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Realtors seek tax sops, industry and infra status for sector in Budget this year

Bhutani group MD Ashish Bhutani expected the government to come out with steps to address the liquidity issue.



Published: 28th January 2021 07:45 PM | Last Updated: 28th January 2021 07:45 PM



For representational purposes

By PTI

NEW DELHI: Real estate developers expect the government to provide industry as well as infrastructure status for the sector, increase the corpus of Rs 25,000-crore stress fund, and more tax sops for both homebuyers and builders in the upcoming Budget to boost property demand.

They also hope for single-window clearance for projects, measures to boost liquidity, reduction in the GST rates and availability of input tax credit on the GST paid in the Budget 2021-22, which will be presented on February 1.

"We sincerely hope that Budget 2021 brings some much-needed relief to homebuyers as well as developers," Tata Realty and Infrastructure MD & CEO Sanjay Dutt said.

As the sector's growth relies heavily on the upcoming financial amendments, he said the government should grant industry status to the real estate sector and a single-window clearance mechanism for faster completion of projects.

"One GST, one or no stamp duty regime and reduction in registration charges across states are some of the other recommendations which will make a significant difference to the cost of a project and will definitely encourage home buyers to invest," Dutt said.

Anshuman Magazine, chairman and CEO (India, South East Asia, Middle East and Africa) of CBRE, said, "Budget 2021 could go a long way towards meeting this goal by way of introducing tax reforms such as enhancing the principal deduction limit on home loans under Section 80C of the IT Act, 1961; lowering the long-term gains tax for sale of house property; and rationalising the GST for under-construction properties."

The government could also consider increasing the corpus of Rs 25,000-crore SWAMIH fund, Magazine said.

Mumbai-based Kalpataru Ltd MD Parag Munot said the measures such as raising the income tax deduction ceiling on home loan interest, input tax credit on GST, and expanding the ambit of affordable housing to properties up to Rs 1 crore in Super Tier 1 cities such as Mumbai and Delhi, will significantly incentivise buying.

"It would give the sector a much-needed boost and accelerate the mission to provide housing for all by 2022."

Salarpuria Sattva MD Biajay Agarwal demanded the industry status to the real estate sector and a single-window clearance system. PropTiger and Housing.com CEO Dhruv Agarwala said the liquidity crunch being faced by the real estate sector needs to be resolved immediately and the government also needs to consider reintroduction of the subvention scheme.

Sahil Vachani, MD & CEO of Max Ventures and Industries, said, "Allowing input tax credit to developers, especially those who build to lease, can be a big impetus."

As of now, developers have to pay GST on various goods and services while constructing the project but unfortunately, they are not allowed to set-off the GST paid, against the GST collected on rentals," he said.

Gaurs group Chairman & MD Manoj Gaur said, "It is high time that the government gave industry status to the realty sector."

Single-window clearance will help in timely delivery of projects.

The government should re-introduce input tax credit in GST, bring stamp duty and registration charges in the ambit of GST, and increase income tax exemption limit, Gaur said.

S Vasudevan, CMD of Ozone Group, said the government should set up a regulatory authority especially for the cement and steel sectors to regulate the price and thereby curbing the rise in construction cost and instances of cartelisation.

Signature Global founder and Chairman Pradeep Aggarwal said developers building affordable housing projects should be incentivised.

Pankaj Bansal, director of M3M, said investment of up to Rs 50,000 crore in the real estate investment trust (REIT) should get tax exemption.

Bhutani group MD Ashish Bhutani expected the government to come out with steps to address the liquidity issue.

Bhumika Group MD Uddhav Poddar stressed the need to boost funding in the real estate sector by financial institutions for construction works.

Square Yards CFO Piyush Bothra said increasing the Rs 2 lakh tax rebate on home loan interest rates to at least Rs 5 lakh will boost housing demand.

"We also expect Finance Minister (Nirmala Sitharaman) to consider the long-pending demand for an infrastructure status for the real estate sector," he said.

Achal Raina, chief operating officer of Raheja Developers, said, "The first and foremost need is to see that the process of permissions gets resolved through single-window clearance, a demand that has been there for quite some time."

Anuj Kumar Garg, vice-president (customer engagement and distribution) of Viridian RED, said the government should rationalise GST structure, stamp duties and registration charges for much-needed thrust to the real estate sector.

Maneesh Upadhaya, chief business officer of 99acres.com, said the housing sector will certainly look for new measures from the government to address the liquidity issue.

Honeyy Katiyal, founder of Investors Clinic, said the government needs to give a little push by offering some more exemptions to the end consumers, who are driving sales for affordable housing.

REPL CMD Pradeep Misra said the infra status for the overall real estate sector, along with the provisions of single-window clearance, is highly expected by the industry players.

Pankaj Kumar Jain, director of KW Group, said, "Giving infrastructure status to the real estate industry will give a boost to ongoing projects, and also, make it a priority at financial institutions for lending. We sincerely hope that the input tax credit (ITC) is re-introduced and GST is reduced from 5 percent to 1 until 2022."

MPowered founder and CEO Sudeep Singh said credit availability needs to be ensured for under-construction projects to help those that have been stalled, to come to a speedy and successful completion.
