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INDIA'S LONGEST SEA-BRIDGE

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- Cover Story: Luxury Housing Soars!...40
- Interviews: Tata Projects, L&T, Ahmedabad Smart City, Welspun, NCC, Vascon...58, 64, 66, 80, 84, 104

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SOARING LUXURY HOUSING!

India's luxury housing segment is here to stay, albeit in select micro-markets. Soaring sales are attracting realtors despite the development challenges.



Photo courtesy: K Raheja Corp Homes

QUICK BYTES

- Sales almost doubled between January and September 2023 as against the previous year to 9,200 units from 4,700 units.
- Luxury property prices start at about ₹75,000 per sq ft in Mumbai, ₹50,000 per sq ft in Delhi NCR, ₹35,000 per sq ft in Bengaluru and ₹15,000 per sq ft in Hyderabad.
- Delhi-NCR, Mumbai and Hyderabad have emerged as the top three luxury housing markets.

Things are looking up in the luxury housing segment. Sales almost doubled between the January and September 2023 period as against the previous year, to 9,200 units from 4,700 units, respectively, according to CBRE.

What's behind this luxury housing boom?

Demand drivers

A growing economy and rising aspirations have spurred an increase in lifestyle investments, especially by HNIs and NRIs seeking stability amid global economic uncertainties, according to Anshuman Magazine, Chairman & CEO - India, South-East Asia, Middle East & Africa, CBRE.

In particular, "the rise in capital markets has influenced HNI buyers to invest in real estate, especially in the luxury segment," adds Ritesh Mehta, Senior Director, Head - North, West & East, Residential Services, JLL.

Bhavik Bhandari, Chief Sales & Marketing Officer, Ashwin Sheth Group, believes the luxury housing boom has been fuelled by the post-pandemic shift in consumer behaviour, with homebuyers prioritising larger, functional homes complemented by green spaces for holistic living experiences.



"Collaborations span partnerships with hospitality brands, fashion

houses, luxury spa and wellness brands and tech brands."

- Bhavik Bhandari, Chief Sales & Marketing Officer, Ashwin Sheth Group



"Marketing strategies must be tailored per property and the target audience."

- Rohit Gupta, CEO, Mantra

"The demand for luxury homes has always existed but the tremendous upgradation of overall lifestyles as a result of a shift in mindsets and spending patterns, is presently boosting demand," adds Angad Bedi, Managing Director, BCD Group.

"NRIs and HNIs are drawn by India's stable economy delivering stable returns, the depreciating rupee offering attractive returns,

What do architects contribute to a luxury housing project?

Architects play a crucial role in shaping the identity of a luxury residential brand, says Abhishek Arora, Associate Director, Projects, Morphogenesis. "We contribute by designing distinctive, high-quality spaces that reflect the real-estate brand's values, aesthetics, exclusivity and liveability aspects. Our choice of materials, attention to detail and innovative design elements all contribute to creating a luxurious and unique living experience, enhancing the overall brand image."

The price of luxury

As land (in particular) and input costs vary majorly by city, the luxury housing price tag also varies. So, whereas in Bengaluru, ₹30,000 per sq ft can be luxury, in Mumbai's western suburbs, it could be ₹40,000 per sq ft, and in South Mumbai, it could be ₹100,000 per sq ft, shares **Sandeep Ahuja, Managing Director, Atmosphere Living**. "In Gurgaon, you could have a luxury project at ₹20,000 per sq ft on the Dwarka Expressway and one at ₹50,000 per sq ft on Golf Course Road."

Luxury property prices start at approximately ₹75,000 per sq ft in Mumbai, ₹50,000 per sq ft in Delhi NCR, ₹35,000 per sq ft in Bengaluru and ₹15,000 per sq ft in Hyderabad, reckons **Ritesh Mehta, Senior Director, Head - North, West & East, Residential Services, JLL**.

In certain upscale areas in South Mumbai and western suburbs like Kandivali, exclusive neighbourhoods in Delhi and Gurgaon such as Golf Course Road, high-end localities in Bengaluru like Indiranagar and Whitefield, and prime areas in Hyderabad like Jubilee Hills, starting prices range from ₹15,000/20,000 to ₹70,000 per sq ft, reckons **Bhavik Bhandari, Chief Sales & Marketing Officer, Ashwin Sheth Group**.

For his part, **Ashwin Chadha, CEO, India Sotheby's International Realty**, believes luxury has become a loosely used definition in the context of the Indian residential sector. "At India Sotheby's International Realty Delhi, we classify luxury properties upwards of ₹75 million and our average transaction value is around ₹250 million," he points out. "If you are buying a quality apartment in the posh colonies of Lutyens Delhi, prices start around ₹400 million. Large bungalows and farmhouses are priced between ₹700 million and ₹2 billion. In Mumbai, luxury apartments are priced at ₹100 million plus. In Goa, for ₹60 million you can get an independent villa with a garden and private swimming pool. In Bengaluru, luxury real estate costs anywhere from ₹50 million to ₹500 million."

A luxury apartment of size 3,000-5,000 sq ft costs ₹40-50 million (excluding Mumbai), opines **Anshuman Magazine, Chairman & CEO - India, South-East Asia, Middle East & Africa, CBRE**.

"In Pune, our luxury residences start at approximately ₹40 million; in Mumbai, our properties cost ₹120-400 million and in Bengaluru, properties in our most recent project will cost ₹30-100 million," adds **Ashish Dhami, EVP Sales and Marketing, K Raheja Corp Homes**.

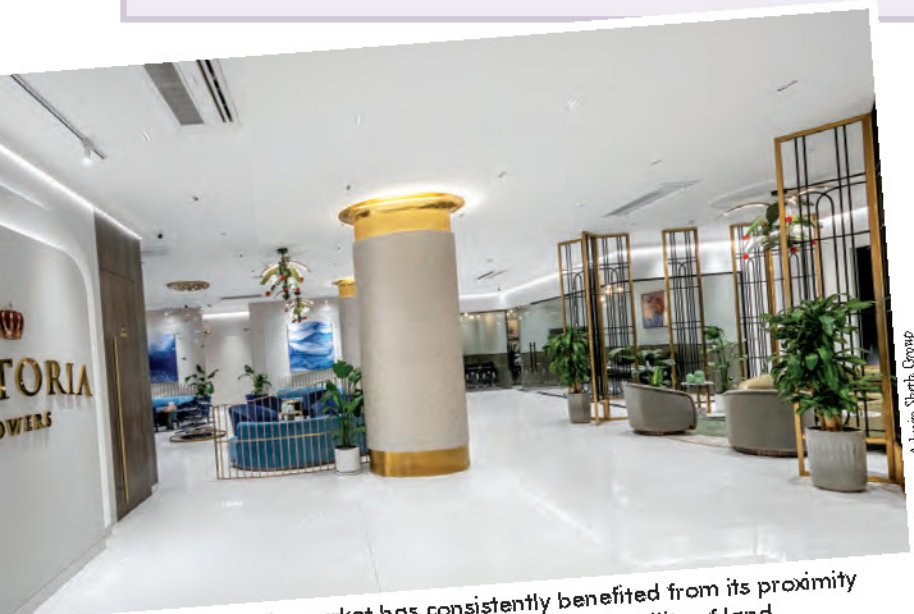


Photo courtesy: Ashwin Sheth Group

Pune's real-estate market has consistently benefited from its proximity to Mumbai, perceived cost advantages and availability of land.

offered by developers during the last quarter of 2023, further bolstered sales.

From the perspective of a developer, luxury housing can convert into high turnover. Shapoorji Pallonji Real Estate's (SPRE) uber-luxury project, The Odyssey, a project of 60 apartments, is expected to achieve revenue in excess of Rs 10 billion. "The Odyssey by SPRE signifies a lucrative venture that sets new standards for uber-luxury projects in South Mumbai," says **Venkatash Gopalakrishnan, Director Group Promoter's Office, MD & CEO, Shapoorji Pallonji Real Estate**.

Drivers by city

Delhi-NCR, Mumbai and Hyderabad have emerged as the top three luxury housing markets in the country,

COVER STORY

Luxury pockets: Micro-markets in focus

Among micro-markets that are in very high demand in every city and region, **Ashwin Chadha, CEO, India Sotheby's International Realty**, includes luxury homes near the city centre or close to high footfall business districts, and farmhouses and independent plots in the peripheral locations of large cities. For instance, demand is high in south/central Delhi's posh colonies like Jor Bagh, Defence Colony and Westend Delhi and farmhouses in Radhe Mohan Drive, Chhatarpur and Bijwasan. Golf Course Road and Golf Course Extension are the hottest luxury addresses in Gurugram. In Mumbai, Worli, Lower Parel, BKC and Bandra West remain the most coveted luxury addresses. In Kolkata, New Alipur and Rajarhat are the go-to destinations for luxury homebuyers. In Bengaluru, luxury hotspots include Koramangala, Whitefield, Indiranagar, Sarjapur, Hebbal and Nandi Hills.

"In Delhi NCR, the major micro-markets are Lutyens, Golf Course Road, South Delhi and the new Gurugram and Dwarka Expressway," says **Ritesh Mehta, Senior Director, Head - North, West & East, Residential Services, JLL**. "Golf Course Road and

Dwarka Expressway saw the highest peak in rentals, 1.4 per cent and 1.2 per cent year-on-year growth, respectively. These upcoming locations are seeing a lot of demand for larger luxury units, 3/4 BHKs. In Mumbai, Napean Sea Road, Lower Parel, Worli, Bandra and Prabhadevi are the key areas. Worli alone contributes to 20 per cent of the city's luxury market. Also, Banjara Hills, Gachibowli, Kondapur and areas of West Hyderabad are seeing a luxury housing boom."

"In Mumbai, micro-markets such as South Mumbai (Colaba, Malabar Hill), Bandra-Kurla Complex (BKC), and western suburbs like Kandivali, Malad and Lower Parel witness a concentration of high-end properties," opines **Bhavik Bhandari, Chief Sales & Marketing Officer, Ashwin Sheth Group**. "In Delhi, NCR, Chanakyapuri, Golf Course Road in Gurgaon and South Delhi are prominent. In Bengaluru, localities such as Whitefield, Hebbal and North Bengaluru, and in Pune, areas such as Koregaon Park, Kalyani Nagar and Boat Club Road have the most developments."

"The sea continues to be a fascinating choice for homebuyers; hence, we expect key micro-markets such as South Mumbai, Worli, Bandra and Juhu to witness more luxury developments," says **Ashish Dhami, EVP Sales and Marketing, K Raheja Corp Homes**.

operation of the extensive amenities of the properties can be more demanding compared to standard residential projects," concludes Mehta.

Brand empowerment

What goes into a luxury property plays a vital role in giving it the 'luxury' tag – thus, the source of those materials, or the brands, matter.

"Brands play a pivotal role in elevating residences to the realm of luxury by infusing distinctive elements that enhance the overall living experience," says Bhandari. "These collaborations span partnerships with hospitality brands for access to bespoke services, gourmet dining options and exclusive amenities; fashion houses for curated aesthetics and bespoke designs;

The after-sales maintenance of extensive amenities in luxury projects is more demanding compared to standard projects.

Photo courtesy: Sobha