

VOLUME # 11  
JUNE, 2018  
THANE



# What's Inside?

## One Year of GST

Experts feel that GST's positive impact on the realty sector can be evident only if key issues are addressed at the earliest

Pg. 05

## Townships: An Ecosystem for Urban Living

Pg. 11

## Technology taking Big Strides

Pg. 17

# CONTENT

03 MESSAGE  
About CREDAI-MCHI - Thane unit

04 MESSAGE  
Vision and Mission

09 BUSTING MYTHS ABOUT RENTING

15 LIVE SMART



05



07



11



13



17

07

GST FOR HOME-BUYERS  
AND DEVELOPERS  
W EXPECTATIONS

---

11

TOWNSHIPS: AN  
ECOSYSTEM FOR  
URBAN BUYERS

---

13

FIVE REAL GST ISSUES

---

TECHNOLOGY TAKING BIG STRIDES | 17

# WE ARE "CREDAI MCHI - THANE UNIT"

A natural partnership with all city stakeholders MCHI-THANE has always been very clear that fine housing complexes and shopping malls cannot stand in isolation. A great City is the sum total of great buildings, great infrastructure and great people. MCHI has been committed to growth of the real estate sector and is credited with the harmonious growth and rise in quality and standards of construction in Thane City in the past decade.

Its aim as an Association of Developers has been to seek rational rules and regulations which are uniformly applied across the board as this will to a great extent result in speedy construction, cost reduction, fair pricing and a push for better quality standards at par with the developed world, with a high level of transparency.

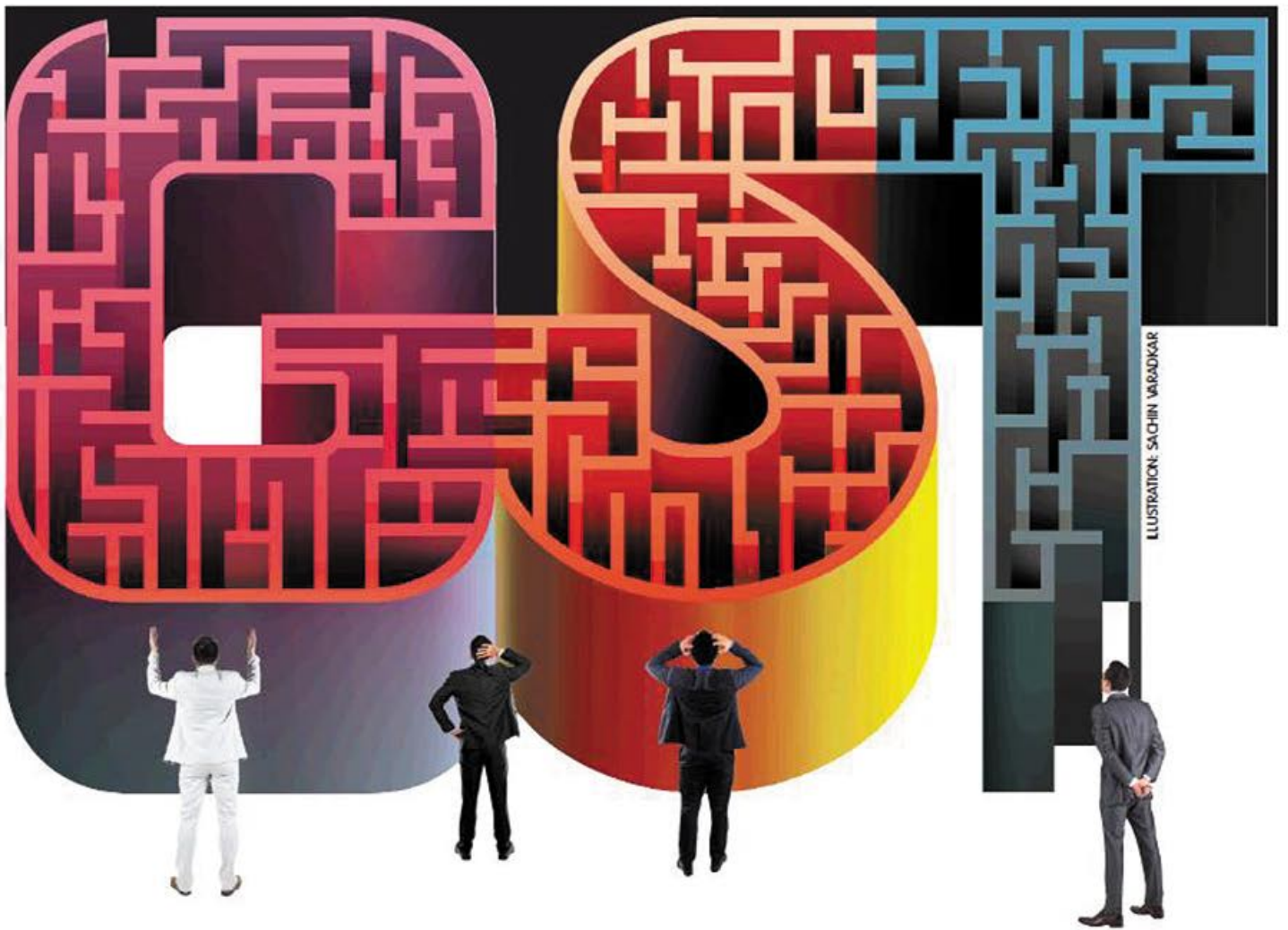
## VISION & MISSION

MCHI-THANE has always believed that a great city is the sum total of great buildings, great infrastructure and great people. MCHI-THANE believes that through strategic partnerships with the Thane Municipal Corporation, MMRDA and MIDC Thane which have already contributed substantially to the infrastructure, Thane can become a Great City with tremendous potential for Real Estate and Commercial Growth.

This will attract huge investments leading to ample lucrative employment opportunities for its citizens. The general climate of prosperity will trigger high investment and growth in retail and entertainment complexes. All that is needed for encouraging this virtuous cycle is longterm vision and mutual co-operation on the part of all stakeholders.

**MCHI-Thane intends to reposition Thane City as:**

- Well governed with good infrastructure
- Eco-Friendly
- Cost Effective
- Culturally Advanced
- Vibrant Cosmopolitan City
- In short, a great place to Live, Work and Play



# ONE YEAR OF GST

AS GST IMPLEMENTATION COMPLETES A YEAR ON JULY 1, THE REALTY SECTOR STILL AWAITS CLARITY FROM POLICY MAKERS ON SOME UNDERLYING ISSUES. HAS THIS REFORM BECOME THE GAME-CHANGER ONE HAD EXPECTED IT TO BE?

Experts feel that GST's positive impact on the realty sector can be evident only if key issues are addressed at the earliest

The Goods and Services Tax (GST) is said to be the biggest reform in the Indian economy till date. The reform has introduced One Nation One Tax regime, thus doing away with the multiple tax structure. Experts feel that GST's positive impact on the realty sector can be evident only if some key issues are addressed at the earliest. As the Act continues to undergo several revisions, the realty industry seeks concrete measures, so that its exact benefits can be passed on to the home-buyers.

- Courtesy: timesofindia -

## GST FOR HOME-BUYERS:

- > Under-construction properties shall invite 12 per cent GST with full input tax credit;
- > GST is not applicable on ready-to-move-in properties;
- > Properties in the affordable segment - specifically homes (upto 60 sq m in carpet area) will attract eight per cent GST;
- > There is no uniform pricing for residential properties under GST;
- > Pricing depends on the stage of completion, segment, location and type of project;
- > Developers can choose to pass on the benefits to the buyers.



## DEVELOPERS' EXPECTATIONS:

- > Align land ready reckoner rates with the actual rates prevailing in the market to arrive at a realistic land cost (GST is levied after onethird deduction for land);
- > Land cost deduction should be allowed on the basis of actual cost of land and not onethird, especially in cities like Mumbai as the land cost is often 50 to 60 per cent of the total cost incurred by developer;
- > Instead of applying GST at 18 per cent and then availing of input tax, a flat rate of five per cent should be levied without tax credit;
- > Clearly outline the methodology to be adopted for allocating input tax credit benefit to the final price of apartment.

# BUSTING MYTHS

## IT IS BETTER TO BUY PROPERTY AND PAY EMI THAN PAY RENT

In the traditional Indian mindset, which attaches great significance to ownership of property and frowns on payment of rent, it is necessary to bear in mind that the decision to rent should be guided on practical considerations. If the tenancy is for a limited purpose, such as temporary relocation to a place for a job, children's education, etc renting is a better option.

## A TENANT PAYS MORE MAINTENANCE THAN THE OWNER

The rules of the association cannot be discriminatory and are required to be applied uniformly to all occupants

# ABOUT RENTING

## THE TENANT IS ENTITLED TO CLAIM OWNERSHIP OF SPACE BY VIRTUE OF LONG PERIOD OF STAY

While rent control laws seek to prevent rights of a tenant against illegal dispossession by the owner, the law of adverse possession will apply only if a person has been in continuous uninterrupted possession for the prescribed period. However, if the tenant is occupying under a valid agreement with the owner, he cannot as a matter of right claim ownership after a specified term.

## THE LANDLORD IS REQUIRED TO UNDERTAKE ALL REPAIRS

The terms of the lease agreement between the landlord and tenant need to be examined to understand the inter se obligations of the parties with respect to repairs and maintenance. In the absence of any agreement, the law requires the landlord to undertake repairs of structural nature only and the tenant is required to undertake day-to-day repairs and replacements.



# TOWNSHIPS: AN ECOSYSTEM FOR URBAN LIVING

Large self-sufficient enclaves complete with commercial and residential units, schools, hospitals, retail stores, sports facilities, private security, water sewage and waste management systems is what township living has come to be known for. Integrated or gated communities that weave together amenities essential for work, life and recreation, townships across the country stretch from 100 acres to 2000 acres.

With the growing focus on affordable housing through policy changes and financial benefits in the form of PMAY, it is hardly surprising that townships have found a new customer base. As townships are usually large-sized, low-cost residential townships are feasible only in city peripherals owing to affordability of land acquisition in these locations.

Standalone projects or gated communities — it is hard to say who is a clear winner in the battle for better valuations. Ultimately, it depends on what one is looking for in a home.

# *FIVE REAL GST ISSUES*



## CHARTED ACCOUNTANT AND GST EXPERT PRITAM MAHURE ENLISTS PENDING ISSUES UNDER GST FOR REAL ESTATE:

- 1. Cancellation of flats:** If an under-construction flat is purchased before GST was implemented and cancelled post-implementation, GST has no provision of returning the service tax paid earlier.
- 2. Stamp duty:** The policy had suggested bringing stamp duty under GST. If this takes place, all homebuyers will have to pay a uniform tax.
- 3. TDR levy:** Transfer of Development Rights (TDR) are the rights attached to the land and building. GST should not be applicable to TDR as land is excluded under the Act. If GST is charged on TDR, there is no clarity if Input Tax Credit can be availed or not.
- 4. Anti-profiteering:** At present, clarity is eluding the availability of credit of excise and VAT paid on the work-in-progress building as on 1st July 2017. Given this, many developers are not sure whether to and how to re-visit the property prices in view of anti-profiteering provisions.
- 5. E-way bill:** Process of e-way bill is proving to be an additional compliance, particularly for developers with multi-state presence.

# LIVE SMART

THE CONCEPT OF A SMART HOME IS NO LONGER THE STUFF OF SCIENCE FICTION. IN FACT, THE SHIFT TOWARDS AUTOMATED LIVING HAS GONE MAINSTREAM WITH WIDER ACCEPTANCE AMONG CONSUMERS

## EVOLUTION OF THE SMART HOME MARKET:

- 1 Increasing penetration of internet and mobile technology
- 2 The affluent, young and well-travelled middleclass who is seeking a better lifestyle and high standard of living
- 3 To reduce and possibly eliminate the component of human error in safety and security
- 4 A change in the spending and saving pattern of the people



## WHAT IS A SMART HOME?

Smart homes are homes, which are powered by computing devices and information technology that connect various gadgets and instruments in the house to provide enhanced comfort, convenience, security and entertainment to residents in a sustainable way. In the Indian context, it is one of the fastest evolving markets expected to grow at 30 per cent Y-O-Y.

## UPGRADE TO A SMART HOME:

- 1 Starter kit for affordable homes:** You can install a basic video door phone and convert the existing modular switches to smart switches.
- 2 Performance kit for highend homes:** You can further add lighting controls (dimming, mood/scene control); motorised curtains, air conditioner control and even multi-media and TV.
- 3 A luxury kit for independent villas:** Luxury kits primarily include a camera integration, airconditioner control, AV projector, time scheduling controls, garden sprinklers, garage door automation. The controls can be extended to include fountains, landscape lighting, etc.

# TECHNOLOGY TAKING BIG STRIDES



A smart home is a concept that is finding greater acceptance on account of changing lifestyles across urban India. And with urban living getting more and more complex, the threat to safety and security has also increased. "Smart homes allow residents to have control over their homes and belongings even while they are not present physically in the house. The most popular device used is home surveillance and security systems. These are especially popular with working parents of young children who are either left home alone or in custody of nannies," says Ashutosh Limaye, head research & REIS, JLL India.

Also, due to an increased awareness among consumers, products with a focus on data analytics and remote connectivity are getting popular.

"Home automation features such as curtain controls, mood lighting and auto load shut off are extremely popular among the HNWLs and millennials. We are also seeing a wider adoption of technology for lighting management systems, as well as wiring devices, circuit protection, cable management and air purifiers for a healthier, energy-efficient and cleaner home environment," says Sudhir Pillai, general manager, homes, Honeywell Home and Building Technologies, India.

In short, with convenience, comfort, control, health and well-being no longer considered a luxury but a necessity, people are increasingly adopting smart solutions and technology to meet these demands.



**CREDAI** - **MCHI**  
**THANE UNIT**

**Address:** 501, 5th Floor,  
Plot No - A-123/4,  
Odyssey IT Park,  
Road No. 9, Wagle Estate  
Thane (W) - 400 604,  
Maharashtra, India.

**Website:** [www.mchithane.org](http://www.mchithane.org)

**E-mail:** [mchithane@gmail.com](mailto:mchithane@gmail.com)  
[mchithaneexpo@gmail.com](mailto:mchithaneexpo@gmail.com)

**Mobile:** (+91) 9833 4583 23

**Telephone:** (+91) 22 2580 6868  
(+91) 22 2580 6865