

PRESIDENT
Vimal Shah

IMMEDIATE PAST PRESIDENT
Paras Gundecha

PRESIDENT-ELECT
Dharmesh Jain

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Nayan Shah
Deepak Goradia
Boman Irani

HON. SECRETARY
Nainesh Shah

HON. TREASURER
Sukhraj Nahar

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S. Shahzad Hussain
I.A.S. (Retd.)

HON. JOINT SECRETARIES
Harish Patel
Ashok Mohanani
Sandeep Runwal
Bandish Ajmera

JOINT TREASURERS
Lakshman Bhagtani
Mukesh Patel

CO-ORDINATORS
Rasesh Kanakia
Jagdish Ahuja
Pujit Aggarwal
Parag Munot

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Rajan Bandelkar
Vikas Walawalkar
Jayesh Shah
Nayan Bheda
Sanjay Chhabria
Rajendra Chaturvedi

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Sunil Mantri
Pravin Doshi
Mohan Deshmukh
Mofatraj Munot
Niranjan Hiranandani
Rajni S. Ajmera
G. L. Raheja
Lalit Gandhi
Babubhai Majethia

MCHI-CREDAI UNITS

President, Thane
Shailesh Puranik

President, Kalyan-Dombivli
Johar Zojwalla

President, Raigad
Rajesh Prajapati

President, Navi Mumbai
Arvind Goel

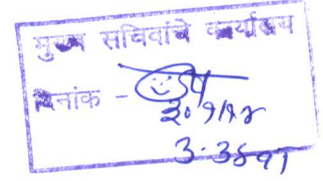
Hon. Secretary, Mira Virar City
Shailesh Sanghvi

Ref. No. MCHI/PRES/13-14/049

January 27, 2014

Hon'ble, Shri Prithviraj Chavan
Chief Minister,
Chief Minister's Secretariat,
Govt. of Maharashtra
Mantralaya,
Mumbai - 400 032

मुख्यमंत्री सचिवालय
महाराष्ट्र शासन
मंत्रालय, मुंबई ४०० ०३२
दिनांक २०/१/२०१४



MOST URGENT NEED IMMEDIATE ACTION

- Sub : 1) Premium FSI to be increased from 0.33 to 0.80.
2) Government Resolution to be issued by before Saturday 15th February, 2014.

Respected Sir,

It is our great privilege to make your kind attention on our following issues which are most affecting in Development of Real Estate Industry.

The detail points for your kind consideration as follows;

1. TDR

The transfer of development rights (TDR) policy was introduced in 1991 to so that more land under reservation would get available to MCGM free of cost. Land duly leveled and with clear title as also the housing stock would increase hence it was win-win solution. TDR policy has lead to a number of reservations being made available to the city. Owners whose plots were marked for playgrounds etc. or whose land was needed for road-widening could surrender it and get an equal amount of space in the suburbs Slum TDR was introduced in 1997. Developers redeveloping slums as well as developer developing tenements for PAPs were eligible to receive slum TDR.

The TDR such granted was allowed to be used towards north or any where is in the same ward.

2. Ordinance named the Maharashtra Regional and Town Planning (Amendment and Validation) Ordinance, 2010 dated 21st September 2010

Three years ago, the State Government issued an ordinance named the Maharashtra Regional and Town Planning (Amendment and Validation) Ordinance, 2010 dated 21st September 2010, by which inter-alia Government was empowered to grant FSI by way of charging premium. The developers/Land owner/Society etc. could buy 33% of the required TDR from the government as premium FSI.

MCHI-CREDAI (ISO 9001:2008)

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Website : www.mchi.net

Sir, you will also recollect that even when the concept of premium FSI was introduced a PIL was filed by Shri. Amit Maru, and only after the Government of Maharashtra promulgated the ordinance named the Maharashtra Regional and Town Planning (Amendment and Validation) Ordinance, 2010 dated 21st September 2010, that the concept of premium FSI got implemented subsequently Section 27 and 22A of the MR&TP Act were later amended on 5th April 2011.

3. **Current Situation**

TDR was to ensure that reservations of the DP get implemented at no cost to MCGM and in case of TDR generated from Slum, the rehabilitation of the slum with higher density can be implemented. Now with more than 20 years of TDR policy in place, whatever DP reservations, which could have been handed over to Authority under TDR policy is already done. Also with increase in the in situ consumption of FSI cap in slum rehabilitation scheme, from FSI 2.5 to FSI of 4, there is not much scope of generation of TDR from DP reservations as well as slum.

Due to such shortage of TDR supply new development & redevelopment of societies had dramatically slowed down.

4. **Redevelopment Proposals of Buildings Constructed prior to 1990 :**

The middle class which lives in the buildings constructed prior to 1990 and which requires heavy repairs and maintenance are all going for redevelopment of the plot on which their society are located. This enables them to get the new building with modern amenities and saves them from spending huge amount on repairs and maintenance. This was possible due to the fact the with utilization of TDR and FSI sold by Government on the premium will enable to construct area more than what was constructed prior to 1991 and this enabled to cross subsidize the construction of the area of the existing flat owners and also created further housing stock at affordable level.

Also since the generation of TDR either from development plan reservations or from slum rehabilitation schemes has also dropped, there seems to be a genuine short supply of TDR, which could also be the cause of shortage of TDR.

5. **Solution To The Current Situation : premium FSI eligibility to be increased from 33% to 80%**

To achieve the creation of enough housing stock and also to generate revenue to increase the infrastructure for increased population of the city, the government should sell the premium FSI up to 0.80 from the government. With fall in generation of TDR it is now justified that the only FSI of 0.20 be reserved for utilization of TDR. The MCGM and State Government has already collected a large sum of money from sale of 0.33 FSI, and if the same is increased to 0.80 FSI, then the amount thus collected will be used by MCGM and also by the State Government towards the development of Infrastructure which is beneficial to

the State itself & MCGM; because these funds will be utilized for the development of Infrastructure and also there will be sufficient housing stock shall be made available at affordable prize.

6. Win-Win Solution

- a) Additional funds will be made available to MCGM and the State Government for development of the City Infrastructure.
- b) Shortage of TDR will be addressed.
- c) Development projects of Societies that have been stalled will restart.
- d) Prices of flats will come under control.

REQUEST:

1. In view of the amendment to the Section 27 or 22A of MR&TP Act the Government can increase the premium FSI from 0.33 to 0.80 by issuing an order by way of a Government Resolution. There is no need to take up any suggestions/ objections; Government can straight away instruct the Urban Development Department to issue a Government Resolution to the said effect.

Thanking you,

Yours Sincerely,
For **MCHI-CREDAI**



Vimal Shah
President

CC to:

✓ **Hon'ble Shri Sachin Ahir**
State Minister for Housing,
Government of Maharashtra,
Mantralaya,
Mumbai- 400 032.

✓ **Shri Jageshwar Swarup Saharia (I.A.S.)**
Chief Secretary,
Government of Maharashtra,
Mantralaya,
Mumbai - 400 032.

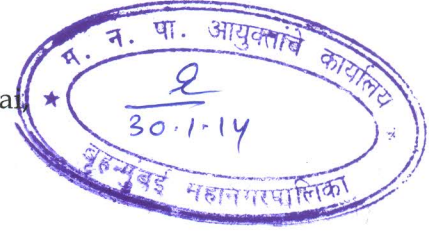
✓ **Shri A. K. Jain (I.A.S.)**
Additional Chief Secretary to Chief Minister
Main Bldg, 1st Floor,
Mantralaya,
Mumbai - 400032

अपर मुख्य सचिव
मुख्यमंत्री सचिवालय
मंत्रालय, मुंबई - 400 032.

30/11/14
मुख्यमंत्री सचिवालय
मंत्रालय, मुंबई - 400 032
पर्यावरण व शहरी विकास
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मुंबई - 400 032

✓ **Shri. Sitaram Kunte (I.A.S.)**

Hon'ble Municipal Commissioner,
Municipal Corporation of Greater Mumbai,
1st floor, Annex Building,
Mahapalika Marg,
Mumbai-400 001.



✓ **Shri. Debashish Chakrabarty (I.A.S.)**

Principal Secretary,
Housing Dept.,
Government of Maharashtra,
Mantralaya,
Mumbai- 400 032.

DM
30/1/14
P.A. to Principal Secretary to the
Government of Maharashtra
Housing Department
Mantralaya, Mumbai 400032

✓ **Shri. Manu Kumar Srivastava (I.A.S.)**

Principal Secretary,
Urban Development Dept.,
Government of Maharashtra,
Mantralaya,
Mumbai - 400 032.

DM
30/1/14
Clerk
Urban Development Deptt.
Mantralaya, Mumbai - 32.

✓ **Shri. Ashish Kumar Singh (I.A.S.)**

Principal Secretary to Hon. Chief Minister,
Government of Maharashtra,
Mantralaya,
Mumbai - 400 032.

SL
29/1/14

प्रधान साचिवांचे स्वाय सहायक
मुख्यमंत्री सचिवालय