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## The real estate industry hopes for favorable financial decisions in budget 2020



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Real Estate(Getty Image)

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As the countdown to the budget 2020-21 has begun, the real estate sector is expecting several measures from the government to stimulate growth prospects in the coming financial year. Real Estate contributes to about 8% to country's GDP and creates huge employment opportunities. Considering the role of the sector in economy, there is intense speculation and simultaneous optimism that the government would announce some growth measures for the segment.

Tracing the industry trends, there's a constant buzz that the government may augment the reformative measures taken in previous Financial Year and would lay down policies that would propel this sector's growth. The government announced 25K AIF last year. The realty sector is hoping a proper allocation plan for this fund in the upcoming budget. It will fast track the completion of stalled projects.

Demand for an 'Industry Status' is long overdue from the sector, if granted it would raise low cost loans within the system and the benefits would be passed on to the consumers. There is widespread hope that this demand would be considered in the upcoming budget.

Multiple clearance system has proved to be a traumatic experience for the sector as procuring nods of various agencies has an excruciating impact on the deadlines. The announcement of a single-window clearance system would bring jubilation for the segment. Further, the complex land acquisition process needs to be simplified. It takes years to transfer land from one party to another. Maintaining digital records and implementation of land reform to accelerate the land acquisition process would be the ultimate solution to the problem.

Smooth liquidity flow is essential for the timely completion of projects. Developers are expecting easier regulatory norms that will propel liquidity to the NBFCs. This will facilitate developers in procurement funds as per the need of a project.

Boosting demand is as imperative as promoting supply, thus, measures to stimulate buyer's sentiment are also expected from the budget. The government may adopt tax-reduction measures; especially capital gains to boost demand, increased tax rebate on housing loan interest rates and personal tax relief by adjusting tax slabs or by reducing tax rates are advisable. These steps would kick-start the housing demand in affordable as well as mid-segment categories. Reduction in stamp duty would be appreciated for it would make homes more affordable.

Deadline of 'Housing for All' is very close thus; there is a hope that the government would focus on including measures in the budget as per the need of the hour.

*(The writer is CEO, AlphaCorp)*