

SUBJECT NO. 113

Sub: Works - Engg. - VUDA - Marketing of flats by VUDA under revenue sharing for the housing project developed by M/s Vasanth Vihar, Builders & Promoters under Affordable Housing - Draft subject placed before VUDA Board for perusal and approval - Reg.

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AGENDA NOTE :

Sri Jayaprakash Babu Valluri, Chairman of M/s Vasanth Vihar, Builders and Promoters, Visakhapatnam through letter dated 15-10-2012 has requested the Vice- Chairman, VUDA for Joint marketing of the vacant flats constructed at Kothavalasa, Vizianagaram District approved under Affordable Housing Project. In accordance, with the physical verification of the project, the salient features of the project are as follows.

1) Guidelines on Scheme of Affordable Housing In Private Partnership (SAHIP) and specific requirements as per GO.MS.No 589/DI.25.09.2009.

Through the above said G.O, Government have issued specific guidelines/instructions on the Institutional arrangements and the special requirements for Affordable Housing under Scheme for Affordable Housing in Partnership (SAHIP) and instructed all the concerned Municipal Commissioners of Municipal Corporations and Municipalities and Vice-Chairman's of all Urban Development Authorities (UDAs) in the State to give wide publicity to this scheme on Affordable Housing to ensure that both public agencies as well as Private developers come forward to undertake Affordable Housing in large number.

Further, the Guidelines and Specific requirements for Affordable Housing have been given in the appended Annexures of G.O.

GUIDELINES ON AFFORDABLE HOUSING IN PARTNERSHIP (SAHIP)

1) PROJECT PROPONENT:

- Any Government Agency / Urban Development Authorities in the A.P. are eligible besides other Government Agencies.
- Any licensed developer / licensed builder (licensed under the provisions of the Revised Building Rules)

2) IMPLEMENTING AGENCY:

The Implementing Agency under this Scheme shall be the respective Urban Development Authority in case of UDA areas.

The Implementing Agency will approve the layout and building plans/Group Housing drawings for the Housing Projects from the Project proponent together with details of the project, number of units offered under the Scheme, the cost per sq ft. of built up area, the cost of development of both internal and external infrastructure facilities, and list of beneficiaries

3) NODAL AGENCY:

The Nodal Agency for the SAHIP would be the APUFIDC.

4) APPLICABILITY:

This Scheme would be applicable to all Projects undertaken after March, 2009 and which conform to the requirements as given in Annexure 2.

5) IDENTIFICATION OF BENEFICIARIES:

The identification of eligible beneficiaries shall be undertaken by the implementing agency through the MEPMA in association with SLF wherever necessary.

6) SALE PRICE OF DWELLING UNITS:

The sale price of all the dwelling units covered under the Affordable housing component shall be fixed by the Implementing Authority/ Nodal Agency with approval of Central Sanctioning and Monitoring Committee. The sale price shall also include payment of amount towards corpus fund at the rate of Rs. 15 per sq ft of plinth area, which shall be utilized by the Association of the Housing Colony for maintenance and upkeep of the colony, the buildings and facilities.

7) INCENTIVES TO PUBLIC AGENCIES/PRIVATE BUILDERS/ DEVELOPERS UNDERTAKING THE SCHEME:

The following incentives would be considered by the Government for any public agency/licensed builder/developer undertaking a housing project with the above affordable housing scheme component in the project:

- a) Automatic exemption of such Project from application from Land Ceiling laws for the whole Project. 100 % Stamp duty exemption for built up units (independent houses as well as flats) up to 80 sq m (860 sq ft) built up area (inclusive of all common areas) provided that such exemption shall be applicable is applicable to one time registration only. The registration would be done on Rs. 100 stamp paper.
- b) Automatic land use conversion from agriculture/conservation and other uses except industrial /water bodies/ recreation uses to residential use for the whole Project. No levy of conversion charges for land use modification to Statutory Master Plan/ZDP for the whole Project.
- c) No levy of Non-agriculture conversion charges
- d) 50% waiver on levy of Development charges for the affordable housing component. No fees and charges shall be leviable for the affordable housing component.

The developer has furnished the following details in connection with the Housing Scheme approved under Affordable Housing by VUDA in two (2) phases and furnished the position of vacant Flats proposed for Joint marketing with VUDA.

II) PHASE-I HOUSING PROJECT

Approval given by VUDA under SAHIP:

Approved under Affordable Housing Scheme in Partnership (SAHIP) situated in S.No 197/2A an extent of 6802.14 Sq.mtrs of Kothavalasa Mandal, Vizianagaram District with Block Nos. B1, B2 B3, B4 & B5 consisting of Stilt + Ground Floor with (4) four upper floors vide permission of VUDA in File Rc.No.351/08/PLG/L2/Dated.10.03.2010, with certain conditions imposed for approval of Affordable Housing Scheme.

PROJECT COMPOSITION

S. No.	Block No	EWS Category	LIG Category	MIG Category	Total No., of Units	Status
1	B1	2	5	49	56	Slabs completed
2	B2	35	35		70	Slabs completed
3	B3	35	35		70	Slabs completed
4	B4	35	35		70	Slabs completed
5	B5	35	35		70	Slabs completed
		142	145	49	336	
POSITION OF VACANT FLATS						
		36	43	2	81	Flooring is to be done for un sold flats in B3, B4, B5 Blocks and final finishing work to be done for all blocks.

III) PHASE-II HOUSING PROJECT

Approval given by VUDA under SAHIP:

Project is approved under Affordable Housing Scheme in Partnership (SAHIP) situated in S.No.197/2A Kothavalasa, Vizianagaram Municipality in an extent of 7898.43 Sq. mtrs with 305 Nos., of units Apartments vide permission of VUDA in File Rc.No.10589/09/PLG/L2/Dated.27.08.2010, with certain conditions imposed for approval of Affordable Housing Scheme.

PROJECT COMPOSITION

S. No.	Block No	EWS Category	LIG Category	MIG Category	Total No., of Units	Status
1	A	-	-	45	45	Slabs completed Masonry in progress
2	C1	35	20	10	65	Slabs completed for 52 Units
3	C2	35	20	10	65	To be commenced
4	C3	35	20	10	65	To be commenced
5	C4	35	20	10	65	To be commenced
		140	80	85	305	
POSITION OF VACANT FLATS						
		131	69	35	235	

IV) Obligations of the developer as per the G.O.

- The developer has to follow the marketing of Flats as per the prices fixed by the Implementing Agency ie, VUDA in this particular instance.

- Implementing Agency will approve the cost per sq ft. of built up area, the cost of development of both internal and external infrastructure facilities and list of beneficiaries besides approval of Group Housing Layout and Project.
- The Nodal Agency for the SAHIP would be the A.P.U.F.I.D.C.
- The sale price shall also include payment of amount towards corpus fund @ Rs.15 per sq ft of plinth area which shall be utilized by the Association of the Housing Colony for maintenance and up keep
- The Identification of eligible beneficiaries shall be undertaken by the implementing agency through the MEPMA.

V) STATUS OF THE PROJECT

The project was taken up in two phases each phase with 5 blocks. 5 blocks of 1st phase is nearing completion with pending works such as painting, flooring, internal wiring etc., in the 2nd phase project work is in progress in two blocks and balance three blocks is yet to be commenced

The agency informed that the structural and other components of work were carried out as per structural designs and as per norms. Already the certain dwelling units were occupied by the purchasers of Flats.

As per the list of vacancy position furnished by the Applicant about 255 units out of 336 units of Phase-I was already sold out and some of the flats have been occupied by the purchasers. And in Phase-II, 70 Nos. of units have been sold out as against total number of 305 units.

VI) Non - Applicability of GO

The project approvals was taken by the developer under SAHIP through VUDA, however the developer has not fully complied in implementing the Guidelines and approval. So far, the construction and Marketing of the project was taken up and dealt by the developer as a regular project without obtaining clearance from the implementing agency and hence post applicability of G.O. to the balance units left vacant for marketing cannot be taken up as it will become partial applicability of Government Guidelines to the project.

VII) Present proposal of the Developer;

In the changed circumstances of Real Estate Market downfall, the developer has requested the VUDA for Joint Marketing of the Flats with Revenue sharing model duly offering at about 5% of the Revenue proceeds on the sale of the vacant flats to VUDA as follows.

As per the information furnished by the agency, 81 units out of 336 units in phase-I and 235 units out of 305 units in phase-II are vacant.

Further, it is to submit that M/s Vasanth Vihar, Builders & Promoters has proposed the following sale prices for the balance flats to be sold which are now vacant.

EWS 167 X Rs. 9,99,000	=	Rs.1668.30 Lakhs
LIG 112 X Rs.11,55,000	=	Rs.1293.60 Lakhs
MIG 37 X Rs.21,00,000	=	<u>Rs. 777.00 Lakhs</u>
		<u>Rs.3738.90 Lakhs</u>

Developers offer; Sales Remuneration offered to VUDA 5% on sale value i.e., Rs.3738.90 Lakhs @ 5% = Rs.187.00 Lakhs.

VIII) VUDA's earlier model of Joint Venture Marketing;

Previously, VUDA has entered into an Agreement for the similar type of joint venture in regard to plotted development layout with M/s Viswa Yagna Estates with the land belongs to the developer and VUDA's obligation being extending the technical expertise in approving the layout etc. However, the marketing will be presented as a Joint Venture with VUDA and the developer.

- o In this J.V. Model VUDA is permitted to sell 11% of the plotted area and take the realization (10% to VUDA and 1% to VUDA Employees welfare fund).
- o VUDA will sell (11%) of plots only on completion of sale of plots by developers or after period of one year after completion of layout, whichever is earlier. However, VUDA can sell 11% of their share at a fair market value before one year period also in consultation and with the consent of the developer.

- o The 11% plots of VUDA will be selected by way of lottery of the Blocks in the layout.
- o The developer shall register 11% of plot / area to VUDA or its nominees or allottees.

IX) Specifications of the materials utilized in the project as per details furnished by the developer

- SBC - SBC test was conducted by M/s. Consultancy Division, Dept. of Civil Engineering, Gayatri Vidya Parishad College of Engineering, Visakhapatnam and SBC was 14.60T / Sqm.
- Coarse aggregate - Alugubelli quarry, Vizianagaram.
- Fine aggregate - Sand from Srikakulam.
- Cement - 53 Grade Kakatiya Cement.
- Design Mix concrete- M20 grade design mix is used for RCC components.
- RT Steel - Vizag TMT Steel Bars.
- Bricks - 6"x8"x12" & 4"x8"x12" for outer & inner walls.
- Joinery - Door frames with Seasoned Guggilam & flush door Shutters of water proof quality, bathroom doors are covered with PVC sheet. Jindal make powder coated Aluminium glazed windows with 5mm pinheaded glass and MS window grills using 10mm Squares & 5mm thick MS flat. Main doors fitted with steel aldrops and balance door aldrops are of powder coated aluminium. Balance fixtures are of powder coated MS hinges, tower bolts etc.,.
- Plumbing pipelines - CPVC pipes of Astral Company make including specials and lesser dia specials are of brass make of Astral and Prince. Seiko company bib cocks, long body cock, angle valve cock, CP pillar cock, Stop cock and Benson make shower were fixed. Two RCC water tanks are provided for each block of 1st phase project.

- IWC and European commodes of Raasi make with splendor make flush tanks were used. Prince make PVC SW pipes are used for rain, sullage and sewerage pipes with Prince make, specials were used. The entire project was connected to a Septic Tank located in the North - West corner of B-5 Block.
- Flooring - Swasthik make 12"x12" size Ceramic tiled Flooring was provided in rooms and corridors including designer tiles for lift walls. Granite cladding was done to lift walls at cellar.
 - Lift - 6 Passenger capacities OTIS makes lifts are used.
 - Paintings - Distemper painting two coats over white cement Primary coat for inside walls and ACE emulsion painting two coats over white cement primary coat was done and ASIAN paints are used. Wood work was painted with ASIAN synthetic enamel paint two coats over wood primary coat.
 - Electrical - Concealed Internal electrification was done with Anchor make copper wiring including switches of Anchor make and Sudhakar PVC pipes for conduit. L&T make 95sqmm cable is provided from Transformer to panel board in each Block. Single phase power is provided to all flats and three phase power is provided for lift, pumping motors and common areas.
 - Bore wells - Each block is provided with One Bore well.


Structural stability certificate issued by the structural Engineer duly certifying that the building is structurally safe and the construction is in accordance with the specified designs.

X) VUDA's proposal for Revenue sharing for JV Marketing of Flats on the similar lines of earlier model of Joint Venture:

In this connection it is also submitted that the Developer has filed a W.P. in the Hon'ble High Court in W.P.No.29476/2011 against State of Andhra Pradesh represented by the Principal Secretary, MA & UD Dept., Hyderabad and VUDA, represented by the Vice Chairman, VUDA & 3 others with a pray to direct the respondents to implement clause "7" of Go.Ms.No.589 MA & UD Dept., dated 25-9-2009. The W.P. is still pending for disposal. The developer should agree to the following before the proposal is examined.

1. Withdrawal of W.P.No.29476/2011 filed by the Developer,
2. Withdrawal of the proposal under Affordable Housing from the Government of India, Government of A.P.,
3. To forego the incentives already availed under Go.Ms.No.589 MA & UD Dept., dated 25-9-2009
4. To pay all the fees to VUDA as per the rules in force.

Since, it is first of its kind model, the matter is placed before the VUDA Board for favour of kind perusal to consider the request of the applicant, for marketing of the Flats by VUDA under Revenue Sharing Model (JV) with specific modalities and conditions as deemed fit.


VICE CHAIRMAN


CHAIRMAN

VUDA RESOLUTION NO. 113, DT. 15-12-2012

The Board discussed the matter and rejected the proposal.



CHAIRMAN