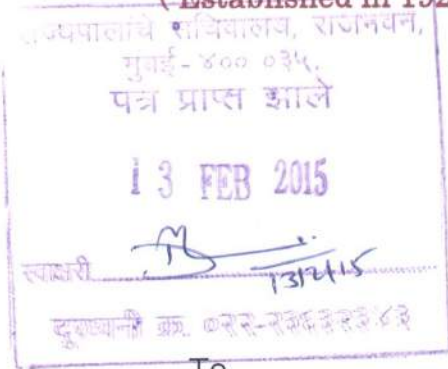


o/c

THE PROPERTY OWNERS' ASSOCIATION

(Established in 1924, Governed by the Bombay Non-Trading Corporation Act, 1959)



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9th February 2015

To

1. **SHRI. NARENDRABHAI MODI,**
Hon'ble Prime Minister of India,
 South Block, Raisina Hill,
 New Delhi - 110001.
2. **His Excellency Shri C. Vidyasagar Rao,**
Hon'ble Governor of Maharashtra,
 Raj Bhawan, Malbar Hill,
 Mumbai - 400 035.
3. **Hon'ble Shri. Devendra Fadnavis,**
The Hon'ble Chief Minister,
Government of Maharashtra,
 Mantralaya,
 Mumbai - 400 032.
4. **Shri. Prakash Mehta,**
Hon'ble Minister for Housing,
Government of Maharashtra,
 Mantralaya, Mumbai-400032.

**SUB: SUGGESTIONS ON HOUSING POLICY OF GOVERNMENT ON
 MAKING MUMBAI THE "WORLD CLASS CITY" AND ON
 AFFORDABLE HOUSING FOR ALL.**

Respected Sirs,

The "Property Owners' Association" was formed in 1924. THE PROPERTY OWNERS' ASSOCIATION'S VISION IS AFFORDABLE HOUSING FOR ALL; A HOME FOR OUR PEOPLE; A GLOBAL CITY OF DISTINCTION & MAKING MUMBAI A DREAM DESTINATION.

1. Between 1920 and 1940 massive investment was done mostly by middle class persons, out of their hard earned savings, in the Housing sector. With the result, that by 1940 plentiful accommodation was created and it was quite common to see in the early 1940's, boards displaying **"to be let"**. The available accommodation was in surplus. This was achieved entirely by the private sector, without any Government subsidy or help.

Bombay Rent Act, 1947 - Freezing of Rents thereunder has played havoc and ruined Mumbai.

2. The Government should provide the enabling environment and act as a good facilitator providing policies, legal and financial/resource support to the owners of the property, developers etc. and to the individuals themselves which will boost the mass construction of Houses to be let out on Rental and the Houses could be available at affordable prices.
3. The Government should minimize red-tapism and minimize requirement of NOC's for mass scale construction of Houses by private sector and Government should ensure that the supply of Houses is more than the estimated demand, only then the houses would be available at the affordable prices.
4. (a) The Government should make Government land available to the private sector and allow the private sector to develop the land for permitted uses.

- (b) The Government should allow the private sector to play a more proactive role in taking up housing programmes on a massive scale for the poor and low income groups with social commitments.
- (c) The cost effective building materials and technologies are to be used for construction of affordable houses which are strong, durable, functional and still aesthetically pleasing.
5. In 39 years (from 1969 to 2008), the Government, through MHADA, has only reconstructed 442 buildings out of 19642 old buildings in the Island city. The Government must give incentive FSI of minimum 5 or rehab plus 100% incentive FSI whichever is more on gross plot area to the Owners of the property under DCR 33(7) and 33(9) to enable them redevelop their own properties.
6. The right of the Owner to redevelop their properties vest in the Owners only and the Property Owners strongly object to anyone intermeddling with their properties. All the Owners are ready and willing to redevelop their properties. The property owners in the earlier Eleven Special General Meetings in last six years passed unanimous Resolutions & Memorandums duly signed by members present in the meetings and the same are submitted to the Government for Redevelopment of their properties.
7. **The Population in the Island City and Greater Mumbai is necessary to be considered for the FSI to be granted for redevelopment in the Island City and Suburbs.**
- The Government should consider the statistics of population of Mumbai natural growth rate, influx of 300 families every day in Mumbai and accordingly the requirement of houses for such population. The FSI should be increased to minimum 5 or FSI required for rehab plus 100% incentive FSI whichever is more on gross plot area to overcome the shortage of houses in the Island City and minimum FSI of 5 or FSI required for rehab plus 100% incentive FSI in Suburbs and extended suburbs. The table of population shift, projected population, requirement of Minimum FSI is setout in in para 25 below
8. **The Government must allow land owners to redevelop their properties under DCR 33(7) giving Minimum FSI 5 and DCR 33(9) giving minimum FSI of 5 on Gross Plot area or area required to rehouse tenants plus 100% incentive FSI whichever is more to enable them to redevelop their own properties without surrender of any area to MHADA or MCGM and without insisting of 70% Consent of tenants/occupants and without deducting the land component occupied by non-cess structure and reservations.**
9. **Bear Minimum changes in new Cluster Development Policy dated 9.9.2014 – DCR 33(9) be as follows :-**
- (a) **Para 6(d):-** (Modification to be as per para 4(xi) of Study Group Report, dated 21.11.2013 by the Principal Secretaries & MC)
- In case of MHADA/MCGM land in proportionate to plot area (No sharing in private property). Further area for MHADA/MCGM be treated as rehabilitation area & accordingly incentive FSI be given to MHADA/MCGM be treated as free of FSI area.**
- (b) **Para 6(a):-** To be retained as per Notification u/s. 37(1AA) dated 27.12.2013.
- "FSI shall be 5.00 on gross plot area "including" reservation/designation..."**

- (c) (i) **Para 5(ii):-** To be retained as per Notification u/s. 37(1AA), dated 27.12.2013. Owners/Landholders' entitlement to be retained.
- (ii) **Para 3(5):-** Consent of Owner by area & numbers of atleast 70% and Consent of balance land Owner by area & number in 12 months.
- (d) (i) **C1 1.1 - Cluster/URS to be bounded by C.S./C.T.S. Boundaries;**
- (ii) C1 1.1 - (Explanation)

If any area is part of the Cluster Scheme or any area is added in Cluster Scheme, the same FSI as permitted in DCR 33(9) be granted.

10. (a) The sharing of balance surplus area after rehousing Tenants/Occupants should be 30% to the Developer and 70% to the Owners, as per the formula adopted in the recent sanctioned policy dated 8th October 2013 under DCR 33(5), in which MHADA is the Owner. **In case the plot is developed by the Owner 100% should be given to him as he bears the cost for purchase of the plot as well as incur very heavy amount on constructions & development of property to rehouse the tenants & occupants. Further MCGM & MHADA should not have any share in the developed area as the land does not belong to them.**
- (b) The Cluster Redevelopment undertaken on MHADA/MCGM land. Surplus area:- Clause 5(d) of original Notification dtd. 2.2.2009 to be retained sharing with MHADA/MCGM or any Govt. Authority to be in proportion to the MHADA/MCGM or Govt. land made available for the Cluster. (There is no cost of land to the Developer.)
- (c) The surplus sharing of area must be deleted in DCR 33(9), alternatively Surplus sharing of area may be maximum 5% of incentive FSI and it should be without computation in FSI under DCR 33 (9) in this regulation and the same be counted towards the rehabilitation component.
- (d) Surplus sharing of area must be deleted in DCR 33(7) alternatively the surplus sharing of area may be maximum 5% of incentive FSI and it should be without computation in FSI under DCR 33 (7) and the same be counted towards rehabilitation component.
11. **In case of MHADA/MCGM consent of 70% Tenants/Occupants is not required. The Owners of Property undertaking redevelopment of their properties, the consent of 70% tenants/occupants for reconstruction or redevelopment should not be necessary to the Owners/Landlords as per provisions of the Maharashtra Rent Control Act.1999.**
12. **If the property of Owners plot is included in the Urban Renewal Scheme, the Owners should be entitled to get minimum constructed Carpet area of 35% of the total FSI permissible on plot under DCR 33(9) free of cost & on Ownership and the same be counted towards the rehabilitation component.**
13. The definition of "Urban Renewal Scheme" be that any scheme in City of Mumbai having a minimum area of 4000 Sq.Mtr. bounded by existing distinguishing physical Boundaries such as Cadestral survey **CS/CTS boundaries** and which consists of a mix of structures including cess & non-cess buildings/structures etc.

14. **Any ongoing scheme under DCR 33 (7) can be included in the Cluster development proposal under DCR 33(9) for approval or can be converted to scheme under DCR 33(9) subject to rehab areas to be allotted to existing tenants being provided in confirmation with these Regulations.**
15. **The Development Cess charged for redevelopment of property in DCR 33(7) and DCR 33(9) should not be charged to the Owner of property undertaking the redevelopment under DCR 33(7) and DCR 33(9) and all other charges be payable in five installments to the authorities.**
16. **All the benefits of dilution of reservations amenities contemplated under development plan such as Road, RG, PH etc. be extended to other redevelopment schemes granted in DCR 33(7) be made applicable to redevelopment proposals in DCR 33(9).**
17. It has been observed that HPC while considering the proposed is insisting upon additional public amenities such as Public parking, School, Dispensary, Welfare Centre etc. HPC should not insist upon such amenities beyond the reservations prescribed under the sanctioned Development plan. (as this is against the statutory provisions of MRTP Act – 1966.)
18. The development proposals should be approved on priority within 30 days of its submission by the Owners of the properties and the plans, IOD & CC also should be sanctioned thereafter in 30 days.
19. **The Government agencies should act as facilitator for speedy development and redevelopment of private properties containing old buildings or slums by the owners of the property/private sectors by granting incentives to private owners. The Government should minimize the red tapisum in Local Authorities and Government Authorities in approving proposals under DCR 33(7) and or DC R 33(9).**
20. ALL THE OWNERS OF THE PROPERTY HEREBY UNANIMOUSLY PASS THE FOLLOWING RESOLUTIONS IN THE SPECIAL MEETING "ON REDEVELOPMENT OF MUMBAI AND ON THE HOUSING POLICY OF GOVERNMENT OF MAHARASTHRA ON AFFORDABLE HOUSING FOR ALL".
21. It is unanimously Resolved that the Government agencies should act as facilitator for speedy development and redevelopment of private properties containing old buildings or slums by the owners of the property/private sectors by granting higher incentives to private owners at par with MHADA/local authorities and more particularly:
22. **It is unanimously resolved that All The Property Owners would redevelop their own properties by themselves and rehouse all the Residential and Commercial eligible Tenants in the newly constructed buildings and the Government should make the policy permitting the owners of the property to redevelop their own properties as per the suggestions made by the Property Owners' Association herein.**
23. **It is further unanimously Resolved that the Government of Maharashtra in the New amended DCR 33(7), 33(9), 33(10) Policy should permit only the private owners to redevelop their properties by granting incentives and amending D.C. Regulations 33(7), 33(9), 33(10), 33(14), 33(15), 56 & 58 etc. for achieving the goal of mass affordable Housing as set out below:-**
 - (A) The Government should permit the Property Owners to redevelop their Cess properties with minimum FSI 5 or FSI required for rehousing the tenants/occupants plus 100% more FSI on Gross Plot area whichever is more without deducting non cess area

under D. C. Regulations 33(7) AND for the redevelopment of the properties containing the Slums/non cess structure under DCR 33(10) without insisting for 70% consent of Tenants / Occupants and NOC of MBR&R Board and/or SRA and no surplus area to be surrendered to Board or SRA.

- (B) The development of private Properties under DCR 33(7), DCR 33(9) & DCR 33(10) with minimum FSI five potential to be permitted at par with MHADA and local authorities on the Gross plot area without deducting land occupied by non-cess structure/slums or any reservation and/or FSI required to rehouse the tenants/occupants plus 100% more FSI on Gross Plot area whichever is more without any surplus area to be surrendered to MHADA/MCGM/Authorities.
- (C) No surrender of any surplus area to the MHADA/MCGM/ Authorities and in case of any surrender of surplus area, further equivalent compensatory FSI should be granted in lieu of compensation for any surplus area to be so surrendered to MBR&R Board / MCGM / SRA.
- (D) Extend Urban renewal scheme benefit u/s. DCR 33(9) & DCR 33(7) of D. C. Regulation 1991 to Property Owners for fast redevelopment of properties in the entire City of Mumbai.
- (E) All redevelopment schemes should be exempted from the CRZ Regulation or Environmental Clearances / State Pollution Board and or Ministry of Environment and Permit same FSI for redevelopment of properties under CRZ and Heritage precinct. Immediately atleast permit the development of properties on the Land ward side of D.P. Road/Road with full FSI potential and TDR thereon falling in the CRZ Zone and atleast at par with FSI permitted to MHADA /SRA etc.
- (F) Housing for masses and Redevelopment of properties having old buildings and Rental Housing to be treated as infrastructure projects having exemptions of property tax, service tax for atleast 10 years and/or all the relaxations of SEZ be extended to the private sector.
- (G) The one window clearance for approval of plans & issue of I.O.D. & CC should be given to all housing projects undertaken by the owners of the property maximum within four weeks and the several N.O.C. required must be reduced to two to three only and the said N.O.C. be taken while the construction is in progress and to be complied before occupation Certificate.
- (H) The Government should permit Registered Architects to approve the plans for building based on extremely simplified D.C. Regulations and guide lines for development of properties and Floor Space Index FSI at par with FSI given to Government bodies and 20 model plans with simplified I.O.D. & C.C. should be sanctioned and the approval of such plans must be given through single window and "On Line" approval by MCGM/SRA within two weeks.
- (I) No acquisition of Private properties and Buildings under MHADA Act at confiscatory price in the City of Mumbai by deleting such

provision in Chapter V, VIII, & VIIIA of MHADA Act & Housing Notification dated 1.6.2005 by Government of Maharashtra.

(J) Rental Housing

- (i) Promote mass scale development of rental housing stock/facility under the Transfer of Property Act & amend the said Act to give legitimate protection to the tenant.
- (ii) Further Additional incentive FSI of one be given for construction of Rental Housing which will boost the Rental Housing. The higher incentive FSI should be above the permissible FSI under DCR 33(7), 33(9) & 33(10).
- (iii) The fiscal incentives in property Taxes, cess etc. to be given is a proper step in the right direction. The property Tax, Cess should be 10% of normal property Tax and cess for houses given on rent / leave & licence etc.
- (iv) Amendment to Rent Laws should be as per SC Order dated 19.12.1997 and National model Laws and stated in our suggestions in Task Force Meetings.
- (v) Repeal the Rent Control Act in a period of five years or so.

24. **It is further unanimously Resolved that the Government "for making available Affordable Housing for all on Rental", it is necessary to amend the Rent Act. The Amendment in Maharashtra Rent Control Act, 1999 to be incorporated in the "New Housing Policy for Maharashtra" are as follows:-**

- (a) **Abolish NINE Criminal provisions under sections 10(2), 17(4), 18(2), 19(3), 21(2)(b), 29(5), 30(2), 31, 48(2) & 55(3) of imprisonment.**
- (b) **Exemptions in Rent Act :- Provisions of Rent Act not to be applicable to**
 - i) Companies or premises occupied by Companies with the paid up capital of Rupees Ten Lacs or more and/or having net worth of Rupees Twenty Lacs or more. (By amending Section 3(1)(b).
 - ii) Premises occupied by any individual/partnership having net worth of Rupees Twenty Lacs and above AND/OR Premises occupied by affluent tenant having net worth of Rupees Twenty lacs or more and/or annual gross income of Rupees Ten lacs or more.
 - iii) Non-Residential Premises having carpet area of 500 sq. ft. and above residential premises having carpet area of 1000 sq ft. and above including Mezzanine floor.
 - iv) Premises / land given on lease / Leave & license for specific period and on the expiry of such period.
 - v) Premises in building owned by Public Religious & Public Charitable Trusts.
 - vi) Offices, Restaurants, Clubs, Liquor Bars, dancing bars, guest houses, shops, premises where Industrial / Commercial activities are being conducted etc. having Annual Turnover of Rs.15 lacs or more.

(c) Other provisions in Rent Act:

- (i) Upward revision of rents every year by 5% to neutralize erosion in the rupee value.
- (ii) The old rents of the premises be increased i.e. Increase in net rent – Rs.5/- per sq.ft. per month for residential and Rs.10/- per sq. ft. per month for non residential. (Inflation has been 100 times between year 1940 & 2007).
- (iii) Deletion of the right to assign the tenancy of premises U/s 56 (1) by the tenant.
- (iv) Eviction of tenants / lessee must be compulsory for default in payment of rent for more than 6 months & the tenant / lessee must loose protection of Rent Act permanently.
- (v) Separate building maintenance fund should be permitted to be recovered by the owners from the tenants / occupants on actual basis for the maintenance of the building.
- (vi) Setting up of special Tribunals for expeditious disposal of disputes between landlords and tenants AND ONLY ONE appeal to a higher authority.
- (vii) Observations of the Hon'ble Supreme Court judgment dated 19.12.1997 be fully implemented.

25. **IT IS UNANIMOUSLY RESOLVED THAT THE GOVERNMENT SHOULD CONSIDER THE SUGGESTIONS ON F.S.I. REQUIREMENT FOR CREATING AFFORDABLE HOUSING AND OR RENTAL HOUSING IN MUMBAI.**

- (A) **The Population in the island City and Suburbs & extended Suburbs of Mumbai is necessary to be considered for the FSI to be granted for redevelopment in the Island City, Suburbs and extended Suburbs.**

Population– Mumbai Island City Suburbs and extended Suburbs:

Population n Year	Island City	Suburbs	Extended Suburbs	TOTAL
1961	28,71,923	10,36,585	3,43,538	42,52,046
2001	33,26,832	48,86,286	37,01,275	1,19,14,398
2011	30,85,411	55,27,025	38,29,937	1,24,,42,373
Increase in 15 years Estimated	(10%) 16,00,000	(50%) 80,00,000	(45%) 72,00,000	1,60,00,000
2025 Estimated	46,85,411	1,35,27,025	1,10,29,937	2,92,42,373

(B) Projected Population for Greater Mumbai:

Year	Population increase by natural growth (in lacs)	Additional population influx (in lacs)	Aggregate additional Population influx in lacs every 5 years	TOTAL (in lacs)
2001	119.14	-		119.14
2006	128.83	-		128.83
2011	138.53	16.00		154.53
2016	165.08	16.00	16	197.08
2021	193.64	16.00	32	241.64
2025	221.00	16.00	48	285.00

Population of 2001 is as per Census 2001, thereafter is estimated at natural growth rate of 1.4% and influx @ 400 (average 4 members per family) families per day in the City.

(C) REQUIRED INCREASE IN FSI FOR CESS & NON CESS PROPERTIES(a) **Island City – MUMBAI**

	Populn in 2011 in lacs	Present FSI	Useable TDR FSI	Estimated population in 2025 in lacs	Minimum FSI required on gross plot area
Residence	30.85			46.85	FSI 2.66 plus TDR generated in Island city to be utilized on these plots upto FSI 5.
Commercial		1.33+	1.00+ (Heritage TDR)		
Low cost residential & slums			NIL		For slums rehabilitation min. FSI 5 OR the area required for re-housing plus 100% incentive FSI of re-house area, whichever is more.
Old & dilapidated buildings Nos. 17417		3.00 to 8.00	NIL		Min FSI 5 OR the area required for re-housing plus 100% incentive FSI of re-house area, whichever is more.

(2). Suburbs & Extended Suburbs – MUMBAI

	Populn in 2011 in lacs	Present FSI	Useable TDR FSI	Estima- ted popula- tion in 2025	Minimum FSI required on gross plot area
Residence/ Commercial/ Low cost residential & slums	93.00	1.00+	1.00+	245.56	FSI 2.00 plus TDR FSI 2.00 and max. upto FSI 4 AND for slum rehabilitation minimum FSI 4 OR the area required for re- housing plus 100% incentive FSI of re-house area, whichever is more.
Old & dilapidated buildings Nos.14000		1.00+ Now proposed 2.00 Town Planning Scheme (2.5)	1.00+		Min FSI 4 OR the area required for re-housing plus 100% incentive FSI of re-house area, whichever is more.

26. **It is unanimously Resolved that Government should facilitate for construction of mass scale Housing by the private sectors and at the same time the Government should also create adequate infrastructure facilities like roads, bridges, water sources connectivity, (Water Transport, mono rails, underground railway) & Power supply etc.**
27. **It is unanimously Resolved that for raising Finance for Redevelopment of properties and making Mumbai the "World Class City" the following be considered by the Government.**

(A) REAL ESTATE INVESTMENT TRUSTS

The Government should permit the setting up of a Real Estate Investment Trust (REIT). In India real estate assets are kept outside the financial market and not leveraged for investment purposes. India must try to make real estate a full-fledged investment option. Real estate as an asset class is vastly different from capital market assets. It is a natural hedge against inflation, experiences low volatility and hence generates positive long-term returns. To begin, with an exclusive stock exchange could be set up under Securities and Exchange Board of India (SEBI) guidelines for trading real estate stocks.

REIT would operate like a mutual fund, where investments of individual investors are consolidated to invest in real estate.

(B) MORTGAGE MARKET AND SECURITISATION

Another source of finance for housing companies is development of the secondary mortgage market which involves conversion of mortgages into tradable financial or debt instruments. Securitisation is a process popular among housing finance companies in the West by which the home loan assets are

bundled into securities and sold to the investors. Such securities are called mortgage-backed securities and they help the finance companies convert their loan assets into cash for further loan disbursements, thus maintaining a flow of funds from the lenders.

(C) FOREIGN DIRECT INVESTMENT

Allowing FDI in the real estate sector will result in the following advantages:

- It will provide the much-needed investment for the funds starved sector;
- it will bring in professional players equipped with expertise in real estate development;
- the introduction of new technology and quality real estate assets will have a demonstration effect on the local developers;
- it will lower real estate costs in the long run;
- it will generate employment and revenue, and
- it will improve the quality of related infrastructure.

28. (I) **IT IS UNANIMOUSLY RESOLVED THAT THE SUGGESTIONS OF THE OWNERS TO THE PROPOSED D.C. REGULATION 33(7) AND 33(9) IS NEEDED TO BE AMENDED FOR CONVERTING MUMBAI INTO "WORLD CLASS CITY" BE CONSIDERED BY THE GOVERNMENT:**

- (A) The Government's amended D.C. Regulation 33(9) on 9th Sept. 2014 is depriving the property owners of their right to redevelop own property by themselves. The proposed amendments to the provisions of DCR 33 (9) on 9th Sept. 2014 are arbitrary and not in consonance with the object sought to be attained. Several provisions proposed in the D.C. Regulation 33 (9) infringe the rights of the Property Owners who will be put to great harm, irreparable injury and loss. It will also affect their fundamental right to live in dignity.
- (B) The provision made in the D.C.R. 33(9) have the object of depriving the Property Owners of their property on mercy of developer who has 70% owners plot in Cluster Development (However, small such seven plots may be, the developer can without 30% consent of the three big properties worth several Crores of Rupees) can undertake redevelopment of properties under Cluster which is totally arbitrary, illusory and would tantamount to not only illegal confiscation of property but also violates the Property Owners fundamental right to carry on business. (The business of redevelopment as well as reconstruct for letting out on rental).
- (C) Under the Constitution of India, no one can be deprived of his property without just compensation and that the said provisions of taking away the property of the owners under the guise of redevelopment under Urban Renewal Scheme is arbitrary, illegal, illusory and has no relation whatsoever to the real market value of the property. When MHADA or other authority sells their property in the open market, they seek to get the best price. There is no reason for depriving the Property Owners of the same

right. The recent experience of sales in the Bandra-Kurla Complex is a pointer to the prices received by the Government agencies when they sell property.

- (D) The requirement of the owners/landlords, requiring them to obtain the consent of tenants/occupants for the purpose of reconstruction of the buildings has been done away with under the Maharashtra Rent Control Act 1999. In view of the said Legislative Policy, the requirement contained in amended DCR. 33(7), DCR. 33(9) & DCR 33(10) that the owners should obtain the consent of 70% tenants/occupants in order to get the benefit under D.C. Regulation 33(7), 33(9) & 33(10) is ultra virus, illegal, arbitrary and unreasonable.
- (E) The D.C. Regulation 33(7), 33(9) & 33(10) does not balance the concerns of the owners of the Property. The owners of the property play a vital role for redevelopment of cess properties/slums and are responsible for overall development for creating large house hold/tenements for people from all walks of life in the Mumbai City. A fair and proper D.C. Regulation 33 (7), 33(9) & 33(10) permitting incentive FSI to the owners, to redevelop their properties will usher in a new era in the Housing Sector.
- (F) The options of Urban Renewal Scheme/Land Assembly / Cluster approach for private properties would not work as several owners/families are involved. The owners undertaking the redevelopment under Urban Renewal Scheme with the benefit of FSI and incentives i.e. FSI of 5 or area for rehab + 100% incentive FSI under DCR 33(7) and FSI of 5 or area for rehab + 100% incentive whichever is more FSI of 5 under DCR 33(9) AND Government should act as facilitator for development of private properties rather than a regulator or a facilitator for vested interests.
- (G) We strongly oppose the redevelopment of private old buildings or private slums through MHADA/MCGM/Developer under Urban Renewal Scheme/cluster approach or precinct based in the Mumbai City. The Urban Renewal Schemes of Private Property through Public Private partnership under the guise of Urban Renewal Scheme/cluster approach or precinct based could give rise to a large number of litigations, large-scale corruption at several levels, use of muscle power etc. The said Public Private Partnership may be adopted only on Government lands and the Public-Private Partnership should not be done or permitted on any private property, without the express consent of the Property Owners or adequately compensating the Property Owners, who have a right to use their property for their maximum benefit and are entitled to get market rates as per Ready Reckoner.
- (H) One of the biggest hurdles that the landlords face is to procure the consent of 70% of the tenants/occupants, even if they wish to repair their property or redevelop the same. This provision should be done away with. Even reports of statutory bodies of the Maharashtra State have come to the conclusion that such a requirement is not at all workable and is counter-productive and even the Hon'ble High Court, Mumbai has ruled as such recently. Even the Supreme Court has held that it is the inherent right of the landlord to repair or develop his property. In that background the requirement of obtaining the consent of 70% of the tenants is,

ex-facie, illegal and uncalled for. The said requirement is also ultra vires.

- (K) Grave injustice has been done to us in the past and we hope and pray that atleast now this gross injustice will be removed and justice will be meted out to the owners/landlords, who have been grossly ill-treated. We hope that we will not be continued to be treated as Second Class Citizens. For more than 60 years, our rights have been trampled. Several Property Owners have been reduced to penury because of the Rent Act. It is time for the Govt. to give us a fair share of our lawful dues and rights.

- (II) **IT IS FURTHER UNANIMOUSLY RESOLVED THAT THE SUGGESTIONS ON D.C. REGULATION 33(9) MADE HEREIN BE SERIOUSLY CONSIDERED BY THE GOVERNMENT.**

The above unanimous Resolutions passed by all the Owners be sincerely considered by the Government and extent the full co-operation to the Owners of the property for redevelopment of their properties containing old buildings & Slums in the City of Mumbai.

29. **ROLE OF GOVERNMENT AND OTHER AGENCIES:**

1. The Government should

- Consider and accept, the suggestions made herein by the Property Owners Associations and make necessary changes in D.C.Regulations, Rent Act etc. for faster redevelopment of Mumbai.
- Evolve plans & strategies for optimum use of available land resources for sustainable development.
- **Amend Development Control Regulations for redevelopment of all the properties including the properties. The private property owners be given incentive FSI of minimum of 5 or area required for re-housing plus 100% incentive FSI on gross plot area including reservation/designation whichever is more under DCR 33(7) and the FSI of 5 or area required for rehousing plus 100% incentive FSI on gross plot area including reservation/designation whichever is more under DCR 33(9) for re-development of properties containing chawls and / or non cess chawls / slums.**
- Adopt TWO tracks approach i.e. fast track & slow track.
 - In fast track, beautification of Mumbai, improvement of vital facilities & infrastructure such as airports, modes of transport, public / private participation in up-gradation of heritage buildings, government hospitals and health services.
 - For slow track, bring about institutional changes / reforms encouraging high returns on investments in Mumbai & Maharashtra.
- Creation of adequate infrastructure facilities Railways, alongwith Sea front, Metro rail, Coastal Railways, (water transport, mono rails, under ground railways) roads, Coastal Roads, bridges, water sources connectivity, drainages and power supply etc.

- Provide fiscal concessions for housing & infrastructure.
- Offer incentives to Private Owners of the property and private sector in undertaking housing and infrastructure projects.
- Promote innovative mechanism like mortgage guarantee and title insurance to augment fund for housing sector.
- Policy towards creates large housing stock on ownership and rental basis.
- Minimum FSI of 5 or Rehab plus 100% incentivitive FSI plus additional FSI one for creation of large Rental housing stock.
- Promote Rental Housing by making effective changes in Rent Act.
- Simple & clear policy to be implemented to mobilize global resources (including FDI) in housing and urban infrastructure sectors.
- Efforts to release Government control land – Railways, airport authorities, BPT, salt pans, etc and allow development of LIG housing stocks with permissible FSI of 5.
- No acquisition of private properties for redevelopment at illusory amounts through governmental agencies – MHADA, MMRDA & MCGM.
- Abolish rent control acts & the rental Housing be protected under the transfer of property act.

2. Finance

- Offer incentives to housing finance institutes for funding projects of EWS, LIG & SRA.
- Waiver / substantial reduction of Stamp Duty on residential mortgage backed securitisation.
- Housing for masses to be treated as infrastructure projects having exemptions of property tax, service tax for atleast 10 years.
- Exemption in Income Tax for next 10 years for construction of residential premises of carpet area of 2000 sq.ft. and 20% of total development as commercial premises. Further, Private Sector should be motivated by giving Tax holiday for 10 years to invest a part of their profits in housing.
- Amendment through Government of India of Income Tax Act of Section 80 C (xvi) (a), 80 I (b) for mobilization of resources by financial institution, private sector and I.T. exemption for 10 years.
- No Capital Gain tax for redevelopment of properties.
- 100% Income Tax exemption for undertaking redevelopment of properties for the period of 10 years.

3. Legal & Regulatory reforms

- Registered Architects be allowed to sanction building plans on behalf of MCGM from the pre approved 20 model building plans of Multi stories buildings & MCGM to issue Commencement Certificate within a period of 2 weeks thereafter.
- Rent Control Legislations should be amended to stimulate investment in rental housing in line with a Model Rent Control Act & National Housing Policy – 2005 & Directions of SC order dated 19-12-1997.
- The Acts relating to the Insurance Sector should be amended to facilitate Mortgage Insurance in the country.
- Introduce title Insurance for housing to prevent fraudulent transactions.
- The scale of stamp duty on residential and non-residential properties should be 2-3%.
- Exemption to re-development schemes falling under CRZ Zone.

We are enclosing the Presentation on Redevelopment of Mumbai made in the meeting on 9.2.2015 for your ready perusal.

THE GOVERNMENTS SIMPLE & CLEAR POLICY TO BE IMPLEMENTED TO MOBILIZE GLOBAL RESOURCES IN HOUSING SECTOR AND THE ENCOURAGEMENT TO PRIVATE SECTOR TO CONSTRUCT RENTAL HOUSING WOULD DEFINITELY SOLVE THE PROBLEM OF AFFORDABLE HOUSING IN CITIES IN NEXT FIFTEEN YEARS.

Yours truly,
for **THE PROPERTY OWNERS' ASSOCIATION,**



B.R. BHATTAD
(VICE-CUM-EXECUTIVE PRESIDENT)



M.N. PITTIE
(PRESIDENT)

Encl: Presentation "On Redevelopment of Mumbai".

Note:-

All the members present in the Meeting has Unanimously approved, passed and signed this Memorandum as well as the presentation "On Redevelopment of Mumbai" for submission to the Hon'ble Prime Minister, Govt. of India, Hon'ble Governor of Maharashtra, Hon'ble Chief Minister, Govt. of Maharashtra, Hon'ble Minister of Housing, Govt. of Maharashtra.



ATEEQ AGBOATWALA (HON. SECRETARY)
THE PROPERTY OWNERS' ASSOCIATION