

Key Words:

Floor Space Index (FSI), Mumbai, Urban Sprawl, Transfer of Development Right (TDR)

Subject Area:

Economics, Infrastructure, Public Policy, Town Planning

Abstract:

The state government of Maharashtra has hiked the Floor Space Index (FSI) to 1.33 in the Mumbai suburbs, earlier which was 1. Builders were given a base FSI of 1 in the suburbs, having ceiling of 2, remaining needed to be purchased in the form of Transferred Development Rights (TDR).

The total construction costs for builders would reduce due to this hike. The government and the Municipal Corporation of Greater Mumbai (MCGM) will gain by charging premium on extra FSI of 0.33. TDR rates are set to reduce due to this government decision. The TDR rates are controlled by few private real estate companies who have formed cartel. Like Global cities; Indian policy makers are thinking of applying similar model. In the present study, the sustainability of this higher FSI model for Mumbai Suburban and its effects on prices of properties, infrastructure, urban sprawl and slum areas are discussed.