

BUDGET REACTION OF CREDAI:

CREDAI'S reaction to Union Budget 2025 - 26

"The Union Budget 2025 reaffirms India's growth trajectory towards a 'Viksit Bharat' with a strong focus on inclusive development and economic expansion. 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 which has remained stagnant for a long time and a revision in the definition of affordable housing based on a minimum dwelling unit size instead of a uniform ₹45 lakh value across the country. These steps could have provided an added stimulus to the market and improved housing affordability.

CREDAI welcomes the announcement of allocating the ₹1 lakh crore Urban Challenge Fund, which will enable better urban planning, while the new UDAN scheme will enhance regional connectivity and catalyse real estate and infrastructure growth. The ₹15,000 crore SWAMIH Fund 2 is a crucial step towards expediting stalled housing projects, ensuring homebuyers' interests are safeguarded. Additionally, allowing benefits for two self-occupied properties without conditions will further boost homeownership.

The sector remains optimistic that the various announcements made by the Finance Minister today will be followed by a Repo rate cut later this month, further strengthening homebuyer sentiment and investment in real estate. With these progressive measures, India remains firmly on track to become the world's third-largest economy by 2027