

Plan space equitably

*Doing some crystal gazing, **Milan Kothary** gauges the state of the realty market in Mumbai for the coming six months and more*

Everybody and anybody associated with Mumbai is sure of one thing - Mumbai should be another Shanghai or Singapore; but everybody and anybody associated with Mumbai is unsure of one thing - the road map to achieving such a dream.

It is all very well to talk about beautification of parks and monuments and a smooth, relentless and quick drive to the airport, but a higher quality of life requires more than just this. There is absolutely no doubt that beautifully designed buildings and open public spaces add to the real estate values, but the same property market excludes the majority of the city's population from access to affordable housing.

The biggest myth in circulation is, 'the city is over congested and there is shortage of space'. If truth be told - Mumbai lacks sadly in 'spatial planning'. The actual problem is not lack of space but that of 'distributing this recyclable resource more equitably. If one has to observe more closely, one would realise that more than a couple of thousand acres of land is lying idle or vacant in the Dock and Mill Lands, or is tied up with private trusts, state corporations and defunct industries in the suburbs.

All this while, it has been largely a builders' and developers' market, but some part of 2009 and certainly 2010 seems that it could change this. Nostradamus may have had psychic powers and astrologers may have the planetary positions to guide them in their predictions, but people like us have only the past and the present to work with, which means that we are doing well even when we get even 60% of our predictions right. The recession of 2008 has continued through this year so far, and may carry into early 2010, and there is probably nothing anyone can do to prevent this. It is something that has to run its course but if one has to impartially observe one would realise that such a recession has actually been good for the country in the long run, as it allows the system to clear out all the waste and inefficiency and bring the prices down, leading to predominance of traditional players who would give more realistic value to buyers.

It is quite apparent that the housing sector will take into consideration the broad spectrum of stakeholders with which it interacts - not only the institutions providing finance but also the people purchasing the houses. A well-motivated regulatory system will come into existence where PPP (Public Private Partnerships) will be dominant and 'affordable housing' will be the thrust area. This implies that the Government will set up the enabling framework and private sector players like developers and financial institutions will partner to deliver the 'affordable units'. There is concrete reason to believe that "affordable housing" will thrive in 2010 - until now the real estate boom meant a super premium market, but with such a market having fallen in some places and tanked in others, developers have realized where the biggest challenge lies - providing affordable housing to city dwellers - and in many cases they are already addressing this. Strategies are bound to be realigned across this segment since the best way to retain market share and respond to a demand slow-down would be to either cut prices in the short term and lower profits or to identify a market segment that holds potential - for the real estate sector it is 'affordable housing'.

Mumbai in 2010 could also see a slow revival of retail and residential redevelopment opportunities. 'Infrastructure' is yet another sector that could witness noteworthy progress in the year 2010. Plans for investment and upgradation of the city's Mass Rapid Transit System (MRTS) have languished for decades turning the city's rush hour into crush hour. The Government of Maharashtra now appears to be making serious concerted efforts to improve the scenario. It has been exploring the viability of various alternative Mass Transit Systems, which are efficient, economically viable and at the same time environment friendly.

Due to the city's geographical constraints, the road and rail infrastructure development could not keep pace with the growing demand for the last 4 -5 decades, but the Governments' declaration of The 'Mumbai Metro', the 'Skywalks' and the 'Monorail' as 'public

vital infrastructure projects' would add a new dimension to the city. In fact Phase I of 'Mumbai Metro' will soon be operational in 2010 enabling East-West rail based connectivity to central and western suburbs, facilitating smooth and efficient interchange between suburban rail system and MRT system at Andheri and Ghatkopar stations, reducing journey time and providing rail based access to the MIDC, SEEPZ and other commercial development.

Keeping all these factors in mind, even if Mumbai does not become a Shanghai or Singapore overnight, these are all steps in the right direction.

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