

## DELHI GOVERNMENT SLASHES CIRCLE RATES BY 20 PERCENT FOR A PERIOD OF 6 MONTHS

The Government of NCT of Delhi has approved a proposal to reduce circle rates for residential, commercial and industrial properties by a flat 20% (twenty percent), across all categories of localities in the union territory, in a cabinet meeting held on 05.02.2021 ("**Cabinet Decision**").

### □ What Is Circle Rate?

- ≡ Circle rate is the minimum decided price per square meter or square feet for land or property fixed for a particular locality;
- ≡ It differs from state to state and is reviewed from time to time based on demand, supply and other development indicators.

### □ Cabinet Decision Has Been Taken To Revive Real Estate Sector:

- ≡ The Cabinet Decision has been taken with the intent to make it considerably more affordable for people to undertake buying and selling of real estate properties located across Delhi;
- ≡ Moreover, the Cabinet Decision is expected to –

- i. Provide a push to the real estate sector which has been severely affected by the coronavirus pandemic;
  - ii. Lead to creation of new job opportunities;
  - iii. Reduce financial burden on the common man;
  - iv. Initiate the long-term recovery in the real estate sector.
- ≡ The Cabinet Decision might specially propel property dealings in the affluent localities falling under Category A like Golf Links, Vasant Vihar and Jor Bagh where circle rates of properties were much higher than the actual market value.

### □ Key Features Of The Cabinet Decision Taken On 05.02.2021 Are As Follows:

#### ≡ The Cabinet Decision lays down the following:

- Reduction of circle rates by a flat 20% (twenty percent) for residential, commercial and industrial properties across all eight categories of localities/ colonies/ areas in Delhi i.e. A to H;
- These circle rates have been reduced for a period of 6 (six) months i.e. till 30.09.2021;
- The concerned department has already been directed to conduct an exercise in line with this reduction.

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