

**GOVERNMENT OF INDIA
URBAN DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:657
ANSWERED ON:24.11.2006
INCREASE IN PROPERTY PRICES
Chowdhury Shri Adhir Ranjan

Will the Minister of URBAN DEVELOPMENT be pleased to state:

- (a) whether the prices of property have been alarmingly increasing due to artificial scarcity created by real estate developers;
- (b) if so, the details thereof;
- (c) whether the Government is planning to cap property prices by creating a regulatory authority in the country;
- (d) if so, the details thereof; and
- (e) the other steps taken by the Government to check prices rise of properties in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT (SHRI AJAY MAKEN)

(a)&(b): Prices of residential property are governed by demand and supply. However, there are many other factors influencing increase in property prices in urban India, such as increase in population, migration to urban area leading to scarcity of developed land, rise in income of urban households, speculation by property agents/real estate agents, accessibility of infrastructural facilities, employment opportunities, inherent value of land, steady and healthy growth of economy in last three years, easy availability of loans at affordable rates, increase in land prices, increase in activities of MNCs in India and escalation in prices of cement, steel, all construction materials and labour costs.

(c)to(e): Under consideration.