

**GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN AFFAIRS**

LOK SABHA

**UNSTARRED QUESTION NO. 4224
TO BE ANSWERED ON MARCH 19, 2020
REVIVAL OF REAL ESTATE SECTOR**

NO. 4224. SHRI B.B. PATIL :

Will the Minister of HOUSING AND URBAN AFFAIRS be pleased to state:

- (a) whether the Government is planning to take steps for the revival of real estate sector and if so, the details thereof;**
- (b) whether the Government has taken any step in this direction; and**
- (c) if so, the details thereof and if not, the reasons therefor?**

ANSWER

**THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE
MINISTRY OF HOUSING AND URBAN AFFAIRS
(SHRI HARDEEP SINGH PURI)**

- (a) to (c) Government has taken various initiatives for homebuyers and real estate sector. Goods and Services Tax (GST) on under-construction affordable housing projects has been reduced from 8% to 1% without Input Tax Credit (ITC), and in case of other housing projects from 12% to 5% without ITC; Affordable Housing Fund has been established in National Housing Bank by using backlog in priority sector lending to reduce interest burden on Affordable Housing; additional deduction of Rs. 1.5 lakh on account of interest on home loan has been allowed for affordable housing under Income Tax Act in addition to existing deduction of Rs. 2 lakh; the benefits of availing up to 100% deduction on profits under section 80-IBA of the Income Tax Act have been extended to affordable housing projects approved till 31st March, 2021; and the scope of affordable housing project has been enhanced from 30 to 60 square meters in metro cities and 60 to 90 square meters in non-metro cities for availing the benefits under section 80-IBA of Income Tax Act.**

Further, in order to give relief to homebuyers of stalled projects, a special window has been created to provide last mile funding to the stressed affordable and middle-income housing projects in the form of one or more Alternate Investment Funds (AIF) for funding projects that are net-worth positive and registered under Real Estate (Regulation and Development) Act, 2016, including those projects that have been declared as Non-Performing Assets (NPAs) or are pending proceedings before the National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code (IBC).
