



# Real Estate & Construction

Working Capital Management & Financing Guide

# Market Overview & Insights 2026

₹25.31T

MARKET SIZE

11.2%

GROWTH RATE

29.9M

OFFICE LEASING

+154%

NEW LAUNCHES

74%

BUYERS < 35



## The "GCC" Factor

Global Capability Centres driving 48% of total office leasing demand.



## Residential Premiumization

Luxury segment saw 30-40% price appreciation in 3 years.



## Infrastructure-Led Growth

₹12 Lakh Cr spending opening Tier-2 & Tier-3 cities.



## Sustainability

ESG compliance now mandatory for institutional capital & REITs.

# Real Estate Operational Lifecycle

01

## Pre-Development

12-24 Months  
Land acquisition, Architectural  
design & RERA.

02

## Construction

24-48 Months  
Civil work, MEP systems &  
Internal finishing.

03

## Sales & Marketing

Ongoing  
Lead generation & Milestone-  
based collections.

04

## Handover

6-12 Months  
Occupation Certificate (OC) &  
Society formation.

# Key Resources & Strategic Inputs



## Human Capital

Civil engineers, project managers, architects & skilled labor pool.



## Raw Materials

Cement, TMT steel, RMC, and high-end finishing materials.



## Financial Capital

Mobilization funds & structured construction finance.

## Regulatory Assets

RERA compliance, environmental clearances, and safety (HSE) certifications are mandatory project enablers.

# Service Deliverables & Revenue Streams

## Residential Sales

Apartments, villas, and plotted developments (Primary volume driver).

## Commercial Leasing

Grade A office spaces, retail malls, and managed workspaces.

## Industrial & Warehousing

Fulfillment centers for e-commerce and Q-commerce logistics.

## REITs & Yield Assets

Dividend-generating portfolios of income-generating properties.

# Working Capital Cycle Analysis

## The Liquidity Gap

### 3 to 5-Year Cycle

High upfront land and approval costs create a massive initial funding gap before customer milestone collections activate.



### Inventory (WIP)

730 – 1,460 Days

Capital is locked in ongoing construction.



### Accounts Receivable

30 – 90 Days

Subject to project progress & certification.

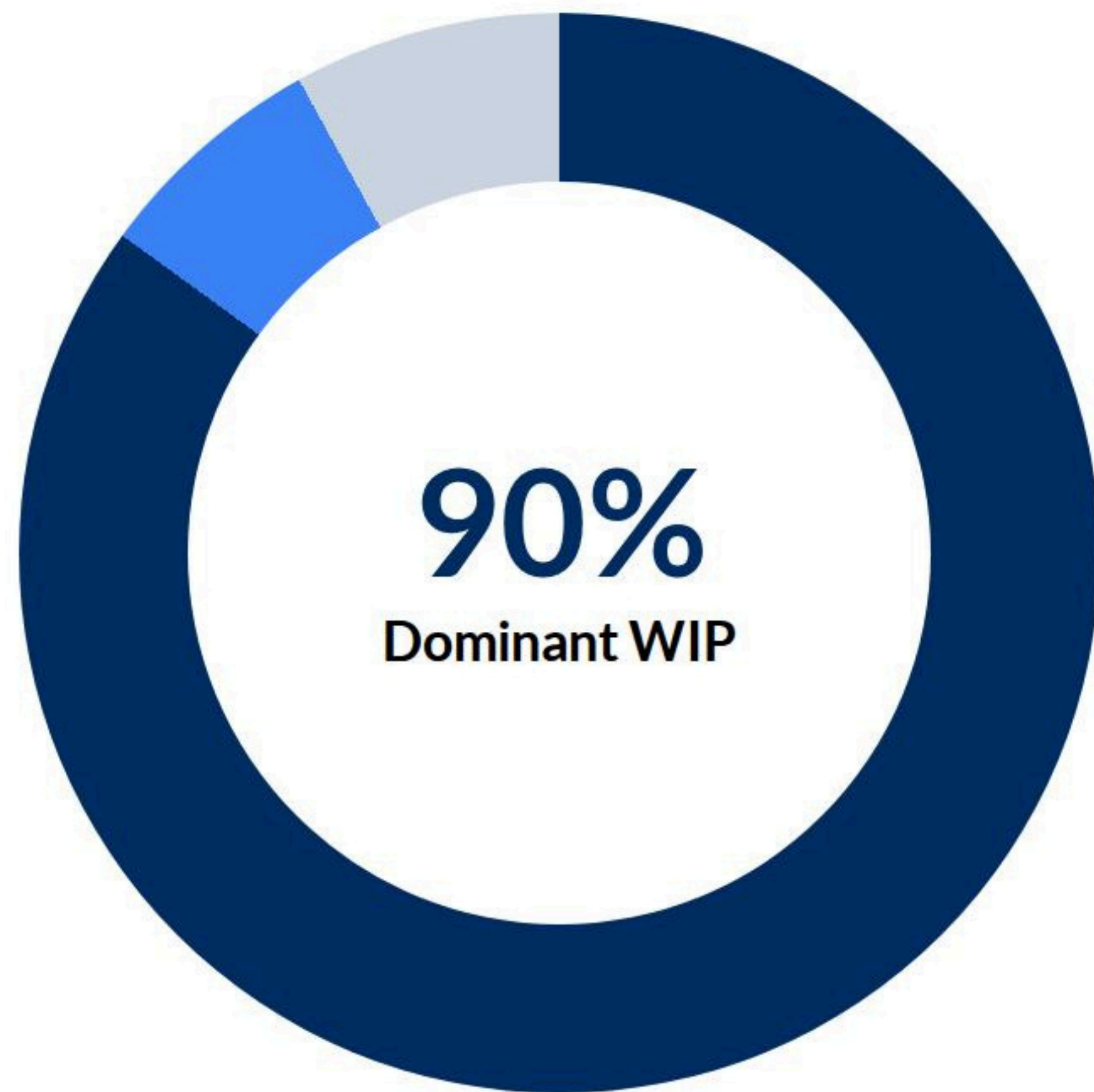


### Accounts Payable

45 – 90 Days

Credit terms from material suppliers.

# Composition of Current Assets



- **Work-in-Progress (WIP)**  
Value of construction completed but not yet handed over.
- **Unsold Inventory**  
Finished units ready for immediate sale.
- **Trade Receivables**  
Dues from customers based on completed milestones.

# Common Mistakes to Avoid

## ⊘ Diverting Project Funds

Using customer advances from Project A to buy land for Project B (Illegal under RERA).

## ⚠ Over-leveraging Land

Buying land on high-interest debt without clear visibility of launch or approvals.

## Underestimating Inflation

Not accounting for sudden spikes in steel/cement prices in fixed-price contracts.

## 🔪 Aggressive Pricing

Pricing units out of the market, leading to slow absorption and high holding costs.

# Standard Operating Metrics 2026

Performance Metric	Industry Benchmark (2026)
Average Price (Metros)	₹14,633 per Sq. Ft. (+14% YoY)
EBITDA Margin	25% – 35%
Inventory Overhang	12 – 18 Months (Standard Healthy Zone)
Debt to Equity Ratio	Below 1:1 (Institutional Preferred Level)
Absorption Rate	60% – 75% of New Launches

# Payment & Collection Realization



**Mandate Insight: RERA requires 70% of collections to be held in Escrow for construction-only use.**

# Industry Threats & Challenges

## High Input Costs

Volatility in steel and aluminum prices (tariffs reaching 40-year highs of 25-30%).

## Labor Shortage

Persistent shortage of skilled labor impacting project delivery timelines.

## Regulatory Delays

Complex processes for "Change of Land Use" (CLU) and municipal permits.

## Interest Rate Risk

Sensitivity of homebuyer demand to RBI repo rate hikes affecting affordability.

# How Terkar Capital Can Help

## Construction Finance

Structured debt for completion (₹20 Cr to ₹500 Cr+).

## Inventory Funding

Immediate liquidity against unsold finished units.

## Lease Discounting

Raising capital against future rent from commercial assets.

## Unsecured Funding

Short-term WC up to ₹5 Cr for land-related dues.

## Mezzanine Debt

Flexible capital for bridge funding or land acquisition.

## Custom Solutions

Fast-track processing & flexible repayment structures.



# Partner with Terkar Capital

Building the Foundations of Growth with Structured Capital Solutions.



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