

# Realtors pin high hopes on stability

Housing industry stakeholders are optimistic about the Siddaramaiah-led government and expect policies that are conducive to development

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A sense of optimism is visible in Bangalore's property market after the recently formed state government. The Congress party having an absolute majority, has evoked a positive response from the city's real estate players, who were hitherto concerned due to the impact of having an unstable government for over a decade on the realty market.

From 2004-12, Karnataka has seen five chief ministers: Dharam Singh, HD Kumaraswamy, BS Yeddyurappa, DV Sadananda Gowda and Jagadish Shettar. This frequent change in leadership had hampered the progress of several infrastructure and developmental works in the state. Now that Siddaramaiah has taken over the chief minister, realty players are expecting a spectacular change, not just in the state's overall administration, but in the property segment as well.

Keshav K, member, Confederation of Real Estate Developers' Associations of India (CREDAI), and MD of Maxworth Realty India Ltd, says, that while change is bound to happen, it may not be instantaneous. "The new government will continue with the existing policies, in addition to creating more people-friendly policies. And since Congress is at the helm in both the state and the centre, we are expecting that there wouldn't be unnecessary delays in releasing the funds. This will definitely lead to some progress," he says.



### Tasks ahead

Bangalore is growing thirstier by the day and the government will need to ensure water supply to all areas in the city. This should be made available as soon as any project is completed. The burden on the home buyer must be reduced and this can be done by reversing the IDA and GPA tax payment system to its earlier form. To improve the development in the city, commercial and residential developments within the same project and on main roads must get quick sanctions. Investments in real estate are long term and a stable government with clear reforms policy initiatives can fuel growth in this sector. "If the government brings stable policies, one can expect influx of new investments and growth of the realty sector in the state, which was halted because of speculations and political instability," says Ganesh Vasudevan, CEO, IndiaProperty.com.



### Past performance

Several realty players are happy about a Congress-led government, thanks to leaders like SM Krishna. "Bangalore got the IT capital tag solely due to SM Krishna's hard work. He was responsible for creating the IT and BT clusters, which has resulted in the rise in productivity in the state. Now that Congress is in power once again, we expect something remarkable in terms of innovation," says Sathish Babu, MD, Aishwarya Group.

### Thrust areas



Waste management has of late become a very difficult problem for the city. Strict measures need to be taken for this and towards water recycling, use of solar power and recharging of water by means of rainwater harvesting, creating lakes and planting trees. Especially for upcoming projects, this should be made mandatory and the rules need to be implemented without exception.

"It is a whole new regime with the Congress coming back to power in Karnataka. Despite them winning a clear majority, the government will have to doubly prove themselves in every sphere. From the real estate perspective there will naturally be some expectations. Ideally, the government should look into all the CDP prescribed road expansions and ensure that they are executed as well as maintained well," says Preenand Premachandra, CEO, Hebron Properties.



### Initial steps taken

The new government can function without the constraints of a coalition setup and hence, much is expected of the new chief minister. "Siddaramaiah is making the right early moves to build confidence in the market. The extension of rebate on property taxes up to June 30th, setting a quick deadline for resolving the garbage mess and raising questions about the functioning of nodal agencies such as the BDA, BBMP is definitely encouraging," says Sunder P, CEO, HomeShikari TTK Services. Having presented multiple budgets for the state, the new CM is definitely in a better position to manage the state's finances effectively. "We are hopeful that many of the key infrastructure projects that were stalling or pending would get moving and we should see basic amenities improving. That would certainly improve the investment climate for the state. Another factor that would be key to the development of the real estate sector in Karnataka would be on how the approval mechanisms for real estate projects could be made easy, yet with robust regulatory controls. I am hoping there will also be something for the home buyer in terms of bringing in better transparency and consumer protection," he adds.

