INDIA INTERIOR DESIGN MARKET

Size & Share Analysis - Growth Trends and Forecast, 2026-2031

Mordor Intelligence | Source report updated August 2026

Market Overview

The India interior design market is valued at USD 31.43 billion in 2025 and USD 35.48 billion in 2026, and is forecast to reach USD 65.01 billion by 2031. Mordor Intelligence estimates a CAGR of 12.87% during 2026-2031. The report describes a low-concentration market spanning residential and commercial end users, new construction and renovation/remodeling services, economy through premium/luxury price tiers, and four major regional groupings.

Indicator	Source Figure
Study Period	2021-2031
Forecast Period	2026-2031
Market Size, 2025	USD 31.43 Billion
Market Size, 2026	USD 35.48 Billion
Market Size, 2031	USD 65.01 Billion
CAGR, 2026-2031	12.87%
Market Concentration	Low

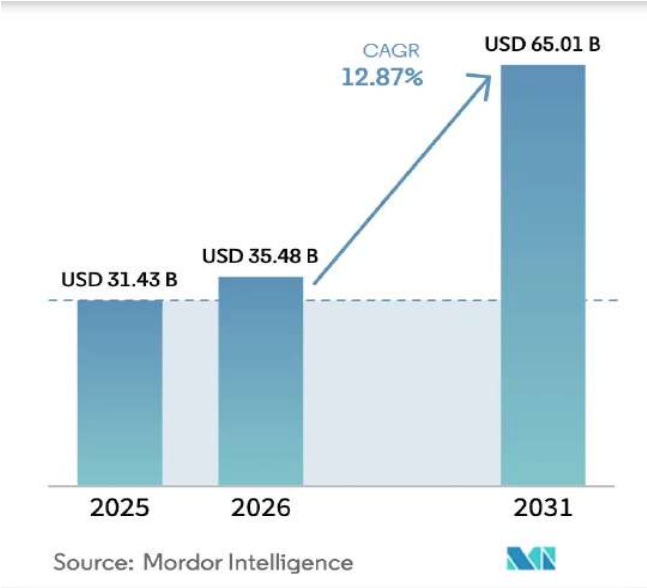


Figure 1. Mordor Intelligence source chart: India interior design market size and forecast.

Key Report Takeaways

- Commercial held 74.44% of revenue in 2025, while residential is expected to advance at a 16.47% CAGR through 2031.
- New construction accounted for 57.39% of revenue in 2025; renovation and remodeling are forecast to grow at a 13.35% CAGR through 2031.
- Mid-range captured 52.35% of the market in 2025, while the economy tier is expected to grow at a 14.76% CAGR through 2031.
- North India commanded 39.87% in 2025; East and North-East India are projected to expand at an 11.87% CAGR during 2026-2031.

Market Trends and Growth Drivers

Rapid Urbanization and Rising Disposable Incomes

Rising incomes are translating into more design-led spending across premium and mass segments. Metros are absorbing larger project values, while non-metro customers are adopting platform-based services. Dual-income households are prioritizing space optimization and modular solutions, and organized platforms are expanding studios, stores and online visualization tools. The report describes a shift from unbranded carpentry toward branded modular systems, warranties and service-level agreements.

Government Housing and Infrastructure Programmes

PMAY-G and PMAY-U 2.0 support baseline demand for kitchens, washrooms and core fixtures across sanctioned and completed housing. The report also highlights the Technology & Innovation Sub-Mission under PMAY and Smart Cities-related urban upgrades as contributors to better materials, greener specifications and commercial fit-out activity.

Commercial Real-Estate Boom

Office, retail and hospitality activity is a major near-term driver. The report states that India crossed 70 million sq ft of office leasing in 2025, with multinational GCCs supporting fit-out demand. Refurbishment of Grade-A offices is also increasing as landlords and tenants respond to wellness, ESG and hybrid-work requirements. Retail expansion and hospitality upgrades are adding further demand, particularly in Bengaluru, Mumbai and Delhi-NCR.

Digital Design Visualization

3D visualization, AR and VR walkthroughs are shortening the concept-to-contract process by helping customers finalize layouts and materials faster. Machine-learning configurators, real-time pricing and automated layouts are improving conversion, while better visualization reduces rework and unnecessary site visits.

Driver Impact Analysis

Indicator	Source Figure
Commercial real-estate boom	+3.5% impact on CAGR forecast; short term
Rapid urbanization & rising disposable incomes	+3.2%; medium term
Government housing & infrastructure programmes	+2.8%; long term
Digital design visualization (VR/AI)	+1.9%; short term
Tier-2/3 e-commerce turnkey packages	+1.9%; medium term
Specialized senior/assisted-living interiors	+0.8%; medium term

Market Restraints

- Highly fragmented and price-competitive supply side: directional impact of -1.8% on the CAGR forecast.
- Shortage of accredited designers outside metros: -1.4%, especially relevant in tier-2/3 cities, rural areas and East/North-East India.
- Compliance cost of building and green regulations: -1.2%, particularly in metros with stricter ESG norms.
- Pandemic-induced project delays and cash-flow pressures: -0.9%, with lingering effects in some tier-2/3 markets.

The report notes that many transactions still flow through unorganized carpenters and small workshops, creating execution and standardization risks. It also identifies compliance with IGBC, LEED and comparable requirements as a growing cost and capability issue for projects serving Grade-A tenants and government contracts.

Segment Analysis

By End User

Commercial represented 74.44% of the market in 2025. Demand is supported by Grade-A office leasing, retail expansion, GCCs, technology tenants and formal procurement. Residential is the faster-growing end user at a projected 16.47% CAGR through 2031, supported by rising incomes, housing programs, AI-enabled visualization, warranties and end-to-end installation.

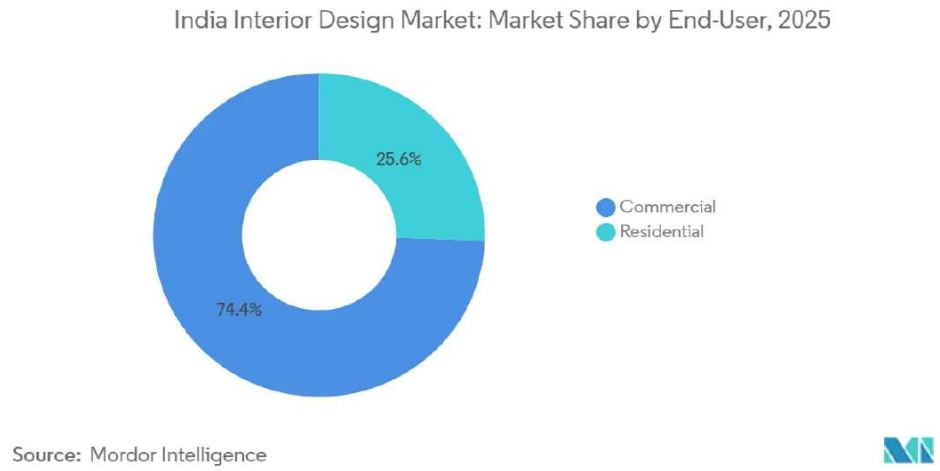


Figure 2. Mordor Intelligence source chart: market share by end user, 2025.

By Service Type

New construction accounted for 57.39% of the market in 2025, supported by office, retail, mixed-use and housing projects. Renovation and remodeling are expected to grow at a 13.35% CAGR through 2031 as owners pursue energy efficiency, space reconfiguration, higher tenant appeal and ESG-linked retrofits.

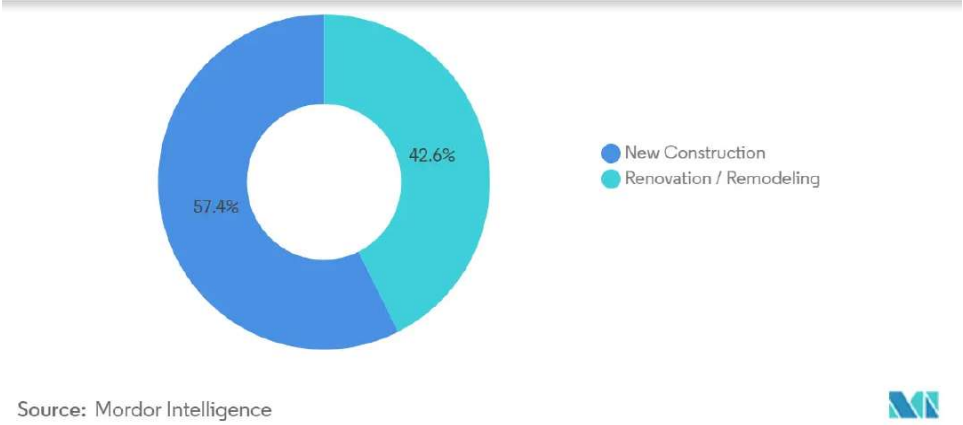


Figure 3. Mordor Intelligence source chart: market share by service type, 2025.

By Price Tier

Mid-range held 52.35% in 2025 as households sought modular functionality, integrated design-manufacturing-installation packages and predictable outcomes. Economy is the fastest-growing price tier at a projected 14.76% CAGR, supported by e-commerce discovery, standardized packages, franchise expansion, faster installations and lower upfront costs.

Geography Analysis

North India held 39.87% in 2025, anchored by Delhi-NCR's commercial concentration, retail footprints and mixed-use development. East and North-East India are projected to grow fastest at 11.87% CAGR through 2031 as connectivity and organized retail improve. South India is important in specialized segments such as senior living, while West India continues to premiumize through Mumbai and Pune, international retailers, high-spec offices, coworking and managed workspace formats.

Regulatory Landscape

The report states that India does not have a mandatory national licensing regime specifically for interior designers, although adjacent statutory requirements affect project delivery. Building approvals and structural submissions fall under the Architects Act, 1972 and the Council of Architecture. Interior-related specifications may reference NBC 2016, BIS standards such as IS 962:1989 and IS 3646, and municipal or state building byelaws.

From 1 April 2026, the Environment (Construction and Demolition) Waste Management Rules, 2025 apply to renovation and repair activities. The report also notes GRIHA for Interior Spaces (InS) V1.0, launched in January 2026, as a framework for material and resource-efficiency choices.

Value Chain

The report describes the value chain as: client acquisition and brief development; design and documentation; sourcing and fabrication; execution; and handover/after-sales. Organized platforms increasingly bundle design-to-build services with centralized procurement, standardized catalogs and project-management layers, while unorganized contractors remain important for local execution outside tier-1 markets.

Competitive Landscape

The market is split between organized omnichannel platforms and unorganized vendors competing heavily on price. Organized firms differentiate through visualization, warranties, project management, vertical integration and supply-chain control. The report cites Livspace's FY25 revenue growth, HomeLane's Q4 FY25 profitability inflection, Godrej Interio's expansion ambitions, IKEA's smaller studio formats and rental/subscription alternatives such as Furlenco.

- HomeLane
- Pepperfry Studio
- Urban Ladder
- IKEA India - Planning Studio
- Godrej Interio

The source lists these major players in no particular order.

Market Opportunities and Future Outlook

Mordor Intelligence identifies ESG-linked retrofits and compliance-led renovation as opportunities for organized firms, especially in Grade-A office and institutional spaces. Standardized audits, documentation, waste segregation, material traceability and maintenance can strengthen bids where measurable outcomes are required. Platform-based and technology-enabled delivery is another expansion path as firms combine visualization and automation with distributed execution capacity.

Recent Industry Developments

- July 2026: IKEA India announced plans to double its investment in India to more than INR 21,000 crore by 2030 and deepen local sourcing.
- December 2025: TCC Concept Limited completed the acquisition of a 98.75% stake in Pepperfry Limited.
- September 2024: HomeLane acquired DesignCafe in a share-swap deal to expand scale in modular kitchens and home interiors.

Report Scope

Indicator	Source Figure
End Users	Residential; Commercial
Service Types	New Construction; Renovation / Remodeling
Price Tiers	Economy; Mid-Range; Premium / Luxury
Regions	North India; West India; South India; East & North-East India
Market Definition	Value of interior design services delivered in India for residential and commercial spaces, including new-build and renovation projects
Scope Exclusion	Standalone furniture, home décor and building-material sales not tied to an interior design service contract