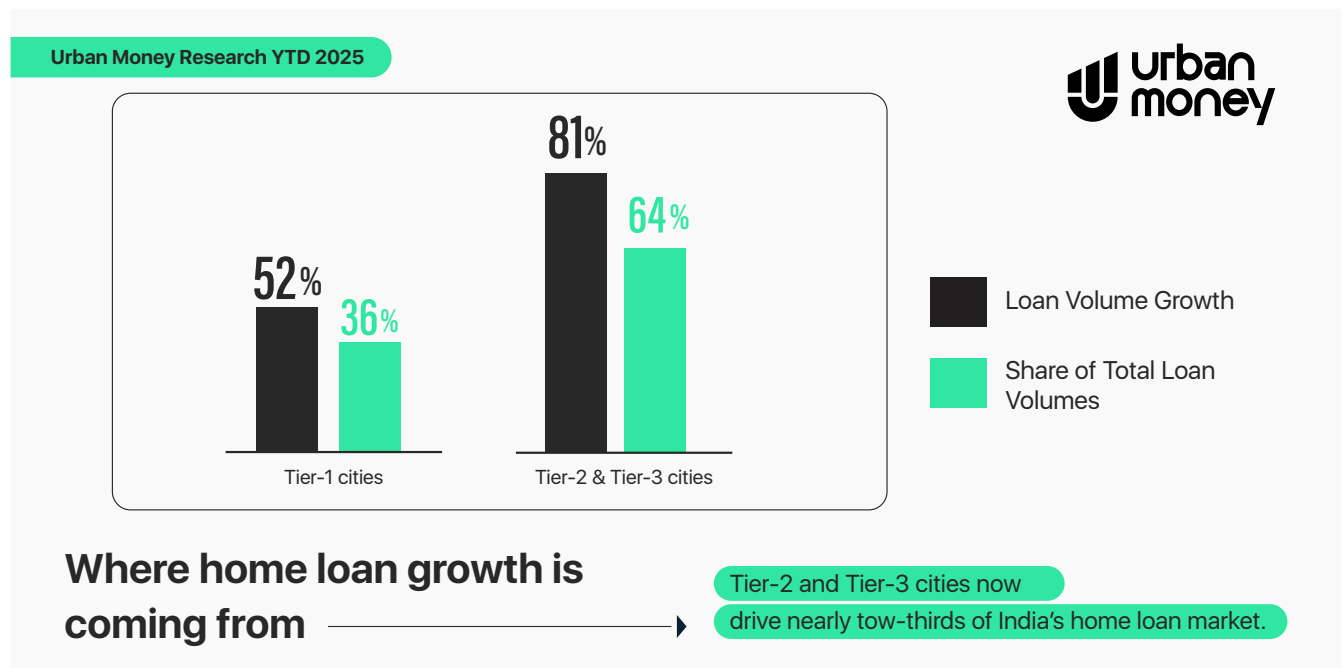


India's home loan growth broadens beyond metros as Tier-2 and Tier-3 cities account for 64% of volumes: Urban Money Homebuyers Credit Pulse Report

13th January 2026, New Delhi: Urban Money, one of India's largest fintech-led mortgage distribution platforms, has released the **Urban Money Homebuyers Credit Pulse Report**, a data-backed analysis of evolving home loan trends across India. The report points to a decisive shift in home loan demand away from core metropolitan markets, with Tier-2 and Tier-3 cities emerging as the dominant contributors to growth in 2025. As per the report, **Tier-2 and Tier-3 cities recorded an 81% year-on-year growth in home loan volumes in 2025**, significantly higher than the **52% growth seen in Tier-1 cities**. This sharp expansion has increased the contribution of Tier-2 and Tier-3 markets to **64% of total home loan volumes in 2025**, compared to 60% in 2024, highlighting a structurally broader and more distributed housing finance cycle.



The findings indicate that housing demand growth is no longer concentrated within a few large metros or premium price segments. Instead, improving infrastructure connectivity, expansion of employment hubs and sustained availability of mid-income housing are driving stronger homeownership demand across emerging cities. As affordability pressures persist in core metros, a growing share of aspirational homebuyers is entering the market through smaller cities and peripheral urban corridors.

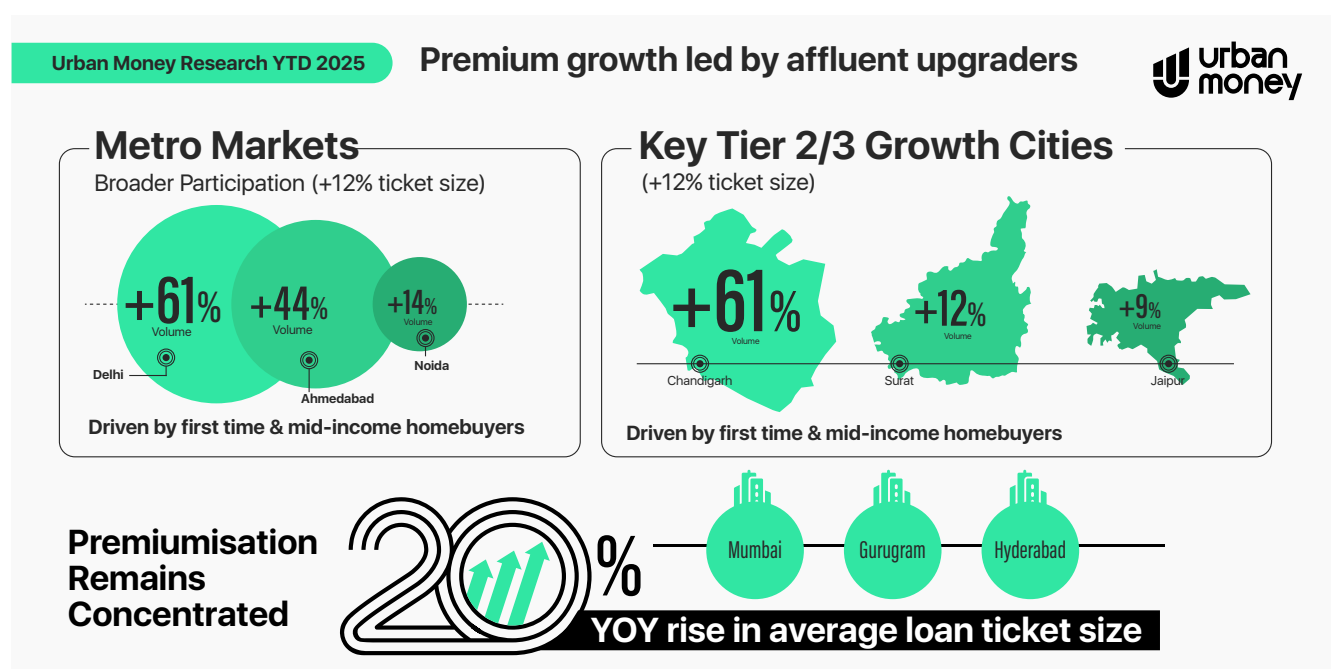
Tier-2 and Tier-3 cities lead volume-led expansion

The report highlights strong borrower activity across several Tier-2 and Tier-3 markets, including **Chandigarh, Jaipur, Surat, Madurai and Palwal**, which recorded significant increases in loan creation

during the year. The scale and consistency of growth across these cities reflect deeper penetration of formal housing finance beyond India's largest urban centres.

Key urban markets show participation-led growth rather than premium skew

Large urban markets such as **Delhi, Ahmedabad and Noida** are increasingly reflecting **volume-driven growth supported by stable affordability**, rather than sharp premiumisation. **Delhi and Ahmedabad recorded 61% and 44% year-on-year growth in home loan volumes**, even as average loan ticket sizes rose by a measured **12%**, indicating a broader base of end-user participation rather than concentration among higher-income borrowers.



This pattern suggests rising entry of first-time and mid-income households into the housing market, supported by steady income-linked borrowing capacity and sustained supply across mid-priced segments. **Noida mirrored a similar trend**, with balanced growth across both loan volumes and ticket sizes, reinforcing its position as a structurally affordable extension market rather than a speculative or upgrader-led destination.

Commenting on the report, **Amit Prakash, Co-Founder & CBO at Urban Money**, said, "India's housing finance market is becoming more broad-based and structurally balanced. The current growth cycle is being driven by steady expansion in first-time and mid-income homeownership across a wider set of cities. While premium borrowing remains limited to a few high-income markets, the larger momentum is clearly affordability-led, supported by infrastructure development and rising aspirations beyond core city centres. This distributed demand base strengthens the long-term stability of the housing finance ecosystem."



Premiumisation remains concentrated in select metros

While emerging cities are driving volume growth, premiumization continues to remain concentrated within a few high-income markets. **Mumbai, Gurugram and Hyderabad** recorded close to **20% year-on-year growth in average loan ticket sizes**. Hyderabad and Gurugram also posted strong growth in loan volumes, while Mumbai's loan volumes remained largely stable, indicating value-led growth driven by affluent upgraders rather than broader borrower participation.

Peripheral and affordable corridors sustain demand momentum

Beyond core metros, affordability-led corridors and peripheral markets continue to play a critical role in sustaining housing demand. **Navi Mumbai recorded a 55% year-on-year increase in loan volumes**, while the **Noida-Greater Noida region registered 42% growth in total loan value**, reflecting growing buyer preference for relatively accessible and infrastructure-supported micro-markets. At the same time, mature housing markets such as **Pune and Kolkata** delivered steady and low-volatility growth, with loan volume increases of **9% and 5% respectively**, alongside single-digit growth in average loan ticket sizes, lending balance to the overall housing finance cycle.

About Urban Money

Urban Money is one of India's largest fintech-led mortgage distribution platforms, simplifying access to home loans, mortgages and allied credit products through a unified technology-driven ecosystem. Backed by proptech leader Square Yards, the platform has facilitated approximately **₹61,000 crore in gross transaction value** across over **2 lakh transactions** in the past 12 months.

Urban Money operates an aggregation-led model and works with **1.5 lakh+ real estate, financial and independent agent partners** and **95+ banks and financial institutions**, supported by **580+ offices across 150+ cities**. Through its Distribution-as-a-Service model, the platform is building a scalable distribution engine across consumer credit, risk and wealth products.

The platform's full-stack infrastructure spans product discovery, eligibility assessment, documentation, legal and insurance support and final disbursal. With deep bureau integrations and an AI-driven decisioning engine, Urban Money enables faster, more transparent and predictable borrowing journeys.

For more information, visit **www.urbanmoney.com**
