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REAL ESTATE

The Grey Beard Annual Market Report

South Delhi Residential
State of the Market, FY 2025-26

Published by Grey Beard Real Estate
April 2026

With a foreword by Ashutosh Bhogra, Founder

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Foreword

South Delhi residential is one of the oldest luxury real estate markets in India, and one of the least understood by people who do not transact in it regularly. Numbers that read on a spreadsheet rarely convey what the market is actually doing. Numbers that reach a newspaper often travel through three desks before they arrive and lose their shape somewhere along the way.

We publish this report because the market we work in deserves a clear, honest account of what happened in the year gone by. The Grey Beard Annual Market Report is meant to be exactly that. It is a document we intend to publish every April, covering the fiscal year that has just closed. It draws on external research from the leading Indian consultancy houses, from institutional data published by the Reserve Bank of India and developer bodies, and from our own twenty years of direct transactional experience in South Delhi.

We have taken care to separate claims we can substantiate from claims we are only observing informally. Everything quoted in this report is attributed to its source. What is not quoted is our own view, and is marked as such.

If the document is useful to you — whether you are a buyer, a seller, a journalist writing about the Indian luxury residential market, or simply someone trying to make sense of where South Delhi is today — we will consider the effort worthwhile.

— Ashutosh Bhogra
Founder, Grey Beard Real Estate

Executive Summary

Eight findings define FY 2025-26 for South Delhi residential:

1. **South Delhi's high-premium and premium floor market rose between 22 and 34 per cent in calendar year 2025**, per pricing research published by the Golden Growth Fund. The pace is materially faster than any other national micro-market tracked in the same window.
2. **Ultra-premium stock trades on its own pricing plane, in two distinct sub-bands.** The Lutyens bungalow zone — Golf Links and Sunder Nagar — is supply-fixed and off-index. The non-Lutyens ultra-premium enclaves — Jor Bagh, Westend, Shanti Niketan, Chanakya Puri — see modest, trackable floor activity at levels that still sit above the high-premium band. Pricing in both sub-bands is determined transaction-by-transaction, not by any published index.
3. **Supply remained structurally constrained.** Redevelopment activity did not materially add to inventory. South Delhi is fully built out — no new land is available for fresh

development. The ratio of new units released to the market versus units absorbed remained below parity in almost every South Delhi colony we track.

4. **NRI demand re-entered the market after a soft patch of roughly three years.** UK non-domicile tax changes effective April 2025, US trade policy volatility, and capital rotation from Middle Eastern financial centres — where an ongoing war in the region has prompted several India-origin families to move back or keep an alternate base ready in Delhi — were the principal drivers.
5. **Full-cheque banking channel transactions consolidated their position as the default standard** in the ₹10 Crore and above segment. Demand for fully banked transactions rose materially; seller expectations adjusted accordingly.
6. **Capital rotation from Gurgaon to South Delhi accelerated.** Buyers who realised gains on Dwarka Expressway, New Gurgaon, and select Golf Course Extension Road developments increasingly deployed those proceeds into South Delhi floors for the stability premium.
7. **Ten crore rupees emerged as the new effective entry ticket for the high-premium segment.** Below that threshold, inventory in a genuine high-premium colony is either substandard or mispriced.
8. **Outlook for FY 2026-27 is stable with a steady climb.** Our working assumption is approximately 3 to 5 per cent appreciation per quarter, cumulatively delivering a meaningful double-digit annual gain — above general inflation and above the luxury segment's own cost inflation, which runs materially higher than the Consumer Price Index.

Across Indian metros, Delhi NCR led calendar year 2025 on residential price growth, at 19 per cent year-on-year per Knight Frank's H2 2025 India Real Estate Report and 23 per cent per Anarock's CY2025 review. South Delhi's own movements, as reported by the Golden Growth Fund and covered in Section 2 of this report, sit above that aggregate NCR figure.

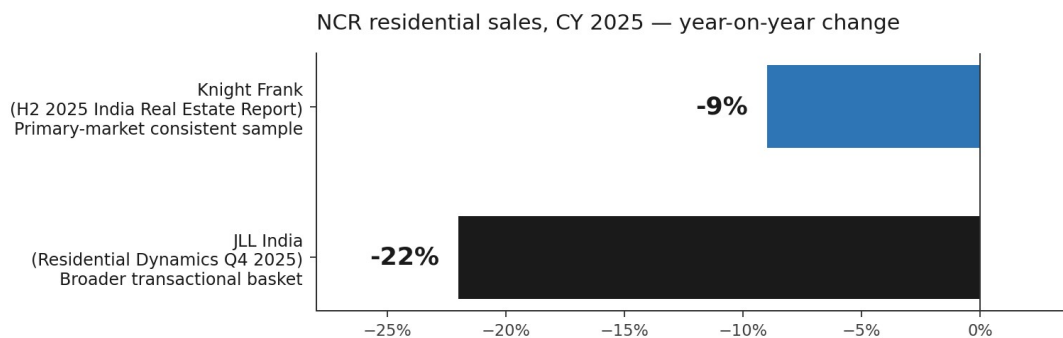
1. Macro Context for Indian Residential

The interest rate environment. The Reserve Bank of India's policy stance through FY 2025-26 moved in the direction of measured easing. The repo rate was cut by 25 basis points at the April 2025 Monetary Policy Committee meeting (to 6.00 per cent), by a further 50 basis points in June 2025 (to 5.50 per cent), and by another 25 basis points in December 2025 (to 5.25 per cent), with holds at the August 2025, October 2025, and February 2026 reviews — cumulative easing of 100 basis points over the year (source: RBI MPC statements, April 2025 to February 2026). Home loan rates broadly followed. For the luxury segment that Grey Beard operates in, this matters less than it would for mid-market housing: the majority of transactions above ₹10 Crore are fully

banked but not financed — they are paid for, not borrowed for. Rate movements influence these buyers only at the margin, through broader liquidity effects.

Housing credit growth. RBI's Sectoral Deployment of Bank Credit data showed housing loans growing at approximately 9.7 per cent year-on-year through August 2025, with the broader personal-loan segment up 14 per cent year-on-year by the fortnight ended 31 October 2025 (source: RBI Sectoral Deployment releases; Business Standard coverage of RBI non-food credit data). CIBIL's loan origination data suggests that the mid-market and affordable segments continue to drive most new credit origination, with the luxury segment remaining disproportionately cash-funded relative to its share of value. This divergence — where the largest transactions are the least credit-sensitive — is a defining feature of the Indian luxury residential market that mainstream housing commentary often misses.

Developer activity and launches. National Capital Region residential sales for calendar year 2025 are reported at approximately 52,452 units by Knight Frank (H2 2025 India Real Estate Report), representing a year-on-year decline of roughly 9 per cent on that primary-market-focused dataset. JLL India's Residential Dynamics Q4 2025 reports a steeper decline, closer to 22 per cent year-on-year, on a broader basket that includes a wider definition of transactional activity. The two figures are not contradictory — they reflect different coverage universes. Knight Frank tracks primary-market sales on a consistent institutional sample; JLL's series folds in a broader cross-section of developer and resale activity. Read together, both point in the same direction: 2025 saw lower NCR residential sales volume than 2024, even as pricing moved sharply higher. Quarterly activity in FY 2025-26 intensified from the first quarter onwards — NCR sales rose roughly 14 per cent quarter-on-quarter in Q1 FY 2025-26 to 14,255 units and new launches in the region jumped 69 per cent over the prior quarter (Anarock Q2 CY2025 Residential Viewpoints). Average NCR prices rose 19 to 23 per cent year-on-year in calendar 2025, the highest among major Indian metros (Knight Frank; Anarock). The Delhi-specific subset is a small fraction of this volume. In South Delhi specifically, new launches from organised developers remained effectively nil. Virtually all transactional activity occurred in the secondary market — either redeveloped builder floors or transfer of existing inventory. This is structurally different from neighbouring Gurgaon, where new launches continue to be a meaningful driver of market activity.



Both figures point in the same direction; they differ because the two reports measure different universes. Knight Frank's series focuses on a consistent primary-market sample; JLL's covers a broader transactional basket.
Sources: Knight Frank India, H2 2025 India Real Estate Report; JLL India, Residential Dynamics Q4 2025.

Budget and policy. The Union Budget presented on 1 February 2026 was light on direct real-estate measures. The Pradhan Mantri Awas Yojana Urban scheme was allocated ₹18,625 Crore. Total capital expenditure was raised to ₹12.2 lakh Crore for FY 2026-27, meaningful for the sector via infrastructure spillover rather than direct support. A new City Economic Regions programme was announced for tier-2 and tier-3 cities at ₹5,000 Crore per region over five years, and a CPSE REIT framework was proposed to recycle government-owned real estate. No changes were made to the long-term capital gains regime, to TDS on NRI property sales, or to home-loan interest deductions. Relevant policy items from the prior budget that continued to shape FY 2025-26 included the long-term capital gains regime change (removing indexation benefits in favour of a flat 12.5 per cent rate, with an option for sellers of property held before 23 July 2024 to use the earlier indexed regime). Our own observation is that this change modestly accelerated seller activity through the year in cases where holding periods were long and acquisition costs were low.

2. The South Delhi Pricing Picture

This report's primary pricing dataset is the Golden Growth Fund's research on average floor prices across South Delhi colonies, published in February 2026. The data compares calendar year 2024 with calendar year 2025. Because the South Delhi market transacts in discrete, high-value units and sees no continuous price stream like equities or listed bonds, average-based research of this kind is among the most useful indicators of where the market actually sits.

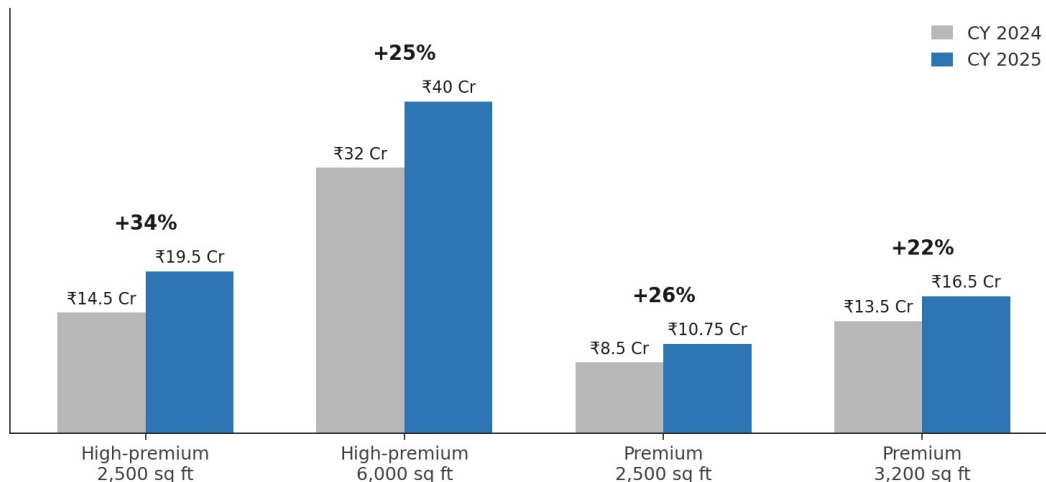
The headline pricing movements (source: Golden Growth Fund):

| Segment | Floor Size | 2024 Average | 2025 Average | Change |
|--|-------------|--------------|--------------|--------|
| High-premium colonies (e.g. Vasant Vihar, Anand Niketan, Panchsheel Park, Defence) | 2,500 sq ft | ₹14.5 Crore | ₹19.5 Crore | +34% |

| Segment | Floor Size | 2024 Average | 2025 Average | Change |
|--|-------------|--------------|--------------|--------|
| <i>Colony, Mayfair Garden, the Friends Colonies, Maharani Bagh)</i> | | | | |
| High-premium colonies | 6,000 sq ft | ₹32.0 Crore | ₹40.0 Crore | +25% |
| Premium colonies (e.g. Greater Kailash-1, Greater Kailash-2, Hauz Khas, Safdarjung Enclave, Green Park) | 2,500 sq ft | ₹8.5 Crore | ₹10.75 Crore | +26% |
| Premium colonies | 3,200 sq ft | ₹13.5 Crore | ₹16.5 Crore | +22% |

Source: Golden Growth Fund, “Average Price of Floors in South Delhi”, February 2026. GGF’s own research labels these two bands “Category A” and “Category B” respectively; we have re-stated them under Grey Beard’s own four-tier framework for clarity. GGF’s research does not cover the ultra-premium tier.

Average floor price, South Delhi, CY 2024 → CY 2025



Source: Golden Growth Fund, “Average Price of Floors in South Delhi”, February 2026. GGF bands re-stated under Grey Beard’s four-tier framework.

A note on the Grey Beard colony framework. Grey Beard groups all 48 South Delhi luxury colonies into four bands: **ultra-premium, high-premium, premium, and upper-mid**. A full list of which colony sits in which band, along with a dedicated page for every colony covering plot-size patterns, block-level premiums, build characteristics, community profile, and the other factors that shape pricing, is published at greybeard.in.

Translated into price per square foot:

- High-premium colonies, 2,500 sq ft: approximately ₹78,000 per sq ft in 2025, up from ₹58,000 in 2024.
- High-premium colonies, 6,000 sq ft: approximately ₹66,700 per sq ft in 2025, up from ₹53,300 in 2024.

- Premium colonies, 2,500 sq ft: approximately ₹43,000 per sq ft in 2025, up from ₹34,000 in 2024.
- Premium colonies, 3,200 sq ft: approximately ₹51,500 per sq ft in 2025, up from ₹42,200 in 2024.

Ultra-premium covers two sub-bands that behave quite differently and should be read separately. The first is the Lutyens bungalow zone proper — Golf Links and Sunder Nagar — where stock is overwhelmingly bungalow format, supply is effectively fixed, redevelopment is nil, and pricing operates on its own plane well above the high-premium figures above. Adjacent Lutyens addresses such as Amrita Shergil Marg sit in the same pricing register and are worth knowing as reference points, though they are not part of Grey Beard's standing coverage universe. The second sub-band is the non-Lutyens ultra-premium enclaves — Jor Bagh, Westend, Shanti Niketan, and Chanakya Puri — which are very expensive but sit outside the Lutyens bungalow zone. These colonies see modest builder-floor redevelopment and some inventory does transact; rates are trackable, but at levels that sit materially above the high-premium band. No external research — including GGF's — covers either sub-band on a systematic basis. Specific transaction values in this tier are not disclosed in this report.

Interpretation.

The 34 per cent year-on-year movement in 2,500 square foot floors in high-premium colonies is the most arresting figure. Smaller formats outpaced larger formats — a pattern driven by the width of the qualifying buyer pool. The 2,500 square foot bracket is accessible to first-time South Delhi buyers, NRIs looking for a second home to use when they visit India, younger high-net-worth entrants, and family offices allocating modest positions. The 6,000 square foot bracket is the preserve of a smaller number of end-user buyers for whom the larger footprint is a functional requirement. A narrower buyer pool translates to longer time-on-market and relatively slower price discovery.

The spread between high-premium and premium colonies at the 2,500 square foot size widened marginally through the year — 2024 saw high-premium trading at approximately 1.7 times premium; 2025 widened this to approximately 1.8 times. This is consistent with the principle that supply tightness bites hardest in the scarcest colonies, where the absolute shortage of available floors forces incremental demand to pay a larger premium.

The ten crore rupee threshold, which the average premium-tier 2,500 square foot floor crossed during 2025, functions now as a psychological and practical entry point into the high-premium conversation. Below that level, inventory on offer is either a substandard construction, a mispriced listing, or an outlier case that warrants careful examination.

3. Supply Dynamics

South Delhi is a structurally supply-constrained market. This is not a feature of the year under review; it is a feature of the market itself.

No new land. South Delhi is fully built out. There are no master plan additions and no fresh land being opened up for new construction. Any “new” supply that enters the market comes through redevelopment of existing properties.

Redevelopment does not add net supply. When a 500 square yard plot is torn down for redevelopment, it typically yields four floors — ground floor plus three. Twenty years ago, that same plot might have been redeveloped into four similarly sized floors. The difference is that unit sizes have grown materially. Where a 2,500 square foot floor was the norm on such a plot a decade ago, 3,500 to 4,500 square foot floors are common today. Per-plot floor count has not changed; per-plot square footage has risen. Net inventory addition to the luxury segment in most colonies has remained flat or negative once demolition is accounted for.

Regulatory constraints. The current Floor Area Ratio regime in South Delhi caps redevelopment intensity. Heritage zone rules and the adjacency of the Lutyens Bungalow Zone impose additional constraints in specific pockets. Court cases and encumbrance issues continue to delay redevelopment starts in several sought-after colonies.

Completion cycles have extended. Our own observation across colonies we worked in through FY 2024-25 and FY 2025-26 is that the median time from demolition to completion certificate has lengthened. While this is not uniformly true across all colonies, the direction of travel is toward longer cycles, not shorter. Neither the Municipal Corporation of Delhi nor the Delhi Development Authority publishes a systematic median-completion-timeline series for South Delhi redevelopment; the observation above is Grey Beard's own.

Colony-specific observations.

In the ultra-premium Lutyens bungalow zone — Golf Links and Sunder Nagar — redevelopment activity is effectively nil. These colonies are overwhelmingly bungalow plots and are not being converted into multi-unit floor formats. Supply in this sub-band is, for practical purposes, fixed.

In the non-Lutyens ultra-premium enclaves — Jor Bagh, Westend, Shanti Niketan, and Chanakya Puri — the picture is different. These sit outside the Lutyens bungalow zone. Builder-floor redevelopment does occur at a modest pace and some inventory changes hands, producing trackable rates. Pricing sits materially above the high-premium band; publicly tracked indices do not systematically cover the sub-band.

In the high-premium band — Vasant Vihar, Anand Niketan, Panchsheel Park, Defence Colony, Neeti Bagh, Anand Lok, Safdarjung Development Area, Mayfair Garden, Gulmohar Park, Chirag Enclave, the two Friends Colonies, Maharani Bagh, Hauz Khas Enclave, Nizamuddin East, and

Ishwar Nagar — redevelopment is active. Vasant Vihar in particular has a large volume of ongoing construction, with new floors continually being released to the market. Even so, across this band demolitions and replacements broadly balance inventory rather than expand it, because unit sizes have grown (as noted above) and absorption continues to outrun release.

In the premium band — Greater Kailash-1 and 2, Hauz Khas, Safdarjung Enclave, Green Park, Sarvodaya Enclave, the Soami Nagars, Panchsheel Enclave, Pamposh Enclave, and similar — redevelopment is also active. This is where most transaction volume occurs, simply because there are more units changing hands.

In the upper-mid band — Saket, Chittaranjan Park, South Extension 2, Kailash Colony, East of Kailash, Sukhdev Vihar — redevelopment is steady and buyers are predominantly end-users seeking to occupy rather than investors. Supply pressure is less acute here than in the tiers above.

4. Demand Drivers

Four demand pools shaped FY 2025-26.

The NRI return. After approximately three years of softer NRI buying activity, FY 2025-26 saw a material return of NRI interest in South Delhi residential. Three factors were principal contributors.

United Kingdom. The Labour government's reforms to the non-domicile tax regime, effective April 2025, triggered a substantial reassessment by UK-based Indian-origin HNIs of where to hold their long-term assets. Many elected to repatriate a meaningful share to Indian hard assets. South Delhi — long familiar to this group of buyers through family links and previous transactions — was a natural destination.

United States. Trade policy volatility through 2025 and the introduction of tariff-related uncertainty under the Trump administration made dollar-denominated positions less comfortable for India-origin NRIs with the ability to diversify geographically. Marginal capital flowed toward Indian residential.

Middle East. Continued liquidity in the United Arab Emirates, Saudi Arabia, and Qatar — among the most active sources of NRI capital into Indian luxury real estate — supported demand through the year. The picture was further shaped by the ongoing war in the region: a number of India-origin families based in the Gulf have either moved back to India or kept an alternate home in South Delhi ready as a precaution. This precautionary motive added a real layer to what would otherwise have been a normal capital-rotation flow.

Anarock's H1 2025 Homebuyer Sentiment Survey (8,200 respondents across 14 cities) found that 63 per cent of respondents ranked real estate as the best asset class for the period, up four

percentage points year-on-year and materially ahead of equities at 22 per cent and gold at 7 per cent. The same survey listed Bengaluru, Ahmedabad, Pune, Chennai, Goa, Delhi, and Dehradun as the most-preferred cities for NRI residential investment. Within this picture, Delhi-NCR luxury (₹4 Crore and above) demand rose approximately 72 per cent over the three years to end-2025 — outpacing every other Indian metro on luxury demand growth (Anarock, November 2025).

The Golden Growth Fund's own brochure research has been helpful in framing the Middle East capital thesis. We rely on it and our own observations rather than attempting to construct our own primary research here.

Capital rotation from Gurgaon. A recurring theme of our FY 2025-26 transactions was buyers who had realised substantial gains on Gurgaon developments between 2020 and 2024 — Dwarka Expressway, select Golf Course Extension projects, parts of New Gurgaon — and who were rotating a share of those proceeds into South Delhi. These buyers were generally not switching cities; they were diversifying within NCR. South Delhi's stability premium, its liquidity during periods when new-launch markets might be softer, and its intergenerational hold characteristics all appealed.

Domestic HNI and family office inflows. The domestic HNI pool continued to expand. Family offices — whether arising from unlisted company promoter exits, public market exits, or structured wealth allocation — deployed increasing capital into South Delhi residential through the year. Knight Frank's Wealth Report projects India's ultra-high-net-worth population (individuals with net worth above USD 30 million) to grow from 13,263 in 2023 to 19,908 by 2028, a 50 per cent rise — the highest of any country globally. The same research records 191 Indian billionaires, up 12 per cent year-on-year. Knight Frank's family office survey, published with the Wealth Report, finds 68 per cent of surveyed family offices allocating more than USD 100 million to direct real estate, with luxury residential and branded residences the second-largest direct real estate sector held at 17 per cent. Family offices increasingly viewed South Delhi floors as a partial substitute for fixed-income allocation at the margin, given rental yields and capital appreciation combined.

The full-cheque demand structural shift. Demand for fully banked transactions — where the complete consideration flows through regulated channels — rose materially through the year. In the ₹10 Crore and above segment, the expectation of a full-cheque standard is now the default position among serious buyers and serious sellers. This reflects the cumulative effect of enhanced enforcement under the Benami Transactions Act, goods and services tax scrutiny on developer payments, and a general maturation of buyer preferences toward transactions that hold up to scrutiny by regulators, auditors, and future generations of the family. The insistence on this standard now works where, in earlier years, it was more of an uphill argument.

5. Cross-Market Comparison

South Delhi does not exist in isolation. This section situates South Delhi's FY 2025-26 performance against three other Indian luxury residential micro-markets and against the Lutyens Bungalow Zone within Delhi itself.

South Delhi vs Gurgaon luxury. Gurgaon's luxury residential market was reshaped in 2025 by a large wave of new-launch activity. Along the Dwarka Expressway corridor, aggregate primary-market transaction value rose from approximately ₹383 Crore in 2024 to ₹8,347 Crore in 2025, with per-square-foot pricing in the ₹9,000 to ₹12,500 range (trade press estimates, primarily launch-driven). On the Golf Course Extension Road, weighted average pricing rose from approximately ₹24,855 per square foot to ₹37,899 per square foot through the year, with aggregate transaction value up several-fold. Gurgaon's ₹10 Crore-plus segment reached approximately ₹24,120 Crore in total 2025 sales (India TV News / sector commentary, April 2026). The comparison surfaces several structural differences. Gurgaon luxury operates on a new-launch model — developers bring inventory to market through primary-sale launches. South Delhi operates almost entirely on a secondary-market redevelopment model. Gurgaon buyer behaviour skews toward a mix of end-user and investor profiles; South Delhi skews heavily end-user and intergenerational. Gurgaon has active new supply; South Delhi does not. Despite a geographic distance of approximately thirty kilometres, the two markets serve materially different buyer preferences and should not be treated as substitutes. A note of caution on comparability: the Gurgaon corridor figures above reflect primary-market new-launch activity; South Delhi's pricing movements in Section 2 reflect secondary-market floor transactions. They are directionally comparable but structurally different series.

South Delhi vs Mumbai Worli, Lower Parel, and Bandra-Kurla. Average pricing in 2025 was approximately ₹65,800 per square foot in Worli, ₹55,450 per square foot in Bandra-Kurla Complex, and ₹52,500 per square foot in base Lower Parel stock, with premium Lower Parel assets trading higher still (Anarock / Housivity / Sobha market trackers). Worli transacted approximately ₹5,500 Crore in ultra-luxury sales over the preceding two years, including more than thirty homes above ₹40 Crore (Anarock and 360 One Wealth, December 2025). Mumbai's Prime Global Cities Index reading was 6.1 per cent year-on-year in Q4 2024 (seventh globally, Knight Frank). Mumbai saw approximately 87,114 residential units sold in 2025, a decline of approximately 10 per cent year-on-year (Knight Frank H2 2025). The key structural contrast with South Delhi is vertical versus horizontal. Mumbai luxury is overwhelmingly vertical — high-rise towers with floor-plate apartments. South Delhi luxury is overwhelmingly horizontal — builder floors in low-rise structures of typically four storeys. This shapes everything from who buys to how long they hold. Mumbai luxury is more liquid and more volatile. South Delhi luxury is less liquid in terms of transaction frequency but, in our observation, more stable in terms of price behaviour.

South Delhi vs Bangalore luxury. Bangalore's 2025 picture was one of volume over price movement. Koramangala saw pricing in the ₹18,000 to ₹25,000 per square foot range, with

premium stock at ₹35,000 to ₹45,000, appreciating approximately 8 per cent through the year (Propsoch / Nobroker trackers). Indiranagar saw pricing of ₹11,700 to ₹22,700 per square foot, appreciating approximately 4 per cent — commentary from both trackers suggests both colonies are at or near price ceilings for their configuration. Bangalore total residential sales of approximately 68,760 units in 2025 were up 23 per cent year-on-year, the highest volume growth among major Indian metros (Knight Frank H2 2025); however, price appreciation in luxury pockets lagged Delhi-NCR, Gurgaon, and top Mumbai micro-markets. Bangalore's luxury market is driven predominantly by technology wealth — equity liquidity from IPOs and M&A transactions. South Delhi's is driven by legacy wealth, professional wealth, NRI capital, and administrative-political wealth tied to the capital city. These are different engines with different cyclical behaviours.

South Delhi vs Lutyens Bungalow Zone. The Lutyens Bungalow Zone — Aurangzeb Road, Prithviraj Road, Tughlak Road, and adjacent streets — is the nearest comparable within the National Capital Territory. Lutyens trades bungalows rather than builder floors; inventory is extremely thin; transactions are rare and large. Grey Beard's own ultra-premium Lutyens sub-band — Golf Links and Sunder Nagar — sits within the same character register at private-colony scale. The operational distinction is liquidity: South Delhi generates enough transaction volume to produce meaningful price discovery. Lutyens does not. South Delhi is the largest liquid luxury residential market within the NCT of Delhi.

In aggregate, South Delhi's FY 2025-26 price movement of 22 to 34 per cent in tracked segments placed it at or near the top of Indian luxury residential micro-markets for the period. Knight Frank's Prime Global Cities Index placed New Delhi sixth globally in Q4 2024 on prime residential price growth, at 6.7 per cent year-on-year (up from sixteenth in Q4 2023). Both Knight Frank's H2 2025 India Real Estate Report and Anarock's CY2025 summary placed Delhi-NCR at the top of the Indian price-growth table for calendar 2025, at 19 to 23 per cent year-on-year; the South Delhi-specific movements reported by the Golden Growth Fund sit above that aggregate NCR figure, consistent with South Delhi's position as the most supply-starved and most liquid luxury residential micro-market within the NCT of Delhi.

6. Policy and Regulatory Notes

Four policy items shaped FY 2025-26 for South Delhi residential.

Long-term capital gains treatment. The Union Budget of July 2024 restructured the long-term capital gains regime for real estate. The prior regime offered indexation benefits on long-held assets at an effective 20 per cent rate. The revised regime offers a flat 12.5 per cent rate without indexation. For property held before 23 July 2024, sellers retain the option to compute tax under either regime and select the more favourable outcome. Our observation through FY 2025-26 is that this change modestly accelerated seller activity where holding periods were very long and acquisition costs were low, as the post-tax proceeds under the flat regime remained attractive.

Tax Deducted at Source on sales involving NRIs. TDS on property sales by non-resident sellers continues to apply at rates materially higher than for resident sellers. For the NRI segment — a growing share of FY 2025-26 transactions on both buy and sell sides — this has created a consistent source of complexity in transaction structuring. Lower deduction certificates under Section 197 of the Income Tax Act remain the principal mechanism by which NRI sellers manage withholding, and their issuance by assessing officers continues to take from four to twelve weeks depending on circumstances.

Foreign Exchange Management Act framework. NRI buyers and sellers continue to operate within the FEMA regime governing NRO, NRE, and FCNR accounts and the repatriation of sale proceeds. The framework has been stable; no material changes took effect during FY 2025-26 that would alter transaction structuring. The USD 1 million per financial year repatriation cap from NRO accounts, and the two-residential-property NRE repatriation route, continue in force unchanged. The Foreign Exchange (Compounding Proceedings) Rules 2024 capped compounding penalties at ₹2 lakh for minor or technical violations — an administrative refinement rather than a structural change.

Benami Transactions (Prohibition) Amendment Act. Enforcement under the Act continued to shape transactional behaviour. The cumulative effect of this enforcement, combined with increased disclosure requirements under the goods and services tax regime on developer transactions, has reinforced the full-cheque banking channel standard in the luxury segment.

7. The Grey Beard Framework: Understanding South Delhi by Colony

Grey Beard's working framework for South Delhi, documented in full on our website, groups 48 colonies along four broad bands based on pricing, liquidity, buyer profile, and supply characteristics. Every colony has its own dedicated page at greybeard.in covering plot-size patterns, block-level premiums, build characteristics, community profile, and the other factors that shape pricing. The broad bands are summarised below.

Ultra-premium — Lutyens bungalow zone (two colonies). Golf Links and Sunder Nagar. Defining features: predominantly bungalow format, effectively zero redevelopment supply, institutional and old-money buyer base, transactions conducted with maximum discretion. Publicly disclosed pricing is sparse and often backward-looking. Small in transaction count, significant in value per transaction. This sub-band operates on its own pricing plane — meaningfully above the high-premium figures in Section 2 and above anything GGF or other public research tracks. Adjacent Lutyens addresses such as Amrita Shergil Marg sit in the same register and are worth knowing as illustrative reference points, though they are not part of Grey Beard's standing coverage universe.

Ultra-premium — non-Lutyens scarce-floor enclaves (four colonies). Jor Bagh, Westend, Shanti Niketan, and Chanakya Puri. Very expensive, but sit outside the Lutyens bungalow zone. Builder-floor redevelopment is present at a modest pace, some inventory does transact, and rates are trackable — but at levels that sit above the high-premium band and above the coverage of any external index, including GGF's. Buyer pool skews toward senior corporate, family office, and HNI end-users.

High-premium (sixteen colonies). Vasant Vihar, Anand Niketan, Panchsheel Park, Defence Colony, Neeti Bagh, Anand Lok, Safdarjung Development Area, Mayfair Garden, Gulmohar Park, Chirag Enclave, Friends Colony East, Friends Colony West, Maharani Bagh, Hauz Khas Enclave, Nizamuddin East, and Ishwar Nagar. This is the largest band by visible transaction activity and the band that drives most of South Delhi's price discovery. This band is what the Golden Growth Fund's research refers to as "Category A" colonies, and the pricing movements summarised in Section 2 of this report apply here directly. Redevelopment is active across all of these. Buyer pool is broad: end-users, NRIs, family offices, promoter exits. Liquidity is meaningfully better than ultra-premium. The ten crore rupee threshold discussed earlier in this report sits at the entry of this band.

Premium (twenty colonies). Greater Kailash-1, Greater Kailash-2, Hauz Khas, Safdarjung Enclave, Green Park, Geetanjali Enclave, Navjeevan Vihar, Sarvapriya Vihar, Siri Fort, Pamposh Enclave, Hemkunt Colony, Kalindi Colony, GK Enclave 1, GK Enclave 2, GK-3 (Masjid Moth), Sarvodaya Enclave, Jungpura Extension, Soami Nagar South, Soami Nagar North, and Panchsheel Enclave. This is what GGF calls "Category B" — the premium-tier pricing in Section 2 applies here directly. Redevelopment is active; plot sizes tend to be smaller than in the high-premium band; a larger share of transactions are first-time South Delhi entries for the buyer.

Upper-mid (six colonies). Saket, Chittaranjan Park, South Extension 2, Sukhdev Vihar, East of Kailash, and Kailash Colony. The value band within the South Delhi luxury envelope. A larger share of buyers here are purchasing for occupation rather than as pure asset allocation. Pricing is lower, and price movements tend to lag the upper bands by one to two quarters. Not tracked by GGF.

In FY 2025-26, transaction activity in the two Friends Colonies — sitting in the high-premium band — picked up noticeably. More floors changed hands, more inventory was released by sellers, and buyer participation broadened. This is a pocket worth watching through the first half of FY 2026-27.

For the full, colony-by-colony treatment — with each colony on its own page — see greybeard.in.

8. Outlook for FY 2026-27

The outlook is framed as a base case with two variants.

Base case. South Delhi residential delivers approximately 3 to 5 per cent appreciation per quarter through FY 2026-27 in the high-premium and premium bands that Grey Beard tracks most closely. Over four quarters this compounds to a meaningful double-digit annual gain — roughly 12 to 22 per cent in nominal terms, well above general inflation and also above the luxury segment's own cost inflation. We consider this the most probable outcome, predicated on supply remaining constrained, NRI capital flows sustaining at current levels, and broader macro liquidity remaining stable.

Upside variant. If NRI capital flows accelerate (through further UK tax regime tightening, additional US policy volatility, or a surge in Middle East allocation), and supply remains constrained, and domestic family office deployment into residential continues to grow, the market could see a repeat of FY 2025-26's pace — 22 to 34 per cent annualised appreciation in the high-premium band. We view this as plausible but not the base case.

Downside variant. A broader macro liquidity shock — a global credit event, a significant domestic banking stress, or a major geopolitical disruption affecting NRI remittance capacity — could slow appreciation materially or, in an extreme scenario, trigger a modest correction. In our view, the structural supply constraint in South Delhi would act as a floor even in this scenario, limiting the downside relative to markets with active new-launch supply.

Supply outlook. No structural change. South Delhi will not add new land-based supply. Redevelopment will continue at roughly its current pace. Net inventory additions will remain flat to slightly negative in most colonies. Ultra-premium and the top of the high-premium band will remain most supply-starved.

Demand outlook. NRI share of transactions is likely to grow further. Family office allocations into luxury residential are likely to continue expanding. Gurgaon-to-South Delhi capital rotation is likely to continue at a moderating pace as the realised profits of the 2020-2024 Gurgaon cycle get progressively redeployed. Fresh buyer groups to watch include returning tech IPO wealth, structured unlisted-company exits, and second-generation family office deployment.

Threshold view. Ten crore rupees will likely cease to be the entry ticket for the high-premium segment during FY 2026-27. It will settle at a higher level — in our working view, closer to ₹12 to ₹13 Crore by the close of FY 2026-27 — simply as a function of another year of high-single-digit to low-double-digit appreciation on a base that began 2025 near ₹10.75 Crore.

9. Methodology and Sources

Primary pricing data for South Delhi is drawn from Golden Growth Fund research on average floor prices, released February 2026. We have reproduced the Golden Growth Fund's underlying figures with attribution and restated its category labels in terms of Grey Beard's own four-tier colony framework for readability.

Macro and institutional data is drawn from Reserve Bank of India Monetary Policy Committee statements covering April 2025 to February 2026, RBI Sectoral Deployment of Bank Credit data, Press Information Bureau press releases on the Union Budget 2026-27, and sector commentary from KPMG India on the budget.

Real estate consultancy sources include Anarock's Q2, Q3, and CY2025 Residential Viewpoints, the Anarock H1 2025 Homebuyer Sentiment Survey, Anarock and 360 One Wealth's ultra-luxury tracker (December 2025), Knight Frank India's H2 2025 Real Estate Report, Knight Frank's Wealth Report and Prime Global Cities Index, the CREDAI-Colliers-Liases Foras India Real Estate Report September 2025, Colliers India's 2026 Real Estate Outlook, and JLL India's Residential Dynamics Q4 2025 releases for Delhi and Mumbai.

Secondary and editorial sources — the Economic Times Realty, Mint, Business Standard, and real estate trade press tracking Gurgaon corridor activity — have been used for context and for cross-market comparisons where institutional data series were not directly comparable.

Grey Beard qualitative inputs draw on the firm's twenty-year direct operating history in South Delhi residential, its transactional experience through FY 2025-26, and its regular engagement with buyers, sellers, and advisors across the segments covered.

What this report does not contain. Individual client identities, specific closed-transaction values attributable to any named party, exact counts or values of Grey Beard's own FY 2025-26 practice, or any data point that could not be independently verified or attributed to a named source. The Grey Beard Annual Letter, published alongside this report, contains the firm's own commentary on the year in its own voice.

End of report.