

# Realty prices may spurt on land acquisition bill

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Developers call the move industry-unfriendly

Land prices will escalate leading to rise in housing price if the Land Acquisition Bill is passed by the Parliament, real estate developers and property consultants have said.

"It is not a good development for the industry. This will definitely increase land cost and housing prices," Confederation of Real Estate Developers' Associations of India (Credai) national president Lalit Kumar Jain said when asked about his comments on cabinet's nod to the bill.

"If the bill gets the Parliament's nod, developers will also hesitate to go for big projects," he added.

The Land Acquisition Bill was cleared by the Union Cabinet on Thursday, making the consent of 80 per cent of owners mandatory for private projects.

In case of public-private-partnership (PPP) projects, the bill makes mandatory obtaining of consent of 70 per cent of the land owners. Besides consent, the bill proposes higher compensation and rehabilitation package to land owners.

Expressing similar sentiments, National Real Estate Development Council (Naredco) president Navin M Raheja, said the bill is not an industry-friendly one.

"While farmers' compensation issue is taken care of, the government should have looked at the overall growth of the country. Unfortunately, that is not the case here," he added.

Mumbai-based Hiranandani Constructions managing director Niranjan Hiranandani, said with higher compensation to farmers, resistance in acquiring land will reduce in future.

On prices, he said, "Definitely land prices will shoot up. Now whether we will get land for affordable housing, is a big question mark."