

SUBJECT No. 525

Re.No.2682/93/E.M.I

Sub:- VUDA - Visakhapatnam - Allotment of Shops in Sector-3 and Sector-12 of M.V.Palem Colony on rental basis - Revision of Plinth area rates - approval - Reg.

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AGENDA NOTE:

Two Shopping Complexes in Sector-3 and 12 of M.V.P. Colony having 13 shops in Sector-3 and 16 shops in Sector-12 have been constructed and the upset rent of Rs.7.85 per sft. of plinth area for the Shops in Sector-3 and Rs.7.00 per sft. for the shops in Sector-12 have been fixed basing on the rents offered for the neighbouring shops in the above Shopping Complex on paper advertisement. Out of 13 shops in Sector-3 and 16 shops in Sector-12, 7 shops in Sector-3 and 9 shops in Sector-12 respectively were able to be allotted on rental basis at the above plinth area rates and the remaining 6 shops in Sector-3 and 7 shops in Sector-12 of M.V.P.Colony are lying vacant and no applications have been received for allotment of vacant shops even after issuing subsequent notification calling for sealed offers for the said ~~vacant~~ vacant shops. In Sector-12 of M.V.P.Colony none of the tenants have started business in the shops allotted.

The procedure being followed by VUDA for fixing the upset rent as per the trend of the quotations received is not yielding good results as the different shops have different advantages and disadvantages. Therefore it is felt desirable to adopt some method to fix up the upset price for disposing off all the vacant shops.

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In view of the large number of vacant shops in the above two complexes, the following ^{method} is being suggested for adoption. The workable rate of rent for the plinth area for sft, has been arrived at taking into account of the cost land including development cost and cost of construction of the Shopping Complex and the interest realisable per month and cost per sft. is calculated. According to the above calculation the rate per sft, rent for shops in Sector-3 comes to Rs.6.43 per sft. and Rs.5.42 per sft. in Sector-12 as against the present rate of Rs.7.85 per sft. and Rs.7.00 per sft. respectively of the upset rent already fixed.

The matter is being placed before VUDA to consider for revising the rent per sft. at Rs.6.43 paise per sft. for shops in Sector-3 and Rs.5.42 paise per sft. for the Shops in Sector-12 as against the existing upset rent of Rs.7.85 per sft. and Rs.7.00 per sft. for shops in Sector-3 and 12 of M.V.Falem respectively.

SUBJECT NO: 525 :: Approved.

