RNI No. 53466/91, REGD. No. DL (C)-05/1219/2018-20 Posted at DRMS Delhi 6
Established 1864
Published From
DELHI LUCKNOW BHOPAL
BHUBANESWAR RANCHI RAIPUR
CHANDIGARH DEHRADUN
*Late City Vol. 28 Issue 277
*Air Surcharge Extra if Applicable

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RBI's status quo brings cheer for real estate developers

PTI ■ NEW DELHI

Real estate developers heaved a sigh of relief after the RBI kept key policy rates unchanged and said any hike in the interest rate would have affected housing demand during the upcoming festival season.

"RBI's decision to keep the repo rate unchanged is a relief to the developers, home buyers and real estate stakeholders at large.

"However, the economy is too precariously poised for real estate to pull itself by its bootstraps. We hope in particular for decisive steps to end the credit freeze," CREDAI's national president Jaxay Shah said.

NAREDCO president Niranjan Hiranandani said RBI had kept rates unchanged but some banks had already hiked interest rates. He wondered whether banks would now reverse their recent hikes.

Anshuman Magazine chairman (India and South East Asia), CBRE, said: "Any hike in repo rate would have impacted consumption sentiment and also the real estate sector. Also, the change in stance of the RBI from neutral to calibrated tightening is an indication of the intent of the RBI to keep inflation levels in check."

ANAROCK chairman Anuj Puri said it was "unexpected stance" on part of RBI and could be favourable for the real estate sector in the short term. However, he said it was a worrisome development from a macro-economic long-term perspective.

JLL India CEO & country head Ramesh Nair said it was a welcome step for the real estate sector as it would give the much-needed impetus to the housing market which had been showing signs of revival in the last six months.

"For home buyers, the timing could not have been better as lending rates are not expected to increase from current levels. Besides providing a major fillip to buyer sentiment, RBI's move should also translate into boosting demand," Nair said.

Knight Frank India CMD Shishir Baijal said: "While we are in a rising interest rate cycle now, the pause will provide a temporary relief to the home buyer sentiment and support the festive season demand."

Housing.com, Makaan.com & PropTiger.com group CEO Dhruv Agarwala said this was a great news for home buyers who were considering taking advantage of lucrative offers from developers during the festive season.

"The hike might have impacted consumption sentiment negatively ahead of the festive season. From consumers perspective, home loan rates are attractive so they must utilise this opportunity and make their purchases by cashing in on deals in the market," said House of Hiranandani CMD Surendra Hiranandani.

ATS group firm Homekraft CEO Prasoon Chauhan welcomed RBI's decision as status quo on rate hike would give the right boost to the sector. "We expect with the festive season kicking in, there will be further growth in housing demand for projects by renowned developers."

Gaurs Group MD Manoj Gaur said there was room for financial institutions to cut down their lending rates for their customers.

Gulshan Homz director Deepak Kapoor said the apex bank was compelled to maintain status quo given the overall economic situation.

Signature Global chairman Pradeep Aggarwal said cut in rates might have improved the market scenario and triggered the demand and sales process.

Elan Group CEO Raj Singhal said the decision would have positive impact on the real estate sector as despite inflationary pressure and rupee depreciation, RBI had chosen to keep the rate unchanged, thereby not increasing the cost of funds for developers and investors.

Ajnara MD Ashok Gupta said the rate cut was the need of the hour to provide the much needed push to the real estate and to facilitate growth.

Mahagun Group director Dhiraj Jain, said the status quo would uplift the sentiment of the buyers, while Saya group CMD Vikas Bhasin and SG Estates director Gaurav Gupta said a rate cut could have driven property demand.

TDI Infracop MD Kamal Taneja, too, said with real estate sector on revival mode a decrease in repo rate during the festival season could have improved the market sentiment in a big way.

Gaurs Group MD Manoj Gaur said there was room for financial institutions to cut down their lending rates for their customers.