

First reactions to Union Budget 2017

The Union Budget 2017 has been a mixed bag offering good and not so good news. Neeraj Bansal, Partner and Head, Building, Construction and Real Estate and India, KPMG, shares his opinion on the Budget.

Bansal spoke with Magicbricks and voiced the key highlights of the Union Budget 2017. Bansal says, "The two important developments were 1) Infra Status to Affordable Housing; and 2) Capital Gains Tax period reduced to 2 years from 3 years.

These two points are good and will bring relief to home buyers." Having said that, Bansal also mentioned, "The Budget could have done more in terms of interest rate home loan deduction which right now is a meagre Rs 2 lakh."

The principal amount that is clubbed with Section 80CC has not seen much change. Higher deduction would have helped buyers. Bansal ended by saying, "Lots could be achieved from this year's Budget."

Pankaj Bansal, Director, M3M

Luxury Housing Segment: We welcome the government decision to bring affordable housing in the infrastructure sector. Also, definition of Affordable housing changed to make it more practical to build and market. Now, we can expect focus on building more affordable housing projects, also Rural Housing will get big push. The borrowing costs for the home buyers has already come down significantly. Time period for Long Term Capital Gain is reduced by 33%, with new base period. Many have been deferring their decisions to buy homes. All these factors will be considerably significant in helping to expedite their decision. This will make investment in the real estate sector lucrative providing a surge in consumption demand. Having said that Year 2017 will be the year of affordable housing.

