

Realtors differ over GST's impact on prices

New Delhi: Real estate bodies Naredco and Credai on Wednesday gave contrasting assessments of the impact of GST on housing prices, highlighting the prevailing confusion in the sector regarding the new indirect tax regime.

While Naredco maintained that there will be no inflationary impact on housing prices once the GST kicks in from July 1, Credai said the cost to end consumers will rise unless the government provides abatement on land.

Naredco said the actual tax incidence under GST would match or be lower than the existing multiple indirect taxes on the sector.

"There will be no inflationary pressure on housing prices," Naredco Chairman Rajeev Talwar told reporters here.

The GST Council has finalised tax rate of 12 per cent on construction of a complex, building or civil structure for sale to a buyer.



The current indirect tax rate on the sector is also in the range of 9-11 per cent, including service tax and VAT. Talwar, who is also the CEO of DLF Ltd, sought clarity on GST rate for construction of commercial properties for lease purpose.

Naredco President Parveen Jain said tax incidence will not increase either for the buyers or developers.

However, Credai said that stamp duty would continue to be applicable even after implementation of GST.

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