

Residential Real Estate – Bengaluru

Launches up 10–12% in FY2026; YTS
stays comfortable

NOVEMBER 2025



1 Key Updates – Bengaluru residential real estate



2 Trend in key metrics in Bengaluru



3 Trend in Key Metrics for Top Micro-markets



4 Indian Residential Industry Outlook



5 Rating Actions in ICRA's Residential Real Estate Portfolio



6 Annexure





[Click to see full report](#)

ICRA estimates area sold in Bengaluru to increase by 3-5% in FY2026.

The overall YTS is expected to edge up to 1.2-1.4 years by March 2026 from 1.1 years on account of healthy luxury launch pipeline and recent moderations in sales velocity for the segment.



- Bengaluru is the fourth largest residential real estate market among the top 7* cities in India, accounting for 14-15% of the area sold during FY2021-FY2025. It recorded a decadal high of 102 million square feet (msf) of area sold during FY2024 (CAGR of 27% over FY2021-FY2024). On the elevated base of FY2024, FY2025 saw a marginal contraction of 2% YoY to 99 msf, due to a sharp 41% drop in the affordable segment (accounting 6% of sales), even as mid-income and luxury segments posted modest gains of 3% each.



- ICRA expects the sustained end-user demand in the mid-income and the luxury segment (within this segment – majorly Rs. 1.5-3.5 crore ticket size) to support sales in FY2026. Area sold during H1 FY2026 stood at 52 msf (+by 14% YoY) and is expected to remain steady in H2 FY2026 (flattish YoY) with launch pipeline largely in Q4 FY2026. Overall, the area sold is likely to see a moderate growth of 3–5% in FY2026.



- Bengaluru's residential launches surged to 124 msf in FY2025 (CAGR of 34% over FY2021–FY2025), supported by the mid and luxury segment demand and estimated improvement in connectivity driven by Government emphasis on infrastructure development. Further, ICRA expects a 10-12% YoY increase in launches for FY2026 (63 msf, 7% YoY growth in H1 FY2026) driven by comfortable inventory levels, sustained demand from mid and luxury segment (Rs. 2.0–3.5 crore) and smoothening of the e-khata process.



- The years to sell (YTS) for unsold inventory saw sustained reduction in Bengaluru to a decadal low of 0.8 years as of March 2024 from the peak of 2.5 years as of June 2020, driven by improved sales velocity. Despite healthy launches in FY2025 and H1 FY2026 outpacing sales, the YTS remained comfortable at around 1.1 years as of March 2025 and September 2025. The YTS is expected to edge up to 1.2-1.4 years as of March 2026, while remaining at comfortable levels.



- Historically, housing sales in Bengaluru have been centred on the mid-income segment. However, since FY2023, buyer preferences have shifted towards larger, premium homes, driving a sharp rise in luxury housing share. While mid-income launches dominated the Bengaluru market previously, in H1 FY2026, luxury launches overtook mid-income for the first time, comprising 49% of total launches—up from 37% in FY2025 and 19% in FY2021. Despite this surge, the recent slowdown in sales velocity for ultra-luxury homes in the city is likely to prompt developers to adopt a more cautious approach to new launches in this segment in the near to medium term.



ICRA Analytical Contact Details

Name	Designation	Email	Contact Number
Ashish Modani	Senior Vice-President & Group Head	ashish.modani@icraindia.com	020 - 6169 3300
Anupama Reddy	Vice-President & Co-Group Head	anupama.reddy@icraindia.com	040 - 6939 6427
Pulkit Varshney	Assistant Vice-President & Sector Head	pulkit.varshney@icraindia.com	080 - 4332 6427
Vishal R	Senior Analyst	vishal.r@icraindia.com	044 – 4596 4300





ICRA

Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Sai Krishna	Head - Research Sales and Investor Connect	sai.krishna1@icraindia.com	9840774883
Rohit Gupta	Head Business Development – Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – East	vinita.baid@icraindia.com	033-65216801
Shivam Bhatia	Head Business Development – Corporate Sector – North & South	shivam.bhatia@icraindia.com	0124-4545803
Sanket Kulkarni	Head Business Development – Corporate Sector – West	sanket.kulkarni@icraindia.com	022-6169 3365
Naznin Prodhani	Head - Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860





© Copyright, 2025 ICRA Limited. All Rights Reserved.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.



ICRA

Thank You!