

*Dear Friends,*

I'm happy to announce that we are the first State Chapter to officially roll out CREDAI Clean City Movement (CCCM) in Kolkata. CCCM was announced as one of the National Mandates for twelve city chapters to implement by CREDAI in its Manifesto published this year, and we were the first to ceremoniously commence its implementation. We had the presence of KMC officials too during the ceremony who chose to announce on this occasion that residents of housing complexes who adopt CCCM at their housing complexes would receive tax exemption from KMC. It was fantastic to receive such support from the KMC for our initiative. CCCM, as you all are aware, is a landmark clean and green initiative, which we are on the anvil of actively pursuing in some of our projects. More details on CCCM are available on our special coverage of the initiative in this Newsletter, but in case you have more queries, please get in touch with the Youth Wing or our Secretariat. As with Worker Skilling and Health Camps, this initiative too will take your active support to take flight, and it is my appeal again to all of you to start the implementation of CCCM in all your ongoing and upcoming residential projects. As with personal experience at a project of mine, I feel it is easier convincing fledgling building associations to adopt such initiatives, as more often than not, they are open to such ideas to keep their building premises clean and decrease their waste footprint. Therefore do talk to them as CCCM will go a long way in creating a positive branding for CREDAI in the public sphere, akin to worker welfare and skill development.

In our continuous effort to build a sharper interface between CREDAI Bengal and the public, we have built a new CREDAI Bengal Website, to cater to the growing audience who want to regularly keep up with CREDAI Bengal's activities and the work it pursues. The Youth Wing has been working on the new Website. I have given them full liberty to infuse their fresh line of thought for developing this site, which will be fully responsive and state-of-the-art. The site will also have an online portal soon, for which too development work is ongoing. We will be launching this website during the upcoming Annual General Meeting and hope all of you will like it.

Like every year, we are in the throes of preparatory work for the CREDAI Bengal Annual Realty Expo scheduled for 17-18-19 November 2017. There has been a global shift in the way people buy

## From the President's Desk



properties and even though there are a gamut of online options available for choosing the right kind of property, we understand that property exhibitions and Expos still excite the public at large. Realty Expo will be very exciting in bringing all the Kolkata based developers together again and I'm sure all the developers and consumers look forward to it in November.

Lastly, I want to reflect on how an year has already passed since my taking charge as the President of CREDAI Bengal. Its been one of the most challenging years, because real estate has been on the cusp of some of the most revolutionary legislative reforms it hasn't witnessed in a long time. Holding the reins of such reforms, riding the wave and ultimately steering the way to forming a narrative conducive for the industry have taken a lot of brainstorming, deliberations and representations. We've had to take on the twin behemoths of RERA and GST and this has been possible due to the untiring efforts of some of the senior members who've stood by me all the time with their advice and suggestions. CREDAI Bengal has certainly come a long way and I would be happy to see the same camaraderie and cohesion that binds all CREDAI Bengal members together, because CREDAI will continue to grow further only as an united force.

Sending Season's Greetings to everyone for Durga Puja and upcoming festivities.

*Best Wishes,*

**Nandu Belani,**  
President, CREDAI Bengal

## Events

**You are cordially requested to attend**

Coming Up

**13th October 2017**

**Workshop on Apartment Ownership Act**

Coming Up

**24th October 2017**

**Accelerating Growth : A Conclave**

Coming Up

**17-18-19 November**

**CREDAI Bengal Realty Expo at Netaji Indoor Stadium**

## UPDATE ON **GOVERNMENT LIAISON**

**WBHIRA** – CREDAI Bengal is in constant dialogue with the Housing Department and we are regularly following up in order to incorporate some of the proposed amendments. Currently some of the major areas of concern are Car Parking, Ongoing Projects, phase wise developments etc, which are being considered for amendments. It is expected that it would take at least another 3 months time for the Act to be passed.

**Circle Rates** - Presently the assessed valuations of many areas in West Bengal are on the higher side and in this regard CREDAI Bengal has been in constant dialogue with the IGR office for some time. After several meetings at the IGR office, some of the assessed valuations were reduced area-wise and we were made to understand that the remaining areas would be considered for reduction as well.

**Unit Area Assessment** - A meeting was held on August 18th, 2017 at Kolkata Municipal Corporation with Shri Debabrata Majumder (MMIC) who is entrusted with the matter of Unit Area Assessment along with Mr. Bhaskar Bhattacharya, Chief Manager (Revenue -South) to address some of the issues like 'Anchored Tenants', 'Common Area', 'Car Parking' etc, which are the major areas of concern for developers under the Unit Area Assessment regime. We were informed that these are being considered for suitable amendments. Subsequently a comparative study of property taxations, similar to UAA, is being prepared with respect to different cities, for submission.

**MOEF&CC** - The final draft of amendment in line with the Notification issued by the Ministry of Environment, Forest and Climate Change (MOEF&CC), dated 9th December 2016, has been sent to Delhi for approval by the Municipal Affairs department and KMC. CREDAI has written to NKDA, NDITA and HIDCO, urging them to amend their rules in line with the notification in their respective areas. Letters have been sent out to Shri Debashis Sen, IAS Addl. Chief Secretary, Govt. of West Bengal & Chairman -cum- Managing Director, WBHIDCO Ltd. & Chairman, NKDA and NDITA seeking an appointment with him to discuss the matter further. A checklist was also prepared by CREDAI and submitted with the SEIAA/SEAC authorities to be considered, to prevent delay in clearance and duplication of document submission. In a subsequent meeting with Mr. Arnab Roy Principal Secretary, Department of Environment, it was agreed upon that the list would be considered. We have recently requested Sri Arnab Roy, IAS, Principal Secretary, Environment Department to organize another meeting to finalize the checklist as well as other issues related to Environmental Clearance so that we can gauge the requirements and submit all the documents at once.

**Kolkata Municipal Corporation** - Several meetings were held with Mr. Anindya Karforma, DG Building, KMC to create a checklist for online submission for environmental clearance. An online form is being worked upon by Mr. Basudeb Das (Environmental Consultant) along with the KMC team. We should have an update on this soon.

**Panchayat Building Rules** - In this regard CREDAI Bengal has submitted a draft with suggestions that are based on the Building Bye-laws in municipal areas i.e. Bengal Municipal Act as well as KMC Building Bye-laws. Once these Building Bye-laws are amended, there will be substantial parity between the Bye-laws of various Municipalities and the Panchayat which will simplify the work of planners, developers and also the authorities in the entire process. This has been submitted on August 28th, 2017 and we have been told by the P&RD Department that our proposal of desired amendments is being considered.

**Energy Conservation Building Code** - CREDAI Bengal has been actively taking part in the ECBC core committee meetings. A meeting was held on August 4th, 2017 followed by a subsequent one on 25th August, 2017 with Dr. A. N. Biswas, Special Secretary, DoP&NES, Govt. of West Bengal, and Chairman of the ECBC Core Committee. As per the last meeting it was decided by the core committee that the new clearances will have to be taken for buildings consuming more than 100kw of power. Also buildings would have to be made energy efficient moving forward and the old buildings too need to be subjected to changes in terms of equipments, glass, AC units and the entire gamut to ensure fulfillment of the requirements of ECBC.

**Microwave** - Following CREDAI Bengal's repeated representations, KMC has agreed to place a resolution to the MMIC and Jt. Municipal Commissioner to waive the requirement of obtaining Microwave Clearances for buildings in areas where either the corridor is either defunct or non-existent.

CREDAI  
BENGAL  
**EVENTS**

**10-12 August - CREDAI NATCON at London and  
13-15 August - NATCON Field Trip**

CREDAI NATCON was held from 10-12 August at London, UK. Around 66 members from CREDAI Bengal participated, making it one of the largest delegations from Bengal. Around 13 members participated in the 2 1/2 days field trip. We undertook a guided tour of the architecturally brilliant town of Oxford and Cotswolds and saw how Windsor Palace was restored to its former self after the devastating fire a few years back. London based architecture firm Benoy took us on a tour of how brownfield regeneration is taking place in downtown London with a full guided tour of Battersea Powerstation, one of London's most ambitious projects of redeveloping an erstwhile power-station into mixed-use development . We saw a few more iconic redevelopment projects and visited the Shard. NATCON was hosted by Chennai this year and most Sessions in the 3 day Conference revolved around technical subjects, finance avenues, globally emerging issues in real estate and case studies of urban regeneration and redevelopment projects in London. Lord Swarj Paul was a special invitee who addressed the audience on Day 3. Overall the global stage of CREDAI NATCON proved to be a massive learning and networking opportunity and was instrumental in creating lasting memories of camaraderie and fellowship amongst all the delegates from CREDAI Bengal.



CREDAI BENGAL  
**EVENTS**

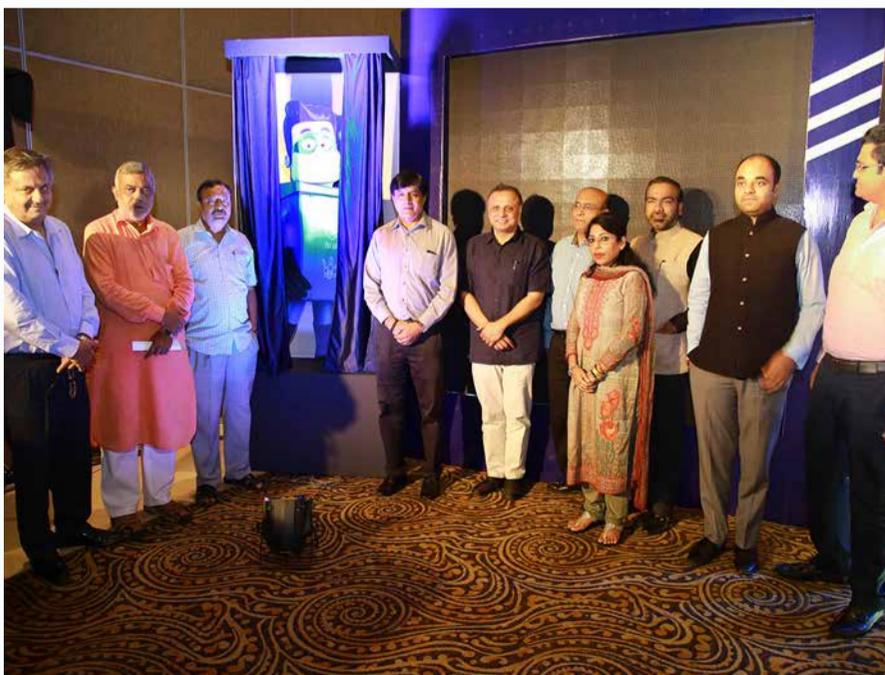
**NATCON Field Trip**



CREDAI BENGAL  
**EVENTS**

## 24th August '17 - CCCM Launch at Lalit Great Eastern

CREDAI Clean City Movement (CCCM) was officially launched in Kolkata on 24th August 2017. The special guests were Mr. Arnab Roy - Principal Secretary, Environment and Fire&Emergency Services, Mr. Debabrata Majumdar – MMIC, SWM, Mr. Debashis Kumar - MMIC, Parks & Squares and Dr. Najeeb Zackaria, Chairman, CCCM. CCCM's main objective is to segregate waste at source to minimize pressure on landfills which are huge polluting pits, choking the city. CCCM will help collection of waste in two separate bins - Blue Bins where dry waste will be collected for recycling and Green Bin which will collect the wet waste for composting. The 2 Mascots for separate waste - Binny and Ginny was also unveiled on the occasion. CCCM is currently being carried out across 1000 apartments and CREDAI Bengal members will help CCCM in reaching another 1000 households in the next 1 year. CREDAI Bengal members have been urged to implement CCCM across all new real estate projects they are building.





CREDAI BENGAL  
**EVENTS**

We present here some some Key Facts that help understand why CCCM can be revolutionary in tackling the scourge of urban waste.

CREDAI BENGAL CLEAN CITY MOVEMENT

**WHAT IS THE VOLUME OF WASTE GENERATION IN INDIA?**

**WHY ?**

At present India is producing **60 million tonnes** of garbage per year!

CREDAI BENGAL

CREDAI BENGAL CLEAN CITY MOVEMENT

**And KOLKATA GENERATES....**

**2 million tonnes per year**

CREDAI BENGAL

CREDAI BENGAL CLEAN CITY MOVEMENT

**Where does this Garbage go?**

The common practice to get rid of this garbage is to **dump them in landfill zones.**

Current Scenario **most of the landfills are overflowing.**

CREDAI BENGAL

**Watch Video**

- Pollution
- Land crisis
- Shortage of resource
- Ground water contamination
- Soil contamination
- Health hazards
- Transportation cost

**CREDAI Clean City Movement (CCCM) is trying to solve these problems.**

CREDAI BENGAL



CREDAI BENGAL  
**EVENTS**

**HOW ?**

The **CREDAI Clean City Movement** is an initiative by CREDAI National which focuses on improvement of health and hygiene of cities through solid waste management. It is a continuation of an initiative taken by Credai Kochi back in 2007.



**BY SEGREGATION OF WASTE AT SOURCE**



**Blue bin:** dry waste for recycling  
**Green bin :**wet waste for composting



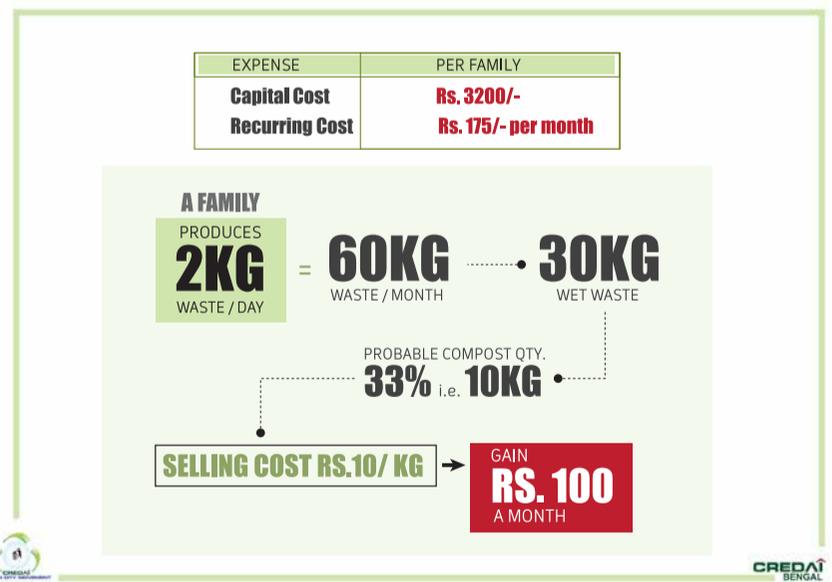


CREDAI BENGAL  
**EVENTS**

**WHAT ?**



- Meeting the Committee of the Associations and explaining the benefits of the CCCM initiative
- Providing residents with two bins at a very nominal cost: **1 Blue & 1 Green**
- Training of residents / domestic staff about segregation at source
- Installation of composting machines within the complexes
- Mobilising and successfully making the recycling process operational



**Click here to view the Presentation. Please get in touch with the CREDAI Bengal Secretariat for implementing CCCM at your real estate project. This will be a landmark cause undertaken by developers for minimizing urban waste and contributing to the health of the city's environment.**





CREDAI BENGAL  
**EVENTS**

## CCCM already in action at ongong project Hiland Calcutta Riverside

The residents of Calcutta Riverside project at Maheshtala have already initiated CCCM to handle their solid waste management at site. The three R's to cut down the amount of waste we throw - reduce, reuse and recycle is currently in practice with emphasis on 'reduce'. Segregated waste is treated in the compost machine with microbe and is fermented. It is then kept in crates with perforation for aeration and placed in the curing system. After 8-12 days this becomes manure which is then used in gardening purpose and to maintain the golf course. This effort has not only benefited the complex residents but all residents of the locality.



**Please click here to  
watch the process of  
waste segregation  
at Calcutta Riverside**



## 2 landmark CREDAI events coming up on the global stage

The "Indian Property Show" and "Smart India Realty Summit" are slated for Dec 7-9, 2017 at Dubai, UAE. They are CREDAI's endeavour to create a global marketing platform for its members and to promote their real estate projects to an international audience. These initiatives have already generated a lot of excitement amongst member-developers.

**INDIAN PROPERTY SHOW (IPS) (Dec 7-9, 2017) :** A property exhibition spread over 1,00,000 sq ft to attract over 2.2 million affluent NRIs. 40% of these NRIs are HNI (High Networth Individuals) with highest priority of buying a home back in India as a more secured investment opportunity.

**SMART INDIA REALTY SUMMIT (Dec 7-8, 2017):** A summit to connect and explore investment/ funding opportunities networking with prospective investors. An Award Show celebrating the excellence of Real Estate between India and UAE

TWO EVENTS AT ONE GREAT PLATFORM

**CREDAI**  
PRESENTS

**INDIAN  
PROPERTY  
SHOW**

December 7-9, 2017

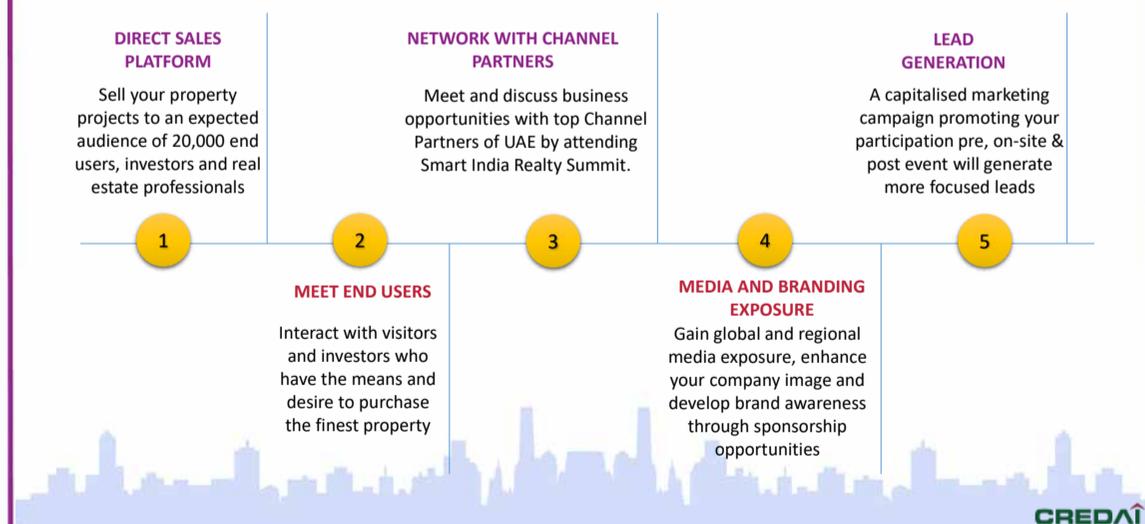


December 7-8, 2017

Venue: Dubai World Trade Centre, Dubai, UAE



### Top 5 Reasons to Participate At CREDAI's Indian Property Show & Smart India Realty Summit



**Click Here for Property Show Registration Form**

**Click Here for SIRS - Delegate Registration Form**

**For more details, CLICK here**

CREDAI BENGAL  
**CSR**

# Skilling

83 candidates successfully completed their Skilling Course at the Greentech City site. They were handed over their certificates and reward money at a ceremony on 22nd August.



## At a Glance

### Between Jan - Aug

Labourers enrolled : 840  
 Appeared : 500  
 Paused : 324 + 130 results pending

### Target Oct - Dec

Enrollment : 500

### Likely Sites

Maximus - repeats + new plumbing  
 Merlin 5th Avenue - 2 batches  
 Siddha Lakeville - 2 batches  
 Siddha Waterfront - repeats 2 batches  
 Sugam Habitat - 2 batches  
 DTC Southern Heights - 2 batches  
 Primark Southwinds - 2 batches repeats  
 Srijan Logistics Park - 2 batches  
 Greentech - repeats 3 batches

CREDAI BENGAL  
**CSR**

## Health Camp

The first eye camp for construction labourers was held by PS Group at six of their 6 sites in August. The "Mission for Vision" camps were conducted in partnership with Sankar Netralaya. Check-up included general eye checkup, power testing, Diabetic Retinopathy etc. Workers also enlisted for cataract operation free of cost. PS Group will also sponsor the eye glasses of around 800 workers.



Merlin 5th Avenue 11th aug,17



PS PANACHE EYE CAMP



PS THE RESERVE EYE CAMP



PS VYOM EYE CAMP



PS ZEN EYE CAMP



PS ZEN EYE CAMP

## Press Corner

### NEW ACT TO CLEAN UP REAL ESTATE BIZ

#### Existing Projects' Fate Hangs In Balance

If you're looking to buy a flat, hang on for a month. With the state government set to implement the Real Estate (Regulation and Development) Act, 2016, by introducing the West Bengal Housing Industries Regulation Bill, 2017, in the Assembly during the Monsoon Session, several projects that do not comply with the regulations will either be stalled or delayed.

Some para promoters and unscrupulous developers may even go out of business as the law kicks in to clean up the murky real estate business. Premium projects, where sales are slow, will take a back seat. Price of budget and mid-segment flats may go up by Rs 100 Rs 150 per sq ft as developers' factor in the cost of compliance to the new act. **Speaking to TOI, Nandu Belani, president of the Bengal chapter of Confederation of Real Estate Developers Association of India (Credai), said the introduction of the act will in the short run slow down and even stall projects that do not have Rera compliance.**

**"Expect fewer project launches as developers work towards compliance and register the projects. While the established firms have been working on compliance for six months and will not have a problem making a transition into the new regime, it will be difficult for others," he said.**

There is some anxiety over what happens to existing projects. While the national act says all projects to be registered, Credai has been urging the housing department to keep projects that have either completed 40% project construction or sales be kept out of its purview as a shift in compliance from the West Bengal Building (Regulation of Promotion of Construction and Transfer by Promoters) Act, 1993, to the West Bengal Housing Industries Regulation Bill, 2017, will be complicated. After the initial hiccup that could see projects being held up, the act will ensure that developers adhere to delivery schedules and stick by their commitments.

In the past, there have been several cases where an open space the size of the Eden Gardens has been promised before the project but a small patch of green was delivered.

There have also been instances where a developer has constructed a fifth tower after completing the four that were advertised in the project.

"Many projects get delayed due to financial issues or the developers' lack of competence in handling big projects. That will stop now because the stringent penalty for delays will be a deterrent. In fact, developers will factor in possible delays to set a realistic timeline when announcing the project," said Sushil Mohta, vice-president of Credai-National.

Mohta believes it will also do a world of good to the developers, where a few rotten apples have brought disrepute to the sector. "We welcome the shift to transparency. This will usher in discipline among developers and create goodwill among buyers," he said.

**WHAT'S IN IT FOR YOU**

<ul style="list-style-type: none"> <li>➤ Residential and commercial units will be sold on the basis of carpet area that does not include balcony, common area and car park</li> <li>➤ Projects to be delivered on time as developers will otherwise face heavy penalty</li> <li>➤ Developers can alter plan only after getting consent of 70% buyers</li> </ul>	<ul style="list-style-type: none"> <li>➤ Price of flats may go up marginally in short term as developers factor in cost of compliance. They may even face deregistration</li> <li>➤ Developers can take up to 10% of the price of flat from a consumer as booking amount</li> <li>➤ Finance cost of developers will go down in the long run as sector attracts foreign investment</li> </ul>
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For developers, the requirement to keep 70% of the project cost in an escrow account to which he will have access according to the project's progress will require him to make arrangements for additional funds. Till now, developers have been using advances garnered from one project to purchase another land. That will no longer be possible.

**"Developers will henceforth plan their projects better.**

**Hurried launches won't happen. For home buyers, there will be peace of mind that there will be timely delivery of a good product. If he has any grievance, he will be able to approach a regulator," said Belani.**

#### Times View

This legislation will give scope for a clean-up of the sector. The housing industry badly needs a dose of transparency and, hopefully, this law will enable all stakeholders -sellers, buyers and the regulatory authority -to work together so that no one loses out.

### NOW, GET TAX SOP FOR WASTE MGMT MACHINES AT COMPLEXES, HIGH-RISES

The Kolkata Municipal Corporation will offer tax exemption to residents of housing complexes who will install waste management machines for segregation and recycling of waste generated in their complexes. Debabrata Majumdar, member, mayor-in-council, overseeing the KMC solid waste management department said this at a function organized by CREDAI (Bengal). Majumdar conceded that managing Kolkata's growing wastes has become a major problem as Dhapa waste dumping ground is almost overburdened.

The alternative method of reducing the burden by installing a garbage-to-fertilizer machine at the site has failed as the owner of these large compost plants have been converting only 75 tonnes of garbage against the 500 tonnes, which was agreed upon in a pact signed by the civic body and the private firm. In fact, a civic initiative of segregating and transporting wastes in north Kolkata (wards 1--6) has failed to yield results for the amount of cost involved in the process, a KMC official said.

"It is getting increasingly difficult to find a solution to city's growing wastes. Now we need to encourage the owners of housing complexes or apartment houses to set up small composting machines in their premises for the purpose of converting the waste into wealth after preliminary segregation at source. If any such housing complex comes forward and adopts the model, we will definitely offer its residents property tax sop," Majumdar said.

**CLEAN DRIVE**

<ul style="list-style-type: none"> <li>➤ City's waste generation   4500 tonnes per day</li> <li>➤ Cause of concern   The dumping ground at Dhapa is almost full</li> </ul> <p style="text-align: center; background-color: #f0f0f0; margin: 5px 0;"><b>The solution</b></p> <ul style="list-style-type: none"> <li>➤ Segregation of wastes at households and transport them to smaller dumping grounds</li> </ul>	<ul style="list-style-type: none"> <li>➤ Segregation and treatment of garbage can be taken up at housing complexes or hi-rises</li> </ul> <p style="text-align: center; background-color: #f0f0f0; margin: 5px 0;"><b>Method of segregation</b></p> <ul style="list-style-type: none"> <li>➤ Wet or biodegradable wastes can be converted into manure</li> <li>➤ Dry or non-biodegradable wastes such as papers or plastics will be recycled</li> </ul>
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This model is being successfully followed in Kochi where Najeeb Zackaria, the owner of a construction firm took such an initiative in one of the large housing complex built by him. Now as many as 1000 households, including a lot of apartment buildings, hi-rises are running the model across Kerala, Zackaria

said. **Nandu Belani, president CREDAI Bengal assured to stand by the KMC in its initiative in the effective waste management system.**

# Press Corner

## Now, get tax sop for waste mgmt machines at complexes, high-rises

TIMES NEWS NETWORK

**Kolkata:** The Kolkata Municipal Corporation will offer tax exemption to residents of housing complexes who will install waste management machines for segregation and recycling of waste generated in their complexes.

### Times View

The city should embrace this concept of waste segregation, the sooner, the better. Civic agencies should incentivise segregation to encourage citizens into doing this.

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Subhro.Niyogi@timesgroup.com

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## Press Corner

**SAMBIT SAHA**

Never in independent India has the country witnessed two watershed economic events within a span of less than 12 months. First, it was the shock and awe of demonetisation on November 8, 2016 that nearly froze financial activity for weeks. And July 1, 2017 marked the rollout of Goods & Services Tax (GST): a new taxation regime set to change forever the way trade and business is done in the country.

To deal with the twin transformations is challenging to say the least. But if initial indications are anything to go by, the real estate industry in Bengal — the only ‘real industry’ thriving in this state, according to many industry watchers — seems to have weathered the storm. A granular look at the first half of the year reveals that new launches and sales — barometers of the health of the industry — are up compared with the past six months.

What, then, has enabled the industry to shrug off the blues? A judicious change in the product mix, a conscious effort to right-price the market and yet play to the aspirations of the middle class seemed to have done the trick. Affordable housing — units priced under Rs 50 lakh — may be the real estate rising star across several cities in India but in the Calcutta market, this segment has dwarfed everything else.

Consider this, 87 per cent of the new launches in the January-June period has been “under Rs 50 lakh”.

### PMAY PILL

“There are several factors now going for the affordable segment. Home loan rates are around 8.4 per cent and that may go down by another 15-20 basis points in the next few months following the recent repo rate cut by the Reserve Bank of India. First-time home

buyers can expect further interest subvention under the Prime Minister Awas Yojna, which is extended for the middle-income group. We expect a new class of buyers to emerge,” said Nandu Belani, president of Credai Bengal, the body of real estate developers.

If a unit qualifies under the PMAY scheme (project must be within municipal or development area), a buyer can expect a discount of Rs 2.35 lakh upfront, bringing down the initial cost of ownership.

sector. Finance minister Arun Jaitley granted infrastructure status to this segment, which means builders get cheaper loans from banks. Moreover, income from sale of certain-sized apartments will not be considered for tax. For instance, tax break used to be restricted to 30 square metre built-up area flats in four metro cities and within 25km of their municipal limits.

The budget not only lifted the curb on the periphery but changed the definition

from “crore plus” apartments to the sub-Rs 15-20 lakh zone.

### SOUTH VS EAST

The focus is obviously volume, as margin in this section is low. Consequently, the projects are usually coming up on the peripheries of the city. Up north, development is taking place along BT Road, onwards of Bon Hooghly, and on Jessore Road, after the airport. On the southern side, there are a couple of hotspots... development along Diamond Harbour Road in Thakurpukur, Joka and Pailan and Rajpur, Sonarpur, Narendrapur and Baruipur along the EM Bypass.

East Calcutta, especially Rajarhat, continues to remain the uncrowned king as far as new addresses is concerned, even as south Calcutta takes over in terms of sales. According to a Knight Frank study, with 33 per cent of the sale volume, south Calcutta has after long toppled Rajarhat in sales during the first half of this year.

### RERA REALITY

Introduction of Real Estate Regulatory Authority (Rera) is going to provide a crucial policy-related impetus to the real estate sector in Calcutta. The Mamata Banerjee government is set to introduce a bill to this effect in the ongoing session of the Assembly, signalling the formation of a real estate watchdog. Once implemented, the bill is expected to provide protection to home buyers from errant builders. For instance, a flat will be sold only under carpet area. Builders will not be allowed to utilise sale proceeds of one project to fund another. Structural defects will have to be rectified if detected within three years of handover. The model Rera also calls for strict punishment if builders fail to deliver completed projects within the deadline mentioned during the sale.



Given that home loan financiers usually demand 15 per cent of the property value to be arranged by the buyer, the scheme reduces the contribution required from one’s savings. Moreover, the income bracket up to Rs 18 lakh qualifies under the MIG scheme, enlarging the canvass of the buyers to even upper middle class.

The PMAY benefit will be available till December 31, 2017, hence the rush to launch new projects.

### BUDGET BOON

The Union budget this year also played a key role in promoting the affordable housing

from built-up to carpet area. Therefore, developers now can build up to 60sq m carpet area flat (850 sq ft built-up) beyond Calcutta Municipal Corporation limit and not pay any tax on income arising out of sale. However, limit remains at 30sq m carpet area within Calcutta.

This is one of the principal reasons why builders are warming to this sector despite low margins. “Earlier, we only used to think in terms of BMW and Merc. But now we are also considering entry level such as Maruti Alto,” said Sushil Mohta, managing director of Merlin Projects, indicating that builders are shifting focus away

# Press Corner

Ground **REALTY**
THE TELEGRAPH CALCUTTA FRIDAY 11 AUGUST 2017  
XXCE

## Advantage Buyer: Rera is raring to go

Picture by Anil Datta

**NANDU BELANI**  
 President, Credai Bengal and  
 Director, Hiland Projects Limited and  
 Belani Housing Development Ltd.

**I**ndia's Real Estate (Regulation & Development) Act (RERA) 2016 is a leap forward that will boost transparency, discipline and accountability in the property market. We see RERA as a harbinger of transparency in the Indian property market, which will foster professionalism in the sector, ensure timely delivery and accountability and provide a ring-fence protection to buyers.

We believe demand should benefit from new expectations created by the act. Indeed, sentiment among buyers already appears to be turning more positive. This is good for the market in both short and long term.

On the supply side, we expect a drop in new project launches in the short term. This is because fewer projects will be ready for registration as developers wait to see how the new norms pan out and how other projects fare. There will also be an increased cost of compliance which might lead to a rise in prices.

Buyers' sentiment in the last two years has been at an all-time low, primarily because of a slowdown in the economy and a delay in delivery of projects, quality-related issues, escalated prices and availability of limited recourse for a real estate consumer in case of conflicts with the developer.

The act has brought in various consumer-friendly provisions that are bound to have a positive effect on demand. There are several provisions in RERA that should increase transparency and help improve overall confidence levels in buyers. The mandatory requirement to have all approvals in place prior to commencement of sales will reduce the risk of project delays due to uncertainty in getting the initial approvals required to commence construction. This should lead to reduced risk on behalf of the consumer but will lead to a short term drop in new project launches.

The requirement as per RERA, to keep 70 per cent of the project proceeds in a sep-

arate account should certainly improve buyer confidence and increase availability of funds to enable project completion. It encourages developers to be financially prudent. The act requires developers to deposit 70 per cent of the amount realised from buyers in this account to cover land and construction costs. To cover cost of the project, the developer is entitled to with-

draw amounts that are in proportion to the percentage of completion of the project. The withdrawal has to be certified by an engineer, an architect and a chartered ac-

countant in practice. This would bring in accountability and confidence to the end consumer.

One of the key provisions under RERA is to create a single-window redressal system that will avoid unnecessary litigation as the first point redressal will be the regulatory authority that will address any dispute between the developer and the consumer.

transparency in business practices and further all charges have to be disclosed at the time of the agreement as this will eliminate hidden costs and charges for the buyer.

The act mandates a five-year defect liability period and thereby makes the developer increasingly responsible for any structural defects. The consequence of this should be increased accountability and an improvement in construction methods and quality control.

The act also dictates that there cannot be any pre-launch sales and mandates compulsory registration of each project with declaration of all project details prior to commencement of sales. This should certainly lead to greater transparency. The act ensures that there can be no additions or alterations to the project at a later stage without prior approval and prevents biased agreements and unilateral cancellations. All these should lead to a protection of the buyers' interests. The act further clamps down on false advertisement and promises — all these avenues which shall instil greater confidence in the buyer.

Faced with the new act, our advice for developers will be to accept the regulation process as in the long run this should prove to be advantageous for the industry. Indeed, early compliance with the new regime should provide developers an edge

over their competitors and help generate trust among the buyers. Developers will need to focus their efforts on better project planning as this will help them avoid any delays and manage project funds efficiently. A prudent approach will be to have project planning professionals who could draw up a comprehensive project plan to ensure timely completion and delivery.

The act does also impose certain responsibilities on the buyer such as compliance with the agreement for sale, and timely formation of associations. There are also penalties imposed on any defaults by the buyer.

Real estate agents have also been brought into the ambit of the regulatory act. The act requires real estate agents to register themselves with the authority and imposes penalties on them for making false declarations and misrepresentations. Such a move shall definitely lead to an increase in professionalism and transparency among the real estate agents.

Another key issue is the retrospective inclusion of all ongoing projects which will lead to a huge backlog for the authority and will lead to a backlog in the approval process. The provision for including ongoing projects is in my view going to create confusion as this would make the act retrospective, which could result in unnecessary litigation as the developer of any ongoing projects would have to become RERA compliant which may lead to confusion as the terms and conditions of the older agreements may need to be modified which may not be practical in most cases.

As with any new legislation there will be bottlenecks and teething issues and this applies for RERA as well. There are multiple clearances and approvals required before obtaining building sanctions and they are obtained from different government departments and agencies. This leads to a delay in the approval process which delays the entire project. The act has made the developer, agent and the customer accountable in terms of their conduct and obligations. However, the government agencies and bodies that are very critical in sanctioning projects have to also be made accountable to ensure timely delivery of projects which would be critical in the post RERA era.

In my view over time RERA should weed out speculators in the market and push it towards maturity. Therefore, it is important for the developer to prepare for the changes promptly since the act applies to existing and future projects. We believe improved project planning will help developers avoid delays and also manage the project funds more efficiently.

## Other Sectoral News at a Glance

### RERA, GST IMPLEMENTATION LEADS TO MORE PREFERENCE FOR READY-POSSESSION HOMES

<http://realty.economictimes.indiatimes.com/news/residential/rera-gst-implementation-leads-to-more-preference-for-ready-possession-homes/59857530>



### GOVT TO INTRODUCE 'HOUSING CHALLENGE' TO BOOST HOUSING FOR ALL

<http://realty.economictimes.indiatimes.com/news/regulatory/govt-to-introduce-housing-challenge-to-boost-housing-for-all/59908442>



### BUSINESSES CAN START FILING JULY RETURNS ON GSTN FROM AUG 5

<http://www.millenniumpost.in/business/businesses-can-start-filing-july-returns-on-gstn-from-aug-5-255920>



### NEW TOWN PLANS NOVEL DISPOSAL

<https://epaper.telegraphindia.com/details/272365-15374178.html>



### RERA COMPLIANCE MUST FOR BUILDERS TO AVAIL BANK LOANS

<http://realty.economictimes.indiatimes.com/news/regulatory/rera-compliance-must-for-builders-to-avail-bank-loans/59963980>



### 900 ACRES LAND IN BURDWAN TO BE FREED UP FOR 'AFFORDABLE HOUSING'

<http://epaperbeta.timesofindia.com/Article.aspx?eid=31812&articlexml=900-acres-land-in-Burdwan-to-be-freed-08082017008034>



### HOME BOOKINGS DOUBLE AFTER APRIL

<http://epaperbeta.timesofindia.com/Article.aspx?eid=31812&articlexml=Home-bookings-double-after-April-09082017005025>



### BENGAL ADOPTS RERA, MORE CLARITY ONCE RULES COMES

[http://www.business-standard.com/article/pti-stories/bengal-adopts-rera-more-clarity-once-rules-comes-117081601566\\_1.html](http://www.business-standard.com/article/pti-stories/bengal-adopts-rera-more-clarity-once-rules-comes-117081601566_1.html)



### BILL PASSED IN STATE ASSEMBLY TO ENSURE TRANSPARENT POLICIES

<http://www.millenniumpost.in/kolkata/bill-passed-in-state-assembly-to-ensure-transparent-policies-257786>



### WB MUNICIPAL CORPORATION BILL PASSED

<http://www.millenniumpost.in/kolkata/wb-municipal-corporation-bill-passed-257784>



### NOW, STATE GOVERNMENT EMPOWERED TO CURB CONSTRUCTION OF HIGHRISES IN HOWRAH

<http://www.millenniumpost.in/kolkata/now-state-government-empowered-to-curb-construction-of-highrisers-in-howrah-257781>



### HIDCO FLOATS EXPRESSION OF INTEREST FOR SNEHODIYA

<http://www.millenniumpost.in/kolkata/hidco-floats-expression-of-interest-for-snehodiya-258344>



### 10-ACRE NEW TOWN PLOT MARKED FOR FINTECH HUB

<http://epaperbeta.timesofindia.com/Article.aspx?eid=31812&articlexml=10-acre-New-Town-plot-marked-for-FinTech-31082017004034>

