


RBI policy desolates realtors; want rate cut to boost sector

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NEW DELHI: Real estate industry today expressed disappointment over RBI's decision to keep the key interest rates unchanged, saying rate cuts were required to boost manufacturing and property sectors.

CREDAI, the apex body of real estate developers, said the industry is struggling due to low demand, rise in input cost and high interest rates. It hoped that the RBI would cut key interest rates in near future to help increase housing demand.

"Very disappointing. We were hoping that there would be some relief. Rate cuts were required to spur investment in manufacturing and real estate sectors," CREDAI President Getamber Anand said when asked about his views on RBI policy.

RBI Governor [Raghuram Rajan](#) today kept interest rates unchanged, citing a spike in food prices and banks passing on to consumers only less than half of its previous rate cuts.

CREDAI-NCR President Manoj Gaur said the policy was on the expected line.

"We hope that RBI will now look for a consistent decrease in repo rate in the near future. This will have a positive impact on the growth of realty sector," he said in a statement.

Realtors' body NAREDCO Chairman Navin Raheja felt that the current depressed sentiments in the real estate market would continue till any reduction in interest rate happens.

Property consultant Cushman & Wakefield South Asia Executive Managing Director Sanjay Dutt said: "Although the Central Bank has cut interest rates by 75 basis points so far this year, banks have passed on only a part of the benefits to consumers not bringing much cheer to the realty sector."

Parsvnath Developers Chairman Pradeep Jain said in order to revive sentiments of the [real estate sector](#) and to prop up growth in the economy, the RBI should slash rates in its monetary policy going forward as the consumer price inflation eases.

The Royal Institute of Chartered Surveyors (RICS) Global MD Emerging Business Sachin Sandhir said a [rate cut](#) at this point of time would have further encouraged market sentiments and helped in growth of the sector.

SARE Homes MD David Walker said RBI's status quo gives no support to the interest rate sensitive housing market where demand remains weak.

Commenting on the policy, Prateek Group Chairman Prashant Tiwari said: "It was a setback for the real estate sector as we require larger cut in the repo rate. The rate cut would have reduced the cost of funds to homebuyers as well as developers".