



Real estate sector hopes lower rates will drive demand



The real estate sector has welcomed the Reserve Bank of India's monetary policy move on Wednesday with RBI announcing a 25bps cut in repo rate to 6% raising hopes that this will give a boost to housing demand and reduce borrowing cost for developers.

The rate cut comes at a time when the sector is navigating rising input costs and shifting buyer sentiments. By lowering borrowing costs, the RBI has provided a timely cushion for developers and homebuyers alike, with stakeholders expecting a boost in residential demand, fresh investments, and faster execution of ongoing projects.

Stakeholders believe that the cut, coupled with the RBI's shift in stance from "neutral" to "accommodative," will improve housing affordability,

track development across residential, commercial, and affordable housing segments.

Pradeep Aggarwal, Founder & Chairman, Signature Global (India) Ltd. said this proactive move is expected to significantly boost homebuyer sentiments as reduced interest rates translate into improved affordability, thereby encouraging a larger number of people to consider investing in real estate.

"On the developer front, the lower cost of borrowing will offer a much-needed cushion, enabling them to fast-track project launches, expand their portfolios, and cater to the anticipated rise in housing demand."

Dr. Vishesh Rawat, VP and Head of Sales, Marketing & CRM, M2K Group said for the real estate sector, particularly housing, lower home loan rates can further boost demand, especially among first-time buyers.

Umesh Bhati, Director of Operations at Bayside Corporations (BCS) said lower borrowing costs will ease the financial burden on homebuyers particularly first-time buyers by making EMIs more manageable and