

The Union Budget for 2025-26 has set the tone for a sustained growth by making more fund available at the disposal of the individuals. The Budget reaffirms the Nation's growth trajectory towards a 'Viksit Bharat' with a strong focus on inclusive development and economic expansion.

Boman Irani, president, CREDAI National, says, "Exemption of income tax payable for income up to ₹12 lakh, coupled with increasing the TDS threshold on rent from ₹2.4 lakh to ₹6 lakh, will significantly enhance disposable income, boosting housing demand and overall consumption. This budget supports economic stability and positive market sentiment; however, the sector was expecting additional measures, such as further incentives to boost demand for affordable housing, a higher threshold for home loan interest exemptions."

MIDDLE CLASS STANDS TO BENEFIT

Giving the good news to taxpayers, the Finance Minister stated, "There will be no income tax payable up to income of ₹12 lakhs (i.e. average income of ₹1 lakh per month other than special rate income such as capital gains) under the new regime. This limit will be ₹12.75 lakh for salaried taxpayers, due to standard deduction of ₹75,000." Tax rebate is being provided in addition to the benefit due to slab rate reduction in such



a manner that there is no tax payable by them, the minister added. Sitharaman says, "The new structure will substantially reduce the taxes of the middle class and leave more money in their hands, boosting household consumption, savings and investment". The middle class, a crucial driver of demand, stands to benefit immensely from tax incentives that translate their aspirations for an improved quality of life into tangible home-buying prospects. This is expected to generate a positive demand curve in the real estate sector.

FOCUS ON AFFORDABLE HOUSING

From the vantage point of the real estate, the

Union Budget sets the stage for transformative growth. Dr Nirajan Hiranandani, chairman, NAREDCO, says, "Central to this budget is its unwavering focus on infrastructure enhancements. Notably, it incentivizes the purchase of a second flat, encouraging real estate investments. Moreover, the introduction of SWAMIH Fund 2.0 seeks to alleviate the burden on constrained homebuyers by delivering stalled projects, while the hike in TDS on rentals up to ₹6 lakhs promises to bolster rental investments. By expediting mergers and acquisitions, the budget aims to initiate new real estate projects under innovative business models. Additionally, addressing the skill gap through the establishment of new centres of

Midas Touch

Housing demand will grow with enhanced disposable income post tax slab changes



URBAN CHALLENGE FUND

Government to set up an Urban Challenge Fund of Rs 1 lakh crore to implement the proposals for 'Cities as Growth Hubs',

SWAMIH 2

Under the Special Window for Affordable and Mid-Income Housing (SWAMIH) 50k dwelling units in stressed housing projects have been completed, and keys handed over to homebuyers. Another 40k units will be completed in 2025, further helping middle-class families who were paying EMIs on loans taken for apartments, while also paying rent for their current dwellings. Building on this success, SWAMIH Fund 2 will be established as a blended finance facility with contribution from the Government,

banks, and private investors. This fund of ₹15,000 crore will aim for expeditious completion of another 1 lakh units.

PPP IN INFRASTRUCTURE

Infrastructure-related ministries to come up with a 3-year pipeline of projects in PPP mode; states also encouraged to join in.

NATIONAL FRAMEWORK FOR GCC

A national framework to be formulated as guidance to states for promoting Global Capability Centres in emerging Tier-II cities.

INCOME TAX UPDATE

No personal income tax payable up to income of ₹12 lakh (i.e. average income of ₹1 lakh per month other than special rate income such as capital gains)

residential and commercial property especially in the mid segment category in the real estate. If the RBI reduces the home loan interest rates it will further increase the demand. Creation of SWAMIH fund 2 and Urban Challenge Fund will further boost the sector as these funds will help in completing the stalled projects and fuel the economic growth."

URBAN CHALLENGE FUND

A key highlight of the budget is the announcement of a ₹1 lakh crore Urban Challenge Fund. This fund aims to address land and development obstacles, foster robust social infrastructure in key urban centres, and drive infrastructure development across urban corridors. The

under the new regime.

This limit will be ₹12.75 lakh for salaried taxpayers, due to standard deduction of ₹75,000.

BENEFITS

The new structure will substantially reduce the taxes of the middle class and leave more money in their hands, boosting household consumption, savings, and investment.

The new Income Tax Bill tabled in Lok Sabha by FM on Feb 13 is clearer and direct in text so as to make it simple to understand for taxpayers and tax administration, leading to tax certainty and reduced litigation.

Revenue of about ₹1 lakh crore in direct taxes will be forgone.

TDS/TCS RATIONALISATION

Rationalisation of Tax Deduction at Source (TDS) by reducing number of rates and thresholds above which TDS is deducted

The limit for tax deduction on interest for senior citizens doubled from the present ₹50,000 to **₹1 lakh.**

The annual limit of ₹2.40 lakh for TDS on rent increased to **₹6 lakh.**

The threshold to collect tax at source (TCS) on remittances under RBI's Liberalised Remittance Scheme (LRS) increased from ₹7 lakh to **₹10 lakh.**

The provisions of the higher TDS deduction will apply only in non-PAN cases.

Decriminalisation for the cases of delay of payment of TCS up to the due date of filing statement.

excellence will help bridge the widening talent chasm. However, the concern over inadequate long-term investment allocation remains a hindrance for achieving the ambitious Viksit Bharat growth targets." Developers have welcomed the additional allocation for SWAMIH fund. Shailendra Sharma, MD, Renox Group, says, "Stuck projects will get desired support from the SWAMIH fund. Saving in income tax

will improve spending capacity and encourage home buyers." Dinesh Gupta, secretary, CREDAI Western UP, says, "The decision to increase the tax slab is very positive which is in the interest of home buyers. Allocation of SWAMIH fund for stuck projects will give a booster dose to housing." As per Pankaj Kumar Jain, director KW Group, "The tax cut in salaried taxpayers will accelerate the demand for

focus on new airports, shipping ports, and inland waterways is set to transform India into a competitive logistics hub, reducing product costs and boosting economic efficiency.

Arvind Nandan, MD, Research & Consulting, Savills India, says, "The Budget marks a significant step towards economic prosperity by driving consumption, investment, and real estate growth. It presents a progressive

approach to real estate and homeownership, reinforcing India's aspirations for financial growth and stability."

By ensuring a more streamlined approach to taxation, the government has strengthened household purchasing power, potentially driving demand for both primary and secondary housing markets.

Additionally, long-term capital from insurers can fuel affordable housing and smart city initiatives, making real estate a more attractive investment avenue. Suresh Garg, CMD, Nirala World, says, "Increasing the income tax limit will increase the purchasing power of the salaried people. To increase the infrastructure in the country and complete the stalled projects, an arrangement of ₹15,000 crore has been made from Swami Fund-2. These efforts will have a positive impact on the real estate sector."

Avneesh Sood, director, Eros Group, says, "The Budget brings significant relief to the middle class, making homeownership more accessible and real estate investment more attractive. First-time homebuyers will benefit from enhanced tax incentives and relaxed TDS thresholds on rent, reducing financial strain. Affordable housing initiatives will provide more options for aspiring homeowners."

Big relief for homebuyers as RBI cuts key rates

RBI's decision to reduce the repo rate by 25 basis points will ease homeowners' EMI burden to a considerable extent



After the budgetary boost in terms of Income Tax rebate, RBI last week cut key rates giving a huge relief to homebuyers. Apart from boosting consumer confidence to spend more on home purchase, the decision will also ease burden on existing homebuyers who are paying regular EMIs. Developers have welcomed the RBI move.

Boman Irani, president, CREDAI National, says, "The RBI's decision to reduce the repo rate by 25 basis points to 6.25 per cent supplements recent announcements in the budget aimed at boosting spending and spur economic growth. This supportive monetary policy was imperative, especially after the recent 50-basis-point reduction in the Cash Reserve Ratio (CRR), which has already injected significant liquidity into the banking system. While the current cut may have a limited direct impact, we anticipate that a further rate cut in the next MPC meeting will provide stronger impetus to overall demand, accelerating housing sales, particularly in the mid-income and affordable segments." Together, these measures signal a robust framework for sustainable growth, fostering confidence among homebuyers, developers, and investors alike.

Elaborating further Adhil Shetty, CEO of Bankbazaar, says, "RBI is expected to

bring more relief to loan borrowers, as banks are likely to lower lending rates for home loans, auto loans, and business credit. Lower borrowing costs will encourage spending and investment, providing a much-needed boost to economic activity. Let us understand how it helps homebuyers who are paying EMIs now." Let us say you have an outstanding home loan of ₹64,00,000 at an interest rate of 8.5 per cent for 20 years. Your current monthly

For Principal of ₹64L; EMI of ₹55,540; Tenor 20 years

	Interest@8.5%	Interest@8.25%	Savings
Interest outflow	₹69,29,764.86	₹64,10,446.18	₹5,19,318.68
Tenor	240 months	230 months	10 months

EMI would be ₹55,541. However, with the repo rate cut, if the interest rate drops to 8.25 per cent, your EMI would decrease to ₹54,432 per month. This reduction results in monthly savings of ₹1,109, which amounts to an annual saving of ₹13,308. This reduction in EMI provides borrowers with additional financial relief, improving affordability over the loan tenure.

Pankaj Kumar Jain, director, KW Group, says, "RBI decision to reduce Repo rate is a positive move as the rates reduction has been done after a long time. The tax relaxation in the budget followed by reduction in

home loan rates will boost the sector. End-users and investors will be more inclined to invest in residential and commercial properties as the disposable income has increased and interest rate has been lowered."

According to Dinesh Gupta, secretary, CREDAI Western UP, "RBI has reduced Repo Rate after a long time almost after keeping at 6.5 for 11 consecutive reviews. This move will give a big boost to the real estate sector since buyers were waiting for reduction of home loan rates. Now it is time that banks reduce the interest rate and pass on the benefit quickly to buyers. All in all, the rate cut is a positive move for the sector."

Suresh Garg, CMD, Nirala World, says, "After this reduction in repo rate, the banks will also reduce the interest rates. This will not only bring down the monthly EMI of the loan but will also increase the eligibility of the future borrowers and they will be able to take a loan of higher amount on their existing income. This will enable them to plan for a new and bigger house for themselves, which will increase the demand for houses."

Himanshu Garg, director RG Group, says, "Reduction of rate was important for the real estate sector. With tax reductions in the budget and now reduction in home loan interest rate will give a big boost to

the affordable home segment. In the budget also the government had announced key points such as increasing the SWAMIH fund to support struck projects."

Girish Kousgi, MD & CEO, PNB Housing Finance, says, "The RBI's decision to cut the repo rate by 25 basis points is a significant move that will provide much-needed relief to home loan borrowers and give a strong boost to the housing sector. Lower interest rates directly enhance affordability, making home loans more accessible for aspiring homeowners and first-time buyers."

The next big real estate frontier

Noida is transforming into a must-invest hotspot in India's real estate landscape. Know why

As India's real estate sector gears up for 2025, investors are keenly watching emerging trends and high-potential micro-markets. Among the standout investment destinations, Noida continues to be a frontrunner. Significant infrastructure advancements have transformed it into a strategic hub within the Delhi-NCR region.

Abhishek Trehan, executive director, Trehan Iris, highlights Noida's evolution into a premier luxury real estate destination. He says, "Noida has rapidly evolved into a premier destination for luxury real estate, attracting premium developers and discerning investors. This transformation is fuelled by significant infrastructure advancements, including the expansion of the Noida International Airport, enhanced metro connectivity, expressways, and seamless access to the national capital."

He further adds, "As a result, the city has emerged as a strategic hub within the Delhi-NCR region, offering a cosmopolitan environment and robust business ecosystem. With increasing demand for Grade A commercial spaces, high-street retail, and premium office hubs, Noida is witnessing exponential growth in its commercial and retail real estate market."

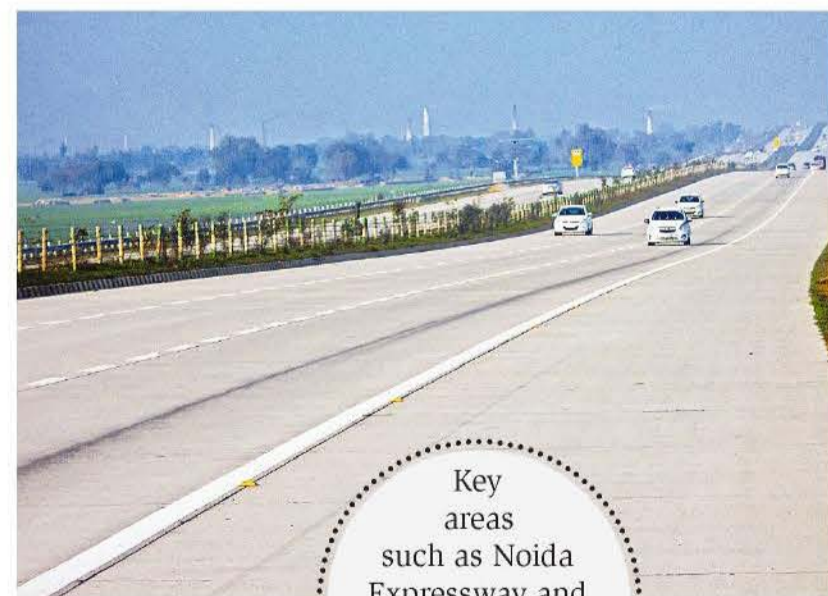
Noida's property market continues to thrive, with significant absorption rates and declining unsold inventory. The city is poised for continued growth in 2025, driven by IT park developments, metro expansions, and the rise of mixed-use projects. Routhu Naga-

raju, CEO, Experion Developers, affirms, "Noida's property market is booming, driven by rapid urbanisation, strong infrastructure, and excellent connectivity. Key areas like the Noida Ex-pressway and Central Noida are experiencing high demand for both residential and commercial properties."

While Noida remains an attractive investment zone, micro-mar-

kets within the city are emerging as prime residential and commercial hubs. Sector 77 and Sector 1, Greater Noida West, are gaining momentum, thanks to strategic locations and robust connectivity. Pankaj Goel, director, Express Builders, highlights, "Noida's rapid urbanisation and infrastructure growth have given rise to promising micro-markets that offer lucrative opportunities for homebuyers and investors alike. Sector 77 and Sector 1, Greater Noida West, stand out as emerging residential hubs, driven by strategic location, robust connectivity, and evolving social infrastructure."

Speaking about Sector 77, he explains, "Sector 77, in the heart



Key areas such as Noida Expressway and Central Noida are seeing increased demand

to its affordability and expanding infrastructure. Goel further adds, "Well-connected to NH-24, FNG Expressway, and the upcoming Noida International Airport, the area is witnessing a surge in real estate demand. With renowned educational institutions, hospitals, and retail spaces nearby, it promises a well-rounded lifestyle."

He also emphasises the long-term growth potential of these areas and says, "The continued focus on infrastructure development, road expansion, and metro connectivity will further elevate these micro-markets, positioning them as sought-after residential destinations in the NCR region."