

A resilient realty

2025 proved to be a dynamic chapter for the real estate sector with various segments gaining significant traction



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As 2025 draws closer, it is time to have a closer look at how the various segments of real estate performed. The sector has maintained steady upward momentum, driven by rapid urbanisation, improving affordability, and rising homebuyer confidence.

Rohan Khatau, director, CCI Projects Pvt Ltd, says, "With changing buyer trends this year we saw an uptick trend towards township projects as individuals from metropolitan cities leaned towards integrated communities that provide schools, open spaces, everyday conveniences, and increased security all within a single ecosystem."

With mid-premium and premium purchasers driving advances and NRIs regaining confidence, the year demonstrated how value and experience-driven living has become key to homebuying decisions in 2025.

Anshuman Magazine, chairman and CEO, India, South-East Asia, Middle East & Africa, CBRE, maintains, "India's real estate market is now anchored by structural fundamentals rather than market cycles. A period of sustained investments, rapid digitisation, and larger capital pools has created the conditions for a healthy balance between quality and quantity across asset classes."

The residential segment has witnessed sustained momentum, support-

ed by homeownership appetite, improving affordability, and disciplined launch pipelines.

Amit Jain, CMD, Arkade Developers, says, "2025 has been a significant year for real estate industry of India, the largest change of 2025 was not necessarily quantitative, it was qualitative. The luxury segment took the lead in the trends with nearly 7,000 of the high-end units largely acquired in metros, which resulted in the year being a moment for the luxury segment. It has shown that they have become more particular and quality conscious preferring tech-advanced properties with global amenities in connected neighbourhoods."

There was a gradual increase in NRI interest and the re-entry of domestic investors who are now looking at real estate as a long-term and stable asset. To developers, this year has brought a refreshing sense of clarity to the market. The market is ready to see refined products, integrated townships and lifestyle-driven developments that will provide the authentic everyday value.

As we move into 2026, the most resilient and future-ready developments will be those that prioritise sustainability, intelligent design, and seamless integration across residential and commercial uses.

Another segment that got traction was holiday homes. Aniruddha Mehta, CMD, Umiya Buildcon Limited, adds, "This year also saw a clear shift toward lifestyle-led buying — more homeowners are choosing holiday homes and monetising these assets during non-occupancy — while premium micro-markets gained traction as buyers prioritise community living, superior social infrastructure, and aspirational upgrades.

Stable interest rates, proactive regulatory reforms, and growing demand for both residential and commercial assets strengthened the market through 2025. Developers embraced greater transparency, technology-led construction practices, and customer-centric design, making the year one of consolidation and maturity for the sector."

Pawan Kumar Agarwal, MD, NK Realtors, says, "Despite the recalibration, India's real estate sector remained largely resilient in 2025. Premium housing grew 4% YoY and captured a dominant 62% market share, driven by HNIs, NRIs, and strong launches in tech hubs like Bengaluru and Chennai. Overall, the momentum was supported by steady new supply, rising institutional capital flows, and a rebound in office leasing, while challenges such as regulatory delays, high-interest rates, execution gaps, and sustainability costs continued to exist. Coimbatore, a Tier-2 city, was among those that became value leaders."

The sentiment going into 2026 is still positive. The residential sector is likely to command around 70 per cent market share with price growth of around 7.5%, facilitated by RBI rate cuts, office, and logistics leasing, and a nearly 40% increase in data-centre capacity driven by robust digital demand. More institutional participation, stronger REIT activity, and developer discipline will make 2026 a year of gradual but widespread growth across India's main micro markets.

"Indian real estate is entering 2026 with stronger growth prospects and greater depth across asset classes. Elevated domestic consumption, sustained occupier activity, and rising investor confidence will continue to anchor demand. Commercial and residential growth is set to remain robust, driven by evolving workplace strategies, rising homeownership, and infrastructure-led connectivity enhancements. At the same time, alternative asset classes, including data centres, co-living and senior living, will attract greater institutional interest amid demographic and digital shifts," says Badal Yagnik, chief executive officer and MD, Colliers India.

Similarly, Avneesh Sood, director, Eros Group, says, "India's real estate sector enters 2026 on a more mature footing, driven by premiumisation, institutional capital, and alignment with global demand. Residential sales volumes are stabilising, yet value growth remains strong, with homes above rs 1 crore contributing over 60 per cent of total sales value. This change is structural rather than cyclical, reflecting higher HNI and NRI interest, steady job creation, and developer focus on premium projects with better margins."

Commercial real estate too is poised for a strong year, with GCCs accounting for nearly half of office demand and leasing likely to exceed 70 million sq. ft. in 2026, supported by green-certified Grade-A supply and sectors like engineering, BFSI, and R&D.

Today, the sector is more organised and streamlined. So, developers must stick to a given timeline of delivery. "As projects scale up and buyer expectations rise, developers will place far greater emphasis on predictability, of costs, timelines, and delivery. This will accelerate the shift toward organised, technology-led supply chains, integrated material and service platforms, and asset-light execution models that reduce operational risk," adds Srinivasan Gopalan, CEO, Arisinfra Solutions Limited.

India's real estate sector continues to be on the upswing throughout 2025, supported by strong economic growth, heightened consumption levels, progressive government policies, and sustained investor confidence.

Talking about the performance of the luxury housing segment, Aakash Ohri, joint managing director and chief business officer, DLF Homes, says, "The luxury segment has demonstrated excep-

tional resilience across major cities. This momentum is driven by lifestyle upgradation and a shift towards long-term value creation rather than transactional buying. Luxury housing outperformed all other segments in 2025. Homeownership continues to rise in importance, supported by sustained consumer confi-

A YEAR OF ACCOMPLISHMENT

LIFESTYLE AND SUSTAINABILITY

Homebuyers are likely to prioritise lifestyle and sustainability-driven housing projects. Plotted developments, premium homes, and vacation homes in offbeat locations will be in limelight

TIER-II MARKETS IN FOCUS

Tier-II and III cities are set for long-term growth, driven by urbanisation and infrastructure upgrades

WHAT TO EXPECT IN 2026

Resilient demand fundamentals are expected to support sustained leasing momentum, led by portfolio expansion, workplace reconfiguration, and a continued shift toward premium, future-ready assets.



dence and significant price appreciation in key micro-markets. Real estate has outpaced other asset classes in capital growth and rental yields, making it a preferred investment avenue for HNIs, UHNIs, and NRIs." Demand for amenity-rich, and high-quality luxury projects has grown sharply due to limited supply and rising aspirations. Luxury real estate in India has evolved into a holistic experience, buyers no longer seek merely a residence but an ecosystem that mirrors global standards of convenience, wellness, and everyday indulgence.

Robin Mangla, president, M3M India says, "Real estate sector stands at its strongest inflection point driven by unprecedented homeownership demand, rapid infrastructure delivery, and a clear transition toward experiential, future-ready living. This year also witnessed a structural shift with the launch and acceptance of branded residences as the next leap of luxury for India, redefining how affluent buyers perceive value, personalisation, and global-standard services." The sector's evolution reflects a market that is more confident, transparent, and innovation-led than ever before.

OFFICE DEMAND REMAINS STRONG

India's office market demonstrated notable performance, crossing the 50 million sq ft leasing mark in the first nine months of 2025, an 8 per cent YoY growth. Global Capability Centres (GCCs) drove nearly 40 per cent of this uptake, underscoring their expanding role in Indian commercial real estate.

HOUSING SALES STEADY

During 2025, housing sales across major Indian cities continued to remain steady, led by consistent demand, favourable interest rates, and rise in average income levels. GST rationalisation of key construction materials has been welcomed by residential developers. Infrastructure augmentation in Tier-I markets has further expanded residential catchment areas across suburban and peripheral localities, particularly which are in proximity to office hubs. Moreover, overall affordability levels have improved, given the steady rise in average income levels and 125 bps reduction in benchmark lending rates throughout 2025.

Driven by rapid urbanisation and impetus on infrastructure enhancement, leading residential developers are likely to expand their offerings across Tier-II/III cities of the country.