



#GTONBudget

Pre-budget expectation survey

Real Estate and Infrastructure sector

Executive summary

The Union Budget 2022-23 is fast approaching. The real estate industry is expecting several announcements that will give the industry a much-needed fillip and boost investor confidence and demand.

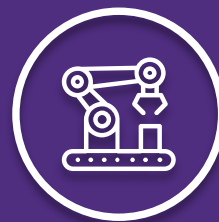
Grant Thornton Bharat ran a series of surveys designed to gauge industry and consumer expectations from this budget. The results convey that a large portion of the respondents is expecting government intervention via concessions and incentives in several key areas of the real estate industry.

The government's goal of providing housing-for-all is likely to be discussed and supported via this budget.



78%

expect an increase in exemption limits



50%

expect incentives aimed at rental housing and co-working spaces

About the **SUR** **EY**

What does the upcoming budget mean for India Inc? What kind of expectations do individuals/corporate taxpayers have from the finance minister?

To gauge the market sentiments and better understand the expectations from Union Budget 2022, Grant Thornton Bharat conducted a series of surveys across sectors. More than **1,000 respondents** participated in these surveys across digital platforms.

Key highlights

77%

expect concessions to achieve housing-for-all



51%

expect the provision of GST interventions to offset input cost increase



55%

expect real estate to be given infrastructure status

Expert's take



Sumeet Abrol

**REI M&A Leader and Partner
Grant Thornton Bharat**

The real estate sector has seen volatility in demand in the past few years. With the government now dealing with dynamic challenges like the rise in co-working spaces and rental infrastructure, it is expected that changes will be made to the existing norms.

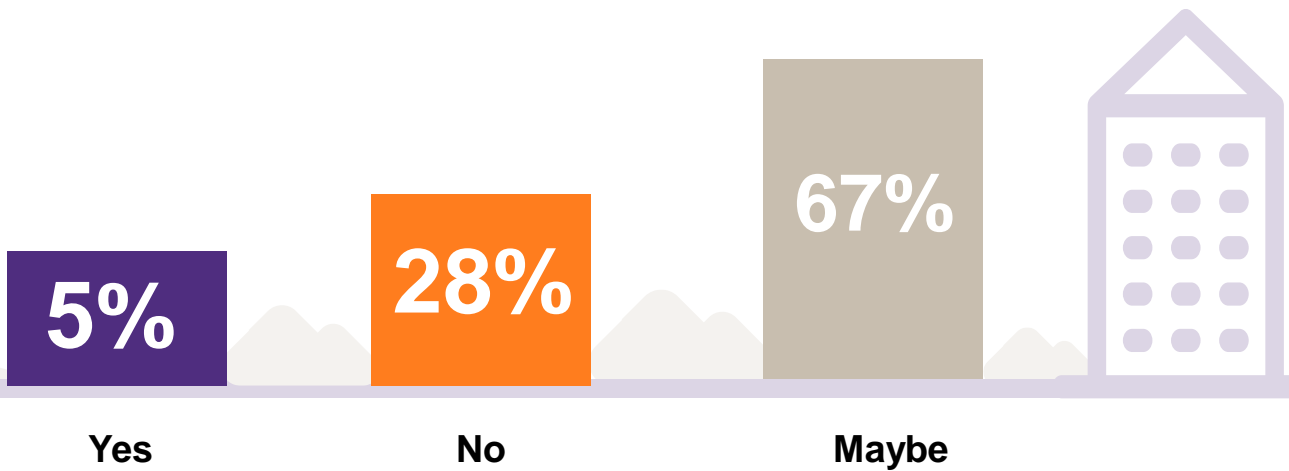
Survey findings



In the past, the central government has announced big measures for infrastructure and real estate. Findings show that a large portion of respondents expect government intervention via concessions and incentives in several key areas.

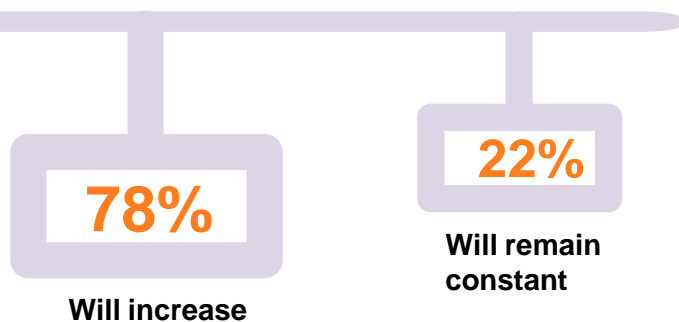
01

With the government's focus on asset monetisation of public sector undertakings (PSU's) under National Monetisation Pipeline (NMP), do you expect the government to monetise the housing and commercial real estate it owns by floating real estate investment trust (REITs)?



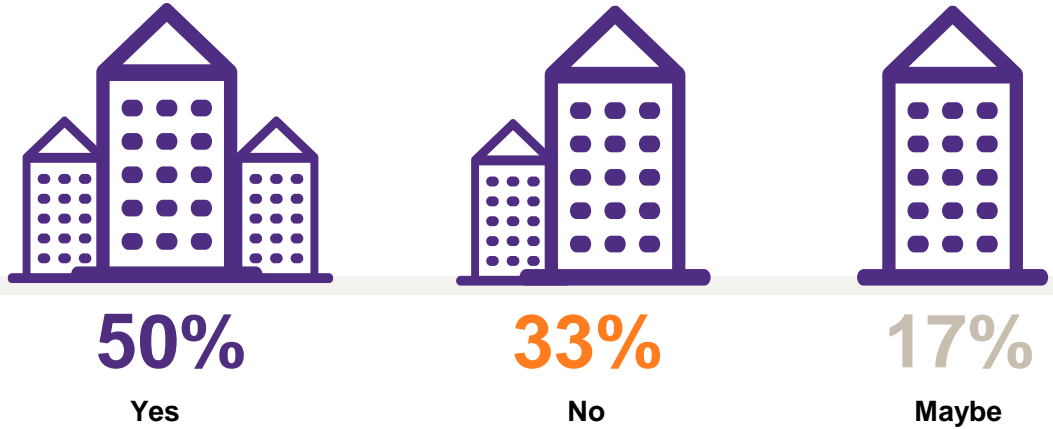
02

How likely are you expecting an increase in the limit for tax exemption on housing loan interests to boost consumption, considering the average ticket size of the loans in urban and corresponding areas have higher annual interest?



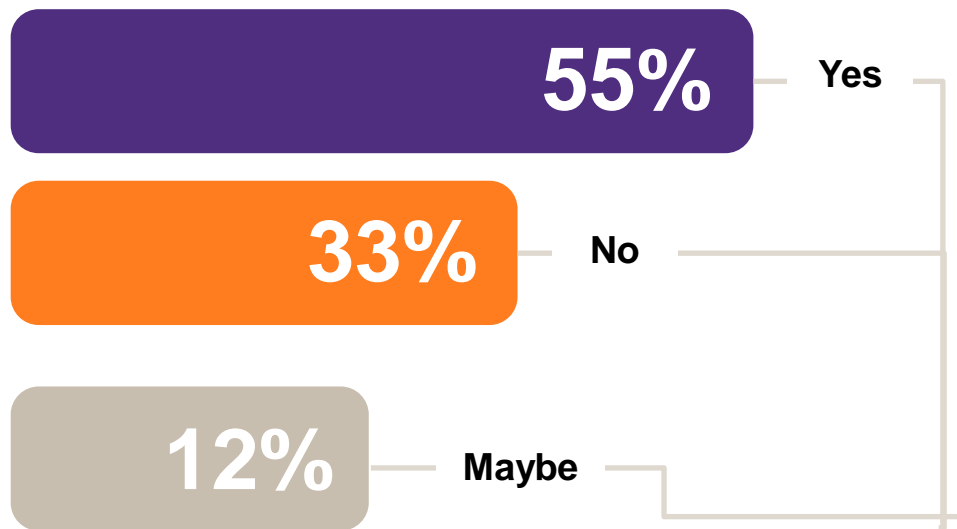
03

Do you expect incentives towards rental housing/co-working spaces, since it represents a huge potential for institutional investment, including defining incentives and tax benefits for REIT-like investment models?



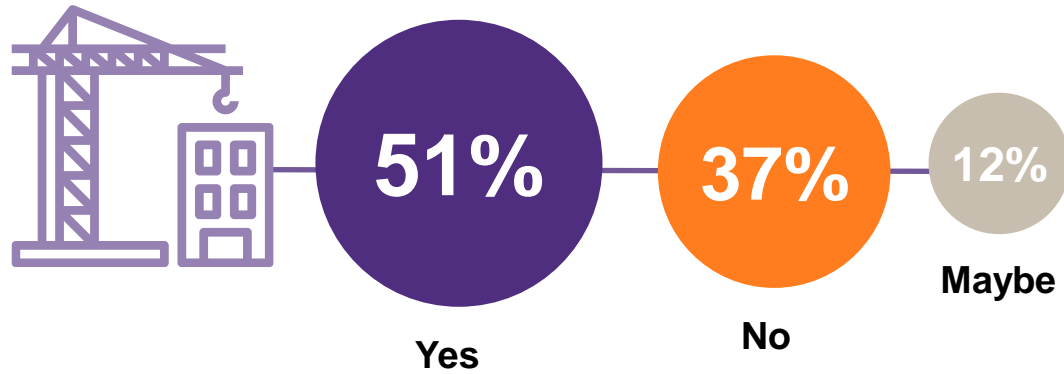
04

Do you expect the Union Government to bring real estate sector under the ambit of infrastructure status, making them eligible for attractive tax benefits and more efficient capital-raising platforms?



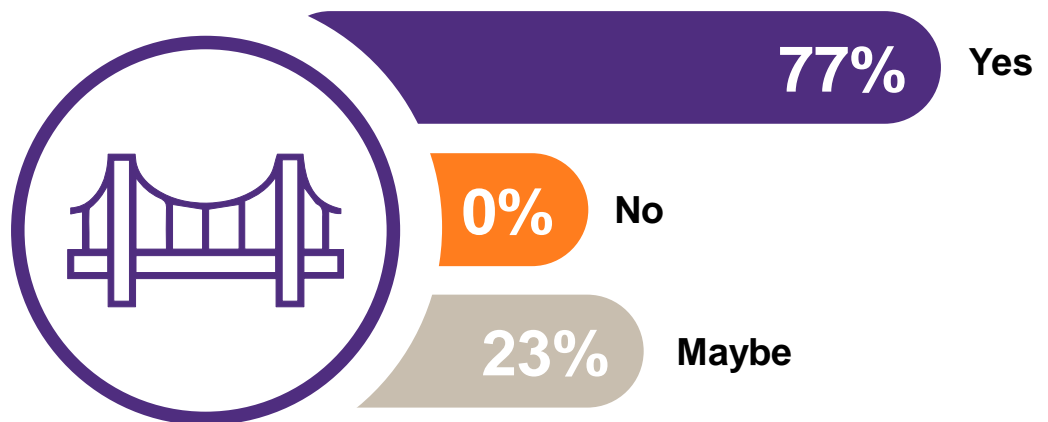
05

Given the increase in the input prices for real estate, do you expect the government to provide some offsetting impact vide Goods and Services Tax (GST) interventions?



06

Do you expect more impetus and concessions to promote the supply of 'affordable housing' and achieve the government's target for 'Housing for All'?



07

What additional sources of financing infrastructure do you expect to be announced?

“ Public investment through National Investment Pipeline, Municipal Bond Financing* ”

“ Interest subsidy/tax benefits like 10(23G) of erstwhile exemptions* ”

“ Loan at lower rate for affordable housing* ”

“ REITs and infrastructure investment trusts* ”

“ Tax free bonds to boost infrastructure* ”

08

What more is expected from the Ministry to boost the asset monetisation pipeline initiative?

“ Active participation by private players and encouragement through fiscal incentives* ”

To progress in the right direction, it is imperative that the government makes available a strong pipeline of attractively structured, brownfield projects. Further, sustained flow of transactions and visibility on the same, across asset classes, is a key pre-requisite of long-term investors.*

Better land leasing policy. Lease terms need to be made more liberal. Inefficiencies of the system may not allow it to be successful.*

“ Increased request for proposals/bidding activity* ”

*These are some of the responses received from the survey. These are not exhaustive or representative of our views.

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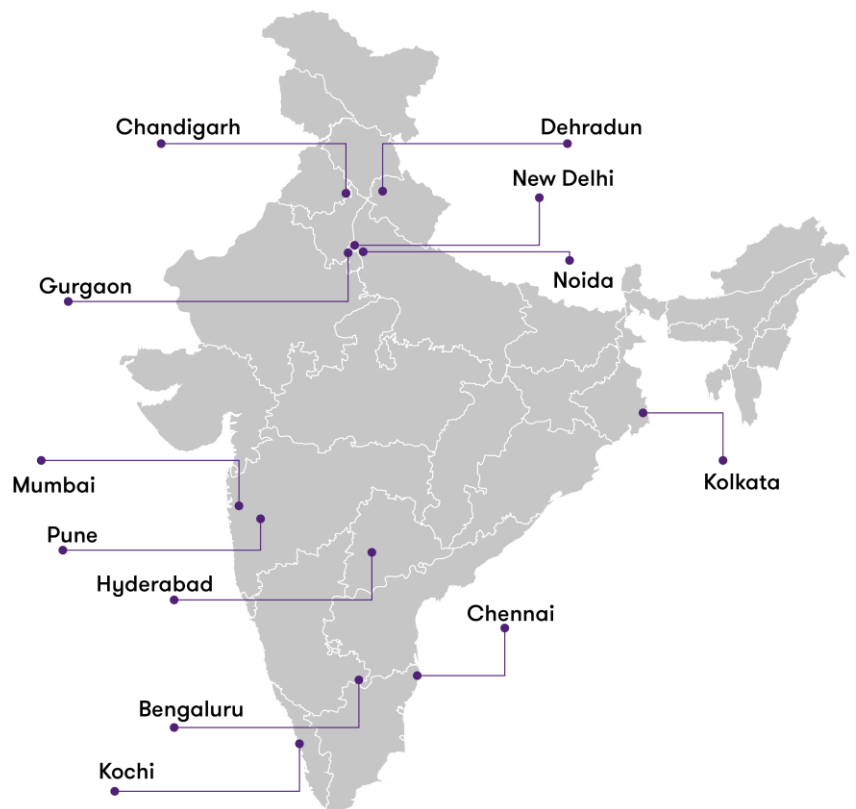
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