

## **Key Point discussed in Stakeholder Consultation with Real Estate Developers, Builders and Confederations for Master Plan of Delhi - 2041**

*DDA in collaboration with NIUA*

**Date:** 10<sup>th</sup> September, Thursday, 2020

**Time:** 03:00 pm to 05:30 pm

**No. of Participants:** 60

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### **1) Emerging Trends and Implementation of Land Pooling Policy On Ground:**

- i. The real estate developers and builders expressed their concern regarding the uncertainty of development under the Land Pooling Policy (LPP) 2018. The developers pointed out that there is a lack of confidence amidst their community due to unclear prerequisites of the policy.
- ii. Developers shared that External Development Charges (EDC), stamp duty, registration charges, land ownership for the consortium and contiguity norms are very unclear / impractical in the present policy scenario. DDA was suggested to define timeframe for development, reduce the contiguity norms and minimum area of the sectors, focus on continuity of development (in terms of services, transport, economic linkages, etc.) and compact development, etc. to motivate developers for raising capital / funds for development.
- iii. Majority of the developers suggested that the LPP needs to be more flexible in terms of DU sizes, parking norms, typologies and support demand driven development.
- iv. Developers strongly felt that there is an urgent need for developing a model sector by DDA under the LPP 2018 and let market forces to innovate different models following the pilot project.
- v. Developers also suggested that a separate committee / unified planning agency to overlook and facilitate the development and implementation of LPP is required. The committee should include all stakeholders - service providing agencies, DDA, developers, land owners - which will give a transparent platform for coordination and communication.

**2) Discussion on Redevelopment Policy and its Implementation:**

- i. Developers suggested that the Redevelopment Policy should be simplistic with single window approval systems and time bound implementation. The relevant norms should be incorporated in Unified Building Bye Laws (UBBL) only.
- ii. It was suggested that DDA should not be stringent regarding the DU sizes, typologies and FAR. Instead, DDA may fix a range of densities and FAR for local areas and facilitate the market driven residential and commercial redevelopment. Norms for Affordable Housing segment can be defined separately by DDA.
- iii. Developers also suggested that DDA should fix a maximum age of building and make redevelopment mandatory for old, dilapidated and unsafe buildings. Consent of the residents is also seen as a big hurdle for the redevelopment and the policy should fix on the same.
- iv. Redevelopment and Retrofitting of UACs post regularization under PM-UDAY scheme was recommended by the developers.
- v. Majority of the developers shared consensus that FAR and TDR shall encourage the developers to take up the redevelopment projects.
- vi. Continuity in green-blue infrastructure network and open/green spaces must be considered while preparing the redevelopment plan of an area. Green economic uses such as agro-forestry should also be promoted. Importance of digital connectivity and communication infrastructure was also stressed upon during the discussions.
- vii. Development of Local Area Plans (LAPs) was suggested for an integrated development approach. Exploring options for adaptive reuse, parking clusters, tourism precincts, etc. should also be encouraged while planning for redevelopment projects.

**3) Discussion on Rental Housing and other Non-Housing Typologies:**

- i. There was a growing consensus that the rental housing policy should be well crafted in the MPD-2041 to include target groups like students, women hostel, etc. However, lower rental yields and higher land cost component discourage the developers to enter into this segment.
- ii. The developers stated the need for facilitating development of mass rental housing through clarity in Land use, incentives of FAR and TDR, provisioning land on long term lease or nominal cost, etc. The developers expressed that these incentive would make the returns on

rental to about 6-7% which is at present less than 3%. It was suggested that DDA can explore annuity model to make rental housing viable for the developers.

- iii. Considering the locational factor, it was suggested that DDA should map out special zones dedicated for affordable rental housing through the Master Plan. This will leverage the development of institutional rental housing which is provided by Unauthorized Colonies presently. The quality of rental units will also improve through competition in market, which are at present compromised with light, ventilation, habitable space and safety in the UACs.
- iv. Separate guidelines with norms for co-living and dormitory models should be prepared to encourage development of these in Delhi.
- v. Maintenance and rent collection remains a big challenge for the developers while getting into rental housing. The developers suggested that the state should intervene and provide a progressive enabling framework for better maintenance and regular rent collection.
- vi. Developers viewed that Affordable Rental Housing Complexes (ARHCs) are feasible solution for affordable rental stock creation in Delhi. However, FAR incentives is the only way to make the ARHCs model feasible, as tax incentives and land cost cannot lower the cost per unit.
- vii. As per the market demand, the most promising non-housing typology in Delhi to emerge as major requirement is warehousing. A network of warehousing in conjunction with the NCR warehouses should be planned. Warehouses provides 10-12% returns as compared to 3% returns on rental housing. LIDA areas may have warehousing as a permitted activity.