

## A boost for Mumbai

*Redevelopment of cessed properties will give a new look to the city, but its success will hinge on simultaneous development of infrastructure, says Padma Ramakrishnan*

In a move that will set the pace for a major change in Mumbai and spell a bonanza for builders, the Supreme Court has allowed for redevelopment of cessed buildings in the island city, removing the earlier restrictions.

The apex court set aside objections of the Mumbai High court that reconstruction of properties with such huge FSI in the area from Colaba to Mahim and Sion would lead to extra pressure on all civic facilities and infrastructure. Under Section 33(7) of the Development Regulations, the Supreme Court has allowed that these buildings, irrespective of whether they are dilapidated or not, can now be redeveloped "whenever 70% of the tenants/occupants of such buildings come together with their landlords for redevelopment of their properties. They would also be entitled to extra FSI as an incentive. There are about 19,642 cessed buildings in the island city. 16,400 of them are pre-1940. About 1000 to 1,500 are considered dilapidated.

Experts, while welcoming the development, caution that it should be tempered with commensurate infrastructure. The challenge is to build adequate roads, power, water and sewage facilities, to meet the density from increased residents occupying the high-rise buildings that will come up.

Developers, however, point out that in order for the city to develop, there is no other way but to increase FSI and allow for redevelopment of these buildings built in the 1940s, 1950s and 1960s.

Pujit Aggarwal, Managing Director, Orbit Corporation, who are into redevelopment of cessed properties, says the move would allow for value creation with increased real estate availability in Mumbai's island city. Good quality real estate will be available at a cost of Rs 12,000 to 25,000 per sq ft in the heart of the city. "The state government is undertaking infrastructure spending to the tune of one lakh crore and we believe that infrastructure will keep pace with construction," he says.

On the impact of redevelopment on pricing, Aggarwal says there is a high demand in Mumbai but we expect at least a 15-20% correction in premium locations. He observes the next four years should see close to 250-300 buildings being redeveloped. Thereafter, it would be 300-400 buildings per year. In this context, cluster redevelopment will be good in a minimum of one acre going up to one hectare.

Mofatraj Munot, Chairman, Kalpataru Properties, maintains that redevelopment is the only way we can have better buildings and amenities. The municipal byelaws should, however ensure enough space between high-rises to allow for adequate fire-fighting operations.

Explaining the huge benefits from redevelopment, **Milan Kothary**, MD GVA Intercapitalis, international property consultants says this is good news for big builders who have mega plans to construct multiple buildings for housing and not just a standalone structure. Builders will get more space to develop and more saleable space. For land owners, it will fetch better returns and for tenants this could improve living conditions.

Mumbai has around 16,000 old and dilapidated buildings, some of which are as old as 70 years. This scheme could help change this scene. All original residents will be given a minimum carpet area of 300 sq ft in the reconstructed flats and a maximum area equivalent to their existing area. The developer has to create a corpus fund that will take care of maintenance of the reconstructed building for ten years.

Continues **Kothary**, the incentive FSI - the saleable component of the project - would be in the range of 50 per cent to 75 per cent of the rehabilitation FSI. If the policy is strictly adhered to, then the city could develop on the lines of global metros like Hong Kong, Shanghai and Singapore.

In redevelopment, the authorities should also look into design intent which should fit into the overall context of the area, observes architect Pranav Desai.

The Supreme Court in its judgment favouring redevelopment and extra FSI, relied on a

report on the development plan for Greater Bombay which showed that way back in 1981, 5,82,200 tenements were required to house the natural growth of population. It also relied on figures which showed that in 1991, nearly 73% of the population are living in small one-room tenements -vertical slums, while 18% lived in two-room flats, which meant that more than 90% lived in small areas.

On a note of caution town planners and experts warn that increased FSI appears attractive, but government bodies must plan at least 30 years ahead or else things could back-fire and be disastrous. FSI should not be doled out, but should take into consideration factors like road width, density, facilities and mass transit in the area, they say. In short it should be done in a well planned manner rather than in a haphazard manner.

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