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B'luru is 2nd expensive housing market

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Bengaluru has emerged as India's second most expensive residential real estate market after Mumbai, reflecting the city's sustained demand momentum and growing economic prominence.

Average residential prices in Bengaluru rose 24% year-on-year to Rs 9,785 per sq ft in Q1 2026, up from Rs 7,881 per sq ft in the corresponding quarter of 2025.



The city outpaced other major property markets during the period. While residential prices in Mumbai increased by 20% and those in the National Capital Region (NCR) rose by 18%, Bengaluru recorded the strongest appreciation among the country's leading metropolitan markets.

Mumbai continues to command the highest residential property prices at an average of Rs 15,120 per sq ft

Bengaluru has overtaken NCR to become the second-costliest housing market. Average residential prices in NCR stood at Rs 9,534 per sq ft during the quarter, according to the report. It attributes Bengaluru's resilience to its diversified employment ecosystem, particularly the continued expansion of Global Capability Centres (GCCs) and the city's vibrant startup sector.

"The GCC and start-up employment engine continues to prove more durable than conventional IT hiring cycles, providing Bengaluru with a structurally differentiated demand base that is less susceptible to sector-specific disruption," said Prakash Tejwani, CEO, PropTiger.

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Industry executives say Bengaluru's strong employment base, infrastructure development and robust end-user demand continue to support residential price growth across micro-markets.

"The city's price growth is being driven by end-user demand, sustained employment creation and Bengaluru's continued evolution as a GCC, tech and startup hub. While price growth trends remain micro-market specific, we have seen the average price realisation across our south and west portfolio grow by 21% Y-o-Y to Rs 10,213 in FY26, an indicator of the broader market trend," said Mallanna Sasalu, CEO-South, Puravankara Limited.

According to him, east Bengaluru continues to benefit from its proximity to key IT corridors, while north Bengaluru's growth is being driven by the expansion of the Kempegowda International Airport ecosystem, improved connectivity and the emergence of new commercial hubs.

Several micro-markets in south Bengaluru are also witnessing strong demand, supported by metro connectivity and established social infrastructure.

According to Murali Malayappan, Chairman and Managing Director, Shriram Properties Limited, the rise in residential prices results from a combination of factors, including higher land costs, strong housing demand and ongoing infrastructure-led development.

"Over the last 5 years, land prices across most micro-markets have appreciated between 50% and 100%, far outpacing construction cost inflation. Besides this, Bengaluru's dynamic IT sector, commercial growth, and changing aspirations of buyers have contributed to increased demand," he said.

Robust demand to continue

Developers expect demand momentum to remain healthy through the rest of the year, supported by continued buyer confidence across both premium and mid-income housing segments.

"We expect the market to remain robust for developers who consistently deliver quality inventory, as the balance between premium absorption and mid-income affordability continues to define the sector. This balance will shape demand patterns, ensuring that well-positioned projects catering to both aspirational buyers and value-conscious families remain resilient and attractive," said Priyanka Raju, Director, Kalyani Developers.

The outlook for Bengaluru's residential market remains positive for the remainder of 2026, driven by strong demand fundamentals and infrastructure-led growth, according to Anil R G, Managing Director, Concorde.

"While price appreciation may become more moderate compared to the last few quarters, overall sentiment is expected to remain healthy," he added.