

# Real Estate Hails RBI's Double Repo Rate Cut, Homebuyers to Benefit



In a surprise move hailed by the real estate sector and will benefit homebuyers, the Reserve Bank of India (RBI) cut the repo rate for a third consecutive time by 50 basis points to 5.5 per cent on Friday.

The Central bank reduced the key lending rate by 50 bps—double the market expectation of 25 bps—to boost domestic demand, particularly private consumption and rural spending. The RBI wants to “shield” India from rising global bond yields, volatile crude oil prices and US President Donald Trump’s tariff shock.

“The rate cut is a proactive step to shield India’s growth trajectory from evolving global headwinds,” RBI governor Sanjay Malhotra said.

The RBI also reduced the cash reserve ratio (CRR) by 100 bps from four to three per cent, which would release primary liquidity of about INR 2.5 lakh crore into the banking system by November-end, Malhotra said.

The RBI also retained the GDP growth forecast of 6.5 per cent for this fiscal and revised the inflation outlook for FY26 from 4 per cent to 3.7 per cent.

The repo rate will benefit homebuyers, particularly first-time buyers and those targeting affordable housing. The real estate sector will also benefit from the reduced cost of borrowing, which will ease the financial burden, boost demand, help in the sale of unsold inventory and encourage builders to take on new projects.

“The RBI’s decision to cut the repo rate by 50 basis points is a significant move that will have a positive impact on the economy and various sectors, including real estate. This reduction is expected to lead to lower borrowing costs, increased liquidity and enhanced consumer spending power,” said Anshuman Magazine, Chairman and CEO-India, South-East Asia, Middle East & Africa, CBRE.

“For the real estate sector, this move is particularly beneficial as it will make home loans more affordable, stimulating demand and driving growth. The reduced interest rates will also encourage

developers to take on new projects, boosting construction activity and creating employment opportunities.”

Niranjan Hiranandani, Chairman, NAREDCO and Hiranandani Group, said that the repo rate and CRR reduction “mark a pivotal intervention to bolster GDP growth amid a fragile global economic environment”.

“For the real estate sector, the rate reduction is set to bolster credit lending, accelerate buying velocity and enhance development momentum. The resulting decline in home loan interest rates will directly benefit homebuyers by improving affordability and cushioning their financial commitments.”

He added, “Lower mortgage rates make home ownership more attainable, driving greater demand and fostering stronger sales indices. Additionally, this move could spur refinancing activity and strengthen investment interest in branded properties known for their attractive returns, particularly among Grade A developers.”

While the dynamics of real estate are influenced by broader economic factors, he further added, RBI’s commitment to maintaining a lower rate environment will rekindle market confidence, enabling growth in portfolio expansion and refinancing activities.

Anshul Jain, CEO, India, SEA & APAC Tenant Representation, Cushman & Wakefield, said, “The RBI has today delivered a boost to consumer/household sentiment with a 50 bps cut, seen positive for the real estate sector, particularly housing. With this, the cumulative cut for this year of one per cent is indeed going to help translate into lower EMIs and relatively better affordability, thereby helping the mid-segment housing across top-tier cities.”

He added, “Lower borrowing costs will significantly improve the viability of capital-intensive development, particularly in high-growth sectors such as global capability centres, data centres and the industrial and logistics segment. For domestic and global investors alike, the move further cements India’s position as a compelling destination for capital deployment, innovation and large-scale infrastructure creation.”



Vishesh Rawat, V-P and Head of Marketing, Sales and CRM, M2K Group, said, “The RBI’s bold move provides a much-needed stimulus to both the economy and the housing market. The one per cent deduction is expected to give a major boost to homebuyers’ confidence as they will be able to secure home loans at a lower rate. On the other hand, developers will have the benefit of lower borrowing costs, easing their

financing pressures. Amid the growing demand for premium housing, this announcement will definitely accelerate the sector’s growth.”