

News update

Capacit'e spearheads BDD Chawls redevelopment

Capacit'e Infraprojects Ltd., in partnership with Tata Projects, is leading the redevelopment of the iconic Bombay Development Department (BDD) Chawls in Worli, Mumbai. Taken over by the Maharashtra Housing and Area Development Authority (MHADA), the project aims to enhance the living standards of approximately 50,000 residents. Spanning 255 lakh sq. ft., it is India's largest residential construction project. The redevelopment will replace 121 chawls with 33 high-rise towers, each 40 stories tall, offering modern 2BHK apartments. The project also includes 10 residential towers, commercial spaces, and vital infrastructure like schools and hospitals. Valued at ₹11,744 crore, the project integrates advanced digital and green initiatives, including Building Information Modeling (BIM) for precision, eco-friendly practices, and safety features like fingerprint-based access systems. Capacit'e is responsible for design, approvals, tenant relocation, demolition, and construction, ensuring a transformative upgrade for Mumbai's urban landscape.

Kanakia Group unveils sports arena at KSV Powai

Kanakia Group recently inaugurated a sports arena at Kanakia Silicon Valley (KSV). The event showcased a perfect blend of patriotism, fitness, and community bonding, setting a new benchmark for holistic living. Actor Kunal Kapoor attended the event, officially opening the sports arena, where he personally tried out the new state-of-the-art facilities, including padel ball courts and pool tables. The ceremony also featured performances by residents who also participated in various tournaments.

To share information about your home purchase decision, new launches and real estate-related events, write to us at realestate@fpj.co.in.
Consulting Editor: Vijay Pandya

Dr. Malini Saba

Shelter is acknowledged as one of the key necessities of life and rightly so. The question that often arises for home seekers, is to what extent should macro-level announcements such as the Union Budget 2025-26 influence their purchase decision? The answer is quite simple. Consider the transaction the way an entrepreneur would any business decision, while keeping the Union Budget as a guiding star that lights the way forward.

Clarity

Be extremely clear why you are making the real estate purchase. The criteria for investments are vastly different from those for self-use. If you are making an investment, again you should have a clear focus between prioritising capital appreciation and monthly rentals. If you are planning to reside there yourself then the factors influencing your decision will differ from those if you plan to lease it out for a long-term and only move in after retirement. Don't bite off more than you can chew. Buying too large an apartment and finding the home loan equated monthly instalments (EMIs) unmanageable after a few years is equally avoidable. Similarly, don't think too small and later on regret not having booked a bigger unit in the first place. Even nuclear families need more spaces as kids grow up. Joint families may prefer adjacent flats with scope for separate kitchens and privacy at a later stage.

Key indicators

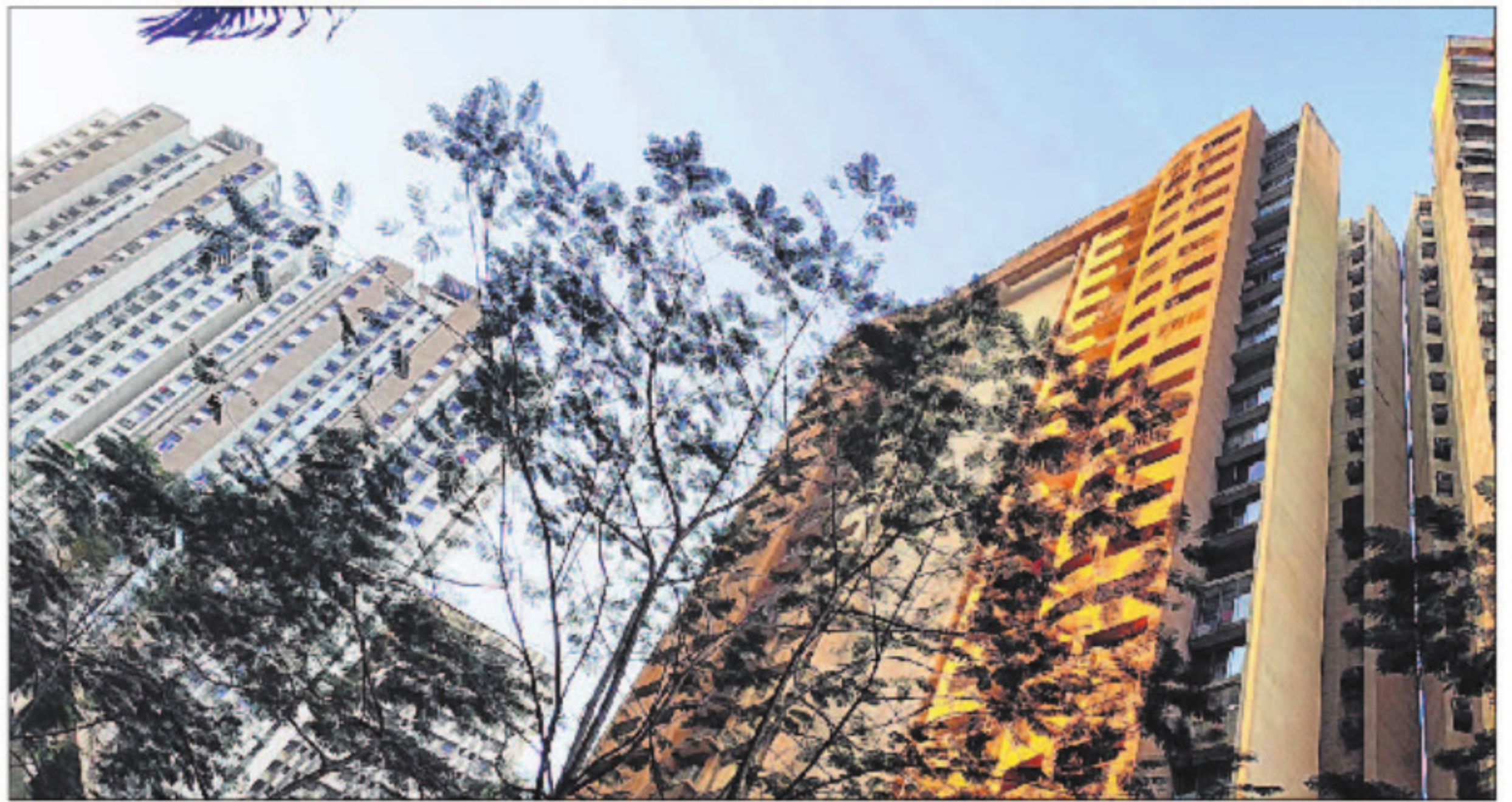
The Union Budget for 2025-26 introduced a visionary approach for the real estate sector, with the government's focus on developing a national framework to promote Global Capability Centers (GCCs) in Tier-2 cities. This will unlock tremendous opportunities, driving growth by leveraging local talent and upgrading infrastructure, fostering stronger regional economies. This indicates a good opportunity for individual investors who want to gradually scale up their asset portfolio.

The tax relief for the middle class is a positive and impactful measure. The removal of income tax up to Rs. 12 lakhs and the tax benefits for those earning Rs. 18 lakhs will have a direct and positive effect on consumer spending, boosting demand for real estate and driving sectoral growth. The reduced tax burden will empower the middle class, strengthening their purchasing power and especially stimulating demand for residential properties. The reforms, investments in infrastructure, and tax benefits reflect the government's commitment to fostering sustainable growth, and building a brighter future for all.

The writer is a self-made businesswoman, philanthropist, psychologist, fitness enthusiast, author, environmentalist, passionate culinarian, and a global advocate for women, girls, and human rights, with a keen interest in real estate, business innovation, and women's empowerment.

Home in on your ownership residence

It is advisable to make decisions only after considering all the relevant factors with a long-term approach while keeping the Union Budget 2025-26 announcements in mind



SECTORAL OVERVIEW

Manju Yagnik, Senior Vice President of NAREDCO-Maharashtra, underlined that the Union Budget 2025-26 reaffirms the government's commitment to inclusive development, economic growth, and a strategic focus on increasing consumption. For FY26, FM Sitharaman has allocated Rs. 11.21 lakh crore, reaffirming the government's focus on infrastructure development and economic growth. The allocation of Rs. 1.5 lakh crore in interest-free loans for capital expenditure and the push for PPP-driven infrastructure projects will enhance urban connectivity and boost development. The launch of SWAMIH Fund 2 with Rs. 15,000 crore is a welcome move to revive stalled housing projects,

ensuring timely completion and restoring homebuyer confidence. The continued emphasis on affordable and mid-income housing will further drive demand, supporting homeownership aspirations. Additionally, personal income tax reforms and a higher TDS threshold for senior citizens will improve disposable income, positively influencing housing affordability. With a fiscal deficit target of 4.8% for FY25, the budget balances growth and financial prudence. These measures collectively strengthen the foundation for a dynamic and resilient real estate market.

Anupama Reddy, Vice President & Co-Group Head - Corporate Ratings, ICRA Limited, explained that a major

announcement in the Union Budget for FY2026 is the reduction in income tax which will enhance the disposable income in the hands of consumers and is a positive for affordable and mid-income housing segments. The continued focus of the government on the affordable housing segment, as reflected in the higher allocation of 54% towards the PMAY-Urban programme in FY2026 BE as compared to FY2025 RE, should aid the affordable urban housing segment. Further, the introduction of a second tranche of SWAMIH Fund of Rs. 150 billion is likely to provide much-needed liquidity support to the stressed residential projects and support in the completion of an additional 40,000 housing units.

Sheetal S Patil

They say all good things come to those who wait and when the Reserve Bank of India (RBI) announced its sixth bi-monthly monetary policy for FY25 on February 7, 2025, real estate sector stakeholders across the spectrum agreed that the news was definitely worth the wait. The Monetary Policy Committee (MPC), led by Governor Sanjay Malhotra, in his first monetary policy review, announced a 25-basis point rate cut to bring down the benchmark repo rate to 6.25%, a first in five years. He also maintained the monetary policy stance as 'Neutral. Needless to say, there was much rejoicing while real estate association heads and analysts shared perspectives on the key implications of this decision.

Welcome move

Dr Niranjan Hiranandani, Chairman, NAREDCO, declared, "It is a welcome move by the Reserve Bank of India to reduce its repo rate by 0.25 basis points. After a period of steadiness in the repo rate, this long-awaited and strategic move comes at a crucial time. As inflation is now under control, the fiscal deficit remains moderate, and economic growth is expected to accelerate steadily, the reduction in the repo rate signals a renewed sense of resilience. Additionally, it assures us that despite external geopolitical uncertainties, our domestic economic climate keeps markets efficient and demand robust. Combined with the tax benefits announced in the FY26 budget for the middle class, this policy change will boost sales velocity. Thus, lowered interest rates will further nudge home buyers to buy an ownership home with an upgraded lifestyle."

Positive impact

G Hari Babu, National President, NAREDCO, concurred, "This rate cut will have a positive impact on the overall sector, making home loans more affordable and increasing demand for housing. With lower interest rates, we expect to see increased sales, improved liquidity, and a reduction in the inventory of unsold homes. This, in turn, will encourage developers to launch new projects, creating new opportunities for home buyers and investors," he said.

Affordable housing

"In addition, I believe that this move will have a positive impact on the affordable housing segment, which is a priority area for the government. With lower

Repo Rate reduction gives reasons to rejoice

The RBI's announcement of a 25 basis point cut has evoked positive reactions; real estate association heads and analysts share perspectives



interest rates, more home buyers will be able to afford homes, leading to increased sales and improved liquidity for developers. This, in turn, will encourage developers to launch more affordable housing projects, addressing the huge demand-supply gap in this segment. The rate cut will also benefit the commercial real estate segment, as lower borrowing costs will make it more attractive for businesses to invest in office spaces and other commercial properties. Overall, this move is a positive step for the real estate industry, and we hope that it will be followed by further reforms to boost the sector's growth."

Direct impact

Prashant Sharma, President, NAREDCO Maharashtra, also opined, "This rate cut will provide much-needed relief to existing and prospective home buyers, boosting housing demand, and enhancing affordability. Additionally, we expect banks to ensure swift transmission of the reduced rates to borrowers, allowing a direct impact on home loan interest rates. The real estate sector has been a

key driver of economic growth, and lower borrowing costs will contribute positively to the overall industry sentiment."

Cascading effect

Presenting a location focused perspective, Jitendra Mehta, President, CREDAI-MCHI Thane, emphasised, "It was important, given that home buyers have been feeling the pinch of rising EMIs, particularly in the high-interest rate environment. The RBI's decision to lower the repo rate is a significant boost for home buyers and developers alike; it will encourage more buyers in Thane to buy their homes, especially in the affordable and mid-income housing segments. Reduction in home loan EMIs will create positive sentiment, enhance affordability and encourage more aspiring home owners to shift from fence sitters to actual buyers. We hope that the HFCs and banks will pass on the full benefit to consumers. A stable and accommodative monetary policy will be key to sustaining this positive trajectory in Thane's real estate sector. I hope this rate cut will have a cascading effect on the sector,

leading to sustained momentum in residential sales."

Major boost

Anuj Puri, Chairman, ANAROCK Group, explained, "In terms of the impact on the housing sector of the RBI's decision to reduce the repo rates by 25 bps, this piggybacks on the recent taxation benefits announced in the Union Budget. As such, it is undeniably a major boost to the home buyers, particularly for affordable housing buyers. Many first-time home buyers who had been hesitating to take the plunge are likely to make their move now as home loan rates will reduce - as long as banks pass on the key benefits to buyers."

Strong momentum

Headed, "This dovetails well with recent trends in the housing market, which continues to see strong momentum. Reduced home loan rates can help the overall positive consumer sentiment." So now, the ball is in the lending bank's court and much depends upon how soon and how much they pass on the benefits to home seekers.

TRIP DOWN THE NOSTALGIA LANE

Presenting the gist of an article written 13 years ago and key transformations since then



S. Sudarshan

From Mumbai to MMR

On May 3, 2012, I had written an article titled 'How Real is Real Estate?', which began with an anecdote: A man once saw an ad in a local paper in Mumbai that said 'Flats for Rs.50/- only'. He rubbed his eyes, and then read it again. There was no printing mistake, but when he went to the address, located somewhere beyond Mumbai, he discovered that the ad about real estate was not real. While trundling back home dejected, wondering what one could get for Rs.50/- in Mumbai, he came across a fruit vendor who was selling a watermelon for that amount. He purchased and brought it home, but on cutting open the watermelon, out came a genie who offered to fulfil his wishes. The man immediately wished to have an ownership house in Mumbai. The genie smiled and with a wistful expression replied that if fulfilling that wish were possible, why would he himself have been residing inside a watermelon all these years!

There is an oft repeated phrase - Mumbai is bursting at its seams. However, the seam has been seamlessly extending, and hence it is difficult to ascertain precisely where is the seam. Mumbai to Greater Mumbai, and then Thane District, Navi Mumbai, Panvel, Kalyan, Karjat, and extending beyond Virar; so what is the real Mumbai?

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