

Comparative Analysis of Luxury Housing Trends in India and the Global Market (2025)

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Abstract: In recent years, luxury housing has witnessed accelerated growth both in India and globally, evolving into a lifestyle choice and strategic investment. This paper presents a comparative analysis of luxury real estate trends, drawing from secondary data sources including industry reports, academic studies, and market analytics. It examines the demand drivers, technological advancements, consumer preferences, and sustainability practices shaping the sector. With India rapidly urbanizing and adopting smart housing innovations, the study explores how domestic trends align or diverge from global patterns. It also highlights valuation techniques using artificial intelligence and the increasing role of non-resident Indian (NRI) investment. The paper contributes to a broader understanding of luxury housing's transformation into a wellness-oriented, tech-enabled, and economically resilient asset class.

Keywords: luxury housing, real estate trends, smart homes, sustainable development, India global comparison

1. Introduction

This article aims to conduct a comparative analysis of luxury housing trends in India and international markets to identify shared developments, unique challenges, and potential areas for growth and innovation.

2. Methodology

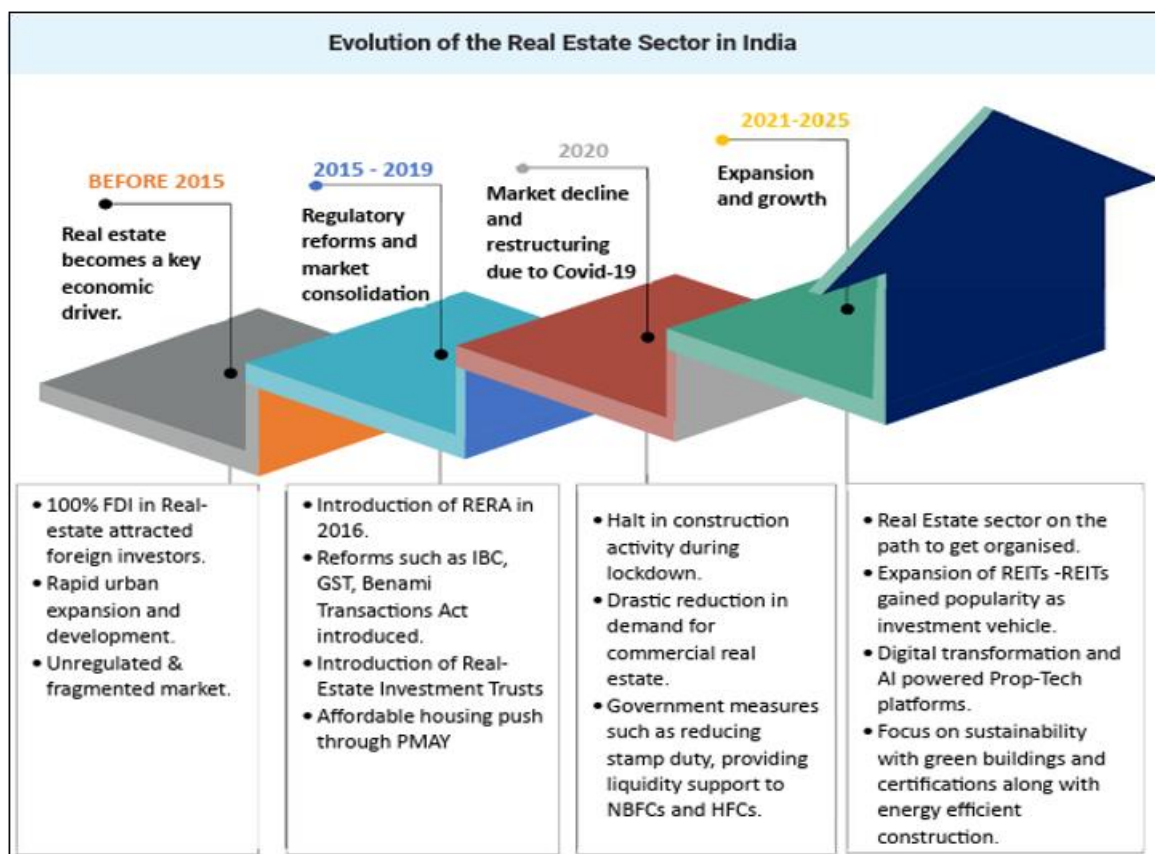
This paper is based on qualitative content analysis of secondary data sources such as government reports, real

estate market surveys, academic articles, and financial news media.

State of the Indian Economy and Growth Prospects

India is emerging as the fastest growing economy of the world and the growth is attributed to rising domestic consumption due to higher disposable incomes, urbanization, technology, foreign direct investment across various sectors and government policies.

The Finance Ministry of India (January 2024) stated that India is on track to become a \$7 trillion economy by 2030.



This image above traces the evolution of the real estate sector in India from 2015 to 2025. Before 2015, real estate sector

experienced unregulated growth, despite the beginning of rapid urbanization and inflows of Foreign Direct Investment

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(FDI). During 2015–2019 it was marked by major policy reforms such as Real Estate Regulatory Authority (RERA), Goods and Service tax (GST), and the introduction of REITs. In 2020, the real estate sector faced a major slowdown due to the COVID-19 pandemic, with halted construction and reduced demand. In the period 2021–2025, the recovery was driven by digital transformation, sustainability initiatives, and increased popularity of real estate investment trusts (REIT).

Real-Estate Industry in India and Initiatives Driving Growth

The Real-Estate sector has undergone significant regulatory policy reforms and significant market restructuring over the past 10 years, driven by FDI, policy reforms such as the Real-Estate (Regulation and Development) Act, 2016, and government initiatives like Prime Minister Awas Yojana (PMAY), the SWAMIH Fund, Urban Challenge Fund, and Smart Cities. Property-tech platforms such as Magic Bricks, No Broker and Housing.comf. are among the notable push factors.

The Growth drivers across Real-Estate:

- 1) Urbanisation - By the year 2030, it is predicted that 38% of India's population will reside in urban areas with steady economic growth and improvement in living standards.
- 2) Government programmes like PMAY, Smart Cities, Metro-Rail expansion, etc., are planned to spur expansion across segments of the real estate market.
- 3) Technological advancements such as the introduction of property-tech platforms and smart homes are key factors leading to rise in the real estate market.
- 4) FDI and retail investment will lead to commercial expansion of real estate across markets to meet the increasing demands for flexible workspaces.
- 5) Data centers remain strong contributors to the growth of the sector with government reforms like MeghRaj project.
- 6) Sustainability-led construction and green buildings are transforming the Indian real estate landscape along with other parameters like more consumer awareness, lower operational costs and higher property values. Green financing has emerged as a global investment priority and India is fast catching pace to this with approximately USD 75 billion in green financing through sustainability-linked bonds, green bonds and climate loans. According to the *India Sustainable Debt State of the Market Report (2024)* by the Climate Bonds Initiative (in collaboration with MUFG Bank) India had issued **USD 55.9 billion in green, social, sustainability, and sustainability-linked debt instruments (GSS+)** by end of 2024.

The luxury real estate market has grown significantly in the post-pandemic world, as consumer preferences have started prioritizing health, privacy, smart homes. In India, the luxury housing market is not only growing in metros but also gaining popularity in Tier-2 cities. Globally, high-end housing markets are being driven by rising ultra-HNIs, digital nomads, and increasing use of real estate as a financial hedge.

3. Trends in the Luxury Housing Market – India

India's luxury real estate sector is grown rapidly in the last 4 years. There has been an increase in demand of luxury real

estate not only in metropolitan cities like Mumbai, Delhi-NCR, and Bengaluru, but also in Tier-2 cities like Jaipur, Indore, Lucknow, and Coimbatore. There is an increased demand for villas, low-density projects, and smart homes. There has been a notable rise in demand for health and wellness features such as private gardens, home offices, and gyms. Expenditure in green-certified buildings: solar panels, rainwater harvesting has risen. Various Tech adoption methods such as virtual tours, influencer-led marketing have been opted. There has been a rise in branded residences (e.g., Trump, Armani, Four Seasons) for convenience. Strong NRI participation due to favorable currency and ROI potential has increased. And lastly there is a growing interest in integrated townships and mixed-use developments.

Media Reports from India

The *Reuters* (2025) reported that Indian Developer DLF sold out its DLF *Privana North* project in Gurugram, near Delhi in one week in June 2025 generating \$1.3 billion in sales underscoring continuing demand for premium and luxury apartments by deep-pocketed buyers. *The Times of India* (2024) highlighted a boom in Chennai's ultra-luxury market, with units priced up to ₹40,000/sq ft and 8,000 new units in the pipeline. India's real estate sector is set for robust growth, driven by urbanization, government policies, and technological enhancement. As the economy is projected to grow at a CAGR of 6.5% over the next five years, the real estate sector's contribution to GDP is also projected to increase from 7% to 15% by 2030.

Research-Based Insights into India's Market

According to Mordor Intelligence (2024), the Indian luxury housing market is expected to reach USD 98.04 billion by 2030, growing at a CAGR of 11.12%. And the Expert Market Research (2025) estimates a 20.10% CAGR, driven by smart home adoption, urbanization, and rising HNIs.

Global Luxury Housing Market Trends

Global luxury housing is increasingly shaped by lifestyle aspirations, investment goals, and cross-border mobility. Sustainability and wellness have been taken up as core design principles. There has been a widespread adoption of smart home technologies globally. There has been a Rapid growth in APAC and Middle Eastern markets (e.g., Seoul +18.4%, Dubai +16.9%). Along with the rapid growth in APAC a growing investor preference for real estate as an inflation hedge. Along with the Heritage architecture and resilient building design. The Rise of mixed-use luxury developments and global second-home portfolios. There has been a There is a noticeable global shift towards cash-based purchases in luxury housing, as buyers aim to avoid long-term mortgage liabilities.

Comparative Analysis: India vs Global Market

While India is catching up rapidly with global luxury standards, the key differences remain across. India lags slightly in sustainability integration and international buyer base as compared globally. The Price growth in Indian metros (~12–15%) is higher than the global average (~3.6%), though certain global cities outpace India. Internationally, luxury homes come with stricter sustainability and wellness standards compared to India. However, India's surging real estate is pushed by domestic demand and NRI-backed

investments but the global market benefits more from institutional and cross-border investors.

Advanced Valuation Techniques in Luxury Real Estate

Recent research highlights the role of AI and machine learning in transforming the real estate valuation. Pastukh & Khomyshyn (2025) found Gradient Boosting Regressor demonstrated the highest predictive accuracy in luxury price prediction. Huang et al. (2025) assessed multimodal machine learning—using images, text, and geospatial data which boosts valuation precision.

4. Conclusion

The luxury housing market is transitioning from an aspirational pursuit to a strategic asset class globally. Buyers increasingly seek sustainable, technologically advanced, and wellness-oriented living environments. While India is making commendable progress in aligning with these global trends, challenges around sustainability and institutional investment remain. Nonetheless, strong domestic demand, technological innovation, and NRI engagement suggest that India's luxury real estate sector is on a promising trajectory toward global competitiveness.

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