

Deregulation will benefit real estate development, says Surendra Hiranandani

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Chairman and MD of House of Hiranandani Surendra Hiranandani on Wednesday commented on the Reserve Bank of India's (RBI) rate cut of 25 basis points (bps) upholding that deregulation will lead to the success of government initiatives regarding real estate development.

"The rate cut of 25 bps today to six percent was on expected lines given the low inflation levels in the economy. We had hoped for a 50 bps cut as good monsoons, favorable global environment and new reforms provided the perfect platform to aggressively cut rates," said chairman and MD, House of Hiranandani, Surendra Hiranandani.

"However, it seems that the Governor wants to look closely at the impact of the recent economic policies before trimming rates further," he added.

Hiranandani pointed out that the RBI also highlighted the need for speedier clearance on projects and that the government must look at addressing the shortcomings plaguing the real estate sector at the earliest if the "Housing for All by 2022" project is to be materialized.

Earlier today, the RBI announced a reduction in the repo rate by 25 bps under the liquidity adjustment facility (LAF), bringing it down from 6.25 percent to six percent.