

March 29, 2012

To,
Shri Bharat Patel,
Director,
Akshar Group (MCHI-CREDAI Membership No. LMC 148)
Navi Mumbai.

Dear Shri Bharat Patel,

Greetings from MCHI-CREDAI and Navi Mumbai and Raigad Units of MCHI-CREDAI.

1. As you must have gathered from various media reports, the Real Estate Industry is undergoing a grave crisis, and it is a Reality Today.
2. Across the Mumbai Metropolitan Region, (MMR) which includes MCHI-CREDAI Thane Unit, MCHI-CREDAI Mira Virar City Unit, MCHI-CREDAI Kalyan Dombivli Unit, MCHI-CREDAI Raigad Unit and MCHI-CREDAI Navi Mumbai Unit, Real Estate is at a *standstill*.
3. Very few projects have been given clearance or permissions. Home loans have dried up, because of high interest rates. Building material prices have gone up, and apartment sales have come down by 40%.
4.
 - (a) Unemployment in real estate has gone up, developers are retrenching their staff.
 - (b) Announcement of new projects have come down dramatically, compared to previous years.
 - (c) The Turnover of developers have come down significant.
 - (d) Government Stamp Duty and Registration has come down.
 - (e) MMR, which was considered the Real Estate Centre of India, today has registered lesser sales and new developments than even Bengaluru, Pune or the National Capital Region.
5. A meeting of the Managing Committee of MCHI-CREDAI was held on March 20, 2012 at MIG Cricket Club, Bandra (E), which included the office-bearers of all MCHI-CREDAI Units.

In this meeting, Managing Committee of MCHI-CREDAI *decided to POSTPONE the 3 Industry's official Real Estate Exhibitions for Mumbai, Thane & Raigad, scheduled for April 2012.* This is an unprecedented step, which has been necessitated by circumstances.

6. As a mark of solidarity with the Real Estate Industry, MCHI-CREDAI has asked all Members, across all Units, not to participate in any real estate exhibition or show, organized by any private body, Publication, Bank, Home Finance Institution, or Association in Mumbai and in the International Markets (vide letter dt. March 21, 2012 attached).

7. We understand your organization is taking part in Budget Homes For All Exhibition, being organized by Maha Mumbai. As President / Hon. Secretary, it is my duty to request you to withdraw your participation from this show, and any other exhibitions that you may be planning to enter. It is necessary that we do not allow private vested interests to step in and exploit this situation.

8. Given such a situation, it is necessary that all members of MCHI-CREDAI display their unity and solidarity, and refrain from participating in any shows, both in Domestic and International Markets till further notice. MCHI-CREDAI on its part is taking up issues with the authorities on a crisis basis to resolve some of the burning issues affecting the health and well-being of our industry.

9. In this hour of the industry's crisis, we look forward to your co-operation, in the industry's interest. A line in return, confirming your withdrawal from the Budget Homes For All exhibition will be highly appreciated.

Regards,

For MCHI-CREDAI

Sd/-
Boman Irani
Hon. Secretary

MCHI-CREDAI Raigad Unit

Sd/-
Rajesh Prajapati
President

MCHI-CREDAI Navi Mumbai Unit

Sd/-
Arvind Goel
President

Ref. No.: MCHI/SEC/11-12/216

March 21, 2012

Dear Members,

It is with great anguish that, I have to inform you that MCHI-CREDAI's 20th Edition of the Real Estate & Housing Finance Exhibition, PROPERTY 2012 Mega Show, 12th - 15th April, 2012 has been postponed until further notice. This in-spite of complete sellout of exhibition stalls.

The core reason for this postponement is that **the Industry is at a standstill** and we as an industry body wish to take this up with government at all levels.

The data for year 2011 for residential sales shows NCR at 22.7 Million, Bengaluru at 14.5 Million, Pune at 10.2 Million and **Mumbai-MMR at 7.2 Million only, which is shocking** and clearly shows the deterioration in the health of development in the region.

Data received from our member developers show that no clearances or permissions have been received for new projects over the last 18 months. New rules and procedures including new taxes and circulars are being implemented retrospectively and our members are being put through **financial and reputational losses**.

The industry is assailed by sky-high prices of land, (sometimes constituting 60% of the project cost) and a plethora of overlapping procedural rules and regulations that not only inhibit, but actually retard whatever progress is achieved in a project. A real estate project, undertaken with a great deal of effort, after securing countless permissions, NOCs and what-have-you, is brought to a standstill, because of a sudden change in rules.

Given this situation, the Managing Committee of MCHI-CREDAI and all the 5 MCHI-CREDAI Units, in its meeting on March 20, 2012, decided on postponement of all our exhibitions to be held in BKC, Thane and Raigad.

As a mark of solidarity with the Industry, it will be most appropriate if your organization does not take part in any real estate exhibition/show, either domestic or international, till further notice.

To bring to light the plight of our industry we at MCHI-CREDAI are in the process of creating a public awareness campaign for all our customers, industry partners, government agencies and all stake holders. It is my sincere request that you join us in this effort and give it your whole hearted support for better and brighter tomorrow for the industry.

Thanking you,

Sincerely,
For MCHI-CREDAI

Sd/-
Boman Irani
Hon. Secretary