

The Times of India
Title : CEO SPEAK - Government must lean on banks to lend to developers'
Author : PRABHAKAR SINHA
Location :
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Banks should play a partnership role in helping out developers to come out of the present mess, says Shakti Nath, CMD of Logix Group

The main reason behind the delay “in projects is the unavailability of funds with devel opers. I managed to raise funds as I have a presence in the commercial real estate, which is luckily doing very well,” Shakti Nath, CMD of Logix Group, said in an interview with Times Property.

Logix Group has completed a number of IT parks, commercial buildings, and malls in the Delhi NCR. The company has delivered more than 3,000 apartments so far and is set to deliver another 1,500 apartments by September 2017.



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Title : CEO SPEAK - Banks came under pressure and left developers in the lurch'
Author : A K Tiwary
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If the banks had continued to give developers working capital when trouble started in 2012-13, projects would have been completed and buyers would have paid the money owed to developers, says Shakti Nath, CMD of Logix Group

Excerpt from the interview: IS THE REAL ESTATE MARKET SHOWING SIGNS OF RECOVERY?

The commercial real estate is doing well.Demand for office space is good. The residential market continues to be sluggish although demand for completed projects is on the rise and promises to gain traction in the future.

Many eligible buyers, who postponed a decision to purchase a house, are now planning to buy under the Pradhan Mantri Awas Yojana (PMAY), as it gives a subsidy of around Rs 2.40 lakh on the purchase of a first house by middle-income group families with an annual income of up to Rs 18 lakh.

The good thing is that the perception that prices will further fall is slowly abating now and buyers are coming forward to take advantage of the low prices and the PMAY.

HAS THE SCHEME MADE AN IMPACT?

Of course, it has a positive effect on buyers! As the scheme is valid up to December 31, 2017, there is some sense of urgency among buyers. This is a good scheme. Almost all firsthome buyers qualify for it, as the only requirement under PMAY is that the household income of a buyer be less than Rs 18 lakh per annum.

Apart from this, the only other criterion is on the size of a house to qualify as an affordable unit--less than 110 square metres, or around 1,185 square feet. This is equivalent to around 1,600 square feet in built-up area, which is a very good size in the NCR.

THE GENERAL COMPLAINT IS ONE OF DELAY IN PROJECTS, WHICH HAS AFFECTED SENTIMENT ADVERSELY IN THE MARKET. HOW CAN THIS BE ADDRESSED?