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ANALYSIS OF BUILT UP POTENTIAL FOR FREE SALE OF DEVELOPMENT OF PLOT OF LAND ADMEASURING 12000 SQ YDS. LYING AND SITUATE AT DR.ANNIE BEASEANT ROAD AT WORLI NAKA, MUMBAI 400 003.

1. It is proposed to analyse the development of the plot of the land as per Regulation 33(7) read with 33(9) of the Development Control Regulations 1001 prescribed for Municipal Limits of island city Mumbai.
2. FSI permissible for such Cohomo of redevelopment is permitted up to 4.00
3. Out of the above permissible FSI the owner is entitled to free sale area of 1.33.
4. The existing tenants/occupants are to be accommodated in the FSI of 1.33
5. Remaining balance 1.33 FSI is to be unmarked for construction.
6. Any surplus FSI remaining after allotting the tenants their existing carpet area subject however to allotting carpet area of 225 sq ft minimum. The above minimum area is proposed to be increased from 225 to 300 sq.ft. as per the provisions of new housing policy of the state Government to be announced shortly. Even in Dharavi area where FSI of 4.00 has been finalized the existing tenants occupants are proposed to be provided carpet area of 400sq ft. After providing the existing occupants their respective carpet area subject to the minimum carpet area as herein before set out any balance FSI remaining to be utilized the same will have to share of MAHADA /MBR&RB. Similarly, if there is over utilization of FSI more than 1.33 to be earmarked for allotment to the tenants the said increased carpet area will be apportioned from share of MAHADA/MBR&RD.
7. Thus the developer of the above property will have to construct FSI of 2.66 for the above construction will be $12000 \times 9 \times 0.85$ (15% deduction in FSI for recreation open space) $\times 2.67 =$ i.e. 1,45,106 sq.ft. The built up area above FSI will work out to 1.20 times in view of provisions of 10% balcony area and areas of staircase hall, lift well and lift lobbies being permissible for deduction in FSI calculation. Built-up area would be 2,45,106 sq.ft 1.2 2,94,127 sq.ft. Say, 3 lacs sq.ft.
8. The cost of construction of 3 lacs sq.ft. at the rate of Rs. 1,200/-per sq.ft. would work out to Rs. 36 crores.
9. By opting for the above scheme, the owner of the Plot and / or his Developer becomes entitled to FSI of $12,000 \times 9 \times 0.85 \times 1.33 = 1,22,094$ sq.ft. FSI i.e. = 1.4 times built up area for sale yielding free sale area of 1,70,000 sq.ft. or thereabouts.

10. Free sale area if availed in the form of commercial area would fetch realization and modest rate of Rs. 20,000/- yielding return of Rs.340 crores.
11. Deducting capital outlay for construction of rehab tenements at about Rs. 40 crores the balance amt is available for construction of free sale unit for which provisions will have to be made at Rs. 2000/- per sq.ft. for an area of 1,70,000 sq.ft. at the rate of Rs. 2000/- per sq.ft. i.e. for Rs. 34 crores.
12. Thus out of total realization of Rs. 340 crores, the outgoing of the construction cost is of the order of Rs. 36 crores – Rs. 34 crores =70 crores leaving net minimum margin of Rs. 340 crores minus Rs. 70 crores i.e. Rs 270 crores.
13. If the selling rate of Rs. 20,000/- per sq.ft. the realization will be of the order of Rs. 4,25 crores and net returns will be of the order Rs. 425 crores minus Rs. 70 crores = i.e. Rs. 355 crores.
14. If the developer is in a position to market at Rs. 30,000/- per sq.ft. the inflow will be of the order of Rs. 510 crores and net return will be of the order of Rs. 510 crores minus Rs. 70 crores = 440 crores.
15. The Developer is coming forward for investment of Rs. 70 crores for construction cost to be incurred over a period of two years i.e. for average period of one year for which interest on his investment assuming at 24% interest would lead to outflow of Rs. 16.80 crores for which provision will have to be made from the pessimistic flow of Rs. 270 crores and realistic flow of Rs. 355/- and optimistic flow of Rs. 425 crores.
16. The Owners are looking forward to provision of 33% of the total net inflow which can be partly allotted to them in cash or in kind to the extent of 33% leaving the Developer to appropriate the balance of 67% for his time, talent and efforts and investment.
17. The above is preliminary prefeasibility analysis of the proposed redevelopment scheme to be implemented under Regulation 33(7) read with Regulation 33(9) of DCR – 1991.
18. Such an approach provide win situation for existing tenants / occupants and can bring about an amicable settlement of the present on going litigation as both the litigating parties stand to benefit by allotment of the premises claimed respectively by them.

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Registered Architect & Valuer

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