

IN SPOTLIGHT

Affordable Housing Crisis Looms Over Cities

With supply shrinking, this residential segment in India's urban market struggles to meet demand, risking inclusivity and balanced growth.



Tier-2 cities see 50% drop in affordable home launches.



TOP STOREY
Kausar Firdausi

A recent report has highlighted an unsettling trend in India's housing market: affordable housing supply in major cities has plunged, pointing to a sharp undersupply in the very segment that once formed the backbone of urban homeownership.

The numbers are telling. New launches of affordable homes, priced below ₹50 lakh, fell by more than 50% in tier-2 cities in early 2025. In the top seven metros, unsold affordable stock dipped nearly 20% year-on-year, even as

luxury inventory rose by 24%. With demand steady, the steep decline in supply signals a widening imbalance between aspiration and access.

The Viability Challenge

Industry voices are clear: demand has not collapsed — viability has. "Affordable housing is shrinking not because demand has reduced, but because viability has collapsed," says Ashwinder R Singh, vice chairman, BCD Group, chairman, CII Real Estate Committee & Advisor, NAR India. Rising land values, long approval cycles, and soaring input costs make affordable projects unattractive, pushing developers toward mid-income and premium housing where

margins are safer. Singh warns that without intervention, Indian cities risk turning into islands of premium housing and vast informal settlements.

This shift is already visible. Ajay Kumar Singh, director, Jenika Ventures, notes that affordable housing, which made up over half of new supply in 2018, has now slipped to just 17%. If unchecked, he cautions, the segment may erode further, altering the face of Indian urbanisation.

The Human Cost

For families, the fallout is stark. Manoj Dhanotiya, CEO & founder, Micro Mitti, highlights how rising land and compliance costs outpace

salaries, leaving fewer entry-level homes within city limits. "It is about a nurse, a delivery rider, a young engineer, all pushed farther from work and from the city. Long commutes steal hours from families, and informal settlements fill the gap," he says.

Shifting Aspirations, Persistent Gaps

Some developers see the trend as part of evolving buyer aspirations.

Sarveshaa SB, CMD, Bhadra Group, believes the dip reflects families seeking bigger, better homes, underscoring the need to balance affordability with premium offerings. Yet others stress affordability remains the foundation. Udit Jain, director, One Group, argues that the government's 2015 definition of affordable housing is outdated as

construction costs have nearly doubled. Without revision, he warns, the segment cannot revive.

Policy and Market Solutions

Still, many believe the undersupply is an opportunity to rethink. Anshuman Magazine, chairman & CEO — India, South-East Asia, Middle East & Africa, CBRE, calls it a chance to rethink how affordable housing is defined and delivered, pointing to technology, innovative financing, and deeper public-private collaboration as long-term solutions.

Meanwhile, Mukul Bansal, MD, Motiaz, stresses that inclusivity must remain central. "Urban growth should be sustainable through a spectrum of housing that makes affordability a given — not only for the lower-income segment, but also for young professionals and first-time buyers," affirms Bansal.

Conclusion

India's cities now stand at a crossroads. Aspirations are rising, but affordability remains the entry point for millions of migrants and first-time buyers. As Manjunath V, managing partner, Aakruthi Properties, cautions, this is a wake-up call: ignoring affordable housing risks long-term instability.

"The undersupply in affordable housing is a chance to redefine the segment with technology, innovative financing, and stronger public-private collaboration."

ANSHUMAN MAGAZINE
Chairman & CEO — India, South-East Asia, Middle East & Africa, CBRE

EXPERT TAKE



By Vivek Shukla

Putting People First: Why Purpose Is the Future of Hospitality

ratings, but in the positive changes we bring to the society. Purpose isn't an adjunct to our business; it is at the heart of how we operate.

Based on this belief, we have introduced our new program 'The LaLiT Loyalty'. With an aim to redefine the way we engage with our guests, this program gives the member a chance to do good each time they dine, stay, or celebrate

with us. Through our partnership with Points for Good, members can donate their earned points to over 40 verified social causes, like supporting child education, tree plantation, skilling marginalised communities and more. It's loyalty with a conscience and an opportunity to turn every stay or dining experience into a measurable impact.

Inclusion and social welfare is in The LaLiT's DNA. Over the years, we've led with inclusive hiring across our properties, creating workplaces that welcome people from LGBTQIA+ communities, neurodivergent individuals, persons with disabilities and acid-attack warriors.

Through the Keshav Suri

Foundation (KSF), our teams have organised walk-in diversity job fairs across multiple cities, building pathways to employment and dignity for communities that are often overlooked. This is not merely CSR, it's how we hire, train, serve, and shape the future of our industry.

Our commitment to education and employability goes back years, when we began with project Disha and supported education of more than 20,000 children in remote parts of Uttarakhand while also providing placements to over 10,000 students. With our donation feature, members

can now build on this legacy by funding a child's education, skilling for LGBTQIA+ youth and other diverse groups, turning a weekend stay into a step toward someone's future.

With The LaLiT Loyalty, our purpose goes beyond offering stays and dining — we want every guest to feel connected to the values we stand for. Through a points-to-impact platform, we are creating an ecosystem where members experience purpose-driven hospitality and get an opportunity to create meaningful change.

(The writer is the CEO of The LaLiT Suri Hospitality Group)

Puravankara Group Secures Malabar Hill Redevelopment Project

Puravankara Limited recently announced that its wholly-owned subsidiary, Purva Blue Agate Pvt Ltd, has acquired redevelopment rights for a prime residential society in Malabar Hill, Mumbai.

Spanning 1.43 acres, the project offers a development potential of 0.7 million sq. ft., providing new premium homes for existing residents while creating a substantial portion for sale. With an estimated GDV of ₹2,700 crores, the development aims to redefine luxury living in South Mumbai.

Commenting on the project, Ashish Puravankara, managing director of the group, said, "This redevelopment reflects our commitment to world-class homes while contributing to Mumbai's evolving urban fabric. Its location, scale, and luxury positioning align perfectly with our strategy of expanding into key markets."

Rajat Rastogi, CEO — west & commercial assets, added, "With this acquisition, our Mumbai redevelopment portfolio now totals 4.25 mn. sq.ft., with a potential GDV of ₹10,500 crores, reinforcing our leadership in the city's redevelopment landscape."

Nirala World Sells ₹275 Cr Studios in Gr. Noida West

Nirala World, a leading real estate developer, announced the complete sell-out of studio apartments worth ₹275 crore at its Nirala Gateway project in Sector 12, Greater Noida West. Following the soft launch, all 400 units were sold.

Spread across 10,400 sq. meters at Sri Rajesh Pilot Chowk, the project enjoys three-side access via 130m, 80m, and 24m-wide roads. Its prime location places it amidst established societies, institutional areas, a data centre, and a 150-acre IT hub, with excellent connectivity to Noida, Gaur Chowk, the upcoming metro, FNG Expressway, Delhi-Meerut National Highway, and Jewar Airport (40 minutes away).

Studio apartments range from 612-1,122 sq. ft., priced from ₹65 lakh, with delivery expected by 2029. Amenities include a double-height lobby, gym, restaurant, steam room, sauna, and jacuzzi.

"This project, our first major commercial venture here, will be a landmark," said Suresh Garg, CMD, Nirala World.