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## Union Budget '24: Realty players' high-rise expectations

**ANEKA CHATTERJEE**  
Bangalore, 2 January

During 2023, the Indian real estate sector — both housing and commercial — witnessed buoyancy fuelled by demand, supply, and absorption, and the sector is banking on the upcoming budget to keep the momentum going.

Mumbai-based Sattva Group wants the government to focus on the critical pillars for long-term growth. The company emphasised on the infrastructure boom with increased allocation, lower goods and services tax (GST) rates, incentives for affordable housing and single-window clearance to fast-track projects and support liquidity.

"We expect an infrastructure boost as a result of increased allocations, recognising the direct impact on property values and demand. Tax reforms are a top priority, with hopes for lower GST rates and expanded deductions to boost demand and investment," said Bijay Agarwal, managing director



(MD), SATTVA GROUP.

"A firm commitment to single-window clearance aims to reduce roadblocks and speed up projects. RERA amendments are anticipated to enhance regulatory mechanisms. With optimism, we await collaborative efforts propelling the sector towards sustainable growth," he added further.

Bengaluru's Shriram Properties expects the Union Budget to lay stress on the tax burden and stamp

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duty. The developer said that properties in the affordable housing category face a tax burden ranging from 28 per cent to 30 per cent. Moreover, developers have to pay an 18 per cent GST on construction.

"While the potential for affordable housing remains significant, developers hesitate to venture into this segment due to lack of viability. The government must prioritise it in the upcoming Budget. Additionally, there is a need

for governmental intervention to urge state governments to eliminate stamp duty and establish a unified agency for streamlined approval processes," said Murali Malayappan, chairman and managing director, Shriram Properties.

Embassy Group expects the Budget to talk about decreasing home loan interest rates and repo rates, along with offering special bank and equated-monthly instalment (EMI) discounts.

The company expects the finance minister to focus on tax rebates.

"The upcoming Union Budget will play a crucial role in defining and sustaining the real estate sector's growth in the coming days. Since millennials have become the most important segment in the property market, revising the price cap for affordable and mid-segment homes is needed. Under section 24 of the Income Tax Act, a hike in the tax rebate on home loan interest from ₹2 lakh to ₹5 lakh will add momentum to housing demand,"

said Reza Sebastian Karimpanal, executive president, residential business, Embassy Group.

Real estate consultancy Anarock Group said several interest stimulants that were offered to affordable housing developers and consumers over the years have expired in the last one-two years.

The group believes that it is imperative to revive and extend significant benefits, such as tax breaks. This will encourage developers to construct more affordable housing. Land shortages are also something the group expects the Budget to address.

"The real estate industry invariably presents the finance ministry with a very ambitious wish list every year before the annual Budget. Industry status for the housing sector and single-window clearance for housing projects are standard asks and remain in place this year, as well," said Anuj Puri, chairman of Anarock Group.

[aneka@bchnews-standard.com](mailto:aneka@bchnews-standard.com)