

POCKET-FRIENDLY & FASTER HOMES AMONG A SLEW OF BENEFITS

Mr. Ravindra Sudhalkar - ED & CEO, Reliance Home Finance shared "It is no mystery that India's growing population also needs a place to stay. As per a report the number could be as high as 100 million affordable homes by the year 2022. Contrary to the law of demand and supply, however, this growing demand has not really translated into a huge uptake in sales of housing units. High real estate costs, a perceived lack of transparency, unclear and delayed timelines and poor service had pushed away buyers from the market. Realizing these gaps, the need for affordable homes and intent to fix the issues with both the demand & supply gap of housing units, and the supply of affordable finance has been a key priority with the government.

The government's twin-moves to offer subsidized home loans under the Pradhan Mantri Awas Yojana (PMAY)(now extended to cover MIG also) and the introduction of Real Estate Regulation Act (RERA) have not only put affordable housing on the top of agenda but has also made the job of home-buyers easier. This reformist outlook to policy and people- centricity is paving the way for pocket-friendly homes and capital that will usher in accountability to deliver and turn, the confidence of home buyers to remain invested in the property market. In fact, there is no better time than today as 12-year low mortgage rates, and government subsidies create



the best-ever affordability conditions.

Aiming to benefit close to 90 per cent of the Indian population across categories, the HFA scheme aims to bridge both the gap in funding;

1) with Pradhan Mantri Awas Yojana (PMAY) and Credit Linked Subsidy Scheme (CLSS) granting 3-5 per cent interest savings

2) supply by according infrastructure status to affordable housing and affordable housing programme.

For the crores of prospective home buyer, this means cheaper finance, and a chance to finally own their home. With the cost of owning a home being high and a home being a product with high emotional investment for a country like ours, access to easy finance is a sure-shot way to encourage buyers. That said, without attractive sops, even home-finance can do very little, until now. Mortgage contribution to GDP in India is a mere 9 per cent, as compared to 52 per cent in the US.