

GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO. 2850

TO BE ANSWERED ON DECEMBER 05, 2019

SLOWDOWN IN HOUSING SECTOR

NO. 2850. SHRI ANUMULA REVANTH REDDY:

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

- (a) whether the Government has recognized that there is a massive slowdown in housing sales in the third financial quarter of 2019 in spite of GST reduction and tax deduction for homebuyers;**
- (b) if so, the reasons therefor;**
- (c) the steps Government is planning to increase this demand for affordable housing; and**
- (d) the immediate solutions that the Government is planning to take for the most affected cities like Hyderabad, where housing sale has gone down by 16 percent?**

ANSWER

**THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE
MINISTRY OF HOUSING AND URBAN AFFAIRS**

(SHRI HARDEEP SINGH PURI)

- (a) and(b) 'Land' and 'Colonisation' are State subjects. Ministry of Housing and Urban Affairs does not maintain data on housing sales.**

(c) and (d) Government has taken various measures to increase the demand for affordable housing. The value of residential unit eligible for Priority Sector Lending in Affordable Housing Project has been increased from Rs. 28 lakh to Rs. 35 lakh in metros and from Rs. 20 lakh to Rs. 25 lakh in non-metros; Affordable Housing Fund has been established in National Housing Bank, using priority sector lending backlogs to reduce interest burden on Affordable Housing; additional deduction upto Rs. 1.5 lakh on account of Home Loan Interest in addition to existing deduction of Rs. 2 lakh for affordable housing; the benefits of availing up to 100% deduction on profits under section 80-IBA of the Income Tax Act has been extended to the affordable housing projects approved till 31st March, 2020; and the scope of affordable housing projects has been enhanced from 30 to 60 square meters in metros and 60 to 90 square meters in non-metros cities for availing the benefit under Section 80-IBA.

In order to give relief to homebuyers of stalled projects, the Union Cabinet has approved creation of a special window to provide last mile funding to the stressed affordable and middle-income housing projects in the country, in the form of one or more Alternate Investment Funds ("AIFs") for funding projects that are net-worth positive, including those projects that have been declared as NPAs or are pending proceedings before the National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code (IBC).
