

House Party to Kick Off in FY26

After a year of muted project activity, India's residential real estate market is poised for a revival in new launches in FY26 though the area sold is expected to see only a modest uptick. However, rising property prices continue to pose affordability challenges, especially in the affordable and mid-income segments.

Text: Sobia Khan

Source: Icra

RECOVERY IN LAUNCHES AFTER FY25 DIP

Expected to rise 6-9% to **620-640 msf** (million sq ft) in FY26

14-17% decline seen in FY25

AFFORDABILITY CHALLENGES

Average selling price increased **11%** in FY23, FY24

13-15% hike in FY25

GROWTH TRIGGERS

Prices to remain stable

25-bp rate cut in Feb

Budget's income-tax relief

Stable inventory

INVENTORY LEVELS

Years-to-sell at **1.0-1.1x** in FY25, FY26

SLOWDOWN IN SALES GROWTH

1-4% uptick expected in FY26 after strong past performance

