



**CREDAI**

AFFORDABLE HOUSING COMMITTEE PRESENTS

**AFFORDABLE  
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# HIGHLIGHTS OF PPP POLICY IN MAHARASHTRA- BENEFITS FOR AFFORDABLE HOUSING

## Introduction:-

The Maharashtra government formally adopted the Centre's PMAY programme in December 2015, initially to be implemented in 51 cities across the state and gradually to be extended to cover nearly all of urban Maharashtra. Until early this year, the state government was implementing the PMAY scheme through four approaches that the Centre charted out – slum redevelopment on the existing plot, creating of housing stock by public authorities, beneficiary-led individual housing and a credit-linked interest subsidy scheme. The state government have pinned their hopes on creating a stock of affordable houses through a public private partnership (PPP) model that the state government adopted under PMAY earlier this year. Through this approach, the government hopes to create low-cost houses on government as well as private land with the help of real estate developers, where at least 50 per cent of the tenements constructed are to be available as affordable housing.

This bulletin enumerates highlights of amended PPP policy in Maharashtra and benefits for affordable housing projects so as to promote interest among private developers to come forward and achieve target of 19.4 lakh affordable houses across the State.

# **INCENTIVES FOR AFFORDABLE HOUSING UNDER PPP POLICY**

The Government of Maharashtra has decided to extend following incentives to the private land owners/Developers on the condition that they will utilize the latest mechanism showing their readiness to construct affordable houses on public as well as private lands for EWS/ LIG category beneficiaries.

## **1) Increase in FSI for Affordable Housing Projects**

- FSI of 2.5** will be available for the projects proposed on land under residential zone.
- FSI of 1** will be available for the projects proposed on land under Green Zone/No-Development Zone.

## **2) Lower Stamp duty for houses below 60sq.mts**

- Stamp duty of Rs.1000/-** shall be payable on first document for houses below 60 Sq.mtrs in the projects sanctioned under PPP model.

## **3) Subsidy Benefits**

- According to the Guidelines of the Central Government as well as State Government's Resolution dated 9.12.2015, appropriate subsidy will be granted **(Rs.1/1.5 Lakh and Rs.1 Lakh by Central and State Government** respectively to the beneficiaries.

#### **4) Concession in demarcation/Measurement fees**

- 50% concession in fees will be given in demarcation/measurement of land which is proposed for Housing projects

#### **5) Lower Stamp duty for houses below 60sq.mts**

- Stamp duty of Rs.1000/-** shall be payable on first document for houses below 60 Sq.mtrs in the projects sanctioned under PPP model.

#### **6) Concession in Development Charges**

- Concession in development charges will be given to the projects eligible under the present scheme.

#### **7) Public Private Partnerships for Trunk Infrastructure**

- The responsibility for the timely provision of trunk infrastructure and connectivity will be borne by the Public Authority and shall be in place before final possession is handed over to the beneficiary.

#### **8) Developers discretion to decide pricing of 50 % houses**

- The prices of the 50% of the houses constructed on the total available construction area, shall be decided by developer.

## Highlights of Recent Amended/ Revised PPP policy -

### 1) Changes in MHADA pricing policy:-

- ❑ To promote interest among private developers, the state government has tweak the pricing methodology of houses built under the PPP model. Earlier, the Maharashtra Housing and Area Development Authority (MHADA) was to determine the cost of 50 per cent of the houses created in such projects.
- ❑ The government, however, has now vide resolution/order dated **11<sup>th</sup> June 2018** has decided to determine the cost of these houses based on the **state's ready reckoner rate or the developer's rate, whichever is lower.**
- ❑ The thought process is that pricing them as per the ready reckoner will be easier as MHADA's pricing policy includes items such as land cost that makes the exercise complicated, considering these projects are on a PPP model.

### 2) Other Important changes in state's PPP policy.

- ❑ Earlier for submitting bidding proposals for process of land/developer selection a timeline was prescribed, but now no such timeline is prescribed for bid submission and the same will be continued till target for building affordable houses is achieved in the state.

## Highlights of Recent Amended/ Revised PPP policy

- ❑ Proposals can be now accepted offline as well earlier condition of only online proposals is not put to rest.
- ❑ Scrutiny of proposals will be done by MHADA and proposals need to be submitted through ULBs.
- ❑ Earlier condition of EMD (Earnest Money Deposit) applicable for submitting proposals has now been removed.

## IMP LINKS OF RELEVANT GR'S IN RELATION TO PPP POLICY IN MAHARASHTRA

### 1) 11<sup>TH</sup> June 2018

<https://www.maharashtra.gov.in/Site/Upload/Government%20Resolutions/English/201806111444499509.pdf>

### 2) 21<sup>ST</sup> February 2018

<https://www.maharashtra.gov.in/Site/Upload/Government%20Resolutions/English/201802211642205409.pdf>

### 3) 6<sup>TH</sup> February 2018

<https://www.maharashtra.gov.in/Site/Upload/Government%20Resolutions/English/201802061455574309.pdf>

**4) 24<sup>th</sup> January 2018**

<https://www.maharashtra.gov.in/Site/Upload/Government%20Resolutions/English/201801241236355109.pdf>

**5) 24<sup>th</sup> January 2018**

<https://www.maharashtra.gov.in/Site/Upload/Government%20Resolutions/English/201801241239402709.pdf>

**6) 11<sup>th</sup> January 2018**

<https://www.maharashtra.gov.in/Site/Upload/Government%20Resolutions/English/201801111732371109.pdf>

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