

Realtors ask banks to cut rates

Experts feel affordable housing will benefit the most, along with sops given in last few years

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Mumbai: Real estate industry feels that the Reserve Bank of India's (RBI) decision to cut repo rate by 25 basis points (bps) to 6% will give a fillip in boosting residential sales, especially at a time when two festivals – Gudi Padwa and Akshay Tritiya are around the corner.

Of an entire lot of residential segments, affordable housing is likely to benefit the most with the sops already dished out by the government in the last few years.

Though RBI's move gives a stimulus to the sector, it is the banks who have to do the needful of reducing interest rates without any deal, opine developers.

"It is now up to the banks to pass on these cuts and ensure that the common man reaps the benefit of this move," said Surendra Hiranandani, founder and director, House of Hiranandani.

Sharing the same view,



managing director of Ruparel Realty, Amit Ruparel, said "We reciprocate banks do the same by reducing home loan interest rate which will benefit home buyers. Reducing the home loans interest creates a perfect setting for an optimistic start to the new financial year. With Gudi Padwa and Akshay Tritiya just a few days away, we anticipate that the announcement is surely going to result in increased residential sales, given the banks pass on the ease to the customers."

During these festivals,

apart from Diwali and Dushera, real estate companies tend to come up with marketing campaigns and offers. Once again, during the coming weeks, Gudi Padwa and Akshay Tritiya realty players will bank of these two festivals to get a more than usual bookings.

"The rate cut is expected to substantially enhance home-buyer sentiments and add further impetus to the industry's revival, which needed a boost especially post the NBFC Crisis. The EMI burden on home buyers will also reduce and improve

the purchasing power which is expected to provide a stimulus to Indian realty," commented Satish Magar, managing director of Magarpatia City and president of Confederation of Real Estate Developers Association of India, on RBI's announcement.

In the Interim Budget 2019, the government had come out with certain measures to improve sales in of homes, which combined with these two successive rate cut should only help in reviving industry's revenues.

URGING LENDERS

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- Govt had taken steps to improve sales in Interim Budget 2019

"RBI's decision to cut interest rates, the second time in a row, is icing on the cake for the interest-rate sensitive sector. After government's proactive steps to boost real estate markets by relaxing GST rates and offering tax sops in the interim budget, the rate cut will provide much-needed impetus to real estate sector, which is reeling under liquidity pressures," said Ravindra Sudhalkar, executive director and CEO at Reliance Home Finance.

"Setting up the committee for assessing housing finance securitisation market is a welcome move which will help further easing liquidity in the system. We also expect improvement in the flow of bank credit to NBFCs," he further added.

On a day, when the benchmark Sensex fell nearly 192 points, Realty index ended on a sluggish note.

Shares of Indiabulls Real Estate fell over 1% to end at Rs 89.50, while shares of DLF also eased marginally to close at Rs 200.90