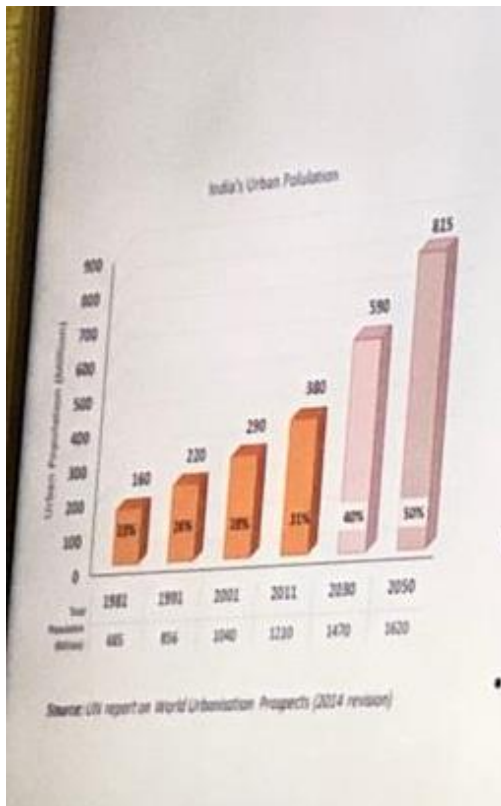


Slide 1:

Real Estate Sector : A Snapshot



- India is one of the fastest growing economies undergoing rapid urbanization with ~\$3 trillion GDP
- Urban population projected to be >50% by 2050 from 31% in 2011
- Real Estate market projected to be ~\$1 trillion by 2030 from \$120 billion in 2017
- Real Estate contributes 7% to GDP; likely to grow to 13% by 2025
- Real Estate employed over 40 million workforce in 2013; projected to rise to 67 million by 2022
- Construction is the 5th largest sector in terms of FDI inflow; \$7 billion since April 2016 to Dec 2018
- Real Estate may be a major contributor in country's journey to \$5 trillion and \$10 trillion economy milestones

Slide 2:

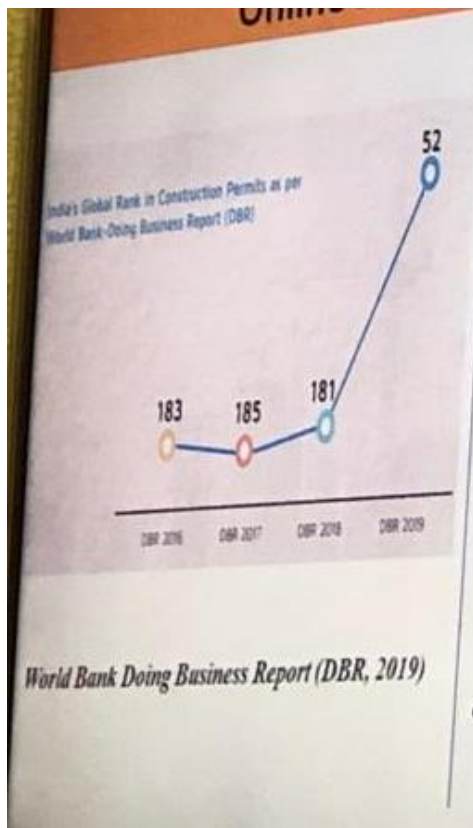
Real Estate : Transparent Regulations

1. Online Building Permission System (OBPS)
2. Real Estate (Regulation and Development) Act, 2016 [RERA]
3. Tenancy Law

Slide 3:

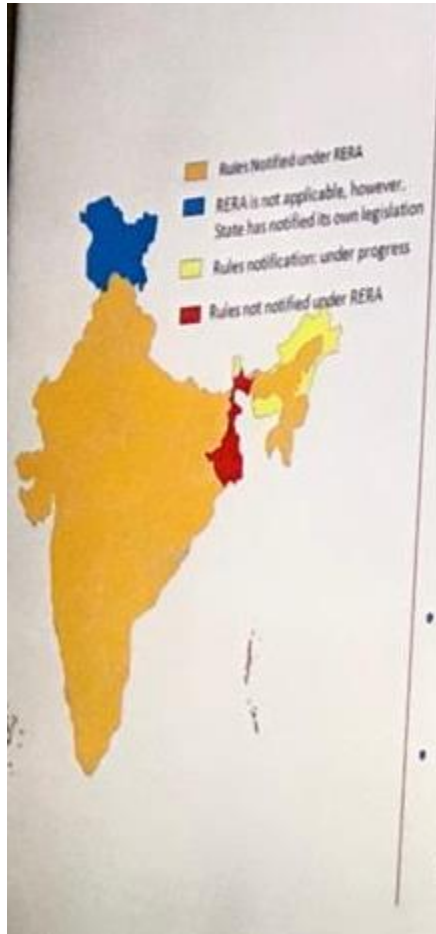
Ease of Doing Business in Construction Permits

Online Building Permission System (OBPS)



- India's rank moved from 181 to 52
- OBPS with integrated seamless approval from all internal/external agencies with reduced number of procedures, time, online payment etc. introduced in Delhi & Mumbai in April, 2016
- Implemented in 1,740 other cities, including 439 AMRUT cities and all cities in 12 States/UTs
- Likely to be implemented in all cities by December 2019

Slide 4:



- RERA has brought transparency, accountability and financial discipline
- Progress as on 03.08.2019
 - Rules notified in 30 States/UTs
 - Rules to be notified in 4 NER states (Arunachal Pradesh, Meghalaya, Nagaland & Sikkim)
 - Regulatory Authorities constituted in 29 States/UTs
 - Appellate Tribunals formed in 22 states/UTs
 - Total Projects registered 43,208
 - Total Agents registered 34,182
 - Total Cases disposed 20,975
- J & K has notified The Jammu and Kashmir Real Estate (Regulation and Development) Act, 2018 and Rules on the lines of RERA
- West Bengal enacted its own Act i.e. Housing & Industry Regulation Act (HIRA); challenged in Hon'ble Supreme Court by a home buyer association; MoHUA has filed affidavit to annul it

Slide 5:

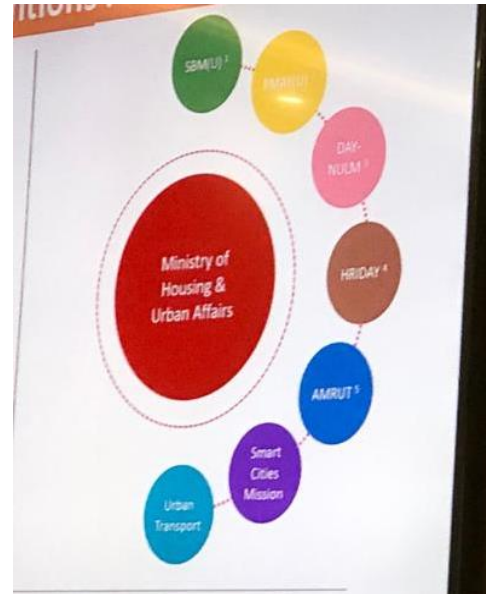
Model Tenancy Act

- 1.10 cr. houses were vacant in urban areas (Census 2011)
- Due to existing archaic rental laws, there is significant gap between demand and supply of rental housing.
- MTA aims to balance and protect the interest of both the tenant and owner by regulating renting of premises in an efficient and transparent manner
- Speedy dispute resolution mechanism
- MTA shared with States and UTs seeking their views and uploaded on Ministry's website soliciting comments from public
- Around 400 comments have been received from various stakeholders, which are being examined
- MTA will be shared with States/UTs for adoption after cabinet approval

Slide 6:

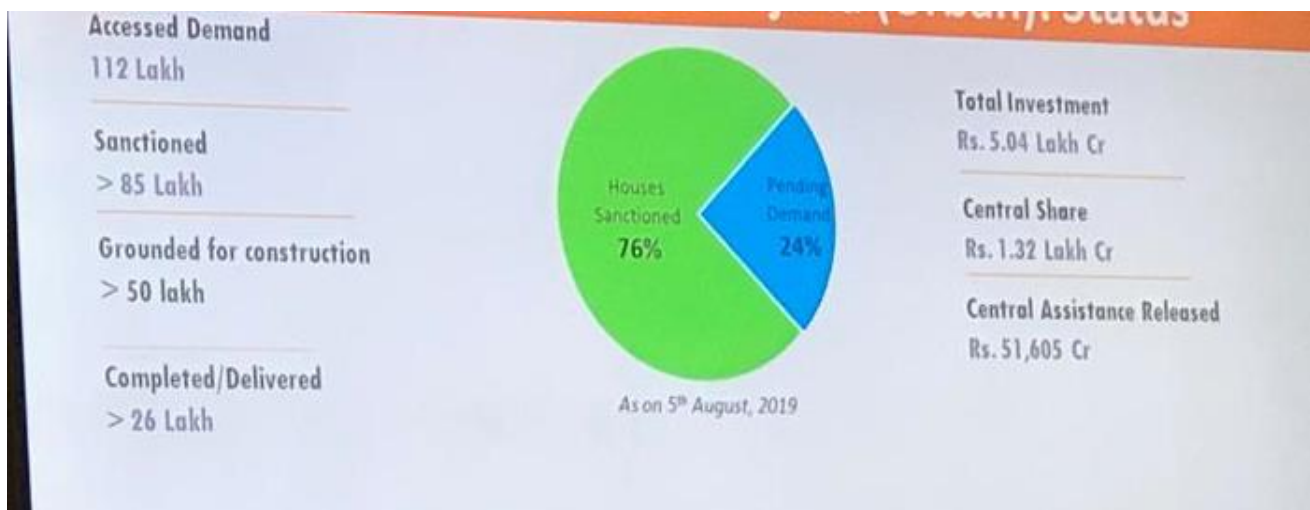
Programmatic Interventions : Urban Missions

Flagship Missions under the Ministry of Housing & Urban Affairs (MoHUA) aim to achieve transformative, inclusive and sustainable development



Slide 7:

Pradhan Mantri Awas Yojana (Urban) : Status



- Coverage extended to Development Authorities/Planning Areas
 - Direct Benefit Transfer (DBT) and Geographical Information System (GIS)
 - Generated Employment:
 - 284.74 crore person days (Direct – 88.79 crore, Indirect – 195.95 crore)
- (Source : NIPFP Study, 2019)

Slide 8:

PMAY (U): Credit Linked Subsidy Scheme (CLSS)



- For MIG extended till March 2020
- 6.52 lakh beneficiaries funded with Subsidy of Rs. 14,675 cr.
- Institutional credit as demand side intervention
- Benefit works out to reduction of EMI by Rs. 2,500/- per month and subsidy of ~ Rs. 6 lakh over 20 year loan period
- Promoters private sector investment in construction sector (> Rs. 1.2 Lakh Cr)

Slide 9:

Real Estate : Financial and Fiscal Reforms

- National Urban Housing Fund (NUHF)
- Affordable Housing Fund (AHF)
- Fiscal Reforms (Direct and Indirect Taxes)

Slide 10:

Financial : National Urban Housing Fund (NUHF)

- EBR of Rs. 60,000 Cr approved by the Cabinet in February 2
- EBR is available over and above the Budgetary Allocations
- Rs. 28,000 Cr of EBR was drawn during last two years
- Rs. 20,000 Cr of EBR is budgeted in F.Y. 2019-20
- Hence, funding of PMAY-U is tied up

Slide 11:

Financial : Affordable Housing Fund (AHF)

- AHF established in NHB in 2018, using priority sector lending shortfall to reduce interest burden on Affordable Housing
- Used for refinancing the borrowers with annual income limit of upto Rs. 6 lakh
- Initial corpus of Rs. 10,000 Cr. contributed in 2018-19 drawn by NHB
- Rs. 10,000 Cr allotted by RBI in 2019-20

Slide 12:

Financial: Infrastructure Status to Affordable Housing & Easing of FDI norms

Infrastructure Status to Affordable Housing

- **Infrastructure status** accorded to Affordable Housing by including it in the Harmonised List of Infrastructure in March, 2017.
- Encourages private participation in Affordable Housing sector – improves bank lending, boosts construction
- **Priority Sector Lending** for AHP increased from **Rs.28 lakh to Rs. 35 lakh** in metros and from **Rs. 20 lakh to Rs. 25 lakh** in non-metros.

Easing FDI norms

- **100% FDI** under automatic route in construction projects
- Includes townships, residential/commercial premises, roads and bridges, educational institutes, recreational facilities etc.

Slide 13:

Fiscal : Direct and Indirect Taxes

- **GST** for Affordable Housing reduced to **1% from 8%**; for others to **5% from 12 %** (with **no input tax credit**)
- Benefits under **Sec 80 IBA** of IT Act, 1961 extended for one more year from 31st March 2019 to **31st March 2020**
- **TDS threshold** on rental income raised from Rs. 1.8 lakh to Rs. 2.4 lakh
- **Income tax relief on notional rent** from unsold housing stock **extended to 2 years**
- **Tax exemption** provided on notional rent on second self occupied house
- **Benefit of capital gains** upto Rs. 2 core made available for purchasing **2 houses** with no tax liability

Slide 14:

- **Additional Deduction on account of Home Loan Interest** : Additional deduction of up to **Rs. 1.5 lakh** for interest paid on home loans availed w.e.f 1st April, 2019 upto 31st March, 2020 for purchases of affordable houses **valued up to Rs. 45 lakh** by inserting a new sub-section [80EEA] in the Income Tax Act.
- **Increase in size limit of Affordable Housing Unit** : Scope of availing the benefits of 100% deduction on profits under section 80-IBA has been increased for developers on construction of affordable housing projects from **30 to 60 square meters** in Metropolitan regions and **60 to 90 square meters** in non-metropolitan regions for the affordable housing unit valued upto Rs 45 Lakh

Slide 15:

Real Estate : Promoting Innovative Technologies

- > 14 Lakhs houses under construction using innovative technologies
- CPWD has issued SOR for 16 innovative technologies
- 5 Demonstration Housing Projects (DHPs) constructed under PMAY(U) using innovative technologies
- Global Housing Technology Challenge (GHTC) - India launched in January 2019 to create an enabling eco system to facilitate construction technology transition in the country
 - Hon'ble Prime Minister declared the year 2019-20 as the "**Construction Technology Year**"
 - **6 Light Houses Projects** in different regions to be constructed using distinct technologies as open laboratories for Academia, Practitioners and Policy Makers
 - E-course on use of **Vulnerability Atlas** to be launched in August 2019
 - Certificate and Diploma courses on new construction technologies to be launched in September 2019
- **5 Incubation Centres** being set up under ASHA - India to support potential new domestic technologies