

Indian real estate market to grow to Rs 65,000 crore by 2040: CIRIL

Synopsis

Regarding commercial RE, the report said offices with enhanced technology driven ecosystem in workplace will be in demand and developers are investing in technology and digital channels to reach out to the consumers. Co-working space has emerged as a sustainable business model for corporates who want to remain flexible on cost components on the face of a possible resurgence of COVID caseloads, the report said.



India's retail industry is projected to grow at a slower pace of nine per cent during the period 2021 to 2030 and is likely to touch USD 1400 billion by 2026. CIRIL said that Indians are taking to online retail in a big way, and by 2024, the country's e-commerce industry is likely to touch USD 111 billion, driven by mobile shopping.

Consultancy firm [CIRIL](#) said in a report that the Indian [real estate](#) (RE) market is poised to touch Rs 65,000 crore by 2024 and by 2025, this sector is expected to contribute to 13 per cent of the country's GDP. In 2019, the size of the RE market was Rs 12,000 crore, according to the report.

Despite fears related to the [Omicron](#) crisis, the market in 2022 looked bullish while demand is accelerating

across all categories, the report added.

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The warehousing RE sector will continue to grow as e-commerce has gained traction, and the transactions in this sector are projected to grow at a compounded annual growth rate (CAGR) of 20 per cent in FY 2023, the report stated. The e-commerce part in the total warehousing transactions will increase to 36 per cent in FY 2023.

CIRIL said according to Department for Promotion of Industry and Internal Trade (DPIIT), [FDI](#) equity inflow stood at USD 547.2 billion between April 2000 and June 2021, indicating that the government's efforts to improve ease of doing business and relaxing FDI norms have yielded results.

Foreign portfolio investment (FPI) has been one of the largest drivers of [India's](#) financial markets, while institutional investors are expected to continue investing in the Indian RE with more funds, the report said.

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