



# The Premiumisation of Delhi NCR's Housing Market: Structural Drivers, Affordability Implications, and Policy Responses (2020–2025)

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## Abstract

India's residential real estate sector is undergoing a structural market bifurcation that has accelerated dramatically since 2020: a sustained and rapid shift in both supply and demand toward premium and luxury housing, at the direct expense of affordable and mid-segment stock. This paper examines the premiumisation of the Delhi National Capital Region's (NCR) housing market as the most advanced case of this phenomenon in India. Drawing on longitudinal market data (2018–2025) from JLL, ANAROCK, Knight Frank, and Cushman & Wakefield, and applying a multi-level analytical framework integrating Housing Financialisation Theory, Urban Political Economy, and Producer-Consumer Demand Theory, the study identifies and quantifies four interlocking structural drivers of premiumisation: (i) developer margin arbitrage that makes premium projects financially dominant over affordable alternatives; (ii) demand-side wealth concentration among HNIs, GCC professionals, and NRIs; (iii) institutional capital flows amplifying the premium segment; and (iv) a policy vacuum created by the withdrawal of demand-side subsidies and the absence of mandatory supply-side inclusionary requirements. Empirically, the paper documents a collapse in the affordable housing launch share from 52.4% in 2018 to 17% by H1 2025, a 72% appreciation in luxury prices in Delhi NCR between 2022 and 2025, and a supply-to-demand ratio in affordable housing of 0.36 in 2025, down from 1.05 in 2019. Through a structured Policy Response Matrix, the paper evaluates the adequacy of existing instruments — PMAY-U 2.0, RERA, GST concessions, and the DDA model — and finds each insufficient in isolation. The paper concludes with an integrated policy prescription centered on mandatory inclusionary zoning, a revived Credit Linked Subsidy Scheme, and a developer cross-subsidisation framework.

**Keywords:** premiumisation; Delhi NCR real estate; affordable housing crisis; housing financialisation; luxury housing; PMAY; developer margin arbitrage; HNI demand; inclusionary zoning; urban political economy

**JEL Classification:** R21, R31, R38, O18, H24



## 1. Introduction

In the first half of 2025, homes priced above ₹1 crore accounted for 63% of all new residential launches across India's top seven cities — up from just 16% in early 2018.<sup>[9]</sup> This is not a transient market cycle. It is a structural reorganisation of the Indian residential real estate sector, in which the economics of production, the dynamics of demand, and the logic of policy have converged to produce a wholesale shift toward premium and luxury housing at the direct expense of affordable supply.

Nowhere is this premiumisation more acute than in the Delhi National Capital Region (NCR). Average luxury prices in Delhi NCR rose 72% between 2022 and 2025 — from approximately ₹13,450 per sq.ft to ₹23,100 per sq.ft — the highest appreciation rate among India's seven major cities, outpacing the 43% recorded by Mumbai and 42% by Bengaluru.<sup>[2]</sup> The luxury segment's market share of total sales in NCR climbed to 27% in H1 2025, from 19% a year prior.<sup>[8]</sup> In the same period, the supply-to-demand ratio for affordable housing in India's top cities collapsed from 1.05 in 2019 to 0.36 in 2025.<sup>[11]</sup>

This paper asks: What are the structural drivers of premiumisation in Delhi NCR's housing market, what are the affordability implications, and what policy responses can effectively rebalance supply toward the affordable and mid-income segments? In doing so, it makes four contributions. First, it provides the most comprehensive quantitative documentation to date of the premiumisation phenomenon in Delhi NCR, disaggregating drivers across demand, supply, financial, and policy dimensions. Second, it applies Housing Financialisation Theory and Urban Political Economy to an Indian metropolitan context where these frameworks have been underutilised. Third, it introduces a structured Policy Response Matrix to assess existing instruments. Fourth, it proposes an integrated, sequenced policy prescription grounded in international best practice and local institutional constraints.

The paper is structured as follows. Section 2 presents the theoretical framework. Section 3 reviews the empirical evidence on premiumisation trends. Section 4 analyses the four structural drivers in depth. Section 5 examines the affordability implications. Section 6 presents the Policy Response Matrix and recommendations. Section 7 concludes.

## 2. Theoretical Framework

### 2.1 Housing Financialisation Theory

Housing financialisation — the process by which residential real estate is increasingly treated as a financial asset rather than a social good — has been extensively theorised in the Global North context. Forrest and Hirayama (2015) identify the shift from embedded liberalism (which prioritised affordable homeownership) to neoliberalism (which deregulated housing markets) as the foundational political-economic transformation enabling financialisation.<sup>[5]</sup> Schwartz and Seabrooke (2008) document the emergence of 'varieties of residential capitalism' in which different institutional configurations produce different intensities of financialisation.<sup>[21]</sup> Lim and Lee (2019) demonstrate empirically that housing financialisation is associated with rising income inequality across advanced economies.<sup>[13]</sup>

Applied to India, financialisation theory illuminates a distinctive dynamic: unlike the Global North, where financialisation emerged from deregulated mortgage markets and securitisation, India's premiumisation is driven primarily by equity-funded developer production targeting HNI buyers in a context of limited mortgage depth. This is what we term 'supply-side financialisation' — the reorganisation of housing production around high-return premium assets by financially sophisticated developers, supported by institutional private equity, at the expense of mass-market and affordable supply.

### 2.2 Urban Political Economy: The Producer Logic

Logan and Molotch's (1987) growth machine thesis, adapted for the Indian context, posits that real estate production is driven by the coalescence of developer interests, state actors, and financial capital around the maximisation of exchange value over use value. In Delhi NCR, this coalition is visible in the alignment of infrastructure investment (which raises land values in premium corridors), zoning decisions (which enable high-density luxury development), and developer strategy (which concentrates capital in high-margin segments).



Sassen (2014) contributes the concept of 'expulsion' — the displacement of lower-income and middle-income populations from urban cores through market mechanisms that are structurally produced, not accidental.<sup>[20]</sup> In the NCR context, the premiumisation of housing supply is simultaneously an expulsion mechanism: as the affordable stock shrinks relative to demand, lower-income households are pushed into overcrowded rentals, informal settlements, or long-distance peripheral locations with poor connectivity.<sup>[23]</sup>

### 2.3 Producer-Consumer Demand Theory and the Aspiration Premium

Standard urban economics models housing demand as a function of income and prices. But Delhi NCR's premiumisation cannot be fully explained by income growth alone. A third element — what this paper terms the 'Aspiration Premium' — is essential. Post-pandemic shifts in lifestyle preferences, particularly among upper-middle-class and wealthy urban households, have generated qualitatively new demand for private amenities, branded residences, and integrated townships that were not modelled in earlier demand functions.

This aspiration premium is reinforced by a 'wealth effect' channel: rising equity valuations, business income, and NRI remittances have expanded the addressable premium buyer pool faster than population growth. Knight Frank's Wealth Report India (2025) documents that India's Ultra High Net Worth Individual (UHNWI) population — households with investable assets above USD 30 million — grew by 6% in 2024, and is projected to grow 50% by 2028.<sup>[12]</sup> This expanding HNI base constitutes the structural demand foundation for sustained premiumisation.

### 2.4 Research Gap

While individual drivers of premiumisation have been noted in industry reports and some policy documents, no prior academic study has: (i) integrated all four driver categories into a unified analytical framework for Delhi NCR; (ii) quantified the relationship between premiumisation and the affordable supply collapse; or (iii) systematically assessed the adequacy of existing policy instruments against this structural challenge. This paper addresses all three gaps.

## 3. Empirical Evidence on Premiumisation Trends in Delhi NCR (2018–2025)

### 3.1 The Supply-Side Collapse of Affordable Housing

The most striking empirical evidence of premiumisation is the near-disappearance of affordable housing from new residential supply in Delhi NCR. Table 1 presents segment-disaggregated launch share data across the study period.

**Table 1: Segment Share of New Residential Launches, Delhi NCR (2018 vs. H1 2025)**

Segment	Launch Share 2018	Launch Share 2025 (H1)	Change	Trend
Affordable (< ₹45 lakh)	52.4%	17%	-35 pp	↓ Structural Exit
Mid-Segment (₹45L–₹1.5 Cr)	31.2%	20%	-11 pp	↓ Gradual Decline
Premium (₹1.5–₹5 Cr)	11.8%	30%	+18 pp	↑ Major Growth
Luxury / Ultra-Luxury (> ₹5 Cr)	4.6%	33%	+28 pp	↑ Dominant Shift

Sources: Knight Frank India (2025), JLL India (2025), ANAROCK Research (2025). 'pp' = percentage points.

The data show a structural exit of affordable housing from new supply. The affordable segment's share has collapsed by 35 percentage points — from over half of all launches to less than one-fifth — in just seven years. The luxury and ultra-luxury segment has more than tripled its share. This is not a cyclical rebalancing. The trajectory has been directionally consistent from 2018 onwards, with no reversal even during the demand slowdown of 2022–23.



Knight Frank India (2025) documents that the supply-to-demand ratio in affordable housing fell to 0.36 across India's top cities in H1 2025, compared to 1.05 in 2019.<sup>[11]</sup> For every unit of affordable housing demanded, fewer than 0.4 units are being supplied — a structural undersupply that, absent intervention, will worsen as the existing affordable stock ages and deteriorates.

### 3.2 Price Trajectories Across Segments

The supply divergence is mirrored in price divergence. ANAROCK Research reports that average luxury home prices in Delhi NCR rose 72% between 2022 and 2025, from ₹13,450/sq.ft to ₹23,100/sq.ft — the sharpest appreciation among India's top seven cities.<sup>[2]</sup> Within Delhi NCR, this is concentrated in Gurugram's SPR and Dwarka Expressway corridors, where average prices now approach ₹16,000–22,000/sq.ft — levels comparable to established luxury corridors in Mumbai.

In contrast, the mid-segment (₹45 lakh–₹1.5 crore) has appreciated by 39–48% over the same period<sup>[7]</sup> — substantial in absolute terms but primarily reflecting construction cost pass-through rather than value creation. The affordable segment has seen price compression in real terms in many peripheral locations, as rising input costs narrow developer margins to the point of making affordable supply economically unviable without subsidy.

Delhi NCR's luxury segment sale volumes also demonstrate the depth of structural demand. Luxury unit sales (₹5 crore+) grew 90% in 2024 alone, from 5,525 to 10,500 units.<sup>[8]</sup> In Q4 2024, Delhi NCR was the only major city to record positive volume growth despite a pan-India 26% decline — a divergence driven entirely by luxury and premium segment strength.

### 3.3 The Affordability Crunch

The collision of rising prices and shrinking supply has produced an acute affordability crisis. India's urban affordable housing shortage is estimated at 9.4 million units in 2025, with a trajectory toward 30 million by 2030 if structural trends continue.<sup>[11]</sup> Nearly 80% of this shortfall is concentrated among EWS and LIG households.<sup>[11]</sup> In Delhi NCR specifically, EWS families earning below ₹3 lakh annually face a market in which the cheapest formally registered new units — DDA EWS flats — are priced at ₹12–13 lakh, representing a Price-to-Annual-Income Ratio exceeding 4x, at the outer limit of sustainable affordability even with PMAY subsidy.

The end of the Credit Linked Subsidy Scheme (CLSS) under PMAY-Urban in 2022 has compounded the affordability crisis on the demand side. CLSS reduced effective interest rates for EWS, LIG, and MIG buyers, directly improving mortgage affordability. Its withdrawal has raised monthly EMIs sharply in a period of elevated interest rates, pricing out the very buyers for whom the affordable segment theoretically caters.<sup>[60]</sup>

## 4. Structural Drivers of Premiumisation

Premiumisation in Delhi NCR is not caused by a single factor but by the simultaneous and mutually reinforcing operation of four structural drivers. Table 2 presents the Driver Framework, summarising each driver's empirical evidence and structural characterisation.

**Table 2: Structural Driver Framework for Delhi NCR Housing Premiumisation**

Driver Category	Specific Drivers	Empirical Evidence	Structural vs. Cyclical?
Demand-Side	Post-pandemic lifestyle upgrade; HNI/UHNW wealth surge; GCC professional influx; NRI investment seeking stable returns	Strong and sustained; HNI wealth growing at 12–15% p.a. in India	Structural; unlikely to reverse absent major economic shock



Driver Category	Specific Drivers	Empirical Evidence	Structural vs. Cyclical?
Supply-Side	Developer margin (25–30% luxury vs 10–12% affordable); construction cost inflation; land scarcity in prime zones	Dominant; developers rationally exiting affordable segment	Structural; will intensify without regulatory intervention
Financial/Capital	Institutional equity (Blackstone etc.); REIT-driven demand for premium assets; NRI remittance flows; private equity deployment	Amplifying; USD 2.1B institutional capital to residential in 2025	Structural; capital markets integration reinforcing premium focus
Policy	CLSS withdrawal (2022); absence of mandatory affordable inclusion; DDA undersupply; PMAY 2.0 demand-side only	Enabling by omission; policy vacuum accelerates premiumisation	Modifiable; most direct lever for course correction

Sources: JLL India (2025), Knight Frank India (2025), ANAROCK (2025), The Week (2026), JLL Residential Q3 2025.

#### 4.1 Developer Margin Arbitrage: The Supply-Side Engine

The most direct structural driver is the economics of production. Affordable housing projects in India's major cities typically generate developer margins of 10–12%, while premium developments deliver 25–30%.<sup>[23]</sup> This margin gap is not a recent development, but it has widened significantly since 2019 due to three convergent factors: rising construction costs (labour, steel, cement — all elevated by post-pandemic supply chain disruptions and global commodity inflation); rising land costs in prime zones (themselves amplified by infrastructure investment premiums); and rising regulatory compliance costs under RERA and GST.

As Knight Frank's Vivek Rathi notes directly: 'it makes more economic sense for the developer to focus on premium housing' because that segment has higher capacity to absorb cost shocks.<sup>[18]</sup> This is not irrational developer behaviour — it is a rational response to the incentive structure of an unregulated market. Without countervailing policy, it is a structurally stable equilibrium in which affordable supply continues to shrink.

The dynamics are self-reinforcing through a land price channel. As premium developers outbid affordable developers for serviced land in accessible locations, land costs rise, raising the hurdle rate for premium development, which in turn makes affordable development even less viable on the same land. The affordable segment is systematically outcompeted for prime land without regulatory intervention.

#### 4.2 Demand-Side Wealth Concentration: HNIs, GCCs, and NRIs

The demand side of premiumisation rests on three distinct buyer cohorts that have grown substantially since 2020. First, High Net Worth Individuals (HNIs) and Ultra HNWI, whose numbers and wealth levels have expanded with India's sustained high GDP growth. The share of premium properties (above ₹10 million) in top city sales doubled from 15% to 30% between 2019 and 2023, tracking UHNWI wealth growth.<sup>[68]</sup>

Second, GCC professionals. Delhi NCR has emerged as India's largest recipient of Global Capability Centre (GCC) investment, with over 200 GCCs operational in Gurugram and Noida by 2025. GCC employees — typically drawing salaries of ₹30–80 lakh annually — represent a new cohort of premium homebuyers who compare NCR's offerings with



Singapore, Dubai, and London-standard housing.<sup>[45]</sup> This global reference class is structurally premium-seeking and has restructured developer product design accordingly.

Third, NRI investors. Faced with equity market volatility and a depreciating rupee that amplifies rupee-denominated returns, NRIs have increasingly allocated capital to Indian luxury real estate as a stable, appreciating asset class. In specific projects, NRI shares of unit sales have reached 27% (DLF's Privana West, Gurugram).<sup>[51]</sup> The rupee depreciation dynamic means that an NRI investing USD 500,000 in a 2022-priced NCR luxury unit has seen returns exceeding 50% in dollar terms by 2025 — a return profile that outperforms most financial assets.

### 4.3 Institutional Capital Flows: The Financial Amplifier

The residential sector attracted USD 2.1 billion in institutional capital inflows in 2025, representing 20% of total real estate institutional investment.<sup>[9]</sup> While this marks a 49% year-on-year decline from the exceptional 2024 level, it represents a structural deepening of institutional participation in premium residential relative to 2018–2020 levels. Blackstone's USD 214 million acquisition of a 66% stake in Kolte-Patil Developers in 2025 exemplifies the strategy: institutional capital seeks premium developers with proven delivery track records and premium market positioning, not affordable housing specialists.

This creates a 'capital endorsement' feedback loop: institutional investment flows to premium developers, providing them with cheaper capital, higher production capacity, and brand credibility that further concentrate demand in premium segments. Affordable housing developers — typically smaller, undercapitalised, and without institutional backing — cannot compete for land, talent, or brand recognition.

### 4.4 Policy Vacuum: Enabling by Omission

The fourth structural driver is less visible but equally important: the policy vacuum that allows demand- and supply-side forces to operate unchecked. Three specific policy absences have been particularly consequential.

First, the withdrawal of the Credit Linked Subsidy Scheme (CLSS) in 2022. CLSS provided interest subsidies of up to ₹2.67 lakh for EWS/LIG buyers and ₹2.35 lakh for MIG buyers, directly expanding the addressable affordable buyer pool. Its withdrawal in March 2022 — not reversed under PMAY 2.0 until late 2024 — created a demand vacuum in the affordable segment precisely when supply was contracting.

Second, the absence of mandatory affordable inclusion requirements in large residential projects. States like Haryana and Uttar Pradesh, which host NCR's most dynamic corridors, have no enforceable inclusionary zoning mandate requiring developers to include affordable units in premium projects. This contrasts with models in Maharashtra (which has some inclusionary requirements under the Development Control Regulations) and international precedents in the UK and Singapore.

Third, the DDA's chronically insufficient supply output. The Delhi Development Authority has historically been the primary institutional supplier of affordable housing in Delhi, with EWS flats at ₹12–13 lakh representing the only accessible option for the lowest-income formal buyers.<sup>[60]</sup> However, DDA's annual output has been far below demand, constrained by land scarcity, bureaucratic delays, and limited funding. The absence of a serious expansion of DDA or DDA-equivalent supply has left the affordable segment structurally undersupplied.

## 5. Affordability Implications: A Multi-Dimensional Assessment

### 5.1 Price-to-Income Ratio Deterioration

The Price-to-Income Ratio (PIR) — the ratio of median house price to median annual household income — is the most widely used metric of housing affordability in urban economics. Wetzstein (2017) identifies a PIR above 5x as a threshold of serious affordability stress in developed country contexts; for India's lower-income urban households, this threshold is arguably lower.<sup>[25]</sup>



Extrapolating from Census 2011 income distributions adjusted for PLFS wage growth data, the estimated median household income in Delhi NCR in 2025 is approximately ₹6–8 lakh for the mid-income bracket. Against a median new launch price (across all segments) of approximately ₹1.2–1.5 crore in 2025, this implies a PIR of 15–25x — far beyond any standard of affordability for the middle-income population. Even for the 'affordable' DDA EWS segment at ₹12–13 lakh, an EWS household earning ₹3 lakh annually faces a PIR of 4–4.3x, which is sustainable only with full PMAY subsidy and concessional lending.

## 5.2 Displacement and the Rental Squeeze

The affordability crunch in the ownership market cascades into the rental market. As ownership becomes inaccessible, demand for rental accommodation rises, pushing up rents even as ownership prices escalate. Knight Frank data shows rental inflation in Delhi NCR averaged 7–9% annually in 2025, on top of the cumulative rental increases of the 2021–2024 period.<sup>[6]</sup>

The result, as documented in Urban Insight analysis of the NCR market, is that lower-income and middle-income households face a 'double squeeze': ownership is unaffordable, and rentals are increasingly unaffordable. The logical response — relocating to peripheral areas with more affordable rents — is mitigated only in corridors where infrastructure investment (notably the RRTS and metro extensions) has improved connectivity. In purely peripheral areas without connectivity, the trade-off is extreme: affordability at the cost of access to employment and services.<sup>[66]</sup>

## 5.3 The Stratification of Urban Citizenship

Beyond financial metrics, premiumisation carries a deeper implication for urban social stratification. Sassen (2014) argues that financialised urban economies produce 'expulsions' — the systematic removal of lower-income populations from urban opportunity zones through market mechanisms.<sup>[20]</sup> In Delhi NCR, this expulsion takes the form of involuntary peripheral relocation: lower-income workers who are essential to the urban economy (construction workers, service sector employees, domestic workers) cannot afford to live near their employment centres, generating extreme commute burdens and eroding human capital formation through time poverty.

UN-Habitat (2023) identifies this pattern of 'spatial mismatch between affordable housing supply and employment nodes' as one of the central challenges of urbanisation in the Global South.<sup>[24]</sup> Delhi NCR exemplifies this challenge in an acute form: the very infrastructure investment that has generated India's fastest-appreciating real estate market has also, through its premiumisation effects, deepened the spatial mismatch for the workforce that sustains the urban economy.

## 6. Policy Response Matrix and Recommendations

### 6.1 Assessment of Existing Instruments

Table 3 presents a structured assessment of existing policy instruments against the premiumisation challenge, evaluating each instrument's mechanism, empirical performance, and recommended enhancement.

**Table 3: Policy Response Matrix — Existing Instruments and Recommended Enhancements**

Policy Instrument	Mechanism	Assessment	Recommended Enhancement
PMAY-U 2.0 (2024–29)	Demand-side subsidy up to ₹2.5L for EWS/LIG	Modest; does not address supply collapse; CLSS withdrawal undermines MIG	Insufficient without supply-side mandate; reintroduce CLSS for MIG
RERA (2016 + amendments)	Transparency, project registration,	Strong on consumer rights; weak on supply	Amend to require affordable inclusion in large projects



Policy Instrument	Mechanism	Assessment	Recommended Enhancement
	consumer protection	incentives; no affordable quota mechanism	
GST Reduction (2019)	GST on affordable housing cut to 1%; standard to 5%	Moderate uptake; construction cost inflation offsets benefit	Index GST threshold to construction cost inflation
DDA Housing Scheme	Public agency supply of EWS/LIG units in Delhi	Chronically undersupplied; allotment backlogs persist	Revive land pooling + FAR incentives for larger DDA output
Jan Sadharan Awaas Yojana (2025)	New public housing scheme for urban poor in Delhi	Early stage; limited scale; 12–13L EWS units accessible	Scale rapidly; integrate with RRTS and metro corridors

Sources: Ministry of Housing & Urban Affairs (2024, 2025), PRS India (2025), Policy Circle (2025), Knight Frank India (2025).

## 6.2 An Integrated Policy Prescription

The Policy Response Matrix reveals that no single existing instrument is sufficient to reverse premiumisation. What is required is an integrated, sequenced policy package with three mutually reinforcing components:

- Mandatory Inclusionary Zoning (MIZ) with Developer Cross-Subsidisation:** State governments of Haryana, Uttar Pradesh, and the NCT of Delhi should enact mandatory inclusionary zoning requirements applicable to all residential projects above 5,000 sq.m of saleable area. The requirement should be for 20% of units (or equivalent floor area) to be priced within PMAY-U affordable limits. To make this financially viable for developers, the state should offset the cost differential through: (a) higher Floor Area Ratio (FAR) allowances for compliant projects; (b) fast-track project approval (30 days vs. standard 90–120 days); and (c) tradeable Affordable Housing Credits that premium developers can sell to the state if they cannot deliver in-situ affordable units. This market-compatible mechanism has been successfully implemented in Singapore and elements of it exist in Maharashtra's DCR.
- Revived and Redesigned CLSS for MIG:** PMAY-U 2.0 (2024) has reintroduced interest subsidies for EWS and LIG, but the MIG-I and MIG-II CLSS — which were the primary vehicles for middle-class affordability — remain withdrawn. Given that the MIG is the segment most acutely squeezed by premiumisation (priced out of ownership but not qualifying for EWS/LIG subsidies), restoring CLSS for the MIG is the highest-yield demand-side intervention available. The scheme should be indexed to current market prices rather than the 2017 thresholds, and delivery should be through digital auto-verification to prevent the processing backlogs that hampered the original scheme.
- Public Land for Affordable Housing — The Expanded DDA Model:** The Policy Circle (2025) analysis correctly identifies public land as Delhi's most underutilised affordable housing asset.<sup>[60]</sup> The DDA's competitive advantage is its access to large contiguous land parcels at below-market cost, enabling EWS and LIG units at ₹12–13 lakh that the private market cannot match. Scaling this advantage requires: (a) land pooling arrangements with Delhi's Gram Sabhas to expand DDA's developable land bank; (b) higher FAR norms (currently amongst India's lowest) to increase unit count per plot; (c) digitised land records and transparent allotment to eliminate the backlogs and leakages that have historically undermined DDA schemes; and (d) integration with RRTS and metro corridor station areas, ensuring that affordable DDA units are not relegated to connectivity deserts.



These three interventions are complementary, not substitutable. MIZ addresses the supply side within the private development framework. Revived CLSS addresses the demand-side financing barrier. The expanded DDA model provides a public supply backstop where private market solutions are insufficient. Together, they constitute the minimum viable policy package to begin reversing the structural premiumisation trend.

### 6.3 Limitations and Caveats

Several limitations of this analysis warrant acknowledgement. First, the paper relies on secondary industry data that, while broadly consistent across multiple sources, may contain methodological inconsistencies in segment definitions across periods. Longitudinal analysis based on primary RERA transaction data would yield more precise segment trajectories. Second, the cross-subsidisation framework proposed under MIZ requires careful calibration to the specific economics of each corridor and city — a one-size-fits-all approach risks either making projects unviable (if affordable quotas are too high) or being insufficient (if too low). Third, the paper's demand-side analysis relies on HNI wealth data and GCC employment estimates that carry significant uncertainty; primary household survey data would strengthen the demand-side conclusions.

## 7. Conclusion

The premiumisation of Delhi NCR's housing market is not a market anomaly but a structural outcome — the predictable product of developer margin incentives, wealth-concentrated demand, institutional capital flows, and a policy framework that has enabled rather than constrained the shift away from affordable supply. This paper has documented the empirical scale of premiumisation, integrated it within a multi-theoretical framework, and assessed the adequacy of existing policy instruments.

The central finding is stark: the affordable housing launch share in Delhi NCR has collapsed from 52.4% to 17% in seven years, the supply-to-demand ratio in affordable housing has fallen to 0.36, and luxury prices have appreciated 72% in three years. No single policy instrument currently in place is sufficient to reverse this trajectory. What is required is an integrated package — mandatory inclusionary zoning, a revived MIG CLSS, and an expanded DDA public supply programme — that addresses all three structural levers simultaneously.

The broader significance extends beyond Delhi NCR. India's other major cities — Mumbai, Bengaluru, Hyderabad, Pune — are following trajectories of premiumisation, typically with a 2–3 year lag relative to Delhi NCR. The patterns, drivers, and policy prescriptions documented here are therefore transferable, with appropriate calibration, to the national affordable housing challenge. As India's urban population is projected to grow by 200 million over the next two decades, the choice between market-led premiumisation and policy-enabled inclusivity will shape the life opportunities of hundreds of millions of urban residents.

Housing, as UN-Habitat (2023) affirms, is not merely a commodity.<sup>[24]</sup> It is the foundational infrastructure of urban citizenship. When a housing market systematically retreats from affordability, it is not merely failing the market test — it is failing the urban social contract. Delhi NCR's premiumisation trajectory demands a policy response equal to the structural scale of the challenge.



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