

Budget 2020: Real estate wants FM to ease liquidity, boost demand and create enabling environment for revival

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Financial Express 21 January 2020



Budget 2020, union budget 2020, budget 2020 India, real estate, real estate budget expectations 2020, liquidity crunch , AIF, affordable housing,

Budget 2020 Expectations: Budget is one of the key events that the industry looks up to, as it not only provides major announcements, but also reflects the intent of the government with regards to economy. The upcoming budget comes in a backdrop of one of the most challenging times in over a decade. With sagging consumption, stress in the banking sector as well as the NBFCs coupled with recent inflation numbers showing a sharp rise in December to a 5-year high, the current budgetary provisions and announcement are something that the entire economy would be looking forward to.

Real estate being one of the major contributors to the GDP and a major job creator would be one of the focus areas in Budget considerations, especially in the wake of slowdown in the sector. The sector is in dire need of measures aimed at addressing (a) liquidity crunch (b) boosting demand and (c) creation of enabling environment.

An additional rebate on account of principal repayment shall also be considered over and above the rebate provisions of Section 80C, which at present is part of the composite bucket of eligible rebate of Rs 1.5 lakh under Section 80C of the Income Tax Act.

Realty experts say that the government, during the last 6 months, has taken several measures to boost the economy, some of which were particularly aimed at reviving the moribund real estate sector. Most of these measures are likely to bear fruit in the medium to long term.

Manoj Gaur, MD, Gaur's Group, and Chairman, Affordable Housing Committee, CREDAI, says, "We hope that the government will take a call on single window clearance, which is long pending and is the best solution to expedite the development process. If not, then the permission granting authorities should be brought under the ambit of RERA. The Budget is expected to be in line with the goal of 'Housing for All by 2022'. The government should give certain sops to the developers for affordable housing and attention should be paid towards Input Tax Credit (ITC). We all wish for re-introduction of input tax credit in GST, which has been withdrawn recently. With this benefit, property prices will remain under control."