

Return of low-cost 1-BHKs in Mumbai

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MUMBAI: With no takers for premium large-sized flats in Mumbai, real estate developers are now building smaller 1-BHK homes in the range of Rs50-60 lakh.

The Centre recently gave infrastructure status to smaller homes.

This will help builders get funds easily and also give them more time—five years from the current three years — to complete the projects.

“There is a demand for low-cost homes,” said Babulal Varma, managing director of Omkar Realtors and Developers, which plans to create 4,000 affordable flats in its various projects. “We will launch 700 one-BHK flats in Malad next

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month.”

Ruparel Realty has come up with a project, Ruparel Optima, at Kandivli with 1-BHK flats priced at Rs52 lakh.

Paradigm Realty has unveiled 480 affordable homes in two of its projects in Borivli—Ariana Residency and Casa Palazzo.

“We have sold more than 200 apartments in the past three months,” said Parth Mehta, managing director, Paradigm Realty.

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In keeping with their goal of ‘Housing For all by 2020’, both the state and central governments have been encouraging affordable housing schemes.

For years, builders focused on luxury apartments. However, the realty sector has been witnessing a slowdown in the past few years, bringing down the number of new launches and sales.

Real estate experts want the government to provide more incentives to flat-buyers for a turnaround. “The buyer will have to pay at least 11% more in the form of service tax, value-added tax, stamp duty and registration. These taxes need to be waived. Buyers have a shoestring budget and these taxes affect them directly,” said Prakash G Rohira, director, Karma Realtors.