

Real estate firms chase buyers with innovative schemes this festive season to beat COVID-19 blues

Cash discounts, lower interest rates, free accessories, GST, stamp duty waivers, free maintenance and swap of your property, builders are leaving no stone unturned to attract homebuyers this season.

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As the festival season begins this weekend in the midst of the COVID-19 pandemic, homebuyers can look forward to a wide range of freebies such as stamp duty and GST waivers and schemes that include the property swap option. Developers can hope to see sales recover after a lull of six months on the back of pent up demand.



The upcoming season may also turn out to be a great buying opportunity for fence-sitters scouting for deals and NRIs. Interest rates have fallen and there is a massive supply of affordable and mid-income housing across top cities.

Homebuyers today prefer going in for a ready-to-move-in property and demand in this segment may be high this season. Some buyers may also be considering an upgrade with the pandemic necessitating the need for spacious and bigger homes on account of work-from-home.

Cash discounts, lower interest rates, free accessories, GST and stamp duty waivers not to mention free maintenance – builders are leaving no stone unturned to attract homebuyers this season.

Cash discounts are being offered on the per square feet price. For instance, on the brochure rate of Rs 4,000/sq ft, a cash discount of Rs 200 is offered. On a 1,000 sq ft apartment, this works out to Rs 2 lakh.

Freebies such as air conditioners, television sets, furniture, modular kitchens, zero maintenance and club membership, gold coins and iPhones are also being offered.

A **GST waiver** is also being offered by developers. At present, GST is charged at five percent for residential units outside the affordable housing segment. At the time of registration, the buyer has to pay stamp duty and registration charges.

Stamp duty waiver: While stamp duty varies from 3-10 percent depending on the state, registration charges work out to 1.1 percent on a property worth over Rs 25 lakh.

The Maharashtra government has decided to temporarily reduce stamp duty on housing units from 5 percent to 2 percent until December 31, 2020, to boost the stagnant real estate market hit by the COVID-19 pandemic. Stamp duty from January 1, 2021, until March 31, 2021, will be 3 percent. Along with GST, many developers are waiving off stamp duty and registration charges, which mean further savings for the buyer.

Other schemes on offer include possession-linked payment plans where the customer pays just 10 percent now and nothing for the next two years. Some developers are offering a cash discount of Rs 6.9 lakh and no GST impact of Rs 4.09 lakh. Some projects are offering an assured rent of Rs 25,000 per month for a year.

Gaur World SmartStreet's 'Mauke pe Chauka' is offering a payment plan with 10 percent down payment within 30 days, 40 percent within one year, and the rest 50 percent at the time of delivery. Gaur's Group is running a campaign called Festival Offer 2020 which includes nine gifts for Gaur Siddhartham and Gaur City (14TH Avenue and 7th Avenue).

The years 2016 and 2017 were a marked contrast - festive quarter sales in these years actually reduced against the preceding quarter, mainly because of structural reforms including Demo, RERA and GST.