

SUBJECT NO : 90

Sub: Works – Engg.– Construction of Gated Community Row Housing Scheme at Rushikonda – Fixation of upset price for balance 65 units and to sale by way of auction – Approval – Requested – Reg.

AGENDA NOTE:

VUDA has taken-up construction of 88 dwelling units under Row Housing (Duplex Type) as Gated Community project with good infrastructure in Rushikonda Layout adjacent to Hill No.3 of IT Layout in S.Nos.336/P of Madhurawada (V) in the year 2007. VUDA has conceived this project keeping the house needs in the fringe areas of Madhurawada developmental activities like upcoming IT firms, Tourism projects, ushering in the surround areas and demand for high end Villas in the vicinity. It is also proposed to allot the dwelling units to the prosperous buyers by way of auction based on demand / receipt of applications from the public.

The following are the salient features of the project:

Extent of site: Ac.6.78 Cts.,

No. of units: 88

Category & Facing	No. of Plots	Size of Plot		Extent		Plinth area	
		in mts	in ft.	In Sq.mts.	In Sq.yards	In Sq.Mts	In Sq.Ft
A (East)	20	7.92x18.29	26x60	144.85	173.33	191.95	2066
B(West)	46	7.92x18.29	26x60	144.85	173.33	196.39	2114
C(East)	8	7.92x19.81	26x65	156.90	187.78	206.50	2222
D(East)	14	8.53x19.81	28x65	168.98	202.22	221.70	2386

Amenities -

- Reticulated Gas System
- Underground Drainage System
- Intercom facilities for each unit
- Underground cabling for power supply
- Solar fencing
- Solar heating system
- Commercial space
- Security cabin
- Entrance Arch and tiled pathways

- Amphitheatre
- Community Centre
- Landscaping and greenery

Previously for fixing the final cost of each unit, the land cost was taken as Rs.16,810/- per Sq.Yd. (average value of lowest and highest bid amount received during the auction of Government lands in the nearby areas during 2007). Whereas the prevailing rate in Rushikonda area was Rs.8,000/- per Sq.yd. as per the basic value register of Registration Department.

Further one mock-up unit in East facing (A-B) was completed in full shape including furniture to have an idea of the complete furnished house for the aspiring buyers. A decision was taken to reserve this unit as VUDA Guest House forever and to delete the same from the auction proposed.

The details of the cost fixation done are as noted below:

Category	Construction cost (Rs. Lakhs)	Land cost @ Rs.16810 / Sq.yd. (Rs. Lakhs)	Total cost of the unit (Rs. Lakhs)	Profit margin / Rounding off @ 5% (approx) (Rs. Lakhs)	Final cost / Upset price (Rs. Lakhs)
Type - I or A	24.20	29.14	53.34	2.66	56.00
Type - II or B	24.75	29.14	53.89	3.11	57.00
Type - III or C	26.00	31.57	57.57	2.43	60.00
Type - IV or D	28.00	34.00	62.00	3.00	65.00

Later the final cost fixation done as above was recommended by cost fixation committee (committee constituted by HOD's of VUDA) and approved by Vice Chairman, VUDA. Thereafter it was placed before VUDA Board and same was approved by Chairman, VUDA Board, Dt:05-07-2007. Accordingly the auction for sale of dwelling units under construction was conducted during the year 2008. During the auction only 24 units in different types were sold out and the details are as given below:

Type	No of units
Type - I or A (East face)	9
Type - II or B (West face)	5
Type - III or C (East face)	2
Type - IV or D (West face)	8
Total	24

The response for the auction conducted for sale of units was not encouraging, since the buildings and infrastructure development works have not been completed. VUDA accordingly decided to postpone the second phase of auction. In addition economic recessions worldwide coupled with down trend in Real Estate and Building industry have decreased the demand for apartments / buildings.

Subsequently construction of dwelling units was completed during the year 2009-2010 and infrastructure works were completed during the year 2012 in full shape.

Now it is proposed to take up the conduct of auction for the balance 65 units in different types by fixing the revised upset price / final cost taking into account of all the expenditure incurred for construction of building and development of infrastructure along with interest component for half of the project period as per the norms of Bank interest and profit margin. It is also proposed to revise the land cost adopted earlier considering the highest bid amount received for the plots carved out and auctioned in Cyber Valley Layout developed by VUDA nearer to Row Housing site in the recent past. As such the land cost for the plot area is taken at Rs.18,200/- per sq.yd. against the earlier rate of Rs.16,800/- per Sq.yd.

Accordingly final cost / upset price for the balance units of each type has been worked out and the above proposals as recommended by cost fixation committee (committee constituted with HOD's of VUDA) are approved by the Vice Chairman, VUDA.

The details of balance units available and cost analysis for arriving the upset price of balance units are as mentioned hereunder.


Details of balance units to be auctioned:

Type	No. of units yet to be sold out	Built up Area of each Unit (In Sft.)	Plot area of each unit in Sq.yards
A (East face)	10	2066	173.33
B (West face)	41	2114	173.33
C (East face)	6	2222	187.78
D (West face)	8	2386	202.22
Total	65		

Cost Analysis:

Type	Constructi on cost as per the final project cost (Rs. Lakhs)	Interest Component @10% on Construction cost (Rs. Lakhs)	Land cost at Rs. 18,200 / Sq.yd (Rs. Lakhs)	Total cost (Rs. Lakhs)	Profit margin @ 5% + Rounding off (Rs. Lakhs)	Final cost / Upset price of each unit (Rs. Lakhs)
A	26.90	9.00	31.55	67.45	3.55	71.00
B	27.50	9.25	31.55	68.30	3.70	72.00
C	28.90	9.70	34.20	72.80	4.20	77.00
D	31.10	10.45	36.80	78.35	4.15	82.50

Hence the matter is placed before VUDA Board for perusal and to ratify the final cost /upset price fixed for the balance 60 units duly reserving 5 units separately for allotment as per rule of reservation and to permit to proceed with conduct of auction for allotment.


19/11/12

VICE CHAIRMAN


CHAIRMAN

VUDA RESOLUTION NO. 90, DT. 15-12-2012

The Board discussed the matter and resolved to approve the subject.



CHAIRMAN