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## Builders hails extension of project completion timelines now seek fiscal sops to revive demand

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New Delhi, May 13 (PTI) Real estate developers on Wednesday said the government's decision to extend the timeline of completion of projects by six months will provide much needed relief to the industry but sought more measures to improve liquidity, reduce input cost and boost housing demand.

"The declaration of Covid 19 as Force Majeure, extension of timelines for completion of project under the RERA, are crucial announcements for the developer community," CREDAI Chairman Jaxay Shah and President Satish Magar said in a joint statement.

They are hopeful that the finance minister will soon announce other necessary measures by infusion of liquidity, de-cartelization of cement prices, restoration of supply chain to ease construction on the project sites and help uplift the demand by giving more sops to homebuyers by increasing the tax deduction limits for interest on home loans.

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These measures, if taken, would help the sector regain momentum which remains the second largest employer, said the top two executives of the country's apex realtors body.

Naredco President Niranjan Hiranandani said the " announcements today missed fiscal stimulus for real estate."

On the extension of timeline to complete projects, he said: "This is indeed a move to combat COVID disruption which practically brought construction work to a grinding halt with additional chaos of migrant

labourer's movement and raw material supply disruption. "Relaxation in project timelines under RERA Act will bring in sigh of relief to the developers and safeguard the interest of homebuyers with the revised new timelines".

He added that the Industry is pegging a big hope on much awaited fiscal relief to be granted to the second largest employment generating sector. Liquidity infusion will be imperative to turn around the depressed scenario of the sector.

Anarock Chairman Anuj Puri said: "This is a big move that will destress developers significantly, since construction activity had been halted all across the country. Homebuyers' wait for their homes will get extended by this move, but this was in any case inevitable."

Tata Realty and Infrastructure Managing Director (MD) and Chief Executive Officer (CEO) Sanjay Dutt said this will certainly alleviate a great amount of stress on the developers and also help homebuyers get their dream homes in the stipulated amount of time.

"Without such a bold decision, it would be very difficult for the real estate sector to continue growing amid these adverse situations," he said, but further demanded a temporary waiver of GST to boost demand.

Mani Rangarajan, Group COO, Housing.com, and Proptiger.com said, this will provide relief to developers, but at the same time buyers will have to wait for possession a little longer which will in-turn impact their finances and banks.



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Supertech Chairman R K Arora said more measures need to be taken to boost liquidity and demand in the housing segment.

Omaxe CEO Mohit Goel welcomed the decision to extend the timeline for project completion by six months and also liquidity infusion in the NBFCs which funds heavily into the real estate sector.

Navin M Raheja, chairman and managing director, Raheja Developers said providing extension of six months for completion of projects was indeed warranted.

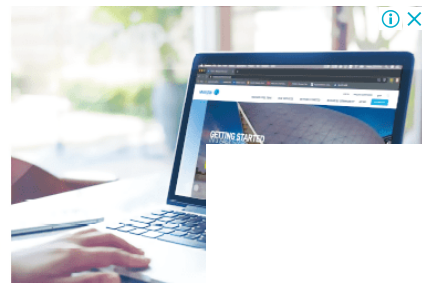
Manoj Gaur, MD, Gaurs Group, said: "Ever since the imposition of lockdown economic activities undertook a hit and construction activities also got stalled across the country.

" Some construction work has now resumed, but faced with migration of labourers, it may take some time for it to gather full steam. In this context, a six month extension in completion deadline is a welcome move."

Pradeep Aggarwal, founder and chairman Signature Global said the extension of the timelines under RERA will help a great deal in providing relief.

Prateek group chairman Prashant Tiwari hailed the move but said the industry was expecting relaxation for one year to complete the projects. "We are waiting for more relief from the government in the coming days."

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Amit Modi, resident Elect CREDAI Western UP said this will prevent the developers from going into default for sometime.

The decision is likely to boost the sentiments of the developers and help us tackle the issue on a stronger footing, said Prashant Solomon, MD, Chintels.

Abhilash Pillai, Partner, Cyril Amarchand Mangaldas, termed the decision as proactive which will certainly help the developers, especially in a situation, when they are facing supply chain disruption and shortage of labour.

The move will help the industry cover for its losses as a result of the absence of the construction during the lockdown, said Ankush Kaul, President (Sales & Marketing) Ambience Group.

Sharad Mittal, CEO, Motilal Oswal Real Estate, said: "Considering that projects are likely to be delayed by at least four to six months due to the lockdown, this is a welcome move for all real estate developers. However, it does not address the larger liquidity and cash flows related challenges faced by the developers".

The move, to extend the registration and completion date by six months, will provide more time to developers to raise fresh financing or debt to complete their pending projects, said Ravindra Sudhalkar, CEO at Reliance Home Finance.

The extension of timeline was required, as developers could face challenges of aligning construction workers and labourers for the next few months as a result of their migration, said Kaushal Agarwal - chairman, The Guardians Real Estate Advisory. PTI MJH

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