

RBI Hits Pause on Rate Cut at 5.5%: Real Estate Set to Gain from Stable EMIs and Festive Demand

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In a move widely anticipated by market watchers, the Reserve Bank of India has chosen to maintain the repo rate at 5.5%, following a cumulative 100 bps reduction over the past three Monetary Policy Committee (MPC) meetings. For the real estate sector, this pause reinforces a climate of stability, keeping home loan EMIs unchanged and encouraging end-user confidence.

With the festive season approaching and earlier rate cuts still transmitting into the system, developers look forward to seizing the opportunity to drive sales through flexible payment plans and festive incentives. A further cut in the

coming quarters, if macroeconomic conditions permit, could act as an additional trigger for housing demand.



RBI Holds Repo Rate Steady at 5.5%

Mr Manoj Gaur, CMD, Gaurs Group, says, *"This status quo reflects a prudent and laudable step by the RBI, especially in light of current international dynamics, including the impact of the Trump Tariff. With inflation significantly below the RBI's target, the decision will definitely boost the economy and impart positive sentiment to the real estate sector, particularly at the onset of the festive season, a critical period for housing demand. We believe this consistency in policy will help strengthen buyer confidence and stimulate activity across the real estate landscape. It also enables developers to plan ahead with greater clarity, especially for integrated and long-term projects."*

Deepak Kapoor, Director, Gulshan Group, says, *"The two successive rate cuts resulting in a total reduction of 100 bps over the last six months, the RBI's stance to keep the repo*

rate steady at 5.5% is as per the realty sectors expectations. The move aligns with the central bank's cautious stance against the backdrop of global economic volatility. It is also noteworthy that the previous rate cuts significantly bolstered housing demand, with Tier-I cities recording residential sales worth Rs. 3.6 lakh crore in just the first half of 2025. Even though a slight reduction could have further fueled this growth, particularly benefiting affordable and mid-segment homebuyers. We look forward to a possible rate cut in the festive season as this would provide a timely push to housing demand, especially for first-time buyers and budget-conscious investors."

Adish Oswal, Chairman, Oswal Group, says, "The RBI's decision to hold the repo rate steady at 5.5% reinforces economic stability while continuing to support the housing sector. The cumulative 1% reduction since February has already improved liquidity, enabling developers to fast-track launches and project deliveries. Meanwhile, the firm reductions in home loan rates are gradually boosting affordability, especially for first-time buyers. Together, these factors are expected to fuel fresh momentum in the real estate market and pave the way for sustained growth in the months ahead."

Sandeep Chhillar, Founder and Chairman, Landmark Group, says, "The RBI sustaining the status quo marks a strong pro-growth signal and undoubtedly benefits the real estate sector. With home loan rates likely to fall further, affordability will improve, especially for first-time homebuyers. This move is expected to reignite demand, sustain buyer interest, and create a favorable environment for continued growth across the housing market."

Gurpal Singh Chawla, Managing Director, TREVOC Group, says, "The announcement by the RBI to hit the pause button after a 100-bps rate cut in the last 6 months will bring cheers to the sector. At 5.50% the home loan continues to be affordable, and given the fact that the festive season is merely two months

away, it will boost the markets prospects and lead to the real estate sectors growth.”

Mr. Sanchit Bhutani, Managing Director, Group 108, says, “As anticipated, the RBI’s decision to maintain the status quo and keep the stance neutral signals continued confidence in India’s economic growth story. This decisive move is set to unlock greater capital inflows, especially into high-impact sectors like real estate. Notably, the commercial segment is seeing renewed traction. This would allow ongoing projects to proceed without repricing risks. For occupiers and developers, predictability in the financial environment signifies stability and is always welcome.”

Pankaj Jain, Founder & CMD, SPJ Group, says, “In the midst of global economic uncertainties and recent tariff escalations, the RBI’s decision to maintain the repo rate at 5.5% signals a measured and prudent approach to sustaining economic momentum. While a rate cut would have further boosted home loan affordability, the current stability still bodes well for the real estate sector-especially luxury housing, where demand remains robust. With borrowing costs steady, both end-users and investors can plan confidently, and developers are likely to continue exploring untapped micro-markets. This move reinforces policy consistency and supports ongoing recovery across the sector while contributing to broader macroeconomic resilience.”

Sanjay Sharma, Director, SKA Group, says the RBI’s decision to keep the repo rate unchanged at 5.5% injects optimism amid economic uncertainty. Setting a positive tone for the real estate sector, this will continue to ease the homebuying process, enhancing home loan affordability and supporting demand across the segments. We see this announcement as a positive push toward a broader recovery in real estate and the economy at large.

Saurabh Saharan, Group Managing Director, HCBS Developments,

says, "The RBI's decision to hold the repo rate steady supports buyer confidence and keeps home loan EMIs stable. In Gurugram, demand remains strong, particularly in the mid and premium segments. While the recently proposed circle rate hikes may impact pricing in select pockets, overall market sentiment is upbeat and growth momentum continues. Stable rates will further drive residential demand and encourage developers to bring new projects aligned with evolving buyer preferences."

Ajay Tyagi, Chief Sales Officer, Better Choice Realtors, says, "Given global economic uncertainties, the RBI keeping the repo rate at 5.5% sends a strong message of authorities being considerate towards real estate. This move will encourage borrowing, prompting more individuals to invest in property purchases and driving demand in the housing sector, especially amid the recently imposed U.S. tariffs."

