

# India Real Estate



**Residential Market - July - September 2026 (Q3 2026)**

**Q3 2026**

Knight Frank's ultimate guide to real estate market performance and opportunities in the world's most promising economy.

[knightfrank.co.in/research](https://knightfrank.co.in/research)



# India Residential Market– Q3 2026

India's residential market held steady in Q3 2026. Sales across the eight tracked cities totalled 86,767 units, 1% lower YoY and flat QoQ, taking nine-month sales to 258,238 units, level with the same period of 2025. The national figure conceals a widening gap between markets, with NCR sales down 17% YoY and the other seven markets up 2%. The market remains in consolidation rather than retreat, but its weak points are becoming more concentrated.

The macroeconomic backdrop remains supportive, though monetary policy is no longer adding momentum. GDP grew 7.8% YoY in April-June 2026, ahead of the RBI's 7% projection, and in August the RBI raised its FY 2027 growth forecast to 6.7% while holding the repo rate at 5.25%, unchanged since December 2025. CPI inflation, however, rose to 4.8% in August from 4.4% in June as the West Asia conflict lifted energy costs and a deficient monsoon pushed up food prices. With the RBI projecting inflation of 5.9% for October-December 2026, further rate cuts look unlikely in the near term. Cumulative easing of 125 bps remains embedded in home loan rates, but further affordability gains now depend on the interplay of income growth and property price trend.

Launches exceeded sales for the 16th consecutive quarter, with 92,549 units added in Q3 2026, 4% more than a year earlier. The quarterly gap narrowed to 5,782 units from 10,028 units in Q1 2026, suggesting developers are aligning supply more closely with sales. Over the first nine months of the year, however, launches have outpaced sales by 21,661 units, sustaining the gradual build-up of inventory.

Supply is increasingly following local demand. Launches rose 24% YoY in Hyderabad and 23% in Mumbai, the latter from a weak Q3 2025 base, but fell 11% in Pune, where sales declined 5%, and 5% in NCR, where new supply dropped below sales. In YoY terms, sales grew 6% in Kolkata, 4% in Bengaluru, 3% in Mumbai and Hyderabad, while Chennai and Ahmedabad were broadly flat.

NCR requires closer examination. Sales fell 17% YoY to 10,712 units, the lowest quarterly total since Q3 2021, and NCR has not recorded YoY growth in any quarter since Q1 2024. The decline is concentrated at the upper end of the most premium-weighted market, where 86% of sales are priced above INR 10 mn. Sales in the INR 50-100 mn segment, which expanded more than fourfold between 2022 and 2025, fell 63% YoY to 925 units, while unsold

stock in the segment rose 33%. Price levels have plateaued with most of the 17% annual appreciation in Delhi and Faridabad having occurred in Q2 2026. Majority of submarkets saw little or no QoQ change and annual growth in Gurugram has slowed to 4% from 32% a year earlier. Given NCR's historically higher investor participation, this is consistent with investor-led demand stifling at prices that end-users cannot sustain. Restrained launches have kept inventory broadly flat, while the QTS has climbed to 8.0 quarters, from 7.3 in Q3 2025.

The shift toward higher ticket sizes continued. Homes priced above INR 10 mn accounted for 56% of sales, up from 51% a year earlier, while sales below INR 10 mn fell 10% YoY. The INR 10-20 mn segment is now the largest, at 31% of sales. Over a longer horizon the change is structural, with the share of homes below INR 5 mn falling from 54% of sales in 2018 to 18% so far in 2026 and the share above INR 10 mn rising from 16% to 55%. Repricing of existing product explains part of this, but its scale points to genuine upgrading by households.

Growth within the premium bracket has narrowed. Sales in the INR 20-50 mn segment rose 20% YoY but eased 1% QoQ, and INR 50-100 mn sales fell 24% YoY, a decline wholly attributable to NCR as this band grew in every other market. Outside NCR, sales above INR 10 mn rose 13% YoY, indicating that premium demand remains broad-based. Buyers are also prioritising delivery certainty, with the average age of unsold inventory falling to 13.5 quarters from 14.1 a year earlier as older, nearer-completion stock is absorbed.

Unsold inventory rose 5% YoY to 531,480 units, extending the build-up that began in 2022. Inventory priced above INR 10 mn grew 20% to 227,032 units, 43% of the total, led by the INR 20-50 mn segment, which rose 37% to 68,430 units with Bengaluru accounting for almost half of the increase. The segment's QTS of 4.5 quarters nonetheless remains below the market average. At the lower end, absorption is slowing. The 169,571 unsold units priced under INR 5 mn would take 9.4 quarters to clear, up from 8.5 a year earlier, suggesting that falling sales in this segment reflect weaker demand as well as limited new supply.

QTS rose to 6.1 quarters from 5.8 in Q3 2025, its fourth consecutive quarterly increase and highest level since Q2 2023. This remains well below the seven to eleven quarters recorded between 2018 and 2021, but the direction has turned. Ahmedabad at 8.2 quarters and NCR at

► Sales of 86,767 units in Q3 2026 were 1% lower YoY. Excluding NCR, sales across the other seven markets rose 2% YoY.

► NCR sales fell 17% YoY to 10,712 units, the lowest quarterly total since Q3 2021, led by a 63% YoY decline in the INR 50-100 mn segment.

► Homes priced above INR 10 mn accounted for 56% of sales, up from 51% in Q3 2025. The INR 10-20 mn segment is now the largest at 31% of sales, while sub-INR 5 mn sales fell 12% YoY.

► QTS rose to 6.1 quarters from 5.8 in Q3 2025, the fourth consecutive quarterly increase, as unsold inventory grew 5% YoY to 531,480 units. The level remains well below that recorded between 2018 and 2021.

8.0 quarters have the longest absorption periods. QTS in Bengaluru and Pune has risen to 5.5 and 4.7 quarters from 4.6 and 4.0 as inventory grew 21% and 16% respectively, while Mumbai's eased to 6.4 quarters on declining stock. Readings of 11.7 quarters in the INR 200-500 mn segment and 9.4 above INR 500 mn cover fewer than 2,000 units and remain sensitive to individual launches.

Prices rose in every tracked market, but outside NCR and Bengaluru annual growth ranged from 3% to 6%, close to consumer price inflation. Bengaluru's 11% is likely to reflect, in part, the rapid addition of higher-priced stock to the inventory-weighted average. On this evidence, the market is not overheating in aggregate. With Aon projecting salary increments of 9.1% for 2026, organised-sector incomes should keep pace with prices in most cities, although hiring in IT services, a key source of demand in Bengaluru, Hyderabad and Pune, remains subdued. Facing higher input costs, with wholesale prices of basic metals up 10.9% YoY in August, developers continue to hold headline prices and rely on payment flexibility and targeted incentives where absorption has slowed.

Table 1: Sales

| Market    | Q4 2025 | Q1 2026 | Q2 2026 | Q3 2026 | Q3 2026 YoY Change | Q3 2026 YTD Change % |
|-----------|---------|---------|---------|---------|--------------------|----------------------|
| Mumbai    | 25,447  | 23,185  | 24,170  | 25,449  | 3%                 | 1%                   |
| Bengaluru | 14,236  | 13,092  | 14,876  | 15,172  | 4%                 | 5%                   |
| Pune      | 14,434  | 12,711  | 12,179  | 11,512  | -5%                | 0%                   |
| NCR       | 12,702  | 12,734  | 12,128  | 10,712  | -17%               | -11%                 |
| Hyderabad | 9,754   | 9,541   | 9,708   | 9,876   | 3%                 | 2%                   |
| Ahmedabad | 4,688   | 4,758   | 4,823   | 4,719   | 1%                 | 2%                   |
| Chennai   | 4,710   | 4,763   | 4,435   | 4,673   | 1%                 | 2%                   |
| Kolkata   | 4,432   | 4,043   | 4,325   | 4,654   | 6%                 | 4%                   |
| Total     | 90,403  | 84,827  | 86,644  | 86,767  | -1%                | 0%                   |

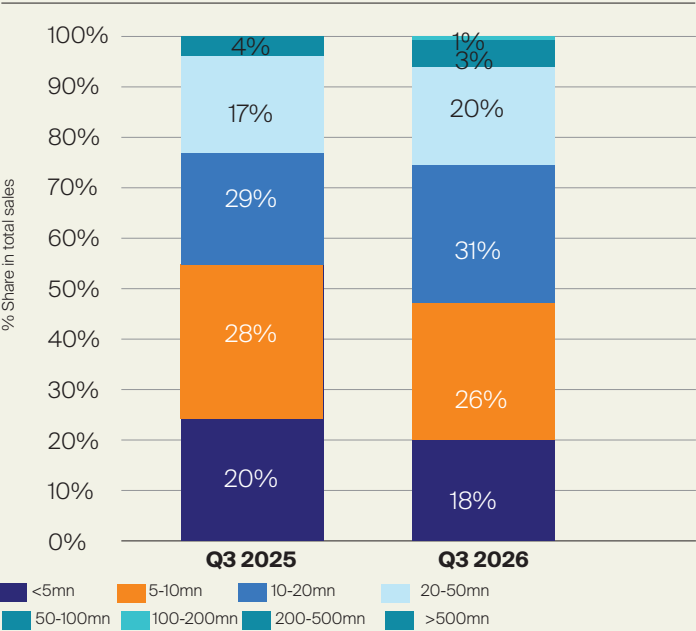
Source: Knight Frank Research  
Note: Housing Units

Table 2: Launches

| Market    | Q4 2025 | Q1 2026 | Q2 2026 | Q3 2026 | Q3 2026 YoY Change | Q3 2026 YTD Change % |
|-----------|---------|---------|---------|---------|--------------------|----------------------|
| Mumbai    | 22,518  | 25,491  | 23,670  | 23,512  | 23%                | 13%                  |
| Bengaluru | 17,445  | 17,185  | 17,564  | 18,393  | 3%                 | 4%                   |
| Pune      | 14,325  | 15,497  | 15,619  | 13,556  | -11%               | 7%                   |
| NCR       | 14,879  | 12,257  | 11,620  | 10,071  | -5%                | -5%                  |
| Hyderabad | 10,011  | 9,975   | 10,491  | 12,111  | 24%                | 6%                   |
| Ahmedabad | 5,510   | 5,863   | 5,214   | 5,668   | -2%                | 1%                   |
| Chennai   | 5,072   | 5,112   | 4,476   | 5,051   | -18%               | -7%                  |
| Kolkata   | 4,029   | 3,475   | 3,841   | 4,187   | 3%                 | -2%                  |
| Total     | 93,789  | 94,855  | 92,495  | 92,549  | 4%                 | 4%                   |

Source: Knight Frank Research  
Note: Housing Units

Ticket size split comparison of sales during Q3 2025 and Q3 2026



Source: Knight Frank Research,

Weighted average price change across markets during Q3 2026

| Market        | Price  | YoY | QoQ |
|---------------|--------|-----|-----|
| Faridabad     | 8,512  | 17% | 2%  |
| Delhi         | 26,030 | 17% | 0%  |
| Ghaziabad     | 9,670  | 14% | 0%  |
| Greater Noida | 10,500 | 11% | 8%  |
| Bengaluru     | 9,794  | 11% | 5%  |
| Noida         | 15,110 | 7%  | 0%  |
| Chennai       | 7,715  | 6%  | 2%  |
| Mumbai        | 37,064 | 5%  | 0%  |
| Gurugram      | 18,500 | 4%  | 1%  |
| Kolkata       | 5,961  | 4%  | 0%  |
| Navi Mumbai   | 13,847 | 4%  | 0%  |
| Pune          | 10,067 | 4%  | 0%  |
| Ahmedabad     | 4,837  | 4%  | 0%  |
| Hyderabad     | 8,346  | 3%  | 1%  |
| Thane         | 15,005 | 3%  | 0%  |

Source: Knight Frank Research,

Note: Prices are weighted based on the unsold inventory across all projects launched since 2019 that remain active in the market.

Ticket size split comparison of sales during Q3 2026

| Ticket-size Segment | Sales in Q3 2026 | Sales YoY % Change |
|---------------------|------------------|--------------------|
| <5 mn               | 15,597           | -12%               |
| 5-10 mn             | 22,891           | -8%                |
| 10-20 mn            | 26,599           | 4%                 |
| 20-50 mn            | 17,614           | 20%                |
| 50-100 mn           | 2,917            | -24%               |
| 100-200 mn          | 932              | 29%                |
| 200-500 mn          | 200              | 27%                |
| >500 mn             | 18               | -13%               |
| Total               | 86,767           | -1%                |

Source: Knight Frank Research,

Ticket-size Segment Health

| Ticket-size segment | Unsold Inventory (housing units) | Unsold Inventory YoY change % | Quarters-to-sell (QTS) |
|---------------------|----------------------------------|-------------------------------|------------------------|
| <5 mn               | 169,571                          | -5%                           | 9.4                    |
| 5-10 mn             | 134,877                          | -3%                           | 5.5                    |
| 10-20 mn            | 140,938                          | 13%                           | 5.6                    |
| 20-50 mn            | 68,430                           | 37%                           | 4.5                    |
| 50-100 mn           | 12,827                           | 29%                           | 3.9                    |
| 100-200 mn          | 2,846                            | 15%                           | 3.8                    |
| 200-500 mn          | 1,593                            | 65%                           | 11.7                   |
| >500 mn             | 400                              | -14%                          | 9.4                    |
| Total               | 531,480                          | 5%                            | 6.1                    |

Source: Knight Frank Research,

The Q3 2026 evidence points to a market consolidating from a position of strength rather than approaching a downturn. Sales have averaged around 87,000 units a quarter over the past three years, price growth outside NCR and Bengaluru is moderate and older inventory continues to clear. The risks are specific rather than systemic. NCR's weakness is persistent and concentrated where the market expanded fastest. It is best read as an early warning of what happens when prices outrun end-user capacity, rather than an isolated anomaly or the start of a national correction. Premium inventory is building in Bengaluru and Pune, absorption is slowing at the lower end and inflation worries limit the scope for further monetary support. The festive season and the RBI's October policy review will test whether NCR's adjustment stays contained.

## Key Contacts

### Shishir Bajjal

International Partner, Chairman and Managing Director  
shishir.bajjal@in.knightfrank.com

### Viral Desai

International Partner, Senior Executive Director  
Occupier Strategy & Solutions, Industrial & Logistics, Capital Markets and Retail Agency  
viral.desai@in.knightfrank.com

### Gulam Zia

International Partner  
Senior Executive Director - Research, Advisory Infrastructure, and Valuation  
gulam.zia@in.knightfrank.com

### Reshmi Panicker

Executive Director  
Residential and Land Services  
reshmi.panicker@in.knightfrank.com

*We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.*

Knight Frank Research Reports  
are available to download at  
<https://www.knightfrank.co.in/research>

### Author

#### Yashwin Bangera

Director- Research  
yashwin.bangera@in.knightfrank.com

### Research

#### Vivek Rathi

National Director- Research  
vivek.rathi@in.knightfrank.com

#### Ankita Sood

National Director- Research  
Ankita.sood@in.knightfrank.com

### Corporate - Marketing & Public Relations

#### Piyali Dasgupta - National Director

Corporate - Marketing & Public Relations  
piyali.dasgupta@in.knightfrank.com



The statements, information, data and opinions expressed or provided herein are provided on 'as is, where is' basis and concerned parties, clients are required to carry out their own due diligence as may be required before signing any binding document. Knight Frank (India) Private Limited (KFIPL) makes no warranties, expressed or implied, and hereby disclaims and negates all other warranties, including without limitation, implied warranties or conditions of merchantability, fitness for a particular purpose, or non-infringement of intellectual property or other violation of rights including any third-party rights. Further, KFIPL does not warrant or make any representations concerning the accuracy, likely results, or reliability of the use of the statements, information and opinions as specified herein. The statements, information and opinions expressed or provided in this presentation / document by KFIPL are intended to be a guide with respect to the purpose for which they are intended, but in no way shall serve as a guide with regards to validating title, due diligence (technical and financial), or any other areas specifically not included in the presentation. Neither KFIPL nor any of its personnel involved accept any contractual, tortious or other form of liability for any consequences, loss or damages which may arise as a result of any person acting upon or using the statements, information, data or opinions in the publication, in part or full. The information herein shall be strictly confidential to the addressee and is not to be the subject of communication or reproduction wholly or in part. The document / presentation is based on our understanding of the requirement, applicable current real estate market conditions and the regulatory environment that currently exists. Please note: Any change in any one of the parameters stated above could impact the information in the document/presentation. In case of any dispute, KFIPL shall have the right to clarify.