



Real Estate Industry welcomes Rs 20,000 crore funding but expects more for revival of sector

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The real estate industry welcomes the decision by the government of India to create a special window to provide last-mile funding requirements for housing projects that are non-NPA and non-NCLT and yet are stuck due to lack of funding. Rs 10,000 crore will be contributed towards this by the government of India and the same amount is expected from outside investors. However, developers and real estate experts feel that the more is needed from the government to revive the sector. Here is what the real estate industry said:

Manoj Gaur, MD, Gaurs Group & Chairman, Affordable Housing Committee, CREDAI

Announcements by Hon'ble FM to boost housing sector is indeed welcome. Several mid-income and affordable housing projects which are witnessing slow progress due to lack of funds, will be expedited as the result of setting up of special window having a corpus of Rs 10,000 crore. It should help faster delivery of close to 3-3.5 dwelling units. The fact that the special window will be managed and monitored by professionals from housing and banking sector is another step in right direction. Also, govt decision to link housing building advance with yield on 10-year T-bill is likely to reduce effective interest rate for government employees, which should encourage them to buy new homes. Relaxation of ECB norms for affordable housing should also boost housing demand as the cost of funds will reduce for HFCs as a result of the move.