2024

PULSE REPORT

Real Estate Insights and Market Trends

prepared by

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India in the Global Market 2024

India is among the fastest-growing real estate markets. The real estate sector shows promise with a projected **9.2% CAGR** from 2023 to 2028 (IBEF) . This report compares India's real estate outlook for 2025 with global trends, analyzing key sectors residential, commercial, industrial, and data centers while highlighting investment opportunities and risks.

Economic and Market Resilience

- Global markets face uneven recoveries due to **geopolitical tensions** (e.g., U.S.-China trade issues), sustained high interest rates, and deflation risks in Europe and Asia
- Despite global challenges, cross-border real estate investments grew **57% YoY**, with India attracting **\$10 billion** in institutional inflows in 2024.

Policy Risks and Sustainability

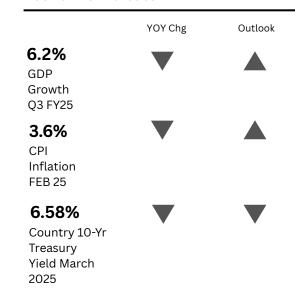
- India's REIT market grew by 13% in 2024, with cumulative distributions for FY 2024-25 reaching USD 728.4 million, up from USD 643.92 million in FY 2023-24 (IBEF).
- Nexus Select Trust saw its stock price rise by 30% within a
 year of its IPO, driven by its diverse pan-India retail
 portfolio and strong institutional backing from both
 domestic and global investors.

Comparison IND vs US

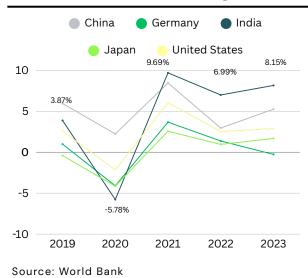
- **U.S.** real estate is valued at **USD 136.6** trillion (2024), supported by a strong economy, 4–6% interest rates, and rental yields of 5–8%.
- India's real estate is booming, set to hit USD 332.85 billion by 2025, with residential prices rising 6.5% (reuters) annually ,well above the global average of 2.69%.
- Despite high growth, the **U.S.** remains the preferred market for global investors due to greater transparency and stability.

As India continues to experience strong growth in its real estate sector, with cities like Bengaluru, Delhi, and Mumbai leading the way, the country is poised to further solidify its position as a global real estate powerhouse in 2025. With a robust economy, strategic infrastructure developments, and a rising demand for both residential and commercial spaces, India offers immense opportunities for investors. As the market matures, the next phase of growth will be making India an attractive destination for long-term real estate investment.

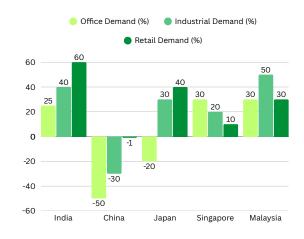
Economic Indicator



GDP Growth (Annual Percentage)



Occupiers Demand Net Volume



Source: KPMG Report 2024



Indian Economic Summary 2024

India's real estate market had a standout year in 2024, with **institutional investments** hitting a record **USD 8.9 billion**, up **51% from 2023**. Foreign investors led the charge, contributing 63% of the capital, while domestic players also gained ground. The **residential sector** came out on top, drawing **45% of total investments**, ahead of office and warehousing.

Three Pillars of Institutional Investment (JLL)

- Residential Sector saw a historic high with USD 4 billion invested, a 329% increase YoY (JLL), making it the top-performing asset class.
- Office Sector attracted USD 2.5 billion despite a 17% YoY decline, with 61% of deals focused on core office assets. Demand remains strong for premium Grade A spaces, especially in Delhi-NCR (23%) and Chennai (21%).
- Warehousing Sector recorded USD 2 billion in investments, up 172% YoY, led by large foreign-led transactions, with 95% of capital from global investors.

Key trends \bigcirc India

By the Numbers

3.57

GDP (current Trillon US\$)

2,480.8

GDP per capita (current US\$)

8.2

GDP growth (annual %)

3.16%

CPI Inflation-2025

120

Housing Index-2025

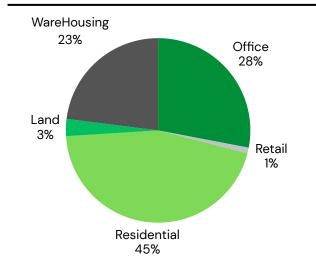
Source: Knight Frank , World Bank

Foreign Investments & Americas Surge Boost India's Real Estate

- Foreign institutional investors continue to lead with **63% of total investments**, reflecting strong confidence in India's real estate market.
- The **Americas region** surged to **26% of investment inflows**, driven by strong economic recovery in the US.

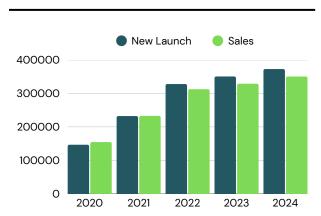
India's real estate sector had a standout year in 2024, driven by strong economic momentum, investor confidence, and policy support. Institutional investments reached \$8.9B, with residential taking the lead over office assets for the first time since 2016. Demand stayed strong across warehousing, healthcare, and green assets, while REITs gained popularity. Despite limited top-grade office supply, global interest remained high setting the stage for a more diverse and resilient 2025.

Sector-wise Investment 2024



Source: JLL Research 2024

Residential Units



Note: The cummulative sales and launches shown in the graph are from Mumbai, NCR, Bengaluru, Pune, Chennai, Hyderabad, Kolkata and Ahmedabad



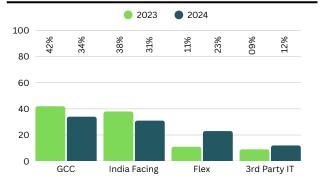
Key trends \bigcirc Office

- ▶ India's office market saw record-breaking net absorption (nearly 50 million sq. ft.) and gross leasing (77.22 million sq. ft.) in 2024, driven by global firms and GCCs, especially in Bengaluru, Hyderabad, Mumbai, and Delhi-NCR
- The office market grew with **BFSI and manufacturing sectors**, and **60%** of future supply is expected to be green, Grade-A spaces.
- Tier-2 cities gained traction for office development, and flexible office spaces (Core + Flex model) remained highly popular, driven by GCCs and hybrid work models.

Key trends \bigcirc Residential

- ➤ Residential sales in top 7 cities hit an unprecedented **303,000 units** in 2024. Luxury homes (**over INR 10 million**) dominated, making up over **half of total** annual sales for the first time.
- In 2024, residential sales in India's top 9 cities dropped 9%, with a 15% decrease in supply. Hyderabad declined the most, while Delhi-NCR grew.
- Homebuyers preferred upgraded amenities, with suburban areas growing due to affordability and improved infrastructure.

End-Use Split of Transactions



- 1. India facing: Transactions where lessees/buyers focus on the Indian market, with no export/import activity.
- 2. Third party IT services: Transactions where lessees/buyers provide IT services to offshore clients without ownership ties.
- 3. Global Capability Center (GCC):Transactions where lessees/buyers offer services to a single offshore company, which fully owns the entity.
- 4. Flex space: Transactions by companies offering flexible office space solutions with adjustable tenure and services.

Source: Knight Frank

Market Wise Rental Movement (Offices)

Market	Rental Value INR/sq ft/month	YoY Change
Mumbai	118	4%
Bengaluru	92	6%
Delhi NCR	88	3%
Pune	77	5%
Chennai	69	6%



Bengaluru's Residential Market

Bengaluru achieved its highest residential sales in a decade, with 55,362 units sold in 2024, a **2% YoY** growth. The average residential price grew from ₹5,900/sq ft in 2023 to ₹6,620/sq ft by year-end.

Shift Toward Premium Housing

- Premium homes above **₹10 million** dominated demand in 2024, with the **₹10-20 mn** bracket alone accounting for **35%** of total annual sales.
- Together, the ₹10-20 mn and ₹20-50 mn segments contributed 56% of sales.

Affordable Segment Loses Steam

- The affordable housing segment (below INR 5 million) in Bengaluru experienced a decline in 2024, with its share of total sales dropping to 9% from 11% in 2023.
- The segment's **QTS** rose to **11.5 quarters**, reflecting slow absorption and oversupply in the affordable category.

Key trends \bigcirc India

By the Numbers

56,014 units
Total Launches-2024

55,362_{units}
Total Sales-2024

54,131 units
Unsold Inventory-2024

6,620 INRAvg Price in INR/sq ft

62%

Combined share of Bengaluru, Mumbai and Pune in 2024 annual sales

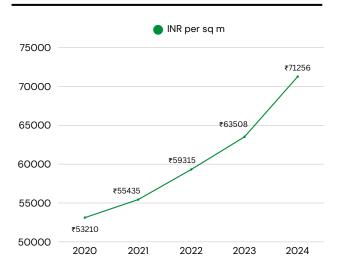
Source: Knight Frank , World Bank

Why Bengaluru Went Premium in 2024 ??

- Affluent buyers led demand, with ₹10-50 mn homes making up over 50% of 2024 sales, driven by high-income professionals and startup founders.
- Affordable housing demand collapsed, with <₹5 mn homes dropping from 11% to just 9% of total sales due to limited supply and rising costs.
- **Premium homes sold faster**, even with rising inventory, while affordable units saw weak absorption.

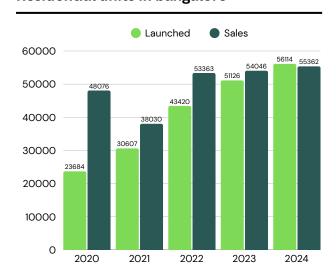
Bengaluru's residential market remained resilient in 2024, backed by strong economic fundamentals and major infrastructure upgrades. As developers met the growing preference for premium, spacious homes, demand stayed steady across segments. With metro expansion and better road and airport links, the city's housing market is well-positioned for continued growth.

Average Residential Price Movement



Source: JLL Research 2024

Residential units in bangalore



Bangalore Residential Market



Micromarket \bigcap Trend

- ➤ South Bengaluru contributed 32% of total residential sales in 2024, driven by proximity to tech hubs like ORR and Electronic City, with strong support from the upcoming Yellow Line metro.
- ➤ East Bengaluru remained the top IT corridor, accounting for 42% of citywide demand, led by Whitefield and KR Puram with improved metro access and strong investor interest.
- ➤ North Bengaluru's sales share declined from 22% to 20% in 2024 despite increased launches, due to the higher volume of new premium supply outpacing immediate absorption within the micro-market.
- > West Bengaluru with a modest 4-6% share in both sales and launches, remained steady due to mature infrastructure and limited land supply
- **Central Bengaluru** saw no major launches or sales, but maintained premium demand in legacy zones like **Lavelle Road, Langford Town**.

Residential Price Movement in Select Locations

Micro-Market	Location	Price range in 2024 in (INR/sq ft)	12 month Change
Central	Langford Town	(15,000-22,000)	0%
	Lavelle Road	(21,000-30,000)	0%
East	KR Puram	(5,200-9,000)	22%
	Whitefield	(6,000-11,000)	20%
North	Hebbal	(6,300-13,000)	10%
	Yelahanka	(4,600-8,000)	5%
South	Sarjapur Road	(5,000-11,000)	14%
	Electronic City	(5,000-7,500)	15%
West	Yeshwantpur	(7,300-12,400)	7%
	Malleswaram	(8,200-16,300)	8%



Bengaluru's Office Market

Bengaluru's office market saw record-breaking transactions in 2024, with 1.7 million sq m leased, the highest annual volumes to date. Supply remained balanced with 1.2 million sq m of completions, while rents rose 6% YoY to ₹91.8/sq ft/month.

GCCs Reshape Bengaluru Office Market

- Global Capability Centers (GCCs) have become key drivers of leasing activity in Bengaluru, with major players like Amazon, Bosch, and Walmart leading the expansion.
- The strongest demand is being seen in Outer Ring Road (ORR) and (PBD)
 North & East.

Vacancy Rates Tumble as Office Stock Peaks

- The total office stock rose to **21.1 million sq m**, a **6% increase** over the previous year.
- Vacancy rates dropped sharply by 324 basis points, reaching 11.9%, highlighting strong absorption of new supply.

Key trends \bigcap India

By the Numbers

1.2 mn sq m
Total Completions-2024

1.7 _{mn sq m} Total Transactions-2024

988.6_{INR}

Average transacted rent in sq m/month

8%

YoY Change in average rent across market during Q1

11.9%

2024 Vacancy

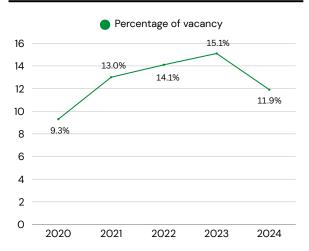
Source: Knight Frank , World Bank

Infra, Innovation, Investment: Bengaluru's Winning Combo

- **Economic resilience** played a critical role, as India's growing economy bolstered business confidence and led to increased investments in the commercial real estate sector
- Bengaluru's reputation as a **global tech and innovation hub** attracted steady demand from multinational companies and startups.
- **Government-backed infrastructure** projects and pro-business policies created a favorable environment for sustained occupier interest.

These developments are boosting the appeal of emerging micro-markets and encouraging both occupiers and developers to expand into new areas. As projects near completion, they are set to drive the next wave of growth, reinforcing Bengaluru's position as a leading business destination

Bengaluru Office Market Vacancy



Source: Knight Frank

Bengaluru Office Market Activity



Bengaluru Office Market



Micromarket \bigcap Trend

- CBD and Off-CBD remained premium but niche, with very low vacancy (~2.5%) and top-tier rents between ₹130-210/sq ft/month, limited by supply constraints.
- SBD saw strong leasing and rent growth (up to ₹180/sq ft/month), driven by startups and flex operators.
- **PBD East** followed closely, accounting for **32% of transactions**, backed by the Purple Line metro and sustained interest from IT and GCC occupiers.
- PBD South maintained stable leasing (~14% share), offering affordable large-floorplate options with rents around ₹55-90/sq ft/month.
- PBD North emerged as the fastest-growing submarket, jumping from 7% to 21% of citywide leasing. Airport access, new expressways, and upcoming metro lines drove demand, with rents at ₹55-95/sq ft/month.

Business District Wise Rental Movement

Micro-Market	Rental value range (INR/sq ft/month)	12-month change
CBD & Off-CBD	(130 - 210)	11%
SBD	(100 - 180)	12%
PBD East	(65 - 85)	3%
PBD South	(55 - 90)	4%
PBD North	(55 - 95)	3%
ORR	(100 - 125)	2%

Business District Classification

Locations
MG Road, Residency Road, Cunningham Road, Lavelle Road
Indiranagar, Koramangala, Airport Road, Old Madras Road
Whitefield
Electronic City, Bannerghatta Road
Thanisandra, Yelahanka, Devanahalli
Hebbal ORR, Marathahalli ORR, Sarjapur Road ORR