

Second SWAMIH Fund may find fewer takers as property sales remain robust

RAGHAVENDRA KAMATH

THE SECOND SPECIAL Window for Affordable and Mid-Income Housing (SWAMIH) Fund could find less takers than the first one, given the buoyancy in property sales, say lenders, developers and consultants.

In the Union Budget presented on Saturday, finance minister Nirmala Sitharaman proposed that the SWAMIH Fund II will be set up with a ₹15,000-crore allocation to help complete an additional 100,000 housing units. The fund is aimed at completing stuck housing projects.

"The need for money has come down (from stressed projects)," said Amit Bagri, chief executive officer at Kotak Mahindra Investments, adding that buoyant property markets have solved a lot of problems.

Residential prices in places such as Noida have gone up by ₹3,000 per square feet, pushing up valuations and nudging institutional investors to back residential projects, Bagri said.

"Now, there are issues which money can't solve such as land issues, legal disputes and so on, where even SWAMIH cannot do anything," he added.

Sunil Pareek, executive director at Assetz Property Group, is also of the view that the SWAMIH Fund II will find a smaller number of candidates than the first fund. "Though the SWAMIH I Fund helped in finishing a lot of projects, a lot of stress has come down,



AMIT BAGRI,
CEO, KOTAK MAHINDRA INVESTMENTS

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SUNIL PAREEK,
ED, ASSETZ PROPERTY GROUP

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GULAM ZIA,
SENIOR ED, KNIGHT FRANK

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sales are happening, and cash flows are good," Pareek said.

Housing sales rose 7% annually in 2024 across eight major cities to reach a 12-year high at 350,613 units on better demand for premium homes amid stable mortgage rates and strong economic growth, according to Knight Frank.

Pareek further said the SWAMIH Fund II should change the eligibility criteria in line with the changing times, where stress has reduced and prices have gone up. "They should look beyond metros as stress has come down there and look at tier II and III cities," he added.

Gulam Zia, senior executive

director at Knight Frank, said that the second SWAMIH fund is not the need of the hour. "The new fund is futuristic, given that the distress situation has come down significantly," Zia said.

Though developers such as Niranjan Hiranandani, managing director at Hiranandani Group, said the finance minister should have proposed a bigger corpus for the fund, Anuranjan Mohnot, founder and managing director at Lumos Alternate Investment Advisors, said the fund size is sufficient, but the focus should be on efficient and faster deployment of funds.

The SWAMIH Fund I was set up

NIRMALA SITHARAMAN
FINANCE MINISTER IN BUDGET SPEECH

Under SWAMIH, 50,000 dwelling units in stressed housing projects have been completed and keys handed over to homebuyers. Another 40,000 units will be completed in 2025.



in November 2019 to provide debt financing for the completion of stalled residential projects. It has raised ₹15,530 crore so far, and invested in stressed, brownfield projects that fall in the affordable, mid-income housing category.

"Under SWAMIH, 50,000 dwelling units in stressed housing projects have been completed and keys handed over to homebuyers. Another 40,000 units will be completed in 2025, further helping middle-class families who were paying EMIs on loans taken for apartments while also paying rent for their current dwellings," Sitharaman said in her Budget speech.

SANJEEV KRISHAN,
CHAIRPERSON, PwC IN INDIA

Manufacturing remains a priority with incentivisation for MSMEs and an aim to position India as a unique and sustainable global hub



SUMANT SINHA,
CHAIRMAN & CEO, RENEW

The Budget accelerates the clean energy transition with strong support for clean tech manufacturing and nuclear energy



ARUN MISRA,
CEO, HINDUSTAN ZINC

The increased outlay for infra spending marks a new era in India's infra growth, which will undoubtedly provide impetus to other sectors as well



VIJAY KALANTRI,
CHAIRMAN, WTC MUMBAI

The Budget caters to all sectors, including agri, manufacturing, and services by introducing 8 National Missions across these sectors

