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Budget '24: Will belief meet faith?



The forthcoming Union Budget 2024-25 provides a critical chance for the Indian real estate industry to tackle various obstacles and stimulate growth, particularly in the affordable and luxury housing sectors. With the conclusion of the longest election in India's history, attention has now shifted to the new budget announcements. The real estate sector is seeking measures to enhance affordability and boost housing demand.

Vimalendra Singh, chief business officer (residential), Mahindra Lifespace Developers: As we look forward to the Union Budget, it is essential to focus on measures that sustain and enhance growth in the mid-range and premium housing segments. Increasing the home loan interest deduction to Rs 4 lakh is a critical step to alleviate the financial burden on homebuyers amid escalating property prices and interest rates. Reinforcing RERA implementation will ensure that the sector remains transparent and accountable, boosting buyer confidence.

Ramesh Nair, CEO, Mindspace Business Parks REIT: Maintaining investor confidence in REITs with a stable tax framework is crucial as REITs play a pivotal role in boosting real estate, stimulating economic growth, and creating jobs. To attract more investments, the government should implement key reforms such as reducing the holding period for units from 36 to 12 months, classifying REITs as equity instruments to enhance liquidity, and allowing Input Tax Credit under the GST Act for construction procurements to lower costs.

Pradeep Aggarwal, founder & chairman, Signature Global (India) & chairman, ASSOCHAM National Council on Real Estate, Housing and Urban Development: A simplified single-window clearance system will expedite project approvals, reduce delays, and enhance overall project execution. Revising the GST input tax credit rules will reduce property prices and increase transparency, while increasing the home loan interest rebate under Section 24 to Rs 5 lakh will boost demand. Additionally, increased budget allocations for urban infrastructure and lower stamp duty rates for property transactions or waiver for first time home buyer from

stamp duty will stimulate real estate growth. Expanding the definition of affordable housing to include homes up to Rs 75 lakhs with a larger carpet area of 90 m², along with the relaunch of the CLSS scheme or similar scheme will further benefit homebuyers.

Prashant Sharma, president, NAREDCO Maharashtra: We need enhanced tax incentives for homebuyers, advocating for increased limits on deductions under Section 80C and Section 24(b) to boost housing demand. A single window clearance system to streamline project approvals and incentives for affordable housing, including extending benefits under the PMAY and redefining affordable housing to include properties up to Rs 1 crore in metro cities. Addressing liquidity issues by ensuring easier access to financing and expanding the SWAMIH stress fund is also crucial. Simplifying land acquisition and promoting rental housing policies are essential for urban development.

Pavitra Shankar, MD, Brigade Enterprises: The real estate sector continues to be a key contributor to the economic growth of the country and we hope the Union government will consider some of our requests and recommendations in the new budget, as it will give a further boost to the sector. GST should be simplified and further rationalized, for example, GST is charged at 28% on cement which is essential for nation building infrastructure and housing projects. The steep inflation in raw material costs remains a concern, measures to stabilize prices of key materials like steel and cement would provide much-needed relief to developers and translate into attractive property pricing. Furthermore, one of the long-standing demands of the real estate sector has been that of industry status, this would provide easier access to institutional financing, streamline regulatory processes, and enhance investor confidence. The government should also consider reintroduction of input tax credit to enable the smooth transfer of benefits by the developer to the end customer.

Sandeep Runwal, MD, Runwal: The expansion of roadways, railways, and metros is expected to further boost real estate, allowing deeper market penetration and enhancing living standards. As a major GDP contributor, the real estate sector will play a vital role in achieving India's \$5 trillion economy goal and aligning with the Prime Minister's vision of positioning India among the top five global economies through supportive regulatory policies.

Pritam Chivukula, co-founder & director, Tridhaatu Realty; VP, CREDAI-MCHI: A single-window clearance system to expedite approvals and incentives for affordable housing, such as extended tax holidays and increased PMAY allocations. Rationalizing GST rates and granting infrastructure status to the real estate sector will facilitate easier access to funding. He emphasizes the need for sustainable development policies and incentives for rental housing to meet urban housing needs. Special provisions for reviving stalled projects are also essential for market stability.

Murali Malayappan, CMD, Shriram Properties: The digitization of land records which is long overdue, must be expedited. Approval processes are a major challenge nationwide, and the Government of India must impress upon state governments to implement a simplified single-window clearance system in its true spirit. From a buyer's perspective, addressing the crucial issue of GST by placing it in the lowest slab and stabilizing interest rates for home loans are essential to make housing more accessible. Furthermore, we urge the government to reintroduce input tax credits for mid-market and affordable housing, enabling builders to pass

On benefits to customers.

Dhaval Ajmera, director, Ajmera Realty and Infra India: The real estate sector is witnessing landmark growth and a developer & homebuyer-friendly budget will further amplify this sentiment, ultimately boosting the overall contribution of the sector towards the Indian economy. The industry looks forward to addressing the need to increase the slab for tax-free home loans from 1.5 lakh to 3 lakh. Along with this, there should be a tax SOP dedicated to affordable housing. There is a need to redefine the standard definition of affordable housing by the RBI and RERA where it should be restricted to home sizes from 60 sq.m to 90 sq.m rather than the current price bracket of 45 lakh.”

Samyak Jain, director, Siddha Group: There’s a need for tax benefits, easier access to credit, and improved liquidity to sustain the sector’s growth. A targeted scheme for millennials and first-time homebuyers to boost demand. Increased budgetary allocation for infrastructure development in cities like Mumbai is essential to unlock new development regions. These measures will foster a conducive environment for real estate growth, contributing to overall economic development.

Manoj Gaur, chairman, CREDAI National; CMD, Gaurs Group: The real estate has pinned high hopes on the forthcoming budget. First of all, the sector is looking for the reintroduction of the interest subvention scheme to revive mass housing. Secondly, we are also seeking a redefinition of affordable housing. The present limit should be increased from 90 sqmtr and Rs 45 lakhs in terms of space and pricing, respectively. These will be a much-needed intervention as a considerable demand exists in the affordable housing segment. Lastly, we are also looking forward to announcements on GST input credit to stimulate growth and foster a more resilient real estate environment.

Mohit Goel, MD, Omaxe Group: The real estate sector is one of the strongest pillars of the Indian economy. As its contribution to India’s GDP is slated to reach 13% next year, we anticipate the forthcoming budget will propel the sector’s growth further. Moreover, giving the real estate sector industry status has been one of the most forwarding demands. This would allow developers to take loans at relatively low interest rates and avail of tax incentives.

Ashwin Sheth, CMD, Ashwin Sheth Group: The prospect of stability in India’s housing sector, bolstered by a focused approach on infrastructure development by the government, promises a substantial boost to affordable housing initiatives driven by the government’s PM Awas Yojana (PMAY). With the government fortifying affordability in housing and stimulate demand, we also look forward to a potential tax relief scheme. The need for policy reorientation, cost reductions, and tax rationalization to drive growth, including GST reforms remains paramount for sustaining the upward trajectory of the Indian real estate market and ensuring its alignment with evolving economic dynamics and societal needs.

Nesara BS, chairman, Concorde: Expanding the income tax exemption slab to Rs 10 lakhs, would increase surplus income and boost personal consumption. The government should also consider rationalization of capital gains tax between real estate and equity markets. A more balanced capital gains tax structure would encourage investment diversification, potentially

freeing up capital currently tied to real estate for new investments. We hope that the government considers a significant increase in capital expenditure on infrastructure and social programs by at least 30% compared to last year. With GST collections reaching new highs, touching Rs 2 lakh crore per month in April, the government should recommend a reduction in GST rates to the GST council.

Atul Bohra, Group CEO, Kolte Patil Developers: Our foremost expectation is for GST-related input tax concessions and reduced interest rates. These measures are crucial for providing financial relief and enhancing project feasibility. We also advocate for a streamlined single-window clearance system to expedite project approvals and minimize delays, which is essential for efficient project delivery. Furthermore, we anticipate potential GST rate reductions and initiatives to stabilize material costs. Such measures would significantly benefit both developers and homebuyers, supporting the sector's overall health. Lastly, we reiterate our longstanding request for granting 'industry status' to the housing sector.

Ravindra Pai, MD, Century Real Estate: I urge the government to provide significant incentives to developers for constructing affordable homes, which will be instrumental in addressing the housing shortage and making homeownership accessible to a broader population. Granting industry status to real estate is another critical step we anticipate. This move will attract more investments, streamline processes, and elevate the sector's overall credibility, fostering a more robust and reliable industry. Additionally, subsidizing home loans is essential to enhance affordability for potential homeowners, easing their financial burden and bringing the dream of owning a home within reach for many. Also hope to see the facilitation of bank funding for land purchases, as this will alleviate one of the biggest financial challenges developers face, enabling more projects to come to fruition. Finally, rationalizing GST is a crucial expectation.

Bijay Agarwal, MD, Sattva Group: We are pleased to see the government's efforts to promote affordable housing through programs like PMAY-G and the new housing scheme for the middle class. These actions support 'Housing for All' as a concept while also enabling residents to realize their aspiration of home ownership. We believe that extending rebate under the income tax Act to the developer should be made available to encourage them to enter into affordable housing sector. Additionally, it is critical that interest rates on home loans be lowered. Lower interest rates increase demand for residential real estate while also making house finance more accessible.

Arshdeep Sethi, president, RMZ Real estate, RMZ Corporation: The Indian real estate sector has shown resilient growth, accounting for approximately 7% of the country's GDP and projected to reach a market size of \$1 trillion by 2030. However, the sector continues to face challenges that require strategic intervention. First and foremost, rationalisation of GST rates in under construction properties and seamless availability of input tax credit can help foster greater affordability, transparency and investor confidence in the sector. Furthermore, rationalised GST regime enables developers to pass on the cost benefits to tenants thereby providing added impetus for GCCs and other companies to set shop in India, thus boosting employment and consumption. Additionally, increasing the home loan interest rebate under Section 24 from the current Rs 2 lakh to Rs 5 lakh would stimulate demand and make housing more accessible.

Venkatesh Gopalakrishnan, director group promoter's office, MD & CEO, Shapoorji Pallonji Real Estate (SPRE): As the future of our industry depends on the continued flow of such projects to enhance urban living standards and develop new areas, we hope the government will announce further measures in this direction. Additionally, we hope for announcements that will attract capital investments and boost FDI inflows into India. While acknowledging the government's efforts towards the real estate sector, we propose targeted measures in the upcoming Union Budget to unlock its full potential. Our primary request is a significant increase in the home loan cap from Rs 2 lakhs to Rs 5 lakhs annually. This would incentivise homebuyers and boost industry revenue. Additionally, we advocate for a reduction in long-term capital gains tax, the waiving of notional rent on second properties, and aligning the income tax rate with corporate rates at around 25 per cent. Expanding Section 80C limits for millennials and Gen-Z homebuyers would also align with changing investment dynamics. We further recommend redefining affordability, recognising that diverse locations demand different price caps rather than a uniform approach.

Gaurav Malhotra, MD, Hansgrohe India: Ahead of the interim budget, we are optimistic about the positive measures that will bolster the luxury real estate sector and enhance the overall market dynamics. This aligns with the growing aspirations towards a luxury lifestyle, where consumers seek high-quality, sophisticated home interior solutions. We urge the government to put a rationalization on GST and reduce home loan interest to stimulate demand and growth for the luxury real estate sector. Additionally, we hope to see initiatives aimed at boosting local manufacturing capacity that can further strengthen the make-in-India initiative and also increase the availability of world-class products in the domestic market.

Ajay Chaudhary, CMD, Ace Group: We look forward to several long-awaited positive steps for the real estate sector in the upcoming budget 2024. The sector is in dire need of tax breaks, single-window clearance, and reduction in stamp duty. Also, reduced GST rates applicable on construction materials and a revision in the GST input tax credit rules can stimulate overall market activity and transparency, benefiting both developers and buyers. At the same time, enhanced budgetary allocation for improving connectivity and upgrading infrastructure in premium locations is necessary to encourage luxury real estate development.

Rakesh Reddy, MD, Aparna Constructions: Key expectations such as gaining infrastructure status, streamlined approval processes, improved access to funding, and rationalization of GST must be addressed. It is imperative to implement policies that increase tax benefits for housing loans, reduce long-term capital gains tax on real estate investments, and extend the reach of affordable housing initiatives. Rationalising GST to reduce expenses and easing FDI regulations to attract foreign capital are essential steps to improve accessibility and boost growth in the luxury segment. With the real estate sector contributing 8% to India's GDP, stakeholders are eagerly awaiting policy changes that would foster increased investments from both domestic and international sources. The real estate industry is currently exploring strategies to promote greater accessibility to homeownership for a broader segment of the population, while also supporting the interests of developers.

Navdeep Sardana, founder and chairman, Whiteland Corporation: The real estate sector in India is expected to reach a milestone of \$1 trillion in market size by 2030, up from \$200

billion back in 2021, and contribute a significant 13% to the country's GDP by 2025. This can be made possible by stable interest rates and conducive government fiscal policies. We are confident that the upcoming budget announcement will reflect the government's commitment towards expanding the growing economy by prioritizing real estate sector and infrastructure development in the country.

Sushil Mohta, president, CREDAI West Bengal; chairman, Merlin Group: The definition of affordable housing requires to be amended to include buyers of that segment for extra relief. It is important to address this issue as there has been around 50% rise in real estate prices due to the inflation index. Around 2/3rd of India population is under the age of 40 years and a substantial portion of this population is poised to become 1st time home buyers. The government may consider introducing a Credit Guarantee scheme for Housing loan up to Rs 40 lac (80% – 90% of value of Affordable house as per the definition) and home improvement loans of up to Rs 20 lac. This move will boost the home loans portfolio amongst low-income group of the population and with Housing Loan being one of the safest loan portfolios in the Banking Industry there is a minimum risk of default by borrowers. Also, the underlying asset i.e. home is a value appreciating asset, hence, the loan will be fully secured.

Rahul Agarwal, acting CFO, Patel Engineering: As we envision a Viksit Bharat by 2047, we expect the budget to allocate substantial resources towards infrastructure development, focusing on sustainable and resilient projects that will increase India's growth trajectory. We eagerly anticipate policies that will boost private investment, enhance connectivity, and promote green infrastructure, paving the way for a futuristic and developed India. We also expect a substantial hike in capital expenditure, propelling the National Infrastructure Pipeline's ambitious plan to encompass 7,400 projects. As the budget announcement approaches, our anticipation grows for how these policies will shape India's infrastructure landscape, fostering resilience and sustainable growth.

Shraddha Kedia-Agarwal, director, Transcon Developers: Anticipates policies that stimulate the housing market, such as tax benefits for homebuyers and reduced GST rates. Simplifying FDI processes and making them more attractive to foreign investors is crucial for bringing capital into the sector. She calls for policies that make it easier for NRIs to invest in Indian real estate, alongside substantial budget allocations for infrastructure development. These steps will benefit ancillary industries and create numerous job opportunities, supporting overall economic growth.

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Real Estate's Mixed Response To Budget Outlay For The Sector



Aravind Maiya, chief executive officer, Embassy REIT said, “The government's step towards digitizing India's archaic land documentation system is a game-changer, as transparent and accessible land records facilitate property transactions, reduce disputes, and

encourage investment, benefiting both the real estate sector and the broader economy. However, some critical aspects remain unaddressed, such as GST rationalization for the real estate industry and the longstanding demand for industry status, which would facilitate access to funding.”

Murali Malayappan, chairman & managing director, Shriram Properties expressed, “The increase in the affordable housing deduction for interest paid on loans is a positive change that will provide much-needed relief to homebuyers and boost the real estate market.

Domnic Romell, president, CREDAI-MCHI added, “At macro level sustained infrastructure impetus, reflected in the Rs 11.11 lakh crore Capex allocation, we anticipate all these would create a multiplier impact and significant boost in the overall housing sector.”

Venkatesh Gopalakrishnan, director Group Promoter's Office, MD & CEO - Shapoorji Pallonji Real Estate (SPRE) shared, “The comprehensive focus on efficient urban planning, including transit-oriented development and enhanced infrastructure for water supply, sewage, and waste management across 100 large cities, will elevate the quality of urban living.”

Manas Mehrotra, founder, 315Work Avenue stated, “The development of industrial parks in 100 cities under the Industrial Corridor initiative is expected to create new real estate opportunities in these areas, potentially leading to the growth of commercial and residential properties.”

Anshul Jain, chief executive - India, SE Asia & APAC Tenant Representation, Cushman & Wakefield said, “We were expecting the announcements related to the fund outlay for Smart City Mission 2.0. The plan to develop TOD in 14 large cities will also definitely help in creating industrial and commercial hubs in these catchment areas. Digitalization of Land

records in urban areas with GIS mapping will increase the transparency and provide the better administrative services.”

Anurag Mathur, CEO, Savills India added, “The union budget 2024 has not addressed some of the key demands of the real estate sector, including granting of industry status, input tax credit, reduction of GST and single window clearance. Additionally, there is only a marginal increase in savings on individual income tax under the new taxation regime. We urge the union government to reconsider the focus on the real estate sector to include these demands.”

Anuj Puri, chairman, ANAROCK Group commended the Union Budget 2024-25 for its comprehensive approach towards job creation and boosting consumption, which are positive developments for the real estate sector.

Manju Yagnik, Vice Chairperson, Nahar Group and Sr. Vice President, NAREDCO, West added, “The finance budget for 2024-25 is a bold step towards a brighter future, with a strong focus on employment, skilling, and MSMEs, alongside a revised middle-class tax structure. Enabling policies and regulations for efficient and transparent rental housing markets with enhanced availability will also boost housing. This comprehensive approach is key to achieving the government's 'Housing for All' vision.”

Prashant Sharma, president, NAREDCO Maharashtra expressed that the falls short of addressing the industry's core challenges. The sector requires a more supportive policy framework, including industry status, GST relief, and streamlined approvals.

Amit Sinha, managing director & CEO, Mahindra Lifespace Developers was of the view that the announced amendments to the Code will hopefully address some of the teething issues highlighted in the MCA discussion paper of 2023 including some of the issues which have emanated out of judicial precedents. The finance minister has also indicated the Government’s intent to add more NCLT benches and set up exclusive benches to adjudicate on company law matters. This, along with the introduction of an integrated technology platform for multiple regulators/ all stakeholders and introduction of some key and highly anticipated amendments would definitely aid the swiftness needed in resolution/ adjudication of insolvency cases.”

Archana Tewary, Partner, JSA Advocates and Solicitors shared his perspective, “Real estate assets have been traditionally considered an attractive investment class due to indexation benefits available to such investments. In the budget announced today, while the reduction of the rate of long-term capital gains tax on sale of real estate assets is welcome, the removal of indexation benefits may hurt sellers. Although we must appreciate the overall intent to simplify taxation, such a change may particularly hurt individual sellers or middle-class sellers who had invested in real estate with the intention of eventually benefitting from market value rising. This may overall reduce the demand for residential real estate projects – the impact will have to be seen.”

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Real Estate Budget 2024: What real estate industry gained from Budget 2024-25



NEW DELHI: Nirmala Sitharaman, minister of finance, presented the union budget 2024-2025 in Lok Sabha on July 23, 2024. Presenting her seventh straight budget, Sitharaman said, India's inflation continues to be low, stable and moving towards the 4 per cent target. Core inflation (non-food, non-fuel) currently is 3.1 per cent.

She also said this budget envisages sustained efforts on the following nine priorities for generating ample opportunities for all: Productivity and resilience in agriculture, employment & skilling, inclusive human resource development and social justice, manufacturing & services, urban development, energy security, infrastructure, innovation, research & development and next generation reforms.

Three crore additional houses under the Pradhan Mantri Awas Yojana in rural and urban areas in the country have been announced, for which the necessary allocations are being made.

Under the PM Awas Yojana Urban 2.0, housing needs of 1 crore urban poor and middle-class families will be addressed with an investment of Rs 10 lakh crore. This will include the central assistance of Rs 2.2 lakh crore in the next 5 years. A provision of interest subsidy to facilitate loans at affordable rates is also envisaged.

Transit Oriented Development

Transit oriented development plans for 14 large cities with a population above 30 lakh will be formulated, along with an implementation and financing strategy.

Rental Housing

In addition, enabling policies and regulations for efficient and transparent rental housing markets with enhanced availability will also be put in place.

Rental housing with dormitory type accommodation for industrial workers will be facilitated in PPP mode with VGF support and commitment from anchor industries.

Stamp Duty

FM said that centre will encourage states which continue to charge high stamp duty to moderate the rates for all, and also consider further lowering duties for properties purchased by women. This reform will be made an essential component of urban development schemes.

Land-related reforms by state governments

Land-related reforms and actions, both in rural and urban areas, will cover (1) land administration, planning and management, and (2) urban planning, usage and building bylaws. These will be incentivized for completion within the next 3 years through appropriate fiscal support.

Rural Land related actions

Rural land related actions will include (1) assignment of Unique Land Parcel Identification Number (ULPIN) or Bhu-Aadhaar for all lands, (2) digitization of cadastral maps, (3) survey of map sub-divisions as per current ownership, (4) establishment of land registry, and (5) linking to the farmers registry. These actions will also facilitate credit flow and other agricultural services.

Urban Land related actions

Land records in urban areas will be digitized with GIS mapping. An IT based system for property record administration, updating, and tax administration will be established. These will also facilitate improving the financial position of urban local bodies.

Cities as Growth Hubs

Working with states, our government will facilitate development of 'Cities as Growth Hubs'. This will be achieved through economic and transit planning, and orderly development of peri-urban areas utilising town planning schemes.

Creative redevelopment of cities

For creative brownfield redevelopment of existing cities with a transformative impact, our government will formulate a framework for enabling policies, market-based mechanisms and regulation.

Long term capital gains

Long term gains on all financial and non-financial assets, on the other hand, will attract a tax rate of 12.5 per cent. For the benefit of the lower and middle-income classes, FM proposed to increase the limit of exemption of capital gains on certain financial assets to Rs 1.25 lakh per year.

Andhra Pradesh capital

Central government has made concerted efforts to fulfil the commitments in the Andhra Pradesh Reorganization Act. Recognizing the state's need for a capital, we will facilitate special financial support through multilateral development agencies. In the current financial year Rs 15,000 crore will be arranged, with additional amounts in future years.

National Company Law Tribunals

The IBC has resolved more than 1,000 companies, resulting in direct recovery of over Rs 3.3 lakh crore to creditors. In addition, 28,000 cases involving over Rs 10 lakh crore have been disposed of, even prior to admission.

Appropriate changes to the IBC, reforms and strengthening of the tribunal and appellate tribunals will be initiated to speed up insolvency resolution. Additional tribunals will be established. Out of those, some will be notified to decide cases exclusively under the Companies Act.

PM Surya Ghar Muft Bijli Yojana

In line with the announcement in the interim budget, PM Surya Ghar Muft Bijli Yojana has been launched to install rooftop solar plants to enable 1 crore households obtain free electricity up to 300 units every month. The scheme has generated remarkable response with more than 1.28 crore registrations and 14 lakh applications, and we will further encourage it.

Industrial Parks

Our government will facilitate development of investment-ready "plug and play" industrial parks with complete infrastructure in or near 100 cities, in partnership with the states and private sector, by better using town planning schemes, said Sitharaman.

Twelve industrial parks under the National Industrial Corridor Development Programme also will be sanctioned.

Here is how real estate industry reacted to Budget 2024-25:

Reducing the holding period for long-term capital gains from 36 to 12 months puts us at par with listed equity shares, further popularizing the REIT asset class in India. This move will further enhance the attractiveness of the REIT product, increasing investor participation.

Aravind Maiya, chief executive officer, Embassy REIT

The government's step towards digitizing India's archaic land documentation system is a game-changer, as transparent and accessible land records facilitate property transactions, reduce disputes, and encourage investment, benefiting both the real estate sector and the broader economy. However, some critical aspects remain unaddressed, such as GST rationalization for the real estate industry and the long-standing demand for industry status, which would facilitate access to funding.

Murali Malayappan, chairman & managing director, Shriram Properties

The increase in the affordable housing deduction for interest paid on loans is a positive change that will provide much-needed relief to homebuyers and boost the real estate market.

Venkatesh Gopalakrishnan, director Group Promoter's Office, MD & CEO - Shapoorji Pallonji Real Estate (SPRE)

The comprehensive focus on efficient urban planning, including transit-oriented development and enhanced infrastructure for water supply, sewage, and waste management across 100 large cities, will elevate the quality of urban living.

Ashwin Sheth, chairman and managing director, Ashwin Sheth Group

Taking into consideration the popularity of hybrid working, the budget could have met a few expectations of coworking sector - particularly lower GST rate for small-scale coworking clients and the establishment of the single-window clearance system. An important requirement for the coworking industry has also been Lower/Concessional rate of TDS which will improve the working capital.

Manas Mehrotra, founder, 315Work Avenue

The development of industrial parks in 100 cities under the Industrial Corridor initiative is expected to create new real estate opportunities in these areas, potentially leading to the growth of commercial and residential properties

G Hari Babu, national president, NAREDCO

The abolition of angel tax and reduction of corporate tax on foreign companies are particularly encouraging for start-ups and Global Capability Centers (GCCs), all of which have been big drivers of commercial real estate demand.

Anshul Jain, chief executive - India, SE Asia & APAC Tenant Representation, Cushman & Wakefield

We were expecting the announcements related to the fund outlay for Smart City Mission 2.0. The plan to develop TOD in 14 large cities will also definitely help in creating industrial and commercial hubs in these catchment areas. Digitalization of Land records in urban areas

with GIS mapping will increase the transparency and provide the better administrative services.

Pradeep Misra, chairman & MD, Rudrabhishek Enterprises

The budget has also given ample attention to urban and rural development, with rental housing for industrial workers through the PPP model, interest subsidies for rental housing, and Transit-Oriented Developments.

Anurag Mathur, CEO, Savills India

The union budget 2024 however has not addressed some of the key demands of the real estate sector, including granting of industry status, input tax credit, reduction of GST and single window clearance. Additionally, there is only a marginal increase in savings on individual income tax under the new taxation regime. We urge the union government to reconsider the focus on the real estate sector to include these demands.

Pavitra Shankar, managing director, Brigade Enterprises

Innovative initiatives such as the digitization of land records, GIS mapping, and urban housing for the middle class, combined with workforce skilling, are expected to have a profound multiplier effect on the burgeoning real estate sector, currently experiencing double-digit growth. Moreover, the budget's focus on sustainable development through solar and renewable energy, water and solid waste management aligns perfectly with the goal of climate-resilient real estate development.

Niranjan Hiranandani, chairman, Hiranandani Group

Mega allocation for the Hyderabad-Bengaluru industrial corridor and Vizag-Chennai corridor will boost growth along these corridors and consequently boost real estate growth there.

Anuj Puri, chairman, ANAROCK Group

We commend the Union Budget 2024-25 for its comprehensive approach towards job creation and boosting consumption, which are positive developments for the real estate sector.

Prashant Sharma, president, NAREDCO Maharashtra

The budget falls short of addressing the industry's core challenges. The sector requires a more supportive policy framework, including industry status, GST relief, and streamlined approvals.

Amar Mysore, president CREDAI-Bengaluru

The budget's focus on Transit-Oriented Development (TOD) for 14 large cities, including Mumbai, is a game-changer. TOD plans will not only improve connectivity and reduce

congestion but also enhance the livability and attractiveness of urban areas. By integrating residential and commercial spaces with public transport networks, Mumbai can look forward to more sustainable and efficient urban development.

Domnic Romell, president, CREDAI-MCHI

At macro level sustained infrastructure impetus, reflected in the Rs 11.11 lakh crore Capex allocation, we anticipate all these would create a multiplier impact and significant boost in the overall housing sector.

Pradeep Aggarwal, founder & chairman, Signature Global (India)

On the one hand, the reduction in the long-term capital gains tax rate from 20% to 12.5% should boost investments over the near to medium term. On the other, the removal of indexation benefit will increase the tax incidence on property sale, especially for older properties.

Gautam Shahi, director, CRISIL Ratings

The new tax treatment of buy-backs as dividends is expected to diminish their attractiveness. The broader tax impact on investments in non-financial assets such as real estate, gold etc, particularly the reduction in capital gains tax rate to 12.5% and eligibility period to 2 years for long-term assets, represent a mixed bag, balancing positive reforms with the drawback of removing inflation-linked indexation.

Mehul Bheda, partner, Dhruva Advisors

Considering the long-term returns on the residential real estate sector, despite a reduction in the long-term capital gains tax rate, the removal of indexation benefit at the time of sale of property is likely result in a higher tax outgo. Hence, this is a negative for the sector.

Anupama Reddy, vice president & co-group head, Corporate Ratings, ICRA

The announcement of Rs 11 lakh crore capital expenditure signifies the Government's commitment to modernising India's infrastructure through various significant projects and allocations, which will undoubtedly drive demand for Cement and other building materials.

Neeraj Akhouri, president, Cement Manufacturers' Association

As the Cement Industry is transitioning and adapting to newer technologies, India needs a workforce that is skilled and equipped. The allocation of INR 1.48 lakh crore for education, employment, and skilling initiatives stands to have a huge impact on creating a skilled workforce that can contribute effectively to the Cement Industry.

Parth Jindal, vice president, Cement Manufacturers' Association

Reduction of the holding period for long-term capital assets from 36 to 12 months is a

welcome change, addressing a long-standing industry request and improving liquidity in REITs as instruments for investing in commercial real estate.

Ramesh Nair, CEO, Mindspace Business Parks REIT

Encouraging states to reduce high stamp duties, especially for women, is a commendable step towards inclusive growth. Overall, this Budget has laid a strong foundation for sustainable urban development.

Amit Sinha, managing director & CEO, Mahindra Lifespace Developers

The finance minister has announced amendments to the Code which will hopefully address some of the teething issues highlighted in the MCA discussion paper of 2023 including some of the issues which have emanated out of judicial precedents. Also, emphasising on the success which IBC has already witnessed by tackling mounting NPAs in the banking system, the finance minister has also indicated the Government's intent to add more NCLT benches and set up exclusive benches to adjudicate on company law matters. This, along with the introduction of an integrated technology platform for multiple regulators/ all stakeholders and introduction of some key and highly anticipated amendments would definitely aid the swiftness needed in resolution/ adjudication of insolvency cases.

Rajeev Vidhani, partner, Khaitan & Co

The Finance Minister's decision to remove the indexation benefit for long-term capital gains (LTCG) tax on real estate marks a significant shift for the sector. While the intention to simplify and rationalise the tax regime is clear, the removal of the indexation benefit, despite the reduction in the LTCG tax rate to 12.5%, could lead to a higher tax burden on real estate transactions.

Dhruv Agarwala, group CEO of Housing

The sector still awaits the need to redefine the definition of affordable homes to include home sizes from 60 sq meter to 90 sq meter, rather than the current price bracket of Rs 45 lakh, and incentivization to developers and homebuyers to develop and invest in green projects to save the environment.

Dhaval Ajmera, director, Ajmera Realty & Infra India

The latest budget represents a significant change for the real estate sector, with a focus on affordable housing and improved accessibility.

Atul Bohra, group CEO, Kolte-Patil Developer

Key infrastructure developments, such as better water supply and sanitation, effective sewage treatment, and solid waste management, will significantly enhance the quality of life across the country.

Kalyan Chakrabarti, CEO, Emaar India

The move to align long term capital gain tax for real estate with other financial assets is a positive move and will make investment in real estate more attractive. Eliminating indexation will hurt people who have long term investments in real estate.

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Post Budget quotes..



Murali Malayappan, Chairman & Managing Director, Shriram Properties

"The Union Budget 2024 reflects a brilliant thought process by the government, aiming to strike a delicate balance between societal needs and economic growth. It addresses historically neglected regions like the Northeastern states, central India, and parts of the South by allocating resources to uplift these areas socially and economically, creating a positive feedback where improved living conditions lead to economic growth and further development. Recognizing the potential of the Northeastern region, the budget invests in social infrastructure to boost tourism, create employment opportunities, and enhance overall economic activity. By allocating Rs 10,00,000 crore for urban middle-class housing and focusing on infrastructure (approximately 3.34 percent of GDP), the budget addresses the aspirations of the growing middle-income segment and improves connectivity and urban amenities, fostering economic growth. The government's step towards digitizing India's archaic land documentation system is a game-changer, as transparent and accessible land records facilitate property transactions, reduce disputes, and encourage investment, benefiting both the real estate sector and the broader economy. However, some critical aspects remain unaddressed, such as GST rationalization for the real estate industry and the long-standing demand for industry status, which would facilitate access to funding. The reduction in long-term capital gains tax from 20 percent to 12 percent encourages investment and may prompt more people to consider buying second homes, while the expected reduction in steel costs due to indirect tax benefits will impact construction expenses."

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Budget 2024: Urban affordable housing gets a push



The real estate sector, which had hoped for the first budget of Modi 3.0 to provide infrastructure status to the sector and increase in housing loan tax deductions, faced disappointment with no such announcement. However, the government said that under the PM Awas Yojana, it would be looking at an investment of ₹10 lakh crore for urban housing needs of 1 crore urban poor and middle-class families. This would include central assistance of ₹2.2 lakh crore over the next 5 years, along with provisions for interest subsidies to facilitate loans at affordable rates. The budget also announced enabling policies and regulations for efficient and transparent rental housing markets. The budget has also envisaged rental housing dormitory type accommodation for industrial workers, which will be facilitated through public private funding mode with viability gap funding support.

Samantak Das, chief economist and head of Research & REIS, India, JLL, said that the outlay towards three crore additional homes under PMAY is a positive step which will support the affordable housing segment. "The support extended to affordable housing will convert into a renewed push for this segment, which has been witnessing challenges." With the government's focus on infrastructure, with an allocation of over ₹11.11 lakh crore— nearly 3.4% of India's GDP— the real estate industry also sees this to have a cascading effect in driving real estate growth.

Anuj Puri, chairman of ANAROCK Group, says that the focus on rural and urban job creation, if effective, may provide some boost to affordable housing, which has given a tepid performance since the pandemic. This move could help stir up housing demand not just in the metro cities but also in tier 2 and tier 3 cities. With the MSME sector also getting impetus in the budget he sees that potential for a rub off effect on affordable housing. "The pandemic had a catastrophic impact on the MSME sector, which slowed down the demand for affordable housing since 2020. Affordable housing demand may gain momentum once the economic impact of the pandemic subsides for this target audience," he adds.

While the affordable housing segment has been experiencing a decline in supply post-pandemic, the PMAY scheme also has the potential to drive construction in both urban and rural areas, with a cascading effect on allied sectors. "Rental housing PPP financing and VGF

for rental housing will help in meeting the housing needs of the poor while reducing the burden of the government through traditional routes,” says Badal Yagnik, chief executive officer, Colliers India.

While real estate developers are disappointed on several fronts, some of the budget’s announcements have received a thumbs up. Murali Malayappan, chairman & managing director, Shriram Properties Ltd, says the government’s step towards digitizing India’s archaic land documentation system is a game-changer, as transparent and accessible land records will facilitate property transactions, reduce disputes, and encourage investments. “The reduction in long-term capital gains tax from 20% to 12% encourages investment and may prompt more people to consider buying second homes, while the expected reduction in steel costs due to indirect tax benefits will impact construction expenses,” he said. Similarly, Pavitra Shankar, managing director, Brigade Enterprises, also said that while the digitization of land records using GIS is a good move as it will bring in a better degree of accuracy and transparency, “The union budget 2024, however has not addressed some of the key demands of the real estate sector, including granting of industry status, input tax credit, reduction of GST, and single window clearance. Additionally, there is only a marginal increase in savings on individual income tax under the new taxation regime,” she added.

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Union Budget Reaction Quote from Murali Malayappan, Chairman & Managing Director, Shriram Properties Ltd



“The Union Budget 2024 reflects a brilliant thought process by the government, aiming to strike a delicate balance between societal needs and economic growth. It addresses historically neglected regions like the Northeastern states, central India, and parts of the South by allocating resources to uplift these areas socially and economically, creating a positive feedback where improved living conditions lead to economic growth and further development. Recognizing the potential of the Northeastern region, the budget invests in social infrastructure to boost tourism, create employment opportunities, and enhance overall economic activity. By allocating ₹10,00,000 crore for urban middle-class housing and focusing on infrastructure (approximately 3.34% of GDP), the budget addresses the aspirations of the growing middle-income segment and improves connectivity and urban amenities, fostering economic growth. The government’s step towards digitizing India’s archaic land documentation system is a game-changer, as transparent and accessible land records facilitate property transactions, reduce disputes, and encourage investment, benefiting both the real estate sector and the broader economy. However, some critical aspects remain unaddressed, such as GST rationalization for the real estate industry and the long-standing demand for industry status, which would facilitate access to funding. The reduction in long-term capital gains tax from 20% to 12% encourages investment and may prompt more people to consider buying second homes, while the expected reduction in steel costs due to indirect tax benefits will impact construction expenses.”

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B'luru experts, industry leaders express mixed reactions



Bengaluru, NT Bureau: The 2024 budget includes significant education funding but faces criticism from public and industry leaders like Sudarshan Suchi and Shridhar Venkat for not meeting the needs of economically weaker sections.

In real estate, leaders cite missed opportunities, while others, including Ajay Kamath and Usha Iyer, question support for jobs and education. Concerns also arise about project delays and Bengaluru's exclusion from metropolitan status.

The Union Budget 2024- 25 balances on four key pillars - Employment, Skilling, MSMEs and the middle class. It is worth noting that the budget has entrusted MSMEs with policies to accelerate financial growth, and address unemployment. However, it is unfortunate that Bengaluru's upgrade to a metropolitan city, despite repeated demands, is not considered. The Income tax slab rates also do not help the salaried employees' cause.

—Ramesh Chandra Lahoti, President, FKCCI

Although the government has financially backed the Bengaluru Suburban Rail Project by funding Rs. 350 crore for the current year, proactive cooperation from the South Western Railways (SWR) is needed. We have seen constant delays in projects, and with elected representatives not taking the initiative to speed work puts the fund to no use. The FM has missed the opportunity to incentivize honest taxpayers and bring dishonest ones to the net. With regards to Bengaluru, it is disappointing not to be included in the metropolitan city list.

—Murali Malayappan, MD, Shriram Properties Ltd

The reality is stark: education funding is still below 4 per cent of the total budget, far from the 6 per cent recommended by NEP 2020. The most shocking announcement is the provision of student loans for domestic education, pushing students into debt. This approach shirks the government's responsibility to provide accessible education for all. The budget highlights skill development for 20 lakh students but lacks a clear job creation plan, offering low-stipend internships instead. This scheme seems more about providing cheap labour to businesses than addressing unemployment. Additionally, there are no measures to curb the exploitation by private and coaching mafias. The budget's focus on loans, cheap labour, and skills without job creation is a severe blow to students already struggling with educational costs.

—Ajay Kamath, State Secretary, AIDS0 Karnataka

It is encouraging that the government has pushed for street vending zones. However, it is the state's responsibility to crack down on illegal street vendors. Although the centre has allocated funds for water management, there is a question of whether the state uses such funds to implement the same. However, without proper planning and governance, schemes from the centre will find it difficult to reach the common man.

—Sandeep Anirudhan, Founder of Namma Whitefield

The Union Budget 2024 misses some key real estate sector demands, such as granting industry status, providing input tax credits, reducing GST, and implementing single-window clearance. Additionally, the increase in savings on individual income tax under the new regime is minimal. I urge the government to reconsider these crucial issues for real estate.

—Pavitra Shankar, MD, Brigade Enterprises

The Budget 2024 prioritizes employment, skilling, MSMEs, agriculture, and the middle class with a Rs 11.11 lakh crore capital expenditure boost. Key measures include incentives for new jobs, internships, affordable housing, and digital infrastructure. Bengaluru benefits from tax reforms and many BCIC recommendations are adopted, fostering growth and social welfare.