

How do current trends in residential and commercial real estate prices in Mumbai compare to those in New York City, and what economic, social, and regulatory factors are influencing these trends in both metropolitan areas?

Research Paper By Rajvir Sehgal

Abstract

The prices of properties is one of the most important factors in deciding the cost of living in metropolitan cities. The following research undertakes these markers and studies the current and emerging price trends in residential and commercial properties in two of the most developed cities of the world, Mumbai and New York. In this process, the study intercepts multiple social and financial parameters. Some of these are cost of living, quality of life, including crime rate and AQI, migration of people in and out of the cities, GDP and the vibrance of these cities' dynamic markets and per capita income. These recent developments and current trends are not studied in isolation. The research also takes a brief look at the history of these cities; their real estate markets and early establishments. This is done to trace their financial development and that, in turn, would oversee the growth of real estate markets as it stands today. Understanding these historical trends also facilitates the ability to understand the real estate laws and rules that are in place today. The research also illustrates the laws and concerned authorities that govern the real estate markets in these cities. Towards the end, after considering all the above mentioned factors and analyzing the market forces, the research concludes and suggests that it is the unique set ups of the cities that make them comparable, yet different in their own challenges and merits.

INTRODUCTION

Real estate is undeniably one of the most dynamic, wealthy and continuously expanding sectors of economies around the world. Although it has always been a very active industry, the industrial and economic reforms, growth in architectural sciences, advancements in building technologies, steep rise in world population and similar factors that have characterized the historical timeline in the recent past can be cited as few of the most impactful reasons for this

recent spurt. This research aims to understand the basic structure of the real estate industries in two of the world's largest and most populous cities, Mumbai, India and New York, USA. Subsequently, a comparative analysis will be drawn which will cover all the major factors and influences that govern the property market in both these cities. This research aims to assist the understanding of the recent trends and certain lingering challenges in the real estate industries of these cities and will also take a brief look at the historical bases that these trends relate to.

For this purpose, it becomes a primary requirement to begin the research after having a basic outlook of the general state of affairs in both the commercial and residential set-ups of these cities. The scope and scale of real estate that these cities encompass is humongous and it can be ascertained by studying the range in which it varies. While many parts of these cities boast picture perfect skylines, huge and vintage mansions tracing their histories back to several hundred years, stock exchanges, business group houses, some of the world's most expensive apartments, celebrity bungalows and various luxury penthouses owned by millionaires and billionaires, it is also important to know that beneath this all this glamour, they also have had to deal with some of the most crime laden, densely populated, ill-santitized, disease struck and impoverished neighbourhoods of the world.

Both these cities are flooded with millions of residents and provide a prosperous market for multiple small and large scale businesses that form the backbone of the economy of their respective countries. Based on the functioning of the market forces of demand and supply and socio-cultural factors that are exclusive and unique to a particular locality. Every administration deals with this issue of housing and investment in their own ways. A brief outlook of this is presented in the following section.

SOCIO-HISTORICAL CONTEXT

The city of New York was founded in the early decades of the 17th century by the Dutch colonists who initially called it New Amsterdam. The later part of the 17th century saw the city come under the administration of the English and so, the city was called ‘New York’ when King Charles II granted it to his brother, the Duke of York. After independence from the British, the New York city served as the capital of the United States from 1795 to 1790 and finally in 1898, the city was consolidated into a united landmass comprising five boroughs namely Manhattan, Brooklyn, Queens, Staten Island and the Bronx to give it its present day structure (Wallace, 2017). Having known the brief history of New York, it becomes important to also know that New York has not always been all about the glamorous and high profile celebrity villas, 5 star hotels and mesmerizing skylines. It has also undergone different shifts and rough patches that have collectively given it its present form. For a long time, the city saw many of its dwellers survive in unadvisable living conditions too. To illustrate, given below is a picture captured in 1889, more than hundred years after the Americans gained Independence from the British.



(Riis, 1890)

This is one of the housing tenements that marked the city's map during the 19th century and were home to many New Yorkers. These were typically 8 by 30 meters in area, adjusted in deliberate, crammed up spaces with an intent to fill in maximum people. This in turn led to a high population density, which was responsible for terrible living conditions. This vicious cycle was to further worsen the critical issue of housing because by 1865, the population of New York was nearing 1 million people (Plunz, 1990). Many dwellers struggled to find a decent abode to live in with their families and these settlements, although provided the space to dwell, were badly infested by crime, drug peddling and health issues like lack of proper sanitation and disaster management that deteriorated the standard of living (Gandal, 1997). It was only in 1867, with the passing of the Tenement Housing Act, that these residential units were first recognized. This was the first law that officiated informal settlements like this and defined a tenement for the first time. According to the law, a tenement was any building that was rented out to two or more families that lived independently. It also laid basic rules for a tenement to be allowed and included requirements like a fire exit, appropriate lighting and generally advisable standards of sanitation (Plunz, 1990).

Today, the slums and housing tenements, as they existed, are a thing of the past for New Yorkers. Owing to calls for clearance of slums owing to as early as 1820s, multiple redevelopment and rehabilitation projects since have changed the landscape for good. For example, five points in lower Manhattan was an infamously notorious slum locality which had existed for over 70 years. The area was characterized by contaminated and ill sanitized living conditions that bore various diseases, unemployment and acts of violent crimes (Baker, 2001). At its peak, five points had the highest murder rate of any other slum in the world (Blumenthal, 1990). The area lacked scientific temperament and medical advancements and so, it was unable to prevent or stop the spread of diseases. As a consequence, in 1932, a cholera epidemic that originated in five towns quickly

spread through the entire New York city (Peters, 2005). All of these issues came to a halt when in 1897, the most notorious locality of the five towns, the Mulberry Bend which had areas like Bandit's Roost, Ragpickers Row and Bottle Alley, was razed to ground and an urban green space called Mulberry Bend Park was made on it. In 1911, this was renamed as the Columbus Park (Hague and Siegel, 2002).

The history of housing in Mumbai is a bit more complicated and corresponds with the history of the city itself. Rapid industrial growth and exponential increase in trade and commerce functioning alongside a very high population, economic disparity and insufficient urban planning make the case of Mumbai unique and interesting in its own way.

Historically, Mumbai emerged as a cluster of seven islands that were inhabited by indigenous people, typically the Koli and Agari communities and were ruled in different eras by different rulers, some of them being Chalukyas, Chollas and Satavhansas. The city was then taken under the rule in 1348 by the Delhi sultanate and was later passed on to the Sultanate of Guzerat in 1391. In 1534, following the treaty of Bassein, the islands came under the Portuguese colonizers (Testbook, 2023). After the Portuguese, through years of upheavals and treaties, the city came partly under the rule of the British in 1611 following the marriage of King Charles II and Catherine of Braganza and hence began the British colonization of Bombay (Sunavala, 2018). This was the turning point in the city's history because by the middle of 18th century, Mumbai began emerging as a major trade centre and saw thousands of people migrate in for employment opportunities. This migrant influx caused a housing crisis which culminated in the development of informal settlements. Similar to the housing tenements of New York, Chawls began to define the cityscape of Bombay from the early 1700s. More than 70% of working class people of the city lived in these chawls and by 1872, bombay had nearly 20 people living in one small house (NCERT, 2007).

These were typically small and densely populated rooms in four-five storeys tall buildings and with bare minimum sanitation, common washrooms and barely any safety standards. Due to the rising fear of plague epidemic, the city of Bombay improvement trust was established in 1898. Initial attempts failed to register any major impact, in fact worsened the situation by displacing more people than it rehabilitated. Ever since the merger of the seven islands into the unified landmass of Mumbai, chawls have declined in numbers although they can still be found in some parts of present day Mumbai (Gupte, 2024) (NCERT, 2007).

From 1782 to 1845, the city saw a large-scale civil construction project that consolidated the seven separate islands into one single landmass through a causeway called Hornby Vellard. This consolidation of the landmass provided the ease for travelling and businesses and kickstarted the urban development of the city. Notably in 1853, with the establishment of India's first passenger railway line, the entire cityscape was changed. The ease to do business grew and during the American civil war from 1861 to 1865, bombay became the world's chief cotton trading centre. Moreover, the opening of Suez Canal in 1869 opened the city to large-scale business and migrant influx, putting it on the world trade map (Dwivedi and Mehrotra, 2001).

Amidst all this hustle and bustle, informal settlements had already begun defining the city's landscape. In 1882, the slum settlement, Dharavi, was founded and soon, it was densely populated by the incoming settlers from the less prosperous rural areas of British India. The slum continues to exist today and is very ethnically and religiously diverse (Sharma, 2000). 'Dharavi' is an area in the heart of Mumbai city and is infamous for being among the world's largest slums. Just like the rest of the city, Dharavi was also a part of the island city of Mumbai and used to be a mangrove swamp. Less than a mile in area, Dharavi has a population of around 1 million people, making it one of the most densely populated regions in the world (Grey, 2023). Although living conditions

are very troublesome in Dharavi with foul odours, contaminated resources and widespread diseases, there is not much that the authorities have been able to do to improve the scenario. Formed in the 18th century, the case of Dharavi is a curious one where it has faced years of neglect and so, with time, has cemented its own unique way of life. People have agreeably or forcibly adapted to their conditions. Multiple redevelopment proposals and rehabilitation promises from the government have faced protests as people fear they might even lose what they already have. Recently, one of the wealthiest business houses of India, the Adani group has been given the right to redevelop the slums where they are expected to spend around \$618 millions (Khurana, 2023). Economically, the people of Dharavi own thousands of small and medium scale industries that produce and export around the world, leather articles, jewelry and many more. The slum has an annual turnover of up to 1 billion US Dollars (Khurana, 2023).

The long discussion surrounding informal settlements in present day Mumbai is very important for a contextual understanding of the real estate market in the city. The primary reason for this is that unlike New York, these impoverished localities and informal settlements are not taken from a chapter frozen in the city's past. These are very much present today and while the city is undergoing rapid urbanization and infrastructural advancements, a huge chunk of Mumbai's population stays in these structures. Different sources narrate different stories but from a common consensus, somewhere between 45 to 60 percent of Mumbai's population lives in the slums and chawls situated in Dharavi and other similar regions (Question of Cities, 2023), (Deshmukh et. al., 2023). Although there has always been a discussion around the redevelopment of slums by the government, the ground reality is quite disappointing. All through the 1960s and 70s, the Maharashtra Housing and Area Development Authority tried to respond to the question of thousands of people coming and settling in Bombay through the construction of large estates of

standardized apartment blocks. Although it seems to be a viable solution to the problem, the ground reality turned out to be different. Two major kinds of these permanent settlements were built; for low income groups and for high income groups. Unlike similar mass housing projects built in different cities of the world like Moscow, Chicago and Paris, these apartment blocks in Mumbai were built individually and not in prefabricated parts. This led to them offering a high standard of living, already unaffordable to those in need of a house and so, these structures were gradually inhabited by a relatively wealthy class of people and not the initial target group. Moreover, post the 1990s economic liberalization, many of these settlements got converted to private cooperatives (Urban, 2012).

Not a lot has changed since then as well. According to a report that dismantled all the claims by the authorities related to swift redevelopment, only 8% slums were successfully redeveloped in the last 10 years (Surve, 2023). Reasons can be many, ranging from inadequate census data and disruptions caused due to the covid 19 pandemic to the red-tapism and corruption in bureaucracy but the bottomline is that housing continues to be a major yet largely overlooked problem faced by millions of mumbaikars everyday. The issue of housing should be an utmost priority of the governments because with time and advancement of trade and commerce, the film industry and infrastructure, Mumbai has become one of the most important cities in the world, not just India. The story of Mumbai is one of resilience, where interwoven in rapid urbanization, growth and development, the persistence of the slum dwellers for adequate, affordable and clean housing continues to spark discussions.

METHODOLOGY

The methodology behind any project or research, as the word suggests, is the ‘method’ that defines the process of an entire study. As simplified as it might sound, having proper and organized knowledge about the structure and formation of the study is as important as understanding and analyzing what it talks about. Methodology, as a section, should typically be dealt with careful attention and due attention because contrary to the layman understanding of the term, it is not a mere summary of all what the research plans to discuss. Attaching a simple and sound methodology section to the study makes its objectives and implications clear. It provides, both the readers and the researchers, a roadmap to follow and a blue-print to keep in mind all through the study. It also assists the researcher in pointing out and correcting the mistakes committed in ordering and layout of the information, if any.

This research is divided into four major sections; the introduction, the methodology, the comparative analysis and finally, the conclusion. The introduction section does more than just introducing the research design, it articulates the research question and then, under the subsection of socio-historical context, sets a brief context of the housing situation in both these cities. Then follows the methodology section that outlines the blueprint of the entire research. After methodology, the next section that follows is comparative analysis. This section navigates back and forth from the general economic situation in these cities, to the current market price trends and to the factors that affect the real estate markets. Both the cities are compared and contrasted from multiple viewpoints, so as to assist the better understanding of the research problem. Finally, conclusions are drawn which do not repeat the data already given out but bring the research to a comprehensive and cohesive understanding where it can be seen that despite being comparable on some junctures and totally distinct on the others, both the cities play their unique and significant roles in the global real estate set up.

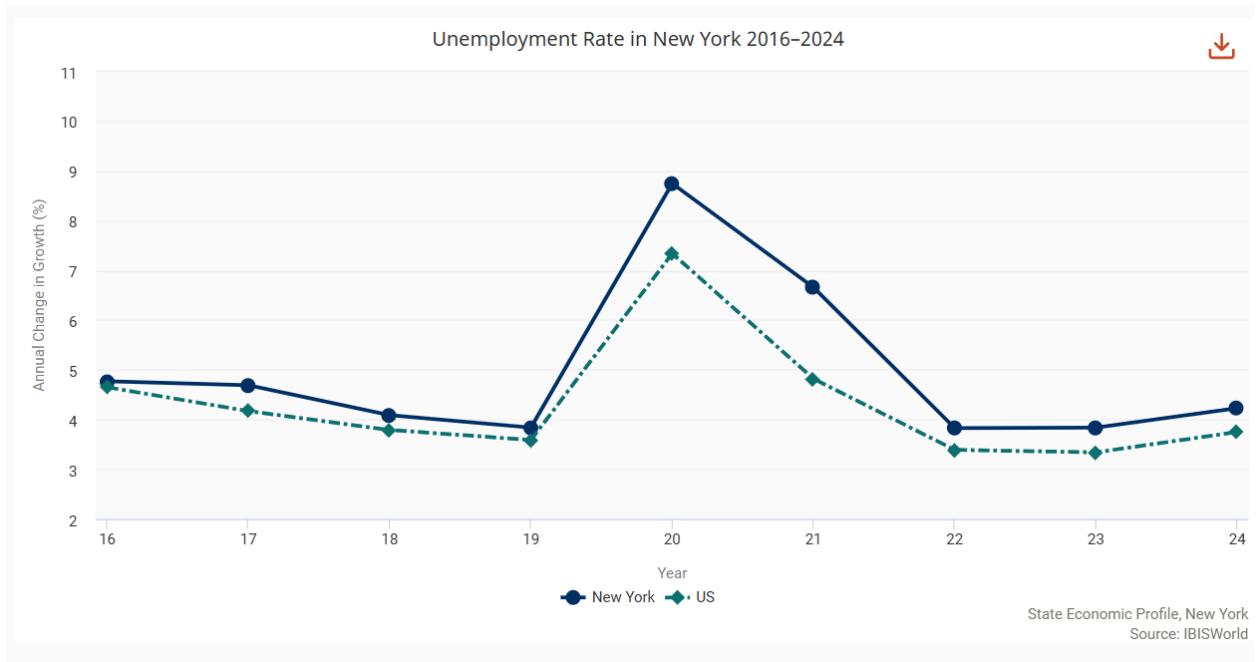
COMPARATIVE ANALYSIS

The real estate markets in both New York and Mumbai are hyperactive, dynamic and important contributors to the GDP of their countries. This section can be termed as the most important section of this research as it directly expands on the topic, which is basically comparing and analysing the real estate industries of Mumbai and New York. After gaining some very basic insights on information, background and history of housing and settlement of both the cities that form the core of this research, it becomes important to shed some light on the contemporaneity and recent trends that are governing the market forces. This section aims to gain an outlook of these trends so as to illustrate their extent and importance. For someone unaware about the functioning of real estate as a sector of the economy, the first glance might suggest some very obvious differences in both these cities, ranging from cultural and historical setup to currency strength, market share and demographics but a close reading might reveal some interesting insights.

New York is majorly made up of 5 boroughs and is the largest metropolitan area in the USA in terms of both area and population. According to a report from 2023, it housed more than 8.2 million residents (US Census bureau, 2024) in almost 300.5 square miles or around 782 kilometers (US Census bureau, 2024) making it one of the most densely populated cities in the country. It is considered to be the global hub of business, finance, entertainment and technology and has some places of global significance like the Empire State Building and The United Nations headquarters. It is also referred to as ‘The city that never sleeps’ (Goicochea, 2018). Apart from the iconic skyline filled with various skyscrapers, the city at its core has Manhattan, an area which is widely regarded as the world's most dominant commercial centre. It becomes clear from this description that New York has a very huge market, both in scale and population for almost

everything and everyone. New York also acts as the headquarters for most fortune 500 companies in the world (Berger, 2023). Ranging from some of the world's most expensive apartments and office spaces in Manhattan to affordable (and at times impoverished) living spaces in areas like Parkchester, Bronx and Flatbush, Brooklyn, the New York city has a very diverse and large scale real estate market.

In 2024, the Gross State Product (GSP) of the New York state was valued at around 1.8 trillion US Dollars and the city housed a population of 19.5 million people. The top three sectors of GDP in the city were namely finance and insurance, real estate including renting and leasing and information. As for the employment scenario, the state of New York ranks 4th out of the 50 states of the USA and employed around 11.7 million people in 2024, with an annual growth rate of 1.3% from 2019 to 2024. The city, however, had observed an upward shift in unemployment rate which was at 4.2% in 2024 recording an annual shift of 2% from 2019-2024. Employment rate is a useful tool used analyzing the overall financial health and strength of a place. A higher and faster growth rate of employment ensures fluidity in the market and strengthens the economy whereas an economy with high unemployment rate shows tightness in the markets (IBISWorld, 2024). The following graph depicts the rate of unemployment in New York from 2016 to 2024 compared to that of the entire USA.



(IBISWorld, 2024)

As of the state's real estate profile, in 2024, the non residential constructions in New York were valued at a whooping \$25,884 trillion, which still ranks 9th among other states of the USA. However in the list of most valued residential constructions, New York ranked 2nd, with \$5.4 trillion in value. The state issued around 30.5 thousand construction permits in 2024, which represented a negative annual growth of -7% rate for 5 years, from 2019 to 2024. Trends in the real estate sector are crucial to read because not only they contribute to increased jobs and contribute in income tax, they are also interlinked with warehousing, transportation, wholesaling and manufacturing industries and hence, it can be said that a strong real estate industry is an indicator of a healthy economy (IBISWorld, 2024).

Mumbai presents a case similar, sometimes similar to New York and sometimes, quite contrary. Lying on the western coast of India, the city of Mumbai sprawls across 619 km sq (Raghavan, 2025) and currently, is home to over 22 million people, an increase from 21.6 million

in 2024 (Macrotrends, 2025). It is also sometimes referred to as ‘Mayanagri’ which translates to the city of magic, partly because of it being the focal city for the Indian film industry Bollywood and partly because just like New York represents a place that can lead to the attainment of the ‘American dream’, Mumbai does that for the ‘Indian dream’, if any. This also means that these cities are seen as the spaces that provide an open and so called ‘free’ market for anyone who can tap the opportunity. Such a densely populated city with millions of people from different income groups has to offer a range of residential and investment options in limited land available and Mumbai does this in a very diverse fashion. Here, residential arrangements range from luxurious and flamboyant bungalows to affordable and impoverished suburban properties and even slums depending on the locality. To put into relevant context, a penthouse or marquee property in areas like Malabar Hill and Cuffe Parade that offer breathtaking views of Arabian Sea, Nariman Point skyline and beautiful beaches can cost up to 300 crore rupees or more, having a per square foot cost range between INR 40,000 to 55,000 (Godrej Properties Limited, 2025). Given below is a table that depicts recent price trends in some of the most posh areas of Mumbai.

Price Trends in the Costliest Areas of Mumbai 2025

Area	Average Property Prices (per sq ft)	Average Rent per Month
Malabar Hill	Rs 53,784	Rs 4.5 lakhs
Cuffe Parade	Rs 54,726	Rs 3 lakhs
Tardeo	Rs 46,762	Rs 2.5 lakhs
Juhu	Rs 45,014	Rs 1.75 lakhs
Bandra West	Rs 46,662	Rs 95,000
Worli	Rs 45,594	Rs 80,000
Colaba	Rs 41,166	Rs 1 lakh
Powai	Rs 23,463	Rs 70,000

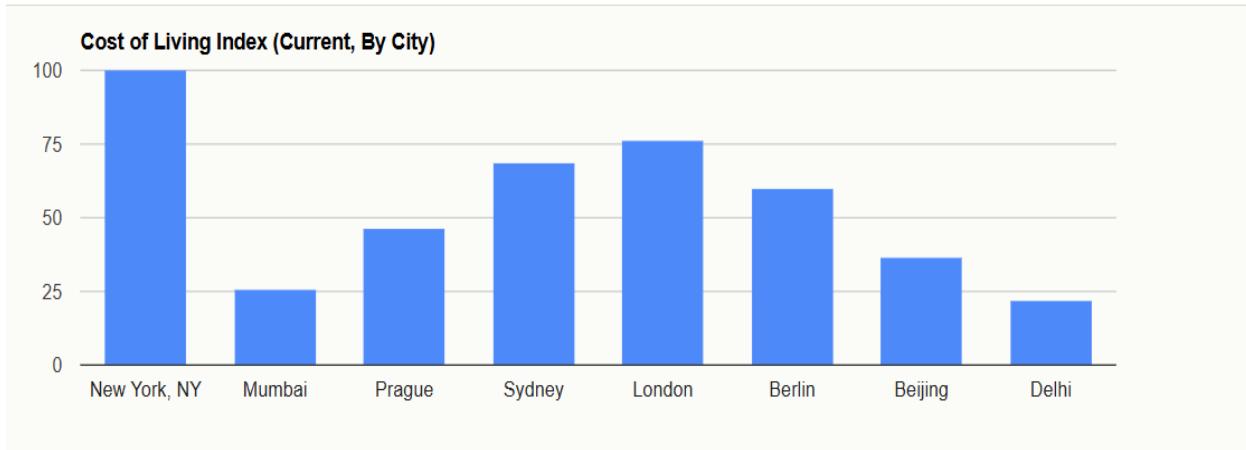
On the other hand, Mumbai, infamous for its income disparity, also comprises multiple relatively cheaper neighbourhoods like Meera Road, Nalasopara, Kharghar, Panvel and many more . For example, as per an estimate from 2023, a 1 BHK apartment in an area like Karjat could be purchased at rupees 26 lakhs and this cost can go up to rupees 60 Lakhs in localities around Navi Mumbai. Some of these regions are in close proximity to railway stations, some are famous for their vibrant markets and some have major upcoming projects being built near them and hence, attract investors and residents from the middle class (Pahwa, 2023).

India in 2023, generated a real GDP of INR 4.4 trillion (Statista Research Department, 2024) and although the exact data is unavailable, it is certain that Mumbai produces a large chunk of it. It can be said so on the grounds of multiple research. In a report published in 2008, just around 25 years after the economic liberalization of India in the 1990s, Mumbai emerged as the largest share in GDP among all the major cities in India, with a GDP contribution aimed at around 6.14% (Financial express, 2008). In 2019, Mumbai claimed the spot of 12th wealthiest city in the world with an economy of \$960 billion, leaving behind developed first world cities like Toronto and Paris. No other Indian city was even in the top 20 of and it is also notable to mention here that with an economy of \$3 trillion, New York was noted as the richest city in the world by the same report (Shah, 2019). In the same year, another list involving Mumbai and New York was published which ranked the top 10 cities in terms of the number of billionaires they house in them. While Mumbai held the 10th position with 37 billionaires, a decrease from 45 in 2018, New York topped the list with 84 billionaires and their combined wealth of \$468 billion (Coudriet, 2019).

After having some contextual knowledge, it can be concluded that both these financial capitals of their respective countries are a centre for trade and commerce, real estate and other financial activities. Although they do suffer and have suffered from their own issues in the past

but nonetheless, play their part in providing apt conditions for a range of businesses to prosper and expand. The cities act as nourishing and bustling economic hubs that are very lucrative to those working in the industry. The significance of both these cities in the economic sector is often credited to a plethora of big business houses, various firms of small and large scale, brokers and investors of the stock exchanges and the ever expanding real estate. Although both the cities share a front on many similarities, they are often marked by stark differences too.

When it comes to comparing any two cities in the world, it has to definitely involve comparing their cost of living and the quality of life. Following is the graphical representation of cost of living in different cities around the world.



(Numbeo, 2025)

A general understanding of the available data and perspectives suggests that the cost of living is higher in New York than Mumbai and so is the quality of life. However, it often depends on various indices like rent index, groceries index, restaurant index and so on. To illustrate better, while fine dining, movie tickets and taxi rides are cheaper than New York in Mumbai, NYC offers more affordable petrol and iPhones. Basically, a lot of it keeps fluctuating and also depends on

who is purchasing and what they are purchasing. For example, a stark difference is noted in the price of water bottles. While an average 0.33 liters of water bottle costs around 15 INR in Mumbai, it goes up to almost 215 INR in New York (Numbeo, 2025) .

It is ultimately very important for researchers to always keep in mind that while an average Mumbaikar, after the deduction of taxes, earns around 80,000 INR a month, a New Yorker relishes a monthly income nearing 5 lac rupees (Numbeo, 2025). The overpowering strength of a US Dollar over Indian Rupee is no secret either, with 1 USD equal to 86+ rupees currently (Google Finance, 2025). Although general patterns pertaining to these dataset can be identified by research, it is all very fluid and can change with every passing day, even based on individual differences.

Although this research deals with real estate; its trends and conditions over the years and comparing the quality of life in New York and Mumbai is not in direct connection to the subject matter of this research, quality of life is one of the major factors of influence on the price of properties. People tend to buy and rent properties in areas with clean and green surroundings, low crime rate and easy availability of necessities. It is a generally known phenomenon that properties in such areas are not only more expensive but tend to show a higher price growth compared to areas that lack these. Unlike cost of living that is mostly determined by numerical data, the quality of life is a mixture of the above-mentioned items and is also measured in terms of factors like air quality index (AQI), crime rates, Health care, Cleanliness and many more. Two of the most studied indices while analyzing the quality of life in a particular locality are crime and safety indices and pollution index.

Crime index and safety index are two usually used ways to measure how safe a particular place is. Crime levels lower than 20 are considered good to live in, 20-40 are moderate, 40-60 are

high and above 60 crime rates are considered very dangerous. With safety index, the method is opposite with the place being safe if safety index is above 60 and dangerous if it is below 20. From a report based on continuous evaluation by residents of the city, the general level of crime rate in New York is somewhere around 50 which can be considered moderate, although not very safe. When seen from the perspective of racial and religious minorities and women, the rate was approximately 40, which seems to be a better sign. However, when analysed further, two very worrisome statistics come out. Turns out that in the last five years, the increase in crime rate was noted at a staggering figure of 60.64, which is considered very dangerous. Yet another troubling figure was in relation to the widespread drug problem in the city. The violent crimes related to the drug consumption or distribution were too, at a high rate of 61.46, which is very critical for the city. Mumbai on the other hand, seems to be a tad bit safer than New York. The residents of Mumbai worrying about day to day criminal activities like getting robbed on the streets, getting your car stolen, attacks based on skin colour and ethnicity and drug related crimes were noted around 41, 38, 33 and 45 respectively, which are either moderate or low in intensity. What is extremely worrisome about India's financial capital is the crime rate in problems related to corruption and bribery, which was rated at 77 (Numbeo, 2025).

The problem of AQI and other pollution related issues were noted very differently in both the cities. New Yorkers reported a better air quality in the city as compared to Mumbai, rated to be a moderate threat at around 53 on the scale. Mumbai on the other hand reported the air pollution levels to be on a dangerous high, very hazardous for life, marked over 75 on the scale. Similar trend was observed in water pollution as while New Yorkers assigned less than 50 or moderate rating to the city's water quality, Mumbai depicted yet another major problem as this time too, the financial capital of India was again marked over 75 which is hazardous to life. The cities, however,

noted a very similar rating in the Noise and light pollution and cleanliness, with both the cities registering high levels of pollution and less cleanliness (Numbeo, 2024).

Coming back to real estate, it is not a hidden fact that in cities like Mumbai and New York with limited land and migrant population influencing and contributing in all the sectors of the cities' economy, a large part of the real estate economy is going to be constituted of rented spaces. Renting a one-bedroom apartment in city centre Mumbai and outskirts of the city costs around 57,000 INR and 31,000 INR respectively whereas New Yorkers have to pay approximately rupees 3.5 lakhs and 2.5 lakhs for the same. The data follows a similar pattern when a three-bedroom apartment comes into the picture, where while Mumbaikars pay around rupees 1.5 lakhs in rent for the city centre flats and rupees 80,000 for the outside city centre flats, New Yorkers have to pay rupees 7.6 lakhs and 4.6 lakhs approximately. The numbers go even higher when property acquisition is concerned wherein average per square meter price of an apartment in Mumbai city centre is priced at around 5.8 lakh rupees. For New York, the prices are almost thrice with per square meter of an average apartment in the city centre costing around 15.5 lakh rupees (Numbeo, 2025). Doing some math here would reveal that an average person living in a one-bedroom apartment in Mumbai and New York spends 73% and 72% respectively of their total monthly salaries on just rent, which leaves a very little margin for food and other necessities and almost nothing in significance for leisure and luxury.

It is but obvious that the extent and scale on which the real estate industry functions in these two of the major world cities, there has to be governing bodies and laws that overlook them. The real estate market of New York is controlled and monitored by the Attorney General of the state. It makes sure that both the buyers and sellers in the market operate through transparency, abiding by the laws about tenant and landlord rights, zoning laws and property tax. The state of

New York allows people to own properties individually, jointly and even, in specific parts, as pre decided. All the ownership records are open to the public. Owners are free to build or modify on their property as long as they are not violating the zoning laws or disrupting the neighbours. Owners, if renting out, need to ensure the basic cleanliness and safety of the tenants or can be penalized for their negligence. Owners can not forcibly evict anyone and if disputes arise, they are subject to court proceedings. Similarly, zoning laws are very stressed upon, and depending on the locality, allows the owners to do what they want with their properties (Cole et. al, 2025). These laws and regulations have definitely made the real estate of New York more safe and fair.

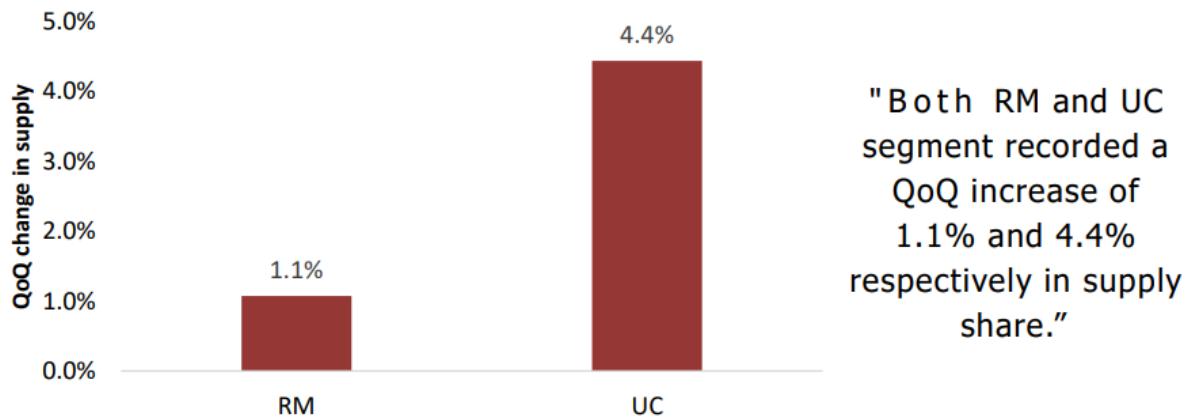
In Mumbai this role is assigned to the Real Estate Regulation (and Development) Act 2016 or RERA. Mumbai belongs to the state of Maharashtra in India and hence, the Maharashtra RERA is responsible for not just regulating but also standardizing the transparency and efficiency in the property market. It mandates the builders to register their properties and ensures that the properties are built on time, with complete disclosure of rights and policies to buyers. RERA, through its functioning, ensures a free, fair and easy to access real estate market in Mumbai (Bajajfinserv, 2024).

Another important factor of comparison and contrast between these two cities is migration. It is a phenomenon that basically observes population in-flow and out-flow to and from a particular region. Migration as a process is directly linked with real estate because it is a very significant and highly contributing factor in the process which decides the direction in which the real estate market would go; the supply and demand in a particular area and the prices fluctuation in renting, buying and selling of properties. This coming in and going out of people is characterized by various reasons. One of the most prominent reasons for migration in urban and developed cities like Mumbai and New York is the search for livelihood, in both organized and unorganized sectors.

Similarly, the most prominent reasons for moving out of a city like Mumbai or New York, if observed, is due to the high cost of living. Employees of the organized sector are able to procure a somewhat stable job which, depending on their job profiles and salaries, lands them in apartments, duplexes and other property types across the cities. But this is not the case with all the people who come to these cities. Some people have to migrate, leaving their families and homes behind, in hopes of escaping abject poverty and avoiding being in a desperate situation.

According to an article published in January 2024, the then Mumbai metropolitan region had a total of 10,000 under construction projects, private and government. These included several metro lines, hundreds of kilometers of road network, a new international airport and many more. In fact, the supply rate of ready to move in properties is much lower than the ones under construction. This is illustrated by the graph below.

Supply change of RM vs UC properties



(Magicbricks, 2024)

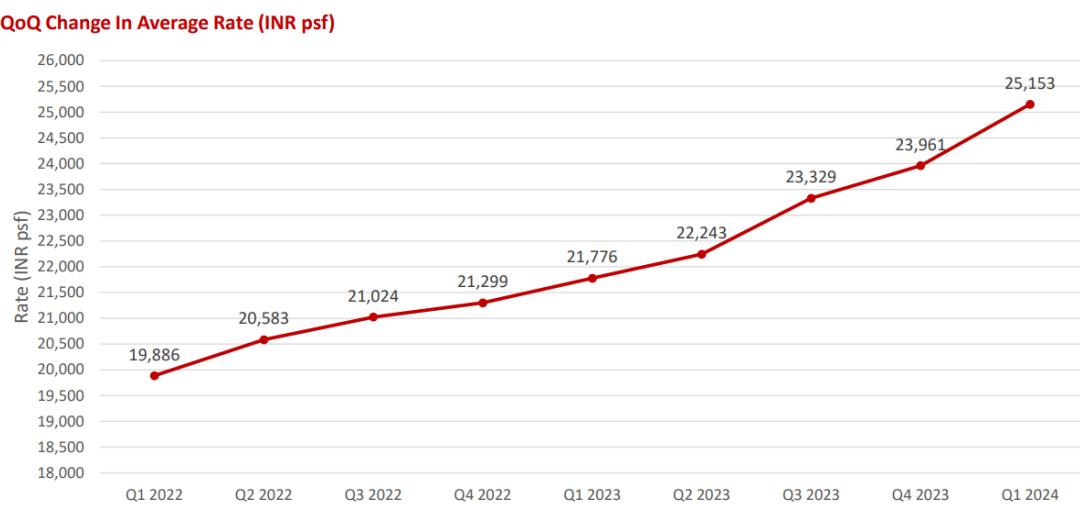
These projects can not be propelled without the toil of millions of laborers and technicians who come from outside of Mumbai, from all over the country. It has been estimated by reports that the Infrastructure industry of India was responsible for providing employment to a whooping

70 million workers in 2023, being the second highest employment generator. And it should come as no surprise that around 80% of them were ‘unskilled’ workers, a term commonly used to refer to daily wage laborers. A majority of these workers are young adults, mostly unaware of labor unions or even what is the task exactly. They contribute a major share in the economy of metro cities like Mumbai which can be understood from the fact that an average large scale project in Mumbai costs around rupees 400-500 crores (Gwalani et al., 2024). Such a huge project definitely requires a large workforce and hence, the problem of housing arises. A lot of major cities in the world suffer from the problem of slums. For a long time, citizens and the governments of cities like Mumbai did not pay heed to the much required and urgent need for proper management of the migrants belonging to lower classes and consequently, they were forced to manage living in whichever ways they could. In most of the cases, these migrant workers are forced to live in crammed up places, jam packed with people and terrible living conditions.¹ Having studied some of the economic and real estate related trends in the city, It can be ascertained that the properties in posh and even sub urban regions of Mumbai will be skyrocketing. However, a question here pops up: how much does a property cost in an area like Dharavi? As of January 2025, a 1 BHK apartment in Dharavi ranges from around INR 6650 per square feet and goes up to INR 22,900 per square feet (Magicbricks, 2025). This variance between prices of apartments in the same locality is very clearly suggestive of how much the price will vary in different regions of the city itself.

The city also provides employment to many individuals from the organized working class and due to its volatile real estate market, also attracts a lot of investors. Due to a sustained and robust demand in real estate, a report concluded that between the 8 quarters from 2022 to 2024, the prices of properties show a steady growth of almost 25% every quarter and that the average

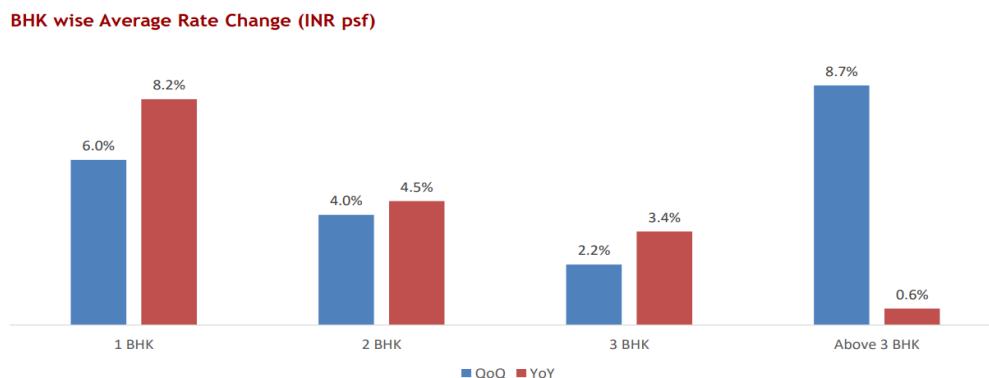
¹ For more details, refer to the section ‘Socio Historical Context’.

price per square foot increased from INR 19,886 in the first quarter of 2022 to INR 25,153 in the first quarter of 2024 (Magicbricks, 2024). The following graph illustrates it:



(Magicbricks, 2024)

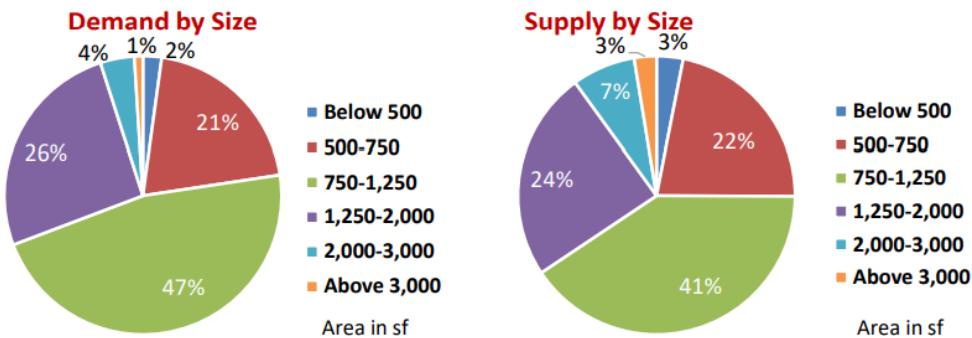
If measured according to the BHK type, all the housing configurations ranging from 1 BHK apartments to more than 3 BHK apartments showed a rise in average price per square feet on both, year to year measure or YoY and quarter on quarter measure or QoQ. Interestingly, small housing units saw more increase than the larger housing units suggesting the market shift towards more compact spaces of living due to economic recession and rising inflation (Magicbrick, 2024). The graph illustrates it below:



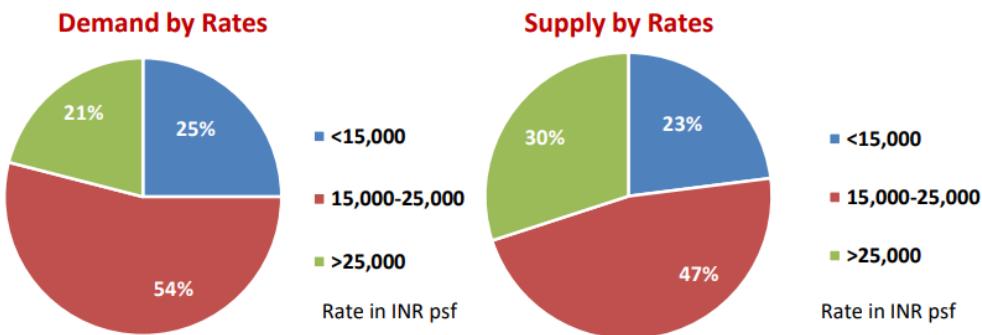
(Magicbricks, 2024)

Another indication of the fact that more and more families units and not just individuals are shifting to Mumbai is that the data has also shown a strong demand for mid segment households, ranging from 750 to 1250 square feet in area and priced at near about INR 15,000 to 25,000 per square feet. The demand for mid sized homes outnumber their supply in the markets. Mostly observed, these housing segments are situated in the proximity of markets, making them perfect for the needs of a family (MAGICBRICKS, 2024). The following graph illustrates this trend:

Mid segment homes ranging from 750 to 1,250 sf witnessed highest traction



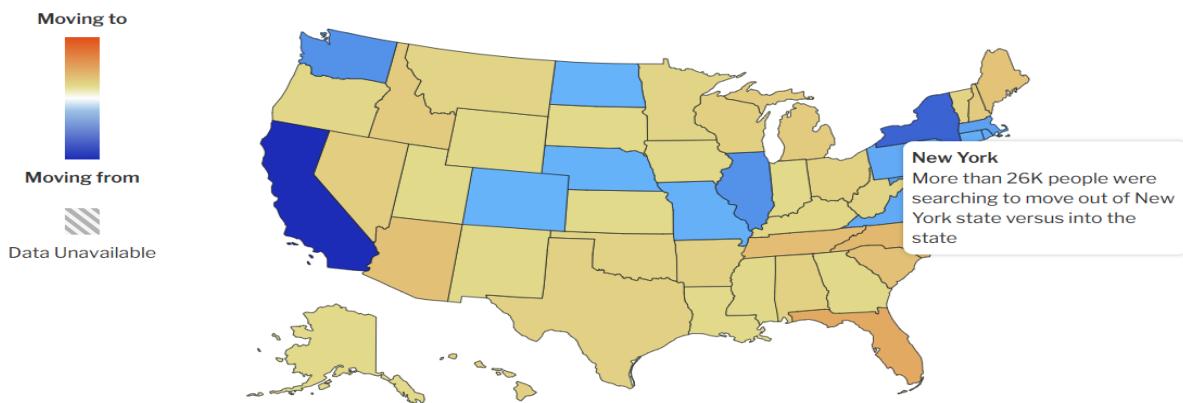
Highest demand and supply for properties priced between INR 15,000-25,000 psf



(Magicbricks, 2024)

The case of migration observed in New York is in stark contrast to that of Mumbai. Unlike Mumbai that has been a host to an increased number of people influx, New Yorkers have been seeing moving out to other cities at a very high rate. According to a report published in 2023,

545,500 people, which is more than half a million residents, moved out of New York city in 2022 alone. An increased cost of living, significantly better quality of life, work flexibility and living closer to the family have been cited as the most motivating influences on this large-scale migration. Most people have been said to migrate to Florida (91,201), followed by New Jersey (75,103), Connecticut (50,670), Pennsylvania (44,807) and so on (Chernikoff, 2023). The trend seems to have continued in 2024 as well because according to a study conducted in the three months between October 2024 and December 2024, New York observed around 26,000 people move out of the city, which is 2nd highest in the country, next only to Los Angeles. The following map and table illustrate the phenomenon (Redfin, 2024).



(Redfin, 2024)

Top 10 areas people are moving to ⓘ

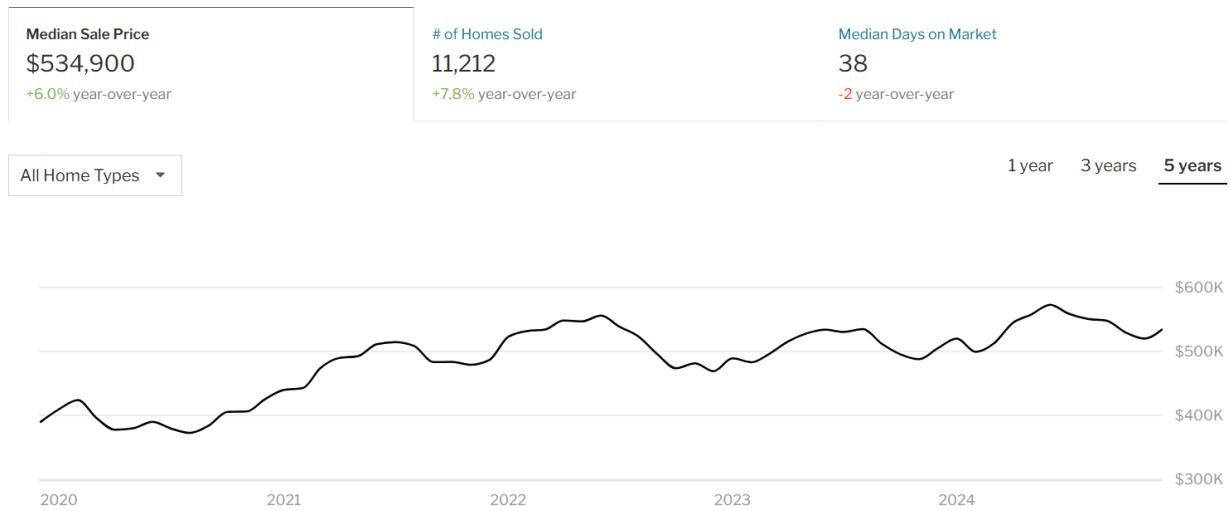
Inbound Metros	Net inflow ⓘ Oct '24 - Dec '24
1 Sacramento, CA	7,400
2 Cape Coral, FL	3,800
3 Myrtle Beach, SC	3,600
4 Salisbury, MD	3,300
5 Portland, ME	3,200
6 Las Vegas, NV	3,200
7 Sarasota, FL	3,200
8 Phoenix, AZ	3,100
9 Nashville, TN	3,100
10 Hilo, HI	2,900

Top 10 areas people are moving from ⓘ

Outbound Metros	Net outflow ⓘ Oct '24 - Dec '24
1 Los Angeles, CA	29,900
2 New York, NY	24,200
3 San Francisco, CA	24,000
4 Seattle, WA	18,700
5 Washington, DC	14,200
6 Chicago, IL	5,900
7 Philadelphia, PA	4,900
8 Dallas, TX	3,100
9 Denver, CO	2,500
10 Boston, MA	2,500

(Redfin, 2024)

As per the general overview of New York's housing market, around 11,200 homes were sold in New York in 2024, with a Year over Year growth rate of 7.7%. The median sale price also registered a growth of 6%, with the median sale price in 2024 being 534,900 US Dollars. To put this growth in context, the median sale price has increased from less than 400,000 US Dollars in 2020. The graph following shows the trend:

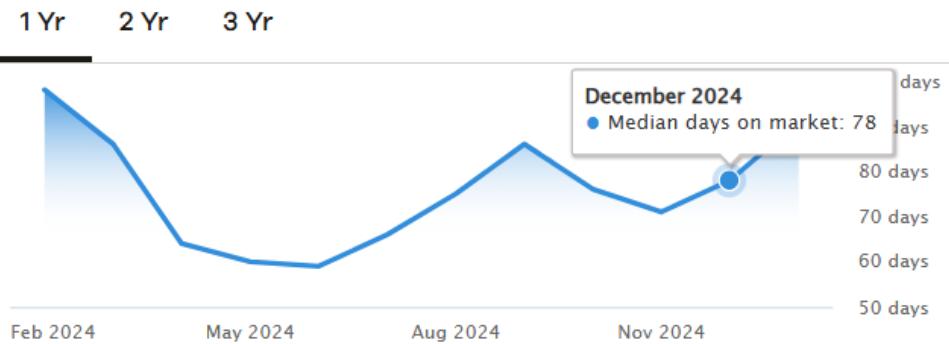


(Redfin, 2024)

The crucial question that arises here is that are there enough homes for all the buyers? Or in other words, is the demand for houses being fulfilled by the supply of homes? The ever growing prices of the apartments and other housing facilities suggest otherwise. To explain the supply through statistics, in December 2024, more than 39,400 homes were up for sale in New York, which recorded a Year over Year (YoY) growth rate of 2.4%. Similarly, there were also around 6850 homes newly listed and this recorded a YoY growth rate of 5.3 percent (Redfin, 2024). According to another source, in December 2024, Houses in New York were sold at prices that were 2.4% lesser than the listing price, making it a market that favours the buyers.. Moreover, median days in the market for a typical house in New York is 91 days. This means that an average house in New York, as of January 2025, found a buyer in almost 3 months after being listed. This

is suggestive of a growth pattern upwards from 78 median days in market in December 2024 and 71 median days in market from November 2024. Given below is the graphical analysis of the same:

Median days on market: 91 Days



On average, homes in New York, NY sell after **91 days** on the market. The trend for median days on market in New York, NY has gone up since last month, and slightly down since last year.

(Realtor, 2025)

Median days on market: 91 Days



On average, homes in New York, NY sell after **91 days** on the market. The trend for median days on market in New York, NY has gone up since last month, and slightly down since last year.

(Realtor, 2025)

However, when seen in comparison to the previous year, the figures showed a slight decrease where in January 2024, it was 94 median days in market compared to 91 median days in market in January 2025. Given below is the graph for the same:

Median days on market: 91 Days

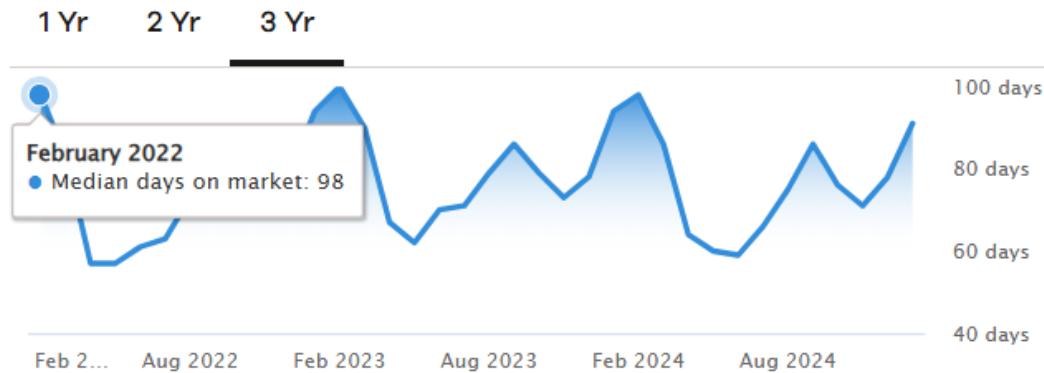


On average, homes in New York, NY sell after **91 days** on the market. The trend for median days on market in New York, NY has gone up since last month, and slightly down since last year.

(Realtor, 2025)

This falls in line with the fact that more and more people are increasingly shifting out of New York and hence, while the supply of homes has increased, the sellers are forced to sometimes sell below the list price due to lack of demand. These results, however, should be taken as a general state, an indication only of the price trends as the market is very volatile and can shift altogether in the span of months. For example, in February 2022, the number of median days in the market for the last three years hit the peak with 98 days. However, in just 2 months, it also hit the lowest figure in 3 years where in April 2022, the median days in market for an average house before it was bought was 57, nearly half from February (Realtor, 2025). The graphs below show this fluctuation.

Median days on market: 91 Days



On average, homes in New York, NY sell after **91 days** on the market. The trend for median days on market in New York, NY has gone up since last month, and slightly down since last year.

(Realtor, 2025)

Median days on market: 91 Days



On average, homes in New York, NY sell after **91 days** on the market. The trend for median days on market in New York, NY has gone up since last month, and slightly down since last year.

(Realtor, 2025)

CONCLUSION

After going through both historical background and market trends, it can very well be concluded that both New York and Mumbai are large scale real estate markets that offer lucrative investment and residential opportunities but come with their own unique sets of challenges that govern their market dynamics.

The United States of America is a first world country which, by definition, refers to a country that has a relatively stable economy, strong currency, rule of law, high standards of living and an industrialist, capitalized economy (Kenton, 2024). The USA fulfills all these criterias and in fact, goes beyond. With a GDP of over \$27 trillion, GDP per capita of around \$81,700 and a military budget of \$916 billion in 2023, the United States of America was ranked as the strongest nation in the world in 2024 in terms of wealth, military power and political influence (Barua, 2024).

India, on the other hand, is said to belong to the pool of third world countries. Historically, a third world country was one which did not align itself with either North Atlantic Treaty Organization (NATO) to become a first world country or with the Warsaw pact to become a second world country (Wolf-Phillips, 1979). This definition, if seen separately, would also include countries like Finland, Switzerland and Austria but since the meaning of a third world country has evolved over time, this classification would be untrue. After the fall of the Soviet Union in 1991, the term third world began to be used for countries that were considered ‘underdeveloped’; poverty stricken, politically unstable, less militarized and barely industrialized (Nash, 2003). Today, ‘third world’ is an umbrella term used to denote countries that are either marginally underdeveloped, very poor or considered to be still developing. India is still considered as a developing country and

ranks 12th in the list of most powerful countries in 2024, with a GDP, per capita GDP and Military budget of \$3.5 trillion, \$10,180 and \$74 billions respectively (Barua, 2024),

After careful examination and putting the above mentioned statistics in a context, it becomes visible that owing to its reputation as the financial capital of the wealthiest nation on planet, New York can be called a more mature and stable real estate industry, with an obviously higher prospect of returns for the real estate investors and better standard of living for its inhabitants. On the other hand, the real estate market of Mumbai can be characterized as an ever expanding, more volatile and rapidly growing space that is yet to reach its ultimate potential.

That being said, it is also important to note that this is a more general understanding of the subject and on one hand where Mumbai faces the problem of a significantly higher number of people live in a much lesser area, New York is characterized by a typically higher crime rate, drug infestation and property tax that can also affect the real estate market.

According to the official data, in 2021, 30 people out of every 100,000 people died of drug overdose. 25 out of 100,000 people died from an opioid overdose, which is five times increase since 2010 where 5 out 100,000 people died of drug overdose. The opioid death rates in New York exceeded even the USA's opioid death rates in both 2020 and 2021 (Office of Budget Policies and Analysis, 2022). Similarly, property owners in New York pay a much higher property tax as compared to property owners in Mumbai. As of December 2024, Mumbaikars need to pay 0.02% of the capital value of the residential property. For example, on a property worth rupees 10 lakhs, the property tax payable is 2000 rupees (Jessica, 2024). Such is certainly not the case with New York. In New York, there are four categories of properties and each has its own rules but for a general idea, Residential property owners pay less taxes than other types of property owners. As of 2022, average property tax rate payable by New Yorkers was 0.88%. This is without taking in

account, different areas of New York and exempted category people like senior citizens or disabled house owners who pay less taxes. For example, in Brooklyn, Kings County, the payable tax was 0.68%, even lower than the New York state average but in the Bronx county, rates were as high as 1.23% (SmartAsset, 2022).

The bottom line is that although the cities can be compared and contrasted on various grounds that can be beneficial for the research in real estate, they are very different culturally and socially and represent different market conditions, belonging to different parts of the world. This means that despite gaining factual and numerical knowledge about their real estate markets in different comparable aspects, it becomes important to realize their unique positions in the global real estate industry.

WORKS CITED

- Baker, K. (n.d.). The First Slum in America. *The New York Times*.
- Barua, K. (2024, November 29). Top 10 Most Powerful Countries in The World (2024) | Check India's Rank. *Jagran Josh*. <https://www.jagranjosh.com/general-knowledge/list-of-the-most-powerful-countries-in-the-world-1732882582-1>
- Berger, C. (2023, June 9). The big city winners and losers of the Fortune 500: Why Houston, Atlanta and Dallas are (almost) beating New York and Chicago. *Fortune*.<https://fortune.com/2023/06/09/what-city-has-most-fortune-500-corporate-headquarters-winners-losers/>
- Blumenthal, R. (n.d.). The City's Rough Past: Frigteningly Familiar. *The New York Times*.

- Chernikoff, S. (2023, November 29). More than half a million people left New York in 2022.

Here's where they resettled. *USA Today*.

<https://www.usatoday.com/story/news/nation/2023/11/29/new-workers-moving-census-bureau-inflation/71730570007/>

- Cole, R. H., Hewner, T. F., Haslinger, D. L., Roche, V. P., Rosso, K. R., & Frazie, T. D. (2025). *A*

Guide to New York State Property Laws. Colesorrentino.

<https://www.colesorrentino.com/a-guide-to-new-york-state-property-laws/#:~:text=New%20York%20property%20laws%20give,issues%20to%20meet%20safety%20standards>.

- *Continuing Crisis: Drug Overdose Deaths in New York*. (2022). Office of Budget Policy and

Analysis. <https://www.osc.ny.gov/reports/continuing-crisis-drug-overdose-deaths-new-york>

- Coudriet, C. (2019, March 11). Richest Cities In The World: The Top 10 Cities With The Most Billionaires.

Forbes.<https://www.forbes.com/sites/cartercoudriet/2019/03/07richest-cities-in-the-world-the-top-10-cities-with-the-most-billionaires/>

- *Crime in Mumbai, India*. (2025). Numbeo. <https://www.numbeo.com/crime/in/Mumbai>

Crime in New York, NY, United States. (2025). Numbeo.

<https://www.numbeo.com/crime/in/New-York>

- Deshmukh, D., Basu, S., Negandhi, P., Sharma, J., D'Aquino, L., Singh, V., Gadhar, M., Venu, V., Chandrashekhar, R., Gomare, M., & Zodpey, S. (2023). Household Vulnerability in the urban slums of Mumbai, India: Analysis of a large cross-sectional Survey. *medRxiv*. <https://doi.org/10.1101/2023.07.20.23292961>
- Dwivedi, S., & Mehrotra, R. (2001). *Bombay: The cities within*. Eminence Designs.
- Flats in Dharavi, Mumbai. (2025). *Magicbricks*.
<https://www.magicbricks.com/property-for-sale-in-dharavi-mumbai-ppfs>
- Gandal, K. (1997). *The Virtues of the Vicious: Jacob Riis, Stephen Crane, and the Spectacle of the Slum*. Oxford University Press.
- *GDDP of Mumbai India 2020-2023*. (2024). Statista Research Department.
<https://www.statista.com/statistics/1399211/india-mumbai-gddp/#:~:text=During%20the%20financial%20year%202023,from%20the%20previous%20financial%20year>.
- *GDP growth: Surat fastest, Mumbai largest*. (2008). Financial Express.
- Goicochea, J. (2018, March 19). The Stories Behind New York City's Nicknames. *The Culture Trip*.
<https://theculturetrip.com/north-america/usa/new-york/articles/the-stories-behind-new-york-citys-nicknames#:~:text=Manhattan%27s%20oldest%20thoroughfare%20located%20near,New%20York%20City%20that%20E2%80%9Cthe>
- Grey, D. (2023, January 24). India's biggest slum faces a wrecking ball as residents fear change. *Aljazeera*.
- Gupte, R. (2024). *Physical and Social Configurations of the Bombay Chawls*. Sahapedia.

<https://www.sahapedia.org/physical-and-social-configurations-of-the-bombay-chawls>

- Gwalani, P., Mashru, J., & Gupta, N. (2024, January 14). Migrants fuel infra boom at great costs.

Hindustan Times. <https://www.hindustantimes.com/cities/mumbai-news/migrants-fuel-infra-boom-at-great-costs-101705173260254.html>

- Hague, M., & Siegel, N. (2002). *Municipal Parks in New York City: Olmsted, Riis, and the Transformation of the Urban Landscape, 1858-1897* (G. Backhaus & J. Murungi, Eds.; p. 175).
- *History of Mumbai: Check History, Timeline, Important Reigns Here!* (2023, September 27).

Testbook. <https://testbook.com/history-of/mumbai>

- *How redevelopment ruined Mumbai's housing and marred the landscape.* (2023, September 22).

Question of Cities. <https://questionofcities.org/how-redevelopment-ruined-mumbais-housing-and-marred-the-landscape/#:~:text=In%20the%20next%20ten%20years,hardly%20resolved%20Mumbai's%20housing%20question>.

- *India and Contemporary World—II.* (2007). National Council of Educational Research and Training.
- Jessica. (2024, December 26). *MCGM Property Tax 2025—How to Pay BMC Mumbai Property Tax Online.* NoBroker. [https://www.nobroker.in/blog/property-tax-mumbai/#:~:text=The%20tax%20rate%20for%20residential,tax%20rate%20x%20capital%20value\).](https://www.nobroker.in/blog/property-tax-mumbai/#:~:text=The%20tax%20rate%20for%20residential,tax%20rate%20x%20capital%20value).)

- Kenton, W. (2024). *What Is a First World (aka Developed or Industrialized) Country?* Investopedia.

<https://www.investopedia.com/terms/f/first-world.asp#:~:text=First%20world%20nations%20are%20those,model%20for%20understanding%20national%20development.>
- Khurana, G. (2023, August 29). Mumbai's Dharavi slum: \$1 billion turnover, 12000 SMEs, 2.5 lakh workers. *Financial Express*.
- *List of Posh Residential Areas in Mumbai*. (2025, January 22). Godrej Properties.

<https://www.godrejproperties.com/blog/list-of-mumbai-posh-residential-areas>
- Mike, W. (2017). *Greater Gotham: A History of New York City from 1898 to 1919*. Oxford University Press.
- *Mumbai, India Metro Area Population 1950-2025*. (2025, January). Macrotrends.

<https://www.macrotrends.net/global-metrics/cities/21206/mumbai/population>
- Nash, A. (2003). Third Worldism. *African Sociological Review*, 7(1).

<https://doi.org/10.4314/asr.v7i1.23132>
- *New York Housing Market*. (2024, December). Redfin.

<https://www.redfin.com/state/New-York/housing-market>
- *New York, NY 2025 Housing Market*. (2025, January). Realtor.

https://www.realtor.com/realestateandhomes-search/New-York_NY/overview
- *New York Property Tax Calculator*. (2022). Smartasset.

<https://smartasset.com/taxes/new-york-property-tax-calculator#newyork>
- *New York—State Economic Profile*. (2024). IBISWorld.

- Pahwa, Y. (2023). *Mumbai's Affordable Housing Landscape: Best Locations for Budget-Friendly Living*. Basic Home Loan.
<https://www.basichomeloan.com/blog/home-loans/affordable-housing-in-mumbai>
- Peters, S. T. (2005). *Cholera: Curse of the Nineteenth Century*. Marshall Cavendish.
- Plunz, R. (1990). *A History of Housing in New York City*. Columbia University Press.
- *Pollution Comparison Between New York, NY and Mumbai*. (2024). Numbeo.
https://www.numbeo.com/pollution/compare_cities.jsp?country1=United+States&country2=India&city1>New+York%2C+NY&city2=Mumbai&tracking=getDispatchComparison
- *Population Rebounds for Many Cities in Northeast and Midwest* (Nos. CB24-81). (2024). United States Census Bureau.
- *PropIndex Magicbricks, Mumbai*. (2024, March).
https://property.magicbricks.com/microsite/buy/propindex/pdf/jan_mar_2024/Mumbai.pdf
- Raghavan, C. (2025). Mumbai, India. In *Britannica*.
- *RERA in Mumbai: Understanding real estate regulations*. (2024, April 25). Bajajfinserv.
<https://www.bajajfinserv.in/know-about-rera-mumbai>
- Riis, J. A. (1890). *How the Other Half Lives*. Simon & Schuster.
- Shah, V. (2019, October 14). Mumbai is the 12th wealthiest city in the world, leaving Paris and Toronto behind. *GQ India*.
<https://www.gqindia.com/get-smart/content/wealthiest-cities-worldwide-in-2019-list-mumbai-is-the-12th-wealthiest-city-in-the-world>

- Sharma, K. (2000). *Rediscovering Dharavi: Story From Asia's Largest Slum*. Penguin Books.
- Sunavala, N. (2018, March 27). When Bombay went to East India Company for £10 rent. *The Times of India*.
- Surve, S. (2023, March 13). Mumbai: Only 8 per cent slums redeveloped in 10 years. *Mid Day*.
<https://www.mid-day.com/mumbai/mumbai-news/article/mumbai-only-8-per-cent-slums-redeveloped-in-10-years-23274921>
- *United States Dollar to Indian Rupee*. (2025). [Dataset]. Google Finance.
<https://g.co/finance/USD-INR>
- Urban, F. (2012). Mumbai's suburban mass housing. *Urban History, Cambridge University Press*, 39(1), 128–148. <https://doi.org/10.1017/S0963926811000812>
- *What's New & FAQs QuickFacts New York city, New York; New York; United States*. (2024).
United States Census Bureau.
- Wolf-Phillips, L. (1987). Why Third World?: Origin, Definition and Usage. *Third World Quarterly*, 9(4), 1311–1327. <https://doi.org/10.1080/01436598708420027>