

# TIMES PR

The Times of India Ahmedabad Se



**R**edevlopment is nothing but revitalisation of existing properties and areas. Redevelopment only takes place where land potential is maximum. When a city grows to a certain scale, the process of re-urbanisation and redevelopments of inner/older areas takes place. Redevelopment and Land Economics are inextricably linked. When land prices in the city center areas shoot up and make the highest peak, redevelopment of that property takes place. The same has been witnessed even in metro cities. Sky

Redevelopment - an emerging trend in the Ahmedabad residential realty market - enables the existing member of a society to live in the same locality, but with modern amenities and state-of-the-art facilities

## RENEWED LIVING

rocketing land prices pushes development further to the outskirts. When urban growth reaches a particular scale, redevelopment of the older areas takes place. This has been in practice in Mumbai for the past five years - development of the western and eastern suburbs in Mumbai are a result of the same.

In Ahmedabad, since 2005, lots of deals have been struck of older housing societies. Older housing societies have been taken over by develop-

ers, wherein members of the existing housing society were paid hefty amounts and the societies were demolished to pave way for new development to take place on the same parcel of land. Majority of these developments were commercial developments. In today's time, the land prices within city limits are making new high, and are currently at its peak. Hi-end residential apartments are in demand and the overall residential real estate is

witnessing flourishing demand. Due to the restrictive FSI zoning pattern, redevelopment is the only option for a city like Ahmedabad. There are many old properties where FSI is unutilised. These are considered prime locations with the potential for redevelopment. Instead of selling and moving to the suburbs, people are now looking forward to redevelopment as a practical option. The existing member wants to live in the same locality

and vicinity with modern amenities and state-of-the-art facilities.

The concept of Redevelopment Project has started picking up in Ahmedabad. As per the concept of Redevelopment, the existing housing scheme is demolished completely and new housing development takes place with modern amenities and facilities on the same parcel of land. Developers enter into development agreements with existing so-

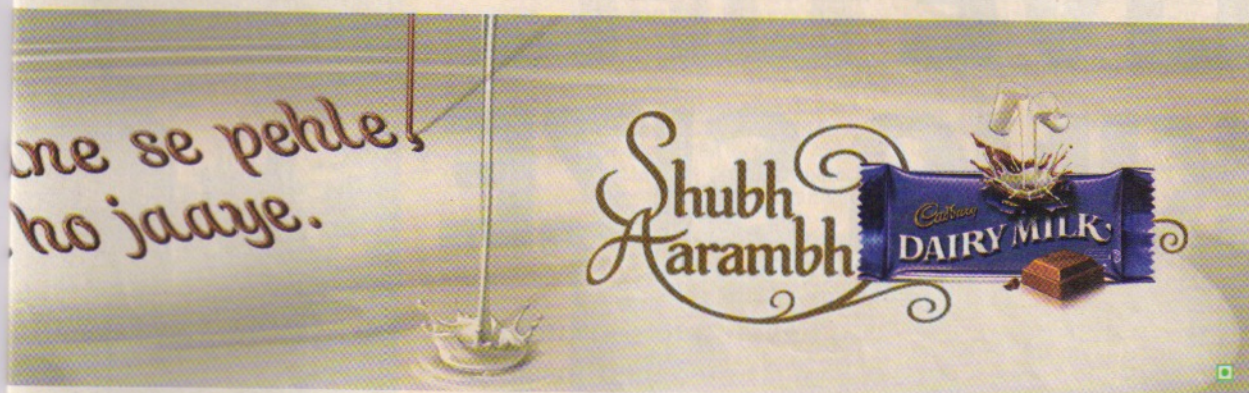




# PROPERTY

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cieties. Corpus money (premium money), shifting charges, alternate accommodation charges (rent) is provided by the developer to existing members in addition to the new housing unit. Time of re-development and amenities in the new building is predefined between members and developer. In redevelopment, the developer is allowed to sell surplus area in the open market and that is how the developer makes return on their invest-

ment. Allotment of new flat is done as per the existing situation or decided prior to the development agreement.

For litigation-free redevelopment and to avoid conflicts, the development agreement must be drafted carefully. Development agreement must be signed on the carpet-area basis. If, for some reason, the successful developer is unable to complete the project, he cannot sell his agreement to another developer. Terms and conditions



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related to the extra area, corpus money, shifting charges, alternate accommodation, time of redevelopment, amenities in the new building, etc need to be clear-cut to reduce conflict. Other techno-legal points need to be taken into consideration while making an agreement.

The overall redevelopment project is a win-win situation both, from the developer's and owner's point of view. The owner (member) gets new house with better design, amenities and facilities on the same premises, while for the developer, initial investment is lesser as he is not supposed to pay the land price upfront. Redevelopment projects are a participatory approach between the existing member and developer. Redevelopment - which offers immense potential - is certainly amongst the emerging trends in the Ahmedabad residential realty market.

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The author is a city-based housing planner, civil engineer & lawyer. The opinions expressed here are personal

## QUICK BYTES

■ AS PER THE CONCEPT OF REDEVELOPMENT, THE EXISTING HOUSING SCHEME IS DEMOLISHED COMPLETELY AND NEW HOUSING DEVELOPMENT TAKES PLACE WITH MODERN AMENITIES AND FACILITIES ON THE SAME PARCEL OF LAND.