

# Business Standard

## GST unlikely to have impact on property prices:Hiranandani

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Realty developer House of Hiranandani today said the Goods and Services Tax, demonetisation and RERA were landmark developments in the country, but it was "unlikely" that GST will have any impact on property prices.

The intent of the government was to streamline tax administration and bring more businesses under the tax net, House of Hiranandani, Chairman and Managing Director, Surendra Hiranandani said adding "it is unlikely that GST will have any impact on property prices."

"We feel the current rate of 12 per cent on under construction projects might marginally bring down prices in the affordable segment owing to input tax credits, but it is unlikely that similar impact will be felt in mid-priced or premium developments," he said in a statement.

He also said, the GST, RERA (Real Estate Regulatory Authority) and demonetisation would make the industry "more transparent" in the long term.

"Demonetisation, RERA and GST are all landmark developments.. They are being implemented within a short span of each other which is bound to cause short term upheaval till economy gets accustomed," he said.

More clarity would prevail once GST is implemented and government clarifies its stand on the abatement available for land cost for calculating service tax on under-construction projects, he added.

Calling for immediate attention to stamp duty by the government, he said, "It will continue to remain in force even after implementation of GST and the rates are varying from state to state."

"The additional burden on the sector on account of the stamp duty averages 5 per cent to 7 per cent.. We hope that state governments abolish the same which will bring down the final cost of the apartment," he said.