

## Redevelopment of homes made easier in Mumbai

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By Subhadra Badauria (<https://www.99acres.com/articles/author/subhadra>)

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***The government's attempt to reduce the overall consensus required for redevelopment projects from 70 percent to 51 percent is expected to change the realty dynamics of Mumbai. Not only will the move expedite the project deliveries but also unleash new residential opportunities in the land-starved city.***

The long-pending amendment in the Maharashtra Apartment Ownership Act, (MAOA) finally received a nod from the government. Taking cognisance at the relentless hue and cry of the apartment owners and the builders pertinent to redevelopment projects, the government has eventually approved the concept of 'majority consent of owners' instead of 'unanimous consent'.

As per the amendment in the Act (<https://www.99acres.com/articles/president-approves-bills-allowing-reconstruction-of-old-buildings-nid.html>), any repair, construction or redevelopment in the dilapidated and cessed buildings requires the consent of 51 percent of the apartment owners only against earlier wherein builders had to fetch a minimum of 70 percent of the residents' consensus.

Concurring on the move, Farshid Cooper, Managing Director, Spenta Corporation shares, "The amendment is a long awaited change which will immensely aid in the redevelopment of old and dilapidated buildings, categorically in South Mumbai. The accelerated process of redevelopment will not only improve the quality of lives of those inhabiting these old and dilapidated structures but also reduce the risk to life."

The move is likely to benefit 11,000 housing societies in Mumbai. However, the real estate industry stands divided as many are of the opinion that the reduced consent is an added leeway to builders as now only 51 percent of residents have to agree for redevelopment. Currently, several redevelopment projects (<https://www.99acres.com/articles/redevelopment-on-maharashtra-governments-radar.html>) are reeling under pressure owing to builders defaulting on delivery dates. Many builders have even failed to pay for the rented accommodations for displaced residents. Overall, the development has further worsened the scenario, highlights Chandra Shankar Prabhu, Associate Director, Project Management, Knight Frank, India.

Niranjan Hiranandani, President (National), National Real Estate Development Council (NAREDCO), avers, "The reduced consensus means that the number of original residents who can stall or delay the project has come down. In theory, it makes things easier, but India being a democratic country, it also means that dissent has to be heard and given an opportunity to be heard."

### Impact on the city's realty market

For Mumbai realty market that faces acute demand-supply mismatch, the move unlocks the huge potential to create additional housing stock. However, if this also means that the new housing can be made available at an affordable price, it will be a positive move for home seekers.

Moreover, while the approval has infused optimism amongst builder fraternity, one should not overlook the veracity of Mumbai's realty market wherein there is a maze of permissions and clearances required, which can be entirely daunting.

**Barring the aspect of the demolition of existing structure wherein consensus of residents is essential, there are several other mandatory permissions and clearances. Overall, the redevelopment permissions are similar to any other construction project, shares Hiranandani**

(<https://www.99acres.com/microsite/articles/files/2018/09/quote.png>)

Therefore, how speedy will the process be, how long will it take to complete the redevelopment- it is vital to factor in these aspects, too, before one starts counting the 'plus points'.

On the whole, the amendment is an appreciated move and can prove to be win-win for both builders and owners, if implemented effectively. It is essential that builders abide to project deliveries and construction quality as it will not only instill consumers' faith in builders but also smoothen the redevelopment process.



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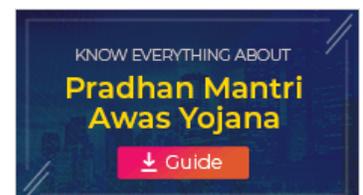
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