



India Construction Market Update

H1 2026

Empowering
growth.



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At the midpoint of 2026, India's construction sector continues to deliver robust, infrastructure led growth, with real expansion tracking towards a projected 6.4%–8.1% band for the year, these strong figure driven by sustained public capex expenditure despite persistent global volatility.

The industry is transitioning beyond straight asset delivery toward a "build-to-perform" model, defined by sustainability, technology integration, and lifecycle value optimization.

Cost conditions have stabilized at the macro level; however, cost behaviour is no longer uniform. Escalation has become uneven and driven by specific systems rather than broad based inflation. Ongoing geopolitical pressures, energy market swings, and global freight disruptions continue to selectively lift landed costs.

This divergence from consistent broad escalation is evident across the typical trade packages of a construction project:

- Civil and structural scopes remain relatively insulated, backed by strong domestic supply chains.
- MEP systems, electronics, and imported finishes are increasingly exposed to commodity cycles, FX movement, and logistics instability.

India's construction cost landscape has entered a more measured phase, following the sharp escalation seen during 2021–2022. Greenfield construction costs increased by around 2–4% year-on-year in 2024, indicating a gradual easing in the pace of cost growth. This moderation has generally carried into the first half of 2026, although fuel prices and movements in global freight markets continue to create intermittent pressure. Across key inputs, the trend remains measured but volatile against geopolitical issues:

- Copper and aluminium have seen stronger price momentum than steel, supported by rising demand from electrification, data centres and other infrastructure-intensive sectors.
- Cement has followed a relatively steady cost trajectory, providing greater visibility for core construction budgets.
- USD/INR movement is impacting imported façade and MEP systems

The mid-2026 picture is therefore one of selective escalation rather than across-the-board cost inflation. Projects with a higher share of domestic materials offer greater cost visibility, while packages dependent on copper, electronics, imported equipment and global supply chains remain more exposed to price and currency movements.

Introduction

India's economic expansion is continuing to reshape the construction landscape. Rising investment, strong end user demand and rapid urban development are sustaining activity across the sector, while the built environment itself is becoming more diverse, technology driven and increasingly complex. Construction remains closely linked to the wider economy, but the nature of cost pressures is changing.

The market in 2026 is operating against a relatively stable input environment, with periodic disruption from global energy prices, freight movements and supply chain conditions. In this setting, cost control is becoming less about reacting to market volatility and more about making the right decisions early. Clear scope definition, design maturity, timely procurement and disciplined execution are increasingly determining whether projects stay within budget and on schedule.

The construction landscape broadly spans two interconnected domains: Infrastructure and Built Assets. This report focuses on the latter, covering Residential, Commercial, Workspaces, Data Centres, Warehousing, Industrial Developments and Villaments. Together, these asset classes reflect the changing spaces in which India lives, works, consumes and conducts business. Their growth is being supported by urbanisation, demographic shifts, digital adoption, rising consumption and continued capital investment.

Rather than examining material prices in isolation, this report takes a broader view of how cost movements travel through the construction value chain. It follows the progression from Inputs → Packages → Sectors → Cities → Outcomes, connecting market movements with their practical impact on project costs.

This approach tracks how changes in inputs such as diesel, foreign exchange, PVC and copper flow into major cost packages including MEP, façade and logistics, and ultimately shape sector-level benchmarks expressed in ₹/sq ft.

The result is a more practical view of construction costs, designed to help developers, investors and project teams understand not only what is moving in the market, but where the impact will be felt and how it can be managed.



Market trends and cost translation – Metals

Since the post pandemic reset of 2021, India's construction sector has operated against a steadily rising cost base. The trajectory, however, has been far from uniform. Different materials and services have moved at different speeds, shaped by supply conditions, demand cycles and exposure to global markets.

By 2026, the nature of cost escalation has changed. Broad based inflationary pressure has given way to a more fragmented picture, where increases are concentrated in specific inputs and their impact varies across project packages, asset classes and procurement strategies.

Input market movements

Metals (Steel, Copper, Aluminium; incl. fabricated steel sections & PEB members)

Copper and aluminium have emerged as the stronger movers among key construction metals, supported by rising demand from electrification, data centres and grid infrastructure. Steel, by contrast, has settled into a more stable trajectory as supply chains have normalised. This relative stability has also flowed through to fabricated steel sections and GI products, which have broadly followed movements in the underlying steel market.

The broader cost environment is now more measured, but the picture remains vulnerable to disruption. Periodic freight and logistics constraints can still push up landed costs and delivery premiums, particularly for materials and components with an import dependency.

Cement

Cement prices have shown consistent upward drift tied to clinker and power costs, quarrying permissions, and tighter environmental compliance, all of which lift baseline production economics.

Forward signal: With production economics and compliance costs stable, a gradual to steady path remains the base case unless power or clinker costs surprise.

Wood

Interior-grade wood moved upward moderately in line with fit-out demand and long-haul movement into metros and growth corridors.

Forward signal: Fitout demand and corridor logistics are likely to hold prices firm in major metros.

PVC polymers

PVC resin displayed intermittent softening during global easing phases, creating temporary windows of price relief.

Forward signal: Intermittent softening windows may reappear with global resin cycles, offering short procurement opportunities.

Labour

Labour costs, both skilled and unskilled, stepped up due to minimum-wage revisions, cost-of-living pressures in Tier-1 markets, and skill availability constraints.

Forward signal: Anticipate moderate, persistent escalation in Tier 1 cities; productivity and clean sequencing remain the best levers.

Fuel

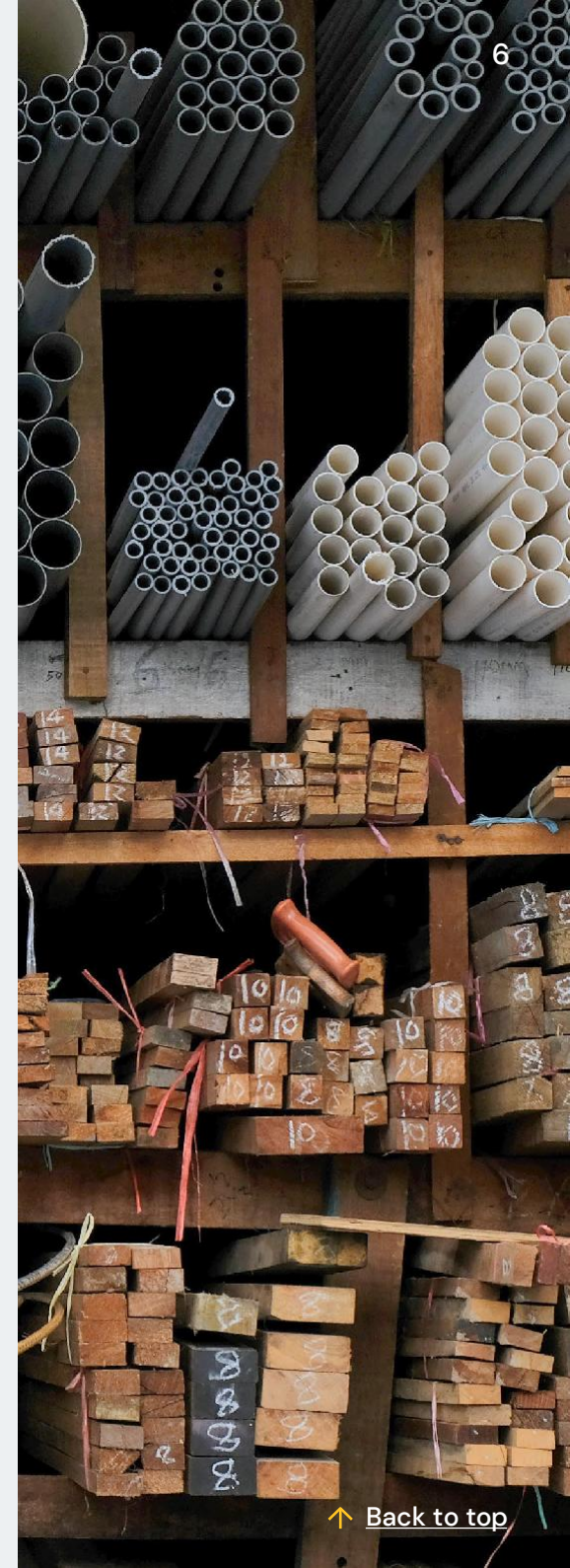
Diesel and petrol remained independent cost drivers, reflecting crude-linked pass-throughs and episodic logistics disruptions that raised freight costs.

Forward signal: Logistics heavy scopes should retain modest buffers for diesel fluctuations.

Forex

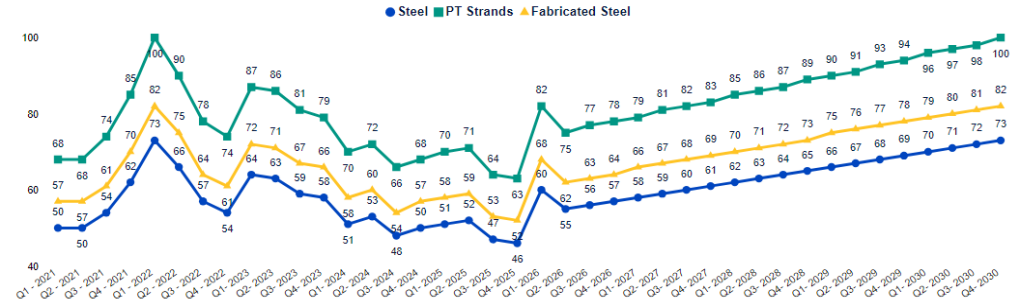
Shifts in USD/INR periodically increased the landed cost of imported components—particularly façade items, MEP equipment and specialised systems—layering currency exposure onto domestic pricing.

Forward signal: USD/INR pass through will quietly shape imported façades and MEP; early ordering stays advantageous.

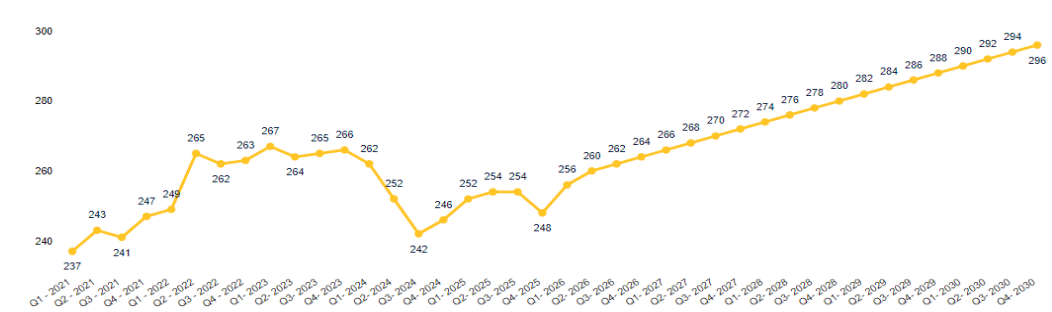


Material price trend report																									
	Construction materials				LME metals		Fuel		Currency	Other materials						Labour									
Quarter	Steel	PT strands	Fabricated steel	Cement	Copper	Aluminium	Petrol	Diesel	Forex	PVC pipe	GI sheet	Roofing	Uncoated glass (5 mm thk)	Coated glass (5 mm thk)	Wood (marine grade)	Unskilled labour	Skilled labour	MEP technician	Electrician	HVAC installer	Formwork carpenter	Barbenders	Finishing masons	Tilers	Painters
Unit	Per kg	Per kg	Per kg	Per bag (50kg)	Per kg	Per kg	Per litre	Per litre	INR/USD	Per kg	Per kg	Per kg	Per sq ft	Per sq ft	Per cu ft	Per man day	Per man day	Per man day	Per man day	Per man day	Per man day	Per man day	Per man day	Per man day	Per man day
Q1 - 2021	50	68	57	237	619	152	90	82	74	104	97	97	58	101	64	641	779	1,055	940	1,015	900	875	860	900	820
Q2 - 2021	50	68	57	243	713	175	97	89	74	109	114	114	59	104	65	641	779	1,055	940	1,015	900	875	860	900	820
Q3 - 2021	54	74	61	241	720	196	108	97	74	109	119	119	61	106	69	641	779	1,055	940	1,015	900	875	860	900	820
Q4 - 2021	62	85	70	247	723	207	112	100	75	119	120	120	62	108	72	641	779	1,055	940	1,015	900	875	860	900	820
Q1 - 2022	73	100	82	249	750	246	111	99	76	118	117	117	64	112	74	657	799	1,080	960	1,040	920	900	880	920	840
Q2 - 2022	66	90	75	265	731	225	112	106	78	117	124	124	66	116	76	657	799	1,080	960	1,040	920	900	880	920	840
Q3 - 2022	57	78	64	262	625	191	108	96	81	104	108	108	69	121	76	657	799	1,080	960	1,040	920	900	880	920	840
Q4 - 2022	54	74	61	263	661	192	107	95	83	95	102	102	71	124	76	657	799	1,080	960	1,040	920	900	880	920	840
Q1- 2023	64	87	72	267	741	199	107	95	83	98	104	104	72	127	76	719	876	1,185	1,050	1,140	1,010	980	965	1,010	920
Q2- 2023	63	86	71	264	697	186	107	95	83	95	106	106	72	127	76	719	876	1,185	1,050	1,140	1,010	980	965	1,010	920
Q3- 2023	59	81	67	265	693	179	108	95	83	94	100	100	72	127	76	719	876	1,185	1,050	1,140	1,010	980	965	1,010	920
Q4- 2023	58	79	66	266	674	184	108	95	84	91	102	102	72	126	76	719	876	1,185	1,050	1,140	1,010	980	965	1,010	920
Q1- 2024	51	70	58	262	741	203	106	94	84	89	100	100	72	126	76	760	926	1,260	1,120	1,210	1,070	1,045	1,025	1,070	980
Q2- 2024	53	72	60	252	862	240	104	92	83	92	98	98	72	126	76	760	926	1,260	1,120	1,210	1,070	1,045	1,025	1,070	980
Q3- 2024	48	66	54	242	741	209	104	90	84	91	96	96	72	126	76	760	926	1,260	1,120	1,210	1,070	1,045	1,025	1,070	980
Q4- 2024	50	68	57	246	722	214	104	91	85	89	93	93	72	126	77	760	926	1,260	1,120	1,210	1,070	1,045	1,025	1,070	980
Q1- 2025	51	70	58	252	813	228	104	91	87	88	91	91	72	126	77	790	963	1,300	1,155	1,250	1,105	1,080	1,060	1,105	1,010
Q2- 2025	52	71	59	254	815	221	104	91	86	85	96	96	72	126	77	790	963	1,300	1,155	1,250	1,105	1,080	1,060	1,105	1,010
Q3- 2025	47	64	53	254	860	230	107	91	88	83	94	94	72	126	77	790	963	1,300	1,155	1,250	1,105	1,080	1,060	1,105	1,010
Q4- 2025	46	63	52	248	877	238	110	91	89	82	92	92	72	127	78	790	963	1,300	1,155	1,250	1,105	1,080	1,060	1,105	1,010
Q1- 2026	60	82	68	256	1,166	290	111	91	91	83	92	92	73	127	79	830	1,011	1,365	1,215	1,315	1,165	1,135	1,115	1,165	1,065
Q2- 2026	55	75	62	260	1,233	336	112	94	93	84	96	96	73	127	80	830	1,011	1,365	1,215	1,315	1,165	1,135	1,115	1,165	1,065
Q3- 2026	56	77	63	262	1,238	337	112	94	93	84	97	97	74	128	81	830	1,011	1,365	1,215	1,315	1,165	1,135	1,115	1,165	1,065
Q4- 2026	57	78	64	264	1,244	339	113	95	94	85	98	98	75	129	82	830	1,011	1,365	1,215	1,315	1,165	1,135	1,115	1,165	1,065
Q1- 2027	58	79	66	266	1,250	341	114	96	95	86	99	99	76	130	83	846	1,031	1,393	1,239	1,343	1,189	1,159	1,139	1,189	1,085
Q2- 2027	59	81	67	268	1,256	343	115	97	96	87	100	100	77	131	84	846	1,031	1,393	1,239	1,343	1,189	1,159	1,139	1,189	1,085
Q3- 2027	60	82	68	270	1,262	345	116	98	97	88	101	101	78	132	85	846	1,031	1,393	1,239	1,343	1,189	1,159	1,139	1,189	1,085
Q4- 2027	61	83	69	272	1,268	347	117	99	98	89	102	102	79	133	86	846	1,031	1,393	1,239	1,343	1,189	1,159	1,139	1,189	1,085
Q1- 2028	62	85	70	274	1,274	349	118	100	99	90	103	103	80	134	87	862	1,051	1,421	1,263	1,371	1,213	1,183	1,163	1,213	1,106
Q2- 2028	63	86	71	276	1,280	351	119	101	100	91	104	104	81	135	88	862	1,051	1,421	1,263	1,371	1,213	1,183	1,163	1,213	1,106
Q3- 2028	64	87	72	278	1,286	353	120	102	101	92	105	105	82	136	89	862	1,051	1,421	1,263	1,371	1,213	1,183	1,163	1,213	1,106
Q4- 2028	65	89	73	280	1,292	355	121	103	102	93	106	106	83	137	90	862	1,051	1,421	1,263	1,371	1,213	1,183	1,163	1,213	1,106
Q1- 2029	66	90	75	282	1,298	357	122	104	103	94	107	107	84	138	91	878	1,071	1,449	1,287	1,399	1,237	1,207	1,187	1,237	1,130
Q2- 2029	67	91	76	284	1,304	359	123	105	104	95	108	108	85	139	92	878	1,071	1,449	1,287	1,399	1,237	1,207	1,187	1,237	1,130
Q3- 2029	68	93	77	286	1,311	361	124	106	105	96	109	109	86	140	93	878	1,071	1,449	1,287	1,399	1,237	1,207	1,187	1,237	1,130
Q4- 2029	69	94	78	288	1,318	363	125	107	106	97	110	110	87	141	94	878	1,071	1,449	1,287	1,399	1,237	1,207	1,187	1,237	1,130
Q1- 2030	70	96	79	290	1,325	365	126	108	107	98	111	111	88	142	95	894	1,091	1,477	1,312	1,427	1,261	1,231	1,211	1,261	1,154
Q2- 2030	71	97	80	292	1,332	367	127	109	108	99	112	112	89	143	96	894	1,091	1,477	1,312	1,427	1,261	1,231	1,211	1,261	1,154
Q3- 2030	72	98	81	294	1,339	369	128	110	109	100	113	113	90	144	97	894	1,091	1,477	1,312	1,427	1,261	1,231	1,211	1,261	1,154
Q4- 2030	73	100	82	296	1,346	371	129	111	110	101	114	114	91	145	98	894	1,091	1,477	1,312	1,427	1,261	1,231	1,211	1,261	1,154

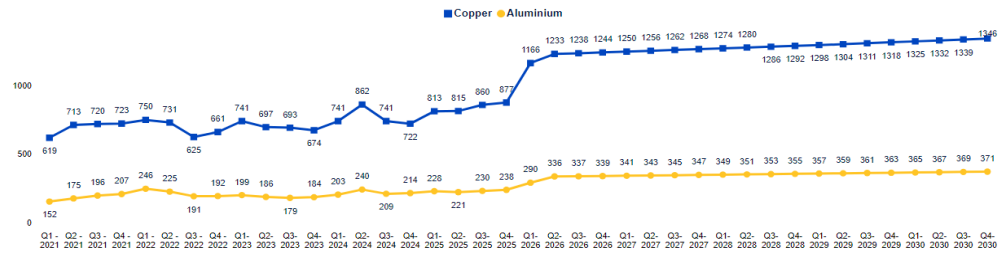
Steel price trend (per kg)



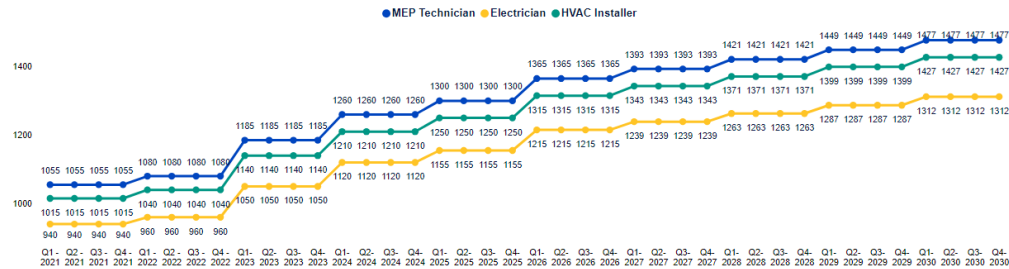
Cement price trend (per bag)



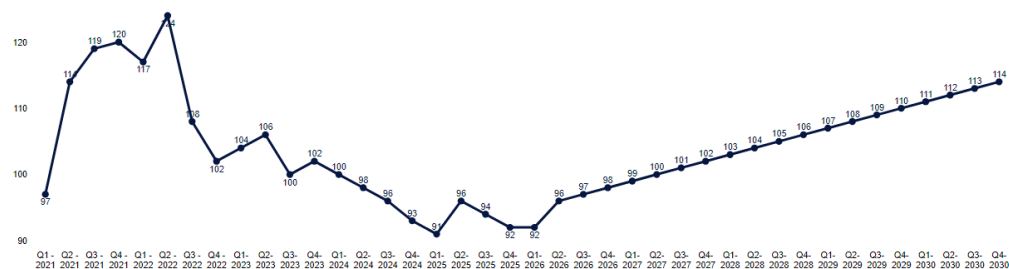
LME materials price trend (per kg)



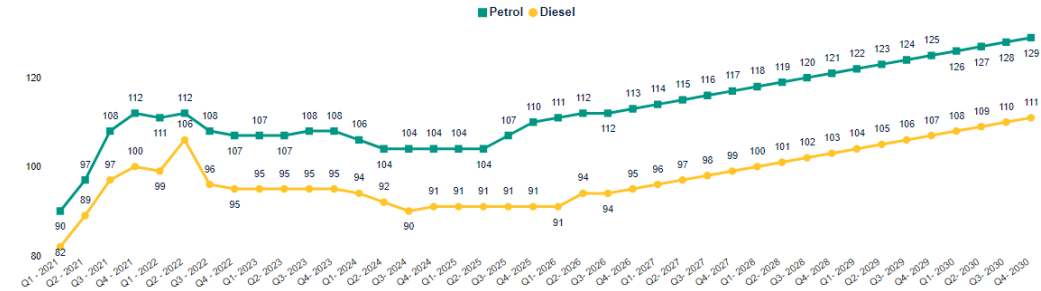
MEP price trend (per man day)



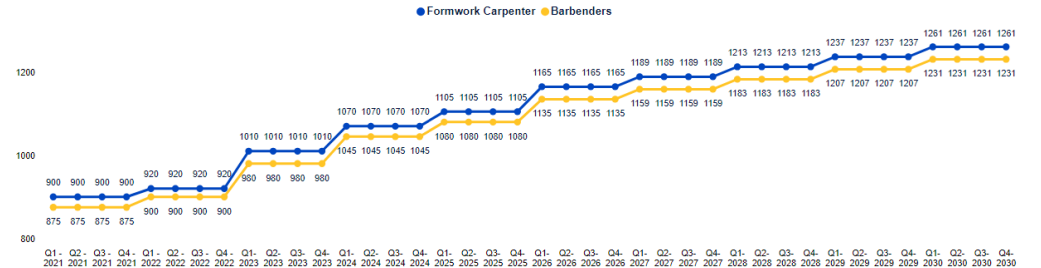
Roofing price trend (per kg)



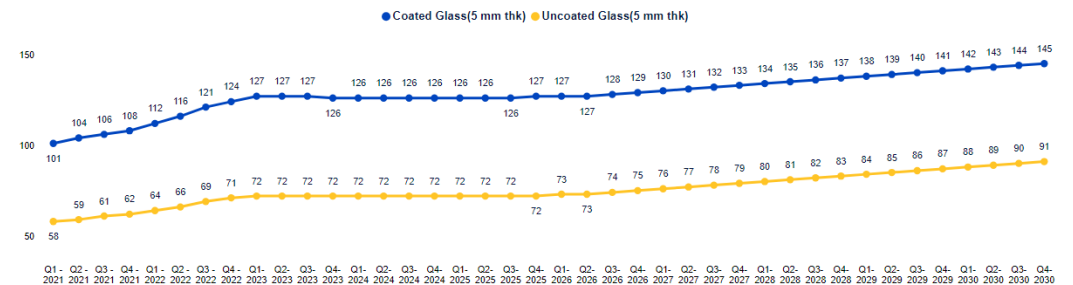
Fuel price trend (per litre)



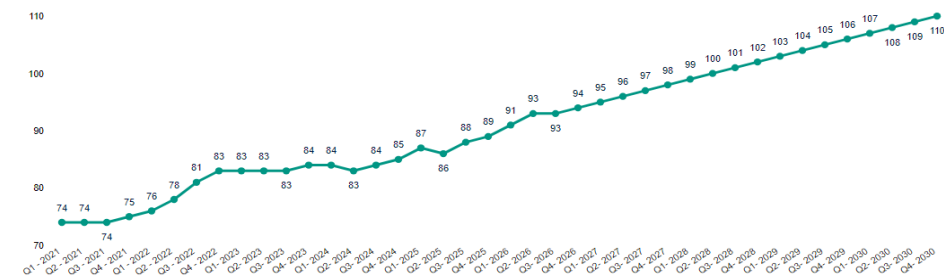
Carpentry work price trend (per man day)



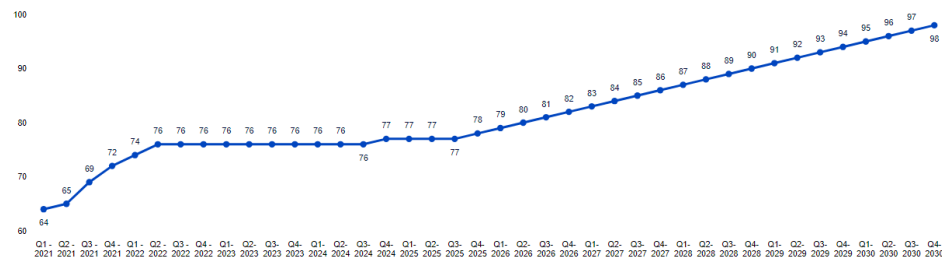
Glass price trend (per sq ft)



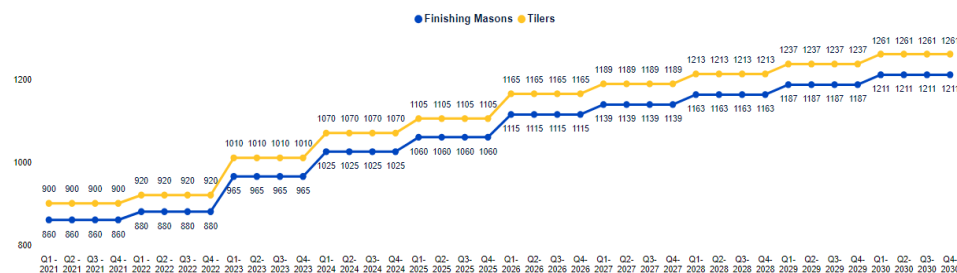
Forex currency price trend (in INR)



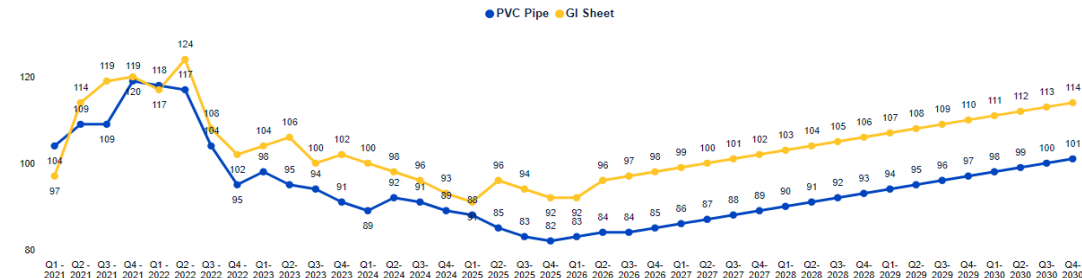
Wood marine price trend (per kg)



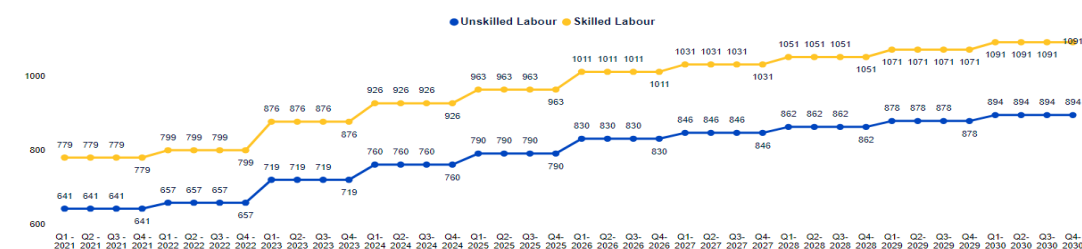
Finishing work price trend (per man day)



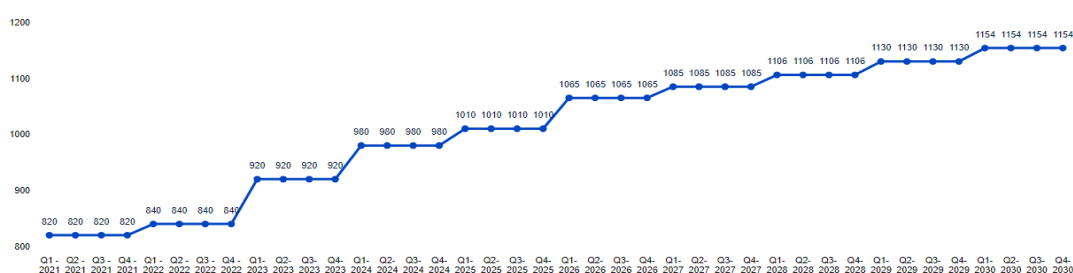
PVC pipe and GI sheet price trend (per kg)



Labour price trend (per man day)



Painters price trend (per man day)



Sources & reconciliation notes

Material trend

Data presented is derived from referenced external sources and WT's internal cost database. Historical values reflect actual recorded market data. Future projections are based on trend modelling using historical data patterns, market indicators and WT market intelligence.

Primary source

WT internal database — material, fuel, currency and labour trend database; monthly values averaged into quarterly values for this report.

WPI / indices

Office of Economic Adviser, DPIIT — WPI / commodity index cross-checks for construction materials and fuel-power movements.

Fuel

PPAC / petroleum price references and OMC retail fuel checks; Reliance / market checks used as secondary validation for petrol and diesel.

Labour

Chief Labour Commissioner / CPWD minimum-wage notifications for construction and building operations; blank quarterly labour cells are carried forward where rates remain applicable.

Translating inputs into construction costs

Input trends influence built asset costs differently across packages, sectors and regions.

Packagewise cost behaviour

Civil & structural (shell & core)

Construction costs are driven primarily by steel, cement, post tensioning (PT) strands, labour and diesel. Cement provides the cost base for wet trades, while steel and PT strands have a greater bearing on reinforcement-intensive structural elements. Labour remains a significant component of overall project expenditure, while diesel costs influence material transportation, crane operations and wider site logistics.

Façade

Driven by aluminium and glass, with steel inserts, gaskets and accessories as adjuncts. Forex exposure can appear where imported systems are specified.

MEP

One of the most cost sensitive categories, with greater potential for price variation. Copper, aluminium, GI and PVC are major cost components, while imported equipment and components remain exposed to foreign exchange movements. The availability and productivity of skilled labour for installation and commissioning further influence overall costs, adding to the variability of this category.

Interiors & finishes

Labour remains the primary cost driver, while wood, glass, selected aluminium elements and imported fittings can materially influence overall costs depending on the level and mix of specifications.



Sector-wise cost behaviours



Residential (affordable, luxury, high-rise)

Residential shells are structure heavy, tracking cement + steel + labour, with diesel influencing earthwork and craneage. Higher specifications introduce larger façade ratios, richer interiors, higher MEP specifications and lift cores. Across the horizon to 2030, structural baselines remain firm, while façade/ MEP sensitivity rises at the premium end.

Forward cue: Since the structural shell accounts for a significant share of project spend, maintaining design stability from the outset remains one of the strongest levers for cost certainty and predictable project delivery.



Commercial (base-build) and workspaces

Commercial developments are shaped by a combination of structural and façade costs. The structural frame is primarily influenced by steel and concrete, while aluminium and glass can have a significant impact on the overall envelope cost. MEP typically remains a moderate component of the core construction cost.

For workspace fit-outs, the cost equation shifts towards building services and specialist finishes. Copper and aluminium, along with imported fixtures and skilled installation labour, remain key cost drivers. Premium developments may also carry additional costs for enhanced finishes, wellness provisions and ESG-led features.

Growing adoption of smart-building systems is adding further demand for specialised equipment and technology, with imported components remaining sensitive to freight and foreign exchange movements.

Forward cue: Budget fidelity improves materially when façade details and services philosophies are locked pre tender. For workspaces, shortlisted alternates for lighting, controls and cabling, prepared early, reduce risk from copper/aluminium pockets.



Data centres (₹ cr/MW IT)

Data centres are among the most MEP intensive asset classes, with UPS systems, switchgear, busducts, cabling, precision cooling and advanced controls accounting for a substantial share of project costs. Copper and aluminium prices, along with foreign exchange movements, can have a direct impact on overall budgets, particularly where equipment and components are imported.

The sector continues to see strong growth globally, supported by rising demand for digital infrastructure. At the same time, high redundancy requirements, specialised cooling systems and complex electrical infrastructure make data centre projects particularly sensitive to material prices, freight costs and supply lead times.

Early design decisions and pre-approved alternatives are therefore critical to maintaining cost and programme certainty.

Forward cue: Standardising equipment families and progressing shop drawings early can help contain MEP cost volatility and prevent procurement or design changes from cascading into commissioning delays.



Retail / malls

Mall developments typically carry a higher façade component, supported by substantial MEP infrastructure designed to serve large public and common areas. Their layouts also require flexible interior zones that can accommodate changing tenant and retail requirements. As a result, overall costs are shaped by the combined impact of façade materials, building services and the flexibility built into the interior spaces.

Forward cue: Interface discipline around tenant works preserves both timelines and final accounts.



Hotels / hospitality

Hotels carry a balanced mix of structure, façade, MEP and high touch interiors (joinery, stone, lighting, FF&E). Wage escalations and imported fitout items influence the forward cost curve.

Forward cue: Early decisions on joinery, stone, and lighting avert premium pricing on long lead finishes.



Industrial & warehousing

Steel intensive structures and modular roofing/cladding systems dominate cost profiles. Regional freight and local sourcing options significantly influence final delivered costs. Independent logistics cost guides highlight meaningful city by city variation in India's manufacturing and warehousing markets.

Forward cue: Scale and repetition continue to unlock savings when floor and roofing specs are calibrated to performance no more, no less.

Regionwise cost differences

Regional totals differ across four practical layers.

- **Subsurface and foundations:** Ground conditions have a direct bearing on construction costs. Marine or reclaimed soils may require extensive ground improvement, while hard rock can increase excavation and foundation costs.
 - **Sourcing distances and material logistics:** The location of quarries, manufacturing plants, depots and other supply points influences transportation costs and, ultimately, landed material rates.
 - **Labour availability and productivity:** Labour costs and productivity vary significantly across markets. Metro cities often face higher labour costs and tighter availability, while Tier-2 and Tier-3 cities may offer greater labour availability and more competitive rates.
 - **Contractor ecosystem and overheads:** The depth of the local contractor and specialist base can affect both pricing and delivery. Markets with established specialist capabilities may command higher rates, while locations with a smaller ecosystem may offer lower base rates but require niche trades to be brought in from elsewhere.
 - **Regional insight lens:** Defining the base cities and key cost factors upfront helps avoid budget variations later.
- Together, these factors produce regionally distinct delivered costs even under a common national input curve.**



India construction cost benchmarking report

Sr.no	Cost component	2021 Cost Position Relative to the 2026 Cost Datum	2026 Cost Range								Forecast Movement from the 2026 Cost Datum to 2030
			West		East		North		South		
			Low	High	Low	High	Low	High	Low	High	
1 Residential											
1.1 Class A: Affordable (≤70m)											
1.1.1	Civil works	-31.1%	1,340	1,840	1,520	2,470	1,450	2,360	1,290	2,100	9.1%
1.1.2	Finishing & façade	-20.9%	460	750	490	790	460	740	460	750	12.0%
1.1.3	MEP & services	-24.2%	520	840	530	860	490	800	500	810	11.7%
1.1.4	External development	-17.8%	80	130	80	120	90	140	70	120	8.0%
	Total	-27.0%	2,400	3,560	2,620	4,240	2,490	4,040	2,320	3,780	10.2%
1.2 Class B: Mid premium (≤120m)											
1.2.1	Civil works	-14.1%	1,410	2,290	1,630	2,650	1,560	2,530	1,370	2,220	9.0%
1.2.2	Finishing & façade	-25.7%	750	1,210	790	1,280	740	1,210	750	1,220	12.0%
1.2.3	MEP & services	-15.6%	590	960	610	990	570	920	580	930	11.6%
1.2.4	External development	-16.8%	100	160	100	160	110	180	90	150	8.0%
	Total	-17.4%	2,850	4,620	3,130	5,080	2,980	4,840	2,790	4,520	10.3%
1.3 Class C: Luxury (≤120m)											
1.3.1	Civil works	-14.4%	1,380	2,240	1,600	2,590	1,520	2,470	1,330	2,160	9.1%
1.3.2	Finishing & façade	-25.7%	1,030	1,680	1,090	1,780	1,030	1,670	1,040	1,700	12.0%
1.3.3	MEP & services	-15.3%	730	1,190	750	1,230	700	1,140	710	1,160	11.5%
1.3.4	External development	-16.8%	110	190	110	180	130	200	110	180	8.0%
	Total	-18.1%	3,250	5,300	3,550	5,780	3,380	5,480	3,190	5,200	10.5%
1.4 Class D: Ultra luxury Highrise (150–250m)											
1.4.1	Civil works	-14.7%	2,100	3,410	2,430	3,950	2,310	3,760	2,010	3,260	9.1%
1.4.2	Finishing & façade	-25.3%	1,140	1,850	1,220	1,980	1,130	1,840	1,170	1,900	12.0%
1.4.3	MEP & services	-15.2%	1,190	1,930	1,210	1,970	1,140	1,850	1,150	1,870	11.4%
1.4.4	External development	-16.8%	50	80	50	80	60	90	50	80	8.0%
	Total	-17.4%	4,480	7,270	4,910	7,980	4,640	7,540	4,380	7,110	10.4%

Sr.no	Cost component	2021 Cost Position Relative to the 2026 Cost Datum	2026 Cost Range								Forecast Movement from the 2026 Cost Datum to 2030
			West		East		North		South		
			Low	High	Low	High	Low	High	Low	High	
2	Commercial (₹/sq ft BUA)										
2.1	Grade A+: platinum standard (2N MEP redundancy, LEED Platinum)										
2.1.1	Civil works	-14.6%	1,480	2,410	1,720	2,790	1,640	2,660	1,420	2,310	9.1%
2.1.2	Finishing & façade	-26.8%	800	1,300	830	1,350	810	1,310	770	1,250	12.0%
2.1.3	MEP & services	-15.7%	1,330	2,170	1,370	2,220	1,270	2,070	1,290	2,100	11.7%
2.1.4	External development	-16.8%	110	170	100	170	120	190	100	170	8.0%
	Total	-17.6%	3,720	6,050	4,020	6,530	3,840	6,230	3,580	5,830	10.6%
2.2	Grade A: gold standard (N+1 MEP redundancy, LEED gold)										
2.2.1	Civil works	-14.6%	1,240	2,010	1,430	2,330	1,360	2,220	1,190	1,930	9.1%
2.2.2	Finishing & façade	-26.8%	670	1,090	690	1,130	670	1,090	640	1,040	12.0%
2.2.3	MEP & services	-15.7%	1,030	1,670	1,050	1,710	980	1,590	1,000	1,620	11.7%
2.2.4	External development	-16.8%	90	150	90	150	100	170	90	140	8.0%
	Total	-17.6%	3,030	4,920	3,260	5,320	3,110	5,070	2,920	4,730	10.6%
2.3	Grade B: silver standard (N MEP redundancy)										
2.3.1	Civil works	-14.6%	1,050	1,710	1,220	1,980	1,160	1,880	1,010	1,640	9.1%
2.3.2	Finishing & façade	-26.8%	540	870	550	900	540	870	510	830	12.0%
2.3.3	MEP & services	-15.7%	770	1,250	790	1,280	740	1,200	750	1,210	11.7%
2.3.4	External development	-16.8%	80	140	80	130	90	150	80	130	8.0%
	Total	-17.6%	2,440	3,970	2,640	4,290	2,530	4,100	2,350	3,810	10.6%

Sr.no	Cost component	2021 Cost Position Relative to the 2026 Cost Datum	2026 Cost Range								Forecast Movement from the 2026 Cost Datum to 2030
			West		East		North		South		
			Low	High	Low	High	Low	High	Low	High	
3 Data centres (₹ cr/MW IT)											
3.1 Tier IV = Fault tolerant											
3.1.1	Base building	-12.8%	17.11	27.81	19.76	32.12	18.82	30.59	16.77	27.25	12.0%
3.1.2	Data hall works	-16.6%	29.21	47.47	30.09	48.89	27.75	45.10	28.31	46.00	15.0%
3.1.3	LLE equipment	-16.6%	17.53	28.48	18.05	29.34	16.65	27.06	16.98	27.60	15.0%
	Total	-15.6%	63.85	103.76	67.90	110.35	63.22	102.75	62.06	100.85	14.2%
3.2 Tier III = Concurrently maintainable											
3.2.1	Base building	-12.8%	13.69	22.25	15.81	25.69	15.06	24.47	13.42	21.80	12.0%
3.2.2	Data hall works	-16.6%	23.37	37.98	24.07	39.11	22.20	36.08	22.65	36.80	15.0%
3.2.3	LLE equipment	-16.6%	14.02	22.79	14.44	23.47	13.32	21.65	13.59	22.08	15.0%
	Total	-15.6%	51.08	83.02	54.32	88.27	50.58	82.20	49.66	80.68	14.2%
4 Mall & retail (₹/sq ft BUA)											
4.1	Civil works	-14.2%	1,690	2,750	1,960	3,180	1,860	3,030	1,630	2,660	9.0%
4.2	Finishing & façade	-25.4%	430	700	460	750	430	700	440	720	12.0%
4.3	MEP & services	-15.9%	840	1,360	850	1,390	800	1,300	810	1,310	11.7%
4.4	External development	-16.8%	90	140	90	140	100	160	80	140	8.0%
	Total	-16.2%	3,050	4,950	3,360	5,460	3,190	5,190	2,960	4,830	10.2%

Sr.no	Cost component	2021 Cost Position Relative to the 2026 Cost Datum	2026 Cost Range								Forecast Movement from the 2026 Cost Datum to 2030
			West		East		North		South		
			Low	High	Low	High	Low	High	Low	High	
5	Hotels (₹ lakh/key)										
5.1	Select service / midscale hotel										
5.1.1	Civil & structural works	-14.6%	9.0	12.5	9.8	13.6	9.4	13.0	8.6	12.0	9.1%
5.1.2	Finishes, façade & FF&E	-26.8%	6.0	9.0	6.5	9.8	6.2	9.4	5.8	8.6	12.0%
5.1.3	MEP, vertical transport & hotel systems	-16.0%	7.0	10.5	7.6	11.4	7.3	10.9	6.7	10.1	11.7%
5.1.4	Amenities, BOH, kitchen & external development	-16.8%	2.0	4.0	2.2	4.4	2.1	4.2	1.9	3.8	10.0%
	Total	-18.2%	24.0	36.0	26.1	39.2	25.0	37.5	23.0	34.5	10.7%
5.2	Upper upscale / business hotel										
5.2.1	Civil & structural works	-14.6%	24.0	30.0	26.2	32.7	25.0	31.2	23.0	28.8	9.1%
5.2.2	Finishes, façade & FF&E	-26.8%	20.0	30.0	21.8	32.7	20.8	31.2	19.2	28.8	12.0%
5.2.3	MEP, vertical transport & hotel systems	-16.0%	20.0	30.0	21.8	32.7	20.8	31.2	19.2	28.8	11.7%
5.2.4	Amenities, BOH, kitchen & external development	-16.8%	6.0	10.0	6.5	10.9	6.2	10.4	5.8	9.6	11.0%
	Total	-18.7%	70.0	100.0	76.3	109.0	72.8	104.0	67.2	96.0	10.8%
5.3	Luxury resort / destination hotel										
5.3.1	Civil & structural works	-14.6%	32.0	44.0	34.9	48.0	33.3	45.8	30.7	42.2	9.1%
5.3.2	Finishes, façade & FF&E	-26.8%	42.0	58.0	45.8	63.2	43.7	60.3	40.3	55.7	12.0%
5.3.3	MEP, vertical transport & hotel systems	-16.0%	30.0	42.0	32.7	45.8	31.2	43.7	28.8	40.3	11.7%
5.3.4	Amenities, BOH, kitchen & external development	-16.8%	16.0	26.0	17.4	28.3	16.6	27.0	15.4	25.0	11.0%
	Total	-19.5%	120.0	170.0	130.8	185.3	124.8	176.8	115.2	163.2	11.0%

Sr.no	Cost component	2021 Cost Position Relative to the 2026 Cost Datum	2026 Cost Range								Forecast Movement from the 2026 Cost Datum to 2030
			West		East		North		South		
			Low	High	Low	High	Low	High	Low	High	
5.4	Luxury / Ultra luxury urban hotel										
5.4.1	Civil & structural works	-14.6%	45.0	65.0	49.1	70.9	46.8	67.6	43.2	62.4	9.1%
5.4.2	Finishes, façade & FF&E	-26.8%	70.0	105.0	76.3	114.5	72.8	109.2	67.2	100.8	12.0%
5.4.3	MEP, vertical transport & hotel systems	-16.0%	45.0	70.0	49.1	76.3	46.8	72.8	43.2	67.2	11.7%
5.4.4	Amenities, BOH, kitchen & external development	-16.8%	30.0	45.0	32.7	49.1	31.2	46.8	28.8	43.2	11.0%
	Total	-19.8%	190.0	285.0	207.2	310.8	197.6	296.4	182.4	273.6	11.1%
6	Villa (₹/sq ft BUA)										
6.1	Civil works	-14.6%	1,070	1,730	1,080	1,760	1,030	1,670	1,020	1,660	9.1%
6.2	Finishing & façade	-25.0%	910	1,470	970	1,580	900	1,460	940	1,530	12.0%
6.3	MEP & services	-15.7%	660	1,080	680	1,110	630	1,030	640	1,050	11.7%
6.4	External development	-16.8%	420	680	400	650	460	740	400	640	8.0%
	Total	-18.1%	3,060	4,960	3,130	5,100	3,020	4,900	3,000	4,880	10.4%
7	Fitout (₹/sq ft carpet area)										
7.1	Premium: grade A corporate / luxury retail										
7.1.1	Civil & interiors	-26.1%	1,820	2,950	1,730	2,810	1,820	2,950	1,730	2,810	12.0%
7.1.2	MEP works	-16.3%	2,110	3,430	2,170	3,530	2,000	3,260	2,040	3,320	12.0%
7.1.3	Furniture & fixtures	-19.7%	1,290	2,090	1,290	2,090	1,220	1,980	1,220	1,980	15.0%
	Total	-20.4%	5,220	8,470	5,190	8,430	5,040	8,190	4,990	8,110	12.7%
7.2	Standard: grade B office / Retail (base)										
7.2.1	Civil & interiors	-26.1%	1,350	2,190	1,280	2,080	1,350	2,190	1,280	2,080	12.0%
7.2.2	MEP works	-16.3%	1,560	2,540	1,610	2,620	1,480	2,410	1,510	2,460	12.0%
7.2.3	Furniture & fixtures	-19.7%	950	1,550	950	1,550	900	1,470	900	1,470	15.0%
	Total	-20.4%	3,860	6,280	3,840	6,250	3,730	6,070	3,690	6,010	12.7%

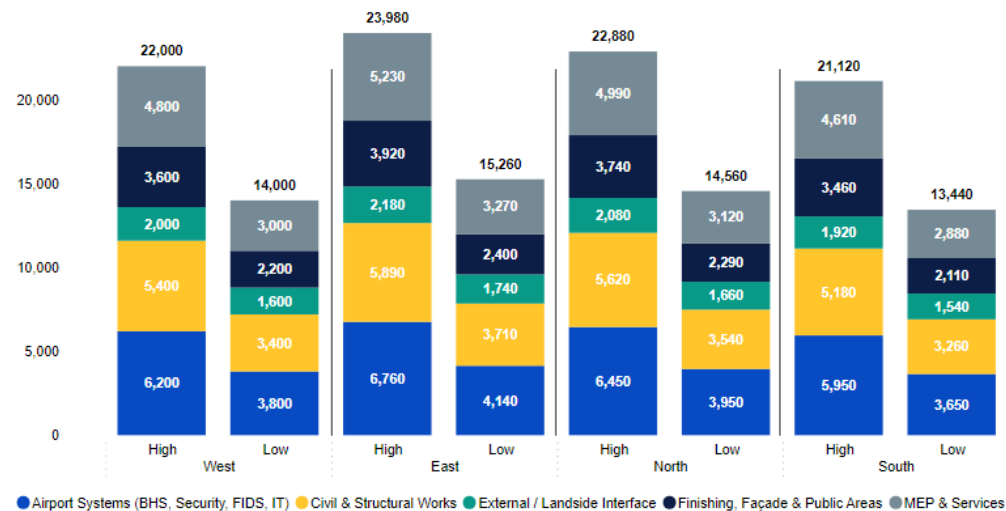
Sr.no	Cost component	2021 Cost Position Relative to the 2026 Cost Datum	2026 Cost Range								Forecast Movement from the 2026 Cost Datum to 2030
			West		East		North		South		
			Low	High	Low	High	Low	High	Low	High	
7.3	Basic: grade C / Economy										
7.3.1	Civil & interiors	-26.1%	940	1,530	900	1,460	940	1,530	900	1,460	12.0%
7.3.2	MEP works	-16.3%	1,090	1,780	1,130	1,830	1,040	1,690	1,060	1,720	12.0%
7.3.3	Furniture & fixtures	-19.7%	670	1,080	670	1,080	630	1,030	630	1,030	15.0%
	Total	-20.4%	2,700	4,390	2,700	4,370	2,610	4,250	2,590	4,210	12.7%
8	Warehouse / Industrial / Manufacturing (₹/sq ft BUA)										
8.1	Grade A: modern logistics										
8.1.1	Box (shell & core)	-13.4%	1,360	2,220	1,580	2,560	1,500	2,440	1,340	2,170	9.0%
8.1.2	Office block	-23.7%	350	560	380	620	340	550	380	620	12.0%
8.1.3	Test track & hardstand	-16.8%	60	110	60	100	70	120	60	100	10.0%
8.1.4	External development	-16.8%	190	320	240	380	220	360	140	220	10.0%
	Total	-15.6%	1,960	3,210	2,260	3,660	2,130	3,470	1,920	3,110	9.7%
8.2	Grade B: standard industrial warehouse (base)										
8.2.1	Box (shell & core)	-13.4%	1,090	1,770	1,260	2,050	1,200	1,950	1,070	1,740	9.0%
8.2.2	Office block	-23.7%	280	450	300	490	270	440	300	490	12.0%
8.2.3	Test track & hardstand	-16.8%	50	80	50	80	60	90	50	80	10.0%
8.2.4	External development	-16.8%	160	250	190	310	180	290	110	180	10.0%
	Total	-15.6%	1,580	2,550	1,800	2,930	1,710	2,770	1,530	2,490	9.7%
8.3	Grade C: basic / Legacy shed										
8.3.1	Box (shell & core)	-13.4%	870	1,420	1,010	1,640	960	1,560	860	1,390	9.0%
8.3.2	Office block	-23.7%	220	360	240	390	220	350	240	390	12.0%
8.3.3	Test track & hardstand	-16.8%	40	70	40	70	50	70	40	60	10.0%
8.3.4	External development	-16.8%	120	200	150	240	140	230	90	140	10.0%
	Total	-15.6%	1,250	2,050	1,440	2,340	1,370	2,210	1,230	1,980	9.7%

Sr.no	Cost component	2021 Cost Position Relative to the 2026 Cost Datum	2026 Cost Range								Forecast Movement from the 2026 Cost Datum to 2030
			West		East		North		South		
			Low	High	Low	High	Low	High	Low	High	
9	Infrastructure (₹ lakh/acre)										
9.1	City level infrastructure & amenities	-18.9%	60	98	69	113	66	107	47	77	10.6%
9.2	Cluster level infrastructure & amenities	-18.6%	21	34	25	40	23	38	16	26	10.5%
9.3	Experience centre	-23.7%	1	2	1	2	1	2	1	2	12.0%
	Total	-18.9%	82	134	95	155	90	147	64	105	10.6%
10	Stadium (₹ lakh/seat)										
10.1	Civil & structural works	-14.6%	0.50	0.80	0.55	0.87	0.52	0.83	0.48	0.77	9.1%
10.2	Seating, roofing & bowl works	-25.4%	0.35	0.60	0.38	0.65	0.36	0.62	0.34	0.58	12.0%
10.3	MEP, ICT & AV systems	-16.0%	0.30	0.50	0.33	0.55	0.31	0.52	0.29	0.48	11.7%
10.4	Field of play & sports systems	-19.7%	0.20	0.40	0.22	0.44	0.21	0.42	0.19	0.38	15.0%
10.5	External development & utilities	-16.8%	0.25	0.30	0.27	0.33	0.26	0.31	0.24	0.29	10.0%
	Total	-18.3%	1.60	2.60	1.75	2.84	1.66	2.70	1.54	2.50	11.2%
11	Airport (₹/sq ft terminal area)										
11.1	Civil & structural works	-14.6%	3,400	5,400	3,710	5,890	3,540	5,620	3,260	5,180	9.1%
11.2	Finishing, façade & public areas	-26.8%	2,200	3,600	2,400	3,920	2,290	3,740	2,110	3,460	12.0%
11.3	MEP & services	-15.7%	3,000	4,800	3,270	5,230	3,120	4,990	2,880	4,610	11.7%
11.4	Airport systems (BHS, security, FIDS, IT)	-16.6%	3,800	6,200	4,140	6,760	3,950	6,450	3,650	5,950	15.0%
11.5	External / landside interface	-16.8%	1,600	2,000	1,740	2,180	1,660	2,080	1,540	1,920	10.0%
	Total	-17.6%	14,000	22,000	15,260	23,980	14,560	22,880	13,440	21,120	11.9%
12	Hospitals (₹ lakh/bed)										
12.1	Civil & structural works	-14.6%	19.0	28.0	20.7	30.5	19.8	29.1	18.2	26.9	9.1%
12.2	Finishing & medical interiors	-26.1%	13.5	20.0	14.7	21.8	14.0	20.8	13.0	19.2	12.0%
12.3	MEP & services	-16.3%	22.5	33.0	24.5	36.0	23.4	34.3	21.6	31.7	12.0%
12.4	Medical systems & equipment interfaces	-16.6%	15.0	23.0	16.4	25.1	15.6	23.9	14.4	22.1	15.0%
12.5	External development & utilities	-16.8%	5.0	6.0	5.5	6.5	5.2	6.2	4.8	5.8	8.0%
	Total	-17.7%	75.0	110.0	81.8	119.9	78.0	114.3	72.0	105.7	11.6%

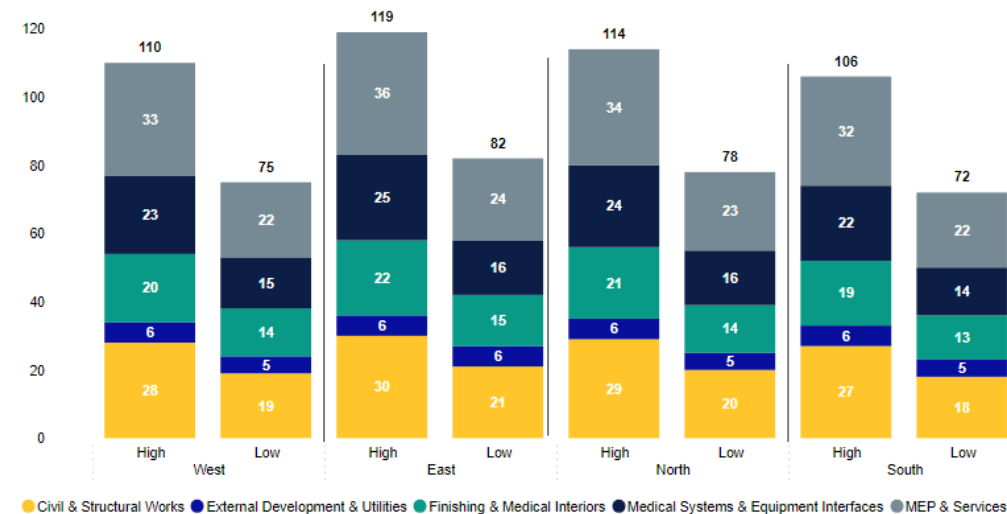
Sr.no	Cost component	2021 Cost Position Relative to the 2026 Cost Datum	2026 Cost Range								Forecast Movement from the 2026 Cost Datum to 2030
			West		East		North		South		
			Low	High	Low	High	Low	High	Low	High	
13	Education / Schools & universities (₹/sq ft BUA)										
13.1	Civil & structural works	-14.6%	900	1,500	981	1,635	936	1,560	864	1,440	9.1%
13.2	Finishing, façade & academic interiors	-26.8%	600	1,000	654	1,090	624	1,040	576	960	12.0%
13.3	MEP & services	-16.0%	500	900	545	981	520	936	480	864	11.7%
13.4	Specialist spaces (labs, library, auditorium, ICT)	-16.6%	250	550	273	600	260	572	240	528	15.0%
13.5	External development & utilities	-16.8%	150	250	164	273	156	260	144	240	8.0%
	Total	-18.2%	2,400	4,200	2,617	4,579	2,496	4,368	2,304	4,032	11.0%
14	Life sciences / Labs / R&D (₹/sq ft BUA)										
14.1	Civil & structural works	-14.6%	1,800	2,800	1,962	3,052	1,872	2,912	1,728	2,688	9.1%
14.2	Lab interiors, clean rooms & specialist finishes	-26.8%	2,200	4,200	2,398	4,578	2,288	4,368	2,112	4,032	12.0%
14.3	High-spec MEP & process utilities	-16.0%	2,500	4,200	2,725	4,578	2,600	4,368	2,400	4,032	11.7%
14.4	Lab systems, controls & equipment interfaces	-16.6%	1,000	2,200	1,090	2,398	1,040	2,288	960	2,112	15.0%
14.5	External development & utilities	-16.8%	500	600	545	654	520	624	480	576	10.0%
	Total	-19.0%	8,000	14,000	8,720	15,260	8,320	14,560	7,680	13,440	11.6%
15	Parking / MLCP (₹/sq ft BUA)										
15.1	Civil & structural frame	-14.6%	1,600	2,800	1,744	3,052	1,664	2,912	1,536	2,688	9.1%
15.2	Decks, ramps, flooring & traffic finishes	-26.8%	400	800	436	872	416	832	384	768	12.0%
15.3	MEP, fire, lighting & ventilation	-16.0%	450	900	491	981	468	936	432	864	11.7%
15.4	Parking management, EV & security systems	-16.6%	200	500	218	545	208	520	192	480	15.0%
15.5	External development & utilities	-16.8%	150	200	164	218	156	208	144	192	10.0%
	Total	-16.9%	2,800	5,200	3,053	5,668	2,912	5,408	2,688	4,992	10.5%
16	Convention / Exhibition centres (₹/sq ft BUA)										
16.1	Civil, long-span structure & roof	-14.6%	1,900	3,200	2,071	3,488	1,976	3,328	1,824	3,072	9.1%
16.2	Finishing, façade & exhibition hall works	-26.8%	1,600	2,800	1,744	3,052	1,664	2,912	1,536	2,688	12.0%
16.3	MEP & services	-16.0%	1,400	2,500	1,526	2,725	1,456	2,600	1,344	2,400	11.7%
16.4	AV, ICT, event & security systems	-16.6%	400	800	436	872	416	832	384	768	15.0%
16.5	External development & utilities	-16.8%	500	800	545	872	520	832	480	768	10.0%
	Total	-18.7%	5,800	10,100	6,322	11,009	6,032	10,504	5,568	9,696	11.1%

Sr.no	Cost component	2021 Cost Position Relative to the 2026 Cost Datum	2026 Cost Range								Forecast Movement from the 2026 Cost Datum to 2030
			West		East		North		South		
			Low	High	Low	High	Low	High	Low	High	
17	Rail / Metro stations (₹ cr/station)										
17.1	Civil, platforms & station box	-14.6%	25.00	45.00	27.25	49.05	26.00	46.80	24.00	43.20	9.1%
17.2	Architectural finishes & passenger areas	-26.8%	12.00	22.00	13.08	23.98	12.48	22.88	11.52	21.12	12.0%
17.3	MEP, fire & ventilation	-16.0%	10.00	18.00	10.90	19.62	10.40	18.72	9.60	17.28	11.7%
17.4	Rail systems, signalling & AFC interfaces	-16.6%	12.00	25.00	13.08	27.25	12.48	26.00	11.52	24.00	15.0%
17.5	Intermodal, external & utilities	-16.8%	6.00	10.00	6.54	10.90	6.24	10.40	5.76	9.60	10.0%
	Total	-17.6%	65.00	120.00	70.85	130.80	67.60	124.80	62.40	115.20	11.3%
18	Cold storage / Food processing (₹/sq ft BUA)										
18.1	Civil & structural works	-14.6%	700	1,300	763	1,417	728	1,352	672	1,248	9.1%
18.2	Insulated envelope, panels & doors	-26.8%	600	1,300	654	1,417	624	1,352	576	1,248	12.0%
18.3	Refrigeration, MEP & controls	-16.0%	1,200	2,600	1,308	2,834	1,248	2,704	1,152	2,496	11.7%
18.4	Processing, racking & automation interfaces	-16.6%	500	1,000	545	1,090	520	1,040	480	960	15.0%
18.5	External development & utilities	-16.8%	200	300	218	327	208	312	192	288	10.0%
	Total	-18.0%	3,200	6,500	3,488	7,085	3,328	6,760	3,072	6,240	11.6%
19	Renewable energy / Solar parks (₹ cr/MW AC)										
19.1	Site development, civil & roads	-12.0%	0.35	0.55	0.38	0.60	0.36	0.57	0.34	0.53	8.0%
19.2	PV modules & mounting structures	-35.0%	1.80	2.20	1.96	2.40	1.87	2.29	1.73	2.11	5.0%
19.3	Inverters, DC/AC electrical & cabling	-18.0%	0.55	0.75	0.60	0.82	0.57	0.78	0.53	0.72	9.0%
19.4	Transformers, evacuation, SCADA & protection	-18.0%	0.55	0.75	0.60	0.82	0.57	0.78	0.53	0.72	9.0%
19.5	Installation, testing, approvals & handover	-16.6%	0.25	0.25	0.27	0.27	0.26	0.26	0.24	0.24	15.0%
	Total	-25.7%	3.50	4.50	3.81	4.91	3.63	4.68	3.37	4.32	7.3%

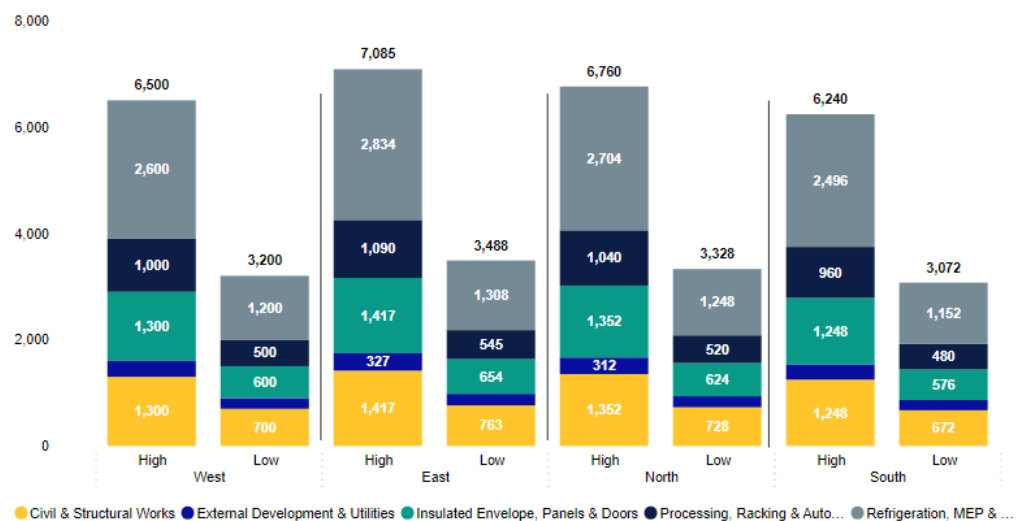
Airport (₹/sq ft terminal area)



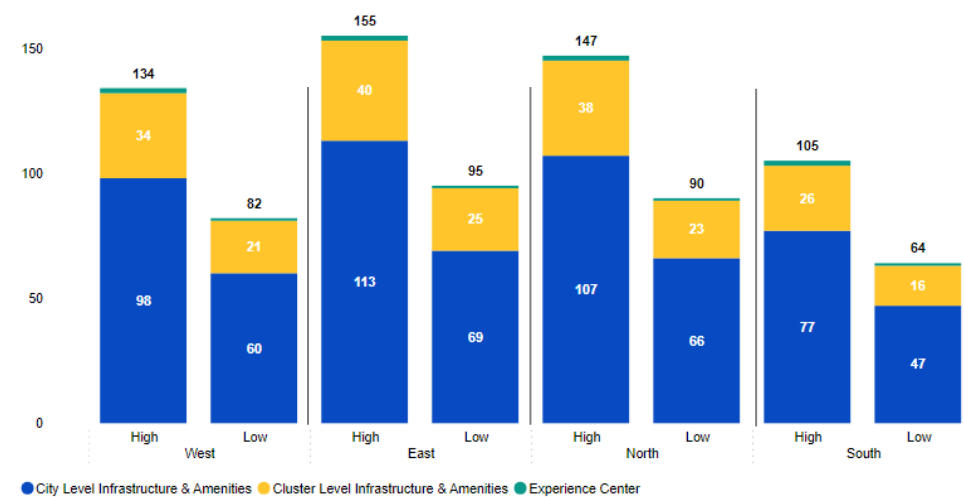
Hospitals (₹ lakh/bed)



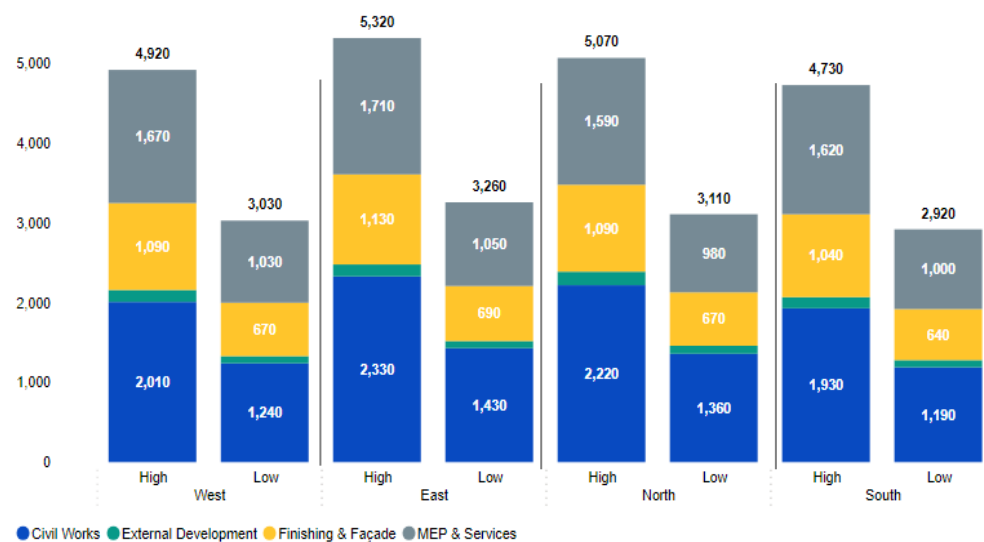
Cold storage / Food processing (₹/sq ft BUA)



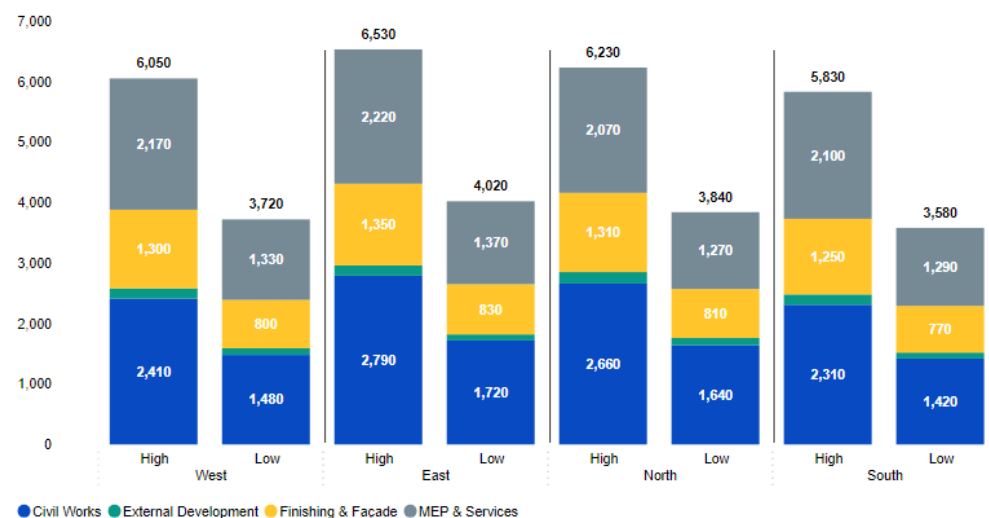
Infrastructure (₹ lakh/acre)



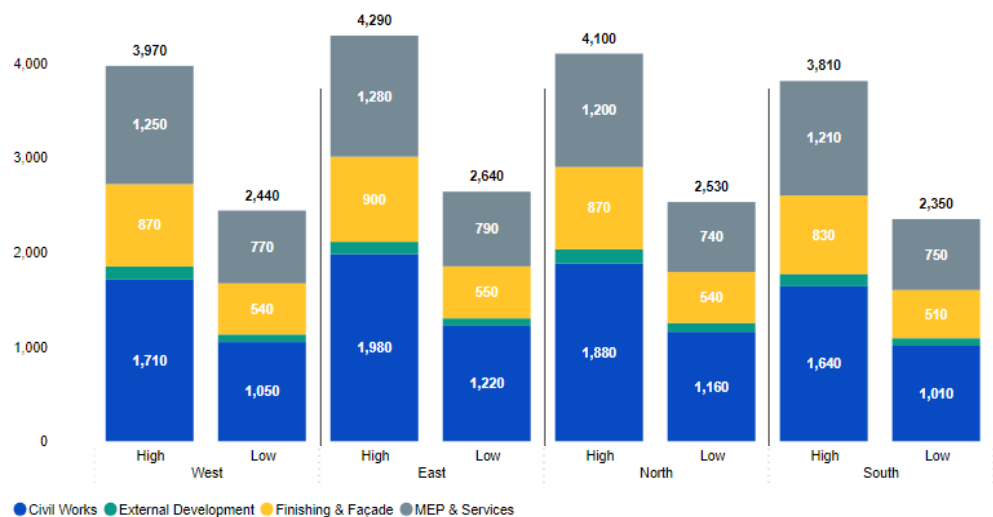
Commercial gold standard (₹/sq ft BUA)



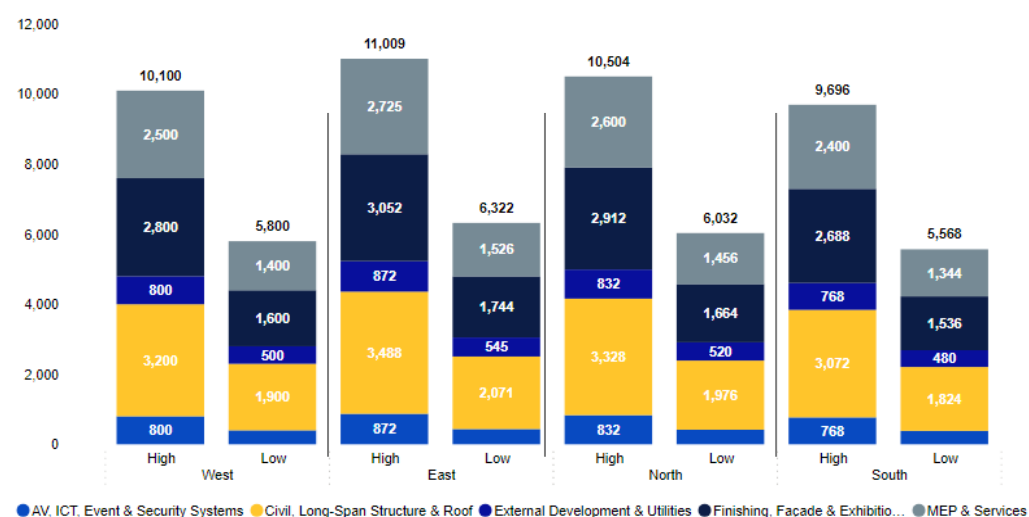
Commercial platinum standard (₹/sq ft BUA)



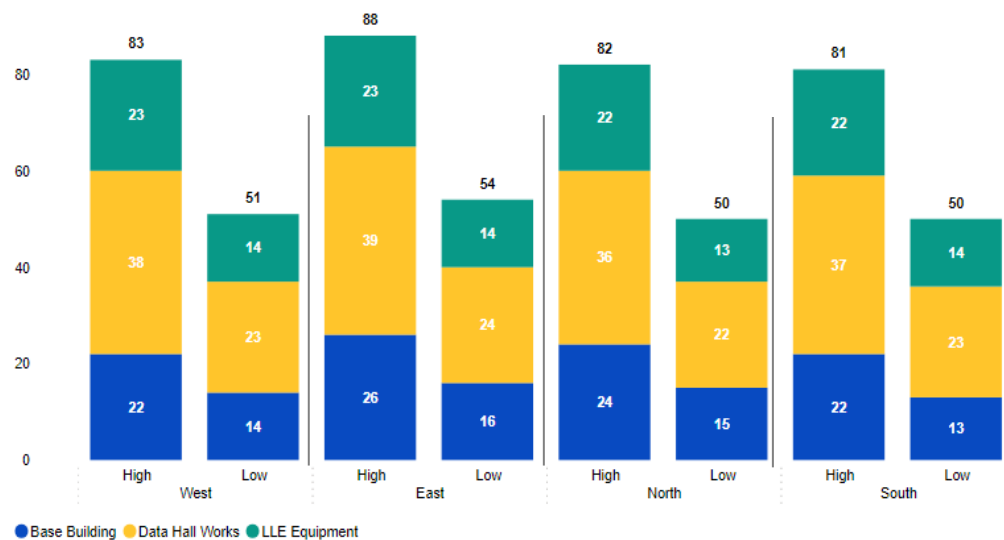
Commercial silver standard (₹/sq ft BUA)



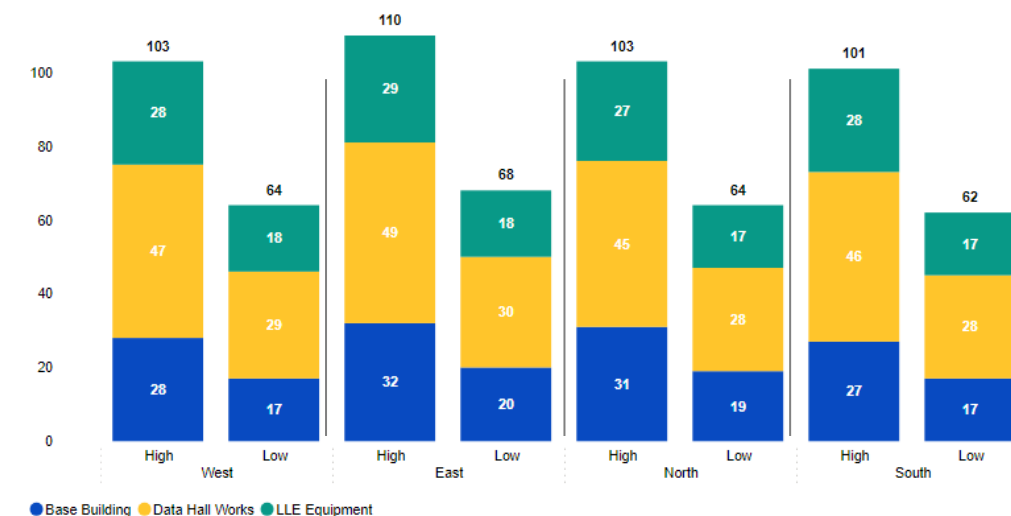
Exhibition centres (₹/sq ft BUA)



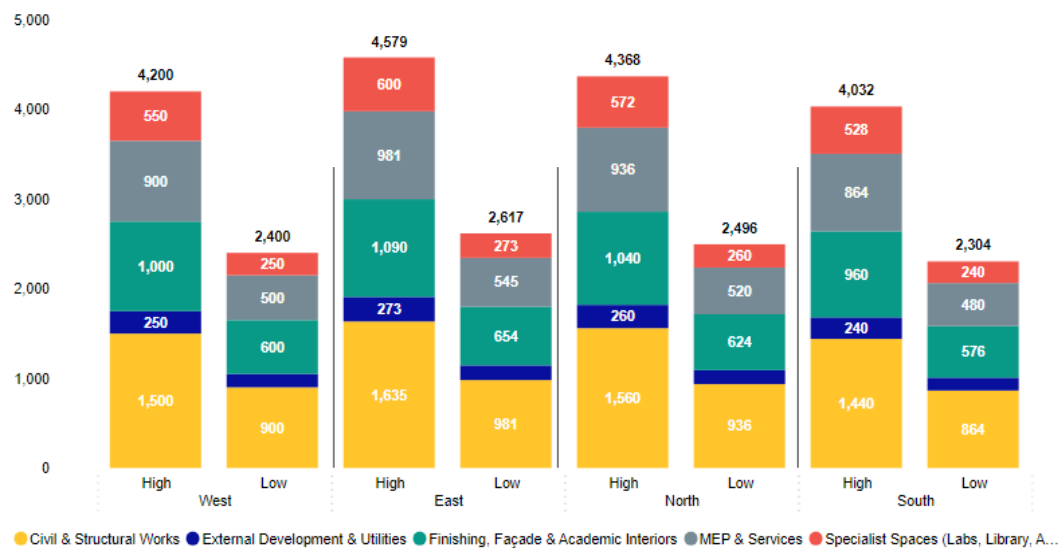
Data centre concurrently maintainable (₹ cr/MW IT)



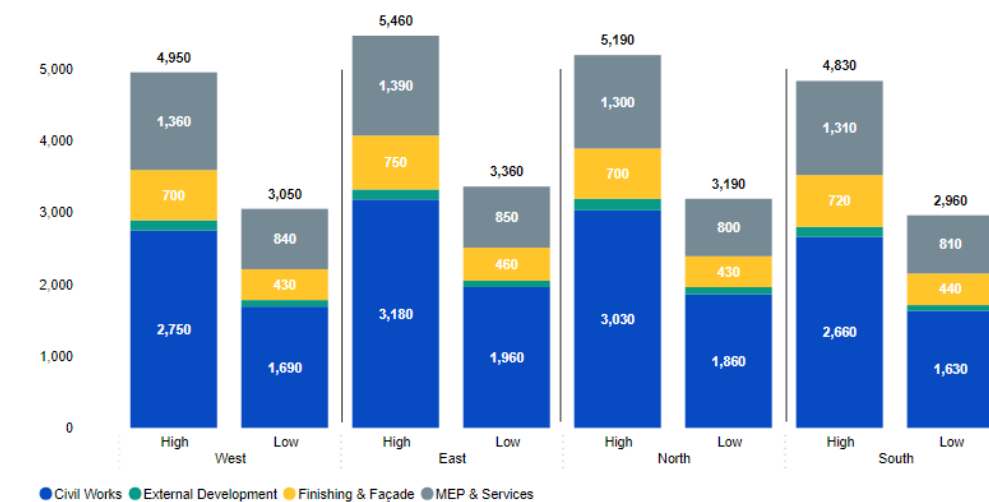
Data centre fault tolerant (₹ cr/MW IT)



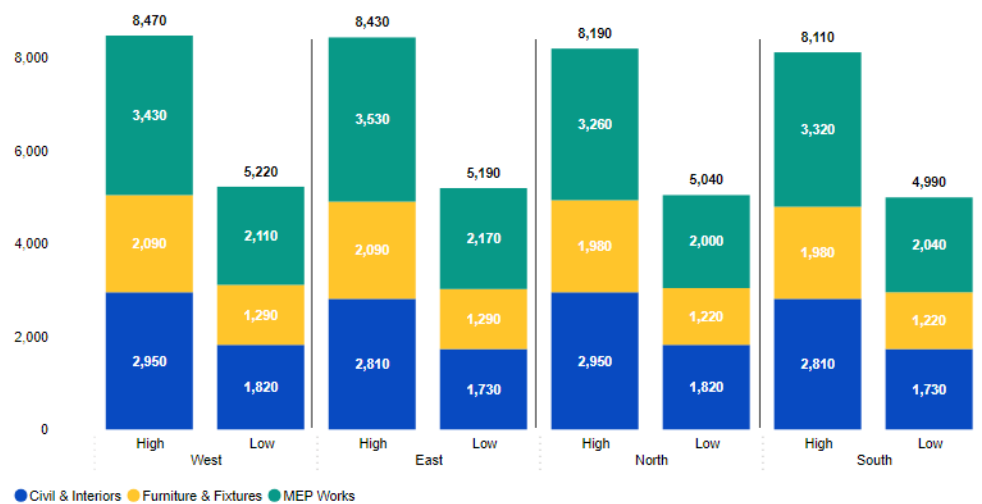
Education (₹/sq ft BUA)



Mall & retail (₹/sq ft BUA)



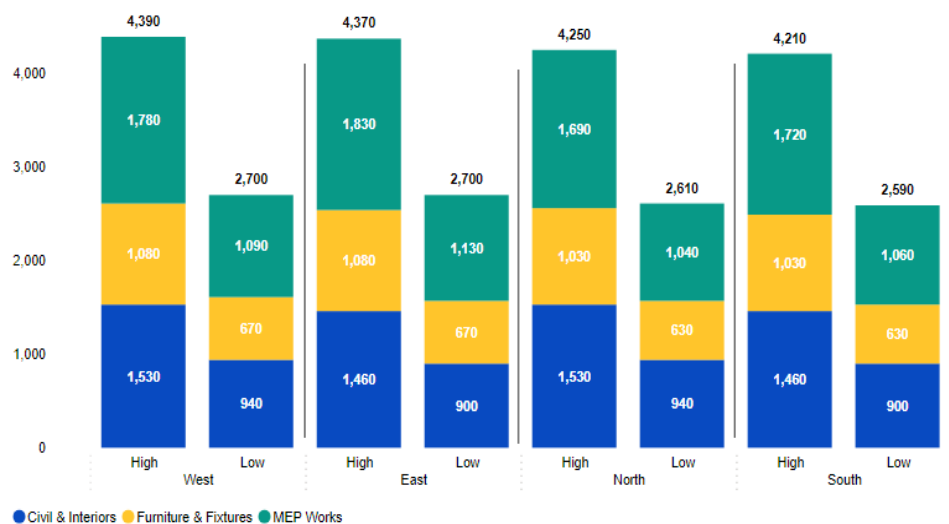
Fit out grade A corporate (₹/sq ft carpet area)



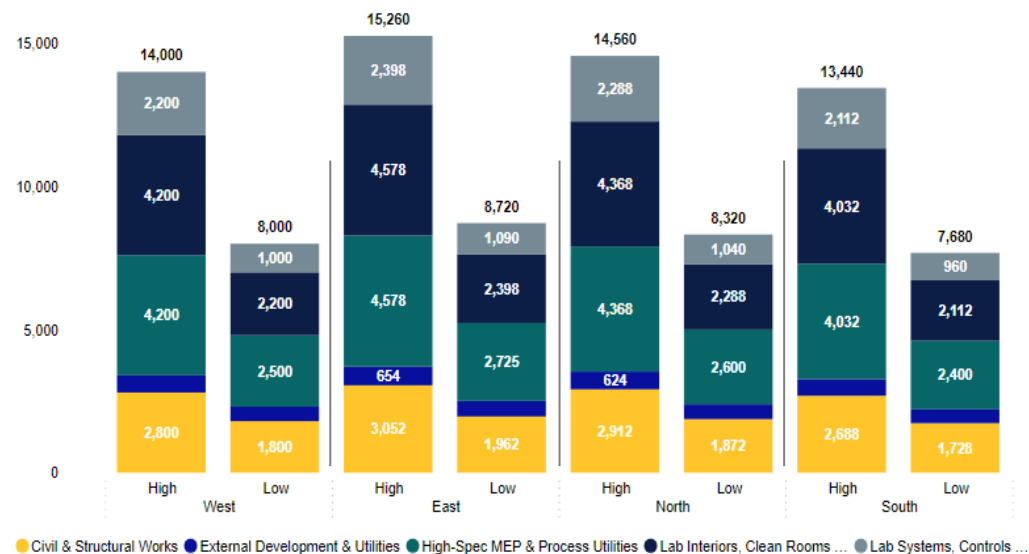
Fit out grade B office (₹/sq ft carpet area)



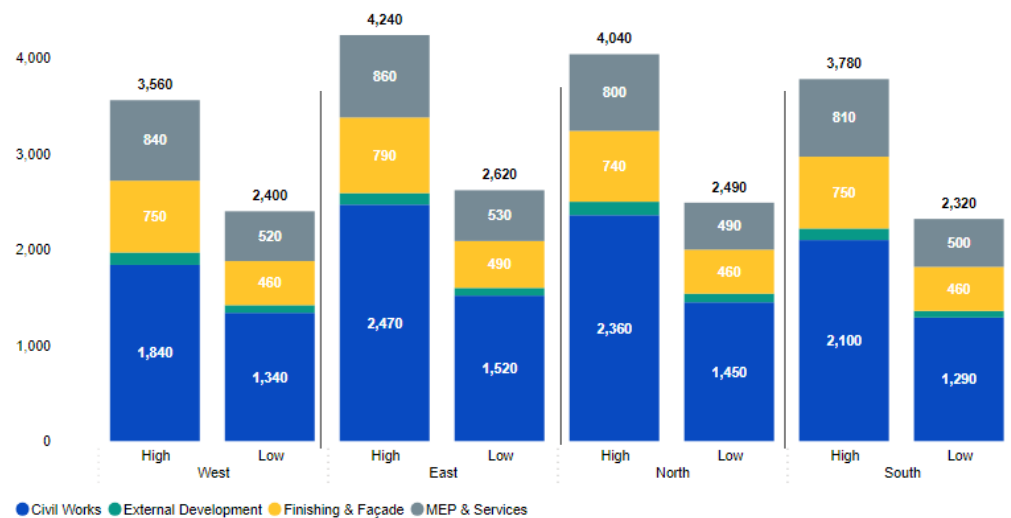
Fit out grade C economy (₹/sq ft carpet area)



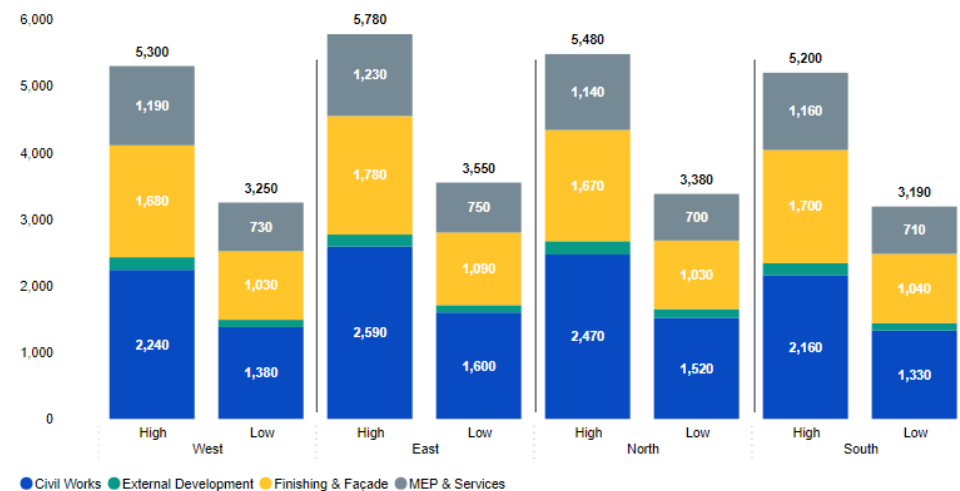
Life sciences (₹/sq ft BUA)



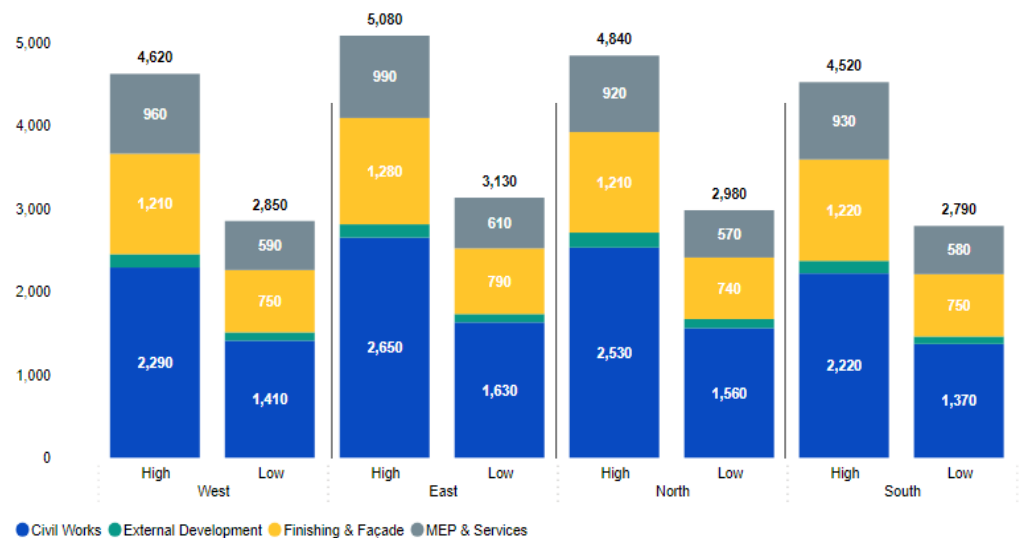
Residential affordable (₹/sq ft BUA)



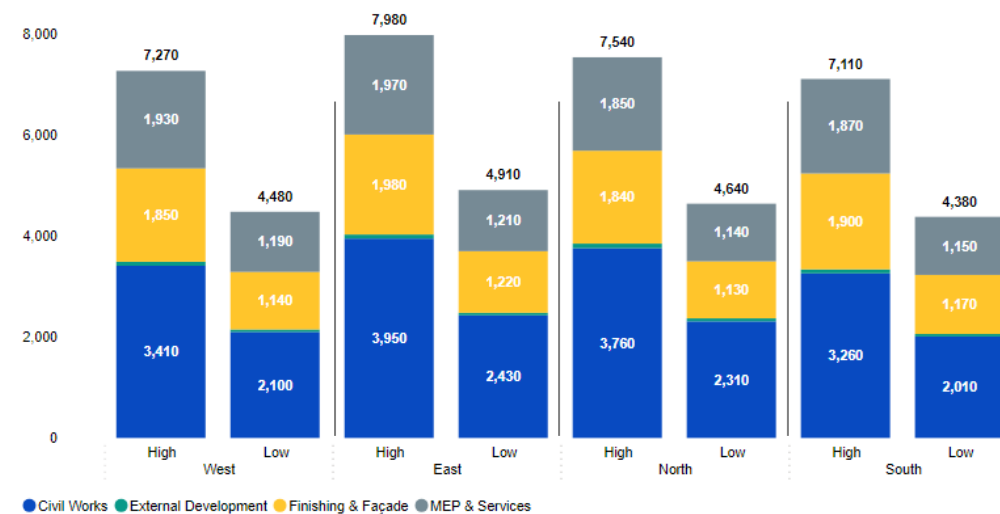
Residential luxury (₹/sq ft BUA)



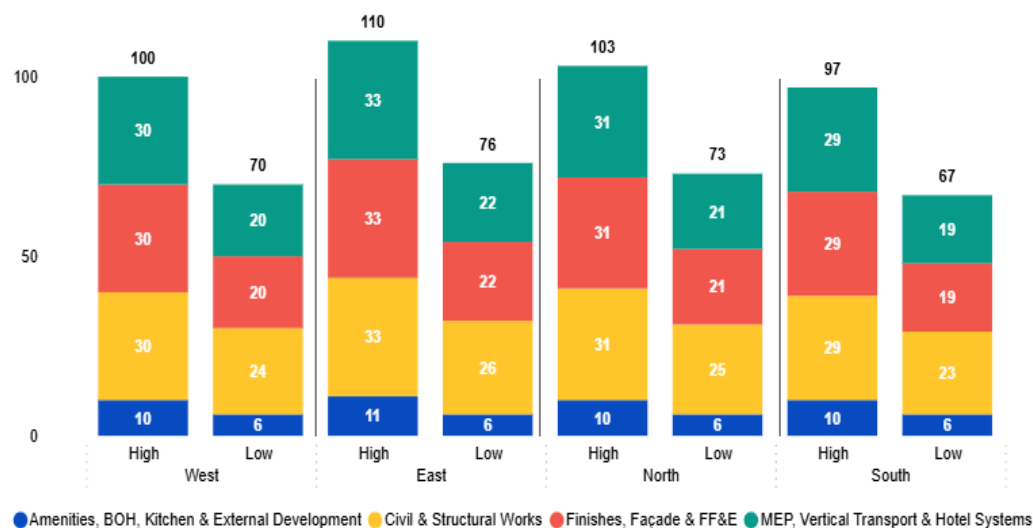
Residential mid premium (₹/sq ft BUA)



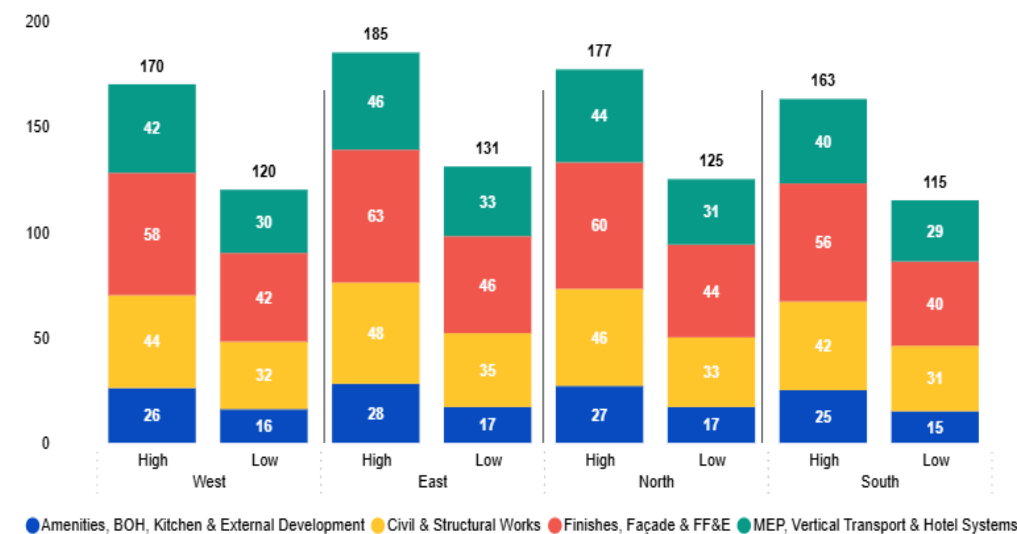
Residential ultra luxury (₹/sq ft BUA)



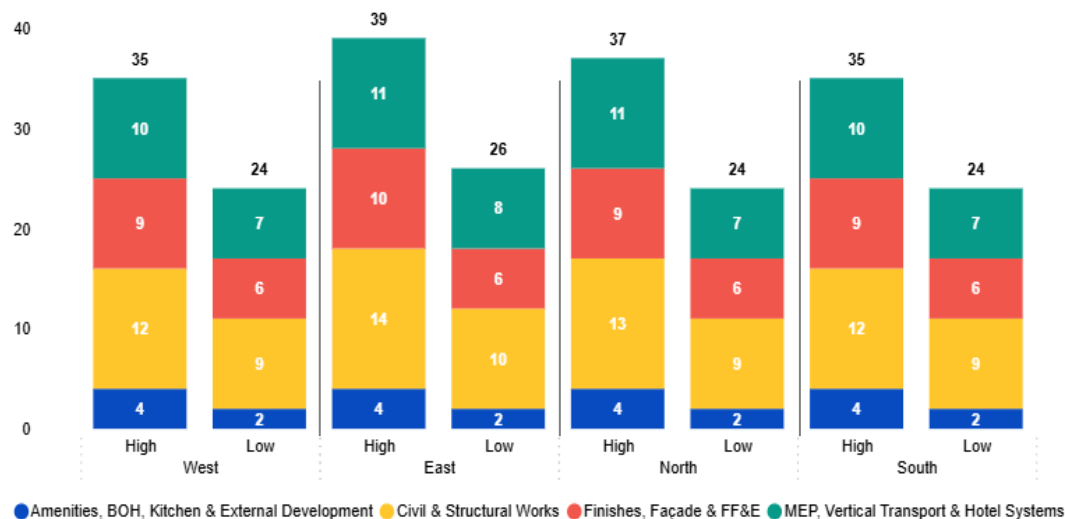
Hotel business (₹ lakh/key)



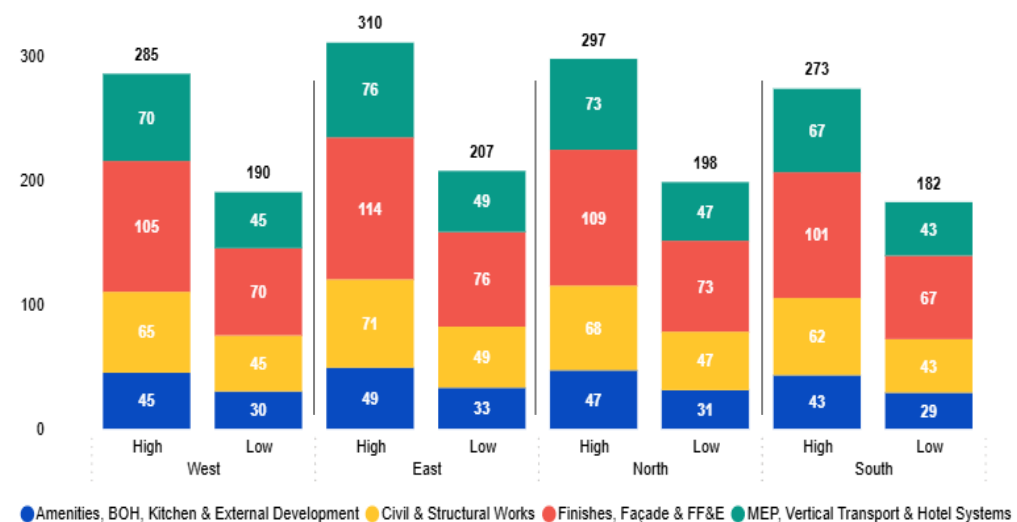
Hotel luxury (₹ lakh/key)



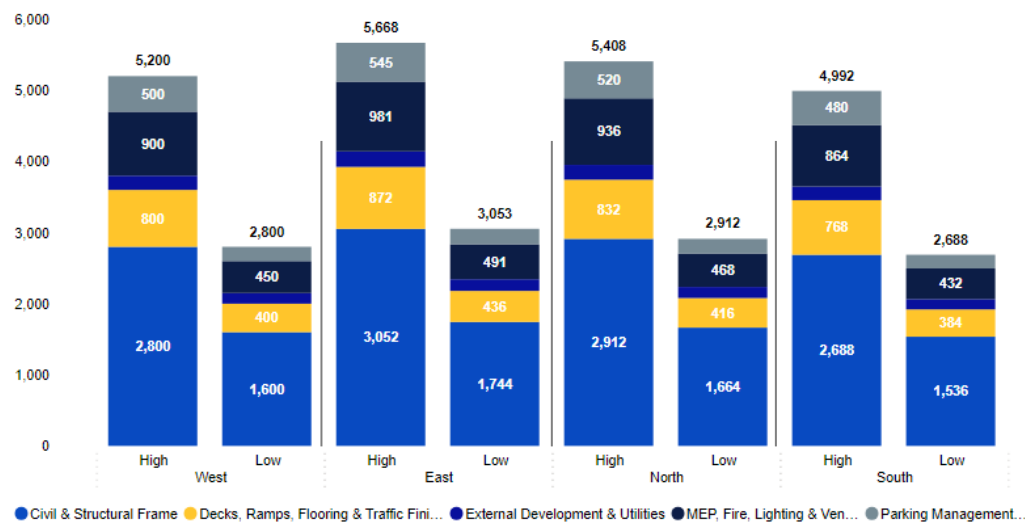
Hotel midscale (₹ lakh/key)



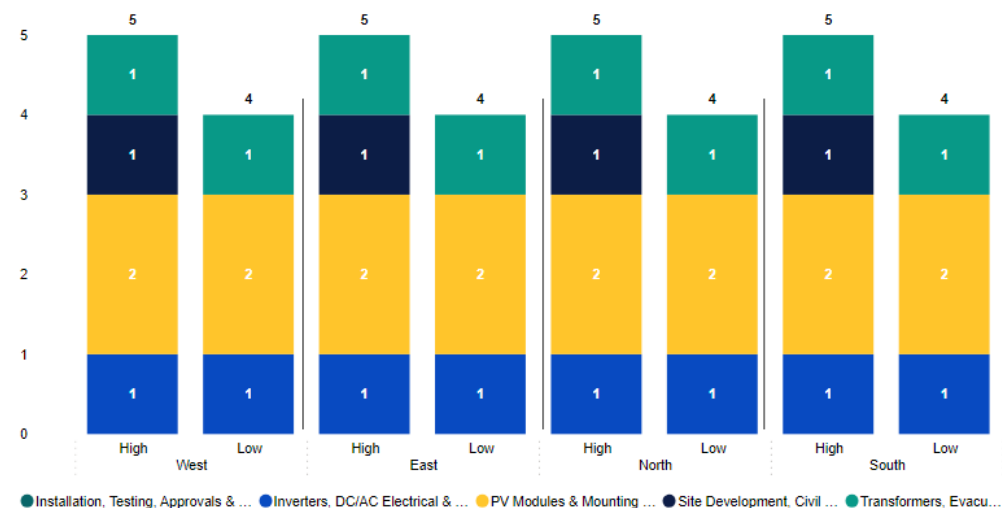
Hotel ultra luxury (₹ lakh/key)



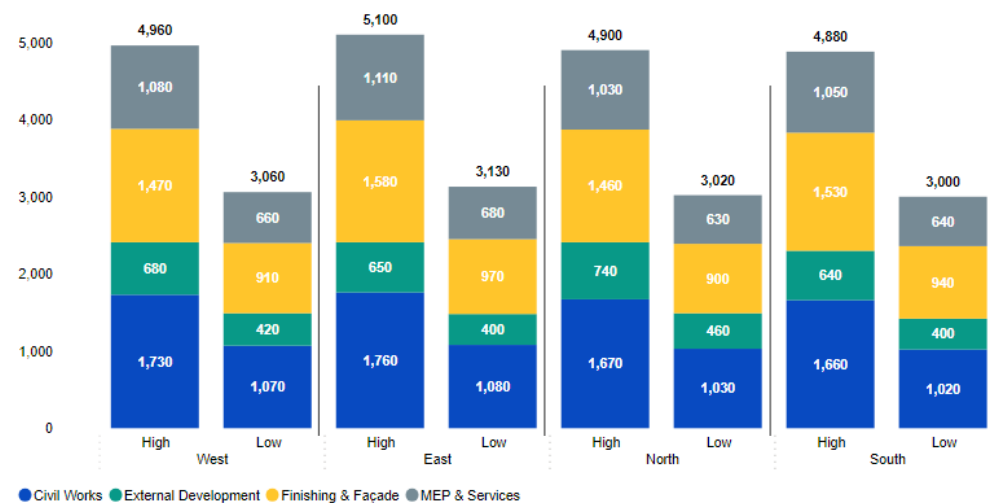
Parking (₹/sq ft BUA)



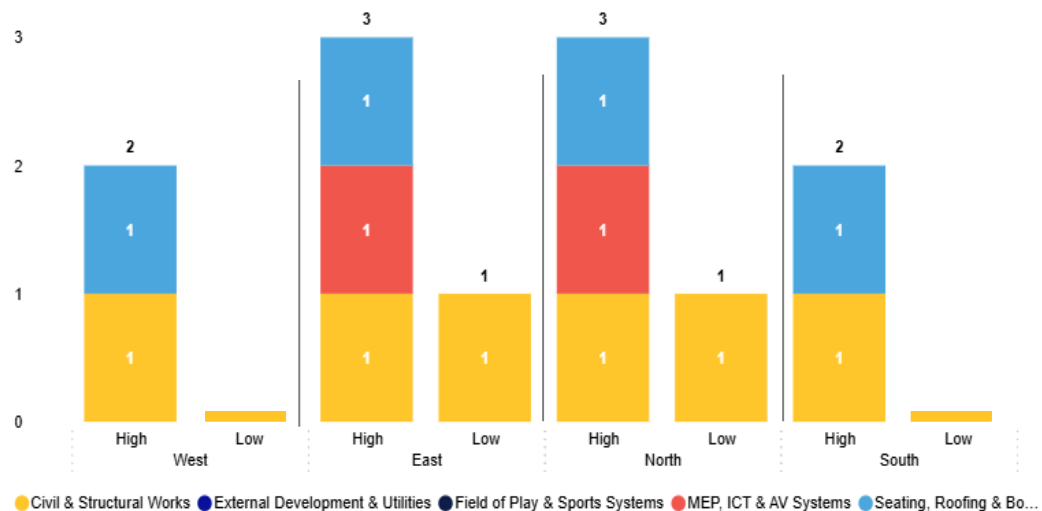
Renewable energy (₹ cr/MW AC)



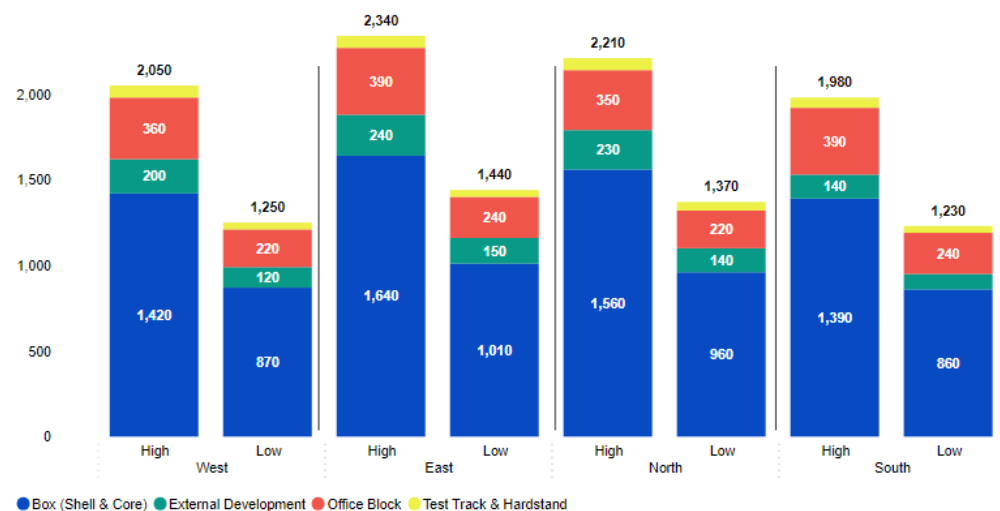
Villa (₹/sq ft BUA)



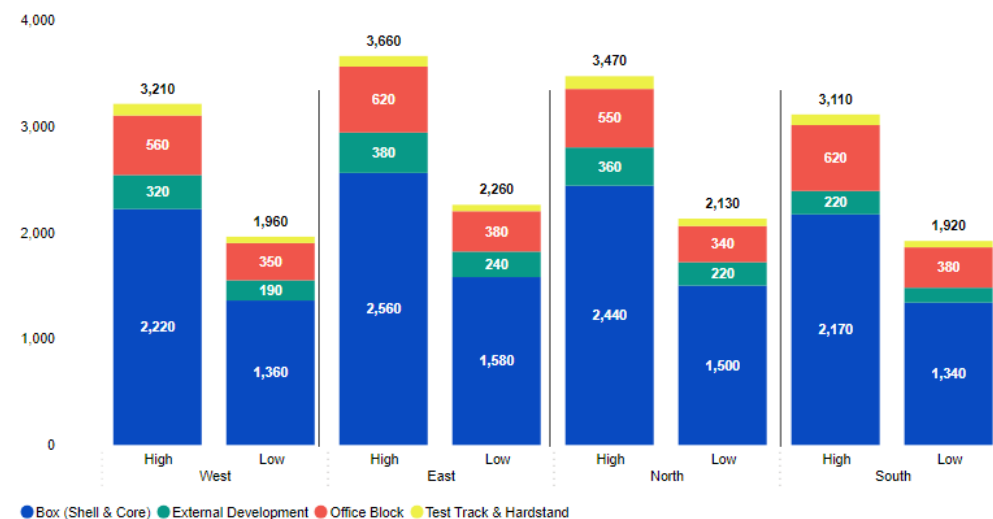
Stadium (₹ lakh/seat)



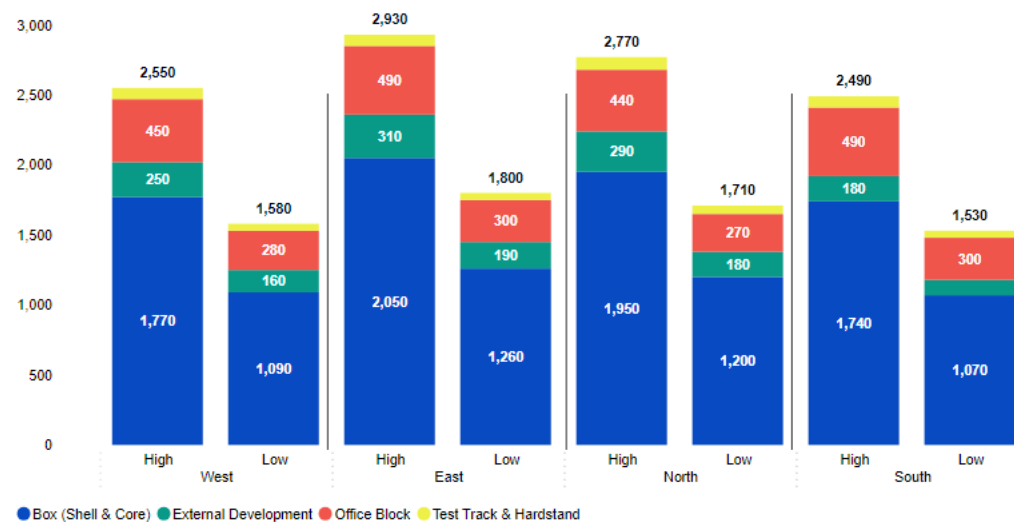
Warehouse basic (₹/sq ft BUA)



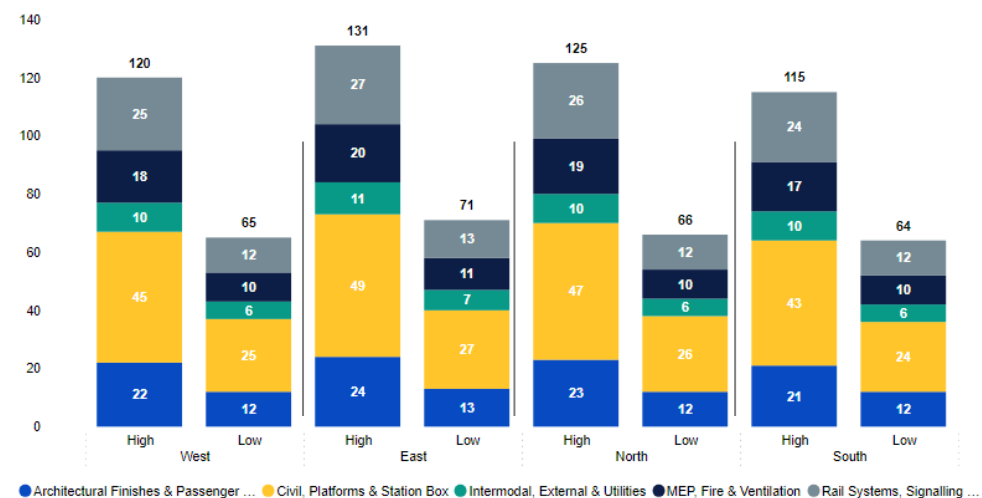
Warehouse modern (₹/sq ft BUA)



Warehouse standard industrial (₹/sq ft BUA)



Metro stations (₹ cr/station)



Benchmarks and sector snapshots

Source

- Benchmarks are drawn from WT's India database, comprising validated benchmark projects and applied material and labour rates across multiple sectors, regions, and contracting ecosystems.
- Values reflect direct construction costs only and are intended as a decision support baseline for early budgeting and comparative analysis.



Inclusions

- Average cost per sqft as of Q2-2026, normalised for benchmark assumptions.
- Multi package contracting under a standard contract with non significant amendments.
- Contractor overheads, profits, and insurances are included.
- Warm shell (Commercial/Retail): includes common-area finishes.
- A Grade commercial: includes typical amenity allowances (food court, kitchen, external amenities).
- Area basis: Office fitouts on CA; Residential on BUA.
- Intended use: Costs are guidance benchmarks; projects should fine tune for scope, timing, and market conditions.

Exclusions

- Land cost, statutory fees/ approvals, demolition, tenant improvement works, developer overheads, consultant fees, finance costs, contingencies, professional tax, GST, labour cess, and forex impacts.
- Aspirational / one-off specification uplifts not typical of the sector/city benchmark.
- Project specific abnormalities (e.g., exceptional ground conditions, brownfield remediation, extraordinary security, unusual logistics constraints).



Data quality & use:

- Benchmarks are intended for early-stage comparison, feasibility and peer-set analysis.
- Where significant deviations from the benchmark basis occur (e.g., design excellence ambitions, ESG certifications, special systems), project-specific pricing should supersede benchmark values.

The benchmark set is refreshed to reflect market movement across 2021 to 2030, supply-chain changes, and specification shifts. Users should confirm they are referencing the latest release and apply date-appropriate escalation where relevant.

Future outlook and playbook

Base case

Inputs remain largely range bound with controlled escalation, mirroring the 2–4% YoY guidance from recent India cost trends

Watchpoint 1 – policy and trade volatility

Global reports highlight how shifts in tariff regimes and supply chain realignments can trigger sudden repricing in imported materials. Import heavy scopes benefit from planned early ordering and procurement buffers.

Watchpoint 2 – ESG and fit-out evolution

Sustainability adoption continues to expand across APAC, quietly reshaping cost structures in lighting, HVAC, materials, and certification pathways. Building ESG requirements into the brief early avoids redesign premiums later in the cycle.

Playbook for 2026

Lock key design decisions early: Finalise façade ratios, MEP systems and equipment specifications at an early stage. This adds certainty during tendering and reduces the risk of costly redesign.

Plan procurement around material cycles: Time steel, glass and PVC purchases to favourable market windows, avoiding stockpiling of stable-priced materials. Keep pre-approved alternatives for key façade and MEP components.

Build in measured cost protection: For import-dependent packages, allow a 3–5% provision for foreign exchange and logistics movements without excessive contingencies. For labour-intensive works, use city-specific cost adjustments based on market benchmarks.



Conclusion

India's construction market in 2026 continues to operate amid a complex global environment shaped by geopolitical uncertainty. Movements in energy prices, freight networks, foreign exchange and globally traded commodities continue to influence construction costs, but their impact remains concentrated around specific material, sourcing and logistics dependencies rather than translating into broad based inflation.

At the same time, the Indian construction sector has demonstrated strong structural resilience. Domestic manufacturing capabilities, established supply networks and sustained infrastructure and development activity provide a degree of insulation from external volatility. Where projects remain exposed to global markets, cost movements have largely been selective and timing sensitive, driven by specific upstream factors rather than widespread cost escalation.

In this environment, project level decisions are playing an increasingly important role in determining cost and delivery outcomes. Scope definition, design maturity, procurement timing and dependence on external inputs can materially influence the final cost and schedule. Projects that establish clear design parameters early and adopt a structured procurement approach are better positioned to manage uncertainty and maintain greater predictability.

Global uncertainty is likely to remain a factor in construction planning. However, its impact can be actively managed in the Indian context through early identification of cost exposures, disciplined planning, effective commercial structuring and timely procurement. This makes proactive project management increasingly critical to achieving controlled cost and schedule outcomes.

"In the current cycle, the quality of planning and procurement strategy is a greater determinant of project outcomes than market volatility."

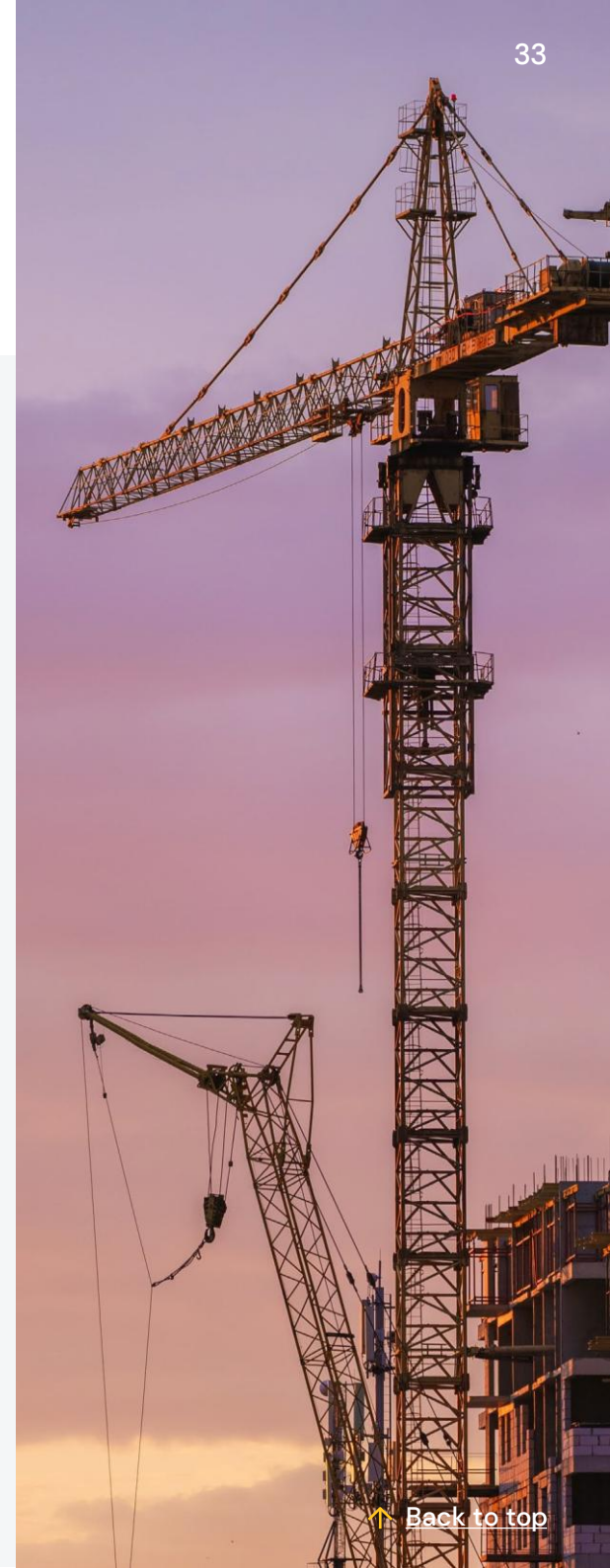
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- WT Internal Database

Disclaimer

This report provides market-based, indicative escalation guidance. Actual project outcomes will vary based on specification, procurement strategy, design complexity, risk profile, contractor market dynamics and timing.

Clients should seek project-specific WT estimates before committing budgets.





About us

At WT, we help clients turn ambition into enduring value. Through independent counsel, commercial insight and fresh thinking, we bring greater clarity to complex decisions and help shape better outcomes across the built environment

We are a leading international project advisory firm with more than 75 years of multi-sector experience. Our clients can draw on the collective thinking of over 2,000 of the industry's best people, operating from 70+ offices across Australia, New Zealand, Asia, India, the Middle East, North America, Africa, the UK, and Europe.

In India, our 500-plus specialists work across the property, construction and infrastructure sectors, providing expertise across portfolio and programme advisory, cost management and quantity surveying, commercial advisory, carbon and sustainability, asset and facilities management, and digital solutions. Our multidisciplinary approach enables clients to navigate complexity, make informed decisions and deliver with greater confidence.

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