



INDIA'S REAL ESTATE RENAISSANCE

Growth, Governance and Future Prospects



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I. INTRODUCTION -

Overview of the Indian Real Estate Market

The real estate sector is one of the most recognised sectors globally. This sector encompasses activities related to property and land and includes various sub-sectors in the categories of commercial, housing, warehousing, mixed-use and retail. India's real estate sector has played a key role in contributing to its gross domestic product (GDP) and the nation's economic growth, over the past decades.

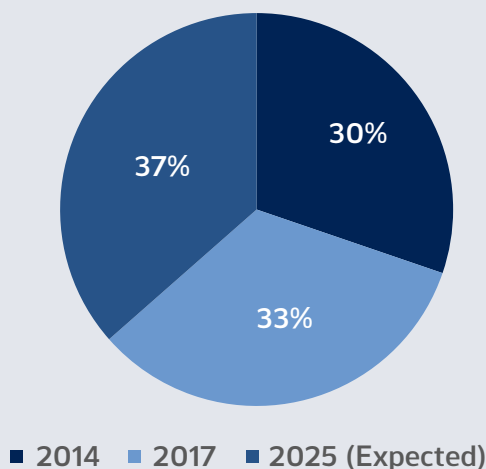
This sector has witnessed tremendous growth in the recent years. The rise in housing demand due to India's growing population, continued focus on infrastructural projects, rapid urbanisation, rise in disposable income of citizens and investor friendly policies have significantly contributed to the development of this sector.¹

In the year 2021, the real estate sector was approximately worth USD 200 billion, and is presently projected to grow to USD 1 trillion by the year 2030.² The contribution of the real estate sector in India to its total GDP is expected to reach 13% by 2025 and become one of the major drivers of the nation's growth.³

The Indian real estate market size is set to exhibit a compound annual growth rate (CAGR) of 8.03% between 2024-2032.⁴ According to a recent report of Confederation of Real Estate Developers' Association, India's real estate sector will account for 15% of the country's total output by the year 2047 to reach USD 5.8 trillion.⁵

The growth of India's real estate sector has been further bolstered by the introduction of various governmental schemes and incentives, emergence of new technologies and shift in approach in other allied sectors.

Real Estate Contribution to GDP (%)



The increased interest in this sector is also evidenced by the surge in leasing activity in the office markets to 63 million sq. ft. in the year 2023 and retail leasing across malls and high streets reaching over 7 million sq. ft.⁶ Further, the leasing activity in Q1 2024 has shown the strongest momentum in the last five years thereby standing at 16.7 million sq. ft. with a 20% year-to-year (YoY) rise.⁷ India also witnessed a robust housing demand across the top 7 major cities of India coupled with tier 2 and tier 3 cities.⁸ According to the High-Powered Expert Committee,

1. Indian Real Estate Market Report by Property (Residential, Commercial, Industrial, Land), Business (Sales, Rental), Mode (Online, Offline), and Region 2024-2032, IMARC (11 April 2024, 02:20 AM), [India Real Estate Market Size, Share, Outlook, 2024-32 \(imarcgroup.com\)](https://www.imarcgroup.com).

2. Real Estate Unboxed The Modi Effect (2014-2024), NAREDCO (11 April 2024, 05:35 PM), [Real_Estate_Unboxed_The_Modi_Effect_5ef38a29b7.pdf \(naredco.in\)](https://www.naredco.in).

3. Navigating the dynamics of real estate in India, KPMG (10 April 2024, 02:12 PM), [Navigating the dynamics of real estate in India \(kpmg.com\)](https://www.kpmg.com).

4. *Supra Note 1*.

5. Aluminium Formwork Simplified: Basics and Beyond, CREDAI (11 April 2024, 01:45 PM), [white paper.cdr \(credai.org\)](https://www.credai.org).

6. Rohan Sharma, India's real estate on a stronger growth path in 2024, JLL (9 April 2024, 01:30 PM), [India's real estate on a stronger growth path in 2024 \(jll.co.in\)](https://www.jll.co.in).

7. India Market Snapshot| Q1 2024, SAVILLS (13 June 2024, 11:30 AM), https://www.savills.in/research_articles/165611/215873-0.

8. A Milestone Year for Indian Real Estate, ANAROCK (11 April 2024, 01:47 PM), [Milestone Year for Indian Residential Real Estate 2022_ANAROCK_ANNUAL_REPORT.pdf](https://www.anarock.com).

investment in urban infrastructure is expected to increase from 0.7 per cent of GDP in 2011-12 to 1.1 per cent by 2031- 32.⁹

In order to further encourage growth in this sector, the Indian Government has introduced various policies and incentives. These include the Smart Cities Mission¹⁰, SWAMIH Fund¹¹, Production Linked Incentive Schemes, and other sector specific incentives such as Pradhan Mantri Awas Yojana to ensure housing for all eligible households.¹²

Under the Union Budget of 2024-2025 the Indian Government has placed emphasis on building digital public infrastructure in the agriculture sector, infrastructural development in the eastern states of India, construction of airports and educational institutions in backward states, and greater connectivity and industrial development by facilitating industrial corridors. The Indian Government has also focused on building industrial parks in over 100 cities by facilitating public – private partnerships and town planning schemes. The Indian Government has thus allocated an amount of INR 11,11,111 crore towards capital expenditure for infrastructure development at central level, and INR 1.5 lakh crore at the state level. Infrastructural development by the private sector will also be bolstered by promoting viability gap funding and policy development.¹³

Under the Union Budget of 2023-24, the Indian Government set up the urban infrastructure development fund for fostering development in tier 2 and tier 3 cities of India and provided INR 10 lakh crore per annum for this purpose.¹⁴ The Indian Government in its budget also identified critical transport and infrastructural projects with investment of INR 75,000 crore (including INR 15,000 crore from private sources).¹⁵ The Indian Finance Minister in this budget further announced the revival of fifty additional projects for airports, heliports, water airdromes, advance landing ground to ensure increased connectivity.¹⁶

Despite it's current growth trajectory, the real estate industry in India had witnessed some fundamental shifts and challenges during the pandemic Covid-19, due to lockdowns and sudden disruption in economic activities. The introduction of the concept of work-from-home caused office leasing activity to significantly reduce with the advent of remote working.¹⁷ However, by the end of the year 2020, the real estate market in India inched closer to economic recovery, whereby the gross leasing activity in the end of the year 2020 nearly matched the 2018 levels.¹⁸

Despite the uncertainty posed by Covid-19, commercial real estate showcased great resilience in India and at present appears promising. The year 2024 is expected to provide a new impetus to the real estate market due to several reasons including (i) continued urbanisation, (ii) increased leasing activities, and (iii) steady increase in the property prices.¹⁹

In this paper, we have set out the key sectors contributing to the growth of the real estate sector in India, the current legal framework, existing policies and the regulatory regime providing scope for greater opportunities in this market.

9. Demand for Grants 2022-23 Analysis Health and Family Welfare, PRS LEGISLATIVE RESEARCH (11 April 2024, 01:47 PM), [DFG 2022 Health and Family Welfare.pdf \(prsindia.org\)](https://prsindia.org/2022-Health-and-Family-Welfare.pdf).

10. Smart Cities Mission Statement & Guidelines, 2015.

11. Faizan Haidar, SWAMIH fund helps in completion of 28,000 homes since 2019, ET (11 April 2024, 01:11 PM), [SWAMIH fund helps in completion of 28,000 homes since 2019 - The Economic Times \(indiatimes.com\)](https://economictimes.com).

12. PMAY- HFA (Urban) Progress, PMAY (11 April 2024, 02:30 PM), [PMAY-HFA\(Urban\) \(pmaymis.gov.in\)](https://pmaymis.gov.in).

13. Budget 2024-2025, (Issued on 23 July 2024) https://www.indiabudget.gov.in/doc/Budget_Speech.pdf

14. Urban Infrastructure Development Fund, PIB (Issued on 06 April 2023 at 1:35 PM), pib.gov.in/PressReleaseSelfFramePage.aspx?PRID=1914187

15. Summary of Union Budget 2023-24, PIB (Issued on 01 February 2023 at 1:37 PM), [SUMMARY OF THE UNION BUDGET 2023-24 \(pib.gov.in\)](https://pib.gov.in).

16. *Supra Note 14*.

17. Anshul Jain, Indian Real Estate in the Post-Covid-19 Era, CUSHMAN AND WAKEFIELD (10 April 2024, 11:30 AM), [Indian Real Estate in the Post-Covid-19 Era | India | Cushman & Wakefield \(cushmanwakefield.com\)](https://cushmanwakefield.com).

18. *Supra Note 16*

19. Rishabh Siroya, Outlook 2024: What will be the emerging trends of the real estate market, MINT (11 April 2024, 02:34 PM), [Outlook 2024: What will be the emerging trends of the real estate market? \(livemint.com\)](https://livemint.com).

II. KEY CONTRIBUTORS

To the Real Estate Sector

a. Manufacturing

India is one of the largest consumer economies in the world due to its young population and rising consumerism. In Q1 2023, the manufacturing sector in India continued to grow despite a global slowdown. The reasons for such growth can be attributed to a steady domestic demand, affordable employment costs, and improved infrastructure.²⁰ The manufacturing sector accounted for 25% of the total absorption in Q1 2024, which stood at 23% in Q1 2023.²¹

There has also been an increase of 76% in foreign direct investment (FDI) in 2023 in the real estate sector.²² The Indian Government further seeks to enhance the share of manufacturing in its GDP from 17% to 25% by 2025.²³

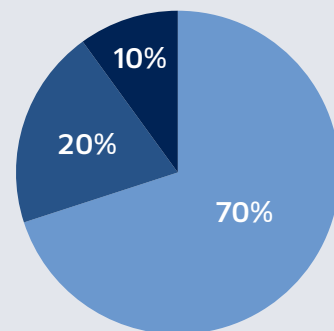
b. Healthcare and Lifesciences

Until 1990s, Indians largely relied on medical facilities provided by the local, state and central governments. However, with a rise in lifestyle related diseases, increased life expectancy and awareness on health issues, Indian citizens are increasingly seeking superior quality health facilities and therefore, availing services of private healthcare. The Covid-19 pandemic has also played a major role in driving significant changes in the healthcare industry of India. The pandemic, by bringing forth the vulnerabilities of the healthcare sector, led to an increased focus on the healthcare infrastructure in India.

The healthcare real estate industry in India was valued at a market size of USD 123 billion in 2023.²⁴ While tier-1 cities have primary healthcare centers, healthcare companies are also establishing their foothold in tier-2 and tier-3 cities in India.²⁵ This transition in the tier-2 and tier-3 cities has accelerated due to various government initiatives and accessibility of land for infrastructure development.

Apart from the general healthcare infrastructure, life sciences industry is expected to witness growth in the coming

Share in the healthcare market in India*



- Medical technology and others
- Hospitals
- Pharmaceuticals

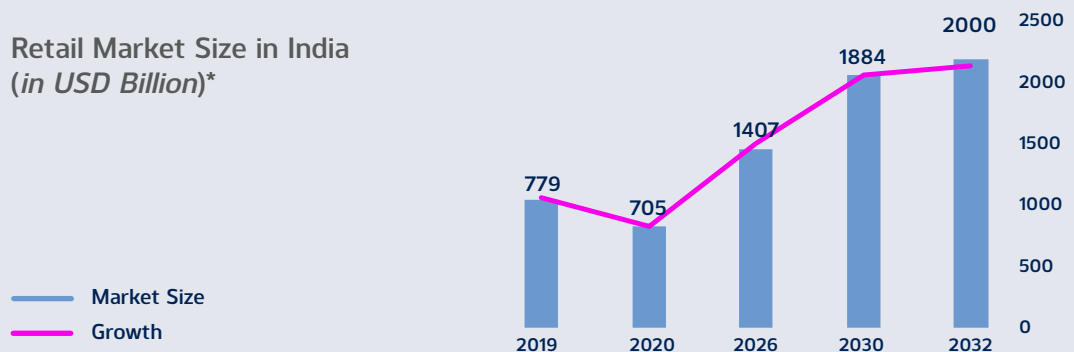
20. Anshuman Magazine, Insights on the Indian Real Estate Market Q1 2023, CBRE (12 April 2024, 12:27 PM). Insights on the Indian Real estate Market Q1 2023 | CBRE India.
 21. Industrial & Logistics, SAVILLS (11 June 2024, 4:39 PM) <https://pdf.savills.asia/pacific-research/india-research/industrial-logistics-q1-2024.pdf>.
 22. India is keen to increase share of manufacturing in GDP from 17% to 25%, PIB (Issued on 29 September 2023 at 5:53 PM), Press Information Bureau (pib.gov.in).
 23. *Ibid.*

24. The blooming landscape of healthcare real estate in India: Pre-Covid, Post Covid and Beyond, Strate (12 April 2024, 11:24 AM), [The Booming Landscape of Healthcare Real Estate in India: Pre-Covid, Post-Covid, and Beyond \(strataprop.com\)](#).
 25. Vaishnavi Gupta, The Visionary Forecaster: How Lenskart is Transforming Eyewear with Tech-Driven Innovation, INDIAN RETAILER (12 April 2024, 11:57 AM), [The Visionary Forecaster: How Lenskart is Transforming Eyewear with Tech-Driven Innovation - Indian Retailer \(indianretailer.com\)](#).
 * 2023 Global Healthcare Report, Knight Frank (11 April 2024, 12:56 PM), [global-healthcare-report-2023-10783.pdf \(knightfrank.com\)](#).

years due to the availability of skilled manpower, favorable government policies, demographic factors and FDI inflow.²⁶ India has one of the fastest growing life sciences markets and the key segments in life sciences include generic drugs, over-the-counter medicines, vaccines, contract research, bio-pharmaceutical and medical devices. Further, India houses more than 760 biotechnology companies with a market size of approximately USD 80 billion.²⁸ Both leasing activities and manufacturing hubs for life sciences products are expected to grow in the coming years which has the potential of boosting real estate activity.

c. Retail

India is one of the most prominent and promising marketplaces in the world and stands at the fifth position as the largest and the most preferred retail destination globally.²⁹ The retail sector in India has witnessed a significant uptick in private



investments. This sector is projected to grow at a CAGR of 9% from USD 779 billion in the year 2019 to USD 1884 billion in the year 2030.³⁰

There are several factors affecting the growth of retail sector in India, some of them include the rise in population, urbanisation, increasing demand and spending by the consumers, and change in the mindset of consumers. FMCG with 65%, apparel & footwear with 10% and consumer electronics with 9% constitutes the largest retail segments in India.³¹ India has retail stores of major multi-national corporations such as H&M, Zara, Adidas, Ikea, Apple. Due to the demand from multiple industry players in the market, the retail leasing activity has seen an exponential growth of 46% on YoY basis during the months of January - September 2023.³²

• Segments under retail sector

The retail sector in India is highly fragmented and comprises various segments including organised retail, traditional retail and e-commerce industry. The traditional retail represents the conventional mode of retailing through brick and mortar stores, while on the other hand, organised retail refers to a contemporary format with sophisticated retailing and organised supply chain management.

26. 2023 India Market Outlook, CBRE (12 April 2024, 12:20 PM), [2023 India Market Outlook | CBRE India](#).

27. *Ibid.*

28. *Ibid.*

* Indian Real Estate Residential and Office Market, KNIGHT FRANK (11 June 2024, 02:10 PM), [india-real-estate-office-and-residential-market-jan-mar-2024-11093.pdf](#) ([knightfrank.com](#)).

29. Retail Industry Report, IBEF (12 April 2024, 12:32 PM), [Retail Industry Report | IBEF \(ibef.org\)](#).

30. *Ibid.*

31. *Ibid.*

32. CBRE – India Market Monitor Q3 2023, CBRE (12 April 2024, 12:30 PM), [CBRE \(cbre.co.in\)](#)

E-commerce players with international pedigree are venturing out in the Indian retail industry and the revenue from online retail segment in India is projected to reach USD 350 billion.³³

Revenue from e-commerce retail (in USD Billion)*



While the online retail market is increasingly becoming important, physical stores still play a vital role by providing in-store shopping experience coupled with social relationship experiences to the customers.

- **Rise of Multi-Channel/ Omni Channel Retailing**

The evolution of retail can be categorised into 4 phases. The first phase saw the birth of modern-day supermarkets, the second phase witnessed upgradation to a more organised hyper-size retail market, the third phase saw the emergence of e-commerce retail platforms and the fourth i.e., the current phase involves rise in multi-channel or omni channel retailing.³⁴

Multi-channel retailing refers to the use of technology and digital transformation to enrich the retail market. The use of technologies such as big data, artificial intelligence, and machine learning in the retail market is expected to enhance consumer experience by putting an end to long queues and promoting experience-based shopping. Various private players including Lenskart have used omnichannel strategy, to enhance consumer experience for its retail stores.³⁵

- **Foreign investment**

The FDI in the Indian retail industry plays a crucial role in its growth and development. At present, the Indian Government allows 100% FDI through automatic route in single brand retail trading subject to certain conditionalities including fulfilment of thresholds for domestic value addition. On the other hand, FDI is allowed up to 51% under government route for multi-brand retail trading, subject to other conditionalities.³⁶

d. Data Centers

The progress of artificial intelligence (AI) and machine learning (ML) has paved the way for significant demand for data center networks thereby promoting investment

33. *Supra Note 28.*

34. Parag Desai; Ali Potia; Brian Salsberg, Retail 4.0: The future of retail grocery in a digital world, MCKINSEY&COMPANY (12 April 2024, 11:43 AM), [Retail 4.0: The future of retail grocery in a digital world | McKinsey&Company \(mckinsey.com\)](https://www.mckinsey.com/industries/retail/our-insights/retail-4-0-the-future-of-retail-grocery-in-a-digital-world).

* *Supra Note 28.*

35. *Supra Note 25.*

36. Consolidated FDI Policy, 2020; Foreign Exchange Management (Non-Debt Instruments) Rules, 2019.

in this sector. The global data center market size forecast is predicted to grow with CAGR of 78%.³⁷

Major international players have commenced their data center operations in India. Amazon Web Services has received empanelment from India's Ministry of Electronics and Information Technology to provide cloud services and is expected to invest USD 16.4 billion in cloud infrastructure in India by 2030.³⁸

India has issued data localisation policies to ensure that data is protected against interference by foreign entities. Typically, data is required to be stored physically in India if an entity operates in India and seeks to collect information from its vendors and customers in India. This has not only fueled growth of data centers in India but also ensured the safety of data generated in India.

The data center capacity across top cities of India stands at approximately 819 MW, spread across 11 million sq ft and is likely to double up faster in the next phase of growth, crossing 1,800 MW by 2026.³⁹

e. Office

The Indian office real estate market, in terms of market size is estimated at USD 33.41 billion in 2024 and is expected to reach USD 117.04 billion by 2029 at a CAGR of 28.50%.⁴⁰ The office sector in India has traditionally been a driving force behind real estate growth in India. The occupancy in this sector witnessed a 70% growth in 2023 due to the mandate of bringing the workforce back to physical offices post the pandemic.⁴¹ Further, the share of global capability centers in the leased office space in 2023 grew by 14%, reaching 21.1 million.⁴² In 2024, the office sector has witnessed an impressive rise in demand, with Bengaluru and Hyderabad being the top two Indian cities with a cumulative office leasing share of 25% and 123% YoY change, respectively.⁴³ The Q1 2024 reflected the positive undertone of this sector with the transaction volume growing by a robust 43% YoY.⁴⁴

While most of the office leasing activity has been centered around Bengaluru, Delhi NCR and Mumbai, there has been an increase in demand for office space across tier-2 cities as well.⁴⁵ The relative stability in overall rents at a city level in 2023, further aid growing inquiries and strong occupancies towards renting office spaces.⁴⁶

The dynamic nature of this sector, with the flexible working arrangements such as co-working space, has opened a broad spectrum of opportunities, thereby attracting the interest of investors around the globe.

f. Logistics, Warehousing and Industrial

Indian logistics market has showed an uptick and sustained growth due to the global impact of the Covid-19 pandemic. Although logistics and warehousing sectors are

37. 2023 Global Data Center Outlook, JLL (12 April 2024, 12:47 PM), 2023 Global Data Center Outlook (jll.com).

38. AWS Public Sector Blog Team, [Accelerating India's Digital Future: MeitY empanels AWS Asia Pacific \(Hyderabad\) Region for Government Workloads](#), AWS (12 April 2024, 12:56 PM), [Accelerating India's digital future: MeitY empanels AWS Asia-Pacific \(Hyderabad\) Region for government workloads](#) | AWS Public Sector Blog (amazon.com).

39. Vimal Nadar, [USD 10 Billion Investments to be Deployed in Data Centres; Stock set to double by 2026](#), COLLIER'S (12 April 2024, 02:53 PM), [Colliers | USD10 Bn investments to be deployed in data centers; stock set to double by 2026](#).

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45. Hospitality Industry in India, MORDOR INTELLIGENCE (12 April 2024, 8:46 PM) [Hospitality Industry in India - Growth - Market Size & Analysis \(mordorintelligence.com\)](#).

46. India Office Outlook 2024, CUSHMAN & WAKEFIELD (12 April 2024, 01:15 PM), [India Office Outlook 2024 | India | Cushman & Wakefield \(cushmanwakefield.com\)](#).

traditionally unorganised, the positive momentum in the past few years has led to its formalisation. The leasing activity in the logistics spaces in Indian cities reached an all-time high of 8% in 2023.⁴⁷ The industrial and logistics sector indicated an impressive growth with a strong absorption of 13.5 million sq. ft. in Q1 2024 as compared to 11 million sq. ft. in Q1 2023, representing a 22.7% YoY growth.⁴⁸

The investment inflows into industrial assets have surged by 3.5 times, at USD 690.6 million between January to September 2023.⁴⁹ The logistics sector is growing steadily at a rate of 10–12% YoY, contributing 14.4% to India's GDP and employing more than 20 million people.⁵⁰ The warehousing storage sector is growing even more rapidly, projecting a CAGR of 15.64% and a market size of USD 35 billion by 2027.⁵¹

The growing consumption needs of a massive population and focus of the Indian Government to make India a '*manufacturing hub*' via the Make in India scheme⁵² have led to an increased interest in the warehousing sector making it a very attractive investment option. There is an increased demand for Grade A and B *warehouses*, wherein the segment has witnessed growth by a YoY growth rate of 21% in tier-1 cities of the country, out of which Delhi NCR, Mumbai and Bengaluru contributes to more than 50% of the warehousing stock.⁵³ India has also witnessed an increasing trend of consolidation of supply-chain in consumer goods sector that is resulting in higher growth of supply chain solutions.⁵⁴

g. Residential

The sales for Q4 2023 exceeded 3,22,000 units with 22% YoY rise in new launches.⁵⁵ The annual sales saw 9% growth in 2023.⁵⁶ Further, this sector has sustained the momentum in Q1 2024, thereby reflecting a similar percentage as annual sales (i.e., 9%).⁵⁷ Further, Q1 2024 has also seen a marginal decrease in the average age of inventory from 16.7 quarters in 2023 to 15.9 quarters in 2024.⁵⁸ The need for a lifestyle upgrade, especially after the pandemic, has caused a spike in demand and prices in plotted development.

The residential real estate market is valued at USD 227.26 billion in the year 2024 and is projected to reach USD 687.27 billion by 2029.⁵⁹

h. Hospitality

The hospitality industry in India, in terms of market size is estimated at USD 247.31 billion in 2024 and is expected to reach USD 475.37 billion by 2029.⁶⁰

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51. *Ibid.*
52. Make in India, PM INDIA (12 April 2024, 5:36 PM). [Make In India | Prime Minister of India \(pmindia.gov.in\)](#).
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55. India Market Monitor Q4 2023, CBRE (12 April 2024, 9:36 PM), [Market Monitor Q4 2023 \(cbre.com\)](#).
56. *Ibid.*
57. *Supra Note 45*.
58. *Ibid.*
59. Residential Real Estate Size and Share Analysis, Growth and Forecast – 2024-29, MORDOR INTELLIGENCE (12 April 2024, 11:40 PM) <https://www.mordorintelligence.com/industry-reports/residential-real-estate-market-in-india>
60. *Supra Note 45*

In the year 2023, the Indian hospitality sector gained significantly due to domestic leisure travel, revival of the hotel industry post Covid-19 pandemic, and events such as G20 and ICC Cricket World Cup held in India.⁶¹ Further, the Indian hospitality sector continued to grow in Q1 2024 resulting in a revenue per available room growth (RevPAR) of 11.4%, a growth of 5.5% on quarter-to-quarter basis as compared in Q4 2023.⁶²

The rise of affordable options such as Oyo and Airbnb, in prime locations with flexible check-in and check-out options have promoted growth of the organic hospitality industry. However, luxury hotels like Taj, ITC and Oberoi continued attracting travellers to India. Fairmont Hotels & Resorts is set to launch its property in Agra by 2025⁶³, while Anantara Luxury Resorts are set to operationalise their property in Jaipur.⁶⁴

Lately, the demand for ultra-luxury housing units, have risen significantly especially in metro cities. Recently, the Leela Sky Villas- Navin Minar in Delhi, a first managed residence, under the brand of 5-star hotel chain The Leela Lace Holdings, Pvt. Ltd., and developed by Raheja Developers have been launched in Delhi.⁶⁵

Between the years 2020-2023, the Indian hospitality segment has witnessed certain major deals and investments. Kotak Realty Fund had invested more than INR 1,100 crore in Bharat Hotels, the parent entity of Lalit Hotels, in 2023.⁶⁶ Jujhar Group had entered into the hospitality space in 2022 by acquiring the Fairfield by Marriott Hotel located in Amritsar.⁶⁷

The hospitality industry is a vital element for the Indian economy, that employs 15% of the total workforce and contributes to India's GDP by 6%.⁶⁸ The FDI equity inflow in the hotel and tourism sector has been INR 1,05,749.50 (crores).⁶⁹ It is projected that the hotel industry shall contribute USD 1 trillion to India's GDP by 2047.⁷⁰

i. REITs/InvITs

REITs in India are still at their early stages compared to other regional markets. The regulatory structure has also evolved and fallen in line with the global best practices. In the year 2023, REITs accounted for 11% of the total Grade A office stock in the country and an estimated potential of 57%, aggregating to about 380 million sq. ft. of incremental REITable office space.⁷¹

India's first public issue of Nexus Select Trust REIT that took place in the month of May 2023 raised INR 32 billion.⁷²

61. *Ibid.*

62. Sailee Correa, Amal Raju. [Hotel Momentum India \(HMI\) Quarterly Hospitality Monitor Q1 2024 \(12 June 2024, 11:34 PM\) Hotel Momentum India \(HMI\) \(jll.co.in\).](#)

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68. Chander K Bajee, Infrastructure Status to Hotels is Vital for Robust Growth, ET (12 April 2024, 5:52 PM), [Infrastructure status to hotels is vital for robust growth, Hospitality News, ET HospitalityWorld \(indiatimes.com\).](#)

69. Quarterly Fact Sheet on FDI Inflow, DPIIT (12 April 2024, 5:49 PM), [Fact Sheet December 2023_1.pdf \(dpiit.gov.in\).](#)

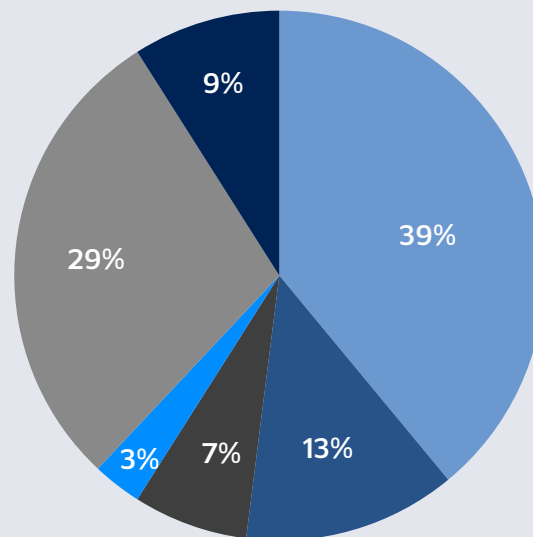
70. *Supra Note 41.*

71. Sanjeev Sinha, 66% of the REITable Grade A Office Stock in India Falls Under SBDs of Top 6 Cities, FINANCIAL EXPRESS (12 April 2024, 10:39 AM), [66% of the REITable Grade A office stock in India falls under SBDs of top 6 cities: Colliers - Money News | The Financial Express.](#)

72. Indian REIT Nexus Malls rises 4% in trading debut, valued at \$1.9 billion, REUTERS (12 April 2024, 12:55PM), [Indian REIT Nexus Malls rises 4% in trading debut, valued at \\$1.9 billion | Reuters](#)

Infrastructure Investment Trusts, or InvITs are investment vehicles instrumental for bringing in investments from retail and institutional investors in the infrastructure development and real estate sectors. Majority of the InvITs are backed by KKR, Brookfield and CPPIB in the capacity of sponsors.⁷³ The National Highways Authority of India is set to come out with third and fourth rounds of InvITs, to raise over INR 20,000 crore in the current fiscal year (2023-24).⁷⁴ Currently, there are 24 InvITs⁷⁵ and 5 REITS registered with SEBI.⁷⁶

Sector wise share of transactions in 2023*



- Third-Party Logistics
- Retail
- E-Commerce
- FMCG
- Manufacturing

73. Emerging Trends InvITs amidst favourable regulations in India, ET ENERGY WORLD (12 April 2024, 3:55 PM), [Emerging trends in InvITs amidst favourable regulations in India, ET EnergyWorld \(indiatimes.com\)](#).

74. Megha Manchanda, NHA to bring third and fourth tranche of InvITs in FY'24, ET INFRA (12 April 2023, 8:05 PM) [NHA to bring third and fourth tranche of InvITs in FY'24, Infra News, ET Infra \(indiatimes.com\)](#).

75. Registered Infrastructure Investment Trusts, SEBI (12 April 2024, at 10:45 AM), [SEBI | Registered Infrastructure Investment Trusts](#).

76. Real Estate Investment Trust, SEBI (12 April 2024, 10:47 AM), [SEBI | Registered Infrastructure Investment Trusts](#).

III. SIGNIFICANT Policy Initiatives

a. Manufacturing

The Indian Government has taken several measures to boost manufacturing in India in order to attract foreign investment. In the Budget 2024-25, the Indian Government incentivised employment in the manufacturing sector by proposing an employment linked incentive scheme in the manufacturing sector. MSMEs in the business of manufacturing are also increasingly receiving financing and technology support. Custom duty rates in the sector have also been reduced. Manufacturing under the medical sector and energy sector has also been harnessed by the Indian Government. The customs duty for the telecom sector has also been increased in order to incentivise domestic manufacturing in India. Custom duty rates have also been reduced at large in order to boost domestic manufacturing and export competitiveness.⁷⁷

In the interim budget of 2024-2025, the corporate tax was slashed for existing domestic companies from 30% to 22% and for certain new manufacturing companies to 15%.⁷⁸ Further, the Indian Government has launched phased manufacturing programme which aims to aid setting up of cell and battery manufacturing giga plants in India.⁷⁹

- **Production linked incentives**

The Indian Government has additionally announced the production linked incentive (PLI) scheme to provide incentives on the basis of production output for products manufactured in India, carried out across key sectors in November 2020⁸⁰ including IT hardware⁸¹, pharmaceutical drugs, telecom products, white goods (AC & LED), automobiles & auto components, textile products, specialty steel, drones and drone components. As per the report issued by Investment Information and Credit Rating Agency (ICRA), India is expected to attract investments worth INR 4 lakh crore in the next four years, due to the introduction of the PLI scheme.⁸²

- **Make in India**

Make in India is a landmark initiative launched by the Indian Government in 2014 to encourage investment, foster innovation, enhance skill development and provide first class manufacturing infrastructure.⁸³ The focus of Make in India programme is on the 25 sectors which includes automobiles, aviation, biotechnology, construction, defense manufacturing, electrical machinery, electronic systems, food processing, IT & business process management.⁸⁴

77. *Supra note 13.*

78. Summary of the Interim Union Budget 2024-2025, PIB (Issued on 01 February 2024 at 12:55 PM) pib.gov.in/PressReleaseSelfFramePage.aspx?PRID=2001136.

79. National Level Policy, NITI AAYOG (12 April 2024, 12:38 PM), <https://e-amrit.niti.gov.in/national-level-policy>.

80. Production Linked Incentive Schemes in India, INVEST INDIA (12 April 2024, 12:35 PM), Indian [Indian PLI Schemes: Promoting Growth and Innovation \(investindia.gov.in\)](https://investindia.gov.in/).

81. Production Linked Incentive Scheme for IT Hardware, MEITY (12 April 2024, 12:39 PM) <https://www.meity.gov.in/esdm/pliithw>.

82. PLI Scheme to attract Rs 3-4 lakh crore investments over 4 year; pvt sector capex may accelerate: Icra, ET (13 June 2024, 12:04 PM), [PLI scheme to attract Rs 3-4 lakh cr investments over 4 yrs; pvt sector capex may accelerate: Icra - The Economic Times \(indiatimes.com\)](https://www.economic-times.com).

83. Make in India Completes 8 Years, PIB (Issued on 24 September 2022 at 4:11PM) pib.gov.in/PressReleaseSelfFramePage.aspx?PRID=1861929.

84. Make in India, IBEF (12 April 2024, 9:22 AM), <https://www.ibef.org/economy/make-in-india>.

- **Other government incentives**

In order to provide a dedicated space for growth of manufacturing units, the Indian Government introduced the National Industrial Corridor Programme⁸⁵ to build greenfield industrial nodes/regions and provide multimodal connectivity. The Indian Government has approved 11 corridors in four phases including Delhi-Mumbai Industrial Corridor.⁸⁶

Apart from the measures initiated by the Indian Government, many provincial governments provide concessions on stamp duty rate, registration fee, local taxes and subsidised utilities to manufacturing units.

India is expected to export goods worth USD 1 trillion and add more than USD 500 billion annually to the global economy by 2030.⁸⁷

b. Healthcare and Lifesciences

- **National Health Policy**

The sustainable development goals were adopted by India at the United Nations summit in September 2015 wherein healthcare was one of the primary objectives.⁸⁸ The public health infrastructure is often referred to as '*the nerve center of the public health system*'.⁸⁹ In order to achieve this, National Health Policy was introduced in 2017, with a central focus on improving public health infrastructure and arranging requisite financing arrangements.⁹⁰

Further, the Indian Government also announced PM-Ayushman Bharat Health Infrastructure Mission in the budget of 2021-22 to build public health infrastructure in India at central and regional levels.⁹¹

c. Data Centers

The growth of data centers has also been aided by various schemes of the Indian Government to boost digital infrastructure. These include Aadhaar, biometrics-based identification systems and special purpose vehicles for creation of national optic fiber network in India. The scheme is to cover 2,50,000 gram panchayats spanning 6,600 Blocks and 641 districts by laying incremental fiber. Furthermore, common service centers have been established to function as access points for delivery of essential public utility services.⁹² Under the Union Budget for 2022-2023, data centers and energy storage systems were accorded infrastructure status to enable easier financing.⁹³

d. Logistics, Warehousing and Industrial

The growing consumption needs of a massive population and focus of the Indian Government to make India a '*manufacturing hub*' via the Make in India scheme⁹⁴ have led to an increased interest in the warehousing sector making it a very

85. National Industrial Corridor Development Program, NICDC (12 April 2024, 12:39 PM) <https://www.nicdc.in/index.php/about/overview>.

86. Industrial Corridor Projects, PIB (Issued on 11 February 2021 at 11:48 AM), [Press Information Bureau \(pib.gov.in\)](https://pib.gov.in).

87. Indian Manufacturing Industry Analysis, IBEF (12 April 2024, 9:50 AM), [Indian Manufacturing Industry Analysis | IBEF](https://www.ibef.com/india-manufacturing).

88. Ministry's journey towards achieving SDG by 2030, MHFW (12 April 2024, 11:47 AM), [India SDG3 \(sdghealthindia-mohfw.in\)](https://www.mohfw.gov.in).

89. National Health Profile 2022, 17th Issue, CBHI (12 April 2024, 12:04 PM), [94203846761680514146.pdf \(mohfw.gov.in\)](https://www.mohfw.gov.in).

90. National Health Policy 2017, MHFW (Issued on 18 December 2017 at 3:40PM), [9147562941489753121.pdf \(mohfw.gov.in\)](https://www.mohfw.gov.in).

91. PM Ayushman Bharat Health Infrastructure Mission, PIB (Issued on 26 October 2021 at 3:39 PM), [Press Information Bureau \(pib.gov.in\)](https://pib.gov.in).

92. Infrastructure, DIGITAL INDIA (12 April 2024, 8:43 PM) [Infrastructure - Digital India](https://www.digitindia.gov.in)

93. MEITY, India to be a Cloud Computing and Data Centre Hub, PIB (Issued on 08 December 2022) [doc2022128141601.pdf \(pib.gov.in\)](https://pib.gov.in).

94. Make in India, PM INDIA (12 April 2024, 5:36 PM), [Make In India | Prime Minister of India \(pmindia.gov.in\)](https://www.pmindia.gov.in).

attractive investment option. There is an increase in demand for Grade A and B warehouses which are witnessing a YoY growth rate of 21% in the tier-1 cities of the country, out of which Delhi NCR, Mumbai and Bengaluru contribute to more than 50% of the warehousing stock.⁹⁵ India has also witnessed an increasing trend of consolidation of supply-chain in consumer goods sector that is resulting in higher growth of supply chain solutions.⁹⁶

The logistics sector was granted the status of infrastructure in the year 2017 by the Indian Government. The grant of infrastructure status made infrastructure lending easy in terms of enhanced limits, access to large amounts of funds such as external commercial borrowings (ECBs) and access to longer tenure funds from Indian Infrastructure Financing Company Limited (IIFCL).⁹⁷ The National Logistics Policy⁹⁸ was launched by the Indian Government in 2022 with an aim for development of infrastructure, expansion of business and increasing employment opportunities.⁹⁹

These initiatives by the Indian Government have acted as catalysts in the unprecedented scaling of this sector. Further, the increased focus on outsourcing logistics and warehouse operations, rise in disposable incomes, shift in consumer behaviour and expansion of the e-commerce market have bolstered the rapid growth of the warehousing and logistics sector.¹⁰⁰ This sector is anticipated to attract major investments by foreign players like Blackstone Inc. which plans to double its holdings of Indian warehouses in the near future.¹⁰¹

e. Residential

In a bid to boost demand in residential sector and provide relief to homebuyers, several measures have been initiated such as introduction of the RERA which provides various legal remedies to the homebuyers. Since the introduction of RERA, 1,21,966 disputes have been resolved providing relief to home buyers and 1,24,739 projects were registered with the concerned RERA authority.¹⁰²

The Indian Government also launched Smart Cities Mission on 25 June 2015, for urban development of 100 cities through public private partnerships where 21% of the funds are sought to be derived from public-private partnerships. The main objective of this mission is to provide quality life to citizens through adoption of smart solutions such as IoT enabled infrastructure and creating accessible public spaces and improve social, economic, and physical metrics of the cities. At present, 8035 projects have been approved with an outlay of 1,68,156 crore rupees.¹⁰³

The Indian Government also launched Pradhan Mantri Awas Yojana as a credit linked subsidy scheme to promote and encourage sustainable and affordable housing for the urban poor.¹⁰⁴ Further, the Indian Government designated 'affordable housing' as infrastructure, allowing these projects to avail various incentives such as reduced borrowing costs and tax incentives.¹⁰⁵

95. Evolving Landscape of Warehousing and Logistics in India: A Road to Becoming Third Largest Economy by 2027. GRANT THORNTON (12 April 2024, 6:20 PM). [Evolving landscape of warehousing and logistics in India: A road to becoming third-largest economy by 2027 \(granthornton.in\)](#).

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* *Ibid.*

101. As India Makes and Consumes More, A New Realty Sector Booms. ET (12 April, 2024, 07:16 PM). [As India makes and consumes more, a new realty sector booms - The Economic Times \(indiatimes.com\)](#).

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104. Credit Linked Subsidy Scheme, MINISTRY OF HOUSING AND URBAN AFFAIRS (12 April 2024, 10:40 PM) <https://pmay-urban.gov.in/credit-linked-subsidy-scheme>

105. Infrastructure status to affordable housing to ensure lower borrowing rates, tax concessions & increased flow of Foreign & Private Capital, PIB (Issued on 05 February 2018 at 12:23 PM). [Infrastructure status to affordable housing to ensure lower borrowing rates, tax concessions & increased flow of Foreign & Private Capital : Hardeep Puri \(pib.gov.in\)](#)

f. Hospitality

The Indian Government's aim to expand the tourism industry, is driven by employment and the revenue this sector generates. Further, India has seen massive investments for promoting tourism. The Indian Government approved 'Revival of Unserved and Under-served Airports' scheme for the revival of 100 unserved and underserved airports by 2024.¹⁰⁶ Further, Adani Group is investing INR 30,000 crore for expanding seven existing airports in the next five years.¹⁰⁷

Additionally, schemes such as Swadesh Darshan 2.0¹⁰⁸ and Pilgrimage Rejuvenation and Spiritual Heritage and Augmentation Drive to promote historical and religious landscape of India and develop tourism infrastructure, have promoted growth of the hospitality sector.¹⁰⁹

106. Government is Proactively Supporting the Aviation Sector by Providing a Stable Policy Environment and Incentivising Competition Led Growth. PIB (Issued on 02 February 2023 at 4:06 PM), pib.gov.in/PressReleaseSelfFramePage.aspx?PRID=1895744.

107. Saurabh Sinha, Adani Looks to Expand Airports in INR 30k Crore Push, TOI (12 April 2024, 5:37 PM), Adani Group: [Adani to Invest ₹30k cr in Expanding Airports | Lucknow News - Times of India \(indiatimes.com\)](#).

108. Swadesh Darshan 2.0, MINISTRY OF TOURISM (12 April 2024, 5:50 PM), [Swadesh Darshan 2.0 | Ministry of Tourism | Government of India](#).

109. Guidelines for the Prashad Scheme, MINISTRY OF TOURISM (12 April 2024, 6:38 PM), [PRASHAD 15th FC Scheme Guidelines.pdf \(tourism.gov.in\)](#).

IV. KEY LEGISLATIONS

Governing the Real Estate Sector

Earlier under Article 19 read with Article 31 of Part III of the Constitution of India, right to property was a fundamental right. Subsequently, vide the 44th constitutional amendment, Article 300A was introduced in order to introduce land reforms and encourage social equality. At present, the right to property is thus no longer a fundamental right.

However, the Indian Government has introduced multiple legislations to regulate the real estate sector in the interest of all stakeholders. Few of the key legislations governing the real estate sector over the years are encapsulated below:

a. RERA

The regulatory framework of the real estate sector, before the introduction of the Real Estate Regulation and Development Act, 2016 ("**RERA**"), was largely unregulated, inadequate and disintegrated, leading to lack of accountability, frequent delays in project completion, ambiguity in real estate terms, and unfair practices against the potential owner of the land or building. Additionally, there were limited safeguards and grievance redressal mechanisms. RERA was enforced with the primary objective of protecting buyers from unfair practices and ensuring accountability of real estate developers along with boosting real estate transactions. RERA addresses previous legal deficiencies by mandating timely project completion, adherence to approved plans and imposing penalties for non-compliance. Furthermore, RERA has introduced Real Estate Tribunals to provide robust mechanisms for grievance redressal.

State governments have created state specific RERA authorities to further the implementation of RERA. Developers are now required to mandatorily register their real estate projects/properties under RERA.

RERA brought a pragmatic shift in the real estate industry, particularly for the promoters or sellers of the real estate by placing more accountability on the them. The promoters are obligated to complete the real estate project in accordance with the plans, designs and specifications approved by the concerned authorities. Further, promoters are required to act responsibly and provide accurate information to buyers, leading to greater consumer confidence. The efficient dispute resolution mechanism has also strengthened the impact of RERA.

b. Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 ("**Code**"), was enacted to streamline business operations in India, providing relief to distressed organisations and creditors through restructuring and insolvency processes. The Code has boosted the value of companies in all sectors, particularly real estate, and given creditors more leverage. In addition to resolving several longstanding real estate disputes and fostering confidence in this sector, it has also increased accountability and transparency.

The Code has a major impact on the real estate sector. It has set up a robust framework to deal with real estate issues by classifying buyers as creditors, accelerating investment resolutions, enforcing more stringent developer guidelines,

guaranteeing project delivery on time, and boosting liquidity through optimised distressed asset value.

The Code was amended in 2018 to enable homebuyers to initiate insolvency proceedings against real estate developers¹¹⁰. This has shaped and secured the position of homebuyers in the real estate sector. In a landmark judgment, the Hon'ble Supreme Court upheld the supremacy of the Code over RERA allowing homebuyers to initiate proceedings under the Code. However, the recent amendment to the Code in 2024 has excluded any unit which is in possession of the allottee of the real estate project from liquidation proceedings.¹¹¹

Homebuyers are now considered as financial creditors under the Code and are entitled to initiate insolvency proceedings under section 7 of the Code. Moreover, as financial creditors, homebuyers are also entitled to become a part of the corporate debtor's committee of creditors. This puts them in the driver's seat when the corporate insolvency resolution process is initiated and also safeguards their monetary interests under section 53 of the Code. This principal was reiterated in the Supreme Court judgement of *Vishal Chelani and others v. Debashish Nanda*.¹¹²

With such significant amendments and judicial rulings changing the landscape, the Code aims to consistently offer a just and transparent environment for all stakeholders involved in the real estate sector.

c. Model Tenancy Act, 2021

The Model Tenancy Act, 2021 ("**Model Tenancy Act**") was enacted to establish rent authorities for systematically regulating renting of premises. The Model Tenancy Act aims to protect the interests of parties involved in the tenancy agreement, provide quick adjudication for resolving tenancy law disputes promptly, and safeguard the interests of both lessor and lessee under the tenancy agreement and matters related to such agreement.

It is pertinent to note that several states including Tamil Nadu, Andhra Pradesh, Uttar Pradesh and Assam have revised their tenancy laws on the lines of the Model Tenancy Act for effectuating a standardised and structured way of renting premises.¹¹³

d. Others

Apart from the above, there are various provincial laws applicable to real estate transactions such as Registration Act, 1908 and the Indian Stamp Act, 1899. Under the Registration Act, 1908, a title to immovable property must be transferred by a registered instrument¹¹⁴. Further, the requisite stamp duty which varies from state to state is required to be paid on the conveyance deed and other relevant instruments as per the Indian Stamp Act, 1899.

Additionally, legislations such as the Indian Contract Act, 1872 and the Transfer of Property Act, 1882, also apply in case of any transfer of immovable property. A real estate developer is also required to follow the local building and land laws for preparation of a layout plan, obtaining sanction letters, sanction plans, completion and occupation certificates.

110. Pioneer Urban Land Infrastructure Ltd. & Ors. v. Union of India, AIR 2019 SC 4055.

111. IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, Reg. 46A. (2023) 10 SCC 395.

113. Soumya Chatterjee, [4 states have updated law on lines of Model Tenancy Act: Hardeep Puri \(20 June 2024, 08:00 AM\)](#), 4 states have updated law on lines of Model Tenancy Act: Hardeep Puri | Latest News India - Hindustan Times.

114. The Registration Act, 1908, S. 17(e).

V. CHALLENGES

Amid Changing Trends in the Real Estate Sector

Despite the projection of huge investments in the real estate sector, there are certain impediments or challenges being faced by the stakeholders in this industry. Few of the major challenges are listed below:

a. Unorganised sector

Historically, the real estate sector has observed rampant fragmentation. This fragmentation was characterised by several factors that act as an impediment to the organised dealing in this sector like absence of uniformity in the local laws, absence of central registry system, lesser options for financing and higher interest rates, etc. Furthermore, it is to be noted that transfer of property is an item provided in List III i.e., the concurrent list under Schedule 7 of the Indian Constitution, 1950 and therefore, the rules and regulations around the transfer of property may vary from one state to another. Therefore, there is a need of consolidation and systemisation by the Indian Government in this sector.

b. Title complexities

In India, occasionally the acquisition of suitable land for real estate projects becomes a challenge owing to issues related to title. This usually exists due to poor record-keeping due to the use of archaic methods. Unclear land titles can cause land ownership disputes, especially for new projects.¹¹⁵ However, to alleviate this concern, the Indian Government has undertaken the Digital Land Records Modernisation Programme for digitisation of the registration process for documents and recording of rights.¹¹⁶

c. Lack of title insurance

In relation to title diligence, the parties may undertake title insurance. Title insurance is a form of indemnity and it safeguards the interests of the potential buyers against any losses arising from the defect in the title. RERA gave a statutory recognition to the concept of 'title insurance'. Section 16 of RERA puts an obligation on the promoter to obtain all insurances as may be notified by the appropriate government, including *inter alia*, insurance pertaining to title of the land and building. However, it is to be noted that the state governments have not mandatorily notified rules pertaining to the title insurance. Therefore, the requirement of title insurance varies from one real estate transaction to another.

¹¹⁵ Land Records and Titles in India, PRS LEGISLATIVE RESEARCH (12 April 2024, 02:35 PM), [Analytical Reports \(prsindia.org\)](https://prsindia.org).

¹¹⁶ Digital Land Records Monetization Programme – MIS 3.0, MRD (12 April 2024, 05:00 PM), Digital Land Records Monetization Programme – MIS 3.0, MRD (dilrmp.gov.in).

VI. RECENT TRENDS

In The Real Estate Sector

EVOLUTION OF WORKING SPACES: A GAME CHANGER

Prime real estate has been inaccessible to small and medium industries, startups, freelancers and even to medium sized organisations due to high costs. The option of flexibility in leasing of the property has led to a significant shift in the practice of establishing and maintaining a full-fledged workspace in India. The rise in freelancing culture and startup economy has led to a considerable increase in demand for collaborative workspaces. The co-working segment, although not a new concept, has seen a positive increase in the past few years due to the activity-based work requirements. In 2023, the demand for co-working spaces increased by 90-100%, as compared to 45-60% in 2022.¹¹⁷ With a positive CAGR of 7%, the market size of Indian co-working office space market is projected at USD 1.94 billion in 2024 and is expected to rise to USD 2.72 billion by 2029.¹¹⁸

RISE IN LUXURY RETAILING

India is witnessing an unprecedented growth in the luxury retail market. This is owing to several factors including the increase in the number of ultra-high net worth individuals, rise in demand of luxury brands from tier-2 and tier-3 cities. In recent years, the number of ultra-premium shopping malls has also seen a significant growth in India, housing global luxury brands like Louis Vuitton, Rolex, Burberry, etc.¹¹⁹ In 2023, the leasing of retail space by luxury brands increased over 170% from 2022, including an increase of 300% in malls and 200% in standalone store leases.¹²⁰ The market size of luxury retailing in India is expected to increase by 3.5 times in 2030, to around USD 200 billion.¹²¹ With several players undertaking multiple ventures in this sector, Indian market is expected to be a future engine for growth of luxury brands.

117. Suren Goyal, Co-working spaces see unprecedented boom in demand, TOI (11 April 2024, 11:00 PM), [Co-working spaces see unprecedented boom in demand \(indiatimes.com\)](#).
118. India Co-working Office Space Market Size & Share Analysis - Growth Trends & Forecasts (2024 - 2029), MORDAR INTELLIGENCE (11 April 2024, 10:00 PM), [India Co-working Office Space Market - Size, Companies & Industry Report \(mordorintelligence.com\)](#).
119. A Ksheerasagar, Luxury revolution sweeping India: What's fuelling the shift in consumer preferences, MINT (11 April 2024, 1:15 PM), [Luxury revolution sweeping India: What's fuelling the shift in consumer preferences? | Mint \(livemint.com\)](#).
120. Raghav Aggarwal, Property Leasing by Luxury Brands in India Jumped 170% in 2023: Report, BUSINESS STANDARD (10 April 2024, 12:45 AM), [Property leasing by luxury brands in India jumped 170% in 2023: Report | News - Business Standard \(business-standard.com\)](#).
121. Sajeet, How Luxury Brands are Wooing the New Age Consumer, CAMPAIGN INDIA (10 April 2024, 3:45 PM), [How luxury brands are wooing the new-age consumer | Advertising | Campaign India](#).

INDIA: A SOURCING BASE

Government initiatives such as Make in India and Skill India have significantly increased the manufacturing interest in India. According to the 2022-23 export data, the total exports of USD 762 billion constituted USD 453 billion from the manufactured goods and USD 309 billion from services.¹²² This is the highest ever annual export of manufactured goods from India, evidencing a growth of 6.03% in 2023 surpassing the record of USD 422 billion for exports of manufactured goods in 2022.¹²³ India received foreign investment to the extent of USD 46.03 billion in 2023 in the manufacturing sector.¹²⁴ Notable private sector deals have also shaped the growth of this sector, including the plans of Foxconn to invest USD 500 million and Google to start manufacturing Pixel 18 in India.¹²⁵ Such plans are indicative that India is being seen as the biggest source base by foreign players for exporting goods from India.

HIGHWAY RETAILING

The Indian Government has recently started to monetise its National Highways, aiming for smooth and faster vehicular movement across its highways. This serves as an attraction for more retail players to open their outlets on the highways. The Indian highway market's potential is estimated to be around INR 60,000 crores providing a great opportunity to capitalise the growing demand.¹²⁶ The Indian Government has recently approved various multiplexes, hotels and shopping mall projects alongside the National highways, attracting international players like McDonalds, Blackberry, Adidas and PVR. Various Indian private players have also entered this segment. These trends showcase a paradigm shift from the unorganised traditional highway retailing of '*Dhabas*' to a progressive and organised highway retailing of sophisticated retail brands.

HYPERLOCAL MARKETS

Retail brands in India are expanding to smaller cities to cement their market presence. As many as 35 leading domestic brands have penetrated 14 tier-2 cities in India between January and September 2023 which include Chandigarh, Indore, Jaipur, Coimbatore, Goa and Patna.¹²⁷ Retail brands have been experiencing great returns from tier-2 and tier-3 cities. For instance, Myntra's 40% of international brands business emerges from such cities¹²⁸ and Amazon India's 60-65% of total business ensues from these cities.¹²⁹

122. Make-in-India program drives growth in manufacturing-based exports: Ashwini Vaishnaw, ET TIMES (10 April 2024, 04:30 PM), [Make-in-India program drives growth in manufacturing-based exports: Ashwini Vaishnaw, ET Telecom \(indiatimes.com\)](#).

123. Manufacturing, IBEF (11 April 2024, 04:30 PM), IBEF Presentation.

124. *Ibid.*

125. Vaibhavi Khanwalkar, 2023 Year in Review: India was vocal for local manufacturing, ET TECH (10 April 2024, 04:39 PM), India: 2023 Year in Review: India was vocal for local manufacturing - The Economic Times (indiatimes.com).

126. Highway retailing : The new retail driver, INDIAN RETAILER (11 April 2024, 06:45 PM), Indian Retailer - Highway retailing : The new retail driver.

127. Nachiket Kelkar, Retail brands head to smaller towns to cash in on growing aspirations, rise in discretionary spends, THE WEEK (10 April 2024, 04:12 PM), [Retail brands head to smaller towns to cash in on growing aspirations, rise in discretionary spends - The Week](#).

128. Hemant Kashyap, Tier II and III Cities Account For 40% Of International Brand Orders On Myntra: CEO Nandita Sinha, INC 42 (10 April 2024, 09:24 AM), [Tier II and III Cities Account For 40% Of International Brand Orders On Myntra: CEO Nandita Sinha \(inc42.com\)](#).

129. Amazon India bets big on tier 2, 3 cities for growth of fashion vertical, FASHION NETWORK (11 April 2024, 08:49 PM), [Amazon India bets big on tier 2, 3 cities for growth of fashion vertical \(fashionnetwork.com\)](#).

VII. CONCLUSION

Despite a global economic slowdown, the Indian real estate witnessed a quick revival and showed unprecedented resilience. The sector quickly adapted to the new normal and demonstrated sustained momentum. A series of infrastructural advancements, favorable policies and initiatives, robust spending and demand by consumers and urbanisation will ensure that the real estate sector acts as a cornerstone for India's continued development and economic growth, and positions India as a preferred destination for global investment.

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