

Stamp duty reduction likely to improve homebuyers' sentiment: Magicbricks Consumer Poll

Synopsis

Property registration and stamp duty charges range between 5%-9% on an average across the country and add significantly to the overall cost of the property and also act as a deterrent for many first-time home buyers.



The government-led initiatives like reduction in **stamp duty** is likely to significantly spur housing demand as more than 80% prospective buyers are of the view that such a move by their respective states can influence them to buy a house, showed the latest **Magicbricks Consumer Poll**.

Property registration and stamp duty charges range between 5%-9% on an average across the country and add significantly to the overall cost of the property and also act as a deterrent for many first-time home buyers.

But ever since the outbreak of the pandemic in 2020, state governments like Maharashtra and Karnataka have already taken the lead in cutting stamp duty. The **Housing Ministry** has also appealed to other state governments to reduce stamp duty too, which would ease the burden on the home buyers.

In the latest poll conducted by property portal Magicbricks, an overwhelming 83% of the respondents feel that a cut in stamp duty would prompt them to buy a house, while 17% feel that it would have no impact on their purchasing decision.

“We have witnessed a 114% rise in housing sales in Maharashtra during the period of stamp duty cuts, between September 2020 and March 2021. But ever since the expiry of the stamp duty period, we are seeing a dip in sales. This is contrary to the constant rise in demand for housing and home loans that we are witnessing on our platform. With Work-For-Home emerging as the new normal, people are looking for bigger size houses with an extra room and hence the state governments should consider offering stamp duty holidays that would lessen the burden on **homebuyers**,” said Sudhir Pai, CEO, Magicbricks.

The survey was conducted with over 1,000 respondents across key property markets of Mumbai, Pune, Bangalore, Delhi Kolkata, Chennai, and Hyderabad.

Last year, the Maharashtra government had rolled out concessions in stamp duty for first sale transactions, following which, it became the first state to

reduce the stamp duty charges in two slabs. This resulted in a significant rise in the number of property transactions and subsequent registrations in the state. Many real estate bodies and groups have been advocating for stamp duty subsidies and more states are expected to follow Maharashtra's stamp duty model.

To boost real estate, the Karnataka government had also reduced stamp duty charges to 3% from 5% for properties priced between Rs 35 lakh and Rs 45 lakh. Thereafter, the Delhi government slashed the circle rates by 20% to reduce the financial burden. Above all, the central government officials in several interactions suggested that state governments reduce the stamp duty charges to boost the real estate sentiments and thereby boost realty sales in their respective states.

(Catch all the **Business News**, **Breaking News** Events and **Latest News** Updates on **The Economic Times**.)

Download **The Economic Times News App** to get Daily Market Updates & Live Business News.