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Hope for homebuyers, developers see business in stuck projects

The number of stuck projects is huge and reasons are mostly related to the liquidity problem and financial crunch. In such a scenario the best solution is to give them to the developers who have a good record so far.

By [Faizan Haidar](#), ET Bureau | Dec 20, 2019, 03.41 PM IST

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Around 458,000 housing units are stuck across more than 1,600 projects in the country.

New Delhi: [Real estate](#) developers in Delhi-NCR are sensing business opportunity in completing over two lakh flats that have not been completed and some are taking over stuck projects, rebranding them to sell these unsold apartments at a premium.

Noida's ATS Group has formed a separate company, ATS Nirman, and has already taken over three stalled projects and is in line to take over more. The business has a potential of Rs 30,000 crore in next five years, said Getamber Anand, CMD of ATS

Group. The company takes over projects through the Real Estate Regulatory Authority (RERA) as they need to be deregistered first, he said.

"We are not calling it a [project](#) management consultancy but a project revival consultancy," Anand said. "With ATS branding and assurance, the existing customers' trust is gained."

Ashish Sarin, CEO of Gurgaon-based Alpha Corp, said developers are exploring alliances to jointly develop stalled projects through revenue-sharing pacts. "Instead of launching new projects, they are taking over incomplete projects and assuring timely delivery," he said.

Sarin said stuck projects leading to slowdown in the market is one of the factors contributing to prolonged stress in the real estate industry. "For developers struggling to complete projects, joint ventures or joint developments offer a viable means to overcome financial distress and find synergies," he said.

As per government estimates, around 458,000 housing units are stuck across more than 1,600 projects in the country.

“It is a good trend as it will help finish the stuck projects faster and helping the buyers get their homes. The projects that were in bad shape were acting as blots on industry, affecting the image of the sector that has good intention of meeting the housing demand of people,” said Manoj Gaur, MD of Noida-based Gaur Group.

“The number of stuck projects is huge and reasons are mostly related to the liquidity problem and financial crunch. In such a scenario the best solution is to give them to the developers who have a good record so far. The intention should be to hand over the homes to the buyers as soon as possible,” said Deepak Kapoor, director, Gulshan Homz.