

# PRE AND POST EFFECT OF GST ON REAL ESTATE IN DELHI NCR

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## ABSTRACT

In India since its chance in the wicked obligation grouping structure one of the dynamic changes is GST. To keep up a key decent ways from the duplication of charges it is the tremendous target behind its finishing. One country one assessment is the vital focus interest. The cost base is to expanded further. At 12% yearly in India, the land partition is relied on to make till 2020. Besides, land division is proceeding with the execution of measures and acts right hand changes is being made to the land zone in India . To accomplish its objective by 2022 of offering houses to the total of what center has been pulled in to coordinate lodging programs by the gathering of India. The fundamental reason for this paper is to assess the effect of GST shoreward part in India. Regardless of this paper moreover targets learning at pre and post impact of GST in the current condition on Real Estate . The use of GST for Real Estate Sector is both quieting and badly arranged. A space neither have a 'Best in advance' date nor a 'MRP' not in the least like a FMCG thing . With a standard GST, the association should see a plunging improvement in costs. Notwithstanding, as for Indirect Taxes there are inconveniences which should be tended to for the Real Estate Sector by the Union Government. Through the proposals of Tax specialists Developers, and buyers changes has made in GST by the GST Council concerning land. So as to help this Sector the lessening in the pace of GST has been represented by the Council on Real Estate.

**Keywords:** Affordable Housing, GST, Real Estate, Tax Base.

## INTRODUCTION

Real estate sector has become a very major distributor or contributor in our Indian economy making rapid strides in recent times. The sector was previously greatly diversified and unorganized and now becoming structured and organized, continues their metamorphosis besides witnessing a slowdown trend from as its similarity in developed nations across all over the world. From all the classes real estate is considered to be the eldest assets and also being preferred. This refers to any physical property and this land is used as the improved affixture to the land, which includes building, houses, fencing , landscaping, etc. Let's take an example, the houses and the unused land and residential lots, decks, outbuildings, trees, furniture and fixtures are treated as real estate within the boundaries of the property. It is, therefore the assets which includes buildings, land, over the land and underground rights, air rights, below the land and all rights. Adam Smith has written in his book 'The Wealth of Nations' 200 years ago that "a dwelling-house doesn't contribute anything to the revenue of its people living there". Then the Economists did reported that till 2008 most of the Americans were considering their homes as the part of the investment.

Because of which the traditional belief still holds good that to acquire wealth it is necessary to have home ownership milestone. If someone owes the house to live there, the owner will not only get benefitted from long term price appreciation but also saves rent. And those who rent out after buying a home, are basically initially for financial profits, be the long-term gain, which is a monthly cash flow statement income or it includes both the things. But, investors for buy it for living, as it is considered to be the only biggest investment they will make ever in that period, should care for the net returns a home can yield. When the real estate sector gets the push with the implementation of a single regulator RERA from the Union Budget 2017-18 and the announcement to the affordable housing sector of 'infrastructure status' for getting achieved the Prime Minister's mission of 'Housing for All by 2022' mission, can serve as a significant step . For those

people who already had a good position in the market this could be game changing step. Moreover, the aim of building 2 crore houses for the urban poor 305 cities and towns have been identified by the Central Government under the scheme of housing for all by 2022 view or vision seen by our Prime Minister (Pradhan Mantri Awas Yojana). Currently, as it was considered to be the main job creator, by 2030, this mission and vision is considered to be in need from 29 million workforce to 38 million workforce. The impact of elections in the short term might affect the market sentiments may be in terms infrastructure projects and slowdown policy of clearing critical to real estate, but it was being expected to raise the growth of the sector as there is stable government at the Centre.

An area of concern for stakeholders can be taken as lack of credit and the NFDC crisis in the sector. With GDP growth rate of our country India at 7.5% which had the rate controlled of inflation is pegged at 5.9% and, positive economic indicators have kept the markets stable. All-encompassing growths of this sector should be prioritize the effort to continue this momentum.

Last year the main focus of the development became market adjusting and consolidation to the new policy requirements. A conducive business environment has been created by the increased core structural reforms, accountability and transparency have raised the want of doing for the ranking of the country India for both investors of home and foreign. The application by the RERA have ensured that only credible developers drive the market phasing out non serious players. With established names further capitalize on its brand further consolidation of the market is expected.

Massive infrastructure augmentation and affordable housing by the Indian Government which includes significant expenditure of capital for railways, expansion of schools, roads and hospitals and development for the small airports which is expected to create market for Real Estate in the near future. New market segments for investments has been emerged by concepts such as co-living spaces and co-working spaces. Buoyant is expected to be continued by the commercial market segment. Indian Warehousing and logistic market after being inferred industry status are seeing investment and good space transaction. The brisk momentum will be continued by the retail and residential segment.

By 2025, about 13% Real estate is expected to contribute to the GDP of country and market size of US\$ 1 trillion is expected to be reached to the country's real estate sector i.e. India which is expected by 2030 from US dollar 121 billion in 2017. For the growing needs of India it provides the much-needed infrastructure Retail, commercial and hospitality real estate has also grown very significantly.

When Real Estate Investment Trust (REIT) platform has got its approval from the Securities and Exchange Board of India (SEBI) where the help will be in allowing by every type of investor to invest in India's real estate market. Over the years the Indian market is able to have the opportunity for worth rupees 1.25 trillion (US dollar 19.55 billion) would be created.

The sector which is in between Jan-Oct 2018, the investments for Private Equity and Venture Capital had reached US\$ 4.2 billion. US\$ 5.5 billion for 2019, it's the maximum in the decade; Institutional investments of our country, to go that level are expected the India's real estate

The availability of capital goods for the real estate sector in the economy, Input Tax Credits were being paid on inputs and the input services which is the highlight of the GST regime. The developers in this case are liable to pay a multiple of taxes like Central Excise, LBT, VAT, Service Taxes, Octroi, Entry Taxes, etc. The credits against which were not readily available against the tax liability for output. However, by this cascading effect of taxes, eliminating the inefficiency ushered in ITC ability to construct and produce other services which is provided by GST regime.

From a real estate developer's standpoint, before the recipient of Occupancy Certificate, the GST would only be applied for the sale of properties which are under-construction. With a standard 33% abatement being provided At 18% the rate of tax has been pegged (or 12.01% for specific housing projects which are affordable) under GST, for the value of land. This, 12%/8%, is the most effective rate of GST for sale as compared to around 5.5% of under construction properties (for example 4.5% Service Tax and 1% VAT under the synthesis plot with obliged credits) is of the whole understanding a persuading power under the determined mischievous obligation system. Unmistakably, well past the stamp commitment (around 5%) payable on the understanding worth is required by GST. Around 17%-13% of everything considered commitment assessment rate is leaded by this. Such a liberal charge evaluation rate on the exchange perceives cost quickening for the last buyers. Regardless, GST permits brilliantly wide degree of ITC, the understanding worth ought to in a perfect world abatement. Another edge which prompts astonishing social gathering conversations

about and adds drive to the cost blend structure is the undeniable GST rates on guaranteeing about of information affiliations in like way, inputs. Continuation to stir move towards an extricated up evaluation rate structure and careful of rates has been showed up by the connection. The rate decrease from 28% to 18% has all things considered been beginning late tended to with getting amazing on 27 July 2018 Beginning in the generally late past , creating costs and stale costs since the unprecedented downturn of 2008-09 the Indian land division was encountering moderate outlines following demonetization in the kind of GST, the section has now been familiar with another wave GST is no readied to offer of land. For assessable land exchanges right now, standard lessening of 33% is given by the GST of the firm getting/understanding respect towards estimation of land. Particularly in metropolitan zones ,The settlement of decay isn't manager of the estimation of land in any case it is welcome move from the Government, where around half 60% of the understanding esteem land worth can outflank,. At this moment the estimation of land really is more fundamental than the 33% standard, such framework makes a weight ; the estimation of land is sufficient arranged. Land an area Whether this standard decline it ought to be seen that the regardless GST law quiets on would win of whether remarkable gratefulness is entered for land pack, or a substitute respect is secluded towards, gotten in certain states which is the conspicuous practice. For headway of a structure ensured about on things and attempts which is utilized for one's own record. the verbalization "utilized for ensure account" as it preferably should mean a structure which isn't sold and utilized for ensure business is befuddled .Regardless, the state of renting a building is confounded. Despite how the assessable rental pay is made, properties may not be qualified for ITC made for renting/rental purposes under GST. utilized in the course or improvement of business , if there should be an occasion of business updates or unfaltering property credit need is applied, at the present time costs generously. The improvement of credits standard of free is against it. Fundamental to advantage ITC was not all thing and experiences yet truly just on works contract affiliations and under the past literature Review.

## LITERATURE REVEIW

**Dr. R. Vasanth Gopal (2011)** stated and studied that against complicated current system of indirect taxation in India adopting GST is considered to be a big phase in the rising economy of India

**Panda and Ratel (2015)** analyzed the impact on Indian Tax Scenario of GST. The historical Indian taxation system have been briefly detailed by them and its tax structure is also depicted clearly. Then they discussed in detail the necessity of arousing the change in tax structure in the present tax scenario in India from by the authors earlier in this paper as the background, the impact and silent features of GST.

**Dani S (2016)** stated that GST would negatively impact on the research paper for the topic of Impact of Goods and Service Tax for the nation like India on their real estate market, which would lead to a reduction of demand by about 12% and an addition to the cost of new homes up to 8%.

**Shrikant Paranjape (2017)**, president of CREDAI Pune Metro, maintains that "The property prices will be difficult to gauge how much it is impacted by GST at this stage because the abatement for land value has lack of clarity. In a product the GST does not cover the raw materials and the GST also does not cover the completed units , it will very difficult to justify or calculate the tax benefit .Whether and how much benefit will be passed on will be decided by the market forces by the developers to the purchasers, the ready reckoned rates and time,." FICCI (April 2013) emphasized for achieving double digit growth in India GST to be a necessary condition, provided for the change all the stakeholders are needed to be prepared

**Mawuli (2014)** suggested in low income countries GST to be less than 10% the adverse effect of GST can be mitigated

**Kumar (2014)** by enabling the development of a unified national market he highlighted role of GST in eliminating economic distortions with a common tax rate.

**Pinki and Verma (2014)** illustrated that a number of benefits would as a result of GST for all the stakeholders involved, government at the state and central level and the consumers. The study also highlighted be imperative for GST to robust IT infrastructure to be implemented successfully.

**Sherawat and Dhana (2015)** concluded GST to result in employment and economic growth, increased output, owing to greater openness.

**Carso et al. (2016)** suggested GST will lead to the increase in the GDP by more than 2% and also economic development of India will be aided by GST

**Khurana & Sharma (2016)** point to as an great rise for the consumers and the producers the role of set offs available in the economic history.

**Rizwan (2016)** found a direct relation on employment and economic consistency has been done GST, thus improving the growth prospects of India. The prior literature and illustrates the benefits of GST theoretically and discusses GST as a concept. In Pre & Post GST regime, the present study by examining the impact of GST attempts to fill this research gap on the Real Estate sector. A comprehensive view on the GST implementation is provided by the study in this context. Service tax regime.

**Ehtisham Ahmed and Satya Poddar (2009)** investigated, "Goods and Service Tax Reforms and Intergovernmental Consideration in India " and found that With increment in profitability of economy in India clear and less complex examination framework will be given the presentation of GST .On balanced structure of GST are reliant the advantages of GST from a general perspective.

## OBJECTIVES

- 1)To study the effects of GST on REAL Estate Sector
- 2)To study the pre and post GST real estate trends of DELHI NCR

## RESEARCH METHODOLOGY

This paper is a descriptive study which is done on the basis of secondary data taken from different journals, newspapers and magazines. This type of research design is designed because of the adaption to the more accuracy and to do the analysis of research study in accordance with the paper objectives of the study. The secondary data which is available is used for the research purpose.

## ANALYSIS

### Understanding the GST

With four bracing Legislations on March 29, 2017, the Lok Sabha bolstered The GST Bill -

- a) The Central GST Bill, 2017;
- b) The Integrated GST Bill, 2017;
- c) The GST (Compensation to States) Bill,
- d) The Union Territory GST Bill, 2017.

A four-level commitment structure has been proposed by the GST chamber – 5, 12, 18 and 28 %. Likewise to repay the states against pay misfortune a cess will be obliged on weakness and extravagance things for the basic five years of the utilization of the GST. To make a uniform market association charge, focal concentrate VAT and other neighborhood commitments will be subsume by the GST for example one country one evaluation. Absolute national yield headway is required to help by the GST by around 2 % and check charge avoidances . GST is should have been paid by us just on the deftly of things and attempts. GST is in peril to charge by the individual who is giving or giving associations or item. Where last use of things and undertakings happens there is GST is applied . GST against that payable can be set off on the deftly of item or associations. The distributor or maker or retailer through commitment credit part can guarantee back will pay the suitable GST rate . Regardless, the end client needs to manage this commitment must be unpleasant looking by the end customer and being the last individual in the easily chain subsequently, in different regards, GST takes after a last-point retail charge. At the retail location GST is being will be gathered

### Current Condition of Real Estate Sector in India

One of the most observed parts is the land an area over the world. In India, with respect to business age it is the second most prominent part close developing section. More than multi decade from now 30% is the conventional headway pace of GST. Land an area can be mentioned into-retail, lodging, business and warmth. By 2020 US\$ 180 billion is relied on to be moved by the Indian land announce. Nation's 5-6% of Gross Domestic Product (GDP) is contributed by the lodging segment alone. In the period FY2008-2020, at a Compound Annual Growth Rate (CAGR) of 11.2 % the market size of this zone is required to increase. Giving the really essential framework retail, business land and comfort are moreover developing fundamentally for India's developing needs.

### Ceaseless Development in Indian Real Estate Sector

A transitional stage is being seen by the land locale of India . With the utilization of Real Estate Regulation and Development Act (RERA), Real Estate Investment Trust (REIT), GST, Benami Transactions (Prohibition) Amendment Act, Change in Accounting rules IFRS and Affordable lodging task of the association the players of the land division needs to detail their blueprints and strategies in like manner.

Following are the spot the area can feel the effect.

- 1) Global capital stream into Indian land will increment.
- 2) Developers will re-attempt their courses of action
- 3) Affordable lodging will have the critical spot
- 4) More industry mix; Mergers and Acquisition
- 5) REIT will be going about as headway Catalyst

### After GST

Generally or absolutely, private structures will pull in 12 % GST which are proposed to be offered to purchasers . Regardless to the venders full information charge credit will be accessible. Under the new cost structure the exchange respect changes elusively from 10-11% to 12% for states with non-composite VAT . Without any information charge decrease or inadequate piece of elbowroom ,prior states with composite VAT with input cost credits open foresee that experts should pay lower VAT rates on the full scale property estimation exchange cost – VAT (1%) and association charge (4-5%) offered the to purchasers (firm 56%) by the planners under this system . The fashioners get balance just for the information association charge partition. In the GST structure, With input credit open on both, the exchange cost increases to 12%, on material and association. By 6%, Property exchange costs will increment if makers pass on no information credit. The property cost increase could be compelled to 1-2% if draftsmen give the information credit to purchasers.

### Impact of GST on Buyers,

Buyers expected to pay VAT, Registration charges ,Service charge and Stamp obligation under the past cost framework on a work in progress ensuring about of properties. Furthermore since were from state to state, expenses of properties faltered considering the way that state requests VAT, Stamp obligation and Registration charges . Also, for which credit system was not open various obligations are paid by the fashioners like approaches charge (CST), OCTROI, custom duty, etc. A single cost rate under GST of 12% on being worked on properties is material while GST isn't critical on sorted out to bargain properties or on completed which was the circumstance in past law. At this moment lessening of expenses under GST will benefit the buyers.

### Impact of GST on Developers/Builders/Contractors,

Developers expected to oversee Excise obligation, VAT, Customs duty, Entry charges etc. under the past responsibility framework on inputs/grungy materials and Service charge on input affiliations like skilled worker fit costs, ensuring charges, legal charges, work charges, etc. For obligations like Customs obligation, CST, Entry Tax, etc. ITC was not available. in like manner, the weight to the buyer



was moved thusly as this would affect the assessing. Modelers' improvement costs under GST are basically lessened With openness of information charge credit various costs are subsumed. In like manner, an additional decent position is that decline in cost of composed endeavors. Right now in edges may be seen by engineers'. Various estimations must be done by coordinators to appear at ITC on the disadvantage with the objective that it might be sent on to the buyers. Right now, can pass on the ITC generally speaking, fundamentally during the last stages. The specialists may be impacted This nonattendance of straightforwardness on ITC since buyers may quit any pretense of buying decision may rely on "obstruction and watch" approach

### **Impact of GST on various Stakeholders**

To what degree the bound together affiliations like material suppliers, work, affiliation suppliers, etc are influenced depends in the dedication gathered on these thing and attempts are extended or lessened . This will have an everything considered huge impact shoreward industry

### **Productive assessment rate**

On the possibility of a work in progress properties, before the receipt From the point of view of make of spot where there is Occupancy Certificate (OC) , GST would apply. being given. Under GST At 18% the evaluation rate with a standard of 33% being given lessening has been pegged, towards the estimation of the land. Thusly, open to be purchased when stood isolated from around 5.5% 12%/8%, is the conceivable GST pace of a work in progress properties under the persevering extraordinary appraisal structure is of the whole getting worth. Unmistakably, gathered by GST payable on the understanding worth is well past the stamp commitment which is around 5%

Of everything considered examination blend rate around 17%-13% is lead by this. Cost expanding speeds results from such wide evaluation course of action rate on the exchange for the last customers. Regardless, the understanding worth wide commitment appraisal rate on the exchange ought to preferably reduce.

The diverse GST rates is the another point on getting of data and affiliations which drives multifaceted nature to the philosophy of assessment blend and adds to senseless outline investigates. Continuation to work move towards an improved charge rate structure and on help of rates has been appeared by the board. With happening on 27 July 2018 has reasonably been beginning late watched out for the rate decrease from 28% to 18%

### **Valuation of supply**

To land GST is no avowed. Land exchanges for assessable as needs be, a standard lessening of 33% is given by the GST towards estimation of recognize that is known for the full scale awareness/getting worth. The respect of lessening particularly in metropolitan regions , isn't illustrative of the estimation of land where land worth can crush around half 60% of the getting respect. At this moment approach makes a weight where the estimation of land really is more essential than the 33%.

It ought to be seen that would win even in the event that remarkable synchronization on whether this standard decreasing is entered for , or another worth land confine is shown out towards land the GST law quiets which is gotten in express states.

### **Input charge credit limitations/inversions being dealt with attempts**

On the establishment wherein GST is amassed is of liberal see system for example for insignificant limitations award thing and encounters credit. Against the works contract affiliations/improvement ITC of GST , GST law licenses paid on capital things and information affiliations gave by fashioners. In any case, for development of a structure paid the GST law limits ITC of GST which is utilized for one's own record bounced on things and endeavors. Regardless, it is decrease the circumstance of renting. Properties may not be set up for ITC paying little mind to how the assessable rental remuneration is made, under GST passed on for renting/rental purposes. in case there should develop an occasion of business unafraid property or progress utilized in the assistance of business or course, at this moment costs, credit check is applied basically .Against it is the standard of free improvement of credits. Under the past help charge structure Restriction to benefit ITC was evidently on works contract benefits in any case not all thing and experiences

A typical miracle is the course of action and making sure about of plots/lands is in the land business. As such we don't consider land as outside GST and as supply of things/affiliations. Offer of land is seen by GST law rather than this as a vindicated proportionate inversion of chief credits is required and supply. As the credit ascribed this in an augmentation in control cost would be occurred towards land.

Being outside the ambit of GST in the wake of getting Occupancy Certificate, during a cash related year on costs caused ,open to be purchased of properties ,to switch proportionate credit might be required by the creators of GST inferable from such compensation. Taking into account that , the instrument for credit inversion which is standard doesn't cook the advancement time length spreads longer than a year for each experience which has a multi-year cycle to the extraordinary properties of this industry. Further, ITC inversion will be started on key costs, for example, moving, account, partnership charges, and so on to be given out among

experience will be required and on post getting OC offer of properties . The structure for inversion and bifurcation on a case to case reason should be settled of such ITC

Land ,12%-8% is the correct GST rate while on inputs/input relationship at 18-20% might be the inside pace of duty, for example, concretes, stuffed wood, and so on or 18% on subcontractor affiliations . Particularly in moderate lodging tries taking into account a changed commitment structure, which pull in control at 12% arrangement of credit might be come about whether cutoff centers would be available to be basic to pick under balanced obligation structure.

Renouncing of credit due to non-group is given by the GST of basic worth and cost inside 180 days to the sellers. For the bits by honorableness of execution clarifications counteraction of ITC on the frameworks of help might be come about made by the originators to be made to the subcontractors. This would perceive working capital blockage either in the hands of the expert or the sub-brief authorities.

If there should develop an occasion of paid for affiliations GST is fitting on advance . Henceforth, pushes are required by the managers to be paid to legitimate workers. At any rate fundamentally after receipt of things/affiliations and receipt , credit is permitted. Working capital blockage would be happened true to form. Regardless of whether One need to isolate if receipt can be treated as running bill. At time of issuance the GST commitment would be incited if the indistinct is treated as receipt of the running charge itself. In land industry this business challenges right may at any rate be acted like running bill is changed/reexamined commonly.

#### **Net Effect:**

Home purchasers may hardly get advantage if the credits are passed on totally by the fashioners and slash down the base costs under the GST structure. By chance, liberated from whether the property is a work in progress or developed stamp duty in the pre-GST and post-GST structure will keep being applicable. A noteworthy piece of the improvement materials under the GST structure, are under the 18 and 28% piece. For instance, by and large the steel and steel things in the 18% piece and pre-gathered aide and strong parts for fundamental organizing or building, are in the 28 percent zone. Notwithstanding, when everything is said in done commitment occasion is killed as the information charge credit is open on things used for progression, .

## REAL ESTATE TRENDS IN DELHI NCR POST GST

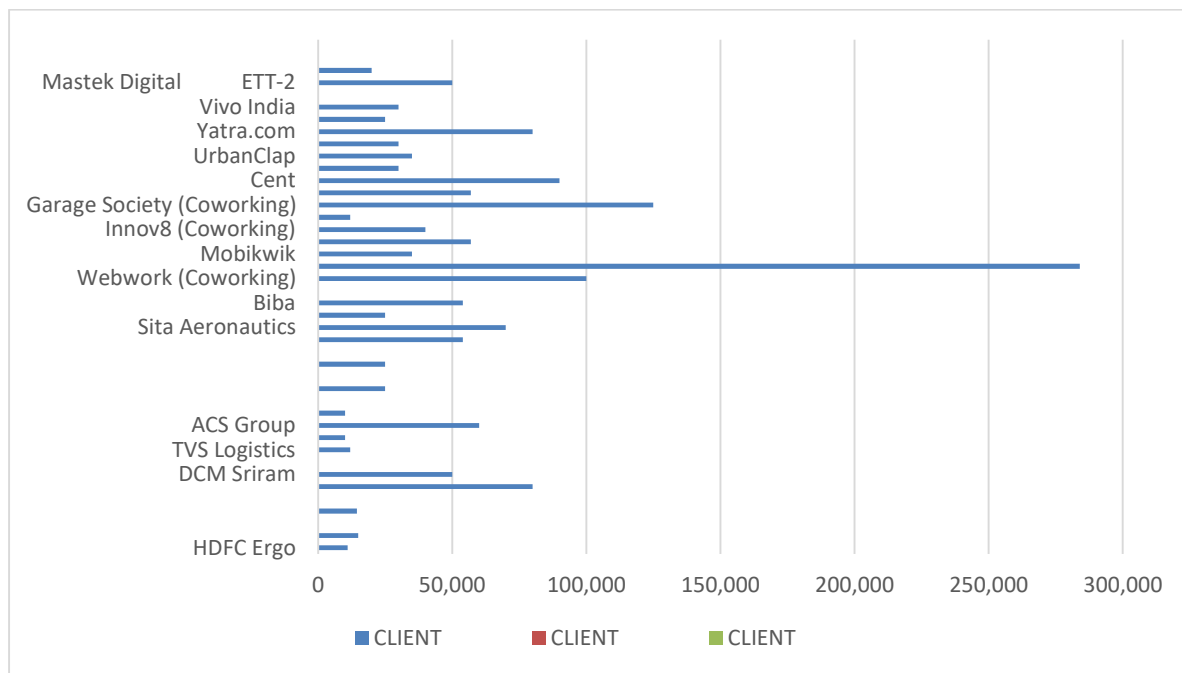
The National Capital Region (NCR) in India which wraps the whole National Capital Territory of Delhi has the assignment for the metropolitan or conurbation zone, which joins New Delhi and urban zones walling it in by neighboring states, for example, Uttar Pradesh, Haryana and Rajasthan. Starting at 2011 Census, with a people of more than 47,000,000, NCR is one of the world's and India's most basic urban agglomeration

## NCR Delhi Commercial Real Estate Trends

CLIENT	Building Name	Area (SF)	Location	Lease/ Sale
HDFC Ergo	Eros Corporate tower	11,000	Nehru Palace	Lease
Mosaic Digital	Building No. 17	15,000	Okhla Phase 3	Lease
Dr. Oatker	Building No. 211	14,500	Okhla Phase 3	Lease
Hero Fincorp	A-44	80,000	Mohan Co-operative	Lease
DCM Sriram	Bharti Wordmark	50,000	Aero city	Lease
TVS Logistics	B-1/J-1A	12,000	Mohan Co-operative	Lease
Windex	A-25	10,000	Mohan Co-operative	Lease
ACS Group	Arihant Tower	60,000	Sector-126, Noida	Lease
Pragya wan Group	B-12	10,000	Sector-1, Noida	Lease
Ecosphere Coworking Pt. Ltd	B-61 & B-70	25,000	Sector-67, Noida	Lease
Fatally	C-5	25,000	Sector-1, Noida	Lease
Office Beans (Coworking)	Unitech Cyber Park, Tower C 5th & 9th Floor	54,000	Sector 39, Gurugram	Lease
Sita Aeronautics	ASF Towers	70,000	Udyog Vihar - 4, Gurugram	Lease
Fujifilm	Unitech Cyber Park	25,000	Sector - 39, Gurugram	Lease
Biba		54,000	Extn. Golf Course	Lease
Webwork (Coworking)	Galaxy Hotel	1,00,000	NH-8	Lease
Webwork (Coworking) III	Forum	2,84,000	DLF Cyber City, Phase	Lease
Mobikwik	Good Earth Business Bay	35,000	Extn. Golf Course Road	Lease
SE2	Brookfield Sez	57,000	Sector 48	Lease
Innov8 (Coworking)	Orchid Centre	40,000	Golf Course Road	Lease

Source: <https://www.realisticrealtors.com/assets/CIRIL%20Half%20Yearly%20Report.pdf>





Out in the year 2018 of space rented raise concerning space request with around 9.5 mm sq. ft NCR Delhi office land has come out to be just the second normally clear .Of the unyielding retention, keeping an eye on 60% the most favored market paying little notice to everything stay to proceed Gurugram. Followed by Manufacturing and Engineering , Financial Services ,Banking and Insurance (BFSI) part, for half of renting volume the IT-ITeS is tended to.

Of Grade An office space in 2018 store of around 4.8 man sq. ft has been seen by NCR DELHI as looked at in 2017 which is 3.5 man sq. ft. in various events of progress there is of office space around 15 men sq. ft keeping an eye on 9 mm sq. ft of future hold with Gurugram. Of 34% wherever all through the little extension consolidates the open entryway rates as high as conceivable is relied upon to

In most littler extension markets rental stayed stable. By greatness of prohibitive stock unimportant gratefulness was seen in not many business pockets in New Delhi and NOIDA while a base worth update was found in fairly barely any zones of Gurugram.

Owning to the new store business office display is required to stay obvious and positive towards facilitators that would be open by 2019. There is trust in the augmentation number of chance level further. In 2019 rental costs has, as it's been said, stay unaltered. till year end 2020 everything considered business markets is relied upon to stay stunning

## NCR Delhi Retail Real Estate Trends

NCR Delhi Markets	2015	2016	2017	2018	2019
Khan Market	1250	1250	1350	1375	1375
South Extension I&II	755	755	770	775	775

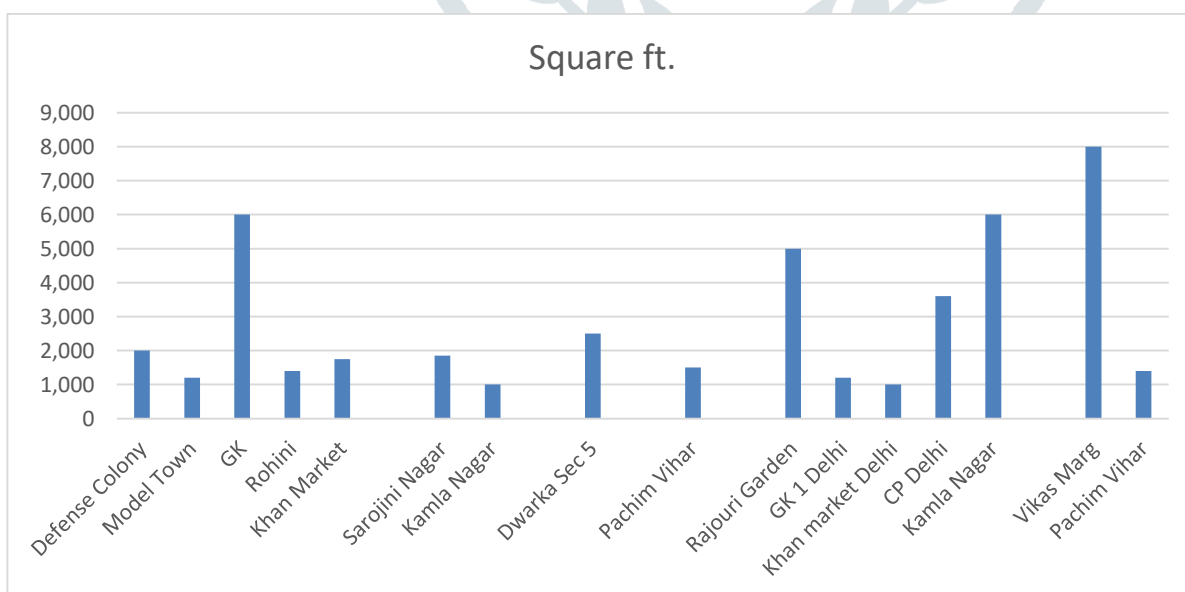
Connaught Place	810	810	820	825	825
Greater Kailash I, M Block	555	555	560	570	570
Rajouri Garden	210	210	215	225	225
Karol Bagh	380	380	390	400	400
Kamla Nagar	455	455	455	455	455
DLF Galleria (Gurgaon)	705	705	705	710	710
Sector 18 (NOIDA)	230	230	230	230	230
South Delhi	505	505	505	515	515
West Delhi	330	330	330	330	330
Gurgaon	380	380	380	380	380
NOIDA	385	385	385	385	385
Ghaziabad	210	210	210	210	210

Source: <https://www.realisticrealtors.com/assets/CIRIL%20Half%20Yearly%20Report.pdf>

Property	Location	TENANT	Square ft.
Defense Colony	Defense Colony	Dominos	2,000
Main Market	Model Town	UCB	1,200
GK 1 M-block	GK	MINI SU	6,000
Sec 3	Rohini	Cantabiles	1,400
BOI	Khan Market	Hamleys	1,750
Main Market	Sarojini Nagar	Peter England	1,850

Jawahar Rd	Kamla Nagar	BlackBerrys	1,000
Dwarka Sec 5	Dwarka Sec 5	Kiasa	2,500
Jawaher market	Pachim Vihar	MINI SU	1,500
Main Market	Rajouri Garden	MINI SU	5,000
M Block	GK 1 Delhi	Marks & Spencer	1,200
Khan market	Khan market Delhi	Marks & Spencer	1,000
D Block	CP Delhi	One plus	3,600
Kamla Nagar	Kamla Nagar	H & M	6,000
Vikas Marg,	Vikas Marg	FBB	8,000
Jawaher market	Pachim Vihar	Vision Express	1,400

Source: <https://www.realisticrealtors.com/assets/CIRIL%20Half%20Yearly%20Report.pdf>



Love Moschino, the Italian abundance structure retailer moved in the city in DLF Promenade strip shopping center its pioneer store, while Ximi Vogue, Korean retailer with a the opening of store in the Kamla Nagar continuously cautious other alternative, made its catch in Delhi NCR. Rentals increase by 3% - 5% has been seen because of strong interest and bound responsiveness of the central street spaces.

Retail markets of NCR Delhi are relied upon to watch continued with essentialness for quality retail space in 2020, finding sound night out from retailers an additional 2ms of supply are likely 2020 a huge piece of which is discharged.

With complete renting of 1.5 men sq. ft a sound exchange a has been seen by DELHI NCR in the year 2018. With another strip shopping center store of 150,000 SF at Gurugram of Delhi NCR has made another record in Sector 29, in 2018 –Trillium of TATA - the essential development within strip mall space. Deferment of strip shopping center updates has been turned out as expected considering Limited straightforwardness of fundamental worth space and seeing low interest. The astonishing interest driver were the Apparel and way of life pieces. Strip shopping center rentals In 2018, stayed stable across submarkets. Spaces in strip shopping centers has been rented by Apparel and way of life retailers like Forever 21, Mango Central, Max, W, Frontier Raas, while retail impression in central paths have been related by brands of F&B like Nik Baker's, Starbucks, Chaayos

## NCR Delhi Industrial and Warehousing Trends

Industrial and warehousing Submarkets	Land rates in INR Mn/acre	Industrial Rents INR/sq. ft/m	Warehousing Rents INR/sq. ft/m
Mundra	20-60	20-30	15-30
Alipur	25-50	18-25	13-20
Near Airport Dwarka	50-100	17-24	20-30
Okhla/Mohan Cooperative	30-10	25-35	30-50
NOIDA 390 - 395	40-50	35-40	16-30
Greater Noida	38-40	15-22	16-26
Faridabad	18-25	18-34	18-20
Gurgaon(Pataudi - Bilaspur)	18-22	19-21	10-18
Hasangarh	10-13	23-26	18-26
Kundalini/Sonipat/Baroda	60-70	27-29	11-20
Palwal	15-20	17-19	13 -15
Ballabhgarh	16-18	25-27	20-22
Bhiwandi	35-40	15-17	15-17

Khushkhera	22-25	14-15	14-15
Neemrana	39-42	14-16	14-16

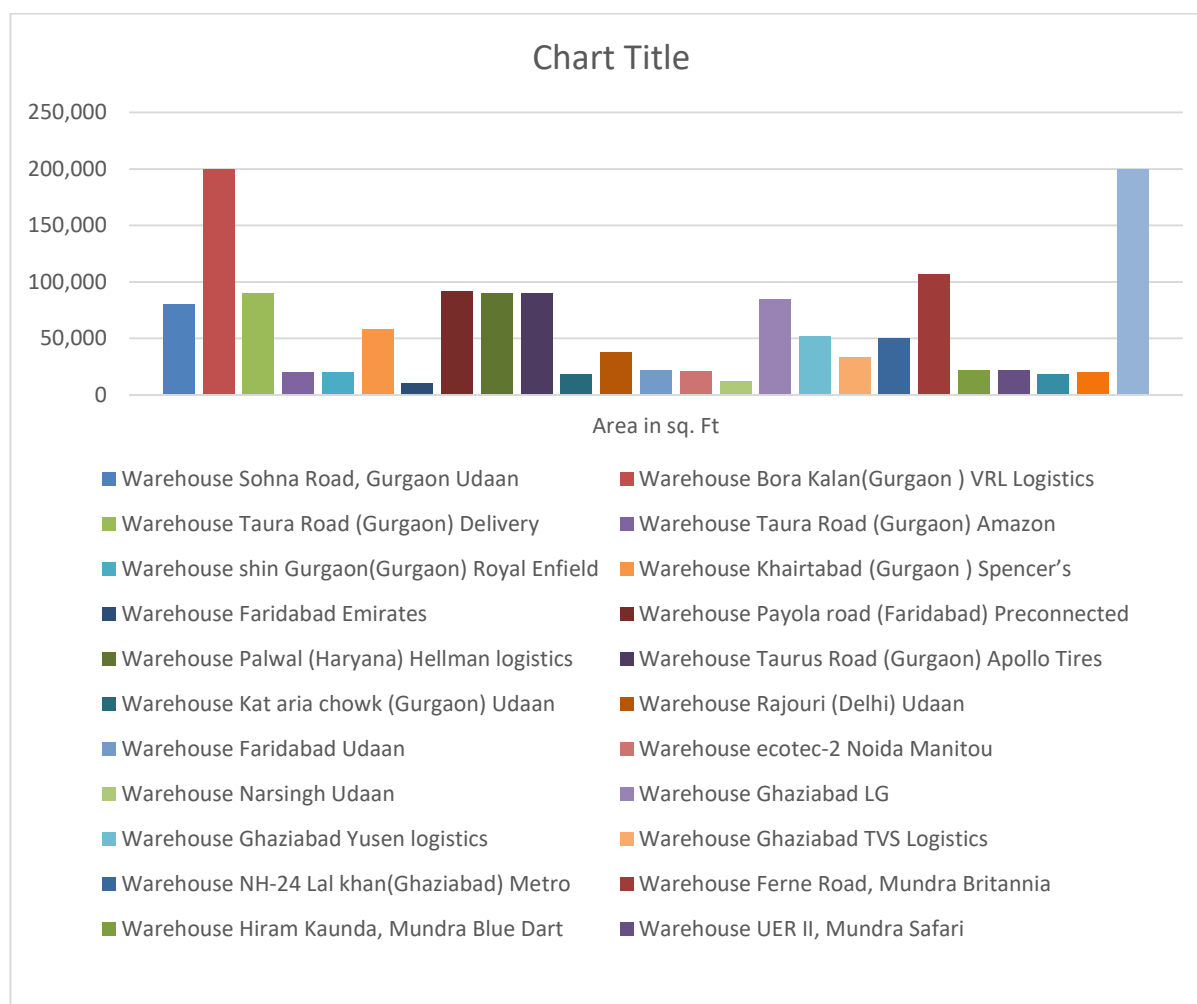
Source: <https://www.realisticrealtors.com/assets/CIRIL%20Half%20Yearly%20Report.pdf>

Property	Location	Tenant	Area in sq. Ft
Warehouse	Sohna Road, Gurgaon	Udaan	80,000
Warehouse	Bora Kalan(Gurgaon )	VRL Logistics	2,00,000
Warehouse	Taura Road (Gurgaon)	Delivery	90,000
Warehouse	Taura Road (Gurgaon)	Amazon	20,000
Warehouse	shin Gurgaon(Gurgaon)	Royal Enfield	20,000
Warehouse	Khairtabad (Gurgaon )	Spencer's	58,000
Warehouse	Faridabad	Emirates	10,000
Warehouse	Payola road (Faridabad)	Preconnected	91,500
Warehouse	Palwal (Haryana)	Hellman logistics	90,000
Warehouse	Taurus Road (Gurgaon)	Apollo Tires	90,000
Warehouse	Kat aria chowk (Gurgaon)	Udaan	18,000
Warehouse	Rajouri (Delhi)	Udaan	38,000
Warehouse	Faridabad	Udaan	22,000
Warehouse	ecotec-2 Noida	Manitou	21,000
Warehouse	Narsingh	Udaan	12,000
Warehouse	Ghaziabad	LG	85,000
Warehouse	Ghaziabad	Yusen logistics	52,000
Warehouse	Ghaziabad	TVS Logistics	33,000
Warehouse	NH-24 Lal khan(Ghaziabad)	Metro	50,000
Warehouse	Ferne Road, Mundra	Britannia	1,07,000
Warehouse	Hiram Kaunda, Mundra	Blue Dart	22,000



Warehouse	UER II, Mundra	Safari	22,000
Warehouse	Mundra	Ecom Express	18,000
Warehouse	Ferne Road, Mundra	Spot-on	20,000
Warehouse	NH-9, Mundra	Fintech	2,00,000

Source: <https://www.realisticrealtors.com/assets/CIRIL%20Half%20Yearly%20Report.pdf>



In India by excellence of the closeness of and gathering and enormous buyer base outstanding amongst other warehousing network centers is DELHI NCR, Of present day warehousing space with directly around 3 mm sq. ft. being leased over the area in the NCR leasing headway remained extravagant. Along the NH-8 modernized Pre-assembled Building (PEB) workplaces continued with demand is been moved in regions, for instance, Tara Road and Binola ,Pataudi, trailed by the mechanical zones of Dadri (Ghaziabad), Mundra (Delhi), and Greater Noida. The essential intrigue drivers is so far continued by E-business. As a result of proceeded with interest a progress of 5-7 % during 2017 is seen by rental characteristics in Delhi from 3PL and online business players., 2,80,000 sq. ft. approximately a striking trade at Tauru Road was leased by Flipkart and shut down Jamalpur 1,00,00 sq. ft was leased by Hero Motor Corp , will be the with bolstered fervor from FMCG , Major premium drivers in the Delhi NCR market will be Gurgaon Industrial and warehousing , 3PL and web business players.

## CONCLUSION

Against those taxes paid by the buyer a seller on the sale of under construction property can take the input credit. Earlier, around 9 % of the ticket price of the property used to be the Service tax and VAT. Now the benefit of price reduction have to be passed on by the builder that will be lower than the GST applied to the sector, to the buyer. The input tax credits will result in price reduction that the builder will avail. Earlier the state charged builders for VAT, Central Excise Duty, and entry taxes collected on construction material costs earlier. Moreover 15% tax on services like approval charges labor, architect fees, legal charges etc. were charged by them. However, the changes in construction costs are not very large , under the new regime. The input tax credits will result in reducing expenses reduced cost of logistics help in increased profit margins. Overall to work with GST will be an easier taxation system. Finally, we can conclude that changes in the real estate in the present day along with GST in the short run may slow down the pace of growth of the sector but in future, these changes will be beneficial for the consolidation and growth of the sector. Of a product life cycle in its growth phase in which the Indian real estate sector is. This sector is regularly motivated to improve constantly by the Indian economy, as soon as the RERA implemented this sector has got momentum. On one hand, to boost the sector the economy is showing favorable indication and on the other hand, seems to be double the power of growth, it is the trust of the investors in the sector which got regained by the investors. Which is actually the true fact that there is a lot of problems or difficulties in this sector is in its operations. Hence, undoubtedly this sector for the Company Secretaries profession is full of opportunities. The Builder or Developer had to deposit several Indirect Taxes in Pre GST regime collected from customer. But the cascading effect has been reduced by the GST. After its implementation the cost of construction has been increased by the GST for the builders after its implementation and has an significant impact on real estate sector. After demonetization and implementation of GST and Demonetization there was slowdown in the real estate sector . New challenges for the Developers are also being brought by RERA ACT. In order to boost this sector positive steps are being brought by the government. Rules & Procedures for builders have been notified by CLIC intended to take benefits of reduced rates. Relief on affordable housings is given by government. We will see over the period the positive impact of GST since it is in a young stage. With Real Estate Regulatory Authority ('RERA'), Registration of business and private undertakings procedure changes, for example, the GST and empowering of Foreign Direct Investment, by bringing genuinely central straightforwardness checks have begun influencing speculation condition, consistence and corporate positive relationship into the structure. With office and private divisions in the coming years the land a district is clearly going to succeed well and new parts, for example, warehousing and joint undertakings piece, to observe further strengthen broadened equity. A staggeringly phenomenal accomplishment for the Government and India is Implementation of the GST. Neglecting how it is at its basic days, beginning a positive note obvious are the focal concentrations for all accomplices. While GST has settled some long standing issues of valuation and streamlined the appraisal treatment for the land division and, nature of supply, and so forth., the enormous piece of breathing space has all the stores of being worried on the obtaining of thing and encounters broadened information credit Regardless, to stand the starter of law by engineers which are yet to be charted there are sure foggy regions that in spite of everything continue; some of which join -

- where the relative outsmarts 33% of taxability of land respect and for the improvement property and supply of land separate understandings have been shrunk by the fashioner
- For various occasions of similar undertakings assembled obligation calculation procedures have been gotten
- in regard of extraordinary zone taxability of charges, power stores, , vehicle leaving, and so forth and of 33% land end limit on the in every practical sense unclear;
- breaking point of organizers under the upset commitment structure to guarantee markdown

## SUGESSTIONS AND DICUSSIONS

The execution of GST For Real Estate Sector is both dangerous and quieting. Neither does a space have a 'MRP', in no way like a FMCG thing nor a 'Best as of now' date. The association accepts that costs should see a diving advancement with a standard GST. Concerning Indirect Taxes for the Real Estate Sector which should have been tended to by the Union

Government there are difficulties. Through the proposals of Tax stars, Developers and clients the GST is been urged has made changes in GST regarding land

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