

Residential Real Estate – Mumbai Metropolitan Region (MMR)

Launches in MMR likely to bounce
back and rise by 7-10% in FY2027

February 2026





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While the area sold is likely to decline by 0-3% against the rise in launches by 7-10% in FY2027, the absolute area sold is anticipated to be slightly higher than launches, resulting in comfortable YTS of around 1.4-1.5 times as of March 2027.



- The Mumbai Metropolitan Region (MMR) is the largest residential real estate market among the top seven* cities in India, accounting for 23-25% of the area sold in FY2025-9M FY2026. The area sold in FY2025 reduced by 6.0% to 160.0 msf. ICRA expects the area sold to further contract by 5–7% in FY2026 (12% YoY decline in 9M FY2026) with moderation in sales velocity in affordable and mid-income segments due to lower launches and a high base effect. In FY2027, the area sold is likely to decline further by 0–3%.



- New launches in MMR remained stable at 157.0 msf in FY2025 but dipped by 25% YoY in 9M FY2026 to 89 msf, on account of temporary delays in receipt of approvals from the Government of Maharashtra. The slowdown was driven by the National Green Tribunal's (NGT) mandate requiring Central Government's environmental clearance for eco-sensitive zones, which was resolved in August 2025. ICRA estimates the launches in FY2026 to fall by 15-17%. With spillover of launches and continued preference among buyers for luxury homes in the Rs. 3.5-6.0 crore ticket size, ICRA projects launches to rebound and rise by 7–10% in FY2027.



- The years-to-sell (YTS) witnessed a reduction in MMR to 1.5 years as of December 2025 from 2.3 years in March 2021, driven by healthy sales momentum. The YTS is likely to remain comfortable at 1.4-1.5 years as of March 2026 and as of March 2027, with sales slightly outpacing launches.



- The weighted average selling price (ASP) in MMR grew by about 6% and 7% YoY in FY2025 and 9M FY2026, respectively, which is lower compared to the average growth in ASP across 7 cities, since MMR is a relatively matured market with higher base. The growth was primarily supported by an increased contribution from the luxury segments. ICRA estimates the ASPs to rise moderately in FY2027.



- Historically, mid-segment launches dominated the MMR market until FY2024. However, luxury segment launches surged in FY2025, matching mid-segment activity, a trend that has strengthened in 9M FY2026. The share of luxury segment sales in MMR climbed sharply to 44% in 9M FY2026, up from 31% in FY2021, in terms of area sold, driven by evolving consumer preferences for larger and premium homes. The luxury segment is expected to account for a predominant share of launches in FY2026 and FY2027, while the mid-segment is likely to retain a meaningful presence.

Source: Propequity and ICRA Research

*Top Seven Cities: Mumbai Metropolitan Region (MMR), Delhi National Capital Region (NCR), Bengaluru, Hyderabad, Pune, Kolkata, Chennai

Unit size: Affordable – Below Rs. 1.0 crore; Mid – Between Rs. 1.0 – 3.5 crore; Luxury – Above Rs. 3.5 crore

1 Trend in Key Metrics for MMR



2 Trend in Key Metrics for Top Micro-markets



3 Indian Residential Industry Outlook



4 Rating Actions in ICRA's Residential Real Estate Portfolio



5 Annexure





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