

## Repo rate cut to boost housing sales: Realty experts

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*The Reserve Bank of India's (RBI's) decision to slash repo rate by 25 basis points has come as a respite to the real estate sector. The move is likely to ease the financial burden on potential homebuyers and developers by bringing down home loan Equated Monthly Installments (EMIs) and boost housing sales in the sector.*

For the third consecutive time, the Reserve Bank of India (RBI) has reduced the short-term lending rate (repo rate) by 25 basis points, bringing it to 5.75 percent. The decision was taken unanimously by RBI's six-member Monetary Policy Committee (MPC), led by Governor Shaktikanta Das. It also changed its policy stance from 'neutral' to 'accommodative'. Amidst increasing global uncertainty and slowing economic growth, the apex bank, in its last two policy reviews had slashed the repo rate by 25 basis points each.

The MPC's decision is in line with the economists' expectations since a reduction in repo rate and change of policy stance are vital to boost the sagging economic growth. A reduction of 75 basis points since February 2019 spells good news for the housing sector, which has recently started showing signs of revival. The alteration in repo rate would translate into cheaper home loans for potential homebuyers and developers; thus, eventually helping in stimulating investments in the sector.

**Manoj Gaur, Managing Director, Gaurs Group and Chairman of Affordable Housing Committee, CREDAI (National)**

The benchmark lending rate cut by 25 bps to 5.75 percent is a positive move for the real estate sector before the Union Budget for FY 19-20. The move will benefit banks, which eventually can ease lending in the real estate sector. The third consecutive reduction shows positive signs, which can surely enhance the demand for housing, albeit, marginally. The benefit of the previous repo rate cut was not passed on to the consumers, so we will have to wait and watch whether the consumers get the benefit of the rate this time or not.