

Budget 2017 aims to revive the Real Estate Industry with infra status and housing for all

The real estate sector is one of the most globally recognized sectors. In India, real estate is the second largest employer after agriculture and is likely to grow at 30 percent over the next decade. The announcement of Budget 2017-2018 has given a relief to both developers and investors. The sectoral indices showed over 4 percent rise in both the Sensex and Nifty. Finance Minister Arun Jaitley, in his Budget 2017-18 speech has given one of the much-needed plunges to the Indian real estate sector. The mission of providing housing for all is finally shaping up with an announcement of 1 crore rural houses to be created by 2019. The announcement of affordable housing being given infrastructure status will directly attract more and more private buyers. The statement, No cash transaction above Rs 3 lakh will cease any unfair trade practices in the industry and thus results in transparency in a transaction between the investors and the developers.

"The Union Budget has provided quite a few incentives to the real estate sector. The status of infrastructure provided to the affordable housing segment will provide it a big push. This will generate more investments and funding to the sector resulting in bringing down the cost for the developers. Additionally, the size criteria for qualifying for affordable housing has now changed. This will make affordable housing units more attractive for the buyers as they now will be able to get bigger houses. Investors also stand to benefit as the holding period has been reduced from 3 to 2 years for qualifying for long-term capital gains. Developers, homebuyers and investors all stand to benefit from the budget."

Atul Banshal, President, Finance & Accounts, M3M Group

" This announcement is a landmark for the real estate sector which will open new avenues for the affordable housing segment. We welcome and appreciate this decision of the government, it will help the sector get various benefits of infrastructure sector which was a long time demand of the realty industry. The new measure will reduce costs for developers and attract more investors. It is great push for the housing for all vision and will also benefit the first time buyers "

Ssumit Berry, Managing Director, BDI Group

"By granting infrastructure status to affordable housing, which was a long-time demand from the industry, the Budget 2017 has given a relief to both developers and investors. The cost of the developers will go down and attract the investors. The Finance Minister Arun Jaitley brought affordable housing under infrastructure sector, extending benefits to the people investing in building low-cost homes. This is expected to extend the sops to the segment of the public not already covered under the Prime Minister's housing scheme".

Ravish Kapoor, Director, Elan Group

" The Budget 2017 gives a sigh of relief to the home buyers as the borrowing cost of home buyers has dropped down considerably. The Finance Minister Mr. Arun Jaitley's announcement on 'Affordable Housing' given 'Infrastructure' status will attract more investment which shall help in reviving stalled projects. Mr. Jaitley's announcement of creating 1 crore rural houses has brought smiles to numerous homeless citizens. Affordable Housing Finance Companies also get a big push with National Housing Bank (NHB) refinancing Home Loans of Rs 20,000 crore"

Mr. Prashant Tripathi – Group Spokesperson, Viridian Group

Lowering capital gain tax on land deals shall ring good news to developers. Reduction of capital gain tenure from 3 years to 2 years would boost the morale of investors who were shying away from realty sector. 5% reduction in direct taxes would make more cash availability with perspective buyers.

RERA making real Estate an industrial norm would help developers get easy loans from banks and hence more transparency and easy operations for developers. Coupled with lower interest rates, it speaks good for real estate sector in times to come.