



*I just want Twitter to be  
maximum amazing.*

ELON MUSK  
TESLA CEO

# Hike in repo rate likely to impact affordable housing

## AGENCIES

NEW DELHI, 30 SEPTEMBER

The 50 basis points hike in the repo rate coupled with inflationary pressure is likely to impact the sentiment of the Housing sector particularly in the affordable and mid-range housing segments.

While the hike is on the expected lines, the Real Estate developers and experts said that the corresponding hike in the home loan rates is likely to impact the housing sales during the upcoming festive season.

"The current 50 BPS repo rate hike by RBI now makes it higher than the pre-pandemic levels. At one level it reflects the confidence in the economy and future growth outlook, at another level it was necessitated by the recent global developments such as



the Russia-Ukraine conflict, including aggressive monetary policies pursued by global central banks.

"Even though it will have a marginal impact on the real estate sector, I wish RBI had deferred this increase for the

post-festive season. The buyers sentiments so far have remained buoyant towards residential real estate signalling the preference for real estate as an asset class. We are confident the buoyancy will remain intact," said Manoj Gaur,

President CREDAI-NCR & CMD, Gaur's Group.

Even though the quantum at present is still 5.9 per cent it will definitely impact the long-term growth of the real estate market as this rate hike not only raises it above the pre-pandemic levels but also takes away the psychological cushion with the possibility of a further increase in the interest rates," said Nayan Raheja, Raheja Developers.

Middle-income groups or homebuyers from the affordable segment may suffer a minor hurdle, but there would not be any major difference in the overall growth of the sector. The real estate sector has already been doing quite well as per the recent trends, and this decision by the government would bring it more growth," said Amit Jain, Director, Mahagun Group.