

ARTICLE WAVE CITY

## How luxury housing is redefining India's residential landscape By C J Singh, COO, Wave City

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The number of luxury housing developments in India has increased dramatically in recent years as a growing number of affluent residents prefer these opulent residences. Over the last five years, with shifts in the aspirational behaviour of customers, influx of younger buyers, increasing high disposable income and massive infrastructural push, there is an influx in the demand of luxury housing in India.

This is reflected in the recent data also as according to a report by Modor Intelligence, the luxury housing which contributed 7 percent of the overall market share in 2019, has jumped to 21 percent in 2024. And, the good news is that India's luxury residential real estate market size is expected to reach US\$ 101.92 billion by 2029, growing at a CAGR of 21.81 percent.

As India stands resolute against global economic headwinds, millennials, Gen Z and NRIs are some of the main reasons behind this thriving segment. With the rate of employment on the rise, technological advancements and influx of smart cities, home aspirants are giving a thumbs-up to luxury housing over affordable or mid luxury space.

Some of the reasons that are driving luxury housing segment in India are:

**1. Smart cities and growing urbanization:** As India is swiftly speeding towards building smart cities and developing robust infrastructure, there's been a rise in real estate luxury segment. With the government investing Rs 28,602 crore for 12 industrial cities in different states, employment generation is expected to speed up alongside setting up of economic hubs and corridors thus paving the way for luxury homes and living. Also with populations coming to big cities or developing ones, income generation has definitely gone up besides increasing aspirational value of these homes leading to investments.

**2. The wow factor of Integrated, smart townships & sustainability:** These are being customised as per latest trends and even demands of the discerning homebuyers and investors. Affluent buyers are willing to go an extra mile for properties that has an aesthetic appeal and is still niche quality. Of course, amenities coupled with a work-life balance provided in the folds of luxurious living are an added plus. Green choices also top preferences with sustainable, smart homes built with environment-friendly materials. Smart luxury residences are equipped with motion activated lighting that turns on and off based on detected movement, alongside various technologies such as water conservation systems, solar energy panels, LED illumination, intelligent waste bins, and more amenities. The presence of green areas and leisure facilities in the neighborhood significantly improves the overall living experience. Moreover, additional resources like trainers, coaches, health professionals, and others contribute greatly to fostering both physical and mental health.

**3. The NRI and HNI Factors:** With improved transparency, digitization and accountability, NRIs and HNIs are more confident about investing in luxury homes. According to a report by NAREDCO last year, "NRIs account for nearly 25 per cent of total sales at major developers, up from the pre-pandemic levels of 7-10 percent." The ongoing decline of the rupee versus the dollar also keeps Indian luxury real estate appealing for NRIs looking to invest. As per a report from NoBroker, it is projected that NRI investments in India's property market will account for 20 percent by 2025. This increase is fueled by financial considerations as well as deep emotional connections to their home country.

Bangalore has emerged as the top choice for home investments, followed by Ahmedabad, Pune, Chennai, Goa, Delhi, and Dehradun. A significant transition towards technology in India, rapid infrastructure development, lower crime rates, and favourable Govt. policies are among the factors attracting these international investors. With impressive returns on investment, India is swiftly establishing itself as the 'next big thing' in the luxury housing market.