

SECTOR SHARES ITS BUDGET WISH-LIST

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Real estate is one of the few sectors which are still under old 'License Raj'. Many sectors like banking and financial services, telecom and manufacturing, have relatively good government support and are witness to growth due to good governance. After a radical improvement in the regulatory environment, the real estate sector will attract a huge amount of capital and resources, which will bring down the cost of homes.

Analysts point out that even though some sops are expected with the budget ahead, the budget alone can not turn the situation around; now the time has come to convert words into action. Touching an emotional chord and creating hype would not be sufficient any more for keeping the business confidence index high. The budget should be followed by quick implementation, to see the real change in an otherwise dim situation. The realty sector too, has become more realistic in its expectations. People now understand that a 40-50 per cent CAGR is no longer possible in the real estate sector.

Having said that, this budget will be a litmus test for the government to show some real changes at the macro level. To regain the confidence in real estate, the government must win the confidence of homebuyers first and for that, low interest rates, low inflation and encouraging buyers through tax incentives, are much needed.

Moreover, additional land parcels should be made available to curb the ever-rising land costs, thereby, making affordable housing and housing for all, a reality. Union budget 2015-16 is, hence, expected to answer a long list of queries, even though there is patience on part of the sector with an overt 'long way to go' posturing.