

## India's home sales recover with Mumbai vaulting to a 7-year high

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By Pooja Thakur

India's home sales are staging a recovery from a slump last year, when the government suddenly canceled most of the nation's currency to crack down on the shadow [economy](#).

Sales in Mumbai, the nation's financial capital, jumped to the highest in seven years in the second quarter, according to property consultancy Liases Foras [Real Estate](#) Rating & Research Pvt. Across eight major cities, sales gained 6 per cent from the previous quarter.

Homes costing less than five million rupees (\$78,000) accounted for more than half the sales. Affordable homes, classified as below 2.5 million rupees, made up 17 per cent of sales. Of the eight cities, Mumbai recorded the greatest proportion of sales of this type of dwelling, at 24 per cent, data from Liases Foras showed.

Inventory levels, calculated based on how long it would take to sell stock, fell from 47 months in the previous quarter to 44 months. Buoyant sales came even after the government rolled out tighter rules for developers, including restrictions on pre-selling apartments before building approvals, and requirements for registering projects with a regulator.

Across the eight cities, sales rose 21 per cent in the first quarter after a 15 per cent decline in the fourth quarter. "Despite it being a tough quarter for real estate after the introduction of the new law, sales have risen," Pankaj Kapoor, the founder of Liases Foras, said by phone from Mumbai. "Developers were not allowed to [market](#) projects that were not registered with the regulator, still we saw an increase in sales -- that bodes well for the market."