Confederation of Indian Industry

Knight Frank

India's Next Real Estate Markets

A report on the urban markets shaping Viksit Bharat 2047

September 2026	How emerging city-regions are converting connectivity into enterprise, consumption and formal real-estate demand	knightfrank.co.in/research

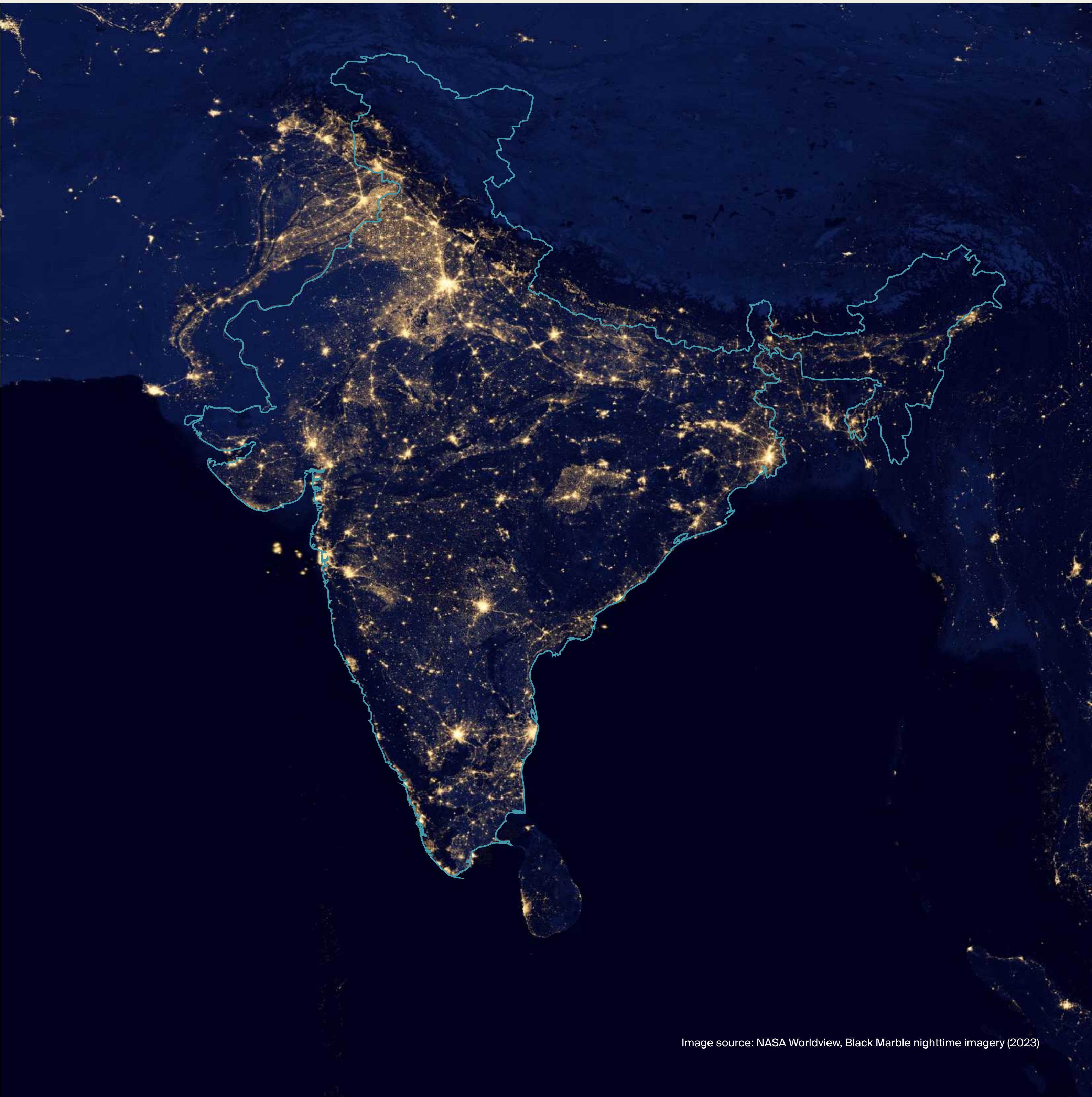

Image source: NASA Worldview, Black Marble nighttime imagery (2023)

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Foreword

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For three decades, India's real-estate story has been shaped by eight cities, and this is unlikely to change. Mumbai, Delhi NCR, Bengaluru, Hyderabad, Chennai, Pune, Kolkata and Ahmedabad will continue to be the country's deepest and most liquid property markets. What is changing, however, is the breadth and scale of the opportunity emerging around them.

India's infrastructure landscape has expanded at a pace unprecedented in recent decades. Public capital expenditure on infrastructure has increased more than eightfold, from approximately INR 0.7 lakh crore in FY15 to an estimated INR 6.7 lakh crore in FY27. The number of airports has more than doubled, from 74 to 165, while expressways, freight corridors, industrial nodes and metro systems are extending into cities that, until recently, had limited formal Grade A real estate. Collectively, these developments are beginning to reshape the geography within which real-estate decisions are made.

What is particularly significant is the opportunity that this infrastructure is beginning to unlock. Organised retail in tier-2 cities has added 5.9 million square feet (mn sq ft) of Grade A space since 2020, more than three times the addition recorded across tier-1 cities over the same period. Warehousing is witnessing significant leasing growth as production networks extend along emerging corridors. Select cities are attracting Global Capability Centres (GCCs), modern offices and institutional-quality development for the first time. Residential markets across India's next real-estate cities, as identified in this report, have also recorded an 8 percent decadal CAGR in property prices, twice the rate registered across the top eight metros.

India's real-estate sector is valued at approximately USD 613 billion today, with emerging city-regions outside the top eight accounting for around 15 percent of this market. By 2047, as the national real-estate sector is projected to reach USD 5.8 trillion, these city-regions could account for 25–30 percent of the sector, representing an opportunity in the range of USD 1.4 trillion to USD 1.7 trillion. The scale of this opportunity is significant, but the underlying logic is clear: when markets that have historically been largely informal begin to formalise across residential, retail, commercial and logistics segments simultaneously, the potential for substantial growth in organised real-estate value increases considerably.

This projection, however, is conditional. Infrastructure must translate into employment and enterprise, rather than connectivity alone. Formal supply must be supported by demonstrated demand. City governments must also strengthen their capacity to provide serviced land, timely approvals, utilities and liveable urban environments. Where construction outpaces absorption, the outcome can be oversupply rather than sustainable value creation.

The opportunity, therefore, is not to replicate metropolitan growth in smaller cities. It is to build economically productive city-regions shaped by their distinct strengths, while identifying these markets before their transition is fully reflected in land values and capital allocation.

This report, prepared jointly with CII, sets out the evidence and the conditions under which this transition is taking shape. India's next real-estate cycle is likely to be wider and more differentiated, and increasingly dependent on the quality of urban development.

I hope you find this report insightful.

Chandrajit Banerjee
Director General, CII

The rapid urbanisation is transforming India's urban landscape at an unprecedented scale. Tier-2 and Tier-3 cities are emerging as the major engines of economic growth. The ongoing policy reforms, both at the Centre and State levels, have catalysed the growth of these cities. The emerging city-regions are becoming important hubs of manufacturing, services, logistics, innovation, and consumption. These cities have also opened opportunities for investment and employment across the country. The Report on India's Next Real Estate Markets: A report on the urban markets shaping Viksit Bharat 2047 covers the convergence of infrastructure expansion, urbanisation, and economic growth in creating India's next generation of real estate and urban growth markets.

India has made significant investments in the infrastructure sector in the last couple of decades. As a result, we are witnessing better connectivity through highways, expressways, airports, railways, industrial corridors, logistics networks, and urban infrastructure. The regional markets around Tier-1 and Tier-2 cities have also become bigger and better, unlocking huge economic value.

Due to better scope for economic growth and employment close to home, these cities are also witnessing higher household incomes and resultant demand for housing, commercial spaces, retail, logistics facilities, and social infrastructure.

The challenge now is to ensure that the speed of growth does not outpace the quality of planning. Urban expansion must be deliberate, building cities that are well-connected, resilient, and capable of sustaining the economic activity they are beginning to generate, and ensuring quality of life for their citizens. This would require all stakeholders, including industry, policymakers, planners, and citizens, to work together.

Cities that are built well will not only attract more investments but also the talent that will further fuel the growth of the fast-urbanising India.

CII believes that the urban transition will further propel India's economic growth. This report throws light on the emerging opportunities in urban areas beyond metros. We hope that this report will encourage greater collaboration between public and private stakeholders needed to make that opportunity count.

Executive Summary

India’s next real-estate cycle will be geographically broader and economically more differentiated than the cycles that preceded it. The largest metros will remain central to national output and institutional real estate, but a wider network of city-regions is beginning to convert connectivity, enterprise and consumption into formal property markets.

The central proposition of this report is simple: infrastructure creates access; economic depth creates real-estate value. Airports, expressways and industrial-corridor investments expand a city’s economic catchment, but they do not create durable property demand on their own. That demand emerges when connectivity is matched by jobs, enterprise formation, household purchasing power, serviced land, reliable utilities and liveable urban conditions.

India’s urban economy is now too large to be absorbed by eight metropolitan markets alone. Around 597 million people live in urban India, contributing 60 percent of national GDP; the urban population is expected to reach about 740 million by 2050.[1] The next phase of urbanisation will be distributed across city-regions with distinct economic roles: manufacturing and export centres, logistics nodes, regional capitals, education and healthcare hubs, and tourism- and consumption-led markets.

The early evidence is visible but uneven. Residential and warehousing are decentralising first, supported by household demand and national production networks. Retail is following consumption, while office demand is widening selectively through GCCs and regional employment clusters. Institutional capital remains concentrated, making formal, income-producing supply the next test of market maturity.

India’s real-estate sector is estimated at USD 613 billion in 2025. Emerging city-regions outside the top eight account for around 15 percent, or USD 92 billion, of this output. By 2047, the national real-estate market is projected to reach USD 5.8 trillion. If employment, formalisation, consumption and urban capacity spread alongside infrastructure, Tier-2 and Tier-3 cities could raise their share to 25–30 percent, creating a USD 1.4–1.7 trillion real-estate opportunity.

This is a conditional outcome, not a linear extrapolation. The conservative case is one in which residential and warehousing decentralise, while office, retail and institutional capital remain metro-led. The stronger case requires public investment to crowd in private capital, formal supply to follow demonstrated demand, and city governments to expand the capacity to accommodate growth.

India’s next real-estate cycle will not be written in every Tier-2 or Tier-3 city. It will be written in city-regions where connectivity translates into jobs, enterprises, household demand and investible assets. The opportunity is to identify those markets before their economic transition is fully reflected in land values, supply pipelines and institutional capital allocation.

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[1] Global urban population and GDP shares are based on United Nations estimates and cover cities only. India's urban GDP contribution is based on NITI Aayog estimates for million-plus cities.

Chapter 1

A Broader Urban Economy

Why India's next demand base is forming beyond the largest metros

India's urban economy is widening

Cities are more than population centres. They bring together jobs, enterprises, talent, infrastructure and consumption, creating deeper and more productive economic markets. This is why urbanisation is not simply a demographic shift. It is the process through which population growth is translated into employment, incomes, business activity and demand for housing, workplaces, retail, logistics and urban services.

The global economy has become progressively more urban. Cities now account for around 45 percent of the world's population, but generate more than 80 percent of global GDP.[2] The experience of New York, Tokyo, Seoul and Beijing demonstrates how the concentration of businesses, skills, capital and infrastructure can create urban economies whose influence extends far beyond their municipal boundaries.

80%
of global GDP is generated in urban areas

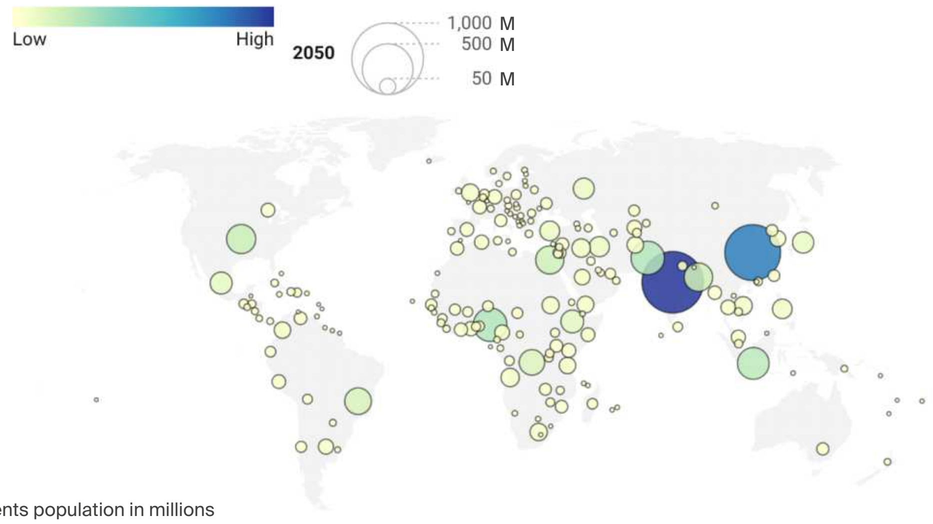
India's cities already account for a larger share of economic activity than their share of population. Around 40 percent (597 million) of India's population currently lives in urban areas, contributing approximately 60 percent of national GDP.[3] By 2050, India's urban population is expected to reach around 740 million, making the country one of the world's largest urban systems.

The significance extends beyond the eight largest metropolitan markets. As regional cities grow, they will account for a larger share of India's workforce, enterprises and consumption. For real estate, population growth is only the starting point. The stronger markets will be those where demographic growth is matched by employment, infrastructure, household purchasing power and the capacity to support formal development.

Population creates the base.
Economic activity creates the market.

India is set to have the world's largest urban population by 2050

Country-wise urban population (2050)



Bubble size represents population in millions
Note: Urban population projections are based on the United Nations urban-agglomeration definition.
Source: United Nations, Knight Frank Research

[2]United Nations, World Bank
[3]United Nations, NITI Aayog

Note: *Includes cities only. **NITI Aayog estimates for million-plus cities.
Source: NITI Aayog, United Nations, Knight Frank Research

Beyond the top eight:

A wider network of regional demand centres is taking shape

India's largest metros—Mumbai, Delhi NCR, Bengaluru, Hyderabad, Chennai, Pune, Kolkata and Ahmedabad—will remain central to the country's economic and real-estate landscape. They have deeper corporate ecosystems, higher-value employment, established capital markets and more mature institutional property sectors. However, the next phase of urban growth is becoming more distributed. The number of Indian cities with populations above one million is projected to rise from 74 to 85 by 2050.[4] Cities outside the top eight are expected to record population growth of around 28.2 percent, compared with 8.7 percent for the top eight metros over the same period.[5]

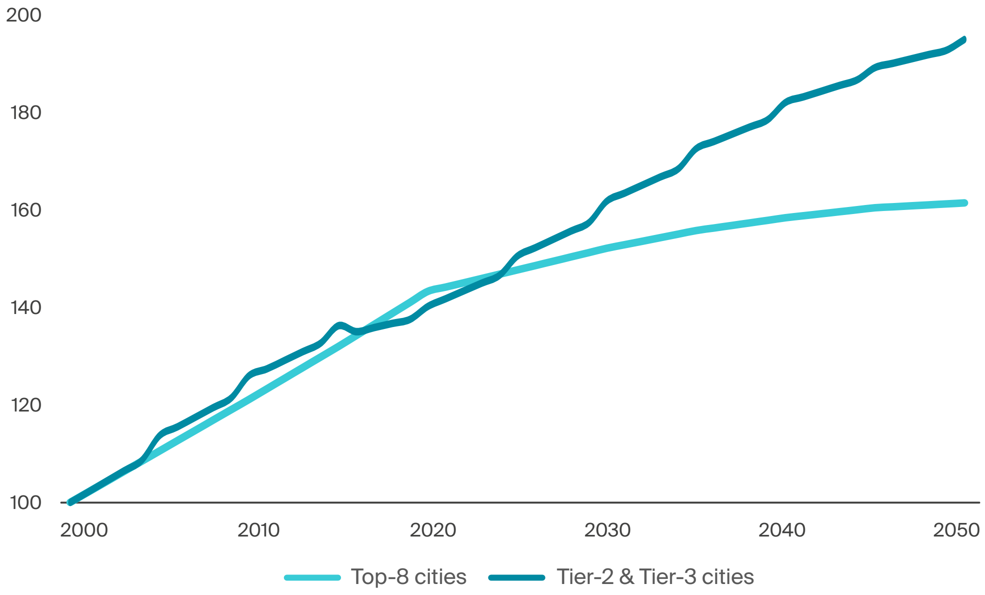
Their growth will be shaped by distinct economic roles: manufacturing and exports in some locations; logistics and distribution in others; government, education and healthcare in regional capitals; and tourism, lifestyle and second-home demand in selected markets.

[4] United Nations, does not include top-8 cities
[5] United Nations

Tier-2 and Tier-3 cities are capturing a growing share of population growth

Cumulative population growth

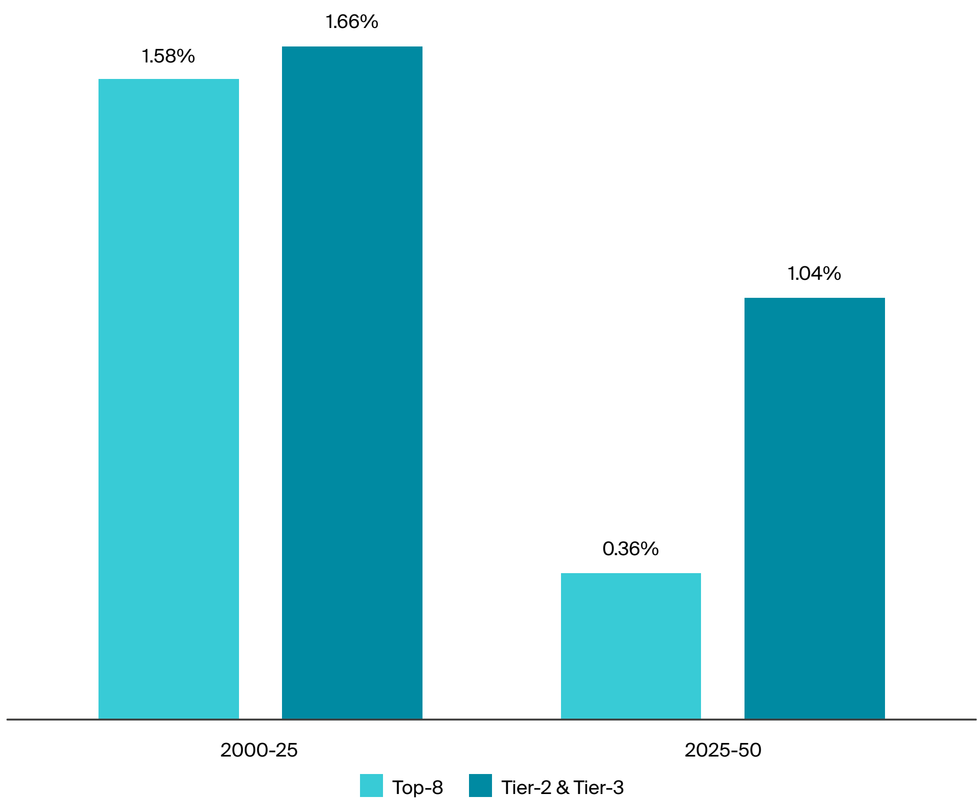
Index base year = 2000



A broader urban base

Tier-2 and Tier-3 cities are expected to add a significantly larger share of the next phase of population growth compared to the top-8 cities.

Compound annual growth rate (CAGR)



Faster growth ahead

Between 2025 and 2050, Tier-2 and Tier-3 cities are projected to grow at nearly 3x the rate of the top-8 cities.

Note: Includes cities only.
Source: United Nations, Knight Frank Research

The widening distribution of population growth expands India's future urban demand base. It does not, by itself, establish real-estate demand. That depends on whether growth is accompanied by employment, enterprise formation, household purchasing power, urban services and formal development capacity.

From urban growth to market formation

Population is one part of the emerging-city story. The transition from a growing city to a functioning real-estate market depends on what follows: enterprises need to expand, households need to gain purchasing power, mobility needs to improve, and cities need the capacity to provide housing, water, sanitation, transport, education and healthcare.

This is why city size alone is an incomplete guide to opportunity. A smaller but economically diversified city-region can support stronger formal demand than a larger city with limited employment growth, weak infrastructure or constrained urban services. Equally, a new airport, expressway or industrial node can improve access without immediately creating a viable development market. For developers and investors, the relevant geography is therefore not the municipal boundary. It is the growth corridor where employment anchors, mobility infrastructure, social infrastructure, serviced land and a growing residential or commercial catchment come together.

Source: Knight Frank Research

The next chapters examine the conditions that determine whether this conversion takes place: consumption, connectivity, private capital and the emergence of deeper property markets. India's emerging-city opportunity begins with urban growth. It becomes a real-estate market when that growth is converted into enterprise, incomes, consumption and urban capacity.

The new consumption geography

How formal spending is reshaping emerging city markets

India's urban consumer base is expanding in scale, purchasing power and complexity. Urban households spend around INR 7,000 per capita per month—approximately 70 percent more than rural households—and around 60 percent of expenditure is directed towards non-food goods and services.[6] Housing, mobility, education, healthcare, retail, leisure and other services therefore account for a growing share of the urban consumption basket.

For real estate, this matters because household spending supports a wider range of assets: organised retail, high streets, hospitality, logistics, healthcare,

[6] Household Consumption Expenditure Survey (2023-24)

education and mixed-use development. As consumption becomes more formal and more diversified, emerging cities gain the capacity to support a broader urban asset base.

How does urban India spend a rupee?

Category-wise share of urban household expenditure

40 paise
Food & Beverages

13 paise
Housing & Utilities

21 paise
Consumer goods, Entertainment & Other

12 paise
Education & Healthcare

14 paise
Mobility & Services

60%
of urban household spending is directed towards non-food goods and services

Source: Household Consumption Expenditure Survey (2023-24), Knight Frank Research

The broadening of consumption is visible beyond the largest metropolitan markets. Tier-2 cities now host 1,720 international brand stores across 24 markets, spanning 255 brands from 37 countries.[7] Digital access is widening the consumer universe further. Urban India recorded 410 million active internet users in 2025, while Tier-2 and Tier-3 markets accounted for an estimated 60–70 percent of this base.[8] This does not mean that all emerging cities will support the same retail formats. It indicates that consumers outside the largest metros are becoming more connected to national brands, digital platforms and formal retail environments.

These markets are also becoming more integrated into national mobility and business networks. Forty-one Tier-2 and Tier-3 cities record more than one million annual air passenger traffic, reflecting the growing movement of consumers, business travellers and visitors through these markets.[9]

A larger, more connected consumer economy is emerging

255
International brands
across Tier-2 cities

410 mn
Urban internet users
60–70% from Tier-2 and Tier-3 cities

41
Tier-2 and Tier-3 airports with more than 1 million annual passenger traffic

1st
Chandigarh
among India's cities for per-capita consumption

6 in 15
Cities with the highest number of millionaires
are non-metros

Source: Bharat Internationalised: The New Retail Frontier, Internet in India Report 2025, Airports Authority of India, Knight Frank Research
Note: Includes cities only.

From consumption to wider urban demand

The expansion of consumption is reinforcing the role of regional cities as wider economic centres. A larger consumer base can support retail, hospitality, logistics, education, healthcare and other urban services, while also strengthening the residential catchments around established employment and mobility corridors. The next question is whether infrastructure and city systems can accommodate this widening demand.

[7] Bharat Internationalised: The New Retail Frontier
[8] Internet in India Report 2025
[9] Airports Authority of India

Chapter 2

Infrastructure Is Changing the Map

Connectivity is expanding catchments; urban capacity will determine conversion

India's infrastructure build-out is reshaping the geography within which real-estate decisions are made. The share of infrastructure expenditure in total government capital expenditure has increased from 39 percent in FY 15 to 55 percent in FY 26, while infrastructure capital expenditure has risen nearly eightfold since 2015. The momentum continues in FY 27, with INR 12.2 lakh crore budgeted for capital expenditure, of which INR 6.7 lakh crore is earmarked for infrastructure.

This sustained investment in airports, highways, expressways, rail links, freight corridors and urban transit is expanding the catchments of emerging cities, connecting them more closely with labour markets, production centres, consumers and national supply chains. The real-estate effect, however, is not automatic: connectivity creates access, while employment, serviced land, utilities and formal development determine whether that access translates into a viable real-estate market.

74 → 165
Operational airports 2014-2026

91,287 km → 146,572 km
National highway network 2014-2026

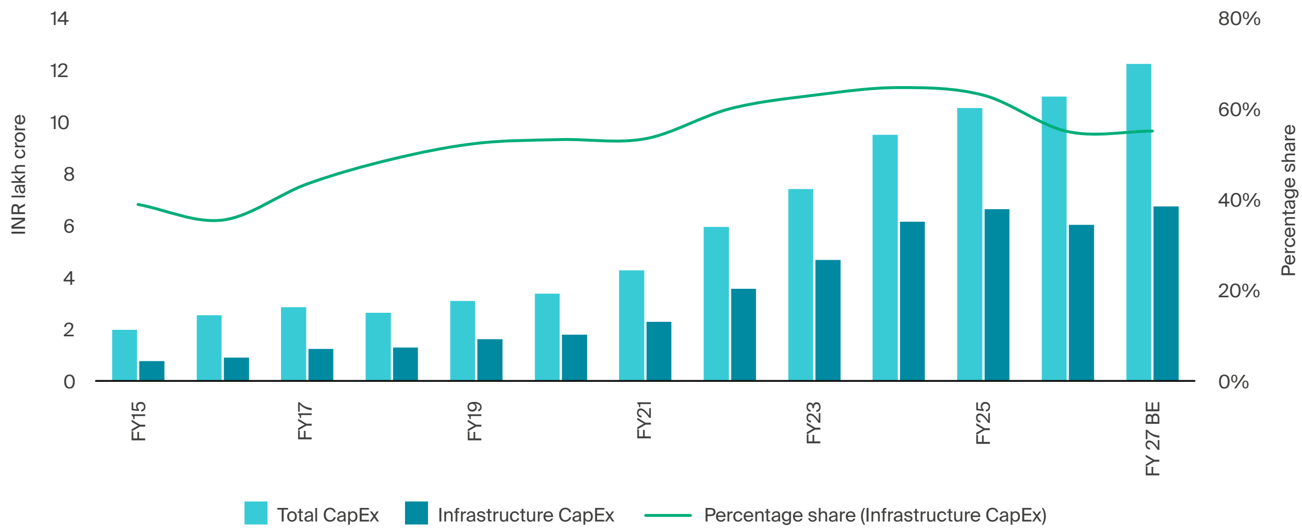
248 km → 1,155 km
Operational metro systems 2014-2026

3,644 km
Access-controlled high-speed corridors and expressways operationalised

Source: Ministry of Civil Aviation; Airports Authority of India; Ministry of Road Transport and Highways; Ministry of Housing and Urban Affairs; Press Information Bureau – Government of India, Knight Frank Research.

Infrastructure now commands more than half of government capital expenditure

Capital expenditure in infrastructure



Note: BE: Budget Estimate; RE: Revised Estimate.
Source: Union Budget, Government of India, Knight Frank Research

Policy catalyst unlocking growth in emerging cities

Key policies for connected, inclusive and competitive cities

01 2015 - 2016 **BUILD THE FOUNDATION**
Modern cities. Better living.

- **Smart Cities Mission (SCM)**
  INR 47,652 Crore
  To develop 100 smart, core infrastructure backed cities
- **AMRUT 1.0**
  (Atal Mission for Rejuvenation & Urban Transformation)
  INR 35,990 Crore
  Guarantees water supply and sewerage utilities across 500 cities
- **PMAY-Urban**
  (Pradhan Mantri Awas Yojana)
  INR 2,08,000 crore
  Sanction 1.18 crore affordable housing units to the urban poor
- **HRIDAY**
  (Heritage City Dev. & Augmentation)
  INR 500 crore
  Revitalize cultural infrastructure of 12 heritage cities
- **UDAN**
  (Ude Desh ka Aam Nagrik)
  INR 4,500 crore
  Connect 100+ unserved/ underserved airports and heliports
- **Setu Bharatam**
  INR 50,000 crore
  Build 208 rail over/ under bridges to replace highway crossings

02 2017 - 2019 **CONNECT INDIA**
Stronger networks. Bigger markets.

- **Bharatmala Pariyojana**
  INR 5,35,000 crore
  Develop 34,800km of national economic corridors
- **Metro Rail Policy**
  Target 1,000+ km operational network expansion
- **Transit Oriented Development (TOD) Policy**
  Compact mixed-use nodes within 500m to 800m of transit corridors.
- **FAME-II**
  (Faster Adoption & Mfg. of Electric Vehicles)
  INR 10,900 crore
  Subsidize 7,000 e-buses, 500,000 e-3-wheelers, and 1M e-2-wheelers.

03 2020 - 2022 **INTEGRATE & SCALE**
A unified infrastructure ecosystem.

- **National Infrastructure Pipeline (NIP)**
  (total investment)
  INR 43,00,000 crore
  Build an infrastructure pipeline
- **PM Gati Shakti**
  Synchronize digital spatial tracking across 16 infrastructure ministries
- **AMRUT 2.0**
  INR 76,760 crore
  Ensure 100% tap water coverage across 4,378 statutory towns.
- **Swachh Bharat Mission – Urban 2.0 (SBM-U 2.0)**
  INR 36,465 crore
  Make 100% of urban centres garbage-free with full waste processing
- **National Monetization Pipeline**
  INR 6,00,000 crore
  Monetize INR 6.0 lakh crore in core brownfield public assets

04 2023 - 2024 **DEEPEN IMPACT**
Expand opportunities to more cities.

- **Urban Infrastructure Development Fund (UIDF)**
  INR 10,000 crore
  Target 450+ Tier-II & Tier-III cities for urban infra funding
- **PM-eBus Sewa**
  INR 20,000 crore
  Deploy 10,000 electric buses across 169 cities
- **Amrit Bharat Station Scheme**
  INR 24,470 crore
  Modernize and redevelop 1,321 railway stations
- **PMAY-U 2.0**
  INR 2,30,000 crore
  Construct and deliver 1 crore additional urban houses

05 2025 - 2026 **CITIES AS GROWTH ENGINES**
From emerging cities to growth centres

- **City Economic Regions (CERs)**
  INR 5,000 crore
  per CER (over 5 years)
  Transform 14 high-growth urban clusters into integrated economic regions
- **Urban Challenge Fund (UCF)**
  INR 1,00,000 crore
  Leverage market capital through a ₹1 lakh crore central grant pool
- **Modified UDAN**
  (FY2026–27 to Fy2035–36)
  INR 28,840 crore
  Operationalize 50 additional underserved air routes and remote airstrips

Note: Central Government outlays/assistance.
Sources: Government of India (Ministries/Departments), Union Budgets, PIB, NITI Aayog.

Connecting Tier-2 and Tier-3 cities to national and global markets

The most visible change has been in regional and global connectivity. India's operational **airport network** has expanded from 74 airports in 2014 to 165 in 2026.[10] The expansion is set to continue, with the government envisioning a network of 350–400 airports by 2047. This expansion has brought air connectivity to a wider set of cities, including several Tier-2 and Tier-3 markets. The UDAN regional connectivity scheme has further extended the network, connecting smaller cities to larger commercial centres and improving access to national markets. For emerging cities, better air connectivity can support business travel, tourism, investment and access to higher-value markets, while also strengthening their role as regional centres.

Road connectivity is widening these catchments further. India's national highway network has expanded by 60 percent from 91,287 km in 2014 to 146,572 km in 2026, while the development of expressways and access-controlled corridors has significantly reduced travel times between major urban, industrial and consumption centres.[11] Faster and more reliable road connections expand the economic catchment of Tier-2 and Tier-3 cities, widening access to labour, suppliers and consumer markets while bringing surrounding towns and districts closer to emerging employment centres.

Industrial corridors are taking this a step further by linking highways, freight infrastructure and industrial nodes. Under the National Industrial Corridor Development Programme, nodes across Uttar Pradesh, Kerala, Rajasthan, Telangana, Andhra Pradesh, Bihar, Punjab and Maharashtra are creating locations where manufacturing, logistics and supporting services can develop together. The rail network provides a further layer of connectivity, with around 69,000 route km and Dedicated Freight Corridors improving links between ports, industrial centres and major consumption markets.[12] Together, these investments are shifting the focus from connecting places to connecting economic activity.

Connecting cities within themselves

The infrastructure expansion is not limited to inter-city links. As urban populations grow and employment centres spread outward, intra-city connectivity is becoming increasingly important to the functioning of emerging markets. India's operational metro network, now the third largest in the world, has expanded from 248 km in 2014 to more than 1,155 km across 26 cities, with metro systems now operational across a growing number of cities beyond the largest metropolitan centres.[13] Jaipur, Lucknow, Nagpur, Kochi, Bhopal, Indore, Surat, Kanpur and other emerging cities are among those where mass-transit systems are operating or being developed. By reducing travel times between homes, employment centres and commercial districts, metro systems can bring previously less accessible locations within commuting range and support development along new corridors. MetroLite and MetroNeo are also being promoted for smaller cities, offering mass-transit systems suited to their scale and economics.

[10] Airports Authority of India
[11] Ministry of Road Transport and Highways
[12] Press Information Bureau, Government of India
[13] Press Information Bureau, Government of India

Industrial corridors are reshaping India's growth map

The National Industrial Corridor Development Programme (NICDP) is transforming economic activity by integrating transport, ready-to-use industrial land and new production centres.

Industrial Corridors

1. Delhi-Mumbai Industrial Corridor (DMIC)
2. Amritsar-Kolkata Industrial Corridor (AKIC)
3. Chennai-Bengaluru Industrial Corridor (CBIC)
4. Vizag-Chennai Industrial Corridor (VCIC)
5. Odisha Economic Corridor (OEC)
6. Hyderabad-Nagpur Industrial Corridor (HNIC)
7. Hyderabad-Warangal Industrial Corridor (HWIC)
8. Hyderabad-Bengaluru Industrial Corridor (HBIC)
9. Bengaluru-Mumbai Industrial Corridor (BMIC)
10. Extension of CBIC to Kochi via Coimbatore
11. Delhi-Nagpur Industrial Corridor (DNIC)

20 Industrial smart cities approved

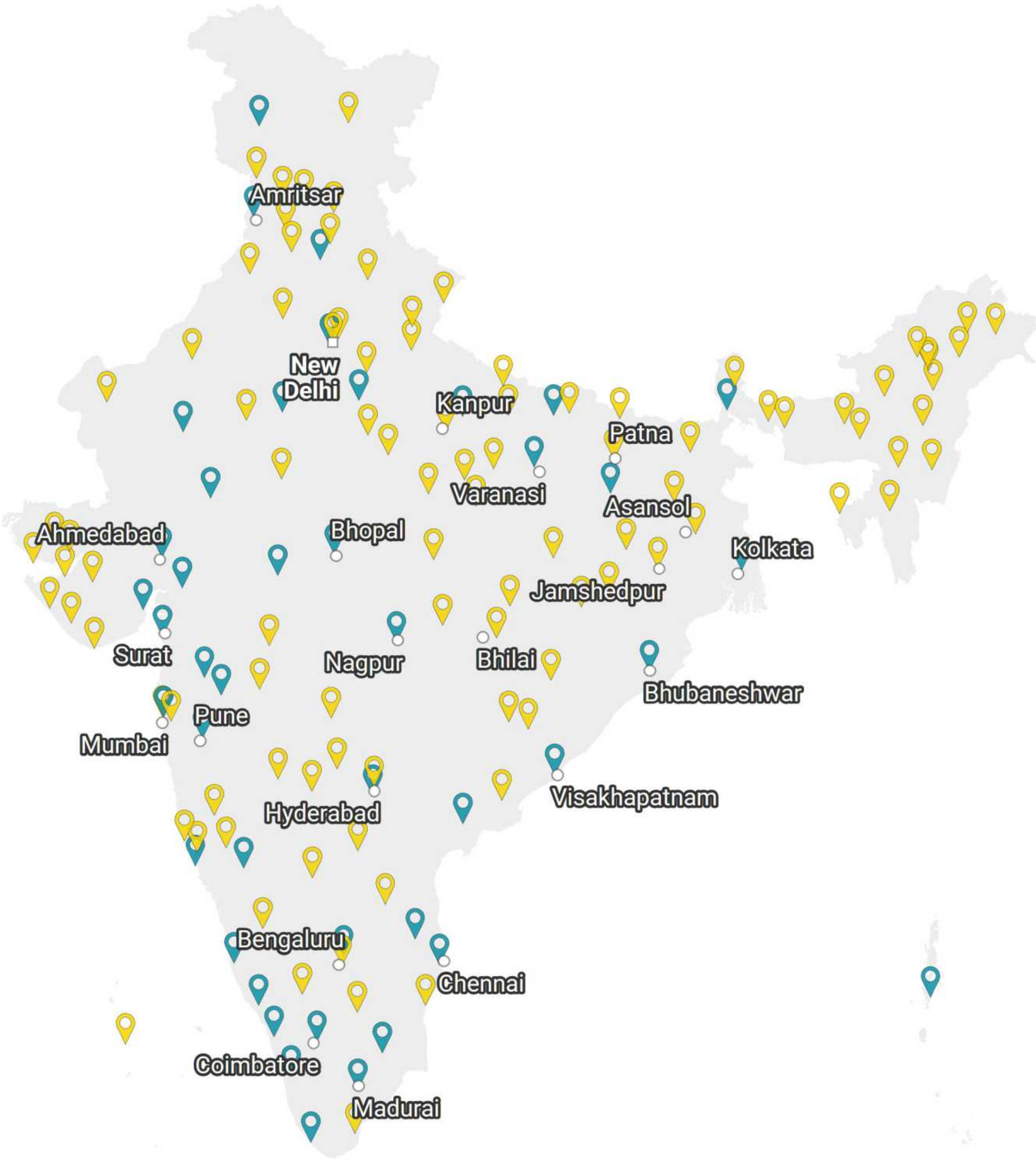
₹1,52,757 crore investment potential

939,416 employment potential

Source: Press Information Bureau, Travelling Across the Industrial Corridors of India, Department of Promotion of Industry and Internal Trade, Government of India

Global and regional connectivity put Tier-2 and Tier-3 cities on the map

Operational airports in India



Domestic International

165 Operational airports

41 Tier-2/Tier-3 airports with 1 million+ annual passenger traffic

14 Airports under PPP

350–400 Airports envisioned by 2047

Source: Ministry of Civil Aviation, Airports Authority of India, Knight Frank Research

From infrastructure corridors to economic corridors

The relevance of connectivity is clearest where transport networks reinforce an established economic anchor and open a viable development corridor.

Where connectivity becomes real-estate opportunity

Selected city-regions where mobility infrastructure, economic anchors and property demand are beginning to converge

City-region	Mobility anchor	Economic anchor	Property implication
Lucknow	Airport, metro and expressway links	Government, education, healthcare and services	Mid-income, premium and mixed-use residential
Chandigarh Tricity	Airport Road and regional road network	Professional services, education and healthcare	Premium/mid-premium housing and commercial development
Nagpur	MIHAN, airport and logistics links	Manufacturing and distribution	Warehousing, workforce housing and phased residential
Indore	Airport, Super Corridor and industrial links	Services, education and manufacturing	Mid-income housing, office space and logistics
Kochi	Airport, metro and Infopark connectivity	Services, technology, port and tourism	Premium housing, offices and hospitality assets
Visakhapatnam	Port, airport and industrial connectivity	Logistics, manufacturing and services	Industrial, warehousing and corridor-led residential development

Source: Knight Frank Research

Building the capacity to absorb growth

Connectivity alone, however, cannot sustain urban expansion. Businesses require access to workers and markets; households require housing and basic services; and cities require the physical capacity to support both. Infrastructure therefore increasingly operates as an interconnected system. A growing population requires reliable water supply, sanitation, drainage, waste management, public transport, housing and other civic services. Programmes such as AMRUT, AMRUT 2.0, the Smart Cities Mission and PMAY-U have expanded investment in these areas, particularly across smaller and emerging urban centres.

Connectivity determines where economic activity can reach; urban infrastructure determines where it can be accommodated. When the two develop together, locations that were previously peripheral can become viable extensions of an existing city or new centres of economic activity.

Infrastructure creates the conditions for growth, but the conversion into urban value depends on local execution. Cities need serviced land, reliable utilities, housing, public transport, healthcare, education and efficient approvals to absorb the activity that connectivity brings. The value of the current infrastructure cycle will therefore be measured not only in kilometres built, but in the city-regions that use new connectivity to create jobs, support housing and attract sustained private investment.

Public investment spans the full urban development chain

Each stage of investment enables the next: connectivity opens markets, economic activity creates jobs, and jobs create the demand for housing and services that makes a city liveable.

01	02	03	04	05
Connect	**Build capacity**	**Create economic activity**	**Enable & digitise**	**House & sustain**
Connectivity & physical infrastructure	*Urbanisation & city development*	*Economic & industrial development*	*Digital & land*	*Housing, talent & liveability*
Metro rail	Smart Cities	PLI	BharatNet	PMAY-Urban
Bharatmala	AMRUT 2.0	Semiconductor Mission	Digital India	Swachh Bharat 2.0
RCS-UDAN	Urban Challenge Fund	PM MITRA	IndiaAI	NCAP
Amrit Bharat	UIDF	Startup India	DILRMP	PM-ABHIM
PM-eBus				

OUTCOME *A liveable, investible city — where connectivity, employment, housing and services reinforce one another.*

Source: Government of India, Knight Frank Research

Note: RCS-UDAN: Regional Connectivity Scheme–Ude Desh ka Aam Nagrik; AMRUT: Atal Mission for Rejuvenation and Urban Transformation; UIDF: Urban Infrastructure Development Fund; PLI: Production Linked Incentive; PM MITRA: Prime Minister Mega Integrated Textile Region and Apparel; AI: Artificial Intelligence; DILRMP: Digital India Land Records Modernization Programme; PMAY-U: Pradhan Mantri Awas Yojana–Urban; NCAP: National Clean Air Programme; PM-ABHIM: Pradhan Mantri Ayushman Bharat Health Infrastructure Mission.

Chapter 3

Converting Public Investment into Urban Value

Why the next phase depends on private capital and stronger city systems

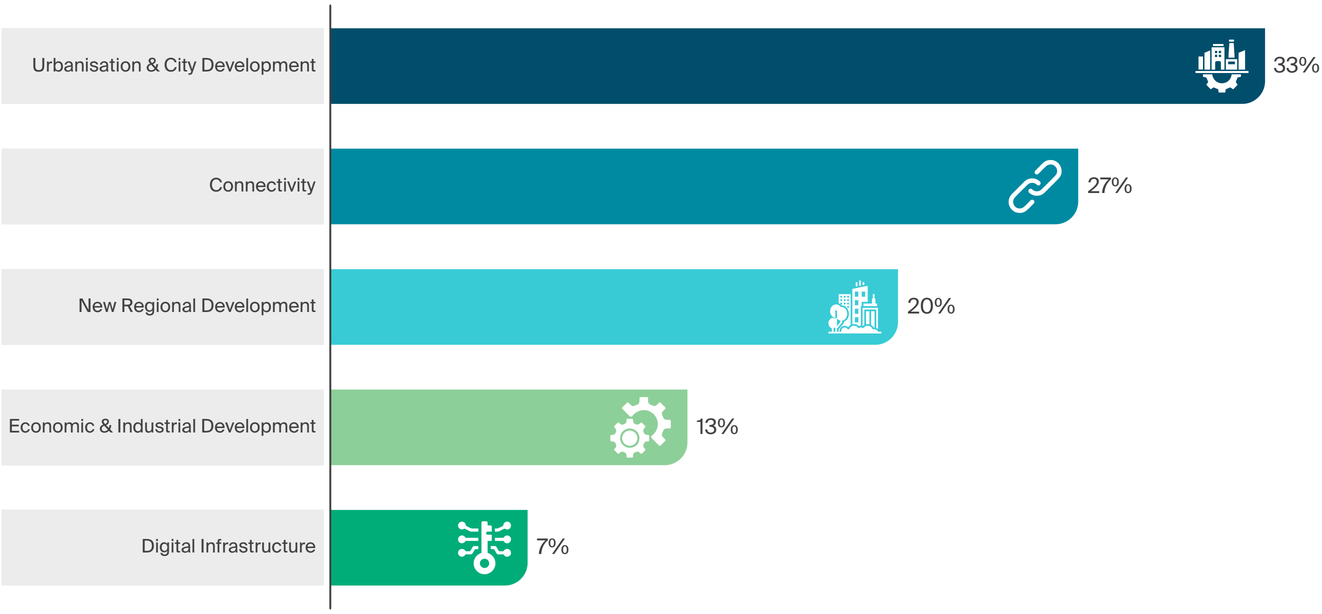
Converting public infrastructure into urban value

Public investment can open a market, but it cannot build a city on its own. Roads, airports, railways, industrial corridors and urban infrastructure create access and capacity. The value of that investment depends on what follows: businesses locating closer to new infrastructure, households moving into newly accessible areas, developers bringing housing and commercial space to market, and private capital financing the assets required to support a larger urban economy.

That process is becoming more relevant as the scale of public investment expands. Major policies and schemes covering urban development, connectivity, industrial development, housing, liveability, digital infrastructure and new growth centres carry over INR 24 lakh crore of central government outlay. Urbanisation and city development account for the largest share at 33 percent, followed by connectivity at 27 per cent and new regional development at 20 per cent. Economic and industrial development constitutes a further 13 per cent, while digital infrastructure accounts for 7 per cent. The investment mix therefore reflects a broader shift from building connectivity alone to creating the economic and urban systems required for sustained city growth.

City development and connectivity anchor India's urban-focused policy push

Share of total budgeted outlay of key policies and schemes



Source: Press Information Bureau, Ministry of Housing and Urban Affairs, Ministry of Road Transport and Highways (MoRTH), Government of India, Knight Frank Research

Note: The analysis tracks 34 major central government policies and schemes across five investment categories, representing a combined budgeted outlay of approximately INR 24 lakh crore. The figures refer to announced or allocated outlays by central government and not actual fund releases or expenditure. Refer to the annexure for further details.

Public investment is creating the platform for private capital

The wider the infrastructure platform becomes, the more important the financing model becomes. Public capital can provide roads, transit, industrial land, utilities and other enabling infrastructure, but much of the economic activity that develops around these assets requires private investment. Offices, housing, retail, logistics, industrial facilities and urban services are built by developers and occupiers responding to demand.

This is reflected in the growing role of public-private partnerships. The government's three-year PPP pipeline comprises 852 projects with a combined project cost of more than INR 17 lakh crore, creating a substantial pipeline of projects in which private participation forms part of the delivery model.[14] For emerging cities, this matters because it broadens the pool of capital available to infrastructure while reducing the extent to which urban development depends solely on government balance sheets.

The same shift is beginning to influence urban infrastructure financing. The INR 1 lakh crore Urban Challenge Fund is designed to support around INR 4 lakh crore of urban investment over five years, with central support intended to leverage market-based financing and private participation. This also includes an INR 5,000 crore Credit Repayment Guarantee Sub-Scheme to enable Tier-2 and Tier-3 cities to access market-based financing.[15] Together, these mechanisms point to a change in how urban growth can be financed. Government remains responsible for creating the conditions for development, but an increasing share of the investment required to build and operate urban assets can come from private and institutional sources.

Public investment can open a corridor. Private capital determines whether it becomes a functioning urban market.

The transition from infrastructure to urban value depends on market conversion. Connectivity must be followed by enterprise activity, employment, household formation, consumption, housing and commercial development. Where these links emerge together, infrastructure becomes part of a wider investible market. Where they do not, a connected location may remain underutilised despite substantial public investment.

Public capital is mobilising private investment

01

A larger pipeline with private participation

852 PPP projects

INR **17** lakh crore+

Total project cost (3-year pipeline)

02

Urban investment designed to mobilise market capital

INR **1** lakh crore

Urban Challenge Fund (Central support)

INR **4** lakh crore

Total urban investment over 5 years

INR **5,000** crore

Credit repayment guarantee corpus for smaller cities

03

Institutional capital is deepening

INR **21,026** crore

Funds mobilised by InvITs in FY2025-26

Source: Department of Economic Affairs, Ministry of Finance, Ministry of Housing and Urban Affairs, Securities and Exchange Board of India, Knight Frank Research

[14]Press Information Bureau, Ministry of Finance – Government of India
[15]Press Information Bureau, Ministry of Housing and Urban Affairs – Government of India

Institutional capital is becoming part of the infrastructure story

As the stock of infrastructure expands, capital-market structures are providing another route for long-term funding. Infrastructure Investment Trusts, or InvITs, allow operating infrastructure assets to be held through investment vehicles and provide an avenue for investors to participate in assets such as roads and power transmission networks. They also allow capital to be recycled from existing assets into new infrastructure. InvITs raised INR 21,026 crore in FY2025–26, taking cumulative fund mobilisation in recent years to a much larger scale.[16] Their relevance to emerging cities is indirect but important: a larger market for infrastructure assets can support continued investment in the networks that connect cities, reduce travel and logistics costs and improve the viability of new economic locations.

From capital presence to investible conditions

Real estate demand follows underlying urban activity: housing tracks population, household formation and incomes; offices track employment and business formation; retail tracks consumption; and industrial and logistics assets track manufacturing, trade and connectivity. Investment in one asset class can therefore signal broader economic momentum without directly establishing demand in another. An industrial park, for instance, supports housing demand through the jobs, incomes and consumption it generates.

The opportunity lies where public infrastructure begins to crowd in private capital. The strongest emerging markets will be those where connectivity, employment, consumption and formal real-estate supply reinforce one another, converting infrastructure investment into a deeper urban economy.

How private capital enters the real-estate cycle

Infrastructure expansion is creating a larger pipeline of investible urban assets. Real estate is a key channel for private capital, financing the housing, offices, retail, logistics and other spaces required as city economies grow.

Formalisation is making these opportunities easier to assess and finance. RERA has improved project registration, disclosure and delivery accountability, while organised developers have strengthened execution and financial discipline. Together, these changes improve visibility into projects, counterparties and potential cash flows—reducing information gaps for lenders and investors in emerging markets.

How capital enters the emerging-city real-estate cycle

	Real-estate stage	Typical activity	Capital provider / structure
1.	Land and project origination	Land aggregation, approvals and project planning	Developer equity, landowner partnerships and joint ventures
2.	Development and construction	Construction, sales and leasing	Developer equity, banks, NBFCs, construction finance and private equity
3.	Completion and stabilisation	Occupancy, leasing and operating cash-flow build-up	Institutional investors, private equity and real-estate funds
4.	Operating assets	Mature offices, retail, warehousing and other income-producing assets	Core funds, institutional capital and asset acquisitions
5.	Capital-market recycling	Monetisation of stabilised assets investors and retail investors	REITs, listed vehicles, institutional

PPPs provide an additional route for private participation where urban infrastructure and real estate development overlap.

A broader opportunity across asset classes

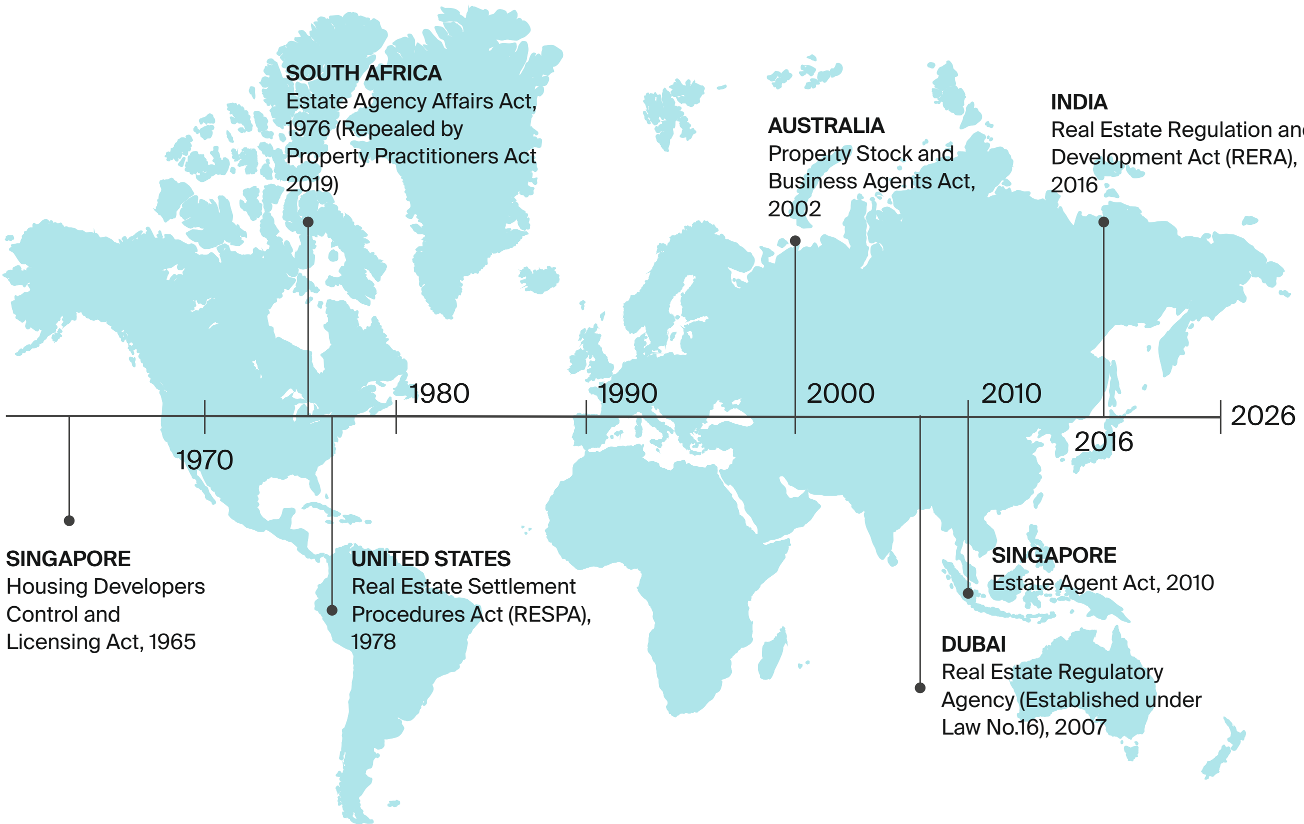
Infrastructure investment is creating opportunities across real-estate segments, though the transmission differs by city. Employment growth supports offices and housing; industrial investment drives demand for logistics, worker housing and commercial services; improved connectivity supports retail and hospitality; and better urban transport makes peripheral corridors more viable for development. Across stakeholders, this

[16]Securities and Exchange Board of India

widens the range of markets, asset classes and entry points available earlier in the urban growth cycle.

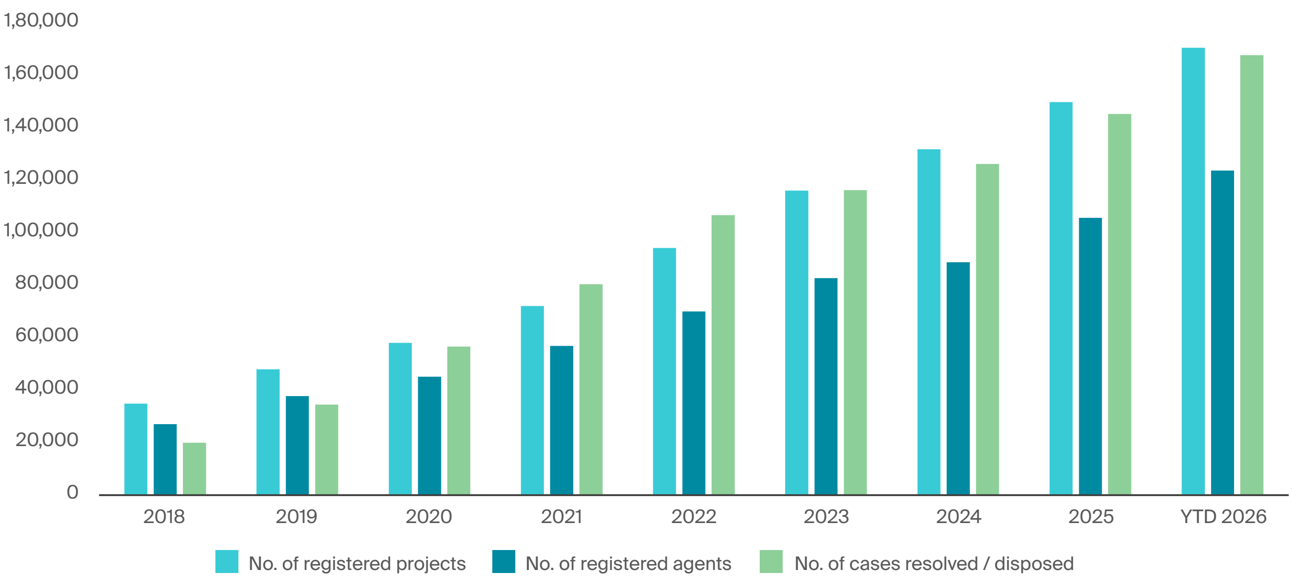
Selected Tier-2 cities are already showing signs of this transition. Organised residential development, national and multinational occupiers, modern retail and growing institutional participation are increasingly visible, even where market depth remains below that of the largest metros. The opportunity lies in identifying city-regions where public investment is being translated into demonstrable market depth.

Regulatory reforms have strengthened investor confidence



Source: MoHUA 2026, Dubai Land Department 2025, The Property Ombudsman UK, Council of Estate Agencies Singapore, Knight Frank Research

RERA - Registered projects, agents and cases resolved



Source: Ministry of Housing and Urban Affairs, Knight Frank Research

One label, many markets

Emerging cities are shaped by distinct economic roles and real-estate pathways

India's emerging city-regions are defined by different economic roles, demand bases and development pathways. India's emerging cities are often grouped together because of their size, but their economic roles are markedly different. Some are administrative capitals, others are industrial centres, technology and services hubs, education markets, pilgrimage destinations, tourism and second-home markets, logistics centres or extensions of larger metropolitan economies. This distinction is increasingly important for real estate. The same infrastructure investment can have very different effects depending on the economic function of the city around it.

How city economic roles shape real-estate demand

City character	Primary demand driver	Likely real-estate profile	Examples
Administrative capitals	Government, institutions, professional services and public-sector employment	Housing, offices, retail and hospitality	Lucknow, Jaipur, Chandigarh
Service-sector centres	IT, GCCs, professional services, education, healthcare and corporate employment	Offices, premium housing, rental housing and retail	Kochi, Bhubaneswar, Indore
Industrial centres	Manufacturing, engineering, auto, pharmaceuticals and ancillary industries	Housing, industrial space, logistics and worker accommodation	Vadodara, Aurangabad, Surat
Micro, Small and Medium Enterprises (MSME)	Small-scale manufacturing, specialised enterprise clusters, workshops and local businesses	Industrial units, warehousing, commercial space and housing	Ludhiana, Rajkot, Kanpur, Meerut
Temple towns	Pilgrimage, religious tourism, hospitality and local services	Hotels, retail, hospitality and residential	Ayodhya, Vrindavan, Tirupati, Amritsar
Tourism and second-home markets	Domestic and international tourism, lifestyle and wealth-driven demand	Premium residential, second homes, hospitality and retail	Goa, Udaipur, Dehradun
Logistics and trade centres	Freight, warehousing, wholesale trade and regional distribution	Logistics, industrial, commercial and housing	Nagpur, Visakhapatnam, Surat

Source: Knight Frank Research

The implication is straightforward: asset selection, product positioning and development timing must follow the economic function of the city-region, not its population tier alone.

India's next real estate growth frontiers

Framework for identifying India's next real estate growth centres

Evaluating connectivity, economic depth, infrastructure momentum and consumption to identify the cities leading the next phase of real estate growth.

Filter 1
All urban centres with population > 1 million

74 cities

Filter 2
Only cities with demonstrable significance — whether economic or administrative — were included.

Evaluation across four key parameters

Each city is assessed across four dimensions

CONNECTIVITY

ACCESS TO OPPORTUNITY

- Airport presence, international connectivity, air passenger traffic
- Expressway access
- Connectivity to major metros
- Metro rail and fast rail services

ECONOMY

A STRONG ECOSYSTEM

- Service sector contribution
- Existing office stock
- Registered medium and small enterprises

INFRASTRUCTURE PUSH

BUILDING FOR THE FUTURE

- Central and state government
- investment outlay
- Sanctioned mass transit projects
- Investments in MMLP/ logistics/ data centres

CONSUMPTION

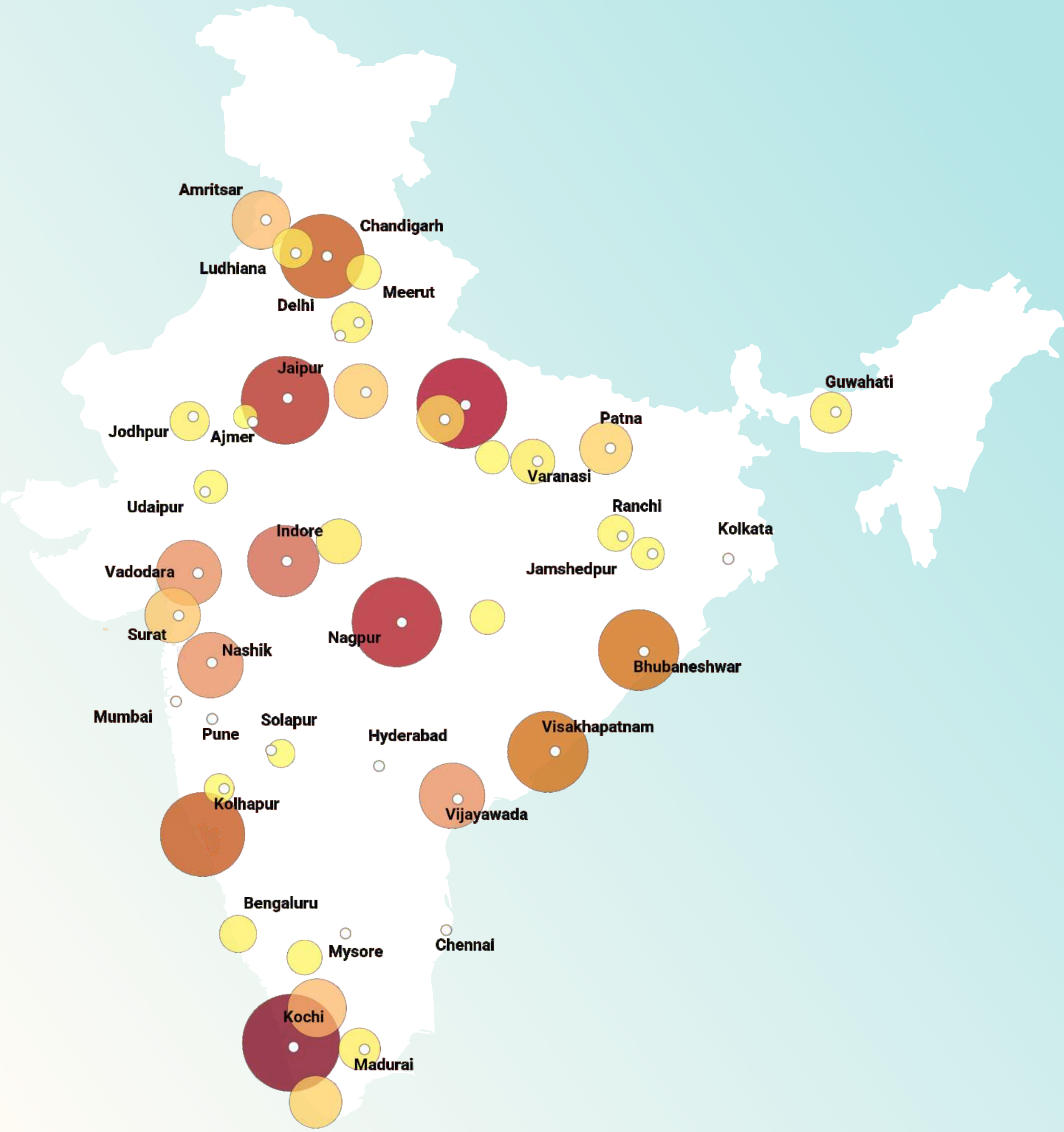
DEPTH OF DEMAND

- Retail leasable area
- Household income and cost of living
- Discretionary spend on lifestyle categories
- Private vehicle ownership

India's Next Real Estate Growth Centres

Source: Knight Frank Research
Note: Refer to the annexure for details of the approach and methodology.

Mapping the cities leading the next wave of real estate growth



Chandigarh Tricity, Coimbatore, Jaipur, Lucknow, Bhopal, Indore, Nagpur, Bhubaneswar, Visakhapatnam, Goa, and Kochi are at the forefront of India's next real estate growth frontiers.

Leading — Emerging

Source: Knight Frank Research
Note: Refer to annexure for approach and methodology

Chapter 4

How Market Depth Is Taking Shape

Enterprise, consumption and formal supply are broadening the asset base in Tier-2 and Tier-3 cities

A broad occupier base

The workplace opportunity in emerging cities does not depend on replicating Bengaluru or Gurugram. In many markets, demand will arise through regional corporate functions, manufacturing and engineering services, professional firms, government-linked activity, education, healthcare, technology, logistics and the gradual formalisation of local enterprises.

Top metros

Concentrated occupier base

- **Corporate services** – Global capability centres, consulting, professional services
- **Technology** – IT/ITeS, product development, digital services
- **Finance** – Banking, capital markets, insurance
- **Large enterprises** – Headquarters and multinationals

Tier-2 and Tier-3 cities

A wider mix of occupier drivers

- **MSMEs** – Small and medium enterprises across manufacturing and services
- **Manufacturing** – Industrial clusters and ancillary ecosystems
- **Trade** – Wholesale, retail and e-commerce
- **Logistics** – Transport, warehousing and supply-chain networks
- **Government** – Administrative, education, healthcare and civic services
- **Professional services** – Legal, accounting, design and other business services

Source: Knight Frank Research

MSMEs: The existing local layer

India's MSME ecosystem provides an important foundation for local manufacturing, trade, professional services and supply chains. Its relevance to real estate lies in the formalisation and expansion of enterprises, which can support demand for industrial premises, warehousing, commercial space, worker housing and business services. MSMEs account for around 31 percent of India's GDP, 35 percent of manufacturing output and 49 percent of exports, highlighting their importance to the wider economy.[17] For emerging cities, this business base creates a steady layer of local commercial activity. As enterprises formalise and expand, demand is shifting towards more organised workplaces and business premises. This is being complemented by the growth of IT, professional services and technology-led employment, broadening the case for formal office space in Tier-2 and Tier-3 cities.

Talent is strengthening the case for smaller cities

Talent availability is becoming an increasingly important part of corporate location decisions. These cities offer a substantial skilled workforce supported by universities, colleges and training centres that continue to add graduates across engineering, technology, management and other professional disciplines. Chandigarh, Lucknow and Indore, among others, are emerging as strong employability hubs, giving companies access to skilled talent outside the largest metropolitan markets.[18] Lower operating costs, remote work and talent platforms are widening access to skilled talent, while hub-and-spoke models enable companies to combine metropolitan headquarters with satellite offices closer to talent pools. As national occupiers expand their footprints, markets in these cities are becoming more diverse, spanning IT, GCCs, engineering, manufacturing and regional corporate services.

Services and institutions are broadening the employment base

The growing availability of talent is coinciding with a stronger services base in several emerging cities. The service sector is estimated to contribute more than 50 percent of city GDP in Bhubaneswar, Jaipur, Kochi and Lucknow, among others, alongside their established industrial and commercial activity.[19] Moreover, Tier-2 and Tier-3 cities are steadily contributing to the start-up ecosystem in India, a 50 percent share of the more than 200,000 registered start-ups.[20] Occupier demand is increasingly coming from IT, professional and business services requiring higher-quality workplaces, rather than smaller support functions alone. Kochi, Chandigarh, Jaipur and Indore already have more than 1 million sq. ft. of office stock, while Bhubaneswar, Lucknow, Goa and Patna have smaller but developing office markets. The scale remains well below the established metropolitan centres with over 1,055 million sq. ft. of office stock, but the evidence points to a broadening formal market base as more organised businesses establish a physical presence in these locations.[21]

GCCs are widening the office map

Global capability centres are adding another layer of demand. The GCC footprint is widening beyond traditional metropolitan hubs, with cities such as Jaipur, Lucknow, Coimbatore, Kochi, Thiruvananthapuram, Visakhapatnam, Indore and Bhubaneswar gaining traction as emerging GCC locations.[22] This represents a shift in the role of smaller cities. Their appeal is no longer limited to lower-cost back-office work. A combination of skilled talent, improving infrastructure and established economic activity is allowing selected markets to compete for more specialised technology and corporate functions.

Data centres are creating new regional growth nodes
Rising demand for real-time digital services is extending India's metro-led data-centre market into Tier-2 and Tier-3 cities through edge infrastructure. Visakhapatnam is emerging as a major hub through the proposed AdaniConneX–Google gigawatt-scale AI campus and subsea cable gateway, involving USD 15 billion during 2026–2030, while Bhubaneswar is gaining momentum through stronger connectivity and technology-sector growth. In Jamnagar, Reliance's proposed 1 GW campus, announced in 2025 with scope for multi-gigawatt expansion, could become the world's largest data-centre campus by capacity. These investments can strengthen power and fibre infrastructure and support industrial land, employment, housing and services, provided local utilities and skills develop alongside capacity.

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[17] Press Information Bureau, Ministry of Finance – Government of India
[18] India Skills Report 2026
[19] State Economic Surveys, Tata-Cornell Institute, Industry sources
[20] Press Information Bureau, A Decade of Startup India – Government of India
[21] India Real Estate - Office and Residential Market H1 2026
[22] NASSCOM

RETAIL

The rise of organised consumption beyond the metros

India's retail market is extending beyond the largest cities as household spending becomes more diverse and consumers gain access to a wider range of brands and formats. Tier-2 and Tier-3 cities are increasingly supporting organised retail, creating demand for shopping centres, high-street formats and better-quality retail environments. The change is not simply about adding retail stock. It reflects a broader shift in what consumers buy, where they shop and the quality of retail environments they expect.

Organised retail is expanding with newer, higher-quality supply

The physical retail platform is also changing. India had 134 million sq. ft. of organised shopping-centre stock across 32 cities and 365 shopping centres in 2025, of which 36 million sq. ft. was in 24 Tier-2 cities.[23] More significant than the absolute footprint is its quality: 61 percent of Tier-2 shopping-centre stock is Grade A, compared with 46 percent in Tier-1 markets. The newer supply is being built to a different standard. Tier-2 cities have added 5.9 million sq. ft. of Grade A retail since 2020, more than three times the 1.9 million sq. ft. added in Tier-1 cities over the same period. Newer Grade A assets are also increasingly designed around experience-led consumption, with more space allocated to food and beverage and family entertainment. The selected next real estate markets of Bhopal, Bhubaneswar, Chandigarh Tricity, Coimbatore, Indore, Jaipur, Kochi, Lucknow, Nagpur and Visakhapatnam together accounted for approximately 22 million sq. ft., equivalent to 60 percent of the total Tier-2 shopping-centre stock.

Tier-2 cities added 3.1 times the Grade A retail space added in Tier-1 cities since 2020

The expansion of Grade A retail is not simply a supply story. It indicates that selected emerging cities are developing a more formal, experience-led and brand-conscious consumer base.

Indicator	Tier-1 cities	Tier-2 cities
Organised shopping-centre stock	98 mn sq. ft.	36 mn sq. ft.
Grade A share of stock	46%	61%
Grade A additions since 2020	1.9 mn sq. ft.	5.9 mn sq. ft.

Source: Bharat Internationalised: The New Retail Frontier, Knight Frank Research

[23]Bharat Internationalised: The New Retail Frontier

Rising spending power and digital access are broadening retail demand

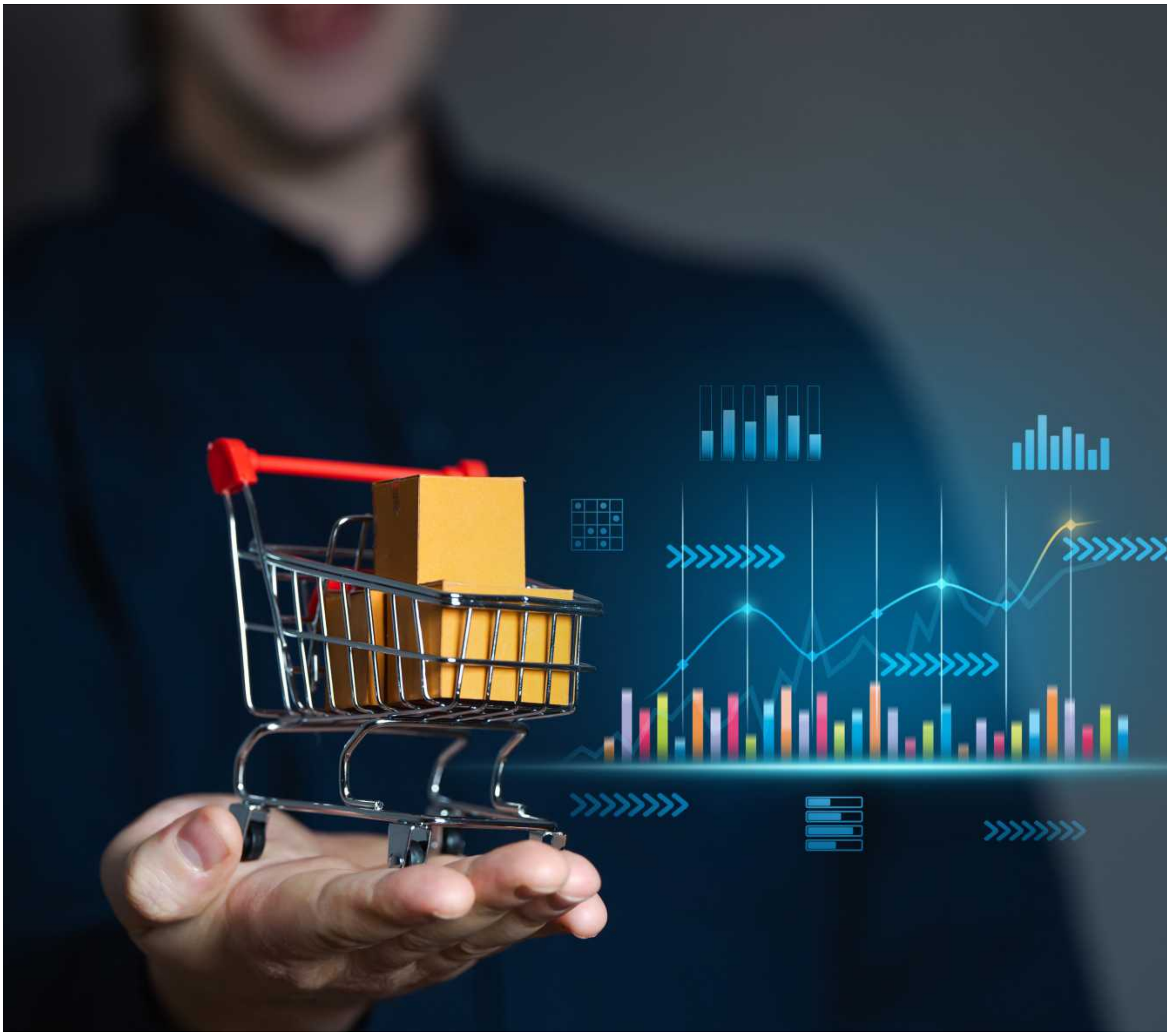
India's urban consumer base is becoming increasingly important to organised retail, with urban monthly per-capita expenditure exceeding INR 7,000 and 410 million active internet users in 2025. Around 60–70 percent of urban internet users are in Tier-2 and Tier-3 cities, widening access to brands and products beyond the physical footprint of organised retail. Rising spending and digital access are supporting demand across apparel, footwear, beauty, food and beverage, leisure and other lifestyle categories.

International brands are moving deeper into these markets

International brand presence provides another measure of market maturity. The 24 key Tier-2 cities have more than 1,720 international brand stores across 255 distinct brands from more than 37 countries. The composition of this international presence is also revealing. US-origin brands account for 46 percent of international stores in Tier-2 cities, compared with 42 percent in tier-1, with apparel and food and beverage among the largest categories. This points to consumers who are increasingly familiar with global brands, but whose preferences are still shaped by accessibility, format and local spending capacity.

From retail expansion to market depth

The retail opportunity in Tier-2 and Tier-3 cities is shaped by the interaction of household spending, catchment size, tenant depth, mobility, digital access and the quality of supply. Where these factors reinforce one another, organised retail can become an anchor for mixed-use development, hospitality, high streets and surrounding residential catchments. The strongest markets will be those where formal supply is matched by a sufficiently large and economically active consumer base.



WAREHOUSING

Warehousing is extending the logistics map beyond the metros

Warehousing is one of the clearest indications that emerging cities are being integrated into national production and consumption networks. Demand is being driven not only by e-commerce, but by manufacturing, third-party logistics, FMCG, wholesale trade and the need to serve growing regional consumer markets. The shift is particularly visible across a group of secondary markets where improving road connectivity, industrial activity and regional consumption are supporting the development of organised warehousing. In 2025, key Tier-2 markets recorded 11.2 million sq. ft. of lease transactions, broadly stable compared with 11.4 million sq. ft. in 2024. Of these, India's selected next real estate markets of Lucknow, Jaipur, Nagpur, Indore, Coimbatore and Bhubaneswar together accounted for nearly half of the total lease transactions, at 5.3 million sq. ft.

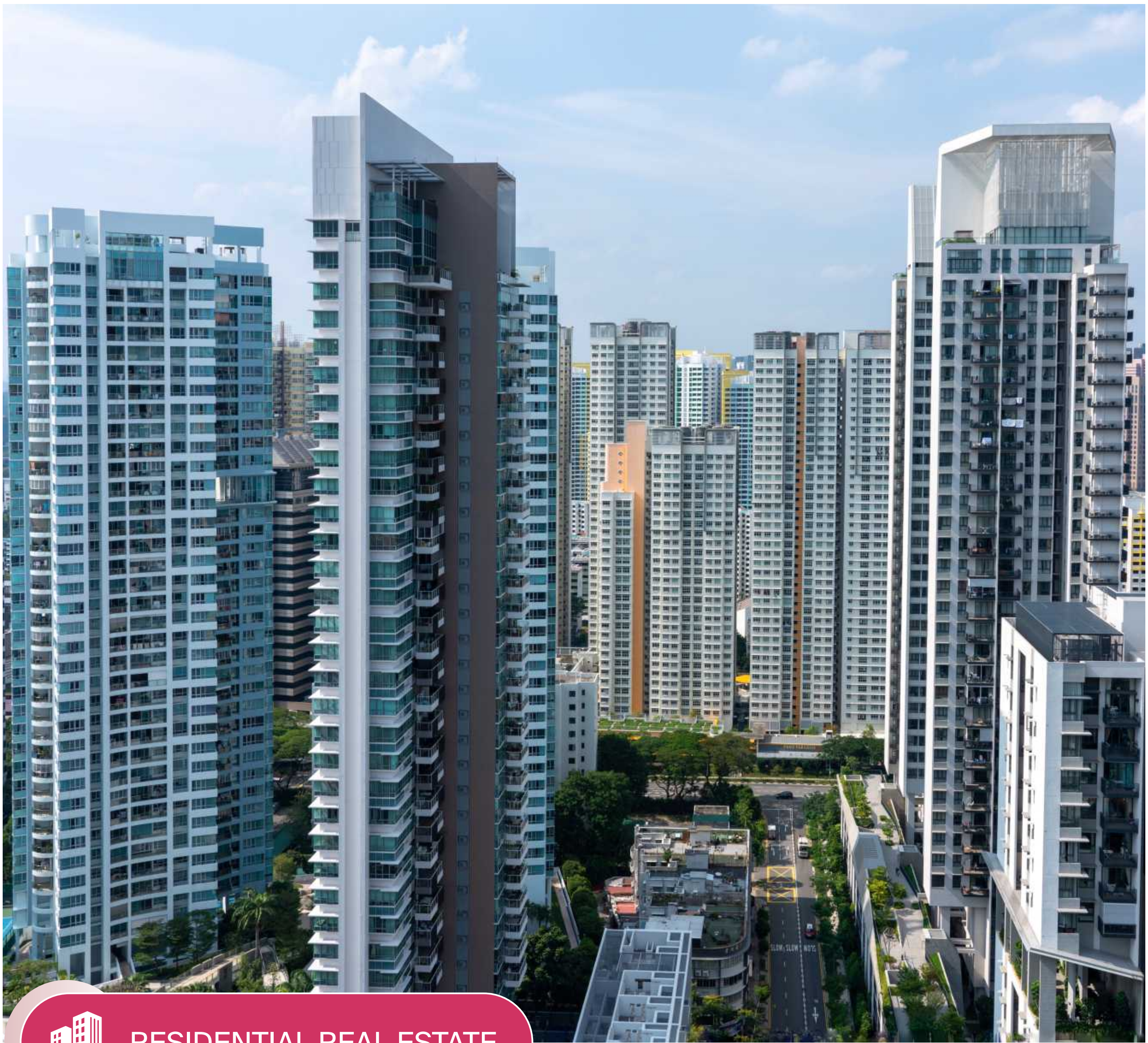
2025 Tier-2 warehousing indicator	Finding
Lease transactions in key Tier-2 markets	11.2 mn sq. ft.
Grade A share of activity	54%
Manufacturing share	34%
Third-party logistics share	27%
Nagpur leasing growth	204% YoY

Source: Knight Frank Research

Growth is broadening across key Tier-2 markets

The scale of activity varies considerably, but several cities are already recording meaningful occupier demand. Lucknow remained the largest secondary market, absorbing 1.9 million sq. ft. in 2025. Nagpur recorded the strongest growth, with leasing up 204 percent to 0.9 million sq. ft., as regional distribution demand deepened. The quality of supply is also improving, with Grade A facilities accounting for 54 percent of secondary-market transactions in 2025, reflecting demand for modern, compliant facilities. Demand is broadening too, with manufacturing at 34 percent, 3PL at 27 percent, FMCG at 14 percent and e-commerce at 11 percent of transactions, reducing reliance on any single occupier segment. Warehousing is becoming an important extension of the production and consumption economy in emerging cities. For developers and investors, the opportunity is strongest where freight connectivity, industrial activity, regional consumption and compliant Grade A supply are developing together, generating wider demand for housing, services and retail.

[24] India Warehousing Market Report 2026



RESIDENTIAL REAL ESTATE

Residential demand is becoming more differentiated

Population growth expands the potential household base in emerging cities, but market depth is created by employment, enterprise formation, income growth, infrastructure access and the quality of formal supply. In selected city-regions, demand is being supported by professionals, entrepreneurs, business owners, returning migrants, investors and NRIs alongside conventional end-users.

Housing markets are becoming more differentiated

Selected emerging-city micro-markets are beginning to display attributes once associated primarily with metropolitan housing: clearer product segmentation, stronger buyer preference for quality and amenities, and more visible price hierarchies. Rising purchasing power is broadening demand beyond basic housing, while consumers are becoming more discerning about location, quality and amenities. National developers and brands are responding with more organised, apartment-led and premium housing formats. This does not mean that Tier-2 and Tier-3 cities are simply replicating metropolitan markets. Their starting points and economic bases are different. Instead, the same broad shifts are appearing at different speeds and through different channels. A technology and services centre may see demand concentrated around employment corridors, an industrial city may develop housing around manufacturing clusters, while a tourism market is likely to see stronger demand for premium homes and second residences.

One category of city does not fit all

Residential demand is also differentiated by the economic role of each city. Administrative capitals such as Lucknow, Jaipur and Chandigarh benefit from government, professional services and established institutions. Service-led centres such as Kochi, Bhubaneswar and Indore are supported increasingly by technology, professional services, education and healthcare. Industrial and enterprise-led cities such as Vadodara, Coimbatore, Nagpur and Surat draw demand from manufacturing, trade, entrepreneurs and business owners.

Tourism and second-home markets follow a different pattern. Goa, Jaipur, Udaipur and Dehradun can attract buyers motivated by lifestyle, tourism, wealth and investment alongside conventional end-user demand. These markets can consequently support premium housing despite having a smaller employment-led residential base.

Beyond affordability: location, quality and buyer depth

The residential opportunity is consequently moving beyond the traditional proposition of lower prices than the metros. Population growth provides the underlying demand base, while employment, infrastructure and consumption determine its depth. As these elements strengthen, residential markets can develop clearer micro-markets, broader product ranges and higher price points. The experience of the top eight cities indicates how product differentiation and buyer expectations can deepen as local market maturity improves.. Tier-2 and Tier-3 cities are unlikely to replicate the scale or asset mix of the largest metros, but selected markets are beginning to develop their own form of maturity, with premiumisation, organised supply, stronger price discovery and participation from a broader pool of capital.

Selected cities are developing greater market maturity

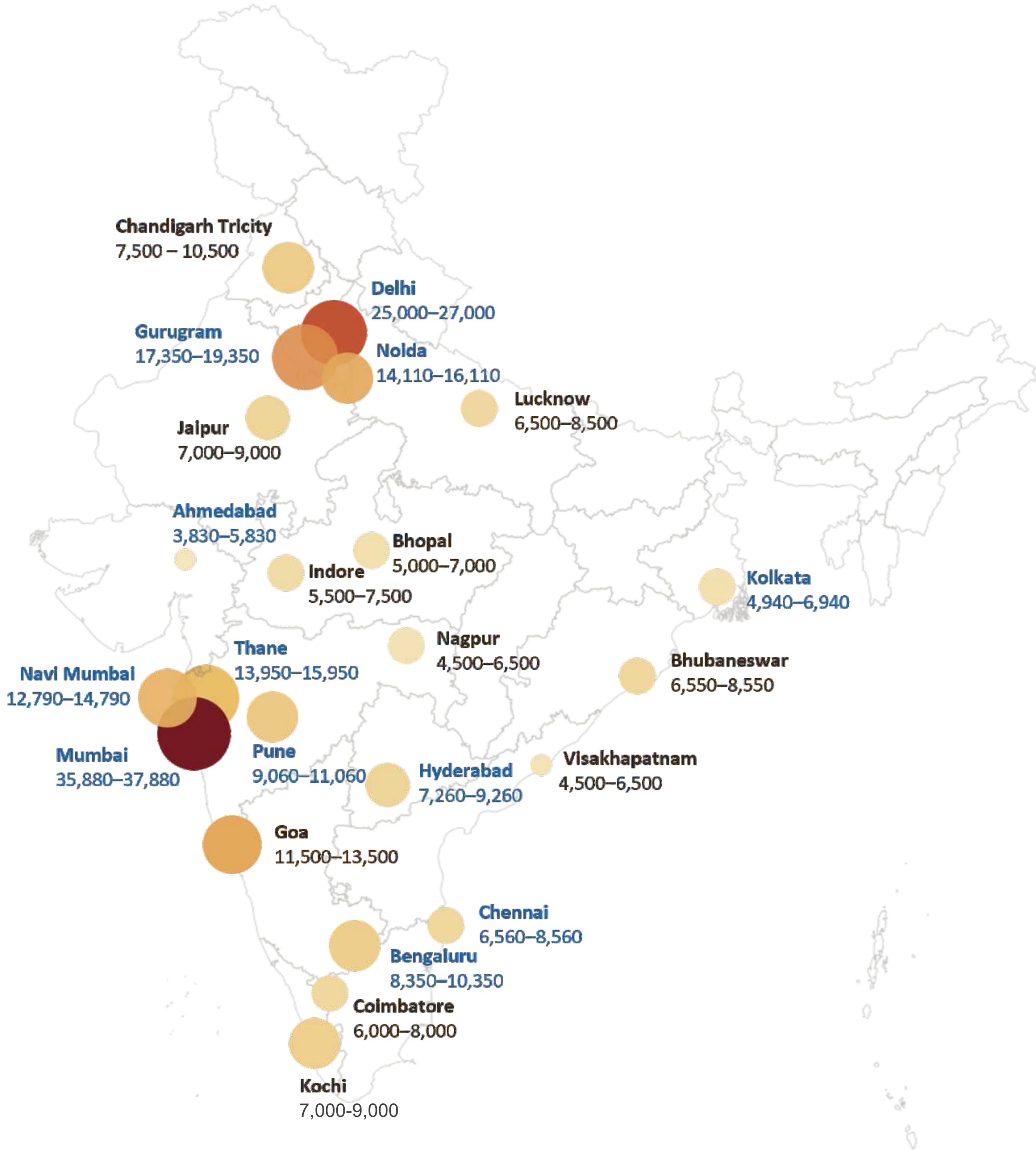
A number of Tier-2 cities are developing identifiable residential micro-markets, characterised by clearer price hierarchies, established buyer profiles and a wider range of organised supply. Price appreciation provides an important indicator of this progression. Across India's next real estate markets,[25] average residential prices recorded a decadal CAGR of 8 percent between 2016 and 2026, almost twice the 4 percent recorded across the Top 8 cities. The strongest growth spurt occurred during the past five years. Between 2021 and 2026, residential prices across India's next real estate markets increased by 63 percent. In comparison, the top 8 cities recorded price growth of 42 percent during the same period. While the Top-8 still generated the larger absolute price gain over the decade, these cities have demonstrated faster recent price appreciation, signalling broadening residential demand, improving market depth and increasing investor attention beyond the established metros.

The pandemic and the resulting adoption of hybrid working altered consumer expectations of housing. Homes increasingly needed to accommodate work, recreation, wellness and family life within the same environment. This strengthened demand for larger configurations, additional rooms, balconies and open spaces. Safety, security, privacy, landscaped areas, clubhouses, fitness facilities and professionally managed common spaces also became more important in purchase decisions. As a result, buyers in Tier-2 cities are increasingly moving from standalone buildings and conventional housing formats towards integrated, amenity-led communities. Demand is no longer shaped solely by the objective of home ownership; it increasingly reflects aspirations for better product quality, lifestyle infrastructure and stronger developer credentials.

Post-COVID changes in household finances and working patterns reinforced this transition. Higher-income households accumulated savings during periods of restricted discretionary spending, strengthening their ability to purchase higher-value homes. Hybrid working increased flexibility over residential location, allowing professionals to evaluate housing options beyond their immediate office catchments.

[25]Chandigarh Tricity, Coimbatore, Jaipur, Lucknow, Bhopal, Indore, Nagpur, Bhubaneswar, Visakhapatnam, Goa, Kochi

India's next real estate markets gain momentum as home prices rise 63% in five years, outpacing Top-8 cities



Average residential benchmark (INR per sq. ft.)

< INR 4,000 per sq. ft. < INR 30,000 per sq. ft.

India's next real estate markets		Top-8 cities	
63% Change (2021-2026)	8% CAGR (2016-2026)	42% CAGR (2016-2026)	4% CAGR (2016-2026)

Average residential prices (INR per sq. ft.)

- India's next real estate markets
- Top-8 cities

Premiumisation is changing the residential proposition

A growing affluent population provides an important demand base for this shift, as premiumisation becomes an increasingly visible feature of residential development outside the metros. Higher-ticket projects are entering established localities, with larger apartments, stronger amenities, better construction specifications and more professionally managed developments becoming part of the offering. Several key Tier-2 cities are among the top 15 Indian cities by millionaire households: Surat, Jaipur, Vadodara, Nagpur, Visakhapatnam and Lucknow. Surat alone had around 5,700 millionaire households, followed by Jaipur at 4,800, Vadodara at 4,600, Nagpur at 3,700, and Visakhapatnam and Lucknow at 2,900 each.[26]

A larger affluent buyer base is widening the market for higher-ticket, better-specified and lifestyle-led residential projects. Demand is increasingly capable of supporting homes priced well above the local average, including developments with ticket sizes above INR 1 crore. It also creates a market for larger homes, branded residences and lifestyle-led projects that would have had a much smaller addressable audience in an earlier stage of market development. This evolution is visible in the product being introduced. The residential proposition in Tier-2 cities is also broadening, with established developers and international branded-residence brands beginning to establish a presence, for instance, residences by YOO in Bhubaneswar.

Residential growth will be corridor-led and selective

The residential opportunity in smaller cities is therefore moving beyond a simple affordability story. Population growth is expanding the underlying demand base, economic diversification is creating more sources of household income, infrastructure is widening urban catchments, and formalisation is improving the quality of supply. In selected cities, rising prices, premiumisation, branded developers and differentiated micro-markets are already pointing to greater maturity.

The residential opportunity in emerging cities cannot be assessed through population growth alone. The strongest markets will be those where employment, enterprise formation, household purchasing power, social infrastructure, mobility and organised supply reinforce one another. For developers, the appropriate unit of analysis is therefore the growth corridor: the geography where demand sources, connectivity, services and developable land come together.

[26]Mercedes-Benz Hurun India Wealth Report 2025

The "next cities" opportunity unlock 2047

India's real estate sector is estimated at approximately USD 613 billion in 2025. Cities outside the top-8 account for around 15 percent, or nearly USD 92 billion, indicating that India's next real estate markets remain underrepresented relative to their demographic, economic and urbanisation potential. Yet decentralisation is underway: residential demand and warehousing activity are spreading beyond the largest metros, while modern retail, office occupier interest and institutional quality development are beginning to deepen the opportunity in select emerging cities.

By 2047, India's real estate sector is projected to reach USD 5.8 trillion, equivalent to 15.5 percent of national economic output. If infrastructure, employment, consumption and urban demand continue to widen geographically, Tier-2 and Tier-3 cities could raise their share of national real estate output from 15 percent to about 25 percent. This would increase their real estate output from around USD 92 billion today to approximately USD 1.4 trillion by 2047. A more consequential outcome is a 30 percent share, implying around USD 1.74 trillion of Tier-2 and Tier-3 real estate output by 2047. This is not merely a function of national market expansion. It requires a broadening of formal activity: residential markets must deepen beyond entry level housing; warehousing must convert connectivity into sustained occupier demand; retail must be supported by durable consumption; and office supply must follow employment clusters rather than precede them.

Tier-2 and Tier-3 cities are therefore not peripheral to India's metropolitan real estate story; they are the principal source of incremental market breadth. While the top eight will retain their lead in institutional office, high value residential and established retail, the next phase of sectoral growth depends on whether emerging cities can convert population, infrastructure and aspiration into formal, income generating and investible real estate markets. As India moves towards a USD 25 trillion to USD 30 trillion economy, these cities will determine how far national growth translates into distributed centres of housing, commerce, consumption and investment. A future USD 8 trillion to USD 10 trillion real estate sector will depend not only on higher property values or construction volumes, but also on the economic depth of Tier-2 and Tier-3 cities: jobs, enterprise formation, household incomes, urban services and governance capacity.

The opportunity in Tier-2 and Tier-3 cities is therefore not simply to build more outside metros. It is to create economically productive urban markets where real estate follows and reinforces employment, enterprise, consumption and connectivity. At a 30 percent share of a USD 5.8 trillion market, emerging cities would become a USD 1.74 trillion real estate economy by 2047; realising this potential will require infrastructure to be matched by sustained job creation, market formalisation and investible asset development.

Tier-2 and Tier-3 cities to drive 25–30 percent of real estate output by 2047

2047E

25–30%

USD 1.4–1.7 trillion

Total real estate output estimated for 2047: USD 5.8 trillion

Source: Knight Frank Research

Note:

- The conservative case (25 percent) assumes that formalisation progresses primarily across the residential and warehousing segments, while office and retail activity remains concentrated in the major metropolitan markets. Institutional capital participation remains limited. This reflects an infrastructure led scenario without commensurate employment creation.
- The base case (30 percent) assumes broader formalisation across real estate segments. Office stock emerges along select economic corridors, retail development follows consumption growth, and warehousing activity continues to disperse. This outcome requires sustained enterprise formation and employment creation across Tier-2 and Tier-3 cities, rather than construction activity alone. It is achievable, but conditional.

Chapter 5

The Next Opportunity Map

From connected cities to investible city-regions

India's next phase of urban growth will extend beyond the largest metropolitan centres, but the opportunity will not be uniform across all cities or across all locations within them. The most investible markets will emerge where a durable economic role, an expanding mobility network, serviced land, social infrastructure and a growing formal property market come together. The relevant geography for real estate is therefore the city-region and its growth corridors, rather than the municipal boundary alone.

City-region typologies and their real-estate pathways

City-region type	Illustrative markets	Economic foundation	Real-estate pathway
Administrative and services centres	Lucknow, Jaipur, Chandigarh Tricity	Government, professional services, education, healthcare	Mid-income and premium housing, offices, retail, hospitality
Industrial and enterprise centres	Surat, Vadodara, Coimbatore, Ludhiana	Manufacturing, exports, engineering, MSMEs	Industrial, logistics, workforce housing, mid-income residential
Logistics and distribution hubs	Nagpur, Visakhapatnam	Freight, warehousing, airport/road/rail links	Warehousing, industrial, rental and corridor-led residential
Knowledge and institutional centres	Bhubaneswar, Indore, Kochi	Education, IT, services, healthcare	Offices, rental and mid-premium housing, retail
Tourism and lifestyle markets	Goa, Udaipur, Dehradun	Tourism, leisure, second homes	Premium residential, hospitality, retail and managed accommodation

Source: Knight Frank Research

India’s urban landscape is expanding at scale

More cities. Larger urban population. A broader base of growth.

Number of cities

India’s urban hierarchy is broadening

	2000	2025	2050
Top-8 cities	8	8	8
Million-plus*	45	74	85
Under 1 million	1,527	1,972	2,498

India’s urban population

Urban growth will be increasingly broad-based (in million)

	2000	2025	2050
Top-8 cities	81.7	121.0	132.3
Million-plus*	78.7	159.6	201.5
Under 1 million	232.0	308.9	405.8

By 2050, India’s urban growth will be powered not just by its largest cities, but by a much wider set of urban centres

Source: United Nations, Knight Frank Research
Includes cities only. *Million-plus refers to cities with a population of one million or more, excluding the top-8 metros

From infrastructure corridors to economic corridors

The next set of growth locations will be shaped by more than transport connectivity. Industrial corridors, logistics nodes and new employment centres are creating the foundations for new urban markets. The government has approved 20 industrial smart cities across seven industrial corridors, while the BHAVYA scheme will develop 100 plug-and-play industrial parks. More than 4,500 industrial parks are also mapped on the India Industrial Land Bank.[27]

For real estate, the significance lies in the activity that develops around these investments. New jobs and enterprises create the income base that can support housing demand. A larger workforce supports retail, education, healthcare and services. Growing business activity creates demand for offices and hospitality, while manufacturing and trade support industrial and logistics assets. Over time, these linkages can turn a connected location into a more established urban market.

Lessons from global secondary cities

The experience of successful Tier-2 and Tier-3 cities elsewhere offers useful context for India's Tier-2 markets. The comparison is not intended to suggest that one city will replicate another, but to illustrate how different combinations of manufacturing, services, talent, tourism, entrepreneurship and connectivity have allowed regional centres to develop beyond their original economic base. Cities such as Bucaramanga, Gaziantep, Porto, Brno, Cluj-Napoca and Zaragoza have strengthened their positions by building on existing advantages while developing new sources of employment and investment. In several cases, private enterprise, skilled talent and improved connectivity have helped broaden the economic base, creating stronger demand for housing, offices, retail and other urban assets.

For India's Tier-2 cities, the relevance lies in the potential development pathway. Coimbatore and Surat have strong industrial and entrepreneurial foundations; Kochi and Jaipur combine services, tourism and regional connectivity; while Bhubaneswar and Indore are building larger service and knowledge economies. Nagpur's logistics role and Lucknow's position as a regional administrative and services centre offer further examples of differentiated growth. The comparison also reinforces an important point: there is no single model for Tier-2 city growth. The cities most likely to sustain higher levels of private investment will be those that can deepen their existing economic base, attract talent and businesses, improve connectivity and convert these advantages into broader urban demand. For real estate, this creates a potential for a similar progression seen elsewhere, from regional markets into deeper and more diversified urban economies.

Global secondary cities demonstrate that there is no single route to market maturity. Manufacturing specialisation, entrepreneurship, skilled talent, education, tourism, ports and regional connectivity can each create a durable economic base. The relevance for India is not that one city should replicate another, but that emerging markets must build on their existing strengths and convert them into broader urban demand.

[27]Press Information Bureau, Government of India

India Tier-2/ Tier-3 city	Global parallel	Comparable growth pathways	Growth trajectory of global parallel
Coimbatore	Bucaramanga, Colombia	Strong private-sector base; manufacturing and specialised industry; entrepreneurship; education and skilled labour; growth beyond the national metropolitan core	GDP grew at 4.9% CAGR (2000–10); employment +26% (2007–12); population +4% (2007–12).*
Surat	Gaziantep, Türkiye	Entrepreneurial manufacturing base; family-owned enterprises; export orientation; industrial clusters; improved connectivity to wider markets	Gaziantep is one of the stronger metropolitan economies in its region, driven by manufacturing and export growth
Kochi	Porto, Portugal	Port-led economy; tourism; international connectivity; services and technology; growing attractiveness for residents and businesses	Porto metropolitan GDP rose 25.2% between 2019–23, while city employment increased 22.4% over the same period.
Bhubaneswar	Brno, Czech Republic	Administrative/regional centre transitioning towards technology and knowledge services; universities and skilled talent; improving business base	Brno's GDP per capita increased 34.5% between 2020–24.
Indore	Cluj-Napoca, Romania	Regional economic centre; universities and talent; rapid service-sector development; increasing role beyond the national capital	Cluj-Napoca is one of Romania's strongest secondary cities and a fast-growing service and knowledge centre, supported by connectivity, talent and universities.
Nagpur	Zaragoza, Spain	Inland location; logistics and distribution; manufacturing; regional catchment; connectivity to wider national markets	Aragón, whose principal urban centre is Zaragoza, recorded 3.1% real GDP growth in 2024.
Lucknow	Brisbane, Australia	Regional capital; government and professional services; education and healthcare; expanding metropolitan catchment	Brisbane's population grew 2.1% in 2024–25, while city GRP** increased 14.5% between 2019–24.

Global experience also shows that infrastructure-led expansion can create oversupply where construction runs ahead of employment, absorption and urban-service capacity.

Source: Industry sources, World Bank, Knight Frank Research
Note: * The World Bank selected Coimbatore and Bucaramanga together as examples of secondary cities that outperformed their respective countries.
** Gross Regional Product

Build urban capacity alongside growth

The next challenge is ensuring that infrastructure is matched by the capacity to accommodate growth. Roads, railways and airports need to be supported by serviced land, housing, water and sanitation, public transport, healthcare and education. Industrial and employment centres also require sufficient residential and commercial capacity to support the workforce they attract. This makes city-region planning increasingly important. Transport corridors, industrial areas, housing and civic infrastructure need to be considered together, with land-use planning anticipating where employment and population are likely to expand.

The INR 1 lakh crore Urban Challenge Fund, designed to catalyse around INR 4 lakh crore of urban investment over five years, is intended to strengthen this approach through market-based financing, integrated regional development and improved urban planning. An INR 5,000 crore Credit Repayment Guarantee Sub-Scheme is also intended to help smaller cities access market financing.[28]

A wider investible universe

The opportunity is therefore extending beyond established Tier-2 cities to a wider network of Tier-2 and Tier-3 cities, satellite markets and emerging corridors. Their growth will not follow a single model. Some will develop around manufacturing and logistics, others around technology, administration, tourism, education or specialised enterprise. The distinction will increasingly be between locations that simply receive infrastructure and those that convert better connectivity into sustained economic activity. For real-estate investors and developers, this creates a wider opportunity map, but one that calls for greater selectivity: where infrastructure, employment, population, consumption and urban capacity are developing together, the potential for deeper real-estate markets increases materially.

Agenda for investible emerging city-regions

India's next real-estate cycle will not be written in every Tier-2 city. It will be written in the city-regions that convert connectivity into enterprises, household demand and investible urban markets.

- Plan infrastructure, industrial development and housing at the city-region level.
- Publish inventories of serviced, title-clear land around employment and transport corridors.
- Link industrial and logistics investment with worker housing, rental housing and social infrastructure.
- Improve municipal financial transparency, project preparation and access to market finance.
- Establish time-bound approvals, utility connections and development permissions.
- Track the conversion of public infrastructure into enterprise activity, formal employment, housing delivery and private capital—not project completion alone.

[28]Press Information Bureau, Ministry of Housing and Urban Affairs, Government of India

Annexure

Annexure 1

Definition

Cities (UN definition): According to the Degree of Urbanization methodology, contiguous geographic areas with a high population density (at least 1,500 people per sq. km.) and a total population of at least 50,000 inhabitants.

Towns and semi-dense areas (UN definition): Urban clusters outside cities with moderate population density (at least 300 people per sq. km.) and a minimum of about 5,000 inhabitants. These areas often include suburban and peri-urban zones and fall between cities and rural areas under the Degree of Urbanization classification.

Top-8 cities/ Top metros: These eight major urban centres have significant economic and political influence at the national level and are well integrated with global urban networks. Primarily driven by service-sector activity, they play a critical role in shaping regional and national economic development. The top-eight cities comprise Ahmedabad, Bengaluru, Chennai, Delhi NCR, Hyderabad, Kolkata, Mumbai MMR and Pune.

Tier-2 cities/ Million-plus cities: These are cities with a population of 1 million (10 lakh) or more, demonstrating growing regional and national significance while transitioning from predominantly secondary-sector activity towards a more service-oriented economy. They are evolving beyond their traditional role as economic back offices to emerge as diversified hubs for business, services and consumption. Examples include Jaipur, Kochi, Lucknow, Nagpur and Nashik.

Tier-3 cities: These are cities with a population of less than 1 million (10 lakh) that typically fall within the influence of larger primary or Tier-II cities. Their economies remain closely linked to these larger urban centres, with many functioning as satellite cities or regional support markets. Examples include Bikaner, Chandrapur, Jhansi, Rajahmundry and Roorkee.

Annexure 2

Key urban policies analysis

Bucket	Description	Policies
Urbanisation & City Development	Policies supporting planned urban growth, housing, public transport, municipal services, environmental quality, public health, livelihoods and urban infrastructure.	Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and AMRUT 2.0, Metro Rail Expansion Programme, National Clean Air Programme (NCAP), PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi), PM eBus Sewa, Pradhan Mantri Awas Yojana–Urban (PMAY-U) and PMAY-U 2.0, Pradhan Mantri Ayushman Bharat Health Infrastructure Mission (PM-ABHIM), Skill India Programme, including PMKVY 4.0, Smart Cities Mission, Swachh Bharat Mission–Urban and SBM-U 2.0, Urban Challenge Fund (UCF), Urban Infrastructure Development Fund (UIDF)
Connectivity	Programmes expanding inter-city and regional connectivity through roads, railways, airports, rapid transit systems, ports and logistics infrastructure.	Amrit Bharat Station Scheme, Bharatmala Pariyojana, Regional Connectivity Scheme–UDAN (RCS-UDAN) and Modified UDAN, Regional Rapid Transit System (Namo Bharat), NCRTC, Sagarmala Programme
New Regional Development	Initiatives creating new urban, industrial and economic growth centres through planned regional development and state-level capital investment.	Namo Cities (NCR), National Industrial Corridor Development Programme (NICDP), Scheme for Special Assistance to States for Capital Investment/Capital Expenditure (SASCI)
Economic & Industrial Development	Policies strengthening manufacturing, enterprise formation, industrial clusters, employment generation, innovation and domestic production capacity.	India Semiconductor Mission (Semicon India), Micro and Small Enterprises–Cluster Development Programme (MSE-CDP), PM MITRA Mega Integrated Textile Region and Apparel Parks, Prime Minister's Employment Generation Programme (PMEGP), Production Linked Incentive (PLI) Schemes for 14 sectors, Raising and Accelerating MSME Performance (RAMP), Scheme for Promotion of Bulk Drug Parks, Scheme for Promotion of Medical Device Parks, Startup India
Digital Infrastructure	Programmes extending digital connectivity, modernising public administration and land records, and building technology-led national capabilities.	BharatNet, including the Amended BharatNet Programme (ABP), Digital India Land Records Modernisation Programme (DILRMP), Digital India Programme, IndiaAI Mission, SVAMITVA (Survey of Villages and Mapping with Improvised Technology in Village Areas)

Annexure 3

India's next real estate markets

Approach and methodology

A structured, multi-dimensional analytical framework was developed to identify urban centres with the potential to emerge as India's next real estate growth markets. The assessment adopts a bottom-up approach, moving from a broad universe of million-plus urban centres to a focused set of cities based on their economic significance, infrastructure trajectory, connectivity and consumption fundamentals.

1. Defining the initial universe

The analysis commenced with 74 urban centres with a population exceeding 1 million, establishing a broad universe of cities with sufficient population scale and economic activity to support sustained real estate demand.

2. Screening for economic and administrative significance

The initial universe was subsequently screened to identify cities demonstrating meaningful economic or administrative significance at the regional or national level. This step was intended to distinguish established urban centres with a demonstrable economic role from cities where population size alone may not translate into sustained real estate potential.

3. Multi-dimensional city assessment

The shortlisted cities were assessed across four dimensions—connectivity, economy, infrastructure push and consumption. These dimensions were selected to capture both the existing depth of the urban economy and the forward-looking drivers that could influence future real estate demand.

Dimension	Key indicators considered
Connectivity	Airport presence and international connectivity; expressway access; connectivity to major metropolitan centres; metro rail and fast-rail connectivity
Economy	Service-sector contribution; existing office stock; registered MSMEs; depth and diversity of the economic ecosystem
Infrastructure push	Central and state government investment outlay; sanctioned mass-transit projects; investments in MMLPs, logistics infrastructure and data centres
Consumption depth	Retail leasable area; household income and cost of living; discretionary spending on lifestyle categories; private vehicle ownership

4. Assessment

Performance across the four dimensions was analysed to assess the breadth, depth and momentum of each city's growth drivers. Emphasis was placed on the convergence of multiple indicators, recognising that sustained real estate growth is typically supported by a combination of economic expansion, improving accessibility, infrastructure investment and rising consumption capacity.

The resulting assessment was used to identify cities exhibiting the strongest combination of economic depth, infrastructure momentum, connectivity and consumption potential. These cities were classified as India's next real estate growth centres, representing markets where underlying urban fundamentals indicate potential for a new phase of real estate development and investment.

Annexure 4

Residential Price Analysis: Approach and Methodology

The analysis assesses prevailing apartment prices across India's Top-8 and selected Tier-2 residential markets. Prices for the Top-8 cities were sourced from Knight Frank's India Real Estate report series. For the selected Tier-2 cities, price estimates were triangulated through field-level market validation, market intelligence and reported asking-price observations from online property listings.

Within each Tier-2 city, price observations were collected across a selected basket of key residential localities, covering established and emerging markets basis the market intelligence. The observations were reviewed for duplication, comparability and outliers before being consolidated to derive an indicative aggregate average for each city.

The analysis covers apartments only, with prices reported in INR per sq. ft. The estimates reflect prevailing market indications during the reference period and should not be interpreted as registered transaction prices. City-level averages serve as comparative benchmarks, as actual prices vary by locality, project positioning, construction status, developer profile, unit configuration and property specifications.

Annexure 5

The "next cities" opportunity unlock 2047
Approach and methodology

Approach

India's formal real estate economy is not evenly distributed. The degree of metro concentration varies by asset class, occupier structure and capital maturity, which means the Tier-2 and Tier-3 share cannot be reliably derived from a single ratio or a top-down GDP proxy. The approach therefore estimates the tier-2 and tier-3 share from observable indicators of where real estate activity is located, using stock distribution, leasing volumes, project registration data, price trajectories and capital allocation patterns across city tiers. The resulting estimate reflects the composition of real estate as it exists today, not as a residual of GDP or population arithmetic.

Methodology

The share of Tier-2 and Tier-3 cities is estimated by examining the geographic concentration of formal real estate activity across multiple indicators: the distribution of Grade A office and retail stock across city tiers, warehousing lease transaction volumes in secondary markets, and the geography of residential price appreciation. These indicators are weighted by the relative economic significance of the activity they represent to produce an aggregate estimate.

The resulting estimate of approximately 15 percent is treated as a conservative floor. It reflects the concentration of institutional grade commercial stock and capital market instruments in metropolitan markets, alongside the wider geographic distribution of residential development and industrial logistics.

For the 2047 projection, two scenarios are constructed at conservative and base case scenario of 25 and 30 percent, respectively, of the USD 5.8 trillion national real estate output. Each scenario is defined by the structural conditions required to sustain it, principally the pace of enterprise formation, employment deepening, housing finance penetration and the emergence of institutional-grade supply outside the top eight cities. The scenarios are condition-based, not trend-extrapolated, to avoid false precision over a two-decade horizon.

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Confederation of Indian Industry

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As India strategizes for the next 25 years to India@100, Indian industry must scale the competitiveness ladder to drive growth. It must also internalize the tenets of sustainability and climate action and accelerate its globalisation journey for leadership in a changing world. The role played by Indian industry will be central to the country's progress and success as a nation. CII, with the Theme for 2023-24 as 'Towards a Competitive and Sustainable India@100: Growth, Inclusiveness, Globalisation, Building Trust' has prioritized 6 action themes that will catalyze the journey of the country towards the vision of India@100.

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