

Ref. No.: MCHI/PRES/11-12/062

October 11, 2012

**Shri Prithviraj Chavan,**  
Hon'ble Chief Minister of Maharashtra,  
Office of Chief Minister's Secretariat,  
(604 M), Mantralaya,  
Mumbai 400 032.

**Respected Sir,**

**Sub.: AFFORDABLE HOUSING.**

**BACKGROUND:**

1. Mumbai was already the financial capital of India and has now also considered one of the prominent International Cities to do business and hence employment opportunities are abundant here resulting into lot of people migrating here in search of employment / work / business which ultimately leads to the shortage of houses and therefore increase in prices of real estate.
2. Real Estate Prices in the Greater Mumbai have been high over a long period of time when compared to rest of India.
3. Today the lowest or the minimum price below which you will not get a apartment within the limits of Greater Mumbai is Rs 7000/- per sq. ft. So even a one bedroom apartment of 650 sq.ft. will cost nearly Rs 50 lacs which is very high.
4. The principal reason for very high prices of real estate is the very low FSI ratio(1.00 fsi) which is being available for the development / redevelopment of the land which according to us and various surveys is the lowest in the entire world.
5. Another consequence of a low FSI policy is that the quality of life of people here is very poor since people have to travel very long distance in search of affordable house and he spends at least four to five hours a day only commuting from home to office to home and hence his quality of life is very poor.

6. Hence there is an urgent need to create a housing stock which is AFFORDABLE HOUSING within Mumbai so overcome this issue of high real estate prices.

**OUR SUGGESTION FOR AFFORDABLE HOUSING**

1. FSI of 5.00 needs to be granted for Affordable Housing.
2. Out of 5 FSI
  - a. 2.50 FSI to be used for constructing Tenements of Sizes as per the discretion of the Developer and
  - b. Balance 2.50 FSI to be used for constructing Tenements of Size 400 square feet Carpet Area with a Kitchenette.
3. TDR Option to Developer
  - a. The 400 Sq. Ft tenements can be sold by the Developer or
  - b. The Developer can be handed over to the Planning Authority free of cost against Grant of TDR on 1.5 times, so the Developer shall get 3.75 TDR, which the Developer can sell in the Open Market.

The above proposed policy will ensure that AFFORDABLE HOUSING STOCK is created and available to the Planning Authority to deal as it deems fit.

We hope you would consider the above policy and do the needful.

Thanking you,

Yours faithfully.

**For MCHI-CREDAI**

**Paras Gundecha**  
President