

Which redevelopment  
model is the best for me?

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# How much additional area will I get?

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Hybrid (GB approved)	Builder
Minimum 55%	Maximum 40% - 45%
Minimum carpet area is 585 sq ft For 160 members, this means more than 80% increase	Minimum carpet area may be lower than 585 sq ft if builder does not adopt cluster model

# Do I have the option of purchasing additional area at a discount?

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Hybrid (GB approved)	Builder
<b>Yes</b>  Members can purchase additional 150 sq feet area for 20 lakhs (i.e. 20% of market price)  Members can also redeem loan stock bonds for additional FSI	<b>No</b>  Builder will be averse to selling additional FSI to members at a discount – as this as it eats into their profits.  No such option available with builder

# What is corpus we can expect?

Hybrid (GB approved)	Builder
<p>Approx <b>300 crore</b></p> <p><b>Of this INR 21300 per sq ft will be paid to member on existing carpet area as hardship allowance to offset maintenance costs in future</b></p> <p><b>Society may still have corpus of ~100 crore to offset future repairs</b></p>	<p>Builders have offered current projects approx. 4000 – 5000 per sq foot on existing carpet area corpus</p> <p>For 100,000 sq ft of rehab tower in Wadi, this translates to a corpus of <b>50 crore – Grossly inadequate</b></p> <p>No additional hardship allowance to members</p>

# What about future maintenance?

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- The estimated maintenance is approx. INR 15 - 20 per sq ft. Present rate in Raheja Vihar, Powai is INR 4.2 per sqft.
- For a 585 sqft house, this is approx. INR 11,700 per month
- The hardship allowance under the hybrid model will help minimize this cost and support members financially. This will be of particular help to senior citizens.

**For example a member with a 150 sq ft home, will receive INR 32 lakhs as hardship allowance under the hybrid model. At 5 % interest, this will fetch INR 13,300 per month.**

# Will I receive rent?

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Hybrid (GB approved)	Builder
Yes	Yes

**Rent will be over and above the hardship allowance in the hybrid model. The exact rate will be negotiated with the developer.**

# Other features across models

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Hybrid (GB approved)	Builder
TCHS retains control over the project	<b>Control lost after signing Development Agreement</b>
Project risk divided across TCHS and Contractor	Project risk divided across TCHS and Builder
Regular income from renting commercial space in sale tower	<b>Unclear if society will receive this benefit</b>
Customization of flats possible	<b>Will not be possible</b>

# Will Talmakiwadi retain its identity?

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Hybrid (GB approved)	Builder
<p>Talmakiwadi is the cultural capital of the Chitrapur Saraswat Community.</p> <p>This will be retained in a fit-for-purpose modern avatar.</p>	<p><b>Will be challenging and the identity of Talmakiwadi will be erased.</b></p>



# Other significant risks with builders

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- The Development Agreement once signed, **is irrevocable**
- If builder **stops paying rent**, we have no way out
- If the Builder delays the project (i.e. takes more than 3 years to complete), members will have to pay **Long-Term Capital Gains Tax**

=> In any such scenario, society has no other recourse other than litigation which is expensive and will lead to further delays

# Summary

	Hybrid (GB approved)	Builder
Additional FSI	55%	40%-45%
Additional area at concessional rate	Yes	No
Additional flats for members & family	Yes	No
Society corpus	~100 crore	Nil
Member corpus (hardship allowance)	~200 crores	~50 crore
Hardship allowance	Yes	No
Control of project	Retained	Handed over

**In summary, the benefits that accrue to members in the hybrid self-redevelopment approach far outweigh those in other models.**

# Plan of Action for self-redevelopment

- TCHS will appoint four principal consultants for the rehab complex
  1. Legal consultant to ensure we have watertight contracts
  2. Tax consultant to work out ways to save tax for members
  3. Structural auditor to ensure all necessary quality parameters for rehab complex are correctly defined
  4. Site supervision agency to ensure that the defined quality parameters are actually followed at site
- TCHS will enter into contract with other consultants as may be needed
- At present, we envisage appointing one PMC for overall consultancy including architectural services and plot layout, one consultant for ALL statutory approvals, one for structural design, one for all pollution control approvals, one for landscaping and LEED certification.

# Plan of Action for self-redevelopment – operation

- TCHS will form a dedicated and committed project team to monitor the project. Members will receive regular progress reports of the project. Members can join the project team and help it succeed.
- Project team will ensure that the rehab complex is always ahead of the saleable complex during construction, because TCHS will be one of the signatories for all payments. All project payments will be by cheques or digital, no cash.
- The initial seed capital (expected to be INR 50 crores) will be funded through a financier as an unsecured loan.

# Plan of Action for self-redevelopment - funding

- The seed capital which will take care of all expenses until IOD/CC is expected to be about INR 50 crores.
- IOD = Intimation of Disapproval, a no objection certificate that the project can proceed
- CC = Commencement Certificate, a certificate that permits us to start work at site
- The seed capital will be in the form of an unsecured loan from a financier, arranged by MPNV in their role as a Development Manager.
- Once the Brand/ Constructor is appointed by the GB, at around the time we receive the IOD/CC, he will reimburse the seed capital to the financier and the loan will be paid off.
- Time upto IOD/CC is expected to be 18 months, after approval to proceed by the GB.
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# Plan of Action for self-redevelopment - funding

- Post IOD/CC, all project payments will be made through cheques/digital, for which TCHS will be one of the signatories.
- A new bank account will be opened specifically for project payments.
- The Brand/ Constructor will maintain a minimum balance of INR 100 crores in the account for project payments, and an additional minimum balance of INR 50 crores for rent payments and deposits.
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# Plan of Action for self-redevelopment - design

- All drawings, layouts, architectural and structural, will be reviewed by the project team before release.
- Members' requirements will be incorporated in all documents at the time of design itself.
- All flats will be wired for individual fiber optic connectivity as standard. This will provide TV, Internet and intercom facility. Membership is optional.
- The overhead water tanks will have independent storage facilities for fire fighting.
- There will be specific parking areas for Ola/ Uber type cabs.

# Plan of Action for self-redevelopment - design

- There will be two parking areas for school buses, and weather protected benches for school bus students. School buses will pick up and drop students within our security perimeter.
- There will be two community halls, capacity of 30 people each, for use by rehab members at subsidized rates. They can be booked for birthdays, anniversaries and other family functions.
- There will be two cooking facilities with basic facilities like electricity, cooking gas, etc. which will be leased (approx. three years) to members desirous of running food delivery businesses.
- There will be one clinic which may be given to doctors free of cost on a rotational basis.
- There will be one communication office, with fiber optic connectivity, which will provide TV, Internet and intercom facility to all members. This will be leased to entities for operation (approx. three years).



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Thank you

