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India's Housing Market Shows Signs of Recovery as Gurugram Leads and MMR Lags Behind

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India's residential property sector has recorded its first year-on-year growth in housing sales in over a year, signaling a potential turnaround after a prolonged period of sluggish demand. According to a UBS report, housing sales in Tier 1 cities increased by 2% in June

2025, led by strong performance in Gurugram, while the Mumbai Metropolitan Region (MMR) continued to trail behind.

The modest growth in volume comes after a 12-month slump, and though the uptick remains slight, it indicates improving buyer sentiment. In terms of value, the report noted a significant rise, with national housing prices increasing by nearly 20% year-on-year. This surge was driven by high-value transactions and growing demand for premium properties.

Gurugram emerged as the standout performer among major cities. Sales were particularly strong along key corridors such as Golf Course Road, Southern Peripheral Road (SPR), and Dwarka Expressway. High-end projects like DLF's Privana North and Trump Residences Gurgaon witnessed rapid bookings, with many units selling out within hours of launch. Luxury housing contributed to over 60% of sales in Gurugram during the first half of 2025.

In contrast, markets like MMR, Pune, and Bengaluru underperformed. MMR saw a continued decline in sales volumes, with Pune and Mumbai experiencing double-digit drops year-on-year. Demand in Bengaluru and Hyderabad remained flat, signaling uneven recovery across regions.

On the supply front, new project launches declined in several cities, suggesting developers remain cautious. Despite rising prices, overall inventory levels remain stable, with the national average inventory cycle at around 18 months. Gurugram and the National Capital Region (NCR) maintained healthier ratios of 11 to 13 months.

The report also highlighted the growing advantage of organized developers. Analysts noted that firms with established reputations, efficient project execution, and access to capital are better positioned to benefit from the market's gradual recovery. Rising costs and affordability challenges remain, but the improving demand for premium housing could support continued momentum in select urban centers.