

Realtors seek GST waiver for under-construction houses

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TRIBUNE NEWS SERVICE

CHANDIGARH, JANUARY 21

The real estate sector, which is one of the major employment generators, expects major reforms in the upcoming Budget to bolster demand. Given the depth of pain in the sector, mainly because of slowdown due to the pandemic, this year the demand has gone beyond

the industry status. To mitigate the negative impact, the developers are of the view that the Centre will have to go the extra mile to stimulate growth. Let's have a look what the realtors expect in the Budget:

Hike rebate on home loan

The government should hike rebate on home loan under Section 24 of the Income Tax Act from Rs 2 lakh to at least Rs 5 lakh to generate demand, especially in the affordable and mid-segment housing.

GST waiver

"At present, the GST on



under-construction properties is 5% for premium homes (above Rs 45 lakh) and 1% for affordable homes (below Rs 45 lakh). To generate the demand, the government should provide GST waiver for limited period or the price

cap for affordable houses should be increased from Rs 45 lakh to Rs 60 lakh," said LC Mittal, director, Motia Group.

Ease liquidity

"The liquidity crunch had a cascading effect across sec-

tors, including the real estate. "Developers need a rational capital flow to maintain the supply pipeline, especially for the ready-to-move-in houses. Increased supply also helps to keep property prices range-bound," said Anuj Puri, chairman, ANAROCK Property Consultants.

More stress funds

"Establishing the SWAMIH Investment fund of Rs 25,000 crore to help the realty sector is appreciated. However, allowing more such stress funds will help facilitate the last mile funding for stressed and stalled

projects," said Dr Niranjana Hiranandani, national president, NAREDCO.

Fractional ownership

"The government should look at encouraging concept of fractional ownership as it can bring turnaround in India's investment scenario. The government should allow tax exemptions for investment through fractional ownership. There should also be conducive policy reforms and infrastructural development which can boost commercial real estate," said Shiv Parekh, founder, hBits.