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Ref. No. MCHI/PRES/23-25/205
Date: 5/2/2024

To,
Shri Iqbal Singh Chahal (I.A.S.),
Municipal Commissioner,
Brihanmumbai Municipal Commissioner
Fort , Mumbai

Subject: Compensation eligible for handing over Inclusive housing tenements free of cost to BMC as per provision of regulation 15 of DCPR 2034.

Reference: Urban Development Department modification u/No. TPB-4321/12/2021/UD-11, Dated 21st December, 2021.

Respected Sir,

DP 2034 and DCPR 2034 for Greater Mumbai are sanctioned in 2018 and are operative since then. Government and BMC through these sanctioned DCPR 2034 vide Regulation 15 (2), has put additional responsibility on owner/developer of plot admeasuring more than 4000 sq.m. in area, to provide and hand over to BMC free of cost Inclusive housing tenements of size between 25 sq.m. to 27.88 sq.m. carpet area to the extent of 20% of zonal (basic) FSI permissible on the respective plot under reference.

The provision in regulation 15(2) of sanctioned DCPR 2034 is as reproduced below.

15. "In case of any residential development partially or fully consisting of subdivision/amalgamation/layout or single plot of land having gross plot area admeasuring 4000 sq.mt. or more (excluding the area under Road set back/DP Road/existing amenity/reservation) shall have the provision of IH (Inclusive Housing) as described below:

2) EWS/LIG Housing in the form of tenements of size ranging between carpet area of size 25 to 27.88 sq.mt. or as decided by the Housing Department, Government of Maharashtra, from time to time. (hereinafter referred to as 'IH tenements') and shall be constructed at least to the extent of 20% of the Zonal (basic) FSI. Such housing shall preferably be in separate wing/building and shall be handed over to MCGM."

As per other provisions of this regulation the area under IH tenements is not to be counted towards FSI and such BUA shall be allowed over and above the permissible BUA under these regulations.

Maharashtra Chamber of Housing Industry

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VASAI VIRAR | ALIBAG | KARJAT-KHALAPUR-KHOPOLI | YOUTH NMR

It also provides for granting compensation in the form of additional BUA to developer for constructing and handing over these IH tenements to BMC free of cost

As per clause 15(2) c iv) it is provided that;

The developer/owner shall be entitled for the BUA in lieu of cost of construction of tenements as stated below.

“BUA in lieu of cost of construction of IH = 1.5 [Rate of construction per sq.mt. as per ASR rate/Rate of developed land per sq. m as per ASR (for FSI 1)] X BUA of IH]

Note:

- 1) BUA in lieu of cost of construction of IH shall be allowed over and above the permissible FSI as specified in regulation 30, table 12 or can be adjusted against permissible TDR / Additional FSI on payment of premium.”

However, both these clauses mentioned above are kept in abeyance vide U.D.D.

notification under no. **TPB-4321/CR- 12/2021/UD-11, Dated 21st December, 2021.**

As such currently, in all the developments this compensation in the form of BUA in lieu of cost of construction of IH tenements is being given by only adjusting compensatory BUA against the permissible TDR/Additional FSI (Premium FSI) within the cap of permissible FSI as per table 12 of regulation 30. This compensatory BUA is not given over and above the permissible FSI as specified in Table 12 of Regulation No. 30 of DCPR 2034, **as this provision is kept in abeyance as of now.**

Hence, we are writing this letter to represent that this abovementioned practise of not giving BUA in lieu of cost of construction of Inclusive Housing (IH) over and above the total permissible area is not feasible for the projects/developments taking place in Mumbai City and extended suburbs.

The IH tenements with an area admeasuring up to 20% of Zonal (Basic) FSI on the said plot are to be constructed by the owner/developer at their own cost. This construction requires a fairly big monetary outlay. This construction also occupies a substantial area of the entire plot for its construction and planning. Thus the developers have to carve out a sizeable portion of their plot to make room for the placement of this separate Inclusive Housing building along with the requisite car parking. This impacts the planning, designing and overall arrangement of buildings on the plot.

The sale buildings are thus left with a reduced area of the plot for spreading horizontally. As a result, the sale buildings have to go more vertically upwards. This in return results in an increased open space deficiency and the deficiency premiums shoot

up for the sale buildings. Further extending the sale buildings vertically also adds substantially to the construction cost.

The heavy premium amounts and the additional construction cost that need to be incurred at the start of the project affect the financial viability of the projects as well as the sale in such projects gets affected due to provision of EWS/LIG/Inclusive Housing impacting the sale price and the sale velocity. It is also observed that the potential buyers are sceptical about buying homes in projects which have provision of EWS/LIG/Inclusive Housing in the same layout.

Considering all these factors, we collectively request your good self to kindly remove from abeyance the provision of granting BUA in lieu of cost of construction of IH tenements **over and above the permissible FSI** as specified in Table 12 of Regulation No. 30 of DCPR 2034 and it shall be granted over and above in its full capacity.

This state of dormancy for the above-mentioned provision in regulation since 2018, costs all the developers and jeopardises the viability of their projects.

Awaiting a positive response.

Thanking you,

Yours sincerely,
For CREDAI-MCHI



Domnic Romell
President



Dhaval Ajmera
Hon. Secretary

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