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Mayur Shah

IMMEDIATE PAST PRESIDENT
Dharmesh Jain

PRESIDENT-ELECT
Nayan Shah

VICE PRESIDENTS
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Boman Irani
Harish Patel
Nainesh Shah

HON. SECRETARY
Domnic Romell

HON. TREASURER
Sukhraj Nahar

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

SPECIAL PROJECTS
Navin Makhija
Rasesh Kanakia

HON. JOINT SECRETARIES
Parag Munot
Sandeep Runwal
Lakshman Bhagtani
Bandish Ajmera

JOINT TREASURER
Mukesh Patel
Jayesh Shah

CO-ORDINATORS
Nayan Bheda
Munish Doshi
Tejas Vyas
Pratik Patel
Dhaval Ajmera
Sandeep Shah

COMMITTEE MEMBERS
Jagdish Ahuja
Sanjay Chhabria
Shailesh Sanghvi
Jitendra Jain
Deepak Gundecha

INVITEE MEMBERS
Sandeep Raheja
Rajesh Prajapati
Shailesh Puranik
Praful Shah
Sachin Mirani
Rushank Shah
Rajeev Jain
Diipesh Bhagtani
Shyamal Mody
Nikunj Sanghavi
Digant Parekh
Pritam Chivukula

PAST PRESIDENTS
Vyomesh Shah
Paras Gundecha
Pravin Doshi
Mohan Deshmukh
Mofatraj Munot
Rajni S. Ajmera
Late G. L. Raheja
Late Lalit Gandhi
Late Babubhai Majethia

CREDAI-MCHI UNITS
PRESIDENT, THANE
Ajay Ashar

PRESIDENT, KALYAN-DOMBIVLI
Manoj Rai

PRESIDENT, MIRA VIRAR CITY
Ashit Shah

PRESIDENT, RAIGAD
Vilas Kothari

PRESIDENT, NAVI MUMBAI
Prakash Baviskar

Ref. No. MCHI/PRES/17-18/146

February 22, 2018

To,
Hon'ble Shri Chandrakant Patil
Minister for Revenue Department &
Chairman for Sub Committee for ASR Analysis
Government of Maharashtra
Mantralaya,
Mumbai - 400 032

Sub: **Reduction of 35% in ASR across MMR**

Respected Sir,

For the past few years, we as CREDAI-MCHI have been trying to bring to your notice the ever-increasing Ready Reckoner Rates and its impact on the cost of projects and thereby the landed price in the hands of the end buyer. The situation has already come to a point beyond which it shall become untenable for the industry and it may lead to a catastrophic situation; it is the end buyer who suffers the most. The application of the Ready Reckoners have become a kind of a vicious cycle - as the government increases the Ready Reckoner Rates, the market is forced to correct itself to at least match the increased rates thereby increasing the median rate of the market, in the absence of any other economic or civic factor to drive prices upwards.

GST, which is a central law also has provided for one-third abatement of GST rate of 18% towards land cost, effectively acknowledging that land rate should not be more than 33% of the sale value of a residential unit.

Sir, it is also being kindly brought to your notice that many states in the current and past have taken cognizance of the state of the real estate sector in their respective states and have taken corrective measures as is highlighted below.

1. RAJASTHAN

Taking note of the prolonged slump in the real estate market, the Jaipur Development Authority (JDA) officially reduced the reserve price of uninhabited land in its region by 25-40% in U2 and U3 areas as well as less populated areas of U1. The proposal received the nod at the JDA's meeting, chaired by Urban Development and Housing (UDH) Minister on Wednesday, 14th February, 2017. It is also notable here that this is for the first time in a decade that the reserve price for JDA land has been reduced in Jaipur

2. PUNJAB

The state decided to reduce circle rates for land for 2017 by 5% in urban and 10% in rural and also reduced the stamp duty in urban areas from 9% to 6% to provide a booster to the real estate sector.

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लिवीक
मंत्री, महसूल मदत व पुनर्वसन,
सार्वजनिक बांधकाम (सार्वजनिक उपक्रम वागळून)
महाराष्ट्र शासन, मंत्रालय, मुंबई-४०००३२.

3. UTTARAKHAND

In order to boost development in the state, in 2016, the state decided to reduce the circle rates (ASR) by 50%.

4. TAMIL NADU

Circle rates were reduced in the city of Chennai by 33% in 2017 to provide relief to the under-pressure real estate sector. As per data available from the state (TN) Revenue Department, comparing on a y-o-y basis, between June ~ December, 2016 and June ~ December, 2017 periods, the data received suggests that while the number of documents registered increased by 10%, the state earned 30% additional revenue. That means by "Reducing", the Rate the State Revenue went up by 30% instead of getting decrease, as the misunderstanding goes!

5. HARYANA

Taking stock of the stress in the realty markets of Gurugram, the state government decided to reduce the circle rates (ASR) in Gurugram by 3% to 8% in 2017.

6. GUJARAT

The last time when the state government had increased the ASR for the city of Ahmedabad was in 2011.

7. TELANGANA

For the city of Hyderabad, the circle rates (ASR) were last revised in the year 2013.

Sir, it is our collective plea that with huge inventory overhang, high stress post demonetization, RERA & GST, the real estate sector in MMR also needs your favourable consideration. Taking cues from GST and afore-mentioned states that have reduced ASR to help and support the local real estate markets, we sincerely & humbly request you to kindly consider our plea of reducing the ASR by 35% across MMR and to freeze the rates for the next three years.

We look forward to your support and positive consideration please!

Thanking you,

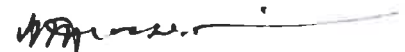
Yours faithfully,
For CREDAI-MCHI



Mayur Shah
President



Domnic Romell
Hon. Secretary



S. S. Hussain, I.A.S. (Retd.)
Chief Executive Officer

