News Release

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Housing Inventory Overhang in Delhi NCR, Ahmedabad Touches Two Years: Knight Frank India

November 26, 2026: According to **Knight Frank India,** the time required to sell the existing inventory in the residential markets of Delhi-NCR and Ahmedabad has now climbed up to two years, significantly higher than other residential markets in the country. The Knight Frank's QTS metric measures the time required to absorb existing inventory at an average sales rate of the last eight quarters. The QTS for **Delhi-NCR** has climbed up from 7.3 quarters (equivalent to 1.8 years) to now 8.0 quarters (equivalent to two years). While overall unsold inventory remained stable in NCR, the absorption period has lengthened as average sales eased by 8%, primarily owing to demand moderation in the luxury housing category of INR 5-10 crores.

Ahmedabad recorded the highest inventory overhang amongst all the major cities in Q3 2026, with its QTS rising from 7.8 quarters, equivalent to 1.95 years in Q3 2025 to 8.2 quarters, equivalent to 2.05 years in Q3 2026. Strong new project launches have kept supply ahead of sales driven absorption which has lifted the unsold inventory by 9% compared to a modest 3% increase in average sales.

The inventory absorption cycle in India's leading eight residential markets are witnessing a marginal shift, with the average Quarters to Sell (QTS) edging up to 6.1 quarters, or 1.52 years in Q3 2026, from an eight-year low of 5.8 quarters, or 1.45 years recorded during the same period last year (Q3 2025). At 6.1 quarters, QTS remains significantly lower than the seven to eleven quarters recorded between 2018 and 2021.

Gulam Zia, International Partner, Senior Executive Director - Research, Advisory, Infrastructure, and Valuation, Knight Frank India said, "*Despite a marginal increase in Quarters to Sell, the Indian residential market, with an average QTS of 6.1 quarters, continues to demonstrate resilience. While NCR and Ahmedabad are witnessing longer absorption periods, QTS across the other six markets ranges from 4.3 to 6.4 quarters, signalling that the Indian residential market's fundamentals remain sound.*"

Market	QTS (Q3 2025)	QTS (Q3 2026)	Rationale
Ahmedabad	7.8	8.2	Strong launches kept supply ahead of sales, lifting unsold inventory 9% against a 3% rise in average sales.
NCR	7.3	8.0	Unsold inventory was stable, but average sales eased 8% as demand moderated in the INR 5-10 crore segment.
Mumbai	6.6	6.4	Sales outpaced launches over the year, reducing unsold inventory 2% while average sales rose 2%.
Hyderabad	5.8	6.1	Launches stayed ahead of sales, lifting unsold inventory 7% against a 3% rise in average sales.
Bengaluru	4.6	5.5	Launches outpaced sales by a wide margin, lifting unsold inventory 21% while average sales held steady.
Pune	4.0	4.7	Launches outpaced steady sales, lifting unsold inventory 16% while average sales eased 1%.
Chennai	4.5	4.4	Average sales rose 8%, ahead of a 6% rise in unsold inventory, as launches eased.
Kolkata	4.7	4.3	Sales outpaced launches, reducing unsold inventory 10% while average sales held steady.

Source: Knight Frank Research

Average sales refers to average quarterly sales over the last eight quarters, used to calculate QTS. All changes compare Q3 2026 with Q3 2025.

Key highlights of the other cities in the country:

Mumbai demonstrated steady market resilience, reducing its QTS from 6.6 quarters, equivalent to 1.65 years in Q3 2025 to 6.4 quarters equivalent to 1.60 years in Q3 2026. Consistent buyer demand has allowed sales to outpace new launches, trimming unsold inventory by 2% while lifting average sales by 2% over 12-month period to Q3 2026.

Hyderabad experienced a slight uptick in its QTS, moving from 5.8 quarters, equivalent to 1.45 years in Q3 2025 to 6.1 quarters, equivalent to 1.52 years in Q3 2026. Robust new launches stayed ahead of market absorption, pushing unsold inventory up by 7% against a 3% rise in average sales.

Bengaluru recorded the highest jump in residential inventory overhang among all major cities, with QTS increasing from 4.6 quarters, equivalent to 1.15 years in Q3 2025 to 5.5 quarters, equivalent to 1.37 years in Q3 2026. New residential launches in the city have outpaced sales volume by a wide margin over the year, driving unsold inventory up by 21% YoY while average sales held steady.

Pune has recorded its QTS rise from 4.0 quarters, equivalent to one year in Q3 2025 to 4.7 quarters, equivalent to 1.17 years in Q3 2026. The surge in new residential launches have outpaced steady buyer demand, lifting unsold inventory by 16% as average sales eased moderately by 1%.

Chennai has improved its residential market health, edging its QTS down from 4.5 quarters, equivalent to 1.12 years in Q3 2025 to 4.4 quarters, equivalent to 1.1 years in Q3 2026. The average residential sales in the city have risen by 8%, successfully outpacing a 6% increase in the unsold inventory.

Kolkata achieved the lowest QTS across all eight cities in Q3 2026, dropping from 4.7 quarters, equivalent to 1.17 years in Q3 2025 to 4.3 quarters, equivalent to 1.07 years in Q3 2026. While average sales in the city remained steady, disciplined supply allowed sales to outpace new launches translated in unsold inventory reducing by 10% over a 12-month period.

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