2025

**Operational REIT portfolio to breach 100 million sq ft in next few years.**

**A**s of 2024, around 80 million sq ft of grade A office stock is listed under REITs. Developers are increasingly focusing on creating office portfolios to eventually list them under REITs. The regulatory environment has played a pivotal role in the gradual maturity of office REITs, with regulations pertaining to Small and Medium REITs (SM-REITs) enhancing transparency and institutionalisation in Indian real estate including the office market.

➔ Additional close to 400 million sq ft of existing Grade A developments have the potential to come under the ambit of REITs. Moreover, the first SM-REIT listing in 2024 marked a significant milestone, and several more are in the pipeline. The overall comfort with fractional ownership in commercial real estate is

expected to grow further in 2025 and enhance retail investor participation.

➔ With SEBI's regulatory push for SM-REITs, fund-raising unregistered Fractional Ownership Platforms (FOPs) are expected to get listed as SM REITs in 2025 and particularly democratise real estate investments in commercial real estate office.

➔ Developers in search of alternate fund-raising avenues are prioritizing the construction of rent-yielding and high-grade assets. With increasing popularity of REITs, build quality standards are set to improve further in 2025, positioning India as a major market for global capital inflows within commercial real estate.

➔ As of 2024, with 101.9

million sq ft, Bengaluru holds highest REIT-able grade A stock, accounting for 26% of total REIT-able stock in India, followed by Hyderabad with 20% REIT-able stock.

Additionally, around 8 million sq ft of Grade A assets in Bengaluru and Hyderabad (within existing listed REITs) are likely to become operational in 2025. ●

### India Office REITs – Operational Performance

| Key Metric                            | Embassy Office Parks REIT Ltd | Mindspace Business Parks REIT | Brookfield IndiaReal Trust REIT Ltd |
|---------------------------------------|-------------------------------|-------------------------------|-------------------------------------|
| Operational office portfolio (msf)    | 38.9                          | 26.8                          | 15.0                                |
| Weighted average lease expiry (years) | 8.2                           | 7.2                           | 7.1                                 |
| Occupancy*                            | 87.0%                         | 89.6%                         | 87.0%                               |
| Index performance**                   | 13.0%                         | 12.8%                         | 14.7%                               |

**Note:** \*COMMITTED OCCUPANCY, INCLUDES PROPERTIES WITH LETTERS OF OFFER ACCEPTED BY TENANTS. \*\*COMPARISON OF CLOSING PRICE IN BSE (31ST DECEMBER 2024 VS 1ST JANUARY 2024). **Source:** COLLIERS

# Realty Data

## India Fit Out Cost Guide (US\$ per sqft)

| City      | Basic Hybrid | Collaborative Hybrid | Advanced Hybrid | Retrofit Cost (US\$ per sqft) |
|-----------|--------------|----------------------|-----------------|-------------------------------|
| Ahmedabad | 36           | 65                   | 128             | 57                            |
| Bengaluru | 38           | 67                   | 130             | 58                            |
| Chennai   | 36           | 65                   | 124             | 55                            |
| Delhi     | 38           | 69                   | 134             | 59                            |
| Hyderabad | 36           | 65                   | 128             | 57                            |
| Kolkata   | 36           | 65                   | 124             | 55                            |
| Mumbai    | 43           | 73                   | 143             | 66                            |
| Pune      | 36           | 65                   | 128             | 57                            |

Source: Cushman & Wakefield Research (Office Fitout cost guide 2025)

## India Office REITs – Operational Performance

| Key Metric                            | Embassy Office Parks REIT Ltd | Mindspace Business Parks REIT | Brookfield India Real Estate Trust REIT Ltd |
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| Weighted average lease expiry (years) | 8.2                           | 7.2                           | 7.1   |
| Occupancy*                            | 87.0%                         | 89.6%                         | 87.0%                                       |
| Index performance**                   | 13.0%                         | 12.8%                         | 14.7%                                       |

Note: \*Committed occupancy, includes properties with letters of offer accepted by tenants. \*\*Comparison of closing price in BSE (31st December 2024 vs 1st January 2024).

Source: Colliers

## Residential Market Health

| City      | Unsold inventory (YoY change) | QTS |
|-----------|-------------------------------|-----|
| Mumbai    | 165,678 (0%)                  | 7.2 |
| NCR       | 106,652 (3%)                  | 7.3 |
| Bengaluru | 54,131 (1%)                   | 4.0 |
| Hyderabad | 52,544 (15%)                  | 6.0 |
| Pune      | 46,416 (18%)                  | 3.7 |
| Ahmedabad | 32,942 (12%)                  | 7.6 |
| Kolkata   | 20,746 (-3%)                  | 5.1 |
| Chennai   | 16,729 (8%)                   | 4.3 |
| All India | 495,839 (5%)                  | 5.8 |

Source: Knight Frank Research

## Data Centre – Key Transactions in 2024

| Occupier     | City      | MW IT capacity |
|--------------|-----------|----------------|
| Hyperscalers | Mumbai    | 50             |
| Hyperscalers | Hyderabad | 48             |
| Hyperscalers | Pune      | 33             |
| Hyperscalers | Chennai   | 33             |
| Hyperscalers | Mumbai    | 30             |
| BFSI         | Mumbai    | 19             |

Source: Savills India Research

## Residential Price Movement

| City      | H2 2024 in Rs/sqft | 12 month change | 6 month change |
|-----------|--------------------|-----------------|----------------|
| Mumbai    | 8,277              | 5%              | 5%             |
| NCR       | 5,066              | 6%              | 5%             |
| Bengaluru | 6,620              | 12%             | 7%             |
| Pune      | 4,778              | 6%              | 4%             |
| Chennai   | 4,806              | 7%              | 5%             |
| Hyderabad | 5,974              | 8%              | 5%             |
| Kolkata   | 3,815              | 6%              | 55             |
| Ahmedabad | 3,097              | 2%              | 2%             |

Source: Knight Frank Research

## Reinstatement Cost (US\$ per sqft)

| City      | Low | Average | High |
|-----------|-----|---------|------|
| Ahmedabad | 5   | 9       | 13   |
| Bengaluru | 6   | 9       | 13   |
| Chennai   | 5   | 8       | 12   |
| Delhi     | 6   | 9       | 13   |
| Hyderabad | 6   | 8       | 12   |
| Kolkata   | 6   | 8       | 12   |
| Mumbai    | 7   | 10      | 15   |
| Pune      | 5   | 9       | 13   |

Source: Cushman & Wakefield Research (Office Fitout cost guide 2025)

## Key Data Centre Land Acquisitions in 2024

| City      | Location         | Area (acres) |
|-----------|------------------|--------------|
| Hyderabad | Chandanvelly     | 50           |
| Mumbai    | Bhiwandi         | 40           |
| Pune      | Pimpri Chinchwad | 24           |
| Mumbai    | Mahape           | 23           |
| Bengaluru | North Bengaluru  | 10           |
| Chennai   | Ponneri          | 10           |

Source: Savills India Research



# Kochi: A Growing Urban Residential Hub in Kerala

Source: CBRE RESEARCH.

Kerala, accounting for 2.8% of India's population and 1.2% of its land area, makes a substantial contribution of over 4% to the country's gross domestic product (GDP). The state's per capita income, which is 1.5 times the national average, further underscores its economic performance. Often hailed as "God's Own Country," Kerala has strategically capitalised on its exceptional natural beauty and rich cultural heritage to become a leading tourist destination in India. Its tranquil backwaters, pristine beaches, and verdant landscapes attract a significant influx of domestic and international visitors annually.

Beyond tourism, Kerala has also emerged as a key economic hub, particularly in information technology (IT), healthcare, and education sectors. The state's ongoing emphasis on human and infrastructure development is cultivating a favourable investment climate. While traditional industries, including production of coir and handloom, remain important contributors to the state's economy, a strategic focus on emerging sectors is diversifying its economic base and generating new employment opportunities.

Serving as a major port city and the commercial nucleus of Kerala, Kochi attracts a significant influx of professionals employed in the IT, shipping, and trade industries, thereby generating substantial demand for



residential properties. Moreover, the city's robust social infrastructure and comprehensive transportation network, comprising highways, a metro system, and an international airport, play a crucial role in maintaining the vitality of its residential real estate sector, according to CBRE survey.

Residential development in Kochi initially took root in the

Central Zone, with organised projects emerging in areas such as Panampilly Nagar and Kadavanthra. The premium and luxury segment, particularly waterfront developments, gained prominence at Marine Drive. Over time, leading developers entered this market with high-end projects, leveraging the strategic

advantages of the location. This growth gradually

extended to the East and North Zones, including Tripunithura, Kakkanad, and Edappally, which have since evolved into key commercial hubs. Currently, the majority of organised residential developments are concentrated in the East Zone, fuelled by the presence of IT / ITeS hubs, including InfoPark.

The total apartment stock has been estimated at 17,000+ units. ●

## Micro-market's Prominent Locations

| Micro market | Prominent Locations                 | Details   |
|--------------|-------------------------------------|---|
| Central Zone | MG Road, Kaloor, Marine Drive       | This micro-market is characterised by high-end residential developments driven by proximity to key commercial hubs. Majority of the organised apartment activity is located along the Marine Drive. |
| East Zone    | Kakkanad                            | Residential demand in this zone, particularly Kakkanad, is driven by the presence of IT companies and the Cochin Special Economic Zone. This micro-market mainly comprises of mid-segment housing.  |
| North Zone   | Edappally, Kalamassery              | An emerging residential hub, benefiting from highways, metro, and commercial growth, primarily dominated by mid-end apartment developments.   |
| South Zone   | -                                   | This micro-market is characterised primarily by independent housing, with limited organised development; however, its proximity to NH66 is driving growth.  |
| Outskirts    | Thiruvaniyoor, Puthencruz and Aluva | These micro-markets include upcoming residential pockets driven by land availability, offering potential for future growth as infrastructure improves.  |

\*Note: The units mentioned here refer solely to an estimated number of apartments as of 2024, excluding standalone houses and villas. Source: CBRE Research

# Hyderabad Emerging Realty Hotspots

**Newer growth hotspots will be crucial in reducing the socio-economic burden on established micromarkets, says COLLIERS SURVEY.**



Hyderabad has transformed into a culturally rich global economic powerhouse, propelled by thriving IT, pharmaceutical, and life sciences sectors. The city benefits from proactive government policies, ease of doing business, and strategic infrastructural investments, drawing substantial domestic and international capital. Rapid urbanization and expanding IT corridors have reshaped Hyderabad's real estate landscape, with the emergence of economic hubs such as HITEC City. Average housing sales are estimated at ~50,000 units during

**As the city continues to grow, newer growth hotspots will be crucial in reducing the socio-economic burden on established micro markets and facilitating equitable real estate development in the city.**

2022-24.

As the city continues to grow, newer growth hotspots will be crucial in reducing the socio-economic burden on established micro markets and facilitating equitable real estate development in the city. Upcoming infrastructure developments such as Metro Phase II, industrial corridors

connecting Nagpur, Bengaluru & Warangal, and the proposed Regional Ring Road along with recent government policies & initiatives are likely to elevate Hyderabad's real estate spectrum across asset classes. The concentric growth of Hyderabad is likely to be driven by emerging real estate hotspots in the peripheral

areas of the city, according to Colliers survey.

## Outlook for Residential Mart

➡ Housing prices in the Western Peripherals of the city have already surged by over 50% in the last five years, led by traction on account of proximity to prominent commercial hubs and significant new launches in mid & luxury segments.

➡ Localities closer to established real estate hotspots such as Gachibowli can witness higher rental as well as capital value appreciation as compared to localities in the outskirts such as Patancheru and Miyapur. Areas in and around Kokapet, Bandlaguda and Neopolis are likely to see about 10-15% rise in housing prices in the next 2-3 years. However, average housing prices will remain 30-40% lower compared to prominent localities in West Hyderabad.

➡ While residential developers with upscale offerings are likely to focus on Kokapet, Neopolis and Nalagandla, affordable & middle-income housing can be on the upswing in locations such as Tellapur, Lingampally, Bandlaguda, Miyapur and BHEL.

## South Periphery:

➡ Areas such as Shamshabad, Tukkuguda and Mamidipally





are likely to see notable activity in luxury villas and plotted developments amidst the availability of large plots at competitive prices. Overall, housing prices in the micro market are likely to appreciate by around 5% annually in the next few years

⇒ Upcoming airport metro connectivity, proposed Hyderabad-Bengaluru Industrial Corridor and the availability of contiguous land parcels at relatively affordable price points can elevate real estate activity across asset classes.

### East Periphery

Benefitting from strong connectivity to other prominent cities in the region (Warangal, Vijayawada etc.) through National Highways, the East periphery micro market holds long-term growth potential across all key real estate segments. Residential real estate activity in East Periphery micro market is likely to gain further momentum and expand beyond locations such as Uppal and Pocharam.

**Overall, average housing prices in the North Periphery micro market will continue to remain 40-50% lower than the average capital values in prominent areas of Central Hyderabad**

⇒ Improved connectivity can amplify housing demand in and around Nagole and Hayathnagar. The demand momentum is likely to be healthy across housing categories including affordable, middle-income and premium segments. Plotted developments and luxury villa sales too can witness heightened activity in upcoming years. High price arbitrage will however continue to persist in the future, driving the residential market in the peripheral locations of East Hyderabad.

### North Periphery

Driven by existing and upcoming infrastructure upgrades and the presence of industrial hubs in Medchal,

homebuyers, areas around NH 44 and SH 1 stretch, such as Kompally, Jeedimetla, Yapral and Sainikpuri can witness traction in the luxury segment.

⇒ Residential catchment areas around industrial hubs such as Medchal are likely to witness healthy rental housing demand. Institutional investors looking at the feasibility of affordable rental housing can potentially scout for greenfield development opportunities. Relatively affordable land prices and intended target segments such as industrial workers, migrants and the floating population add to the long-term potential of rental housing in the micro market.

⇒ Overall, average housing prices in the North Periphery micro market will continue to remain 40-50% lower than the average capital values in prominent areas of Central Hyderabad such as Jubilee Hills, Banjara Hills, Secunderabad etc. ●

Kompally, Shamirpet, etc., North Periphery is set to witness significant demand traction across key real estate asset classes.

⇒ Residential catchments in & around industrial hubs can witness healthy traction in housing sales, especially in affordable and middle-income segments.

⇒ In the North Periphery micro market, residential activity in affordable and middle-income segments will continue to gain momentum during the next few years.

⇒ While majority of the residential developments in this micro market will be focused on cost-sensitive

# Mumbai Office Mart

## All-time high leasing in Mumbai in 2024

Mumbai office absorption is estimated to register about 12.0 million sqft this year as well, says SAVILLS SURVEY.



**A**t 12.2 million sq. ft., Mumbai recorded an all-time high leasing in 2024, garnering a 16% share in India's total office demand. In terms of leasing in 2024, Mumbai maintains third place (after Bengaluru and Hyderabad) among the top six\* cities in India. In addition to new leasing of 12.2 million sq. ft., the city also registered renewals amounting to about 10.0 million sq. ft., in 2024. This is reflective

of positive occupier sentiment in the market.

BFSI leasing stays intact, flexible workspaces gain share; prefer mid-sized deals

Due to a buoyant stock market and IPO activity, significant expansion by BFSI (Banking, Financial Services and Insurance) occupiers was noted as they maintained their leasing momentum at 4.5 million sq. ft., in 2024, at par at 2023 levels. The growing demand for flex offices due to

their customisable workspace offerings and relatively flexible lease terms has led to significant expansion by flexible workspaces operators. With 1.2 million sq. ft., of leasing, they registered a 5X YOY increase in 2024.

Mid-sized deals of between 25,000 and 99,999 sq. ft., accounting for about 39% share, were mainly signed by the BFSI and flexible workspaces operators in the micro market of Central Mumbai and Western

Suburbs I respectively.

### Leasing and Completions Absorption

Mumbai recorded Grade-A gross absorption of 12.2 million sq. ft., during 2024, registering an increase of 21% YOY. Navi Mumbai, Western Suburbs I and Western Suburbs II were the most preferred micro markets by occupiers together garnering about 56% share of the overall demand. This is attributed to significant expansion by



flexible workspaces operators in Western Suburbs I as well as large space take-up by BFSI occupiers in Western Suburbs II. Sub-dollar rents are attracting technology and Global Capability Centres (GCCs) to Navi Mumbai.

### Sector Split

The BFSI segment continued to be the demand driver during 2024, garnering a 37% share in overall gross absorption. This was followed by significant expansion by technology occupiers garnering a 14% share, as compared to 7% in 2023. Noteworthy, flexible workspace operators garnered a 9% share in 2024 leasing and registered a 5X increase in leasing on a YOY basis as they expanded significantly, mainly in the micro markets of Western Suburbs I and Western Suburbs II.

### Supply

Mumbai witnessed 6.7 million sq. ft., of Grade-A supply infusion during 2024, registering a 2X rise from the quantum witnessed in 2023. Majority of the new supply constituted of non-IT developments in the micro markets of Western Suburbs II, Central Mumbai and Eastern Suburbs.

### VACANCY RATE

Amidst significant gross absorption and limited supply infusion, overall vacancy levels in the city remained at 8.4% at the end of December 2024.



Most front-office micro markets such as the Old CBD, New CBD BKC and BKC Periphery are operating at alarmingly low sub-5% vacancy.

### RENTS

In the backdrop of robust leasing, citywide Grade-A quoted rental values strengthened by 7% YOY. The rent increase in the micro markets of New CBD - BKC and Central Mumbai can be attributed to rapidly declining availabilities owing to high demand.

### Mumbai Market Outlook

#### DEMAND

Mumbai is expected to sustain similar momentum in 2025 as witnessed in 2024. The city will register Grade-A gross

absorption of about 12.0 million sq. ft. It is recommended for occupiers looking for large contiguous spaces to consider micro markets such as Western Suburbs I, Navi Mumbai and Thane that will likely see new supply infusion.

### SECTORS

The conventional demand driver of the BFSI segment, along with technology occupiers, will continue to drive office leasing demand in 2025. The flexible workspaces segment is likely to sustain similar levels of expansion activity leading to significant leasing in 2025. It may witness increased momentum from 3PL and ecommerce occupiers on the back of a strengthening

industrial & logistics ecosystem.

### RENT & VACANCY

Amidst limited supply infusion and sustained occupier interest, vacancy rate is anticipated to drop to 5% at the end of December 2025. Overall Grade-A rental values will likely strengthen on account of declining vacancies in prime buildings and city infrastructure upgrades becoming operational.

### SUPPLY

New supply of 5.2 million sq. ft., is scheduled to be completed during 2025. This planned supply would mostly be concentrated in the micro markets of Western Suburbs I (44%), Navi Mumbai (24%) and Thane (17%). ●

## Major Leasing Transactions in 2024

| Tenant                | Micro market       | Building              | Transacted Area (sqft) |
|-----------------------|--------------------|-----------------------|------------------------|
| HDFC Bank             | Navi Mumbai        | Mindspace Airoli      | 416,100                |
| ICICI Prudential      | Western Suburbs II | Mindspace Malad       | 252,000                |
| Crisil                | Western suburbs I  | Lightbridge           | 250,000                |
| State Street Services | BKC Periphery      | Equinox Business Park | 250,000                |
| IDFC First Bank       | Western Suburbs II | Oberoi Commerz III    | 235,600                |

Source: Savills India Research

# India is poised to become a leading Global Data Centre Hub.

**Data centre stock is expected to grow at a CAGR of 21% between 2024 and 2030 to reach 3,400 MW IT by 2030, says SAVILLS SURVEY.**

**D**ata centres in India are primarily concentrated in Mumbai, Chennai, Bengaluru, Hyderabad, Pune and Delhi-NCR due to their connectivity, infrastructure, power availability, and demand from enterprises and cloud service providers. Mumbai is often regarded as the data centre capital of India due to its robust infrastructure, proximity to undersea data cable landing stations and financial hub status. It is followed by Chennai, a key location for data centres, complimented by multiple submarine data cable landing stations, which make it ideal for data center establishments and global connectivity.

In 2024, absorption of 407 MW IT capacity and supply addition of 191 MW of IT capacity was witnessed across cities. This demand was driven by hyperscalers, BFSI (Banking, Financial Services, and Insurance), IT & ITeS, and service sectors, all relying heavily on data centre operators.

In 2024, Mumbai maintained its lead, contributing 53% to total absorption, followed by Hyderabad at 14%, Chennai and Pune at 10% each. The overall operational capacity stood at 1,110 MW IT as of 2024, reflecting a compounded annual growth rate (CAGR) of 22% since 2014. Hyperscalers accounted for 22% of the total stock, while enterprises held 10%. The remaining 68% was utilised by a combination of hyperscalers and enterprises, showcasing a diverse utilisation pattern within the data centre industry.



Considering the proliferation of internet usage and the advent of 5G, India's data centre market was already primed for rapid expansion. Realising the growth potential, the government has granted 'Infrastructure' status to the data centre industry, resulting in easier access to financing and investment incentives, while the proposed National Data Centre Policy aims to enable ease of doing business, simplify clearances for setting up data centres, and implement a Data Centre Incentivisation Scheme (DCIS) to foster a favourable ecosystem for data centre operations.

Data centre stock is expected to grow at a CAGR of 21% between 2024 and 2030 to reach 3,400 MW IT by 2030. The annual growth in capacity varies from 8% to 46% across different cities. Higher annual growth is likely to be witnessed in emerging cities such as Kolkata (46%) and Hyderabad (44%). Kolkata is gaining traction as it serves as a gateway to Eastern and Northeastern India, with proximity to a planned undersea cable landing station

expected to be operational by 2026, while Hyderabad and Ahmedabad are benefitting from growing IT & ITeS and manufacturing industries.

## Outlook

The current momentum positions India as a promising global data centre hub. We project a strong demand for data centres in India in 2025, with an estimated demand of over 450 MW IT across major cities, while supply addition is expected to reach 600 MW IT during the same period.

Given the country's rich network connectivity, cost advantages, availability of skilled labour, low climate risk and strong data protection laws, India is well positioned to serve as a leading global data centre hub. We expect data centre stock to increase to 3,400 MW IT by 2030 across major cities.

There has been a surge in demand for edge data centre set-ups in Tier II and Tier III cities due to increased 5G penetration and mobile application usage and increasing demand on the same. Tier II & III cities

such as Bhubaneswar, Patna, Lucknow, Jaipur, Kochi, Vizag, Coimbatore, Madurai, Raipur and Hubli are expected to witness higher activity with growing demand for data centres.

Although the major take-up has been from hyperscalers across cities, enterprise colocation is witnessing significant growth. Factors such as high CAPEX and OPEX and other aspects such as the high cost of security systems and high-performance GPUs, and high real estate costs are making it more appealing for enterprises. period.

Apart from colocation services, data centre operators are increasing their service offerings to networking, private and public cloud, GPU-powered solutions and other managed services.

Edge data centres are a big opportunity in India. Edge data centres are smaller and closer to customers, and away from submarine cable networks. Smart City and Digital India initiatives will also create demand for Edge data centres. ●



# Impact of Smart Building Technology on Real Estate

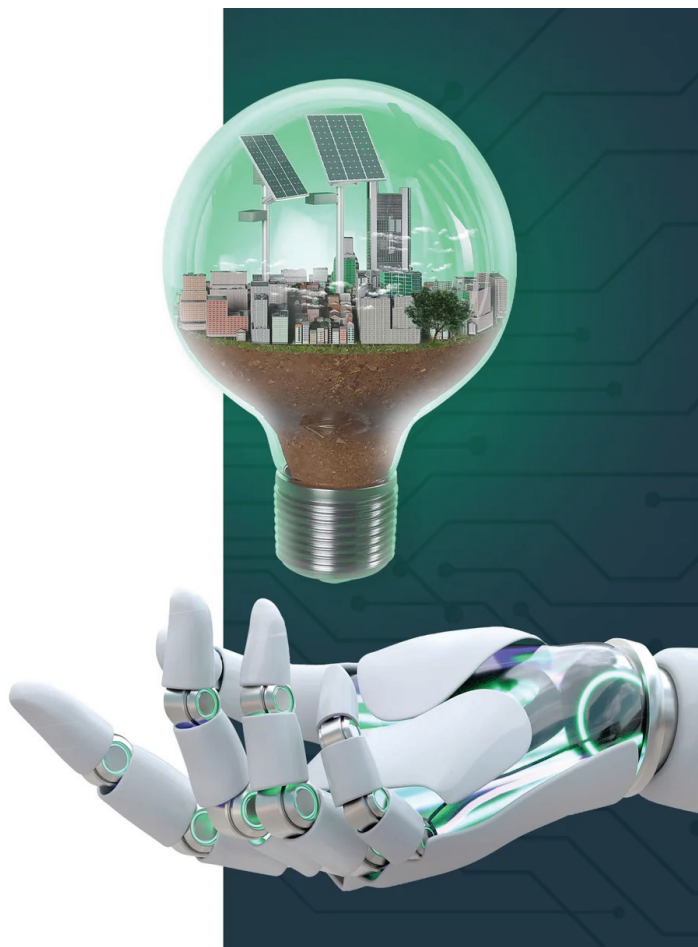
**The role of Smart Building Technology (IoT, AI and BMS) will drive operational efficiency and improve outcomes, says a survey done by CII and CUSHMAN & WAKEFIELD.**

**A**dvancements in building technology is revolutionising built spaces by increasing efficiency, lowering costs, and enhancing occupant experiences. Innovations such as smart building systems, IoT-enabled sensors, AI-driven analytics, and automation are at the forefront of this transformation.

IoT, AI and BMS enabled automation systems offer numerous capabilities to monitor, analyse and optimize building operations in real time. By leveraging various connected devices, system continuously gather data pertaining to operations such as occupancy, energy consumption, ambient conditions and usage & performance of various building materials such as Lighting systems, Elevators, HVAC systems etc. This data can be analysed in real time and used for applications such as enhancing security systems, optimising energy consumption, managing building systems and reducing maintenance costs.

**The key outcomes that can be pursued by using IoT and AI enabled smart building technology systems are as follows.**

➔ **Energy Efficiency** - Smart Building technology helps optimize energy consumption in buildings thereby reducing energy wastage. Buildings can optimize energy consumption by adjusting the performance of systems such as lighting, HVAC, Elevator systems etc. based on real time occupancy, ambient climate etc. A prominent feature of using IoT enabled elevators is the destination control system that optimizes elevator movement and reduces energy consumption. A focus on energy efficiency is pivotal considering that the Real Estate & Construction sector accounts for approximately 22% of India's GHG emissions and Real Estate Buildings account for ~35-40% of total energy consumption in India. It is understood that buildings with IoT enabled



**Although awareness of smart building technology is increasing, India's adoption of automation products remains lower than in developed regions like the USA, China, and Europe.**



energy management system can lead to ~20% reduction in energy cost. By reducing energy consumption and optimizing resource use, buildings can contribute to a lower carbon footprint.

• **Predictive Maintenance** - IoT enabled smart building technologies enable real-time performance monitoring of critical systems such as HVAC and Elevators, thus minimizing downtime and

extending asset lifespan. Continuous monitoring enables predictive maintenance leading to lower maintenance costs. The concept of predictive maintenance is in its nascent stages in India owing to low adoption of smart building technology solutions across real estate asset classes.

➡ **Regulatory Monitoring & Compliance** – IoT enabled systems have the ability to transform regulatory compliance in India's real estate sector by enabling monitoring and real time data collection. It aids monitoring and adherence to various standards such as Energy Conservation Building Code (ECBC), environmental laws, and fire safety norms. This aspect can be effectively used in India to seek regulatory compliance for systems such as elevators, that need periodic certification.

### Adoption of Smart Building Technology in India

Although awareness of smart building technology is increasing, India's adoption of automation products remains

lower than in developed regions like the USA, China, and Europe. However, in the past four to five years, there has been a steady rise in the use of automation solutions and IoT-enabled smart building platforms across various real estate segments.

### This growth is driven by several key factors:

➡ **Policy Push** – Policies such as the Smart Cities Mission, Digital India, and Make in India, along with regulations promoting energy efficiency



### Cost Reduction



and green buildings.

### ➡ **Sustainability Focus**

– Greater emphasis on optimizing energy consumption through building automation systems.

➡ **Cost Reduction** – Declining prices of automation equipment, cloud-based data storage, and connectivity.

### ➡ **Technological Advancements**

– The emergence of advanced IoT and cloud-based solutions. The increasing integration of IoT and artificial intelligence is transforming real estate, leading to enhanced operational efficiency and reduced energy consumption across real

estate asset classes. Apart from commercial buildings, adoption is steadily growing in other segments such as residential, retail & hospitality developments.

The introduction of 5G is expected to boost IoT adoption by enabling faster and more reliable machine-to-machine (M2M) communication.

The government has announced the setting up of National IoT Centre & Regulatory Framework which will entail an Advisory Committee, a Governance Committee, and a Program Management Unit to oversee IoT implementation and compliance. ●



# Feng Shui - Business Growth

To enhance business growth, one of the main points to focus is to make sure the office space is maintained in a tidy, uncluttered and clean manner, says **S BS SURENDRAN**.

**F**eng shui is an ancient Chinese system of aesthetics believed to utilise the laws of both heaven (astronomy) and earth (geography) to help one improve life by receiving positive Qi (energy).

It's a common misconception that Feng Shui is perceived to be approach to just about arranging the furniture in an office or home, however in reality it's a complex combination of calculating the balance and imbalance of energies in a space and using appropriate remedies to counter it.

Feng Shui is in fact an ancient mixture of art and science that revolves around the special Chi energy which is believed to connect everything in the universe. The main aim of creating good Feng shui is to free the path for the Chi so that it can flow freely without any obstacles.

Most of Chinese homes and business establishments have



**Do not place any empty vases next to the main door as it is believed to suck the energy**

been using Feng shui to attract good luck and good fortune for thousands of years. In the east, most business houses often consult a Feng shui master before commencement of business activity. Feng shui can help you maximise your chances of success in your career or in the business that you are running.

To enhance business growth, one of the main points to focus is to make sure the office space is maintained in a tidy, uncluttered and clean manner. The energy flow should aid the well being of the employees and attract more business.

To harmonise good business luck, start with the entrance,

room of the key person and seating area of employees. At the outset, the front entrance should be warm, welcoming and clutter free. Keep the entrance well lit, introduce pleasant decor, plants and you could possibly place a water feature at the north or southeast of foyer to activate career and wealth luck. The north is dominated by the water element; so to attract success in your career, strengthen the element of water in the north. Installing a wind chime in the north will also work as the element of metal strengthens the element of water.

One of the simplest Feng shui techniques for activating



wealth luck is through the use of symbols.

- ➔ Do not place any empty vases next to the main door as it is believed to suck the energy entering into the vase, causing void of energy flow.
- ➔ Energise the east corner with plants, flowers and paintings that feature lush vegetation and water. Avoid anything metallic in this corner. Wind chimes, scissors and blades cause a lot of harm here.
- ➔ To keep good energy, dead plants and flowers must be removed and replaced by new ones. Also keep them free of dead leaves. They should always look healthy.
- ➔ Place a hanging faceted crystal in your window, this will activate Qi as well as looking fantastic, when the sun hits them they produce the most amazing rainbows.
- ➔ Place a smooth crystal ball in the southwest corner of your desk to create the luck of harmonious relationships with all your colleagues. ●

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

# GST on Brokerage & Sales Commission to Agent Outside India

By **CMA POUNRAJ GANESAN.**

**A**s per Section 2 sub-section (5) of the CGST Act 2017, “agent” means a person, including a factor, broker, commission agent, arhatia, del credere agent, an auctioneer or any other mercantile agent, by whatever name called, who carries on the business of supply or receipt of goods or services or both on behalf of another. Section 2 sub-section (11) of the IGST Act 2017 – Import of services.

As per Section 2 sub-section (11) of the IGST Act 2017, “import of services” means the supply of any service, where

- 1 the supplier of service is located outside India;
- 2 the recipient of service is located in India; and
- 3 the place of supply of service is in India

Section 2 sub-section (13) of the IGST Act 2017 – Intermediary

As per Section 2 sub-section (13) of the IGST Act 2017, “intermediary” means a broker, an agent or any other person, by whatever name called, who arranges or facilitates the supply of goods or services or both, or securities, between two or more persons, but does not include a person who supplies such goods or services or both or securities on his own account. Section 13 sub-section (8) (b) of the IGST Act 2017 – The place of supply where location of supplier or

location of recipient is outside India:

As per Section 13 sub-section (8) (b) of the IGST Act 2017,

The place of supply of the following services shall be the location of the supplier of services, namely: (b) intermediary services

Section 5 sub-section (4) of the IGST Act 2017 – RCM The integrated tax in respect of the supply of taxable goods or services or both by a supplier, who is not registered, to a registered person shall be paid by such person on reverse charge basis as the recipient and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.

Notification No. 10/2017-Integrated Tax (Rate) New Delhi, the 28th June, 2017 Government of India Ministry of Finance (Department of Revenue) Notification No. 10/2017- Integrated Tax (Rate) New Delhi, the 28th June, 2017

G.S.R. 685(E).- In exercise of the powers conferred by sub-section (3) of section 5 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government on the recommendations of the Council hereby notifies that on categories of supply of services mentioned in column (2) of the Table below, supplied by a



person as specified in column (3) of the said Table, the whole of integrated tax leviable under section 5 of the said Integrated Goods and Services Tax Act, shall be paid on reverse charge basis by the recipient of the such services as specified in column (4) of the said Table:-

## Facts of the case

As per the GST definition, the liability to pay taxes arises at the time and place of supply. It is very important to understand the term ‘place of supply’ for determining the right tax to be charged on the invoice. Hence, the Agent Services are

in the nature of Intermediary Services, therefore the place of supply provisions as per Section 13(8)(b) of IGST Act, 2017 is applicable which states that place of supply shall be the location of the supplier and accordingly in this case the location of the commission agent which is outside India. That means the location of the supplier is outside India (Non-Taxable Territory) the location of the recipient is in India (Taxable territory) but the place of supply is also outside India, therefore the transaction is not treated as import of services. ●

Courtesy: [www.taxguru.in](http://www.taxguru.in)

## Residential Market Health

| Category of supply of services  | Supplier of service                           | Recipient of service   |
|---|---|--|
| Any service supplied by any person who is located in a non-taxable territory to any person other than non-taxable online recipient. Any person located in a non-taxable territory<br>Any person located in the taxable territory other than non-taxable online recipient. | Any person located in a non-taxable territory | Any person located in the taxable territory other than non-taxable online recipient. |

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