



A mixed bag

Real estate analysts, consultants and financiers provide an overview of the Budget's pros and cons

Vikram Kotnis

Founder and Managing Director, Amura Marketing Technologies Pvt. Ltd.



The budget delivers a good move for the low income group, below 60 sq mtrs, in the affordable housing segment as it eases out the service tax. The demand for the mid income segment is high and tax collected by the government from this sector is 10-14%, hence the budget could have provided a relief in service tax for 80-90 sq. mt. segment (compact 2BHK).

Nidhi Seskaria

Advisory Partner & Leader - Real Estate, BDO India



The plea of developers against delays caused due to delay in approvals from the authorities' side remains unaddressed. Another practical concern is that this housing segment is marked by large developments across huge land parcels and thus completion within 3 years could be tough. Limiting the number of units to be sold to an individual (including dependents) is a prudent attempt to restrict bulk investor sales which often helps keep prices in check. Another reason to cheer is the increase of construction completion criterion from 3 years to 5 years for the purpose of interest deduction on loan taken for acquisition of house property.

Deep Kantawala

Head - ICS Corporate Advisors Pvt. Ltd.



There are some good initiatives by the budget for the economically weaker section of the society. However for the real estate industry as a whole, the budget does not provide the support and push that is required at the current critical stage. There were more expectations from the budget by the real estate industry but it falls short.

Dr Suresh Surana

Founder, RSM Astute Consulting Group



The limit for deduction under Section 80C of Rs. 1,50,000 remains unchanged. The limit for deduction for rent paid under Section 80GG has been increased from Rs. 2000 per month to Rs. 5000 per month, to provide relief to those who live in rented houses and do not get HRA from the employers.

Neeraj Bansal

Head of Real Estate and Construction sector, KPMG in India



Reforms in REITs/INvITS, Affordable Housing and additional tax benefits for first time home buyers are expected to support growth. Budget was silent on demands such as removal of Minimum Alternate Tax on Special Economic Zones; exemption of service tax to Joint Development Agreements and developers agreements; Clarification on taxation of JDAs; allowing developers to raise funds through ECBs, etc.

Vivek Agarwal

Co-founder and Principle Partner, Squareyards.com



The Budget is going to boost buyer and investor sentiments at individual as well as institutional level. A 100% tax reduction proposed for entities undertaking affordable housing will entice more developers to jump into the new segment.

Bikram Sen

Chief Executive Officer, ArthVeda Fund Management



Allowing 100% deduction for profits would bring about 15% upside on profits after paying the MAT tax for developers building such projects, making it easier for them to attract foreign and domestic investment. This will encourage even developers in upper/luxurious segments to get into affordable housing.

Ajay Jain

Head - Real Estate Group, Centrum Capital Ltd.



Taking steps to do away with DDT could single handedly revive the real estate sector as well as provide a significant boost to the economy. This will remove the bottlenecks and could result in more REIT listings by developers in times to come. Eventually posing an opportunity to small investors at considering an alternative class of investments.

Sachin Sandhir

Global Managing Director - Emerging Business, RICS



Dispute resolution mechanism for construction contracts along with credit rating system will be highly beneficial for this sector. Removal of DDT on REITs will encourage REIT listings, which itself can be a game changer for the Indian real estate market.

Jason Kothari

CEO, Housing.com



Digitisation of land records under ILMS will go a long way in simplifying land acquisition for projects.

Kapil Wadhawan

CMD, DHFL



The decision to give additional exemption of Rs 50,000 for housing loan upto Rs 35 lakh sanctioned in 2016-17 for first time home buyer provided the cost of house is not above Rs 50 lakh is praiseworthy and will definitely ensure that more Indians will fulfill their dream of owning a home of their own.

Ganesh Vasudevan

CEO IndiaProperty.com



Additional tax exemption would not help boost the housing sector. In most metros and tier 2 cities realty prices are high and the Rs 50 lakh property value bracket for tax exemption is insufficient. Home buyers would end up buying properties in outskirts areas and would continue to live on rent in city areas.

Devina Ghildial

Managing Director - South Asia, RICS



The Government's strong commitment to investment in public infrastructure should definitely be lauded. While the budget may not have lived up to the expectations of the sector, developers do have some reason to cheer.

Shrinivas Rao

CEO-Asia Pacific, Vestian



All segments, from housing to investments in SEZs and retail are expected to benefit from the proposed bill.