

Real Estate reaction on the Government announcement of Rs 20,000 crore housing fund

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The real estate industry seems to be happy with the Government announcement of creating a special window to provide last-mile funding requirements for housing projects. The scheme is applicable to all the non-NPA and non-NCLT and yet is stuck due to lack of funding. The Government will contribute Rs 10,000 crore with the same amount is expected from outside investors.

The objective of the announcement is to focus on the construction of unfinished units. The government, on the lines of NIIF, can contribute to the fund while the rest of the investors would be LIC and other institutions and Private capital from banks/sovereign funds/DFIs (development financial institutions) etc.

“The announcement of providing Rs 20,000 Crore fund to stalled affordable housing by FM has come at a right time considering the festive season ahead. This time is marked as an auspicious period to buy a property as it has a great impact on buyers’ sentiments. This decision will definitely bring cheers to the developers and buyers. It will also help the Government in achieving its objective of 'Housing for All by 2022' and on-time delivery of the projects. Another significant announcement is the relaxation of ECB guidelines for the affordable housing sector.” Ashish Sarin, CEO AlphaCorp.

The announcement of a stress fund of Rs 10,000 crore for completion of stalled real estate projects is a very good move from the government. Exclusion of projects affected by NPA and NCLT issues will ensure that good projects which were stuck will now get off the ground. Another significant announcement is the relaxation of ECB guidelines for the affordable housing sector. The facilitating of financing of home buyers by further relaxing the ECB guidelines will provide an impetus to the PMAY.

"We appreciate the government's decision of announcing Rs 20,000 crore funding to complete stalled

housing projects across India. This is the perfect time of the year for homebuyers to invest in the real estate sector as the festival season is to set in. The housing sale fares better during the festive quarter than the other quarters of the year. Also, the reduction in corporate tax will incentivize corporate to pump up the investments. This will help in generating demand for the real estate sector." said Amir Husain, Orris Infrastructure Pvt. Ltd.

The announcement of a stress fund of Rs, 10,000 crore for completion of stalled projects is an applaudable step. This is definitely a great move to support the sector given it has a substantial contribution to the country's overall GDP. It is definitely the need of the hour.

Govt announces Rs 20,000 crore funding to complete stalled housing projects across India.

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