

Indian Real Estate Monthly Sector Update

Issue 1 | October 2020



“Construction is a matter of optimism; it’s a matter of facing the future with confidence.”

Cesar Pelli



In the Spotlight



Indian Policy Highlights



State Policy Highlights

Covid -19 Impact on Real Estate: Work from Home

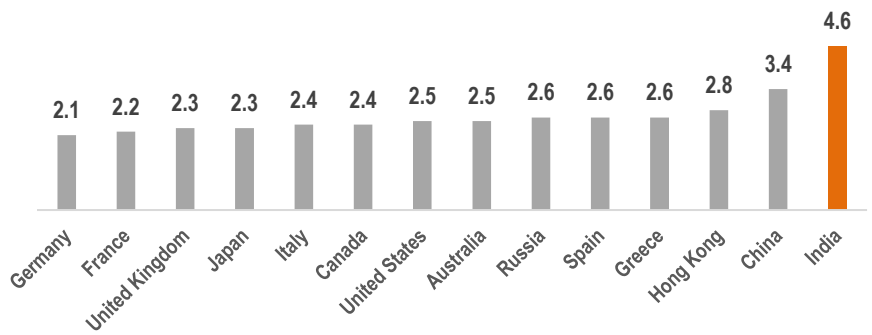
COVID-19 has forced employees and organizations worldwide to work from home but will this be the new normal post the pandemic in India?

India faces different sets of challenges compared to other countries.

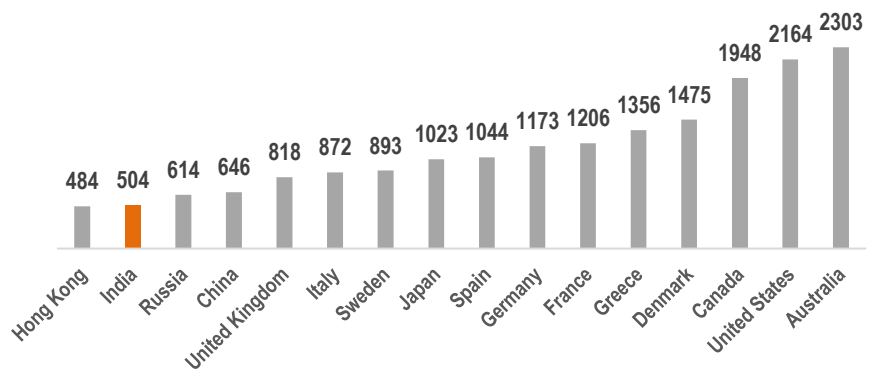
In India, Average household has 4.6 people compared to 2.5 in developed countries. Further, the average unit size in India is significantly smaller (504 sq ft) compared to developed markets. As a result, average Indian Household may not support dedicated working area with minimal disturbance.

Further, India ranks poorly on internet connectivity (Rank#65) with average download speed of 38 mbps compared to the world average of 78 mbps.

Average people per household across countries



Average unit size across countries (sq. ft)



Source : Kotak Institutional Equities, July 2020

From Organizations point of view, Work from home raises issue of data safety & protection, employees' productivity and psychological impact on Employees.

However, inspite of these challenges, Employees, especially in large cities, save substantial time and money on commute. This enables them to spend greater time with families also provides option to shift to family friendly neighborhoods on suburbs with greater open space.

Advantages of Work from Home cannot be ignored.

Therefore it is expected that organizations shall adopt a hybrid model that combines working from home and physical presence at office for 2-3 days a week.

National Policy Highlights



Centre urges states to consider cutting stamp duty on property registration to boost real estate sector

The housing and urban affairs ministry has written to all states to consider reduction in the stamp duty on sale deed documents for property registration, a move which may push the revival of the real estate sector, which has been badly hit due to Covid.

SBI offers up to two years repayment relief for home & retail loans

State Bank of India will provide relief to home and retail loan borrowers impacted by Covid-19 in the form of either a moratorium of up to 24 months or by rescheduling instalments and extending the tenure by a period equivalent to the moratorium granted.

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Tata group has won the contract to build the new Parliament building

The Central Public Works Department opened the financial bids and Tata Projects Limited is L1, or the lowest financial bidder at 861.90 Cr.

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State Policy Highlights



Telangana Assembly passes the historic Telangana State Building Permissions Approval and Self Certification System (TS-bPASS) Act

The TSb-PASS is a self-certification system that will make citizens responsible and ensure that they adhere to the building and layout permission rules of the State government. As per the new law, no building permission is required for plot areas measuring 75 sq.yards and building height upto 7 metres.

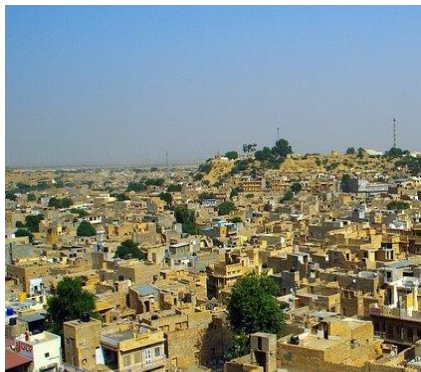
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Reduction in Stamp Duty : Maharashtra

Government of Maharashtra reduced Stamp duty to 2 percent until December 2020 and to 3 percent between January 2021– March 2021

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Roll Back of scheme to pay Urban Development Tax: Rajasthan

Jaipur Municipal Corporation (JMC) has rolled back the order that allowed residents to pay urban development tax at one go for eight years.

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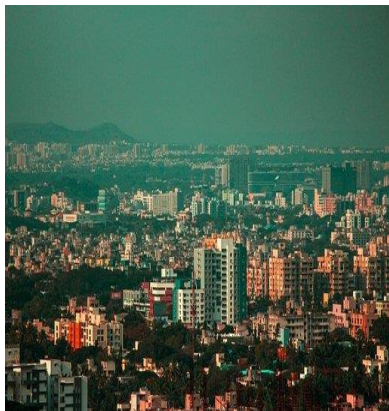


No dues certificate needed to get an appointment for registering the property in urban area: Haryana

Urban local bodies department launched a new software — No Dues Certificate Management System, wherein people can get details of their property and any dues, and make payments online. No dues certificate from the civic body shall be needed to get an appointment for registering the property in urban area

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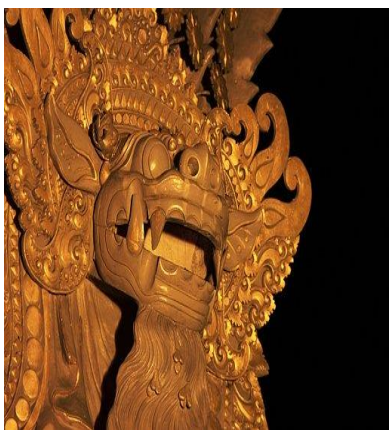
State Policy Highlights



Ex-servicemen exempted from paying property tax - Maharashtra

Maharashtra government has decided to exempt all former servicemen in the jurisdiction of urban local bodies across the state from paying property tax. The state government recently exempted serving as well as retired defence personnel from paying property tax in rural areas.

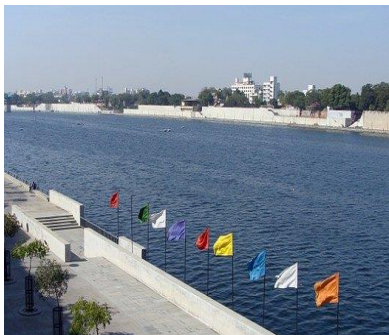
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Madhya Pradesh reduces stamp duty to 1% on property transactions

Madhya Pradesh has become the second state to reduce the stamp duty on property registration after Maharashtra. The stamp duty on sale and purchase in urban area has been reduced from 3% to 1% till December 1.

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Gujarat Assembly passed the Gujarat Land Grabbing (Prohibition) Bill, 2020

The Bill seeks to curb land grabbing in the state by setting up special courts. It has provisions for stringent action with a jail term of upto 14 years and a fine extending to the (Jantri) value of the land.

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Gujarat Govt release Rental Housing Policy

Under the new policy, municipal corporations, municipalities, Urban Development Authorities (UDA), industrial development authorities like GIDC or any area notified by the government will have to keep provision of ARHC in their respective areas.

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