

Booked flat in Bopal? Now, pay more

UDD allows 10 storey buildings in south Bopal but will levy extra charges on realtors, who in turn are likely to pass it on to customers

DNA Correspondent

Get ready to pay more for the flat you booked in Bopal. The urban development department of the government of Gujarat has decided to levy extra charges on realtors operating in Bopal, particularly south Bopal. Now, real estate players will have to pay for getting extra 0.6 FSI (floor space index) and they are going to pass on the additional cost to the customers.

Some 17 real estate developers had launched residential schemes in south Bopal, which falls under town planning (TP) scheme No. 3 prepared by the Ahmedabad Urban Development Authority (AUDA). AUDA's draft scheme of TP-II and TP-III covered a majority area of Bopal as residential zone-I (R-I) allowing the realtors to build high-rise buildings. However, the urban development department changed AUDA's plan and declared TP-II and TP-III as R-II in April 2010. This made builders and customers, who had already booked their flats, anxious.

Having received suggestions and objections from all the stakeholders, UDD finally declared TP-III as R-I zone along with TP-I and TP-II as R-II zone. However, it levied additional charges of 40% of land rate for offering 0.6 additional FSI in TP-III. So the builders will have to shell out more money to get final approval for their high-rise building plans and building usage permission for their schemes. The realtors will naturally pass on the additional cost to the customers. However,

this cost will vary according to saleable area of the scheme.

The realtors are of the opinion that there will not be much increase in the property rates for the customers who have already booked their flats. The increase in the price will be in the range of Rs20 to Rs50 per sq foot depending upon plot size and total marketable area. Uday Vora, managing director of HN Safal, said that the additional cost will not be around Rs20 per sq ft in Safa Parisar taking into consideration plot size and saleable area in our scheme.

"We do not think customers will object to paying a little more," said Vora. Although customers may not be willing to pay more, they will not have any other option as they would not be able to afford to get their booking cancelled as property prices have gone up sharply in the past few years.

HIGH PRICE

If the customers will not pay additional money, the developers will return their original amount and seek other properties that may not be viable for them," said sources.

As the government has declared TP-II as R-II zone, the future of four schemes in this area is uncertain. Various realtors have planned and even started construction work of four high-rise residential apartment schemes in TP-II of Bopal. If the developers return money to the customers who have already booked their flats, the latter will lose interest as well as they will have to pay higher prices for new property compared to what they have already booked.



HIGH RISES ALLOWED, BUT CONDITIONS APPLY

AUDA declared TP-I as R-I and TP-II and TP-III as R-I zone allowing high-rise buildings.

UDD changed it as TP-I as R-I and TP-II and TP-III as R-II zone. Builders will have to pay more money for 0.6 FSI in TP-III.

The increase in realty prices will be in the range of Rs20-Rs50 per sq ft in R-I zone, realtors could build up to 10 storey building, while in R-II, it is limited to only three.

The urban development department has done a wise thing by resolving the issue. Although customers will have to pay a little more, it will help Auda generate more income for development of the area.

—Uday Vora, managing director, HN Safal

Builders are responsible for their profit and loss. So the builders have to bear the additional charge. The customers are losing interest on money paid to the builders, so they should be asked to shell out more money.

—Vikas Patel, customer



In the agreement with the customers at the time of booking, it was made clear that the additional charges levied by govt will be borne by them. So the realtors will pass on the additional cost paid towards extra FSI to the customer.

—Dipak Patel, president of Bopal-Ghuma Housing and Estate Developers (BGHEDA)

All the buyers need to unite and form an association to challenge the builders' decision to pass on the additional cost.

—DK Shah, customer