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In the past decade, the real estate market has undergone a significant transformation, which is no secret. Sustainability, landscape design, gated communities, improved amenities, lower mortgage rates, and expanded government assistance for low-income residents are just some of the cutting-edge real estate trends that emerged in 2022.

Consequently, 2023 is anticipated to be a period of robust growth for the real estate market. In line with this, NRIs and millennials planning to invest in residential property will drive the 2023 real estate market as a result of homes becoming more affordable and fractional ownership becoming more commonplace. In addition, a favourable economic outlook will fuel the market's upswing.

Here are a few major trends to look forward to in 2023:

An investment

Real estate assets and investment vehicles will be created for the sole purpose of investing and making money, and this trend will dominate the market. Buying a home for personal use and purchasing a property for investment purposes have traditionally been treated as two different asset classes in the real estate industry. As a sign of the industry's development and maturation, certain asset classes are now marketed as investment properties, rentals, and income-producing properties. Therefore, commercial real estate, which generates income, has taken over residential real estate as the primary investment vehicle, while the latter is reserved for private use.

NRIs investing in real estate

The current trend in the real estate market shows that non-resident Indians are purchasing homes primarily for their own occupancy, rather than as an investment. As a result of the pandemic, NRIs are looking to secure a safe living environment for their families, driving up demand for high-end real estate. Projects that fill this gap will gain traction as more NRIs move back to their home countries.

Millennial buying

Owning a home is an important life goal for many people, and millennials appear to have gained more insight into the process than any previous generation. Home buying success rates among millennials are higher than among older generations because this age group has different priorities. They appreciate the need for prompt action and are eager to receive a return on their investment.

Rising prices

The housing market is booming, and real estate prices are on the rise. This development is encouraging because it suggests the real estate market in the country is flourishing. Demand for real estate in India has increased as the population and income levels have risen, resulting in the construction of more homes.

Fractionalised ownership

The new regulations that are set to come into effect in 2023 are designed to make it easier for developers to secure funding and for newcomers to enter the market by providing more leeway for fractional owners to use their ownership interests and by making it easier to estimate future payments. The changes may also dictate the types of contracts that can be used for investments and may require increased transparency about the terms of these investments.

The emergence of new types of assets

The introduction of novel asset classes is altering the landscape. While historically most of the activity has occurred in residential properties, today's more varied offering makes it possible to find everything from industrial to retail and beyond. Student housing, retirement communities, logistics facilities, and cold storage data centres are just some of the asset classes that are being created and flourishing in the Indian ecosystem. This means that niche developers are increasingly concentrating on specific types of assets as the market has reached a very advanced stage.

The Indian real estate industry is expanding rapidly. Investing in real estate is currently lucrative due to shifting lifestyles, the need for more space, a dramatic increase in the number of people looking to buy homes over the past decade, and the ease with which property investments can be made. Thus, the real estate sector has adjusted to the new circumstances.