## SUBJECT NO.67

Sub: VUDA – Allotments - Construction of Gated Community Row Housing Scheme at Rushikonda – Disposal of Balance 60 units – Submitted – 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. It is proposed initially 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

		Size of Plot		Extent		Plinth area	
Category & Facing	No.of Plots	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

# > HOUSE & PLOT DETAILS AS PER THE APPROVED LAYOUT:

The Infrastructure provided in the layout includes BT roads, Water supply from Bore wells, Underground Drainage System, Reticulated Gas System, Landscaping and greenery with tiled pathways & Mini Amphitheatre, Intercom facilities for each unit, Underground cabling for power supply with decorative street lights, Solar fencing, Solar heating system, Commercial space, Security cabin, Entrance Arch and Community Centre.

During the first spell of sale of houses by way of auction in the year 2007 the final cost of each unit was fixed by taking the land cost 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).

The details of the cost fixation done for first spell Auction as approved by VUDA Board, Dt.05-07-2007 were as noted below

Category	Construction cost (Rs. In lakhs)	Land cost @ Rs.16810 / Sq.yard (Rs. In lakhs)	Total cost of the unit (Rs. Lakhs)	Profit margin / Rounding off @ 5% (Rs. In lakhs)	Upset price (Rs. In 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

Accordingly the auction for sale of dwelling units under construction was conducted during the year 2007. During the auction only 24 units in different types were sold out.

The response for the auction conducted for sale of units in the first spell was not encouraging since the buildings and infrastructure development works have not been completed by that time. VUDA accordingly decided to postpone the second phase of auction. In addition, the global economic recession resulted in down trend of Real Estate and Building Industry and consequently has 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 2011-12 in full shape.

Accordingly second spell of sale of houses was taken up by way 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 buildings and development of infrastructure along with interest component for half of the project period as per the norms of Bank interest, with profit margin @ 5% and by revising the land cost adopted earlier by 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 was taken at Rs.18,200/- per Sq.yd against the earlier rate of Rs.16,800/- per Sq.yd.

The final cost / upset price for the balance units of each type had been worked out and the details as approved by VUDA Board vide Resolution No.90 Dt. 14-12-2012 were as mentioned hereunder for 2<sup>nd</sup> Spell (Latest) of Auction.

Туре	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		

Туре	Construction cost as per the final project cost (Rs. In lakhs)	Interest Component @ 10% on Construction cost (Rs.In lakhs)	Land cost at Rs.18,200 / Sq.yard (Rs.In lakhs)	Total cost (Rs. Lakhs)	Profit margin @ 5% + Rounding off (Rs. In lakhs)	Final cost / Upset price of each unit (Rs. In lakhs)
А	26.90	9.00	31.55	67.45	3.55	71.00

В	27.50	9.25	31.55	68.30	3.70	72.00
С	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

During the second spell of auction conducted on 05-10-2013 only 6 units in different types were sold out. Further on the day of auction, most of the participants have requested for providing one renewal coat of paintings for internal walls of houses due to lapse of long period after completion of construction. The cost of providing one coat of internal wall paintings along with certain minor repairs to wood works and providing 2 nos. of additional bore wells has been estimated at Rs. 25.50 Lakhs.

In this connection it is to submit that the actual expenditure incurred for various items of works of the project including the above mentioned additional work of providing one coat of single coat paintings to internal walls of units is well within the earlier approved project cost based on which the upset / sale price fixed for the previous auction.

Hence in view of the above, as there is no additional budget required / additional expenditure would be incurred beyond the earlier considered project cost, the same upset / sale price of previous auction may be considered / retained for sale of balance 59 houses as well.

The following are the details of houses sold out category wise in the last two spells of auction conducted.

#### Ist SPELL (initial) of auction conducted during 2007 :

During the 1<sup>st</sup> spell of auction the following 24 houses were reportedly sold out.

A – Type Houses	:	9 Nos.
B – Type Houses	:	5 Nos.
C – Type Houses	:	2 Nos.
D- Type Houses	:	8 Nos.
Total:	:	24 Nos.

Subsequently out of 24 houses 2 Nos. of D type house allotments have been reportedly cancelled and the details of 22 houses sold out are as given below.

Category	No. of houses proposed for sale	No. of houses disposed	Upset price (Rs. Lakhs)	Avg. Auction price (Rs. Lakhs) calculated from sale prices show at page 93 to 95 TNF	% of Hike
А – Туре	19	9	56.00	60.24	7.57
B – Type	46	5	57.00	59.46	4.32
C – Type	8	2	60.00	63.73	6.22
D – Type	14	6	65.00	70.63	8.66
Total :	87	22			

# IInd SPELL (Latest) of auction conducted during October 2013

During the 2<sup>nd</sup> spell of auction the following 6 houses were reportedly sold out.

A – Type Houses	:	3 Nos.
B – Type Houses	:	2 Nos.
C – Type Houses	:	1 Nos.
D- Type Houses	:	
Total:	:	6 Nos.

The details of 6 houses sold out are as given below

Category	No. of houses propose d for sale	No. of houses disposed	Upset price (Rs. Lakhs)	Avg. Auction price (Rs. Lakhs) calculated from sale prices show at page 96 TNF	% of Hike
A – Type	10	3	71.00	72.87	2.63
В–Туре	41	2	72.00	72.05	0.07
C – Type	6	1	77.00	77.05	0.06
D – Type	8		82.50		
Total :	65	6			

As per the orders of the Vice Chairman dated 25-10-2013, the payments as exhibited by Secretary made by the 22 allottees (relating to the 1<sup>st</sup> auction during 2007) have been verified by the Chief Accounts Officer, VUDA with reference to those amounts accounted for in Accounts wing. The original demand, payments made and balance amount to be paid in respect of the 22 allottees are as detailed below.

SI No	Name of the Allottee / House No.	Cost of House	Amount paid	Due amount to be paid
1	Ankur Agarwal - A-Type H.No.1	58.00	38.50	19.50
2	Challa Sankara Rao - A-Type H.No.7	65.05	65.05	0.00
3	Maddala Kondala Rao - A-Type H.No.9	59.50	59.50	0.00
4	K. Srinivasa Rao - A-Type H.No.10	59.55	59.55	0.00
5	G.B.Vara Prasada Rao - A-Type H.No.12	57.80	57.80	0.00
6	C.Vasudeva Rao - A-Type H.No.13	64.05	36.63	27.42
7	M.V.S.S.N.Varma - A-Type H.No.14	60.00	60.00	0.00
8	M.Venu Gopala Varma - A-Type H.No.18	58.15	58.15	0.00
9	R.Srinivasa Rao - A-Type H.No.20	60.05	60.05	0.00
10	T.Satyanarayana - B-Type H.No.1	61.55	25.78	35.77
11	K.Ravi Chand - B-Type H.No.2	57.85	23.92	33.93
12	K.Usha Rani - B-Type H.No.3	57.45	23.72	33.73
13	K.Sujatha - B-Type H.No.4	60.10	25.04	35.06
14	G.V.S.Kumar - B-Type H.No.5	60.35	60.35	0.00
15	Ch.Krishnam Raju - C-Type H.No.1	67.05	38.58	28.47
16	V.V.Sunil Kumar - C-Type H.No.2	60.40	60.40	0.00
17	C.Sundaram Naidu - D-Type H.No.1	65.15	65.15	0.00
18	B.Ramesh Kumar - D-Type H.No.8	70.80	70.80	0.00
19	B.R. Nischal - D-Type H.No.9	71.05	30.52	40.53
20	V.Nageswara Rao - D-Type H.No.10	66.25	11.56	54.69
21	M.Madhusudana Raju - D-Type H.No.13	72.05	72.05	0.00
22	C.V.Suresh - D-Type H.No.14	78.50	78.50	0.00
		1390.70	1081.60	309.10

As seen from the above statement, out of 22 persons, only 13 persons paid the full amount & balance 9 persons have made part payments only. Even out of 9 defaulters, 6 persons didn't even pay the 50% of the house cost.

In the subsequent auction held on 05.10.2013, though bidding was made for 6 houses, the 10% initial deposit was made in respect of 5 houses only.

The percentage of hike over and above the upset price fixed as worked out by Engineering wing at Page Nos 101 & 102 of this N.F in respect of two auctions conducted has been verified and found to be in order.

The percentage of auctioned houses to that of available units (in both auctions) is worked out as follows.

SI No	Category	No. of houses proposed for sale	No. of houses disposed	Percentage of purchase (demand)
1	A-Type (East facing)	19	9 + 3 = 12	63%
2	B-Type (Wes facing)	46	5 + 1 = 6	13.04%
3	C- Type (East facing)	8	2 + 1 = 3	37.5%
4	D- Type (Wes facing)	14	6	42.8%
	Total	87	27	31.03% (Average)

As seen from the auction trend, there is only marginal hike in the rate during the 2<sup>nd</sup> time auctions conducted on 05.10.2013 (excepting for one A-Type house)

- A- Type More demand in both auctions, probably because of the East facing and affordability of the house cost.
- B- Type Very less demand though available units are more may be because of west face
- C-Type Average demand Probably because of the high unit price when compared to 'A'-type
- D- Type Though west face & cost is high, demand is comparatively higher than 'B' & 'C' types, but no participants in 2nd auction.

As per the remarks of the Engineering Wing, no additional cost is required for internal paintings of the houses as requested by the allottees during the time of auction on 05.10.2013. But the allottes have also requested about small repairs like replacement of doors & windows which were infested with termites to be taken up by VUDA. The Engineering wing has to take up these works before subsequent disposal of the houses and the probable expenditure on this item is also to be covered in the already approved project cost.

Further the project has been commenced 6 years back and the basic structure of the houses was constructed 5 to 6 years back. Even after conducting 2 auctions, only 27 houses were sold and 60 units are still left for disposal. If disposal is further delayed, there is every danger that the prospective buyers may look in the angle that the value of the building is decreased by afflux of time.

Hence in view of the above, necessary decision has to be taken for quick sale / disposal of the balance 60 units in Row Housing Scheme.

In view of the above, the matter is placed before VUDA Board for favour of perusal and for necessary instructions.

SI.No.	Project / Layout Name	Village	Sy.Nos covered	Extent In Acra	Status	Remarks
1		Madhurawada	394		Collector addressed to CCLA 5938/2004/E2-dt 20-7-2007	Total extent of Sy.No.394 Ac.12.8 Cts.
	Harita Project	do	395	20.17	Collector addressed to CCLA 5938-2004-E2-dt 20-7-2007	Total extent of Sy.No.395 Ac.15.9 Cts.
		do.	396/p	20.17	Collector addressed to CCLA 5938-2004-E2-dt 20-7-2007	Total extent of Sy.No.396/P Ac.08.58 Cts.
		do	397/p		Collector addressed to CCLA 5938-2004-E2-dt 20-7-2007	Total extent of Sy.No.397/P Ac.11.32 Cts.
		TOTAL		20.17		
2	Row Houshing Scheme	336/p TOTAL		6.78	Madhurawada	Already alienated to VUDA vide ( Ms.No.120 dt.8-2-1994
3	S.No.336/p planed for Bulk disposal vide 48/2012	Madhurawada	336/p	11.21	Madhurawada	Already alienated to VUDA vide C Ms.No.120 dt.8-2-1994
-	Kandunan da Laura d	TOTAL		11.21		
4	Kapuluppada Layout	Kapuluppada	312	233.38	Already alineated to vide G O Ms No 120, Dt 8-2-94	
ĺ		do	313	3.18	Yet to be initiated Already alineated to videG O	
		do	377	3.61	Ms No 120, Dt 8-2-94	
		do	378	3.67	Do	
		do	379	4.55	Do	
		do	360	15.58	Yet to be initiated	
5	Madhavadhara Layout	TOTAL Madhavadhara	3/2, 4	263.97	Land Acquisition vide Award No.5/80,	
					dt.29-Apr-80 No Govt lands	
		do	6/1		do	
		do do	7/1 8/1	·   · · · · · · · · · · · · · · · · · ·	do	
		do	8/2, 11		do	
6	Lake view Layout	Madhurawada	148/p	20.76	to be initiated	As per the delivery receipt extent handed over in Sy.Nos. 148, 161, 174 175 is 20.70 Ac.20.76 cts
		do	174/p		Yet to be initiated	
7	Mithilapuri Layout	TOTAL Madhurawada	147	20.76	Land Acquisition vide Award	
		do	257		No.9/88 6-6-88 Land Acquisition Award	
	·	. do	262/p	<u> </u>	No.20/88 Land Acquisition Award No.20/88	
		do	265		Land Acquisition Award No.12/88	
		do	266	-	Land Acquisition Award No.10/88	
		do	268		Land Acquisition Award No.10/88	
		do	271		Yet to be initiated	
		do_	273/p	-	Land Acquisition Award No.10/88	
		do	274/p	-	Land Acquisition Award No.10/88	
		do	275	1.00	Vuda addressed alienation proposal vide 4972-07-I-1-dt 22- 6-2007 collector addressed IoCCLA 1880-07-E2-dt 30-6- 2007	
		do	276/p	_	Land Acquisition Award No.10/88	
	ļ	do	279/p		Land Acquisition Award No.1/92	
		do	280	-	Land Acquisition Award No.12/88	
		do	285		Land Acquisition Award	1

		do	285		Land Acquisition Award No.12/88	
		do	<b>28</b> 8/p		Land Acquisition Award No.10/88	
		do	287		Land Acquisition Award No.10/88	
		do	288	-	Land Acquisition Award No.10/88	
		do	289	6.20	Vuda addressed alienation proposal vide 4972-07-I-1-dt 22- 6-2007 collector addressed to CCLA 1880-07-E2-dt 30-6-2007	
		do	290	1.81	Vuda addressed alienation proposal vide 4972-07 -I-1-dt 22 6-2008 collector addressed to CCLA 1880-07-E2-dt 30-6-2007	
		do	291	2.88	Vuda addressed alienation proposal vide 4972-07-I-1-dt 25- 6-2007 collector addressed toCCLA 1880-07-E2-dt 30-6- 2007	
		do	292		Land Acquisition Award No.9/88	In extent of Ac.34.98 acquired 147/1,2,3,291, 292,293,295/1,2
		do	293	-	Land Acquisition Award No.9/88	· · · · · · · · · · · · · · · · · · ·
		do	295	-	Land Acquisition Award No.9/88	
		do	296	17.05	Vuda addressed alienation proposal vide 4972-07-I-1-dt 25- 6-2007	
		TOTAL		28.94		· · · · · · · · · · · · · · · · · · ·
8	Rushikonda Layout ( Tarakarama Nagar Layout)	Madhurawada	332	2.27	Already alienated to VUDA vide Go Ms.No.120 dt.8-2-1994	
		do	333	47.00	Already alienated to VUDA vide Go Ms.No.120 dt.8-2-1994	
		do	334/p	4.50	Already alienated to VUDA vide Go Ms.No.120 dt.8-2-1994	
		do	335/1	4.60	Yet to be initiated	
		do	336/p	129.42	Already alienated to VUDA vide Go Ms.No.120 dt.8-2-1994	
9	Adi Bhatla Nagar Layout	TOTAL		187.79		
9	Aur Brialia Nagar Layout	Yendada	105/p		Yet to be initiated Already alineated to vide G O	·····
		do TOTAL	106/p	1.72	Ms No 203 Revn Assn t	
10	Cyber valley - I	Madhurawada	129/p	10.00	Vuda submitted alienation proposals vide 4151/05/I-1-dt 9- 05-2005	
		do	348/2	7.70	Vuda submited alienation proposal vide 4157/05/I-1-dl 10- 05-2005 collector addressed to CCLA 5938-2004-E2-dt 20-7- 2007	
		đo	352/p	10.00	collector addressed to CCLA 5938-2004-E2-dt 20-7-2007	
	· · · · · · · · · · · · · · · · · · ·	do	353/p	10.09	Vuda submitted allenation proposal vide 5972-07-l-1-dt 25- 6-2007	
11	Cyber valley - H	TOTAL		37.79		
	Cyber valley - II	Madhurawada	355/2	5.00	Vuda submitted alienation proposal vide 4972-07-I-1-dt 25- 6-2007	
	Yendada Layout	Yendada	1/p	17.30	collector addressed to CCLA 5938-04 dt 21-6-07 & Rc No 5938-04 E2 dt 20-7-07 CCLA	Vide LP.No.50/2008
ن <sub>ا</sub>	Sontyam Layout	Sontyam	347/p	26.00	Vuda submitted alienation proposal vide 7039/04/I-1-dt 1-6- 2007	Layout was developed in an extent of 34.20 in LP No.40/2007

.

į

1

( .

.

	<u></u>					
14	Madhurawada (Govt lands)	Madhurawada	108/p	10.84	Vuda submitted alienation proposal vide 4972-07 -I-1-dt 8- 11-2007 collector addressed to CCL 4 4651 07 52 dt 41 02 7	
		do	110/p	4.22	CCLA 4661-07-E2-dt 17-12-07 Vuda addressed alienation proposal vide 4147/05/I-1-dt 9- 05-2005 Alienation orders issued vide G.O.B-4-555-2005 dt 7 12 07 CCLAs	
		do	111/p	3.06	Vuda submited alienation proposal vide 4148/05-I-1-dt 9- 05-2005 collector addressed to CCLA 5938-2004-E2-dt 20-7- 2007	
		TOTAL	1	18.12		· · · · · · · · · · · · · · · · · · ·
	Ozone Vailey Layout Paradesipalem	Paradesipalem	103/2	1.06	Alienation proposal Submitted by VUDA to Collector in Vide Rc.No.4972-07-I-1-dt 10-1- 2008.	
			104/2	0.26	Alienation proposal Submitted by VUDA to Collector in Vide Rc.No.4972-07-I-1-dt 10-1- 2008.	
			109/2	4.76	Alienation proposal Submitted by VUDA to Collector in Vide Rc.No.4972-07-I-1-dt 10-1- 2008.	
			118/1,2	1.68	Alienation proposal Submitted by VUDA to Collector in Vide Rc.No.4972-07-I-1-dt 10-1- 2008.	
			119/1,2	3.38	Alienation proposal Submitted by VUDA to Collector in Vide Rc.No.4972-07-I-1-dt 10-1- 2008.	
			120/1 & 3		Yet to be initiated	Vagu
			122	2.42	Alienation proposal Submitted from VUDA to Collector in Vide Rc.No.4972-07-I-1-dt 10-1- 2008.	
			123	1.98	Alienation proposal Submitted from VUDA to Collector in Vide Rc.No.4972-07-I-1-dt 10-1- 2008.	
			126/9	0.00	Yet to be initiated	Vagu
			127	1.98	Alienation proposal Submitted by VUDA to Collector in Vide Rc.No.4972-07-I-1-dt 10-1- 2008.	
			133/7,9,12,13 & 14	5.09	Alienation proposal submitted by VUDA to Collector Vide Rc.No.4183-2005-I-1dt 13-5- 2005 and submitted by Collector to CCLA Vide Rc.No.5938-04 dt 21-6-07 & R.C.No.5938/2004 E2 dt.20-7-07.	-
			152/P	5.80	Alienation proposal Submitted by VUDA to Collector in Vide Rc.No.4972-07-I-1-dt 10-1- 2008.	
		1	154/P	0.00	Yet to be initiated	Vagu
15			155/P 158/P	0.00	Yet to be initiated	Vagu
	<u></u>	Total	130/1	0.00 28.41	Yet to be initiated	Vagu
16	Rushikonda	Rushikonda	34/1 to 11 &	46.30	<u>+</u>	
			35/1	40.30	Yet to be initiated	1

(							
Ċ	•						
			TOTAL		46.30		
(	17	Madhurawada					
C			Madhurawada	370	11.73	Alienation proposal submitted from VUDA Collector vide Rc.No.4972/07/11 dt.25-6-2007	
С* С С			do	371/1	4.75	Alienation proposal submitted from VUDA Collector vide Rc.No.4173/07/11 dt.11-5-2007 & Collector to CCLA vide 5938/04/E2 dt.20-7-07	
,			TOTAL		16.48		
	18	Madhurawada	Madhurawada	127/9	4.00	Alienation proposal submitted from Collector to CCLA vide 5938/04/E2 dt.20-7-07	
			do	127/10	4.95	Do	
,			do	127/11	4.95	Alienation proposal submitted from VUDA Collector vide Rc.No.4173/07/11 dt.11-5-2007 & Collector to CCLA vide 5938/04/E2 dt.20-7-07	
			do	127/12	3.92	Alienation proposal submitted from Collector to CCLA vide 5938/04/E2 dt.20-7-07	
			TOTAL		17.82		

re MIL BD

12/12/2013 Noise

Sl. No.	Subject No.	Subject	Resolutions
			<ul> <li>alienating the lands</li> <li>JV marketing is not agreed in Housing Schemes of private developers.</li> </ul>
14	65	Status of the officials working on deputation basis in VUDA – Request for creation of Dy. CAO- Reg.	It is agreed to recommend to the Government for creation of the post of Deputy Chief Account Officer (DyCAO) for the purpose of Internal Audit in VUDA to be filled up on deputation.
15	66	Status of standing counsels – Local courts, High court and Supreme Court – submitted for favour of perusal – Reg.	Perused. It is to be ensured by the VC, VUDA that no counsel continues beyond the tenure.
16	67	Construction of Gated Community Row Housing Scheme at Rushikonda- disposal of Balance 60 units- Reg.	In the present circumstances, it is ordered to go for disposal for Auction one more time; if no satisfactory results, then alternate methods of disposal can be resorted.
17	68 ·	Projects – Maha bodhi Society – Request for allotment of land for development of Buddhist Meditation Center and Buddhist Cultural Centre at Thotlakonda – Reg.	Earlier proposal of VUDA Board is modified and the Society is instructed to approach the revenue Department for the lands required.
18	69	Allotment of office accommodation of Udyog Bhavan Complex 'C' Block to IOB – Renewal of licence enhancement of licence fee – Request by IOB to reconsider the enhancement of lease rent	Not considered in consonance with the decision taken at item no.62

Page 10 of 30

CHAIRMAN, VUDA