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SECTOR SHARES ITS BUDGET WISH-LIST

The real estate sector hopes the upcoming budget, will bring some relief for the sector vis-à-vis policies and measures, although a complete revival will take time

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On the eve of the union budget every year, the Indian real estate sector seems to have been fighting a losing battle with the government. For long, the policy advocacy of the sector has amounted to confrontation with the policy makers, where the sector proposes and the finance minister disposes. However, on the eve of union budget 2015-16, it seems there is a visible change in the perception of the developers and the government.

Both, the policy makers and the developers seem to be gradually coming on the same page as far as the legitimate causes and concerns of the sec-

tor are concerned. They understand the constraints of the other side as well and hence, the union budget this time around, might see a new beginning for the sector. The developers are, in the meantime, not overtly critical and though they have a long budget wish-list this time too, they are also conscious of the fact that they have to go a long way with the government and hence, there is a need to bridge the trust deficit.

The union budget for 2015-16, will be finance minister Arun Jaitley's maiden full-year budget of the new BJP-led government. Manoj Paliwal, CFO, Omkar Realtors and Developers, is expecting the budget to be rational which will remove the anomalies in the tax system that are be-

yond normal businesses. On the other hand, he is also advising the government to recognise that India is a growing economy and does not need to follow the high tax regime practised by other global economies. He asserts that the current government seems to be serious about growth. Any positive changes in tax laws, need to be duly supported by other regulators.

"One can expect a whole set of second generation reforms to be unveiled in the next union budget. A focus on stability of policy and tax regime besides a reasonable cost of capital, is a must. We have to understand one thing that the change is not going to come overnight. The work towards making the buyer sentiment

positive has started, and we shall see that happen for sure. Today, the customer is king and has increased choices. Despite huge regulatory hurdles, the sector is becoming more competitive. Developers need to work and plan as per prevailing business scenarios," says Paliwal.

Abhay Kumar, CMD of Griha Pravesh Buildteck, points out that the budget expectations are many - the interest rate has to reduce; employment has to increase; implementation of the 7th pay commission is much needed; good and multiple connectivity of cities is required; single-window clearance system has to be granted for businesses; corruption must be curbed; GST has to be implemented, and stalled large infra projects have to restart. "This budget is certainly going to be different because government coffers too, are at an impressive level which could support several social and infra projects. Fiscal deficit and inflation is under control which would further help the government in budgeting such sectors, which were ignored for quite some time. In a nutshell, this budget could be closer to reality than making just aspirational announcements," predicts Kumar.

Arvind Nandan, executive director of Housing.com, sums up the budget sentiments of the sector vis-à-vis their expectations, when he says that the sector is patient with the government with confidence that the intent and direction of the government is pro-sector. He believes the turnaround of the fortunes of the sector, will be visible post the union budget, as this will be the first 'full budget' of the government; something that will create a clearly-defined roadmap. "The good part is that, the government is conscious of the needs of the real estate sector and its correlation with the revival of the economy at large. So, I believe the government will have something more this time in terms of the specifics and defining of the roadmap ahead. Of course, the focus on infrastructure development itself, will solve many problems," says Nandan.

This raises a fundamental question as to whether the sector, thus far, had unrealistic expectations from the budget. Developers deny this, saying it never had any unrealistic expectations but there is less demand today because of the emerging understanding between the sector and the policy makers. A general expectation of the sector, has always been for 'good governance'.

Property

RESIDENTIAL

Locality

Churchgate

Colaba

Dadar East

Dahisar West

Ghatkopar East

Kanjurmarg East

Kolshet Road

Mulund East

Nepean Sea Road

Palm Beach

Pokhran Road N

Pokhran Road

Sewri

Sion

Taloje Panchana

Vile Parle West

Waghbil

Walkeshwar

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QUICK BYTE

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.