



CEOSPEAK

'Legislate on the Gujarat model of land use, with zero deviation'

Private architects should be licensed to authorize approval of land use and city development plans, says Amarjit Bakshi, MD of Central Park Group

Amarjit Bakshi, MD of Central Park Group, says in an interview with Times Property that the realty market will never bounce to the earlier style where values used to increase overnight, with increase in value now premised upon actual inflation. The housing industry is entering a phase of maturity like the auto industry, which came into its own in the first decade of this century, Bakshi says.

Excerpts from the interview:

WHAT IS THE STATUS OF THE MARKET? WHEN WILL IT BOUNCE BACK?

>> The market is varied and can be seen through different perspectives. From the builders and developers' perspective, it is poor. From the consumers' perspective, it is good. From the borrowers and investors' perspective—with their money stuck and the cost of capital very high—it is in a bad shape. This category will be out of business soon unless there is real change on the ground.

The rules of the business are being rewritten with the new rules clearly favouring developers and builders who have worked to build trust for themselves among consumers and brokers. Going forward, it will be consumers' market and not investors'.

The demand for 2BHK flats will flourish and it will be the Maruti 800 of the housing sector. Subvention schemes will be a must and, for this, builders' reputation in the eyes of the banker will be a prime consideration, as with-

out the bankers' support companies will not survive.

Companies that specialize in real estate will have abundant opportunity with landowners and, unlike in the past, it will not be easy for landowners to form real estate firms on their own and thrive. The role of brokers will be limited to the extent of creating a good name for a project and hard-selling will be a matter of the past. The 'e' or online marketing will be the new trend. Investors may vanish from the market and, of course, it is the best time to buy for end users.

Now, people will sell houses to move to a bigger or better or smaller house based on their need and the attachment with old houses will decrease, unlike earlier times, when people died in the



houses where they were born. People will change houses like they change cars. New houses will command higher prices than older constructions, unlike before.

WHAT CAN THE GOVERNMENT DO TO SPUR

GROWTH AND REVIVE THE SECTOR?

>> The government has to bring in a new legislation where 2BHK (of 90 sq metres) apartment are encouraged and incentives given to develop them as the market lies there. Developers and builders have to focus on senior living in all categories and there is going to be a big need for this. Various approvals, starting from change of land use to approval of plans till the final completion of projects, apart from being tedious, are a big source of corruption.

There are ways to eliminate

all this. It has become the norm for local authorities to create infrastructure after the development has taken place whereas, logically, it should be done the other way round. For example, the development pattern in the twin cities of Noida-Greater Noida has shown how to do it right. And,

mind you, there is no shortage of funds with the government.

Corruption comes up only when local development authorities are empowered to approve deviations in the Master Plan.

AS PER THE 'HOUSING FOR ALL BY 2022' MISSION,

NEARLY 30,000 HOUSES HAVE TO BE BUILT A DAY. IS THIS POSSIBLE?

>> Why not! If people have the capacity to buy and the government creates this buying capacity, it is very much possible. The current land acquisition law has to be amended, without sacrificing

the interests of farmers. In the past, it was one extreme while the land bill passed by the Congress-led UPA government was another extreme—we have to balance both.

ON THE POLICY FRONT, WHAT IS YOUR EXPECTATION FROM THE MODI GOVERNMENT?

>> Legislate on the Gujarat model of land use with zero deviation. Private architects should be licensed to authorize approval of land use and city development plans.

Private bodies should be accountable for recording the completion with zero deviation. There should be provision for razing down buildings



and imprisonment for any deviations. Unauthorized construction must be tackled severely. Small houses and apartments are to be encouraged. **The home-loan rate should be fixed at a maximum of 3 percentage points above the inflation (wholesale) and should be variable from quarter to quarter.**

The recent RBI cut on repo rate by 25 basis points is a welcome step but we need much more. The rate cut will not only help lower home-loan interest rates, making home-buying a reality, it will also accelerate growth of the sector. The RBI must look at real estate with new optimism. Also banks should pass on the benefit to customers.

—Team Times Property
(With inputs from A K Tiwary)