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# Expert analysis on anticipating trends in the real estate market in 2024

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Indian real estate has seen a robust growth rate in the past couple of years, with an increase in property evaluation and rates



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The [real estate sector](#) is poised for robust growth in 2024, driven by various factors that signal a positive trajectory for the industry. Economic recovery from the challenges of the past few years has instilled confidence in both consumers and investors, creating a favourable environment for real estate expansion.



While talking about the real estate sector's growth prospects in 2024, Jash Panchamia, Management, Suraksha Group, shared, "The real estate market outlook for 2024 appears highly promising, propelled by evolving consumer preferences and [economic dynamics](#). An escalating demand for larger living spaces, coupled with a burgeoning interest in luxury underscores a shift in lifestyle priorities and increasing demand for affordable housing highlights growth. Consequently, the real estate sector, which contributes significantly to India's GDP and registered heightened activity in 2018, will continue to grow in 2024."

Indian real estate has seen a robust growth rate in the past couple of years, with an increase in property evaluation and rates. "Both the mid-housing segment and luxury segment will continue to see rapid growth in 2024. The demand for mid-range housing segment will be driven by evolving preferences and aspirations of homebuyers, who now prefer larger and more spacious homes. This includes residential properties between Rs 40 lakh and Rs 80 lakh," Pradeep Aggarwal, Founder & Chairman, Signature Global (India) Ltd, said.

"According to recent reports the mid-segment homes have grown from 35 per cent to 38 per cent between 2022 and 2023, priced between Rs 50 lakh and Rs 1 crore. The changing [income profiles](#), and growing upper middle-income and high income categories will further strengthen the demand for mid and luxury residential projects in 2024. The anticipated growth in demand aligns with the broader landscape, as the Indian real estate sector is poised to jump multifold in the coming years."

One key factor contributing to the growth is the low-interest-rate environment. Central banks worldwide have maintained accommodative monetary policies, keeping interest rates relatively low. This makes borrowing more affordable for both homebuyers and developers, stimulating demand and driving investment in real estate projects.

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Talking about [affordable housing](#), Aggarwal said, "The real estate sector contributes to around 7 per cent of Indian GDP, contributing 18 per cent to total employment in India. As we move towards being a 5 trillion economy in the coming decades, the sector is poised to play a key role in the country's growth story. With appreciation in property rates, economic inflation and rising cost of construction, there is also a simultaneous growth in household income. In this scenario, the affordable housing definition may need a revisit, as people will become capable of purchasing larger and better projects driving the demand for more quality housing products."

Echoing similar sentiments is Sanjay Dutt, MD & CEO, TATA Realty & Infrastructure Ltd. "As we delve into the dynamics of the real estate landscape in 2023, witnessing a transformative journey marked by strategic shifts and promising indicators, one discerning trend stands out—an evident surge in investments directed towards tier-II and tier-III cities. This signifies a dynamic expansion beyond traditional urban landscapes, reflecting the evolving preferences of both investors and homebuyers," Dutt said.

"Notably, Mumbai has etched its place in this narrative with a remarkable 6.5 per cent year-on-year increase in prime property prices



Post-pandemic, the sector has seen a turnaround. Affirming the same, Gaurav Pandey, MD & CEO, Godrej Properties Ltd, said, "Post-pandemic, homebuyers are increasingly inclined towards homeownership, seeking secure, sustainable, and multi-functional living spaces. This shift in preference has led to an uptick in home sales of upscale residential projects in India as today's buyers prioritise homes that support a better post-pandemic way of living and are willing to pay a premium for quality residential developments. As a result, group housing projects in the mid-premium, premium-plus, and luxury segment are doing well."

Marco Pilia, MD India, Planet Smart City, said that 2024 looks promising for the residential real estate market across top cities with sales expected to witness a robust growth of 15 per cent to 20 per cent. "The sustained sales momentum, promoted by continued pent-up demand from the pandemic, is expected to continue in the coming year. Moreover, the macro trends of ESG and PropTech, with the rise of smart infrastructure, are transforming residences into connected, efficient communities. Properties equipped with these technologies not only offer immediate benefits but also command higher resale values, emphasising the long-term value of embracing innovation," he added.

The Alternative Investment Funds (AIFs) has played a pivotal role in reshaping India's real estate narrative, particularly in Tier 1, 2, and 3 cities. "We've witnessed the burgeoning interest and investment potential coming from these regions, reflecting a paradigm shift in investment preferences. As I reflect on the year, it's also evident that technology has been a pivotal force driving evolution in our sector," Ramashrya Yadav, Founder and CEO, Integrow Asset Management said.

The residential real estate market is currently experiencing its most favourable conditions in the past decade. "This upswing is attributed to a convergence of factors that have created a conducive environment for both buyers and sellers. Homebuyers are in search of prime locations distinguished by quality amenities, top-tier infrastructure, outstanding accessibility, breath-taking vistas and good air quality. We have also seen a growing preference towards spacious home configurations, particularly 3+ BHK apartments. With sustainability gaining prominence and the search for environmentally conscious developers, we will further enhance our focus in 2024 towards carbon neutrality, constructing sustainable buildings and use of eco-friendly materials in projects," K. T. Jithendran, MD & CEO at Birla Estates, informed.

In 2024, the residential property market is poised to undergo noteworthy trends and transformations. "Metropolitan hubs like Mumbai, Hyderabad, Pune, Parts of NCR, etc. are projected to maintain their status as high-potential markets, benefiting from robust economic growth and promising real estate opportunities. Concurrently, tier II cities such as Jaipur, Lucknow, Indore, etc are expected to experience substantial expansion, boosted by improvements in infrastructure and a rise in housing demand," Jash Panchamia, spokesperson from Suraksha Group, shared.

Talking about affordable housing, Panchamia said, "In the buoyant 2024 real estate market, home prices will see a marginal increase, not significant to impact home buying. Home loan interest rate cuts and incentives for affordable housing will likely play a vital role in driving home buying. Selection criteria for homes are expected to be influenced by hybrid work policies, a desire for amenities, and preferences for gated community living."

Deep Vadodaria, CEO, Nila Spaces, said that the trajectory of home prices in 2024 is expected to reflect a balance between market dynamics and industry initiatives. "While the prevailing high cost of capital poses challenges, optimism prevails with anticipation of potential rate cuts in the next two quarters. The industry's strategic innovation and collaboration are pivotal in addressing affordability concerns. The shift towards sustainable practices, coupled with a commitment to accessibility, suggests a concerted effort to make housing more affordable. However, ongoing vigilance and adaptive strategies will be necessary to navigate potential challenges and ensure a balanced and accessible real estate market in 2024," he added.

Home buyers and investors defied expectations this year, setting all-time high sales records across asset classes. "I am confident that the demand will continue to grow in 2024 due to strong economic growth backed by progress in infrastructure and legislation. The demand for residential sales in India in 2023 was driven by larger residences, upgrades to premium properties (above ₹11 crore), and a youthful buyer population, most of whom were in their early to mid-thirties. Additionally, early signs point to the trend continuing prominently in 2024 as developers refine their launches to appeal to a "younger buyer profile" and a "more aspirational" market," Ayushi Ashar, Director of Ashar Group, concluded.

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