

Mumbai August property registrations down from July, but continue to see on-year rise

Synopsis

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Property registrations in **Mumbai**, the country's biggest real estate market, declined in August from the previous month, as the benefit of a reduced stamp duty rate offered by the **Maharashtra** government to new home buyers no longer exists.

However, registrations continued to increase from a year earlier, because of a low base to compare with and purchases by women who are given a 1% cut in stamp duty.

As many as 6,635 deals were registered in the country's most expensive property market in August, according to data from the Inspector General of Registration, Maharashtra.

This shows a 32% fall in registrations from July, but over two-and-a-half times increase compared with 2,642 registrations in August last year.

Stamp duty collection at Rs 400 crore is down 27% compared with July but 135% up from a year ago.

The benefit of lower stamp duty announced for buyers of new homes ended in March. The government had given a four-month window for registration of deals if the stamp duty was paid before March end. That window also closed in July.

According to property brokers, the deal flow has slowed down in anticipation that the state government could announce a fresh cut in the duty.

Developers are also keen to see a reduction in charges and are ready to offer an equal amount of benefit to homebuyers.

"We would urge the government to reduce the stamp duty as this would be a win-win situation for all stakeholders including the government exchequer as witnessed in the first round of such a move. We, NAREDCO members, will match the quantum of reduction in stamp duty by the government, thereby offering a good benefit to homebuyers," said **Rajan Bandelkar**, president-elect of **National Real Estate Development Council** (NAREDCO) the realty developers' lobby group.

The performance in August, however, received some support from the government decision to give a duty discount to female homebuyers.

On March 8, to celebrate International Women's Day, the Maharashtra government announced a 1% concession in prevailing stamp duty for women homebuyers for the financial year of 2021-22.

"The percentage contribution of women buyers to the total registrations have been steady between 4-5% since June 2021. While in the first two months the number of women buyers availing this stamp duty were limited, we see a moderate uptick since June. This discounted rate will become attractive specially for end users and first-time female buyers and will encourage others to make their buying decisions," said **Shishir Bajjal, CMD**, Knight Frank India.

The share of female homebuyers in new residential sales in Mumbai has been improving, largely on the back of this stamp duty incentive.

The central government has also been promoting homeownership by women across the country for the last few years through various policies.

To avail of homes under the government's flagship **PMAY** scheme introduced in 2015, properties need to be registered either in a woman's name or with a woman as co-owner, and this has also pushed female homebuyers' proportion in total sales upward in Mumbai too, apart from other key property markets.

Besides, several banks are offering home loans to women at rates lower than those for men. While this varies across banks, the difference in rates can be as much as a quarter percentage point.

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