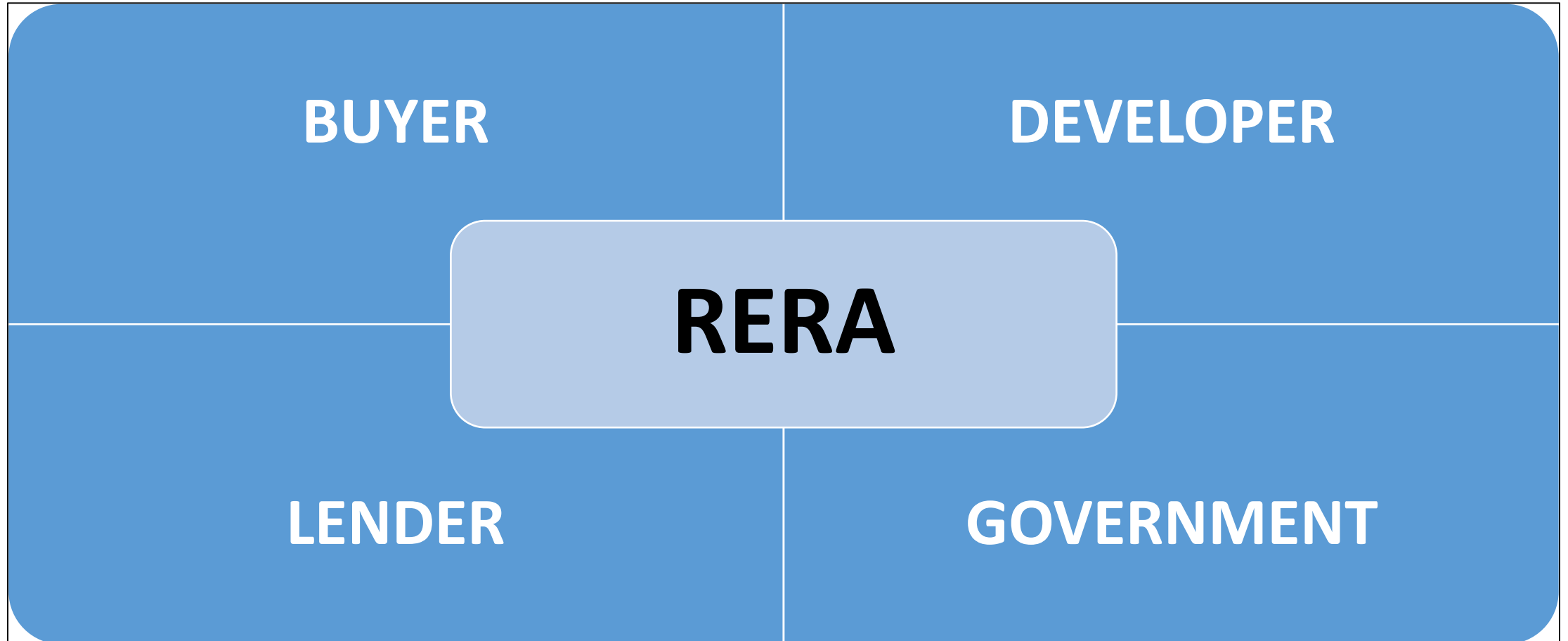

ADVANTAGE RERA

A perspective from Housing Finance Sector

Presentation by Sanjay Joshi - HDFC

STAKEHOLDERS



REAL ESTATE SECTOR

- **NEED**
- **REGULATIONS**
- **IMPACT ON ECONOMY**
- **OTHER INDUSTRIES**
- **EMPLOYMENT**
- **INVESTMENT**
- **CHALLENGES**

HOUSING FINANCE SECTOR

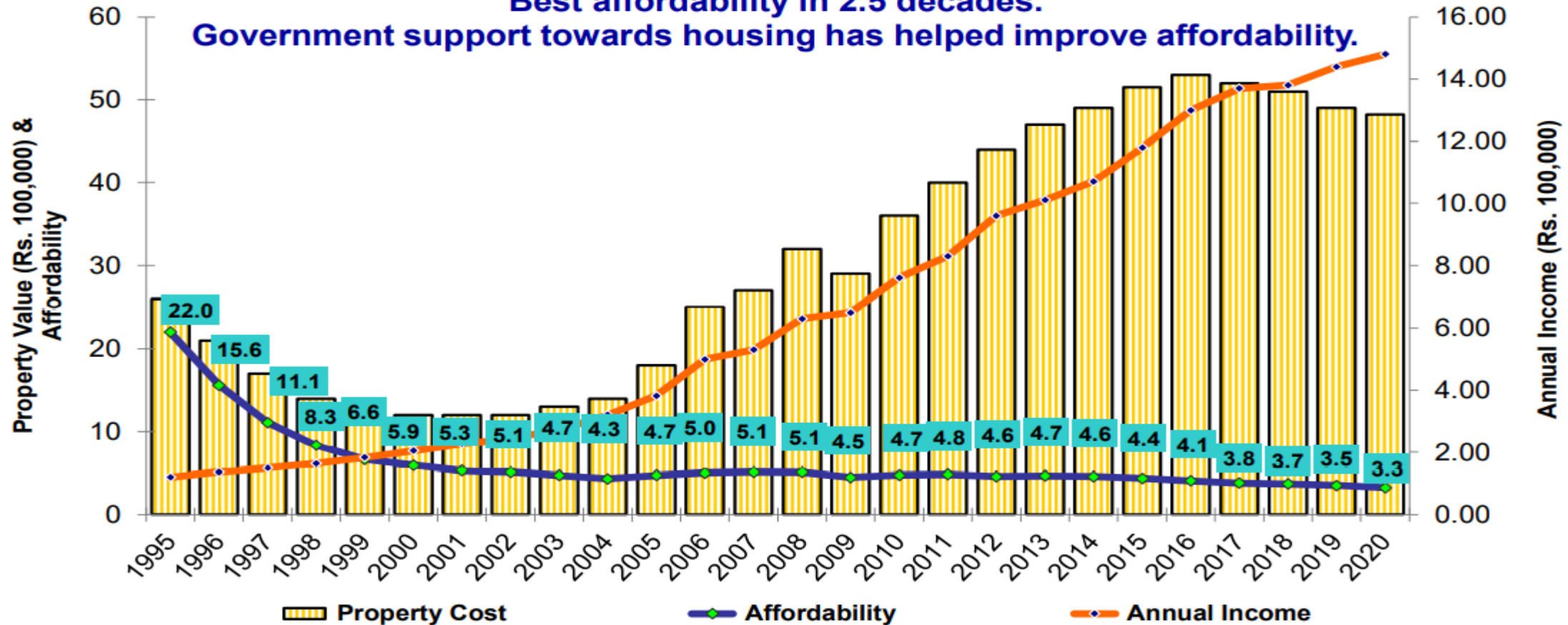
- **NEED OF HOUSING FINANCE SECTOR**
- **ROLE**
- **RESPONSBLITIES**
- **IMPACT ON THE ECONOMY**
- **CHALLENGES**

DRIVERS OF MORTGAGE GROWTH

- **Improved Affordability**
- **Low Penetration**
- **Government Incentives**
 - **Enhanced Fiscal Benefits**
 - **Credit Linked Subsidy Scheme**
- **Other Demand Drivers**

IMPROVED AFFORDABILITY

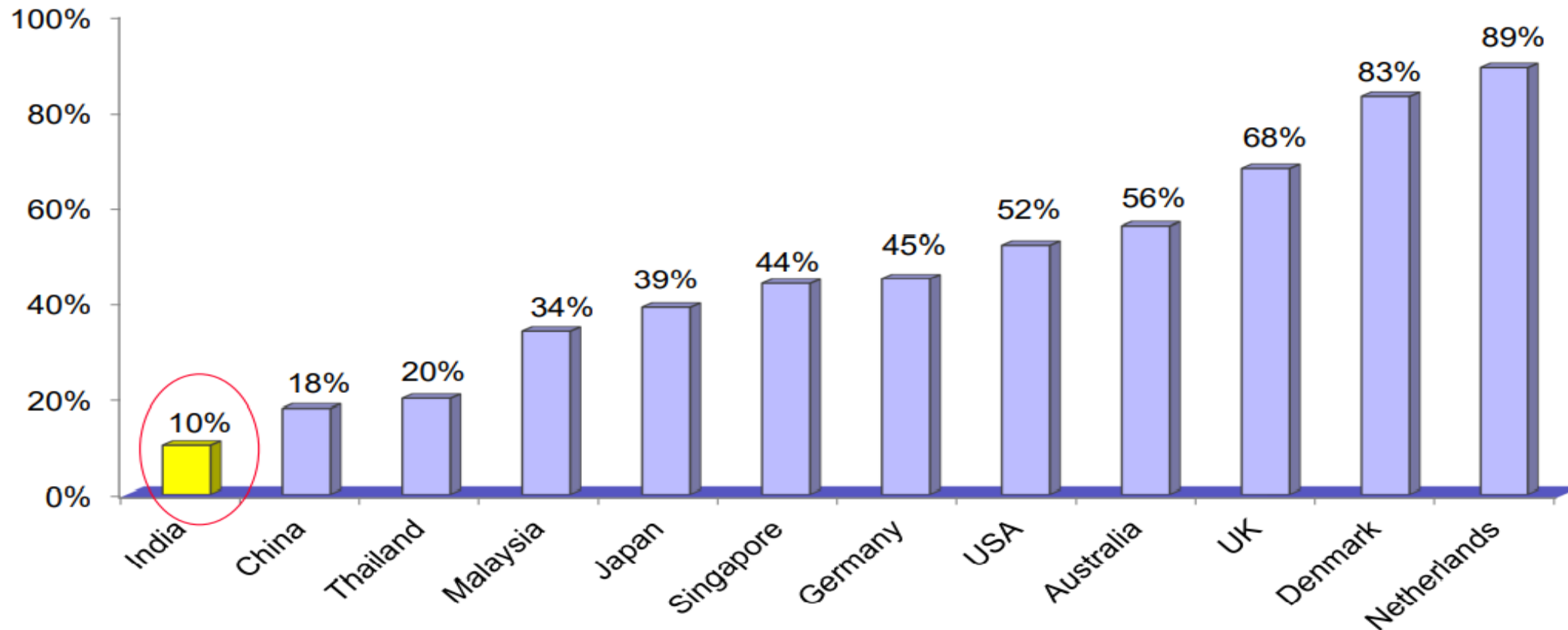
Best affordability in 2.5 decades.
Government support towards housing has helped improve affordability.



Representation of property price estimates

Affordability equals property prices by annual income

LOW PENETRATION IMPLIES ROOM FOR GROWTH MORTGAGES AS A PERCENT OF NOMINAL GDP



Source: European Mortgage Federation, Hofinet & HDFC estimates for India

GOVERNMENT INITIATIVES

Fiscal Incentives

Tax incentives on interest and principal amount for home loan borrowers

Interest Subvention Scheme

Interest rate subsidy under the Credit Linked Subsidy Scheme (CLSS) widened to include middle-income groups

Extension of timeframe and rationalisation of conditions under the CLSS

Supply Side Incentives

Incentives to developers to build affordable housing

'Infrastructure' status accorded to affordable housing

External Commercial Borrowings/Rupee Denominated Bonds Issued Overseas

OTHER DEMAND DRIVERS

- **Favourable Demographics:** 66% of India's population is below 35 years of age, hence large potential for home loans
- **Nuclear Households:** Rise in the number of households with a shift towards nuclear families
- **Urbanisation:** Currently 32% of the Indian population reside in cities; estimated to be 50% by 2030
- **Interest Rates:** Improved affordability through rising disposable incomes and lowest ever interest rates on home loans

IMPACT OF RERA

- **CONFIDENCE BOOSTER**
- **TRANSPERANCY**
- **SYSTEMS**
- **RELIABLITY**
- **GRIEVANCES**
- **INVESTMENTS**
- **TRUST**

SUGGESTIONS

- **MIN PROJECT SIZE CRITERIA** (may be revised upwards)
- **ENVIROMENT FRIENDLY PROJECTS** (push this which will help save environment)
- **SOME CRITICAL INFORMATION** (projects mortgaged /CF/ specific units)
- **USE OF TECHNOLOGY FOR IMPROVING OVERALL SYSTEM** (digital use by HFCs & Banks)
- **STANDARD WEBSITES** (across the states and best features can be adopted)

Thank You