

NEW BLOG



Climate and
Sustainability
Initiative



Climate Exposure of India's Real Estate

A new risk horizon for a **USD 1 trillion** sector

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THE GROWTH STORY

India's real estate sector:

➤ 13% of GDP

➤ Projected to reach USD 1 trillion by 2030



But here's the tension:

Many growth hubs are also climate hotspots.

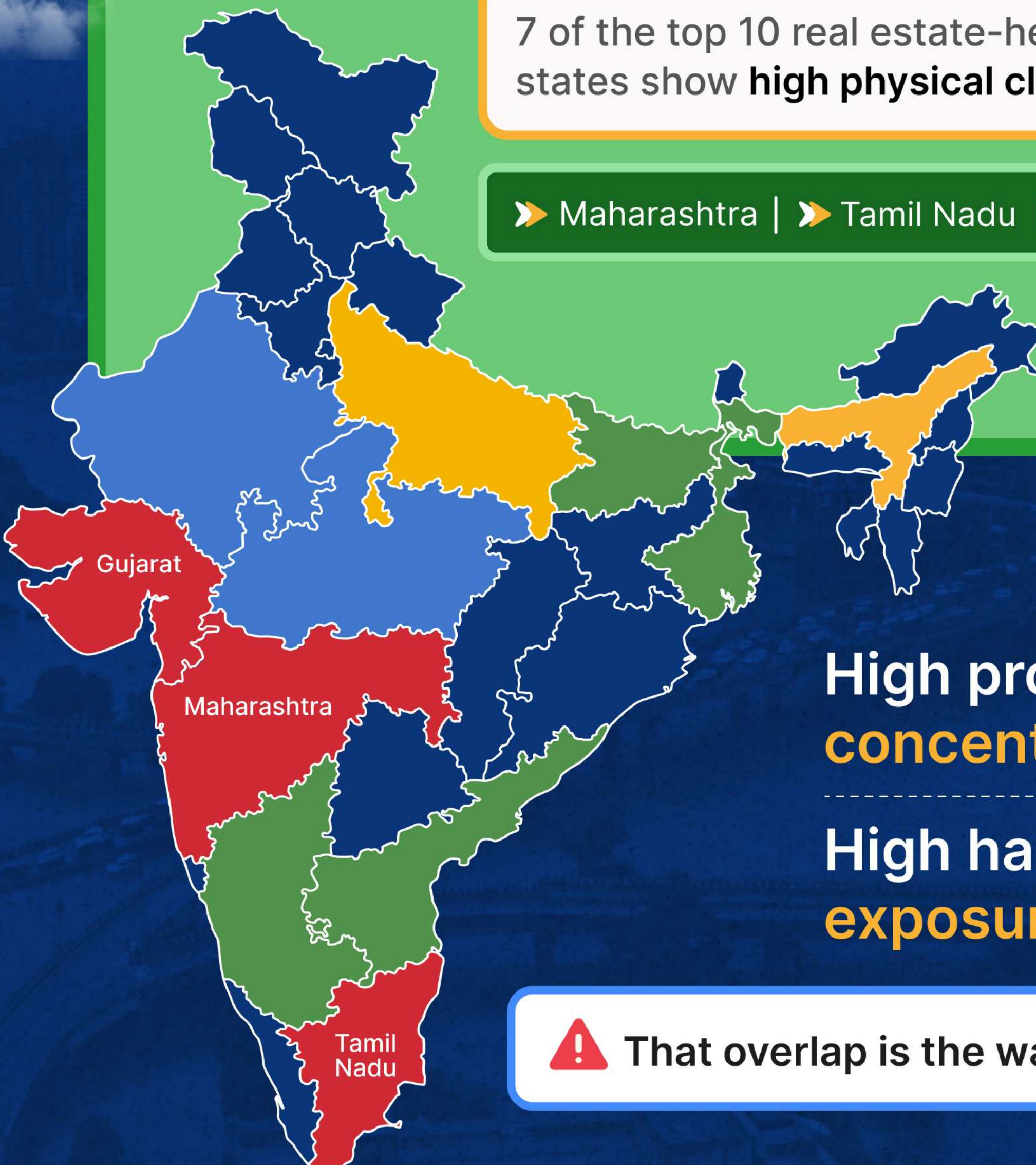


THE RISK MAPPING

Using RERA data and climate exposure mapping:

7 of the top 10 real estate-heavy states show **high physical climate risk**.

>> Maharashtra | >> Tamil Nadu | >> Gujarat



High project
concentration

High hazard
exposure



That overlap is the warning signal.



WHY INDIA IS MORE EXPOSED?

Globally, rental yields cushion shocks.
In India, rental yields are ~3%.

- Real estate here is driven by **capital appreciation**, not steady cash flow.

When floods hit, value corrections can be sharp — with little buffer to absorb the shock.



WHO BEARS THE RISK?

Climate risk doesn't stop at buildings.
It flows through the system:

Homeowners



Asset damage,
devaluation

Banks



Collateral erosion,
rising defaults

Insurers



Higher claims, rising
premiums, withdrawal
from risk zones

Low insurance penetration (7-10%) widens the protection gap.



THE WAY FORWARD

Mitigation dominates the conversation.
Adaptation is lagging.

Yet: \$1 invested in resilience → \$5+ in avoided losses.

Resilient building codes, retrofits, climate sensitive urban planning, and better risk data can shift the trajectory.

THE REAL QUESTIONS:

Is India's real estate ecosystem ready to price climate risk before markets do?

Is climate resilience just a narrative in real estate or are stakeholders financially and institutionally prepared to deliver it?

Read the full blog on www.csiglobal.co
for the complete analysis