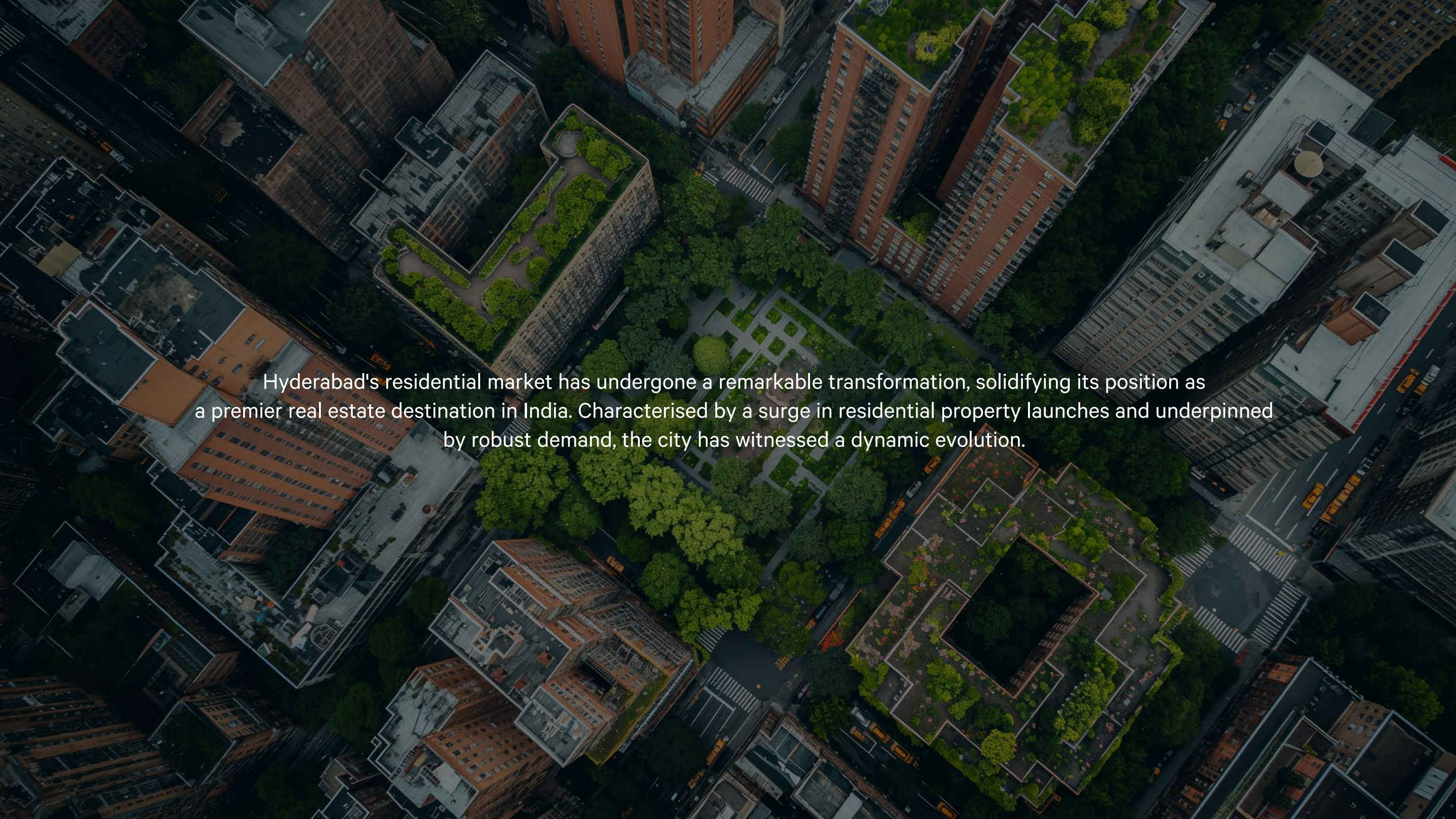


Hyderabad's Residential Renaissance

DISSECTING THE CITY'S
HOUSING LANDSCAPE

CBRE RESEARCH AUGUST 2024



Hyderabad's residential market has undergone a remarkable transformation, solidifying its position as a premier real estate destination in India. Characterised by a surge in residential property launches and underpinned by robust demand, the city has witnessed a dynamic evolution.

The Evolution of Hyderabad's Residential Landscape

Several key factors have driven Hyderabad's residential market's sustained growth and evolution. A confluence of relatively affordable housing options, a robust economy, and a steady influx of skilled talent have significantly expanded the market. Consequently, Hyderabad has emerged as a hotspot for both homebuyers and investors seeking lucrative opportunities. A thriving job market, and a compelling blend of affordability and quality of life in Hyderabad has attracted young and dynamic population. This influx of professionals into the city, combined with a robust economy, has fuelled demand in the residential sector. Consequently, Hyderabad has emerged as a hotspot for both homebuyers and investors seeking lucrative opportunities.

Key Drivers Fuelling the City's Housing Boom

IT & Corporate Growth

Hyderabad's real estate landscape has dramatically transformed, catalysed by the synergy between corporate expansion and residential growth, establishing the city as a premier destination for young professionals. The IT sector's meteoric rise, exemplified by Telangana's IT / ITeS exports surpassing INR 2.4 lakh crore¹ in FY 2022-23, has fuelled a surge in residential demand, particularly in the western micro-markets. Hyderabad's status as a global technology hub, underscored by its ranking as the world's 10th top city for software developer hiring in 2023², has further accelerated this trend. This influx of tech talent has driven demand for upscale housing, transforming the city into a premier residential destination for young professionals.

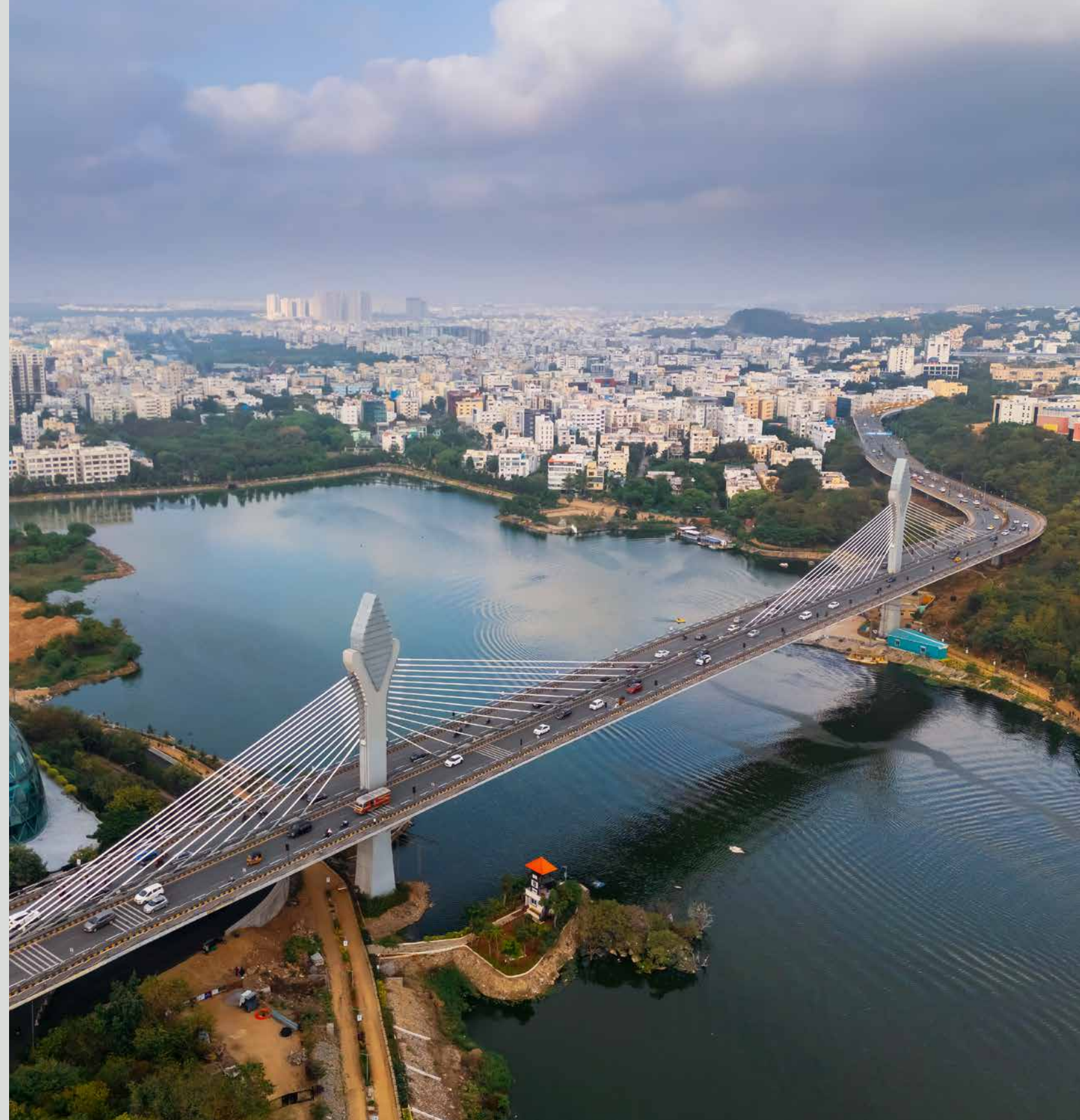
Improved Quality of Life

Hyderabad's quality of life has markedly improved over the past few years, significantly enhancing its appeal as a residential destination. Recognised as one of India's top cities for quality of living in 2023³, it offers a compelling blend of affordability, world-class healthcare, prestigious educational institutions, and a vibrant cultural landscape, all while ensuring safety and a strong sense of community.

1. Telangana IT EC Annual Report, 2022-23

2. The Top 20 Cities for Hiring Software Developers in 2023; Karat, 2023

3. Mercer's Quality of Living Index, 2023





Policy Reforms & Governance

Telangana's policy reforms and governance initiatives have stimulated significant growth in Hyderabad's residential market over the past few years. Key initiatives include:

Table 1: Major government policies reshaping Hyderabad's residential market

| Initiative / Policy | Residential real estate impact |
|--|--|
| RERA Implementation: The Real Estate (Regulation and Development) Act | RERA has increased transparency and accountability in the real estate sector, boosting buyer confidence and spurring demand for residential properties. This increased confidence is further reflected in the state's notable progress in resolving cases under RERA, with the number of cases disposed of rising from zero in November 2021 to 1,070 by November 2023 ⁴ . |
| Telangana State Building Project Approval and Self-Certification System (TS-bPASS): | TS-bPASS has streamlined the process of obtaining approvals and clearances by introducing the single window clearance system, thereby reducing delays in obtaining necessary approvals. |
| Integrated Municipal Administration and Urban Development (MA&UD) framework | The MA&UD department's organised structure in Hyderabad, which includes GHMC, HMWSSB, HMDA, HUMTA, QQSUDA, SPVs ⁵ , seven municipal corporations, and 30 municipalities, significantly enhances the city's overall living standards and ensures coordinated urban planning, efficient service delivery, and sustainable development, enhancing Hyderabad's appeal for homebuyers. |
| Unlimited Floor Space Index (FSI) | Unlimited FSI in the city has been pivotal in accommodating the growing population and urban expansion. This has allowed developers to maximise land use, leading to the construction of taller residential buildings, thereby boosting the supply of housing units. |
| Telangana Cool Roof Policy, 2023-2028 | This policy strengthens Hyderabad's residential market by requiring cool roofs for properties over 600 sq yards, while smaller buildings can opt in. This reduces cooling costs, enhances comfort, and adds value, appealing to eco-conscious buyers and fostering a sustainable real estate environment. |

4. TS - RERA

5. GHMC – Greater Hyderabad Municipal Corporation; HMWSSB - Hyderabad Metropolitan Water Supply and Sewerage Board; HMDA – Hyderabad Metropolitan Development Authority; HUMTA - Hyderabad Urban Metropolitan Transport Authority; QQSUDA - Quli Qutub Shah Urban Development Authority; SPV – Special Purpose Vehicle

Infrastructure Developments and Initiatives

Recent advancements in Hyderabad’s physical infrastructure have significantly enhanced residential demand and supply throughout the city. Key initiatives include:

Table 2: Key infrastructure developments and initiatives impacting the city's residential real estate

| Initiative | Residential real estate impact | Initiative | Residential real estate impact |
|---|---|---|--|
| Outer Ring Road (ORR) | The ORR has transformed urban connectivity by linking various parts of the city, reducing traffic congestion, and providing seamless access to both commercial and residential areas. This major thoroughfare has facilitated the development of residential projects in previously underserved areas. | Multi modal Transit System (MMTS) | The MMTS has been instrumental in catalysing Hyderabad's residential expansion by enhancing connectivity between suburban enclaves and commercial districts. The system's facilitation of efficient commutes has significantly augmented the desirability of these well-connected regions among both homebuyers and investors, thereby stimulating demand and fostering balanced residential growth throughout the city. |
| Regional Ring Road (RRR) | The proposed 340-km RRR aims to further enhance connectivity by providing an additional ring of road infrastructure around Hyderabad, linking outer areas, and promoting the development of new residential zones. This project is expected to alleviate traffic congestion within the city and spur residential growth in the surrounding regions. | Comprehensive Road Maintenance Program | This programme ensures the upkeep and enhancement of existing roads, contributing to smoother traffic flow and safer commutes, enhancing the attractiveness of the city's residential areas. |
| Durgam Cheruvu Cable Bridge | This iconic bridge has improved connectivity by linking key commercial zones with residential neighbourhoods, particularly in areas around Durgam Cheruvu. Its construction has eased traffic flow and made previously distant residential areas more attractive. | Skywalks and Foot Overbridges | The construction of skywalks and foot overbridges has improved pedestrian connectivity and safety, facilitating easier navigation across busy roads and enhancing access to various amenities. |
| Strategic Road Development Plan (SRDP) | The SRDP encompasses a series of initiatives to enhance the city's road network. This includes greenfield missing link roads that bridge gaps in the existing infrastructure, thereby improving access to emerging residential zones and alleviating traffic congestion in urban areas. | Mega New City | Covering approximately 25,000 acres, this new proposed city is set to expand Hyderabad's residential and commercial landscape. Located near ORR, it will connect areas such as Nanakramguda, Gachibowli, and Kokapet. This development is expected to attract new residents and investors by offering modern living spaces and improved connectivity. |
| Metro Rail (existing lines) | The commissioned metro phase I with three metro corridors ⁶ has significantly impacted the city's residential market by enhancing connectivity and accessibility. This has led to increased demand and property value appreciation in metro-connected neighbourhoods and transformed relatively underdeveloped areas into thriving residential hubs. | Six flyovers and underpasses around KBR park | Newly proposed flyovers and underpasses near KBR Park is likely to enhance traffic flow and reduce congestion. These improvements will facilitate smoother commutes and boost accessibility to nearby residential areas such as Jubilee Hills and Banjara Hills. |
| Metro rail expansion | The ongoing expansion ⁷ of the metro rail network, featuring four new corridors ⁸ , is poised to revolutionise urban transportation by unlocking new areas for development and elevating property values, connecting residential neighbourhoods with key commercial and industrial hubs. This enhanced connectivity is likely to attract homebuyers seeking convenient transit options. | AI City | The AI city, spanning 200 acres across Maheshwaram, Serilingampally, Chevella, and Ibrahimpatnam, along with the state's first skill university spanning 100 acres in the same region, are likely to attract tech professionals, driving residential growth in the surrounding areas. |



These comprehensive infrastructure developments / improvements have not only elevated urban mobility and accessibility but have also spurred residential growth in newly accessible areas, contributing to a balanced and dynamic real estate market throughout Hyderabad.

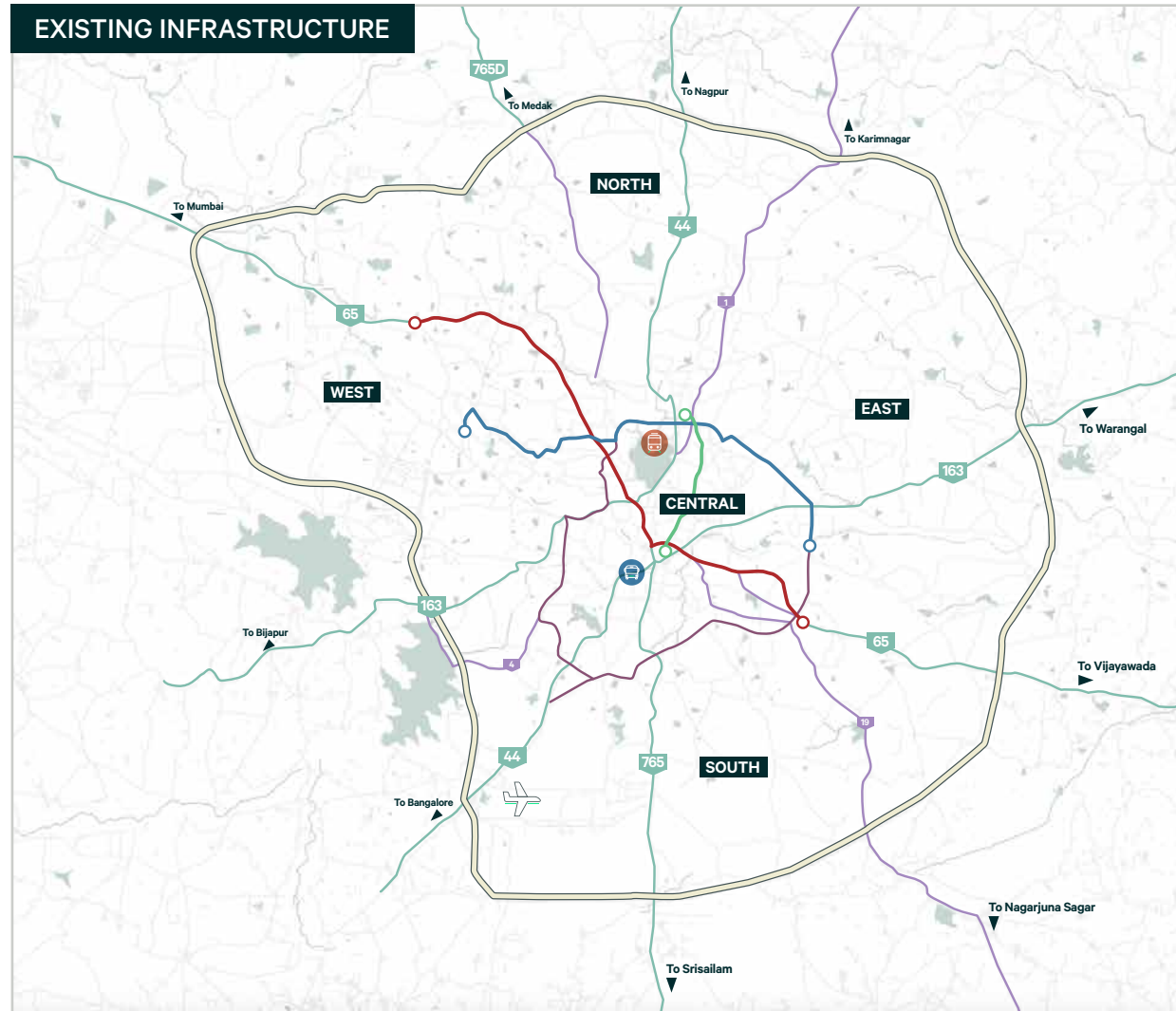
6. Phase I: Corridor I → Miyapur to LB Nagar, 29km; Corridor II → Jubilee Bus Station to MGBS, 11 km; Corridor III → Nagole to Raidurg, 29 km. | 7. Proposed phase II: Expansion of Corridor II in old city → MGBS to Falaknuma, 5.5 km and Falaknuma to Chandrayangutta X road, 1.5 km

8. Proposed phase II new corridors:

Corridor IV → Nagole - LB Nagar - Chandrayangutta X road - Mylardevpally P7 Road - Airport, 29 km and Mylardevpally to Rajendra Nagar, 4 km | Corridor V → Raidurg to Financial District via Biodiversity, Nanakramguda and Wipro junctions, 8 km

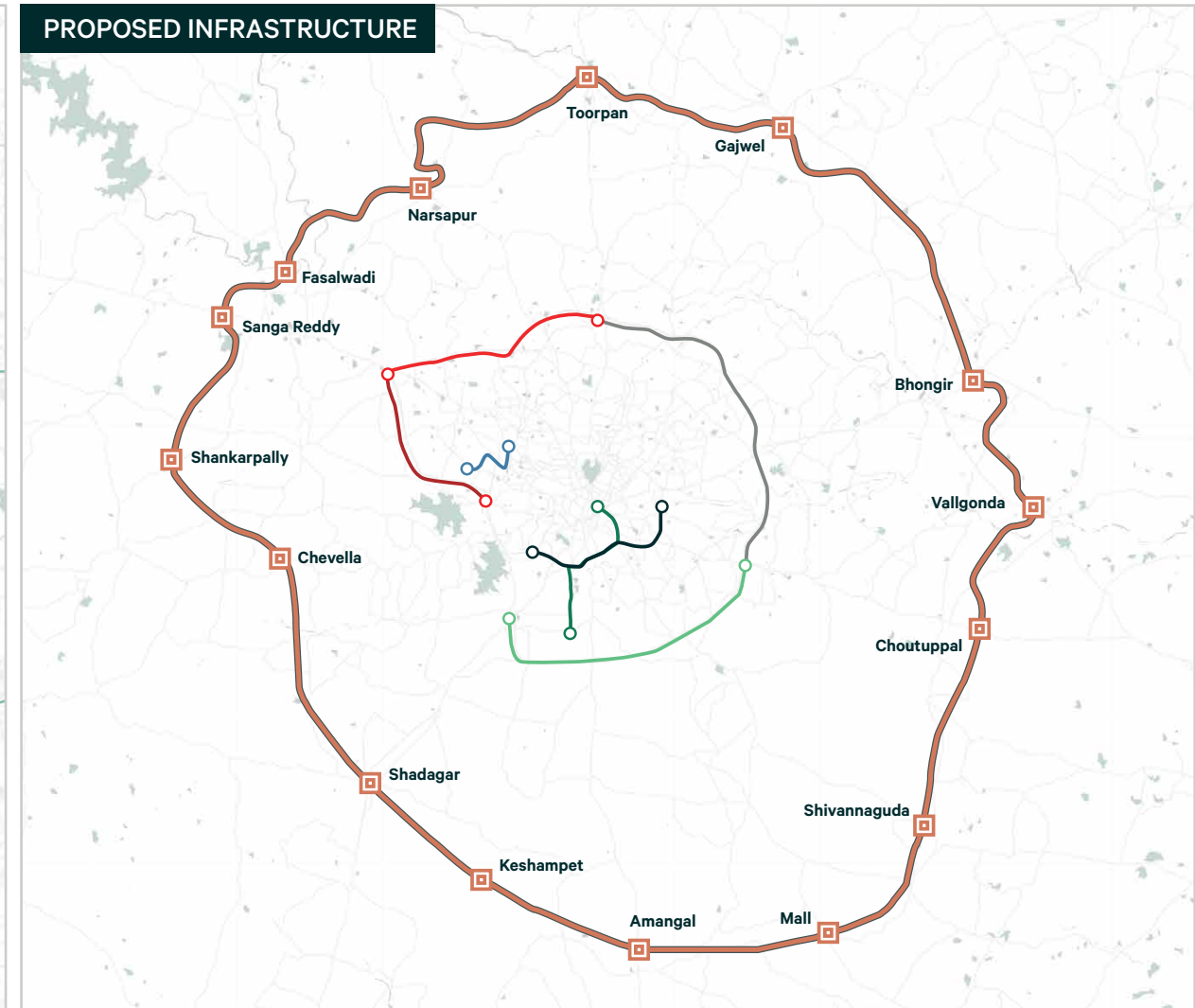
Corridor VI → Miyapur to Patancheru via BHEL, 14 km | Corridor VII → LB Nagar to Hayatnagar via Vanasthalipuram, 8 km

Figure 1: Key existing and proposed infrastructure developments



Source: CBRE Research

- | | | |
|-----------------------|-----------------------|----------------------------------|
| Secunderabad Junction | Existing Roads | Existing Metroline |
| MG Bus Stand | State Highways | Miyapur - LB Nagar |
| RGI Airport | Outer Ring Road | JBS Parade Ground - MG Bus Stand |
| | National Highways | Raidurg - Nagole |
| | IRR | |



Source: CBRE Research

- | | | |
|-----------------------|---|-------------------------------------|
| Proposed Roads | Proposed Phase 2 Metroline | Proposed Phase 3 Metro |
| RRR Interchanges | Raidurg - Raidurg to Financial District | ORR Peddha Amberpet Jn - Medchal Jn |
| RRR | Nagole - Rajendranagar | ORR Patancheruvu - Narsingi Jn |
| | MG Bus Stand - RGI Airport | ORR - Peddha Amberpet Jn |
| | | Medchal - Patancheruvu Jn |

Zoning Hyderabad: Shaping the City's Living Spaces

Hyderabad is broadly classified into five zones: Central, East, West, North, and South (refer to Figure 2). Each zone comprises key locations that contribute uniquely to the city's diverse real estate landscape.

East Zone

Extending towards Warangal and Vijayawada, this zone has experienced considerable residential growth. Its convenient commute to Andhra Pradesh majorly contributes to its expansion. This zone accounts for 10% of the city's overall stock, reflecting its appeal to regional buyers.

Central Zone

Encompassing areas such as Secunderabad, Ameerpet, Begumpet Jubilee Hills, and Banjara Hills, this zone has traditionally been the core of Hyderabad. Despite a notable shift towards the western regions, Central Hyderabad remains significant due to its business prominence. While the zone accounts for only 3% of the overall residential stock in the city, it predominantly comprises luxury developments.

North Zone

Known for its industrial areas including Bolarum, Kompally, Medchal, and Shamirpet, this zone has also seen significant residential development over the years, complementing its industrial growth. This zone contributes 9% to the city's overall stock, indicating a balanced mix of industrial and residential developments.

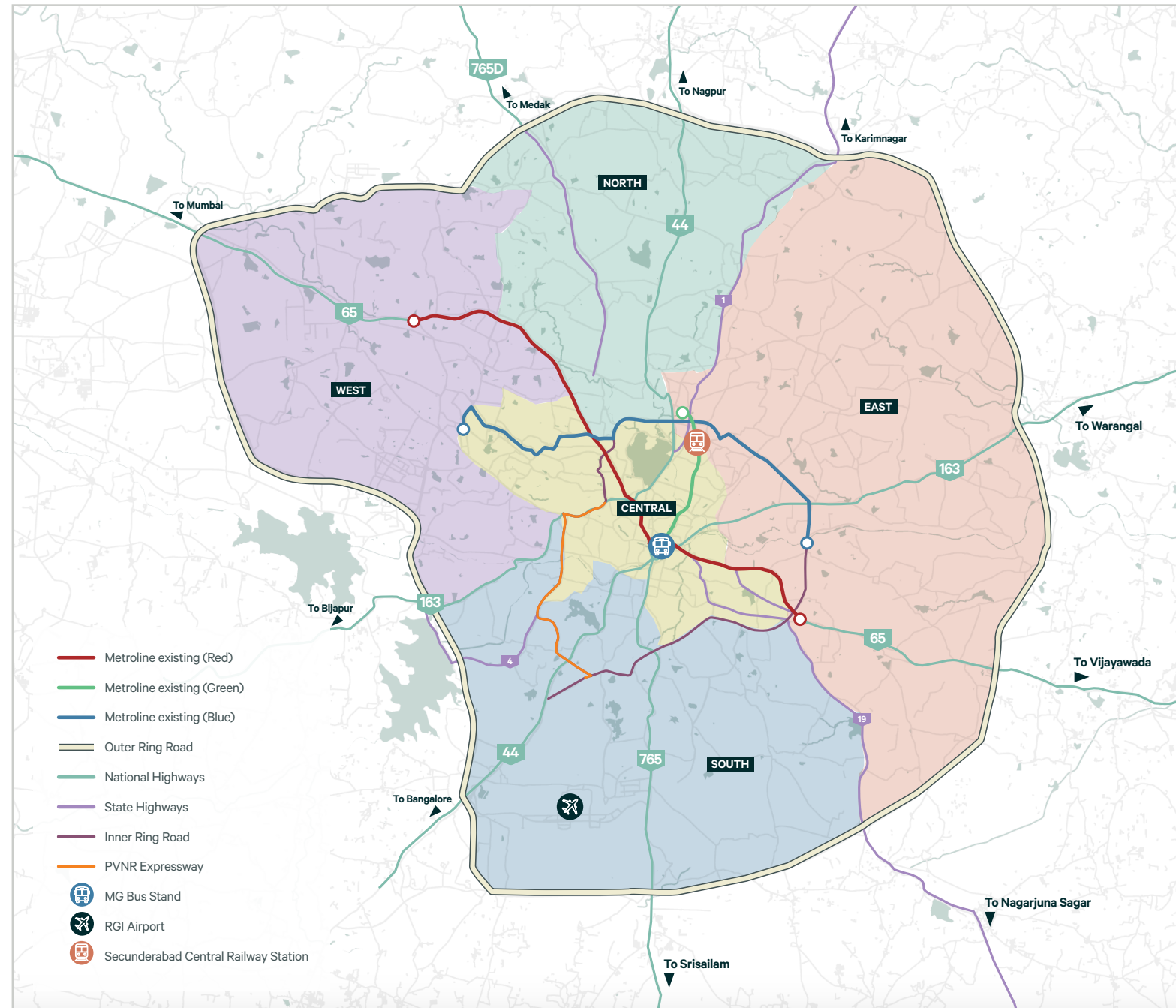
South Zone

Comprising areas such as Shamshabad, Adibatla, and Maheshwaram, this zone benefits from its proximity to the airport and ongoing infrastructural improvements, driving steady development. Despite its strategic location, this zone contributes 4% of the overall stock, highlighting its emerging status in the city.

West Zone

Propelled by the growth of the IT sector, this zone includes prominent locations such as Hitech City, Kondapur, Gachibowli, Nanakramguda, Kokapet and Tellapur, etc. Recent developments have extended further to peripheral western regions such as Mokila, Kollur and Velimela. The Western Zone, which has emerged as the epicentre of residential and commercial growth, **dominates the city's overall stock with nearly 73% contribution.**

Figure 2: Residential zoning of Hyderabad



Source: CBRE Research

Zone-wise key residential locations

East Zone

Bandlaguda (East), Boduppall, ECIL Cross Roads, Ghatkesar, Habsiguda, Kushaiguda, L. B. Nagar, Mansoorabad, Medipally, Nacharam, Nagaram, Nagole, Padmarao Nagar, Peerzadiguda, Pocharam, Saidabad, Sainikpuri, Saroornagar, Tarnaka, Uppal

West Zone

Ameenpur, Appa Junction, Bachupally, Bandlaguda, Bandlaguda Jagir, Bowrampet, Chanda Nagar, Gachibowli, Gajularamaram, Gandipet, Gopan Pally, Hafeezpet, HITEC City, Hyder Nagar, Kavuri Hills, Khajaguda, Kismatpur, Kohtaguda, Kokapet, Kollur, Kondapur, Kukatpally, Lingampally, Madeenaguda, Madhapur, Manikonda, Mehdipatnam, Miyapur, Miyapur Allwyn, Mokila, Nalagandla, Nanakaramguda, Narsingi, Nekkampur, Nizampet, Patancheru, Pragathi Nagar, Puppalguda, Raidurg, Serilingampalle, Shaikpet, Tellapur, Toli Chowki

Central Zone

Ameerpet, Banjara Hills, Begumpet, Czech Colony, Indira Park, Jubilee Hills, Kachiguda, Kavadiguda, Musheerabad, Sanath Nagar, Somajiguda, Yousufguda, Yousufguda X Road, Erragadda, Narayanguda, Secunderabad, Himayatnagar, Warasiguda

North Zone

Alwal, Balanagar, Bolarum, Bowenpally, Chinthal, Dammaiguda, Dulapally, Gowdavalli, Jeedimetla, Kapra, Kompally, Kowkur, Medchal Road, Old bowenpally, Rampally, Shamirpet, Suchitra, Tirumalghery, Yaprall

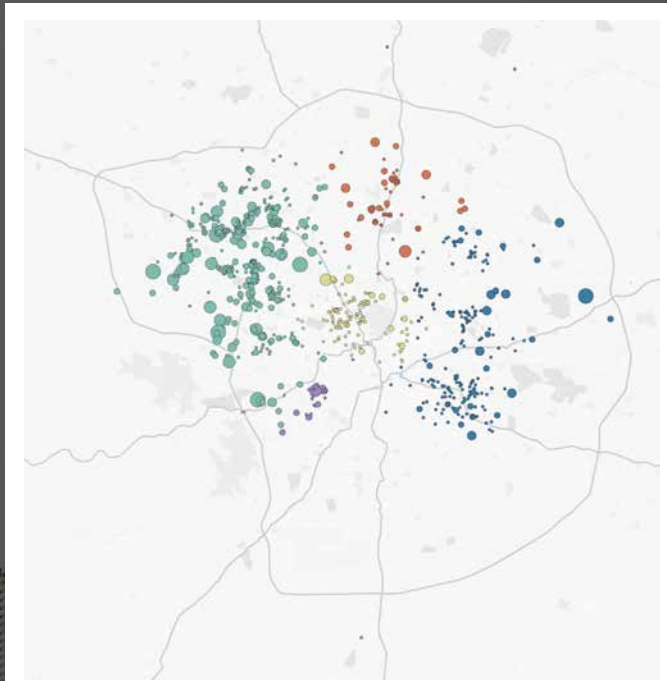
South Zone

Adibatla, Attapur, Bahadurpura, Hyderguda, Maheshwaram, Rajendranagar, Shamshabad, Upperpally

Hyderabad's Housing Market: A Deep Dive

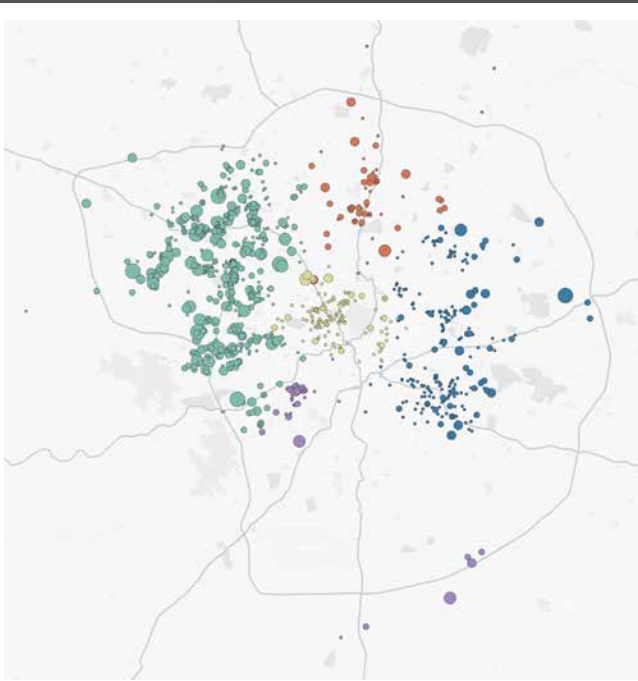
In recent years, Hyderabad has witnessed a substantial increase in residential launches, underscoring the city's growing attractiveness and vibrant economic landscape. With record-breaking growth in new residential launches each year post the COVID-19 pandemic, Hyderabad's **residential stock reached 4.4 lakh apartment units as of H1 2024**. Concurrently, demand for residential units across segments has also been on the upswing, with approximately 1 lakh units sold over the past 10 quarters.

Steady growth in residential launches



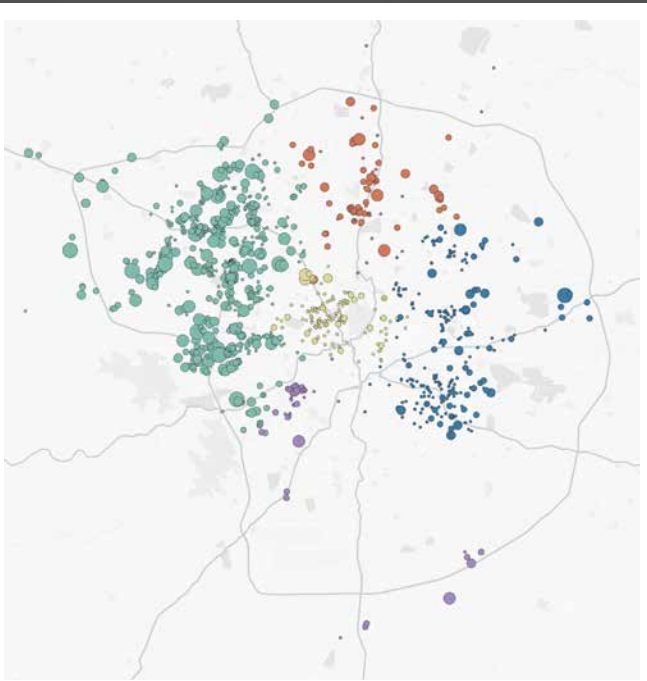
Initial Growth Phase (Pre-2016)

Until 2015, Hyderabad witnessed a modest number of residential launches, with fewer than 10,000 units being introduced into the market annually. This period was marked by cautious growth, with developers testing the waters in various parts of the city.



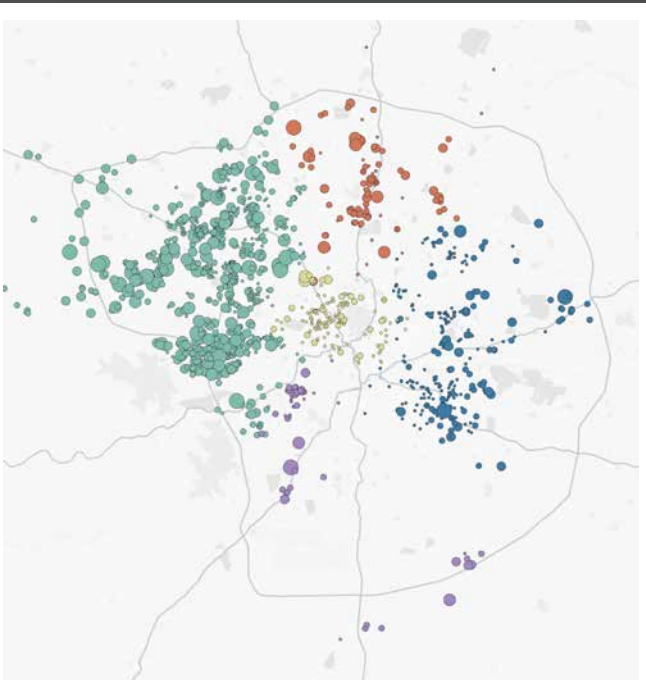
Steady Increase (2016-2019):

During the 2016-2019 period, Hyderabad's residential market saw annual launches rise to 15,000-20,000 units, driven by the growth in the number of multinational corporations expanding in IT Corridor1. Infrastructure improvements, such as the Outer Ring Road (ORR), further enhanced connectivity and attracted residential development. Proactive Telangana government policies, including streamlined approvals and investor-friendly regulations, also supported this growth.



The COVID-19 Impact and Surge (2020)

The COVID-19 pandemic brought about a notable shift in the residential market dynamics. The pandemic-induced remote working led to demand for homes with better amenities and open spaces. Led by these factors, the market saw a 50% jump in launches, with nearly 29,000 units introduced in 2020.



Peak Growth (2021-2023)

The post-pandemic period witnessed robust growth in residential launches. In 2021, the market witnessed 47,000 units launched, marking a significant milestone in Hyderabad's real estate evolution. This trend continued in 2022 and 2023, with nearly 65,000 units launched each year, setting new records annually.

Zone ● Centre ● East ● North ● South ● West Note: The above analysis includes only apartments and excludes villas and plotted developments.
Size of the bubble represents no. of units in the development
● Less than 100 units ● 100 - 500 units ● 500 - 1,000 units ● 1,000 - 2,000 units ● More than 2,000 units

Unpacking the City's Residential Market Trends

While periods of accelerated supply have occasionally resulted in temporary inventory surpluses, these instances underscore the Hyderabad residential market's inherent resilience and capacity for adaptation.

The post-COVID period saw developers continuing to launch new projects, anticipating future demand and catering to diverse consumer preferences. This situation reflects the abundance of choices available to homebuyers, ensuring options to suit various needs and budgets.

Figure 3: Understanding the supply-demand dynamics

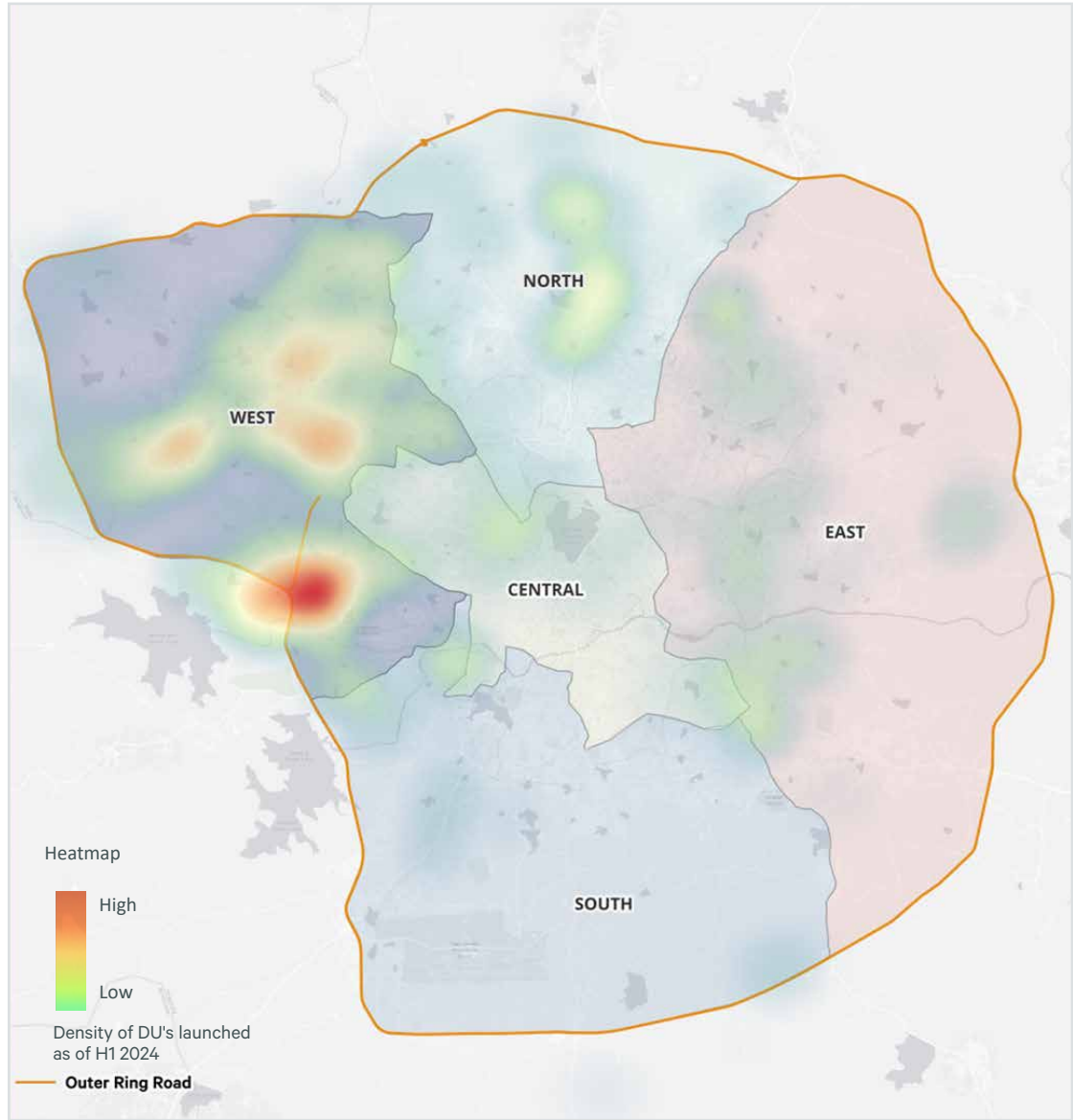


Source: CBRE Research

Note: The above analysis includes only apartments and excludes villas and plotted developments.



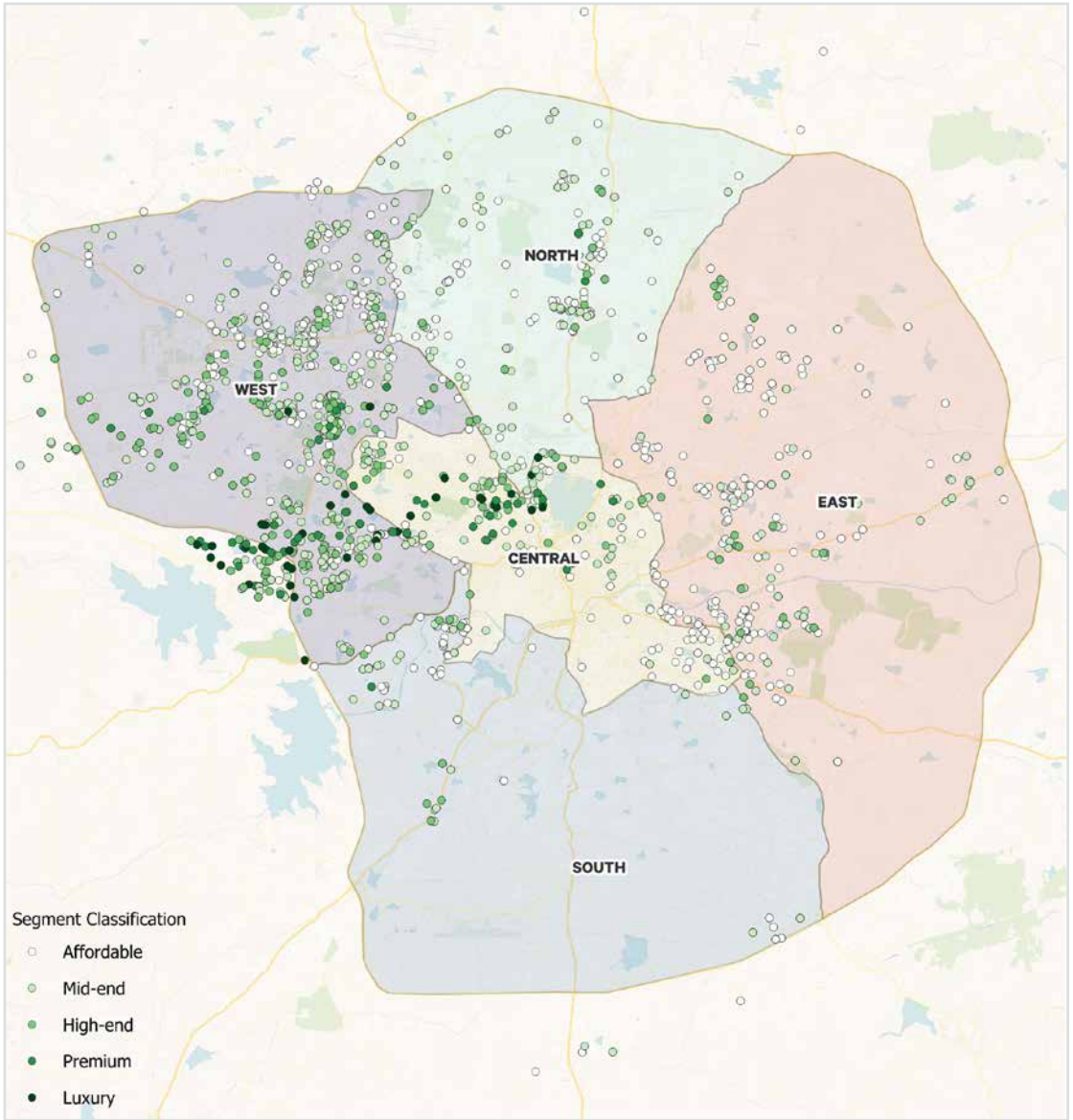
Figure 4: Spread of residential stock in the city as of H1 2024



Source: CBRE Research

Note: The above analysis includes only apartments and excludes villas and plotted developments.

Figure 5: Segment-wise spread of residential stock in the city as of H1 2024

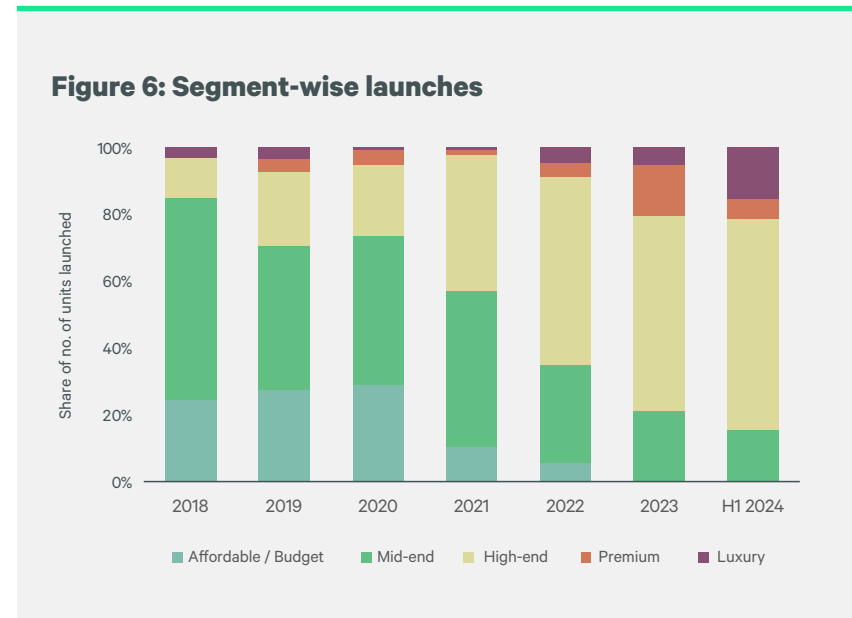


Source: CBRE Research

Note: Affordable / Budget – upto INR 45 lakhs; Mid-end – INR 45 lakhs to INR 1 crore; High-end – INR 1 crore to 2 crore; Premium – INR 2 crore to 4 crore; Luxury – INR 4 crore and above

Paradigm Shift in New Launches⁹

Hyderabad's residential market has traditionally been dominated by the mid-end segment in terms of new launches. However, post-pandemic years have witnessed a **noticeable shift towards the high-end segments, influenced by rising disposable incomes and evolving buyer preferences.**

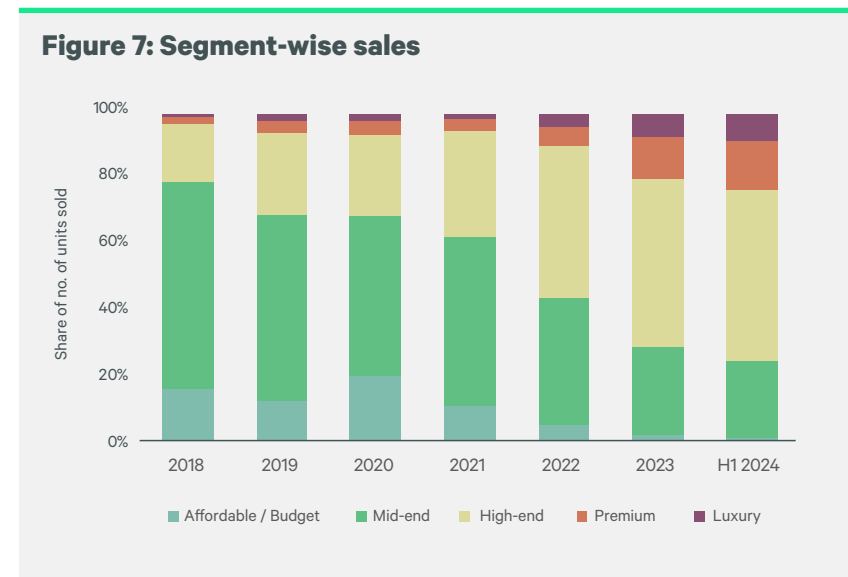


Source: CBRE Research

Moreover, there has been a notable **increase in launches within the premium and luxury segments.** Previously limited to less than 5% of overall launches until 2021, these segments have grown to comprise over 20% of the city's total launches in 2023 and H1 2024. This growth is primarily driven by significant developments in the western part of the city, particularly in Kokapet, Narsingi, Tellapur, Manikonda, and Nanakramguda.

Metamorphosis of Demand

Hyderabad's residential market has seen absorption trends mirroring shifts in new launches. Historically, mid-end units dominated absorption, accounting for over half of the total units sold annually until 2021. However, since 2022, there **has been a marked shift towards high-end units,** which now consistently account for 50% or more of the total absorption.



Source: CBRE Research

Additionally, the **absorption of premium and luxury segments has increased** significantly post-COVID, now contributing approximately 15-20% of the total absorption. This reflects changing buyer preferences towards more upscale living options. Concurrently, the rise in home loan deployment rates and increasing ticket sizes for housing loans at the national level¹² indicate a parallel trend in Hyderabad.

In response to the post-COVID demand for more spacious living environments and dedicated spaces for home offices and recreational areas, developers in Hyderabad have significantly increased the launch of larger configurations, including 3 BHKs, 4 BHKs, and beyond. This trend is especially evident in areas such as Kokapet (Neopolis) and Nanakramguda. Simultaneously, buyers have demonstrated a strong preference for these luxurious properties, aligning with broader national trends in the housing market¹⁰.

This shift towards larger units has also driven a notable increase in capital values. In many locations, apartment prices have nearly doubled from their launch prices and ready-to-move-in rates, with overall market values appreciating beyond 50% across all segments and zones since 2018. This reflects a transition from an end-user market to one increasingly driven by investors.

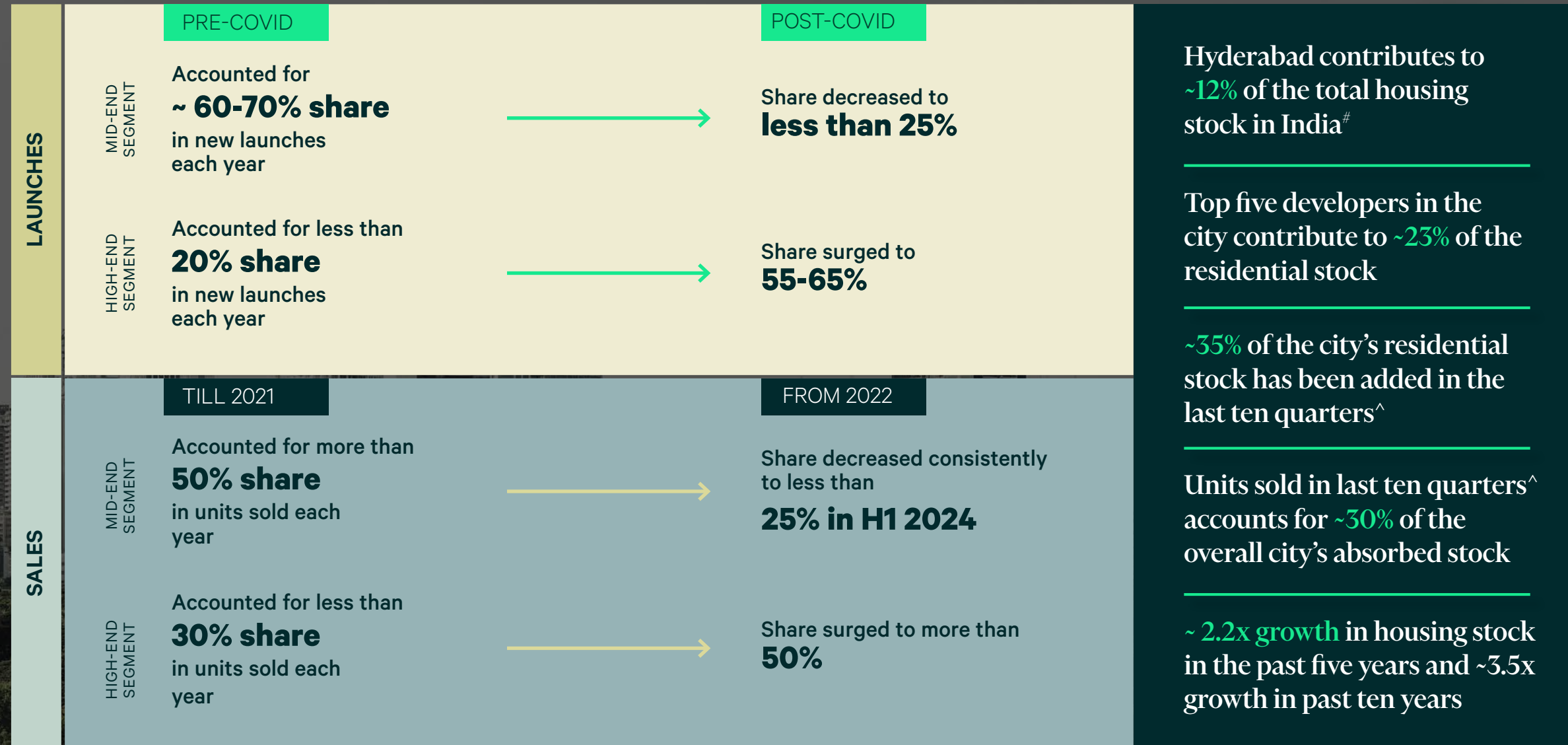
Additionally, the timely delivery of apartments by most developers has reinforced buyer confidence and trust. Reliable adherence to delivery schedules has significantly enhanced the positive perception of Hyderabad's residential real estate market, further supporting its reputation as a prime destination for upscale living.

Note: The above analysis includes only apartments and excludes villas and plotted developments.

9. Affordable / Budget – upto INR 45 lakhs; Mid-end – INR 45 lakhs to INR 1 crore; High-end – INR 1 crore to 2 crore; Premium – INR 2 crore to 4 crore; Luxury – INR 4 crore and above

10. Reserve Bank of India (RBI); data updated as of January 2024; CRIF – How India Lends: Credit Landscape in India FY 23

City's Housing Market: Key Statistics



[^]Last ten quarters represents → Q1 2022 to Q2 2024

[#] Includes top seven cities → Delhi-NCR, Mumbai, Bengaluru, Chennai, Hyderabad, Pune and Kolkata

Note: The above analysis includes only apartments and excludes villas and plotted developments.

Mid-end – INR 45 lakhs to INR 1 crore;

High-end – INR 1 crore to 2 crore

The Premium / Luxury Residential Real Estate Upsurge

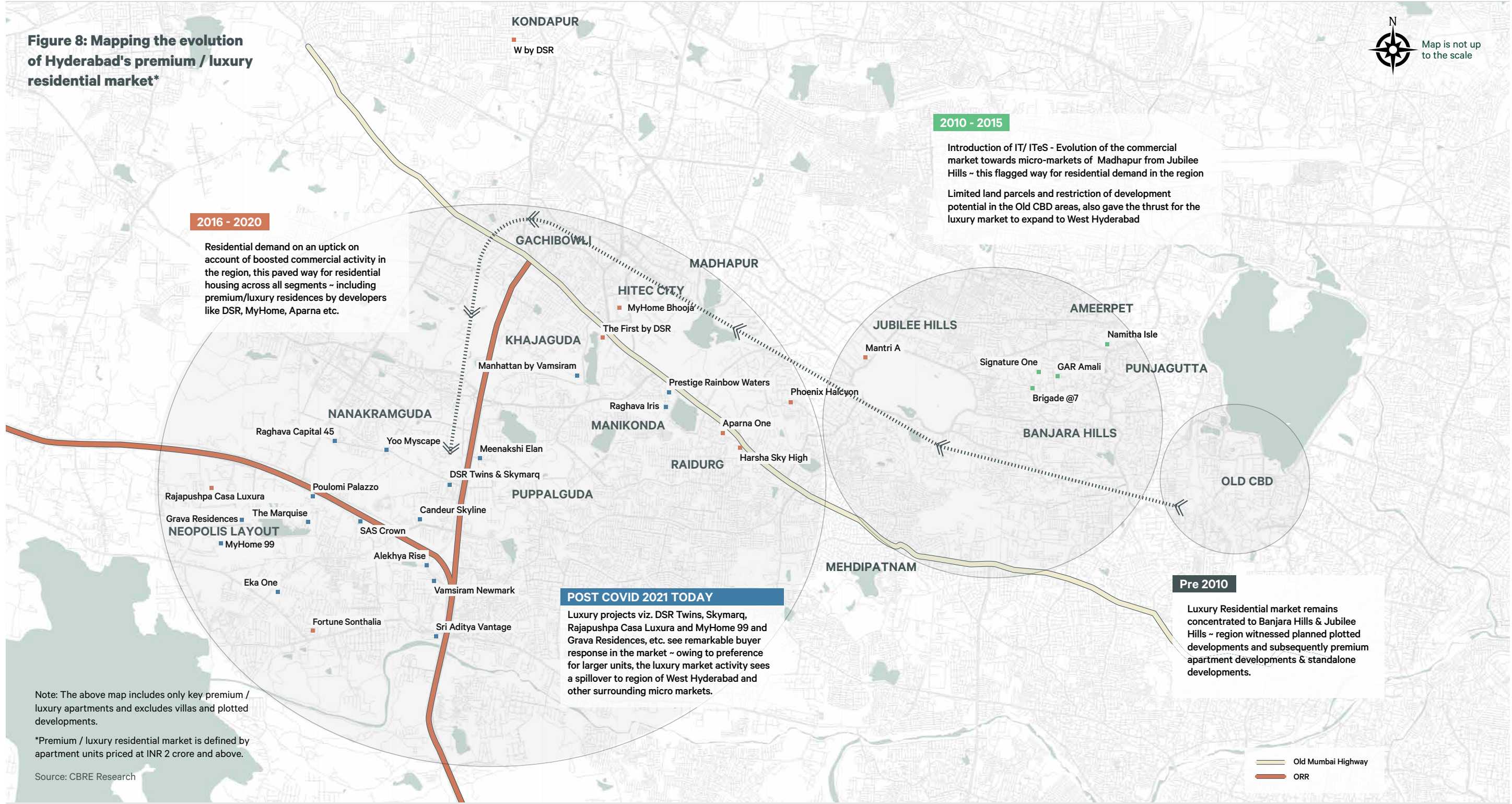
Elevating the Essence of Luxury homes

Luxury real estate in Hyderabad has long served as a coveted asset class for discerning homebuyers and astute investors, reflecting their aspirations and evolving lifestyle preferences. Once solely characterised by standalone bungalows in prestigious locations, luxury residences now encompass a broader spectrum, covering a holistic blend of premium specifications, robust infrastructure, and integrated technology, seamlessly complementing residents' multifaceted lifestyles.

The COVID-19 pandemic has profoundly reshaped this landscape, placing an elevated emphasis on security and access to essential amenities. Consequently, there is a marked preference for branded residences, penthouses, sky villas, and independent floors within meticulously planned townships. These modern living options not only offer opulent lifestyles but also foster a sense of community and enhanced security. This evolution highlights Hyderabad's adaptability and ability to seamlessly blend traditional prestige with modern convenience, solidifying its status as a premier luxury real estate market.



Figure 8: Mapping the evolution of Hyderabad's premium / luxury residential market*



2016 - 2020
Residential demand on an uptick on account of boosted commercial activity in the region, this paved way for residential housing across all segments - including premium/luxury residences by developers like DSR, MyHome, Aparna etc.

2010 - 2015
Introduction of IT/ ITeS - Evolution of the commercial market towards micro-markets of Madhapur from Jubilee Hills ~ this flagged way for residential demand in the region
Limited land parcels and restriction of development potential in the Old CBD areas, also gave the thrust for the luxury market to expand to West Hyderabad

POST COVID 2021 TODAY
Luxury projects viz. DSR Twins, Skymarq, Rajapushpa Casa Luxura and MyHome 99 and Grava Residences, etc. see remarkable buyer response in the market ~ owing to preference for larger units, the luxury market activity sees a spillover to region of West Hyderabad and other surrounding micro markets.

Pre 2010
Luxury Residential market remains concentrated to Banjara Hills & Jubilee Hills ~ region witnessed planned plotted developments and subsequently premium apartment developments & standalone developments.

Note: The above map includes only key premium / luxury apartments and excludes villas and plotted developments.

*Premium / luxury residential market is defined by apartment units priced at INR 2 crore and above.

Source: CBRE Research

Old Mumbai Highway
ORR

Luxury Real Estate Surge Unveiling New Affluent Horizons

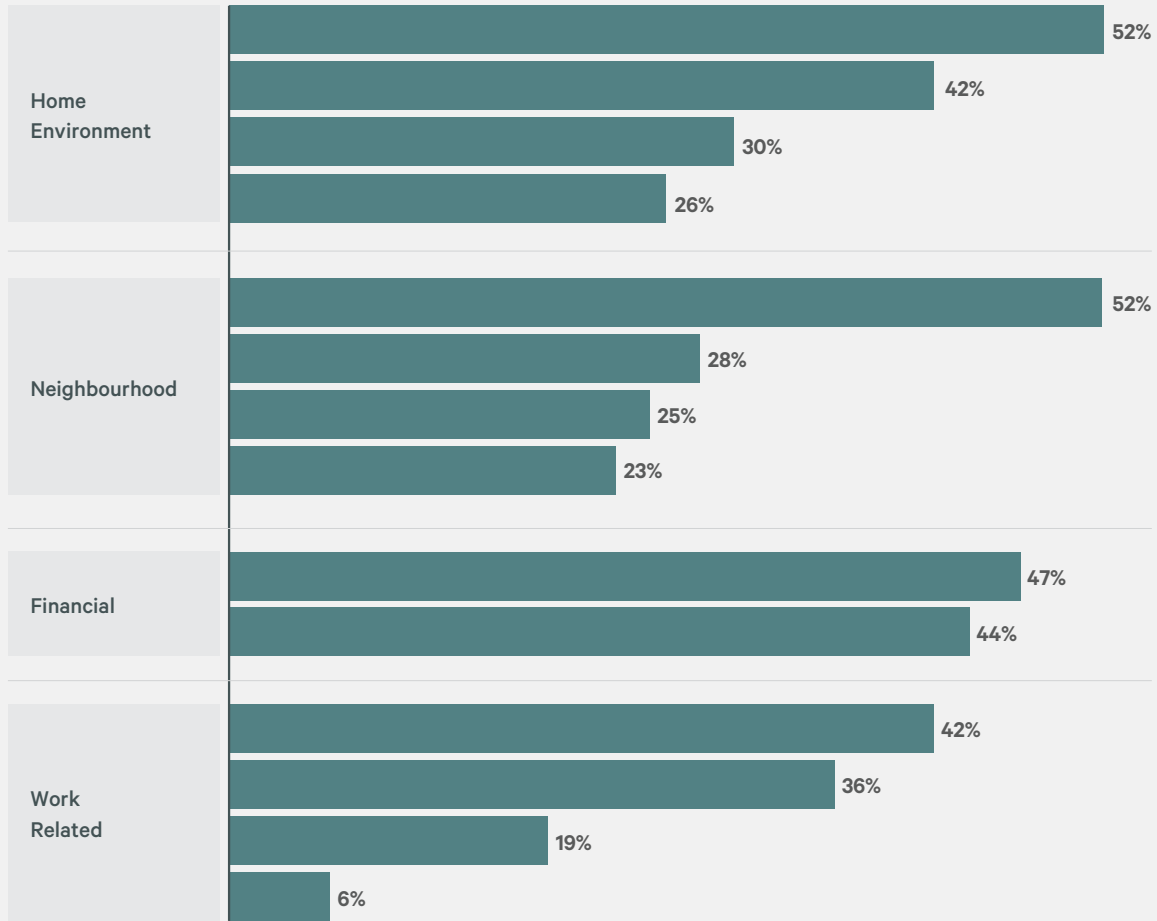
The demand for premium / luxury residences in Hyderabad is driven by a convergence of factors elevating the city's appeal among high-net-worth individuals (HNIs) and ultra-high-net-worth individuals (UHNIs). This surge in interest is primarily fuelled by increased retail investor activity and heightened sentiments among end-users. Limited availability of luxurious spaces and amenities in the older CBD, Jubilee Hills, Banjara Hills, and HITEC city coupled with congestion challenges, have shifted preferences towards new luxury developments around the ORR, which offer superior facilities, connectivity, high-quality construction, smart home features, exclusive amenities, and enhanced privacy, further elevating their appeal. Notably, the strengthening US Dollar against the Indian Rupee has further incentivised investments in the premium and luxury segments, resulting in a significant rise in property registrations.

Hyderabad's allure is reinforced by its standing as one of the world's top 65 wealthiest cities and the **10th fastest-growing millionaire hotspot¹¹**, reflecting a substantial increase in both HNIs and UHNIs. This growing affluence, coupled with rising household and disposable incomes amidst ongoing urbanisation, has led to a shift in homebuyer preferences. Buyers are now prioritising larger, higher-quality homes with bespoke amenities—a trend highlighted by the [CBRE Live-Work-Shop Consumer Sentiment Survey 2022/2023](#), which identified 'better-quality property' and 'larger homes' as key factors driving relocations in India (refer to Figure 9).

Interestingly, this shift is not limited to traditional HNIs and UHNIs but extends to the upper and upper-middle classes, who are now also entering the premium / luxury market. These new entrants are allocating larger budgets for more spacious and premium residences, contributing to a significant increase in the **share of homes larger than 2,000 sq. ft., which now account for over 41%** of Hyderabad's total residential sales in H1 2024, up from less than 20% before 2022.

Since 2022, approximately **80% of the city's premium / luxury housing stock has been introduced** to the market. Key areas such as Jubilee Hills, Banjara Hills, Hitech City, Raidurg, and Kokapet have experienced heightened sales activity, with properties priced above INR 4 crore becoming increasingly common. These neighbourhoods have become synonymous with opulent living, offering modern amenities and proximity to essential infrastructure.

Figure 9: CBRE Survey question: Why would you want to relocate in India in the coming two years?



Source: CBRE's Voices from India: How people will Live in the future, 2022, CBRE Research, Q2 2024

111. World Wealthiest Cities Report, 2023', Henley & Partners, 2023

Rising Appeal of Luxury Villas

In addition to the burgeoning demand for luxury apartments, Hyderabad's villa segment is experiencing remarkable growth. These upscale residences, characterised by ample land and privacy, cater to HNIs seeking exclusivity and premium living.

Unlike residential apartments, which are concentrated in a few key hotspots, luxury villas are spread across the entire city, enhancing their appeal. Significant villa developments are evident in diverse areas, including Tellapur, Patancheru, Bachupally, Mokila, Kollur and Beeramguda in the West.; Shamshabad, Maheshwaram, Mamidipally, and Tukkuguda in the South; Kompally, Dundigal, Gundlapochampally and Medchal in the North.; and Pocharam, Nagole, Hayathnagar, and Ghatkesar in the East.

Notably, about **one-third of the city's total villa stock has been added since 2019**. These villas are not only distinguished by their expansive plots but also by their premium amenities. Developers offer bespoke features such as private swimming pools, home automation systems, landscaped gardens, and expansive outdoor entertainment areas. Many also include advanced security systems, high-end finishes, and sustainable design elements, further enhancing their appeal.



Charting the Course for Hyderabad's Residential Market



Hyderabad's Residential Real Estate: A Resilient Foundation for Promising Growth

The Hyderabad residential market is anticipated to experience a period of moderation in new project launches over the next few years, following a record-breaking surge in 2022 and 2023, during which nearly 65,000 units were launched each year. This moderation is a strategic response to current market conditions characterised by an oversupply of housing units and rising land acquisition costs. However, despite the anticipated slowdown in new launches, the **outlook for the market remains highly positive, as the city's dynamic economic growth**, particularly within the IT and pharmaceutical sectors, is expected to continue driving strong demand for residential properties. This demand is expected to be bolstered by proactive government initiatives to streamline property registrations, accelerate infrastructure development, and enhance residents' overall quality of life.

Strategic Growth Areas for Development

Looking ahead, several areas in Hyderabad are poised for significant residential growth due to their strategic advantages and development prospects. South Hyderabad, encompassing Shamshabad, Tukkuguda, Budwel (Rajendra Nagar-Shamshabad stretch), and Maheshwaram, is gaining prominence due to its proximity to the Rajiv Gandhi International Airport and connectivity via the Bangalore Highway, alongside ongoing infrastructure improvements. North Hyderabad, including Kompally, Medchal, Gandimaissamma, and Kandlakoya, is rapidly developing driven by industrial, lifesciences activities along with upcoming Kandlakoya IT Park. East Hyderabad, featuring Uppal, Bhagayath Layout, Peerzadiguda, and Hayath Nagar, is advancing swiftly due to enhanced connectivity and infrastructure investments along the Warangal and Vijayawada highways. West Hyderabad, with key locations such as Gachibowli, Kondapur, Neopolis (Kokapet), Manchirevula to TSPA Junction and Manmole (Tellapur-Kondakal radial road), is expanding rapidly due to the growth of commercial hubs and IT parks.

These areas are anticipated to benefit from ongoing infrastructure enhancements and the development of essential social amenities like schools and hospitals, presenting promising opportunities for both investors and end-users. While these locations highlight significant trends in residential development, many other regions across the city also hold potential for growth, reflecting a broad and evolving landscape of opportunities.



Generational Shift: Embracing Homeownership Over Renting

The [2022 CBRE Live-Work-Shop Survey](#)¹² revealed a significant shift in homebuyer preferences across all age groups¹³ in India, with a pronounced inclination towards purchasing rather than renting. Notably, 59% of respondents from various age groups expressed a strong preference for buying a home within the next two years. Among these, Gen X respondents led with an 84% preference for homeownership, followed by Baby Boomers at 74% and early Millennials at 71%. Even Gen Z, with 59%, and late Millennials, at 67%, demonstrated a clear trend towards purchasing.

Hyderabad reflects this national trend, exhibiting a similar rise in the preference for buying over renting. Developers should consider this growing demand for ownership when planning their projects. Incorporating a broad range of amenities and features tailored to the diverse needs of these buyers will be essential for attracting and retaining clients. Developers can effectively tap into this burgeoning market trend by aligning their offerings with the evolving expectations of all generational cohorts.

Developer's Perspective: Embracing Trends and Future Opportunities

Developers are poised to align with the evolving preferences of modern homebuyers by strategically timing their project launches and conducting thorough market research. To remain competitive and meet the aspirations of today's discerning buyers, it is essential to focus on unit sizes, configurations, and amenities that resonate with current trends.

The luxury housing market is undergoing a shift towards a more comprehensive living experience. Modern buyers increasingly seek smart homes equipped with advanced technology, eco-friendly features, and expansive living spaces. There is a growing preference for gated communities that offer security, convenience, and sustainability, supported by green certifications such as IGBC and LEED.

Developers are anticipated to incorporate a range of amenities catering to the diverse needs of prospective home buyers. These include child-friendly features such as creches, kids' pools, adventure play areas, and amenities for the elderly such as exclusive seating areas, aerobics zones, and zen gardens. Additionally, developers are expected to focus on comprehensive amenities such as co-working spaces, amphitheatres, clubhouses, cabanas, pedestrian pathways, and box cricket facilities.

Sustainability and Eco-Friendly Features

Sustainability is becoming a crucial differentiator, with developers integrating energy-efficient appliances, rainwater harvesting systems, and renewable energy sources into their projects. High-end features such as private electric vehicle (EV) charging garages, branded kitchens, noise-controlled windows, and well-planned outdoor spaces are set to enhance the appeal of new developments. The adoption of smart home technologies and sustainable building practices is likely to cater to modern buyers' preferences and drive the market forward.

Harnessing Future Growth and Value

While short-term capital values for housing units are anticipated to remain stable, the medium to long-term outlook is positive, bolstered by anticipated government land rate hikes. These changes would increase the value of developers' land holdings, supporting continued growth and investment in Hyderabad's residential market.

Buyer's Perspective: Evolving Preferences and Market Trends

From a home buyer's perspective, the stability in borrowing costs, maintained through unchanged repo rates, is likely to enhance affordability and extend the festive season buying advantage into the latter half of the year. This environment would stimulate increased sales activity as buyers capitalise on favourable borrowing conditions to secure cost-effective properties. Furthermore, the presence of unsold inventory offers buyers a wider selection of properties, potentially leading to more informed purchasing decisions.

Hyderabad's real estate developers have established a strong reputation for delivering residential projects of high quality and adhering to stringent timelines, often exceeding benchmarks set by other metro cities. The city's commitment to robust infrastructure, coupled with efficient municipal administration and urban planning, significantly enhances the desirability of its residential offerings. While the apartment segment continues to thrive, driven by a preference for community living and comprehensive amenities, the burgeoning villa market underscores a growing demand for larger living spaces and private retreats. Both sectors are poised to present compelling opportunities for homebuyers seeking diverse lifestyle options.

Conclusion

Looking ahead, **buyers can expect a well-balanced market with a variety of high-quality options** across both apartment and villa segments. While there has been a notable rise in the premium and luxury categories, mid-end and high-end properties continue to dominate the market due to their broad appeal and affordability. **Developers remain focused on delivering superior products with timely completions**, ensuring that buyers can access well-constructed and well-located residences. The ongoing emphasis on infrastructure development and community amenities will further enhance the attractiveness of residential offerings. Overall, Hyderabad's residential market is well-positioned for sustained growth, providing buyers with a promising landscape of opportunities that reflect both developer responsiveness and evolving market preferences.

12. CBRE's Voices from India: How will people live in the future, 2022

13. Gen Z: Age 18-25; Late Millennials: Age 26-33; Early Millennials: Age 34-41; Gen X: Age 42-57; Baby Boomers: Age 58+

Contacts

Research

Abhinav Joshi

Head of Research - India, Middle East & North Africa
abhinav.joshi@cbre.co.in

Pradeep Nair

Associate Director
pradeep.nair@cbre.com

Vaishnavi Bala

Senior General Manager
vaishnavi.bala@cbre.com

Sarath Chandra Praveen Chilukuri

Senior Manager
chilukuri.sarathchandrapraveen@cbre.com

Arun Reddy Sureddy

Manager
sureddyarun.reddy@cbre.com

Sradha Narayan

Assistant Manager
sradha.narayan@cbre.com

Apoorva P

Assistant Manager
apoorva.p@cbre.com

Business Line

Gipson Paul

Senior Executive Director, Head - CBRE Hyderabad
gipson.paul@cbre.com

Vaibhav Jakhodia

Director, Consulting & Valuations, Hyderabad
vaibhav.jakhodia@cbre.co.in

Follow Us



CBRE Research

This report was prepared by the CBRE India Research Team, which forms part of CBRE Research—a network of preeminent researchers who collaborate to provide real estate market research and econometric forecasting to real estate. All materials presented in this report, unless specifically indicated otherwise, is under copyright and proprietary to CBRE. Information contained herein, including projections, has been obtained from materials and sources believed to be reliable at the date of publication. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. Readers are responsible for independently assessing the relevance, accuracy, completeness and currency of the information of this publication. This report is presented for information purposes only exclusively for CBRE clients and professionals, and is not to be used or considered as an offer or the solicitation of an offer to sell or buy or subscribe for securities or other financial instruments. All rights to the material are reserved and none of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party without prior express written permission of CBRE. Any unauthorized publication or redistribution of CBRE research reports is prohibited. CBRE will not be liable for any loss, damage, cost or expense incurred or arising by reason of any person using or relying on information in this publication.

To learn more about CBRE Research, or to access additional research reports, please visit the Global Research Gateway at www.cbre.com/research-and-reports
CIN - U74140DL1999PTC100244

CBRE

Business Line Contacts

Advisory & Transactions

Ram Chandnani

Managing Director, Advisory & Transaction Services,
India
ram.chandnani@cbre.co.in

Consulting & Valuation

Rami Kaushal

Managing Director,
Consulting & Valuations, India, Middle East & Africa
rami.kaushal@cbre.co.in

Global Workplace Solutions

Rajesh Pandit

Managing Director, Global Workplace Solutions, India & Property
Management, India, SE Asia, Middle East & North Africa
rajesh.pandit@cbre.co.in

Project Management

Gurjot Bhatia

Managing Director, Head - Project Management Advisory,
Asia Pacific
gurjot.bhatia@cbre.co.in

Capital Markets

Gaurav Kumar

Managing Director & Co-Head, Capital Markets,
India
gaurav.kumar@cbre.co.in

Capital Markets

Nikhil Bhatia

Managing Director & Co-Head, Capital Markets,
India
nikhil.bhatia@cbre.co.in

Operations

Rajat Gupta

Managing Director, Operations,
India
rajat.gupta@cbre.com

CBRE Research

This report was prepared by the CBRE India Research Team, which forms part of CBRE Research—a network of preeminent researchers who collaborate to provide real estate market research and econometric forecasting to real estate. All materials presented in this report, unless specifically indicated otherwise, is under copyright and proprietary to CBRE. Information contained herein, including projections, has been obtained from materials and sources believed to be reliable at the date of publication. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. Readers are responsible for independently assessing the relevance, accuracy, completeness and currency of the information of this publication. This report is presented for information purposes only exclusively for CBRE clients and professionals, and is not to be used or considered as an offer or the solicitation of an offer to sell or buy or subscribe for securities or other financial instruments. All rights to the material are reserved and none of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party without prior express written permission of CBRE. Any unauthorized publication or redistribution of CBRE research reports is prohibited. CBRE will not be liable for any loss, damage, cost or expense incurred or arising by reason of any person using or relying on information in this publication.

To learn more about CBRE Research, or to access additional research reports, please visit the Global Research Gateway at www.cbre.com/research-and-reports
CIN - U74140DL1999PTC100244

CBRE