

# Effective Implementation of Ppp Models In Real Estate Sector of India

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**Abstract-** Over the last two decades, the Indian economy has undergone significant changes. The Indian real estate industry is one of the fastest growing and most well-known in the world. After agriculture, this sector employs the second-largest number of people in India, and it is attracting significant investment, especially from foreign direct investors (FDI). The real estate industry is an important part of our economy. It has a large multiplier impact on the economy and thus is a major driver of economic growth in India, contributing about 8% to 9% of GDP. In developing India, we are confronted with infrastructure and housing issues in order to accommodate the increasing migration of people to urban areas. PPPs have a broad range of applications in the real estate and infrastructure industries. Infrastructure is a basic sector in the construction industry to which every country must devote its attention in order to grow and achieve overall growth as national development, but governments in developing countries have struggled due to a lack of capital for infrastructure development. To meet this challenge, India's government has been working hard to mobilize infrastructure investments in order to double the country's GDP from 3.986 percent to nearly 9 percent. This article is a methodological analysis that employs exploratory methods. The central government has announced a new public-private partnership (PPP) strategy of affordable housing that allows for an expansion of between Rs 2.50 lakh per house to be constructed by private builders as part of its efforts to achieve "Housing for All by 2022." Eight forms of PPP (Public Private Partnership) have been made available to private sectors to invest in affordable housing under the policy announced by Minister of Housing and Urban Affairs Shri Hardeep Singh Puri. It has also opened up private investment opportunities in government-run urban areas for affordable housing projects.

**Keywords-** Affordable housing, Public Private relationship or PPP or P3 or 3P, PMAY or Pradhan Mantri Awaas Yojana, Real estate

## I. INTRODUCTION

**Overview-** India is the third largest developing economy within the Asia enjoys a novel position. The current government with it's specializing in business and growth for

the state is keen to undertake reforms essential for revitalizing growth. As India gears itself towards sustained growth; the real estate sector's significance becomes an important. Fast urbanization and growing occupier demand are important factors expected to drive realty demand in the India. As per the census report, population was 1.2 billion in 2011, & hundred and eighty million population is added in previous decades. During 2001-11, first time in a while in Indian history, growth of urban population is seen more than the rural population. A part of this variation in population dynamics is as a result of beyond any doubt over a 2500 settlements that were outlined as villages in 2001 were redefined as town in 2011. Fast urbanization is additionally perceived as a major contributor to demographic shift. The country's urban population has compounded at an annual rate (CAGR) of 2.8% over 2001-11, leading to a rise within the urbanization rate from 27.8% to 31.2%. Out of India's population of 1.21 billion, 377 million folks are urban dwellers and with over ten million folks being adscititious to urban areas per annum, India's urban population is anticipated to achieve regarding 600 million by 2031. Furthermore, over 2015-31, the pace of urbanization is probably going to extend at a CAGR of 2.1% double than that of China. Migration is that the key method driving urbanization. The inflow of population into urban areas is aroused by the attraction of cities for employment opportunities; higher commonplace of living, higher instructional facilities, infrastructure, higher status, etc. And with growth in sophisticated technology including higher infrastructure, connectivity and medical facilities, people feel that they'll lead a happy life within the cities disordered urbanization is mirrored in virtually 65.5 million Indians who, per the country's 2011 Census, living in urban slums. Additionally, as per the World Bank's Agglomeration Index, a globally applicable alternative unit of urban concentration, the share of India's population population living in areas with urban-like options in 2010 was 55.3 percent. This compares to an official urban share of the population of simply over thirty one percent, suggesting the existence of hefty hidden urbanization. Untidy urbanization is mirrored within the widespread existence of slums and sprawl. Sprawl, in turn, helps create to hidden urbanization, significantly on the peripheries of major cities, that isn't captured by official statistics. Untidy and hidden urbanization is symptomatic of

the failure to adequately address congestion constraints that arise from the pressure of urban populations on infrastructure, basic services, land, housing, and also the surroundings. Given this situation, it is vital to close the gaps in the country's strained urban infrastructure, especially in housing. In this context, it's critical to solve the housing crisis in the EWS (economically weaker sections) and LIG (lower income groups), which account for 95.6 percent of the country's urban housing shortage. The housing shortage in India has reached 18.78 million units as a result of the country's rapid urbanization. In urban India, 56 percent of households now have four or fewer members. This is a major shift from ten years ago, when the median household size in urban India was between four and five members, and the rise of smaller families would increase the demand for housing in urban areas. It's worth noting that, while the number of Indian households increased by 60 million between 2001 and 2011, the number of houses increased by nearly 81 million over the same time. Despite this, India's new official Economic Survey claims that nearly 20 million houses are in short supply. One explanation for this is that most builders in India cater only to the middle and upper classes, and houses prices have risen beyond many people's means. Although land and financing at fair rates are among the supply side constraints for low-cost and affordable housing, the rising middle class and urbanization are among the demand drivers. Because of the higher returns that can be obtained from such ventures, real estate developers, especially private players, have primarily targeted luxury, high-end, and upper-mid housing segments. Moreover, many structural problems, such as the long gestation period of housing projects, restricted and costly capital, spiraling land and construction costs, high fees and taxes, and unfavorable development norms, are bottlenecks preventing India's housing stock from rising as quickly as it would like. Recognizing this need, the government has recognized the significance of the housing problem in the country. The Twelfth Plan of the Indian Planning Commission outlines a quick, inclusive, and long-term development path. The goal of urbanization should be to encourage sustainable and equitable development of towns and cities with adequate civic amenities. The key will be to concentrate efforts on land and housing policy changes, devolution of power to urban local governments, innovative housing finance, and cost-cutting and schedule-cutting initiatives. The goal of urbanization should be to encourage sustainable and equitable development of towns and cities with adequate civic amenities. Designed urbanization will ensure that towns and cities are free of slums and that all people have sufficient opportunities for meaningful jobs and a high quality of life. India now faces a major obstacle in supplying homes to all of the residents. The Pradhan Mantri Awas Yojana (PMAY) is a government of India's initiative that aims to provide 20 million

affordable houses by March 31, 2022. Pradhan Mantri Awas Yojana (Gramin) (PMAY-G) and Pradhan Mantri Awas Yojana (Urban) (PMAY-U) for the urban poor are the two components of this system. To achieve this goal, we must merge the capabilities of the private sector and the public sector. This will effectively assist in overcoming the problems of affordable accommodation and achieving superior results. The need of the hour is to build PPP systems that assign criteria, roles, benefits, and penances correctly and establish incentives for value development. Land costs will range from 20% to 60% of the overall project expense, depending on the project site.

**1.2 Definition of affordable housing-** Housing units that are affordable to those with incomes below the medium household income are referred to as affordable housing. While various countries interpret affordable housing differently, the core principle remains the same: affordable housing can satisfy the housing needs of low- and middle-income households. Affordable housing has become a major problem, especially in developing countries where the majority of the population cannot afford to buy a home at market value. First and foremost, the contours of this subject must be described by defining the word "affordable housing." The word "affordable" has no specific meaning since it is a relative concept. Also the term "affordability" is very broad and can mean different things to different individuals depending on their income levels. The economic ability of a person to buy a house has been described by numerous agencies and countries as "affordable housing. If monthly carrying costs for a home exceed 30-35 percent of monthly household income, the housing can be deemed unaffordable for that household. Monthly carrying costs include not only debt repayment, but also property taxes, expenses of essential supplies such as water, electricity, cooking fuel, and public facilities such as telephone, television, and so on. However, this number simply serves as a starting point for determining housing affordability; the concept of affordability varies depending on a family's unique circumstances. In July 2014, the Reserve Bank of India (RBI) changed the concept of affordable housing in India. According to RBI, the cost of a house in the metros and non-metros could be INR 6.5 million and INR 5 million, respectively, to qualify as affordable housing. In addition, due to inflation, the RBI said that it would revisit the concept of affordable housing on a regular basis. As a result, it's tough to come up with a common concept of sustainable housing. For example, MHUPA's [Ministry of Housing and Urban Affairs] task force on supporting affordable housing defines affordable housing as "any housing that satisfies some kind of affordability criteria, which may be the family's income status, the size of the dwelling unit, or affordability in

terms of EMI size or the ratio of house price to annual income."

**1.3 Private Partnership Policy for Affordable Housing in India-** The Affordable Housing stakeholder group is diverse, including the central government, state governments, real estate and building developers, financial companies, urban planners, and, most significantly, city residents. The Affordable Housing segment has the ability to deliver a multitude of opportunities to all stakeholders, backed by a clear mandate from the Central Government, whose recent decision to start constructing homes for the urban poor across 305 cities and towns is expected to fuel the economy. In this sense, the private sector has a big part to play in bridging the Affordable Housing gap. In an ideal PPP scenario, the public sector will look at aggregating land for projects, providing single-window and time-bound clearances, redrafting local development bylaws to suit the needs of Affordable Housing projects, and re-evaluating taxes and levies with the goal of lowering the cost of home ownership for the target segment; private sector entities will be able to leverage core governmental capabilities. Affordable housing faces a variety of problems. One of the most important obstacles is the high cost of land, which is exacerbated by a range of reasons. Developers and builders face another big hurdle in providing sustainable housing is property financing. The lack of a consistent title is also a significant hurdle to financial institutions and real estate developers investing in new and redeveloped real estate developments. Land remains underutilized in the absence of redevelopment and densification of available properties, leading to land scarcity and high prices. Government initiatives in the form of financial and non-financial aid, as well as regulatory changes, will be crucial for any plan aimed at increasing the supply of affordable housing. Financial and in-kind subsidies, as well as cross-subsidies, would be critical in solving the issue of large segments of India's population being unable to afford housing at market rates. If there is little scope for directing privately owned land into low-cost, sustainable housing, suitable PPP mechanisms should be used to incentivize the private sector in that direction. The use of private property for subsidized housing in return for permission to use the land more intensively or permission to build high-end housing has been attempted. Government grants and subsidies, as well as PPP policies, can be used to unlock underutilized/unused plots of government and privately owned property for affordable housing. Aside from land, solving the affordable housing problem by PPP would necessitate increased access to finance and capital markets, which will necessitate constructive government strategies as well as creative and entrepreneurial risk-taking on the part of the private sector. By productivity

gains in building and service, the private sector may also play a major role in cost reduction.

**1.4 Study of various PPP models proposed by the government of India-** All of the government's existing models are examined, and the following information is provided:

Model 1: Government-Land Based Subsidized Housing

Model 2: Mixed Development Cross-subsidized Housing (MDCH)

Model 3: Annuity Based Subsidized Housing (ABSH)

Model 4: DBFMT –Annuity cum Capital Grant based Subsidized Housing (AGSH)

Model 5: Direct Relationship Ownership Housing (DROH)

Model 6: Direct relationship Rental Housing (DRRH)

Model 7: PPP Framework for CLSS Approach

Model 8: PPP framework for AHP Approach

**1.5 Solving for the Affordable Housing Challenge: Alternative Choices of PPP Strategies-** Above the problems of access to land access and expense, inefficiencies in building and operations, and a shortage of low-cost funding were described as major roadblocks to affordable housing provision. PPP will attempt to overcome these challenges in a number of ways, as detailed below:

1.5.1 Enhancing Access to Low Cost Land:

- Private Land for affordable housing in exchange for permission for more intensive utilization of land
- Private Land for affordable housing in exchange for permission to build high-end housing
- Government Land for affordable housing by unlocking unutilized/underutilized parcels of government owned lands
- Land for affordable housing through Redevelopment of underutilized urban areas
- Land for affordable housing through Policy reform on Change of Land Use (CLU) of Agricultural Lands

1.5.2 Reducing Costs through Efficiency Gains in Construction and Operations: By the use of technologies, improved management, and building practices, the private sector may be expected to lead to productivity improvements in land production, building, processes, and maintenance for affordable housing. Furthermore, big projects and a greater number of private partners can be able to bring economies of scale to the private sector. Projects that are delivered at a cheaper cost and with less cost and time overruns can help to increase the supply of affordable housing. PPP programmes must be organized in such a way that sufficient expectations for successful results from the private sector partner are created in order to produce these beneficial outcomes.

1.5.3. Access to Financing and Capital Markets: Traditionally, public-private partnerships have been thought of as a way to raise private capital for a project. It is reasonable to expect the private sector participant to contribute to affordable housing funding as well. CSR funding may perhaps be used to raise a small amount of money for this purpose. Direct cash incentives, on the other hand, would have to come exclusively from governments if they are to be considered. The private sector may be called upon to provide or lead commercial financing for affordable housing with a fair return on investment. This could take the form of borrowing to fund the property and building expenses, with the payment being recovered in a lump sum or in installments upon successful completion of the homes for purchase by the allottees. In addition, whether the social housing is rented or leased to the allottees, the private sector will be able to cover the maintenance costs. In addition, such an agreement will shift the medium to long-term quality and management burden to the private sector partner. As a result, improved design, efficiency, and management of the properties generated could be possible. In these scenarios, the private sector partner will be bearing a collateral burden on the allottees in addition to overseeing the lending arrangement. The private sector partner is acting as a financial intermediary in this process. Such an arrangement has the benefit of getting subsidized housing customers into the debt market, but in an indirect manner.

## II. LITERATURE REVIEW

**2.1. India real estate-** The real estate situation in eight Indian cities was studied in this report by Knight Frank. According to the study, 2017 was likely marked by uncertainty, volatility, and the long-term promise of new opportunities. While a slew of reforms put market participants to the test, the resulting new paradigm of openness and consolidation could pave the way for a healthy momentum in attracting buoyant global capital in the near future. The residential sector in India appears to have shrunk to a fraction of its previous size in less than a decade by the end of 2017. A total of over 100,000 new residential units were added to the market in the report's eight cities. Similarly, sales volumes were limited to 228,000 units, a fraction of what they had been in the past. Though the market has been steadily declining, the last 12 months have been a litmus test for India's real estate industry. Yet the, the near-stagnation caused by demonetization appears to have subsided over time. Stakeholders tend to be gaining trust as structural reforms such as the Real Estate (Regulation and Development) Act of 2016 gain traction.

**2.2 Indian Real Estate Sector-** Grant Thornton investigated India's eight major markets in this report. According to the findings, residential sales increased by about 7% from 126,620

units in the first half of 2015 to 135,000 units in the same period of 2016. With a drop in sales volume in Q4 to 40,940 units, the fourth quarter of 2016 saw the lowest quarterly sales volume since 2010. In Q4 2016, only 24,300 new units were introduced, which is less than one-fifth of what was introduced in Q4 2010. When compared to the same period in 2015, the second half of 2016 numbers were down 23% and 46%, respectively, due to a drop in sales volume and new launches in Q4 2016. In the second quarter of 2016, sales volume and new launches totaled 109,160 and 68,700 units, respectively. In H2 2015, the figures were 141,340 units and 126,860 units, respectively. As a result of the crash in all markets, sales volume in the top eight markets fell by 9% in 2016 to 244,680 units, down from 267,960 units in 2015. The real estate industry has lost more than Rs. 226 billion in national revenue as a result of the drop in sales volume in the top eight markets.

**2.3. Adapting Indian real estate to evolving avenues-** The business potential and the existing gap in the need gaps in the input for growth are illuminated in this study, which was submitted by Ernst & Young LLP. According to Ernst & Young LLP, after FDI was approved in the construction development sector in 2005, India's real estate sector underwent a significant transformation. The policy reform opened the floodgates for investments from global real estate, private equity, and hedge funds, as well as strategic investors and international developers, in addition to conventional sources of financing. Prior to the global financial crisis of 2008, this resulted in large-scale equity investments and profitable IPO listings being the standard. The global financial crisis of 2008 caused a dramatic change in the funding landscape, with investors being more wary. The average ticket size of real estate transactions fell from US\$140 million in 2008 to US\$30–US\$40 million after the financial crisis, along with the overall amount of investment.

**2.4 Issues in Real Estate and Urban Management-** Sebastian Morris's paper looked at problems in real estate industry as well as urban management. The Tenth Five Year Plan predicted a shortage of 22.4 million housing units, according to their abstract. It is projected that 80 to 90 million housing dwelling units will need to be built in the next 10 to 15 years, with the bulk of them catering to the middle and lower income classes. The recovery mechanisms for loans that have been issued are only now beginning to improve. Due to legal restrictions and a lack of transparency among real estate firms, real estate has yet to emerge as a significant (market) asset class. Builders and institutional developers receive just 5–7% of the loans. Limited land available on the outskirts of cities, as well as low Floor Space Indices (FSIs) used by planners, limit the rate of supply expansion, resulting in real

estate booms that rapidly translate into high price increases when compared to similar booms elsewhere, such as in East Asia. Furthermore, in many cities, state-owned development bodies (such as the Delhi Development Authority (DDA) in Delhi) and Housing Boards control the supply of urban land, leaving only a small amount of developed space available, which is regulated by a few major players in each city.

### 2.5. Anticipating and Gearing up Real Estate Sector in India-

The writers, Dr. Bhartendu Kr. Chaturvedi and Mr. Ayush Sharma, conducted research and concluded that the real estate sector contributes 6.3 percent to India's GDP and is projected to create 7.6 million jobs over the same time span. By 2025, it is projected to create more than 17 million job opportunities across the world. While housing accounts for around 5%–6% of the country's GDP, the retail, hospitality, and commercial sectors have all expanded in tandem to meet the country's growing infrastructure needs. The Indian real estate sector has attracted substantial investments in recent years as a result of rapid urbanization, favorable demographics, and growing income levels. The Indian market's increasing stability is reflected in the continued growth of core investors, who have invested over \$1.14 billion (INR 7,705 crores) in the real estate sector over the last three years. The real estate industry is facing its own set of concerns as the economy shows signs of slowing GDP growth. Due to rising building and labour costs, many real estate developers are drowning in debt. The central bank's decision to raise interest rates is likely to dampen real estate sales even further. In the face of these macroeconomic conditions, Indian real estate is expected to perform unevenly across the country's major cities.

### 2.6. Application of Public Private Partnership in Real Estate-

The authors of this research paper, Megha Singewar and S.S. Deshmukh, established the following success factors for successful PPP implementation:

- a. Establishment of “Powerful” Partnership Schemes
- b. Full understanding / acknowledgement of PPP's social nature
- c. Community / Public Acceptance
- d. Political Backing
- e. Observance of Public Interest
- f. Private Sector's Profit Assurance
- g. Public-to-private-sector management transition
- h. Public Proposal
- i. Transfer of Information
- j. Government Loan Guarantees
- k. Definition of Quality and Product Standards
- l. Competence Field Delimitation (for the Public and the Private Sector)

- m. Technology Maturity / Project Concept
- n. Meritocracy Guarantee & Performance Evaluation During Contracting
- o. Empowerment and the Legislative Framework
- p. Capacity Building on a National and Regional Scale (Public Officials)
- q. Structural Funds and National Co-financing Compatibility
- r. Establishment of an Independent Conflict Resolution Authority
- s. Support during the PPP drafting process.

### 2.7. Analysis of Critical Success factors for effective implementation of Public Private Partnership in Real Estate-

The authors of this paper, Megha Singewar and S.S. Deshmukh, identified several key factors for effective PPP implementation in the real estate sector, including the following:

- a. Sufficient demand for such a project
- b. Appropriate project structuring
- c. Convenient Location
- d. A well-designed and effective product
- e. Effective risk allocation and risk sharing between the public and private sectors
- f. Establishment of powerful partnership schemes (contracts)
- g. A governing body is a group of people who are in charge of something.
- h. Legal and Political Climate
- i. Political and social support, which is vital to any project's success. Even the most well-structured project will fail due to a lack of support.

### 2.8. Guidebook by Ministry of Housing and Urban Affairs-

The main goals of using PPP in Affordable Housing are outlined in a guidebook published by the Ministry of Housing and Urban Affairs. It suggests that the basic approach behind Public Private Partnerships as an affordable housing delivery strategy is to merge the private sector's strengths with the public sector's in order to solve the complexities of affordable housing and produce superior results. However, developing PPP systems that make an effective distribution of risks, obligations, rewards, and penalties, as well as creating the incentives for value development, will be crucial to the success of PPP as a strategy. This is at the core of the policies and contractual arrangements that will be established for various PPP initiatives aimed at addressing the affordable housing crisis. Access to and the cost of land, building and operational inefficiency, and a lack of low-cost financing were all described as major roadblocks to providing affordable housing. PPP will try to overcome these obstacles in a number of ways, which are described.

**2.9 Public-Private Partnerships for Housing Delivery in Kolkata** - A case study on PPP in a housing project was conducted in this paper. Kolkata was the site of the project. Kolkata has been active in forging fruitful Public Private Partnerships in housing, according to author Urmi Sengupta. It's fascinating to see how two opposing forces have merged and are rising amid opportunities and constraints that, strangely enough, are set within the socialist institutional framework. Its significant progress in the city paints a rosy picture, as the joint strategy combines the private sector's technological and administrative skills with the public sector's transparency and equitable pricing to boost housing distribution. The increase in housing condition, efficiency, and stock for a significant segment of the population reflects the results. However, there are some crucial lessons to be learned. It is clear that the state's goal in this transition has been to introduce gradual changes with some control and keep the economy in check with a blend of market forces and regulation. The existing state-sanctioned control in this transition is based on the argument that the benefits of hasty privatization are often overstated by the social costs. At the operational stage, antiquated legislation, such as the Urban Land Ceiling Act, as well as a high incidence of municipal taxes, stamp duties, and sanction fees, have been described as major roadblocks to the PPP. Housing production under the PPP model is impressive in terms of costs and efficiency, but in terms of numbers, it is minuscule.

**2.10. Role of Real Estate Developers in Affordable Housing and Climate Change-** Dr. P.S.N.Rao made some notes on the subject of affordable housing. According to him, developing affordable housing in Indian cities is difficult due to a number of fiscal, regulatory, and urban issues.

- a. Exorbitant land prices for affordable housing projects
- b. A lack of available land.
- c. Excessive land use regulation produces an artificial scarcity.
- d. A scarcity of saleable land parcels
- e. Problems with titling and a scarcity of data
- f. Increasing building cost thresholds
- g. Low-income groups have limited access to home financing.
- h. Legal Restrictions
- i. Time-consuming approval and land-use conversion procedures
- j. Building bylaws and rules are unclear

**2.11. Effective Application of PPP in Affordable Housing Project-** Prof. Trymbak B.Dhavale and Rahul.R.Aher provided the following details in this paper. They said, "We faced the problem of shelter in developing India to accommodate growing migration of people to cities in search

of jobs." If housing schemes are properly channeled, we can provide houses with the lowest possible valuation, i.e. budget homes. One of the solutions for completing affordable housing programmes is to form a public-private partnership. However, there are few examples of PPP in affordable housing projects, and there are even fewer success stories. As a result, the aim of their paper is to define and evaluate the critical success factors for PPP implementation in Affordable Housing projects. A questionnaire was created and distributed to a variety of respondents in order to gather information about various PPP initiatives, and the data was analyzed using the RII process.

**2.12. End-user oriented public-private partnerships in real estate industry-** Wisu Majamaa, Seppo Junnila, Hemanta Doloi, and Emma Niemisto have submitted this article. The European Union (EU) is reforming its public services and proposing Public Private Partnerships (PPPs) as a solution for delivering high quality and cost efficient real estate service delivery, according to the report. However, the use of the PPP methodology in the real estate industry has been found to have substantial limitations from the viewpoint of end-users (the general public). The aim of this paper is to demonstrate how PPP projects have failed to achieve desirable characteristics in purchasing processes and meet end-user expectations. While all five major Finnish PPP projects studied acknowledged that customer-oriented production of public services and end-user needs were critical points, the case studies revealed a fundamental lack of understanding and retaining the end-user viewpoint in the tendering and assessment processes. The absence of the end-users' viewpoint was particularly noticeable in the final stage of assessment and the evaluation criteria used to make decisions. The results are then used to create a new proposed Public-Private Partnership (4P or PPPP) model. The findings will help public-sector purchasers and private-sector suppliers understand the shortcomings of existing PPP activities and how to improve their practices to provide more customer-oriented services.

### III. RESEARCH METHODOLOGY

**3.1 Methodology Adopted-** To get to know the challenges faced by the industry; we have to ask the industry itself that what challenges they are facing. To know this, we made a set of questions and it was answered by the real estate developer, real estate contracts, land owners, architects and structural designers. Real estate developers will answer the questions related to last two models presented by the government and the first six models will be discussed with real estate contractors.

**3.2 Stakeholder wise data Analysis-** After all the interview ,we studied and analyzed the data and what are major problems faced , Need or demand and solution of current problems for all the stakeholder were done .So following is the analysis that we have came to

**3.2.1 Land owner-** Problems faced by land owners are explain as following. In India there are so many people who have land but their only interest behind buying of land is investment .More over from the analysis we came to know that people do not have enough time to develop their land because they have their other duties. More They do not have enough knowledge for construction projects. Planning, sanctioning monitoring and budgeting is critical tasks and cannot be handled by the common people. So they area very much comfortable and always willing to sell the land on higher rates and earn profits or they give the whole contract to the reliable contractor or developer but still this scenarios are very rare. Financing a real estate project is not easy .It cost very high and many of the land owners are not willing to invest further and take financial risk.

Solutions of these problems can be summaries as follows. Proper reliable and non ambiguous frame work should be designed to build trust in the minds of people. Every aspect of the project should be transparent. As the land owners are not will to finance Developers or government can finance the project and can sell the flats on their own. 10-20 % extra income from market rate will attract the customers and they will be willing to give their land easily. **3.2.2 Real Estate contractors-** Problem from contractor point of view-

- Create a Non- ambiguous policy which will help them to know the parameters and proper analysis of policy.
- Proper framework as if now is not available to the contractor.
- Tendering system is not clear to contractor.
- Selection of tender is not crystal clear.
- Government is not helping to improve the surrounding Infrastructure.
- All current models do not take into account the increase in cost of building due to Taxes on the construction material which eventually make the project non-feasible
- Rebate on basic construction material is not provided by government nor there is any provision in the current policies.
- Government is not taking into account the new techniques which are available for construction.

Demand from contractor point of view-

- A non-ambiguous policy with proper framework.

- Clear and non- biased Tendering process.
- Help contractor to improve the surrounding infrastructure.
- Take into account the requirement of contractor (from construction point of view) in policy.
- Provide GST OR Tax rebate on basic construction material like cement, steel, paint etc.
- Take into account the new techniques of construction suggested by contractor.

Solutions to the problem-

- Try to make the policy as clear as possible no ambiguity shall be present in it.
- Tendering process shall be made more transparent as compare to present one.
- Rebate on Taxes shall be provided on the basic construction material which will help to lower down the cost of construction.
- GST shall be removed on cement and steel.
- Take into account the techniques like aluminium formwork so that the quality as well as time required for completion of project is lowered down.

**3.2.3 Real Estate developers-** Problem from developers point of view are Stringent rules for designing a project cause loss of FSI and less are of construction. If less area is allowed on the land to construct then ultimately builder has sell the flats at higher rates .This cause problems to both developer and buyer .So special rules shall be made for affordable housing units. Slow sanctioning of drawings cause increase in indirect cost and decrease the profit margins or increases the cost. So is one of the issues faced by developers. Government is not helping to improve the surrounding Infrastructure like road, water supply and electric supply to the plots on the out skirts. If these facilities are not up the mark in outskirts people hesitate to live in such areas. All current model does not take into account the increase in cost of building due to Taxes on the construction material which eventually make the project non-feasible .Stamp duties should be reduced as minimum as possible this will cut down the cost by 6-7 % of houses. Rebate on basic construction material is not provided by government nor there is any provision in the current policies. Materials like steel, cement and sand should be subsidized or some relief can be given to cut down the cost of construction. Government is not taking into account the new techniques which are available for construction such as aluminium formwork. They can also be subsidized if strategically plan.

**Solutions to the problem-** Special design rule for affordable projects should be formulated. This will help to increase the area of construction and will reduce the cost of flats. Public infrastructure should be good and it will attract the buyer to

buy flats in out skirts. Providing GST OR Tax rebate on basic construction material like cement, steel, paint etc. will help developers allot. Extra FSI may be the game changer and it may help the developers as well as buyer. Fast track sanctioning should be done to minimize the indirect cost .High rise buildings on smaller plots should be allowed this will reduce the wastage of FSI and areas. Stamp duties can be reduced from 7% to as minimum as possible

**3.2.4 Structural designers-** Things to be taken under consideration are ,SBC of foundation should be good this will reduce the foundation cost and sizes of beams and columns will be minimum.AAC blocks should be used to reduce the structural load. As far as possible black cotton soil should be avoided. Uniform design and simple architecture will help to do cost cutting. Proper design of the building should be done at the start only, as changes of design during construction causes severe problems ultimately extra money is incurred to solve problems. Aluminium formwork is the future of the construction sector. It helps in many ways, size of slabs, beams and columns are reduced considerably because the walls also bear the load of structure.

#### IV. CONCLUSION

The Indian real estate market is expanding, with a lot of development opportunities. In all industries, long-term demand drivers for real estate are positive. However, it is important to note that India is a price-sensitive and competitive market.

A public-private partnership, or PPP, is a collaboration between the public and private sectors. It is based on each partner's expertise in order to better meet clearly specified public needs by allocating resources, risks, and incentives in the most efficient way possible. PPP entails not only bringing in private money, but also bringing in private sector efficiencies and management best practises. PPP is a feasible alternative to public financing in a fast-growing yet capital-scarce economy, by leveraging private sector efficiencies for growth that has historically been the domain of the government. Investments in affordable real estate sector have a better chance of succeeding.

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