

GST on Cement Slashed to 18 percent; Marks a Win-Win for Real Estate Developers and Homebuyers

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The GST Council has rationalised tax rates into a simplified two-slab structure of 5% and 18%. Among the most impactful changes is the reduction of GST on cement from 28% to 18%, a move expected to significantly lower project costs and drive growth in real estate. The Council has also reduced GST on marble and travertine blocks, granite blocks, sand-lime bricks, and stone inlay work from 12% to 5%, further easing input costs for developers.



Real Estate Sector to Gain as Cement GST Rate Slashed to 18%

Industry experts highlight that the affordable housing segment will be the biggest beneficiary, as developers can pass on reduced construction expenses to homebuyers. The decision has been widely welcomed across the real estate fraternity, with builders calling it a progressive reform that will enhance affordability, stimulate demand, and strengthen overall market sentiment.

Deepak Kapoor, Director, Gulshan Group, said, *"There are three broad aspects of the reduction in GST rates. On the one hand, lowering GST on input materials will decrease the construction cost and increase the affordability of residential and commercial spaces. Second, the move will also add to infrastructural development. And third, the overall decrease in GST of most goods will propel the countrys economic growth and increase the common mans purchasing power. All three in conjunction will boost the real estate demand and add to the sectors growth."*

Gurpal Singh Chawla, Managing Director, TREVOC Group, *"The reduction of GST rates on key construction materials is a timely and progressive decision that will benefit all stakeholders in the real estate ecosystem. This move enhances the sector's overall competitiveness and is poised to give a strong boost to real estate growth. At a macro level, it aligns with the government's push for infrastructure-led development, further strengthening demand and investor confidence across the sector."*

Amit Modi, Director, County Group, said, *"The GST cut on cement from 28% to 18% is a direct relief for residential real estate. Cement alone makes up nearly a third of construction costs, so this move could trim overall project expenses. For homebuyers, that translates into tangible savings of lakhs on under-construction homes. With the festive season underway, this announcement is perfectly timed to boost sentiment,*

nudging fence-sitters to commit. Beyond affordability, it also gives developers more room to maintain quality while keeping prices in check."

Pankaj Jain, Founder and CMD, SPJ Group says, *"The GST cut on cement to 18% is not just short-term relief; it sets the foundation for a more sustainable real estate market. Construction costs have steadily risen due to land, finance, and compliance pressures, and rationalising one of the biggest inputs provides balance. For end-users, this means more accessible price points; for developers, it means healthier project economics and faster rollouts. Over time, such reforms encourage both supply and demand, ensuring housing remains within reach for a wider population."*

Manit Sethi, Director, Excentia Infra, says, *"The recent GST regime is a structural win for the real estate sector, with the housing segment availing the benefits. Cutting GST on cement from 28% to 18% will lower input costs, making property more affordable. This would renew buyers' interest, especially in emerging tier-2 markets, where demand for homes is quietly strengthening. By lowering the tax burden on key construction materials, developers will be able to pass on savings to homebuyers, creating momentum in emerging markets."*

Adish Oswal, Chairman, Oswal Group-The announcement of the GST cut on cement is a visible relief for the real estate sector. Cement is the single largest input in construction, and reducing its tax burden eases financial pressure on developers. The commercial segment will see immediate relief in construction costs, allowing projects to be priced more competitively. Importantly, it also accelerates project pipelines at a time when demand for Grade A commercial space is rising steadily. For the sector, this is not just cost relief-it's a structural enabler of expansion, bridging the gap between global demand and India's ability to supply world-class assets.

Shaurya Garg, MD, North Wind Estates says, "The government's decision to rationalise GST on cement, sand, bricks and other inputs will act as a strong catalyst for the real estate industry. Lowering construction costs will encourage developers to deliver projects at more competitive prices, benefitting homebuyers directly. Additionally, the wider reduction in GST across goods will stimulate consumption and economic activity, which in turn will create a more vibrant environment for real estate growth."

Mohit Batra, Regional Director, Realistic Realtors said, "The government's decision to cut GST on cement from 28% to 18% is a positive move for both residential and commercial real estate. For homebuyers, it helps reduce costs in the mid and affordable housing segments, while for developers of offices, retail, and hospitality projects, it boosts project viability. This dual benefit is likely to drive stronger demand from both buyers and investors. Announcements like these send a strong signal of policy responsiveness and will accelerate market confidence heading into the new quarter."

Sakshee Katiyal, Chairperson, Home & Soul, says, "By reducing the GST on cement from 28% to 18%, the government has directly increased homebuyers' purchasing power. Cement is a critical cost driver, and this reduction allows developers to contain prices, especially for under-construction projects. For buyers, this gives them more room to stretch budgets or upgrade choices. In effect, the reform doesn't just lower costs; it enhances affordability, enabling families to move from aspiration to action in their homebuying journey."

Udit Jain, Director, ONE Group said, "For homebuyers, every rupee counts, and the GST cut on cement brings real relief. Lowering input taxes directly softens construction costs, which means developers have more headroom to keep entry-level housing within reach. At a time when rising prices often push buyers into delay, this step can be the trigger that converts aspiration into action."

Ashwani Kumar, Pyramid Infratech, – *“Reducing GST on key construction materials is likely to highly benefit the real estate and infrastructure sector. Lowering down the GST rate of 28 percent to 18 percent on cement will make a substantial difference in the project cost for the developer community hence enabling them to pass on the benefits to homebuyers. The announcement, coming at a time of the festive season, infuses positive sentiments in the market as it’s a strategic reform that will enhance homebuyers affordability while empowering developers to deliver projects more sustainably and profitably.”*

The GST rationalisation is being viewed as a reform that balances the interests of both developers and buyers. By easing input costs and making housing more accessible, it not only strengthens homebuyer confidence but also provides long-term stability to the real estate sector.

