

## Real estate sector demands circle rate reduction in NCR

### Synopsis

"We all have seen the positive impact of rate cuts in Mumbai, with July recording the highest number of transactions in a decade. A similar kind of momentum was seen when Delhi announced a rate cut," said Amit Goyal, chief executive at India Sotheby's International Realty. "But we lost over two months due to the restrictions imposed during the second wave of Covid-19. Keeping that in mind, Delhi should extend the benefit while Noida and Gurgaon should roll back the hike."



The Noida federation of apartment owners association (NOFAA) has also written to the district magistrate of Gautam Budh Nagar, requesting him to review the decision.

Homebuyers, real estate developers and brokers have slammed the proposal to increase circle rates in Noida. The real estate industry has also demanded an extension of lower circle rates in the national capital and rollback of up to 90% increase in these tariffs in Gurgaon.

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recording the highest number of transactions in a decade. A similar kind of momentum was seen when Delhi announced a rate cut," said Amit Goyal, chief executive at India Sotheby's International Realty. "But we lost over two months due to the restrictions imposed during the second wave of Covid-19. Keeping that in mind, Delhi should extend the benefit while Noida and Gurgaon should roll back the hike."

Delhi had announced a reduction in circle rates from March 1 for six months while Gurgaon raised rates from April.

The Gautam Budh Nagar administration has proposed an increase in Noida's circle rates up to 40% and an additional 5-12.5% surcharge on properties near the metro route or near the expressway.

"At a time when the real estate sector is battling with Covid-19 crisis, the announcement of hiking the circle rate in Noida will impact the positive sentiment. After the first wave of Covid-19 cases, the residential segment of real estate had recovered. But this time, the decision to increase the rate will impact the decision of buyers," said RK Arora, president, NAREDCO-UP.

The Uttar Pradesh chapter of the National Real Estate Development Council (NAREDCO) has urged the district magistrate of Gautam Budh Nagar to roll back the proposed increase in circle rate.

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“The proposed increase in current circle rates comes as a rude surprise. Pandemic induced recession has brought in crisis-like situations for countless families. The current demand for real estate buyers is much lower and has resulted in a drop in market rates of almost 30-40%. The proposed increase in circle rates would result in further decline in real estate business,” NOFAA said in the letter.

With the second wave of the pandemic negatively impacting economic recovery, real estate experts believe the sector needs continued support from the government. The need to rationalise circle rates has only increased after the second wave, they said.

Recent reports suggested that property transactions in prominent south Delhi areas were the highest in 2020-21. This reflected high demand for luxury properties. Some areas that were lagging started seeing queries after the government announced the reduction in circle rates.

“We are just beginning to take steps to get back on track, but the recent move to increase circle rates in Noida might once again hamper the sector’s growth in the region,” said Manoj Gaur, vice president-north at CREDAI National.

In Greater Noida, the administration has proposed to increase the circle rate to Rs 35,000 per sq metre from Rs 28,000 per sq metre.

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