NATIONAL ASSOCIATION OF REALTORS – INDIA

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NAR-India Realty News

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Tips to Buying a Second Home

Around NAR-India Events

City Scenario: Hyderabad, Mumbai

Golden Opportunity for Realtors to navigate Global Deals

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Realty Sector set for Breakthrough at US$10 Trillion by 2047

Taxation of Debt Funds

Office Leasing Set to Soar

Institutional Investment Inflows touch US$1.1 billion in Q3

Realty Data

Real Estate Brokers are Here to Stay

PE Investments in Real Estate

Legal: Apartment Ownership Act

Contents

Realty Sector set for breakthrough at US$10 trillion by 2047

India is an economic powerhouse and all set to touch a new high in growth on multiple fronts and realty sector is poised to transform into a USD 10 trillion market by 2047, accounting for 14-20 per cent share in the country's GDP, says a report by COLLIERS-CREDAI.

As India heads towards its centenary year of independence, real estate will play a pivotal role in economic growth trajectory of the country. This long-term growth in real estate is underpinned by six salient growth levers which includes, rapid urbanization, infrastructure development, digitalisation, demographic shifts, sustainability and investment diversification; all of which will form the bedrock for a quantum leap in Indian real estate by 2047. These long-term growth ingredients will be pivotal in the expansion of Indian real estate – from under a trillion currently, to potentially a USD 10 trillion market by 2047, accounting for a 14-20% share in the country's GDP, according to a survey by Colliers-CREDAI.

The interplay between real estate and India's economic growth journey over the next few decades is explored in the latest report "Indian Real estate: The Quantum Leap" by Colliers in collaboration with the Confederation of Real Estate Developers' Associations of India (CREDAI) and released at the CREDAI NATCON event in Sydney. Most importantly, the quantum leap will create multiple real estate hotspots in its wake. Along the accelerated journey till 2047, various real estate segments will evolve and continue to proliferate, growing and maturing by varying degrees. Core assets such as office & residential real estate are likely to mature further and alternative assets such as data centers & senior living will embark upon strong growth trajectories. Market consolidation, fair-pricing and institutionalisation will become more pervasive across asset classes, especially in the industrial & warehousing segment.

Likely transformation of real estate segments in India (2024 to 2047)

Lifecycle Stage	Nascent			Growth			Mature		
Scale	1	2	3	4	5	6	7	8	9
Residential									
Office									
Industrial & Warehousing									
Retail									
Hospitality									
Data Centers									
Other alternate assets *									

Note: `*Other alternate assets include – Senior living, co-living, etc. | Industry/real estate segment lifecycle stage is indicative and is represented by a broad scale ranging from 1-9 (1 being extremely nascent/emerging and 9 being fully mature) Source: Colliers, Industry

Shifting demographics and rising urbanization to spur long-term real estate demand

With shifting demographic pattern in India, the median age is likely to increase from ~30 years to ~40 years by 2050. Further, half of the Indian population is projected to live in urban agglomerations by 2050. With rapid urbanization and supporting factors like infrastructure growth & employment opportunities, real estate traction is likely to expand beyond the tier I cities and create dispersed growth centers in smaller towns & cities. Peripheral areas of established cities and tier II & III cities of the country will particularly witness accelerated real estate development across asset classes.

Shifting demographics will drive real estate activity, especially in housing and retail asset classes. With a significant portion of the Indian population likely to fall in the sweet spot of 'First-time homebuyer' age-

Narendra Modi, Prime Minister of India

bracket, healthy traction across housing categories is expected in the next few decades. Additionally, population with a significant share of older people can potentially speed up investments in the senior living market.

"With the interplay of dynamic factors such as rapid urbanisation, rising median age, and technological advancements, we are on the brink of a quantum leap, entering a new era of growth and diversification. By 2047, an estimated 50% of India's population will reside in urban centers, creating unprecedented demand across residential, office, and retail spaces. Alternative segments like senior living, co-living, and data centers will also witness exponential growth, driven by evolving consumer preferences and technological integration, with a focus on sustainability and energy efficiency becoming a standard across developments. As India navigates this exciting trajectory, the real estate sector will continue to attract institutional investments, fostering transparency, fair pricing, and global competitiveness. Being a leading industry body, CREDAI looks forward to working with various stakeholders to ensure that Indian real estate witnesses sustained and sustainable growth in the decades to come," said Boman Irani, President, CREDAI National.

"India has set its sight on becoming a USD 10 trillion real estate market, driven by the sector's ability to adapt and innovate. Landmark initiatives such as RERA and REIT regulations have enhanced transparency, improved investor confidence, and streamlined operations across the sector. These reforms, alongside critical programs like PMAY and Gati Shakti, are creating a conducive environment for sustained real estate development. The government's focus on affordable housing, infrastructure modernization, and industrial corridors have transformed both urban and rural landscapes, driving growth beyond traditional hubs. This transformation is creating vibrant opportunities for developers, investors, and homebuyers alike. As we move forward, real estate will continue to be a catalyst for employment generation, economic resilience, and sustainable urbanization, reinforcing its role as a key pillar in India's economic growth story," said Manoj Gaur, Chairman, CREDAI National.

"As India commences on a period of expansion across most economic sectors, real estate is set for a 'Quantum Leap', with multiple growth opportunities arising along the accelerated journey phase. Favorable demographics and urbanization trends are likely to accentuate the emergence of over hundred - million plus cities by 2047. This in turn presents a case for emergence of multiple real estate hotspots dispersed across the country. Residential, office and retail segments, particularly, are expected to mature significantly in the next few decades, creating substantial opportunities for investors, developers and occupiers," said Badal Yagnik, Chief Executive Officer, Colliers India

Infrastructure enhancement & supportive regulatory framework, imperative for fostering long-term real estate growth

Infrastructure augmentation and policy-level push have enabled the Indian real estate to sail through multiple ebbs and flows of property cycles. Throughout last few decades, key regulatory frameworks and acts such as the RERA Act, PMAY, and REIT Regulations have provided a boost to investor and end-user participation. Policies and regulations for Logistics and Data Centers have been instrumental in the accelerated growth of newer real estate frontiers. Furthermore, flagship programmes such as the Golden Quadrilateral Project, PM Gati Shakti Master Plan, 'Make in India' Programme and National Infrastructure Pipeline have positively impacted multiple real estate segments across the country, particularly the industrial & warehousing segment. With high-volume freight movement along industrial corridors, we can anticipate amplified requirement for warehouses, logistics hubs, and manufacturing units across multiple smaller locations in the country.

Over the next few years, asset classes under REITs/ SM REITs will expand beyond office and retail to include warehouses, hotels, and rent-yielding residential properties. In the long-term, such financing avenues will become prevalent in alternate real estate verticals such as data centers, hospitals, educational institutes, senior and student living accommodations etc.

Alternate investments to become mainstream

Over the years, driven by strong domestic growth prospects, improvements in ease of doing business, and continual FDI relaxations, foreign capital inflow has grown significantly across diverse sectors. Institutional investments in the real estate sector in the last decade has crossed USD 60 billion, with majority being funded by foreign players. The anticipated spurt in foreign capital and equally strong contribution from domestic investors will fast-track the adoption of alternate funding strategies in Indian real estate. Green financing in the form of bonds & credit issuances and relatively newer financing avenues such as social-impact, distressed, special situation, and venture capital funds will become more prevalent in the next few years.

Digitalization & Sustainability will be the central themes in the future of real estate

Over the next few years, the Indian real estate sector will increasingly embrace digitalization across aspects ranging from planning, design & construction to property & facilities management. PropTech and Metaverse are likely to mature and elevate Indian real estate to global standards of operational efficiency, transparency and accountability. Increased data consumption, growing internet penetration, rise of online services, digitalization of businesses, and stricter adherence to data localization regulations are expected to spur demand for co-location and edge data centers closer to demand hubs.

Advanced technologies will also play a major role in decarbonizing the real estate sector. With focus on built spaces, developers will incorporate sustainable elements at every stage of construction. Green-certifications in the office market will particularly become a hygiene-factor and green-adoption levels are likely to increase from about 60-70% to almost 100% over the next few years.

Office Leasing Set to Soar

India's office leasing is all set to touch 80 million sqft this year, says ADITI VIJ OF CUSHMAN & WAKEFIELD.

The Indian office market is poised for another record-breaking year, with leasing across the top 8 cities anticipated to cross 80 million square feet in 2024, according to Cushman & Wakefield's recent office data. This would be the third consecutive year of surpassing the 70 msf milestone- a first in India's office history.

According to Cushman & Wakefield's office report, the first half of 2024 recorded 41.9 msf of leasing, marking the highest leasing volume ever for the first half of any year. This represents 56% of the total gross leasing volume (GLV) for 2023.

This impressive growth is driven primarily by fresh demand from multinational corporations, the optimisation of pre-leased buildings in key cities, and a higher return to office. The market is anticipated to maintain its strong momentum throughout the year with over 40 msf expected to be leased in the second half.

These impressive numbers can also be partly credited to Q2 2024, which alone saw a GLV of 21.8 msf across the top 8 cities, reflecting a 27% year-on-year increase and an 8.4% growth over the previous quarter.

This consistent quarterly growth underscores the strong leasing momentum with GLV exceeding the 20 msf mark for the third consecutive quarter. One of the key drivers of this growth is quick deal closures by global multinationals and domestic companies, indicating a rise in occupier confidence.

In terms of the cities, Bengaluru, Mumbai, Hyderabad, and Kolkata recorded the highest-ever leasing figures in H1 2024.

India's pivotal role in driving digital transformation for large global multinationals has also significantly contributed to the overall share of GCC transactions, which accounted for 26% of the total GLV in H1 2024.

According to the report, around 120 GCC centers were established during the period. Bengaluru led the way, accounting for 47% of leasing by GCCs in H1 2024.

In terms of the cities, Bengaluru, Mumbai, Hyderabad, and Kolkata recorded the highest-ever leasing figures in H1 2024. Bengaluru and Mumbai saw the highest growth of 132% and 71% on y-o-y basis, followed by Hyderabad and Kolkata.

Net absorption in H1 2024 also reached new heights, recording a 46% year-on-year growth—the highest for any first half since 2020.

While Bengaluru had the highest share of 29% net absorption amongst all top-8 cities in the first half of the year, cities such as Mumbai, Delhi-NCR, Chennai, and Kolkata recorded their highest-ever biannual net absorption. This positive trend reflects the ongoing confidence of occupiers, particularly from GCCs, in India's office market. The momentum is expected to continue with net absorption anticipated to cross more than 40 msf, leading the Asia-Pacific region.

The overall Grade A vacancy rate decreased by 40 basis points to 17.7%, the lowest since Q4 2021, further indicating a tightening market.

The IT-BPM sector continued to dominate leasing activity, contributing 26% of the GLV in H1 2024. The BFSI sector followed as the second-largest contributor, recording a significant 60% growth compared to H1 2023. The Engineering & Manufacturing sector also showed strong performance, with a 31% year-on-year growth, capturing 17% of the lease volume. Flexible workspace operators saw a 44% year-on-year growth, while professional services maintained a stable share of 10-12% over the past two years.

New supply for the first half of 2024 stood at 20.8 MSF, with Hyderabad and Bengaluru together accounting for approximately 51% of the new supply.

Hyderabad led with a 27% share, while Bengaluru continued its strong performance as a key driver of the market.

Looking ahead, Hyderabad and Bengaluru are projected to lead new supply in 2024, with a combined share of 48%.

Mumbai is expected to experience a threefold increase in new supply, further boosting the overall market.

Large deal inquiries are anticipated to accelerate project completions in the second half of the year, with new supply in 2024 forecasted to rise by 19% compared to 2023 levels.

Veera Babu, Managing Director, Tenant Representation, said, "India's office leasing market is experiencing a remarkable surge, driven by strong economic fundamentals, advanced digital ecosystem, higher return to office, and pent-up demand from businesses that delayed expansion plans during the pandemic. We are also witnessing companies prioritizing high-quality spaces with strong ESG credentials and modern amenities, leading to a consolidation in the market and a resurgence of large deals (>100,000 sq

Continued on Page 17

Institutional investment inflows touch USD 1.1 bn during Q3

Q3 too registered a healthy investment inflow of about US$1.1 billion with office segment dominating the share, says COLLIERS SURVEY.

Sustained confidence in Indian economy continued to drive institutional investments into the real estate sector, reaching USD 4.7 billion during the first three quarters of 2024, almost at par with the corresponding period in 2023. Following significant inflows in the first two quarters, Q3 2024 too registered healthy investment inflow of about USD 1.1 billion, reflecting a 45% YoY growth. Office segment accounted for 54% of the total investments during the quarter, followed by residential, with a 33% share. Residential inflows during Q3 2024 were particularly driven by domestic capital. Overall domestic investments remained robust at USD 0.5 billion, driving 44% of the total inflows during the quarter.

"Institutional flows in Indian realty remain consistent, indicating sustained investor confidence. The investors are well diversified between global and domestic capital. While office assets remain a key focus, industrial & warehousing and residential segments are gaining significant momentum. The newer emerging themes like fractional ownership in office & warehousing, residential platforms with developers, flexible credit, and hospitality are driving opportunities for investors. Of the total USD 4.7 billion institutional inflows during the first nine months of 2024 (Jan-Sept), over 60% were directed towards industrial & warehousing and residential assets. With continued momentum, 2024 is expected to end on a higher note, likely surpassing 2023 volumes," said Piyush Gupta, Managing Director, Capital Markets & Investment Services

Investment inflows (USD million) Q3 2024 –

Asset Class	Q3 2023	Q2 2024	Q3 2024	Q3 2024 vs Q3 2023 (% YoY Change)	Q3 2024 vs Q2 2024 (% QoQ change)
Office	79.1	334.4	616.3	679%	84%
Residential	274.6	543.5	384.8	40%	-29%
Alternate assets*	72.2	-	-	-100%	-
Industrial & Warehousing	340.3	1,533.1	95.2	-72%	-94%
Mixed use	27.2	122.3	52.4	93%	-57%
Retail**	-	-	-	-	-
Total	**793.4**	**2,533.3**	**1,148.7**	**45%**	**-55%**

***Note:** ALTERNATE ASSETS INCLUDE DATA CENTERS, LIFE SCIENCES, SENIOR HOUSING, HOLIDAY HOMES, STUDENT HOUSING, SCHOOLS ETC. (INVESTMENT INFLOWS IN ALTERNATE ASSETS WERE LIMITED IN BOTH Q2 AND Q3 2024)
**INVESTMENT INFLOWS IN RETAIL WERE LIMITED IN Q3 2023, Q2 2024 & Q3 2024
Source: COLLIERS

Investment inflows (USD million) YTD 2024 –

Asset Class	YTD (Jan-Sep) 2023	YTD (Jan-Sep) 2024	YTD 2024 vs YTD 2023 (% YoY Change)
Office	2,886.9	1,513.6	-48%
Residential	707.9	1,030.9	46%
Alternate assets*	230.4	21.0	-91%
Industrial & Warehousing	690.6	1,806.0	162%
Mixed use	42.3	305.6	622%
Retail**	-	-	-
Total	**4,558.1**	**4,677.1**	**3%**

***Note:** ALTERNATE ASSETS INCLUDE DATA CENTERS, LIFE SCIENCES, SENIOR HOUSING, HOLIDAY HOMES, STUDENT HOUSING, SCHOOLS ETC. **INVESTMENT INFLOWS IN RETAIL WERE IN YTD 2023 AND YTD 2024 **Source:** COLLIERS

at Colliers India.

In addition to continued traction in domestic capital, foreign investors also maintained a sizeable and a healthy appetite for Indian real estate. At USD 0.6 billion inflows in Q3 2024, foreign investments have more than doubled compared to the investments witnessed in Q3 2023.

Foreign investments accounted for 88% of the total inflows into the segment during Q3 2024.

Quarterly investments in Office segment surged by 6.8X times over Q3 2023

After witnessing subdued activity in the previous quarter, investments in the office segment doubled on a QoQ basis, at USD 0.6 billion inflows. At the same time, investments also rose by 6.8X times as compared to the same period last year. Foreign investments accounted for 88% of the total inflows into the segment during Q3 2024. Going forward, robust demand and supply momentum in Grade A office spaces across the top markets will keep the investor confidence buoyant.

Apart from office assets, residential assets too witnessed notable inflows during the quarter at USD 0.4 billion, witnessing a substantial surge of 40% on a YoY basis.

“Private equity investments in the residential segment are on the rise, fuelled by home-ownership trends and growing interest from domestic as well as foreign institutional investors. In the first nine months of 2024, investments in the segment crossed USD 1 billion, marking a significant 46% year-on-year increase. Q3 2024 alone saw USD 0.4 billion in residential investments, accounting for one-third of the total investments in the quarter. Most of these investments were directed towards developmental assets, as institutional investors continue to partner with reputed developers in marquee residential projects. With a conducive domestic environment, ongoing festive season and a much-anticipated reduction in interest rates, investor confidence in India’s residential real estate market is poised to remain intact,” said Vimal Nadar, Senior Director and Head of Research, Colliers India.

Chennai & Mumbai together drove about 57% of the quarterly inflows

Chennai and Mumbai together accounted for about 57% of the total inflows during Q3 2024 backed by key acquisitions in office segment. Almost 70% of the inflows in Chennai during the quarter were driven by foreign investments.

Mumbai and Delhi NCR cumulatively witnessed about 44% of the total quarterly investments in the residential segment.

Furthermore, multi-city investments corresponded to 30% of the overall inflows during Q3 2024 and were predominantly directed towards office and residential asset classes.

City-wise investment inflows in Q3 2024 –

City	Q3 2023	Q3 2024	Investment share in Q3 2024 (%)	Q3 2024 vs Q3 2023 (%)	YTD (Jan-Sep) 2023	YTD (Jan-Sep) 2024	Investment share (%) YTD 2024	YTD 2024 vs YTD 2023 (%)
Bengaluru	45.1	54.0	5%	20%	241.8	486.0	10%	101%
Chennai	47.0	380.1	33%	710%	132.3	534.2	11%	304%
Delhi NCR	24.3	79.6	7%	228%	492.0	417.5	9%	-15%
Hyderabad*	-	-	-	-	127.3	300.9	6%	136%
Mumbai	196.6	277.6	24%	41%	585.8	406.7	9%	-31%
Pune	-	10.8	1%	>100%	-	269.0	6%	>100%
Others/ Multi-City	480.4	346.6	30%	-28%	2,978.9	2,262.8	49%	-24%
Total	**793.4**	**1,148.7**	**100%**	**45%**	**4,558.1**	**4,677.1**	**100%**	**3%**

Source: COLLIERS **Note:** * INVESTMENT INFLOWS IN HYDERABAD WERE LIMITED IN BOTH QUARTERS

Investments PR Q3 2024 data tables

1. Select PE deals in Q3 2024 –

Investor	Investee	Deal Value (in USD million)	City	Asset class
Keppel Land	RMZ Corporation & CPPIB	264.0	Chennai	Office
Mahindra Lifespace, Actis-warehousing Ample Parks		95.0	Chennai	Industrial &
CapitaLand	Aurum ventures	84.0	Mumbai	Office

Source: COLLIERS

2. Select PE deals by Domestic Investors in Q3 2024 –

Investor	Investee	Deal Value (in USD million)	City	Asset class
Kotak Investment Advisor Ltd (KIAL)	Supertech	54.0	Delhi NCR	Residential
Clear Bridge Ventures	Property Ventures (India)	40.0	Mumbai	Office
ASK Group	Kalpataru Group	23.0	Mumbai	Residential

Source: COLLIERS

3. Select PE deals in YTD 2024 –

Quarter/ Year	Investor	Investee	Deal Value (in USD million)	City	Asset class
Q2 2024	ADIA, KKR	Reliance retail ventures Ltd	1,500	Others/Multi-city	Industrial & warehousing
Q3 2024	Keppel Land	RMZ Corporation & CPPIB	264.0	Chennai	Office
Q1 2024	GIC and Xander Group	Waverock	258.0	Hyderabad	Office
Q2 2024	Mapletree	Adarsh Developers	229.0	Bengaluru	Residential
Q1 2024	Edelweiss Capital	MFAR Developers	178.0	Bengaluru	Office

Source: SAVILLS, REIT QUARTERLY FILINGS, BSE.
Note: In-place rents for Nexus Select Trust is reflective of average rent for retail portfolio.

4. City-wise investment inflows in Q3 2024 –

City	Q3 2023	Q3 2024	Investment share in Q3 2024 (%)	Q3 2024 vs Q3 2023 (%)	YTD (Jan-Sep) 2023	YTD (Jan-Sep) 2024	Investment share YTD 2024 (%)	YTD 2024 vs YTD 2023 (%)
Bengaluru	45.1	54.0	5%	20%	241.8	486.0	10%	101%
Chennai	47.0	380.1	33%	710%	132.3	534.2	11%	304%
Delhi NCR	24.3	79.6	7%	228%	492.0	417.5	9%	-15%
Hyderabad*	-	-	-	-	127.3	300.9	6%	136%
Mumbai	196.6	277.6	24%	41%	585.8	406.7	9%	-31%
Pune	-	10.8	1%	>100%	-	269.0	6%	>100%
Others/ Multi City	480.4	346.6	30%	-28%	2,978.9	2,262.8	49%	-24%
Total	**793.4**	**1,148.7**	**100%**	**45%**	**4,558.1**	**4,677.1**	**100%**	**3%**

Source: COLLIERS **Note:** * INVESTMENT INFLOWS IN HYDERABAD WERE LIMITED IN BOTH QUARTERS

Residential Property – Sales

Market	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q3 2024 YoY growth %	Q3 2024 YTD change %
Mumbai	23,765	23,743	23,516	24,222	9%	13%
Bengaluru	14,630	13,133	14,271	14,604	11%	7%
Pune	14,517	11,832	12,693	13,200	1%	9%
NCR	15,907	15,527	13,471	12,976	-7%	-5%
Hyderabad	9,200	9,550	9,023	9,114	9%	17%
Ahmedabad	4,023	4,673	4,704	4,578	11%	15%
Kolkata	3,903	3,937	5,193	4,309	14%	21%
Chennai	3,900	3,950	4,025	4,105	6%	10%
Total	**89,845**	**86,345**	**86,896**	**87,108**	**5%**	**9%**

Source: COLLIERS **Note:** * INVESTMENT INFLOWS IN HYDERABAD WERE LIMITED IN BOTH QUARTERS

Residential Property – Launches

Market	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q3 2024 YoY growth %	Q3 2024 YTD change %
Mumbai	22,993	25,263	21,722	23,677	21%	1%
Pune	10,635	13,293	14,754	15,049	42%	36%
Bengaluru	14,231	13,135	12,432	13,966	5%	7%
NCR	16,803	14,893	15,687	13,128	-19%	-5%
Hyderabad	13,100	11,140	11,160	10,902	-1%	-2%
Ahmedabad	5,945	5,159	5,079	5,702	-5%	-4%
Chennai	4,150	4,350	4,505	4,273	7%	8%
Kolkata	3,976	6,021	4,808	3,782	-24%	24%
Total	**91,833**	**93,254**	**90,147**	**90,479**	**6%**	**6%**

Source: COLLIERS **Note:** * INVESTMENT INFLOWS IN HYDERABAD WERE LIMITED IN BOTH QUARTERS

Office Mart – Details of Transactions (mn sqft)

Market	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q3 2024 YoY growth %	Q3 2024 YTD change %
Bengaluru	3.4	3.5	4.9	5.3	158%	52%
NCR	2.5	3.1	2.6	3.2	26%	16%
Mumbai	1.0	2.8	3.0	2.7	-17%	31%
Pune	1.4	1.9	2.4	2.6	-14%	30%
Chennai	4.4	1.2	1.9	2.6	35%	-13%
Hyderabad	2.9	3.0	2.0	2.2	-26%	23%
Ahmedabad	1.1	0.5	1.2	0.3	69%	178%
Kolkata	0.5	0.2	0.5	0.2	-38%	2%
All cities	**17.3**	**16.2**	**18.5**	**19**	**18%**	**27%**

Source: COLLIERS **Note:** * INVESTMENT INFLOWS IN HYDERABAD WERE LIMITED IN BOTH QUARTERS

Tips to Buying a Second Home

There are ground rules to be followed while investing in a second home, says AMIT CHOPRA.

Buying a second home in a different city can be an exciting way to diversify your investments and create a new getaway. However, it also comes with unique challenges due to differences in local laws, regulations, and property procedures. To make the process smoother, it's essential to understand and navigate these differences effectively.

Local Regulations: What You Need to Know

One of the first things to consider when buying a home in a different city is the variation in local regulations. These can include zoning laws, land use restrictions, environmental rules, and different rates for stamp duty and registration fees. For instance, some cities might restrict the purchase of agricultural land to local farmers, while others might have more relaxed rules. Costs like stamp duty can also differ significantly from one city to another, which can affect your overall investment.Understanding these regulatory details helps you avoid legal issues, reduce costs, and make informed decisions about your new property.

Identifying Key Regulatory Bodies

Another crucial step is identifying the relevant regulatory bodies and authorities in the city where you're buying. Different cities may be governed by various entities, such as municipal corporations, development authorities, or local councils. These bodies are responsible for tasks like approving building plans, issuing occupancy certificates, and ensuring compliance with local building codes. Knowing who to deal with is essential for obtaining the necessary approvals and avoiding legal troubles.Being familiar with these authorities ensures you meet all legal requirements, reducing the risk of future disputes or penalties.

Ensuring the Property is Debt-Free

Before finalizing your purchase, it's essential to confirm that the property is free from any financial encumbrances. This involves thorough due diligence, such as reviewing the title deed and obtaining an encumbrance certificate. This certificate will reveal any past transactions involving the property, including whether it has been mortgaged. You may also need to check with banks or financial institutions to ensure there are no outstanding loans tied to the property. Skipping this step could result in buying a property with hidden debts, leading to significant complications. Ensuring the property is free from encumbrances protects you from potential legal and financial issues related to outstanding debts.

Navigating the Ownership Transfer Process

The process of transferring property ownership can vary depending on the location. It may involve securing a clear title, obtaining necessary no-objection certificates (NOCs), and registering the sale deed with the local authorities. Some cities may also have specific restrictions on who can buy certain types of property, such as agricultural land. Being aware of these requirements is crucial for ensuring a smooth transfer and avoiding delays or complications.Understanding the local requirements for property transfers helps you navigate the process smoothly, ensuring a legally sound transaction.

Image by pexels

Before finalizing your purchase, it's essential to confirm that the property is free from any financial encumbrances.

The Value of a Local Realtor

Hiring a knowledgeable local realtor can make a big difference when buying a second home in a different city. A local realtor understands the market dynamics, has in-depth knowledge of the area's regulations, and often has strong connections with local authorities and financial institutions. They can also recommend competent lawyers who can help with title checks and documentation. Their expertise can help you avoid common pitfalls, ensure compliance with local laws, and make the entire process smoother and less stressful.A local realtor's expertise can significantly ease the complexities of buying property in a new city, ensuring a successful transaction.

Conclusion

Buying a second home in a different city can be a rewarding experience, but it requires careful consideration of several key factors. By understanding local regulations, identifying the right regulatory bodies, performing thorough due diligence, navigating the transfer process, and leveraging the expertise of a local realtor, you can confidently manage the complexities of buying property in a new location and enjoy your new home with peace of mind. ●

Mr Amit Chopra is President, NAR-India.

NAR-India National Convention on March 21-22

The fourth convention of NAR-India will be held in Delhi on March 21-22, next year.

The APP Delhi NCR will be hosting the prestigious NAR-India national convention for the fourth time in succession. The widely acclaimed and popular annual event promises to be a landmark event in real estate sector, bringing together all real estate professionals from across the country under one roof to discuss on varied topics of national interest.

The details regarding venue and timing would be announced shortly. The early bird registration charge is Rs 10,000 plus 18% GST (i.e. Rs 11,800). The rate is applicable till October 20.

Goa Realtors body inducts New Council

The Goa Association of Realtors (GAR) recently hosted the induction ceremony of its fifth governing council for 2024-26 at the Fern Kadamba Hotel & Spa, Kadamba Plateau.

It was well attended by the leadership team of the NAR-India, local dignitaries and stakeholders of Goan real estate sector and dignitaries from other trade bodies.

The chief guest was Union Minister of State for Power and Renewable Energy, Shripad Y Naik, while the guest of honour was NAR-India chairman Sumanth Reddy.

Special invitees from NAR-India who graced the event were Samir Arora, CEO, C R Shivakumar, immediate past president, Pradeep Joe, governing body member, Vikas Agrawal, secretary and Ashwin Rasane, organising secretary.

The GAR also honoured NAR-India former chairman and current president, Amit Chopra, with the honourary title of chairman emeritus at the event.

The incoming governing council for 2024-26 of the Goa Association of Realtors comprises Keshav Prabhu, chairman, Nitin Mehra, president, Vibhav Nayak, vice-president, Shiekh Samiruddin, vice-president, Saish Chodankar, secretary, Mouli Mehta, treasurer, Rajesh Kewat, organising secretary, Thomas Grimes, joint-treasurer, Raj Mehta, executive member, Shiju Augustine, executive member and Ravish Manchanda, advisor.

BRAI hosts High-value Education Programme

BRAI conducted an education programme on high-value sales by Sanjaya Hasthak and a presentation on the AI-powered smart search assistant for real estate by Prophunt.ai, along with BRAI networking meeting held on Wednesday, September 25, in Bengaluru.

The programme, proudly sponsored by Prophunt, promises to deliver valuable knowledge and strategies for excelling in high-value sales transactions. It was an excellent opportunity to enhance realtors' skills and network with fellow members. Over 60 BRAI members along with associate members attended the event.

Hyderabad – Surge in Demand for High-end Homes

High-end properties dominated the market, comprising 57% of new launches, a sharp increase from 41% in Q2, says a survey by CUSHMAN & WAKEFIELD.

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

At a sub-market level, the west region dominated, contributing 51% of total launches, with Kondapur and Manikonda being hotspots. The north-west region accounted for 36%, driven by activity in Kollur, while north contributed 10% with Bachupally emerging as a key location.

High-end category takes clear lead

During Q3, there was a clear shift in buyer preference towards high-end apartments. High-end properties dominated the market, comprising 57% of new launches, a sharp increase from 41% in Q2. The mid-segment also saw significant growth, rising from 20% in Q2 to 42% in Q3, reflecting increased buyer activity. In terms of configuration, 3 BHK homes emerged as most favoured, accounting for 66% of new launches in Q3, highlighting a rising preference for larger living spaces.

Rental and Capital Values see Moderate Increases

The average citywise rentals have risen by 4-5%, with the increase largely driven by localities such as Kondapur, Madhapur and Gachibowli in the west. Average capital values have increased by up to 3%, with areas such as Secunderabad, Banjara Hills, Jubilee Hills, Kokapet, Nallagandla, Shashabad, LB Nagar and Narsingi being major contributors. Rising construction costs, driven by higher material and labour prices, are also adding pressure to both rents and capital values. Proposals like the Fourth City in Mucherla and metro phase-II are expected to booth growth citywise, with southern areas likely to benefit significantly from these initiatives.

Residential Property Capital Values in Hyderabad as of Q3

Submarket	Averaged quoted capital value (Rs/sqft)	QoQ change	YoY change
High-end segment			
Banjara Hills/Jubilee Hills	55,000 – 145,000	1%	1%
Madhapur, Gachibowli	40,000 – 68,000	3%	3%
Kukatpally	25,000 – 40,000	0%	0%
Narsingi, Kokapet	20,000 – 35,000	0%	0%
Mid-segment			
Banjara Hills	7,250 – 8,250	3%	3%
Madhapur, Gachibowli	7,000 – 8,000	3%	3%
Kukatpally	6,000 – 8,000	0%	0%
Himayat Nagar	5,500 – 7,200	2%	2%

Source: CUSHMAN & WAKEFIELD

Residential Property Rental Values in Hyderabad as of Q3

Submarket	Averaged quoted capital value (Rs/sqft)	QoQ change	YoY change
High-end segment			
Banjara Hills/Jubilee Hills	10,500 – 15,000	2%	2%
Madhapur, Gachibowli	9,000 – 12,000	0%	0%
Kukatpally	8,000 – 11,000	0%	0%
Himayat Nagar	8,500 – 12,000	0%	0%
Mid-segment			
Madhapur, Gachibowli	26,500 – 45,000	5%	5%
Kukatpally	28,000 – 35,000	5%	5%
Kompally	19,000 – 25,000	5%	5%
Miyapur, Bachupally	13,500 – 19,000	0%	0%

Source: CUSHMAN & WAKEFIELD

Mumbai - Panvel – Better Days Ahead

Improved connectivity levels and infrastructure development augur well for Panvel's residential market for better days, says ANAROCK SURVEY.

Panvel, strategically positioned in Navi Mumbai, has emerged as a prime location for both residential and commercial development. This strategic advantage is bolstered by its excellent connectivity with major transport links such as the Mumbai-Pune Expressway, the Sion-Panvel Highway and the recently inaugurated Atal Setu facilitating seamless travel to Mumbai, Navi Mumbai and Pune from the region.

The upcoming Navi Mumbai international airport further amplifies Panvel's appeal, positioning it as a highly desirable hub for real estate investment. These factors have spurred significant interest among developers, who are now focused on creating integrated townships equipped with modern amenities. These townships are designed to cater to both end-users looking for a comfortable living environment and investors seeking lucrative opportunities. Consequently, Panvel's residential landscape is undergoing a remarkable transformation, with these new developments enhancing its appeal and fostering a vibrant community.

Infrastructure Development

Significant infrastructure projects are driving Panvel's real estate growth. The ongoing construction of the Navi Mumbai International Airport, the last leg of Delhi – Mumbai expressway. The development of 30 km-long suburban rail corridor connecting Karjat with Panvel and the Mumbai metro line extending to Panvel further boosts the area's attractiveness by reducing commute times.

Commercial and Residential Demand

Panvel is witnessing a rise in both commercial and residential demand. The presence of educational institutions, healthcare facilities, and shopping centers enhances its livability quotient. Additionally, the development of new office spaces, IT parks, and industrial zones is creating employment opportunities, further fuelling the demand for housing and commercial properties.

Panvel's connectivity is one of its most significant advantages, contributing to its growing popularity as a prime real estate destination. The region boasts excellent transport links that ensure seamless connectivity to major cities like Mumbai, Pune and Konkan region of Maharashtra and key commercial hubs such as Vashi, Ghansoli, Airoli and Thane, enhancing its attractiveness for both residential and commercial purposes.

Firstly, Panvel is well-connected to Mumbai and Pune through the Mumbai-Pune Expressway, a major arterial road that facilitates easy and quick travel between the two cities. The recently inaugurated Mumbai Trans Harbour Link (MTHL) located at distance of 12 km is set to improve connectivity and accessibility from Panvel to South Mumbai.

Additionally, the Sion-Panvel highway further strengthens this connectivity, providing another crucial link that enhances accessibility to Mumbai and other nearby regions.

The upcoming Navi Mumbai international airport located

Firstly, Panvel is well-connected to Mumbai and Pune through the Mumbai-Pune Expressway, a major arterial road...

at merely 14 km is set to be a game-changer for Panvel. This major infrastructure project will significantly boost the area's connectivity, making it easier for residents and businesses to access national and international destinations. The airport's presence is expected to drive economic growth, attract businesses, and increase property values in Panvel.

Moreover, Panvel is well-served by an extensive railway network, including the Panvel junction, which is a major railway hub connecting various parts of Maharashtra and beyond. This connectivity through railways complements the road infrastructure, offering residents multiple options for commuting.

Outlook

Panvel's real estate market is highly promising, driven by significant connectivity towards Pune via Mumbai-Pune Expressway and Mumbai via Sion-Panvel highway and recently inaugurated Mumbai Trans-Harbour Link (MTHL). The various infrastructure development projects, including the ongoing construction of the Navi Mumbai international airport enhance connectivity and attract businesses and residents. The area offers more affordable residential options and huge land parcels compared to Mumbai, appealing buyers and investors respectively. Integrated townships with modern state-of-the-art amenities, expanding commercial real estate, and growing retail and hospitality sectors further boost demand. Amidst all these favourable factors, property prices in Panvel are likely to appreciate, driven by infrastructure projects and increased demand, making it an attractive destination for real estate investment and a better quality of life with green spaces and recreational facilities.

Real Estate Brokers are here to stay

Weak sentiment does not last forever, especially in a fundamentally strong market, says SUMANTH REDDY ARANI.

In the past few years, PropTech companies have burst onto the scene with bold claims of disrupting the "outdated" real estate industry.

They promise transparency, efficiency, and cost reductions, often at the expense of traditional real estate brokers, who are labeled as unnecessary middlemen. The vision? A tech-driven future where algorithms replace human expertise.

Yet, despite all the funding, flashy marketing campaigns, and cutting-edge tools, brokers remain an integral part of the industry. So, if PropTech is truly the game-changer it claims to be, why haven't brokers disappeared?

The answer is simple: PropTech doesn't fully understand real estate. And it's time we acknowledge that.

Real Estate Is About People, Not Just Transactions

PropTech companies tend to oversimplify real estate, reducing it to a mere set of transactions: property listings, buyers, sellers, and a deal. What they miss, however, is the deeply personal nature of real estate.

For most people, buying or selling a property is the biggest financial decision of their lives. It's an emotional, complex process that can't be streamlined through a digital interface.

Real estate brokers understand this. A property isn't just an asset; it's where people create memories and build futures. Brokers don't just provide market insights—they offer empathy, reassurance, and guidance through an often overwhelming journey. No app or algorithm can replicate the trust and human connection brokers provide.

While PropTech can simplify certain parts of the transaction, it cannot replace the personal touch that brokers bring, especially when high stakes and emotions are involved. Brokers offer something far beyond what data points and virtual tours can provide: they understand their clients' dreams, fears, and unique needs in ways no tech platform ever will.

Real Estate Is Complex, and Algorithms Have Their Limits

The allure of PropTech lies in its promise of automation. Yes, it can streamline processes like property searches or paperwork, but real estate transactions are anything but simple.

Each deal is unique, and every market has its own nuances. Real estate is not like buying something on Amazon—it involves legal, financial, and emotional complexities that tech platforms struggle to address.

Real estate Brokers don't just provide market insights—they offer empathy, reassurance, and guidance through an often overwhelming journey.

Brokers, with their deep local knowledge, negotiation skills, and experience in navigating unforeseen challenges, bring value far beyond what an algorithm can offer.

They understand how local economies affect property values, how zoning laws impact development, and how to structure deals in unpredictable markets.

While PropTech platforms may offer convenience, they often oversimplify the realities of real estate. When complications arise—and they always do—there's no substitute for human expertise.

Why Consumers Still Choose Brokers: The Value of Experience and Personal Service

Real estate transactions are not just complex—they can be highly stressful. Consumers want more than a service; they want to work with someone who has weathered the ups and downs of the market, someone who brings experience, personal service, and dedication to the outcome. That's where brokers shine.

They are on the ground, building lasting relationships based on trust, perseverance, and expertise.

In contrast, many PropTech companies rely on algorithms and automated processes, offering a faceless customer experience. When challenges arise, who's there to offer guidance?

Consumers don't want to navigate one of the biggest financial decisions of their lives alone. They want an expert, not an app, especially when things go wrong.

If PropTech Is the Future, Why Do They Keep Burning Investor Money?

If PropTech platforms are as revolutionary as they claim, why do many rely on endless rounds of venture capital instead of turning a profit? The truth is, many PropTech companies are burning through investor cash without creating sustainable, value-driven businesses. They survive on hype and investor optimism rather than on the actual value they bring to consumers.

Successful companies prove their worth through the value they provide.

When PropTech companies attack brokers, it's not a sign of innovation—it's a sign of insecurity. Instead of answering tough questions about profitability and consumer value, they deflect by vilifying brokers.

How are these platforms making money? What hidden fees are consumers paying? Are they truly offering a better alternative?

In many cases, these companies wouldn't survive without constant infusions of capital, because they haven't figured out how to deliver lasting value.

PropTech companies tend to oversimplify real estate, reducing it to a mere set of transactions: property listings, buyers, sellers, and a deal.

Oversimplification Is Not a Solution—It's a Risk

PropTech platforms thrive on selling simplicity: just click here, swipe there, and you've bought your dream home. But oversimplifying the real estate process is risky. Real estate is not one-size-fits-all.

Each transaction is unique, each market is different, and each client has specific needs. Stripping away the expertise and personalized service that brokers provide leaves consumers to navigate complex legal, financial, and market challenges on their own.

Yes, technology can make certain aspects of the process more efficient, but it cannot replace the tailored advice and hands-on support that brokers provide when things don't go as planned.

Collaboration, Not Replacement: The Future of Real Estate

The future of real estate isn't about choosing between PropTech and brokers—it's about collaboration. PropTech can enhance efficiency and streamline processes, but it cannot replace the human elements critical to the industry.

Brokers are here to stay because they offer something technology cannot: experience, expertise, and personal service. The PropTech companies that will thrive in the future are those that recognize this and work alongside brokers rather than trying to replace them.

Time for to Prove Its Worth

At the end of the day, PropTech platforms have much to prove. They've positioned themselves as the future of real estate, but until they fully understand the complexities of the industry, they won't replace brokers.

The value that brokers provide is irreplaceable—and no amount of marketing or venture capital can change that.

It's time for PropTech companies to focus on delivering real, sustainable value to consumers rather than attacking brokers. The real estate market deserves better than empty promises and inflated rhetoric.

It's time for these platforms to prove they can deliver the trust, expertise, and personal service that consumers need.

Real estate is more than just a transaction—it's a deeply personal journey. And brokers will continue to guide that journey long after the PropTech hype fades. ●

Mr Sumanth Reddy Arani is Chairman, NAR-India.

Golden Opportunity for Realtors to navigate Global Deals

A solid international network simplifies cross-border transactions and referrals and with a supportive network, realty professionals can more easily navigate the complexities of global deals, says AYRES DCUNHA.

In today's interconnected world, navigating the complexities of the global real estate market requires a strategic and multifaceted approach. For professionals aiming for success, focusing on education, networking, relationship building, leveraging technology, and staying informed about current trends is essential. Here's a comprehensive overview of the critical components enabling real estate professionals to thrive internationally.

Real estate professionals should pursue recognised designations, like the Certified International Property Specialist (CIPS), to excel in the global market. This certification provides invaluable insights into cross-border transactions and enhances understanding of international markets and buyer behaviours.

The New York University offers specialised programmes on international property law, global finance, and market analysis. These programmes equip professionals with the necessary skills to navigate the intricacies of global real estate. The real estate landscape is continuously evolving. It is crucial to stay updated through continuing education from organisations like FIABCI and AREAA. This ongoing learning helps professionals remain informed about changes in law, market trends, and investment opportunities.

Image by freepik

The NAR Global Business Councils offer platforms for collaboration with local experts specialising in international transactions.

Effective communication with clients from diverse backgrounds is essential. Cultural competency training helps real estate professionals understand cultural nuances, fostering trust and stronger relationships with international clients. Attending significant events like MIPIM, the NAR Global Real Estate Summit, and Expo REAL provides invaluable networking opportunities. These conferences bring together industry leaders, investors, and policymakers, enabling professionals to establish connections that can lead to fruitful collaborations. Joining organisations like FIABCI and AREAA facilitates peer networking and the sharing of market insights. Becoming a member of these associations provides access to essential resources and knowledge for conducting business internationally.

The NAR Global Business Councils offer platforms for collaboration with local experts specialising in international transactions. These councils provide opportunities to engage with professionals who share similar interests and challenges. Utilising platforms like LinkedIn and dedicated real estate networks broadens global connections. Digital networking allows professionals to engage with peers worldwide, share insights, and foster meaningful relationships.

Collaborating with agents in different countries enhances cross-border transaction capabilities. Establishing referral partnerships allows for seamless client transitions and mutual growth in international markets. Partnering with foreign developers can uncover new client opportunities. These collaborations inform professionals about upcoming projects and trends that may benefit their clients. Building a network of international legal and financial advisors is crucial for navigating the complexities of cross-border transactions. These experts can offer guidance on investment rules, tax implications, and other critical factors. Forming alliances with international brokers expands service reach and market presence. These collaborations can lead to shared resources and more significant market insight, benefiting all parties involved.

Engaging in online webinars and virtual property tours keeps professionals connected and informed without travelling. These events provide opportunities for learning and networking from anywhere in the world. Platforms like Zillow International and Rightmove Overseas facilitate international transactions by connecting buyers and sellers across borders. These marketplaces offer vital exposure to a global audience. Effective customer relationship management (CRM) tools are essential for maintaining connections across time zones. These tools help real estate professionals track interactions and manage client relationships efficiently.

By broadening your network, you can attract international buyers and investors, especially high-net-worth individuals (HNWIs) interested in cross-border investments. A diverse network can lead to new opportunities and clientele.

A solid international network simplifies cross-border transactions and referrals. With a supportive network, professionals can more easily navigate the complexities of global deals.

Connecting with professionals in other regions ensures you remain informed about emerging markets and global real estate trends. This knowledge positions you as a trusted advisor to your clients. Understanding environmental, social, and governance (ESG) practices is increasingly important in real estate. Professional knowledgeable about sustainable practices can differentiate themselves in a competitive market. Innovations such as blockchain and AI are reshaping the industry landscape. Familiarity with these technologies can provide a competitive edge and enhance service offerings.

The pandemic has transformed the real estate market, increasing demand for suburban properties and hybrid workspaces. Awareness of these shifts is essential for adapting strategies and meeting client needs. Investing in education and networking is vital for real estate professionals seeking success in the global market.

By enhancing their expertise and connections, they can better serve diverse clients and stay ahead of industry trends.

Embracing these key components will empower professionals to navigate the complexities of international real estate with confidence and foresight, ensuring a successful career in this dynamic field.

The pandemic has transformed the real estate market, increasing demand for suburban properties and hybrid workspaces.

Mr Ayres DCunha is Global Ambassador to India and Thailand (NAR), CIPS Advisory Board Committee (NAR) & Director, NAR-India.

Continued from Page 5

Office Leasing Set to Soar

ft). While domestic companies continue to show a consistent growth, we're also seeing a notable increase in demand from international businesses attracted to India's dynamic economy and supportive business environment. This confluence of factors has fueled a significant surge in leasing activity in the first half of 2024, and we anticipate this year to set a new record for office leasing in India, building on the positive momentum of the past two years."

Anshul Jain, Chief Executive, India, Southeast Asia and Asia Pacific Tenant Representation further added, "India's unique combination of a skilled talent pool, a tech-friendly environment, and ongoing infrastructure development, has firmly established it as a premier destination for GCCs. We are observing a surge of interest from companies across various sectors, not just technology or large corporations, eager to establish their presence in the Indian market.

This trend is evident in H1 with the addition of 120 new GCC centers, contributing to ~26% of the total GLV share. The positive sentiment among occupiers, particularly GCCs, coupled with a healthy pipeline of quality office supply, sets the stage for a record-breaking year.

We anticipate that 2024 GLV will surpass the historic milestone of 80 million square feet, underscoring the sustained strength and potential of India's office market."

PE Investments in Indian Real Estate

In a 5-year retrospective, PE investments dipped 4% in 1H FY25 due to reduction in investments in the commercial sector, says ANAROCK SURVEY.

The private equity (PE) investments witnessed a 4% decline in the first half of FY25, primarily driven by reduced investments in the commercial sector.

The average deal size has increased by 23% (YoY) largely due to the Reliance – ADIA/ KKR warehousing deal.

The total number of deals also declined from 24 (1H FY24) to 17 (1H FY25).

1H FY21	1H FY22	1H FY23	1H FY24	1H FY25
US$ 1.2 billion	US$ 2.0 billion	US$ 2.8 billion	US$ 2.4 billion	US$ 2.3 billion

Source: ANAROCK CAPITAL MARKET RESEARCH

The share of top PE deal is ~67% of the total PE deal in 1H 25.

Buyer	Asset Class
Abu Dhabi Investment Authority (ADIA) and KKR	Warehousing (Multiple locations)
Seller	**Deal Size**
Reliance Logistics & Warehouse Holdings	US$1.54 billion

Top 10 PE deals – Equity and Debt (1H FY 25)

Residential real estate accounted for 15% of transactions among the top 10 PE deals in 1H FY24. In comparison, the same period last year saw only about 4% of debt transactions in residential RE within the top 10 deals.

The Reliance - ADIA & KKR deal is a hybrid transaction comprising 55% through senior debt, 41% via subordinated NCDs/quasi-equity, and the remainder through equity infusion.

Residential real estate accounted for 15% of transactions among the top 10 PE deals in 1H FY 24. In comparison, the same period last year saw only about 4% of debt transactions in residential real estate within the top 10 deals.

The Reliance-ADIA and KKR deal is a hybrid transaction comprising 55% through senior debt, 41% via subordinated NCDs/ quasi-equity, and the remainder through equity infusion.

Share of top 10 PE deals: The share of top 10 PE deals (yoy) accounted for 97% of the total value of PE investments in H1 FY25 as compared to 93% in 1H FY24.

Movement of Capital Flow (YoY)

Multicity deals confirmed to dominate transaction table in 1H FY25. 1H FY25 was dominated by the Reliance-ADIA/KKR multi-city deal.

Hyderabad led the transaction league tables in city-specific transactions with it reporting investments of US$ 284 million in 1H FY25.

Top 10 PE Deals – Equity and Debt (1H FY25)

Asset Class	Capital Provider	Recipient	Location	Deal Size
Commercial	GIC & Xander group	SPRE Fund II	Hyderabad	$ 258 million
Commercial	CapitaLand India Trust	Aurum Ventures	MMR	$ 85 million
Commercial	CapitaLand India Trust	Phoenix group	Hyderabad	$ 26 million
Residential	HDFC Capital	Provident Housing / Puravankara	Multiple	$ 138 million
Residential	PAG	Shapoorji Pallonji	MMR	$ 61 million
Residential	Edelweiss	Century Real Estate	Bengaluru	$ 54 million
Residential	S C Lowy	Pharande township	Pune	$ 33 million
Residential	ASK Property Fund	Kalpataru group	MMR	$ 23 million
Residential	Nisus Finance	Dharmadev group	Surat	$ 19 million
Warehousing	Abu Dhabi Investment Authority (ADIA) and KKR	Reliance Logistics & Warehouse Holdings	Multiple	$ 1,542 million

City	1H FY24	1H FY25
NCR	3%	0.1%
MMR	23%	9%
Pune	2%	1.5%
Bengaluru	0%	1.5%
Chennai	2%	0.5%
Hyderabad	4%	12%
Portfolio deals (Multiple cities)	60%	67%
Other cities	6%	0.9%

Note: City specific PE investments are higher than the number suggests. However, they are part of the portfolio deals (multiple cities) where the bifurcation amongst the cities is not available.

Asset Classwise Funding (YoY)

During 1H FY25, the industrial & logistics sector captured 66% of total investments, significantly surpassing both the office & residential sectors, which each attracted 17%. Additionally, while PE investments in the office sector declined by 79%, the industrial & logistics sector experienced a substantial 378% increase in investments compared to 1H FY24.

City	1H FY24	1H FY25
Office	73%	17%
Residential	8%	17%
Industrial & Logistics	16%	66%
Others	3%	-

Equity Vs Debt Funding (YoY)

During the H1 FY25, pure debt & equity transactions were less prominent, overshadowed by the notable Reliance–ADIA/KKR deal. As per press release, this transaction includes a mix of senior debt, quasi-equity or subordinate debt, and equity infusion.

	1H FY24	1H FY25
Debt	17%	10%
Equity	17%	87%
Mix	66%	3%

Domestic Vs Foreign Funding (YoY)

In 1H FY25, domestic and foreign investors maintained the same funding proportions as in the first half of the previous year.

	1H FY24	1H FY25
Domestic	13%	14%
Foreign	87%	86%

Key Highlights (1H FY25)

Residential

After a strong two-year bull run, the residential real estate market in major metropolitan areas stabilized in Q2 2025. This period typically sees a slowdown due to the monsoon season and cultural beliefs regarding inauspiciousness.

Remarkably, the share of new launches of homes priced above INR 1.5 Cr reached a record high of 33%, while the share of affordable housing fell to an all-time low of 13%. The top seven cities, the existing inventory saw an annual decline of 8%, dropping from over 610,000 units in Q2 2024 to about 564,000 units in Q2 2025. Average residential prices in these areas experienced a significant increase of 23% (Y-o-Y), with Hyderabad leading at a notable 32% increase, followed closely by Bengaluru & NCR, both reporting a 29% increase.

Outlook:

We remain positive on the prospects of residential demand in India driven by a buoyant economy and increasing aspirations of the home buyers. Declining inventory points to continued firmness in pricing in the foreseeable future.

Commercial Office

The office leasing market demonstrated robust performance this quarter, primarily driven by Global Capital Centres (GCCs) and flexible workspace solutions. GCCs have notably expanded their operations, solidifying their role as key contributors to increased leasing volumes. GCCs are the predominant occupier group in the Indian leasing market for the first nine months of 2024.

The commercial office landscape in India is underscored by an unprecedented wave of net absorption, signalling strong demand from both national and multinational corporations.

Major office hubs, including Mumbai, NCR, Bengaluru, & Hyderabad, continue to attract substantial interest, particularly in the flexible office space segment. Year-on year office leasing transactions have surged, positioning the market for historical highs. Outlook Furthermore, the market size of GCCs in India is projected to grow significantly, indicating strong future demand and potential for expansion in this sector. The flexible workspace sector is expected to expand in descent pace. This growth underscores the evolving work patterns that have emerged in the aftermath of the pandemic.

Retail

India's retail market has been facing a demand-supply gap for the third consecutive year. The sector is undergoing significant expansion, attracting foreign retailers, including luxury brands, eager to enter key locations nationwide. While there have been modest increases in rental and capital values across major cities, domestic retailers continue to lead the leasing market.

Outlook: The Indian retail sector's market size is expected to expand steadily, with significant growth anticipated over the next five years. This growth will be fuelled by a decreasing vacancy rate in Grade-A malls and the planned opening of more than 80 new malls during this period.

Industrial & Logistics

The industrial & logistics sector is witnessing robust growth, driven primarily by substantial absorption in third-party logistics.

Key transactions span various sectors, including logistics, e-commerce, automotive, engineering, FMCG, FMCD, and retail.

The combination of enhanced infrastructure and a strong consumer base is propelling the growth of warehousing facilities, particularly in Tier II and Tier III cities. Outlook: Historically, India has been dominated by Grade-B properties. However, with a growing emphasis on quality, spaciousness, and ESG considerations, Grade-A properties are projected to experience a higher growth than Grade-B properties.

Should the Karnataka Apartment Ownership Act, 1972 be amended?

-By VATSALA S. DHANANJAY

Image used for representational purposes only

It is common knowledge that when a person buys an apartment, the proportionate undivided interest in land is conveyed along with it. This is the most common practice in several states, including Karnataka. The superbuilt up area is a combination of the apartment area and the proportionate interest in the common areas such as lobbies, lifts, stair case, terrace, lift room etc.

DEEMED TRANSFER:

In order to facilitate the rules of common usage and at the same time to retain the independence of the individual flat owners, The Karnataka Apartment Ownership Act, 1972, was enacted. It serves two functions. One, it codifies the procedure for formation of the association. The byelaws along with the Deed of Declaration is to be registered with the concerned sub registrar where the property is situated. The rules and regulations governing the association is to be registered with the sub register. Two, it inserted a deeming provision whereby the individual flats were heritable and transferable, like an independent house.

After the transfer of the land and the entire building to all the flat owners, nothing survives for transfer to the association. The position of law is that the common areas stand transferred to the Association, after it is formed, again, by a deeming provision. The deed of declaration submitted by the flat owners give consent to the same. The common areas are exhaustively listed in the bye laws / deed of declaration. The individual flats continue to be separate property which can is heritable and transferable. By a fiction of law, the first apartment owners also bind the subsequent purchasers without the need for any further consent from such transferees.

The assessment of the each apartment to tax is also separate for each apartment. The common areas and facilities shall NOT be separate property for the levy of tax. The khata is also issued in line with this structure.

In this scenario the transfer of common areas again to the association does not arise. It will be an invalid second transfer. The payment of stamp duty for such transfer will also arise. Indeed the clamour raised by some sections of society is shortsighted, misinformed and will create a legal nightmare.

Exception:

If the Builder follows a model which is common in Mumbai, then the entire land is transferred to a co-operative society / company, which then becomes the owner of the entire building and the entire land. In that case, the individual flat owners get their right to occupy the units by virtue of holding shares. This method is more suitable for commercial spaces in Bangalore , which are centrally managed and let out on rent on the basis of undivided shares in the building.

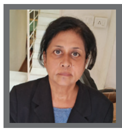
Jurisdiction:

The registrar of co-operative society has jurisdiction to decide all the matters governing the association.

The amendment of the Karnataka Apartment Ownership Act, 1975 could be done in so far as it concerns redevelopment of land and other aspects not covered by the act.

But to call for amendment to transfer the common areas to the association is short sighted and a knee jerk reaction and the same is not well thought out.

There are sufficient laws to deal with misuse by a Developer, even in the rare cases where it occurs, without calling for registered transfer of common areas in the name of the association.



Ms Vatsala S. Dhananjay is a senior lawyer practising in Bengaluru.

Taxation of Debt Funds

Debt funds are mutual funds that invest predominantly in debt instruments that provide fixed-income like government securities, corporate and government bonds, money market instruments, etc.

The principal objective of these mutual funds is to offer relatively stable returns, making them perceived as low-risk investment alternatives when compared to equity mutual funds or hybrid funds which primarily allocate assets into equities.

As a result, debt funds stand out as the favoured investment option for individuals seeking a dependable source of passive income.

Taxation of Debt Mutual funds before 1st April 2023

As per the provisions of the Income Tax Act, 1961, the gains from the sale of debt mutual funds are considered to be

Short-Term Capital Gains: If the debt mutual fund unit is sold within 36 months (three years) of purchase, the gains are termed short-term capital gains (STCG). These short-term capital gains were taxed at slab rates.

Long-Term Capital Gains: If they were sold after 36 months, then the gains were termed long-term capital gains (LTCG). These long-term capital gains were taxed at 20% with an indexation benefit or 10% without indexation. Indexation benefit means the gains made by investors were adjusted for inflation.

Taxation of Debt Mutual funds after 1st April 2023

The Finance Minister on 24th March 2023, announced an amendment to the Budget 2023 in the capital gains tax on debt funds which will be applicable from 1st April 2023.

As per this amendment, LTCG on debt mutual funds will no longer have the benefit of indexation. Therefore, debt mutual funds will now be taxed at the applicable slab rates.

Moreover, indexation benefits will not be available for LTCG on gold mutual funds, hybrid mutual funds and international equity mutual funds.

Consequently, mutual fund houses are likely to be adversely affected as investors may prefer to invest directly in debt securities rather than debt mutual funds to avoid AUM fees/charges.

The change may also impact the attractiveness of these mutual funds as an investment option, as the tax burden on the profits may increase.

Impact of the proposed changes

The recent changes have sent a shock wave across the debt market and especially for retail investors.

Experts believe that this move will crash the debt market in the country as the returns will no longer be as attractive for the common investors. This move will bring the returns from debt mutual funds at par with the bank FDs.

Many believe that this will provide a push for the bank deposits that have not risen as much as the credit demand in the past 12 months.

Investors will likely prefer the less risky investment options like fixed deposits as there will be no tax exchange and this may lead to less inflow of funds towards debt mutual funds.

These funds will therefore have to rely purely on their ability to provide better risk-adjusted returns to attract investors and make investments in debt mutual funds profitable.

The proposed changes in the taxation of debt mutual funds will be tolled into effect from 1st April 2023 and which will bring them in line with FDs and NCDs.

The corporate bond market may gain from the proposed but mutual funds houses focusing on fixed-income mutual funds may face a negative impact.

Investors, however, have the chance to continue to reap the benefits of indexation by investing in debt mutual funds before 31st March 2023.

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