

2025 Property Market Outlook: Key Trends Shaping Home Buying Decisions

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The year 2024 was remarkable for the Indian real estate market, witnessing an upward growth trajectory in the luxury segment. Affluent buyers, including HNIs and NRIs, dominated the market, propelling the demand and sales. The year ended on a high note in terms of the sector's performance across the top seven cities. As per JLL's report, housing sales have remained healthy and hit a new peak during the January-September period in 2024 with close to 230,000 homes across the top seven cities worth Rs 380,000 crore already sold.



Outlook 2025

This momentum has carried into 2025, with the housing sector continuing to flourish, supported by strong economic fundamentals, evolving buyer preferences, and favorable policy outlooks. The year 2025 is also likely to see further strength in the housing sector, especially the luxury segment where the general consumption trend of premiumisation is most visible.

Besides, peripheral micro-markets around metro cities have emerged as key growth drivers in the real estate landscape, witnessing significant price appreciation. Over the past six years, these areas have seen prices rise by up to 69%, surpassing the growth observed in prime city locations. This trend is expected to continue into 2025, as per Anarock data. The higher scope for price appreciation in these peripheral zones, compared to prime areas that have already experienced substantial growth, positions them as attractive options for both homebuyers and investors seeking long-term value.

In NCR's peripheral Noida Expressway, average residential prices rose 66% in the last six years, from Rs 5,075 per sq ft in 2019 to Rs 8,400 per sq ft in Q3 2024. Meanwhile, Dwarka

Expressway saw a significant 93% jump in average residential prices, from Rs 5,359 per sq ft in 2019 to Rs 10,350 per sq ft in Q3 2024. This consistent increase in home prices highlights the strength and stability of the Indian housing sector. The upward trend reflects not just demand dynamics but also the growing confidence of buyers and investors in the markets long-term potential.

Sachin Gawri, Founder and CEO, RISE Infraventures, says, *"After the exponential growth in 2024, the Indian real estate market is poised for continued expansion in 2025. Factors like favorable interest rates, growing economic stability, and evolving buyer preferences are propelling the industry forward. While luxury housing remains a strong segment, the sector as a whole is experiencing a shift, with significant interest in emerging micro-markets and new investment avenues. Thus, we expect an increased demand in 2025 navigating this dynamic market, especially from investors looking to capitalize on untapped opportunities."*

Moreover, the sector is also anticipated to see a shift in affordability in 2025, driven by a projected cumulative 50-basis-point cut in interest rates over the next few months, which is anticipated to make homeownership more accessible for buyers as per JLL's study. With lower home loan EMIs, housing becomes more affordable for middle-income groups and first-time buyers, potentially unlocking a new wave of demand in the residential real estate market. Beyond affordability, reduced interest rates are expected to stimulate the overall economy by encouraging spending and investment. As borrowing costs decrease, developers may also find it easier to secure financing for new projects, fostering growth across the housing market.

Manoj Gaur, President, CREDAI-NCR and CMD, Gaurs Group, says, *"While the sector is seeing an increased demand for luxury homes driven by HNIs seeking premium offerings, affordability remains a crucial factor for a large segment of homebuyers."*

The anticipated interest rate cuts in 2025 are expected to strike a balance, enhancing affordability and stimulating demand across a range of market segments. This growing demand for both affordable and luxury housing highlights the resilience of the sector, with buyers gravitating toward properties that align with their financial capacities and aspirations. We foresee sustained growth in both segments, creating a dynamic market environment this year."

Amit Modi, Director, County Group, says, *"Within the real sector Luxury and Ultra Luxury sectors are evolving rapidly, and we see immense potential for growth in both established and emerging markets as discerning buyers continue to invest in properties that align with their aspirations and values. Luxury housing is not just about high-end amenities; it's about creating a lifestyle experience. High-end housing buyers today are global citizen and seek homes that offer exclusivity, superior design, and comfort at par with global best practices. The year 2025 will be very much an year of premium housing and we look forward to delivering projects that meet these expectations while setting new benchmarks in luxury living."*

Mohit Kalia, VP Sales and Marketing, Raheja Developers, says, *"Peripheral areas around metro cities are gaining traction due to improved infrastructure and connectivity. The year 2025 is expected to see a significant rise in demand for properties in these locations, further diversifying the real estate landscape. These markets present excellent opportunities for high returns and are becoming increasingly popular among modern homebuyers. Dwarka Expressway, in particular, becomes a key growth driver in Gurugram, enhancing the region's real estate appeal. By developing projects in the region, we aim to cater to evolving buyer preferences while capitalizing on their potential for price appreciation."*

Therefore, 2025 is shaping up as another landmark year for Indian real estate. The sector's growth trajectory is

supported by robust demand, strategic policy interventions, and an expanding market for luxury homes. Developers and investors are poised to benefit from the opportunities presented by this dynamic landscape.

