



SILVERGLADES IN THE NEWS

Hike in circle rates will hit sales, say worried realtors

Shahnawaz Alam | TNN

Gurgaon: A day after the government increased circle rates, pushing up property prices in most parts of the city, several developers on Thursday claimed the move will impact the realty sector adversely, especially because of the pandemic.

They said the hike will hit realty transactions, particularly in the municipal limits along Delhi-Gurugram Expressway, Dwarka Expressway and Gurgaon-Alwar Highway (Sohna Road).

The move will only help increase the registration fees for both commercial and residential properties. The increase in rates will affect the ongoing and future real estate transactions in Gurgaon and add to the existing inventory of unsold stock, many said.

Circle rate is the minimum price fixed by the state government at which property needs to be registered when bought or transferred. A property has to be registered either on the actual

transaction value or the minimum rate (circle rate) set by the government, whichever is higher, after paying the stamp duty and the registration charges.

Pradeep Aggarwal, chairman, affordable housing council of ASSOCHAM, said

PRADEEP AGGARWAL

The move to hike the rates would discourage investors from buying properties

it would increase the costs of properties in the affected areas. "This year, the Delhi government has decreased the circle rates. We were expecting that the Haryana government would decrease the circle rates. The move to hike the rates would discourage investors from buying properties," he said.

Praveen Jain, president (Haryana) of National Real Estate Development Council, said, "The hike may disappoint buyers who are planning to invest in the re-

gion. It may lead to delay in investment decisions and finally will hit the market."

"The Ministry of Housing and Urban Development has advised all states to reduce the circle rates, but the Haryana government ignored the Centre's advice. Owing to the pandemic, the Delhi government reduced circle rates by 20%, but the Haryana government increased the maximum registry floor by 20%. Buyers will move from Gurgaon to Delhi and another part of NCR to buy flats," he added.

According to real estate bodies, the buyers prefer builder floors. **Real estate market conditions are not conducive to absorb the blow of increase in the circle rates at this juncture, when the country is witnessing the second wave of Covid. The government should be rolling out measures like stamp duty waivers to boost transactions and improve state revenue collections as Maharashtra has done,"** said Anubhav Jain, CEO, Silverglades Group.