



The Thomas Consultancy



India

1. The Indian market is booming and real estate is due to grow from \$12bn to \$50bn between 2005 and 2010. Commercial property in particular is significantly under-developed; residential has accounted for 80% of the market to date.
2. All sectors of the property market will be affected - residential (25m units needed), hotels (150,000 new rooms), retail (600 new malls) and offices (55mn sq ft per annum).
3. With a population of over 1 billion – half of them aged under 25 - India is the second fastest growing major economy in the world, with a GDP growth rate of 9.4% in 2006–2007. The service sector accounts for 60% of the economy and is a key driver of growth, not least for real estate, as well as the fact that the middle class is due to grow from 120 million now to 300 million by 2010.
4. In keeping with the Indian culture, the property market has been very heavily based around local developers and contractors until recently. These have typically been family-run firms, who have undertaken much of the traditional consultancy roles in-house.
5. However, inward investors and the major Dubai developers are becoming increasingly active in India. Local firms will need more support as they become thinly spread (both in terms of new locations and property sectors) and this has resulted in a growth in new overseas entrants to the market.
6. Active international contractors include Laing O'Rourke, Leighton and China State.
7. Engineers include WSP, Halcrow, Scott Wilson and Bechtel. Few international architects have yet set up in India, utilising global staff on projects, but this is beginning to change.
8. The booming economy has seen a significant growth in salaries, which is attracting people back to India from countries like Dubai.
9. Mumbai is the major financial and commercial centre, despite very poor infrastructure and rapidly escalating costs, although the Tier Two and Three Cities are seen as major growth locations for the future. The other main centres are Delhi, Bangalore, Chennai and Hyderabad.

