

Ref. No. MCHI/PRES/19-20/541

July 7, 2020

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Mayur Shah

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Sukhraj Nahar

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PRESIDENT, NAVI MUMBAI UNIT
Vijay Lakhani

To,
Dr. Vipin Sharma (I.A.S.)
Hon'ble Municipal Commissioner
Thane Municipal Corporation
Mahapalika Bhawan,
Panchpakhadi,
THANE 400602

Most Important Most Urgent

Subject: Revive Real Estate Revive Economy, Request to start the approval of real estate project with the time lines of 15 days and monthly meeting for update

Respected Sir,

This Pandemic COVID-19 has caused an unprecedented impact on business and liquidity. The outbreak of Coronavirus is expected to further weaken the real estate segment which was already been reeling from the adverse impact of the prevailing liquidity crunch, huge unsold inventory and weak affordability and subdued demand conditions.

Last few years saw structural changes like Demonetisation, RERA and GST which slowed the Real Estate industry then, they experienced the NBFC liquidity crisis which closed the doors of finance for the real estate industry. This lockdown coupled with the mentioned past factors has literally tied a knot around the neck of the real estate industry.

It's important to note that on account of various reasons, even before the lockdown, the entire real estate sector had already been pushed into an economic and liquidity recession, which had resulted in a huge reduction in job creation as well as job loss in the construction industry. The industry today was barely operating at only 10% of its actual capacity which is bound to go drastically.

Various developers are already considering on reducing the workforce by 35%-40%. With the current uncertainty we don't believe any developer will think of starting any new project in CY 2020.

The stalled projects are under huge stress and are staring at a glooming future. The sector hit by a series of rapid changes without time to settle to any change, has only been further unsettled, rattled due to the lockdown.

Needless to mentioned that, today if at all any sector that can uplift the economy is the Real Estate. There are more than 10800 project registered in MMR on MahaRERA. We estimate that in the MMR region there may be more than 4000 projects who are yet to commence their work, but today due to unviability there are not in position to start the project. If today liberal policy is made for the existing 10,800 projects and , this 4000 Project will see the light of day.

This 4000 Project will have avg 200 units per project which means 800,000 units
800000 units * Rs 750000 (Avg Flat cost) = Rs 6 Lakh crore

Even If state and Local bodies getting 25% of the revenue, Rs 1.5 lakh crore revenue coming to state will boost the economy.

This is over and above the revenue current 10,800 project is likely to generate for the government.

Our Hon'ble Prime Minister says "Every Approval granted is an Economic activity and any disapproval is also part of economic activity"

In view of the above I humbly request that post lockdown is lifted

- 1) Please encourage all types Real Estate activity commercial, offices, retail, Residential, Industrial, IT park, etc.
- 2) Reduce cost of approvals like premium/charges/ cess by 90% for a period of one year i.e. with a sunset clause.
- 3) Please grant liberal concession in approvals for affordable housing schemes and accommodation reservation policies
- 4) Bring necessary changes in the development regulation and MRTP act that all permissions from local planning authorities be treated as deemed granted on submission of application and self-certification for a period of 1 year and within a year the developers should take formal approval from planning authority.
- 5) Please ensure all the junior staff that they put all the plans which were submitted for approval in seven days i.e all utilities department bet it CFO, SWD, Tree, water, sewer, road, traffic, etc.
- 6) Also if Auto DCR is not working, manual approval should be given and to ensure that within 15 days' plans should be get approval or project proponent should be informed about the deficiency in plan.

Also request to take up a meeting in every 15 days with local developers and architect association for regular update on the plans approved.

We look forward to a meeting for the same to explain the issues /suggestion in details, whether in person or by way of video conferencing on the date and time as per your availability and convenience.

Even with COVID-19, we are hopeful that with your support, Real Estate will be one of the major sector to contribute towards re-building State of Maharashtra. I appeal to the head of all planning authorities in MMR to give top most priority for approval.

Look forward to your continuous help and support.

Thanking you
Yours Sincerely,

For CREDAI-MCHI

Nayan A. Shah
President

Bandish Ajmera
Hon. Secretary

CC

- 1) Shri Uddhav Thackarey
Hon'ble Chief Minister
Government of Maharashtra

- 2) Shri Eknath Shinde

- 3) Shri Praveen Pardeshi
Additional Chief Secretary
Urban Development Department
- 4) Shri Sanjay Kumar
Chief Secretary,
Government of Maharashtra
- 5) Shri Ajoy Mehta
Chief Advisor to Chief Minister
- 6) Satish Magar
President CREDAI-National
- 7) Dr Niranjan Hiranandani
President - Naredco National
- 8) Rajiv Parikh
President CREDAI-Maharashtra
- 9) Rajan Bandelkar President
Naredco Maharashtra
- 10) Ar. Dilip Deshmukh
President PEATA
- 11) Indian Institute for Architect
- 12) Brihan Mumbai Developers Association
- 13) Mumbai Suburban Developers Association
- 14) Central Mumbai Developers Welfare Association