

Economic Survey: Real estate sector needs reforms

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NEW DELHI: Reforms in the real estate sector is the need of the hour for tackling issues like high stamp duty which often results in otherwise honest people having to deal in black money, according to the Economic Survey 2010-11 tabled by Finance Minister Pranab Mukherjee in the Lok Sabha on Friday.

"There is need for some fundamental reforms like tackling the high stamp duty issue which makes even honest citizens deal in black money," it said.

The annual report also called for dealing with issues like rising interest rates in the real estate sector, a big deterrent for people seeking home loans.

A joint study by advisory firm Price Waterhouse Coopers and Urban Land Institute of India has cited India as one of the emerging markets for real estate sector in the Asia Pacific region. The study termed India as a semi-transparent market and ranked it 41 on a global transparency scoring scale.

While it placed Mumbai, New Delhi and Bangalore among the top 10 prospective cities for real estate investment for the year 2011, Mumbai and New Delhi also captured the top two places in terms of city development prospects for the year 2011.

The gross domestic product from the real estate sector including ownership of dwellings along with business services witnessed a growth of 7.5 percent in 2009-10.