



APPCC quarterly meeting inducted valuable knowledge session



Chennai's Industrial & Logistics Absorption up 36% YoY



Full KYC / customer due diligence must be done by the REAs

Budget's Holistic Approach towards Realty Sector

The Union Budget for FY27 has laid much thrust and emphasis on infrastructure development and fiscal discipline. Although there are no fresh fiscal incentives or tax sops, in particular for real estate sector's affordable housing, it is expected that record capital expenditure will support construction activity.

At the outset, the focus on regional development through creation of city economic regions (CERs) with allocation of Rs5,000 crore per CER over 5 years via a challenge mode financing mechanism will boost housing and commercial space demand in tier II and III.

The bio-pharma Shakti outlays involving Rs 10,000 crore over the next five years, will drive specialised lab space, industrial campuses, commercial buildings and housing for skilled professionals across biotech clusters.

Significantly, the scheme to revive 200 legacy industrial clusters will lead to improved land utilisation, drive redevelopment projects, modern warehouses, logistics parks, and ancillary commercial real estate in existing industrial towns. Besides the dedicated chemical parks will significantly contribute to the growth of real estate triggering demand for industrial parks and warehousing besides housing for working population.

The high-speed rail expansion through seven new corridors will improve long-term growth of real estate. In a related development, the dedicated freight corridors and national waterways will sig-

There is no denying that budget for FY 27 provides stability and continuity across multiple sectors but granting industry status to realty sector still remains elusive, says V Nagarajan



nificantly contribute to the growth of logistics ecosystem in eastern and central India besides boosting industrial and warehousing development. The share of inland waterways and coastal shipping is expected to increase from 6% to 12% by 2047. Moreover, the container manufacturing scheme will promote industrial estates and manufacturing zones, stimulate demand for large-format industrial real estate, warehousing and logistics infrastructure near ports and transport nodes.

In order to promote data centres and digital infrastructure, the budget has allowed tax holiday until 2047, for foreign companies offering cloud services globally on the condition that data centre

services are based in India. This will intensify demand for real estate.

Realising the growing potential of tourism, the budget has focused on destination development, tourism infrastructure and creation of a national destination digital knowledge grid. This will have a positive impact on real estate particularly in sectors like hospitality resort and mixed-use development. In a related development, the budget has paved way for states to develop five regional medical tourism hubs under a PPP model. The five regional hubs on the medical value tourism service Allied Health Professionals (AHP) are expected to catalyse growth across residential, commercial, and mixed use real estate,

while fostering the development of key strategic hub. All this will supplement the efforts already taken to position India as a global medical tourism destination.

The establishment of infrastructure risk guarantee fund will aid lenders funding private infrastructure developers besides indirectly benefiting real estate development projects.

The central public sector enterprises have been allowed to unlock the latent value of government-owned real estate by establishing dedicated REIT structures. The cascading impact will lead to improved supply of institutional-grade real estate.

Significantly, the budget has paved

way for education infrastructure development. The setting up of five university townships near major industrial hubs is expected to augur well in the support for development of student housing and ancillary real estate in education sector.

The enhancement of investment limit for PROI from 5-10% to 24% will boost foreign capital inflows into Indian real estate, besides improving financing costs, improving liquidity and project finance for developers.

Reduction in TDS rates and lower withholding requirements for small tax payers will directly ease cash flow pressures and improve compliance behaviour. In other words, TDS will now be deducted and deposited through the resident buyer's PAN-based challan instead of the buyer requiring a TAN registration.

Overall, the Union Budget for FY 27 has maintained its stance on growth. At a time of uncertain global trade and India is engaging with major economies for FTA, the budgetary efforts clearly point towards the government's intention to support medium-term growth and sustained investment flows.

There are issues still eluding the policy makers like providing industry status to real estate sector to avail of institutional financing at competitive rates. The challenges before the government in tackling affordable housing imbroglio are formidable especially as soaring land prices, which is a state subject, awaiting eternal solution. However, it is heartening to note that a sum of Rs 79,000 crore has been earmarked for affordable and sustainable housing projects.

In a nutshell, the budget for FY27 reinforces targeted measures across infrastructure funding and a long-term growth agenda intensifying real estate segments and contributing to ease of doing business.

Premium Housing Demand Up While Affordable Sales fall in 2025

Knight Frank India, in its flagship report, India Real Estate: Office and Residential Market H2 2025, highlighted an intensifying shift in India's residential landscape. While the overall market remained resilient with 3,48,207 units sold in 2025 and sales of units priced over INR 10 million rose by 14% year-on-year (YoY), the affordable housing segment—homes priced under INR 5 million experienced a significant decline of 17% YoY. An overall

The report notes that the slowdown is largely confined to lower ticket segments. In fact, annual sales in the INR 5-10 million category also shrunk by 8% YoY. Consequently, homes priced above INR 10 million now dominate the landscape leaving a comparatively much smaller footprint of affordable housing sales across India. This trend was particularly evident in cities like Delhi-NCR, which saw a 9% decline in overall sales, and the affordable category sales fell by 25% YoY in the region.

In a paradoxical situation, while premium segments constitute 50% of annual sales, affordable housing witnessed a sharp contraction of 28% YoY, says Knight Frank India survey

In 2025, the affordable housing sector faced a significant supply crunch as well, as developers pivoted away from lower-ticket projects, leading to a 28% YoY drop in new launches for units priced under INR 5 million and an 9% decline in the INR 5-10 million category. This lack of fresh supply resulted in 7% contraction of unsold inventory in the sub-INR 5 million segment, even as the broader market underwent a major structural shift toward premiumisation.

City	SALES	
	H2 2025 Units (YoY change)	2025- Units (YoY change)
Mumbai	50,153 (3%)	97,188 (1%)
Bengaluru	28,774 (3%)	55,373 (0%)
Pune	26,592 (-4%)	50,921 (-3%)
NCR	25,657 (-10%)	52,452 (-9%)
Ahmedabad	19,355 (5%)	38,403 (4%)
Kolkata	9,382 (3%)	18,752 (2%)
Hyderabad	9,327 (13%)	18,262 (12%)
Chennai	8,806 (7%)	16,896 (-3%)
Total	178,046 (0%)	348,247 (-1%)

Source: Knight Frank Research

Ticket-size segment	TICKET-SIZE SEGMENT HEALTH	
	Unsold Inventory (housing units) (YoY change)	Quarters-to-sell (QTS)
0 - 5 million	176,903 (-7%)	8.7
5 - 10 million	136,569 (-3%)	5.3
10 - 20 million	129,761 (14%)	5.5
20 - 50 million	52,322 (40%)	3.9
50 - 100 million	9,603 (-4%)	2.9
100-200 million	2,929 (27%)	5.2
200 - 500 million	1,239 (27%)	15.8
>500 million	450 (48%)	9.5

Source: Knight Frank Research

Realty Data

APPCC Quarterly meeting inducts vital Knowledge Session

The APPCC's second Quarterly meeting for the year 2025-26 was held on January 27 at Hotel Savera. APPCC founder President M R Nazeer stressed the importance of networking as it forms the backbone of business growth in realty sector. "Being a member of APPCC gives a strong advantage, mutual trust, credibility and reliable business links within the group to explore opportunities," said Nazeer. It is in the interest of all members and the association that Herculean efforts should be made to do more business within the group by supporting their fellow members so that every one ultimately wins in the race, adds Nazeer.

APPCC Chairman K Ramkumar requested members to ponder over why members should participate in the association meetings. "It is not just networking alone but they should make themselves available and continually interact on how they can contribute better for the overall growth of the association and its members," said Ramkumar.

The highlight of the quarterly meeting was the knowledge sharing session on the use of Tamil Nilam – GI viewer portal by Venkataraman, committee member, APPCC. "Significantly, every one can get access to varied information to ascertain land status details. The Tamil Nadu geographical information system provides a comprehensive data on various aspects of land on the website titled Tamil Nilam. One can get data on Tamil Nadu boundary, revenue village details, panchayat, taluk, bloc, district and subdivision of survey numbers etc. It will provide each and every component of the state. There are built in methods to switch on and off," said Venkataraman.

"As regards urban local bodies, one can get access to town, panchayat, corporation, ward, boundaries of DTCP etc. What is more it will provide details of assembly and parliamentary constituency. With regard to forest land, data are available whether a particular falls under reserve forest, eco-sensitive areas. It will get displayed on a map. The advantage is that it will provide details on whether a land survey number is covered or not," said Venkataraman.

According to Venkataraman, "among the comprehensive data provided, it covers the details of presence of SIPCOT premises across the state, boundary details are provided which will all enable a person to identify whether a particular survey number is covered or not. "As regards coastal zone management, the portal provides varied details. Moreover, it provides data on state highway and national highway, TNEB, SRO boundary in which a particular land area should be dealt with, etc. Besides property transaction details, district education office, hill town HACA approval details, are provided in a comprehensive manner mitigating the hardship of any one search for details," said Venkataraman.

In a related development, the portal offers details of water bodies across the state including Ramsar, Pallikaranai boundary, catchment area details and whether agricultural property falls under catchment area. The contour map provides details of how much a particular land is above sea level, how many people are living per sqkm, flood inundated areas, etc. In a nutshell, a viewer can get a clear understanding of the place, specific location, geographical coordination, ward, district, taluk and even within city areas. It will give town survey numbers, multiple data like patta, survey number, guideline value etc.

One need not run around for information and today's technology has paved way to access varied information on the click of a mouse.



CHENNAI OFFICE MART - MAJOR TRANSACTIONS IN 2025

Tenant	Micromarket	Building	Transacted area (sqft)
Standard Chartered	OMR Zone 1	DLF Downtown	7,40,000
LTIMindtree (Block 2)	Mount Poonamallee road	L&T	6,20,000
Walmart	Pallavaram-Thuraipakkam Road	ITPC – Radial Road	4,65,000
Ptum	Pallavaram-Thuraipakkam Road	Embassy Splendid TechZone	4,34,000
State Street	Pallavaram-Thuraipakkam Road	ITPC – Radial Road	2,50,000

Source: Colliers

CHENNAI'S DC DYNAMICS

High: Submarine cable connectivity
~44 GW installed power generation capacity (Tamil Nadu)
20% share in Pan India DC capacity (as of 9M 2025)
60-65% occupancy level (as of 9M 2025)
1.4x expected growth in stock b/w 2024 and 2025
Ambattur and Siruseri: Micromarkets driving DC growth (as of 9M 2025)
Cloud service, BFSI and Retail: Key sectors driving DC demand (as of 9M 2025)
Geographical Edge: India's second-largest submarine cable hub with robust connections to
DC Investment Snapshot in 2024 – 9M 2025
Key DC investors: CtrIS, CapitaLand, Colt Equinix, Sify.
Ke Investment Locations: Ambattur and Siruseri

Source: CBRE Research

Chennai's Industrial & Logistics Absorption up 36% YoY

Chennai's industrial and logistics market is driven by a strong manufacturing base, supported by port-led connectivity, well established ecosystem and a rising supply of Grade-A space backed by institutional developers.

Industrial and logistics space absorption in Chennai witnessed a 36% increase Y-o-Y, from 5.0 million sq. ft. in 2024 to 6.8 million sq. ft. in 2025. On the supply side, the city witnessed an addition of 9.6 million sq. ft. in 2025, up by 17.1% from 8.2 million sq. ft. in 2024. The total operational stock stands at 54.7 million sq. ft. in 2025. Supply and absorption was concentrated in Bangalore-Highway micromarket, accounting for 62% of total supply and 70% of total absorption respectively, followed by GNT Road (NH-16).

As a result of proportionately higher supply and a marginal increase in demand, vacancy rates increased slightly from 16.2% in 2024 to 18.4% in 2025, with most of the vacancy concentrated in newly completed projects along the Bangalore-Highway micromarket.

Chennai has been a dominant market for Grade-A spaces, accounting for 95% of total supply and 86% of the total absorption witnessed in 2025.



MAJOR TRANSACTIONS IN INDUSTRIAL & LOGISTICS IN CHENNAI

Occupier segment	Micromarket	Area Leased (sqft)
3PL	Bengaluru highway	334,461
3PL	GNT road	332,397
E-commerce	GNT road	300,000
Retail	Bengaluru highway	274,000
Manufacturing	GST road	267,000
FMCG / FMCD	GNT road	110,000

Source: Savills

OUTLOOK

- Chennai is likely to witness over 6.0 million sq. ft. of absorption and new supply in 2026.
- Automotive, electric vehicles, electronics & engineering and renewable energy sectors are likely to drive demand for manufacturing space and ancillary warehousing.
- Bangalore-Highway and GNT Road micromarkets are expected to lead absorption, driven by high-quality Grade-A supply.
- Sriperumbudur, Oragadam, Mannur, Mappedu, Walajahbad and Uthakadu are expected to emerge as the leading industrial clusters, fueled by robust manufacturing demand.

There has been a paradigm shift in both absorption and supply for industrial and logistics space in Chennai, says Savills survey.

KEY TRENDS

- Manufacturing segment remains the dominant demand driver, followed by 3PL and E-Commerce
- Over 95% of new completions are Grade-A developments
- Supply and absorption concentrated in Bangalore Highway
- Vacancy rates

CHENNAI I&L – RENTAL VALUES

Micromarket	Manufacturing	Warehousing
Chennai Trivellore highway	24 – 28	22 – 26
Bengaluru highway	26 – 32	24 – 28
GNT road	23 – 26	17 – 26

Source: Savills India Research

India Strengthens Position as a Strategic Investment Market

Global institutional investors are set to deploy USD 144 billion into commercial real estate in 2026, marking a clear rebound in investment activity, according to Knight Frank's latest Active Capital Survey. The research captures the views of 119 of the world's largest real estate investors, representing more than USD 1.4 trillion in assets under management, and signals renewed confidence underpinned by easing interest rates, improving occupier demand and long-term demographic trends.

The survey reveals that 87% of investors (by AUM) intend to increase direct commercial real estate investment in 2026, while 62% expect to be net buyers, highlighting strong acquisition appetite globally. Against this backdrop, India is emerging as an increasingly relevant destination for global capital seeking scale, income visibility and long-term growth. The resurgence of investor interest is being led globally by a renewed focus on Core and Core-plus strategies, with USD37 billion of planned global investment targeting Core assets.

Shishir Bajjal, International Partners, Chairman and Managing Director, Knight Frank India, "Global capital is returning, but it is far more disciplined than in previous cycles, India is increasingly being viewed as a defensive

There has been a growing preference for collaboration globally, especially in India, where local expertise, platform scale and execution capability are critical to investment success, says Knight Frank survey.

growth market, supported by strong occupier demand, improving asset quality and long-term structural drivers. This shift closely aligns with India's evolving commercial real estate market, particularly in Grade A office assets across major cities such as Mumbai, Bengaluru, Delhi-NCR, Hyderabad, Pune and Chennai. Structured partnerships and programmatic platforms are becoming the preferred route to scale and risk management".

Harry Chaplin-Rogers, Director, International Capital, Knight Frank India, "Global capital is clearly returning, but with far greater discipline than in previous cycles. India is increasingly being viewed as a core, long-term market, underpinned by resilient occupier demand, a rapidly improving stock of institutional-grade assets, and scalable partnership structures that allow global in-

vestors to manage complexity while achieving sustained growth."

While the UK and Germany currently top global capital destination rankings, India is steadily transitioning from an emerging allocation to a strategic component of Asia-Pacific real estate portfolios, particularly for investors focused on long-term growth and diversification.

Knight Frank's Active Capital Programme delivers global insights into capital flows, investor sentiment and real estate strategies, enabling clients to navigate market cycles with clarity and confidence.

Offices Reclaim Leadership, Supported by Occupier Confidence

Globally, offices have re-emerged as the most targeted asset class, with 69%

of investors planning allocations in 2026. However, investors are highly selective, favouring well-located, ESG-compliant assets that meet modern workplace requirements, while avoiding assets facing long-term obsolescence. This trend mirrors India's experience, where leasing momentum continues to be driven by Global Capability Centres (GCCs), technology firms and domestic corporates, collectively accounting for approximately 75%, thereby reinforcing confidence in high-quality office stock.

Living, Logistics and Retail Reinforce India's Long-Term Appeal

Beyond offices, living sectors are the second most targeted globally, with 65% of investors planning allocations, attracted by demographic tailwinds and defensive income characteristics. While institutional living segments such as rental housing and student accommodation remain nascent in India, they represent a significant medium- to long-term opportunity given rapid urbanisation and a young population profile.

Industrial and logistics assets remain a high-conviction sector, targeted by 63% of investors globally, supported by supply-chain reconfiguration, e-commerce growth and infrastructure investment, trends that are particularly pronounced

in India.

Retail has also returned to investor focus globally, with 56% of investors planning allocations, reflecting stabilisation and opportunities in dominant, experience-led Shopping Centres.

Partnerships and Joint Ventures Central to India Strategy

The survey highlights a growing preference for collaboration, with 68% of investors, collectively representing USD94 billion of planned investment, willing to consider joint ventures or capital partnerships in 2026. This approach is especially relevant in India, where local expertise, platform scale and execution capability are critical to investment success.

Operational Real Estate Gains Momentum

Operational real estate sectors, including data centres, infrastructure and healthcare, are gaining traction globally as investors seek exposure to long-term structural tailwinds. In India, rising digital adoption, expanding healthcare needs and sustained public infrastructure investment are translating into growing interest across these segments.

Real Estate Agents (REAs) and Prevention of Money Laundering Act (PMLA)



8. Do small, individual real estate brokers have the same obligations as large agencies?

Overall – Yes, core obligations (KYC/CDD, STR, record-keeping, FIU reporting) are mandatory for all REAs who are within the scope of the PMLA. However, since the PMLA requires a risk-based compliance framework, the extent and depth of actions may differ on a risk-based proportionality principle for different customers and transactions.

9. What policies and documentation must a real estate agent maintain?

A REA must establish, implement and maintain:

- AML/CFT compliance programme. The programme must be appropri-

- ate to the REA's business, and must be regularly reviewed.
- Know your customer (KYC) / client acceptance policies / Customer Due Diligence (CDD) Procedures that includes identification and verification of the customers and their beneficial owners, and must be conducted on Money laundering (ML)/Terrorist Financing (TF) risk sensitive basis.
 - Money laundering (ML)/Terrorist Financing (TF) Risk Assessment to identify, assess, prevent and mitigate ML/TF threats from customers; existing or new product and services; new or developing technologies that might favour anonymity, including Virtual Digital Assets; and take measures to prevent their use in money laundering and terrorism financing.
 - a system / process for identifying, monitoring and reporting suspected ML or TF transactions to the law enforcement authorities.
 - process to report cash transactions; or use of fake or forged cash notes.
 - training and awareness to their staff on AML/PMLA.
 - Record-keeping framework, to maintain records of all KYC/CDD, customer transactions, programme, reports etc for 5 years (in case of customer identification records, 5 years from the end of customer relationship).
 - If the REA is part of a group, then the policies shall be implemented on a



group-wide basis.

10. Do real estate agents need to undertake KYC of the customers?

Yes. Full KYC/ Customer Due Diligence (CDD) must be done by the REAs:

- at the time of commencement of an account-based relationship; or
- while carrying out occasional transactions of Rs 50,000 or more.

The REA should obtain relevant documents (officially valid docu-

ments for identity and address, and other organisation related officially valid documents), and conduct the following:

- Identifying the clients.
- Verifying their identity.
- Obtaining information on the purpose and nature of business relationship.
- Determine if the client is acting on behalf of a beneficial owner/s (BO) (where applicable) and take steps to verify their identity.

This is the concluding part of a series on the subject.

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Feng shui is a complex combination of calculating the balance and imbalance of energies in a space and using appropriate remedies to counter it, says **S BS Surendran.**

Business Growth

Feng shui is an ancient Chinese system of aesthetics believed to utilise the laws of both heaven (astronomy) and earth (geography) to help one improve life by receiving positive Qi (energy).

It is a common misconception that Feng Shui is perceived to be approach to just about arranging the furniture in an office or home, however in reality it's a complex combination of calculating the balance and imbalance of energies in a space and using appropriate remedies to counter it.

Feng Shui is in fact an ancient mixture of art and science that revolves around the special Chi energy which is believed to connect everything in the Universe. The main aim of creating good Feng shui is to free the path for the Chi so that it can flow freely without any obstacles.

Most of Chinese homes and business establishments have been using Feng shui to attract good luck and good fortune for the thousands of years. In the East, most business houses often consult a Feng shui Master before commencement of business activity. Feng shui can help you maximize your chances

of success in your career or in the business that you are running.

To enhance business growth, one of the main points if focus is to make sure the office space is maintained in a tidy, uncluttered and clean. The energy flow should aid the well being of the employees and attract more business.

To harmonize good business luck, start with the entrance, room of the key person and seating area of employees. At the outset, the front entrance should be warm, welcoming and clutter free. Keep the entrance well lit, introduce pleasant decor, plants and you could possibly place a water feature at North or Southeast of foyer to activate career and wealth luck. The North is dominated by the water element; so, to attract success in your career, strengthen the element of water in the north. Installing a wind chime in the north will also work as the element of metal strengthens the element of water.

One of the simplest feng shui techniques for activating wealth luck is through the use of symbols.

- Do not place any empty vases next to the main door as it is believed to



- suck the energy entering into the vase, causing void of energy flow.
- Energize the East corner with plants, flowers and paintings that feature lush vegetation and water. Avoid anything metallic in this corner. Wind chimes, scissors and blades cause a lot of harm here.
- To keep good energy, dead plants and flowers must be removed and replaced by new ones. Also keep them free of dead leaves. They should always look healthy.
- Place a hanging faceted crystal in your window, this will activate Qi as

well as looking fantastic, when the sun hits them, they produce the most amazing rainbows.

- Place a smooth crystal ball in the Southwest corner of your desk to create the luck of harmonious relationships with all your colleagues.

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