

India's real estate poised to reach \$1-trn mark by 2030

NEW DELHI: India's real estate sector requires nearly Rs 50,000 billion of capital over the next decade as the sector is expected to grow to a \$1 trillion market by 2030, a report said.

The report from Brickwork Ratings (BWR) forecasted revenue growth to recover to 5.5 per cent in FY27, supported by strong demand for luxury housing.

The credit outlook for the real estate sector remains stable, even as revenue growth



eases to -0.2 per cent in FY26 from 15.8 per cent in FY25.

The sector continues to benefit from a 31 per cent

YoY increase in residential sales across leading cities and 10 per cent-12 per cent luxury housing price apprecia-

tion in FY25. However, price volatility across residential and commercial properties, rising construction costs and a strategic shift towards mid-income housing are weighing on near-term revenue growth.

Operating margins are expected to improve to 32 per cent in FY26 from 30.1 per cent in FY25, before stabilising at 33.3 per cent in FY27. The improvement is expected to be supported by inventory clearance and a greater

contribution from higher-margin premium residential projects, data centres and warehousing spaces.

Financial resilience remains supported by low gearing among top-tier developers, who increasingly rely on joint development agreements rather than heavy debt. Strong pre-sales collections, private equity funding and REIT listings are also helping developers manage liquidity and leverage.

Interest coverage is ex-

pected to remain steady at 2.8-fold in FY26, while the debt service coverage ratio is projected at 1.1-fold, providing financial headroom despite higher construction borrowing and mezzanine funding requirements.

The firm flagged unsold inventory as a concern, with Mumbai and Pune carrying housing stock equivalent to over 30 months of sales, potentially delaying new project launches and pressuring cash flows.