

Publication	Deccan Herald
Date	08 January 2026

B'luru buyers chase premium houses

People shunning smaller flats without amenities

MAHESH KULKARNI
BENGALURU, DHNS

Bengaluru's real estate market is witnessing a stark divide: premium homes are flying off the shelves while budget properties languish unsold. Homebuyers are shunning smaller flats lacking amenities, pushing the city's unsold inventory to 67,518 units by end of 2025, a 25% jump from the previous year. The sub-Rs 1 crore segment, once the market's backbone, is losing ground rapidly. Developers are aligning their offerings to meet the rising demand from aspirational buyers with a 7% increase year-on-year in the average unit size launched in 2025 compared to 2024, according to Knight Frank, an independent property consultant. The city is witnessing traction in houses in the Rs 1-5 crore category, where the QTS (quarters-to-sale) stands at a healthy 2.9-3.1 quarters. These figures point at a market where developers are choosing to take on inventory risk at the premium end, confident in the velocity of sales, it said.

"The lack of interest of homebuyers to opt for smaller houses was mainly due to poor accessibility to their offices, lack of modern amenities and size. Post-Covid, customers are preferring larger homes with better amenities," said M Murali, Chairman and MD, Shriram Properties.

► **Homebuyers, Page 3B**

Changing trend

- B'luru's unsold inventory is 67,518 units by end of 2025
- 25% jump from previous year
- Sub-Rs 1 cr segment, once market's backbone, losing ground
- City witnessing demand in Rs 1 cr- Rs 5 cr category
- North B'luru captured 34% of new launches, 33% of sales in 2025



Homebuyers looking for larger houses in

- 1,600-2,000 sq ft for 3BHK
- 1,200 sq ft for 2BHK

B'lu's budget homes gather dust as buyers...

Homebuyers, from Page 1

Homebuyers are looking for larger homes in the range of 1,800 sq ft to 2,000 sq ft for a 3BHK house and 1,200 sq ft for a 2BHK house. They are also looking for organised and branded builders rather than affordable homes, he said.

However, the real inventory stress lies at the bottom: Units priced below Rs 50 lakh now have a QTD of 20.3 quarters, compared to the overall 4.9 quarters for the city, signaling poor absorption.

The old inventory is not aligned with current market trends. Homebuyers prefer modern amenities and location preferences. Buyers are preferring to stay closer to their workplaces and don't mind paying extra to get what they want," said Vivek Rathi, National Director-Research at Knight Frank India.

During 2025, the city witnessed sales of 55,373 units of all types.

The market realignment has crowned a new winner: North Bengaluru captured 34% of new launches and 33% of sales in 2025, dethroning East Bengaluru for the first time.

Infrastructure upgrades — Kempegowda International Airport, commercial projects and the upcoming Blue Line Metro — have transformed areas like Hebbal, Thasandra, Jakkur and Airport Road from speculative bets into red-hot demand zones.

The message is clear: Bengaluru's homebuyers are voting with their wallets, and they're voting for space, amenities, and location over rock-bottom prices, Knight Frank said.

South Bengaluru retained its dominance with the inauguration of the Yellow Line Metro and rise of high-ticket size launches in micro-markets such as Begur, Sarjapur Road, and Electronics City.

Meanwhile, East Bengaluru, long regarded as the city's residential and commercial powerhouse, saw a marginal decline in its relative share to 27% of new launches and 30% of sales.

This dip is more a result of increased traction in the North, rather than waning demand in the East.

Publication	Financial Express
Date	15 January 2026

REALTORS SEEKS PUSH FOR AFFORDABLE HOUSING P4

Realtors want 'real sops' to push affordable housing

RAGHAVENDRA KAMATH
Mumbai, January 14

PROPERTY DEVELOPERS HAVE drawn up a long wish list of Budget measures to shore up the dwindling affordable housing segment—from raising the price cap from ₹45 lakh to ₹60 lakh and removal of GST and stamp duty to reintroduction of input tax credit.

"Where in Mumbai, do you get an apartment of 600 square feet at ₹7,500 per sq ft?" asked Niranjani Hiranandani, MD, Hiranandani Group, and chairman of industry body Naredco, pushing for a revision of the ₹45-lakh cap for affordable housing in urban areas.

Pradyumna Krishnakumar, executive director and interim CFO, Brigade Enterprises, agreed. Affordable housing must be redefined based on total home cost, with city-specific price limits so that more projects qualify for subsidies and concessional loans, he said.

The tax holiday under Section 80-IBA of the Income Tax Act, which once helped affordable housing projects, expired in 2021 and has not been revived since, experts said.

Murali Malayappan, CMD, Shriram Properties, said measures such as removing GST, restoring input tax credit and eliminating stamp duty (ITC) could lower apartment costs by up to ₹1,000 per sq ft. "It is important for the government to place affordability at the core of its housing agenda. Currently, the affordable and mid-market segments that are the backbone of the residential real estate are increasingly moving out of reach for the common people, leading to considerable societal imbalance," he said.

Sales of affordable housing—those with a price of ₹45 lakh and carpet area of 60 square metres (600 sq ft) in metros, according to official definition

NIRANJANI HIRANANDANI,
MD, HIRANANDANI GROUP

We want govt to support rental housing to make rentals affordable in big cities



MURALI MALAYAPPAN, CHAIRMAN & MD, SHRIRAM PROPERTIES

Affordable & mid-market segments are increasingly moving out of reach for the common people



PRADYUMNA KRISHNAKUMAR, INTERIM CFO, BRIGADE ENTERPRISES

Reinstating tax relief for affordable housing developers would reignite supply



—have seen the maximum drop due to factors such as low supply and higher interest rates. Even the GST cut for affordable housing in September last year did not yield desired results.

Krishnakumar said "reinstating tax relief for affordable housing developers would reignite supply", while Malayappan said the government should also reinstate ITC so developers can pass on the benefits directly to homebuyers. Hiranandani said the government should support rental housing to make at least rentals affordable in big cities, if not prices.

Dwindling sales

The sale of housing units priced under ₹50 lakh fell 17% year-on-year in 2025, launches

dropped by 28% and the quarters to sell level stood at 8.7 compared with 8.2 in 2024, according to Knight Frank India. The share of affordable housing in total sales in top seven cities came down from 38% in 2019 to 18% in 2025, according to Anarock Research.

Poor cost economics

Anuj Puri, chairman, Anarock, said challenges are not driven by a lack of demand but by the economics of modern real estate development. "Affordable housing offers developers margins of only 10-12%, while luxury projects deliver 25-30% or higher. The math is clear when you consider the rising cost of land and construction and execution challenges. Profit margins have migrated entirely upwards," he said.

"Affordable housing continues to underperform due to declining affordability, elevated input costs and limited end-user support. Without timely policy recalibration, demand in this critical segment risks remaining suppressed," said Shishir Baijal, CMD, Knight Frank India.

Publication	Deccan Herald
Date	19 January 2026

BUDGET 2026

Realtors demand tax incentives to boost affordable housing

MAHESH KULKARNI
BENGALURU, DHNS

Ahead of the Union Budget 2026, the real estate sector has sought tax reliefs and policy changes to make housing affordable for new-age urban citizens and the growing middle-class. As the country progresses towards its goal of becoming the third-largest economy in the world, housing must be treated as a national economic priority, say real estate developers.

"Without adequate, accessible housing, new-age urban citizens and the growing middle-class will face increasing pressure directly impacting productivity and economic growth. Affordable and mid-market housing, therefore, cannot be overlooked," says Murali Malayappan, Chairman & Managing Director, Shriram Properties Limited.

The affordable housing cap should be increased from Rs 45 lakh to Rs 60-70 lakh to reflect today's costs and buyer profiles, he adds.

Satya Prakash Gupta, CFO, Concorde favours the cap to be increased to Rs 90 lakh. He adds that home loan interest

deduction under Section 24(b) should be increased from Rs 2 lakh to Rs 3-5 lakh, and the Section 80C limit for principal repayment be raised to Rs 2.5 lakh.

India faces an estimated urban housing shortage of over 10 million units, with a majority of the gap concentrated in the economically weaker and lower-income segments. Addressing this deficit requires renewed policy thrust to improve home-loan affordability for first-time buyers, says Anuj Sharma, COO, India Mortgage Guarantee Corporation.

"Strengthening interest-linked incentives for these households would directly support demand, particularly in Tier II and Tier III cities where aspirations remain strong but affordability is under pressure," he says.

The industry also wants Section 80EEA reinstated to give first-time buyers an extra Rs 1.5 lakh interest deduction.

Priyanka Raju, Director, Kalyani Developers, says, "The upcoming Union Budget has an important role to play in bridging the gap between urban aspirations and financial realities. With property prices and home loan rates

Key Expectations

The real estate sector hopes progressive reforms and tax incentives in the upcoming Budget would benefit homebuyers and the industry.

<p>Industry status to the real estate sector to unlock financing and catalyse growth across emerging asset classes</p>	<p>Support new housing models like co-living and rentals</p>	<p>Encourage green building practices through weighted tax deductions</p>	<p>Reduce stamp duty charges</p> <p>Single-window clearances, faster resolution of stalled projects</p>
<p>Introduce a concessional, slab-based GST rate for coworking services, especially for startups and small businesses</p>			
<p>Rationalise 10% TDS under Section 194AB on coworking payments</p>	<p>Expand the definition of affordable housing, potentially to Rs 75-90 lakh</p>	<p>Raise the Section 80C limit for principal repayment to Rs 2.5 lakh</p>	<p>Increase home loan interest deduction under Section 24(b) from Rs 2 lakh to Rs 3.5 lakh</p>



rising, a meaningful enhancement in tax relief on interest and principal repayments would go a long way in supporting end-users."

"The real estate sector is hopeful that the government would consider its long-standing demands of rationalising

of GST on construction contracts from the current 18% to 12% or lower. This will provide immediate relief to both homebuyers and developers alike," says Pradyumna Krishnakumar, Executive Director & Interim Chief Financial Officer, Brigade Enterprises Limited.

The industry has also demanded easing project-level financing, enabling structured private credit, and regulatory frameworks for alternative investment platforms. "These measures can unlock long-term capital, support office expansion beyond core metros, and strengthen real estate's role in employment and urban growth," says Sudarshan Lodha, Co-founder & CEO, Strata.

Sunil Pareek, Executive Director, Assetz wants the government to present a momentum budget, and not a stimulus budget. "If cities work better, housing markets will follow. The centre of gravity of India's growth has decisively shifted to its cities. Strong signals on urban infrastructure, jobs and capital confidence will sustain housing demand far more effectively than isolated housing," he says.

Abdulkader Bengali, MD, Hansgrohe India, says the growing middle-class is increasingly seeking luxury residential and hospitality experiences — spaces that are not only premium and well-designed, but also efficient and sustainable, reflecting evolving lifestyles and global exposure. "This shift calls for policy frameworks that strengthen

infrastructure, urban planning, and housing ecosystems, ensuring access to high-quality living, while maintaining affordability and long-term value. Encouraging responsible construction practices, skill development, and quality-led execution can elevate standards across both luxury residential and hospitality segments," he adds.

Ramani Sasri, Chairman & MD, Sterling Developers Pvt Ltd has asked the government to raise the deduction limit for interest payment on home loans from the existing Rs 2 lakh a year, to Rs 5 lakh, which will add momentum to the housing sector. "This would not only drive growth in the real estate sector, but also stimulate demand around 250 ancillary industries, thereby boosting job creation across sectors," he says.

India's workforce is steadily moving towards hybrid models, increasingly relying on shared spaces. Making construction more viable will encourage the creation of modern, well-designed work environments which will ensure that talent across the country has access to world-class infrastructure to innovate, collaborate, and grow, says Manas Mehrotra, Founder, 315Work Avenue.