

THE RECENT
UNVEILING OF BUDGET 2024-25
HAS BROUGHT SIGNIFICANT CHANGES
THAT HAVE A MIXED IMPACT ON INDIAN
**REAL ESTATE
SECTOR.**

URBAN DEVELOPMENT TAKES CENTRE STAGE

The government has announced ambitious plans under the PM Awas Yojana Urban 2.0, targeting 1 crore urban poor and middle-class families with a whopping ₹10 lakh crore investment. This massive push is expected to stimulate housing demand and construction activity across urban India.

Additionally, plans for Transit-Oriented Development in 14 major cities could spark real estate growth around transportation hubs, creating new hotspots for both residential and commercial properties.

LAND DIGITIZATION REFORMS

The budget introduces groundbreaking initiatives for land management:

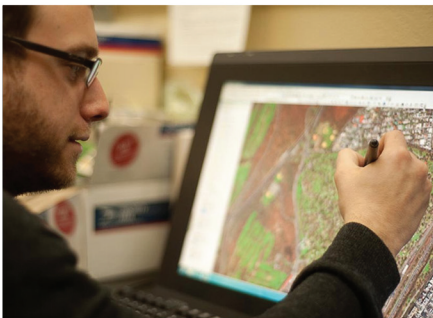


Bhu-Aadhaar:

A Unique Land Parcel Identification Number for all lands, promising improved land record management.

GIS Mapping:

Digitization of land records in urban areas with GIS mapping, enhancing transparency and ease of transactions.



Cadastral Map Digitization:

Converting traditional land maps to digital format for better accuracy and accessibility.

Land Registry Establishment:

A centralized system for land records, potentially reducing disputes and fraud.



Farmer Registry Linkage:

Connecting land records with farmer registries, benefiting agricultural real estate.

These measures are set to revolutionize land management and real estate transactions across India.

INVESTMENT-FRIENDLY MEASURES

- **Stamp Duty Reduction** for women property buyers (encouraged at state level)
- Simplified **FDI regulations**
- **Promotion of Indian Rupee** for overseas investments

These measures are likely to attract both domestic and foreign investments into the real estate sector.

MAJOR TAX REFORM

In a move that significantly impacts property sellers, Finance Minister Nirmala Sitharaman has announced the removal of indexation benefits for property sales.

This change has far-reaching implications:

New Tax Rate: Long-term capital gains (LTCG) from property sales will now be taxed at 12.5% without indexation benefit, compared to the previous 20% with indexation.

Higher Tax Liability: Despite the lower rate, the removal of indexation could result in higher tax obligations for many sellers.

Calculation Change: Capital gains will now be calculated by directly subtracting the purchase price from the sale price, without adjusting for inflation.

Tourism Development: A New Frontier for Real Estate

The budget has placed a strong emphasis on tourism development, which could open up exciting opportunities for the real estate sector:

Comprehensive Development of Odisha, Rajgir (Bihar), Nalanda:

The government plans to develop Odisha's scenic beauty, temples, monuments, wildlife sanctuaries, and beaches. This initiative could boost demand for hospitality properties and vacation homes in the Eastern mainland.

IMPACT OF THE BUDGET

As these budget measures roll out, we anticipate:



Increased activity
in affordable housing



Growth in
rental markets



More transparency
in property transactions



Potential surge in foreign
investments in Indian real estate