



HOME FRONT



FEBRUARY 2021
ISSUE - VIII

Income tax relief for home buyers.

An electronic cluster to come up in Sholinganallur.

Chennai Metro Phase II to be completed by 2026.

Avail tax rebate up to ₹3.5 lakhs on home loans.



Editor's Note

Dear Patrons,

As we enter 2021, we'd like to wish that the year brings abundant joy, good health and prosperity to everyone! Things seem to be looking up this brand New Year, and we are positive that things are only going to get better.

As for the realty market, it has been recovering well post the lockdown scenario. In fact, as per recent Government reports, this January has seen the highest number of registrations in the last 3 years in Tamil Nadu!

With the interest rates on home loans reaching an all-time low, and the introduction of the tax rebate of upto ₹3.5 lakhs on home loans interests - both buyers and developers have been making the best of the opportunity! However, as demand booms, and the rising prices of raw materials, a surge in real estate prices is expected beyond March 2021. Naturally, now would be the right time for the anyone to take the plunge and invest!

Keeping in mind the surge in demand, we are grateful to announce that we have an exciting range of new projects and plotted developments in OMR, Mogappair, Karapakkam, Thiruvottiyur and Mahalingapuram, gearing up for launch!

We look forward to a safe and fruitful 2021, and we wish the same for everyone!

Warm Regards

Gayithri Punjabi-Mirza
(Vice President)

NEWS

INCOME TAX RELIEF FOR BUYERS OF NEW HOMES OR RESIDENTIAL REAL ESTATE

The finance minister has announced an income tax relief for buyers of new homes or residential real estate (primary purchase) of value up to ₹2 crore. The new acceptable differential between the circle rate and agreement value in real estate sale/purchase for the purpose of income tax, is being hiked from 10% to 20%.

A circle rate is the minimum rate per square feet for land or property fixed by the government, which varies from circle to circle or area-wise. This rate is used for calculation of income tax payable on capital gains related to the sale/purchase of houses. It ensures that the taxes are not being evaded by declaring lower prices. However, in case the actual transaction has taken place at a price lower than the circle rate, then a difference of up to 10% is accepted under section 43CA of the Income Tax Act. Essentially, this allows the buyers/ sellers to pay less tax to the extent that the price of the house is accepted as being below the circle rate. The government has now said that prices of such houses will be allowed to be accepted for tax purposes up to 20% below the circle rate!

Now, both buyers and sellers are protected from the deemed tax which both were liable to pay if the transaction price was lower. However, this benefit (valid till June 30, 2021) is only given to residential properties, not commercial or retail.

ONE ELECTRONIC CLUSTER ZONE TO COME UP IN SHOLINGANALLUR

The Tamil Nadu government is planning to develop greenfield electronic cluster zones all over Chennai, Tiruvallur, Hosur, and Kancheepuram by 2023. This includes setting up and developing brownfield clusters in Sriperumbudur and Oragadam. The State government will seek Central assistance to attract investments to these clusters in the Electronic Systems Design and Manufacturing (ESDM) sector. Centre intends to provide financial assistance (50% -75%) for products which come under the National Policy on Electronics for greenfield and brownfield clusters with a ceiling of ₹50 crore. The Government also plans to promote electronic hardware manufacturing and industries in 8 existing Special Economic Zones through Electronics Corporation of Tamil Nadu Limited (ELCOT). These zones include Shollinganallur in Chennai, Vilankurichi in Coimbatore, Ilanthalakam and Vadapalanji in Madurai, Navalpattu in Tiruchy, Gangaikondan in Tirunelveli, Jagirammalayam in Salem and Vishwanathapuram in Hosur. The State is likely to attract investors with ease with the incentives lined up.

CHENNAI METRO PHASE II TO BE COMPLETED BY 2026

According to Chennai Metro Rail Limited (CMRL) officials, Phase II of the project traversing 118.9 km of the city, with 128 stations, will be fully operational by 2026 if work progresses without delays. Reportedly, tenders will be called for by June/ July and, by early next year, the construction work should begin. Chennai Metro's phase II is estimated to cost ₹69,180 crore and will criss-cross major areas of the city with three corridors — Madhavaram to Shollinganallur (47 km), Lighthouse to Poonamallee (26.1 km) and Madhavaram to SIPCOT (45.8 km). Meanwhile, design consultants have begun their work, keeping in mind that the first stretch that will be built will be the network between Madhavaram and CMBT and Madhavaram and Shollinganallur.

NOW AVAIL TAX REBATE UP TO ₹3.5 LAKH ON HOME LOANS

The new budget continues to support home owners! The provision of deduction up to ₹1.5 lakh on interest of loans taken for purchase of affordable residential property, has been extended! The rebate has been extended until March 31, 2022 under Section 80EEA. An affordable house refers to property valued up to ₹45 lakh. However, only those who don't own any other properties can avail this rebate on their home loans. This benefit can be availed over the ₹2 lakh deduction a home buyer can avail under Section 24 of I-T Act. Thus, a buyer can now get a rebate of up to ₹3.5 lakhs on their home loans. This basically means that the interest rates on home loans falls to 5.5% from the usual 7%!

The real estate sector is thrilled as this means a rise in demand for affordable housing.

KG EARTH HOMES (PHASE - II) - PROGRESS REPORT (FEBRUARY 2021)



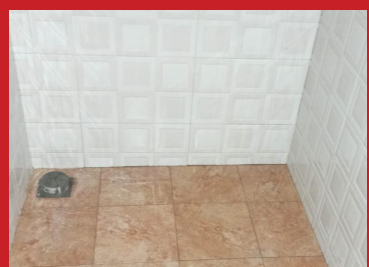
BLOCK C –
Completed View



BLOCK B –
Completed View



BLOCK C –
Completed View



BLOCK J - 1st Floor
Tiling in progress



BLOCK J -
External plastering in progress



BLOCK J –
External plastering in progress



BLOCK J – Third Floor
Plastering in progress



BLOCK J - Third Floor
Putty work in progress



BLOCK J – Third Floor
Toilet plumbing in progress



BLOCK K – 1st Floor
Block Work



BLOCK K – 1st Floor
Block Work



BLOCK K – Terrace Floor
Slab shuttering
work in progress

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