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Deepak Parekh Calls for Greater Focus on Middle-Class Housing

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Renowned banker and industry veteran Deepak Parekh has called for increased attention on housing solutions for India's middle class, emphasizing that the current market continues to be skewed toward luxury and premium housing segments.

Speaking exclusively to *The Financial Express*, Parekh highlighted the urgent need for policies and private sector initiatives that specifically address the aspirations and

affordability constraints of middle-income families. “While affordable housing for economically weaker sections has received government support, the middle class has largely been left to fend for itself in a market that caters mostly to the high-end,” he said.

According to Parekh, India’s urban middle class is expanding rapidly, and with rising incomes and urban migration, the demand for reasonably priced homes is growing. However, most real estate developers have prioritized luxury and upper-mid segment projects that offer higher margins, resulting in a widening affordability gap for the average salaried professional.

He urged the government and developers to collaborate on new schemes, including interest subventions, land access at concessional rates, and public-private partnerships that could enable the construction of more mid-range homes. “A sustainable urban future depends on housing that caters not just to the rich, but to the working backbone of our cities, which is the middle class,” Parekh added.

Parekh also pointed out that regulatory clarity and speedier approvals would encourage more developers to enter the mid-income housing space. He suggested that housing finance companies and banks could develop specific lending products to make ownership more accessible, especially for first-time homebuyers.

His remarks come amid growing concern that rising property prices in major metros such as Mumbai, Delhi, and Bengaluru are pushing middle-class buyers to the peripheries, increasing commute times and putting stress on urban infrastructure. The lack of compact, affordable homes near city centers continues to be a major issue.