

REALTY CHECK *with* **HOUSING** PRICE INDEX

MARCH 2025



Contents

Overview	1
All-India Housing Price Index	2
All-India home size preference	3
City-wise Housing Price Index	4
Average Price Snapshot 2024	5
Growth driver: NCR	6
Growth driver: Bengaluru	7
Growth driver: Hyderabad	8
Outlook	9



Overview

Property price movement is a key indicator of a country's economic trajectory. While rising prices reflect economic expansion, job security and wealth generation, they also signal higher inflation. Conversely, a market correction suggests improved affordability, albeit with comparatively lower consumer sentiment.

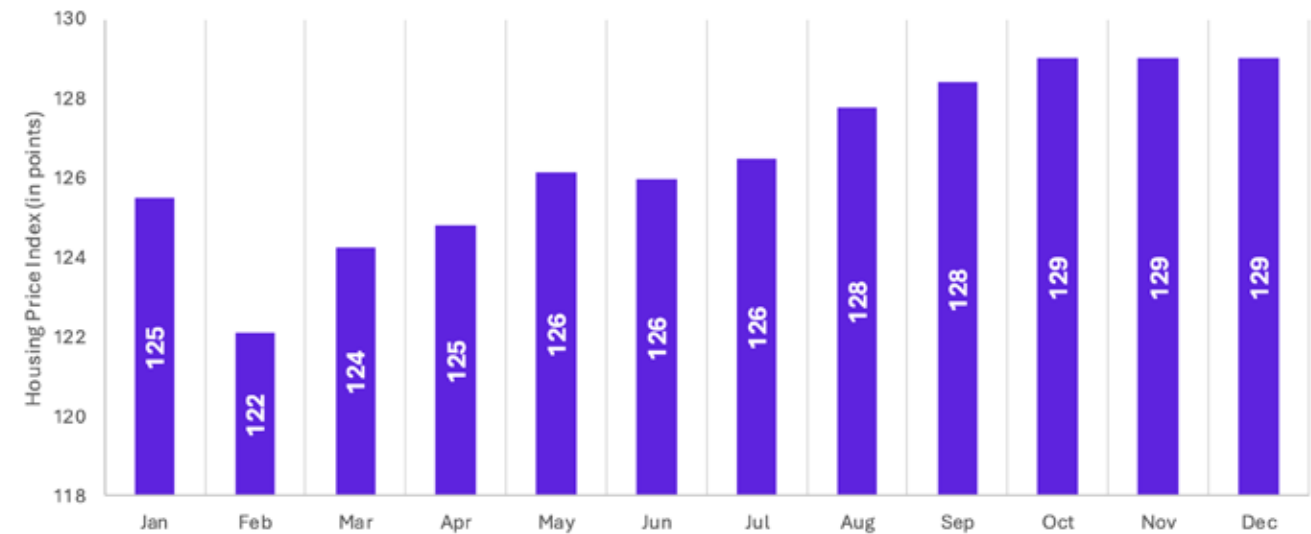
Given these factors, closely monitoring property price trends is essential for assessing the overall economic climate and formulating policies that address challenges to sustainable growth.

This Housing Price Index aims to provide policymakers and experts with an effective tool to analyse cost dynamics and leverage this data to develop strategies that support overall economic growth.

All-India Housing Price Index

HPI jumps 4 points in the past 12 months

All-India Monthly HPI movement in 2024



Source: Housing Price Index

Note: The Index is based on a survey of 13 cities across India from 2017 to 2024

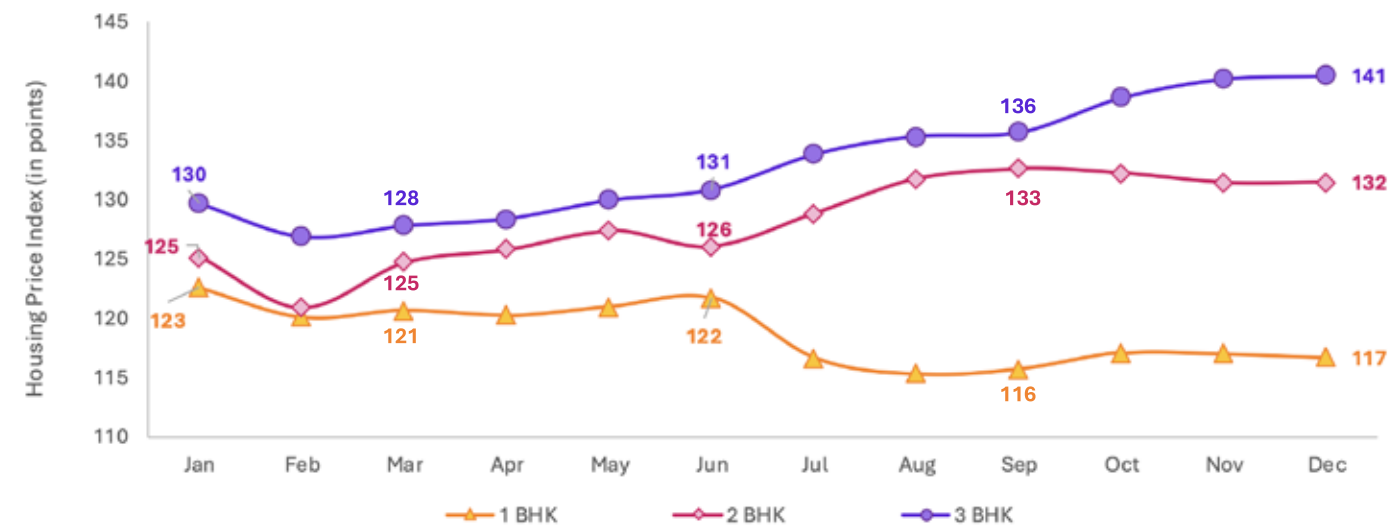
- Supported by robust demand and a positive consumer sentiment, housing price growth in India has sustained, with the All-India HPI consistently showing a reading of 129 points for the past 3 months.
- However, some moderation is visible in the growth rate when compared to the reading last year. In December 2023, the HPI reading stood at 132 points.

In the last 3 months of 2024, the HPI showed a sustained reading of 129 points. Interestingly, this is the highest reading for the year.

All-India home size preference

Demand for large homes sustains; 3BHKs are the top pick

All-India Preferred Configuration in 2024



Source: Housing Price Index

Note: The Index is based on a survey of 13 cities across India from 2017 to 2024

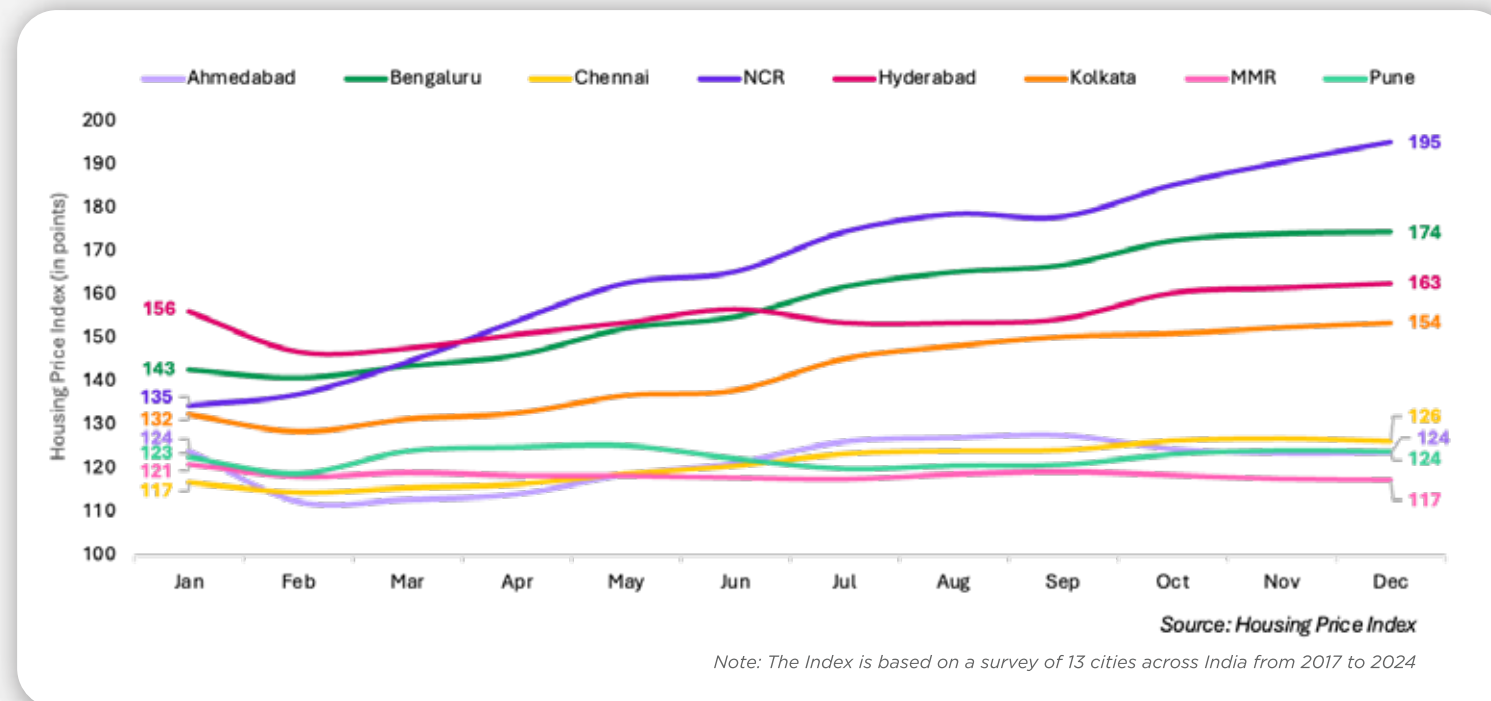
- Along with the price appreciation, the demand for larger homes, a trend that first gained prominence in the post-pandemic period, is seen picking up, indicating changing preferences of homebuyers in India.
- While the All-India configuration-wise HPI for December shows a reading of 141 points for 3BHK homes, after a jump of 11 points since January, the reading for 1BHKs dropped to 117 from 123 in the same period.

Post-pandemic, buyers are seen prioritising space and quality lifestyle.

City-wise Housing Price Index

Growth seen moderating in some markets; others see major spike

City-Wise Monthly HPI movement in 2024

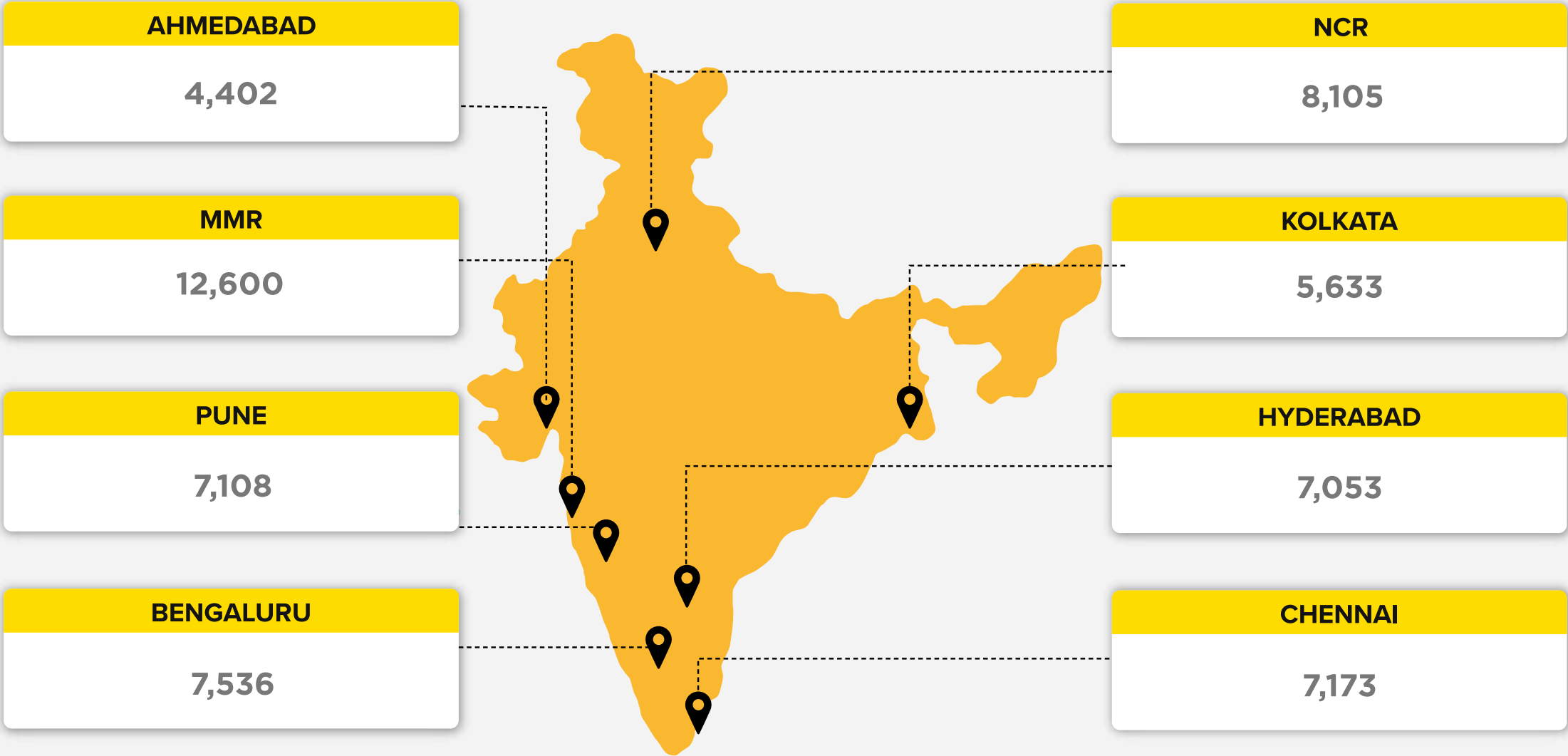


- Almost all cities covered in the analysis showed upward movement while growth moderated in the Mumbai Metropolitan Region (MMR), the most expensive housing market in India. The same is true of Ahmedabad, a market where cost appreciation has been quite significant in the past half-a-decade.
- NCR, Bengaluru and Hyderabad saw the sharpest increase in the reading in December. In these markets, price growth is moving hand in hand with an uptick in demand.



Average Price Snapshot in 2024

All figures in INR/sqft



Top 5 Most Expensive Localities in India

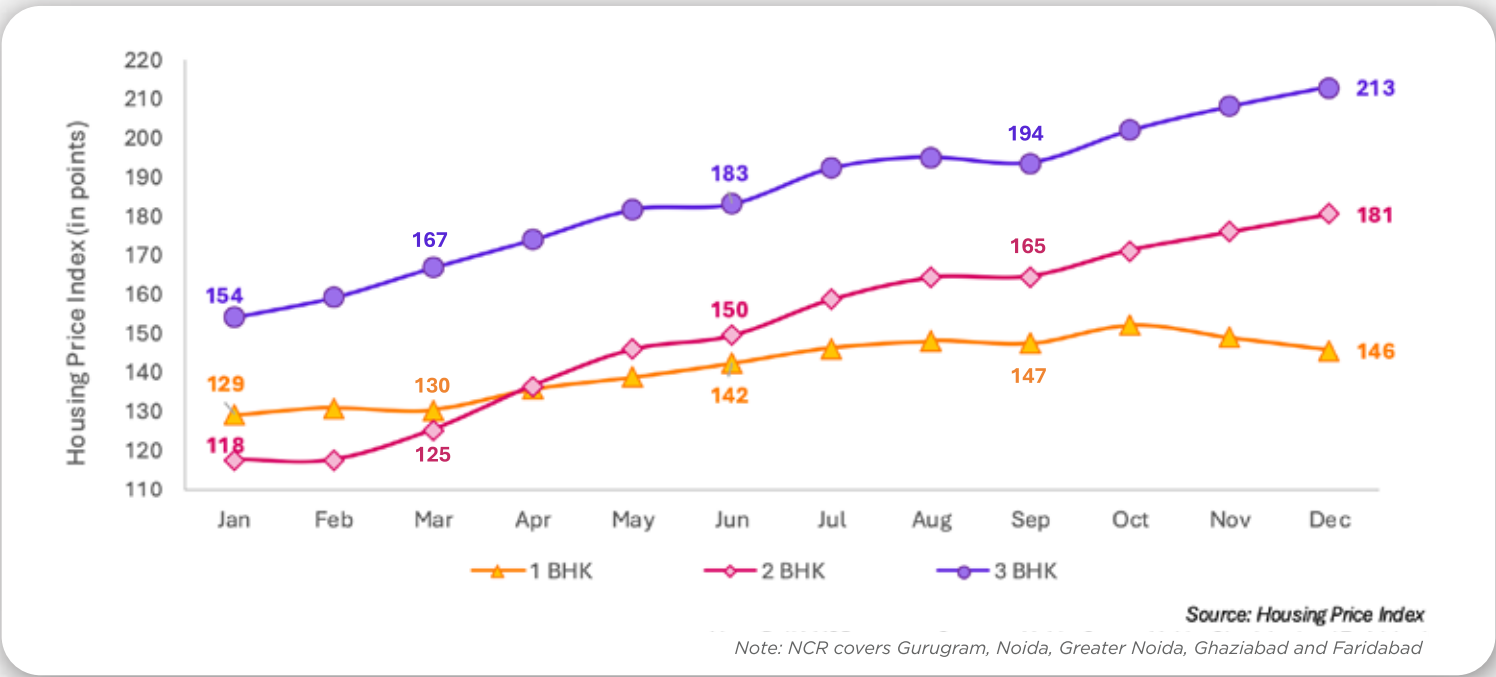
Locality Name	City Name	Price Range (INR/sqft)
Malabar Hill	Mumbai	85,000 - 1,25,000
Worli	Mumbai	75,000 - 1,00,000
Juhu	Mumbai	50,000 - 75,000
Shivaji Park	Mumbai	45,000 - 55,000
Golf Course Road	Gurugram	32,000 - 40,000

Source: Housing Research



Growth driver: National Capital Region

Home size preference in 2024



- Strong investor confidence continues to fuel the price rally in the National Capital Region, which has been making news for multi-crore property deals in the recent past. Average prices in specific pockets, especially in Gurugram and Noida, have jumped manifold in the past one year amid a sharp spike in the number of wealthy entrepreneurs seen betting big on residential real estate.
- The HPI reading for NCR showed a 17-point jump in December when compared to the reading seen in September. This price rally is primarily being fuelled by the growing demand for larger, premium properties. As a result of a dip in the demand for smaller configurations, supply and sales during the December quarter witnessed a drop.
- The price rally in the NCR is likely to continue as Haryana and UP amp up efforts to boost infrastructure even as more and more equity investment fuels the region’s commercial success. Some upcoming projects in the region include the Jewar Airport and the proposed extension of the Gurgaon Metro.

Investment hotspots: Dwarka Expressway, Sohna, Noida Extension

Quarter-on-Quarter Movement

Indicators	Growth	Q4-2024
Housing Price Index (Reading)	45%	195*
New Supply (Units)	16%	10,048**
Demand (Units)	3%	9,808 **

* in points ; ** in numbers

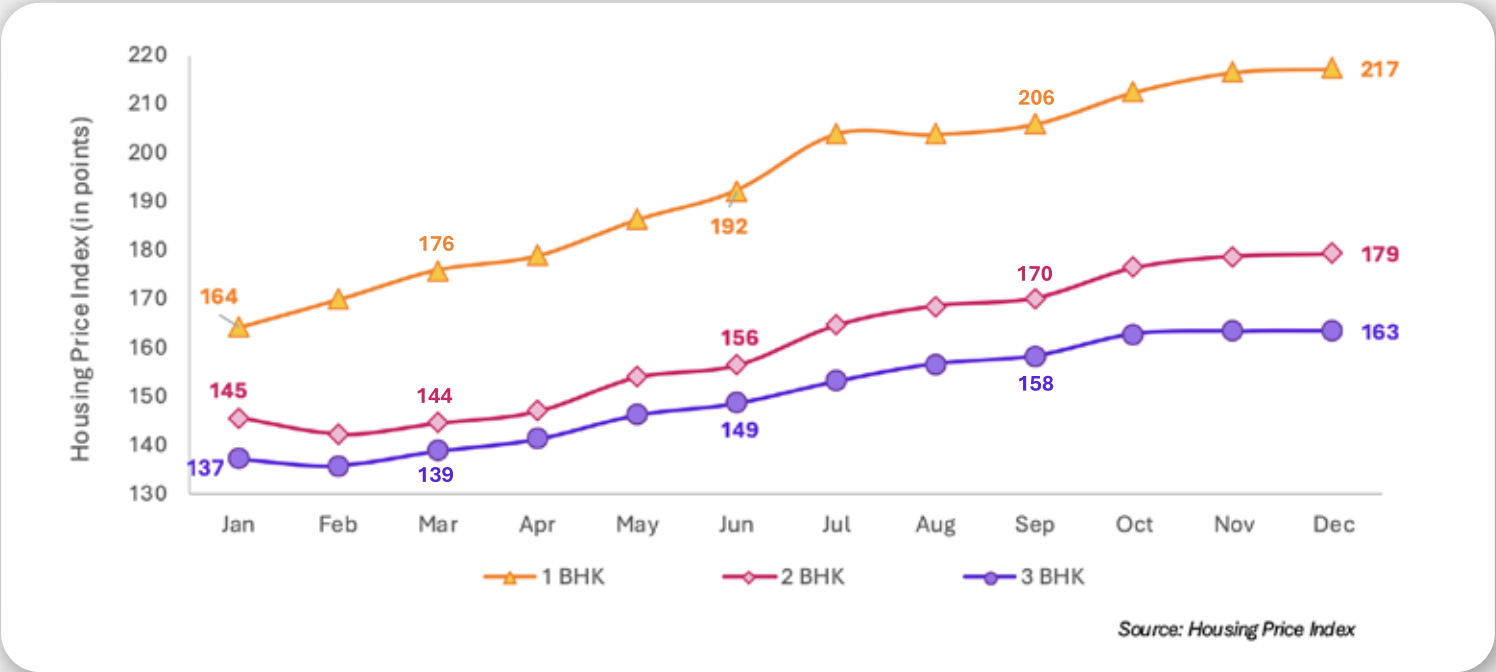
Top 5 most expensive localities in NCR

Locality Name	City Name	Price Range (INR/Sqft)
Sector 42	Gurugram	55,000 - 65,000
Sector 48	Gurugram	12,500 - 20,000
Sector 56	Gurugram	12,000 - 15,000
Sector 94	Noida	17,000 - 20,000
Sector 24	Gurugram	18,000 - 22,000

Note: The data is based on sales
Source: Housing Price Index

Growth driver: Bengaluru

Home size preference in India's IT capital in 2024



- Cost appreciation has been a key feature of residential real estate in India's Silicon Valley, a city that continues to be the nerve centre of a lot of economic activity. Average prices here rose 15% in the past one year, with some pockets demonstrating over 50% value appreciation.
- Amid a spike in average prices, the demand for smaller homes has picked up in India's IT capital, with 1BHK homes claiming the highest share in demand. With space costing a premium, homebuyers here are forced to make choices similar to their peers in the MMR.
- As the city prepares to get its second airport, a sharper rise in pricing can't be ruled out, especially in specific pockets. Also fuelling this frenzy is Karnataka's plans to infuse INR 1,31,500 crore to transform Bengaluru's infrastructure.

Investment hotspots: Varthur, Sarjapur, Chandapura



Quarter-on-Quarter Movement

Indicators	Growth	Q4-2024
Housing Price Index (Reading)	22%	174*
New Supply (Units)	8%	15,157**
Demand (Units)	19%	13,236 **

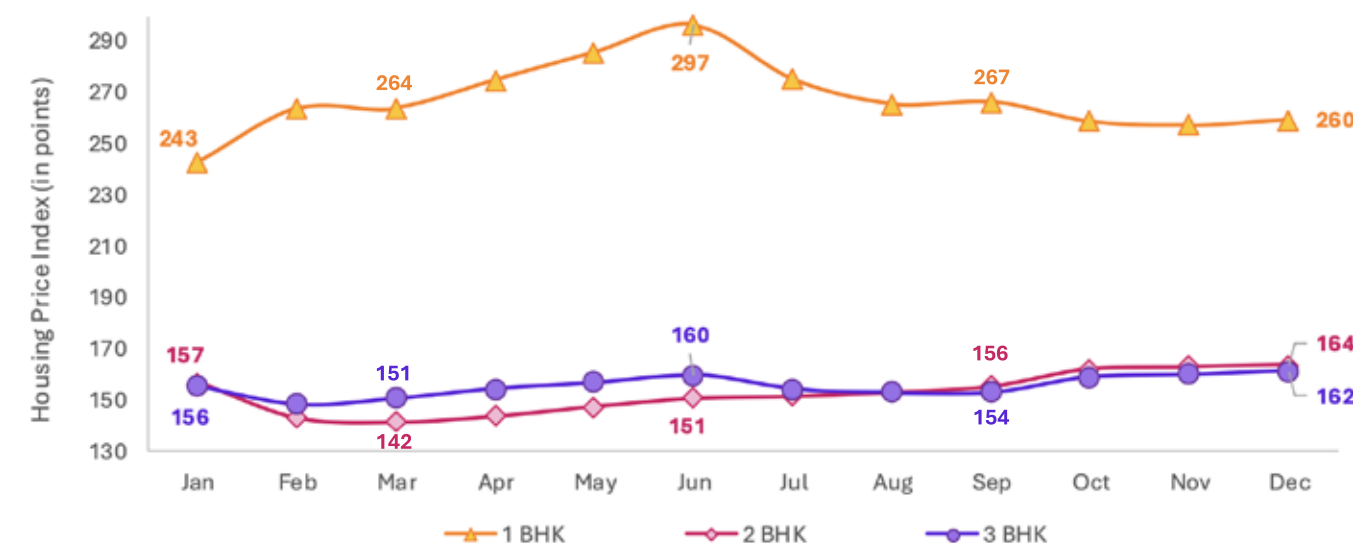
* in points ; ** in numbers

Top 5 most expensive localities in Bengaluru		
Locality Name	City Name	Price Range (INR/Sqft)
Indira Nagar	East Bengaluru	18,000 - 20,000
Rajajinagar	West Bengaluru	18,000 - 22,000
Koramangala	South Bengaluru	15,000 - 20,000
JP Nagar	Central Bengaluru	9,500 - 12,000
Whitefield	Central Bengaluru	9,000 - 10,000

Note: The data is based on sales
Source: Housing Price Index

Growth driver : Hyderabad

Home size preference in 2024



Source: Housing Price Index

- Even though price growth saw some moderation in Hyderabad, past appreciations have made this housing market in the south the second most expensive residential market in the region after Bengaluru.
- A price rally is seen impacting home size preferences in Hyderabad, with 1BHK homes showing the highest reading on the HPI. However, the readings for larger configurations have shown a sharper jump in the past three months.
- Ongoing infrastructure development and policy reforms are shaping Hyderabad into a global investment hub. Availability of vast land parcels, world-class connectivity and better liveability would continue to push prices upwards in this housing market.

Investment hotspots: Ameenpur, Bachupally, Kompally

Quarter-on-Quarter Movement

Indicators	Growth	Q4-2024
Housing Price Index (Reading)	4%	163*
New Supply (Units)	6%	9,066**
Demand (Units)	14%	13,179 **

* in points ; ** in numbers

Top 5 most expensive localities in Hyderabad

Locality Name	City Name	Price Range (INR/Sqft)
Jubilee Hills	Central Hyderabad	32,000 - 40,000
Banjara Hills	Central Hyderabad	10,000 - 15,000
Gachibowli	West Hyderabad	8,000 - 10,000
HITEC City	West Hyderabad	9,000 - 12,000
Manikonda	West Hyderabad	7,500 - 9,000

Note: The data is based on sales
Source: Housing Price Index

OUTLOOK

- With a view to improving housing affordability, the government has taken several policy changes that could be instrumental in making housing accessible to a larger number of people in the country. While the proposed changes in taxation could prove to be immensely helpful in increasing household savings, lower interest rates could make home loans more affordable in 2025.
- However, inflationary risks can't be ruled out, a scenario that can be exacerbated by rising geopolitical conflicts. Back home, increasing raw material costs and faltering growth numbers could push prices up. While some moderation in the growth rate is possible amid an uptick in supply numbers, chances of any major correction are next to negligible.

Key factors that can improve housing affordability



Higher household savings due to tax tweaks



Lower interest rates



Government subsidies



Rising income levels



Improved employment opportunities

Key factors that can worsen housing affordability



Geopolitical conflicts



US trade tariffs



Inflationary risks



Construction costs and raw material prices



Risks to growth

ABOUT HOUSING PRICE INDEX

The Housing Price Index is based on a survey in 13 cities across India from 2017 to date. The survey is conducted every quarter by Housing.com. The data collected includes information on price per square foot, quantity and total value of transactions in the last 3 months for various sub-localities within each city.

It also includes other details such as the number of bedrooms, construction status, and number of inventory units. To capture the aggregate movement in prices (per square foot) over time, we construct a “Laspeyres Price Index”, where we use granular prices from each locality and their corresponding weightings based on transaction value share of that locality in India. We use a similar methodology to construct city-wise indices.

To capture latest price movement, the locality-level prices used for constructing the price index are an average of sale and inventory prices. It is possible that some localities do not witness any sale in the month under consideration. In such cases, inventory prices serve as the most updated proxy for sale prices. The quantity index is derived from the monthly price index as total sales value normalised by the price index for that month.

The 13 cities covered by the survey across India are Ahmedabad, Bengaluru, Chennai, Faridabad, Gandhinagar, Ghaziabad, Greater Noida, Gurugram, Hyderabad, Kolkata, Mumbai, Noida, and Pune. While some moderation in growth rate is possible amid an uptick in supply numbers, changes of any major price correction are next to negligible.

City	No. of localities	Weight (%)
Ahmedabad	69	3.72
Bangalore	129	8.96
Chennai	108	3.66
NCR	134	5.04
Hyderabad	83	6.17
Kolkata	78	2.36
MMR	121	51.15
Pune	116	18.63

Founded in 2012 and acquired by REA India (formerly known as Elara Technologies Pte. Ltd.) in 2017, Housing.com stands as India's premier full-stack proptech platform catering to homeowners, home seekers, landlords, developers, and real estate brokers.

Housing.com provides comprehensive listings for a wide range of properties, including new homes, resale homes, rentals, plots, commercial spaces, and co-living accommodations across India. The company is backed by robust research and analytics, offering a spectrum of real estate services encompassing advertising, marketing, sales solutions for real estate developers, personalised search & insights, virtual viewing, AR&VR content, home loans, end-to-end transaction services, and post-transaction support for both buyers and renters.

Additionally, we offer a suite of online services through our Housing Edge brand, including features like Pay on credit, movers & packers, lending services, online rent agreements, and an array of DIY services, catering to both customers and landlords.

With a presence in 24 tier-I and -II cities, our mission is to simplify the home buying, selling, and renting journey for our valued customers. REA India is a group company of global proptech leader, REA Group of Australia that is over 30 Billion AUD company. REA Group is part of Newscorp, based in the United States.

For further details about the company, please visit www.housing.com.

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HOUSING.COM RESEARCH

Jhumur Ghosh
Senior Director Content &
Research, Growth & Marketing
Housing.com | PropTiger.com
jhumur.ghosh@housing.com

Sunita Mishra
Research Lead
Growth & Marketing
Housing.com | PropTiger.com
sunita.mishra@proptiger.com

Nikita Sharma
Assistant Manager Research
Growth & Marketing
Housing.com | PropTiger.com
nikita.sharma@housing.com

Yasir Anjum
Associate Creative Manager
Growth & Marketing
Housing.com | PropTiger.com
yasir.anjum@housing.com

SRINI RAJU CENTRE FOR IT AND THE NETWORKED ECONOMY (SRITNE), ISB

Shekhar Tomar
Assistant Professor of Economics
and Public Policy, ISB
shekhar_tomar@isb.edu

Saiganesh Ramesh
Research Associate-SRITNE,ISB
saiganesh_ramesh@isb.edu

Devesh Chaurasia
Research Assistant - SRITNE, ISB
devesh_chaurasia@isb.edu

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