



Real estate industry wants banks to reduce lending rates

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The Reserve Bank of India on June 6 cut interest rates by 25 basis points in a widely expected move, while also changing its monetary policy stance to "accommodative" after the economy grew at its slowest in over four years. The real estate industry welcomed this step but expected banks to pass on the benefits to home buyers. Here is how the real estate sector reacted:

Manoj Gaur, MD, 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. This move will surely 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, marginally. Though the past cut wasn't passed on to the consumers, so we would have to wait and watch whether this time the consumers get the benefits or not.