



Budget lowers tax burden, to boost realty, say builders

'New Steps To Rejuvenate Housing Sector'

Rao Jaswant Singh & Sharmila Bhowmick | TNN

Gurgaon/Noida: The real estate sector in the National Capital Region (NCR), which has been seeing a slump for many years now, has reasons to be happy with the Prime Minister Narendra Modi's government proposing several measures aimed at lowering their tax incidence and burden in the final budget of its term.

While the realtors are given tax holiday in the affordable housing segment and there's also a proposal to cut GST rates, buyers, on the other hand, are encouraged to buy a second property as the government has waived off tax on notional rent on the second home. Builders' body, the Confederation of Real Estate Developers Association of India (Credai), has hailed the Union budget as "dream come true".

"The Real Estate Regulatory Act and the Benami Transaction Prohibition Act have already helped in bringing a lot of transparency in the real estate sector. And by extending the time limit for completing affordable housing projects for earning tax holiday, the government has given the much-needed breather for many builders struggling to complete



their projects for various reasons," said Prashant Tiwari, president of Credai (western UP).

President of PHD Chamber of Commerce and Industry Rajeev Talwar said the increase in investment in one residential house to the second one with the benefit of rollover of capital gains tax upto Rs 2 crore, once in a lifetime, "is a great reform for the housing and construction sector" as it will provide a fillip to the entire sector by enhancing the demand for housing in India.

"This would also increase the employment opportunities for the unskilled, semi-skilled and skilled workforce in the country and impact more than 200 manufacturing industries," he

added. Agreed Manoj Gaur, head of Gaur's Group: "A home buyer preferring to buy a home in luxury segment, will be benefited with the rollover of capital gains under Section 54 of the Income Tax Act. The move will further increase investments in luxury segment thus giving a positive push to the real estate sector."

Chairman, Supertech group, RK Arora, hailed the Budget. "Middle-class can now dream of a holiday home without worrying about tax on notional rent," he said, looking forward to a favourable decision from GST Council on reducing tax burden on homebuyers. "We hope Council comes out with its decision soon," he said.

Homebuyers are elated too.

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RAJEEV TALWAR | President of PHD Chamber of Commerce and Industry

The decision to reduce the GST burden on homebuyers is extremely encouraging

GETAMBER ANAND | President, Credai national

The middle class can now dream of a holiday home without worrying about tax on notional rent

RK ARORA | Chairman of Supertech group

"The government has offered us big relief by waiving off tax on notional rent. Many people were unable to buy a second home because of tax burden, they can now plan to invest in real estate," said Vikram Singh, a banking professional.

However, Abhishek Kumar, president of Noida Extension Flat Owners Welfare Association (Nefowa), said "those buyers who are already stuck in their first home investment have no scope to go for a second home. The benefits offered for buyers looking for a second home investment does not solve the problem for over three lakh buyers who have not been able to secure our first houses."