

BUDGET EXPECTATIONS

Tax incentives will boost demand

The real estate sector is expecting demand-generating measures from the upcoming Union Budget. Reduction in personal income tax and removal of tax surcharges for purchasing homes will have a positive impact on the sector. Lowering of



C Rakesh Reddy
Director, Aparna
Constructions & Estates

personal income tax will increase disposable income for homebuyers. Hiking the 2-lakh tax rebate on housing loan interest rates can boost demand for housing, especially in the affordable and mid-segment categories. The granting of infrastructure status to the entire real estate sector would also enable the industry positively. It will bring large scale employment opportunities, create a strong financing pool for developers at lower interest rates and also make projects more affordable for buyers.

Additionally, GST rationalisation for raw materials as well as single window clearance for processes and approvals are critical for the growth of the sector. The government had recently announced Alternative Investment Funds which is a welcome move as it will help in pushing the needle for stalled projects and restoring the buyer sentiment in the market. The budget should look at measures to successfully implement these funds.

