

**GOVERNMENT OF INDIA  
HOUSING AND URBAN AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:3810  
ANSWERED ON:09.08.2017  
FDI in Construction Sector  
Singh Shri Bhola

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

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

- (a) whether the Union Government has recently relaxed rules for allowing Foreign Direct Investment (FDI) in the construction sector including housing;
- (b) if so, the details thereof;
- (c) whether relaxation of FDI norms for construction, real estate sectors will have any effect on the prices of houses; and
- (d) if so, the details thereof?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF HOUSING & URBAN AFFAIRS

(RAO INDERJIT SINGH)

(a) & (b): The Government had last reviewed the Foreign Direct Investment (FDI) Policy vide Press Note 12(2015) dated 24.11.2015, incorporated in 'Consolidated FDI Policy Circular 2016'. Copy of relevant extract is annexed.

(c) & (d) : Liberalization in this sector is expected to result in enhanced inflows into the Construction Development sector consequent to easing of sectoral conditions and clarification of terms used in the Policy. It is likely to attract investments in new areas and encourage development of plots for several housing given the shortage of land in and around urban agglomerations as well as the high cost of land. The measure is also expected to result in creation of much needed low cost affordable housing in the country.

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