

RETAIL AND CONSUMER GOODS

Gated Community \$ 500B Consumption Story In 2026

 Rohan Agarwal · November 15, 2021

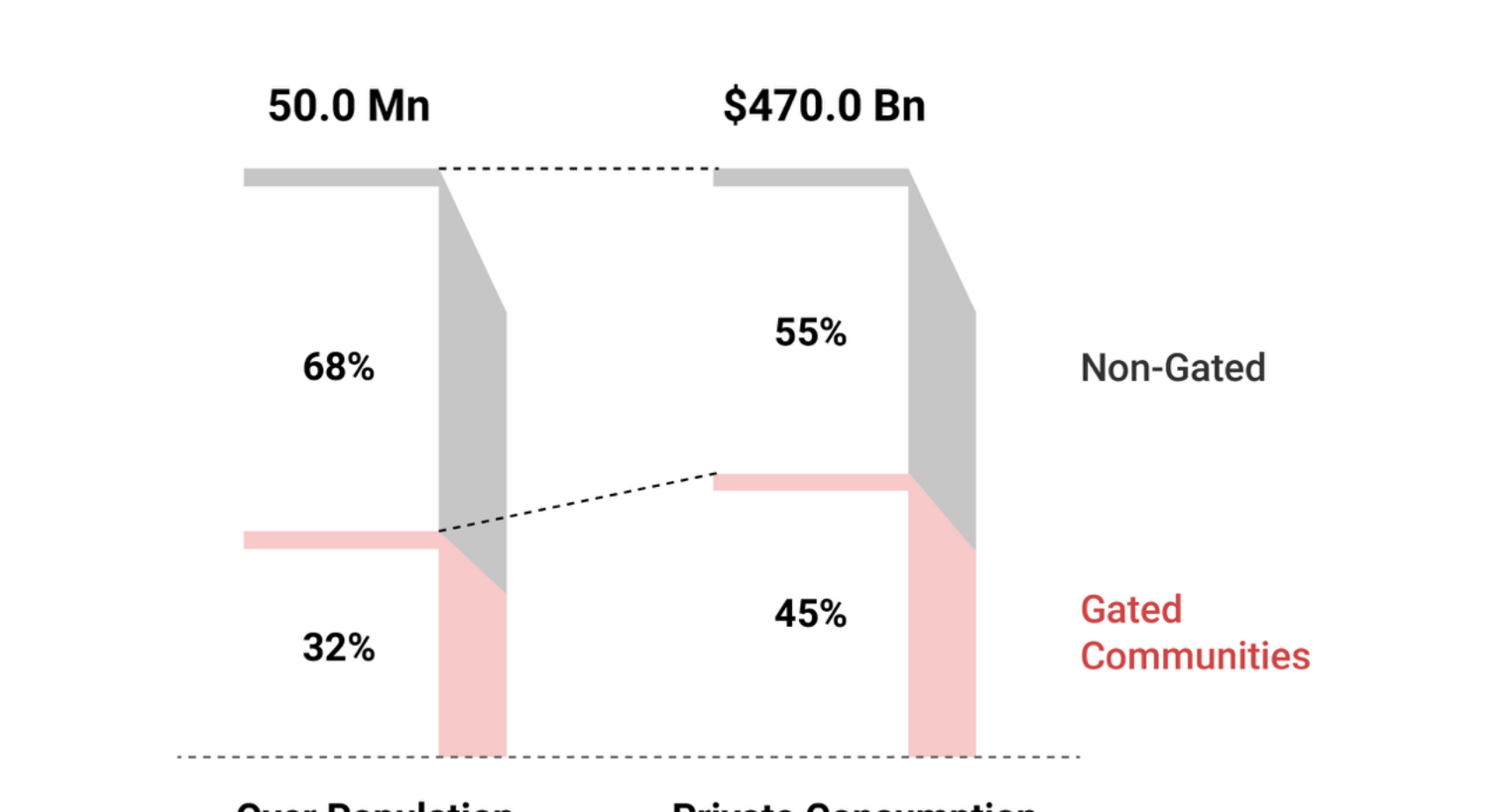


The gated community of today is more than the sum of its parts (walled living, controlled entrance and exit, pool, fitness centre, supermarket, clubhouse, amphitheatre, etc.); it's an ecosystem unto itself. So quick is its proliferation across Indian cities and so distinctive its residents' lifestyles that the gated society is now an indispensable player in India's consumption story.

How indispensable? Here's what we found:

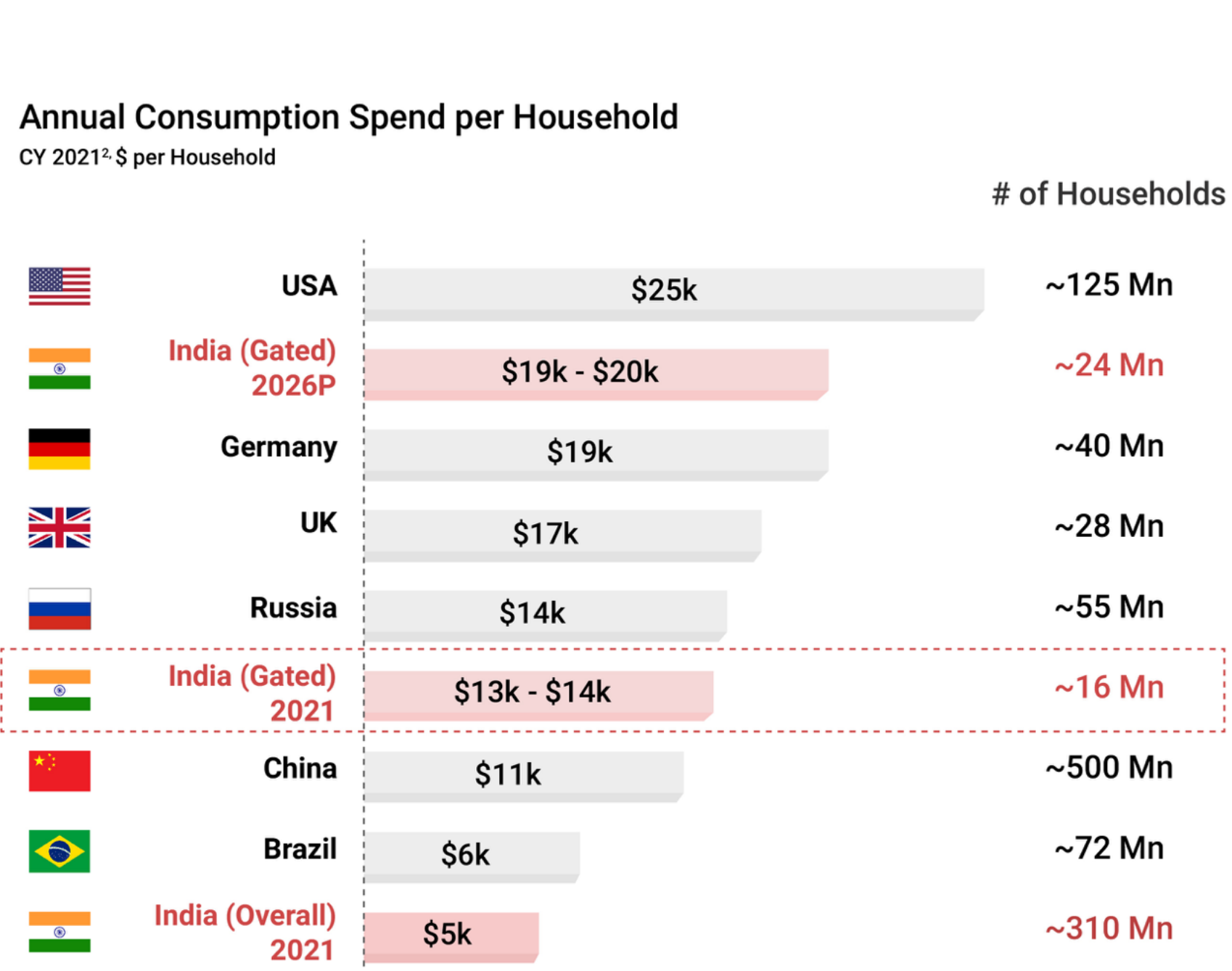
1. With 45% of spend and 32% of population in top-50 cities of India, Gated communities are a significant part of India's consumption story

Although gated community households are mushrooming—as we will see in the next takeaway—they number in the minority, even in the country's major cities. The cost of purchasing and maintaining such a household, however, is higher than elsewhere. Which is why residents have higher discretionary spending relative to non-gated households.



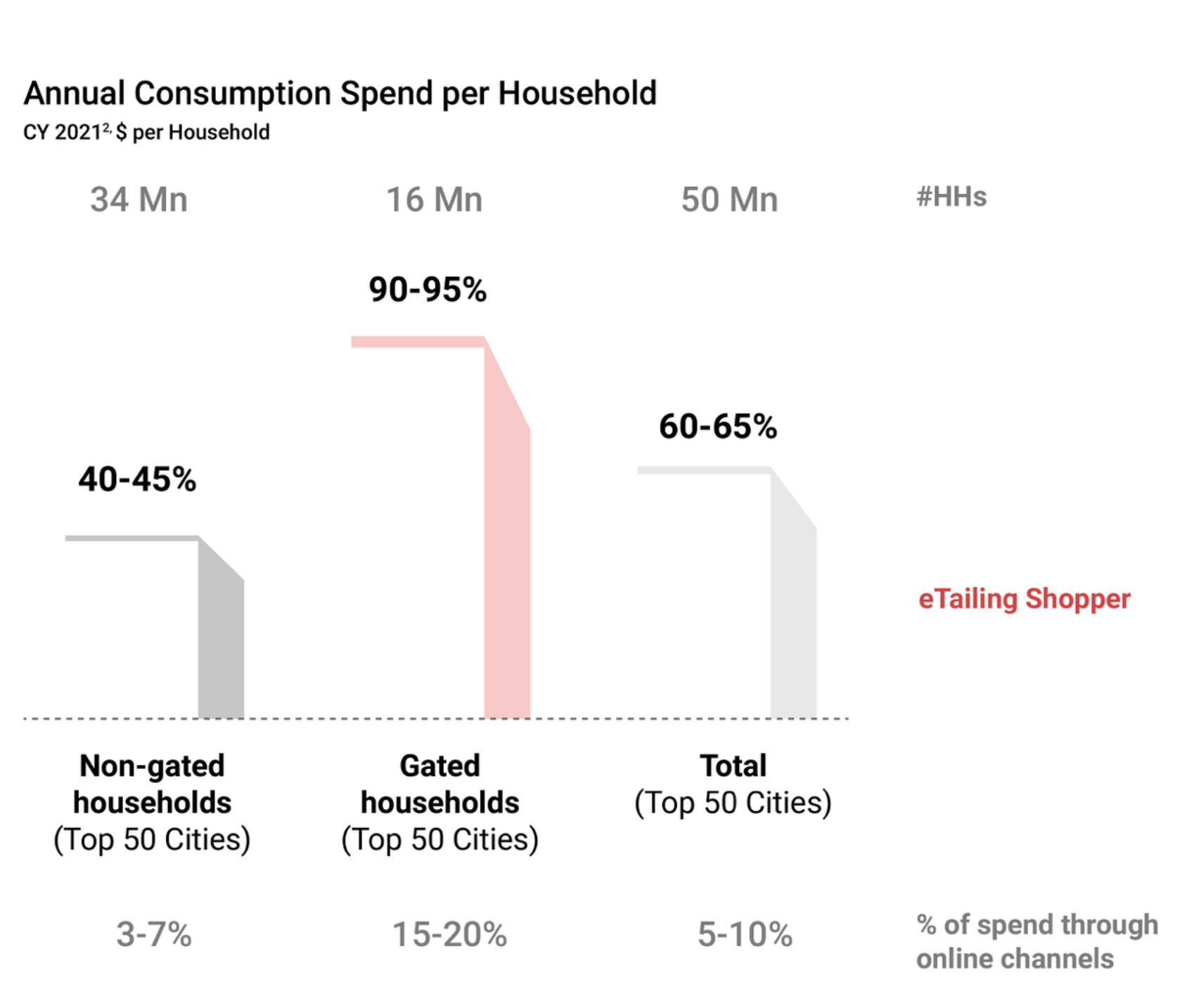
2. It is expected that in the next 5 years, the gated communities in India will host 24 million households, and per household income will reach \$19-20k, second only to U.S.

The spending power of each household will mirror that of identical households in the UK and Germany. Residents of gated townships in India will be second only to their American counterparts when it comes to discretionary spending.



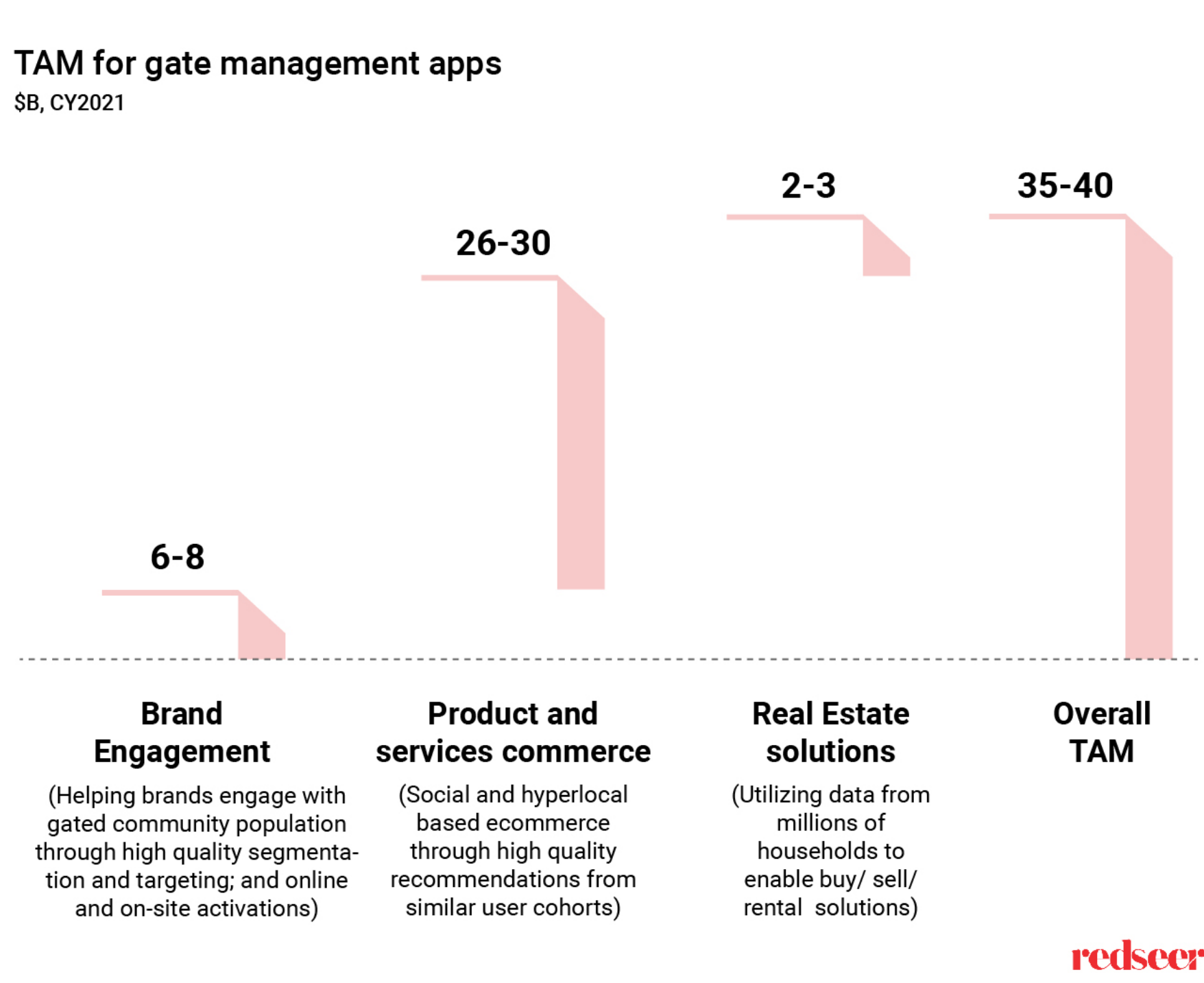
3. With 15-20% of their spend through digital channels – the gated communities are at the forefront of digital adoption

Higher disposable incomes, standards of living, and access to well-maintained amenities equal a propensity for online retail. We found that 90-95% of the 16 million gated community households in India's major cities shop online. In contrast, 40-45% of non-gated households shop online.



4. With the strong tailwind, gated community platforms with high frequency use case can potentially leverage a TAM of USD ~35-40 Billion GMV

When integrated townships spring up in an area, so does commerce. Through Brand engagement, social & hyperlocal commerce and real estate solutions, gated community platforms have potential to leverage a TAM of USD ~35-40 Billion GMV.



Growth in households from 16Mn to 24Mn, combined with the growth in spend per household from 13-14k to 19-20, will bring the overall spend to ~\$460-480B (2.3-2.5X of the current spend). Indicating that by 2026, the total consumption in Indian gated communities will increase by 2.5x reaching \$500 billion.

Spurred by the COVID-19 pandemic, gate management platforms went out of their way to accommodate community needs. The mushrooming of gated communities and their spending power will spur more innovations—and competition—in this sector, making this an exciting space to watch.

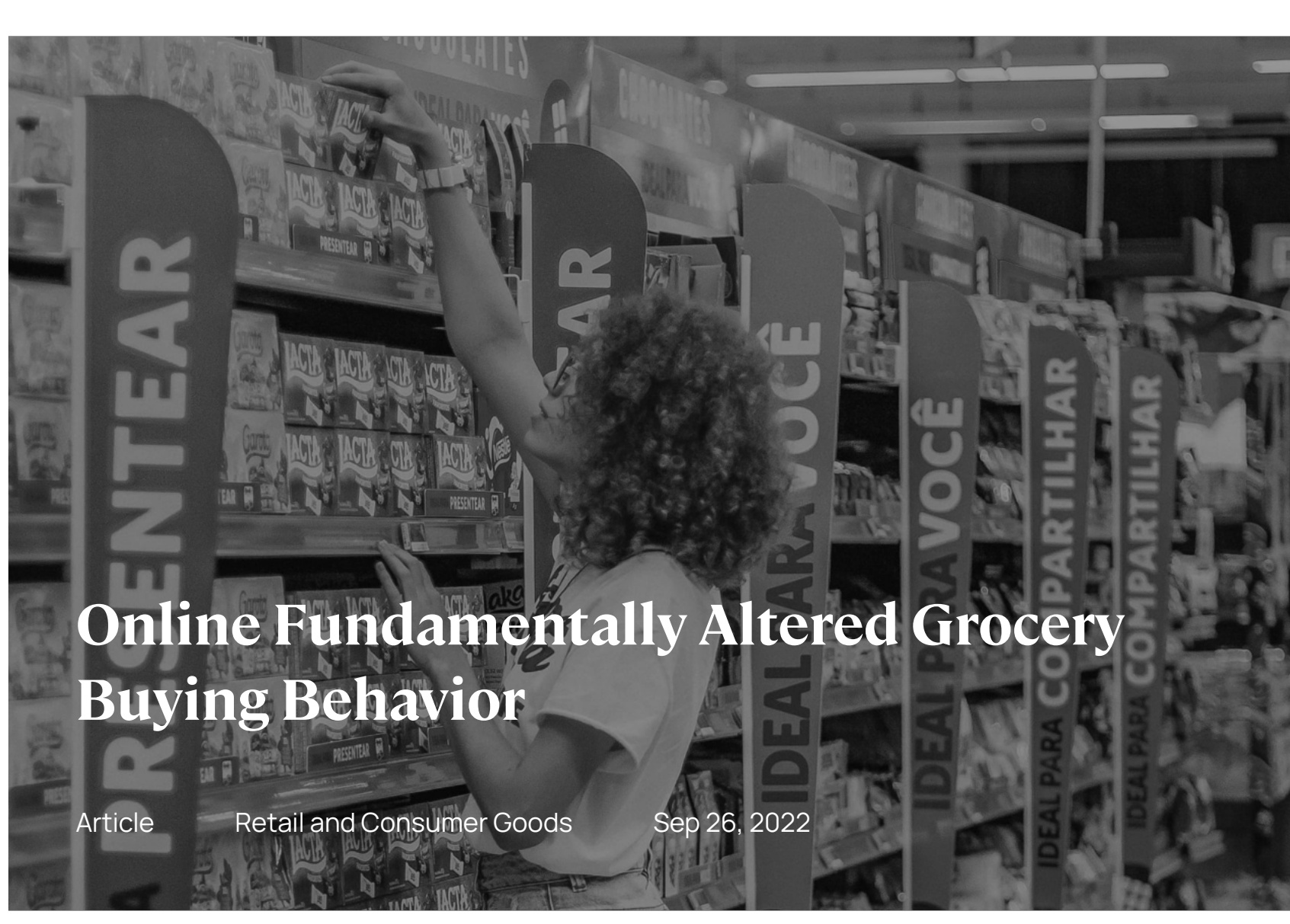
Read the full report [here](#).

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Rohan Agarwal has been a part of the Redseer Strategy Consultants' journey for over six years. He is an expert in digital strategy for traditional corporates and start-ups.

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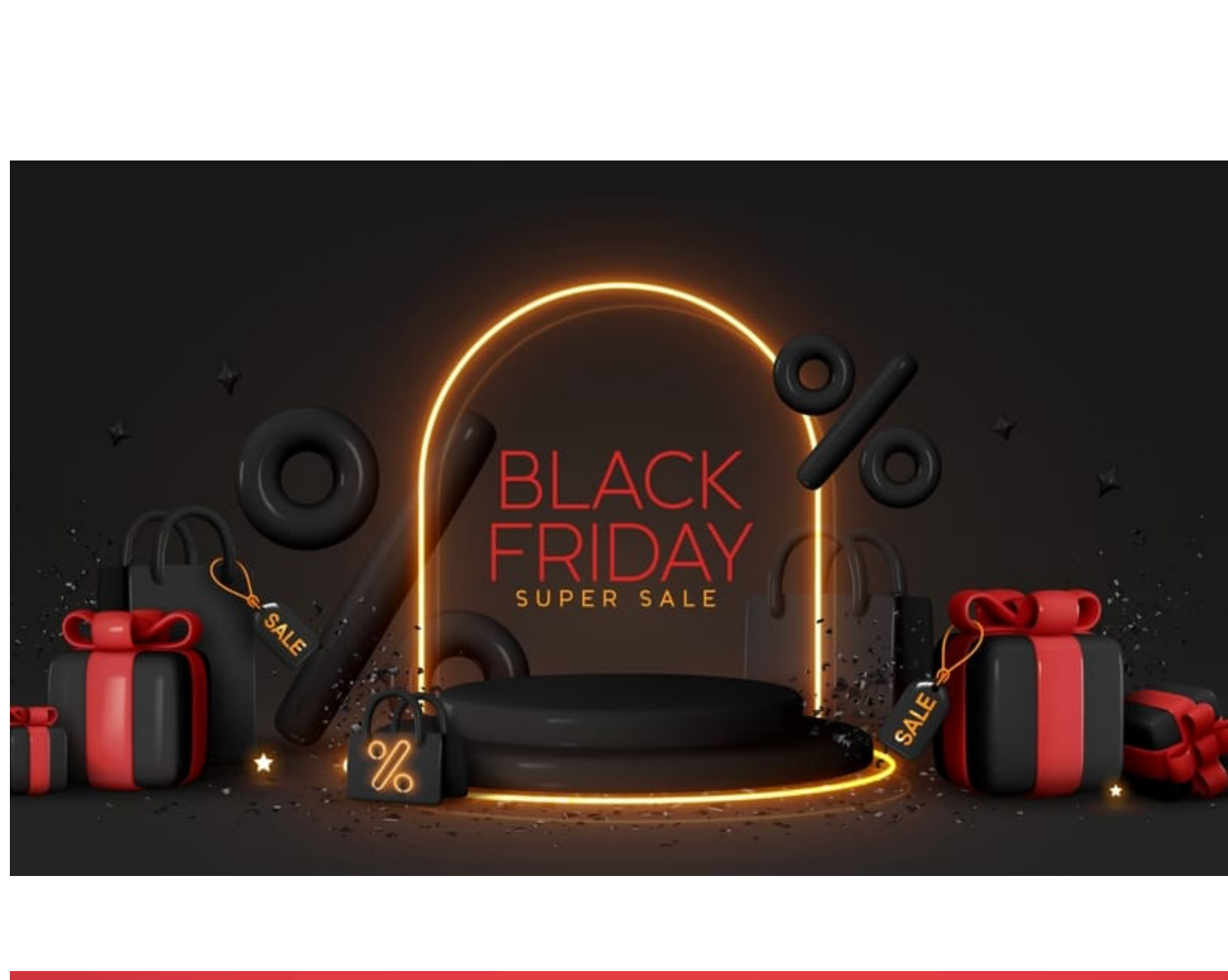
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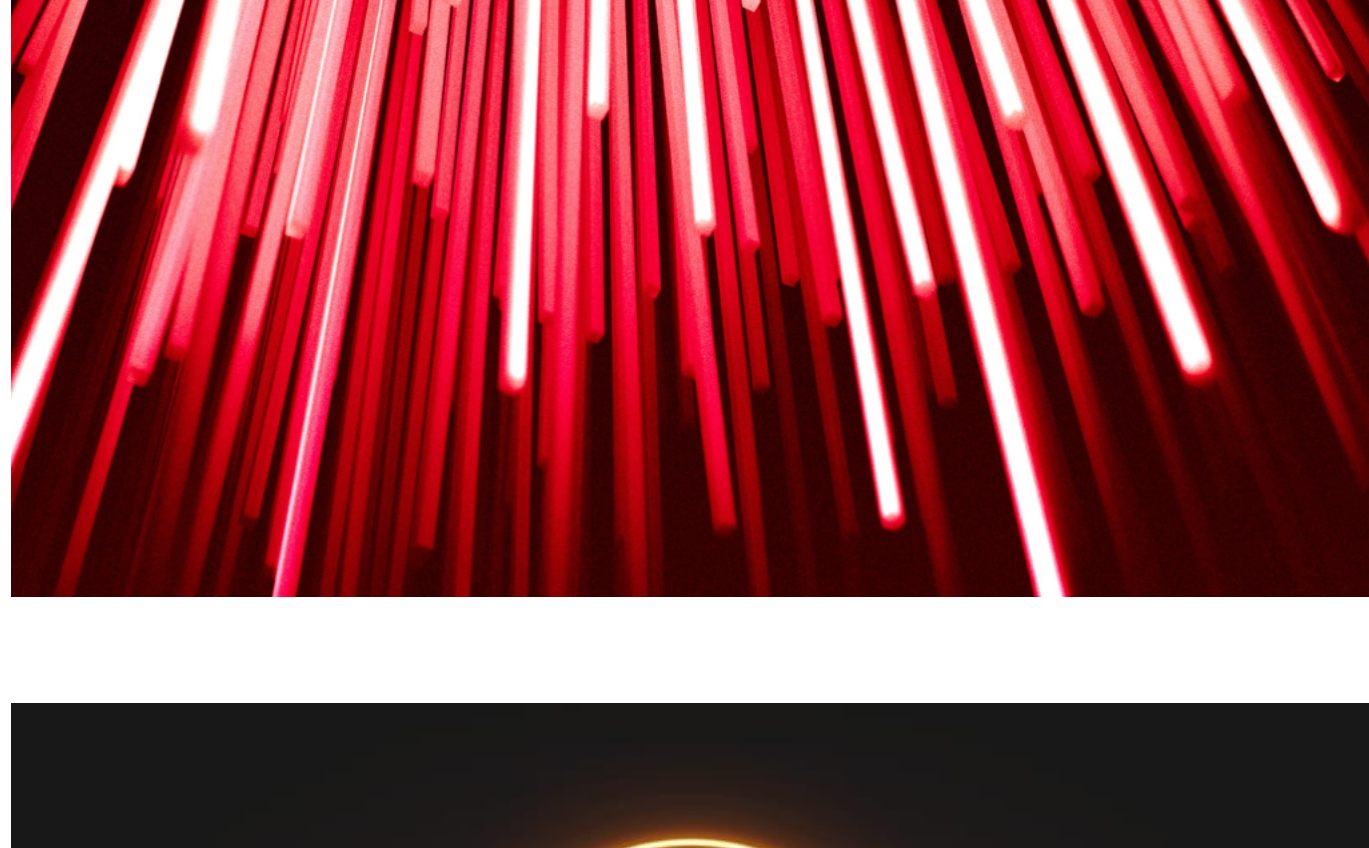
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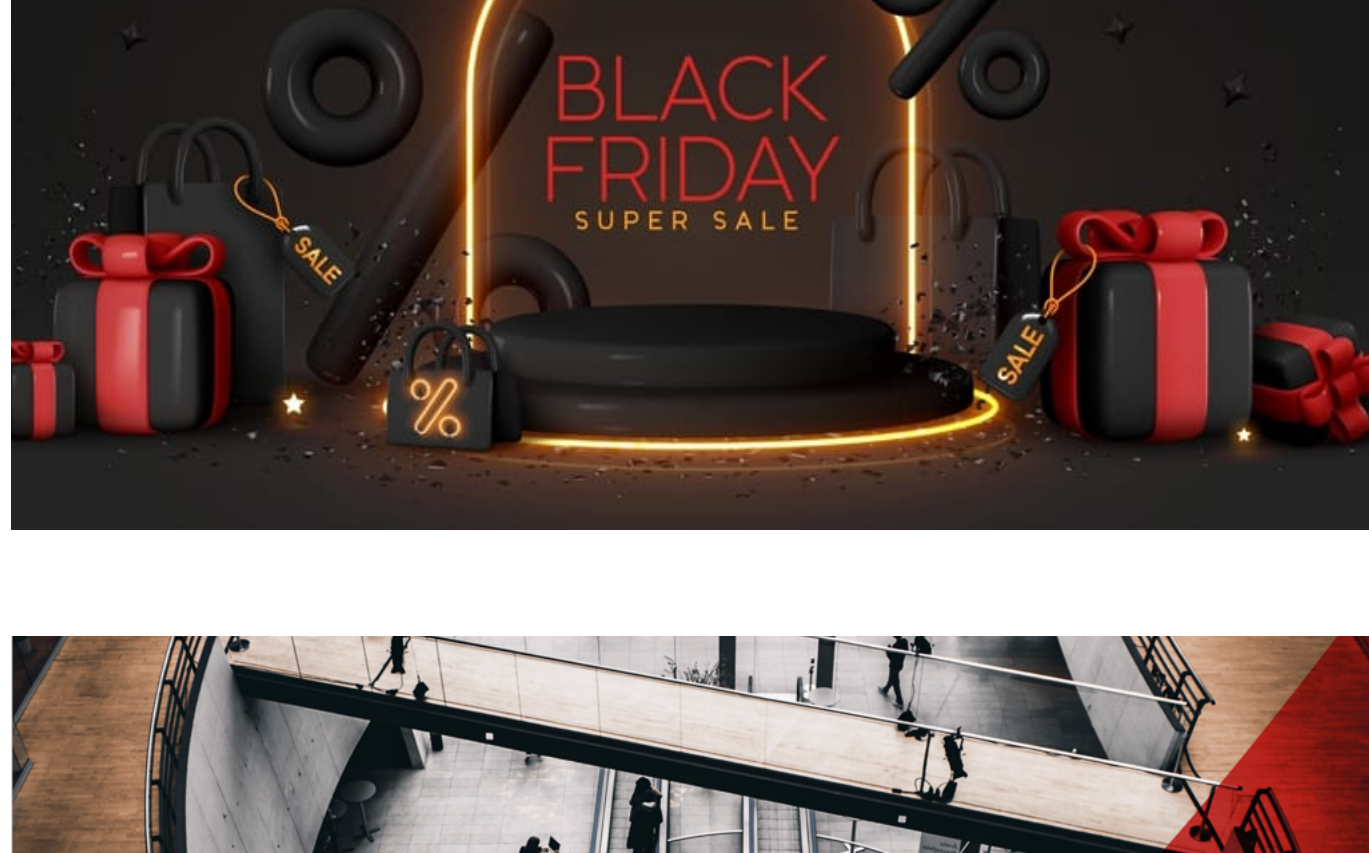
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