

India **Mumbai splurges on land, ignores infrastructure needs**

MUMBAI: The reason why Mumbai's infrastructure is in a perpetual mess is not far to seek. Investments made in basic civic projects have amounted to only Rs 15,305 crore since 2005. During the same period, the real estate market saw a staggering investment of Rs 27,608 crore.

The skewed state of affairs in India's financial capital has been documented in a Jones Lang Lasalle India (JLLI) report, 'The anatomy of urban investments in India', that was released on Monday. "Data indicates that the quantum of investments in mega infrastructure projects amounts to only 60% of that made in prime land in the city, approximately in the same period," said the report. "Most mega infrastructure projects are stuck at various bottlenecks and are abysmally behind schedule. One of the main reasons for this is inadequate funds arriving far too sporadically," said Subhankar Mitra of JLLI.

The [Jones Lang Lasalle India report](#) has pointed out that while land in Mumbai is a goldmine, funding of infrastructure is the pits. Since 2005, Rs 27,608 crore has been invested in a total of 697 acres in India's financial capital. These mainly involved big-ticket land deals.

The report recommends that the city's infrastructure sector requires an additional Rs 27,500 crore over the next five years to complete the stalled projects in time. "This is equal to the amount the city has buried in its land. The paradox of the situation is that despite sitting on such massive money resources, Mumbai is unable to generate funds for its most essential requirements," it said.

The report said the sum invested in Mumbai's land in the last seven years does not include confidential transactions and investments made in slum rehabilitation projects (SRA) and other redevelopment projects. "Unaccounted transactions could possibly comprise another Rs 10,000 crore," it said.

The country's largest land deals were all recorded in Mumbai since 2005 when the defunct textile mill lands in central Mumbai were opened up for development. Around the same time, large parcels of real estate in the business district of BKC started attracting the attention of big developers who quoted amounts ranging between Rs 800 crore and over Rs 1,000 crore for certain plots in this enclave.

In terms of investment sizes and the total quantum of investment, south Mumbai leads the pack, followed by the western zone-primarily because of land auctions at BKC. The east zone attracted the least investments-most of them in defunct industries along LBS Marg.

The report said about 2.5 lakh dwelling units were launched in Mumbai over the last five years. "The direct beneficiaries of these real estate investments are, at best, about 2.5 lakh households (considering one family occupying one dwelling unit) or less than 10% of the city's population," it said.