

Publication	financialexpress.com
Date	15 January 2026
Link	<a href="https://www.financialexpress.com/business/news/realtors-want-real-sops-to-prop-up-affordable-housing/4107451/">https://www.financialexpress.com/business/news/realtors-want-real-sops-to-prop-up-affordable-housing/4107451/</a>

## Realtors want real sops to prop up affordable housing



Property developers have drawn up a long wish list of Budget measures to shore up the dwindling affordable housing segment – from raising the price cap from Rs 45 lakh to Rs 60 lakh and removal of GST and stamp duty to reintroduction of input tax credit. “Where in Mumbai, do you get an apartment of 600 square feet at a price of Rs 7,500 per sq ft?” asked Niranjan Hiranandani, managing director of the Hiranandani Group and chairman of industry body Naredco, pushing for a revision of the Rs 45-lakh cap for affordable housing in urban areas. Pradyumna Krishnakumar, executive director and interim chief financial officer, Brigade Enterprises, agreed with Hiranandani. Affordable housing must be redefined based on total home cost, with city-specific price limits, so that more projects qualify for subsidies and concessional loans, Krishnakumar said. The tax holiday under Section 80-IBA of the Income Tax Act, which once helped affordable housing projects, expired in 2021 and has not been revived since, experts said. Reducing Construction Costs Murali Malayappan, chairman and managing director, Shriram Properties, said measures such as removing goods and services tax (GST), restoring input tax credit, and eliminating stamp duty could lower apartment costs by up to Rs 1,000 per square feet. “It is important for the government to place affordability at the core of its housing agenda. Currently, the affordable and mid-market segments that are the backbone of the residential real estate are increasingly moving out of reach for the common people, leading to considerable societal imbalance,” Malayappan said. Sales of affordable housing – those with a price of Rs 45 lakh and carpet area of 60 square metres (600 sq ft) in metros, according to official definition – have seen the maximum drop due to a combination of factors such as low supply and higher interest rates. Even the GST cut for affordable housing in September last year did not yield desired results. Krishnakumar said that “reinstating tax relief for affordable housing developers would reignite supply.” Malayappan added that the government should also reinstate input tax credit so developers can pass on the benefits directly to homebuyers. Hiranandani said that they want the government to support rental housing to make at least rentals affordable in big cities, if not prices. Dwindling sales The sale of housing units priced under Rs 50 lakh dropped 17% year- on-year in 2025, launches dropped by 28% and the quarters to sell level stood at 8.7

compared with 8.2 in 2024, according to Knight Frank India. The share of affordable housing in total sales in top seven cities came down from 38% in 2019 to 18% in 2025, according to Anarock Research. Poor cost economics Anuj Puri, chairman, Anarock Property Consultants, said challenges are not driven by a lack of demand but by the economics of modern real estate development. “Affordable housing offers developers margins of only 10-12%, while luxury projects deliver 25-30% or higher. The maths is clear when you consider the rising cost of land and construction, and execution challenges. The profit margins have migrated entirely upward,” Puri said. Puri said the cost of land in cities has risen astronomically and construction input costs for steel, cement, and skilled labour remain elevated. Complex government approval processes create further delays and uncertainty. “In this situation, a project with 12% margins is simply not viable if luxury projects in the same city offer 30% margins,” he said. “The current policy framework, designed a decade ago, no longer reflects market realities. The price cap for affordable housing remains stuck at Rs 45 lakh — a threshold set in 2017 that bears no relation to 2025 construction costs and land prices,” he said, adding in Mumbai, a 600-square-foot apartment in peripheral areas now costs between Rs 60-75 lakh. In Pune, similar units command Rs 50-65 lakh. In Bengaluru and Delhi-NCR, the figures are equally disconnected from policy definitions. Developers who attempt to build within this Rs 45-lakh price cap are locked out of critical tax benefits, he said. “While residential markets have shown resilience, affordable housing continues to underperform due to declining affordability, elevated input costs, and limited end-user support. Without timely policy recalibration, demand in this critical segment risks remaining suppressed,” said Shishir Baijal, international partner, chairman and managing director, Knight Frank India. The country must move decisively towards building a formal, long-term rental housing ecosystem. “A supportive regulatory and fiscal framework for rental housing can unlock underutilised stock, improve workforce mobility, and attract patient institutional capital into a segment that remains significantly underserved,” he said.

Publication	deccanherald.com
Date	19 January 2026
Link	<a href="https://www.deccanherald.com/business/realtors-demand-tax-incentives-to-boost-affordable-housing-3866726">https://www.deccanherald.com/business/realtors-demand-tax-incentives-to-boost-affordable-housing-3866726</a>

## Realtors demand tax incentives to boost affordable housing



As the country progresses towards its goal of becoming the third-largest economy in the world, housing must be treated as a national economic priority, say real estate developers. Real estate. Image for representation. iStock Bengaluru: Ahead of the Union Budget 2026, the real estate sector has sought tax reliefs and policy changes to make housing affordable for new-age urban citizens and the growing middle-class. As the country progresses towards its goal of becoming the third-largest economy in the world, housing must be treated as a national economic priority, say real estate developers. Without adequate, accessible housing, new-age urban citizens and the growing middle-class will face increasing pressure directly impacting productivity and economic growth. Affordable and mid-market housing, therefore, cannot be overlooked,” says Murali Malayappan, Chairman & Managing Director, Shriram Properties Limited. The affordable housing cap should be increased from Rs 45 lakh to Rs 60- 70 lakh to reflect today’s costs and buyer profiles, he adds. Satya Prakash Gupta, CFO, Concorde favours the cap to be increased to Rs 90 lakh. He adds that home loan interest deduction under Section 24(b) should be increased from Rs 2 lakh to Rs 3-5 lakh, and the Section 80C limit for principal repayment be raised to Rs 2.5 lakh India faces an estimated urban housing shortage of over 10 million units, with a majority of the gap concentrated in the economically weaker and lower-income segments. Addressing this deficit requires renewed policy thrust to improve home-loan affordability for first-time buyers, says Anuj Sharma, COO, India Mortgage Guarantee Corporation. “Strengthening interest-linked incentives for these households would directly support demand, particularly in Tier II and Tier III cities where aspirations remain strong but affordability is under pressure,” he says. The industry also wants Section 80EEA reinstated to give first-time buyers an extra Rs 1.5 lakh interest deduction. Priyanka Raju, Director, Kalyani Developers, says, “The upcoming Union Budget has an important role to play in bridging the gap between urban aspirations and financial realities. With property prices and home loan rates rising, a meaningful enhancement in tax relief on interest and principal repayments would go a long way in supporting end-users.” “The real estate sector is hopeful that the government would consider its long-standing demands of rationalising of GST on construction contracts from the current 18% to 12% or lower. This will provide immediate relief to both homebuyers and developers alike,” says Pradyumna Krishnakumar, Executive Director & Interim Chief Financial Officer,

Brigade Enterprises Limited. The industry has also demanded easing project-level financing, enabling structured private credit, and regulatory frameworks for alternative investment platforms. “These measures can unlock long-term

Publication	businessworld.in
Date	19 January 2026
Link	<a href="https://www.businessworld.in/article/union-budget-2026-27-real-estate-pushes-for-affordability-capital-urban-reforms-587758">https://www.businessworld.in/article/union-budget-2026-27-real-estate-pushes-for-affordability-capital-urban-reforms-587758</a>

## Union Budget 2026–27: Real Estate Pushes For Affordability, Capital, Urban Reforms



As India approaches the Union Budget 2026–27, the real estate sector finds itself at a critical inflection point. The past few years have seen a structural shift in demand patterns, a resurgence in end-user buying, strong traction in premium housing, and renewed investor interest in commercial real estate. According to industry estimates, India’s real estate market is projected to grow to a USD 1 trillion industry by 2030, contributing nearly 13 per cent to GDP, while employment linked to the sector already supports more than 70 million livelihoods. Residential sales across the top eight cities remained resilient through 2025, infrastructure-led micro-markets gained prominence, and Tier II and peripheral urban centres emerged as the new growth engines. Against this backdrop, Budget 2026–27 is widely seen as a moment to recalibrate policy—balancing affordability, financial viability, sustainability and long-term urban resilience. From Capex to Quality: Infrastructure as the Foundation At the core of real estate’s expectations lies infrastructure, not merely as a growth enabler but as the backbone of sustainable urbanisation. Rajeev Juneja, President, PHDCCI, underscores that while India’s infrastructure spending has expanded significantly, the past year has revealed systemic challenges. “Premature asset deterioration, rising maintenance costs, and uneven quality outcomes are increasingly evident, largely driven by a short-term cost focus and fragmented standards,” he notes. For Budget 2026–27, Juneja argues that the emphasis must shift from headline capital expenditure to lifecycle performance. Infrastructure assets, he says, should be evaluated by how long they perform and at what long-term cost. Among his key recommendations are lifecycle-based performance metrics alongside capex, dedicated allocations for maintenance and renewal, outcome-based procurement instead of lowest-cost selection and embedding climate resilience into engineering standards. He also stresses incentivising Make in India technologies with global export potential. Such measures, he believes, would protect public capital, reduce repeat repairs, and deliver sustained economic value—directly benefiting real estate development tied to infrastructure corridors. Affordability and GST: The Sector’s Longstanding Pain Points Affordability remains the single most critical lever for residential demand. Despite strong sales momentum, rising land costs,

construction inflation and taxation have stretched buyer budgets, particularly in the mid-income segment. Pradyumna Krishnakumar, Executive Director & Interim CFO, Brigade Enterprises Limited, says the industry hopes the government will finally address its long-pending demands. “Rationalising GST on construction contracts from the current 18 per cent to 12 per cent or lower will provide immediate relief to both homebuyers and developers,” he says. Krishnakumar also calls for redefining affordable housing based on total home cost, with city-specific price limits, to ensure more projects qualify for subsidies and concessional loans. Reinstating tax relief for affordable housing developers, uniformity in registration fees across states, and granting industry status to real estate are, in his view, overdue reforms. He further advocates tax incentives for green buildings and policy support for emerging housing models such as co-living and rental housing, aligning growth with India’s net-zero ambitions. Housing as a Social and Economic Pillar For many developers, real estate is not just an economic sector but a social multiplier. Vikas Bhasin, Managing Director, Saya Group, emphasises the industry’s role as the second-largest source of livelihoods. “By supporting real estate, the government supports the families and workers who build our nation, while providing long-term security for those seeking a place to call home,” he says. Bhasin expects continued investment in infrastructure that improves urban liveability and accessibility. Expanding schemes like the Credit Linked Subsidy Scheme (CLSS), he believes, would make homeownership achievable for more families. He also reiterates the sector’s demand for industry status, GST and stamp duty rationalisation, and enhanced income-tax deductions on home loan interest. With property prices and loan sizes having risen sharply, Bhasin argues that increasing the interest deduction to at least Rs 5 lakh would meaningfully improve EMI affordability and boost genuine end-user demand. Premium, Luxury and the NCR Growth Story While affordability dominates the broader discourse, premium and luxury housing markets are also seeking policy continuity. Sidharth Chowdhry, Managing Director, Dalcore, notes that markets such as Golf Course Road in Gurugram are now firmly positioned as global residential and commercial hubs. “Rationalisation of stamp duty, enhanced tax benefits on home loan interest, and easy access to long-term, low-cost financing for developers will significantly boost end-user demand and investor confidence,” he says. Sandeep Agarwal, Executive Director – Finance and Group CFO, Elan Group, echoes the need for a stable fiscal and regulatory framework. As the sector enters a phase of maturity, he says, policy must focus on improving access to organised credit, smoother project execution, and strengthening long-term confidence among homebuyers and institutional investors. Peripheral Markets and Planned Urban Expansion Beyond core metros, peripheral markets are increasingly shaping the real estate narrative. Rahul Singla, Director, Mapsko Group, highlights Sonipat’s emergence as a residential and industrial extension of Delhi-NCR. He expects Budget 2026–27 to strengthen infrastructure allocations for road, rail and last-mile connectivity, alongside rationalised stamp duty and enhanced home loan tax benefits. Such measures, he says, would improve affordability and position Sonipat as a sustainable, integrated urban hub. Similarly, Abhay Mishra, President & CEO, Jindal Realty, points out that India’s housing momentum is now being led by Tier II cities. With better infrastructure and stable pricing, these markets can grow faster if the budget channels funds towards urban infrastructure, affordable housing and buyer incentives. Tier II and III Cities: The New Contenders Yashank Wason, Managing Director, Royal Green Realty, believes Tier II and III cities are effectively challenging metros across segments. “Infra-led projects, superior amenities and more spacious homes at reasonable prices are drawing both end-users and investors,” he says. With major developers entering these markets, Wason expects further

tax incentives, GST clarity and policy stability to sustain long-term investment and ease migration pressures on large cities. Anurag Goel, Director, Goel Ganga Developments, adds that housing must be regarded as essential infrastructure. He calls for rationalising GST on under-construction homes, increasing the affordable housing price band, and extending targeted tax deductions, especially in Tier 1.5 and Tier II cities that are becoming employment hubs. Rethinking Affordable Housing Thresholds A recurring concern across stakeholders is the outdated definition of affordable housing. Shiv Garg, Director, Forteasia Realty, argues that the current Rs 45 lakh cap and associated 1 per cent GST benefit no longer reflect land and construction realities. He suggests a realistic price bracket of Rs 80–90 lakh, coupled with reducing GST on works contracts from 18 per cent to 12 per cent, to revive stalled projects and unlock new supply. Higher allocations for PMAY-Urban and faster approvals, he says, would benefit first-time buyers and improve housing readiness in growing cities. Aman Gupta, Director, RPS Group, supports this view, noting that many mid-income buyers fall outside the current affordable housing bracket. Raising the limit, reviving additional interest deductions like Section 80EEA, and easing developer credit would significantly reduce acquisition costs and EMI burdens, especially in NCR’s peripheral corridors. Commercial Real Estate and New Work Models Beyond housing, the commercial real estate segment is also watching Budget 2026–27 closely. Mukul Pasricha, Founder & CEO, Spring House Workspaces, says flexible and community-led office formats have gained momentum as hybrid work becomes the norm. “Clearer taxation, smoother leasing frameworks, and incentives that promote formalisation and shared infrastructure can unlock sustainable growth,” he notes. In his view, flexible workspaces are emerging as economic enablers, supporting jobs and vibrant cities. Sudarshan Lodha, Co-founder & CEO, Strata, points out that recent budgets have laid a strong foundation through infrastructure investment, REITs and asset monetisation. The next phase, he says, should focus on easing project-level financing, enabling structured private credit, and providing clarity for alternative investment platforms to unlock long-term capital. Luxury, Capital Gains and Global Capital In the premium and ultra-luxury segment, Navdeep Sardana, Founder, Whiteland Corporation, says the focus has shifted beyond traditional tax sops. One of the most critical expectations, he says, is re-evaluating the Rs 10 crore cap on capital gains reinvestment under Sections 54 and 54F. Increasing this limit would facilitate transactions in the uber-luxury segment. Sardana also calls for specialised green financing tax credits to promote ESG-compliant luxury developments and smart housing technologies, along with rationalisation of TDS for NRI investors to boost foreign capital inflows. Rajan Yadav, Director, Roots Developers, adds that while luxury real estate continues to see sustained demand from HNIs and NRIs, a buyer-centric budget with tax deductions and subsidies would further strengthen confidence without undermining the segment’s inherent resilience. Credit, Approvals and the Need for Industry Status Across segments, access to finance and regulatory efficiency remain common themes. Murali Malayappan, Chairman & Managing Director, Shriram Properties Limited, urges the government to place affordability at the core of its housing agenda. He estimates that removing GST, restoring input tax credits and eliminating stamp duty could lower apartment costs by up to Rs 1,000 per sq ft. He also calls for stronger incentives for rental housing, uniform stamp duty across states, and true single-window approvals to reduce inefficiencies. Ravindra Pai, Managing Director, Century Real Estate, similarly stresses faster, predictable approvals and GST rationalisation, alongside enhanced home loan tax relief. A strong push on metro connectivity and growth corridors, he says, would unlock integrated township-led development and ease pressure on city cores. Shailendra Sharma, Chairman, Renox Group, sums it up by calling for simplification of taxes,

regulatory clarity, industry status, and focused investment in urban and social infrastructure, noting that real estate and infrastructure grow hand in hand. Aligning Growth with Urban Livability Rohit Kishore, CEO, Hero Realty, highlights Noida as an example of infrastructure-led growth, driven by the upcoming international airport, expressways and metro expansion. To sustain this momentum, he says, Budget 2026–27 must align tax incentives, mixed-use development policies, rental housing support and last-mile infrastructure with long-term livability and homebuyer confidence. A Balancing Act for Budget 2026–27 As the sector looks ahead, the expectations from Budget 2026–27 are both immediate and structural. From GST rationalisation, home loan tax relief and affordable housing redefinition to lifecycle-focused infrastructure spending, green finance and regulatory clarity, the wish list is extensive. Yet, the underlying message is consistent: housing and real estate must be treated as long-term national infrastructure. If the upcoming budget can balance short-term affordability with long-term sustainability, streamline taxation without undermining revenues, and enable capital access while strengthening governance, it could set the stage for the next phase of India’s urban and economic transformation. For a sector that touches livelihoods, investment, consumption and social stability, Budget 2026– 27 is not just another fiscal exercise—it is an opportunity to shape how India builds, lives and grows over the coming decade.

Publication	99acres.com
Date	23 January 2026
Link	<a href="https://www.99acres.com/articles/industry-expectations-from-union-budget.html">https://www.99acres.com/articles/industry-expectations-from-union-budget.html</a>

## Union Budget 2026-27: What does the real estate sector expect?



The Union Budget 2026-27 is fast approaching, which can only mean one thing: Industry experts across India's real estate sector have started voicing their expectations loud and clear. From policy clarity to redefining affordable housing, the industry is pinning its hopes high on the upcoming event. So, what are the real estate sector's expectations from this year's budget? Read the analysis below.

By [Sudeepa Bhattacharya](#) Research Analyst  
99acres.com

Much like every year, Finance Minister, Nirmala Sitharaman, will table the Union Budget of 2026-27 on February 1, 2026, at 11:00 AM. Generally, ahead of this event, different industries speculate on the outcome of these budget announcements, and this year, here's what the real estate experts are expecting.

### Revision of affordable housing

Property prices have been on a steady rise, and we have urbanisation and infrastructure development to thank for it. However, rising income levels and boosted buyer confidence has led to developer's shifting their focus to upper-mid and high-end segments. So, if we go by Cushman and Wakefield's India Outlook 2026 report, India may witness close to 30 crore new unit this year. But how many of these will belong to the affordable housing category?

Industry experts believe it's time to shine the spotlight back on affordable housing, starting with a revision of the existing cap, which is Rs 45 lakh. The thought is, if you move to any [Tier-1 city in India](#), you'll hardly find any worthy options within the Rs 45 lakh threshold.

According to Pradyumna Krishnakumar, Executive Director & Interim Chief Financial Officer, Brigade Enterprises Limited, *"Affordable housing must be redefined based on total home cost, with city-specific price limits, so that more projects qualify for subsidies and concessional loans. Reinstating tax relief for affordable housing developers would reignite supply."*

Murali Malayappan, Chairman & Managing Director, Shriram Properties Limited, also shares the same belief. In his words, *"With the Union Budget approaching, it is important for the government to place affordability at the core of its housing agenda. Currently, the affordable and mid-market segments that are the backbone of the residential real estate industry are*

*increasingly moving out of reach for the common man leading to considerable societal imbalance.”*

### **Clarity in existing taxations**

Another pressing issue that industry experts have highlighted is the need for certain tax revisions, such as rationalisation of Goods and Service Tax (GST) and clearer input tax credit rules. For instance, it's common knowledge that under-construction homes attract GST. But here's the thing: GST implied on affordable properties is only one percent. On the other hand, GST implied on properties that go beyond the affordable limit is five percent. Experts believe the upcoming budget should extend this one percent benefit to properties ranging between Rs 46 lakh and Rs 1 crore, to ease mid-income home buying.

Developers, too, have voiced their concern regarding the 12 to 18 percent GST rates on raw materials, which directly contributes to higher construction costs, and indirectly pushes up the final sale price. Moreover, while developers pay [GST on construction materials](#), buyers don't always have a clear breakdown of how this tax is influencing the final price.

This lack of clarity often results in pricing confusion and trust gaps. Industry experts expect the Budget to simplify or make input tax credits more transparent, which could help stabilise prices and improve buyer confidence.

Murali Malayappan further opines, *“Strategic measures such as removing GST, restoring input tax credits, and eliminating stamp duty could lower apartment costs by up to Rs 1,000 per sq ft. The government can also look at stronger incentives for rental housing to address the impending housing crisis. Additionally, we urge the government to reinstate input tax credits so developers can pass on the benefits directly to homebuyers. We also request the central government to impress on the States to implement a uniform stamp duty structure across the country.”*

[Capital Gains tax](#) is yet another area of improvement. Property sellers may often delay transactions because taxes are high and the re-investment rules are too rigid. According to the expectations, flexibility in Capital Gains taxation could address this issue in the following ways: Amending the existing norms of Capital Gains could lead to increased resale, improved market liquidity, and thus, more transactions in the real estate sector.

In the words of Pradyumna Krishnakumar, *“The real estate sector is hopeful that the Union Government would consider its long-standing demands in the forthcoming Union budget. Rationalising of GST on construction contracts from the current 18 percent to 12 percent or lower will provide immediate relief to both homebuyers and developers alike.”*

He further adds, *“The Budget should also encourage green building practices through weighted tax deductions and support new housing models like co-living and rentals. This will align the sector with India's net-zero goals while meeting the needs of 8.5 lakh high-net-worth individuals and a growing migrant workforce.”*

This demand comes from the industry's long-standing need for clearer incentives and funding support for green buildings. This incentivised approach will particularly benefit developers who are keen on constructing environment friendly structures. The current issue is, while sustainable construction is still encouraged, the use of green materials pushes up the overall construction costs, and thereby, the final sale price of the property.

### **Reform in existing lending rates**

Another critical bottleneck for homebuyers today is the accessibility and affordability of credit. Simplify put, high home loan interest rates are making home buying more expensive. Even though the Reserve Bank of India (RBI) has rolled out [repo rate cuts in the past quarter](#), the standard repayment rates are still considered high. For instance, the average rate of home

loan in India ranges between seven to nine percent, depending on the borrower's credit profile.

That means, if you take a Rs 50 lakh loan for 20 years and the interest rate is eight percent, your monthly EMIs come up to Rs 41,000 approximately. If the interest rate is reduced to 6.5 percent, the EMI would come down to approx. Rs 35,000.

<b>Loan Amount</b>	<b>Tenure</b>	<b>If Interest Rate is 8%</b>	<b>If Interest Rate is 6%</b>
Rs 50 lakh	20 years	Approx. Rs 41,000	Approx. Rs 35,000

In this scenario, you can end up saving Rs 6000 per month. That's Rs 72,000 worth of savings if you count annually. Currently, since most home loans are linked to external benchmarks, banks are expected to pass on rate reductions. However, in reality, this happens slowly and selectively.

Another aspect to keep in mind is the [Section 24\(b\) Income Tax Act](#) deduction. In this category, homeowners can claim a rebate of up to Rs 2 lakh on home loan interests paid for a self-occupied property. However, experts voice that increasing this rebate threshold can further boost affordability.

### **Infrastructure as a growth driver**

For real estate, infrastructure isn't just about building roads and highways. It's about making an emerging growth pocket more accessible and well-connected. This directly translates into demand and price appreciation, which in turn, boosts real estate transactions. That being the context, industry experts have emphasized on the need for faster infrastructure-led development.

That means, with faster execution of new metro rails, expressways, suburban railways, or logistics corridors, the industry can unlock new housing micro markets easily.

Mr. Aakash Agarwal, Managing Director, Krisala Developers, voiced this belief, quoting, *"To further strengthen the ecosystem, developers look to the government for faster and more predictable approval processes, greater clarity on development control regulations, and continued investment in last-mile infrastructure and public transport. Rationalisation of taxes and fees, incentives for sustainable construction, and support for affordable and mid-income housing would also help deepen demand."*

Another chokepoint that the industry experts wants addressed this Budget is the need for a single-window clearance when it comes to real estate developments.

Murali Malayappan also highlights how these policy changes can be a clear win-win situation for both parties involved, as he opines, *"A streamlined single-window approval process would further accelerate project timelines and reduce inefficiencies. By incorporating these measures, the government will not only fulfil the aspirations of millions of homebuyers but also earn significant revenue through a broadened taxpayer base."*

### **Diverse investment avenues in real estate**

Last but not the least, the industry has also highlighted the need to make Real Estate Investment Trust (REIT) and (Small & Medium Real Estate Investment Trust) more accessible and tax-efficient, so a wider set of investors can participate in real estate without directly buying property.

For better context, REITs is a type of investment within the real estate sector where investors can earn rental income from large-scale commercial properties by helping developers raise long-term capital. The best part is, you don't have to own the property to earn the revenue from it. However, complicated taxations on profits and rigid liquidity avenues still exist within this investment form. Thus, in the upcoming budget, the industry expects a revision that can

introduce simpler tax reforms, better liquidity rules, and improved incentives for REITs investors.

To conclude, the real estate industry's expectations from the Union Budget 2026-27 are clear. Apart from proposing infrastructure status for this sector, the industry is also speculating on practical growth, led by improved affordability definitions, simplified taxes, easing access to credit, and building long-term investor confidence.

Whether the budget delivers on these fronts will determine how sustainable and steady the next phase of real estate growth really is.

See our latest webstory on [Union Budget 2026-27: What does the real estate sector expect?](#)

### Frequently Asked Questions

**Q. What is Union Budget 2026-27?**

**Q. When will Union Budget 2026-27 take place?**

**Q. What can you expect from Union Budget 2026-27?**

**Q. Who will present the Union Budget 2026-27?**

### More from Knowledge Centre

Stay updated on the latest developments in the Indian real estate industry by following [99acres](#) [Knowledge](#) [Centre](#).

Our platform offers valuable insights, news, and updates, along with informative articles, expert opinions, and market reports. With reliable and accurate information, it's a go-to destination for anyone seeking knowledge about the Indian real estate sector.

For inquiries or to get in touch with the [99acres](#) Editorial Team, please write to us at [content@99acres.com](mailto:content@99acres.com).

Publication	realty.economictimes.indiatimes.com
Date	27 January 2026
Link	<a href="https://realty.economictimes.indiatimes.com/news/industry/what-real-estate-builders-expect-from-budget-2026/127557401">https://realty.economictimes.indiatimes.com/news/industry/what-real-estate-builders-expect-from-budget-2026/127557401</a>

## What real estate stakeholders expect from Budget 2026

Real estate leaders are urging the government for key policy changes in the Union Budget 2026. They want measures to boost housing affordability and liquidity. Suggestions include reviving buyer incentives, easing GST, and increasing institutional capital. The sector aims to address rising costs and buyer preferences for sustained economic expansion.



Ankit Sharma • ETRealty

Updated On Jan 27, 2026 at 06:22 PM IST • Read by 2003 Professionals



NEW DELHI: As the Union Budget 2026 approaches, real estate developers and allied stakeholders are seeking policy measures to improve housing affordability, unlock

liquidity, rationalise taxation and support long-term urban growth. From calls to revive homebuyer incentives and ease GST burdens to demands for deeper institutional capital and infrastructure-led development, the sector is pitching for reforms that address both demand-side stress and supply-side bottlenecks.

Industry leaders say Budget 2026 presents an opportunity to recalibrate housing policy in line with rising land and construction costs, evolving buyer preferences and the growing role of real estate in India's economic expansion.

**Pradeep Aggarwal**, founder & chairman, *Signature Global (India)*, said extending and reintroducing the Credit Linked Subsidy Scheme (CLSS) could offer meaningful relief to first-time homebuyers while stimulating housing demand. He added that expanding the definition of affordable housing to include homes priced up to ₹1 crore would better reflect current market realities and strengthen the 'Housing for All' vision.

**Sukhraj Nahar**, president, *CREDAI-MCHI*, said the industry expects policy continuity and targeted interventions that boost buyer confidence, improve project liquidity and ease redevelopment execution across the Mumbai Metropolitan Region. He also called for rationalisation of GST on under-construction homes and clarity on tax exemptions for affordable housing and real estate investments to spur end-user demand.

**Prashant Sharma**, president, *NAREDCO Maharashtra* said, we strongly urge the government to revisit tax benefits for homebuyers by increasing the deduction limits on home loan interest and principal repayment under Sections 24(b) and 80C, which have remained unchanged for years. Rationalization of GST on construction materials and clarity on input tax credit would also help ease cost pressures. Additionally, faster approvals, policy support for redevelopment and urban housing, and incentives for sustainable and green developments will go a long way in supporting the sector's long-term, inclusive growth.

**Murali Malayappan**, chairman & managing director, *Shriram Properties*, highlighted that affordability pressures are pushing mid-income buyers out of the market. He said measures such as removing GST, restoring input tax credits and eliminating stamp duty could reduce apartment prices significantly. He also urged the government to incentivise rental housing, reinstate input tax credits and push states towards a uniform stamp duty framework.

**Ramesh Nair**, CEO & MD, *MindSPACE REIT*, said Budget 2026 should address structural liquidity and cost efficiency by increasing investment limits for insurance companies and encouraging provident and pension funds to allocate more capital to REITs. He also sought extension of input tax credit benefits to commercial leasing to improve cash flow visibility for office assets.

**Harshvardhan Neotia**, chairman, *Ambuja Neotia Group*, said granting industry status to real estate would recognise its role in urban growth and employment generation. He emphasised sustained infrastructure investment as critical to expanding urban boundaries, easing pressure on city cores and enabling balanced regional development.

**Rakesh Reddy**, director, *Aparna Constructions*, said stable policy support and fiscal interventions such as enhanced home loan tax benefits, rationalisation of capital gains and an updated definition of affordable housing are essential to sustain demand. He added that premium and luxury housing also play a key role in anchoring investor confidence and supporting large-scale urban development.

**Ajay Chaudhary**, founder, chairman and managing director, *ACE Group*, said infrastructure-led growth and rationalisation of construction input costs are needed to support long-term urban development. He noted that premium and luxury homes now account for a significant share of sales in major cities, reflecting a shift towards quality-led end-user demand.

**Here is what other real estate stakeholders expect from the Union Budget 2026:**

**Suhdir Pai**, CEO, *Magicbricks*, said revising the affordable housing price cap in metros to ₹65 lakh and doubling the home loan interest deduction limit to ₹5 lakh could help convert stable demand into transactions, while policy clarity on execution is needed to avoid supply-demand mismatches.

**Abhishek Bisen**, head - fixed income, *Kotak Mahindra AMC*, said the market expects the fiscal deficit to remain on the consolidation path, with FY27 pegged at around 4.3%. He added that bond maturity management will be crucial to avoid liquidity pressures.

**Manish Agarwal**, managing director, *Satya Group* and president, *CREDAI Haryana*, urged the government to improve capital availability, streamline regulations for high-value transactions and encourage fractional ownership structures to support luxury housing demand.

**Paul Salnikoff**, managing director and CEO, *Executive Centre India*, said targeted tax incentives for flexible workspaces would help strengthen the fast-growing managed office segment.

**Sanjay Chatrath**, co-founder & managing partner, *Incuspaze*, called for a reduction in GST on co-working services and full input tax credit on fit-outs and operating expenses to improve cost efficiency and deployment timelines.

**Yogesh Bhatia**, MD and CEO, *LML Realty*, said Budget 2026 should address the cost and complexity of industrial development by promoting plug-and-play industrial parks, shared infrastructure and faster single-window approvals to support MGF manufacturing growth.



**Badal Yagnik**, CEO & managing director, Colliers India said, standardization and revision of affordable housing criteria to reflect price reality of Tier I cities can provide a demand-side boost to residential real estate. Also, supply side push through infrastructure augmentation and capacity building can trigger long-term growth levers across real estate segments. Furthermore, real estate democratization and retail investor participation can be encouraged by making REITs and SM-REITs more attractive.

**Dinesh Gupta**, president of CREDAI West UP, said that there is a need to increase the tax exemption limit on home loan interest, provide relief under Sections 80C and 24(B) of the Income Tax Act, and create an easy and affordable funding mechanism for stalled projects.

**Shrinivas Rao**, CEO, Vestian said, accelerated development of tier-2 cities through enhanced infrastructure and improved connectivity with major urban centres is imperative and will require increased private sector participation. Further, monetising government land, refining the definition of affordable housing, and promoting mixed-use developments would support sustainable, inclusive, and efficient urban growth.

**Rohit Gera**, managing director, Gera Developments said, while GST does not formally fall within the union budget, we would like to see a clear policy signal from the finance minister that input tax credit (GST set-off) for residential construction will be reinstated.

**B.K. Malagi**, vice chairman, Experion Developers, said, rationalising capital gains structures and simplifying transaction frameworks can further position Indian luxury housing as a legitimate wealth-creation avenue.

**Sushil Mohta**, president, CREDAI West Bengal & chairman, Merlin Group said, revisiting the affordable housing definition, rationalising housing loan interest deductions, and streamlining GST rates will significantly improve affordability and demand, especially for middle-income homebuyers. We also expect focused measures to expand access to formal housing finance and a dedicated push for rental housing to support rapid urbanisation.

Publication	realtyninfra.in
Date	30 January 2026
Link	<a href="https://realtyninfra.in/budget-expectations-2026-south-based-builders-call-for-rationalisation-of-ltcg-support-for-gccs/">https://realtyninfra.in/budget-expectations-2026-south-based-builders-call-for-rationalisation-of-ltcg-support-for-gccs/</a>

## Budget Expectations 2026: South-based builders call for rationalisation of LTCG, support for GCCs



Shivam, VP – Strategic Growth, Sattva Group

*“Going ahead, continued policy support through faster and more transparent approvals, rationalization of taxes and incentives, and infrastructure-led urban development will be important to sustain momentum. Support for well-planned office and mixed-use clusters, single window clearances, infrastructure status for large developments and better coordination between central and state policies can further enhance India’s competitiveness and reinforce long term investor confidence.”*

Pradyumna Krishnakumar, Executive Director & Interim Chief Financial Officer, Brigade Enterprises Limited

*“Rationalising of GST on construction contracts from the current 18% to 12% or lower will provide immediate relief to both homebuyers and developers alike. Also, affordable housing must be redefined based on total home cost, with city-specific price limits, so that more projects qualify for subsidies and concessional loans. Reinstating tax relief for affordable housing developers would reignite supply. Uniformity in registration fees across states, is another overdue reform that would directly benefit homebuyers.”*

Murali Malayappan, Chairman & Managing Director, Shriram Properties Limited

*“Strategic measures such as removing GST, restoring input tax credits, and eliminating stamp duty could lower apartment costs by up to ₹1,000 per sqft. The government can also look at stronger incentives for rental housing to address the impending housing crisis. Additionally, we urge the government to reinstate input tax credits so developers can pass on the benefits directly to home buyers.”*

Rakesh Reddy, Director, Aparna Constructions

*“Stable and predictable policy support will be critical to sustaining demand and improving affordability across housing segments. Targeted fiscal interventions such as enhanced tax benefits on housing loans, rationalisation of long-term capital gains on real estate investments, and a more contemporary definition of affordable housing can meaningfully reduce buyer stress and unlock end-user demand.”*



Priyanka Raju, Director, Kalyani Developers

*“With property prices and home loan rates rising, a meaningful enhancement in tax relief on interest and principal repayments would go a long way in supporting end-users. There is also a strong case to revisit and redefine affordable housing thresholds to reflect current market pricing in our cities.”*

Hardeep Dayal, President – Commercial, Bhartiya Urban

*“There is hope for targeted policy measures that ease leasing-related compliance, provide greater tax clarity for both occupiers and developers, and support GCC offshoring momentum and office ecosystem growth. It would also be encouraging to see continued investment in urban infrastructure, last-mile connectivity, and transit-oriented development, as these directly influence location attractiveness and leasing decisions.”*

Ashwinder R Singh, Chair, CII Real Estate; Vice Chair, BCD Group; Advisor, NAR-India

*“Key expectations include a higher home-loan interest deduction, continued incentives for affordable housing, and faster approvals through digitisation and single-window timelines.”*

Satya Prakash Gupta, CFO, Concorde

*“Key expectations include increasing the home loan interest deduction under Section 24(b) from ₹2 lakh to ₹3–5 lakh, and raising the Section 80C limit for principal repayment to ₹2.5 lakh. The industry also wants Section 80EEA reinstated to give first-time buyers an extra ₹1.5 lakh interest deduction. Updating the affordable housing price cap to ₹90 lakh and restoring full indexation for long-term capital gains would also help boost demand and investment.”*

Sudarshan Lodha, Co-founder & CEO, Strata

*“The next phase should focus on easing project-level financing, enabling structured private credit, and providing clearer tax and regulatory frameworks for alternative investment platforms. These measures can unlock long-term capital, support office expansion beyond core metros, and strengthen real estate’s role in employment and urban growth.”*

Aashit Verma, Founder, Hanto Workspace

*“GST structures for flex and service operators must be optimised especially for startups, so that access to input refunds becomes simpler and adoption easier for VC-funded enterprises. The flex sector also needs a more rational GST framework, including clarity on input credits for leasehold capex, which will directly accelerate sectoral growth.”*

Aniruddha Mehta, Chairman and Managing Director, Umiya Buildcon

*“Policy measures that enhance housing affordability, reduce financing costs, and incentivize sustainable development will be critical to sustaining growth and meeting rising demand. Increasing tax benefits on housing loans under Section 24(b) could ease financial pressure on homebuyers.”*