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Steady rates, steady housing



New Delhi: India remains one of the fastest-growing major economies with projected GDP growth of 6.9% for FY27, even as the Reserve Bank of India (RBI) kept the repo rate unchanged at 5.25% for the sixth consecutive time, signalling caution amid rising global risks.

The Monetary Policy Committee (MPC), led by RBI Governor Sanjay Malhotra, retained a neutral stance, balancing strong domestic growth with concerns that tensions in West Asia could push inflation higher through crude prices. The central bank reiterated its focus on keeping inflation within the 2-6% band, indicating that stability remains the priority for now.

For the real estate sector, the message is clear, borrowing costs remain predictable. With no change in rates, homebuyers will continue to see stable EMIs, supporting purchase decisions at a time when housing demand—revived by last year's rate cuts—is holding firm across mid-income and premium segments. The steady rate environment is also helping fence-sitters return to the market, sustaining momentum seen in recent quarters.

"Stability, when intentional, is a policy signal in itself. The RBI's decision to hold rates reflects a balanced, forward-looking approach, prioritising long-term resilience over short-term shifts. For residential real estate, this is timely, as sustained end-user demand across mid-income and premium segments continues to drive a consumption-led cycle. A stable rate regime keeps home loan EMIs predictable, supporting buyer confidence and purchase decisions, while enabling better planning for developers and ensuring steady momentum across the sector," said Manish Agarwal, MD, Satya Group and President, CREDAI-Haryana.

Sudeep Bhatt, Director Strategy, Whiteland Corporation, said the unchanged rate environment supports housing demand by keeping home loans stable while also improving liquidity for developers, adding that steady borrowing costs are strengthening buyer confidence and investment appetite.

"The decision to hold the repo rate steady offers a sense of continuity at a crucial time for the real estate sector. It reassures homebuyers by keeping borrowing costs stable and helps sustain demand momentum.

For developers, it provides clarity for planning and execution," said Abhay Mishra, CEO & President, Jindal Realty, adding that liquidity support will be key to unlocking the sector's next phase of growth.

For developers, the unchanged rate cycle also brings clarity on financing costs, allowing better planning and execution of projects. However, analysts caution that any sharp rise in crude oil prices could delay future rate cuts, potentially capping momentum in interest-sensitive sectors such as real estate.

The RBI's move signals a shift from aggressive easing to measured stability as global uncertainties build. Rates are on hold—and for now, housing demand is holding.