

Circle rate hike to hit sales during festive season in Gurugram: Builders

Developers argued that the second rise in the circle rates within a year (earlier they were revised in April) would have a negative impact on real estate transactions

GURUGRAM: Potential homebuyers as well as real estate developers are unhappy with the state government's latest move to increase [circle rates](#) by 10-25%, which is likely to push up property prices proportionately in large parts of the city.

Developers argued that the second rise in the circle rates within a year (earlier they were revised in April) would have a negative impact on real estate transactions, especially in Wazirabad, Badshapur, Kadipur and Harsuru sub-tehsils where new rates will come into effect on October 19.

Vijay Yadav, district revenue officer, said the areas, where the rates had been revised, fell under the municipal limits along Delhi-Gurugram Expressway, Dwarka Expressway and Gurugram-Alwar Highway (Sohna Road). Prominent areas include Daultabad, Adarsh Nagar, New Palam Vihar, Sheetla Colony, Bhawani Enclave and Shivaji Park, among many others. It will increase registration fees for both commercial and residential properties.

However, the rates for licensed colonies, such DLF phases and Sushant Lok areas, have not been changed.

“The circle rates of properties up to two acres from these three expressways have been increased by up to 25%, while the rates for those falling on major state and district highways have been revised upward by up to 10%. These include areas in Gurugram village, Sarhual, Dundahera, Sukhrali, Chauma, Naharpur Roopa and Silokhara, etc.” he said.

Gaurav Mittal, managing director, CHD Developers Limited, said it would increase costs of properties in the affected areas. “Frequent hikes in circle rates usually have a negative impact on the market. We hope the administration will cut the rates next time to boost demand,” he added.



The builders added they were expecting a rise in property sales during the upcoming festive season, when many people want to move into new houses. But now, the sharp rise in registration fees may discourage buyers, they added.

“The registration fees will go up. This hike may disappoint buyers planning to invest in the region, especially genuine and first-time investors who have limited and accounted means. It may lead to delay in investment decisions,” said Puneet Khullar, vice-president, Brahma Centre Development Pvt. Ltd.

Ashish Sarin, director and CEO, AlphaCorp, echoed Khullar. “This is the second hike in circle rates this fiscal. The festive season is here and the hike will definitely impact the sentiments of buyers,” he rued.

Similarly, people, who are planning to purchase new homes, are disappointed. “I was planning to buy a house in Gurugram and had even checked a few. But, this hike will now have an impact on our choices. We may now have to revisit the properties that we had short-listed earlier,” said Kiran Joshi, a resident of Dwarka.

Girish Kumar, who works in a 5-star hotel, said, “We are looking for a bigger house and had selected a property in new sectors. But, now we have to rework our budget.”

Commercial properties are also likely to see a rise in prices. For instance, rates for residential properties have been revised to Rs 33,000 per sq yard, from previous Rs 25,000 per sq yard, in Patel Nagar. For commercial properties, the new rate is Rs 65,000 per sq yard, up from Rs 50,000.