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NARVIGATE

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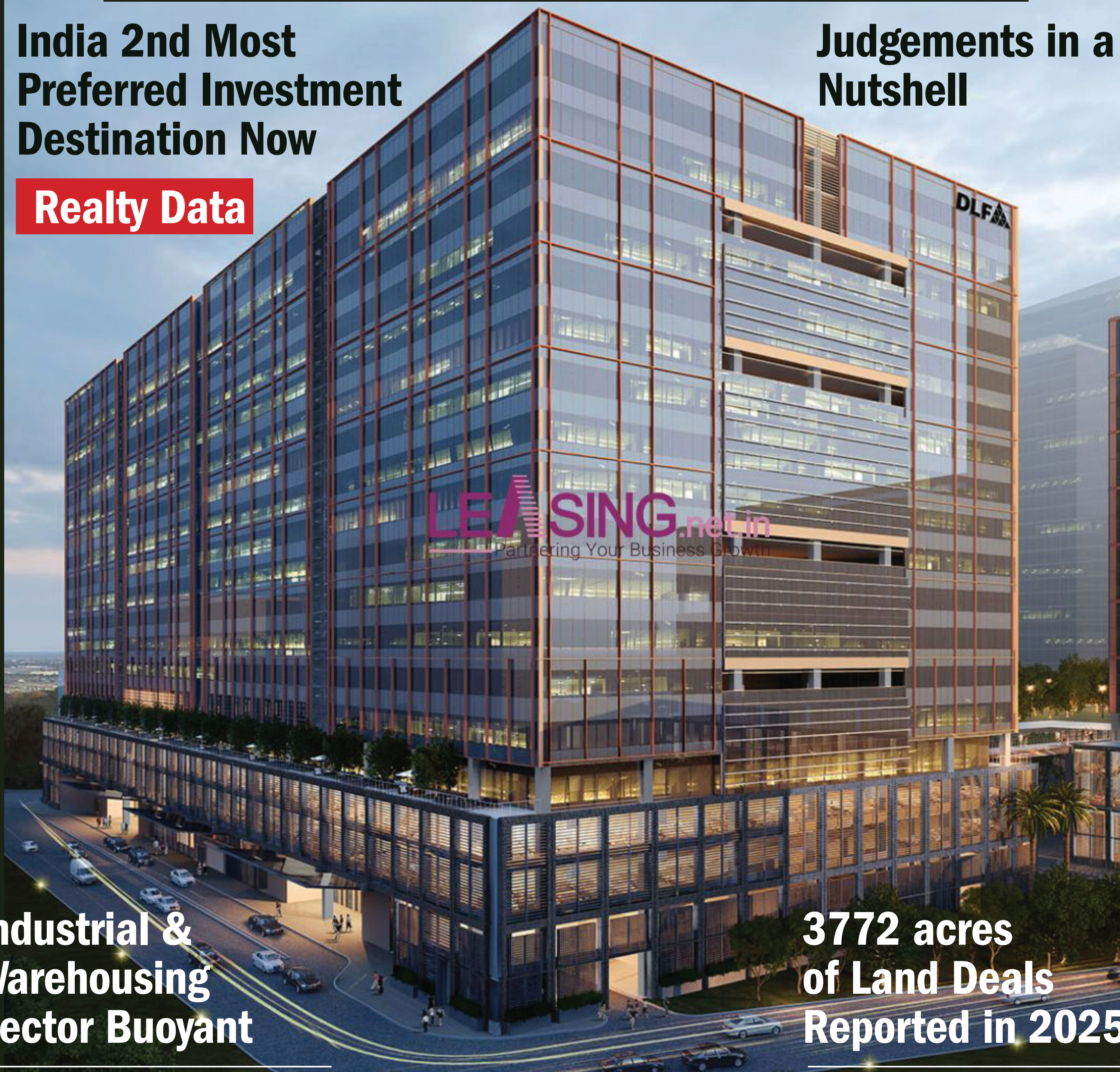

India 2nd Most Preferred Investment Destination Now

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Dawn of a New Era

India's top eight cities sold 348,204 units last year reflecting developers' confidence in long-term demand fundamentals, says PwC SURVEY.

As India prepares for Budget 2026, the real estate sector once again finds itself at a crucial intersection of housing demand, urban infrastructure, and economic growth. Over the past few years, policy continuity, regulatory reforms, and steady consumer confidence have helped the sector regain momentum after a prolonged period of disruption. The upcoming budget is therefore expected to focus less on headline announcements and more on deepening structural support for housing and urban development.

India's time has come. The largest democracy on earth has emerged as the second most preferred global investment destination after the US, signalling growing confidence among global business leaders in the country's economic resilience and long-term growth potential, even as the global outlook remains subdued, according to PwC's 29th Annual Global CEO Survey—India perspective.

Striking the right balance between bold, innovation-led actions and steady resilience is no easy feat. But India's CEOs remain upbeat as they navigate the road ahead, buoyed by confidence in the nation's growth and their own companies' revenue prospects, which clearly outshine those of their global peers.

Nearly 13 per cent of global CEOs named India as a preferred destination for investment in 2026, almost doubling from 7 per cent in 2025, placing it alongside Germany and the UK. The US remained the most favoured destination, with 35 per cent of CEOs ranking it at the top.

The CEO survey is based on insights from 4,454 respondents, including nearly 50 CEOs from India, reveals a sobering reality: Indian CEOs are increasingly cautious amidst mounting global risks and persistent macroeconomic volatility. This caution persists even as India strives to be self-reliant (Atmanirbhar), underscroig the need for decisive leadership to turn aspiration into action.

The survey highlights India's growing appeal at a time when geopolitical tensions, trade fragmentation, and technological disruption are weighing on global investment sentiment. A striking 77 per cent of Indian CEOs expect stronger economic growth in the domestic market over the next year, significantly higher than the 55 per cent optimism recorded globally. Confidence in company performance is also robust, with 57 per cent of Indian CEOs expressing high confidence in near-term revenue growth—nearly double the global average.

According to Sanjeev Krishan, Chairperson, PwC India, India's emergence as a preferred investment destination reflects strong faith in its economic fundamentals, market scale, and long-term growth trajectory. He said that while growth opportunities

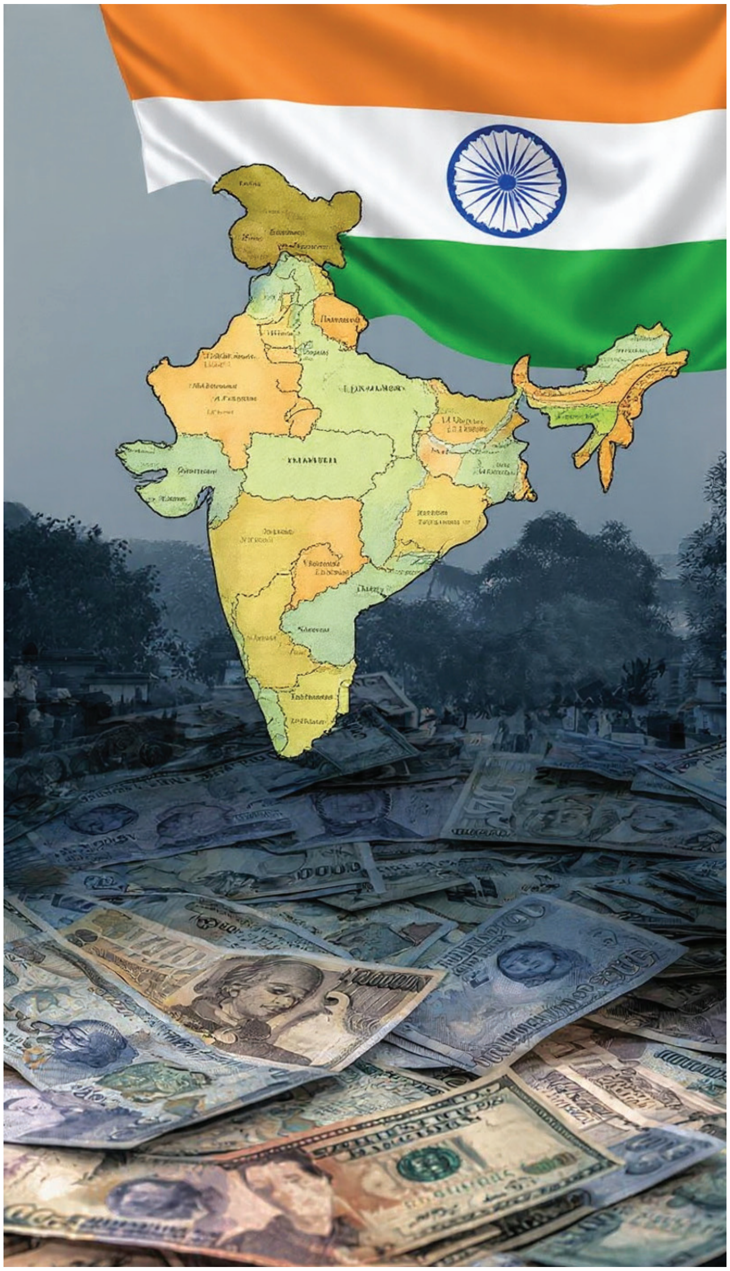


Image Courtesy: AI-assisted illustration (conceptual), created using generative AI (Meta)

India's time has come. The largest democracy on earth has emerged as the second most preferred global investment destination after the US

remain compelling, business leaders must also navigate rising cyber risks and rapid technological change.

Cybersecurity has emerged as a key priority, with 48 per cent of Indian CEOs planning to significantly strengthen enterprise-wide cyber defences as digital adoption accelerates. Technology disruption remains another major concern, with 66 per cent of Indian CEOs worried about keeping pace with advances in technology and artificial intelligence, compared with 42 per cent globally. The survey also points to accelerating innovation-led diversification. About 57 per cent of Indian CEOs said their companies have entered at least one new sector over the past five years, up sharply from 39% last year and well above the global average.

Technology was identified as the most attractive sector for future expansion, followed by industrial manufacturing and aerospace and defence.

Artificial intelligence is increasingly viewed as a strategic enabler, with companies that have scaled AI deployment already reporting gains in revenue and cost efficiency. However, PwC noted that many organisations remain in early stages of adoption, underscoring the need for stronger governance, talent development, and data readiness to unlock sustained value. It felt that companies with broader and stronger AI foundations are 2.3 times more likely to report revenue growth and 1.7 times more likely to achieve cost reductions compared to those without such foundations.

In an era defined by rapid technological shifts and rising stakeholder expectations, leaders who champion trust by design will not only safeguard resilience but also unlock enduring value. The report offers actionable insights drawn from the findings, designed to help CEOs steer confidently through the volatile times ahead.

Residential Sales Remained Steady in 2025

India's top eight cities sold 348,204 units last year reflecting developers' confidence in long-term demand fundamentals, says KNIGHT FRANK INDIA SURVEY.

While overall sales remained steady for 2025, residential sales across India's top eight cities1 closed at approximately 348,204 units, maintaining momentum at the levels seen in the previous year with a minor decline of 1%, according to Knight Frank India's survey. In the same period, new launches were recorded at 362,184 units across the top markets declining 3% year on year (YoY) however continuing to outpace sales reflecting developers' confidence in long-term demand fundamentals. Mumbai made up 29% of all sales with sale of 97,188 units in 2025 with 1% growth YoY. National Capital Region (NCR) registered a decline in sale of 9% YoY with sales 52,373 units in 2025, while new launches also declined -16% YoY in the same period.

Notably, sales in H2 2025 stood marginally higher by 0.4% in year-on-year (YoY) terms at close to 178,000 units and despite volumes being largely comparable with the previous period, sales volumes in H2 2025 stand as the highest since the end of 2013.

Market health remained stable, with the quarters-to-sell (QTS) ratio steady at 5.8 in H2 2025, signalling sustained absorption. Weighted average prices rose across all markets, led by NCR with 19% YoY growth. These trends underline the continued resilience and evolving dynamics of India's residential real estate sector.

Shishir Baijal, International Partner, Chairman and Managing Director, Knight Frank India, said, "India's residential market in 2025 has clearly entered a phase of consolidation at elevated levels. With approximately 3,48,000 homes sold during the year, demand has held steady after an exceptional multi-year run. This reflects genuine end-user depth rather than episodic spikes. At the same time, the affordable segment of units priced under INR 5 mn has seen a gradual and consistent decline since 2018, both in the share and volume of sales, as rising land prices, construction costs and selective buyer behaviour weigh on demand. The market is transitioning from rapid expansion to a more calibrated, trajectory, supported by strong household balance sheets and long-term urban fundamentals.

Residential Mart Scenario

- **Full-year sales totalled 348,207 units, lower by 1% YoY**
- **H2 2025 residential sales stood at 178,406 units, highest H2 since 2013**
- **Quarters to sell stable at 5.8 quarters despite rise in unsold inventory**
- **Prices rise across markets; NCR prices rise 19% YoY, the highest among cities**

Importantly, manageable inventory levels and low quarters-to-sell reinforce that the residential sector remains active, disciplined and structurally balanced as it moves into 2026."

Residential Sales Remains Resilient:

Mumbai, the country's largest residential market, recorded a 1% YoY increase in sales, retaining its leadership position amid rising prices and limited land availability, unsurprisingly a larger proportion of the sales happened in H2 2025

Residential sales across top 8 cities

City	H2 2025)	YoY change	2025	YoY change
Mumbai	50,153	3%	97,188	1%
Bengaluru	28,774	3%	55,373	0%
Pune	26,592	-4%	52,452	-3%
NCR	25,657	-10.50%	50,921	-9%
Ahmedabad	9,382	3%	38,403	4%
Kolkata	8,806	7%	18,752	2%
Hyderabad	19,355	5%	18,262	4%
Chennai	9,327	13%	16,896	12%
Total	**1,78,406**	**0%**	**3,48,247**	**-1%**

Source: Knight Frank Research

Price Segment-wise Residential Sales in 2025 (units)

Year	INR <5 mn	INR 5-10 mn	INR >10 mn
2024	89,040	108,363	153,209
2025	73,694	99,422	175,091
% change YoY	-17%	-8%	14%

Source: *Knight Frank Research*

which recorded a 3% rise YoY. Chennai saw a rise of 12% YoY in number of units sold in 2025. In contrast, NCR saw sales decline by 9% YoY, largely due to elevated base effects and selective market activity in high-value corridors. Pune also reported a 3% YoY contraction, while Bengaluru remained broadly stable, supported by steady end-user demand and a balanced supply pipeline.

Residential Price Growth Sustains

Price appreciation remained a defining feature of the residential landscape in 2025. Weighted average residential prices recorded strong YoY growth across key cities, led by NCR at 19%, followed by Hyderabad (13%), Bengaluru at 12% and Mumbai at 7%. Prices rose across the markets largely due to launch of higher value properties across the markets pushing the weighted average prices. This upward movement was supported by sustained demand, rising construction and land costs, and an increasing concentration of launches in higher ticket-size categories.

Homes costing INR 1+ Cr make up 50% of all sales in 2025

Properties priced above INR 1 crore constituted approximately 50% of total residential sales across the top markets in 2025, registering a 14% year-on-year increase. In absolute terms, 175,091 units were sold in the INR 1 crore-plus category during the year, underscoring the growing dominance of higher-value housing in overall market activity.

In contrast, the sub-INR 50 lakh segment recorded a sharp contraction, with sales declining 17% YoY to 73,694 units, accounting for just 21% of total residential transactions in 2025. This represents a significant structural shift when viewed in a medium-term context; for comparison, homes priced below INR 50 lakh accounted for nearly 63% of total sales as recently as 2022. The mid-range segment (INR 50 lakh to INR 1 crore) also witnessed moderation, with volumes declining 8% YoY, reflecting increasing polarisation within the demand spectrum.

While housing affordability has improved across most major markets—enabling a sizeable cohort of buyers to move up the value curve—the residential market has simultaneously become more polarised across price categories. Homes priced below INR 1 crore, and particularly those under INR 50 lakh, continued to face pressure through 2025, marked by a concurrent softening of demand and supply. Supply trends in this segment have largely mirrored subdued buyer interest, indicating an absence of

Market Summary: Top Eight Indian Cities

	Sales		Launches		Weighted Average Price	
City	2025	YoY % Change (2025)	2025	YoY % Change (2025)	2025	YoY % Change (2025)
Mumbai	97,188	1%	87,114	-10%	8,856	7%
Bengaluru	55,373	0%	68,760	23%	7,388	12%
NCR	52,452	-9%	50,769	-16%	6,028	19%
Pune	50,921	-3%	56,118	-6%	5,016	5%
Hyderabad	38,403	4%	40,737	-7%	6,721	13%
Ahmedabad	18,752	2%	22,041	0%	3,120	1%
Chennai	18,262	12%	20,865	20%	5,135	7%
Kolkata	16,896	-3%	15,780	-6%	4,037	6%
All India	3,48,247	-1%	3,62,184	-3%		

Source: *Knight Frank Research*

speculative overhang. The underlying drivers of this divergence are multifaceted. At the upper end, improved affordability metrics, rising household incomes, and evolving buyer aspirations have reduced the need for compromise on housing quality, size, and location. As a result, many end-users are opting for better-quality homes at higher ticket sizes, accelerating the shift toward premium and mid-to-premium categories.

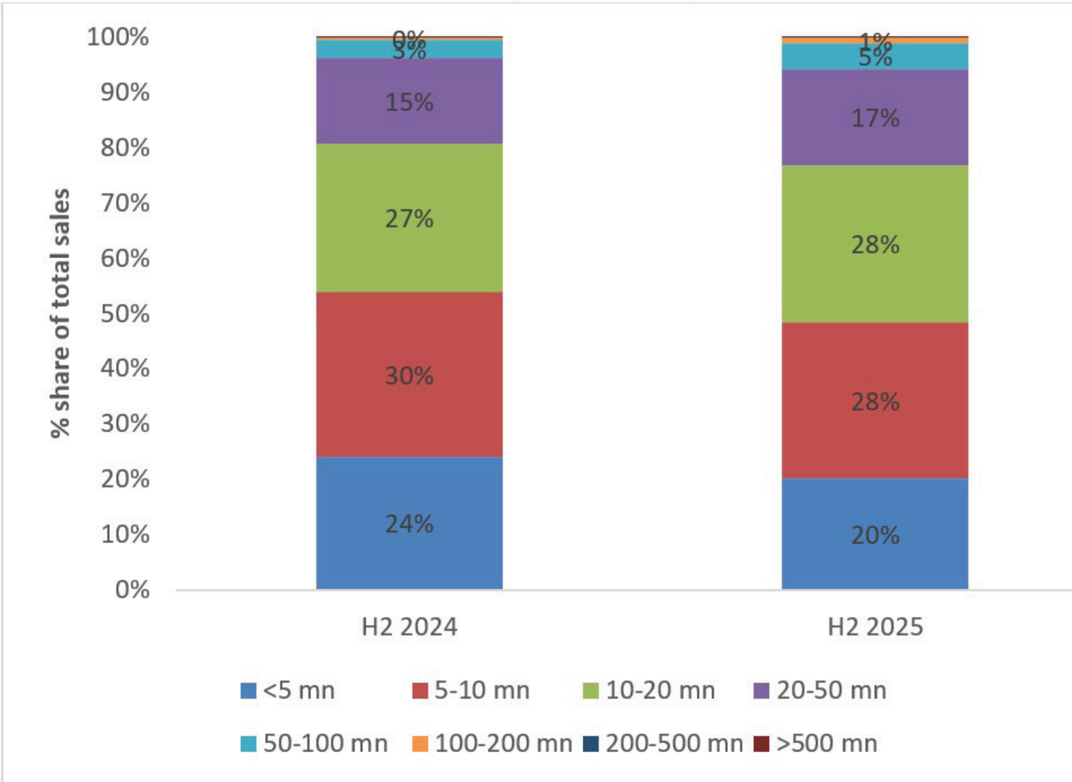
Conversely, the lowest income segments continue to encounter structural constraints, including challenges in access to formal credit, buyer profiling limitations, and the limited availability of appropriately priced and economically viable housing stock in urban markets. These factors have collectively led to a progressive thinning of activity at the lower end of the price pyramid, even as aggregate market health remains stable.

Supply dynamics remained active through the year, with residential launches continuing to outpace sales in most cities. While this led to a gradual build-up of unsold inventory, market health indicators remained firm. The quarters-to-sell (QTS) ratio stood at 5.8 quarters, indicating efficient inventory take up and sustained sales velocity despite higher absolute stock levels.

Gulam Zia, International Partner, Senior Executive Director, Research, Advisory, Infrastructure and Valuation, Knight Frank India, said, "The current trajectory increasingly looks like growth is peaking while city and segment-specific nuances are emerging. Homes priced above INR 1 crore now constitute half of total sales, highlighting the decisive tilt toward higher-value products. Cities such as Chennai and Hyderabad have delivered notable growth, while larger markets like Mumbai and Bengaluru continue to absorb supply steadily despite price appreciation. At the same time, affordable segments remain subdued as prices continue to grow and demand becomes more selective. Overall, manageable inventory levels and low quarters-to-sell underline a market that is active, disciplined, and structurally sound."

Looking ahead, the residential sector stands at a possible inflection where it remains to be seen if the premium segments will continue to support market volumes in 2026. While rapid volume expansion may remain limited after two years of peak sales, stable absorption, selective price appreciation, and disciplined supply additions are likely to define market activity in 2026.

India ticket size split comparison of sales



Source: *Knight Frank Research*

Residential Market Health

City	Unsold inventory	(YoY change)	QTS
Mumbai	155,604	-6%	6.4
NCR	104,969	-2%	7.6
Bengaluru	67,518	25%	4.9
Hyderabad	54,878	4%	5.8
Pune	51,653	11%	4.0
Ahmedabad	36,231	10%	7.8
Kolkata	19,630	-5%	4.6
Chennai	19,332	16%	4.5
Total	**509,815**	**3%**	**5.8**

Source: *Knight Frank Research*

Office Market scales a new high at 83.3 million sqft

There has been an unprecedented high office leasing activity last year with Q4 alone reaching an all-time quarterly high of 26.8 million sq. ft, says JLL SURVEY.

Market activity has continued to create successive new peaks since 2023, serving as a strong indicator of the unmatched growth momentum exhibited by India's office market. 2025 established yet another new record with 83.3 million sq. ft of gross leasing volumes for the full year. With global firms accounting for a robust 58.4% share, India's position as a strategic business hub offering genuine structural tailwinds was reaffirmed during a period marked by global uncertainties.

The cities of Bengaluru, Hyderabad, Pune, and Mumbai recorded their best-ever year in gross leasing terms, showcasing broad-based and secular demand

Gross leasing in other cities was also higher year-over-year or at near-similar levels compared to the previous year. This strongly indicates demand dispersion as occupier strategies evolve in a dynamic environment.

India's unequivocal status as 'office to the world' finds support in GCCs increasing their market activity share in 2025

"Global Capability Centers (GCCs) established themselves as the dominant force in India's office leasing market in 2025, capturing a commanding 37.7% share of gross leasing activity and achieving record-breaking 31 million square feet of space absorption—the highest annual figure ever recorded for this segment. This exceptional performance was complemented by the Flex segment reaching unprecedented heights with a 26.6% share in Q4 2025, marking its highest quarterly contribution to date. Tech maintained its position as the full-year leader with 25.8% of total leasing volumes, while Manufacturing/Industrial (15.4%) and BFSI (15.2%) segments demonstrated nearly equal market participation. The convergence of record GCC expansion, robust occupancy levels creating space constraints, and a strong deal pipeline positions India's office market to potentially breach the 100 million square feet leasing threshold within the next two years, representing a transformational milestone for the sector," said Rahul Arora, Head - Office Leasing & Retail Services, Senior Managing Director (Karnataka, Kerala), India, JLL.

It is worth noting that India's office market continues to defy the global trends of workspace contraction.

Domestic occupier activity was driven by indigenous flex firms which leased ~18 million sq. ft in 2025 which was their best-performance across years.

On an overall basis, Flex was the leading occupier segment for the second quarter in a row with its share in the Q4 leasing hitting the highest ever at 26.6%, followed by Tech 21.2%. For full year 2025, Tech remained the driver of leasing activity with a 25.8% share, followed by Flex with 21.5%. Manufacturing/Industrial and BFSI had near similar shares of 15.4% and 15.2% in 2025's leasing volumes. In absolute terms, Flex and Consulting segments had their best-ever year in terms of leasing.

Net absorption breaches all previous predictions to hit 57.0 million sq. ft in 2025; highest ever across all years

In Q4 2025, net absorption was driven by Bengaluru accounting for a sizeable 37.2% share, followed by Hyderabad with 15.7% and Delhi NCR with 14.0% shares, respectively.

"India's office market delivered exceptional performance in 2025, achieving record-breaking gross leasing of 83.3 million sq. ft and net absorption of 57.0 million sq. ft, with Q4 alone contributing 17.1 million sq. ft in net absorption—the year's highest quarterly figure. Bengaluru and Delhi NCR led the market with 29.7% and 21.6% shares respectively of total net absorption, while Delhi NCR demonstrated remarkable resilience with 30% year-over-year growth. The entry of nearly 200 new Global Capability Centers (GCCs) over the past two years, and GCCs now representing approximately 50% of all active space requirements, combined with robust occupancies creating space constraints for large occupiers, signals strong portfolio expansion ahead. With this momentum and our strong deal pipeline, India's leasing volumes are well-positioned to potentially reach the 100 million sq. ft milestone within the next two years," said Dr Samantak Das, Chief Economist and Head of Research and REIS, India, JLL.

Vacancy drops to 15.2%, down 50 bps Q-o-Q and lowest in five years

Gross Leasing (million sq. ft)

Market	Q3 2025	Q4 2025	Q-O-Q Growth (%)	2024	2025	Y-O-Y growth %
Bengaluru	3.0	9.3	207.9%	22.0	24.1	9.8%
Chennai	2.3	2.5	9.4%	8.0	8.7	9.7%
Delhi NCR	4.6	4.4	-4.7%	17.7	17.4	-1.6%
Hyderabad	2.9	4.2	41.0%	10.7	11.7	8.9%
Kolkata	0.3	0.3	3.3%	1.7	1.6	-9.2%
Mumbai	2.4	4.2	70.7%	10.3	11.6	13.0%
Pune	1.4	1.9	34.9%	6.9	8.1	18.2%
Pan India	**17.0**	**26.8**	**57.0%**	**77.2**	**83.3**	**7.8%**

Source: Real Estate Intelligence Service (REIS), JLL Research

**Gross leasing refers to all lease transactions recorded during the period, including confirmed pre-commitments, but does not include term renewals. Deals in the discussion stage are not included*

***Net absorption is calculated as the new floor space occupied less floor space vacated. Floor space that is pre-committed is not considered to be absorbed until it is physically occupied*

It is worth noting that India's office market continues to defy the global trends of workspace contraction. With the headcount and footprint growth-oriented demand resulting in the strongest net absorption historically for Pan-India, vacancy has now declined to a five-year low with tight, single-digit vacancies prevailing in core markets across all cities. On a q-o-q basis, vacancy declined across all cities. In fact, Bengaluru's vacancy is now at a four-year low while it is at a historic low in Mumbai and Delhi NCR in the past fifteen years.

Outlook:

A strong demand outlook for 2026 with India's offering of an exceptional market opportunity driven by structural factors creating a sustained growth runway

India successfully bucked the global uncertainties and headwinds to emerge as a stronger office market displaying growth across both headcount and real estate footprint metrics.

Demand from GCCs – both existing ones and new country entrants remains strong, with nearly 200 new GCCs making their way into the country over the past two years. With GCCs making up ~50% of all active space requirements driven by international banking and financial services players' appetite for offshore operational centres, complemented by the manufacturing sector dynamism fostered through strategic policy initiatives and strong tech R&D background, the growth runway remains intact.

With tight vacancy rates indicating a strong appetite for business expansion and headcount growth driven by its deep and rich talent pool, India is strongly entrenched as a core for market-changing, innovation ideas setting the stage for continued market momentum.

Leasing activity by occupier category

(million sq. ft)

Occupier Category	2024	2025	Y-O-Y Growth %
GCCs	27.7	31.4	13.1%
Foreign – Non GCCs	17.6	17.2	-2.3%
Domestic	31.9	34.7	8.7%

Source: Real Estate Intelligence Service (REIS), JLL Research

Net Absorption

(million sq ft.)

Market	Q3 2025	Q4 2025	Q-O-Q Growth (%)	2024	2025	Y-O-Y growth %
Bengaluru	3.9	6.4	65.0%	14.7	16.9	14.8%
Chennai	1.6	1.8	12.3%	5.0	5.8	15.2%
Delhi NCR	3.9	2.4	-38.1%	9.4	12.3	30.2%
Hyderabad	1.6	2.7	66.7%	7.3	8.1	11.3%
Kolkata	0.2	0.3	45.4%	1.2	1.0	-11.5%
Mumbai	2.1	1.6	-25.2%	7.1	6.3	-10.8%
Pune	2.5	2.0	-20.3%	5.2	6.5	25.0%
Pan India	**15.8**	**17.1**	**8.7%**	**50.0**	**57.0**	**14.1%**

Source: Real Estate Intelligence Service (REIS), JLL Research

Industrial & Warehousing Sector Buoyant

Large-ticket transactions drove leasing, accounting for 45% of industrial & warehousing demand in 2025, says COLLIERS INDIA SURVEY.

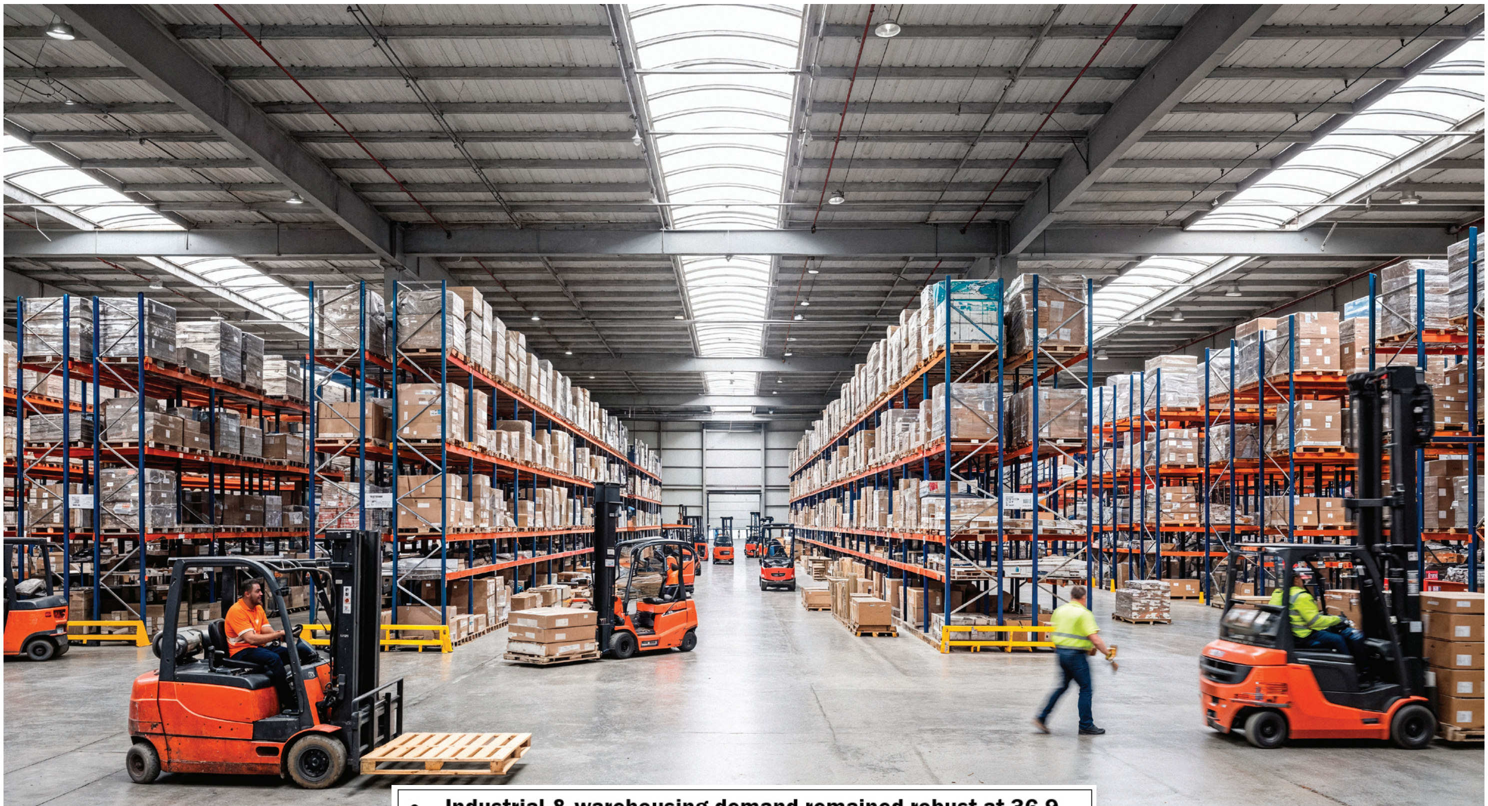


Image Courtesy: freepik.com

- **Industrial & warehousing demand remained robust at 36.9 million sq ft during 2025, up by 16% YoY**
- **Delhi NCR and Chennai drove demand, contributing 46% of the leasing activity in 2025**
- **3PL segment accounted for 32% of Grade A space uptake in 2025, followed by Engineering and E-commerce segments**
- **With 41.7 million sq ft of completions in 2025, new supply grows impressively by 15% on an annual basis**

With 36.9 million sq ft of leasing in 2025, industrial & warehousing demand across the top eight cities remained strong, witnessing a 16% YoY growth. During the year, Delhi NCR led the demand with 24% share, closely followed by Chennai at 22% share. On a quarterly basis, after a relatively modest third quarter, Q4 2025 saw about 10.4 million sq ft of industrial & warehousing demand. Chennai, closely followed by Pune, cumulatively accounted for 56% of the quarterly demand.

While Third Party Logistics (3PL) players drove overall demand during the year, and accounted for 32% share in overall leasing, demand from last quarter has propelled the demand for Grade A industrial & warehousing space to around 37 million sq ft in 2025, highest in recent years. Space uptake was driven by large deals, especially by 3PL

Trends in Grade A Gross absorption (million sq ft)

City	2024	2025	YoY change	Q4 2024	Q4 2025	YoY change
Ahmedabad	1.5	1.9	27%	0.6	0.2	-67%
Bengaluru	3.8	3.5	-8%	1.4	0.7	-50%
Chennai	6.0	8.1	35%	0.7	3.0	329%
Delhi NCR	6.6	8.8	33%	1.1	1.4	27%
Hyderabad	1.5	2.4	60%	0.3	0.7	133%
Kolkata	3.2	2.5	-22%	1.6	0.9	-44%
Mumbai	4.6	4.9	7%	0.8	0.7	-13%
Pune	4.6	4.8	4%	1.5	2.8	87%
TOTAL	**31.8**	**36.9**	**16%**	**8.0**	**10.4**	**30%**

Source: **Colliers** Note: Data pertains to Grade A buildings. Absorption does not include lease renewals, pre-commitments and deals where only a Letter of Intent has been signed.

Top 5 Industrial & Warehousing deals for 2025

City	Quarter of Transaction	Year	Property Name	Tenant	Industry	Area (sq ft)	Cluster
Mumbai	Q2	2025	One K Square, Kurund	Scootsy Logistics (Swiggy)	3PL	580,700	Bhiwandi
Delhi NCR	Q1	2025	Welspun Logistics Park	Amazon	E-commerce	500,000	Luhari
Bengaluru	Q2	2025	Ascendas	Honda	Automobile	500,000	Hoskote
Pune	Q4	2025	Ecobox Industrial Park	Jabil Inc.	Engineering	385,000	Ranjangaon Wagholi

firms which accounted for almost one-third of the leasing activity in the year. Moreover, developers remained upbeat about long-term prospects, and this is reflected by over 40 million sq ft of completions during 2025 - highest in recent years. With the government's continued focus on ramping up manufacturing and logistics infrastructure, industrial & warehousing requirements are likely to scale up over the course of next few years" says Vijay Ganesh, Managing Director, Industrial & Logistics Services, Colliers India.

3PL occupiers drove large-sized deals across cities

India's time has come. The largest as the second most preferred global investment destination after the US

Third-Party Logistics (3PL) players continued to dominate leasing activity during 2025 with about 12 million sq ft of Grade A space uptake, accounting for almost one-third of the annual demand. Demand from Engineering and E-commerce players also remained firm and cumulatively accounted for about 35% of the leasing activity during the year.

During the year 2025, large deals (≥ 200,000 sq ft) accounted for about 45% of the overall demand. Amongst these larger deals, 3PL companies continued to account for the bulk of share, followed by E-commerce and Engineering players.

Interestingly, on a quarterly basis, within the E-commerce segment, about 61% of the industrial & warehousing space uptake was through large deals, driven by large storage requirements of fulfillment centers and delivery hubs. On the contrary, more than two-thirds of deals in the FMCG and Retail segments were in the mid-sized category (100,000-200,000 sq ft), driven by the growing popularity of hyperlocal delivery firms.

"Delhi NCR and Chennai each recorded over 8 million sq ft of demand in 2025, collectively contributing over 45% of the leasing activity. Concurrently, markets like Pune and Mumbai saw space uptake of around 5 million sq ft each. The demand for Grade A warehouses across these four primary industrial hubs was predominantly driven by 3PL and engineering firms. With well-established manufacturing clusters and superior infrastructure connectivity, we expect these markets to cumulatively account for 70-80% of industrial & warehousing demand in 2026 as well." says Vimal Nadar, National Director & Head, Research, Colliers India.

Deal size trends in 2025 Grade A demand (million sq ft)

Cities	Volume of large-sized deals (200,000 sq ft and more)	Share in leasing for respective city (%)	Volume of mid & small-sized deals (100,000 – 199,999 sq ft)	Share in leasing for respective city (%)	Volume of mid & small -sized deals (Less than 100,000 sq ft)	Share in leasing for respective city (%)
Ahmedabad	0.4	21%	1.0	53%	0.5	26%
Bengaluru	1.7	49%	1.2	34%	0.6	17%
Chennai	4.0	50%	1.8	22%	2.3	28%
Delhi NCR	4.4	50%	2.8	32%	1.6	18%
Hyderabad	1.2	50%	0.7	29%	0.5	21%
Kolkata	0.5	20%	0.9	36%	1.1	44%
Mumbai	2.6	53%	1.0	20%	1.3	27%
Pune	1.9	39%	2.1	44%	0.8	17%
INDIA	16.7	45%	11.5	31%	8.7	24%

Source: Colliers Data pertains to Grade A buildings Note: Share here represents share of large, mid & small-sized deals in overall leasing for their respective cities

Mumbai to Host India's Premier Real Estate National Convention – NARVIGATE 2026

Mumbai is all set to reaffirm its eminent position as the vibrant capital of India's real estate sector as it plays host to NARVIGATE 2026, India's premier national real estate convention, scheduled to be held on March 23 – 24 at the Jasmin Hall, Jio World Convention Centre, BKC.

Hosted by the Association of Real Estate Agents (AREA Group), Mumbai, and organised by NAR-India, NARVIGATE 2026 will bring together over 2,000+ participants, including realtors, developers, investors, fund houses, policymakers, and industry leaders from across the country.

Prior to the annual convention, the NAR-India governing body (GB) meeting will take place on March 21 and 22, further strengthening the national significance of the prestigious and memorable event.

A National Platform for Collaboration and Growth

NARVIGATE 2026 is envisioned as a powerful platform of national realtors for varied purposes such as networking, collaboration, and high-value business opportunities. During the two impactful days, delegates will have the immense benefit of engaging themselves in strategic discussions, knowledge-sharing sessions, and future-focused conversations that will aim at shaping the next phase of multidimensional growth for India's real estate ecosystem.

The convention's theme — "Big Ideas. Bigger Possibilities. Biggest Industry Exchange." — reflects its focus on innovation,

leadership, and meaningful industry engagement.

Key Highlights of NARVIGATE 2026

- Keynote addresses and panel discussions featuring prominent industry leaders and subject-matter experts.
- Strategic sessions on market trends, investments, redevelopment, retail and luxury real estate
- Developer showcases and presentations
- Curated networking sessions enabling meaningful B2B connections
- Participation from leading real estate brands, institutions, and service providers

Distinguished Speakers and Special Attractions

Among the varied and eminent speakers that will transform the ambience of the 2-day convention include renowned spiritual orator and motivational speaker Smt. Jaya Kishori ji. She has been invited as one of the distinguished speakers at NARVIGATE 2026. Her august presence at the event is expected to add a unique dimension of inspiration, value-based leadership, and purpose-driven thinking to the convention.

Additionally, top retail brands of India are expected to participate, offering delegates a rare opportunity to experience the evolving landscape of retail and trends in retail real estate on a global-standard platform.

Sponsorship and Partnership Opportunities

NARVIGATE 2026 presents significant opportunities for brands and organisations planning to partner with one of India's most influential real estate conventions. The sponsors will benefit from a wide variety of options including:

- High-visibility brand presence across multiple event platforms
- Direct access to key decision-makers and industry leaders
- Opportunities to showcase products, technologies, and services at the national level.

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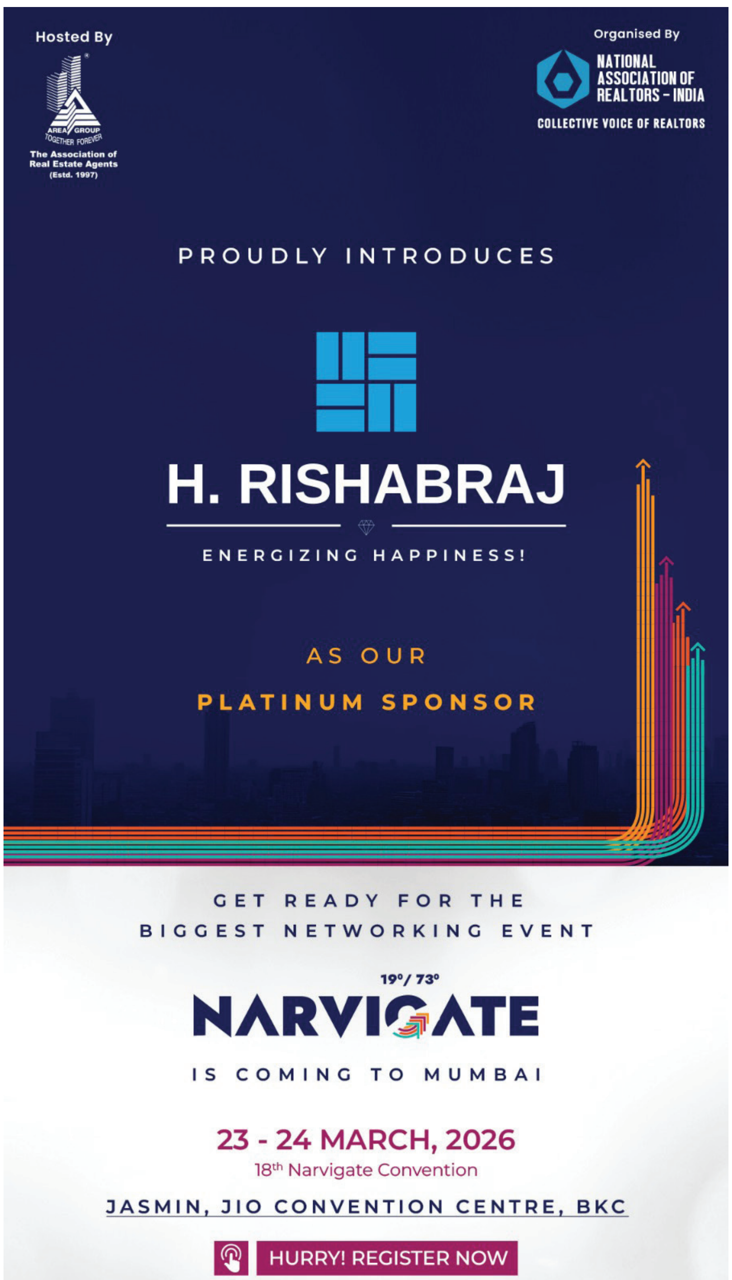

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Chennai Office Mart – Select Leasing Transactions Q4 2025

Tenant	Area (Sq.ft.)	Property	Micromarket
Citibank	250,000	DLF Cybercity	Mount-Poonamallee road
WeWork	104,600	CapitaLand ITPC – Taramani	OMR Zone 1
FL Smidth	90,000	CapitaLand ITPC – Radial Road	Pallavaram - Thuraipakkam road

Source: Colliers

Chennai Office Mart – Rentals

Micromarket	Rentals (Rs/sqft/month)
OMR zone 1	99.5
Guindy	90.0
CBD	88.8
Mount Poonamallee Road	83.5
Average city rent	78.2
Off CBD	71.6
Pallavaram Thuraipakkam road	69.8
GST	52.6
OMR zone 2	49.0
Ambattur	44.0

Source: Colliers

Chennai Office Mart – Key Sectors driving absorption

Sector	% share	QoQ movement
Life Sciences	28%	▲
Technology	24%	▲
Flexible space operators	13%	▲

Source: CBRE Research Q4 2025

Real Estate Roundup

- Gross office space absorption remains stable at 75.2 million sq. ft. across tier I cities** in 2025
- The industrial and warehousing sector saw a 20% YOY growth, with 59.5 million sq. ft. of absorption in 2025 across tier I cities***
- Premium residential markets of Delhi-NCR, Mumbai, Bengaluru and North Goa witnessed appreciation in capital values up to 36% YoY in 2025
- PE investments in Indian real estate touched USD 6.7 billion in 2025, recording a 59% YOY increase
- Embassy Office Parks REIT divests 0.38 million sq. ft. (35, 303 sq. m.) of office space in Bengaluru for INR 5.3 billion
- International Finance Corporation (IFC) invests INR 3.0 billion in affordable housing through Grihum Housing Finance
- Bagmane Prime Office REIT files draft papers for an INR 40.0 billion IPO to monetise its commercial office portfolio
- ArcelorMittal leases 0.1 million sq. ft. (9, 290 sq. m.) office space in Hinjewadi, Pune to set up a Global Capability Centre
- SoftBank to acquire DigitalBridge for USD 4.0 billion to boost AI infrastructure and global data platforms
- Gaours Group raises INR 4.4 billion rough issuance of debentures for land acquisition
- Adani Group expands presence in Madhya Pradesh with INR 15 billion and INR 14 bn grinding units in Guna and Ujjain
- Union Home Minister inaugurates infrastructure projects worth INR 9 billion in Assam

Chennai Office Mart – Key Leasing Transactions Q4 2025

Property	Micromarket	Size (in sqft)	Tenant
Anand IT Park	OMR Zone 1	173,000	Vistas
One National Park	OMR Zone 1	139,000	Amura
One National Park	OMR Zone 1	104,000	CorporatEdge

Source: CBRE Research Q4 2025

Bengaluru

Record Residential Launches in H2

The residential launches recorded 35,262 units in H2 last year, highest ever, reflecting a strong demand among developers to tap into the demand, says KNIGHT FRANK INDIA SURVEY.

Chennai, positioned at the heart of Tamil Nadu's real estate activity, continues to evolve into one of the state's most dynamic and resilient housing markets, says Anarock survey. Its growth is strongly anchored in a diverse economic base that spans manufacturing, automobiles, engineering, logistics and a rapidly expanding IT and ITeS sector. This broad spectrum of industries has helped create a steady flow of employment opportunities, drawing professionals from across the country and supporting a deep and consistent demand for housing.

The residential market in the first nine months of 2025 demonstrated not just to shifting consumer preferences.

- The second half of 2025 marked a pivotal point in Bengaluru's residential market, characterised not just by continued growth, but also by key structural shifts. The city recorded 35,262 units launched in H2 2025, the highest ever for any H2 period, reflecting a strong appetite among developers to tap into the demand, even amidst rising inventory levels.
- Looking at the overall market, the launches increased by 23% in 2025 compared to the previous year while the sales were muted and remained at the same levels. However, if we look deeper and dissect the numbers by ticket size, a more nuanced story emerges. The units launched in INR 10-20 million and INR 20-50 million segment value emerged as the clear growth driver, accounting for the majority of both launches and sales in the city. This segment, in fact, witnessed record activity in H2 2025, both in terms of new supply and absorption.
- Developers are aligning their offerings to meet the rising demand from aspirational buyers with a 7% increase YoY in the average unit size launched in 2025 compared to 2024 as the market clearly reflects a growing preference for larger homes, better specifications, and lifestyle-driven offerings. Consequently, the lower ticket size segment of sub-INR 10 million which once dominated the market, is steadily losing relevance, both in terms of launches and traction, as affordability thresholds shift and consumer preferences evolve.
- This shift has brought micro-markets like North Bengaluru into sharp focus. With 34% of the city launches and 33% of

Bengaluru Resident Mart Summary

Parameter	2025	2025 Change (YoY)	H2 2025	H2 2025 Change (YoY)
Launches (housing units)	68,760	23%	35,262	10%
Sales (housing units)	55,373	0%	28,774	3%
Average price in Rs sqft	Rs 7,388	12%	-	

Source: Knight Frank Research

sales, North overtook East Bengaluru in both metrics for the first time. The region's infrastructure-led growth, anchored by the Kempegowda International Airport, ongoing commercial projects, and upcoming Blue Line Metro, elevated it from a 'future-ready' tag to 'current preference' for homebuyers. Hebbal, Thanisandra, Jakkur, and Airport Road are no longer speculative; they are inventory-ready zones pulling in real demand.

- Though South Bengaluru – historically the largest contributor, retained its dominance with 34% of launches and 32% of sales, the nature of demand is changing. What was once the stronghold of mid-segment housing, is now being transformed by the inauguration of the Yellow Line Metro and the rise of high-ticket size launches in micro-markets such as Begur, Sarjapur Road, and Electronic City.
- Meanwhile, East Bengaluru, long regarded as the city's residential and commercial powerhouse, saw a marginal decline in its relative share to 27% of launches and 30% of sales. This dip is more a result of increased traction in the North, rather than waning demand in the East. As metro lines enhance the appeal of this region, the market appears to be in a phase of stabilization after the hyper-growth seen in 2023 and 2024. Developers are expected to shift future launches to peripheral pockets such as Hoskote and Budigere Cross to continue capturing demand in the East.
- Beyond market share and location shifts, one of the most distinguishing signs of a changing market lies in its unsold inventory profile. The city's unsold inventory rose to 67,518 units, up 25% YoY. At first glance, this seems alarming, but a deep dive reveals that most of this buildup is concentrated in the fast-moving INR 10-50 million category, where the QTS stands at a healthy 2.9-3.1 quarters. These figures point to a market where developers are consciously choosing to take on inventory risk at the premium end, confident in the velocity of sales. The real inventory stress lies at the bottom: Units priced below INR 5 million now have a QTS of 20.3 quarters, compared to the overall 4.9 quarters for the city, signaling poor absorption.
- The age of inventory at 15 quarters has remained relatively stable, suggesting that newer supply is still finding buyers. This is a positive sign in a market that continues to absorb growth.
- A key trend reinforcing the market's premium shift is price movement. Bengaluru's weighted average capital value rose by 12% YoY, largely driven by the increased share of higher ticket size segment launches that pushed up the overall weighted average price of the market. While this appears steep, with muted overall demand on a yearly basis, absorption remained resilient across select ticket-size segments rather than uniformly slow across the market.
- In a nutshell, H2 2025 marks a continuation and strengthening of Bengaluru's residential transformation. With rising ticket sizes, focused micro-market development, infrastructure-led value creation, and sustained price appreciation, the city is no longer just a volume story, it's a value-led market in motion. The maturity of both buyers and developers is evident in how supply is being curated and how demand is responding ●

Hyderabad

Home Registrations Up 14% YoY

Registrations of homes priced above Rs 1 crore grew by a significant 35% YoY, highlighting sustained buyer confidence in larger, higher-value residences, says KNIGHT FRANK INDIA SURVEY.

Residential property registrations in Hyderabad increased by 14% year-on-year (YoY) in December 2025, while the total value of homes registered rose by 23% YoY during the same period, according to Knight Frank India's latest survey. After a subdued start to the year, registration activity gathered momentum in the latter months, with December recording the third-highest monthly volumes in 2025.

A total of 75,222 residential properties were registered in 2025 lower by 2% YoY, however the cumulative value of the registered properties in 2025 was INR 52,351 crores rising 11% YoY in calendar year of 2025 reflecting a continued shift toward higher-value transactions.

Demand for premium housing remained robust, as evidenced by a 35% YoY increase in registrations of homes valued above INR 1 crore during the year. The Hyderabad residential market spans four districts: Hyderabad, Medchal-Malkajgiri, Rangareddy, and Sangareddy and includes transactions from both the primary and secondary real estate markets.

HIGH-VALUE APARTMENTS:

In December 2025, registrations of homes valued above INR 1 crore in Hyderabad rose sharply by 37% YoY. This segment accounted for 18% of all registered properties during the month, up from 15% in

- **75,000+ homes with cumulative value of INR 52,350+ Crores registered in 2025**
- **6,600 residential properties worth INR 4,399 crores registered in December 2025**
- **Weighted average price of registered properties increased by 5% YoY**
- **Homes valued above INR 1 Cr accounted for 18% of overall registrations**

TICKET SIZE REGISTRATIONS

	December 2024	December 2025	YoY	December 2024	December 2025	YoY
	Volume Split (No of units)			Value Split (INR/cr)		
< 50 Lakh	3,412	3,825	12%	1,076	1,163	8%
50 Lakh - 1 Cr	1,520	1,582	4%	1,070	1,128	5%
> 1 Cr	873	1,193	37%	1,444	2,109	46%

Source: *Knight Frank Research, Telangana Registration and Stamps Department*

	January - December 2024	January - December 2025	YoY	January - December 2024	January - December 2025	YoY
	Volume Split (No of units)			Value Split (INR/cr)		
< 50 Lakh	45,605	41,588	-9%	14,332	13,042	-9%
50 Lakh - 1 Cr	19,964	18,708	-6%	14,084	13,234	-6%
> 1 Cr	11,044	14,926	35%	18,757	26,075	39%

Source: *Knight Frank Research, Telangana Registration and Stamps Department*

TICKET SIZE SHARE OF REGISTRATIONS

	December 2024	December 2025	December 2024	December 2025
	Volume Split (No of units)		Value Split (INR/cr)	
< 50 Lakh	59%	58%	30%	26%
50 Lakh - 1 Cr	26%	24%	30%	26%
> 1 Cr	15%	18%	40%	48%

Source: *Knight Frank Research, Telangana Registration and Stamps Department*

	January - December 2024	January - December 2025	January - December 2024	January - December 2025
	Volume Split (No of units)		Value Split (INR/cr)	
< 50 Lakh	60%	55%	30%	25%
50 Lakh - 1 Cr	26%	25%	30%	25%
> 1 Cr	14%	20%	40%	50%

Source: *Knight Frank Research, Telangana Registration and Stamps Department*

REGISTRATION SPLIT BY UNIT SIZE

Unit-size in sq ft	December 2024	December 2025	January – Dec. 2024	January - December 2025
0-500	3%	3%	3%	3%
500-1,000	13%	14%	14%	13%
1,000-2,000	70%	69%	69%	68%
2000-3000	11%	11%	11%	13%
>3000	3%	3%	3%	3%

Source: *Knight Frank Research, Telangana Registration and Stamps Department*

REGISTRATION SPLIT BY DISTRICT

District	December 2024	December 2025	January - December 2024	January - December 2025
Hyderabad	17%	15%	16%	14%
Medchal-Malkajgiri	42%	41%	41%	40%
Rangareddy	41%	44%	42%	46%
Sangareddy	0%	0%	0%	0%

Source: *Knight Frank Research, Telangana Registration and Stamps Department*

TRANSACTED PRICE BY SELECTED DISTRICT

District	Weighted Average Transacted price (INR per sq ft)	December 2025 (YoY change)
Rangareddy	5,094	13%
Sangareddy	2,623	17%
Total Market	**4,411**	**5%**

Source: *Knight Frank Research, Telangana Registration and Stamps Department*

Note: Weighted average transacted price depicts the price at which properties have been registered in a district/ market during a particular period. It uses the area transacted as the weight.

TOP 5 TRANSACTIONS OF THE MONTH

District Name	Location	Area range (Sq ft)	Consideration Value (INR)
Rangareddy	Kokapet	>3,000	12,98,46,000
Rangareddy	Madeenaguda	>3,000	7,50,00,000
Rangareddy	Kokapet	>3,000	7,00,47,450
Rangareddy	Puppalaguda	>3,000	7,00,00,000
Hyderabad	Jubilee Hills	2000-3000	7,00,00,000

Source: *Knight Frank Research, Telangana Registration and Stamps Department*

December 2024. In value terms of value, priced above INR 1 crore contributed a dominant 48% of the total transaction value, underscoring the city's sustained demand for premium housing.

This trend was observed throughout 2025, with premium housing continuing to gain prominence. Registrations of homes valued above INR 1 crore increased by 35% YoY in 2025 and accounted for 20% of all registered properties, up from 14% in 2024.

In value terms, this segment contributed 50% of the total transaction value, compared to about 40% in the previous year. Locations such as Kokapet, Kondapur, Puppalaguda, Nanakramguda, Narsingi and Gaganpahad witnessed registrations of homes priced INR 1 crore.

Most registered properties in Hyderabad ranged between 1,000 and 2,000 sq ft, comprising 68% - 69% of total registrations.

Units above 2,000 sq ft made up 14-16%, during 2025.

Land Deals involving 3,772 acres Transaction Reported in 2025

The MMR led the activity in the number of land deals in 2025, with 32 deals spanning over 500+ acres of land, says ANAROCK SURVEY.

With stronger balance sheets, disciplined underwriting, and a clearer demand outlook, developers and various business entities once again committed long-term capital to land in 2025. According to ANAROCK Research, while the number of land transactions was little short of that in 2024, the total volume recorded in all of 2025 surpassed that of 2024. Developers collectively acquired thousands of acres across key metros and emerging corridors, reflecting renewed confidence in housing demand, commercial absorption, and infrastructure-led growth.

Among the top 7 cities, MMR saw the highest land area transacted - 500+ acres in 32 separate deals - accounting for an over 13% share of the total land transacted across India in 2025.

Region (MMR) led the activity in number of land deals in 2025, with 32 deals spanning over 500+ acres of land," says Anuj Puri, Chairman – ANAROCK Group. "This accounted for over 13% of the total land transacted across India. Residential, commercial, data centres, industrial and plotted developments, are among the planned developments in the region. In total, there were at least 126 separate land deals for over 3,772 acres closed in 2025 across the country." "Importantly, land buying was not limited to luxury residential projects - integrated townships, plotted developments, industrial parks, data centres, and mixed-use formats also dominated acquisition strategies in 2025," adds Puri.

City-wise Breakup

MMR and Bengaluru saw the most land deals in 2025. Among the top 7 cities, MMR saw the highest land volumes transacted, with 500+ acres in 32 deals, while Bengaluru closed 27 deals for 454+ acres. Land prices across both the cities have skyrocketed over the last few years, but this has not deterred developers from zeroing in on prime assets in these regions.

Among the top 7 cities, MMR saw the highest land area transacted - 500+ acres in 32 separate deals - accounting for an over 13% share of the total land transacted across

India in 2025. The planned developments include residential, commercial, industrial, data centre, and plotted developments.

Bengaluru sealed 27 separate deals accounting for a 12% share of the total land area transacted in 2025, with 454+ acres changing hands for various residential developments including villas and plotted developments, commercial and warehousing development.

- NCR saw 16 deals for approx. 137.22 acres closed, earmarked for residential, commercial, and mixed-use developments. City-wise, there were 4 deals for 39.75 acres in Gurugram, 8 deals for 41.28 acres in Noida, 2 deals for 30.89 acres in Delhi, 1 deal for 12 acres in Greater Noida, and 1 deal for 13.3 acres in Ghaziabad.
- Hyderabad saw 9 separate deals closed for a cumulative 57 acres, earmarked for residential developments only.
- Pune saw 18 separate deals closed for a cumulative 308.49 acres, proposed for residential, mixed-use, township, retail, and Industrial & Logistics Park developments.
- Chennai saw 8 deals for 121.85 acres closed, proposed for Industrial and Logistic Park and residential developments.
- Kolkata saw no land deal in 2025.
- Tier 2 & 3 cities together saw at least 16 land deals for a cumulative 2,192.8 acres closed in 2025. The proposed developments include residential (including plotted developments), mixed-use projects, Industrial and Logistic Park, and retail.

Image Courtesy: AI-assisted illustration (conceptual), created using generative AI (ChatGPT)

By TARUN BHATIA.

As India prepares for Budget 2026, the real estate sector once again finds itself at a crucial intersection of housing demand, urban infrastructure, and economic growth. Over the past few years, policy continuity, regulatory reforms, and steady consumer confidence have helped the sector regain momentum after a prolonged period of disruption. The upcoming budget is therefore

> **One of the key expectations from Budget 2026 is continued emphasis on affordable housing.**

expected to focus less on headline announcements and more on deepening structural support for housing and urban development.

One of the key expectations from Budget 2026 is continued emphasis on affordable housing. Government-led initiatives have played a significant role in expanding home ownership, particularly in Tier II and Tier III cities. Industry stakeholders anticipate an extension or enhancement of incentives for affordable housing projects, including tax benefits for developers and homebuyers, to ensure sustained supply and demand in this segment. Affordable housing not only addresses a social need but also acts as a strong employment generator, supporting allied industries such as cement, steel, and construction services.

Another major area of expectation is rationalisation of taxation for homebuyers. While housing remains one of the largest financial commitments for Indian households, tax deductions on home loan interest and principal repayments have not kept pace with rising property prices and borrowing costs. A revision in these limits could provide meaningful relief to end-users, improve affordability, and stimulate genuine demand rather than speculative activity.

Infrastructure development remains a strong enabler for real estate growth, and Budget 2026 is expected to further strengthen this linkage.

A long-standing expectation of the sector, which gains renewed relevance in the context of Budget 2026, is the grant of industry status to real estate. Recognising real estate as an industry would enable easier access to institutional financing, improve credit availability at more competitive rates, and bring greater transparency and accountability. Industry status would also help align real estate with other core sectors of the economy, supporting long-term capital formation and more sustainable growth.

From the perspective of realtors and brokerage professionals, there is also an expectation for reforms that improve ease of doing business and professional mobility. As the sector becomes increasingly organised and pan-India in nature, the concept of a "One Nation, One RERA licence" for registered real estate agents merits consideration. A unified or harmonised licensing framework could allow compliant realtors to operate across states without repetitive registrations, while still adhering to local regulations. Such a move could enhance transparency, improve compliance, and support a more professional, accountable brokerage ecosystem nationwide.

The real estate sector is also looking towards Budget 2026 for greater clarity and support for rental housing. With urban migration increasing and lifestyles evolving, rental housing is becoming a critical component of India's urban fabric. Policies that encourage formal rental housing, student housing, and co-living models - through tax incentives or institutional participation, could help bridge the gap between demand and availability while improving tenant protections and transparency.

Infrastructure development remains a strong enabler for real estate growth, and Budget 2026 is expected to further strengthen this linkage. Continued investments in metro rail networks, highways, airports, regional connectivity, and urban infrastructure directly influence real estate absorption and pricing. Faster execution of infrastructure projects, along with better coordination between central and state agencies, can unlock new micro-markets and reduce pressure on already congested urban cores.

From a regulatory standpoint, the industry expects the government to maintain a stable and predictable policy environment. Simplification of approval processes, faster project clearances, and digitisation of land records can significantly reduce execution risks and improve ease of doing business for developers and investors alike.

Overall, the real estate sector is not seeking headline-grabbing announcements, but policy consistency, targeted relief, and execution-focused reforms. If Budget 2026 delivers sustained support for housing, rational tax relief, long-pending measures such as industry status, streamlined regulatory frameworks including a unified RERA licensing system for realtors, and continued infrastructure investment, it can further consolidate real estate's role as a transparent, resilient, and stable pillar of India's long-term urban and economic development.

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

Judgements in a Nutshell

The Supreme Court, in a recent decision stated that, A requirement of rules, regulations or even law that impedes or restrains easy and effective transfer of property will be illegal as it has the direct effect of 'depriving of property' to that extent, and such delays, caused due to unreasonable and arbitrary restrictions, impinge the right to hold and dispose of property. We therefore hold that the prescription of mentioning and production of jamabandi allotment or holding allotment as a pre-condition for registration of a legally presented document under impugned sub-rules 19 (xvii) and (xviii) is arbitrary and illegal and as such, liable to be set aside.[LNIND 2025 SC 1065]

The High Court of Madras, in a recent case, held that whether the documents produced by the plaintiff are genuine documents or manipulated documents is a question to be decided at the time of final disposal based on evidence. At the stage of reception, the issue as to its genuineness cannot be tested. [LNIND 2025 MAD 42535]

The High Court of Madras, in a recent case, opined that, easement by necessity is a legal right that grants access to a land locked property through a neighbours' land, created when a larger parcel is divided and one part is left without a public road or other access. The same is automatically withdrawn or extinguished if an alternative access become available. Whereas, an easement by prescription occurs when someone uses another person's property openly and continuously without permission for a legally defined period. Therefore, easement by prescription develop over time through continuous and open use without explicit permission. [LNIND 2025 MAD 42689]

The Delhi High Court, in a recent case stated that, Whenever the complaints filed before the RBI Ombudsman are finally rejected, the same shall undergo a second level human supervision process, by trained legal personnel for e.g. retired judicial officers, lawyers, etc., who are legally trained for at least ten years, so that complaints are not rejected due to small errors. If the complaint redressal mechanism adopted by the Ombudsman is made more effective and efficient, litigation in Courts and consumer forum/s can be reduced considerably.[LNIND 2025 DEL 8527]

The Delhi High Court, in a recent Judgment stated that, once the appellants failed to establish sufficient cause for condoning the delay under Section 5 of the Limitation Act, the application under Order XXII Rules 3 and 9 CPC could not have been considered on merits. The statutory scheme is clear that where a party dies and the prescribed period for substitution expires, abatement operates automatically, and revival of the proceedings becomes possible only if the delay is first condoned. Without such condonation, the Court is divested of jurisdiction to entertain an application for setting aside abatement The dismissal of the delay application therefore rendered the request for setting aside abatement infructuous in law. [LNIND 2025 DEL 8145]

The Bombay High Court, in a recent case stated that, Declaring the Dissolution Deed to be void, in order to revive the Partnership Deed and declaring the Cancellation Deed to be void, in order to revive the Development Agreement would not become actions in rem. It may eventually have implications in rem as could any in personam instruments being revived but no in rem rights would be eroded intaking the decision on whether to declare the instruments to be void and on whether to revive a dead instrument. A mere incantation of a mantra of "fraud" or for that matter "public impact" would not lead to the subject matter of a suit prosecuted by a party to an arbitration agreement on an arbitrable subject matter, becoming non-arbitrable.[LNIND 2025 BOM 2124]

Source: ***LexisNexis***

Real Estate Agents (REAs) and Prevention of Money Laundering Act (PMLA)

By **MANISH GHIYA.**

Real estate agents (REAs) sit at the heart of property transactions and often have the closest visibility into a client's financial behaviour, the source of funds, and the transaction motivations.

The Central Government brought the REAs into the fold of the Prevention of Money Laundering Act, 2002 (PMLA), notifying[i] that persons engaged in providing services in relation to the sale or purchase of real estate and having the annual turnover of Rs 20 lacs and above, as a 'person carrying on designated business or profession'.

By designating REA as a person carrying on 'designated business or profession', the real estate agents have become 'reporting entities' under the PMLA law. A reporting entity has many obligations under the PMLA and thus should have an anti-money laundering (AML) compliance framework, directing their efforts in detecting and deterring money laundering and terrorism financing.

By designating REA as a person carrying on 'designated business or profession', the real estate agents have become 'reporting entities' under the PMLA law.

There are two further related concepts for compliance which are usually associated with the PMLA – the Unlawful Activities (Prevention) Act (UAPA), and the Weapons of Mass Destruction Act (WMD). REAs have obligations of compliance under these laws too.

The Directorate General of Audit in the Central Board of Indirect Taxes and Customs[ii] is the designated regulator under the PMLA for the real estate agents and also oversees compliances under the UAPA and the WMD laws.

Through these FAQs, we are clarifying the few key obligations and actions on the part of the REAs. Do note that the PMLA currently applies to all real estate agents, as defined in the PMLA law[iii], engaged in the sale or purchase of real estate with an annual turnover (which generally means gross income) of Rs 20 lacs or more. However, compliances under the UAPA and the WMD laws apply to all agents. These two topics are also covered in these FAQs.

Who is a real estate agent for the purpose of PMLA?

Real estate agent means any person, who negotiates or acts on behalf of one person in a transaction of transfer of his plot, apartment or building, as the case may be, in a real estate project, by way of sale, with another person or transfer of plot, apartment or building, as the case may be, of any other person to him;

The REA receives remuneration or fees or any other charges for his services whether as a commission or otherwise;

REA also includes -

- a person who introduces, through any medium, prospective buyers and sellers to each other for negotiation for sale or purchase of plot, apartment or building, as the case may be,
- property dealers, property brokers, or such by whatever name called.

Such REAs are having an

annual turnover of Rupees twenty lakhs and above.

If you are not covered by above definition, you will not be a REA for the purpose of PMLA.

When did PMLA become applicable to the real estate agents in India?

PMLA obligations started to apply from November 2022, when the Central Government notified real estate agents as Designated Non-Finance Business and Profession, thus categorising them as "Reporting Entities" under the PMLA.

Who is the regulator for real estate agents, for the purpose of the PMLA Act?

The Central Board of Indirect Taxes and Customs (CBIC) is the designated Regulatorii for the real estate agents for the purpose of the PMLA Act. The guidelines to regulate them are issued by the Directorate General of Audit, CBIC (DGA CBIC).

The PMLA law overall is administered by the Financial Intelligence Unit – India (FIU).

Does PMLA apply if an REA deals only in rentals or leases?

No. Currently, rental/lease broking transaction is currently outside the scope. Only real estate sale/purchase/transfer transactions are covered.

If a REA's annual earnings as a REA are below ₹20 lakh, am I outside the PMLA?

As per the applicable law, REAs whose annual turnover (which generally means the annual gross income) is less than Rs 20 lacs are not covered in the scope of the PMLA.

However, note that all REAs, irrespective of the turnover, are covered in the scope of the UAPA / WMD related obligations – see FAQs towards the end for the UAPA/WMD compliances. Hence, all REAs must ensure such compliances.

Is there a requirement to register under the PMLA?

REAs covered under the PMLA must register on the FIU-IND portal as a Reporting Entity (RE). They also are required to designate a Principal Officer and a Compliance Officer under the PMLA. The REA must also put in place the PMLA compliance framework. However, there is no specific separate registration requirement in relation to compliances under the UAPA/ WMD laws.

Are real estate agents required to appoint a Principal Officer and designated director?

Yes, all reporting entities must appoint the Designated Director (DD) and the Principal Officer (PO), which must be registered on the FIU-IND portal. Their details must also be informed to the DGA, CBIC and the concerned state RERA.

The DD and PO have responsibility for operationalising and implementing the PMLA compliance framework, and the oversight in the organisation. They are also responsible for regulatory reporting, and formulating and implementing client acceptance policies and client due diligence measures.

Do small, individual real estate brokers have the same obligations as large agencies?

Overall – Yes, core obligations (KYC/CDD, STR, record-keeping, FIU reporting) are mandatory for all REAs who are within the scope of the PMLA. However, since the PMLA requires a risk-based compliance framework, the extent and depth of actions may differ on a risk-based proportionality principle for different customers and transactions.

What policies and documentation must a real estate agent maintain?

A REA must establish, implement and maintain:

AML/CFT compliance programme. The programme must be appropriate to the REA's

business, and must be regularly reviewed.

Know your customer (KYC) / client acceptance policies / Customer Due Diligence (CDD) Procedures that includes identification and verification of the customers and their beneficial owners, and must be conducted on Money laundering (ML)/Terrorist Financing (TF) risk sensitive basis.

Money laundering (ML)/ Terrorist Financing (TF) Risk Assessment to identify, assess, prevent and mitigate ML/ TF threats from customers; existing or new product and services; new or developing technologies that might favour anonymity, including Virtual Digital Assets; and take measures to prevent their use in money laundering and terrorism financing.

a system / process for identifying, monitoring and reporting suspected ML or TF transactions to the law enforcement authorities.

process to report cash transactions; or use of fake or forged cash notes.

training and awareness to their staff on AML/PMLA.

Record-keeping framework, to maintain records of all KYC/ CDD, customer transactions, programme, reports etc for 5 years (in case of customer identification records, 5 years from the end of customer relationship).

If the REA is part of a group, then the policies shall be implemented on a group-wide basis.

Do real estate agents need to undertake KYC of the customers?

Yes. Full KYC/ Customer Due Diligence (CDD) must be done by the REAs:

at the time of commencement of an account-based relationship; or

while carrying out occasional transactions of Rs 50,000 or more.

The REA should obtain relevant documents (officially valid documents for identity and address, and other organisation related officially valid documents), and conduct the following:

- Identifying the clients.
- Verifying their identity.
- Obtaining information on the purpose and nature of business relationship.

Determine if the client is acting on behalf of a beneficial owner/s (BO) (where applicable) and take steps to verify their identity. ●

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