



The upcoming union budget has a real opportunity to strengthen housing affordability, says CEO-Founder and MD, NBR Group



As India prepares for the upcoming Union Budget, the real estate sector is closely watching policy cues that could impact housing demand, investor confidence, and the trajectory of urban development. Even as buyer preferences evolve, the premium residential segment remains remarkably resilient. Against this backdrop, industry stakeholders are advocating measures that strengthen end-user demand, advance sustainability, and support long-term, balanced growth.

In an exclusive interaction, **Nagabhushana Reddy, CEO, Founder, and Managing Director, NBR Group**, offers his perspective on prevailing market dynamics, his expectations from the Budget, and the opportunities and challenges that lie ahead for India's real estate sector.

How would you describe the current state of the real estate market as we approach the Budget?

The residential real estate market is in a stable and mature phase. While volumes are growing at a measured pace, the market is expanding strongly in value. Total residential sales value rose by about 6 percent in 2025 to nearly ₹6 lakh crore, driven largely by sustained demand in the premium and luxury segments, particularly homes priced above ₹1.20 crore.

After significant price increases of 13 to 15 percent in FY25, the market is now seeing price stabilisation. Going ahead, price growth is expected to moderate to a healthier 3 to 5 percent in FY26, which supports long term sustainability and end-user confidence.

The outlook remains positive, supported by strong GDP growth above 7 percent, continued urbanisation, improved infrastructure connectivity through metros and expressways, and rising NRI participation. At the same time, challenges such as relatively high home loan interest rates, construction cost inflation, and affordability pressures in top-tier cities persist.

Overall, the market is balanced and resilient, and the upcoming Budget has an opportunity to strengthen this momentum through focused, growth-oriented measures.

Looking ahead, what is your outlook for real estate in the coming year?

The outlook for the coming year is cautiously positive, with the market entering a phase of healthy consolidation rather than rapid expansion. Price growth is expected to stabilise, moving away from sharp double-digit increases toward more sustainable appreciation. This will help maintain affordability while protecting long-term asset value, especially in end-user-driven markets.

Residential demand will continue to be led by genuine homebuyers, with a strong preference for well-designed 2BHK and 3BHK homes in credible, near completion, or move-in ready projects. Quality, wellness, and sustainability are becoming decisive factors, and developers who deliver green-certified, thoughtfully planned communities are likely to see stronger absorption. The luxury segment, particularly in major metropolitan cities, is also expected to remain resilient despite broader market moderation.

On the commercial and industrial side, demand for Grade A office spaces, flexible work environments, and logistics and warehousing assets is set to grow steadily, supported by hybrid work models, e-commerce, and manufacturing expansion. Infrastructure-led growth corridors and emerging Tier II cities will continue to attract both end users and long-term investors.

Overall, 2026 presents a favourable environment for disciplined, long-term investment, with success increasingly defined by execution quality, transparency, and sustainability rather than speculative gains.

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