Publication	Hindu Business Line
Date	22 September 2025

Realty sector 'unfazed' by GST changes

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A steady stream of visitors steps into a property show on the eve of September 21, ahead of the rollout of the new restructured GST slab system. They engage with various real estate developers, listening to their executives explain 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 not 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 *businessline*.

"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 structure, GST on cement will come down to 18 per cent from 28 per cent. Industry experts assess that the overall impact on property price would be 3-5 per cent.

The South Indian Cement Manufacturers' Association (SCIMA) felt that the reform will 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," said I Gopinath, CEO, SICMA.

PROJECT LAUNCHES

CG Sathish, Deputy MD, Casagrand, 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, which 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.

'GOOD DEMAND'

According to Ranjeeth Rathod, MD, 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 the GST rate cut was a welcome reform that will further strengthen customer sentiment and add momentum to the housing sector.

With inputs from Aishwarya Kumar in Bengaluru