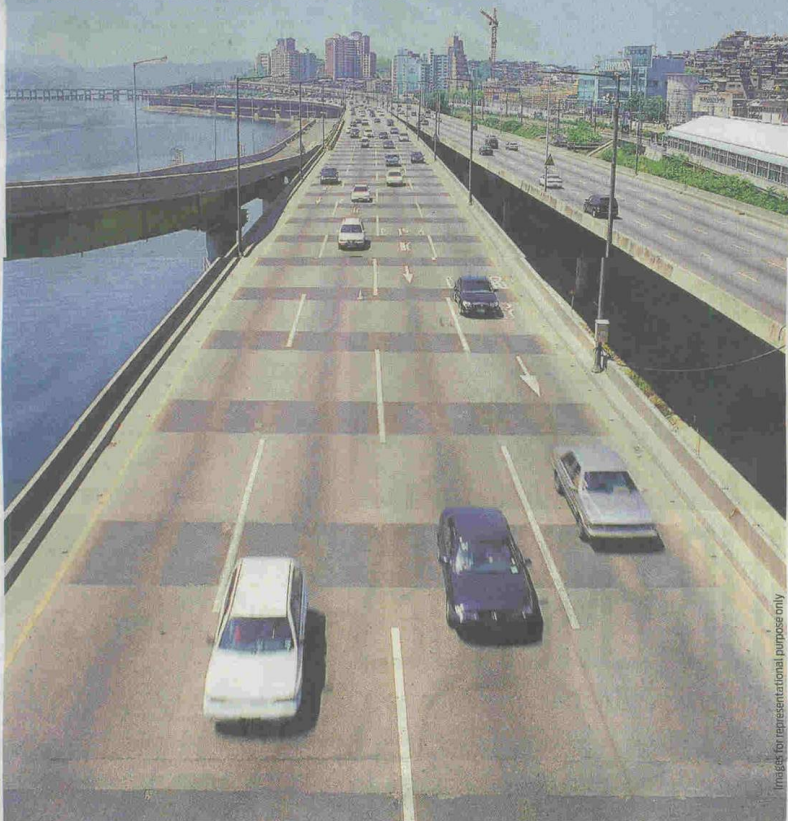


FINANCIAL INSIGHTS

# High rise hopes

Real estate industry stakeholders share their pre-budget expectations and recommendations to the Finance Minister



TimesofIndia

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**Shishir Bajjal**, Chairman & Managing Director, Knight Frank India



The real estate fraternity is pinning its hopes on the upcoming Union Budget 2016 to give the 'stressed' sector the much needed boost. The last budget had a focus on 'Housing for All', but did not have a game-plan attached to it. I sincerely hope that soaps and exemptions for home buyers are announced this year. On the annual

deduction for interest payments, I wish the government increases the limit to Rs 300,000 from Rs 200,000, and additionally making this deduction applicable only for property that is ready with an occupancy certificate. For REIT to become a reality, it is important for DDT to be abolished. GST should also be another highlight in this budget. The implementation of the same will lead to more efficiency and competitiveness from the seamless movement of goods as well as the location of warehouses, an important component in the logistics sector. With infrastructure an important focus of the government already, I hope this will continue. The development of infrastructure has a direct bearing on the revival of real estate, which we all look forward to at this stage.

**Surendra Hiranandani**, Chairman & Managing Director, House of Hiranandani



The government should look at increasing the interest deduction limit to Rs 3 lakhs for new home buyers. Similarly, tax concessions on house insurance premiums can be introduced to encourage end users to insure their homes. It is imperative to allot new land on the outskirts of metropolitan areas in order to promote affordable housing. The government must allocate an amount exclusively for developing infrastructure and improving connectivity in the peripheral areas of cities, especially the metros.

**Kishore Bhatija**, MD - Real Estate Development, K Raheja Corp



We are hopeful that the new budget will address some much-needed realty reforms in the administrative, land, legal and financial aspects. We also hope that the land bill will be implemented during the budget session itself. Clarity on the land acquisition policy holds the key to the development of realty and infrastructure sector.

**Deep Kantawala**, Head - ICS Corporate Advisors



Incentives in the form of lower stamp duty on properties under REIT's shall also go a long way in making these attractive for investors. Relief under section 80C should be enhanced to at least Rs 2.5 lakh. This will help in achieving the dual benefits of reduced taxes in the hands of tax-payers as well as boost the overall savings in the economy.

**Rajesh Prajapati**, Managing Director, Prajapati Constructions



We want the government to support the real estate sector through funding similar to infrastructure industry, which has the potential of attracting huge foreign direct investment. We look forward to Income tax exemption for affordable homes built for EWS and LIG segments. We also hope that the finance minister will cut duties on building material such as cement and steel to help reduce cost of construction so that the benefits can be passed on to the ultimate home buyers.



**Miranjit Mukherjee**, Chief Financial Officer, Tata AIG General Insurance Co Ltd



One of the reasons for low penetration of the insurance sector is the lack of awareness of the benefits of taking insurance. Natural calamities cannot be the advertisement for buying insurance. Once people are aware and have insured themselves everyone benefits - insurance companies, families and the government. Insurance companies can invest these premiums in the infrastructure - housing sectors, which need capital for longer durations, which cannot ideally be serviced by the banking industry.

**Chintan Sheth**, Director, Sheth Corp



The Government can exempt Income tax for affordable homes built for economy weaker sections and low income groups. The reduction of service tax will take off huge load off the shoulders of home buyers as they are already loaded with several other taxes. We have a strong trust in government that the real estate bill, which was the most awaited and discussed shall pass by 2015. This will boost the entire industry and will definitely prove to be a game changer for the market.

**Jason Kothari**, Chief Executive Officer, Housing.com



The real estate industry is looking forward to GST becoming a reality which will greatly benefit the ecosystem and drive much needed transparency in the real estate transactions. We are hopeful that the regulatory bill will bring value to the homebuyers and the government will continue to provide incentives to sectors such as construction materials, while aggressively driving urban infrastructure projects.



**Amit K Lalit**, CEO & founder, VALION P.R.E.F.O



Improvement in infrastructure in and around the central business districts along with the outskirts should remain a top priority for the government. There should be ample SOPs for the industry players to focus on infrastructure development and improving the quality of living, working and focus on sustainable living. Once that is done the sentiment would improve and there would be investments flow in the real estate space.

**David Walker**, Managing Director, SARE Homes



Discussions around the Real Estate Bill must reach a positive conclusion which will give home buyers the confidence to return to the market and deal with responsible builders. Furthermore the implementation of GST bill will eliminate multiple levels of taxation and further reform the lengthy approval process that would facilitate speedy project execution. The present limit on the principle and interest amount of home loan repayments for individual buyers should be enhanced too, as this will make it easier for people to purchase their dream homes.

**Anubhav Jain**, Director, Silverglades



We are hopeful that the upcoming budget will address key financial and tax reforms that will spur growth in this year. Banking sector should support developers to meet the 'Housing for All' initiative. Home buyers should be incentivised through tax breaks for investing in homes to help bridge the gap.

**Raj Gala Shah**, Partner, Zara Habitats



Reduction in Service Tax levied on flats, in order to reduce the cost burden on the buyer. Increase in the limit of tax deduction from current 2 lakh and also the same shall be applicable from the time the interest repayment starts and not dependent on the possession. Boost e-commerce and retail, by implementation of GST and creating a level playing field. This will in turn boost demand for commercial real estate.

**Brotin Banerjee**, MD & CEO, Tata Housing



The government should grant infrastructure status to integrated townships so that banks are able to give priority sector lending to the sector. Incentives and special benefits to green and sustainable technology and methods of construction should also be addressed in the upcoming budget. Real estate sector continues to be plagued by the issue of double taxation and tax complications which drive up the cost of construction and eventually make housing more expensive for consumers.

**Ajay Nahar**, Partner, Nahar Group and MD, Nahar Projects



Instead of allowing home buyers tax benefits post-possession, the Union Budget should make a provision that allows these from the time they start paying interest on housing loans, that will reduce the tax burden on the home buyer and the developers may see an approx. 15% rise in sales as a result.

**Prashant Solomon**, Managing Director, Chintels India Ltd.



Hopefully, our sector will get the much needed industry status. Finally, REIT's should be expanded to the residential sector where investors can get returns on capital appreciation so that developers can get the much needed funding for projects. There should also be provision for Affordable Real Estate Zones with tax rebates for builders investing in such projects.

**Sourabh Bansal**, MD and Co-Founder, Magicrete



To promote housing for the middle class, we urge the Finance Minister to consider subsidizing interest rate for home loans below Rs 50 lakh. We feel that the tax exemption limit on home loans should be increased by about Rs 1 lakh and be auto-set to match inflationary trends in a financial year. For those who are staying in the rented accommodations, the FM should also consider raising the house rent deduction limit.

