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Dharmesh Jain

IMMEDIATE PAST PRESIDENT
Vimal Shah

PRESIDENT-ELECT
Mayur Shah

VICE PRESIDENTS
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Deepak Goradia
Boman R. Irani
Harish Patel

HON. SECRETARY
Nainesh Shah

HON. TREASURER
Sukhraj Nahar

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

SPECIAL PROJECTS
Bandish Ajmera
Rasesh Kanakia
Parag Munot

HON. JOINT SECRETARIES
Ashok Mohanani
Sandeep Runwal
Lakshman Bhagtani

JOINT TREASURER
Mukesh Patel

CO-ORDINATORS
Jagdish Ahuja
Pujit Aggarwal
Domnic Romell

COMMITTEE MEMBERS
Jayesh Shah
Nayan Bheda
Sanjay Chhabria
Shaillesh Sanghvi
Tejas Vyas
Jitendra Jain

INVITEE MEMBERS
Sandeep Raheja
Munish Doshi
Navin Makhija
Rushank Shah
Deepak Gundecha
Pratik Patel
Rajeev Jain
Diipesh Bhagtani
Dhaval Ajmera
Shyamal Mody
Nikunj Sanghavi
Digant Parekh

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

MCHI-CREDAI UNITS
President, Thane
Suraj Parmar
President, Kalyan-Dombivli
Pratul Shah
President, Mira Virar City
Ashit Shah
President, Raigad
Vikas Bhamre
President, Navi Mumbai
Arvind Goel

Ref. No. MCHI/PRES/15-16/007

July 23, 2015

To,
Hon'ble Shri Chennamaneni Vidyasagar Rao
Governor
State of Maharashtra
Raj Bhavan
Mumbai 400 035

Sub: Prominent issues affecting Real Estate Industry in MMR

Respected Sir,

Greetings from MCHI-CREDAI

MCHI-CREDAI is an apex body consisting of members from Real Estate Industry among Mumbai Metropolitan Region (MMR). This organisation was formed in 1982, and it's the most prominent and the only recognized body of Real Estate Developers in Mumbai and MMR. We bring together members dealing in Real Estate Development on one common platform to address various issues facing the Industry. With a strong Membership of over 1800 leading Developers in Mumbai and the MCHI-CREDAI has expanded across MMR, having its own units in the region of Thane, Kalyan Dombivli, Mira Virar City, Raigad and Navi Mumbai. MCHI-CREDAI is recognized by Government of Maharashtra and the Central Government and helps in meeting their objectives of providing housing, which is a basic necessity.

The Committee Members of MCHI-CREDAI, wish to have a courtesy meeting with Your Goodself on 24th July 2015, wherein they would like to discuss the following agenda points :

1. MAHARASHTRA HOUSING ACT, 2012

The President of India on February 24th 2014, gave assent to the Maharashtra Housing Regulatory Act, 2012. Since then the, State of Maharashtra was the first State to promulgate the Housing Regulatory Act, in order to bring in transparency & discipline in the transaction of Housing Industry. It was also to protect the interest of buyer, allottee as well as the promoter, in the process. This Act is a widely publicized Act. The Rules are framed & submitted, however as an Association we would like to request you to formulate expeditiously the guidelines to enact the Maharashtra Housing Regulatory Authority, so that not only the user is benefitted from it, but also the Developers gives in their best.

MCHI-CREDAI

Maker Bhavan II, 4th Floor, 18, V. Thackersey Marg, New Marine Lines, Mumbai - 400 020.
Tel.: 4212 1421, Fax : 4212 1411 / 407 • Email: secretariat@mchi.net • Website : www.mchi.net

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2. CSR ACTIVITIES - INITIATIVES BY MCHI-CREDAI

- Memorandum of Understanding (MOU) signed with Mobile Crèche to reach out to children of construction workers for hygienic shelter, protection and enabling environment along with opportunities for learning & education.
- Womens' Wing launched to undertake following activities during the year:
 - Adoption / Rehabilitation of Schools
 - Programs with Mobile Crèche
 - Extending Medical Facilities - Labourers on site/ families
 - Organisation of Cancer or AIDS Awareness Camps
 - On-site sanitation facilities for ladies & children
- Scholarship for Education for bright & meritorious students of Labourers & Children of the Real Estate Fraternity
- CSR activity undertaken with construction site labourers children during MCHI Premier Leagues
- Adoption & Rehabilitation of Earth quake hit villages in Bhuj
- Association with NGOs to work towards the cause of under-privileged children

3. ELASTICITY OF TAXES AND PREMIUMS

The government over the past few years has been increasing development approval linked premiums along with Ready Reckoner rates with the intent of generating additional revenues. With the compounding negative effect such initiatives have had, while the government may fall well short of its revenue target, it has only overburdened the industry beyond the break-point. There is no elasticity available at the developers end to absorb any further increases even at 2014 levels.

- While the Ready Reckoner has increased by over 200% between 2008 and 2015, the resultant increase in government charges have been at a CAGR of 34~38%.
- The introduction of Fungible FSI in 2012, had increased the project costs by ~120%.
- The recent announcement of 0.6 premium FSI linked to current years RR will increase the costs further by 11%.
- The above increase in Ready Reckoner rates and various premiums have taken the break even pricing of an average project in Mumbai from Rs.8900/- per sq.ft. to Rs.21,800/-!

- Even at Rs.8900/- in 2008, 25% of Mumbai's population could have managed only a 175 sq. ft. carpet apartment; another 57% could have managed a 440 sq. ft. carpet!

4. URBAN LAND CEILING ACT

A large number of members in our Association are stuck in litigation with the Government of Maharashtra, over interpretation of the ULC Repeal Act provisions. Today, the BJP lead Government in Maharashtra has related to many positive changes in various departments in policy formation. This ULC Repeal Act was passed by the Parliament in the year 1999, by the then Prime Minister of India, Hon'ble Shri Atal Bihari Vajpeyee. The Principal Act was repealed as the same failed to achieve its objective as expected. This Act stood repealed in the State of Maharashtra, w.e.f. 29th November 2007 as the Repeal Act was adopted by the State of Maharashtra, by passing a Resolution. It is pertinent to note that Section 21 & 22 of the Principal Act, have not been saved while passing the Repeal Act. Factually, the State of Maharashtra is the only state which is still trying to keep in operation the ULC Act, provisions in spite of adoption of the Repeal Act. Our sincere request is to the Government of Maharashtra to put an end to the uncertainty, which is prevailing as of now.

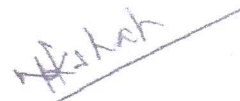
In view of the all above contentions, contended herein, we would urge Yourself to take personal interest in the issues raised by MCHI-CREDAI to get best results out of it for Real Estate Industry.

Thanking you,

Yours Sincerely,
For MCHI-CREDAI



Dharmesh Jain
President



Nainesh Shah
Hon. Secretary