

Impact of Union Budget 2015

We take a look at the budget and its impact on the Ahmedabad realty market

There are many highlights of the Union Budget 2015. In context of the real estate sector, the government's vision is to build two crore urban houses and four crore rural houses. Particularly, the central government has focused on development of infrastructure including roads, highways, ports and power plants. The declaration of National Infrastructure Fund, tax free infrastructure bonds and revisiting the PPP model are some of the ways devised to achieve the above mentioned objectives. In fact, government has increased budget allocation for infrastructure (70,000 crores additional funds). It is a known fact that infrastructure and real estate are inter-allied stipulation. Thus, ultimately real estate sector will get a boost by promoting more infrastructure projects and job creation.

Keeping in mind the delay because of permission and clearance for stalled projects, announcement of portal for project approvals is seen as a welcome move.

Further, the central

government has shown that it will take a tough stand on black money in real estate and benami transaction and assets accumulated overseas. In fact, it has brought them under direct scanner which will ultimately change the real estate market functioning in coming times.

Thus, a lot has been done but the key challenges that still remain are increase in infrastructure and real estate investments.

IMPACT ON AHMEDABAD REALTY MARKET

Coming to Ahmedabad, then the declaration of GIFT as international financial centre



FAST FACT

THE REAL ESTATE INDUSTRY WAS HOPING TO GET DIRECT BENEFITS FROM THE BUDGET BUT GOVERNMENT ON A REALISTIC APPROACH, OPTED FOR LONG TERM SUSTAINABLE GROWTH FOR ALL



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is a welcome move. Further, much talked about Dholera and DMIC corridor are soon expected to kick off.

The real estate industry was hoping to get direct benefits from the budget but government on a realistic approach, opted for long term sustainable growth for all instead of booster dose to particular industry/sectors.

Overall, the emphasis and focus was on increasing skill man power (Skill India), encouraging entrepreneurship (Make in India), streamlining stalled mega infrastructure projects, clearing loopholes and red tape challenges and consolidating economy by reducing fiscal deficit. Overall, the government has done its best.

One thing is for sure that government is no more into giving freebies, so everyone including the real estate sector has to work hard to keep the things rolling!

—Anushrav Bhatt
(The writer is a city based housing planner and real estate analyst)