

Karthik kept out of ODIs against Oz; Kohli, Pant, Bumrah and Rahul return as selectors retain core of team that may play WC, P 23

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GOOD TO BE HOME

The recent slashing of repo rates by the Reserve Bank of India means reduced EMI burdens for homebuyers

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Policy changes can make or break the situation for aspiring homebuyers. Right from budget announcements to other monetary policy tools which influence interest rates, a lot of these decisions will help a buyer choose their form of investment.

Those interested in investing in property were pleasantly surprised a few days back when the Reserve Bank of India (RBI) reduced the key policy rates by 25 basis points (bps). After hiking it in August 2018, they decided to slash it in their bi-annual monetary policy announcement on February 7. The repo rate currently is 6.25 per cent and the reverse repo rate at 6.00 per cent. This would mean that the banks in turn will reduce the marginal cost of funds based on lending rates.

T Chitty Babu, chairman and CEO, Akshaya Pvt Ltd, says, "We welcome the RBI's decision to cut repo rate by 25 basis points to 6.25 per cent. It is indeed a positive step to revive the demand in the real estate sector. The step will increase lending as the EMIs will become cheaper and the real estate developers can witness a steady growth in the sales of homes across different segments in the coming quarter."

Along with the announcements made in the recent interim budget, this will help boost the real estate sector and also improve the buyer sentiments. Manoj Gaur, MD, Gaur's Group and vice president Credal National, explains, "With the RBI reducing the repo rate after keeping it unchanged since last two monetary policy reviews, it shows a softer stand towards lending. Banks will surely reduce the lending rates, though marginally, which can boost the buyer sentiments in the market. Also, with the push which the government showed towards affordable segment in the budget 2019 where the income tax rebate was extended to ₹5 lakh, I am sure end users will now be more motivated to purchase their homes."

The government in the last few years has been steadily taking steps towards stimulating the af-

fordable housing segment and this repo cut is yet another step that will positively impact the segment. Pradeep Aggarwal, co-founder and chairman, Signature Global, and chairman, National Council on Affordable Housing, ASSOCHAM, elaborates, "The RBI policy rate cuts will lead to positive outcome in the real estate sector. Also, the eligible new home borrowers can take advantage of the subsidies scheme under PMAY (Pradhan Mantri Awas Yojana). This move will be a big boost for affordable housing and help the first time homebuyers. The rate cut brings confidence to the market as this will increase the availability of money at the banks thereby lowering the EMI burdens. Yet another great news is that the government has also extended the time-limit of the PMAY scheme to March 31, 2020 for middle-income group buyers."

Overall, it is good news for the homebuyers. Summing it up, Ashok

Mohanani, chairman, EKTA World and vice-president, NAREDCO (west), says, "The rate-cut and monetary announcement by the RBI is cer-

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tainly a welcome move as it will lead to higher availability of funds and aid the sector with increased liquidity. The sentiment which was boosted by the recently proposed budgetary reforms will see a further improvement and convert fence-sitters into purchasers. Investment demand too will see an impetus. Reduction in home loans interest rate will definitely increase sales. This is another step towards making 'Housing For All' a success. We look forward to seeing a sharp rise in sales and a significant drop in unsold inventory by the end of 2019."

- Deepak Kumar Kotadia P

