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Budget 2026: Infrastructure push sets the stage for a real estate revival

By Kshitij Anand, ETMarkets.com - Last Updated: Feb 02, 2026, 11:10:00 AM IST

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Synopsis

Union Budget 2026 reinforced India's infrastructure led growth strategy with higher capital expenditure, de-risking mechanisms and improved connectivity. Industry leaders expect these measures to boost execution, liquidity and long term demand across real estate segments, supporting urban expansion, housing activity and investment-led development over the medium to long term.



Budget 2026 infrastructure push expected to revive real estate growth.

The Union Budget 2026 has reinforced the government's long term commitment to infrastructure led growth, with public capital expenditure raised to Rs 12.2 lakh crore and the introduction of the [Infrastructure Risk Guarantee Fund](#).

Industry leaders believe these measures will improve execution visibility, enhance liquidity and strengthen demand drivers across key real estate segments.

Capex Push and De Risking to Accelerate Project Execution

The sharp rise in public capex and the creation of a de-risking mechanism for infrastructure projects are being seen as a major boost for both real estate and construction linked sectors.

According to Navdeep Sardana, Founder, Whiteland Corporation, "The Finance Minister's decision to scale up public capital expenditure to Rs 12.2 lakh crore and introduce the Infrastructure Risk Guarantee Fund is a major confidence booster for the real estate and infrastructure sectors."

He added that by de-risking the construction phase and improving credit availability, the move will accelerate project execution and help crowd in private investment. Sardana also highlighted that faster asset monetisation through REITs and enhanced freight connectivity will unlock liquidity across the ecosystem.

Policy Continuity and Planned Urbanisation Support Long Term Growth

The Budget's sustained focus on infrastructure development and planned urbanisation is expected to strengthen the structural foundation of India's real estate market.

Manik Malik, CEO, BPTP, said, "The Union Budget 2026 reflects policy continuity through its sustained focus on infrastructure development and planned urbanisation, which together form the structural foundation for long term growth in the real estate sector."

He noted that the emphasis on urban mobility, integrated housing initiatives and infrastructure led expansion across Tier 1 and Tier 2 cities will support orderly urban growth and strengthen regional market fundamentals over time.

Malik also pointed out that measures aimed at enhancing manufacturing competitiveness through rationalisation of duties, cost efficiencies and targeted sectoral support could contribute to broader employment creation and income stability, which are important enablers for consumption led sectors such as housing over the medium term. "Overall, the continued focus on infrastructure creation, economic stability and spatial development corridors provides a constructive policy backdrop for stakeholders across the real estate ecosystem, including developers, lenders and homebuyers," he said.

High Speed Rail Corridors to Unlock New Growth Zones

A major highlight of the Budget is the announcement of seven high speed rail corridors, including the Delhi-Varanasi route, which is expected to reshape urban and economic geography.

Rishabh Periwal, Senior Vice President, Pioneer Urban Land and Infrastructure Ltd., said, “The Union Budget 2026-27 marks a decisive shift for India’s real estate sector, moving towards a high velocity urban economy by prioritising structural efficiency over mere expansion.” He added that the high speed rail corridors will significantly reduce geographical friction and unlock new growth corridors, while the Infrastructure Risk Guarantee Fund and dedicated [CPSE REITs](#) will bring financial security and institutional liquidity into the ecosystem.

Periwal also highlighted the importance of incentivising domestic manufacturing of advanced equipment, describing it as a potential game changer that can help shorten project timelines and reduce global dependencies. For the luxury segment, he said enhanced connectivity and faster execution will transform emerging micro markets into attractive urban hubs for HNIs, NRIs and global investors.

Shift from Asset Creation to Asset Efficiency

Industry leaders believe Budget 2026 reflects a deeper structural shift in how urban development will be approached.

Jitender Yadav, Director, Roots Developers, said, “Union Budget 2026-27 is a master plan in shifting India’s real estate sector from asset creation to asset efficiency.” He noted that the integration of high speed rail corridors such as Delhi-Varanasi will not only improve mobility but also expand the boundaries of metropolitan regions like Delhi NCR.

Yadav further said the introduction of the Infrastructure Risk Guarantee Fund and dedicated CPSE REITs will provide institutional liquidity to the sector. He emphasised the push for domestic manufacturing of high value equipment, from tunnel borers to firefighting systems, as a move that will drastically compress project timelines. For the premium housing segment, he believes these developments will elevate high speed transit hubs into prestigious residential destinations, signalling the emergence of a leaner, technologically superior and more self reliant infrastructure ecosystem.

Outlook: Infrastructure Led Urban Transformation

Taken together, industry responses suggest that Budget 2026 offers a supportive policy framework for real estate through a combination of higher public investment, stronger connectivity and financial de-risking mechanisms. The focus on execution efficiency, manufacturing competitiveness and spatial development corridors is expected to shape urban expansion patterns over the medium to long term.

For developers, lenders and homebuyers, the Budget's emphasis on mobility, liquidity and long term stability provides a constructive backdrop as India's real estate sector moves towards a more integrated, efficient and infrastructure driven growth model.