Directive for Redevelopment of Building of Co-operative Housing Society

1. Requisition for convening Special General Body Meeting for Redevelopment of Society’s Building:

Not less than ¼ members of the Society the building of which is to be redeveloped should submit a requisition to Secretary on the Managing Committee elected as per provisions of Bye-Laws and lawfully formed along with their scheme and suggestions for redevelopment of the Society’s building for convening Special General Body Meeting to finalize the policy on redevelopment of the building.

2. Convening Special General Body Meeting:

On receipt of an application as per Directive No. 1 above, Managing Committee should take a note thereof within 8 days and Secretary of the society should convene General Body Meeting of all the members of the society, Agenda of the Meeting should be furnished to each member 14 days prior to the day of meeting and acknowledgement thereof should be kept on record of the society.

Before convening the said meeting, Society should obtain list of Architects / Project Management Consultants on the panel of Government / Local Authority and obtain quotations from minimum 5 experienced and expert persons for preparing project report for redevelopment work of the building and one expert person from among them will be selected in the Special General Body Meeting.

Following business will be transacted in the said Special General Body Meeting:

1. To take preliminary decision by taking into consideration demand of the members for redevelopment of society’s building and suggestions received in respect of the same.

2. To select expert and experienced Architect / Project Management Consultant on the panel of the Government / Local Authority for work of redevelopment of the building and to finalize items of work to be done by them and terms and conditions of work.

3. To submit outline of the program for redevelopment of the building.

3. To accept written suggestions from members relating to redevelopment of the building:

Members of the Society will be entitled to submit in writing to the committee eight days prior to the meeting their realistic scheme, Suggestions and recommendations for redevelopment of the building in the name of experienced and expert Architect / Project Management Consultant known to them. However, that Architect / Project Management Consultant should submit a letter that he is desirous of doing work of redevelopment.

4. Decisions to be taken in the Special General Body Meeting:

Quorum for the Special General Body Meeting convened for redevelopment of building of the Co-operative Housing Society will be ¾ of the total members of the society. If quorum is not formed, meeting will be adjourned for eight days and if there is no quorum
for the adjourned meeting, it will be deemed that members are not interested in redevelopment of the building and meeting will be cancelled.

On formation of quorum for the meeting, Suggestions, recommendations and objections from all the members with regard to redevelopment of the society’s building will be taken into consideration and opinions expressed by all the members will be recorded in the minutes book with names of concerned members. Therefore a preliminary decision will be taken whether to redevelop society’s building or not. Such decision must be taken with majority vote of more than ¾ of the members. On preliminary resolution about doing the work of redevelopment getting passed, following business will be transacted in the meeting.

a) To selected expert and experienced Architect / Project Management Consultant from the panel of the Government / Local Authority for work of redevelopment of the building and to finalize items of work to be done by them and terms and conditions for the same.

b) To submit an outline of the program for redevelopment of building.

5. Providing minutes of Meeting to all members:-

Secretary of the Society should prepare minutes of Special General Body Meeting as above within ten days and a copy thereof should be furnished to all members and acknowledgement therefore be kept on record of the society. Also one copy should be forwarded to the office of the Registrar.

6. Issuing Appointment Letter to the Architect / Project Management Consultant:-

Secretary of the society will within 15 days of the meeting issue Appointment Letter to the Architect / Project Management Consultant selected in Special General Body Meeting and Society will enter into an agreement with Architect / Project Management Consultant incorporating therein terms and conditions approved in Special General Body Meeting.

7. Work to be done in the initial stage by Architect / Project management consultant:-

a) To survey Society’s building and land.

b) To obtain information about conveyance of land to the society.

c) To take into consideration prevailing policy of the Government and the regulations applicable from time to time depending on ownership of the land (MHADA/SRA/Municipal Corporation) and to obtain information about FSI and TDR, which would be available in relation to building and land of the society.

d) To take into consideration suggestions and recommendations from the members for redevelopment of the building as also the residential area to be made available to the members, commercial area, vacant area, garden, parking, building specifications etc. and to prepare a realistic project report.
e) Architect / Project Management Consultant should prepare the project report within two months of date of his appointment and to submit the same to committee of the society.

8. Action to be taken on receipt of redevelopment Project Report:-

a) On receipt of Redevelopment Project Report as above, Secretary of the society will convene a joint meeting to approve the Project Report with majority vote by taking into consideration suggestions received from Committee Members and Architect / Project Management Consultant. Notice in that behalf will be published on the Notice Board of the Society mentioning time venue etc. of the meeting.

b) It should be mentioned in the notice that a copy of the Project Report is available in the society’s office for members to see and the notice should be served on all the members that they should submit their suggestions eight days prior to the next Committee Meeting and acknowledgement of such notice should be kept on record of the Society.

c) Seven days prior to joint meeting, suggestions received from the members will be forwarded by Society’s Secretary to the Architect / Project Management Consultant for his Information.

d) There will be a detailed discussion in the Joint meeting on the suggestions / recommendations from members and opinion thereon of the Architect / Project Management Consultant and project report will be approved with necessary changes. Thereafter draft of tender from will be prepared and date of next joint meeting will be fixed for discussion on draft tender form and finalizing the same.

e) While preparing draft tender form, in order to get competitive quotations from renowned experts and experienced Developer, either carpet area or corpus fund fixed (not to be changed) and by finalizing other technical matters, the Architect / Project Management Consultant will invite tenders. Society’s members will be entitled to furnish information about it to the reputed and experienced Developer known to them.

9. Preparing List of Bids Received:–

a) On the Last day for receiving quotations, Secretary of the Society will prepare a list of offers received and display the same on the notice board of the society.

After 15 days of the last day for receiving quotations, Secretary of the society will convene special meeting of Managing Committee of the society. Authorized representatives of bidders and members of the society desirous of remaining present can remain present for the meeting as observers.

Tenders so received will be opened in the presence of all and the Architect / Project management consultant will scrutinize all tenders and prepare a comparative chart and after checking merit, reputation, experience and comparative rate etc. and select minimum 5 bids and if the bids received are less than 5, all the bids for putting up before Special General Meeting and concerned bidders will be informed about it immediately.

10. Selection of Developer:-
a) Office of the Registrar to appoint Authorized officer for attending General Body Meeting:-

An application with list of the members should be sent within eight days to the registrar for appointment of Authorized officer to attend the Special General Meeting of the Society for selecting a Developer out of those selected by committee of the Society with the help of the consultant, by taking into consideration his experience, merit, financial capacity, technical capacity and competitive rate etc.

b) Convening Special General Body Meeting for finalizing tender:-

After appointment of authorized officer, with his prior permission Secretary of the Society will fix the time and venue convene Special General Body Meeting for appointment of Developer and Agenda of this meeting will be sent to all the members 14 days prior to the meeting by hand delivery and by registered post and keep acknowledgement thereof on record of the Society. Also, office of the Registrar will make arrangement to keep his authorized representative present for the meeting.

Also arrangement will be made for video shooting of the meeting at the cost of the Society. Any person other than formal members will not be entitled to attend this meeting. Therefore members will be required to present at the venue of the meeting with their Identity Cards. At the time of submitting redevelopment proposal to the concerned authority for sanctioning, selection of Developer and other work should have been done in the presence of authorized officer from Registrar’s office.

c) If there is no quorum for Special General Body Meeting:-

If the quorum of ¾ members out of total members is not formed for Special General Body Meeting, the meeting will be adjourned for eight days. If quorum does not get formed for adjourned meeting, it will be deemed that the members have no interest in redevelopment of the building and the meeting will be cancelled and thereafter the said subject will not be taken up before the Special General Body Meeting for approval.

d) In the Special General Body Meeting to be convened for selection of Developer, authorized representative from the office of the Registrar will be present and observe proceedings of the meeting. Also, on concerned representatives and authorized officer remaining present at the venue and at the time of meeting and on quorum of ¾ members getting formed, following business will be transacted in the meeting.

i) Providing comparative information in respect of tenders selected for presentation (for redevelopment work).

ii) Presentation by bidders one by one.

iii) To select Developer for redevelopment of the building, to finalize terms and conditions and finalize the tender.

iv) To obtain consent from the selected Developer.

v) Give information about further work. It will be essential to take written approval by ¾
majority vote of the members present for the meeting for selection of Developer. If the selected Developer or his representative does not remain present for the meeting, further action will be taken by presuming that they have given their consent for the project.

11. Agreement to be entered into with Developer:-

Subject to the terms and conditions approved by General Body Meeting of the Society, an agreement should be entered into with the Developer within one month under guidance from the Architect / Project Management Consultant. Along with the points suggested by the Architect / Project Management Consultant appointed by the Society, following points will also be included in the agreement.

(1) The period for completing redevelopment project of the Society will not exceed more than two years and in exceptional cases, it will not exceed three years.

(2) Developer will give a Bank Guarantee for amount equal to 20% of the project cost.

(3) During the period of redevelopment, the Developer will make available to the members alternative accommodation in the same area as far as possible or arrange to pay monthly rent and deposit as acceptable to members or make available transit camp accommodation.

(4) The said agreement will be registered under Registration Act, 1908.

(5) On completion of redevelopment project, new members will be admitted in the Society only with approval of General Body Meeting of the Society.

(6) Carpet area to be allotted should be clearly mentioned in the agreement.

(7) Development right vested in the Developer will be non-transferable.

(8) Members will vacate their respective premises only after all legal approvals are received for redevelopment of the building.

(9) Rights of those who are in possession of the flats will remain unaffected.

(10) If any dispute arises in the work of redevelopment, provision should be made in the agreement to resolve the same as per provisions of Section 91 of the Act.

(11) After receipt of Occupation Certificate, flats in the redeveloped building should as far as possible be allotted as per present conditions floor-wise and if it becomes necessary to allot flats by drawing lots, on completion of construction, Developer should make arrangement drawing lots, and at that time flats should be allotted in the presence of Registrar’s representative and this process be recorded by video shooting.

(12) Any Committee member or Office Bearer of the Society should not be the Developer or relative of the Developer.

(13) Building plans sanctioned by the Municipal Corporation / Competent Authority should be put up before the General Body Meeting for information and if any member
wants copies of approved documents, he should submit application for the same to the Society and it will be binding on the Committee to furnish the information by charging necessary fee.

Ref.: Z:\000 - 500\2 GOVERNMENT CIRCULARS & COURT JUDGEMENTS 2008\2 GOVT CIRCULARS 2007\142 Directive for Redevelopment of Building of Co-operative Housing Society

A well drafted consent of at least 70% the Society members must be obtained in writing during the Society meetings when the subject of redevelopment is discussed. However, the minority members of co-operative housing society cannot obstruct a redevelopment project. On Jun 28, 2010, the Bombay high court has once again ruled that members of a co-operative housing society who are in minority cannot obstruct a redevelopment project and must abide by the majority decision of the society, unless they show that here is some prejudice caused to them or a fraud has been committed.

In a recent ruling, the Bombay High Court has stated that the issue of minority of tenants cannot be an obstacle for redeveloping a property if minimum 70% of the tenants are ready for the same.

The judgment came against a matter of a redevelopment in Dadar where 17 members were opposing the redevelopment of an old Parsi chawl. Based on the writ petition filed by the group of dissenting members, Justice D.B.Bhosale granted the permission to BMC to forcibly evict the families with the police help in case of any opposition from the others against the redevelopment.

It is important to note that as per the section 103B of Maharashtra Housing and Area Development Act, 1976, with the guidelines for redevelopment of old Municipal Properties by the Municipal Tenants Co-Operative Housing Societies on the land owned by the Corporation under regulation 33(7) of the Development Central Regulations for Greater Bombay, 1991, it is necessary that more than 70% of the eligible existing Municipal tenants should give written consent to redevelop the property under the scheme with a formation of a co-operative society / association and an initiative proposal for the redevelopment.

The court has held that once 70% or more occupants /tenants give their consent for redevelopment by forming a co-operative body and if the scheme is approved by the corporation, it is binding to all other occupants. As per the guidelines, the tenants / occupants with separate stand, have no choice but to follow the norms. Being in minority (about 30% or less than that) the only choice for them remains is, to give up their tenancy rights and quit from the scheme.

The special general body has to approve the bid of the successful bidder in a meeting attended by the registrar. The entire proceedings have to be video-recorded. Once the agreement is accepted in terms of area and corpus fund, it cannot be revised. The successful bidder has to give a bank guarantee equivalent to 20% of the total project cost to show his financial strength, and proof that he will not throw away the project midway.

The Developer values the kind of Societies that either have some open plot of land or are willing to demolish the old structures to reconstruct new buildings. Where such redevelopment is possible, Developer normally agree to pay some consideration by way of Corpus Fund including more area in their existing flats to the members and seek permission to construct a building on the open plot of land or to construct a new, bigger building using the Transferable Development Right (TDR), Floor space index (FSI) after demolishing the existing structure.
Depending upon the offer from the Developer and subsequent negotiations him, he either provides alternate residential flats to the members of the Society or pay rent in advance by way of post dated cheques, one month rent as brokerage and transportation charge etc. to secure an alternate accommodation till the new building is constructed and the members are rehabilitated in their new flats. All the demands and negotiations have to be carefully recorded in the 'Development Agreement' for successful execution of redevelopment in a housing society and the office bearers and the managing committee members have a strong role to play.

In any process of redevelopment, one must be aware of various documentations that are required and also one must understand the tax implications on redevelopment of immovable property. The principal documents are 'Development Agreement' and ‘Power of Attorney’ which are to be registered by paying appropriate stamp duty.

By executing the Development Agreement' with the Society, the Developer gets the required permission to develop the land and submits the papers to concerned civic authorities. Upon various sanctions available to him, the Developer constructs the buildings at his cost, retains some flats for him to be sold in the open market and earn profit.

It is important for a Society to have a valid conveyance of land and building in its favor for it to be redeveloped at a later date and that includes acquiring marketable title, permission for reconstruction and construction of additional floors by use of TDR and FSI, or else, Society may not get any approval of plan from Municipal Corporation. But due to our ignorance, majority of Builders fail to convey the title to a Co-Operative Society after the flats initially constructed on a plot of land.

In fact, the greater majority of the Co-Operative Housing Societies, formed in Mumbai in the last twenty years, do not have the land conveyed in their favor which results in the Developer or the earlier owner continues to remain the owner of the property. This results in a situation where these Societies have only possessor rights and not the ownership rights over the land, depriving them of the additional TDR FSI that is the main driving force for entering into such redevelopment agreements when required at a later date.

What is FSI? Floor Space Index (FSI) means the quotient of the ratio of the combined gross floor area of all floors excepting areas specifically exempted under these Regulations to the total area of the plot.

What is TDR? TDR stands for Transfer of Development Rights. It is a certificate from the Municipal Corporation that the owner of a property gets where his/her property (either part or whole) is reserved for the purpose of public utilities such as road, garden, school etc. The rights/ certificate, which are equivalent to the reserved portion, are obtained by the owner on surrendering his property to the Municipal Corporation. These rights/ certificate can then be sold to builders who use it for additional construction on their property. Currently in Pune, additional construction of up to 40% of the plot area is allowed through purchase of TDR and a further 20% is allowed through purchase of slum TDR. Slum TDR is generated through redevelopment of slums.

Rule 34 of the Development Control Regulations for Greater Bombay,1991 defines TDR which stands for Transferable Development Rights as under: ‘In certain circumstances, the development potential of a plot of land may be separated from the land itself and may be made available to the owner of the land in the form of Transferable Development Rights. These rights may be made available and be subject to the Regulations in
Appendix VII hereto. Appendix VII lays down the rules for the grant of Transferable Development Rights to owners/developers and conditions for grant of such rights:

1. The owner (or lessee) of a plot of land which is reserved for a public purpose in the development plan and for additional amenities deemed to be reservations provided in accordance with these Regulations excepting under certain conditions shall be eligible for the award of TDR in the form of Floor Space Index (FSI) to the extent and on the following conditions set out below. Such award will entitle the owner of the land to FSI in the form of a Development Rights Certificate (DRC) which he may use himself or transfer to any other person.

2. Subject to Reg.1 where a plot of land is reserved for any purpose specified in Sect. 22 of Maharashtra Regional and Town Planning Act, 1966 the owner would be eligible for DR’s to the extent stipulated in Rules 5 & 6 in this Appendix after the said land is surrendered free of cost or after completion of development.

3. TDR’s will be available only for prospective development of reservations.

4. DRC’s will be issued by the Commissioner himself giving details of FSI credit.

5. The built up area for the purpose of FSI shall be equal to the gross area of the reserved plot to be surrendered.

6. When the owner or lessee also develops or constructs the amenity on the surrendered plot at his cost, he may be granted a further DR in the form of FSI equal to the area of the construction/ development done by him.

In short, the Transfer of Development Rights (TDR) means making available certain amount of additional built up area in lieu of the area relinquished or surrendered by the owner of the land, so that he can use extra built up area either himself or transfer it to another in need of the extra built up area for an agreed sum of money. It is designed to steer growth not to limit or stop development.

What is the difference between Built-Up Area, Super Built-Up Area and Carpet Area?

Carpet Area: This is the area of the apartment/building that does not include the area of the walls. Built-Up Area: This is the area of the apartment/building including the area of the walls. Super Built-Up Area: This includes the Built-Up Area along with the area under common spaces such as the lobby, lifts, stairs etc. This term is therefore only applicable for multi-dwelling units.

The Developer has to complete the redevelopment project in two years, or a maximum of three years. The development agreement must be signed on carpet-area basis. Most importantly, if, for some reason, the successful Developer is unable to complete the project, he cannot sell his agreement to another Developer.

The fact that most societies do not appoint professionals like architects, structural engineers and competent advocates, is the reason that proper negotiations do not take place. The appointment of a competent advocate is equally crucial as he has to act as an ombudsman and prevent unnecessary litigations. It is also a fact that ignorance of members is taken advantage of by committee members with vested interests, who take hasty decisions ignoring genuine objections of a small section.

It has been often noticed that during the process of redevelopment, the terms of Development Agreements as agreed upon, are later twisted and grossly violated by the Developers and the ground rules of MRTP and DCR by unlawful planning are flouted by constructing additional/unauthorized areas that are beyond the entitlement (i.e. beyond the plot FSI and the TDR/FSI loaded) for their hidden financial gains. The buyers of such unlawful flats/properties land themselves in deals that lead to litigation at a later date.

At times, upon the completion of the Project, there are major inconsistencies and discriminatory features noticed in the approved plans v/s actual layouts, measurements and other aspects in respect of the constructions of residential area and the commercial
area which may not be in conformity with the Development Agreement originally executed between the Society and the Developer.

Under Right to Information Act, the Housing Society can procure all the Plans and the related documentary evidences from MCGM duly attested by two Senior Engineers of the Building Proposals Dept. to study the anomalies which exist in execution of the entire redevelopment project even after the occupancy certificate is issued. It has also been observed that the deviation of vital Rules and Guidelines of MRTP/MCGM/DCR are conveniently overlooked by few corrupt and dishonest but “Sympathetic Officials” of MCGM and the final plans with numerous anomalies so submitted by the said Developer are approved by them without verifying the justifiability or its conformity with the Development Agreement executed with the Society.

It is also learnt that in many Societies, the Managing Committees, who execute the documents with the Developers, do not possess any legal holding as they have never filed/nor aware of filing the Indemnity Bond in Form M-20 on a Stamp required under Section 73(1AB) and Rule 58A of the Maharashtra Cooperative Societies Act 1960. The members who fail to execute such Bonds within the specific period are deemed to have vacated his office as a member of the committee and no legal effects can be given to the documents executed by them with the Developers.

Section 73(1AB) of the Maharashtra Co-operative Societies Act 1960 is reproduced below:

"The Members of the Committee shall be jointly and severally responsible for all the decisions taken by the committee during its term relating to the business of the society. The members of the committee shall be jointly and severally responsible for all the acts and omissions detrimental to the interest of the society. Every such member shall execute a bond to that effect within fifteen days of his assuming the office, in the form as specified by the State Government by general or special order.

The member, who fails to execute such bond within the specified period i.e. within fifteen days from joining the Managing Committee member, shall be deemed to have vacated his office as a member of the committee."

Further the power to decide whether the losses incurred by the society are due to act or omissions of members of the committee is given to the Registrar

"Provided that, before fixing any responsibility mentioned above, the Registrar shall inspect the records of the society and decide as to whether the losses incurred by the society are on account of acts or omissions on the part of the members of the committee or on account of any natural calamities, accident or any circumstances beyond the control of such members."

Rule 58-A of the Maharashtra Co-operative Societies Rules 1961 is reproduced below:

"Every elected member of the Managing Committee shall execute a bond in Form M-20 within fifteen days of his assuming the office. Such bond shall be executed on the stamp paper as provided under the Bombay Stamp Act 1958. The expenditure on stamp paper shall be borne by the society. The Chief Executive Officer / secretary of the society shall receive such bonds and keep them on record of the society and accordingly inform the Registrar within Fifteen days from the formation of the Committee."
It is clear from above that the bond should be executed within fifteen days of assuming office by each member of the Managing Committee in Form M-20 on a stamp paper. Failure will invite penal consequences.

On or before the execution of the agreement, the Society should hand over to the Developer, the copy of the conveyance deed in respect of the Society’s property along with certified copies of the property register card, index II, latest electricity bill, water bill, municipal tax bill, N.A. tax bill in respect of the Society’s property and also, the copy of the registration certificate of Society under the Maharashtra Cooperative Societies Act, 1960.

There are complications which the Society at times in case of redevelopment if the following things are not considered. They fail to assemble all members of the Society at a single point of time during the meetings. Sometimes the title documents are not clear. There is always an anxiety in the minds of the members about possible delay in completion of the project after they have vacated their old flats. The old documents of the members are traceable. Some members don’t wish to come back to the new building and ask for very high prices for sale of old flats or are more interested in purchasing a new flats at a discounted rate in new building.

When drafting a Development Agreement, some of the important points and clauses of a Development Agreement are to be taken care of. The cooperative Society, the Developer and preferably all the members should be parties to this agreement. There should be a brief history of how the conveyance deed was given to the Society. The registration number of the cooperative Society under the Maharashtra Co-Operative Societies Act, 1960, should be mentioned in the agreement.

There should be particulars of the existing flats with carpet area of the flats occupied by each of the member of the buildings. The area of the plot as per the 'Property Register Card' should be mentioned. The total estimated FSI area that can be constructed by utilizing TDR on the plot should be mentioned.

The agreement should clearly mention the carpet area, including the additional area which will be made available to the members in the new building. The schedule of payment of the total consideration should be specified in the Development Agreement. There should be a mention of the tentative date for vacating the flats in the old building by the members which shall be linked with the plans being approved by the concerned authority.

The number of open car parking space, stilt car parking and closed parking which will be given to the members in the new building should be mentioned in the Development Agreement. Usually the Developer obtains at their own costs the rights under the Development Right Certificate (DRC) in accordance with the provisions of the Development Control Regulations for Greater Bombay, 1991. Further, the Developer get the building plans approved, obtain the commencement certificate and sanction of building plans from the MCGM and pay all the requisite deposits, fees and premiums to various authorities including the MCGM.

It should be clarified in the Development Agreement that neither the Society nor the Members shall be expected to pay such types of expenses. It must be clarified in the
Development Agreement that each purchaser of a flat in the new building who intends to be a member of the Society will be required to pay to the Society the entrance fee and share allotment money as well as a sum as approved by the Society towards the sinking fund of the Society.

The time period for completion of the new building on the plot owned by the Society shall be defined in the Development Agreement. In the event the Developer fails to complete the entire work within the stipulated period, a penalty clause can be mentioned in the agreement. It should be specified in the Development Agreement that from the date of taking complete vacant possession of the existing structure till the date of receipt of occupation certificate in respect of the new building and till such time that the Developer intimates the members to take possession of their respective flats, the Developer shall bear and pay all municipal rates, taxes and other payments required to be paid to the concerned authorities.

The Development Agreement should also clarify that the Society shall pay only the municipal rates, and other outgoing taxes till the vacant possession of the entire property is done (the plot and the existing structure) to the Developer after receipt of full occupation certificate in respect of the new building.

The Development Agreement should list out the broad specifications and amenities to be provided for the flats in the new building on the plot owned by the Society. The Development Agreement should have a proper schedule of the property at the end of the agreement which should specify the location of the property along with the name of the suburb, final plot number, CTS number, area of the plot and municipal ward number.

Abovementioned are some of the important points relating to redevelopment of old buildings by cooperative Societies. Since the laws on the subject of redevelopment are yet to be fully developed, any decision in this matter should be taken with great care or else it could lead to a possible dispute or litigation. It is very important to understand the procedure properly before signing any papers.

The drafts of all the relevant documents pertaining to the redevelopment process must be circulated to all members well in advance and the objections, suggestions and modifications if any, must be discussed in the Special General Body Meetings including recording proper minutes of each meeting to maintain the transparency. It’s advisable to discuss the documents in detail at the general body meeting so as to arrive at a consensus about the terms and conditions in order to avoid later hassles.

As with any property dealing, when it comes to a redevelopment contract, it’s of utmost importance to ensure that the Developer has a sound reputation. If possible, the members of the managing committee must visit the site of some of his previous projects so that they get first-hand information about the Developer.

I again reiterate here that considering that the property of so many residents is at stake, it makes sense to seek the help of professionals in getting a clear picture about the dealing that the Society is entering into. Sound advice from professionals such as lawyers, architects, engineers, before signing on the dotted line is sure to help the Society make a responsible decision. It is reasonable to hire the services of a technical supervisor who can keep a check on the work done by the Developer.
STAGES OF REDEVELOPMENT
1. Offer letter to the society
2. Terms and conditions with the society
3. Agreement with the society
4. Sanction from MCGM in favour of the society
5. Loading of TDR in the society’s name
6. Obtaining the IOD
7. Shifting of the members
8. Demolition of the building
9. Obtaining the CC
10. Construction of the new building
11. Obtaining the OC
12. Shifting the old members

Offer letter to the society: The Housing Society is required to advertise in 2 leading newspapers inviting the sealed tenders from the Developers and a Redevelopment Committee is formed to shortlist at least 3 Developers on merits and the comparative data is placed before the SPGM for final selection. The selected Developer is informed accordingly and his terms are invited in writing as an Offer letter to the society.

Terms and conditions with the society: The first step towards the re-development is agreeing on the basic terms and conditions between the members and the Developer. The broad terms and conditions will include extra area, corpus money, shifting charges, alternate accommodation, time of re-development, amenities in the new building, etc.

Finalizing the plans with members: After due consultation with all the members, the plan will be made to suit the requirements of the existing members and will be approved by them before applying for sanction from MCGM.

Agreement with the society: The execution of the development agreement will be done once the above two points have been cleared by both the parties and after the draft copy of the agreement have been approved by the solicitors of both the parties. It is possible to appoint a common solicitor so as to reduce the time in execution of the document.

Sanction from MCGM in favour of the society: After the execution of the development agreement, plans are put up for sanction from MCGM with regards to the entire layout as well as the concession plans in favour of TWO FSI (i.e. plot area + TDR purchased from open market). This step makes the society feel safe and confident towards the Development.

Loading of TDR in favour of the society: On receipt of the plans from MCGM approving the loading of TDR, the Developer will purchase the TDR from the open market in the name of the society and get the same deducted and loaded from MCGM. This step is taken with the intention of making the society feel secure about the entire development process.

Obtaining the IOD: After the TDR is loaded, the IOD is obtained from the MCGM, the Developer then starts fulfilling all the conditions as mentioned in the IOD before obtaining the Commence Certificate.

Shifting of the members: The members will feel more confident after the IOD is been obtained from the MCGM towards the entire development of TWO FSI. The members
will now shift into their alternate accommodation as a pre-requisite before demolition of the building which is a must before obtaining the CC from MCGM

Demolition of the building: Once the members have shifted into their alternate accommodation, the demolition of the building will take place either all the wings simultaneously or phase wise depending upon the scheme of re-development. Usually about three months are given to the members from the date of execution of the development agreement before asking them to shift to the alternate accommodation.

Obtaining the CC: The IOD approval and demolition of the building will be followed by the issue of the CC (plinth level) by the MCGM which shall enable the Developer to start the construction work and after the plinth lines are verified by the MCGM officers, the further CC is granted for the complete building.

Construction of the building: The building construction work will began in full earnest as per the approved plans by the MCGM taking into consideration the various safety factors to be considered during the construction work. The quality and the amenities will be provided as per agreed terms and conditions.

Obtaining the OC: The last step before the construction work is termed as complete is obtaining the Occupation Certificate enabling the Developer to allot the occupation to the old as well as the new member.

Shifting the old members: On receipt of the Occupancy Certificate the Developer can lawfully allow the possession of the flats to be taken over by their owners.

DUTIES AND FUNCTIONS OF THE DEVELOPER IN NUT SHELL

1. The Developer to demolish the building existing in the plot and construct new multi storied buildings taking into account the earthquake resistant factors as directed by The Municipal Corporation of Greater Mumbai. The new building should have stilt for car parking and should consist of _____ stories as per approved plans. The final plans are to be prepared after due consultation with the managing committee and understanding their requirements.
2. The Developer shall be responsible to obtain all the necessary approvals from The Municipal Corporation of Greater Mumbai and all other statutory and Government offices and departments which will include:
   1. Development Planning Remark or Town Planning Remark: MCGM (Dev. Dept.)
   2. Survey of the entire plot with regards to the area and topography of the plot, existing plot boundary and existing structures (Developer’s Architect)
   3. Intimation of Disapproval (IOD): MCGM
   4. Property Tax Assessment NOC: MCGM (Assessment Department)
   5. Hydraulic Engineer No Objection Certificate: MCGM (Hydraulic Department)
   6. Storm Water Drainage No Objection Certificate: MCGM
   7. Sewerage No Objection Certificate: MCGM
   9. Urban Land Ceiling NOC: Competent Authority in Collector's Office
   10. Tree No Objection Certificate: MCGM (Tree Authority)
11. Non-Agricultural Permission: Collector’s Office
12. Civil Aviation No Objection Certificate: Airport Authority of India
13. Pest Control No Objection Certificate: MCGM (PCO)
14. MTNL No Objection Certificate: MTNL
15. Chief Fire Officer’s No Objection Certificate: Fire Department Office
16. Commencement Certificate: MCGM
17. Lift Inspection No Objection Certificate: Inspector of Lifts, PW
18. Occupation Certificate (OC): MCGM
20. Drainage Completion Certificate: MCGM (Water Department)
22. TDR Loading: MCGM
23. Building Demolition Work: Contractor appointed for demolition work

Please ensure to collect all the listed certificates from the Developer/Developer as the same must be with the custody of the Housing Society once the redevelopment of the property is completed and the occupancy certificate is issued by MCGM to re-house the members.

3. The Developer should provide the following infrastructure after the completion of the re-development work:
   a. Complete paving around the building finished with suitable materials
   b. Storm Water Drain
   c. Sewerage lines
   d. Security arrangements
   e. Garden and landscaping (wherever possible)
   f. Pipe gas line (as per availability)
   g. Internet facility (as per availability)
   h. Society office
   i. Adequate car parking spaces

The Developer has to provide extra area over and above the existing carpet area to all the members free of cost in the newly constructed building. The flower bed as open balcony area should be provided as permitted by The Municipal Corporation of Greater Mumbai. (Area will be approx sq.fts.)

4. The Developer should pay the society/individual member, a corpus fund of Rs…….. towards granting of development rights. The above amount is helpful in paying all outgoings of the existing members in the newly constructed flats. The corpus amount is worked out on the basis of Rs……. Per sq. ft on the existing carpet area.

5. The Developer should provide displacement compensation towards temporary alternate accommodation to the affected members during the construction work at the rate of Rs…… per sq.ft on the existing carpet area. The compensation has to be paid from the time the vacant possession is given by the members for demolition till the construction of the new building/s is/are complete and the peaceful possession of the new flats given by the Developer.

6. The society shall accept and admit the prospective/additional flat owners of the newly constructed building/s as members of the society and treat them at par with existing members.

7. The Developer should prepare a tentative layout of the new building which has to be shown to the members as and when required.

8. The Developer may tie up with leading financial institutions and banks and arrange for necessary approvals for housing loans for the existing members and
prospective clients.
9. The Developer should complete the entire re-development work within a period of ___ months or as agreed with the Society after all the legal formalities and Municipal approvals are obtained. The initial Municipal approvals will take about three months depending upon the existing rules and regulations governing the re-development work.

2. STANDARD LIST OF AMENITIES
Structure: The structure would be designed as Multi Frame Structure of RRC with provisions of Earth Quake resistance features.
Elevation and Planning: Exquisitely designed elevation features may be provided along with careful and detailed planning with plenty of light and ventilation in each rooms and minimum wastage space with proper co-ordination of all rooms. The building may be provided with sand faced plaster on the external face water proofing plaster and chicken mesh should be used as required
Entrance Lobby: The entrance lobby may be elegantly designed with Granite tile and POP false ceiling.
Doors: All the doors should be provided with Marine Flush Doors and CP frame with cover mouldings. The main door must be provided with good quality night latch, safety chain, tower blot and attractive handle. Internal doors may be provided by cylindrical mortise type locks.
Windows: All the windows of rooms and toilets should be provided with marbles frames with designed mouldings. Heavy section powered aluminum sliding windows with 5 mm tinted glass may be provided with imported bearings and fittings.
Plaster of Paris: Beautifully designed cornice has to be provided in living room. Walls of all the rooms to be finished with POP panning and grooves to be provided on top of the skirting
Electric work: All the electric wiring work must be done as per the norms of Reliance Energy using 1/18, 3/20, and 7/20 flexible wires with use of MCB and ELCB for safety of the flat owners. Latest available switches of reputed company must be provided. Extensive electric layout comprising of the following points to be provided:
Spot Lights (living room and bed room)
Tube lights
Fans
A.C. (living room and bed room)
Geysers
Exhaust fans
Aqua guard
Mixers
Washing machine
Refrigerator
T.V. cable
Gas pipe line (if available)
Refrigerator
T.V. cable
Gas pipe line (if available)
Plumbing: All the plumbing pipes, fixtures and fittings should be strictly as per IS Norms. CP plumbing fixtures (ESS ESS or JAGUAR) should be provided in all toilets with matching sanitary ware of reputed company. Plumbing points should
comprise of wall mixtures, showers, taps, washing machines and aqua guard. Flooring and Tiling: Marble or granite or granite flooring should be provided with matching skirting of 3". Toilets should have full dado height of coloured glaze tiles of reputed company of Indian or imported make with designer borders and motifs.
Kitchen: Granite kitchen platform comprising of cooking and serving platforms may be provided with moulded facia patti and vertical sides. Stainless steel sink has to be provided.
Colour: The entire flat should be painted with Synthetic enamel paint including doors and ceilings. The external walls of the buildings must be painted with good quality cement paint.
Lift: Lift of OTIS/Johnson make may be provided with all the safety features.
Terrace: The terrace should be finished with china chips and high parapet wall with corner lights and water points.
Compound wall and gates: New compound wall should be constructed with proper design and sufficient electric points. M.S. main gate should be provided for safety.
Paving: The entire compound wall should be paved with concrete and finished with heavy duty checkered tiles.
The task of satisfactory completion of redevelopment of any Housing Society and to get back their members in their dream houses is not difficult provided the Office Bearers and the Committee Members are honest and justify their respective posts in the welfare and well being of the members of the Society.