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July 13, 2020

To

Shri Vijay Balkrishna Waghmare (I.A.S.)

Joint Managing Director

MSRDC

Bandra-East MUMBAI 400050

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 immediately is the Real Estate sector. There are more than 10800 project registered in MMR on MahaRERA. This existing project now require next stage of approval and if the next stage of approval is granted they shall progress at fast pace. During the Covid 19 Lockdown no approvals granted to this existing project because the entire staff was busy to contained the Covid. But now the time has come that next level of approvals are granted. E.g CC upto Plinth or above plinth, granting O.C, handing over possession, taking over possession change in PR card, approval of amended plan, handing over of rehab units to tenements etc. So priority needs to be given for the existing projects that all the pending approvals are given immediately in next 15 days.

I also estimate that in the MMR region there may be new projects who are yet to commence their work, either they are not getting approvals because of non-availability of staff and /or due to unviability there are not in position to start the project. It is important that a liberal policy is announced and that real estate revives

Our Hon'ble Prime Minister says "Every Approval granted is an Economic activity and any disapproval also need to be examine and ensure that they get approved".

The following to be done **Immediately**

- 1) In all existing projects the next level of approval needs to be granted in 7 days.
- 2) Please encourage all types Real Estate activity commercial, offices, retail, Residential, Industrial, IT park, etc.
- 3) Please grant liberal concession in approvals for all of above schemes, especially for affordable housing schemes and accommodation reservation policies
- 4) 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.
- 5) 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.
- 6) Also request to take up a meeting in every 15 days with local developers and architect association for regular update on the plans approved.

Short Term

- 1) Reduce cost of approvals like premium/charges/ cess by 90% for a period of one year i.e. with a sunset clause. For new projects as well as for existing projects.
- 2) It is requested that all permissions from local planning authorities be treated as deemed granted on submission of application and self-certification by the concerned architect / professional, for a period of 1 year. The formal permission may be subsequently issued by the planning authority. This would reduce the lead time required for formal approvals which is close to 6 months and will help in contributing to revival of the industry.

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.

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.

Thanking you
Yours Sincerely,

For CREDAI-MCHI



Nayan A. Shah
President



Bandish Ajmera
Hon. Secretary

CC

- 1) **Shri Uddhav Thackarey**
Hon'ble Chief Minister
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- 2) **Shri Eknath Shinde**
Hon'ble Minister of Urban Development Department
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- 3) **Shri Praveen Pardeshi (I.A.S.)**
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- 4) **Shri Sanjay Kumar (I.A.S.)**
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