

# Interim Budget 2024-25: FM's housing, infra push boosts realty sector



The FM preferred to stick with statements related to the government's future plans.



While presenting the [Interim Budget 2024-25](#), finance minister [Nirmala Sitharaman](#) chose to stick to the past trend and didn't touch on big policy related issues or announcements related to the economic reforms. She, however, made her intention clear that in the next 5 years, the government will continue to push for more growth and developments.

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For the uninitiated, interim budgets presented before the elections are vote on account – the details of revenue and expenditure till a new government is elected.

Let's check out some of the budget 2024 hits and misses for the realty sector.

## Increase in outlay towards infrastructure sector

The sector growth is impacted by the infrastructure growth. So, an increased emphasis on infrastructure growth means better facilities and environment for the sector to come up with new projects.

"Infrastructure continues to be the focus area of the government during the Interim Budget. With an outlay of 3.4% of the GDP, the benefits of such focused and continued efforts will percolate down to all real estate segments. Tier II and III cities can expect heightened real estate activity in the near-midterm," says [Vimal Nadar, head of research, Colliers India](#)

## Additional 2 crore houses through PMAY-Rural

The [Pradhan Mantri Awas Yojana](#) has provided housing to a large number of people and again the government has made an announcement to increase the number of homes that it will build in the next 5 years for the people without their own home.

Malini Saba, businesswoman and founder & ex-chairman of Saba Group, says, "I commend the government's steadfast commitment to promoting inclusivity and ensuring sufficient living accommodations for everyone. The announcement of constructing an additional twenty million houses through the [Pradhan Mantri Awas Yojana-Gramin](#) highlights a visionary approach to broaden affordable housing opportunities in rural areas. This deliberate step not only addresses the housing needs of rural communities but also propels growth in the housing sector within these regions.

## Boost to tourism, air connectivity will open up new markets

Experts point out that the government announcement to allow interest free loans to states for promoting tourism will also open up new doors of opportunities for the sector. People may get more options for buying vacation homes. Also, the announcement of 517 new routes under the Udaan scheme will allow people to buy a home at a remote location at cheaper prices.

[Avneesh Sood, director, Eros Group](#), opines, "The doubling of airports to 149 and the India Middle-East Europe Economic Corridor announcement reflect a positive outlook for infrastructure and economic activities. With FDI inflows at \$596 billion, the real estate sector anticipates sustained global investor confidence. The incorporation of Rooftop solarisation aligns with sustainable living goals, contributing to an eco-friendly real estate landscape. Overall, the Budget 2024 sets a transformative path for real estate, aligning with national development objectives."

## Did the budget miss something?

[Samantak Das](#), chief economist and head of research & REIS, India, JLL, says, "Fiscal prudence with continuity of focus areas – housing and infrastructure in the interim budget sets the tone for the future. The interim budget stopped short of making big bang announcements but focused on fiscal prudence keeping fiscal deficit target at 5.1%. It, however, continued to push the growth agenda".

There are always hits and misses for the realty sector when it comes to budget announcements. The list of expectations was long but since it was an interim budget everybody knew that the government may not come out with pleasant surprises. However, the interim budget has successfully set the tone of the government about its future growth program if it gets the chance to present the full budget after the elections.

"The interim budget outlines the positive vision for the future of the Indian economy, with focus to boost investment, sustainable growth, innovation, and infrastructure, while ensuring fiscal prudence and social welfare. We are hopeful that the full budget later this year will translate into tangible outcomes for the real estate sector and for the overall development of the economy," says [Pavitra Shankar, MD, Brigade Group](#).

The Budget could have addressed some issues such as related to increase in the input cost for the realty sector and clarified its intention about how it plans to make housing more affordable for the larger population. However, with a full budget to follow the elections, the sector is still highly hopeful that its demand will be met soon.

