



## A flourishing affluent class and evolving lifestyles are fuelling demand for luxury housing in India, writes Aneeka Chatterjee

In India, the appetite for luxury housing is on the rise. High-end apartments, penthouses, and bungalows boasting amenities like swimming pools, expansive driveways, and premium interiors are becoming highly sought after.

This surge is being fuelled by millennials with increasing incomes and elevated expectations.

The sale of luxury homes, priced ₹4 crore and above, saw a 75 per cent increase last year, said a CBRE report released in February. This uptick doubled their share in total housing sales, with 12,935 luxury homes sold in 2023 compared to 7,395 in 2022.

A survey by India Sotheby's International Realty in January found that 71 per cent of affluent Indians plan to invest in luxury real estate in the next 12 to 24 months.

Mumbai experienced a 15 per cent increase in sales, driven by premium locales like Altamount Road and Bandra, where property values often exceed ₹100 crore, the CBRE report found. Hyderabad's luxury market, it found, continues to thrive in areas like Jubilee Hills, with prices ranging from ₹20 crore to over ₹40 crore. Goa remains popular for vacation homes, with 35 per cent expressing interest in it. And, 83 per cent of affluent Indians own multiple luxury prop-

erties, indicating a trend towards diversified real estate portfolios.

Mumbai's Tata Realty says while major metropolitan areas like Mumbai, Delhi, Bengaluru, Chennai, Kolkata, Hyderabad, and Pune remain traditional hubs for upscale residences, emerging micro-markets are also gaining traction. At Sector 63 and Golf Course Extension Road in Gurugram, property rates surged 77.3 per cent over the past year.

A report titled "The rise of 'Affluent India'" by Goldman Sachs Research suggests that India's affluent population will grow from 60 million in 2023 to 100 million by 2027. This will boost demand for luxury homes.

Notably, 61 per cent of women prefer housing as their top investment.

Sarthak Seth, senior vice president and chief sales and marketing officer, Tata Realty and Infrastructure, says the company is ready to launch 10 million square feet of projects across key metropolitan areas, including Delhi-NCR, Mumbai, and Bengaluru, alongside ongoing developments in Bhubaneswar, Pune, Bengaluru, and other areas. "These initiatives are expected to generate revenue of about ₹16,000 crore."

The realtor aims to refocus its market efforts on Mumbai, with 40 per cent of its 10 million sq ft of upcoming launches allocated

to the city. These luxury ventures are estimated to contribute additional revenue of ₹7,500-8,000 crore, reinforcing Mumbai's position as its leading market.

"Over the years, luxury housing in India has expanded to include more lifestyle-oriented amenities and sustainable features, reflecting the growing affluence and changing preferences of consumers," says Navin Makhija, MD, of Mumbai-based Wadhwa Group.

Mumbai-based Prescon Group is equally optimistic. "We will deploy strategic investment for luxury housing and second homes that leverage cutting-edge technologies," says Vedanshu Kedia, its director.

Suraj Estates, whose luxury properties range from ₹11 crore to ₹50 crore-plus, is also confident about the sector's prospects. The realtor's projects are mostly sea-facing or close to the sea. Rahul Thomas, whole-time director, Suraj Estate Developers, says they have noticed that people are inclined towards a "sky bungalow" ambiance.

According to the 2024 Luxury Outlook Survey by India Sotheby's International Realty, 41 per cent of high net worth buyers now put in money in real estate primarily for investment purposes, highlighting a shift from 2023 when most capital investment was for end-use.

"Real estate, like any other commodity, is cyclical, but serves as a hedge against inflation," says Ashwin Chadha, CEO, India Sotheby's International Realty. "Currently, the world is experiencing higher inflation, which supports real estate investments. We anticipate that the real estate bull run will continue for another 3-4 years."

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