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# RBI-REALTY 2 LAST



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RBI has reduced key interest rate (repo rate) by 175

RBI has reduced key interest rate (repo rate) by 175 basis points since January 2015. However, the banks have been reluctant to pass on the entire benefits to consumers.

"We now earnestly hope that the banks will quickly pass the benefit of this repo rate cut to their customers by bringing down their lending rates, given the easy liquidity conditions and the recent downward adjustment in small saving rates," DLFs Talwar said.

A cut in home loan rates would surely help buyers firm up their decision to buy a house in this festival season and give fillip to sales, he added.

CBRE Chairman India and South East Asia Anshuman Magazine said: "The RBI's latest bi-annual monetary policy review is a welcome one. The announcement will not only help the real estate industry to rejuvenate housing sales but will also infuse consumer confidence in the festive season."

President of Hiranandani CMD Surendra Hiranandani said: "While RBI has cut policy rates at regular intervals, banks have not followed suit by reducing them proportionately. Following this rate cut, it is critical for banks to reduce interest rates so that the benefits can be enjoyed by the end user".

Alphacorp CEO Ashish Sarin said: "Subsequent to the rate cut borrowing costs for the banks would reduce and therefore they should pass through the benefits to the home loan buyers by reducing the base rates."

M3M India President (Finance and Accounts) Atul Banshal said: "Softening of Interest rates will definitely raise the number of potential home buyers and hence will lead to an increase in overall real estate demand. Simultaneously it's very important that banks pass on entire benefit ahead, which will further fuel the growth and development."

Hawelia group Chairman Rattan Hawelia said: "Ahead of festive season, it is a positive step and will attract genuine end-user home buyers. Banks should pass on the benefits to home loan borrowers that would help revive housing demand".

"Any reductions in the bank rates at this juncture will definitely have a positive impact on the real estate market, which will boost the demand factor and increase the capacity of the common men to buy their dream property," Solitairian Group ED Arjunpreet Singh Sahni said.

Nahar group Vice Chairperson Manju Yagnik said the sluggish realty market will definitely benefit from rate cut.

Seth Corp CMD Ashwin Sheth said: "The rate cut will definitely help in bringing down the home loan interest rates and would bring some amount of relief to the homebuyers. Also banks should pass down the benefit to the homebuyers as this will encourage the buyers to buy their dream home." PTI MJH SA