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South India-based developers step up Mumbai play amid strong housing demand

Several large South Indian real estate developers are now entering Mumbai's property market. They are strategically focusing on redevelopment projects and joint development agreements. This approach offers a capital-efficient entry into India's most expensive housing market. Mumbai's sustained housing demand and redevelopment opportunities attract these new entrants. The trend is intensifying competition in the city's premium and mid-income housing segments.



Representative AI image

Mumbai's property market is witnessing a fresh wave of competition as some of south India's largest real estate developers accelerate their entry into the country's biggest market, attracted by sustained housing demand and high-value redevelopment opportunities.

Unlike earlier attempts by out-of-market players, the latest entrants are adopting a calibrated strategy centred on redevelopment projects, joint development agreements and partnerships with local landowners, providing a capital-efficient route into India's most expensive property market.

Developers including Prestige Group, Puravankara, Shriram Properties, Sobha, Casagrand and RMZ have either entered or about to enter Mumbai through redevelopment projects and land acquisitions across the Mumbai Region as they seek to diversify beyond their core markets.

"Mumbai is one of India's most resilient and aspirational real estate markets, driven by strong end-user demand, a robust commercial ecosystem and a discerning customer base that values quality, trust and timely delivery. It offers significant opportunities across premium residential, mixed-use and commercial developments, supported by ongoing infrastructure upgrades that are reshaping connectivity and unlocking new growth corridors," said Tariq Ahmed, CEO, West, Prestige Group.

The company has already recorded over Rs 16,000 crore revenue from its 12 projects spanning over 16.5 million sq ft in Mumbai.

"The scale of infrastructure development underway in Mumbai is creating long-term value that few markets in the country can match... There is a significant opportunity in redevelopment, the nature of these projects has changed, as we are no longer dealing with traditional landowners, but with homebuyers from a generation or two ago. It's a very different game," said Murali Malayappan, CMD, Shriram Properties.

According to him, the positive response to the company's Pune entry is driving its efforts into Mumbai, where it is actively identifying opportunities, largely through joint development.

"The rising interest also reflects changing market dynamics. Consolidation following the implementation of the Real Estate (Regulation and Development) Act (RERA), tighter financing norms and stronger demand for branded housing have increased the competitive advantage of large organised developers with access to capital. For south-based developers, Mumbai also provides geographical diversification at a time when land prices and competition have intensified in their traditional markets," said Ritesh Mehta, Head-North, West & East, Residential Advisory Services, India, JLL.

Mumbai's strong property sales with over 11,000 monthly registrations, premium pricing and the scale of redevelopment opportunities have made the market increasingly attractive despite its execution complexities.

The trend is reshaping Mumbai's competitive landscape, long dominated by local developers with deep expertise in navigating the city's complex regulatory framework, fragmented land ownership and redevelopment-driven market.

The latest expansion contrasts with earlier attempts by developers from outside Maharashtra to establish themselves in Mumbai. Industry experts believe the current cycle is structurally different.

Rather than attempting rapid expansion through large standalone acquisitions, new entrants are building project pipelines through partnerships, redevelopment mandates and asset-light development models that reduce capital requirements while leveraging local expertise.

The increasing participation of national developers is expected to intensify competition in Mumbai's premium and mid-income housing segments, where redevelopment is emerging as one of the largest sources of future supply.

As redevelopment gathers pace across ageing housing societies and industrial land parcels, analysts expect more developers from outside Maharashtra to explore opportunities in the country's most valuable residential market.