



Real estate stocks rise after announcement of 3 crore homes under PM Aawas Yojana

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New Delhi [India], June 11 (ANI): After the Union government's announcement of 3 crore additional rural and urban households for the construction of houses under the Pradhan Mantri Awas Yojana (PMAY), the share market witnessed the real estate stocks trading in green on National Stock Exchange (NSE).

PM Narendra Modi, on June 10, chaired his first Union Cabinet meeting after taking oath for his third term.

The cabinet announced further expand the Pradhan Mantri Awas Yojana and construct 3 crore additional rural and urban houses.

The Union government has been implementing the PMAY since 2015-16 to provide assistance to eligible rural and urban households for the construction of houses with basic amenities. A total of 4.21 crore houses have been completed for eligible poor families under the housing schemes in the last 10 years.

On Tuesday, the stocks of ten real estate companies were advancing in the market during the trading hours.

The major gainers in the markets are Mahlife Prestige, Phoenix Ltd, Oberoi Realty, DLF, and Godrej Group. Other real estate companies that saw their stocks in green are Brigade, Lodha, Shobha, and Sunteck.

Almost all the sectoral indices were in the green, with gains led by Realty, Auto sector, and Oil and Gas indices.

Commenting on the decision, Anuj Puri, Chairman - ANAROCK Group said, "The supply in this critical segment had dropped from 44 per cent in Q1 2019 to 18 per cent in Q1 2024 and an affordable housing revival hinges on such government incentives for buyers and developers."

Investors are hopeful of the real estate sector, as it is the second-largest employment generator, after agriculture. The government is also incentivising the sector through various announcements such as the budget's announcement to add 2 crore more houses under the PMAY-U.

Experts anticipate the Indian real estate market will be worth Rs 65,000 crore by 2040.

Commenting on the announcement, followed by investor sentiment seen in the market, Gurdeep Singh, Chairman and Founder, of Jujhar Group said, "We foresee a significant impact on our market with Awas Yojana coming into force. Last year, the scheme facilitated home ownership for over 1.2 million families, driving a surge in demand for affordable housing with 3 crore additional rural and urban houses."

Pradeep Misra, Chairman and Managing director of REPL consultancy firm, said, "The increase of nearly 50 per cent assistance in PMAY-G will have a real boost in coverage and scale-up. The immediate action by the newly formed government gives greater confidence and assurance to the sector. The extension of PMAY has a direct impact on the quality of living, inclusive growth, employment generation, and support to the ancillary industries. This could act as a trigger for revival and growth in the entire real estate sector, especially in the affordable housing segment,"

In FY23, India's residential property market witnessed home sales reaching an all-time high of Rs. 3.47 lakh crore (USD 42 billion), registering a 48 percent year-on-year increase. (ANI)