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GST reduction on Cement from Murali Malayappan, Chairman & MD, Shriram Properties Ltd

"The reduction in GST on cement is a significant step towards making homeownership more accessible and stimulating growth in the real estate sector. By lowering construction costs, this move will have a positive ripple effect on the entire industry. This aligns perfectly with the Prime Minister's vision of 'Housing for All,' and we believe it will play a crucial role in achieving this goal. At Shriram Properties, we appreciate the government's efforts to support the housing sector and look forward to continued policy initiatives that foster growth and development. We anticipate that this move will particularly benefit the mid-market and mid-market premium housing segments, where demand is high, and price sensitivity is key. This reduction will not only boost demand but also encourage innovation and investment in the sector, ultimately benefiting both homebuyers and the economy at large."

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Reduced GST rate on cement to lower construction cost Realtors' body

New Delhi, Sep 4 (PTI) Realtors' body CREDAI on Thursday said the reduction in GST rate on cement to 18 per cent from 28 per cent would lead to a lowering of construction cost, benefiting consumers and the real estate industry. Industry players estimate that the construction cost might come down by up to 5 per cent. The Confederation of Real Estate Developers' Associations of India (CREDAI) hailed the government's decision to simplify the GST rate structure. This rationalisation is a commendable reform, which will bring substantial relief to all sections of society and is expected to further ease inflationary pressures, CREDAI President Shekhar Patel said. "The reduction in GST on cement from 28 per cent to 18 per cent is a landmark move that will have a transformative impact on the real estate and construction sectors," he added. Patel said this reduction would help bring down the overall cost of raw materials, ultimately benefiting homebuyers and boosting housing affordability. "The process reforms announced alongside these rate changes mark a positive step towards a more transparent and efficient tax regime, likely to result in improved GST compliance and increased revenue collections," the association's president said. Among developers, Venkatesh Gopalakrishnan, Director Group Promoter's Office, MD of Shapoorji Pallonji Real Estate (SPRE), said the rate cut to 18 per cent on cement and also the reduction in rates of some other construction materials would "significantly ease project costs for developers and boost affordability for homebuyers". Parag M Munot, MD of Kalpataru Ltd, said the reduced rates on critical construction materials such as cement and bricks could lower procurement costs across the supply chain. Further, **Murali Malayappan, Chairman & MD of Shriram Properties Ltd,** said that the reduction in GST on cement is a significant step towards making homeownership more accessible and stimulating growth in the real estate sector. Darshan Govindaraju, Executive Director at Vaishnavi Group, said the GST rationalisation brings much-needed relief to the real estate sector by simplifying taxation and reducing costs on construction materials. In addition, Karishmah Siingh, President - Sales, Marketing & CRM at Sattva Group, said this GST reduction on cement represents a pivotal reform that fundamentally shifts the affordability equation for Indian homebuyers. "With Rs 12-15 per square foot in direct savings, builders now have the flexibility to pass on meaningful cost reductions to end consumers," she said. Ankur Jalan, CEO of Golden Growth Fund (GGF), said the GST rate rationalisation is expected to streamline compliance across industries, enhance operational efficiency, and strengthen tax collections. This reform will provide fresh momentum to the real estate sector, said Santosh Agarwal, CFO & Executive Director of Alpha Corp Development. Sterling Developers Chairman and MD Ramani Sastri said the reduction in GST on cement and other key building materials will provide a much-needed relief for the real estate sector in the ongoing festive season. According to Ashok Kapur, Chairman of Krishna Group and Krisumi Corporation, the real estate sector would benefit from reduced taxes on raw materials like cement and marble blocks. Additionally, Nitesh Kumar, MD & CEO of Emami Realty Ltd, said, "The reduction in GST rates on essential construction materials such as cement, now down from 28 per cent to 18 per cent, is a transformative move that will significantly lower input costs for developers." Noting that cement is a major cost component in a project, Nimbus Realty CEO Sahil Agarwal said that the rate cut is a meaningful relief for residential projects. Meanwhile, Akshay Taneja, Managing Director of TDI infrastructure, said the reduction of GST on cement would translate into savings of nearly Rs 30 per bag.

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GST Cuts Spark Festive Momentum In Real Estate

With cement now taxed at 18 per cent instead of 28 per cent, and marble and granite at 5 per cent instead of 12 per cent, developers see improved affordability, cost efficiency, and renewed homebuyer confidence across housing segments

The Goods and Services Tax (GST) Council's decision to introduce a simplified two-slab structure—5 per cent and 18 per cent—while slashing rates on key construction materials such as cement, granite, and marble is being hailed as one of the most progressive reforms for Indian real estate in recent years. Effective from 22 September 2025, the changes cut cement GST from 28 per cent to 18 per cent, while marble and granite blocks fall from 12 per cent to 5 per cent.

According to Anarock Research, construction cost savings could range between 3–5 per cent, especially significant in the affordable and mid-segment housing categories where margins are thin. The move is expected to ease compliance, improve project viability, and encourage both developers and homebuyers amid a festive season already buoyed by stable interest rates and growing demand.

Below, leading developers, analysts, and real estate executives share their perspectives on the impact of the reform.

Developers Welcome Cost Relief

Mohit Goel, Managing Director, Omaxe said, "The introduction of a two-slab GST structure is a timely reform that we wholeheartedly welcome. By reducing rates on key inputs like cement, granite and marble, the government has eased cost pressures in construction and simplified compliance, improving affordability for homebuyers, especially in the under-construction segment. This reform comes at an important moment with stable interest rates, strong festive sentiment and rising demand for quality housing shaping a positive outlook. At Omaxe, we see it as an opportunity to accelerate our vision of creating sustainable, community-centric developments in metros and high-growth tier-2 markets such as Chandigarh, Lucknow, Indore and Bhopal. This balanced approach to taxation will not only benefit homebuyers but also strengthen the broader housing ecosystem, driving investment, employment, and confidence across Bharat's growing cities."

Adding to this sentiment, Aditya Kushwaha, CEO and Director, Axis Ecorp said, "The GST reduction on key construction materials like marble, granite and cement is a timely boost for the sector. Lower input costs will help developers create better-designed, high-quality homes while keeping projects viable. For markets such as Goa, where interest in second homes and holiday villas is accelerating, especially among NRIs, this move supports sustainable growth and makes lifestyle-oriented real estate a more compelling investment story. It also strengthens the long-term case for creating thoughtfully planned holiday homes that balance affordability, premium design and strong rental potential."

Amrita Gupta, Director, Manglam Group commented, "The festive quarter has always been a natural catalyst for homebuying and this year the backdrop is even stronger. The GST Council's recent cuts, from 12 per cent to 5 per cent on marble and granite blocks and 28 per cent to 18 per cent on key cements, signal softer input costs and help ease pressure on future pricing. For buyers it reinforces confidence that affordability can hold, and for organised players it enables faster procurement and better value creation. In tier-2 markets like Jaipur we have experienced that families demanding lifestyle-focused homes and aligning purchase decisions with auspicious dates. Mid-segment and lifestyle housing remains the clear focus and are drawing the strongest traction. With banks rolling out festive loan schemes, sentiment and structural tailwinds are coming together to keep momentum strong."

Akash Kohli, Founder & CEO, Elante Group added, "The GST rate cut on cement and construction materials is truly a Diwali gift for the real estate sector. A 10 per cent reduction will significantly lower construction costs, enabling us to pass on nearly 60 per cent of the savings to homebuyers. This festive boost will enhance affordability, accelerate demand, and brighten housing dreams for many families. This move will also boost the Indian economy and help build a New Bharat."

Strong Impact on Affordable and Mid-Segment Housing

Manju Yagnik, Vice Chairperson, Nahar Group & Senior VP, Naredco Maharashtra stated, "The GST Council's decision to slash the tax on cement from 28 per cent to 18 per cent is a transformative reform for the real estate and infrastructure sectors. Cement, being one of the most vital and cost-intensive inputs in construction, directly influences the viability and affordability of housing projects. This rationalisation will significantly ease input costs, improve financial feasibility for developers, and most importantly, make homes more affordable for buyers. The impact will be especially pronounced in the mid-income and affordable housing segments, where price sensitivity is highest, and demand continues to surge. The reductions on other essential building materials such as marble, granite, and bricks further strengthen this move, allowing developers to accelerate launches, ensure timely project completions, and pass on benefits to homebuyers."

For Parvinder Singh, CEO, Trident Realty, the shift to a streamlined GST structure is an impactful reform for India's real estate sector. "With rates on key materials like cement now lower, construction becomes more cost-efficient, giving developers room to build smarter with greater flexibility in pricing. This simplification enhances cost transparency, reduces tax inefficiencies, and offers a more stable environment for long-term planning. For homebuyers, the impact is twofold with greater affordability, and a noticeable uplift in overall value."

Karishmah Siingh, President – Sales, Marketing & CRM, Sattva Group commented, "This GST reduction on cement represents a pivotal reform that fundamentally shifts the affordability equation for Indian homebuyers. With ₹12–15 per square foot in direct savings, builders now have the flexibility to pass on meaningful cost reductions to end consumers, making homeownership a realistic aspiration rather than a distant dream. What's particularly compelling is how this creates a virtuous cycle… removing a major psychological barrier for homebuyers who have been waiting for the right moment to invest in their future."

Jetaish Gupta, Founder & Director, Adore Group said, "Today's announcement to slash GST on cement from 28 per cent to 18 per cent is an enabling gesture for real estate. As one of the largest input costs is reduced, the reform enables builders to deliver affordable homes and expedite project timelines. For homebuyers, the tiered system of GST will ensure price points are more affordable, and India's housing dream will get a new lease of life."

L.C. Mittal, Director, Motia Builders Group commented, "With the GST slab being rationalized for construction materials, developers will focus on innovation and value rather than just costs. The primary beneficiaries will be affordable and mid-segment housing categories, ensuring quality housing is accessible to families in urban and semi-urban areas."

Annuj Goel, Chairman, Goel Ganga Developments said, "This is a double bonanza for home buyers, with cheaper houses leading to lower GST. For builders and construction companies, this landmark reform enables effective construction and affordable housing. Savings can be directed to unique amenities and eco-friendly designs, making property ownership attractive and accessible."

Nakul Bajaj, Managing Director, MNB Buildfab added similar sentiments. "The reduction of GST on cement from 28 per cent to 18 per cent is a landmark move that will have a cascading positive effect across the real estate value chain. Cement is one of the most critical inputs in construction, and this rationalisation is expected to bring down overall project costs by 5–7 per cent, which is especially impactful for affordable and mid-income housing projects… this move brings us closer to the vision of 'Housing for All' by making homes more accessible."

Murali Malayappan, Chairman & MD, Shriram Properties commented that GST cut on cement is a welcome step that will lower construction costs and make homeownership more accessible. "It will particularly benefit the mid-market and mid-premium housing segments, where demand is strong and affordability is critical. This reform supports the Prime Minister's vision of 'Housing for All' and will boost demand, innovation, and investment in the sector. At Shriram Properties, we see this as a catalyst for growth that will benefit homebuyers and the economy alike."

Commercial Real Estate & Infrastructure

S.K. Sayal, MD & CEO, Bharti Real Estate too hailed the decision. “The government’s decision to decrease GST rates is a timely intervention for the real estate sector. Developers will be able to more effectively manage construction costs and provide greater stability for project execution as a result of the reduction in the tax burden on critical inputs, such as cement, from 28 per cent to 18 per cent. The reform will further encourage investment and enable us to deliver world-class infrastructure at a more competitive value for large business ecosystems such as our marquee development, Worldmark, which aims to contribute 17 million sq ft of exceptional commercial real estate to the country.”

Viren Mehta, Founder & Director, ElitePro Infra added, “The new GST reforms are a major step towards a more structured and transparent tax regime. For the luxury residential segment, the introduction of a 40 per cent GST slab for high-end inputs like high-end fittings, imported materials, and specialised services does raise cost considerations… yet this also presents a chance for the industry to transform. Builders will now have to react with more differentiated, cutting-edge offerings that emphasise thoughtful design, quality construction, and effective cost control.”

Sandeep Aggarwal, Chairperson & MD, AIL Developer stated, “Recently, the GST council’s decision to streamline all the taxes to 5 per cent–18 per cent is a great move… However, the suggested 40 per cent GST on certain high-end imported fittings and interiors for luxury projects is a cause of concern. Although these products account for a smaller percentage of overall project cost, they form an integral part of luxury housing… Overall, the reform is a welcome step in the right direction, and with supportive measures such as simplified approvals and affordable financing, it can be made to mean significant value for developers as well as homebuyers.”

Abhishek Raj, Founder & CEO, Jenika Ventures said, “The Next-Gen GST is a welcome step towards transparency and ease of business in real estate. Simplifying slabs to 5 per cent and 18 per cent will ease compliance, while lower GST on cement and steel improves project viability, especially for housing. However, the absence of input tax credit remains a major hurdle for developers, limiting the full benefits of this progressive reform.” Pawan Sharma, Managing Director, TRG Group added, The GST simplification is definitely a step in the right direction for the real estate sector. Merging the earlier 12 and 28 per cent slabs into a simpler 5 and 18 per cent structure streamlines compliance and brings more transparency to taxation, benefitting developers as well as buyers."

Analysts and Market Experts Speak

According to Anuj Puri, Chairman, Anarock Group, “The forthcoming GST changes, which will go into effect from September 22, 2025, will have a positive impact on the Indian residential, retail, and office real estate sectors… Lower construction costs can reduce costs by 3–5 per cent. For affordable housing, this can boost demand in segments that have sharply declined in recent years.”

Ashish Agarwal, Director, AU Real Estate said “The move to rationalise GST slabs is a crucial development that brings much-needed clarity and simplicity to the real estate taxation system… This change is set to inject new energy into the real estate sector, paving the way for steady growth and reinforcing India’s stature as a vibrant housing market.”

Samir Jasuja, Founder & CEO, PropEquity commented, “The rationalisation of GST rates by the government is a welcome move towards reducing compliance and thereby ease of doing business in the country. The reduction in rates across a host of items will give a spur to consumption, savings and investment by households, in turn enabling them to reduce their EMI burdens.”

Vimal Nadar, Senior Director & Head of Research, Colliers India added, “The newly announced two-slab GST structure of 5 per cent and 18 per cent is a progressive move to rationalise the prevailing inverted duty structure… The slashing of GST on cement will play a critical role in rehauling project cost structures. The timing of this rollout is appropriate, with the festive season in the offing and the real estate sector already reaping the benefits of favourable interest rates.”

According to Piyush Bothra, Co-Founder & CFO, Square Yards, “The latest GST restructuring comes as a major boost for the real estate sector. With the reduction in costs of key construction materials such as cement and steel, input expenses for developers are expected to ease, making projects more viable. For the residential segment, this is likely to translate into tangible benefits for homebuyers as developers pass on the savings.”

Shrinivas Rao, FRICS, CEO, Vestian said, “The recent reduction in GST rates is poised to strengthen the real estate sector by reshaping demand–supply dynamics. Lower GST on construction materials is expected to enhance housing affordability by reducing input costs, while reduced GST on other goods could improve disposable income, thereby stimulating real estate demand.”

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Reduced GST rate on cement to lower construction cost: Realtors' body

New Delhi, Sep 4 (PTI) Realtors' body CREDAI on Thursday said the reduction in GST rate on cement to 18 per cent from 28 per cent would lead to a lowering of construction cost, benefiting consumers and the real estate industry. Industry players estimate that the construction cost might come down by up to 5 per cent. The Confederation of Real Estate Developers' Associations of India (CREDAI) hailed the government's decision to simplify the GST rate structure. This rationalisation is a commendable reform, which will bring substantial relief to all sections of society and is expected to further ease inflationary pressures, CREDAI President Shekhar Patel said. "The reduction in GST on cement from 28 per cent to 18 per cent is a landmark move that will have a transformative impact on the real estate and construction sectors," he added. Patel said this reduction would help bring down the overall cost of raw materials, ultimately benefiting homebuyers and boosting housing affordability. "The process reforms announced alongside these rate changes mark a positive step towards a more transparent and efficient tax regime, likely to result in improved GST compliance and increased revenue collections," the association's president said. Among developers, Venkatesh Gopalakrishnan, Director Group Promoter's Office, MD of Shapoorji Pallonji Real Estate (SPRE), said the rate cut to 18 per cent on cement and also the reduction in rates of some other construction materials would "significantly ease project costs for developers and boost affordability for homebuyers". Parag M Munot, MD of Kalpataru Ltd, said the reduced rates on critical construction materials such as cement and bricks could lower procurement costs across the supply chain. Further, **Murali Malayappan, Chairman & MD of Shriram Properties Ltd**, said that the reduction in GST on cement is a significant step towards making homeownership more accessible and stimulating growth in the real estate sector. Darshan Govindaraju, Executive Director at Vaishnavi Group, said the GST rationalisation brings much-needed relief to the real estate sector by simplifying taxation and reducing costs on construction materials. In addition, Karishmah Siingh, President - Sales, Marketing & CRM at Sattva Group, said this GST reduction on cement represents a pivotal reform that fundamentally shifts the affordability equation for Indian homebuyers. "With Rs 12-15 per square foot in direct savings, builders now have the flexibility to pass on meaningful cost reductions to end consumers," she said. Ankur Jalan, CEO of Golden Growth Fund (GGF), said the GST rate rationalisation is expected to streamline compliance across industries, enhance operational efficiency, and strengthen tax collections. This reform will provide fresh momentum to the real estate sector, said Santosh Agarwal, CFO & Executive Director of Alpha Corp Development. Sterling Developers Chairman and MD Ramani Sastri said the reduction in GST on cement and other key building materials will provide a much-needed relief for the real estate sector in the ongoing festive season. According to Ashok Kapur, Chairman of Krishna Group and Krisumi Corporation, the real estate sector would benefit from reduced taxes on raw materials like cement and marble blocks. Additionally, Nitesh Kumar, MD & CEO of Emami Realty Ltd, said, "The reduction in GST rates on essential construction materials such as cement, now down from 28 per cent to 18 per cent, is a transformative move that will significantly lower input costs for developers." Noting that cement is a major cost component in a project, Nimbus Realty CEO Sahil Agarwal said that the rate cut is a meaningful relief for residential projects. Meanwhile, Akshay Taneja, Managing Director of TDI infrastructure, said the reduction of GST on cement would translate into savings of nearly Rs 30 per bag.

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GST Rationalisation Sparks Real Estate Ahead of Festival Season

The 56th meeting of the Goods and Services Tax (GST) Council has approved the reforms that were announced by Prime Minister Shri Narendra Modi on 15th August 2025. These reforms are being considered landmark as they focus on providing major relief to the common man of India by reducing the tax burden on essential goods and services, simplifying compliance for businesses, and promoting overall economic growth. India’s real estate sector has welcomed the move enthusiastically. Experts have particularly noted that the reduction of GST from 28 percent to 18 percent on cement and marbles, and from 12 percent to 5 percent on granite blocks, would lead to an overall decrease in the final cost of housing units, benefiting first-time homebuyers significantly. Vimal Nadar, Senior Director & Head of Research, Colliers India. "The newly announced two-slab GST structure of 5 percent and 18 percent is a progressive move to rationalize the prevailing inverted duty structure, improvise classification, simplify approvals & processing refunds. These measures will surely cut costs at different tiers while enhancing the ease of doing business and driving consumption. Within real estate, the slashing of GST on cement will play a critical role in rehauling project cost structures as cement forms a major value component in the overall cost of construction. Residential real estate, particularly new homebuyers, stand to gain as developers are likely to pass on the benefit of lower costs in the form of reduced housing prices. Developers’ profitability margins, too can potentially improve, enhancing the overall financial health of the real estate sector. The timing of this rollout is appropriate, with the festive season in the offing and the real estate sector is already reaping the benefits of favourable interest rates". Also Read: Key Considerations for Buying a Luxury Condominium in Delhi for First-Time Buyers Piyush Bothra, Co-Founder and CFO, Square Yards "The latest GST restructuring comes as a major boost for the real estate sector. With the reduction in costs of key construction materials such as cement and steel, input expenses for developers are expected to ease, making projects more viable. The move towards a simplified two-slab structure will also streamline compliance, making processes smoother and faster. For the residential segment, this is likely to translate into tangible benefits for homebuyers as developers pass on the savings over the coming months. While the impact may take some time to reflect, it could provide much-needed relief in the backdrop of rising property prices and add to overall affordability. Coupled with the optimism of the upcoming festive season, these reforms are well placed to drive stronger demand in the property market". Shrinivas Rao, FRICS, CEO, Vestian "The recent reduction in GST rates is poised to strengthen the real estate sector by reshaping demand–supply dynamics. Lower GST on construction materials is expected to enhance housing affordability by reducing input costs, while reduced GST on other goods could improve disposable income, thereby stimulating real estate demand. However, the overall impact may remain limited if these savings are not adequately passed on to end-consumers." **Murali Malayappan, Chairman & MD, Shriram Properties** "The reduction in GST on cement is a significant step towards making homeownership more accessible and stimulating growth in the real estate sector. By lowering construction costs, this move will have a positive ripple effect on the entire industry. This aligns perfectly with the Prime Minister's vision of 'Housing for All,' and we believe it will play a crucial role in achieving this goal. At Shriram Properties, we appreciate the government's efforts to support the housing sector and look forward to continued policy initiatives that foster growth and development. We anticipate that this move will particularly benefit the mid-market premium housing segments, where demand is high and price sensitivity is key. This reduction will not only boost demand but also encourage innovation and investment in the sector, ultimately benefiting both homebuyers and the economy at large."

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GST on cement, steel cut to 18%: Construction costs to come down by 5%

Real estate developers hope affordable housing prices will fall.

Bengaluru: Real estate developers have welcomed the GST Council's move to cut GST on cement and other materials and expressed hope that it will boost the confidence of home buyers.
It is expected that the reduction in GST on cement from 28 per cent to 18 per cent will directly reduce construction costs, and make housing more affordable. Reduced GST on construction materials like cement can reduce construction costs by as much as 3-5 per cent. Developers, especially those engaged in creating affordable housing, will get major relief in terms of cash flows and margins, ANAROCK Research said. According to its research, the affordable housing category (below Rs 40 lakh) has seen its share of total sales decline from 38 per cent in 2019 to just 18 per cent in 2024.

The share of new supply dropped even more dramatically from 40 per cent in 2019 to just 12 per cent in H1 2025. The reduced construction costs, if passed on to homebuyers, can boost demand in these segments, said Anuj Puri, Chairman, ANAROCK Group.

The GST reforms are especially positive news for affordable housing. India currently has a shortfall of nearly 1 crore budget homes in urban markets, and this number could rise to 2.5 crore by 2030 without focused interventions. These GST reforms bring lower construction costs and improved ease of compliance, which can go a long way towards reversing this trend making homeownership more accessible to middle-class families, Puri added.

The reduction of GST on critical construction materials like cement and steel from 28 per cent to 18 per cent is a landmark reform. This will significantly ease input costs, improve project viability, and accelerate infrastructure development across the country, said Niranjan Hiranandani, Chairman, Hiranandani and NAREDCO.

“Affordable housing, in particular, stands to gain as reduced construction costs can be passed on to homebuyers, making homes more accessible while supporting the government’s Housing for All vision. This rationalisation is not just a boost for developers - it is a win-win for consumers, the housing sector, and India’s long-term growth story,” he said.

"The reduction in GST on cement is a significant step towards making homeownership more accessible and stimulating growth in the real estate sector. By lowering construction costs, this move will have a positive ripple effect on the entire industry. We anticipate that this move will particularly benefit the mid-market and mid-market premium housing segments, where demand is high and price sensitivity is key,” said **Murali Malayappan, Chairman & MD, Shriram Properties Ltd.**

Ashish Puravankara, MD, Puravankara Limited, said overall construction costs are expected to come down by around 1-1.5 per cent, though the exact impact will vary depending on project scale, location, and segment.

“The reduction in GST on cement is a progressive reform that will benefit not only real estate but the economy at large. For developers, this creates an opportunity to deliver greater value to homebuyers while also enhancing project viability, improving cash flows, and offering more flexibility in planning and execution. In turn, this supports timely delivery and helps reinforce buyer confidence,” he said.

The reduction in GST on cement will directly reduce construction costs, and make housing more affordable, said Priyanka Raju, Director, Kalyani Developers.

“We believe this decision will have a positive impact on the entire value chain of the real estate industry, stimulating demand and driving growth. We are optimistic that this move will benefit both the mid-income and premium housing segments, both of which are primary drivers for the sector,” she said.

“It will also improve margins for developers, especially for mid housing projects. From a customer perspective, they can expect competitive pricing from developers, which will boost buying sentiment,” said Anil R.G., Managing Director, Concorde.

Vimal Nadar, Senior Director & Head of Research, Colliers India, said the slashing of GST on cement will play a critical role in rehauling project cost structures as cement forms a major value component in the overall cost of construction. The timing of this rollout is appropriate, with the festive season in the offing and the real estate sector is already reaping the benefits of favourable interest rates.

Piyush Bothra, Co-Founder and CFO, Square Yards, said the move towards a simplified two-slab structure will also streamline compliance, making processes smoother and faster. For the residential segment, this is likely to translate into tangible benefits for homebuyers as developers pass on the savings over the coming months. While the impact may take some time to reflect, it could provide much-needed relief in the backdrop of rising property prices and add to overall affordability.

Shrinivas Rao, CEO, Vestian, said, “The recent reduction in GST rates is poised to strengthen the real estate sector by reshaping demand–supply dynamics. Lower GST on construction materials is expected to enhance housing affordability by reducing input costs, while reduced GST on other goods could improve disposable income, thereby stimulating real estate demand.”

Aashit Verma, Founder of Hanto Workspace, said "The GST Council’s decision to reduce tax rates on critical building materials including cement and marble, granite, sand-lime bricks is a game-changer for construction economics.”

On the commercial side, rationalisation will reduce capex load, which can accelerate the pace of Grade-A office, retail, and hospitality developments. Importantly, this GST slash will help expedite project deliveries by nearly 30%, giving the sector a much-needed push at a time when speed to market is critical, he said.

Venkatesh Gopalakrishnan, MD, Shapoorji Pallonji Real Estate (SPRE) also expects the construction costs to go down by as much as 5 per cent with the reduction in GST on cement and other essential construction materials. “This offers scope for improved margins, as well as better pricing for end-users.

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Real estate sector unfazed by GST changes, focus on long-term demand

A steady stream of visitor's steps into a property show on the eve of September 21, when the new restructured GST slab system comes into effect. Visitors sat at the tables in the stalls of various real estate developers, listening to the executives explain to them about the features of their existing and upcoming projects. The aspect of GST, however, is not part of the discussions. "We have decided to absorb the GST ourselves and don't include it in the overall pricing. It will be intimidating if we add that too," Sandeep Reddy, a Director in the Aditya Construction Company, told business line. "For the two projects, which are ready for occupation, we are not charging any GST. For the third, we have not taken a call yet," he said. Under the new GST slab structure, the GST on cement will come down to 18% from 28% Industry experts assess that the overall impact on a property price would be 3-5 per cent. The South Indian Cement Manufacturers' Association (SCIMA) felt that the reform would enhance affordability and strengthen industry competitiveness. "Cement being a core input in housing, infrastructure, and industrial projects, the lower tax rate will reduce construction costs, benefiting home builders, affordable housing, and public infrastructure,". Gopinath, Chief Executive Officer of the SICMA, said. CG Sathish, Deputy Managing Director, Casagrand, one of the largest real estate developers in the country, said the company has not paused any project launches in anticipation of the GST cut implementation from September 22. "Our business strategy is anchored in long-term planning and demand dynamics, and all our launches are progressing as scheduled. The GST reduction is a welcome structural reform that will strengthen affordability and sentiment in the medium to long run, but it has not impacted our immediate cycle," he said. "The company has not experienced any slowdown in bookings ahead of the GST cut implementation. Housing demand is primarily driven by end-users making long-term decisions, with emphasis on location, quality, and timely delivery," he added. According to Ranjeeth Rathod, Managing Director, DRA, a Chennai-based real estate company, the GST announcement has no bearing on the market. "It is marginal. There has been no slowdown and demand is still good. We are launching three projects in the next two months," he said. **Gopalakrishnan J, ED & Group CEO, Shriram Properties Ltd, said** that the GST rate cut was a welcome reform that will further strengthen customer sentiment and add momentum to the housing sector. "Barring seasonal interruptions (due to inauspicious seasons in the South), we have not seen any slowdown linked to the GST cut itself. In fact, most buyers have continued to take a long-term view, making purchase decisions based on lifestyle needs, financial planning, and the trust they place in developers," he said. He, however, felt that the GST cut would reinforce the positive outlook and confidence in the sector's growth trajectory. "We believe this reform will benefit both homebuyers and developers, creating healthier market dynamics and contributing meaningfully to India's housing growth story," he said.