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MONDAY, FEBRUARY 29, 2016

#Budget2016 Removal of Dividend Distribution Tax (DDT) on Real Estate Investment Trusts (REITs) is positive @SLHiranandani

According to Surendra Hiranandani CMD, House of Hiranandani, the removal of Dividend Distribution Tax (DDT) on Real Estate Investment Trusts (REITs) has long been one of the biggest hurdles that made REIT financially unviable for Indian commercial stakeholders. Removal of DDT (tax levied on the dividend paid to investors) will result in a rush of investment in REITs and this could prove to be decisive for the sector. This will help developers raise funds and will also effectively address issues pertaining to transparency, liquidity and execution of property developments across the country, that will spur growth in the future.



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The service tax exemption for developers focusing on affordable housing with unit sizes not exceeding 30 square meters in the larger cities and 60 square meters in the smaller cities is definitely a positive move and will encourage private participation as well. This will increase profits making it easier for the developer to attract foreign and domestic investments in housing projects. It is in line with the governments vision to boost affordable housing. It will be a challenge though for developers to deliver in the three year time frame given the lack of single window clearance for the projects.

The increase in reduction limit from Rs 24,000 per annum to Rs 60,000 per annum is a welcome move and will give the much needed push to rental housing across major cities in India. It could also boost demand in the long run.

Posted by **Press Release Watch**

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