

Boost for affordable housing

Though the Interim Budget has not unveiled any substantial measures for the real estate sector, there are some incentives for the affordable segment

HITS

PM Awas Yojana

(Gramin): Implementation of this scheme continued despite all challenges, achieving the target of close to 3 crore houses and now aims for 2 crore more houses to be taken up in the next five years.

Housing for the middle class

Government to launch a scheme to help deserving sections of the middle class, living in rented houses or slums, to buy or build their own houses.

Transit-oriented development

in urban areas to increase housing demand in cities.

Extending tax benefit to startups for another year

may help the office real estate to rejuvenate.

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Ahead of general elections this year, hopes were high that the government might unveil some concrete measures for the real estate sector, especially in direct Income Tax front. However, the government opted to retain the same tax regime.

Commenting on the Interim Budget proposals, Niranjan Hiranandani, chairman, NAREDCO National says, "The FM decoded an integrated and equitable growth budget outlay en-

compassing significant social reforms, enhancing economic growth value chain, emphasize of sunrise sectors and impetus to urban and rural housing with mega infrastructure projection. The enhancement in infrastructure outlay by 11 per cent will bode well for firming up the growth of residential, commercial, and industrial real estate asset classes across the geographies. The augmentation of multi-modal corridor connectivity with new railway corridors and doubling of airports and ports corridors will have a multiplier effect on the real estate landscape."

However, the extension of the PMAY scheme for rural areas is in accordance with the objective of 'Housing For All' laid by the Prime Minister.

Similarly, Manoj Gaur, president, CREDAI says, "This interim budget takes India's growth story forward.

It promotes infrastructure development. The measures taken by the government in the last few years have propelled crore of people out of the poverty line. These people will need better housing. In the end, it will benefit the real estate sector.

It is also a relief that no new tax has been imposed. Inflation is also under control, and the economy is on the fast track of growth. Under these circum-

stances, the real estate sector believes the current budget will aid its growth."

There is some good news for the commercial real estate especially Global Capability Centres (GCC). Arpit Mehrotra, MD, Office Services, Colliers India, says, "The creation of a corpus of ₹1 lakh crore for long-term, interest-free loans to boost innovation augurs well for research and development across economic segments. This is likely to add further momentum to Global Capability Centres taking up Grade A office space in the country, which in turn has the potential to drive office leasing activity in 2024."

Puneet Chandra, co-founder and director, Skootr, says, "The announcement of transit-oriented development in urban areas may give a boost to cultivating infrastructural and industrial growth in India leading to eco-

nomical prosperity. The commercial office real estate has been a prospering investment class in India. Reduction in stamp-duty duty for commercial real estate, offering single-window clearance and reduced GST on leasing would have added a boost in the industry."

On similar lines, Rajat Mohan, executive director, MOORE Singh, says, "The budget reflects a keen focus on enhancing physical infrastructure, digital infrastructure, nurturing domestic hardware production, and fostering groundbreaking research in high-tech fields such as artificial intelligence for the fiscal year 2024."

However, the biggest dampener of the Interim Budget is that no changes were announced in tax rates for direct taxes and indirect direct taxes in the interim budget in line with the convention.



PHOTO: ISTOCK

MISSES

Industry status: The industry has been requesting industry status for years, believing it would unlock benefits like easier access to credit, tax breaks, and infrastructure development.

Tax benefits: Tax incentives for homebuyers, such as increasing the deduction limit on home loan interest under Section 24, were expected. The interim budget remained silent on this as well.

Affordable housing: Boosting allocations for schemes like PMAY (Urban) to improve affordability and encourage new projects in this segment was a key expectation. No major announcements appeared in the interim budget regarding this either.

No single window clearance for necessary approvals: While the Interim Budget did not directly address the real estate sector's key demands, the upcoming Union Budget might hold more concrete measures addressing industry concerns and potentially impacting market trends.

programme to help middle-class people own homes, we're seeing big changes in housing." These efforts show how important it is for everyone to have a home and how new ideas in building can make cities better places to live.

Ashwin Sheth, chairman, Ashwin Sheth Group, says, "We acknowledge the strategic direction outlined in the 2024 interim budget, particularly its focus on reinforcing the affordable housing sector through

the increased allocation for the Pradhan Mantri Awas Yojana (PMAY). The allocation of 70 per cent of PMAY houses to women in rural areas is of special significance and will go a long way towards providing secure living spaces and advancing women empowerment."

Maintaining a delicate balance between promoting affordable housing and ensuring sustained growth across all segments is crucial, and will foster an environment conducive to growth, investment, and the holistic development of the real estate ecosystem.

Pradeep Aggarwal, founder and chairman, Signature Global (India) Ltd, says, "The finance minister underscored the government's recognition of the significance of homeownership. The FM stated a housing scheme would announce soon targeting the middle class, extending to those residing in rented houses with the aim of facilitating the construction or purchase of their own homes. This initiative is expected to revitalize the mid housing and affordable housing sector."

Bijay Agarwal, MD, Sattva Group, avers, "It is encouraging to note that the government has announced a new housing scheme for the middle class that will further empower the aspirations of people to own or build a home. Emphasising on the need for 'Housing for All', the Finance Minister also announced an additional 2 crore houses will be built under PMAY-G in the next five years that will boost housing prospects." Also, the announcement of rooftop solarisation, is another step towards building a greener environment.

As the complete budget is expected to be made in July post the general elections, the Central Government might consider 'Single Window Clearance', substantial financial support towards Special Window for Affordable and Mid-Income Housing (SWAMIH) fund to name a few.