

Real Estate Vs Gold: Which Investment Shines Brighter In Long Haul? Know The Pros And Cons



Gold and real estate have long been the cornerstones of traditional Indian investment. While gold has always been the go-to option for liquidity, safety, and cultural significance, real estate offers a tangible, long-term asset with the potential for wealth creation through appreciation and rental income. Both assets serve different financial goals where gold is easy to buy, sell, and store, while on the other side real estate provides stability, leverage, and consistent returns.

However, in today's evolving economy, investors are increasingly re-evaluating these two asset classes. Which one stands stronger against inflation? Which provides better long-term returns? And where should smart money go in 2025 and beyond?

The Economic Backbone: Real Estate's Meteoric Rise

Let's data do the talking. India's real estate sector is expected to triple in value to USD 1.5 trillion by 2034, according to a Knight Frank and CII report. At the centre of this whopping rise is urbanisation, and with 42.5% of India's population expected to live in cities by 2034, it will require 78 million new homes, a real estate potential for seasoned investors.

Viineet Chellani, Founder and CEO, of Asset Deals, says- "Gold sits in a locker, but real estate builds cities. Every square foot acquired today in any form—as apartments, land or even as equity isn't just an investment—it's a stake in India's urban transformation, promising returns both in

terms of rental income and value appreciation that outpace inflation and market volatility. For savvy investors real estate is the final frontier."

Historical trends

RBI data shows real estate delivers 8–10% annual appreciation, eclipsing gold's 6–7% and stock market unpredictability. Post-pandemic, the sector's 15% CAGR highlights its resilience, driven by infrastructure projects like the Delhi-Mumbai Industrial Corridor and tech-driven transparency in Tier 2–3 cities.

RERA Brings Game-Changing Impact

Further, the Real Estate Regulatory Authority (RERA) has reshaped investor trust by mandating that 70% of project funds be secured in escrow accounts, shielding buyers from defaults. It is widely believed that RERA didn't just regulate but revolutionised the sector by building buyer's confidence. Further, Initiatives like REITs and PMAY have also democratised access.

Echoing the same sentiment Dimple Bhardwaj, Head of Channel Sales & Marketing, at Better Choice Realtors Pvt Ltd, says, "Soon after the RERA Act was passed, investors began to see real estate as a structured and low-risk asset class. This transparency led even cautious investors to diversify into properties. Further, uniform pricing, accountability, and policy incentives like tax exemptions under Sections 80C and 54 further bolstered its appeal. Moreover, recent exemptions on income from the second home have also enhanced the sector's appeal."

Vishesh Rawat, VP and Head of Sales, Marketing & CRM, M2K Group says "It is a no-brainer that real estate yields high and consistent returns. Real estate is among the best means of asset creation one can get financed through bank loans. In the case of end-users, money saved on rents can be used for paying bank EMIs and, at the same time, get the benefit of property appreciation."