

hindustan times

# htestates

## CITY'S GAIN, BUYER'S LOSS



ILLUSTRATION  
SUNSHINE PATKAR

## The CM has said that builders must pay the civic government for building add-ons like terraces and parking lots. Experts say builders will pass this cost on to consumers

Sparsh Sharma

■ [htspecialprojects@hindustantimes.com](mailto:htspecialprojects@hindustantimes.com)

In a significant development, Maharashtra chief minister Prithviraj Chavan approved Mumbai civic chief Subodh Kumar's proposal to amend the development control rules (DCR) and thus prevent the misuse of additional spaces by builders.

The amended DCR has made all areas in a building layout computable under the floor space index (FSI). Earlier, areas like balcony, flower beds, terraces, etc. were free of FSI, and builders would show fictional parking lots, for instance, and use that extra space for more rooms. With the latest policy change, builders now have to pay a premium to purchase FSI up to 35% for residential development and 20% for industrial development.

The good news is that projects can now be expedited and finished without procedural delays, thereby relieving home buyers of the burden of pre-EMIs. You can also expect quick possession of flats. However, while the government revenue is set to increase, the move is expected to cause property prices to escalate further.

### HOME BUYERS TO PAY MORE

Denouncing the move, Bharat Malik, a realtor, says, "Instead of checking the misuse of FSI-free areas in buildings, the government has started charging money for it. This will ultimately lead to an increase in prices that will be passed on to the mid-segment buyer who stands to lose out more money now. The market sentiment and affordability factor - a primary concern for the mid-segment buyer will be shaken."

Niranjan Hiranandani of House of Hiranandani,

## REFUGE AREAS NOW MANDATORY

**REFUGE AREAS WILL BE** designated exclusively for the use of occupants as temporary shelter during emergencies and for exercises/drills if conducted by the fire brigade department.

**A REFUGE AREA WILL HAVE** to be provided at every seventh habitable floor after the first 24m of a high-rise.

**A REFUGE AREA WILL NOW BE** restricted to just 4% of the habitable floor area it serves and will be free of FSI. If it exceeds 4%, the excess area shall be counted in the FSI.

**FOR BUILDINGS WITH** a height of 70m (about 24 floors), as an alternate, refuge areas can be provided as

reinforced cement concrete (RCC) cantilever projections at the alternate mid-landing level of staircase, free of FSI.

**EACH REFUGE AREA** at mid-landing shall have a minimum width of 3m and minimum area of 10 sq m for residential and 15 sq m for non-residential buildings.

**THE TERRACE FLOOR** of buildings only 30m tall shall be treated as the refuge area.

**A FIRE-CHECK FLOOR** in a building more than 70m tall will be mandatory. It will not be used for any other purpose and it shall be the responsibility of the owner/occupier to keep it clean and free of encroachments at all times.

"With this move, availability may increase, but price correction is unlikely. The government must look into the property hoarding state. A better move would be to ensure affordability, once the builder creates accommodation."

### Raj Sharma

President (global), Majestic MRSS, a market research firm

expressed concerns about how home buyers are being conned by the proposed increase in taxes. "Buyers already pay around 32% in taxes for a single house. Taxation is a mess and instead of the 65% of the ready reckoner rates, a more reasonable 20% to 25% should have been implemented. It is no longer about how many houses can be produced but how much money can be extracted from them. Housing has become a milking cow for everyone," he says. Ashok Chhajer, CMD, Arihant Superstructures Ltd warns, "Mid-income group home buyers are definitely in for legal and approved construction. However, they will have to bargain hard for the

additional burden to not be added to the purchase cost."

### REVISIONS IN APARTMENT SIZES

Other fallouts of this decision could be alterations in property sizes. Raj Shah, associate director, Silver Group, says, "If a home buyer has already booked a flat in an under-construction building, he can expect alterations in the size, composition or layout of the flat pertaining to the sizes of previously FSI-free spaces like balconies and flower beds since these features have been clearly established and included as the fungible FSI, at a premium to be paid by the developers."

Continued on page 3



# City's gain, buyer's loss

*Continued from page 1*

Some experts, however, believe the move is a game plan to sabotage redevelopment. Ajay Chaturvedi, a real estate expert, explains, "As things stand today, a redevelopment project gets an FSI of 2 generally, and 3 if it is for a slum rehabilitation project. It is not a level playing field

as redevelopment, especially of small plots, would now become unviable in the city."

## **BUILDERS TO BE MORE ACCOUNTABLE**

The new regulations are expected to bring about transparency and put an end to malpractices in the real estate world. Paras Gundecha, president of the

Maharashtra Chamber of Housing Industry (MCHI), lauded the initiative. "The amendments to the DCR will be in the best interests of the citizens and more specifically, property buyers in Mumbai. The notification will reduce arbitrary decision-making and bring about stability in property prices," he says.

## **CITY ENDANGERED?**

Yet another angle worth pondering according to Sujit Parab, proprietor, SSP Architects, is "We are missing a point out here – what we need to be concerned is not the impact on the end user but on the city. The demand for water, electricity, drainage, green zones and other infrastructure facilities needs to be adhered to. What Mumbai needs is sustainability and not further growth, as it is already saturated. Let us sustain it."