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Naidu for exemption to low-cost houses under GST

Was delivering a keynote address at CREDAI conclave 2017

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Union Urban Development Minister M. Venkaiah Naidu on Monday expressed hope that affordable housing would be exempt from service tax under the GST regime.

"GST will not increase prices, especially not for affordable housing. We have already exempt affordable housing from service tax, and my ministry is addressing the need to continue this exemption under GST," Mr. Naidu said while delivering the keynote address at the CREDAI conclave 2017 on Monday.

"We have recommended to the Ministry of Finance to tax the sector at a rate which is revenue-neutral and not at a higher tax rate. Input tax credit will be available, thus creating a huge incentive to bring all transactions in the sector within the formal system," he said.

'Raring to go ahead'

"We are addressing the need to rationalise stamp duty, and are asking for waiver of stamp duty for affordable housing," he said.

Spanning over two days, the theme of the annual conclave this year is "Change, Opportunity and Growth".



M. Venkaiah Naidu

Minister for Skill Development and Entrepreneurship Rajiv Pratap Rudy was also present at the conclave.

Mr. Naidu said that the sector is "raring to go ahead" and the Centre's policies will be a game changer to bring in a culture of transparency with regulations like RERA and GST.

Digital push

"The new Benami Transactions (Prohibition) Amendment Act will further complement this vision. Another concern of the industry has been faster approvals. We are addressing this across ministries and proposed some recommendations for the PM's approval," he said.

Mr. Naidu said that skyrocketing inflation of land prices is making it impossible to construct houses

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M. VENKAIAH NAIDU
Union Urban Development Minister

in an affordable manner. He said that all real estate transactions need to be made digital, a healthy practice that will make it possible for banks to disburse housing loans.

Policy of incentives

"We are also working on a policy of incentives and disincentives. States working in compliance with reform measures like accountability, transparency, swift approval will be given additional money under allocation," he said.

The Minister also said that property developers must fulfil promises made to home buyers and ensure timely delivery of houses. "The government is not asking you to do anything more than what you have promised to the people. What you have promised on the paper, you just complete that, we will stand by you," the Minister said.