

A Shift Towards Value-Driven Growth

THE INDIAN RESIDENTIAL REAL ESTATE SECTOR

Annual Report 2025



Table of Contents

01.

Foreword

03.

The Big Picture - Macro
Economic Forces Shaping
Residential Real Estate

07.

Pan India Residential Real
Estate

17.

City-wise Residential Real
Estate

- 17. NCR
- 23. MMR
- 29. Bengaluru
- 35. Pune
- 41. Hyderabad
- 47. Chennai
- 53. Kolkata

59.

Residential Real Estate Market
Trends: What's Driving Growth?

60.

Conclusion & Strategic
Outlook

Foreword

2025 has been a year of significant recalibration for the Indian residential real estate sector. Characterised by broad-spectrum upheaval — including geopolitical turmoil, tariff tensions, and sector-specific challenges such as layoffs in the IT industry—the market has navigated a complex landscape of headwinds. Yet, amidst these uncertainties, the sector has demonstrated a remarkable structural maturity.

While the headline metrics indicate a moderation in residential transaction activity, with housing sales in the top 7 cities stabilising at approximately 3,95,600 units — a 14% decline from the high base of 2024 — the narrative of growth remains intact through the lens of value creation. The overall sales value of housing units surged by 6% annually, crossing the INR 6 lakh Cr mark. This divergence between contracting volumes and rising values highlights a definitive shift in buyer preferences.

The supply side has witnessed calculated optimism. New launches saw a marginal 2% increase, ensuring that inventory additions remained aligned with absorption trends. Notably, the luxury segment has strengthened its dominance, with over 20% of new supply launched in the price bracket above INR 2.5 Cr. The resilience observed in 2025 varied across

cities, driven by the diverse economic engines powering India's urban centers. While IT-centric hubs faced sharp corrections due to sector-specific employment challenges, diversified economies like Chennai bucked the trend entirely, posting a 15% rise in sales. Similarly, the National Capital Region (NCR) stood out by recording a 23% capital appreciation, driven by a structural shift toward high-value inventory.

As we look toward 2026, the outlook remains cautiously optimistic. The moderation in average residential price growth to single digits (8%) suggests a market that is stabilizing after a period of exuberance. The future trajectory will largely hinge on monetary easing; with the economic outlook remaining favourable, potential RBI rate cuts could serve as the vital catalyst to revive demand across budget segments. Overall, the year 2025 has recalibrated expectations, setting a higher floor for quality and value in Indian real estate.



ANUJ PURI
Chairman,
Anarock Group

The Big Picture - Macro Economic Forces Shaping Residential Real Estate



POPULATION
1.46B



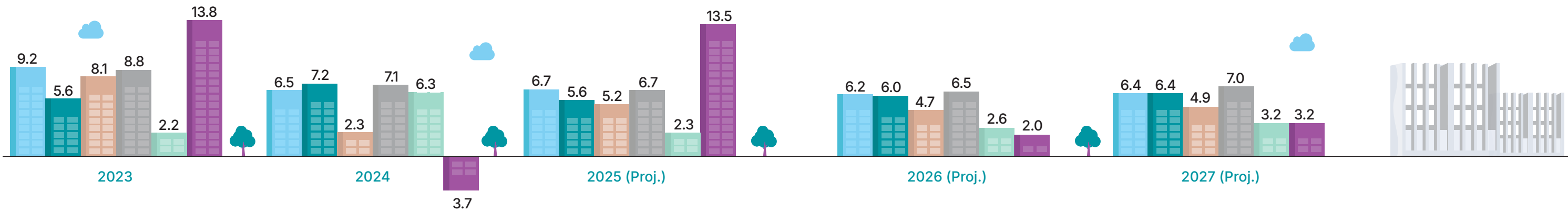
GDP PER CAPITA
US \$ 2,818



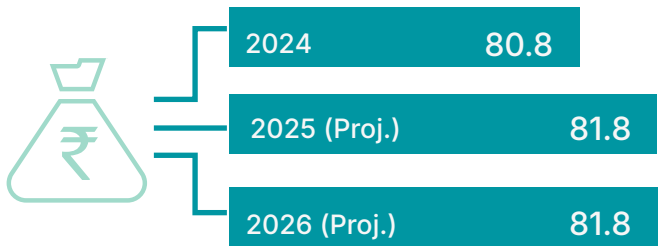
MAIN EXPORTS
Engineering goods, Petroleum products, Pharmaceuticals & Chemicals

GDP & Components: Annualised Percentage Change

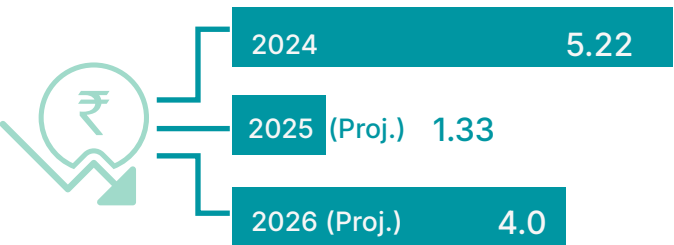
■ GDP at market prices ■ Private consumption ■ Government consumption
■ Gross fixed capital formation ■ Exports of goods and services ■ Imports of goods and services



Gross Public Debt (% Of GDP)



Inflation (Yearly % Change)



A Young, Consuming Economy Backed by Balance-Sheet Repair

India's economy is underpinned by resilient domestic demand and a markedly healthier financial system. Private consumption (~58–60% of GDP) and a young demographic profile (median age 28) continue to drive real GDP growth, while government capital expenditure—nearly 3x higher since FY19—has reinforced infrastructure-led expansion. The banking sector is in its strongest position in two decades, with gross NPAs at ~2.3–2.6% and net NPAs at ~0.5%, enabling robust credit growth. Scheduled commercial banks posted record profits of ~USD 50 billion in FY25, alongside a near tripling of deposits and credit over the last decade. Macroeconomic stability remains intact, with declining government debt, external debt at a comfortable 19.1% of GDP, ample forex cover, and CPI inflation easing to 1.5% in September 2025. Against this backdrop, GDP growth for the upcoming fiscal year is projected to remain robust, outperforming major economies such as China, the US, and the UK.

Investment-Led Growth with Structural Tailwinds

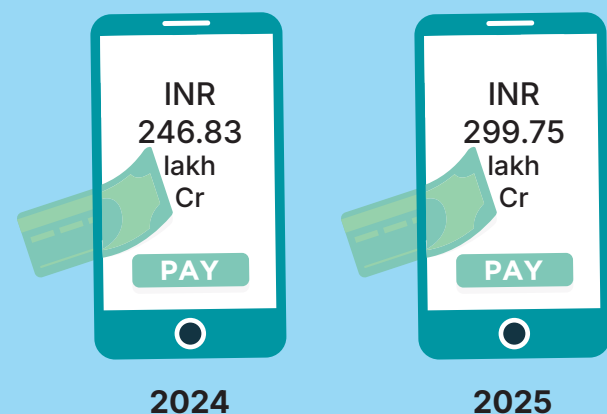
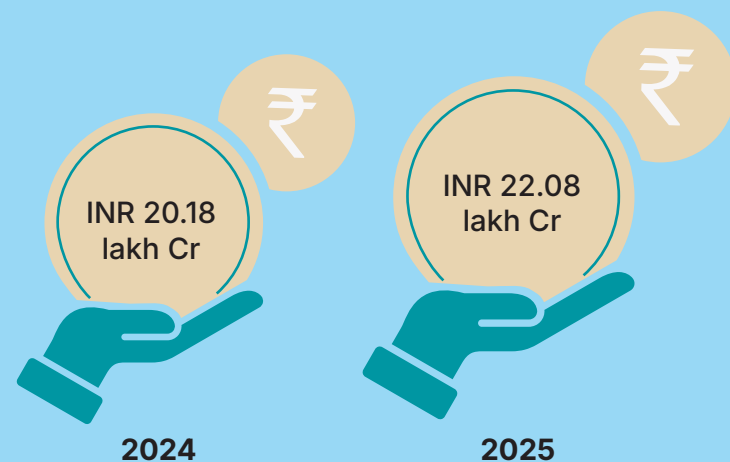
India's medium-term outlook remains stable with an upward bias, driven by a decisive shift toward investment-led growth. Strong PE-VC flows (USD 49.3 bn in 11M 2025), rising FDI, and a globally scaled startup ecosystem underscore investor confidence. Structural tailwinds—rapid digital adoption, ~25% CAGR infrastructure capex, and lower logistics costs—are lifting productivity across sectors. Over 2026–2030, manufacturing's GDP share is expected to rise from 14% to 20%, renewable capacity to scale toward 450 GW, and the digital economy to contribute ~20% of GVA, positioning India to become the world's third-largest economy by 2030. Real estate, supported by urbanisation, infrastructure multipliers, REITs, and land-record digitization, will remain a key pillar of this growth trajectory.

Note: Data refer to fiscal years starting in April.
GDP & Components - Percentage changes, volume (2011/2012 prices), OECD Economic Outlook

GST COLLECTION IS ALL TIME HIGH

9% up from last year

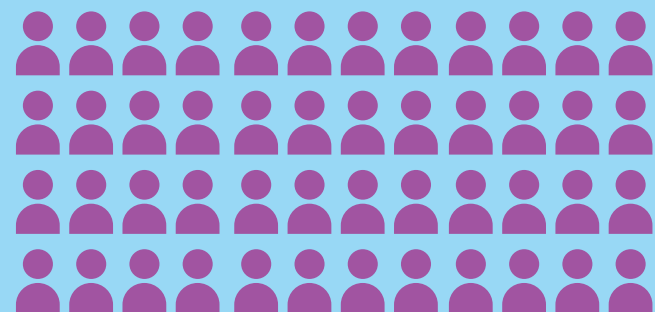
Values are on Financial year Basis



DIGITAL PAYMENT (UPI TRANSACTIONS SCALE NEW PEAK IN 2025)

21% up from last year

Values are on Calendar Year Basis



DATA USERS IN INDIA

1170.44 Mn

mobile subscribers in India as of Sept 2025

Highest mobile data consumption per user rate in the world

25.24 GB/MONTH

2025: THE YEAR OF THE IPOs

373 Initial Public Offerings

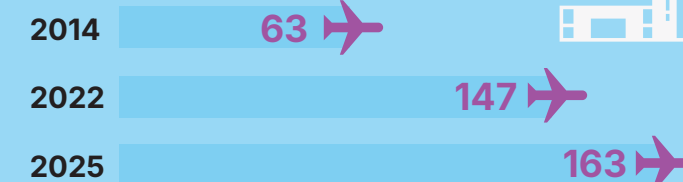
1.95 Lakh Cr from public investors

17% more than raised in 2024

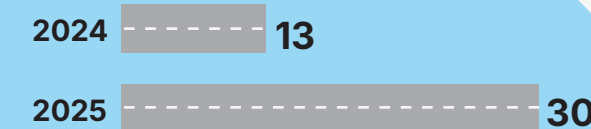
INFRASTRUCTURE CAPITAL EXPENDITURE

Between FY20–FY25, India invested over **96,000 cr (US\$11.2 bn)** in aviation infrastructure, with an additional US\$1.83 bn planned for airport expansion and air navigation services by 2026.

Number of Airports



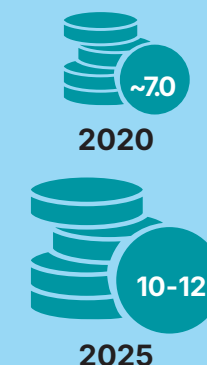
Road construction (KMS) PER DAY



REAL ESTATE: CONTRIBUTION & 5-YEAR PERFORMANCE

The sector's contribution to India's GDP has nearly **doubled** in significance over the last five years, moving from a recovery phase in 2020 to a premiumisation phase in 2025

GDP Contribution(%)



Market Size (USD Bn)



Housing Sales - Top 7 Cities (Lakh Units)



Market Data

BSE Sensex

85,220.60

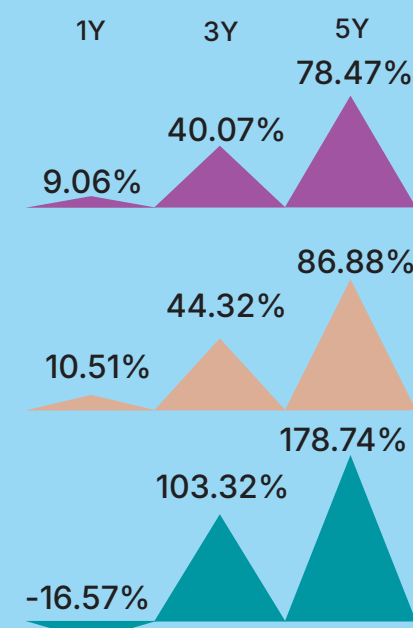
NIFTY 50

26,129.60

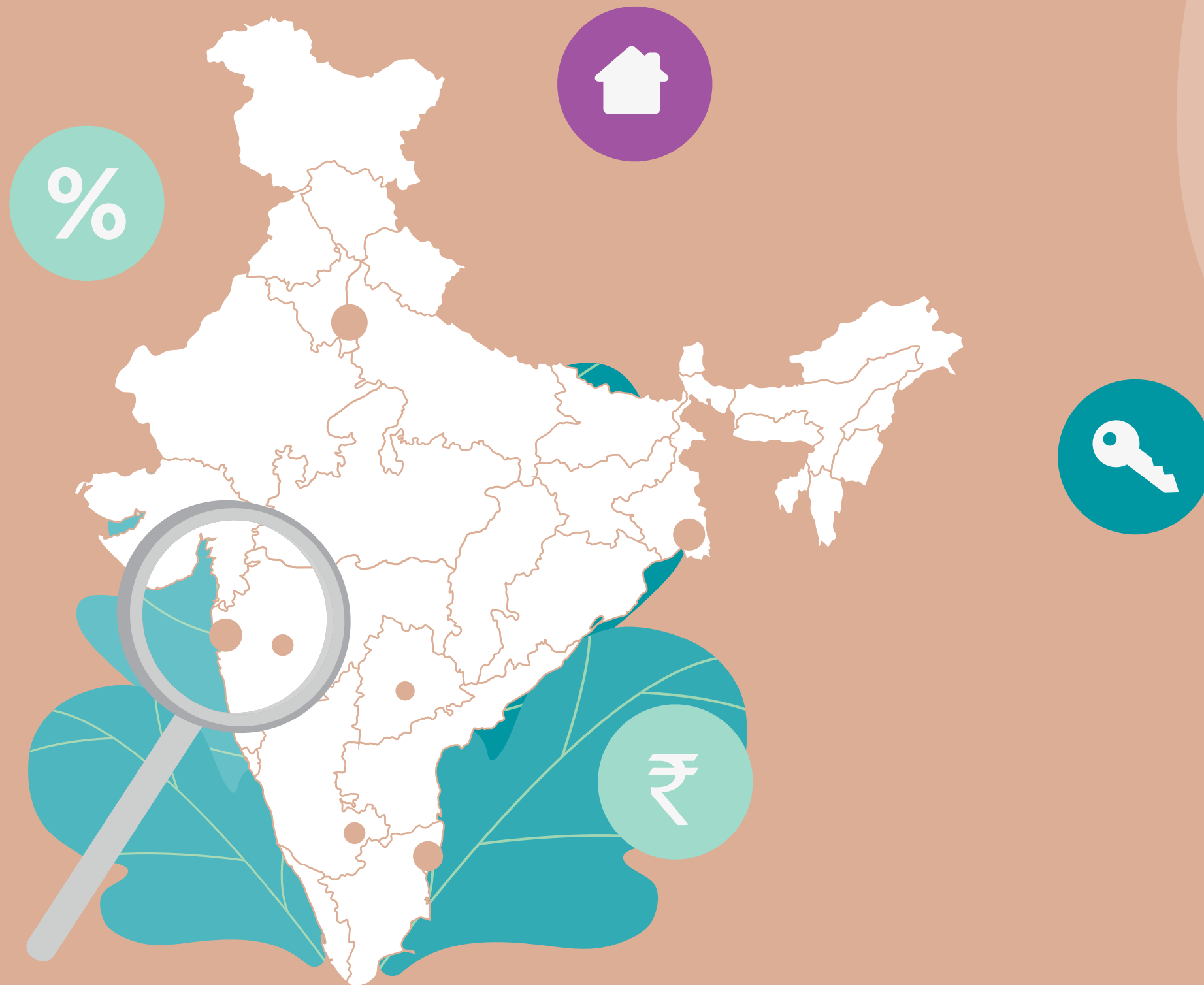
NIFTY Realty

877.95

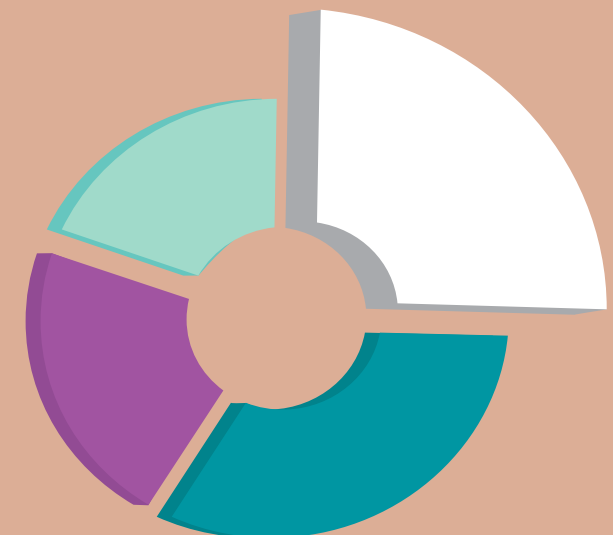
Performance % - 31st Dec 2025



Pan India Residential Real Estate



Sales volume dips
14%; but sales
value surges 6%
to INR 6 Lakh Cr
in 2025



India Residential Market Overview

In 2025, the Indian residential sector entered a defining phase of strategic recalibration. Moving beyond the post-pandemic surge, the market has transitioned into a mature, value-driven cycle characterised by a pronounced shift toward premiumisation. While macroeconomic headwinds and evolving buyer sensibilities have moderated volume growth, the sector

demonstrates remarkable resilience through robust capital appreciation and a qualitative leap in project standards. This era is defined by the dominance of Grade-A developers and a structural pivot toward luxury, reflecting the modern Indian homebuyer's demand for lifestyle-centric, future-ready living spaces.

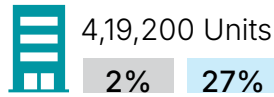


YoY Movement (%) Five Year CAGR (%)

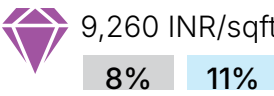
Pan India



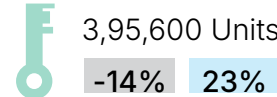
Launches



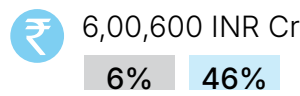
Capital Value



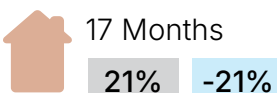
Sales



Sales Value



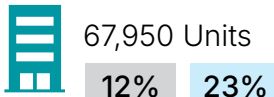
Inventory Overhang



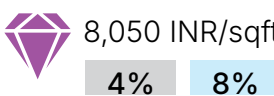
Pune



Launches



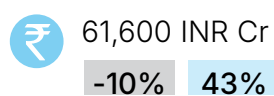
Capital Value



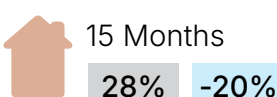
Sales



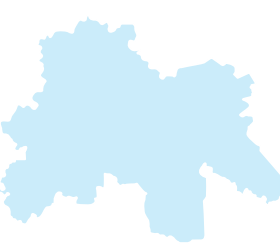
Sales Value



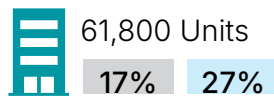
Inventory Overhang



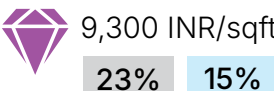
National Capital Region (NCR)



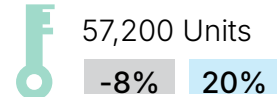
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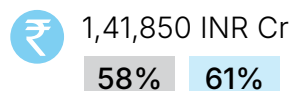
Capital Value



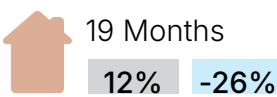
Sales



Sales Value



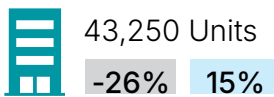
Inventory Overhang



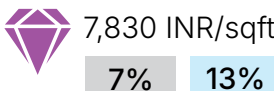
Hyderabad



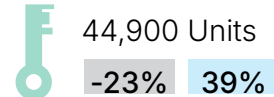
Launches



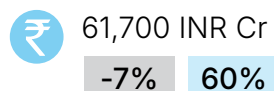
Capital Value



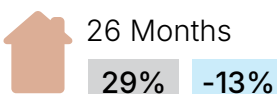
Sales



Sales Value



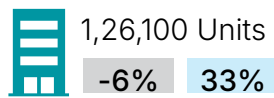
Inventory Overhang



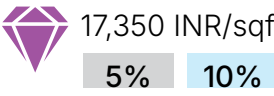
Mumbai Metropolitan Region (MMR)



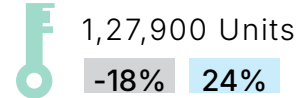
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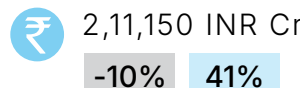
Capital Value



Sales



Sales Value



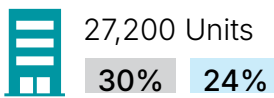
Inventory Overhang



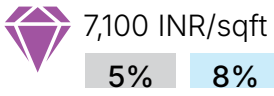
Chennai



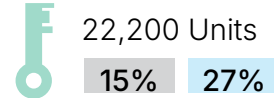
Launches



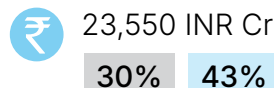
Capital Value



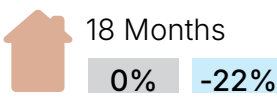
Sales



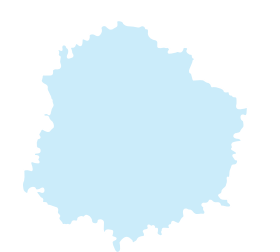
Sales Value



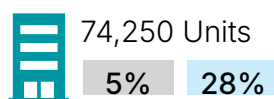
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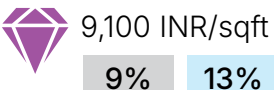
Bengaluru



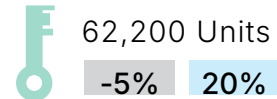
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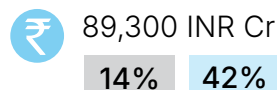
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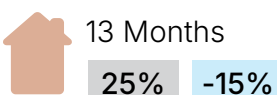
Sales



Sales Value



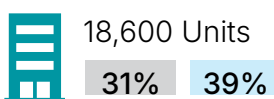
Inventory Overhang



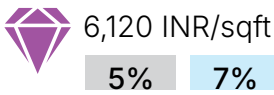
Kolkata



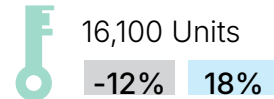
Launches



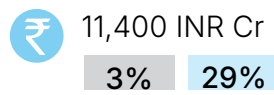
Capital Value



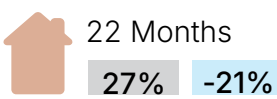
Sales



Sales Value



Inventory Overhang

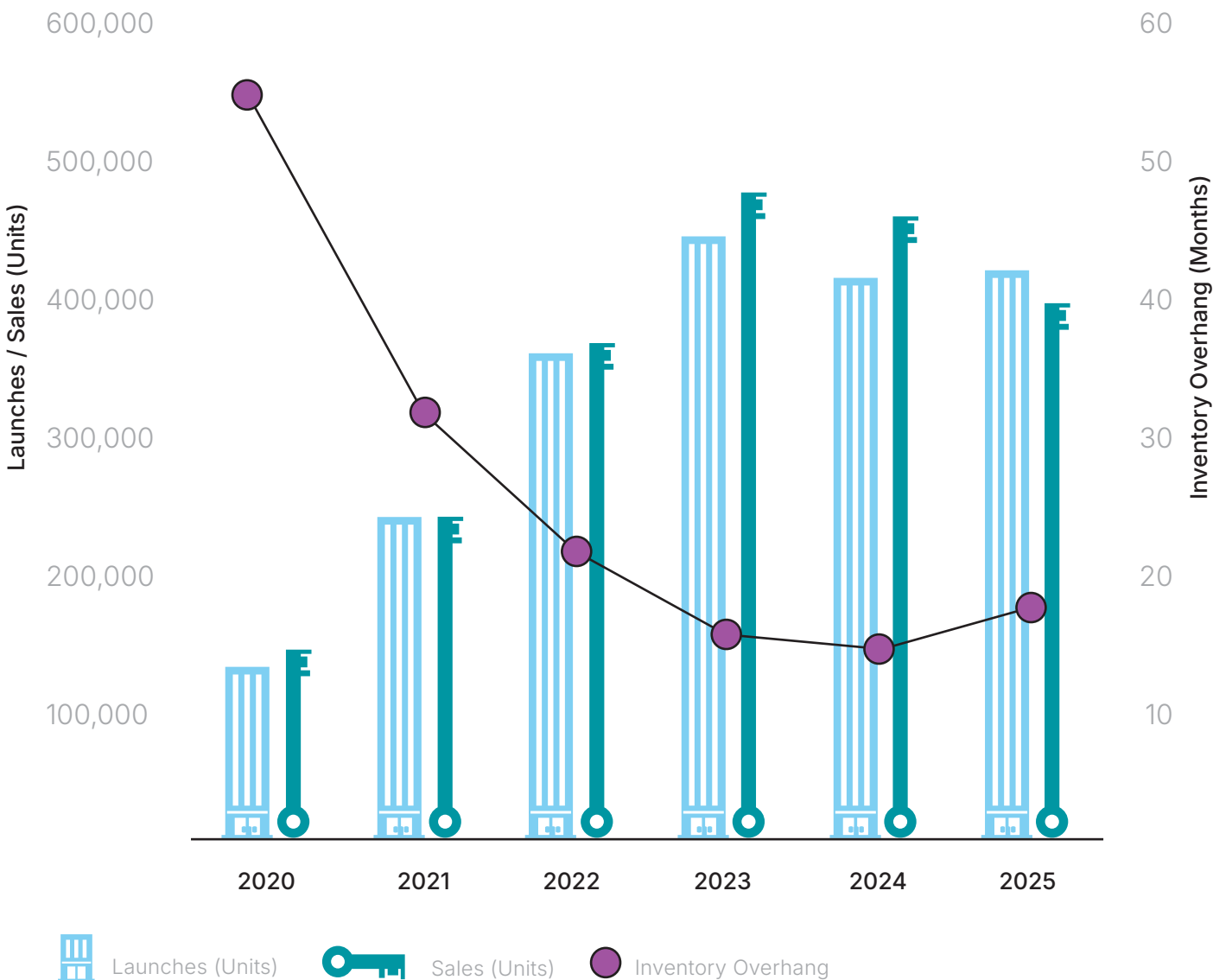


Launches, Sales, And Inventory Dynamics

New Launches: Strategic Moderation Amid Market Recalibration

The year 2025 marked a period of strategic moderation in India’s residential sector, as developers shifted from aggressive expansion toward market recalibration. The top 7 cities saw approximately 4.19 lakh new units launched, representing a modest 2% year-on-year increase from 4.12 lakh units in 2024. This measured growth reflects a deliberate effort to align supply with current absorption realities, moving away from the peak levels of 4.46 lakh units seen in 2023. While volumes remain substantially elevated compared to pre-pandemic benchmarks, the return to

marginal growth after the 7% decline in 2024 suggests a disciplined resurgence of developer confidence. By prioritising quality and supply discipline, developers are actively working to prevent oversupply conditions and maintain healthy project economics. This strategic pacing allows for better alignment with prevailing absorption rates, reducing the risk of extended inventory holding periods and ensuring that the market remains grounded in quality-driven growth rather than sheer volume.



Housing Sales: Demand Headwinds Create Significant Correction

Housing sales in 2025 reached approximately 3.95 lakh units, marking a substantial 14% year-on-year decline from 2024’s figure of 4.59 lakh units. This represents the steepest annual contraction in recent years. The decline becomes more evident when compared to 2023’s peak performance of 4.77 lakh units, representing a 17% drop from that high-water mark. The sales decline in 2025 reflects the impact of multiple headwinds that converged during the year. Hardening property prices, following the aggressive appreciation witnessed in

2022-2024, have stretched affordability parameters for many potential homebuyers. Information technology sector layoffs and broader employment uncertainties, particularly affecting technology-driven markets like Bengaluru, Hyderabad, and Pune, dampened buyer confidence and purchasing capacity. Geopolitical tensions and economic uncertainties further contributed to a cautious buyer sentiment, with many prospective purchasers adopting a wait-and-watch approach.

Inventory Overhang: Supply-Demand Rebalancing Pressures Emerge

By the end of 2025, the inventory overhang across the top 7 cities climbed to 17 months, a 21% increase from the 14 months recorded in 2024. This reversal of the previous years’ improving trend was triggered by a “scissor effect,” where a 2% rise in new launches coincided with a 14% decline in sales, expanding the unsold stock. While this inventory buildup signals emerging supply-demand imbalances that require careful monitoring, the current 17-month level remains significantly healthier than the pre-pandemic baseline.



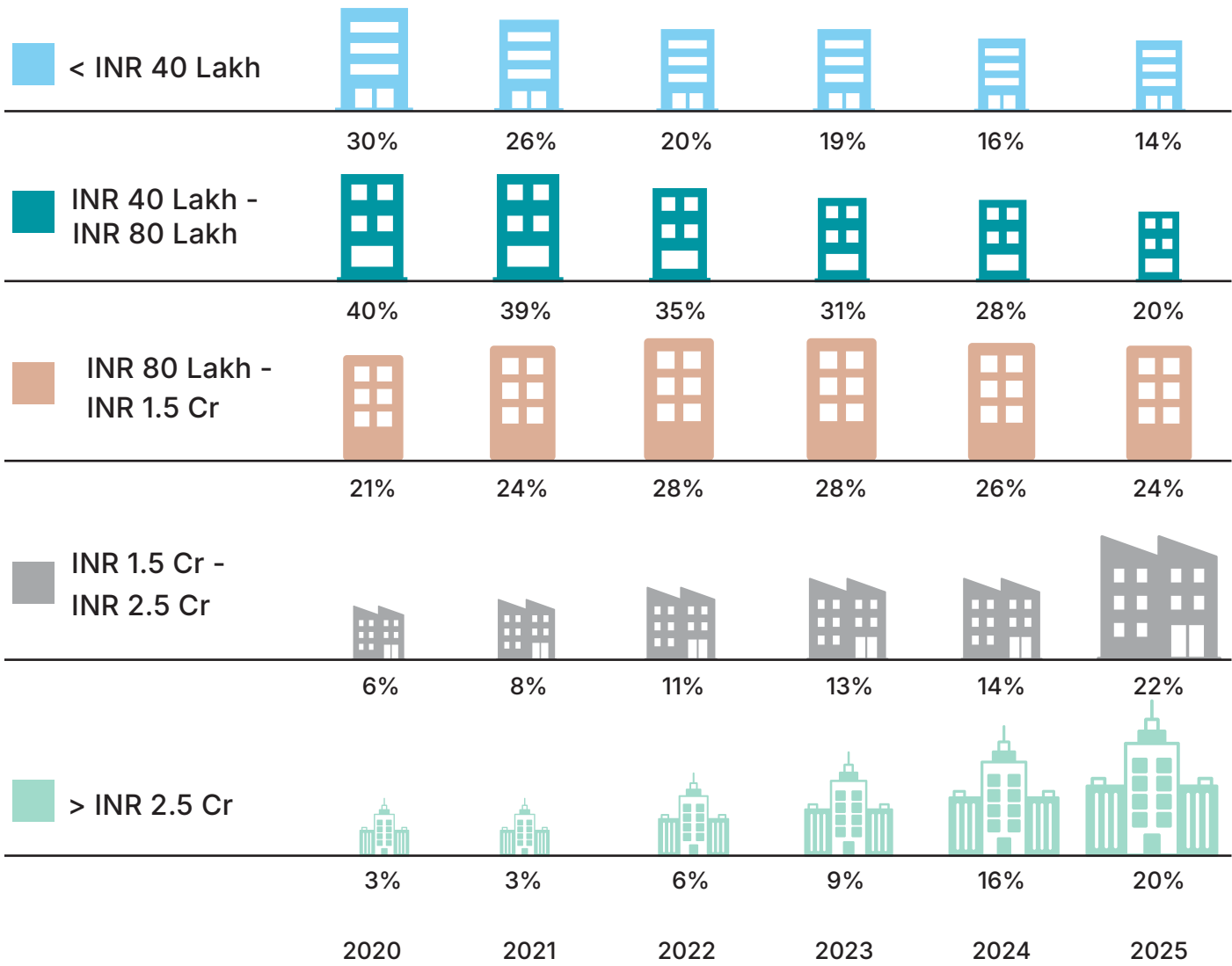
Note:
Pan-India refers to top 7 cities of India only.
Rounding may result in minor variations between the stated and calculated values.

Ticket-Size Distribution of Residential Launches

Pan-India Launches

The budget segmentation of new launches across India has shifted significantly between 2020 and 2025, reflecting a clear transition toward higher-value properties. For the first time, units priced > INR 2.5 Cr and INR 1.5 Cr – INR 2.5 Cr have collectively commanded a 42% share of total launches, a stark contrast to their combined 9% share in 2020. Specifically, the units priced > INR 2.5 Cr surged to 20% in 2025, while the INR 1.5 Cr – INR 2.5 Cr bracket reached a peak of 22%. This upward trajectory highlights a market recalibration where developers are increasingly targeting high-income demographics and investor-driven demand, reflecting a “premiumisation” trend that has accelerated over the last five years.

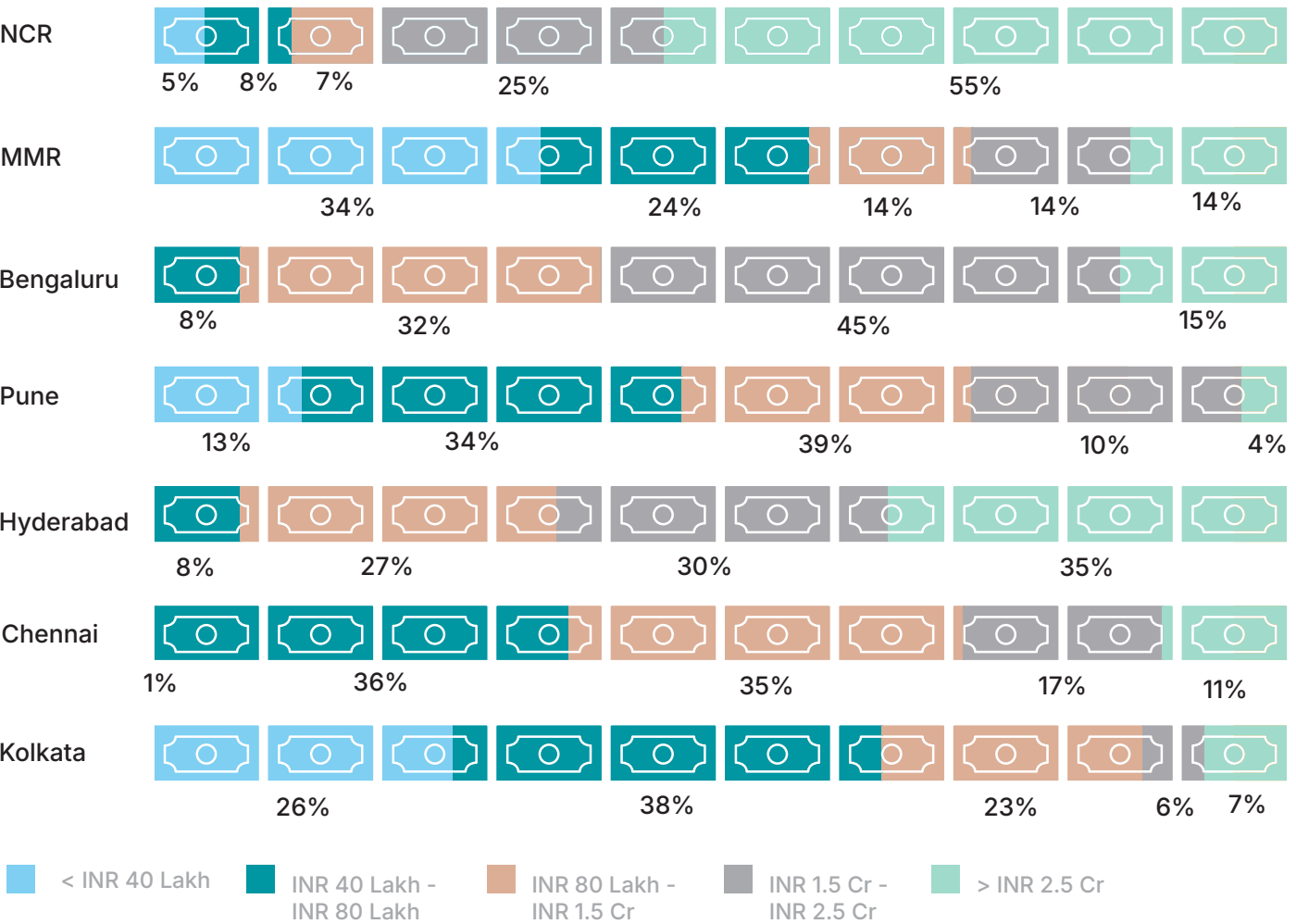
Conversely, units priced at < INR 40 Lakh and INR 40 Lakh - INR 80 Lakh have experienced a significant contraction in their market dominance. The share of launches priced below INR 40 Lakh has more than halved, plummeting from 30% in 2020 to just 14% in 2025. Similarly, the INR 40 Lakh – INR 80 Lakh category, which was the market mainstay with a 40% share in 2020, has seen its contribution drop to 20% by 2025. This erosion of the lower budget tiers highlights the dual impact of rising input costs and a shift in buyer profiles, as the market moves away from volume-driven affordable housing toward value-driven premium developments.



City Wise Launches

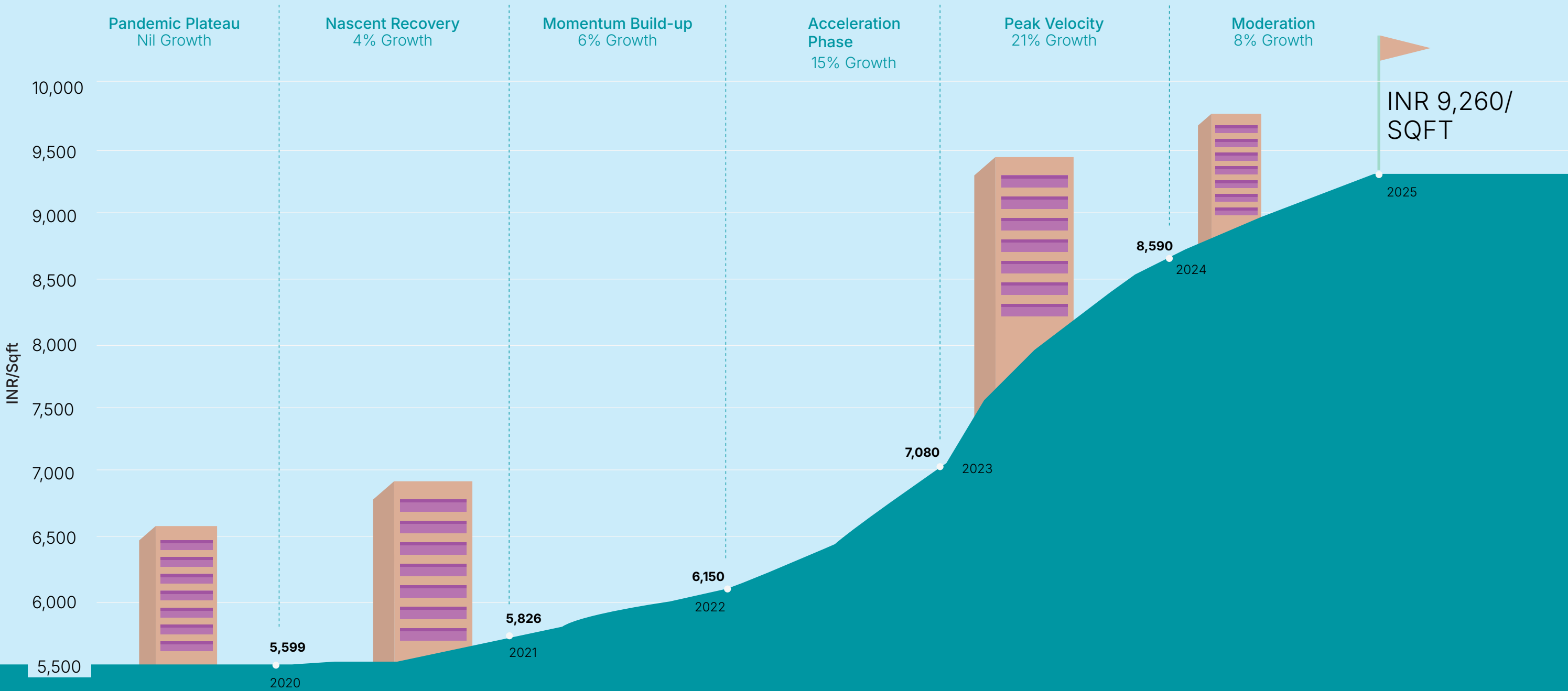
New launches across the top cities reveal a significant concentration of high-value supply in 3 out of 7 cities. The National Capital Region (NCR) leads this trend, with 55% of its new supply priced above INR 2.5 Cr and a further 25% between INR 1.5 Cr – INR 2.5 Cr. Hyderabad follows a similar trajectory, where units exceeding INR 1.5 Cr collectively account for 65% of the city's total launches. In Bengaluru, the market remains heavily weighted toward the INR 1.5 Cr – INR 2.5 Cr bracket, which represents 45% of its new inventory. In contrast, cities such as Kolkata and Chennai continue to offer more accessible pricing across

new launches. Kolkata shows a balanced price distribution, with 26% of its supply below INR 40 Lakh and 38% in the INR 40 Lakh – INR 80 Lakh range, indicating a strong presence in the affordable and mid-range segments. Pune and Chennai follow this trend, with 73% and 71% of their launches, respectively, in the INR 40 Lakh – INR 1.5 Cr range, highlighting a focus on mid-market buyers. The Mumbai Metropolitan Region (MMR), distinct from these patterns, remains the most active market for launches below INR 40 Lakh at 34%, but it also maintains a consistent 14% share in each of the three higher price brackets above INR 80 Lakh.

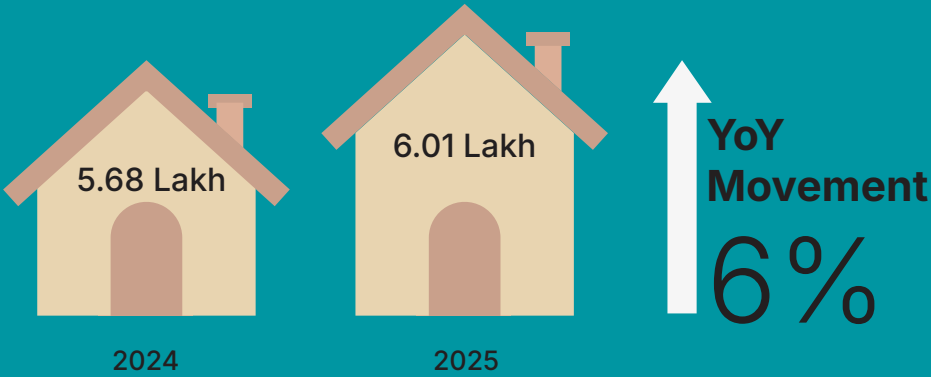


Note: Rounding may result in minor variations between the stated and calculated values.

Capital Value Movement



Value of Home Sales (INR Cr)



Pan-India residential market's capital price trajectory from 2020 to 2025 illustrates a "S-curve" graph, evolving from pandemic stagnation to high-velocity growth and subsequent moderation. The market began on a flat trajectory with prices hovering at INR 5,599/sqft in 2020, before initiating a gradual recovery to INR 5,826/sqft in 2021 and INR 6,150/sqft in 2022. Growth accelerated between 2023 and 2024, with capital values jumping from INR 7,080/sqft to INR 8,590/sqft, reflecting the

period of peak appreciation of 21%. By 2025, the curve began to flatten as the market matured; while prices reached a new high of INR 9,260/sqft, the year-on-year growth moderated to 8%, signaling a healthy transition from aggressive double-digit hikes to a more sustainable, value-driven market.

Note: Average price in INR/sf as quoted on BSP on BUA.
Rounding may result in minor variations between the stated and calculated values.

NCR Residential Real Estate

80% of 2025 launches
in NCR priced above
INR 1.5 Cr; Affordable
supply shrinks to
historic lows



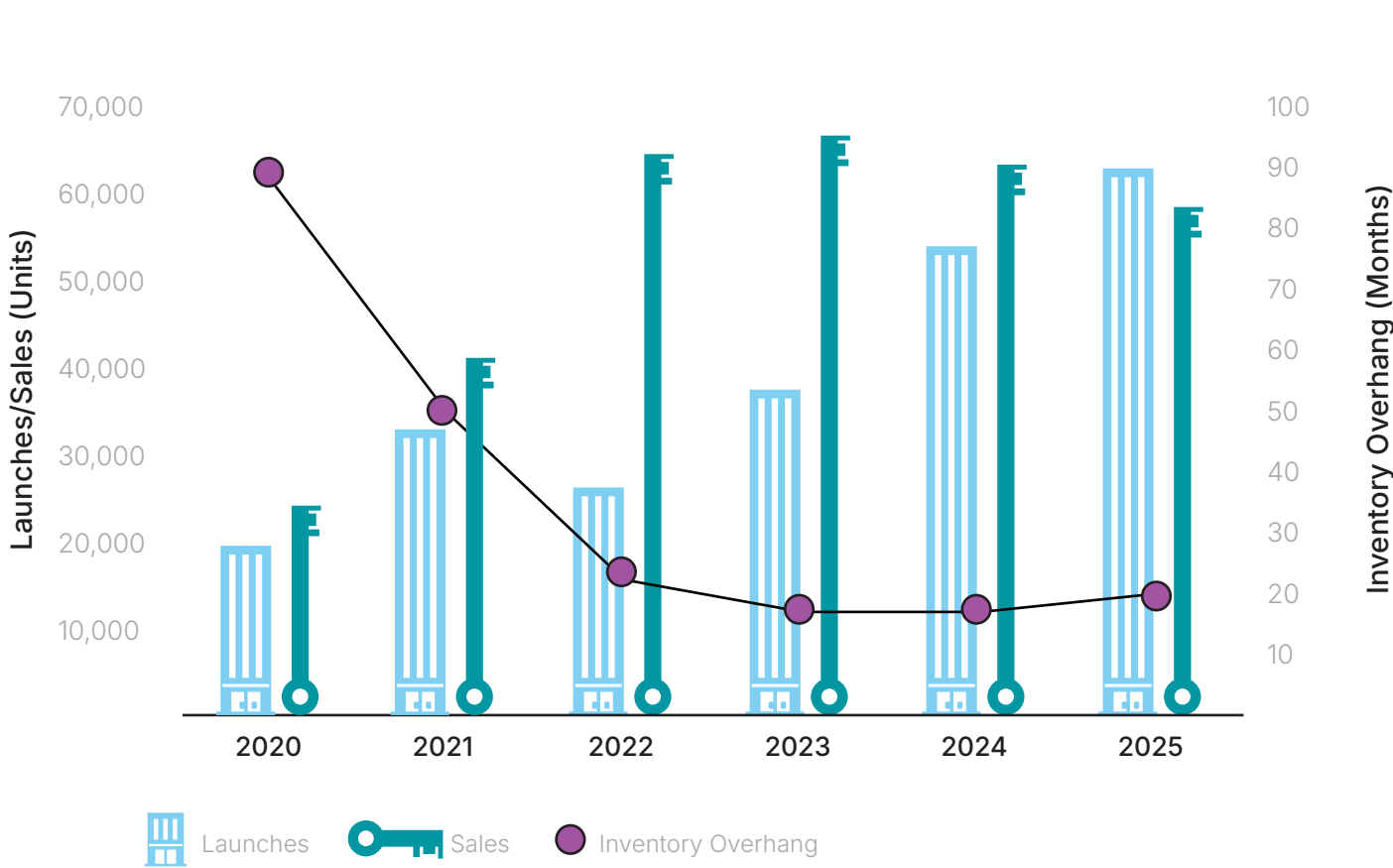
NCR Residential Market Overview

NCR Residential Market Activity

The residential sector in the National Capital Region (NCR) has demonstrated a remarkable trajectory of recovery and growth between 2020 and 2025. Data analysis of the NCR housing market reveals a significant shift in market dynamics, characterised initially by aggressive sales. From 2020 through 2024, housing sales consistently outpaced launches, peaking in 2023 with 65,600 units sold against 36,700 launches. This sustained demand drove a dramatic reduction in inventory overhang, plummeting from 88 months in 2020 to a healthy 17 months by 2023 and 2024. This correction indicates a successful liquidation of unsold stock and renewed buyer confidence in the region.

However, the trend witnessed a shift in 2025. For the first time between 2020 and 2025, new launches exceeded sales. While sales numbers have moderated slightly from their 2023 peak, the aggressive surge in launches—more than tripling from the 2020 lows— suggests developers have regained substantial confidence in the market's absorption capacity. The inventory overhang has marginally increased to 19 months in 2025, reflecting this influx of new supply, yet it remains well within a comfortable range compared to the distressed levels of 2020, signaling a stable and maturing market environment.

Residential Market Activity (NCR)



LAUNCHES
61,800
UNITS



SALES
57,200
UNITS



INVENTORY
OVERHANG
19
MONTHS



AVG. CAPITAL VALUE
INR 9,300
/SQFT

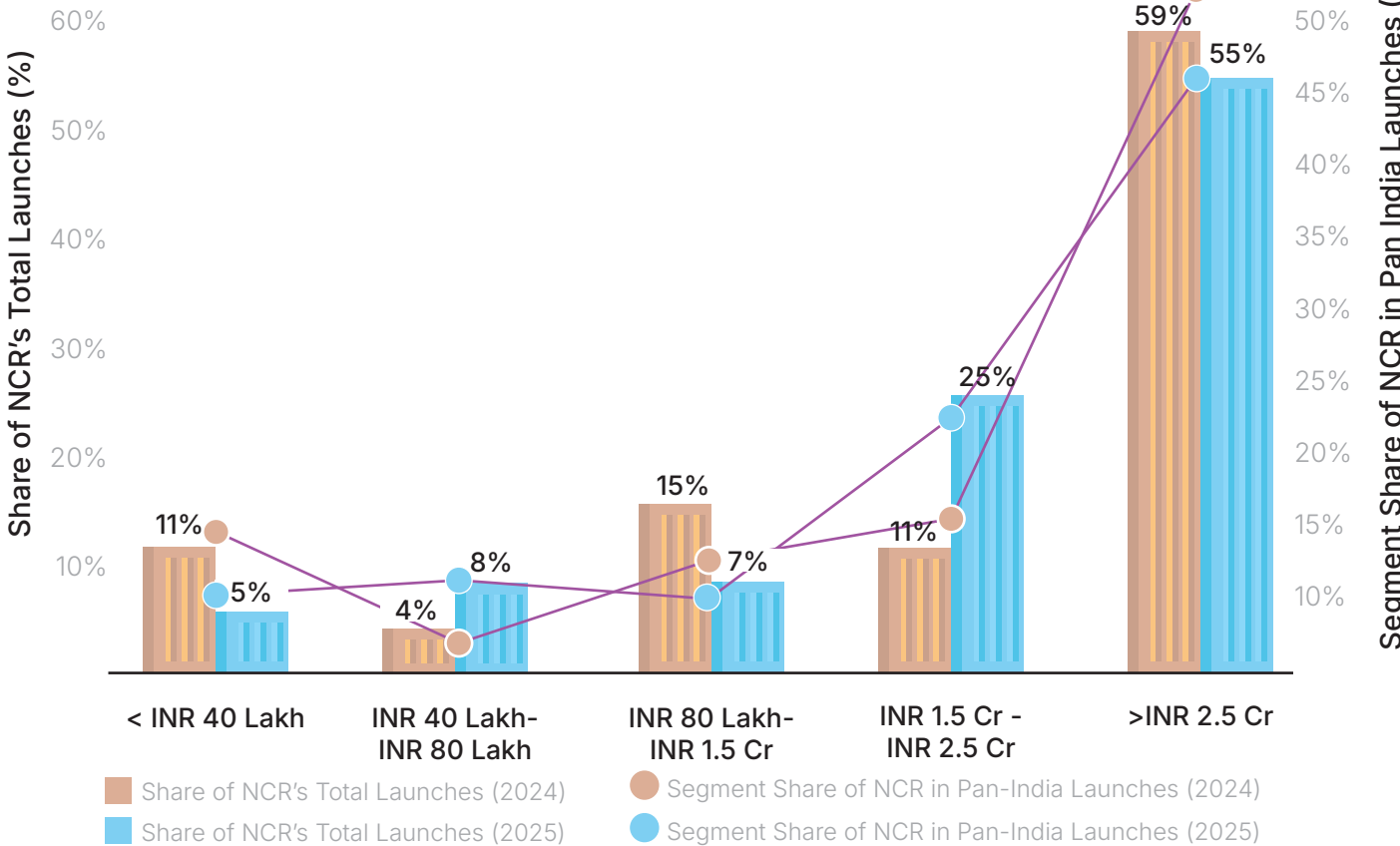
Note: Basic selling price on BUA

NCR Budget Segmentation and Market Positioning

The NCR residential market in 2025 exhibits a structural realignment towards higher price brackets, altering the supply dynamics observed in 2024. While the > INR 2.5 Cr segment continues to dominate, accounting for 55% of total launches in 2025 (a slight moderation from 59% in 2024), the most striking shift has occurred in the INR 1.5 Cr – INR 2.5 Cr category. This segment has emerged as a new focal point for developers, more than doubling its share from 11% in 2024 to 25% in 2025. Conversely, the INR 80 Lakh – INR 1.5 Cr price segment witnessed a contraction, with its share dropping from 15% to just 7%. Similarly, the entry-level segment priced < INR 40 Lakh has further marginalised, shrinking from 11% of the total inventory in 2024 to a mere 5% in 2025.

In the context of Pan-India performance, NCR continues to be the primary anchor for the country's high-value residential supply, contributing 40% of the total Pan-India launches in the > INR 2.5 Cr segment in 2025, although this is a decrease from its 46% share in 2024. Interestingly, NCR has strengthened its national footprint in the INR 1.5 Cr – INR 2.5 Cr bracket, increasing its Pan-India contribution from 10% in 2024 to 17% in 2025. In contrast, the region's contribution to the national supply of lower-ticket housing has declined; NCR's share of Pan-India launches in the < INR 40 Lakh category nearly halved, falling from 9% in 2024 to 5% in 2025, supporting the narrative that the NCR is increasingly becoming a market exclusive to higher-valued real estate assets.

Year-on-Year Shift in Launches by Budget Segment (NCR)



NCR Zone Wise Market Insights

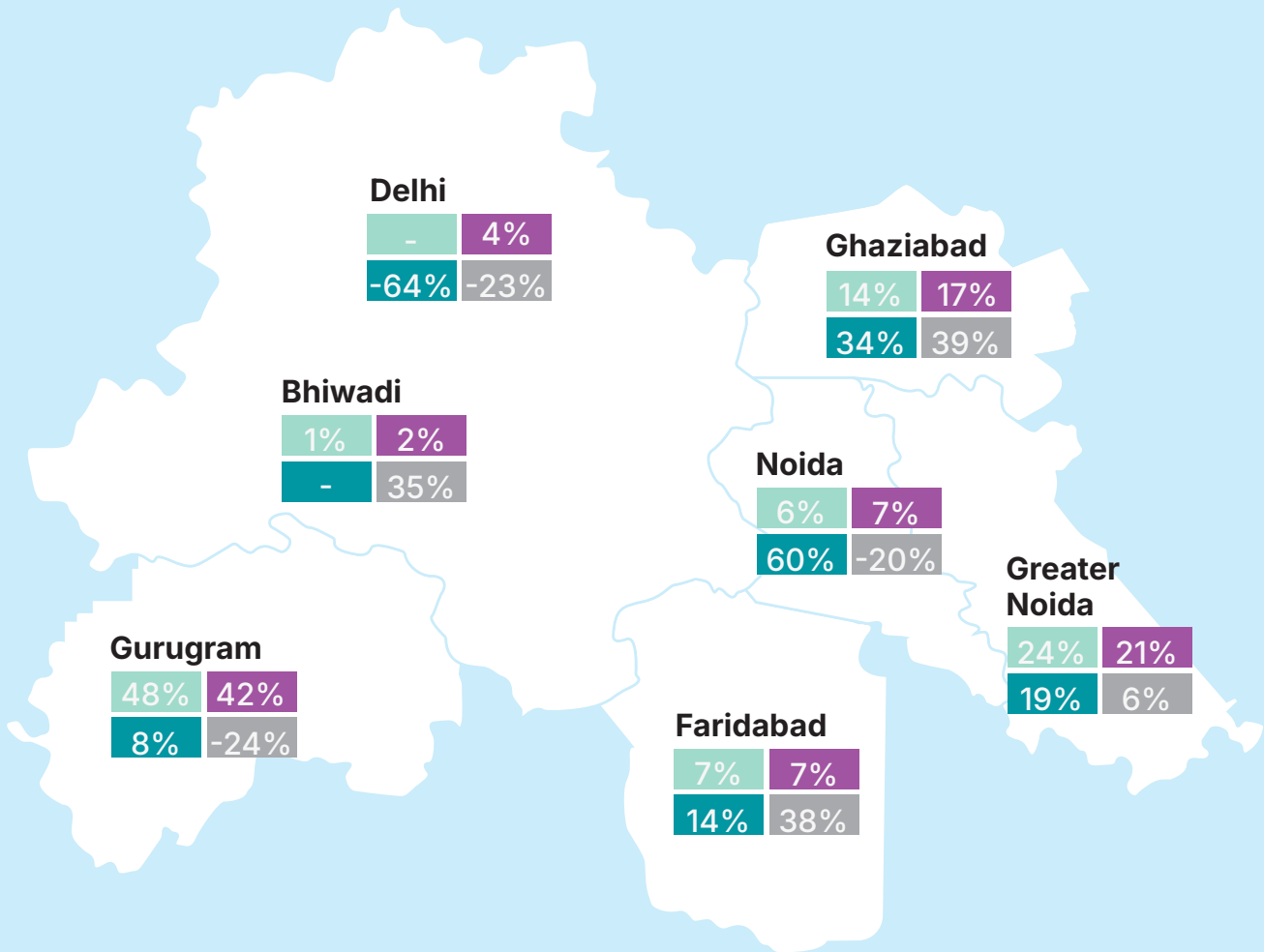
- % Share of City's Launches (2025)
- % Share of City's Sales (2025)
- YoY Movement of Launches
- YoY Movement of Sales



Leaderboard 2025

Launches:
Market Leader
Gurugram (29,500 Units)
Strongest Year-on-Year Growth
Noida (60%)

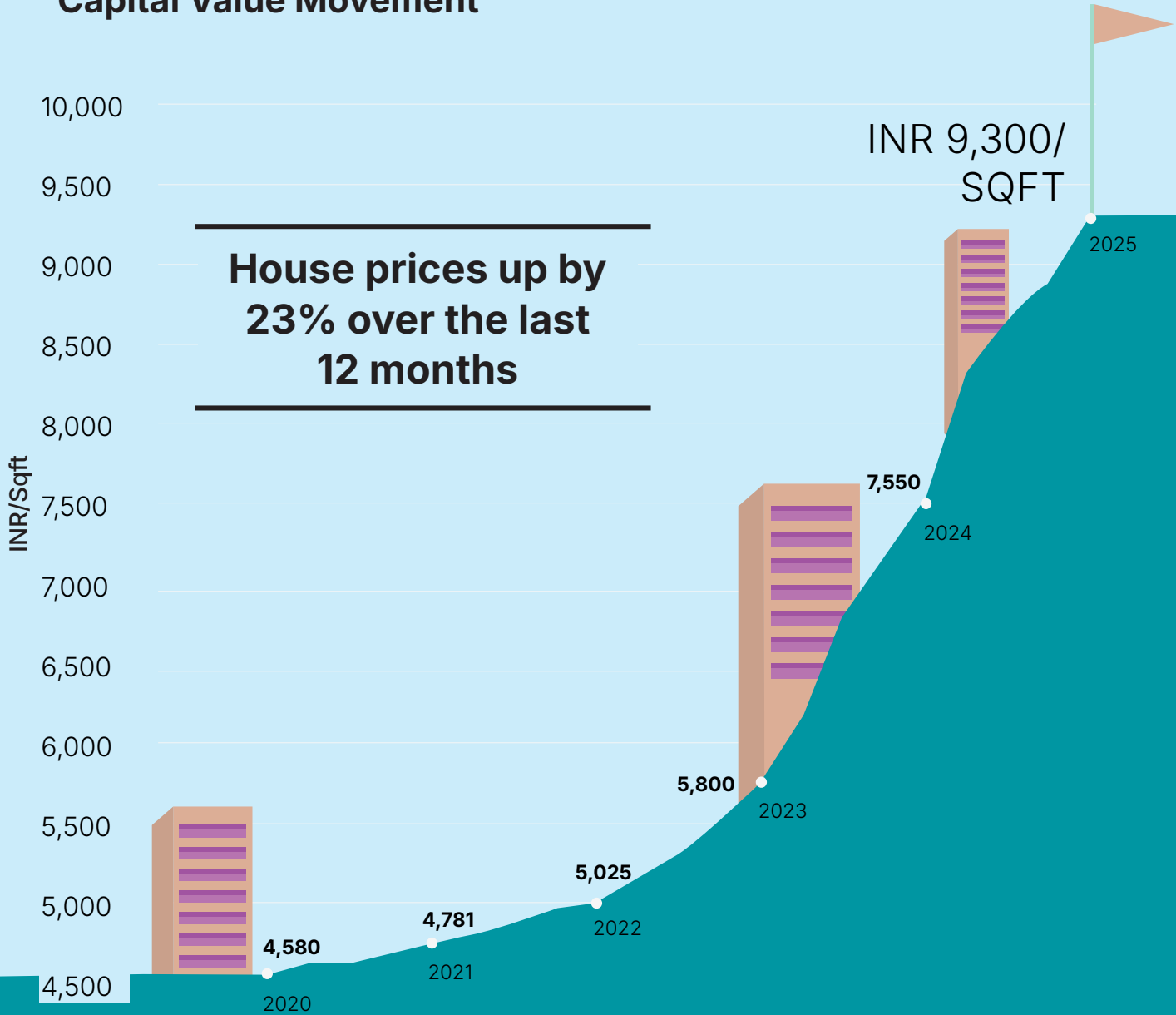
Sales:
Market Leader
Gurugram (24,400 Units)
Strongest Year-on-Year Growth
Ghaziabad (39%)



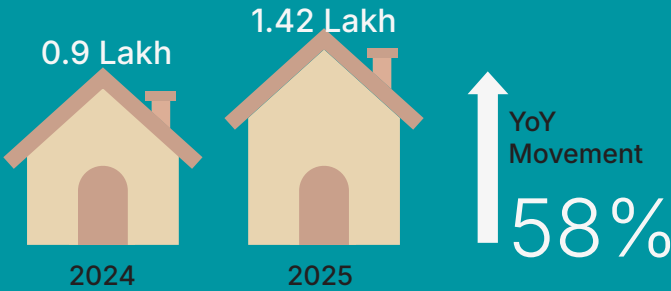
Zonal Classification

Gurugram	MG Road Sohna Road Sohna Golf Course Extension Golf Course Road Dwarka Expressway Southern Peripheral Road (SPR) New Gurugram
Noida	Noida Expressway Sector 150 Sector 79 Sector 76 Central Noida Greater Noida Greater Noida West Yamuna Expressway Pari Chowk Dadri
Ghaziabad	Crossings Republik Raj Nagar Extension Indirapuram NH-24 Vasundhara Vaishali Siddharth Vihar

Capital Value Movement



Value of Home Sales (INR Cr)



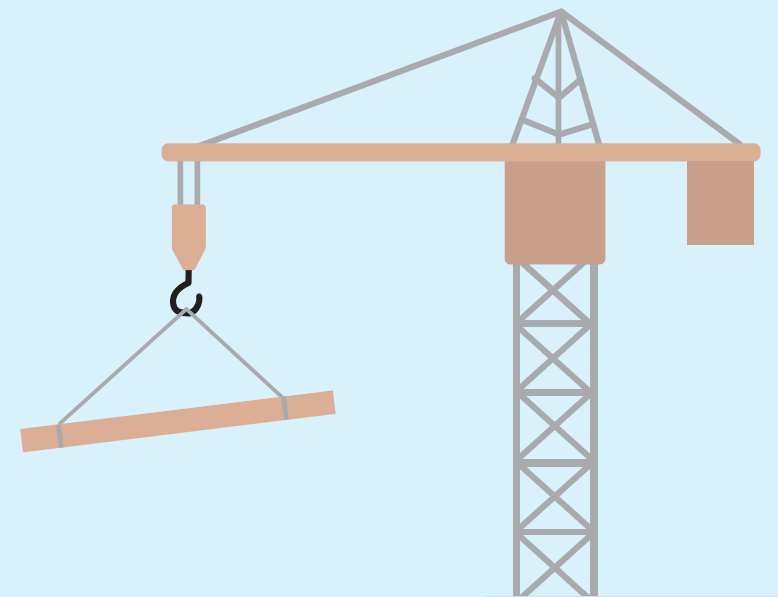
Note:
Average price in INR/sf as quoted on BSP on BUA.
Rounding may result in minor variations between the stated and calculated values.

NCR Residential Market Outlook

The National Capital Region (NCR) residential market is anticipated for a period of sustained capital appreciation and consolidation in 2026, driven by a structural shift towards premium residential developments. While sales volumes may stabilise due to the high base effect, the region is likely to see continued hardening of prices. The operationalisation of the Jewar International Airport will act as a significant catalyst for the Noida, Greater Noida and Yamuna Expressway markets, unlocking new avenues for capital growth in both residential and commercial assets. However, the market will remain polarised, with demand heavily skewed towards Grade-A developers who offer delivery assurance, while the affordable segment may witness constrained supply due to rising land valuations.

MMR Residential Real Estate

Housing sales
outpace new
launches for the
second consecutive
year in MMR in
2025



MMR Residential Market Overview

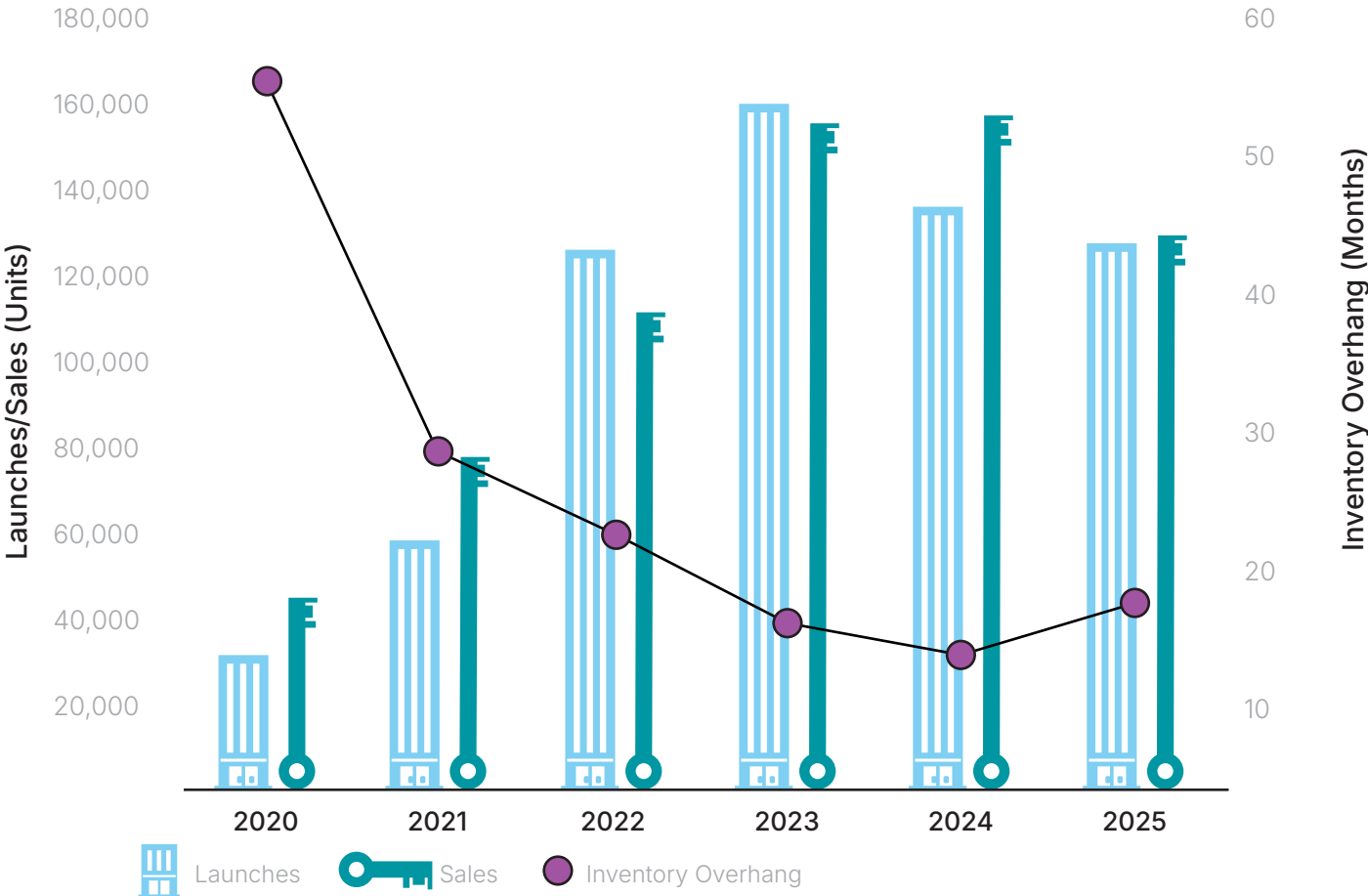
MMR Residential Market Activity

The residential real estate market in the Mumbai Metropolitan Region (MMR) in 2025 reflects a phase of stabilisation and mature consolidation following the post- pandemic surge. While new launches peaked in 2023 with 1.57 lakh unit launches, the subsequent years have shown a strategic recalibration by developers. Launches moderated to 1.34 lakh units in 2024 and further adjusted to 1.26 lakh units in 2025. Despite this contraction in supply, the demand-supply equilibrium remains robust. Sales in 2025 stood at 1.27 lakh units, marginally outpacing the new launches for the year. Although this represents a decline from the sales peak of 1.55 lakh units in 2024, the ability of sales to exceed launches indicates a healthy market driven by genuine

consumption rather than speculative inventory buildup.

The region has made remarkable strides in clearing its unsold stock, bringing the overhang down from 55 months in 2020 to a low of 14 months in 2024. While 2025 witnessed a marginal increase in the overhang to 17 months, this figure remains significantly lower than the long-term average. Overall, the data points to a sustainable ecosystem where controlled launch volumes have successfully prevented an oversupply scenario, maintaining market health despite a slight moderation in overall volumes compared to the previous year.

Residential Market Activity (MMR)



LAUNCHES

1,26,100
UNITS



SALES

1,27,900
UNITS



INVENTORY
OVERHANG

17
MONTHS



AVG. CAPITAL VALUE

INR 17,350
/SQFT

Note: Basic selling price on BUA

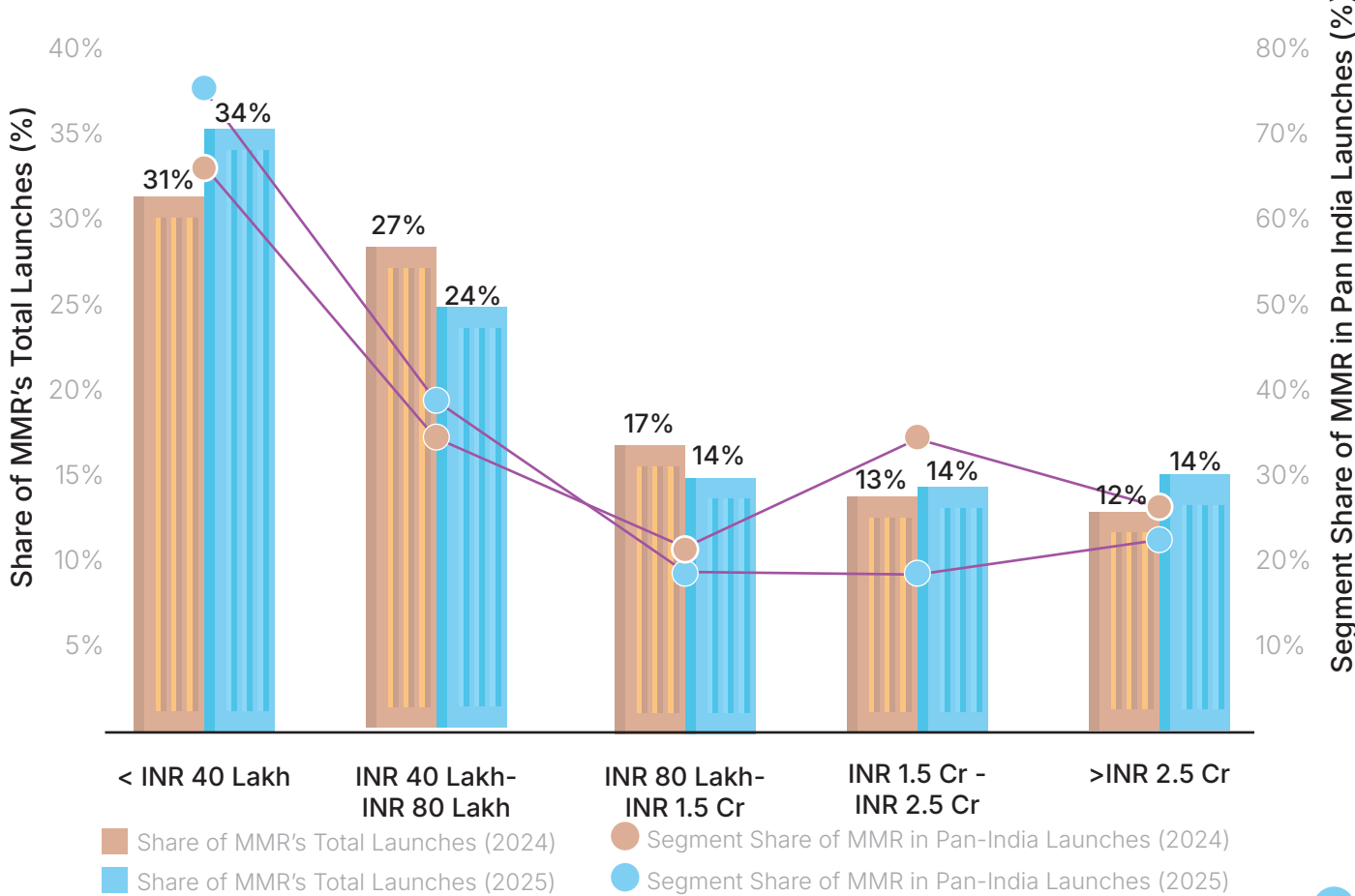
MMR Budget Segmentation and Market Positioning

MMR witnessed a notable shift in launch composition compared to 2024. The < INR 40 Lakh price range has notably expanded its footprint, accounting for 34% of the region's total launches in 2025, up from 31% in 2024. Simultaneously, the higher ticket sizes have strengthened, with the > INR 2.5 Cr category rising to 14% of the total supply. This expansion at the extremities has seemingly squeezed the intermediate segments; the combined share of units priced between INR 40 Lakh and INR 1.5 Cr contracted from 44% in 2024 to 38% in 2025, suggesting a strategic shift in product configuration by developers.

When positioned against the Pan-Indialandscape, MMR contributed a 72% of all Pan- India launches

in the < INR 40 Lakh segment, a substantial rise from 63% in 2024. Interestingly, while the share of the INR 40 Lakh – INR 80 Lakh segment decreased within the city, MMR's contribution to the Pan-India total for this bracket rose to 36%. However, the region's influence in the segments >INR 80 Lakh has declined relative to the national aggregate; specifically, MMR's share of Pan India launches in the INR 1.5 Cr – INR 2.5 Cr bracket contracted sharply from 32% in 2024 to 19% in 2025. This suggests that while MMR is strengthening its hold on the Pan-India entry-level market, other regions may be capturing a larger slice of the upper-mid residential pie.

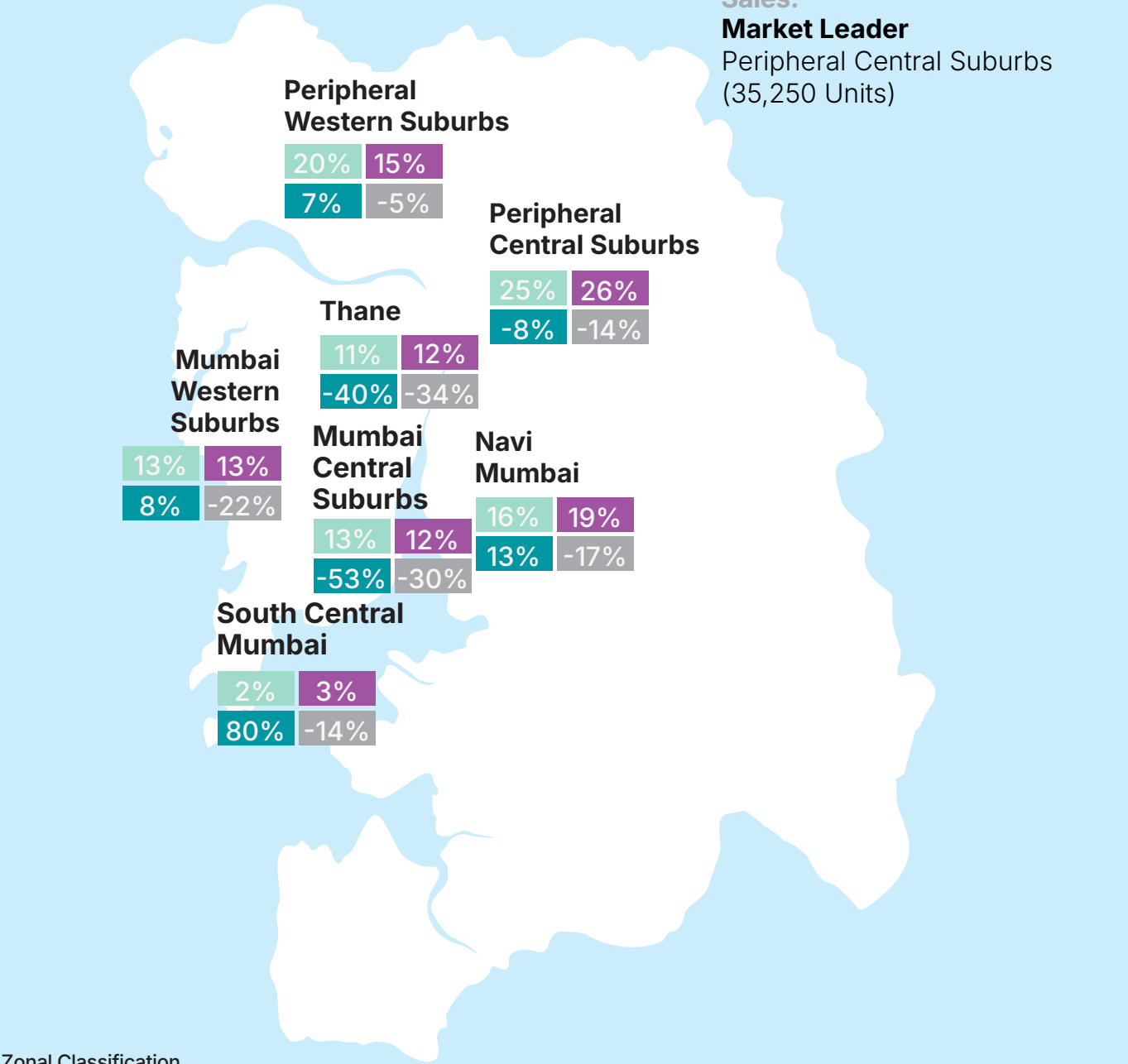
Year-on-Year Shift in Launches by Budget Segment (MMR)



MMR Zone Wise Market Insights



- % Share of City's Launches (2025)
- % Share of City's Sales (2025)
- YoY Movement of Launches
- YoY Movement of Sales



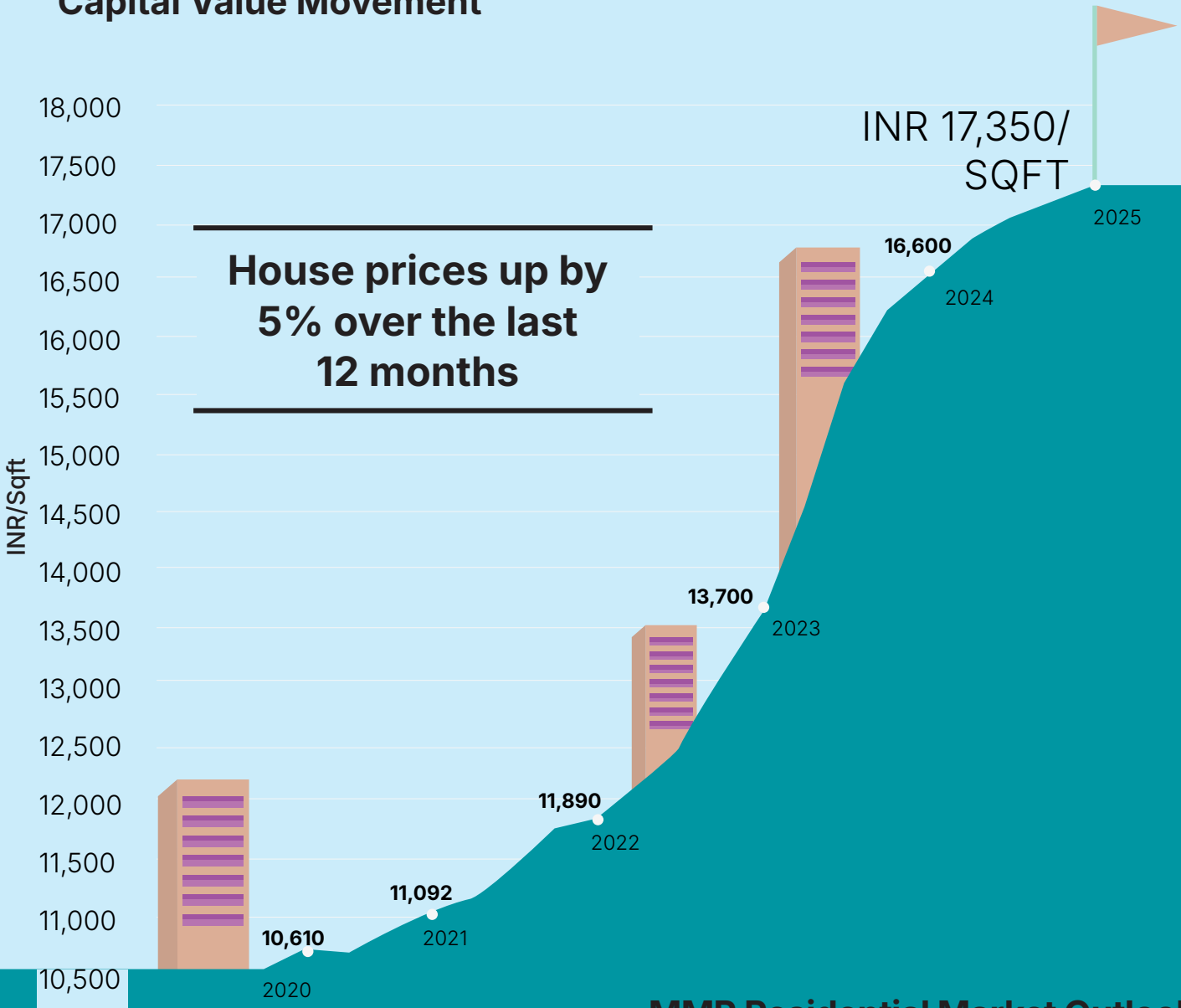
Zonal Classification

Central Suburbs	Sion Kurla Chembur Wadala Mulund Bhandup Kanjurmarg Ghatkopar Vikhroli Powai
Western Suburbs	Andheri Malad Bandra BKC Kandivali Borivali Dahisar Goregaon Jogeshwari Vile Parle
Navi Mumbai	Panvel Ulwe Taloja Kharghar Karanjade Ghansoli Airoli Kalamboli Kamothe Vashi
Peripheral Central Suburbs	Badlapur Dombivli Kalyan Neral Ambernath Bhiwandi Vangani Shahapur
Peripheral Western Suburbs	Mira Road Virar Palghar Boisar Naigaon Nala Sopara Bhayandar
South Central Mumbai	Byculla Worli Parel Lower Parel Prabhadevi Girgaon Tardeo Mahalakshmi
Thane	Kolshet Road Pokhran Road Kasarvadavali Ghodbunder Road Thane (W) Majiwada Balkum Pada

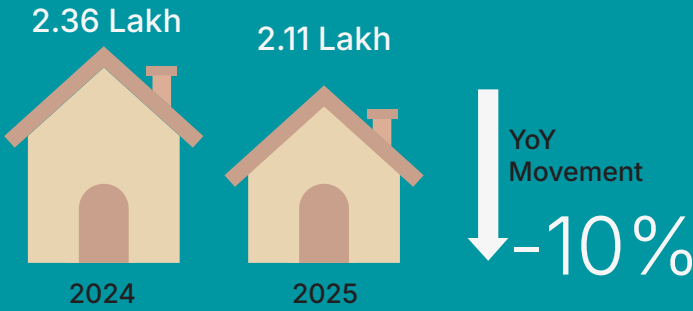
Leaderboard 2025

Launches:
Market Leader
Peripheral Central Suburbs
(30,300 Units)
Strongest Year-on-Year Growth
South Central Mumbai (80%)
Sales:
Market Leader
Peripheral Central Suburbs
(35,250 Units)

Capital Value Movement



Value of Home Sales (INR Cr)



Note:
Average price in INR/sf as quoted on BSP on BUA.
Rounding may result in minor variations between the stated and calculated values.

MMR Residential Market Outlook

The Mumbai Metropolitan Region (MMR) is entering a transformative phase in 2026, characterised by the development boost from projects such as the Mumbai Trans Harbour Link (MTHL) and the Coastal Road. These mega-projects are effectively de-congesting the city and creating new, high-growth residential corridors in the peripheral markets of MMR, which will attract significant end-user demand. MMR is expected to witness a surge in redevelopment activity within the island city, unlocking premium inventory in historically land-constrained micro markets. As developers aggressively acquire land banks to secure future pipelines, the market is poised for long-term stability, with capital values expected to appreciate steadily in response to the region's massive public infrastructure spending and improved ease of living.

Bengaluru Residential Real Estate

Bengaluru records an all-time high residential launch volume in 2025



Bengaluru Residential Market Overview



LAUNCHES
74,250
UNITS



SALES
62,200
UNITS



INVENTORY
OVERHANG
13
MONTHS



AVG. CAPITAL VALUE
INR 9,100
/SQFT

Note: Basic selling price on BUA

Bengaluru Residential Market Activity

Bengaluru's residential sector has demonstrated a trajectory of sustained supply-side expansion over the last half-decade, culminating in a historic high in 2025. New launches have more than tripled since 2020, climbing steadily from 21,400 units to reach 74,250 units in 2025. This aggressive infusion of new launches reflects high developer confidence; however, sales velocity has begun to show signs of consolidation. After a consistent upward trend that saw sales volume peak at 65,200 units in 2024, the market witnessed a marginal moderation to 62,200 units in 2025.

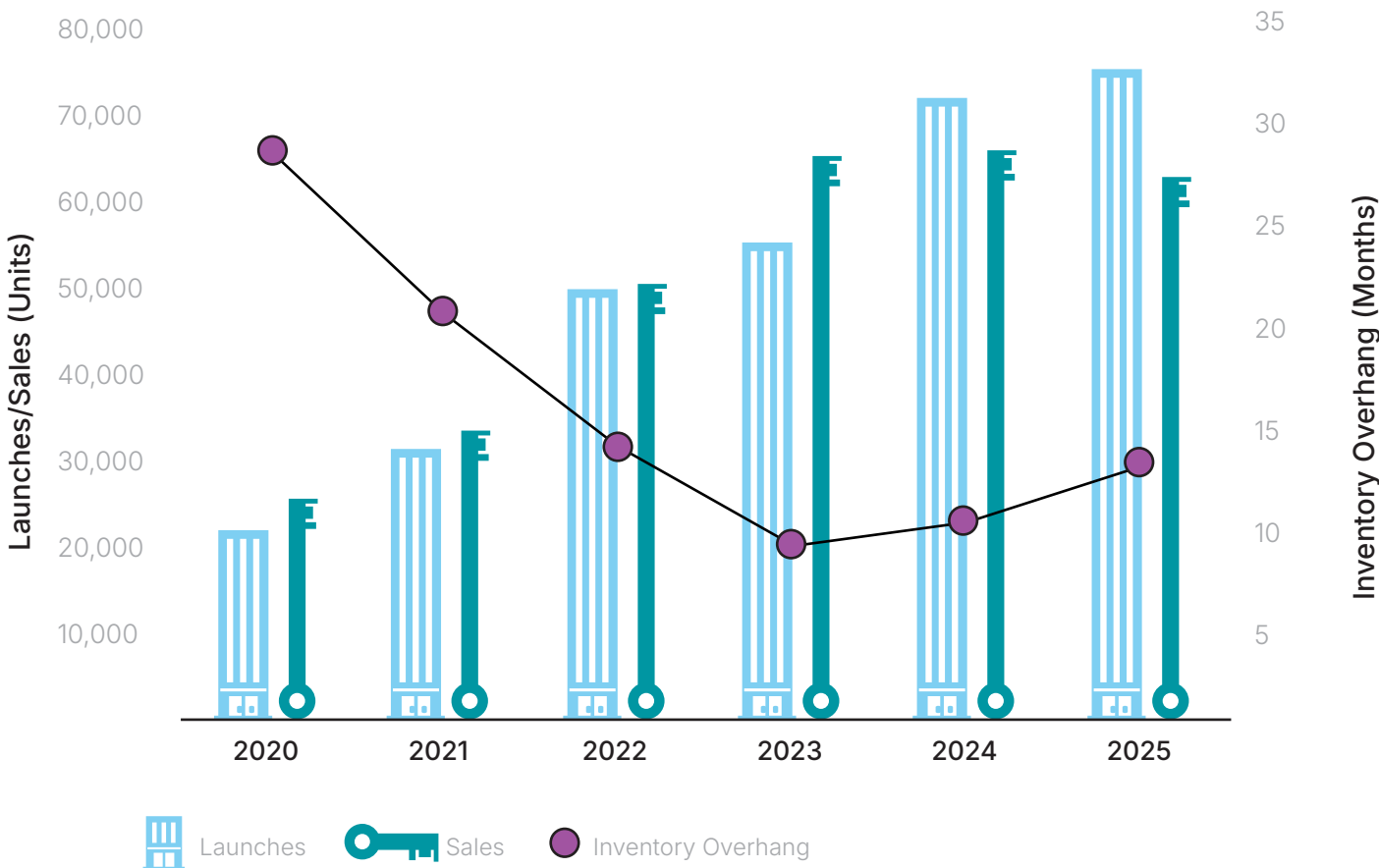
Consequently, the equilibrium between supply and demand has shifted slightly. While the inventory overhang had declined significantly from 29 months in 2020 to a record low of 9 months in 2023, the disparity between the record launches and the stabilising sales volume in 2025 has pushed the overhang back up to 13 months. This indicates a market that is transitioning from a phase of rapid absorption to one of steady accumulation, where the pace of new supply is currently outpacing the prevailing absorption rate, though the overhang remains well below the high levels seen in 2020 and 2021.

Bengaluru Budget Segmentation and Market Positioning

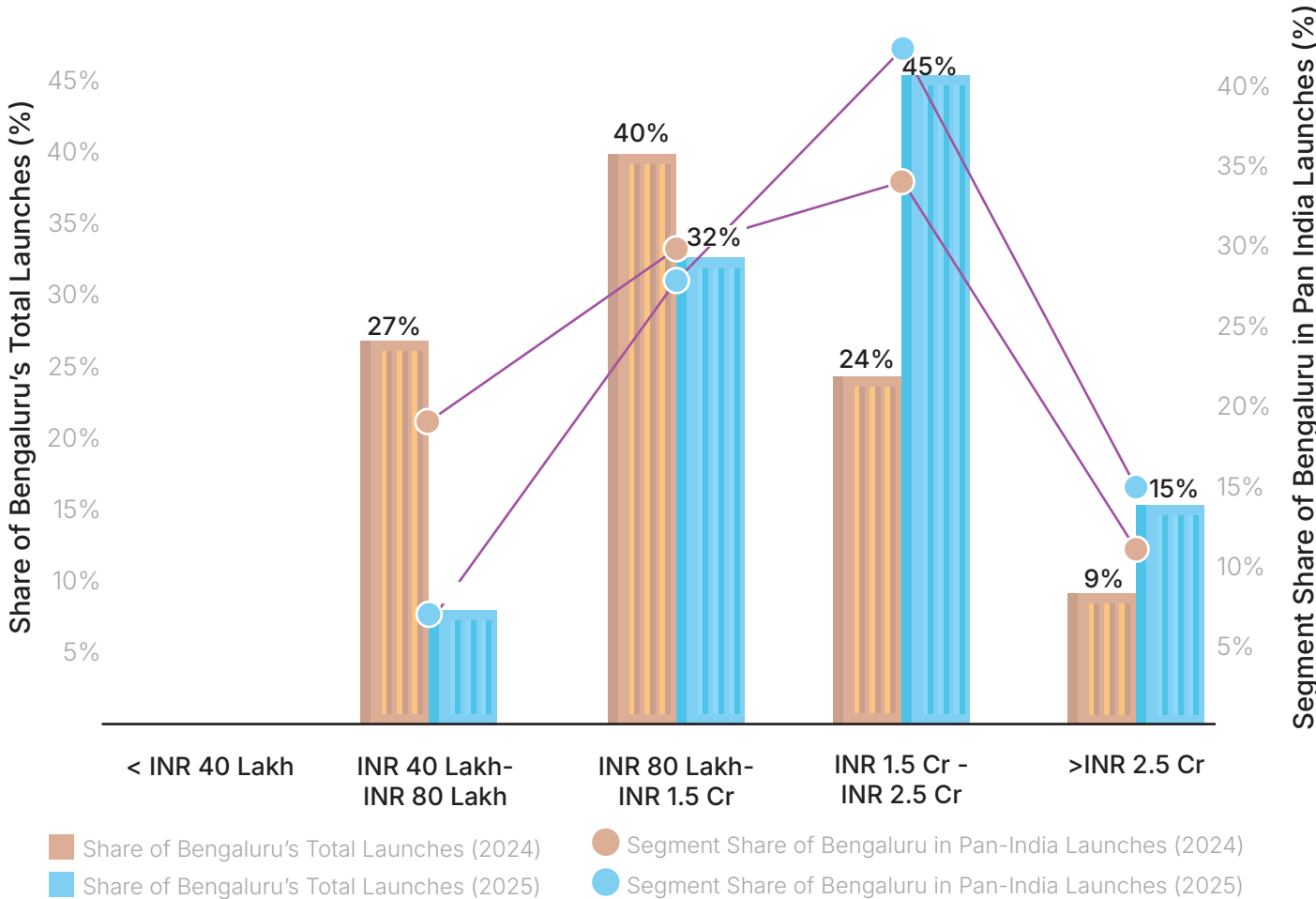
Bengaluru's residential launches recorded a sharp migration toward higher price brackets and a complete exit from the entry-level price segments in 2025. In comparison to the previous year, the share of launches in the INR 40 Lakh – INR 80 Lakh bracket contracted severely, dropping from 27% in 2024 to just 8% in 2025. Conversely, the INR 1.5 Cr – INR 2.5 Cr segment has emerged as the new dominant category, surging from a 24% share in 2024 to capture 45% of the city's total launches in 2025. This trend of premiumisation is further evidenced by the rise in the > INR 2.5 Cr segment, which expanded its share to 15%.

On a Pan-India level, Bengaluru has strengthened its standing as a primary driver of premium inventory; the city contributed 37% of the nation's total launches in the INR 1.5 Cr – INR 2.5 Cr segment in 2025, up from 30% the previous year. Meanwhile, its contribution to the national INR 40 Lakh – INR 80 Lakh segment shrank to a mere 7%, reinforcing Bengaluru's evolution into a mature market focused on mid-to-high income demographics rather than entry-level housing.

Residential Market Activity (Bengaluru)



Year-on-Year Shift in Launches by Budget Segment (Bengaluru)



Bengaluru Zone Market Insights

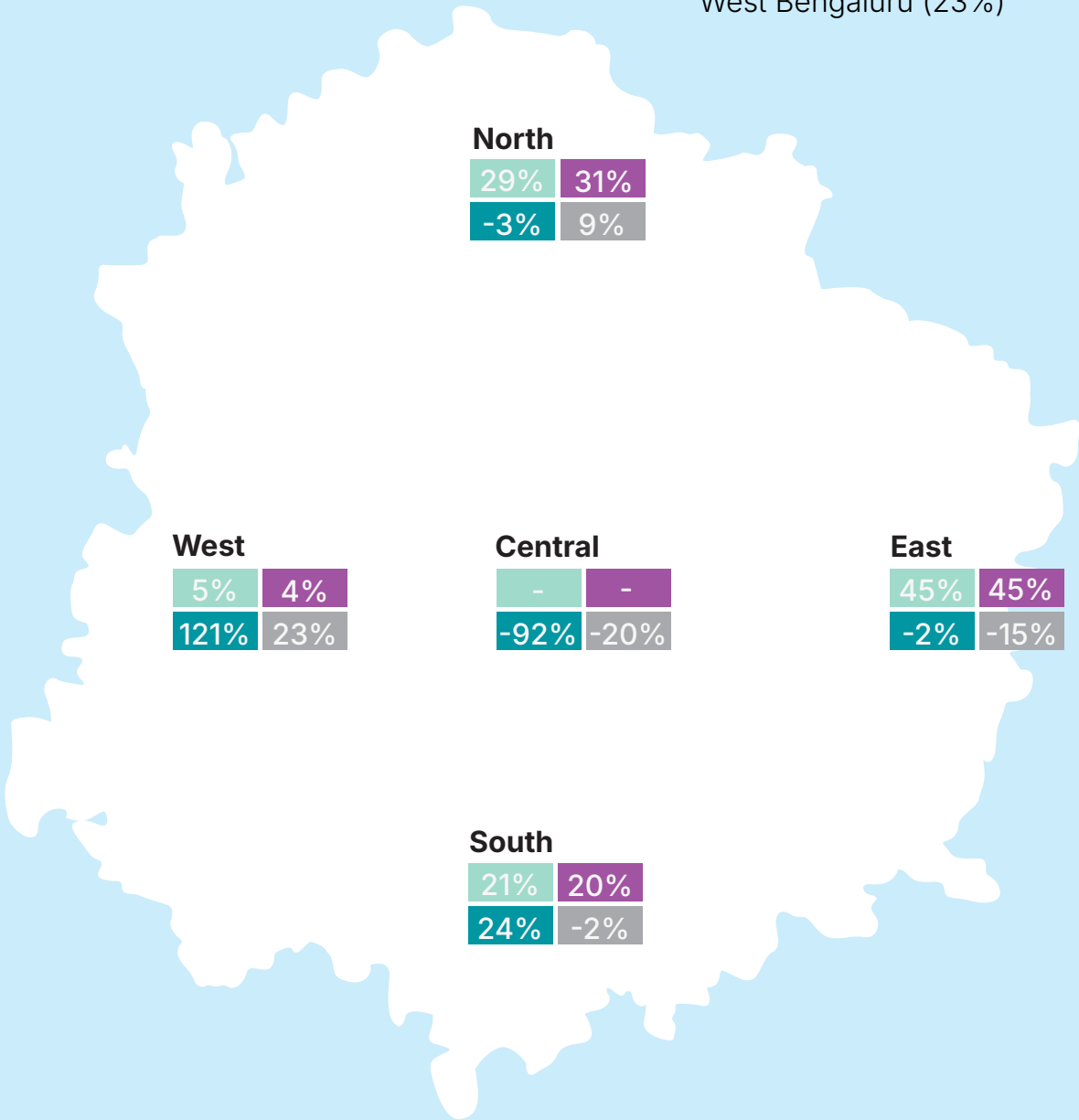
- % Share of City's Launches (2025)
- % Share of City's Sales (2025)
- YoY Movement of Launches
- YoY Movement of Sales



Leaderboard 2025

Launches:
Market Leader
East Bengaluru (33,250 Units)
Strongest Year-on-Year Growth
West Bengaluru (121%)

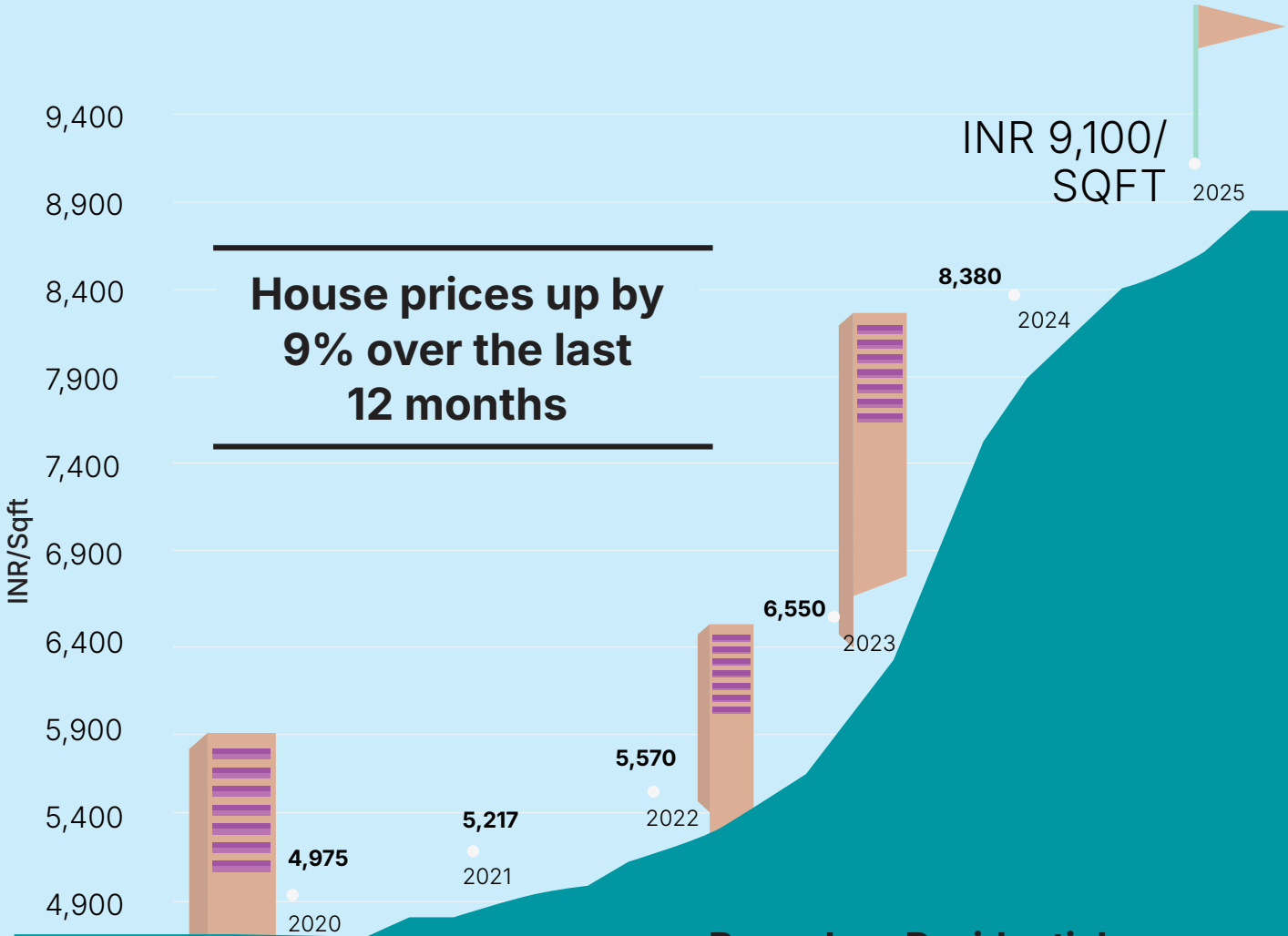
Sales:
Market Leader
East Bengaluru (28,100 Units)
Strongest Year-on-Year Growth
West Bengaluru (23%)



Zonal Classification

- Central Chamrajpet | Frazer Town | Richmond Road | Ulsoor | Shanti Nagar
- North Hebbal | Yelahanka | Jalahalli | Thanisandra Main Road | Hennur Road | Doddaballapur Road | International Airport Road
- South Begur Rd | JP Nagar | Electronic City | Hosur Road | Bannerghatta Road | Kanakapura Road | Koramangala
- East Whitefield | KR Puram | Sarjapur Road | Harlur Road | Marathahalli | Varthur Road | Bellandur | Old Madras Road
- West Tumkur Road | Magadi Road | Mysore Road | Rajaji Nagar | Naagarabhaavi | Vijay Nagar | Nelamanagala

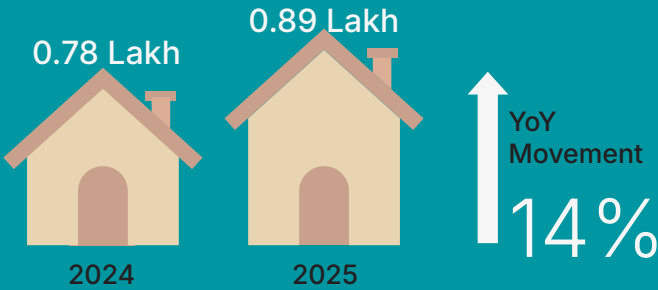
Capital Value Movement



Bengaluru Residential Market Outlook

Bengaluru's residential market outlook for 2026 is one of cautious optimism and strategic geographical realignment. The city is expected to witness a continued northward migration of development activity, anchored by aviation and aerospace infrastructure. This northward migration is being driven by the development of large-scale global business parks and research centers, which are attracting a sophisticated demographic of senior professionals and expatriates. While the IT-ITeS sector's consolidation has temporarily dampened housing absorption, leading to an inventory overhang, the intrinsic end-user demand remains intact and is expected to rebound as the hiring cycle stabilises. Looking ahead, developers are likely to focus on clearing existing inventory while launching specialised products catering to the 'tech-affluent' buyers.

Value of Home Sales (INR Cr)



Note:
Average price in INR/sf as quoted on BSP on BUA.
Rounding may result in minor variations between the stated and calculated values.

Pune Residential Real Estate

INR 80 Lakh - INR 1.5 Cr price segment emerges as the dominant category in Pune, commands 39% of 2025 launches



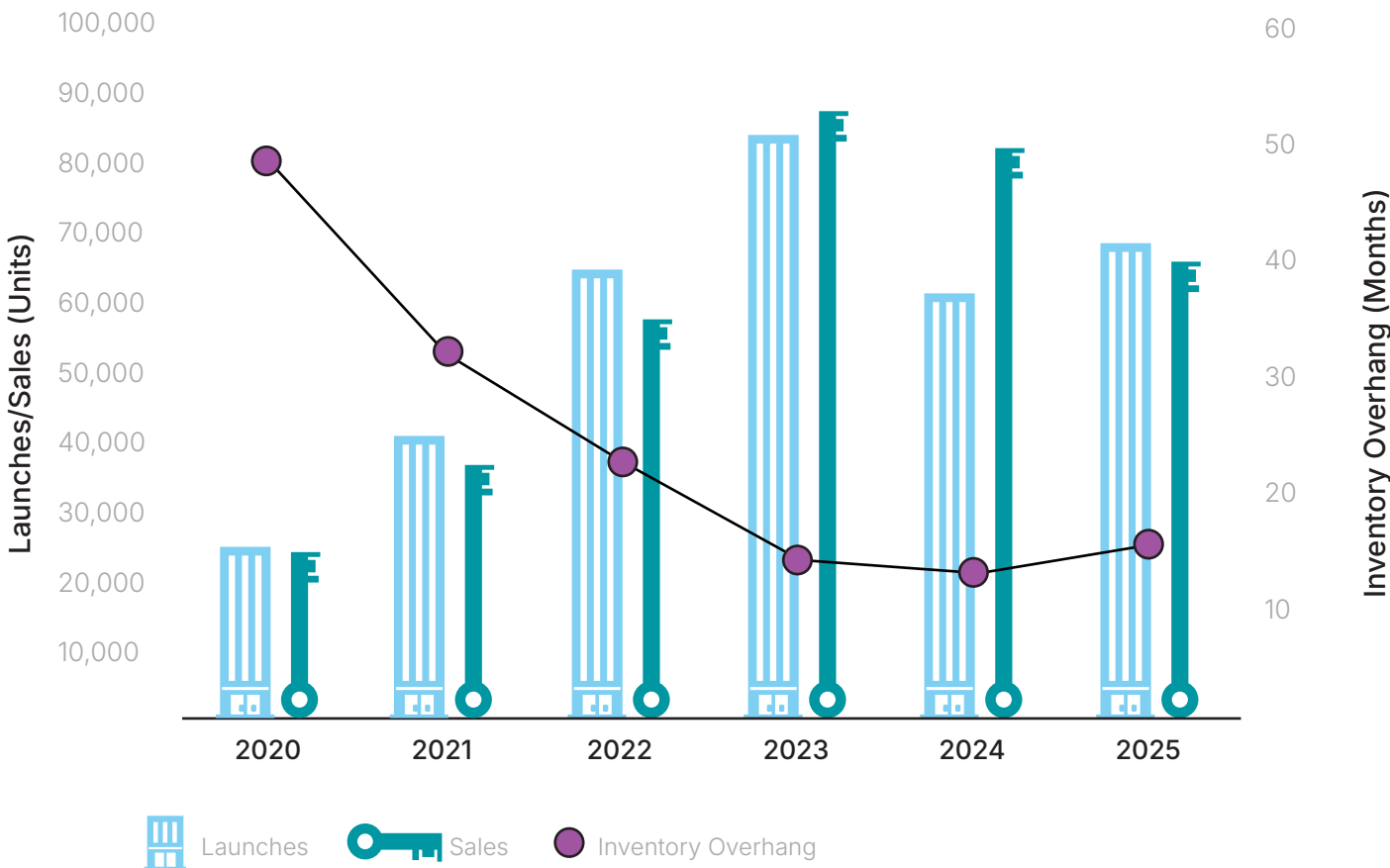
Pune Residential Market Overview

Pune Residential Market Activity

The Pune residential real estate market has demonstrated remarkable resilience and phases of evolution between 2020 and 2025, transitioning from pandemic-induced lows to a period of consolidation. The market trajectory indicates a robust recovery from 2020, when launches and sales were at 23,900 units and 23,450 units, respectively. This momentum peaked significantly in 2023, establishing a peak with 83,600 launches and 86,700 sales. Following this peak, the market entered a correction phase in 2024, characterised by supply discipline, where sales significantly outpaced new launches.

This supply-demand dynamic resulted in the inventory overhang dropping to a historic low of 12 months in 2024, a stark contrast to the 48-month overhang recorded in 2020. In 2025, the market appears to be stabilising towards a sustainable equilibrium. While new supply increased to 67,954 units, indicative of renewed developer confidence, sales volume moderated to 65,135 units. Consequently, the inventory overhang saw a marginal increase to 15 months, a figure that remains well within the healthy range. Overall, while the aggressive absorption rates of 2023 and 2024 have tempered, the Pune market remains fundamentally strong with manageable inventory levels and steady residential activity.

Residential Market Activity (Pune)



LAUNCHES
67,950
UNITS



SALES
65,100
UNITS



INVENTORY
OVERHANG
15
MONTHS



AVG. CAPITAL VALUE
INR 8,050
/SQFT

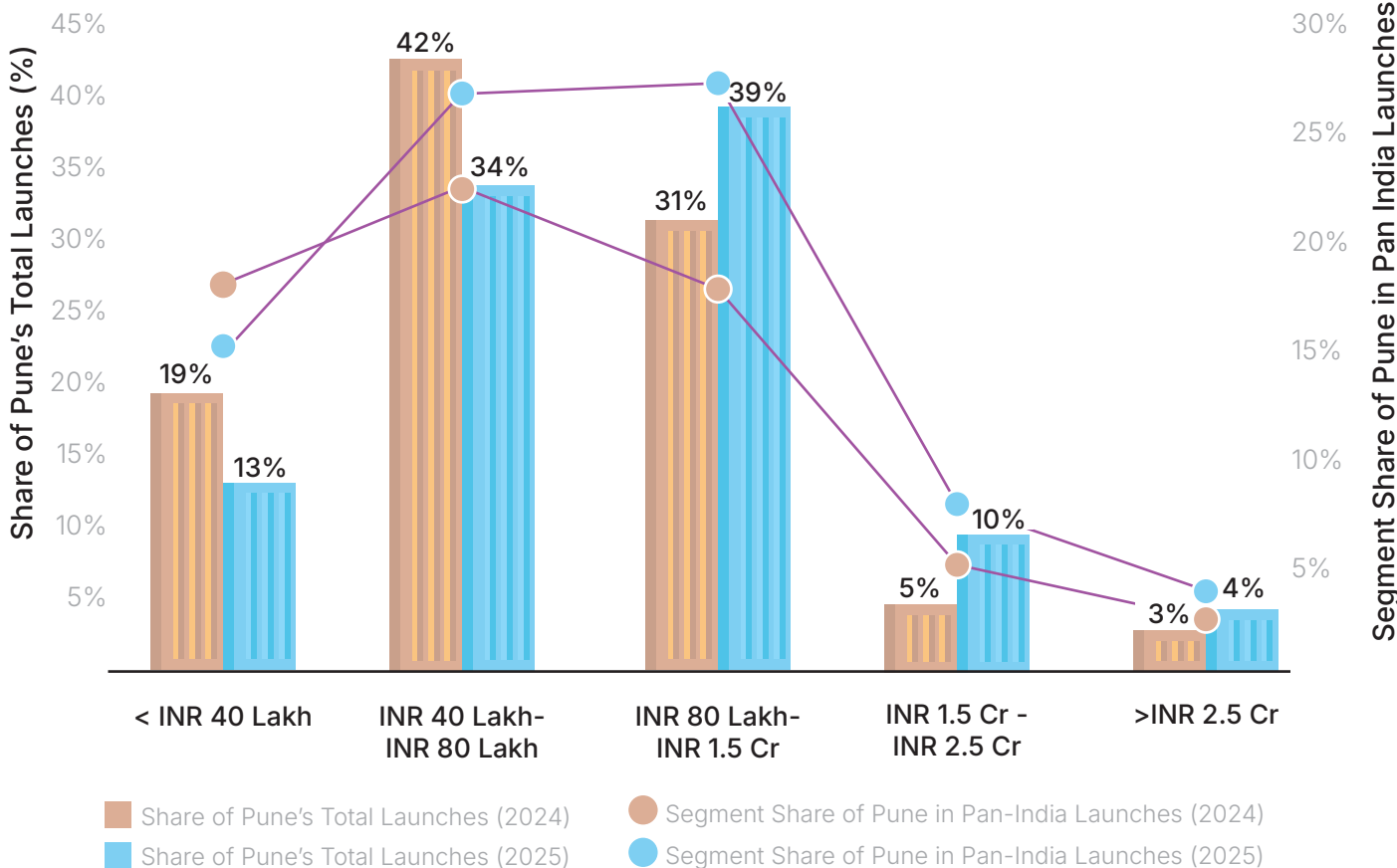
Note: Basic selling price on BUA

Pune Budget Segmentation and Market Positioning

Analysis of the 2025 launches reveals an upward shift in Pune's price segmentation, mirroring evolving homebuyer preferences towards higher-value configurations. The share of Pune's launches in the < INR 40 Lakh category declined from 19% in 2024 to 13% in 2025. Similarly, the INR 40 Lakh – INR 80 Lakh segment, previously the majority, saw its share decrease from 42% to 34%. In contrast, the INR 80 Lakh – INR 1.5 Cr segment has emerged as the dominant category, expanding its share significantly from 31% to 39%. Furthermore, the INR 1.5 Cr – INR 2.5 Cr segment doubled its presence from 5% to 10%, while the > INR 2.5 Cr category saw a marginal 1% rise to 4%.

In the context of Pan-India launches, Pune continues to exert substantial influence, particularly in the mid-to-high price brackets. The city's strategic positioning is most evident in the INR 40 Lakh - INR 80 Lakh and INR 80 Lakh - INR 1.5 Cr segments; in 2025, Pune accounted for a substantial 27% of the total national launches in both of these specific price brackets. This represents a notable increase from 2024, when these shares stood at 22% and 17%, respectively. While Pune's contribution to the ultra-niche > INR 2.5 Cr segment remains modest at 3% of Pan-India launches, Pune is clearly positioned as a primary national driver for residential launches in the INR 40 Lakh to INR 1.5 Cr range.

Year-on-Year Shift in Launches by Budget Segment (Pune)



Pune Zone Market Insights

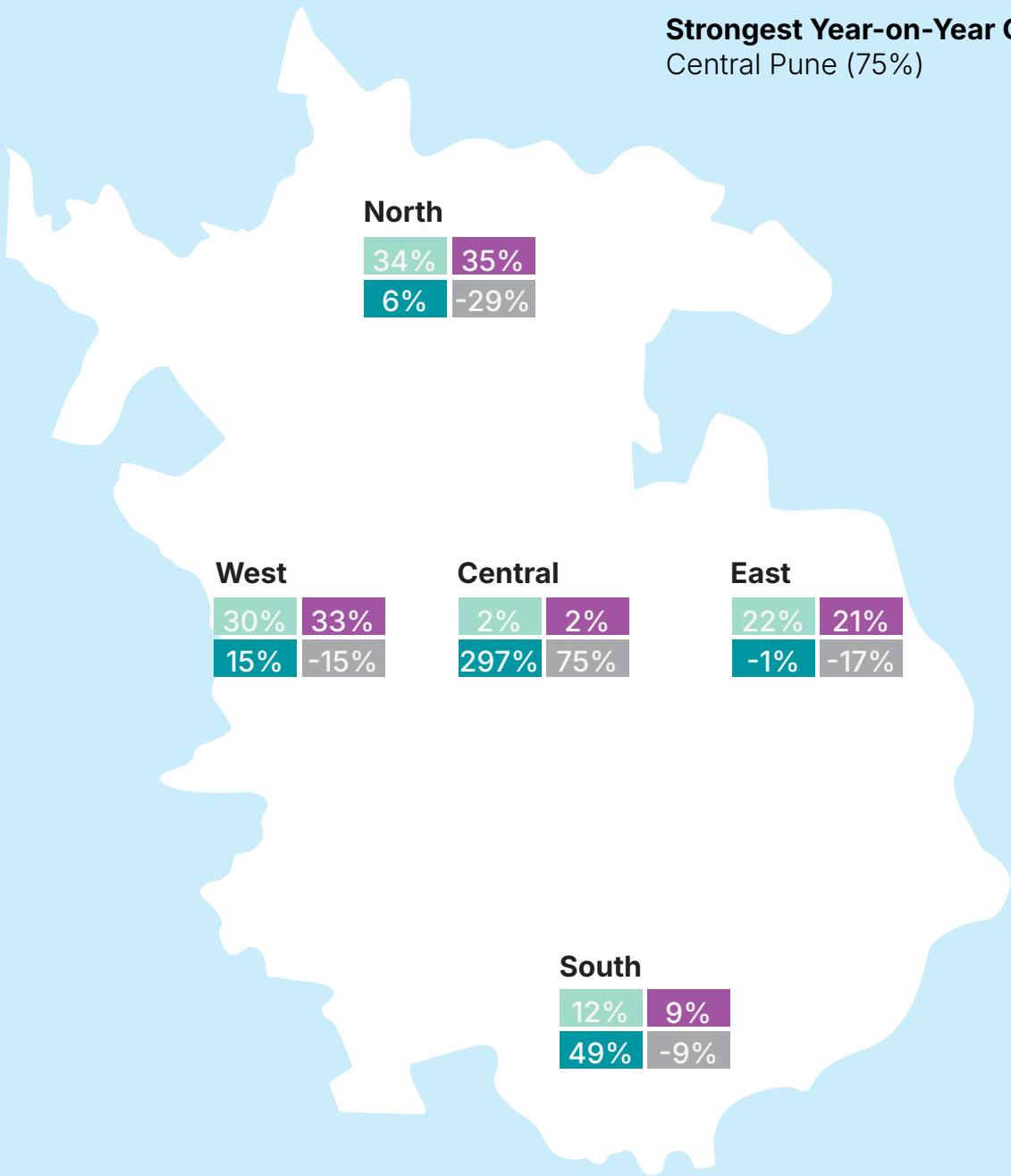
- % Share of City's Launches (2025)
- % Share of City's Sales (2025)
- YoY Movement of Launches
- YoY Movement of Sales



Leaderboard 2025

Launches:
Market Leader
North Pune (23,100 Units)
Strongest Year-on-Year Growth
Central Pune (297%)

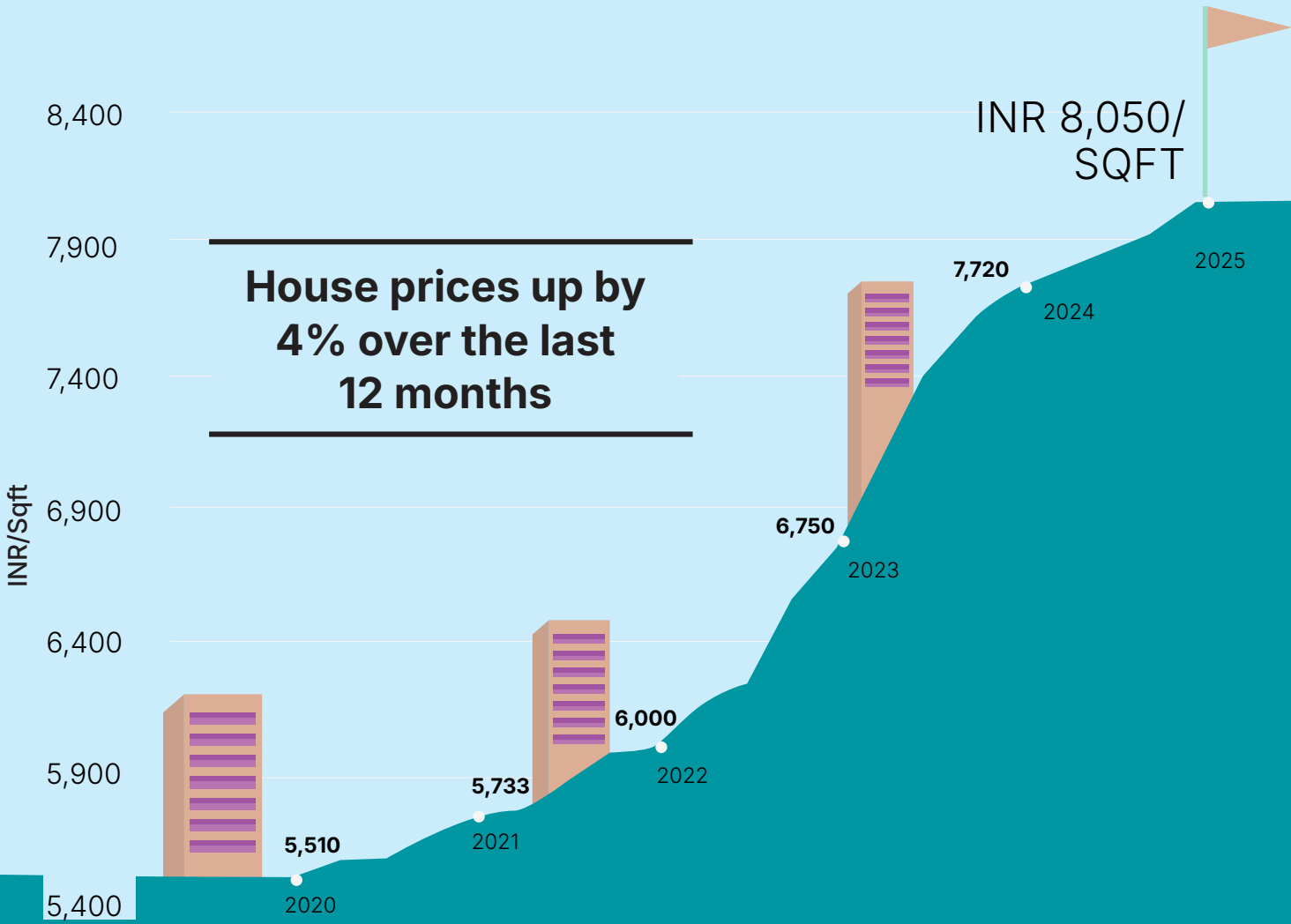
Sales:
Market Leader
North Pune (22,750 Units)
Strongest Year-on-Year Growth
Central Pune (75%)



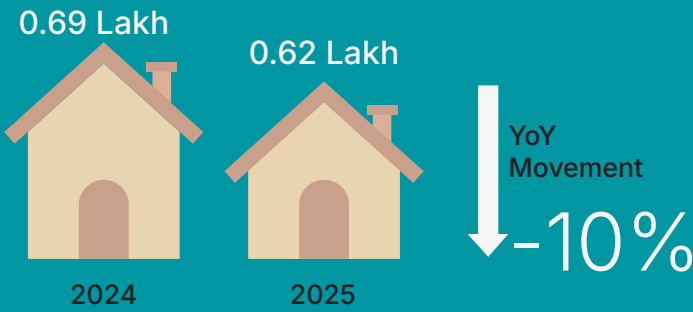
Zonal Classification

Central Shivaji Nagar | Sadashiv Peth | Kasba Peth | Prabhat Road | Deccan Gymkhana
North Moshi | Talegaon | Dabhade | Chikhali | Viman Nagar | Ravet | Punawale | Chakan | Lohegaon | Pimpri Chinchwad
South Sinhgad Road | Undri | Kondhwa | Ambegaon Budruk | Dhayari | Handewadi | NIBM Annexe
East Wagholi | Kharadi | Hadapsar | Manjari | Wadgaon Sheri | Kalyani Nagar | Magarpatta City | Sholapur Road
West Kothrud | Hinjewadi | Wakad | Baner | Bavdhan | Pirangut | Pashan | Gahunje

Capital Value Movement



Value of Home Sales (INR Cr)



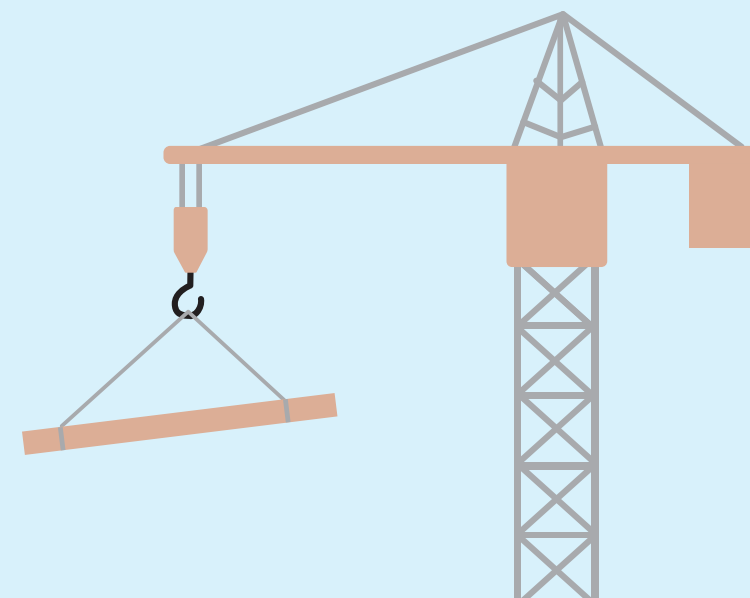
Note:
Average price in INR/sf as quoted on BSP on BUA.
Rounding may result in minor variations between the stated and calculated values.

Pune Residential Market Outlook

Pune's residential market in 2026 is projected to maintain its trajectory as a robust end-user destination, anchored by its thriving IT-ITeS and manufacturing ecosystems. The ongoing expansion of mass rapid transit networks and arterial ring roads will be a game-changer, unlocking new land parcels in peripheral zones and making them viable for large-scale residential development. These infrastructure upgrades are anticipated to effectively decentralise housing demand, reducing pressure on established core micro markets and fostering the growth of new suburban nodes. The city will likely see a sustained supply of mid-to-premium inventory designed to meet the aspirations of modern families seeking larger homes with flexible configurations. Overall, the market is poised for steady, end-user-driven growth, characterised by stable capital appreciation.

Hyderabad Residential Real Estate

65% of Hyderabad's new launches exceed INR 1.5 Cr; <INR 80 Lakh segments share shrinks to single digits



Hyderabad Residential Market Overview



Note: Basic selling price on BUA

Hyderabad Residential Market Activity

In 2025, Hyderabad's residential real estate sector entered a phase of consolidation, marking a shift from the aggressive expansion witnessed in the preceding years. The market trajectory, which saw new launches surge from 21,100 units in 2020 to a peak of 76,300 units in 2023, has moderated significantly. Data for 2025 indicates a calibrated supply inflow of 43,250 units, a notable contraction compared to the 58,300 units launched in 2024. Demand dynamics mirrored this trend, with sales volume adjusting to 44,900 units in 2025, down from 58,500 units in the previous year. Despite the reduction in absolute volumes, the market maintained a positive structural balance as sales numbers marginally

exceeded new launches in 2025, preventing an unmanageable surplus.

However, the slower velocity of sales relative to the accumulated stock has impacted inventory metrics. The inventory overhang, which had improved dramatically from 52 months in 2020 to an efficient low of 19 months in 2023, saw an upward adjustment to 26 months in 2025. While this represents an increase from the 20-month overhang recorded in 2024, the market remains fundamentally healthier than the initial years of the decade. Overall, the 2025 indicators suggest a maturing market where developers are prioritising the clearing of existing stock over the rapid launch of new inventory.

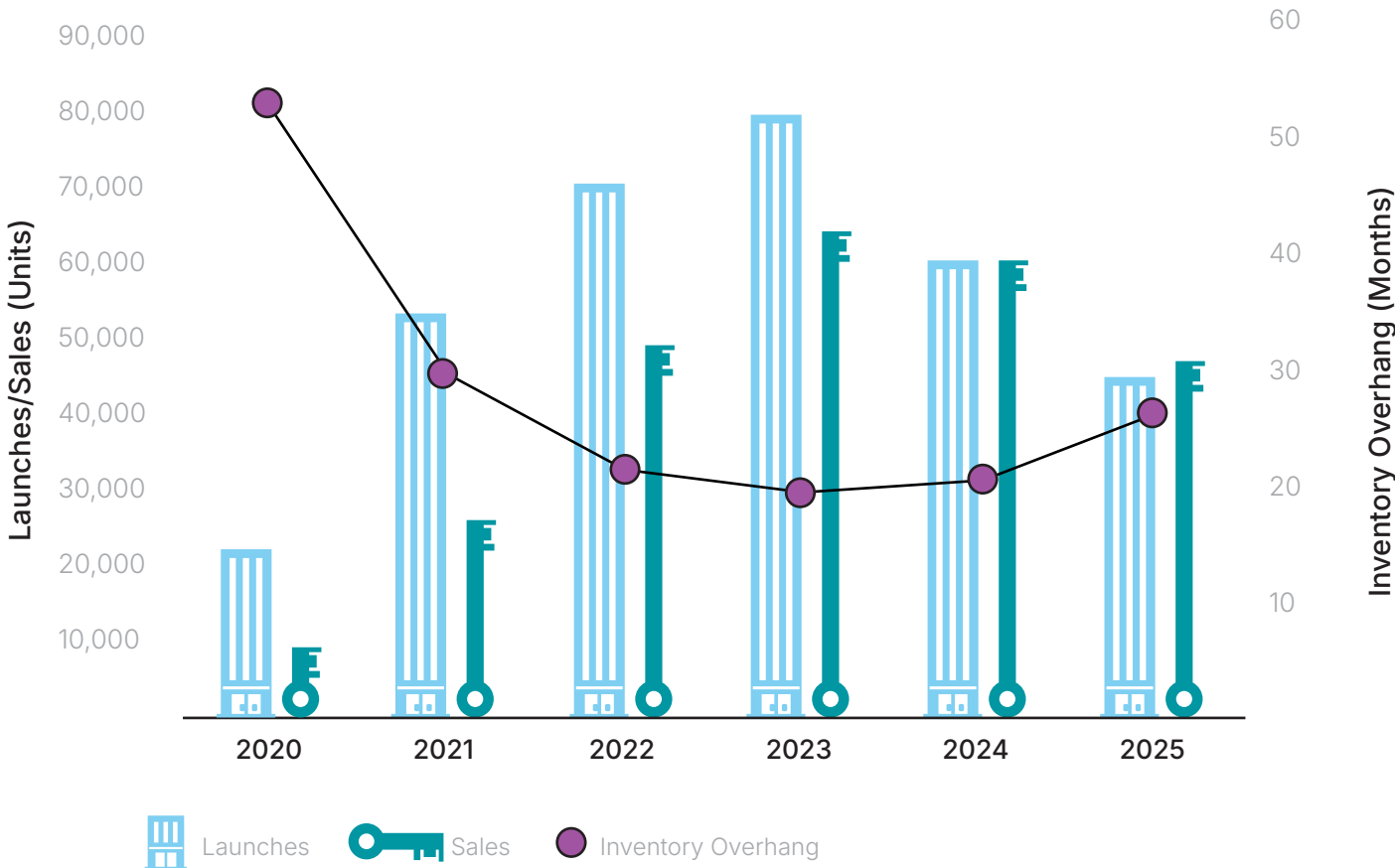
Hyderabad Budget Segmentation and Market Positioning

Residential budget segmentation data of Hyderabad reveals a near-total exit from the lower budget segments in 2025; the share of new launches in the < INR 40 Lakh category dropped to 0% in 2025, while the INR 40 Lakh - INR 80 Lakh segment shrank drastically to 8%, down from 24% in 2024. Even the INR 80 Lakh - INR 1.5 Cr bracket, which dominated the market with a 39% share in 2024, contracted to 27%. Conversely, the upper spectrum of the market has expanded substantially. The > INR 2.5 Cr segment nearly doubled its dominance, rising from 18% in 2024 to account for

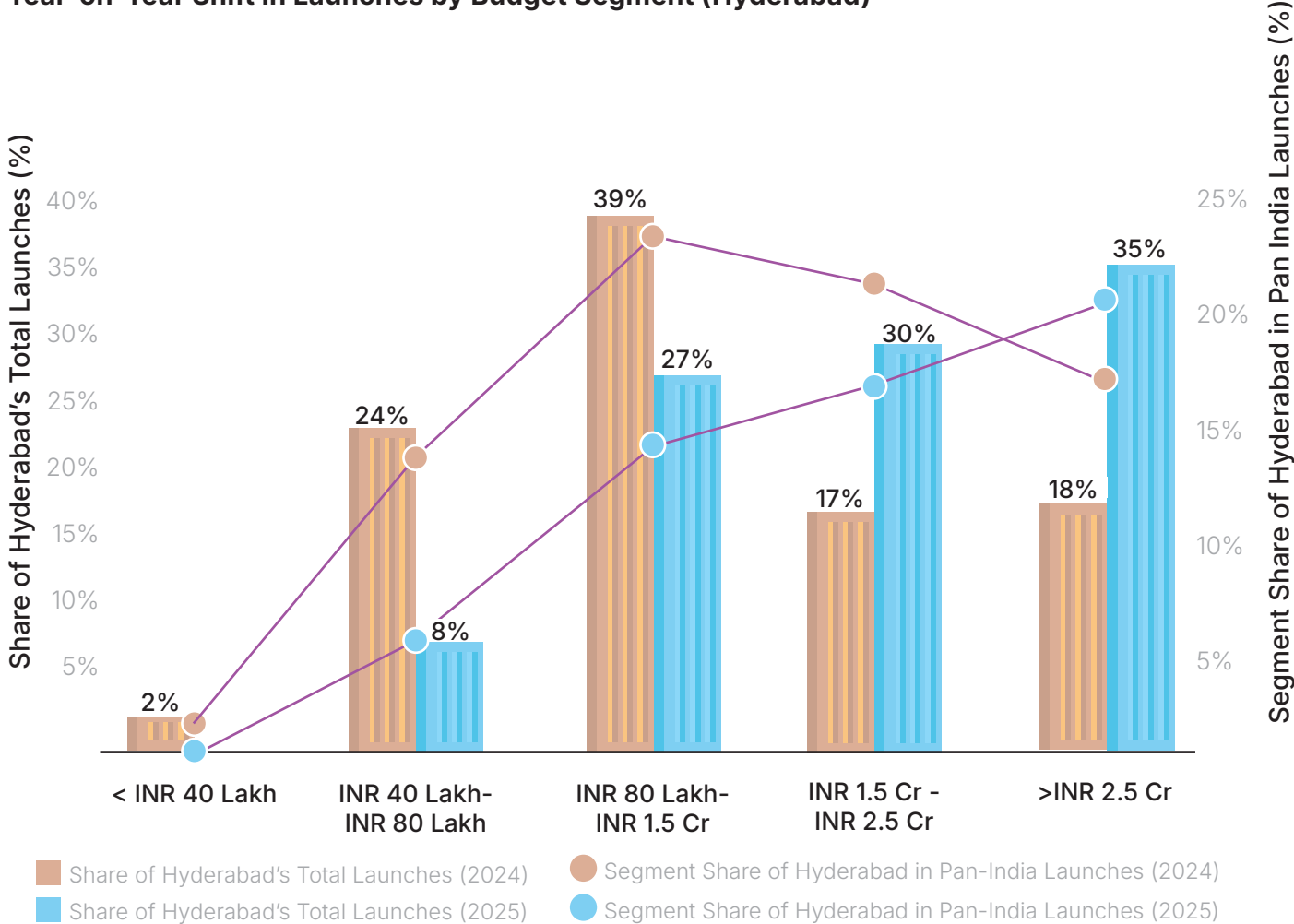
35% of the city's total launches in 2025. Similarly, the INR 1.5 Cr - INR 2.5 Cr segment grew to constitute 30% of the supply.

This premiumisation is further evidenced by Hyderabad's positioning on the Pan-India level; the city contributed a significant 18% to the Pan-India new supply in the > INR 2.5 Cr category, an increase from 15% in 2024. This data highlights Hyderabad's evolution from a mid-segment driven market, which was previously led by the INR 80 Lakh - INR 1.5 Cr bracket in 2024, into a key hub for high-value residential developments.

Residential Market Activity (Hyderabad)



Year-on-Year Shift in Launches by Budget Segment (Hyderabad)



Hyderabad Zone Market Insights

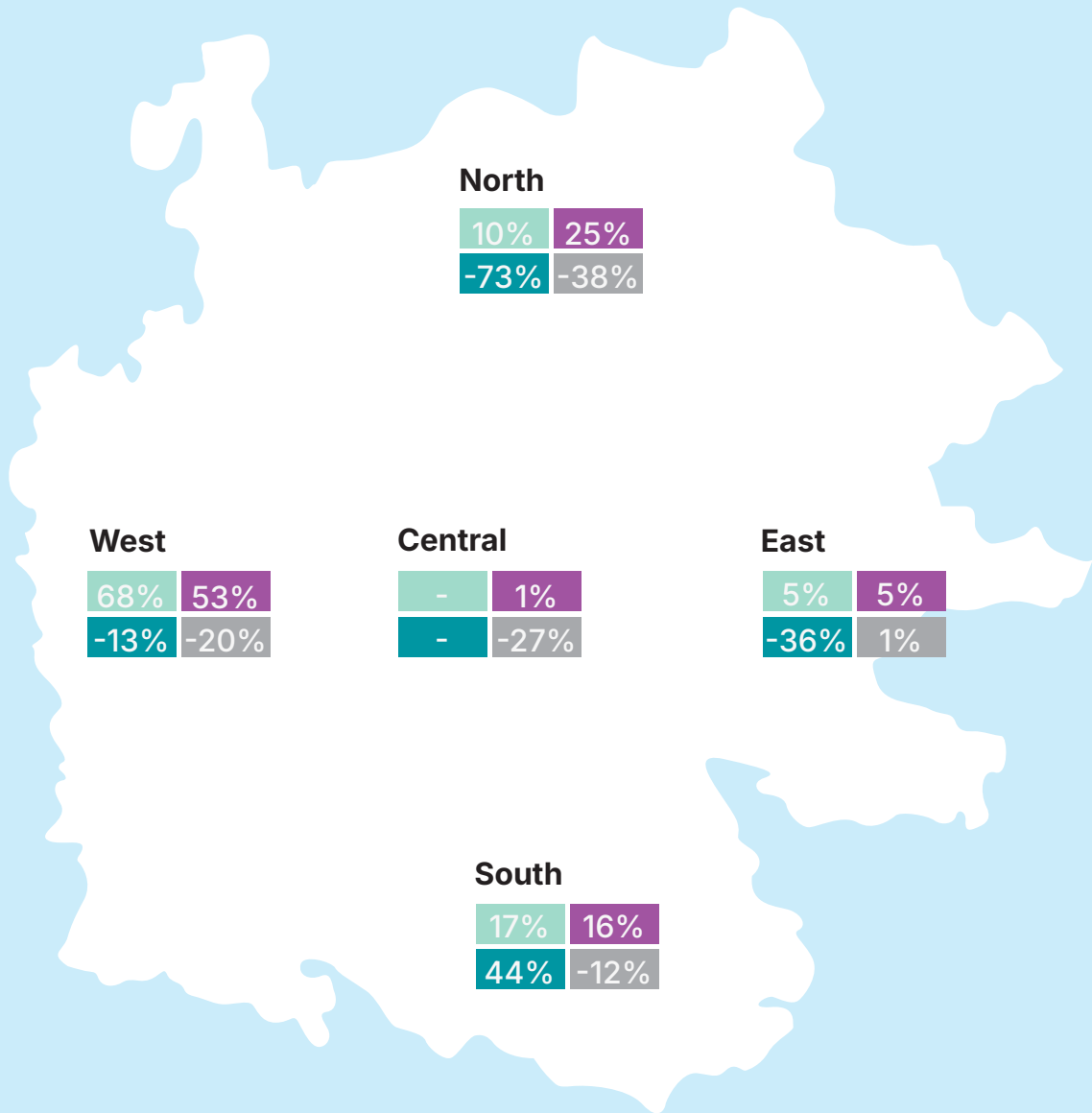
- % Share of City's Launches (2025)
- % Share of City's Sales (2025)
- YoY Movement of Launches
- YoY Movement of Sales



Leaderboard 2025

Launches:
Market Leader
West Hyderabad (29,400 Units)
Strongest Year-on-Year Growth
South Hyderabad (44%)

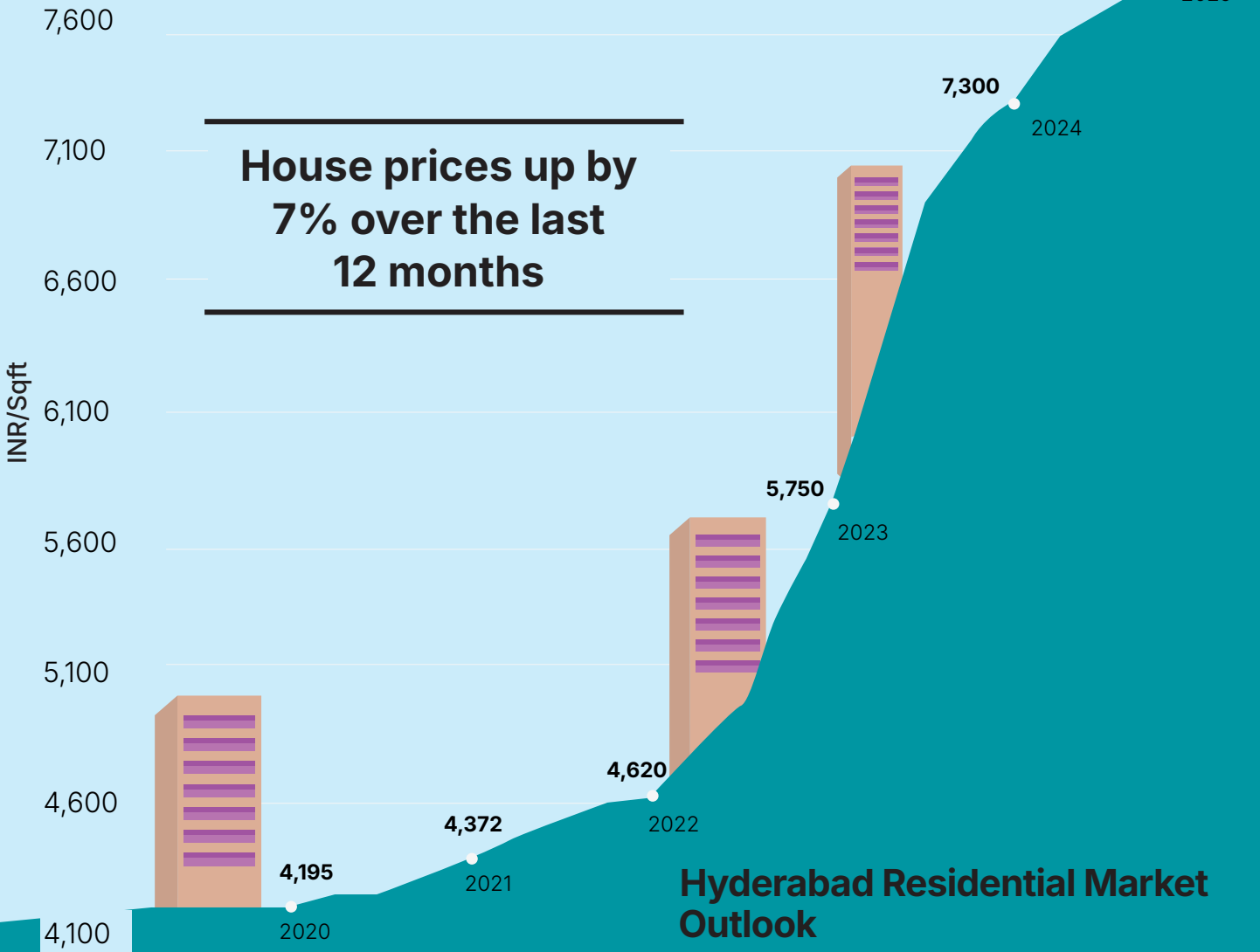
Sales:
Market Leader
West Hyderabad (24,000 Units)
Strongest Year-on-Year Growth
East Hyderabad (1%)



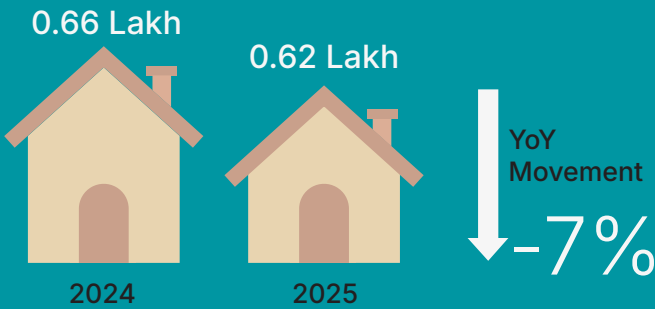
Zonal Classification

Central Ameerpet | Punjagutta Somajiguda | Himayatnagar | Kachiguda | Khairtabad
North Miyapur | Pocharam | Bachupally | Nizampet | Bollaram | Yepral | Shamirpet
South Shamshabad | Adibatla | Maheshwaram | Shadnagar | Rajendranagar | Srisailem Highway
East LB Nagar | Nagole | Uppal | Habsiguda | Ghatkesar | Nacharam | Peerzadiguda | Vanasthalipuram
West Gachibowli | Kondapur | Tellapur | Manikonda | Kukatpalli | Attapur | Kokapet | Patancheru | Madhapur | Appa Junction

Capital Value Movement



Value of Home Sales (INR Cr)



Note:
Average price in INR/sf as quoted on BSP on BUA.
Rounding may result in minor variations between the stated and calculated values.

Hyderabad Residential Market Outlook

The residential market in Hyderabad is entering a phase of healthy consolidation following a period of rapid, high-velocity expansion. The western zone will likely further strengthen its status as a premium commercial and residential district, driven by high-value land economics and Grade-A office absorption. However, the steep appreciation in property prices may necessitate a strategic pivot towards emerging peripheries to cater to the mid-income demographic. Infrastructure projects like the Regional Ring Road (RRR), along with the government's push for the 'Fourth City' and decentralised development, will be pivotal in broadening the market base. The high-value residential segment will continue to command a premium, but the broader market recovery will depend on the successful creation of accessible housing options in these emerging, infrastructure-led growth zones.

Chennai Residential Real Estate

Chennai's inventory overhang declines by 70% while nearly tripling annual launches between 2020 and 2025



Chennai Residential Market Overview

 **LAUNCHES**
27,200
UNITS

 **SALES**
22,200
UNITS

 **INVENTORY OVERHANG**
18
MONTHS

 **AVG. CAPITAL VALUE**
INR 7,100
/SQFT

Note: Basic selling price on BUA

Chennai Residential Market Activity

Chennai's residential market demonstrated resilience and a strong growth trajectory throughout 2025, contrasting sharply with the contraction observed in the rest of the top Indian cities. The city recorded a surge in new launches, with total launches reaching 27,200 units, marking a robust annual increase of 30%. This uptick in supply was met with healthy buyer interest, as residential sales grew to 22,200 units, representing a 15% rise compared to the previous year. This performance highlights Chennai as a standout market, being the only major city to maintain positive double-digit momentum in both

supply and absorption.

The city's inventory overhang remained stable at 18 months, consistent with 2024 levels, despite the high volume of new additions. This stability indicates a healthy equilibrium between supply and demand, as the market successfully absorbed the influx of new projects. After hitting a historic low of 15 months in 2023, the current overhang suggests that while the market is expanding, it remains grounded in genuine end-user requirements rather than speculative oversupply.

Chennai Budget Segmentation and Market Positioning

The budget segmentation of Chennai's residential market in 2025 reveals a shift towards higher price brackets, aligning with the broader national trend of premiumisation. In 2024, the market was heavily concentrated in the INR 40 Lakh – INR 80 Lakh segment, which accounted for 57% of total launches. But in 2025, the dominance of this bracket moderated to 36%, making way for the INR 80 Lakh – INR 1.5 Cr segment, which grew to represent 35% of the city's new supply. Notably, the share of launches priced between >INR 1.5 Cr

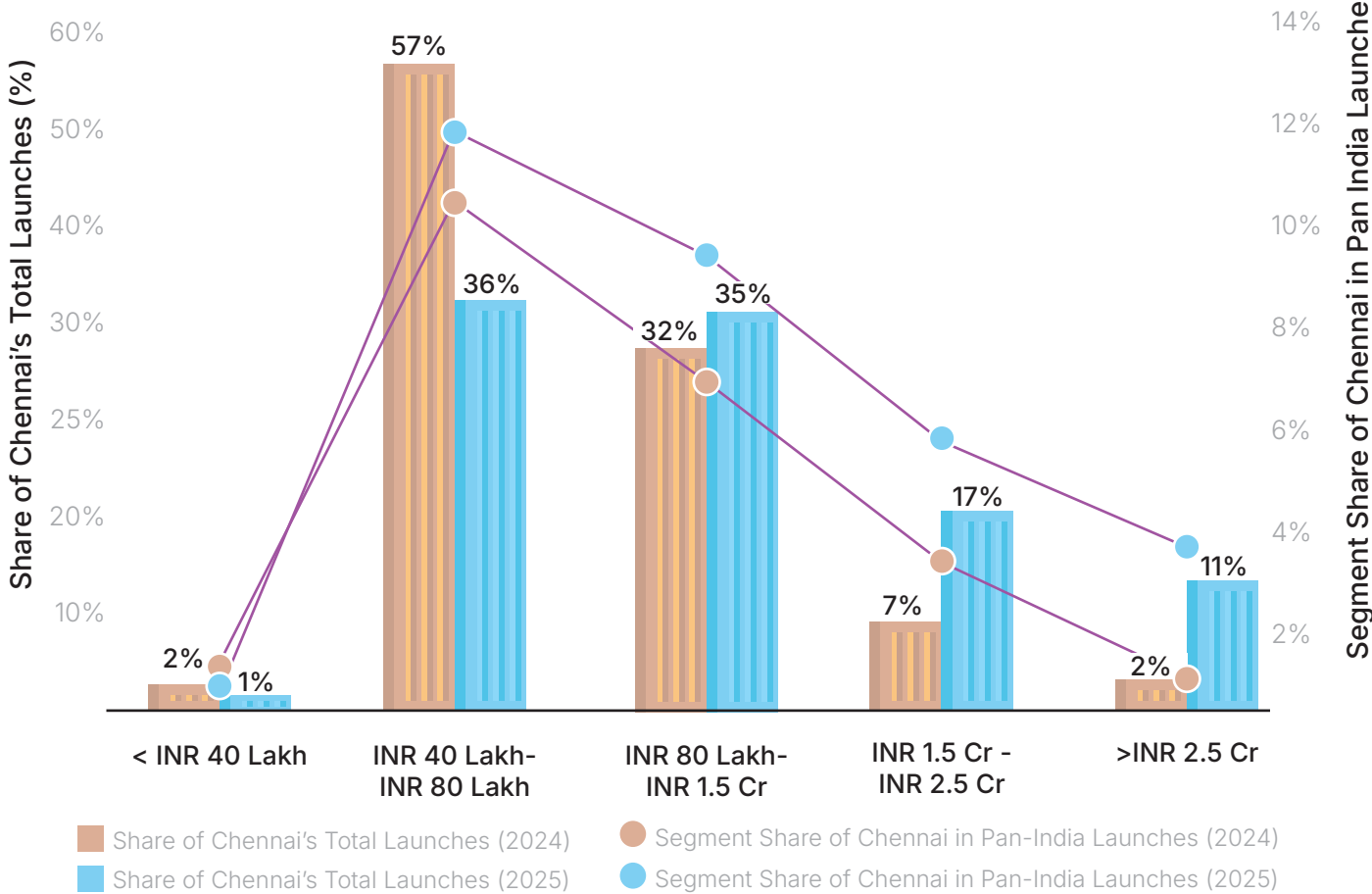
jumped significantly from 9% in 2024 to 29% in 2025.

In the context of Pan India launches, Chennai has strengthened its contribution across most price points; notably, its share of Pan India launches in the INR 80 Lakh to INR 1.5 Cr range rose to 10% in 2025, up from 6% in 2024. This upward movement highlights Chennai's transition from a predominantly mid-range market to a more diversified metropolitan hub with a growing appetite for high-end residential offerings.

Residential Market Activity (Chennai)



Year-on-Year Shift in Launches by Budget Segment (Chennai)



Chennai Zone Market Insights

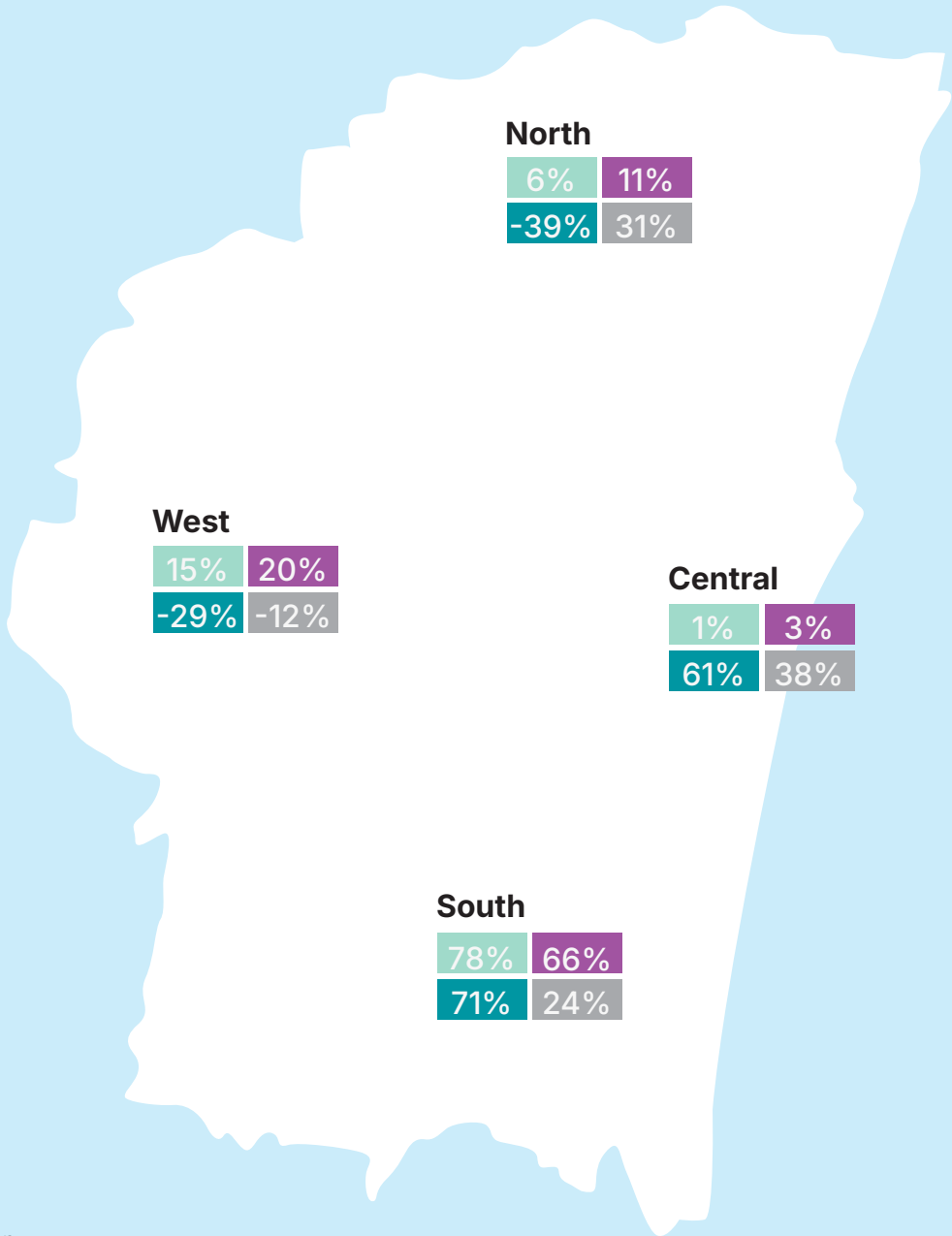
- % Share of City's Launches (2025)
- % Share of City's Sales (2025)
- YoY Movement of Launches
- YoY Movement of Sales



Leaderboard 2025

Launches:
Market Leader
South Chennai (21,200 Units)
Strongest Year-on-Year Growth
South Chennai (71%)

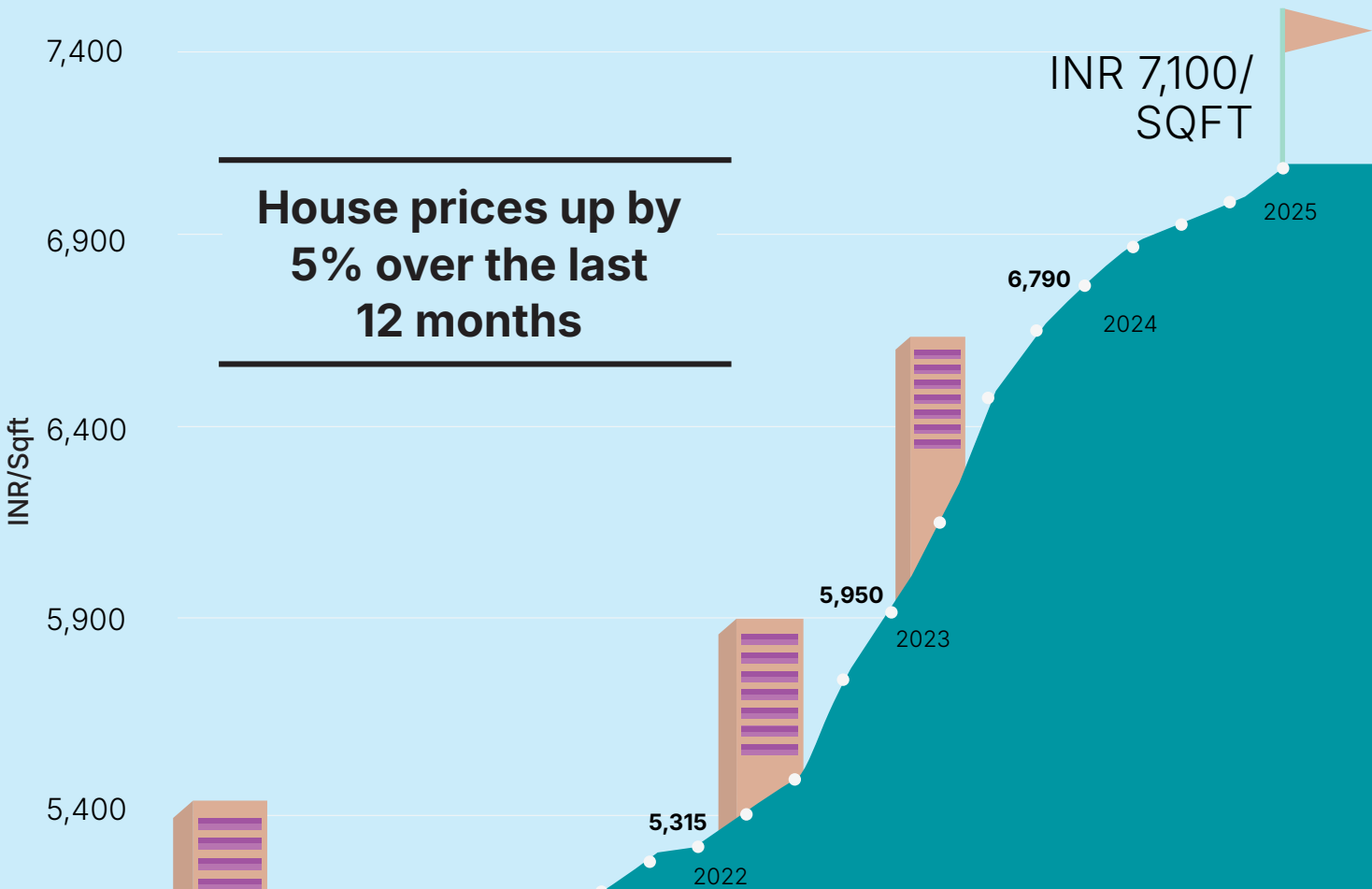
Sales:
Market Leader
South Chennai (14,500 Units)
Strongest Year-on-Year Growth
North Chennai (31%)



Zonal Classification

Central T Nagar | Ashok Nagar | Egmore KK Nagar | Nungambakkam | Royapettah
North Perambur | Puzhal | Tondiarpet Ponneri | Madhavaram | Purasaiwakkam
South OMR Road | East Coast Road | Guduvanchery | Perumbakkam | Chromepet | Tambaram | GST Road
West Anna Nagar | Avadi | Poonamalle | Oragadam | Mogappair | Ambattur | Porur

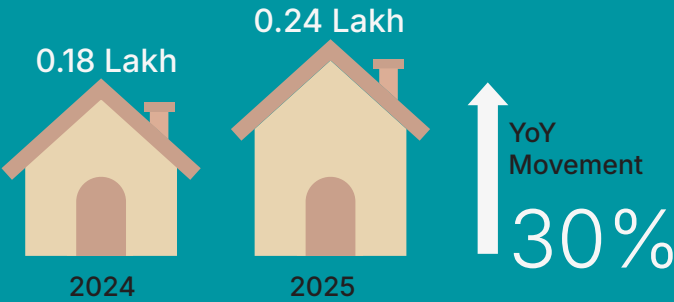
Capital Value Movement



Chennai Residential Market Outlook

Chennai is poised to remain the most resilient and stable residential market among the major metropolitan cities. Its strength lies in a diversified economic base that blends a thriving manufacturing sector with a robust SaaS (Software as a Service) and technology industry, shielding the real estate market from sectoral volatility. Unlike more speculative markets, this region is driven primarily by genuine end-user demand, ensuring a steady absorption rate and preventing the formation of asset bubbles. It is anticipated that future growth will be catalysed by significant improvements in public transport networks, particularly the expansion of metro rail connectivity, which will rejuvenate established IT corridors and solve historical traffic bottlenecks.

Value of Home Sales (INR Cr)



Note:
Average price in INR/sf as quoted on BSP on BUA.
Rounding may result in minor variations between the stated and calculated values.

Kolkata Residential Real Estate

Residential launches above INR 1.5 Cr witness a decline in Kolkata



Kolkata Residential Market Overview

 **LAUNCHES**
18,600
UNITS

 **SALES**
16,100
UNITS

 **INVENTORY OVERHANG**
22
MONTHS

 **AVG. CAPITAL VALUE**
INR 6,120
/SQFT

Note: Basic selling price on BUA

Kolkata Residential Market Activity

In 2025, the Kolkata residential market witnessed a surge in development activity. The city recorded its highest volume of new supply, with launches reaching 18,600 units in 2025, a notable increase from the 14,200 units seen in 2024. While the market had maintained a trajectory where sales consistently outpaced launches between 2022 and 2024, 2025 saw a reversal of this trend as sales moderated to 16,100 units.

The inventory overhang, which had reached a historical low of 16 months in 2023, has gradually

climbed to 22 months as of 2025. Although this is an increase from the 17 months recorded in 2024, the current overhang remains significantly healthier than the 69-month peak observed during the downturn of 2020. While the pace of absorption has slowed relative to the influx of new supply, the market remains fundamentally more efficient and liquid than it was at the start of the decade. The current trend indicates a market moving toward a more stabilised phase after years of rapid absorption.

Kolkata Budget Segmentation and Market Positioning

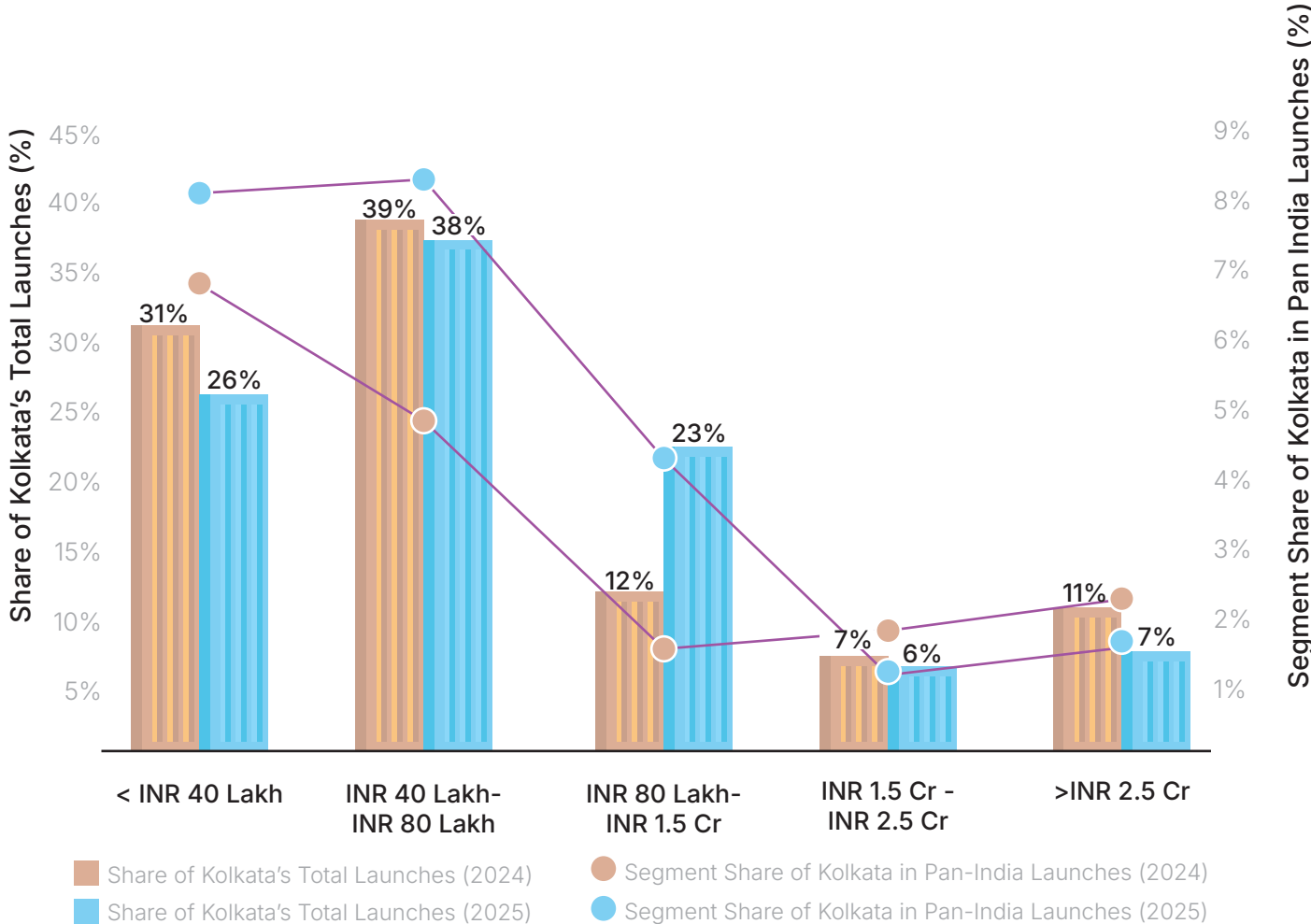
In 2025, the INR 40 Lakh – INR 80 Lakh range remained the dominant budget segment, accounting for 38% of the city's total launches. However, the most striking growth occurred in the INR 80 Lakh – INR 1.5 Cr segment, which nearly doubled its share from 12% in 2024 to 23% in 2025. This shift has come at the expense of the < INR 40 Lakh segment, which saw its share drop from 31% to 26%, and the > INR 2.5 Cr segment, which contracted from 11% to 7% over the same period.

On a Pan-India scale, Kolkata's influence in the INR 40 Lakh - INR 80 Lakh segment strengthened, with its contribution to Pan-India launches rising to 8%. Notably, while the city's share in the highest price brackets (> INR 1.5 Cr) saw a marginal decline in both local and Pan-India contributions, the INR 80 Lakh - INR 1.5 Cr range doubled its national footprint to 4%. This highlights Kolkata's evolving position as a market increasingly defined by the INR 40 Lakh to INR 1.5 Cr price points.

Residential Market Activity (Kolkata)



Year-on-Year Shift in Launches by Budget Segment (Kolkata)



Kolkata Zone Market Insights

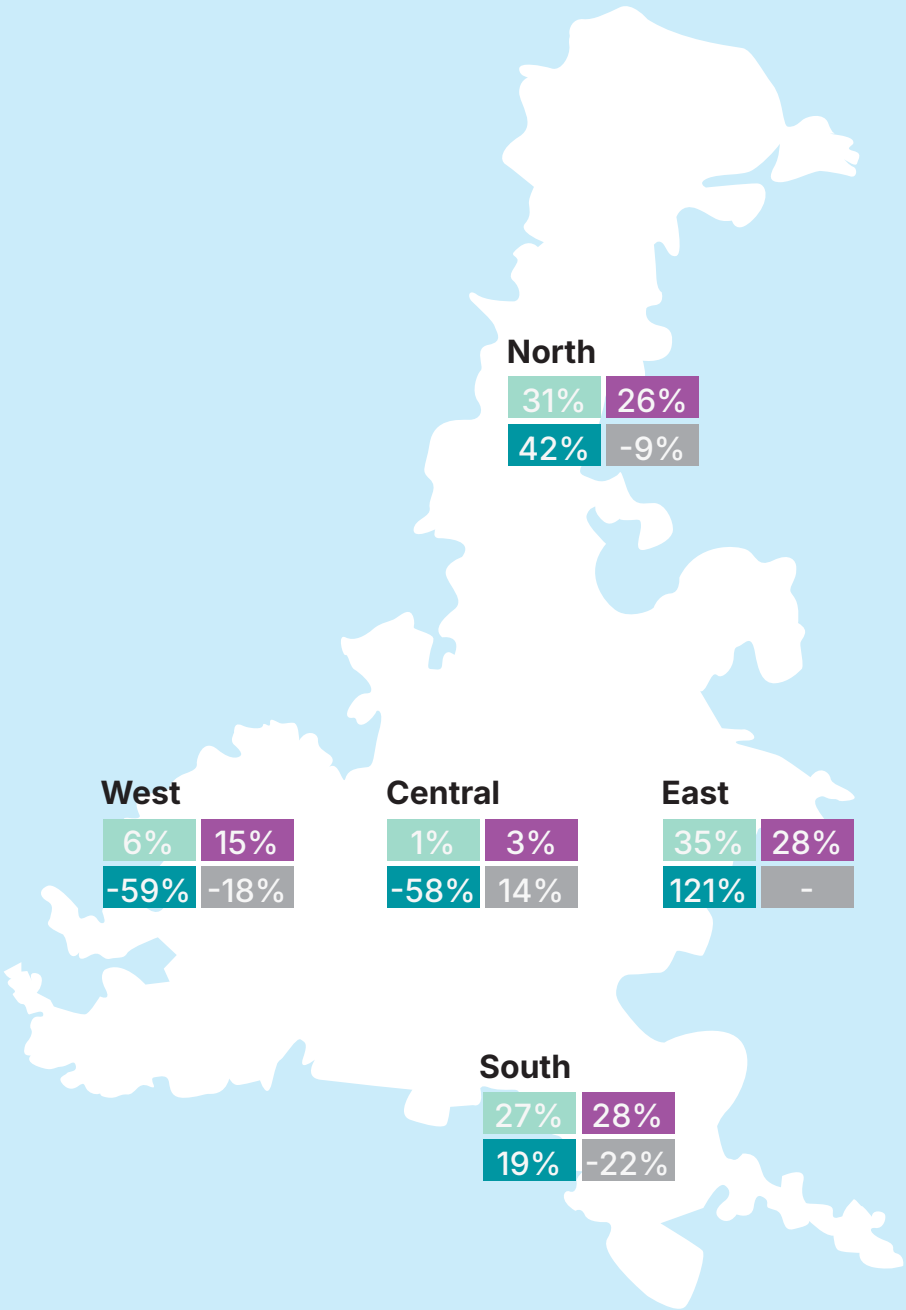
- % Share of City's Launches (2025)
- % Share of City's Sales (2025)
- YoY Movement of Launches
- YoY Movement of Sales



Leaderboard 2025

Launches:
Market Leader
East Kolkata (6,600 Units)
Strongest Year-on-Year Growth
East Kolkata (121%)

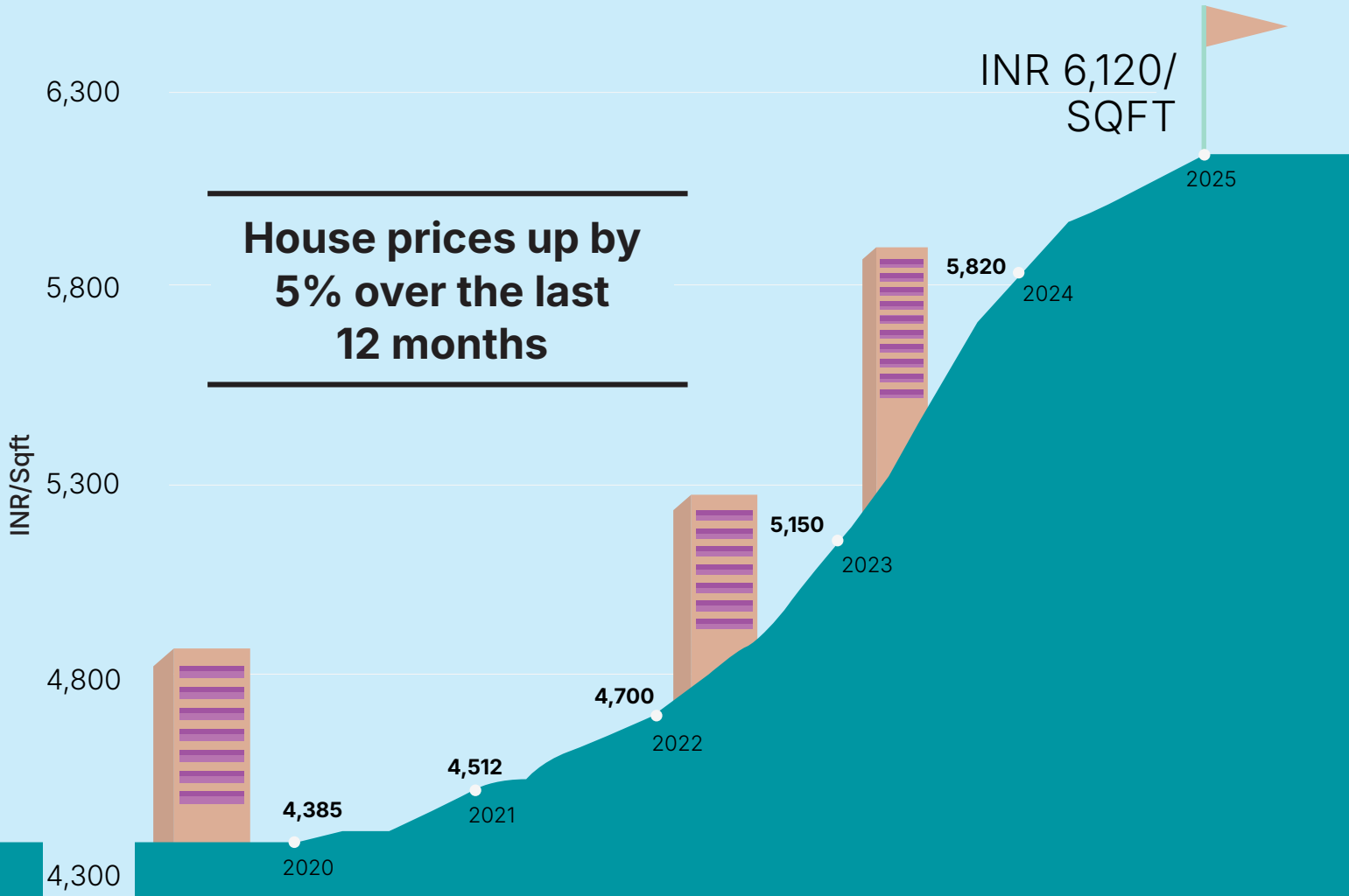
Sales:
Market Leader
South Kolkata (4,600 Units)



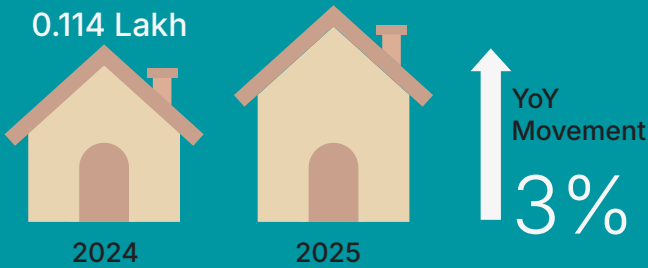
Zonal Classification

Central Kankurgachi | Machuabazar | Entally | MG Road
North Barasat | Madhyamgram | BT Road | Uttarpara | Serampore | Dum Dum
South Narendrapur | Joka | Garia | Baruipur | Tollygunge | Alipore | Sonarpur
East EM Bypass | Rajarhat | New Town | Tangra | Salt Lake City
West Howrah | Maheshtala | Andul | Kona Expressway | Makardaha

Capital Value Movement



Value of Home Sales (INR Cr)



Note:
Average price in INR/sf as quoted on BSP on BUA.
Rounding may result in minor variations between the stated and calculated values.

Kolkata Residential Market Outlook

Kolkata's residential real estate market in 2026 will be defined by the impact of the expanding Metro network, particularly the Orange and Purple lines, which are unlocking new value in peripheral zones. The city will retain its position as the most affordable metropolitan city among the top 7 cities, continuing to attract entry-level and mid-segment buyers. While sales volumes may witness moderate growth, the market offers stability and steady capital appreciation driven by genuine end-user demand. The focus will likely remain on affordable and mid-income housing, with infrastructure improvements serving as the primary catalyst for long-term real estate development and urban expansion.

Residential Real Estate Market Key Trends:

WHAT'S DRIVING GROWTH?



Infrastructure & Connectivity-Led Growth

Regional Connectivity: Expressway networks, dedicated freight corridors, and airport expansions are unlocking previously inaccessible land for large-scale townships.

Transit-Oriented Development (TOD): Micro-markets near operational metro corridors and upcoming TOD zones continue to see heightened activity and price appreciation.

Peripheral Growth Catalysts: The expansion of data centers and warehousing in peripheral regions is creating a new wave of residential demand from the technology and logistics workforce.

Consumer Evolution & Experience-Led Design

The Premium Shift: Homebuyers are increasingly prioritising larger configurations and superior construction quality over price-sensitive, compact units.

Wellness & Collective Living: Increased allocation toward amenity-rich common areas like outdoor amphitheaters and community farming, prioritising the "living experience."

Global Quality Standards: Cross-border collaborations with international design firms are elevating standards in the ultra-luxury and branded residence segments.



Structural Maturity & Urban Renewal

Urban Renewal & FSI Optimisation: Redevelopment in congested metropolitan cores is accelerating, utilising enhanced floor space index (FSI) for modern reconstruction.

Developer Consolidation: Financially robust, organised players are acquiring distressed assets, moving the market toward a more stable, "flight-to-quality" environment.

The "Mofussil" Tech Boom (Tier-2/3 Cities): Reverse migration, supported by improved digital infrastructure, is sustaining strong demand in hometown markets outside of major metros.

Technical Execution & Future-Proofing

Modular & Prefabricated Innovation: Adoption of prefab construction is gaining commercial viability to combat labour shortages and drastically reduce project timelines while maintaining high quality.

AI-Led Planning & Predictive Analytics: Integration of autonomous AI agents in project management to eliminate structural clashes and optimise resource allocation, reducing budget overruns.



Conclusion & Strategic Outlook

As we step into 2026, the Indian residential real estate market is poised for a definitive structural shift, moving away from the broad-based post-pandemic buoyancy to a nuanced, "K-shaped" trajectory. The strategic narrative for the year ahead is not one of uniform growth, but of selective outperformance.

The K-Shaped Reality: The most critical forecast for 2026 is the widening divergence between market segments. While the luxury and premium price segments are projected to consolidate their dominance—fueled by the expanding wealth of HNIs and corporate India—the affordable housing sector faces existential headwinds. With the share of sub-INR 40 lakh inventory plummeting and input costs remaining elevated, stakeholders must recognise that "housing for the affluent" will likely drive the bulk of value growth this year. For developers, the strategic imperative is to pivot towards value creation in higher budget segments. For policymakers, the urgency lies in supply-side interventions to prevent a complete hollowing out of the affordable market.

Infrastructure as the New Alpha: The investment playbook for 2026 must transition from "location-centric" to "connectivity-centric." The highest capital appreciation is forecast not in saturated city centers, but along emerging infrastructure corridors. The operationalisation of major projects like the Dwarka Expressway and the imminent phases of the Navi Mumbai International Airport suggest that peripheral micro-markets will outperform core regions. Investors are advised to target these "growth corridors" where infrastructure arbitrage still exists.

Asset Class Diversification: With traditional residential rental yields stabilising at modest levels (2%-6%), the search for yield will drive capital toward emerging asset classes. The democratisation of ownership through SM-REITs and fractional ownership models is expected to gain significant traction in 2026,

offering retail investors access to Grade-A assets previously out of reach. Simultaneously, Senior Living is set to graduate from a niche concept to a mainstream asset class, driven by demographic necessity and evolving lifestyle aspirations.

Overall, 2026 will reward the discerning. For homebuyers, the window to lock in prices in premium corridors is narrowing as consolidation sets in. For investors, the strategy should be strictly selective—prioritising infrastructure-linked growth and regulated fractional instruments over speculative land banking. The market is stabilising, but the opportunities for significant value creation remain for those who align with the structural shifts happening in the sector.



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