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Gurgaon District Proposes Major Circle Rate Hike, May Push Property Costs Higher

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The Gurgaon district administration has proposed a substantial revision of circle rates, which are based on the government's benchmark property values used for registration and taxation. This revision could potentially raise charges by 8% to 77% in residential areas and up to 145% for agricultural land, pending approval from the Haryana government.

Pending public feedback, the hike targets both established and new sectors. In upscale neighbourhoods like DLF Phases I–V, South City, Suncity, Sushant Lok, and Golf Course Road, circle rate increases of 10% to 20% are expected. For instance, rates in DLF Phase I may rise from ₹1.14 lakh to ₹1.31 lakh per square yard. Meanwhile, newer sectors along Dwarka Expressway, such as Sectors 104 to 109 and 115, could face increases of around 62%, pushing rates from ₹40,000 to ₹65,000 per square yard.

Residential villages in Greater Gurgaon could see increases up to 77%, with some villages witnessing revisions from ₹25,300 to ₹45,000 per square yard. Agricultural land hikes are even steeper, with rates in areas like Bajghera proposed to rise 145%, from ₹2.03 crore to ₹5 crore per acre. Sarhaul land may see a 108% jump, from ₹2.39 crore to ₹5 crore.

The administration has opened a window for objections and suggestions until July 31. If the state government approves the plan, the revised circle rates are expected to take effect by early August. The sub-registrar's office has paused issuance of new tokens until the implementation date to allow for a smooth transition.

Industry stakeholders have voiced concern over the timing of the hike. Developers and agents warn that increased circle rates will raise stamp duty and registration costs, dampening demand in a market already facing slow sales. One analyst noted that buyers in the mid-range segment, many of whom had just started responding to interest rate cuts and fresh supply, may now hesitate due to higher acquisition costs.

Proponents argue that aligning circle rates closer to real market prices enhances transparency and helps prevent under-reporting of property values during transactions. It could also lead to improved stamp duty collection for the state.

Market observers expect the move to support rectifying discrepancies between declared and actual values in prime locations. However, moderate segments may face affordability challenges, particularly if the affordability gap widens. Until public opinion is assessed and final approval is granted, the regulatory revision remains provisional.