

SUBJECT NO .40

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 as Gated Community Project with good infrastructure in an extent of Ac.6.78 Cts., Rushikonda Layout adjacent to Hill No.3 of IT Layout in S.Nos.336/P of Madhurawada (V) in the year 2007.

➤ HOUSE & PLOT DETAILS AS PER THE APPROVED LAYOUT:

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	7.92 x 18.29	26x60	144.85	173.33	191.95	2066
B(West)	46	7.92 x 18.29	26x60	144.85	173.33	196.39	2114
C(East)	8	7.92 x 19.81	26x65	156.90	187.78	206.50	2222
D(East)	14	8.53 x 19.81	28x65	168.98	202.22	221.70	2386

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 first 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.

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 2nd Spell of Auction.

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		

Type	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)
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

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 and it is told by Engineering Wing that it is well within the earlier approved project cost based on which the upset / sale price fixed for the previous auction.

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

Ist SPELL of auction conducted during 2007 :

During the 1st spell of auction the following 24 houses were reportedly sold out.

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
A – Type	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 of auction conducted during October 2013

During the 2nd spell of auction the following 6 houses were reportedly sold out. The details of 6 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 96 TNF	% of Hike
A – Type	10	3	71.00	72.87	2.63
B – Type	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 in Rc.No.6257/07/G, the payments as exhibited by Secretary made by the 22 allottees (relating to the 1st 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 auctioned houses to that of available units (in both auctions) is worked out as follows.

Sl No	Category	No. of houses proposed for sale	No. of houses disposed	Percentage of purchase
1	A-Type	19	9 + 3 = 12	63%
2	B-Type	46	5 + 1 = 6	13.04%
3	C-Type	8	2 + 1 = 3	37.5%
4	D-Type	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 2nd 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 compare 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.

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.

Accordingly, the matter was placed before the VUDA Board meeting and the board has resolved in its resolution No.67, dt.14.12.2013 that "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".

In accordance to the resolution of the VUDA Board vide mentioned above, notification to this effect vide Rc.No.6257/2007/G-3, dated 06-01-2014 is issued in the Hindu Newspaper (In the state edition) to apply through ONLINE with 10th February '14 as the last date of submission of the application while the date of open auction being 15th and 16th February 2014.

It is also to share that to dispose the flat as Guest Houses to various companies, letter is written around 350 companies requesting them to visit the site. A guided tour is arranged on 5-2-2014. But only, representatives of 15 no. of companies have turned up. There is abysmal response to the auction call. Owing to which a corrigendum to the notification was issued in the same newspaper vide Rc.No.6257/07/G3, dated 12-02-2014 extending the last date for applying through online up to 10-03-2014 with the date of open auction as 15th and 16th March, 2014.

As per the online report generated from the website on Row Housing Project, the following are the various reports.

Flat wise reports for Row Housing flats through open auction

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Category	House No.	No. of Applications received	Name of the Applicant
A-Type	A-11	5	Pyala Prasada Rao, Ganapathi Ajay Korimilli, Seela Srikanth, KKR, Srinivasa Rao Patnana
A-Type	A-15	2	Seela Srikanth, Ganapathi Ajay Korimilli
A-Type	A-16	2	Seela Srikanth, Ganapathi Ajay Korimilli
A-Type	A-17	2	Seela Srikanth, Ganapathi Ajay Korimilli
A-Type	A-19	4	Hemalatha Sambangi, Hema Sambangi, Ganapathi Ajay Korimilli, Seela Srikanth
A-Type	A-2	2	Ganapathi Ajay Korimilli, Seela Srikanth
A-Type	A-3	3	Ganapathi Ajay Korimilli, Seela Srikanth, Srinivasa Rao Patnana
B-Type	B-21	2	Hemalatha Sambangi, Ganapathi Ajay Korimilli
B-Type	B-22	1	Ganapathi Ajay Korimilli
B-Type	B-23	1	Ganapathi Ajay Korimilli
B-Type	B-24	1	Ganapathi Ajay Korimilli

B-Type	B-28	1	Hemalatha Sambangi
B-Type	B-32	1	Ganapathi Ajay Korimilli
B-Type	B-33	1	Ganapathi Ajay Korimilli
A-Type	B-36	1	Ganapathi Ajay Korimilli
A-Type	B-38	1	Ganapathi Ajay Korimilli
A-Type	B-39	1	Ganapathi Ajay Korimilli
A-Type	B-46	1	Srinivasa Rao Patnana
C-Type	C-6	1	Seela Srikanth
C-Type	C-7	2	Hemalatha Sambangi, Seela Srikanth
D-Type	D-2	1	Srinivasa Rao Patnana
D-Type	D-5	1	Pyala Prasada Rao
Total		37	

Applicant wise report for Row Housing houses through open auction

Date & Time : 3/13/2014 12:45:31 PM

Reference No.	Applicant Name	Category	Flats opted	Acknowledgement
RH/2014/10	Hemalatha Sambangi	A-Type	A-19,	
RH/2014/10	Hemalatha Sambangi	B-Type	B-21, B-28	
RH/2014/10	Hemalatha Sambangi	C-Type	C-7	
RH/2014/11	Hema Sambangi	A-Type	A-19	
RH/2014/12	Ganapathi Ajay Korimilli	A-Type	A-11, A-15, A-16, A-17, A-19, A-3, A-2	
RH/2014/12	Ganapathi Ajay Korimilli	B-Type	B-23, B-24, B-32,B-33, B-36, B-22, B-21, B-39, B-38	
RH/2014/13	Pyala Prasada Rao	A-Type	A-11	
RH/2014/13	Pyala Prasada Rao	D-Type	D-5	
RH/2014/14	Ganapathi Ajay Korimilli	A-Type	A-11, A-15, A-16, A-17, A-19, A-3, A-2	
RH/2014/14	Ganapathi Ajay Korimilli	B-Type	B-23, B-24, B-32,B-33, B-36, B-22, B-21, B-39, B-38	
RH/2014/15	Seela Srikanth	A-Type	A-11, A-15, A-16, A-17, A-19, A-3, A-2	
RH/2014/15	Seela Srikanth	C-Type	C-6, C-7	
RH/2014/16	KKR	A-Type	A-11	
RH/2014/17	Pyala Prasada Rao	A-Type	A-11	
RH/2014/17	Pyala Prasada Rao	D-Type	D-5	
RH/2014/18	Srinivasa Rao Patnana	A-Type	A-3, A-11	
RH/2014/18	Srinivasa Rao Patnana	B-Type	B-46	
RH/2014/18	Srinivasa Rao Patnana	D-Type	D-2	
Total Applicants	7			

The said auction could not be conducted as the model code of conduct come in to force since 5.3.2014 and permission is being obtained from the C.E.O. Office. It will be conducted for 7 applicants shadfly

The matter is placed before the VUDA Board for perusal of the subject matter and also to take a decision on the following matters.

1. Request of the previous allottees for the waival of penal interest which are coming into 265.45 lakhs on they are contending that they have stopped payment due to non-completion of the buildings constructions.
2. It is to submit that the request, if considered, has the representations on the delayed projects of VUDA and hence a common call is to be taken.
3. A policy decision on the disposal made of remaining houses has to be arrived at.

Sl. No.	Subject No.	Subject	Resolutions
39	38	VUDA - UFD - VISAKHAPATNAM - Deposit work plantation of 70,000 saplings at Rushikonda, Bavikonda, Gollalakonda & Kommadi Hillocks - Execution of work for plantation of 55,000 as against 70,000 at Rushikonda, Bavikonda, Gollalakonda - Draft subject placed before Board for kind perusal and approval - Submitted - Reg.	Ratified the action taken. Follow the disciplinary action against FRO-II with the parent department.
40	39	VUDA - UFD - Amenities in the Children's Park in Phase - II, Gandhi Nagar, Pedagantyada, Visakhapatnam - Providing grass turf - Draft subject placed before VUDA - Submitted for perusal and approval - Reg.	Agreed to take up the Park work.
41	40	VUDA - Allotments - Construction of Gated Community Row Housing Scheme at Rushikonda - Disposal of Balance 60 units -Submitted - Reg.	The issue was examined in full and following directions are given to VC, VUDA <ol style="list-style-type: none"> 1. Penal interest need not levied during the period of Established Departmental Delay 2. This policy will not apply to the Disposal of Plots or other delayed projects of VUDA. 3. After the formation of new states, the Disposal of Scheme can be tried one more time through auction mode.