

# Festive Season - A BOON FOR REALTY SECTOR

The coming festive season is going to prove to be a win-win for developers and home buyers alike - leading developers tell us why.



“ Due to GST people have to extend their budgets, taxation which was earlier about 6% has now gone up to 12%. Input credit is there but it depends on various parameters of the project. The festive season will see a great movement; the projects registered under RERA will get preference as people have a time bound remedy if a developer defaults. It's the right time to buy because circumstances are very favorable, buyers can avail of best of prices from developers, best of home loans and best clarity from the legal and taxation point of view.

— Mr Mukesh Patel, Knowledge Worker, Neelkanth Group



“ GST will 101% affect sales, even in the festive season this year. Earlier taxes were at 6% and now they are at 12%. This season one is going to see more sales of ready possession homes as well as projects which are just starting, rather than under construction projects, as there is a direct savings of GST. RERA has already made a positive impact and made information easily available, at the same time it has made both the buyer and the developer accountable - it has evened the playing field. We are optimistic and things will improve in the long term cause of these changes, but the economy needs to grow and the real estate industry with it.

— Mr Shyamal Mody, HOD, Sales & Marketing, Raunak Group



“ There is a lot of confusion in the buyer's mind and also amongst developers as to how GST will hit us, there is still no clarity as it is quite complicated so people are indecisive about buying now. Hopefully the festive season will see demand pick up, of course that is expected for the RERA registered projects. We are all under RERA and we are committed to it.

— Mr Ajay Ashar, Chairman and Managing Director, Ashar Group, Chairman of CREDAI, MCHI Thane



“ I don't feel that GST has affected sales at all, most developers are passing on the input credit to the buyers and hence there has been no impact on sales. I am expecting sales to increase with the festive season of Dussera and Diwali, in fact, even from the Ganapati festival we are witnessing higher footfalls and sales in our projects.

— Mr Shailesh Puranik, Managing Director, Puranik Builders



“ To some extent sales have slowed down due to GST because people want to know the cost in totality. We expect sales to revive by November, I feel there will be a demand for both ready possession as well as under construction projects. We are planning the launch of a new mega project in this festive season.

— Mr Ashok Chajjer, Chairman and Managing Director, Arihant Superstructures Ltd



“ GST is almost 12% and because of that people are having doubts in mind that it is increasing the price of real estate and whenever there is an increase in price there is a gestation period and people have to digest it. We feel that sales will improve this festive season because government policies are all clear, home loans are cheaper and people are looking to buy new flats. This is the perfect time to buy as these are bottom prices, later as sales improve, prices will probably increase.

— Mr Nimish Vora, Managing Director, Kavya Group of Companies



“ Overall, there was an impact due to GST and the developers and the market have taken some time to adjust. There has been a huge turnaround in August, if you look at the registration data there has been a 28% increase since April till this last quarter. I expect the sales will be much better this festive season. Developers are coming up with the best promotions and home loans are at their lowest. Right now good products are scarce and it will be a win-win for buyers, developers and home loan providers.

— Mr Mayur Shah, Managing Director, Marathon Group



“ GST absorbs the VAT, service charges and other charges all under a single window and the developer passes the benefits to the customer. Cheaper home loans will promote a renewed interest in residential property purchase from end users and investors, especially during the festive season. It is an opportunity for the fence sitters to avail of the various beneficial schemes and offers during the festive period.

— Mr Nikhil Mansukhani, Executive Director, Man Realty Ltd



“ Actually with GST coming in, with respect to real estate, people are going in for package deals including GST and stamp duty. With the current scenario, with RERA coming in, definitely the homebuyers seeking a home for end usage are going to make a value decision based on the following important factors - project permissions are in place, project is RERA registered, the developer has a good payment plan and performance of the developer should be at a fast pace at the site. Mainly sales are happening in the sweet spot of Rs 70 lakhs to 2 crores, high end luxury items are not selling the way it has been anticipated.

— Mr Parth Mehta, Managing Director, Paradigm Realty



“ Sales have been greatly affected by GST. There is a budget crunch overall and the buyers are finding it difficult to cope with the increased tax burden. There are hopes for the festive season, but it remains to be seen. Developers expect to get some rebate on GST and that is what we plan to pass on to the customer.

— Mr Manish Rochlani, Sales Head, Palacia



“ GST has impacted the sales to a certain extent. The taxes have increased but as we get a rebate from the government, in terms of input credit, we are passing on the benefit to the customers. Sales have gone up in the past three months, customer sentiments have improved and we have achieved really good numbers. We are coming up with new schemes for the festive season including a subvention scheme.

— Mr Mahir Khetwani, Director, Rosa Group



“ GST has impacted sales and we have seen reduced sales. I look at the positive side of it and with the festive season approaching, and with RERA having been implemented, we are expecting the market sentiment to go up. We are hoping the last quarter will be a good one for the realty sector.

— Mr Vijay Pawar, Founder and Managing Director, Mirador Group of Companies



“ The new GST model allows a developer to receive input credit which was unavailable before. The impact of GST on real estate would be basically tax neutral but full of gains for the affordable housing sector and will finally boost foreign investment in the Indian real estate sector because of its uniformity and simplicity. It will imbibe confidence among NRIs to invest in Indian real estate market. Also, the festive season, starting at the end of September, usually sees higher sales, an increase of 20-25% compared to the rest of the year.

— Mr Rahul Nahar, CEO of XRBIA Developers