

From aspiration to reality



The cost of owning 3BHKs in India



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Foreword

Today, India stands at the intersection of rising prosperity and evolving lifestyle aspirations. Recent data illustrate this transformation categorically. Household financial assets grew 14.5% in 2024, the strongest expansion witnessed in eight years, signalling the growing confidence and purchasing power of India's Middle Class. Between 2017 and 2025, the number of millionaire households expanded by an extraordinary 4.5X, redefining the country's wealth landscape.

TANUJ SHORI

*Founder & CEO,
Square Yards*




Data show that India is now home to 8.71 Lakh millionaire households, a remarkable 90% jump from 2021 (as per Mercedes-Benz Hurun India Wealth Report 2025). While these households represent only 0.31% of the nation's total, their influence on consumption patterns, lifestyle standards and housing choices is disproportionately large. Within this environment of rising affluence, residential demand has evolved sharply. Indian homebuyers today exhibit a clear preference for more sophisticated, spacious and amenity-rich living environments. This shift is reflected in the sustained rise of 3BHK homes across major residential markets. Over the past five years, more than 45% of units sold in key urban centres have been 3BHK units. This trend points to a broader cultural transition, where families seek enhanced privacy, multifunctional spaces and homes aligned with global standards of comfort.

However, even with this upward aspiration, affordability remains the central determinant of buying decisions. Pricing sensitivity continues to shape the performance of the 3BHK segment, underscoring the need for developers, consumers and stakeholders to maintain a balanced view of value, design and long-term usability.


This report distils the essential market dynamics driving India's 3BHK momentum. By presenting clear insights into demand behavior, affordability frameworks and emerging buyer expectations, it equips industry participants with a grounded understanding of where the Indian housing narrative is headed, and what will define the next phase of growth.

Methodology and assumptions

Data Source



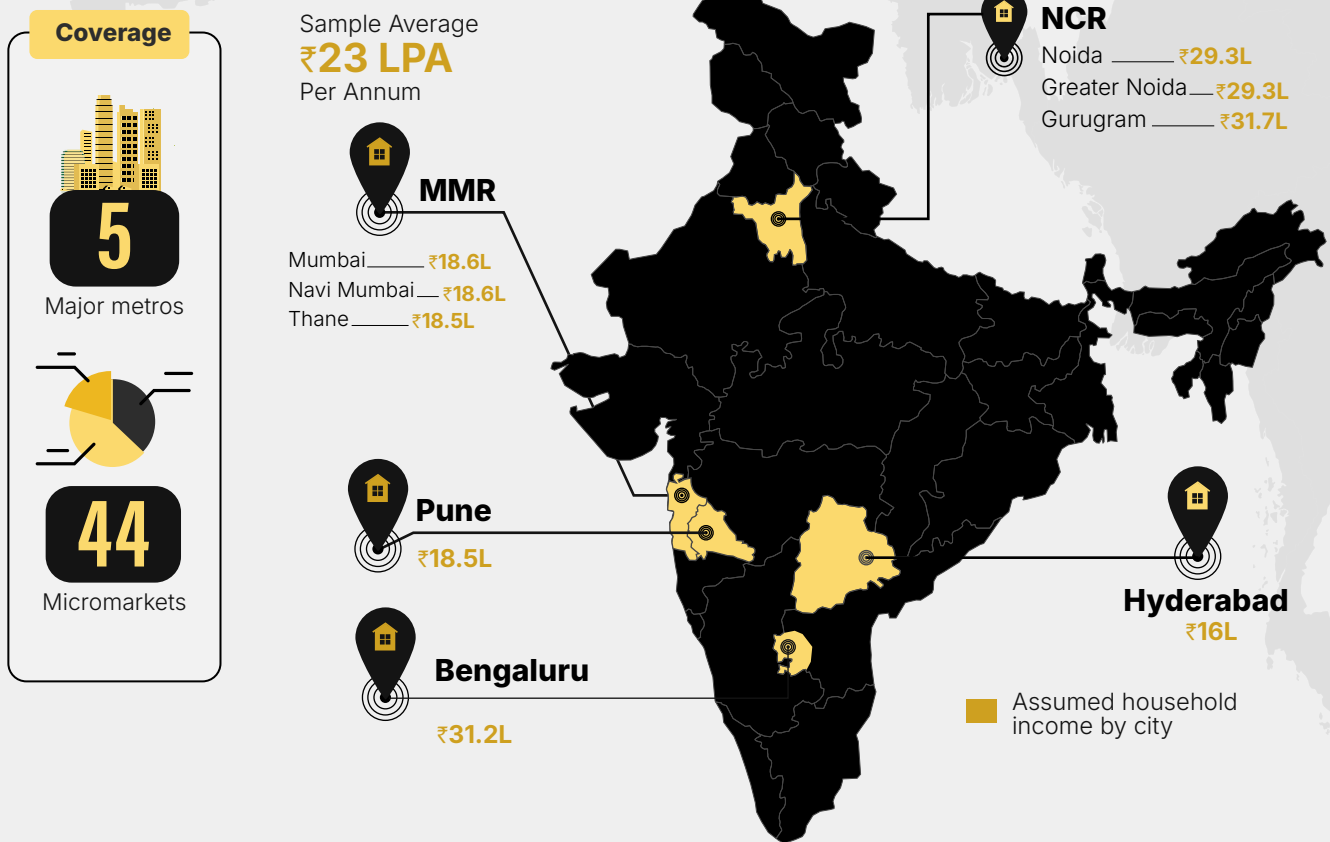
Asset focus
3BHK apartments



10,500+
verified 3BHK units from RERA-registered new launches

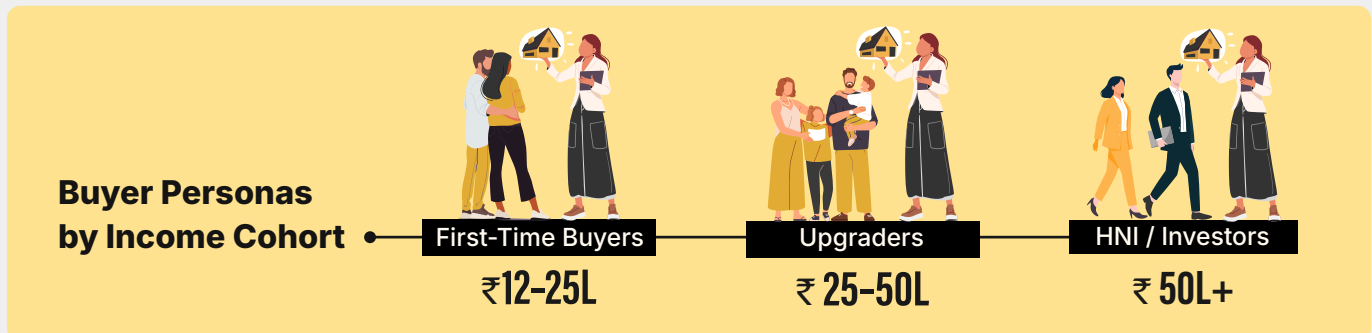
(Launched between 2024 and 2025; Excludes inventory)

Average household annual income



Disclaimer:

The analysis is based on secondary data and is intended only to indicate broad directional trends. It should not be relied upon for investment decisions without assessing actual household income relative to the applicable price to income ratio.



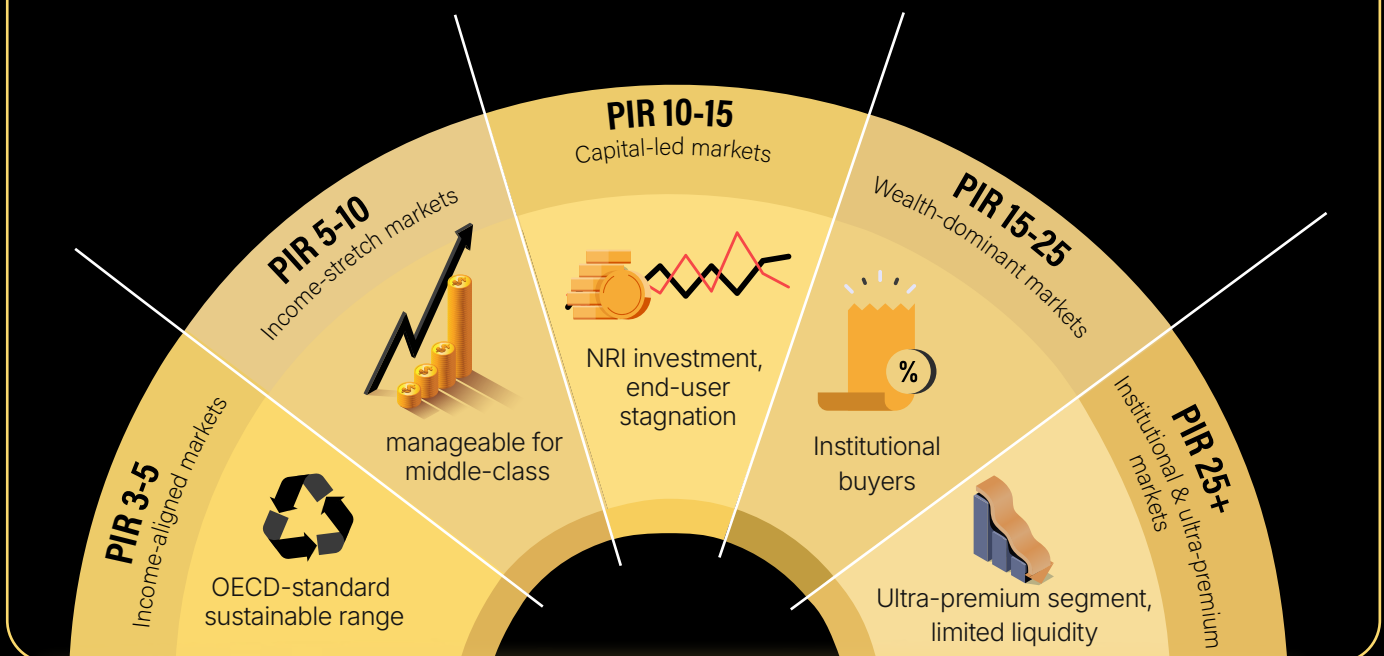
Price-to-income ratio: Definition and relevance

Price-to-income ratio measures the number of years required to purchase a home based on absolute home price and annual household income. It serves as a standardised affordability metric, enabling consistent comparison across income cohorts, cities and price segments.

$$\frac{\text{Average 3BHK property price}}{\text{Annual household income}} = X \left\{ \begin{array}{l} X \text{ years of income needed to} \\ \text{buy a home (assuming no EMI)} \end{array} \right\}$$

Affordability framework

OECD-referenced global benchmarks place a price-to-income ratio (PIR) of 3-5 as sustainable, while a PIR of 10+ indicates rising affordability stress and a PIR of 20+ signals institution-driven pricing. However, PIR is a structural affordability indicator and does not account for loan tenure, interest rates, household savings or variations in spending patterns.



Pan-India affordability context

At the pan-India level, the average price of a 3BHK residence is estimated at ₹2.7 crore while the average annual household income stands at approximately ₹23 Lakh. This yields a sample-average price-to-income ratio (PIR) of 12, indicating a significant affordability gap. Such a ratio places the national housing market within the category of capital-led markets, where access to homeownership is increasingly shaped by accumulated capital, asset ownership and intergenerational wealth, rather than by current income flows.

Average 3BHK price ₹2.7 cr
Average PIR 12 years
Average income per household ₹23 Lakh
Market segmentation Capital-led market (stressed)

Executive Summary

The Aspiration



3BHK

Strong demand amid affordability stress

The Financial Reality



11%

New 3BHK supply which income-aligned

The Location Trade-Off

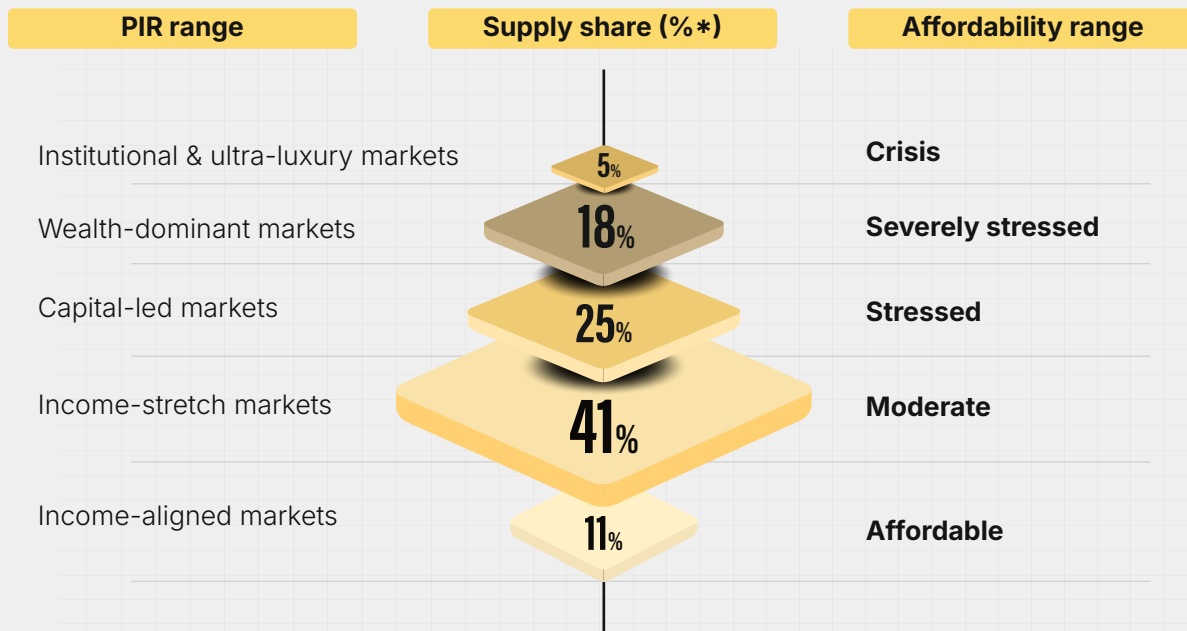


₹30-60 Lakh

The amount of savings on opting for income-aligned localities

- The aspiration to own a 3BHK remains structurally strong, with larger homes accounting for a significant share of urban sales, but data show the average Indian household now needs nearly 12 years of income to achieve ownership, exposing a widening gap between aspiration and affordability.
- With the average 3BHK priced at around ₹2.7 crore against a sample-average household income of ₹23 lakh per annum, ownership across major metros has shifted decisively from income-led consumption to capital-led access.
- At about 48 per cent, nearly half of newly launched 3BHK supply in the past one year sits beyond globally sustainable affordability thresholds. Only around 11 per cent of this aligns with average household incomes, underscoring a supply skew shaped by land costs, project economics and margin considerations.
- The cost of owning a 3BHK now extends well beyond headline pricing to include higher upfront savings, longer EMI commitments and deliberate geographic trade-offs, as affordability has become intensely micro-market specific within cities.
- Emerging and peripheral corridors increasingly act as the practical bridge between aspiration and ownership, while central and premium locations function less as consumption housing and more as wealth-dominant or capital parking markets.
- Looking ahead, the market is clearly bifurcating between premium spacious homes supported by higher incomes and value-led, income-aligned housing that will drive volume, making data-led location choice the defining lever in converting the 3BHK dream into reality.

Supply bifurcation by affordability range

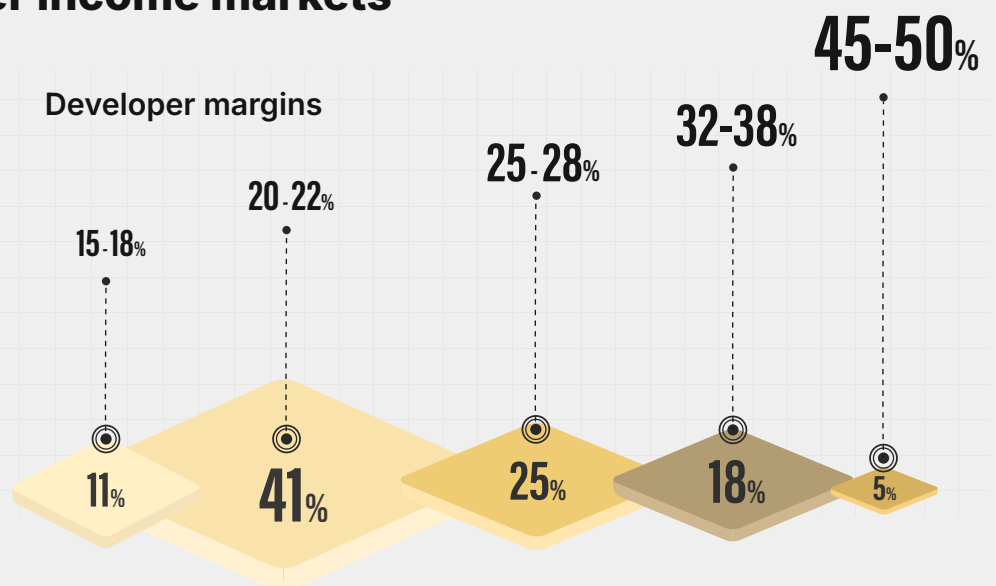


Only 11% of the new supply is concentrated in affordable zone for the average household income earner. However, a staggering 89% is in a range of income stretch markets to institutional pricing markets. This is the reality of 3BHK housing supply which is due to various reasons like developer economics, land costs, amenities etc.

*Supply data includes launches between 2024 and 2025 across 44 micro-markets in 5 major metros.

Cost economics per income markets

As project sizes and capital requirements rise, developers gravitate towards higher priced segments. These segments offer better risk adjusted returns and faster capital turnover, influencing where new supply is concentrated.



Income zone-wise developer margins in per cent based on supply

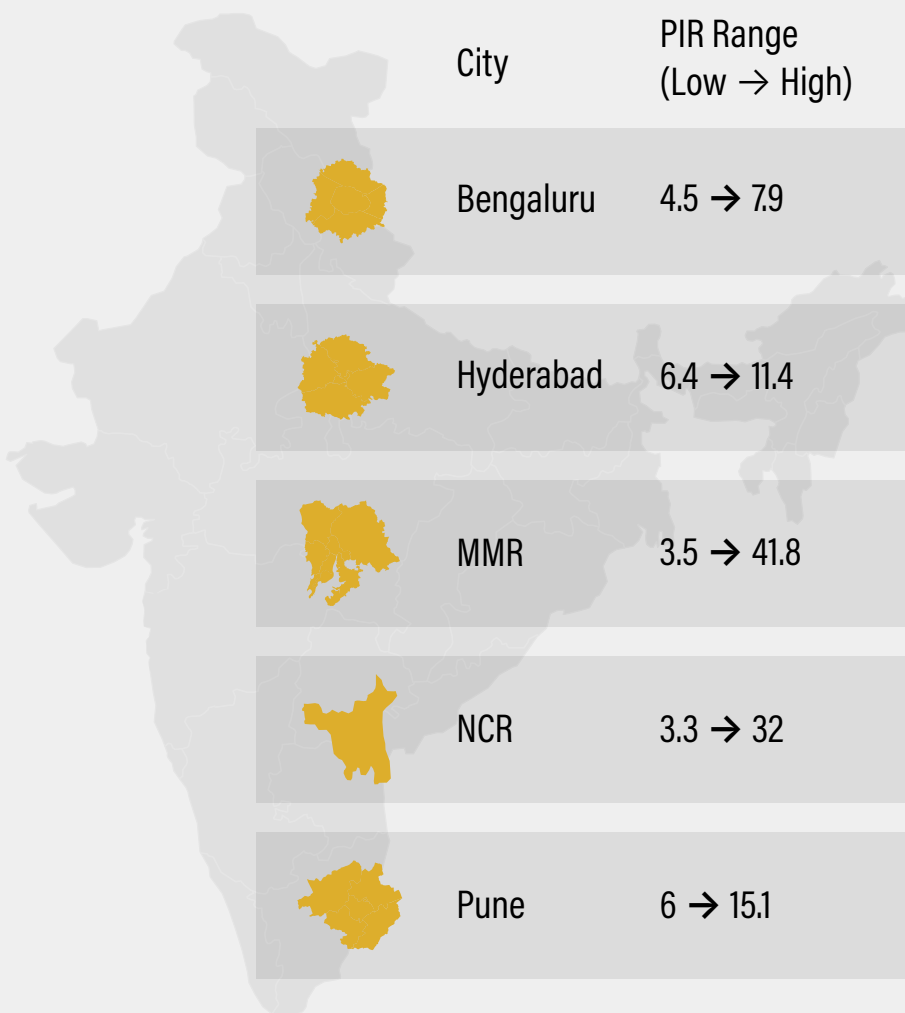
Pan-India affordability spread

Indian real estate markets are witnessing a clear affordability bifurcation, driven by the widening gap between income-aligned value segments and crisis-driven, capital-led premium pricing. This divergence is reflected in sharply varying price-to-income ratios within the same city, enabling significant geographic arbitrage. In such an environment, affordability is shaped less by headline income levels and more by micro-location selection within urban markets.

The average price divide

4.5x

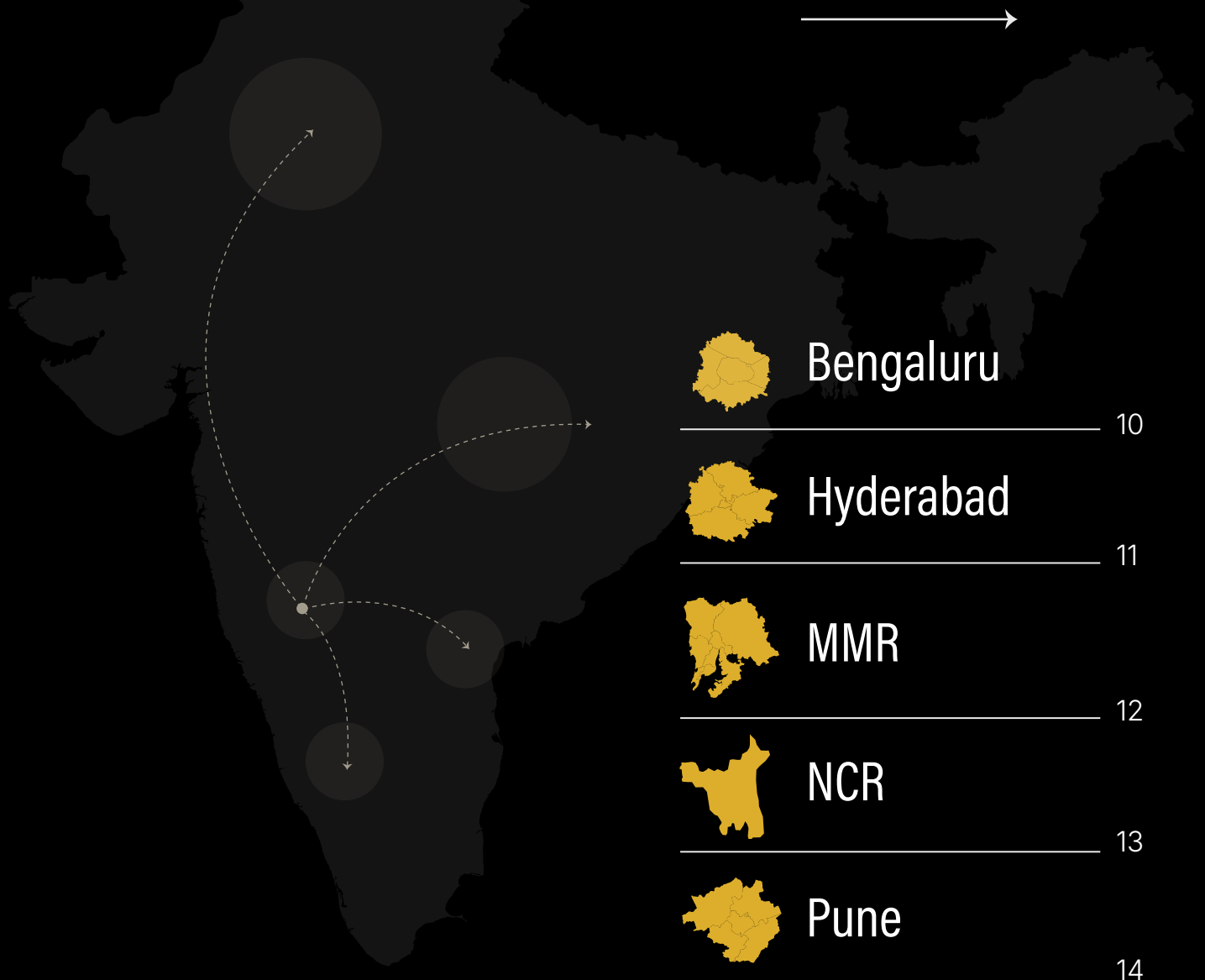
PIR gap average between premium and value segments



City	PIR Range (Low → High)	Affordability Spread	Market Interpretation
Bengaluru	4.5 → 7.9	1.8x	Most uniform market
Hyderabad	6.4 → 11.4	1.8x	Uniform pricing corridors
MMR	3.5 → 41.8	11.9x	Extreme corridor asymmetry
NCR	3.3 → 32	9.7x	Highly fragmented, deep arbitrage
Pune	6 → 15.1	2.5x	Moderate spread

Micro-market level data indicate that housing affordability in Indian cities is becoming increasingly localised. Lower priced entry corridors coexist with sharply higher peak prices, reflecting premium positioning and capital concentration rather than income-led pricing. While peripheral and emerging locations continue to offer affordability driven access, mature and supply constrained micro-markets exhibit structurally capital-led pricing. This bifurcation creates meaningful intra-city pricing advantages for buyers through informed geographic choice.

Citywise snapshots





Bengaluru



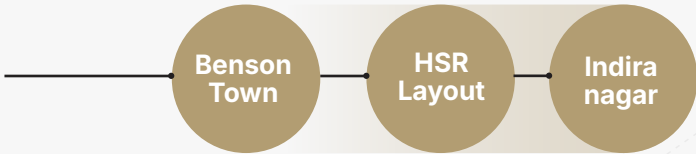
The balancing act

Bengaluru maintains one of the most balanced affordability profiles among Indian metros, with housing price appreciation working in tandem with income growth. That said, multiple development corridors provide diverse entry points and core locations remain selectively accessible without approaching Mumbai-level affordability stress.

PIR Range Summary:

Lowest ↓	West Bengaluru	»	Entry Point	PIR 4.5
Highest ↑	Central Bengaluru	»	Capital-Led Markets	PIR 7.9

Institutional & Ultra-Premium Markets Zones:



First-Time Buyers

Value Corridor-PIR ≤ 7.5

East Bangalore	₹60-65 Lakh
South Bangalore	₹62-65 Lakh
North Bangalore	₹70-75 Lakh
West Bangalore	₹1.05-1.10 crore

Smart Upgraders

Core Segment-PIR 7.6-10

East Bangalore	₹1.50-1.55 crore
Central Bangalore	₹2.25-2.35 crore
North Bangalore	₹1.60-1.65 crore

HNI/Investors

Risk Segment-PIR ≥ 10

Central Bangalore	₹5.5 crore
East Bangalore (Hennur belt)	₹6.0 crore
South Bangalore (HSR)	₹5.2 crore

Suggested localities

- Hoskote
- Sarjapur
- Rajanukunte

- Yelahanka
- Thanisandra
- Katamnallur

- Benson Town
- Hennur Road
- HSR Layout



Hyderabad



Capital-led divergence

Hyderabad exhibits a clear east-west affordability divergence. Eastern and southern zones retain strong value discipline, enabling first-time buyers to enter the market without stretching income multiples. These zones continue to behave as consumption-driven housing markets. In contrast, western corridors reflect capital-led momentum, with PIRs rising sharply on the back of office concentration and investor interest.

PIR Range Summary:

Lowest ↓ East Zone » Entry Point **PIR 6.4**

Highest ↑ West Zone » Capital-Led Markets **PIR 11.4**

Institutional & ultra-premium markets zones

West zone

First-Time Buyers

Value Corridor-PIR ≤ 7.5

South Zone	₹45-50 Lakh
East Zone	₹58-60 Lakh
North Zone	₹60-65 Lakh
West Zone (outer)	₹55-60

Smart Upgraders

Core Segment-PIR 7.6-10

Central Zone	₹1.30-1.35 crore
North Zone	₹1.30-1.35 crore
Secunderabad	₹1.10-1.20 crore

HNI/Investors

Risk Segment-PIR ≥ 10

West Zone	₹10.5-11.0 crore
South Zone	₹3.7-3.8 crore
Central Zone	₹2.6-2.8 crore

Suggested localities

- Boduppal
- Medchal
- Sultanpur

- Chegur
- Kompally
- Tarnaka

- Kollur
- Mansanpalle
- Moti Nagar



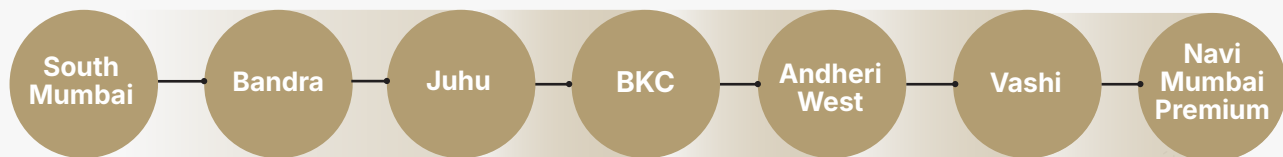
The Affordability Outlier

Entry-level affordability survives only at the extreme edges of the Mumbai metropolitan region, where commute trade-offs are structural rather than cyclical. At the other end, South Mumbai and premium suburban belts operate at globally elevated PIRs, positioning these markets as wealth storage rather than consumption housing.

PIR Range Summary:

Lowest	↓	Bhiwandi	»	PIR 3.5
Highest	↑	South Mumbai	»	PIR 41.8

Institutional & Ultra-Premium Markets Zones:



First-Time Buyers

Value Corridor-PIR ≤ 7.5

Average Entry-Point Pricing Range

Panvel	₹45-60 Lakh
Kalyan	₹50-90 Lakh
Badlapur	₹54-80 Lakh
Bhiwandi	₹59-69 Lakh
Dombivli	₹78 Lakh- ₹1.1 crore

- Nandivali Gaon
- Ambernath East
- Dombivli East

Smart Upgraders

Core Segment-PIR 7.6-10

Average Median Pricing Range

CBD Belapur / Kharghar	₹1.7-2.0 crore
Panvel / Ulwe	₹1.4-1.5 crore
Thane City	₹2.45-2.55 crore

- Kharghar Sector 37
- Ulwe Sector 17
- Panch Pakhadi

HNI/Investors

Risk Segment-PIR ≥ 10

Average Peak Pricing Range

Mumbai South	₹20 crore+
Western Suburbs	₹13-14 crore
Mumbai Harbour	₹9-10 crore
Central Suburbs	₹5.5-6.0 crore
Vashi / Sanpada	₹5.0-5.5 crore

- Worli
- Pali Hill
- Chembur

Suggested localities



The diversity champion

NCR remains India's most structurally diverse housing market, offering purchase options across the entire income spectrum. Unlike other metros, affordability is not confined to peripheral spillovers alone. Entry, mid-segment and ultra-premium markets coexist within the same metropolitan region, allowing buyers to ladder up without exiting the city ecosystem.

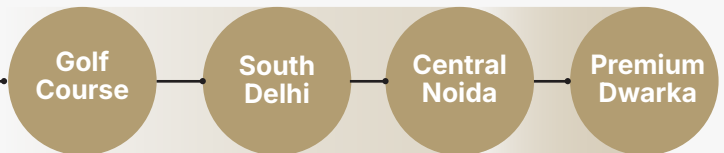
PIR Range Summary:

Lowest ↓ Sohna >> **PIR 3.3** | OECD-standard sustainable

Highest ↑ Golf Course Rd. >> **PIR 32** | Pure wealth-parking

Institutional & Ultra-Premium Markets Zones:

4 micro markets



First-Time Buyers

Value Corridor-PIR ≤ 7.5

Average Entry-Point Price Range

Sohna	₹30-45 Lakh
Manesar	₹1.30-1.55 crore
Greater Noida West/east	₹1.17-1.90 crore
Yamuna Expressway	₹1.40-2.20 crore

- Sohna Sector 36
- Manesar Sector 9
- Sector 1 Greater Noida
- Sector 22D Yamuna Expressway

Smart Upgraders

Core Segment-PIR 7.6-10

Average Median Pricing Range

Sohna	₹2.55-4.60 crore
New Gurgaon	₹2.40-2.70 crore
Greater Noida West/east	₹1.85-1.95 crore
Yamuna Expressway	₹2.15-2.25 crore

- Sector 12 Greater Noida
- ETA II Greater Noida
- Sector 89 New Gurgaon
- Sector 48 Sohna Road

HNI/Investors

Risk Segment-PIR ≥ 10

Average Peak Pricing Range

Dwarka Expressway	₹6.5-6.6 crore
Noida Expressway	₹6.1-8.2 crore
Golf Course Road	₹9.7-10.4 crore

- Sector 46 Central Gurgaon
- Sector 84 Dwarka Expressway
- Sector 97 Noida Expressway
- Sector 53 Golf Course Road

Suggested localities



Selective stress in a disciplined market

Pune remains structurally disciplined but shows rising stress in central and luxury micro-markets. Entry-level affordability is largely confined to PCMC and eastern and southern fringes, which continue to function as safe bands for first-time buyers. The upgrade ladder is most efficient along the east-west IT corridor, where pricing and income growth remain aligned.

PIR Range Summary:

Lowest ↓ PCMC, Outer >> Entry point for first-timers **PIR 6**

Highest ↑ Pune Central >> Capital-Led Markets for upgraders **PIR 15.1**

Institutional & Ultra-Premium Markets Zones

1 zone, PIR 15 = equals Mumbai tier stress

Pune Central

First-Time Buyers

Value Corridor-PIR ≤ 7.5

PCMC	₹45-50 Lakh
Pune East (Wagholi)	₹60-65 Lakh
Pune West (Hinjewadi)	₹58-60 Lakh
Pune South (Baramati)	₹48-50 Lakh

- Vadgaon Maval
- Wagholi
- Hinjewadi

Smart Upgraders

Core Segment-PIR 7.6-10

Pune East (Kharadi)	₹1.30-1.35 crore
Pune West (Bavdhan)	₹1.90-2.00 crore
Pune Central	₹2.60-2.70 crore

- Kharadi
- Bavdhan
- Sahakar Nagar

HNI/Investors

Risk Segment-PIR ≥ 10

Pune Central	₹4.8-5.0 crore
Pune West	₹3.8-4.0 crore
Pune East (Luxury pockets)	₹24 crore

- Erandwane
- Kothrud
- Koregaon Park Annexe

Suggested localities

Key takeaways

Price alone does not decide affordability

A ₹2-crore home may suit one buyer and strain another. Affordability depends on price relative to income, which determines whether EMI commitments remain comfortable or become stretched.

The same city can feel 10–12 times more expensive

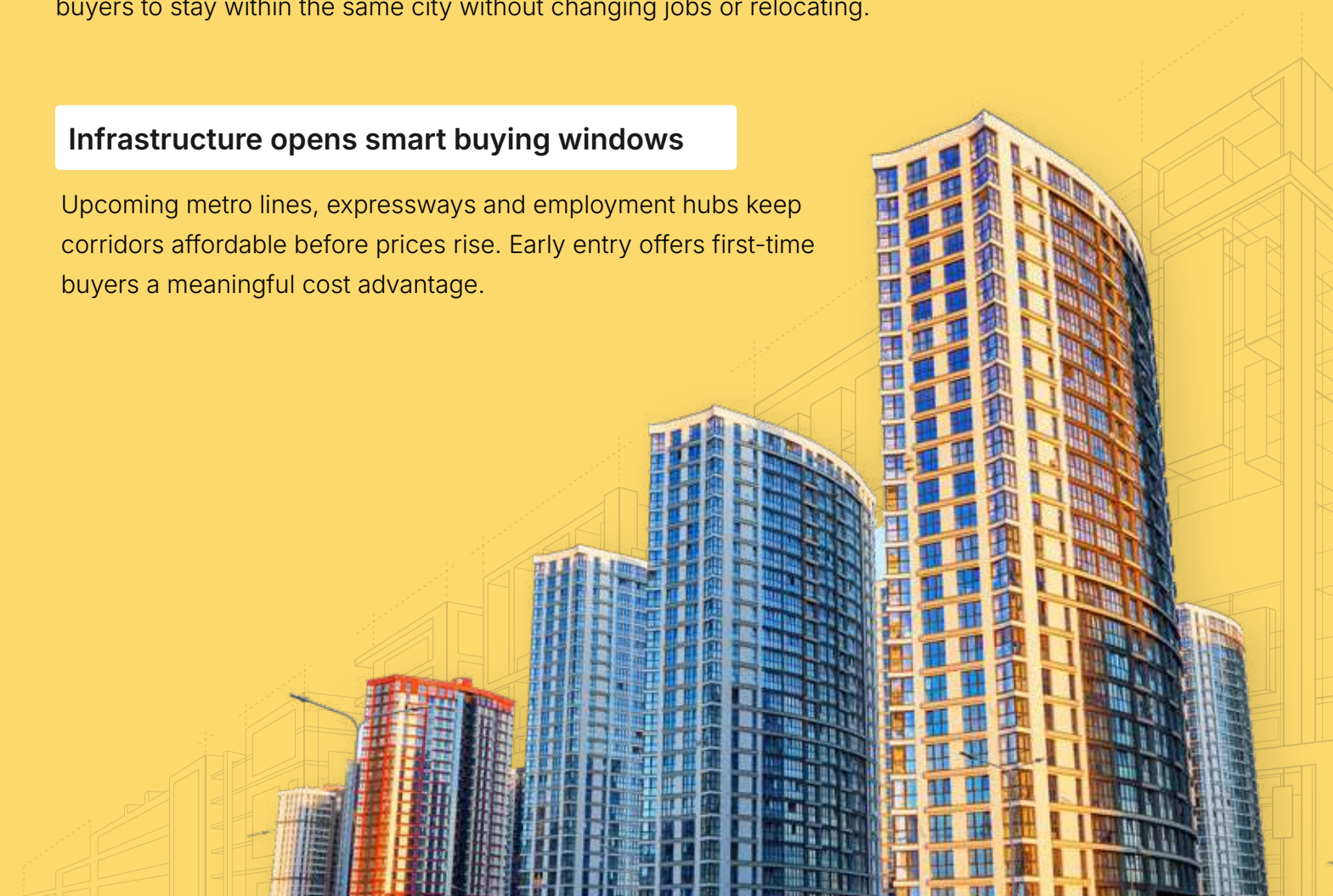
Within one city, different corridors can change affordability dramatically. Choosing the right location matters more.

Location choice can save more than a salary hike

The right corridor can offer a similar lifestyle at 40–50 percent lower cost, allowing buyers to stay within the same city without changing jobs or relocating.

Infrastructure opens smart buying windows

Upcoming metro lines, expressways and employment hubs keep corridors affordable before prices rise. Early entry offers first-time buyers a meaningful cost advantage.



Outlook

As the decade moves ahead, 3BHK homes will remain the dream choice for many Indian families. They continue to reflect changing lifestyles, the need for more space and the desire for long-term comfort rather than short-term adjustments.

That said, rising land and construction costs have made large homes harder to afford in many cities. In several metros, 3BHK prices have moved faster than middle-income salaries. As a result, many first-time and budget-aware buyers are choosing 2BHK homes that fit better within comfortable EMI limits.

Moving forward, 3BHK homes will still account for a meaningful share of sales, especially in wealthier city pockets where higher incomes support demand for privacy, flexibility and long-term living. At the same time, value-led, income-aligned housing will drive most of the volume, as buyers become more careful about affordability.

What this means for homebuyers

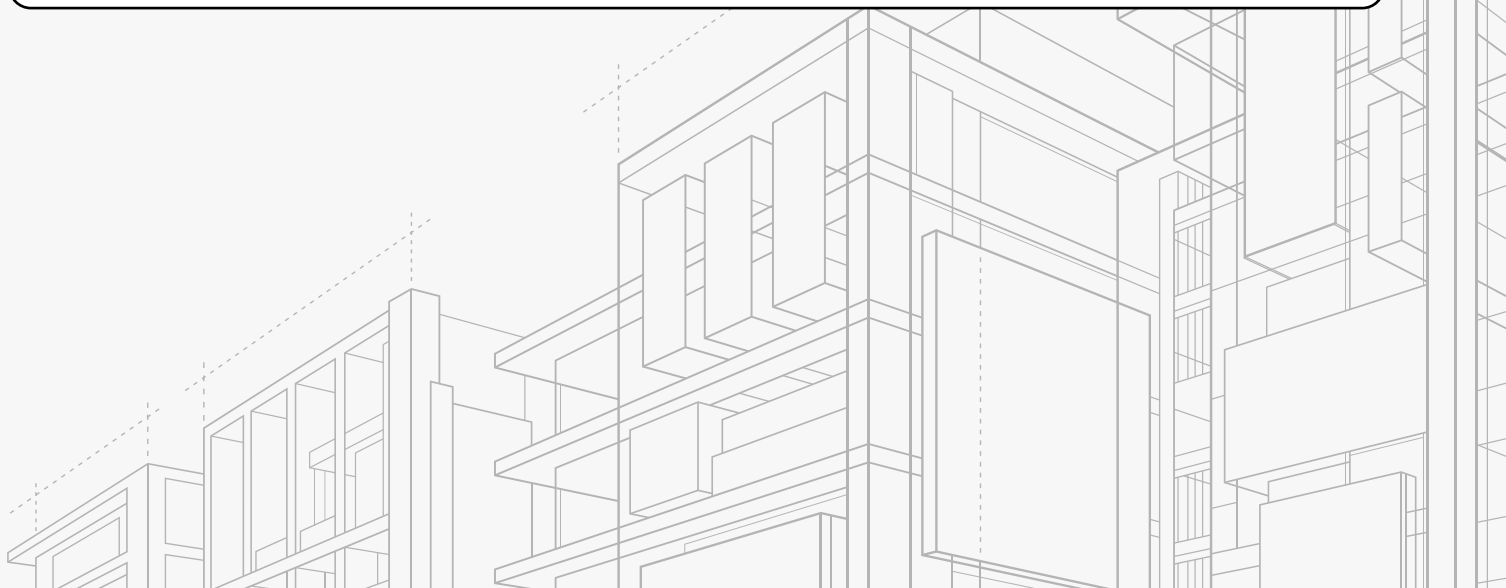
India's housing market is gradually splitting into two clear paths (which are expected to shape housing demand through 2030):

Premium spacious homes

Driven by higher-income buyers who prioritise space, lifestyle and long-term value.

Value-driven mid-market homes

Focused on affordability, manageable EMIs and practical living, especially for first-time buyers and upgraders.



Reviewed by

Vivek Agarwal

Co-Founder and CTO

vivek.agarwal@squareyards.com

Report Co-Authors

Sunita Mishra

Head of Content Strategy and Insights

sunita.mishra@squareyards.in

Sakshi Saxena

Head of Research

sakshi.saxena@squareyards.in

Data and design support

Anand Mohan

Head of Data Operations

anand.mohan@squareyards.co.in

Sunita K. Bawari

Brand Manager-Design

sunita.kumari@squareyards.in

About Square Yards

Square Yards is one of India's largest Integrated real estate platform, with category leadership presence across multiple touchpoints of consumer home ownership journey. With Urbanisation and rising disposable incomes as the core theme, Square Yards, with 8mn+ monthly traffic and ~USD 7bn+ GTV, is the largest and asset light proxy play to the growing residential demand story of India. One of the few Indian start ups to taste global success with presence in 100+ cities across 9 countries, Square Yards is at the forefront of tech adoption in the sector, with multiple patents across VR/AI domains.

Corporate Office: Business Park, M3M URBANA, 1st Floor, Tower A, Sector 67, Gurugram, Haryana 122001

Contact: 1800 208 3344 | connect@squareyards.com

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Ready to unlock your 3BHK dream?

→
Geography is leverage. Income matters
more than price. Make your move wisely.

Use this report to:

- Identify your optimal PIR zone based on income
- Find your metro's best value corridors
- Avoid over-leverage in Institutional & Ultra-Premium Markets zones
- Plan your 5, 10, 15-year housing journey

Square Yards Research | January 2026 |
India's largest integrated real estate marketplace