

Realtors seek sops for home buyers, better infra

PUNE: The real estate industry, which has been grappling with inventory overhang, expects the Union Budget to usher in a slew of measures like incentives for home buyers to provide the much-needed boost to the sector.

Considering over half of India's population do not own homes, experts said, the industry captains are hopeful that the government could initiate measures to push its housing for all scheme in the upcoming budget.

"The government could look at building affordable houses on cheaper land. Also, it could pump in more funds into the affordable housing projects to cater to the low-income bracket," said Ashish Bhalla, senior vice-president and business head of Arthveda Fund Management.

Bhalla said soaring housing prices can also be attributed to the fact that around 99% of the total capital pumped into the sector over the past 6-7 years has gone into top 5-6 cities. "The government must incentivise private equity funds to channelize their money into affordable housing projects. Also, the finance minister could come out with measures to provide lower cost of capital for buying of land and construction," Bhalla said, adding that the government should give easy entry and exit finance options to investors ready to finance low-cost housing projects.

Alok Jha, manager research, Jones Lang LaSalle (JLL), India said the government can look to bring down the overall time taken for approvals. "Include affordable housing zones in city development plans and develop them within a planned schedule. Also, ensure easy availability of land for housing and infrastructure development. Computerise land records, put in place geographical information systems, set up efficient dispute redressal mechanisms and implement master plans for transparency," he suggested.

"If the government is serious about housing for all, it needs to create favourable conditions to bring down interest rates for home buyers. The finance minister can also consider higher interest exemption for home buyers," said Rohit Gera, managing director, Gera Developments.

"Also, special residential zones on the lines of special economic zones for projects can also be introduced. If the government can assure better public transport connectivity, developers can access cheaper land," Gera added.

Bhalla said, if banks are ready to give minimum performance guarantee then a lot of foreign banks/ investors are also ready to pump in finance into these projects. "I have seen banks providing such guarantee in some countries in Africa and even Bangladesh," he added.