

## FAST FACT

THE GREATER NOIDA AUTHORITY HAS NOW CLUBBED ITS MASTER PLAN 2021 WITH THE NEWLY DRAFTED MASTER PLAN 2031 AND SENT IT TO THE HOUSING AND URBAN PLANNING DEPARTMENT, LUCKNOW, FOR APPROVAL

Builders are planning to increase prices in this area at the rate of Rs 500 per sq ft, to absorb the increased burden

# WORK TO RESUME AT NOIDA EXTENSION

Rajesh Mehta

## QUICK BITES

AFTER THE COURT VERDICT THAT AWARDED 64.7% ADDITIONAL AMOUNT AND 10% OF THE DEVELOPED PLOT AS COMPENSATION TO FARMERS, NOIDA AND GREATER NOIDA AUTHORITIES HAVE BEEN ISSUING NOTICES TO ALL THE DEVELOPERS AND BUILDERS WHOSE PROJECTS COME UNDER THE DISPUTED AREAS

THE GREATER NOIDA AUTHORITY IS ALREADY IN THE PROCESS OF COLLECTING MONEY AT THE RATE OF RS 2,015 PER SQ METRE FROM BUILDERS AND RS 1,465 PER SQ METRE FROM INDIVIDUAL RESIDENTIAL PLOT ALLOTTEES OF NOIDA EXTENSION



The uncertainty over completion of projects launched in Noida Extension is lifting, as the Greater Noida authority is planning to re-schedule developmental work in and around Noida Extension. **A K TIWARY** writes

Encouraged by positive indications from the NCR Planning Board to go ahead with the Master Plan 2021, the Greater Noida authority is planning to re-schedule developmental work in and around Noida Extension.

There is also a clear indication from the Allahabad high court on a review petition filed by the Greater Noida authority. So, you may now breathe easy about that dream house of yours. The uncertainty over completion of projects launched in Noida Extension appears to be lifting.

If the trend of these positive developments continues, developers and builders can restart construction work this month itself. They have been waiting for this moment since the Allahabad high court verdict over the land row. Sources say that the Master Plan 2021 of Greater Noida has almost been cleared and is awaiting a formal announcement of the sub-regional cell, Uttar Pradesh.

Anil Sharma, the vice president of Credai and the chairman and managing director of Amrapali Group, says: "This is

a relief for builders and developers whose projects have been delayed since the dispute erupted over land acquisitions. After the Supreme Court verdict, which quashed the land acquisition of Shahberi, a number of projects were in limbo."

In a writ petition number, Ramesh Kumar Bhagchandka versus UP and others, it has been said that the Master Plan 2021 does not have any approval of the NCR Planning Board, which is a statutory body constituted under the act of 1985. According to the act, a plan must first be prepared and if necessary land acquisition would be done.

In the present case of Noida Extension, the acquisition proceedings have been undertaken and thereafter the land was sought to be utilized by allotment to builders for raising construction that go contrary to the plan. Under these circumstances, the petition says the proposed acquisition is illegal to be set aside. In this context, the Allahabad high court has directed the Greater Noida authority to obtain clearance from the NCR Planning Board for its master plan, and then go ahead with the development process.

Experts say there is no provision for approval of the master plan prepared by the development authority from the NCR Planning Board. The provision is only for sub-regional plan; the Master Plan of 2021 was sent to the NCR Planning Board for approval in 2006 and 2009, though.

According to the rules, the NCR Planning Board can raise objections to the plan within 60 days from the time the plan was submitted to them by the development authority. After the expiry of this period, it cannot be challenged. It was thus that the Greater Noida authority urged the Allahabad high court for review of the decision over the master plan.

The Greater Noida authority has now clubbed its Master Plan 2021 with the newly drafted Master Plan 2031 and sent it to the Housing and Urban Planning Department, Lucknow, for approval, to avoid a similar situation in future.

The Housing and Urban Planning Department is preparing sub-regional plans for development authorities like Yamuna, Noida-Greater Noida and Ghaziabad Authority. The sub-regional plans of Noi-

da and Greater Noida have almost been cleared.

## Impact of court's verdict

After the court verdict that awarded 64.7% additional amount and 10% of the developed plot as compensation to farmers, Noida and Greater Noida authorities have been issuing notices to all the developers and builders whose projects come under the disputed areas.

In line with the court verdict, the Noida authority has to disburse Rs 1,100 crore more to the farmers, as compensation. The Noida authority has decided to pass on 50% of this burden to the builders. Besides, facing heavy financial crunch, an extra burden of Rs 9,500 crore including cost of developed plots, the Greater Noida authority is already in the process of collecting money at the rate of Rs 2,015 per sq metre from builders and Rs 1,465 per sq metre from individual residential plot allottees of Noida Extension. An extra Rs 550 per sq metre will also be charged from educational and institutional allottees.

Noida Extension, over 3,000 hectares, comprises Sectors 1, 2, 3 and Ecotech 13. The Greater Noida authority allotted land to more than three dozen builders like Amrapali, Supertech, Nirala, Eros, Antriksh, Earth, Ajnara, Gaursons, etc, at rates which ranged between Rs 10,000 and Rs 11,600 per sq metre through open tenders. In addition, a total of 4,250 residential plots were allotted through lucky draw at the rate of Rs 10,500 per sq metre.

Builders are planning to increase prices in this area at the rate of Rs 500 per sq ft, to absorb the increased burden. Chetena Sharma, a buyer at Noida Extension, says: "The decision to levy an extra charge will hit the property market. It will not be affordable for middle-class salaried people. For the average middle class, a house will remain a dream."

Rakesh Yadav, the managing director of Antriksh Group, says: "Undoubtedly, property in Noida Extension, which was earlier known for its affordable rates, will now be costlier. We are bound to revise prices owing to this extra burden coupled with increasing price of raw materials."

# DO CUSTOMERS PREFER READY-TO-OCCUPY FLATS?

There is a debate in the realty-market circles - do serious buyers prefer ready-to-occupy flats? **VIVEK SHUKLA** ascertains the position

Are serious buyers in realty market keen on ready-to-occupy flats or are they OK with projects where they have to wait for months or years to get their dream homes?

"Generally, end users hoping to buy their first house look for ready-to-occupy apartments, as this will save them from the rental payments of their current accommodation. However, from an investor's point of view, ready-to-occupy flats would fetch lower returns on investment vis-a-vis flats under construction, even though there are far lesser risks associated with the first option," says Samir Jasuja, the chief executive officer of PropEquity.

"On the other hand, there are several risks associated with a new project that is under construction like delays, price escalations, variance from the planned layout, etc. But these risks come with higher probability of returns on their investments, and in several cases investors or second-home buyers

look for properties under construction for higher returns," Jasuja says.

Devinder Gupta of DGS Realtors says that unlike in the past, the current crop of customers is very smart and they ensure that their investments are safe and productive. Thus, they make thorough checks on the realty firms before taking the final call. They even inspect past projects of builders. While they prefer ready-to-occupy houses, they may settle even for those projects where work is on, if they are satisfied about the antecedents of the builder and the promised quality and amenities of the project, Gupta says.

A realty-broking firm says they get most of the inquiries from those keen to move into ready-to-occupy flats. "We have noticed that a majority of the potential customers are locals, which underlines the changing mindset in the NCR to reside in flats which was a no-go area in the past," an officer of the firm says.

Ravi Saund, the chief operating officer of CHD Developers Ltd, howev-

er, says that the demand for property under construction is far higher than that for ready-to-occupy apartments. Depending on the stage of construction and also the response that a project has elicited from other buyers and investors, the rates can be lower by as much as 15-30%.

The ready-to-occupy apartments are exorbitantly priced, taking into consideration the budgets of the average middle-class segment - and this is

the segment which continues to be Indian real estate's primary driver. The middle-class segment of the emerging market cities is burgeoning. If figures talk, approximately 460 million people in the emerging market cities will enter the middle class between 2012 and 2015. It's a buoyant situation.

The buyer has more choices and can opt for construction-linked plan, which has a gestation period of 2-3 years. Today, developers are offering

subvention schemes where the buyer enjoys a pre-EMI holiday. This scheme is beneficial for customers who stay on rent. They pay rent and no EMI and later EMI and no rent.

"I feel that the buyer in a property under construction can comfortably make some minor alterations to the interiors. Therefore, it can make a lot of sense to invest in a property under construction by a credible and reputed developer," says Sanjay Khanna,

Deepak Sharma



## QUICK BITES

GENERALLY, END USERS HOPING TO BUY THEIR FIRST HOUSE LOOK FOR READY-TO-OCCUPY APARTMENTS, AS THIS WILL SAVE THEM FROM THE RENTAL PAYMENTS OF THEIR CURRENT ACCOMMODATION

ON THE OTHER HAND, THERE ARE SEVERAL RISKS ASSOCIATED WITH A NEW PROJECT THAT IS UNDER CONSTRUCTION LIKE DELAYS, PRICE ESCALATIONS, VARIANCE FROM THE PLANNED LAYOUT, ETC

the director of Kailash Nath Projects Pvt Ltd.

Sunil Jindal, the chief executive officer of SVP Group, however, says: "I can tell you from my own experience that more often than not, customers invest in properties where they find some kind of activity. If they see that work is on, then they invest. I have observed this tendency among customers in many of our projects. Selling flats, floors or a plot on barren land is not at all easy. Selling a dream is not possible nowadays, as the media keeps exposing realty firms that corner huge sums from people by promising the moon."

Anuj Goel, the executive director of KDP Infrastructure Pvt Ltd, also believes that customers prefer ready-to-occupy flats. Goel says: "If it is an investor, the flat yields an immediate income of rent from the new flat. If it is an end user, he does not have to pay rent as he gets immediate possession of the new flat and only pays EMI on his loan. Further, investors and end users see a developed and completed project without any confusion on the final outcome of the project."

Housing sector watchers say that construction activity is always unpredictable as the schedule always gets adversely affected because of scarcity of labourers, raw materials and government procedural delays, which a builder has to suffer all through the construction period. Once a building is complete, it is time for the customers to enjoy. Thus there is a perceived additional value for a customer to invest in ready-to-occupy flats.

Harinder Dhillon, the vice-president of Raheja Developers Ltd, says: "The primary market for new launches is extremely vibrant at the moment and transaction volumes are significant. Projects under construction are generating as good a response, if not better, than ready-to-occupy apartments."

So, the real question is what is the purpose of purchasing a property? "If it is for investment then property under construction is generally preferred; first-home or self-use buyers go for ready-to-occupy flats," Sanjay Khanna says.