

Hoping for Positive Looking Policies

Real estate industry stakeholders are very positive about the upcoming union budget and that the government and regulators will continue to provide fiscal and policy support to the industry.

By **Kausar Firdausi**

The Indian real estate market has seen a rebound and displayed a lot of resilience post pandemic. Now, to sustain the momentum, the real estate sector is looking forward to the much-needed reforms and incentives in the upcoming union budget, especially as the sector is the primary contributor to economic growth.

Consumer mindsets have undergone a dramatic change and brought segments like affordable housing and mid-segment homes into the forefront. Besides residential and commercial real estate; warehousing, co-working spaces, and data centres have also gained a lot of traction in recent years and will also be in focus in 2022. While the realty sector is looking at a robust housing demand revival in 2022, it also expects this budget to play a supportive and enabling role to accelerate growth in the real estate demand.

Even though the government had rolled out certain measures to boost the realty

sector, still a lot more needs to be done to catalyse the ailing sector and address both demand and supply side. According to industry experts and stakeholders, the demands this year seem going beyond the usual expectation of single-window clearance and industry status. Here are some specific expectations from the budget underlined by the industry players.

SWAMIH FUND NEEDS TO BE ENHANCED

The quantum of the Special Window for Affordable & Mid-Income Housing (SWAMIH) stress fund needs to be enhanced along with strengthening the financing institutions to generate adequate liquidity and help the completion of stuck realty projects. "After the decent success of its SWAMIH fund, the government should announce several more funds which can help target specific real estate verticals that need liquidity support and high capital infusion like township developments and large format business parks," says Kaushal

Agarwal, chairman, The Guardians Real Estate Advisory.

SPECIAL TAX STATUS FOR DATA CENTRE PARKS

India's draft data centre park policy aims to make India a 'global data hub'. "Since data centre is a capital-intensive industry special tax concession should be granted for data centre parks which can help in attracting more investments," says Radha Dhir, CEO & country head, India, JLL.

DEDUCTION OF PRINCIPAL REPAYMENT ON HOME LOANS

Dhir further suggests that a separate provision allowing deduction of principal repayment (currently forming part of 80C deduction) upto Rs 2 lakh would provide homebuyers higher tax benefits towards the latter stage of the loan tenure.

REDUCTION IN HOLDING PERIOD OF REITS FOR CAPITAL GAINS



IN SPOTLIGHT

Last block of Ashiana Nirmay in Bhiwadi launched

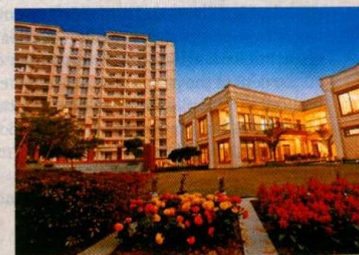
Senior housing major Ashiana Housing recently announced the launch of the last block of Ashiana Nirmay, its marquee senior living project in Bhiwadi, NCR. The project, a pioneering senior living habitat, offers a safe and comfortable stay to its residents. This last block of the project will have a total of 80 units comprising 1, 2 & 3 BHK units. The company has also announced a launch discount of 4 per cent on the total price of the apartments. At the time

of launch, the company has already received interest from 53 prospective customers, which is nearly two-third of its inventory.

This block is unique as it is closer to the temple, the activity centre and will offer sun-facing apartments. The price of the apartments ranges from Rs 32.50 lakh to Rs 66 lakh. The last block of residential units at Ashiana Nirmay will have a super built up area ranging from 841 sq.ft. to 1553 sq.ft. Each of these units will have a store along with spacious rooms.

Commenting on the launch, Ankur Gupta, JMD, Ashiana Housing, said, "We are proud to announce the last phase of the project. Ashiana Nirmay will provide a pleasant environment to its residents who will enthral living in a lifestyle that is modern and adheres to a more sustainable habitat."

Ashiana Nirmay's apartments will come equipped with world-class amenities such as swimming pools, club-house, 24/7 security with CCTV, walking tracks and wheelchair accessibility. "Around 160 plus families are happily residing in Ashiana Nirmay designed for seniors," added Gupta. Moreover, there is a locational advantage too. The project is just 45 mins of drive from Gurgaon.



The success of three listed REITs has opened a new avenue for retail investors. "We are hoping to see some relaxation in provisions for REITs in commercial real estate and reduction of the income tax burden on long-term capital gains," says Bijay Agarwal, MD, Sattva Group.

ALLOW 100% FDI IN COMPLETED RESIDENTIAL PROJECTS

Presently, 100% FDI is allowed through the automatic route in under-construction residential projects only. "The move to permit FDI in completed residential projects will aid in unlocking the capital held up in unsold inventory, thereby rescuing cash-strapped developers," adds Dhir.

INCREASE CAP ON INTEREST DEDUCTION UNDER SECTION 24(B) FOR TAX REBATE

The government will continue to put in its sincere efforts in pushing affordable housing. "The cap of Rs. 2 lakh per annum against interest rate deduction under section 24(B) of the Act needs to be hiked to at least Rs. 5 lakh along with removing the 45 lakh cap from affordable housing, which will boost the affordable and mid-segment housing in a big way," looks forward Sandeep Runwal, president, NAREDCO Maharashtra and MD, Runwal Group.

ADDRESS THE RISING RAW MATERIAL PRICES

Kamal Singal, MD & CEO, Arvind SmartSpaces Ltd. hopes the budget will address the issue of rapidly rising raw material prices. "Raw material prices have seen an unprecedented increase over the

last 12 to 15 months and a continuation of this trend will put margins of the sector under pressure and push developers to pass on these increases to the consumer," accentuates Singal.

TO AUTOMATE THE PROCESS OF REGISTRATION

As per Vikas Chaturvedi, CEO, Xanadu Realty, some provisions to automate the process of registration are also expected so that the need to go physical registration is replaced with technology would go a long way in reducing consumer inertia. "Banks have already started this through fintech and real estate has a large need for an initiative like this," stresses Chaturvedi.

TO BRING FOREIGN INVESTMENTS INTO THE SECTOR

Considering the rupee's recent muted performance, this budget is an ideal time for reforms targeted at foreign inflows into India. "Liberalising foreign investment norms in real estate is a widely expected move," says Shradha Kedia-Agarwal, director, Transcon Developers, further specifying, "The residential market in India has become more lucrative for NRIs as a result of the increased transparency due to RERA and ease in investment norms. Given their efforts towards nation building, the NRIs are expected with sops such as ease of compliance under the Income-tax Act and reduction in withholding tax rates, among other relaxations."

Overall, realtors are very positive about the budget and that the government and regulators will continue to provide fiscal and policy support to the industry.

ARETE Group introduces experience centre at its Payal Industrial Park

One of India's prominent industrial park developers, ARETE Group, has unveiled a state-of-the-art experience centre at PIP (Payal Industrial Park) in Dahej PCPIR, Gujarat, with the objective to provide a realistic virtual experience to industry veterans during their project visits at PIP. Nudging an industry key personnel toward making a decision is the most important task, and that's when experience centre plays a vital role. It uses cutting-edge technology to give the visitor a walkthrough tour of the industrial park and its superlative facilities for industrial development to establish a sense of experience and connection.

Speaking at its launch, Siraj Saiyed, director, ARETE Group, says, "With the utilisation of emerging technologies,

ARETE has changed the decades-old realty buying process, which was complex and tedious earlier, into a simplified procedure for the industry veterans. It is all about enhancing experience through virtual tour of our industrial park and industrial ecosystem of Dahej. We strongly believe that the centre shall, going forward, play a pivotal role in boosting the reputation of the project. It will also lead to a new direction towards innovative industrial and realty activities within Dahej industrial ecosystem."

Notably, PIP is India's largest privately-integrated industrial park, located strategically within a thriving industrially-developed ecosystem and having multi-modal connectivity via ports, air, rails & roads. The park has been approved by the Gujarat government, and it boasts of robust world-class infrastructure facilities.



Realtors' Forum

Industry bigwigs are hoping that the upcoming union budget will play a pivotal role in fulfilling the growth trajectory across real estate and the overall economy. Excerpts...



PRASHANT SOLOMON
MD, Chintels India & the Hon.
Treasurer for CREDAI NCR

"Some of the areas which require attention include tax rebates on housing loan interest rates, GST waiver for under-construction properties, rise in FDI inflow, expanding the SWAMIH stress fund and most importantly attaining an industry status. It will help eliminate unnecessary processes, better transparency, ease of getting approvals."



PRITHAM CHIVUKULA
Co-Founder & Director,
Tridhaatu Realty and Hon. Secretary,
CREDAI MCHI

"We should look at a multi-dimensional approach focused on the availability of improved & low-cost credit, forward-looking FDI inflow which allows foreign investment in completed housing, and inclusive participation in the start-up ecosystem through a dedicated fund focused on innovations and digitisation could go a long way in making the sector excel in 2022."



RAMANI SASTRI
Chairman & MD,
Sterling Developers Pvt. Ltd

"We expect input tax GST credit for developers, reduction in stamp duty which has happened in several states and registration charges which make a sizeable difference to the cost of a project, thereby encouraging homebuyers to go in for property purchase. There is need to redefine affordable housing to Rs. 50 - 60 lakh as this would expand the benefits for homebuyers."



YASHANK WASON
Managing Director,
Royal Green Realty

"We expect a progressive budget which focuses on giving more tax reliefs to buyers who look at real estate assets as a secured and stable investment choice. There is a need to encourage developers and a single-window clearance system will help in fast approvals and speedy delivery. Tech-adoption should also remain in focus."