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A SHOT IN THE ARM FOR MUMBAI'S REALTY

RAVI SINHA gets the real estate fraternity's views on steps that can provide an even greater impetus, to the coveted real estate market of Mumbai

Mumbai has remained one of the most popular property markets in the world. Nevertheless, there are certain bottlenecks that affect this market. If these issues are addressed promptly, the city's realty market will witness a strong recovery. As the financial capital of the country, Mumbai continues to attract new businesses and residents. Other sectors, such as retail and entertainment, also fuel demand for realty

in the city. Mumbai has continued to expand with real estate developments in defunct mill areas across the city, as well as planned developments in the peripheral regions, such as Panvel, Thane and Navi Mumbai. These regions have huge potential for growth and absorption, owing to their overall development, connectivity and excellent living environment.

Besides creating additional

central business districts (CBDs), it is crucial to strengthen existing infrastructure by introducing airports, sea-links, metros, ring roads, etc., for Mumbai to become an ideal investment destination, says a spokesperson from Kalpataru. Areas like Thane and Panvel have become preferred destinations for investment and expansion. "Although infrastructure bottlenecks are a big hindrance, the state government has undertaken numerous initiatives to improve the situation. It is important for the city to grow in sync with the rapid transformation, by reinventing itself. Public-private partnerships and single window clearances should be given priority," says the spokesperson. The potential to develop road, rail and sea-based transport infrastructure is one of the biggest advantages that Mumbai has over other cities. It is vital that the devel-

opment of new mediums of transportation do not get stuck in bureaucratic approval processes, adds the spokesperson.

Manju Yagnik, vice-chairperson of the Nahar Group, points out that the availability of land for development is a major issue in Mumbai, as the city is surrounded by the Arabian Sea. Within the city, land for development can be unlocked only through redevelopment of dilapidated buildings and slum redevelopment. Opportunities also exist in the relatively new areas of the Mumbai metropolitan region (MMR), such as Panvel, Virar, Dombivli, Ambarnath, and Badlapur. Yagnik insists that the city's realty market has not yet reached saturation.

Relaxing certain policies and simplifying the process of obtaining approvals will surely boost the market, she feels. "Is-

such as coastal regulation zone (CRZ), clearances for high-rise buildings and approval from the Ministry of Environment and Forests (MoEF) are crucial, as far as new projects or redevelopment is concerned. The permissible floor space index (FSI) in Mumbai needs to be increased, considering the space crunch in the city," says Yagnik. In Tokyo, Hong Kong and Shanghai, the FSI limits range between 10 and 15. However, in Mumbai, the FSI ranges between 2.5 and 4 for redevelopment projects and between 1.33 and 4 for non-redevelopment projects.

Pranay Vakil, chairman of Praron Consultancy, maintains that the focus needs to change from 'location' to 'connectivity'. Earlier, property prices in Chembur were one-sixth of those in South Mumbai. However, a single flyover has changed the profile of Chembur and prices in this suburb have gone up. Similarly, the trans-harbour bridge will open up areas that are largely unoccupied and put them within 20 minutes of Mumbai, he feels. People, as well as industries may relocate to these untapped regions, he predicts.

Santosh Naik, CMD of Disha Direct, agrees that factories will eventually shift out of the main city, as the value of land will prove to be higher than their production for the next 10 years. He highlights a trend where there are no factories in New York or Manhattan because of the high land prices. There are only offices; even the residences are in the peripheral areas, like New Jersey. Mumbai will also reflect a similar pattern, he feels. "The biggest land bank is with the government. While individuals cannot have more than 50 acres of agriculture land, corporates hold thousand acres of urban land. As a land owner, my interest is not to provide green cover but to see how much money I can make out of the land that I have," says Naik, emphasising that clear guidelines need to be framed vis-à-vis green cover.

(The writer is CEO, Track2Realty)