



# Real Estate Conclave

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**‘LOKSATTA’** organised **‘REAL ESTATE CONCLAVE 2016’** on 29th May 2016 in Pune and Chief Minister of Maharashtra Devendra Fadanvis was present as Chief Guest. In this conclave well known real estate businessmen get the opportunity to have face to face discussions with Chief Minister in which they put problem they are facing and also gave some solutions. Well known specialist of real estate industry along with the Metropolitan Commissioner of the Pune Municipal Area Development Authority (PMRDA) & CEO, Mahesh Zagade, Commissioner of Pune Municipal Corporation, Kunal Kumar & Commissioner of Pimpri Municipal Corporation, Dinesh Waghmare were also invited. They spoke on the topic of Scheme of Development of the City & Role of the Government. With them one session of question and answers also took place. The topic of the Conclave was: *Real Estate in Pune: A Path in Future*. Those who were present for this Conclave got some solutions after having discussions with Chief Minster. Chief Minister also admired some good suggestions. He also gave some information about important subjects related to city. He also explained some specific roles of the State Government on various subjects. Some selected questions and answers are mentioned below:

## Excerpts of discussion with the CM

**Participants:** *Girish Kuber, Editor, Loksatta, Abhay Kele, Hemant Naiknavre, Sudhir Mandke, Satish Magar and others.*

**Girish Kuber:** There has been lot of talk about appointing a controlling machinery for the building construction sector after you came to the power .What is your opinion about it.

**CM Fadnavis:** Yes, there was a demand to set up a controlling authority (Regulator) for the housing sector. So our government had framed a law for this purpose. Later the Central Govt. also made a similar law after our act. They added one line in the central law and our law became unnecessary. A one man commission under the former Additional housing secretary Mr. Gautam Chatterji was appointed to make rules for the cooperative housing societies (CHS). The proposed controller will work under the Secretary for Housing. One more post of the controller will not make it a race of hurdles. On the contrary, it will help honest people. The rules for the CHS will be ready within 2-3 months.

**Abhay Kele:** There are plans to construct 7 crore houses in next 6 years under Prime Minister’s scheme for the residence (Aawaas Yojanaa). Under this program 30 lakh homes will be built in the Maharashtra state. But the programme seems to be vague about the Public Private Participation (PPP). There are also doubts due to Mapel case. So how the area, where houses are needed, can will be developed if Model Draft implemented?

**CM Fadnavis:** The state government has approved 80,000 houses. The work about framing of the policy for this work is in progress. We will have to set up standards. We will be objective. We will also explore the possibility of appointing some organisations as NODAL agencies to work with MHADA. (Maharashtra Housing &Area Development Authority). MHADA can also build affordable homes on private lands if such lands are given. Affordable Housing Scheme can be made if we can control the prices of lands.

**Girish Kuber:** Can affordable housing become a reality?

**CM Fadnavis:** First we will have to decide what an affordable ‘house’ is. I had thought earlier that a house of Rs 5 to 10 Lakhs can be called an affordable house. But that can not happen in Mumbai where you don’t get a house even for Rs. 50 lakhs. So where and how will you make an affordable house? But we can control the prices of land. We will have to create ‘Virtual Land’ for this purpose. We will have to raise FSI and we will have to offer facilities to the builders on some conditions. But its purpose must be sincerely understood by all. Otherwise it will be criticised immediately as ‘Builder beneficial.’ I believe Loksatta is an intelligent, matured and knowledgeable newspaper to understand the scheme. If all the stakeholders viz. the administration, builders and opinion makers like you — Loksatta and other media — understand it, then affordable housing can become a reality.

**Hemant Naik Navare:** The central government without considering the consumers’ point of view, has given a concession to the builders in Income Tax under free-Market.’ Besides there will be true competition when the Wealth Tax will be reduced.

In Mumbai ‘Realistic Financial Option’ has been made available while implementing the Shiv Shahi Project. So we suggest to launch Slum Rehabilitation Scheme (SRA) in Pune also.

**CM Fadnavis:** We are in process to make the state Govt. Policy of housing consistent with the policy of the Central Govt. Builders should make their projects suitable to get the benefit of the concessions in Municipal Corporation’s taxes. If

they do so then Municipal corporations’ responsibility of reusing ‘liquid wastes’ will be considerably reduced.

I may state that we had launched the Shiv Shahi project with some fear, but we got tremendously encouraging response. Also with builders’ contribution of Rs. 500 crores, there was no need to go to HUDCO. The agency system or ‘Dukaandaari’ in the Ceiling on Land Holding Act must go. It like a burning coal. It will burn



### From the CM’s speech

**‘LOKSATTA an impressive media organisation’**

Chief Minister appreciated ‘Loksatta’ when he was talking about the government’s role about affordable homes. He said, ‘we can control the increasing rates of the lands. For this “Virtual Land” need to be developed. At some places carpet area will require to increase and at some places some conditions are required for the developers. But, till that time we do not understand these things, we will not able to understand the other aspects either. But after making these schemes if we say that it is “in favour of builders”, then these schemes will be not be possible. Loksatta is very impressive media organisation and so they will be able to explain the scheme well. If, politicians, real estate businessmen and the public understands the role of the government, only then will affordable homes be possible.

**‘Those who are working honestly will get support’**

Some may take the wrong meaning of regulation in the area of construction. They feel it is an obstacle. But this is not the case. Because of the regulation we will give support to those who are working very honestly and in the correct way. And ultimately those who are doing bad work will get punishment.

**‘Cannot stop urbanisation, but management is possible’**

When the expectations increase, we need education, health, entertainment and opportunities. And wherever these things are people get attracted to that place. Because of this we cannot stop urbanisation but through management it is possible. If we can develop the small urban centers in coming 20 years period and if we can make the arrangements for people in transit, then the cities will not become dirty.

your palm if you try to hold it. So we are thinking of appointing a committee of retired high court judges to regularise the

transactions made under this law. We will also launch a project soon as we get project in Pune. We will make the transactions more transparent.

**Satish Magar:** Pune has been selected for the ‘Smart City Project.’ When will its development plan will be ready? The issues of development of Pune Airport, ring road, Metro etc. are pending due to non-availability

stage. It is being prepared with long term perspective. Due care has been taken to include all the needs. There are virtually no objections which can block the development plan. So it will be declared soon.

PMRDA will work speedily on the ring road project. Metro will also get green signal at once we get the Detailed Project Report (DTR). Its work will be initiated after the approval & completion of the tender process.

Metro project will be will also be accelerated after getting the approval of Public Investment Board (PIB) of the Union government. We will take care of the environmental issues. Our Govt. does not want development that badly affects the environment. It is our policy. I am glad that people of Pune have themselves have decided to make their city ‘Smart’. The plans are very diligently made. I am glad to tell you that many countries have shown great interest in development of ‘Smart Pune’. They are very eager to participate in this work. I assure that there will not be shortage of funds for Pune. The State & Central Govt. and many other agencies will finance the projects. We will help generously and also encourage others. Our aim is to make Pune a best city in the country.

**Sudhir Mandke:** Pune is the fastest

growing city in the country. Can we do something to check migration? Raising the FSI cannot be a solution to this issue.

**CM Fadnavis:** We have been believing for last 20-25 years that growth of cities or urbanisation is a bad thing and migration can be stopped. As a result we stopped management of the urbanisation. But migration to the cities is a global phenomenon and it has never stopped anywhere. Cities are growing everywhere at faster space. We must understand the aims & aspirations of the people who migrate to the cities. They come to cities for better living conditions. They too want a quality of life. They seek opportunities of employment, education, entertainment and health which are available only in cities. Obviously we can not arrest migration or the growth of the cities. But we can manage them, control them and save cities from becoming a mess. In next 29 years we will have to make small and nice urban centres where we can help settlement of migrated people and avoid cities becoming chaotic. Such efforts will make our cities smart and pleasant.

**Shantilal Kataria:** When can we expect the policy on affordable housing?

**CM Fadnavis:** Our government has almost



completed the work. But we are waiting for the Central policy. I had discussions with the Minister and secretary of Housing and the decision will be announced soon.

**Rajendra Mirgane:** The Prime Minister Awas Yojana (PMAY) will be implemented in 51 cities. Some villages have also been included in it. When other cities will be selected for PMAY? I think if we include the Amrut Yojana in PMAY, we can get cheaper houses.

**CM Fadnavis:** Our Amrut Yojana is not for any particular areas but for the entire city. Priorities of Amrut Yojana are different. Its first priority is supply of drinking water. Its second priority is processing and reuse of liquid dirt. When a city demands for Amrut Yojana, we ask them to submit their balance sheets or...

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**Volkswagen Pimpri Chinchwad**

S.No. 142, Wakad, Opp. Hotel Sayaji,  
Mumbai Bangalore Highway, Pune 411057  
Phone: 66757575 • Mobile: 98220 57057

sales@vw-bubhandari.co.in | www.bubhandari.com | service@vw-bubhandari.co.in



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