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Tax rebate requested by the real estate sector

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The real estate business is one of India's most important economic foundations. It adds 6-8 percent to India's GDP and is second only to the IT industry in terms of job creation.

With the Union Budget for FY22-23 approaching, the real estate industry is expecting a lot from the government. On February 1, the Budget will be presented to Parliament.

The years 2020 & 2021 were a watershed moment in human history, disrupting the normal path of events.

Real Estate market has been most affected during the past 2 years which have been tough for almost all of us

Since the pandemic broke out in India, the real estate market, which was already suffering from liquidity crisis, is now facing further challenges.

However, we saw a strong bounce-back between July 2021 to September 2021. But, the industry continues to be beset by two persistent issues: unsold inventory and halted initiatives.

The SWAMIH Investment Fund was formed in November 2019 to assist in the completion of over 57,000 homes, including those that have been declared non-performing assets (NPAs) or have been admitted to insolvency proceedings.

Any increase in the corpus will aid in the completion of stalled projects and restore consumer confidence in the under-construction property market, which is the need of the hour.

The industry expects the government to provide incentives on taxes (both principal and interest) for house loans, on the rental housing segment, and to prolong some concessions on income from renting housing properties to maintain the momentum in the high-growth potential real estate sector. Also we expect a tax relaxation like increasing home interest rate tax deduction from the current ceiling of Rs 2 lakh to Rs 5 lakh. This will fuel demand of residential units further.

Govt is also aggressively supporting and backing start-ups in India. For new entrepreneurs, it is also necessary to lower the GST to the lowest slab, as this will have a substantial impact on their budget. Currently, coworking facilities levy an 18% GST on all clients, which has a significant impact on startups.

We hope in 2022 the real estate market growth momentum trend continues, and the Delhi-NCR market reaches new heights this year. According to Knight Frank, the residential market in this city grew by 65 percent year on year in CY 2021, with 35,073 housing units sold. With a 33 percent share of overall home sales in H2 2021, Gurugram emerged as the NCR's biggest residential market. The rise was fuelled by well-developed micro-markets, large-scale infrastructure development, modern facilities, and demand from HNIs, UHNIs, business leaders, corporate professionals, and millennials.