

Real Estate Sector Applauds Union Budget 2024 For Emphasis On Infrastructure, Housing, Job Creation

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The Union Budget 2024, with its focus on infrastructure, affordable housing, and job creation, has garnered positive responses from the real estate sector, with industry leaders expressing optimism about the potential for sustained growth and development.



The real estate sector has expressed a range of reactions to the Union Budget 2024, presented by Finance Minister Nirmala Sitharaman. The budget, which emphasises infrastructure, affordable housing, and job creation, is seen as a potential catalyst for growth in the real estate market.

Affordable housing initiatives, such as the substantial allocation for the PM Awas Yojana-Urban 2.0, aim to address the housing needs of one crore poor and middle-class families, potentially revitalising the affordable housing segment. The focus on industrial workers includes proposals for rental housing and dormitory-type accommodation, enhancing their living conditions and supporting industrial growth.

Additionally, the budget's boost to industrial and urban development, including the mega allocations for industrial corridors and the encouragement of private investment in infrastructure, is expected to spur regional real estate growth. Significant investments in infrastructure, such as the Rs 11.11 lakh crore allocation and the provision for long-term interest-free loans to states, are anticipated to drive economic growth and real estate expansion.

Anuj Puri, Chairman of ANAROCK Group, highlighted the government's significant allocation of over Rs 11.11 lakh crore towards infrastructure, nearly 3.4 per cent of India's GDP. "Improved infrastructure drives real estate growth," Puri noted, emphasising that the budget's focus on rural and urban job creation could boost affordable housing demand beyond the top seven cities, extending into tier 2 and tier 3 cities. He pointed out the substantial allocation for the Hyderabad-Bengaluru and Vizag-Chennai industrial corridors as key drivers for regional real estate growth.

Vinayak Pai, MD and CEO, Tata Projects said that the budget reaffirms the government's commitment to infrastructure development, crucial for India's economic growth. "The allocation of Rs 11.11 lakh crore for capital expenditure, representing 3.4 per cent of our GDP, lays a strong foundation for sector expansion, presenting a significant opportunity for nation building. The focus on promoting private investment through viability gap funding and enabling policies aligns with our 'Make in India' vision. We're excited about the proposed market-based financing framework for new project funding. The emphasis on upgrading 1,000 industry training institutes is a game-changer, aligning with our 'Skill Shakti' and 'Nirman Naya' initiatives. Additionally, the focus on increasing women's workforce participation is encouraging, and Tata Projects supports this through DEI programs like 'On Her Shoulders' and 'Building Safe Spaces'. The sustained infrastructure focus over the next five years offers a stable sector outlook, and Tata Projects leverages these opportunities to drive predictable project delivery through innovation and sustainable practices, contributing to India's goal of becoming a developed nation by 2047."

Jash Panchamia, Management at Suraksha Group, praised the reintroduction of the interest subsidy under the Credit Linked Subsidy Scheme. "With rising home loan rates, this subsidy will provide much-needed relief for home buyers in the affordable category," he stated, underscoring the importance of this move for revitalising the affordable housing segment, which has seen a decline since the pandemic.

Sanjay Chattrah, Managing Partner at Incuspaze, lauded the budget for its continued focus on infrastructure development and urban planning. He highlighted the retention of infrastructure spending at Rs 11.11 trillion and the allocation of Rs 1.5 trillion for interest-free loans to states for infrastructure spending as commendable steps that will drive growth in the sector. "These measures, along with the clarification on GST and electricity charges, are expected to streamline operations and reduce ambiguities, ultimately benefiting our clients by providing more cost-effective and transparent service structures," he added.

Ravi Bishnoi, Partner at Saaf and Partners, welcomed the government's announcement to encourage states to reduce stamp duty on conveyance, especially for women, and to harmonise the rates. "The digitalization of revenue records is a welcome move and will bring down land-related litigation," he noted.

Aditya Kushwaha, CEO and Director of Axis Ecorp, appreciated the allocation of Rs 11.11 lakh crore for capital expenditure, representing 3.4 per cent of India's GDP. He highlighted the significant focus on the PM Awas Yojana-Urban with a substantial Rs 10 lakh crore earmarked to meet the housing needs of one crore poor and middle-class families. "These comprehensive measures will invigorate the real estate sector, drive demand, and foster a more resilient economic environment," Kushwaha stated.

Ms. Amrita Gupta, Director of Manglam Group and Founder President of CREDAI Rajasthan Women's Wing, echoed similar sentiments. She noted the allocation under the PM Awas Yojana-Urban 2.0 and the reduction in stamp duties for women as progressive measures that promote gender inclusivity and financial independence.

Rajni Gupta, Managing Director of Wave Group, expressed optimism about the budget's focus on infrastructure development in rural and urban areas. "The thrust on building three crore additional housing under the PM-AWAS Yojana is an essential step in bridging the housing gap for the poor and middle class," Gupta remarked.

Prashant Sharma, President of NAREDCO Maharashtra, commended the comprehensive approach towards job creation and boosting consumption. He highlighted the government's commitment to making housing more affordable and the proposal to encourage states to moderate high stamp duty rates. "Overall, the Union Budget 2024-25 is a forward-looking and balanced approach towards Viksit Bharat," Sharma concluded.

Surdeep Singh, Chairman and Founder of Juhar Group, termed the substantial allocation for PM Awas Yojana Urban 2.0 as a game-changer for urban housing. "This initiative will significantly boost the real estate sector, stimulate economic growth, and improve the quality of life for millions of Indians," Singh emphasised.

Khalid Masood, Whole Time Director of Shalimar Corp, described Budget 2024 as a budget with positive signals for the real estate sector. He stated that the construction of an additional 30 million homes under the PM Awas Yojana and the allocation of Rs 10 lakh crore for the urban housing scheme will help address the shortage of affordable housing in the country.

"PM Awas Yojana 2.0, under which 10 million families will be provided homes with an investment of Rs 10 lakh crore, is a welcome step. This scheme will make home buying more accessible for low-income and middle-class people," he said. He stated that incentivizing states to reduce stamp duty will lower the cost of home buying and will boost the real estate sector.

Pankaj Vasani, Group CFO, Cube Highways InvT, said, "This budget is not just about bolstering growth and development but also about doing so in a sustainable manner. The measures to foster a circular economy and improve the ease of doing business in India are particularly encouraging and are expected to fuel sustained growth across various sectors. This focus on sustainability should instil a sense of optimism about the future among the audience. Overall, this budget reflects a forward-looking vision that aims to help India sustain its growth and development trajectory."

Nagaraju Routhu, CEO of Exponer Developers said that future of the real estate industry looks promising according to the 2024 budget. "A big step forward is the increased funding for urban infrastructure development, which will make cities more livable overall and raise demand for homes. In addition to encouraging home ownership, the government's emphasis on affordable housing and the extension of tax incentives under Section 80EEA will give first-time homebuyers much-needed relief. Furthermore, it is a good measure that will increase sales of residential projects and draw in more investment to lower the GST rates for properties that are still under construction."

Pavita Shankar, Managing Director of Brigade Enterprises, welcomes the government's focus on infrastructure, job creation, and affordable urban housing with Rs 2.2 lakh crore central assistance. She praises the digitisation of land records using GIS for better accuracy and transparency but highlights that key real estate sector demands—industry status, input tax credit, GST reduction, and single window clearance—remain unaddressed. Additionally, she notes only a marginal increase in savings on individual income tax under the new regime and urges the government to reconsider these areas for greater sector support.

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