



Real estate industry welcomes RBI's liquidity measures

Editor | April 17, 2020 @ 04:03 PM

The Reserve Bank of India (RBI) on April 17 announced a fresh Rs 50,000 crore targeted long-term repo operation to address the liquidity stress of shadow banks and microfinance institutions and hinted at the possibility of further rate cuts going forward. RBI reduced the reverse repo rate by 25 basis points to 3.75 percent. Here is what realty experts have to say:

Manoj Gaur, MD, Gaurs Group and Chairman, Affordable Housing Committee, CREDAI (National)

The second announcement by the RBI during the lockdown period is an indication that the government is working tirelessly to find out ways to address the situation. Real estate was demanding the steps that could help the sector and now it is again up to the banks to take a leaf out of RBI announcement where it has talked about the real estate sector and extend a helping hand to real estate.

As the govt. has pledged to refinance the NBFCs, roll out stimulus packages for NHB, NABARD, & SIDBI, etc. This will boost the liquidity in the market & also offer credit support to the realty sector. Also, the decision to allow NBFC to extend realty loans by a year under certain circumstances will give some relief to the sector. Interestingly, the inflation rates have declined and are expected to remain within 4% in the 1st half of 2020. This will offer ample policy maneuvering bandwidth to the central Bank & take more steps towards liquidity injection.