

Mumbai, Bengaluru and Hyderabad to lead India's residential real estate recovery in 2022

Synopsis

While these three cities have seen increased homebuyer activity after the second wave of the coronavirus pandemic, the tier-II cities like Surat, Jaipur and Patna are the ones that have recorded the highest increase in online property search volume in 2021.



The index also lists its 'cities to watch out for building-up residential demand', which include Tier-II cities like Surat, Jaipur, Patna, Mohali, Lucknow and Coimbatore.

[Bengaluru](#) and [Hyderabad](#) are expected to lead India's residential [real estate](#) recovery in 2022 at a time when home purchases have picked up pace in the wake of record low home loan interest rates in the last 15 years and record low affordability driven by stable real estate prices, according to [Housing.com](#).

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Housing.com's IRIS index tracks the online property search volume of high-intent homebuyers. The index is a leading indicator of the building-up of residential demand in India's key 42 cities.

"The year 2021 has definitely been a year of positive change for residential realty. We firmly believe that the strong momentum in the residential markets will continue through the 2022 calendar year, provided India is able to effectively deal with the threat of the Omicron variant spread," said Dhruv Agarwala, Group CEO, Housing.com.

The index also shows that larger homes are going to be the preferred option among homebuyers in 2022 as companies continue to offer remote working policies amid Omicron variant threats. Data show that the search queries for apartments with 3+BHK configuration grew by 15% year-on-year in 2021.

"The metro cities of [Mumbai](#), Bengaluru and Hyderabad will drive residential demand revival in 2022. We are also seeing increased traction in tier-II cities such as Surat, Jaipur, Patna, Mohali, Lucknow and Coimbatore on the back of continuing remote working policies. Homebuyers are now leaning towards larger homes and localities with access to better healthcare services, security, and open spaces. The changing consumer preference in residential realty, along with digital penetration across the supply and demand value chain, will

shape the market in 2022” said Ankita Sood, Head of Research, Housing.com.

Since the price of any property is directly linked to its size and amenities, online search for properties in the ticket size of more than Rs 2 crore, has also undergone an increase - 1.1x times more queries were registered on the index for premium properties in 2021.

Even though the NCR has been at the receiving end of negative publicity due to project delays and developer insolvencies, Noida Extension in Noida will see significant homebuyer interest in the coming year, the index shows.

Noida Extension took the maximum share in national online property search volume this year as recorded by the index. This is primarily because of the comparative affordability the area provides, along with the fact that the centre and the UP government have announced several mega infrastructure projects for this region in the recent past.

Housing.com IRIS index also indicated that the rental market in the mega cities of Mumbai, Bengaluru and Delhi might come back on track in 2022, as companies increase hiring. In 2021, these three cities took the maximum share in online search volume for renting a home.

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