

Telangana Going Global

REPORT

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Transforming Telangana: A Path to Global Prominence

Telangana has emerged as a beacon of economic growth in India, driven by strategic policies, cutting-edge infrastructure, and a thriving innovation ecosystem. Characterised by world-class industrial zones, seamless connectivity, a steadfast commitment to sustainability, and an investor-friendly environment, the state has positioned itself as a premier destination for investors to drive economic prosperity.

CBRE's research report "**Telangana Going Global**" provides a detailed analysis of the state's economic landscape, underscoring Hyderabad's centrality and the substantial, yet untapped, potential of its tier-II and tier-III cities. The report highlights the state's forward-thinking policies and strategic initiatives, collectively presenting a compelling investment proposition for global and domestic capital.



Decoding Telangana's Economic Ascent

Telangana is one of India's fastest-growing states boasting a multifaceted economy. Its robust industrial base and burgeoning services sector are complemented by a thriving agricultural landscape nurtured by the fertile plains of the eastern Deccan Plateau. The state's manufacturing industry is particularly dynamic, with pharmaceuticals, textiles, and electronics emerging as other key growth drivers.

Hyderabad, the state capital, is celebrated for its rich historical heritage and its role as a major information technology (IT) and pharmaceutical hub, making substantial contributions to Telangana's economic vibrancy. The city has **attracted numerous global IT conglomerates, establishing itself as one of India's premier technology centres**. Additionally, Hyderabad's contributions to the **biotechnology** and **pharmaceutical sectors** have cemented Telangana's status as a global leader in these industries.

Telangana's strategic geographic location offers substantial market access and advantages in resource availability. Bordering Maharashtra to the north and west, Chhattisgarh to the northeast, Karnataka to the west, and Andhra Pradesh to the south and east, the state provides seamless access to diverse markets and facilitates efficient trade routes. Telangana's geographical diversity also supports a robust agricultural sector and presents significant tourism and ecological conservation opportunities, contributing towards sustainable development.

Telangana: An Economic Powerhouse in the South

Total Population

~38 million

Urban
Population

~39%

Working-age Population
(15-59 years)

~70%

Literacy Rate

~73%

Sex Ratio

~988 females per
1,000 males

Per Capita Income (PCI):

INR 3.47 Lakh

2023-2024 (at current prices)

INR 1.64 lakh higher than the national PCI,
~2.8x growth post the state's formation

Source: Invest India – Telangana; National Commission Report, 2024; India National Family Health Survey (NFHS-5, 2019-20); Ministry of Statistics and Programme Implementation (MoSPI); Telangana Socio Economic Outlook 2024; Department for the Promotion of Industry and Internal Trade (DPIIT); JJM reports – Department of Drinking Water and Sanitation (Go); CBRE Research Q2 2024

GSDP:

INR 14.64 trillion

2023-2024 (at current prices)

Increased by **11.9%**, registering the **3rd largest** growth in the country; the state also contributed a substantial 5% of the national GDP

Foreign Direct Investments (FDI)
inflows FY 2023-24

USD 3 Billion

More than doubled compared to the
previous financial year

Registered **~11.3%** growth Y-o-Y in
IT/ITeS exports to cross

INR 2.7 trillion during FY 2023-24

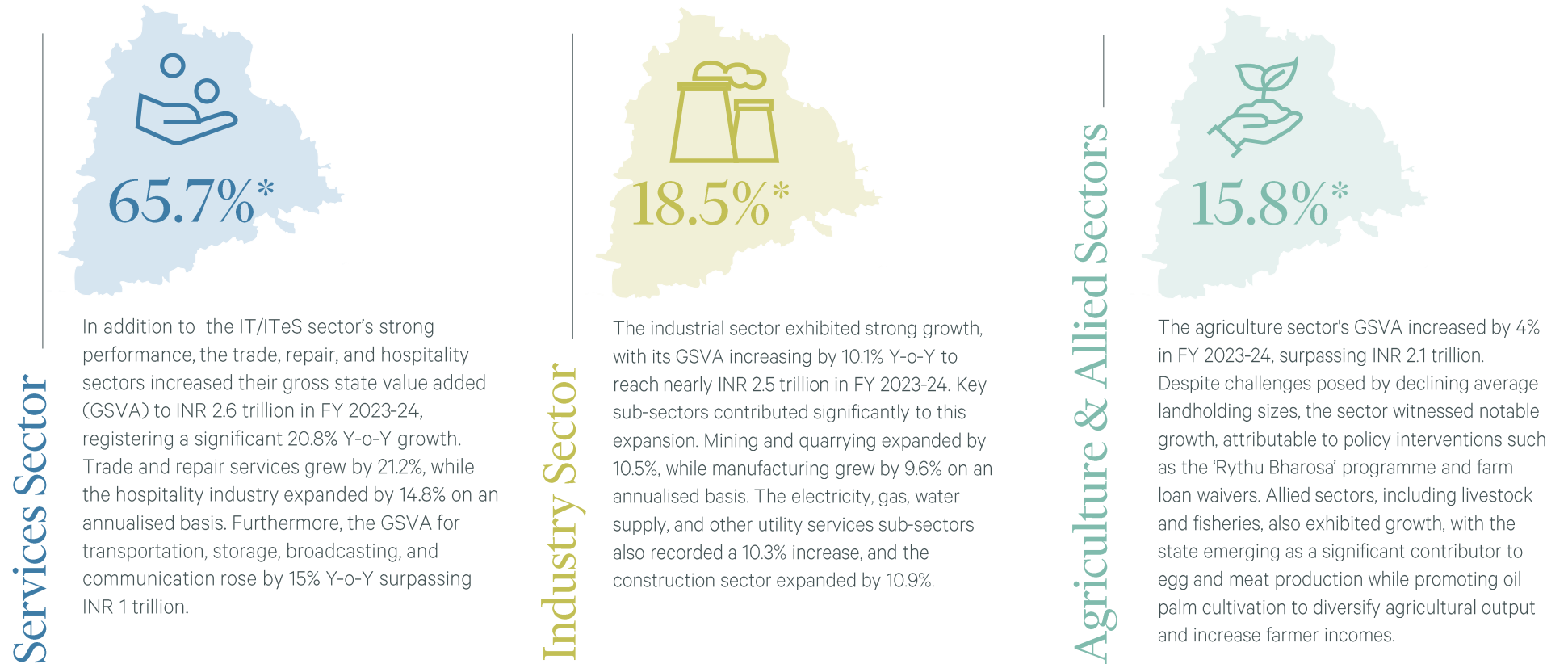
State added nearly 45,000 IT/ITeS jobs during FY
2023-24, now employing to **9.5 lakh** professionals



Driving Growth: The Integral Sectors Shaping Telangana’s Economic Future

Telangana’s services sector stands out as the leading economic force, significantly impacting the state’s growth trajectory. The industrial sector, encompassing mining, manufacturing, and utilities, also plays a pivotal role, exhibiting varied growth. Meanwhile, agriculture remains a cornerstone of the economy, supporting rural livelihoods and contributing to the state’s overall development. This broad-based economic foundation positions Telangana as a state with substantial growth potential.

Figure 1: Key Economic Pillars of Telangana



Services Sector

In addition to the IT/ITeS sector’s strong performance, the trade, repair, and hospitality sectors increased their gross state value added (GSVA) to INR 2.6 trillion in FY 2023-24, registering a significant 20.8% Y-o-Y growth. Trade and repair services grew by 21.2%, while the hospitality industry expanded by 14.8% on an annualised basis. Furthermore, the GSVA for transportation, storage, broadcasting, and communication rose by 15% Y-o-Y surpassing INR 1 trillion.

Industry Sector

The industrial sector exhibited strong growth, with its GSVA increasing by 10.1% Y-o-Y to reach nearly INR 2.5 trillion in FY 2023-24. Key sub-sectors contributed significantly to this expansion. Mining and quarrying expanded by 10.5%, while manufacturing grew by 9.6% on an annualised basis. The electricity, gas, water supply, and other utility services sub-sectors also recorded a 10.3% increase, and the construction sector expanded by 10.9%.

Agriculture & Allied Sectors

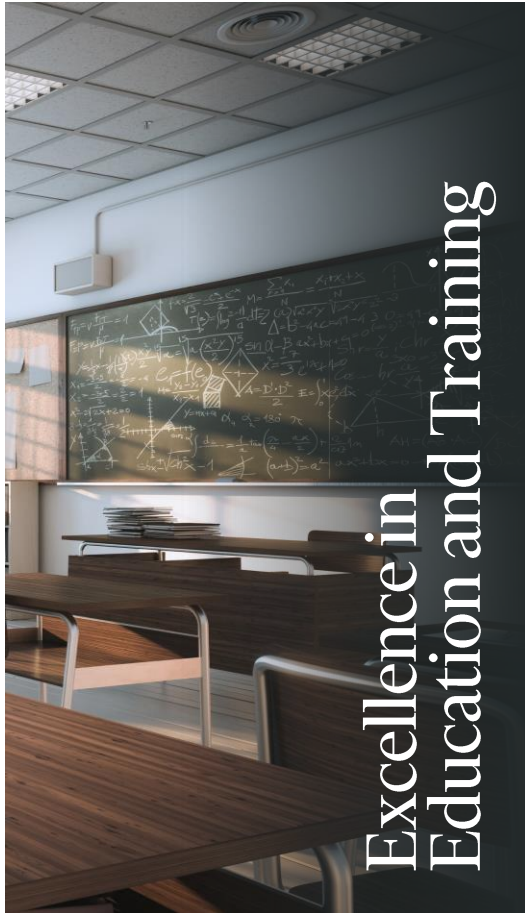
The agriculture sector’s GSVA increased by 4% in FY 2023-24, surpassing INR 2.1 trillion. Despite challenges posed by declining average landholding sizes, the sector witnessed notable growth, attributable to policy interventions such as the ‘Rythu Bharosa’ programme and farm loan waivers. Allied sectors, including livestock and fisheries, also exhibited growth, with the state emerging as a significant contributor to egg and meat production while promoting oil palm cultivation to diversify agricultural output and increase farmer incomes.

Source: MoSPI; Socio Economic Outlook 2024; Economic Development of Telangana @Ten report – Directorate of Economics and Statistics, June 2023; CBRE Research Q2 2024

*Sector’s contribution to the Gross State Value Added (GSVA) during FY 2023-24 at current prices.

Cultivating Talent and Innovation: Telangana's Blueprint for Growth

Telangana's impressive economic growth is significantly driven by its dedication to cultivating a highly skilled workforce. The state has strategically invested in education and training to align its talent pool with global industry requirements, making it an attractive destination for international investors.



The state's emphasis on skill development is exemplified by initiatives such as the Telangana Academy for Skill and Knowledge (TASK) and the Telangana Skills, Academic, and Training (T-SAT). While the TASK partners with industry leaders to offer practical training, T-SAT provides extensive vocational and academic education, improving workforce readiness.

740+	3.2 lakh+
Colleges benefitted	Youth registered
110+	80+
Programmes offered	Industry partnerships
9.5 lakh+	17,000+
Students skilled	Faculty skilled
35,000+	33,000+
Placements provided	Students trained in entrepreneurship



The Research and Innovation Circle of Hyderabad (RICH) and Telangana State Innovation Cell (TSIC) initiatives are key drivers in advancing technological R&D. The RICH promotes collaboration among researchers, entrepreneurs, and investors while accelerating innovation and supporting pioneering projects across diverse industries. The TSIC focuses on fostering a culture of innovation and entrepreneurship throughout the state, offering a platform for innovators to excel.

30+	~USD 0.6Mn
Research and academic institutions onboarded	Start-up India Seed Fund received
50+	250+
Incubators onboarded	Start-ups and Entrepreneurs supported
~USD 2.2Mn	~USD 1.4Mn
Funds raised by start-ups	Funds raised for projects

Source: Telangana.gov.in; CBRE Research Q2 2024

Cultivating Talent and Innovation: Telangana's Blueprint for Growth



Telangana serves as a hub for innovation, featuring leading institutions such as the Technology Hub (T-Hub) and T-Works. T-Hub, the world's largest innovation hub and start-up ecosystem enabler, incubates emerging businesses, while T-Works, India's largest prototyping centre, provides cutting-edge prototyping facilities. The Women Entrepreneurs Hub (WE Hub) is dedicated to empowering women entrepreneurs, and the Innovation in Multimedia, Animation, Gaming and Entertainment (IMAGE) initiative fosters advancements in these creative industries.

T-HUB IMPACT

2,000+	~USD 1.9 Bn
Actively engaging start-ups	Funds raised by programme Start-ups
400+	100+
International connects	Programmes
100+	1000+
Value partners	Events
110+	200+
Corporate engagements	Mentors

WE HUB IMPACT

~USD 21.2 Mn	
Funds raised	
6,370+	120+
Start-ups and SMEs incubated	Partners onboarded
7,820+	80+
Entrepreneurs engaged	Start-up programmes initiated
3,300+	
Students enrolled and engaged	



The state government delivers significant support through initiatives such as the Telangana State Industrial Development and Entrepreneur Advancement (T-IDEA) and the Telangana State Programme for Rapid Incubation of Dalit Entrepreneurs (T-PRIDE). These programmes provide subsidies, tax benefits, and financial assistance to promote skill development and business growth, ensuring a steady supply of skilled professionals to meet global market demands.

Source: Telangana.gov.in; CBRE Research Q2 2024



Telangana's Investment Appeal: Robust Infrastructure, Strategic Policies, and Growth

STRATEGIC LOCATION AND CONNECTIVITY

Centrally located in India, Telangana offers exceptional connectivity through its **comprehensive network of roads, railways, and airways**. This strategic positioning enhances the state's attractiveness as a logistics and trade hub.

INVESTOR-FRIENDLY POLICIES

The Telangana State Industrial Project Approval and Self-Certification System (TS-iPASS) provides a single-window clearance for industrial projects, expediting approvals and minimising bureaucratic obstacles. Additionally, T-IDEA and T-PRIDE programmes offer **financial incentives, tax benefits, and subsidies to businesses**, creating a supportive environment for growth and innovation.

THRIVING INDUSTRIAL AND IT SECTORS

Telangana has emerged as a dynamic hub for industrial and IT sectors. The state's manufacturing landscape has witnessed substantial growth, particularly in **pharmaceuticals, biotechnology, textiles, and electronics**. Hyderabad has solidified its position as a leading IT and pharmaceutical centre, home to numerous Global Capability Centres (GCCs) and research institutions.

WORLD-CLASS INFRASTRUCTURE

Telangana features world-class infrastructure, including **industrial parks, IT parks, and special economic zones (SEZs)** designed to cater to various industries. The Kakatiya Mega Textile Park in Warangal with its comprehensive "fibre to fabric" facilities, the Genome Valley in Hyderabad, a leading biotech cluster, and the Electronics Hardware Technology Parks (EHTPs) in Maheshwaram provide state-of-the-art facilities and resources to support industrial expansion. Additionally, the Software Technology Parks (STPs) in Hyderabad and Export Processing Zones (EPZs) in Medchal further enhance the state's industrial capabilities.

SUPPORTIVE ECOSYSTEM FOR INNOVATION

Telangana's focus on innovation is reflected in its thriving start-up ecosystem. Institutions such as the T-Hub, T-Works, WE-Hub, and TSIC offer **incubation, mentorship, and resources to emerging entrepreneurs, driving innovation** and nurturing a culture of entrepreneurship. Additional initiatives such as the RICH and IMAGE make the state a centre for cutting-edge technology and innovation.

SUSTAINABLE DEVELOPMENT AND LIVEABILITY

Along with economic growth, Telangana is dedicated to sustainable development and improving the quality of life of its residents. Projects in **green energy, smart cities, and sustainable infrastructure** ensure a balanced approach to progress. Hyderabad, known for its high quality of life, blends modern amenities with cultural heritage, making it an attractive destination for businesses and professionals.

~USD 3 Bn

FDI secured by Telangana during FY 2023-24 nearly doubling the quantum received in the previous year¹

25,000+ projects

Approved by the state attracting investments over USD 40 Bn since the launch of TS-iPASS in 2014²

This influx of capital across various sectors, including pharmaceuticals, textiles, and electronics underscores the state's rising prominence as a leading investment hub.

Source: Telangana.gov.in; 1. [Department for Promotion of Industry and Internal Trade \(DPIIT\)](http://Department for Promotion of Industry and Internal Trade (DPIIT)); 2. ipass.telangana.gov.in; CBRE Research Q2 2024

Telangana at a Glance



Awarded Best State by the Union Ministry of Civil Aviation for the aerospace sector in 2020⁴



Telangana's Municipal Administration and Urban Development Department received the **'Green Champion'** Award in 2022⁵



Ranked No. 2 in Niti Aayog's Innovation Index – 2021⁶



Ranked **"Achiever"** (landlocked group) by Logistics Ease Across Different States (LEADS) in 2023⁷



Ranked No. 1 in Waste to Energy production (52 MW)⁴



Ranked No. 2 in India for solar power capacity per unit area of land mass in 2020⁴



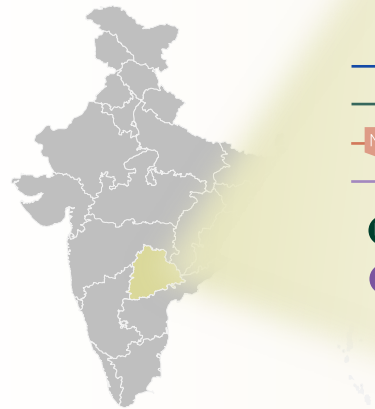
Ranked No. 6 in India with 106 LEED-certified green building projects in 2019 with 44 million sq. ft. built-up area⁴












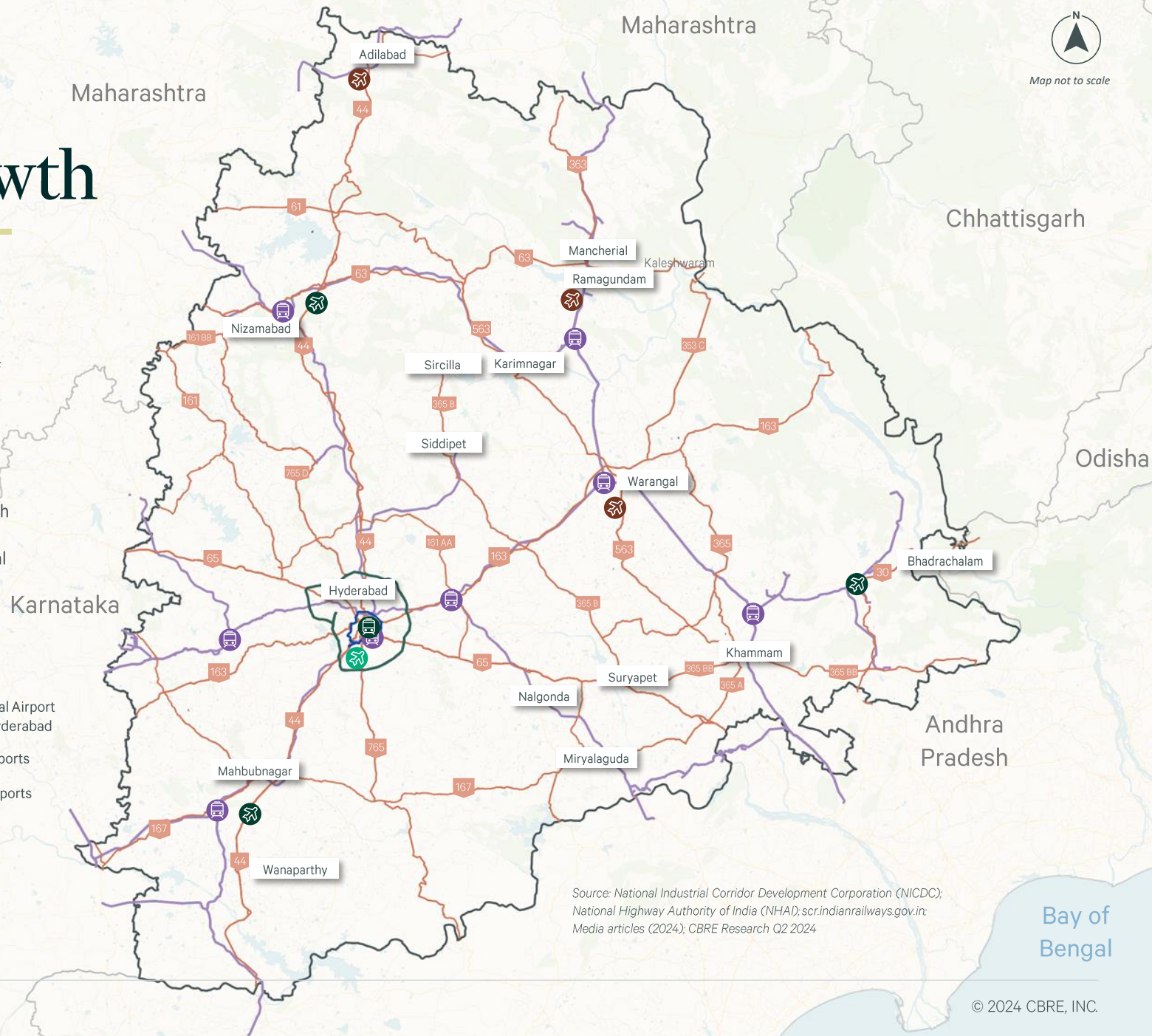
Source: 4. Invest.telangana.gov.in; 5. Indian Green Building Council (IGBC), 2022; 6. NITI.AAYOG – 2021; 7. 5th edition of "Logistics Ease Across Different State (LEADS) 2023" by Indian Ministry of Commerce & Industry; CBRE Research Q2 2024.

Enhanced Connectivity Boosting Industrial Growth

Telangana's extensive road, rail connectivity and strategic industrial nodes have been pivotal in driving the state's economic growth. Key proposed industrial corridors such as Hyderabad – Warangal, Hyderabad – Nagpur, Hyderabad – Bengaluru and Hyderabad – Vijayawada Industrial Corridors, proposed greenfield airports and revival of brownfield airports are likely to enhance connectivity further. The state is interspersed with industrial clusters belonging to sectors from IT, pharmaceuticals & biotechnology, textile, defence, mining, electronics and jewellery, among others, that provide a robust foundation for economic diversification and job creation. Additionally, the state boasts several Special Economic Zones (SEZs) that provide world-class infrastructure and incentives for businesses. The spatial ecosystem with industrial nodes, SEZs coupled with well-developed road and rail networks, have transformed Telangana into a thriving industrial hub, laying a solid foundation for sustained economic expansion and future real estate growth.



-  Inner Ring Road (IRR)
-  Outer Ring Road (ORR)
-  National Highways
-  Railway Network
-  Rajiv Gandhi International Airport (RGIA), Shamshabad, Hyderabad
-  Proposed Greenfield Airports
-  Proposed Brownfield Airports
-  Secunderabad Junction (South Central Railway Headquarters)
-  Key Railway Junctions



Source: National Industrial Corridor Development Corporation (NICDC); National Highway Authority of India (NHAI); scri.indianrailways.gov.in; Media articles (2024); CBRE Research Q2 2024



Bay of Bengal



Key Investment Sectors Fuelling Telangana's Economic Transformation



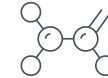
IT / ITeS

~USD 32 Bn

Hyderabad's IT / ITeS exports

2nd highest in India in FY 2022-23⁹

- ▶ Hyderabad is a major IT hub, home to the ten most valued technology companies in the world⁸
- ▶ Telangana has the second-highest number of operational SEZs in India⁹
- ▶ As of 2023, Hyderabad has over ~0.9 million people working in the IT / ITeS sector across 1,500+ companies⁹
- ▶ Telangana was recognised as a "Top Performer" in the State Start-up Rankings 2021¹⁰
- ▶ Hyderabad is known as the 'software training capital of India'⁸



LIFE SCIENCES⁹

20+ incubators

In Hyderabad focused on pharma & healthcare

Highest in India

- ▶ The state accounts for 30% of India's pharmaceutical production, while Hyderabad boasts 19 life sciences and med-tech incubators
- ▶ Approximately one-third of the world's vaccine production is concentrated in Hyderabad
- ▶ Government initiatives such as the Telangana Pharma Villages project, Genome Valley, and Medical Devices Park help attract investments in the sector



AEROSPACE & DEFENCE⁸

1,000+ MSMEs

Housed in the state along with over 25 large firms in the A&D ecosystem

- ▶ About one-third of the Mars Orbital Satellite Mission's parts are manufactured in the state
- ▶ Leading aerospace majors Boeing and Safran have announced new manufacturing units in Hyderabad
- ▶ The government is planning to establish a world-class Aerospace University in Telangana
- ▶ Telangana has four dedicated aerospace parks, two hardware parks and 50 general engineering parks, which are provided with high-quality infrastructure for the precision engineering industry
- ▶ T-Hub has partnered with leading American original equipment manufacturers (OEMs) such as Boeing, Pratt & Whitney, Collins Aerospace, among others to promote and accelerate start-ups in A&D



TEXTILES⁸

3rd largest

Cotton producing state

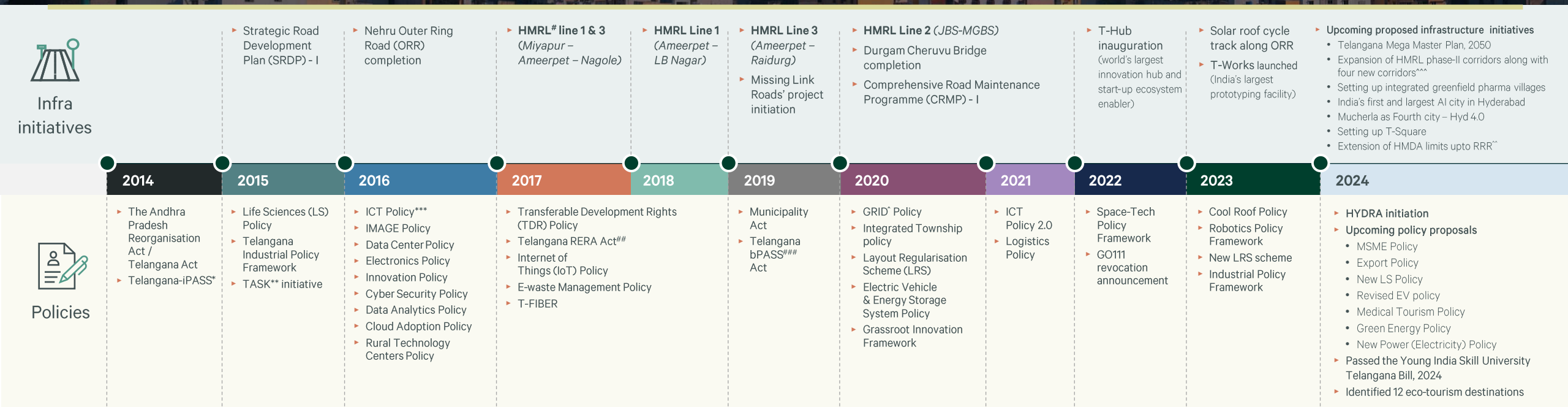
- ▶ Telangana is home to the Kakatiya Mega Textile Park – India's largest textile park
- ▶ The state contributes to 15% of the country's cotton production
- ▶ Telangana is well known for its historical textile sector operations with 50,000 power looms, 17,000 handlooms, and a large skilled workforce

Source: 8. Invest.telangana.gov.in; 9. India Briefing, 2024; 10. The Department for Promotion of Industry and Internal Trade (DPIIT); CBRE Research Q2 2024

In addition to the above, Telangana offers lucrative investment opportunities in sectors such as hardware & electronics, food processing, automobiles, FMCG, engineering & capital goods, jewellery & gemstones, waste management & green technologies, renewable energy, mineral & wood-based industries, and transportation / logistics.

Key Policies and Infrastructure Initiatives Strengthening Telangana's Real Estate Dynamics

Over the past decade, Telangana has strategically implemented a series of policies and infrastructure projects that have laid a strong foundation for sustained growth in real estate and other industries. The state's pipeline of proposed and early-stage projects is poised to accelerate development further.



Source: Telangan.gov.in; [Telangana MAUD Ten-year report \(2014-24\)](#); [Media articles \(2023-24\)](#); [CBRE Research Q2 2024](#)

Note: HMDA – Hyderabad Metropolitan Development Authority; 'HYDRA - Hyderabad Disaster Response and Assets Monitoring and Protection; Hyd 4.0' to be referred as fourth city after Hyderabad, Secunderabad and Cyberabad;

*Telangana State Industrial Project Approval and Self-Certification System; **Telangana Academy for Skill and Knowledge; ***Information & Communication Technology; #Hyderabad Metro Rail Limited; ##Telangana State Real Estate Regulatory Authority; ###Telangana State Building Permissions and Self Certification System; *Growth in Dispersion, **Regional Ring Road,***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; 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

Driving Progress: State's Strategic Government Measures

The state's comprehensive policies offer a wide array of subsidies incentives and programmes as below.



Single window clearance system



Relaxation of FSI



Permission for mixed-use development



Land cost rebate linked to employment



Power tariff / subsidy / rationalization



Stamp & electricity duty exemption



R&D grants and recruitment assistance



Skill enhancement programmes



Funding initiatives such as T-ANGEL, T-FUND



Reimbursement of municipal taxes and exhibition stall rent cost



Rental assistance for SMEs



Patent, market related and certificate assistance



Export assistance



CSR assistance

Source: Telangana.gov.in; CBRE Research Q2 2024

Note: The incentives mentioned above are subject to certain terms and conditions as stated in the respective policies. The incentives mentioned above are not exhaustive.

Hyderabad: A Confluence of Economic Growth and Expanding Real Estate Opportunities

CRITICAL ROLE IN STATE'S ECONOMIC PROGRESS

Hyderabad serves as the economic nucleus of Telangana, contributing substantially to the state's GSVA across diverse sectors. Its preeminent position as a technology and innovation hub attracts substantial investments, driving economic growth and development across the state. The city's **robust infrastructure, including comprehensive transportation networks and modern business parks**, reinforces its status as an economic powerhouse.

HYDERABAD A SNAPSHOT

The city's robust policy framework fosters a business-friendly environment, while its **well-developed infrastructure ensures seamless operations and efficient connectivity**. Additionally, Hyderabad boasts a **highly skilled and readily available workforce**, making it a prime destination for technology companies. Further reinforcing its economic prowess, Telangana consistently ranks among the top performers in the Gol's 'Ease of Doing Business' rankings. Notably, Hyderabad has also earned the title of 'India's Life Sciences Capital', attracting over 800 life sciences companies to its thriving ecosystem.

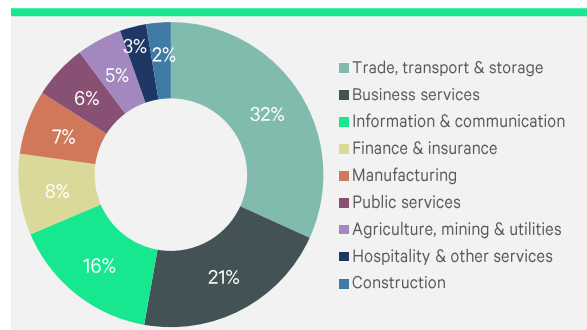
Overview of Hyderabad's Real Estate Landscape

The city has emerged as a global IT and GCC operations hub, drawing significant international interest. Its strategic location and favourable business climate have made it a prime destination for both commercial and residential investments. This growth is evident in the expanding office and residential sectors, highlighting Hyderabad's economic dynamism and infrastructure advancements.

What sets Hyderabad apart from other Indian cities?

Awarded 'Most Liveable City in India' by Mercer in 2023	Bagged the prestigious 'World Green City Award, 2022'	Ranked #1 for 'Ease of Doing Business' in 2022
Ranked #1 global aerospace city in cost-effectiveness by 'fDi's Aerospace Cities of the Future, 2021'	Leads oxford growth rankings of major APAC cities in 'City Economic Forecast, 2024'	Contributes ~20% to India's total pharmaceutical exports
Over 0.9 million workforce in the IT / ITeS sector across 1,500+ companies in 2023	Ranked #10 globally for hiring software developers in 2023	T-Hub received the 'National Technology Business Incubator' award in 2023
	T-Hub received 'Best Incubator in India' award at the National Start-up Awards, 2022	

Figure 2: Economic activities contributing to Hyderabad's GDP - 2023



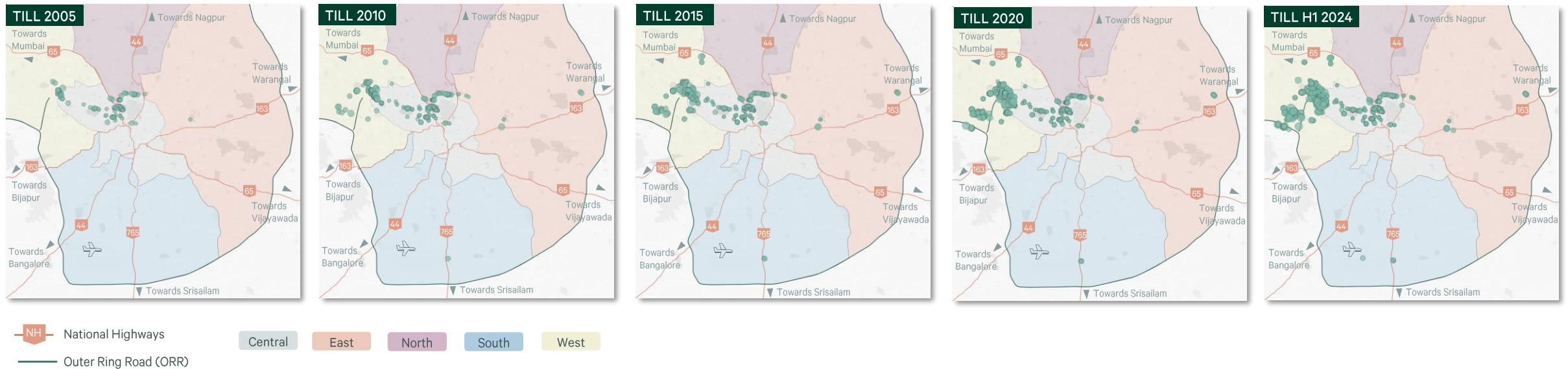
Source: Invest.telangana.gov.in; Mercer's Quality of Living Index, 2023; Oxford Economics, 2024; Telangana.gov.in; India Briefing, 2024; The Top 20 Cities for Hiring Software Developers in 2023; Karat, 2023; Department of Science & Technology, 2023; Department for Promotion of Industry and Internal Trade, 2022

Hyderabad's Office Sector: A Thriving Commercial Hub

Hyderabad's office market has grown exponentially since Telangana's formation in 2014. **The city's office stock has more than tripled since 2014 to reach an impressive 127 million sq. ft. as of Q2 2024.** This remarkable expansion has solidified Hyderabad's reputation as a premier destination for global corporations, particularly those establishing their Global Capability Centres (GCCs). Driven by robust occupier demand, new office developments have surged since 2019, primarily those concentrated in the IT Corridor and Extended IT Corridor micro-markets. The office market's evolution in the city is characterised by a growing preference for high-quality, amenitised workspaces strategically located within key business districts.



Figure 3: Hyderabad's Office Sector Growth (Supply)

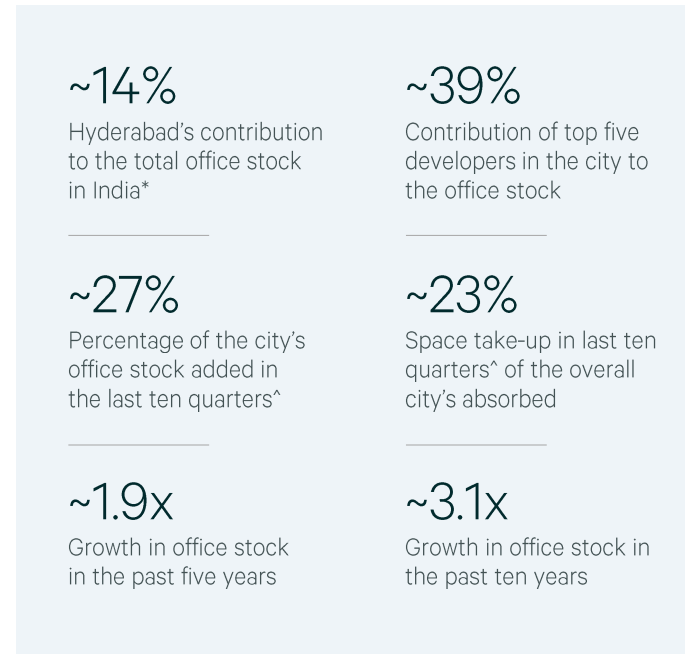


Note: The above analysis includes completed office stock as of Q2 2024 in Hyderabad; Size of the bubble represents leasable area (million sq. ft.) in an office development: bigger the bubble, higher the leasable area.

Source: CBRE Research Q2 2024

Hyderabad's Office Sector: A Thriving Commercial Hub

Figure 4: Key Hyderabad Office Statistics



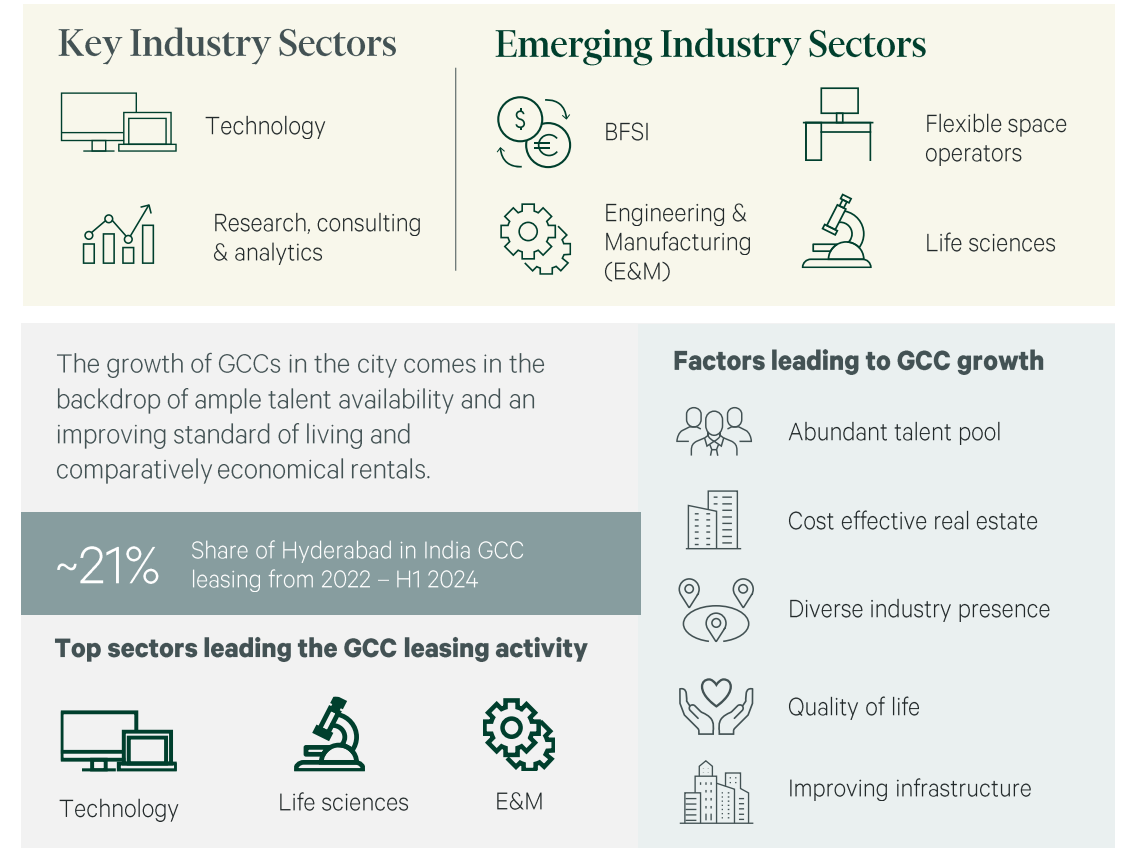
*Last ten quarters represents Q1 2022 to Q2 2024

^includes top nine cities viz., Delhi-NCR, Mumbai, Bengaluru, Chennai, Hyderabad, Pune, Kolkata, Kochi and Ahmedabad.

Note: The above office stats encompass all grade A assets. Grade B properties have been included in matured markets such as Central Business Districts (CBD), Secondary Business District (SBD) and Peripheral Business District (PBD).

Source: CBRE Research Q2 2024

Key drivers of office demand in Hyderabad



Source: CBRE Research Q2 2024

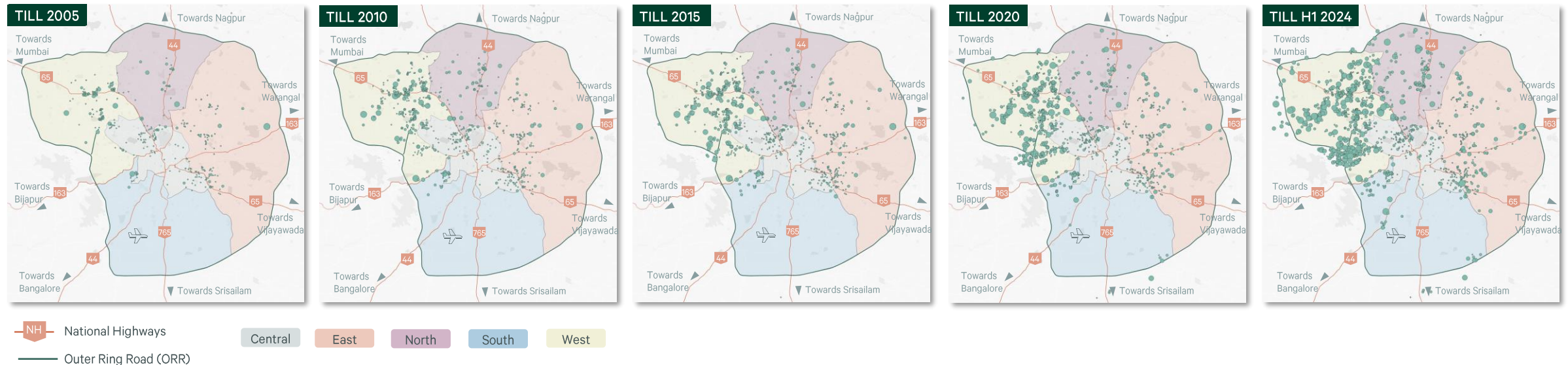




Hyderabad's Residential Sector: Expanding Living Spaces

The robust expansion of Hyderabad's industrial and technology sectors has spurred significant growth in its residential market. Increased economic activity has driven residential demand, particularly in the western regions proximate to the IT and Extended IT Corridors. The city's enhanced infrastructure has significantly improved liveability, further stimulating housing demand. As of Q2 2024, **Hyderabad's residential stock had reached approximately 440,000 units**, reflecting the sustained influx of professionals employed by domestic and global corporations.

Figure 5: Mapping Hyderabad's Residential Growth in Launces



Note: The above analysis includes only launched apartments as of Q2 2024 in Hyderabad and excludes villas and plotted developments; Size of the bubble represents no. of units launched in the development; bigger the bubble, higher the no. of launches.

Source: CBRE Research Q2 2024

Hyderabad's Residential Sector: Expanding Living Spaces



Figure 6: Key Hyderabad residential statistics



^Past ten quarters - Q1 2022 to Q2 2024

**Includes top seven cities viz., Delhi-NCR, Mumbai, Bengaluru, Chennai, Hyderabad, Pune and Kolkata
Note: The above stats include only apartments, excludes villas and plotted developments*

Note: The above residential stats includes only launched apartments as of Q2 2024 in Hyderabad and excludes villas and plotted developments

Source: CBRE Research Q2 2024

Key drivers of residential demand in Hyderabad



Source: CBRE Research Q2 2024

Shaping the Future: Telangana's Strategic Vision for Distributed Economic Growth

TELANGANA'S 3D VISION FOR ECONOMIC GROWTH

The state government has launched an ambitious initiative to reshape the economic landscape through its strategic 3D vision—Decongesting, Decarbonising, and Decentralising. This transformative strategy is fuelling the expansion of the IT / ITeS sector beyond Hyderabad, promoting a more distributed model of state-wide economic growth.

EMPOWERING EMERGING URBAN CENTRES

The government's multifaceted approach includes the 'Digital Telangana' initiative, targeted incentives, infrastructure upgrades, the establishment of IT office towers, and comprehensive skilling / up-skilling programmes. These measures are carefully crafted to attract IT / ITeS companies to emerging urban centres, offering numerous benefits such as lower operational costs and access to a large pool of untapped skilled talent. As these centres develop, they are set to become key players in the state's economic narrative, providing a fertile ground for business growth with a supportive environment.

BALANCED URBAN DEVELOPMENT




Primary urban centres such as Warangal, Nizamabad, Khammam, and Karimnagar are set to emerge as the next major growth hubs in the state. Additionally, secondary urban centres such as Ramagundam, Mahabubnagar, Mancherial, Nalgonda, and Adilabad are making gradual progress. Smaller yet dynamic centres such as Siddipet, Suryapet, Miryalguda, and Sircilla are also expected to gain momentum, reflecting the state's commitment to inclusive and balanced urban development. These strategically located tier-II and tier-III cities with growing populations and proximity to industrial clusters are poised for substantial growth.






Source: Telangana Socio Economic Outlook 2024; CBRE Research, Q2 2024

Primary Urban Centres




Warangal 2nd Largest city*




	Population	~10.6 lakh
	Distance from Hyderabad	~145 km
	Distance from RGI airport	~175 km
	Closest proposed airport	Mamnoon

	Warangal railway station		Warangal IT corridor houses 2 IT incubators, 208 start-ups and major companies such as Cyient, Tech Mahindra, Genpact, LTI Mindtree, among others
	NH-163, NH-563, SH-3, Hyderabad – Warangal Industrial Corridor		

Major Industries** Mineral, food processing, textile and leather		GI Tag** Textiles Warangal durries	
	Smart City		Educational Hub (NIT Warangal)
	Tourism and Architectural Hub 1 UNESCO World Heritage site		UNESCO Global Learning City




Nizamabad 3rd Largest city*




	Population	~3.5 lakh
	Distance from Hyderabad	~180km
	Distance from nearest airport (RGIA)	~230km
	Closest proposed airport	Jakranpally



	Nizamabad railway station		IT Tower: 50,000 Sq. ft. Green Building (IGBC Gold). Houses TASK and RGUKT Innovation Hub*
	NH-44, and NH-63		

Major Industries** Cement, mineral, and food processing		GI Tag** Black clay pottery	
	Business hub: Bustling MSMEs in textiles, pharmaceuticals, paper, cement		Agro – based industries Paddy, maize, and sugarcane

Khammam 4th Largest city*

	Population	~3.7 lakh
	Distance from Hyderabad	~200km
	Distance from nearest airport (Vijayawada)	~135km
	Distance from RGIA	~210km
	Closest proposed airport	Bhadradri – Kothagudem





	Khammam railway station		IT Tower: 55,000 Sq. ft. 15+ companies operating ~420+ people employed
	NH-565A, NH-365B, NH-363, SH-3, and SH-42		

Major Industries** Mineral, granite, paper, power, metallurgy		Trade and Commerce hub: Flourishing agriculture and transportation activities		Agro – based industries Rice, millets, and maize
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Karimnagar 5th Largest city*

	Population	~4.4 lakh
	Distance from Hyderabad	~170km
	Distance from nearest airport (RGIA)	~210km

	Karimnagar railway station		IT Tower: 80,000 Sq. ft. ~18 companies operating ~550 people employed
	NH-563, SH-1		

Major Industries** Granite, fertilizer, power, cement and textiles		GI Tag** Handicrafts silver filigree	
	Smart City		Agro – based industries Cotton and paddy
	City of Granites		


Source: Census 2011- 2024; National Highways Authority of India (NHAI); The Federation of Telangana Chambers of Commerce and Industry (FTCCI); CII - E-book on Geographical Indications of Telangana; SEZ India.gov.in; Ministry of Housing and Urban Affair (MoHUA); telangana.gov.in; Media articles (2023-24); CBRE Research, Q2 2024

*Largest city in Telangana in terms of geographical area; **Represents District Level Data; Geographical indication (GI) is a sign used on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin; *Telangana Academy for Skill and Knowledge (TASK) and RGUKT (Rajiv Gandhi University of Knowledge Technologies)

Secondary Urban Centres

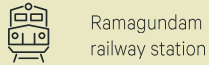
Ramagundam

 Population ~3.6 lakh

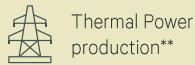
 Distance from Hyderabad: ~250 km

 Distance from RGIA Hyderabad: ~270 km

Closest proposed airport Basanthnagar



Ramagundam railway station



Thermal Power production**





SH-1 connected with Hyderabad-Karimnagar-Ramagundam-Godavarikhani Highway.



Major Industries**
Coal, fertilizers, cement and power

Mahbubnagar

 Population ~3.0 lakh

 Distance from Hyderabad: ~100 km

 Distance from RGIA Hyderabad: ~75 km

Closest proposed airport Adakkal



Mahbubnagar railway station



Major Industries**
Textiles, minerals, pharmaceuticals, and consumer products



NH-44, NH-167, SH-20 and SH-23



GI tag **
Textiles- Narayanpet Sarees





Tourism Hub**



IT Tower:
60,000 Sq. ft.
Includes 44 office spaces, 10 conference halls, an innovation centre and a knowledge hub

Mancherial

 Population ~2.3 lakh

 Distance from Hyderabad: ~240 km

 Distance from RGIA Hyderabad: ~290 km



Mancherial railway station



Major Industries**
Minerals, and limestone



NH-63, NH-363 and Rajiv Rahadari



Business hub :
MSMEs in construction materials and confectionary items



Major Transport Node
One of 5 Grade A railway station in SCR. Located on Grand Trunk Railway Line

(SCR: South Central Railway)






**Represents District Level Data; Geographical indication (GI) is a sign used on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin

Source: Census 2011-2024; National Highways Authority of India (NHA); The Federation of Telangana Chambers of Commerce and Industry (FTCCI); CII - E-book on Geographical Indications of Telangana; SEZ India.gov.in; Ministry of Housing and Urban Affairs (MoHUA); telangana.gov.in; Media articles (2023-24); CBRE Research, Q2 2024

Secondary Urban Centres








Nalgonda

	Population	~2.2 lakh
	Distance from Hyderabad	~100 km
	Distance from Vijayawada	~190 km
	Distance from RGIA Hyderabad	~115 km

	Nalgonda railway station		GI tag** Textiles- Pochampally, Puttapaka
	NH-565, SH-2 and SH-18		IT Tower: 75,000 Sq. ft. (Green Building) Plug and Play model IT tower with 2,000 seating capacity
	Major Industries** Cement, limestone, and pharmaceuticals		

Adilabad

	Population	~2.0 lakh
	Distance from Hyderabad:	~305 km
	Distance from Nagpur	~195 km
	Distance from RGIA Hyderabad	~360 km
	Closest proposed airport	Adilabad

	Adilabad railway station		Major Industries** Cement, paper and textiles
	NH-44		AgroEconomy Horticulture, various crops
	GI tag** Handicraft- Dokra Tribal Craft		IT Tower proposed : 48,000 sq. ft.
	White Gold City / City of Cotton		



**Represents District Level Data; Geographical indication (GI) is a sign used on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin

Source: Census 2011- 2024; National Highways Authority of India (NHA); The Federation of Telangana Chambers of Commerce and Industry (FTCCI); CII - E-book on Geographical Indications of Telangana; SEZ India.gov.in; Ministry of Housing and Urban Affair (MoHUA); telangana.gov.in; Media articles (2023-24); CBRE Research, Q2 2024

Hyderabad: Steering Telangana's Growth

Hyderabad, a dynamic metropolis at the heart of Telangana's economic activity, is instrumental in driving the state's real estate growth. The **city's robust infrastructure, burgeoning IT / ITeS sector, and substantial foreign investments** have collectively nurtured a vibrant real estate market. Ongoing urban development initiatives, increasing demand for commercial spaces, and a growing population seeking high-quality residential options are collectively propelling the city's real estate sector forward. Building upon its success in establishing Hyderabad as a pivotal economic hub, the government has concurrently initiated strategic efforts to stimulate growth in tier-II and tier-III cities in the state.



OFFICE

34-37 million sq. ft.

Expected addition of investment-grade business parks across key micro-markets in Hyderabad over the next three years



RESIDENTIAL

~1.3 lakh units

Expected addition of residential units in Hyderabad over the next three years



Source: CBRE Research, Q2 2024

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The Way Forward: Shaping Telangana's Urban Future

The government is focused on developing other urban centres in Telangana into prominent economic and real estate growth zones through strategic initiatives in infrastructure, talent development, and targeted incentives, thereby fostering a more balanced and inclusive development landscape across the state.



Enhancing Regional Connectivity

Prioritising advancements in transportation and digital infrastructure to facilitate seamless movement and communication



Implementing Smart Urban Planning

Integrating smart city initiatives to optimise resource management and efficiency



Promoting Sustainability

Encouraging sustainable construction practices and the adoption of green technologies



Fostering Innovation

Establishing innovation hubs and providing robust support for start-up ecosystems



Diversifying Economic Activities

Developing office buildings and business centres to support a broad spectrum of economic activities



Strengthening Public-Private Partnerships

Cultivating collaborative ventures between government entities and the private sector to leverage combined expertise and resources



Supporting Developers and Investors

Providing incentives and support for real estate developers and investors to attract capital



Skill Development

Establishing specialised training programmes and workshops to enhance workforce skills to align them with industry requirements



Marketing Smaller Cities

Actively promoting the benefits and opportunities of living and investing in smaller urban centres to attract new residents and businesses



Providing Residential Options

Developing gated or semi-gated communities near office developments to provide secure living options and attract a skilled workforce

These strategic initiatives are paramount to the holistic development of Telangana's urban landscape, ensuring its capacity to meet present demands and future aspirations. As these urban centres flourish, they would catalyse a new era of state-wide progress. Telangana's proactive government policies and strategic planning, leading to robust economic expansion, have solidified its position as a preferred destination for global investors. With Hyderabad as its anchor and the emergence of other urban hubs, the state offers substantial investment opportunities across diverse sectors. These factors synergistically create a framework for dynamic and sustainable growth, promising a prosperous future for the state.

Source: CBRE Research, Q2 2024

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