

India's Housing Ladder is Missing its Bottom Rungs, Says BCD Group Vice-Chairman Ashwinder R. Singh

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Warning that the country's housing ladder is losing its crucial first rungs, Ashwinder R. Singh, Vice-Chairman & CEO of BCD Group and Chairman of the CII Real Estate Committee, has raised a red flag over India's shrinking affordable housing supply. Affordable housing is not a second-tier pursuit, and the real estate sector must embrace affordability.



Ashwinder R. Singh, Vice-Chairman & CEO of BCD Group and Chairman of the CII Real Estate Committee

Despite India's massive housing shortfall, developers are increasingly turning away from sub-Rs. 50-lakh homes. Singh points out that the trend is being driven not only by tighter margins and heavier regulatory burdens but also by the stigma that still surrounds budget housing in the eyes of the industry. *"When a fellow developer recently asked me, 'When will you move beyond budget projects' he thought he was encouraging me,"* **Singh** remarked, highlighting the misplaced perception that affordability equates to underachievement.

The numbers paint a stark picture. Nearly half the homes sold in India's top eight cities in the first half of 2025 were priced above Rs. 1 crore, according to Knight Frank India. Meanwhile, affordable housing launches in 15 Tier-2 cities plummeted 67% year-on-year in Q1 2025, based on PropEquity

data. Even in seven major metros, sales of units priced below Rs. 50 lakh declined by 14% in 2024, despite record overall residential sales.

Singh identifies a “**triple penalty**” that discourages developers from building affordable homes. First, compressed margins and high input costs make budget projects commercially risky. Second, affordable offerings are seen as diluting brand value, which in turn affects pricing power. Third, capital continues to favour premium projects, with banks and funds applying stricter lending norms and lower exposure limits to budget housing. He further notes that compliance remains disproportionately burdensome, with budget projects facing the same regulatory hurdles as high-end developments. The lapse of the Credit-Linked Subsidy Scheme in 2022 and fragmented state incentives have further weakened the segment’s viability.

Yet, the market continues to signal strong demand for affordability. As per a blended estimate by CII-NAREDCO, 73% of incremental urban housing demand sits below the Rs. 50-lakh mark, predominantly driven by millennial families looking for shorter commutes. EY data also reveals that nearly a quarter of all mortgage disbursements in the past year were for affordable housing.

Calling for urgent reform, Singh outlines five areas of intervention. These include bridging the perception gap through recognition of affordable developers via awards, ESG indices, and REIT weightage; addressing the capital drought through blended finance with first-loss guarantees; streamlining compliance via a digital single-window system with deemed approvals; improving land economics through density bonuses and transferable development rights; and confronting the brand stigma by mandating disclosure of affordability metrics in advertising.

Reframing affordable housing as a high-impact sector is essential, Singh argues. *“Affordable developers build social*

mobility; every 1,000 units create about 1,800 direct and indirect jobs," he notes, citing data from the Ministry of Housing. However, industry and media continue to highlight opulence over outcomes, showcasing marble instead of the multipliers that uplift communities.

According to a 2024 Times of India analysis, the share of homes priced under Rs. 50 lakh fell from 63% of new launches in 2019 to just 47% in 2023, before plateauing in response to falling interest rates. Singh warns that cyclical rate cuts will not be enough to correct what is now a structural imbalance in the market.

In his call to action, Singh urges policymakers to introduce a **"Taxpayer Bill of Rights"** for developers, setting clear approval timelines with penalties for delay. He recommends that lenders and funds ring-fence a portion of their annual real estate allocations for blended debt in the Rs. 15-50 lakh segment. Developers, meanwhile, must rethink affordable projects as modern communities-EV-ready, climate-resilient, and digitally connected-reflecting the expectations of the next generation.

India's urban future cannot rest on luxury towers alone. *"A housing ladder without its first two rungs traps families in rental stress, magnifies urban sprawl, and throttles productivity,"* he writes. If India aims for a \$5-trillion economy, it must restore dignity-and profitability-to the business of building affordable homes.

