

Repo Rate Slashed to 5.25 percent; Softer Rate Cycle Reignites Demand Across Real Estate Sector

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The Reserve Bank of India (RBI) has unanimously cut the repo rate by 25 basis points, bringing it to 5.25 percent. This marks the fourth rate reduction in 2025, totalling a cumulative 125 bps cut since the start of the year. This decisive move comes against a backdrop of easing inflation, stable growth, and an eagerness to boost liquidity and credit flow. For homebuyers, particularly those looking at affordable, mid-income, or even premium housing across NCR and other urban corridors, this signals a fresh wave of affordability. As banks adjust lending rates, borrowers with floating-rate home loans may soon see lower EMIs, reviving demand and giving impetus to property purchases. The softer interest rate environment is thus set to underpin stronger housing demand through the remainder of 2025 and into 2026, a period likely to see many “**fence-sitters**” finally turning into

homeowners.



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Real-estate developers welcomed the decision, noting that it could accelerate demand, convert cautious buyers into committed ones, and provide the needed boost to both residential and commercial launches in the coming year.

Sandeep Chhillar, Founder and Chairman, Landmark Group, says, *"The RBI bringing the repo rate down by 25 basis points 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 favourable environment for continued growth across the housing market."*

Umang Jindal, CEO, Homeland Group, says, *"The 25 bps rate cut*

is a welcome breather for the industry, especially at a time when growth is spreading beyond metros. In Tier-II cities, we're seeing families upgrade to better homes and businesses look for organised commercial spaces. This reduction nudges both trends forward. It lowers borrowing costs, improves sentiment, and makes it easier for developers like us to fast-track mixed-use neighbourhoods where people can live, work, and shop within the same ecosystem. As we head into 2026, Tier-II markets are set to witness stronger absorption, better retail activity, and sustained demand for quality residential projects driven by aspiration and improved affordability."

Sehaj Chawla, Managing Director, TREVOC Group, says, *"The cumulative softening of rates – with the latest 25 bps cut bringing the effective lending environment to 5.25 percent from 6.50 percent last year – marks a total reduction of 1.25 percent, which is a major boost for homebuyers. Lower borrowing costs directly translate into higher purchasing power and faster decision-making. Supported by stable inflation and strong GDP momentum, this move sets the stage for accelerated growth across the real estate sector."*

Harinder Singh Hora, Founder Chairman, Reach Group, says, *"Retail thrives on consumer confidence, and the RBI's move to bring the repo rate down to 5.25 percent is exactly the sentiment boost the sector needed. For developers, this signals a stronger investment climate, easier access to capital, and faster decision-making from brands planning expansion. We anticipate higher leasing activity across high-streets, malls and experience-led retail centres in Gurugram, as occupiers move quickly to secure prime spaces before the new year. By 2026, this policy shift will contribute significantly to a more vibrant, liquid, and future-ready retail ecosystem across NCR, benefiting both developers and*

brands."

Shyamrup Roy Choudhury, Founder and Managing Director, Aura World, says, The 25 bps rate cut is a highly encouraging development for the luxury housing segment, where sentiment and confidence play a far larger role than affordability. Affluent buyers tracking macro trends will view this as a strong green signal to advance large-ticket purchases. Further, the reduced rate will strengthen liquidity for developers building high-spec, design-led communities. As we look toward 2026, luxury housing will continue gaining momentum, powered by wealth creation, asset diversification, and India's rising global economic position.

Ankit Kansal, MD, 360 Realtors, says, *"The recent decision by RBI to lower the Repo Rate is a welcome step, as it will enable reduction in home loan rates and make property more affordable in numerous urban corridors such as MMR, NCR, Bangalore, Pune and Chandigarh. The inflation rates are benign, and the economy appears to be on a strong footing marked by healthy agrarian output, a rise in rural demand and strong corporate savings. In such a situation, it is seemingly a prudent move to lower the REPO rate and infuse liquidity in the market."*

Ashwani Kumar, Pyramid Infratech, says, *"The 25 bps cut, especially after two consecutive status-quo policy announcements, signals a renewed push toward affordability and market confidence. For Gurugram's end-user-driven corridors, this will encourage families who were delaying decisions due to rate uncertainties. As we enter the year-end buying cycle and prepare for 2026, this move is set to enhance absorption across well-connected micro-markets and support long-term*

stability in premium housing."

Azad Ahmad Lone, President, Business Development and Operations, Biigtech, says, *"The RBI's 25 bps repo rate cut couldn't have come at a better time for NCR's commercial sector. Cities like Noida-Greater Noida are becoming India's most credible alternative to traditional commercial hubs, due to strong connectivity, a deep talent pool, and highly competitive rentals. We're seeing GCCs and global MNCs actively exploring sizeable office mandates here. This rate reduction will only make capital deployment smoother for new Grade A offices, high-street clusters, and integrated work-retail spaces. Moving toward 2026, we expect sharper pre-commitments, longer leases, and a robust pipeline of institutionally backed commercial assets".*

As the market absorbs the implications of the RBI's 25 bps rate cut, the momentum clearly tilts toward a more active and confident real estate cycle. Lower EMIs, improved liquidity, and a sentiment boost across buyer segments position the sector for a healthier close to 2025.

