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India Housing Market Shows Resilience in H1 2026 as Premium Demand Grows: Knight Frank India

- India records 171,471 home sales across eight cities during H1 2026
- Residential launches rise 4% YoY to 187,350 units
- Premium homes contribute over half of total residential sales

Mumbai, July 9, 2026: India's residential market recorded one of its strongest first-half sales performances in over a decade during H1 2026, even as the pace of activity settled into a phase of consolidation. According to Knight Frank India's latest **India Real Estate: Residential and Office (January - June 2026) H1 2026 report**, residential sales across the eight¹ major cities stood at 171,471 units, a marginal 1% increase over the 170,201 units sold in H1 2025, while developers launched 187,350 units, up 4% YoY. Following four years of broad-based recovery from the pandemic-induced trough of 2020, the near-flat sales trajectory indicates that the dominant dynamic is now stabilisation rather than growth.

Stable economic fundamentals, infrastructure-led urban development, steady employment conditions have kept end-user demand buoyant supporting residential activity across India's leading markets. At the same time, developers maintained a disciplined approach to new supply, enabling the market to remain fundamentally balanced despite evolving buyer preferences and a higher pricing environment.

While the pace of growth has plateaued, residential sales stand close to the highest levels recorded over the past decade. The dominant dynamic is now stabilisation rather than exponential growth, and the durability of this plateau will be of prime importance for the remainder of 2026.

A defining feature of H1 2026 was the continued shift in demand composition toward premium housing. Homes priced above INR 10 million (INR 1 Crore) accounted for 54% of total sales in H1 2026, up from 49% a year earlier. While this reflects a genuine premium demand from higher-income households, it also showcases the progressive erosion of the affordable segment, as several years of sustained price appreciation have repriced mid-tier inventory into higher brackets. New supply at lower price points have remained constrained. The market therefore remains historically active in absolute terms even as the breadth of its buyer base narrows.

India's residential market remained fundamentally healthy during H1 2026. Developers continued to introduce new supply in line with prevailing demand. While continuing to trend up, inventory remained reasonably well balanced with Quarters-to-Sell (QTS) at approximately six quarters of sales, indicating that the lack of high demand growth has still not adversely impacted the market balance. This measured equilibrium reflects the growing maturity of India's housing market and provides a strong foundation for sustainable long-term growth.

¹ Mumbai, National Capital Region (NCR), Bengaluru, Pune, Hyderabad, Chennai, Ahmedabad, Kolkata

India Housing Market at a Glance- H1 2026

Residential Sales	171,471 units
Residential Launches	187,350 units
Unsold Inventory	525,695 units
Share of Sale of Premium Homes	54% of sales

Source: Knight Frank Research

The H1 2026 snapshot describes a market in transition. Sales remain historically elevated, but launches continue to exceed sales, unsold inventory has risen, and the time required to clear it has edged upward. Premium homes accounted for more than half of all residential sales, highlighting the ongoing shift towards higher-value housing and the increasing maturity of India's residential market.

Shishir Baijal, International Partner, Chairman and Managing Director, Knight Frank India, said, "India's housing market continues to reflect the stability of its strong fundamentals, with H1 2026 delivering one of the strongest half-year sales performances of the past decade. While growth has reduced following a steep recovery from pandemic lows, the market's underlying fundamentals remain firmly intact. Premium homes now account for more than half of all residential sales, reflecting rising household incomes, evolving buyer aspirations and growing confidence in long-term homeownership. Supported by urbanisation, infrastructure investment and a stable macroeconomic environment, India's residential sector is steadily consolidating while transitioning to the next phase of its evolution."

Developers Maintain Supply Discipline Amid Stable Demand

Developers launched 187,350 residential units in H1 2026, a 4% YoY increase and among the highest volumes recorded for any first half in the past decade. New supply has now exceeded sales in most markets across successive periods, a trend in place since 2022, with the launches-to-sales gap at approximately 15,879 units during the half-year. The composition of new supply stayed skewed toward higher ticket sizes, with premium projects dominating launches while affordable additions remained constrained.

The persistence of this gap, together with the existing inventory overhang, has reinforced supply-side pressure in the system. In response to moderating sales velocity, developers increasingly deployed demand-side incentives, including flexible payment plans, subvention schemes and stamp duty waivers, to sustain absorption.

India Residential Launches and Sales Trend

Half-Year	Launches	Sales
H1 2022	1,60,806	1,58,705
H2 2022	1,67,323	1,53,961
H1 2023	1,73,364	1,56,640
H2 2023	1,77,382	1,72,457
H1 2024	1,83,401	1,73,241
H2 2024	1,89,535	1,77,371
H1 2025	1,79,740	1,70,201
H2 2025	1,82,444	1,78,006
H1 2026	1,87,350	1,71,471

Source: Knight Frank Research

The launches and sales trend illustrates that India's residential market has entered a phase of consolidation. Sales remain among the strongest recorded in recent years, while launches continue to respond prudently to evolving demand. This balanced growth trajectory reflects stronger developer balance sheets, improved project execution and greater confidence among homebuyers.

Market Summary: Top Eight Indian Cities

City	Sales		Launches	
	H1 2026	YoY % Change	H1 2026	YoY % Change
Mumbai	47,355	1%	49,161	8%
NCR	24,862	-7.2%	23,877	-5%
Bengaluru	27,968	5%	34,749	4%
Pune	24,890	2%	31,116	17%
Hyderabad	19,249	1%	20,466	-2%
Ahmedabad	9,581	2%	11,077	3%
Chennai	9,198	3%	9,588	0%
Kolkata	8,368	3%	7,316	-5%
All India	1,71,471	0.7%	1,87,350	4.2%

Source: Knight Frank Research

India's Residential Demand Broadens Across Key Markets

Residential demand continued to remain broad-based across the country's major cities. **Mumbai** retained its position as **India's largest residential market by sales volume**, supported by sustained end-user demand and continued activity across both premium and mid-segment housing.

Bengaluru emerged as the strongest-performing market among the top cities, registering the highest annual growth in sales. The city's robust employment generation, expanding Global Capability Centre (GCC) ecosystem and strong technology sector continue to support housing demand across multiple price segments.

Pune maintained healthy sales momentum, benefiting from its diversified economic base and expanding infrastructure. **Hyderabad** and **Chennai** also continued to record stable residential activity, supported by sustained demand from owner-occupiers and long-term investors.

The National Capital Region (NCR) was only standout underperformer, with sales declining 7% YoY to 24,862 units, extending a full-year 2025 decline of 9%. The market has historically carried a higher degree of sensitivity to any shift in sentiment as end-user demand moderates. The recent volatility in geo-political conditions has impacted the market sentiments significantly. Inventory priced under INR 10 mn in premium micro-markets across Gurugram, Noida and Delhi has been progressively absorbed with limited replacement supply, leaving available product increasingly concentrated in the INR 20 mn and above range and pricing out a significant share of end-users.

Gulam Zia, International Partner, Senior Executive Director, Research, Advisory, Infrastructure and Valuation, Knight Frank India, said, "India's residential market is increasingly being defined by the quality of demand rather than transaction volumes alone. Homebuyers today are more discerning, prioritising product quality, infrastructure, developer credibility and long-term value over short-term price considerations. This is reflected in the growing share of premium housing, which now contributes more than half of all residential sales. At the same time, disciplined project launches and healthy inventory levels demonstrate that developers are responding prudently to evolving market demand, creating the foundation for sustainable long-term growth."

"The headline volumes remain healthy, but beneath them the market is becoming narrower and more differentiated. The rising share of premium housing reflects genuine affluence at the top end, yet it is also at the cost of affordable inventory being priced beyond the reach of many buyers. Inventory is building, absorption growth is slowing, and price growth is increasingly reliant on incentives rather than underlying demand. These are not indications of stress, but they are conditions that warrant close monitoring as the cycle matures."

Premium Housing Continues to Drive Market Evolution

Premiumisation remained a defining trend in India's residential market during H1 2026. Rising purchasing power and evolving buyer preferences drove demand towards larger homes, integrated developments and projects offering superior amenities, connectivity and long-term value. As a result, homes priced above INR 10+ million accounted for over half of all residential sales during the period. This reflects a structural shift in homebuyer preferences, with greater emphasis on product quality, developer credibility and long-term value, prompting developers to focus on differentiated offerings and well-planned communities while maintaining pricing discipline.

Sales Trends as per Price Category

Below INR 5 mn

The ticket size segment accounted for 19% of the overall sales volume, with 32,063 units sold in H1 2026. Sales in this segment declined by 15% compared to 37,796 units recorded in the corresponding period last year. Mumbai's residential market contributed the largest share, accounting for 54% of total sales in this price segment, with 17,418 units sold.

INR 5-10 mn – second highest segment in terms of half yearly sales volume

Despite a 5% year-on-year decline in sales, the INR 5–10 mn ticket size segment remained the second most preferred price category, recording 46,490 residential units sold across the country in H1 2026. The segment accounted for 27% of the overall residential sales volume across the eight major markets. Mumbai emerged as the leading market in this category, with 11,570 units sold during H1 2026.

INR 10-20 mn – Highest segment in terms of half yearly sales volume

The INR 10–20 mn ticket size segment emerged as the most preferred price category in H1 2026, accounting for 29% of the overall residential sales volume with 50,488 units sold across the country. Bengaluru led this segment, contributing 45% of the total sales volume, with 12,808 units sold during the period.

INR 20-50 mn – Highest ever sales since 2018

This ticket size segment recorded a 19% YoY growth in sales volume, increasing from 28,465 units in H1 2025 to 33,888 units in H1 2026. It accounted for 19% of the overall residential sales volume across the eight major markets. NCR emerged as the leading market in this segment, contributing 31% of total sales, with 10,783 units sold during H1 2026.

INR 50-100 mn – Maintains Stable Growth

Sales in this ticket size segment remained largely stable, with volumes marginally declining from 6,510 units in H1 2025 to 6,480 units in H1 2026. The segment accounted for a modest 4% of the overall residential sales volume across the eight major markets. NCR dominated this category, contributing 48% of total sales, with 3,108 units sold during H1 2026.

INR 100-200 mn

Sales volume in this ticket size segment grew by 10% YoY, rising from 1,507 units in H1 2025 to 1,656 units in H1 2026. NCR led the segment with 986 units sold, followed by Mumbai with 338 units and Hyderabad with 178 units, making them the top-performing residential markets in this category.

INR 200-500 mn – segment with highest growth of 105%, Mumbai was the largest market

Although the segment operates on a relatively low volume base, it recorded the highest growth across all ticket size categories, with sales surging 105% year-on-year from 181 units in H1 2025 to 371 units in H1 2026. Mumbai dominated this segment, contributing 57% of the total sales volume, with 214 units sold during the period.

Above INR 500 mn

This segment recorded 35 residential unit sales in H1 2026, of which Mumbai accounted for 23 units, representing 66% of the total sales volume. The remaining 34% of sales were contributed by NCR.

City-wise Ticket Size Sales in H1 2026 (Part 1)

<5 mn		5-10 mn		10 – 20 mn		20 – 50 mn	
City	Sales in units	City	Sales in units	City	Sales in units	City	Sales in units
Mumbai	17,148	Mumbai	11,570	Bengaluru	12,808	NCR	10,783
Pune	5,013	Pune	10,841	Mumbai	10,651	Bengaluru	8,117
Kolkata	3,191	Bengaluru	5,383	Hyderabad	8,588	Mumbai	6,116
Ahmedabad	2,956	Chennai	4,345	Pune	6,990	Hyderabad	4,382
NCR	1,267	Hyderabad	4,577	NCR	5,995	Pune	1,957
Chennai	1,074	Ahmedabad	4,134	Chennai	2,470	Chennai	1,107
Bengaluru	790	Kolkata	3,020	Ahmedabad	1,695	Kolkata	689
Hyderabad	6,24	NCR	2,619	Kolkata	1,291	Ahmedabad	677
Total	32,063	Total	46,490	Total	50,488	Total	33,888

Source: Knight Frank Research

City-wise Ticket Size Sales in H1 2026 (Part 2)

50 – 100 mn		100 – 200 mn		200 – 500 mn		>500 mn	
City	Sales in units	City	Sales in units	City	Sales in units	City	Sales in units
NCR	3,108	NCR	986	Mumbai	214	Mumbai	23
Mumbai	1,295	Mumbai	338	NCR	92	NCR	12
Hyderabad	869	Hyderabad	178	Hyderabad	31	Bengaluru	-
Bengaluru	728	Bengaluru	53	Bengaluru	28	Pune	-
Chennai	152	Chennai	44	Chennai	6	Kolkata	-
Kolkata	135	Kolkata	42	Ahmedabad	-	Hyderabad	-
Ahmedabad	106	Ahmedabad	13	Kolkata	-	Chennai	-
Pune	87	Pune	2	Pune	-	Ahmedabad	-
Total	6,480	Total	1,656	Total	371	Total	35

Source: Knight Frank Research

Residential prices continued to register positive growth across all tracked markets in H1 2026, although the pace of appreciation has become more measured compared to the sharp gains witnessed during 2023 and 2024. **Mumbai remained the country's most expensive residential market, with average prices at INR 36,881 per sq. ft., followed by Delhi (INR 26,027 per sq. ft.) and Gurugram (INR 18,354 per sq. ft.),** reflecting the premium commanded by these key metropolitan markets. In terms of price appreciation, **Delhi and Faridabad emerged as the strongest-performing markets, each recording an 18% year-on-year increase.** Bengaluru recorded 9% YoY growth, while Noida posted 8% and Hyderabad registered 7%. Gurugram and Greater Noida each witnessed 6% annual appreciation, while Mumbai, Pune, Chennai, and Kolkata recorded 5% growth. Thane saw a 4% increase, while Navi Mumbai and Ahmedabad registered a relatively modest 3% year-on-year rise.

Residential Price Movement

Market	Price	12-Month change	6-Month Change
Mumbai	36,881	5%	2%
Delhi	26,027	18%	16%
Gurugram	18,354	6%	3%
Noida	15,109	8%	4%
Thane	14,948	4%	2%
Navi Mumbai	13,788	3%	3%
Pune	10,063	5%	2%
Greater Noida	9,734	6%	2%
Ghaziabad	9,668	15%	13%
Bengaluru	9,354	9%	5%
Faridabad	8,370	18%	14%
Hyderabad	8,258	7%	1%
Chennai	7,555	5%	2%
Kolkata	5,942	5%	1%
Ahmedabad	4,826	3%	1%

Source: Knight Frank Research

Despite the continued upward trajectory in headline prices, market dynamics indicate a shift in the mechanisms supporting pricing. Developers have largely refrained from outright price cuts, instead relying on demand-side incentives such as flexible payment plans, subvention schemes, stamp duty waivers, and higher channel partner commissions to sustain sales. As a result, effective transaction prices may differ meaningfully from quoted prices, suggesting that reported appreciation could overstate the actual value realised by buyers, particularly in the resale market.

Outlook

The Indian residential real estate market enters H2 2026 in a phase of late-cycle consolidation rather than correction. Strong structural fundamentals—including ongoing urbanisation, stable employment, the cumulative 125 bps monetary easing translating into lower home loan rates, and healthier developer balance sheets—continue to support the sector. However, momentum has moderated, with sales plateauing, new launches outpacing absorption, unsold inventory gradually rising, and price growth becoming increasingly concentrated in the premium and luxury segments.

The operating environment has also become more challenging, with the pause in the rate-cut cycle, elevated energy prices, geopolitical tensions in West Asia, and concerns over AI-led disruption to white-collar employment weighing on buyer sentiment. If launches continue to exceed sales through H2 2026, inventory pressures could intensify, prompting developers to rely more on demand-side incentives such as flexible payment plans, subvention schemes and stamp duty waivers.

Even so, the market remains significantly more resilient than in previous cycles, supported by RERA-led reforms, stronger capital discipline, and the growing dominance of well-capitalised developers. While the likelihood of a sharp correction remains low, the interplay between demand recovery, inventory build-up and pricing discipline will determine whether the market achieves a soft landing or enters a more prolonged phase of slower growth.

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For further information, please contact Knight Frank press office:

Piyali Dasgupta
+91 9833571204

piyali.dasgupta@in.knightfrank.com

Tania Banerjee
+91 9819004431

tania.banerjee@in.knightfrank.com

Mansoor Khan
+91 8108385015

mansoor@whitemarquesolutions.com